SUPPLEMENTARY AGENDA

Ordinary Council meeting
Tuesday, 1 December 2026

Date: Tuesday, 1 December 2026

Time: 9:00 am

Location: Tauranga City Council Chambers
L1, 90 Devonport Road
Tauranga

Gareth Green

Interim Chief Executive

Order of Business

11 Business 4

11.3 Recovery Progress Report 4

11.4 Mauao Reopening Arrangements 14

11.6 Arena Extension Business Case 21

11 BUSINESS

11.3 Recovery Progress Report

File Number: **A21502886**

Author: **Nick Chester, Recovery Programme Manager**

Authoriser: **Charlie Rahiri, Recovery Manager**

PURPOSE OF THE REPORT

1. To provide the Council with an update on the Tauranga Recovery Programme

RECOMMENDATIONS

That the Council:

(a) Receives the report "Recovery Progress Report".

EXECUTIVE SUMMARY

2. Following the severe weather event in January 2026, a Recovery Office has been set up within Tauranga City Council.
3. A recovery programme is underway. It is anticipated that recovery will be a long-term, dynamic process. Although much of the public focus has been on recovery at Mauao, there are several other projects taking place across the city that require coordination and regular reporting on progress.
4. The attached report (**Attachment 1**) outlines progress to date and anticipated next steps. Updates that are new since the last report on 1 September 2026 are listed in blue.

BACKGROUND

5. Rrecovery from the January 2026 severe weather event is ongoing. A Recovery Plan has been developed to guide this process and ensure the ongoing recovery programme is guided by clear principles, goals and actions. Tauranga City Council has established a Recovery Office that will implement this Plan.
6. As Recovery continues and changes, it is critical to ensure regular updates are provided that allow the Council and the community to understand where work is being carried out and what future actions will be.
7. The attached status update has been developed to give an overview of current progress on the recovery programme. The report outlines progress to date and anticipated next steps.
8. Progress reports will continue to be presented to the Council on at least a six-weekly basis, using a consistent template.
9. Key activities that have occurred since the last report are:

   (a) The remediation of walking tracks on Mauao are progressing well. The work currently underway to remediate the large WT1 slip on the ocean side of Mauao.

   (b) Discussions on a potential re-opening of Mauao over the 2026/27 summer are underway. These are detailed in a separate report.

   (c) Council is currently midway through a month of community engagement with a specific focus on how the Mauao Recreation Reserve and Pilot Quay area could be used in the

future. A number of public information sessions are taking place as part of this engagement and provide an opportunity to provide the community with updates on the recovery programme.

(d) The Mayor, Councillors and staff met with affected businesses at Mt Maunganui on 27 October.

STRATEGIC ALIGNMENT

10. 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 that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

11. The recovery programme will influence and contribute to all of Tauranga City Council's Community Outcomes. It supports:

(a) an inclusive city by focusing on the needs of affected whānau, households, and communities.

(b) values and enhances the environment through resilient, sustainable recovery approaches.

(c) reinforces a well-planned city by restoring infrastructure in a safe and efficient way.

(d) support business continuity, employment and education by restoring confidence and capacity for normal business activities, events and community activity to occur, especially near affected areas.

FINANCIAL CONSIDERATIONS

12. Financial tables are included in Attachment 1

RISKS AND LEGAL IMPLICATIONS

13. Recovery is a dynamic process and subject to unexpected changes. Current risks are outlined in Attachment 1 and continue to be monitored by the Recovery Office.

TE AO MĀORI APPROACH

14. The recovery programme has a strong alignment with the principles in Council's Te Ao Māori approach. Engagement with Iwi and hapū has been central to response and recovery activities to date, and partnership with the Mauao Trust and Ngā Poutiriao ō Mauao is essential to decisions around recovery of Mauao. In particular, the principles of the Te ao Maori approach are being demonstrated through Manaakitanga, Rangatiratanga, Kaitiakitanga, Whanaungatanga, Wairuatanga and Tūmanako

CLIMATE IMPACT

15. The Recovery Programme provides an opportunity to address two key areas of climate impact;

(a) Adapt to a changing climate: the weather event has highlighted the need to better understand weather related risks, especially landslide risk across the city. One of the recovery strands is focussed on learning lessons from the event and recommending any improvements required to better mitigate risks in the future.

(b) Enhance nature and biodiversity – the event resulted in significant damage to natural areas across the city. Recovery offers an opportunity to remediate spaces in a way that increased biodiversity can be considered.

CONSULTATION / ENGAGEMENT

16. There is a high level of public interest in the recovery programme, especially actions at Mauao.

17. For more than six months, fortnightly updates on progress across the Mauao Recovery programme have been shared through Kōrero Mai which has over 10,000 subscribers.

18. Since April, weekly updates on work happening on the ground have also been shared in the Weekly Bulletin, helping keep the community up to date with track remediation progress and upcoming activities. Social media posts and videos are regularly shared providing updates and highlighting work happening on Mauao with some receiving up to 200,000 views.

19. Council is currently midway through a month of community engagement with a specific focus on how the Mauao Recreation Reserve and Pilot Quay area could be used in the future. This engagement runs until 16 December, and staff will report back on findings in early 2027.

20. Further detail on communications and engagement activity undertaken as part of the recovery process are detailed in Attachment 1.

SIGNIFICANCE

21. 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.

22. 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 needs of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the .

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

23. The matter is technically assessed as low significance under Council's policy framework; however, the level of community interest and concern has been a key consideration in determining the reporting and engagement approach.

ENGAGEMENT

24. No further engagement is required to receive the report. However, engagement will be a critical component of the recovery programme and will inform future reporting.

NEXT STEPS

25. Reporting on the recovery programme will be ongoing, with reports to be presented on at least a six-weekly basis.

ATTACHMENTS

1. Recovery Progress Report - 1 December 2026 - A21473046

Recovery Progress Report – 1 December 2026 (updates from last report in Blue)

Key Facts Dashboard

Current Placards (by suburb)	Yellow	Red
Mount Maunganui	2	2
Ōtūmoetai	2	-
Bellevue	1	-
Bethlehem	2	-
Greerton	2	-
Mangatawa	1	-
Quantitative Landslide Risk Assessment (QLRA)	Mauao – Rockfall assessment received Te Auhi Reserve – Qualitative complete Mangatawa – landslide assessment complete	
Financial overview	Operational expenditure is currently within budget and tracking in line with current expectations. However, the forecast and budget will need to be reviewed once a decision is made on the reopening of Mauao, as this could materially change future cost assumptions.	
Communications and Engagement	There continues to be significant public interest in the recovery programme, particularly regarding remediation works, future access to Mauao, and the long-term future of the wider Mauao Precinct. Community interest reflects the cultural, recreational, environmental and economic significance of Mauao and the surrounding precinct to Tauranga Moana and the wider region. **Engagement** Community engagement on the future of the Mauao Precinct commenced on 16 November 2026 and will continue until 14 December 2026. This work focuses on the Mauao Recreation Reserve and Pilot Quay area, including Mount Hot Pools, Mount Maunganui Beachside Holiday Park, the Mount Maunganui Lifeguard Service building and the Pilot Bay boat ramp. The engagement is being undertaken in partnership with Mauao Trust and key stakeholders to help inform future decision-making for this important area. The engagement seeks community feedback on future aspirations for the precinct, including how the area should be used, protected and managed over the long term. Community members are also being invited to share their views on how Mauao should continue to be cared for in the future. No decisions have been made on the future of the precinct, and feedback gathered through this process will help inform future options development and decision-making. This engagement is separate from decisions regarding the reopening of Mauao tracks. Decisions relating to track reopening will continue to be made jointly by Tauranga City Council and Mauao Trust and will be informed by technical assessments, risk evaluations and safety considerations. The activities supporting this engagement involve: • A dedicated webpage – letstalk.tauranga.govt.nz/mauao-ideas	

	• An online survey with over 1,200 responses at time of report writing • A full suite of engagement collateral has been developed to support both online and in-person engagement, including a QR Code for easy access • Two community engagement events and two marae-based engagement events • Elected Members have been provided fortnightly updates by email and invited to all engagement events • Ongoing engagement with partners, iwi, hapū, businesses, stakeholders, community groups, recreation organisations and other interested parties • Media opportunities and promotions have been organised, including with national and local media outlets. • Targeted communications through *Kōrero Mai – Let's Talk Tauranga*, social media, digital advertising, media engagement and partner channels • Digital advertising copy, visual assets and supporting content have been prepared • Community Hubs, libraries and frontline staff briefed to support public enquiries and promote participation • Internal communications, including information for staff through the weekly staff update. • Radio advertising and outdoor advertising, including billboards and posters • Promotional videos featuring project representatives and Elected Members are planned to encourage participation • Venue screen advertising and social media content have been prepared and scheduled. The engagement programme forms part of a longer-term process. Technical assessments and options development will continue through 2027, followed by further community engagement and future decision-making processes. Feedback received through the current engagement phase will help shape future work programmes and discussions with stakeholders and the community. **Communications** Communications activity continues to focus on maintaining awareness that Mauao remains closed, reinforcing public safety messaging, supporting stakeholder engagement, and providing transparent updates on recovery progress. Work is also continuing on communications planning for future reopening scenarios in partnership with Mauao Trust. A coordinated communications approach is being delivered across Council, Mauao Trust, Bay Venues Limited, Mount Maunganui Lifeguard Service and other partners to support consistent messaging and keep the community informed as the recovery programme progresses. A key focus of communications has been ensuring the community understands both the purpose of this engagement and the context in which it is occurring. Communications materials explain that technical assessments have identified ongoing landslide and rockfall hazards within the Mauao Precinct and that this

	information will help inform future land use, risk management and mitigation options. Engagement materials also acknowledge the impact of the January 2026 landslides on victims' families, tangata whenua, Mount residents, local businesses and the wider community.
Mauao Recovery Work Group	• The Recovery Working Group has met on 5 and 27 November to advance conversations around a future safe reopening of Mauao. Membership includes Elected Members, Iwi and representatives form the Mauao Trust and Nga Poutiriao o Mauao. • Issues around the reopening of Mauao will be addressed in a separate report to Council at the 1 December 2026 meeting.

Workstream Updates

Workstream	Status	Current Actions	Upcoming Actions
Mauao	On Track	• Completion of stablisation works on TT5 through soil nailing and installation of a protective balustrade, reducing landslide risk and supporting future reinstatement of public access. • WT1 remediation underway, including completion of archaeological investigations, soil nailing, removal of the affected landform, reconstruction of the Waikorire Track staircase and construction of a working platform. • Track and infrastructure reinstatement works progressing, including boardwalk renewal, staircase repairs, handrail refurbishment, and ongoing remediation of damaged track assets.	• Completion of Capital works at WT1, weather permitting by end of December. • Preparations are underway for a public commemoration of the 1 year anniversary of the landslides on 22 January 2027 alongside working with partners and the Mauao Recovery Working Group
Citywide Impacts and Remediation	On Track	• Final landslide assessments from Mangatawa landslide received. • Placarded buildings being assessed as required by landowners	• Continue to work closely with Mangatawa community on next steps of remediation process.
Marae community resilience and infrastructure needs on Māori land	On Track	• Whareroa Marae successfully received funding to support resilience work following flooding in the January event. • Engagement continues with marae and Māori land communities across Tauranga to strengthen emergency preparedness, evacuation planning, and resilience to future weather events.	• Begin targeted marae resilience planning and site engagements with marae across Tauranga to identify preparedness, infrastructure, accessibility, and emergency management priorities. • Progress flood resilience and mitigation planning with

		• TCC continues to support recovery and resilience initiatives at several Marae, including consideration of future coastal, drainage, and emergency management needs.	Whareroa Marae and the wider Whareroa community. • Work with marae and emergency management partners to review and strengthen evacuation and emergency preparedness arrangements across Tauranga
Landslide Risk	On Track	• Focus on enacting recommendations from External review into Mount Maunganui Beachside Holiday Park landslide • Rockfall Hazard Analysis completed to inform update to QLRA	• Response to the review's findings presented in separate report to council. • Rockfall hazard findings to be presented to council at 1 December 2026 meeting.
Supporting community, business and economic recovery	On Track	• Mount Maunganui businesses, especially those in close proximity to Mauao continue to experience significant downturn in business following the January event. This has been exacerbated by the slip regressions in July. Some businesses have either temporarily or permanently closed as a result of this downturn. • The Mayor, Councillors and the Recovery Office met with affected businesses on 27 October.	• A separate report at the 1 December 2026 meeting will outline next steps.

Partner Updates

Iwi/hapū	Following receipt of the TCC and WBOPDC Recovery Plan, iwi have secured DIA funding to engage a dedicated writer to complete the Tauranga Moana Iwi Recovery Plan. We anticipate that our Iwi role will work closely alongside local government to ensure alignment between recovery frameworks and support a coordinated, streamlined approach to the implementation of recovery initiatives across Tauranga Moana. The Mauao Recovery Working Group includes representation from Ngāi Te Rangi, Ngāti Ranginui and Ngāti Pūkenga

Mauao Trust	We will continue to work closely with the Mauao Trust as we progress remediation works, including exploring options for future management of slips, supporting governance-level discussions, and aligning public messaging. The Mauao Trust has attended Council information sessions to provide regular updates, and the recovery team has offered reciprocal support by attending iwi hui where appropriate, with a focus on providing technical updates and advice as required. The Mauao Trust are represented at the Recovery Working Group.
Mount Maunganui Lifeguard Service	Clubrooms were officially reopened on 19 September 2026 with key safety and compliance milestones completed following installation of the temporary rockfall protection.
Mount Business Association	The Recovery Office continues to engage regularly with MBA representatives through fortnightly meetings and business recovery discussions.
Bay Venues Limited	Engagement with Bay Venues has continued as both organisations explore options to support recovery outcomes within the affected precinct. Discussions are now focused on understanding the implications of the QLRA and what this may mean for its business operations, service delivery, future planning, and customer access arrangements.
Tourism BOP	Providing continued collaboration with the Recovery Office and support at Community meetings and workshops.

Risks

Risk	Mitigation
Further weather events adding to recovery work – rain events in March, Cyclone Vaianu in April and isolated wind event in April have added complexity and stretched resources further.	Staff will continue to respond to weather events as required. Resourcing requirements will be assessed following any events if recovery needs increase.
Further regressions of existing landslides lead to further complexity and delays in recovery efforts	Continued mitigations of slips where possible to reduce risks of further regressions. Ongoing public engagement about recovery and the challenges faced.
Increased community frustration at ongoing closure of Mauao	Clear communications about why Mauao remains closed and provide updates on potential reopening dates as soon as decisions are made.
Community feeling uninformed on progress	Increased communications and engagement – both in person and online, to ensure information is available to those that want it. Regular council reporting will also increase transparency.
Recovery team risk matrix	The recovery team is developing a risk matrix to identify key risks and mitigation actions associated with the recovery plan, with a high-level version to be included in future reporting.

Financial Table

Table 1 Mauao Weather Event Response and Ongoing Recovery	Spend to 30 June 2026	Spend to 31 Oct 2026	Total Spend
Initial response to weather event			
Physical Works & Equipment Hire	446,144	-	446,144
Security	192,919	-	192,919
Professional/Expert Advice - Technical	88,389	-	88,389
Travel/Accommodation/Welfare and misc	78,264	-	78,264
Signage/Information	23,706	-	23,706
EOC TOIL & Overtime	24,707	-	24,707
Trauma Support Services	17,515	-	17,515
Total response expenditure to date	871,645	-	871,645
On going Mauao recovery			
Security	645,723	304,160	949,883
Professional/Expert Advice - Technical	1,067,610	1,008,015	2,075,626
Physical Works & Equipment Hire	479,779	58,219	537,998
Recovery Staff Expense	157,521	272,840	430,360
Travel/Accommodation/Welfare and misc	52,629	3,788	56,417
Trauma Support Services	25,495	300	25,795
Signage/Information	19,321	5,405	24,726
Total recovery expenditure to date	2,448,078	1,652,726	4,100,805
Total Response & Recovery Expenditure	3,319,723	1,652,726	4,972,450
Table 2 **Expenditure associated with reviews and associated legal support post event**	**Spend to 30 June 2026**	**Spend to 31 Oct 2026**	**Total Spend**
Professional/Expert Advice	1,620,131	778,278	2,398,409
Total review expenditure to date	1,620,131	778,278	2,398,409
Table 3 **Total Expenditure Funded from Risk Reserve**	**Spend to 30 June 2026**	**Spend to 31 Oct 2026**	**Total Spend**

Initial response to weather event	**871,645**	**-**	**871,645**
On going Mauao recovery	**2,448,078**	**1,652,726**	**4,100,805**
Expenditure associated with reviews and associated legal support post event	**1,620,131**	**778,278**	**2,398,409**
Total operational expenditure incurred to date	**4,939,854**	**2,431,004**	**7,370,858**
Risk Reserve Funding Approved by Council	**7,000,000**		**7,000,000**
Remaining funding available	**2,060,146**		**(370,858)**
Capital Spend			
Pilot Bay Boat Ramp Fencing	**-**	**72,595**	**72,595**
Motukauri Track	**-**	**258,719**	**258,719**
Base Track	**-**	**823,741**	**823,741**
Beachside remediation work		**368,134**	**368,134**
Total Capital Spend	**-**	**1,523,189**	**1,523,189**

11.4 Mauao Reopening Arrangements

File Number: **A21455347**

Author: **Nick Chester, Recovery Programme Manager**

Authoriser: **Charlie Rahiri, Recovery Manager**

PURPOSE OF THE REPORT

1. To provide an overview of work underway to allow the safe, partial reopening of Mauao Historic Reserve to the public, and the necessary steps to take before a decision can be made

RECOMMENDATIONS

That the Council:

(a) Receives the report "Proposed Mauao Reopening Arrangements ".

(b) Endorses a staged reopening of Mauao that provides for public access to areas assessed as safe, while continuing to restrict access to areas where safety risks have not yet been mitigated.

(c) Approves that Council will work with Mauao Trust to agree on a reopening date, to be confirmed as soon as practicable, noting Council's preference to reopen Mauao as soon as it is safe and practical to do so.

(d) Instructs staff to prioritise and complete all work streams required for the safe partial reopening of Mauao by the 19 December 2026 to enable a reopening date that could proceed as early as 20 December 2026.

EXECUTIVE SUMMARY

2. Remediation at Mauao has progressed well, and alongside completed safety assessments means decisions can now be discussed around a potential reopening. While Tauranga City Council remains the sole administering body of the Mauao Historic Reserve, it is party to a Memorandum of Understanding with the Mauao Trust. The spirit and intent of that MOU suggests that any decisions should be made jointly with Iwi and the Mauao Trust.

3. Discussions on a potential re-opening of Mauao over the 2026/27 summer are underway. The Mauao Recovery Working group has met twice to advance these conversations. A specific reopening date has yet to be agreed to.

4. Capital works on the Mauao summit loop tracks are due to be completed by 19 December 2026. This continues to be weather dependant. This will be the completion of one phase of work, but remediation work at Mauao is ongoing and will continue into 2027.

5. While completion of these works is a significant milestone, it represents only one component of reopening readiness. A range of operational, safety, management and cultural requirements must also be finalised before public access can safely resume. These include installation of physical safety controls, implementation of access management arrangements, recruitment and training of track ambassadors/kaitiaki, completion of management plans, and engagement with emergency services and key stakeholders.

6. Work on some of these requirements is already underway. However, some elements are dependent on final reopening decisions, as well as partner and stakeholder discussions and cannot be completed until there is certainty regarding reopening arrangements. As a result, completion of capital works does not automatically enable immediate public access.

7. Work is also underway on Management Plans that would guide how Mauao is managed following a reopening, and/or through a continued closure through the Christmas period, if required. It is anticipated these plans will be presented to the Council for endorsement at the 15 December 2026 meeting, as well as to the Mauao Trust.

8. The Recovery Manager will provide a verbal update following discussions at the Mauao Recovery Working Group meeting on 27 November 2026.

BACKGROUND

9. The focus for the Recovery Office is the safe reopening of the Mauao Historic Reserve to the public. Mauao has been closed since the weather event in January and there is a strong public interest in reopening when it is safe to do so.

10. Mitigation and stabilisation of landslides on Mauao has been a critical activity for several months. A key focus has been on the WT1 Slip, which is located at the start of the oceanside public walkway to Mauao (aka the “stone steps”)

11. It is anticipated that the capital works on summit loop walking tracks (Waikorire Track and Motukauri track) will be completed by 19 December 2026.

12. With capital works complete and Quantitative Landslide Risk Assessments showing risk can be managed with appropriate safety measures, a partial reopening of Mauao can be considered.

13. Mauao is owned by Ngāi Te Rangi, Ngāti Ranginui and Ngāti Pūkenga and administered on their behalf by the Mauao Trust. Any decision on reopening should be made jointly with the Mauao Trust. While the Council alone holds the statutory power to re-open the Mauao Historic Reserve, it entered the MOU with the specific intention of creating a joint administering body relationship with the Mauao Trustees. If the Council purported to unilaterally exercise the statutory power to re-open, this would be contrary to the spirit and intent of the MOU.

14. Some walking tracks still remain unmitigated, especially on the Te Ara Tūtanga Base Track. These sections of the track will remain closed for the foreseeable future and significant signage and fencing will have to be in place to prevent the public from entering these areas. This, alongside the presence of track ambassadors/kaitiaki will help to mitigate safety concerns.

15. The Mauao Recovery Working Group was approved at the 1 September 2026 Council meeting to help coordinate between Tauranga City Council, Iwi and the Mauao Trust on a potential reopening date. The Working Group has met on 6 and 27 November to advance these discussions.

16. Key issues that need to be considered when approving a reopening date are:

    (a) Council’s obligations under the MOU to jointly control and manage the Mauao Historic Reserve with Mauao Trust and Iwi

    (b) Safety. Managing the safety of the public on the maunga remains the highest priority. Even with QLRAs completed, there is still an inherent safety risk. There are several safety mitigations that need to be in place ahead of a potential reopening. These are:

        (i) Safety fences and gates to restrict access to unmitigated slips – installation beginning 30 November – to be completed within 4 weeks

        (ii) Signage and wayfinding – design and installation – 2-3 weeks

        (iii) CCTV – 6 weeks

(iv) Kaitiaki/track ambassadors to act as guides on the tracks to encourage walkers to stick to tracks – recruitment and training prior to reopening – 6 weeks

(v) Potential sign-in/sign-out protocols to support visitor management and accountability, recognising that access may remain restricted in other areas of the Maunga due to ongoing risks, remediation activities, or monitoring requirement – 6 weeks

(c) Emergency Services access. In the event of an emergency, personnel need to be able to access the maunga quickly and effectively. Staff are in discussions with Police and other emergency services about how this can be reasonably achieved as part of a partial reopening. Conversations are underway with relevant services to ensure relevant information is included in the Reopening Management Plan.

(d) Reopening times. In order to maximise safety, it is recommended that Mauao will only be open during daytime hours (exact timings are yet to be confirmed) This is to ensure people have full visibility of risks and do not enter unsafe areas accidently.

(e) Tikanga principles and the wishes of families of victims of the January 22 landslide

17. Health and Safety Plans are also being developed to support reopening. An identified concern in a pre-Christmas opening is that there will be an increased risk due to higher number of people accessing the track over a busy Christmas period.

18. Opening will be supported through a Mauao Reopening Management Plan, and, if necessary, a Christmas Closure Management Plan. These plans will outline the key issues that need to be monitored under both scenarios to best ensure the safety of the public, and how these issues will be mitigated and managed. The Plans are currently being developed by staff and will be presented to the Council at the 15 December 2026 meeting and to the Mauao Trust for endorsement ahead of a reopening.

19. While staff are progressing preparatory activities in parallel with the completion of capital works, reopening readiness extends beyond physical construction. Following agreement on a reopening approach, several operational and safety measures will still need to be completed, tested and embedded before public access can safely resume. It is therefore anticipated that a preparatory period of approximately 4-6 weeks may be required between confirmation of a reopening decision and implementation of that decision. The exact timeframe will depend on the scope of mitigations ultimately adopted and the time required to operationalise them.

20. Attachment 1 outlines the required preparatory work and their current status.

REOPENING APPROVAL PROCESS

21. The official reopening of Mauao requires the approval of both Tauranga City Council and the Mauao Trust. Once agreement has been reached in principle on a reopening date, reopening plans will be finalised and presented to:

(a) Nga Poutiriao o Mauao for endorsement to the Mauao Trust

(b) Tauranga City Council

(c) Mauao Trust

22. The Recovery Manager will provide a verbal update on reopening conversations that occurred at the Mauao Recovery Working Group Meeting on 27 November 2026. These will inform how this process will progress.

23. It is anticipated that Reopening proposals and planning documents will be presented to the Council on 15 December 2026. A specific reopening date is not required ahead of the Council endorsing these documents.

STATUTORY CONTEXT

24. Any reopening must prioritise the safety of the public and workers on Mauao. This is in keeping with the responsibilities, both of the Mauao Trust and Tauranga City Council regarding:

    (a) The Reserves Act 1977

    (b) The Health and Safety at Work Act 2015.

25. The Reopening Management Plan provides options to mitigate risk, but also outlines that Mauao is likely to close to the public more frequently when safety cannot be adequately addressed (i.e. during weather events).

STRATEGIC ALIGNMENT

26. 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 that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

27. The reopening of Mauao will influence and contribute to all of Tauranga City Council's Community Outcomes. It supports:

    (a) an inclusive city by focusing on the needs of affected whānau, households, and communities;

    (b) values and enhances the environment through resilient, sustainable recovery approaches;

    (c) reinforces a well-planned city by restoring infrastructure in a safe and efficient way

    (d) support business continuity, employment and education by restoring confidence and capacity for normal business activities, events and community activity to occur, especially near affected areas

FINANCIAL CONSIDERATIONS

28. Costs associated with reopening are covered under the Recovery workstream and will be outlined as part of regular Recovery reporting to the Council.

RISKS AND LEGAL IMPLICATIONS

29. As the administering body under the Reserves Act 1977, Council is also a PCBU with the primary duty to undertake all reasonably practicable steps to eliminate or minimise risks associated with reopening Mauao. These steps are encapsulated by the proposed control measures and Management plans discussed above.

TE AO MĀORI APPROACH

30. Mauao is owned by Ngāi Te Rangi, Ngāti Ranginui and Ngāti Pūkenga and administered on their behalf by the Mauao Trust. Mauao is a taonga of immeasurable value which symbolises the endurance, strength and identity of local iwi. Therefore, it has been critical to work in partnership on reopening decisions for Mauao. Discussions were held through existing relationship and partnership arrangements to understand perspectives on the potential timing of reopening, the conditions under which reopening could occur, and the key cultural, environmental and safety considerations that should inform decision-making. Feedback was

sought on matters including tikanga considerations, visitor access and management, and broader aspirations for the long-term stewardship of Mauao. This process reinforced the importance of maintaining a partnership-based approach to decisions affecting Mauao.

CLIMATE IMPACT

31. The Reopening of Mauao provides an opportunity to address two key areas of climate impact;

    (a) Adapt to a changing climate: the weather event has highlighted the need to better understand weather related risks, especially landslide risk at Mauao. Decisions on the maunga have been led by a safety-first approach and this will continue following a reopening. This means that proactive closures are likely to occur more frequently where safety is a concern and remediating slips will continue even after a reopening.

    (b) Enhance nature and biodiversity – the event resulted in significant damage to natural spaces on Mauao. Recovery offers an opportunity to remediate spaces in a way that increased biodiversity can be considered.

CONSULTATION / ENGAGEMENT

32. The Recovery at Mauao has been a topic of considerable public interest throughout the year. Tauranga City Council has undertaken extensive engagement to continue to provide updates and has heard clearly that there is a desire for Mauao to reopen to the public when it is safe to do so.

SIGNIFICANCE

33. 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.

34. 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 needs of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the matter.

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

35. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of high significance.

ENGAGEMENT

36. Taking into consideration the above assessment, that the matter is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

37. The Mauao Working Group meets again on (date) where further discussions on Mauao reopening will occur.

38. Staff will present Mauao Reopening and (if required) Christmas Closure Management Plans for endorsement.

ATTACHMENTS

1. Mauao Reopening Readiness Matrix - A21501432

Mauao – Reopening Matrix

The purpose of this Reopening Readiness Matrix is to provide a clear framework for tracking the workstreams, plans, approvals, and dependencies required before reopening Mauao. The matrix collates cultural, technical, operational, health and safety, financial, and governance considerations into a single reporting tool that enables informed decision-making by the Mauao Trust, Tauranga City Council, and associated stakeholders.

Each workstream identified within this matrix is supported by a dedicated paper or supporting document that provides detailed analysis, recommendations, risks, dependencies, and requirements. Those documents should be read alongside this matrix. The purpose of the matrix is to provide a high-level summary of each workstream, its current status, key updates, and any matters requiring resolution or approval before reopening can be considered. This enables decisionmakers to maintain oversight of overall reopening readiness while retaining access to the detailed information contained within the supporting papers.

The matrix is also intended to support regular programme monitoring, identify critical risks and outstanding actions, and ensure that reopening considerations are based on agreed criteria rather than indicative remedial work completion dates alone. Status indicators provide a visual assessment of progress across each workstream, highlighting areas requiring further development, review, or approval before a reopening recommendation can be considered.

Importantly, achievement of a "green" status within individual workstreams does not in itself determine a reopening date. Rather, the matrix provides a structured mechanism for assessing overall readiness, ensuring that cultural values, public safety, residual risk, operational capability, and governance requirements have all been satisfactorily addressed prior to any decision to reopen Mauao.

Workstream / Document	Lead	Key Completion Criteria	Status	Pre-Christmas ready?	Late Summer ready?
Cultural / Tikanga / Mauri Considerations	Mauao Trust / Iwi / TCC	Cultural assessment completed; tikanga requirements agreed; mauri considerations documented; cultural endorsement received			
Reopening Management Plan	Recovery Team	Reopening framework completed; operational requirements documented; governance process confirmed			
	WSP & TCC - Doug and Josh	Operations & Maintenance Plan *(See note 1 for listed content)*			
	TCC - Sherene/ Josh	Risk Assessment - Visitor and Work Risk Management (HSE)			

	TCC - Lucy/Lauren	Communications Strategy and Action Plan; planning and delivery			
	WSP - Doug/Gareth	Mauao ara hikoi - Mauao Walkways - Quantitative Landslide Risk Assessment (QLRA)			
	WSP - Libby/Gareth	WSP Reopening Proposal Assessment (Reserve Management Plan) *(See note 2 for listed content)*			
	Mauao Trust - Elva	Cultural Impact Assessment			
Decision making process agreed to by TCC / Mauao Trust – Ngā Poutiriao o Mauao	Recovery Team, TCC, Mauao Trust	Develop and endorse a jointly agreed decision-making framework that defines reopening criteria, and approval pathways	TCC and Mauao Trust legal teams are in discussions		
Governance Approval - Mauao Trust	Mauao Trust	Formal review and endorsement completed			
Governance Approval - Tauranga City Council	Council	Formal decision and approval completed			

Notes from the table:

1. *Trigger Action Response Plans (TARPS), Reopening assessments and protocols, Rockfall/landslide monitoring and surveys, Emergency Service Response plans, Track inspections, Track and Asset Maintenance and inspections*
2. *Track proposal, Proposal Strategy, Route Management, Technical and Environmental Considerations, Implementation and Reopening Sequence, Track Ambassadors, Archaeology, Reserve Management Plan assessment*

11.6 Arena Extension Business Case

File Number: **A21124599**

Author: **Ross Hudson, Head of Spaces & Places**
Amanda Davies, Portfolio Manager: Community Projects
Helen Andrews, Financial Analyst
Ben Corbett, Team Leader: Growth Funding

Authoriser: **Reneke van Soest, General Manager: Operations & Infrastructure**

PURPOSE OF THE REPORT

1. To present the business case for the proposed extension of Mercury Baypark Arena for adoption and seek approval to progress detailed design, consenting and procurement planning, subject to further reporting to Council before any commitment to construction.

RECOMMENDATIONS

That the Council:

(a) Receives the report Arena Extension Business Case.

(b) Adopts the Baypark Arena Indoor Court Extension Business Case and endorses the "optimised functional" alternative as the preferred option for six additional indoor courts.

(c) Notes staff will prepare an indoor courts Level of Service Policy with a level of Service benchmark of 1 court per 10,000 residents.

(d) Notes that Manawa Trust has agreed in principle to contribute up to $15 million towards the project, subject to final approval and conditions.

(e) Notes the draft 2027/28 Development Contributions Policy will be prepared incorporating the draft Level of Service benchmark of 1 court per 10,000 residents and $15m Manawa Trust grant.

(f) Approves progression to detailed design, consenting and confirmation of the procurement approach, subject to funding through the 2027–37 Long-term Plan and confirmation of external funding.

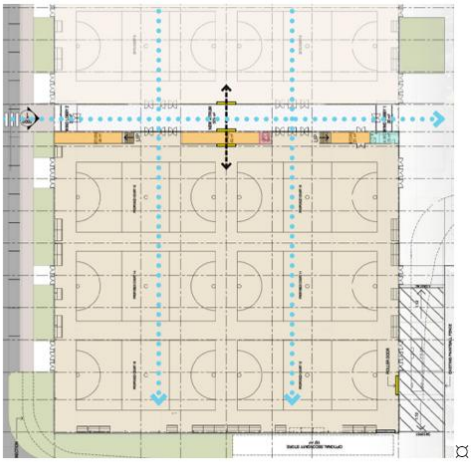
(g) Notes that no commitment to construction will be made until detailed structural design and updated project cost have been confirmed and reported back to Council.

EXECUTIVE SUMMARY

2. Tauranga needs more indoor courts. Despite the retention of the QEYC, Haumaru is already at 92% capacity at peak times, with the Mercury Baypark Arena (Arena) at 98%. Secondary school participation in indoor court sports grew by 70% between 2014 and 2024, approximately four times the growth rate of participation in field sports. Combined with projected population growth, this is expected to place increasing pressure on Council's indoor-court level of service over the next 15 years, making investment in additional capacity increasingly important. The proposed six-court Arena Extension represents a cost-effective way to provide additional community courts and to enable more revenue-generating sporting and non-sporting events at Baypark.

3. The attached business case identifies an optimised solution based on community outcomes, design functionality, capital cost and forecast operating performance.

4. Two six-court options were developed and costed. While both would deliver the same additional court capacity and broadly comparable operating benefits, the optimised functional alternative has a lower preliminary capital cost and provides better accessibility, functionality, flexibility and overall value for money.

Option 1: The **original masterplan option** extends the existing Arena southwards in a similar building form, requiring a longer structural span and more complex structural and foundation design.	
Option 2: The **optimised functional alternative** provides a separate two-by-three court building aligned at a right angle to the existing Arena, with a shorter structural span and improved access, circulation, changing facilities, storage and community spaces.	

5. A configuration at a right angle to the current building (figure 1 below), minimising structural costs and improving access, changing and clubroom space and storage, with a ‘solar-ready roof’, and civil defence compliance.

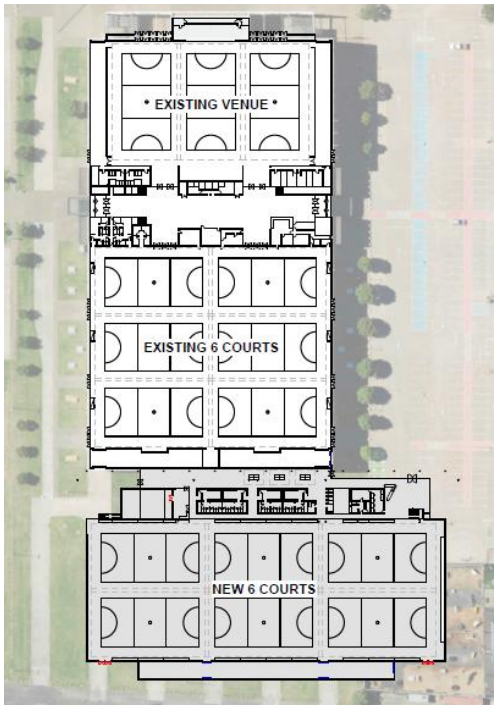


Figure 1: Proposed Site Plan

6. An estimated total capital cost of $35.71m (P70 budget estimate, inflated), including Tauranga City Council's internal project costs, a 10% risk allowance and a 10% contingency. Manawa Trust has agreed in principle to contribute up to $15m, subject to final approval and conditions, leaving an indicative Council capital requirement of $20.71m. Based on the construction estimates, the preferred option is approximately $2.36m cheaper than Option 1.

7. A Development Contributions (DC) component will be available if the level of service and DC Policy are updated. This is expected to be in the region of 75% of the project costs.

8. So, in effect, with the Manawa Trust contribution and the DC-funded component accounted for, *there would be zero requirement for general rates-funded debt for the capital costs of the project*. Further detail is provided in the Financial Considerations section.

9. To estimate the operating cost of the additional six courts, demand has been forecast and a staged utilisation profile developed, based on the current performance of Baypark Arena and evidence of ongoing demand for additional indoor-court capacity.

    (a) Existing peak-period bookings are already highly utilised, reaching 98% during Terms 2 and 3.

    (b) Stakeholder engagement identified further demand from existing and potential users that cannot readily be accommodated within current capacity.

10. On this basis, the business case does not assume the new six courts immediately achieve the performance of the existing courts. Instead, it applies a staged assumption of 75% of current six-court Baypark revenue in FY 2030, 85% in FY 2031, 95% in FY 2032 and 100% in FY 2033. (These percentages are financial modelling assumptions benchmarked against current Baypark revenue, rather than a literal measure of every available court-hour being occupied.)

11. There is also increased tournament and event capacity and associated revenue, both through freeing up the three-court Lion Foundation area to operate year-round as an events space and through enabling the facility to be configured and managed for larger events.

12. The project is currently assumed to be delivered as part of the wider Baypark Masterplan Development Programme. This approach enables the project to leverage programme-wide

investment in shared site infrastructure, including resource consenting, power, water, wastewater, and associated site tie-in works.

13. Key risks include: decisions that lead to the need to deliver the project outside of the wider Baypark programme, leading to potential additional costs and disruption; general cost escalation due to unforeseen site conditions; and demand being less than forecast. The Risks section below explores these further.

14. Next steps include moving to the detailed design stage of the project, cost refinement and delivery programme refinement.

BACKGROUND

Level of Service

15. Council's Level of Service (LOS) for its network of indoor courts is 13,000 people per court. This implies a need for 13 courts in 2028, rising to 15 in 2038. At an LOS of 10,000 people per court, which would better reflect indicative Sport New Zealand planning guidance and actual bookings, the need rises to 19 courts by 2038. We currently have 14 courts. The modelling assumes Mount Sports Hall is no longer available by 2038. The Badminton Multisport facility and the Arena Extension will leave us with a surplus of 2-6 courts (depending on the LOS) by 2038.

16. The table below summarises projected population, court provision and LOS implications.

Measure (Level of Service)	1 court / 13,000 people	1 court / 10,000 people
2028 population	169,000	169,000
Courts required	13	17
Courts currently available	14	14
2028 surplus / (deficit)	**+1**	**(3)**
2038 population	190,000	190,000
Courts required	15	19
Baseline courts *(Mount Sports Hall removed)*	13	13
2038 baseline surplus / (deficit)	**(2)**	**(6)**
Planned additional provision		
Badminton Multisport facility	+2	+2
Baypark Arena Extension	+6	+6
Total courts available in 2038	**21**	**21**
2038 surplus after investment	**+6**	**+2**

17. The business case recommends that Council consider updating the indoor-court level of service from one court per 13,000 residents to one per 10,000 residents through the 2027–37 Long-term Plan. This would better reflect actual peak utilisation and indicative Sport New Zealand planning guidance. Any change should also be incorporated into the Development Contributions Policy so the eligible growth share of the extension can be assessed and funded appropriately.

STRATEGIC ALIGNMENT

18. 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 that is easy to move around	✓
We are a city that supports business and education	☐
We are a vibrant city that embraces events	✓

19. The proposal supports an inclusive city by increasing access to indoor sport and recreation, providing accessible ground-floor changing and community spaces, and enabling a wider range of users and activities.

20. It supports a well-planned city by responding to forecast growth through a coordinated network approach and integrating delivery with the Baypark masterplan.

21. It also supports a vibrant city that embraces events by increasing capacity for regional and national sport, recreation, cultural and commercial events while reducing displacement of regular community users.

OPTIONS ANALYSIS

22. Four options were assessed against strategic fit, value for money, ability to maximise dual community and event use, functionality, accessibility, adaptability, achievability and financial sustainability. Of these, the two six-court options were developed and costed by Foster Construction; the status quo and four-court options were assessed at a higher level and were not costed to the same level of detail.

23. **Option 1 – Six-court masterplan footprint.** This option would extend the existing Arena structure southwards in the footprint identified in the Baypark Masterplan. The preliminary construction estimate is approximately $2.36m above the optimised alternative.

Advantages	Disadvantages
• **Addresses 10-15 year network capacity.** • **Operational staffing efficiencies** • **Provides for both community indoor court and event capacity.**	• Long span structure (75 metres) which incurs higher design and construction costs. Overall higher cost than “Optimised Functional Design” option • Changing rooms at upper level not an accessible option. • Current seismic compliance challenges may not make extension suitable as a Civil Defence centre. • Limited storage improvement opportunities. • The court configuration limits sporting and spectator functionality.

24. **Option 2 RECOMMENDED – Six-court optimised functional alternative.** This option would provide six courts in a separate two-by-three building aligned east–west and connected to the existing Arena. Its preliminary construction estimate is approximately $2.36m lower than the six-court masterplan footprint, while providing improved functionality, accessibility and flexibility for community and event use.

Advantages	Disadvantages
• **Addresses 10-15 year network capacity** • **Operational staffing efficiencies** • **Provides for both community indoor court and additional event capacity** • **Reduced span (44 metres) is more cost effective than "masterplan option"** • **The court configuration enhances sporting and spectator functionality.** • **Provides for ground level changing rooms, community and clubroom space** • **Better storage solutions for site.** • **Option to build in structural roof for solar panels** • **Opportunity to be used as a compliant Civil Defence Centre as seismically separated from the current Arena**	• Building design does not match existing Baypark Arena. • Likely to incur higher embodied carbon than extension to existing structure

25. **Option 3 – Status quo: no additional courts.** Baypark Arena would continue to operate with six community courts and the Lion Foundation Centre as the principal commercial event space. This option has no immediate extension capital cost and avoids construction risk. However, peak utilisation would remain at or near capacity, regular community bookings would continue to be displaced by whole-of-venue events, unmet demand would remain, and the network shortfall would grow as the population increases and Mount Sports Hall is removed. It would not improve event capacity or address the identified level-of-service gap and is not recommended.

26. **Option 4 – Do minimum: four additional courts.** This option would add four courts within the area allowed for expansion. It would provide some additional community capacity, reduce some displacement and have a lower total capital cost than a six-court build. However, it would not fully use the available site, would provide less flexibility for tournaments and venue-wide events, would not secure the same per-court construction economies, and would leave further courts to be delivered later at another location. The concept was not developed or costed to the same level as the six-court options and was discounted.

27. **Recommended option.** Option 2 is recommended because it best meets the project objectives while providing the strongest overall value for money. It delivers the required six-court capacity, provides the greatest flexibility for both community and event use, is more functional and accessible than the masterplan footprint, and has the lowest capital and whole-of-life cost of the two six-court options.

FINANCIAL CONSIDERATIONS

28. The capital cost estimate for the preferred option combines the construction estimate with internal Tauranga City Council (TCC) costs, which have been estimated separately by TCC staff. This gives a base estimate of $28.75m before risk and contingency. A 10% quantified

risk allowance and a further 10% contingency have been applied to reflect the level of risk at this stage of the project. This results in a P70 budget estimate of $34.78m (uninflated), or $35.71m once inflation is applied. The final capital cost of the preferred option is detailed in the table below.

Capital Costs Summary

Cost component	Basis	$m
Construction	Foster Construction Option 2 estimate	23.95
Site-wide utilities	Power and stormwater	0.50
Design and consenting	Consultant design, site investigations, iwi engagement, TCC project management, development contributions and consent fees	3.32
Implementation delivery costs	TCC project management, quantity surveying, engineer to contract, MSQA and iwi earthworks monitoring	0.98
Base estimate		**28.75**
Risk allowance	10% of base estimate	2.87
Expected estimate (P50)		**31.62**
Contingency	10% of expected estimate	3.16
Budget estimate (P70)	Uninflated	**34.78**
Inflation	TCC capital inflation assumptions applied to project phasing	0.93
Total capital cost (inflated)		**35.71**
Less external funding	Manawa Trust in-principle contribution	(15.00)
Net Council growth-funded capital		**20.71**

Note: Expenditure is phased at $2.0m in 2026/27 (2027 Annual Plan), $17.93m in 2027/28 and $15.78m in 2028/29 (inflated). Amounts are rounded to two decimal places.

29. The financial forecast below as outlined in the business case shows the staged build-up of court and commercial-event revenue against staffing, event-delivery and fixed costs. It projects a small operating profit of $10k in FY 2030, moving to an operating surplus of $130k in FY2031 and increasing to $276k by FY2033 as utilisation reaches the level currently achieved by the existing Baypark courts. After depreciation expense the total cost to Council is $1,128k in FY 2030, reducing to $1,008k in FY 2031 and reducing further to $862k by FY 2034.

Operating Budget Summary

Activity	Item	FY 2030	FY 2031	FY 2032	FY 2033
Utilisation Forecast		75%	85%	95%	100%
Community Courts	Additional Revenue	$757k	$862k	$969k	$1,036k
Commercial Events	Additional Revenue	$257k	$469k	$477k	$487k
Total Additional Revenue		$1,014k	$1,331k	$1,446k	$1,523k
Community Court Staff & related costs	Additional Costs	$269k	$275k	$280k	$286k
Commercial Events Cost of Goods Sold	Additional Costs	$202k	$381k	$388k	$395k
Fixed Costs	Total Fixed	$533k	$545k	$555k	$566k

Costs				
Total Costs	$1,004k	$1,201k	$1,223k	$1,247k
Operating Surplus (EBITDA)	$10k	$130k	$223k	$276k
Depreciation	$1,138k	$1,138k	$1,138k	$1,138k
Total Cost to Council	**$(1,128)**	**$(1,008)**	**$(915)**	**$(862)**

30. The project's 30-year net present value is ($25.5m).

31. Manawa Trust has agreed in principle to contribute up to $15 million towards this project, subject to final approval and conditions. Based on the preferred option's preliminary capital estimate, Council's indicative capital requirement is $20.71 million (inflated, including TCC internal costs, risk and contingency) before any confirmed development contribution funding.

32. The project will provide indoor court capacity beyond what is required for TCC's current population. This gives TCC the option to fund a significant portion of the total capital expenditure from development contributions (DCs). Without third party funding, total growth funding would sit at approximately 75% of total capital expenditure.

33. If Council retains the current LOS, staff estimate the project will be funded over about 40 years. This will create significant interest costs in light of the long repayment period. These are likely to exceed the actual capital expenditure making the funding uneconomic. Further, TCC's current approach is to growth fund one indoor court facility at a time. This means a long funding period may compromise growth funding TCC's other planned indoor court projects in the east and west of the city. If Council resolves to retain its existing LOS, staff will investigate options to shorten the funding period to minimise interest costs and provide more flexibility. From a developer perspective, it's likely this will result in a higher indoor court DC per development than moving to the suggested LOS.

34. If Council chooses to update the LOS to 1 court per 10,000 residents, the funding period would shorten to circa 20 years. This will materially reduce debt holding costs and better align with TCC's proposed delivery of indoor courts in future. It will likely result in a lower indoor court DC per development than under the current LOS.

35. In either scenario, Manawa Trust funding could be directed to first replacing general rates funded debt. Any residual funding would then be directed to defraying growth-related debt. Following this approach total growth funding would be estimated at $20.71m in either scenario but the funding period and finance costs would differ.

36. So, in effect, with the Manawa Trust contribution and the DC-funded component accounted for, there would zero requirement for general rates-funded debt for the capital costs of the project.

37. The Arena Extension Project is currently based on the assumption that it will be delivered as part of the wider Baypark Masterplan Development Programme. This approach enables the project to leverage programme-wide investment in shared site infrastructure, including resource consenting, power, water, wastewater, and associated site tie-in works. Should the programme scope, budget, sequencing, or delivery timeframes change through the Long-term Plan (LTP) process, there is a risk that these enabling infrastructure works may not be delivered as currently anticipated. In that event, additional funding may be required to provide the necessary infrastructure to support the Arena Extension Project and achieve the intended project outcomes. The wider Baypark programme includes relocation of speedway pits, a new netball centre, additional parking and circulation improvements.

RISKS AND LEGAL IMPLICATIONS

38. The project carries a number of risks typical of a capital development of this scale. The key risks and proposed mitigations are summarised below. Many of these risks can be progressively reduced as investigations, design, funding and procurement are advanced.

Risk	Potential impact	Mitigation
Capital cost escalation	Project cost exceeds the approved budget or requires additional funding.	Maintain and monitor the project contingency; progressively refine cost estimates as design develops; and test market pricing and risk allocation through the procurement process.
Unexpected geotechnical, foundation or infrastructure requirements	Additional works increase project cost, complexity or programme duration.	Complete detailed geotechnical, foundation and infrastructure investigations prior to construction commitment and incorporate findings into the developed design and cost plan.
Structural design development and interface with the existing Arena	Detailed analysis of the long-span structure, bracing, foundation stabilisers, mezzanine, roof-mounted equipment and seismic separation may increase steel quantities, foundation requirements, construction complexity or cost. Unresolved interfaces could also affect Arena operations during construction.	Progress coordinated structural, geotechnical and architectural design before construction commitment; undertake detailed seismic, wind, gravity and serviceability analysis; confirm settlement compatibility and a physical seismic separation from the existing Arena; resolve foundation and entry clashes; and update the cost plan at developed and detailed design stages.
Delays to enabling works or consenting	Delays to the construction programme and potentially increased project costs.	Progress consenting and enabling works early and coordinate delivery with other planned Baypark works.
External funding not secured	Greater funding requirement falls to Council, or the project scope/timing may need reconsideration.	Confirm the external funding strategy and level of committed funding before making the main construction commitment.
Demand lower than forecast	Court utilisation and associated revenue are below business-case assumptions.	Continue engagement with sporting codes, schools, community users and other potential hirers as the design progresses and validate demand assumptions before final investment.
Event revenue lower than forecast	Reduced contribution from events affects the projected operating result.	Maintain prudent event-revenue assumptions and continue engagement with prospective event users to test demand and requirements.
Procurement and construction risk	Market pricing, contractor availability or allocation of construction risk affects cost and delivery.	Use the procurement process to test market pricing, delivery methodology and appropriate allocation of project risk before construction award.
Legal, property and landowner approvals	Outstanding approvals could delay or constrain delivery.	Manage requirements through Council's established consenting, procurement, contracting and landowner approval processes.

TE AO MĀORI APPROACH

39. Ngā Pōtiki, as mana whenua, have been represented through the wider Baypark steering group and have been kept updated on the progress of the Arena Extension Project. Ongoing engagement will continue as detailed design, consenting and the wider Baypark enabling works progress. This should include consideration of cultural values, accessibility, naming, design expression, site history, stormwater and landscape outcomes, and opportunities to support Māori participation in sport, recreation, cultural events and procurement.

CLIMATE IMPACT

40. The preferred option has a larger construction and operational footprint than the status quo or a four-court option and will therefore create additional embodied and operational emissions.

41. The concept provides a solar-ready roof and allows energy-efficiency, stormwater and climate-resilience measures to be developed through detailed design. The separate structure also offers a modern seismically compliant facility that could support civil-defence use.

42. Detailed design will assess lower-carbon materials, energy and water efficiency, renewable generation, potential improvements to sustainable transport access to Baypark, stormwater treatment and landscape or biodiversity enhancements.

CONSULTATION / ENGAGEMENT

43. The business case was overseen by a project steering group with representatives from Tauranga City Council, Bay Venues, Tauranga City Basketball with support from RSL. Input was also provided by Bay Venues operational and events staff, Foster Construction and Architecture HDT.

44. Engagement with current and potential users identified strong unmet or displaced demand from basketball, volleyball, pickleball, futsal and community programmes.

45. The optimised design was presented to and discussed with the indoor courts user group to test the proposed court configuration, access and circulation, changing facilities, storage, spectator provision and the ability to support both regular community use and larger tournaments and events. Feedback from the group has informed the concept design and will continue to be considered as the project progresses through detailed design.

46. Further engagement will be undertaken with users, Ngā Pōtiki as mana whenua, nearby activities at Baypark, external funders and affected stakeholders during detailed design and consenting.

SIGNIFICANCE

47. 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. 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) current and future indoor-court users, sporting organisations, event organisers, Ngā Pōtiki as mana whenua, neighbouring Baypark activities, external funders and ratepayers.

    c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

48. In accordance with the considerations above, and subject to confirmation by Council's governance team against the Significance and Engagement Policy, the proposed decision is considered to be of moderate significance because it involves a substantial capital investment, long-term funding commitments and material community and event outcomes.

ENGAGEMENT

49. Taking the significance assessment into account, officers consider that targeted engagement is appropriate at this stage. Engagement should continue with Ngā Pōtiki as mana whenua, existing and potential facility users, affected Baypark stakeholders and external funders as detailed design and consenting progress.

50. Manawa Trust is undertaking broader community consultation in support of its in-principle contribution of up to $15 million, which remains subject to final approval and conditions. The outcomes of that consultation should inform the project's development.

51. Any formal consultation required in relation to Council funding, a proposed change to the indoor-court level of service, or amendments to the Development Contributions Policy should be undertaken through the 2027–37 Long-term Plan process.

52. Click here to view the TCC Significance and Engagement Policy

NEXT STEPS

53. Subject to Council approval, officers will:

a) Progress the indoor-court level-of-service and Council funding considerations through the 2027–37 Long-term Plan

b) Work with Manawa Trust to confirm its in-principle contribution of up to $15 million, subject to final approval and conditions

c) Complete detailed design, consenting, geotechnical, structural and infrastructure investigations

d) Confirm the procurement approach and coordinate sequencing with the wider Baypark enabling works

e) Continue engagement with Ngā Pōtiki as mana whenua, facility users and affected stakeholders and report back to Council with the verified technical design, updated capital estimate, confirmed funding package, delivery programme and recommended procurement approach before any commitment to construction.

ATTACHMENTS

1. Arena Extension Business Case Report (Sep 26) - A21474576

RSLC
RECREATION | SPORT | LEISURE | CONSULTANCY

2026

Baypark Arena: Indoor Court Extension Business Case

Prepared for: Bay Venues, Tauranga City Basketball and Tauranga City Council

Prepared by: Recreation Sport Leisure Consultancy

rslc.nz



Document Info & Acknowledgements

Document version: Final

Date: 12 September 2026

Author: Bryce Pomfrett, Deb Hurdle, Richard Lindsay

Alex Head – Architecture HDT

Acknowledgements

Project Steering Group:

Paul Dunphy – General Manager, Community Facilities, Bay Venues

Ross Hudson – Strategic Planning and Partnerships, Places and Spaces – Tauranga City Council

Amanda Davies – Manager Spaces and Places Project Outcomes - Tauranga City Council

Mark Rogers – General Manager, Tauranga City Basketball Association

With Thanks To:

Stu Stevenson – Head of Sport and Fitness (Bay Venues Ltd)

Amanda West – Head of Events (Bay Venues Ltd)

Annalise Klay – Sport Facilities and Activation Manager (Bay Venues Ltd)

Supporting Advice Provided By:

Ryan Edgar, Tim Strawbridge – Fosters Group

About RSL Consultancy

RSL Consultancy undertakes projects and offers strategic advice throughout Aotearoa to enable community well-being. We support organisations to make informed decisions when it comes to their people, facilities, places and spaces. RSL carries out a range of pre-planning work from needs assessments and feasibility reports to business cases. We also work on a range of organisational strategic and operational projects.

RSL Contact

Richard Lindsay

Phone: 021 2746540

Email: richard@rslc.nz

Disclaimer

Information, data and general assumptions used in the compilation of this report have been obtained from sources believed to be reliable. RSL Consultancy has used this information in good faith and makes no warranties or representations, express or implied, concerning the accuracy or completeness of this information. RSL Consultancy is acting as an independent consultant. In doing so, the recommendations provided do not necessarily reflect the intentions of the client. Interested parties should perform their own investigations, analysis and projections on all issues prior to acting in any way in regard to this project.

Contents

1.Executive Summary 4

2.Introduction 12

3.Scope & Methodology 17

4. Strategic Case 19

5. Economic Case 29

6. Financial Case 44

7. Commercial Case 67

8. Management Case 71

9.Appendix One: Strategic Case Context 74

10. Appendix Two: Projected Schedule of Use 86

11.Appendix Three: Financial Base Case 93

12.Appendix Four: Baypark Events Background 97

1.Executive Summary

1.1 The Case for Change

1.1.1 Increasing Demand for Community Indoor Courts

The population of Tauranga City has grown by about 60,000 people since the start of the millennium. This means a population equivalent to Rotorua or New Plymouth has been added to Tauranga City over that time. This population growth is fuelling an increasing demand for infrastructure, including sport and recreation facilities across the city.

Alongside population growth there are also changes in participation in sport and recreation activities which has seen growing demand for use of community indoor courts. Typically, these indoor courts support a range of sport and recreation activities like basketball, netball, futsal, volleyball and pickleball.

In 2024, Sport New Zealand released the National Indoor Active Recreation and Sport Facilities Strategy, which set a minimum provision metric (guide) of one active sport and recreation court space per 7,800 people. Tauranga City Council's current indoor court provision is guided by a level of service (the desired level of provision) of one indoor court space per 13,000 people.

Increasing pressure on indoor court availability is common across the Tauranga City Council network, with users challenged to find suitable availability of court space – particularly at peak times like weekday evenings and weekends. The recently completed University of Waikato Haumaru Indoor Sport and Recreation Centre, which opened less than 18 months ago in May 2025, is already approaching full capacity during peak school term times.

Informed by the Sport New Zealand guidance and the pressure on indoor court infrastructure, an update of the current level of service is warranted. A revised level of service of 1 court space per 10,000 people per indoor court is applied in this business case to more appropriately reflect the demand for indoor courts in Tauranga City.[1] This recommended level of service is not as low as the Sport New Zealand metric, as it only includes facilities owned by the Council with full community access. The Sport NZ metric accounts for community access in schools, which is unlikely to be possible in Tauranga given the high demand schools have for these facilities.

It is acknowledged that Tauranga City Council would need to adopt this updated level of service provision for it to apply.

Applying this updated level of service means Tauranga City would have a current shortfall of 2.9 community indoor courts.

1.1.2 Other Planned Changes to the Tauranga City Indoor Court Network

Tauranga City Council has conditionally committed $5m funding towards construction of the Tatua Sports Hub, which would add a further two community indoor courts to the network. This is as part of a Bay of Plenty Badminton-led indoor court complex at Tatua Park. While this facility is yet to reach the full $15m funding target, recent approval from TECT Community Trust of $5m, alongside the committed Council funding, means this project is nearing meeting its funding threshold and moving to construction.

[1] *Noting this will require an update to the Level of Service through the Long-term Plan 2027-37 process.*

The Blake Park masterplan has indicated removal of the Mount Sports Hall due to the poor condition and functionality of this facility. While a recent roof replacement for this facility has addressed some immediate health and safety issues (asbestos roofing), it is anticipated this venue will be decommissioned from the network by around 2030.

The addition of the Tatua Sports Hub and decommissioning of the Mount Sports Hall are both included in a 2038 indoor court scenario underpinning this business case. When allowing for anticipated population growth and applying the updated level of service, there will be an estimated undersupply of 4 indoor courts in Tauranga City by 2038.

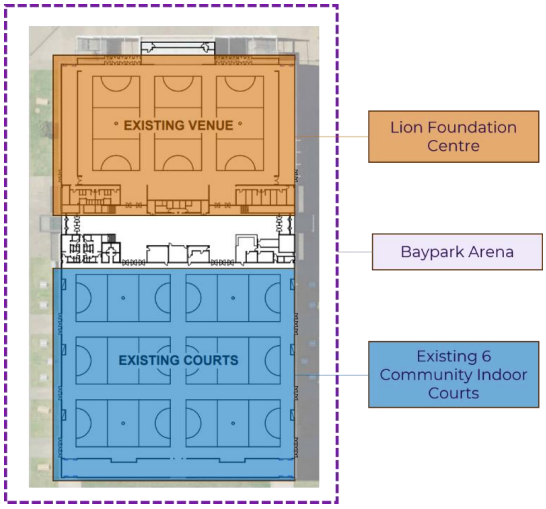
1.2 The Opportunity for Additional Indoor Court Provision at Baypark Arena

1.2.1 The Opportunity For Additional Indoor Court Provision At Baypark Arena

Tauranga City Council has recently updated the masterplan guiding the development and interrelationship of current and future activities at Baypark. Development projects at Baypark planned in coming years include relocation of Speedway pits, the development of a netball centre and associated vehicle circulation and car parking capacity improvements.

Baypark Arena, at Baypark, is Tauranga City's main indoor court and event facility. It provides 6 indoor courts and a dedicated commercial events space in the Lion Foundation Centre. The Baypark masterplan provides scope for the provision of up to 6 additional indoor courts to the south of the current Baypark Arena. Provision of these 6 additional indoor courts would put in place sufficient capacity to meet the identified 4 indoor court undersupply by 2038, while also providing additional capacity for future growth. Figure 1-1 outlines the current configuration and naming of spaces in Baypark Arena.

Figure 1-1 Current Baypark Arena Configuration



1.2.2 Supporting Commercial, Sport, Recreation and Cultural Events at Baypark Arena

The total number of events in Tauranga City has grown over the last decade from 104 to 341 events per annum, demanding more of existing venues and putting pressure on the supply of new venues.[2] Local and medium-scale events have seen the most growth, and with increasing population, this growth is expected to continue.

Baypark Arena is currently well used as a commercial events venue, with use extending from conferences, dinners, concerts, national and regional sporting and cultural events and expos. In 2024/25 there were 97 event days[3] using either the Lion Foundation Centre and /or the entire Baypark Arena. Bay Venues events staff note a number of enquiries for other events that cannot be accommodated because of limitations of the current Lion Foundation Centre (like loading and weight constraints on the existing court floor). Scheduling conflict with regular community indoor court users is also a limitation if events need more space than the Lion Foundation Centre.

Events at Baypark generate commercial revenue through venue hire, catering and audio visual hire service that contribute towards sustainable financial operation of the venue. The addition of indoor court capacity to Baypark Arena will offer advantages in both the number and frequency of commercial, sport, recreation and cultural events possible in Baypark Arena.

1.3 Establishing an Alternative Optimised Design and Operating Budget

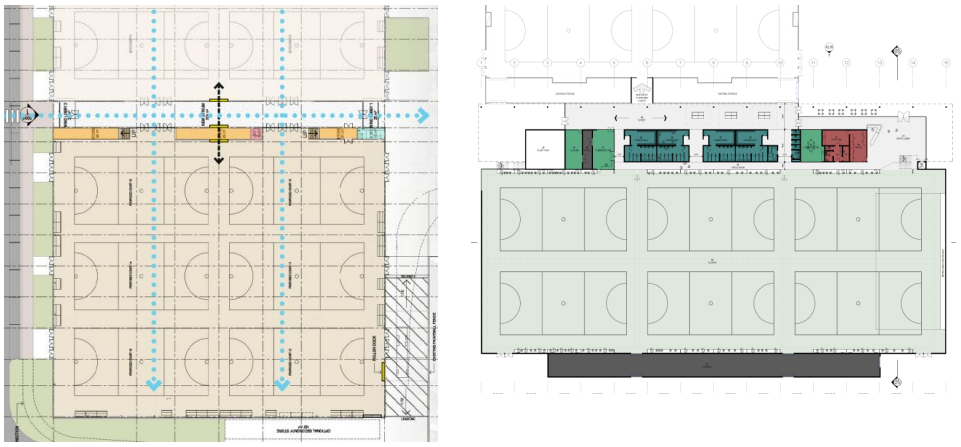
1.3.1 An Alternative Indoor Court Design Offers Best Value for Money

The indicative location of additional indoor courts provided for in the Baypark Masterplan has been tested further in this business case, in collaboration with Fosters Construction Ltd (Fosters). This testing identifies the design and cost advantages of constructing additional indoor courts as a separate structure from the current Baypark Arena with courts aligned in an east to west configuration (see Figure 1-2). Fosters estimate, informed by contractor engagement, that this "optimised functional design" option would achieve about $2.36m in initial capital cost savings, when compared to construction following the current masterplan layout. The lower cost option also provides for improved circulation, ground floor changing room configuration, and more flexible and available perimeter seating options – not included in the original masterplan option (see Figure 1-2).

[2] *From Tauranga City Council staff.*
[3] *Not including pack in or pack out days.*

Figure 1-2 Alternative Indoor Court Layout Options

Original “Masterplan Footprint” Option	“Optimised Functional” Alternative



1.3.2 Operating Efficiencies from Adding Additional Indoor Courts to Baypark Arena

The provision of additional indoor courts at Baypark Arena will also provide operating efficiency benefits when compared to construction of new standalone courts on an alternative site. This efficiency would be achieved by supplementing the existing staffing and events equipment and resources on the site. This applies to both the existing indoor court support staff and the catering, audio-visual, and event logistics and planning resources available at the venue.

1.4 Benefits for Events

1.4.1 Increasing Commercial, Sport, Recreation and Cultural Events

Increasing indoor court capacity at Baypark Arena will also reduce the disruption all-of-venue commercial, sport, recreation and cultural events have on regular community users. In 2025 almost 2,000 community hire hours were estimated to be displaced when events were scheduled across the current 6-court venue. Increasing the capacity of overall indoor courts from 6 to 12 will mean this displacement can be avoided. There may still be limited times where all of the venue is required for events; however, this can be timed at school holiday or shoulder season periods to maximise use at these downtimes and prevent a repeat of the current community user disruption.

In addition to reducing impact to regular community users, the addition of 6 indoor courts will also increase the potential for new or extended current national and regional sport, recreation and cultural events across the entire Baypark Arena. It will also support more flexibility for expos, conferences and trade events capacity across the venue.

A shortcoming of the current Lion Foundation Centre for events is the limited loading, storage and weight capacity constraints from the existing sprung timber floor. There are additional opportunities for capital investment to improve the Lion Foundation Centre functioning for events, increasing the range, scale and throughput of events possible in this space. Bay Venues Ltd staff note they are frequently turning event enquiries away because of these limitations. The operational budget opportunities for this have been identified in this business case. Further, more detailed work is progressing for these improvements. Capital cost estimates included in this business case are at a

high level and would need to be revised when the more detailed design and cost estimate is completed.

1.5 Whole of Life Cost

1.5.1 Full Council Capital Construction Funding

A whole of life cost has been estimated for the operation of both the original "masterplan footprint" option and the updated "optimised functional" alternative option developed in this business case. The estimated whole of life cost of the original "masterplan footprint" option and "optimised functional" alternative are option outlined in the following Table 1-2.

Table 1-2 Whole of Life Cost Comparison (Council 100% Funder)

	Original "Masterplan Footprint" Design	"Optimised Functional" Alternative
Total Capital Estimate	$32.10m	$29.74m
Debt Servicing (30 years)	$28.80m	$26.73m
Operating Position (30 year total)	+$6.37m	+$6.37m
Total before Depreciation	$54.53m	$50.10m
Depreciation[4]	$32.10m	$29.74m
Total	$86.23m	$79.84m

This comparison shows the lower whole of life cost of the "optimised functional" alternative indoor court layout to the current masterplan footprint option.

1.5.2 Capital Funding Support From Other Funders

Other funders have indicated a potential contribution of up to 50% of the capital cost of constructing the additional 6 indoor courts, to a maximum contribution of $15m. This will support appreciable initial capital and whole of life cost reduction for Council, as indicated in Table 1-3 below.

[4] *Renewals are assumed to be included in fully funded depreciation.*

Table 1-3 Council and Assumed Funder Contribution – Council Costs

	Original "Masterplan Footprint" Design	"Optimised Functional" Alternative
Total Capital Estimate for Council	$17.10m	$14.74m
Debt Repayment interest over 30 years.	$15.32m	$13.02m
Operating Position (30 year total)	+$6.37m	+$6.37m
Total before Depreciation	$26.05m	$21.39m
Depreciation[5]	$32.10m	$29.74m
Total	$58.15	$51.09m
Assumed Funder Contribution	$15m	$15m

1.5.3 Additional Lion Foundation Centre Event Capability Improvements

Fosters have provided a high-level estimate for improvements to loading, vehicle circulation and flooring servicing the Lion Foundation Centre at $3.56m. These improvements are estimated to improve the overall number of events possible in the Lion Foundation Centre and associated revenue by 20%. This is estimated to provide at least an additional $167k of operating surplus each year, or close to $5m in total additional operating surplus over a 30-year period. The whole of life cost of these additional improvements is outlined in Table 1-4 below.

Table 1-4 Whole of Life Cost Additional Lion Foundation Centre (Council 100% Funder)

	Estimated Cost
Total Capital Estimate	$3.56m
Debt Repayment interest over 30 years.	$3.2m
Operating Position (30 year total)	$4.96m

[5] *Renewals are assumed to be included in fully funded Council depreciation.*

	Estimated Cost
Total before Depreciation	$1.81m
Depreciation[6]	$3.56m
Total	**$5.37m**

1.6 Interdependent Enabling Works

1.6.1 Wider Baypark and Infrastructure Provision

Tauranga City Council is sequencing other development plans for wider Baypark including upgrade to the Speedway pits, netball centre development and associated vehicle circulation and additional parking. The construction of the Baypark indoor court extension will be dependent on this infrastructure work and provision being in place, with resource consenting secured.

1.7 Conclusions and Recommendations

1.7.1 Conclusions

The current level of service provision for indoor courts in Tauranga City should be updated to better reflect the growing demand for these facilities and the guidance provided by Sport New Zealand. This will require an update of the level of service from 1 indoor court per 13,000 residents to 1 indoor court per 10,000 residents.

Providing an additional 6 indoor courts at Baypark Arena will contribute towards reducing the current estimated shortfall of 2.9 indoor courts in Tauranga City, using the updated 1:10,000 provision metric. This shortfall will grow to 4 indoor courts by 2038, taking into account other additions or subtractions to the network over this time.

The provision of 6 indoor courts will support meeting the growing demand for indoor courts in Tauranga City, while also providing the ability for more frequent and extended commercial, sport and recreation and cultural events across the Baypark Arena.

The “optimised functional” option developed through this business case provides both a more functional and cost-effective alternative to the current Baypark masterplan footprint for indoor court extension. Proceeding with this alternative option to the masterplan will provide both short-term capital cost savings and longer-term (30 year) whole of life cost benefits.

1.8 Recommendations

1.8.1 Recommendations

(1) That the Tauranga City Council consider updating the current level of service metric for indoor court provision in Tauranga City to 1 indoor court per 10,000 residents. Consideration of this change should also be factored into the Tauranga City Council development contribution policy.

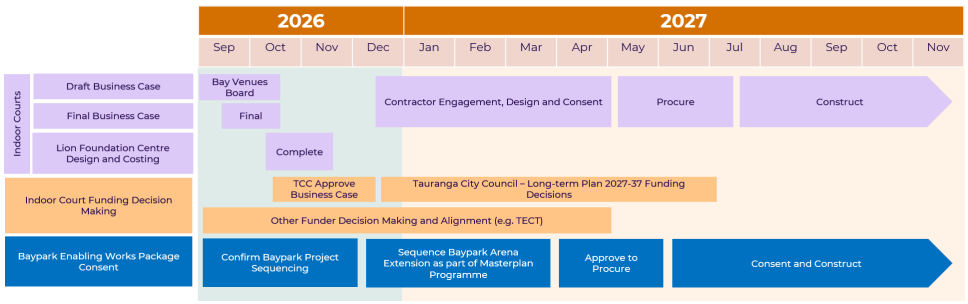
[6] *Renewals are assumed to be included in fully funded Council depreciation.*

(2) That the "optimised functional" alternative option for extension of 6 indoor courts at Baypark Arena is the preferred option. This option should proceed for consideration of funding contributions and commitments from both the Tauranga City Council and TECT Community Trust, and detailed design and consenting.
(3) That the Tauranga City Council complete planning for wider infrastructure enabling works to inform final sequencing and interdependencies for projects at Baypark.
(4) That more detailed design of the loading, circulation and flooring improvements to the Lion Foundation Centre to enhance event capability are undertaken. This concept should be supported by a more accurate capital cost estimate for these improvements.

1.8.2 Implementation

The following high-level road map (Figure 1-3) identifies likely next steps for the indoor court project and other enabling works on Baypark.

Figure 1-3 High Level Road Map - Implementation



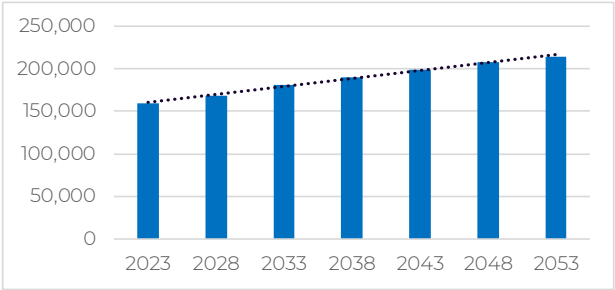
2.Introduction

2.1 Tauranga – A Growing City

2.1.1 Ongoing Projected Population Growth

The desirability of Tauranga City as a place to live has seen the population of the city increase from about 101,000 in 2003 to almost 160,000 in the last 2023 Census count. As shown in Figure 2-1, this trend is expected to continue with the forecast population reaching 213,000 by 2053 (see Figure 2-1). This population growth is placing additional pressure on infrastructure provision, including community infrastructure.

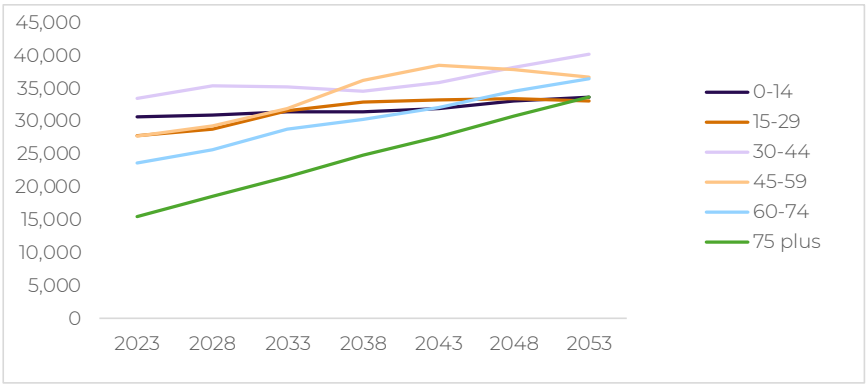
Figure 2-1 Projected Growth and Age Structure – Tauranga City Council[7]



2.1.2 Growth Across All Age Groups

While all age groupings in Tauranga City will see increases in population over coming years, the largest population growth in Tauranga City will occur in age groupings over 60 years of age (See Figure 2-2).

Figure 2-2 Projected Age Growth in Tauranga City 2023-2053



[7] *Tauranga Long-term Plan Projections.*

2.2 Tauranga City's Current Indoor Court Shortfall

2.2.1 National Indoor and Active Recreation and Sport Facilities Strategy

Sport New Zealand released the National Indoor and Active Recreation and Sport Facilities Strategy (the strategy) in 2023. The strategy identified a current shortfall in provision of indoor multi-sport courts at both regional and national scale. A provision metric of one (full size) active recreation and court space per 7,800 population was developed in this strategy as an appropriate starting point for assessing provision. Application of this metric acknowledges refinement to fit with the specific circumstances of supply and demand in each regional and local area.

The strategy counted 29 "Full time Equivalent Courts" (FTE) across the Bay of Plenty having some form of availability for community use. Many of these spaces are only available for a proportion of the day and/or week and have differing levels of agreements in place to ensure certainty of ongoing access. This level of current provision falls 13 FTE courts short of what is required under the strategy 1:7,800 provision metric, and would increase to 17 FTE courts by 2038, taking into account the projected population growth (if no additional capacity was added).

2.3 Responding to the Indoor Court Shortfall in Tauranga City

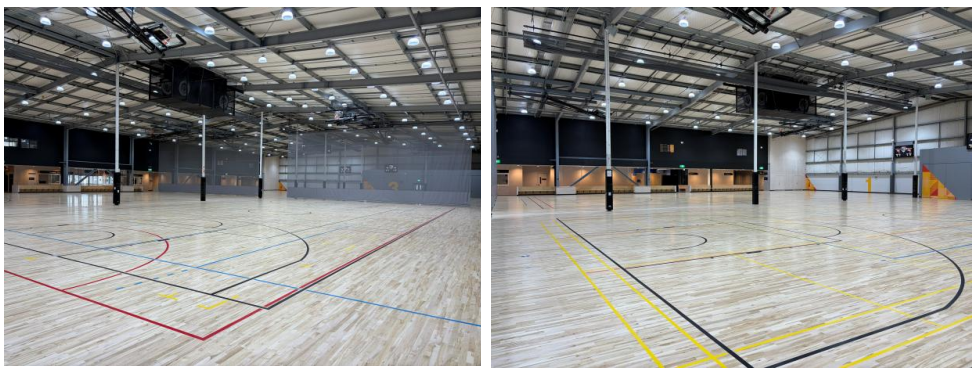
Tauranga City Council has undertaken a range of strategic, investment and place-based planning to support assessment of opportunities to establish or extend indoor court provision in Tauranga. This investigation is outlined in Section 4, Strategic Case, and recognises the interdependent network considerations that are part of this planning.

2.3.1 Recent Additional Indoor Court Provision and Funding Allocation

Since the strategy was completed, Tauranga City Council has added 4 FTE courts to the network with the opening of the University of Waikato Haumaru Sport and Recreation Centre in May 2025. This indoor court facility, operated by Bay Venues, was created by purchase and conversion of a former retail building (see Figure 2-3).

The Council has also committed $5m towards the Tatua Sports Hub, which would add a further two community courts to the network as part of a Bay of Plenty Badminton-led indoor court complex at Tatua Park. While this facility is yet to reach the full $15m funding target, recent approval from TECT of $5m means this project is nearing meeting its funding threshold.

Figure 2-3 University of Waikato Haumaru Sport and Recreation Centre



2.4 Additional Capacity Planned At Baypark

2.4.1 Baypark Masterplan

Through 2022 and 2023, Tauranga City Council developed and adopted connected masterplans for the three premier sports and recreation spaces in Tauranga – Blake Park, Baypark and Tauranga Domain. Key changes proposed at Baypark through the adopted Baypark Masterplan include:

- Relocating the netball centre from Blake Park to the western side of Baypark. This is planned to include 9 "Rebound Ace" courts (at least three of which would be covered), 14 asphalt courts and a building of about 800m^2. The Council has approved up to $13.97m for these works.[8] The central road and landscaping improvements budgeted at $1.37m will likely also be needed in conjunction with the netball centre to provide improved access to these courts (total envelope of $15.34m).
- A programme of Baypark site works including an eastern car park, new Truman Lane entry / exit (parking and bus turnaround) and Speedway car park (including new pit area but excluding pit services). These Baypark site works were approved to a budget of $23.42m to proceed to detailed design and consenting, with final confirmation of cost and project delivery to be reported to the City Delivery Committee in 2026.
- Provision for athletics further to the west of the proposed netball centre (as yet unfunded).
- An extension of 6 new indoor courts at the southern end of the current Baypark Arena.

The most recent version of the Baypark masterplan is shown in Figure 2-4. This can be compared to the current facilities on the site shown in the aerial photograph in Figure 2-5.

In 2025, Council approved a licence to occupy for speedway activities to 2039 (Speedway Racing Ltd). Alongside this Council has agreed to provision of a new pit and car park area for Speedway race meetings and priority rights to use a defined parking area for Speedway participants and patrons.

In implementing the overall Baypark masterplan there are a range of geotechnical, infrastructural and consenting issues still to resolve. As a consequence of addressing these issues, adjustments may be required to the site layout to achieve the intended masterplan outcomes.

[8] https://infocouncil.tauranga.govt.nz/Open/2025/07/CO_20250714_AGN_2824_AT.PDF



Figure 2-4 Latest Baypark Masterplan

Figure 2-5 Current Facilities on Baypark (2024)



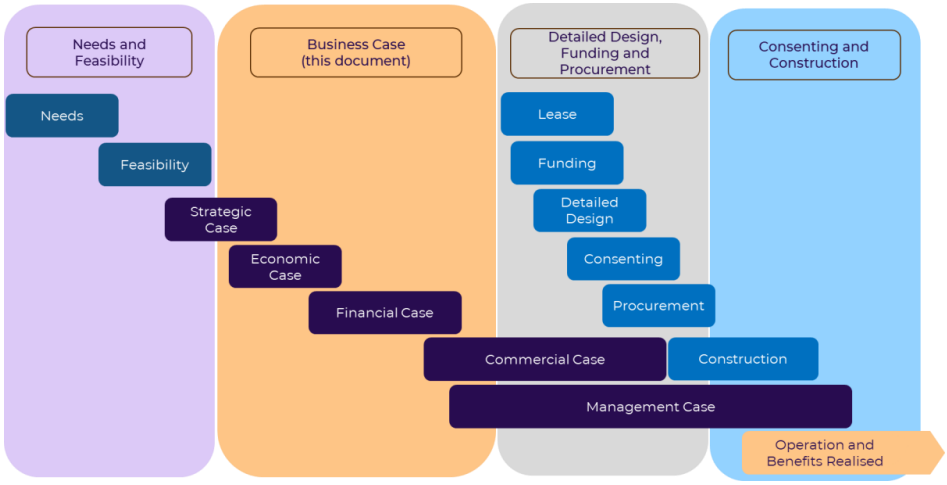
3.Scope & Methodology

3.1 Better Business Case Process

A business case is an important step to inform project investment. This business case steps through the Better Business Case "five case model". To put this business case in context, as illustrated below (Figure 3-1), the assessment of these five cases is not always complete when a business case is finalised. The intent is that project consideration and value follow a staged process that avoids detail before it is needed.

It is likely financial sums outlined will continue to be adjusted as both building design and operation are resolved to a finer level of detail.

Figure 3-1 The Business Case in the Project Delivery Pathway



An outline of each of the five cases covered in this business case is provided below.

3.1.1 The Strategic Case

The Strategic Case is the first case in a single-stage business case and:

- Builds on the recommendation of prior planning and investigation work.
- Identifies the case for investment, including investment drivers and investment objectives.
- Assesses overall strategic alignment and any underlying assumptions.
- Outlines the proposed benefits from investment, risks, constraints and dependencies.

3.1.2 The Economic Case

The Strategic Case is followed by the Economic Case, which:

- Identifies the factors critical to the success of the project.
- Identifies development options on the preferred site.
- Confirms a preferred option that best meets the investment objectives, critical success factors and achieves the best value for money.

3.1.3 The Financial Case

The Financial Case takes the preferred option identified in the Economic Case and:

- Develops preliminary concept plan for the preferred option (layout and elevations), taking into account site constraints and opportunities.
- Undertakes a comprehensive development cost estimate (capital cost).
- Assesses the financial costs and benefits for the project, including the ongoing operational budget requirements and the key underlying assumptions.
- Considers the financial implications and benefits of any staging of investment.
- Outlines options for scheduling of use in the facility.

3.1.4 The Commercial Case

The Commercial Case:

- Identifies options and the preferred procurement approach for the investment recommended.
- Assesses funding avenues and potential alignment to the project.

3.1.5 The Management Case

Lastly, the Management Case assesses the operational considerations and management options for the preferred option and:

- Provides an early indication of the potential programming plan for the facility, and options for how the facility could be operated.
- Recommends the most appropriate management model to achieve the strategic objectives of the investment proposed.

4. Strategic Case

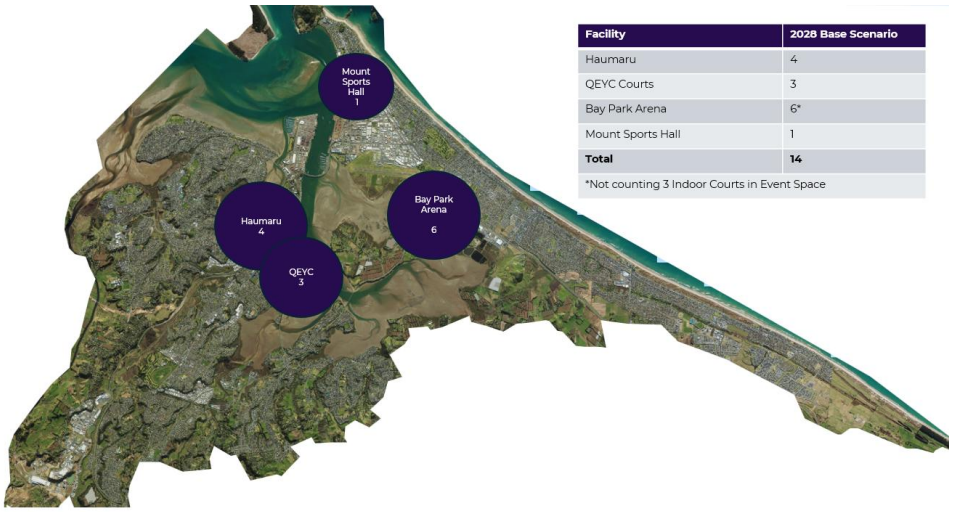
4.1 A Network Approach for Indoor Court Provision in Tauranga City

4.1.1 Planning for the Wider Network

A network approach to the provision of community facilities is a key driver of Tauranga City Council's (the Council) investment strategy and planning. This approach aims to ensure facilities within the indoor court network function together, to balance locality, accessibility and economies of scale. This network approach considers two levels of facility provision; "sub-regional / citywide" and "local"[9] in recognition of the different quality and level of service required to meet the needs of these catchments.

Figure 4-1 outlines the current network to 2028 of Tauranga City Council community indoor court provision which calculates a total of 14"Full Time Equivalent" courts in the current network.

Figure 4-0-1 – 2028 (Base Scenario) Indoor Court Provision



Facility	2028 Base Scenario
Haumaru	4
QEYC Courts	3
Bay Park Arena	6*
Mount Sports Hall	1
Total	**14**
*Not counting 3 Indoor Courts in Event Space	

4.2 Future Network Planning Considerations

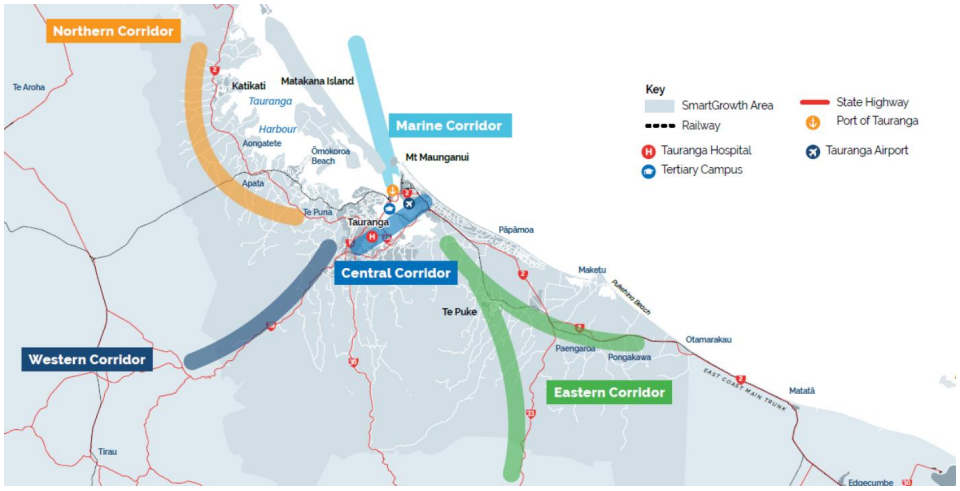
Wider network planning by the Council has identified likely areas of future provision, aligned to projected population growth in the city. These considerations are outlined in this section.

4.2.1 Future Development Strategy

The distribution of growth in the Eastern Bay of Plenty is guided by the Future Development Strategy – within the Eastern Bay of Plenty sub-region's Smartgrowth Strategy 2024-2074. Growth in the sub-region is proposed to occur in a mix of intensification of existing urban areas and within defined corridors, represented in Figure 4-2.

[9] *Tauranga City Council. Community Facilities Investment Plan 2021.*

Figure 4-2 Smartgrowth Corridors



The Smartgrowth Strategy makes provision for the following dwelling growth within the Tauranga City Council area (Table 4-1).

Table 4-1 Smartgrowth Dwelling Allocation – Tauranga City

	Dwelling Allocation		
Area in Tauranga	Short term (2024-27)	Medium term (2027-2034)	Total (2027-2034)
Tauranga City Te Papa, Tauranga West, Mt Maunganui	900	3,300	4,200
Central Corridor Bethlehem	270	890	1,160
Eastern Corridor Pāpāmoa, Wairakei, Te Tumu	730	4,130	4,860
Western Corridor Pyes Pā, Pyes Pā West, Tauriko West, Ohauiti, Welcome Bay, Ohauiti South, Keenan Road	460	2,110	2,570
Total	**2,360**	**10,430**	**12,790**

4.2.2 Community Facilities Investment Plan 2021

Tauranga City Council adopted the Community Facilities Investment Plan in 2021 that identified priorities for each of the facility networks in Tauranga. For the indoor court network, this identified actions for the "Indoor Sports Centres" network, which are outlined in Appendix One.

4.2.3 Play, Active Recreation and Sport Action and Investment Plan (2023-2033)

The 2021 Community Facilities Investment Plan was followed up with a more targeted investment plan for play, active recreation and sport activities. This plan took an investment focus, rather than a facility focus. Specific actions from this investment plan included actions to support implementation of master planning at premier active reserves Baypark, Blake Park and Tauranga and Wharepai Domains. Action 1 in this investment plan guided use of Baypark as "*a community sports hub, with a particular focus on indoor sports and outdoor non-field based sports, and a secondary focus on events and high performance sport.*"

The Play, Active Recreation and Sport Action and Investment Plan outlined 8 actions specific to investment in the indoor court network. For Baypark this included considering "options to free-up court space or expand at Baypark Arena (link to the Baypark Masterplan)".

Other specific actions are referenced in Appendix One.

4.2.4 Planning for Future Court Provision at Baypark, Blake Park and Tauranga Domain

Since completion of the Play, Active Recreation and Sport Action and Investment Plan, the Council has progressed master planning for the three key active reserves (Baypark, Blake Park and Tauranga Domain). Planning of these three reserves together allows for a long-term and coordinated approach to facility provision across these open spaces. The key aspects and implementation actions for of the Baypark masterplan are outlined earlier in this business case.

Specific to this business case, the Baypark Masterplan makes provision for an extension of the existing Baypark Arena for the provision of 6 additional community courts. Funding for the growth portion of this 6-court extension is not currently included in Council's Development Contribution Policy, and is not, therefore, part of the development contribution charge placed on new households in Tauranga City.

4.3 Suitability of Some Parts of the Current Indoor Court Network

4.3.1 2020 Community Facilities Needs Assessment

Tauranga City Council completed a Community Facilities Needs Assessment in February 2020 that included consideration of the condition of the current indoor court network. This assessment identified issues with parts of the indoor court network summarised in Table 4-2below.

Table 4-2 Tauranga City Council Indoor Court Network Facilities with Known Condition Issues

Council Facility	Condition Issues (2020 Needs Assessment)
Mount Sports Hall	Older facility with seismic and maintenance challenges.

Council Facility	Condition Issues (2020 Needs Assessment)
Queen Elizabeth Youth Centre and Memorial Hall	Poor condition. Issues with cladding, insulation, ventilation and seismic performance of Memorial Hall.
Other Community Facilities	
Merivale Action Centre (community access shared with Merivale School)	Limited information but considered poor.

4.3.2 Mount Sports Hall

Since completion of the 2020 Community Facilities Needs Assessment, a Masterplan process was completed for Blake Park in 2023. This masterplan has indicated removal of the Mount Sports Hall from Blake Park in response to the poor condition and functionality of this facility.

Decommissioning of the Mount Sports Hall is yet to occur, and it has had works to replace the roof. While this roof replacement has addressed some immediate issues with the quality of this facility, it is anticipated it will be decommissioned from the network by around 2030.

4.3.3 Memorial Park Aquatic Centre and Queen Elizabeth Youth Centre

Replacement of the Memorial Park pool has been the subject of a range of investigations and options in recent years (see Appendix One).

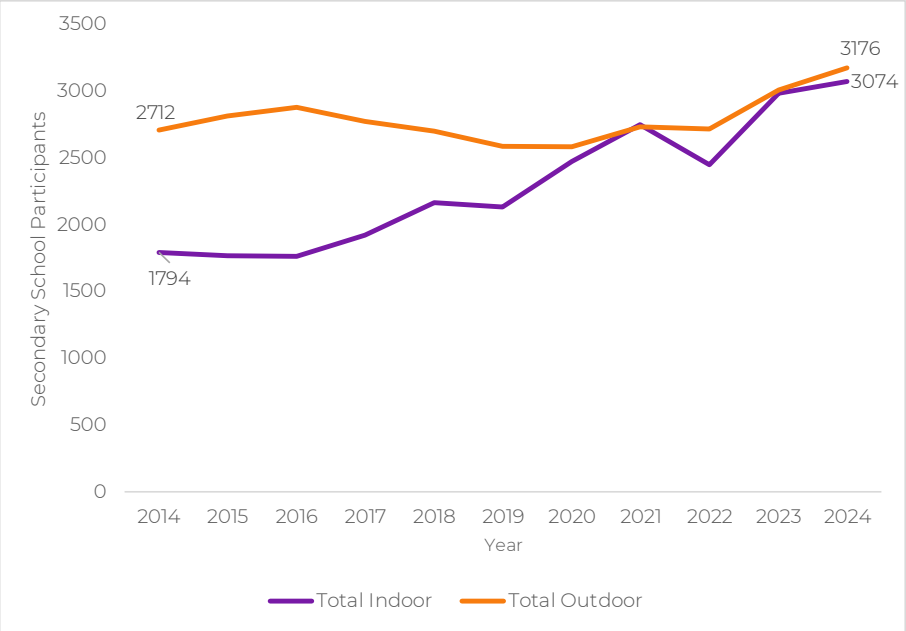
Most recently, the Council has made an in-principle decision for the future Memorial Park Aquatic Centre to be constructed over the current Memorial Hall Pool. This decision also includes retention of Queen Elizabeth Youth Centre (QEYC) as part of the indoor courts network until earthquake strengthening upgrades are required (currently 2041).

4.4 Growing Indoor Court Demand

4.4.1 Growth in Demand - Indoor Court Activities

Typically, sports that use indoor courts have the highest participation from the younger portion of a population (up to 24 years of age). Figure 4-3 below shows the growth in participation in typical indoor sports for secondary school-age students (12-18) between 2014 and 2024, compared to typical outdoor sports at Tauranga Colleges. This illustrates the growth in popularity of indoor court sports for secondary school participants compared to a relatively stable rate for typical outdoor sports (see Appendix One for a more detailed breakdown).

Figure 4-3 New Zealand Secondary School Survey – Comparing Combined Participation in Indoor Court Sports to Outdoor Court/Field Sports 2014-2024 (Tauranga Colleges)



4.4.2 Peak Time Demand is High

As outlined in Table 4-3, both Baypark Arena and Haumaru see high booking utilisation for winter terms (weekdays). The uptake in peak time[10] bookings for Haumaru has been immediate, with this facility only opening from May 2025, and suggests a continued degree of demand for courts in Tauranga.

Table 4-3 Peak Booking Utilisation Rates – Haumaru and Bay Venues (6 Court Arena)

	Term 1 and 4 2025[11]	Terms 2 and 3 2025	Term 1 and 4 2026[12]	Terms 2 and 3 2026
Haumaru Peak Booking Utilisation	-	85%	82%	92%
Bay Venues Peak 6 Court Booking Utilisation	82%	98%	86%	98%

4.4.3 Frequent User Perspectives – Latent Demand

Perspectives from frequent indoor court users have identified the challenges current constraints around peak-time facility bookings are having on their ability to plan to attract more participants. Key points include:

[10] *Weekdays 3.15pm-9.30pm*
[11] *Haumaru was only open from Term 4 2025.*
[12] *Includes a supplied average of casual bookings in peak times.*

- Tauranga City Basketball sees participation growth opportunities for adults and girls; however, without more available court space at peak times it cannot commit to programming or attracting further participants.
- Volleyball Tauranga has seen year on year team growth (from 506 teams in all leagues in 2023 to 645 teams in 2025).
- Emerging code Mount Pickleball membership has grown from 250 to 500 in (2025) making securing court access a challenge with this growing demand.
- Managing scheduling across multiple locations (Haumaru, QEYC, Mount Sports Hall and Baypark Arena) is identified as a challenge for these codes, particularly with limited windows of availability and limited peak time court allocation.

4.4.4 Impacts of Events Displacing Community Sport at Baypark Arena

Frequent users of Baypark Arena have also identified reasonably frequent occurrences of disruption to their regular activities where events are booked that require use of the entire Baypark Arena.

Bay Venues booking data identifies up to 67 event days each year of a sport and recreation nature that book and use the entire venue. Additionally, other commercial events such as trade shows and exhibitions can also utilise the full facility and impact use.

4.5 Tauranga as an Events Destination

4.5.1 Event Hosting Aspirations

Tauranga has a growing aspiration to host events which contribute to the overall vibrancy of the city. A well-known example of this is AIMS Games the largest international sporting event for 11-13 year olds in the southern hemisphere, that attracts upward of $6.2m each year for the visitor economy each September. Recent investment in facilities is also supporting more event opportunities – like the upgraded Bay Oval which has since hosted national and international cricket events in recent years.

Tauranga City Council produced the Tauranga Events Action and Investment Plan (2022-2032) with the aspiration of being the best host city in Aotearoa. One of the six goals of this Investment Plan was to plan and develop fit for purpose event venues and infrastructure. The total number of events has grown over the last decade from 104 to 341 events per annum, demanding more of existing venues and putting pressure on supply of new venues.

The development of an Events Network Plan (by the Council) is currently in progress to support decision making in effective planning and decision making for these events.

Baypark Arena is currently used as an indoor events venue with the northern three court space operated commercially as a separately hireable events space, and can be combined as a booking of the entire venue. Emerging thinking, yet to be tested, in the Events Network Plan, supports identified use of Baypark Arena as an exhibition space. However, there are constraints in this arrangement in needing to manage the dual function of sporting and non-sporting events and high existing utilisation levels across the facility. The use of the three-court event space has evolved over time, and the hardwood flooring in this space presents challenges in the types of loading and solutions required to support some events.

Reducing the compromise faced in attempting to balance community recreation and event hosting at Baypark Arena is a consideration in enabling easier event hosting activity on the site.

4.6 Narrowing the Investment Drivers

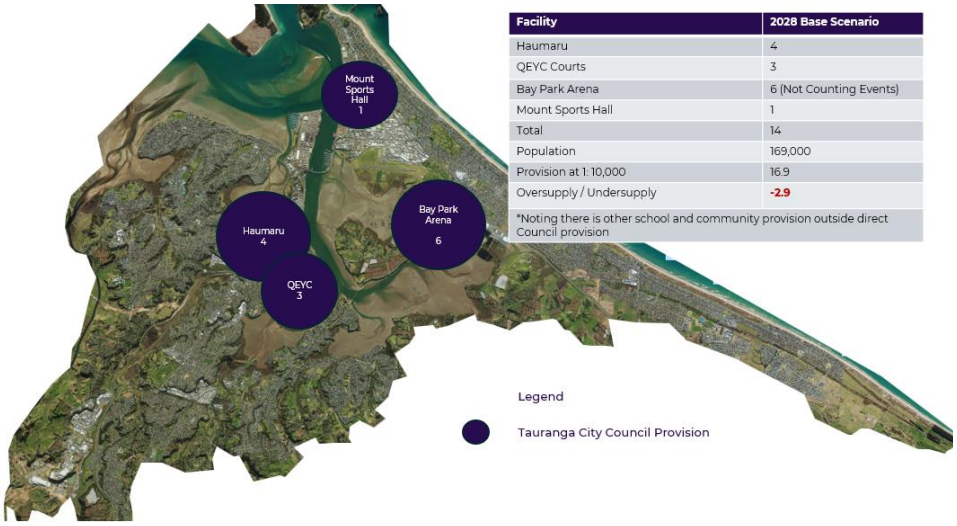
4.6.1 Indoor Court Capacity

Current Tauranga City Council level of service provision for indoor courts was developed prior to the Sport NZ Strategy being completed. There is a significant difference in the level of service when each of these provision metrics is applied to the Tauranga City Indoor Court Network. Three different scenarios have been developed to better understand the implications and in scope court provision where different level of service metrics are applied.

To support underlying assumptions of this business case, a metric of 1 FTE Court per 10,000 population is applied as an updated metric for direct Tauranga City Indoor Court provision (see Figure 4-4). Further rationale for this is outlined in Appendix One. Applying this level of service measure to the current network indicates a current shortfall of 2.9 courts. This undersupply will increase as the population grows, if there is no additional capacity added to the network.

This current undersupply has been confirmed by frequent users of indoor court facilities in Tauranga and is most acute at peak time evenings and weekends.

Figure 4-4 Assumed 2028 Level of Provision of Indoor Courts



Facility	2028 Base Scenario
Haumaru	4
QEYC Courts	3
Bay Park Arena	6 (Not Counting Events)
Mount Sports Hall	1
Total	14
Population	169,000
Provision at 1: 10,000	16.9
Oversupply / Undersupply	-2.9
*Noting there is other school and community provision outside direct Council provision	

4.6.2A Resilient Indoor Court Network

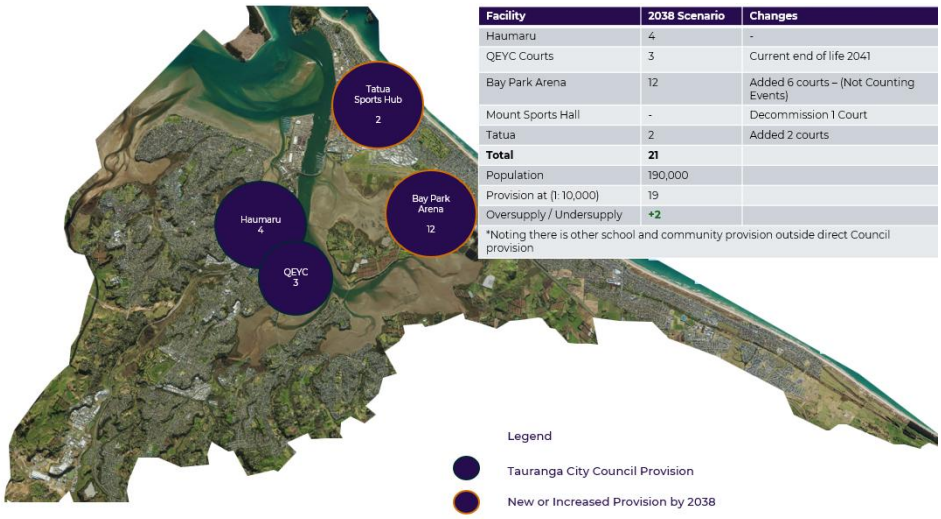
While there is a current undersupply in the Tauranga City indoor court network, there is advanced planning and funding commitments in place to provide additional indoor court capacity (Tatua and Baypark) in future years. Longer-term opportunities for additional provision have also been signalled in each of the eastern and western corridors.

Planning has also taken account of the likely end of life of the Mount Sports Hall, and on a longer-term horizon the QEYC Courts. While not accounted for directly in the level of service provision, additional community provision at both Aquinas College and Merivale School is also under pressure as school rolls and space demands increase.

A future network assumption is represented in Figure 4-5 below.

Ensuring a connected network of indoor court provision that supports demand management resilience is a key investment driver.

Figure 4-5 Projected 2038 Indoor Court Provision



Facility	2038 Scenario	Changes
Haumaru	4	-
QEYC Courts	3	Current end of life 2041
Bay Park Arena	12	Added 6 courts – (Not Counting Events)
Mount Sports Hall	-	Decommission 1 Court
Tatua	2	Added 2 courts
Total	**21**	
Population	190,000	
Provision at (1: 10,000)	19	
Oversupply / Undersupply	+2	

*Noting there is other school and community provision outside direct Council provision

4.6.3 Tauranga City Events Strategy

Baypark Arena plays a dual function as both a community sport and commercial events venue. Pressure on peak time indoor court availability and the commercial / revenue considerations for events means the current use of the facility for each of these dual events faces compromise.

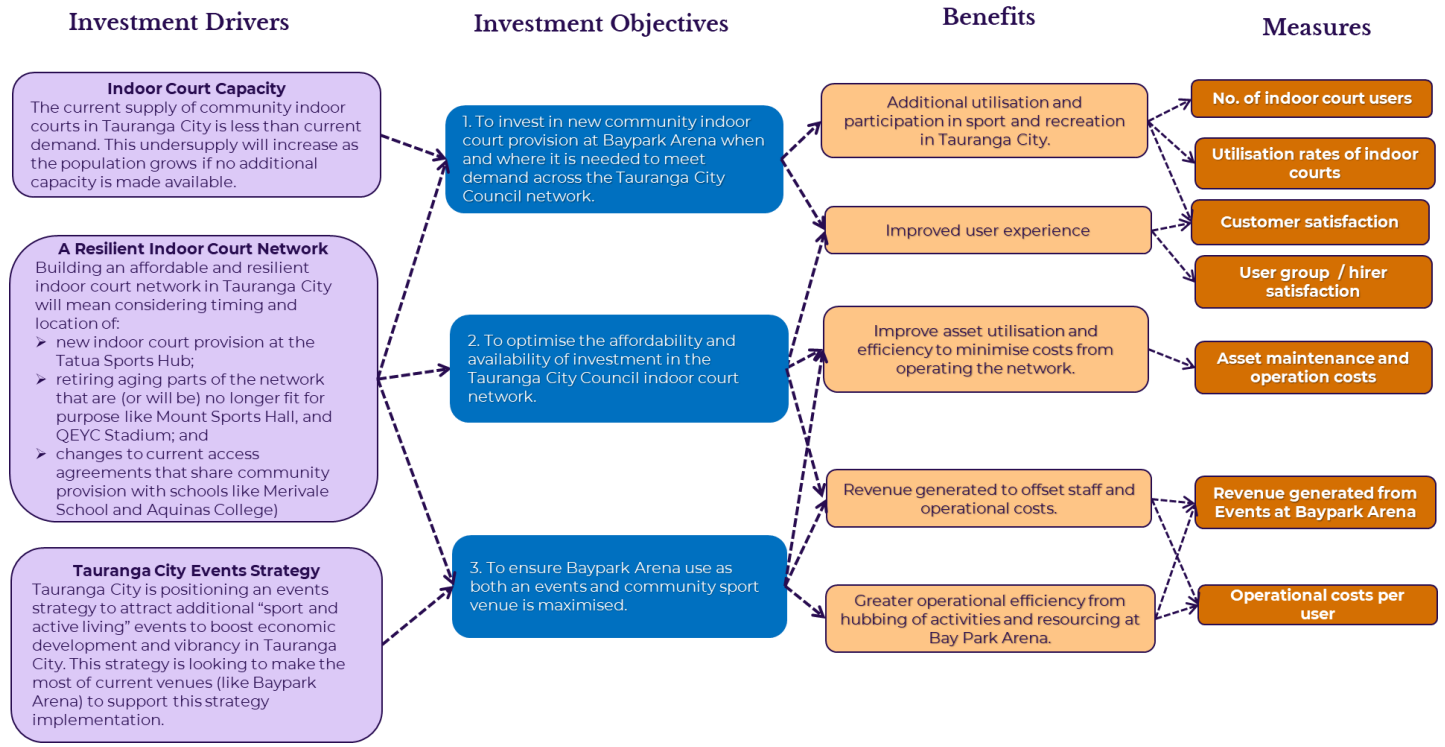
Overall value for money considerations mean it is unlikely there will be available investment capacity for the development of purpose-built event venues in Tauranga the near future[13]. For Baypark Arena this presents an opportunity to better balance community indoor court use and event requirements where the access pressures can be minimised, through additional and dedicated community indoor court capacity.

4.7 Investment Logic Map

The key investment drivers, investment objectives and benefits considered in this business case are outlined in Figure 4-6 below. These will inform future options considerations and assessment and have been approved by the Project Steering Group overseeing this business case.

[13] *This is being investigated in the Events Network Plan in progress.*

Figure 4-6 Investment Logic Map for Baypark Indoor Court Business Case



4.7.1 Assumptions

- This business case assumes the level of service and network provision between 2028-38 as outlined in Scenario 3 (Appendix One).
- Population growth projections are aligned with the Tauranga City Council projections for the Long Term Plan 2027-37 (Appendix One).

4.7.2 Interdependencies

Tauranga City Council has an investment programme for several improvements to the Baypark site in addition to a potential Baypark Arena extension including:

- Establishment of a multi-sport netball centre including access via a new central road and landscaping
- A separate Speedway Pit Area / Carpark
- Further car parking provision on the eastern part of the site.

Achieving the full extent of this programme of works is dependent on the Council securing infrastructure servicing to enable realisation of these projects. This will include improvements to vehicle entry and exit to Truman Lane, stormwater approvals and consents, power and other utility servicing.

Network interdependencies are acknowledged within Scenario 3 relative to the likely future new indoor court facilities and timelines for retirement of some facilities from the network.

4.7.3 Risks

Realising the investment objectives will require acknowledging and potentially mitigating identified risks. Those risks critical to this business case are outlined in the following Table 4-4.

Table 0-4 Identified Risks and Mitigations

Risk	Potential Mitigation
• Demand not as high as anticipated, impacting revenue and events	• Continue to monitor demand and network changes. Work with users to ensure projections continue to be accurate.
• Unanticipated geotechnical ground conditions or infrastructure constraints impact design or consenting.	• A more detailed geotechnical investigation has been commissioned to understand in more detail requirements for any court changes at Baypark. • Align infrastructure considerations with other planned capital projects at Baypark, including the Netball centre, and additional car parking provision.
• Projected population growth is slower, or faster than anticipated, or doesn't occur in locations anticipated.	• Continue to plan indoor court provision as a network that allows flexibility for staging.

5. Economic Case

The Economic Case:

- Identifies the factors critical to the success of the project.
- Identifies development options on the preferred site.
- Confirms a preferred option that best meets the investment objectives, critical success factors and achieves the best value for money.

5.1 Economic Case Assumptions

5.1.1 Indoor Courts Level of Service

Continuing to rely on assumptions made in the Strategic Case, including revising its Level of Service of 1:10,000 people per court through the 2027-37 Long-term Plan process.

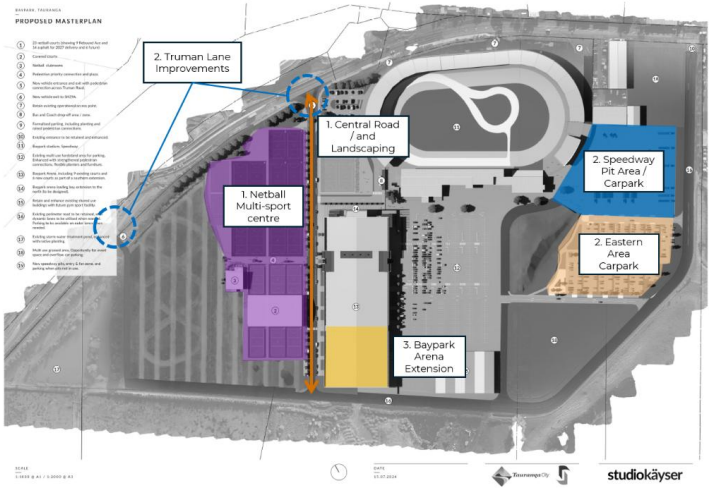
5.1.2 Indoor Court Network

Provision of two additional (multi-use) indoor courts to the Tauranga City network is proposed through the construction of a Badminton Multi-sport centre at Tatua Reserve. The Tauranga City Council has recently resolved to contribute $5m towards the development of this facility from the 1st of July 2028 and potentially increase this to $8m to support construction start in 2027.

5.1.3 Staging of Baypark Development Works

The Council has a provisional sequencing of enabling works on the Baypark site and has made capital investment allocation for these works to proceed (see Figure 5-1). Provision of these enabling works will support better site functionality, including the new Netball Multisport Centre and Bay Park arena extension considered in this business case. Figure 5-1 outlines the related project phases currently forming the Baypark sequencing of development works.

Figure 5-1 Baypark Masterplan Project Sequencing and Timing



Project	Description
1.	Netball Multi-sport and interdependent projects
2.	Site enabling works (e.g. parking, and access)
3.	Baypark Arena extension

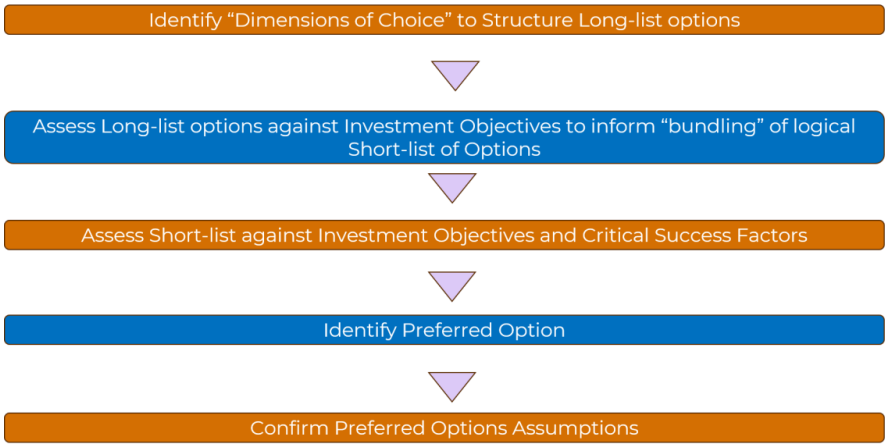
5.1.4 Ongoing Show Court and Spectator Seating

While there has been only one show court use for professional sporting events in the Lion Foundation Centre in 2026, it is still assumed this functionality and flexibility will continue to be required.

5.1.5 Economic Case Methodology

A Project Steering Group – including representation from the Bay Venues, Tauranga City Council and Tauranga City Basketball has overseen the consideration of options following the steps outlined in Figure 5-2.

Figure 5-2 Methodology Steps for this Business Case



5.2 Long-List Options

5.2.1 Dimensions of Choice

Taking into account the investment objectives confirmed through the Strategic Case there are three "dimensions of choice", with each dimension offering different options. These are:

- The extent of additional indoor court capacity provided. This ranges from no additional courts to 4 or 6 additional court options.
- The extent of upgrades to the Lion Foundation Centre to improve event logistics functionality with potential benefits for events throughout the Baypark Arena.
- The potential mix of community and commercial use of the entire Baypark Arena and Lion Foundation Centre.

The options possible within each "dimension of choice" are outlined in Table 5-1.

Table 5-1 Long-list options – Dimensions of Choice

1. Provision of Additional Community Court Capacity		
A. Status Quo (No Change) *6 indoor community court capacity is provided and can be scheduled for Baypark Arena-wide events.*	B. Provision of 4 Additional Community Courts	C. Provision of 6 Additional Community Courts
2. Mix of Commercial / Community Events Venue		
A. Status Quo (No Change) *Show court events and spectator seating continue to be provided for in the Lion Foundation Centre. An example user is the Bay of Plenty Magic Netball.*[14]	B. Maintain current show court capability with no change to loading or circulation area.	C. Upgrade Lion Foundation Centre to function better as events facility by improving loading access and upgrading the timber floor with concrete floor. Providing for overlay show

[14] *This show court and spectator seating has been used in the past for Whai Basketball matches. These have shifted to QEYC for the 2026 season as this offers a more cost-effective venue for the attendance levels at these matches.*

		court option on top of concrete floor is also included.	
Mix of Community and Commercial Use of Entire Baypark Arena			
Status Quo.	B. Additional indoor court provision not available for community bookings only.	C. Additional court provision available for commercial event use with limits – like only outside school terms.	D. Additional court provision available for event use without limitation.

5.2.2 Assessing a Long-List of Options

Table 5-2 provides a summary of the long list of all "dimensions of choice" assessed against the investment objectives from the Strategic Case. General commentary on the scoring applied is:

- A 4-court facility may be less costly to build than a 6-court facility. However, given the network requirements across Tauranga City there is economies of scale in locating all courts at Baypark Arena.
- Options that propose community only use of additional courts are not likely to support maximising dual use of the Baypark Arena. The facility currently is a venue for regional and national sport, recreation and cultural events – like the AIMS Games, Kapa haka and the Mel Young Basketball tournament (held each Easter). Restricting any new indoor courts to community only use would limit the opportunity of extending these events, and impact the potential revenue earnt from these activities.
- Options that maximise dual use of the entire Baypark Arena are favoured to respond to current scheduling conflicts caused by limited capacity that impact both commercial event use and regular community indoor court bookings.

The following points outline key points in determining the long-list assessment identified

- Discontinuing show court provision in the Lion Foundation Centre will impact Baypark Arena's ongoing use as a venue for professional league indoor court fixtures and national sporting competitions. The Lion Foundation Centre is currently used for Magic Netball matches, until recently Whai Basketball games, and has been used for venue wide events (like gymnastic nationals) that will continue to require both court / sprung floor provision and spectator seating for up to 1,100 seats. All options that would remove this show court provision have been discounted as they will not maximise dual-use of Baypark Arena for community and event use.
- Provision of an additional 4 courts may provide more flexibility in location of other courts in the Tauranga City indoor court network (like the Eastern or Western Corridors). Further consideration of this option is kept open pending the outcome of the geotechnical investigations and the outcomes workshop.

No change or not able to be assessed.	Misalignment with significant identifiable concerns.	Some misalignment with identifiable concerns.	A moderate degree of alignment.	A good degree of alignment.	A high degree of alignment.

Table 5-2 Summary of Long-list options Assessment

Dimensions of Choice	Long-list Options											
1. Community Court Use	B. Provision of 4 Additional Community Courts						C. Provision of 6 Additional Community Courts					
2. Commercial Event Use (Lion Foundation Centre)	**A. Maintain current show court capability** with no change to loading or circulation area.			**B Upgrade Lion Foundation Centre** to function better as events facility by improving loading access and upgrading the timber floor with concrete floor. Provide for overlay show court option on top of concrete floor.			**A. Maintain current show court capability** with no change to loading or circulation area.			**B. Upgrade Lion Foundation Centre** to function better as events facility by improving loading access and upgrading the timber floor with concrete floor. Provide for overlay show court option on top of concrete floor.		
3.Mix of Community and Commercial Use	B. Additional indoor court provision available for community bookings only.	C. Additional court provision available for commercial event use with limits – like only outside school terms.	D. Additional court provision available for event use without limitation.	B. Additional indoor court provision available for community bookings only.	C. Additional court provision available for commercial event use with limits – like only outside school terms.	D. Additional court provision available for event use without limitation.	B. Additional indoor court provision available for community bookings only.	C. Additional court provision available for commercial event use with limits – like only outside school terms.	D. Additional court provision available for event use without limitation.	B. Additional indoor court provision not available for community bookings only.	C. Additional court provision available for commercial event use with limits – like only outside school terms.	D. Additional court provision available for event use without limitation.
Strategic Fit.	✓✓✓✓✓	✓✓✓✓	✓✓	✓✓✓✓✓	✓✓✓✓	✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓
Value for money	✓✓✓	✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓
Maximising Dual Use	✓	✓	✓	✓	✓✓✓✓	✓✓✓	✓	✓✓✓✓	✓✓✓✓✓	✓	✓✓✓✓✓	✓✓✓
	Discount	Discount	Discount	Discount	Continue	Discount	Discount	Continue	Discount	Discount	Continue	Discount

5.3 Assessing Short List Options

5.3.1 Investment Objectives / Critical Success Factors

Critical success factors support assessment of options, which can then be taken forward to a more detailed evaluation. The critical success factors include the extent to which an option meets the following critical success factors (incorporating the investment objectives). The investment objectives and critical success factors used in the assessment of options are outlined in Table 5-3.

Table 5-3 Investment Objectives and Critical Success Factors

Investment Objectives
Strategic fit (Investment Objective 1): To invest in new community indoor court provision at Baypark Arena when and where it is needed to meet demand across the Tauranga City Council network.
Value for Money (Investment Objective 2): To optimise available investment in the Tauranga City Council indoor court network.
Maximising Dual Use (Investment Objective 3) To ensure Baypark Arena use as both an events and community sport venue is maximised.

Criteria	Explanation
Outcome-focused	The degree to which the option is functional, fit-for-purpose (design and operational needs), considers all potential uses and is a realistic concept.
Environmental Sustainability	The degree to which the option mitigates against climate risks and applies sustainable design principles
Inclusive and Accessible	Provides for a broad spectrum of community use and supports accessibility and equity through cultural inclusivity and the application of universal design principles
Future-proofed and adaptable	The ability to adapt to emerging new sports and community use and events in the future.
Achievability	The degree to which the activity can be achieved considering the other interdependent and competing uses.
Financial Sustainability	The degree to which the proposed option offers a sustainable mix of revenue and cost to achieve a financially sustainable business model.

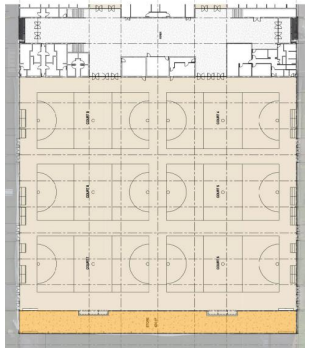
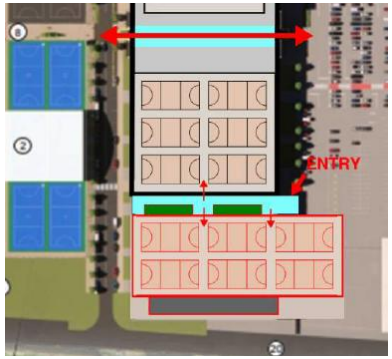
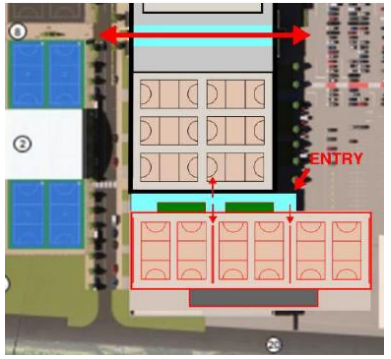
5.3.2 Alternative Capital Build Considerations

The current Baypark Masterplan provides for the addition of a 6 indoor court structure immediately to the south of the existing Baypark Arena courts. A concept for these courts has been developed by Stellar Projects and Studio Kayser. The layout for this is indicated in the Table below, "Masterplan Footprint".

To explore alternatives to the "Masterplan Footprint", Architecture HDT supported a workshop with Tauranga City Council staff, Bay Venues Ltd staff and Fosters Group to consider alternative provision of six additional indoor courts, which may offer alternative design benefits. This involved developing a comparison for consideration of a "two by three" and "six by one" footprint option, as shown in Table 5-4. While offering the shortest structural span, the "six by one" option was not considered as preferable as the "two by three" option given the limited perimeter seating and circulation space between courts.

Following this workshop, the alternative "two by three" option is included as an alternative option to the current masterplan design. As this is indicatively assessed to offer construction cost advantages to the masterplan footprint option, it is referenced as the "Optimised Functional" alternative.

Table 5-4 Summary Design Considerations for Different Capital Builds

Capital Build Choices			
	Masterplan Footprint	Alternative "Two by Three" Footprint	Alternative "Six by One" Footprint
			

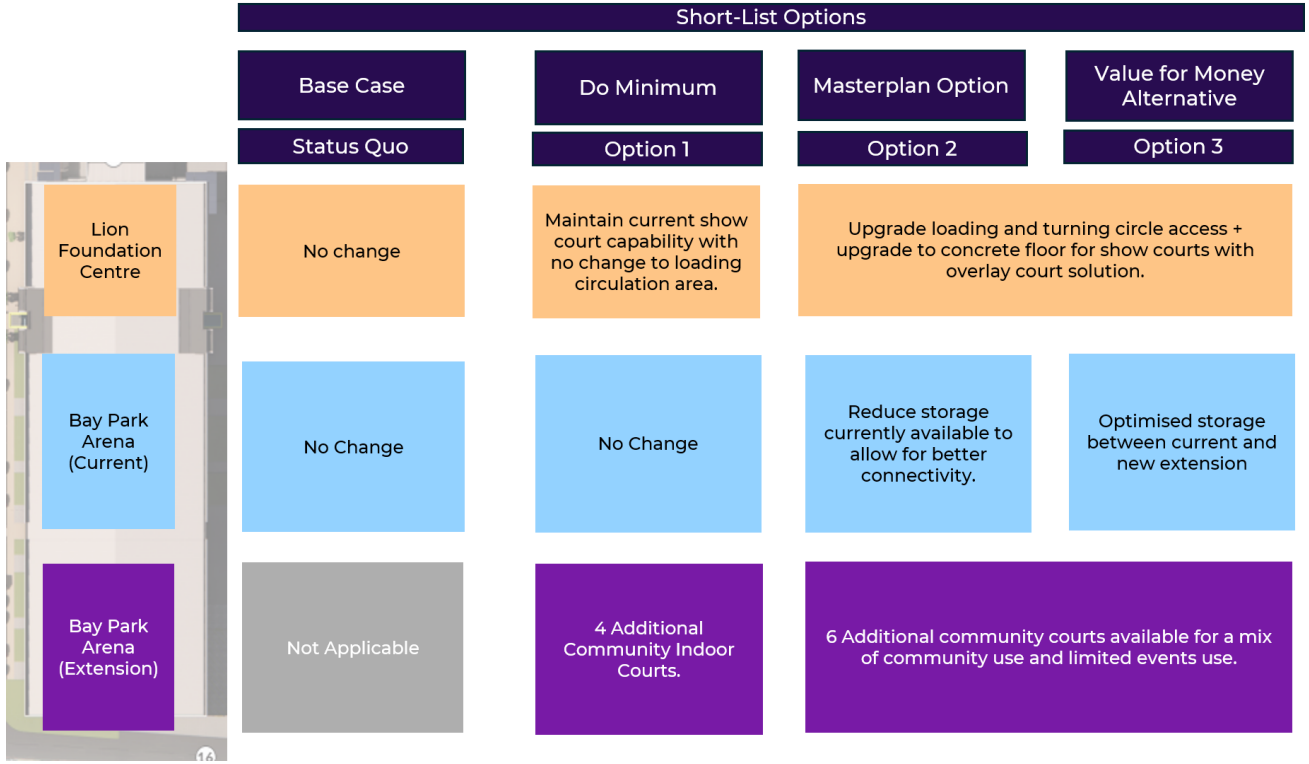
5.3.3 Bundling Long List Options to Short List Options

An output of this workshop was to refine the long list of options to three options to be considered against a “base case”. The “base case” is the starting point and reflects the current operation and provision of event and community indoor court services at Baypark Arena. The alternative options developed for further consideration are:

- Option 1: Do minimum – provide for 4 additional indoor courts in the same format and layout as the existing courts, with no change to the events functionality of the Lion Foundation Centre.
- Option 2: “Masterplan Footprint” option. Provide for 6 additional indoor courts structurally extending the existing Baypark Arena indoor courts in the footprint identified in the Baypark Masterplan.
- Option 3: “Optimised Functional” alternative option. Provide for 6 additional indoor courts, in a separate structure from the current Baypark Arena indoor courts.

Both option 2 and 3 consider the option of improving event functionality in the Lion Foundation Centre.

Figure 5-3Bundled Short-List Options



5.3.4 Assessing the Short List Options

The following Table 5-5 provides a comparison assessment of the short list options assessed against the investment objectives and critical success factors.

No change or not able to be assessed.	Misalignment with significant identifiable concerns.	Some misalignment with identifiable concerns.	A moderate degree of alignment.	A good degree of alignment.	A high degree of alignment.

Table 5-5 Short List Option Assessment

		Short-List Options			
		Status Quo (No Change)	Do Minimum	Masterplan Footprint Option	Optimised Functional Alternative
Investment Objectives	**Strategic Fit** To invest in new community indoor court provision at Baypark Arena when and where it is needed to meet demand across the Tauranga City Council network.	No additional provision of indoor courts.	Provision of four additional courts would contribute to meeting the total 19 community courts required for the Tauranga City Council network by 2038. This could allow for additional network flexibility to locate additional future courts in the Western or Eastern (Wairakei / Te Tumu) areas. However, without sites secured in these areas, it provides a less certain option than providing all 6 courts at Baypark Arena.	Provision of 6 additional courts would contribute to a total of 21 community courts in the Tauranga City Council network by 2038, which will provide 2 courts additional capacity to meet future growth. These courts will still require travel for populations in the Western corridor and Wairakei / Te Tumu areas – until such time as planned additional provision is developed in these communities. This option will prioritise community use of the additional courts during school term time to reflect what has been a strong desire from users to provide certainty to attract new participants and grow competition formats. The provision of community courts would be available for commercial events during school holidays or lower demand shoulder periods of the year.	Same as for the masterplan option.
			✓✓✓	✓✓✓✓	✓✓✓✓

	Short-List Options			
	Status Quo (No Change)	Do Minimum	Masterplan Footprint Option	Optimised Functional Alternative
Value for money To optimise available investment in the Tauranga City Council indoor court network.	The venue will continue to face constraints in maximising revenue from events (as these are limited by needing to maintain a minimum level of community court use). Event organisers will continue to be turned away.	A 4-court extension would provide a lower capital cost (than a 6-court extension). However, this option is not likely to maximise efficiencies per court construction, compared to future standalone court provision in other parts of Tauranga city. Opportunities for realising commercial event revenue would not be possible without improvements to the Lion Foundation Centre.	Would have a higher capital cost than the 4-court option; however, would achieve construction cost efficiencies on a per court basis[15]. A long span (75 metre) structure which incurs higher design and construction costs. Would offer potential operational staffing and other cost efficiencies if all courts are consolidated at the Baypark Arena site. Upgrades to the Lion Foundation Centre as a priority commercial event venue will also require either show court provision shifting to the 6-court addition, or an overlay solution provided over the upgraded concrete floor. While this would provide for better event use over the entire venue, this will add additional costs to achieve this flexibility. This upgrade will increase commercial revenue opportunities by increasing the scale and throughput of events likely to contribute to a more sustainable financial model for the venue.	Would have a higher capital cost than the 4-court option however would achieve construction cost efficiencies on a per court basis[16]. Reduced span (44 metre) structure is more cost effective for construction than other options. Would offer potential operational staffing and other cost efficiencies if all courts are consolidated at the Baypark Arena site
		✓✓✓	✓✓✓✓	✓✓✓✓✓

[15] *By spreading costs like design, professional services, and procurement across 6 courts (when compared to 4 courts).*
[16] *By spreading costs like design, professional services, and procurement across 6 courts (when compared to 4 courts).*

		Short-List Options		
	Status Quo (No Change)	Do Minimum	Masterplan Footprint Option	Optimised Functional Alternative
	The current displacement of regular community users for venue-wide event use will continue. This is likely to continue to impact both the ability to plan with certainty local community use for different sporting codes, and the attractiveness of the venue for both sports, cultural and commercial related events.	This option would not address some of the current limitations of the Lion Foundation Centre for loading and provision of events. These limitations are caused by less than ideal loading access, and the constraints of a wooden sprung floor on weight bearing vehicles and other uses in the Lion Foundation Centre. Provision of four additional community-only access courts will reduce occurrences of community sport needing to be displaced for events. Although likely to be an infrequent requirement, this option will not allow for full use of the Baypark venue for community use.	Will support more regular and certain access for community indoor court use and reduce the instances of demand pressure for events and regular community use. This will offer a better balance to address current scheduling conflicts and tensions between community use and event bookings.	Same as for the masterplan option. In addition the two by three design provides for an option for retractable seating that offers increase event flexibility than the masterplan option.
Maximising Dual Use To ensure Baypark Arena use as both an events and community sport venue is maximised.			Offers additional indoor court capacity to provide certainty for community use, while also upgrading the Lion Foundation Centre as a dedicated events centre with fit-for-purpose flooring and loading capability. Will support an extended opportunity for regional, national and international events across the whole venue.	
		✓✓✓	✓✓✓✓	✓✓✓✓✓
Critical success Factors		Baypark masterplan provides for an extension to the Arena. A four-court extension could be accommodated in this footprint; however, it would not optimise the available space allocated in the masterplan. Would have limitations for wider event and competition use.	Follows structure and building massing of existing courts. Changing room space provided for at an upper level. Limited space for changing at ground floor level (meaning they may need to move to first floor). Southernmost courts 5 and 6 are a long perimeter walk for participant court entry.	Ability to locate storage, changing at ground floor. Offers opportunity for perimeter seating for all courts and advantage for players and spectators. More direct access to southern courts for users.
Outcome-focussed: the degree the option is functional, fit-for-purpose (design and operational needs), considers all potential uses and is a realistic concept.		✓✓✓	✓✓✓	✓✓✓✓✓

	Short-List Options			
	Status Quo (No Change)	Do Minimum	Masterplan Footprint Option	Optimised Functional Alternative
Environmental sustainability: option mitigates against climate risks and applies sustainable design principles		Likely to require smaller embodied carbon in construction as a smaller footprint. Also likely to use less energy than a larger facility.	Likely to require smaller embodied carbon in construction as a smaller footprint. Also likely to require more energy than a four-court structure. Current structural limitations of the roof are limitations to solar conversion or require higher cost given long roof span.	Likely to require higher embodied carbon in construction than the 4-court option. Also likely to require more energy than a four-court structure. Option to consider solar panels possible as a later addition.
		✓✓✓✓✓	✓✓✓	✓✓✓✓
Inclusive and Accessible: provides for a broad spectrum of community use and supports accessibility and equity through cultural inclusivity and the application of universal design principles		Unlikely to support additional changing space, which may impact community use. Design has not been fully tested like other two options.	Upper level changing and mezzanine space unlikely to offer accessible solution. Limited community use spaces, clubrooms given space constraints.	Ground level design an advantage for changing room facilities. Layout offers opportunities for clubroom and community spaces.
		✓✓✓	✓✓✓	✓✓✓✓✓
Future-proofed and adaptable the ability to adapt to emerging new sports and community use and events in the future.		With a smaller additional footprint, there is limited opportunity to include improved storage. Current Baypark Arena may have some seismic compliance challenges. This will continue to present some risk as a Civil Defence centre even if extended.	Limited opportunity for other community or flexible spaces in the footprint. Current Baypark Arena may have some seismic compliance challenges. This will continue to present some potential constraints as a Civil Defence centre (High Importance Level).	Better storage flexibility and community room spaces offer alternative uses. Offers a modern seismically compliant building for Civil Defence use separate from the existing building.
		✓✓✓	✓✓✓	✓✓✓✓✓
Achievability the degree to which the activity be achieved considering the other interdependent and competing uses.		Likely to have the least impact on additional car parking demand and vehicle generation.	Larger footprint will likely generate additional car parking demand. Some unknowns for geotechnical and ground conditions as the building extends to the south.	Larger footprint will likely generate additional car parking demand, similar to the Masterplan Footprint option.

	Short-List Options			
	Status Quo (No Change)	Do Minimum	Masterplan Footprint Option	Optimised Functional Alternative
		Would present least risks in proceeding into southern areas with riskier geotechnical ground conditions.		Limits as much as possible extension to the south and more challenging ground conditions.
		✓✓✓✓✓	✓✓✓	✓✓✓✓
Financial Sustainability: the degree to which the proposed option offers a sustainable mix of revenue and cost to achieve a financially sustainable business model, that does not require additional public subsidies		The smaller additional footprint will impact flexibility to manage community court use and commercial event aspirations. Without considering changes to the Lion Foundation Centre, additional commercial event capability unlikely to be possible. Likely to require ongoing (and increased) subsidy.	Offers scalable operating efficiencies with existing staffing and extension of onsite commercial event hosting capability.	Offers scalable operating efficiencies with existing staffing and extension of onsite commercial event hosting capability.
		✓✓✓	✓✓✓✓	✓✓✓✓
Assessment		Discount	Discount	Continue

5.3.5 Short List Options Conclusion

The “optimised functional” alternative option is assessed as the preferable option to proceed for further assessment in the financial case. This will include further consideration of commercial event opportunities.

6. Financial Case

The Financial Case takes the preferred "optimised functional" alternative option identified in the Economic Case and:

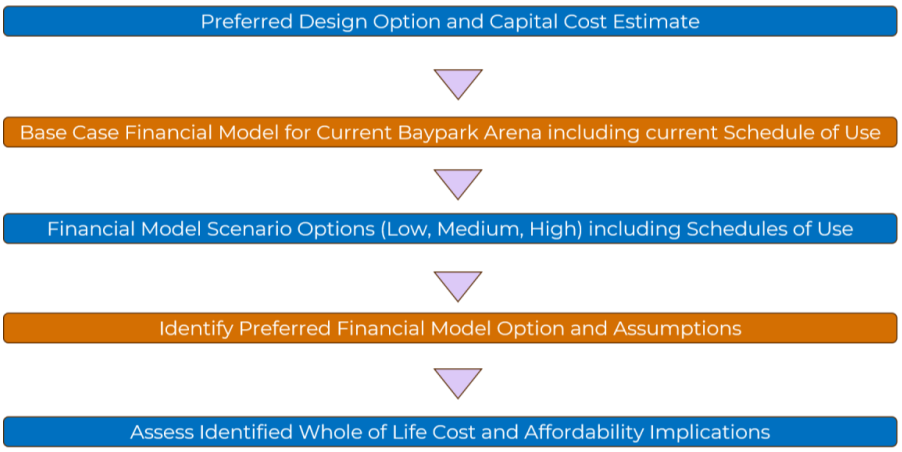
- Assesses the options and capital cost implications of facility designs to achieve the preferred option outcomes.
- Identifies a Preferred Design Option and Capital Cost Estimate.
- Builds on the current base case financial model for Baypark Arena. Additional financial case options are assessed in addition to this base case to evaluate the operational implications of the mix of event and community use choices.
- Confirms a preferred financial case option.
- Assesses the overall Whole of Life Cost for 30 years.
- Assesses the impact or sensitivity of changes to the Whole of Life Cost.

6.1 Financial Case Methodology

6.1.1 Methodology Outline

This financial case takes the preferred option identified in Economic Case and explores construction design options to meet the preferred option. A preferred design option is identified to allow for a capital cost estimate to be completed for the preferred option. An operational financial model and preliminary operating budget is then developed as outlined in Figure 6-1.

Figure 6-1 Methodology Steps Followed In this Business Case



6.2 Preferred Design Option and Capital Cost Estimate

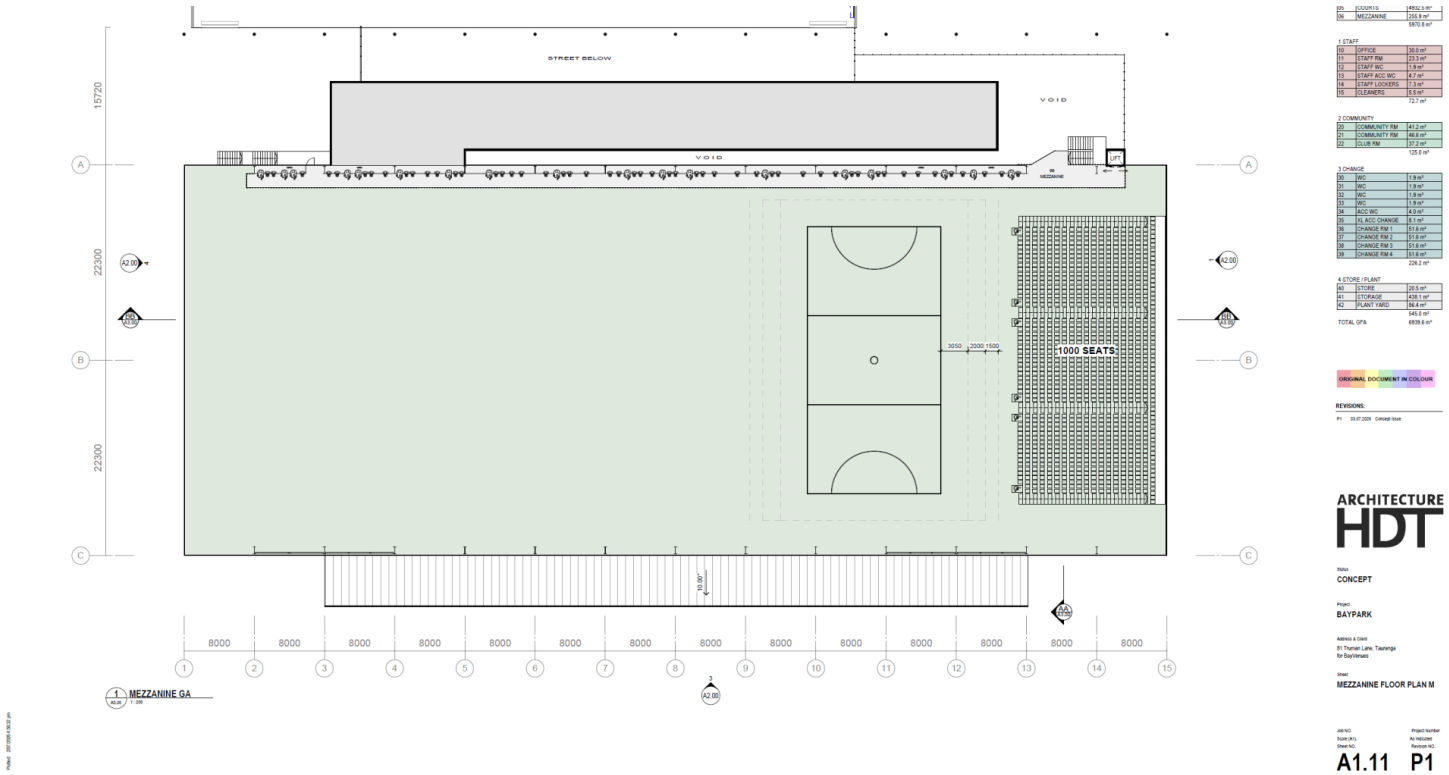
6.2.1 Optimised and Functional Design

A preferred concept design and design specification has been developed by Architecture HDT, and concept assessment completed in collaboration with Fosters Group (engaged separately by Bay Venues Ltd). The preferred option is represented in Figures 6-2 and 6-3. Fosters have completed Early Contractor Involvement to test the design and alternative more cost-effective options for key structural and foundational cost considerations.

Figure 6-2 Preferred Concept Layout (Ground Level)



Figure 6-3 Preferred Concept Layout (Spectator Seating Option – Level 1 Gantry / Mezzanine)



6.2.2 Site Features Informing Design

The overall concept design takes into account the positioning of the indoor court extension in Baypark in a site with multiple interdependent uses and facilities. A covered walkway "street" provides pedestrian connectivity between the eastern car parking area and proposed netball court development to the west. Provision of a reception / lobby space will support flexibility of use where either the additional 6 courts or 12 (when combined with the existing Baypark Arena Courts) are managed separately where event or other competition use requires.

Retractable seating for up to 1,000 spectators provides for (optional) small feature court experience that offers an alternative venue to the current Lion Foundation Centre show court. This may be required if show court provision in the Lion Foundation Centre is not possible on an as-required basis.

Other spaces provided for include:

- 4 changing room spaces
- Two community use rooms and a club room for Tauranga City Basketball
- Office and event control facilities
- An upper-level gantry/overlooking space for court viewing
- Perimeter court seating

6.2.3 Optional Additional Capital Spend

Servicing of the Lion Foundation Centre for events is currently compromised by the limited storage (storage of event assets overflows into the Baypark Arena storage area) and loading and circulation design. A concept plan design for improvements to address these problems is included in Figure 6-4. The Lion Foundation Centre is performing largely as an events venue, with limited show court use. However, the sprung floor in this space limits the types of events and pack-in and pack-out procedures for this space.

These limitations both impact the throughput of event set-up and the scope and scale of events possible. Converting the sprung floor in this space to a concrete floor would allow for better event set up and has been factored in as an optional capital cost element and considered in this financial case.

Further design and testing of this layout and more confirmed capital costing are being developed separate to this business case by Fosters Construction and Bay Venues. This business case uses a high-level estimate of $3.56m provided by Fosters Construction for these works

6.2.4 Capital Cost Estimate

The capital cost estimate for the concept plan has been provided by Fosters Construction (Fosters), who have undergone a design testing and pricing process with potential contract providers to understand likely cost and construction efficiencies. The costing and QS provided by Fosters is outlined in the following table and supports the three by two court arrangement identified in the preferred "optimised functional" alternative option. Fosters have also completed an estimate of the current masterplan option for comparison.

Table 6-1 outlines the preliminary capital construction cost estimate for the preferred 6 indoor court complex provided by Fosters.

Table 6-1 Quantity Survey Cost Estimate - 6 Indoor Court Complex

Item	Value (ex GST)
1 Preliminaries & General	$2,053,950

Item	Value (ex GST)
2 Demolition and enabling	$26,340
3 Piling	$818,174
4 Building Platform	$3,211,455
5 Substructure	$1,740,870
6 Structure	$2,062,049
7 Structural Walls	$176,520
8 Upper Floors	$93,800
9 Roof	$2,217,885
10 External Walls & Finishes	$643,335
11 External Windows & Doors	$1,175,500
12 Stairs & Balustrades $ -	$261,750
13 Internal Walls $ -	$293,930
14 Internal Windows & Doors $ -	$193,585
15 Internal Wall Finishes	$268,115
16 Ceiling Finishes	$459,275
17 Floor Finishes	$1,400,727
18 Fixtures & Fittings	$418,130
19 Sports Equipment	$1,346,530
20 Plumbing	$439,850
21 Electrical	$727,575
22 Mechanical	$844,610
23 Fire Protection	$607,524
24 Communications & Data	$97,500
25 Security	$142,500
26 Drainage	$38,700
27 Lift	$145,000

Item	Value (ex GST)
28 Siteworks	$688,255
Subtotal (as per elemental estimate)	*$22,593,434*
Design and Consent (10%)	$1,807,470
Overhead and Margin (6%)	$1,464,050
Sub Total	$25,864,954
Contingency	$3,879,740
Total Exc GST	*$29,744,694*

These preliminary cost estimates have excluded a number of components that will need to be considered if the project proceeds to the detailed design phase. A detailed list of exclusions is specified in this quantity surveyor's assessment and include:

- GST.
- Purchase of any land or buildings.
- Information technology equipment.
- Asbestos / contaminated material removal.
- Upgrade of services infrastructure on the Baypark site. These are proposed to be addressed through the wider Baypark infrastructure enabling works (e.g. parking, vehicle circulation, wastewater, stormwater and power supply).
- Development contributions.

Additional considerations, like stormwater mitigation and the provision of energy efficiency options, will be possible through the detailed design phase of this project.

6.2.5 Capital Funding Assumptions

Substantive funding for the capital construction of the proposed 6-court extension is assumed to be provided by Tauranga City Council. However, the TECT Community Trust has indicated (subject to business casing) it may consider contributing 50% of the capital cost, up to $15m of capital cost for the court addition.

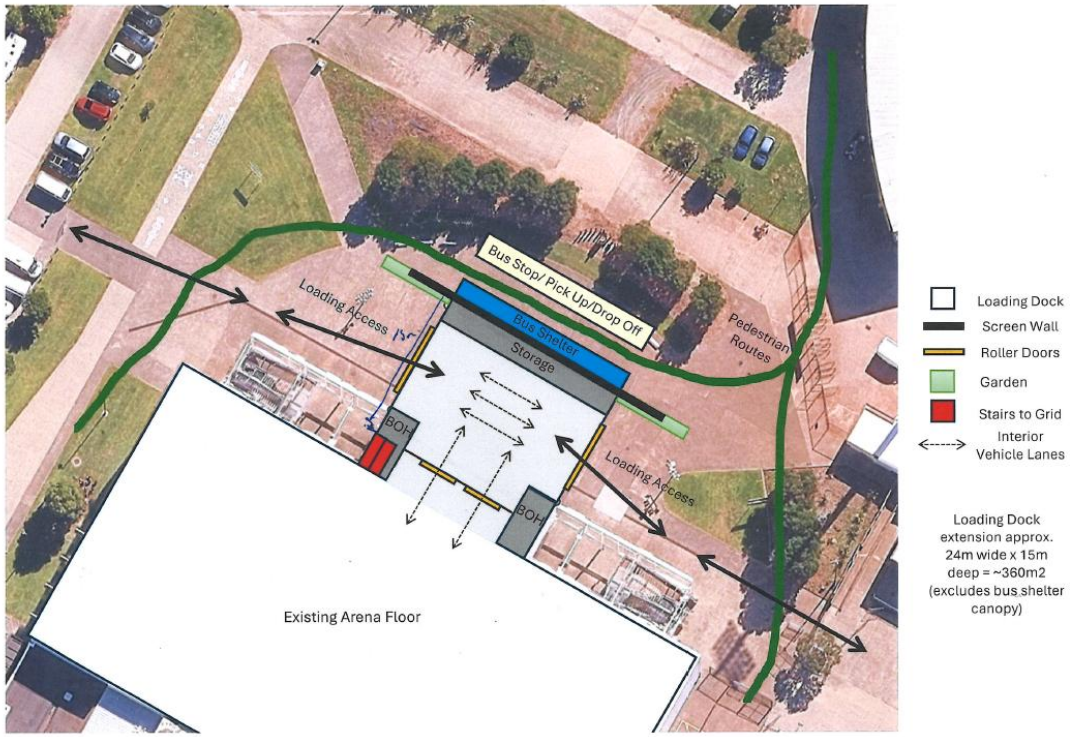
Tauranga City Council's contributions towards the indoor court extension are most likely to be sourced from development contributions (for the population growth share), and rates. Levels of Service underpinning the 2026/27 Development Contribution Policy indicate there is not currently a shortfall in indoor court provision in Tauranga City Council. This is based on a provision level of 1 indoor court per 13,000 population. As identified in the Strategic Case, this level of service is not accounting for current or future projected demand. An increase in level of service to 1 indoor court per 10,000 population is recommended. To achieve this update, and any potential growth funding possible, it is recommended the level of service and development contribution policy be reviewed and updated through the Long-term Plan 2027-37.

Capital cost modelling has been tested on the basis of full funding from Tauranga City Council, and an alternative funding split of 50% share met between the Council and a community funder(s).

Renewals are assumed to be met through fully funded depreciation of the asset by Tauranga City Council. Capital cost is projected at Treasury Rates of inflation.

Other funding contributions may be possible (e.g. Lotteries). These alternatives to Council funding have not been explored further in this business case.

Figure 6-4 Concept for Improved Storage, Loading and Vehicle Circulation – Lion Foundation Centre



6.3 Establishing a Base Financial Case

6.3.1 Base Financial Case

The starting point for evaluating the revenue and cost implications of operating model options for the proposed 6 indoor court extensions is built from the current revenue and cost performance of the Baypark Arena. This includes both the Lion Foundation Centre events, community indoor court use of the Baypark Arena (current 6 courts) and venue-wide bookings.

Figure 6-5 outlines the different cost and revenue elements forming part of this base case, informed by current Bay Venues Ltd financial information, booking and event hosting information. This is largely based on financial performance for the 2024/25 (FY2025) financial year.

6.3.2 Base Financial Case Assumptions

Baypark Arena operates as one of a number of venues managed by Bay Venues Ltd. This base financial case does not include Bay Venues staff overheads servicing this overall network, or any Tauranga City Council staff overhead. Other overheads like Information Technology are also not included in this base financial case.

The base financial case has relied on commercial event information for the FY2024/2025 year for events using the Lion Foundation Centre (3 court space) and Baypark Arena (6 court space) and other suites and bookings return.

Commercial event hosting includes revenue and costs for venue hire, catering and audio-visual servicing and hire. Operating surplus margins on events are estimated at:

- Venue hire: costs of staff, planners and logistics at 80% of hire fee.
- Catering: costs of staff and cost of goods sold at 80% of catering fee.
- Audio visual hire: staff costs and equipment hire at 80% of audio visual (AV)hire fee.

Table 6-2 outlines the Bay Venues event revenue and surplus performance (EBITDA) for the last three financial years. Table 6-3 highlights event examples hosted at Baypark Arena.

Table 6-2 Event Performance – Last 3 Financial Years (Baypark)

Item	FY2023/24	FY2024/25	FY2025/26
Event Hire Revenue	$784k	$837k	$930k
Event Catering Revenue	$2,420k	$2,411k	$2,396k
Event AV Hire Revenue	$586k	$934k	$838k
Event Hire Surplus	$156k	$167k	$185k
Event Catering Surplus	$484k	$482k	$479k
Event AV Hire Surplus	$117k	$186k	$167k
Event Operating Surplus (EBITDA)	$758k	$836k	$832k

It is assumed the Lion Foundation Centre will continue to be used for 100% of the time as a commercial event venue with continued capability to host ticketed professional court matches (e.g. BoP Magic).

The financial base case does not include any community outcome subsidy or similar revenue.

Table 6-3 Examples of Recent or Planned Events at Baypark Arena











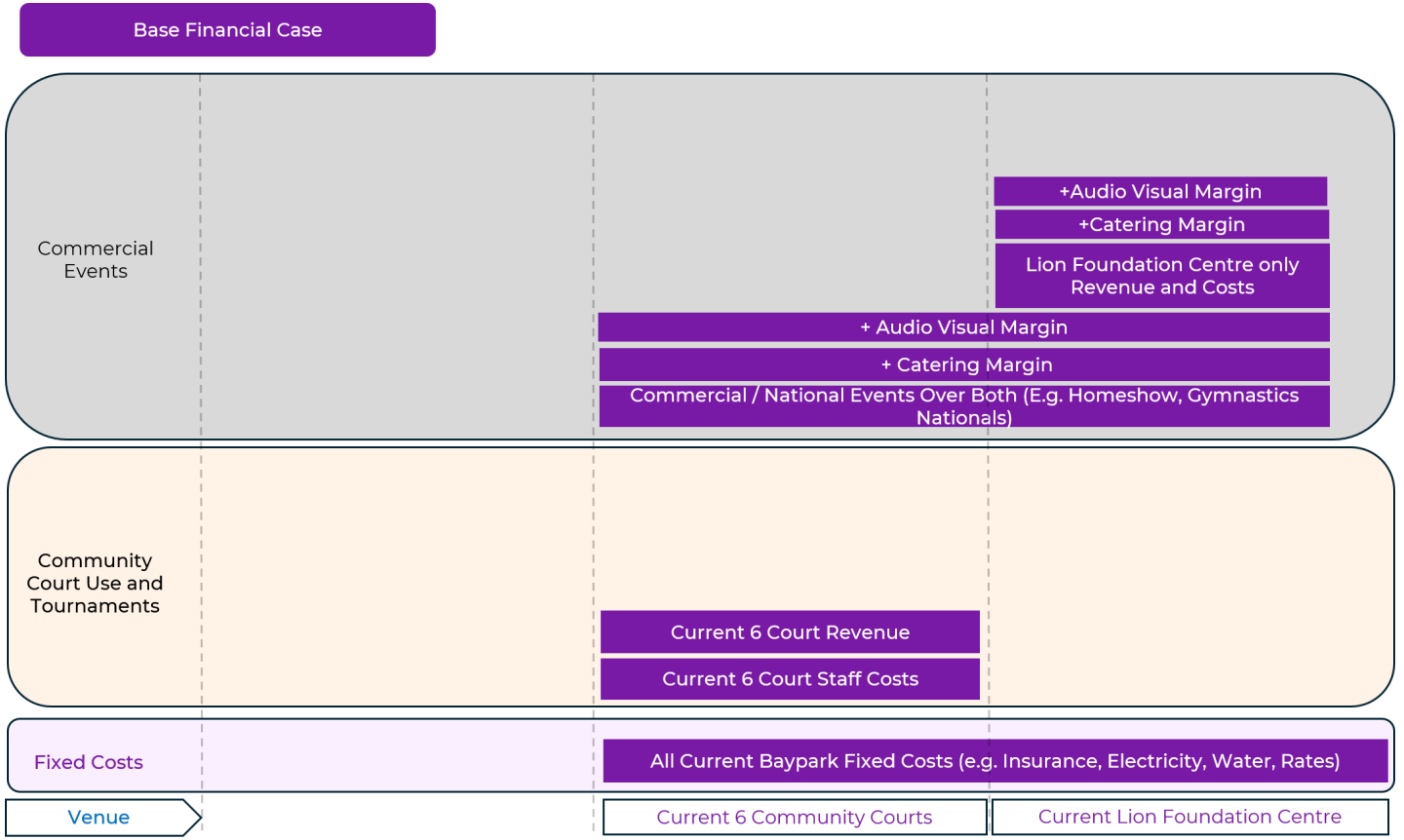








Figure 6-5 Base Financial Case Elements for Current Baypark Arena Operating Budget



6.3.3 Base Financial Case Summary

A summary of the revenue and costs making up the base financial case is outlined in Table 6-4 below. Itemised detail of the financial base case is included in Appendix Three. This provides a base case for evaluation of changes from the implementation of this business case.

Table 6-3 Summary of Base Operating Budget

Activity	Item	FY2025 Actual	FY2026 Base Year
Community Courts	Revenue	$799k	$815k
Commercial Events	Revenue	$4,182k	$4,164k[17]
Total Revenue		$4,981	$4,979
Community Court Staff and related costs	Costs	$392k	$400k
Commercial Events Catering, AV Hire, Planning and Logistics	Costs	$3,347k	$3,330k
Fixed Costs	Total Fixed Costs	$1,363k	$1,398k
Total Costs		$5,102k	$5,128k
Operating Surplus (EBITDA)		-$121k	-$149k

6.4 Financial Case New 6 Court Build

6.4.1 Assumptions

The following revenue and cost assessment is informed by recent financial data provided by Bay Venues Ltd for the 2024/25 financial year (unless otherwise specified) for both commercial and community events and regular community use. Key assumptions include:

- The additional 6 court complex is projected to open in Financial Year FY2029/30 after a two-year construction period (2027/28 to 2028/29).
- Budgeting is based on operation of the facility by Bay Venues Ltd to similar staffing levels and compensation rates to the existing Baypark Arena.
- All staff costs assume a 15% addition for staff entitlements like Kiwisaver, leave and ACC levy.
- Land rates have been excluded – noting these are paid for the entire site.

[17] *FY2026 Actual result.*

- All figures are GST exclusive.
- All figures are in 2026 dollars unless escalated to the projected facility opening date (revenue, costs).

6.5 Financial Case Option 1

6.5.1 What this includes

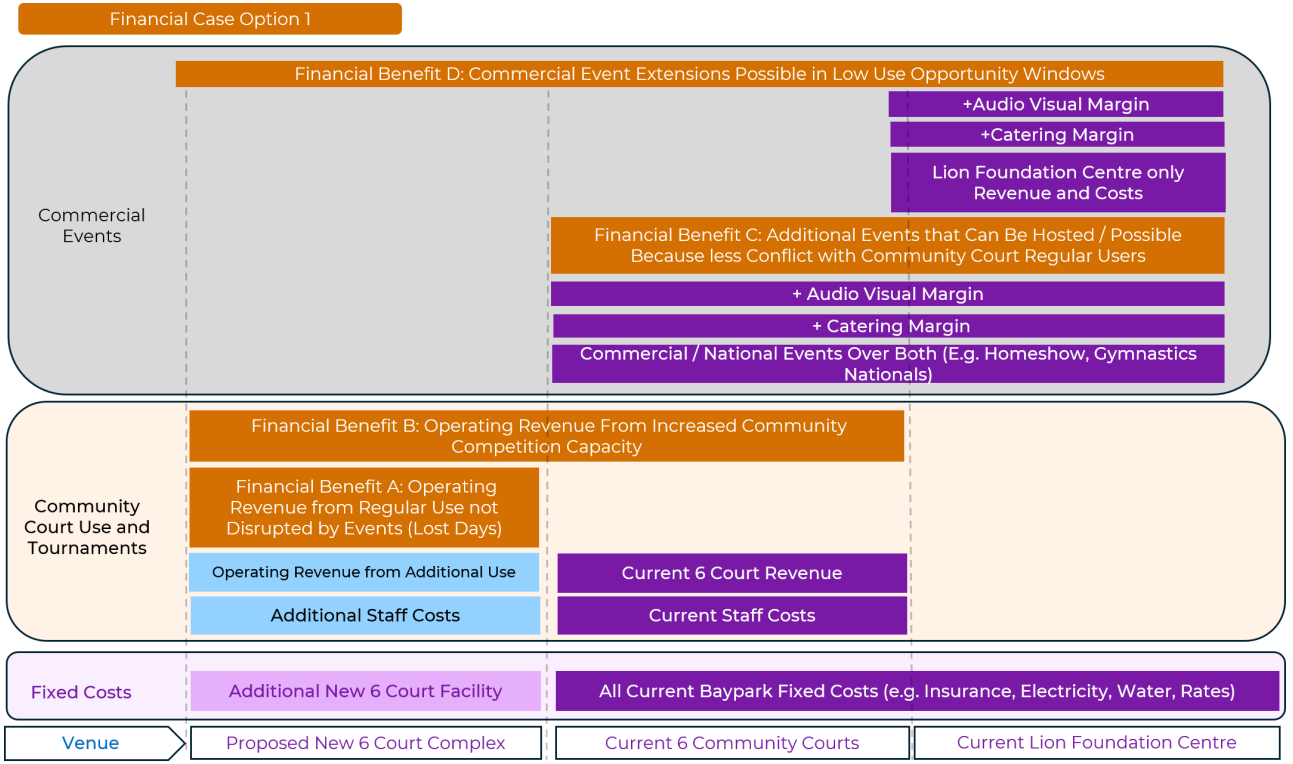
Financial Case Option 1 assesses changes to the Baypark Arena and Lion Foundation Centre operating budgets if the proposed 6 indoor court facility extension occurs. The operating budget developed for this option assesses the **additional financial benefits (revenue) and adjusted costs over and above the base financial case.** This assessment includes consideration of other wider benefits to increasing capacity (and reducing disruption of events) from the 6 indoor court extension.

These additional financial benefits (revenue) and adjusted costs include only community court bookings and activity, and any event using the Lion Foundation Centre and/or the 12 (including 6 additional) community indoor courts.

Consideration of event revenue or costs does not include any event or function bookings that only use meeting rooms or suites.

This financial case option could be applied for either the “optimised functional” option or “masterplan footprint” option.

Figure 6-5 Financial Case Option 1



6.5.2 Operating Revenue from Additional Use of New 6 Court Facility

Current user stakeholder interviews indicate there is strong demand for additional community use from current users TCBA Basketball, Mount Pickleball, and Volleyball Tauranga. Strong demand requirements have also been expressed by WaiBoP football for futsal use, known demand for Bay Venue football and netball league extension. Some of this demand is projected to be possible with greater certainty of court accessibility and the opportunity for extended competitions, age groupings and format offerings. Utilisation growth of the courts is forecast based on current Baypark community court use on the following basis:

- Year One (75% of current 6 Court Baypark Arena revenue).
- Year Two (85% of current 6 Court Baypark Arena revenue).
- Year Three (95% of current 6 Court Baypark Arena revenue).
- Year Four (100% of current 6 Court Baypark Arena revenue).

Projections of additional demand and revenue uptake are based on the recent uptake profile for The University of Waikato Haumaru Sport and Recreation Centre which took some time to build to full capacity as programmes and court use establish. Full operation revenue and cost projections include school term time utilisation projections (weekday / peak times) for community use and are based on the Baypark Arena Community Court 2024/25 Revenue of $771k for venue hire, staff hire, programmes, and sports leagues. Noting this has been escalated by 2% to ensure an even base year for the opening year of the facility (FY2029).

Table 6-4 Projected Community Court Revenue – New 6 Court Extension (Community Sport and Recreation Use)

	Year One Revenue and Utilisation % (additional 6 Courts)	Year Two Revenue and Utilisation % (additional 6 Courts)	Year Three Revenue and Utilisation % (additional 6 Courts)	Year Four Revenue and Utilisation % (additional 6 Courts)
Additional Annual Revenue from new 6 Court Extension	$612k (75% of current 6 Court)	$693k (85% of current 6 Court)	$774k (95% of current 6 Court)	$815k (100% of current Baypark 6 Court)

6.5.3 Additional Staffing Costs from Community Use of New 6 Court Facility

Table 6-5 below outlines the projected additional staff requirements for community court operation of the community indoor courts. This has been informed by Bay Venues staff and existing practice.

Table 6-5 Community Indoor Court Additional Staffing Cost Projections

Staff	Hours Per Week	Weeks / Year	Rate (incl 15% for Kiwisaver, Leave, ACC)	Total
Supervisor	40	48	$38.19	$73,325

Staff	Hours Per Week	Weeks / Year	Rate (incl 15% for Kiwisaver, Leave, ACC)	Total
Venue Attendance (In School Term time)	96	40	$34.33	$131,827
Venue Attendance (School Holidays)	40	8	$34.33	$10,986
Sports Bookings	10	48	$34.5	$16,560
Programme Leagues (Year One)	Accounting for known demand of 22 weeks displaced football activity.			$17,600
Programme Leagues (Year Two)	Growth of Leagues that equates to 33 weeks.			$26,000
Programme Leagues (Year Three)	Growth of leagues that equates to 44 weeks.			$35,000 (year)

6.5.4 Financial Benefit A – Current Community Use Disruption Resolved

An identified benefit of the additional 6 court extension is less disruption of regular community hirer use when there is an all-of-venue event (like a Homeshow). In 2025 (calendar year) Bay Venues Ltd estimate 1978.5 hours of lost community booking time from this disruption. The financial modelling assumes this use time is no longer disrupted and projects this disrupted time will now be available. This is estimated at a regular community hirer rate of $39.13 hour ($45 hour inc GST) and amounts to $77,400 additional revenue per year. There is not assumed to be any additional costs associated with this beyond other staffing and costs assumed for the additional 6 court facility.

6.5.5 Financial Benefit B -Additional Event Capacity – Community and School

With 6 additional indoor courts, there will be a capacity of 12 courts available for sub-regional secondary school sport and recreation events, or for the extension of current events like AIMS Games. In 2024/25 there were 68 days of these events which generated an estimate revenue of $1,100 day (generally for venue hire). With the additional capacity created by the new 6 court extension it is assumed a further 10 days of these events will be possible each year across the entire Bay Park Arena. With up to 12 courts capacity, revenue is projected for these events at $2,200 per day. Achieving this projection would provide an additional $22,000 in revenue per year. Factoring in associated staffing costs at 20% of revenue costs planner and logistics support from Bay Venues Ltd., a total additional surplus per year of $17,600 is projected for this financial benefit.

6.5.6 Financial Benefit C – Additional Commercial Event Capacity

With an additional 6 community courts, there is scope for additional commercial events that can be hosted across the Lion Foundation Centre and Baypark Arena. In 2024/25 there were 20 commercial event days across the Lion Foundation / Baypark Arena 6 Court. With fewer constraints from

community users, this is projected to increase to 25 commercial event days (5 additional Year One) and 30 commercial event days (10 additional ongoing from Year Two). In 2024/25, this venue only booking was $318k with total revenue (including catering and AV hire) of $755k. Venue hire is expected to attract the revenue and incur the costs outlined in Table 6-6.

Table 6-6 Additional Commercial Event Revenue and Cost Estimates Lion Foundation + Baypark Arena

	Year One Revenue	Year Two Revenue	Year One Cost of Goods Sold	Year Two Cost of Goods Sold
Additional Commercial Venue Bookings	5 Days $79.5k	10 Days $159k	$64k (Planner and Logistics)	$127k (Planner and Logistics)
Additional Catering / AV Revenue	5 Days $109k	10 Days $219k	$87k (Cost of Catering / AV)	$175k (Cost of Catering / AV)

6.6.6 Financial Benefit D – Full Use of Entire Venue for Commercial Events

Full use of the entire (with 6 court extension) Baypark Venue for commercial events would be possible at times that does not disrupt regular community term use. Example timing windows each year would include School Holidays or shoulder timings like between Oct-January.

An additional 1 full national commercial sporting or cultural event able to be hosted across the entire facility is forecast. The additional revenue and costs expected are based on the 2024/25 National Kapahaka event, which generates $110k from booking and an additional $100k for catering / AV). With 25% additional space possible from use of the new court extension, additional revenue of $52,500 per year is projected.

6.6.7 Summary Operating Budget – Financial Case Option 1

Table 6-7 outlines the additional revenue, cost and operating surplus for the Bay Park Arena – on top of the current base financial case. This illustrates that the additional revenue, less additional costs, is projected to result in a Year One operating surplus of $38k, extending to $269k by Year Four (and continuing at that level).

Table 6-7 Financial Case Option 1 Summary

Activity	Item	Year One	Year Two	Year Three	Year Four
Community Courts	Additional[18] Revenue	$711k	$792k	$874k	$915k

[18] *Operating Revenue from Additional Use, Financial Benefit A and B*

Activity	Item	Year One	Year Two	Year Three	Year Four
Commercial Events	Additional[19] Revenue	$241k	$430k	$430k	$430k
Total Additional Revenue		**$952k**	**$1,222k**	**$1,304k**	**$1,345k**
Community Court Staff and related costs	Additional Costs	$257k	$257k	$257k	$257k
Commercial Events Cost of Goods Sold	Additional Costs	$193k	$355k	$355k	$355k
Fixed Costs	Total Fixed Costs	$508k	$508k	$508k	$508k
Total Costs		**$958k**	**$1,120k**	**$1,120k**	**$1,120k**
Operating Surplus (EBITDA)		-$5.7k	$103k	$185k	$225k

This summary indicates that the operation of the proposed changes to Baypark Arena to accommodate 6 additional community courts and the event capacity this creates will return an operating surplus of $225k per year once fully operating. Noting this figure does not include Bay Venues Ltd staff and other overheads.

6.6 Financial Case Option 2

6.6.1 What this includes

Financial Case Option 2 assesses changes to the Baypark Arena and Lion Foundation Centre operating budgets if the proposed improved loading, storage and concrete floor replacement occur in the Lion Foundation Centre, See Figure 6-4. Bay Venues and Fosters Construction are reviewing this design and cost estimate in more detail outside this business case.

6.6.2 Financial Benefit E – Lion Foundation Centre Functional Servicing Improvements

Improvements to the laydown, loading and concrete floor replacement of the Lion Foundation Centre is projected to increase the throughput of events possible across Baypark Arena space by 20% on current 2024/25 usage, see Table 6-8.

[19] *Financial Benefit C and D.*

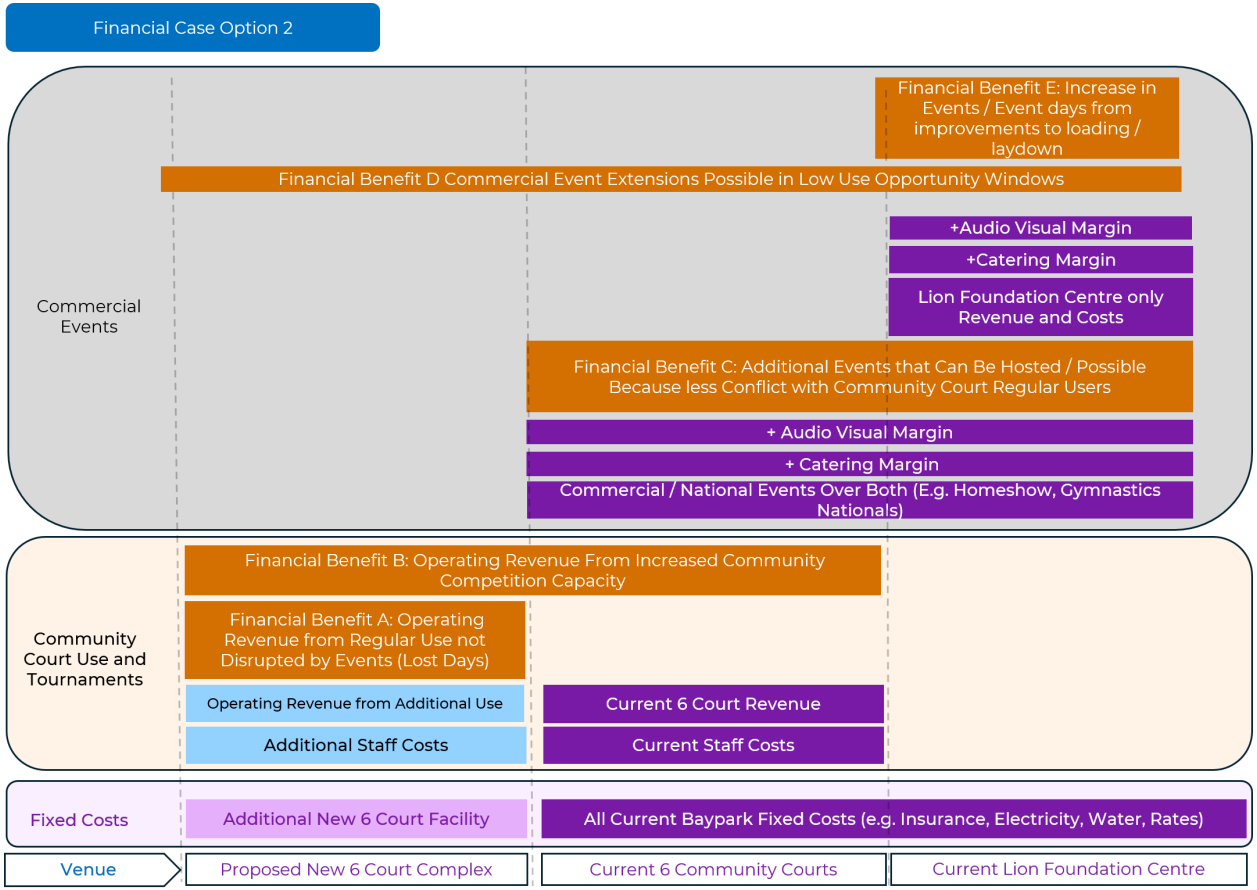
Table 6-8 Projected Revenue and Costs for Improvements to Lion Foundation Centre

	Year One	Year Two (and ongoing)
Additional Commercial Events Revenue (Lion Foundation Centre)	$625k[20]	$833k
Cost of Goods Sold for Additional Events (80%)	$500k	$666k
Operating Surplus	$125k	$167k

This assessment indicates the additional income generated by these works will contribute about $167k per year additional operating surplus.

[20] *At 75% capacity.*

Figure 6-6 Financial Case Option 2



6.7 Whole of Life Cost Assessment

6.7.1 Whole of Life Cost – Preferred Option

The 30-year whole of life cost for the 6 indoor court complex for the preferred "optimised functional" alternative option and original "masterplan" footprint option are outlined in Table 6-9. This illustrates a $6.39m saving over a 30-year period in pursuing the "optimised functional design" option, driven largely by construction cost savings and lower payback over the life of the investment.

Table 0-9 30-Year Whole of Life Cost Summary

	Original "Masterplan Footprint" Design	"Optimised Functional" Alternative
Total Capital Estimate	$32.10m	$29.74m
Debt Servicing (30 years)	$28.80m	$26.73m
Operating Position (30 year total)	+$6.37m	+$6.37m
Total before Depreciation	$54.53m	$50.10m
Depreciation[21]	$32.10m	$29.74m
Total	$86.23m	$79.84m

6.7.2 Whole of Life Cost - Sensitivity Analysis

Projecting a whole-of-life cost for a facility over a 30-year period does come with a high degree of uncertainty. Capital construction costs and operating model assumptions can change and have a bearing on the overall whole-of-life cost. Table 6-10 assesses the impacts of changes in operating revenue and expenses and construction costs for the preferred "optimised functional design" alternative option.

Table 0-10 30-Year Whole of Life Cost – Sensitivity Analysis

	Operating Revenue (-15%)	Operating Expenses (+15%)	Construction (+15%)	Preferred Option
Total Capital Costs	$29.74m	$29.74m	$34.20m	$29.74m
Debt Repayment interest over 30 years.	$26.73m	$26.73m	$29.40m	$26.73m

[21] *Renewals are assumed to be included in fully funded depreciation.*

	Operating Revenue (-15%)	Operating Expenses (+15%)	Construction (+15%)	Preferred Option
Depreciation	$29.74m	$29.74m	$34.20m	$29.74m
Operating Position	$0.4m	$1.36m	$6.37m	$6.37m
Total	**$79.85m**	**$85.82m**	**$84.87m**	**$91.45m**

This sensitivity analysis indicates that the most impactful change to the overall whole-of-life cost of the proposal is an increase in construction costs. Opportunities to test this risk through procurement options are outlined in the Commercial Case.

6.7.3 Whole of Life Cost – Other Funding Contribution

TECT Community Trust has indicated a potential contribution of 50% of the capital cost of constructing the additional 6 indoor courts, to a maximum contribution of $15m. This will support appreciable initial capital and whole-of-life cost reduction for Council, as indicated in Table 6-11 below.

Table 6-11 Council and Community Funding – Council Costs

	Original "Masterplan Footprint" Design	"Optimised Functional" Alternative
Total Capital Estimate for Council	$17.10m	$14.74m
Debt Repayment interest over 30 years.	$15.32m	$13.02m
Operating Position (30 year total)	+$6.37m	+$6.37m
Total before Depreciation	$26.05m	$21.39m
Depreciation[22]	$32.10m	$29.74m
Total	$58.15m	$51.09m

Should supporting capital investment be secured from a Community Funder, the overall affordability of the project is significantly improved for Council (about $28.75m difference over the 30-year life of the building). This is largely achieved through a lower initial cost of construction, and reduced interest payback levels.

[22] *Renewals are assumed to be included in fully funded Council depreciation.*

Given the advantages for Council where this contribution can be secured, it is recommended this funding opportunity continue to be pursued.

7. Commercial Case

This commercial case outlines options to procure the preferred "optimised functional" indoor court option. As the proposed development site is located on Council-owned land, operation similar to the existing buildings on site, our assumption is that the new build will be developed and owned by Council, and operated by Bay Venues Ltd. The procurement options outlined in this Commercial Case have been developed on this basis.

7.1 Procurement Options

7.1.1 Early Contractor Involvement

Increasingly, there are benefits from Early Contractor Involvement. Bay Venues Ltd has engaged Fosters Group to develop and test building and geotechnical design options with contractors. This process is intended to reduce cost uncertainty and identify where different structural and foundation solutions may best meet cost efficiencies.

While this is not a procurement model, early and ongoing contractor involvement can support the best procurement approach, and particularly suit a design and build approach.

7.1.2 Procurement Approaches

While there are a range of procurement options for the construction of the indoor court facility, the two most common approaches for this type and scale of facility are:

- A traditional tender process – where the design is fully developed by the client before the construction contract is tendered and awarded; or
- A design and build approach – where the main contractor is selected and takes responsibility for both the design and the construction stages.

The advantages and disadvantages of each of these options are summarised below.

7.1.3 Traditional Tender Process

In this procurement approach, the detailed design of the facility is separate from the construction (or build) process. Typically, the detailed design is procured through professional services (like consultants). A consultant (or consultants) is appointed to complete the detailed design and provide overall cost control. A building contractor is then responsible for carrying out the instructed works to develop the facility. In this approach, the design is fully developed (detailed) by the client prior to any construction contract being procured, tendered and awarded.

Typically, a traditional tender process will mean:

- That construction specifications are prescriptive, allowing easy comparison of construction tenders.
- There is direct control over quality of both specification of design and delivery of the final product.
- Longer time frames to complete construction, which cannot commence until all design work is complete.
- Price is only agreed at the end of the design phase.
- Design risk sits with the client (albeit backed up by consultants' Professional indemnity insurance).

7.1.4 Design and Build Approach

In recent times, some facility developments have been undertaken using a Design and Build (D & B) approach. With the D&B delivery method, a main contractor is selected and takes responsibility for both the design and the construction stages.

A D&B approach can have the advantages of achieving cost savings by reducing design fees and other professional services needed to fully confirm specifications.

The D & B approach differs from the traditional tender approach because the appointed contractor specifies the materials and construction parameters. This can mean a client has less control over the construction process. Where a D&B approach is the preferred procurement strategy, several measures should be considered, including:

- Seeking independent legal and project management advice in developing a detailed tender brief that can be released to a selected number of D&B companies to confirm total project costs (including an undisclosed contingency).
- A skilled, experienced Facility Manager is engaged as part of the client representative team for this development, from tender brief to construction and commissioning, to ensure operational considerations are factored into the process.
- Once the selected contractor has been appointed, the obligations of all parties to this procurement decision should be clearly agreed in a contract.

7.1.5 Two Procurement Approaches Compared

The diagrams below (Figure 7-1 and 7-2) show the typical contractual arrangements for the 2 procurement methods to help illustrate the main differences between them.

Figure 7-1 Traditional Delivery Model Structure[23]

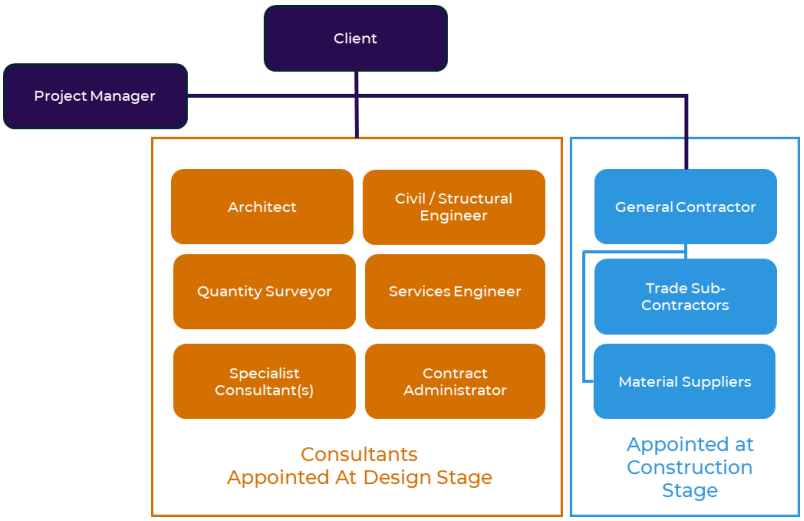


Table 7-1 provides an overview of the advantages and disadvantages of the Traditional Delivery Model.

[23] *Based on https://www.procurement.govt.nz/assets/procurement-property/documents/traditional-delivery-model-construction-procurement.pdf*

Table 7-1 Comparing Advantages and Disadvantages of the Traditional Delivery Model

Advantages	Disadvantages
Specialist consultants can guide a more functional outcome.	Longer time frames[9] (construction cannot start until all design work is complete).
The specifications are prescriptive, allowing easy comparisons of construction tenders.	Little or no input into design by the construction contractor.
Price certainty at the award of a contract.	Multiple contact points to manage.
Price is the "true competitive market price" & therefore ensures substantial value for money.	Price is only agreed at the end of the design phase.
Variations (changes) are easily managed.	Design risk sits with the client (albeit backed up by consultants' Professional indemnity insurance).

Figure 7-2 Design Build Delivery Model Structure

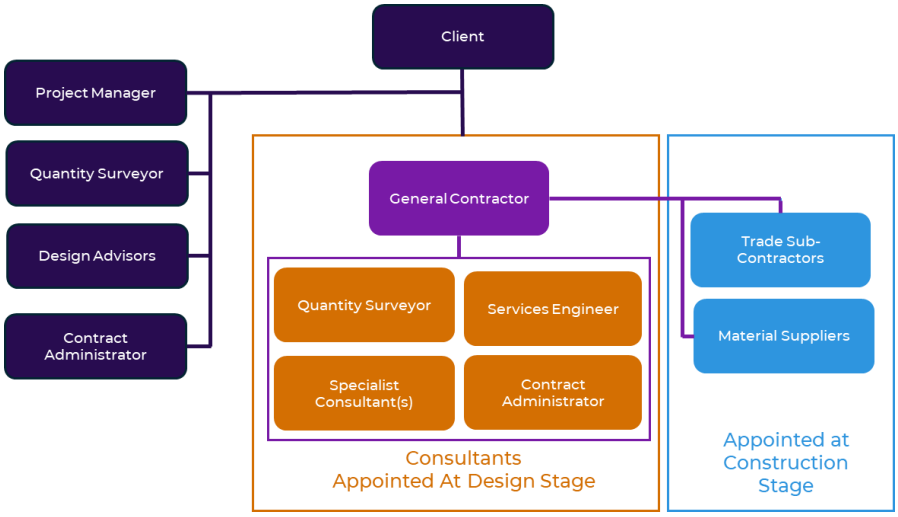


Table 7-2 provides an overview of the advantages and disadvantages of the Design and Build procurement methods.

Table 7-2 Comparing Advantages and Disadvantages of the Design and Build Delivery Model

Advantages	Disadvantages
Potential for shorter time frames (construction can begin earlier)	Client changes to scope can be expensive
One firm to deal with	Comparing tenders can be difficult as each design is different

Price certainty	Variations need to be limited to manage cost control
Price is agreed at an earlier stage, partway through the design stage.	Price is usually agreed upon before completion of the design; therefore, the contractor will likely include a contingency for pricing risk at this point
Design risk sits with the contractor.	Sometimes difficult to prepare an adequate brief
	Contractor is able to substitute lower-quality construction practice or materials while still meeting the brief.

7.1.6 Next Steps

Developing a procurement approach is dependent on decisions on funding of any indoor court complex.

It is noted there are other development projects planned for Baypark and there may be advantages in procuring development in packages with other works (e.g. netball centre, Speedway pits, car parking and circulation and enabling works).

8. Management Case

This management case outlines next steps assuming that the operating of the 6 indoor court extension will continue to be managed by Bay Venues Ltd.

8.1 Implementation

8.1.1 Long-term Plan Funding Consideration

Tauranga City Council funding of the potential indoor court extension at Baypark Arena is yet to be included in Long-term Planning. There is an opportunity for funding to be budgeted through the forthcoming Long-term Plan 2027-37. This Long-term Plan process should also consider updates to the level of service for indoor courts in the Tauranga City Council network to align to current demand and be closer to the metric recommended by Sport New Zealand.

8.1.2 TECT Community Trust Funding

There will be significant initial capital cost and whole-of-life cost savings for the Tauranga City Council should the TECT Community Trust contribute capital cost funding to the project. Early consideration and indication of funding commitment from TECT Community Trust will support budget consideration and decision-making for the project through the Council's Long-term Plan process.

8.1.3 User Engagement

While there has been some engagement through development of this business case with current and potential users, it is recommended that Bay Venues Ltd provides an update on planning for the proposed indoor courts to ensure feedback to these user groups.

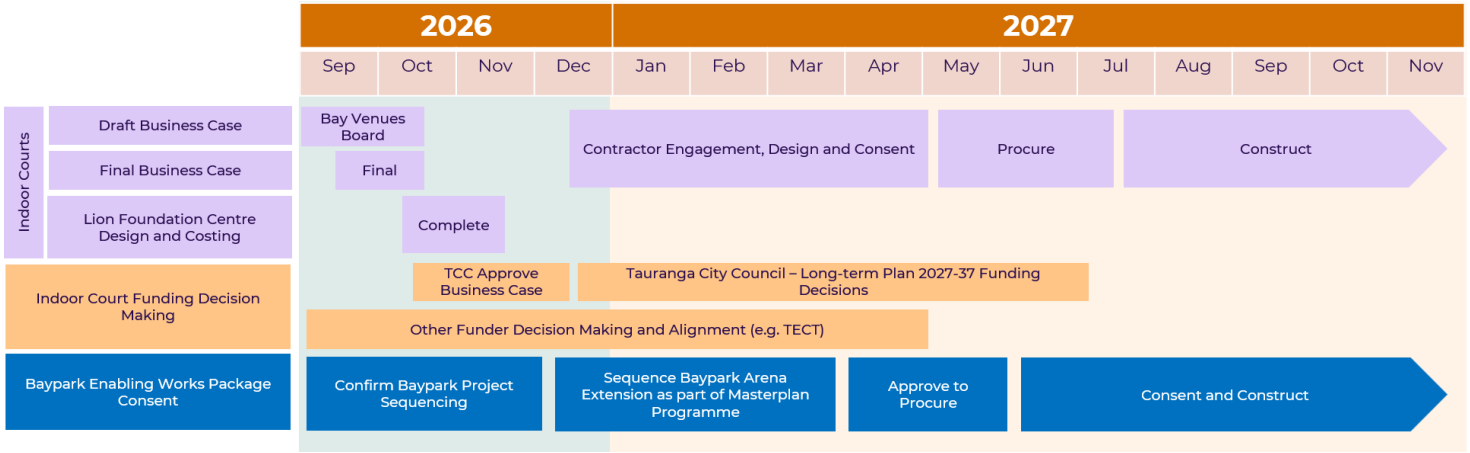
8.1.4 Sequencing of Enabling Works - Baypark

Under current timeframes, it is understood that Tauranga City Council staff will be seeking approval to proceed with a package of enabling works for Baypark. This will support project sequencing and ensure efficient consenting, iwi engagement and subsequent contractor procurement.

8.2.3 Project Management

Figure 8-1 summarises a high-level road map to guide next steps for the indoor court project.

Figure 8-1 High-Level Road Map, Sequencing and Interdependencies





Appendices

The following appendices provide additional information and supporting material referenced in this document.

9.Appendix One: Strategic Case Context

9.1 Level of Provision

9.1.1 Tauranga Indoor Court Levels of Provision

The Tauranga City Council Play, Active Recreation and Sport Action and Investment Plan 2023-33 was finalised in 2023 (2023 Investment Plan) and built on the 2021 Community Facilities Investment Plan. The 2023 Investment Plan included a Level of Service for Council provision of indoor courts of 13,000 population per court.

This Level of Service accounts for the core Council provision of community indoor courts and does not account for community provision that occurs through other organisations (like schools or private providers).

9.1.2 National Indoor and Active Recreation and Sport Facilities Strategy

Sport New Zealand released the National Indoor and Active Recreation and Sport Facilities Strategy (the strategy) in 2023. The strategy identified current shortfall in provision of indoor multi-sport courts at both regional and national scale. A provision metric of one active recreation and court space per 7,800 population was developed through this strategy as an appropriate start point for assessing provision across New Zealand. This provision metric does include community provision through organisations other than the Council (like schools or private providers).

The strategy counted 29 “Full time Equivalent Courts” (FTE) across the Bay of Plenty as available for community use, although many of these spaces are only available for a proportion of the day and / or week. This current provision was assessed to fall 13 FTE courts short of what is required under the 1:7,800 provision metric and would increase to 17 FTE courts by 2038 (with no additional provision).

Since the strategy was completed, Tauranga City has added 4 FTE courts provision to the network through the recently opened Haumaru indoor court complex, which was not factored into the strategy assessment for the Bay of Plenty.

9.1.3 A Level of Service Assumption for this Business Case

A Level of Service assumption of 1 indoor community court per 10,000 population has been applied to assess network implications and scenarios that follow.

This level of service assumption has been applied to take into account the guidance provided by the 2023 National Indoor and Active Recreation and Sport Facilities Strategy. This guidance was not factored into the current Tauranga City Council level of service developed through the 2023 Investment Plan. This does not reflect a change in the Tauranga City Council Level of Service policy for indoor courts and has been developed as a pragmatic metric for consideration of this Business Case to reflect the National Strategy guidance.

9.1.4 Community Investment Plan 2021

The following table outlines the specific actions related to indoor courts in the Community Investment Plan 2021.

Table 9-1 Specific Indoor Court Actions – Community Investment Plan 2021

Provision for future 200,000+ population				Rationale
Citywide	**Local**	**LTP 2021-2031 Priorities**	**Future Priorities**	
Baypark Arena Redeveloped – QEYC and Memorial Hall (+ additional court)	New-Eastern Corridor New – Western Corridor	Redevelopment of Memorial Hall and provision of additional courts as part of Memorial Park Recreation Hub Purchase of land in Eastern and Western corridor for future provision Ongoing network reviews Consider options to free-up court space at Baypark Arena (link to Baypark Masterplan)	Development of Eastern and Western Corridor indoor sports centres. Implementation of outcomes of network reviews (consideration to Aquinas Action Centre and Merivale Action Centre due to condition, suitability need, growth).	Level of service guide – local facilities serve 15,000 to 30,000 people (6-8km catchment) Citywide facilities serve 30,000 + people (10km + catchment) Memorial Hall replacement and additional court required to condition of asset and need for additional capacity in the network.

9.1.5 Play, Active Recreation and Sport Action and Investment Plan

Table 9-2: Specific Indoor Court Actions – Play, Active Recreation and Sport Action and Investment Plan.

Action and Programmes of Work	Proposed timeframes	Priority
Redevelopment of Memorial Hall (QEYC) and provision of additional courts as part of Memorial Park Recreation Hub.	Short term	Priority Action
Western Corridor Indoor Sports Centre Development	Long term	Priority Action
Refining the planning for indoor court provision planning. Defining how to configure individual facilities or hubs. For individual sites it may be appropriate to take a more bespoke approach. Include consideration for the requirements of the Indoor Roller Sports Collective. Sport New Zealand are currently updating the National Indoor Sport and Active Recreation Facilities Strategy which will be available around July 2023.	Immediate	

Action and Programmes of Work	Proposed timeframes	Priority
Consider options to free-up court space or expand at Mercury Arena (link to Baypark Master Plan).	To be determined through planning process.	
Potential removal of Mount Sports Centre as part of Blake Park master planning.	To be determined through planning process.	
Find alternative space for displaced users from three courts while Memorial Hall is redeveloped and Mount Sports Centre if it is removed (e.g. school gyms, vacant industrial building, outdoor courts).	Immediate – short term	
Regional badminton development at Tatua Reserve.	Medium term	
Wairakei/Te Tumu Indoor Sports Centre Development.	Long-term	

9.2 Demand for Indoor Courts

9.2.1 Secondary School Survey – Tauranga

Figure 9-1 New Zealand Secondary School Survey (Typical Indoor Sport Participation 2014-2024) – Tauranga Colleges

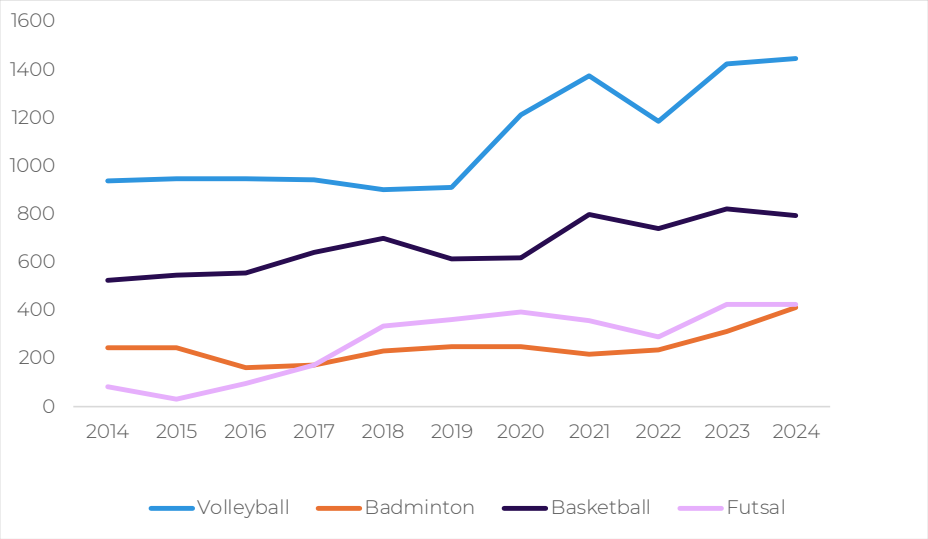
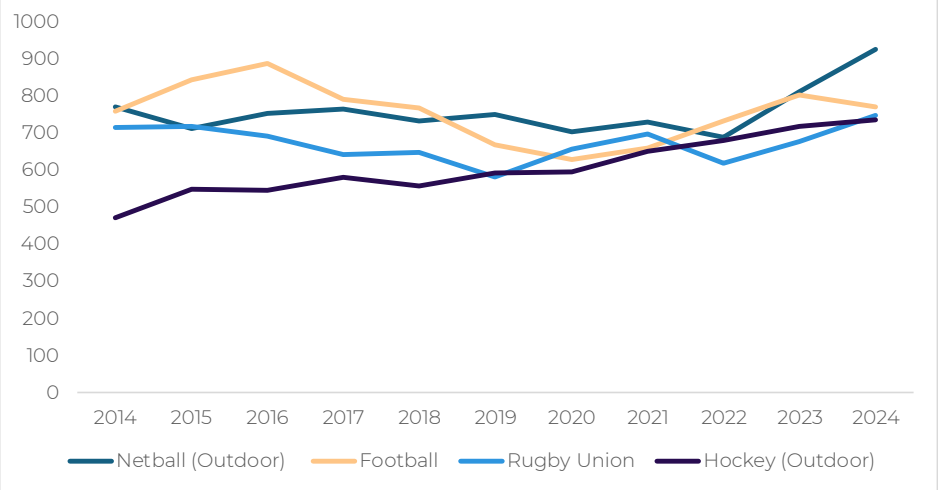


Figure 9-2 New Zealand Secondary School Survey (Typical Outdoor Field / Turf Participation 2014-24), Tauranga Colleges.



9.2.2 Emerging Sport Capacity

In addition to known current sport and recreation capacity challenges there are also new and emerging sport and recreation activities which may generate new and different demands. Sport Bay of Plenty completed a study in November 2025 “The Changing Game” which identified growing and emerging sport and recreation activities in the Bay of Plenty. For indoor court use this included:

- 3 x 3 Basketball
- Futsal
- Pickleball

Additional minority sport users were also identified with 113% growth in Parafed sports and Ki-o-Rahi.

9.3 Community Indoor Court Provision Scenarios (2028-38)

Tauranga City Council's desire is for community facility provision to be considered as a network. This means considering how the provision of community indoor courts may change over time – either through the addition or subtraction of new facilities. To inform the Strategic Case in this business case the following scenarios have been developed to support assessment of the timing or provision of additional indoor court capacity at Baypark Arena. A timeframe of 2028-38 has been selected to align with current population forecast milestones, and Long term planning.

9.3.1 Provision at Tauranga City Council Current Level of Service

Assumptions for All Scenarios	
• The Tatua Sports Hub will be constructed and add an additional 2 indoor courts to the network by 2038 • The Mount Sports Hall will be decommissioned and remove 1 indoor court from the network by 2038 • The QEYC courts will be retained in the network until at least 2041.	
Assumptions specific to Scenario 1 (1:13,000 Level of Service)	• Only core Council indoor court provision through Council owned and operated facilities are included in this network.
Assumptions specific to Scenario 2 (1:7,800 Level of Service)	• Indoor court provision is assessed under the "Full time Equivalent" interpretation in the National Indoor Active Recreation, Sport Facilities Strategy • The 3 court event space at Baypark Arena is assessed as 0.75 FTE Court. *Noting an additional assessment could include transferring the Bay Venue operated Aquinas and Merivale Action Centres to school only provision.*
Assumptions specific to Scenario 3 (1:10,000 Level of Service)	• Indoor court provision is assessed under the "Full time Equivalent" interpretation in the National Indoor Active Recreation, Sport Facilities Strategy

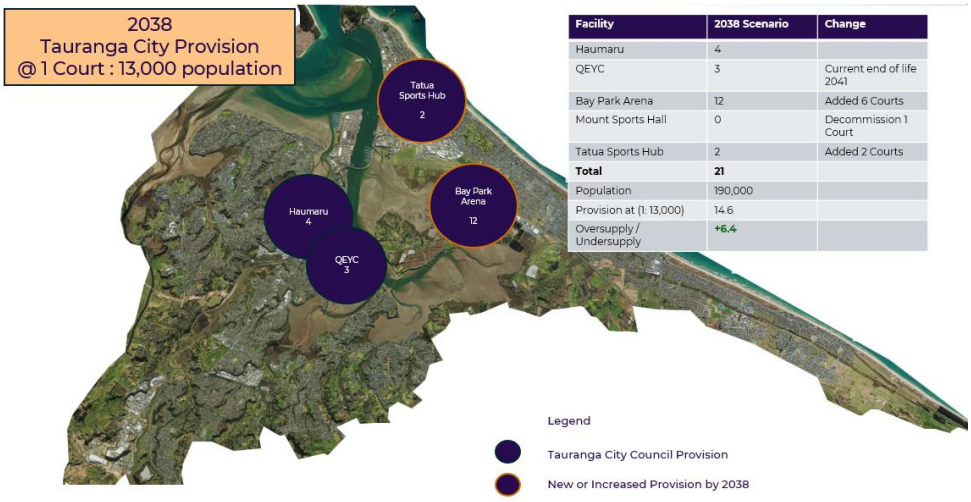
The implications of these Scenarios are outlined in the sequence of network maps that follow.

9.4 Network Scenarios

9.4.1 Scenario 1 Network



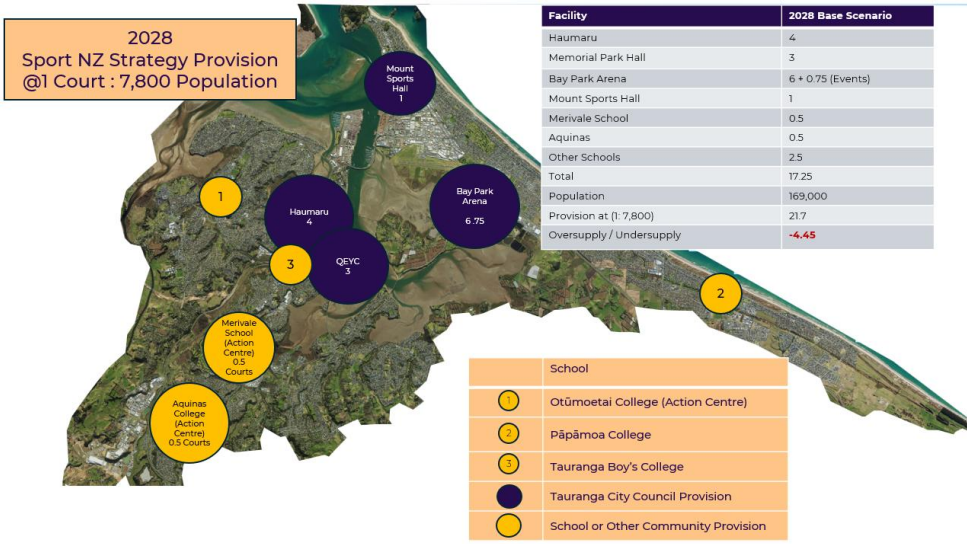
Facility	2028 Base Scenario
Haumaru	4
QEYC Courts	3
Bay Park Arena	6
Mount Sports Hall	1
Total	**14**
Population	169,000
Provision at (1: 13,000)	13
Oversupply / Undersupply	+1



Facility	2038 Scenario	Change
Haumaru	4	
QEYC	3	Current end of life 2041
Bay Park Arena	12	Added 6 Courts
Mount Sports Hall	0	Decommission 1 Court
Tatua Sports Hub	2	Added 2 Courts
Total	**21**	
Population	190,000	
Provision at (1: 13,000)	14.6	
Oversupply / Undersupply	+6.4	

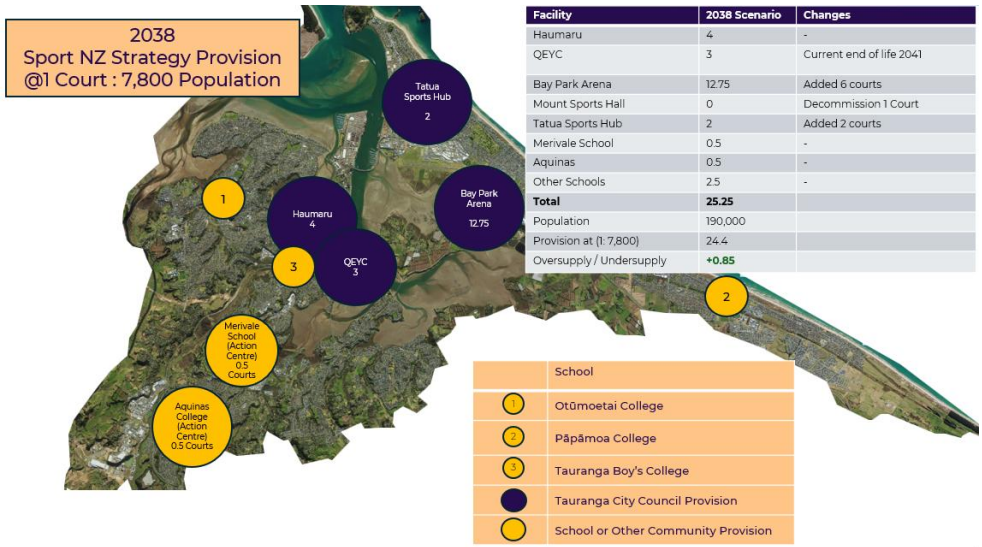
RSL

9.4.2 Scenario 2 Network



Facility	2028 Base Scenario
Haumaru	4
Memorial Park Hall	3
Bay Park Arena	6 + 0.75 (Events)
Mount Sports Hall	1
Merivale School	0.5
Aquinas	0.5
Other Schools	2.5
Total	17.25
Population	169,000
Provision at (1: 7,800)	21.7
Oversupply / Undersupply	-4.45

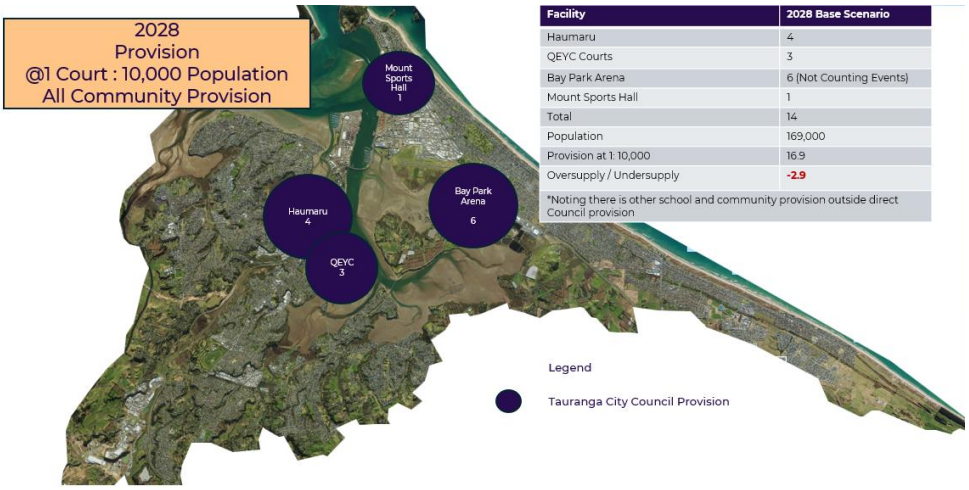
	School
1	Otūmoetai College (Action Centre)
2	Pāpāmoa College
3	Tauranga Boy's College
	Tauranga City Council Provision
	School or Other Community Provision



Facility	2038 Scenario	Changes
Haumaru	4	-
QEYC	3	Current end of life 2041
Bay Park Arena	12.75	Added 6 courts
Mount Sports Hall	0	Decommission 1 Court
Tatua Sports Hub	2	Added 2 courts
Merivale School	0.5	-
Aquinas	0.5	-
Other Schools	2.5	-
Total	**25.25**	
Population	190,000	
Provision at (1: 7,800)	24.4	
Oversupply / Undersupply	**+0.85**	

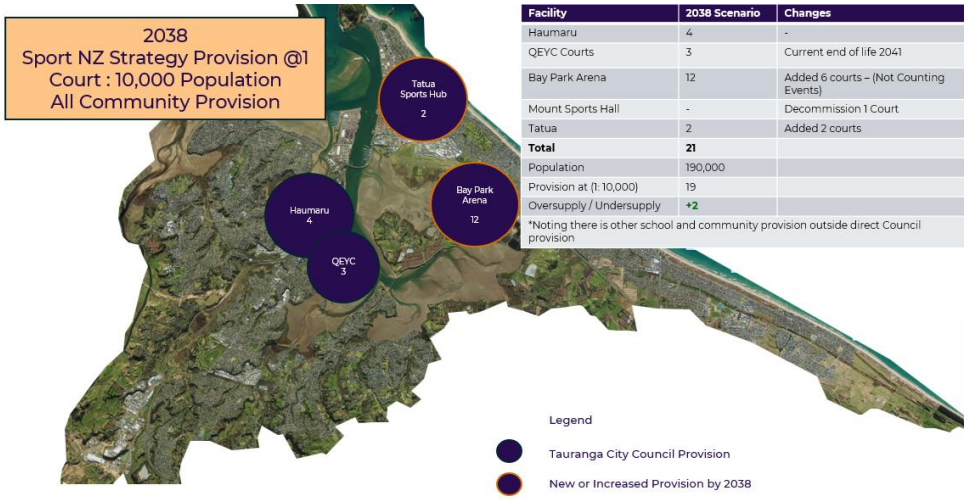
	School
1	Otūmoetai College
2	Pāpāmoa College
3	Tauranga Boy's College
	Tauranga City Council Provision
	School or Other Community Provision

9.4.3 Scenario 3 Network



Facility	2028 Base Scenario
Haumaru	4
QEYC Courts	3
Bay Park Arena	6 (Not Counting Events)
Mount Sports Hall	1
Total	14
Population	169,000
Provision at 1: 10,000	16.9
Oversupply / Undersupply	-2.9

*Noting there is other school and community provision outside direct Council provision



Facility	2038 Scenario	Changes
Haumaru	4	-
QEYC Courts	3	Current end of life 2041
Bay Park Arena	12	Added 6 courts – (Not Counting Events)
Mount Sports Hall	-	Decommission 1 Court
Tatua	2	Added 2 courts
Total	**21**	
Population	190,000	
Provision at (1: 10,000)	19	
Oversupply / Undersupply	+2	

*Noting there is other school and community provision outside direct Council provision

9.5 Tauranga City – Current Indoor Court Network Background

9.5.1 The University of Waikato Haumaru Sport and Recreation Centre

Tauranga City Council purchase of the site at 483 Cameron Road, Tauranga was approved as a strategic property purchase in December 2023. The site was formerly occupied by a retail store, and following purchase of the site, the building on the site has been converted to four community-use indoor courts. Purchase of the site cost $18 million, with fit out of the facility costing $7.35 million (including 15% contingency and professional fees).

The facility was opened in May 2025.

Purchase and conversion of this indoor court facility was progressed as a strategic opportunity, and there was no standalone business case developed to inform this purchase.

The Haumaru indoor court facility is located close to the QEYC building (3 community indoor court facility). Rationale for the Haumaru site purchase is provided in Council reporting that it *"would present a unique opportunity to offset the decommission of the QEYC building and provide an additional court as sought as part of the Play, Active Recreation and Sport Action and Investment Plan.*[24]*"*

The University of Waikato Haumaru Sport and Recreation Centre is operated by Bay Venues Ltd.

9.5.2 Tatua Sports Hub

A business case was completed in 2021 for the development of an indoor court complex for both badminton and multi-sport use by the Bay of Plenty Badminton Association. This development would include provision of 2 community indoor courts that would add to the Tauranga City indoor court network.

This facility is proposed on Tatua Reserve, with Council approval of a reserve lease for this facility in 2021.

The Tauranga City Council committed $5 million towards the cost of this facility in 2023 conditional on the remaining funding to develop the facility being secured by 20 June 2026to support this community court provision.

Resource consent has since been secured for this sports hub in June 2025, and it is understood TECT has committed a further $5 million to this project.

9.5.3 Mount Sports Hall

The Mount Sports Hall currently provides 1 indoor court as part of the Tauranga City network. This is an ageing facility that has been acknowledged as at end of life. While there have been recent repairs to maintain operation of this facility, Tauranga City planning anticipates it will not remain in the indoor court network.

[24] https://econtent.tauranga.govt.nz/data/bigfiles/lgoimas/2025/q4/280525cameronrdcourtsattachment2.pdf

9.5.4 Memorial Park Aquatic Centre and QEYC Courts

Between 2020 and 2024 Tauranga City Council has progressed feasibility and business case investigations to replace the Memorial Park Aquatic Centre (at Memorial Park). At over 70 years of age this aquatic facility is at the end of its useful life.

The recommended option at this time was to position the new Memorial Park Aquatic Centre in about the same location as the Queen Elizabeth Youth Centre (indoor courts), which would mean removal of these courts would be necessary. Provision of $123 million was made by the Council in the 2024/25 Long term plan to progress this option.

However, in November 2024 the Council resolved to cease work on this preferred Memorial Park Aquatic Centre design, pending further stakeholder engagement and assessment of options including project scope, costings, funding and alternative locations within Memorial Park. This led to the Council indicated a preference to relocate the Memorial Park Aquatic Centre to the site of the existing Memorial Pool and retain the QEYC and Memorial Hall. Geotechnical investigations completed in 2025 informed an in-principle decision of the Council for the Aquatic Centre to be constructed over the current Memorial Pool.

This in principle decision means the QEYC would remain part of the Tauranga City Council indoor court network until earthquake strengthening upgrades are required (currently 2041).

9.5.5 Potential Warehouse Conversion – 8 Paerangi Place, Tauriko

Tauranga City Basketball Association and Basketball New Zealand commissioned a business case to determine the viability of converting a warehouse at 8 Paerangi Place, Tauriko into a multi-use indoor recreation and sport court facility.

This facility investigation looked at indoor court provision for basketball, volleyball and badminton / pickleball in the western growth corridor of Tauranga City.

While this business case has concluded suitability of this warehouse conversion it has not been factored into assumptions as not future funding commitments have been made for this facility.

9.6 Development Contribution Policy

Tauranga City's Development Contribution Policy 2026/27 makes provision for future infrastructure investment required to keep pace with population growth in the city. Provision for indoor courts in this current development contribution policy is based on the current level of service of 1 court per 7,500 population. On this basis, the development contribution policy makes provision a growth component for the recently completed Haumaru indoor courts (about 35% - $9.5m of total costs).

There is no longer provision for Baypark Arena extension indoor courts in the development contribution policy (it was included in the 2026/26 version).

9.7 Population Projections

The following Tauranga City Council population and household projections have been adopted as an assumption in this Business Case.

Table 9-3 Provisional Annual Population and Dwelling Increases for Long Term Plan 2027-37, (Tauranga City as at 30 June).

Year	Resident Population	Total Dwellings

2028	168,880 (Rounded to 169,000)	65,834
2038	190,452 (Rounded to 190,000)	78,022

10. Appendix Two: Projected Schedule of Use

10.1 Assumptions

- The operation of the indoor community court bookings (current 6 courts and new 6 courts) will operate on "term" basis aligned to school terms. Terms 1 and 4 (20 weeks average) of the school year, and Terms 2 and 3 (20 weeks average).
- There is no policy restricting or requiring allocation of courts. This is at the discretion of Bay Venues Ltd.

	2026 Example Dates	No. of Days / Weeks Year	Planning Assumption	Facility
Term 1	26 January to 2 April, 2026	Up to 10 weeks	20 weeks	Open
Term 4	12 October to 18 December, 2026	10 weeks		
Term 2	20 April to 3 July, 2026	11 weeks	20 weeks	Open
Term 3	20 July to 25 September	10 weeks		
School Holidays	Term breaks, Christmas Holidays	10 weeks	10 weeks	Open
Public Holidays	Closed Christmas Day, Boxing Day, New Years Day, 2nd January, Auckland Anniversary, Waitangi Day, ANZAC Day.	7 days	1 week	Closed
Public Holidays	Unavailable for regular events Good Friday, Easter Monday, Kings Birthday, Matariki and Labour Day.	5 days	5 days	Unavailable for events

The peak and off-peak times for facility operation are outlined in the following table.

	Peak Times	Off-Peak Times
Weekdays	3.15 pm-9.30 pm	9 am-3.15 pm
Weekends	9 am-9.30 pm	N/A

10.1.1 Current charges

The following 2026 Bay Venues charges have been used to inform projected revenue assumptions

Baypark 2026 User Fees and Charges (1 January 2026) – Court Hire	Per Hour Charge
Standard Adult	$64.30
Standard Youth / Senior	$54.70
Community Regular – Adult	$54.70
Community Regular (Youth / Senior)	$45.00
User Fees and Charges – Definitions **Standard Hire** Groups from outside Tauranga City Council area, casual or one-off hirers or any group / individual hiring space for profit (e.g. any class where instructor retains fees / profits). Includes non-ticketed regional and national sporting tournaments or events. **Community Regular Hirer** Local not-for-profit Tauranga groups (sporting and recreation groups, churches, play centres, support groups etc) who hire the facility regularly (e.g. recurring weekly bookings for a minimum of 10-weeks or 10 recurring monthly bookings per year). Excludes regional and national tournaments and events. **Commercial Hirer** Includes concerts, corporate gala dinners, conferences, expos, professional sporting events and ticketed events. Also includes commercial entities hiring space for meetings etc. **Youth Senior** Youth and Senior rates apply when 75% of participants are under 18 years of age or 65 years of age and over.	

Court Allocation Policy - Prioritising Use of Indoor Facilities Review 2011

The Tauranga City Council approved a policy in 2011 to address challenges with booking conflicts across the indoor court network. Since this time, all venues have been transferred to oversight of Bay Venues Limited. The schedule from that allocation is noted below.

The policy outlines the main type of use expected to be accommodated in the indoor sports facility network and the priority for use of the space as follows:

Facility	Priority
ASB Arena at Baypark 3 court facility	• International, national and regional events, including centre court sport, events and exhibitions, then • Regular community sport leagues and tournaments
ASB Arena at Baypark 6 court	• Regular community sport leagues and tournaments; then • International, national and regional events including centre court sport, events and exhibitions
QE Youth Centre	• Regular community sport leagues and tournaments and smaller community activities and events
Otumoetai Action Centre	• Sports training and community activities
Aquinas Action Centre	• Sports training and community activities
Merivale Action Centre	• Sports training and community activities

Council resolved on the 14th of October 2025 to rescind this policy on the basis that the rationale for introducing it was no longer relevant.

10.1.2 Community Sport Schedule of Use

Table 10-0-1 Current Arena 6 Court Weekend Bookings Summary of Users (FY2025)[25]

	No. of Weekend Days	% of Weekend Bookings	Booking User Days
Tournament (All of 6 Court Community Sport Bookings)	46	44%	Volleyball 15, Futsal 8, Basketball 14, Netball 3, Parafed 2, Pickleball 2, AIMS (2)
Casual Use Community Sport Bookings (e.g. Rep trials, half arena bookings)	44	42%	
Commercial (non-community sport events)	8	8%	
Closed (Public Holidays)	6	6%	

[25] *Date supplied by Bay Venues Ltd.*

10.1.3 Known Additional Demand – Current Users

Stakeholder	Current Feedback Summary	Additional Projected Demand
Bay Venues	High demand for use of Baypark Arena. Often conflicts with wider venue use that displaces community users and bookings. Bay Venues currently run their own leagues for netball/football, and there is the potential to grow these leagues alongside community venue use.	22 weeks of football league demand that is projected in new (currently unmet) demand In the 2025 Calendar Year Bay Venues estimate 1,978 hours of regular community use was displaced by whole of venue events – like Homeshows, Cultural Festivals, AIMS Games or Regional / National Sporting Events.
Tauranga City Basketball (Mark Rogers)	Basketball growth is currently capped by a shortage of indoor court space. This impacts the ability to plan with any certainty additional participation opportunities. Also hold large events and competitions which can make smaller venues difficult to programme. School venues are also under pressure for school use. Significant hosting of venue wide events (e.g. Mel Young Easter Classic tournament held each Easter) supported by up to 125 teams, including interest from Australia. Currently working with Sport Bay of Plenty to develop increased formats for girls basketball.	Highest mid-week demand during winter months with competitions/tournaments. Leagues and participation opportunities for adults and girls which cannot currently be developed without secure venue access. Three-on-three for adults is an example of an unmet demand. Ability to grow and manage participation with access to multiple courts in one location. Ideally locate a 'home' location for basketball at Baypark with some simple clubroom or similar space to establish an identity. Tauranga City Basketball does not currently have a home location. This would allow for the centralising of age group representative training managed across multiple locations. Currently there are 32 age group rep teams training for 3 hours across two sessions a week (February to October). Addition of two adult representative teams from 2027 training twice a week for 3 hours, with 6-7 Saturday games anticipated a year (at QEYC or at the new extension seated court). Establishing a club programme (no current club structure for basketball) with club league terms 1-4. 3 x 3 is a growing format and alternative, which is limited by constrained current space availability. More court space will provide an opportunity to host national tournaments

Stakeholder	Current Feedback Summary	Additional Projected Demand
Volleyball Tauranga (Jenny Kirk)	Current use of Baypark during "summer" term. While volleyball is considered a summer sport, there is year-round demand which can't be extended without additional venue access. Utilise different venues across the network, but heavily driven by availability. Would like to get some weekend access also. Frustrations with QEYC now only being open and available for limited times. Term 1 and 4 Tuesday evenings Junior comp is held at Haumaru, with Friday scheduling split across Haumaru and Baypark Arena. A recent term time experience has included booking 8 Friday nights during term time at Baypark, however, this reduced to 6 actual uses with entire venue booking (Kapahaka and regional event displacement).	Leagues and participation opportunities for adults and girls which cannot be currently developed without secure venue access. Consistent multi-court availability rather than being spread across several court spaces.
FunFirst Football (Colm Kenny)	With weather changing, indoor courts provide a reliable use for entry-level football programmes. Currently, this is difficult to access with other current high use from codes like basketball. Currently try to use outdoor field venues and transition to indoor court space if fields or weather doesn't suit. Currently, enrolment in the programme is about 350 kids. Use Baypark or Mt Sports Hall as backups in bad weather, where this is possible around other bookings. Booking systems are difficult to access. Mount Sports Hall can be booked at short notice, but entry code system has not worked on multiple occasions.	Would ideally like consistent Term 3 after-school bookings unable to be accommodated at the moment. Use a bumper/barrier system to keep the ball within the court space, which can also be used for hockey. Could grow 4-9 year old participation if some indoor availability was possible.
Mount Pickleball (Donna Pickard)	Interest and membership has grown from 250 to 500 in the last year. Currently turning people away with limited bookings available. Run 7 sessions per week – 3 during the day, 4 evening sessions – each session is 2 hours. Currently use Haumaru, QEYC for evening leagues. Mount Sports Hall is too small across both daytime and evenings. Monday evenings use both Haumaru and QEYC,	Baypark would be preferred location to consolidate bookings across the week rather than having to access Haumaru, and QEYC in particular. Secure access would give the opportunity for the club to promote and develop use.

Stakeholder	Current Feedback Summary	Additional Projected Demand
	Wednesday and Friday evenings at Haumaru. Haumaru is used for Friday mornings. Current bookings at Baypark (typically during the day on Mondays and Wednesdays) can be regularly displaced by all of venue bookings like Homeshow and "Mega Wonderland". Also noted the use of foyer and café can be impacted if other events on.	
WaiBoP Football	Currently experiencing massive growth that they are struggling to accommodate in football. Cost not such an issue as run a user-pays model. Current use is QEYC, Haumaru and Mercury Arena. Use all year round, 8 weeks per term. Term 1 and 4 run leagues, terms 2 and 3 development/tournaments.	Leagues are generally run on Monday and Sunday but depending on demand, do run some on other midweek night. Sunday use is all day. Weekdays 4-10pm.
Bay of Plenty Magic (Beverly Southee)	Bay of Plenty Magic use the show court for up to 2-3 home ticketed events per season. From a training perspective, their feedback is they are already sufficiently provided for in Baypark Arena and would not need any more space. They expect to continue using 1 court (No. 7 historically), 20-25 weeks for the year (short season this year because of the Comm Games), 3 per week pre-season 1-4pm, and 2 training sessions per week in the playing season 10am-3pm and 5pm-7pm. Sometimes BVL set up a goal post on an adjoining court, but they don't use the whole court, and BVL doesn't charge them for that. As the ANZ Premiership is under review at the moment, they are not sure what use will be going forward.	There are also some other domestic events that are traditionally held outdoors that have been hampered by bad weather before, so they are going to check whether there is any plan to move these indoors – NZ Secondary School Champs, National Under 18 and National Open Champs. Because they are moved around the country, even if held indoors they would probably only be held in Tauranga once every 3 years.
Non-current Users		
Tauranga Moana Basketball (Tu Umaga-Marshall(	Tauranga Moana Basketball are not currently users of Baypark Arena. With limited available funding, this organisation is not able to afford access to Baypark Arena and instead use Golden Sands Primary School in Pāpāmoa, which, while not ideal because it only has 1 court and low ceilings, only charge them $120 to use the court from 9am-6pm on the weekends.	Potentially a user of Baypark if affordability able to be addressed.

Stakeholder	Current Feedback Summary	Additional Projected Demand
Other Known Users not able to be contacted.	Other potential users not currently provided for and identified by Sport Bay of Plenty include: Club Filipino Tauranga (basketball), Multicultural Tauranga (volleyball/badminton) and AvaNiu Pasifika (volleyball).	

11.Appendix Three: Financial Base Case

11.1.1 Financial Base Case – Revenue

The revenue and costs in the financial base case are split between the community sport and recreation bookings and staff resources, and commercial events hire, catering, AV and staff costs as summarised in the following table.

Revenue

Activity	Revenue	FY2025 Actual	FY2026 Base Year Assumption[26]
Community Court Use	Venue Hire Fees	$463k	$472k
	Staff Hire	$12k	$13k
	Community Sport Programme Fees	$122k	$124k
	Community Sports Leagues Fees	$202k	$206k
Activity	**Revenue**	**FY2025 Actual**	**FY2026 Actual**
Commercial Event Hireage	Venue Hire	$837k	$929k
	Event Catering	$2,420k	$2,411k
	Event AV Hire	$934k	$837k
Total Base Case Revenue		$4,982k	$4,980k

[26] *FY2025 results have been escalated by 2%.*

11.2.2 Financial Base Case – Staff and Costs of Goods Sold

Activity	Cost	FY2025 Actual	FY2026 Base Year Assumption[27]
Community Court Use	Staff	$373k	$380k
	Marketing, Training, Consumables	$19k	$20k
Activity	**Revenue**	**FY2025 Actual**	**FY2026 Actual**
Commercial Event Costs of Goods Sold	Event Planning and Logistics	$670k	$743k
	Event Catering	$1,930k	$1,917k
	Audio Visual Hire	$747k	$670k
Total Base Case Staff and Cost of Goods Sold		$3,739k	$3,730k

[27] *FY2025 results have been escalated by 2%.*

11.1.2 Financial Base Case Fixed Costs

Activity	Fixed Cost	FY2025 Actual	FY2026 Actual
All Baypark Arena Fixed Costs	Building Repairs and Maintenance[28]	$102k	$105k
	Utilities (Electricity)	$362k	$369k
	Water	$88k	$90k
	Cleaning	$145k	$148k
	Insurance	$665k	$685k
Total Base Case Revenue		$1,363k	$1,398k

[28] *Estimated based on other similar facilities.*

Financial Base Case – 10 Year

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2036/38	2036/39
REVENUE	Base Year	Base Year (plus 1)	Base Year (plus two)	Construct	Construct	Year One (First Year of Operation)	Capacity Year (Year Two)	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight	Year Nine	Year Ten
User Fees Venue Hire - Existing Community Sport Hire (6 Court)	$ 454,061	$ 463,142	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405	$ 472,405
Existing Community Sport Staff Hire Revenue (6 Court)	$ 12,297	$ 12,543	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794	$ 12,794
User Fees - Community Sport Programmes	$ 119,453	$ 121,842	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279	$ 124,279
User Fees - Community Sports Leagues	$ 198,229	$ 202,194	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237	$ 206,237
Commercial Event Hireage (3 Court - Lion Foundation Centre + Bay Park 6 Court)	$ 784,081	$ 837,049	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834	$ 929,834
Commercial Event Catering (3 Court - Lion Foundation Centre + Baypark 6 Court)	$ 2,420,938	$ 2,411,263	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845	$ 2,396,845
Commercial Event AV Hire (3 Court - Lion Foundation Centre + Baypark 6 Court)	$ 586,384	$ 934,119	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651	$ 837,651
Community Outcome Subsidy - Existing 6 Court	$ 754,148	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231	$ 769,231
School in Pool Reserve Funding	$ 30,666	$ 31,279	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535	$ 37,535
TOTAL INCOME	$ 5,360,257	$ 5,782,662	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811	$ 5,786,811
TOTAL INCOME NOT INCLUDING SUBSIDY SCHOOL IN POOL	$ 4,575,443	$ 4,982,152	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045	$ 4,980,045
EXPENDITURE (Examples Only)															
Existing Community Sport Venue Staff (Supervisor and Venue Attendants)	$ 75,229	$ 76,734	$ 78,268	$ 80,616	80,616	80,616	80,616	80,616	80,616	80,616	80,616	80,616	80,616	80,616	80,616
Existing Community Sport Programming Staff	$ 203,250	$ 207,315	$ 211,461	$ 217,805	217,805	217,805	217,805	217,805	217,805	217,805	217,805	217,805	217,805	217,805	217,805
Existing Community Sport Sports Leagues	$ 87,477	$ 89,227	$ 91,011	$ 93,741	93,741	93,741	93,741	93,741	93,741	93,741	93,741	93,741	93,741	93,741	93,741
Salaries and Wages - sub total	365,956	373,275	380,741	392,163	392,163	392,163	392,163	392,163	392,163	392,163	392,163	392,163	392,163	392,163	392,163
Cost of Sales - Staff and Planning for Events	$ 627,265	$ 669,639	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867	$ 743,867
Cost of Sales - Cost of Catering Commercial Events	$ 1,936,750	$ 1,929,010	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476	$ 1,917,476
Cost of Sales - Cost of Audio Visual Hire for Commercial Events	$ 469,107	$ 747,295	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121	$ 670,121
Community Sport Marketing and Promotion	$ 13,190	$ 13,454	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857	$ 13,857
Consumables	$ 2,500	$ 2,500	$ 2,575	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150	$ 5,150
Training / Uniforms / Staff Benefits	$ 3,000	$ 3,060	$ 3,152	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304	$ 6,304
Building Repairs and Maintenance	$ 100,000	$ 102,000	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060	$ 105,060
Utilities	$ 321,435	$ 362,462	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711	$ 369,711
Water	$ 74,846	$ 88,314	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080	$ 90,080
Cleaning	$ 116,646	$ 144,966	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865	$ 147,865
Insurance	$ 640,092	$ 665,544	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510	$ 685,510
TOTAL COSTS	$ 4,670,787	$ 5,101,520	$ 5,130,016	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165	$ 5,147,165
Operating Surplus / Deficit	-$ 95,344	-$ 119,368	-$ 149,971	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120	-$ 167,120
Depreciation Contribution (All Venue)	$ 2,477,096	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000	$ 2,854,000

12.Appendix Four: Baypark Events Background

12.1 Recent Commercial Events Performance

12.1.1 Lion Foundation Commercial Events

Revenue from commercial event hireage at Baypark is predominantly linked to activities in the Lion Foundation Centre and meeting room and corporate suite bookings. The latter meeting room and corporate suite bookings can be hired either with, or separately from the Lion Foundation Centre. This business case focuses on bookings of the Lion Foundation Centre when combined with meeting room and suite bookings only. It does not include where there is suite or meeting room bookings by themselves (i.e. not including the Lion Foundation Centre). Table xx below outlines the commercial event type bookings for the Lion Foundation Centre in 2024/25.

Commercial Event Activities Summary Total (EBITDA)

Table 12-1 Total Commercial Event Earnings Before Interest, Taxes, Interest, Depreciation and Amortisation.

	2023/24	2024/25	2025/26
Venue Hire	785k	837k	929k
Catering	$2,421k	$2,411k	$2,400k
Audio Visual	$587k	$934k	$837k
Venue Hire	627k	669k	744k
Catering	1,936k	1,929k	1,917k
AV	469k	747k	670k
EBITDA	**758k**	**836k**	**832k**

12.1.2Impact of Commercial Event Hireage on Community Use

Community sport users have noted disruption to their regular term activities when commercial event bookings, sports tournaments, expos, or conferences. For calendar year 2025 this amounted to 1,975 court hours or regular bookings lost.

Table 12-2 Community Event Displacement (Calendar Year 2025) of Regular Community Bookings – Indoor Courts

Event Causing Displacement	Commercial Event Hours of Disruption Caused	Sport/Rec/Youth Hours of Disruption Caused
AIMS		85
Basketball Pacific U12&14		10.5
BBNZ SS Premierships		98.5
BBNZ U14		58
BOP SS Futsal Champs		11.5
Civil Contractors	238	
Festival of Disability Sport		10.5
Funky Fun Day		207
Home Show	299	
Hoopnation		10.5
Kapa Haka		250.5
Kaumatua Games		15
Megaland	116.5	
Northern SS Futsal Cup		12
Pickleball Classic		10.5
SS Regional Basketball		106.5
Super 11 Futsal Tournament		10.5
TCBA Baywides		10.5
TCBA Junior Baywides		10.5
TCBA SS Comp		312
TCBA World Cup Tournament		32.5
VBOP SS Junior Champs		10.5

Event Causing Displacement	Commercial Event Hours of Disruption Caused	Sport/Rec/Youth Hours of Disruption Caused
VBOP SS Senior Champs		42
Volleyball Tournament		10.5
Grand Total	653.5	1,325
Community Regular Hire Rate		
Estimated Annual User Time and Revenue Lost	1978.5 Hours	
Lost User Revenue	$86,460 (at $43.80 regular community use fee per hour)	

Commercial Event Bookings and Revenue – Bay Park (2024/2025)

Table 12-3 below outlines the FY2024/25 events held across the Lion Foundation Centre, Baypark Arena, or across the entire venue.

Table 12-3 FY2024/25 Event Bookings – Baypark Arena

Booking Type	No. of Events	No. of Event Days[29]	Booking Revenue (ex GST)	Total Revenue (ex GST)	% of Revenue from Booking Fee	% of Revenue from Catering / AV Hire
Lion Foundation Centre (3 Court) – All Events						
Trade Show / Expo	5	15	$91k	$135k	67%	33%
Ticketed Concert / Boxing Event	8	12	$99k	$436k	23%	67%
Conference	11	11	$110k	$665k	17%	83%
Dinner Event	6	6	$45k	$505k	9%	91%
Ticketed Sports Event (e.g. Whai / Magic)	8	8	$54k	$93k	58%	42%
Commercial Tournament (e.g. Nationals)	5	10	$63k	$104k	60%	40%
Cultural / Dance Event (e.g. Kapa haka)	2	4	$54k	$145k	37%	63%
Other (e.g. Religious)	2	3	$23k	$40k	57%	43%

[29] *This does not include pack in or pack out times.*

Booking Type	No. of Events	No. of Event Days[29]	Booking Revenue (ex GST)	Total Revenue (ex GST)	% of Revenue from Booking Fee	% of Revenue from Catering / AV Hire
Graduation	1	1	$13k	$52k	24%	76%
Total	**48**	**70**	**$552k**	**$2,200k[30]**		
Lion Foundation Centre + Baypark 6 Courts (Commercial Events)						
Commercial Sports Tournament (E.g. Hoop Nation)	1	5	$45k	$52k	86%	14%
Conference	1	2	$50k	$285,977	17%	83%
Ticketed Concert or Boxing Event	1	1	$14k	$70,889	19%	81%
Trade Show / Expo	1	3	$61k	$69,207	89%	11%
Cultural / Dance Event (E.g. Kapa Haka)	2	6	$138k	$264,649	52%	48%
Total	6	17	**$307k**	**$742k**		
Baypark 6 Courts (Commercial Events)						
Commercial Events (E.g. Megaland)	1	5	$42k	$48k	88%	12%

[30] *Noting total revenue from commercial events was about $4.2m for FY2024/25*

Commercial venue hireage, catering and audio-visual services are managed separately from community sport across the Baypark Arena. The commercial events hireage service

Since 2023, sport access to the Lion Foundation (3 court) has been limited to paid / ticketed sporting events like netball (BoP Magic) and NBL Basketball (Whai). For 2026 the Whai Basketball games have been relocated to QEYC stadium. There is no regular community sport played in the Lion Foundation Centre.

Catering charges are based on an 80% recovery of cost of sales (20% margin)[31]

[31] *As advised by Bay Venues Ltd.*

RSL

RECREATION | SPORT | LEISURE | CONSULTANCY

rslc.nz

021 274 6540

info@rslc.nz

Rangiora, New Zealand