

**PART 1: THE PROJECT**

**1.1 Description of the project/proposal**

This project will unlock further growth in tourism and marine services in Whakatāne, leveraging off Whakaari/White Island’s iconic tourism attraction status. It proposes to use wharf redevelopment as a catalyst for regenerating and transforming the town, attracting private investment and new growth opportunities along the waterfront. It will unlock jobs for our people, create a destination which meets international visitor expectations and provide high quality amenities for residents and visitors to the eastern Bay of Plenty.

The Council has set aside \$6 million for a like-for-like replacement of the deteriorating main commercial wharf, but the holistic wharf and waterfront development required to unlock the full potential of the marine precinct, town and district as a tourism destination is beyond Council’s financial capability. The wharf has been identified as a priority for provincial growth funding in the Eastern Bay of Plenty report prepared by Stakeholder Strategies.

The Whakatāne regeneration project aligns with Te Rūnanga Ngāti Awa and Ngāti Awa Group Holding Limited’s tourism aspirations, which will be significantly supported by the regeneration of the CBD.

In addition, the boatbuilding and marine industry is important and has experienced significant job growth in recent years. Future growth projections will only be achieved with appropriate berthage facilities in Whakatāne.

**1.2 Benefits to be delivered**

Increasing the overall attractiveness of the Whakatāne waterfront and CBD and widening the range of public amenities available will not only serve to make Whakatāne more liveable for current residents, but together with the increased tourism offerings, is expected to contribute to a growth in visitor numbers to Whakatāne. This forecast increase in tourist numbers improves the viability of pipeline tourism concepts, particularly iwi-led tourism products. Spill-over effects into our neighbouring Eastern Bay districts are also expected. Whakatāne is the commercial and residential hub of the Eastern Bay of Plenty and any benefits implemented here have a ripple effect across the wider region.

There remains only two years left in the Provincial Growth Fund. Unless Council progresses the project now, the opportunity to potentially secure government funding towards this project may be lost. In terms of the Annual Plan, unless included now, to introduce this project into Council budgets to meet government timeframes may also require a special consultative procedure.

This programme of works effectively pulls together four streams of work already underway in Council: wharf redevelopment, town vision planning, asset diversification strategy and destination management planning.

Benefits of the project will be measured in various ways, including the following:

- Number of new direct jobs created
- Level of external investment on the waterfront and town centre
- Number of berthage opportunities and revenue from wharf facilities
- Community perception, including pride of town centre
- Number of visitors and visitor spend in the district
- GDP created from waterfront and town centre
- Number of tourism products on offer

• **Are there any dis-benefits?**

No significant dis-benefits have been identified at this stage. Ecological, hydrological and cultural impact assessments are currently underway. Construction may cause some nuisance effects.

**1.3 Implications of not doing the project**

*Discuss implications if the project does not go ahead at all, or doesn’t go ahead in the proposed timeframes.*

The key implication at this stage is that the Council may miss the opportunity to access Provincial Growth Funding for a project that is a high priority for the District. Without Government support, the Council may be forced to consider a like for like replacement for the existing wharf for affordability reasons (the option included in the current LTP).

In addition, maintenance costs for the current commercial wharf will be significant and on-going. Activity at the commercial wharf is already limited due to the age of the wharf, this will therefore put key tourism and fishing businesses at risk, as well as the interim service provided to the Ōpōtiki mussel barges.

• **Is there a reliance on particular funding streams?**

Funding streams relied on include:

- Reliance on PGF for feasibility funding (\$646K to successfully complete the Better Business Case)
- Reliance on PGF to contribute to capital costs
- Reliance on Harbour Fund to fund Council’s contribution to the wharf. A funding approach for non-harbour fund costs needs to be determined.

**PART 2: ALIGNMENT WITH THE COUNCIL’S STRATEGIC DIRECTION**

**2.1 Alignment with Council’s Community Outcomes**

*What Community Outcomes does this project contribute to (tick)?*

✓ Effective Leadership	✓ Sustainable economic development	✓ Community Needs	✓ Quality Services	✓ Valuing our environment	✓ Reliable & affordable infrastructure
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**PART 3: PROJECT COSTS**

**2.2 Financial cost analysis**

The costs below represent the estimated costs of the likely preferred option from the wharf replacement business case.

Proposed Budget Requirement & Rating Impact	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
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Capital expenditure	-	-	-	-	-	-	-	-	-	-
Feasibility – business case development & detailed design	\$646,000	Out year costs subject to findings of 2019/20 investigative work and in consultation with the Provincial Development Unit.								
Design & contract admin	\$500,000									
Resource consent process	\$400,000									
Procurement	-									
Construction	-									
Operational expenditure	-									
<b>TOTAL COST</b>	<b>\$1,546,000</b>									
Cumulative rating impact % by year	0%									

<b>Funding</b>	<b>2019/20</b>									
Current LTP Budget Capex	\$441,567									
Additional funds needed	\$1,104,433									
Proposed internal funding sources <i>Harbour Fund for capital expenditure (wharf costs).</i>  <i>For project costs wider than the wharf, a separate reserve could be created</i>	\$200,000									
Proposed external funding sources <i>PGF</i>	\$646,000									

<b>Debt Impact</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Increase in closing debt	-	-	-	-	-	-	-	-	-	-

### 2.3 Resource Requirements

#### *What are the resources required to manage the project?*

A Project Team has been established with relevant staff from across the organisation responsible for project delivery. Staff involved include strategic projects/ PGF project, finance, planning, capital works, ports, communications. In addition, a range of specialist consultants will be required, funded from feasibility funding made available from the Provincial Growth Fund including:

- Town Centre Regeneration and Waterfront master planning
- Tourism advisory services (including destination marketing and destination management)
- Financial or funding strategy/model development.

## PART 4: STAKEHOLDERS

### 3.1 Stakeholders

*Outline the key stakeholders and their interest / likely engagement with the proposal (it is not expected that stakeholders have been consulted at this stage).*

Stakeholders	Interest in proposal
<b>Te Rūnanga o Ngāti Awa and Ngāti Awa Group Holdings Limited (NAGHL)</b>	Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited (NAGHL) and Whakatāne District Council (WDC) have agreed to a collaborative approach to this project and formed a Governance Group to achieve this.
<b>Harbour Users</b>	Ensuring any new wharf development meets current and future needs
<b>Business and Retail</b>	A masterplan for the waterfront and town centre will have positive implications for business and retail
<b>Tourism operators</b>	Interests in how the Whakatāne destination will be managed and how the project will boost visitor numbers and visitor spend. An important part of this will be offering appropriate tourism products.
<b>General Public</b>	The waterfront and town centre are a key community asset that there is likely to be significant interest from all sectors of the community
<b>Ōpōtiki District Council</b>	Whakatāne wharf facilities are currently providing interim berthage for two mussel barges for Ōpōtiki aquaculture industry. WDC has committed to continue to provide this service to help support this industry.
<b>Bay of Plenty Regional Council</b>	Resource consenting agency for wharf redevelopment and also flood protection / climate change mitigation.
<b>Toi EDA</b>	Interests around the economic development opportunities this project will bring to the district and wider region.

## PART 5: RISK IDENTIFICATION

### 4.1 Risk identification

*List the key risks that need to be considered if the proposal is progressed.*

#	Risk	Mitigation approach	Rating
1	If the consultant's price is not accurate, then additional funding may be required.	- Ensuring the contract scope is well-defined. - Provide appropriate information for informed decisions, eliminate assumptions and utilise services of experienced providers.	M
2	The hydraulic design investigation does not adequately address flooding potential for the township	- Alignment of the modelling design with the Regional Council's latest flood modelling programme, independent peer review and open communication with Regional Council's river management team	M
3	The engineering designs are unsuitable for the physical environment or fail to meet PDU requirements. In particular, this applies to the wharf renewal component.	- Engagement of experienced design and construction team to review and critique design and constructability. - Continued engagement with PDU staff from MBIE	M
4	If the consultant(s) is unable to deliver on time, delaying the Business Case timeframes.	- Regular communication and progress reports are received and monitored.	M
5	Governance Group relationship breaks down and the project stalls.	- Open, transparent and regular reporting to the Governance Group.	M

6	Negative community reaction to the Master Plan and/or preferred option for the wharf redevelopment project.	<ul style="list-style-type: none"> <li>- Communication and Stakeholder Engagement Plan is developed and implemented.</li> </ul>	L
7	Objections to the Master Plan and/or preferred option identified for the wharf redevelopment project.	<ul style="list-style-type: none"> <li>- Communication and Stakeholder Engagement Plan addresses iwi/hapū as key stakeholders.</li> <li>- Governance Group engagement is open, transparent and regular.</li> <li>- Cultural assessment is developed.</li> <li>- MCA and ILM place heavy emphasis on the need for the outcome to align with cultural aspirations.</li> </ul>	M
8	Commercial wharf is at the end of its asset life and needs replacing by April 2021	<ul style="list-style-type: none"> <li>- Regular structural assessments.</li> <li>- Restricted access.</li> </ul>	H
<p><b>Confirm if a resource consent is required.</b> A resource consent will be required.</p>			