



AGENDA

Late Reports

Ordinary Council meeting

Tuesday, 29 October 2024

Date: Tuesday, 29 October 2024

Time: 9.30am

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

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

**Marty Grenfell
Chief Executive**

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11 BUSINESS

11.10 Memorial Park Aquatic Centre Update

File Number: A16784724

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PURPOSE OF THE REPORT

1. The purpose of this report is to present, together with attached documents, a comprehensive overview of Council's decision-making processes regarding the Memorial Park Aquatic Centre, including the demand for an aquatic facility, the options considered, and the reasons for the current proposal.
2. This report is in response to the Memorial Park Aquatic Centre project being put on hold pending a Council decision on the future direction of this project.
3. The report seeks approval to recommence detailed design through to the completion of the Design Feasibility Report based on option A – Single-staged Memorial Park Aquatic Centre indoor and outdoor facility.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Memorial Park Aquatic Centre Update".
- (b) Notes that the Memorial Park Aquatic Centre project has been put on hold pending a decision from the Council on the project's future.
- (c) Notes that the Council is currently surveying the community to help inform the future direction of the Memorial Park Aquatic Centre project.
- (d) Approves the recommencement of the project through to completion of the Design Feasibility Report, based on Option A - Memorial Park Aquatic Centre single-stage delivery at a cost of \$100-105m.
- (e) Approves the expenditure of \$2.2m for the purpose of completing the Design Feasibility Report.
- (f) Notes that the Design Feasibility Report will be reported back to Council within four months, to enable Council to make a further decision regarding the preferred option for the Memorial Park Aquatic Centre, before moving to a fixed price design and build contract.

EXECUTIVE SUMMARY

4. The Council currently provides an aquatic network across five sites, comprising a range of lane pools, leisure facilities and learn to swim. The current Council provision is strongly focussed on structured sport and fitness swimming, with a large deficit in the leisure and recreation, and health and therapy provision. The overall provision of pools in the city is also significantly below the Council's target level of service and the Sport New Zealand recommended level of service.

5. The most recent addition to aquatic facilities was in 2005, when Baywave was built. At the time the population of Tauranga was 105,000 people. The city has seen and is projected to continue seeing significant population growth, with the current population at 163,000 people. This growth means that there is significant pressure on some of Council's existing facilities, whilst other facilities (primarily Memorial Pool) are underperforming as a result of not meeting community demand.
6. The Council has had a project in the Long Term Plan to provide an Aquatic Centre at Memorial Park since 2018. The current Long Term Plan includes a project for \$124.07m, to deliver an indoor and outdoor aquatics complex that provides a range of aquatic options to meet the current deficit, including a strong focus on the greatest identified need. Extensive engagement with pool users has influenced the current aquatic centre design. The design includes additional revenue generating facilities such as a fitness centre and café. The project is in the preliminary design stage, with final approval and authority to enter design and build contract scheduled to be brought back to Council by February 2025.
7. Since the project was approved by Council in December 2023, work has commenced on geotechnical, design, and long-lead procurement. To date \$2.65m has been spent on the project. The further design work has resulted in a new total project budget of approximately \$100-105m, without reducing any of the design features or impacting level of service.
8. The project has currently been put on-hold to enable the new Council to understand the reason for the project, the value it provides to the community, and to provide direction on whether the project is to progress.
9. This report intends to;
 - Outline the extensive research, analysis and engagement that went into determining the need and feasibility of the current project proposal.
 - Outline the decision-making process of Council to date regarding an aquatic centre at Memorial Park.
 - Identify three current options for the future of this project:
 - (a) Option A - Deliver the full Memorial Park Aquatic Centre project as a single stage project at a project cost of \$100-105m.
 - (b) Option B - Deliver a staged Memorial Park Aquatic Centre project, with only the indoor facilities included at this time, at a project cost of \$80-85m.
 - (c) Option C - Stop the Memorial Park Aquatic Centre project and reconsider how to deliver aquatic provision through future Annual Plan and Long Term Plan processes.
 - Seek approval from Council to recommence the project through to Design Feasibility Report, at which time Council will be in a position to decide whether to approve a fixed price design and build contract.
10. Broad community consultation is currently underway through a survey, to provide Council with an understanding of the general community sentiment in regard to this project. The results of this engagement will be brought back to the Council meeting on 12 November 2024, and the resolutions of this report may be left on the table until that meeting.

BACKGROUND

11. The Council provides a range of community facilities and spaces for recreation, play and sport. These facilities create a network across the city and Council has numerous plans and strategies for how to best manage and provide these facilities to meet the needs of our current and growing community.
12. Memorial Park is a large recreational park in Tauranga's central Te Papa Peninsula and home to Memorial Pool, Queen Elizabeth Youth Centre/Memorial Hall (referenced as QEYC) and a range of recreational amenities. Both the pool and hall are managed by Bay Venues Limited on behalf of the Council. Memorial Pool is an outdoor pool built in 1958 which is at

the end of its useful life. QEYC is a well-used multi-court facility built in 1965 which is also at the end of its useful life. A detailed seismic assessment has identified the building as a rating of 25% New Building Standard. As a result, Council purchased 483 Cameron Road for use as indoor courts. This is the subject of the 483 Cameron Road Sports Court Refurbishment Project Funding Update Report on this agenda.

- 13. A project to upgrade the facilities at Memorial Park has been in Council’s plans since 2018, and the current Long Term Plan 2024-34 (LTP) includes the project to develop the Memorial Park Aquatic Centre for completion by 2028/29, at a cost of \$124.07mil.

A NETWORK OF AQUATIC FACILITIES

- 14. Aquatic facilities are an important part of the city’s sport and recreation network, delivering significant, health, safety and wellbeing outcomes for the community. They complement other community sports facilities including sportsfields, active reserves and indoor-courts. Community facilities also contribute to the wider city contributing towards vibrant and thriving communities.
- 15. The diversity of offerings through aquatic facilities provides for a broad range of users, from learn to swim, hydrotherapy, recreation and leisure, sport and fitness. The variety of users impacts the range of facilities required within an aquatic facility.
- 16. As the community grows, the demand on existing facilities increases, and the Council is the key provider of community aquatic facilities in the city. The current council owned aquatic facilities are all managed by Bay Venues Limited on behalf of the Council.
- 17. Council sets a level of service target for the provision of community facilities, to guide supply and ensure a balance between provision of services and demand, with affordability and value. These levels of service are set through Council’s Long Term Plan, guided by the Community Facilities Investment Plan, Development Contributions Policy, and the Play Action and Investment Plan. The level of service target guides future project prioritisation and asset management planning.
- 18. Council’s current level of service target for pools is equivalent to 45 people per m² of ‘all season’ Council pool space. This target is based on a benchmark against national standards, budget capacity and growth funding. Council’s target compares to a SportNZ recommended level of service of 37 people per m². However, the current network capacity that the Council provides is 63 people per m², or 2,578m² of ‘all season’ pool space, compared to our intended level of service of 3,622m² of pool space, or SportNZ’s level of service of 4,405m² of pool space.

Level of pool provision	Total m ² of pool space / People per m ² of pool space			
	Current (2024 - 163,000 population)	Option A - Full Aquatic centre (2028 -171,000 population)	Option B - Indoor centre (2028 -171,000 population)	Option C - No new aquatic centre (2028 -171,000 population)
Council pool provision	2,578 / 63	4,310 / 40 (incl option 1)	3,747 / 46 (incl option 2)	2,578 / 66 (no increase – option 3)
Council target level of service	3,622 / 45	3,800 / 45	3,800 / 45	3,800 / 45
Variation to Council LoS	-1,044	+510	-53	-1,222
SportNZ level of service	4,405 / 37	4,622 / 37	4,622 / 37	4,622 / 37
Variation to SportNZ LoS	-1,827	-312	-875	-2,044

- 19. With the new Memorial Park Aquatic Centre design as per Council’s LTP (Option A), including Otumoetai pool, Council would achieve the target level of service, with 40 people /

m² of water or 4,310m² of pool space. as well as filling the gap within the network for recreation and leisure and structured sport (deep water). Option A also caters for population growth of an additional 20,000 people in Tauranga, whilst still delivering the target level of service. Option B, providing new indoor pool space, would be just short of Council’s current level of service target when it opens, and not provide for any future growth. Option C would see the current deficit grow as the population grows.

- 20. Tauranga City Council currently owns five aquatic facilities across the city, which range from the Memorial outdoor pool built in 1958, providing seasonal outdoor swimming for the local community, to Baywave Aquatic and Leisure Centre built in 2005, offering year-round aquatics and gym, for a regional audience.
- 21. Excluding Baywave, the four other Council pools were built in the 1950’s and 1960’s, with Memorial outdoor pool being in very poor condition and Otūmoetai pool being in poor condition.
- 22. Baywave was built in in 2005 when the Tauranga City population was 105,000, the population currently sits at 163,000. As well as the significant population growth since it opened, Baywave and Mount Hot Pools are also the only facilities that cater for leisure use.
- 23. Sport New Zealand set a national benchmark for aquatic centre capacity based on 150 people visits per m² of pool. As shown through this table, Baywave and Mount Hot Pools are significantly over capacity, whilst Memorial Pool is under delivering.

Aquatics Network Use

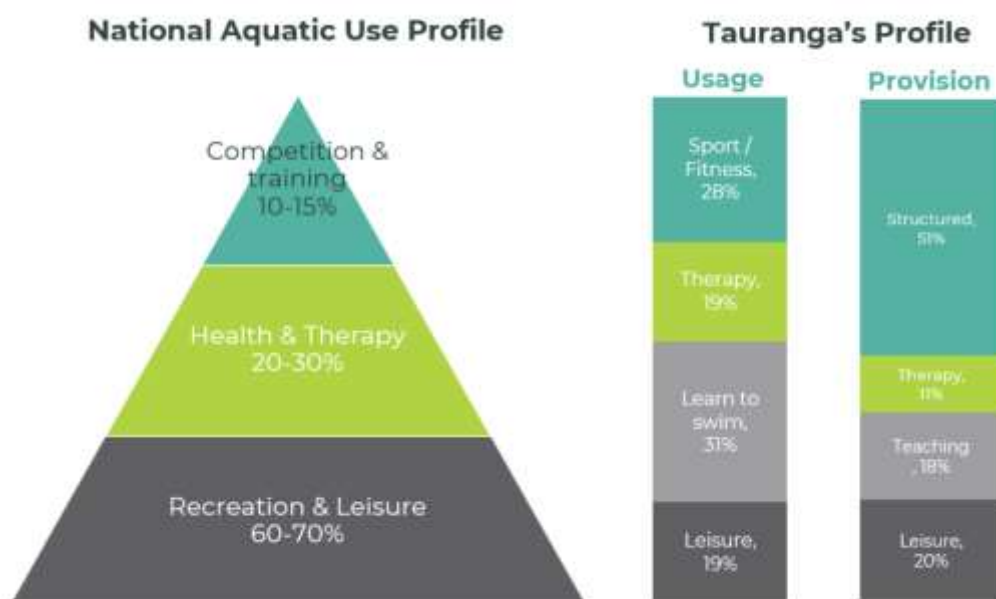
Pool Visits Per m ²	Total m ²	FY24 Visits	Visits per m ²	% of National benchmark of 150 pax per m ²
Memorial	708	25,320	36	24%
Otumoetai	561	43,035	77	51%
Greerton	660	102,963	156	104%
Baywave	1,409	434,435	308	206%
Mt Hot Pools	512	292,000	570	380%

Key

Variation from benchmark	
Low	
Moderate	
Extreme	

Visits per m2	Lap	Leisure	Learners	Hydrotherapy
Memorial	43		32	
Otumoetai	82		61	
Greerton	101		220	233
Baywave	227	490	246	
Mt Hot Pools		570		

- 24. The variation in facility use outlined above is consistent with the misalignment between the provision of aquatic facilities currently in the Tauranga network, and the demand from users, as identified through the Community Facilities Needs Analysis:



- Tauranga's network provision is strongly weighted towards structured sport, outlining the significant need to provide more aquatic leisure in the network to cater for the largest group of aquatic users and reduce pressure on Baywave.

THE CASE FOR INVESTMENT IN FUTURE AQUATIC FACILITIES

- In 2018, Tauranga City Council and Bay Venues Ltd agreed to undertake a feasibility study on a new multi-purpose aquatics/recreation hub in the CBD. In 2019, Bay Venues Ltd commissioned Visitor Solutions, HDT Architecture and Boffa Miskell to undertake a Community Facilities Needs Analysis and Feasibility Study for a CBD recreation and leisure hub located on Memorial Park.
- The February 2020 Tauranga Community Facilities Needs Analysis considered the aquatic network as a whole and the utilisation, functions and impact of growth of the current network. This report recommended the development of the Memorial Park pool in 2020-2024, subject to feasibility study. This conclusion was based on the significant need to provide more aquatic leisure in the network to cater for the largest group of aquatic users and reduce pressure on Baywave.
- The November 2020 Feasibility Study identified significant demand for increased aquatic provision in Tauranga, particularly indoor and leisure water. A key conclusion for the feasibility study was Tauranga's aquatic network has insufficient leisure provision for the majority of aquatic users.
- The feasibility study 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. Retaining outdoor provision was identified as important to the aquatic network to support leisure provision.
- The feasibility study identified a clear case for investment of aquatic facilities at Memorial Park:

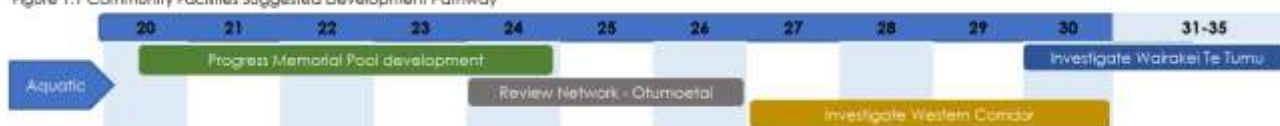
Gap in aquatic leisure	There is a significant gap in the provision of aquatic leisure to provide for the greatest proportion of aquatic users. This should preferably be indoor all-year round, supplemented by an outdoor leisure pool to replace the outdoor pools at Memorial Pool.
Aging assets at the end of useful life	Memorial Pool is over 70 years old and at the end of its useful life. Redevelopment is more economic compared to ongoing repair.
Increased	Tauranga needs more indoor aquatic provision to cater for current and future demand. Increasing aquatic capacity will relieve heavy pressure on

aquatic provision	neighbouring Baywave and Greerton facilities, particularly if centrally located in Tauranga’s CBD. Development of Memorial Pool as a citywide facility is identified as the most important aquatic action in the 2019 Needs Analysis.
Learn to swim and hydrotherapy	Learn to swim and hydrotherapy are important aquatic markets particularly recognising Tauranga’s younger and older populations. These programmes also provide opportunities for revenue generation.
Revenue generation	Opportunities to improve the financial performance of community facilities should be considered such as fitness centre or commercial leisure eg hydro slides.

25. A Community Facilities Comparison Study in February 2020 considered the timing and development of a CBD Recreation Hub (including Memorial Park Aquatic Facility) and how such a facility would interact with other aquatic facilities in the network. The report concluded that there is enough demand to warrant the development of additional aquatic facilities to cater for population growth and that Memorial Park is an important facility in the network, with modelling suggesting redevelopment is relatively urgent - needed within 5 years [from 2020] to meet the demand of a city-wide catchment and alleviate pressure on neighbouring facilities.

CURRENT STATE	Facility	Role	Condition	Visits	Utilisation	Capacity	Comment
	Baywave	City-wide	Good	280,000	Very High	Over-used	Important facility under pressure
	Greerton	Local	Average	90,000	High	Nearing full	Important facility facing future growth
	Memorial	Local	Poor	29,000	Very Low	Under-used	Important site, value not realised
	Otumoetai	Local	Poor	51,000	Average	Average	Locally important, quality an issue
	Mount	City-wide	Good	293,000	Very High	Full	Important tourist / local facility

Figure 1.1 Community Facilities Suggested Development Pathway



26. A Business Case (attached as appendix 1) prepared in May 2024 outlines the strategic case for a Memorial Park Aquatic Centre, including identifying four core problem definitions and six investment objectives. The benefits of the Memorial Park Aquatic Centre defined through the Business case 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 Centre is a model for modern sustainable community facility design and operation.

27. Note that the business case is currently being updated to reflect the options outlined in this report.

A HISTORY OF DECISIONS TO REDEVELOP THE MEMORIAL POOL

- 28. Budget was included in Council’s Long-Term Plan (LTP) 2018-28 for Bay Venues to redevelop the Memorial Pool with a placeholder budget of \$30m from 2022 to 2023.
- 29. The Bay Venues Ltd commissioned feasibility study was completed early in 2020 and based around a large-scale \$95m development proposal which included indoor/outdoor aquatic facilities, indoor courts, fitness centre, mini-golf and a spa/wellness centre.
- 30. Due to Tauranga City Council’s financial constraints and large capital works programme, Tauranga City Council and Bay Venues Ltd reviewed the CBD Recreation and Leisure Hub

feasibility study in late 2020. The revised feasibility study and business case informed the development of budgets for the 2021-31 LTP.

31. The Council's Community Facilities Investment Plan 2021 identified the Memorial Park Recreation Hub (replacement of Memorial Pool) and redevelopment of the Memorial Hall (including provision of additional courts as part of the Memorial Park Recreation Hub) as a priority for the 2021-31 LTP.
32. The Council consulted with the community on the redevelopment of the Memorial Park pool and the redevelopment of the Memorial Park indoor sports facility through the LTP. The Council's final 2021-31 LTP included projects to redevelop the Memorial Park pool and indoor sports facility (\$52m for the Aquatics Centre and \$48m for the indoor sports facility).
33. The Council has developed a number of Action and Investment Plans over the last two years, which have included the Memorial Park, Aquatic Centre and Recreation Hub as priority actions.
34. A project team was set up in March 2023 to deliver concept plans for the delivery of a new Memorial Park Recreation Hub and a Memorial Park Spatial Plan. The initial scope of the recreation hub included a new aquatic centre and indoor sports facility as provided for in the 2021 LTP.
35. In October 2023, the Memorial Park Recreation Hub programme was incorporated into the Te Manawataki o Te Papa Board scope of works in order that the Board could provide appropriate level of oversight and governance to the programme.
36. The Council consulted on the draft LTP 2024-34 budgets, including the Memorial Park Aquatics, Recreation Hub and Park enhancements at a total budget of \$129.6m to be completed by the end of 2028.
37. On 11 December 2023, Council received a suite of reports that considered the Memorial Park Recreation Hub Programme. This report included splitting the project into three components; Memorial Park Aquatic Centre, Memorial Park Spatial Plan and In-door courts; across two geographic sites.
38. On 11 December, Council approved aquatic centre Option 2 at a total cost of \$122.25m to include three hydro slides, to progress to preliminary design including a revised costs estimate, and sought a further report on completion of the preliminary designs and cost estimates that will include an update on findings from preconstruction investigations. Council also requested a report on the cost of the demolition of the Otumoetai pool and future utilisation of the site.
39. Council Delegated¹ to the Chief Executive, subject to recommendation from the Te Manawataki o Te Papa Limited, authority to enter contracts on behalf of Council for delivery of; geothermal bore drilling, deconstruction of existing facilities, geotechnical ground improvements, and procurement of long lead items.
40. Council required¹ a report back to Council on the procurement strategy before entering 0contracts for the delivery of the main contracts for the Memorial Park Aquatic Centre.
41. The Council report of 11 December 2023¹ contained a detailed option analysis (including pros and cons) of the three procurement options considered for the project, namely:
 - (a) Early Contractor Involvement then build only;
 - (b) Design and Build;
 - (c) Early Contractor Involvement then novated design and build.
42. Early Contractor Involvement then novated design build was recommended to and ultimately adopted by Council (note that this option assumes a fixed price lump sum pricing model, with the possibility of a guaranteed maximum price option being considered as part of the design and build option). A design and build contract transfers risks associated with design from the

¹ These resolutions were previously in public excluded section and are now released into public.

Council to the contractor whilst still including Council and stakeholders to inform the design. The contractor will have extensive experience in designing similar size, value and complex facilities nationally and there are benefits including the contractor in the design progression to ensure that design/construction details are resolved prior to construction. A design and build contract should provide the Council with more price certainty prior to construction, including costs related to construction and contractor margins.

43. Following the 11 December Council resolution, work commenced on the preconstruction investigations, including geotechnical investigations, final design specifications and suppliers, design simplification, cultural narrative, pool designs and documentation prepared, peer review undertaken.
44. As part of LTP 2024-34 deliberation, the Council approved the inclusion of the Memorial Park Aquatic Centre at a revised cost of \$124.074m due to revised completion date extending to 2028/29.
45. On 13 May 2024 the Council considered two papers regarding the Memorial Park Aquatic Centre, a project update including business case and a procurement update:
 - The Council resolved to progress the Memorial Park Aquatic Centre through the design stages to construction within the approved budget, and to complete the Early Contract Involvement, Pre-construction Services Agreement, then novated Design and Build contract, subject to the project being delivered within the approved budget at each design stage gate. The Council also noted that any increased operational expenditure would need to be addressed in future annual plans.
 - The Council delegated² to the Chief Executive authority to approve the final procurement strategy and enter into contracts on behalf of Council for the delivery of the Memorial Park Aquatic Centre, subject to recommendation from Te Manawataki o Te Papa Limited.
46. In September 2024 the design process was put on hold to allow the new Council time to review the project before making decisions regarding the future of the project.

WHY MEMORIAL PARK?

41. Whilst the age and condition of the Memorial Pool instigated an initial needs assessment, the subsequent assessments and studies have considered the demand for the city as a whole, and the most appropriate location for a new facility.
42. Six locations were assessed for consideration of a new aquatic facility, including consideration of location, customer experience, price, land ownership and ground conditions. Memorial Park was identified as the optimal location.
43. The primary benefits of Memorial Park include:
 - Central city location, accessible by all transport options, with just a 300m walk to Cameron Road.
 - Council owned land with existing swimming pool (at end of life).
 - Suitable space, especially with in-door courts relocated to Cameron Road.
 - Ease of consenting as it would be replacing a similar facility and within a current recreational reserve.
 - Geothermal bore providing for reduced operating costs and emissions.
 - Attractive location within upgraded park providing greater visitor attraction and a destination location with multiple activities.
 - Aligned with city centre plans for intensification and revitalisation.

² These resolutions were previously in public excluded section and are now released into public.

COMMUNITY CONSULTATION ON MEMORIAL PARK AQUATIC CENTRE PROPOSAL

- 44. The proposal to develop an aquatic centre at Memorial Park has been included in the last three Long Term Plans (2018-28, 2021-31 and 2024-34), and therefore has been subject to broad community consultation.
- 45. Extensive targeted consultation has occurred with a broad user group, including detailed user input into the design and facilities provided through the centre. This group comprises Sport BOP, Evolution Aquatics, Tauranga Waterpolo, Tauranga Underwater Hockey, Canoe Slalom BOP, Liz van Welie Aquatics, Papamoa Surf Lifesaving, Papamoa College Water Polo, Mount Maunganui Swimming Club, Tauranga Artistic Swimming (Synchronized), Omanu Beach Surf Lifesaving Club, Parafed BOP, Tauranga Special Olympics, Tauranga Boys College, Otumoetai College, Otumoetai Intermediate, Bellevue School, AIMS Games.

Summary of Community Engagement

Group(s)	When	Topic
Online Survey to the Aquatics membership cohort	2019	1,217 responses to the requirements and provision for a pool at Memorial park
LTP 2021-2031 Community Engagement	May-June 2021	General consultation with the community - including specific investment in Memorial Aquatic Facility
Aquatics Forum users' group*	Annually	General Aquatics updates including update on the Memorial Aquatics project
Mana Whenua Engagement	Throughout 2022/23 project meetings	Principles and purpose of memorial park project, including the Memorial Aquatic Facility
Aquatics Forum users' group*	July 2023	Specific update/discussion on Memorial Aquatics Facility with concept designs presented and discussed
LTP 2024-2034 Community Engagement	November-December 2023	General consultation with the community - including specific investment in Memorial Aquatic Facility
Aquatics Forum users' group*	December 2023	Specific update/discussion on Memorial Aquatics Facility with concept designs presented and feedback requested for the Council meeting
Aquatics Forum users' group*	December 2023	Letter to TCC outlining the feedback and support from the Aquatics Forum
Aquatics Forum users' group*	March 2024	Specific update/discussion on Memorial Aquatics Facility
Disability Advisory Group	2024	Design-led Accessibility discussion

*Sport BOP, Evolution Aquatics, Tauranga Waterpolo, Tauranga Underwater Hockey, Canoe Slalom BOP, Liz van Welie Aquatics, Papamoa Surf Lifesaving, Papamoa College Water Polo, Mount Maunganui Swimming Club, Tauranga Artistic Swimming (Synchronized), Omanu Beach Surf Lifesaving Club, Parafed BOP, Tauranga Special Olympics, Tauranga Boys College, Otumoetai College, Otumoetai Intermediate, Bellevue School, AIMS Games

- 46. The project currently included in the Long Term Plan 2024-34 received endorsement from the Aquatic Forum User Group in December 2023 (see appendix 2).

THE MEMORIAL PARK AQUATIC CENTRE PROPOSAL

Proposal budgeted in Long Term Plan 2024-34 (\$124.074m)

- 47. The Council’s current LTP 2024-34 includes the Memorial Park Aquatic Centre at a cost of \$124.074m, to be completed by 2028/29. The major components of the proposed facility include:
 - Indoor Facility
 - Eight lane, 25m, 2 – 2.2m deepwater indoor pool
 - Learn-to-swim pool
 - Hydrotherapy pool
 - Leisure pool with features
 - Spa pool
 - Fitness centre
 - Cafe for pool & park users
 - Fully accessible

- Car parking
 - Outdoor Facility
 - Four Lane outdoor Geothermally heated (all year) pool
 - Leisure pool
 - Manu (bombing) pool
 - Hydro Slides (x3)
 - Fitness Centre
 - Geothermal Bore
48. The major benefits of this proposal and the commercial and financial case for the project is outlined in the Memorial Park Aquatic Facility Business Case (attachment 1).

Delivering value for money for the community

49. Significant work has been undertaken during the project development phase to reduce the cost of the centre and ensure value for money for the community.
50. The original project scope envisaged a combined multi-sport and aquatic centre within Memorial Park. However, initial scoping works identified that the cost of \$175m was well outside the project budget of \$122m (excluding \$8m Memorial Park upgrades).
51. Alternative options have been investigated to deliver the Memorial Park Hub programme outcomes for the community, but within the LTP budget.
52. The programme team has looked to develop more affordable options for the aquatics facility, with a focus on prioritising the greatest need in the city's aquatic network. In accordance with the needs analysis the priority for increased aquatic facilities is in the recreational/leisure use, which currently represents approximately 20% of the network offering, and based on national benchmarks would be expected to represent 60-70% of the network.
53. The programme team has also considered alternative locations for the aquatic centre. A high-level analysis of alternative locations for the aquatic centre identified that Memorial Park was still the preferred location due to its central location, council-owned land, available space and providing a multi-use aquatic centre the other side of the harbour from Baywave.
54. Through the preliminary design process the team has achieved a number of improvements to gain value and efficiencies in the design. Through this process the revised cost for Indoor and Outdoor Facility is between \$100-105m. More detail regarding the improvements made are outlined below under project progression.

Project progression

55. Significant engagement has occurred with pool users to design a facility that will meet the needs of the community. This has led to an expectation within the community regarding the services that will be delivered through the new facility.
56. Significant professional design work has been undertaken on this project since June 2023. Professional Fees spent to 30 December 2023 for concept design was \$1.6m and a total of \$2.65m spent to commence preliminary design to 30 September 2024. In September 2024 the design process was put on hold to allow the Council to review the project in relation to the overall recreation provision within the city.
57. In May 2024, Apollo Projects was engaged as an ECI Contractor (Early Contractor Involvement) to provide direction on national requirements, benchmarking and advice and input into the architectural design, functionality and buildability of the facility. Through the preliminary design process the team has achieved a number of improvements to gain value and efficiencies in the design. These improvements/efficiencies include the completion of the geotechnical investigations and confirmation of the inground improvements, removing the under croft (roof overhang/eaves) and on the flip side extending the building envelope (the increased floor area was required to allow the functionality of the building to work i.e. allowed for wider concourses to be included for improved access around the indoor pools).

Simplifications to the design including structural refinement, changes to the roof design and façade and refining the glazing to improve the aesthetics of the facility whilst achieving reduction in overall construction costs. Additional ‘value add’ to the facility include a moveable floor in the 25m indoor pool to allow for greater flexibility and meeting a wider demand from different users, including deep water sport, and the inclusion of an acoustic separation to the leisure zone. The revised cost for Indoor and Outdoor Facility is between \$100m to \$105m.

58. The below table outlines the key contracts currently in place for the project:

Consultant/Contractor	Form of Contract	Scope/Role
Apollo Projects	Bespoke Letter of Instruction	ECI Contractor - concept design completion, coordination of design team and key stakeholders, commencement of preliminary design.
HDT Architects	CCCS professional services agreement (long form)	Architectural Services
Beca	Bespoke Letter of Award (CCCS professional services agreement (long form))	Engineer services including pool water engineering, hydrogeology (bore), civil/traffic, structural, mechanical, HVAC, electrical.
Barnes Beagley Doherr (BBD)	CCCS professional services agreement (long form)	Quantity Surveying and Cost Estimation.

STATUTORY CONTEXT

- 59. Council is not statutorily required to provide aquatic facilities, however there are some legislative requirements that Council must consider when making decisions regarding service delivery. Under section 10 of the Local Government Act 2002 (LGA), the purpose of local government is to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The provision of aquatic facilities contributes significantly to community well-being, creating a thriving environment and contributing to community safety, health, social connection and enjoyment. Section 14 of the LGA further defines principles under which councils should operate, and this includes being democratic and taking account of the diversity of views and interests of the community, and ensuring prudent stewardship and efficient and effective use of resources.
- 60. The process for making decisions is further defined in par 6 of the LGA, including the process of community consultation, developing and amending Long Term Plans in consultation with the community and reporting and accountability. Whilst under section 93(6)(e) the purpose of a long-term plan is to provide a basis for accountability of the local authority to the community, section 96 clearly states that no person is entitled to require a local authority to implement the provisions of a long-term plan, and the Council is free to make a decision that is inconsistent with the contents of any long-term plan.
- 61. There are however requirements to follow when altering plans and certain decisions that can only be taken if provided for in a long-term plan. If Council was to choose option C of this report, this decision might trigger LGA section 97(1)(a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity. This may require Council to make the decision to cease the Memorial Park Aquatic Centre project through a Long Term Plan Amendment, including community consultation.

STRATEGIC ALIGNMENT

62. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	✓
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	✓

63. In August 2023, the Council adopted the ‘Our Public Places Strategy’ with the ambition of:

Together we can have public places to play, relax, be inspired, and connect with people and nature.

64. In August 2023, the Council also adopted a Play, Active Recreation, and Sport Action and Investment Plan, 2023-33 (AIP).

65. This AIP 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.

66. The AIP identified Memorial Park Recreation Hub as a priority action:

Action No.	Actions and programmes of work	Proposed timeframes	Indicative cost	Who	Priority
33.	Replacement of Memorial Pool with Memorial Park Recreation Hub (indoor and outdoor pools).	Short Term	\$\$\$\$ LTP 2026- 2028	TCC	Priority action

Key: \$\$\$\$ = more than \$5m

67. The current network plan (based on catchment analysis and condition assessments) supports the Memorial Park Aquatic Centre upgrade with further projects for other local facilities – Greerton, Otumoetai (upgraded), and in the future - Wairakei and Tauriko. There is currently \$61m in 2041-43 for a new community aquatic facility.

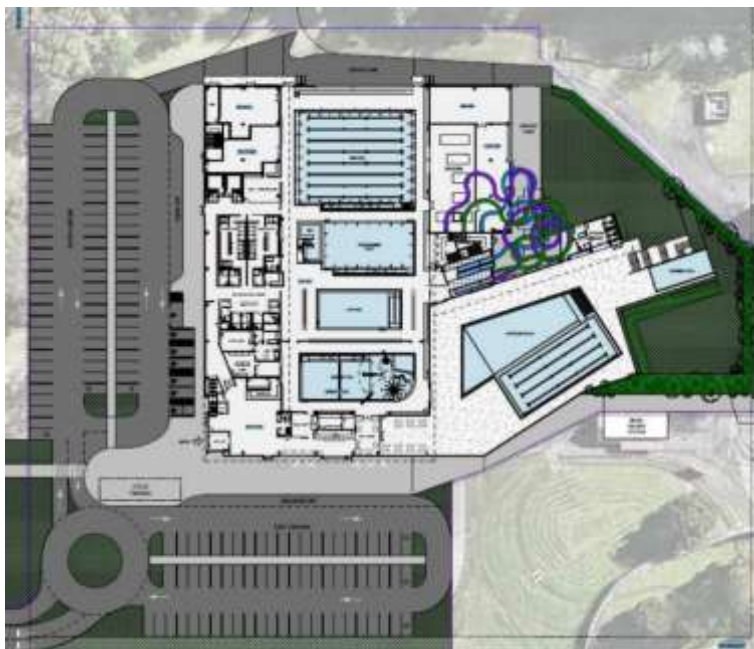
OPTIONS ANALYSIS

Through the preliminary design process the project team has confirmed the base option for the provision of indoor and outdoor aquatics facility at memorial park. The design allows for the project to be delivered either as a single stage project or a staged project allowing for the completion of the indoor facility as stage 1 and the outdoor facility as stage 2. It should be noted that a decision to deliver the project in two stages will have a negative effect on the capital cost of the project and revenue projected for the facility.

Option A – Single-stage development - Full indoor and outdoor aquatic facility.

68. Deliver the Memorial Park Aquatic Centre project, as per the proposal approved through the Long Term Plan 2024-34, at a cost of \$100m-\$105m. This option will realise significant savings in the original budget, whilst retaining the functionality and level of service provision requirements.

Full Memorial Park Indoor and Outdoor Aquatic Centre



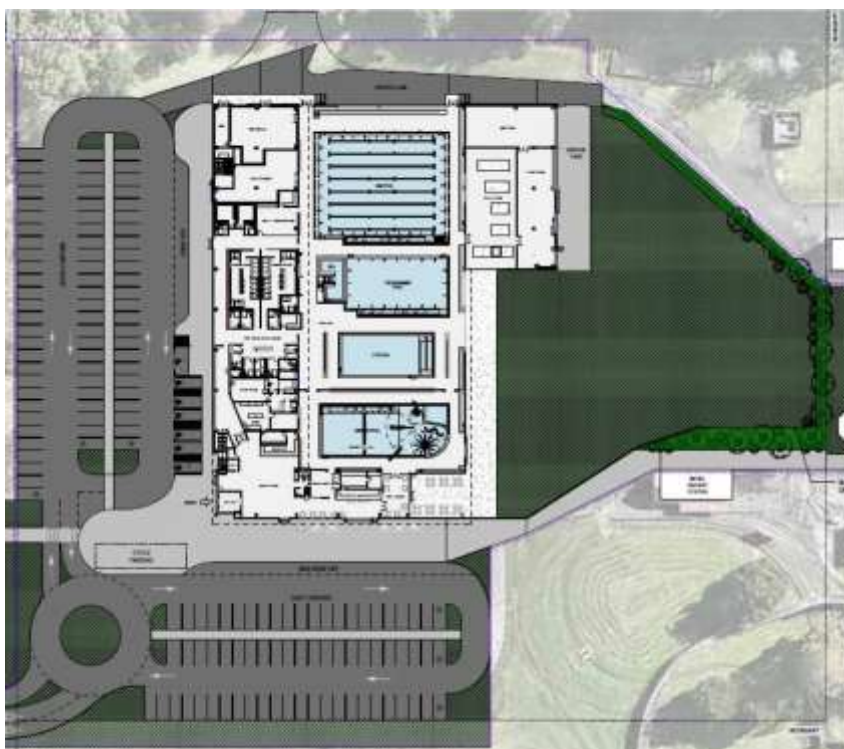
Advantages	Disadvantages
<p>Efficiencies achieved through the preliminary design has resulted in a significant saving that Council may wish to transfer to other recreational/aquatics projects.</p> <p>Addresses the <u>major deficit</u> across the citywide aquatics network in leisure, hydrotherapy, plus the shortage of lane space and provision for structured sport, as the city grows.</p> <p>Provides more deep water in the network, so sports such as water polo, synchronised swimming and competitive swimming are able to grow (both in numbers and competitively as training time is currently limited).</p> <p>Provides for greater learn to swim facilities, enhancing safety for children in a city where interaction with water is high, and improved health and safety for teachers.</p> <p>Meets provision requirements in the network in line with level of service target across the range of aquatic activities and caters for future growth.</p> <p>Includes Geothermal bore installation, leading to reduced operational costs, greater resilience and reduced carbon footprint.</p> <p>Provides full pool and leisure areas, including outdoor areas, creating a destination facility.</p> <p>Full hydroslide provisions, creating a more appealing destination facility and increasing income generation.</p>	<p>High capital costs although the revised preliminary design has reduced the initial cost estimate substantially.</p> <p>Impact on overall debt level of Council.</p> <p>Opportunity cost in not spending money on other Council facilities.</p> <p>Ongoing additional operational costs will continue to be subsidised by ratepayers.</p>

<p>More attractive for external funders, with value add facilities representing a more desirable funding proposition.</p> <p>Presents numerous revenue generating opportunities including gym, café, learn to swim, hydrosides.</p> <p>Provides for a major multi-use aquatics centre on either side of the harbour – Baywave and Memorial Park.</p> <p>Configuration and size compares cost wise with other recently completed projects in NZ.</p> <p>The design follows the principles of sustainable design.</p>	
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Option B – Staged development - Indoor facility, with outdoor options deferred.

69. Deliver the indoor facilities (Stage 1) proposed through the Memorial Park Aquatic Centre project and defer the outdoor pool facilities, hydrosides and geothermal bore (Stage 2) to a future date. Stage 1 could be delivered at a budget of \$80-85m, and will deliver on a large portion of the current aquatics network deficit.

Staged 1 -Memorial Park Indoor Aquatic Centre



70.

Advantages	Disadvantages
<p>Staged Development to allow for future addition of the outdoor facility and hydrosides.</p> <p>Potential revenue from Spa use</p> <p>Defer Geothermal bore installation (reduced capital cost)</p>	<p>At time of opening, would not quite meet level of service target across the range of aquatic activities, with no room for future growth.</p> <p>Doesn't meet network needs for leisure</p> <p>Outdoor facility deferred</p>

<p>Less impact to surrounding amenities</p> <p>Addresses some of the <u>major deficit</u> across the citywide aquatics network in leisure, hydrotherapy. Addresses the shortage of lane space and provision for structured sport, as the city grows.</p> <p>Provides more deep water in the network, so sports such as water polo, synchronised swimming and competitive swimming are able to grow (both in numbers and competitively as training time is currently limited).</p> <p>Provides for greater learn to swim facilities, enhancing safety for children in a city where interaction with water is high.</p> <p>Presents some revenue generating opportunities including gym, café, learn to swim.</p> <p>Project savings can be redeployed to achieve outcomes in other facilities or Council services, or reduce rates requirements.</p> <p>Provides for a multi-use aquatics centre on either side of the harbour – Baywave and Memorial Park.</p> <p>The design follows the principles of sustainable design.</p>	<p>Hydro slide tower and hydro slides deferred</p> <p>Loss of revenue</p> <p>Less attractive for external funders</p> <p>High, although reduced, capital costs.</p> <p>Impact on overall debt level of Council (although less than option A).</p> <p>Opportunity cost in not spending money on other Council facilities (although less than option A).</p> <p>Ongoing operational costs will continue to be subsidised by ratepayers.</p>
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Option C – Stop Memorial Park Aquatic Centre development and reconsider future Aquatic provision

71. Stop all design work on the Memorial Park Aquatic Centre and instruct staff to investigate alternative solutions, to be considered through the Annual Plan 2025/26, which may include;
- Investing approximately \$25m in extending the life of the current Memorial and Otumoetai Pools at the minimum requirement to bring the facilities up to an acceptable standard to enable 10 – 15 years of further use.
 - Redesigning an aquatic centre at Memorial Park with a 50m pool.
 - Investing in upgrades to existing facilities and consider further investment at new locations in growth areas of Wairakei and Tauriko, to be considered through future LTPs.

Advantages	Disadvantages
<p>Reduced capital cost and reduced impact on Council debt level by not progressing with current proposal at this time.</p> <p>Project savings can be redeployed to achieve outcomes in other facilities or Council services, or reduce rates requirements.</p> <p>Council can influence the development of aquatic facilities that align with the current</p>	<p>Structured sports users would be unhappy that facilities not being built in line with conversations and expectations to date.</p> <p>The network is currently at full capacity for structured sport and capacity would not be expanded in the short term.</p> <p>Does not address the <u>major deficit</u> across the citywide aquatics network in leisure, hydrotherapy, or the shortage of lane space</p>

<p>governance direction.</p>	<p>and provision for structured sport, as the city grows.</p> <p>Does not provide more deep water in the network, so sports such as water polo, synchronised swimming and competitive swimming are not able to grow (both in numbers and competitively as training time is limited).</p> <p>Doesn't provide for greater learn to swim facilities, to enhance safety for children in a city where interaction with water is high.</p> <p>Doesn't meet current or future provision requirements in the network in line with level of service target across the range of aquatic activities.</p> <p>No revenue generating opportunities such as gym, café, learn to swim, hydrosides.</p> <p>Will require investment in the existing aquatic facilities to upgrade existing facilities. (Bore no longer operable).</p> <p>Extending the life of existing ageing facilities increases uncertainty of future maintenance costs.</p> <p>Otumoetai pool's ability to remain and be upgraded is dependent on the Geotech findings which are due at the end of this year. The \$25m of investment for Otumoetai and Memorial pool is based on the building/plant assessment.</p> <p>Investment would be required in the current pool facilities; namely Memorial and Otumoetai. The existing Memorial Pool is only just able to keep operating as it was going to be decommissioned for the new aquatic centre, therefore has had no investment in key aspects of the facility</p> <p>Ongoing repair and maintenance costs will be higher to continue operating existing pools.</p> <p>Costs invested to date, including concept design, preliminary design to date and early works, totalling \$2.65m, will not deliver the outcomes proposed.</p> <p>Deferment of the project will result in increases in annual cost escalations, if works are carried out at a date in the future.</p> <p>Progressing this option would see the disestablishment of the current highly specialised consulting team.</p> <p>May trigger section 97 of the Local</p>
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	Government Act and require a Long Term Plan Amendment.
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Considerations for a 50m pool

72. The current Memorial Park Aquatic Centre design does not include a 50m (Olympic size) pool. The needs analysis, feasibility study, user group engagement and national provision analysis has identified the following insights that informed the decision to not include a 50m lane pool:
- The cost of adding a 50m pool would be higher than the cost of the 25m plus the Programme pool. While the actual pool water spaces would cost around the same, the additional building size required would make it more expensive and would limit what other features the building could include.
 - Including a 50m pool would require significant compromise, including losing two of either the programme pool, Learn to Swim pool or indoor leisure space.
 - The 50m pool doesn't meet modern water space specifications for Learn to Swim or hydrotherapy functions. Other features like soft pool floors for teachers in the Learn to Swim and varying depths (Ergonomics are critical for Health and Safety of teachers in the Learn to Swim pool) are critical to continue to meet the community needs.
 - One option considered during the design process to date was the combining of the Programme and Learn to Swim spaces, however this comes with a number of negatives including loss of pool water space during a "code brown", different depth requirements and slightly different water temperatures. The Learn to Swim and Programme pools are likely to be high income earners for the facility.
 - The revised Feasibility Study notes that there is currently sufficient supply of 50m pools within New Zealand, including two within 1 hour drive of Tauranga. It is also worth noting that around 80% of swim competitions take place in a 25m pool including World Championships.
73. The Needs Analysis identified that, in line with the Bay of Plenty Spaces and Places Strategy, there was not sufficient evidence identified to warrant investigation of a 50m pool within Tauranga's network. The analysis suggested other aquatic requirements are addressed prior to revisiting the need for a 50m pool in the future. The revised Feasibility Study adds commentary to the reasons why this is not seen as a good option for Memorial Park.
74. The current aquatics network planning for the city suggests that future aquatic facilities that will be required to meet growth demand in both the East (Wairakei) and West (Tauriko) of the city will present an opportunity to reconsider the appropriateness of delivering a 50m pool. This will be considered through future Council Long Term Plans as part of future aquatic network planning.

FINANCIAL CONSIDERATIONS

75. The current budget for the Memorial Park Aquatics facility (as approved at the Council Meeting 11 December 2023) and revised in the LTP 2024-34 is \$124.027m. The preliminary design indicates that the facility can be delivered as a single stage project for \$100-\$105m or as a 2-stage project with Stage 1 Indoor facility at a range between \$80m to \$85m. Further work is underway on the financial implications of the options provided through this report.
76. This report seeks approval to recommence the project through to completion of the Design Feasibility Report. This process will cost \$2.2m. A report will be brought back to Council within four months, to consider approving the final fixed-price design and build contract.

LEGAL IMPLICATIONS / RISKS

77. There is a reputational risk associated with the options outlined in this report. Development of an aquatic facility at Memorial Park has been part of Council's planning and community consultation for five years, and therefore there is a community expectation that this project will be delivered. There is also a significant amount of work and investment that has been made in progressing the project to date. Discontinuing the project at this stage could lead to significant community opposition.
78. However, Council is also charged with balancing the needs of the community and considering affordability and prudent stewardship. For those opposed to the project, further expenditure on this project would not be endorsed.
79. Paragraph 58 outlines the key contracts currently in place for the project. A decision to cease development of the Memorial Park Aquatic Centre (Option C) would require the early termination of these contracts. Further information in relation thereto is contained in the related public excluded report contained on this agenda.

TE AO MĀORI APPROACH

80. A cultural narrative framework will be developed jointly with mana whenua, with ongoing engagement as the design response is refined. To date, hui undertaken with mana whenua during the concept design phase of the project has led to a Tauranga Moana design principles, Memorial Park cultural design drivers and design outcomes. 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 sets a strong foundation for the project to move ahead upon. A foundation for the design is embedding the history and cultural narrative of the place, seamlessly connecting the people to the place.

CLIMATE IMPACT

81. The Memorial Park Aquatic Centre has been designed to incorporate modern sustainability principals. It is important however that these features do not add significant cost for little value. The current design (Option A of this report) is expected to achieve a Greenstar 5 rating. Key features include stainless steel pools, which are considered to have lower embodied carbon than concrete and 25% of the ongoing maintenance costs, highly insulated cladding and energy efficient lighting and mechanical systems. For options that include the geothermal bore, further emission and cost reductions will be achieved.
82. Initial concept design framework included utilising geothermal energy, solar photovoltaics and rainwater harvesting, and investigated targeting a Zero Energy and Zero Carbon certification. However, detailed modelling indicated Zero Energy and Zero Carbon would not be achievable, even with geothermal and solar Photovoltaics.
83. Embodied carbon associated with the development of the centre structure has not been quantified, however measures have been considered to reduce the embodied carbon including, partnering with subcontractors and suppliers who share a carbon reduction mindset, concrete additives, prioritising Bay of Plenty and then New Zealand supplied materials, diverting waste and re-using materials on-site.
84. The project team has reviewed the foundation solutions and considered three geotechnical options. The favoured option includes ground improvement techniques that have been used on a number of similar facilities around the country. This foundation system provides the durability and resilience to meet the required building code requirements of IL3.
85. The site has a high-water table and modelling suggests this will be exacerbated over time due to climate change. The Aquatic Centre design has removed the high-water table issue by raising the pools tanks above the water table level. The level of the building also takes into account future climate impacts.

CONSULTATION / ENGAGEMENT

86. The Council has undertaken previous engagement with the community to understand community support for this project through the Long-Term Plans 2018-28 and 2021-31.
87. The projects have garnered support from the community, including requests by users specifically for more facilities, both to cater for increased numbers and a broader variety of recreational activities.
88. Specific targeted stakeholder and mana whenua engagement has occurred as part of the design development and Council has received a letter of support from the Aquatic Forum User Group in December 2023 (see appendix 2).
89. Further consultation is currently underway to understand the sentiment of the broader Tauranga community, including a survey distributed to ratepayers and through Council's social media and traditional media channels. The results of the survey will be presented back to the Council at the 12 November 2024 Council meeting.

SIGNIFICANCE

90. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
91. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
92. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision to build an Aquatic Centre is of high significance. However, the Council has already made the decision to develop the Memorial Park Recreation Hub through the LTP 2021-31, approved a proposal to amend the Memorial Park Recreation Hub project on 11 December 2023, and approved the inclusion of the Memorial Park Aquatic Centre through the LTP 2024-34.
93. A decision to recommence the project would be of low significance. However a decision to cease the development of the Memorial Park Aquatic Centre (Option C) would be of high significance.



ENGAGEMENT

94. Taking into consideration the above assessment, that the decision to develop an Aquatic Centre is of high significance, but also that extensive community engagement has occurred to date, officers are of the opinion that no further engagement is required prior to Council making a decision to proceed with Options A or B. However, before making a decision, the Council may wish to consider the views of the wider community, and as a result, further community-wide engagement is currently underway.
95. A decision to cease development of the Memorial Park Aquatic Centre (Option C) would be of high significance, and the Council would need to consider whether previous engagement on this project has provided sufficient opportunity for the community to share their views on not progressing with this project. As a significant decision, the Council would also need to consider if the requirements of section 97 of the LGA are triggered, thus requiring this decision to be made through a Long Term Plan Amendment. Legal advice would be sought to determine the legislative requirements associated with Council's decision, depending on the outcome of this report.

NEXT STEPS

96. Work has ceased on the Memorial Park Aquatic Centre. If the Council supports the resolutions of this report, the project will recommence as early as possible to alleviate the negative impact created by having highly skilled technical specialists waiting to recommence, and reduce the chance of them being redeployed.
97. The Design Feasibility Report will be completed and brought to Council for a decision, within four months. This will present the Council with the information need to make a decision whether to enter into a fixed price design and build contract/
98. Because option A now requires less investment than the LTP, this will be reflected in the updated budgets and Annual Plans going forward.
99. If Council supports Option B, the work that was put on hold would still recommence and the project would continue. The decision whether to progress with a single stage or staged development would occur when the Design Feasibility Report is brought back to Council.
100. If the Council supports Option C, the project would cease and current contracts would be terminated, in line with contract conditions. The future of the aquatics network would then be formally considered and consulted on through the Annual Plan 2025/26 or a Long Term Plan Amendment, subject to legal advice.
101. If the Council decide to leave the resolutions of this report on the table until the next Council meeting, the results of the current engagement process will be presented to the Council to inform the decision-making process.

ATTACHMENTS

1. **Attachment 1 - MPAC Business Case - 7th May 2024 - A16899013** [↓](#) 
2. **Attachment 2 - Aquatic Sport User Group - Council Memorial Park Submission Dec 2023 - A16899034** [↓](#) 

0 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>L.11 - Memorial Park Aquatic Centre Updated Business Case</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>