



ATTACHMENTS

**Ordinary Council meeting
Separate Attachments 1**

Monday, 13 May 2024

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MEMORIAL PARK AQUATIC FACILITY

BUSINESS CASE

7th May 2024

Prepared for Tauranga City Council



INFORMATION

Document Reference	Memorial Park Aquatic Facility Business Case
Consultants	Visitor Solutions Ltd, in Association with Deloitte and Market Economics. Inputs have also been provided by project partners HDT, Beca, AECOM, Bespoke and BBD.
Authors	Craig Jones, Gordon Cessford, Kyle Callow, Richard Bailey, Lawrence McIlrath.
Sign off	Craig Jones
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1.0 EXECUTIVE SUMMARY

The project partners (Tauranga City Council and Bay Venues Limited) engaged Visitor Solutions in association with Deloitte, and Market Economics to undertake a business case for Memorial Park Aquatic Facility. The business case also involved inputs from HDT, Beca, AECOM Bespoke and BBD.

The business case built upon earlier work which indicated that there was a need and demand for an aquatic facility. The client partners desired an evidence-based approach to deliver an innovative aquatic solution fit for Memorial Park and Tauranga.

Brief and Scope

This business case is set out to specifically meet the required brief of the client, based on findings from earlier research, indicating the need for leisure water.

The business case is broadly set out in alignment with the Better Business Case approach. However, the processes implemented in developing the business case were tailored to meet the client's specific requirements and the available business case budget. For example, it was considered more appropriate to adopt a benefits assessment approach rather than a traditional CBA approach.

The Business Case

The five cases outlined below within the business case determined the following:

Strategic Case

Tauranga has experienced rapid population growth in the past 10 years which is forecast to continue. SmartGrowth projections illustrate that by 2063, the city's population is likely to exceed 225,000 off a 2018 population of circa 137,000.

This growth has come with certain challenges. Not least has been an increased demand for adequate community, sports, and leisure infrastructure to match community needs. One of the two pieces of key infrastructure identified as being under-provisioned is indoor and outdoor aquatic space, especially leisure water (with the other infrastructure area being indoor court space).

The strategic case identified four core problem definitions. These were:

- **Problem 1:** Our community facility network is not optimised and has provision gaps, capacity constraints and is poorly aligned to meet leisure needs.
- **Problem 2:** The Tauranga population is growing and changing demographically which has given rise to new community demands that need to be met.
- **Problem 3:** Memorial Park is of high strategic value, yet it is not optimised to meet the needs of a growing city.
- **Problem 4:** New community facilities need to be financially and sustainably more efficient while generating greater community benefits.

Six investment objectives were generated with input from the project working group and key stakeholders. These were:

- **Objective 1:** The Memorial Park Aquatic Facility has high community participation levels which take pressure off the wider network.
- **Objective 2:** The Memorial Park Aquatic Facility has a broad participation profile and attracts those who have not historically been regular visitors to the facility network.
- **Objective 3:** The Memorial Park Aquatic Facility fills aquatic network gaps, especially for leisure water.
- **Objective 4:** Memorial Park and the Aquatic Facility leverage one another to create a cohesive leisure destination with significant critical mass making Te Papa Peninsula a more attractive place for people to live, work and play.

- **Objective 5:** The Memorial Park Aquatic Facility has diverse revenue streams that support reinvestment in non-economic community outcomes.
- **Objective 6:** Memorial Park and the Aquatic Facility meet sustainability and environmental resilience goals.

The benefits of the Memorial Park Aquatic Facility were varied but were summarised into four categories. These are:

- **Benefit 1:** Memorial Park becomes a favoured destination both for residents and visitors.
- **Benefit 2:** Tauranga's community facility network is optimised.
- **Benefit 3:** Tauranga's community and economy benefit from the development of Memorial Park.
- **Benefit 4:** The Memorial Park Aquatic Facility is a model for modern sustainable community facility design and operation.

The stakeholder engagement feedback was supportive of the Memorial Park Aquatic Facility concept. An indoor and outdoor aquatic facility was seen as positive and fulfilling a need in the aquatic network.

Economic Case

This section of the preliminary business case outlined the options assessment process for the aquatic facility and how a favoured option was selected and later developed.

The long listing process considered six options. These were:

- Option 1: Brief Compliant Scope.
- Option 2: Brief Compliant Scope – No Courts.
- Option 2b: Brief Compliant Scope – No courts, fitness centre or outdoor pools.
- Option 2c: Brief Compliant Scope – No courts, or outdoor pools.
- Option 3: Leisure-focused aquatic facility.
- Option 3b: Leisure-focused aquatic facility (reduced).

The long list of options were evaluated qualitatively by the working group against the project's investment objectives. The next phase in the shortlisting process involved evaluating selected options against a series of critical success factors (which linked back to the investment

objectives). These critical success factors were given a weighting using a paired comparison matrix.

This analysis initially identified one option that should 'proceed' (option 3b) into the shortlist option evaluation stage and two options that could 'potentially proceed' (Options 2 and 3). The difference between options 2 and 3 was negligible during the evaluation process (4 points, or 306 to 310 points).

Post the matrix evaluation Council directed that there was potential for greater budget flexibility to achieve the project's required community objectives. Greater emphasis was also placed on "Addressing aquatic network gaps". It was felt that slight operating efficiency differences could be addressed further during the design process. Given option 2 scored above option 3 in the "Addressing aquatic network gaps" critical success factor category it was decided by Council that option 2 should be advanced above option 3.

The client also requested that Option 1 be advanced into the shortlist options assessment for comparison purposes only.

After long listing options 2 and 3b were reworked and further refined (which also resulted in renaming). The shortlisted options assessment assessed each option against benefits criteria drawn from the strategic case, an affordability assessment, and a benefits assessment. The shortlisted options were:

Short List Option 1: Original Brief (\$173 m)

- 4 indoor courts.
- Fitness centre.
- Indoor aquatic.
 - 8 lane 25m Pool,
 - 20m x 10m Programmes Pool,
 - 20m x 10m Learn to Swim Pool,
 - 11m x 22m Leisure Pool (Including a Toddlers pool),
 - Spa and Plunge Pool,
- Outdoor aquatic
 - Hydroslides x 3,
 - Lido Pool with four lanes,
 - Family Spa,
 - Bombing Pool,

- Splashpad,
- Full Café.

Short List Option 2: Original Brief without courts and reduced fitness and outdoor pools (circa \$120 m)

- Fitness centre.
- Indoor aquatic.
 - 8 lane 25m Pool,
 - 20m x 10m Programmes Pool,
 - 20m x 10m Learn to Swim Pool,
 - 11m x 22m Leisure Pool Incl Toddlers,
 - pool, spa pool,
- Outdoor aquatic.
 - Lido Pool with 4 lanes 465m² (includes 190m² of splash pad),
 - Bombing Pool (36m²),
 - Hydroslide x 1,
 - Cafe Kiosk - no indoor cafe.

Short List Option 3: Aquatic leisure-focused facility (circa \$107 m)

- Fitness centre (680m²).
- Indoor aquatic.
 - 25m x 10m pool,
 - Programmes pool (2 lanes incl spa),
 - 20m x 8m Learn to swim pool,
 - Pool, Leisure pool incl toddlers pool (385m²),
- Outdoor aquatic.
 - 8 lane 25m pool,
 - Pool, Bombing Pool, Splashpad,
 - Hydroslide x 1,
 - Medium café.

The assessment which included stakeholder engagement demonstrated that Option 2, was the preferred of the three options. This option was also supported by the Tauranga City Council Commissioners and was advanced as the favoured option for further refinement.

Memorial Park Aquatic Facility Refined Concept

The refined concept was best able to address the project's problem statements and objectives. In particular, the provision of both outdoor and indoor leisure water addressed the network-wide shortfall of leisure water.

Any reduction in the facility's water space was considered to have significant ramifications on the facility being able to meet the identified needs of the community (both structured aquatics and leisure users). In simple terms, the facility specifications are considered to be set at their minimum appropriate level.

The outdoor leisure and bombing pools were also considered vital to attract segments of the community that are considered underrepresented across the network (such as Māor and Pasifika youth). The ability to harness geothermal energy also means these outdoor water bodies can operate year-round.

The refined concept contained:

- Indoor aquatic
 - 25m by 8 lane lap-pool with ramp (524m²).
 - 20m by 4-lane programme pool with ramp and therapy pool (538m²).
 - 20m by 4-lane Learn to swim pool with ramp (214m²).
 - Leisure pool with toddlers area and water feature (237m²)
 - Spa pool (20m²)
- Outdoor aquatic
 - 25m lap and leisure pool with beach entry (525m²)
 - Bombing pool (38m²)
 - Outdoor lounging areas
- Fitness Centre
 - 840m² fitness space,
 - 2 studios,
 - changing spaces,
 - storage,
 - assessment rooms.
- Associated spaces.
 - hydro slides x 3,
 - Multi-purpose room serving the indoor aquatic area,
 - Group, individual and accessible changing spaces,
 - Café serving both indoor and Memorial Park.

- Administration, plant, and storage.
- Geothermal bore and associated infrastructure.

The cost of the refined concept has been estimated by BBD at \$122.24m, in March 2024.

Commercial Case

The commercial case outlined a series of different procurement models.

- Two Stage ECI (Early Contractor Involvement).
- Consulting ECI.
- Traditional Delivery (Construct Only).
- Design and Build.
- Construction Management.
- Cost Reimbursement.
- Traditional Alliance.
- PPP/BOOT.
- Competitive Negotiation.
- Direct Negotiation.

A procurement model evaluation process is being undertaken separately from the business case. The project's procurement plan is currently being assessed by the TMoTP Board which will provide recommendations to Council.

Financial Case

The Financial Case sets out the overall cost and affordability of the refined preferred aquatic facility development option identified within the Economic Case.

The facility is not forecast to operate profitably (Table E1). It will require ongoing grants from TCC of ~\$733k per annum reducing over time as the pax volumes and prices increase. The facility does not contribute sufficient profit to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time.

This is not uncommon for Aquatic facilities. For example, the Marlborough Trust Stadium in Blenheim currently receives funding from the local

Council of ~\$840k per annum alongside other grants of ~\$140k to cover operational costs and depreciation.

The fitness centre is forecast to make EBITDA profits (\$138k per annum increasing to \$413k) the level of profit is sufficient to cover the anticipated 3-yearly refit requirement for gym equipment (~\$500k escalating).

The facility is not cashflow positive over the 50-year modelled time horizon. We estimate the WOL cumulative cash flow impact at \$321.9m.

We have estimated the cost to council impact as \$12.5m per annum over the first 30 years of operation. This is primarily made up of:

- Funding required to offset operational losses (~\$550k per annum);
- Funding required to cover debt repayments (\$7.8m). This comprises both the impact of the debt on the initial capex (\$107.2m) and the effect of capitalised interest during the period of construction (\$5.9m).
- Funding required for depreciation to fund renewals over time (\$4.1m);

\$12.5 represents an impact to ratepayers of ~3.8% (based on LTP forecast rates of \$325m in FY2024/25).

The gross cost of the facility reduces over time specifically after 30 years (~CY58) when the debt borrowed to fund the facility has been repaid.

TABLE E1: FINANCIAL SUMMARY – MEMORIAL PARK AQUATIC FACILITY

\$NZ000's	Aquatic	Fitness	Facility	Total
Capital Expenditure Requirement	122,240	-	-	122,240
Year 1				
Revenue	2,694	731	806	4,231
Expenditure	(2,709)	(593)	(1,662)	(4,964)
EBITDA	(15)	138	(856)	(733)
Year 10				
Revenue	3,447	1,356	964	5,767
Expenditure	(3,240)	(944)	(1,988)	(6,171)
EBITDA	207	413	(1,023)	(404)
Cumulative Free Cash Flow	(262,742)	13,291	(72,427)	(321,878)
Net Present Value	(140,071)	3,014	(19,335)	(156,393)
Year 1 ROA	(0.012%)	N/A	N/A	(0.012%)
IRR	N/A	N/A	N/A	N/A
Payback	N/A	N/A	N/A	N/A
Cost to Ratepayers				
Operational Subsidy (EBITDA)	(194)	(428)	1,158	536
Depreciation (to fund renewals)	3,917	219	-	4,137
Debt Repayments (30 Years)	4,013	-	-	4,013
Interest (5.5%)	3,771	-	-	3,771
Estimated Funding Required (Average)	11,508	(209)	1,158	12,457
Rates (TCC LTP 2025 - General Rates)	325,000	325,000	325,000	325,000
% of Current Rates	3.5%	(0.1%)	0.4%	3.8%

Source: Deloitte Analysis

Management Case

The management case sets out the processes that would be implemented to enable the successful delivery of the aquatic facility. This includes consideration of:

- Wider governance context,
- Governance and project team establishment,
- Project delivery capability and skills,
- Procurement planning outline,
- Stakeholder management,
- Benefits management,
- Risk management.

Tauranga City Council have appointed Te Manawataki o Te Papa Limited (TMoTPL) to govern the delivery of the Memorial Park Aquatic Facility on behalf of the Council.

Key roles within the delivery structure included.

- TMoTPL Board Members,
- TMoTPL Project Director,
- Project Control Group Members,
- Project Manager,
- Quantity Surveyor,
- ECI Consultant/s,
- Design Team,
- Building Contractor.

A benefits management approach was developed to ensure that the benefits of the aquatic facility development are measured over the short, medium, and longer term. It was recommended that the project partners work together to gather the necessary data to monitor the progress towards the project's key performance indicators.

Realisation of the project benefits will be dependent on:

1. The partners working together during both asset development and operationalisation stages,
2. The timing of the project implementation stages,
3. The quality of the final assets (asset functionality).

Risk management was considered throughout the project and is addressed in the project's risk register.

2.0 INTRODUCTION

The project partners (Tauranga City Council and Bay Venues Limited) engaged Visitor Solutions in association with Deloitte, and Market Economics to undertake a business case for Memorial Park Aquatic Facility. The business case also includes inputs from HDT, Beca, AECOM, Bespoke and BBD.

The study built upon earlier needs analysis and feasibility work which indicated that there is a need and demand for an aquatic facility on Memorial Park.

Brief and Scope

This business case is set out to specifically meet the needs of the client and builds on existing work. The project was unique in the sense that it ran concurrently with the project's procurement and concept design stages.

The business case is broadly set out in alignment with the Better Business Case approach. However, the processes implemented in developing the business case were tailored to meet the client's specific requirements and budget. Certain stages of the business case were addressed by other consultants separately.

Project Goal and Overarching Principles:

The project partners established the following project goal and overarching principles for the project:

- Goal:** *"Increase and improve the recreational facilities at Memorial Park, developing an aquatic facility that is a place for people".*
- Principles:**
- *The Memorial Park Aquatic Facility will reflect Mana Whenua and sense of place principles.*
 - *The Memorial Park Aquatic Facility contributes towards our sustainability and environmental resilience goals.*

In this business case, consideration is given to both the aquatic facility itself and the wider park. However, the financial modelling is focused solely on the aquatic facility.

Background Context

Tauranga City is the economic and population centre in the Bay of Plenty. The city, and the sub-region (including Western Bay of Plenty) have seen considerable, and very fast, population growth in recent years.

The speed and scale of Tauranga's growth is putting pressure on available resources and facilities. The 2019 Tauranga City-wide Community Facility Needs Analysis undertook an analysis of Tauranga's aquatic network to identify the key priorities to meet current and future needs. This analysis identified two significant findings, the need for increased indoor water-space and addressing the balance of aquatic provision, particularly with increased aquatic leisure provision across Tauranga's aquatic network.

Modelling of potential scenarios concluded a central location in Tauranga (via Memorial Park) was of the highest importance within the aquatic network. This would ease pressure on the neighbouring aquatic facilities at Baywave and Greerton and respond to the growing population in Te Papa Peninsula. The Memorial Park location was a high priority to provide quality indoor water-space ensuring a balance of aquatic provision with a strong focus on leisure water.

Memorial Pool opened in 1958 and consists of three outdoor pools, associated buildings and shade structures. The ageing facility has deteriorating condition including leaking pool tanks, masonry buildings challenges with the geothermal production bore and poor seismic performance at 25% of NBS (New Building Standard). It is generally agreed the 66-year-old facility has reached the end of its useful life.

Business Case Structure

The business case is set out in the form of five cases, each with its own purpose. These are:

1. The Strategic Case,
2. The Economic Case,
3. The Commercial Case,
4. The Financial Case,
5. The Management Case.

The business case represents a summary of the analysis undertaken to date. A wide range of additional project documents provide additional project detail.

The STRATEGIC CASE

3.0 THE STRATEGIC CASE

3.1 PURPOSE

Tauranga has experienced rapid population growth in the past 10 years which is projected to continue. SmartGrowth projections illustrate that by 2063 city population is likely to exceed 225,000 off a 2018 population of circa 137,000.

This growth has come with certain challenges. Not least has been an increased demand for adequate community, sports, and leisure infrastructure to match both needs and community. One of the two pieces of key infrastructure identified as being under-provisioned is indoor and outdoor aquatic space, especially leisure water (with the other infrastructure area being indoor court space).

The purpose of the strategic case is to summarise the case for change that drives the need for aquatic space. This strategic case outlines the strategic context, problem definition, investment objectives, benefits and risks, and the key stakeholders who have been involved in providing input and a summary of the case for change.

3.2 STRATEGIC CONTEXT

Council actions are driven by its vision and five related 'Community Outcomes'. It has one primary strategy for each community outcome, spelling out its goals and high-level actions to deliver on that outcome. A set of action and investment plans (AIPs) then set out what they will do to deliver on each of the primary strategies once the actions within each plan are funded through the Long-term Plan. Needs analyses and feasibility studies have been undertaken that are directly related to aquatic facilities at Memorial Park. The proposed Memorial Aquatic Facility fits solidly within this interrelated network of Tauranga City strategies, policies, plans and supporting analyses, as summarised below.

STRATEGIES AND PLANS – TAURANGA CITY

OUR DIRECTION – TAURANGA 2050

Our Direction – Tauranga 2050 outlines Tauranga City Council's strategic direction built around the vision – **'Tauranga: together we can'**.

Guided by this vision and associated community outcomes, the council's strategies, actions and investment plans will drive its long-term and annual planning processes and decision-making. The pathways to achievement are built around five 'Community Outcomes' (things Council is focused on delivering):

- An inclusive city,
- A city that values, protects, and enhances our environment,
- A well-planned city,
- A city that we can move around easily,
- A city that supports business and education.

Associated with delivering these outcomes are five 'Primary strategies':

- Tauranga Matarauuni – Inclusive City Strategy 2022,
- Tauranga Taurikura – Environment Strategy 2022,
- Connected Centres Programme 2020 – urban development focus,
- Connected Centres Programme 2020 – transport & movement focus,
- Western Bay Economic Strategy 2021 (Priority One, joint strategy).

There are no specific facility actions identified in the strategies that directly relate to the Memorial Park Aquatic Facility. However, under the Community Outcome of 'A well-planned city' and the 'Connected Centres Programme 2020-urban development focus' the council states it will contribute by:

"Providing a well-planned network of active and passive reserves, public spaces, libraries, community centres, indoor courts and aquatics centres that provide quality experiences and meet growing demands."

And the following 'Key Move' action over the next 10 years is listed:

"Community facilities and open spaces investment, including aquatics, sports halls, sports fields and libraries, \$689m".

TAURANGA CITY COUNCIL LONG TERM PLAN 2021-31

Based on the strategic framework, extensive research and community consultation, the three-yearly Long Term Plan outlines Council's planned investments and activities over the next decade¹. The plan's considerations and decisions are guided by the five 'Community Outcomes', of which one relates most directly to the proposed pool development:

"We have a well-planned city.

Tauranga is a city that is well planned with a variety of successful and thriving compact centres, resilient infrastructure, and community amenities."

However, concerning 'Places, spaces and community facilities' and 'Our city centre' themes within this Community Outcome the plan states the following key challenges in achieving this (and other) community outcomes:

"In Tauranga, we don't have enough community centres, pools, parks, halls, and facilities for arts and cultural activities to provide for the people who live here now – let alone for those who will move here in the future. And many of our existing places, spaces and facilities are worn out or nearing the end of their lives."

and

"As one of New Zealand's biggest cities, and as one-third of the golden triangle, the city centre of Tauranga does not look or feel like the thriving and vibrant hub it should be. This is partly due to years of ad hoc development, lack of commitment to a vision for the city centre, accelerated growth in outer suburbs and delayed investments."

To address these challenges and better achieve the desired Community Outcomes the LTP included several general investment decisions, including:

"Over the next 10 years we will be investing \$689 million in spaces and places including aquatics, sports halls, sportsfields and libraries. Also, through the accessible recreation programme, we are also investing in boardwalks, park furniture, shade, sports facilities and accessibility solutions to enable our varied and

growing community to connect, explore and engage in valued experiences across the city."

More specific investment decisions within this envelope included:

- *"Re-Development of the Memorial Park pool".*

OUR PUBLIC PLACES STRATEGIC PLAN (2023-2033)

The Our Public Places Strategic Plan delivers primarily on 'Connected Centres', the primary strategy for a well-planned city. It also helps to deliver on the Tauranga Taurikura – Environment Strategy and Tauranga Matarauui – Inclusive City Strategy. This plan is supported by several action and investment plans (AIPs) with greater detail regarding the actions that the Council could take. The following action and investment plans contain the deliverables for this strategic plan and have informed the development of the Council's Long Term Plan 2024-2034 budget:

- Play, Active Recreation and Sport Action & Investment Plan
- Community Centres Action & Investment Plan
- Reserves and Open Space Action & Investment Plan
- Arts, Culture, and Heritage Action & Investment Plan

The strategic plan has four goals, with the most relevant to the proposed Memorial Pool development being:

• **Goal 4: Places for Play**

"Increase participation by providing easily accessible opportunities for organised and informal play, active recreation and sport for people of all ages, backgrounds and abilities."

Under this goal, one of the listed 'Key Moves' was:

- *"Develop new aquatics and recreation facilities at Memorial Park to replace the existing ones that have passed their used-by date."*

And the strategic plan's 'Foreword' states:

"We have an ambitious agenda to deliver a number of projects to create and enhance Tauranga's public places, including:

- *a new aquatic centre and recreation hub at Memorial Park"*

¹ At the time of writing the 2021-31 LT was still in place, with a new 2024-34 LTP due in late April 2024.

PLAY, ACTIVE RECREATION AND SPORT ACTION & INVESTMENT PLAN (2023-2033)

This Action & Investment Plan (AIP) developed by Tauranga City focuses on the 'Our Public Places Strategic Plan' objective of increasing participation by providing easily accessible opportunities for organised and informal play, active recreation, and sport for people of all ages, backgrounds and abilities. This plan is closely linked with the Reserves and Open Space, Community Centres, City Centre and Te Papa AIPs. Among the key challenges listed for the Council in fulfilling these AIPs were:

- *"ageing infrastructure is struggling to meet community needs as it is often in poor condition and not always fit for purpose. In addition, the city has grown rapidly, exceeding the delivery of new social infrastructure. Accordingly, we are experiencing increasing pressure for space in our existing facilities."*

Concerning Aquatic Centres the following specific action (#33) was listed:

- *"Replacement of Memorial Pool with Memorial Park Recreation Hub (indoor and outdoor pools)."*

And concerning implementing master-planning for key sites, the following specific action (#7) was listed:

- *"Memorial Park - reserve development to consider interface of the park with the Memorial Park Recreation Hub, including playground redevelopment and consideration of other play and active recreation opportunities (including potential junior bike skills path, skate park and hard courts)."*

COMMUNITY FACILITIES INVESTMENT PLAN 2021

The Community Facilities Investment Plan informs decisions on community facility investment in the 2021-2031 Long-Term Plan and 30-year Infrastructure Strategy. The Plan seeks to ensure Tauranga has the right facility, in the right place, at the right time, taking into consideration wider priorities for growth and investment across the city, and financial constraints.

The Plan is informed by a Community Facilities Needs Assessment undertaken in 2019, by active reserve (sportsfield) demand analysis, a review of strategic reserves, feasibility studies for key projects, existing facilities network strategies and growth projections and growth area

priorities. This work is informed by an existing local, regional and national strategic framework. This provides a strong basis of evidence and rationale supporting the need for the provision of community facilities.

Memorial Park Recreation Hub (indoor and outdoor pools) is identified as a priority for the 2021-2031 LTP. The Memorial Park Recreation Hub development is required to:

- Replace a facility that does not meet community needs and is increasingly expensive to maintain.
- Provide for current demand, latent demand and growth.
- Key for aquatics network to relieve pressure on Baywave and Greerton pools.
- Provide amenity for Te Papa growth, centres-based approach, and supports UFTI objectives.

TE PAPA SPATIAL PLAN 2020

Spatial plans provide direction on managing growth to meet future needs and respond to opportunities and challenges. The Te Papa Spatial Plan is a 30-year plan, that provides a coordinated and integrated approach for transport, urban form, economy, open space and community facilities, health, social services, commercial activity, education, culture, and identity.

As a non-statutory document, the spatial plan helps to inform planning processes such as the city plan, social infrastructure planning, transport planning and the council's financial planning. Te Papa Peninsula is in the centre of Tauranga encompassing the city centre and surrounding land (Figure 3.1).

The spatial plan responds to SmartGrowth at the sub-regional level and the Tauranga Urban Strategy at the city level. These strategies place greater focus on planning for growth in the existing urban area. The Te Papa Spatial Plan is focused on supporting growth by creating unique, liveable, connected, and healthy neighbourhoods within Te Papa.

The overarching improvements for the 'Te Papa/City Centre' are listed in the plan as:

- *"Recognise the sub-regional role of the city centre as a destination for locals and visitors, and provide community facilities and public realm that further supports this."*

and

- “Development of destination facilities that attract people to the city centre and provide a range of experiences that contribute to the community’s health and wellbeing.”

Included among the listed Key Projects specified in the Plan was:

- **“Community facility provision – ongoing implementation:** Implement the TCC Community Facilities Needs Assessment to ensure appropriate provision of community centres, libraries, indoor court space and aquatic facilities for the Te Papa Peninsula, and surrounding areas.”

The proposed pool aligns with the objectives of the plan.

FIGURE 3.1: TE PAPA PENINSULA IN THE CENTRE OF TAURANGA



URBAN FORM AND TRANSPORT INITIATIVE

The Urban Form and Transport Initiative (UFTI) is a collaborative project led by SmartGrowth and Waka Kotahi NZ Transport Agency and involves the Western Bay of Plenty District Council, Tauranga City Council, the Bay of Plenty Regional Council, iwi, and community leaders.

The UFTI Connected Centres programme has been developed to provide a high-level, future-focused land use and transport programme to guide future investment decisions and incorporate findings into spatial planning.

The Connected Centres programme has a land use settlement pattern and multi-modal transport system that enables people now, and in the future, to continue living, learning, working, playing, and moving in the Western Bay of Plenty in a way that is both desirable and sustainable.

There is a core concept critical to the Connected Centres programme which relates to a Memorial Pool development:

- *Being able to access local social and economic opportunities within a 15-minute journey time, and sub-regional social and economic opportunities within 30–45 minutes.*

These concepts encourage strong local centres and connected neighbourhoods. Based on these core concepts, the Connected Centres programme requires rethinking and changing the approach to housing, employment, community infrastructure and transport networks now and into the future.

The Connected Centres programme acknowledges three key challenges of which the second is relevant to this project. It states, “access to community facilities, and infrastructure levels of service are not aligned with community expectations and needs”.

In response, it is important to carefully consider the placement of community facilities and infrastructure that are fit for purpose and accessible by many modes of transport. This means having a clear spatial plan that outlines where future growth is best supported by community facilities, public transport, active mode services and infrastructure.

A centrally located modern pool complex with supporting transportation networks aligns with UFTI objectives.

SPORT AND ACTIVE LIVING STRATEGY (2012)

The Sport and Active Living Strategy sets out Tauranga's vision for sport and active living.

The strategy vision – **'More people, more active, more often'**.

Increasing participation in sport and active living opportunities is the key focus of Tauranga City's Sport and Active Living Strategy.

Related Goals for Sport and Active Living:

- **Goal 1** – *a wide range of sporting activities and opportunities for all.*
- **Goal 2** – *creating pathways to enable groups and individuals to reach their potential.*
- **Goal 3** – *Participation in sport is recognised and valued.*
- **Goal 5** – *Programmes and events motivate and educate people on the value of being active and encourage participation.*

There are no specific facility actions identified in the strategy that directly relate to the project. However, the proposed pool would align with achievements towards goals 1, 2 and 5.

Enhanced and fit-for-purpose facilities can help facilitate meeting the goals of the sector and supporting the overall vision. It is noted the Tauranga City commissioners have asked for a review of the strategy.

WIDER STRATEGIES AND PLANS

Beyond Tauranga City, the proposed Memorial Park Aquatic Facility development also fits within wider regional and national strategic directions, with examples including the following:

NATIONAL AQUATICS FACILITY STRATEGY (in final development)

A new National Aquatics Facility Strategy 2023 is being finalised by Sport New Zealand (updating the 2013 Strategy). At a draft level for final stakeholder consultation, the following guidance points were made from the strategic analyses undertaken:

- Nationally, to meet demand, total water space available for community access will need to increase by 16% to meet forecast demand.
- Nationally, there is a critical shortfall in the supply at the community level for leisure, play, relaxation, hydrotherapy and school recreational access.

- More pool water space is required for aquatic competence (learn to swim and water safety).
- In general, aquatic sports and lane swimming are adequately supplied, although acknowledging pressure on lane space at peak times.
- Sufficient aquatic facilities to meet identified competition/event demand (some caveats)
- No more event pools needed, no more 50m pools needed.

The key shifts required for the future include:

- Detailed regional and local analysis is required using the supply and demand indicators to ensure sufficient water and the right mix of aquatic facilities are provided.
- Focus aquatic facility planning on meeting local community needs.
- Prioritise improving access to existing first before redeveloping or building new.
- Improve management approaches to maximise the use of existing facilities.

BAY OF PLENTY SPACES AND PLACES STRATEGY

This Sport Bay of Plenty and combined Councils strategy provides a high-level strategic framework for sport and recreation facility planning across the region. The strategy assists by providing guiding principles, a decision-making process, assessment criteria, and proposed high-priority optimisation projects. The strategy was updated in 2020.

Concerning Pools/Aquatic Centres, the key considerations listed in the strategy reference report include:

- *"Baywave TECT Aquatic & Leisure Centre is under significant pressure and operating beyond capacity, while Greerton Pool is nearing capacity."*
- *"The provision of existing pools is seen as critical for supporting the network of facilities. Given the age and condition of some pools, investment is required to ensure they remain fit-for-purpose."*
- *"Memorial Pool is only open during the summer, with low levels of visitation which is reflective of its age, condition and quality."*
- *"It is recommended in the Community Facilities Needs Analysis report a redevelopment of Memorial Pool should be undertaken in the short-term by 2024."*

- *"There is a perception amongst some stakeholders, a 50m pool is required within the city. However, analysis does not support this as an immediate need."*
- *"The development of a 50m pool is not recommended within Tauranga..."*
- *"Delivery of aquatic facilities and services will need to be suitable for a predominantly city-based population, with consideration around function and geographic spread across the pools to support visitation levels."*
- *"As the city population continues to grow, the needs for additional aquatic facilities are identified over the next 20 years in the Central, Western and Eastern areas of the city."*
- *"The city is projected to have a strong ageing trend within a strong general population increase."*
- *"The demand for indoor heated water is likely to increase."*

The proposed facility approach within Tauranga concerning Pools/Aquatic Centres states:

"Consideration should be given to potential partnerships and cross-boundary collaboration opportunities (with schools and WBOPDC)."

The development of a 50m pool is not recommended. A more dispersed network of 25m pools is favoured."

"Undertake the Memorial Park development to alleviate pressure currently experienced by Baywave, accommodate increased aquatic demand and build resilience in an ageing network. This project is a top priority."

"It is essential that the existing pools are maintained for the network to operate cohesively."

TREASURY - LIVING STANDARDS FRAMEWORK

The New Zealand Treasury recognises that government interventions have diverse outcomes. The Living Standards Framework (LSF) draws on OECD analysis starting with four capitals to organise indicators of sustainable intergenerational well-being.

The four capitals are outlined in Figure 3.2. are:

- Natural Capital,
- Human Capital,
- Social Capital,
- Financial / Physical Capital.

FIGURE 3.2: THE FOUR CAPITALS



The proposed pool complex would most strongly influence the human, social and financial/physical capital to enhance sustainable intergenerational well-being.

SPORT NEW ZEALAND - STRATEGIC PLAN 2020-2024

The focus of the strategic plan is placed on tamariki (5–11-year-olds) and rangatahi (12–18-year-olds). This phase of life provides the greatest chance of establishing life-long involvement in Play, Active Recreation and Sport (through quality experiences). This will achieve maximum impact with available resources, while other groups will continue to address younger and older cohorts. The key themes that will guide action to support this focus area are shown in Table 3.1:

TABLE 3.1: KEY THEMES THAT WILL GUIDE ACTION.

VALUE OF PHYSICAL ACTIVITY	Promote the value of Play, Active Recreation and Sport.
EQUAL OPPORTUNITY AND ACCESSIBILITY	Access to quality opportunities and addressing the barriers experienced. This includes the focus on inclusion and diversity through the Disability Plan and Women and Girls in Sport and Active Recreation Strategy.
SYSTEM BEHAVIOUR AND PERFORMANCE	Leadership focusing on the needs of tamariki and rangatahi. And capable delivery who collaborate and align their work to improve the lives of tamariki and rangatahi. Aligned aspirations with the Disability Plan and Women and Girls in Sport and Active Recreation Strategy.

The proposed Memorial Park Aquatic Facility aligns with this plan by delivering experiences and opportunities across many age groups, social sectors and physical capability levels.

SPECIFIC NEEDS ANALYSES/ FEASIBILITY STUDIES

MEMORIAL PARK AQUATIC FACILITY NEEDS ANALYSIS 2017

The purpose of this 2017 needs assessment was to provide a way forward for the future of two ageing assets in the aquatic network - Memorial Pool (1955) and Otumoetai Pool (1968). It stated that:

“The recently adopted Bay of Plenty Spaces and Places Strategy specifically identifies the need to work in partnership to explore pool space provision in the Tauranga Central/West area of the city, in the face of these two ageing assets.”

On this basis the needs assessment then investigated:

- The 2017 state of the pools including asset performance, costs to maintain, facility lifespan and facility utilisation.
- The extent to which the facilities were ‘fit for purpose’ in meeting the needs of the community.
- The national, regional and citywide strategic directions for aquatic facilities, and the framework this provides for decision-making.
- Information on the future state of the city including population growth, demographics and city opportunities.

Based on this aquatic network overview approach with a particular focus on the Tauranga Central/West area, the needs assessment concluded that:

“With this in mind, the logical location for future facility provision is Memorial Park. This is due to the proximity and accessibility to the city centre, co-location benefits of the wider park environment, and multi-use opportunities taking into consideration the future demand for existing facilities such as QEYC and Memorial Hall.”

The primary recommendations of the assessment were:

“From a community perspective, the facilities provide a highly-valued experience to existing users, with approximately 88,000 visits per year. However, there is limited opportunity to grow this participation due to the current operations and facility limitations in terms of the type and range of experiences provided. It is not sustainable to continue to provide facilities that do not have the ability to cater to the growth that Tauranga is experiencing and the range of user expectations. The local aquatic facility network while needing to remain accessible to the catchment it serves, and continue to provide functional spaces, also should be providing opportunities for the largest user market; recreation and leisure.”

and,

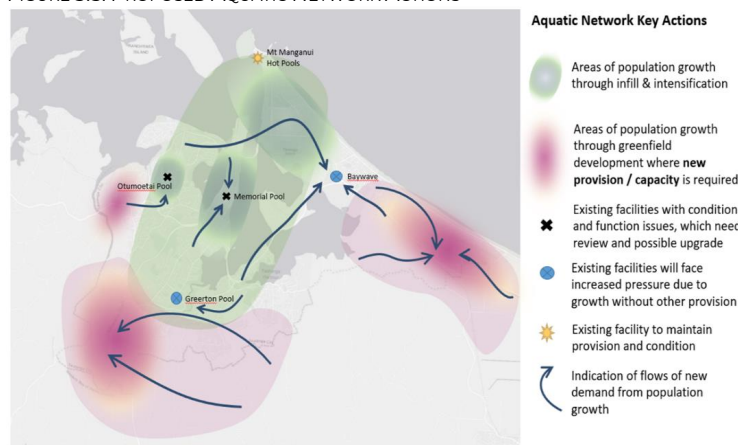
“On this basis, the recommended option is to progress with a detailed feasibility study to explore the development of a multi-use recreation and leisure facility for the Tauranga Central and Tauranga West catchments. Note that the study will have a broader scope than just aquatic facilities to ensure all potential multi-use opportunities are explored.”

TAURANGA CITY COMMUNITY FACILITIES NEEDS ANALYSIS 2019

The scope of this 2019 needs analysis included the current provision and future needs for Aquatic facilities (along with multiple other facility types). It incorporated key content from a companion 'Comparison Study' which more specifically investigated the catchments and needs of the 'Western Corridor' and 'CBD' population areas of Tauranga City. Both were undertaken to understand the need for community facilities over the next 20 years and to inform Tauranga City Council's future investigation and investment in community facilities.

In summarising its aquatic facility assessments, the needs analysis presented in Figure 3.3 summarises proposed network actions relative to population pressures.

FIGURE 3.3: PROPOSED AQUATIC NETWORK ACTIONS



The needs analysis then identified the following key future needs and gaps concerning Memorial Pool and its place in the aquatic network:

Memorial Pool (Current Facility Assessment)

- The size of the catchment suggests the facility should be operating at a city-wide level but performance does not match this status.

- Has a good location in the CBD but is currently not serving the catchment well for aquatic functions.
- It is in poor condition with some accessibility issues.
- It has a low level of current use due to quality, function and design.

Memorial Pool (Future)

- The facility will come under pressure as the central area grows. The redevelopment is identified as important to the aquatic network, due to its location and ability to ease pressure on Baywave and to some degree Greerton and Otumoetai Pools.
- Needs Assessment indicates there is sufficient population to warrant two city-wide aquatic facilities in Tauranga.

Gaps (Leisure Function)

- There is low provision of dedicated leisure functions within the overall network.
- The development of additional leisure functions at Memorial Pool is recommended as it is a central site in the network that will be accessible.

Based on the Needs Analysis and the Comparison Study the following aquatic network 'Key Action' were recommended specific to Memorial Pool:

"Subject to the completion of a feasibility study, progress planning for the redevelopment of Memorial Pool to provide all-year-round aquatic provision to provide local aquatic functions and city-wide leisure functions and potentially deep-water sport functions."

MEMORIAL PARK RECREATION HUB FEASIBILITY STUDY 2019-20

Following on from the 2017 needs assessment, this 2019-20 project was undertaken to assess the feasibility of a proposed Tauranga CBD multi-use Recreation and Leisure Facility at Memorial Park. The report involved site analysis, demand analysis, consultations, concept design and financial modelling.

For Memorial Pool, the study noted that redevelopment of Memorial Pool was identified as the highest priority aquatic need in the 2019 Tauranga Community Facilities Needs Analysis, and based on its own more in-depth assessments included the following conclusion:

"Needs analysis for Memorial Pool found it is not meeting the needs of the primary recreation and leisure market or learn to swim. While the outdoor pools are attractive during summer for lap swimming and aquatic play (and remain important to Tauranga's aquatic network), the short season and current design mean the facility is not meeting community needs."

The study then recommended:

"Based on these demand drivers, it is recommended a redeveloped Memorial Pool should provide for core functions of aquatic play and leisure (both indoor and outdoor), learn to swim, therapy, fitness and some aspects of aquatic sport."

MEMORIAL PARK RECREATION HUB FEASIBILITY STUDY – REVISED VERSION 2022

Building on the original 2019-2020 Feasibility study and wider related studies across Tauranga, the purpose of this revised 2022 feasibility study was to rescope the wider CBD Recreation Hub project based on a two-stage approach:

- Stage 1 - developing a new aquatic facility (as a replacement for the existing Memorial Pool),
- Stage 2 - providing for an enlarged indoor court and fitness facility.

The revised feasibility study informed investment considerations for Tauranga City Council's Community Facilities Investment Plan and Long-Term Plan 2021-2031.

The study concluded that the key drivers for renewed aquatic facility provision at Memorial Park were to:

- *Address ageing assets coming to the end of their useful life – Memorial Pool is over 70 years. The cost of refurbishment is greater than the new provision.*
- *Increase the provision of indoor aquatic water space to meet current demand and growing demand arising from population growth.*
- *Relieve and redistribute aquatic demand currently concentrated on neighbouring facilities which are under significant pressure.*
- *Increase the provision of aquatic leisure space, both indoor and outdoor to meet the large aquatic user group which are currently underserved by current provision.*

- *Provide for strong structured sports demand through increased provision of a 25m pool.*
- *Provide for the needs of learning and hydrotherapy through dedicated programme pools to meet the needs of younger and older populations.*
- *Consider opportunities for revenue generation through ancillary facilities like a fitness centre.*

A preliminary range of specific facility and design options were considered to meet these demand drivers and to also be most achievable in the changing financial environment. Based on these considerations the following Stage 1 and Stage 2 development options were proposed:

Stage 1 – new aquatic facility next to the existing QEYC/Memorial Hall

- 1,339m² indoor aquatic water including 25m/10 lane main pool with seating for 280 people, leisure pool, teaching pool, hydrotherapy pool.
- 311m² outdoor aquatic water with a splash pad, leisure pool and lane pool with outdoor landscape area.
- Hydrosides which operate all year round.
- Wet changing rooms, storage and plant room.
- Combined reception is located in the current QEYC reception area.
- Reconfiguration of carparking to provide 35 additional carparks.

Stage 2 – expanded indoor court facility and fitness centre

- Demolishing the existing Memorial Hall and replacing it with two new indoor courts.
- 4 new dry changing rooms located between the four indoor courts.
- Fitness centre located on the 1st floor with changing rooms and staffroom area.
- Expanded entrance area with ramp entry and provision for three potential retail spaces.
- Existing QEYC stage and changing rooms are demolished and replaced with a common space with café and meeting rooms, accessible from aquatic facilities, indoor courts and Memorial Park.
- Under-croft carparking provides 57 additional carparks.
- Also requires relocation of the mini railway station to inside the railway tracks.

3.3 PROBLEM DEFINITION

Introduction

The project partners established a project goal, two overarching principles and a series of statements expressing what the facility was designed not to be. These are:

Project Goal

Increase and improve the recreational facilities at Memorial Park, developing an aquatic facility that is a place for people.

Overarching Principles

- 1. The Memorial Park Aquatic Facility will reflect Mana Whenua and sense of place principles.
- 2. The Memorial Park Aquatic Facility contributes towards our sustainability and environmental resilience goals.

What We Are Not Doing

The Memorial Park Aquatic Facility is:

- Not a 50-metre pool.
- Not a FINA-certified competition pool.
- Not an international sports facility.

The feasibility study and business case stakeholder engagement processes have advanced the project goal and the principles and parameters further with the assistance of the project's working group members². This led to the creation of four core problem definitions. These are:

- **Problem 1:** Our community facility network is not optimised and has provision gaps, capacity constraints and is poorly aligned to meet leisure needs.

² The project working group included members from Tauranga City Council and Bay Venues Ltd.

- **Problem 2:** The Tauranga population is growing and changing demographically which has given rise to new community demands that need to be met.
- **Problem 3:** Memorial Park is of high strategic value, yet it is not optimised to meet the needs of a growing city.
- **Problem 4:** New community facilities need to be financially and sustainably more efficient while generating greater community benefits.

Each of these problem definitions is summarised below.

The Problem Definitions

Problem 1: Our community facility network is not optimised and has provision gaps, capacity constraints and is poorly aligned to meet leisure needs.

- 1.1 The existing aquatic and dry community facility network is under pressure. The aquatic and dry recreation facilities at Memorial Park are ageing and are not capable of meeting current and projected community needs.
- 1.2 Tauranga has an undersupply of leisure water and is not currently catering to the 60% to 70% of participants likely to be seeking these opportunities. These leisure demands also need to be balanced with the potential need for structured water demand brought about by the possible loss at some point of Otumoetai Pool³.

Assessment of Aquatic Needs

In 2019, the Tauranga Community Facilities Needs Analysis was undertaken to understand the need for community facilities over the next 20 years and inform Tauranga City Council's future investigation and investment in community facilities. The analysis considered population growth, demographic changes, quality, capacity, location, utilisation and provision standards and provides conclusions on both the level of provision and nature of provision. The analysis identified two key issues

³ Note: Investigations are taking place to determine how the life of Otumoetai Pool could be extended. Tauranga City Council will have additional detail available in 2024.

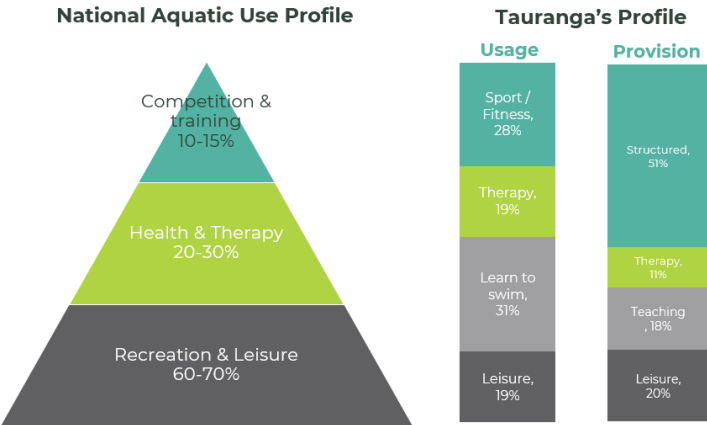
for Tauranga’s aquatic network insufficient water to meet demand (outlined in problem 2) and imbalance of current provision to meet needs.

The nature of aquatic participation is categorised into three groups:

- **Recreation and leisure** - most aquatic participation is undertaken for recreation and leisure (60-70%), involved as individuals or families in unstructured activities with a focus on fun. This group also contribute the greatest proportion of revenue.
- **Competitive / training** combined make up approximately 10-15% of aquatic participation.
- **Health and therapy** account for approximately 20-30% of aquatic participation.

Figure 3.4 compares Tauranga’s provision and usage with the national aquatic provision.

FIGURE 3.6: GENERIC AQUATIC PARTICIPATION SEGMENTATION



There is a link between Tauranga’s aquatic participation and its facility provision. The low level of leisure participation is linked to the low provision of leisure water within the network.

The Needs Analysis made four significant conclusions about the type of aquatic provision in Tauranga’s network:

- There is a significant need to provide more aquatic leisure in the network. This will cater for the largest group of aquatic users and reduce pressure on Baywave.
- Increased provision of structured water space to ease pressure on Baywave and Greerton facilities, structured as a 10-lane 25-metre pool and recognising strong feedback from aquatic user groups.
- More provision of programmable pools to accommodate learn to swim and hydrotherapy, particularly as Tauranga’s population will continue to grow in the children and older age cohorts.
- Ideally continued provision of outdoor aquatic provision. It is important to have some outdoor aquatic provision in a citywide network and is valued by those users who currently visit Memorial Pool.

Problem 2: The Tauranga population is growing and changing demographically which has given rise to new community demands that need to be met.

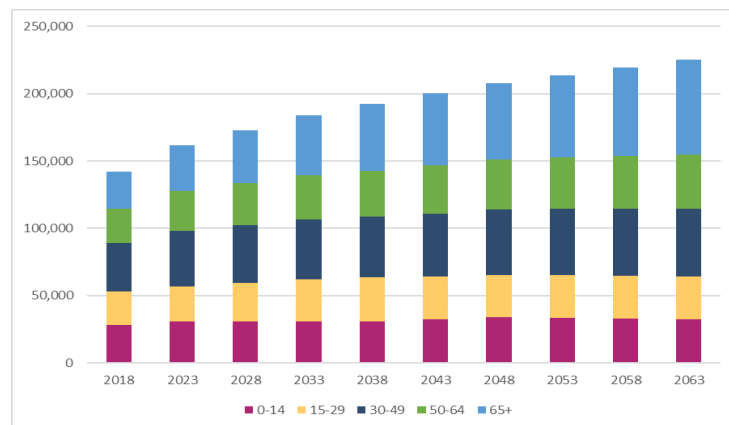
- 2.1 Tauranga has both an ageing population and a robust younger age cohort which is driving increased demand for programmable pool space to accommodate opportunities such as hydrotherapy and learn to swim.
- 2.2 Existing community aquatic and recreation facilities do not cater to Mana Whenua, Pasifika, ethnic minorities, gender diversity, and disabled people as well as they could which impacts participation and perceptions of inclusion.

Level of Growth

In 2018 Tauranga City had an estimated population of 142,100. This is projected to increase to 183,890 by 2033, 207,990 by 2048, and 225,430 by 2063. That is a total increase of 59% or 83,330 additional people living in Tauranga City between 2018-2063. Between 2018-2033 population is projected to grow at a faster rate of 1.7% p.a. on average, declining to 0.8% p.a. between 2033-2048 and again to 0.5% p.a. between 2048-2063.

Figure 3.7 presents the population growth outlook for Tauranga City by broad age cohorts. The largest actual and percentage increase is projected within the 65+ age cohort with an additional 42,970 (or 156%) people between 2018-2063. This is followed by the 50-64 age cohort with an increase of 15,130, the next 30-49 age cohort (+14,160), then the 15-29 age cohort (+6,700) and 0-14 years (+4,370).

FIGURE 3.7 TAURANGA CITY POPULATION PROJECTIONS BY BROAD AGE COHORTS



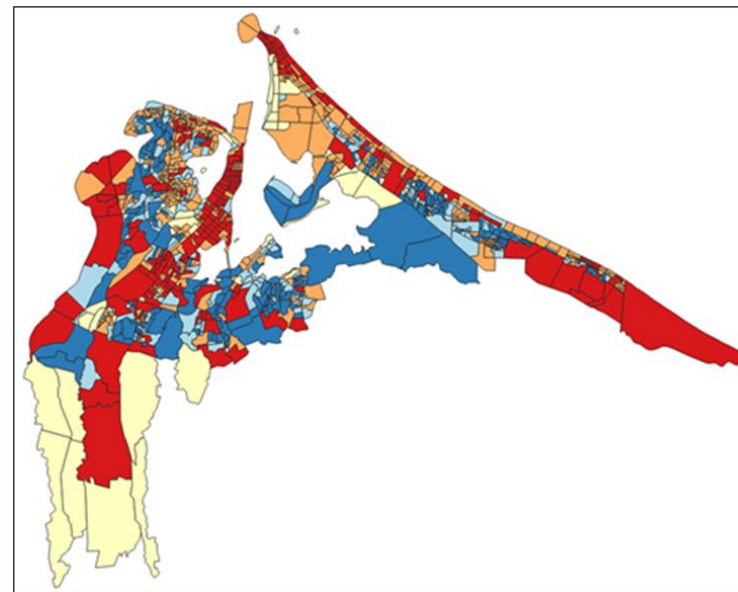
The proportion of people aged 65+ shifts upwards significantly from 19% in 2018 to 31% in 2063. The proportion in middle cohorts (30-49 and 50-64 years) remains relatively stable over time while younger cohort proportions decline. The projected proportion of people aged 0-14 years

decreases from 20% in 2018 to 14% in 2063 while the proportion of the 15-29 year cohort declines from 18% to 14%. However, it is important to note that although the proportions of certain cohorts change relative to the overall population, numerically the number of residents in those cohorts remains robust (i.e. the 0-14 cohort).

Location of Growth

Figure 3.8 displays where population growth is forecast to occur in Tauranga based on Tauranga SmartGrowth projections. In this map, red equates to population growth and blue equates to population declines.

FIGURE 3.8 POPULATION GROWTH PROJECTS 2018-2043 BASED ON NEW SMARTGROWTH PROJECTIONS



Forty per cent of population growth over the next 40 years will be accommodated in existing urban areas in the form of intensification, infill

as well as development in the Intensification Areas (IAs) and High-density areas. Over the short term (10 years), the share of growth accommodated by way of infill and intensification will be around 24%.

Tauranga Central is forecast to accommodate an additional 17,500 new residents by 2058 through intensification, infill and higher density.

For Memorial Pool, the population forecasts suggest a strong increase in households in the catchment, with substantial growth over the next 20 years. This is forecast to translate into increased aquatic demand.

Applying the National Aquatic Facility Strategy 2023 FTE (full-time equivalent) analysis to Tauranga's public aquatic network, there is 3,511 FTE of water space in Tauranga. At 2018 population levels this equates to 26.1 m² per 1,000 people, which is lower than the recommended benchmark of 27m² per 1,000 people. If there is no change to aquatic provision in Tauranga the shortfall in provision will increase to 18.8 m² per 1,000 population. Based on these benchmarks the city will need an additional 1,530m² of water to meet anticipated aquatic demand.

Problem 3: Memorial Park is of high strategic value, yet it is not optimised to meet the needs of a growing city.

3.1 Memorial Park is a valued open space destination that offers a unique coastal setting, with city centre linkages, but it is disjointed. The Park offers the most strategic central site for a pool and recreation centre, but large introverted buildings cannot be allowed to undermine the park's sense of place and outdoor aquatic provision.

3.2 The existing outdoor aquatic provision at Memorial Pool is valued by those in the Tauranga community who use it, in part for the outdoor ambience. Removal of an outdoor aquatic experience in the Park would be viewed as a loss.

Memorial Park forms an integral and important part of the wider network of parks and reserves throughout the city (Plan 3.1). The facilities and activities that it offers are broad compared to other parks. These are important to both residents who live close to the park, and those visiting from further afield.

Memorial Park has a rich and varied history of use over time. However, there has remained a consistent theme of recreation and play since the park began to be developed in the mid to late 1950s. Other parks in the network are more targeted towards a mix of informal recreation and organised sport.

Key features such as the outdoor pool, rocket slide, miniature railway and the Humpty Dumpty sculpture still exist in the park and hold particular significance to many in the local community.

With its strategic location close to the inner city and along key transport routes, Memorial Park will continue to be well served by pedestrian, cycle, and bus routes. The Park links with the proposed networks that have been outlined in the current planning for the Te Papa Peninsula.

Analysis of the existing park structures and features shows that the park is well served with assets, but these have not been established around a strong guiding structure or overall plan. This is very typical of parks that have evolved over a long period and often without a master plan. Many assets are also nearing the end of life and need renewal (such as the much-loved outdoor pool which is popular with outdoor lane swimmers in the summer months).

The park also has the opportunity to be strengthened as a destination for visitors to the city. The play offering at Memorial Park can offer a unique experience to other playgrounds within the surrounding areas (while not envisaged as being another destination-level playground). It can also ensure that play and recreation serve all age groups and abilities. Play has always been central to Memorial Park and its popularity.

Circulation networks through the park are currently very disjointed and tend to connect carparks as opposed to offering continuous and easily legible walking experiences. Connections from the main entrance points of the park are also lacking and coastal paths are constrained between existing carparks and the coastal edge. Carparking dominates prominent areas of the park, including the centre of the park and coastal edges.

Given population growth and intensification on and around the Te Papa Peninsula, Tauranga cannot afford Memorial Park to operate suboptimally. A fully functioning park will also aid visitation to the proposed Aquatic Facility.

PLAN 3.1: TAURANGA PARKS, RECREATION & COMMUNITY FACILITIES NETWORK



Problem 4: New community facilities need to be financially and sustainably more efficient while generating greater community benefits.

4.1 Council has an ambitious capital build programme underway. All new facilities must therefore balance generating revenue, reducing opex and whole-of-life costs, maximising sustainability with meeting wider community needs and minimising the rates burden.

Local government nationally has come under significant financial pressure due to factors such as inflationary pressures, population growth, and ageing infrastructure renewal costs. This has seen significant proposed rates increase and often more constrained long-term plans (LTPs), especially as some Councils have reached near to their debt ceilings. Tauranga City Council is no exception and has made many hard decisions in its draft LTP.

Council and BVL both desire new facilities to be as financially sustainable as possible while still facilitating access to the broadest cross-section of the community. This enables ratepayers to get the best financial and social return possible from their community facility assets.

Generating the best return possible needs to start at the planning and design phase of a project and extend into its operational management.

3.4 INVESTMENT OBJECTIVES

The investment objectives outlined in Table 3.2 were generated with input from the project working group⁴ informed by earlier stakeholder engagement and material from the feasibility studies.

TABLE 3.2: MEMORIAL PARK AQUATIC FACILITY INVESTMENT OBJECTIVES

Investment Objectives	Description	Key Performance Indicators
Objective 1:	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility has high community participation levels which take pressure off the wider network. 	<ul style="list-style-type: none"> Visitation levels meet or exceed estimates made in the business case. User satisfaction surveys indicate 80% of respondents are satisfied or very satisfied with the facility. Other facilities in the network (especially BayWave) report their visitation returning to more manageable levels.
Objective 2:	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility has a broad participation profile and attracts those who have not historically been regular visitors to the facility network. 	<ul style="list-style-type: none"> A greater proportion of historically under represented user groups (i.e. Māori, Pasifika etc) use the Memorial Park Aquatic Facility. The facility has the greatest visitor diversity level of any in the network. User satisfaction surveys from historically low participation groups indicate at least 80% of respondents are satisfied or very satisfied with the facility.
Objective 3:	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility fills aquatic network gaps, especially for leisure water. 	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility has the highest leisure water satisfaction ratings in the Tauranga network.

⁴ The project working group included members from Bay Venues Ltd and Tauranga City Council.

		<ul style="list-style-type: none"> The leisure water satisfaction ratings for the Memorial Park Aquatic Facility are comparable to national pool benchmarks.
Objective 4:	<ul style="list-style-type: none"> Memorial Park and the Aquatic Facility leverage one another to create a cohesive leisure destination with significant critical mass making Te Papa Peninsula a more attractive place for people to live, work and play. 	<ul style="list-style-type: none"> Park visitation increases from existing baseline estimates once the first stages of the master plan are implemented, and the aquatic facility is built. The Memorial Pool Aquatic Facility has the highest active participation rates in the Tauranga aquatic network (i.e. excluding spectators).
Objective 5:	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility has diverse revenue streams that support reinvestment in non-economic community outcomes. 	<ul style="list-style-type: none"> Memorial Park Aquatic Facility has the most diverse revenue generation profile of any aquatic facility in the Tauranga network. National benchmarking demonstrates that the Memorial Park Aquatic Facilities revenue generation metrics are above the national average.
Objective 6	<ul style="list-style-type: none"> Memorial Park and the Aquatic Facility meet sustainability and environmental resilience goals. 	<ul style="list-style-type: none"> The Memorial Park Aquatic Facility has operational energy costs that are below comparable New Zealand facility benchmarks.

3.5 STRATEGIC BENEFITS AND RISKS

Discussions were held with key stakeholders and the project governance and working groups to identify both the strategic benefits participants believed would be created from the aquatic facility (and an optimised Memorial Park) and the development's key risks. These benefits and risks are summarised in the following tables.

Benefits

The benefits of the aquatic facility (and an optimised Memorial Park) are varied and can be detailed in nature (and are often dependent on individual stakeholder interests and perspectives). This section has summarised a wide range of benefits into four categories (Table 3.3).

TABLE 3.3: THE MAIN BENEFITS IDENTIFIED.

Benefits & Key Performance Indicators	Beneficiary	Direct / Indirect	Quantified in Economic Case
Benefit 1: Memorial Park becomes a favoured destination both for residents and visitors. Indicators: <ul style="list-style-type: none"> Higher participation from Mana Whenua, Pasifika, and ethnic minorities, and the gender diverse. Memorial Park is established as a premier community hub with a cohesive range of facilities that complement each other, provide quality experiences, and attracts high visitation from residents and visitors. 	<ul style="list-style-type: none"> CBD, Tauranga, and sub region. CBD, Tauranga, sub-region, region and national. 	Direct Direct	No Yes
Benefit 2: Tauranga's community facility network is optimised.			

Indicators: <ul style="list-style-type: none"> Increased opportunities for aquatic leisure, hydrotherapy and learn to swim (which address known facility network gaps). Sufficient supply of structured water space to meet multiple codes training requirements without creating network provision duplication. 	<ul style="list-style-type: none"> Wider community (Tauranga and sub-region). Wider community, Tauranga and sub-region. 	Direct Direct	Yes Yes
Benefit 3: Tauranga's community and economy benefit from the development of Memorial Park. Indicators: <ul style="list-style-type: none"> Establish quality year-round destination-level outdoor leisure water opportunities that link with the wider park masterplan, cementing Tauranga's place as a domestic tourism destination. 	<ul style="list-style-type: none"> Tauranga, sub-region, region and national. 	Direct	Yes
Benefit 4: The Memorial Park Aquatic Facility is a model for modern sustainable community facility design and operation. Indicators: <ul style="list-style-type: none"> Reduced energy costs (to as near zero as possible with the use of geothermal, waste water heat exchange and solar technology). Generate diverse revenue streams that enable 	<ul style="list-style-type: none"> Tauranga Tauranga 	Direct Direct	Yes Yes

reinvestment into the community facility network and community programmes. • Implement robust design and material selection which supports an efficient whole of life asset view.	• Tauranga	Direct	Yes
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Key Risks

Like any large capital development project of this nature, there are a series of inherent risks associated with the aquatic facility (Table 3.5). Table 3.4 sets out the risk categorisation matrix used. This section seeks to identify the risks while the following report sections discuss in more detail the likelihood, consequence, and mitigation.

TABLE 3.4: RISK CATEGORISATION MATRIX

Impact	Likelihood				
	Very Unlikely 0-10%	Unlikely 10-40%	Possible 41-70%	Likely 71-90%	Almost Certain 91-100%
Extreme	High	High	Very High	Very High	Very High
Major	Medium	High	High	Very High	Very High
Moderate	Medium	Medium	High	High	High
Minor	Low	Low	Medium	Medium	High
Insignificant	Low	Low	Low	Medium	Medium

TABLE 3.5: MEMORIAL AQUATIC FACILITY RISKS

Risk	Likelihood	Consequence	Risk Rating
The aquatic facilities' scale and specification are flawed. <ul style="list-style-type: none"> The facility fails to serve the needs of the targeted structure aquatic sports sector. Community leisure utilisation levels fail to materialise. The facility fails to generate targeted revenues. 	Unlikely	Major	High
Capital costs increase above the project's allocated budget. <ul style="list-style-type: none"> Factors such as inflation, and supply chain constraints, force costs higher than budget allocations. 	Possible	Moderate	High
Lack of Commissioner / Councillor support for the aquatic facility. <ul style="list-style-type: none"> Decision-makers are unsupportive of the aquatic facility given wider economic/political conditions. 	Unlikely	Major	High
Budget constraints lead to the aquatic facility not having the required critical mass and level of functionality required. <ul style="list-style-type: none"> Utilisation and revenue fall short of projections due to design value management actions not identifying the impact design changes can have on operational and financial outcomes. 	Possible	Moderate	High
Surrounding Memorial Park precinct developments fail to materialise impacting the aquatic facility's operational performance. <ul style="list-style-type: none"> Other park facilities/design optimisations do not eventuate reducing the overall precinct appeal. 	Unlikely	Moderate	Medium

Geothermal bore consent issues emerge that inhibit the aquatic facilities' potential to reduce the dependence on electricity. <ul style="list-style-type: none"> Operational costs are higher than anticipated because geothermal energy cannot be utilised as fully as anticipated (or at all). Outdoor pools cannot be operated year-round. 	Possible	Moderate	High
The proposed site has geotechnical issues that exceed anticipated remediation/design allowances increasing the capital cost of the build. <ul style="list-style-type: none"> Geotechnical investigations fail to accurately anticipate ground conditions causing redesign and potentially higher capital costs. 	Possible	Moderate	High
Workforce availability <ul style="list-style-type: none"> Required workforce is not available. 	Unlikely	Moderate	Medium
Construction disruption <ul style="list-style-type: none"> Construction is disrupted by unforeseen circumstances. 	Possible	Moderate	High

3.6 CONSTRAINTS AND DEPENDENCIES

The proposed aquatic facilities' constraints and dependencies are summarised in the following tables (Tables 3.6 and 3.7).

Key Constraints

TABLE 3.6: KEY AQUATIC FACILITY CONSTRAINTS

Development Site	The favoured development site (Memorial Park) was identified in a series of network plans, a needs analysis report and a series of feasibility studies commissioned by the Council and BVL. This site was supported by the Council Commissioners.
Physical Constraints	The preferred aquatic facility site is bounded by a steep embankment, wastewater pumping station, Eleventh Avenue, and the harbour.
Main Lane Pool	The aquatic facility is designed to accommodate a 25-metre-lane pool. A 50m lane pool was not considered appropriate for the site or as part of the network at this time.
Multi-use Aquatic Facility	The facility must be multi-use to maximise the social and economic return on investment. Tauranga requires leisure water.
Network Balancing	The mix and scale of facilities must balance with the needs of the wider aquatic network.

Key Dependencies

TABLE 3.7: KEY AQUATIC FACILITY DEPENDENCIES

Site Availability	Site availability is dependent on the QEYC facility being removed and its indoor court functions being relocated to an alternative site in Tauranga.
Funding	The facility must fit within a confirmed capital budget of \$122m and be signed off by Tauranga Council.

3.7 KEY PARTNERS - MANA WHENUA

Mana Whenua are seen as partners in the design process and work developed to date has been to establish cultural narratives, understanding and objectives to set a strong foundation for the project to move ahead. Mana Whenua input is outlined further in the Economic Case.

3.8 KEY STAKEHOLDERS

Previous Stakeholder Engagement

Engagement with key stakeholders has been significant throughout the conceptual development of the Memorial Park Aquatic Facility. This began with the Council's needs analysis and extended into the feasibility study engagement process and then via BVL's regular stakeholder updates with sports codes.

Recent Stakeholder Engagement

More recently on 6th December, 2023, the Tauranga Aquatic User Groups participated in a briefing workshop. Direct attendees are outlined in Table 3.8. Discussions were also held internally with the aquatics user group which resulted in a formal response letter to the project being sent to the Tauranga Council (Table 3.9, letter signatories).

TABLE 3.8: STAKEHOLDER ENGAGEMENT – CONCEPT PRESENTATIONS, TAURANGA AQUATIC USER GROUPS, 6TH DECEMBER 2023.

Stakeholder – Representative	Organisation
Dallas Couvee	Mount Maunganui Swimming Club
Helen Eastwood	Mount Maunganui Swimming Club
Beth Kyd	Tauranga Water Polo
Dan Brown	Evolution Aquatics Tauranga
Mark Edgecombe	Otumoetai College Water Polo
Maree Green	AIMS Games Trust

TABLE 3.9: STAKEHOLDER ENGAGEMENT – RESPONSE LETTER SIGNATORIES, TAURANGA AQUATIC USER GROUPS, DECEMBER 2023.

Stakeholder Representative	Organisation
Dan Brown	Evolution Aquatics
Beth Kyd & Mark Edgecombe	Tauranga Waterpolo
Helen Eastwood	Mount Maunganui Amateur Swimming Club
Jessica Lock	Tauranga Artistic Swimming (Synchronised)
Mel O'Driscoll	Omanu Beach Surf Lifesaving Club
Ian McDonald	Parafed BOP
Pat Wakelin	Tauranga Special Olympics
Darrell Boyd	Tauranga Boys College
Russell Gordon	Otumoetai College
Anna Mehan	Bellevue School
Henk Popping	Otumoetai Intermediate
Henk Popping	AIMS Games

The Tauranga aquatic user group letter signatories stated:

"A facility like Option 2 which is fit for purpose for multiple types of users (sport, fitness & leisure), that is close to the city centre and the public transport network, is conducive to activating the Western Corridor of Tauranga. It also opens further capacity for growing population in the Eastern Corridor which otherwise will struggle to get space at Baywave given its current capacity challenges. Tauranga is growing both on the Eastern and Western Corridor and sufficient network capacity should be catered for. Option 3 will require all deep-water sports to be based at Baywave creating further traffic, congestion, pollution, and sustainability issues".

"AIMS games and the advent of a Māori/Pasifika Water Polo tournament, are great examples of aquatic events for Tauranga. AIMS needs pool space for multiple aquatic sports, and more capacity in the network allows for users to find other space for short periods of time when major bookings like that take precedence. While we are unlikely to lose AIMS due to this decision the prospects of being able to host further water sports other significant aquatics events will be limited by Option 3".

“Overall, we believe Option 2 is the logical option to support the wide-ranging needs of aquatic users in Tauranga, sport, recreation or other. Option 2 is more versatile and presents a preferable pool and lane configuration (two pools, with 8 and 4 lanes) compared to Option 3 (also two pools, but one of which has just 2 lanes)” (Tauranga Aquatic User Groups, letter December 2023).

3.9 SUMMARY

The investment logic for the Memorial Park Aquatic Facility is summarised in Figure 3.9. The linkages and alignments between strategic, policy and planning documents and the project's problem statements, benefits and objectives are summarised in Figure 3.10.

FIGURE 3.9: MEMORIAL PARK AQUATIC FACILITY INVESTMENT LOGIC SUMMARY

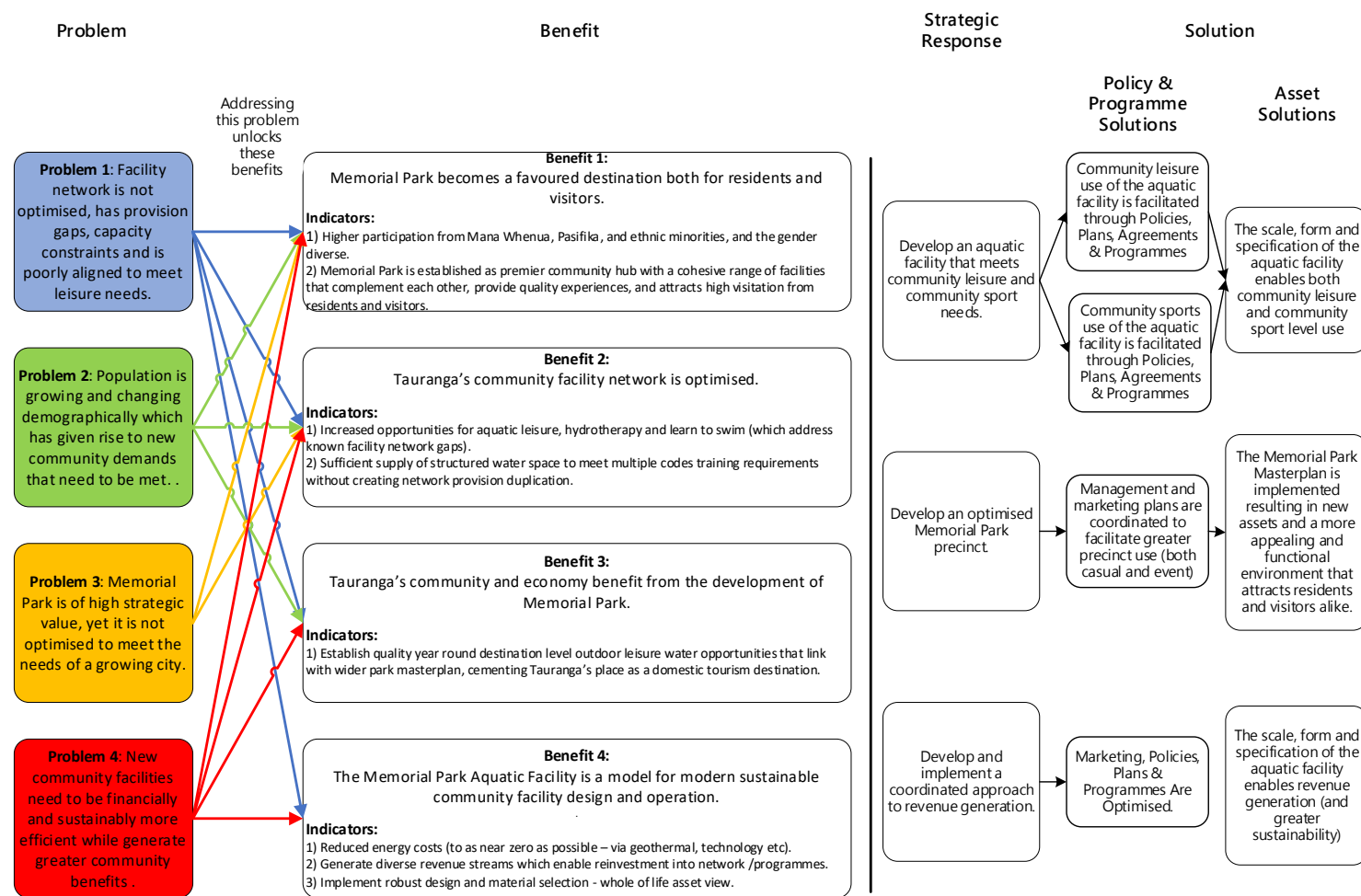
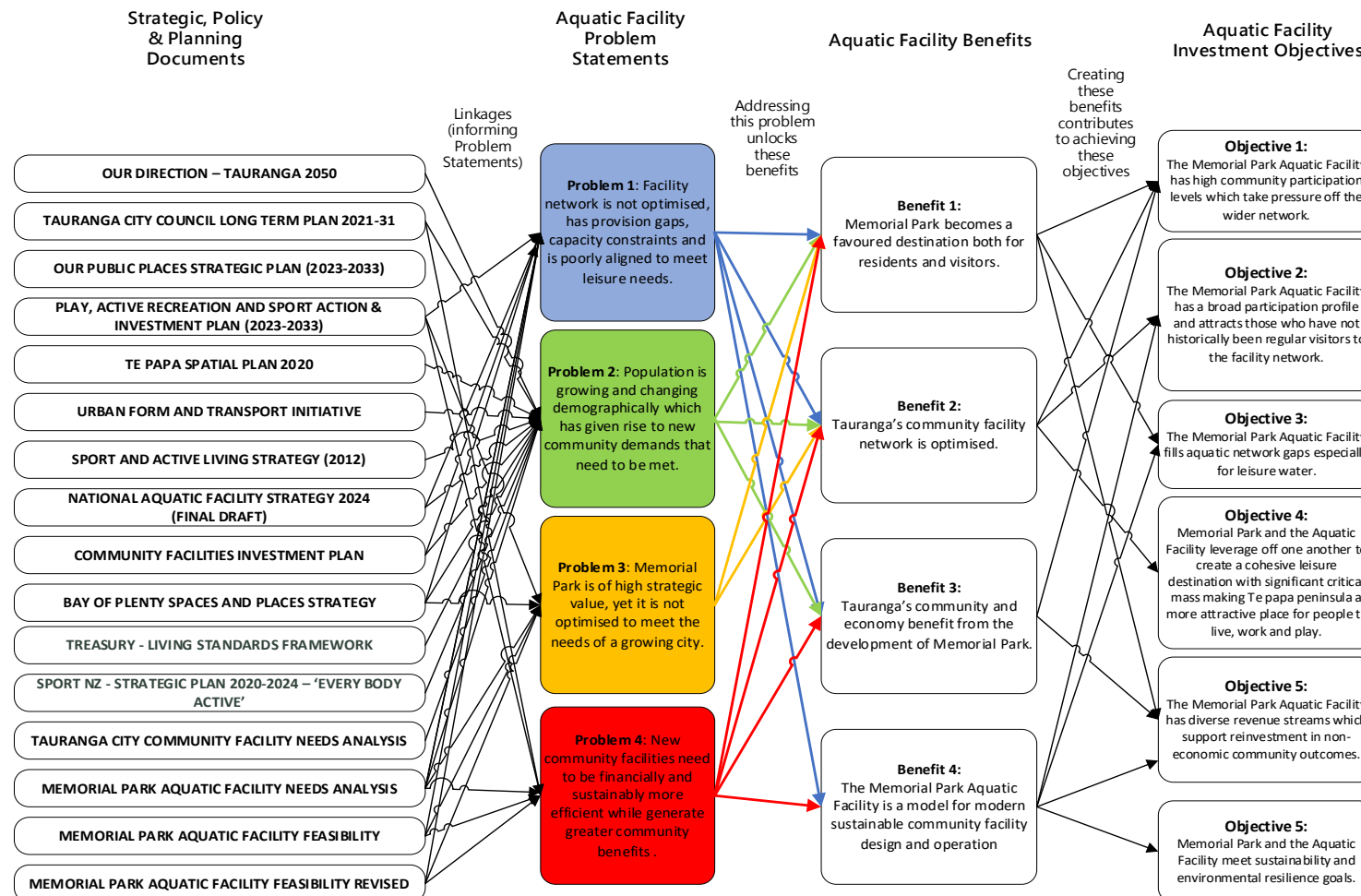


FIGURE 3.10: MEMORIAL PARK AQUATIC FACILITY STRATEGIC, POLICY AND PLANNING ALIGNMENT



The Economic Case

4.0 THE ECONOMIC CASE

4.1 PURPOSE

This section of the business case outlines the options assessment for the Memorial Pool Aquatic Facility and how a favoured option was selected and later developed. The section considers:

- The process followed,
- The long and shortlisting options,
- Initial evaluation analysis,
- The recommended concept,
- The refined concept.

4.2 PROJECT OPTIONS DEVELOPMENT & ASSESSMENT

The following assessment stages have been utilised to select and then develop the refined concept.

Stage One: Long List Optioning

The long list was established with technical stakeholders and working group input.

Stage Two: Long List Assessment

A qualitative assessment of the long list options was undertaken to derive a short list. The investment objectives and critical success factors were used to inform the assessment.

Stage Three: Short List Assessment

The shortlisted options were assessed with additional quantitative and qualitative analysis.

Stage Four: Affordability Assessment

An assessment of affordability was undertaken to assist in guiding the selection of options.

Stage Five: Integrated Analysis

An integrated analysis was undertaken with qualitative and quantitative analysis and affordability analysis. The outcome was a favoured development option.

Stage Six: Refinement of Favoured Option

The favoured development option was expanded upon based on additional rounds of more detailed stakeholder engagement, and qualitative and quantitative analysis.

4.3 STAGE 1: LONG LIST OPTIONS DEVELOPMENT

The location and site positioning of the proposed aquatic facility were determined during earlier studies. In large part, the position is governed by the site’s physical characteristics and existing infrastructure. This sub-section outlines the initial long list of options that emerged from earlier research and engagement, such as the needs analysis, feasibility studies and working group input. These options are summarised in Table 4.1.

TABLE 4.1: LONG LIST OPTIONS SUMMARY

Option	Description	Comments
Option A	<ul style="list-style-type: none">• Do nothing and retain existing assets.	This status quo option sees the existing pool stay as it is.
Option 1: Brief Compliant Scope.	<ul style="list-style-type: none">• Includes all the components of the original brief (indoor courts and indoor and outdoor aquatics).• Cost \$173m.	Identified as being more expensive than anticipated because of cost escalation and additional geotechnical data.
Option 2: Brief Compliant Scope – No Courts.	<ul style="list-style-type: none">• The facility is compliant with the brief’s aquatic components but has no indoor courts.	It is assumed the indoor courts are developed on another site.

	<ul style="list-style-type: none"> • More balance between structured and leisure water provision. • Cost \$112.5m. 	
Option 2b: Brief Compliant Scope – No Courts, Fitness Centre or Outdoor Pools.	<ul style="list-style-type: none"> • Excludes Courts, Fitness Centre, and Outdoor Pools. • Cost \$97m. 	It is assumed the indoor courts are developed on another site.
Option 2c: Brief Compliant Scope – No Courts, or Outdoor Pools.	<ul style="list-style-type: none"> • Excludes Courts and Outdoor Pools. • Cost \$104 m. 	It is assumed the indoor courts are developed on another site.
Option 3: Leisure-focused Aquatic Facility.	<ul style="list-style-type: none"> • Excludes Courts but includes outdoor and indoor pools and a fitness centre. • Cost \$106.1 m. 	It is assumed the indoor courts are developed on another site.
Option 3b: Leisure-focused Aquatic Facility (Reduced).	<ul style="list-style-type: none"> • Excludes Courts but includes outdoor and indoor pools and a smaller fitness centre than Option 3. • More weighted towards leisure water provision. • Cost \$100 m. 	It is assumed the indoor courts are developed on another site. Outdoor lane pool (not indoor).

4.4 STAGE 2: LONG LIST OPTIONS ASSESSMENT

The long list of options were evaluated qualitatively by the working group (which included representatives from Council, and Bay Venues Limited), and the project consultant team (engineers, architects, project managers and sports consultants) against the project's investment objectives. This analysis is summarised in Table 4.2.

The next phase in the shortlisting process involved evaluating selected options against a series of critical success factors (which linked back to

⁵ A governance decision was also made that the indoor courts would be developed on an alternative site.

⁶ Option 2c was a late inclusion that was introduced by the Council after the longlisting options assessment process was commenced. The option was retrospectively evaluated by the consultant team against the investment objectives

the investment objectives). These critical success factors were given a weighting using a paired comparison matrix (Table 4.3 and 4.4). Options A, 1 and 2c were not included in this phase of the evaluation. Option A was excluded on the grounds it was non-viable as the pool asset is at the end of its life. Option 1 was excluded because the capital cost was also well outside the available funding envelope⁵. Option 2c was introduced late in the process⁶.

The summary of the critical success factor analysis is outlined in Table 4.5. This analysis initially identified one option that should 'proceed' (option 3b) into the shortlist option evaluation stage and two options that could 'potentially proceed' (Options 2 and 3). The difference between options 2 and 3 was negligible during the evaluation process (4 points, or 306 to 310 points). These options were primarily separated by perceptions associated with slight operating efficiency differences.

Post the matrix evaluation Council directed that there was potential for greater budget flexibility to achieve the project's required community objectives. Greater emphasis was also placed on "Addressing aquatic network gaps". It was felt that slight operating efficiency differences could be addressed further during the design process. Given option 2 scored above option 3 in the "Addressing aquatic network gaps" critical success factor category it was decided by Council that option 2 should be advanced above option 3.

The client also requested that Option 1 be advanced into the shortlist options assessment for comparison purposes only.

(Table 4.2) and financially (See Appendix) but not by the working group against the critical success factors. The overall evaluation process was not rerun because the working group acknowledged that the option was not of sufficient merit to alter the outcome of earlier paired comparison matrix evaluation stage.

TABLE 4.2: LONG LIST EVALUATION – OPTIONS AGAINST INVESTMENT OBJECTIVES

	Option A Status Quo	Option 1	Option 2	Option 2b	Option 2c	Option 3	Option 3b
Objective 1: The Memorial Park Aquatic Facility has high community participation levels which take pressure off the wider network.	Does not meet. Adds no improvement to the network.	Meets. The facility attracts a cross-section of community sport and leisure participants (dry and aquatic).	Partially Meets. The facility attracts a cross-section of aquatic sport and leisure participants (no court facilities).	Partially Meets. The facility attracts a cross-section of aquatic sport and leisure participants (no court facilities).	Partially Meets. The facility attracts a cross-section of aquatic sport and leisure participants (no court facilities).	Partially Meets. The facility attracts a cross-section of aquatic sport and leisure participants (no court facilities).	Partially Meets. The facility attracts a cross-section of aquatic sport and leisure participants (no court facilities).
Objective 2: The Memorial Park Aquatic Facility has a broad participation profile and attracts those who have not historically been regular visitors to the facility network.	Does not meet. Makes no participation improvements.	Meets. The facility attracts a broad cross-section of aquatic participants including those who are not regular participants.	Meets. The facility attracts a broad cross-section of aquatic participants including those who are not regular participants.	Partially Meets. The facility attracts a smaller cross-section of aquatic participants.	Partially Meets. The facility attracts a smaller cross-section of aquatic participants.	Meets. The facility attracts a broad cross-section of aquatic participants including those who are not regular participants.	Meets. The facility attracts a broad cross-section of aquatic participants including those who are not regular participants.
Objective 3: The Memorial Park Aquatic Facility fills aquatic network gaps, especially for leisure water.	Does not meet. Adds no improvement to the network.	Meets. The facility fills aquatic gaps and has a leisure focus.	Meets. The facility fills aquatic gaps and has a leisure focus.	Partially Meets. The facility fills some gaps but has less of a leisure focus.	Partially Meets. The facility fills some gaps but has less of a leisure focus.	Meets. The facility fills aquatic gaps and has a leisure focus.	Meets. The facility fills aquatic gaps and has a leisure focus.
Objective 4: Memorial Park and the Aquatic Facility leverage one another to create a cohesive leisure destination with significant critical mass making Te Papa Peninsula a more attractive place for people to live, work and play.	Does not meet. Has no impact.	Meets. The facility and park together have good leverage.	Meets. The facility and park together have good leverage.	Partially Meets. The facility and park have some leverage together but this is reduced with no outdoor pools.	Partially Meets. The facility and park have some leverage together but this is reduced with no outdoor pools.	Meets. The facility and park together have good leverage.	Meets. The facility and park together have good leverage.
Objective 5: The Memorial Park Aquatic Facility has diverse revenue streams that support reinvestment in non-economic community outcomes.	Does not meet. Adds no improvement to the network.	Meets. Has diverse revenue streams.	Meets. Has diverse revenue streams.	Partially Meets. The facility has some revenue streams but is not as diverse as other options.	Partially Meets. The facility has some revenue streams but is not as diverse as other options.	Meets. Has diverse revenue streams.	Meets. Has diverse revenue streams.
Objective 6: Memorial Park and the Aquatic Facility meet sustainability and environmental resilience goals.	Does not meet. Adds no improvement to the network.	Partially Meets. The facility has some sustainability design options and features.	Partially Meets. The facility has some sustainability design options and features.	Partially Meets. The facility has some sustainability design options and features.	Partially Meets. The facility has some sustainability design options and features.	Partially Meets. The facility has some sustainability design options and features.	Partially Meets. The facility has some sustainability design options and features.

TABLE 4.3: CRITICAL SUCCESS FACTORS

Critical Success Factors	Weighting
Built for the community / Fit for purpose.	26%
Addresses aquatic network gaps	20%
High use / Broad participation	10%
Operating efficiency	10%
Relationship to the park	4%
Budget compliant (\$100m)	30%

TABLE 4.4: CRITICAL SUCCESS FACTOR SCORING CRITERIA

Score	1	2	3	4	5
Rating	Very Poor	Poor	Average	Good	Excellent

TABLE 4.5: CRITICAL SUCCESS FACTOR EVALUATION SUMMARY

	Weighting	Option 2	Option 2b	Option 3	Option 3b
Built for the community / Fit for purpose.	26%	104	26	104	104
Addresses aquatic network gaps	20%	100	20	80	80
High use / Broad participation	10%	40	20	40	40
Operating efficiency	10%	20	10	40	30
Relationship to the park	4%	12	4	16	16
Budget compliant (\$100m)	30%	30	150	30	150
	Total Weighted Score	306	230	310	420
	Ranking	3	4	2	1
Recommendation		Potentially Proceed	Do Not Proceed	Potentially Proceed	Proceed

4.5 STAGE 3: SHORT LIST OPTIONS ASSESSMENT

This sub-section further analyses the three options that advanced through the long list process. These options were renamed and optimised through a series of further design stages. These are:

- Option 1:** Original Brief (\$173m)
- Option 2:** Original Brief - No Courts, Reduced Fitness & Outdoor Aquatic Provision (\$119.85m)
- Option 3:** Aquatic Leisure Focussed Facility – No Formal Indoor Lane Pool (\$107.40m)

The section begins by describing each short-listed option (Table 4.6-4.8) before assessing each option against qualitative benefit criteria⁷ drawn from the Strategic Case. (Tables 4.9– 4.11).

⁷ These 'benefit criteria' are drawn from the Strategic Case (problem statements, befits and investment objectives) but have been synthesised and summarised into five criteria.

Optimised Shortlist Option Descriptions

TABLE 4.6: DESCRIPTION OPTION 1: ORIGINAL BRIEF


Key Components	
<ul style="list-style-type: none">Indoor Courts x 4Fitness Centre Indoor Aquatic <ul style="list-style-type: none">8 Lane 25m Pool20m X 10m Programmes Pool20m X 10m Learn To Swim Pool11m X 22m Leisure Pool Incl Toddlers PoolSpa And Plunge Pool Outdoor Aquatic <ul style="list-style-type: none">Hydroslide x 3.Lido Pool With 4 LanesFamily SpaBombing Pool Other <ul style="list-style-type: none">SplashpadFull Cafe200 External Parks	
Key Statistics	
<ul style="list-style-type: none">BasementGround FloorFirst FloorTOTALIndoor WaterOutdoor WaterTOTALFitness Centre Size	GFA 652m2 GFA 8393m2 GFA 1893m2 GFA 10936m2 1297m2 980m2 2277m2 1205m2
Estimated Cost \$173m	

TABLE 4.7: DESCRIPTION OPTION 2: ORIGINAL BRIEF - NO COURTS, REDUCED FITNESS & OUTDOOR AQUATIC PROVISION

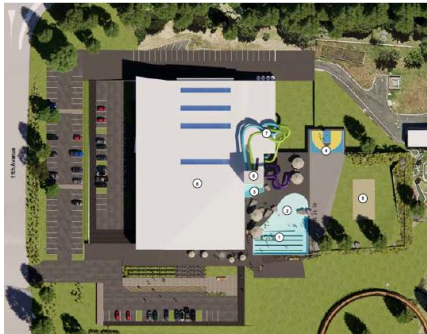

Key Components	
<ul style="list-style-type: none"> Fitness centre Indoor Aquatic <ul style="list-style-type: none"> 8 lane 25m Pool 20m x 10m Programmes Pool 20m x 10m Learn to Swim Pool 11m x 22m Leisure Pool Incl Toddlers pool, spa pool Outdoor Aquatic <ul style="list-style-type: none"> Lido Pool with 4 lanes 465m² (includes 190m² of splash pad) Bombing Pool (36m²) Hydroslide x 1 Other <ul style="list-style-type: none"> Cafe Kiosk - no indoor seating 150 external parks 	
Key Statistics	
<ul style="list-style-type: none"> Basement Ground Floor First Floor TOTAL Indoor Water Outdoor Water TOTAL Fitness Centre Size 	GFA 278m ² GFA 4123m ² GFA 1127m ² GFA 5528m² 1276m ² 490m ² 1766m² 620m ²
Estimated Cost \$119.85m	

TABLE 4.8: DESCRIPTION OPTION 3: AQUATIC LEISURE FOCUSED FACILITY

Key Components	
<ul style="list-style-type: none"> Fitness centre Indoor Aquatic <ul style="list-style-type: none"> 25 x 10m Programmes Pool (2 lanes incl spa), 20m x 8m Learn to Swim Pool, Leisure Pool incl toddlers pool (385m²) Outdoor Aquatic <ul style="list-style-type: none"> 8 lane 25m Pool, Bombing Pool, Splashpad, Hydroslide x 1. Other <ul style="list-style-type: none"> Medium Cafe 150 external parks 	
Key Statistics	
<ul style="list-style-type: none"> Basement Ground Floor First Floor TOTAL Indoor Water Outdoor Water TOTAL Fitness Centre Size 	GFA 324m ² GFA 3297m ² GFA 655m ² GFA 4276m² 870m ² 730m ² 1600m² 650m ²
Estimated Cost \$107.40m	

Advantages and disadvantages

The advantages and disadvantages of the three options are varied. Option 1 addresses all of the requirements of the initial client brief but comes with a significantly larger footprint which impacts Memorial Park (Table 4.6). Option two offers a balanced mix of structured and leisure water, retains outdoor pools and has a more functional indoor pool arrangement (Table 4.7). Option 3 is more leisure-focused and is less functional for traditional structure aquatic sports (Table 4.8).

TABLE 4.6: OPTION 1: ADVANTAGES AND DISADVANTAGES

Criteria	Advantages	Disadvantages
Addresses aquatic network gaps	<ul style="list-style-type: none"> Addresses both leisure and structure water space network needs. 	
Encourages broad participation	<ul style="list-style-type: none"> Encourages broad participation through the mix of water types (both indoor and outdoor). The 25m Lane pool is located inside the building, allowing year-round structured pool use indoors. Offers a mix of assets to attract currently underrepresented groups such as Māori and Pasifika youth (via hydro slides, bombing pool, outdoor pools etc). Has the benefit of co-locating courts and aquatics together which showcases the facility to a wider cross-section of the community. 	
Synergies and leverage between the Park and the Aquatic facility.	<ul style="list-style-type: none"> Creates a clear and intuitive arrival and wayfinding experience for users of the facility, Memorial Park and supporting amenities and future activities. Visually connecting the key functional spaces to minimise the need for signage clutter. Creates a gym with a street presence that is visible and connected to promote participation. Provides a clear and legible address from outside the site and creates easy, safe and 	<ul style="list-style-type: none"> Has a much larger footprint and sits more heavily on Memorial Park. Much of this space is taken up by the court facilities which are introverted and have no views of the park (for court sports functionality reasons). Parking is required to extend onto Memorial Field (because of the large indoor court spaces).

	<p>intuitive 24-hour after-hours access.</p> <ul style="list-style-type: none"> Connects the gym to the park and leverages the opportunities to use the park as an extension of the gym space. Manages the complex level changes of the site to provide a fully accessible design solution integrating the park into the facility and maximising indoor-to-outdoor connections. 	
Diverse revenue streams	<ul style="list-style-type: none"> Has the most diverse revenue streams of any option (primarily by virtue of the courts and fitness centre size). Has hydro slides x 3. 	
Fit for purpose with sustainable benefits.	<ul style="list-style-type: none"> Includes distinctly separate pool tanks for Programmes and Learn to Swim (LTS). The separation between these pools allows lifeguard access to all sides and is likely to provide better LTS instruction and experience for programme pool users. Allows for the warmer water (Programmes Pool, Learn to Swim Pool and Shallow Leisure Pools) to be located inside the building. Warmer and shallower water is less attractive outside, where inclement weather is more likely to affect participation. Includes PV panels on the roof. Includes geothermal energy capture. 	

TABLE 4.7: OPTION 2: ADVANTAGES AND DISADVANTAGES

Criteria	Advantages	Disadvantages
Addresses aquatic network gaps	<ul style="list-style-type: none"> Offers a more balanced mix of leisure and structured aquatic water (than option 3). 	<ul style="list-style-type: none"> Less of a leisure water focus.
Encourages broad participation	<ul style="list-style-type: none"> The 25m Lane pool is located inside the building, allowing year-round structured pool use indoors. Four lanes of outdoor lane swimming are provided by the Lido pool outdoors. Offers a mix of assets to attract currently underrepresented groups such as Māori and Pasifika youth (via hydro slide, bombing pool, outdoor pools etc). Indoor programmes pool catering for older adults. Indoor LTS and children's leisure water catering for younger age groups. 	<ul style="list-style-type: none"> Reduced outdoor aquatic leisure provision. Less attractive to Pasifika, Māori and youth. Only one hydro slide.
Synergies and leverage between the Park and the Aquatic facility.	<ul style="list-style-type: none"> Creates a clear and intuitive arrival and wayfinding experience for users of the facility, Memorial Park and supporting amenities and future activities. Visually connecting the key functional spaces to minimise the need for signage clutter. Provides a clear and legible address from outside the site and creates easy, safe and intuitive 24-hour after-hours access. Connects the gym to the park and leverages the opportunities to use the park as an extension of the gym space. 	<ul style="list-style-type: none"> The longer pool hall of Option 2 does not allow the plantrooms to be located on the western side. Plantrooms are therefore required on the northern side (to serve both indoor and outdoor pools), which limits the northern aspect to the outdoor aquatic area. This option will require more alteration to the existing train track. Gym has no street presence.

	<ul style="list-style-type: none"> Manages the complex level changes of the site to provide a fully accessible design solution integrating the park into the facility and maximising indoor-to-outdoor connections. 	
Diverse revenue streams	<ul style="list-style-type: none"> Contains a fitness centre, café and a hydroslide. 	<ul style="list-style-type: none"> Less revenue potential from a single hydroslide. Currently includes a Cafe kiosk only. In future design stages, consideration can be given to moving the kiosk back to allow some seating within the entrance and lobby area of the facility. The fitness centre is comparatively small with less revenue potential. Fitness Centre (620m2) is constrained by first-floor mechanical plantroom.
Fit for purpose with sustainable benefits.	<ul style="list-style-type: none"> Includes distinctly separate pool tanks for Programmes and Learn to Swim (LTS). The separation between these pools allows lifeguard access to all sides and is likely to provide better LTS instruction and experience for programme pool users. Allows for the warmer water (Programmes Pool, Learn to Swim Pool and Shallow Leisure Pools) to be located inside the building. Warmer and shallower water is less attractive outside, where inclement weather is more likely to affect participation. Includes geothermal energy capture. 	<ul style="list-style-type: none"> Currently a single Hydroslide is included which does not allow for a varied slide experience and does not hold people at the facility. It also has less revenue potential. No PV panels are included on the roof.

TABLE 4.8: OPTION 3: ADVANTAGES AND DISADVANTAGES

Criteria	Advantages	Disadvantages
Addresses aquatic network gaps	<ul style="list-style-type: none"> Leans strongly towards leisure water provision which is the most significant network gap. 	<ul style="list-style-type: none"> The 25m Lane Pool can be located outside, to reduce gross floor area and associated cost. Less functional for structured sports which still have demand pressures.
Encourages broad participation	<ul style="list-style-type: none"> Maintains outdoor structured swimming provision, which will be lost when the current Memorial Pool is demolished. Increased outdoor aquatic leisure provision. More attractive to Pasifika, Māori and youth (bombing pool, leisure pools etc). Indoor programmes pool catering for older adults. Indoor LTS and children's leisure water catering for younger age groups. 	<ul style="list-style-type: none"> A limited amount of 25m lane swimming is still located indoors, as part of the warmer Programmes Pool. Typically these pools are run at between 31-33 degrees celsius, which is likely to be considered too warm for dedicated swim training use.
Synergies and leverage between the Park and the Aquatic facility.	<ul style="list-style-type: none"> Creates a clear and intuitive arrival and wayfinding experience for users of the facility, Memorial Park and supporting amenities and future activities. Visually connecting the key functional spaces to minimise the need for signage clutter. Provides a clear and legible address from outside the site and creates easy, safe and intuitive 24-hour after-hours access. Connects the gym to the park and leverages the opportunities to use the park as an extension of the gym space. The reduced floor plate of Option 3 allows it to be 	<ul style="list-style-type: none"> Identified benefits would need to be considered and weighed against potential CPTED and servicing issues to the rear of the building in the following design stages. Gym has no street presence.

	<p>rotated on the site, giving a more central and visible cafe position to the park, and a better aspect to the sun for pools.</p> <ul style="list-style-type: none"> More room for the existing train station and track is provided, while still allowing pedestrian access along the eastern side of the building. Manages the complex level changes of the site to provide a fully accessible design solution integrating the park into the facility and maximising indoor-to-outdoor connections. 	
Diverse revenue streams	<ul style="list-style-type: none"> Contains a fitness centre and a hydroslide. Includes a cafe with seating areas, located to serve the new facility both indoors and outdoors and into the park. 	<ul style="list-style-type: none"> Less revenue potential from a single hydroslide. The fitness centre is comparatively small with less revenue potential.
Fit for purpose with sustainable benefits.	<ul style="list-style-type: none"> Allows for the warmer water (Programmes Pool, Learn to Swim Pool and Shallow Leisure Pools) to be located inside the building. Warmer and shallower water is less attractive outside, where inclement weather is more likely to affect participation. Includes geothermal energy capture. 	<ul style="list-style-type: none"> Programmes and Learn to Swim pools are separate pool tanks with separate filtration systems. They are pushed together to save gross floor area. Lifeguard access along one side of each pool is therefore compromised. Currently a single Hydroslide is included which does not allow for a varied slide experience and does not hold people at the facility. It also has less revenue potential. No PV panels are included on the roof.

4.6 STAGE 4: AFFORDABILITY ASSESSMENT

The initial project budget was set at \$100m. However, it soon became apparent that achieving the required development within this budget would be difficult given the inflationary pressures associated with the COVID-19 period. Developing a facility of circa \$100m on Memorial Park within the budget envelope would have resulted in not meeting the project objectives.

Undertaking Option 1 was so far beyond the budget envelope that it was discarded as being nonviable. Options 2 and 3 were considered potentially viable given the impact of making any further value management cost cuts would likely render the project nonfunctional (Table 4.10).

TABLE 4.10: PRELIMINARY SHORTLIST OPTIONING COSTINGS

Option	Preliminary Costing
Option 1	\$173m
Option 2	\$119.85m
Option 3	\$107.40m

Note: These high-level costings were undertaken for optioning purposes only. The estimated costs were based on advice from BBD.

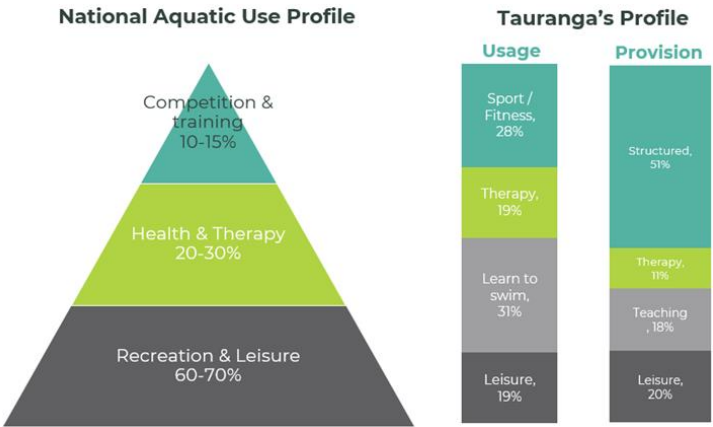
4.7 STAGE 5 INTEGRATED ANALYSIS & RECOMMENDATION

This sub-section sets out a series of considerations that influenced making the options recommendation.

Addressing Network Challenges

The network provision in Tauranga is outlined in Figure 4.1. Nationally, it is expected that 60-70% of pool use to be recreational / leisure use. In Tauranga, the usage is 19% for Leisure and the provision is 20% for leisure.

FIGURE 4.1: TAURANGA NETWORK PROVISION COMPARED TO NATIONAL PROFILES



Participation is being driven by provision. To grow participation (and increase wellbeing outcomes), the provision of leisure water in the network needs to be increased.

Whilst there is a growing demand for all aquatics activities as the city grows, the greatest deficit is in meeting the demand for play, learn-to-swim and water therapy. Before the development of Baywave, the traditional provision had been only lane pool space, and the diverse needs of the community have not been addressed.

Broadly 50% of the current provision in Tauranga is for lane swimming, whereas the demographic data, surveyed demand and national benchmarks would recommend at least 80% of provision should be for play, learn-to-swim and water therapy.

In priority order of development, it is leisure and hydrotherapy first, followed by structured water. Option 2 provides both opportunities for indoor structured and leisure and hydrotherapy, whilst Option 3 has a

greater emphasis on leisure and hydrotherapy with the provision for an outdoor 25m pool.

If provision within Memorial Park is considered in isolation from the network, then Option 3 would be preferred. The wider network needs suggest that Option 2 best meets these needs, however, this comes with additional capital cost.

Preliminary Financial Options Modelling

This subsection presents a summary of the financial position of options 1, 2 and 3 (Table 4.11). There are likely some aspects of the summary model that are too conservative. However, we are attempting to show the difference between options not the final position of a preferred option. The final financial position of the preferred option is therefore likely to change.

Key Assumptions are as follows:

- The modelling is based on the operational model from the 2020 feasibility study.
- Assumes operation by Bay Venues Limited but no provision for subsidies or management fees.
- Assumes a theoretical year 1 starting position.
- Inflation is based on 3.33% per annum until year 10 when it reverts to 2%.
- Demand is assumed to have no constraints apart from typical growth and utilisation patterns (this requires testing once a preferred option is identified).
- Pricing is based on 2023 Baywave pricing.
- Cost profile based on comparisons to Baywave and Bayfitness.
- For these models, the size of components is the main factor driving the difference between options. All other assumptions about the appeal of components remain consistent between the models.
- We have assumed debt repayment over 30 years at 6.5%.
- Depreciation is based on a straight line over 40 years (which is a mid-point of PPE over 30 years and buildings over 50 years).

Notes about the different facility components:

- Aquatic – the base model is developed on the number of visits across different periods of the day, extrapolated across the year with

different percentage increases/decreases based on normal patterns of behaviour (i.e. the leisure pool increases in school holidays, while learn to swim would be highest in terms 1 and 4).

- Percentage annual changes are applied to each pool based on typical patterns for new facilities (high in year 1, a dip in year 2, and recovery in year 3 etc).
- Hydro slide – an appeal factor has been assumed between 3 slides and 1 slide.
- Aquatic costs – staffing levels are calculated based on typical and peak lifeguarding patterns, based on living wage and time and a half for public holidays.
- Energy, water, and chemicals are calculated by BECA and driven by size.
- Fitness – visits are based on a membership per square metre with a starting value of 0.85 or 0.95. Members per square metre depending on small or large size.
- All other costs, staffing, repairs, operating costs etc are based on rates per member or square from the fitness centre at Baywave.
- Facility - this includes retail, café, and overall facility costs such as security, insurance, and marketing.
- Retail and café income are based on levels at Baywave with differences for the size of the offering and number of facility visits (percentage increase and decrease).

TABLE 4.11: PRELIMINARY FINANCIAL OPTIONS MODELLING

NZ\$ 000's	Option 1 ORIGINAL SCOPE	Option 2 ORIGINAL SCOPE less COURTS, REDUCED FITNESS & OUTDOOR AQUATIC PROVISION	Option 3 LEISURE FOCUSED AQUATIC FACILITY
Capital Expenditure Requirement	(173,000)	(119,8500)	(107,400)
Visitations			
Year 1 Admissions	697,323	309,765	300,724
Year 10 Admissions	840,173	382,113	374,992
STATEMENT OF FINANCIAL PERFORMANCE			
Revenue	3,823	2,628	2,666
Expenditure	(4,696)	(3,682)	(3,465)
EBITDA (Year 1)	(872)	(1,054)	(799)
EBITDA %	-23%	-40%	-30%
EBITDA (Year 10)	(413)	(846)	(501)
PROJECT METRICS			
Cumulative Free Cash Flow	(308,877)	(202,852)	(169,388)
NET PRESENT VALUE	(193,935)	(128,721)	(111,035)
YEAR 1 ROA	-0.50%	-0.94%	-0.80%
IRR	n/a	n/a	n/a
PAYBACK	n/a	n/a	n/a
COST TO RATEPAYERS			
Operational Subsidy (EBITDA)	575	1,030	646
Depreciation (to fund renewals)	4,325	2,813	2,500
Debt Repayments (30 years)	7,481	4,865	4,324
Interest (6.5%)	5,767	3,750	3,333
	18,148	12,458	10,803
Rates (TCC Annual Report 2023)	290,762	290,762	290,762
% of Current Rates	6.2%	4.3%	3.7%

Hydroslides

Hydro slides are important revenue generators. If three slides are provided it is best if they offer a range of slide experiences to appeal to different age groups and levels of ability. Currently, a single hydro slide is included in both options 2 and 3. We recommend the inclusion of 2 additional hydro slides (3 total) to allow for a varied slide experience and to hold people at the facility for longer.

Should Options 2 and 3 have an additional two hydro slides added at an indicative cost of circa \$2.3m an uplift in visits and revenue can be expected as shown in table 4.12. This will also have a flow-on on effect to other revenue areas such as food and beverage and retail revenue although this has not been modelled here.

With the inclusion of two additional slides, options 2 and 3 can be expected to conservatively receive an additional 11,000 visits in year one which will increase to circa 12,000 visits by year 10. In terms of direct revenue, this equates to an additional \$161,000 in year one and \$210,000 in year ten. Over the first 10 years of operation, this equates to circa \$1.85m. It is thought likely that with additional slide design and planning revenue could be increased further. This can be considered further in the project's detailed design and business plan stages.

TABLE 4.12: PRELIMINARY HYDRO SLIDE FINANCIAL OPTIONS MODELLING

NZ\$ 000's	Option 2 with 2 additional hydroslices	Option 3 with 2 additional hydroslices	Variance Option 2	Variance Option 3
Capital Expenditure Requirement	(122,150)	(109,700)	(2300)	(2300)
Visitations				
Year 1 Admissions	320,765	311,724	11,000	11,000
Year 10 Admissions	394,113	386,992	12,000	12,000
STATEMENT OF FINANCIAL PERFORMANCE				
Revenue	2,789	2,828	161	161
Expenditure	(3,682)	(3,465)	-	-
EBITDA (Year 1)	(892)	(638)	161	161
EBITDA %	-32%	-23%	8%	7%
EBITDA (Year 10)	(636)	(291)	210	210
PROJECT METRICS				
Cumulative Free Cash Flow	(198,096)	(164,632)	4756	4756
NET PRESENT VALUE	(128,367)	(110,681)	354	354
YEAR 1 ROA	-0.78%	-0.62%	0.16%	0.16%
IRR	n/a	n/a	n/a	n/a
PAYBACK	n/a	n/a	n/a	n/a
COST TO RATEPAYERS				
Operational Subsidy (EBITDA)	795	411	(235)	(235)
Depreciation (to fund renewals)	3,348	2,960	536	460
Debt Repayments (30 years)	4,964	4,424	99	99
Interest (6.5%)	3,827	3,410	77	77
	12,458	10,803	477	401
Rates (ICC Annual Report 2023)	290,762	290,762	-	-
% of Current Rates	4.4%	3.9%	0.2%	0.1%
Disclaimer-The projections stated herein have been compiled from information and instructions furnished to us, and estimates made by Visitor Solutions and BBD Ltd. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events occur. Accordingly, we cannot give assurance that the predicted results will actually be achieved.				

Competition

Aspects of the Memorial Park Aquatic Facility will face competition from existing operations. The impact of this competition is difficult to fully determine at this time. However, it must be considered.

Fitness Centres / Gyms

Within seven kilometres of Memorial Park, there are 20 fitness Centres/Gyms.

TABLE 4.13: FITNESS CENTRES / GYMS WITHIN 12KM OF MEMORIAL PARK

Venue	Address	Km from Memorial Park
City Gym Tauranga	80 St John St	0.75
Jetts Tauranga	2 Glasgow St	1.2
F45 Training Tauranga	134 Devonport Rd	1.2
BFT Tauranga	2 Glasgow St	1.7
The Gym	107 First Av	1.9
Snap Fitness 24/7 Tauranga	39 Waihi Rd	2.2
TGA Box Health & Fitness	43 Waihi Rd	2.2
Thirty-One Ten Crossfit	35 Koromiko St	2.3
Health Quarters	67 Willow St	2.4
City Fitness Fraser Cove	249 Fraser St	3.1
Ruthless Barbell Club	14 Cypress St	3.2
CTR Crossfit Central Tauranga	281 Fraser St	3.2
Anytime Fitness 24/7 Gym - Tauranga	1/65 Chapel St	3.2
Blaze 24HR Fitness Tauranga	1000 Cameron Rd	3.7
Platos Gym	67 Courtney Rd	4.0
Jetts Bethlehem	19 Bethlehem Rd	4.9
Profiles Tauranga Gym	156 Chadwick Rd	5.4
Physical Impact	21 Alach St	6.0
Aspire Health & Sports	253a State Highway 2	6.7
Bamfit	2 Pandora Pl	7.0

Cafes

Within 2 km of Memorial Park, there are 32 cafes. These cafés cover a range of food offers.

Aquatic Facilities and Catchments

The existing aquatic facility network is outlined in Tables 4.14 and 4.15.

The earlier Network Needs Analysis and Memorial Pool Needs Analysis work (see Strategic Case) outlined the role Memorial Park facilities could play in terms of aquatic provision⁸. It is the ideal central location for an aquatics facility that serves a city-wide catchment for some leisure needs (such as destination outdoor leisure opportunities in a park setting) while also fulfilling network gaps in structured aquatic provision.

TABLE 4.14: NON-COUNCIL AQUATIC FACILITIES

Non-council facilities	Location	Km to Memorial Pool	Amenities
CCS Disability Pool	74 Fourteenth Avenue, Tauranga	2.0	Outdoor heated pool Learn to swim
Fernland Spa	250 Cambridge Road, Bethlehem	5.0	Outdoor hot-pools
Te Pare A Ruahine Aquatic & Fitness Centre	Toi Ohomai Tauranga (Windermere Campus) 70 Windermere Drive Poike	8.0	Outdoor 25m x 6 lane pool Fitness centre
Mount Maunganui College Pool	565 Maunganui Road Mt Maunganui	8.0	Outdoor 25m x 6 lane lap pool
Welcome Bay Hot Pools	429A Welcome Bay Road, RD5 Tauranga	8.7	Outdoor Hot pools
Liz Van Welie Aquatic	79 Pyes Pa Road Pyes Pa	9.2	Indoor heated facility 25m pool Learn to swim pool

⁸ These past documents should be consulted for more information on catchment and network impacts. This material has not been reproduced in this business case.

Oceanblue Health & Fitness	7 Gravatt Road, Papamoa Beach	16.5	Indoor 25 metre pool, 2 lanes
Papamoa School Pool	65 Parton Road Papamoa Beach	19.5	25m x 8 lane lap pool
Bartlett Swim School	15 Market Place Papamoa Beach	19.7	Indoor 25m x 8m lap pool 1.2m deep 25m x 4m learners pool 0.8m deep
Te Puke Aquatic Centre	Te Puke High School Tui Street and Beatty Avenue Te Puke	26.6	Outdoor 33 x 13m 6 lane Outdoor 10 x 10m dive pool Toddler pool
Dave Hume Pools	28B Carisbrooke Street Katikati	36.1	Outdoor 33 x 13m pool 10 x 8m toddler pool
Rotorua Aquatic Centre	18 Tarewa Road, Rotorua	63.7	Indoor 33m 8 lane with bulkhead Indoor teaching pool Outdoor 50m 8 lane

TABLE 4.14: COUNCIL AQUATIC FACILITIES (BVL MANAGED)

Council Facilities	Location	Km to Memorial Pool	Description	Condition
Memorial Pool	314, Devonport Road, Tauranga South, Tauranga 3110	0	<ul style="list-style-type: none"> Seasonal Outdoor heated multi-pool complex 25 x16m main pool 16x5m bulkhead pool 18x12m learners pool BBQ facilities 	Poor quality, tank leaking, seismic performance issues
Otumoetai Pool (Referred to as Otumoetai)	77 Windsor Road, Bellevue Park, Tauranga 3110	5.1	<ul style="list-style-type: none"> All-year Covered (membrane) two pool complex 25x17m main pool 17x8m learners pool 	Poor quality, insulation issues

Greerton Aquatics & Leisure Centre (Referred to as Greerton)	1, Kiteroa Street, Greerton, Tauranga 3112	6.2	<ul style="list-style-type: none"> Indoor multi-pool complex 25m lap pool 18m hydrotherapy pool Learners pool Fitness centre 	Average and has seismic performance issues
Baywave TECT Aquatic & Leisure Centre (Referred to as Baywave)	1 Gloucester Road, Bayfair Mt Maunganui Tauranga 3116	9.3	<ul style="list-style-type: none"> Indoor multi-pool complex 25x25m lap pool 25m leisure pool with wave machine 15m learner pool Toddler splash pool Hydroslide Café Fitness centre 	Good, but has seismic performance issues
Mount Maunganui Hot Pools (Referred as Mount)	9, Adams Ave, Mt Maunganui, Tauranga 3116	9.9	<ul style="list-style-type: none"> All-year Outdoor hot saltwater multi-pool complex 23x12m active pool 23x10m hot passive pool 15x4m toddler pool Open-air 3 private pools 3 massage suites 	Good

Recommended Option for Refinement

The project working group made the recommendation to the project governance group that Option 2 should be advanced for more detailed refinement. This option was also supported by aquatic stakeholders. This recommendation was adopted by Te Manawataki o Te Papa Limited and Council.

4.8 THE REFINED CONCEPT

Option 2 was used as the base concept design which was then further refined. Concept refinement was influenced by additional research and stakeholder feedback. The main changes to the base concept are outlined in Table 4.14. **HDT Architects has prepared a design update report which can be consulted for additional detail.** The refined concept has been estimated to cost \$122.24 million (Appendix 1).

TABLE 4.14: MAIN REFINEMENT DESIGN CHANGES

Main Design Changes	Rationale
Addition of two hydro slides (three in total)	Revenue and leisure benefits are associated with greater visitation and longer length of stay.
Improvements to the outdoor pool areas.	The outdoor pool areas have been made more functional for both leisure play and informal lane swimming.
The fitness centre has been increased in size.	Increasing the fitness centre makes it more functional and able to generate revenue.
Plantroom.	Optimised to make it more efficient – full connection between indoor and outdoor pools (creation of a service spine).
Café optimisations.	The café has been redesigned to make it more functional.
Building form simplified	The building form has been simplified to reduce capital costs and maintenance.

Table 4.15 sets out the rationale for the inclusion of each of the core spaces that have been included in the design. Artist impressions of these spaces are set out later in this section.

TABLE 4.15: THE RATIONALE OF CERTAIN AQUATIC COMPONENTS

Components	Rationale / Descriptions
Hydrosides x 3	<ul style="list-style-type: none"> Having three hydro slides adds a greater critical mass to the overall leisure experience. Three slides enable a mix of slides to be offered that appeal to a wider range of participants (ages, abilities, expectations etc). Length of stay on site is extended which helps improve revenue (i.e. café spending etc).

	<ul style="list-style-type: none"> A comprehensive leisure offering will support the facility and have a strong appeal to families, children and youth providing (i.e. improved overall visitation and slide revenue). A significant hydro slide offering will also extend the appeal of the facility to a wider sub-regional offering, attracting day or weekend visits from the Eastern Waikato and Bay of Plenty area.
Bombing Pool	<ul style="list-style-type: none"> Dedicated bombing pools have been developed in several recent aquatic facilities nationally and have been extremely popular, particularly in attracting youth and young adults, who have a lower representation in Tauranga's current aquatic visitation. The outdoor bombing pool synergises well experientially with the hydro slides making the aquatic facility more appealing to mid/older youth (especially Māori and Pasifika youth who are underrepresented in participation). The bombing pool fronts the Park and gives the pool a very active visible edge over summer. This helps improve appeal and visitation.
Outdoor Splash Pad	<ul style="list-style-type: none"> The current Memorial Pool is used by families and young children for leisure experiences. The Needs Analysis identified a desire for improved outdoor provision to provide safe and appealing water spaces to continue this activity. The outdoor splash pad provides outdoor summer opportunities for younger children and families (and synergises with the adjoining Lido Pool beach). The splash fronts the Park and gives the pool a very active visible edge over summer. This helps improve visitation.
Outdoor Lido Pool	<ul style="list-style-type: none"> The Lido pool offers year-round aquatic opportunities as it is heated geothermally (with temperature can be controlled seasonally). The Lido Pool can be used for: <ol style="list-style-type: none"> Leisure play (i.e. with inflatables etc), Recreational lap swimming (as per the current Memorial Pool), Passive hot water seating areas (built-in hot water vents and seating steps at key locations), A Childrens ramped areas suitable for general play, Flipper ball.

	<ul style="list-style-type: none"> • Having the outdoor pool makes the facility more appealing to key leisure target markets that the existing network of facilities is not currently catering to sufficiently (such as youth, Māori, Pasifika, and families seeking leisure play opportunities). • The Lido Pool fronts the Park and gives the facility a very active visible edge over summer. This helps improve visitation. • The very high visitation to Mount Hot Pools indicates there is strong local and tourism demand for quality outdoor aquatic experiences. The proposed outdoor pool experiences at the Memorial Aquatic facility offer a complementary and different aquatic leisure experience to Mount Hot Pools.
Outdoor Green Space	<ul style="list-style-type: none"> • The outdoor green space complements the outdoor aquatic opportunities and is designed to accommodate: <ol style="list-style-type: none"> 1. Picnics, 2. BBQs, 3. Seating / relaxing areas, 4. Shade tents. 5. Informal recreation activities like ball play • The space encourages longer periods of stay over summer which can assist with increasing revenue (i.e. café spending etc). Customer feedback at significant outdoor pools in Auckland (Pt Erin Pools and Parnell Baths) shows the significant contribution of the outdoor green space and vegetation to the appeal of the facility. • Attracts a greater cross-section of users and is more appealing to families, Māori and Pasifika participants.
Indoor LTS	<ul style="list-style-type: none"> • The Learn to Swim (LTS) pool accommodates child and family activities. • Supporting learning to swim is most often identified as the most important value of Council investment in aquatic provision. • LTS is a valuable source of revenue as well as assisting with water safety objectives. • Indoor LTS enables year-round participation without compromising participant comfort (which is important for younger children). • A quality environment for teaching learn to swim requires warm water of varying shallow depths.

Indoor Programmes Pool	<ul style="list-style-type: none"> • The programme pool offers participants warmer water and enables a range of therapeutic and wellness opportunities. • With Tauranga's ageing population the provision of warm water of appropriate depth for gentle aquatic fitness was identified as a key priority. • Caters to a wide cross-section of the community in particular older adults and youth participating in activities such as flippa ball.
Indoor Spa Pool	<ul style="list-style-type: none"> • The indoor spa pool will be attractive to a cross-section of participants, including older adults and Asian participants. • Spa pools are often identified by adults as key facility for personal relaxation and wellbeing.
Indoor Lane Pool	<ul style="list-style-type: none"> • The indoor lane pool will be primarily used for informal aquatic fitness (laps, aqua-jogging) and structured aquatic sports training. Being indoors makes this space more functional for this use. • At certain times of the year, it will also be used for swimming sports and smaller less formal swimming events. This use is added to by the opportunity for internal and external seating capacity. • Secondary uses will include recreational lane swimming, older age group learn-to-swim, and leisure play (with the aid of inflatables).
Indoor Leisure Pool and Splash Pad	<ul style="list-style-type: none"> • Aquatic leisure is the most significant demand component for aquatic facilities. A quality indoor leisure pool (complemented by the outdoor leisure experience) will attract a wide range of users including families, children, youth and adults. • The indoor leisure pool offers families and children the opportunity for all year-round leisure play. • In summer the indoor leisure area can be opened to the outside via large glass doors making the space very functional all year-round.

Mana whenua - Cultural Narrative Framework

Three hui have been undertaken with Mana Whenua during the concept design phase of the wider project (Memorial Park Masterplan and Aquatic Facility). Mana Whenua are seen as partners in the design process and work developed to date has been to establish cultural narratives, understanding and objectives to set a strong foundation for the project to move ahead. The workshops have been led by Jason Tate (Beca). It has

been agreed that engagement will take place with all iwi and hapū groups in the Tauranga Moana area.

Early on, the design team for the Aquatic Facility (Architecture HDT and Beca) and the Memorial Park Spatial Plan (Bespoke) recognised the need to develop a cultural narrative framework. This framework aims to develop a shared understanding of the cultural design drivers underpinning both projects based on the Tauranga Moana Design Principles. The Design Team is conscious of the need to develop the design response jointly with Mana Whenua.

This framework, and the specific design responses, are under development. They will be further refined and shared with iwi and hapū groups in the following design stages.

A Cultural Values Assessment has been received, and this has useful reference points for the Design Team. It is understood that a new Cultural Values Assessment may be commissioned. However, it is yet to be decided whether this will be prepared as a collaboration with all iwi and hapū, or individually by each group. Early engagement with Mana Whenua in the Preliminary Design phase will be required so further development of the design response can be discussed and agreed upon, and the necessary input is obtained from Mana Whenua to support the resource consent application.

Efforts have been made with the design option to keep the building form strong and simple. The form of the building is derived from an interpretation of the cultural narrative provided by Mana Whenua. There is a need to discuss this interpretation and design response further with Mana Whenua in the following design stages and identify opportunities within the facility for the narrative to be expressed.

TAURANGA MOANA DESIGN PRINCIPLES



MEMORIAL PARK CULTURAL DESIGN DRIVERS



MEMORIAL PARK & RECREATIONAL HUB DESIGN OUTCOMES



Sustainability Opportunities

One of the key advantages of the Memorial Park site is the availability of geothermal energy. While there is a capital cost associated with establishing bores, the operational savings resulting from the free geothermal energy cannot be ignored (See section below). The baseline strategy for concept design includes geothermal bore source heating.

By comparison, an air source heat pump option for the same facility is forecast to increase energy use by over 100%.

Early in the Concept Design phase, Beca developed a Sustainability Framework specific to the project. This initial framework suggested targeting Zero Energy and Zero Carbon certification, primarily due to the ready availability of geothermal energy. Further detailed modelling during Concept Design indicates that while the operational savings from geothermal energy are significant, the Zero Energy and Zero Carbon certification targets would not be achievable, even with the utilisation of a roof-mounted PV (Photovoltaic) solar array.

The Design Team are aware that targeting and obtaining a formal rating or certification has the effect of holding the project team to account. Sustainability initiatives within the design become non-negotiables, leading to better building performance outcomes. This project presents an opportunity for the Council to demonstrate climate change leadership, listed as an aspiration in the Council's draft Climate Action and Investment Plan.

With Zero Energy and Zero Carbon certification unlikely, the Design Team have reviewed the alignment of the Greenstar certification system with the project. This review has indicated that the concept design including base case sustainability initiatives (geothermal energy and rainwater harvesting) would align with a 5-star rating target (assuming the inclusion of geothermal heating). Outside of these impacts, costs are anticipated to be largely associated with consultant costs, contractor P&G and NZGBC registration.

The estimated cost of this is \$450k-\$550k. It is recommended that Green Star certification should be considered.

Specific sustainability measures to be considered in the following design stages include:

- The opportunity to maximise the extent of solar PV given the roof area may offer additional financial and energy/carbon benefits. Procurement opportunities should be considered such as a power purchase agreement to reduce project capital cost impacts.
- There is a great deal of embodied carbon associated with the primary structure. We know from recent work that significant reductions in embodied carbon can be gained from the following;
- Partnering with subcontractors, and suppliers who share a carbon reduction mindset. For example, there is a significant difference in embodied carbon associated with reinforcing steel and structural steel procured from suppliers using an electric arc furnace as compared with a gas furnace.
- The use of laminated timber for the primary structure, which is included in all options presented.
- Concrete additives such as fly ash reduce carbon content and embodied carbon.
- Reduced Transport: An emphasis be placed on selecting the Bay of Plenty, and then NZ supplied materials to reduce transport emissions as well as provide local economic support.
- Divert from Landfill: Demolition of the existing halls presents opportunities to resell or reuse items such as court flooring, glazing, court seating, steelwork, and circulation area/ canopy timbers. A recycling plan and methodology will be developed in future stages.
- Re-use on site: Existing foundation concrete could be crushed and reused as fill for the southern end of the new facility. It is also proposed that the existing QEYC flooring be reused for wall and soffit lining.

Geothermal Energy

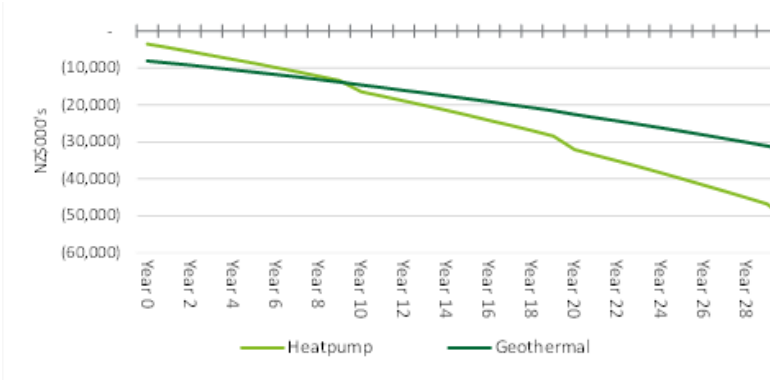
To test the financial benefits of both heat pumps and geothermal energy Deloitte prepared a discounted cash flow analysis between the two options. The analysis was based on the relative differences in:

- Upfront capital costs;
- Lifecycle renewal expenditure;
- Operating costs of the respective options considering ongoing maintenance costs.

The analysis assessed both the WOL cost difference (modelled over 30 years) as well as an estimate of the cost to the ratepayer considering the impact of depreciation and debt repayments on the initial capital costs alongside the annual operating cost.

Based on the analysis in net present value terms the geothermal option was estimated to cost TCC ~\$4.1m less (\$17.1m versus \$21.2m). This reflected the difference in the nominal WOL cost over 30 years of ~\$19m with the heat pump option costing ~\$51m versus the geothermal ~\$32m over the 30-year modelled time horizon.

TABLE 4.15: CUMULATIVE CASHFLOW



The incremental capex associated with the geothermal option is estimated to be paid back within ~10 years from the ongoing lower operational costs of the geothermal option relative to the heat pump.

The cost to the ratepayer is higher for the geothermal option as the rates effect is largely driven by the impact of the upfront capex (which affects both depreciation and debt repayments).

The Relationship with Memorial Park

The refined aquatic facility concept design has been developed to synergise with Memorial Park. The Memorial Park Landscape Spatial Plan and Memorial Park Aquatic Facility projects were undertaken together to maximise these synergies. For example, the outdoor and indoor pools are designed to be open to the park with direct sightlines (see following artist's impressions).

The importance of optimising the wider Memorial Park in line with the Parks Landscape Spatial Plan (December 2023) should not be forgotten.

Improvements to the wider Park will have significant benefits to the proposed Aquatic Facility. These benefits include such things as, attracting more people to the Park and in turn giving the Aquatic Facility a greater community profile and assisting with revenue generation through the café.

The Landscape Spatial Plan should be consulted for further information

ARTIST'S IMPRESSION OF THE POTENTIAL AQUATIC FACILITY VIEWED FROM THE ROAD



HDT

ARTIST'S IMPRESSION OF THE POTENTIAL AQUATIC FACILITY VIEWED FROM WITHIN MEMORIAL PARK



HDT

ARTIST'S IMPRESSION OF THE POTENTIAL OUTDOOR POOL AREA



HDT

ARTIST'S IMPRESSION OF THE POTENTIAL OUTDOOR POOL AREA – BOMBING POOL



HDT

ARTIST'S IMPRESSION OF THE POTENTIAL INDOOR POOL AREA



HDT

ARTIST'S IMPRESSION OF THE POTENTIAL INDOOR POOL AREA



HDT

Potential Benefits

Tauranga is growing and this growth is putting pressure on infrastructure, including social infrastructure such as aquatic and leisure assets. The preferred development option will see significant investment in local assets. This investment will generate an economic impulse, that will support economic activity over the short term. However, the spending is sourced from ratepayers, reducing the associated household budgets and the associated flow-on effects.

The Aquatic Facility will deliver a range of economic and social benefits. These potential benefits relate to difficult to quantify effects, such as:

- Enhancing the performance of the city's aquatic network, and alleviating pressure and congestion at existing facilities,
- Stimulating demand and serving new demand associated with the city's population growth,
- Supporting the city's spatial development ambitions by enhancing the Te Papa peninsula's liveability and adding social amenities to the location.

The facility will deliver a range of user benefits, and these will be closely linked to the characteristics of each user. The facility's potential role in addressing the health and economic impacts associated with physical inactivity is arguably one of the greatest benefits that it will deliver.

Additional discussion on benefits can be found in Appendix 2.

The Commercial Case

5.0 THE COMMERCIAL CASE

5.1 INTRODUCTION

The key determinants when selecting a particular procurement model are:

- **Cost**, in terms of attaining value for money and early cost certainty,
- **Time** available to complete the project, this includes the design period,
- **Complexity** and **scale** of the Project,
- **Risk** allocation,
- **Information** available at the time of selecting a form of contract,
- Requirement for **public accountability** in procurement,
- **Quality**, particularly if a client wishes full control over design development,
- **Market conditions** (e.g., availability of suitable contractors).

It is often a balance of these constraints that determines the form of contract best suited to a particular project.

The most commonly used procurement models are:

- Two Stage ECI.
- Consulting ECI.
- Traditional Delivery (Construct Only).
- Design and Build.
- Construction Management.
- Cost Reimbursement.
- Traditional Alliance.
- PPP/BOOT.
- Competitive Negotiation.
- Direct Negotiation.

5.2 ECI OPTIONS

Early Contractor Involvement (ECI) is an increasingly popular construction procurement approach, where a client can leverage the contractors' building knowledge and resources to optimise design outcomes and reduce cost uncertainty.

While there are numerous ECI options available, two of the more popular options (contractor and consulting ECI) are outlined in further detail below.

It is important to note that ECI is not a procurement model, rather it is an approach that can complement several different procurement models with its most frequent application being towards the Traditional and Design and Build delivery models.

Two Stage ECI

This collaborative approach of an ECI model is attractive to contractors; where contractors may provide early advice and provide feedback on the buildability and optimisation of design. This method is suited to large-scale, complex or medium to high-risk projects because it allows an integrated team time to gain an early understanding of requirements, enabling robust risk management, while facilitating innovation, and value for money.

ECI usually takes the form of a two-stage approach to tendering, whereby:

First Stage Tender:

- Tender documents should contain sufficient project information to enable tenderers to submit a tender response.
- The documentation typically includes concept or preliminary design information, an indication of the client's budget limit, construction methodology, programme, approach to the project, initial risks, proposed project team details, schedule of rates, fixed preliminaries, and fixed margins.
- The inclusion of a Pre-construction Services Agreement (PSA) detailing the services required to be provided by the contractor

during the second stage tender (e.g., buildability, value engineering and supply chain advice, and design and tender inputs).

- Contract award (as usually outlined in the PSA) would be contingent upon the contractor's satisfactory performance during the second stage tender, the contractor providing full cost transparency to the client through an open book approach, agreement of a contract sum that is acceptable to the client (in public value terms) which is below the specified cost ceiling and without qualification.
- When the specified conditions are not met, the PSA will typically provide the client with the right to go back out to the market for tender. This ensures that competitive tension is maintained throughout the tender process.

Second Stage Tender:

- Involves the contractor working with the design team to provide input to the design and develop its tender price on an open-book basis in line with the PSA.
- The second stage tender will conclude upon award of the contract, or when the client notifies the contractor that it will not be awarding a contract due to certain conditions of the PSA not being met.
- For a traditional delivery model, the client and contractor will jointly agree on how the project is to be split into work packages. Once the design is complete for each package, the client and contractor will jointly tender each package to the market on an open-book basis. Once the client is satisfied that the packages represent public value and are within budget, the contractor is awarded the contract to proceed to build, typically based on a lump sum fixed price.

- For novated design and build delivery models, the contract sum is essentially arrived at through a process of negotiation since the design will not be complete at the time of contract award.

Potential benefits:

- Reduced risk to the main contractor as the First Stage ECI will allow the contractor more time and deeper design visibility before moving to a fixed price arrangement.
- Contractor involvement in the design process will allow issues to be identified early, thus reducing variations and disputes in the construction phase.
- Improved integration of design and construction processes (e.g., optimising design, minimising waste, addressing risks earlier on, etc).
- Earlier commitment of construction resources to the project.
- Earlier identification of long lead materials and specialist sub-contractors (allowing mitigation of associated market constraints and risks).

Points to consider:

- Risk that the contractor's pricing at the end of the ECI process will be significantly higher than the client's initial stipulated budget and will not be acceptable to the client.
- Where the client decides not to accept the open book negotiation offer, disruption to the project timelines can occur from re-tendering. This may result in a risk of being trapped with the main contractor which completed the ECI process due to time constraints.

- Another risk of being locked in with the main contractor would occur if the First Stage Tender is used to procure long lead items or specialist trades with the main contractor.
- Reduction in the number of claims does not always transpire as planned during the actual project.
- High turnover of staff or major relationship breakdowns during the tender process can significantly impact performance.
- Competitive tension is maintained by setting clear conditions by which a contractor will be awarded a contract (e.g., achievement of a pre-determined cost ceiling).

Consulting ECI

A Consulting ECI model occurs when construction professionals are engaged to challenge the design team on behalf of the client regarding the project's buildability, program requirements, associated risks, etc.

Potential benefits:

- Likely to be more cost-effective than two-stage ECI.
- Maintains market/competitive tension.
- Allows adjustment/refinement of the procurement model during the design stage (i.e., switch to D&B).
- Allows for direct engagement with the sub-contractor market.
- Allows for contracting of LLI (direct to client) before locking in the main contractor.

Points to consider:

- As with Two Stage ECI, requires effective management.
- Longer tender period

- Less appealing to the contracting market so will require greater market engagement.

In this instance, a Consulting ECI approach would be more suitable and recommended over the Traditional ECI model.

5.3 PROCUREMENT MODELS

Traditional Delivery (Construct Only)

The Client engages a project design team comprising specialist design consultants (i.e., the architect, structural engineer, quantity surveyor, mechanical and electrical engineers and other specialist consultants as required) to prepare a design brief and budget. This would include complete detailed design documentation, developed within budget based on the quantity surveyor's guidance.

Tenders are then invited from building contractors to ascertain the price of the works, before the final decision to proceed. This lump sum can be either a "fixed price" or may make provision for fluctuations in material, plant, and labour prices. The fixed price lump sum contract will have no adjustment for price fluctuations.

Tenders may be called for the construction on either:

- A "selected" basis where a short list of suitable contractors is selected using a process of selection according to their qualifications and experience in the type of project in question. This selection process can include public advertisement to meet probity requirements.
- An "open" or public basis where the submission of tenders is open for any contractor to submit a tender. This provides public accountability and total market exposure but is sometimes at the expense of suitability and selective expertise.

On awarding the contract to the successful tenderer, the site is handed over to the building contractor and the contract is administered by a Project Manager on behalf of the Client under the contract documents.

The construction work is carried out by the building contractor generally using sub-contract trades.

The design performance obligations rest with the design team and any risks sit with the client, although these are invariably underwritten by the individual team members' professional indemnity insurances. The construction (contractual) risks rest with the building contractor.

Potential benefits:

- The Client has full control of the design development at all stages of the project.
- Price is the "true competitive market" price.
- Price is known before the client is committed to construction, allowing remedial action to be taken if the price exceeds budget expectations.
- Client is insulated, for the most part, from "risks", or at least has contractual recourse.
- Design and tender documentation are completed before proceeding to tender, avoiding the incidence of major cost variations.
- Cost certainty is relatively high when the contract is awarded if the design is largely complete and accurately reflects the project brief.
- The client can reduce design-related risk by ensuring all design issues are resolved, considering design innovation where appropriate, and fulfilling design requirements, before procuring the construction works.
- Early Contractor Involvement (ECI) can be introduced on a consultancy basis (and used to inform the development of the design).

- The straightforward nature of the bidding process (especially if a schedule of quantities is used), lowers the cost of tendering and the level of risk retention by the client and usually encourages a competitive tender field.
- Bids are generally less complex and cheaper to assess than other delivery models.
- The model is well-known and understood by industry and clients.
- The design can be varied with relative ease after the construction contract has been awarded.

Points to consider:

- Time taken to complete the full documentation, consenting and procurement negates the opportunity for an early start to construction.
- Price certainty relies on the completeness and accuracy of the client's design documentation. Errors or omissions in the design will lead to variations and extra costs to the client.
- A long lead time is required to get to the tender stage, as the design needs to be at a level sufficient to complete tender documentation.
- The design risk sits with the client, while the construction risk is with the contractor. This could lead to blurred lines when deciding the responsible party for defects remediation (i.e., whether it would be a result of a design error or poor workmanship).
- The client is responsible for providing accurate information (e.g. drawings and specifications) to the contractor promptly. Delays may result in extra costs to the client and/or extensions of time for the contractor.
- The separation of the design and construction process reduces the opportunity for the design and construction teams to work together to optimise the design from a construction perspective

(e.g. methods of construction, minimising waste, and reducing health and safety risks).

Design and Build

The main contractor is responsible for both the design and construction of the project.

The client develops the functional and technical performance requirements for a facility before approaching a Design and Build contractor with the brief for a specific project (which can be via a selected tender process). The contractor can then engage an architect to assist in developing a design (normally tagged to a set level in the architectural design process). The design and build contractor would submit a preliminary proposal incorporating outline aspects for the intended design and construction. This proposal would include estimates of time and cost to complete the project.

If the preliminary proposal is accepted by the client, the design and build contractor will work up and submit a final development proposal. This would incorporate in many instances, a guarantee of a maximum price for the project and offer the client a share in any savings achieved in such maximum price.

The final development proposal would comprise schematic design drawings to a reasonably advanced stage, and an outline specification incorporating a schedule of construction and finishes.

The system may be either with or without a savings participation clause.

Potential benefits:

- Is an efficient delivery method for clients wanting a “one-stop shop”,
- Price can be locked in at an early stage, with the contractor carrying the additional price risk, but this carries a cost premium,

- Design development sits with the contractor and Client design modifications tend to be more expensive after the price is locked in.
- Quality of deliverables can be targeted for contractor’s cost savings if the original defined specification is maintained,
- Tends to limit the level of client/stakeholder involvement in the design process. Generally, less optimal process for complex builds as it can lead to reduced design functionality.
- The contractor has greater influence in the process from the outset.
- Construction can commence shortly after contract award, in advance of all detailed design packages being finalised. This makes an earlier start on site possible and can result in an earlier completion compared to traditional methods.
- The design has high innovation potential, resulting from the input of the contractor and its supply chain into constructability and flexibility in identifying optimum materials and construction methodologies.
- There are potentially fewer disputes and more effective management of any design-related issues, due to having a single point of responsibility for both the design and construction work and minimising design/construction interface risk.
- There can be a high degree of cost certainty where functional and technical performance requirements are clearly defined at tender.
- The contractor generally warrants the design’s fitness for purpose, although this should be clearly defined in the contract. For example:
 - The client may accept the risk that the layouts and relationships of spaces within a facility as defined and agreed in the contract are appropriate for meeting their operational output needs.

- The contractor may accept all technical risks around ensuring that the facility achieves the performance requirements as defined in the contract.

Points to consider:

- Projects with complex design requirements or which require exceptional quality are less suited to design and build as the contractor has a choice in determining the final selection of systems and materials to meet the performance requirements.
- Sufficient time must be allocated during the tender period for contractors to prepare the design proposals and for the assessment of the design, construction programme, methodology and price.
- The cost of tendering is generally higher than under a traditional delivery model, attracting a smaller pool of tenderers (novated approaches can help reduce this cost).
- Clients should consider reimbursing some or all of the contractor bid costs to encourage good competition and innovation (design costs comprise a small part of the overall whole-of-life cost).
- The designer's primary duty is to the contractor; hence the client will need to consider appointing its own design consultants to act as advisors in monitoring the design outputs of the contractor, to ensure they meet the requirements of the contract.
- Ensure clarity on design elements that are to be confirmed post-contract (e.g. colour and texture of finishes). The contractor can be requested at the tender stage to provide flexibility on a range of options that can be decided upon later.
- Quality outcomes of the project reflect the client's specified performance requirements and hence must be carefully specified in the tender documentation.

- It may be difficult for the client to exert control over the design process, and significant design changes post-contract are likely to prove costly.

Construction Management

The client engages the designer and trade contractors directly, whilst also engaging a project/construction manager to act as its agent and manage the delivery of the construction works on its behalf.

Once the initial schematic design is formulated a construction manager is appointed to the team to assist in design considerations and to provide practical building expertise and procedures to the project team.

Construction activities are sub-let to firms or companies specialising in the various trade work required. These trades are selected on a fully competitive, delayed-letting basis, and enter into direct contract agreements with the client.

A general foreman supervises all on-site activities; a cost clerk and a limited number of carpenters and labourers are also engaged to attend to other trades and execute minor sundry works.

Costs are controlled by the quantity surveyor, with a continuous audit of actual costs incurred. Payments are made to trade contractors, suppliers and "on-site" employees by the client.

Potential benefits:

- Able to retain a high degree of control over the project, which would be supported by the project/construction manager.
- Able to retain the continuity of designers.
- Able to provide an accelerated system of procuring a contract, starting on-site before formal design documentation is complete, resulting in an earlier completion.

- Able to provide Early Contractor Involvement.
- Management and coordination risk to client is reduced.
- Contract administration is undertaken by the project/construction manager, reducing client resources required.

Points to consider:

- Price is not known at the start of construction.
- The client carries a high portion of the risk.
- There is no single point of accountability as the project owner must enter into numerous different contracts to deliver the works.
- The bulk of the risk remains with the client as the project/construction manager only performs a management and coordination role.
- There is a lack of specific relationship management provisions in the contract.
- The arrangements can be administratively complex and problematic in terms of liabilities, insurance etc.
- There may be some uncertainty to project owners regarding final construction costs, and the construction manager's fees add an additional element of cost to the project.

Cost Reimbursement

The Client selects a building contractor who contracts to perform the building works under the contract documents at "cost" plus a fee which is related in various ways to the contract. The documents can be based on any one of the contract conditions outlined earlier. In this arrangement, it is extremely important to define "cost". The "fee" is then added, to arrive at a total contract price.

The "cost" usually includes all on-site activities, whilst the fee covers off-site overheads and profits. The fee can be in the form of:

- A percentage of the cost (e.g., Cost plus 10%).
- A fixed fee (e.g. Cost plus \$200,000).
- A fluctuating fee (known also as target estimate).

Another derivative of cost-reimbursement contracts is a schedule of rates or unit price contract. This is based on approximate quantities being priced by the contractor, and these price rates are then applied to actual quantities of work done, to arrive at a total cost of construction.

Key points:

- Price is not known at the start of construction,
- This approach can provide an accelerated system of procuring a contract, starting on-site before formal design documentation is complete, resulting in an earlier completion.
- Can provide Early Contractor Involvement.

Traditional Alliance

This is a relationship-style arrangement that brings together the client and one or more parties to deliver the project collaboratively while sharing all associated project risks and rewards. This method is used in highly complex or large infrastructure projects that would be difficult to effectively, scope, price and delivery under a traditional delivery model.

This method includes a sophisticated cost-plus remuneration regime where the owner reimburses the direct costs of the contractor and designer and pays them a fee on account of profit margin and contribution to overheads that is adjusted upwards or downwards depending on the collective performance of the alliance members against agreed key performance indicators.

Potential benefits:

- Enables a project to go to market early, before the scope and details of the project are finalised.
- Improved efficiency and innovation can be achieved.
- There's maximum flexibility across all aspects of delivery, enabling fast-tracking where necessary to meet time constraints.
- Participants can develop a detailed understanding of pricing and cost due to the transparent, collective contract-pricing process.
- A fully integrated project team deals with planning, design and construction, encouraging participants to look for best-for-project solutions.
- Supports a high level of knowledge transfer between all participants.
- Alignment of commercial interests, plus the relationship approach and no-blame culture, can result in fewer disputes. Where these do occur, quicker resolution is possible.
- Parties are incentivised to work together to achieve time and cost targets.

Points to consider:

- Quality outcomes can be compromised to meet cost targets and time demands. Good planning is required to avoid any re-work, which must be paid for, which compounds the 'pain' for all participants.
- This method requires significant resourcing from the client in terms of governance and management arrangements.
- Clients need to carefully consider the personal attributes needed for personnel to work successfully in an alliance structure, as embedding the right culture from day one is critical to success.

- Strong leadership is needed from the client's senior leaders to ensure that the required no-blame culture is established and implemented throughout the project.
- Relationships are critical to the success of this model. Issues that could impact include high turnover of staff (client or contractor), or major relationship breakdowns.
- Public value is achieved through an open-book accounting-based approach, which allows the contractor's rates and margins to be independently verified.
- The accounting-based approach, and the requirement for detailed cost scrutiny, requires a higher degree of cost management input compared to other delivery models.

PPP / BOOT

Public Private Partnerships (PPPs) are long-term contracts between a government body and one or more private sector companies for the delivery of a service involving building a new asset or enhancing an existing asset.

In this partnership, the private party provides a public service asset and assumes the financial, technical and/or operational risk of the project. Typically, a private sector consortium forms a special purpose vehicle (SPV) to design, build, maintain, and operate the asset for a specified time frame after which it will be handed back to the end user in good condition. The private sector assumes a major share of the responsibility in terms of risk and financing for the delivery and the performance of the infrastructure, from design and construction to long-term maintenance.

PPPs are typically used where the government is seeking whole-of-life innovation and efficiencies that the private sector can deliver in the design, construction, and operating phases of the project. PPPs also have the potential to provide a greater degree of time and cost certainty than 'traditional' delivery approaches through the discipline of private finance but can be less flexible. There are various PPP models, ranging from design-build-finance (DBF) to fully integrated design-build-finance-

operate-maintain (DBFOM). These models reflect a range of increasing private-sector involvement.

Build-own-operate-transfer (BOOTs) are a subset of public-private partnership (PPP) project models in which a private organisation conducts a large development project under contract to a public-sector partner, such as a government agency. BOOT projects are often used to develop large public infrastructure projects with private funding. The private company receives the right to achieve income from the facility under a period (usually 15-25 years) and later transfers it back into public ownership (normally government).

Key points:

- Increased focus on the specification and the performance of service outcomes.
- Integrated service and asset design solution.
- A 'whole of life' perspective that provides greater cost certainty and optimisation.
- Payment for good performance and abatement for poor performance.
- Active management and optimal allocation of risk.
- Wider benefits to New Zealand's infrastructure sector as a result of private sector expertise and experience.
- Enhanced procurement discipline.

Competitive Negotiation

The client appoints a consultant team to prepare schematic design drawings up to the preliminary working drawings stage, outline specifications including a schedule of construction and finishes and a form of a building contract.

Tenders are called from a selected list of building contractors, for the following elements:

- Preliminaries and General Costs, that is the builder's price for site mobilisation, day-to-day running and final demobilisation, construction plant including cranes, scaffold, builders' insurances, temporary and on-site services, water, phones, electricity, periodic and final clean-up, and builder's site administration, including supervision.
- A tendered percentage or lump sum for margins to be based on the value of work when known.
- A tendered percentage or lump sum for off-site overheads.
- A tendered percentage or lump sum for attendance on sub-trades.
- Statement of the time required to complete the project accompanied by the builder's programme.

Tenders, submitted following the above requirements, are evaluated by the consultant team and a recommendation is made to the Client. On a recommendation in favour of one of the building contractors being accepted, that entity then joins the project team as a building consultant. Their practical building expertise is then used in final design documentation before they proceed to perform the building works.

The appointed building contractor prices documentation as it becomes available for final acceptance by the client. This is usually done by the building contractor calling competitive bids from, three or more sub-contractors for each trade package.

Key points:

- This is essentially an accelerated system of procuring a contract, the main object being to install a selected builder on site and working, before formal design documentation is complete, resulting in an earlier completion,

- The selected building contractor becomes a member of the team and is available to add his expertise to the advantage of the project.
- Sub-contract prices are tendered just before when needed, thereby obtaining current market prices.
- Price is not fully locked in before the client is committed to construction.
- Design documentation and consenting need to keep pace with onsite construction, which is an inherent risk.

Direct Negotiation

Directly negotiated contracts are like “competitive negotiation” except that instead of calling tenders from a selected list of contracts, one contractor will be chosen, and negotiations will take place with this one contractor only.

Care is needed in selecting a particular contractor, but it will probably be someone with whom the client has worked successfully in the past.

Key points:

- This is essentially an accelerated system of procuring a contract, the main object being to install a selected builder on site and commence working, before formal design documentation is complete, resulting in an earlier completion. The process is faster than competitive negotiation as little time is needed to evaluate tenders, further speeding up the start of construction.
- The selected building contractor becomes a member of the team and is available to add his expertise to the advantage of the project.
- Sub-contract prices are tendered just before when needed, thereby obtaining current market prices.

- Price is not fully locked in before the client is committed to construction.
- Design documentation and consenting need to keep pace with onsite construction, which is an inherent risk.
- Very difficult to show public accountability in procurement.

5.4 PROCUREMENT MODEL EVALUATION

A procurement model evaluation process is being undertaken separately from the business case. The project's procurement plan is currently being assessed by the TMoTP Board which will provide recommendations to Council.

The Financial Case

6.0 THE FINANCIAL CASE

6.1 PURPOSE

The Financial Case sets out the overall cost and affordability of the refined Memorial Park Aquatic Facility development option identified within the Economic Case.

The purpose of the Financial Case is to:

- Quantify the expected annual costs of the aquatic development.
- Outline the potential funding sources.
- Assess the affordability of the aquatic facility.

6.2 RECOMMENDED OPTION

The Refined Concept

An indicative operating model has been developed for the proposed Memorial Park Aquatic Facility to reflect the concept design following value management changes.

The Economic Case provides additional detail on the refined concept design.

6.3 FINANCIAL MODEL

Overview of Approach

The expected annual costs of the Memorial Park Aquatic Facility were determined through the development of a financial model ('the model'). The costs of the Aquatic Facility comprise:

- Capital costs for the development, design and construction of the facility.
- Operating costs and revenues relating to the operation of the facility.
- Lifecycle costs covering the refurbishment of the facility components.

The financial model was constructed based on costs, revenue and funding assumptions and estimates obtained from Tauranga City Council (TCC), BBD (Quantity Surveyors), Visitor Solutions and other appropriate public sources of information.

The analysis has been prepared on a fully costed basis to understand the cash impact on the Council. It is common for Councils to take different accounting approaches for the treatment of insurance, repairs and maintenance and central overheads (IT and corporate services) which can distort how profitability is reported.

A summary of the key inputs and assumptions in the Model and their respective sources are detailed in Table 6.1.

TABLE 6.1: KEY INPUTS AND ASSUMPTIONS SUMMARY

	Assumptions	Source
Land	No cost	
Construction Timing	Approximately 24 months to complete construction and fit-out of the premises, between CY25 to CY27. Operations commence Jan- 2028	Visitor Solutions and TCC
Escalation Construction + Life Cycle Costs	Construction Escalation Costs already factored into BBD (QS) Report. Life Cycle Escalation Costs are based off the non-residential building index from NZIER-Forecast (Stats NZ)	BDD (QS) NZIER
Depreciation	Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.	Inland Revenue Department
Model Period	~50 Years	Deloitte
Operations Period	50 Years	Deloitte
Inflation	~2% (applied to income and operating expenditure) Discount Rates and CPI Assumptions for Accounting Valuation Purposes The Treasury New Zealand	The Treasury New Zealand
Net Present Value Date	December 2024	Deloitte
GST & Tax	Excluded – all numbers are presented GST Exclusive The facilities will be operated by a non-tax paying entity.	

Cost to Funder Analysis

The indicative operating cost to Council presented within our analysis considers:

The Accounting Cost to Council (what will appear in the Annual Accounts) is:

- Net of revenue, and operating costs.
- Interest on the money borrowed by the funder to fund the construction cost at 5.5% interest, repaid over 30 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by a Council.

The Rates Cost to Council (what would be rated for) is assumed to be:

- The net operating cost (before depreciation).
- Interest on debt borrowed to fund the development of the facility.
- Debt repayment over 30 years (on the initial development capital expenditure).
- Depreciation, which is rated for and held in reserve to fund capital replacements and renewals (based on 50 years straight-line for building structure, 20 years straight-line for plant & equipment and five years straight-line for gym equipment).

The cost-to-council analysis presented following is on a gross basis and therefore does not consider the net impact of forecasts for the Memorial Park Aquatic Facility that may already have been incorporated into TCC LTP rate forecasts. Accordingly, we have assessed the impact on rates related to the FY2024/25 rates forecast.

Modelled Option

The option modelled is the preferred design option that includes the features set out in Table 6.2. Additional descriptions can be found in the economic case.

TABLE 6.2: REFINED PREFERRED AQUATICS FACILITY OPTION

Space Type	Component Description
Indoor aquatic	<ul style="list-style-type: none">• 25m by 8 lane lap-pool with ramp (524m2).• 20m by 4-lane programme pool with ramp and therapy pool (538m2).• 20m by 4-lane teaching pool with ramp (214m2)• Leisure pool with toddlers area and water feature (237m2)• Spa pool (20m2)
Outdoor aquatic	<ul style="list-style-type: none">• 25m lap and leisure pool with beach entry (525m2)• Bombing pool (38m2)• Outdoor lounging areas
Fitness Centre	<ul style="list-style-type: none">• 840m2 fitness space,• 2 studios,• changing spaces,• storage• assessment rooms.
Associated spaces	<ul style="list-style-type: none">• 3 hydro slides• Multi-purpose room serving the indoor aquatic area• Group, individual and accessible changing spaces• Café serving both indoor and Memorial Park.• Administration, plant, and storage.• Geothermal bore and associated infrastructure.

The modelling of the refined preferred facility option builds on previous financial modelling analysis undertaken on the earlier preliminary design options. The financial analysis related to the refined preferred design option is detailed in Appendix 3.

Capital Expenditure

The construction cost estimates for the Memorial Park Aquatic Facility have been prepared by BBD (dated 8th March 2024) to provide a construction cost estimate.

The construction of the facility will be phased over 24 months. All presented costs are reported in calendar years (ended 31 December).

An allowance for cost escalation has been incorporated based on a provisional sum of \$8.8m (based on calculations by BBD).

TABLE 6.3: MEMORIAL PARK AQUATIC FACILITY – CONCEPT DESIGN ESTIMATE

\$'000s	
Demolition & Bulk Earthworks	4,570
Aquatic Centre	49,125
Stair Tower & 3 No. Hydroslide	6,065
Fitness Centre & First Floor Plantroom	6,670
Outdoor Pools & Splash Pads	7,070
Integrated Cultural Design	450
Siteworks	7,965
	81,915
FF&E	2,190
Future Cost Escalation	8,800
Contingencies	11,960
Consultant & Fees	14,400
	119,265
Project Contingency	2,975
Total	122,240

Source: BBD: Concept Design Estimate 8 March 2024 18317 / EE19

We note that alongside professional fees (~14%) a ~15% contingency allowance has been factored into the estimated capital costs. No quantitative risk analysis has been undertaken.

The capital estimate provided by BBD incorporates a level of contingency but does not necessarily represent a fully costed estimate for all project risks. Monte-Carlo-styled risk analysis has not been prepared. Within the financial case, a sensitivity analysis has been prepared which assesses the impact of a +/-25% capital cost in terms of the project's cumulative free cash flow and impact on Council rates.

Life cycle Costs

The lifecycle cost assessment has been calculated by applying benchmark lifecycle percentages for the replacement of the initial capital costs over time. Lifecycle costs include asset maintenance and asset replacement expenses over the lifecycle of the facility.

BBD estimates that the preferred facility option will likely incur \$70.3m (real terms) in lifecycle costs over the 50-year operating period (Table 6.4).

TABLE 6.4: LIFECYCLE COSTS (2024 REAL TERMS).

\$'000's	
5 Yr	314
10 Yr	4,324
15 Yr	6,354
20 Yr	19,484
25 Yr	656
30 Yr	10,564
35 Yr	314
40 Yr	21,774
45 Yr	6,354
Total	70,345

Source: BBD (QS), Visitor Solutions

Note: amount represent the spend at each anniversary date

In addition to the facility lifecycle cost allowances, there is an allowance of \$500k every three years to replace the gym and fitness equipment within the cash flow forecasts for the fitness centre. This assumes a full replacement of the initial spend (\$1.5m) every nine years.

Lifecycle costs have been escalated based on non-residential construction cost indices sourced from Rider Levett Bucknall (Forecast Report 104 "New Zealand Trends in Property and Construction") reverting to Treasury assumptions from CY28 at 2% p.a).

Operating expenditure and revenue

The operating model estimates the costs and revenues associated with the operation over 50 years. The model was informed by Bay Venues, TCC and Visitor Solutions.

While operating revenue will be generated over a ~50-year period following the opening of the aquatic facility, operating expenditure will be incurred for salaries, finance, administration and IT before construction completion. Our assessment has been prepared over a 54-year timeframe that includes the capital delivery and then 50 years of operations.

General Assumptions:

The following general assumptions have been applied in the operational model.

- All facilities are operated by Bay Venues in an operating model similar to Baywave.
- Escalation is included at 3.3% per annum.
- The operational model assumes a full year of operation following opening (i.e. no part years).
- The facility will be operational for 52 weeks per year.
- Day-to-day maintenance is included.
- The facility will open for 12.5 public holidays, with an allowance for time and a half.
- The financial picture provides an EBITDA view (Earnings before Interest, Taxes, Depreciation and Amortization).
- No allowance has been included for TCC internal costs or overheads.

It is important to note that operational modelling is inherently conservative and seeks to present an achievable outcome rather than an optimistic or aggressive result. The next stage of more granular financial analysis at the business plan stage will provide further accuracy.

Operating Hours

The model is based on the following opening and operating hours when staff are on-site (Table 6.5).

TABLE 6.5: OPERATING HOURS

	PUBLIC OPENING HOURS	OPERATING HOURS	PEAK PERIODS
Weekdays	6am to 9pm	5.15am – 9.15pm Leisure: 9am-7pm	7am-10am / 3pm-7pm
Weekends	8am to 7pm	7.30am – 7.15pm Leisure: 9am-7pm	9am-4pm
Public Holidays	8am to 7pm	7.30am – 7.15pm Leisure: 9am-7pm	9am-4pm

Estimating Use

The operational model uses two approaches to estimate the future use of Memorial Park Aquatic Facility and Fitness Centre.

TOP-DOWN APPROACH

The first approach is based on a top-down approach using the catchment population and visits per population as summarised in Table 6.6. Using this approach, the book-ends for the redeveloped Memorial Park Aquatic Facility are 232,000 pool visits growing to 327,000 when accounting for forecasted population growth. At 129 aquatic visits per square-metre of water, this is strong but still leaves room for growth.

Currently, Baywave Pool is operating over capacity and it is expected there will be some adjustment between Memorial Park Aquatic and Baywave facilities.

TABLE 6.6: BASELINE METRICS FOR TAURANGA AQUATIC FACILITIES

	MEMORIAL	BAYWAVE	GREERTON	OTUMOETAI	CITYWIDE
Catchment Population	28,993	29,663	20,475	18,398	134,600
Visits 2020/21	35,000	278,000	90,000	50,000	453,000
Current water Space	759	1,353	728	600	3,440
Visits/ Population	1.2	9.4	4.4	2.7	3.4
Visits / water-space	46	205	124	83	132
FOLLOWING DEVELOPMENT					
Estimated visits/population	8.0	8.0	4.4	2.7	4.5
Estimated visits	231,944	237,304	90,090	49,675	609,013
Future Catchment Population 2048	40,875	34,893	32,152	19,742	186,000
Future estimated visits	327,000	279,144	128,608	59,226	793,978
New water-space	1,796	1,353	728	600	4,477
Estimated visits/water-space	129	175	124	83	136

Future visits/water-space 2048	182	206	177	99	177
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POOL LOADING APPROACH

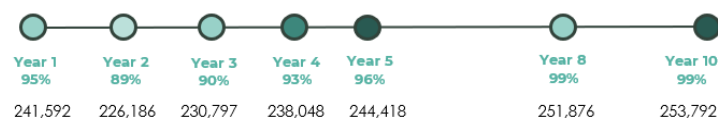
The second approach is more refined to determine the likely loading of the facility. Loading is different from maximum capacity. Maximum capacity is the absolute maximum number of people a facility can accommodate. It is very rare for aquatic facilities to reach maximum capacity as there are always peak and off-peak periods.

Loading is the expected number of people using the facility based on normal visit patterns to each water tank across different times of the day, week, and year. The loading model utilises common use patterns in aquatic facilities to estimate the number of visits to each pool tank.

Based on the loading model, full loading is anticipated at 255,345 aquatic visits per annum, which equates to 147 visits /square metre of water. It is typical for new aquatic facilities to operate close to full loading in year 1 as a new facility entices people to visit. It is common for visits to drop away in year 2 and build across several years to reach full loading.

Most pool tanks will reach full loading at year five or six however learn to swim is forecast to grow over a longer period accounting for population growth patterns. This is why the facility is not modelled at full loading past year 10. After year 10, the facility is forecasted to grow at small annual increases as the population grows (Figure 6.1).

FIGURE 6.1: POOL LOADING 10 YEARS



It is important to note, the model does not account for other variables such as opening or closing of other aquatic facilities and changing

weather patterns, which can impact potential use (both positively and negatively). Therefore, we have not modelled visits beyond 10 years.

The loading assumptions for each pool tank are outlined in the following sections. Table 6.7 outlines the estimated visits across different categories for facility visits including estimated spectators, based on one-third of aquatic sports and children attending with spectators.

The pool loading has been built based on term and holiday periods as there are significant differences expected in the visits across the year.

TABLE 6.7: POOL LOADING ESTIMATED VISITS PER ANNUM

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Adult	64742	59156	60313	62152	63764	64668	65161	65501	65728	65728
Child	72630	65440	67499	69681	71822	72569	72610	72670	72711	72711
Senior	24544	23010	23272	23833	24295	24806	25317	25467	25566	25566
Hire (visits)	20494	19213	18572	19213	19426	19853	20280	20920	21347	21347
LTS	41415	42968	44521	46074	47627	48145	48663	49180	49698	50216
Programmes	6805	6380	6522	6664	6805	6947	7089	7089	7089	7089
Parties	6846	6161	6367	6572	6777	6846	6846	6846	6846	6846
Events	4116	3859	3731	3859	3902	3988	4074	4202	4288	4288
Aquatics visits	241592	226186	230797	238048	244418	247821	250039	251876	253274	253792
Hydroslide	39805	35825	37019	38213	39407	39805	39805	39805	39805	39805
Spa	18675	16807	17368	17928	18488	18675	18675	18675	18675	18675
Fitness Visits	94500	99225	104186	109396	114865	120609	126639	132971	139620	146601
Fitness members	756	794	833	875	919	965	1013	1064	1117	1173
Spectators	30731	27935	28404	29335	30112	30499	30654	30885	31039	31039
Total Facility	366823	353347	363387	376778	389395	398929	407331	415732	423933	431431

25m POOL

The 25m pool is designed to be multi-purpose and used for a range of activities including (Table 6.8):

- Casual swimming for fitness – lap swimming, aqua-jogging and aqua-walking.
- Learn to swim for older age groups and adults.
- School swimming.

- Aquatic sports training – swimming, water polo and synchronised swimming.
- Aquatic sports events – swimming, water polo and synchronised swimming.
- Over-flow aquatic play space.

TABLE 6.8: 25M POOL ESTIMATED LOADING USE

PERIOD	TIME	TERM TIME	HOLIDAYS
Weekdays (5 days/week)	Mornings	5 lanes casual laps	5 lanes casual laps
		3 lanes aquatic sport	3 lanes aquatic sport
	During day	5 lanes casual laps	4 lanes casual laps
		3 lanes schools	4 Lanes play
	After 3pm	3 lanes casual laps	5 lanes casual laps
		2 lanes learn to swim	-
		3 lanes aquatic sports	3 lanes aquatic sports
	After 6pm	3 lanes casual laps	8 lanes casual laps
		5 lanes aquatic sport	-
	Mornings	3 lanes casual laps	8 lanes casual laps
		3 lanes aquatic sports	-
Weekends	Afternoons	2 lanes learn to swim	-
		8 lanes lap swimming	8 lanes lap swimming
Public holidays	Day	8 lanes casual laps	8 lanes casual laps
Events	Day	Allowance for 15 full event days	

The 25m pool loading model allows for 15 event days each year. These have been allocated between term and holiday periods across the full year. The model estimates the pool will start at 96% of pool loading, dropping to 90% in year two and growing year on year until reaching 100% loading in year nine. Estimated visits are set out in Table 6.9.

TABLE 6.9: 25M POOL ESTIMATED VISITS

	MODEL	GROWTH ASSUMPTIONS
Adult	11,352	Estimated to grow in line with facility fluctuations
Child	2,028	Estimated to grow in line with facility fluctuations
Seniors	4,985	Estimated to grow in line with facility fluctuations
Hire (aquatic sport)	21,347	Estimated to grow year on year by a small percentage growth.
Schools		720 lane hours allocated – no estimated numbers

Events	4,288	Estimated to grow year on year by a small percentage growth.
Learn to swim	4,735	Estimated to grow year on year by a small percentage growth.
Total	48,735	93 visits per water-space

PROGRAMME POOL

The programme pool is designed to be multi-purpose and used for a range of activities including (Table 6.10):

- Casual aqua-fitness – aqua-walking, aqua-jogging and movement.
- Learn to swim for older age groups and adults.
- Fitness programmes such as aqua-movement and aqua-cise.
- Dedicated hydro-therapy programmes and classes.
- Over-flow aquatic play space.

TABLE 6.10: PROGRAMME POOL ESTIMATED LOADING USE

PERIOD	TIME	TERM TIME	HOLIDAYS
Weekdays (5 days/week)	During day	4 lanes casual fitness	4 lanes casual laps
	Classes	5 classes per week	5 classes per week
Weekends	Mornings	4 lanes casual fitness	4 lanes casual fitness
		2 classes per weekend	-
Public holidays	Day	4 lanes casual fitness	Overflow aquatic play

The model estimates the pool will start at 96% of pool loading, dropping to 90% in year two and growing year on year until reaching 100% loading in year seven. Estimated visits are set out in Table 6.11.

TABLE 6.11: PROGRAMME POOL ESTIMATED VISITS

	MODEL	GROWTH ASSUMPTIONS
Adult	13,306	Estimated to grow in line with facility fluctuations
Seniors	20,582	Estimated to grow in line with facility fluctuations
Programmes	7,089	Estimated to grow in line with facility fluctuations
Total	40,977	172 visits per water-space

TEACHING POOL

The teaching pool is designed to be multi-purpose and used for a range of activities including (Table 6.12):

- Learn to swim from babies to primary-aged children.
- Over-flow aquatic play space.
- Some aquatic sports like flippa-ball.

TABLE 6.12: TEACHING POOL ESTIMATED LOADING USE

PERIOD	TIME	TERM TIME	HOLIDAYS
Weekdays	Mornings	8 classes per hour	8 classes per hour
(5 days/week)	Afternoons	8 classes per hour	-
Weekends	Mornings	8 classes per hour	-

The model estimates 100% occupancy in terms 1 and 4 and 80% occupancy in terms 2 and 3. As it will take time to build the learn to swim programme, the overall programme starts at 80% occupancy and grows year on year by 3%. At year 10 it is forecast to be at 97% occupancy. Estimated visits are set out in Table 6.13.

TABLE 6.13: TEACHING POOL ESTIMATED VISITS

	MODEL	GROWTH ASSUMPTIONS
LTS	47,034	Estimated to grow annually by 3%
Total	40,977	220 visits per water-space

LEISURE POOLS & HYDROSLIDES

The leisure pools (outdoor and indoors) are designed for a range of activities including (Tables 6.14 and 6.16) :

- Toddlers and young children play in the shallow water.
- Recreational play by older children and adults in the deeper water.
- Birthday party groups, average occupancy of 12.
- Bombing and deep-water play.
- Outdoor lap swimming.

Distinct from other pools in the facility, the model estimates that leisure pools have lower occupancy during the term period and full occupancy during the school holiday periods.

The outdoor pools are estimated to have the highest occupancy during the summer school holiday period and drop to 50% occupancy during terms two and three. The leisure pools are expected to start at 100% occupancy in year one and then drop back to 90% in year two, growing year on year to reach full occupancy in year six.

TABLE 6.14: INDOOR LEISURE POOLS AND HYDRO SLIDES ESTIMATED LOADING USE

PERIOD	TIME	TERM TIME	HOLIDAYS
Weekdays (5 days/week)	During day	Play by Adults & younger children	Adults and Child play swimming
	After 3pm	Adults and Child play swimming	Adults and Child play swimming
Weekends	Mornings	Adults and Child play swimming	Adults and Child play swimming
	Afternoons	Adult & child play swimming	Adult & child play swimming
	Day	2 birthday parties	2 birthday parties
Public holidays	Day	Adult & child play swimming	Adult & child play swimming
Hydroslide	Day	20% of adult visits and 40% of child visits	

Estimated visits for indoor leisure pools and hydro slides are set out in Table 6.15⁹.

TABLE 6.15: INDOOR LEISURE POOLS & HYDRO SLIDES ESTIMATED VISITS

	Model	Assumptions
Adult	20,077	Estimated to grow in line with facility fluctuations
Child	37,502	Estimated to grow in line with facility fluctuations
Parties	6,846	Estimated to grow in line with facility fluctuations
Hydroslide	19,016	Percentage growth in line with the rest of the facility
Total (no hydro slide)	64,424	272 visits per water-space

⁹ Note that hydroslide use is derived from both indoor and outdoor pool use so it appears in both indoor and outdoor tables.

TABLE 6.16: OUTDOOR POOLS AND HYDROSLIDES ESTIMATED LOADING USE

PERIOD	TIME	TERM TIME	HOLIDAYS
Weekdays (5 days/week)	Mornings	Lap swimming for fitness	Lap swimming for fitness
	During day	Play by Adults & younger children	Adults and Child play swimming
	After 3pm	Adults and Child play swimming	Adults and Child play swimming
Weekends	Mornings	Adults and Child play swimming	Adults and Child play swimming
	Afternoons	Adult & child play swimming	Adult & child play swimming
Public holidays	Day	Adult & child play swimming	Adult & child play swimming
Hydro slides	Day	20% of adult visits and 50% of child visits	

Estimated visits for outdoor leisure pools and hydrosides are set out in Table 6.17.

TABLE 6.17: OUTDOOR POOLS AND HYDRO SLIDES ESTIMATED VISITS

	MODEL	ASSUMPTIONS
Adult	20,993	Estimated to grow in line with facility fluctuations
Child	33,181	Estimated to grow in line with facility fluctuations
Hydroslide	20,789	Percentage growth in line with the rest of the facility
Total (no hydroslide)	54,174	96 visits per water-space

SPA POOL

The spa pool is driven as a percentage of users during the working week, weekends and holiday periods with consistent occupancy across the term periods and school holidays (Table 6.18).

TABLE 6.18: SPA POOL ESTIMATED VISITS

	Model	Assumptions
Spa	18,674	Estimated to grow in line with facility fluctuations
Total	18,674	934 visits per water-space

FITNESS SPACE

Estimating the fitness visits is more challenging as there is more competition across the market (See Economic Case). Baywave Clubfit is used as a guide, but it is acknowledged this facility is currently operating at high levels and Memorial Park Aquatic Facility fitness space could not be expected to start at this level. Taking a conservative approach, the opening membership is estimated at 0.90 members per square metre with a 5% growth rate. Ideal capacity is at around 1.5 members per square metre which is forecast for Year 11. Maximum capacity is around 2.0 members per square metre (Table 6.19).

TABLE 6.19: FITNESS CENTRE ESTIMATED MEMBERS

	Area	Members	Members / Area
Baywave 2019/20	Estimated 1,000m2	2412	2.41/m2
Baywave 2022/23	Estimated 1,000m2	2102	2.10/m2
Memorial Year 1	840m2	756	0.90/m2
Memorial full capacity	840m2	1,733	2.06/m2

Revenue Streams:

ESTIMATED PRICING

The pricing in the model is based on the approved entry prices 2024/25, as specified in Table 6.20. No allowance has made for multi-visit and discounted rates. Spectators have been calculated but are assumed to receive free entry.

TABLE 6.20 PRICING STRATEGY FOR THE NEW AQUATIC FACILITY

	2024/25 PRICING	(Ex GST)	SOURCE
Adults	\$9.40	\$8.17	Bay Wave 2025 price
Senior	\$6.40	\$5.57	Bay Wave 2025 price
Child	\$6.00	\$5.22	Bay Wave 2025 price
Schools	\$6.80 per lane-hour	\$5.91	Bay Wave 2025 price
Pool Hire	\$12.20 per lane-hour	\$10.61	Bay Wave 2025 price
Learn to swim	\$20.00 per lesson	\$17.39	Bay Wave 2025 price
Programmes	\$10.00 per class	\$8.70	Bay Wave 2024 price
Hydroslide	\$9.60 additional to entry	\$8.35	Compared to comparable facilities*
Spa	\$5.70 additional to entry	\$4.96	Bay Wave 2024 price
Parties	\$23.00 per person	\$6.09	Compared to comparable facilities
Fitness	Annual membership rate \$1,018	\$886.00	Based on average membership of \$39 per fortnight

Note: * The comparable facilities are the Lido Aquatic Centre (Palmerston North) and Waterworld (Hamilton).

VENDING MACHINES

Vending machine revenue has been based on Baywave vending machine net income of \$0.2 of aquatic visits. We note that park users may bump this spending rate up slightly. However, this impact has been excluded in favour of reflecting spend via the café (which will have a stronger presence facing the park than potential foyer-based vending machines).

CAFÉ

The following assumptions have been made regarding the café:

- The café will serve in the facility foyer, externally into the park (via a deck) and into the pool (with outdoor and indoor access).
- The café will be the only food provider in the park.
- The café will generate revenue primarily from pool patrons and park users (and to a far lesser extent gym patrons). Sales for Aquatic Facility users have been benchmarked from Baywave with an adjustment as follows:
 - Estimated spend of \$1.65 per aquatic visit (an increase from Baywave to take account of the new café design and location and the indoor and strong outdoor pool aspects).
 - Projected year one aquatic visitation 241,592 x \$1.65c = \$399,000.
 - Additional spend from park / other visitors \$150,000
 - Total Estimated spend circa \$550,000 in year one.
- The café will be run by BVL on a commercial footing and generate standard hospitality margins.
- Café revenue will peak in the summer months (because of the park use and outdoor pool use with an associated longer length of stay on site and greater associated expenditure).

It is also worth remembering that the café model has a series of fall-back positions these are:

- Transition to becoming a 'light café' offer (with tea and coffee and cabinet food),
- Lease the café out rather than have it run by BVL,
- Repurpose the café partially or fully into birthday party rooms.

RETAIL

Based on Baywave retail offering it is assumed \$0.58 of swim entries. It is assumed this is managed by reception staff.

Operating Costs

Staffing

Staffing costs total \$2,728k in Year One.

The staffing approach to the aquatic facility has been advised by BVL. This includes head-office allocations to cover the Head of Aquatics, Aquatic Ops Manager, Aquatic Roster & Recruitment, Aquatic T&D Coordinator, Aquatic Activation Coordinator, and Aquatic Admin Assistant. The staffing approach is outlined below:

- Facility Staff include:
 - Facility Manager – full-time salaried,
 - Assistant Operations Manager – full-time salaried,
 - Four Shift Supervisors – based on 40-hour weeks at \$35.80 per hour,
 - Reception Team Leader – based on 40-hour weeks at \$30.80 per hour,
 - Receptionist to cover all opening hours plus 20% for hand-over. Additional receptionist is included for peak periods. Based on a living wage hourly wage of \$28.00.
- Lifeguarding staff – all lifeguards are paid a living wage of \$28.00.
 - Shift leaders allocated for all opening hours,
 - Minimum of four lifeguards for the facility,
 - Additional one lifeguard for 25m lap pool during peak periods,
 - Additional two lifeguards for indoor leisure and outdoor leisure pools during peak periods,
 - Additional two lifeguards for hydroslide during peak periods.

¹⁰ The insurance figure is a provisional estimate and will be refined once negotiations are commenced with either local government insurers or third-party insurer providers.

- Learn to swim staff include:
 - Supervisor – full-time salaried,
 - One Teacher for all class/space hours at \$29.40 (5% over living wage).
- Programme staff include an instructor for all class periods on an hourly rate of \$35.00 per hour.
- Birthday party coordinator at 4 hours per week plus hosts for all party hours at \$27.80 per hour.
- Cleaning staff – 30 hours per week at \$27.80.
- Fitness staff based on a ratio to members, benchmarked from Baywave Clubfit at \$430 per member.
- KiwiSaver and ACC levies at 6% of all wages.

Facility Expenses

Other facility expenses have been estimated in Year 1 as being \$1,569k. This includes:

1. Cost of sales for Café and retail sales (\$304k);
2. Electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.
 - Electricity - \$477k.
 - Insurance - \$250k¹⁰.
 - Repairs and Maintenance - \$130k.
 - Security and Alarm Monitoring - \$70k.
 - Cleaner¹¹ - \$45k.

The power for pool heating, air handling, pumping and treatment has been calculated by Beca for each pool area using their modelling on

¹¹ Based of BVL arrangements at Baywave.

energy consumption and efficiency. Water and chemicals have also been calculated by Beca.

Operating Costs Summary

The combined operating costs are summarised in Table 6.21.

TABLE 6.21: ESTIMATED OPERATING COSTS

\$'000s	
Aquatic:	
Staffing	1,366.3
Energy	390.0
Insurance	250.0
Chemicals	75.0
R&M	100.0
Other	49.6
	2,231.0
Fitness	
Staffing	325.1
Energy	45.0
R&M	30.2
Other	143.0
	543.4
Facility	
Staffing	1,036.4
Cost of Sales	304.0
Security	69.8
Energy	42.0
Other	70.0
	1,522.2
Total Opex	4,296.5

Source: Visitor Solutions

Note: Year 1 Opex Data is Real Terms (i.e. non-escalated)

Funding Sources

There can be a range of funding sources available for infrastructure of this nature.

Funding for the Memorial Park Aquatic Facility may need to be met through a combination of:

- Capital funding from Charitable funders;
- Debt provided by regional or local councils (likely sourced via the LGFA);
- Operating revenues and, if required and feasible, other commercial opportunities; and
- Funding through an “operating subsidy” provided by the Council.

For our financial analysis, we have assumed that construction is funded via:

- Capital grant funding totalling \$15m – sourced from a charitable organisation (e.g TECT and other Trusts);
- \$107.2m Debt provided by regional or local councils (likely sourced via the LGFA);

The level of capital grants has a material impact on the cost to ratepayers, for example, if the Hub sources an additional \$5m of grant funding, the impact to rates is reduced by ~\$400k per annum.

We highlight that during construction there is an interest impact estimated at \$5.9m (representing the interest on the \$107.2m before the commencement of operations as construction commences. We have considered the impact of this interest within our cost-to-council rates impact.

Should external grant funding become available the impact of this would be to reduce the level of required debt funding on Council.

Financial Evaluation

Financial Summary

The facility is not forecast to operate profitably (Table 6.22 and 6.23). It will require ongoing grants from TCC of ~\$733k per annum reducing over time as the pax volumes and prices increase. The facility does not contribute sufficient profit to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time. This is not uncommon for Aquatic facilities. For example, the Marlborough Trust stadium in Blenheim currently receives funding from the local Council of ~\$840k per annum alongside other grants of ~\$140k per annum to cover operational costs and depreciation.

The Fitness centre is forecast to make EBITDA profits (\$138k increasing to \$413k) the level of profit is sufficient to cover the anticipated 3-yearly refit requirement for gym equipment (~\$500k escalating).

The facility is not cashflow positive over the 50-year modelled time horizon. We estimate the WOL cumulative cash flow impact at \$321.9m.

We have estimated the cost to council impact as \$12.5m per annum over the first 30 years of operation. This is primarily made up of:

- Funding required to offset operational losses (~\$550k per annum);
- Funding required to cover debt repayments (\$7.8m). This comprises both the impact of the debt on the initial capex (\$107.2m) and the effect of capitalised interest during the period of construction (\$5.9m).
- Funding required for depreciation to fund renewals over time (\$4.1m);

\$12.5 represents an impact to ratepayers of ~3.8% (based on LTP forecast rates of \$325m in FY2024/25).

The gross cost of the facility reduces over time specifically after 30 years (~CY58) when the debt borrowed to fund the facility has been repaid.

TABLE 6.22: FINANCIAL SUMMARY – MEMORIAL PARK AQUATIC FACILITY

\$NZ000's	Aquatic	Fitness	Facility	Total
Capital Expenditure Requirement	122,240	-	-	122,240
Year 1				
Revenue	2,694	731	806	4,231
Expenditure	(2,709)	(593)	(1,662)	(4,964)
EBITDA	(15)	138	(856)	(733)
Year 10				
Revenue	3,447	1,356	964	5,767
Expenditure	(3,240)	(944)	(1,988)	(6,171)
EBITDA	207	413	(1,023)	(404)
Cumulative Free Cash Flow	(262,742)	13,291	(72,427)	(321,878)
Net Present Value	(140,071)	3,014	(19,335)	(156,393)
Year 1 ROA	(0.012%)	N/A	N/A	(0.012%)
IRR	N/A	N/A	N/A	N/A
Payback	N/A	N/A	N/A	N/A
Cost to Ratepayers				
Operational Subsidy (EBITDA)	(194)	(428)	1,158	536
Depreciation (to fund renewals)	3,917	219	-	4,137
Debt Repayments (30 Years)	4,013	-	-	4,013
Interest (5.5%)	3,771	-	-	3,771
Estimated Funding Required (Average)	11,508	(209)	1,158	12,457
Rates (TCC LTP 2025 - General Rates)	325,000	325,000	325,000	325,000
% of Current Rates	3.5%	(0.1%)	0.4%	3.8%

Source: Deloitte Analysis

TABLE 6.23: DETAILED FORECAST REFINED PREFERRED MEMORIAL PARK AQUATIC FACILITY OPTION

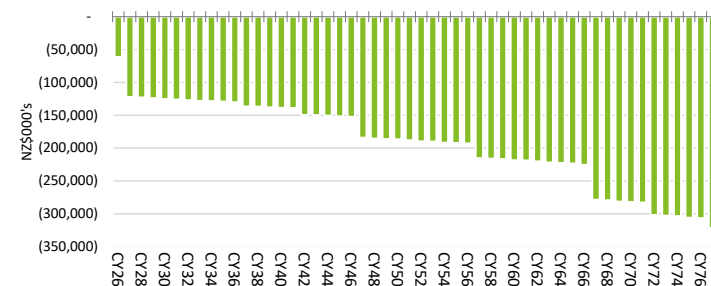
\$NZ000's	CY26	CY27	CY28	CY29	CY30	CY31	CY32	33	34	35	36	37	38	39	CY40	1	42	43	44	45	46	47	48	49	CY50	1	2	3	4	5	CY60	1	2	3	4	5	CY70	1	CY76	CY77
Aquatic Casual (000's)	-	-	211	199	202	208	214								222	#	#	#	#	#	#	#	#	#	222		222		222		222		222		222		222		222	
Aquatic Hydroslide (000's)	-	-	40	36	37	38	39								40	#	#	#	#	#	#	#	#	#	40		40		40		40		40		40		40		40	
Aquatic Spa (000s) No#	-	-	19	17	17	18	18								19	#	#	#	#	#	#	#	#	#	19		19		19		19		19		19		19		19	
Aquatic Programmes (000's) No#	-	-	7	6	7	7	7								7	#	#	#	#	#	#	#	#	#	7		7		7		7		7		7		7		7	
Aquatic Events (000s) No#	-	-	7	7	7	7	7								8	#	#	#	#	#	#	#	#	#	8		8		8		8		8		8		8		8	
Fitness Memberships No#	-	-	756	794	833	875	919								1,173	#	#	#	#	#	#	#	#	#	1,173		1,173		1,173		1,173		1,173		1,173		1,173		1,173	
Profit & Loss																																								
Revenue	-	-	4,231	4,221	4,413	4,630	4,856								6,120	#	#	#	#	#	#	#	#	#	7,460		9,094		11,086		12,485		12,734							
Expenses																																								
Staff	-	-	(3,147)	(3,230)	(3,315)	(3,402)	(3,492)								(4,243)	#	#	#	#	#	#	#	#	#	(5,172)		(6,304)		(7,685)		(8,655)		(8,828)							
Direct	-	-	(1,047)	(1,069)	(1,090)	(1,112)	(1,134)								(1,329)	#	#	#	#	#	#	#	#	#	(1,620)		(1,975)		(2,407)		(2,711)		(2,765)							
Indirect	-	-	(770)	(786)	(802)	(818)	(834)								(977)	#	#	#	#	#	#	#	#	#	(1,191)		(1,452)		(1,770)		(1,993)		(2,033)							
Other	-	-																																						
Total Operating Costs	-	-	(4,964)	(5,084)	(5,206)	(5,331)	(5,460)								(6,549)	#	#	#	#	#	#	#	#	#	(7,983)		(9,731)		(11,862)		(13,358)		(13,626)							
Lease	-	-																																						
Operating Costs	-	-	(4,964)	(5,084)	(5,206)	(5,331)	(5,460)								(6,549)	#	#	#	#	#	#	#	#	#	(7,983)		(9,731)		(11,862)		(13,358)		(13,626)							
EBITDA	-	-	(733)	(863)	(794)	(701)	(604)								(428)	#	#	#	#	#	#	#	#	#	(522)		(637)		(776)		(874)		(891)							
Depreciation	-	-	(3,505)	(3,505)	(3,619)	(3,619)	(3,638)								(4,090)	#	#	#	#	#	#	#	#	#	(4,270)		(5,292)		(5,981)		(5,960)		(4,500)							
EBIT	-	-	(4,239)	(4,368)	(4,413)	(4,320)	(4,242)								(4,518)	#	#	#	#	#	#	#	#	#	(4,792)		(5,928)		(6,757)		(6,834)		(5,391)							
Interest	(1,475)	(4,424)	(6,223)	(6,137)	(6,046)	(5,950)	(5,850)								(4,815)	#	#	#	#	#	#	#	#	#	(2,712)		-		-		-		-		-		-		-	
NPAT	(1,475)	(4,424)	(10,461)	(10,505)	(10,459)	(10,271)	(10,091)								(9,333)	#	#	#	#	#	#	#	#	#	(7,504)		(5,928)		(6,757)		(6,834)		(5,391)							
Rates Cost to Council																																								
Net Operating Cost	-	-	(733)	(863)	(794)	(701)	(604)								(428)	#	#	#	#	#	#	#	#	#	(522)		(637)		(776)		(874)		(891)							
Interest Cost	(1,475)	(4,424)	(6,223)	(6,137)	(6,046)	(5,950)	(5,850)								(4,815)	#	#	#	#	#	#	#	#	#	(2,712)		-		-		-		-		-		-		-	
Capex - Establishment	(61,120)	(61,120)	-	-	-	-	-								-	#	#	#	#	#	#	#	#	#	-		-		-		-		-		-		-		-	
External Funding Received	7,500	7,500	-	-	-	-	-								-	#	#	#	#	#	#	#	#	#	-		-		-		-		-		-		-		-	
Debt Draw/Repayment	53,620	53,620	(1,562)	(1,648)	(1,738)	(1,834)	(1,935)								(2,970)	#	#	#	#	#	#	#	#	#	(5,072)		(5,292)		(5,981)		(5,960)		(4,500)							
Depreciation to fund Replacements	-	-	(3,505)	(3,505)	(3,619)	(3,619)	(3,638)								(4,090)	#	#	#	#	#	#	#	#	#	(4,270)		(5,292)		(5,981)		(5,960)		(4,500)							
Total Cost to Council – Rates (Gross)	(1,475)	(4,424)	(12,023)	(12,153)	(12,197)	(12,105)	(12,026)								(12,302)	#	#	#	#	#	#	#	#	#	(12,577)		(5,928)		(6,757)		(6,834)		(5,391)							
Cash Flow Cost to Council																																								
Cost to rates	(1,475)	(4,424)	(12,023)	(12,153)	(12,197)	(12,105)	(12,026)								(12,302)	#	#	#	#	#	#	#	#	#	(12,577)		(5,928)		(6,757)		(6,834)		(5,391)							
Addback Depreciation	-	-	3,505	3,505	3,619	3,619	3,638								4,090	#	#	#	#	#	#	#	#	#	4,270		5,292		5,981		5,960		4,500							
Replacement Capex	-	-	-	-	(568)	-	(378)								-	#	#	#	#	#	#	#	#	#	-		(1,030)		-		-		-		-		-		-	
Total Cost to Council - Cash Flow	(1,475)	(4,424)	(8,518)	(8,647)	(9,146)	(8,485)	(8,767)								(8,213)	#	#	#	#	#	#	#	#	#	(8,307)		(1,666)		(776)		(874)		(15,204)							
Cumulative Cash Flow																																								
EBITDA	-	-	(733)	(863)	(794)	(701)	(604)								(428)	#	#	#	#	#	#	#	#	#	(522)		(637)		(776)		(874)		(891)							
Capex - Establishment	(61,120)	(61,120)	-	-	-	-	-								-	#	#	#	#	#	#	#	#	#	-		-		-		-		-		-		-		-	
Replacement Capex	-	-	-	-	(568)	-	(378)								-	#	#	#	#	#	#	#	#	#	-		(1,030)		-		-		-		-		-		-	
Cash Flow	(61,120)	(61,120)	(733)	(863)	(1,362)	(701)	(982)								(428)	#	#	#	#	#	#	#	#	#	(522)		(1,666)		(776)		(874)		(15,204)							
Cumulative Cash Flow	(61,120)	(122,240)	(122,973)	(123,836)	(125,198)	(125,899)	(126,881)								(138,479)	#	#	#	#	#	#	#	#	#	(186,558)		(218,251)		(282,064)		(306,675)		(321,878)							

Source: Deloitte Analysis
DISCLAIMER - These projections have been compiled from information and instructions furnished to us and estimates made by Deloitte. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be achieved.

Cumulative Cashflow

We have assessed the cumulative cash flow on both an undiscounted and discounted basis. Cumulative free cash flow on an undiscounted basis (over 50 years) for the preferred option is \$321.9 million (Figure 6.2).

FIGURE 6.2: CUMULATIVE CASE FLOW – 50 YEARS



Impact on Rates:

The rates cost to the Council (what would be rated for) is assumed to be:

- The net operating cost (before depreciation).
- The cost of capital expenditure on the facility.
- Interest on debt borrowed to fund the development of the facility.
- Debt repayment over 30 years.
- Depreciation, which is rated for and held in a reserve to fund capital replacements and renewals.

Our analysis indicates that the impact is ~\$12.5 million per annum.

As noted previously this is primarily a result of the debt and depreciation on the upfront capital requirement::

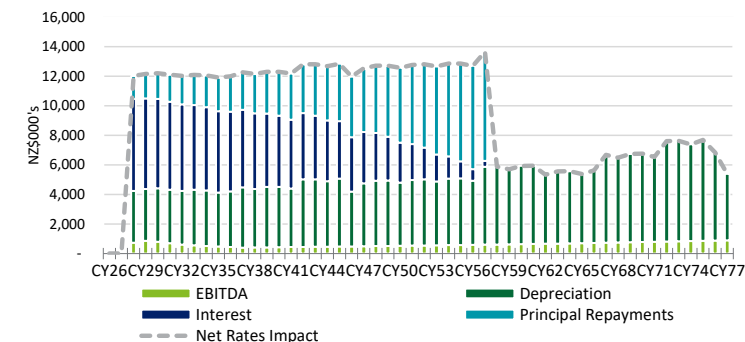
- Funding required to offset operational losses (~\$550k per annum);
- Funding required to cover debt repayments (\$7.9m). This comprises both the impact of the debt on the initial capex

(\$107.2m) and the effect of capitalised interest during the period of construction (\$5.9m).

- Funding required for depreciation to fund renewals over time (\$4.1m);

The gross cost of the facility reduces over time and this is evident after 30 years (~CY57) when the debt borrowed to fund the development has been paid off (Figure 6.3).

FIGURE 6.3: COST TO RATEPAYERS – 50 YEARS



Sensitivity Analysis

To assess the potential impact of changes in key variables, a sensitivity analysis has been conducted to evaluate the effect on cumulative cash flow and costs to the council of the facility given potential changes to revenue, expenditure and capital expenditure.

Revenue:

The first variable considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 5% and an increase of 5% applied to ticket/membership pricing (aquatic centre pricing and fitness membership pricing). We highlight that the revenue sensitivity has been prepared in isolation of operating costs (i.e. it represents a price impact only). If there is a need to employ extra staffing to support revenue

growth, then the impact on EBITDA would be lower which would result in a smaller effect on cumulative cash flows and the cost to council.

We have not included revenue generated from Café, Retail and Vending Machine Income. Café revenues represent ~14% of total facility revenue and the contribution to cash flows is relatively minor (~\$100k per annum). The impact on rates and the WOL costs are predominately driven by the upfront capex which impacts the depreciation, debt and interest payments and lifecycle renewal requirements. Approximately ~\$550k (4.0%) of the estimated \$12.5m rates cost is due to the forecast profitability of the facility.

- A 5% increase/decrease in revenue is projected to result in a +/- \$530k impact on cost to council in CY77.
- A 5% increase/decrease in revenue is projected to result in a +/- \$16.8m impact on cumulative cash flow across the lifetime of the project

FIGURE 6.4: CUMULATIVE FREE CASH FLOW (NZ\$m) REVENUE SENSITIVITY

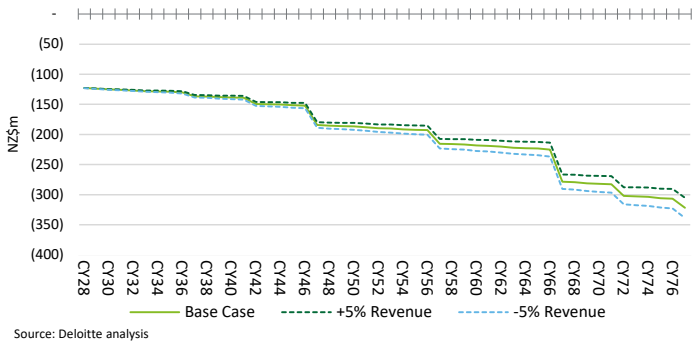
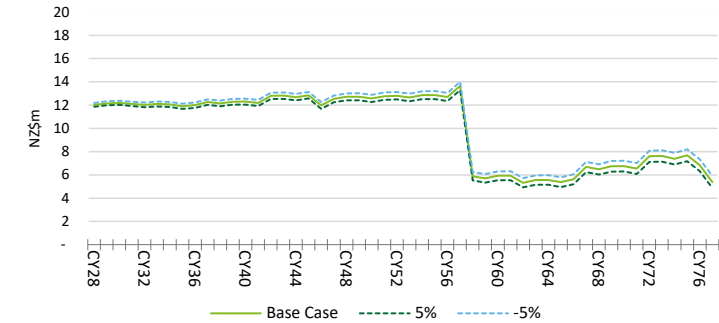


FIGURE 6.5: RATE IMPACT (NZ\$m) REVENUE SENSITIVITY

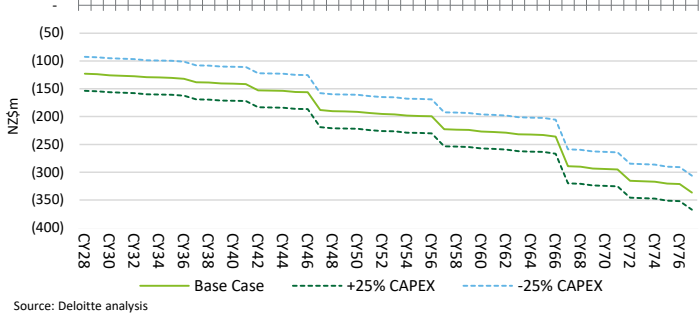


Capital Expenditure:

The upfront capital expenditure costs are significant and as a result, we have considered the effects of a decrease of 25% and an increase of 25% in the overall capital expenditure line item (no change to expenditure or revenue).

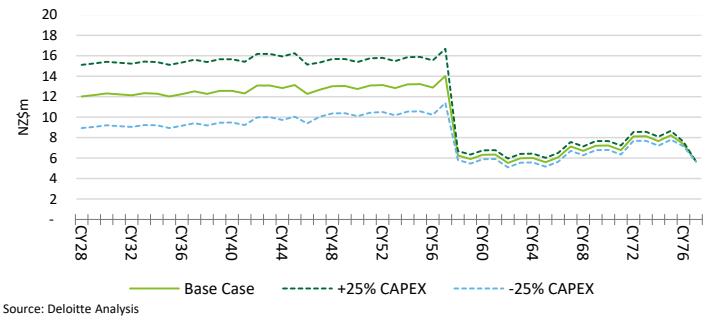
- A 25% increase/decrease in capital expenditure is projected to result in a +/- \$30million impact on cumulative cash flow across the life of the project (Figure 6.4).

FIGURE 6.6: CUMULATIVE FREE CASH FLOW (NZ\$ M) CAPEX SENSITIVITY



- A 25% increase/decrease in capital expenditure is projected to result in a ~+/- \$2.7 million impact on the cost to council in CY57 (the year before debt repayment), this is illustrated in Figure 6.5

FIGURE 6.5: COST TO COUNCIL - RATES (NZ\$ M) CAPEX SENSITIVITY



The Management Case

7.0 THE MANAGEMENT CASE

7.1 INTRODUCTION

This management case sets out the processes that are being implemented to enable the successful delivery of the Memorial Park Aquatic Facility. It includes consideration of the following:

- Wider governance context,
- Governance and project team establishment,
- Project delivery capability and skills,
- Procurement planning outline,
- Stakeholder management,
- Benefits management,
- Risk management.

The preferred procurement model selected by the client is Traditional Delivery with consultant early contractor involvement (ECI) (Construct Only) (see Commercial Case). The client considers this approach will deliver the strongest benefits for the project at this time. It is acknowledged that this position will be reviewed as the project advances.

7.2 WIDER PROJECT GOVERNANCE

Tauranga City Council have appointed Te Manawataki o Te Papa Limited (TMoTPL) to govern the delivery of the Memorial Park Aquatic Facility on behalf of the Council.

TMoTPL is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002 (LGA) and a public benefit entity for financial reporting and tax purposes. The company is 100% owned by the Tauranga City Council (Council). TMoTPL was registered and began operations in February 2023. The Council is TMoTPL's sole shareholder.

The TMoTPL Board of Directors are responsible for the oversight and performance of TMoTPL, and ensuring decisions are made in the interests of Council and the people of Tauranga and the Bay of Plenty region. The Board is accountable for delivering the purpose, vision, objectives and strategies set out in its Statement of Intent, complying with its constitution and the provisions of the Companies Act and the LGA.

The Board guides and monitors the business and affairs of TMoTPL. It draws on relevant corporate governance best practice principles to assist and contribute to the performance of the company. All directors are required to comply with a formal code of conduct which is based on the New Zealand Institute of Directors' Code of Proper Practice for Directors.

The TMoTPL Board is committed to a high standard of corporate compliance in guiding the company's activities and providing expert governance and financial control of the delivery of the Project.

7.3 PROJECT GOVERNANCE

TMoTPL is responsible for the governance of the delivery of the Project, including execution, monitoring, and control, through to completion of construction, in a way that provides the best community outcomes possible.

TMoTPL will actively identify, quantify, and mitigate risks promptly to the Council, as the agency responsible for delivering the Project including financial risk, delivery risk and reputational risk. TMoTPL's purpose is to deliver the project for and with the community, on behalf of the Council, rather than to operate a business for profit.

In a governance sense, the TMoTPL will:

- Clearly define, and agree with Council, the delegation's hierarchy between Council, TMoTPL, and key project contractors.
- Provide expert advice to the Council concerning entering into design and construction contracts.
- Identify, and mitigate or manage, works connected with both the design and construction phases of the Project, including

- reporting regularly to the Council on the health and safety, scope, budget, programme and the management of significant risks.
- Develop and manage processes to ensure that the Project is progressing according to all expectations and ensure regular reporting by project management to the TMOPL Board.
- Convene robust processes to use external project auditors, probity auditors, and peer reviewers as necessary to provide an agreed level of independence to the Council.
- Support the Council's strategic framework outcomes of a liveable city, resilient communities, healthy environment, and prosperous economy.

Key Roles

TMOPL Board Members

The board members are accountable for the delivery of the project; specifying project outcomes and design requirements; strategic alignment; adhering to the terms of funding agreements; maintaining project viability; and ensuring agreed project outcomes.

TMOPL Project Director

The Project Director reports to the TMOPL Board and is responsible for the delivery of the Memorial Park Aquatic Facility development project. The Director is responsible for oversight and control over the project team and consultants. They control project expenditure, project scope changes, and procurement decisions.

Project Control Group Members

The project control group members are selected for their skills. They are drawn from the Council and BVL and consultancies (as independent advisors). They are tasked with working on the project at a closer level and interfacing primarily with the Project Director to get the best solution on budget. They also have contact - under guidance - with the Expert Design Advisory, Project Manager, Quantity Surveyor and Design Team.

Expert Design Advisory

Expert advisory input is used to review and endorse design stages. This does not involve detailed peer review, and responsibility for the design's compliance with the client brief still rests with the Design Team.

Project Manager

The Project Manager (PM) would report directly to the Project Director and be responsible for the day-to-day coordination of the project. The PM can issue instructions to the Design Team and contractor.

Quantity Surveyor

The Quantity Surveyor (QS) reports directly to the Project Manager and would be responsible for the day-to-day cost control.

ECI Consultant/s

The Early Contractor Involvement consultants would report to the PM and be responsible for providing advice to the PM and Design Team on optimising the facilities buildability.

They could recommend and endorse design approaches but have no delegated approval authority and could not issue instructions to the design team.

Design Team

They would be responsible for the design meeting the agreed brief and the budget. They would report to the Project Manager. The design team would include, but would not be limited to architects, engineers, and landscape architects.

Building Contractor

The building contractor would be tasked with constructing the project following the agreed design and specifications.

7.4 CAPABILITY & SKILLS

The intention is to have the necessary capability and skills across all levels of core project delivery. These desired requirements are summarised in Table 7.4.

TABLE 7.4: CAPABILITY AND SKILLS

Area	Required Capability and Skills
TMoTPL Project Director	<ul style="list-style-type: none"> • Experience in vertical build construction over \$100m, • Leadership skills, • Negotiation and stakeholder management skills, • Experience in senior roles to enable project issues to be identified and solutions advanced rapidly with senior key stakeholders, • Experience in central and local government environments, • Experience with major vertical builds that have involved contract management, commercial negotiation and multi-stakeholder management.
Financial Manager (Role may be fulfilled by the PD)	<ul style="list-style-type: none"> • Experience in the financial management and oversight of vertical build construction projects over \$100m+, • Experience in local government environments.
Project Manager	<ul style="list-style-type: none"> • Project management experience in vertical build construction of over \$100m+. • Experience in significant Councils and Community projects. • Major project procurement experience.
Financial Monitoring	<ul style="list-style-type: none"> • Experience managing the financial reporting, monitoring and expenditure on major vertical construction projects, • QS expertise to provide an independent perspective on different expenditure stages.

Legal and Commercial Advisor	<ul style="list-style-type: none"> • Experience in developing large construction project EOI and RFP documentation, • Experience conducting tender evaluations and negotiations for large construction projects, • Experience with supporting budget approvals and understanding and working with the project QS.
Communications Advisor	<ul style="list-style-type: none"> • Experience in developing and implementing communication strategies, • Experience working with key stakeholders through the development of major capital projects. • Experience setting public expectations pre, during and after a major capital builds.
Commissioning Advisor (Expected to be fulfilled by BVL)	<ul style="list-style-type: none"> • Strong understanding of commissioning major community sporting facilities. • Strong stakeholder management skills.

7.5 PROCUREMENT PLAN

The TMoTP Board have reviewed the procurement plan and is providing advice to the Tauranga City Council. The plan will be updated as required and has not been included in this business case. The plan can be sourced separately once approved.

7.6 MASTER PROJECT PROGRAMME

The project master project programme has been prepared by AECOM and is attached as Appendix 4.

7.7 BENEFITS MANAGEMENT

A process would be implemented to ensure that the benefits of the Memorial Park Aquatic Facility development are measured over the short, medium, and longer term. It is recommended that the project partners work together under a shared monitoring plan to gather the necessary data to monitor the progress towards the project's key performance indicators.

The realisation of the project benefits would be dependent on:

1. The partners working together during both asset development and operationalisation stages,
2. The timing of the project implementation stages,
3. The quality of the final assets (asset functionality etc).

TABLE 7.5: KPI'S FOR BENEFITS MONITORING

Benefits & Key Performance Indicators	Detailed Benefit	Key Performance Indicators	Data Source
Benefit 1: Memorial Park becomes a favoured destination both for residents and visitors.	<ul style="list-style-type: none"> Residents have improved facilities, services, and higher utilisation levels. 	<ul style="list-style-type: none"> The number of pool visits associated with Memorial Park facilities trends up over five years. The number of Park users trends up year on year over the first 10 years. User satisfaction surveys indicate 90% of respondents value the optimisations made. 	Council and BVL
	<ul style="list-style-type: none"> Higher participation from Mana Whenua, Pasifika, and ethnic minorities, and the gender diverse. 	<ul style="list-style-type: none"> Data indicates that these groups are using Memorial Pool to a greater level than any other pools in the network. Memorial Pool matches national benchmarks (re leisure /structured use). 	Council and BVL
Benefit 2: Tauranga's community facility network is optimised.	<ul style="list-style-type: none"> Increased opportunities for aquatic leisure, hydrotherapy and learn to swim. Structured sports clubs report demand pressure reduction. 	<ul style="list-style-type: none"> Participation data indicates uptake is higher than other facilities in the network. 80% of structured aquatic clubs report the new facility has eased pressures across the network. 	Council and BVL Council and BVL

Benefit 3: Tauranga's community and economy benefit from the development of Memorial Park.	<ul style="list-style-type: none">• The Aquatic Facility and Park are viewed as a quality all year-round destination.	<ul style="list-style-type: none">• Resident and visitor surveys indicate that 75% of respondents view the Park and Pool as a quality all year-round attraction.	Council and BVL
Benefit 4: The Memorial Park Aquatic Facility is a model for modern sustainable community facility design and operation.	<ul style="list-style-type: none">• Reduced energy costs.• Higher revenue generation.	<ul style="list-style-type: none">• National benchmarking indicates the pool energy costs are below national averages(in the top 20% of facilities).• The pool's revenue generation is the best in the Tauranga network and in the top 20% nationally.	Council and BVL Council and BVL

7.8 RISK MANAGEMENT

A full risk register has been prepared by AECOM. This document has not been reproduced in the business case and can be sourced separately. A summary of the top ten risks and mitigation steps has been set out by AECOM in Appendix 5.

7.9 STAKEHOLDER ENGAGEMENT & COMMUNICATION

A stakeholder engagement and communication plan for the project has been set out by Beca with input from the Council. This document has not been reproduced in the business case and can be sourced separately.

7.10 PROJECT ASSURANCE

Project assurance is being provided by TMOtpl and has not been included as part of the business case. Information on project assurance can be sourced separately.

7.11 PROJECT CLOSURE

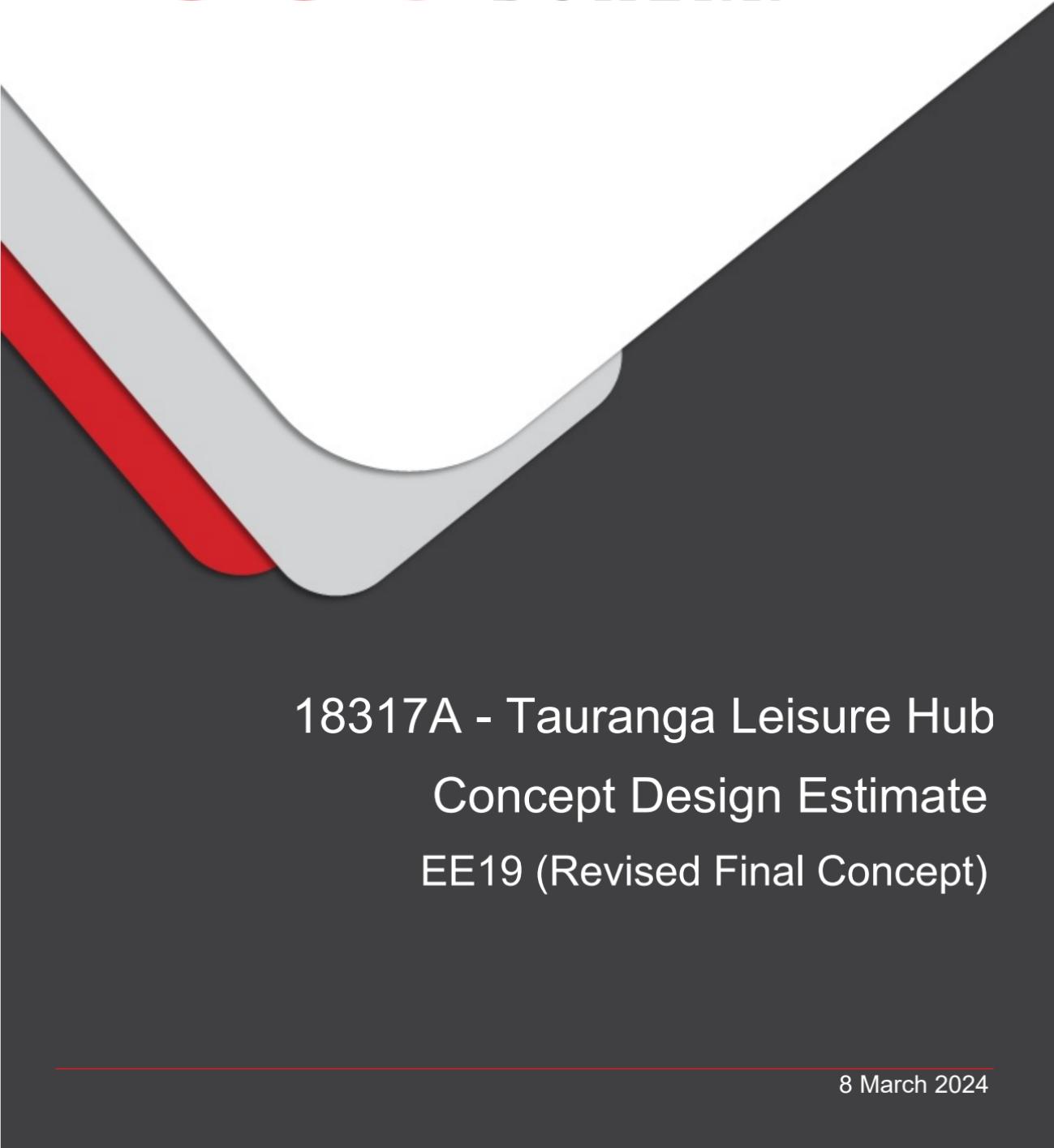
Project close-out will be carefully managed via an approved Closure Plan. The Closure Plan will be developed by TMOtpl via the project team (in conjunction with BVL and other key stakeholders) progressively over the design period and finalised as part of the Detailed Design approval.

At a minimum, the plan will consider the following:

- 1. Issues and Risk Management.
- 2. User acceptance criteria (mapped to project objectives).
- 3. Project team transition and performance assessment.
- 4. Asset Data Management.
- 5. Operational Knowledge Transfer.
- 6. Post Project Reviews.
- 7. Lessons Learned Capture.
- 8. Closure criteria.

Appendix

APPENDIX 1: COSTINGS

An abstract graphic consisting of overlapping, curved shapes in shades of grey and red, creating a sense of depth and movement. The shapes are layered, with a red shape in the foreground and grey shapes behind it, all set against a dark grey background.

18317A - Tauranga Leisure Hub
Concept Design Estimate
EE19 (Revised Final Concept)

8 March 2024



8 March 2024

Attention: Kelvin Eden

Tauranga City Council
By Email

—
The Shortland Centre
Level 14
55 Shortland Street
Auckland 1010
PO Box 3422,
Shortland Street
Auckland 1140
09 379 6174
bbd.co.nz

Dear Sir,

RE: TAURANGA AQUATIC CENTRE - CONCEPT DESIGN ESTIMATE

Further to your request, we have compiled a Concept Design Estimate for the above referenced project.

Concept Design Estimate | 8 March 2024 | 18317 | EE19 (Revised Final Concept)

Memorial Park Recreation HUB - On Grade Option - Timber Option

1	Demolition & Bulk Earthworks	\$	4,570,000
2	Aquatic Centre	\$	49,125,000
3	Stair Tower & 3 No. Hydroslide	\$	6,065,000
4	Fitness Centre & First Floor Plantroom	\$	6,670,000
5	Additional ESD Items (Excluded - Refer Wishlist)		Excluded
6	Outdoor Pools & Splash Pads	\$	7,070,000
7	Integrated Cultural Design	\$	450,000
8	Siteworks	\$	7,965,000
MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER		\$	81,915,000
OPTION - TOTAL CONSTRUCTION COSTS			
9	FF&E	\$	2,190,000
10	Future Cost Escalation [Provisional]	\$	8,800,000
11	Contingencies	\$	11,960,000
12	Consultant and Consent Fees	\$	14,400,000
MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER		\$	119,265,000 (Plus GST)
OPTION - TOTAL			
13	Project Contingency	\$	2,975,000
MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER		\$	122,240,000 (Plus GST)
OPTION - TOTAL PROJECT			

Basis of Estimate

- Concept Design package February 2024
- Email from Mark Bates dated 2 February 2024, outlining scope differences

Assumptions / Clarifications

- Refer to estimate detail for inclusion, assumptions and clarifications
- Pile Depth 25m
- On-grade option with timber structural frame
- Proprietary pool tanks systems (Natare or Myrtha)
- A 175mm reinforced concrete slab on-grade has been allowed for to general outdoor areas where the drawing shows a slab, but no specific details or specifications have been provided.

G:\1.1 AKL Projects\2018\18317 Tauranga Leisure Hub\04 - Estimates\EE19 Revised Concept



- 300mm wide concrete upstand walls have been measured at 1m high
- An allowance has been made for 300 x 1500mm Reinforced Concrete Retaining wall running alongside the external lap pool
- \$200/m2 P.C. supply for non-slip floor tiles. \$60/m2 P.C. supply for wall tiles.
- Intumescent paint assumed to be applied to all structural steel floor support members
- \$75,000 for Main kitchen Food & Beverage fitout.
- \$75,000 for Cafe Servery Food & Beverage fitout.
- \$150,000 for 6No. internal water feature toys.
- \$350,000 for external water feature toys.
- \$75,000 for external soft landscape planting
- Pool covers to outdoor pools only.
- 2No. chair lifts in total
- \$1.5m allowance for Gym Equipment.
- \$150,000 allowance for Office FF&E and AV
- \$450,000 allowance for integrated cultural design.

Exclusions

- Refer to estimate detail for specific exclusions
- Sports Courts and associated changing facilities complete.
- Undercroft carpark
- Cold concrete shell to Future Expansion Space.
- Removal of asbestos, contaminated soil or other hazardous materials in excess of \$250,000 Provisional allowance
- Photo Voltaic array to 1,700m2.
- Unknown ground conditions.
- Relocation of in-ground services in excess of \$150,000 allowance.
- Electric vehicle charging
- Emergency generator.
- ESD / Green Star initiatives over and above those noted within the estimate.
- Green Star certification
- Upgrade of Council infrastructure services.
- Non-competitive tendering.
- Land costs.
- Development Levies and Reserves Contributions in excess of allowances advised by AECOM.
- Legal, marketing, branding and finance costs.
- Future cost escalation and exchange rate fluctuations in excess of Provisional allowance.
- G.S.T.

Please contact the writer if you have any queries or would like to discuss this estimate in further detail.

Yours faithfully,

Barnes Beagley Doherr Ltd

David Doherr

Director

Email: davidd@bbdnz.co.nz

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Mobile: 021 806 478

The estimate has been prepared by Barnes Beagley Doherr at the request of its client and is exclusively for its client's use. No responsibility of liability to any third party is accepted for any loss or damage whatsoever arising out of the use of or reliance on this estimate by any third part. Without limiting any of the above, Barnes Beagley Doherr's liability, whether under the law of contract, tort, statute, equity or otherwise, is limited as set out in the terms of the engagement with the client.

Executive Summary

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
	Memorial Park Recreation HUB - On Grade Option - Timber Option				
1	Demolition & Bulk Earthworks				4,570,000
2	Aquatic Centre	4,187	m2	11,733	49,125,000
3	Stair Tower & 3 No. Hydroslide	160	m2	37,906	6,065,000
4	Fitness Centre & First Floor Plantroom	1,013	m2	6,584	6,670,000
5	Additional ESD Items (Excluded - Refer Wishlist)				Excluded
6	Outdoor Pools & Splash Pads				7,070,000
7	Integrated Cultural Design				450,000
8	Siteworks				7,965,000
	MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER OPTION - TOTAL CONSTRUCTION COSTS				81,915,000
9	FF&E				2,190,000
10	Future Cost Escalation [Provisional]				8,800,000
11	Contingencies				11,960,000
12	Consultant and Consent Fees				14,400,000
	MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER OPTION - TOTAL				119,265,000
13	Project Contingency				2,975,000
	MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER OPTION - TOTAL PROJECT				122,240,000
	<u>Exclusions</u>				
	Refer to estimate detail and covering letter for inclusions, exclusions, assumptions and clarifications				

Summary

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Memorial Park Recreation HUB - On Grade Option - Timber Option					
Demolition & Bulk Earthworks					
1.1	Site Preparation	1	Sum	2,336,275	2,336,275
1.2	Sanitary Plumbing	1	Sum	5,000	5,000
1.3	Fire Services	1	Sum	3,000	3,000
1.4	Electrical Services	1	Sum	25,000	25,000
1.5	Special Services	1	Sum	2,500	2,500
1.6	Drainage	1	Sum	20,000	20,000
1.7	Sundries	1	Sum	1,459,604	1,459,604
1.8	Preliminaries	1	Sum	462,165	462,165
1.9	Margin	1	Sum	256,456	256,456
Total - Demolition & Bulk Earthworks					4,570,000

Summary

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Aquatic Centre					
2.1	Site Preparation	4,187	m2	10	41,870
2.2	Substructure	4,187	m2	4,736	19,830,360
2.3	Frame	4,187	m2	1,053	4,408,280
2.4	Structural Walls	4,187	m2	183	765,610
2.5	Upper Floors	4,187	m2	24	100,000
2.6	Roof	4,187	m2	403	1,688,660
2.7	Exterior Walls & Exterior Finish	4,187	m2	107	447,890
2.8	Windows & Exterior Doors	4,187	m2	493	2,062,350
2.9	Stairs & Balustrades	4,187	m2	73	307,050
2.10	Interior Walls	4,187	m2	334	1,399,815
2.11	Interior Doors	4,187	m2	28	118,035
2.12	Floor Finishes	4,187	m2	162	679,110
2.13	Wall Finishes	4,187	m2	145	606,106
2.14	Ceiling Finishes	4,187	m2	214	896,280
2.15	Fittings & Fixtures	4,187	m2	93	390,750
2.16	Sanitary Plumbing	4,187	m2	160	669,114
2.17	Heating & Ventilation Services	4,187	m2	456	1,909,854
2.18	Fire Services	4,187	m2	58	244,141
2.19	Electrical Services	4,187	m2	311	1,300,064
2.20	Special Services	4,187	m2	731	3,061,654
2.21	Drainage	4,187	m2	40	167,480
2.22	Sundries	4,187	m2	68	282,948
2.23	Preliminaries	1	Sum	4,965,290	4,965,290
2.24	Margin	1	Sum	2,782,289	2,782,289
Total - Aquatic Centre					49,125,000

Summary

Project: 18317A - Tauranga Leisure Hub
 Estimate: Concept Design Estimate | EE19 (Revised Final Concept)
 Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Stair Tower & 3 No. Hydroslide					
3.1	Substructure	160	m2	1,698	271,640
3.2	Frame	160	m2	2,059	329,385
3.3	Structural Walls	160	m2	2,660	425,590
3.4	Upper Floors	160	m2	408	65,280
3.5	Roof	160	m2	795	127,245
3.6	Exterior Walls & Exterior Finish	160	m2	793	126,899
3.7	Windows & Exterior Doors	160	m2	2,742	438,700
3.8	Stairs & Balustrades	160	m2	611	97,700
3.9	Interior Walls	160	m2	724	115,825
3.10	Interior Doors	160	m2	59	9,500
3.11	Floor Finishes	160	m2	295	47,175
3.14	Fittings & Fixtures	160	m2	31	5,000
3.15	Sanitary Plumbing	160	m2	301	48,150
3.16	Heating & Ventilation Services	160	m2	615	98,440
3.17	Fire Services	160	m2	48	7,704
3.18	Electrical Services	160	m2	375	59,920
3.19	Special Services	160	m2	17,572	2,811,528
3.20	Drainage	160	m2	40	6,400
3.21	Sundries	160	m2	111	17,742
3.22	Preliminaries	1	Sum	613,179	613,179
3.23	Margin	1	Sum	341,998	341,998
Total - Stair Tower & 3 No. Hydroslide					6,065,000

Summary

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Fitness Centre & First Floor Plantroom					
4.1	Frame	1,013	m2	640	648,391
4.2	Structural Walls	1,013	m2	19	18,980
4.3	Upper Floors	1,013	m2	193	195,700
4.4	Roof	1,013	m2	644	652,525
4.5	Exterior Walls & Exterior Finish	1,013	m2	258	261,580
4.6	Windows & Exterior Doors	1,013	m2	465	471,200
4.7	Stairs & Balustrades	1,013	m2	9	9,600
4.8	Interior Walls	1,013	m2	1,258	1,274,175
4.9	Interior Doors	1,013	m2	72	73,015
4.10	Floor Finishes	1,013	m2	121	122,345
4.11	Wall Finishes	1,013	m2	258	261,320
4.12	Ceiling Finishes	1,013	m2	145	146,555
4.13	Fittings & Fixtures	1,013	m2	140	142,200
4.14	Sanitary Plumbing	1,013	m2	90	90,843
4.15	Heating & Ventilation Services	1,013	m2	453	458,789
4.16	Fire Services	1,013	m2	209	211,454
4.17	Electrical Services	1,013	m2	321	325,173
4.18	Vertical & Horizontal Transportation	1,013	m2	155	157,500
4.19	Special Services	1,013	m2	47	47,556
4.20	Sundries	1,013	m2	48	49,010
4.21	Preliminaries	1	Sum	674,149	674,149
4.22	Margin	1	Sum	377,941	377,941
Total - Fitness Centre & First Floor Plantroom					6,670,000
Outdoor Pools & Splash Pads					
6.1	Substructure				3,521,036
6.2	Stairs & Balustrades				44,800
6.3	Sanitary Plumbing				80,250
6.4	Electrical Services				144,932
6.6	Special Services				952,300
6.7	External Works				863,070
6.8	Drainage				34,370
6.9	Sundries				314,852
6.10	Preliminaries				714,673
6.11	Margin				399,717
Total - Outdoor Pools & Splash Pads					7,070,000

Summary

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Integrated Cultural Design					
Siteworks					
8.1	Sanitary Plumbing	1	Sum	190,000	190,000
8.2	Heating & Ventilation Services	1	Sum	3,976,488	3,976,488
8.4	Electrical Services	1	Sum	487,850	487,850
8.5	Special Services	1	Sum	25,000	25,000
8.6	Drainage	1	Sum	758,250	758,250
8.7	External Works	1	Sum	1,253,720	1,253,720
8.8	Sundries	1	Sum	16,728	16,728
8.9	Preliminaries	1	Sum	804,964	804,964
8.10	Margin	1	Sum	452,000	452,000
Total - Siteworks					7,965,000
FF&E					
9.1	FF&E	1	Sum	2,190,000	2,190,000
Total - FF&E					2,190,000
Future Cost Escalation [Provisional]					
10.1	Future Cost Escalation [Provisional]	1	Sum	8,800,000	8,800,000
Total - Future Cost Escalation [Provisional]					8,800,000
Contingencies					
11.1	Design Development Contingency	1	Sum	4,645,000	4,645,000
11.2	Construction Contingency	1	Sum	7,315,000	7,315,000
Total - Contingencies					11,960,000
Consultant and Consent Fees					
12.1	Consultant Fees	1	Sum	13,620,000	13,620,000
12.2	Consent Fees	1	Sum	780,000	780,000
Total - Consultant and Consent Fees					14,400,000
Project Contingency					
13.1	Project Contingency				2,975,000
Total - Project Contingency					2,975,000

Detail

Demolition & Bulk Earthworks

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
	Site Preparation				
1.1.1	Demolish existing Memorial Hall complete	805	m2	150.00	120,750
1.1.2	Demolish existing QEYC and ancillary buildings complete	2,574	m2	125.00	321,750
1.1.3	Demolish foyer and corridors etc.	580	m2	150.00	87,000
1.1.4	Demolish youth centre	380	m2	150.00	57,000
					586,500
1.1.5	Contingent allowance for removal of asbestos	1	Sum	250,000.00	250,000
1.1.6	Take up existing asphalt surfaces	7,500	m2	15.00	112,500
1.1.7	Bulk cut to waste	1,698	m3	65.00	110,370
1.1.8	Remove vegetation etc.	1	Item	25,000.00	25,000
1.1.9	Bulk cut to fill [under on-grade carparking]	5,530	m3	24.00	132,720
1.1.10	Bulk imported fill [under building]	5,653	m3	145.00	819,685
1.1.11	Backfilling to basement zones	300	m3	165.00	49,500
1.1.12	Allowance for sediment control, de-watering etc.	1	Item	250,000.00	250,000
	Total Site Preparation				2,336,275
	Sanitary Plumbing				
1.2.1	Isolate mains water supply	1	Item	5,000.00	5,000
	Total Sanitary Plumbing				5,000
	Fire Services				
1.3.1	Isolate fire protection services	1	Item	3,000.00	3,000
	Total Fire Services				3,000
	Electrical Services				
1.4.1	Decommission and isolate electrical mains power	1	Item	25,000.00	25,000
	Total Electrical Services				25,000
	Special Services				
1.5.1	Decommission and isolate telecommunications mains	1	Item	2,500.00	2,500
	Total Special Services				2,500
	Drainage				
1.6.1	Cap and isolate stormwater and sanitary plumbing drains	1	Item	20,000.00	20,000
	Total Drainage				20,000
	Sundries				

Detail**Demolition & Bulk Earthworks**

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
1.7.1	Relocation of in-ground services	1	Sum	150,000.00	150,000
1.7.2	Demolish existing pools and infill	1	Sum	1,000,000.00	1,000,000
1.7.3	Mini-golf alterations	1	Sum	300,000.00	300,000
1.7.4	Sundries and General (0.25%)	1	Sum	9,604.00	9,604
	Total Sundries				1,459,604
	Preliminaries				
1.8.1	Preliminaries & General (12%)	1	Sum	462,165.00	462,165
	Total Preliminaries				462,165
	Margin				
1.9.1	Main Contractor Margins (6%)	1	Sum	256,456.00	256,456
	Total Margin				256,456

Detail

Aquatic Centre

Project: 18317A - Tauranga Leisure Hub

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Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
	Site Preparation				
2.1.1	Trim and level building platform	4,187	m2	10.00	41,870
	Total Site Preparation				41,870
	Substructure				
	Piling				
2.2.1	Establish and later demobilise piling rig	1	Item	55,000.00	55,000
2.2.2	P1 - 900mm diameter - 25m long :[103 no]	2,575	m	1,520.00	3,914,000
2.2.3	1300 x 1300 x 1200mm Pile Cap	9	No.	7,000.00	63,000
2.2.4	1400 x 1400 x 1200mm Pile Cap	89	No.	7,360.00	655,040
2.2.5	1400 x 1400 x 1850mm Pile Cap	4	No.	11,320.00	45,280
2.2.6	2050 x 1400 x 1200mm Pile Cap	1	No.	10,000.00	10,000
	Strip Foundations				
2.2.7	600x450 Slab Thickening	188	m	770.00	144,760
2.2.8	700x100 Slab Thickening	196	m	220.00	43,120
2.2.9	700x700mm Reinforced Concrete Ground Beam	640	m	1,450.00	928,000
2.2.10	700x1000mm Reinforced Concrete Ground Beam	107	m	2,170.00	232,190
2.2.11	800x600mm Reinforced Concrete Ground Beam	326	m	1,370.00	446,620
2.2.12	800x800mm Reinforced Concrete Ground Beam	85	m	1,930.00	164,050
2.2.13	800x1000mm Reinforced Concrete Ground Beam	114	m	2,230.00	254,220
2.2.14	800x1200mm Reinforced Concrete Ground Beam	41	m	2,920.00	119,720
2.2.15	800x2175mm Reinforced Concrete Ground Beam	16	m	5,410.00	86,560
2.2.16	1200x1000mm Reinforced Concrete Ground Beam	68	m	3,280.00	223,040
2.2.17	1350x700mm Reinforced Concrete Ground Beam	13	m	2,560.00	33,280
2.2.18	1350x1000mm Reinforced Concrete Ground Beam	4	m	3,610.00	14,440
2.2.19	1400x700mm Reinforced Concrete Ground Beam	23	m	2,640.00	60,720
2.2.20	1600x700mm Reinforced Concrete Ground Beam	23	m	2,950.00	67,850
2.2.21	1280x1100mm Reinforced Concrete Ground Beam	7	m	3,860.00	27,020
2.2.22	2600x700mm Reinforced Concrete Ground Beam	7	m	4,510.00	31,570
	Concrete Floor Slabs on Grade				

Detail

Aquatic Centre

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No.	Description	Quantity	Unit	Rate	Total
2.2.23	200mm thick Reinforced Concrete Slab	1,396	m2	400.00	558,400
2.2.24	250mm thick Reinforced Concrete Slab	610	m2	530.00	323,300
2.2.25	300mm thick Reinforced Concrete Slab	2,310	m2	570.00	1,316,700
2.2.26	500mm thick Reinforced Concrete Slab	7	m2	980.00	6,860
2.2.27	800mm thick Reinforced Concrete Slab	58	m2	1,500.00	87,000
2.2.28	Extra value for plant plinths, recesses etc.	738	m2	100.00	73,800
Suspended Concrete Floor Slabs					
2.2.29	100mm thick topping on 350mm thick Double T Precast Beams	570	m2	360.00	205,200
2.2.30	100mm thick Unispan Precast Panels + 100mm Topping	800	m2	310.00	248,000
Retaining Walls					
2.2.31	300mm thick Reinforced Concrete Retaining Wall	764	m2	730.00	557,220
Proprietary Pool Tank System & Filtration					
2.2.32	25m x 20m Lap Pool	1	Sum	1,300,000.00	1,300,000
2.2.33	20m x 10m Programmes Pool	1	Sum	1,200,000.00	1,200,000
2.2.34	11.5m x 25m Leisure & Toddler Pools	1	Sum	950,000.00	950,000
2.2.35	12m x 20m Learn To Swim Pool	1	Sum	840,000.00	840,000
2.2.36	Spa Pool complete	1	Sum	100,000.00	100,000
	Plunge Pool complete (Deleted)				
2.2.37	Filtration Systems complete (Vacuum Sands)	1	Sum	1,900,000.00	1,900,000
2.2.38	Extra value for Membrane Cell filtration systems complete	1	Sum	1,500,000.00	1,500,000
	Proprietary Pool Tank System & Filtration - Subtotal				7,790,000
2.2.39	Allowance for junction and sealant at pool edge	292	m	240.00	70,080
2.2.40	Allowance for edge beam to pool tanks	292	m	450.00	131,400
2.2.41	Sub-slab waterproof membrane	3,769	m2	185.00	697,265

Detail

Aquatic Centre

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No.	Description	Quantity	Unit	Rate	Total
2.2.42	Extra value for 100 XPS sub-slab insulation to areas with underfloor heating and pool tanks	2,121	m2	55.00	116,655
	Miscellaneous				
2.2.43	Allowance for pool drains, inlets, depressions etc. [Ref Ntare / Myrtha]				[Ref Ntare / Myrtha]
2.2.44	Rollout channel and grate [Ref. Ntare / Myrtha]				[Ref Ntare / Myrtha]
2.2.45	Concourse drain channel and grate				[Ref Ntare / Myrtha]
2.2.46	Change room drain channel and grate	38	m	750.00	28,500
2.2.47	Pool tank walls [Ref. Ntare / Myrtha]				[Ref Ntare / Myrtha]
2.2.48	Balance tank walls [Ref. Ntare / Myrtha]				[Ref Ntare / Myrtha]
	Total Substructure				19,830,360
	Frame				
	Concrete Columns				
2.3.1	500x500mm Reinforced Concrete Column	14	m	1,030.00	14,420
2.3.2	650x650mm Reinforced Concrete Column	45	m	1,540.00	69,300
2.3.3	650x650mm Reinforced Concrete Column including stitch	29	m	1,740.00	50,460
2.3.4	900x900mm Reinforced Concrete Column	19	m	2,600.00	49,400
2.3.5	1000x1000mm Reinforced Concrete Column	49	m	3,090.00	151,410
2.3.6	1000x1400mm Reinforced Concrete Column	6	m	4,120.00	24,720
2.3.7	1100x300mm Reinforced Concrete Column including stitch	10	m	1,600.00	16,000
2.3.8	1200x1300mm Reinforced Concrete Column	2	m	4,700.00	9,400
	Structural Steel in Columns				
2.3.9	150UC37	9,263	kg	9.00	83,367
2.3.10	200x9.0 SHS	726	kg	8.75	6,353
2.3.11	350WC258	41,538	kg	8.00	332,304
2.3.12	460UB75	3,109	kg	8.50	26,427

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No.	Description	Quantity	Unit	Rate	Total
2.3.13	508.0x12.7CHS	12,500	kg	8.50	106,250
2.3.14	Plates, Bolts, Connections etc	10,070	kg	10.50	105,735
Structural Steel in Beams					
2.3.15	125x10 EA	6,985	kg	9.00	62,865
2.3.16	150UC37	11,773	kg	8.50	100,071
2.3.17	150x12 EA	8,391	kg	8.50	71,324
2.3.18	200x9.0 SHS	6,207	kg	8.25	51,208
2.3.19	250x150x6.0 RHS	325	kg	8.50	2,763
2.3.20	250x250x9.0SHS	19,939	kg	8.50	169,482
2.3.21	610UB125	10,117	kg	8.25	83,465
2.3.22	700WB130	1,382	kg	8.00	11,056
2.3.23	Plates, Bolts, Connections etc	9,768	kg	10.50	102,564
Timber Posts and Associated Metalwork					
2.3.24	900x225mm GluLam Columns	68	m	1,400.00	95,200
2.3.25	Paint treatment	152	m2	95.00	14,440
Timber Beams and Associated Metalwork					
2.3.26	900x225mm GluLam Beams	66	m	1,400.00	92,400
2.3.27	1710x225mm GluLam Rafter	261	m	2,300.00	600,300
2.3.28	Paint treatment	1,217	m2	95.00	115,615
Steel Roof Frame Members					
2.3.29	125x10 EA	6,985	kg	11.00	76,835
2.3.30	DHS purlins at 1200mm centres	3,311	m	60.00	198,660
2.3.31	Plates, Bolts, Connections etc	1,048	kg	10.50	11,004

Detail

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No.	Description	Quantity	Unit	Rate	Total
Timber Roof Frame Members					
2.3.32	410x90 LVL Purlins at 1200mm centres	2,142	m	295.00	631,890
2.3.33	Paint treatment	2,357	m2	95.00	223,915
Miscellaneous					
2.3.34	Intumescent paint to structural steel	742	m2	200.00	148,400
2.3.35	Allowance for finishing paint to steel members	2,458	m2	85.00	208,930
2.3.36	Allowance for secondary framing [GFA rate]	4,187	m2	50.00	209,350
2.3.37	Extra value for roof overhang	180	m2	450.00	81,000
Total Frame					4,408,280
Structural Walls					
Miscellaneous					
2.4.2	Allowance for seismic bracing [GFA rate]	4,187	m2	50.00	209,350
Total Structural Walls					765,610
Upper Floors					
2.5.1	Sundry plant platforms etc.	1	Sum	100,000.00	100,000
Total Upper Floors					100,000
Roof					
2.6.1	Kingspan KS1100RL 100mm Roofliner panel with TPO membrane over [Pool Chamber]	2,513	m2	535.00	1,344,455
2.6.2	Extra value for forming valley fold	65	m	400.00	26,000
2.6.3	Internal gutter	65	m	700.00	45,500
2.6.4	Extra value for Everbrite skylight panel [2 No.]	134	m2	550.00	73,700
2.6.5	Recycled timber lined soffit to roof overhang	182	m2	500.00	91,000
2.6.6	Kingspan KS1000RW 100mm core roofing panel [Plantroom]		m2	275.00	0
2.6.7	Allowance for HVAC penetrations	1	Item	5,000.00	5,000
2.6.8	Access hatches	1	Item	7,500.00	7,500
2.6.9	Fascia / eaves detail	147	m	415.00	61,005
2.6.10	Rainwater goods and downpipes	1	Item	34,500.00	34,500
Total Roof					1,688,660
Exterior Walls & Exterior Finish					

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No.	Description	Quantity	Unit	Rate	Total
2.7.1	Kingspan KS1000 AWP 80mm Core facade [B]	671	m2	390.00	261,690
2.7.2	Alucolux rainscreen system with closed joints [E]	66	m2	1,160.00	76,560
2.7.3	Sto Armat to slab edge [P]	213	m2	280.00	59,640
2.7.4	Allowance for anti-graffiti coatings	1	Item	50,000.00	50,000
Total Exterior Walls & Exterior Finish					447,890
Windows & Exterior Doors					
2.8.1	APL 150 aluminium framed, double glazed windows [A] - Bi-folding	31	m2	3,200.00	99,200
2.8.2	APL 150 aluminium framed, double glazed windows [A]	99	m2	1,650.00	163,350
2.8.3	Extra value for pair glazed external doors including hardware	1	No.	4,500.00	4,500
2.8.4	APL 168 Thermally Broken double glazed windows [F]	680	m2	2,400.00	1,632,000
2.8.5	Extra Value for operable door section	64	m2	1,200.00	76,800
2.8.6	Pair glazed auto sliding doors [J]	1	No.	28,000.00	28,000
2.8.7	Colorsteel motorised roller shutter [M]	3	No.	11,000.00	33,000
2.8.8	Pair external doors including hardware [N]	5	No.	4,500.00	22,500
2.8.9	Single external door including hardware	1	No.	3,000.00	3,000
Total Windows & Exterior Doors					2,062,350
Stairs & Balustrades					
2.9.1	Bleacher seats and steps [25m pool]	38	m2	850.00	32,300
2.9.2	Stairs to first floor complete including balustrade	9	m/rise	6,500.00	58,500
2.9.3	Plantroom steps, rails etc.	1	Item	15,000.00	15,000
2.9.4	Stainless steel handrail to pool ramps	39	m	750.00	29,250
2.9.5	Stainless steel steps to pools	6	No.	6,500.00	39,000
2.9.6	Main entry barrier	4	m	3,000.00	12,000
2.9.7	Control gates [pool entry]	2	No.	15,000.00	30,000
2.9.8	Control gates [24 Hr Fitness Centre entry]	1	No.	15,000.00	15,000
2.9.9	Stainless steel barrier to spa	17	m	2,000.00	34,000
2.9.10	Extra value for single gate	2	No.	1,750.00	3,500
2.9.11	Caged modular ladder to roof	11	m	3,500.00	38,500
Total Stairs & Balustrades					307,050
Interior Walls					
2.10.1	9mm fibre cement sheet lined partitions including vapor barrier and H3.2 treated timber framing	517	m2	490.00	253,330

Detail

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No.	Description	Quantity	Unit	Rate	Total
2.10.2	Extra value for concrete plinth	93	m	470.00	43,710
2.10.3	APL shopfront glazed partition	91	m2	750.00	68,250
2.10.4	Extra Value for single door including hardware	6	No.	1,800.00	10,800
2.10.5	Extra Value for pair doors including hardware	1	No.	3,500.00	3,500
2.10.6	Bifold APL shopfront glazed partition	22	m2	1,850.00	40,700
2.10.7	Thermal break glazed partition	186	m2	2,200.00	409,200
2.10.8	Extra value for pair auto sliding doors	1	No.	28,000.00	28,000
2.10.9	Extra value for pair doors	2	No.	5,000.00	10,000
	Glazed partition between pool chambers (Deleted)				
	Extra Value for auto sliding doors (Deleted)				
2.10.10	Kingspan KS1000CS 50mm panel to pool central hub	91	m2	380.00	34,580
2.10.11	Extra value for concrete plinth	21	m	470.00	9,870
2.10.12	Blockwork partition to pool changing rooms	413	m2	325.00	134,225
2.10.13	Blockwork partition to stores and plantroom	473	m2	300.00	141,900
2.10.14	Gib lined partition	238	m2	255.00	60,690
2.10.15	Lobby feature screen	18	m2	900.00	16,200
2.10.16	Proprietary cubicle including door	32	No.	1,950.00	62,400
2.10.17	Proprietary cubicle including door [accessible / family change]	9	No.	2,250.00	20,250
2.10.18	Lap pool bulkhead upstand wall	22	m	470.00	10,340
2.10.19	Allowance for ducts and sundry partitions [GFA rate]	4,187	m2	10.00	41,870
Total Interior Walls					1,399,815
Interior Doors					
2.11.1	Single door including hardware and closer	4	No.	2,500.00	10,000
2.11.2	Single door including hardware	10	No.	1,750.00	17,500
2.11.3	Pair doors including hardware	5	No.	3,000.00	15,000
2.11.4	Pair glazed doors including hardware	2	No.	4,750.00	9,500
2.11.5	Single sliding door including hardware	3	No.	2,200.00	6,600
2.11.6	Single auto sliding glazed door including hardware	1	No.	12,000.00	12,000
2.11.7	Allowance for master keying	1	Item	10,000.00	10,000
2.11.8	Roller shutter to Cafe	1	No.	8,000.00	8,000
2.11.9	Roller door	1	No.	5,500.00	5,500
2.11.10	Lane rope storage hatch	2	No.	1,500.00	3,000

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No.	Description	Quantity	Unit	Rate	Total
2.11.11	Allowance for duct access panels etc. [GFA rate]	4,187	m2	5.00	20,935
	Total Interior Doors				118,035
	Floor Finishes				
	Pool tank floor finishes [Ref. Ntare / Myrtha]				
2.12.1	Entrance matwell	9	m2	575.00	5,175
2.12.2	600 x 600 Non-slip ceramic floor tiles [\$180/m2 P.C. supply]	49	m2	360.00	17,640
2.12.3	Mosaic / feature non-slip ceramic floor tiles [\$250/m2 P.C. supply] - Spa Pool	30	m2	480.00	14,400
2.12.4	Non-slip porcelain floor tiles [\$200/m2 P.C. supply] - Entry foyer, Birthday Room	223	m2	420.00	93,660
2.12.5	Feature inlay carpet to seating / waiting area	20	m2	500.00	10,000
2.12.6	Degafloor Degadur 420/526 flooring to concourse, changing rooms and wet areas	1,326	m2	185.00	245,310
2.12.7	Extra value for coved skirting / upstand	826	m	165.00	136,290
2.12.8	Carpet tiles	54	m2	85.00	4,590
2.12.9	Concrete sealer	811	m2	55.00	44,605
2.12.10	Resilient non-slip polyurethane in feature colour	128	m2	80.00	10,240
2.12.11	Non-slip commercial vinyl flooring	504	m2	160.00	80,640
2.12.12	Stair nosing	24	m	65.00	1,560
2.12.13	Edge trims etc.	1	Sum	10,000.00	10,000
2.12.14	Safety step tape markings etc.	1	Sum	5,000.00	5,000
	Total Floor Finishes				679,110
	Wall Finishes				
	Pool tank wall finishes [Ref. Ntare / Myrtha]				
2.13.1	Tiling to Lap pool bulkhead & toddlers pool upstand walls	42	m2	360.00	15,120
2.13.2	600 x 600 ceramic wall tiles [\$60/m2 P.C. supply]	887	m2	280.00	248,360
2.13.3	Mosaic / feature ceramic wall tiles [\$250/m2 P.C. supply] - Spa Pool etc.	66	m2	480.00	31,680
2.13.4	Mosaic / feature ceramic wall tiles [\$250/m2 P.C. supply] - Plunge Pool etc. c.o.p	29	m2	550.00	15,950
2.13.5	Asona acoustic wall panels [pool chamber]	300	m2	325.00	97,500
2.13.6	Feature tile finish [24hr lobby & lift]	65	m2	500.00	32,500
2.13.7	Seratone lining	173	m2	240.00	41,520

Detail

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No.	Description	Quantity	Unit	Rate	Total
2.13.8	Kitchenette splashback	14	m2	600.00	8,400
2.13.9	Paint finish to blockwork walls	1,772	m2	38.00	67,336
2.13.10	Paint finish to Villaboard walls	1,024	m2	35.00	35,840
2.13.11	Paint finish to Gib walls	476	m2	25.00	11,900
Total Wall Finishes					606,106
Ceiling Finishes					
2.14.1	Asona Triton acoustic panel ceiling [Pool Chamber]	2,184	m2	225.00	491,400
2.14.2	Rigitone perforated plasterboard ceiling - [Entry Foyer, Birthday]	268	m2	315.00	84,420
2.14.3	Hygienic grid and tile ceiling to Kitchen & Cafe	77	m2	95.00	7,315
2.14.4	1200 x 600 Asona Triton suspended grid and tile ceiling	56	m2	90.00	5,040
2.14.5	Paint ceiling / upper floor soffit	663	m2	35.00	23,205
2.14.6	Suspended Villaboard ceiling with paint finish	1,242	m2	150.00	186,300
	Timber lined soffit to first floor building overhang (Deleted)				
2.14.7	Bulkhead to skylight	260	m	300.00	78,000
2.14.8	Bulkhead to Foyer void	16	m	350.00	5,600
2.14.9	Allowance for ceiling access hatches	1	Item	15,000.00	15,000
Total Ceiling Finishes					896,280
Fittings & Fixtures					
2.15.1	Main reception counter	1	Item	25,000.00	25,000
2.15.2	Kitchenette joinery [Staffroom & Birthday]	2	No.	10,000.00	20,000
2.15.3	Cafe servery counter	1	Item	15,000.00	15,000
2.15.4	Cafe servery leaner / counter	12	m	2,000.00	24,000
2.15.5	Work bench / desk	19	m	550.00	10,450
2.15.6	Water testing bench	1	Item	5,000.00	5,000
2.15.7	Control room joinery	1	Item	5,000.00	5,000
2.15.8	First Aid room joinery	1	Item	3,000.00	3,000
2.15.9	Vanity bench	22	m	1,500.00	33,000
2.15.10	Changing room bench seating	80	m	700.00	56,000
2.15.11	Poolside bench seating	104	m	700.00	72,800
2.15.12	Bleacher seating feature wood slats	50	m	600.00	30,000
2.15.13	Disabled shower seat	10	No.	1,200.00	12,000

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No.	Description	Quantity	Unit	Rate	Total
2.15.14	Disabled shower curtain	10	No.	450.00	4,500
2.15.15	Pool storage brackets, shelving etc.	1	Item	20,000.00	20,000
2.15.16	Lane rope anchor points, flag post pockets etc.	1	Item	15,000.00	15,000
2.15.17	Change room and toilet mirrors and hardware etc.	1	Item	35,000.00	35,000
2.15.18	Notice boards etc.	1	Item	5,000.00	5,000
Total Fittings & Fixtures					390,750
Sanitary Plumbing					
2.16.1	Pool water supply and controls	1	Item	150,000.00	150,000
2.16.2	Washdown hose tap and ringmain	1	Item	70,000.00	70,000
2.16.3	WC suite complete including pipework reticulation	17	No.	4,000.00	68,000
2.16.4	Accessible WC suite complete including pipework reticulation	9	No.	4,750.00	42,750
2.16.5	Wash hand basin complete including pipework reticulation	20	No.	4,000.00	80,000
2.16.6	Accessible wash hand basin complete including pipework reticulation	10	No.	4,500.00	45,000
2.16.7	Kitchen / Servery sink complete including pipework reticulation	5	No.	4,000.00	20,000
2.16.8	Kitchen hydro tap complete including pipework reticulation	4	No.	6,000.00	24,000
2.16.9	Cleaners sink complete including pipework reticulation	1	No.	4,000.00	4,000
2.16.10	Shower complete including pipework reticulation	23	No.	2,500.00	57,500
2.16.11	Pool side shower complete including pipework reticulation	7	No.	2,500.00	17,500
2.16.12	Eye wash	2	No.	2,500.00	5,000
2.16.13	Allowance for pool side drinking fountain	4	No.	4,000.00	16,000
2.16.14	Floor drain	24	m	1,200.00	28,800
2.16.15	Floor wastes	23	No.	900.00	20,700
2.16.16	BWIC & Passive Fire	1	Item	19,863.75	19,864
Total Sanitary Plumbing					669,114
Heating & Ventilation Services					
2.17.1	HVAC [Pool Chambers]	2,244	m2	475.00	1,065,904
2.17.2	HVAC [Entry Foyer & Public Spaces]	428	m2	550.00	235,400

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No.	Description	Quantity	Unit	Rate	Total
2.17.3	Mechanical ventilation [Changing Rooms & Stores etc.]	704	m2	275.00	193,600
2.17.4	Underfloor heating [Changing Rooms & Toilets]	561	m2	180.00	100,980
2.17.5	Mechanical ventilation [Plantrooms]	811	m2	275.00	223,025
	Pool water water heating system [Refer bore costs]				
2.17.6	BWIC & Passive Fire	1	Item	90,945.00	90,945
	Total Heating & Ventilation Services				1,909,854
	Fire Services				
2.18.1	Fire protection services [Type 4 - alarm, smoke detectors and manual call points]	4,187	m2	45.00	188,415
2.18.2	Fire protection services [Type 4 - alarm, smoke detectors and manual call points] - HVAC plenum	980	m2	45.00	44,100
2.18.3	BWIC & Passive Fire	1	Item	11,626.00	11,626
	Total Fire Services				244,141
	Electrical Services				
2.19.1	Electrical Services [GFA rate]	4,187	m2	300.00	1,256,100
2.19.2	BWIC & Passive Fire	1	Item	43,964.00	43,964
	Total Electrical Services				1,300,064
	Special Services				
2.20.1	Kitchenette appliances	2	No.	5,000.00	10,000
2.20.2	Main Kitchen F&B Fitout	1	Sum	75,000.00	75,000
2.20.3	Cafe servery F&B Fitout	1	Sum	75,000.00	75,000
2.20.4	Data, comms & MATV [GFA rate]	4,187	m2	25.00	104,675
2.20.5	Security & CCTV [GFA rate]	4,187	m2	15.00	62,805
	Pool Water Services (Option 1)				

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No.	Description	Quantity	Unit	Rate	Total
2.20.6	Pool water services: sanitisation [25m pool]	1	Item	950,000.00	950,000
2.20.7	Pool water services: sanitisation [Programmes pool]	1	Item	500,000.00	500,000
2.20.8	Pool water services: sanitisation [Leisure pool]	1	Item	310,000.00	310,000
2.20.9	Pool water services: sanitisation [Toddlers pool]	1	Item	95,000.00	95,000
2.20.10	Pool water services: sanitisation [Learn to Swim pool]	1	Item	330,000.00	330,000
2.20.11	Pool water services: sanitisation [Spa pool]	1	Item	110,000.00	110,000
	Pool water services: sanitisation [Plunge pool] - Deleted				2,295,000
2.20.12	PA system complete	1	Item	200,000.00	200,000
2.20.13	Interchangeable water feature toys to Leisure Pool	6	No.	25,000.00	150,000
2.20.14	BWIC & Passive Fire	1	Item	89,174.00	89,174
	Total Special Services				3,061,654
	Drainage				
2.21.1	Sub-slab drainage	4,187	m2	40.00	167,480
	Total Drainage				167,480
	Sundries				
2.22.1	Roof maintenance access system	1	Item	95,000.00	95,000
2.22.3	Regulatory signage	1	Item	20,000.00	20,000
2.22.4	Main building signage	1	Item	50,000.00	50,000
2.22.5	Sundries and General (0.25%)	1	Sum	102,948.00	102,948
	Total Sundries				282,948
	Preliminaries				
2.23.1	Preliminaries & General (12%)	1	Sum	4,965,290.00	4,965,290
	Total Preliminaries				4,965,290
	Margin				
2.24.1	Main Contractor Margins (6%)	1	Sum	2,782,289.21	2,782,289
	Total Margin				2,782,289

Detail

Stair Tower & 3 No. Hydroslide

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No.	Description	Quantity	Unit	Rate	Total
	Substructure				
	Piling				
3.1.1	P1 - 900mm diameter [Relocated to 'Aquatic Centre' Section of Estimate]				0
3.1.2	PC1 - 1300 x 1300 x 1200mm Pile Cap [Relocated to 'Aquatic Centre' Section of Estimate]				0
	Strip Foundations				
3.1.3	700x1000mm Reinforced Insitu Concrete Ground Beam	9	m	1,940.00	17,460
3.1.4	700x800mm Reinforced Insitu Concrete Inverted Tee Ground Beam	12	m	1,640.00	19,680
	Suspended Concrete Floor Slabs				
3.1.5	200mm thick Reinforced Concrete Slab	118	m2	250.00	29,500
	Hydrosides				
3.1.6	Extra value for foundations to hydroslide supports	1	Item	50,000.00	50,000
3.1.7	Hydroslide landing balance tank complete	1	Sum	155,000.00	155,000
	Total Substructure				271,640
	Frame				
	Structural Steel in Columns				
3.2.1	200x9.0 SHS	1,969	kg	8.75	17,229
	Structural Steel in Beams				
3.2.2	250x150x6.0 RHS	2,136	kg	8.50	18,156
	Miscellaneous				
3.2.3	Extra Value for additional Structural framing components [GFA Rate]	160	m2	900.00	144,000
3.2.4	Extra value for hydroslide stair supports	1	Item	150,000.00	150,000
	Total Frame				329,385
	Structural Walls				
	Concrete Walls				
3.3.1	300mm thick Reinforced Concrete Wall	583	m2	730.00	425,590
	Total Structural Walls				425,590

Detail

Stair Tower & 3 No. Hydroslide

Project: 18317A - Tauranga Leisure Hub

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No.	Description	Quantity	Unit	Rate	Total
	Upper Floors				
	Suspended Concrete Floors				
3.4.1	100mm thick Unispan Precast Panels + 100mm Topping	144	m2	340.00	48,960
	Roof Slab				
3.4.2	100mm thick Unispan Precast Panels + 100mm Topping	48	m2	340.00	16,320
	Total Upper Floors				65,280
	Roof				
3.5.1	Kingspan KS1100RL 100mm Roofliner panel with TPO membrane over [Pool Chamber]	164	m2	535.00	87,740
3.5.2	Fascia / eaves detail	47	m	415.00	19,505
3.5.3	Rainwater goods and downpipes	1	Item	20,000.00	20,000
	Total Roof				127,245
	Exterior Walls & Exterior Finish				
3.6.1	Colorsteel vertical corrugated rain screen including cavity, insulation, timber framing and internal lining [H]	235	m2	540.00	126,899
	Total Exterior Walls & Exterior Finish				126,899
	Windows & Exterior Doors				
3.7.1	APL 168 Thermally Broken double glazed windows [F]	167	m2	2,600.00	434,200
3.7.2	Pair external doors including hardware [N]	1	No.	4,500.00	4,500
	Total Windows & Exterior Doors				438,700
	Stairs & Balustrades				
3.8.1	Hydroslide tower stairs including balustrade	11	m	7,500.00	82,500
3.8.2	Stainless steel balustrade	3	m	1,400.00	4,200
3.8.3	Stair to services undercroft	2	m	5,500.00	11,000
	Total Stairs & Balustrades				97,700
	Interior Walls				
3.9.1	90mm Timber Framed internal wall with 10mm GIB both sides	15	m2	255.00	3,825
3.9.2	Blockwork partition to stores and plantroom	63	m2	300.00	18,900
3.9.3	Glazed partition between pool chambers	38	m2	2,000.00	76,000
3.9.4	Kingspan KS1000CS 50mm panel	45	m2	380.00	17,100
	Total Interior Walls				115,825
	Interior Doors				
3.10.1	Single door including hardware	1	No.	1,750.00	1,750

Detail

Stair Tower & 3 No. Hydroslide

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No.	Description	Quantity	Unit	Rate	Total
3.10.2	Pair doors including hardware	1	No.	3,000.00	3,000
3.10.3	Pair glazed doors including hardware	1	No.	4,750.00	4,750
	Total Interior Doors				9,500
	Floor Finishes				
3.11.1	Degafloor Degadur 420/526 flooring to concourse, changing rooms and wet areas	121	m2	245.00	29,645
3.11.2	Non-slip epoxy paint to stairs	54	m2	85.00	4,590
3.11.3	Extra value for coved skirting / upstand	54	m	165.00	8,910
3.11.4	Stair nosing	62	m	65.00	4,030
	Total Floor Finishes				47,175
	Fittings & Fixtures				
3.14.1	Store room brackets, shelving etc.	1	Item	5,000.00	5,000
	Total Fittings & Fixtures				5,000
	Sanitary Plumbing				
3.15.1	Water connection to hydrosides	3	No.	15,000.00	45,000
3.15.2	BWIC & Passive Fire	1	Item	3,150.00	3,150
	Total Sanitary Plumbing				48,150
	Heating & Ventilation Services				
3.16.1	HVAC [Pool Chambers]	160	m2	575.00	92,000
3.16.2	BWIC & Passive Fire	1	Item	6,440.00	6,440
	Total Heating & Ventilation Services				98,440
	Fire Services				
3.17.1	Fire protection services [Type 4 - alarm, smoke detectors and manual call points]	160	m2	45.00	7,200
3.17.2	BWIC & Passive Fire	1	Item	504.00	504
	Total Fire Services				7,704
	Electrical Services				
3.18.1	Electrical services	160	m2	350.00	56,000
3.18.2	BWIC & Passive Fire	1	Item	3,920.00	3,920

Detail

Stair Tower & 3 No. Hydroslide

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No.	Description	Quantity	Unit	Rate	Total
	Total Electrical Services				59,920
	Special Services				
3.19.1	Hydroslide	3	No.	885,000.00	2,655,000
3.19.2	Pool water services: sanitisation [Hydroslide landing pool]	1	Item	95,000.00	95,000
3.19.3	Data, comms & MATV [GFA rate]	160	m2	25.00	4,000
3.19.4	Security & CCTV [GFA rate]	160	m2	15.00	2,400
3.19.5	BWIC & Passive Fire	1	Item	55,128.00	55,128
	Total Special Services				2,811,528
	Drainage				
3.20.1	Sub-slab drainage	160	m2	40.00	6,400
	Total Drainage				6,400
	Sundries				
3.21.1	Roof maintenance access system	1	Item	5,000.00	5,000
3.21.2	Sundries and General (0.25%)	1	Sum	12,742.00	12,742
	Total Sundries				17,742
	Preliminaries				
3.22.1	Preliminaries & General (12%)	1	Sum	613,179.00	613,179
	Total Preliminaries				613,179
	Margin				
3.23.1	Main Contractor Margins (6%)	1	Sum	341,997.85	341,998
	Total Margin				341,998

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
	Frame				
	Structural Steel in Columns				
4.1.1	508.0x12.7CHS [Relocated to Aquatic Centre section of Estimate]				0
4.1.2	Plates, Bolts, Connections etc [Relocated to Aquatic Centre section of Estimate]				0
	Structural Steel in Beams				
4.1.3	125x10 EA	4,806	kg	9.00	43,254
4.1.4	200x9.0 SHS	9,739	kg	8.50	82,782
4.1.5	250UB31	92	kg	8.25	759
4.1.6	250UC90	474	kg	8.25	3,911
4.1.7	460UB75	14,865	kg	8.50	126,353
4.1.8	610UB125	27,000	kg	8.00	216,000
4.1.9	Plates, Bolts, Connections etc	8,546	kg	10.50	89,733
	Miscellaneous				
4.1.10	Intumescent paint to structural steel (floor members only)	428	m2	200.00	85,600
	Total Frame				648,391
	Structural Walls				
	Concrete Walls				
4.2.1	300mm thick Reinforced Concrete Walls	26	m2	730.00	18,980
	Total Structural Walls				18,980
	Upper Floors				
	Concrete Floors				
4.3.1	100mm thick concrete topping on 175mm Rib and Infill suspended floor system	1,030	m2	190.00	195,700
	Total Upper Floors				195,700
	Roof				
4.4.1	Kingspan KS1100RL 100mm Roofliner panel with TPO membrane over	1,039	m2	535.00	555,865
4.4.2	Recycled timber lined soffit to roof overhang	51	m2	500.00	25,500

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
4.4.3	Allowance for HVAC penetrations	1	Item	5,000.00	5,000
4.4.4	Access hatches	1	Item	5,000.00	5,000
4.4.5	Fascia / eaves detail	104	m	415.00	43,160
4.4.6	Rainwater goods and downpipes	1	Item	18,000.00	18,000
Total Roof					652,525
Exterior Walls & Exterior Finish					
4.5.1	Kingspan KS1000 AWP 80mm Core facade [B]	462	m2	390.00	180,180
4.5.2	Alucolux rainscreen system with closed joints [E]	35	m2	1,160.00	40,600
4.5.3	100 thick Kingspan AWP Custom perforated aluminium screen :[18 no]	51	m2	800.00	40,800
Total Exterior Walls & Exterior Finish					261,580
Windows & Exterior Doors					
4.6.1	Unitised curtain wall [G]	111	m2	2,400.00	266,400
4.6.2	Aluminium vertical louvre blades [D]	102	m2	1,900.00	193,800
4.6.3	Colorsteel motorised roller shutter [M]	1	No.	11,000.00	11,000
Total Windows & Exterior Doors					471,200
Stairs & Balustrades					
4.7.1	Frameless glass balustrade [K]	6	m	1,600.00	9,600
Total Stairs & Balustrades					9,600
Interior Walls					
4.8.1	9mm fibre cement sheet lined partitions with timber framing	779	m2	420.00	327,180
4.8.2	Firesafe plywood lined partitions with timber framing	213	m2	440.00	93,720
4.8.3	Gib lined partition	97	m2	255.00	24,735
4.8.4	Acoustic rated partition to plantroom	227	m2	450.00	102,150
4.8.5	Kingspan KS1000CS 50mm panel	602	m2	380.00	228,760
4.8.6	APL 168 Thermal break double glazed partition	171	m2	2,200.00	376,200
4.8.7	APL shopfront glazed partition	138	m2	750.00	103,500
4.8.8	Proprietary cubicle including door	4	No.	1,950.00	7,800
4.8.9	Allowance for ducts and sundry partitions [GFA rate]	1,013	m2	10.00	10,130
Total Interior Walls					1,274,175
Interior Doors					
4.9.1	Single door including hardware and closer	4	No.	2,500.00	10,000
4.9.2	Single door including hardware	11	No.	1,750.00	19,250

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
4.9.3	Pair doors including hardware	1	No.	3,000.00	3,000
4.9.4	Pair fire rated doors including hardware	2	No.	4,500.00	9,000
4.9.5	Pair glazed doors including hardware	2	No.	4,750.00	9,500
4.9.6	Single sliding door including hardware	2	No.	2,200.00	4,400
4.9.7	Single security rated glazed door including hardware	1	No.	4,800.00	4,800
4.9.8	Allowance for master keying	1	Item	8,000.00	8,000
4.9.9	Allowance for duct access panels etc. [GFA rate]	1,013	m2	5.00	5,065
Total Interior Doors					73,015
Floor Finishes					
4.10.1	8mm Regupol rubber Everoll flooring	325	m2	195.00	63,375
4.10.2	Resilient carpet on underlay (feature colours)	151	m2	115.00	17,365
4.10.3	Commercial carpet tiles	62	m2	90.00	5,580
4.10.4	Non-slip commercial vinyl	90	m2	165.00	14,850
4.10.5	Concrete sealer	385	m2	55.00	21,175
Total Floor Finishes					122,345
Wall Finishes					
Re-cycled QEYC sports flooring timber - hit and miss on AAB blanket on timber framing (fixed over Kingspan) - Deleted					
4.11.1	Acoustic slotting and blanket to plywood (Studios - one wall)	79	m2	550.00	43,450
4.11.2	Clolourback glass and graphic (Studios - one wall)	79	m2	700.00	55,300
4.11.3	600 x 600 ceramic wall tiles [\$60/m2 P.C. supply]	279	m2	280.00	78,120
4.11.4	Wall mirror	30	m2	600.00	18,000
4.11.5	Paint finish	2,658	m2	25.00	66,450
Total Wall Finishes					261,320
Ceiling Finishes					
4.12.1	Re-cycled QEYC sports flooring timber - hit and miss on AAB blanket on suspension system	151	m2	450.00	67,950
4.12.2	Flush painted Gib Aqualine ceiling	110	m2	185.00	20,350
4.12.3	1200 x 600 Asona Triton suspended grid and tile ceiling	367	m2	90.00	33,030
4.12.4	Bulkhead over Reception pod	9	m2	750.00	6,750
4.12.5	Paint ceiling / upper floor soffit	385	m2	35.00	13,475
4.12.6	Allowance for ceiling access hatches	1	Item	5,000.00	5,000

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
Total Ceiling Finishes					146,555
Fittings & Fixtures					
4.13.1	Allowance for preparatory sauna complete	1	No.	35,000.00	35,000
4.13.2	Spin stage	1	Item	7,500.00	7,500
4.13.3	Fitness centre reception counter	1	Item	20,000.00	20,000
4.13.4	Kitchenette joinery	1	No.	15,000.00	15,000
4.13.5	Work bench / desk	10	m	550.00	5,500
4.13.6	Vanity bench	4	m	2,000.00	8,000
4.13.7	Changing room bench seating	17	m	700.00	11,900
4.13.8	Disabled shower seat	2	No.	1,200.00	2,400
4.13.9	Disabled shower curtain	2	No.	450.00	900
4.13.10	Storage joinery	1	Item	15,000.00	15,000
4.13.11	Change room and toilet mirrors and hardware etc.	1	Item	16,000.00	16,000
4.13.12	Notice boards etc.	1	Item	5,000.00	5,000
Total Fittings & Fixtures					142,200
Sanitary Plumbing					
4.14.1	WC suite complete including pipework reticulation	4	No.	4,000.00	16,000
4.14.2	Accessible WC suite complete including pipework reticulation	2	No.	4,750.00	9,500
4.14.3	Wash hand basin complete including pipework reticulation	4	No.	4,000.00	16,000
4.14.4	Accessible wash hand basin complete including pipework reticulation	2	No.	4,500.00	9,000
4.14.5	Kitchenette sink complete including pipework reticulation	1	No.	4,000.00	4,000
4.14.6	Kitchenette hydro tap complete including pipework reticulation	1	No.	6,000.00	6,000
4.14.7	Cleaners sink complete including pipework reticulation	1	No.	4,000.00	4,000
4.14.8	Shower complete including pipework reticulation	6	No.	2,500.00	15,000
4.14.9	Floor wastes	6	No.	900.00	5,400
4.14.10	BWIC & Passive Fire	1	Item	5,943.00	5,943
Total Sanitary Plumbing					90,843
Heating & Ventilation Services					
4.15.1	HVAC [Fitness Areas]	538	m2	550.00	295,900
4.15.2	Mechanical ventilation [Changing Rooms]	90	m2	300.00	27,000

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
4.15.3	Mechanical ventilation [Plantrooms]	385	m2	275.00	105,875
4.15.4	BWIC & Passive Fire	1	Item	30,014.00	30,014
	Total Heating & Ventilation Services				458,789
	Fire Services				
4.16.1	Fire protection services [Type 4 - alarm, smoke detectors and manual call points]	1,013	m2	45.00	45,585
4.16.2	Allowance for fire curtains to Double Glaze window facing pool area	90	m2	950.00	85,500
4.16.3	Allowance for fire curtains to Foyer void	74	m2	950.00	70,300
4.16.4	BWIC & Passive Fire	1	Item	10,069.00	10,069
	Total Fire Services				211,454
	Electrical Services				
4.17.1	Electrical services	1,013	m2	300.00	303,900
4.17.2	BWIC & Passive Fire	1	Item	21,273.00	21,273
	Total Electrical Services				325,173
	Vertical & Horizontal Transportation				
4.18.1	Plantroom hoist	1	No.	45,000.00	45,000
4.18.2	Passenger lift [two stops]	1	No.	105,000.00	105,000
4.18.3	BWIC	1	Item	7,500.00	7,500
	Total Vertical & Horizontal Transportation				157,500
	Special Services				
4.19.1	Data, comms & MATV [GFA rate]	650	m2	45.00	29,250
4.19.2	Security & CCTV [GFA rate]	1,013	m2	15.00	15,195
4.19.3	BWIC & Passive Fire	1	Item	3,111.00	3,111
	Total Special Services				47,556
	Sundries				
4.20.1	Roof maintenance access system	1	Item	25,000.00	25,000

Detail

Fitness Centre & First Floor Plantroom

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No.	Description	Quantity	Unit	Rate	Total
4.20.2	Regulatory signage	1	Item	10,000.00	10,000
4.20.3	Sundries and General (0.25%)	1	Sum	14,010.00	14,010
	Total Sundries				49,010
	Preliminaries				
4.21.1	Preliminaries & General (12%)	1	Sum	674,149.00	674,149
	Total Preliminaries				674,149
	Margin				
4.22.1	Main Contractor Margins (6%)	1	Sum	377,940.50	377,941
	Total Margin				377,941

Detail

Outdoor Pools & Splash Pads

Project: 18317A - Tauranga Leisure Hub

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No.	Description	Quantity	Unit	Rate	Total
	Substructure				
	Piling				
6.1.1	P1 - 900mm diameter :[23 no]	575	m	1,600.00	920,000
6.1.2	PC1 - 1300 x 1300 x 1200mm Pile Cap	24	No.	7,000.00	168,000
	Strip Foundations				
6.1.3	GB01 - 700x700mm Reinforced Insitu Concrete Ground Beam	258	m	1,300.00	335,400
	Concrete in Floor Slabs on Grade				
6.1.4	175mm thick Reinforced Concrete Slab	786	m2	400.00	314,400
6.1.5	200mm thick Reinforced Concrete Slab	158	m2	480.00	75,816
6.1.6	300mm thick Reinforced Concrete Raft Slab	606	m2	630.00	381,780
6.1.7	300mm wide Reinforced Concrete upstand wall to perimeter of slabs	340	m	1,010.00	343,400
	Extra value for ground improvement to Splash Deck zone (deleted)				
	Retaining Walls				
6.1.8	300 x 1500mm Reinforced Concrete Retaining Wall	76	m	1,740.00	132,240
	Proprietary Pool Tank System & Vacuum Sands Filtration				
6.1.9	25m x 10m Lido Pool	1	Sum	700,000.00	700,000
	Concrete Pools				
	Spa Pool complete (deleted)				
6.1.10	Bombing Pool complete	1	Sum	150,000.00	150,000
	Total Substructure				3,521,036
	Stairs & Balustrades				
6.2.1	1300 high frameless glass balustrade	28	m	1,600.00	44,800
	Total Stairs & Balustrades				44,800
	Sanitary Plumbing				
6.3.1	Water connection	1	Item	75,000.00	75,000
6.3.2	BWIC & Passive Fire	1	Item	5,250.00	5,250

Detail

Outdoor Pools & Splash Pads

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No.	Description	Quantity	Unit	Rate	Total
	Total Sanitary Plumbing				80,250
	Electrical Services				
6.4.1	Outdoor lighting	2,209	m2	50.00	110,450
6.4.2	Allowance for in-pool lighting	1	Sum	25,000.00	25,000
6.4.3	BWIC & Passive Fire	1	Item	9,482.00	9,482
	Total Electrical Services				144,932
	Special Services				
6.6.1	Pool water services: sanitisation [25m, 4 lane pool]	1	Item	380,000.00	380,000
6.6.2	Pool water services: sanitisation [Bombing pool]	1	Item	85,000.00	85,000
6.6.3	Pool water services: sanitisation [Spray Decks]	1	Item	75,000.00	75,000
6.6.4	Water features to Lido beach	3	No.	25,000.00	75,000
6.6.5	Water features to Lido pool	3	No.	25,000.00	75,000
6.6.6	Water features to zero depth water play zone	1	Sum	200,000.00	200,000
6.6.7	BWIC & Passive Fire	1	Item	62,300.00	62,300
	Total Special Services				952,300
	External Works				
6.7.1	Resilient flooring to Lido pool beach entry zone	157	m2	300.00	47,100
6.7.2	Resilient flooring to Aquaplay / Splash Deck	238	m2	300.00	71,400
6.7.3	Allowance for tactiles to ramp zones	1	Item	15,000.00	15,000
6.7.4	Shade structures to Aquaplay	75	m2	700.00	52,500
6.7.5	Shade structures to BBQ / seating zones	200	m2	400.00	80,000
6.7.6	BBQ with integrated bench and seats	2	No.	20,000.00	40,000
6.7.7	Concrete paving (between pool zones)	363	m2	190.00	68,970
6.7.8	Battered lawn areas	453	m2	100.00	45,300
6.7.9	Landscape edge / wall	96	m	450.00	43,200
6.7.10	1300 high open weave stainless steel fence	208	m2	1,200.00	249,600
6.7.11	Feature rocks etc.	1	Sum	25,000.00	25,000
6.7.12	Allowance for seating, bins, bollards etc.	1	Sum	50,000.00	50,000
6.7.13	Allowance for planting / soft landscaping	1	Sum	75,000.00	75,000
	Total External Works				863,070
	Drainage				
6.8.1	Stormwater drainage to non-permeable surfaces	982	m2	35.00	34,370
	Total Drainage				34,370

Detail

Outdoor Pools & Splash Pads

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No.	Description	Quantity	Unit	Rate	Total
	Sundries				
6.9.1	Outdoor toilets / change facilities complete	30	m2	10,000.00	300,000
6.9.2	Sundries and General (0.25%)	1	Sum	14,852.00	14,852
	Total Sundries				314,852
	Preliminaries				
6.10.1	Preliminaries & General (12%)	1	Sum	714,673.00	714,673
	Total Preliminaries				714,673
	Margin				
6.11.1	Main Contractor Margins (6%)	1	Sum	399,717.00	399,717
	Total Margin				399,717

Detail

Integrated Cultural Design

Project:

18317A - Tauranga Leisure Hub

Estimate:

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Date:

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No.	Description	Quantity	Unit	Rate	Total

Detail

Siteworks

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Sanitary Plumbing					
8.1.1	Water mains and connection	1	Item	55,000.00	55,000
8.1.2	Backflow preventer	1	Item	35,000.00	35,000
8.1.3	Rainwater collection tanks and recirculation system complete	1	Item	100,000.00	100,000
Total Sanitary Plumbing					190,000
Heating & Ventilation Services					
8.2.1	350 Dia Abstraction bore [600m deep]	2	No.	950,000.00	1,900,000
8.2.2	150 Dia Re-injection bore [600m deep]	2	No.	500,000.00	1,000,000
8.2.3	Bore head, pumps and manifold	1	Item	150,000.00	150,000
8.2.4	150 Dia pre-insulated pipe reticulation in trench [abstraction]	445	m	1,050.00	467,250
8.2.5	150 Dia pre-insulated pipe reticulation in trench [injection]	345	m	1,050.00	362,250
8.2.6	BWIC & Passive Fire	1	Item	96,988.00	96,988
Total Heating & Ventilation Services					3,976,488
Electrical Services					
8.4.1	HV mains cable from 11th Ave substation	55	m	950.00	52,250
8.4.2	New HV 750kVA transformer & switch [Provisional]	1	Item	250,000.00	250,000
8.4.3	External lighting to on-grade carpark	5,530	m2	20.00	110,600
8.4.4	Allowance for external building / circulation lighting	1	Item	75,000.00	75,000
Total Electrical Services					487,850
Special Services					
8.5.1	Telecommunications mains and connection	1	Item	25,000.00	25,000
Total Special Services					25,000
Drainage					
8.6.1	Stormwater drainage	1	Item	390,000.00	390,000
8.6.2	Sanitary drainage (connected to existing waste water pump station)	1	Item	105,000.00	105,000
8.6.3	Stormwater drainage to on-grade carparks	5,530	m2	25.00	138,250
8.6.4	Allowance for backwash tank complete	1	Item	75,000.00	75,000
8.6.5	Grease trap	1	Item	50,000.00	50,000
Total Drainage					758,250
External Works					

Detail

Siteworks

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
8.7.1	Asphalt paving to existing service lane	553	m2	60.00	33,180
8.7.2	Concrete paving to main entry and circulation	1,713	m2	185.00	316,905
8.7.3	Access ramp to plantroom	29	m2	700.00	20,300
8.7.4	Entry steps	75	m2	750.00	56,250
8.7.5	Basketball half court	150	m2	200.00	30,000
8.7.6	On-grade carpark [Asphalt]	5,530	m2	95.00	525,350
8.7.7	Carpark line marking	157	No.	30.00	4,710
8.7.8	Carpark wayfinding signage	1	Item	5,000.00	5,000
8.7.9	Pavement crossing	120	m2	175.00	21,000
8.7.10	Concrete kerb	737	m	75.00	55,275
8.7.11	Security fence to secure parking zone	123	m	250.00	30,750
8.7.12	Secure entry gate	1	No.	35,000.00	35,000
8.7.13	Allowance for localised planting / soft landscaping	400	m2	75.00	30,000
8.7.14	Allowance for planting	1	Item	75,000.00	75,000
8.7.15	Bike stands	1	Item	15,000.00	15,000
Total External Works					1,253,720
Sundries					
8.8.1	Sundries and General (0.25%)	1	Sum	16,728.00	16,728
Total Sundries					16,728
Preliminaries					
8.9.1	Preliminaries & General (12%)	1	Sum	804,964.00	804,964
Total Preliminaries					804,964
Margin					
8.10.1	Main Contractor Margins (6%)	1	Sum	452,000.00	452,000
Total Margin					452,000

Detail

FF&E

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
FF&E					
Aquatic Centre					
	Pool covers (Deleted)				
9.1.1	Chair lift	1	No.	25,000.00	25,000
9.1.2	Poolside lockers	1	Item	50,000.00	50,000
9.1.3	Backstroke / starter flags, lane ropes etc.	1	Item	75,000.00	75,000
9.1.4	Allowance for winder	1	Item	30,000.00	30,000
9.1.5	Start blocks	16	No.	4,000.00	64,000
9.1.6	Administration FF&E	1	Item	30,000.00	30,000
9.1.7	Foyer FF&E	1	Item	25,000.00	25,000
9.1.8	Birthday room FF&E	1	Item	10,000.00	10,000
9.1.9	Cafe FF&E	1	Item	25,000.00	25,000
9.1.10	First Aid FF&E	1	Item	2,000.00	2,000
9.1.11	Wayfinding signage	1	Item	50,000.00	50,000
9.1.12	Lap clocks etc.	1	Item	20,000.00	20,000
9.1.13	Office FF&E and AV	1	Sum	150,000.00	150,000
9.1.14	Sundry FF&E	1	Item	8,600.00	8,600
Fitness Centre					
9.1.15	Fitness Centre lockers	1	Item	40,000.00	40,000
9.1.16	Fitness & Gymnasium Equipment	1	Sum	1,500,000.00	1,500,000
Outdoor Pools					
9.1.17	Pool covers	302	m2	200.00	60,400
9.1.18	Chair lift	1	No.	25,000.00	25,000
Total FF&E					2,190,000



Detail**Contingencies**

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
11.1.1	Design Development Contingency				
	Design Development Contingency (5%)	1	Sum	4,645,000.00	4,645,000
	Total Design Development Contingency				4,645,000
11.2.1	Construction Contingency				
	Construction Contingency (7.5%)	1	Sum	7,315,000.00	7,315,000
	Total Construction Contingency				7,315,000

Detail

Consultant and Consent Fees

Project: 18317A - Tauranga Leisure Hub
 Estimate: Concept Design Estimate | EE19 (Revised Final Concept)
 Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
Consultant Fees					
Refer AECOM Fee summary 19 October 2023					
12.1.1	Project Management - AECOM	1	Sum	1,978,513.00	1,978,513
12.1.2	Architectural - HDT	1	Sum	2,244,918.65	2,244,919
12.1.3	Structural & Services - Beca	1	Sum	6,724,267.00	6,724,267
12.1.4	Quantity Surveying - bbd	1	Sum	692,400.00	692,400
12.1.5	Business Case - VSL	1	Sum	201,150.00	201,150
12.1.6	ECI - Naylor Love	1	Sum	389,360.00	389,360
12.1.7	Structural Advice - Kystrel	1	Sum	10,000.00	10,000
12.1.8	Structural Peer Review	1	Sum	40,000.00	40,000
12.1.9	Fire Peer Review	1	Sum	40,000.00	40,000
12.1.10	Geotechnical Peer Review	1	Sum	75,000.00	75,000
12.1.11	Facade Engineer	1	Sum	200,000.00	200,000
12.1.12	Mana Whenua	1	Sum	200,000.00	200,000
12.1.13	External Safety Consultant	1	Sum	25,000.00	25,000
12.1.14	TCC Direct Appointments	1	Sum	360,000.00	360,000
12.1.15	Commissioning Agent	1	Sum	200,000.00	200,000
12.1.16	Masterplanning - Bespoke	1	Sum	139,810.00	139,810
12.1.17	Fee Contingency	1	Sum	99,581.35	99,581
Total Consultant Fees					13,620,000
Consent Fees					
Refer AECOM Fee summary 19 October 2023					
12.2.1	TCC Building Consent	1	Sum	425,410.30	425,410
12.2.2	TCC Resource Consent / Development Fees	1	Sum	330,990.00	330,990
12.2.3	BoP Resource Consent Fees	1	Sum	13,869.14	13,869
12.2.4	Geothermal Bore Consent Fees	1	Sum	10,360.72	10,361
12.2.5	Sundry	1	Sum	-630.16	-630
Total Consent Fees					780,000

Detail

Project Contingency

Project: 18317A - Tauranga Leisure Hub

Estimate: Concept Design Estimate | EE19 (Revised Final Concept)

Date: 8 March 2024



No.	Description	Quantity	Unit	Rate	Total
	Project Contingency				
13.1.1	Project Contingency	1	Sum	2,981,600.00	2,981,600
13.1.2		1	sum	-6,600.00	-6,600
	Total Project Contingency				2,975,000

Revision	Initial
Prepared by	David Doherr & Johnathan Mudrovic
Signed by	David Doherr

bdd BARNES
BEAGLEY
DOHERR

—
The Shortland Centre
Level 14
55 Shortland Street
Auckland 1010

PO Box 3422,
Shortland Street
Auckland 1140

09 379 6174
bdd.co.nz

APPENDIX 2: BENEFITS

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Date: 03/05/2024

Preliminary Business Case

Commentary on the costs and benefits of the proposed Memorial Park Aquatic Facility

Tauranga City Council and Bay Venues Limited have commissioned a preliminary business case for the proposed Memorial Park Aquatic Facility. As part of the business case process the economic, and wider, costs and benefits of the preferred options were considered.

Generally, the costs of establishing, operating, and maintaining aquatic community facilities are substantial and they often require ongoing financial contributions in the form of ratepayer (or taxpayer) support. However, the facilities tend to provide valuable recreational and social benefits to communities. Further, community facility investments are normally associated with infrastructure with a long lifespan. Therefore, understanding the relationship between wider costs and the anticipated benefits is key. The memorandum explores the anticipated costs and benefits. It is, however, not a 'cost-benefit analysis' and should not be seen as one. The likely effects are described below together with the anticipated direction of the effects. A quantitative, net position is not presented.

Costs and funding

The preferred option is estimated to have a capital cost of \$122.2m that will be spent during the construction period. The financial analysis signals that the facility is unlikely to generate a sufficiently large return to cover costs. The shortfall will be covered using public funds. When public funds are raised via general taxes (including rates), then deadweight losses arise. According to the New Zealand Treasury, taxes encourage people to move away from things that are taxed and toward things that are not taxed or more lightly taxed. Their consumption choices are distorted away from what they would prefer in the absence of taxes. The change in the mix of consumption has an adverse welfare effect i.e., a deadweight loss. The size of this loss is normally estimated at 20% of the tax-funded portion. Other cost-side factors to consider include:

- Allowing for optimism bias in the cost estimates,
- Reflecting opportunity costs,
- The economic values of displacing resources,
- Disruption costs.

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Some of the components of the facility will operate on a cash positive basis, and make important contributions to the financial position of the Aquatic Facility. However, activities such as fitness service are provided by the private sector meaning that the facility will compete for clientele and users. A potential cost of this process is that it could dilute market share away from private operators, undermining their feasibility and having adverse effects on the overall availability of some services.

The facility will incur a range of operational costs, including salaries and wages. It is often argued that the employment effect is a benefit, not a cost. However, this is incorrect because there are opportunity costs associated with labour. Sizing this opportunity cost is based on the cost of labour and local context is important. One approach is to use the local labour market and payment rates for people with necessary skills, i.e., prospective employees, and to use these values. The opportunity cost of labour is the going wage rate. Only the difference between opportunity cost of labour and the new wage rates are considered benefits (if the new wage rate is greater than current wage rate. If this is not the case, then potential employees would not change roles. The gross values should be considered in the assessment.

Potential benefits

The proposed development will deliver a range of benefits. These range from direct, user benefits to wider, social benefits. When considering the benefits, only the net change should be included. If a user would have undertaken an activity and experienced the same effect (as anticipated with the new facility), then that person is not better off i.e., the welfare effects are neutral. An important aspect of the proposed Aquatic Facility is that it will address critical issues in the current community facility network as identified in the 2019 Tauranga Community Facilities Needs Analysis, specifically:

- Memorial Pool is not meeting community needs,
- Pressures in the network in terms of capacity constraints (i.e., that neighbouring facilities are facing 'significant pressures'),
- The anticipated growth patterns and expected demand shifts that will see significant increases in new users, as a shift in the type of user demand.

The preferred option aligns directly with the needs and pressures identified in earlier workstreams. Consequently, the issues that the investment will address point to the type and nature of the anticipated benefits. These are presented using broad themes.

Improved network performance

The aquatic network around Tauranga is under pressure and the anticipated population growth outlook will only add to these pressures. Developing the Memorial Park Aquatic facility will avoid the downside/disbenefits associated with the congested network. These avoided costs (negative effects) are normally treated as a benefit and include:

- **Avoiding costs associated with overuse** of facilities and infrastructure. These costs include accelerated maintenance costs and shortened lifespans of equipment.

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- **Normalising operational costs** – overcrowding can put pressure on resources and increase marginal costs. If facilities are operated beyond design thresholds, then costs increase through increased frequency of activities, and associated cost increase. For example, cleaning and maintenance associated with higher use levels mean that additional staff and financial resources are needed. This can place additional financial burden on operational budgets.
- **Improving level of service:** When facilities are overcrowded, then the level of service or user experience diminishes. The reduced experience is due to aspects such as long wait times, limited access to amenities, and reduced opportunities for participation in activities or programs. If overcrowding is addressed, then demand levels can often increase because users see improvements in overall satisfaction with the services provided.
- **Improving social inclusion:** A direct effect of overcrowded facilities is that it often excludes some community segments. Examples of these segments include low-income individuals, seniors, or people with disabilities, who may face additional barriers to accessing services or participating in activities. This can perpetuate inequalities and exacerbate social disparities within communities.
- **Avoiding conflicts:** Overcrowding can create social tensions and conflicts among users that are looking to access available facilities.

Tauranga's Aquatic facilities have wide-ranging users. The relative unattractiveness of the existing facilities (at Memorial Park) means that users are not actively engaged with this facility, and are using other venues. This redistributes demand elsewhere, redirecting pressure. The city's envisaged growth pattern will see a mix of intensification along the Te Papa peninsula and greenfield and infill development in other locations. The growth along the peninsula will see significant increases in demand for aquatic facilities. Spatially, Memorial Park is well located to serve local demand – this includes existing demand as well as growth demand. Providing these community services locally will reduce cross-city travel and demand of facilities in other locations. Changing the spatial interaction patterns will ensure that Tauranga's facilities can service the populations that they have been designed for.

Supporting growth

Tauranga is one of New Zealand's fastest growing urban economies with high population growth. The city's growth outlook is positive for both the economy, and the population. However, the city is facing growth pressures and infrastructure constraints. This includes social infrastructure, such as aquatic facilities. The preferred option will add to the city's social infrastructure.

Servicing local growth in the Te Papa peninsula will enhance the relative attractiveness of the immediate and broader vicinity as an investment destination, thereby supporting the city to achieve its ambitious spatial intensification drive. There are significant benefits associated with urban intensification, ranging from improved housing outcomes, better infrastructure productivity to better transport outcomes and emissions savings. While it would be inappropriate to attribute all these benefits to the Memorial Park Aquatic Facility, the proposed development will add to the overall spatial picture in terms of spatial attractiveness.

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At a city-wide scale, the facility will be developed into a destination venue i.e., its target market will extend beyond the immediate vicinity. Developing a higher order venue, in a central location such as Memorial Park, means that the relative accessibility is broadly even across the city's communities. In turn this translates into equal opportunities, across communities, to access the facility. The central location also means that it is well serviced in terms of transport (road) infrastructure and public transport services. Again, this supports inclusive development and equal accessibility.

Considering the scale of Memorial Park, the facility will contribute to the liveability and status of Tauranga as a destination. It will combine with the City's overall offer to residents and deliver a more attractive location that is well serviced by social amenities. Access to the facility will enhance the overall quality of life for residents by providing amenities and services that meet their needs and interests. Combined with other amenities, the investment will enhance Tauranga's performance as a place to live, work, and raise a family – contributing to Council's growth aspirations and vision for the city.

Other, indirect benefits that can be expected from investing in the facility relates to real estate values and supporting urban regeneration and value uplift. While not a core objective, investment in community facilities can often result in value-uplift for neighbouring properties. Such an uplift in values, and desirability of locations, are needed to make higher density dwellings financially feasible. Again, these effects will support the city's intensification ambitions.

User benefits

User benefits are often the most visible effects and benefits of community facilities, such as the Memorial Park Aquatic Facility. There are valuation techniques¹ that can be used to quantify, and express, some user benefits in Dollar terms. For example, consumer preferences can be derived from purchasing patterns. Some of the activities will be delivered using a user-pays type approach. This transaction value provides an indication of the 'at least' value that users assign to the facility (per visit and use) because users would not incur that cost (as well as all other transaction costs, such as travelling to the facility) to use it if they were not willing to pay for that service.

Beyond the revealed costs, users will derive a range of other potential benefits. The nature, scale and incidence of these benefits depend on which part of the facility is used. For example, the benefits accruing to users of the hydro slides and leisure pools would differ from those using the fitness centre. Similarly, user demographics will also play a role in the services accessed, and the benefits derived from those services. There will be variances between users engaging in bombing and deep-water play, people accessing learning to swim services, and people using swimming lanes.

¹ Such as revealed, and stated preference studies.

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A comprehensive assessment of the different users, their attributes and how they would engage with the facility, as well as their current and projected use patterns (i.e., in a without Memorial Park Aquatic Facility scenario), would be needed to quantify the anticipated benefits across all users. Such a detailed assessment is however beyond the scope of the preliminary business case. The type of benefits that users are expected to derive will fall across the following broad categories:

- **Contribution to physical fitness:** the facility will provide access to infrastructure that users can utilize to support physical activity, including swimming, water aerobics, and aquatic sports. These activities offer low-impact workouts that help improve cardiovascular health, muscular strength, flexibility, and overall physical fitness.
- **Improved Mental Health:** Regular exercise in aquatic environments has been shown to have positive effects on mental health, including reducing symptoms of depression, anxiety, and mood disorders. The sensory experience of water, combined with the release of endorphins during exercise, contributes to improved emotional well-being and overall mental health.
- **Social interaction and recreation:** the Memorial Park Aquatic Facility will serve as a social hub where people can gather, socialize, and engage in recreational activities. The facility will provide opportunities for families, friends, and communities to bond, have fun, and create memories. This adds to social cohesion.

The values associated with many of the health effects can be quantified and expressed in Dollar terms. For example, the annual benefits associated with cycling is estimated at \$6,200 per person, and up to \$12,740². The social costs associated with physical inactivity are significant, and developing Memorial Park Aquatic Facility close to where population and household growth is expected, means that this community asset could play a central role in combatting physical inactivity. This issue is well-known and in a 2010-study, M.E highlighted the fact that local government has a significant role to play in providing opportunities for people to increase their physical activity levels. Updating the values in the earlier report based on inflation, and scaling national results to Tauranga, based on population suggests that the costs of physical inactivity is \$57m per year. This highlights the size of the issue. The Memorial Park Aquatic Facility will assist in addressing a portion of this problem.

International studies show that the direct economic benefit associated with a pool visit to be in the order of AU\$13.83/per visit/person. If the wider health benefits are added, then the benefits increase to AU\$26.39/per visit/person. While these figures are not directly transferrable to the proposed development, it highlights the potential magnitude of the benefits that could be expected.

Concluding remarks

Tauranga is growing and the growth is putting pressure on infrastructure, including social infrastructure such as aquatic and leisure assets. The preferred option will see significant investment in local assets. This investment will generate an economic impulse, that will support economic activity over the short term. However, the spending is sourced from ratepayers, so reducing the associated household budgets and the associated flow-on effects.

² Based on 10km per day, up to 5 days per week, and per person. NZTA

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The Aquatic Facility will deliver a range of economic and social benefits. These potential benefits relate to difficult to quantify effects, such as:

- Enhancing the performance of the city's aquatic network, and alleviating pressure and congestion at existing facilities,
- Stimulating demand and serving new demand associated with the city's population growth,
- Supporting the city's spatial development ambitions by enhancing the Te Papa peninsula's liveability and adding social amenity to the location.

The facility will deliver a range of user benefits, and these will be closely linked to the characteristics of each user. The facility's potential role in addressing the health and economic impacts associated with physical inactivity is arguably one of the greatest benefits that it will deliver.

Lawrence McIlrath
Director
Market Economics
021 042 1957

APPENDIX 3: FINANCIAL ANALYSIS



Memorial Park Aquatic Facility - Financial Analysis

Prepared for Visitor Solutions Limited

April 2024

Strictly Private and Confidential



Visitor Solutions Limited
Attention: Craig Jones
Level 2
8 Teed Street
Newmarket
Auckland 1149

Deloitte

Level 4, 151 Cambridge Terrace
Christchurch Central
Christchurch 8013

PO Box 248
Christchurch 8140

New Zealand

Tel +64 3 363 3800
www.deloitte.co.nz

30 April 2024

Dear Craig

Visitor Solutions: Memorial Park Aquatic Facility

We enclose our Financial Analysis (Report) prepared for Visitor Solutions Limited (you, the Client, or Visitor Solutions), in relation to the business case being undertaken by Visitor Solutions for the Memorial Park Aquatic Facility.

Our analysis includes preliminary options analysis (Appendix 1) which was undertaken prior to the selection of the preferred option on which our report is based.

This analysis and report has been prepared for Visitor Solutions Limited in accordance with our engagement letter dated 17 July 2023. We consent to this analysis being incorporated into a Visitor Solutions wider report in connection with the business case for the Memorial Park Aquatic Facility subject to us having the opportunity to review and approve how it is incorporated into the wider report.

Yours faithfully

Scott McClay
Partner
for Deloitte Limited (as trustee for the Deloitte Trading Trust)

Kyle Callow
Director

Memorial Park Aquatic Facility – Final Report – 30 April 2024

Introduction	Financial Analysis	Capital Expenditure	Operating Revenue	Operating Expenditure	Funding Sources	Sensitivity Analysis	Financial Summary
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Memorial Park| Introduction

The Memorial Park Aquatic Facility has been modelled over a 50-year period. We have considered the impact of the Aquatic Facility, Fitness Centre and Facility on a consolidated basis.

Background and Overview of Approach

- Tauranga City Council (TCC) has appointed Visitor Solutions to complete a business case for the Memorial Park Aquatic Facility ('MPAF'), being the Aquatic Facility, Fitness Centre and General Facility.
- Our involvement in the business case study is restricted to the development of a financial model ('the model') for the proposed facilities (Aquatic, Fitness and other facility components) based on estimated costings, market analysis, visitor numbers and operating model inputs.
- The expected annual costs of the Memorial Park Aquatic Facility were determined through the development of a financial model ('the model'). The costs comprise:
 - Capital costs for the MPAF development, design and construction of the facility.
 - Operating costs and revenues relating to the operation of the facility.
 - Lifecycle costs covering the refurbishment of the facility components.
- The financial model was constructed based on costs, revenue and funding assumptions and estimates obtained from TCC, BBD (Quantity Surveyors), and recreational facility experts including Visitor Solutions and other appropriate public sources of information.
- The operating model estimates the costs and revenues associated with the operation over a 50-year period.
- A summary of the key inputs and assumptions utilised within the modelling, and their respective sources are detailed opposite.

Item	Assumption	Source
Construction Timing	Approximately 24 months to complete construction and fit-out of the premises, between CY25 to CY27. Operations commence Jan 2028.	Visitor Solutions and TCC
Escalation Construction and Life Cycle Costs	Construction escalation costs already factored into the BBD (QS) capital cost estimate. Life Cycle Escalation Costs are based off the non-residential building index from NZIER-Forecast (Stats NZ)	BDD (QS) NZIER
Depreciation	Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives.	Inland Revenue Department
Model Period	52 Years (2 year construction)	Deloitte
Operations Period	50 Years	Deloitte
Inflation	~2% (applied to income and operating expenditure) Discount Rates and CPI Assumptions for Accounting Valuation Purposes The Treasury New Zealand	The Treasury New Zealand
Net Present Value Date	December 2024	Deloitte
GST and Tax	Excluded – all numbers are presented GST Exclusive The facilities will be operated by a non-tax paying entity.	



Memorial Park| Introduction

We have assessed the impact to Council and ratepayers within our analysis based on TCC's rating policy.

Cost to Funder Analysis

- The consideration of how any funding requirement will be sourced is outside the scope of this study.
- In the absence of definitive sources of debt we have modelled it consistently with how aquatic complexes are generally financed, and therefore modelled, for the purposes of business case studies. Accordingly, for illustrative purposes the financial analysis has been prepared on the basis of:
 - Capital grants of ~\$15m based on preliminary estimates of the funding that may be available from Lotteries or Community Trust providers.
 - The residual (\$107.2m) funded by way of LGFA debt sourced from TCC.
- The indicative operating cost to Council presented within our analysis considers:
 - The Accounting Cost to Council (what will appear in the Annual Accounts) is assumed to be:
 - Net of revenue, and operating costs;
 - Interest on the money borrowed by the Funder to fund the construction cost at 5.5% interest, repaid over 30 years on a table loan basis (equal payments each year);
 - Depreciation on the fit-out and plant funded by Council.
 - The Rates Cost to Council (what would be rated for) is assumed to be:
 - The net operating cost (before depreciation);
 - Interest on debt borrowed to fund development of the facility;
 - Debt repayment over 30 years (on the initial development capital expenditure);
 - Depreciation, which is rated for and held in reserve to fund capital replacements and renewals (based on 50 years straight-line for building structures, 20 years straight-line for plant & equipment and 5 years straight- line for gym equipment).

- The Cashflow Cost to Council (what it will actually cost in cash each year) is assumed to be:
 - The contribution of the facility to Council;
 - Add back the depreciation on the facility that is rated for;
 - Less the actual cost of asset replacements.

Though the cashflow cost varies by year (depending on what is replaced in a year), in all cases the total rates collected exceed the cashflow cost (as the depreciation, that is rated for, is more in total than the cost of replacements).

- The cost to council analysis is presented on a gross basis and therefore does not consider the net impact of forecasts for the Memorial Park Aquatic Facility that may already have been incorporated into TCC LTP rate forecasts.

Introduction

Financial Analysis

Capital
ExpenditureOperating
RevenueOperating
Expenditure

Funding Sources

Sensitivity Analysis

Financial Summary



Memorial Park | Financial Analysis

We estimate the cost to ratepayers to be an average of ~\$12.5m over a 30-year period. This represents a 3.8% increase to the current FY2024/25 forecast rates.

Financial Summary

- The MPAF is not forecast to operate profitably. It will require on-going grants from TCC of ~\$733k reducing over time as the pax volumes and prices increase. The MPAF does not contribute sufficient return to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time.
- This is not uncommon for Aquatic facilities. For example, the Marlborough Trust stadium in Blenheim currently receives funding from the local Council of ~\$840k alongside other grants of ~\$140k in order to cover operational costs and depreciation.
- As a result, the facility is not cashflow positive over the 50-year modelled time horizon. We estimate the Whole of Life (WOL) cumulative cashflow impact at ~\$322m.
- We have estimated the cost to council impact as \$12.5m per annum over the first 30 years of operation. This is primarily made up of:
 - Funding required to offset operational losses (~\$536k per annum);
 - Funding required to cover debt repayments (\$7.8m). This comprises both the impact of the debt on the initial capex (\$122.2m) and the effect of capitalised interest during the period of construction (\$5.9m);
 - Funding required for depreciation in order to fund renewals over time (\$4.1m).
- \$12.5m represents an impact to rate payers of ~3.8% (based on LTP forecast rates of \$325m in FY2024/25).
- The gross cost of the facility reduces over time specifically, after 30 years (~CY58) when the debt borrowed to fund the facility has been repaid.

Memorial Park Aquatic Facility

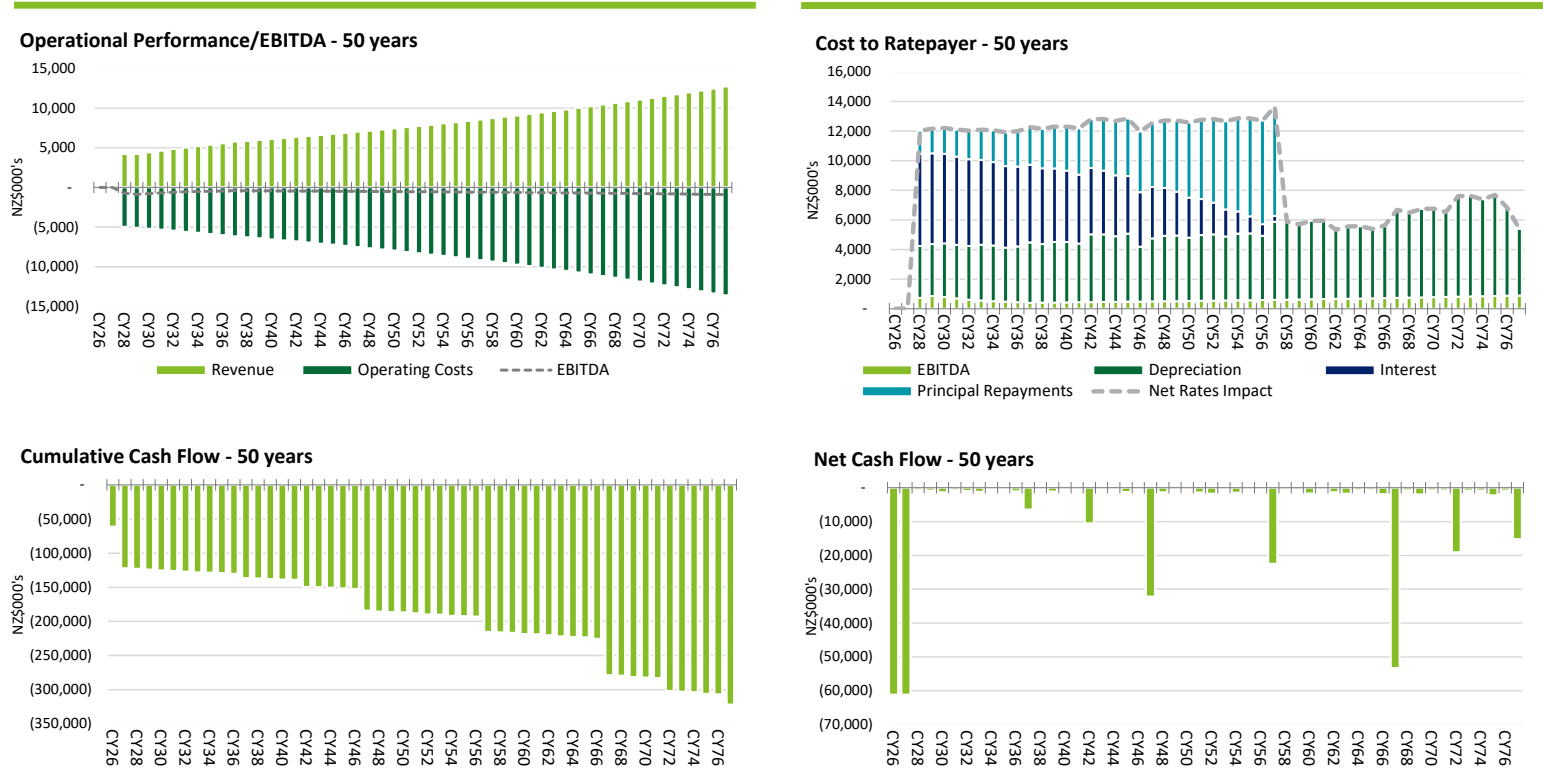
\$NZ000's	Aquatic	Fitness	Facility	Total
Capital Expenditure Requirement	122,240	-	-	122,240
Year 1				
Revenue	2,694	731	806	4,231
Expenditure	(2,709)	(593)	(1,662)	(4,964)
EBITDA	(15)	138	(856)	(733)
Year 10				
Revenue	3,447	1,356	964	5,767
Expenditure	(3,240)	(944)	(1,988)	(6,171)
EBITDA	207	413	(1,023)	(404)
Cumulative Free Cash Flow	(262,742)	13,291	(72,427)	(321,878)
Net Present Value	(140,071)	3,014	(19,335)	(156,393)
Year 1 ROA	(0.012%)	N/A	N/A	(0.012%)
IRR	N/A	N/A	N/A	N/A
Payback	N/A	N/A	N/A	N/A
Cost to Ratepayers				
Operational Subsidy (EBITDA)	(194)	(428)	1,158	536
Depreciation (to fund renewals)	3,917	219	-	4,137
Debt Repayments (30 Years)	4,013	-	-	4,013
Interest (5.5%)	3,771	-	-	3,771
Estimated Funding Required (Average)	11,508	(209)	1,158	12,457
Rates (TCC LTP 2025 - General Rates)	325,000	325,000	325,000	325,000
% of Current Rates	3.5%	(0.1%)	0.4%	3.8%

Source: Deloitte Analysis

- We note that the upfront capital costs include an estimate for capital cost escalation totalling \$8.8m. Any increase to capital cost will negatively impact our assessment of the impact to ratepayers.

Memorial Park| Financial Analysis

We estimate the cost to ratepayers to be an average of ~\$12.5m over a 30-year period. This represents a 3.8% increase to the current FY2024/25 forecast rates.



Memorial Park| Financial Analysis

The financial model has been developed focusing on three spaces: Aquatic, Fitness and other facility components.

Financial Analysis - Introduction	
<ul style="list-style-type: none">Our involvement in the business case study is restricted to the development of a financial model ('the model') focussed on three commercial / operational components:<ul style="list-style-type: none">Aquatic – indoor and outdoor aquatic spaces;Fitness – Fitness Centre;Other facility components (Facility (Other)) – comprising overall facility management, café and retail functions.We note that while the modelling does consider the different commercial activities some cost estimates such as facility insurance are not able to be reliably allocated and therefore have been fully allocated to the Aquatic facility within our analysis.The financial model is based on the scope of the facility, which is illustrated in the table to the right.The analysis has been prepared on a fully costed basis to understand the cash impact to Council. It is common for Councils to take different accounting approaches for the treatment of insurance, repairs and maintenance and central overheads (IT and corporate services) which can distort how profitability is reported.	
Facility Space	Description
Aquatic	1) Indoor aquatic comprising: <ul style="list-style-type: none">25 metre by 8 lane lap-pool with ramp (524m2)20 metre by 4 lane programme pool with ramp and therapy pool (538m2).20 metre by 4 lane teaching pool with ramp (214m2)Leisure pool with toddlers area and water feature (237m2)Spa pool (20m2)
	2) Outdoor aquatic comprising: <ul style="list-style-type: none">25m lap and leisure pool with beach entry (525m2)Bombing pool (38m2)Outdoor lounging areas
	3) 3 hydro slides
	4) Multi-purpose room serving the indoor aquatic area
	5) Group, individual and accessible changing spaces
Fitness	6) 840m2 fitness space with 2 studios, changing spaces, storage and assessment rooms.
Facility (other)	7) Café serving both indoor facilities and Memorial Park. 8) Administration, plant, and storage. 9) Incorporates geo-thermal energy initiative.

Introduction	Financial Analysis	Capital Expenditure	Operating Revenue	Operating Expenditure	Funding Sources	Sensitivity Analysis	Financial Summary
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Memorial Park| Capital Expenditure

The concept design construction cost estimate for the Memorial Park Aquatic Facility is \$122.2m.

Capital Expenditure

Capital Expenditure

- The estimated construction cost of \$122.2m is based on estimates provided by BDD (Quantity Surveyor).
- The construction cost estimate includes a provision for cost escalation of \$8.8m. Accordingly, we have not provided any further escalation allowance within the financial modelling.
- The design and construction of the facility is anticipated to be completed over a 2-year period. The facility is expected to be operational from early 2028, on the assumption construction commences the start of CY26.

Lifecycle Costs

- The lifecycle cost assessment has been calculated by applying benchmark lifecycle percentages for replacement of the initial capital costs over time. Lifecycle costs include asset maintenance and replacement over the lifecycle of the facility.
- BBD estimate that the preferred facility option will likely incur \$70.3 million (real terms) in lifecycle costs over the 50 year operating period.
- The lifecycle costs were adjusted to include the following additions:
 - Structural coatings repaint - \$253k – 25-year cycle;
 - Protective coating clean and touch Up - \$59k – 5-year cycle;
 - Geothermal bore maintenance - \$100k – 10-year cycle.
- In addition to the facility lifecycle cost allowances, there is an allowance of \$500k every three years to replace nominated gym and fitness equipment within the cash flow forecasts for the fitness centre. This reflects a full replacement of equipment every 9 years.
- Lifecycle costs have been escalated based on non-residential construction cost indices.

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Memorial Park Aquatic Facility - Concept Design Estimate

\$000's	
Demolition & Bulk Earthworks	4,570
Aquatic Centre	49,125
Stair Tower & 3 No. Hydroslide	6,065
Fitness Centre & First Floor Plantroom	6,670
Outdoor Pools & Splash Pads	7,070
Integrated Cultural Design	450
Siteworks	7,965
	81,915
FF&E	2,190
Future Cost Escalation	8,800
Contingencies	11,960
Consultant & Fees	14,400
	119,265
Project Contingency	2,975
Total	122,240

Source: BBD: Concept Design Estimate 8 March 2024 18317 / EE19

Lifecycle Costs (2024 Real Terms)

\$000's	
5 Yr	314
10 Yr	4,524
15 Yr	6,354
20 Yr	19,494
25 Yr	656
30 Yr	10,564
35 Yr	314
40 Yr	21,774
45 Yr	6,354
Total	70,345

Source: BBD (QS), Visitor Solutions

Note: amount represent the spend at each anniversary date

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Introduction	Financial Analysis	Capital Expenditure	Operating Revenue	Operating Expenditure	Funding Sources	Sensitivity Analysis	Financial Summary
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Memorial Park| Operating Revenue

Annual operating revenues are forecast at ~\$3.9m. 64% of revenues are derived from aquatic admissions, 17% from the fitness centre with the remainder from Café and retail sales.

Introduction

- While operating revenue will be generated over a ~50-year period following the opening of the aquatic facility, operating expenditure will be incurred for salaries, finance, administration and IT prior to construction completion.
- This assessment is undertaken over a 52-year timeframe that includes the capital delivery and 50 years of operations.
- The model was informed by Bay Venues, TCC and Visitor Solutions.

Operating Revenue

Aquatic Facility

- Admission data has been based on Visitor Solution estimates. The pricing that has been modelled is based on the approved 2024/25 entry prices. No allowance has made for multi-visit and discounted rates. Spectators have been assumed to receive free entry.
- In year one, it is estimated that ~284,000 visitors will attend the aquatic facility, resulting in forecast revenues of ~\$2.5m (2024 real terms).

Fitness Centre

- It is estimated that in year one, there will be ~756 memberships, resulting in a revenue of ~\$669k (non-escalated). Pricing has been based on current Baywave membership pricing with a 10% premium added.

Memorial Park Aquatic Facility: Year 1 Revenue Estimate

\$000s	
Aquatic Facility	2,467.2
Fitness Centre	669.4
Facility (Other)	
Rental income	
Café income	550.0
Retail income	140.1
Vending machine	48.3
Total Revenue	3,875.0

Source: Visitor Solutions

Note: Year 1 revenue data is stated in 2024 real terms (i.e. non-escalated)

Aquatic & Fitness Centre: Year 1 Revenue Estimate

\$000s			
Aquatic:	Pax	\$/Pax	\$000s
Adult	\$ 64,742	\$ 8.2	529.2
Child	\$ 72,630	\$ 5.2	378.9
Senior	\$ 25,566	\$ 5.6	142.3
Hire (visits)	\$ 6,760	\$ 10.6	71.7
LTS	\$ 41,415	\$ 17.4	720.3
Programmes	\$ 6,805	\$ 8.7	59.2
Parties	\$ 6,846	\$ 20.0	136.9
			2,467.2
Hydroslide	\$ 39,805	\$ 8.3	332.3
Spa	\$ 18,675	\$ 5.0	92.6
Other	\$ 648	\$ 5.9	3.8
			669.4
Fitness	Pax	\$/Pax	\$000s
Fitness Visits	\$ 94,500		
Fitness members	\$ 756	\$ 885.5	669.4
			669.4
Total Revenue			3,136.6

Source: Visitor Solutions

Note: Year 1 revenue data is stated in 2024 real terms (i.e. non-escalated)



Memorial Park| Operating Revenue

Annual operating revenues are forecast at ~\$3.9m. 64% of revenues are derived from aquatic admissions, 17% from the fitness centre with the remainder from Café and retail sales.

Operating Revenue (continued):

Facility (Other)

- Other (Facility) income comprises:
 - Café revenues;
 - Retail revenues; and
 - Vending Machine income.
- Café income is estimated to be ~\$550k in year one (2024 real terms), this is based off the normalised FY23 café earnings at Baywave with a premium (10%) added to factor the impact of the proximity to the park and summer peak loading due to the outdoor pool.
- Retail income is estimated to be ~\$140k in year one, based on Baywave benchmarks of \$0.58 revenue per aquatic facility user.
- Vending machine revenue has been based on Baywave vending machine net income of \$0.2 per aquatic facility user (~\$48k in year one).

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Memorial Park| Operating Expenditure

Annual operating expenditure is forecast at ~\$4.3m. Staffing costs represent 63% of total operating costs.

Operating Expenditure

Aquatic Facility (\$2.23m)

- Expected operating costs for the aquatic facility in year 1 are ~\$2.23m, with the largest cost being staffing (\$1.37m).
- Aquatic facility staffing is based on the following assumptions:
 - Lifeguards: 27.5 staff (hours per week x wage per hour) – wage rate between \$28.00-\$35.80 p/h;
 - LTS (Learn to Swim): 2 Staff (hours per week x wage per hour) – wage rate \$29.40 p/h;
 - Parties Staff: 2 staff (hours per week x wage per hour) – wage rate: \$27.8-\$28.0 p/h;
 - Programme Staff: 1 staff (hours per week x wage per hour) – wage rate: \$35;
 - Cleaning Staff: 1 staff hours per week x wage per hour) – wage rate: \$27.8.
- Energy cost estimates have been provided by Beca noting the facility will have a geothermal energy source.
- Insurance costs have been based on the current insurance premium for the Baywave facility (\$65k per annum) scaled by ~2 times noting that the capital costs for Memorial Park Aquatic Facility are ~\$122.2m relative to a capital cost for Baywave of \$65m.

Fitness Centre (\$543k)

- Expected operating costs for the fitness centre in year 1 are ~\$543k, with the largest cost being staffing (\$325k).
- Staffing costs are based on Baywave benchmarks of \$430 staff cost per member (i.e. 756 members x \$430 = \$325k).
- Other costs (\$143k) include marketing, administration and operating Costs.

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Memorial Park Aquatic Facility: Operating Cost Estimate

\$000s

Aquatic Facility	2,231.0
Fitness Centre	543.4
Facility (Other)	1,522.2
Total Opex	4,296.5

Source: Visitor Solutions

Note: Year 1 Opex data is stated in 2024 real terms (i.e. non-escalated)

Memorial Park Aquatic Facility: Detailed Operating Costs

\$000s

Aquatic:

Staffing	1,366.3
Energy	390.0
Insurance	250.0
Chemicals	75.0
R&M	100.0
Other	49.6
Total	2,231.0

Fitness

Staffing	325.1
Energy	45.0
R&M	30.2
Other	143.0
Total	543.4

Facility

Staffing	1,036.4
Cost of Sales	304.0
Security	69.8
Energy	42.0
Other	70.0
Total	1,522.2

Total Opex	4,296.5
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Source: Visitor Solutions

Note: Year 1 Opex data is stated in 2024 real terms (i.e. non-escalated)

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Memorial Park| Operating Expenditure

Annual operating expenditure is forecast at ~\$4.3m. Staffing costs represent 63% of total operating costs.

Operating Expenditure (continued):

Facility (Other) (\$1.52m)

- Expected operating costs for the broader facility in year 1 are \$1.5m, with the largest cost related to staffing (\$1.04m).
- Staffing costs for the facility incorporate:
 - \$844k, facility staff including a facility manager, operations manager, shift supervisors, reception staff and an allowance for incremental BVL head office costs;
 - Food and beverage staff (based on 35% of café sales) and facility staff (blend of staff members on salary and wage).
- Cost of sales relate to both café and retail direct costs. These are based on 41% of café income sales, and 56% of retail income sales.
- Café staffing, and cost of sales (food and beverage) rates have been benchmarked by Visitor Solutions on BVL Baywave café performance in FY21. We note that since FY21 Baywave Café profitability has deteriorated (which we understand is in part due to the increased cost of inputs and the impact of the living wage). Therefore, we have assumed that the café can operate at commercial rates of return (estimated EBTIDA in Year 1 of ~\$100k (18% EBITDA Margin). We have benchmarked this rate of return relative to other café operators once adjusting for rental costs.
- Other costs (\$70k per annum) include R&M, cleaning, administration and marketing.



Memorial Park| Funding Sources

We have assumed that construction is ~88% debt funded (\$107.2m) and 12% equity funded (\$15m). The debt funding has been based on a 5.5% interest rate and 30-year repayment term.

Funding Sources

- There can be a range of funding sources available for infrastructure of this nature.
- Funding for the Memorial Park Aquatic Facility may need to be met through a combination of:
 - Capital funding from the Crown or charitable funders;
 - Debt provided by regional or local councils (likely sourced via the Local Government Funding Agency (LGFA));
 - Operating revenues and, if required and feasible, other commercial opportunities; and
 - Funding through an “operating subsidy” provided by the regional or local council.
- For the purposes of this financial analysis, we have assumed that construction is:
 - Capital grant funding totalling \$15m – sourced from a charitable organisation (e.g. TECT and other Trusts);
 - \$107.2m Debt provided by regional or local councils (likely sourced via the LGFA);
- The level of capital grants has a material impact on the cost to ratepayers, for example if the MPAF sources an additional \$5m of grant funding, the impact to rates is reduced by ~\$400k per annum.
- We highlight that during construction there is an interest impact estimated at \$5.9m (representing the interest on the \$107.2m prior to commencement of operations as construction commences). We have considered the impact of this interest within our cost to council rates impact.

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Memorial Park| Sensitivity Analysis

Sensitivity analysis indicates that a +/-5% shift in revenue results in a ~+/- \$530k per annum impact on the cost to ratepayers.

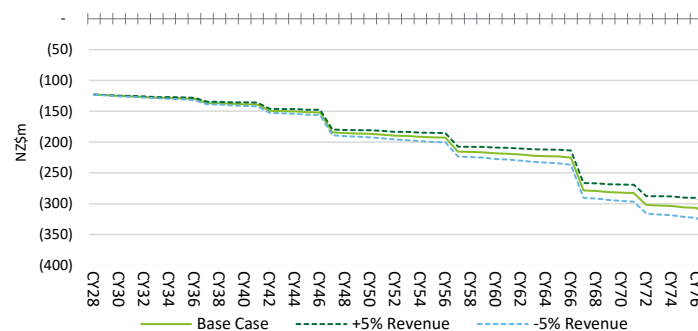
Sensitivity Analysis

- To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on cumulative cashflow and the cost to council for potential changes to revenue and capital expenditure.

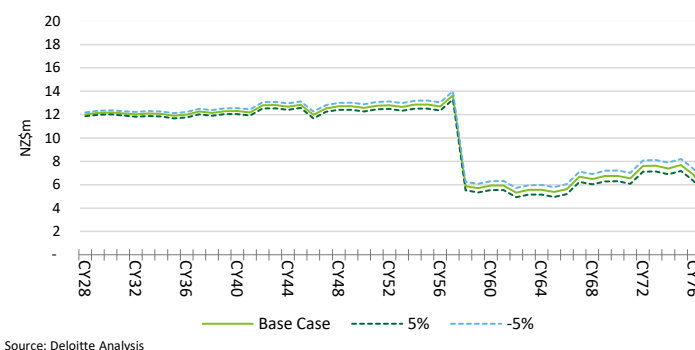
Revenue (+/-5%)

- The first variable considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 5% and an increase of 5% applied to ticket/membership pricing (being aquatic centre pricing and fitness membership pricing). We highlight the revenue sensitivity has been prepared in isolation of operating costs (i.e. it represents a price impact only). If there is a need to employ additional staffing to support revenue growth, then the impact to EBITDA would be reduced which would result in a smaller effect to cumulative cash flows and the cost to council.
- We have not included revenue generated from café, retail and vending machine income within the sensitivity analysis. Café revenues represent ~14% of total facility revenue and the contribution to cash flows is relatively minor (~\$100k per annum). The impact to rates and the WOL costs are predominately driven by the upfront capex which impacts the depreciation, debt and interest payments and lifecycle renewal requirements. Approximately ~\$500k (4.0%) of the estimated \$12.5m rates cost is due to the forecast profitability of the facility.
- A 5% increase/decrease in revenue is projected to result in an average ~+/- \$530k per annum impact on cost to council ratepayers.
- A 5% increase/decrease in revenue is projected to result in a ~+/- \$16.8m impact on cumulative cash flow across the lifetime of the project.

Cumulative Free Cash Flow (NZ\$m) Revenue Sensitivity



Cost to Council - Rates (NZ\$m) Revenue Sensitivity



Memorial Park| Sensitivity Analysis

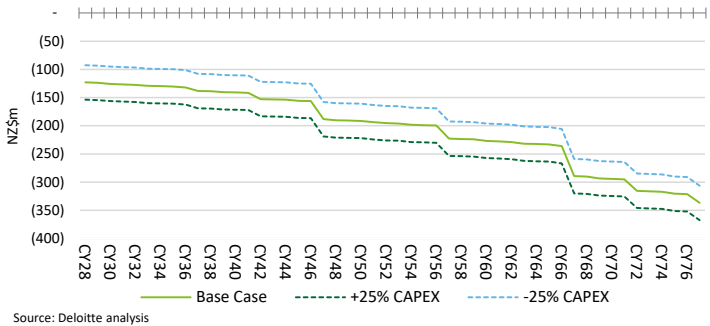
Due to the scale of the debt repayment and the depreciation effect on rates, the financial evaluation is sensitive to movements within capital expenditure.

Sensitivity Analysis (continued):

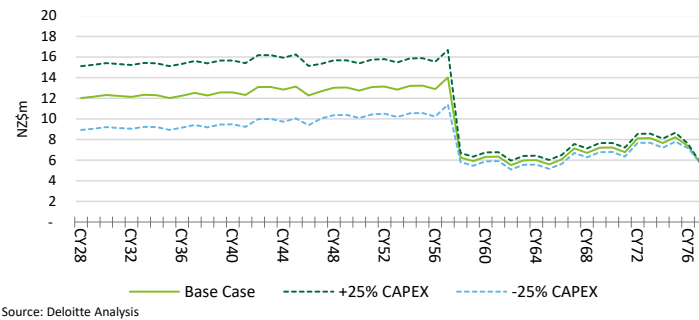
Capital Expenditure (+/-25%)

- The up-front capital expenditure costs are significant (~\$122.2m).
- A 25% increase/decrease in the upfront capital expenditure is projected to result in a ~+/- \$30.6m impact on cumulative cash flow across the lifetime of the project (~50 years).
- A 25% increase/decrease in the upfront capital expenditure is projected to result in a ~+/- \$2.7m per annum impact on cost to council through to CY57 (the year prior to the repayment of debt), this is illustrated opposite.
- The sensitivity analysis indicates that the financial evaluation is more sensitive to movements within capital expenditure, in comparison to movements in revenue.

Cumulative Free Cash Flow (NZ\$m) Capex Sensitivity



Cost to Council - Rates (NZ\$m) Capex Sensitivity



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Memorial Park| Financial Summary

The Memorial Park Aquatic Facility has been modelled over a 50-year period. The table below provides a consolidated summary for the Aquatic, Fitness Centre and Facility.

Memorial Park Aquatic Facility - Financial Summary (50 Year Projection)														Some years have been hidden for presentation purposes																																																								
SN2000's	CY26	CY27	CY28	CY29	CY30	CY31	CY32	33	34	35	36	37	38	39	CY40	41	42	43	44	45	46	47	48	49	CY50	1	2	3	4	5	CY60	1	2	3	4	5	CY70	1	2	3	4	5	CY76	CY77																										
Aquatic Casual (000's)	-	-	211	199	202	208	214								222											222						222												222			222																							
Aquatic Hydroslide (000's)	-	-	40	36	37	38	39								40											40						40														40			40																					
Aquatic Spa (000s) No#	-	-	19	17	17	18	18								19											19						19															19			19																				
Aquatic Programmes (000's) No#	-	-	7	6	7	7	7								7											7						7															7			7																				
Aquatic Events (000s) No#	-	-	7	7	7	7	7								8											8						8																8			8																			
Fitness Memberships No#	-	-	756	794	833	875	919								1,173											1,173						1,173																1,173			1,173																			
Profit & Loss																																																																						
Revenue	-	-	4,231	4,221	4,413	4,630	4,856								6,120											7,460						9,094																11,086			12,485			12,734																
Expenses	-	-																																																																				
Staff	-	-	(3,147)	(3,230)	(3,315)	(3,402)	(3,492)								(4,243)											(5,172)						(6,304)																			(7,685)			(8,655)			(8,828)													
Direct	-	-	(1,047)	(1,069)	(1,090)	(1,112)	(1,134)								(1,329)											(1,620)						(1,975)																						(2,407)			(2,765)													
Indirect	-	-	(770)	(786)	(802)	(818)	(834)								(977)											(1,191)						(1,452)																						(1,770)			(1,993)			(2,033)										
Other	-	-																																																																				
Total Operating Costs	-	-	(4,964)	(5,084)	(5,206)	(5,331)	(5,460)								(6,549)											(7,983)						(9,731)																						(11,862)			(13,358)			(13,626)										
Lease	-	-																																																																				
Operating Costs	-	-	(4,964)	(5,084)	(5,206)	(5,331)	(5,460)								(6,549)											(7,983)						(9,731)																						(11,862)			(13,358)			(13,626)										
EBITDA	-	-	(733)	(863)	(794)	(701)	(604)								(428)												(522)						(637)																						(776)			(874)			(891)									
Depreciation	-	-	(3,505)	(3,505)	(3,619)	(3,619)	(3,638)								(4,090)												(4,270)						(5,292)																								(5,981)			(5,960)			(4,500)							
EBIT	-	-	(4,239)	(4,368)	(4,413)	(4,320)	(4,242)								(4,518)												(4,792)						(5,928)																								(6,757)			(6,834)			(5,391)							
Interest	(1,475)	(4,424)	(6,223)	(6,137)	(6,046)	(5,950)	(5,850)								(4,815)												(2,712)						-																						-		-													
NPAT	(1,475)	(4,424)	(10,461)	(10,505)	(10,459)	(10,271)	(10,091)								(9,333)												(7,504)						(5,928)																						(6,757)			(6,834)			(5,391)									
Rates Cost to Council																																																																						
Net Operating Cost	-	-	(733)	(863)	(794)	(701)	(604)								(428)												(522)						(637)																									(874)			(891)									
Interest Cost	(1,475)	(4,424)	(6,223)	(6,137)	(6,046)	(5,950)	(5,850)								(4,815)												(2,712)						-																						-		-													
Capex - Establishment	(61,120)	(61,120)	-	-	-	-	-								-											-						-																								-		-												
External Funding Received	7,500	7,500	-	-	-	-	-								-											-						-																								-		-												
Debt Draw/Repayment	53,620	53,620	(1,562)	(1,648)	(1,738)	(1,834)	(1,935)								(2,970)												(5,072)						-																						-		-													
Depreciation to fund Replacements	-	-	(3,505)	(3,505)	(3,619)	(3,619)	(3,638)								(4,090)												(4,270)						(5,292)																								(5,981)			(5,960)			(4,500)							
Total Cost to Council - Rates (Gross)	(1,475)	(4,424)	(12,023)	(12,153)	(12,197)	(12,105)	(12,026)								(12,302)												(12,577)						(5,928)																																					
Cash Flow Cost to Council																																																																						
Cost to rates	(1,475)	(4,424)	(12,023)	(12,153)	(12,197)	(12,105)	(12,026)								(12,302)												(12,577)						(5,928)																																					
Addback Depreciation	-	-	3,505	3,505	3,619	3,619	3,638								4,090												4,270						5,292																																					
Replacement Capex	-	-	-	-	(568)	-	(378)								-												-						(1,030)																																					
Total Cost to Council - Cash Flow	(1,475)	(4,424)	(8,518)	(8,647)	(9,146)	(8,485)	(8,767)								(8,213)												(8,307)						(1,666)																																					
Cumulative Cash Flow																																																																						
EBITDA	-	-	(733)	(863)	(794)	(701)	(604)								(428)												(522)						(637)																																					
Capex - Establishment	(61,120)	(61,120)	-	-	-	-	-								-											-						-																																						
Replacement Capex	-	-	-	-	(568)	-	(378)								-											-							(1,030)																																					
Cash Flow	(61,120)	(61,120)	(733)	(863)	(1,362)	(701)	(982)								(428)												(522)						(1,666)																																					
Cumulative Cash Flow	(61,120)	(122,240)	(122,973)	(123,836)	(125,198)	(125,899)	(126,881)								(138,479)												(186,558)																																											

A1: Options Analysis	A2: Basis of work
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Appendices

Appendices

19

A1: Options
Analysis


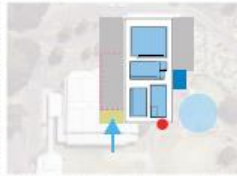
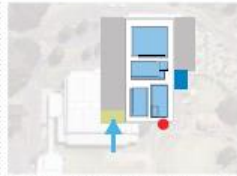
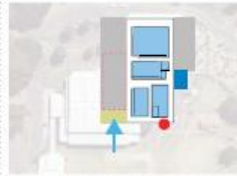
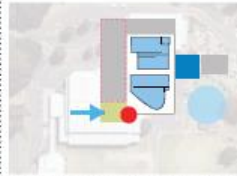
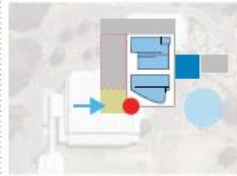
A2: Basis of work



Appendices | A1: Options Analysis

We have modelled 6 alternative options for the Memorial Park Aquatic Facility.

Memorial Park Aquatic Facility - Options

Option 1 - Brief Compliant Scope	Option 2 - Brief Compliant Scope - No Courts	Option 2b - Brief Compliant Scope - No Fitness & Outdoor Pools	Option 2c - Brief Compliant Scope - No Outdoor Pools	Option 3 - Leisure Focused Aquatic Facility	Option 3b - Leisure Focused Aquatic Facility
Fitness between sports hall and pool hall. Courts to the south, pools to the north.	Fitness above the change and service areas. Pools to the north with hydroslide and plant room.	Pools to the north with hydroslide and plant room. No fitness area and no outdoor pools	Fitness above the change and service areas. Pools to the north with hydroslide and plant room. No outdoor pools	Fitness above the change and service areas. Pools to the north with hydroslide and plant room.	Smaller fitness area above change & service areas. Pools to the north (smaller splash pad) with hydroslide and plant room.
					
<ul style="list-style-type: none"> - 4 Indoor courts - Fitness centre (1205m²) - 8 lane 25m Pool (531m²) - 20 x 10m Programmes Pool (271m²) - 20 x 10m Learn to Swim Pool (229m²) - 11 x 22m Leisure Pool incl toddlers pool (266m²) <p>Outdoor</p> <ul style="list-style-type: none"> - Lido Pool with 4 lanes (536m²) - Family Spa (52m²) - Bombing Pool (23m²) - Splashpad (373m²) - Hydroslide - 3no - Full Cafe 	<ul style="list-style-type: none"> - Fitness centre (620m²) - 8 lane 25m Pool (531m²) - 20 x 10m Programmes Pool (271m²) - 20 x 10m Learn to Swim Pool (229m²) - 11 x 22m Leisure Pool incl toddlers pool (266m²) <p>Outdoor</p> <ul style="list-style-type: none"> - Lido Pool with 4 lanes (401m²) - Bombing Pool (36m²) - Splashpad (211m²) - Hydroslide - 1no - Cafe Kiosk - no indoor seating 	<ul style="list-style-type: none"> - 8 lane 25m Pool (531m²) - 20 x 10m Programmes Pool (271m²) - 20 x 10m Learn to Swim Pool (229m²) - 11 x 22m Leisure Pool incl toddlers pool (266m²) <p>Outdoor</p> <ul style="list-style-type: none"> - Hydroslide - 1no - Cafe Kiosk - no indoor seating 	<ul style="list-style-type: none"> - Fitness centre (620m²) - 8 lane 25m Pool (531m²) - 20 x 10m Programmes Pool (271m²) - 20 x 10m Learn to Swim Pool (229m²) - 11 x 22m Leisure Pool incl toddlers pool (266m²) <p>Outdoor</p> <ul style="list-style-type: none"> - Hydroslide - 1no - Cafe Kiosk - no indoor seating 	<ul style="list-style-type: none"> - Fitness centre (1000m²) - 25 x 10m Programmes Pool (2 lanes incl spa) (291m²) - 20 x 8m Learn to Swim Pool (194m²) - Leisure Pool incl toddlers pool (444m²) <p>Outdoor</p> <ul style="list-style-type: none"> - 8 lane 25m Pool (580m²) - Bombing Pool (50²) - Splashpad (84m²) - Hydroslide - 1no - Medium Cafe 	<ul style="list-style-type: none"> - Fitness centre (680m²) - 25 x 10m Programmes Pool (2 lanes incl spa) (291m²) - 20 x 8m Learn to Swim Pool (194m²) - Leisure Pool incl toddlers pool (385m²) <p>Outdoor</p> <ul style="list-style-type: none"> - 8 lane 25m Pool (580m²) - Bombing Pool (50²) - Splashpad (84m²) - Hydroslide - 1no - Medium Cafe



Appendices | A1: Options Analysis

We have presented a comparison of the present value of whole of life cash flows and the impact to rates of the alternative options.

Approach

- The expected annual costs of the Memorial Park Aquatic Facility (MPAF) were determined through the development of a financial model ('the model'). The costs of the facility comprise:
 - Capital costs for the development, design and construction of the facility.
 - Operating costs and revenues relating to the operation of the facility.
 - Lifecycle costs covering the refurbishment of the facility components.
- The financial model was constructed based on costs, revenue and funding assumptions and estimates obtained from Tauranga City Council (TCC), BBD (Quantity Surveyors), and recreational facility experts including Visitor Solutions and other appropriate public sources of information.
- With the exception of Option 1 there is a relatively small variation between the 5 other modelled scenarios. This is because capital, debt servicing and depreciation make up the majority of the cost to Council. Between the scenarios there is:
 - Net Present Value +/- \$17m (~14%);
 - Impact to rates +/-0.6%.
- The lowest cost option to TCC and ratepayers is Option 3B.

Memorial Park Aquatic Facility: Option Analysis

NZ\$000's	Option 1	Option 2	Option 2B	Option 2C	Option 3	Option3B
Capital Expenditure Requirement	(173,000)	(112,500)	(97,000)	(104,000)	(106,100)	(100,000)
Statement of Financial Performance						
Revenue	3,823	2,628	1,766	2,270	2,932	2,666
Expenditure*	(4,696)	(3,682)	(2,932)	(3,352)	(3,608)	(3,465)
EBITDA (Year 1)	(872)	(1,054)	(1,166)	(1,082)	(676)	(799)
EBITDA %	-23%	-40%	-66%	-48%	-23%	-30%
EBITDA (Year 10)	(413)	(846)	(1,184)	(899)	(273)	(501)
Project Metrics						
Cumulative Free Cash flow	(308,877)	(202,852)	(192,306)	(190,518)	(171,627)	(169,388)
Net Present Value	(193,935)	(128,721)	(116,524)	(120,121)	(115,033)	(111,035)
Rank:	6	5	3	4	2	1
Year 1 ROA	-0.50%	-0.94%	-1.20%	-1.04%	-0.64%	-0.80%
IRR	N/A	N/A	N/A	N/A	N/A	N/A
Payback	N/A	N/A	N/A	N/A	N/A	N/A
Cost to Ratepayers						
Operational Subsidy (EBITDA)	575	1,030	1,375	1,082	402	646
Depreciation (to fund renewals)	4,325	2,813	2,425	2,600	2,653	2,500
Debt Repayments (30 years)	7,481	4,865	4,195	4,497	4,588	4,324
Interest (6.5%)	5,767	3,750	3,233	3,467	3,537	3,333
	18,148	12,458	11,228	11,647	11,179	10,803
Rates (TCC Annual Report 2023)	290,762	290,762	290,762	290,762	290,762	290,762
% of Current Rates	6.2%	4.3%	3.9%	4.0%	3.8%	3.7%
Rank:	6	5	3	4	2	1

Source: Source information, Deloitte Analysis

Note: * Operating costs exclude insurance and BVL / TCC overhead recharges.

These projections have been compiled from information and instructions furnished to us and estimates made by Visitor Solutions. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be achieved.

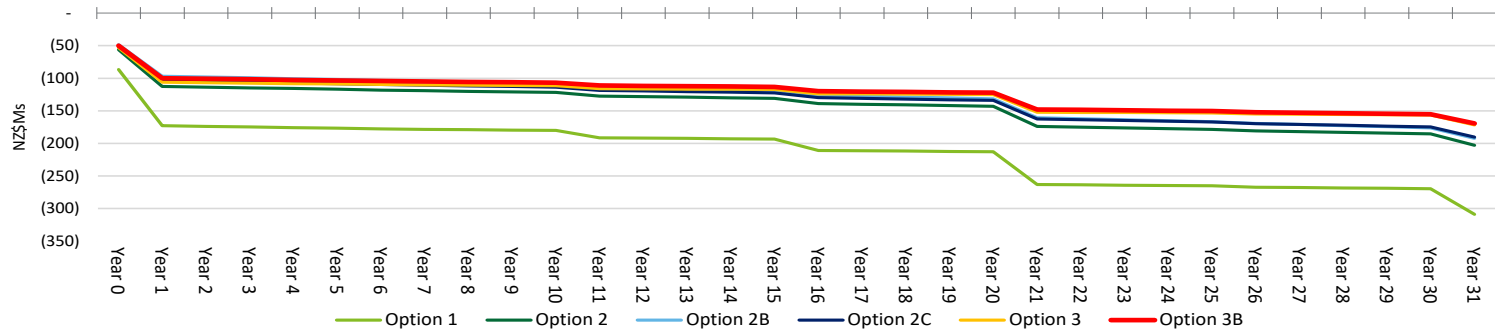


Appendices | A1: Options Analysis

We have presented a comparison of the present value of whole of life cash flows and the impact to rates of the alternative options.

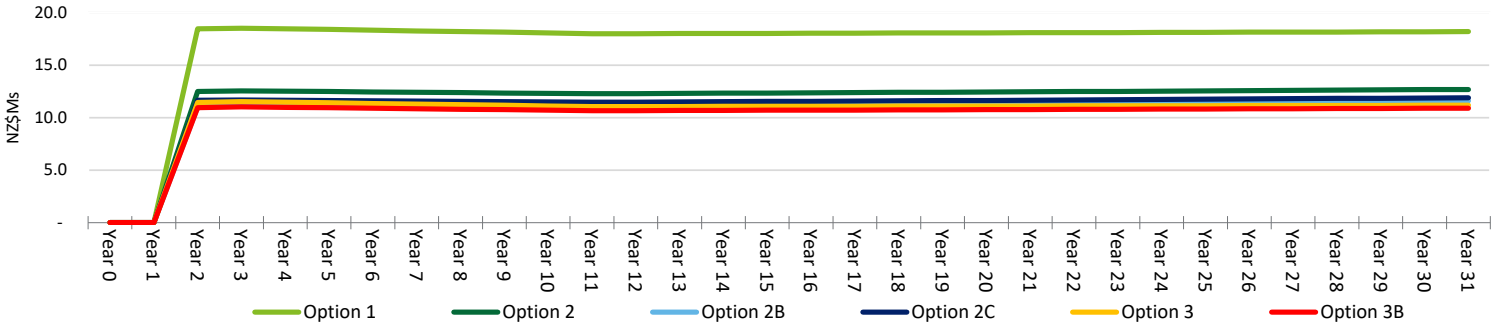
- The whole of life cumulative cash flows of the alternative options ranges between and \$169.4m (option 3b) and \$309m (option 1).

Cumulative Free Cash Flow



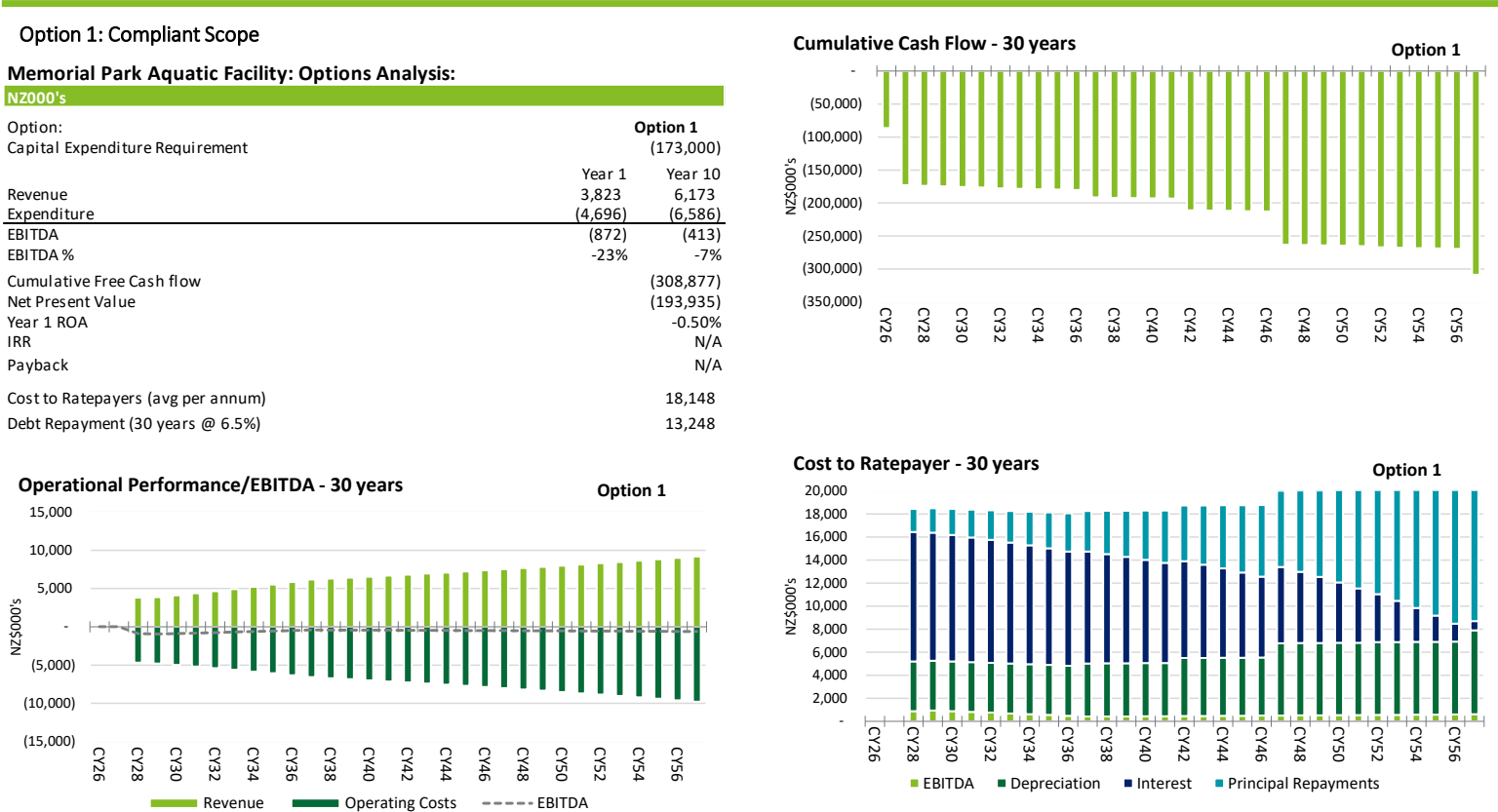
- We have estimated the impact to rate payers at between \$10.8m per annum (3.7%) and \$18.1m (6.2%). This represents the impact of operational subsidies (funding EBITDA losses), debt repayments (over 30 years) and depreciation (as a proxy for lifecycle capital requirements).

Impact to Ratepayer



Appendices | A1: Options Analysis

Option 1: Compliant Scope. WOL Cost ~\$308.9m. Impact to rates of ~\$18.2m.



A1: Options
Analysis

A2: Basis of work



Appendices | A1: Options Analysis

Option 2: Compliant Scope – No Courts. WOL Cost ~\$202.9m. Impact to rates of ~\$12.5m.

Option 2: Compliant Scope – No Courts

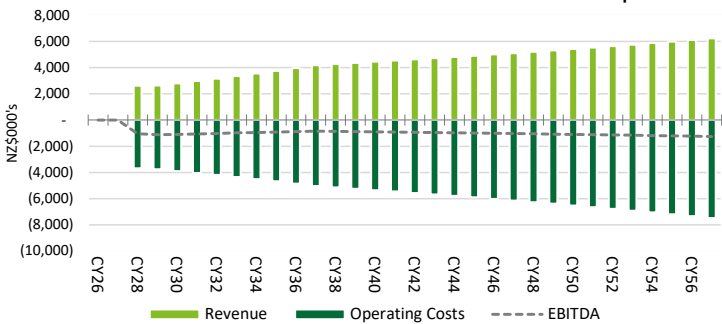
Memorial Park Aquatic Facility: Options Analysis:

NZ000's

Option:	Option 2	
Capital Expenditure Requirement	(112,500)	
	Year 1	Year 10
Revenue	2,628	4,195
Expenditure	(3,682)	(5,041)
EBITDA	(1,054)	(846)
EBITDA %	-40%	-20%
Cumulative Free Cash flow	(202,852)	
Net Present Value	(128,721)	
Year 1 ROA	-0.94%	
IRR	N/A	
Payback	N/A	
Cost to Ratepayers (avg per annum)	12,458	
Debt Repayment (30 years @ 6.5%)	8,615	

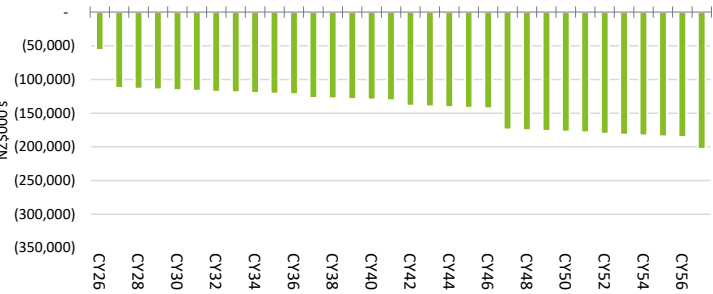
Operational Performance/EBITDA - 30 years

Option 2



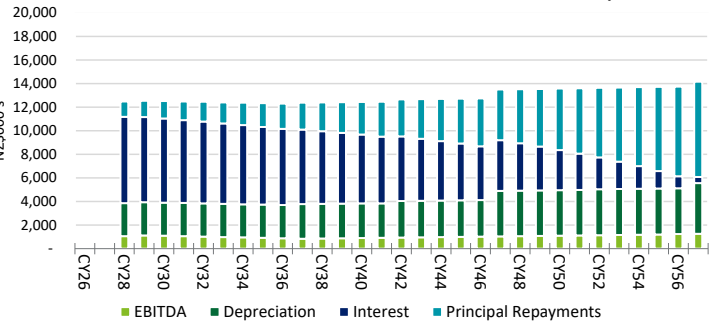
Cumulative Cash Flow - 30 years

Option 2



Cost to Ratepayer - 30 years

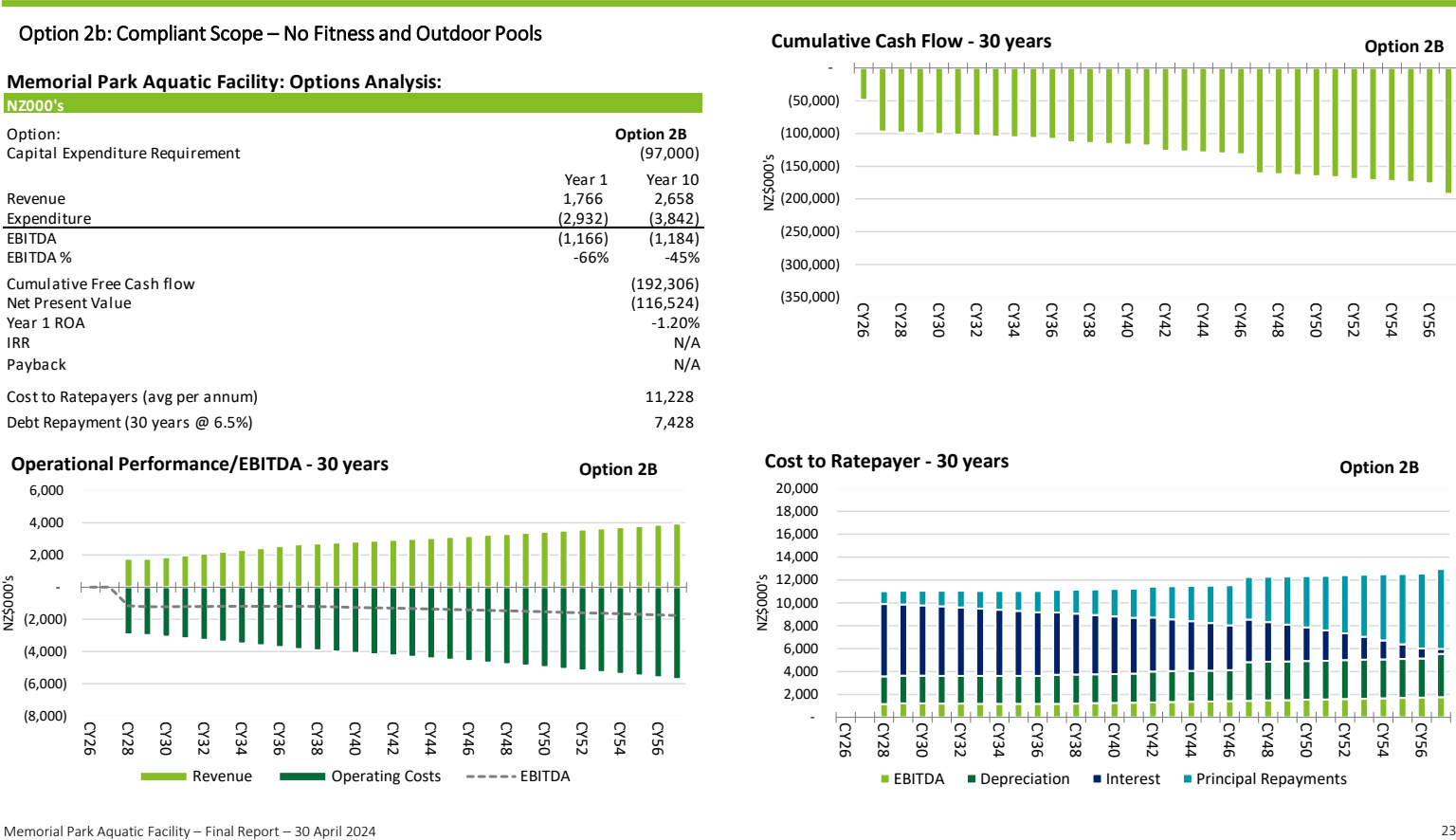
Option 2





Appendices | A1: Options Analysis

Option 2b: Compliant Scope – No Fitness & Outdoor Pools. WOL Cost ~\$192.3m. Impact to rates of ~\$11.2m.



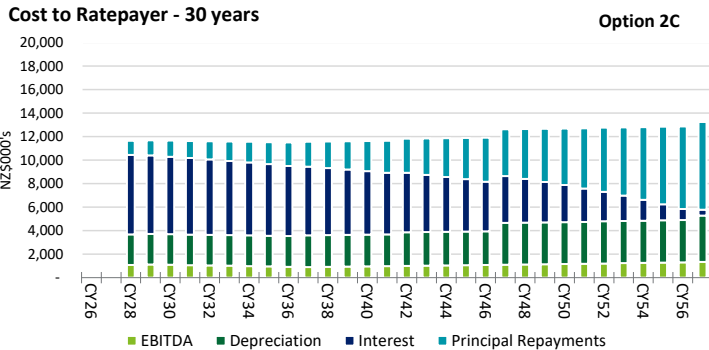
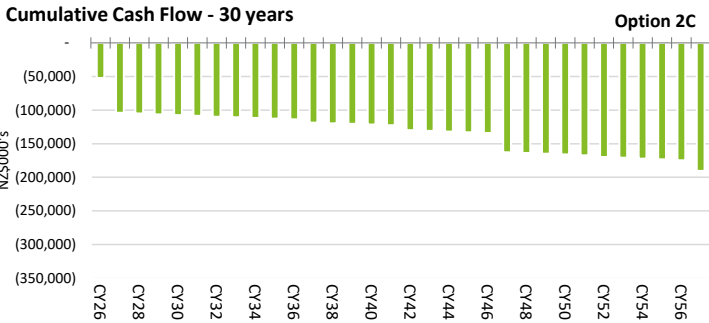
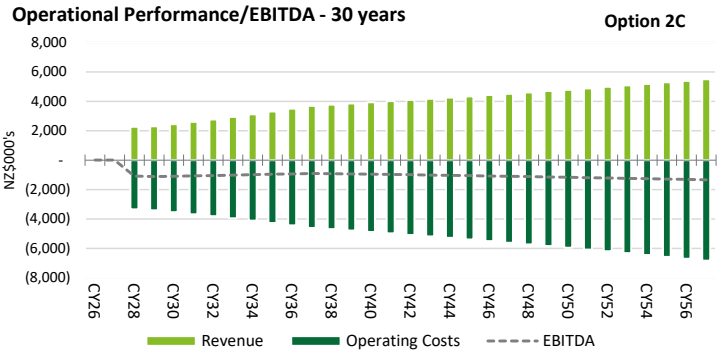
Appendices | A1: Options Analysis

Option 2c: Compliant Scope – No Outdoor Pools. WOL Cost ~\$190.5m. Impact to rates of ~\$11.6m.

Option 2c: Compliant Scope – No Outdoor Pools

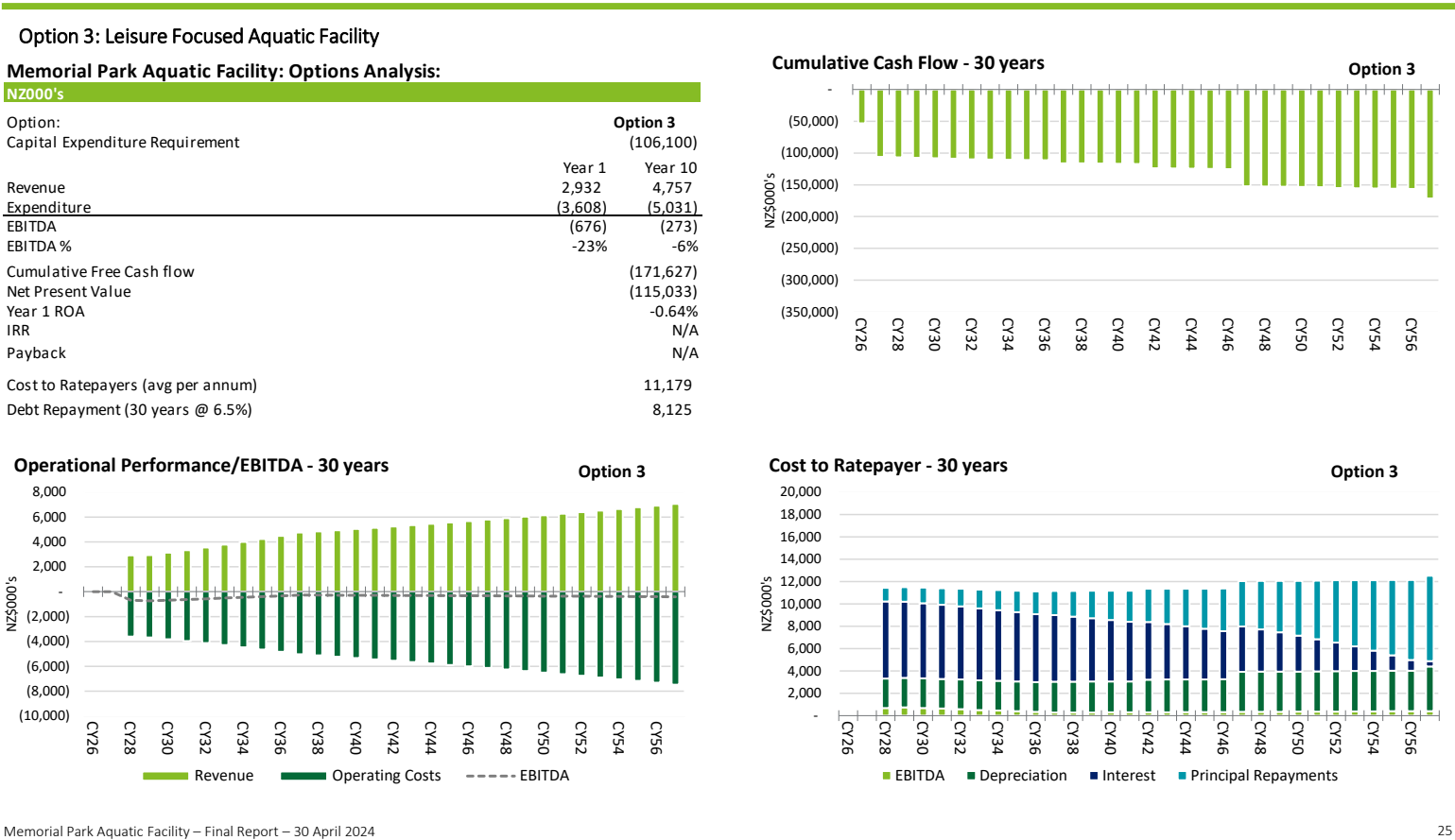
Memorial Park Aquatic Facility: Options Analysis:

NZ000's		
Option:	Option 2C	
Capital Expenditure Requirement	(104,000)	
	Year 1	Year 10
Revenue	2,270	3,706
Expenditure	(3,352)	(4,604)
EBITDA	(1,082)	(899)
EBITDA %	-48%	-24%
Cumulative Free Cash flow	(190,518)	
Net Present Value	(120,121)	
Year 1 ROA	-1.04%	
IRR	N/A	
Payback	N/A	
Cost to Ratepayers (avg per annum)	11,647	
Debt Repayment (30 years @ 6.5%)	7,964	



Appendices | A1: Options Analysis

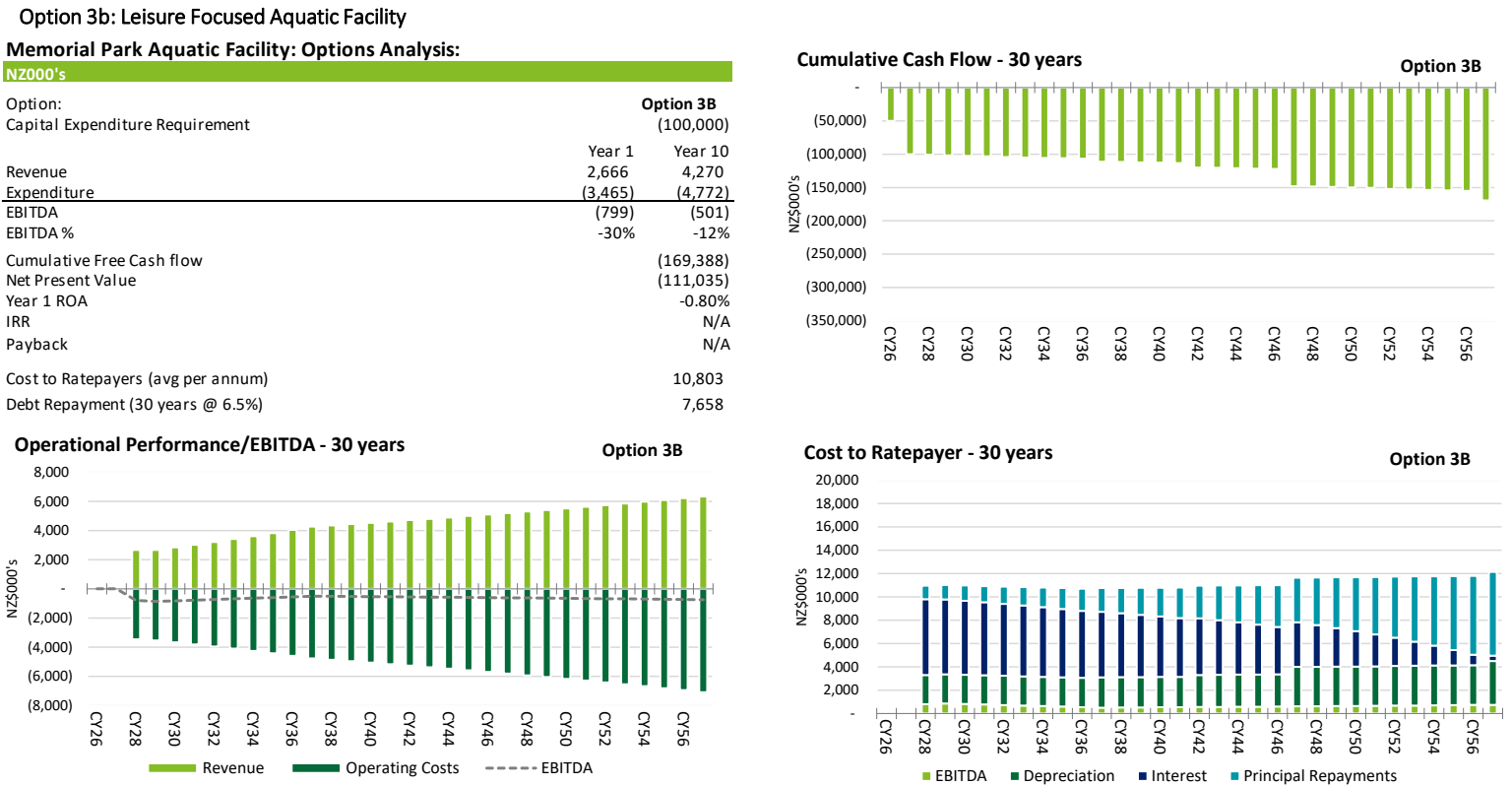
Option 3: Leisure Focused Aquatic Facility. WOL Cost ~\$171.6m. Impact to rates of ~\$11.2m.





Appendices | A1: Options Analysis

Option 3b: Leisure Focused Aquatic Facility. WOL Cost ~\$169.4m. Impact to rates of ~\$10.8m.



A1: Options
Analysis

A2: Basis of work



Appendices | A2: Basis of work

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This appendix should be read in conjunction with the transmittal letter at the front of this report.

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- The report is dated 30 April 2024, and is based on information made available to us as at that date.

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- This analysis and report have been prepared for Visitor Solutions Limited in accordance with our engagement letter dated 17 July 2023. We consent with this analysis being incorporated into a Visitor Solutions wider report in connection with the project subject to us having the opportunity to review and approve how it is incorporated into the wider report.



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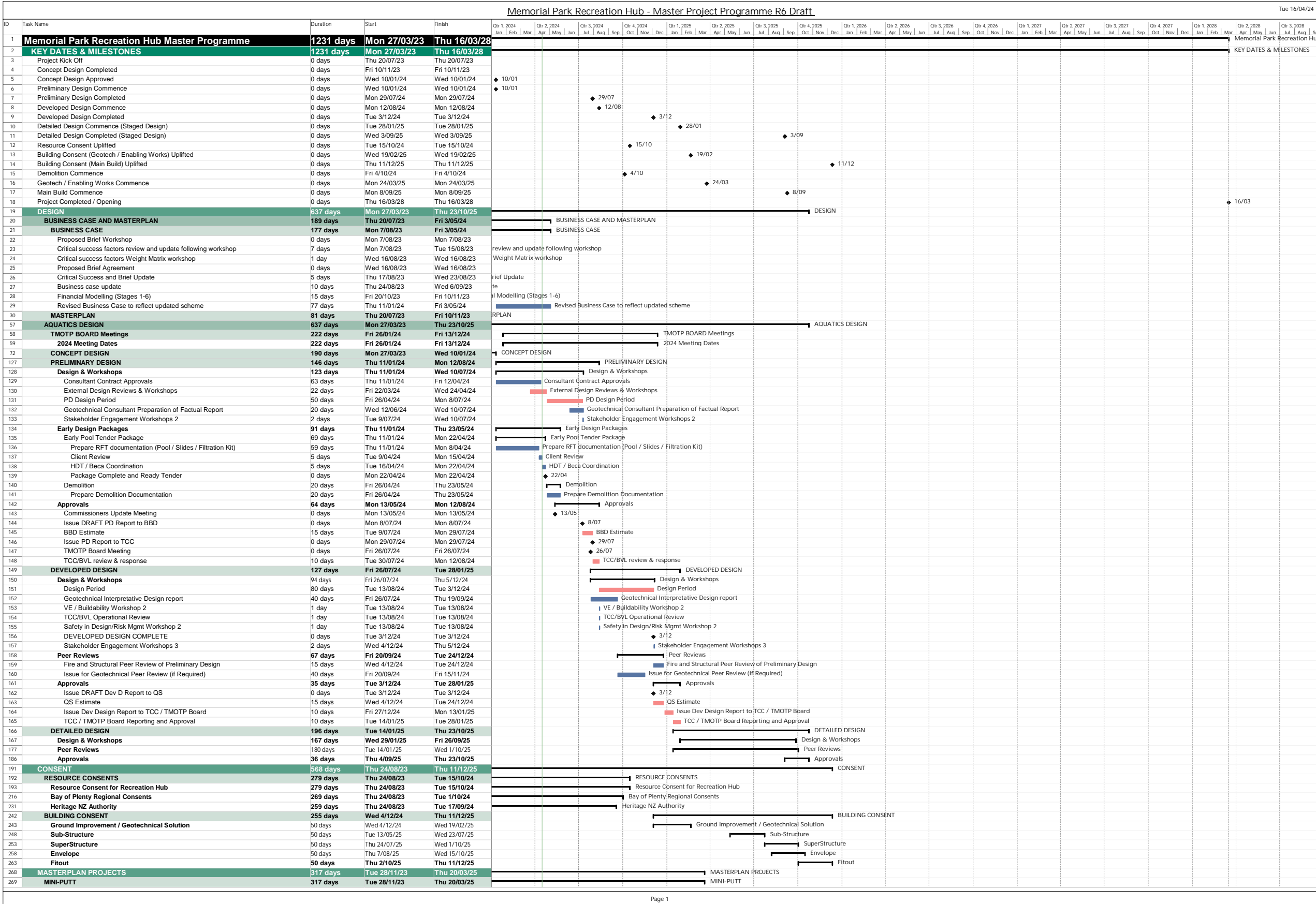
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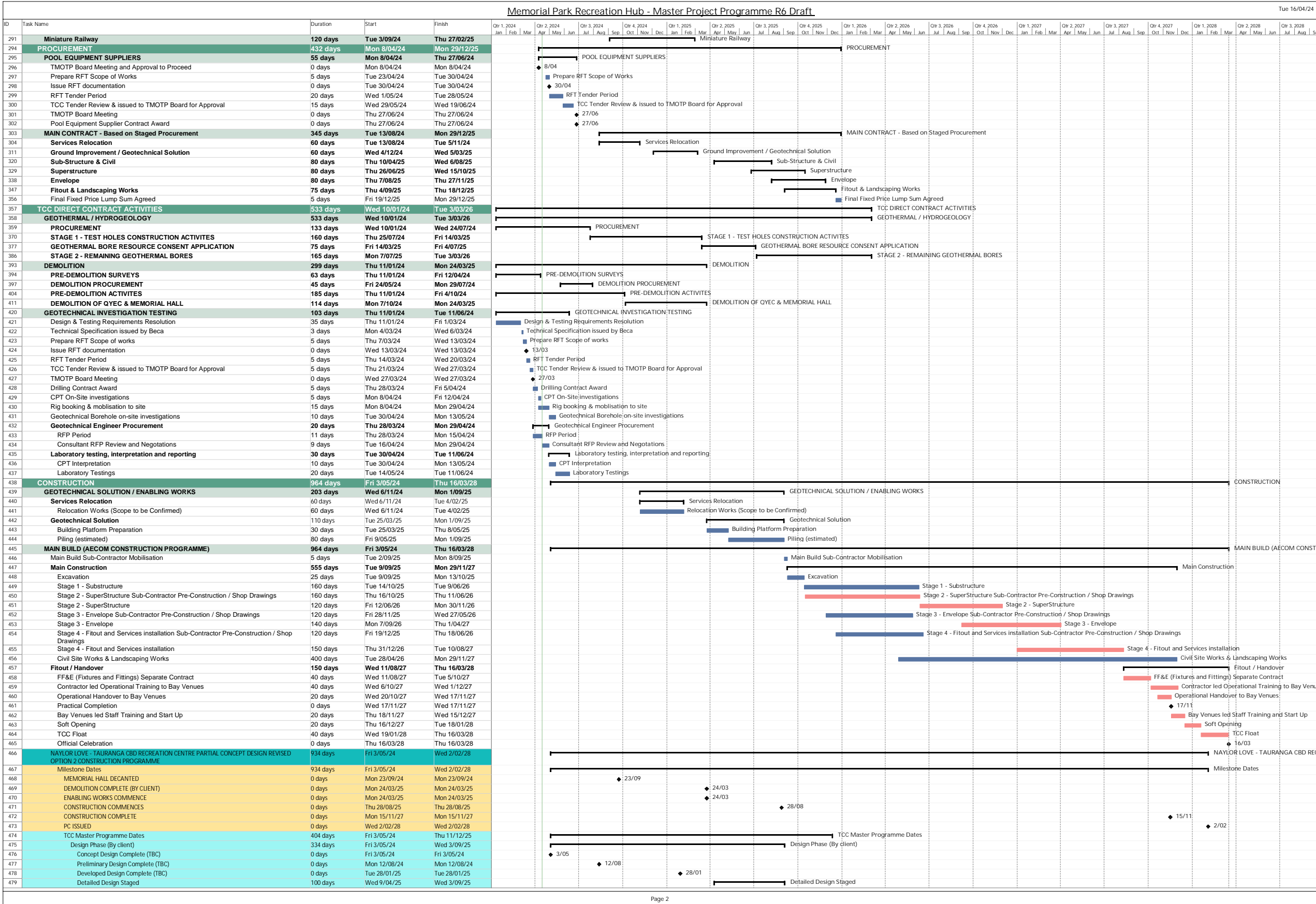
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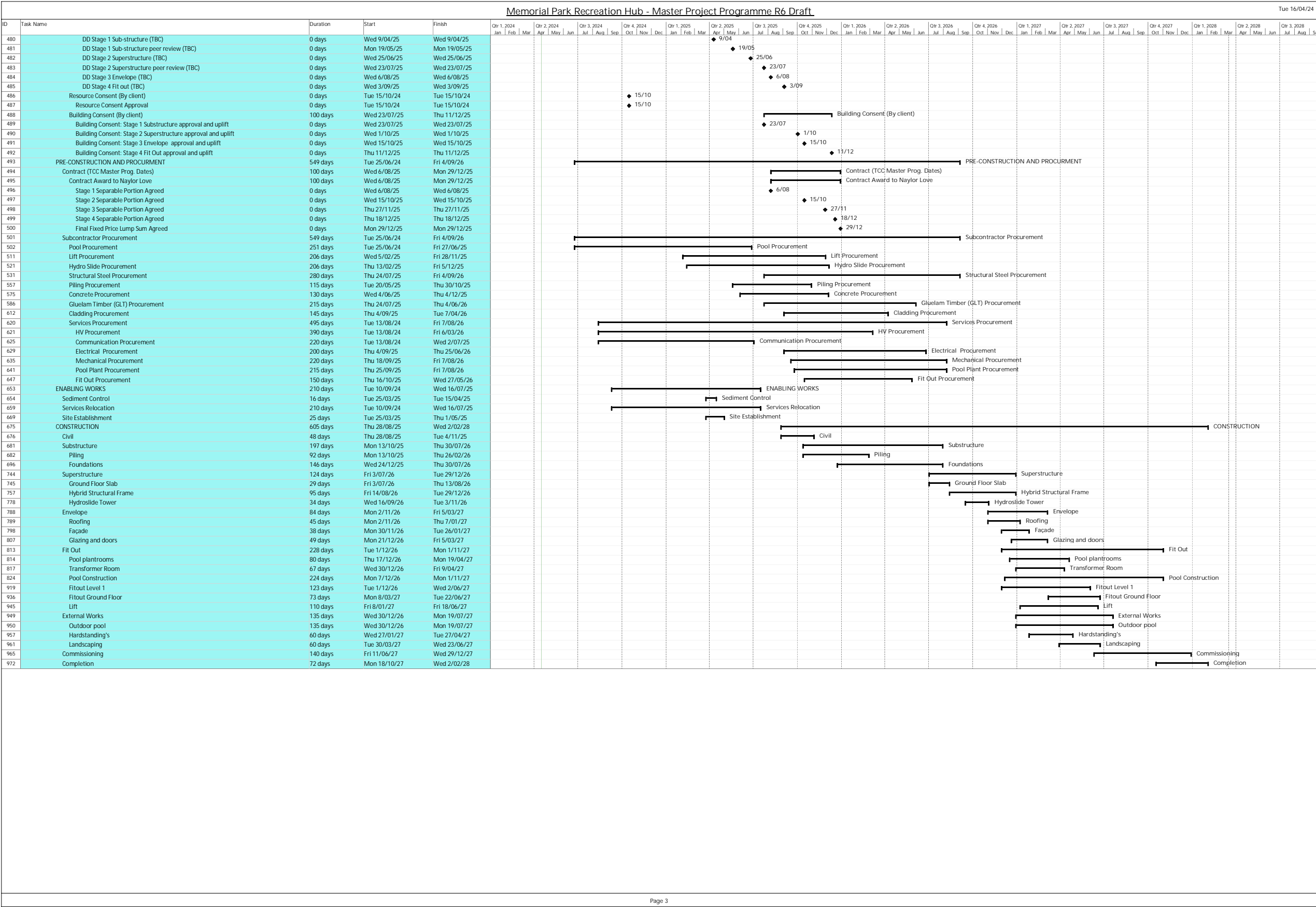
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Memorial Park Aquatic Facility – Final Report – 30 April 2024

APPENDIX 4: PROGRAMME







APPENDIX 5: RISK

Memorial Pool – Risk Heat Map



- Key:
- High Risk Threshold
 - Critical Risk Threshold
 - Risk Response not yet planned
 - Risk Response planned but not yet implemented
 - Risk Response planned and implemented
 - Risk is tolerable and requires no further response

Memorial Pool – Top 10 Key Risks

No.	Risk	Description	Mitigation
1.	Functional Design Specification	Change in scope or scope creep from stakeholders, lead to design programme delays or additional cost	Functional design brief developed and aligns with cost estimate. Change control process implemented to assess and manage potential changes.
2.	Ground Conditions	Poor ground conditions lead to extensive and costly ground improvement solutions	Additional Geotechnical testing underway and due to be completed May 2024. Geotechnical Engineer consultant procurement in progress. Early engagement with market to establish design opportunities.
3.	Budget / Uncommitted Funding	Projects comes in over budget. Project progresses whilst relying on uncommitted funding.	Cost estimates undertaken at design milestones. Value Engineering once design milestones completed. Business Case completed at Concept Design to allow alternate funding to be obtained before design completed and construction commences.
4.	Programme	Delays extend design or construction durations	Master programme created and regular monitored. ECI Contractor providing input into procurement and construction timeframes so risk can be identified early and mitigated accordingly.
5.	Geothermal Capacity & Consenting Process	Unknown capacity until further testing is undertaken.	Procurement of boring supplier currently in progress to allow early testing to be undertaken to establish capacity requirements before design is completed. Early engagement with Mana Whenua and Bay of Plenty Regional Council to identify Consenting risks.
6.	Project Partners and Stakeholder Engagement	Inconsistent or lack of engagement	Partner & Stakeholder engagement plan created, with dedicated single point of contact. Regular engagement workshops held and recorded.
7.	Community Expectations	Project fails to meet Community requirements, therefore not as well used when opened.	Partner & Stakeholder engagement plan created. Regular engagement and feedback sessions arranged. Clear documentation of decisions made to support the project as it progresses.
8.	Aquatics Network	Not meeting the network demands post opening.	Review of network demand to identify all potential requirements. Ensuring the design meets the network demands. Concept allows existing pools to remain operational.
9.	Project Procurement	Market capacity and capability. Currency exchange rates and escalation of prices for materials procured overseas.	Project Procurement strategy developed but yet to be confirmed. ECI Contractor allows early procurement to mitigate price escalation.
10.	Asbestos / Contaminated Ground	Additional cost and time to the project due to discovery of contaminated ground or asbestos in buildings.	Asbestos surveys completed to existing facilities with Asbestos risk now known. Detailed Site Investigation completed with contaminated ground identified to particular areas of site. Monitoring and management plan to be implemented before disturbance on site.



**MEMORIAL PARK AQUATIC FACILITY
DESIGN UPDATE REPORT**

Date May 2024



CONTENTS

- 1. EXECUTIVE SUMMARY
- 2. DESIGN DRIVERS
- 3. DRAFT RESPONSE TO CULTURAL NARRATIVE
- 4. SITE ANALYSIS
- 5. DESIGN COMMENTARY
- 6. SUSTAINABILITY
- 7. PROJECT COSTING
- 8. DEVELOPMENT PROGRAMME
- 9. RISK

APPENDICES



1.0 EXECUTIVE SUMMARY

In December 2023, Tauranga City Council approved Option 2 with 3 hydrosides as the client approved option for further design progression, with a budget of \$122M. This design update report details the design progression following the confirmation of project scope.

Signed
Mark Bates
Director Architecture HDT Ltd
for and on behalf of the Design Team



Whereas the early explorations of brief focussed largely on the size, number and type of components to be included in the facility, the recent design development has focused more on the development of the three dimensional form and response to cultural drivers. The focus from the design team has been to develop a strong and simple form in response to the brief.

A draft response to the cultural narrative has been developed. This will be shared with iwi and hapū groups early in the following design stage.

In addition to ongoing design development, tender drawings and specifications have been prepared to allow the early tender of three significant packages:

- Proprietary Pools
- Hydrosides
- Filtration Systems

Early procurement of these specialist suppliers is needed to inform design development, and as these are significant packages of work, having early cost certainty on them is beneficial.

A peer review has been undertaken independently of the Design Team. This has identified a number of relatively minor changes to the current configuration that will be explored in detail in the upcoming design stages. Some of these may have cost implications. At this stage they are included on a list of value engineering opportunities, which will be costed along with the base scheme at the completion of Preliminary Design.

This costed list of shopping list items allows a value engineering workshop with the full project team at the completion of Preliminary Design. At this point there will be greater certainty on the cost implications associated with the early procurement packages identified above, as well as costs associated with the structural response to geotechnical conditions.

Further design development in Preliminary Design will be focussed on the coordination of the more detailed design information from other disciplines, primarily structural and building services.

2.0 DESIGN DRIVERS

A number of hui were undertaken with mana whenua during the concept design phase of the project. The following cultural narrative framework was developed, with reference to the Tauranga Moana Design Principles

From this framework, a DRAFT response to the cultural narrative has been developed (see following page) This response picks up on some of the key concepts developed within this framework. The Design Team are conscious of the need to develop the design response jointly with mana whenua, and there has not yet been the opportunity to share the development of the concept with them. The design response will be further refined and shared with the iwi and hapū groups in the following design stages.

The facility design outcomes site below the cultural design drivers, and describe key outcomes and aspirations for the facility.

TAURANGA MOANA DESIGN PRINCIPLES



MAURI TŪ

Environmental health is protected, maintained and/or enhanced.



MAHI TOI

Iwi/hapū narratives are captured and expressed creatively and appropriately



TOHU

Mana whenua significant sites and cultural landmarks are acknowledged



AHI KĀ

Iwi/hapū have a living and enduring presence and are secure and valued within their rohe



MANA

The status of iwi and hapū as mana whenua is recognised and respected



WHAKAPAPA

Māori heritage and names are celebrated



TAIAO

The natural environment is protected, restored and/or enhanced

MEMORIAL PARK CULTURAL DESIGN DRIVERS



MAURI HEALTH & WELLBEING

The health and wellbeing of the people relies on the health of the land and the sea



PŪKŌRERO A RICH HERITAGE

The area was known for safe anchorage. Adorned with intricate timber carving waka created strong horizontal forms on the water



RARANGA WEAVING

The concept of weaving people, land and sea together through movement



TAIAO PLACE

A landscape of abundance for its people, rich in resources and fertile soils.



KOTAHITANGA GATHERING


Traditionally a place of gathering, of food and or people. A hub, a natural place to congregate.




MATARAU INCLUSIVE & WELCOMING

A need for the hub to be welcoming and inclusive for the community and manuhiri (visitors)


MEMORIAL PARK AQUATIC FACILITY DESIGN OUTCOMES




- Clear and legible pedestrian circulation
- Less divided and dominated by vehicles
- Open and accessible for all users.
- Encouraging access through public transport, cycle and walking




- Jordan Field & Memorial Field protected and enhanced
- Strong synergies with the Recreation Hub
- A network of smaller supporting open spaces
- Incorporate the required supporting infrastructure




- Accepting and working with the natural site conditions
- Acknowledging and planning for change over time




- Recognise and embrace the cultural history and context of the site
- Provide opportunities for education, art and interpretation
- Maintain a focus on leisure and informal recreation
- Maintain historical aspects and elements which are important to the community




- Provide for a wide range of experiences and spaces
- Be a destination and social heart for both the local community and visitors
- Removal of roads and parking that dominate the coastal edge
- Celebrate and activate the coastal edge




- Ensure spaces are designed to be open and visible
- Address currently known issues and areas
- Embed a sense of community ownership and pride




- Offer experiences and outcomes which are unique to other parts of the city
- Design for all ages and abilities
- Incorporate play experiences and opportunities in multiple areas of the park



- Ensure there is flexibility for spaces in the park to serve multiple uses
- Design and construction that can be adaptable to future changes and requirements
- Allowance for development over time

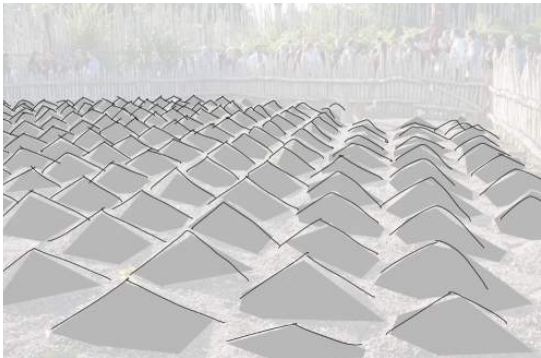
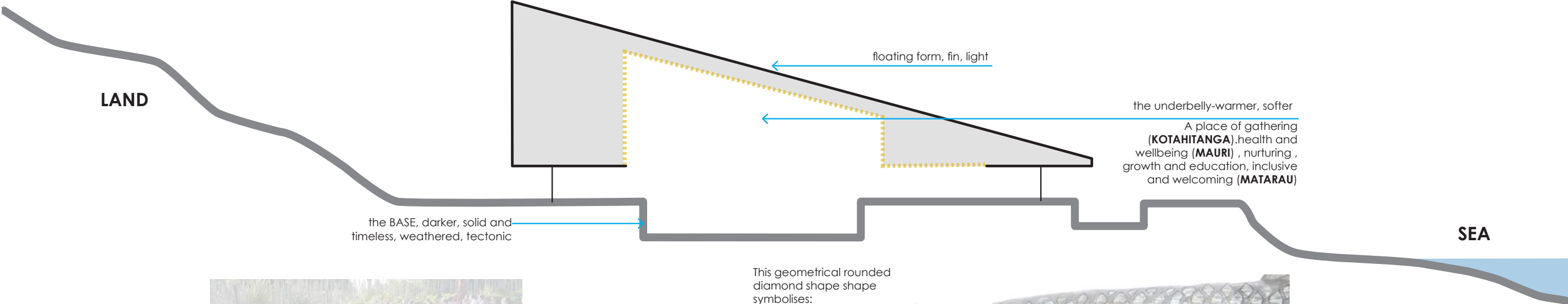


- Removal of roads and parking that dominate the coastal edge
- Celebrate and activate the coastal edge
- Encourage and enable better access
- Acknowledge and embrace the wider harbour and its landmarks



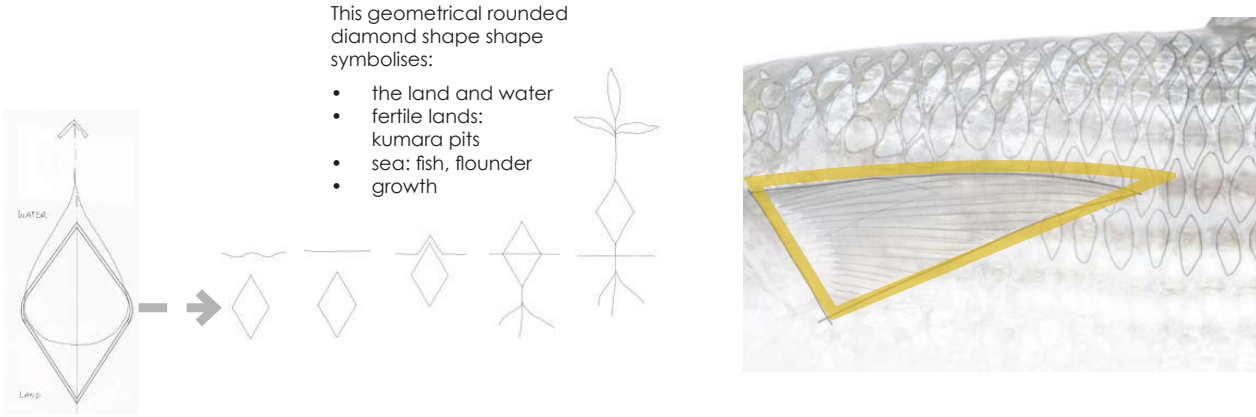
- Retain and protect existing vegetation
- Restore areas of native vegetation throughout the park
- Incorporate wetlands and rain gardens for stormwater treatment and natural drainage
- Sustainable design and construction

3.0 DRAFT RESPONSE TO CULTURAL NARRATIVE

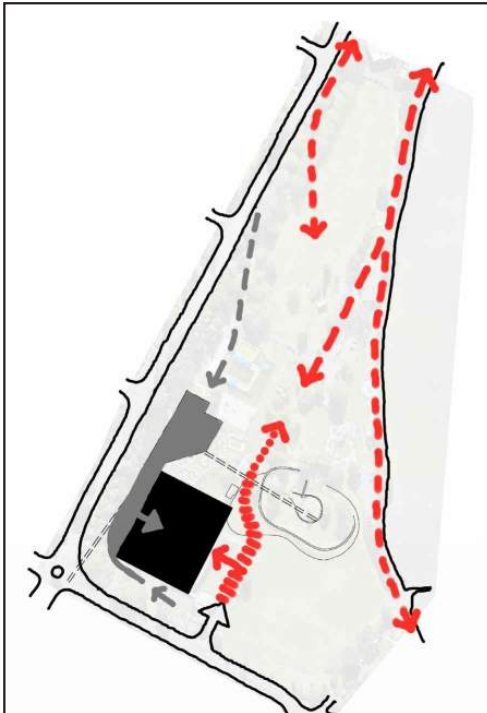
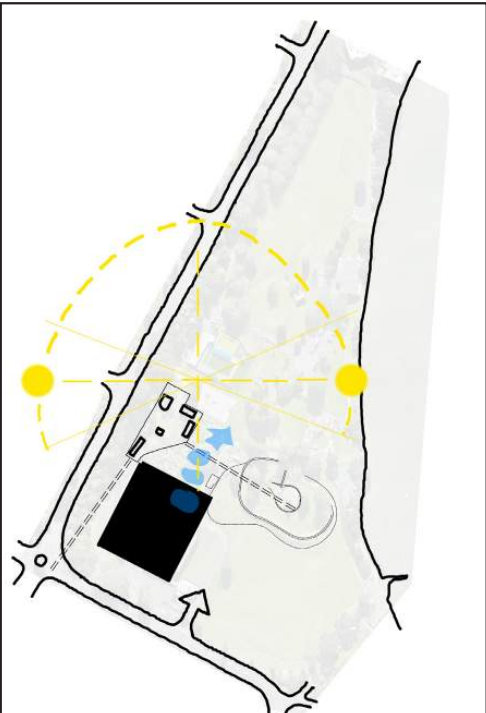
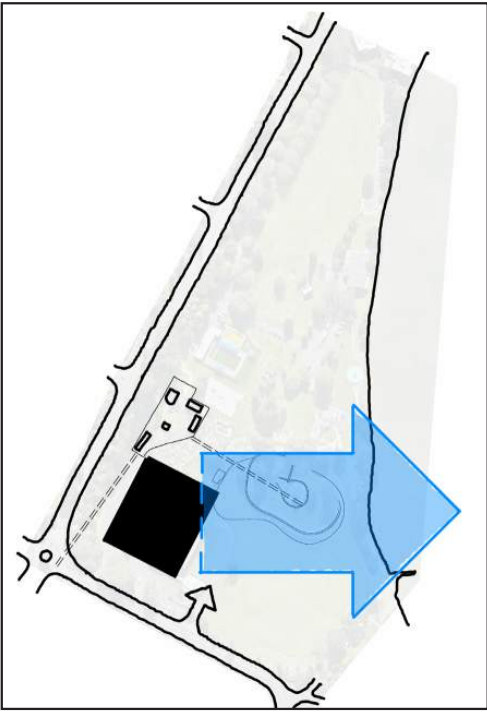
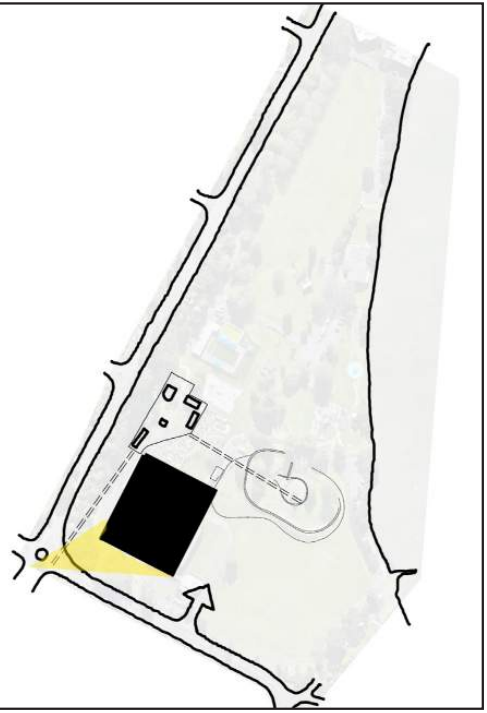
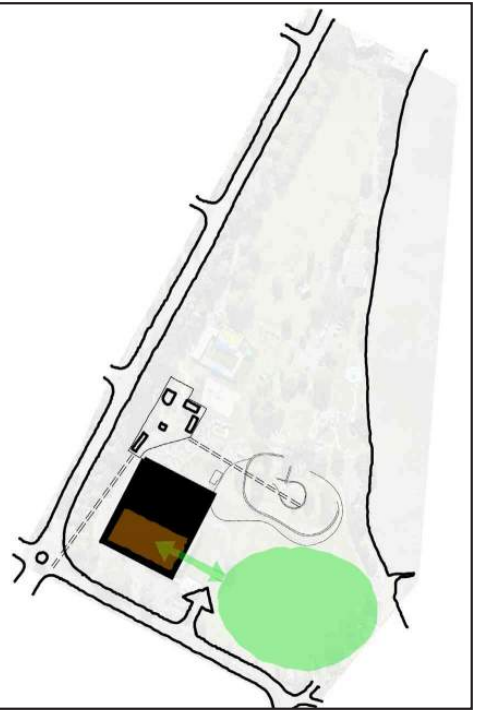


The design aims to honor the rich heritage (**PŪKŌRERO**) of the area, emphasizing its abundance of resources such as fertile soil, a threshold site with plentiful food from the land and sea, and a strong connection to the health of the environment and community.

It envisions creating a welcoming and inclusive space where people can come together in unity (**KOTAHITANGA**), reflecting the natural gathering hub that the area has historically been.

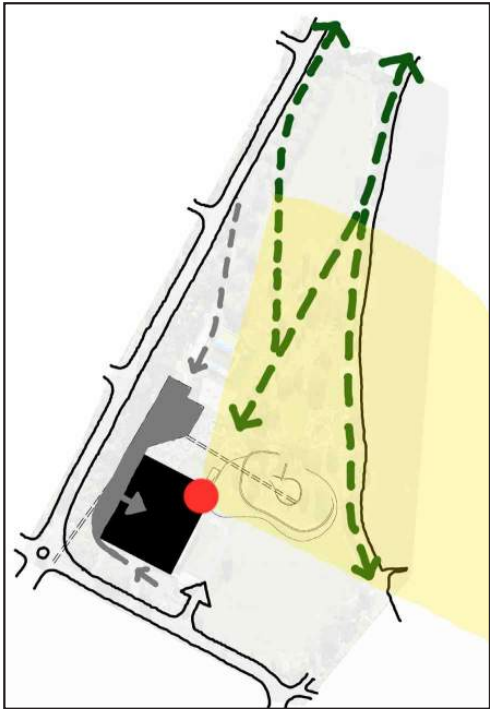


4.0 SITE ANALYSIS-AQUATIC FACILITY

SERVICE ZONE & PUBLIC REALM	OUTDOOR POOLS & ACCESS TO SUN	VIEWS TO THE HARBOUR	GATEWAY ADDRESS & VIEW	COMMUNITY EVENTS
				
The facility needs to retain clear separation between the public realm and service zones.	The facility location prioritises the northern aspect for the outdoor aquatic components, to maximise the sun.	The facility should take advantage of the views across the park and to the harbour from the elevated building platform.	The facility has a gateway address. The view from Eleventh Avenue is an important one, advertising the facility and putting sport on display, drawing people to the facility and Memorial Park in general.	Large community events are held on Memorial Field. Complementary facilities within the new facility will enhance and support these events.

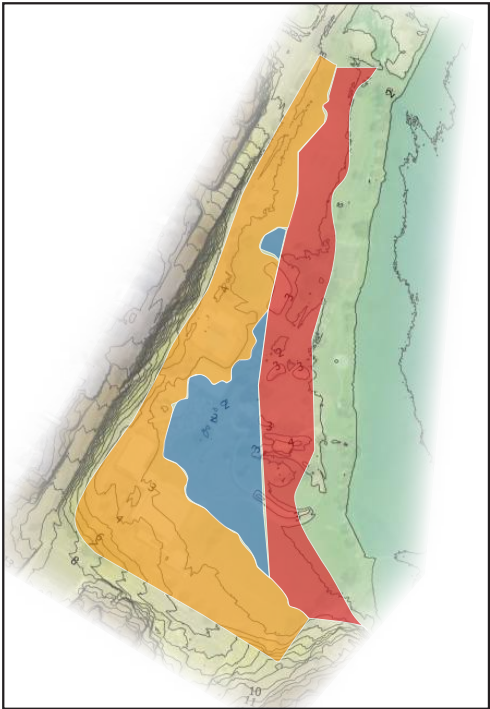
4.0 SITE ANALYSIS-AQUATIC FACILITY

KEY SOCIAL HEART CORNER

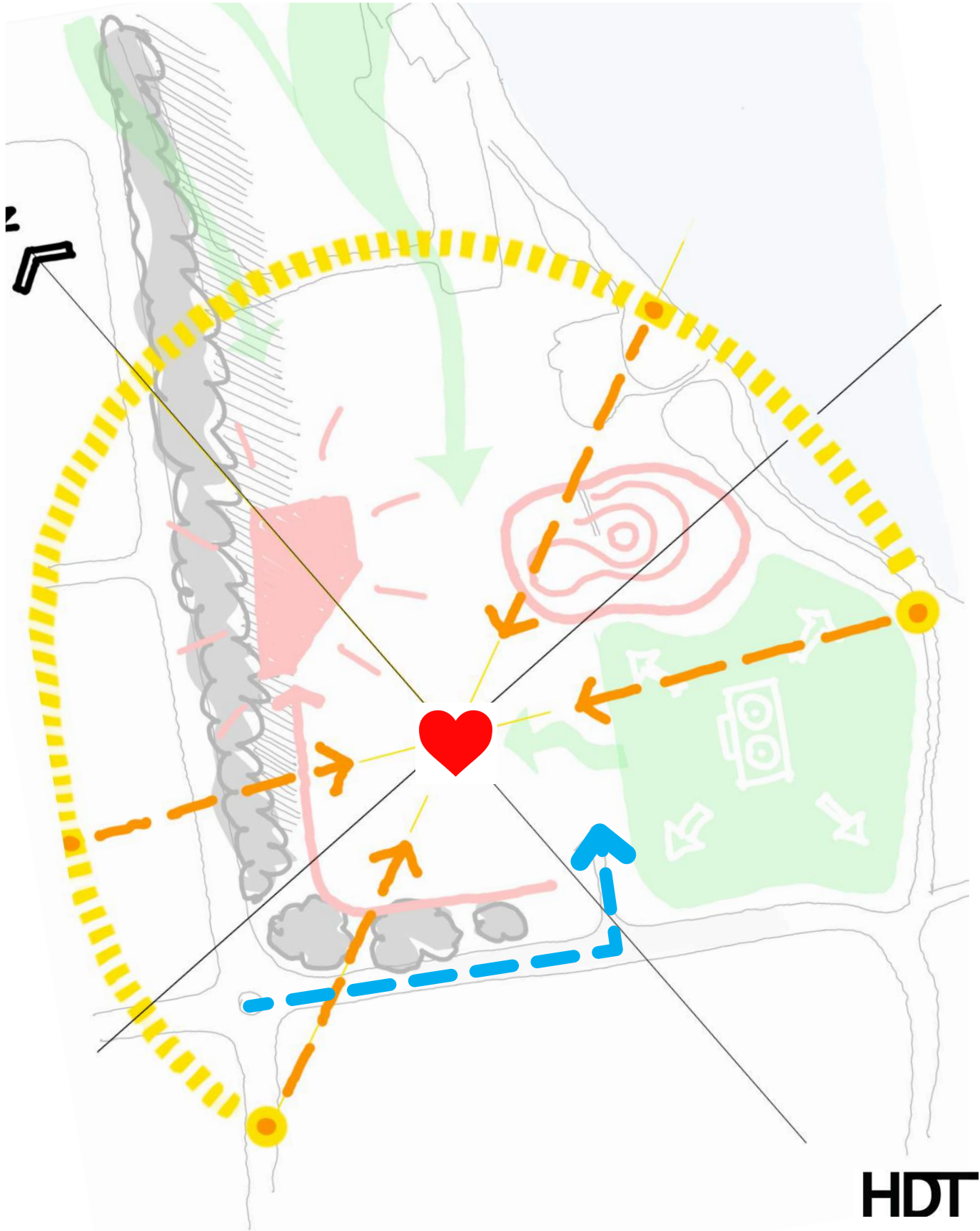


The northeast corner of the site is seen as the 'social heart' of the facility and Memorial park as a whole. This location is north facing and highly visible, and is a critical node which relates to both the indoor and outdoor aquatic activities as well as the wider park. It is the ideal location for a cafe to be located.

RESILIENCE



When liquefaction potential, inundation, groundwater level and underground infrastructure are overlaid, the area most suitable for development is the south western corner of the site, where the current QEYC is located. A facility located here simplifies traffic access and maximises the remaining park area.



5.0 DESIGN COMMENTARY

5.1 INTRODUCTION

The early concept design phase involved a thorough interrogation of the brief to align budget and scope. The previous report detailed the three options that were explored.

- Option 1 Brief Compliant Option, including Courts
- Option 2 Brief Compliant Aquatic Centre only with reduced Fitness.
- Option 3 Recreation Focussed Aquatic Facility

Tauranga City Council made the decision to proceed with Option 2 and include 3 no. hydroslices within a \$122m budget envelope.

With the scope of the facility confirmed, the focus of early preliminary design investigation has been to maximise the facility offering within the budget. Option 3 (Leisure Focussed Facility) in particular had a number of features that were considered of benefit for inclusion in the revised Concept Option.

High level coordination with structure and building services has been undertaken, and more detailed work will continue on this as the design develops.

The following pages detail the key design developments.

5.2 BUILDING FORM

The building form has been simplified, and made consistent with the design narrative. (refer earlier section). A simple extruded triangular form floats over the pool hall.

The early concept design had the roof kicking up over the Leisure Pool area. This roof kick has been removed, which has the following advantages.

- The structure is repetitive, thereby simplifying detailing and increasing the speed of construction.
- The kicked roof required a membrane overlay. The membrane overlay has been retained as it is considered more durable in the seaside environment. The simplified form does however allow a Kingspan profiled metal product to be used in lieu of a membrane roof should further cost savings be required.
- The reduced pool hall volume decreases mechanical plant requirements and lowers operating cost.

A number of studies have been undertaken to explore the form at the entrance, as shown in the adjacent images. The current scheme includes a simplified polycarbonate box at the entrance, in lieu of a grand entrance gesture.



HDT

5.3 POOL HALL

The pool hall geometry is simplified with the removal of the kicked roof form.

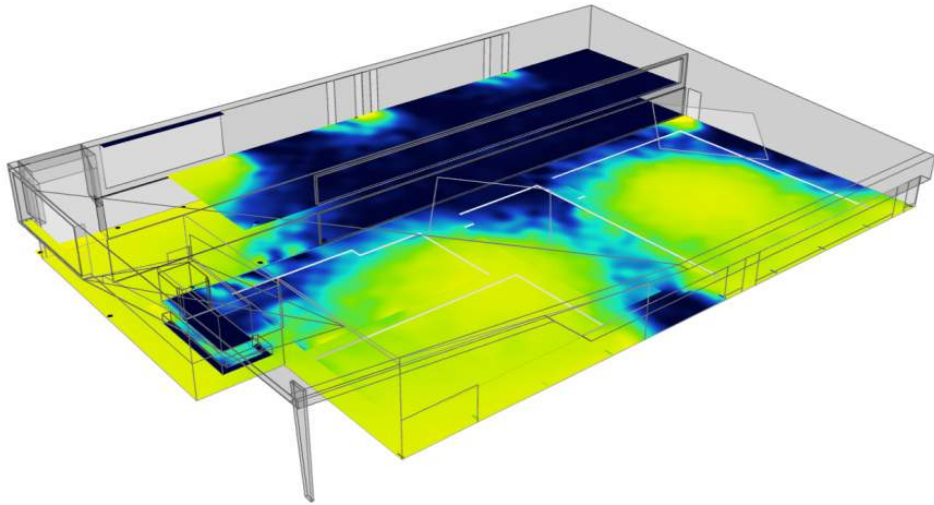
The recent peer review highlighted the possibility of reducing the 25m Lane Pool from 2 metres deep to to 1.8 metres deep and having a bench at 1.4m deep across two lanes. The potential advantages of this change are as follows;

- The proposed pool configuration provides additional flexibility to the use of the pool in the absence of a movable floor. It can accommodate water polo training within the deeper section, whilst still maintaining a shallower section for adult Learn to Swim and Programmes use, albeit at a colder water temperature than the Programmes Pool.
- The risk and cost in the ground with respect to the groundwater level is reduced.
- Reduced operational cost, as there is less water volume to heat.

The peer review also recommends that the Learn to Swim Pool be housed in its own space, which can be acoustically separated from the other pools to improve the Learn to Swim offering. Where possible, this separation should still allow the flexibility to open the Learn to Swim pool up to the Leisure Pool. Earlier design iterations explored the separation of the typically noisier Leisure Pool area from the structured pool spaces such as the 25m Lane Pool, Programmes Pool. This separation required additional gross floor area and was therefore discounted for cost reasons. Further design development in Preliminary Design will look to at least future proof the possibility of including full separation by minor planning changes. Separation of the Learn to Swim Pool is included on the Value Engineering 'shopping list', and can be considered once costs are known.

The Fitness Centre now looks down on the pool hall, whereas previously it overlooked the park to the south. This overlooking activates the pool hall and puts sport on display.

Sun shading analysis has been undertaken to inform the location of the two skylights proposed. Skylights have been strategically placed to provide an even distribution of natural light. This even distribution of natural light mitigates the risk of glare on the water, decreasing the visibility of lifeguards into the water.



5.4 OUTDOOR LEISURE POOLS

The outdoor leisure pools and the relationship of these to the wider park will establish a robust identity for the venue and create an iconic destination for the local Tauranga community and visitors.

The outdoor pool area includes 4 no. Family Change cubicles and storage area. The change and toilet cubicles reduce the need for outdoor pool users to circulate back inside the facility.

Further structural input is required to allow design development of the hydroslide tower. It is likely that later design development will reduce the amount of glazing (thereby reducing cost), and provide more targeted glazing location in support of the cultural narrative.

A number of studies have been undertaken on how the bombing pool might be configured. Key considerations in the bombing pool design.

- The pool is required to be 3.6m deep, to allow a maximum platform height of 3m. This will require that the bombing pool water level be raised relative with other outdoor pools to allow the base of the pool to be above the groundwater level. This different level
- The Option 2 Client Approved Option originally located the bombing pool immediately adjacent to the building. With pool depth and groundwater a consideration as noted above, and likely water splash against the building fabric, the decision has been taken to relocate the bombing pool away from the building.
- The bombing pool has been separated from the outdoor Leisure Pool. This limits potential disruption to the outdoor lane pool users in particular.
- Visibility of the bombing pool to lifeguards, and to the park as a whole is a key consideration. The bombing pool location is deliberately placed so that it is highly visible to park users, thereby advertising the facility.
- Early iterations of the bombing pool considered the inclusion of a climbing wall inherent within the bombing platform. The bombing pool is large enough to accommodate a proprietary climbing wall attached to the side of the pool tank if required at a later date. Three platform levels are provided, at 1, 2 and 3 metres high.

There is a need to balance wind protection whilst still maintaining a visual connection between the outdoor pool area and Memorial Park. The design team have looked at examples of how this has been successfully undertaken on completed projects. As the outdoor pool area needs to be built up above natural ground level, the Prince Alfred Park Pool in Sydney by Neeson Murcutt Neille (below) provides a successful case study of how ramped landscaping may be employed to achieve this.



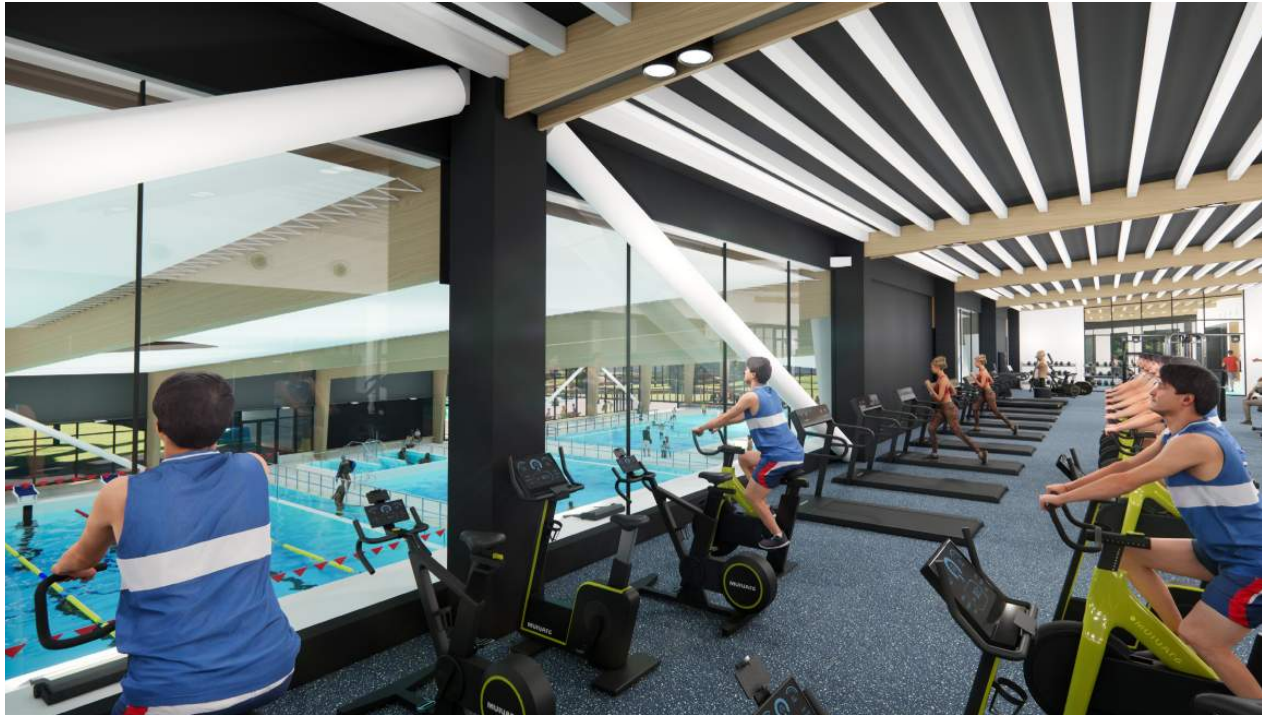
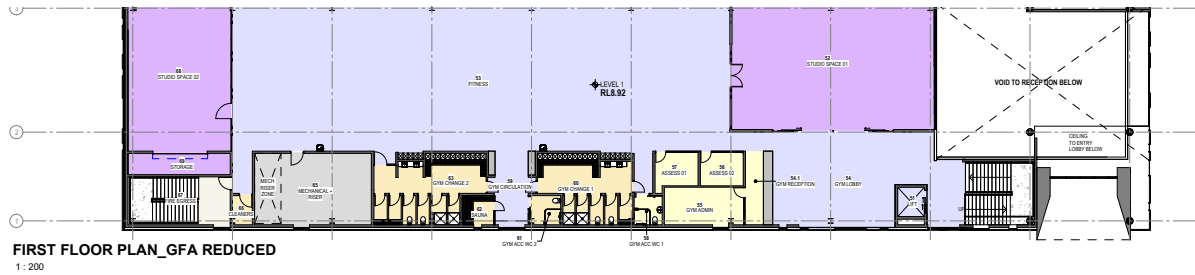
5.5 FITNESS CENTRE

The focus of design development has been to maximise the size of the Fitness Centre whilst not increasing overall gross floor area, and therefore cost. Planning efficiencies and greater certainty of plantroom requirements has allowed the fitness centre to increase in size from 650 m2 to 1060 m2.

Stair and lift access is provided to the first floor Fitness Centre, and this has been organised in relation to the primary reception to allow 24/7 access if required. This 24/7 access also provides direct access from the Fitness Centre to Memorial Park, allowing wider use of Memorial Park for fitness use. A clear visual connection has been established between the Fitness Centre and the pool hall below.

The Fitness Centre currently includes 2 studio spaces. The larger studio space (143m2) is deliberately located immediately adjacent to reception and control gates. This allows the easy circulation of larger studio groups in and out of the studio without having to circulate across the Fitness Floor. It also allows the use of this studio as a large meeting room or for corporate events if required.

A second, smaller studio is located at the western end of the Fitness Centre. At 1060m2, the inclusion of the second studio reduces the space available for the primary Fitness Floor. Additional flexibility could be provided by separating the second studio with an operable wall, allowing it to function either as a studio or as part of the main fitness area. As outlined in the Value Engineering Opportunities, the Fitness Centre could be increased in size if budget allows.



5.6 PLANTROOM & SERVICING

Option 2 had a two storey plantroom located in the Northwest corner of the site. While this is still possible, the early design development has focussed on a single level basement plantroom stretched along the northern side of the building. This plantroom location (shown in grey on the adjacent diagram) has a number of advantages;

- It creates an efficient pool water services corridor between the indoor and outdoor pools. This allows a dedicated services spine between indoor and outdoor pools, and allows for future expansion if required. It is important to remember that to mitigate inundation and the risk of overland flow paths, the site is being built up. Service access to the western side of the facility is approximately 1200mm higher than the anticipated ground level of the plantroom.
- With the cost of establishing the structural platform is at a premium, there is cost benefit in consolidating the piled area. Locating the basement plantroom between the indoor and outdoor pools reduces the number of piles required when compared with the outdoor pools being remote to the building.
- The stacked plantroom arrangement restricted the 25m Lane Pool from having a visual relationship to the exterior. With the plantroom now at a basement level only, it is possible to glaze the north face of the building. Having a uniform distribution of natural light is important to minimise glare on the pool water surface, and glazing from the north in conjunction with skylights will assist in controlling this.
- The roof of the plantroom outside the 25m Lane Pool provides the opportunity for a marshalling area and/or additional spectator seating when the facility is used for competitive swim events.
- The removal of plantrooms to the western side of the building (parallel with Devonport Road) maximises the available space remaining to Memorial Field.
- Pool water pumps located lower than the water level operate more efficiently as they are gravity primed. It is estimated that this saves in the order of \$20-30k in operational cost when compared with pumps located at ground floor.

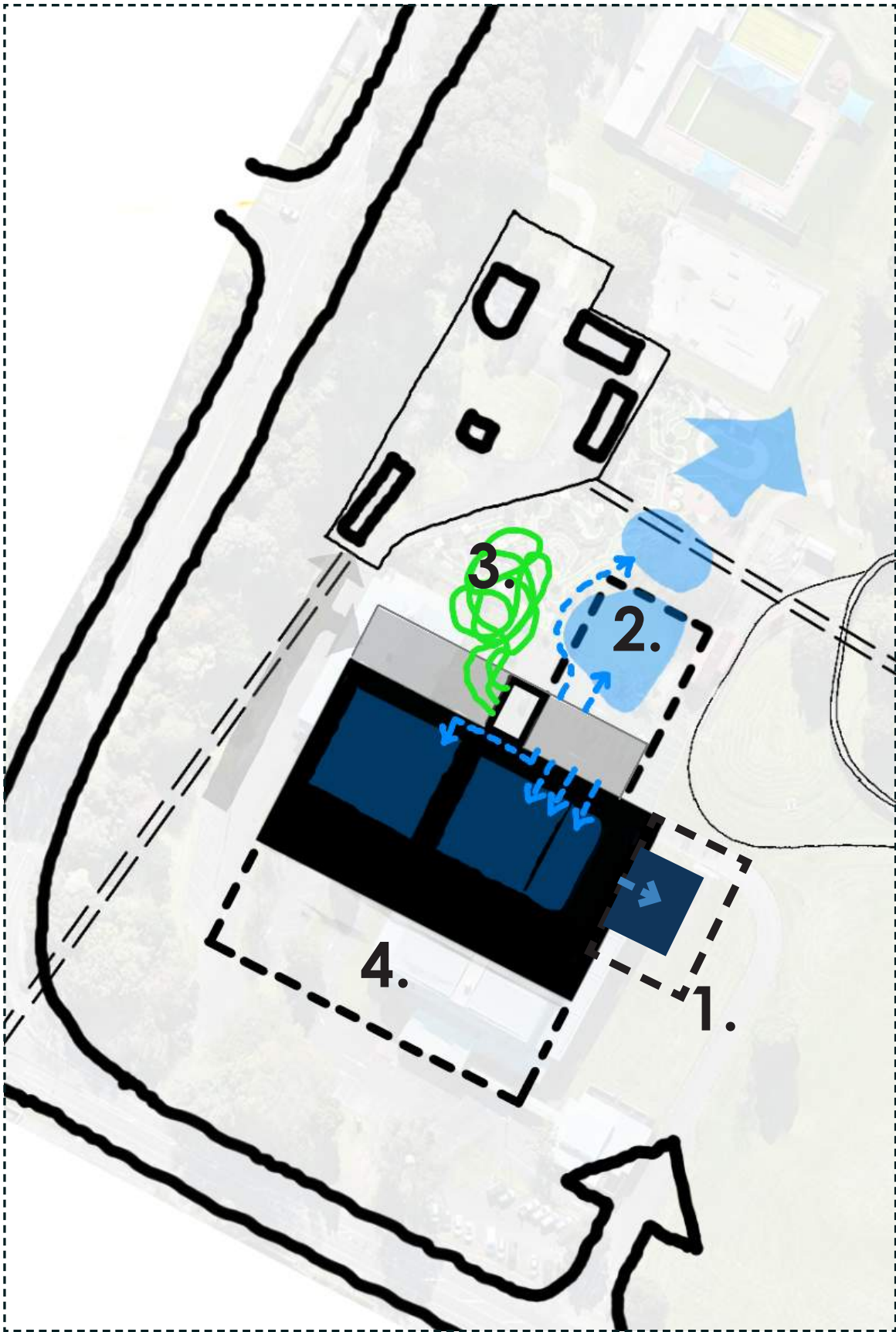
There is some risk associated with basement plantrooms, however it is not an unusual arrangement in aquatic facilities as long as easy service access for maintenance can be achieved. There is still the option to revert to the stacked plantroom configuration given in Option 2 if required for cost reasons, however the benefits given above will be lost.

5.7 FUTURE DEVELOPMENT OPPORTUNITIES

The site is constrained by the existing access to the wastewater pump station and by two underground municipal sewers, shown dashed on the diagram below, to the North and West of the proposed building platform. This in ground infrastructure limits any future expansion in these directions.

The pool plant rooms have been strategically located between the indoor and outdoor pools which allows for ease of expansion of outdoor pools, indoor pools and hydrosides.

- Future expansion zone 1.** Expansion to the east towards Memorial Field
- Future expansion zone 2.** There is provision for future expansion of the pool hall to the North. as with Zone 1, this could include expansion of the leisure water, toddlers or additional zero depth water play space.
- Future expansion zone 3.** There is provision for future expansion of the hydrosides. A large outdoor green spaces is designated for 3 hydrosides and there is sufficient space to allow additional slides, or other outdoor water features to be added to this area in the future.
- Future expansion zone 4** A fourth potential future expansion zone exists to the south across the car park where dry sports functions or expansion of the fitness centre could be accommodated.

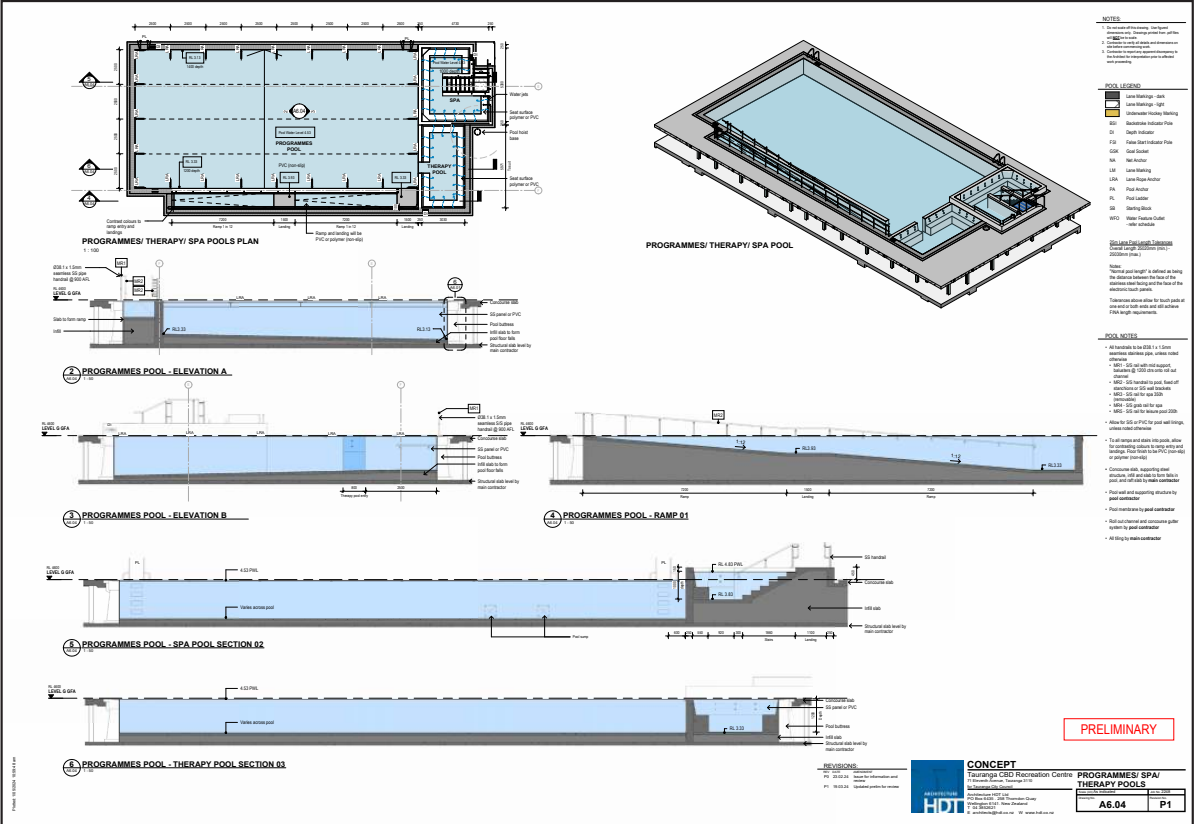
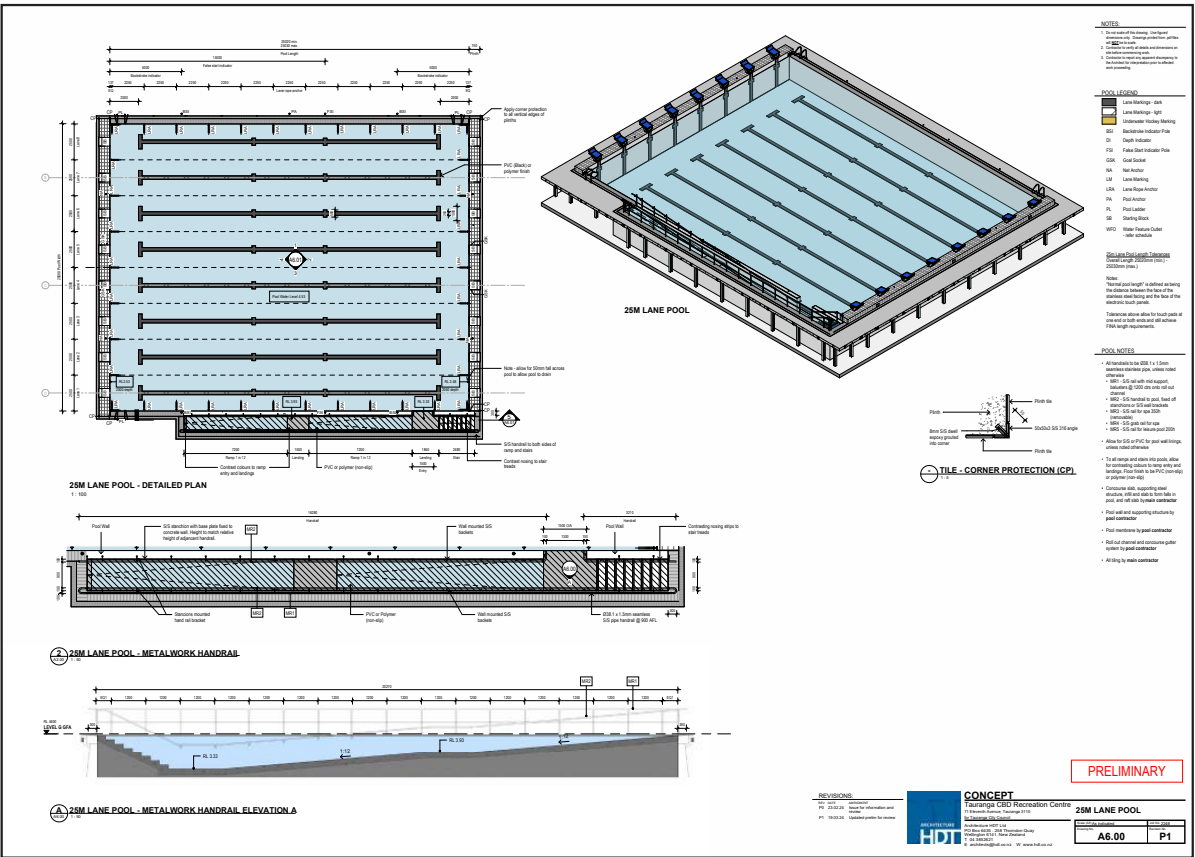


5.8 POOL & HYDROSLIDE PROCUREMENT PACKAGES

In addition to design development, more detailed technical drawings and specifications have been prepared describing the proprietary pools, filtration systems and hydrosides. These packages allow the early tender and appointment of these specialist suppliers.

As the design develops, a great deal of technical input and coordination is required with the proprietary pool and hydroslide suppliers. It is inevitable that there will be minor tweaks to the design of pools and hydrosides, and there is the opportunity for these changes to be made in the following design stages.

The hydroslide package is performance based, and in addition to pricing, invites the hydroslide suppliers to itemise extra/over features such as raft slides, lighting and special features to elevate the slide experience.



5.9 VALUE ENGINEERING OPPORTUNITIES

As the design has developed, the design team have been keeping track of value engineering opportunities.

Geotechnical and geothermal investigations will shortly be completed. There will therefore be greater clarity on the cost risk attached to these areas of work. In addition to this, there will be greater cost certainty around proprietary pools, filtration and hydrosides following the tender process described in the previous section.

It is therefore important that the value engineering opportunities include items that are both cost positive and cost negative. The quantity surveyor will estimate the value of these items at the completion of Preliminary Design so that there is a priced 'shopping list' for consideration by the project team at the beginning of Developed Design.

Item	Description	Cost	Comment
VE1	PWS Plantroom Configuration	-ve	The plantroom could revert to a stacked plantroom configuration in the Northwest corner of the site. This is likely to save cost due to the reduced building footprint, however the benefits described in the earlier section will be lost.
VE2	Remove Membrane overlay to Main Roof	-ve	The specification currently includes for a TPO membrane over a Kingspan Roofliner panel, which is considered best practice for durability in the coastal environment. A Kingspan RW panel could be used with a profiled metal top skin to realise cost savings.
VE3	Reduced Depth and benching to 25m Lane Pool	-ve	The recent peer review highlighted the possibility of reducing the 25m Lane Pool to 1800 deep and having a bench at 1400mm deep across two lanes. This reduces risk and cost in the ground with respect to the groundwater level, in addition to reducing operational cost (less water to heat)
VE4	Geotechnical Conditions	+ve or -ve	There are number of aspects to the geotechnical conditions that could contribute either positively or negatively to cost; -Ground water level -The level at which good structural bearing can be achieved. -The resultant structural solution (piled or ground improvement)
VE5	Increased Fitness Centre Size	+ve	Discussions following the recent peer review highlight that the current fitness centre size supports 1 studio. A second studio would be possible if the area of the Fitness Centre can be increased by 200-250m2. As noted in the Future development Opportunities, the Fitness Centre could be enlarged to form a covered way over the footpath along the carpark (Eleventh Ave) side.
VE6	Acoustic Separation to Learn to Swim Pool	+ve	Early design considered the acoustic separation of the Leisure Pool from the more structured pool spaces. The peer review has noted the desirability of acoustic separation of the Learn to Swim Pool.
VE7	ESD Initiatives	+ve	The inclusion of additional ESD initiatives such as solar if required to elevate the sustainability rating
VE8	Environmental Certification	+ve	The additional cost of documentation and lodgement fees associated with environmental certification.

6. SUSTAINABILITY

One of the key advantages of the Memorial Park site is the availability of geothermal energy. Testing will shortly confirm the viability and cost implications of this.

There is a strong desire for the facility to have environmental certification, whether this be Greenstar, Nabors or other rating system. Currently the cost of certification is not included in the current cost estimate.

The Design Team have reviewed the alignment of the Greenstar certification system with the project. This review has indicated that the current design including base case sustainability initiatives (PV panels and rainwater harvesting) would align with a 5 Star rating target assuming the inclusion of geothermal heating. Outside of these impacts, costs are anticipated to be largely associated with consultant costs, contractor P&G and NZGBC registration. The estimated cost of this is \$450k-\$550k. While the facility currently aligns with Greenstar 5, going the extra step of certifying this has the benefit of holding everyone in the project team to account.

- Specific sustainability measures to be considered in the following design stages;
- The opportunity to maximise the extent of solar PV given the roof area may offer additional financial and energy/carbon benefits. Procurement opportunities should be considered such as a power purchase agreement to reduce project capital cost impacts.
 - There is a great deal of embodied carbon associated with the primary structure. We know from recent work that significant reductions in embodied carbon can be gained from the following;
 - Partnering with subcontractors, and suppliers who share a carbon reduction mindset. For example, there is a significant difference in embodied carbon associated with reinforcing steel and structural steel procured from suppliers using electric arc furnace as compared with a gas furnace.
 - The current design uses of laminated timber for primary structure.
 - Concrete additives such as fly ash reduce carbon content and embodied carbon.
 - Reduced Transport: An emphasis placed on selecting Bay of Plenty, and then NZ supplied materials to reduce transport emissions as well as provide local economic support.
 - Divert from Landfill: Demolition of the existing halls presents opportunities to resell or reuse items such as court flooring, glazing, court seating, steelwork, and circulation area/canopy timbers. A recycling plan and methodology will be developed in future stages.
 - Re-use on site: Existing foundation concrete could be crushed and reused as fill for the southern end of the new facility. It is also propose that the existing QEYC flooring be reused for wall and soffit lining.



7. PROJECT COSTING

	Item	Cost
1	Demolition&Bulk Earthworks	\$4,570,000
2	Aquatic Centre	\$49,125,000
3	Stair Tower & 3 no Hydrosides	\$6,065,000
4	Fitness Centre & First Floor Plantroom	\$6,670,000
5	Outdoor Pools & Splash Pads	\$7,070,000
6	Integrated Cultural design	\$450,000
7	Siteworks	\$7,965,000
	SUBTOTAL	\$81,915,000
8	FF&E	\$2,190,000
9	Future Cost Escalation	\$8,800,000
10	Contingencies	\$11,960,000
11	Consultant & Consent Fees	\$14,400,000
	SUBTOTAL	\$119,265,000
12	Project Contingency	\$2,975,000
	TOTAL (excl gst)	\$122,240,000

The adjacent table summarises the current cost estimate.

- Key assumptions and clarifications**
- Pile Depth is estimated to 25m deep, subject to further geotechnical testing.
 - Proprietary pool tanks systems (Natara or Myrtha)are included.
 - A 175mm reinforced concrete slab on-grade has been allowed for to general outdoor areas.
 - 300mm wide concrete upstand walls have been measured at 1m high
 - An allowance has been made for 300 x 1500mm Reinforced Concrete Retaining wall running alongside the external lap pool
 - \$200/m2 P.C. supply for non-slip floor tiles. \$60/m2 P.C. supply for wall tiles.
 - Intumescent paint assumed to be applied to all structural steel floor support members
 - \$75,000 for Main kitchen Food & Beverage fitout.
 - \$75,000 for Cafe Servery Food & Beverage fitout.
 - \$150,000 for 6No. internal water feature toys.
 - \$350,000 for external water feature toys.
 - \$75,000 for external soft landscape planting
 - Pool covers to outdoor pools only.
 - 2No. chair lifts in total
 - \$1.5m allowance for Gym Equipment.
 - \$150,000 allowance for Office FF&E and AV
 - \$450,000 allowance for integrated cultural design.

- Excludes:**
- Removal of asbestos or other hazardous materials in excess of \$250,000 Provisional allowance
 - Unknown ground conditions.
 - Relocation of in-ground services in excess of \$150,000 allowance.
 - Electric vehicle charging
 - Emergency generator.
 - ESD / Green Star initiatives over and above those noted within the estimate & certification costs
 - Upgrade of Council infrastructure services.
 - Non-competitive tendering.
 - Development Levies and Reserves Contributions in excess of allowances advised by AECOM.
 - Legal, marketing, branding and finance costs.
 - Future cost escalation and exchange rate fluctuations in excess of Provisional allowance.
 - G.S.T.



8. DEVELOPMENT PROGRAMME

The following Summary Programme identifies key programme activities and milestones.

ID	Task Name	Task Start	Task Finish	Qtr 2, 2024 Apr	May	Jun	Qtr 3, 2024 Jul	Aug	Sep	Qtr 4, 2024 Oct	Nov	Dec	Qtr 1, 2025 Jan	Feb	Mar	Qtr 2, 2025 Apr
1	Design															
2	Preliminary Design	May 2024	July 2024													
3	Developed Design	August 2024	December 2024													
4	Detailed Design	February 2025	October 2025													
5	Consent															
6	Resource Consent - TCC Recreation Hub	May 2024	October 2024													
7	Resource Consent - Geothermal Bore	May 2024	October 2024													
8	Building Consent - Geotechnical Solutuion	December 2024	March 2025													
9	Procurement															
10	Procurement - Pool Equipment	April 2024	July 2024													
14	Procurement - Geothermal	January 2024	May 2024													
18	Procurement - Demolition	March 2024	July 2024													
23	Services Relocation	August 2024	October 2024													
27	Geotechnical Final Solution	December 2024	February 2025													
31	Procurement - Main Construction (Staged)	April 2025	December 2025													
35	Construction / On-site Works															
36	Geotechnical Testing	April 2024	May 2024													
37	Geothermal Stage 1 - Test Bores	May 2024	March 2025													
41	Cameron Road Courts Open		September 2024													
42	Demolition															
43	Demolition Enabling Works	September 2024	October 2024													
44	QYEC Demolition	November 2024	February 2025													
45	Memorial Hall Demolition	November 2024	February 2025													
46	Service Relocations	October 2024	January 2025													
47	Ground Improvements / Geotechnical Solution	March 2025	September 2025													
48	Main Construction	September 2025	November 2027													
49	Fitout& Staff Training	August 2027	February 2028													
50	Official Opening Celebration		April 2028													



9. RISK

The top 10 high level risks are given in the table that follows. The nature of this risk is displayed on the adjacent Risk Heat Map.

In addition to these high level risks, the Design Team and ECI Contractor have undertaken a Health and Safety in Design (HSID) workshop during Concept Design, and expect to update and review the HSID register during the following design stages.

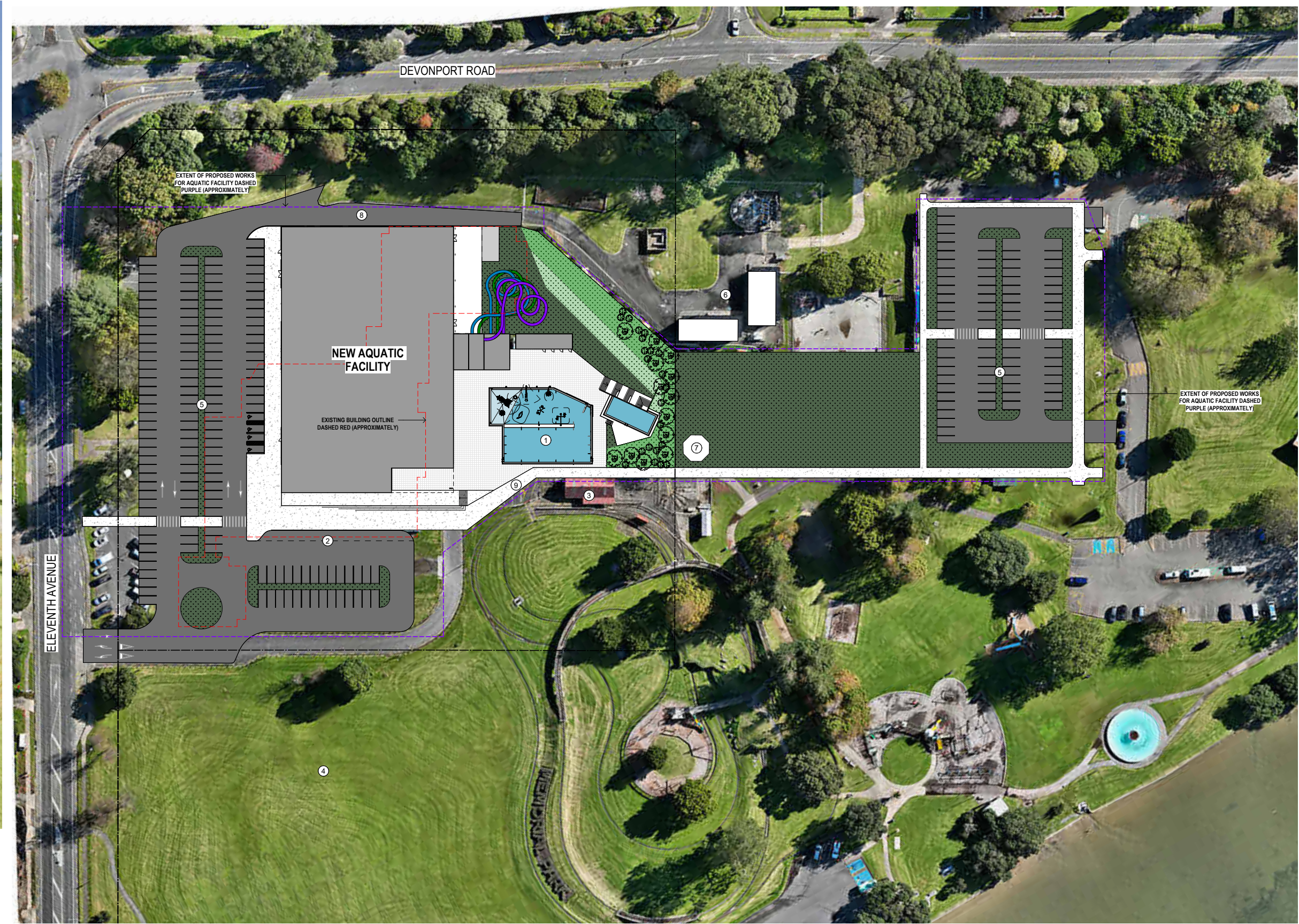


NO.	RISK	DESCRIPTION	MITIGATION
1	Functional Design Specification	Change in scope or scope creep from stakeholders, lead to design programme delays or additional cost	Functional design brief developed and aligns with cost estimate. Change control process implemented to assess and manage potential changes.
2	Ground Conditions	Poor ground conditions lead to extensive and costly ground improvement solutions	Additional Geotechnical testing underway and due to be completed May 2024. Geotechnical Engineer consultant procurement in progress. Early engagement with market to establish design opportunities.
3	Budget / Uncommitted Funding	Projects comes in over budget. Project progresses whilst relying on uncommitted funding.	Cost estimates undertaken at design milestones. Value Engineering once design milestones completed. Business Case completed at Concept Design to allow alternate funding to be obtained before design completed and construction commences.
4	Programme	Delays extend design or construction durations	Master programme created and regular monitored. ECI Contractor providing input into procurement and construction timeframes so risk can be identified early and mitigated accordingly.
5	Geothermal Capacity & Consenting Process	Unknown capacity until further testing is undertaken.	Procurement of boring supplier currently in progress to allow early testing to be undertaken to establish capacity requirements before design is completed. Early engagement with Mana Whenua and Bay of Plenty Regional Council to identify Consenting risks.
6	Project Partners and Stakeholder Engagement	Inconsistent or lack of engagement	Partner & Stakeholder engagement plan created, with dedicated single point of contact. Regular engagement workshops held and recorded.
7	Community Expectations	Project fails to meet Community requirements, therefore not as well used when opened.	Partner & Stakeholder engagement plan created. Regular engagement and feedback sessions arranged. Clear documentation of decisions made to support the project as it progresses.
8	Aquatics Network	Not meeting the network demands post opening.	Review of network demand to identify all potential requirements. Ensuring the design meets the network demands. Concept allows existing pools to remain operational.
9	Project Procurement	Market capacity and capability. Currency exchange rates and escalation of prices for materials procured overseas.	Project Procurement strategy developed. ECI Contractor allows early procurement to mitigate price escalation.
10	Asbestos/Contaminated Ground	Additional cost and time to the project due to discovery of contaminated ground or asbestos in buildings.	Asbestos surveys completed to existing facilities with Asbestos risk now known. Detailed Site Investigation completed with contaminated ground identified to particular areas of site. Monitoring and management plan to be implemented before disturbance on site.





APPENDICES



NOTES:

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- LEGEND
- ① Outdoor pools
 - ② Coach Drop-off zone
 - ③ Model railway station
 - ④ Memorial Field
 - ⑤ Public Car Park
 - ⑥ Sewage Pump Station
 - ⑦ Mini Golf
 - ⑧ Existing Service Lane
 - ⑨ Shared Pathway

PROPOSED SITE PLAN ENLARGED
1 : 500

REVISIONS:	
REV. DATE	AMENDMENT
P0 01.05.24	Site plan update



CONCEPT
Tauranga CBD Recreation Centre
71 Eleventh Avenue, Tauranga 3110
for Tauranga City Council
Architecture HDT Ltd
PO Box 6435, 288 Thorndon Quay
Wellington 6141, New Zealand
T 04 3852621
E architects@hdt.co.nz W www.hdt.co.nz

PROPOSED SITE PLAN ENLARGED

Drawing No.	Job No.
A1.05a	P0



ROOM SCHEDULE - BASEMENT			
ROOM #	NAME	AREA	LEVEL
70	SERVICE STAIR	25 m ²	LEVEL B GFA
71	PLANT CIRCULATION	51 m ²	LEVEL B GFA
72	BASEMENT POOL PLANT	248 m ²	LEVEL B GFA
73	BASEMENT POOL PLANT	279 m ²	LEVEL B GFA
74	HYDRO SLIDES BALANCE TANK	54 m ²	LEVEL B GFA

ROOM SCHEDULE - LEVEL 1			
ROOM #	NAME	AREA	LEVEL
51	LIFT	4 m ²	LEVEL 1 GFA
52	STUDIO SPACE 01	143 m ²	LEVEL 1 GFA
53	FITNESS	427 m ²	LEVEL 1 GFA
54	GYM LOBBY	96 m ²	LEVEL 1 GFA
54.1	GYM RECEPTION	11 m ²	LEVEL 1 GFA
55	GYM ADMIN	17 m ²	LEVEL 1 GFA
56	ASSESS 02	8 m ²	LEVEL 1 GFA
57	ASSESS 01	17 m ²	LEVEL 1 GFA
58	GYM WC 1	5 m ²	LEVEL 1 GFA
59	GYM CIRCULATION	18 m ²	LEVEL 1 GFA
60	GYM CHANGE 1	31 m ²	LEVEL 1 GFA
61	GYM ACC WC 2	5 m ²	LEVEL 1 GFA
62	SALUNA	5 m ²	LEVEL 1 GFA
63	GYM CHANGE 2	36 m ²	LEVEL 1 GFA
64	MECHANICAL + RISER	42 m ²	LEVEL 1 GFA
66	CLEANERS	3 m ²	LEVEL 1 GFA
67	FIRE EGRESS	28 m ²	LEVEL 1 GFA
68	STUDIO SPACE 02	85 m ²	LEVEL 1 GFA
69	STORAGE	12 m ²	LEVEL 1 GFA

TOTAL FLOOR AREAS GFA REDUCED SCHEME	
LEVEL B GFA	644 m2
LEVEL G GFA	3717 m2 *
LEVEL 01 GFA	1013 m2
TOTAL GFA*	5374 m2

POOL WATER SURFACE AREAS	
POOL	AREA
25M POOL	524 m2
PROGRAMMES POOL	220 m2
THERAPY POOL	18 m2
SPA POOL	20 m2
LTS POOL	214 m2
LEISURE POOL	221 m2
TODDLERS POOL	16 m2
OUTDOOR LEISURE POOL	170 m2
OUTDOOR LANES POOL	255 m2
OUTDOOR BOMBING POOL	38 m2
TOTAL:	1796 m2

REVISIONS:		
REV	DATE	AMENDMENT
P1	04.03.24	Reduced GFA Option
P2	12.03.24	Reduced GFA Plan
P3	22.03.24	Hydroslide RFP
P4	26.03.24	RFP GA Plan issue
P5	05.04.24	For Business Case
P6	09.04.24	For Business Case
P7	19.04.24	For Business Case



CONCEPT

Tauranga CBD Recreation Centre

71 Eleventh Avenue, Tauranga 3110

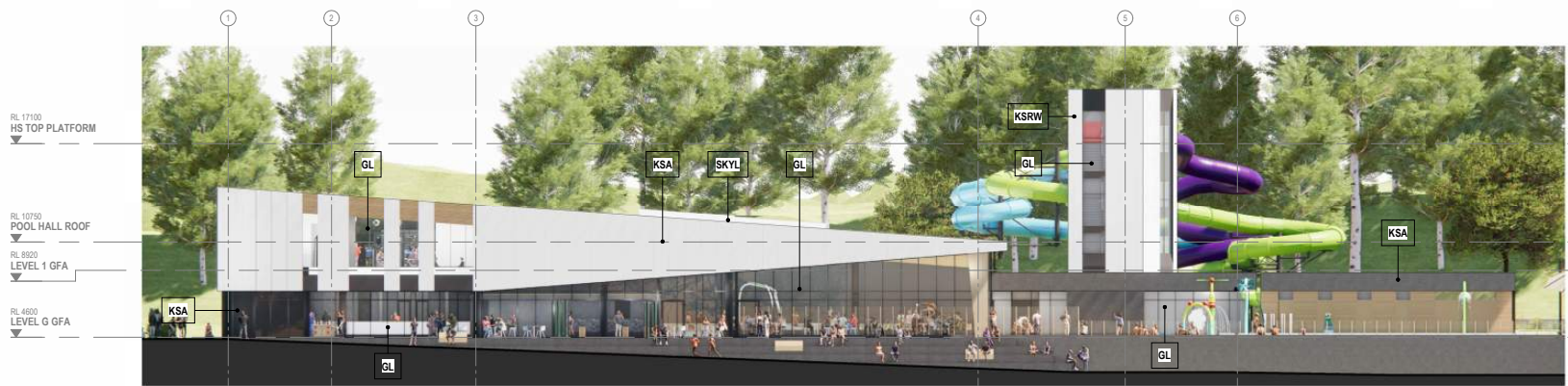
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Architecture HDT Ltd
PO Box 6435, 258 Thomson Quay
Wellington 6141, New Zealand
T 04 3852621
E architecture@hdt.co.nz W www.hdt.co.nz

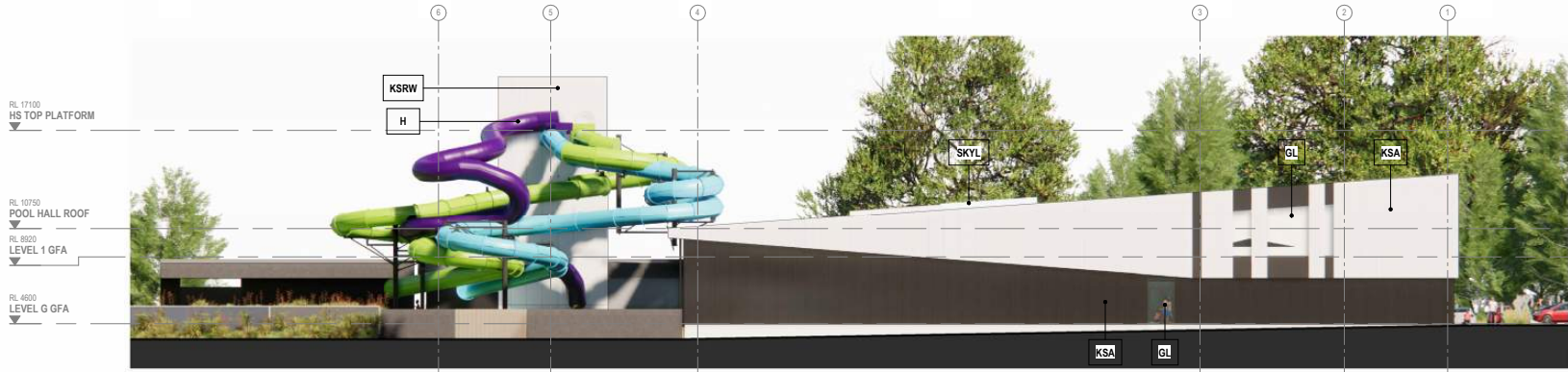
GA - LEVEL G

Scale (A3) : 1 : 200	Job No: 2248
Drawing No.	Revision No.

A1.12
P7



EAST ELEVATION
1 : 200



WEST ELEVATION
1 : 200



NORTH ELEVATION
1 : 200



SOUTH ELEVATION
1 : 200

ELEVATION LEGEND:

A	ALUCOLUX SOLID ALUMINIUM RAINSCREEN
B	20 SERIES CONCRETE BLOCKWORK
DP	DOWNPIPE
E	EVERBRIGHT POLYCARBONATE WALL PANEL
GL	THERMALLY BROKEN STRUCTURALLY GLAZED SEISMIC FRAME. REFER TO DOOR AND WINDOW SCHEDULE
H	HYDROSLIDE
KSA	KINGSPAN KS1000 AWP WALL PANEL
KSRL	KINGSPAN KS1100 RL ROOFLINER WITH MEMBRANE OVER
KSRW	KINGSPAN KS1000 RW WALL PANEL OVER PRECAST CONCRETE
MA	WINDOW MANIFESTATION. REFER TO DOOR & WINDOW SCHEDULE
P	POWDERCOATED ROLLER DOOR. REFER TO DOOR AND WINDOW SCHEDULE
PM	PROFILED METAL ROOFING
RS	RENDERED SYSTEM OVER XPS INSULATION TO SLAB EDGE
RWS	RAINWATER SPOUTING
SKYL	EVERBRIGHT POLYCARBONATE CLADDING PANELS LAID TO FLOOR PLANE (ONE CELL GEL FILLED)
TS	TIMBER SOFFIT. RECLAIMED QEYCY GYM FLOOR

NOTES:

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REVISIONS:

REV	DATE	AMENDMENT
P0	27.09.23	Concept Design QS Issue
P1	09.04.24	For Business Case



CONCEPT

Tauranga CBD Recreation Centre
71 Eleventh Avenue, Tauranga 3110
(c) Tauranga City Council
Architecture HDT Ltd
P.O. Box 6435 - 208 Thorndon Quay
Wellington 6141, New Zealand
T: 04 3852621
E: architects@hdt.co.nz W: www.hdt.co.nz

ELEVATIONS - RENDERED

Scale (A3/A4 as indicated)	Job No: 2248
Drawing No: A2.05	Revision No: P1

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Printed: 26/04/2024 4:20:30 pm

REVISIONS:		
REV	DATE	AMENDMENT
P0	09.04.24	For Business Case



CONCEPT
Tauranga CBD Recreation Centre
71 Eleventh Avenue, Tauranga 3110
for Tauranga City Council

Architecture HDT Ltd
PO Box 6435 - 258 Thorndon Quay
Wellington 6141, New Zealand
T 04 3852621
E architects@hdt.co.nz W www.hdt.co.nz

SECTIONS - RENDERED

Scale (A3): 1 : 100	Job No: 2246
Drawing No: A3.05	Revision No: P0



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STATEMENT OF INTENT

FY25 - FY27



Facilities

- Mercury Baypark (Arena, Stadium & BayStation)
- Adams Centre for High Performance
- Three Community Centres
- Four Sports Centres
- Five Aquatic Facilities
- Eight Community Halls

BayAudioVisual

COMMUNITY
CENTRES & HALLSTAURANGA
POOLS

BayActive

BaySwim

BayStation
AT BAYPARK

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**Tauranga City**

These facilities are operated by Bay Venues, a Tauranga City Council organisation.



BOARD STATEMENT

As Tauranga City Council's largest Council Controlled Organisation (CCO), Bay Venues plays a significant role in contributing to the wellbeing of the people of Tauranga Moana. We are the kaitiaki of the city's strategic network of community facilities and aspire to provide the best venues for the Bay of Plenty. Our facilities and the experiences we provide, enhance the quality of life for residents of, and visitors to, Tauranga Moana and the wider Bay of Plenty.

While the last few years have presented a challenging trading environment for Bay Venues (the Covid pandemic, high inflation, staffing challenges, ageing venues and a rapidly growing population) we are pleased to report that the organisation has been stabilised and is in good heart. A solid foundation has been set to enable the organisation, in partnership with Council and other key stakeholders, to meet the needs of a growing city. Bay Venues continues to be fully committed to delivering exceptional outcomes to the people of Tauranga Moana.

Council commissioned an independent Board review in October 2023, just over two years after the current Board was appointed. The review was extremely positive and complimentary which has demonstrated that the organisation is performing well and is positioned to deliver on our community's and Council's expectations.

FY24 was difficult financially, with costs outside our control increasing significantly along with our constrained venue capacity, limiting our ability to host more activity and grow revenue and margin. We are forecasting to finish FY24 with a deficit of \$2.2m, which is similar to the FY23 deficit of \$2.1m. As per the tables set out on page 14 of this document, we are forecasting a return to surplus and a modest EBITDA profit in FY25, FY26 & FY27. This forecast surplus is largely a reflection of changed accounting policies, but we are confident that underlying profitability is also still forecast to improve.

The Board would like to thank Council for its support of Bay Venues in addressing our long dated financial challenges. Firstly, through supporting a staged increase of user fees and charges to a national benchmark position, and secondly by agreeing to return Bay Venues to a breakeven position from FY25 via increased operational funding and a long term

loan agreement. This long term financial support enables the business to operate sustainably and provides us with confidence into the future. In addition, the 2024-34 Long Term Plan includes a significant increase in capital funding to enable us to adequately look after our ageing network of facilities and work with Council to deliver overdue investment in new facilities to cater for population growth.

We are pleased to be seen as Council's strategic partner in the provision of community facilities and look forward to commencing construction activity on the Baypark Master Plan and new Memorial Park aquatic facility as key opportunities to both benefit the community and grow the organisation.

We continue to work hard to ensure that our relationships with Council, mana whenua and other key partners are strong so that we can collaborate and address challenges as they arise, capitalise on opportunities, and help the city to continue to progress positively.

We note that during 2024 we will see a change in the governance of our City. The Board would like to thank Commissioners for all the work they have done and we look forward to working with the new Council when they are appointed during the year.

The future of Tauranga is bright and we are excited about what can be achieved.



Simon Clarke

Chair, Bay Venues Limited

This is Bay Venues Statement of Intent (SOI) for the FY25, FY26 and FY27 years. This document outlines Bay Venues' strategic approach to meeting Tauranga City Council's expectation of "putting the community at the heart of everything we do".

This SOI meets the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of Council as outlined in the revised Enduring Statement of Expectations adopted in December 2023 along with the annual Letter of Expectations dated 7 November 2023. It outlines what we do, our strategy and objectives for the three years ahead, and the performance targets by which we will be measured for the 2025 Financial Year.



WHO WE ARE AND WHAT WE DO

We are the kaitiaki of 24 community facilities across Tauranga – aquatic centres, indoor sport and fitness facilities, event venues, and community halls and centres – and we manage these facilities on behalf of Tauranga City Council and our community.

Connecting the community through exceptional experiences is the driving force behind Bay Venues. We have the community at heart, while being commercial in mind. We have several commercial businesses, which help keep entry to our public facilities affordable and accessible for the whole community.



FACILITIES

- 1** Mercury Baypark (Arena, Stadium & BayStation)
- 1** Adams Centre for High Performance
- 3** Community Centres
- 4** Sports Centres
- 5** Aquatic Facilities
- 8** Community Halls



ASSETS

\$138.4m



VISITORS

2.11m



CUSTOMER SATISFACTION

88% Overall Satisfaction

90% Satisfaction with Facility

92% Satisfaction with Service



EMPLOYEES

140 Full Time Staff

145 Part Time Staff

58 Casual Staff

Data as at 30 June 2023.

See appendix 1 for a detailed breakdown of Bay Venues Facilities and Activities.



STRATEGIC ALIGNMENT

We will ensure our strategic focus is aligned with Tauranga City Council. To achieve our Vision, Mission and Purpose we will work in partnership with Council and collaborate with a range of partners throughout the wider community.

TAURANGA CITY VISION

Council's *Our Direction Tauranga 2050* provides a strategic framework for the city and informs the community outcomes under a vision of:

Tauranga, together we can prioritise nature, lift each other up, fuel possibility.

COMMUNITY OUTCOMES

We acknowledge Council's desire for us to focus on three key Community Outcomes:

- **We value and protect our environment and prioritise nature**
Including continuing initiatives in sustainability and energy efficiency and supporting Council's Climate Action and Investment Plan and environmental focus areas.
- **We are inclusive and lift each other up**
Including continuing diversity and inclusion initiatives, growing cultural awareness, supporting emergency management and reporting on social return on investment.
- **We have a well-planned city which fuels possibility**
We will partner with Council on the Master Plans, other key strategic projects, and align facilities and renewals planning with Council strategic priorities and Long Term Plan investment planning. This includes supporting Council plans to relocate Netball from Blake Park to Baypark and to consider in good faith a long-term commitment to Speedway at Baypark post expiry of their current contract in 2029. We will work with appointed Council staff and relevant stakeholders to realise these objectives.

ACCOUNTABILITY AND TRANSPARENCY

In addition to the Community Outcomes above, Council has also asked us, as a public entity, to continue to demonstrate accountability and transparency. Over the past year, we have increased our focus on telling the stories of what happens in our facilities. We have done this through Quarterly Reports in addition to our Half Year and Annual Reporting requirements. These are submitted to Council and published on our website. We have also started publishing a summary of Board meeting activity to our website.

BOARD PROFESSIONAL DEVELOPMENT

We are pleased to continue being a part of Council's Board Intern Programme and supporting greater diversity in governance. We will also continue to support professional development opportunities as presented by Council and will look for further opportunities to provide learning opportunities for board members.

The board will implement actions from the recent GOVN365 board review.

TAURANGA CITY COUNCIL'S VALUES

Pono / Integrity – We do what we say we will do.

Manaakitanga / Respect – We listen to all views and show we care.

Whaia te Tika / Service – We do the right thing for the community and each other.

Whanaungatanga / Collaboration – We work together and create connections.

These values are closely aligned with the Bay Venues values.

Bay Venues' strategy was updated in 2022 and will be implemented over the next three years. Our four strategic focus areas include how we will contribute to Council's Community Outcomes:



VISION

Ngā tino wāhi o Tauranga Moana
The best venues for the Bay

MISSION

**Ko mātou ngā kaitiaki o te whatunga
 o ngā rawa ā-hapori o Tauranga**
**We are the kaitiaki of Tauranga's
 network of community facilities**

PURPOSE

**E tūhono ana i te hapori mā
 ngā wheako rawe rawa atu**
**Connecting our community
 through exceptional experiences**





STRATEGIC FOCUS AREAS

MAXIMISING ACTIVITY & EVENTS

- We host a wide range of successful activities and events (sporting, cultural, service, recreation, and business) within our facilities that collectively enhance the social, cultural, and economic wellbeing of Tauranga.
- We have a strong focus on the recreation needs of our community and encouraging participation for diverse groups
- We actively look for opportunities; targeting new events and attracting new and diverse community activities through a Community Led Development approach.
- We deliver exceptional customer experiences including using technology.
- We keep people safe through a proactive Health & Safety culture and good systems.
- We collaborate with Council, Tourism Bay of Plenty, Priority One and other key stakeholders to actively progress the Tauranga Events Action and Investment Plan.
- We proactively share stories from our facilities celebrating our diverse community.

LEVERAGING OUR CAPABILITY

- We utilise our existing skills, expertise, spaces, and equipment to derive revenue where it is appropriate and aligned with our core business of providing community facilities.
- We continue to provide a range of existing commercial business operations.
- We actively explore and capitalise on appropriate new revenue opportunities.
- We are committed to gaining efficiencies through shared services with Council, including providing our services to Council where appropriate.
- Profits from commercial operations are used to offset the cost of providing facilities to the community.
- We make our facilities and people available to support Civil Defence training and emergencies as needed.



LOOKING AFTER OUR ASSETS

- We provide facilities and assets that are safe, well maintained, professionally managed and fit for purpose.
- We provide facilities for our community that are welcoming, accessible, and inclusive.
- We have a long-term Venue Strategy including agreed priorities for facilities and asset renewals planning, embedded within the 2024-34 Long Term Plan.
- We recognise that our venues are part of a wider network of facilities across the city, region and country.
- We recognise council funding of facilities through co-branding and will update signage over time.
- We partner to deliver major recreation projects for the city.
- We have a Sustainability Action Plan to measure, monitor and mitigate our greenhouse gas emissions. With Council, we use the Toitū certification model to assess greenhouse gas emissions.
- We develop facilities sustainably, with Greenstar ratings for new buildings.

BUILDING OUR CAPABILITY

- We strive for excellence and foster collaboration and partnership to achieve the best possible outcomes.
- We work hard to build a positive, high performance team culture.
- We focus on developing our team and our leaders.
- We cultivate constructive working relationships with Council, tangata whenua and key partners.
- We are committed to biculturalism and partnership with tangata whenua.
- We are committed to engaging with our community to ensure our facilities are inclusive and accessible and meet the needs of a diverse community.
- We have systems that enable our teams to be productive and successful and create efficiencies through digital transformation.
- We clearly and transparently communicate financial information and show how ratepayers help to fund our activities.
- We measure and report on the social return on investment (ROI) from our activities.
- We make our Board agenda and summary information available on our website and we publish quarterly reports incorporating storytelling to highlight our community impact.



OUR GAME PLAN

Vision The Best Venues for the Bay

Mission We are the kaitiaki of Tauranga's network of community facilities

Purpose Connecting our community through exceptional experiences

Focus Area: Maximising Activity & Events		Weighting
Strategic Objectives (FY25-27)	<div>1. Maximise activity across our venues</div> <div>2. Proactively attract new events and activities</div> <div>3. Consistently deliver exceptional customer experiences</div> <div>4. Embed a strong health & safety culture supported by good systems</div>	50%
KPIs	<div><div>• Visitation</div><div>• Significant events (>500 pax)</div><div>• Customer feedback rating</div><div>• Preventable serious harm incidents</div></div>	
Focus Area: Looking After our Assets		Weighting
Strategic Objectives (FY25-27)	<div>1. Look after and enhance our assets and actively plan for and manage asset renewals</div> <div>2. Implement our venue strategy and provide for future needs</div> <div>3. Deliver venue projects to a high standard and partner on key projects</div> <div>4. Operate our venues safely and sustainably</div>	25%
KPIs	<div><div>• Preventable unplanned facility closures (>4 hours)</div><div>• Capital projects on time and on budget</div><div>• Capital programme v budget</div><div>• Energy consumption</div></div>	
Focus Area: Leveraging our Capability		Weighting
Strategic Objectives (FY25-27)	<div>1. Continue to create value in our existing commercial business operations</div> <div>2. Actively progress appropriate new complementary revenue opportunities</div>	10%
KPIs	<div><div>• Financial performance against budget</div><div>• Commercial partnerships</div></div>	
Focus Area: Building our Capability		Weighting
Strategic Objectives (FY25-27)	<div>1. Build a positive, high performance team culture</div> <div>2. Provide technology & systems that support our people and our customers</div> <div>3. Develop strong working relationships with key partners (inc mana whenua and TECT)</div> <div>4. Provide consistent reporting that supports decision making</div>	15%
KPIs	<div><div>• Team engagement</div><div>• Staff turnover</div><div>• Memorandum of understanding with mana whenua and TECT</div></div>	
Key Projects & Initiatives Change Annually – Refer Next Section		



OUR KEY PROJECTS & INITIATIVES

Focus Area	Maximising Activity & Events			
Strategic Objectives (FY25-27)	Maximise activity across our venues	Proactively attract new events and activities	Consistently deliver exceptional customer experiences	Develop a strong Health & Safety culture supported by good systems
Key Projects & Initiatives FY25	<ul style="list-style-type: none"> Plan for opening of new Tauranga indoor courts Explore external funding opportunities for programmes Undertake capacity mapping 	<ul style="list-style-type: none"> Embed the new event operating model Extend Community Led Development to Sport & Fitness 	<ul style="list-style-type: none"> Embed the customer experience programme Improve event security and cleaning quality 	<ul style="list-style-type: none"> Implement Health & Safety Action Plan Update Emergency management plan and BCP Implement a Security Plan for venues and events External health & safety review
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> Investigate Clubfit 24 hour access Explore partnerships to activate spaces 	<ul style="list-style-type: none"> Attract new complementary activity to Netball Centre 	<ul style="list-style-type: none"> Review Leisure Management System 	<ul style="list-style-type: none"> Update Health & Safety Action Plan External security review
Key Projects & Initiatives FY27	<ul style="list-style-type: none"> Plan for opening of Memorial Aquatic Centre Review ticketing contract 	<ul style="list-style-type: none"> Memorial Aquatic Centre programming 	<ul style="list-style-type: none"> Upgrade Leisure Management System Develop ecommerce strategy 	<ul style="list-style-type: none"> External health & safety review Develop Security Action Plan
		FY25	FY26*	FY27*
KPIs (FY24)	Visitation Significant events (>500 pax) Customer feedback rating Preventable serious harm incidents	>2.1m >75 >85% 0	>2.2m >75 >85% 0	>2.3m >75 >85% 0

*FY26 and FY27 KPIs to be updated prior to each year.





OUR KEY PROJECTS & INITIATIVES

Focus Area	Look After Our Assets			
Strategic Objectives (FY25-27)	Look after and enhance our assets and actively plan for and manage asset renewals	Implement our Venue Strategy and provide for future needs	Deliver venue projects to a high standard and partner on key projects	Operate our venues safely and sustainably
Key Projects & Initiatives FY25	<ul style="list-style-type: none"> Develop Maintenance Action Plan Renewals procurement plan including bundling of works Deliver renewals programme Cleaning tender 	<ul style="list-style-type: none"> Major project roles and responsibilities agreed with TCC Decommission QEYC Decommission Tauriko Hall & Cliff Road Building (timing TBC) Review future of Otūmoetai Pool 	<ul style="list-style-type: none"> Complete new Tauranga city indoor courts Commence Memorial facility Complete Stadium lighting Complete car parking at Baypark 	<ul style="list-style-type: none"> Develop contractor management improvement plan Initiate Permit to Work system Implement Sustainability Action Plan Contractor pre-qualification Security tender
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> Implement Maintenance Action Plan Deliver renewals programme Baywave maintenance closure Arena loading dock/storage Arena seismic strengthening 	<ul style="list-style-type: none"> Review Venue Strategy 	<ul style="list-style-type: none"> Support Memorial Aquatic Centre build Complete Baypark Netball Centre 	<ul style="list-style-type: none"> Implement contractor management improvement plan External sustainability review
Key Projects & Initiatives FY27	<ul style="list-style-type: none"> Deliver renewals programme Hot Pools maintenance closure Update Asset Management Plan 	<ul style="list-style-type: none"> Adams Centre expansion & Arena extension business cases Ensure Venue Strategy is aligned to LTP Decommission Memorial Pool 	<ul style="list-style-type: none"> Support Memorial Aquatic Centre build 	<ul style="list-style-type: none"> Update and implement Sustainability Action Plan
		FY25	FY26*	FY27*
KPIs (FY24)	Preventable Unplanned Facility Closures (>4 hours) Key Capital Projects On Time and On Budget Capital Programme v Budget Energy Consumption	0 Stadium Lighting Within 5% TBC	0 Adams Centre Within 5% TBC	0 Memorial Aquatics Within 5% TBC

*FY26 and FY27 KPIs to be updated prior to each year.





OUR KEY PROJECTS & INITIATIVES

Focus Area	Leveraging our Capability			
Strategic Objectives (FY25-27)	Continue our existing commercial business operations	Actively progress appropriate new complementary revenue opportunities		
Key Projects & Initiatives FY25	<ul style="list-style-type: none"> • Increase pre-packaged meal deliveries • Renew Baypark kitchen • Develop retail catering action plan 	<ul style="list-style-type: none"> • Install external digital billboards at Baypark • Explore new facilities opportunities • Execute Pavilion 3 lease • Target prospective commercial partners • Review BayStation operation 		
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Relaunch café operations (Baywave and Arena) • Refresh Clubfit Baywave offer 	<ul style="list-style-type: none"> • Install external digital billboards at key sites • Secure one new commercial partnership 		
Key Projects & Initiatives FY27	<ul style="list-style-type: none"> • Potential expansion of pre-packaged meal facilities • Develop action plan to optimise revenue streams at Memorial Aquatic Centre (café, Clubfit, BaySwim etc) • Implement Hot Pools Café offer 	<ul style="list-style-type: none"> • Install external digital billboards across balance of the network • Investigate citywide digital billboard strategy with TCC • Secure one new commercial partnership • Pavilion 2 external lease 		
		FY25	FY26*	FY27*
KPIs (FY24)	Financial performance against budget Commercial partnerships	Achieve budget Six proposals	Achieve budget One new	Achieve budget One new

*FY26 and FY27 KPIs to be updated prior to each year.





OUR KEY PROJECTS & INITIATIVES

Focus Area	Build Our Capability			
Strategic Objectives (FY25-27)	Build a positive, high performance team culture	Provide technology & systems that support our people	Develop strong working relationships with key partners (inc tangata whenua)	Provide consistent reporting that supports decision making
Key Projects & Initiatives FY25	<ul style="list-style-type: none"> • Bed in the new Facilities team and supporting systems • Articulation of career pathways • Build accountability training • Board skills matrix and development plan 	<ul style="list-style-type: none"> • Maximise effectiveness and functionality of Bamboo HR and Datascape • Review time and attendance software 	<ul style="list-style-type: none"> • Implement a bi-cultural awareness programme • Develop a stakeholder engagement plan 	<ul style="list-style-type: none"> • Develop BI reporting capability • Initiate portfolio & performance reporting
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Develop change capability within our employees • Investigate NZQA opportunities within Strive to Thrive 	<ul style="list-style-type: none"> • Embed Datascape & Bamboo HR • Implement time and attendance software • Review H&S information system (Ecoportal) 	<ul style="list-style-type: none"> • Continue bi-cultural awareness programme • Implement stakeholder engagement plan 	<ul style="list-style-type: none"> • Enhance BI reporting capability (e.g. predictive analytics)
Key Projects & Initiatives FY27	<ul style="list-style-type: none"> • Competency needs analysis and subsequent framework 	<ul style="list-style-type: none"> • Explore add on modules for existing systems • Ecommerce opportunities • Replace/update Ecoportal • Review event management system (Ungerboeck) 	<ul style="list-style-type: none"> • User fees review • Contribute to Council LTP development • Review bi-cultural programme • Review stakeholder engagement 	<ul style="list-style-type: none"> • Shared data model with Council • Review Social ROI reporting
		FY25	FY26*	FY27*
KPIs (FY24)	Team engagement Staff turnover Memorandum of Understanding with tangata whenua	>75% <30% At least one	>75% <30% At least one	>75% <30% At least one

*FY26 and FY27 KPIs to be updated prior to each year.





FINANCIAL PERFORMANCE

Bay Venues Statement of Comprehensive Income & Expenses (000's)	Actual 22/23	Budget 23/24	Forecast 24/25	Forecast 25/26	Forecast 26/27
Revenue					
User Revenue	20,280	22,183	23,339	24,739	26,471
Other Revenue	75	99	455	483	212
TCC Operational Grant – as per 2024-34 LTP	4,350	4,663	7,567	7,958	8,342
Total Operational Revenue	24,744	26,945	31,361	33,179	35,024
Expenditure					
Employee Expense	15,828	17,782	18,672	19,605	20,585
Administrative Expense	1,385	1,553	1,709	1,811	1,920
Consulting & Governance Expenses	887	692	761	807	856
Operating Expenses (incl. COGs)	7,689	7,979	8,777	9,303	9,862
Repairs & Maintenance Expense	1,029	1,114	1,225	1,298	1,376
Total Operation Expenses	26,818	29,120	31,143	32,825	34,599
EBITDA	(2,074)	(2,175)	218	354	426
Additional Transactions:					
Add: TCC Renewal Funding – as per 2024-34 LTP	8,739	6,041	15,887	13,425	9,387
TCC Debt Servicing Grant – as per 2024-34 LTP	1,619	1,317	1,098	1,174	1,564
Less: Profit/Loss on Disposal	55	0	0	0	0
Finance Expense	954	1,176	655	655	655
Depreciation & Amortisation Expense	6,945	7,327	8,406	9,929	11,137
Surplus/(Deficit) Before Tax	330	(3,321)	8,143*	4,370*	(415)*
TCC New Capital Funding – as per 2024-34 LTP	7,689	7,979	7,364	10,636	8,643

*Surplus in years 25 - 27 is driven by significant LTP renewals programme (renewal income is fully recognised when asset is capitalised)

Bay Venues Ltd Statement of Financial Position (000's)	Budget 23/24	Forecast 24/25	Forecast 25/26	Forecast 26/27
Assets				
Current Assets				
Cash & Cash Equivalents	72	2	100	11
Inventories	461	461	461	461
Debtors & Other Receivables	2,335	2,335	3,335	4,335
Total Current Assets	2,868	2,798	3,896	4,807
Non-Current Assets				
Other Non-Current Assets	5,351	5,501	5,651	5,801
Intangible Assets	572	572	572	572
Property, Plant & Equipment	132,726	139,574	145,334	146,897
Total Non-Current Assets	138,649	145,647	151,557	153,270
Total Assets	141,518	148,445	155,453	158,077
Liabilities				
Current Liabilities				
Employee Entitlements	1,173	1,055	950	855
Creditors & Other Payables	4,091	1,322	1,322	1,322
Borrowings - UoW Adams Centre Loan	1,000	1,000	1,000	1,000
Total Current Liabilities	6,264	3,377	3,272	3,177
Non-Current Liabilities				
Borrowings	31,211	16,771	17,811	18,461
Deferred Tax	8,483	8,483	8,483	8,483
Total Non-Current Liabilities	39,694	25,254	26,294	26,944
Total Liabilities	45,958	28,631	29,566	30,121
Net Assets	95,560	119,813	125,887	127,956
Equity				
Share Capital	84,232	99,232	99,232	99,232
Retained Earnings	(30,969)	(21,916)	(16,042)	(14,174)
Other Reserves	1,133	1,333	1,533	1,733
Revaluation Reserves	41,165	41,165	41,165	41,165
Total Equity	95,560	119,813	125,888	127,956



FINANCIAL PERFORMANCE

Bay Venues Ltd Statement of Cashflows (000's)	Budget 23/24	Forecast 24/25	Forecast 25/26	Forecast 26/27
Operating Activities				
Cash Received From Customers	22,183	22,959	24,337	26,041
Grants Received	12,021	25,052	22,255	18,383
Dividend Received	11	11	11	11
Cash Received From Other Sources	88	94	101	107
Goods & Services Tax (Net)	265			
	34,568	48,116	46,703	44,542
Payments to Employees	(17,782)	(18,672)	(19,605)	(20,585)
Payments to Suppliers	(11,338)	(12,472)	(13,220)	(14,013)
Interest Paid	(1,176)	(655)	(655)	(655)
	(30,297)	(31,798)	(33,480)	(35,253)
Net Cash Flow From Operating Activities	4,271	16,318	13,223	9,289
Cash Flows From Investing Activities				
Proceeds from Sale of Property, Plant And Equipment	88	88	88	88
Purchases of Property, Plant And Equipment	(7,358)	(16,887)	(14,104)	(9,966)
Transfer to Depreciation Investment	(996)	(150)	(150)	(150)
Net Cash Flow From Investing Activities	(8,266)	(16,949)	(14,165)	(10,027)
Cash Flows from Financing Activities				
Proceeds from Borrowings	10,580	560	4,540	4,150
Repayment of TCC Borrowings	(7,142)	0	(3,500)	(3,500)
Net Cash Flow From Financing Activities	3,438	560	1,040	650
Net Increase / Decrease in Cash Held	(557)	(71)	98	(89)
Cash & Cash Equivalents at Beginning of Year	629	72	2	100
Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year	72	2	100	11

Bay Venues Ltd Statement of Changes in Equity (000's)	Share Capital	Retained Earnings	Revaluation Surplus	Other Reserves	Total Equity
Balances as at 1 July 2023	84,232	(27,448)	41,165	933	98,882
Comprehensive Income					
Surplus or Deficit for the Year		(3,321)	0		(3,321)
Other Comprehensive Income					
Transfer to Trustpower Reserve		(200)		200	0
Total Other Comprehensive Income, Net of Tax	0	(200)	0	200	0
Balance as at 30 June 2024	84,232	(30,969)	41,165	1,133	95,561
Balances as at 1 July 2024	84,232	(30,969)	41,165	1,133	95,561
Comprehensive Income					
Surplus or Deficit for the Year		9,253	0		9,253
Other Comprehensive Income					
Surplus or Deficit for the Year	15,000		0		15,000
Transfer to Trustpower Reserve		(200)		200	0
Total Other Comprehensive Income, Net of Tax	15,000	(200)	0	200	15,000
Balance as at 30 June 2025	99,232	(21,916)	41,165	1,333	119,814
Balances as at 1 July 2025	99,232	(21,916)	41,165	1,333	119,814
Comprehensive Income					
Surplus or Deficit for the Year		6,074	0		6,074
Other Comprehensive Income					
Transfer to Trustpower Reserve		(200)		200	0
Total Other Comprehensive Income, Net of Tax	0	(200)	0	200	0
Balance as at 30 June 2026	99,232	(16,042)	41,165	1,533	125,888
Balances as at 1 July 2026	99,232	(16,042)	41,165	1,533	125,888
Comprehensive Income					
Surplus or Deficit for the Year		2,068	0		2,068
Other Comprehensive Income					
Transfer to Trustpower Reserve		(200)		200	0
Total Other Comprehensive Income, Net of Tax	0	(200)	0	200	0
Balance as at 30 June 2027	99,232	(14,174)	41,165	1,733	127,956



REPORTING

Bay Venues is committed to supporting Council's strategic priorities and objectives. Bay Venues will endeavour to respond promptly and appropriately on issues raised by Council and will provide Council with the following information:

Statement of Intent (SOI)

Provide Council with a draft SOI by 16 January 2024 and a final SOI by 31 March 2024.

Annual Report

Provide an Annual Report to Council within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- i. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- ii. Audited financial statements for the financial year in respect of the Company, and;
- iii. The Auditor's report on:
 - Those financial statements; and
 - The performance targets and other measures by which performance has been judged in relation to the objectives.
- iv. The audited financial statements shall consist of:
 - Statement of Financial Position; and
 - Statement of Comprehensive Income; and
 - Statement of Movements in Equity; and
 - Statement of Cashflows; and
 - Disclosure of Related Party Transactions; and
 - Notes to the Financial Statements; and
 - Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The annual report is to be presented in the format prescribed by Council to enable consolidation into the Group.

Quarterly Reports

As soon as practicable after the conclusion of each quarter, Bay Venues will provide Council with a report of performance against the SOI including:

- v. Summary of Financial Performance
- vi. Report on KPIs year to date
- vii. Commentary on performance for the preceding quarter
- viii. Commentary on expected performance for the next quarter

A Quarterly Report will not be required for Q4 where the Annual Report is provided instead.

Quarterly Meetings

Upon request by Council, members of the Board of Bay Venues will meet with Councillors and/or their appointed representative(s) quarterly in a confidential, informal workshop to discuss and review issues of common interest.

Half Yearly Governance to Governance Meetings

The Mayor and CEO of Council will meet with the Chair and CEO of Bay Venues every six months, to discuss and review any issues of common interest.

Regular meetings will be held (at least quarterly) with operational management/staff.

No Surprises

Notwithstanding the reporting requirements, the Board will operate on a 'no surprises' basis to ensure that Council is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic, social or political nature.



OTHER MATTERS

The Board's Approach to Governance

The directors of Bay Venues are responsible for the stewardship and future well-being of the organisation. The directors assist the organisation to meet its objectives and requirements in the Statement of Intent. Directors exercise leadership, enterprise, integrity, and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness. In discharging their responsibilities, directors have a duty to act in the best interest of Bay Venues as a whole, irrespective of personal, professional, commercial, or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the Company as per section 131 of the Companies Act, noting however that under clause 11.2 of the Constitution that Directors may also act in the best interest of the Shareholder.

More detailed obligations in relation to both the Directors obligations to Bay Venues and Council's obligations to Bay Venues are outlined in the Enduring Statement of Expectations (ESE).

Board Performance Reviews

A Council-led bi-annual review was undertaken in October 2023 by an independent entity, with results reported to Council. The independent review's conclusions were very positive, and a number of minor improvement opportunities were identified that the Board will look to implement.

Ratio of Consolidated Funds

In November 2014 Council resolved that an appropriate starting debt equity ratio of 20:80 is appropriate for Bay Venues, but the ratio may change up to 25:75. This ratio is calculated as: Debt to Equity Ratio = Total Debt / Total Equity.

Estimate of Commercial Value

The Board estimate that the commercial value of the Council's investment in Bay Venues is represented by the net assets of Bay Venues. This value is calculated from total assets less liabilities. As at 30 June 2023 this was \$98.8m.

Accounting Policies & Other Compliance

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993. It is noted that due to Bay Venues' revenue now exceeding \$30m that Tier 1 reporting for audit is now required.

Procedures for Acquisition of Other Interests

Pursuant to the Constitution, Bay Venues will only invest in the shares of a new or existing company or organisation with the prior approval of Council. Where the Board consider the

size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

Dividend Policy

Bay Venues will not be in a position to pay a dividend anytime in the short to medium term and acknowledges that any retained surpluses over \$500,000 (net after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

If a surplus over \$500,000 is achieved, Council may decide to retire debt and/or reinvest part or all the surplus into Bay Venues if Bay Venues establishes a sound investment proposal.

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

Other Matters Agreed Between the Board and Shareholder

Bay Venues shall enter, where necessary, such agreements with Council giving effect to any restrictions, requirements and obligations required by Council.

Due to the impact of Covid, high inflation, growth and limited venue capacity over the past few years, Bay Venues' revenue and profitability has been significantly negatively impacted. While existing loan arrangements with Council are sufficient to cover this in the short term, Bay Venues has agreed a new funding model with Council that has been included in Council's 2024-34 Long Term Plan.

Transactions between Related Parties

Transactions between Council and Bay Venues will be conducted on a commercial basis (fair and reasonable) and if appropriate, contestable basis.

Other related party transactions will be on a commercial basis and in accordance with Bay Venues' procurement policy.

Compensation from Local Authority

Compensation for any services provided to the Council has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council will provide Bay Venues with an operating grant of \$3.448m in FY25 (as per 2024-34 Long Term Plan), which increases annually with CPI. Council's operating grant to Bay Venues helps deliver:

- Business related outputs, which apply across all facilities
- Community related outputs which apply only to the facilities and activities that have a community focus

The outputs expected of Bay Venues are detailed in this Statement of Intent.

APPENDIX 1: BAY VENUES FACILITIES & ACTIVITIES

AQUATIC FACILITIES

Mount Hot Pools



An iconic and unique hot ocean water pool complex and world-class tourist attraction, providing rest, relaxation, and rejuvenation/rehabilitation for a broad range of visitors and Tauranga locals. The Mount Hot Pools hosts close to 300,000 visits a year. There are three outdoor pools, including a children's pool, two outdoor spas and three indoor private pools. This popular facility at the base of Mauao also provides massage therapy and aqua exercise classes, as well as aqua play sessions for parents and their young ones.

The Mount Hot Pools had a maintenance closure in late 2023 that saw all the hot pools fully re-tiled, along with pool maintenance and renewals, and improvements to the changing facilities including the addition of underfloor heating.



Baywave



This is an aquatic and leisure centre, recognised regionally as providing a wide variety of recreation and leisure, competition, aquatic education, exercise, physical therapy, and health and wellbeing activities. There is a 25-metre lap pool, a leisure pool (with waves), a learners' pool, hydroslide, spa, sauna, and steam room.

The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. Baywave hosts more than 300,000 visits a year and is home to several water-based sporting clubs/squads. In 2019, an aqua play facility for children was added. The latest maintenance closure was in early 2023 and included pool maintenance and renewals, refurbished changing facilities, new non-slip flooring for improved safety and cleanliness, and the replacement of failing water pipes.

Several secondary business units operate within the complex and are complementary to the overall purpose of the facility:

- BaySwim (learn to swim and water safety programmes)
- Clubfit (health and fitness club)
- Café
- Merchandise
- Massage Therapy

Greerton Aquatic & Leisure Centre



An aquatic and leisure centre, providing a variety of fun, safe, and well-managed aquatic and physical therapy activities for the local community. There is a 25-metre lap pool, a learners' pool, and an 18-metre hydrotherapy pool, which is popular for rehabilitation and senior adults. Aquatic Evolution Tauranga is an anchor tenant of this facility. Other activities that complement the centre include:

- BaySwim (learn to swim and water safety programmes)
- Aqua Exercise Classes
- Friday Night Fun Night (inflatable pool toys and obstacle course for kids)
- Clubfit (health and fitness club)

Greerton Aquatic & Leisure Centre hosts about 90,000 visits a year and underwent an extensive refurbishment through 2021-2023, which included new non-slip flooring, seismic strengthening, new changing facilities, and a reconfigured entrance. In addition, new signage was installed, and the pools and interior and exterior of the facility were repainted.



Memorial Pool & Ōtūmoetai Pool



Memorial Pool is an outdoor seasonal facility with a lap pool and learners pool, BBQ facilities, and green space. It is a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months and hosts about 30,000 visits a year.

Ōtūmoetai Pool is open year-round and has a 25-metre lap pool and learners' pool. It is a safe, clean, convenient aquatic facility for the local community, in particular the neighbouring college during school hours. The anchor tenant, Evolution Aquatics Tauranga, is a high user of this facility. This is an old outdoor pool that had a marquee-style roof installed over it around 20 years ago. Ōtūmoetai Pool hosts about 40,000 visits a year.

Both of these facilities have been around for decades (since the 1950s and 60s) and are at the end of their useful lives. The ongoing and increasing cost to keep them open and operating is unsustainable. Both pools have significant infrastructural and age-related issues that regularly result in expensive remedial and maintenance measures.

We will do our best to maintain both of these facilities and keep them operating until the new aquatic centre at Memorial Park opens, at which point Memorial Pool will likely be decommissioned. Any significant pool plant failures in the interim, however, may require an earlier closure. The future of the Ōtūmoetai Pool is currently being reviewed.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

New Memorial Park Aquatic Centre



In late 2023, Tauranga City Council approved \$122.25m of funding towards a new aquatic facility at Memorial Park. It will be a modern, fit-for-purpose facility and will balance the shortfall across the network for increased structured water-based leisure, sports and fitness.

The new aquatic centre at Memorial Park will have a deep-water eight-lane 25-metre indoor swimming pool, alongside a hydrotherapy pool and spa, a learn to swim pool, and a leisure pool with a toddler pool. Outside, there will be a four-lane 25-metre lido pool, a splash pad, and a bombing pool. There will also be three hydrolides, a fitness centre, and a café that services the facility and the park.

The new facility at Memorial Park will hopefully be open by the end of 2027. It will be a destination complex for the central city and surrounding suburbs, including the communities that currently enjoy Memorial Pool and Ōtūmoetai Pool.

BaySwim



BaySwim delivers a quality Learn to Swim programme catering to all ages, at Baywave and Greerton Aquatic & Leisure Centre, and teaches thousands of people to swim each year. BaySwim also provides water safety education for primary school groups as part of our funded Water Safety NZ 'Water Safety for Life' programme. In recent years, BaySwim has extended its offering to include swimming lessons in te reo Māori, Korean, and Mandarin. It has also supported an ethnic women's swimming initiative and created several other innovative programmes and initiatives to break down barriers and reach more people in the community.

Massage Suites



Massage suites are located at the Mount Hot Pools and Baywave and aid in the rebalancing of mind, body and soul.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

INDOOR SPORTS FACILITIES

Mercury Baypark Arena



Mercury Baypark Arena is Tauranga's key sporting venue for indoor sports such as basketball, netball, volleyball, and futsal. The six-court side of the facility has a focus on community sport. The three-court side is also utilised for community sport when it is not being used to host large events, including professional sports fixtures and tournaments such as Constellation Cup netball and the New Zealand Festival of Squash.

Mercury Baypark Arena also provides a range of pay-for-play social sports leagues and sport and play programmes for the community. Within the facility is a licensed café providing a quality food and beverage service.

A Baypark Master Plan, adopted by Tauranga City Council in September 2023, provides future direction and priorities for the wider Mercury Baypark site over the next 10 years and beyond; a future focus on community sport, while still delivering events, entertainment, and high-performance sport.

The Baypark Master Plan includes future opportunities for netball and other court sports, alongside speedway, gymnastics, athletics, as well as dedicated green spaces, a playground, walkways, activities and storytelling displays acknowledging the site's cultural history, a new car park layout, and improved venue access for vehicles, pedestrians and cyclists.

There is also an opportunity to expand Mercury Baypark Arena and add more indoor courts to the six-court side of the facility within the next 10 years, as part of Tauranga City Council's Long-Term Plan.



Queen Elizabeth Youth Centre (including Memorial Hall)



Located at Memorial Park, this facility has for decades provided the inner city with an indoor court venue suitable for hosting community sport and recreational activities, as well as cultural groups and events. It has also hosted a variety of regional and national sports tournaments and fixtures, as well as pay-for-play social sports leagues, and community programmes.

The facility is at the end of its useful life and recent building reports have indicated seismic and structural issues. In late 2023, Tauranga City Council signed off on plans to replace the three indoor courts at Queen Elizabeth Youth Centre (QEYC) and Memorial Hall with a new indoor court facility at an alternative city-centre location nearby. The future focus for Memorial Park will be on aquatic and recreational provision (See: New Memorial Park Aquatic Centre).

Given the difficult ground conditions at Memorial Park, it became evident that replacing the indoor courts at that location would be unaffordable. Therefore, Tauranga City Council explored alternative locations for the indoor courts, with a successful fit-for-purpose property found in close proximity. The Council approved a strategic property purchase as well as funding towards the concept design plans/fit out for the new indoor court facility.

The QEYC and Memorial Hall buildings will be decommissioned in late 2024. The new indoor court facility on Cameron Rd in the city centre is due to open late 2024.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, this facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary and features a single court gymnasium suitable for hosting sporting/recreational groups and community activities outside of agreed school access hours. There are some issues with the facility suffering from condensation issues that leave the floor unsafe at times.

Mount Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events. The facility is also home to Tauranga City Basketball's office. This is an old facility and it will be decommissioned in the next few years as part of the Blake Park Master Plan. The removal of the facility will reduce court provision in the city by one court.



University of Waikato Adams Centre for High Performance



Located at Blake Park, opposite Bay Oval, the University of Waikato Adams Centre for High Performance is a high quality facility that includes a state-of-the-art gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms and an athletes' lounge. It is a High Performance Sport NZ Approved Training Facility that caters to a wide range of athletes competing at a national and international level. High performance sport organisations, sports science research, and athlete medical support services are also based at the Adams Centre. Current tenants include New Zealand Rugby, Bay of Plenty Rugby, Body in Motion's High Performance Sports Clinic, and the University of Waikato. Strong demand for space in the facility along with potential development on neighbouring sites has prompted investigations into potential expansion options. Bay Venues also operates the Adams Academy, a development programme with around 100 aspiring and established local athletes across 27 sporting codes and counting.

Clubfit



Clubfit is made up of two gyms located at Baywave and Greerton Aquatic & Leisure Centre. Both facilities provide health and fitness programming to members who have access to mid-to-high quality equipment.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

COMMUNITY CENTRE-RUN PROGRAMMES

Bay Venues runs several community-focused programmes across the venue network for preschoolers, children, youth, and adults including the popular Tumble Time, Funky Fun Days, coaching clinics, sports days, birthday parties, social badminton and more. Team building and school holiday offerings are also provided.

Sports Leagues

Bay Venues organises and facilitates social sports leagues both at Mercury Baypark Arena and Queen Elizabeth Youth Centre for indoor netball and futsal.

COMMUNITY HALLS & CENTRES

Arataki Community Centre

This venue provides a high quality, versatile indoor space with rooms of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During weekdays, PlayTime hosts an OSCAR programme at the facility. Early consideration is currently being given to possible expansion of the facility to cater to increasing demand for space.

Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions are also held at this venue.

Cliff Road Building

This building provides a space for hire and is home to a small number of community users. The facility is in poor condition and will only operate in the short term until the future of this site is decided. Planning for its demolition should commence as soon as possible.

Elizabeth St Community & Arts Centre

This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions. The facility is in average condition and its future needs to be considered in conjunction with Tauranga City Council's investment in the new civic precinct.

Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. Greerton Hall is also used as office space for Greerton Village Mainstreet. The facility is old and tired and will need to be redeveloped or replaced in the medium to long term.



Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. During weekdays, PlayTime hosts an OSCAR programme at the facility.

Papamoa Community Centre (at the Library)

This venue provides a high quality, versatile indoor space with rooms of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

Papamoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions. During weekdays, PlayTime hosts an OSCAR programme at the facility.



APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

Tauriko Hall

This hall provides space for local community groups to host a variety of activities and provides a venue for individuals to host private functions. During weekdays, Schools' Out hosts an OSCAR programme at the facility. The facility is in poor condition and planning for its future will be undertaken by Tauranga City Council.

Waipuna Park Pavilion

This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

Welcome Bay Hall

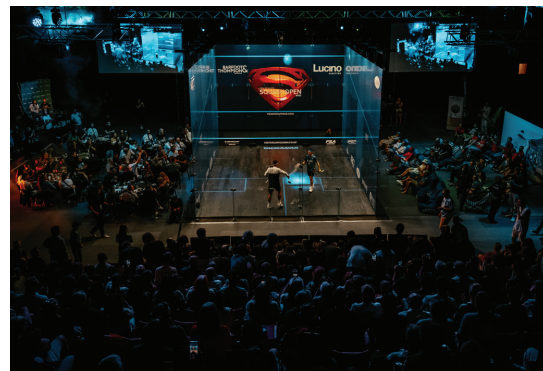
This venue provides space within the local community for groups to host a variety of activities. It also provides space for individuals to host private functions. The venue is old, tired and not connected with the adjacent community centre. There is an opportunity to enhance and better connect this facility in the medium term.



EVENT FACILITIES

Mercury Baypark Arena

In addition to being an indoor community sports hub, the three-court side of Mercury Baypark Arena is a key indoor event facility for the region. When combined with the six-court side, Mercury Baypark Arena is a versatile multi-purpose venue with the ability to host any type of event – from community and national sporting fixtures right through to trade shows, conferences, gala dinners, corporate hospitality events and concerts.



Mercury Baypark Stadium

This is Tauranga's only significant outdoor stadium. It has the capacity for crowds of up to 19,000 people, including seated and corporate hosting areas. It features a 480-metre oval clay speedway track and a basic grass area (inside the track). The primary activity is speedway race meetings (15-17 per annum). A promoter is contracted to promote and operate the speedway events. Mercury Baypark Stadium is also a venue for other events and activities suited to outdoor spaces (for example, drifting). Corporate boxes and a premium lounge are also available for businesses to utilise for hosting functions or meetings.

The Baypark Master Plan, adopted by Tauranga City Council in September 2023, provides future direction and priorities for the wider Mercury Baypark site over the next 10 years and beyond; a future focus on community sport, while still delivering events, entertainment, and high-performance sport.

The Baypark Master Plan includes future opportunities for netball and other court sports, alongside speedway, gymnastics, athletics, as well as dedicated green spaces, a playground, walkways, activities and storytelling displays acknowledging the site's cultural history, a new car park layout, and improved venue access for vehicles, pedestrians and cyclists.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

While Mercury Baypark Stadium is regarded as one of the better equipped speedway venues in New Zealand with a fast, wide clay track and a large well-serviced pit area, it is showing its age and significant future investment will be required to maintain it. Historically, the facility has not been funded for depreciation and there has been no funding for asset renewals. While that will change in the new Tauranga City Council 2024-34 Long Term Plan, the facility needs significant investment to ensure it is fit for purpose. Discussions have commenced with the Bay of Plenty Speedway Association to start considering what the future of Mercury Baypark Stadium is beyond the end of their current agreement in 2029.

Mercury Baypark Stadium Lounge

Mercury Baypark Stadium Lounge is a self-contained venue connected to Mercury Baypark Stadium, offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities. This space is starting to show its age and with no funding for renewals it is becoming more difficult to maintain it to an acceptable standard.



External Areas

Various external areas around Mercury Baypark are used for events, most notably concerts and festivals over the busy summer holiday period, as well as events like Polo in the Bay. Most of the infrastructure for events like these is brought in on a temporary basis. These larger outdoor events can draw crowds in excess of 15,000 people.

ASSOCIATED ACTIVITIES

Bay Venues operates several venue-based business units that are more commercially focused including:

Bay Catering

This business unit primarily provides catering services at venues managed by Bay Venues as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout Mercury Baypark venue as well as the cafes at Mercury Baypark Arena and Baywave. Bay Catering also have contracts with the Ministry of Education to provide school lunches to children at schools throughout the Bay of Plenty.

Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Mercury Baypark Arena, Mercury Baypark Stadium Lounge, Mercury Baypark Stadium and some external off-site events and venues.

BayStation

BayStation is a family entertainment business that operates three different entertainment products including Drift Trikes, Paintball and Lasertag. The operation complements the range of activities on offer at Baypark.

Merchandise

Bay Venues operates small retail outlets at its aquatic facilities selling swimming apparel and associated products.





14 February 2024



Simon Clarke, Chair
C/- Bay Venues Limited
81 Truman Lane
Mount Maunganui, 3175

Via email: simon@matuagovernance.com

Dear Simon

Bay Venues Limited – Shareholder Feedback to the Draft Statement of Intent 2024/25 to 2026/27

At our Council meeting on 12 February 2024, we received the Bay Venues Limited (Bay Venues) draft Statement of Intent for 2024/25 to 2026/27.

We would like to thank you for completing this document and providing it to Council ahead of the standard timeframe.

We applaud Bay Venues on their successes and contribution to making Tauranga a vibrant city through the delivery and network of facilities, spaces, and places. It is great to see Bay Venues' important partnership position in several Council plans and projects highlighted in the draft Statement of Intent, including the Baypark Master Plan and the new Memorial Park aquatic facility. Staff also commend Bay Venues' commitment to diversity initiatives and references in their document to their role in Council's Action and Investment Plans.

The content in Bay Venues' draft Statement of Intent meets legislation requirements and aligns with many of the aspirations we included in our Letter of Expectation to the Board.

We recommend the Board consider a few minor amendments and suggestions when finalising the Statement of Intent, which include:

- Consider greater emphasis on community engagement to ensure facilities are truly inclusive and accessible.
- Take more explicit ownership of diversity initiatives and the funding of them as business-as-usual activities.
- Include a commitment to being inclusive across multiple ethnic groups, in addition to biculturalism, to reflect the increasingly diverse demographics in Tauranga.
- Highlight the early collaboration and engagement opportunities with Council on key projects, and the intention to establish clarity around both organisations' roles from the outset.
- Include proactive media liaison and engage the community through good news stories.
- Consider adopting an Accessibility Plan and implementing accessibility audits across the full network of facilities.
- More explicitly highlight co-branding initiatives and the intention to replace old signage over time, with new signs that include Council branding.

Following recent GOVN365 board reviews, we encourage Bay Venues to proactively implement actions recommended through this process and reference them in their final Statement of Intent.

We are pleased that Bay Venues has moved towards greater accountability and transparency, by publishing summaries of Board meeting minutes online. We encourage this to continue and acknowledge redacting commercially sensitive information is an option where necessary.

We would like to thank the Bay Venues Board in advance for delivering the final Statement of Intent to Council by 30 April 2024, ahead of the usual statutory timeframe.

If you have any questions or need assistance, please contact Sanjana France, CCO Specialist, at sanjana.france@tauranga.govt.nz or on 027 221 6798.

Yours sincerely



Anne Tolley
Commission Chair
Tauranga City Council

Cc: Chad Hooker, Chief Executive, Bay Venues Limited - chad.hooker@bayvenues.co.nz

Tauranga Art Gallery Trust

Statement of Intent 2024-2027



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1. Purpose of the Statement of Intent

The purpose of the Statement of Intent is to:

1. In accordance with section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent publicly states the activities and intentions of Tauranga Art Gallery for the next three years.
2. Provide an opportunity for shareholders to influence the direction of the organisation; and
3. Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

The SOI is informed by the expectations of Tauranga City Council as outlined in the Enduring Statement of Intent and the Letter of Expectation, dated 7 November 2023. It identifies synergies between our vision and Tauranga City Council's vision and values, ensuring community objectives established through our visioning work guides our activities.

2. About Tauranga Art Gallery Trust

Tauranga Art Gallery Trust is incorporated under the Charitable Trusts Act 1957 as a not-for-profit entity, established to deliver and operate a public art gallery to serve residents of Tauranga, the Western Bay of Plenty, and visitors to the region. Tauranga Art Gallery Trust has charitable status with the Inland Revenue Department.



3. Focus of Tauranga Art Gallery

Tauranga Art Gallery's purpose is to build enduring relationships with art, and we achieve this through creating exceptional art experiences that engage, inspire, educate and challenge.

Tauranga Art Gallery can only achieve its purpose through partnerships and collaboration with funders, iwi, sector, city centre businesses, stakeholders and crucially visitors.

Through the Letter of Engagement, Council has encouraged Tauranga Art Gallery Trust to consider how best to contribute to achieving desired community outcomes, as developed for Tauranga City Council's Long-Term Plan 2021-2031. Accordingly, Tauranga Art Gallery will work with the Tauranga City Council Group to achieve these desired community outcomes. The specific outcomes that Tauranga Art Gallery Trust has been asked to consider are:

We have a well-planned city which fuels possibility

Tauranga is well-planned, with a variety of successful and thriving compact centres, resilient infrastructure, and community amenities. We appreciate Tauranga Art Gallery Trusts continued engagement in the Te Manawataki o Te Papa

We are inclusive and lift each other up

Tauranga is a city that recognises and promotes partnership with tangata whenua and diverse communities. We foster and grow our communities, celebrate differences and lift up those who are vulnerable.

We recognise we are an integral part of the wider Tauranga city centre, Bay of Plenty region and upper North Island

Tauranga is a well-connected city, which makes a significant contribution to the social, economic, cultural and environmental wellbeing of the region. It is a vibrant city where we fuel possibility by fostering creativity, innovation, celebrating arts and culture and empowering change makers to create a vibrant city.



3.1. Strategic Objectives

The following five guiding principles give focus to Tauranga Art Gallery as an organisation:

He Tauranga Auaha To be an anchor of *innovation and creativity*

Tauranga Art Gallery is a destination for both city visitors and residents, providing the opportunity for all to learn about and engage with art experiences

He Tauranga Matarau To be an anchor for *diversity*

Tauranga Art Gallery is inclusive and promotes partnerships with tangata whenua, values culture, and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy.

He Tauranga Whaihua To be an anchor of *enduring success*

Tauranga Art Gallery will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.

He Tauranga Haumarū To be anchor for *development*

Tauranga Art Gallery will take all practical steps to ensure our people are valued, supported feel safe, connected, and healthy.

He Tauranga Haukaha To be an anchor of *great shelter*

TAG is a regional asset that is fit-for-purpose and meets international museum standards.

He Tauranga Taiao To be anchor in *environmental sustainability*

Tauranga Art Gallery prioritises through its redevelopment and operates in an environmentally sustainable way.



4. Approach to Governance

Tauranga Art Gallery Trust is a Council Controlled Organisation of the Tauranga City Council. The Tauranga Art Gallery Trust Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the Enduring Statement of Expectations. The Tauranga Art Gallery Trust Board of Trustees is appointed by the Council to govern and direct Tauranga Art Gallery activities. The Board is accountable to the Council for the financial and non-financial performance of Tauranga Art Gallery. The Board works collaboratively with the Council to ensure a bilateral “no surprises” relationship.

4.1 Trust Deed Guiding Objectives

The activities and operations laid out in this SOI are guided by our guiding objectives in the Tauranga Art Gallery Trust Deed (4.1), to:

- a) Provide the establishment and management of a sub-regional Public Art Gallery and ensure that its assets and collections are managed to a high standard.
- b) Provide Public Art Gallery facilities and art experiences which are relevant and accessible to the Western Bay of Plenty, sub-regional communities, and visitors to the area.
- c) Lead and promote activities to raise funds for the Gallery.

4.2 List of Trustees

Rosemary Protheroe (Chair)
Wayne Werder (Deputy Chair)
Rachel Scott
Ciska Vogelzang
Sylvia Willison
Alan Withrington





5. Nature and Scope of Activity

Tauranga Art Gallery is pleased to be a partner in Tauranga City Council's civic precinct development. Tauranga Art Gallery's own redevelopment is a key precinct project that will showcase the vision of Te Manawataki o Te Papa, and the value of the Tauranga City Council /Tauranga Art Gallery Council Controlled Organisation partnership to achieve strong community focussed outcomes.

Activity

During 2023–2024, the Trustees and staff have continued to focus on opportunities to review and streamline systems, processes, and capabilities. Staff are reviewing exhibition, education, engagement programmes and developing a new Visitor Experience strategy, as Tauranga Art Gallery positions itself as a leading regional art gallery. The Trust is confident that this work has enabled a solid foundation for the Gallery and builds towards a more resilient organisation.

Whilst the main gallery building is closed for construction Tauranga Art Gallery has been working closely with other organisations and businesses to activate the city centre. The *Wunderboxes* is a changing exhibition of discovery sited throughout cafés, shops, Baycourt and Tauranga City Libraries. Through the Devonport Road Gallery Pop-Up the schools education and adult learning programmes, public talks and art activities in the weekends have continued to be popular. A 'Saturday in the City' marketing campaign encouraging residents to support the city centre successfully launched November 2023, promoting fun itineraries for different demographics.

Work on re-opening programmes is well underway. A new creativity centre will offer art experiences and workshops for schools and art enthusiasts of all ages. A major Augmented Reality commission by Tauranga based artist Kereama Taepa (Te Arawa / Te Āti Awa) is in development. A preview of the project at the April 2024 Aotearoa Art Fair in Auckland built national anticipation and excitement for the reopening of the Tauranga Art Gallery.



Financials

Tauranga Art Gallery is pleased to be a significant contributor to the local creative economy, employing a staff of creative professionals and engaging (where possible) local suppliers. This is boosting the overall arts and creative sector that in 2023 contributed \$14.9 billion to the New Zealand economy (with the dairy industry \$11.3 billion).

The Trust and staff are committed to the realisation of Te Manawataki o Te Papa and in the short term are prepared for the challenges of reduced visitation, access and revenue generation as the city transforms and infrastructure projects are completed.

During the period of construction and rehousing of the Gallery collection there will be periods of time, when there will be less business as usual, which impacts on expected ordinary income streams. On this basis the Trust is taking a prudent approach to financial budgets that reflect both business as usual costs; anticipated and known costs for the scope of the works; and for those costs and expenses which are contingent in nature, including estimates for funding required from sources outside the trust, and if required, from trust reserves.

We are conscious that the Gallery will face more economic challenges over the next three years, and we will continue to work diligently on building diverse revenue streams for OPEX and CAPEX requirements and positive relationships to secure funding and sponsorship.

A redeveloped building creates additional revenue streams with new hospitality, venue hire and retail options. We will continue to place an emphasis on understanding and communicating the value of the Gallery's activities to both current and new stakeholders.

The Trust and staff look forward to working together in partnership with Tauranga City Council with the Te Manawataki o Te Papa project and we are excited about the opportunity to expand our capacity to deliver more and enrich art and culture in Tauranga.



6. Objectives and Measures

TAGT VISION STATEMENT TOI TŪ TAURANGA CREATING LIFE-LONG CONNECTIONS WITH ART		TAGT MISSION STATEMENT HE TAURANGA TOI TO CREATE EXCEPTIONAL ART EXPERIENCES THAT ENGAGE, INSPIRE, EDUCATE AND CHALLENGE		
TAURANGA CITY COUNCIL OUR VISION: TAURANGA, TOGETHER WE CAN PRIORITISE NATURE, LIFT EACH OTHER UP, FUEL POSSIBILITY				
TAGT STRATEGIC OBJECTIVES	TAG BUSINESS FUNCTION	TCC LETTER OF EXPECTATION ALIGNMENT - COMMUNITY OUTCOMES	TAG DELIVERABLES	TAG MEASURES
1. HE TAURANGA AUAHA TO BE AN ANCHOR OF INNOVATION AND CREATIVITY	EXHIBITION, EDUCATION, AND ENGAGEMENT PROGRAMMES	WE ARE A CITY THAT SUPPORTS BUSINESS AND EDUCATION WE ARE INCLUSIVE AND LIFT EACH OTHER UP	1.DELIVER A RANGE OF EXHIBITION, LEARNING AND ENGAGEMENT PROGRAMMES THAT ACHIEVE A HIGH LEVEL OF VISITOR EXPERIENCE SATISFACTION	<ul style="list-style-type: none">ANNUAL PROGRAMME OF AT LEAST 12 SHOWS ARE IN DEVELOPMENT CONTENT TO ENHANCE VISITOREXPERIENCES ARE IN DEVELOPMENT TO INCLUDE PUBLICATIONS, DIGITAL, AND SELF-GUIDED RESOURCES RE-OPENINGANNUAL PROGRAMME OF EXHIBITIONS AND EXPERIENCES IS LAUNCHED AND ACHIEVES A HIGH LEVEL OF VISITOR SATISFACTION
2. HE TAURANGA MATARAU TO BE AN ANCHORAGE FOR DIVERSITY	STAKEHOLDER ENGAGEMENT MARKETING AND COMMUNICATIONS	WE ARE INCLUSIVE AND LIFT EACH OTHER UP	2.IMPLEMENT VISITOR EXPERIENCE STRATEGY THAT GROWS AND DIVERSIFIES AUDIENCES, AND ENGAGEMENT	<ul style="list-style-type: none">STAKEHOLDERS AND AUDIENCES ARE INFORMED DURING THE CLOSURE AND LEADING UP TO THE REOPENING OF THE GALLERY THROUGH A TARGETED CAMPAIGNUPGRADED WEBSITE LAUNCHEDDIVERSE AUDIENCES ENGAGE WITH GALLERY REOPENING PROGRAMME
	STAKEHOLDER ENGAGEMENT	WE ARE INCLUSIVE AND LIFT EACH OTHER UP	3.IMPLEMENT MĀORI ENGAGEMENT FRAMEWORK.	<ul style="list-style-type: none">KAITOHOTOHU TOI MĀORI ROLE APPOINTEDMĀORI ADVISORY GROUP ESTABLISHED
	STAKEHOLDER ENGAGEMENT MARKETING AND COMMUNICATIONS	WE RECOGNISE WE ARE AN INTEGRAL PART OF THE WIDER BAY OF PLENTY REGION AND UPPER NORTH ISLAND	4.OUR BRAND VALUE IS STRENGTHENED THROUGH TOURING EXHIBITIONS, MEDIA COVERAGE AND INVITATIONS TO PARTICIPATE IN HIGH PROFILE EVENTS	<ul style="list-style-type: none">MEDIA COVERAGE IS TRACKED AND IS POSITIVETOURING SHOWS IN DEVELOPMENT WITH CONFIRMED VENUES
3. HE TAURANGA WHAIHUA TO BE AN ANCHOR OF ENDURING SUCCESS	FINANCIAL GOVERNANCE AND MANAGEMENT	WE HAVE A WELL- PLANNED CITY WHICH FUELS POSSIBILITY	5. IMPLEMENT AND MONITOR PRUDENT FINANCIAL MANAGEMENT AND PROCESSES	<ul style="list-style-type: none">AUDIT REPORT COMPLETEDANNUAL BUDGET IS APPROVED AND MET
	STAKEHOLDER ENGAGEMENT	WE HAVE A WELL- PLANNED CITY WHICH FUELS POSSIBILITY	6. ESTABLISH, GROW AND DIVERSIFY REVENUE STREAMS THAT WILL ACHIEVE FINANCIAL SUSTAINABILITY	<ul style="list-style-type: none">APPROVED ANNUAL REVENUE PLAN AND TARGETS MET.

TAGT STRATEGIC OBJECTIVES	TAG BUSINESS FUNCTION	TCC LETTER OF EXPECTATION ALIGNMENT - COMMUNITY OUTCOMES	TAG DELIVERABLES	TAG MEASURES
	FINANCIAL GOVERNANCE AND MANAGEMENT	WE HAVE A WELL-PLANNED CITY WHICH FUELS POSSIBILITY	7. DEMONSTRATE ACCOUNTABILITY AND TRANSPARENCY OF INVESTMENT OF PUBLIC FUNDS.	<ul style="list-style-type: none"> ANNUAL REPORT AND AUDITED ACCOUNTS ARE LOADED ONTO WEBSITE.
4. HE TAURANGA HAUKAHA TO BE AN ANCHOR OF GREAT SHELTER	INFRASTRUCTURE AND FACILITIES	WE HAVE A WELL-PLANNED CITY WHICH FUELS POSSIBILITY	8. DELIVER AN ENHANCED FACILITY CONTRIBUTING TOWARDS A STRONG TE MANAWATAKI O TE PAPA PRECINCT AND CITY CENTRE PARTNERSHIPS	<ul style="list-style-type: none"> BUILDING REOPENS OFFERING ENHANCED VISITOR AND ART EXPERIENCES TAG WORKS CLOSELY WITH TTOTP PARTNERS TO GROW THE PROFILE OF THE PRECINCT AND CITY
5. HE TAURANGA HAUMARU TO BE ANCHOR IN SAFE DEVELOPMENT	PEOPLE AND ORGANISATIONAL CULTURE	WE ARE INCLUSIVE AND LIFT EACH OTHER UP	9. HEALTH, SAFETY, WELL-BEING, AND ORGANISATIONAL CULTURE IS A PRIORITY	<ul style="list-style-type: none"> MONTHLY H&S REPORT TO BOARD FOR REVIEW AND DISCUSSION SAFE 365 IMPLEMENTED
	BOARD PROFESSIONAL DEVELOPMENT	WE ARE INCLUSIVE AND LIFT EACH OTHER UP	10. THE BOARD IS PROVIDING BEST PRACTICE GOVERNANCE.	<ul style="list-style-type: none"> BOARD PROFESSIONAL DEVELOPMENT UNDERTAKEN AND REPORTED ON



7. The Future and Beyond

The redevelopment of the Tauranga Art Gallery including a major seismic upgrade is an investment in future proofing this civic asset for generations to come

The key benefits to the capital development of Tauranga Art Gallery are:

- Through the calibre of art experiences, be known as a destination gallery, attracting locals and visitors alike
- To be a regional asset that is fit-for-purpose and meets international museum standards
- As a Te Manawataki o Te Papa and city centre partner – to uplift the cultural, environmental, social and economic wellbeing of our community
- To increase revenue, achieving a sustainable business model

2024–2025 and beyond is going to be an exciting period for the Gallery. A revitalised building, expanded experiences and programmes will attract residents and visitors to the city centre. The reopening of Masonic Park mid 2024 will enable a beautiful public space for Tauranga Art Gallery to open onto. It creates opportunities for Tauranga Art Gallery placemaking programming and activation with art projects, events and activities.

We will continue to offer opportunities for local artists to showcase their work in the Gallery and continue to inspire young people into art through our junior art awards. Through our Māori Engagement Strategy we are committed to and excited to present a programme that showcases contemporary art practice and matauranga of mana whenua and tanga whenua artists.

To enable our tamariki and rangatahi to develop a lifelong love of art, and to offer opportunities for adults to participate in art classes, we will offer through our upgraded Creativity Centre a wide range of workshops, and for teachers and activity providers – professional development opportunities .

Developing the capability of our people at the governance and operational levels of the Gallery is a priority over the next few years. The challenges of the past few years have reinforced to us there is a need to make sure our people are not only capable of doing the work but have the resilience to be able to adapt to our changing and unpredictable environment.

Finally with the completion of Te Manawataki o Te Papa in the near future we will join a group of cultural partners committed to a vibrant city centre – showcasing the richness of art culture and heritage in Tauranga Moana.



8. Planning

Tauranga Art Gallery Trust will prepare and annually update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three year forecasts of financial performance and position separately identifying any significant intended expenditure
- Any likely requests for increased levels of funding from Council
- Key actions or initiatives to deliver on the objectives of the Trust
- Upcoming challenges, risks and opportunities for the Trust

Tauranga Art Gallery Trust will work collaboratively with Tauranga City Council to review and as necessary update the Enduring Statement of Expectation and the annual Letter of Expectation.

9. Reporting

TAGT will:

- Keep Tauranga City Council informed of matters of substance affecting the Trust as outlined in Enduring Statement of Expectation.
- Produce an annual report to Tauranga City Council on both financial and non-financial performance.
- Appraise the performance of the Trust Board / Trustees at least every two years.

Annual Report

Within two months after the end of each financial year, Tauranga Art Gallery Trust shall deliver to the Tauranga City Council a Draft Annual Report, and within three months after the end of each financial year, audited financial statements in respect of that financial year containing the following information:

- A trustees' report, including a summary of the financial results, a report of the operations, and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities;
- Audited financial statements for that financial year
- The Auditor's report on:
 1. Those financial statements; and
 2. The performance targets and other measures by which performance has been judged in relation to the objectives

The audited financial statements shall consist of

- Statement of Financial Position
- Statement of Financial Performance
- Statement of Cash Flows
- Statement of Performance against Financial and Non-Financial Performance Targets;
- Such other statements as may be necessary to fairly reflect the financial position of the Trust, the resources available to the Trust and the financial results of the operations
- of the Trust; and
 - A statement of accounting policies and notes to the accounts
 - The ability for Tauranga Art Gallery Trust to meet the above timeframes is dependent on the availability of the appointed Auditor.

10. Financial Performance Targets

Gross revenue is consistent with the agreed budget.

- Expenditure is managed within the agreed budget
- Working capital ratio of no less than 1 (excluding current portion of term debt)
- Interest cost as a percentage of total revenue should not exceed 10%
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets)
- No debt is to be raised to finance operating expenses
- No distribution of income or capital to Tauranga City Council

Non-Financial Performance Targets

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.

11. Accounting Policies

Financial statements will be prepared and applied consistently in accordance with NZ GAAP. They will comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

12. Asset Management

Tauranga Art Gallery Trust will prepare and implement Asset Management Plans for the building and other assets.

Commercial Values of Assets

Tauranga Art Gallery Trust operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2024.

13. Transactions between related parties

Transactions between Tauranga City Council and Tauranga Art Gallery Trust will be conducted on a wholly commercial basis.

14. Significant decisions

Tauranga Art Gallery Trust will not undertake any activity of a significant nature or scope not provided for in the Enduring Statement of Expectation or the Statement of Intent without prior approval of Tauranga City Council. In particular, the prior approval would be required for Tauranga Art Gallery Trust to:

- Form any subsidiary entity
- Purchase shares in any other entity
- Dispose of any significant assets, e.g., land or buildings
- Dispose of or deaccession any works within the Tauranga City Council Civic Art Collection
- Purchase any significant assets e.g., land or buildings

15. Investment from TCC

2024–25

Management and operation of Tauranga Art Gallery \$1,521,934 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

2025–26

Management and operation of Tauranga Art Gallery \$1,521,934 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

2025–26

Management and operation of Tauranga Art Gallery \$1,521,934 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

Any increases of the Management & Operational funding and Trustee fees would be subject to TCC approval as part of the internal submission via the Annual Plan process

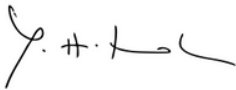
16. Transactions between related parties

Payment of the Tauranga Art Gallery management and operation will be made monthly in advance as per the schedule above.

Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.



Signed by:
Rosemary Protheroe
Chair, Tauranga Art Gallery Trust



Signed by:
Sonya Korohina
Director, Tauranga Art Gallery

toi
Tauranga
art gallery

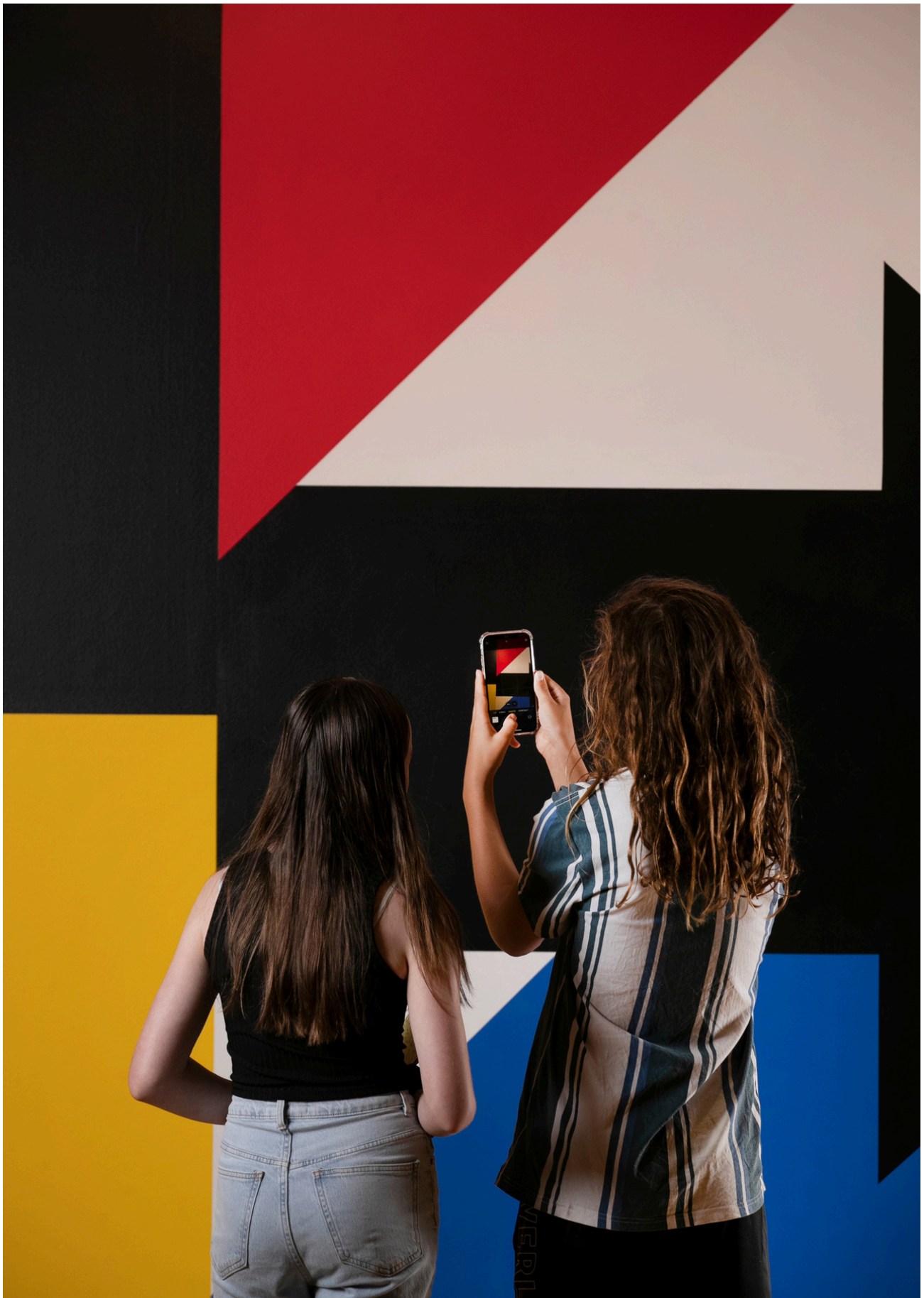
17. Three Year Forecasted budget

TAURANGA ART GALLERY	Current Year Forecast	3 Year Forecast		
	2023-24	2024-2025	2025-2026	2026-2027
Indicative Three Year Operational Forecast				
Income				
Donations, fundraising and similar revenue	\$18,159	\$189,500	\$201,935	\$207,589
Revenue from providing goods or services	\$324,802	\$300,980	\$322,190	\$331,769
Interest, dividends & other investment revenue	\$62,200	\$31,200	\$31,200	\$31,200
Relocation Income	\$204,377	\$0	\$0	\$0
Redevelopment Funding	\$5,000	\$0	\$0	\$0
TCC Operational (incl Collections)	\$1,255,102	\$1,534,540	\$1,534,540	\$1,534,540
WBOPDC	\$40,008	\$40,000	\$40,000	\$40,000
Total Income	\$1,909,648	\$2,096,220	\$2,129,865	\$2,145,099
Less Operating Expenses				
Building	\$235,460	\$200,733	\$206,755	\$212,544
Relocation Expenses	\$241,713	\$0	\$0	\$0
Expenses related to public fundraising	\$247,778	\$339,677	\$277,868	\$286,347
Volunteer & Employee related costs	\$928,669	\$1,222,400	\$1,225,373	\$1,259,683
Trustees and Governance	\$62,000	\$78,722	\$79,255	\$79,768
Other expenses	\$87,380	\$136,685	\$140,785	\$144,727
Total Operating Expenses	\$1,803,000	\$1,978,216	\$1,930,036	\$1,983,070
Operating Surplus/(Deficit)	\$106,648	\$118,004	\$199,829	\$162,029
Non-operating Expenses				
Depreciation	\$151,740	\$151,740	\$151,740	\$151,740
Total Non-operating Expenses	\$151,740	\$151,740	\$151,740	\$151,740
Net Surplus/(Deficit)	(\$45,092)	(\$33,736)	\$48,089	\$10,289

18. Assumptions

1. The Trust acknowledges that at least the 1st quarter of 2024/2025, will be a construction phase for the Gallery redevelopment and will have a direct impact on visitor numbers and correlating revenue
2. That the Gallery will reopen to the public April 2025
3. The financial arrangements related to the major refurbishment work are being finalised and have not yet been included in these projections. The Trust does expect the total costs to be in the order of \$7.5M which will be met by sale of the Gallery property, TCC funding contribution and other capital funding raising.





14 February 2024



Rosemary Protheroe, Chair
C/- Tauranga Art Gallery Trust
108 Willow Street
Tauranga, 3110

Via email: rosemary.protheroe@gmail.com

Dear Rosemary

Tauranga Art Gallery Trust – Shareholder Feedback to the Draft Statement of Intent 2024/25 to 2026/27

At our Council meeting on 12 February 2024, we received the Tauranga Art Gallery Trust's (TAGT) draft Statement of Intent for 2024/25 to 2026/27.

We would like to thank you for completing this document and providing it to Council ahead of the standard timeframe.

We look forward to our continued partnership with TAGT, particularly with TAGT's integral role in the development of Te Manawataki o Te Papa civic precinct development.

The content in TAGT's draft Statement of Intent meets legislation requirements. It also shows alignment with our community outcomes and Letter of Expectation, particularly in outlining TAGT's approach to financial prudence.

We recommend the TAGT Board consider a few minor amendments and suggestions when finalising the Statement of Intent, which include:

- Review the trustee fees and budgets in relation to inflationary rates year-on-year as the figures included in your Statement of Intent don't appear to align with what we have included in the Long-term Plan 2024-2034.
- Check that the Art Gallery's budgets reflect the upcoming disruption to operations while the Gallery is being redeveloped as part of Te Manawataki o Te Papa.
- Ensure the investments from Council are accurately reflected in the Gallery's forecasting tables.
- Correct spelling of Te Arawa on page nine.
- Consider moving the measure around brand value, touring exhibitions, and media coverage to the 'be an anchor of enduring success' strategic objective.
- Include joint story telling with Council.
- Discuss the Social Return on Investment work, commit to reporting back on how this research will be incorporated into the Gallery's community offerings, and demonstrate how this will inform future performance measures.
- Highlight how the Gallery's offerings will celebrate the wider diversity of the region and embrace opportunities to connect with a range of ethnic communities.
- More explicitly discuss how TAGT will achieve accessibility for all users, including its staff, artists, and visitors.

Following recent GOVN265 board reviews, we encourage TAGT to proactively implement actions recommended through this process and reference them in their final Statement of Intent.

We would like to see TAGT move towards greater accountability and transparency by publishing summaries of Board agendas and minutes online. We acknowledge redacting commercially sensitive information is an option where necessary.

We would like to thank the TAGT board in advance for delivering the final Statement of Intent to Council by 30 April 2024, ahead of the usual statutory timeframe.

If you have any questions or need assistance, please contact Sanjana France, CCO Specialist, at sanjana.france@tauranga.govt.nz or on 027 221 6798.

Yours sincerely



Anne Tolley
Commission Chair
Tauranga City Council

Cc: Sonya Korohina, Tauranga Art Gallery Director - director@artgallery.org.nz



Aqua 360 Jet Ski Tours, Mount Maunganui

STATEMENT OF INTENT

2024-2025 TO 2026-2027

TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY
(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)



**KO MĀTOU WAAHI HE NGĀKAU PAI, HE
TAKUTAI HAUMAKO RAWA, HE WAAHI PITO
MATA.**

**HE WAAHI AWHINA O NGĀ AHUREA
TUAKIRI KĀTOA. KO TE WAIRUA
MĀHORAHORA O TE TANGATA HE ORITE KI
TE PARITANGA HUANGĀ PAI O TE WHENUA.**

**HE WAAHI HURANGA – KO TĀ MĀTOU
PŪMANAWATANGA, TE MOTUHAKETANGA
ME TE WHAKAARO MURAMURA E
HONOHONO ANA MĀTOU KI TE AO.**

HE TAURANGA MAI. HE TAURANGA ATU.

TE MOANANUI Ā TOI – HE WAAHI MŌU.

**OURS IS A PLACE OF POSITIVE ENERGY; A
RICH COASTAL PARADISE BLESSED WITH
RAW POTENTIAL.**

**WHERE CULTURES EMBRACE
AND THE NATURAL GENEROSITY
OF OUR PEOPLE IS AS ABUNDANT AS OUR
FERTILE LAND AND OPEN SEAS.**

**A PLACE OF DISCOVERY –
OUR INGENUITY, DETERMINATION
AND BOLD THINKING CONNECT
US TO THE WORLD.**

A LANDING PLACE. A LAUNCH PAD.

**THE COASTAL BAY OF PLENTY –
A PLACE FOR YOU.**



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1. Purpose of Statement of Intent

In accordance with section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty) for the next three years. This SOI sets out Tourism Bay of Plenty's strategic framework, activities, and performance measures, as the basis of organisational accountability.

Tourism Bay of Plenty (TBOP) acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Tauranga City Council and Western Bay of Plenty District Council. These articulate the focus areas for TBOP that will contribute to advancing the western bay's economic prosperity.

2. About Tourism Bay of Plenty

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity, established to promote and manage the western bay sub-region as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) which is accountable to Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC) through separate Letters of Expectation. TBOP is also accountable to Whakatāne District Council (WDC) by a separate Letter of Intent. This collective region is known as Te Moananui ā Toi | the Coastal Bay of Plenty.



3. Objectives of Tourism Bay of Plenty

TBOP's purpose, as described in its Trust Deed, is to promote the economic welfare and development of the western bay region and its citizens through destination marketing, destination management, and other related activities which impact on the region as a visitor destination. TBOP is also responsible for providing visitor information services in the region.

TBOP's role as a Destination Management Organisation (DMO) is to lead, advocate, and coordinate a cohesive, collaborative, and balanced approach to the promotion and management of the region. This is a partnership approach which requires genuine engagement with local communities, businesses, iwi, and stakeholder councils to ensure an enhanced visitor experience.

3.1 Alignment with Tauranga City Council's Community Outcomes

TCC have made a commitment to "put the community at the heart of everything we do" and to create a vibrant city. The *Our Direction Tauranga 2050* document explains the Council's strategic framework, outlining desired community outcomes, guiding further decision-making, and supporting its overarching *City Vision, Together we can*.

As per TCC's Letter of Expectations, TBOP will ensure its activity contributes to the following three TCC community outcomes, which align with the three pillars of the Council's City Vision:

- **We fuel possibility and vibrancy**
Tauranga is a vibrant city where we fuel possibility by fostering creativity, innovation, celebrating arts and culture and empowering change makers to create a vibrant city.
- **We are inclusive and lift each other up**
Tauranga is a city that recognises and promotes partnership with tangata whenua, values culture and diversity, and where people of all ages and backgrounds feel included.
- **We value and protect our environment and prioritise nature**
Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.

3.2 Alignment with Western Bay of Plenty District Council's Focus

WBOPDC desires to have economic wellbeing integrated with environmental, social, and cultural wellbeing. WBOPDC value TBOP's Destination Management Plan, which has regenerative tourism at its core. Council supports regenerative tourism that aims to:

- Have net benefit across the environment.
- Improve residents' quality of life.
- Elevate Te Ao Māori.
- Add value to the economy.



3.3 Principal Objectives

TBOP takes the lead role in the sustainable growth of the visitor economy and destination management of Te Moananui ā Toi | the Coastal Bay of Plenty. TBOP's purpose is 'to lead the prosperity of our people and place through tourism'. As such, our principal objectives are to:

1. Help manage and promote the reputation of Tauranga and the wider coastal region nationally and internationally, to increase awareness and appeal.
2. Create, identify, and support opportunities for tourism to have positive economic, social, cultural, and environmental outcomes for the region and residents.
3. Share positive visitor sector stories to engage communities and to demonstrate the value of tourism to local residents (i.e., maintaining social license).
4. Provide leadership, advocacy, and engagement across the visitor economy, in areas such as events, cruise, conferencing, destination management, destination marketing, and storytelling.
5. Participate in conversations with both councils and in their subsequent workstreams, in relation to the development of their strategic directions. This includes contributing to Long-Term Plan conversations, the Te Manawataki o Te Papa project, and other similar large-scale council projects or reviews.
6. Ensure the TBOP business continuity plan is up to date and that it includes contingency strategies, being mindful of relevant health and safety legislation whenever we're providing services to support the wellbeing of our communities.

3.4 Operating Principles

TBOP will adhere to the 'Council Group' operating principles whereby:

- We deliver value for our communities through prudent financial management, ensuring we plan and provide affordable fit-for-purpose services.
- Sustainability and resilience underpin our decision-making and service delivery, protecting the future of our city.
- We work in partnership with tangata whenua, our communities, sub-regional stakeholders, and central government.
- We manage the balance between the social, economic, cultural, and environmental wellbeing of our communities.
- We listen to our communities and make transparent, evidence-based decisions.

TBOP is committed to employee wellbeing. As part of this, TBOP will continue to pay all staff the Living Wage as a minimum.



4. Approach to Governance

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. The TBOP Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the ESE.

The TBOP Board of Trustees is appointed by both councils to govern and direct TBOP's activities. The Board is accountable to the councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the councils to ensure a bilateral 'no surprises' relationship.

For transparency, TBOP will continue to publish up-to-date information online about what it does and how it operates on this page on our website: bayofplentynz.com/media-and-resources/resources/. TBOP will also consider the online publication of minutes of public sections of Board meetings.

4.1 The Role of the Tourism Bay of Plenty Board of Trustees

The Board of Trustees is responsible for the direction of TBOP. In accordance with the ESE, this responsibility includes:

- Acting in accordance with the Trust Deed.
- Developing and overseeing TBOP's Visitor Economy Strategy 2018-2028 (VES).
- Advocating on behalf of TBOP with key stakeholders.
- Approving Annual Plans, budgets, and the Statement of Intent (SOI).
- Maintaining Enterprise Risk and Health and Safety systems, policies, and controls.
- Monitoring financial performance and achievement of key initiatives and SOI objectives.
- Appointing and monitoring the performance and remuneration of the General Manager (GM).
- Ensuring the integrity of management information systems and policies.
- Assessing business opportunities and business risks.
- Ensuring TBOP policies enable a healthy organisational culture and staff engagement.
- Complying with relevant law.
- Ensuring TBOP exhibits a sense of social and environmental responsibility.
- Reporting to the councils.
- Following the decision-making guidelines in the ESE and the TCC Appointment of Directors to Council Organisations Policy and the Significance and Engagement Policies.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council-to-Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the General Manager (GM) of TBOP, who reports to the Board.



4.2 Tourism Bay of Plenty Trustees

As of 30 November 2023, the TBOP Board comprises of the following trustees:

- Russ Browne (Chairperson)
- Clare Swallow (Deputy Chairperson)
- Jason Hill
- Peter Blakeway
- Janine Tulloch
- Charles Russell
- Andrea Webster

4.3 Communication Protocol

The Chairperson, Board members, and officers of TBOP will adhere to the following communication protocols with the councils, in addition to the formal reporting requirements:

- Regular governance-to-governance meetings with each council's Commissioners or Councillors.
- Presentations of the Six-Month Report and Annual Report to both councils.
- Two-way dialogue and consideration of each council's strategic priorities and objectives.
- A bilateral 'no-surprises' approach to governance and the management of the organisation.
- Consultation, prior to external release, of any significant changes and/or developments.
- Early notification and collaboration on key matters of risk or reputation.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every two years, alternating annually between a Board-led review and a Council-led review.
- Share the details of any substantive engagement with central government and/or external agencies.
- Acknowledge our relationship with councils and use of logos where appropriate.

4.4 Statement of Intent

The draft SOI for the ensuing financial year will be provided by TBOP to the councils by 19 January, 2024. Feedback from the councils will be considered by mid-February, and the final SOI will be submitted by 30 April, 2024.

The draft SOI provides a three-year view, which is consistent with the ESE, to identify:

- An indicative rolling three-year forecast of performance and position.
- Identification of any significant intended expenditure.
- Any likely requests for increased funding from either council.
- Key actions or initiatives to deliver on the objectives of TBOP.
- Upcoming challenges, risks and opportunities for TBOP.



5. Nature and Scope of Activities

TBOP's purpose:

To lead the prosperity of our people and place through tourism.

TBOP's growing role as a Destination Management Organisation requires it to *lead*, *advocate* and *coordinate* the visitor economy, while considering environmental, social, and cultural interests. We also need to ensure we preserve the region's unique identity, and that visitor-related development is cognisant of the interests of local residents and iwi.

Lead	Advocate	Coordinate
<ul style="list-style-type: none"> •Lead the sustainable growth of the tourism sector, for the benefit of our community. 	<ul style="list-style-type: none"> •Manage, develop and plan growth, taking into consideration social, environmental and cultural interests. 	<ul style="list-style-type: none"> •Work with public, private and Iwi led organisations as a key collaborator in order to make the region a more regenerative, compelling and attractive visitor destination.

Destination management is an ongoing process, which reflects the need for regions to plan for the future. Destination management brings different stakeholders together in a collaborative manner to achieve the common goal to which they are all committed: developing a well-managed, sustainable destination for locals and visitors alike. This requires inclusive and coordinated leadership. Destination management needs to engage residents, tourism enterprises, businesses, Māori (iwi and hapū), Regional Tourism Organisations, Economic Development Organisations, Tourism New Zealand, and local, regional and central government whenever necessary or appropriate. To be successful, Tourism Bay of Plenty requires support from our local councils.

To ensure effective planning for population and urban growth, councils can provide opportunities for TBOP to actively contribute their expertise and knowledge of the tourism industry and economic development. This will help to ensure effective destination management of the region going forward.

As part of this, TBOP commits to liaising with the appropriate teams at both councils to better understand the destination opportunities they have already identified, such as Te Manawataki o Te Papa, Mount Maunganui, Ōmanawa Falls, TECT Park, and other recreational reserves, walking trails, cycling trails, and more.



5.1 Significant Areas of Activity

This section outlines the significant activities TBOP will undertake across Tauranga City and Western Bay of Plenty District. Activity will be apportioned per territorial authority area based on funding allocations, unless otherwise specified or if the activity is deemed to have regional benefit or there are extenuating circumstances that would require upweighting. Activity undertaken for Whakatāne District is project-based and is limited to direct funding received.

Activity to be undertaken across the western bay region

MARKETING

Market the destination domestically and internationally through relevant channels to target markets. Including:

- A campaign aimed at domestic and local markets.
- Targeted Australian marketing activity. Trade marketing to partner organisations in New Zealand and key overseas markets (Australia, UK and USA).
- Media hosting.

CYCLE TRAILS & WALKWAYS

- Support the development of recreational cycle trails and walkways.
- Support tourism ventures that make use of this infrastructure.
- Promote cycle trails in the western bay area through digital channels and an annual updates of the western bay cycle trails booklet, including printing and distribution.

PUBLIC RELATIONS & STORYTELLING

- Share information and news that shows why the region is a desirable place to live and visit, and to demonstrate the value of tourism to the local community.
- Manage any destination reputation risks that may arise.



ELEVATE MĀORI CULTURAL TOURISM OFFERING

- Support new and existing Māori cultural operators and developments to provide authentic cultural experiences to visitors.
- Incorporate cultural histories and stories into digital storytelling and wayfinding platforms managed by TBOP.

SOCIAL LICENCE & INSIGHTS

- Measure the impact of the tourism industry across the four wellbeing areas (where data are available) and use information to inform actions.
- Determine cruise value proposition and stakeholder perceptions as a key project.

SUPPORT TOURISM OPERATORS

Help new and existing operators to enhance their offering by supporting provision, access, and engagement with suitable training and upskilling opportunities. This includes resilience building, environmental sustainability, and digital marketing.

Note, some of this was previously covered by The Green Room | Te Rūma Kākāriki, and primarily funded by Toi Moana Bay of Plenty Regional Council.

FLAVOURS OF PLENTY PLATFORM

Grow the profile of the region as a foodie destination through:

- Promoting the region's foodscape through paid and owned marketing channels.
- Engaging with the foodie ecosystem via e-communications and face-to-face meets ups with industry.
- Retain Flavours of Plenty Festival as a key in-house marketing platform for local businesses to leverage and support sustainable partnerships.

NB: We are keen to see this platform grow and are seeking funding from multiple sources.

CRUISE SECTOR OPPORTUNITIES

Continue to manage the cruise sector and work to enhance the benefits it brings to the local community.

ACCESSIBLE TOURISM

- Continue to update the bayofplentynz.com website with wayfinding and accessibility options in the western bay region.
- Continue to encourage operators to look at universal design options.



Additional opportunities (Requested by TCC for TBOP to lead, with finalised funding pending)

DIGITAL WAYFINDING NETWORK

TBOP to continue to be the lead agency for a network of 'in-destination' digital kiosks to better enable visitor, event, and location specific wayfinding and cultural storytelling across the region. We are also supporting the wider TCC wayfinding and signage strategy.

BRAND TAURANGA

Project: TBOP the lead agency for the Tauranga Moana brand project.

Ongoing funding support and phasing work to be confirmed.

Tauranga City Activity

EVENTS

Continue to implement the key actions **(1b and 4c)** in the Tauranga Events Actions and Investment Plan that TBOP is responsible for delivering. Timeframe for both actions is 1 to 3 years.

AIP Goal 1: Develop a strategic and collaborative approach to priorities and investment in major events and business events.

TBOP Action 1b: Develop a business events framework to provide a clear and coordinated framework for investment for the city.

AIP Goal 4: Improving the promotion and marketing of events to both local and national audiences.

TBOP Action 4c: Promote Tauranga as a premier event destination for visitors nationally and internationally. Adopt a collaborative approach to the promotion of events.

TBOP and the TCC Events Team are currently determining the scope of TBOP deliverables related to this action, based on TBOP resources.

PLACEMAKING

Support regional development and initiatives that support tourism, such as Te Manawataki o Te Papa, and the Mount Spatial Plan.



Western Bay of Plenty District Activity

MAJOR EVENTS PROMOTION

Support major events in the Western Bay of Plenty District such as the Waihi Beach Summer Fair, and Katikati Avocado Festival with promotional opportunities where appropriate.

6. Ratio of Funds to Assets

6.1 Ratio of Consolidated Funds

If the Trust is ever wound up, all assets will revert to both councils, to be held in trust for similar purposes. TBOP intends to keep the equity ratio equal to or above 0.5:1.0. The ratio is calculated as: equity divided by total assets.

7. Accounting Policies

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards. The accounting policies that have been adopted are detailed in the Tourism Bay of Plenty Annual Report.

7.1 Asset Management

TBOP will prepare and implement Asset Management Plans for all assets where relevant.

7.2 Transactions Between Related Parties

Transactions between the councils and TBOP will be conducted on a wholly commercial basis.

8. Performance Targets (for western bay)

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2023)	TARGET BY JUNE 2024	TARGET BY JUNE 2025	TARGET BY JUNE 2026*
ECONOMIC Wellbeing	Grow the value of tourism to the western bay economy.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	MBIE MRTE's – Monthly Regional Tourism Estimates	In the year ending June 2023, total visitor spending in western bay was up 7% compared to the year ending June 2022.	Increased visitor spend in the western bay compared to YE June 2023.	Increased visitor spend in the western bay compared to YE June 2024.	Increased visitor spend in the western bay compared to previous YE.
SOCIAL Wellbeing	Enhance the value of tourism to our community (according to the community).	Residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Direct Partnered Indirect	Residents' satisfaction surveys, conducted by the respective councils.	Tauranga City community: 64% agree of residents agree. <small>YE June 2023 Representing scores of 7 to 10</small> Western Bay of Plenty District community: 71% of residents agree. <small>YE June 2023 Representing scores of 6 to 10</small>	Tauranga City Residents: 65% Western Bay of Plenty District Residents: 72%	Tauranga City Residents: 60% Western Bay of Plenty District Residents: 72% NB: Currently investigating alternative measures to better understand and balance both resident and business sentiment.	Tauranga City Residents: 62% Western Bay of Plenty District Residents: 72% NB: Currently investigating alternative measures to better understand and balance both resident and business sentiment.
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Facilitation of programmes that elevate the Māori cultural tourism proposition in the western bay region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Worked with Tauranga Moana mana whenua and other stakeholders to draw together cultural history and stories that can be shared with visitors via various platforms.	Incorporated Tauranga Moana cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP.	Incorporated Western Bay of Plenty District cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP.	Supported a minimum of 3 Māori tourism operators to connect their experience offering to a digital platform.
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region via environmental sustainability and regeneration projects.	Industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	Direct Partnered	Programme reports.	A total of 40 visitor sector organisations in the western bay have implemented sustainability initiatives and improved their sustainability literacy after completing The Green Room programme.	A total of 100 visitor sector organisations in the western bay have implemented sustainability initiatives and improved their sustainability literacy after completing The Green Room programme.	Key opportunities identified to support climate change mitigation and adaptation projects relating to tourism (connecting with the Tauranga Climate Change Action and Investment Plan, where relevant).	Key actions and programmes are in place which build on climate change mitigation and adaptation progress relating to tourism (connecting with the Tauranga Climate Change AIP, where relevant).
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee engagement survey.	Employee Engagement score: 79%. <small>April 2023</small>	Employee Engagement score of ≥80%.	Employee Engagement score of ≥80%.	Employee Engagement score of ≥80%.



FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2023)	TARGET BY JUNE 2024	TARGET BY JUNE 2025	TARGET BY JUNE 2026*
DESTINATION MANAGEMENT & MARKETING	Elevate the region’s cycling proposition.	Develop, update, and promote informative material on cycle trail options in the western bay.	Direct Partnered	Council’s feedback.	First iteration of western bay region cycle trails booklet successfully produced.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	Cycle trails booklet updated. The western bay region becoming known as a destination for cycling within New Zealand.
	Build operator capability to enhance the quality of the region’s tourism offering.	Provide opportunities for western bay operators to train or upskill in sales, marketing and trade capability areas while also gaining, retaining or achieving higher Qualmark rated certification.	Direct Partnered Indirect	Capability programme report.	Provided one-to-one digital marketing training to 10 tourism businesses.	Operators supported to engage in capability building programmes, with a minimum of three additional operators being endorsed with Qualmark certification.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.
	Coordinate activity that attracts key business events to the western bay region.	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Facilitated 17 leads or bids for business events in the region and won 4.	Facilitated 20 leads or bids for business events in the region and won 5.	Facilitated 25 leads or bids for business events in the region and won 7.	Facilitated 30 leads or bids for business events in the region and won 10.
	Elevate the region’s food story and proposition.	Promote and support the delivery of the Flavours of Plenty Festival to draw visitors to the Coastal Bay of Plenty region.	Direct Partnered	Festival delivery.	Successful coordination, delivery and promotion of the Flavours of Plenty Festival in March/April 2023, with 19% of event tickets sold to people who normally reside outside the region.	Promotion of the Flavours of Plenty Festival to key visitor markets results in ≥20% of ticketholders originating from outside the region.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region.
	Promotion of the western bay region to key target markets (cultural explorers, surf & beach lovers, outdoor adventurers, and eco-travellers).	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	Direct Partnered	Campaign collateral.	Focusing on social and other key digital channels, TBOP takes a partnership approach to trade marketing, and critically assesses the value of media famils to ensure ROI and value for money.	Deliver an updated domestic marketing campaign which incorporates the destination’s DNA™ elements and is focused on the target markets.	Review previous campaign results and deliver an updated/renewed domestic marketing campaign which incorporates the destination’s DNA™, converting the travel intentions of our target markets to visit, stay and spend in the region.	Annual review and delivery of relevant campaigns and related PR activity that incorporates our DNA™ pillars and converts the travel intentions of our key target markets to visit, stay and spend in the region.

*June 2027 targets to be confirmed, but initially baselined against June 2026 targets with scope for further development.



9. Expected Shareholder Distributions

TBOP is not expected to make profits. Any surplus funds remaining from the annual operations of TBOP will be carried forward to the ensuing year, to continue to pursue the primary objectives of TBOP.

10. Financial and Non-Financial Reporting

10.1 Financial Performance Targets and Measures

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Equity to assets ratio is reported on (equity divided by total assets).
- No debt is to be raised to finance operating expenses.

10.2 Reporting

TBOP has adopted 30 June as its balance date.

10.2.1.1 Six Month Report

By 28 February each year, the Trustees shall deliver to the councils an unaudited report containing the following information, in respect of the six months under review:

- Statement of Financial Performance, disclosing revenue and expenditure and comparative prior period and budget figures.
- Statement of Financial Position.
- Progress towards Non-Financial Performance Targets.
- A commentary on the financial and non-financial results for the first six months and a forecast of these results for the full year.

10.2.1.2 Annual Report

By 31 August each year, the Trustees shall deliver to the councils a draft Annual Report, and by 30 September a final version of the Annual Report which will include audited financial statements (dependent on Audit New Zealand timeframes) in respect to the previous financial year, and containing the following information:

- Chairperson's and GM's reports.
- Audited financial statements for the financial year, including Statement of Financial Performance and the Statement of Financial Position and Changes in Equity.
- Notes to the financial statements, including accounting policies.
- Service Delivery Report summarising TBOP's performance against the SOI strategic priorities.



- Independent Auditor's report on the financial statements and non-financial performance measures.

11. Activities for Compensation

11.1 Funding Principles

There are six high-level funding principles:

- As a general principle, TCC and WBOPDC will provide ongoing funding to TBOP as a contribution towards operational expenses.
- The role of the councils is to hold TBOP accountable for the use of funds provided by TCC and WBOPDC, which will ideally be consistent with the councils' strategies.
- TBOP is encouraged to seek funding opportunities from the private sector and central government to maximise the best outcomes for the organisation and the region.
- The TBOP Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
- TBOP is expected to meet the approved annual budget.
- Any net surpluses are to be disclosed through Six Month and Annual Reports.

11.2 Approach to Funding

TBOP receives an operating grant from both councils for the purpose of marketing and managing the destination. The operating grant is set through the Long-Term Plan (LTP) process, with the contribution from each council updated annually, in line with the Consumer Price Index (CPI), when TBOP creates its budgets for the coming year.

Council funding for additional operating grants and ad hoc new capital projects is to be assessed on a case-by-case basis through the LTP or Annual Plan process.



11.3 Compensation from Local Authorities

TCC and WBOPDC intend to purchase services from TBOP over the long term and agree to the level of funding on a rolling three-year basis, aligned to the three-year Business Plan of TBOP.

The services for the next three years are currently forecast as per the table below. Note that this excludes separate funding for TBOP to lead the Tauranga Moana Brand and Digital Kiosk Network projects, which are being determined at the time of writing this document.

Funder	2023/24	2024/25	2025/26	2026/27
TCC	1,630,326	1,513,574	1,574,612	1,621,850
TCC (VIC, Including Cruise)	527,650	542,949	558,697	575,458
TCC Total	2,157,976	2,056,523	2,133,309	2,197,308
WBOPDC Total*	268,960	268,000	350,000	325,000
Total	2,426,936	2,324,523	2,483,309	2,522,308

*Additional CPI adjustment for 2025/2026 & 2026/27 to be confirmed by Western Bay of Plenty District Council.

The payments will be made quarterly, in advance, on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.

WESTERN BAY OF PLENTY TOURISM & VISITORS TRUST

BUDGET	2023/24	2024/25	2025/26	2026/27
	\$	\$	\$	\$
Revenue				
Funding - Tauranga City Council	2,157,976	2,056,523	2,133,309	2,197,308
Funding - Western BOP District Council	268,960	268,000	350,000	325,000
Funding - Whakatane District Council	84,000	86,520	89,116	91,789
Funding - BOP Regional Council	60,000	-	-	-
Retail Gross Profit	4,800	2,000	2,000	2,000
Other (Includes Industry Contributions)	412,100	120,500	120,500	120,500
Total Revenue	2,987,836	2,533,543	2,694,925	2,736,597
Less Expenditure				
Operating & Marketing	1,222,675	948,564	977,021	1,006,332
Administration & Overheads	465,755	497,251	512,169	527,534
Employee Expenses	1,606,346	1,693,896	1,744,713	1,797,053
Depreciation & Amortisation	38,060	49,760	50,000	50,000
Total Expenditure	3,332,836	3,189,471	3,283,903	3,380,919
Surplus/Deficit	- 345,000	- 655,928	- 588,978	- 644,322



Notes:

- The 2023/24 deficit is a result of reduced TCC Airport funding.
- We have used reserves to cover the deficit for 2023/24. However, further reduction of reserves beyond 2023/24 may result in TBOP not meeting the equity ratio KPI of 0.5 (as per section 6.1 Ratio of Funds to Assets). This will be monitored and discussed with both councils.
- Any extra funding obtained from other sources will likely be project-based, to supplement (and not replace) this core operational funding.
- We have estimated CPI increases on funding of 3% for WDC, which will be reviewed annually.



12. Estimated Value of Tourism Bay of Plenty

The TBOP Board estimate that the commercial value of the shareholders' investment in TBOP is represented by the net assets of TBOP. This value is calculated from total assets less liabilities.

13. Significant Decisions

In accordance with the TCC Significance and Engagement Policy, TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of both councils. Specifically, prior approval would be required for TBOP to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets e.g., land or buildings.
- Purchase any significant assets e.g., land or buildings.
- Seek partnering solutions that involve the dilution of assets or the commitment of councils.

14. Termination

If any party wishes to terminate this three-year rolling arrangement, due to non-performance or any other substantive reason within the control of either of the parties:

- the party may give written notice to the other party specifying the issue and, if possible, requiring remedy within twenty-eight (28) days, and/or
- mediation is set to investigate any remedy of the issue, and/or
- if the issue is unable to be remedied to the party's satisfaction, the party must give written notice of its intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July (that is, the secondary party must have at least one full financial year's notice commencing on 1 July and ending on 30 June).

15. Signed by

Chairperson
Russ Browne
Tourism Bay of Plenty

General Manager
Oscar Nathan
Tourism Bay of Plenty



16. Glossary of Terms

AIP	Action and Investment Plan
CCO	Council Controlled Organisation
CPI	Consumer Price Index
ESE	Enduring Statement of Expectations
GM	General Manager
GST	Goods and Services Tax
LOE	Letter of Expectation
MBIE	Ministry of Business, Innovation and Employment
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
VES	Tourism Bay of Plenty's Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council
YE	Year end

Note, 'western bay' refers to the total combined area which is governed by Western Bay of Plenty District Council and Tauranga City Council.

14 February 2024



Russ Browne, Chair
c/o Tourism Bay of Plenty
8 Wharf Street
Tauranga 3110

Via email: russ@pkftauranga.co.nz

Dear Russ

Tourism Bay of Plenty – Shareholder Feedback to the Draft Statement of Intent 2024/25 to 2026/27

At our Council meeting on 12 February 2024, we received Tourism Bay of Plenty's (TBOP) draft Statement of Intent for 2024/25 to 2026/27.

We would like to thank you for completing this document and providing it to Council ahead of the standard timeframe.

We commend TBOP on their successes and contribution to making Tauranga a vibrant city through the delivery of a range of tourism initiatives, as well as their responsiveness to Council requests. It is great to see TBOP's key role in projects like the Tauranga Moana City Brand, which will further enhance alignment opportunities with Council and other council-controlled organisations.

The content in TBOP's draft Statement of Intent meets legislation requirements and aligns with many of the aspirations we included in our Letter of Expectation to the Board.

We recommend the TBOP Board consider a few minor amendments and suggestions when finalising the Statement of Intent, which include:

- Explain how TBOP will explore making the Flavours of Plenty festival a separate structure or entity and how this transition might work, noting the significant staff resources required to run the festival.
- Elaborate on TBOP's role in the Omanawa Falls project, including initiatives to improve the wayfinding and further promote this cultural and sustainability success story.
- Discuss TBOP's diversity initiatives, particularly how they will embrace leadership opportunities in this space. For example, with the Native Nations project, collaborating with Council's Takawaenga unit and celebrating other diverse and indigenous cultures.
- Consider expanding the reach of TBOP's research and engagement into residents' satisfaction, and the local tourism industry's social licence to operate. We suggest TBOP considers using the Vital Updates research channels, which connect with approximately 6,000 people.
- Include more intentional actions in the accessible tourism space. To enhance inclusivity, we suggest TBOP look at outreach with communities that aren't traditionally able to participate in their tourism offerings.

- Elevate cultural offerings across the city, which showcase Tauranga's increasing cultural diversity.
- Include joint story telling with Council.
- Staff commend the incorporation of Council's Action and Investment Plans where relevant.

Following the recent GOVN265 board reviews, we encourage TBOP to proactively implement actions recommended through this process and reference them in their final Statement of Intent.

We would like to see TBOP move towards greater accountability and transparency by publishing summaries of Board agendas and minutes online. We acknowledge redacting commercially sensitive information is an option where necessary.

We would like to thank the TBOP board in advance for delivering the final Statement of Intent to Council by 30 April 2024, ahead of the usual statutory timeframe.

If you have any questions or need assistance, please contact Sanjana France, CCO Specialist, at sanjana.france@tauranga.govt.nz or on 027 221 6798.

Yours sincerely



Anne Tolley
Commission Chair
Tauranga City Council

Cc: Oscar Nathan, General Manager: Tourism Bay of Plenty – oscar@bayofplentynz.com

Te Manawataki o Te Papa Limited

Statement of Intent
to Tauranga City Council

2024-2027



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Foreword

Te Manawataki o Te Papa "Te Papa mana whenua, Te Papa Houkura, Te Papa o ngā waka, Te Papa kainga o te iwi"

"The heartbeat of Te Papa – the deep springs, the richness of the land, the landing of many canoes, the home of the people"

The Te Manawataki o Te Papa civic development project is the realisation of the Tauranga community's long-held vision and aspirations for the city centre.

As set out in the Tauranga Civic Precinct Masterplan (revised and approved by Tauranga City Council's Commission in December 2021), the civic development project will feature a progressive new library and community hub with a research and archives facility, café, children's section and community meeting rooms; a new civic whare (public meeting space); and a museum and exhibition gallery that will offer direct access to the city's taonga and heritage collection. The new Civic Precinct is being complemented with a suite of Council-led developments and development opportunities including a redeveloped Public Realm and Waterfront, Memorial Park Aquatics / Recreational hub, Indoor Courts facility and Council offices at 90 Devonport Road. These are intended to establish the City centre as the commercial, civic and cultural heart of Tauranga.

The facilities and activities planned will draw people in from near and far, helping to add vibrancy and breathe life into the city. The benefits of the City centre projects will be felt by communities right across Tauranga, its wider region, and those who choose to visit, work, invest and live in the city centre.

The projects will promote opportunities for welcoming and expression, learning and discovery, appreciating our past and shaping our future, and places for entertaining and enjoyment.

This statement is presented in accordance with the requirement of section 64(1) of the Local Government Act 2002 and incorporates the expectations of Tauranga City Council as outlined in its Letter of Expectations dated 13 April 2023. It outlines Te Manawataki o Te Papa Limited's objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the years 1 July 2024 to 30 June 2027.

We look forward to updating you during the year as we progress throughout the design and construction phases of the Te Manawataki o Te Papa civic development project.

*Kim Wallace
Chair
Te Manawataki o Te Papa Limited*

1 Introduction

Te Manawataki o Te Papa Limited (**TMoTPL**) is the Council's company responsible for governing the delivery of a suite of projects across Tauranga city. This includes the Te Manawataki o Te Papa civic precinct; redevelopment of the Public Realm and Waterfront; the Memorial Park Aquatics/Recreational hub; the Indoor Courts facility and the fitout of 90 Devonport Road offices (collectively the **Programme**).

TMoTPL is a council-controlled organisation (**CCO**) for the purposes of the Local Government Act 2002 (**LGA**) and a public benefit entity for financial reporting and tax purposes. The company is 100% owned by the Tauranga City Council (**Council**). TMoTPL was registered and began operations in February 2023.

This Statement of Intent (**SOI**) is prepared by TMoTPL in accordance with section 64(1) of the LGA and in response to Council's Letter of Expectation dated 13 April 2023. It covers the tendering, design and construction phases. It includes information on key deliverables, financial information and performance measures and targets to enable organisational accountability and transparency.

The SOI is a public and legally required document which is reviewed and agreed annually with the Council, as TMoTPL's sole shareholder. This SOI covers the period from 1 July 2023 to 30 June 2026.

2 Nature, scope and purpose

The scope of the Programme under the governance of the TMoTPL includes:

- Te Manawataki o Te Papa Precinct including the new Library and Community Hub (ComHub), Civic Whare, Exhibition and Museum (CWEM), refurbishment of the Baycourt Community Theatre, refurbishment of the Tauranga Art Gallery, the development of Masonic Park and the Civic Precinct including adjacent road pedestrian footpaths.
- The Tauranga Moana Waterfront Development including the development and upgrade of reserves, facilities and marine structures from Dive Crescent to the Mataphi Bridge and including The Strand
- Memorial Park Aquatic Centre development and the refurbishment of 483 Cameron Road as an Indoor Court facility.
- Fit out of the new Tauranga City Council offices at 90 Devonport Road.

TMoTPL is responsible for the governance of the delivery of the Programme, including execution, monitoring, and control, through to completion of construction, in a way that provides the best community outcomes possible and in accordance with the Tauranga Civic Precinct Masterplan (December 2021), the Tauranga Moana Masterplan September 2022 and the Memorial Park Aquatic Centre (December 2023).

TMoTPL will actively identify, quantify, and mitigate risks in a timely manner to the Council, as the agency responsible for delivering the Programme including (without limitation) financial risk, delivery risk and reputational risk. It will also advocate with the Council to maximise opportunities to obtain third party contributions to the Programme.

TMoTPL's purpose is to deliver the Programme for and with the community, on behalf of the Council to achieve the expected outcomes, rather than to operate a business for profit.

3 Vision

The vision of TMOtpl is to transform the heart of the city, the Tauranga Waterfront and Memorial Park Aquatic Centre into a place where people will want to live, work, play, learn and visit. Achievement of this vision will enable the following objectives set by Council for this Programme to be delivered:

- Promote opportunities for welcoming and expression, learning and discovery, appreciating our past and shaping our future, and places for entertaining and enjoyment.
- Stimulate the region's economy, including attracting domestic and international visitors, experiences and events.
- Enable the region to host a range of events and activities, including art exhibitions, museum displays, entertainment activities and other community and business events.
- Promote opportunities for recreation and play.
- Increase the vibrancy of the civic precinct and support the connection of central Tauranga with the surrounding region.
- Provide confidence to the investment markets to invest further in the city centre area.
- Enhance the region's social, cultural, entertainment and artistic reputation and identity.

4 Goals

To achieve its purpose and vision, TMOtpl will work towards the following key deliverables:

- Ensure everyone involved in the Programme are kept safe and well.
- TMOtpl will oversee completion of the preliminary design to developed and detailed design with the appointed consultants.
- Oversee the procurement for construction of the Library and Community Hub, Civic Whare, Exhibition, Gallery and Museum building, and associated landscaping in accordance with the Tauranga Civic Precinct Masterplan and any further approvals or variations advised by Council.
- Oversee the development of the Tauranga Moana in accordance with the Tauranga Moana Waterfront Masterplan (September 2022).
- Oversee the development of the Memorial Park Aquatic Centre and Indoor Courts at 483 Cameron Road.
- Oversee the fit out of Tauranga City Council's offices at 90 Devonport Road.
- Ensure that the total capital project cost does not exceed approved budgets and appropriately balance the capital cost of initial construction, the cost of operation, and the cost of refurbishments over the lifetime of the delivery Programme.
- Meet contracted delegations, New Zealand legislation and regulations, and New Zealand construction industry best practice, including adopting/exceeding New Zealand construction industry best practice standards for health, safety, and wellbeing of all involved in the Programme.
- Deliver a sustainable approach to the design and construction of the Projects, including consideration of 6 Green Star sustainability and WELL certifications for the buildings associated with the Project.
- Provide cost / benefit analysis to deliver a positive result.
- Ensure that the Programme engages with, recognises, and reflects the inherent connection with mana whenua.

- Respect the name gifted by mana whenua representatives from Otamataha Trust for the Project being Te Manawataki o Te Papa for the Civic Precinct Programme.
- Ensure the design fundamentals are met to provide an uplifting, enjoyable experience for those enjoying the civic precinct, waterfront and facilities at Memorial Park area for recreation, enjoyment, and business, and for those bringing events or experiences to the precinct.
- Ensure that the precinct, waterfront and facilities at Memorial Park provides universal access for all. Both within the built facilities and across the entire precinct site and waterfront.
- Minimise the disruption to stakeholders from the project delivery activities.
- Keep stakeholders well informed of all project delivery activities.
- Work with TCC to build excitement around the benefits of the new facilities.

5 Approach

TMoTPL is dedicated to the Programme and to delivering a uniquely local civic precinct, waterfront and aquatic experience that provides the best community outcomes possible for Tauranga, and delights those who visit the city centre.

TMoTPL commits to upholding the intent of Te Tiriti o Waitangi (The Treaty of Waitangi). TMoTPL acknowledge tangata whenua and will commit to working with mana whenua and other local stakeholders in the delivery of the Programme, and in building the narrative and symbols at, surrounding, and leading to the Programme, such as: the visual connection from the Civic Whare through to the moana (ocean); the waharoa where prospective manuhiri (guests) may be formally welcomed onto the site; and the concepts of paparanga ngahere (the forest layer) and ahi kaa (past and present occupation of the site), all of which form an important part of the design of the programme.

An important principle recognised within this Statement of Intent is the three way partnership between Tauranga City Council, TMoTPL and Otamataha Trust (delegated mana whenua representatives) to deliver Te Manawataki o Te Papa civic precinct programme, Tauranga Moana Waterfront Masterplan, Memorial Park Aquatic and Indoor Courts at 483 Cameron Road.

It is critical that TMoTPL work closely with Council to ensure that the Programme is delivered in a way that meets operational effectiveness and efficiency, both currently and in terms of the foreseeable future. This will mean TMoTPL must adopt a "whole of life" cost approach balancing capital costs, operating costs, and periodic refurbishment costs.

The partnership must be effective and underpinned by trust, commitment, understanding and shared values.

6 Key Project Actions

To achieve the goals, vision and purpose as set out in this SOI, the Company will take the following key actions:

Health, safety and wellbeing

- Develop and implement a Health, Safety and Wellbeing system with Council employees, contractors, sub-contractors, and advisors working on the Project that ensure a commitment to achieving no harm incidents and wellness for all during the delivery of the Project.
- The safety and wellbeing of all people connected with the Project, including the Project team, visitors and third-party stakeholders, is a paramount principle underpinning all decisions associated with the Project.

- Ensure all hazards are identified and effective controls are implemented to eliminate or effectively manage those hazards.

Partnerships

- The Te Manawataki o Te Papa Limited Board and Otamataha Trust will formally meet regularly to ensure that there is a close relationship and continued alignment of the two entities.
- Foster ongoing and effective collaboration with Willis Bond (development managers for TMoTP) and other major contractors to enhance overall performance and ensure success of the Programme.
- Foster ongoing and effective collaboration with Bay Venues Limited (BVL), Tourism Bay of Plenty, Priority One to enhance engagement and contribution to the programme. Utilise Governance to Governance forums as a pivotal opportunity to enhance collaborative and transparent relationships with Council.
- Proactively engage with TCC Departments and in particular with the GM Community Services Department as a key client.

Governance

- Clearly define, and agree with Council, the delegation's hierarchy between Council, TMoTPL, and key project contractors.
- Provide expert advice to Council in relation to its entering into design and construction contracts.
- Identify, and mitigate or manage, works connected with both the design and construction phases of the Programme, including reporting regularly to the Council on the health and safety, scope, budget, programme and the management of significant risks.
- Develop and manage processes to provide assurance that the Programme is progressing according to all expectations and ensure regular reporting by project management to the TMoTPL Board.
- Convene robust processes to use external project auditors, probity auditors, and peer reviewers as necessary to provide an agreed level of independence to the Council.
- Support the Council strategic framework outcomes of a liveable city, resilient communities, healthy environment, and prosperous economy.

Creating a vibrant precinct

- Ensure the developed design creates a vibrant inner-city precinct for the Tauranga community and visitors to the city.
- Evaluate 'value-add' opportunities against the Project budgets and on a cost benefit basis, before adopting or recommending to Council for a budget revision.

Project management

- Prepare detailed project plans that identifies activities, timelines, and financial budgets from the inception of the projects to completion of the Programme.
- Provide review and oversight of all contracts, expenditure, and progress during the construction of the Programme.
- Ensure compliance with all legislation, Council procurement policies, and codes of practice of public sector entities during the Programme.
- Proactively engage with Tauranga City Council consenting team to ensure an effective approach is co-adopted in support of successful delivery of the Programme of projects.

- Provide local procurement opportunities where practical and commercially feasible, for local stakeholders including mana whenua.
- Consult with key stakeholders to ensure the developed design specifications will deliver the goals set out in this SOI.
- Ensure the Projects are delivered to specification, within the approved budgets, within the agreed timelines, and to a quality that meets the goals set out in this SOI. All material changes to significant risks or new significant risks, will be communicated to Council as early as possible.
- TMOPL will only undertake the responsibility of delivering additional projects (outside of the current programme of works), upon receiving instruction to proceed, provided at a Council meeting.

Financial management

- Ensure the Programme is properly costed with appropriate allowance for both cost escalation over the life of the Projects, and contingencies for variations during the life of the Programme.
- Ensure in establishing the initial capital expenditure and cash flow, whole of life costs are considered to minimise the total costs of the Programme.
- Ensure the Projects remain within the budgets agreed with Council. Where there is risk that the budget will be exceeded, disclose and discuss this with Council prior to any approval for such additional expectation is given.
- Ensure that the overheads and administration costs of TMOPL are appropriately budgeted and agreed with Council and are managed within that budget.
- Work with the design engineers and construction management to identify areas where costs may be saved to the Programme (without compromising other outcomes set for the Project).
- Advocate / promote with Council to identify and bring opportunities for third party contributions to the funding of the Programme.

Sustainability

- Establish clear standards in respect of the various dimensions of sustainability that are to be achieved during the Programme design and delivery phases. Demonstrate delivery of those sustainability standards.

Shareholder relationships

- Prepare and agree with Council, a programme of regular reporting and dialogue which ensures council, as Programme owner, is fully informed in a timely manner, on all material risks, progress against plan and opportunities for further enhancement.
- Nurture a respectful and open relationship in the best interests of Tauranga and continue to develop a close and collaborative partnership.
- Keep the Council fully informed of all material matters and operate on a 'no surprises' basis.

Stakeholder engagement

- Ensure all significant stakeholders in the Programme – the Council, key regular users and visitors to the precinct, mana whenua, and the community – regularly receive factual project delivery updates.
- Establish a lessons-learnt process to enable strengthening of outcomes and approaches over the lifetime of the programme.

- Support the delivery of an integrated communications plan that builds excitement and pride of ownership among the people of Tauranga.
- Ensure the developed design recognises Te Manawataki o Te Papa being the name gifted for the whenua surrounding and within the precinct.

Future proof

- Future proof as best as possible, the venues to ensure they are fit for purpose for a changing events landscape.

Regional Impact

- Where possible and underpinned by commercial viability, procure Projects services and products from the Bay of Plenty region.
- Deliver the Programme to enable long-term direct economic contribution to the region.

7 Performance measures and targets

Objective and Strategy	Performance Measure		
	2024 - 2025	2025 - 2026	2026-2027
Health, safety and wellbeing			
Establish a health, safety and wellbeing system to ensure all involved with the Project are kept safe and well	Comply with health, safety and wellbeing system.	Comply with health, safety and wellbeing system.	Comply with health, safety and wellbeing system.
Critical hazards are managed effectively	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.
Baseline lead and lag indicators are monitored to ensure safety for all	No harm incidents during both the PCS and D&C phases.	No harm incidents during the PCS and D&C phases.	No harm incidents during the PCS and D&C phases.
Develop and maintain with the Consultants, TCC and Contractors a Risk Register identifying all potential risks that could negatively affect the projects.	TRIFR less than 10.0 per 1,000,000 hours worked on the Project.	TRIFR less than 10.0 per 1,000,000 hours worked on the Project.	TRIFR less than 10.0 per 1,000,000 hours worked on the Project.
Assurance			
Delegations	Comply with delegations' hierarchy.	Comply with delegations' hierarchy.	Comply with delegations' hierarchy.

Independence	Comply with the Assurance Programme.	Comply with the Assurance Programme.	Comply with the Assurance Programme.
Programme/Project management			
Recommend Project delivery to Council	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.
	Recommend contracts for each project within the broader Programme of projects.	Recommend contracts for each project within the broader Programme of projects.	Recommend contracts for each project within the broader Programme of projects.
Contract management and legal compliance	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.
Source local	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.
Lesson Learnt	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.
Risk Management	Proactive risk management through timely risk workshops and leadership of all delivery risks through the Civic Development Assurance Group (CDAG).	Proactive risk management through timely risk workshops and leadership of all delivery risks through the Civic Development Assurance Group (CDAG).	Proactive risk management through timely risk workshops and leadership of all delivery risks through the Civic Development Assurance Group (CDAG).
Delivery on time, within budget and at expected quality	Ensure that the Programme is delivered within specification, approved budget, and agreed timelines.	Ensure that the Programme is delivered within specification, approved budget, and agreed timelines.	Ensure that the Programme is delivered within specification, approved budget, and agreed timelines.
	Future deviations to be communicated to	Future deviations to be communicated to	Future deviations to be communicated to

	Council at the earliest opportunity.	Council at the earliest opportunity.	Council at the earliest opportunity.
Financial management			
The Programme is delivered on or below budget	Capital and whole of life costs optimised. Operational implications considered.	Capital and whole of life costs optimised. Operational implications considered.	Capital and whole of life costs optimised. Operational implications considered.
Reporting and consultation	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.
Advocate efforts by Council or other opportunities for third party contributions and funding partners	Third party funding opportunities advocated.	Third party funding opportunities advocated.	Third party funding opportunities advocated.
Shareholder relationship and stakeholder engagement			
Prepare and agree regular reporting programme which ensures Council is fully informed in a timely manner of all major issues, Project progress against PMP and opportunities for further enhancement	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.
Nurture a respectful and open relationship in the best interest of the city and develop close and collaborative relationships	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.
	Evaluate, review and adhere to communications plan and strategy.	Evaluate, review and adhere to communications plan and strategy.	Evaluate, review and adhere to communications plan and strategy.

Cultural connection	Engage with mana whenua to ensure cultural narrative incorporated into design.	Consult with mana whenua that cultural design has been delivered.	Consult with mana whenua that cultural design has been delivered.
Sustainability, kaitiakitanga and the environment			
Clear sustainability standards developed for the Project during the PCS and D&C phases	Monitor Programme sustainability outcomes on project delivery.	Best practice sustainability building standards, long-term operational sustainability delivered.	Best practice sustainability building standards, long-term operational sustainability delivered.

8 Governance

The TMOPL Board of Directors are responsible for the oversight and performance of TMOPL, and ensuring decisions are made in the interests of Council and the people of Tauranga and the Bay of Plenty region.

The Board recommends TMOPL's SOI to Council as shareholder, and is accountable for delivering the purpose, vision, objectives and strategies set out in this SOI, complying with its constitution and the provisions of the Companies Act and the LGA.

The Board is committed to a high standard of corporate compliance in guiding the company's activities and providing expert governance and financial control of the delivery of the Project. The Board guides and monitors the business and affairs of TMOPL. It draws on relevant corporate governance best practice principles to assist and contribute to the performance of the company. All directors are required to comply with a formal code of conduct which is based on New Zealand Institute of Directors' Code of Proper Practice for Directors.

Board performance review will be undertaken by an independent entity every two years, alternating between a Board-led review and a Council-led review. The first review will be undertaken by the Board in July/August 2025, with results reported to Council. The report will provide assessment on the Board's performance within:

- Chair and individual director effectiveness
- Board policies and procedures/effectiveness
- Overall Board effectiveness, dynamics and connectivity to stakeholder and community.

9 Governance principles

The following principles are required for a strong governance relationship between Council and TMOPL:

- **Leadership:** Council is responsible for clearly and proactively setting strategic direction for the city of Tauranga and communicating how TMOPL is expected to give effect and contribute to these strategic aspirations via the Letter of Expectations and other mechanisms. While TMOPL will show leadership in its area of expertise, this must be consistent with Council expectations and obligations.
- **Community focus:** TMOPL directors must ensure they behave in a manner that is consistent with having a community focus and require the same from their executives. This requires them to be cognisant with the fact that the Project is ultimately owned by Council, and to ensure opportunities are provided for facility users to engage with TMOPL.
- **Empowerment:** TMOPL directors must be empowered to fulfil their statutory, constitutional and LOE responsibilities. If they are unnecessarily constrained, they cannot fulfil their obligations and are unable to add value.
- **Compliance:** TMOPL directors must be aware of their duty to comply with legislative obligations, including but not limited to the Companies Act, the LGA, the Health and Safety at Work Act 2015 and the Resource Management Act 1991 and all relevant amendments.
- **Accountability:** TMOPL directors are accountable for meeting the objectives of the company's sole shareholder (Council) as specified in this SOI, being a good employer, and exhibiting a sense of social and

environmental responsibility. Their decision-making must recognise and reflect that Council is held to account by the public for its use of ratepayer funding and for their stewardship of Council-owned assets.

- **Transparency:** Transparency requires a high level of visibility to ensure that funding has been used for intended public good outcomes.
- **Trust:** Productive relationships require a culture of cooperation and trust. The "no surprises" approach is a critical part of this and ensures that TMoTPL and Council keep each other informed before matters are in the public arena.

10 Board composition

The Board of Directors comprises up to five directors, all appointed by the Council. Director appointments are for the period determined by Council as shareholder but will not be for longer than two terms (or six years), as per Council's [Appointment of Directors to Council Organisations Policy](#).

11 Reporting

TMoTPL is governed by the LGA which requires, among other things:

- *TMoTPL to provide a draft SOI to Council*
- *Half-year and full year reporting against SOI performance targets*
- *Quarterly reporting has been sought by the shareholder against SOI performance targets*
- *SOI letter of expectations and period accountability reports and project reports are published on the Tauranga City Council website.*

12 Statement of intent

Each year TMoTPL will deliver its draft SOI for the following year to the Council as shareholder. It will be in the form required by clause 9(1) of Schedule 8 and section 64(1) of the LGA and will be delivered by 1 March each year.

The Board, when developing its SOI and work programme, will consider the Letter of Expectation issued by Council as shareholder.

Having considered any comments received from the Council, the Board will deliver the completed SOI to the Council as shareholder on or before 30 June each year.

As referenced above, this SOI is written to cover the period from 2024 to 2028 until the completion of the project (no later than 30 June 2029) and the decommissioning of TMoTPL as the project delivery company – anticipated to be during the 2027 calendar year. This SOI therefore covers a three-year period.

13 Quarterly reporting

The Board of TMoTP will meet with representatives of the Council governance body quarterly in a confidential, informal workshop setting to discuss and review issues of common interest.

14 Half-year reporting

TMoTPL will provide Council as shareholder with a half-year report by the end of February each year (being within two months after the end of the first half of the financial year), complying with section 66 of the LGA. The half-yearly report must include the information required by this SOI including the following unaudited financial statements:

- Statement of comprehensive income
- Statement of financial position
- Report on non-financial KPIs year to date
- Commentary on performance year to date
- Commentary on expected performance for the next 6 months.

15 Annual Reporting

To comply with section 67 of the LGA, TMOPL will provide Council as shareholder with a draft annual report by the end of August each year (being within two months after the end of the financial year). The final annual report will be made available to the public once audited.

The annual report must include the information required by this SOI and sections 68 and 69 of the LGA, including audited financial statements prepared in accordance with NZGAAP and that also comply with Public Benefit Entity Standards.

The annual report shall also contain an Auditor's Report on both those financial statements and the performance targets and other measures by which performance was judged in relation to TMOPL's objectives.

The annual report is to be presented in the format prescribed by Council to enable consolidation into the Council group, if required.

16 Shareholder meetings

The Board may hold an annual general meeting (**AGM**) between 30 September and 30 November each year to present the annual report to Council as shareholder. If no AGM is held, then the Council as shareholder will consider, and if thought fit, pass any required resolutions.

17 Briefings

TMOPL will also attend and participate in Council meetings, workshops and briefings in respect of the project as requested by TMOPL or Council. This may include:

- Briefings sought by TMOPL;
- Briefings sought by the Council; or
- Attendance at Council and/or committee meetings.

18 No surprises approach

It is expected that TMOPL will keep Council advised of any issues that may generate public interest – this is referred to as the "no surprises" approach. A failure to keep Council informed on significant issues at appropriate times will be viewed as a governance failure.

Council expects TMOPL to:

- Present a unified front on issues that affect both Council and TMOPL. Where TMOPL and Council have divergent opinions on an issue, the expectation is that both parties will work together to find common ground before the issue enters the public arena.
- Be aware that the Council has interests that are wider than those of TMOPL.
- Be cognisant of wider Council policy issues as part of their decision-making.
- Be aware of the potential implications of TMOPL-specific issues on the Council and/or its balance sheet.
- Be cognisant of demand for accountability and transparency placed on councillors from residents and ratepayers of Tauranga.
- Ensure that Council is informed in a timely manner of any issue that may generate significant public interest, as it unfolds. Likewise, Council commits to ensuring issues relating to TMOPL are communicated with TMOPL staff and governance (as appropriate) in a timely manner and before issues enter the public arena.

19 Publication of reports

The SOI, Letter of Expectation, periodic accountability reports and Project reports are published on the Tauranga City Council website.

20 Financial performance

TMoTPL aims to operate in a financially sustainable manner. As a CCO governing the delivery of the project, long-term financial performance and position is sustainable where planned deliverables are met without unplanned increases in funding or cuts in deliverables.

Indicative financial performance targets:

- Capital expenditure and the project delivery costs are consistent with the agreed budget.
- TMoTPL has supported TCC advocating to raise at least \$151.5 million from external sources.

21 Compensation from Council

TMoTPL expects to receive funding from the Council for the financial year beginning 1 July 2024.

The activity undertaken in exchange for the compensation is set out in the Tauranga City Council Long-term Plan, as per the levels of service and the outcomes in this SOL.

22 Accounting policies

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

23 Contact details

Contact details for the Chair and Directors are as follows:

Address: 306 Cameron Road, Tauranga, 3110

Registered office: 306 Cameron Road, Tauranga, 3110

Chair: Kim Wallace

Directors: Barry Bragg

Peter Neven

Nathan Speir

Website: www.tauranga.govt.nz



14 February 2024

Kim Wallace, Chair
C/- Te Manawataki o Te Papa Limited

Via email: kimlouise.wallace@gmail.com

Dear Kim

Te Manawataki o Te Papa Limited – Shareholder Feedback to the Draft Statement of Intent 2024/25 to 2026/27

At our Council meeting on 12 February 2024, we received the Te Manawataki o Te Papa Limited (TMOTPL) draft Statement of Intent for 2024/25 to 2026/27.

We would like to thank you for completing this document and providing it to Council ahead of the standard timeframe.

It is great to see your draft Statement of Intent highlighting the array of critical projects TMOTPL is and will be responsible for delivering, as part of its significant role governing the civic precinct development.

The content in TMOTPL's draft Statement of Intent meets legislation requirements and aligns with many of the aspirations we included in our Letter of Expectation to the Board.

We recommend the Board consider a few minor amendments and suggestions when finalising the Statement of Intent, which include:


- Provide more clarity on when TMOTPL assumes responsibility for delivering projects, for example, acknowledging approval at Council meetings as the starting point.
- Mention Governance to Governance forums more explicitly as a key opportunity to foster collaborative and transparent relationships with Council.
- Amend the wording in Section 15, *Full-year reporting*, to say the "final annual report will be made available to the public once audited."
- Amend the wording in Section 20, *Financial performance*, to say "TCC to raise *at least* \$151.5 million from external sources."
- Consider directly referencing Council's Social Procurement policy in the Section 7 *Source Local* performance measure.

We are pleased that TMOTPL has recently moved towards greater accountability and transparency, by publishing summaries of Board minutes online. We encourage this to continue and acknowledge redacting commercially sensitive information is an option where necessary.

We would like to thank the TMOTPL board in advance for delivering the final Statement of Intent to Council by 30 April 2024, ahead of the usual statutory timeframe.

If you have any questions or need assistance, please contact Sanjana France, CCO Specialist, at sanjana.france@tauranga.govt.nz or on 027 221 6798.

Yours sincerely



Anne Tolley
Commission Chair
Tauranga City Council

Cc: Mike Naude, Director: Civic Redevelopment, Te Manawataki o Te Papa Limited - mike.naude@tauranga.govt.nz

TE MANAWATAKI O TE PAPA CHARITABLE TRUST - STATEMENT OF INTENT 2024-27

June 2023



Recognising our past as we shape our future
Joint land ownership of Te Manawataki o Te Papa – the heartbeat of Te Papa



OBJECTIVES	KEY DELIVERABLES – to be undertaken by TCC staff	NATURE AND SCOPE OF ACTIVITIES	PERFORMANCE MEASURES
<p>Te Manawataki o Te Papa – the Heartbeat of Te Papa - a \$303 million transformative redevelopment of Tauranga’s civic precinct, which will reinvigorate our city centre and make it the cultural, historic, economic and social centrepiece of New Zealand’s fastest growing city.</p> <p>The land underlying the Civic Precinct has been the subject of disputed ownership since it was gifted to the Crown by the Church Missionary Society (CMS) in the 1860s, in contravention of mana whenua’s understanding when it was sold to the CMS in 1838, that the land would be held for the benefit of Māori.</p> <p>In undertaking this project, Tauranga City Council (TCC), in collaboration with iwi and hapū, sought and implemented a joint ownership solution which has restored the mana of the whenua to its original owners.</p> <p>Joint land ownership – the right thing to do To achieve the objectives of restoring mana of the whenua to hapū and iwi and provide certainty for how the land will be used in the future for the community, a new council-controlled organisation (CCO) was established as a charitable trust, called Te Manawataki o Te Papa Charitable Trust (CCO Charitable Trust). The Council and Otamataha Trust each appointed 50 percent of the trustees to the CCO Charitable Trust.</p> <p>The purpose of the CCO Charitable Trust is to:</p> <ul style="list-style-type: none">Own the land referred to as Site A of the civic precinct – the land bounded by Willow Street, Wharf Street, Durham Street, and Hamilton Street.Support and encourage the development of Site A of the civic precinct, including (but not limited to) a library, civic whare, museum and exhibition centre and the beautification of surrounding areas. <p>Formally recognise long-standing grievances associated with this land and provide certainty for how the land will be owned and used in the future, so that everyone in the community can benefit.</p> <p>Ensure that Te Manawataki o Te Papa development respects and reflects the significant history and importance of the area to mana whenua.</p> <p>Restore the original trust relationship to which our ancestors (both Māori and the CMS) agreed. The relationship with mana whenua will be pivotal to the success of many of the outcomes to be achieved on the civic precinct site.</p>	<ul style="list-style-type: none">Establishment of CCO structure, e.g., Trust Deed, rules, etc.Divest Lot 45 reserve with DOC consent.Appointment of Trustees.Establish management and administration structure.Complete title amalgamation, transfer to the CCO Charitable Trust, and subsequent lease back to TCC.IRD registration.Set up systems required, including accounting etc.Complete Statement of Intent.Annual and Half-Yearly reporting and monitoring.Annual Audit.	<p>Support and encourage the development of a vibrant civic precinct</p> <p>Ensure that the project respects and reflects the significant history and importance of the area to mana whenua.</p> <p>Stakeholder relationships</p> <p>LOCAL GOVERNMENT ACT REQUIREMENTS</p> <p>Approach to governance</p> <p>Ratio of funds to assets</p> <p>Accounting policies</p> <p>Expected shareholder distributions</p> <p>Financial reporting</p> <p>Procedures for purchase of shares</p> <p>Activities for which the Charitable Trust Board seeks compensation</p> <p>Board’s estimate of value of the group</p> <p>Any other matters that are agreed by the shareholder and the Board</p>	<p>Quarterly meetings with Te Manawataki o Te Papa Limited Board.</p> <p>Representative of Otamataha Trust to liaise between mana whenua and the Te Manawataki o Te Papa Limited Board.</p> <p>Nurture respectful and open relationships in the best interest of the community and the city. Develop close and collaborative relationships.</p> <p>The Trust Deed outlines that Otamataha Trust and Tauranga City Council both “<i>have the power, exercisable by deed, to appoint up to two persons as Trustees</i>”. In addition, where Council considers it to be practicable, their Trustees should be the Mayor and Chief Executive.</p> <p>Te Manawataki o Te Papa Charitable Trust will have Half-Yearly board meetings.</p> <p>N/A</p> <p>The CCO Charitable Trust will adopt accounting practices that comply with NZIFRS, the requirements of the Local Government Act (2002), and the Financial Reporting Act (1993).</p> <p>The CCO Charitable Trust is not expected to make profits that would ordinarily be distributed by way of dividends.</p> <p>Within three months after the end of each financial year, the CCO Charitable Trust will deliver audited financial statements in respect of that financial year.</p> <p>The CCO Charitable Trust is not expected to purchase or acquire shares.</p> <p>The ongoing activities of the CCO Charitable Trust will be budgeted for in advance and funded by TCC.</p> <p>The Board estimates that Te Manawataki o Te Papa Charitable Trust has limited commercial value.</p> <p>Te Manawataki o Te Papa Charitable Trust will not undertake any activity of a significant nature or scope not provided for in the Enduring Statement of Expectations or Statement of Intent without prior consultation with Tauranga City Council and Otamataha Trust.</p>

JOINT LAND OWNERSHIP – THE RIGHT THING TO DO