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

Order of Business

11 BUSINESS

11.10 Memorial Park Aquatic Centre Update

File Number: **A16784724**

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Authoriser: **Barbara Dempsey, General Manager: Community Services**

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 m^2 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 m^2. However, the current network capacity that the Council provides is 63 people per m^2, or 2,578m^2 of 'all season' pool space, compared to our intended level of service of 3,622m^2 of pool space, or SportNZ's level of service of 4,405m^2 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 /

m^2 of water or 4,310m^2 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 m^2 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

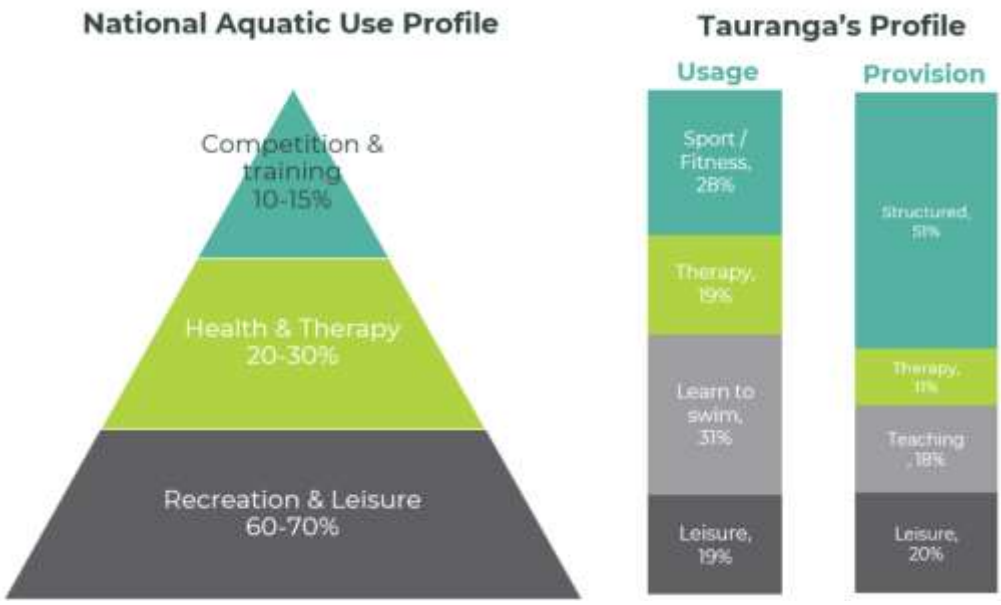
Pool Visits Per m^2	Total m^2	FY24 Visits	Visits per m^2	% of National benchmark of 150 pax per m^2
Memorial	708	25,320	36	24%
Otumoetai	561	43,035	77	51%
Greerton	660	102,963	156	104%
Baywave	1,409	434,435	308	206%
Mt Hot Pools	512	292,000	570	380%

Visits per m2	Lap	Leisure	Learners	Hydrotherapy
Memorial	43		32	
Otumoetai	82		61	
Greerton	101		220	233
Baywave	227	450	246	
Mt Hot Pools		570		

Key

Variation from benchmark	
Low	
Moderate	
Extreme	

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:



13. 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 FACIILTIES

14. 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.

15. 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.

16. 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.

17. 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.

18. The feasibility study identified a clear case for investment of aquatic facilities at Memorial Park:

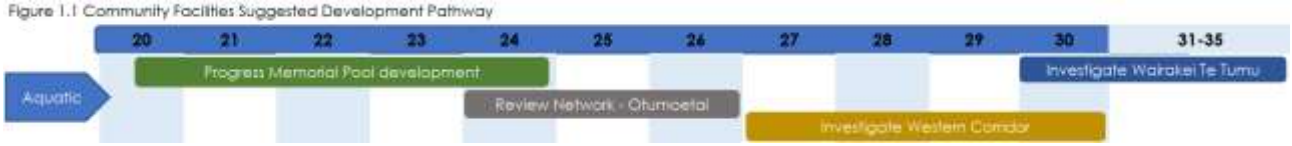
Gap in aquatic leisure	There is a significant gap in the provision of aquatic leisure to provide for the greatest proportion of aquatic users. This should preferably be indoor all-year round, supplemented by an outdoor leisure pool to replace the outdoor pools at Memorial Pool.
Aging assets at the end 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.

	Facility	Role	Condition	Visits	Utilisation	Capacity	Comment
CURRENT STATE	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 Delegated[1] 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 required[1] 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 2023[1] 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 delegated[2] 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	☐
We are a well-planned city	✓
We can move around our city easily	☐
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.

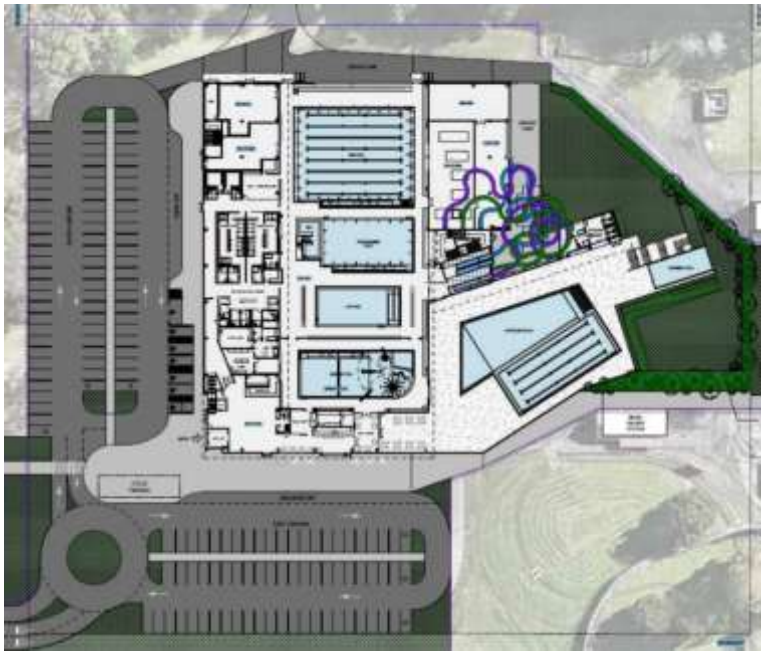
OPTIONS ANALYSIS

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
Efficiencies achieved through the preliminary design has resulted in a significant saving that Council may wish to transfer to other recreational/aquatics projects. Addresses the major deficit across the citywide aquatics network in leisure, hydrotherapy, plus the shortage of lane space and provision for structured sport, as the city grows. 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). 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. Meets provision requirements in the network in line with level of service target across the range of aquatic activities and caters for future growth. Includes Geothermal bore installation, leading to reduced operational costs, greater resilience and reduced carbon footprint. Provides full pool and leisure areas, including outdoor areas, creating a destination facility. Full hydroslide provisions, creating a more appealing destination facility and increasing income generation.	High capital costs although the revised preliminary design has reduced the initial cost estimate substantially. Impact on overall debt level of Council. Opportunity cost in not spending money on other Council facilities. Ongoing additional operational costs will continue to be subsidised by ratepayers.

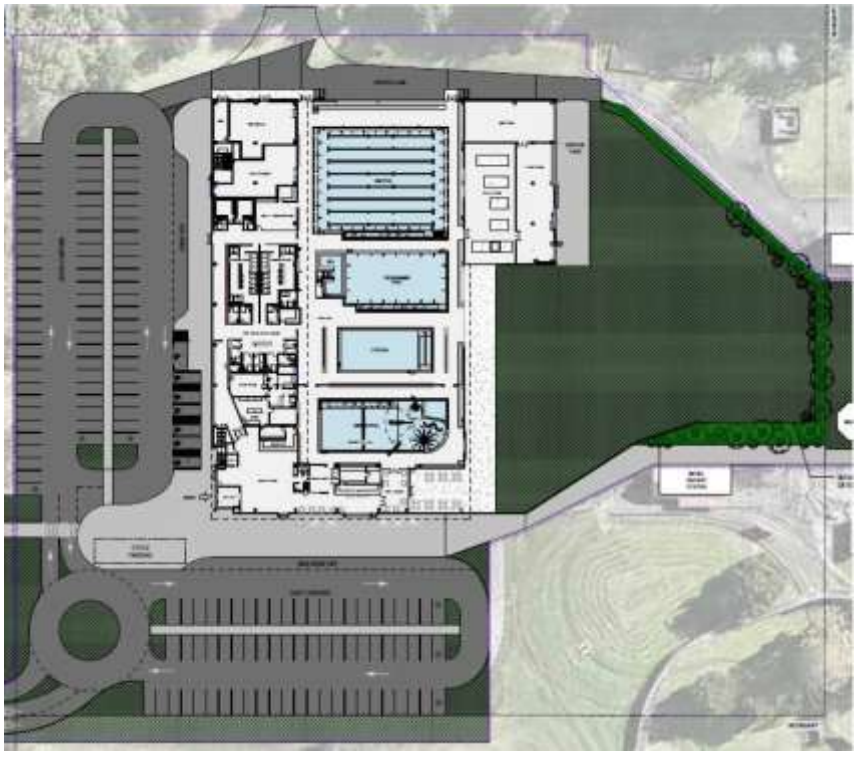
More attractive for external funders, with value add facilities representing a more desirable funding proposition. Presents numerous revenue generating opportunities including gym, café, learn to swim, hydroslides. Provides for a major multi-use aquatics centre on either side of the harbour – Baywave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

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

Less impact to surrounding amenities Addresses some of the major deficit across the citywide aquatics network in leisure, hydrotherapy. Addresses the shortage of lane space and provision for structured sport, as the city grows. 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). Provides for greater learn to swim facilities, enhancing safety for children in a city where interaction with water is high. Presents some revenue generating opportunities including gym, café, learn to swim. Project savings can be redeployed to achieve outcomes in other facilities or Council services, or reduce rates requirements. Provides for a multi-use aquatics centre on either side of the harbour – Baywave and Memorial Park. The design follows the principles of sustainable design.	Hydro slide tower and hydro slides deferred Loss of revenue Less attractive for external funders High, although reduced, capital costs. Impact on overall debt level of Council (although less than option A). Opportunity cost in not spending money on other Council facilities (although less than option A). Ongoing operational costs will continue to be subsidised by ratepayers.

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

governance direction.	and provision for structured sport, as the city grows. 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). Doesn't provide for greater learn to swim facilities, to enhance safety for children in a city where interaction with water is high. Doesn't meet current or future provision requirements in the network in line with level of service target across the range of aquatic activities. No revenue generating opportunities such as gym, café, learn to swim, hydroslides. Will require investment in the existing aquatic facilities to upgrade existing facilities. (Bore no longer operable). Extending the life of existing ageing facilities increases uncertainty of future maintenance costs. 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. 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 Ongoing repair and maintenance costs will be higher to continue operating existing pools. Costs invested to date, including concept design, preliminary design to date and early works, totalling $2.65m, will not deliver the outcomes proposed. Deferment of the project will result in increases in annual cost escalations, if works are carried out at a date in the future. Progressing this option would see the disestablishment of the current highly specialised consulting team. May trigger section 97 of the Local

	Government Act and require a Long Term Plan Amendment.

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 insulted 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** ⇩

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
Version	Final
Date	7th May 2024.
Client	Tauranga City Council.
Front Cover Credit	HDT Architects.

CONTENTS

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 Mataraunui – 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 decade[1]. 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 Mataraunui – 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."*

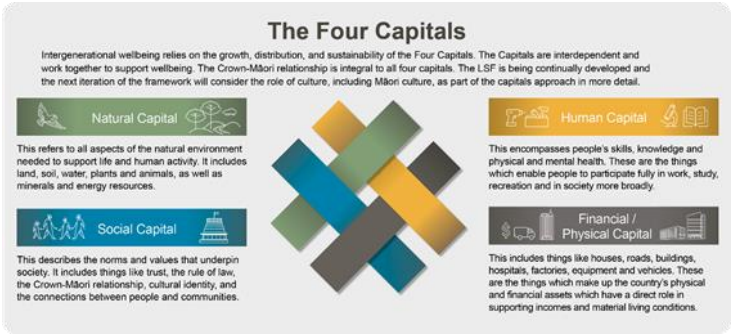
TREASURY - LIVING STANDARDS FRAMEWORK

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,

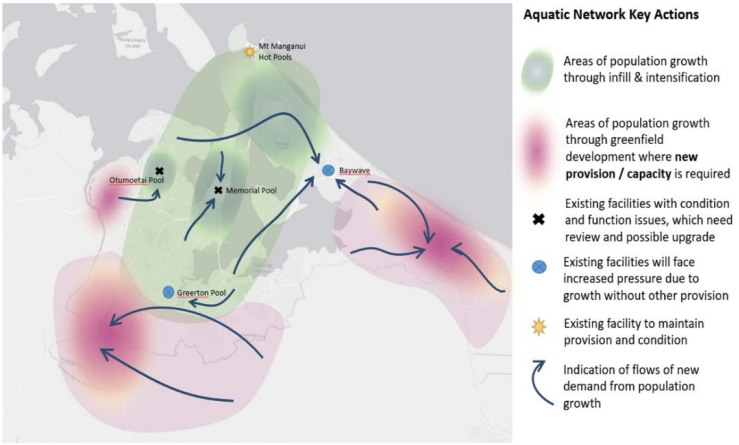
> *"On this basis, the recommended option is to progress with a detailed feasibility study to explore the development of a multi-use recreation and leisure facility for the Tauranga Central and Tauranga West catchments. Note that the study will have a broader scope than just aquatic facilities to ensure 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 25mpool.*
- *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.
- Hydroslides 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 members[2]. 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.
- **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 Pool[3].

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

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

[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.

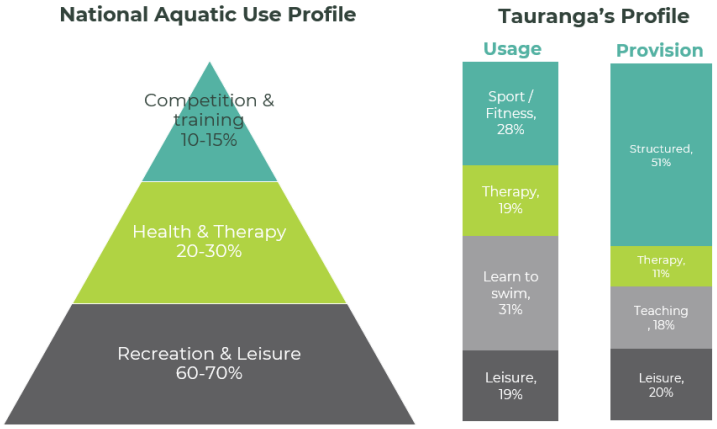
for Tauranga's aquatic network insufficient water to meet demand (outlined in problem 2) and imbalance of current provision to meet needs.

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.

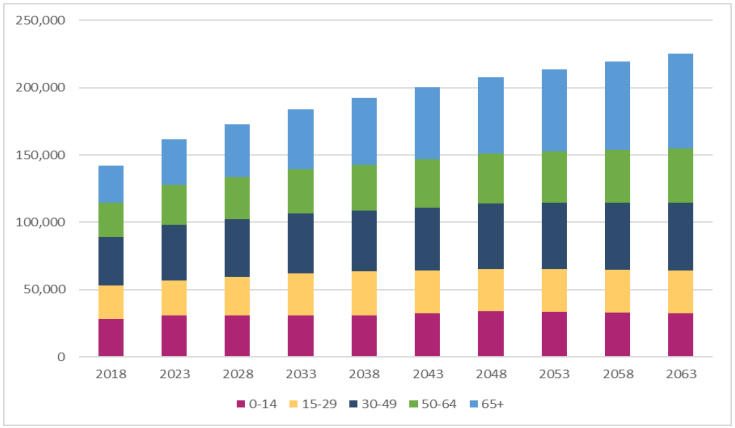
2.2 Existing community aquatic and recreation facilities do not cater to Mana Whenua, Pasifika, ethnic minorities, gender diversity, and disabled people as well as they could which impacts participation and perceptions of inclusion.

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

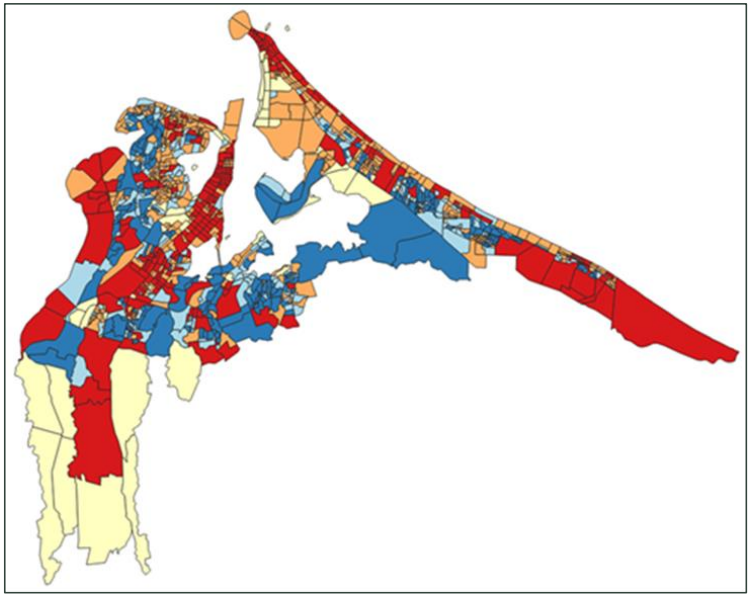


The proportion of people aged 65+ shifts upwards significantly from 19% in 2018 to 31% in 2063. The proportion in middle cohorts (30-49 and 50-64 years) remains relatively stable over time while younger cohort proportions decline. The projected proportion of people aged 0-14 years decreases from 20% 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 m^2 per 1,000 people, which is lower than the recommended benchmark of 27m^2 per 1,000 people. If there is no change to aquatic provision in Tauranga the shortfall in provision will increase to 18.8 m^2 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.

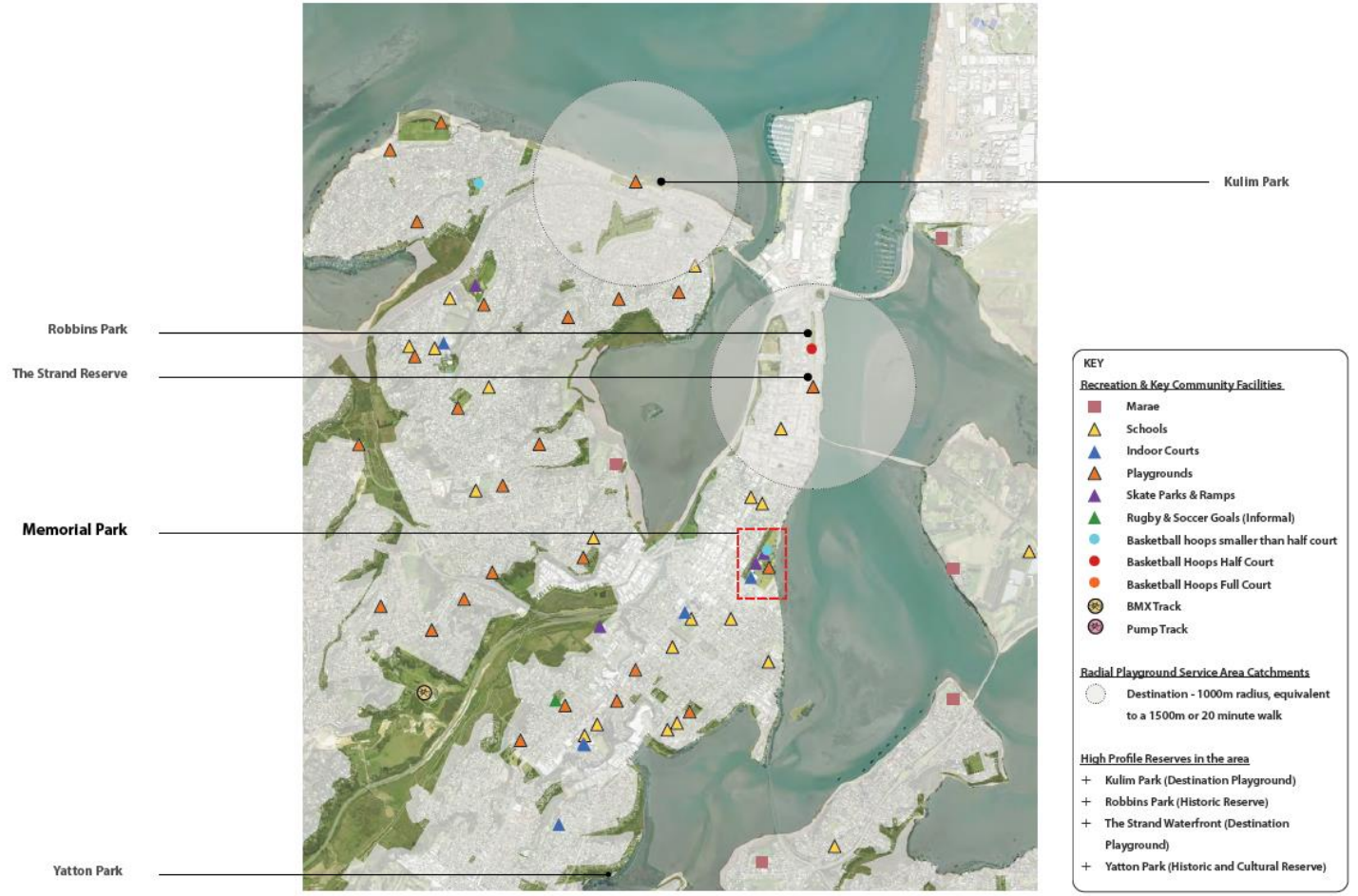
Analysis of the existing park structures and features shows that the park is well served with assets, but these have not been established around a strong guiding structure or overall plan. This is very typical of parks that have evolved over a long period and often without a master plan. Many assets 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



bespoke LANDSCAPE ARCHITECTS Tauranga City

SITE ANALYSIS & INVESTIGATION
1:40,000 @ a3

NORTH

MEMORIAL PARK
Eleventh Avenue, Tauranga

REV A
December 2023

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 group[4] 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:	• The Memorial Park Aquatic Facility has high community participation levels which take pressure off the wider network.	• 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:	• The Memorial Park Aquatic Facility has a broad participation profile and attracts those who have not historically been regular visitors to the facility network.	• 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:	• The Memorial Park Aquatic Facility fills aquatic network gaps, especially for leisure water.	• The Memorial Park Aquatic Facility has the highest leisure water satisfaction ratings in the Tauranga network. • The leisure water satisfaction ratings for the Memorial Park Aquatic Facility are comparable to national pool benchmarks.
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.	• 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:	• The Memorial Park Aquatic Facility has diverse revenue streams that support reinvestment in non-economic community outcomes.	• 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	• Memorial Park and the Aquatic Facility meet sustainability and environmental resilience goals.	• The Memorial Park Aquatic Facility has operational energy costs that are below comparable New Zealand facility benchmarks.

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

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:** • 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.	• 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:** • 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.	• 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:** • 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.	• 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:** • 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	• 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

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

	Likelihood				
Impact	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. • 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. • 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. • 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. • 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. • 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. • 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. • Geotechnical investigations fail to accurately anticipate ground conditions causing redesign and potentially higher capital costs.	Possible	Moderate	High
Workforce availability • Required workforce is not available.	Unlikely	Moderate	Medium
Construction disruption • 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

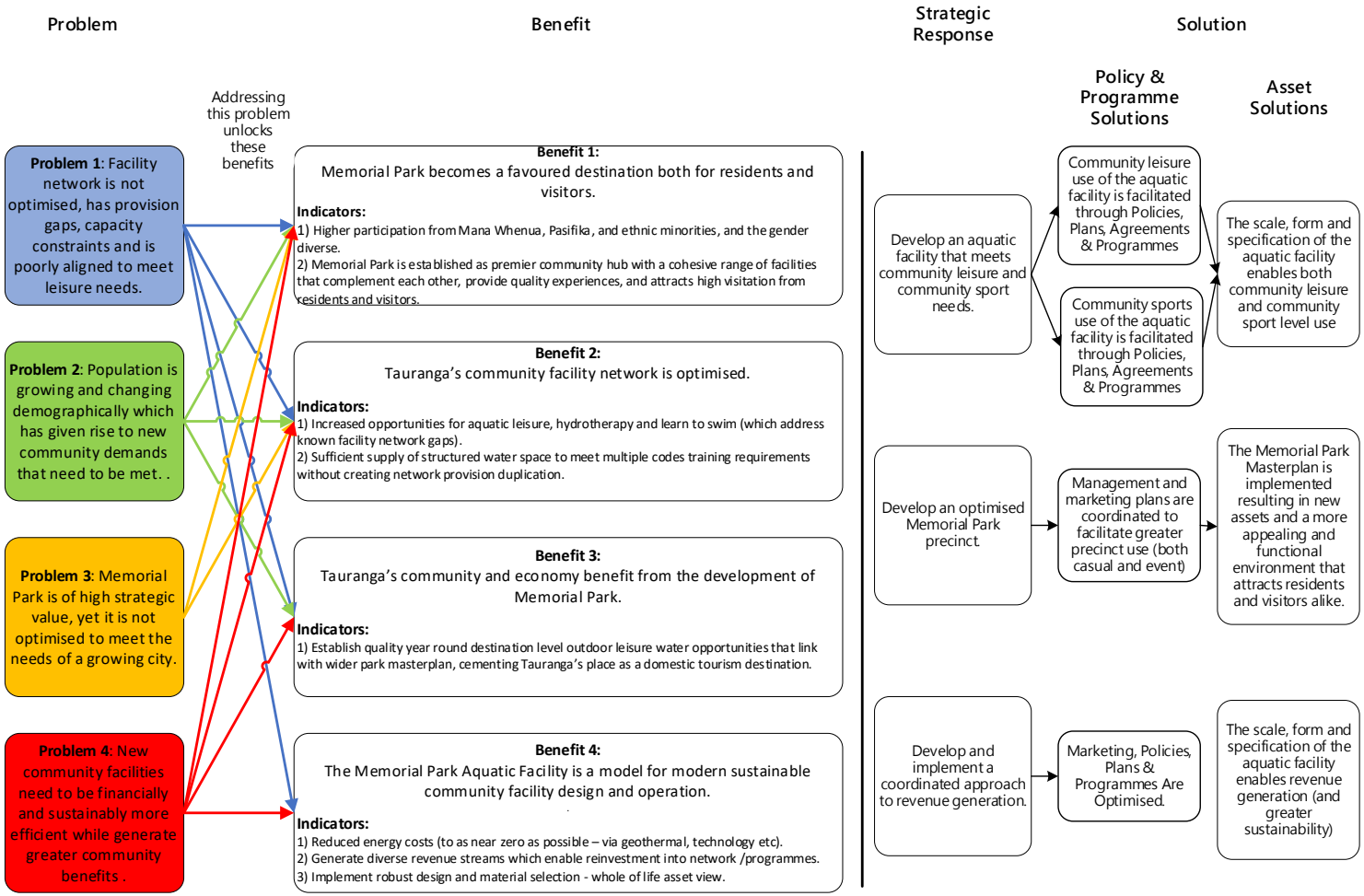
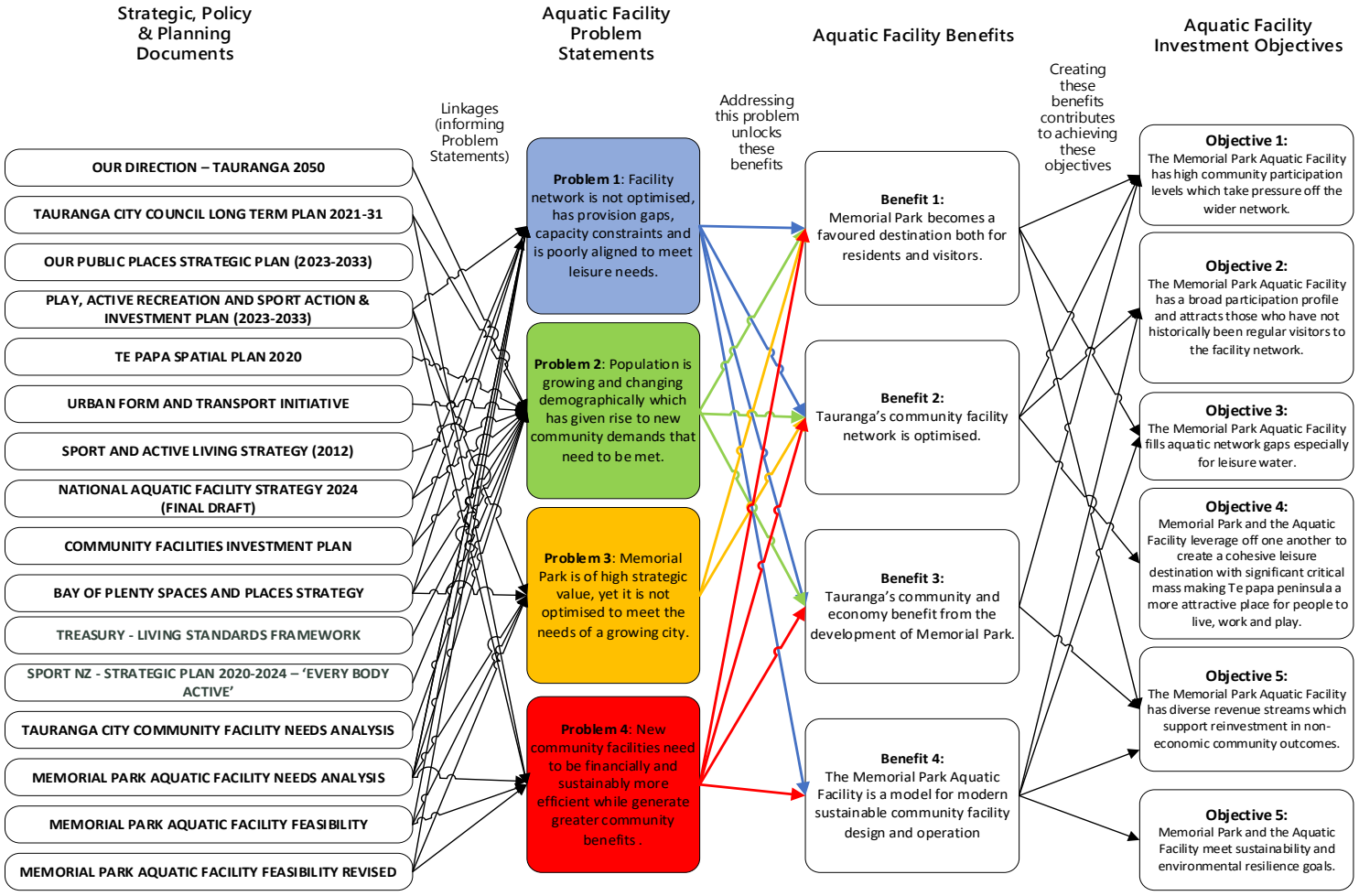


FIGURE 3.10: MEMORIAL PARK AQUATIC FACILITY STRATEGIC, POLICY AND PLANNING ALIGNMENT



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	• Do nothing and retain existing assets.	This status quo option sees the existing pool stay as it is.
Option 1: Brief Compliant Scope.	• 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.	• 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.

	• More balance between structured and leisure water provision. • Cost $112.5m.	
Option 2b: Bref Compliant Scope – No Courts, Fitness Centre or Outdoor Pools.	• Excludes Courts, Fitness Centre, and Outdoor Pools. • Cost $97m.	It is assumed the indoor courts are developed on another site.
Option 2c: Bref Compliant Scope – No Courts, or Outdoor Pools.	• 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.	• 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).	• 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 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 envelope[5]. Option 2c was introduced late in the process[6].

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.

[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 (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

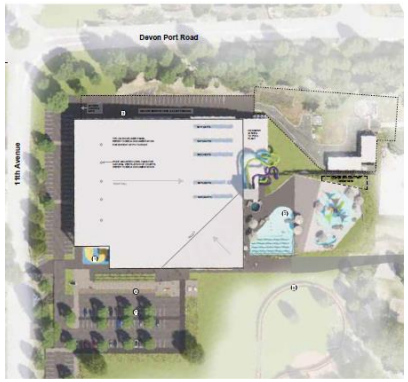
This sub-section further analyses the three options that advanced through the long list process. These options were renamed and optimised through a series of further design stages. These are:

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 criteria[7] drawn from the Strategic Case. (Tables 4.9– 4.11).

Optimised Shortlist Option Descriptions

TABLE 4.6: DESCRIPTION OPTION 1: ORGINAL BRIEF

Key Components	
• Indoor Courts x 4 • 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 And Plunge Pool **Outdoor Aquatic** • Hydroslide x 3. • Lido Pool With 4 Lanes • Family Spa • Bombing Pool **Other** • Splashpad • Full Cafe • 200 External Parks	
Key Statistics	
• Basement • Ground Floor • First Floor • **TOTAL** • Indoor Water • Outdoor Water • **TOTAL** • Fitness Centre Size	GFA 652m2 GFA 8393m2 GFA 1893m2 **GFA 10936m2** 1297m2 980m2 **2277m2** 1205m2
Estimated Cost $173m	

[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.

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

Key Components	
• 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 **Other** • Cafe Kiosk - no indoor seating • 150 external parks	
Key Statistics	
• Basement • Ground Floor • First Floor • **TOTAL** • Indoor Water • Outdoor Water • **TOTAL** • Fitness Centre Size	GFA 278m2 GFA 4123m2 GFA 1127m2 **GFA 5528m2** 1276m2 490m2 **1766m2** 620m2
Estimated Cost $119.85m	

TABLE 4.8: DESCRIPTION OPTION 3: AQUATIC LEISURE FOCUSSED FACILITY

Key Components	
• Fitness centre **Indoor Aquatic** • 25 x 10m Programmes Pool (2 lanes incl spa), • 20m x 8m Learn to Swim Pool, • Leisure Pool incl toddlers pool (385m²) **Outdoor Aquatic** • 8 lane 25m Pool, • Bombing Pool, • Splashpad, • Hydroslide x 1. **Other** • Medium Cafe • 150 external parks	
Key Statistics	
• Basement • Ground Floor • First Floor • **TOTAL** • Indoor Water • Outdoor Water • **TOTAL** • Fitness Centre Size	GFA 324m2 GFA 3297m2 GFA 655m2 **GFA 4276m2** 870m2 730m2 **1600m2** 650m2
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	• Addresses both leisure and structure water space network needs.	
Encourages broad participation	• 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.	• 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 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. • 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.	• 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).
Diverse revenue streams	• 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.	• 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	• Offers a more balanced mix of leisure and structured aquatic water (than option 3).	• Less of a leisure water focus.
Encourages broad participation	• 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.	• 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.	• 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 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.
	• 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	• Contains a fitness centre, café and a hydroslide.	• 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.	• 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.	• 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	• Leans strongly towards leisure water provision which is the most significant network gap.	• 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	• 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.	• 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.	• 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 rotated on the site, giving a more central and visible cafe position to the park, and a better aspect to the sun for pools. • 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.	• 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.
Diverse revenue streams	• 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.	• Less revenue potential from a single hydroslide. • The fitness centre is comparatively small with less revenue potential.
Fit for purpose with sustainable benefits.	• 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.	• 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.

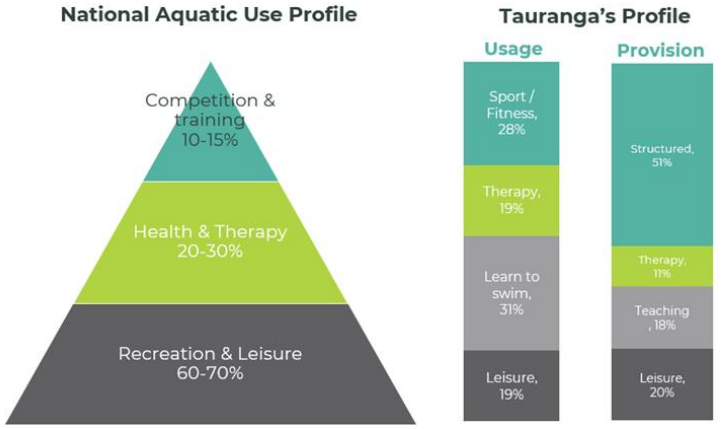
4.7 STAGE 5 INTEGRATED ANALYSIS & RECOMMENDATION

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 section 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 FOCUSSED 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 hydroslides	Option 3 with 2 additional hydroslides	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 (TCC 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 form 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 provision[8]. 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
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	• 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	• All-year • Covered (membrane) two pool complex • 25x17m main pool • 17x8m learners pool	Poor quality, insulation issues

[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.

Greerton Aquatics & Leisure Centre (Referred to as Greerton)	1, Kiteroa Street, Greerton, Tauranga 3112	6.2	• 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	• 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	• 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
Hydroslides x 3	• 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). • A comprehensive leisure offering will support the facility and have a strong appeal to families, children and youth providing (i.e. improved overall vitiation 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	• 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	• 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	• 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: 1. Leisure play (i.e. with inflatables etc), 2. Recreational lap swimming (as per the current Memorial Pool), 3. Passive hot water seating areas (built-in hot water vents and seating steps at key locations), 4. A Childrens ramped areas suitable for general play, 5. Flipper ball.

	• 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	• The outdoor green space complements the outdoor aquatic opportunities and is designed to accommodate: 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	• 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	• 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	• 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	• 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	• 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

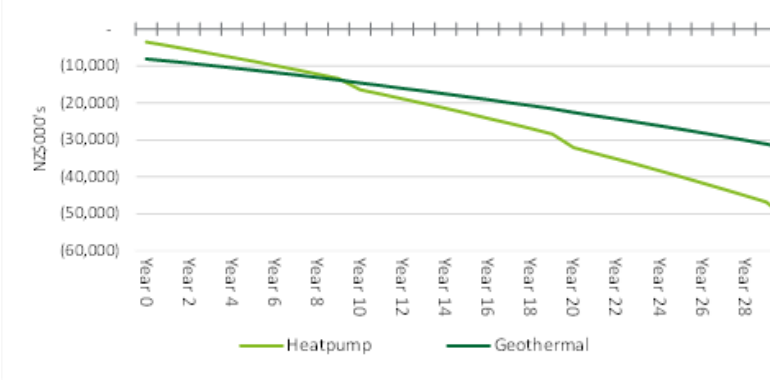
To test the financial benefits of both heat pumps and geothermal energy Deloitte prepared a discounted cash flow analysis between the two options. The analysis was based on the relative differences in:

- 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

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.
- Asses 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	• 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	• 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	• 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	4,524
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

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 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

POOL LOADING APPROACH

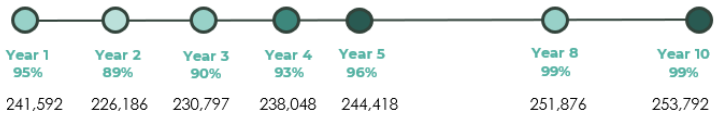
The second approach is more refined to determine the likely loading of the facility. Loading is different from maximum capacity. Maximum capacity is the absolute maximum number of people a facility can accommodate. It is very rare for aquatic facilities to reach maximum capacity as there are always peak 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	-
Weekends	Mornings	3 lanes casual laps	8 lanes casual laps
		3 lanes aquatic sports	-
		2 lanes learn to swim	-
	Afternoons	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 (5 days/week)	Mornings	8 classes per hour	8 classes per hour
	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 6.15[9].

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 desirved 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 slide**s**	Day	20% of adult visits and 50% of child visits	

Estimated visits for outdoor leisure pools and hydroslides 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.

- 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 - $250k[10].
   - Repairs and Maintenance - $130k.
   - Security and Alarm Monitoring - $70k.
   - Cleaner [11] - $45k.

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

[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.

[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	CY76	CY77
Aquatic Casual (000's)	-	-	211	199	202	208	214	222 # # # # # # # #	222	222	222	222	222
Aquatic Hydroslide (000's)	-	-	40	36	37	38	39	40 # # # # # # # #	40	40	40	40	40
Aquatic Spa (000s) No#	-	-	19	17	17	18	18	19 # # # # # # # #	19	19	19	19	19
Aquatic Programmes (000's) No#	-	-	7	6	7	7	7	7 # # # # # # # #	7	7	7	7	7
Aquatic Events (000s) No#	-	-	7	7	7	7	7	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
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)	-	-	-	-
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)	-	-	(14,312)
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)	-	-	(14,312)
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)**

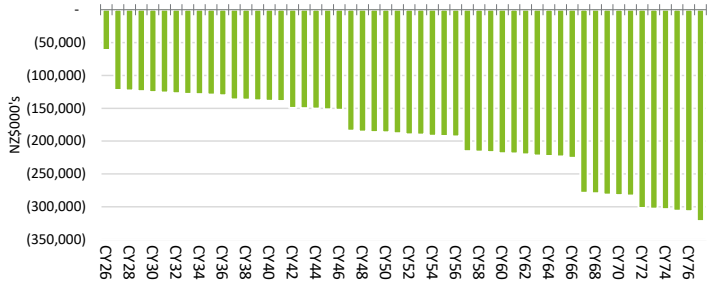
Source: Deloitte Analysis

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.

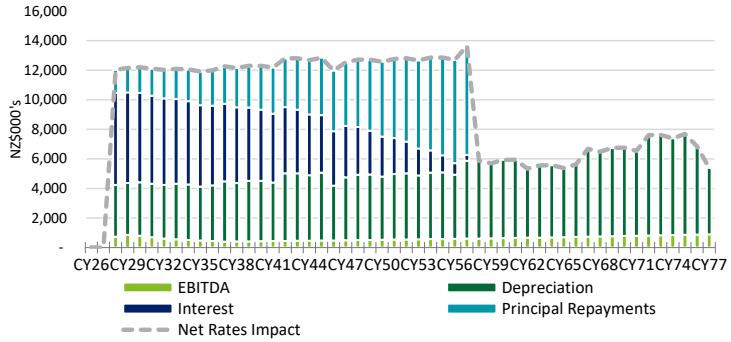
Our analysis indicates that the impact is ~$12.5 million per annum.

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:

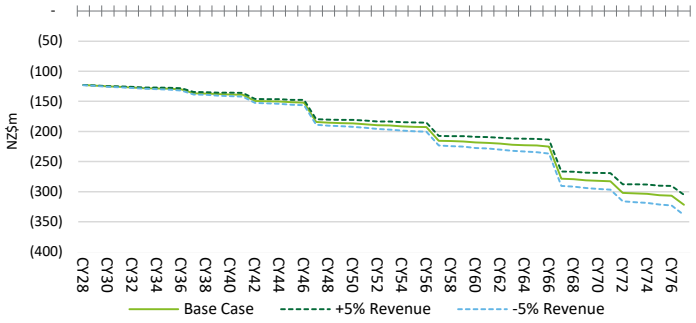
The first variable considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 5% and an increase of 5% applied to ticket/membership pricing (aquatic centre pricing and fitness membership pricing). We highlight that the revenue sensitivity has been prepared in isolation 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.

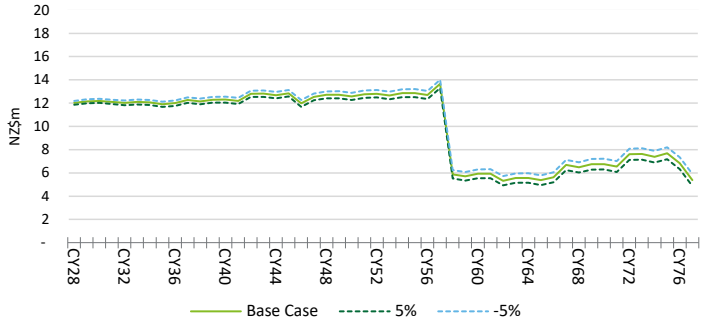
- A 5% increase/decrease in revenue is projected to result in a ~+/- $530k impact on cost to council in CY77.
- A 5% increase/decrease in revenue is projected to result in a ~+/- $16.8m impact on cumulative cash flow across the lifetime of the project

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



Source: Deloitte analysis

FIGURE 6.5: RATE IMPACT (NZ$M) REVENUE SENSITIVITY



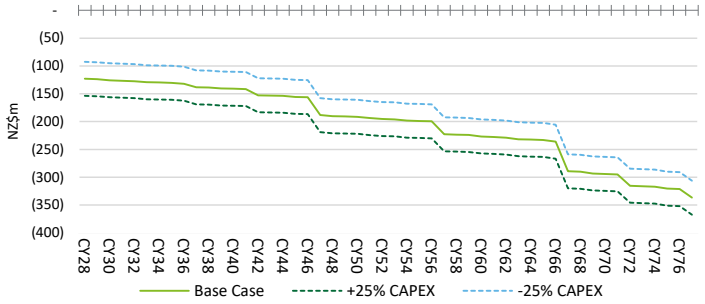
Source: Deloitte Analysis

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).

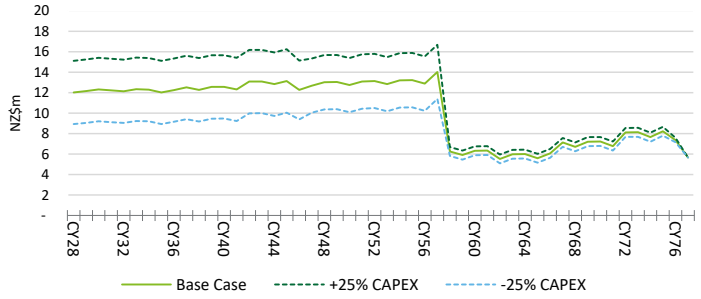
FIGURE 6.6: CUMULATIVE FREE CASH FLOW (NZ$ M) CAPEX SENSITIVITY



Source: Deloitte analysis

- 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



Source: Deloitte Analysis

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 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's strategic framework outcomes of a liveable city, resilient communities, healthy environment, and prosperous economy.

Key Roles

TMoTPL 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.

TMoTPL Project Director

The Project Director reports to the TMoTPL 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	• 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)	• Experience in the financial management and oversight of vertical build construction projects over $100m+, • Experience in local government environments.
Project Manager	• Project management experience in vertical build construction of over $100m+. • Experience in significant Councils and Community projects. • Major project procurement experience.
Financial Monitoring	• 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	• 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	• 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)	• 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.**	• Residents have improved facilities, services, and higher utilisation levels.	• 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.
	• Higher participation from Mana Whenua, Pasifika, and ethnic minorities, and the gender diverse.	• 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.**	• Increased opportunities for aquatic leisure, hydrotherapy and learn to swim. • Structured sports clubs report demand pressure reduction.	• 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.**	• The Aquatic Facility and Park are viewed as a quality all year-round destination.	• 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.**	• Reduced energy costs. • Higher revenue generation.	• 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

BARNES
BEAGLEY
DOHERR

18317A - Tauranga Leisure Hub

Concept Design Estimate

EE19 (Revised Final Concept)

8 March 2024

BARNES BEAGLEY DOHERR

The Shortland Centre
Level 14
55 Shortland Street
Auckland 1010

PO Box 3422,
Shortland Street
Auckland 1140

09 379 6174
bbd.co.nz

8 March 2024

Attention: Kelvin Eden

Tauranga City Council
By Email

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 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**	**(Plus GST)**
13	Project Contingency	$	2,975,000	
	MEMORIAL PARK RECREATION HUB - ON GRADE OPTION - TIMBER OPTION - TOTAL PROJECT	$	**122,240,000**	**(Plus GST)**

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.

- 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 chaning 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

Mobile: 021 806 478

Executive Summary

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

BARNES BEAGLEY DOHERR

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**
	Exclusions				
	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

BARNES BEAGLEY DOHERR

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

BARNES BEAGLEY DOHERR

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

BARNES BEAGLEY DOHERR

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

BARNES BEAGLEY DOHERR

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

BARNES BEAGLEY DOHERR

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
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Date: 8 March 2024

BARNES BEAGLEY DOHERR

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

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BARNES BEAGLEY DOHERR

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

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BARNES BEAGLEY DOHERR

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				

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BARNES BEAGLEY DOHERR

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	557,720
	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

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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 Natare / Myrtha]				[Ref Natare / Myrtha]
2.2.44	Rollout channel and grate [Ref. Natare / Myrtha]				[Ref Natare / Myrtha]
2.2.45	Concourse drain channel and grate				[Ref Natare / Myrtha]
2.2.46	Change room drain channel and grate	38	m	750.00	28,500
2.2.47	Pool tank walls [Ref. Natare / Myrtha]				[Ref Natare / Myrtha]
2.2.48	Balance tank walls [Ref. Natare / Myrtha]				[Ref Natare / 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

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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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

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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. Natare / 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 / updstand	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. Natare / 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

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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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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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
	Hydroslides				
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

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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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 / updstand	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 hydroslides	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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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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

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

BARNES BEAGLEY DOHERR

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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Date: 8 March 2024

BARNES BEAGLEY DOHERR

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

BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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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BARNES BEAGLEY DOHERR

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

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BARNES BEAGLEY DOHERR

No.	Description	Quantity	Unit	Rate	Total

Detail Siteworks

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BARNES BEAGLEY DOHERR

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

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BARNES BEAGLEY DOHERR

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

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BARNES BEAGLEY DOHERR

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 — Future Cost Escalation [Provisional]

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BARNES BEAGLEY DOHERR

No.	Description	Quantity	Unit	Rate	Total
	Future Cost Escalation [Provisional]				
10.1.1	Future Cost Escalation [Provisional]	1	Sum	8,800,000.00	8,800,000
	Total Future Cost Escalation [Provisional]				**8,800,000**

Detail Contingencies

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BARNES BEAGLEY DOHERR

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

Detail Consultant and Consent Fees

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BARNES BEAGLEY DOHERR

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

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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 Mudrovcic
Signed by	David Doherr

BARNES BEAGLEY DOHERR

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APPENDIX 2: BENEFITS

Confidential

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.

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.

- **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.

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 techniques[1] 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.

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 $12,740[2]. 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

Confidential

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

Deloitte.

Memorial Park Aquatic Facility - Financial Analysis

Prepared for Visitor Solutions Limited

April 2024

Strictly Private and Confidential

Deloitte.

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

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

Kyle Callow
Director

for Deloitte Limited (as trustee for the Deloitte Trading Trust)

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.

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%***

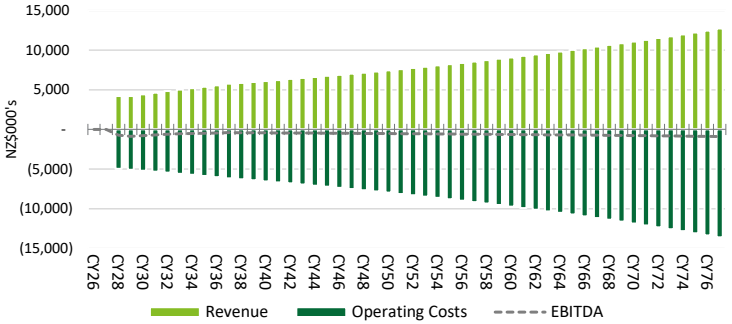
Source: Deloitte Analysis

- 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.

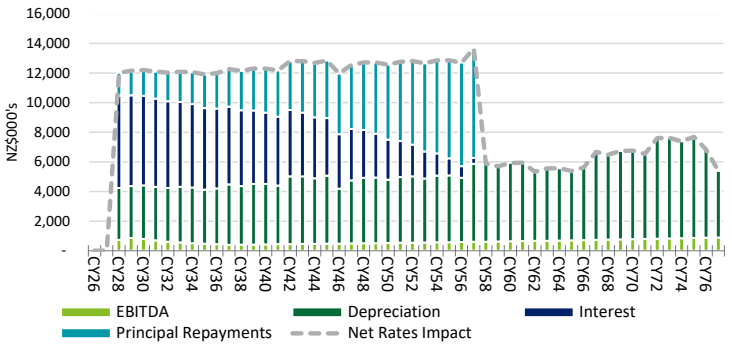
Memorial Park| Financial Analysis

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.

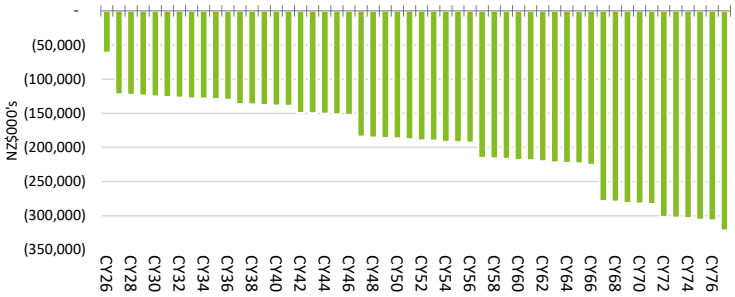
Operational Performance/EBITDA - 50 years



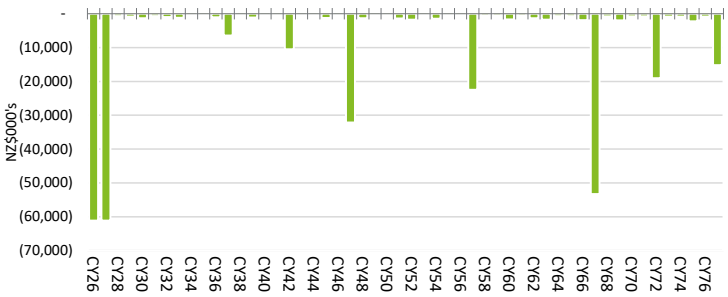
Cost to Ratepayer - 50 years



Cumulative Cash Flow - 50 years



Net Cash Flow - 50 years



Memorial Park| Financial Analysis

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

Financial Analysis - Introduction

- Our involvement in the business case study is restricted to the development of a financial model ('the model') focussed on three commercial / operational components:
  - 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: • 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: • 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) 840m*2* 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.

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.

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

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

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
Hydroslide	$ 39,805	$ 8.3	332.3
Spa	$ 18,675	$ 5.0	92.6
Other	$ 648	$ 5.9	3.8
			2,467.2
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).

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.

Memorial Park Aquatic Facility – Final Report – 30 April 2024

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
	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 stated in 2024 real terms (i.e. non-escalated)

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.

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.

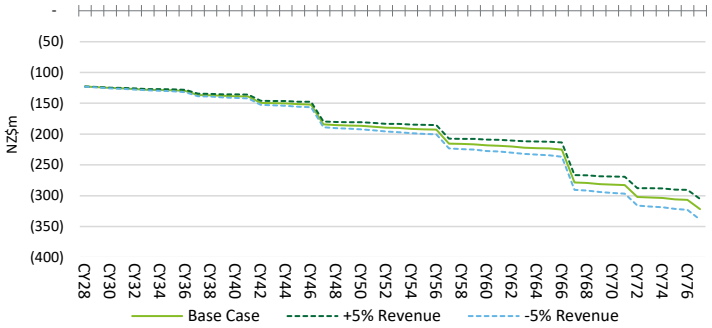
Sensitivity Analysis

- 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%)

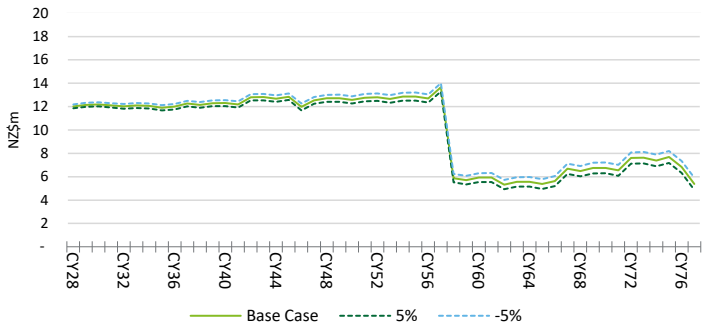
- The first variable considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 5% and an increase of 5% applied to ticket/membership pricing (being aquatic centre pricing and fitness membership pricing). We highlight the revenue sensitivity has been prepared in isolation 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



Source: Deloitte analysis

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



Source: Deloitte Analysis

Memorial Park| Sensitivity Analysis

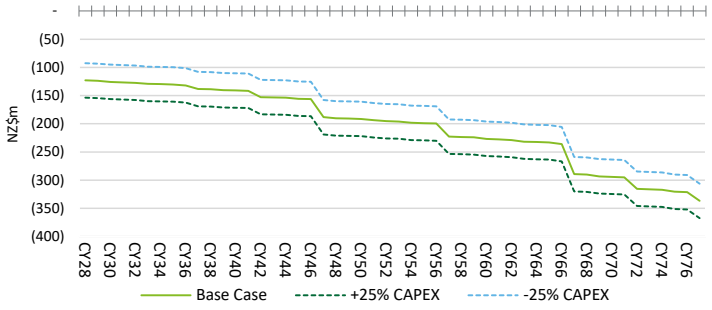
Due to the scale of the debt repayment and the depreciation effect on rates, the financial evaluation is sensitive to movements within capital expenditure.

Sensitivity Analysis (continued):

Capital Expenditure (+/-25%)

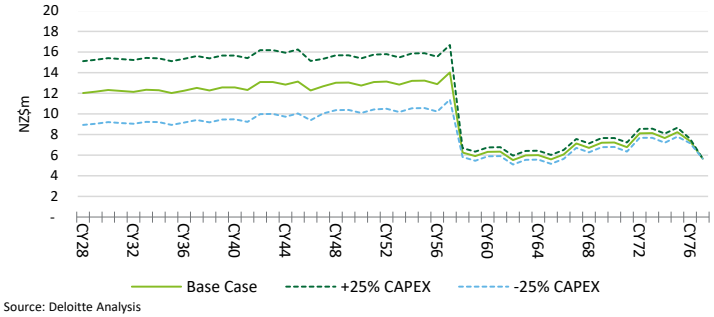
- The up-front capital expenditure costs are significant (~$122.2m).
- A 25% increase/decrease in the upfront capital expenditure is projected to result in a ~+/-$30.6m impact on cumulative cash flow across the lifetime of the project (~50 years).
- A 25% increase/decrease in the upfront capital expenditure 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



Source: Deloitte analysis

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



Source: Deloitte Analysis

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

$NZ000'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 ...	CY76	CY77
Aquatic Casual (000's)	-	-	211	199	202	208	214	222	222	222	222	222	222
Aquatic Hydroslide (000's)	-	-	40	36	37	38	39	40	40	40	40	40	40
Aquatic Spa (000s) No#	-	-	19	17	17	18	18	19	19	19	19	19	19
Aquatic Programmes (000's) No#	-	-	7	6	7	7	7	7	7	7	7	7	7
Aquatic Events (000s) No#	-	-	7	7	7	7	7	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
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)	-	-	-	-
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)	-	-	(14,312)
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)	-	-	(14,312)
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.

Appendices

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

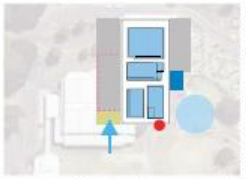
Fitness between sports hall and pool hall. Courts to the south, pools to the north.

- 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)

Outdoor
- Lido Pool with 4 lanes (536m²)
- Family Spa (52m²)
- Bombing Pool (23m²)
- Splashpad (373m²)
- Hydroslide - 3no
- Full Cafe

Option 2 - Brief Compliant Scope - No Courts

Fitness above the change and service areas. Pools to the north with hydroslide and plant room.

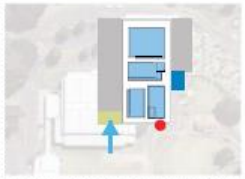


- Fitness centre (620m²)
- 8 lane 25m Pool (531m²)
- 20 x 10m Programmes Pool (271m²)
- 20 x 10m Learn to Swim Pool (229m²)
- 11 x 22m Leisure Pool incl toddlers pool (266m²)

Outdoor
- Lido Pool with 4 lanes (401m²)
- Bombing Pool (36m²)
- Splashpad (211m²)
- Hydroslide - 1no
- Cafe Kiosk - no indoor seating

Option 2b - Brief Compliant Scope - No Fitness & Outdoor Pools

Pools to the north with hydroslide and plant room. No fitness area and no outdoor pools

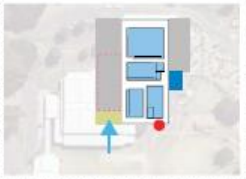


- 8 lane 25m Pool (531m²)
- 20 x 10m Programmes Pool (271m²)
- 20 x 10m Learn to Swim Pool (229m²)
- 11 x 22m Leisure Pool incl toddlers pool (266m²)

Outdoor
- Hydroslide - 1no
- Cafe Kiosk - no indoor seating

Option 2c - Brief Compliant Scope - No Outdoor Pools

Fitness above the change and service areas. Pools to the north with hydroslide and plant room. No outdoor pools

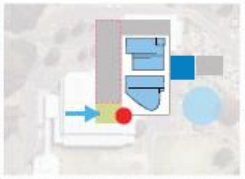


- Fitness centre (620m²)
- 8 lane 25m Pool (531m²)
- 20 x 10m Programmes Pool (271m²)
- 20 x 10m Learn to Swim Pool (229m²)
- 11 x 22m Leisure Pool incl toddlers pool (266m²)

Outdoor
- Hydroslide - 1no
- Cafe Kiosk - no indoor seating

Option 3 - Leisure Focused Aquatic Facility

Fitness above the change and service areas. Pools to the north with hydroslide and plant room.

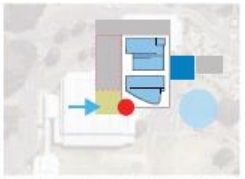


- Fitness centre (1000m²)
- 25 x 10m Programmes Pool (2 lanes incl spa) (291m²)
- 20 x 8m Learn to Swim Pool (196m²)
- Leisure Pool incl toddlers pool (444m²)

Outdoor
- 8 lane 25m Pool (580m²)
- Bombing Pool (50²)
- Splashpad (84m²)
- Hydroslide - 1no
- Medium Cafe

Option 3b - Leisure Focused Aquatic Facility

Smaller fitness area above change & service areas. Pools to the north (smaller splash pad) with hydroslide and plant room.



- Fitness centre (680m²)
- 25 x 10m Programmes Pool (2 lanes incl spa) (291m²)
- 20 x 8m Learn to Swim Pool (196m²)
- Leisure Pool incl toddlers pool (385m²)

Outdoor
- 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.

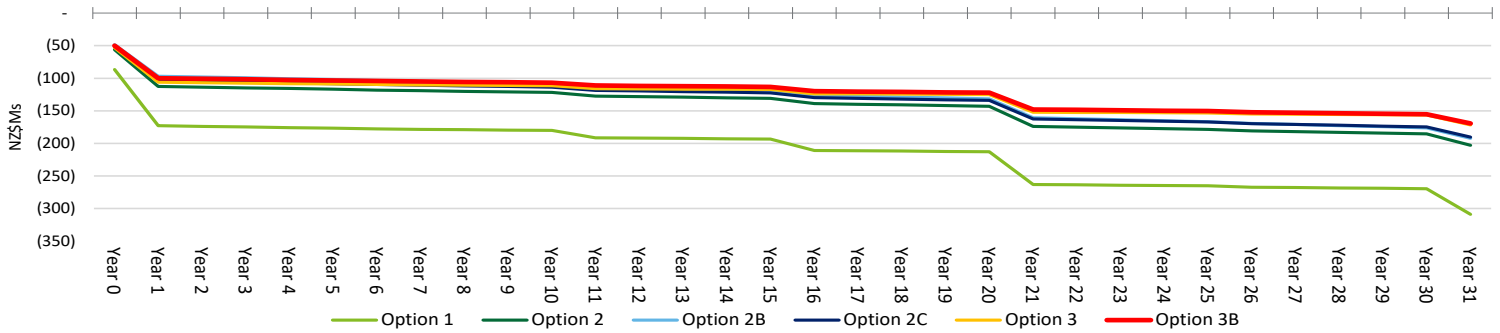
These projections have been compiled from information and instructions furnished to us and estimates made by Visitor Solutions. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually 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.

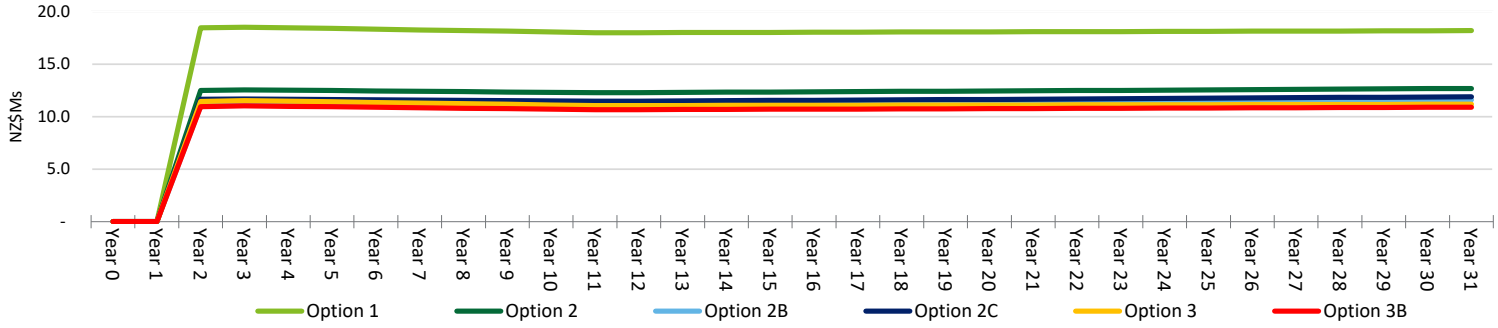
- The whole of life cumulative cash flows of the alternative options ranges between and $169.4m (option 3b) and $309m (option 1).

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



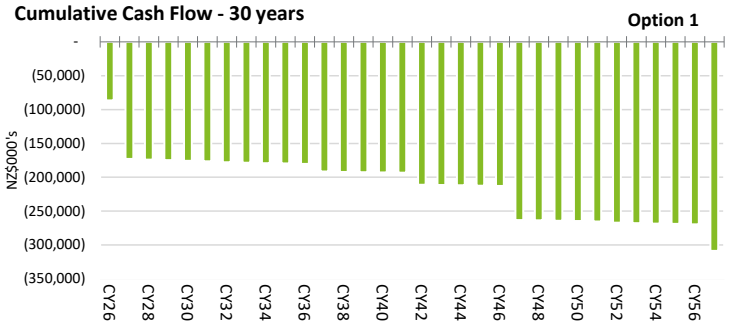
Appendices| A1: Options Analysis

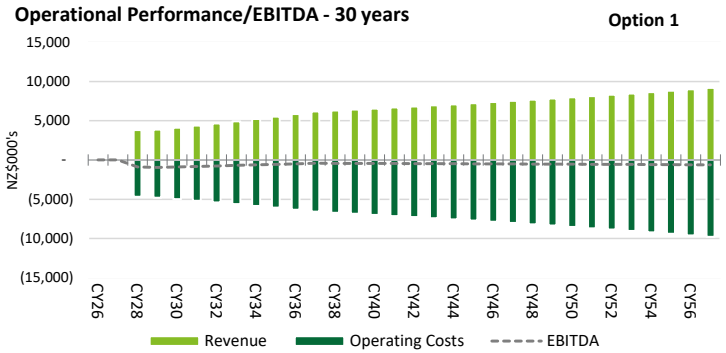
Option 1: Compliant Scope. WOL Cost ~$308.9m. Impact to rates of ~$18.2m.

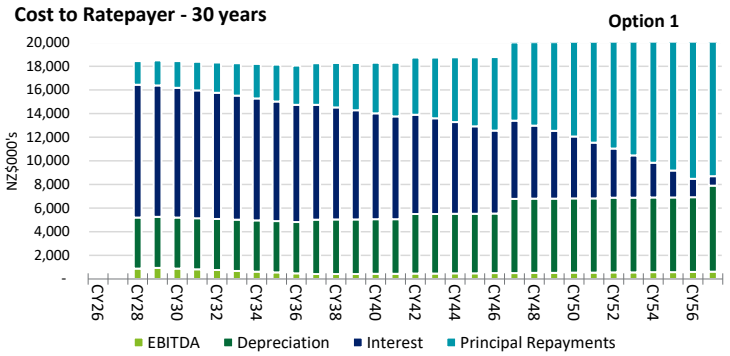
Option 1: Compliant Scope

Memorial Park Aquatic Facility: Options Analysis:

NZ000's		
Option:		Option 1
Capital Expenditure Requirement		(173,000)
	Year 1	Year 10
Revenue	3,823	6,173
Expenditure	(4,696)	(6,586)
EBITDA	(872)	(413)
EBITDA %	-23%	-7%
Cumulative Free Cash flow		(308,877)
Net Present Value		(193,935)
Year 1 ROA		-0.50%
IRR		N/A
Payback		N/A
Cost to Ratepayers (avg per annum)		18,148
Debt Repayment (30 years @ 6.5%)		13,248







Appendices| A1: Options Analysis

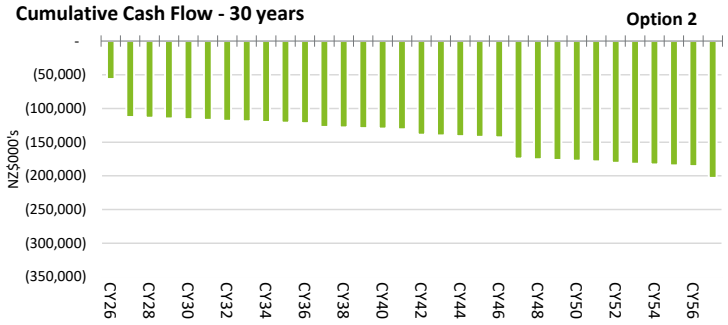
Option 2: Compliant Scope – No Courts. WOL Cost ~$202.9m. Impact to rates of ~$12.5m.

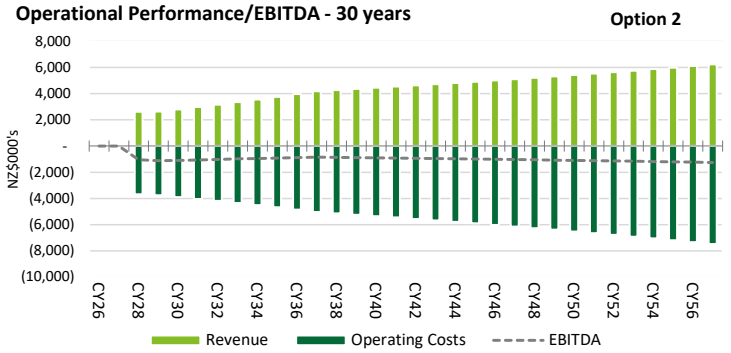
Option 2: Compliant Scope – No Courts

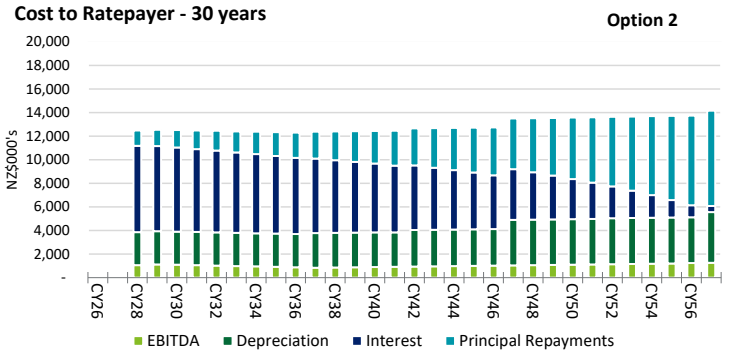
Memorial Park Aquatic Facility: Options Analysis:

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







Appendices| A1: Options Analysis

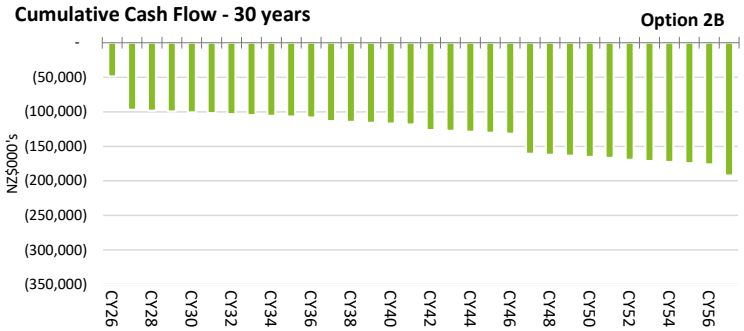
Option 2b: Compliant Scope – No Fitness & Outdoor Pools. WOL Cost ~$192.3m. Impact to rates of ~$11.2m.

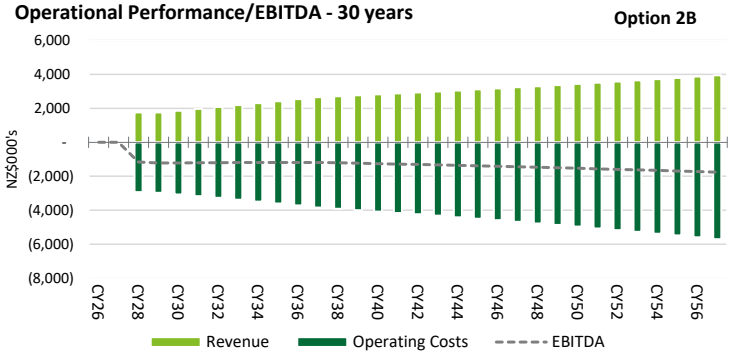
Option 2b: Compliant Scope – No Fitness and Outdoor Pools

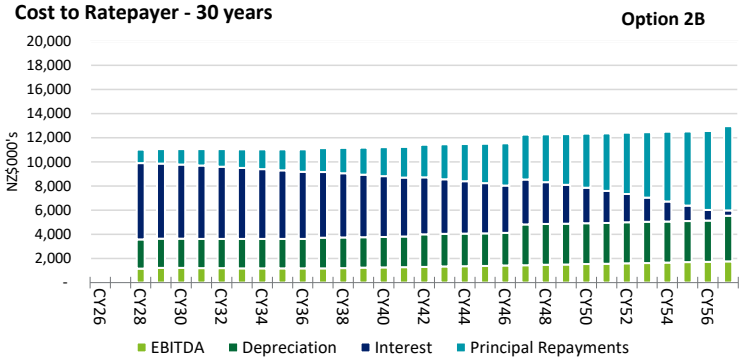
Memorial Park Aquatic Facility: Options Analysis:

NZ000's

Option:	Option 2B
Capital Expenditure Requirement	(97,000)
	Year 1 / Year 10
Revenue	1,766 / 2,658
Expenditure	(2,932) / (3,842)
EBITDA	(1,166) / (1,184)
EBITDA %	-66% / -45%
Cumulative Free Cash flow	(192,306)
Net Present Value	(116,524)
Year 1 ROA	-1.20%
IRR	N/A
Payback	N/A
Cost to Ratepayers (avg per annum)	11,228
Debt Repayment (30 years @ 6.5%)	7,428







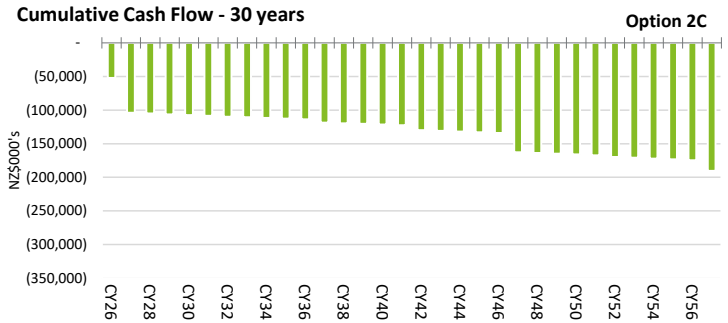
Appendices| A1: Options Analysis

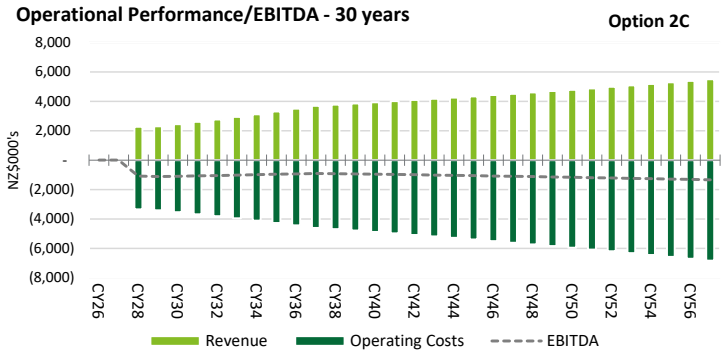
Option 2c: Compliant Scope – No Outdoor Pools. WOL Cost ~$190.5m. Impact to rates of ~$11.6m.

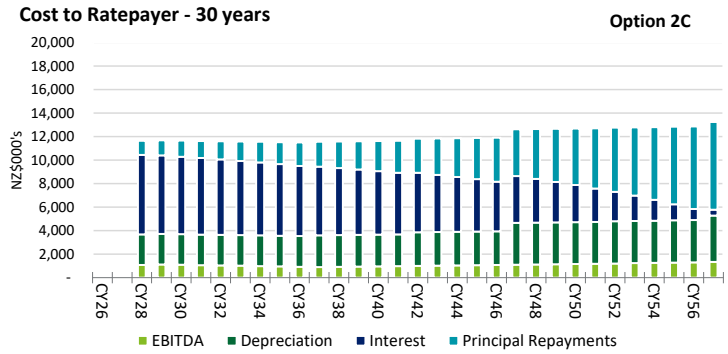
Option 2c: Compliant Scope – No Outdoor Pools

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







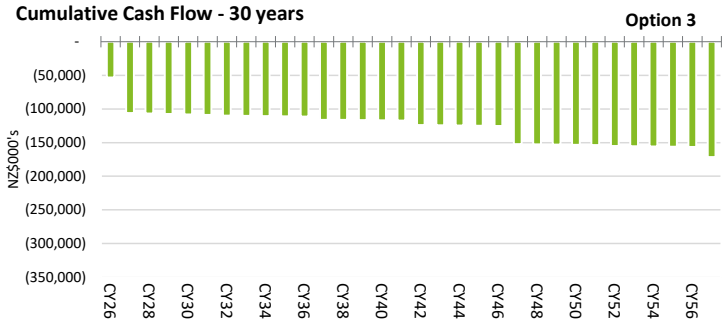
Appendices| A1: Options Analysis

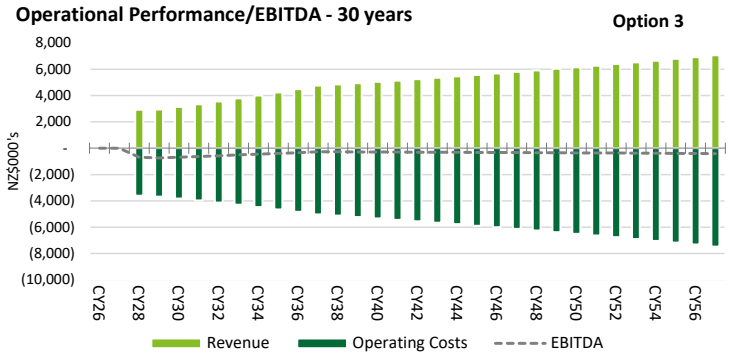
Option 3: Leisure Focused Aquatic Facility. WOL Cost ~$171.6m. Impact to rates of ~$11.2m.

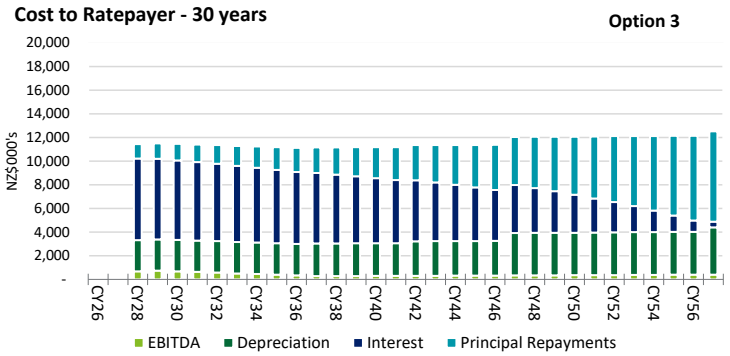
Option 3: Leisure Focused Aquatic Facility

Memorial Park Aquatic Facility: Options Analysis:

NZ000's		
Option:		Option 3
Capital Expenditure Requirement		(106,100)
	Year 1	Year 10
Revenue	2,932	4,757
Expenditure	(3,608)	(5,031)
EBITDA	(676)	(273)
EBITDA %	-23%	-6%
Cumulative Free Cash flow		(171,627)
Net Present Value		(115,033)
Year 1 ROA		-0.64%
IRR		N/A
Payback		N/A
Cost to Ratepayers (avg per annum)		11,179
Debt Repayment (30 years @ 6.5%)		8,125







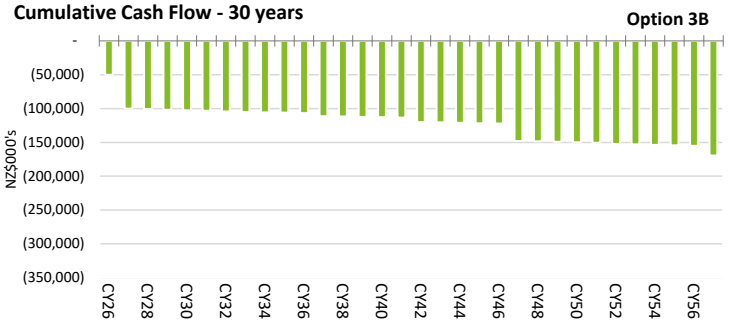
Appendices| A1: Options Analysis

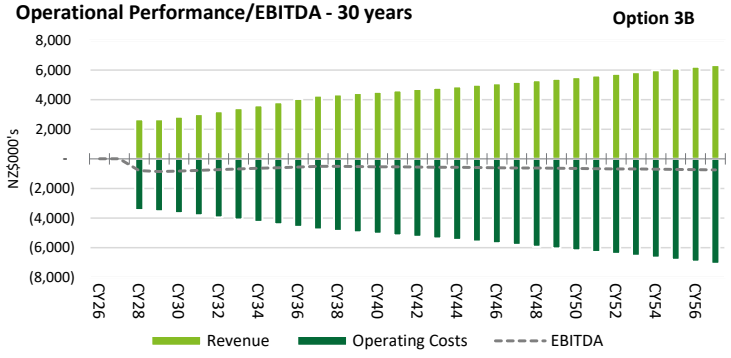
Option 3b: Leisure Focused Aquatic Facility. WOL Cost ~$169.4m. Impact to rates of ~$10.8m.

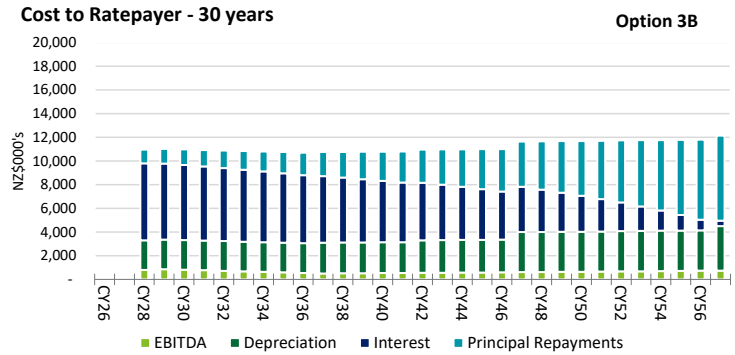
Option 3b: Leisure Focused Aquatic Facility

Memorial Park Aquatic Facility: Options Analysis:

NZ000's		
Option:		**Option 3B**
Capital Expenditure Requirement		(100,000)
	Year 1	Year 10
Revenue	2,666	4,270
Expenditure	(3,465)	(4,772)
EBITDA	(799)	(501)
EBITDA %	-30%	-12%
Cumulative Free Cash flow		(169,388)
Net Present Value		(111,035)
Year 1 ROA		-0.80%
IRR		N/A
Payback		N/A
Cost to Ratepayers (avg per annum)		10,803
Debt Repayment (30 years @ 6.5%)		7,658







Appendices| A2: Basis of work

Restrictions, Reliance & Disclaimer

This appendix should be read in conjunction with the transmittal letter at the front of this report.

Restrictions

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Reliance on Information

- In preparing this assessment, Deloitte have relied upon and assumed, without independent verification, the accuracy and completeness of all information that is available from public sources and all information that has been provided to us. The information has been evaluated through analysis, enquiry and examination for the purposes of forming this assessment. Deloitte do not warrant that these enquiries have identified or revealed any matters which a more extensive examination might disclose.
- The report is dated 30 April 2024, and is based on information made available to us as at that date.

Disclaimer

- This report has been prepared with care and diligence and the statements and conclusions in the report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading. However, in no way do we guarantee or otherwise warrant the achievability of any forecasts of future income, expense, cash flow or capital cost.
- Forecasts are inherently uncertain. They are predictions of future events, which cannot be assured. They are based upon inputs, many of which are beyond the control of TCC, its management and advisers. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.
- Deloitte assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this assessment to the extent that such errors or omissions result from our reasonable reliance on information provided by others or inputs disclosed in the report or inputs reasonably taken as implicit.

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- Forecasts relate to the future, as a result they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the Forecasts. Accordingly, actual results are likely to be different from those forecast because events and circumstances frequently do not occur as expected, and those differences may be material.

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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.

Deloitte.

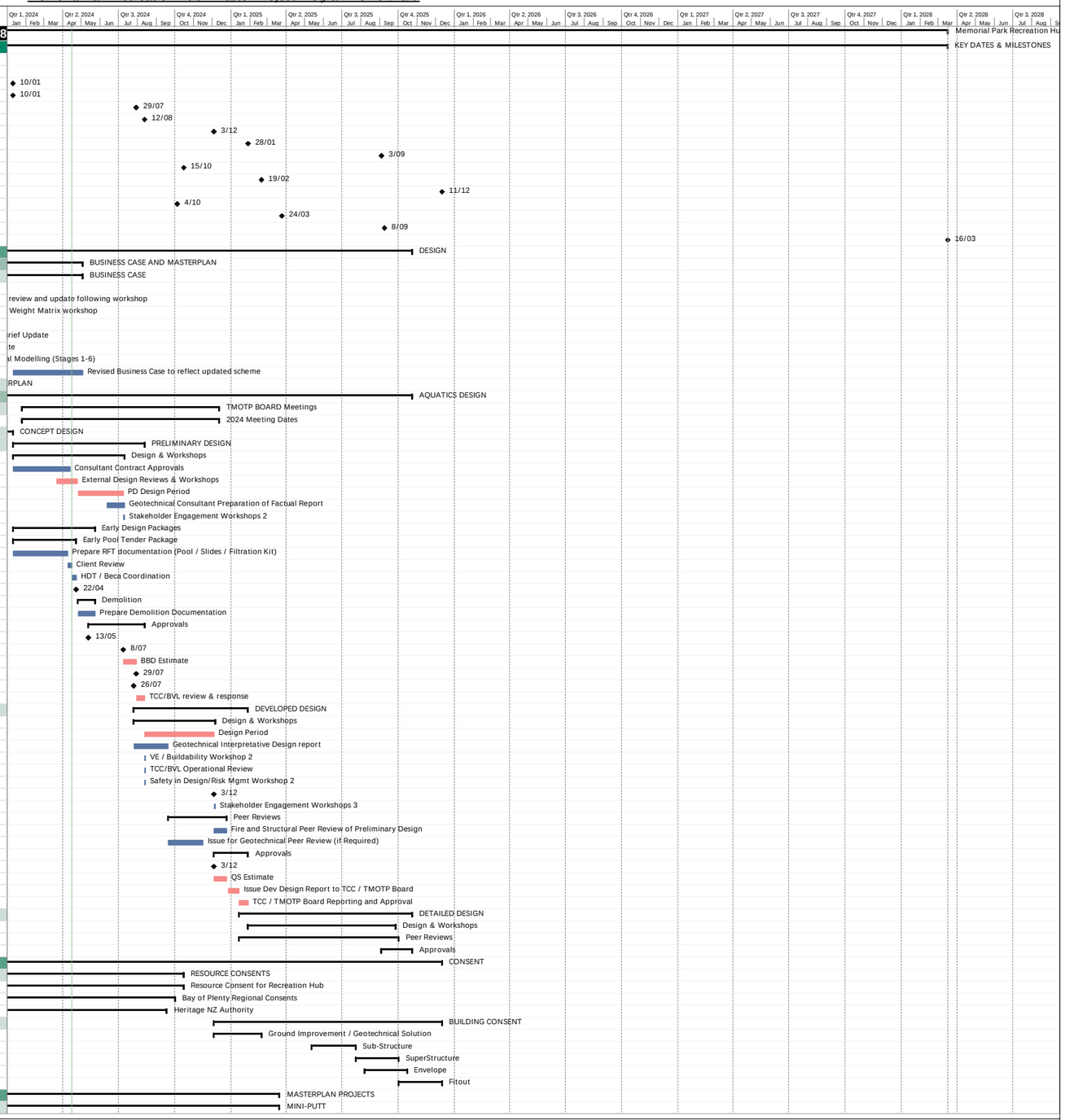
Memorial Park Aquatic Facility – Final Report – 30 April 2024

APPENDIX 4: PROGRAMME

Memorial Park Recreation Hub - Master Project Programme R6 Draft

Tue 16/04/24

ID	Task Name	Duration	Start	Finish
1	**Memorial Park Recreation Hub Master Programme**	**1231 days**	**Mon 27/03/23**	**Thu 16/03/28**
2	**KEY DATES & MILESTONES**	**1231 days**	**Mon 27/03/23**	**Thu 16/03/28**
3	Project Kick Off	0 days	Thu 20/07/23	Thu 20/07/23
4	Concept Design Completed	0 days	Fri 10/11/23	Fri 10/11/23
5	Concept Design Approved	0 days	Wed 10/01/24	Wed 10/01/24
6	Preliminary Design Commence	0 days	Wed 10/01/24	Wed 10/01/24
7	Preliminary Design Completed	0 days	Mon 29/07/24	Mon 29/07/24
8	Developed Design Commence	0 days	Mon 12/08/24	Mon 12/08/24
9	Developed Design Completed	0 days	Tue 3/12/24	Tue 3/12/24
10	Detailed Design Commence (Staged Design)	0 days	Tue 28/01/25	Tue 28/01/25
11	Detailed Design Completed (Staged Design)	0 days	Wed 3/09/25	Wed 3/09/25
12	Resource Consent Uplifted	0 days	Tue 15/10/24	Tue 15/10/24
13	Building Consent (Geotech / Enabling Works) Uplifted	0 days	Wed 19/02/25	Wed 19/02/25
14	Building Consent (Main Build) Uplifted	0 days	Thu 11/12/25	Thu 11/12/25
15	Demolition Commence	0 days	Fri 4/10/24	Fri 4/10/24
16	Geotech / Enabling Works Commence	0 days	Mon 24/03/25	Mon 24/03/25
17	Main Build Commence	0 days	Mon 8/09/25	Mon 8/09/25
18	Project Completed / Opening	0 days	Thu 16/03/28	Thu 16/03/28
19	**DESIGN**	**637 days**	**Mon 27/03/23**	**Thu 23/10/25**
20	**BUSINESS CASE AND MASTERPLAN**	**189 days**	**Thu 20/07/23**	**Fri 3/05/24**
21	**BUSINESS CASE**	**177 days**	**Mon 7/08/23**	**Fri 3/05/24**
22	Proposed Brief Workshop	0 days	Mon 7/08/23	Mon 7/08/23
23	Critical success factors review and update following workshop	7 days	Mon 7/08/23	Tue 15/08/23
24	Critical success factors Weight Matrix workshop	1 day	Wed 16/08/23	Wed 16/08/23
25	Proposed Brief Agreement	0 days	Wed 16/08/23	Wed 16/08/23
26	Critical Success and Brief Update	5 days	Thu 17/08/23	Wed 23/08/23
27	Business case update	10 days	Thu 24/08/23	Wed 6/09/23
28	Financial Modelling (Stages 1-6)	15 days	Fri 20/10/23	Fri 10/11/23
29	Revised Business Case to reflect updated scheme	77 days	Thu 11/01/24	Fri 3/05/24
30	**MASTERPLAN**	**81 days**	**Thu 20/07/23**	**Fri 10/11/23**
57	**AQUATICS DESIGN**	**637 days**	**Mon 27/03/23**	**Thu 23/10/25**
58	**TMOTP BOARD Meetings**	**222 days**	**Fri 26/01/24**	**Fri 13/12/24**
59	**2024 Meeting Dates**	**222 days**	**Fri 26/01/24**	**Fri 13/12/24**
72	**CONCEPT DESIGN**	**190 days**	**Mon 27/03/23**	**Wed 10/01/24**
127	**PRELIMINARY DESIGN**	**146 days**	**Thu 11/01/24**	**Mon 12/08/24**
128	**Design & Workshops**	**123 days**	**Thu 11/01/24**	**Wed 10/07/24**
129	Consultant Contract Approvals	63 days	Thu 11/01/24	Fri 12/04/24
130	External Design Reviews & Workshops	22 days	Fri 22/03/24	Wed 24/04/24
131	PD Design Period	50 days	Fri 26/04/24	Mon 8/07/24
132	Geotechnical Consultant Preparation of Factual Report	20 days	Wed 12/06/24	Wed 10/07/24
133	Stakeholder Engagement Workshops 2	2 days	Tue 9/07/24	Wed 10/07/24
134	**Early Design Packages**	**91 days**	**Thu 11/01/24**	**Thu 23/05/24**
135	Early Pool Tender Package	69 days	Thu 11/01/24	Mon 22/04/24
136	Prepare RFT documentation (Pool / Slides / Filtration Kit)	59 days	Thu 11/01/24	Mon 8/04/24
137	Client Review	5 days	Tue 9/04/24	Mon 15/04/24
138	HDT / Beca Coordination	5 days	Tue 16/04/24	Mon 22/04/24
139	Package Complete and Ready Tender	0 days	Mon 22/04/24	Mon 22/04/24
140	Demolition	20 days	Fri 26/04/24	Thu 23/05/24
141	Prepare Demolition Documentation	20 days	Fri 26/04/24	Thu 23/05/24
142	**Approvals**	**64 days**	**Mon 13/05/24**	**Mon 12/08/24**
143	Commissioners Update Meeting	0 days	Mon 13/05/24	Mon 13/05/24
144	Issue DRAFT PD Report to BBD	0 days	Mon 8/07/24	Mon 8/07/24
145	BBD Estimate	15 days	Tue 9/07/24	Mon 29/07/24
146	Issue PD Report to TCC	0 days	Mon 29/07/24	Mon 29/07/24
147	TMOTP Board Meeting	0 days	Fri 26/07/24	Fri 26/07/24
148	TCC/BVL review & response	10 days	Tue 30/07/24	Mon 12/08/24
149	**DEVELOPED DESIGN**	**127 days**	**Fri 26/07/24**	**Tue 28/01/25**
150	**Design & Workshops**	94 days	Fri 26/07/24	Thu 5/12/24
151	Design Period	80 days	Tue 13/08/24	Tue 3/12/24
152	Geotechnical Interpretative Design report	40 days	Fri 26/07/24	Thu 19/09/24
153	VE / Buildability Workshop 2	1 day	Tue 13/08/24	Tue 13/08/24
154	TCC/BVL Operational Review	1 day	Tue 13/08/24	Tue 13/08/24
155	Safety in Design/Risk Mgmt Workshop 2	1 day	Tue 13/08/24	Tue 13/08/24
156	DEVELOPED DESIGN COMPLETE	0 days	Tue 3/12/24	Tue 3/12/24
157	Stakeholder Engagement Workshops 3	2 days	Wed 4/12/24	Thu 5/12/24
158	**Peer Reviews**	**67 days**	**Fri 20/09/24**	**Tue 24/12/24**
159	Fire and Structural Peer Review of Preliminary Design	15 days	Wed 4/12/24	Tue 24/12/24
160	Issue for Geotechnical Peer Review (if Required)	40 days	Fri 20/09/24	Fri 15/11/24
161	**Approvals**	**35 days**	**Tue 3/12/24**	**Tue 28/01/25**
162	Issue DRAFT Dev D Report to QS	0 days	Tue 3/12/24	Tue 3/12/24
163	QS Estimate	15 days	Wed 4/12/24	Tue 24/12/24
164	Issue Dev Design Report to TCC / TMOTP Board	10 days	Fri 27/12/24	Mon 13/01/25
165	TCC / TMOTP Board Reporting and Approval	10 days	Tue 14/01/25	Tue 28/01/25
166	**DETAILED DESIGN**	**196 days**	**Tue 14/01/25**	**Thu 23/10/25**
167	**Design & Workshops**	**167 days**	**Wed 29/01/25**	**Fri 26/09/25**
177	**Peer Reviews**	180 days	Tue 14/01/25	Wed 1/10/25
186	**Approvals**	**36 days**	**Thu 4/09/25**	**Thu 23/10/25**
191	**CONSENT**	**568 days**	**Thu 24/08/23**	**Thu 11/12/25**
192	**RESOURCE CONSENTS**	**279 days**	**Thu 24/08/23**	**Tue 15/10/24**
193	**Resource Consent for Recreation Hub**	**279 days**	**Thu 24/08/23**	**Tue 15/10/24**
216	**Bay of Plenty Regional Consents**	**269 days**	**Thu 24/08/23**	**Tue 1/10/24**
231	**Heritage NZ Authority**	**259 days**	**Thu 24/08/23**	**Tue 17/09/24**
242	**BUILDING CONSENT**	**255 days**	**Wed 4/12/24**	**Thu 11/12/25**
243	**Ground Improvement / Geotechnical Solution**	50 days	Wed 4/12/24	Wed 19/02/25
248	**Sub-Structure**	50 days	Tue 13/05/25	Wed 23/07/25
253	**SuperStructure**	50 days	Thu 24/07/25	Wed 1/10/25
258	**Envelope**	50 days	Thu 7/08/25	Wed 15/10/25
263	**Fitout**	**50 days**	**Thu 2/10/25**	**Thu 11/12/25**
268	**MASTERPLAN PROJECTS**	**317 days**	**Tue 28/11/23**	**Thu 20/03/25**
269	**MINI-PUTT**	**317 days**	**Tue 28/11/23**	**Thu 20/03/25**

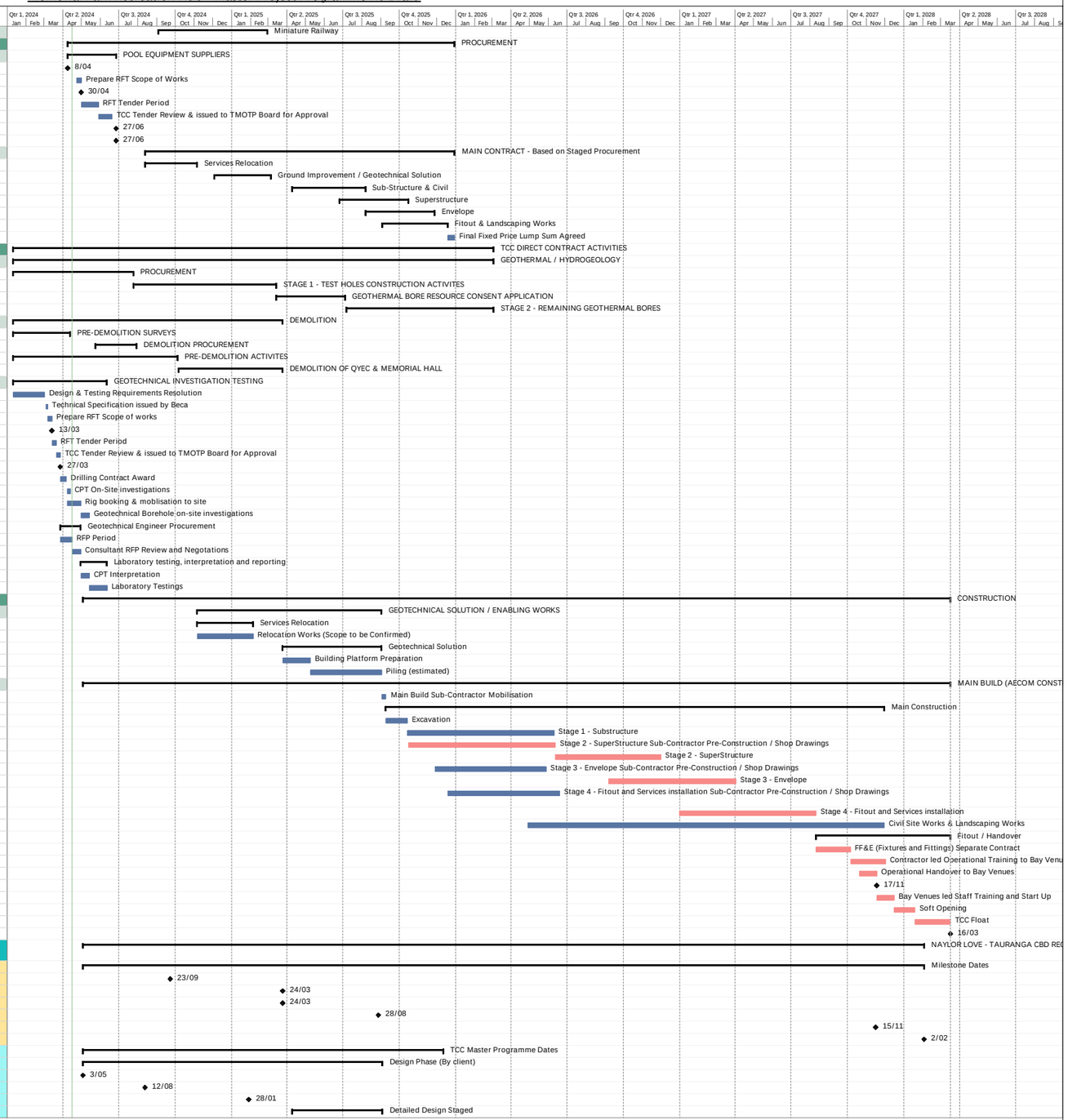


Page 1

Memorial Park Recreation Hub - Master Project Programme R6 Draft

Tue 16/04/24

ID	Task Name	Duration	Start	Finish
291	**Miniature Railway**	**120 days**	**Tue 3/09/24**	**Thu 27/02/25**
294	**PROCUREMENT**	**432 days**	**Mon 8/04/24**	**Mon 29/12/25**
295	**POOL EQUIPMENT SUPPLIERS**	**55 days**	**Mon 8/04/24**	**Thu 27/06/24**
296	TMOTP Board Meeting and Approval to Proceed	0 days	Mon 8/04/24	Mon 8/04/24
297	Prepare RFT Scope of Works	5 days	Tue 23/04/24	Tue 30/04/24
298	Issue RFT documentation	0 days	Tue 30/04/24	Tue 30/04/24
299	RFT Tender Period	20 days	Wed 1/05/24	Tue 28/05/24
300	TCC Tender Review & issued to TMOTP Board for Approval	15 days	Wed 29/05/24	Wed 19/06/24
301	TMOTP Board Meeting	0 days	Thu 27/06/24	Thu 27/06/24
302	Pool Equipment Supplier Contract Award	0 days	Thu 27/06/24	Thu 27/06/24
303	**MAIN CONTRACT - Based on Staged Procurement**	**345 days**	**Tue 13/08/24**	**Mon 29/12/25**
304	**Services Relocation**	**60 days**	**Tue 13/08/24**	**Tue 5/11/24**
311	**Ground Improvement / Geotechnical Solution**	**60 days**	**Wed 4/12/24**	**Wed 5/03/25**
320	**Sub-Structure & Civil**	**80 days**	**Thu 10/04/25**	**Wed 6/08/25**
329	**Superstructure**	**80 days**	**Thu 26/06/25**	**Wed 15/10/25**
338	**Envelope**	**80 days**	**Thu 7/08/25**	**Thu 27/11/25**
347	**Fitout & Landscaping Works**	**75 days**	**Thu 4/09/25**	**Thu 18/12/25**
356	Final Fixed Price Lump Sum Agreed	5 days	Fri 19/12/25	Mon 29/12/25
357	**TCC DIRECT CONTRACT ACTIVITIES**	**533 days**	**Wed 10/01/24**	**Tue 3/03/26**
358	**GEOTHERMAL / HYDROGEOLOGY**	**533 days**	**Wed 10/01/24**	**Tue 3/03/26**
359	**PROCUREMENT**	**133 days**	**Wed 10/01/24**	**Wed 24/07/24**
370	**STAGE 1 - TEST HOLES CONSTRUCTION ACTIVITES**	**160 days**	**Thu 25/07/24**	**Fri 14/03/25**
377	**GEOTHERMAL BORE RESOURCE CONSENT APPLICATION**	**75 days**	**Fri 14/03/25**	**Fri 4/07/25**
386	**STAGE 2 - REMAINING GEOTHERMAL BORES**	**165 days**	**Mon 7/07/25**	**Tue 3/03/26**
393	**DEMOLITION**	**299 days**	**Thu 11/01/24**	**Mon 24/03/25**
394	**PRE-DEMOLITION SURVEYS**	**63 days**	**Thu 11/01/24**	**Fri 12/04/24**
397	**DEMOLITION PROCUREMENT**	**45 days**	**Fri 24/05/24**	**Mon 29/07/24**
404	**PRE-DEMOLITION ACTIVITES**	**185 days**	**Thu 11/01/24**	**Fri 4/10/24**
411	**DEMOLITION OF QYEC & MEMORIAL HALL**	**114 days**	**Mon 7/10/24**	**Mon 24/03/25**
420	**GEOTECHNICAL INVESTIGATION TESTING**	**103 days**	**Thu 11/01/24**	**Tue 11/06/24**
421	Design & Testing Requirements Resolution	35 days	Thu 11/01/24	Fri 1/03/24
422	Technical Specification issued by Beca	3 days	Mon 4/03/24	Wed 6/03/24
423	Prepare RFT Scope of works	5 days	Thu 7/03/24	Wed 13/03/24
424	Issue RFT documentation	0 days	Wed 13/03/24	Wed 13/03/24
425	RFT Tender Period	5 days	Thu 14/03/24	Wed 20/03/24
426	TCC Tender Review & issued to TMOTP Board for Approval	5 days	Thu 21/03/24	Wed 27/03/24
427	TMOTP Board Meeting	0 days	Wed 27/03/24	Wed 27/03/24
428	Drilling Contract Award	5 days	Thu 28/03/24	Fri 5/04/24
429	CPT On-Site investigations	5 days	Mon 8/04/24	Fri 12/04/24
430	Rig booking & moblisation to site	15 days	Mon 8/04/24	Mon 29/04/24
431	Geotechnical Borehole on-site investigations	10 days	Tue 30/04/24	Mon 13/05/24
432	**Geotechnical Engineer Procurement**	**20 days**	**Thu 28/03/24**	**Mon 29/04/24**
433	RFP Period	11 days	Thu 28/03/24	Mon 15/04/24
434	Consultant RFP Review and Negotations	9 days	Tue 16/04/24	Mon 29/04/24
435	**Laboratory testing, interpretation and reporting**	**30 days**	**Tue 30/04/24**	**Tue 11/06/24**
436	CPT Interpretation	10 days	Tue 30/04/24	Mon 13/05/24
437	Laboratory Testings	20 days	Tue 14/05/24	Tue 11/06/24
438	**CONSTRUCTION**	**964 days**	**Fri 3/05/24**	**Thu 16/03/28**
439	**GEOTECHNICAL SOLUTION / ENABLING WORKS**	**203 days**	**Wed 6/11/24**	**Mon 1/09/25**
440	**Services Relocation**	60 days	Wed 6/11/24	Tue 4/02/25
441	Relocation Works (Scope to be Confirmed)	60 days	Wed 6/11/24	Tue 4/02/25
442	**Geotechnical Solution**	110 days	Tue 25/03/25	Mon 1/09/25
443	Building Platform Preparation	30 days	Tue 25/03/25	Thu 8/05/25
444	Piling (estimated)	80 days	Fri 9/05/25	Mon 1/09/25
445	**MAIN BUILD (AECOM CONSTRUCTION PROGRAMME)**	**964 days**	**Fri 3/05/24**	**Thu 16/03/28**
446	Main Build Sub-Contractor Mobilisation	5 days	Tue 2/09/25	Mon 8/09/25
447	**Main Construction**	**555 days**	**Tue 9/09/25**	**Mon 29/11/27**
448	Excavation	25 days	Tue 9/09/25	Mon 13/10/25
449	Stage 1 - Substructure	160 days	Tue 14/10/25	Tue 9/06/26
450	Stage 2 - SuperStructure Sub-Contractor Pre-Construction / Shop Drawings	160 days	Thu 16/10/25	Thu 11/06/26
451	Stage 2 - SuperStructure	120 days	Fri 12/06/26	Mon 30/11/26
452	Stage 3 - Envelope Sub-Contractor Pre-Construction / Shop Drawings	120 days	Fri 28/11/25	Wed 27/05/26
453	Stage 3 - Envelope	140 days	Mon 7/09/26	Thu 1/04/27
454	Stage 4 - Fitout and Services installation Sub-Contractor Pre-Construction / Shop Drawings	120 days	Fri 19/12/25	Thu 18/06/26
455	Stage 4 - Fitout and Services installation	150 days	Thu 31/12/26	Tue 10/08/27
456	Civil Site Works & Landscaping Works	400 days	Tue 28/04/26	Mon 29/11/27
457	**Fitout / Handover**	**150 days**	**Wed 11/08/27**	**Thu 16/03/28**
458	FF&E (Fixtures and Fittings) Separate Contract	40 days	Wed 11/08/27	Tue 5/10/27
459	Contractor led Operational Training to Bay Venues	40 days	Wed 6/10/27	Wed 1/12/27
460	Operational Handover to Bay Venues	20 days	Wed 20/10/27	Wed 17/11/27
461	Practical Completion	0 days	Wed 17/11/27	Wed 17/11/27
462	Bay Venues led Staff Training and Start Up	20 days	Thu 18/11/27	Wed 15/12/27
463	Soft Opening	20 days	Thu 16/12/27	Tue 18/01/28
464	TCC Float	40 days	Wed 19/01/28	Thu 16/03/28
465	Official Celebration	0 days	Thu 16/03/28	Thu 16/03/28
466	NAYLOR LOVE - TAURANGA CBD RECREATION CENTRE PARTIAL CONCEPT DESIGN REVISED OPTION 2 CONSTRUCTION PROGRAMME	934 days	Fri 3/05/24	Wed 2/02/28
467	Milestone Dates	934 days	Fri 3/05/24	Wed 2/02/28
468	MEMORIAL HALL DECANTED	0 days	Mon 23/09/24	Mon 23/09/24
469	DEMOLITION COMPLETE (BY CLIENT)	0 days	Mon 24/03/25	Mon 24/03/25
470	ENABLING WORKS COMMENCE	0 days	Mon 24/03/25	Mon 24/03/25
471	CONSTRUCTION COMMENCES	0 days	Thu 28/08/25	Thu 28/08/25
472	CONSTRUCTION COMPLETE	0 days	Mon 15/11/27	Mon 15/11/27
473	PC ISSUED	0 days	Wed 2/02/28	Wed 2/02/28
474	TCC Master Programme Dates	404 days	Fri 3/05/24	Thu 11/12/25
475	Design Phase (By client)	334 days	Fri 3/05/24	Wed 3/09/25
476	Concept Design Complete (TBC)	0 days	Fri 3/05/24	Fri 3/05/24
477	Preliminary Design Complete (TBC)	0 days	Mon 12/08/24	Mon 12/08/24
478	Developed Design Complete (TBC)	0 days	Tue 28/01/25	Tue 28/01/25
479	Detailed Design Staged	100 days	Wed 9/04/25	Wed 3/09/25



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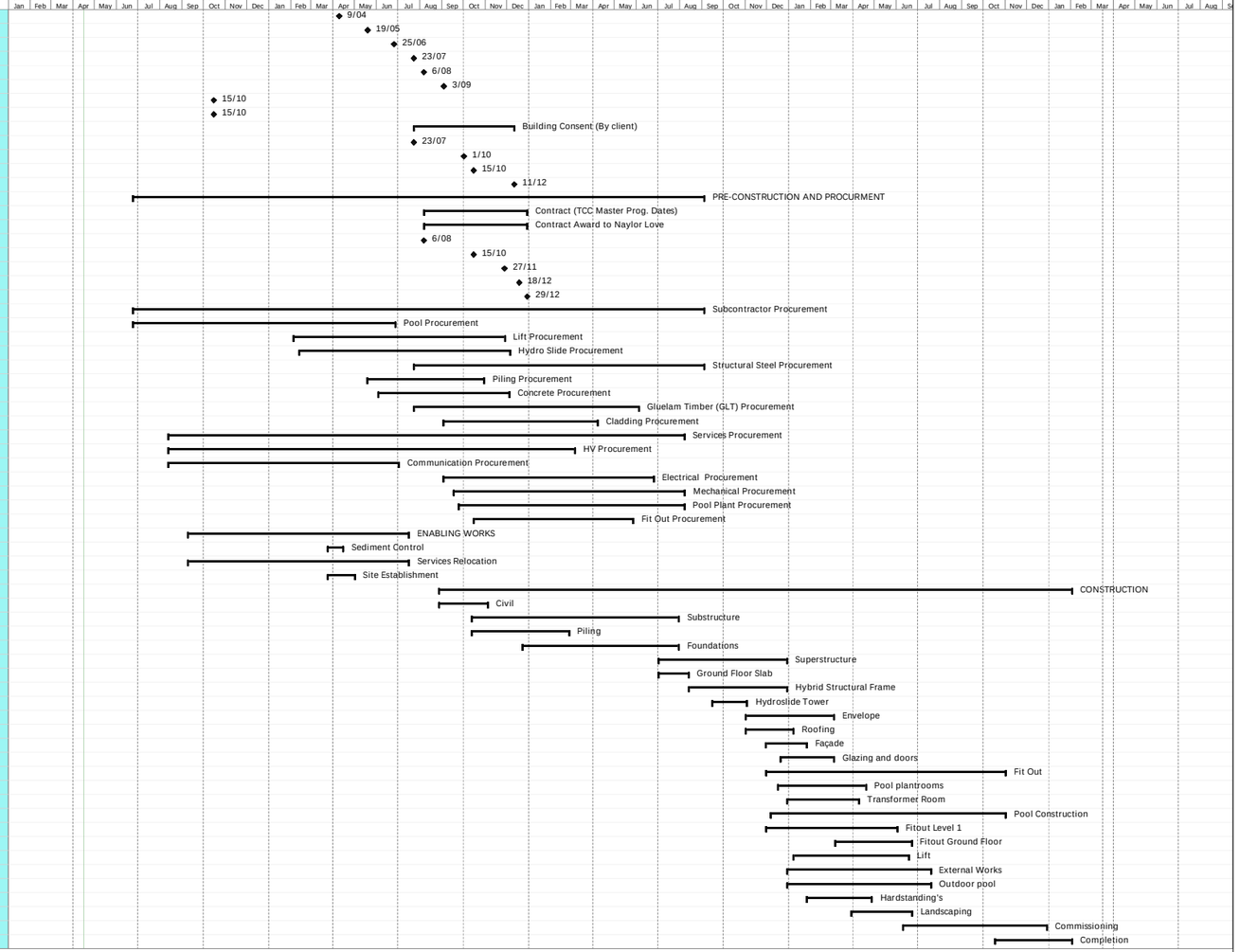
Memorial Park Recreation Hub - Master Project Programme R6 Draft

Tue 16/04/24

ID	Task Name	Duration	Start	Finish
480	DD Stage 1 Sub-structure (TBC)	0 days	Wed 9/04/25	Wed 9/04/25
481	DD Stage 1 Sub-structure peer review (TBC)	0 days	Mon 19/05/25	Mon 19/05/25
482	DD Stage 2 Superstructure (TBC)	0 days	Wed 25/06/25	Wed 25/06/25
483	DD Stage 2 Superstructure peer review (TBC)	0 days	Wed 23/07/25	Wed 23/07/25
484	DD Stage 3 Envelope (TBC)	0 days	Wed 6/08/25	Wed 6/08/25
485	DD Stage 4 Fit out (TBC)	0 days	Wed 3/09/25	Wed 3/09/25
486	Resource Consent (By client)	0 days	Tue 15/10/24	Tue 15/10/24
487	Resource Consent Approval	0 days	Tue 15/10/24	Tue 15/10/24
488	Building Consent (By client)	100 days	Wed 23/07/25	Thu 11/12/25
489	Building Consent: Stage 1 Substructure approval and uplift	0 days	Wed 23/07/25	Wed 23/07/25
490	Building Consent: Stage 2 Superstructure approval and uplift	0 days	Wed 1/10/25	Wed 1/10/25
491	Building Consent: Stage 3 Envelope approval and uplift	0 days	Wed 15/10/25	Wed 15/10/25
492	Building Consent: Stage 4 Fit Out approval and uplift	0 days	Thu 11/12/25	Thu 11/12/25
493	PRE-CONSTRUCTION AND PROCURMENT	549 days	Tue 25/06/24	Fri 4/09/26
494	Contract (TCC Master Prog. Dates)	100 days	Wed 6/08/25	Mon 29/12/25
495	Contract Award to Naylor Love	100 days	Wed 6/08/25	Mon 29/12/25
496	Stage 1 Separable Portion Agreed	0 days	Wed 6/08/25	Wed 6/08/25
497	Stage 2 Separable Portion Agreed	0 days	Wed 15/10/25	Wed 15/10/25
498	Stage 3 Separable Portion Agreed	0 days	Thu 27/11/25	Thu 27/11/25
499	Stage 4 Separable Portion Agreed	0 days	Thu 18/12/25	Thu 18/12/25
500	Final Fixed Price Lump Sum Agreed	0 days	Mon 29/12/25	Mon 29/12/25
501	Subcontractor Procurement	549 days	Tue 25/06/24	Fri 4/09/26
502	Pool Procurement	251 days	Tue 25/06/24	Fri 27/06/25
511	Lift Procurement	206 days	Wed 5/02/25	Fri 28/11/25
521	Hydro Slide Procurement	206 days	Thu 13/02/25	Fri 5/12/25
531	Structural Steel Procurement	280 days	Thu 24/07/25	Fri 4/09/26
557	Piling Procurement	115 days	Tue 20/05/25	Thu 30/10/25
575	Concrete Procurement	130 days	Wed 4/06/25	Thu 4/12/25
586	Gluelam Timber (GLT) Procurement	215 days	Thu 24/07/25	Thu 4/06/26
612	Cladding Procurement	145 days	Thu 4/09/25	Tue 7/04/26
620	Services Procurement	495 days	Tue 13/08/24	Fri 7/08/26
621	HV Procurement	390 days	Tue 13/08/24	Fri 6/03/26
625	Communication Procurement	220 days	Tue 13/08/24	Wed 2/07/25
629	Electrical Procurement	200 days	Thu 4/09/25	Thu 25/06/26
635	Mechanical Procurement	220 days	Thu 18/09/25	Fri 7/08/26
641	Pool Plant Procurement	215 days	Thu 25/09/25	Fri 7/08/26
647	Fit Out Procurement	150 days	Thu 16/10/25	Wed 27/05/26
653	ENABLING WORKS	210 days	Tue 10/09/24	Wed 16/07/25
654	Sediment Control	16 days	Tue 25/03/25	Tue 15/04/25
659	Services Relocation	210 days	Tue 10/09/24	Wed 16/07/25
669	Site Establishment	25 days	Tue 25/03/25	Thu 1/05/25
675	CONSTRUCTION	605 days	Thu 28/08/25	Wed 2/02/28
676	Civil	48 days	Thu 28/08/25	Tue 4/11/25
681	Substructure	197 days	Mon 13/10/25	Thu 30/07/26
682	Piling	92 days	Mon 13/10/25	Thu 26/02/26
696	Foundations	146 days	Wed 24/12/25	Thu 30/07/26
744	Superstructure	124 days	Fri 3/07/26	Tue 29/12/26
745	Ground Floor Slab	29 days	Fri 3/07/26	Thu 13/08/26
757	Hybrid Structural Frame	95 days	Fri 14/08/26	Tue 29/12/26
778	Hydroslide Tower	34 days	Wed 16/09/26	Tue 3/11/26
788	Envelope	84 days	Mon 2/11/26	Fri 5/03/27
789	Roofing	45 days	Mon 2/11/26	Thu 7/01/27
798	Façade	38 days	Mon 30/11/26	Tue 26/01/27
807	Glazing and doors	49 days	Mon 21/12/26	Fri 5/03/27
813	Fit Out	228 days	Tue 1/12/26	Mon 1/11/27
814	Pool plantrooms	80 days	Thu 17/12/26	Mon 19/04/27
817	Transformer Room	67 days	Wed 30/12/26	Fri 9/04/27
824	Pool Construction	224 days	Mon 7/12/26	Mon 1/11/27
919	Fitout Level 1	123 days	Tue 1/12/26	Wed 2/06/27
936	Fitout Ground Floor	73 days	Mon 8/03/27	Tue 22/06/27
945	Lift	110 days	Fri 8/01/27	Fri 18/06/27
949	External Works	135 days	Wed 30/12/26	Mon 19/07/27
950	Outdoor pool	135 days	Wed 30/12/26	Mon 19/07/27
957	Hardstanding's	60 days	Wed 27/01/27	Tue 27/04/27
961	Landscaping	60 days	Tue 30/03/27	Wed 23/06/27
965	Commissioning	140 days	Fri 11/06/27	Wed 29/12/27
972	Completion	72 days	Mon 18/10/27	Wed 2/02/28



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APPENDIX 5: RISK

Memorial Pool – Risk Heat Map

	LOW	MINOR	MODERATE	SIGNIFICANT	SEVERE
ALMOST CERTAIN			10.		6.
LIKELY				1.	4.
POSSIBLE				2. 5.	3. 9.
UNLIKELY			7.	8.	
RARE					

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.

LETTER TO TAURANGA CITY COUNCIL – MEMORIAL RECREATION HUB
Concept Plan Option 2 Preference
Tauranga Aquatic User Groups

Introduction

A group of Tauranga Aquatic Users have come together to provide a unified voice in support of **Option 2 for the Memorial Recreational Hub** concept plans. This group of Aquatic users consists of *(but not limited to)*:

> ***Tauranga Waterpolo, Evolution Aquatics, Tauranga Artistic Swimming (Synchronized), Mount Maunganui Amateur Swimming Club, Special Olympics, Parafed BOP, Omanu Beach Surf Life Saving Club, AIMS Games and schools such as Tauranga Boys College, Otumoetai College, Otumoetai Intermediate, Bellevue School.***

The group along with others hope to actively engage and advocate for aquatic network provision and work more collaboratively to provide a stronger group voice.

Many of these user groups exist to build better, more active and connected communities within Tauranga and the greater wider Bay of Plenty Region. While these organisations may be considered deliverers of 'structured sport' they in fact cater to a wide spectrum of users across the physical activity spectrum. In addition to the core programmes that cater to competitive, non-competitive, and recreational participation are, adaptive programmes for special and/or physical disabilities, masters, Physical Education curriculum modules, learn to swim, and water safety skills. These organisations aim to create participants who are confident and competent in their water skills and offer positive quality physical activity experiences. Many participants want to feel part of a community, a team or increase their fitness, skill levels, and enjoy their own experiences in the water wherever that may be along the Play, Active Recreation and Sport continuum. All offerings build the foundational skills for any and all water sport activities.

The group would like to commend the work of the Tauranga City Council staff and facility partners Bay Venues to this point, recognising the commitment to and investment toward the Memorial Park Recreational Hub. These upgrades are much needed, long awaited and the progression to move forward with these upgrades is pleasing.

The group would like the opportunity to be heard before Commissioners making a key decision to progress on a chosen option at the council meeting Monday 11th December, and if not in person, would like to be able to submit this letter of support and recommendation for **Option 2** of the current Memorial Aquatic concept design.

With Indoor Court provision moving to a more financially viable offsite location, two options were presented at the information session (Wed 6th Dec). **Option 2**: Original Brief minus Courts, with an estimated cost of $119.85M, and Option 3: Leisure Focused Facility, with an estimated cost of $107.4M. The cost differential is $12.45M.

- The type of facilities provided in each option are similar (including therapy pool, spa, learn to swim pool, leisure pool, bombing pool). The projected/targeted usage by different demographics varies, with Option 3 being a stronger focus on leisure, and less on sport/fitness.
- **Option 2** provides more lane space (12 lanes in total, 8 indoor / 4 outdoor) compared with Option 3 (10 lanes in total, 2 indoor / 8 outdoor).
- **Option 2** includes a 2m depth for the 8 lanes inside. Option 3 does not provide 2m depth at all, due to location in plan and proximity to water table and ground conditions. Including 2m depth in Option 3 would have a significant increase in cost, likely unviable. In the long term, 2m depth offered is hugely advantageous for those needing deeper water for their activities and helps to alleviate pressure and full reliance on the facilities at Baywave, the only other BVL facility with a 2m depth.

There are several other reasons why **Option 2** is the preferred option.

The Aquatic Facility network in Tauranga is aging and currently requires significant maintenance and remedial work to keep facilities functioning at capacity. The additional lane space in **Option 2** is of significant benefit to the Aquatic network capacity. Lanes in the network are currently Baywave (10 Lanes), Greerton (6 Lanes), Otumoetai (7 Lanes) and existing Memorial (6 Lanes). Acknowledging the current age and state of Otumoetai Pool, although we would love to have that facility serving us for many more years to come, we understand with any further significant issues it could be closed sooner than later.

Given the replacement lanes at Memorial and the any possible future closure of Otumoetai (13 lanes total), the current **Option 2** for Memorial upgrade will not replace the current lane provision of these facilities once closed. Looking further ahead it is likely that Baywave will have extensive remedial work done in future years and will be out of action for a significant period when that time comes. At this time many sport activities that rely only on Baywave facilities (for deep water activities) will have no other fit for purpose place to go, especially with current capacity issues.

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/Pacifica 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).

The group is supportive of the planned investment and understands and supports the request for further funds to increase budget being sort by council to deliver the full project of indoor courts (at another location) alongside the aquatic facility, which we also support.

We are very mindful of the significant cost of both options as currently presented and are grateful that a project of this size is being considered by Council. In that context, and with respect, it is suggested that, in the long-term, the investment in **Option 2** will provide more value to the overall network of aquatic facilities in Tauranga than Option 3, despite the current cost differential between the two options. If Baywave cost $15m 20 years ago, and a like for like city option is going to cost $117m, what will the cost be in another 20 years if we under invest by not catering for all water sports and leisure activities. For the sake of 10m now, is the lack of opportunity, foresight, and community assets worth $10m?

While acknowledging that cost is an important consideration, we feel that the growth of the city, and demands on the existing aquatic facilities/network to date demonstrate how bold forward-thinking decisions can in the long term provide benefits in areas not yet considered.

Concluding comments:

This group would like to thank, in person, BVL & TCC staff and Commissioners for recognising the challenges these organisations face with the current planned investment into aquatic provision. There is an overwhelming preference for the Memorial Aquatic **Option 2**, having explained why this is so important and should not be overlooked for a purely recreational/leisure facility.

Fostering stronger communities and offering quality well-being experiences for all communities within Tauranga Moana is what these organisations exist to do. Regardless of age, gender or any demographic

definition, these organisations seek a healthier and more prosperous future for all. Current engagement and offerings are great but with a more time friendly investment, and consideration from TCC into the aquatic network these organisations will be able to grow and support more and more of the Tauranga Moana people.

The group is willing and enthusiastic to be involved and support this work going forward in partnership with Tauranga City Council, Bay Venues and Sport Bay of Plenty.

Thank you sincerely for your time in considering our views and the opportunity to provide feedback for the vision to invest in our future. We look forward to hearing from you.

Yours sincerely,

Dan Brown – Evolution Aquatics

Beth Kyd & Mark Edgecombe – Tauranga Waterpolo

Helen Eastwood – Mount Maunganui Amateur Swimming Club

Jessica Lock – Tauranga Artistic Swimming (Synchronized)

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

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
L.11 - Memorial Park Aquatic Centre Updated Business Case	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 s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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)	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