

TAURANGA MULTI-FUNCTION STADIUM

PRELIMINARY BUSINESS CASE

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Prepared for Priority One & Partners



INFORMATION

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1.0 EXECUTIVE SUMMARY

The Project Partners (Tauranga City Council, Bay of Plenty Regional Council, Priority One, and Sport New Zealand) engaged Visitor Solutions and Tuhura Consulting in association with Warren and Mahoney, Deloitte, Stantec, Senateshj, Boffa Miskell, Market Economic, Maltbys, and Daylight to undertake a preliminary business case for a multi-use stadium in Tauranga.

The business case built upon earlier work which indicated that there was a need and demand for a multi-use stadium. The client partners desired an evidence-based approach that was not afraid to challenge past thinking. The project's governance group stressed the need to think 'outside the box' and deliver an innovative unique solution fit for Tauranga.

Brief and Scope

This business case is set out to specifically meet the needs of the client. The project governance group identified the project still has a degree of evolution before final positions are adopted, especially in relation to areas such as funding, partnership structures, and project governance and management.

The business case will therefore be used to inform discussions rather than reflect a final position at this time. Recommendations are made in the business case, but these should not be read as reflecting the final position of the project partners.

The business case is broadly set out in alignment with the Better Business Case approach. However, the processes implemented in developing the business case were tailored to meet the clients' specific requirements and the available business case budget.

Once the project partners have reached a final position on key project areas additional more detailed work will be required in specific areas to advance the project.

The Preliminary Business Case

The five cases within the preliminary business case determined the following:

Strategic Case

The strategic case identified that there was a strategic case for the development of a stadium, but only if it is in the form of a world class boutique community centric development, a "people's stadium". This requires casting aside traditional stadium models and embracing a new concept that welcomes the wider community into the facility continuously (not just for large commercial sporting events). This must be a multi-functional stadium that accommodates community clubs, local cultural events, festivals, professional sport, and commercial concerts alike. It must focus on delivering the best spectator experience possible and be a place with such a buzz and atmosphere that people want to return time after time.

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

- **Problem 1:** A gap and poor alignment in events and sports infrastructure is limiting Tauranga's (and the sub region's) economic performance and community sports capacity.
- **Problem 2:** Tauranga and the Western Bay of Plenty are growing and a gap in experience opportunities weakens residents' quality of life.
- **Problem 3:** Tauranga has limited CBD land and ambitious urban and commercial development plans. Existing central open space is not optimised to meet the needs of a growing city centre and sub region.
- **Problem 4:** Traditional stadia have long periods of dormancy. Tauranga and the region cannot afford commercially or socially a stadium that is functionally one dimensional, underperforms experientially and financially while siting dormant for large periods of time (especially in a CBD location).

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

- **Objective 1:** The city centre: Te Rapunga Ora ki Te Papa, is seen as great place to live, work, learn and play.
- **Objective 2:** The sub region's event sector is competitive with other similar New Zealand regions.

- **Objective 3:** The multi-use stadium is a catalyst for further private investment in the sub region.
- **Objective 4:** The multi-use stadium is a catalyst for the optimisation of the sub region's facility network.
- **Objective 5:** The multi-use stadium returns social and economic outcomes that justify the investment made.

The benefits of the multi-use stadium were varied but were able to be summarised into four categories. These are:

- **Benefit 1:** The sub region is seen as a great place to live, work, learn, play, and visit.
- **Benefit 2:** Tauranga and the sub-region have a wider range of stronger events experiences for both residents and visitors.
- **Benefit 3:** The sub-region's sports and events facility network is optimised.
- **Benefit 4:** The sub-region gains wider economy benefits from the development of the multi-use stadium.

Most of the stakeholder engagement feedback was supportive of the concept. A boutique stadium was seen as positive and fulfilling a niche both regionally and nationally.

Mana whenua representatives were supportive of concept and saw good opportunities for Māori design elements and ongoing governance involvement.

Most sports interviews indicated that they would use such a stadium. Promoters were also supportive with all but one indicating an interest.

Community sport representatives were generally supportive of the concept and had a desire to know more about detailed operational issues. The exception was some of the sports clubs that would be required to relocate off the domain to accommodate a stadium being developed.

Some existing stadia operators perceived that Tauranga had limited need for a stadium given factors such as population size and potential added competition across the national stadia network.

Economic Case

This section of the business case outlined the options assessment for the multi-use stadium and how a favoured option was selected and then later developed.

The long listing process considered seven options. These were:

- Option 1: Base Case.
- Option 2: Modified status quo.
- Option 3: Uncovered / 20,000+ seats.
- Option 4: Covered roof / 20,000+ seats.
- Option 5: Uncovered / 8,000 permanent seats and commercial gym.
- Option 6: Covered roof / 10,000 permanent seats.
- Option 7: Uncovered / 8,000 permanent seats and exhibition space.

The long list options were evaluated qualitatively by the working group and the project consultant team against the project's investment objectives. This initial sieve was then refined by a series of critical success factors (which link back to the investment objectives) which were given a weighting. Each of the long list options was then analysed against the criteria.

The long listing analysis identified two options to proceed into the shortlist option evaluation stage. These were the uncovered 8,000 permanent seats and commercial gym (Option 5) and uncovered / 8,000 permanent seats and exhibition space option (Option 7). The Project Governance group also requested that Option 6 (a stadium with a covered roof / 10,000 permanent seats) be advanced into the shortlist options assessment based on historic stakeholder interest.

The shortlist options assessment assessed each option against benefits criteria drawn from the strategic case, an affordability assessment, and an economic and cost benefit assessment. Based on the architectural, planning, landscape, and cost assessment analysis option six was rejected on the grounds that it was not viable. It also had fewer benefits than the other options.

The summary economic assessment demonstrated that Option 7, an uncovered stadium with 8,000 permanent seats (and light exhibition space) was the stronger of the two options. This option was advanced and refined.

The refined stadium concept is far more than a stadium. It is better thought of as a community precinct which contains five key elements that all work together creating both critical mass and operational synergy. Each component could be considered a standalone element. The elements are:

1. The boutique community stadium with 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules),
2. The light exhibition centre (circa 2,000m² exhibition space plus support facilities),
3. The function centre (circa 1,300m²),
4. The community multi-sport facility (circa 400m² of changing rooms and lounge space),
5. The Waikato University Sports Science / Physiotherapy (circa 250m² dedicated space and numerous shared spaces).

The expansion of seating is best addressed primarily through prefabricated temporary seating modules. This sports mode seating configuration will deliver New Zealand's most intimate, atmospheric boutique stadium experience for both spectators and players alike (while still meeting all projected capacity requirements). It will generate an optimal fan experience.

Many entertainment stadium event configurations are also possible ranging from circa 17,800 - 25,000+ in the main stadium alone. In festival mode numerous stages are possible in southern, central, and northern precinct locations generating the potential for 40,000+ attendees.

A range of cultural opportunities were identified for consideration and incorporation into the stadium design and function. These included the opportunity to influence the stadium design values, language and concepts that enable a sense of manaaki (hospitality / welcoming people to the stadium), kaitiakitanga (sense of place) and mauri (life force / well-

being) these key cultural design principles can be woven into the design concepts for the new stadium. One of the strongest opportunities has already been established in the initial concepts, strong sightlines from the stadium to Mauao (which is afforded by the design's open northern end). This open northern end also makes the venue ideal for large kapa haka festivals and other cultural events.

The projected event calendar indicated that, when compared to entertainment and community sport use, professional sport is unlikely to be a significant stadium user in the short to medium term. It is therefore important to balance the design drivers, so the stadium functions for professional sport, but not at the expense of the community sports and entertainment events. A unique "people's stadium" concept design has been developed which will encourage the community into the stadium and to use the turf and surrounding Domain amenities.

The cost of the refined concept has been estimated by Maltbys at \$187 million (+/- 10%), February 2023.

A CBA was undertaken on the preferred option, and it was found to return slightly below one at 0.94. This is better than options 5 and 7. This demonstrates the refinements made in the preferred option have been favourable to the overall CBA and economic impacts. However the ratio remains below one suggesting that the costs outweigh the benefits.

It is important to note the assessment does not integrate other potential benefits, like:

- Identity of place and pride in the city arising from the stadium and quality infrastructure,

- Potential neighbourhood effects and associated property value change¹ arising from the investment,
- The potential to support regeneration efforts around the CBD, and enabling additional commercial and residential developments, and the potential to affect property values of neighbouring properties.
- The value of health outcomes. The community facility element would encourage wellbeing and lift healthy lifestyle choices, improve engagement in sports and physical activity.
- Improved local talent. The facility would support existing sport codes to improve the quality of their leagues, lifting quality and capabilities.

Commercial Case

The commercial case explored the appropriateness of different procurement models. Initially ten models were considered:

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

An initial evaluation process reduced the number of models to a shortlist of five, Traditional Delivery (with ECI consultant), Design and Build Contract, Construction Management Contract, Traditional Alliance, and PPP/BOOT.

¹ Some studies show property values can increase around stadium developments. Matheson. V. Point/Counterpoint. Is there a case for subsidizing sports stadiums. December 2018.

These models were evaluated using a weighted matrix by members of the working group. Based on the analysis undertaken and considering the project outcomes the preferred procurement model was identified as traditional delivery (with ECI consultant). This model has many advantages for the community stadium project over other models. These include:

- Multiple tenders can be run for different services increasing transparency and enabling the best providers to be selected for individual roles (Figure 5.1).
- Tenders may be called for the construction on either a selected or open basis (and meet probity requirements).
- The design performance obligations rest with the design team and any risks sit with the Trust, although these are invariably underwritten by the individual team members' professional indemnity insurances. The construction (contractual) risks rest with the building contractor.
- The Trust (and partners) have full control of the design development at all stages of the project. This is considered important in the case of the stadium for two reasons. Firstly, because the project is comprised of multiple interlinking facilities (community multi-sport, university facilities, function centre, light exhibition centre and stadium) which must be carefully designed to work separately and together. Secondly, because multiple stakeholders are involved.
- The Trust can establish an expert design advisory group to assist in making design optimisation recommendations.
- The price is the "true competitive market" price. It is known before the Trust commits to construction, allowing remedial action to be taken if the price exceeds budget expectations.

- The Trust is insulated, for the most part, from “risks”, or at least has contractual recourse.
- Design and tender documentation are completed before proceeding to tender, avoiding the incidence of major cost variations.
- Cost certainty is relatively high when the contract is awarded if the design is largely complete and accurately reflects the project brief.
- The Trust can reduce design-related risk by ensuring all design issues are resolved, considering design innovation where appropriate, and fulfilling design requirements, before procuring the construction works.
- Early Contractor Involvement (ECI) is introduced on a consultancy basis (and used to inform the development of the design) maximising ‘buildability’.
- The straightforward nature of the bidding process (especially if a schedule of quantities is used), lowers the cost of tendering and level of risk retention by the Trust, and usually encourages a competitive tender field.
- The model is well-known and understood by industry.
- The design can be varied with relative ease after the construction contract has been awarded.

The disadvantages of the model are:

- Time taken to complete the full documentation, consenting and procurement negates the opportunity for an early start to construction. However, separate civils packages can be advanced to speed up the development process.
- Price certainty relies on the completeness and accuracy of the client's design documentation. Errors or omissions in the design will lead to variations and extra cost to the client.

- A long lead time is required to get to the tender stage, as design needs to be at a level sufficient to complete tender documentation.
- The design risk sits with the Trust (assuming a Trust is the development entity), while construction risk with the contractor. This could lead blurred lines when deciding the responsible party for defects remediation (i.e., whether it would be a result of a design error or poor workmanship).
- The Trust is responsible for providing accurate information (e.g., drawings and specifications) to the contractor in a timely manner. Delays may result in extra costs to the client and/or extensions of time for the contractor.

Although the model comes with some challenges these can be mitigated by having a good design team and robust project governance and management. The appointment of well qualified experienced consultants and staff will be critical.

It is acknowledged that this model will be reviewed again as the project advances and funding and partnership arrangements are negotiated.

Financial Case

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

Based on analysis the preferred option is EBITDA positive. However, the preferred option does not contribute sufficient profit to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time.

Approximately \$980k of the ~\$856k forecast Yr1 EBITDA is derived from food and beverage activities. Indicating that the stadium is operating at a marginal loss – prior to debt and interest payments and depreciation. The preferred option is not cashflow positive over the 50 year modelled time horizon (Table E1)

This is not uncommon - in our experience stadiums are generally not financially self-sufficient (and often don't contribute enough to cover debt repayments or fund replacements over time) and therefore require "augmented" funding over time (often in the form of a council backed operational grant) to remain cash flow positive.

TABLE E1: FINANCIAL SUMMARY

\$NZ000's	Preferred Stadium Option
Project Metrics:	
Cumulative Cash Flow	(450,182)
NPV	(225,740)
IRR	N/A
Payback (Non discounted)	+50yrs
Capital Intensity	
Capex	220,272
EBITDA (FY22 Real Terms)	856
Capital Intensity (Capex/EBITDA) - Payback yrs (Real terms)	257
Profitability	
Revenue (FY22 Real Terms)	6,228
EBITDA (FY22 Real Terms)	856
EBITDA Margin%	14%
Debt Metrics	
Debt	(168,330)
Debt Repayment (over 30 yrs)	10,950

Source: Deloitte Analysis

Management Case

The management case sets out the processes that will be implemented to enable the successful delivery of the community stadium. This includes consideration of:

- Wider governance context,
- Governance and project team establishment,

- Project delivery capability and skills,
- Procurement planning outline,
- Stakeholder management,
- Benefits management,
- Risk management.

Although the Management Case primarily addressed project governance during the establishment phase it was considered important to first look at wider project governance options for context. Three general options were outlined although there are many potential variations. These main options were:

1. Trust developed, owned, and operated,
2. Trust developed, and Tauranga Council, owned and operated,
3. Tauranga Council Developed, Owned and Operated.

For the purposes of the preliminary business case the consultant team recommended a Trust developed, and Council owned, and operated approach. The project partners can evaluate this recommendation in due course a reach a final position. When this is done the Indicative Business Case can be updated with an addendum.

The rationale for this recommendation is:

1. An independent Trust is likely to be beneficial during the project's development. This is because the Trust is likely to be a better vehicle for third party fundraising, would offer a community face to the project and may add greater continuity over a period of political transition within Council.
2. Tauranga City Council can still have significant input over the stadium design and development via mechanisms such as:
 - a. Funding agreements with the Trust that would include sign off at key planning and design stages,
 - b. Potential involvement from Council's City Centre Precinct CCO (the CCO could be contracted by the Trust).
 - c. Positions (although not controlling) on the Trust and the Trust's stadium Project Control Group (PCG),
 - d. Agreed review of all project documentation.

3. The risk of Tauranga City Council inheriting a suboptimal stadium resulting in higher operational costs and lower revenue streams can be mitigated by the steps outlined above in point 2 and by establishing an expert design advisory group.
4. Council has a significant capital development works programme over the coming five years. Creating a degree of separation between projects and having the stadium fronted by a community Trust may be beneficial from a communications and implementation perspective.

Key roles within the recommended delivery structure included.

- Trustees (Development Trust),
- Project Control Group Members,
- Project Director,
- Expert Design Advisory Group Members,
- Project Manager,
- Quantity Surveyor,
- ECI Consultant/s,
- Design Team,
- Building Contractor.

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

Realisation of the project benefits will be dependent on:

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

Risk management was considered throughout the business case. The risk management process used for the project will follow the following approach:

- Step 1: Risk management planning.
Baseline activities such as scope, schedule and cost are reviewed to identify potential risks (basic risk screening). This is done against categories such as:

1. Construction,
2. Safety,
3. Regulatory / environment,
4. Security,
5. Design,
6. Resources.

Activities that are identified as a risk will become part of the project's risk management plan (RMP).

- Step 2: Risk identification:
Identify risks that may impact on delivering the project successfully. Focus is placed on identifying uncertainties associated with each project stage.
- Step 3: Risk assessment:
The identified risks are then assessed (where possible from a qualitative and quantitative perspective looking at both the consequences – the impact of the risk, and its probability of happening).
- Step 4: Risk Handling:
Determine how the risk will be handled (eliminate, transfer, prevent, mitigate, or assume and 'accept' the risk).
- Step 5: Risk management and impact controls:
Assess the risk impact on the project and the effects of handling the risk. Risk handling strategies will be reflected in the project's baseline, whereas residual risks will be reflected in the project contingency.
- Step 6: Risk reporting and tracking:

This is undertaken in a documented form via a project risk register.

A project implementation risk and mitigation summary identified geotechnical conditions as the highest current project risk.

2.0 INTRODUCTION

The Project Partners (Tauranga City Council, Bay of Plenty Regional Council, Priority One, and Sport New Zealand) engaged Visitor Solutions and Tuhura Consulting in association with Warren and Mahoney, Deloitte, Stantec, Senateshj, Boffa Miskell, Market Economic, Maltbys and Daylight to set the direction and provide recommendations for delivering the right multi-use stadium in the right location.

The study built upon earlier work which indicated that there is a need and demand for a multi-use stadium. The client partners desired an evidence-based approach that was not afraid to challenge past thinking. The project's governance group stressed the need to think 'outside the box' and deliver an innovative unique solution fit for Tauranga.

Brief and Scope

This business case is set out to specifically meet the needs of the client. The project governance group identified the project still has a degree of evolution before final positions are adopted, especially in relation to areas such as funding, partnership structures, and project governance and management.

The business case will therefore be used to inform discussions rather than reflect a final position at this time. Recommendations are made in the business case, but these should not be read as reflecting the final position of the project partners.

The business case is broadly set out in alignment with the Better Business Case approach. However, the processes implemented in developing the business case were tailored to meet the clients' specific requirements and the available business case budget.

Once the project partners have reached a final position on key project areas additional more detailed work will be required in specific areas to advance the project.

Primary drivers:

The Project Partners established the following primary drivers for the project:

- To create a multi-use stadium that will meet the entertainment, business, sport, and cultural requirements for the whole community of Tauranga and The Western Bay of Plenty.
- To provide Tauranga and the Western Bay of Plenty with a quality multi-use stadium that can help meet demand and facilitate growth within the sub-region's events sector.
- To provide Tauranga and the sub-regions with a multi-use stadium that will meet the requirements of a growing city and surrounds.
- To create a multi-use stadium that will have a positive economic and social impact on Tauranga and the sub-region.

Background Context

Tauranga City is the economic and population centre in the Bay of Plenty. Tauranga is part of the wider sub-region with linkages to Western Bay of Plenty, and it also supports activities in the wider region (e.g., Rotorua). The city, and the sub-region (including Western Bay of Plenty) has seen considerable, and very fast, population growth over the recent past.

The speed and scale of the growth is putting pressure on the available resources. Several large-scale projects are underway across the city to cope with backlogs, and to position the City to accommodate growth. There are several agencies collaborating to manage this growth, through the SmartGrowth initiative. The large projects are in response to the local growth pressures and reflect the aspirations to capture the growth in a way that maintains wellbeing and improves the liveability of the local communities.

Tauranga and the sub-region are without a purpose-built stadium to support rectangular field ball sports (such as rugby, league, football, and touch) as well as larger entertainment events. Existing facilities are not fit for purpose for these activities.

An earlier report by Becca identified that the Tauranga Domain was the best location for a potential stadium. The subsequent stadium feasibility study undertaken in 2022 established a stadium and associated assets would fit on the Domain site. The Domain is a much-loved space which facilitates a range of active and passive sports and leisure activities. The

challenge will therefore be to balance as many competing uses as possible, while still delivering a functional stadium concept that is in keeping with the Domain's natural attributes.

Business Case Purpose and Structure

The purpose of the preliminary business case is to refine the development concept and provide additional information to assist the project's partners decision making.

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

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

The business case represents a summary of the analysis undertaken to date. Should the project be advanced further additional data will need to be gathered and analysed to assist decision making. This will include but not be limited to detailed geotechnical and structural engineering assessments.

The STRATEGIC CASE

DRAFT

3.0 THE STRATEGIC CASE

3.1 PURPOSE

Tauranga and the Western Bay of Plenty has experienced rapid population growth in the past ten years which is projected to continue. The latest population projections (August 2022) illustrate that by 2063 the subregions population is likely to exceed 300,000 off a 2018 population of circa 195,000.

This growth has come with certain challenges. Not least has been an increased demand for adequate community sports and event infrastructure to match both the needs and community and business expectations. One piece of key infrastructure identified as currently lacking is a multi-use stadium².

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

3.2 STRATEGIC CONTEXT

The proposed multi use stadium fits within a strategic context at citywide, regional, and national levels. It fits within and aligns with numerous strategies, policies, and plans.

Tauranga

OUR DIRECTION – TAURANGA 2050 (2022 DRAFT)

Our Direction – Tauranga 2050 outlines Tauranga City Council's strategic direction built around the vision – **'Tauranga: together we can'**. The three key pillars for the strategy are that together we can:

- Prioritise nature,

² A multi-use stadium in this context is a rectangular stadium with surrounding facilities that can be used for a range of sporting and non-sporting community and commercial activities.

- Lift each other up,
- Fuel possibility.

Guided by this vision and associated community outcomes, council's strategies and action and investment plans will drive its long-term and annual planning processes and decision-making. The pathways to achievement are built around:

Five 'Community Outcomes' (what they are focussed on delivering)

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

Three 'Approaches' (how they will be doing things)

- Te Ao Māori,
- Sustainability,
- Working beyond Tauranga.

Six 'Primary strategies'

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

There are no specific facility actions identified in the strategy that directly relate to the stadium project. However:

- Under the Community Outcome of 'A well-planned city' the council states it will contribute by:

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

And a key move over the next 10 years...

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

- Under the Community Outcome of ‘*Working beyond Tauranga*’ in the wider Bay of Plenty the council states it will contribute by:

“We work in partnership with other governing entities, at a local, regional and national level, both informally and via formal mechanisms such as SmartGrowth and Local Government New Zealand, to ensure we plan and deliver initiatives collaboratively.”

And across the six aligned ‘Primary strategies’ as identified in the vision document Council makes statements - more closely related to the stadium project - that it will contribute by:

- *“Providing a well-planned network of active and passive reserves, public spaces, libraries, community centres, indoor courts and aquatics centres that provide quality experiences and meet growing demands.”*
- *“Delivering transport options that provide our communities with local services within a 15-minute journey time, and sub-regional services within 30–45 minutes”.*

SPORT AND ACTIVE LIVING STRATEGY (2012)

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

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

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

Related Goals for Sport and Active Living:

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

There are no specific facility actions identified in the strategy that directly relate to the project. However, the multi-use community stadium would align with goals 1, 2 and 5.

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

TE PAPA SPATIAL PLAN 2020

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

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

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

FIGURE 3.1: TE PAPA PENINSULA IN THE CENTRE OF TAURANGA



CITY CENTRE ACTION AND INVESTMENT PLAN 2022-2032

The City Centre Action and Investment Plan 2022-2032 sets out a significant investment over the next 10 years. Central to the plan is the concept of creating a city centre with people at its heart: Te Rapunga Ora ki Te Papa, a great place to live, work, learn and play.

The plan is guided by four pou (values) that direct development in the city centre:

- Te Papa Houkura – a wellspring of well-being,
- Te Papa Manawa Whenua – a place of prosperity,
- Te Papa Kainga o Te Iwi – the home of the people,
- Te Papa o Ngā Waka – the landing place for many.

The six main goals the plan seeks to achieve over the next 10 years can be summarised as:

1. A city centre for people, a great place to live, work, learn and play, that prioritises people at its heart.
2. An accessible city centre, that supports walking, cycling, micro-mobility and public transport for all ages and abilities.
3. A waterfront city centre, where high-quality, vibrant spaces connect people with the moana.
4. A city centre with identity and culture, that represents our culture and heritage, and enhances our sense of place.
5. An engaging city centre, that is vibrant and inclusive, with exciting things to do for people of all ages, stages, and abilities.
6. A city centre in nature, that embraces its natural environment, integrating with waterways and open space.

Under the plan the city centre will be structured into eight precincts. Each precinct will have its own sense of character based on its core use, and the type of developments, services, and activities it hosts. One of these precincts is the sports and events precinct. The proposed multi-use stadium is central to this precinct. The stadium also directly aligns with goals 1, 2, 4, 5 and 6.

TAURANGA EVENTS ACTION AND INVESTMENT PLAN 2022 – 2032

The Tauranga Events Action and Investment Plan Events 2022 – 2032 was developed in partnership with Tourism Bay of Plenty, Bay Venues and Priority One. It was developed based on feedback from Tangata Whenua, the events industry (both local and domestic), key stakeholders, and the community.

The plan stresses the importance of events in:

- Fostering community wellbeing; they build feelings of belonging, identity and a sense of pride and help to grow awareness of Tauranga’s culture and our diverse community.
- Helping to increase the visitor market and support talent attraction making Tauranga a desirable destination for new residents.
- Showcasing Tauranga's landscape, lifestyle, and experiences to visitors.

- Creating economic benefits with the event delivery activity building the event industry, generating business for locals as well as increased expenditure by visiting event attendees.

This plan sets out what Tauranga seeks to achieve in the events space, goals, and an action plan to be implemented over the next ten years. It provides a starting point in signalling the aspiration to be the best host city in Aotearoa.

The plan acknowledges that many event aspects are being done well and need to continue to be supported. However, it also highlights some significant gaps and opportunities, such as the need for fit-for-purpose venues and a proactive and coordinated approach to attracting major events and business events.

“Trustpower Arena has two auditoriums and is under increasing pressure to balance demand for community sport with demand for commercial events use. Trustpower Stadium is used predominantly for speedway with capacity for up to 18,350 people and lounge/corporate spaces for hire. With the city not having a fit-for-purpose stadium and our regional rugby team playing in the national league, a temporary grandstand is erected at the Tauranga Domain each season. The grandstand has a significant impact on the availability for other key users of the domain resulting in compromises for all parties”. Tauranga Events Action And Investment Plan Events 2022 – 2032.

The city has many premium outdoor spaces including Wharepai Domain adjacent to Tauranga Domain. Some of these spaces experience issues with conflicting needs of community sports and events. Many venues require compromise, adeptness, and innovative thinking to deliver quality events.

The plan prioritised the following goals:

1. Develop a strategic and collaborative approach to priorities and investment in major events and business events.
2. Support the development and sustainability of the events industry in Tauranga.
3. Support events that reflect and celebrate our people and our places (see strategic direction).

4. Improve the promotion and marketing of events to both local and national audiences.
5. Become the best host city in Aotearoa.
6. Plan for and develop fit-for-purpose event venues and infrastructure.

Goal six most closely aligns with the multi-use stadium and states:

“Tauranga lacks fit-for-purpose event venues that support the ability to grow across all sectors, including entertainment, sports, performing arts, cultural events, and business events. Many venues require compromise, adeptness, and innovative thinking to deliver quality events. Tauranga has missed out on events such as concerts and conferences due to inadequate venues. Event venues also need to be supported by a range of accommodation options and good transport networks.

*Demonstrated economic benefits are often the catalyst for investment in major infrastructure. A lack of suitable venues for events restricts the growth and the attraction of different event markets. A ‘Number 8 Wire’ mentality has made the most of existing venues; however, this is not sustainable. Growth and events success to date supports the need for fit-for-purpose venues in the future. **Facility and event gaps identified through development of this plan include a stadium, exhibition and events centre, all-weather market space, cultural events centre, and larger music, concert, and performance venues. Most of these facilities are already subject to business case/feasibility studies/masterplans”.***

Goal six has two actions that relate to the multi-use stadium, Action 6b directly and Action 6d by virtue of the stadium being a core component of the Tauranga Domain masterplan. These actions state:

Action 6b

“Continue to advance feasibility plans for development of a multi-use community stadium for Tauranga. This will provide a venue for events including concerts, cultural events, festivals, and sporting events, and if located in the city centre would have a significant impact on increasing visitation and vibrancy.

Also links to major events and business events framework which will provide detailed analysis of event demand for the stadium”.

Action 6d

“Utilise the masterplan process for strategic sports and events sites (Blake Park, Baypark and Tauranga Domain) to determine the positioning of events across these sites. This will ensure the right type of events are located in the right place across this network, to maximise event/ destination outcomes and provide clarity on fit-for-purpose venue requirements”.

RECREATIONAL MASTERPLANS WHAREPAI & TAURANGA DOMAINS | BAYPARK | BLAKE PARK 2022

Blake Park, Baypark and Tauranga and Wharepai Domains (the ‘Tauranga Domain Precinct’) are three key areas of open space within Tauranga. Each of the areas is currently used by a cross section of sports. They are also used by residents for casual recreation and leisure activities. A range of sports and entertainment events are also staged each year.

It is critical that each of these parks work together and with the rest of the open space network. For this reason, preliminary master plans were developed at the same time for each site. This enabled network wide optimisation as key assets can be relocated between sites to assist in delivering the most functional community, sports, events and leisure outcomes for both residents and visitors.

Key asset moves related to the stadium include:

- Developing the stadium on Tauranga Domain,
- Moving athletics off Tauranga Domain and establishing a purpose-built athletics facility at Baypark, making way for the multi-use stadium (Plan 3.1).
- Moving bowls and croquet off Tauranga Domain, making way for the multi-use stadium.

Key programming moves include:

- Repositioning Baypark primarily to have a community sport and recreation focus, while increasing Tauranga Domain’s event focus.

- Moving light exhibitions and business events from Baypark to the multi-use stadium (thus creating greater community sport capacity at Baypark).

PLAN 3.1: PRELIMINARY BAYPARK MASTER



TAURANGA CITY COUNCIL COMMUNITY OUTCOMES

Tauranga City Council has developed community outcomes ‘that shape the activities undertaken to improve the wellbeing of Tauranga.’ These were refreshed in September 2020 to help guide Council’s Long-term Plan 2021-31. Of relevance to the multi-use stadium are:

1. We have a well-planned city – Tauranga is a city that is well-planned with a variety of successful and thriving compact centres, resilient infrastructure, and community amenities.

2. We support business and education – Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs and a skilled workforce.
3. We are inclusive – Tauranga is a city that recognises and promotes partnership with tangata whenua, and values culture and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy.
4. We recognise we are an integral part of the wider Bay of Plenty region and upper North Island – Tauranga is a well-connected city having a role in making a significant contribution to the social, economic, cultural, and environmental wellbeing of the region. This is demonstrated by the role and level of membership attributed to both clubs and the ability to host large scale events in the region – attractive destination (with visitors from around the country).

WESTERN BAY OF PLENTY SUB REGION CONTEXT

URBAN FORM AND TRANSPORT INITIATIVE

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

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

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

There is a core concept critical to the Connected Centres programme which relates to the multi-use stadium:

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

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

The Connected Centres programme acknowledges three key challenges of which the second is relevant to this project. It states, “access to community facilities, and infrastructure levels of service are not aligned with community expectations and needs”. In response it is important to carefully consider the placement of community facilities and infrastructure which are fit-for-purpose and accessible by many modes of transport. This means having a clear spatial plan that outlines where future growth is best supported by community facilities, public transport, active mode services and infrastructure.

A centrally located multi-use community stadium with supporting transportation networks aligns with UFTI objectives.

SMARTGROWTH

Responding to growth issues, Tauranga City Council, Western Bay of Plenty District Council and Bay of Plenty Regional Council, along with Tangata Whenua, developed SmartGrowth in 2004. SmartGrowth is a 50-year, sub-regional growth strategy originally based on population, household and employment forecasting out to 2051, but extended to 2065 in 2013.

SmartGrowth 2013 provides a unified vision “Western Bay – a great place to live, learn, work and play”, and direction for the future of the Western Bay of Plenty.

The Strategy has multiple outcomes, but of relevance to the community multi-use stadium is the **Build the Community** interest area: “we work proactively and in partnership with the community to make Western Bay active, vibrant, connected, caring, healthy and safe”. The Strategy identifies actions which include evidence-based planning, partnerships with the community, considering the needs of an aging population, supporting life-long learning, and ensuring opportunities are accessible.

BAY OF PLENTY SPACES AND PLACES STRATEGY

The strategy provides a high-level strategic framework for sport and recreation facility planning across the region. The strategy assists by providing guiding principles, a decision-making process, assessment criteria, and proposed high priority optimisation projects. The strategy was updated in 2020 prior to the latest round of stadium analysis.

In relation to regional stadia key considerations the strategy states include:

- *“It is acknowledged that the current stadiums in Tauranga are not optimal for some sports.*
- *There are several proponents and possible proposals regarding the development of a purpose-built stadium in Tauranga to cater to rugby, rugby league, football and events. These proposals should be considered alongside the TCC Events Strategy.*
- *Due to the investment required to provide stadium facilities it is important that their specification is aligned to regular use and their capacity to attract and retain national tournaments such as rugby 7's, international cricket fixtures, northern league football and considerations for special events such as concerts, and commemorations. They also need to be accessible and affordable to be utilised to maximise their use.*
- *In the current infrastructure available one-off events are better catered for as an event overlay that bolsters the assets capacity over a peak use period.*
- *The capacity of Tauranga to attract frequent professional sports franchise games is likely to be limited and this fact should be taken into consideration when planning facilities”.*

The proposed facility approach within Tauranga in respect to a stadium states:

“A needs assessment has been conducted on a proposed Tauranga Stadium, with a recommendation to proceed to a detailed feasibility stage. Any feasibility study undertaken will need to take into consideration the range of options available including event and tourism overlay, community outcomes,

minor upgrades to existing stadium infrastructure, a new stadium and associated site and potential use levels. All options should undergo a cost benefit analysis”.

Importantly the strategy acknowledges that “current stadiums in Tauranga are not optimal for some sports”. The strategies outlined ‘stadium considerations’ have also been taken into consideration during earlier planning steps and in this business case. That the stadium specification is aligned to regular use (community level use) as well as professional sport and commercial events.

NATIONAL

TREASURY - LIVING STANDARDS FRAMEWORK

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

The four capitals are:

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

These are outlined in Figure 3.2.

FIGURE 3.2: THE FOUR CAPITALS



The multi-use stadium will most strongly influence the human, social and financial / physical capitals to enhance sustainable intergenerational wellbeing.

SPORT NEW ZEALAND - STRATEGIC PLAN 2020-2024 – ‘EVERY BODY ACTIVE’

Focus of the strategic plan is placed on tamariki (5–11-year-olds) and rangatahi (12–18-year-olds). This phase of life provides the greatest chance of establishing life-long involvement in Play, Active Recreation and Sport (through quality experiences). This will achieve maximum impact with available resources, while other groups will continue to address younger and older cohorts.

The key themes that will guide action to support this focus area are shown in Table 3.1:

TABLE 3.1: KEY THEMES THAT WILL GUIDE ACTION.

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

The multi-use stadium aligns with this plan by delivering experiences and opportunities for tamariki (5–11-year-olds) and rangatahi (12-18 year-olds) at several levels:

1. Via the stadium’s multi-use sports facility that accommodates several community sports clubs,
2. Via the use of the stadium playing surfaces for community and school sport,

3. By showcasing sports pathways - enabling Western Bay of Plenty youth to see high performance teams such as the Black Ferns play at the stadium,
4. Through the incorporation of the University of Waikato’s undergraduate sports science labs and classrooms into the stadium.

SPORT NEW ZEALAND - WOMEN AND GIRLS IN SPORT AND ACTIVE RECREATION – GOVERNMENT STRATEGY (2018)

The strategy vision is – “Enabling women and girls to realise their potential in and through sport and active recreation.”

It was developed to address the clear inequalities that have been identified for women and girls across all facets of the sector.

There are three priority areas that underpin the Strategy (Table 3.2)

TABLE 3.2: THREE PRIORITY AREAS THAT UNDERPIN THE STRATEGY.

Priority Area	Outcome
LEADERSHIP	More women and girls are leading, working, coaching, and volunteering in sport and active recreation, at all levels.
PARTICIPATION	More women and girls are physically active through play, active recreation, and sport.
VALUE AND VISIBILITY	Women and girls in sport and active recreation are valued and visible.

The multi-use stadium aligns with this plan in two ways:

1. Via the stadium’s multi-use sports facility that accommodates several community sports clubs that involves girls and women,
2. By showcasing women’s sports pathways - enabling Western Bay of Plenty girls and women to see high performance teams such as the Black Ferns play at the stadium.

The specification of the multi-use stadium with a boutique seating capacity makes it ideal to host women’s sports events such as the Black Ferns and the Kiwi Ferns. It also is well placed to host women’s sport festivals.

3.3 PROBLEM DEFINITION

Introduction

The project partners established four key project drivers. These are:

1. To create a multi-use arena that will meet the entertainment, business, sport, and cultural requirements for the whole community of Tauranga and The Western Bay of Plenty.
2. To provide Tauranga and the Western Bay of Plenty with a quality multi-use arena that can help meet demand and facilitate growth within the subregion's event sector.
3. To provide Tauranga and the subregions with a multi-use arena that will meet the requirements of a growing city and surrounds.
4. To create a multi-use arena that will have a positive economic and social impact on Tauranga and the subregion.

The feasibility study and business case stakeholder engagement processes have advanced these project drivers further and with the assistance of the project's working group members³ led to the creation of four core problem definitions. These are:

- **Problem 1:** A gap and poor alignment in events and sports infrastructure is limiting Tauranga's (and the sub region's) economic performance and community sports capacity.
- **Problem 2:** Tauranga and the Western Bay of Plenty are growing and a gap in experience opportunities weakens residents' quality of life.
- **Problem 3:** Tauranga has limited CBD land and ambitious urban and commercial development plans. Existing central open space is not optimised to meet the needs of a growing city centre and sub region.
- **Problem 4:** Traditional stadia have long periods of dormancy. Tauranga and the region cannot afford commercially or socially a stadium that is functionally one dimensional, underperforms experientially and financially while sitting dormant for large periods of time (especially in a CBD location).

³ The project working group included members from Priority One, Bay Venues Ltd, Sport Bay of Plenty and Mana whenua, Bay of Plenty Regional Council and Tauranga City Council.

Each of these problem definitions is summarised below.

The Problem Definitions

Problem 1: A gap and poor alignment in events and sports infrastructure is limiting Tauranga's (and the sub regions) economic performance and community sports capacity.

Challenges in the existing Tauranga events and sports facility network are well documented and have been the subject of analysis by both Bay Venues Ltd and Tauranga City Council.

Sports Market / Facilities

Tauranga has no dedicated permanent sports stadium for fields sports such as football, rugby, and rugby league. The Tauranga Domain was historically used with its small grandstand before codes were encouraged to the specialist speedway stadium at Baypark. However, this speedway stadium delivered a suboptimal experience for ball sport spectators given its field dimensions and surrounding speedway track surface, which distanced spectators from the field (Plate 3.1). It was also considered suboptimal by rugby as the stadium infrastructure requires renewals.

PLATE 3.1: BAY PARK SPEEDWAY



The speedway stadium is also away from the CBD and delivered fewer economic multipliers as spectators were unable to readily access Tauranga's main hospitality area on foot before and after games.

Codes like rugby were therefore drawn back to Tauranga Domain which by this time had incorporated a synthetic athletics track. To create sufficient seating capacity codes holding events are required to erect temporary scaffold seating on the eastern side of the athletics track together with temporary fencing (Plate 3.2).

PLATE 3.2: TEMPORARY SCAFFOLD SEATING AT TAURANGA DOMAIN FOR A MITRE 10 CUP GAME 2022.



These pop-up facilities fall far short of a stadium experience due to factors such as minimum cover from the elements, large open areas with no

⁴ A 'court day' is a single 24-hour period that an individual indoor court is used. A single event can use anywhere from 3 to 9 courts per day.

seating, and a distance between the playing surface and spectators (due to the athletics track creating a separation between pitch and grandstand). The spectator experience created lacks a stadium atmosphere. Erecting and dismantling these temporary facilities also come at a financial cost to codes seeking to run events which discourages some use.

Although Tauranga in the short to medium term is unlikely to host large sports fixtures such as All Blacks tests, League Tests and All Whites Games it can attract increased smaller attendance and second tier events and larger niche events such as sports festivals.

The dual use nature of Tauranga Domain is also less than ideal for community athletics. Athletics reports being disrupted by rugby and cricket activity particularly in relation to track training and throwing activities. Rugby in turn finds the artificial track and associated activity problematic when staging events and training.

The community level indoor sports codes are also being displaced from the Trustpower Arena (which includes the Lion Foundation Centre and TECT Auditorium as components). Trustpower Arena is the Western Bay of Plenty's primarily indoor sports facility accommodating community sports such as netball, basketball, volleyball, and futsal and professional sports activity.

When business / commercial events are held regular community activity (from either one or both sides of the arena) is displaced. Currently these activities cannot be accommodated elsewhere in the network. This situation is likely to worsen in the short to medium term as the Mount Sports Centre is proposed to be removed from Blake Park (as per the Blake Park Preliminary Master Plan 2022).

Analysis has indicated that commercial / business events are currently displacing circa 243 court days⁴ per annum at Trustpower Arena. This represents a significant loss of community utilisation given existing and projected demand.

Needs analysis research undertaken in 2020 identified that:

“Trustpower Arena – is currently experiencing capacity issues (due to heavy reliance on this facility within the network). Population growth will place further strain on the existing infrastructure. Ideally new provision in Eastern Corridor will alleviate future pressure. Additional court capacity may be released in the Arena with the development of a purpose-built events facility on site” (The Tauranga City Community Facilities Needs Analysis for Aquatic, Community Centres/Halls, Indoor Courts, and Libraries, Visitor Solutions Ltd, Feb 2020)

Bay Venues Ltd proposed in 2017 a purpose-built events facility at Baypark. This is not currently advancing as it was decided that other more centrally located light exhibition and conference facilities were more likely to be viable and deliver stronger economic multipliers for the subregion. Under this approach Trustpower Arena would retain indoor sports events and heavy exhibitions (such as home and boat shows) which it is better placed to deliver than facilities in a more central CBD location. Until new event facilities are developed in the city community sport will continue to be displaced from Trustpower Arena.

Business Events Market / Facilities

Prior to Covid-19, the New Zealand business events industry was valued at \$1.5 billion per annum, with over 3.6 million attendees both domestic and international, employing 22,000 people.

Competition for business events has significantly increased in recent times with the development of new business events infrastructure in Auckland, Wellington and Christchurch serving a broad range of events, and supported by strong established supporting infrastructure.

Once opened, the New Zealand International Convention Centre (NZICC) will create additional capacity in the Auckland market; this means that existing venues such as Shed 10, the Aotea Centre and the Viaduct Events Centre will become more accessible to event organisers as demand shifts to the NZICC. This displacement may inhibit the ability of smaller regions like the Western Bay of Plenty sub region to attract content unless there are the right facilities and a deliberate and targeted strategic approach to prospecting and bidding for content.

Data and insights held by the industry body, Business Events Industry Aotearoa, indicates that Tauranga and the wider Bay of Plenty significantly underperforms relative to other regions in the attraction of business events and exhibitions. Although venues like The Lion Foundation Centre (Baypark) are available, the lack of functionality and supporting infrastructure means Tauranga has tended to be overlooked (unless the event is targeted at a local or sub-regional market).

However, there is evidence of demand for the wider Bay of Plenty as a business events destination. Research undertaken at MEETINGS, New Zealand’s premium Business Events trade show, shows keen interest from both independent buyers (Day Buyers) and Hosted Buyers. Hosted Buyers are individuals, primarily Australian or New Zealand corporate or association representative, noted as high value clients who have a strong record of business and the potential to book future business events in New Zealand. Table 3.3 indicates latent demand, and a new venue in the market is likely to attract further interest in the region.

TABLE 3.3: POTENTIAL LATENT DEMAND INDICATORS (BUSINESS EVENTS)

MEETINGS BUYER BREAKDOWN:		
www.meetings.co.nz	2019	2021
Hosted Buyers (ex AU and NZ) total attended	204	143
Hosted Buyers interested in Bay of Plenty	34%	50%
Hosted Buyers with events of 200 plus delegates	75%	63%
Hosted Buyers interested in conference exhibition venues	85%	75%
Day Buyers - mostly ex Auckland - total	357	261
Day Buyers interested in Bay of Plenty	27%	34%
Day Buyers interested in conference and exhibition venues	63%	65%

With the focus of the major centres being on large-scale conferences, incentives and exhibitions, there is arguably potential for Tauranga to focus on mid-tier business events/exhibitions, particularly those that are aligned to its brand attributes and target economic sectors. These mid-sized events would be able to be catered to by existing accommodation and supporting infrastructure, as is presently the case with content

hosted at The Lion Foundation Centre. However, there would need to be consideration to the displacement impacts on existing and planned event infrastructure.

Notwithstanding this, based on market knowledge of the utilisation rates of similar sized venues, a modern well-located facility could be expected to annually host up to 50-day conferences/residential conferences/functions (ranging in capacity from 1,000-4,500), 8-10 light exhibitions (catering to up to 150 exhibition stands), and a significant number of meetings, product launches, weddings, and workshops. In addition, there is potential to establish local annual exhibitions that could become 'anchor' business events to showcase the region rather than 'buying' content into the venue.

Realigning and Optimising the Facility Network

In addition to the wider strategic planning work already undertaken (such as The City Centre Action and Investment Plan 2022-2032) Two additional pieces of planning are critical to fine tuning the sport and business events facility network approach.

The first is being undertaken by Willis Bond (Councils development partner in the CBD precinct project) and examines at a more detailed level where certain business events facilities (such as conference venues and function spaces) should be positioned and their required level of specification.

Although this work is ongoing early discussions with Willis Bond indicate that in terms of events facilities the Civic Precinct – Te Manawataki o Te Papa will have a focus on higher specification conferences (at the small to medium pax level) together with associated functions. These event activities are also best placed to synergise with the precinct's proposed theatre and hotel.

This leaves a market niche for light exhibitions and larger capacity lower specification conferences. Such activities are best located on the periphery of the CBD but still within walking distance. This enables easier pack in pack out functionality (required for light exhibitions) while still leveraging of central public transport, accommodation, and hospitality

infrastructure. These facilities are considered best delivered in the City Centre Action and Investment Plans 'Sports and Events Precinct'.

The second key plan that is helping to reshape the facility network is the 'Recreational Masterplans - Wharepai & Tauranga Domains | Baypark | Blake Park, 2022'. These three sites are key areas of open space within Tauranga.

The preliminary master plans were developed at the same time for each site. This enabled network wide optimisation as key assets were relocated between sites to assist in delivering the most functional community, sports, events and leisure outcomes for both residents and visitors.

Under the master plans Tauranga Domain will be redeveloped as a major events and sports precinct (drawing certain types of events away from Baypark). The main shift in events sees outdoor festivals, light exhibitions and concerts relocating from Baypark to Tauranga Domain, enabling other sport and recreation facilities to be domiciled at Baypark while also freeing up additional capacity for community sport within the Trustpower Arena.

Athletics would move from Tauranga Domain to Baypark, while netball would shift across from Blake Park. In doing this, it is envisaged that Baypark would become a central hub for events like the AIMS Games and community sports.

Bayparks Trustpower Arena, as the preeminent large indoor facility in Tauranga, will remain integral in the facility network for accommodating indoor sports events and heavy exhibitions (homes and boats shows).

Problem 2: Tauranga and the Western Bay of Plenty are growing and a gap in experience opportunities weakens residents' quality of life.

Tauranga City and Western Bay of Plenty are growing strongly. The latest population and age projections (August 2022) illustrate that by 2063 the subregions population is likely to exceed 300,000 off a 2018 population of circa 195,000 (Table 3.4).

TABLE 3.4: POPULATION PROJECTIONS TAURANGA CITY AND WESTERN BAY OF PLENTY, 2018-2063

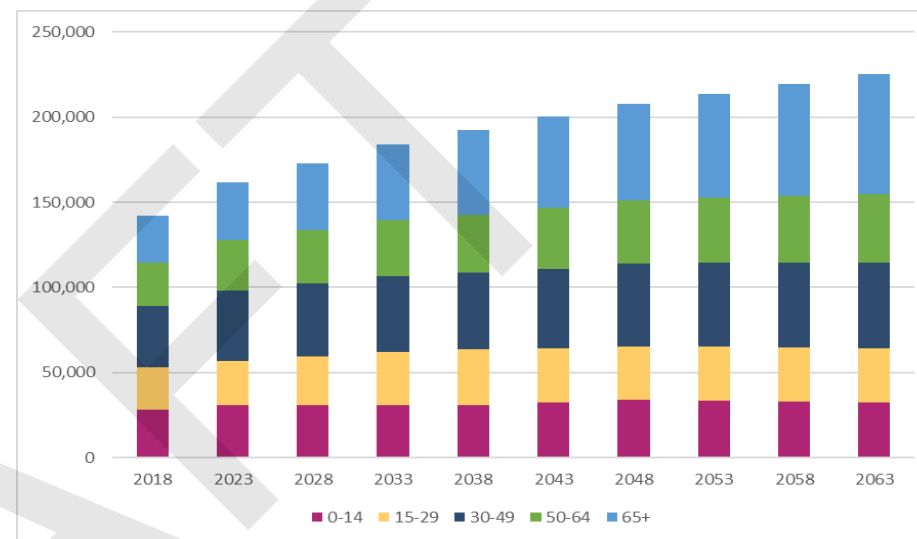
	2018	2033	2048	2063	Change 2018-2063	
					n	%
Tauranga City	142,100	183,890	207,990	225,430	83,330	58.6%
Western BOP	53,300	66,890	73,990	78,020	24,720	46.4%

Tauranga City

In 2018 Tauranga City had an estimated population of 142,100. This is projected to increase to 183,890 by 2033, 207,990 by 2048, and 225,430 by 2063 (Table 3.4). That is a total increase of 59% or 83,330 additional people living in Tauranga City between 2018-2063. Between 2018-2033 population is projected to grow at a faster rate of 1.7% p.a. on average, declining to 0.8% p.a. between 2033-2048 and again to 0.5% p.a. between 2048-2063.

Figure 3.3 present the population growth outlook for Tauranga City by broad age cohorts. The largest actual and percentage increase is projected within the 65+ age cohort with an additional 42,970 (or 156%) people between 2018-2063. This is followed by the 50-64 age cohort with an increase of 15,130, next 30-49 age cohort (+14,160), then 15-29 age cohort (+6,700) and 0-14 years (+4,370).

FIGURE 3.3 TAURANGA CITY POPULATION PROJECTIONS BY BROAD AGE COHORTS



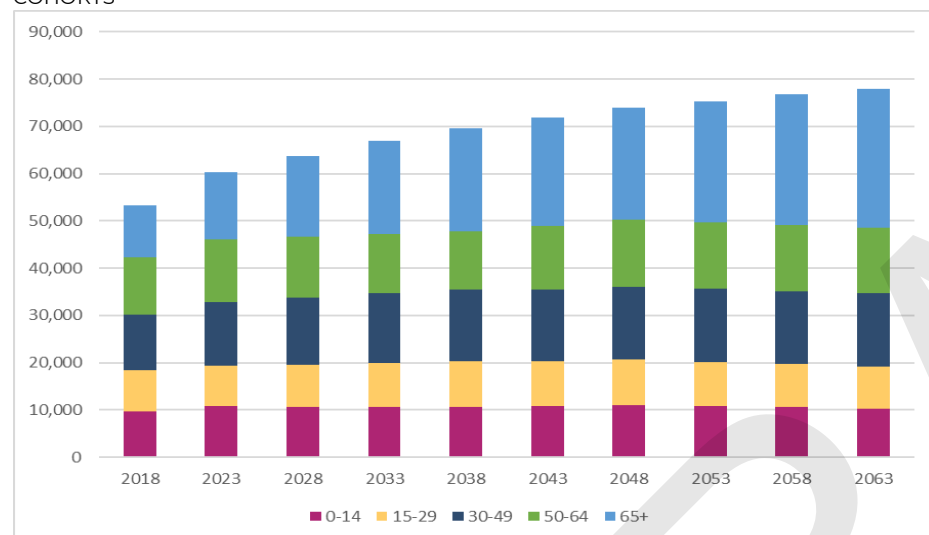
Although the number of people in each age cohort increases overtime, the distribution (or shares) change (increase or decrease) respectively. The share of people aged 65+ shifts upwards significantly from 19% in 2018 to 31% in 2063. Shares of middling age cohorts (30-49 and 50-64 years) remain relatively stable overtime while younger cohort shares decline. The projected share of people aged 0-14 years decreases from 20% in 2018 to 14% in 2063 while the share of the 15-29 year cohort declines from 18% to 14%.

Western Bay of Plenty

As at 2018 Western Bay of Plenty (WBOP) had an estimated population of 53,300, projected to increase to 66,890 by 2033, 73,990 by 2048, and 78,020 by 2063 (Table 3.4). That is a total increase of 46% or 24,720 additional people living in WBOP between 2018-2063. WBOP population's is expected to increase at a similar growth rate to Tauranga City. Between 2018-2033 population is projected to grow at 1.5% p.a. on average, declining to 0.7% p.a. between 2033-2048 and again to 0.4% p.a. between 2048-2063.

Figure 3.4 presents the population growth outlook for WBOP by broad age cohorts. The 65+ age cohort is anticipated to increase by 166% or an additional 18,440 people between 2018-2063. This is followed by 30-49 age cohort (+3,800), then 50-64 age cohort (+1,820), 0-14 (+600), and 15-29 years (+55).

FIGURE 3.4: WESTERN BAY OF PLENTY POPULATION PROJECTIONS BY BROAD AGE COHORTS



Like Tauranga City, there is a significant shift in the share of people aged 65 and over, increasing from 21% in 2018 to 38% in 2063. Middling age cohorts (30-49 and 50-64 years) show a slight downward shift and younger age cohort (0-14 and 15-29 years) distributions shift downwards. The 0-14 age cohort shifts from 18% in 2018 down to 13% in 2063 while the 15-29 age cohort declines from 16% to 11% over the same period.

The data shows that both Tauranga and WBOP have an increasingly aged population and shrinking young population (in percentage terms), a trend that is reflected in many other cities around NZ.

Opportunity and Experience Gaps

The Western Bay sub region has a provision gap in 'stadia experience' when considering ball sports (such as rugby and football experiences) and

entertainment cultural experiences (such as stadium concert experiences). This is demonstrated when the sub regions 2018 projected population of circa 195,000 residents is compared to stadia provision in other regions (comparative to population) (Table 3.5).

TABLE 3.5: EXISTING NEW ZEALAND STADIUMS

City	Population	Stadium/s	Stadium sport event capacity
Whangarei	99,400	Toll Stadium	30,000
Auckland	1,715,600	Eden Park	48,000
		Mt Smart	22,000
		North Harbour Stadium	25,000
Hamilton	178,500	FMG Waikato Stadium	25,800
Tauranga & Western Bay of Plenty	142,100 (TCC) 53,300 (WBPD) 195,400 Sub Region	Tauranga Domain (temporary stands only)	5,000
		Bay Oval	10,000 (cricket)
		TrustPower Baypark	20,000 (speedway)
Rotorua (District)	77,400	Rotorua International Stadium	26,000
Napier	66,700	McLean Park	19,700
New Plymouth	87,300	Yarrow Stadium	25,000 (pre redevelopment)
Palmerston North	90,500	Palmerston North Stadium	22,000
Wellington	217,000	Sky Stadium	33,000
Nelson	54,700	Trafalgar Park	18,000
Christchurch	392,100	Orange Theory Stadium	18,000
Dunedin	133,300	Forsyth Barr Stadium	30,000
Invercargill	57,000	Rugby Park	18,000

The sub region also has no purpose-built light exhibition or large convention spaces. To date where possible these experiences have been

delivered via the Tauranga City community facilities network managed by Bay Venues Ltd.

These facilities are specialist sports court facilities first and foremost and do not have the functionality and experience characteristics to deliver residents and visitors quality exhibitions and conferences. Using indoor sports facilities for commercial activities also displaces core community sports delivery. This displacement regularly disrupts community sports leagues such as basketball, netball, volleyball, and futsal. Bay Venues reports this disruption gives rise to regular complaints from sports codes as courts can be removed from use for weeks at a time.

There is a strong desire from Bay Venues Ltd and Tauranga City Council to remove light exhibition activities from facilities such as Trustpower Arena to enable better delivery of community sports experiences. This is becoming more acute as the sub regions population increases and the demand for both commercial events and sports provision increases.

To be a vibrant sub region Tauranga and Western Bay of Plenty needs to deliver a diversity of sports, leisure, and business experiences to residents. This is important not only from a community wellbeing perspective but also from an economic perspective. The sub region is competing for talent and people are placing an increased emphasis of the quality of lifestyle a region offers. People expect cities the size of Tauranga to deliver appropriate leisure and sports experiences.

This is reinforced by the Tauranga Events Action And Investment Plan Events 2022 – 2032 identified:

“...that the community has signalled a growing appreciation of events, wanting more events across various genres. Events are seen as playing a vital role in an inclusive city, providing opportunities to recognise culture and diversity and activities where people of all ages and backgrounds can be included, feel safe, connected, and healthy. They also play a key role in attracting people to our centres, helping to create vibrant and diverse experiences which is a particular focus for our city centre”.

Problem 3: Tauranga has limited CBD land and ambitious urban and commercial development plans. Existing central open space is not currently optimised to meet the needs of a growing city centre and sub region.

The Tauranga CBD serves as the commercial hub for the sub region. Being on a peninsular surrounded by water on two sides available land is constrained and has several development challenges (such as transportation access, topography, and limited open space). It was recognised that the CBD's development had been sub optimal for many decades and land was not being developed to its full potential. This acknowledgment gave rise to the Te Papa Spatial Plan (2020) and the City Centre Action and Investment Plan (2022).

The City Centre Action and Investment Plan 2022-2032 sets out a significant investment over the next 10 years. Central to the plan is the concept of creating a city centre with people at its heart: Te Rapunga Ora ki Te Papa, a great place to live, work, learn and play.

“The city will transition from a business district to the social and economic hub of the region, with a growing population living in and around the city centre, and a range of facilities that will support locals and visitors alike – such as a new library, museum, performing arts centre and a community stadium (conditional on business case and community consultation)” (Tauranga City Council 2022).

The plan supports a series of catalyst developments confirmed for the city centre in the next decade, including the redevelopment of the Civic Precinct – Te Manawataki o Te Papa, upgrading the waterfront, the growing University of Waikato city campus, the proposed new District Court and more than \$1.5b of investment in the city centre as identified in Priority One's CBD Blueprint.

These actions will help achieve the vision for the city centre to be a great place to live, work, learn and play, and deliver tangible community outcomes.

The city centre will be structured into eight precincts. Each precinct will have its own sense of character based on its core use, and the type of developments, services, and activities it hosts (Map 3.1).

It is recognised that current open space functionality limitations need to be addressed through a series of optimisation initiatives, so the area is better able to serve the increased numbers of residents projected to reside in and visit the wider CBD precinct.

MAP 3.1: THE CITY CENTRE PRECINCTS



These planned open space optimisations primarily occur in two locations, the Waterfront & Taumata Kahawai Precinct and the Sports And Event Precinct (Map 3.1). The City Centre Action and Investment Plan provides a vision for the waterfront that includes greater water access, improved open space amenity and better walking and cycling linkages (Plate 3.3).

PLATE 3.3: ARTIST'S IMPRESSION OF THE WATERFRONT & TAUMATA KAHAWAI PRECINCT



The vision for the Sports and Events Precinct (which includes the Tauranga and Wharepai Domains) is considered in the Preliminary Masterplan - Tauranga Domain Precinct, 2022. This document outlines the importance of the sports and events precinct in serving a wide range of users from the general community (casual users), community sport and events, semi-professional sports to professional sport, and commercial events.

This precinct has always been an important location for community sport in central Tauranga. This tradition is set to continue under the proposed preliminary master plan with sports such as rugby, football, tennis, and

cricket set to remain and either retain or extend their current provision levels (Plan 3.2 and Plate 3.4).

Sports such as football, rugby, league, and touch would see potential field quality improved which will enable greater hours of community level play each season. This play will take place both within the stadium and on adjoining fields. The thrust of the boutique stadium is to be available to community sport when not in use for professional sports and commercial and cultural entertainment (community sport will be a dominant use).

However, the redevelopment will require three sports (bowls, croquet, and athletics) to be relocated to other sites within Tauranga (such as athletics moving to a purpose-built athletics facility at Baypark).

A range of proposed optimisations are presented in the master plan to assist meeting the needs of current and future users. These include better pathways, parking, and amenities such as playgrounds.

The precinct is also a critical asset facilitating the delivery of events within Tauranga. It currently delivers a range of vibrant cultural, entertainment and sporting events each year. The preliminary master plan seeks to optimise event delivery and where possible mitigate impacts on other precinct users.

The University of Waikato has identified that the optimisation of the CBD's open space network, especially the Tauranga Domain Precinct will greatly assist students living in the planned student accommodation and those using the universities CBD campus (within the "Knowledge Precinct"). The University has acknowledged the importance of recreational and leisure opportunities in and around campus when seeking to attract and retain students in Tauranga.

Other tertiary education competitors are also aware of this fact, with the University of Auckland investing over \$300 million into recreational and leisure amenities in part to attract and retain students at its Auckland CBD campus.

PLAN 3.2: PRELIMINARY MASTERPLAN - TAURANGA DOMAIN PRECINCT, 2022



PLATE 3.4: ARTIST IMPRESSION OF PRELIMINARY MASTERPLAN - TAURANGA DOMAIN PRECINCT, 2022.



Problem 4: Tauranga and the region cannot afford commercially or socially a stadium that is functionally one dimensional, underperforms experientially and financially while siting dormant for large periods of time.

Tauranga and Western Bay of Plenty both have strong population growth which is projected to continue. With this growth has come financial pressures on Councils largely related to infrastructure and services delivery. It is widely acknowledged a historic under investment in infrastructure has made this situation worse. The sub regions councils must therefore strike a balance between asset provision and being financially prudent while receiving a good return on the investments that are made.

Ratepayers must therefore get maximum direct use out of a sub-regional stadium while also maximising wider economic and social returns.

Any type of event facility (such as a stadium) that is in or adjacent to the CBD will generate a greater level of economic multipliers (such as greater hospitality and accommodation spend) than one that is more peripheral. However, land in such central locations is often more valuable both from a commercial and social perspective.

This is certainly the case with the proposed Tauranga Domain stadium site. Tauranga cannot afford for valuable open space to be locked away from wider community use given proposed levels of development. Nor given constraints on the wider community facility network can any development on such a site be just a stadium. Such a prime site must be used to solve multiple problem not just one. This gives rise to a stadium having to be a multi-use while not compromising its core functionality requirements.

New Zealand is characterised by an over-supply of over-capacity stadia, many of which are not fit for purpose (from a spectator perspective). Most of the time, many stadia provide only average or poor customer experiences, including being half empty or less for most events. This undermines the fan / spectator experience on most occasions. They also site largely dormant for most of the time.

In simple terms often stadia do not represent a good return on investment (even when considering wider economic multipliers),

especially when they lock community users out for all or most of the time. What stadia critics sometimes call “privatisation of community open space”.

Sports Event Attendance

Analysis on attendances at select stadiums in the upper North Island demonstrates the need to “right size” any stadium. The stadiums considered are outlined in Table 3.6.

TABLE 3.6: EXAMINED STADIUMS

Venue	Population	Stadium capacity
Northland Events Centre (Okara Park, Whangarei)	95,000	30,000
QBE/North Harbour Stadium (North Shore, Auckland)	1,600,000 (250,000 North Shore)	25,000
Mt Smart Stadium (Auckland)	1,600,000	25,800

These venues were considered because,

- They are regional level stadiums with capacity in the 20,000 to 30,000 range (therefore attendance is rarely constrained).
- Two of these stadiums have provincial rugby anchor hirers but no Super Rugby anchor hirers (i.e., like Tauranga).

The number of events by category and average attendance for these venues are set out in Table 3.7. Three points to be aware of are:

1. The data are indicative only, as for two venues we had five years of data (2015-19) and for one venue we had two years of data (2017-19)
2. The data are based on reported attendances; that is not the same thing as commercial ticket sales. Invariably there will be a portion of attendances through complementary tickets, promotions, and giveaways.
3. To protect commercial confidence, we have not provided the data by venue.

TABLE 3.7: EVENTS BY CATEGORY (ACROSS NORTHLAND EVENTS CENTRE, QBE, AND MT SMART)

Event Type	Number events	Average attendance
NRL Warriors	56	11,063
Super rugby	3	8,030
Mitre 10 Cup (provincial rugby)	40	2,529
Rugby tests (x2 All Blacks and 1 non All Blacks game)	3	14,342
Rugby league tests	5	17,796
A league football	5	4,695
FIFA U20 World Cup	7	12,447
Chatham Cup final (football)	3	2,224
Total	122	
Anchor hirer sports events	96	7,506
Non anchor hirer sports events	26	10,856
Non rugby/rugby league tests	114	7,608

This information provides some indicative evidence of the following points:

1. Anchor hirers are critical to generating a schedule of sports events; in the data above this is evidenced by the Warriors at Mt Smart, and provincial rugby teams at Okara Park and North Harbour stadium. In this sample 96 of the 122 sports events were anchor hirers.
2. Outside anchor hirer events there is limited sports event content available, and hirers have many venue options. Excluding anchor hirer events, these three venues, across five years, and two years respectively, hosted only 26 sports events.
3. That is, in this sample there were 624 weeks and these venues hosted non-anchor hirer sports events on only 26 of those 624 weeks, which equates to 2 events per venue per year.
4. Most sports event content draws small attendance numbers. When excluding rugby tests and rugby league tests from the sample, sports event content in the remaining sample averaged 7,608 in attendees.

New Zealand Stadia Landscape

New Zealand has many stadiums competing for the same sports event and entertainment content. Those stadiums in the main metro areas of Auckland, Hamilton, Wellington, Christchurch, and Dunedin have inherent competitive advantage in that they have secure anchor hirers competing in international competitions (NRL and Super Rugby) (Table 3.8).

TABLE 3.8: CURRENT NEW ZEALAND STADIUMS

City	Population	Stadium/s	Stadium sport event capacity	Anchor tenant events p.a.
Whangarei	99,400	Toll Stadium	30,000	6
Auckland	1,715,600	Eden Park	48,000	11
		Mt Smart	22,000	17
		North Harbour Stadium	25,000	5
Hamilton	178,500	FMG Waikato Stadium	25,800	11
Tauranga	155,200	Tauranga Domain (temporary stands only)	5,000	2-3
		Bay Oval	10,000 (cricket)	variable
		TrustPower Baypark	20,000 (speedway)	13 (speedway)
Rotorua (District)	77,400	Rotorua International Stadium	26,000	2-3
Napier	66,700	McLean Park	19,700	5
New Plymouth	87,300	Yarrow Stadium	25,000 (pre redevelopment)	5
Palmerston North	90,500	Palmerston North Stadium	22,000	5
Wellington	217,000	Sky Stadium	33,000	11
Nelson	54,700	Trafalgar Park	18,000	5
Christchurch	392,100	Orange Theory Stadium	18,000	11
Dunedin	133,300	Forsyth Barr Stadium	30,000	11
Invercargill	57,000	Rugby Park	18,000	5

They achieve this mainly because they have higher capacity stadiums, in higher population areas and more capacity in related services (e.g., accommodation, training facilities, public transport). A high proportion of these stadia are over-capacity, many of which are not fit for purpose, and which provide only average or poor customer experiences, including being half empty or more for most events.

Focus group research undertaken by Visitor Solutions prior to Covid 19 illustrates this poor customer experience with representative comments including:

“...this stadium has got no atmosphere - 20,000 in, the biggest crowd of the year and the grandstand opposite us is empty” (spectator at a large metro stadium).

“This place [stadium] sucks the life out of the game, 4,000 people in and thousands of empty seats, NPC business as usual. More vibe in my lounge” (spectator at a regional stadium).

“...thousands of empty seats, and no atmosphere. It would feel better watching this at my local park, way more feel and atmosphere” (spectator at a regional stadium).

Tauranga does not have an obvious anchor hirer and it is not part of its events or economic development strategy to secure such an arrangement.

Therefore, a new venue would be competing for irregular sports event content, with the seven stadia in the main metro areas, and in the entertainment event market competing with mid-size stadia in Auckland, Hamilton, Whangarei, Rotorua and New Plymouth as well as proven indoor venues such as Spark Arena in Auckland.

Simply duplicating the capacities and configurations of other stadiums in New Zealand's existing network would be foolish. A far better approach involves learning from other regions mistakes and considering actual stadium performance and attendance figures. Tauranga has an opportunity to carve out a niche as a boutique community focused

“people's stadium” that places a greater emphasis on seating scalability, functionality, and the quality of the spectator experience.

Placing the fan / spectator experience first requires casting aside traditional stadium models and embracing a new concept. It must focus on delivering the best spectator experience possible and be a place with such a buzz and atmosphere that people want to return time after time.

To be a “people's stadium” it must also welcome the wider community into the facility continuously (not just for large commercial sporting events). It must be a multi-functional stadium that accommodates community clubs, local cultural events, festivals, professional sport, business events and commercial concerts alike.

3.4 INVESTMENT OBJECTIVES

The investment objectives outlined in Table 3.9 were generated with input from the stadium working group⁵ and key stakeholders.

TABLE 3.9: MULTI USE STADIUM INVESTMENT OBJECTIVES

Investment Objectives	Description	Key Performance Indicators
Objective 1: The city centre: Te Rapunga Ora ki Te Papa, is seen as great place to live, work, learn and play.	<ul style="list-style-type: none"> The vibrancy of the city centre for both residents, students and visitors is increased. 	<ul style="list-style-type: none"> Foot traffic in the city centre increases over the first 3 years of operation by 5%. Student numbers in the city centre increase over the first 5 years of operation by 10%. The number of Te Papa residence increases over the first ten years of operation by 10%. Resident satisfaction surveys indicate 80% of respondents value the optimisations made to the sports and events precinct.
Objective 2: The sub regions event sector is competitive with other similar New Zealand regions.	<ul style="list-style-type: none"> The sub region can attract a cross section of new events and retain those it already has in the face of increased competition. 	<ul style="list-style-type: none"> The number of light exhibition, sports and entertainment events increases collectively over the first five years of operation by 20%. Tauranga retains 90% of existing annual events. The proportion of residents from outside the BoP coming to events increases by 15% in the first five years of operation*.

⁵ The project working group included members from Priority One, Bay Venues Ltd, Sport Bay of Plenty and Mana whenua, Bay of Plenty Regional Council and Tauranga City Council.

		*Based on the TCC Event Units event impact analysis of core events.
Objective 3: The multi-use stadium is a catalyst for further private investment in the sub region.	<ul style="list-style-type: none"> The multi-use stadium generates visitor activity that further stimulates the development of the accommodation and hospitality sectors. 	<ul style="list-style-type: none"> The number of new beds in the central city increases by 10% within ten years of operation. Bed nights in the central city increase in the first ten years of operation by 20%. The sub regions bed nights increase by 5% in the first 5 years of operation. Hospitality spend in the central city increases by 10% in the first 5 years of operation.
Objective 4: The multi-use stadium is a catalyst for the optimisation of the sub regions facility network.	<ul style="list-style-type: none"> Community sport is displaced less often from the sub regions facility network. Fit for purpose facilities better serve the functional needs of both the community and business sectors. 	<ul style="list-style-type: none"> The displacement of community sports group from Trustpower Arena is halved within the first year of operation*. * Measured in terms of court days. Satisfaction with facilities is measured at 90%+ amongst users. The number of light exhibition, sports and entertainment events increases collectively over the first five years of operation by 20%.
Objective 5: The multi-use stadium returns social and economic outcomes that justify the investment made.	<ul style="list-style-type: none"> The multi-use stadiums capital and operational cost is exceeded by its economic and social benefit to the sub region. 	<ul style="list-style-type: none"> Five yearly social and economic impact assessments demonstrate the multi-use stadium is delivering on the investment made.

3.5 STRATEGIC BENEFITS AND RISKS

Discussions were held with key stakeholders and the project governance and working groups to identify both the strategic benefits participants believed would be created by the multi-use stadium and the developments key risks. These benefits and risks are summarised in the following tables.

Benefits

The benefits of the multi-use stadium are varied and can be detailed in nature (and are often dependent on individual stakeholder interests and perspectives). This section has summarised a wide range of benefits into four categories.

TABLE 3.10: THE MAIN BENEFITS IDENTIFIED.

Benefits & Key Performance Indicators	Beneficiary	Direct / Indirect	Quantified in Economic Case
Benefit 1: The sub region is seen as great place to live, work, learn, play, and visit. Indicators: <ul style="list-style-type: none"> • Creation of the multi-use stadium underpinning the 'Sport & Recreation Precinct'. • Improved perception of Tauranga and the sub region as sport and business event destination. • Increased visitor spend on the back of longer average length of stay and higher event visitation. 	• CBD, Tauranga, and sub region.	Direct	No
	• CBD, Tauranga, and sub region.	Direct	No
	• CBD, Tauranga, and sub region.	Indirect	Yes
Benefit 2: <ul style="list-style-type: none"> • Tauranga and the sub region have a wider range of stronger events 			

experiences for both residents and visitors. Indicators: <ul style="list-style-type: none"> • Improved wellbeing outcomes for residents. • The sub regions event calendar is expanded, and overall event attendance increases. 	<ul style="list-style-type: none"> • Wider community (Tauranga and sub region). • Wider community, Tauranga and sub region. 	Indirect Direct	No Yes
Benefit 3: The sub regions sports and events facility network is optimised. Indicators: <ul style="list-style-type: none"> • Overall community sport facility utilisation increases. • Overall business event facility utilisation increases. • Satisfaction with facility programming increases across the community facility network. 	<ul style="list-style-type: none"> • Wider community (CBD, Tauranga, and sub region). • Tauranga and sub region. • Wider community (Tauranga and sub region). 	Indirect Direct Indirect	No Yes No
Benefit 4: The sub region gains wider economy benefits from the development of the multi-use stadium. Indicators: <ul style="list-style-type: none"> • The events sectors subregional economic multipliers increase. 	<ul style="list-style-type: none"> • Tauranga, and sub region. 	Indirect	Yes

Key Risks

Like any large capital development project of this nature there are a series of inherent risks associated with the multi-use stadium (Table 3.12). Table

3.11 sets out the risk categorisation matrix used⁶. This section seeks to identify the risks while following report sections discuss in more detail likelihood, consequence, and mitigation.

TABLE 3.11: RISK CATEGORISATION MATRIX

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

TABLE 3.12: MULTI-USE STADIUM RISKS

Risk	Likelihood	Consequence	Risk Rating
The multi-use stadiums scale and specification is flawed. <ul style="list-style-type: none"> The facility fails to create a niche and is not competitive in the New Zealand market. Community sport utilisation levels fail to materialise. The facilities specification levels fall significantly short of minimum market requirements impacting bookings. 	Unlikely	Major	High
Capital costs increase above the projects allocated budget. <ul style="list-style-type: none"> Factors such as inflation, and supply chain constraints, force costs higher than budget allocations. 	Possible	Moderate	High

Lack of key stakeholder and funder support for a multi-use stadium. <ul style="list-style-type: none"> Stakeholders and funders are unsupportive of the multi-use stadium given wider economic conditions. 	Possible	Major	High
Budget constraints lead to the multi-use stadium not having the required critical mass and level of functionality required. <ul style="list-style-type: none"> Utilisation and revenue fall short of projections due to design value management actions not identifying the impact design changes can have on operational and financial outcomes. 	Possible	Moderate	High
Surrounding precinct developments and commercial investment fail to materialise impacting on the multi-use stadiums financial performance. <ul style="list-style-type: none"> Other facilities the multi-use stadium is dependent on to flourish such as hotels, public transport initiatives are not developed. 	Possible	Moderate	High
Operational constraints associated with event consent issues inhibit the multi-use stadium being used to its full potential. <ul style="list-style-type: none"> The number and length of events is significantly constrained due to consent issues associated with noise and traffic management. 	Unlikely	Moderate	Medium
The proposed building site is not available within the allocated timeframes.	Possible	Moderate	High

⁶ Categorisation was undertaken with the client's project manager, representatives from the working group and a consultant representative.

<ul style="list-style-type: none"> Existing community sports users on the Tauranga Domain cannot be relocated within required developments timeframes. 			
<p>The proposed site has geotechnical issues that exceed anticipated remediation / design allowances increasing the capital cost of the build.</p> <ul style="list-style-type: none"> Geotechnical investigations fail to accurately anticipate ground conditions causing redesign and potentially higher capital costs. 	Possible	Moderate	High
<p>The event market is significantly disrupted causing events to be cancelled and revenue to be lost (in the medium-long term).</p> <ul style="list-style-type: none"> Covid-19 or a similar epidemic decimates the event industry and in turn stadium revenue. The economy enters a recession and discretionary event spending declines impact stadium bookings and revenue. 	Unlikely	Moderate	Medium
<p>Workforce availability⁷</p> <ul style="list-style-type: none"> Required workforce is not available. 	Possible	Moderate	High
<p>Construction disruption⁶</p> <ul style="list-style-type: none"> Construction is disrupted by unforeseen circumstances. 	Possible	Moderate	High

Key Constraints

TABLE 3.13: KEY MULTI-USE STADIUM CONSTRAINTS

Development Site	The favoured development site (Tauranga Domain) was identified in a site analysis report undertaken by Beca. This site was supported by the project partners.
Physical Constraints	The preferred stadium location is bounded by a steep slope and a setback from Cameron Road.
Playing Surfaces	The multi-use stadium is designed for ball sports played on a rectangular field such as rugby, football, and rugby league.
Multi-use	The facility must be multi use to maximise the social and economic return on investment.
Size (seating capacity)	The stadiums capacity must be "right sized" to create a niche that plays to the sub regions strengths. Seating need to at the 'boutique' end of the stadium market.

Key Dependencies

TABLE 3.14: KEY MULTI-USE STADIUM DEPENDENCIES

Site Availability	Site availability is dependent on three existing users (athletics, bowls, and croquet) being relocated to alternative site in Tauranga.
Booking volumes	The success of the multi-use stadium will be dependent on multiple facilities across Tauranga event network being marketed and managed in a coordinated fashion to achieve desired booking volumes.
Optimal financial performance	Optimal financial performance is only likely to occur once Tauranga has sufficient bed volumes at a four plus start rating. The multi-use stadium is one catalyst to assist private investment in hotels.
Business Case Approval	The approval of the business case by all partners will be required before the project can advance.
Funding	Because of the requirement for capital funding from multiple funding partners advancing the project is dependent on aligning funders contributions at planning, design, and capital funding stages.

3.6 CONSTRAINTS AND DEPENDENCIES

The proposed multi use stadium constraints and dependencies are summarised in the following tables.

⁷ Note: workforce availability and disruption were added in the review phase

3.7 KEY STAKEHOLDERS

Engagement with key stakeholders has been significant over the course of the multi-use stadium conceptual development. Many of the private sector stakeholders shared information that was commercial and in confidence. Where confidentiality was requested, this has been respected. Table 3.15 outlines the level of engagement undertaken.

Stakeholder Engagement

TABLE 3.15: STAKEHOLDER ENGAGEMENT

Stakeholder	Summary Comments
Mana whenua - Donna Gardiner	Supportive of concept sees good opportunities for Māori design elements and ongoing governance involvement.
Mana whenua - Buddy Mikaere	Supportive of concept sees good opportunities for Māori design elements.
TCC Events - Nelita Byrne	Supportive of concept. Likes integration of multiple events aspects (sports, entertainment and business events opportunities all integrated)
TCC Parks / Community – Ross Hudson	Supportive of concept on the basis that community use is retained and optimised.
Bay Venues Ltd – Chad Hooker	Supportive of the concept. Likes integration of multiple events aspects (sports, entertainment and business events opportunities all integrated). Helps balance wider event facility network and takes pressure of Baypark (freeing addition community sports capacity).
Sport New Zealand – Glenn McGovern	No organisational position on a stadium yet. Desire to see environmental design elements maximised.
Sport BoP - Heidi Lichtwark	Supportive of stadium concept because it fosters community level sports use as well as pro use.
Otumoetai Cadets Cricket Club -	Supportive of the stadium concept and new fields. Club requires further clarification on how the community multi-sport spaces they would use could be operated. Desires facility to be as close as possible to fields.

Tauranga Lawn Tennis -	Opposed to the concept of any stadium on Tauranga Domain as it is perceived to impact negatively on tennis club operations. Believes Domain should generally be left as it is with no changes.
Tauranga Sports Rugby Netball -	Supportive of the stadium concept and new fields. Club requires further clarification on how the community multi-sport spaces they would use could be operated.
Otumoetai Football Club	Supportive of the stadium concept and new fields. Would like to retain use of Wharepai field. Concept seen as positive for club and community football.
Audiology Touring - Toby Burrows/Mitch Lowe	Confidential
The Conference Company - Jan Tonkin	Confidential
Auckland Stadiums, Tataki Auckland Unlimited - James Parkinson	Perception 8,000 permanent seats may be more than is required. Likes community focus and general design approach. Likely to align more with entertainment festivals than large concerts.
NZRL - Greg Peters	Sees stadium as being used especially for age group tournaments and training camps by various codes. NZRL internationals would stay in the metro centres so that should not a consideration.
NZR - Dan Tatham	The stadium is "pitching about the right level for Tauranga". Could be used for Age group tournaments, Black Ferns, Māori All Blacks, Provincial rugby, and Super rugby. Not likely as an All Blacks test match venue. Quality support fields would be important for tournaments.
WellingtonNZ / RTNZ - David Perks	Confidential.
TBOP - Mary Tolley	One of the challenges is the support amenities e.g., accommodation etc. Stadium site is good as its closer to existing and potential accommodation / CBD.
NZ Football - Kevin Forde	Biggest requirement is the functional space to deliver competitions. 7,000-8,000 seating good for a boutique venue. Pitch quality and multiple training fields is key. Functions – 300-400 hosted per game now.

Dunedin Venues - Raewyn Lovett	Confidential.
Christchurch City Council - Nigel Cox and David Bailey	Confidential.
Business Events Industry Aotearoa - Lisa Hopkins, Sharon Auld	Confidential.
Warriors - Cameron Good	Confidential.
Eccles - Brent Eccles	Confidential.
Chiefs - Simon Graafluis CEO, Sean Austin GM Sponsorship	Confidential.
Former Head of Auckland Convention Bureau - Anna Hayward	Confidential.
AIMS Games – Kelly Schischka	Stadium would provide the opportunity to hold one single opening ceremony – easier for delivery and more of an extravaganza. Function space would also lend itself to a VIP function before or after. Not sufficient fields for sports pool play.
BoP Rugby – Neil Alton	Supportive of boutique stadium. Seen as a good fit for BoP Steamers.
Animation Research / Virtual Eye – Sir Ian Taylor	Is interested in stadium opportunities. Sees getting the basic tech infrastructure correct as key (excellent Wi-Fi etc). Keep it simple.
Locales – Chris Hay	From a Tech perspective get the basics correct. Focus on good Wi-Fi.
Story Box - Rob Appierdo	Most interested in tech art / experiences. Advice be realistic on what things cost and what it's for (e.g., game day vs every day etc)
NZ Esports - Jonathan Jansen - CEO	Would use the indoor space for esports events (outdoor spaces are a harder proposition). Key is high speed internet connection.

Most of the engagement feedback was supportive of the concept. A boutique stadium was seen as positive and fulfilling a niche both regionally and nationally.

Mana whenua representatives were supportive of concept and saw good opportunities for Māori design elements and ongoing governance involvement.

The majority of sports interviews indicated that they would use such a stadium. Promotors were also supportive with all but one indicating an interest.

Community sport representatives were generally supportive of the concept and had a desire to know more about detailed operational issues. The exception was some of the sports clubs that would be required to relocate off the domain to accommodate the a stadium being developed.

Some existing stadia operators perceived that Tauranga had limited need for a stadium given factors such as population size and potential added competition across the national stadia network.

3.8 SUMMARY

The investment logic for the multi-use stadium is summarised in Figure 3.5. The linkages and alignments between strategic, policy and planning documents and the projects problem statements, benefits and objectives are summarised in Figure 3.6.

FIGURE 3.5: TAURANGA COMMUNITY MULTI USE STADIUM INVESTMENT LOGIC SUMMARY

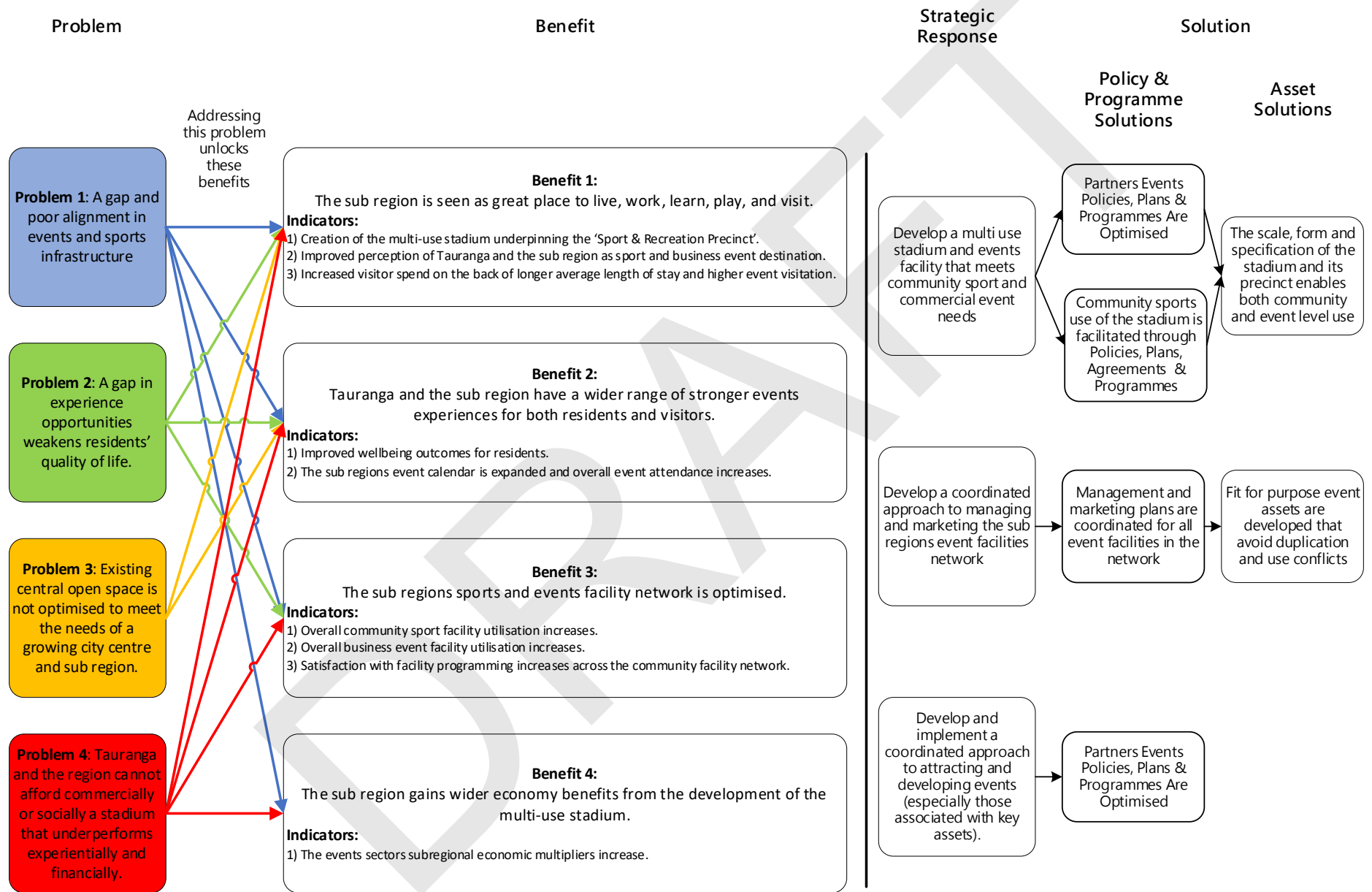
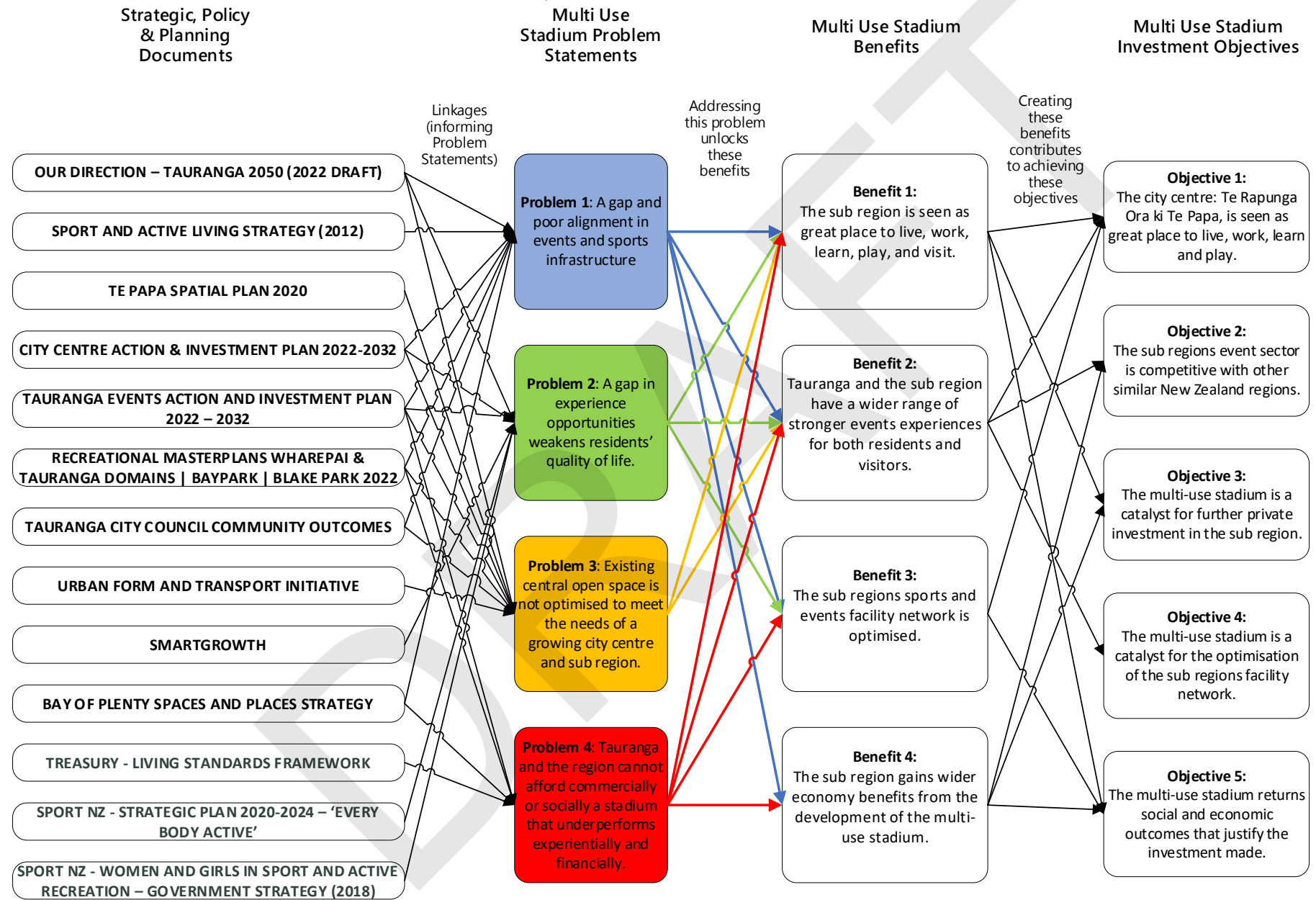


FIGURE 3.6: TAURANGA COMMUNITY MULTI USE STADIUM STRATEGIC, POLICY AND PLANNING ALIGNMENT



The Economic Case

DRAFT

4.0 THE ECONOMIC CASE

4.1 PURPOSE

This section of the business case outlines the options assessment for the multi-use stadium and how a favoured option was selected and the later developed. The section considers:

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

4.2 PROJECT OPTIONS DEVELOPMENT & ASSESSMENT

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

Stage One: Long List Optioning

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

Stage Two: Long List Assessment

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

Stage Three: Short List Assessment

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

Stage Four: Affordability Assessment

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

Stage Five: Integrated Analysis – Including CBA

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

Stage Six: Refinement of Favoured Option

The favoured development option was expanded upon based on additional rounds of more detailed stakeholder engagement, and qualitative and quantitative analysis. A CBA was undertaken on the refined concept option.

4.3 STAGE 1: LONG LIST OPTIONS DEVELOPMENT

The location and positioning of the proposed facility was determined during earlier studies. In large part the position is governed by the site's physical characteristics. This sub-section outlines the initial long list options which emerged from earlier research and engagement, such as the multi-use stadium feasibility study. These options are summarised in Table 4.1.

TABLE 4.1: LONG LIST OPTIONS SUMMARY

Option	Description	Comments
Option 1: Base Case	<ul style="list-style-type: none"> • As per existing situation on Tauranga Domain. 	The do minimum scenario which replicates the existing Tauranga Domain situation: Scaffold seating, pack in pack out. Open reserve.
Option 2: Modified status quo	<ul style="list-style-type: none"> • 6,000 permanent seats. • 5,000+ temp seats. • Uncovered. • No permanent event / function facilities. 	Slight optimisation of status quo. Combination of permanent and temp seats. Can be open reserve. Reduced need for high numbers of temp seats in most event scenarios.
Option 3: Uncovered / 20,000+ seats	<ul style="list-style-type: none"> • 20,000 permanent seats. • 5,000 temp seats. 	Joint highest number of permanent seats of any option. Significant

	<ul style="list-style-type: none"> • Full covered seating (drip line only). • Function facilities (1,000 m²). 	development scale with limited future expansion. Potentially ceases to be an open reserve (enclosed stadium).
Option 4: Covered roof / 20,000+ seats	<ul style="list-style-type: none"> • 20,000 permanent seats. • 5,000 temp seats. • Full pitch / stadium roof. • Limited support facilities. 	Joint highest number of permanent seats of any option. Fully enclosed fixed roof. Significant development scale with limited future expansion. Ceases to be an open reserve (enclosed building).
Option 5: Uncovered / 8,000 permanent seats and commercial gym	<ul style="list-style-type: none"> • 8,000 permanent seats. • 2,700+ temp seat modules. • Full covered permanent seating (drip line only). • Function facilities (1,000 m² respectively). • Commercial gym, • No light exhibition spaces. 	Reduced scale. Lower permanent seating capacity with more flexibility around temp seating configurations. Drip line cover over permanent seats. Can be open reserve. Commercial gym.
Option 6: Covered roof / 10,000 permanent seats*	<ul style="list-style-type: none"> • 10,000 permanent seats. • 2,500 temp seats. • Full pitch / stadium roof. • function facilities (770 m²). • Limited expansion potential. 	Lower permanent seating capacity. Fewer temp seating option. Fully enclosed fixed roof. Significant development scale (bulk) with limited future expansion. Ceases to be an open reserve (large, enclosed building).
Option 7: Uncovered / 8,000 permanent seats and exhibition space	<ul style="list-style-type: none"> • 8,000 permanent seats. • 2,700+ temp seat modules. • Full covered seating (drip line only). • Exhibition / function facilities (2,250m² and 1,000 m² respectively). • No commercial gym. 	Reduced scale. Lowest permanent seating capacity with more flexibility around temp seating configurations. Drip line cover over permanent seats. Light exhibition space.

4.4 STAGE 2: LONG LIST OPTIONS ASSESSMENT

The long list options were evaluated qualitatively by the working group (which included representatives from Priority One, Council, Sport Bay of Plenty, Bay Venues Limited, BoP Regional Council, Iwi and Bay Oval Trust), and the project consultant team (engineers, architects, and sports consultants) against the project's investment objectives. This analysis is summarised in Table 42.

This initial sieve was then refined by a series of critical success factors (which link back to the investment objectives), and which were given a weighting (Table 4.3 and 4.4).

Each of the long list options was then analysed against the criteria. The summary of this analysis is outlined in Table 4.5.

The long listing analysis identified two options to proceed into the shortlist option evaluation stage. These were the uncovered 8,000 permanent seats and commercial gym (Option 5) and uncovered / 8,000 permanent seats and exhibition space option (Option 7).

The Project Governance group also requested that Option 6 (a stadium with a covered roof / 10,000 permanent seats) be advanced into the shortlist options assessment based on historic stakeholder interest.

Some individuals had expressed a long-standing desire for a fully enclosed / roofed stadium (like Forsyth Barr Stadium in Dunedin). It was perceived that additional analysis was therefore warranted to respond to future questions on this option (regardless of failing in the initial long listing process).

TABLE 4.2: LONG LIST EVALUATION – OPTIONS AGAINST INVESTMENT OBJECTIVES

	Option 1 Status Quo	Option 2 Modified status quo	Option 3 Uncovered / 20,000+ seats	Option 4 Covered roof / 20,000+ seats	Option 5 Uncovered / 8,000 permanent seats+ commercial gym	Option 6 Covered roof / 10,000 permanent seats	Option 7 Uncovered / 8,000 permanent seats + light exhibition
Objective 1: The city centre: Te Rapunga Ora ki Te Papa, is seen as great place to live, work, learn and play.	Partially meets. The Domain is already valued and well used by the community. However, it can be optimised.	Partially meets. The Domain is already valued and well used by the community. However, it can be optimised. This option only addresses a small number of deficiencies.	Partially meets. The stadium attracts greater foot fall during events but limits wider community use for most of the year.	Partially meets. The stadium attracts greater foot fall during events but limits wider community use for most of the year.	Meets The stadium attracts greater foot fall during events. This design also enables wider community use of all stadium elements including the turf.	Partially meets. The stadium attracts greater foot fall during events but limits wider community use for most of the year.	Meets The stadium attracts greater foot fall during events. This design also enables wider community use of all stadium elements including the turf.
Objective 2: The sub regions event sector is competitive with other similar New Zealand regions.	Does not meet. Adds no improvement to event sector competitiveness.	Does not meet. Adds no improvement to event sector competitiveness.	Partially meets. Creates a stadium that simply duplicates what other regions have. No strong point of differentiation.	Partially meets. Creates a stadium that simply duplicates what other regions have. No strong point of differentiation.	Meets Provides a point of differentiation from other event facilities. Slight over supply of permanent seats relative to most use.	Partially meets. Creates a stadium that simply duplicates what other regions have. No strong point of differentiation.	Meets Provides a point of differentiation from other event facilities. Permanent seats meet most use requirements.
Objective 3: The multi-use stadium is a catalyst for further private investment in the sub region.	Does not meet. No additional stimulation provided for investment provided.	Does not meet. No additional stimulation provided for investment provided.	Partially meets. Provides additional investment stimulation but overall event calendar is likely more sporadic.	Partially meets. Provides additional investment stimulation but overall event calendar is likely more sporadic.	Meets Provides additional investment stimulation with a diversified event calendar.	Meets Provides additional investment stimulation (but with a less diversified event calendar).	Meets Provides additional investment stimulation with a diversified event calendar.
Objective 4: The multi-use stadium is a catalyst for the optimisation of the sub regions facility network.	Does not meet. Has no impact on network optimisation.	Does not meet. Has no impact on network optimisation.	Partially meets. Will draw some use from other facilities freeing those facilities up for greater community use.	Partially meets. Will draw some use from other facilities freeing those facilities up for greater community use.	Meets Will draw commercial exhibitions use from Baypark freeing those facilities up for greater community use.	Partially meets. Will draw some use from other facilities freeing those facilities up for greater community use.	Meets Will draw commercial exhibitions use from Baypark freeing those facilities up for greater community use.
Objective 5: The multi-use stadium returns social and economic outcomes that justify the investment made.	Does not meet. Has no impact above status quo.	Does not meet. Has no impact above status quo.	Does not meet. The investment made will outweigh any derived social and economic benefits.	Does not meet. The investment made will outweigh any derived social and economic benefits.	Meets More likely to return a wider range of social and economic benefits (given wider use patterns and community accessibility) relative to the lower capital cost.	Does not meet. The investment made will outweigh any derived social and economic benefits.	Meets More likely to return a wider range of social and economic benefits (given wider use patterns and community accessibility) relative to the lower capital cost.

TABLE 4.3: CRITICAL SUCCESS FACTORS

Critical Success Factors	Weighting
Integration and alignment with existing strategic documents and plans. How well the option meets the stated investment objectives and existing strategic documents and plans.	10%
Strength of alignment with key stakeholder requirements / expectations. How well the option aligns with the expectations of key stakeholders (including promoters, sports organisations, education providers etc).	5%
Supports the growth of events within the subregion. How well the option supports the development of quality sports, and entertainment experiences that attract additional participants and spectators.	17%
Offers a diversity of revenue streams. How well the option can provide a diversity of revenue streams year-round.	18%
Synergises with and takes pressure off the wider sports facility network. The ability for the option to contribute towards the optimisation of the sports facility network and take pressure off other assets.	5%
Provides potential value for money. The options ability to provide the subregion optimised value for money (the optimal mix of potential benefits relative to costs and risks).	15%
Strengthens the liveability of the central city. The ability for the option to strengthen the liveability of the central city for all residents (i.e. the retention of and access to open space, fosters increased facility utilisation, brings more residents into the CBD).	3%
Provides the subregion with a facility that has a clear niche in the marketplace. The options ability to demonstrate a clear niche in the national and regional marketplace (while aligning to the needs of the subregion).	12%
Supports wider investment in the subregion. The option has the potential to encourage wider investment in the subregion.	2%
Offers future design and operational flexibility. The ability of the option to demonstrate operational and design flexibility (i.e., expand and contract to accommodate different uses and spectator capacities both now and in the future).	13%
	100%

TABLE 4.4: CRITICAL SUCCESS FACTOR CRITERIA

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

TABLE 4.5: CRITICAL SUCCESS FACTOR EVALUATION SUMMARY

	Weighting	Option 1 Status Quo	Option 2 Modified status quo	Option 3 Uncovered / 20,000+ seats	Option 4 Covered roof / 20,000+ seats	Option 5 Uncovered / 8,000 permanent seats + commercial gym	Option 6 Covered roof / 10,000 permanent seats	Option 7 Uncovered / 8,000 permanent seats. + light exhibition
Integration and alignment with existing strategic documents and plans.	10%	1 Very poor alignment	1 Very poor alignment	3 Meets some strategic objectives.	2 Changes Domain and undermines many wider objectives.	4 Offers good alignment across a cross section of strategic documents.	2 Changes Domain and undermines many wider objectives.	5 Offers excellent alignment across a cross section of strategic documents.
Strength of alignment with key stakeholder requirements / expectations.	5%	1 Does not align with vast majority of stakeholder feedback received.	1 Does not align with vast majority of stakeholder feedback received.	2 Does not align with some stakeholder feedback received.	1 Does not align with vast majority of stakeholder feedback received.	3 Aligns with most stakeholder feedback received. Boutique / fit for purpose (but lacks exhibition space).	2 Does not align with some stakeholder feedback received.	4 Does align with vast majority of stakeholder feedback received. Boutique / fit for purpose.
Supports the growth of events within the subregion.	17%	1 Adds no additional support to growth.	1 Adds no additional support to growth.	2 Would draw opex away from supporting wider event network.	1 Would draw major opex away from supporting wider event network.	3 Supports a diversity of different types and scales of events. Fulfils a niche (but lacks light exhibition).	2 Would draw opex away from supporting wider event network.	4 Supports a diversity of different types and scales of events. Fulfils a niche.
Offers a diversity of revenue streams.	18%	1 Perpetuates same revenue streams.	1 Perpetuates same revenue streams.	2 Physical seating capacity inhibits developing other revenue streams given site size.	1 Physical seating capacity and form inhibits developing other revenue streams given site size.	5 Offers a strong spread of revenue streams.	2 Physical scale and functionality inhibits developing other revenue streams.	5 Offers a strong spread of revenue streams.
Synergises with and takes pressure off the wider sports facility network.	5%	1 Has no additional synergising benefit with the wider network.	1 Has no additional synergising benefit with the wider network.	2 Limited ability to synergise and take pressure off the wider facility network.	1 Has no additional synergising benefit with the wider network (limited support spaces).	3 Takes some pressure off existing facilities.	2 Limited ability to synergise and take pressure off the wider facility network.	5 Takes pressure off existing facilities and creates a better balance.
Provides potential value for money.	15%	1 Offers no change from existing situation.	2 Investment would enable existing activities to be slightly optimised.	1 A stadium of this scale is not appropriate for the regions event market.	1 A stadium of this scale is not appropriate for the regions event market.	4 A stadium of this type and scale offers the most flexibility to scale up and down with limited additional capital cost.	1 A stadium of this scale is not appropriate for the regions event market.	4 A stadium of this type and scale offers the most flexibility to scale up and down with limited additional capital cost.

	Weighting	Option 1 Status Quo	Option 2 Modified status quo	Option 3 Uncovered / 20,000+ seats	Option 4 Covered roof / 20,000+ seats	Option 5 Uncovered / 8,000 permanent seats + commercial gym	Option 6 Covered roof / 10,000 permanent seats	Option 7 Uncovered / 8,000 permanent seats. + light exhibition
Strengthens the liveability of the central city.	3%	1 Offers no change from existing situation	1 Offers no change from existing situation	2 Offers more events than the status quo but at the expense of wider community access and use.	1 Offers slightly more events than the status quo but at the expense of wider community access and use.	4 Offers greater event range while maintaining community access.	1 Offers slightly more events than the status quo but at the expense of wider community access and use.	4 Offers greater event range while maintaining community access.
Provides the subregion with a facility that has a clear niche in the marketplace.	12%	1 Offers no change from existing situation – no niche.	1 Offers no change from existing situation – no niche.	2 Largely replicates what's available in other regions – no real niche.	1 Replicates at high cost what's available in other regions – no real niche	4 Boutique community stadium that has a clear niche that is unique in NZ.	2 Largely replicates at high cost what's available in other regions – no real niche	5 Boutique community stadium that has a clear niche that is unique in NZ. Benefits from light exhibition space.
Supports wider investment in the subregion.	2%	1 Offers no change from existing situation	1 Offers no change from existing situation	2 Larger events but more sporadic activation. Less impact on wider investment.	2 Larger events but more sporadic activation. Less impact on wider investment	3 Medium and smaller commercial and community functions more regularly. Impacting a greater range of sectors more evenly.	2 Medium events but more sporadic activation. Less impact on wider investment	4 Medium and smaller commercial and community events / functions more regularly. Impacting a greater range of sectors more evenly.
Offers future design and operational flexibility.	13%	2 Status quo can be built upon but not without significant investment and Domain restructuring.	2 Can be built upon but not without significant investment and Domain restructuring.	1 Largely fixed when constructed with limited flexibility.	1 Largely fixed when constructed with limited flexibility.	4 Offers good future expansion potential and flexibility of use	1 Largely fixed when constructed with limited flexibility.	5 Offers excellent future expansion potential and flexibility of use.
	Total Weighted Score	113	128	182	112	364	169	458
	Ranking	6	5	3	7	2	4	1
	Recommendation	Do Not Proceed	Do Not Proceed	Do Not Proceed	Do Not Proceed	Proceed	Do Not Proceed	Proceed

4.5 STAGE 3: SHORT LIST OPTIONS ASSESSMENT

This sub-section further analyses the three options that advanced through the long list process (and the base case). These options are:

- Option 1: Base Case - As per existing situation on Tauranga Domain,
- Option 5: Uncovered / 8,000 permanent seats (commercial gym, function space and no light exhibition space),
- Option 6: Covered roof / 10,000 permanent seats (no light exhibition space),
- Option 7: Uncovered / 8,000 permanent seats (light exhibition, space, function space and no commercial gym).

The section begins by assessing each short-listed option against qualitative benefit criteria⁸ drawn from the Strategic Case. The base case is advanced for comparative purposes only, (Tables 4.6 – 4.9).

TABLE 4.6: OPTION 1: BASE CASE

Criteria	Advantages	Disadvantages
Enhanced Community Wellbeing	<ul style="list-style-type: none"> • Existing facilities and assets remain as they are. No disruption to existing Tauranga Domain users. • Access to the open space remains as is. 	<ul style="list-style-type: none"> • The existing Domain design and operational compromises are perpetuated. • Community misses out on additional sports, recreation, and entertainment facilities (and therefore underutilisation of the Domain is perpetuated).
Enhanced Visitor Experience	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Existing sub-optimal event experiences continue.

⁸ These 'benefit criteria' are drawn from the Strategic Case (problem statements, benefits and investment objectives) but have been synthesised and summarised into four criteria.

Greater Event Attraction	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Additional events are not attracted. • Player / performer experience remains poor / sub-optimal.
Enhanced CBD vibrancy and regeneration	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • The community misses out on a centralised stadium and event facility close to the CBD (less foot traffic and fewer social and economic multipliers).
Enhanced facility network	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Commercial light exhibitions use continues at Trustpower Arena courts thus displacing community use. • The subregion remains without a viable stadium.

TABLE 4.7: OPTION 5: UNCOVERED / 8,000 PERMANENT SEATS (COMMERCIAL GYM)

Criteria	Advantages	Disadvantages
Enhanced Community Wellbeing	<ul style="list-style-type: none"> • Community access to the open playing space is retained. • Community gains additional sports, recreation, and entertainment facilities (greater Domain utilisation) (i.e., new multi-sport facility, improved fields giving greater hours of use, lighting for night play), • Existing Domain design and operational compromises are addressed. • Modular temp seating can be redeployed around the sub-region when not required at the stadium. 	<ul style="list-style-type: none"> • Three existing codes are relocated from the Domain - Bowls, Croquet and Athletics.

Enhanced Visitor Experience	<ul style="list-style-type: none"> Event experiences are optimised (i.e., 8,000 permanent covered spectator seats, good sightlines, hospitality / catering facilities, optimised atmosphere. 	<ul style="list-style-type: none"> Playing surface and some temporary seats more exposed to weather (not covered). 8,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting idle and a reduced spectator atmosphere on game day.
Greater Event Attraction	<ul style="list-style-type: none"> Open stadium design affords greater functionality for hirers. Reduced need for temporary seating (in most use scenarios) given 8,000 permanent seat capacity. The venue is cheaper to hire (compared to a fully covered stadium). Temporary seating modules minimise the requirement for scaffold seating (making the venue more attractive to hire). Ability to attract a greater cross section of community and commercial events. 	<ul style="list-style-type: none"> Playing surface and some temporary seats more exposed to weather (not covered). 8,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting idle and poor game day TV optics. No light exhibition spaces.
Enhanced CBD vibrancy and regeneration	<ul style="list-style-type: none"> The centralised multi-use stadium and event facility close to the CBD increases foot traffic and social and economic multipliers. 	<ul style="list-style-type: none"> Activity from the stadium precinct is likely to displace some standard CBD use for short periods of time (i.e., due to traffic and parking congestion). The mix of facilities inside the stadium is reduced (no light exhibition space) affords less CBD activation.
Enhanced facility network	<ul style="list-style-type: none"> Community facilities for rugby, football and cricket remain on the Domain and are optimised. 	<ul style="list-style-type: none"> Three existing codes are relocated from the Domain Bowls, Croquet and Athletics. No commercial light exhibitions space means pressure will not be taken off the Trustpower Arena (no additional community

		<p>court use is released in the network).</p> <ul style="list-style-type: none"> The commercial gym will compete with the proposed Memorial Park commercial gym (associated with the new pool redevelopment).
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TABLE 4.8: OPTION 6: COVERED ROOF / 10,000 PERMANENT SEATS

Criteria	Advantages	Disadvantages
Enhanced Community Wellbeing	<ul style="list-style-type: none"> Events will not be impacted upon by inclement weather avoiding postponements. 	<ul style="list-style-type: none"> Community access to the open playing space is lost (enclosed building effectively 'privatises' a section of the Domain' outside periods of event use when residents can gain paid entry). Three existing codes are relocated from the Domain - Bowls, Croquet and Athletics. The fully enclosed arena structure is visually very dominant on the Domain and from elsewhere in the city and blocks key viewshafts. The cost of a fully enclosed arena is significantly more than an open stadium (both in opex and capex terms) leading to an opportunity cost for other potential community projects (either preventing or delaying them). Activation / use of the indoor arena is likely to be lower than for Options 5 and 6.
Enhanced Visitor Experience	<ul style="list-style-type: none"> Event experiences are optimised (i.e., 10,000 permanent covered spectator seats, good sightlines, hospitality / 	<ul style="list-style-type: none"> 10,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting

	<p>catering facilities, optimised indoor atmosphere.</p> <ul style="list-style-type: none"> Playing surface and all seats are sheltered from the weather. 	<p>idle and a reduced spectator atmosphere on game day.</p> <ul style="list-style-type: none"> Acoustics can be difficult to get right for entertainment events (compromises required to enable sports use).
Greater Event Attraction	<ul style="list-style-type: none"> Reduced need for temporary seating given 10,000 seat capacity. Playing surface and seating is not exposed to the weather thus eliminating postponements. 	<ul style="list-style-type: none"> Covered stadium design affords less functionality for hirers (i.e., more constrained temp seating configurations and numbers). Design limits future stadium seating expansion (if required in 20-30 years). Most entertainment entities / promoters still favoured using covered metro-based facilities (in Auckland, Christchurch, Dunedin) over a covered Tauranga facility. The venue is more expensive to hire (compared to a boutique open stadium). Reduced ability to attract a cross section of community events (because of cost). 10,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting idle and poor game day TV optics.
Enhanced CBD vibrancy and regeneration	<ul style="list-style-type: none"> The centralised multi use stadium and event facility close to the CBD increases foot traffic and social and economic multipliers. Playing surface and seating is not exposed to the weather thus eliminating postponements and giving CBD business greater certainty over when activity will take place (helping rostering, planning etc). 	<ul style="list-style-type: none"> Activity from the stadium precinct is likely to displace some standard CBD use for short periods of time (i.e., due to traffic and parking congestion). The covered arena is likely to have a greater down time (between larger events) and therefore lower level of CBD activation (fewer smaller regular events).

Enhanced facility network	<ul style="list-style-type: none"> The subregion will gain an indoor arena (but with more limited community and commercial utilisation). 	<ul style="list-style-type: none"> Three existing codes are relocated from the Domain - Bowls, Croquet and Athletics. Lack of commercial light exhibitions space will not alleviate commercial use of Trustpower Arena (no additional community court space is freed up). Community facilities for rugby, football and cricket remain on the Domain but have less functionality (access to fewer fields and facilities).
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TABLE 4.9: OPTION 7: UNCOVERED / 8,000 PERMANENT SEATS (LIGHT EXHIBITION SPACE)

Criteria	Advantages	Disadvantages
Enhanced Community Wellbeing	<ul style="list-style-type: none"> Community access to the open playing space is retained. Community gains additional sports, recreation, and entertainment facilities (greater Domain utilisation) (i.e., new multi-sport facility, improved fields giving greater hours of use, lighting for night play). Existing Domain design and operational compromises are addressed. Modular temp seating can be redeployed around the sub region when not required at the stadium. 	<ul style="list-style-type: none"> Three existing codes are relocated from the Domain Bowls, Croquet and Athletics.
Enhanced Visitor Experience	<ul style="list-style-type: none"> Event experiences are optimised (i.e. 8,000 permanent covered spectator seats, good 	<ul style="list-style-type: none"> Playing surface and some temporary seats more exposed to weather (not covered).

	sightlines, hospitality / catering facilities, optimised atmosphere.	<ul style="list-style-type: none"> • 8,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting idle and a reduced spectator atmosphere on game day. However, codes such as rugby view this as a minimum permanent seating capacity (with an ability to increase capacity through temp seats so circa 15,000 seats are reached).
Greater Event Attraction	<ul style="list-style-type: none"> • Open stadium design affords greater functionality for hirers. • Reduced need for temporary seating given 8,000 seat capacity. • The venue is cheaper to hire (compared to a fully covered stadium). • Temporary seating modules minimise the requirement for scaffold seating (making the venue more attractive to hire). • Ability to attract a greater cross section of community and commercial events. 	<ul style="list-style-type: none"> • Playing surface and some temporary seats more exposed to weather (not covered). • 8,000 permanent seats may be more than required in most sports use scenarios. This can lead to seats sitting idle and poor game day TV optics (although this is reduced by dropping from 10,000 seats in Option 5 to 8,000 in this option).
Enhanced CBD vibrancy and regeneration	<ul style="list-style-type: none"> • The centralised multi-use stadium and event facility close to the CBD increases foot traffic and social and economic multipliers. • The mix of facilities inside the stadium minimises stadium down time and affords a greater level of CBD activation. 	<ul style="list-style-type: none"> • Activity from the stadium precinct is likely to displace some standard CBD use for short periods of time (i.e. due to traffic and parking congestion).
Enhanced facility network	<ul style="list-style-type: none"> • Use of the stadium's commercial light exhibitions space will enable greater community use of the Trustpower Arena courts. 	<ul style="list-style-type: none"> • Three existing codes are relocated from the Domain - Bowls, Croquet and Athletics.

	<ul style="list-style-type: none"> • The subregion will gain a viable stadium (suitable for a wider cross section of sports and entertainment activities). • Community facilities for rugby, football and cricket remain on the Domain and are optimised. 	
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4.6 STAGE 4: AFFORDABILITY ASSESSMENT

Although none of the potential investors in the proposed Tauranga stadium have committed provisional funding at the time of writing, discussions with fundraising consultants indicated that budgets much above \$200 million are likely to be unobtainable in the near to medium term. However, it was stressed that this will be dependent on a range of influencing factors.

A preliminary quantity survey and supporting costing advice provided by Maltby Ltd indicated that the initial scope of Options 5 and 7 would cost \$130 and 139 million (+/- 10%) respectively while Option 6 would be \$300-320 million for 10,000 permanent seats Table 4.10).

Warren and Mahoney the designers of Forsyth Barr stadium indicated a 10,000-seat facility would have limited expansion ability given the building's structure. If future proofing capacity was required, the advice was that a stadium of 20,000 seat capacity would need to be developed from the outset even if only 10,000 seats were provided initially. This would increase the capital cost still further above the Maltby Ltd estimate of \$300-320 million.

TABLE 4.10: PRELIMINARY SHORTLIST OPTIONING COSTINGS

Option	Preliminary Costing
Option 1: Status Quo	NA
Option 5: Uncovered / 8,000 permanent & 2,700 temporary seats (commercial gym)	\$130 million (with a range of +/- 10%)
Option 6: Covered roof / 10,000 permanent seats	\$300-320 million
Option 7: Uncovered / 8,000 permanent & 2,700 temporary seats (light exhibition space)	\$139 million (with a range of +/- 10%)

Note: These high-level costings were undertaken for optioning purposes only. The estimated cost for Option 6 was based on advice from Maltby Ltd

4.7 STAGE 5 INTEGRATED ANALYSIS & RECOMMENDATION

Integrated analysis begins by examining the fully enclosed arena, Option 6. Attention is then placed on a high-level Cost Benefit Analysis.

Analysis of Option 6: Covered roof / 10,000 permanent seats

The architectural precedent study used Forsyth Barr Stadium at full size and scaled back to 20,000 seat capacity. This was presented as a stadium footprint (Plan 4.1). Warren and Mahoney who were the architects for Forsyth Barr Stadium indicated that reducing an arena below this size would not be advisable as any later expansion would be difficult to accommodate (given the structure and cost of the arena roof). In effect even though the stadium would have 10,000 seats initially its scaled at the outset for 20,000 seats.

Regardless of the footprint of the covered stadium the height would not change in comparison to Forsyth Barr Stadium (with an approximate RL on the Domain of 61.00 circa 47.5m above the natural

ground level). This would generate a building with a very significant built form.

By comparison the stadium options without the roof (Options 5 and 7) are a far more modest scale when shown in comparison (See Plan 4.2).

Planning Analysis

The planning analysis involved investigating the Domain's capacity to accommodate different seating sizes and associated buildings and structures in line with options with and without rooves. For the evaluation, consideration of a comparative arena roof stadium design outlined in the architectural precedent study was taken into consideration. Focus on the actual and potential effects of building scale and height on the surrounding environment were then considered.

A summary in relation to both approaches is set out below:

No Arena Roof (Options 5 and 7)

Fully covered grandstand seating on three sides around a central turf. The stadium is open sided and open northern end to the northern cricket grounds. Vegetation cover is retained throughout the Park and the structure is proposed to extend to approx. RL23.50 in height, approximately 10m above the natural landform. This proposal sits 5m below the permitted building heights for the area and does not extend into the protected viewshafts to Mauao.

A connected open space is provided for between the main field central to the stadium and the northern fields, through the lowering of the stadium field ground level. Informal access to the open space both visually and physically will be retained, providing a continued opportunity for an increasing CBD population to recreate within.

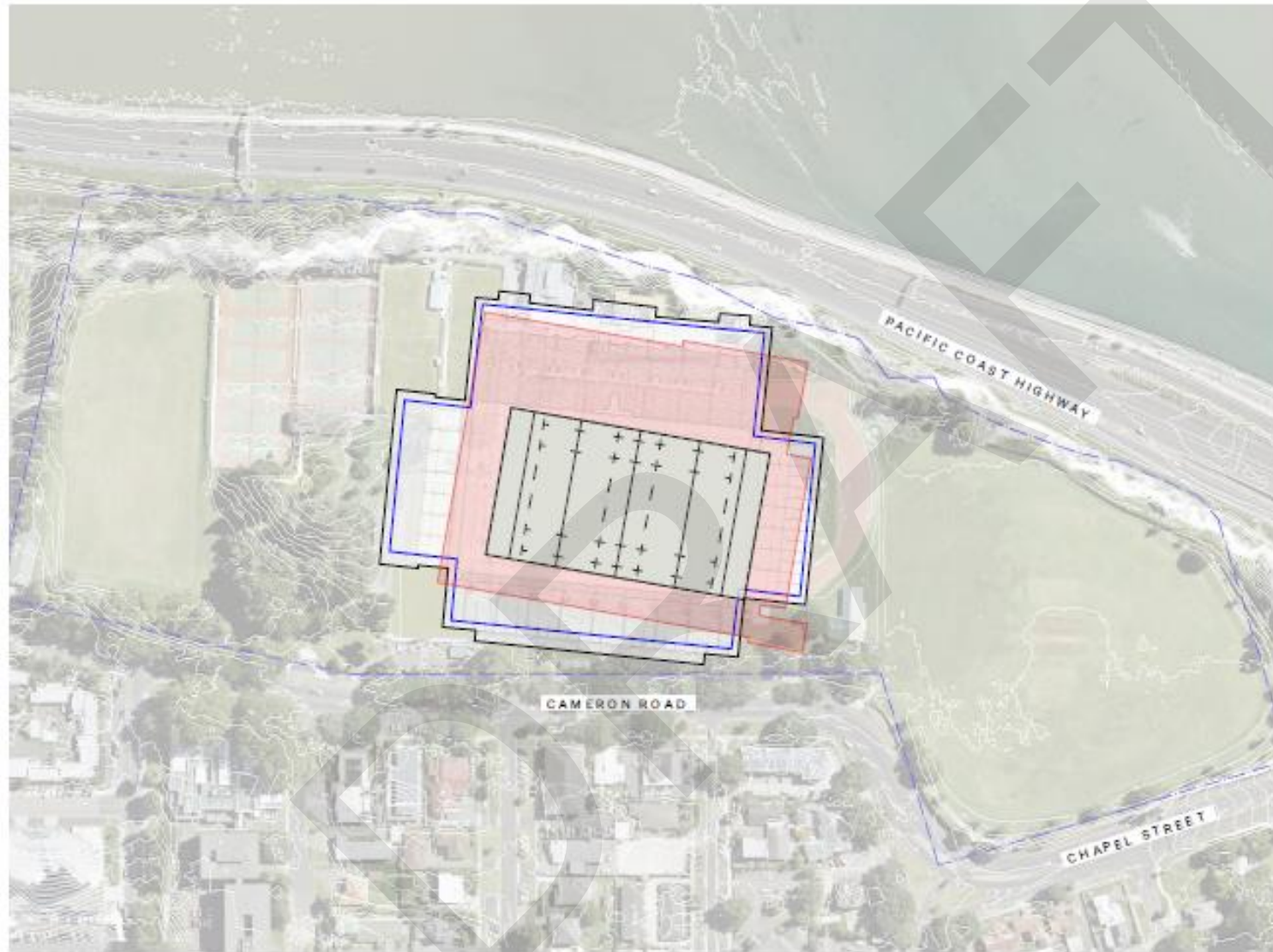
Integration of facilities within the stadium are proposed to consolidate local sporting clubs and public toilet facilities. Temporary seating is proposed at the northern end of the site to enable

connected open space when the site is not in event use. Reinforced grass cell is designed for this area to allow for hard wearing spaces whilst retaining a green open space connection between the fields.

This proposal enables 'outside of event' public access to the facilities for community passive and active recreation.

DRAFT

PLAN 4.1: COVERED ROOF STADIUM FOOTPRINT STUDY (USING FORSYTH BARR STADIUM, DUNEDIN)

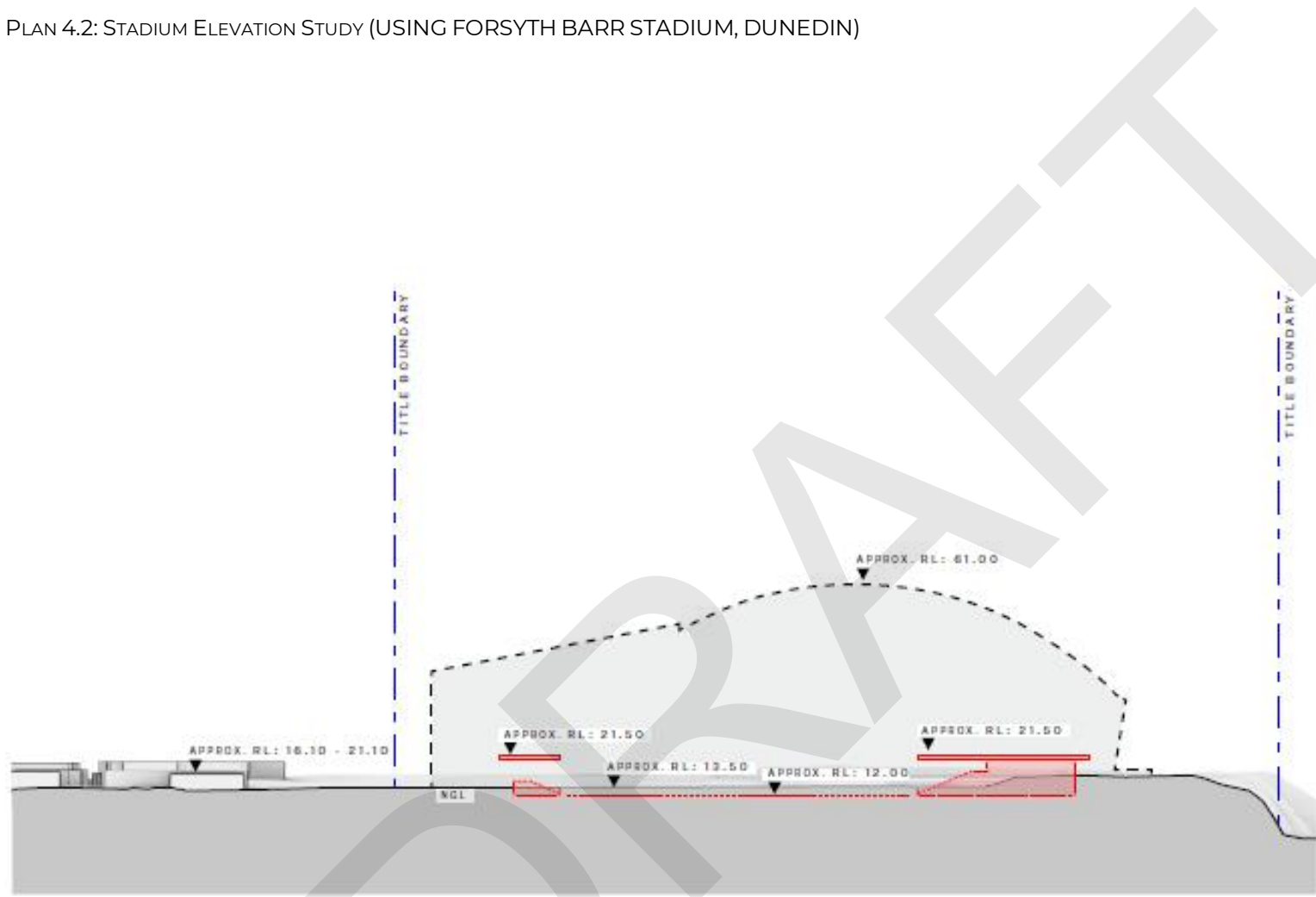


SUMMARY

COMPLETED	AUG 2011
GFA	APPROX. 28 000 SQM
CAPACITY	30 800 SEATS
CONSTRUCTION COST	224 MILLION
DIMENSIONS	APPROX. 205M X 170M

- FORSYTH BARR STADIUM, DUNEDIN
- FORSYTH BARR STADIUM, DUNEDIN
(20 000 SEAT CONFIGURATION)
- 10 700 SEAT STADIUM PROPOSED

PLAN 4.2: STADIUM ELEVATION STUDY (USING FORSYTH BARR STADIUM, DUNEDIN)



SUMMARY	
COMPLETED	AUG 2011
GFA	APPROX. 28 000 SQM
CAPACITY	30 800 SEATS
CONSTRUCTION COST	224 MILLION
DIMENSIONS	APPROX. 205M X 170M

- FORSYTH BARR STADIUM, DUNEDIN
- 10 700 SEAT STADIUM PROPOSED

With an Arena Roof (Option 6)

A covered stadium providing for seats is proposed centrally in a similar location to Options 5 and 7. The covering requires a domed roof structure with enclosed facades. Open space connections between the stadium field and northern fields are not provided. The proposed stadium would be RL61m, circa 47.5m above the natural ground level, 32.5m above the permitted building height and extending 30.5m into the protected viewshafts to Mauao. Access to the internal field within the stadium will be visually obscured through the stadium facades with no 'outside of events' access to the facility and grounds.

Of the two approaches (roofed and unroofed) advanced for further analysis the open stadium Options 5 and 7 (unroofed) are the most optimal from a planning perspective. It remains doubtful that Option 6 (roofed) would even be possible on the current Domain site from a planning perspective.

Landscape Analysis Summary

The landscape values and amenity provided by the Tauranga Domain form a key part of the urban and cultural landscape of Otamataha, Te Papa and the Tauranga CBD area. The evaluation of options relating to landscape values and the visual amenity provided by the Domain have guided the design development of Options 5 and 7 (but not Option 6).

The key considerations of the evaluation have considered the landscape attributes, the Te Papa Spatial Plan, and the operative Tauranga City Plan. These considerations are all formative of the character the CBD and the surrounding City Living Zones, including Wharepai and Tauranga Domains'.

The landscape evaluation considered an open stadium (Options 5 and 7) and Option 6 an enclosed arena, both centred on the existing main sports field at Tauranga Domain. The removal of formal sports of athletics, bowls and croquet are required to deliver either stadium option and the required access and concourse.

The preferred options for the visual and landscape integration are Options 5 and 7 – no arena roof. These options comprise an open connected facility that opens to the north, connecting open space within the reserve, retains a low profile to remain subservient to the heritage trees and vegetated character of Otamataha. They also provide an open sided 24hr accessed facility that supports the growing residential community of the City Living Zone and users of the CBD.

The alternative fully enclosed arena design (Option 6) introduces a change to the recreation use, accessibility, and visual dominance the facility will have on the peninsula. The evaluation identifies significant visual effects matters that are likely to result. These relate to the urban landscape character; recreation use and protected sightlines. This proposal is unlikely to meet a no more than minor threshold when considering the landscape and visual effects, for a future consent application.

Of the preliminary options advanced for further analysis the open stadium approach (Options 5 and 7) is the most optimal from a landscape perspective. The preliminary design has considered the Tauranga City Plan provisions and the preliminary assessment comprises an opportunity to visually integrate the proposal into the cityscape. The likely degree of landscape and visual effects from the favoured design option, an open stadium, will be of a lower degree than the alternative enclosed arena option, but will still require a full assessment of landscape and visual effects.

Option 6 Rejection

Based on the architectural, planning, landscape, and cost assessment analysis Option 6 was rejected on the grounds that it is not viable. It also had fewer benefits and scored lower in the long listing analysis process than Options 5 and 7. As a result Option 6 was excluded from the economic assessment stage.

Economic Assessment

The preliminary economic assessment was undertaken for the purpose of evaluating two shortlist options.

- Option 5: Uncovered / 8,000 permanent seats (commercial gym)
- Option 7: Uncovered / 8,000 permanent seats (light exhibition space)

The preliminary assessment was based on initial data only⁹. A summary of the analysis is outlined in this subsection. The analysis is based on an initial event calendar indicating assumed average event days per annum in Year one (Table 4.11).

Two different economic assessment tools underpin the analysis:

- A cost benefit analysis (CBA) – A CBA sheds light on the relationship between all the costs and benefits and the results are reported as a ratio, and
- An economic impact assessment (EIA) – An EIA explores the expected change in economic activity that would be facilitated by a new development. It includes the flow-on (supply chain) effects throughout the economy. GDP and employment impacts are reported.

The objective is to provide a high-level assessment of the economic effects associated with establishing each facility option. The modelling and assessment structures applied for this assessment are consistent with other/similar assessments and processes, like securing funding from the Provincial Growth Fund and applications under the COVID-19 Recovery (Fast-track Consenting) Act. These were prepared using approaches that are broadly consistent with the New Zealand Treasury¹⁰ guidance and the Better Business Case approach.

⁹ This section summarises the key points analysis points. It is not a detailed description of the process, assumptions, or findings. It was intended that the findings be appropriate for preliminary comparison purposes only. Any final assessment will need to be finalised as the project costs (capex) and the ongoing activities (e.g., number and

In addition, the assessment includes the GDP and employment effects as used in several economic assessments, including work in the Bay of Plenty.

The assessment was developed by Market Economics based on inputs prepared by Deloitte, Maltbys, and Visitor Solutions. In addition, a range of informed assumptions underpin the modelling, and like any modelling several limitations and caveats apply¹¹. A conservative position is maintained throughout to limit optimism bias.

The two options, 'stadium with fitness' and 'stadium with light exhibition', were considered separately.

The economic assessment was repeated with the refined preferred options and the results for Options 5, 7 and preferred Option are presented together in the next section.

Recommended Option for Refinement

The project working group made the recommendation to the project governance group that Option 7 should be advanced for more detailed refinement. This recommendation was adopted by the governance group.

scale of events) are refined and agreed to. This includes funding arrangements because they influence the size and direction of the economic impacts.

¹⁰ Treasury New Zealand (2017) Guide to Social Cost Benefit Analysis.

¹¹ Detail can be provided upon request.

TABLE 4.11: PRELIMINARY EVENT CALENDAR - AVERAGE EVENT DAYS

	Option 1 Base Case Status Quo	Option 5 8,000 permanent seats (commercial gym)	Option 7 8,000 permanent seats (light exhibition)
Sports			
Super Rugby	NA	x 1 at 12,000 pax	x 1 at 12,000 pax
NPC	x 3 at 4,500 pax	x 3 at 5,000 pax	x 3 at 5,000 pax
Football	NA	x 2 at 1,500 pax	x2 at 1,500 pax
Other	NA	x 5 at 5,000 pax	x 5 at 5,000 pax
Community Sports			
Medium – stadium use	NA	x 30 at 400 pax	x 30 at 400 pax
Small – stadium use	NA	x 30 at 200 pax	x 30 at 200 pax
Outdoor Events			
Very Large	x 1 at 16,000 pax	x 1 at 16,000 pax	x 1 at 16,000 pax
Large	x 1 at 10,000 pax	x 4 at 10,000 pax	x 4 at 10,000 pax
Medium	x 1 at 5,000 pax	x 8 at 5,000 pax	x 8 at 5,000 pax
Small	x 1 at 3,000 pax	x 8 at 3,000 pax	x 8 at 3,000 pax
Light Exhibition			
Day Events	NA	NA	x 40 at 4,500 pax
2 Day Events	NA	NA	x 6 at 4,500 pax
3 day Events	NA	NA	x 4 at 4,500 pax
Function			
Very Large	NA	x 15 at 700 pax	x 15 at 700 pax
Large	NA	x 30 at 500 pax	x 30 at 500 pax
Medium	NA	x 40 at 200 pax	x 40 at 200 pax
Small	NA	x 100 at 500 pax	x 100 at 500 pax

4.8 THE REFINED CONCEPT

Option 7 was used as the base concept design which was then further refined. Concept refinement was influenced by additional research and significant rounds of stakeholder engagement. The main changes to the base concept are outlined in Table 4.12.

TABLE 4.12: MAIN REFINEMENT DESIGN CHANGES

Main Design Changes	Rationale
Addition of a University of Waikato undergraduate sports science and physiotherapy space.	The University of Waikato requested the inclusion of 250m ² of exclusive use space and a 250m ² of regular shared space (plus access to short term hire spaces) for undergraduate teaching and lab space within the stadium. This was seen as a complimentary offer to the existing Adams Centre and had the advantage of synergising with the stadium and being close to the main Tauranga campus. The inclusion of the University teaching spaces, and associated modifications increased the overall GFA and cost.
Expansion of the professional and community sport changing rooms.	Several sports entities requested the main professional changing room area be modified to include additional space for volunteers (ball boys / girls, entertainers) and enlarged support facilities. The inclusion of community changing rooms that could be linked was also seen as advantageous so 6 large changing rooms could be offered for triple header events and tournaments.
Increased elevation of function facilities.	Several sports franchises requested the function space be elevated to offer greater separation from the lower grandstand seating (and better sightlines).
Removal of a permanent roof over the southern stand.	After additional analysis and discussions with the manufacturer / supplier of temporary seating modules the southern grandstand roof was removed to enable seating modules to be more easily erected at the rear of the permanent seating and to improve sightlines. This also reduces the stadium's bulk when viewed from with the Domain.

Positioning of the community multisport towards the North.	Several sports clubs requested the community multi-sport building be moved further towards the north so that it had a stronger relationship / sightline to the cricket oval and rugby fields. While still having a relationship with the main stadium field.
Supplementary stadium modifications.	The layout and size of food and beverage spaces and public toilets was adjusted to better serve the modified stadium design.
Seating	The seating approach was modified to enable greater flexibility. Prefabricated portable seating models were seen as being the advantageous for the stadium and wider network (as they can be relocated). The adopted approach is: <ul style="list-style-type: none"> • Permanent seating =7,000 • Prefab temporary modules = circa 5,000 • Scaffold seating = circa 3,000+ • Lounge capacity = excluded It is considered only on a very rare occasion would a sports event require scaffold seating.
Infrastructure	Discussions with technology stakeholders indicated the best stadium technology approach would be to focus of integrating the "basics" into the initial design. For example, sufficient transformers, super high speed fibre connections and high speed Wi-Fi capable of working in high use / high user density areas (in crowds).

The inclusion of these changes and the general design optimisations are reflected in the updated concept plans (Appendix 1).

It is important to understand that the stadium concept is far more than a stadium. It is better thought of as a community precinct which contains five key elements that all work together creating both critical mass and operational synergy. Each component could be considered a standalone element. The elements are:

1. The boutique community stadium with 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules),

2. The light exhibition centre (circa 2,000m² exhibition space plus support facilities),
3. The function centre (circa 1,300m²),
4. The community multi-sport facility (circa 400m² of changing room and lounge space),
5. The Waikato University Sports Science / Physiotherapy (circa 250m² dedicated space and numerous shared spaces).

The cost of the refined concept has been estimated by Maltbys at \$187 million (+/- 10%)¹², February 2023 (Appendix 2).

This excludes eleven temporary seating modules that would have a base cost of circa \$4 million¹³. The modules were placed below the line because they could be purchased later or treated as a network cost (as it is envisaged, they would be used at other locations such as Baypark and Blakepark and would be stored off site).

If capital cost savings were required Maltbys estimates removing the function and exhibition centre would save circa \$25 million. Removing the university facilities would save a further \$3 million while not building a roof over the easter grandstand seats would save \$3 million. However, the first two reductions would have a significant impact on the project's revenue, community benefits and CBA position.

Cultural Design Opportunities

A range of cultural opportunities were identified for consideration and incorporation into the stadium design and function. These included the opportunity to influence the stadium design values, language and concepts that enable a sense of manaaki (hospitality / welcoming people to the stadium), kaitiakitanga (sense of place) and mauri (life force / well-being). These key cultural design principles can be woven into the design concepts for the new stadium. One of the strongest opportunities has already been established in the initial

¹² The current design and project cost are a reflection of both market uncertainties and the complex and varied user requirements. There is substantial opportunity to reduce the capital cost estimate through a structured value management review and challenge session in the next stages of the design process.

concepts, strong sightlines from the stadium to Mauao (which is afforded by the design's open northern end). This open northern end also makes the venue ideal for large kapa haka festivals and other cultural events.

Engagement with mana whenua representatives stressed the importance of process and meaningful input into future detailed design stages. It is this detailed input in the future that will inform the most appropriate cultural design approaches. It was recommended that the stadium design follow the agreed Tauranga Moana design guidelines.

Ideas suggested during engagement for consideration into the stadium design include but should not be limited to the following:

- A carved waharoa entrance way with some major pou (bottom lit at night) either side.
- A succession of pou to the Takitimu Stadium entrance which might have an ornate entranceway.
- An artwork in the foyer (potentially cut steel or timber which could be back lit).
- At night, a light display that could play over the walls – the main projection could be Māori design patterns (but with the ability to change).
- Integrated cultural interpretive trails that link with those in the wider CBD.
- A modern Māori design on the stadium façade.

It was stressed during the engagement process that any final cultural opportunities reflected in the final stadium design would need to emerge from a robust cultural design process with full Mana whenua input.

¹³ Note: Although these seating costs are treated below the line in the QS estimate they have been included in the financial model's capex estimates because the event schedule identifies one sports event that would attract 12,000 spectators.

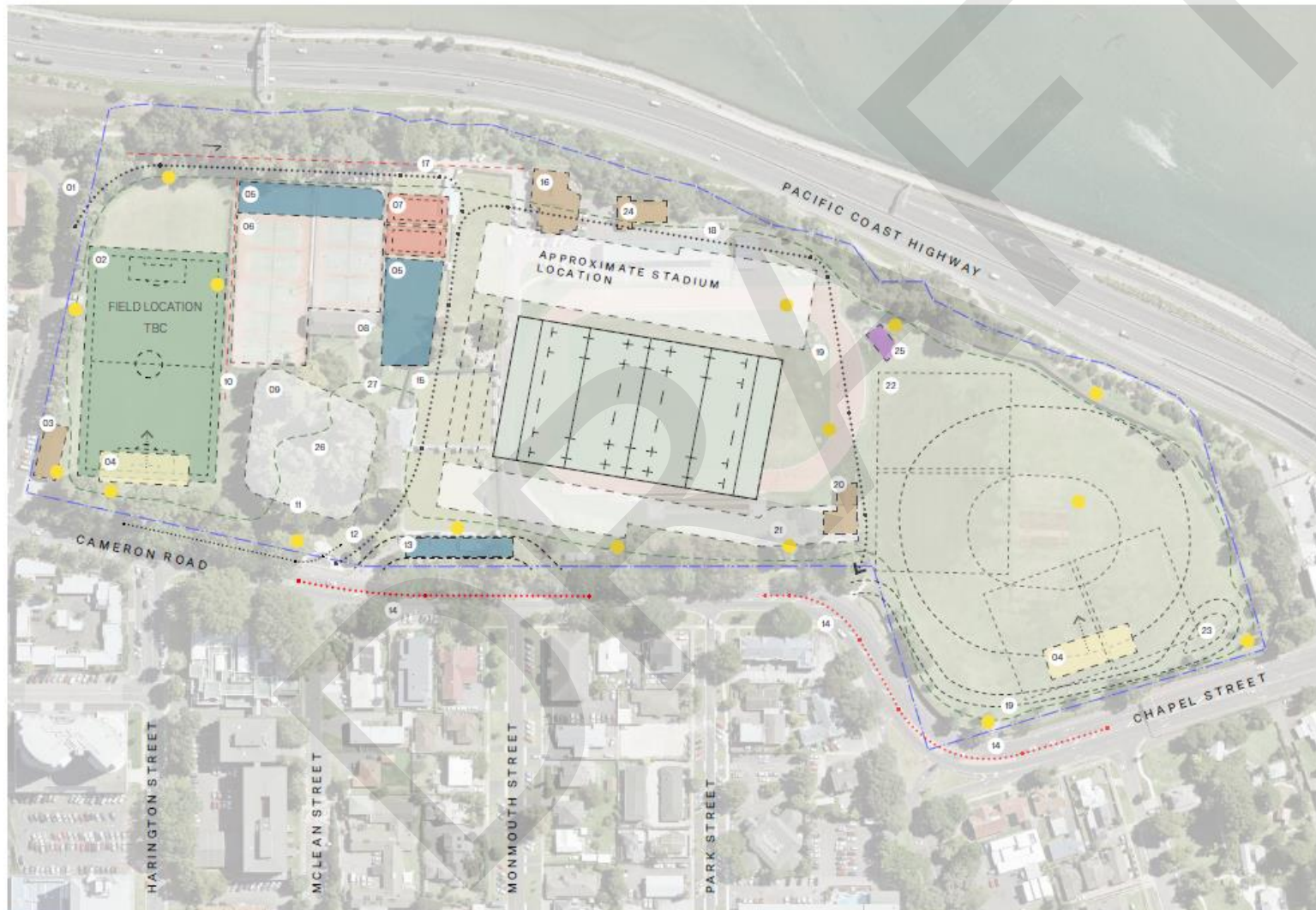
CONCEPT PROPOSAL TAURANGA DOMAIN PRECINCT PLAN

*MASTERPLAN SUBJECT TO FURTHER GEOTECH AND DETAILED SITE ANALYSIS
 *EVENT INFRASTRUCTURE AND UTILITIES TO BE DEVELOPED IN KEY LOCATIONS
 *FENCING PLAN IS REQUIRED AROUND ENTIRE PRECINCT
 *KEY CULTURAL SITES AND 'INTERPRETIVE TRAIL' MASTERPLAN TO BE DEVELOPED

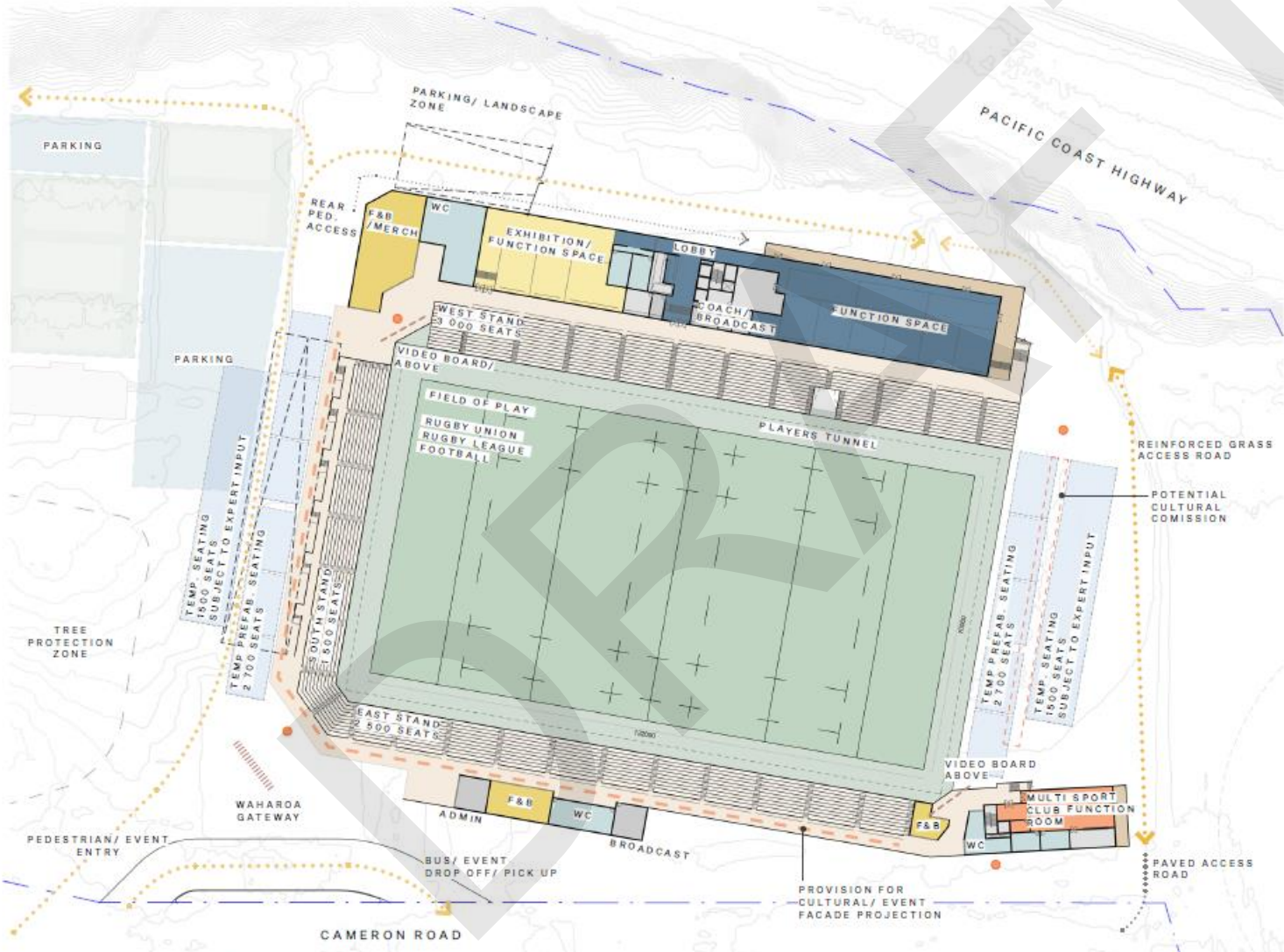
SUMMARY

INCLUSIONS

- 01 SHARED VEHICLE/ PED. ACCESS
 - 02 UPGRADED DRAINED SAND FIELD FULL SIZE PITCH (SMALL) 95 X 65 - 105 X 60
 - 03 REFURBISH EXISTING BUILDING
 - 04 EVENT STAGE
 - 05 NEW PARKING
 - 06 EXISTING TENNIS COURTS (8)
 - 07 RELOCATED TENNIS COURTS (2)
 - 08 EXISTING TENNIS CLUB
 - 09 TREE PROTECTION ZONE
 - 10 RECONFIGURE RETAINING WALL
 - 11 PLAYGROUND
 - 12 ENTRY PLAZA
 - 13 BUS DROP OFF/ PICKUP (IN EVENT MODE)
 - 14 TRAFFIC ENGINEERING REQUIRED
 - 15 PEDESTRIAN CONCOURSE (NON EVENT DAY PARKING)
 - 16 REMOVE EXISTING BUILDING /TEMP. HARD STAND WASTE COLLECTION
 - 17 NEW FENCE LINE TO DISCOURAGE TRESPASSES
 - 18 PLAYER/ PEDESTRIAN ACCESS
 - 19 RE-ENFORCED GRASS SERVICE ACCESS WAY
 - 20 DEMOLISH EXISTING BUILDING
 - 21 NEW MULTI SPORT CLUB ROOM
 - 22 EXISTING SPORTS FIELDS
 - 23 EVENT BACK OF HOUSE
 - 24 REMOVE EXISTING BUILDING
 - 25 CRICKET NETS
 - 26 POTENTIAL 'CULTURAL INTERPRETIVE TRAIL' LOCATION
 - 27 COMMUNITY WALKING/ RUNNING TRACK (LOCATION TBC)
- UTILITY/ SERVICE NODES (GENERAL LOCATION)



CONCEPT PROPOSAL UPPER GROUND FLOOR PLAN (CONCOURSE LEVEL)



UPPER GROUND		
CIRCULATION / TERRACE	2560	SQM
PERMANENT SEATING	3390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM
LOWER GROUND		
CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

TOTAL EXCL. TEMPORARY SEATING 14 450 SQM
 *Areas and figures in this schedule are approximate

TOTAL FUNCTION AREA	1550	SQM
TOTAL EXHIBITION AREA	2180	SQM
TOTAL MULTI SPORT CLUB AREA	700	SQM
UNIVERSITY OF WAIKATO	350	SQM
*incl. all relevant services/ amenity		

SEATING	
PERMANENT	7 000 SEATS
PROVISION FOR TEMPORARY	8 000 SEATS
TOTAL INCL. TEMPORARY SEATING	15 000 SEATS

● Approx. Stadium Lighting Location (25-30m high)
 *Preliminary Input provided from Signify Ltd (formerly Phillips Lighting) on optimal lighting tower height and location

CONCEPT PROPOSAL LOWER GROUND FLOOR PLAN (PITCH LEVEL)



UPPER GROUND

CIRCULATION / TERRACE	2 560	SQM
PERMANENT SEATING	3 390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1 270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM

LOWER GROUND

CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1 360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

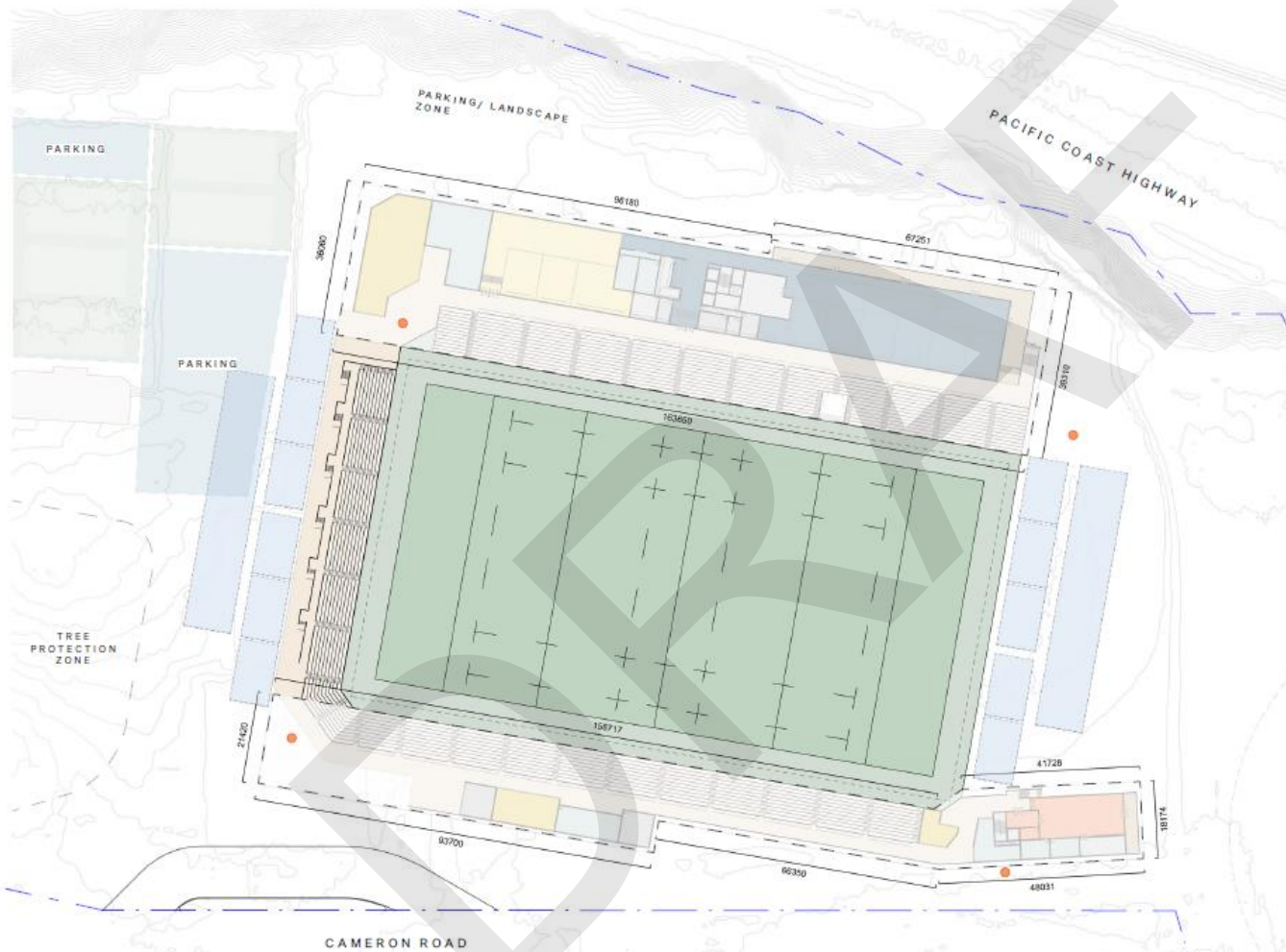
TOTAL EXCL. TEMPORARY SEATING 14 450 SQM
*Areas and figures in this schedule are approximate

TOTAL FUNCTION AREA 1 550 SQM
 TOTAL EXHIBITION AREA 2 180 SQM
 TOTAL MULTI SPORT CLUB AREA 700 SQM
 UNIVERSITY OF WAIKATO 350 SQM
 *incl. all relevant services/ amenity

SEATING
 PERMANENT 7 000 SEATS
 PROVISION FOR TEMPORARY 8 000 SEATS
TOTAL INCL. TEMPORARY SEATING 15 000 SEATS

- Approx. Stadium Lighting Location (25-30m high)
- *Preliminary Input provided from Signify Ltd (formerly Phillips Lighting) on optimal lighting tower height and location

CONCEPT PROPOSAL ROOF PLAN



UPPER GROUND

CIRCULATION / TERRACE	2 560	SQM
PERMANENT SEATING	3 390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1 270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM

LOWER GROUND

CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1 360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

TOTAL EXCL. TEMPORARY SEATING 14 450 SQM
*Areas and figures in this schedule are approximate

TOTAL FUNCTION AREA	1 550	SQM
TOTAL EXHIBITION AREA	2 180	SQM
TOTAL MULTI SPORT CLUB AREA	700	SQM
UNIVERSITY OF WAIKATO	350	SQM

*incl. all relevant services/ amenity

SEATING

PERMANENT	7 000	SEATS
PROVISION FOR TEMPORARY	8 000	SEATS
TOTAL INCL. TEMPORARY SEATING	15 000	SEATS

● Approx. Stadium Lighting Location (25-30m high)
*Preliminary Input provided from Signify Ltd (formerly Phillips Lighting) on optimal lighting tower height and location

Favoured Concepts Event Calendar

An updated events calendar has been developed based on primary and secondary data. The primary data focused on many interviews with a cross section of the event community (including National Sports Organisations, Regional Sports Organisations, promoters, and event managers). The calendar also reflects changes in the stadium concept plans.

The calendar is predicated on the following assumptions and dependencies:

1. Staff and facility marketing is established 24 months in advance of stadium opening.
2. Continued population growth occurs in Tauranga, Northern Bay of Plenty and the 'golden triangle' including Auckland and Hamilton to support attendance levels.
3. Consenting allows for this level of usage outlined.
4. The wider events network (primarily Councils and Economic Development entities) support use of the venue e.g., via funding and facilitation to support / incentivise concerts and sporting events. Including establishing an effective bureau to support business events / functions.
5. The city wraparound support infrastructure continues to grow e.g., transport infrastructure, accommodation, and services.
6. Some of the existing content in Tauranga moves to this facility, freeing up those other venues for community use (for example activity from Baypark relocates).
7. Other function space development in the city is purposefully complementary, not duplicative.
8. Where sporting events would include concurrent functions, these are counted in both areas.
9. Home team performance is at a level that facilitates good spectator attendance.

TABLE 4.13: FAVOURED CONCEPT - INDICATIVE EVENTS CALENDAR: YEARS 1, 5 AND 10

Sector	User / Use Type	Assumptions	Year 1	Year 5	Year 10
Sports	• Super Rugby	25% of spectators from outside Tauranga.	x 1, average attendance 12,000	x 2, average attendance 12,000	x 2, average attendance 12,000
	• NPC Rugby	25% of spectators from outside Tauranga.	x 3, average attendance 5,000	x 3, average attendance 5,000	x 3, average attendance 5,000
	• Rugby General (i.e., Waitomo Chiefs Manawa etc)	20% of spectators from outside Tauranga.	x 2, average attendance 2,500	x3, average attendance 2,500	x3, average attendance 2,500
	• Football (various)	20% of spectators from outside Tauranga.	x 2, average attendance 1,500	x 4, average attendance 2,000	x 4, average attendance 2,000
	• Other (i.e., Warriors, Phoenix, NZRL dev, code dev Regional / National age group, own product)	25% of spectators from outside Tauranga.	x 5, average attendance 5,000	x 5, average attendance 5,000	x 5, average attendance 5,000
				Total events = 13 Assume 6 televised	Total events = 17 Assume 8 televised
Community Sport	Rugby / Football (Main stadium and practice field)	Winter Play (including preseason February – August).	Main Field = minimum 217 field hours Practice Field = minimum 184 field hours. Total = 401 field hours	Main Field = minimum 171 field hours. Practice Field = minimum 140 field hours. Total = 311 field hours	Main Field = minimum 159 field hours. Practice Field = minimum 128 field hours. Total = 287 field hours.
	Rugby / Football (Main stadium and practice field)	Post Season Play (September – January)	Main Field = minimum 204 field hours Practice Field = minimum 180 field hours. Total = 384 field hours Note: Every 2 years refurb of main field drops main field community use to circa 60 field hours (worst case scenario).	Main Field = minimum 180 field hours Practice Field = minimum 156 field hours. Total = 336 field hours Note: Every 2 years refurb of main field drops main field community use to circa 36 field hours (worst case scenario).	Main Field = minimum 160 field hours Practice Field = minimum 136 field hours. Total = 296 field hours Note: Every 2 years refurb of main field drops main field community use to circa 16 field hours (worst case scenario).
	Multi-Sport Facility	Per annum usage	Days of available use circa 356 days	Days of available use circa 354 days	Days of available use circa 354 days
University of Waikato	Sports Science and Physio Labs / Classes	80% of students are from outside Tauranga	100 students during University term.	150 students during University term.	200 students during University term.
Outdoor Entertainment Events Note: this covers more than music concerts.	Concerts	30% of audience from outside Tauranga.	x3, average attendance 15,000	x4, average attendance 15,000	x4, average attendance 15,000
	Entertainment (i.e., Nitro circus, multimedia projection displays etc)	30% of audience from outside Tauranga.	x1, average attendance 10,000	x2, average attendance 10,000	x2, average attendance 10,000
	Festivals – 1 day (music / arts / food etc)	30% of audience from outside Tauranga.	x 4, average attendance 6,000	X6, average attendance 6,000	X8, average attendance 6,000

	Festivals – 2+ day (music / arts / food etc)	30% of audience from outside Tauranga.	X 2, average attendance 10,000 per day	X4, average attendance 10,000 per day	X6, average attendance 10,000 per day
			Total event days = 12	Total event days = 20	Total event days = 26
Exhibition (Commercial & community level)	1 day duration	15% of audience from outside Tauranga.	X 30, average daily attendance 4,000	X 35, average attendance 4,000	X 40, average daily attendance 4,000
	2-day duration	15% of audience from outside Tauranga.	X 6, average daily attendance 5,000	X 8, average daily attendance 5,000	X 10, average daily attendance 5,000
	3-day duration	15% of audience from outside Tauranga.	X 4, average daily attendance 5,000	X 6, average daily attendance 5,000	X 8, average daily attendance 5,000
			Total 54 days of bookings.	Total 69 days of bookings.	Total 84 days of bookings.
Functions	Functions very large	40% of audience from outside Tauranga.	x 15, average attendance 600	x 20, average attendance 600	x 25, average attendance 600
	Functions large	30% of audience from outside Tauranga.	x 30, average attendance 400	x 35, average attendance 400	x 40, average attendance 400
	Functions medium	20% of audience from outside Tauranga.	x 40, average attendance 200	x 45, average attendance 200	x 45, average attendance 200
	Functions small	20% of audience from outside Tauranga.	x 100, average attendance 100	x 100, average attendance 100	x 100, average attendance 100
			Total functions = 185	Total functions = 200	Total functions = 210

Note: The calendar is derived from available secondary data, interviews with industry representatives and professional experience.

Economic Assessment

This sub section summarises the results of the economic assessment relating to the preferred (refined) concept option which developed from Option 7. The original Options 5 and 7 are discussed for contrast. The general structure aligns with that used in the preliminary assessment, but it has been expanded, refined, and adjusted to capture new information as well as the additional elements added through the business case process. This economic assessment also includes the updated financial information (see also Appendix 3).

This section summarises the key results and is not a detailed description of the process or assumptions. This assessment integrates the high-level understanding about the potential funding approach, and includes a mix of sponsorships, debt/loan and grant funding.

The objective is to provide a high-level assessment of the economic effects associated with establishing a multi-function stadium in Tauranga (the facility).

The assessment has been undertaken by Market Economics based on inputs as prepared by third parties, specifically the work of Deloitte, Maltbys and Visitor Solutions. This work is taken as accurate, complete, and we have not reviewed it. In addition, a range of informed assumptions underpin the modelling, and like any modelling several limitations and caveats apply¹⁴. A conservative position is maintained throughout to limit optimism bias.

The two options are, 'stadium with fitness' (Option 5) and 'stadium with light exhibition' (Option 7). The preferred refined option builds on Option 7. The core changes from an economic impact perspective relate to:

- increase in capital costs to develop the facility,
- adding a component to enable tertiary education to make specific use of the facility, and
- refining the underlying visitor/usage levels.

Only the net change is included in the analysis.

¹⁴ Detail can be provided upon request.

Cost and benefits

The cost benefit analysis includes the costs, and benefits that the facility would support and facilitate, including:

TABLE 4.14: CORE ITEMS INCLUDED IN THE ASSESSMENT

Costs	Benefits
Capital costs	Benefits to participants (consumer surplus)
Ongoing maintenance costs (life cycle costs)	The terminal value of the facility
The costs associated with operating the facility	Benefits to community users (based on time values and facility use)
The costs associated with delivering the services (e.g., food and beverages)	Return on business spending (e.g., for exhibitors, naming rights)
Participants opportunity costs	Additional spending and activity attracted to the facility
Opportunity costs of labour	Labour benefits (associated with new employment)
The value of the resources used to service 'new visitors' and the associated activity (estimated using producers' surplus)	Additional monetary flows from international students

The analysis reflects the overall period, out to 2075. The future costs and benefits are expressed in today's terms, using discounting. A default rate of 5% was used to discount future cashflows into present values. This rate is consistent with the default rates suggested by the NZ Treasury and Waka Kotahi NZ Transport Authority¹⁵. Table 4.15 summarises the core metrics for the different options.

TABLE 4.15: SUMMARY – COSTS AND BENEFITS (@5%)

	Benefits \$m	Costs \$m	Net position \$m	CBR	Annual (50 y) \$m
Stadium and Fitness	479.7	679.4	-199.7	0.7	-4.0
Stadium and Light Exhibition	837.4	1,031.1	-193.7	0.8	-3.9
Preferred Refined Option	1,099.1	1,163.3	-64.3	0.94	-1.3

¹⁵ Acknowledging that Waka Kotahi's projects are transport related.

Like the earlier versions, the preferred option returns a CBR less than one, suggesting that the costs outweigh the benefits. Importantly the core driver of the net position is the capital costs, and the ongoing life cycle costs. At the same time the relatively low value (benefit) associated with community use is also a drag, that coupled with the long timeline suggests that the project is high risk. The relatively low benefit of the community activities stems from the displacement and substitution effects relating to existing facilities (that is, some of the potential benefits are already experienced and will not be new).

Table 4.116 provides additional information about the options under different discount rates.

TABLE 4.16: SUMMARY OF CBA RESULTS FOR MULTIPLE DISCOUNT RATES

		Benefits \$'m	Costs \$'m	Net position \$'m	CBR	Annual (50 y) \$'m
Stadium and fitness	0%	1,606	1,890	-284	0.85	-5.7
	3%	730	958	-228	0.76	-4.6
	5%	479.7	679.4	-200	0.7	-4.0
	7%	337	515	-178	0.65	-3.6
	9%	250	412	-162	0.61	-3.2
Stadium and light exhibition	0%	2,771	3,008	-236	0.92	-4.7
	3%	1,271	1,485	-213	0.86	-4.3
	5%	837.4	1,031.1	-194	0.8	-3.9
	7%	589	766	-177	0.77	-3.5
	9%	437	600	-163	0.73	-3.3
Preferred Refined option	0%	3,794	3,620	174.1	1.05	3.5
	3%	1,708	1,721	-13.1	0.99	-0.3
	5%	1,099.1	1,163.3	-64.3	0.94	-1.3
	7%	752	842	-90.1	0.89	-1.8
	9%	540	643	-102.7	0.84	-2.1

¹⁶ Current dwellings.

¹⁷ Sometimes referred to as multiplier effects; we do not use multiplier to estimate the impacts as this can mis-represent the impacts. Instead, the economic shock is translated into final demand, and the economic shifts required to meet the new level of demand are estimated.

Even if lower discount rates are used, the different options' CB-ratio remain less than one. This suggests that the degree of benefit delivered by the different design options is too small to 'pay' for the different costs. A sensitivity analysis revealed that if the project could be funded using private funding, then the CBR would be marginally below 1 (0.97), with the annual net position estimated at -\$0.8m, a deficit of \$12.06 per dwelling¹⁶/per annum (over 50 years).

Economic Impacts Assessment

The second tool used in the assessment is the EIA, and it is based on a Multi-regional Input-Output table, and the Dollar-values are expressed in 2021-terms. The different components of the facility were considered independently, and include:

- The construction effects,
- The life cycle costs,
- The ongoing and operational effects. This includes visitor spending that is attracted to Tauranga due to the facility.

The model reflects the supply chain effects¹⁷ and the impacts are reported using Value Added¹⁸ and Modified Employee Counts¹⁹. The impacts are due to a lift in economic activity in response to new demands generated by the facility. The total impacts include the direct, indirect as well as the impacts. Table 5.17 summarises the VA impacts using a 5% discount rate. Again, the earlier options and the preferred refined option are presented for contrast.

The present value of the total VA²⁰ that would be delivered by the different options are estimated at:

- Stadium and Fitness \$289m,
- Stadium and Light Exhibition \$369m,
- Preferred Refined Option \$778m.

The earlier options have broadly similar impact profiles, with the spatial impacts showing similar distributions across Tauranga, the rest of the Bay of Plenty and the Rest of NZ. Large shares of the VA impact generated during construction is expected to flow out of the region to the rest of NZ,

¹⁸ Value Added is like GDP but taxes are treated differently.

¹⁹ A Modified Employee Count is a head count of all workers (including part time workers), and allowance is made for working proprietors.

²⁰ These estimates do not show the potential effects of funding. The VA could be \$15m (upper limit) lower and the scale is a dependent on how the shortfall(s) are financed.

but mostly Auckland, and is a function of supply chains. However, the ongoing activity will see large shares of the VA remain locally, with between \$76m and \$105m in additional VA locally once fully operational. For the preferred option, this value is considerable - \$264m.

From an employment perspective, the number of jobs supported during the different stages cannot be expressed in 'present value' terms. Using annual employment levels at the peaks, shows that establishing the facility will support local employment. The construction and life-cycle jobs are temporary, aligned with the investment cycles. During the construction period, the locally supported employment will be around 380 jobs during the peak periods (during peak construction).

TABLE 4.17: VA IMPACTS (NPV @5%)

Stadium and fitness	Phase		
	Construction	Life Cycle	Ongoing
Tauranga City	34	3	69
Rest of Bay of Plenty	13	1	15
Rest of NZ	98	8	48
Total	145	12	133
GRAND TOTAL		\$ 289 M	
Stadium and light exhibition	Phase		
	Construction	Life Cycle	Ongoing
Tauranga City	36	3	105
Rest of Bay of Plenty	13	1	22
Rest of NZ	106	8	74
Total	155	13	201
GRAND TOTAL		\$369 M	
Preferred Refined Option	Phase		
	Construction	Life Cycle	Construction
Tauranga City	62	15	264
Rest of Bay of Plenty	23	5	53
Rest of NZ	159	35	162
Total	244	55	479
GRAND TOTAL		\$ 778 M	

For the preferred refined option, the peak levels are lower, but spread over two years. Over the two-year peak, a total of 334 and 429 MECs will be supported in the local (Tauranga) economy. Once operational, the employment will be continuous and ongoing (not short term like

construction). At the max (at full capacity) the options will support the following number of local employment:

- Stadium and Fitness: 190 MECs locally in Tauranga,
- Stadium and Light Exhibition: 290 MEC locally in Tauranga, and
- Preferred Refined option: 380 MECs locally in Tauranga.

The difference in scale is due to the change in scope for the preferred option (additional services around the university with students, a variation in the events and activities hosted).

Conclusion

The economic assessment illustrates the known tension that normally exists in economic assessments of large, community facing facilities such as stadia. Investing in stadiums are often motivated based on the potential economic impacts that they support (VA and jobs) but the value for money (cost and benefit) proposition is difficult to see in a positive light – these are well documented observations and not unique to the Tauranga project.

Regardless, cities and regions are still investing in new facilities and upgrading existing facilities. Often the motivation is related to enhancing existing facilities and amenities and improving user experiences and service levels. Adding capacity and enabling a wider range of uses and participation is another reason for investing in facility upgrades. At the same time, upgrading facilities are also seen to expand local access to higher quality sporting and entertainment events. Experience suggests that the ability to host more, and higher-level sports and entertainment events assists cities to attract new visitors and visitor spending. In turn these visitors help to generate positive economic effects.

The CBA returns a below-one position for the first two options (Options 5 and 7), and an improved ratio for the preferred refined option (slightly below one 0.94) which by stadia standards is good. This demonstrates the refinements made in the preferred option have been favourable to the overall CBA and economic impacts. However

the ratio remains below one suggesting that the costs outweigh the benefits.

It is important to note that the assessment does not integrate other potential benefits, like:

- Identity of place and pride in the city arising from the stadium and quality infrastructure,
- Potential neighbourhood effects and associated property value change²¹ arising from the investment,
- The potential to support regeneration efforts around the CBD, and enabling additional commercial and residential developments, and the potential to affect property values of neighbouring properties.

- The value of health outcomes. The community facility element would encourage wellbeing and lift healthy lifestyle choices, improve engagement in sports and physical activity.
- Improved local talent. The facility would support existing sport codes to improve the quality of their leagues, lifting quality and capabilities.

²¹ Some studies show property values can increase around stadium developments. Matheson, V. Point/Counterpoint. Is there a case for subsidizing sports stadiums. December 2018.

The Commercial Case

DRAFT

5.0 THE COMMERCIAL CASE

5.1 INTRODUCTION

The key determinants when selecting a particular procurement model are:

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

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

The most commonly used procurement models are:

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

5.2 ECI OPTIONS

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

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

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

Two Stage ECI

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

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

First Stage Tender:

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

engineering and supply chain advice, and design and tender inputs).

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

Second Stage Tender:

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

Potential benefits:

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

Points to consider:

- Risk that the contractor's pricing at the end of the ECI process will be significantly higher than the clients initial stipulated budget and will not be acceptable to the client.
- Where the client decides not to accept the open book negotiation offer, disruption to the project timelines can occur from re-tendering. This may result in a risk of being trapped with the main contractor which completed the ECI process due to time constraints.
- Another risk of being locked in with the main contractor would occur if the First Stage Tender is used to procure long lead items or specialist trades with the main contractor.
- Reduction in the number of claims does not always transpire as planned during the actual project.
- High turnover of staff or major relationship breakdowns during the tender process can significantly impact performance.
- Competitive tension is maintained by setting clear conditions by which a contractor will be awarded a contract (e.g., achievement of a pre-determined cost ceiling).

Consulting ECI

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

Potential benefits:

- Likely to be more cost effective than 2 stage ECI.
- Maintains market/competitive tension.
- Allows adjustment/refinement of the procurement model during design stage (i.e., switch to D&B).
- Allows for direct engagement with sub-contractor market.
- Allows for contracting of LLI (direct to client) prior to locking in main contractor.

Points to consider:

- As with 2 Stage ECI requires effective management.
- Longer tender period
- Less appealing to contracting market so will require greater market engagement.

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

either a "fixed price" or may make provision for fluctuations in material, plant, and labour prices. The fixed price lump sum contract will have no adjustment for price fluctuations.

Tenders may be called for the construction on either:

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

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

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

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

Potential benefits:

- The Client has full control of the design development at all stages of the project.
- Price is the "true competitive market" price.
- Price is known before the client is committed to construction, allowing remedial action to be taken if the price exceeds budget expectations.

5.3 PROCUREMENT MODELS

Traditional Delivery (Construct Only)

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

Tenders are then invited from building contractors to ascertain the price of the works, prior to the final decision to proceed. This lump sum can be

- Client is insulated, for the most part, from “risks”, or at least has contractual recourse.
- Design and tender documentation are completed before proceeding to tender, avoiding the incidence of major cost variations.
- Cost certainty is relatively high when the contract is awarded, if the design is largely complete and accurately reflects the project brief.
- The client can reduce design-related risk by ensuring all design issues are resolved, considering design innovation where appropriate, and fulfilling design requirements, before procuring the construction works.
- Early Contractor Involvement (ECI) can be introduced on a consultancy basis (and used to inform the development of the design).
- The straightforward nature of the bidding process (especially if a schedule of quantities is used), lowers the cost of tendering and level of risk retention by the client, and usually encourages a competitive tender field.
- Bids are generally less complex and cheaper to assess than other delivery models.
- The model is well-known and understood by industry and clients.
- The design can be varied with relative ease after the construction contract has been awarded.

Points to consider:

- Time taken to complete the full documentation, consenting and procurement negates the opportunity for an early start to construction.

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

Design and Build

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

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

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

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

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

Potential benefits:

- Is an efficient delivery method for clients wanting a “one stop shop”,
- Price can be locked in at an early stage, with contractor carrying the additional price risk, but this carries a cost premium,
- Design development sits with the contractor and Client design modifications tend to be more expensive after the price is locked in.
- Quality of deliverables can be targeted for contractor’s cost savings, if the original defined specification is maintained,
- Tends to limit the level of client / stakeholder involvement in the design process. Generally, less optimal process for complex builds as it can lead to reduced design functionality.
- Contractor has greater influence in process from the outset.
- Construction can commence shortly after contract award, in advance of all detailed design packages being finalised. This makes an earlier start on site possible and can result in an earlier completion compared to traditional methods.
- The design has high potential for innovation, resulting from the input of the contractor and its supply chain into constructability and flexibility in identifying optimum materials and construction methodologies.
- There are potentially fewer disputes and more effective management of any design-related issues, due to having a single

point of responsibility for both the design and construction work, and minimising design/construction interface risk.

- There can be a high degree of cost certainty where functional and technical performance requirements are clearly defined at tender.
- The contractor generally warrants the design’s fitness for purpose, although this should be clearly defined in the contract. For example:
 - The client may accept the risk that the layouts and relationships of spaces within a facility as defined and agreed in the contract are appropriate for meeting their operational output needs.
 - The contractor may accept all technical risks around ensuring that the facility achieves the performance requirements as defined in the contract.

Points to consider:

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

can be requested at tender stage to provide flexibility on range of options that can be decided upon later.

- Quality outcomes of the project reflect the client's specified performance requirements and hence must be carefully specified in the tender documentation.
- It may be difficult for the client to exert control over the design process, and significant design changes post-contract are likely to prove costly.

Construction Management

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

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

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

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

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

Potential benefits:

- Able to retain a high degree of control over the project, which would be supported by the project/construction manager.
- Able to retain continuity of designers.

- Able to provide an accelerated system of procuring a contract, starting on site before formal design documentation is complete, resulting in an earlier completion.
- Able to provide Early Contractor Involvement.
- Management and coordination risk to client is reduced.
- Contract administration is undertaken by the project/construction manager, reducing client resource required.

Points to consider:

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

Cost Reimbursement

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

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

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

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

Key points:

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

Traditional Alliance

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

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

Potential benefits:

- Enables a project to go to market early, before the scope and details of the project are finalised.
- Improved efficiency and innovation can be achieved.

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

Points to consider:

- Quality outcomes can be compromised in order to meet cost targets and time demands. Good planning is required to avoid any re-work, which must be paid for, which compounds the 'pain' for all participants.
- This method requires significant resourcing from the client in terms of governance and management arrangements.
- Clients need to carefully consider the personal attributes needed for personnel to work successfully in an alliance structure, as embedding the right culture from day one is critical to success.
- Strong leadership is needed from the client's senior leaders to ensure that the required no-blame culture is established and implemented throughout the project.
- Relationships are critical to the success of this model. Issues that could impact include high turnover of staff (client or contractor), or major relationship breakdowns.
- Public value is achieved through an open-book accounting-based approach, which allows the contractor's rates and margins to be independently verified.

- The accounting-based approach, and the requirement for detailed cost scrutiny, requires a higher degree of cost management input compared to other delivery models.

PPP / BOOT

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

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

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

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

Key points:

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

Competitive Negotiation

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

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

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

- Statement of the time required to complete the project accompanied by the builder's programme.

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

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

Key points:

- This is essentially an accelerated system of procuring a contract, the main object being to install a selected builder on site and working, before formal design documentation is complete, resulting in an earlier completion,
- The selected building contractor becomes a member of the team and is available to add his expertise to the advantage of the project.
- Sub-contract prices are tendered just prior to when needed, thereby obtaining current market prices.
- Price is not fully locked in before the client is committed to construction.
- Design documentation and consenting need to keep pace with onsite construction, which is an inherent risk.

Direct Negotiation

Directly negotiated contracts are like “competitive negotiation” except that instead of calling tenders from a selected list of contracts, one

contractor will be chosen, and negotiations will take place with this one contractor only.

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

Key points:

- This is essentially an accelerated system of procuring a contract, the main object being to install a selected builder on site and working, before formal design documentation is complete, resulting in an earlier completion. The process is faster than competitive negotiation as little time is needed to evaluate tenders, further speeding up the start of construction.
- The selected building contractor becomes a member of the team and is available to add his expertise to the advantage of the project.
- Sub-contract prices are tendered just prior to when needed, thereby obtaining current market prices.
- Price is not fully locked in before the client is committed to construction.
- Design documentation and consenting need to keep pace with onsite construction, which is an inherent risk.
- Very difficult to show public accountability in procurement.

5.4 PROCUREMENT MODEL EVALUATION CRITERIA & SCORING SCALE

Base Assumptions

The following base assumptions are relevant to the procurement evaluation.

1. The capital build cost of the development will be between \$180-200 million.
2. The majority of the developments funding will be from public sources.
3. The development will have four components that must share spaces and have high levels of design functionality (a stadium, a function facility, a light exhibition centre and a multisport/university hub).
4. The facility will be run as part of a network of assets (most likely by BVL). The developments design must compliment the wider facility network.
5. There will be numerous partners and stakeholders who will require active involvement in the developments design.

Procurement Objectives

The following procurement objectives have been identified for the project:

1. Achieve desired timelines and realise schedule efficiencies during the procurement process.
2. Minimise internal resources to deliver the project.
3. Mitigate and manage relevant risks.
4. Maximise value for money; and
5. Achieve a fair, open, and transparent procurement process.

Project Risks

The project team has undertaken work in relation to identification of key project risks. From a delivery perspective, it is important to consider which specific risks are better managed by the public sector and which risks could (or should) be transferred to the private sector, and how this may influence the selection of the optimal delivery model. Key risks that should be considered when evaluating different procurement approaches include:

- Time: risk of project delay,
- Budget: risk that the project will be over budget,
- Internal capacity: risk that the project proponent will not have sufficient resources to manage the procurement process,
- Final design and functionality: risk that the final design will not meet the needs of the community and stakeholders,
- Interdependency: risk that the CBD infrastructure required to support and facilitate the operations of the facility will not be completed.
- Design coordination.
- Project personnel continuity (e.g., change in lead designer).
- Material procurement (long lead items).
- Contractor availability.

Procurement Evaluation Criteria

A paired comparison matrix was used to develop weightings for the criteria (Table 5.1). Two criteria 'scope for innovation' and 'flexibility (of approach in dealing with change)' scored less than 3% and were rounded down to zero and excluded. The remaining criteria were rounded up.

TABLE 5.1: CRITERIA AND WEIGHTINGS

Criteria	weighting	Weighting Rationale
Scope for innovation Description: The extent to which the approach facilitates best practice and innovation (given the projects complexity).	0%	Scored less than 3% and was rounded down and out.
Time confidence Description: The extent to which the approach optimises project timeframes / milestones.	10%	The project partners have stated timeframes that must be achieved.
Market Conditions Description: The extent to which the approach is likely to create competitive bids from appropriately skilled contractors given prevailing market conditions.	15%	There is limited appropriately experienced and capitalised contractors active in the NZ market for a project of this scale and scope. Accordingly, the procurement model should be structured to appeal to the market.
Risk emphasis / allocation Description: The extent to which the approach places risk on the party best able to manage that risk.	10%	The council should be comfortable with a risk allocation profile that has it retaining risks (and the associated control mechanisms) it is best able to manage so as to achieve an appropriate project outcome.
Stakeholder input Description: The extent of the approach to enable partner (including operator) and external stakeholder input into the project.	20%	The development requires a high level of design functionality which is best achieved through ongoing stakeholder input, primarily through the design process.
Demonstrates public value for money. Description: The extent of the approach encourages cost effectiveness and incentivises whole of life cost efficiencies.	20%	It is critical the project both demonstrates and achieves value for money both in terms of construction and during operation.
Flexibility (of approach in dealing with change) Description: The extent the approach provides the client entity the flexibility to deal with any variations		Scored less than 3% and was rounded down and out.

in design, scope and delivery.		
Cost confidence Description: The extent to which the approach provides cost confidence achieving pretender project budgets and the contract price.	25%	The project budget will be fixed so a high degree of cost certainty will be required.

5.5 EVALUATION & SCORING OF SHORTLISTED PROCUREMENT MODELS

Members of the project working group were delegated to undertake the evaluation of procurement models with the assistance of a large vertical build construction procurement specialist from Deloitte.

The models evaluated included:

- Traditional Delivery (with ECI consultant),
- Design and Build Contract,
- Construction Management Contract,
- Traditional Alliance,
- PPP/BOOT.

Three models cost reimbursement, direct negotiation and competitive negotiation were not evaluated as they failed to meet minimum evaluation thresholds. The workshop evaluation resulted in a traditional delivery (with ECI consultant) being ranked first followed by design and build (Table 5.2).

TABLE 5.2: PROCUREMENT MODEL EVALUATION

Criteria	Weighting	Traditional Delivery (with ECI consultant)	Design and Build Contract	Construction Management Contract	Traditional Alliance	PPP/BOOT
Scope for innovation	NA	NA	NA	NA	NA	NA
Time confidence	10%	3	4	3	3	5
Market Conditions (i.e., works in your market)	15%	4	2	2	1	1
Risk emphasis / allocation	10%	4	3	2	2	3
Stakeholder / Operator input	20%	4	2	4	4	1
Demonstrates public value for money	20%	3	2	2	2	3
Flexibility (of approach in dealing with change)	NA	NA	NA	NA	NA	NA
Cost confidence	25%	2	4	1	1	4
	Total Weighted Score	320	280	225	210	275
	Ranking	1	2	4	5	3
	Recommendation	Advance	Remains Possible	Reject	Reject	Reject

TABLE 5.3: CRITICAL SUCCESS FACTOR CRITERIA

Score	Description
5	Option offers a distinct advantage versus other options
4	Option offers some advantage versus other options
3	Option does not offer advantage or disadvantages versus other options
2	Option is at some disadvantage versus other options
1	Option is at a distinct disadvantage versus other options

5.6 RECOMMENDATION & PROCUREMENT MODEL DEVELOPMENT

Based on the analysis undertaken and considering the project outcomes the preferred procurement model is traditional delivery (with ECI consultant). This model has many advantages for the community stadium project over other models. These include:

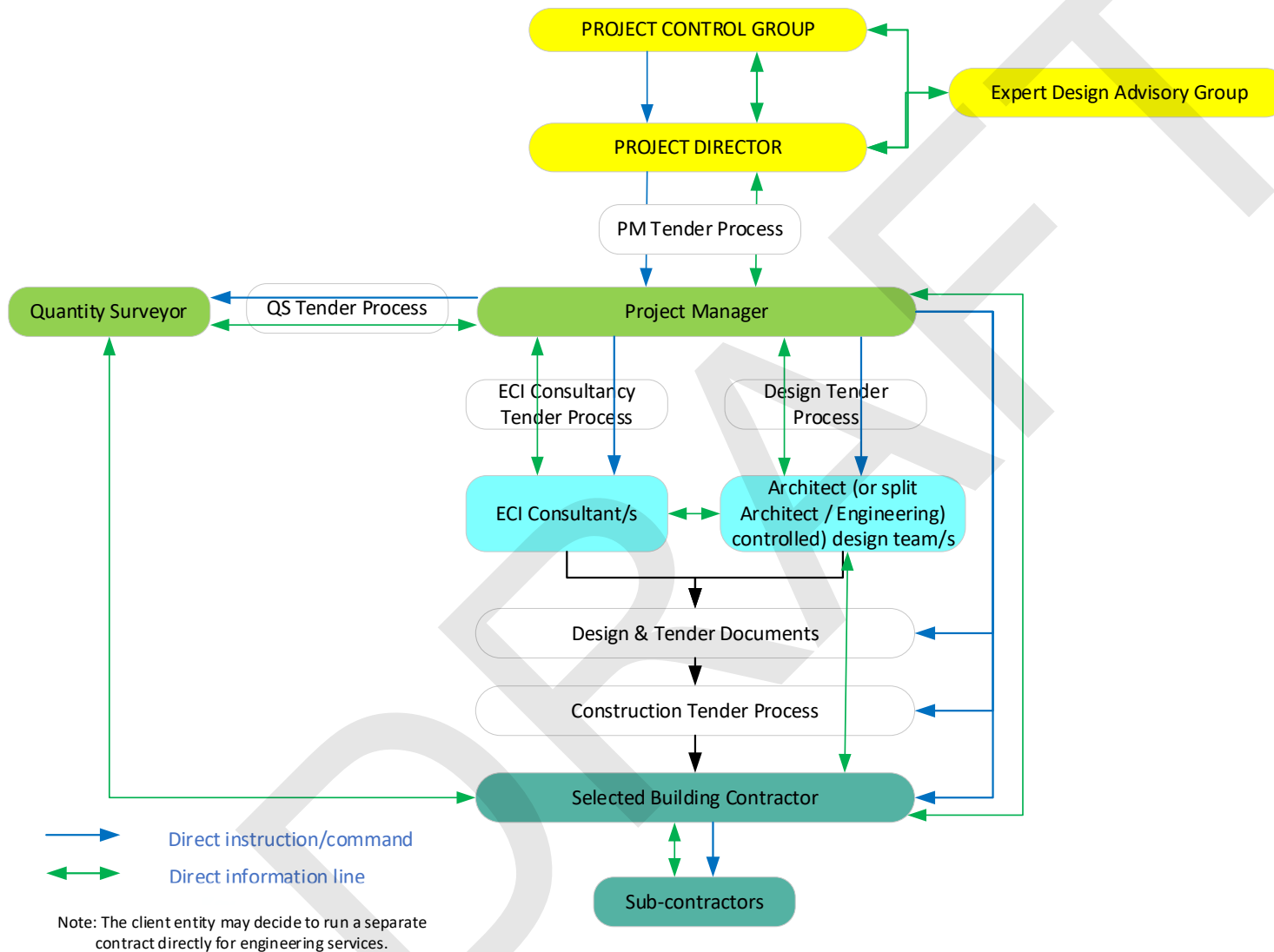
- Multiple tenders can be run for different services increasing transparency and enabling the best providers to be selected for individual roles (Figure 5.1).
- Tenders may be called for the construction on either a selected or open basis (and meet probity requirements).
- The design performance obligations rest with the design team and any risks sit with the Trust, although these are invariably underwritten by the individual team members' professional indemnity insurances. The construction (contractual) risks rest with the building contractor.
- The Trust (and partners) have full control of the design development at all stages of the project. This is considered important in the case of the stadium for two reasons. Firstly, because the project is comprised of multiple interlinking facilities (community multi-sport, university facilities, function centre, light exhibition centre and stadium) which must be carefully designed to work separately and together. Secondly, because multiple stakeholders are involved.
- The Trust can establish an expert design advisory group to assist in making design optimisation recommendations.
- The price is the "true competitive market" price. It is known before the Trust commits to construction, allowing remedial action to be taken if the price exceeds budget expectations.

- The Trust is insulated, for the most part, from "risks", or at least has contractual recourse.
- Design and tender documentation are completed before proceeding to tender, avoiding the incidence of major cost variations.
- Cost certainty is relatively high when the contract is awarded if the design is largely complete and accurately reflects the project brief.
- The Trust can reduce design-related risk by ensuring all design issues are resolved, considering design innovation where appropriate, and fulfilling design requirements, before procuring the construction works.
- Early Contractor Involvement (ECI) is introduced on a consultancy basis (and used to inform the development of the design) maximising 'buildability'.
- The straightforward nature of the bidding process (especially if a schedule of quantities is used), lowers the cost of tendering and level of risk retention by the Trust, and usually encourages a competitive tender field.
- The model is well-known and understood by industry.
- The design can be varied with relative ease after the construction contract has been awarded.

The disadvantages of the model are:

- Time taken to complete the full documentation, consenting and procurement negates the opportunity for an early start to construction. However, separate civils packages can be advanced to speed up the development process.
- Price certainty relies on the completeness and accuracy of the client's design documentation. Errors or omissions in the design will lead to variations and extra cost to the client.

FIGURE 5.1: RECOMMENDED TRADITIONAL DELIVERY (WITH ECI CONSULTANT) MODEL WITH TENDER PROCESSES



- A long lead time is required to get to the tender stage, as design needs to be at a level sufficient to complete tender documentation.
- The design risk sits with the Trust, while construction risk with the contractor. This could lead blurred lines when deciding the responsible party for defects remediation (i.e., whether it would be a result of a design error or poor workmanship).
- The Trust is responsible for providing accurate information (e.g., drawings and specifications) to the contractor in a timely manner. Delays may result in extra costs to the client and/or extensions of time for the contractor.

Although the model comes with some challenges these can be mitigated by having a good design team and robust project governance and management. The appointment of well qualified experienced consultants and staff will be critical.

Proposed Contract Structure

The design team is appointed under professional service contracts ACENZ CCCS and a construction contract is later awarded under NZS 3910.

The Financial Case

DRAFT

6.0 THE FINANCIAL CASE

6.1 PURPOSE

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

The purpose of the Financial Case is to:

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

6.2 RECOMMENDED OPTION

The Refined Concept

Option 7 (stadium with light exhibition, function, and associated facilities) was used as the base concept design which was further refined. Concept refinement was influenced by additional research and significant rounds of stakeholder engagement. The main changes involved:

- Addition of a University of Waikato undergraduate sports science and physiotherapy space.
- Expansion of the professional and community sport changing rooms.
- Increased elevation of function facilities.
- Removal of a permanent roof over the southern stand
- Positioning of the community multisport towards the North.
- Supplementary stadium modifications.
- Seating (7000 permanent, 5,000 prefabricated temporary modules and scaffold seating 3,000+).

The Economic Case and Appendix 1 provide additional detail on the refined preferred stadium concept design.

6.3 FINANCIAL MODEL

Overview of Approach

The expected annual costs of the Tauranga Multi-Function Stadium Facility (TMFSF) were determined through the development of a financial model ('the model'). The costs of the TMFSF comprise:

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

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

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

TABLE 6.1: KEY INPUTS AND ASSUMPTIONS SUMMARY

	Assumptions	Source
Land	Land is assumed to be provided to the project at no cost as the development is replacing an existing facility.	TCC
Construction Timing	FY26/FY27 (24 Months)	Maltbys
Escalation on construction costs	FY23 1.5% (for Q4) FY24 4.7% FY25 3.8% FY26 3% FY27+~2%	Rider, Levett, Bucknall NZ Treasury
Depreciation	Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over	Inland Revenue Department, benchmarked against other publicly disclosed financial statements.

	their estimated useful lives. The useful lives associated with the depreciation rates of major classes of property, plant and equipment have been estimated as follows: • Building shell fit-out: 20-50 years (2% to 5%) • Furniture, fittings, plant & equipment: 10-15 years (7% to 10%)	
Model period	54 years	Deloitte
Operations period	50 years	Deloitte
Inflation	~2% (applied to income and operating expenditure). Discount Rates and CPI Assumptions for Accounting Valuation Purposes (treasury.govt.nz)	NZ Treasury
NPV Date	Jul-22	Deloitte
GST & Tax	Excluded The facilities will be operated by a Trust or other non-tax paying entity.	

Cost to Funder Analysis

The consideration of how any residual funding requirement (post capital grants) will be sourced is outside the scope of this study. It is envisaged this may be via a wider targeted regional rate, regional or local council debt or provided by other entities (e.g., Quayside Holdings).

In the absence of definitive sources of debt, we have modelled it consistently with how stadiums are generally financed and therefore modelled for the purposes of feasibility studies. Accordingly, for illustrative purposes the financial analysis has been prepared on the basis of council ownership. Further analysis will be undertaken as the debt funding options are refined.

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

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

- Net of revenue, and operating costs.
- Interest on the money borrowed by the Funder to fund the construction cost at 5% interest, repaid over 30 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by a Council.

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

- The net operating cost (before depreciation).
- Interest on debt borrowed to fund the development of the facility.
- Debt repayment over 30 years (on the initial development capital expenditure).
- Depreciation, which is rated for and held in a reserve to fund capital replacements and renewals (based on 50 years straight-line for buildings, 10-20 years straight line for plant and equipment and 50 years straight-line on Fitness buildings).

The Cashflow Cost to Council (what it will actually cost in cash each year) is assumed to be:

- The contribution of the facility to Council.
- Add back the depreciation on the facility that is rated for.
- Less the actual cost of asset replacements.

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

Modelled Option

The option modelled is the preferred design option that includes two key features (Table 6.2). Additional descriptions can be found in the economic case.

²² Note: This 250m² excludes common areas (which were incorporated into the architectural schedule) and shared use spaces. I.e., the architectural schedule and areas on plans will appear larger than 250m².

TABLE 6.2: REFINED PREFERRED STADIUM OPTION

	Descriton
Refined Preferred Stadium Option	<ul style="list-style-type: none"> • 7,000 permanent seats and an initial purchase of 4,950 portable temporary modula seats seats. • Includes: 250m² of exclusive use space for University Waikato Health Science and Sports use²².

The modelling of the refined preferred facility option builds on previous financial modelling analysis undertaken on Options 5 and 7 and three earlier alternative preliminary design options. The financial analysis related to the refined preferred design option is detailed within Appendix 5.

The focus of the financial analysis is to understand project cashflows as opposed to the flow of funds between the multiple parties that may be involved and/or hold ownership interests.

Capital Expenditure

The construction cost estimates for the facility option have been prepared by Maltbys (dated 16 February 2023) for the purposes of providing a construction cost estimate.

The construction of the facility will be phased over a 24 month period. All presented costs are reported in financial years (ended 30 June).

An allowance for cost escalation has been incorporated based on 3.0%-4.7% p.a. (reverting to Treasury assumptions from FY27 ~2% p.a). These escalation rates have been sourced from Rider Levett Bucknall (Forecast Report 102 “New Zealand Trends in Property and Construction”). The escalated cost also includes an allowance for modular temporary seating which was orginally below the line in the Maltby cost estimate.

TABLE 6.3: ESTIMATED ESCALATED CAPITAL COST - REFINED PREFERRED STADIUM OPTION

\$NZ000's	Preferred Stadium Option
Demolition	1,224
Bulk Excavation & Filling	3,626
Piling	11,112
Internal Building Structures	59,878
Seating (Including 4,950 temporary seats)	21,034
Roof	19,011
Infrastructure & Site Works	21,395
Resource Consents	764
Contract Works Insurance	388
Council Development Contribution	1,536
Professional Fees	21,075
Contingency	31,097
Total (Feb 2023 Real Terms)	192,140
Cost Escalation	28,132
Total (Nominal)	220,272

Source: Maltbys (QS), Deloitte Analysis

Excludes Capitalised Interest 8,058

Note forecast escalation is 1.4% (Qtr 4 FY23), 4.7% (FY24), 3.8% (FY25) and 3.0% (FY26).

We note that alongside professional fees (16%) a 20% contingency allowance has been factored into the estimated capital costs. No quantitative risk analysis has been undertaken.

Life cycle Costs

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

Maltbys estimate that the preferred facility option will likely incur \$186.4 million (real terms) in lifecycle costs over the 50 yr operating period.

TABLE 6.4: LIFECYCLE COSTS (FEBRUARY 2023 REAL TERMS).

\$NZ000's	Preferred Stadium Option
5 Yr	1,261
10 Yr	3,231
15 Yr	28,272
20 Yr	38,754
25 Yr	1,261
30 Yr	30,242
35 Yr	1,261
40 Yr +	82,112
Total (Feb 2023 Real Terms)	186,395

Source: Maltbys (QS)

Consistent with our approach in relation to the initial project capital expenditure this has been escalated on the same assumed capital cost escalation rate profile.

Operating expenditure and revenue

The operating model estimates the costs and revenues associated with the operation over a 50-year period. The model was informed by domestic and international stadium experts, Bay Venues, TCC and Visitor Solutions. While operating revenue will be generated over a ~50 year period following the opening of the facility, operating expenditure will be incurred for salaries, finance, administration and IT prior to construction completion. This assessment is therefore undertaken over a 54-year timeframe that includes the project delivery and 50 years of operations.

Revenue:

Events Calendar:

The events calendar is the key driver of annual attendance levels and therefore key event day revenues such as ticketing and catering revenue. The number of event days (and annual event attendance) is also a driver of other revenue streams such as naming rights, sponsorship, signage

and supply rights. The value of these is dependent on the level of exposure to event day patronage.

Table 6.5 presents the assumed events calendar for year 1, year 5 and year 10 for the new refined preferred stadium option.

TABLE 6.5: REFINED PREFERRED STADIUM - AVERAGE EVENT DAYS

	Event no#			\$/Event	Revenue		
	Year 1	Year 5	Year 10		Year 1	Year 5	Year 10
<u>Sports</u>							
Super Rugby	1	2	2	60,000	60	120	120
NPC Rugby	5	6	6	30,000	150	180	180
Football	2	4	4	2,500	5	10	10
Other	5	5	5	2,500	13	13	13
<u>Community Sport</u>							
Medium	Not modelled on an \$/event basis				3	3	3
Small					3	3	3
<u>Outdoor Events</u>							
Concerts	3	4	4	60,000	180	240	240
Entertainment	1	2	2	15,000	15	30	30
Festivals - 1 Day	4	6	8	15,000	60	90	120
Festival - 2 Days	2	4	6	15,000	60	120	180
<u>Light Exhibition</u>							
Day events	30	35	40	5,000	150	175	200
2 day events	6	8	10	5,000	60	80	100
3 day events	4	6	8	5,000	60	90	120
Pack in/Pack out					80	98	116
<u>Function</u>							
Very Large	15	20	25	2,000	30	40	50
Large	30	35	40	1,500	45	53	60
Medium	40	45	45	1,000	40	45	45
Small	100	100	100	500	50	50	50
	248	282	305		1,063	1,438	1,639

Source: Visitor Solutions

Note: Light exhibition is \$/day

Sports:

In Year 1 the following 13 events will be secured by the stadium:

- Super Rugby x 1 with an average attendance of 12,000
- NPC Rugby x 3 with an average attendance of 5,000, other Rugby fixtures x 2 with an average attendance of 2,500
- Football (various) x 2 with an average attendance of 1,500
- Other x 5 with an average attendance of 5,000.

The model also takes into account estimated event numbers at Year 5 and Year 10 factoring in growth over the time period. For example, Super Rugby increases from 1 to 2 events and football increases from 2 to 4 events.

Hires have been based on a traditional stadium service model (full service). However, given the nature of some events a clean hire approach may be negotiated²³.

Base rental rates (traditional stadium service model) will range between \$60k and \$2.5k per event. Across the 13 projected sports events base rental will total \$228k in Year one.

Total PAX across all thirteen events in Year one is estimated to be 59,750.

Food and beverage (F&B) expenditure is estimated to average \$9.50²⁴ per pax per event²⁵. Assuming 59,750 PAX this will generate ~\$568k in revenue per year. Applying a 20% profit margin will generate \$114k per year²⁶.

No margin will be charged on event security, cleaning, and traffic management.⁵

²³ Clean hire would include use of the turf, and grandstands, amenities, security, and stadium management observation. Rates would be negotiated. Potential hirers at the lower to mid-level sports event range indicated this approach made staging events at the stadium more of a viable proposition. This approach should be explored further in later project stages.

²⁴ This spend rate has been benchmarked and confirmed with existing North Island operators. The mix of events (e.g., levels of play will influence the spend rate with larger events pulling spend up and smaller events dragging spend back). Spend

rates can be estimated again as the event calendar is firmed up and actual bookings are accepted.

²⁵ Expenditure is based on benchmarking and averaging.

²⁶ Note: if a clean hire was negotiated it is assumed the clean hire rate would be increased and offset any loss of F&B revenue. This approach should be explored further in later project stages.

Community Sport

Community sport will not be a significant revenue generator. In Year one the stadium turf will accommodate:

- 401 field hours between February and August (217 main field, 184 practice field)
- 384 field hours between September and January (204 main field, 180 practice field)

Additional community games will be accommodated as the booking schedule and turf conditions allow.

The intention is that all local field-based sporting clubs have an opportunity to use the main stadium turf annually to assist with club and code development objectives.

Total revenue will equate to \$5k per annum.

Outdoor Events

In Year one the wider precinct and stadium will attract 10 events of various scales. These will include:

- 3 very large events with an average attendance of 15,000.
- 1 large event with an average attendance of 10,000.
- 4 one day festivals with an average attendance of 6,000.
- 2 two day festivals with an average attendance of 10,000.

Total outdoor event PAX in year one is estimated to be 119,000.

Food and beverage expenditure is estimated to average \$7.50 per PAX per event per day. Assuming 119,000 PAX this will generate \$893k in revenue. Applying a 20% profit margin will generate \$178k.

The average day rate will be \$15,000 with larger concerts at \$60,000 (consistent with Super Rugby scale events) generating rental of \$315k in

²⁷ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

Year one (24 days of bookings). This assumes an average of two days per booking (with pack in and pack out).

No margin will be charged on event security, audio visual, cleaning, and traffic management²⁷.

Light Exhibition

The light exhibition space will host a total of 40 exhibitions (evenly split between community and commercial exhibitions) in Year one. These will comprise:

- 30 day events/exhibitions.
- 6 light exhibitions of a 2 day duration.
- 4 light exhibitions of a 3 day duration.
- Total 54 days of bookings.

Assuming an average attendance of 4,500 pax in Year one total pax will be 240,000

The average daily rate will be \$5k generating rental of \$270k in Year one (54 days of bookings).

The average daily pack in pack out rate will be \$2k per day per event (half day in half day out) generating rental of \$80k (40 events) in Year one.

Food and beverage expenditure is estimated to average \$5.50²⁸ per pax per event. Assuming 240,000 pax this will generate ~\$1,320k in revenue. Applying a 20% profit margin will generate ~\$264k.

No margin will be charged on event security, audio visual, cleaning, and traffic management²⁹.

Commercial Functions

185 commercial functions will be held in Year one. These will be comprised of:

- 15 very large functions with an average attendance of 600.

²⁸ This spend rate has been benchmarked and confirmed with existing North Island operators.

²⁹ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

- 30 large functions with an average attendance of 400.
- 40 medium functions with an average attendance of 200.
- 100 small functions with an average attendance of 100.

An average function hire is set at \$900³⁰ generating ~\$165k in Year one.

A total of 39,000 PAX will be hosted in Year one. An average F&B spend per PAX will be \$54³¹ generating ~\$2.1m in revenue. This will generate a 20% profit margin which equates to \$424k in Year one.

No margin will be charged on event security, audio visual, cleaning, and traffic management³².

Community Multi Sport Facility

A community multi-sport facility will be developed for the use by the community-based sports clubs and organisations. This facility will be leased to local sports and community organisations (outside mid-week business hours) for a base rate of \$5k per annum. This is approximately 50% below similar Tauranga Council lease rates to take account of limited mid-week use, disruption due to stadium events and the need to relinquish the buildings' function space at these times.

Waikato University Facility

A University of Waikato sport and health facility will be developed for use by students and sport and health faculties. This facility will be leased to University for a base rate of \$150k per annum. This is based on similar Tauranga lease rates (\$300/sqm) but not a commercial rate based on construction costs.

Revenue Sources

The combined revenue sources are summarised in Table 6.6.

³⁰ This assumes a range depending on the size of the function between \$500-\$2,000 per event.

³¹ Based on the weighted average of \$70/per person (very large, large), \$50/per person (medium) and \$25/per person (small).

TABLE 6.6: REVENUE SOURCES

\$NZ000's	Preferred Stadium Option
Events:	
Sports Events	228
Community Sport	5
Outdoor Events	315
Light Exhibition	350
Functions	165
Food & Beverage	4,900
	5,963
Commercial Naming Rights	100
Lease - University/Multi Sport Facility	155
Other - Signage	10
Total (2022 Real Terms)	6,228

Source: Visitor Solutions, Deloitte Analysis

Note: Events Revenue is calculated based on \$/Event and driven by the event calendar

We highlight that whilst it has been assumed the margin on food and beverage will be to the benefit of the stadium operators that this will be a negotiated arrangement based on the various events planned. Accordingly, there is a possibility that the revenue and margin achieved will differ depending on agreements reached with alternative event promoters.

Operating Costs

There are a range of expenses resulting from the management and utilisation of major venues including:

- Event day expenses – all expenses directly related to hosting an event, including, but not limited to, security, event cleaning, ushers, traffic management and event presentation.

³² Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

- Venue overhead expenses – all other venue operating costs which cannot be directly attributable to an individual event including employee expenses, regular repairs and maintenance, turf maintenance, insurances, promotion, marketing and general administration expenses.

Staffing

Catering and watering staff are accounted for directly within the revenue modelling so do not appear as a direct operational cost. The main build facility staff and salary structure will include:

- General Manager (1 FTE) - \$110k.
- Events and Marketing Manager (1 FTE) - \$85k.
- Operations Manager (1 FTE) - \$65k.
- Admin/Board Sec (.5 FTE) – \$25k.
- Operational staff (2 FTE) - \$100k.
- Kiwisaver etc (5%).

An elite ground staff crew will be established to service the Domain fields (hybrid turfs, cricket oval, turf rugby fields, as well as selected premium turfs around the city). This is to ensure maximised community and professional use of the assets created. This is considered essential to maintaining the functionality of the development³³. The ground staff and salary structure will include:

- Head grounds person (1 FTE) - \$90k.
- Senior grounds person (1 FTE) – \$65k.
- Junior grounds person (1 FTE) – \$45k.
- Kiwisaver etc (5%).

It is anticipated that the ground crew staff will also support other turf needs within Tauranga. Accordingly, the model incorporates a 30% recharge of the total salary and wage costs received from other facilities within the costing.

The grounds crew will have an operational budget of \$80k annually. Every three years the budget would be increased to \$110k to account for resurfacing.

³³ The option of contracting the work was investigated and rejected on the grounds that although being cheaper it would lead to reduced asset utilisation and not unlock the full value of the capital being invested in facilities.

Facility Expenses

Facility expenses have been estimated in Year 1 as being \$625k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.

- Electricity - \$100k.
- Insurance - \$320k³⁴.
- Rates - \$20k.
- Repairs and Maintenance - \$75k.
- Security and Alarm monitoring - \$30k.
- Cleaning Contract (Base contract) - \$80k.

Indirect Costs

Administration and management costs have been estimated in Year one as being \$195k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.

- Director and Governance Fees - N/A.
- Marketing and Advertising - \$50k.
- Telephone and Tolls - \$25k.
- Other Administration (accounting, audit, bank, FBT, legal, professional fees, training, travel) - \$120k.

Operating Costs Summary

The combined operating costs are summarised in Table 6.7.

³⁴ The insurance figure is a provisional estimate and will be refined once negotiations are commenced with either local government insurers or third-party insurer providers.

TABLE 6.7: ESTIMATED OPERATING COSTS

\$NZ000's	Preferred Stadium Option
Food & Beverage	
Sports	454
Community Sport	0
Outdoor Events	714
Light Exhibition	1,056
Function	1,696
Direct Costs	
Facility Costs	625
Turf Operational Budget	80
Staff Costs	
Staff Costs - Direct (Turf Mgmt)*	147
Staff Costs - Indirect	404
Indirect Costs	195
Total (2022 Real Terms)	5,371

Source: Visitor Solutions, Deloitte Analysis

*Includes Recharge

The scope of our work for this financial analysis excludes consideration of a preferred management model for the facility. For the purposes of the analysis, however, a number of implicit assumptions have been made regarding venue management, including:

- The venue is assumed to be managed by the venue owner (e.g Council entity) – therefore no private sector venue management fee has been included; and
- The venue manager is assumed to outsource many of the key operating activities to specialist third parties including ticketing, cleaning and security, which is common practice across the industry.

Note: If the facility owner chooses to have the facility managed by BVL there is likely to be additional operational synergies that are not reflected within the modelling at this stage.

Funding Sources

Typically there can be a range of funding sources available for infrastructure of this nature including:

- Debt funding - we anticipate the returns of the facility would likely be insufficient to support repayment of debt and therefore using this as a mechanism to fund the facility would likely place ongoing financial stress on venue operations;
- Application of regional rates – it is not uncommon in New Zealand for regional councils to apply a special regional rate to assist with funding major projects which will benefit an entire region. For example, this approach was adopted for the Westpac Stadium and similarly for the Forsyth Barr Stadium; and
- Pre-sales of commercial rights – if rights were pre-sold it would significantly impact the ongoing operational financial performance of the venue.

Funding for the stadium will need to be met through a combination of:

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

Regional rates will also be investigated following approval of the preliminary business case.

A high-level funding assessment has been undertaken by Jenni Giblin (Giblin Group) which indicates an external funding target of circa \$60 million may be achievable. This estimate has been used in the financial modelling.

The remainder of the capital funding required is estimated to be \$168.3 million for the preferred option (based on a build cost of \$220.3 million and the impact of capitalised interest). It is assumed this is achieved through Council debt funding.

For the purposes of our analysis we have assumed the following funding profile (Table 6.8):

TABLE 6.8: PRELIMINARY FUNDING PROFILE ESTIMATES

Party	Description
Central Government	LGB Significant Project Fund \$6m LGB Community Facilities Fund \$800k Central Government Support into Tauranga \$20m
Local Government	Tauranga City Council TBC BOP Regional Council \$5m
Corporate/Philanthropic Partners	\$5m
Founding Partners	TECT \$20m
Trusts	Gaming and Community Trusts \$3m

We anticipate that funding from other commercial sources such as private equity is highly unlikely noting the facility operational profits are sub-commercial and insufficient to repay debt. It is common in both the New Zealand and Australian markets that stadia infrastructure is generally funded by either local or central government.

Financial Evaluation

Financial Summary

Based on our analysis the preferred option is EBITDA positive. However, the preferred option does not contribute sufficient profit to cover debt and interest payments, nor a satisfactory contribution towards depreciation to fund replacements over time.

Approximately \$980k of the ~\$856k forecast Yr1 EBITDA is derived from food and beverage activities. Indicating that the stadium is operating at a marginal loss – prior to debt and interest payments and depreciation. The preferred option is not cashflow positive over the 50 year modelled time horizon (Table 6.9)

TABLE 6.9: FINANCIAL SUMMARY

\$NZ000's	Preferred Stadium Option
Project Metrics:	
Cumulative Cash Flow	(450,182)
NPV	(225,740)
IRR	N/A
Payback (Non discounted)	+50yrs
Capital Intensity	
Capex	220,272
EBITDA (FY22 Real Terms)	856
Capital Intensity (Capex/EBITDA) - Payback yrs (Real terms)	257
Profitability	
Revenue (FY22 Real Terms)	6,228
EBITDA (FY22 Real Terms)	856
EBITDA Margin%	14%
Debt Metrics	
Debt	(168,330)
Debt Repayment (over 30 yrs)	10,950

Source: Deloitte Analysis

This is not uncommon - in our experience stadiums are generally not financially self-sufficient (and often don't contribute enough to cover debt repayments or fund replacements over time) and therefore require "augmented" funding over time (often in the form of a council backed operational grant) to remain cash flow positive.

The detailed financial projections for the refined preferred option are set out in Table 6.10.

Cumulative cashflow

We have assessed the cumulative cashflow on both an undiscounted and discounted basis. Cumulative free cash flow on an undiscounted basis (over 50 years) for the preferred option is ~\$450 million.

Impact on Rates:

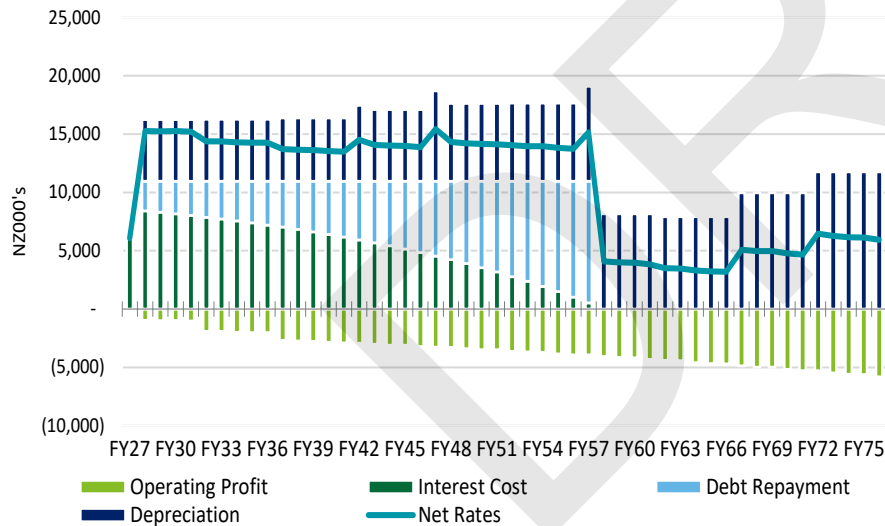
The rates cost to Council (what would be rated for) is assumed to be:

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

Our analysis indicates that the impact is ~\$15 million per annum (Figure 6.1):

- The gross cost of the facility reduces over time and this is evident after 30 years (~FY57) when the debt borrowed to fund the development has been paid off.

FIGURE 6.1: RATES COST



Sensitivity Analysis

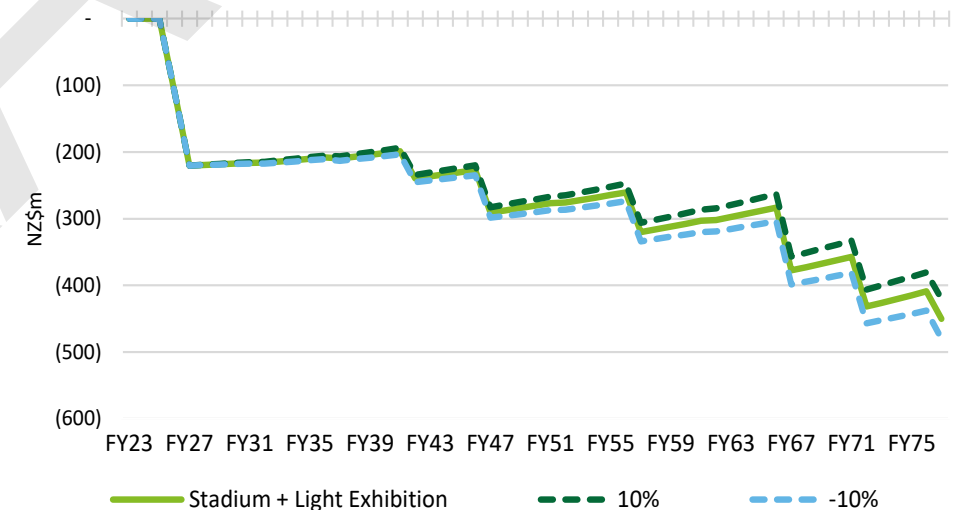
To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on cumulative cashflow and costs to council of the facility given potential changes to revenue, expenditure and capital expenditure.

Revenue:

The first of the three variables considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 10% and an increase of 10% in the overall revenue line item (no change to expenditure).

- A 10% increase/decrease in revenue is projected to result in a ~+/- \$29.7 million impact on cumulative cash flow across the life of the project, which is presented in Figure 6.2.

FIGURE 6.2: CUMULATIVE FREE CASH FLOW (NZ\$m) REVENUE SENSITIVITY



Source: Deloitte analysis

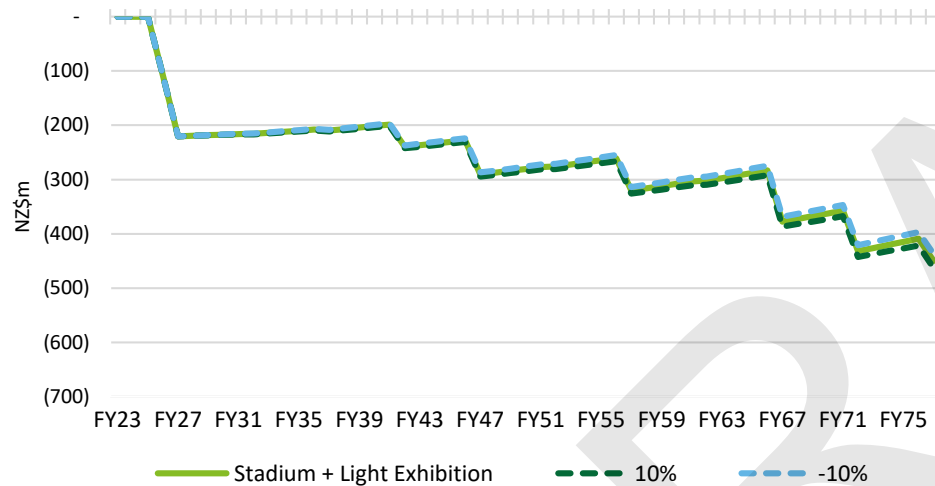
- A 10% increase/decrease in revenue is projected to result in a ~+/- \$234k impact on cost to council in FY28 (the first year of operations).

Expenditure:

The second variable considered in the sensitivity analysis is expenditure, which considers the effects of a decrease of 10% and an increase of 10% in the overall facility expenditure line (no change to revenue).

- A 10% increase/decrease in expenditure is projected to result in a ~+/- \$12.7 million impact on cumulative cash flow across the life of the project, which is presented in the table below.

FIGURE 6.3: CUMULATIVE FREE CASH FLOW (NZ\$ M) OPEX SENSITIVITY



Source: Deloitte analysis

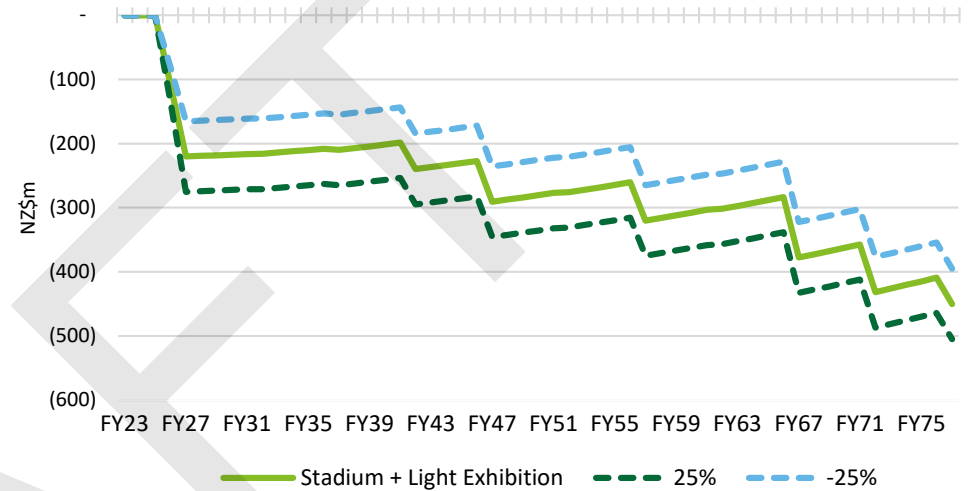
- A 10% increase/decrease in expenditure is projected to result in a ~+/- \$149k impact on cost to council in FY28.

Capital Expenditure:

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

- A 25% increase/decrease in capital expenditure is projected to result in a ~+/- \$55.1 million impact on cumulative cash flow across the life of the project (Figure 6.4).

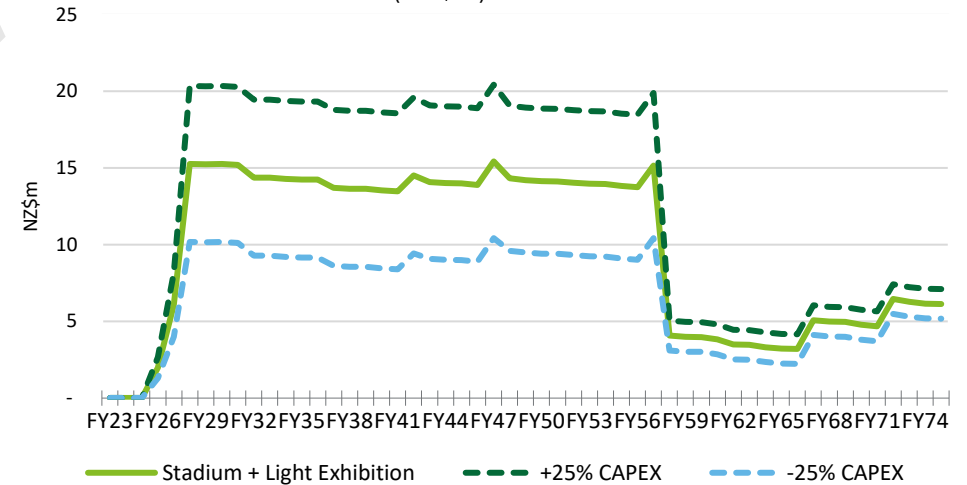
FIGURE 6.4: CUMULATIVE FREE CASH FLOW (NZ\$ M) CAPEX SENSITIVITY



Source: Deloitte analysis

- A 25% increase/decrease in capital expenditure is projected to result in a ~+/- \$5 million impact on cost to council in FY28, this is illustrated in Figure 6.5

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



Source: Deloitte Analysis

6.4 FUNDING SOURCES

Priority One and Tauranga City Council have indicated that the exact funding mix for the stadium is still in development. They expect it is likely to be based on a mix of local government, central government, and charitable grant funding.

The Tauranga City Council in conjunction with Jenni Giblin (Funding HQ) were undertaking a review of potential funding sources. An initial high level funding breakdown indicated circa \$60 million could be raised from non-Tauranga City Council sources.

Council has since indicated that overall funding is more likely to be in the order of \$XXX, with an anticipated breakdown of sources as detailed in Table 6.11.

TABLE 6.11: TCC ESTIMATED FUNDING SOURCES

Funding Source	Fund	Amount
Central Government	LGB Significant Projects Fund	\$
	LGB Community Facilities Fund	\$
	Central Government support into Tauranga	\$
Local Government	Tauranga City Council	\$
	BOP Regional Council	\$
Corporate & Philanthropic partners		\$
Founding Partner	TECT	\$
Trusts	Gaming and Community	\$
Total		\$

6.5 AFFORDABILITY OF THE STADIUM

The project partners have indicated that a project under \$200 million (2023) could be affordable if the correct mix of facilities and funding partners could be aligned. Tauranga City Council has acknowledged that ongoing support to assist with stadium depreciation and maintenance will be required.

The Management Case

DRAFT

7.0 THE MANAGEMENT CASE

7.1 INTRODUCTION

The management case sets out the processes that will be implemented to enable the successful delivery of the community stadium. It includes assessments of and specifications for the following work areas:

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

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

7.2 WIDER PROJECT GOVERNANCE

Although this section primarily addresses project governance during the establishment phase it is important to first look at wider project governance options for context. Three general options have been outlined, although there are many potential variations. These three main options are:

1. Trust developed, owned, and operated,
2. Trust developed, and Tauranga Council, owned and operated,
3. Tauranga Council Developed, Owned and Operated.

It is important to acknowledge that the project partners are still establishing the best approach given funding considerations and project risk and mitigation factors. The final approach will be defined in an addendum to this indicative business case.

The three general approaches are summarised as follows.

Trust Developed, Owned, and Operated.

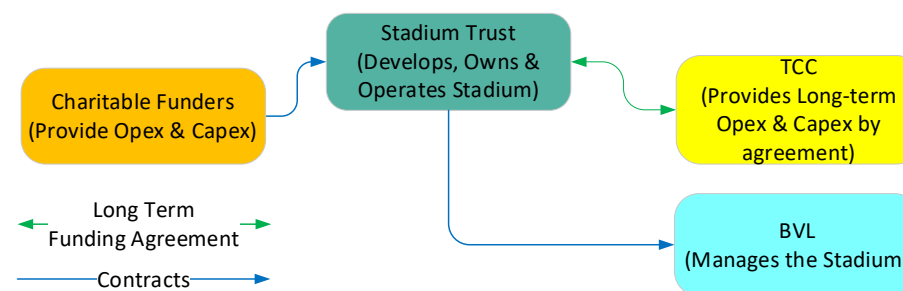
This model involves an independent charitable trust taking responsibility for stadium development, ownership and operations. The Trust would be comprised of trustees selected for their relevant skills.

The Trust would seek grant funding from charitable funders while having long term agreements with Council for opex and capex. It would generate its own revenue but still be dependent on Council for its long-term viability.

The Trust in turn would contract Bay Venues Limited (BVL) to run the stadium facilities as part of a city-wide network which will generate operational synergies (Figure 7.1).

This model has several pros and cons that are outlined at a high level in Table 7.1.

FIGURE 7.1: OPTION 1 – TRUST DEVELOPED, OWNED & OPERATED (UNDER CONTRACT)



During the development phase:

- The Trust would establish a Project Control Group (PCG) that reports to the Trust.
- The PCG would appoint a Project Director (PD).
- The PD and PCG would appoint an Expert Advisory Design Group (EADG) and a Project Manager (PM) and a Quantity Surveyor (QS). Each of these appointments would report to the PD and PCG.
- The Trust (via the PCG and PD) would appoint a lead architect and ECI consultants (or a lead engineer, lead architect and ECI consultants).
- Key partners such as Tauranga City Council would receive reports from the Trust on project progress.
- The Trust would have accountability for project delivery and budgets. This would be assisted by contractors (such as PM, QS, architects, and engineers).

TABLE 7.1: OPTION 1 HIGH LEVEL PROS AND CONS

Pros	Cons
Charitable funders are often more inclined to grant money to non-Council entities.	If TCC is a capital major funder and provider of opex the Trust may become less beneficial in the longer term.
Trust could still use Councils CBD Precinct CCO in development process (contract the CCO).	Maintaining a strong Trust to run community assets long term can be challenging.
Long term TCC funding agreements are acknowledged from the outset avoiding maintenance funding issues seen with other NZ Stadia.	
TCC retains control of how capex is used by the Trust through funding agreements.	
BVL manages the stadium on behalf of the Trust generating network synergies and management savings.	
The Trust enables continuity through different TCC election cycles.	
Because the Trust develops, owns and operates the Stadium it is incentivised to consider whole of life costs (although a long term TCC funding agreement may reduce this impetus).	

Trust Developed, and Council Owned, and Operated.

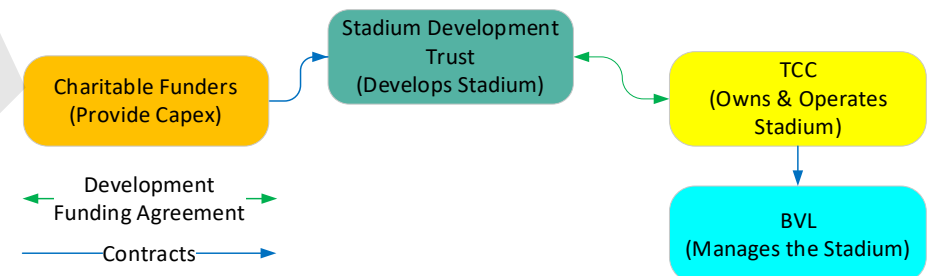
This model involves an independent charitable trust only taking responsibility for the stadium's development. Ownership and operation of the stadium would be vested with Tauranga City Council. The development Trust would be comprised of trustees selected for their relevant project development governance skills.

The Trust would seek grant funding from charitable funders during the development phase. Council would be responsible for ongoing capital and operational funding, supplementing the stadiums revenue.

Tauranga City Council would contract Bay Venues Limited (BVL) to run the stadium facilities as part of a city-wide network which would generate operational synergies (Figure 7.2).

This model has several pros and cons that are outlined at a high level in Table 7.2.

FIGURE 7.2: OPTION 2 – TRUST DEVELOPED, & TCC OWNED & OPERATED (UNDER CONTRACT)



During the development phase:

- The Development Trust would establish a Project Control Group (PCG) that reports to the Trust.
- The PCG would appoint a Project Director (PD).

- The PD and PCG would appoint an Expert Advisory Design Group (EADG) and a Project Manager (PM) and a Quantity Surveyor (QS). Each of these appointments would report to the PD and PCG.
- The Trust (via the PCG and PD) would appoint a lead architect and ECI consultants (or a lead engineer, lead architect and ECI consultants).
- Key partners such as Tauranga City Council would receive reports from the Trust on project progress.
- The Trust would have accountability for project delivery and budgets. This would be assisted by contractors (such as PM, QS, architects, and engineers).

TABLE 7.2: OPTION 2 HIGH LEVEL PROS AND CONS

Pros	Cons
Charitable funders are often more inclined to grant money to non-Council entities.	If TCC is a major capital funder the Trust could be considered superfluous.
During planning and development, the Trust enables continuity through TCC election cycles.	Major funders such as TCC may perceive they are losing control over the design and development process (especially on an asset they will eventually have responsibility for owning and operating). Note: This can be overcome with quality funding agreements and positions on the Trust and PCG.
Trust could still use Councils CBD Precinct CCO in the development process (by contracting the CCO).	
TCC owns and operates the asset avoiding funding issues seen with other NZ Stadia (such as Eden Park).	
TCC retains control of how development capex is used by the Trust through funding agreements.	
BVL manages the stadium on behalf of the Council, generating network synergies and management savings.	
The Trust is used at the stage where it is likely to be most impactful, during planning and development.	

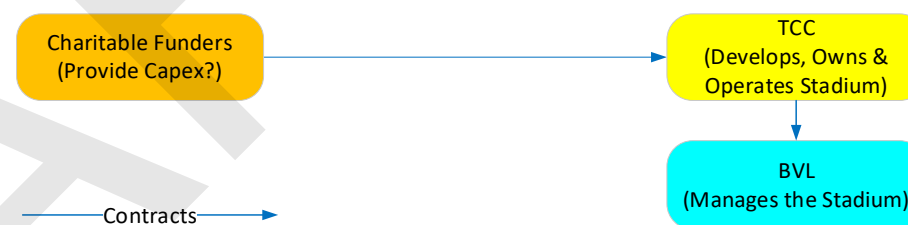
Council Developed, Owned, and Operated.

This model involves Tauranga City Council taking on responsibility for development, ownership, and operations.

Tauranga City Council would contract Bay Venues Limited (BVL) to run the stadium facilities as part of a city-wide network which would generate operational synergies (Figure 7.3)

This model has several pros and cons that are outlined at a high level in Table 7.3.

FIGURE 7.3: OPTION 3 –TCC DEVELOPED, OWNED & OPERATED (UNDER CONTRACT)



During the development phase:

- The Council would establish a Project Control Group (PCG) that reports to Council.
- The PCG would appoint a Project Director (PD).
- The PD and PCG would appoint an Expert Advisory Design Group (EADG) and a Project Manager (PM) and a Quantity Surveyor (QS). Each of these appointments would report to the PD and PCG.
- Council (via the PCG and PD) would appoint a lead architect and ECI consultants (or a lead engineer, lead architect and ECI consultants).
- Tauranga City Council would receive reports from the PCG on project progress.
- The Trust would have accountability for project delivery and budgets. This would be assisted by contractors (such as PM, QS, architects, and engineers).

Note: An alternative to the above is that Council uses its CBD precinct CCO as the delivery vehicle.

TABLE 7.3: OPTION 3 HIGH LEVEL PROS AND CONS

Pros	Cons
Council has direct control without the need for funding agreements with a Trust.	Charitable funders are often less inclined to grant money to Council or Council entities.
Council can use its CBD Precinct CCO in the development process	TCC will go through a new election cycle during the stadiums planning and development stage which may introduce a risk that the project does not advance.
TCC develop, owns, and operates the asset avoiding funding issues seen with other NZ Stadia (such as Eden Park).	Council has a significant capital works programme, and the Stadium may add additional organisational resourcing challenges.
BVL manages the stadium on behalf of the Council generating network synergies and management savings.	

For the purposes of the indicative business case the consultant team is recommending a Trust-developed and Council-owned and operated approach. The project partners can evaluate this recommendation in due course and reach a final position. When this is done the Indicative Business Case can be updated with an addendum.

The rationale for this recommendation is:

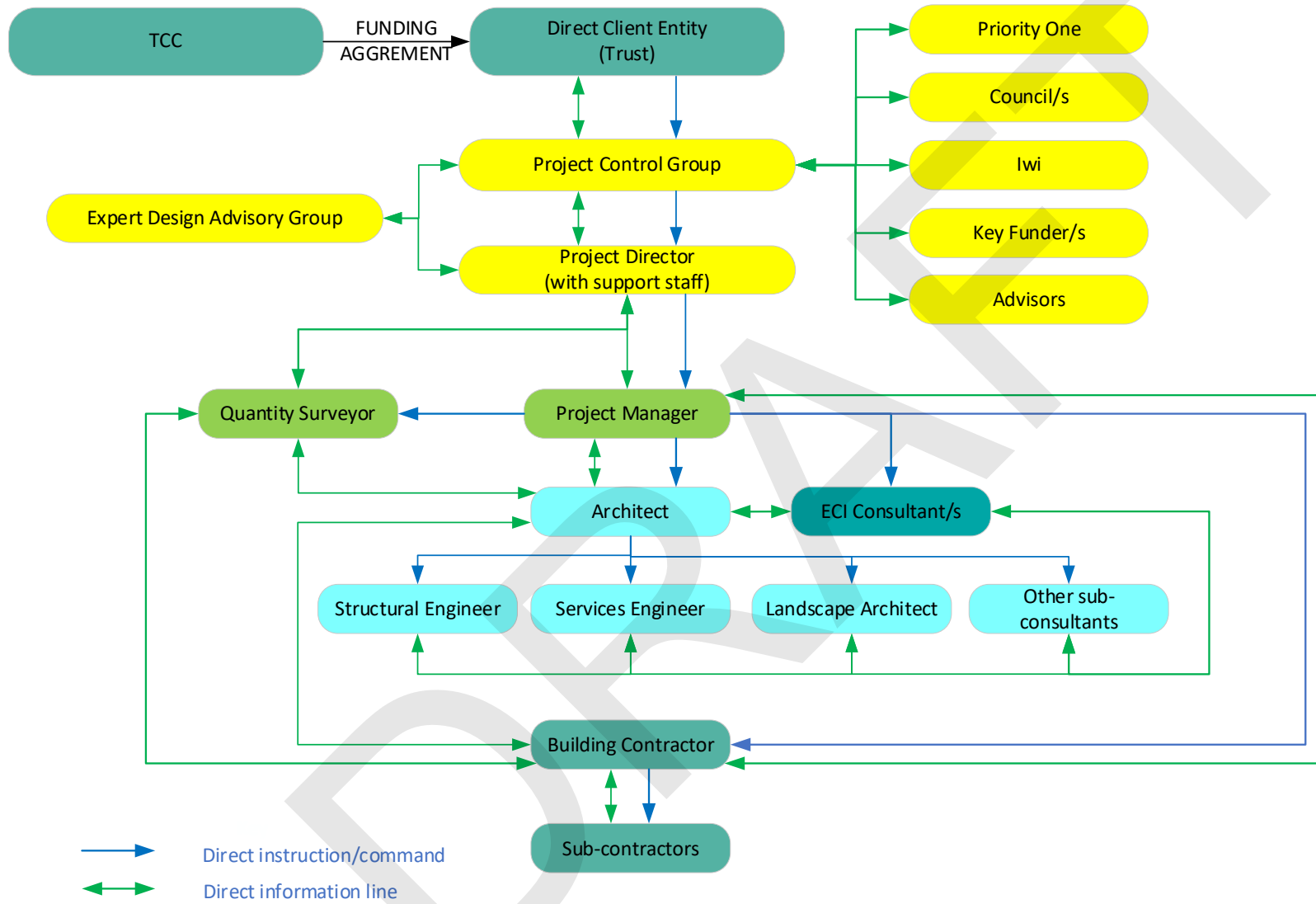
1. An independent Trust is likely to be beneficial during the project's development. This is because the Trust is likely to be a better vehicle for third party fundraising; would offer a community face to the project; and may add greater continuity over a period of political transition within Council.
2. Tauranga City Council can still have significant input over the stadium design and development via mechanisms such as:
 - a. Funding agreements with the Trust that would include sign off at key planning and design stages,
 - b. Potential involvement from Councils City Centre Precinct CCO (the CCO could be contracted by the Trust).
 - c. Positions (although not controlling) on the Trust and on the Trusts stadium Project Control Group (PCG),
 - d. Agreed review of all project documentation.

3. The risk of Tauranga City Council inheriting a suboptimal stadium resulting in higher operational costs and lower revenue streams can be mitigated by the steps outlined above in point 2, and by establishing an expert design advisory group.
4. Council has a significant capital development works programme over the coming five years. Creating a degree of separation between projects and having the stadium fronted by a Community Trust may be beneficial from communications and implementation perspectives.

7.3 RECOMMENDED PROJECT GOVERNANCE

The recommend Trust-developed, and Council-owned, and operated model would be reflected in the following project governance delivery structure (Figure 7.4). The projects delivery will be governed by the Trust.

FIGURE 7.4: RECOMMENDED PROJECT STRUCTURE



Note: The client entity may decide to run a separate contract directly for engineering services.

Key Roles

Trustees

The trustees would be accountable for the delivery of the project; securing necessary funding; specifying project outcomes and design requirements; strategic alignment; adhering to the terms of partner funding agreements; maintaining project viability; and ensuring agreed project outcomes.

Project Control Group Members

The project control group members would be selected for their skills. They could be drawn from partner entities with an interest in the project or as independent advisors. Some members may also be Trustees. They are tasked with working on the project at a closer level and interfacing primarily with the Project Director to get the best solution on budget. They will also have contact - under the Project Directors guidance - with the Expert Design Advisory Group, Project Manager, Quantity Surveyor and Design Team.

Project Director

The Project Director would be responsible for the oversight and control over the project team and consultants. They would control project expenditure, project scope changes, procurement decisions.

The Project Director would be appointed by and be accountable to the Trustees for the successful delivery of the project.

Expert Design Advisory Group Members

Expert Design Advisory Group members are tasked with reviewing and endorsing design stages. This does not involve detailed peer review, and responsibility for the design's compliance with the client brief still rests with the Design Team.

Members provide feedback on design to the PCG and Project Director when requested. They review and provide advice on any changes to the project brief and generally monitor the outcomes of design development.

They can recommend/endorse actions but have no delegated approval authority.

Project Manager

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

Quantity Surveyor

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

ECI Consultant/s

The Early Contractor Involvement consultant's report to the PM and are responsible for providing advice to the PM and Design Team on optimising the stadiums buildability.

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

Design Team

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

Building Contractor

The building contractor is tasked with constructing the project in accordance with the agreed design and specification.

7.4 CAPABILITY & SKILLS

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

TABLE 7.4: CAPABILITY AND SKILLS

Area	Required Capability and Skills
Project Director	<ul style="list-style-type: none"> • Experience in vertical build construction over \$150+ million, • Leadership skills, • Negotiation and stakeholder management skills, • Experience in senior roles to enable project issues to be identified and solutions advanced with senior key stakeholders rapidly, • Experience in central and local government environments, • Experience with major vertical builds that have involved contract management, commercial negotiation and multi stakeholder management.
Financial Manager (Role may be fulfilled by the PD)	<ul style="list-style-type: none"> • Experience in the financial management and oversight of vertical build construction projects over \$150+ million, • Experience in local government environments.
Project Manager	<ul style="list-style-type: none"> • Project management experience of vertical build construction over \$150+ million. • Experience in significant partnership projects between Councils and Community entities. • Major project procurement experience.
Financial Monitoring	<ul style="list-style-type: none"> • Experience managing the financial reporting, monitoring and expenditure on major vertical construction projects, • QS expertise to provide an independent perspective on different expenditure stages.

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

7.5 PROCUREMENT PLAN

The main contract works procurement approach broadly set out in table 7.5. It has been developed prior to any structured market engagement for construction services. This is consistent with the overall approach for this Preliminary Business Case. More detailed procurement strategies and procurement plans will be developed after this Business Case is approved.

TABLE 7.5: INDICATIVE MAIN CONTRACT WORKS - PROCUREMENT APPROACH

Activity	Start	Duration	Comment
Market Engagement	Concept Design Approval Jan 2022	37 Weeks	Market engagement will cover Enabling, Early and Main Contract works. A series of events will be held to refine both the procurement / contract model and seek feedback on the design. Engagement will include key sub-contractors.
Enabling Works Procurement	Preliminary Design Approval Apr 2024	3 Weeks	Scope to be developed as part of PD with Contract Award dependent on RC approval. Propose single stage procurement using a M&V contract.
Early Works Procurement	Developed Design Approval Sept 2024	3 Weeks	Scope to be developed as part of DD and include staged BC considerations ³⁵ . Propose single stage procurement using a SoR contract.
Main Contractor EOI Process	Developed Design Approval Oct 2024	8 Weeks	Period for ROI in market and subsequent shortlisting of 2 to 3 preferred respondents.

³⁵ Design stages to be staggered enabling Building Consent Packages to be developed (and approved) earlier for geotech, civils and structures. This will enable meaningful early works packages to be let and Main Contractor fast start.

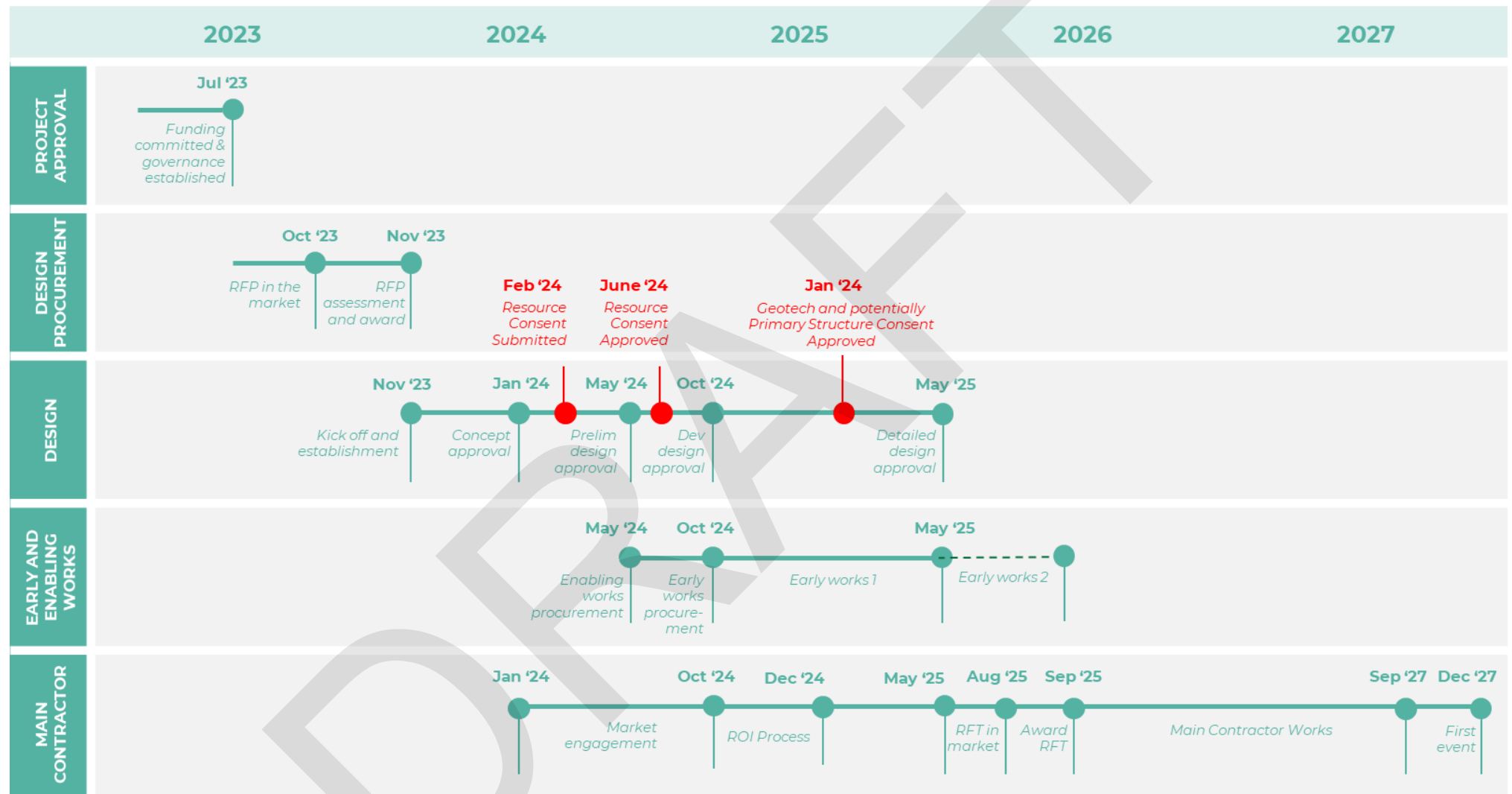
Activity	Start	Duration	Comment
Market Engagement	Jan to May 2025	24 Weeks	During DD focused engagement sessions to be held with shortlisted respondents.
Main Contractor RFT Process	Detailed Design Approval May 2025	16 Weeks	Period for RFT in market, assessment, approval, and contract award

7.6 INDICATIVE PROJECT SCHEDULE

Figure 7.6 outlines a high-level project plan which shows the projects key design and procurement milestones.

The plan assumes committed funding (at a minimum to Resource Consent Approval stage) by July 2023. Further detail can be found in Appendix 6

FIGURE 7.5: INDICATIVE PROJECT SCHEDULE



7.7 BENEFITS MANAGEMENT

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

Realisation of the project benefits will be dependent on:

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

TABLE 7.5: KPI'S FOR BENEFITS MONITORING

Benefits & Key Performance Indicators	Detailed Benefit	Key Performance Indicators	Data Source
Benefit 1: The sub region is seen as great place to live, work, learn, play, and visit.	<ul style="list-style-type: none"> Resident community sports clubs have improved facilities, services, and higher utilisation levels. 	<ul style="list-style-type: none"> The number of utilisation hours increases 20% over the first 5 years. Community player satisfaction surveys indicate 90% of respondents value the optimisations made. Member multi-sport clubs report being better off within two years of the stadium's development. 	Council and BVL.
	<ul style="list-style-type: none"> Improved perception of Tauranga and the sub region as a sport and business event destination. 	<ul style="list-style-type: none"> 75% of residents and 90% of tourism / event businesses perceive the stadium development has had a positive impact on making 	Council and BVL.

	<ul style="list-style-type: none"> Increased visitor spend on the back of longer average length of stay and higher event visitation. 	<p>Tauranga a stronger destination.</p> <ul style="list-style-type: none"> Within two years 75% of visitor and hospitality business report the stadium has had a positive impact on their revenue. Event organisers report higher event visitation within two years. The RTO reports average length of stay has increased. 	Council, BVL and RTO.
Benefit 2: Tauranga and the sub region have a wider range of stronger event experiences for both residents and visitors.	<ul style="list-style-type: none"> Improved wellbeing outcomes for residents. The sub region's event calendar is expanded, and overall event attendance increases. 	<ul style="list-style-type: none"> 90% of residents who have used the stadium facilities report they benefited from the experience. The event calendar is expanded by 10% in the first five years. Within the first three years overall event attendance is reported as increasing across 70% of the events using the stadium precinct. 	<p>Council.</p> <p>Council and BVL.</p>

Benefit 3: The sub region's sports and events facility network is optimised.	<ul style="list-style-type: none"> Overall community sport facility utilisation increases. 	<ul style="list-style-type: none"> Across the entire facility network the hours of community sports utilisation increases over the first five years. 	BVL
	<ul style="list-style-type: none"> Overall facility utilisation for business events increases. 	<ul style="list-style-type: none"> Business events increase by 20% within the first 5 years. 	BVL
	<ul style="list-style-type: none"> Satisfaction with facility programming increases across the community facility network. 	<ul style="list-style-type: none"> 75% of community sports organisations using Baypark Arena report sports programming (booking access) has improved in the first 3 years. 	BVL
Benefit 4: The sub-region gains wider economy benefits from the development of the multi-use stadium.	<ul style="list-style-type: none"> The event sector's subregional economic multipliers increase. 	<ul style="list-style-type: none"> 75% of the event operators using the stadium precinct reports a growth in turnover within the first 5 years. 	Council and BVL.

2. Safety,
3. Regulatory / environment,
4. Security,
5. Design,
6. Resources.

Activities that are identified as a risk will become part of the project's risk management plan (RMP).

- Step 2: Risk identification:

Identify risks that may impact on delivering the project successfully. Focus is placed on identifying uncertainties associated with each project stage.

- Step 3: Risk assessment:

The identified risks are then assessed (where possible from a qualitative and quantitative perspective and looking at both the consequences (the impact of the risk), and its probability of happening).

- Step 4: Risk Handling:

Determine how the risk will be handled (eliminate, transfer, prevent, mitigate, or assume and 'accept' the risk).

- Step 5: Risk management and impact controls:

Asses the risk impact on the project and the effects of handling the risk. Risk handling strategies will be reflected in the project's baseline whereas residual risks will be reflected in the project contingency.

- Step 6: Risk reporting and tracking:

This is undertaken in a documented form via a project risk register.

A risk categorisation matrix was developed for the project (Table 7.6). The highest risks and proposed mitigation steps have been outlined in Table 7.7.

7.8 RISK MANAGEMENT

The following section sets out the risks associated with implementing the community stadium project.

The risk management process used for the project will follow the following approach:

- Step 1: Risk management planning.

Baseline activities such as scope, schedule and cost are reviewed to identify potential risks (basic risk screening). This is done against categories such as:

1. Construction,

TABLE 7.6: RISK CATEGORISATION MATRIX

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

The risk and mitigations steps set out in table 7.7 were derived from stakeholder interviews, project governance group and working group workshops and were reviewed by project working group members.

DRAFT

TABLE 7.7: PROJECT IMPLEMENTATION RISKS AND MITIGATIONS SUMMARY

Name	Description	Outcome	Factor	Likelihood (without controls)	Impact (without controls)	Risk	Mitigation	Risk Owner	Mitigation Effectiveness	Probability with controls	Likely Impact with controls	Residual Risk
Lack of scope clarity of incorrect technical scope.	Lack of defined scope for consultants	Late design changes and cost or decreased functionality or increased whole of life costs.	Project delivery and financial.	Possible	Major	High	Proof of concept undertaken and tested. Scope defined and reviewed.	Trust	Effective	Unlikely	Minor	Low
Engagement	Lack of appropriate engagement with key stakeholders especially during design phase.	No or poor stakeholder buy in.	Reputational, project delivery and financial.	Possible	Major	High	Comms strategy drafted and key stakeholders participate in design process.	Trust	Effective	Unlikely	Minor	Medium (some stakeholders may not engage)
Team roles & expectations	Trust, Partner, and Project team expectations / roles misaligned or understood.	Project delivery is delayed, funding sign off is not granted, stakeholder expectations are not meet.	Reputational, project delivery and financial.	Possible	Moderate	High	Direction provided in funding agreements, roles and responsibilities set out in all agreements and all roles have clear job descriptions.	Trust, Partners (such as TCC)	Effective	Unlikely	Minor	Low
Suboptimal design	Poor design that does not provide the necessary functionality across the different stadium components.	A facility that underperforms operationally.	Financial.	Possible	Moderate	High	Select an experienced design team. Involve stakeholders in the design process. Establish an expert design review panel.	Trust	Effective	Unlikely	Minor	Low
Cost Escalation - Pretender	Costs escalate above projections and are not identified or treated	Issues delay the project and result in physical works having to be	Delivery and Financial.	Possible	Moderate	High	Risk register records issue from the outset. QS and PM report on market	Trust, Partners, Project Director, PM, and QS.	Effective	Unlikely	Moderate	Medium

	appropriately by Project Director, consultant team, QS and PM.	reduced (scope cuts).					conditions and trends at each PCG meeting. Contingency is implemented and reviewed at each design stage.					
Cost Escalation - During construction	Costs escalate above estimates.	Project has additional variation costs, project delays, physical works having to be reduced.	Delivery and financial.	Likely	Moderate	High	Traditional delivery (construction only) and consultant ECI recommended so greater price certainty is achieved. Robust design documentation with review.	Trust	Effective	Unlikely	Moderate	Medium
Political	Changes politically reduce support for the project (i.e., When Commissioners are replaced by elected councillors).	Delayed or cancelled design process / capital grants terminated.	Design, and delivery.	Possible	Major	High	Keep community informed of project benefits and progress. Secure funding agreements before any political change.	Trust	Effective	Unlikely	Moderate	Medium
Turf Growing Conditions	Required turf surface cannot be developed and maintained.	Fields do not support required level of play (less members etc)	Design, Delivery, Financial.	Possible	Major	High	Develop a hybrid artificial turf. Have a dedicated turf maintenance team.	Trust, TCC.	Effective	Unlikely	Minor	Low
Funding constraints	Potential funding partners are unable to support the project to the level envisaged.	The projects budget needs to be reduced (potentially to a level where a stadium is unachievable).	Design, delivery and financial.	Possible	Major	High	A professional fundraiser is engaged to provide advice. Early engagement is undertaken with potential funders. The design allows for staged development.	Trust, TCC.	Effective	Possible	Moderate	Medium

Contractor Capacity (Construction Phase)	Contractors are not available, or market is stretched, and tender prices are high.	Less market competition (Higher tender costs).	Design, Delivery and financial.	Possible	Major	High	Price escalation is factored in at all planning and design stages and is reflected in design scope. Early engagement with contractors is undertaken.	Trust TCC	Effective	Unlikely	Moderate	Medium
Contractor Capability	Tauranga is unable to provide several contractors with the necessary scale and capability (Given market conditions).	Increased build cost and higher risk to programme and build quality.	Deliver and Financial	Possible	Major	High	Interaction with the market is undertaken. Consultant ECI is implemented to simplify build.	Trust, TCC	Effective	Unlikely	Moderate	Medium
Geotechnical conditions	Geotechnical conditions are worse than anticipated.	Higher foundation costs. Stadium needs to be redesigned. Future expansion may be more limited.	Design, Delivery, Financial.	Likely	Major	Very High	Geotechnical investigations conducted as early as possible (immediately post Business Case should the project advance) Robust contingency allowed for.	Trust	Effective	Possible	Moderate	Medium
Archaeological	Extended archaeological investigations delay development.	Increased cost and time incurred.	Design, delivery and financial.	Unlikely (already modified landscape)	Moderate	Med	Engagement with Mana whenua and archaeological analysis .	Trust TCC	Effective	Possible	Minor	Low
Contaminated Land	Land is contaminated requiring additional remediation.	Increased cost and time incurred.	Delivery and financial	Unlikely	Minor	Low	Soil contamination tests and site use history undertaken.	Trust, TCC	Effective	Unlikely	Minor	Low
Natural Hazards	The site is found to be susceptible to natural hazards such as earthquakes and cyclones.	Increased cost associated with engineering / design solutions.	Design, delivery and financial.	Possible	Major	High	Natural hazard identification undertaken in conjunction with geotechnical and	Trust, TCC	Effective	Possible	Moderate	Medium

							hydrological investigations.					
Social Outcomes	Social outcomes are not achieved by the final facility.	Funder, community, and stakeholder animosity.	Reputational damage.	Possible	Major	High	Business Case and Feasibility Study have recognised desired outcomes and factored these into the solution.	Trust, TCC	Effective	Unlikely	Minor	Low
Economic Outcomes	Economic outcomes are not achieved by the final facility.	Funder, community, and stakeholder animosity.	Reputational damage and economic benefits unrealised.	Possible	Major	High	Business Case and Feasibility Study have recognised desired outcomes and factored these into the solution.	Trust, TCC	Effective	Unlikely	Minor	Low
Supply Chain Constraints	Supply chain constraints inhibit the delivery of materials in a timely manner.	Delays in programme and additional costs.	Delivery and financial.	Possible	Major	High	Aware of post COVID supply chain environment. Consultant ECI will assist with material selection and construction approach. Build several years out.	Trust, TCC	Effective	Unlikely	Moderate	Medium
Governance - Establishment	Governance structure is complicated and underperforms	Poor and delayed decision making. Impacting later stages.	Delivery and financial	Possible	Major	High	Management approach recommends a skills-based governance entity with partner and advisory input.	Trust, TCC	Effective	Unlikely	Minor	Low
Governance - Delivery	Governance structure is complicated and underperforms	Poor and delayed decision making. Impacting later stages.	Delivery and financial	Possible	Major	High	Management approach recommends a skills-based governance entity with partner and advisory group input.	Trust, TCC	Effective	Unlikely	Minor	Low

7.9 STAKEHOLDER ENGAGEMENT & COMMUNICATION

The project Governance Group has placed significant value in stakeholder engagement. Initial stakeholder engagement has been extensive and proportionate to the requirements of the feasibility study and indicative business case.

Engagement will continue and increase should the project partners agree to advance the project. This engagement will likely be coordinated and undertaken by the Trust and Council using a combination of internal and external resources.

TABLE 7.8: STAKEHOLDERS

Group	Stakeholders	Influence Level	Support Level Required	Engagement Level
Central Government (assuming funding is sought)	MPs	Medium	Medium	Involve as needed
	Department of PM and Cabinet	High	High	High Involvement
	Treasury	High	High	High Involvement
	MBIE	High	Medium	Involve as needed
Local Government	TCC Commissioners	High	High	Extensive involvement
	District Councils	Low	Medium	Involve as needed
	Regional Council	Low	Medium	Involve as needed
Strategic Partners	Mana whenua	Medium	High	High Involvement
	Priority One	Medium	High	High Involvement
	Sport BoP	Medium	Medium	Involve as needed
Sports	Franchise Sports / Regional sports Organisations	Medium	High	High Involvement

	Community Sports Groups	Medium	High	Involve as needed
Events	Event Organisers	Medium	High	High Involvement
	Promotors	Medium	High	High Involvement
Venue Operator	Bay Venues Ltd	Medium	High	High Involvement
Local Business	Business Organisations	Medium	High	Address concerns
	Developers	Medium	High	Address concerns
	Commercial Landlords	Low	Medium	Address concerns
Community	Residents	Medium	High	Address concerns

TABLE 7.9: COMMUNICATION / ENGAGEMENT STRATEGY

Group	Stakeholders	Approach
Central Government (assuming funding is sought)	MPs	Briefings – face to face and written.
	Department of PM and Cabinet	Briefings – face to face and written. Secondary data.
	Treasury	Briefings – face to face and written. Secondary data.
	MBIE	Briefings – face to face and written. Secondary data.
Local Government	TCC Commissioners	Briefings – face to face and written. Secondary data.
	District Councils	Briefings – face to face and written.
	Regional Council	Briefings – face to face and written.
Strategic Partners	Mana whenua	Briefings – face to face and written. Secondary data.
	Priority One	Regular contact through meetings / hui, phone calls and emails.
	Sport BoP	Regular contact through meetings / hui, phone calls and emails.
Sports	Franchise Sports / Regional sports Organisations	Briefings – face to face and written. Secondary data. Regular contact through meetings / hui, phone calls and emails.
	Community Sports Groups	Briefings – face to face and written, Workshops.
Events	Event Organisers	Briefings – face to face and written. Secondary data.
	Promotors	Briefings – face to face and written. Secondary data.
Venue Operator	Bay Venues Ltd	Briefings – face to face and written. Secondary data.

		Regular contact through meetings / hui, phone calls and emails.
Local Business	Business Organisations	Event speaking, Newsletters.
	Developers	Briefing – written and face to face.
	Commercial Landlords	Briefing – written and face to face.
Community	Residents	News stories, Website, Social media, Public displays, Mail drops (local residents).

7.10 PROJECT ASSURANCE

Tauranga City Council's Operational Risk & Assurance team will develop a programme of independent quality assurance across the project³⁶. This will include engagement with key stakeholders to coordinate on any of its quality assurance needs and expectations.

Tauranga City Council's Operational Risk & Assurance team will also have oversight of project key risks through their business-as-usual roles in relation to portfolio of projects and organisational risks.

The project will conduct formal milestone evaluations, including for:

- The completion of Detailed Design.
- The completion of Construction (Practical Completion).
- The completion of Operational Commissioning
- Treasury Gateway reviews (if required)³⁷

A formal post-project evaluation will commence three months after operational use commences.

³⁶ It is assumed TCC would do this given the scale of Council investment and that they will likely be the final asset owner (even if the initial development is run by a Trust).

7.11 PROJECT CLOSURE

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

At a minimum the plan will consider the following:

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

³⁷ Final funding mix and risk assessment will determine the quantum and nature of these reviews.

Appendix

APPENDIX 1: CONCEPT PLANS

TAURANGA MULTI-FUNCTION EVENT FACILITY

FEBRUARY 2023

Prepared For

Visitor Solutions

Document Control

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Document Revision Status

Revision B: February
Concept Design Report

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Disclaimer

While Warren and Mahoney has endeavoured to summarise the Concept Design Report in this document and appendices, the report format cannot represent the broad range and depth of information captured on the Concept Design Drawings, Specifications and Schedules. Approval of the specific issues contained in this report does not discharge the obligation of the client team to review the drawings and specifications in their entirety. This Concept Design Report and the documentation enclosed are subject to further detailed site investigation, consultant input and advice from relevant authorities/ experts.

GUIDING PRINCIPLES

Welcoming people and place

Open and Accessible to the community

Celebrate Mauao and land

Environmental stewardship

Integrated Response to site

Flexibility and adaptability

O B J E C T I V E

Creating a generous and welcoming experience is a key objective of the new development.

Maintaining community access and a sense of ownership will be a key factor for the success of the project.

The Tauranga and Wharepai Domains enjoy sweeping views over the surrounding harbour estuaries. Mauao (Mount Maunganui) is a natural focal point and symbol at the eastern end of the harbour.

The responsible protection of the natural environment through sustainable design will encourage environmental literacy while also comfortable spaces that are connected to the natural amenity of the site. The project provides a 'leadership opportunity' for Tauranga at a time when conservation, climate change and environmental sustainability are at the centre of political and societal discussion.

Enhancing the connection to the land and the local context through form and scale is an important consideration. Designing in a complementary scale to the built environment and integrating into the landform will formulate an appropriate site response.

The facility will have a long life and over decades, sports codes, events, population, and patterns of use will change. The design must enable a variety of crowd sizes and event types while minimising both capital cost and operational overlay expense. The ability to expand and adapt over the long term should be anticipated, without 'over building' on day one.

O U T C O M E

A unique entry experience is proposed that welcomes people to the site in a culturally appropriate manner and the design is proposed to be developed with local iwi. Pedestrian entry is separated from vehicle traffic, and opens into a public plaza/ gathering space. The space can be used on event days for food, beverage and activation, and on non event days as a flexible activities space.

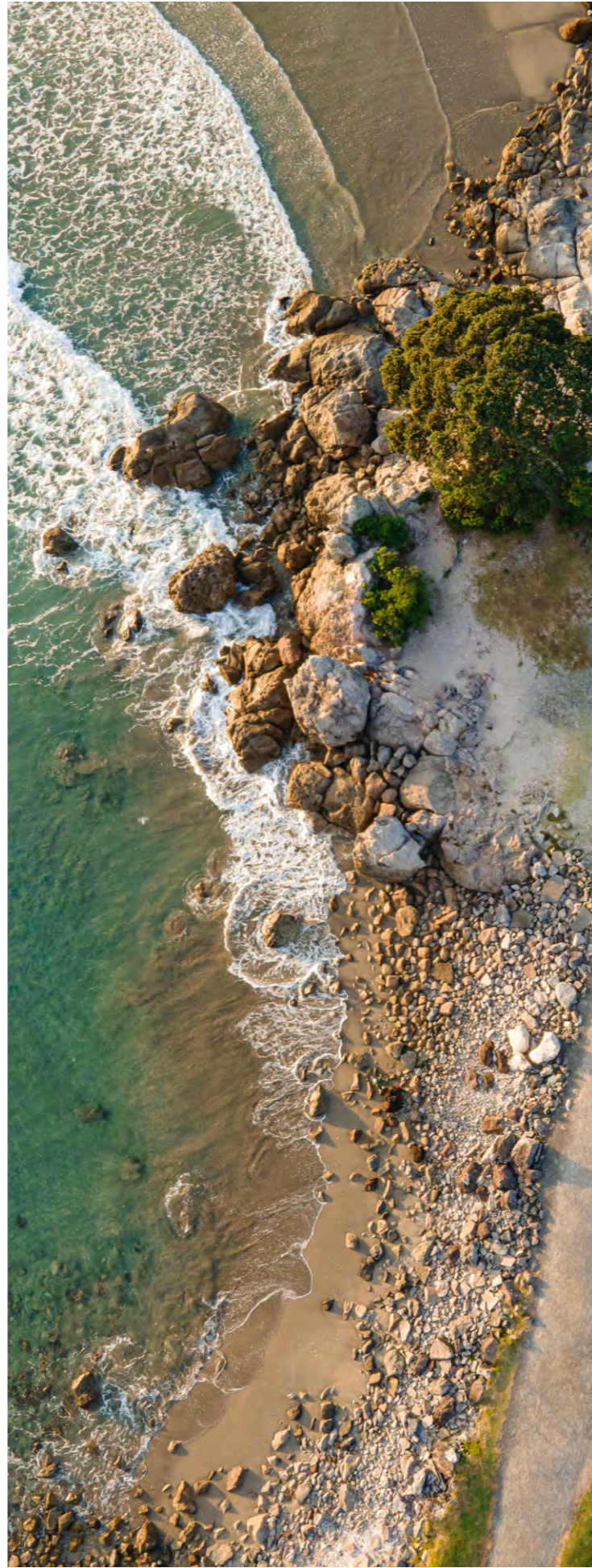
Open access to the site is maintained and enhanced to enable community access at all times except for major event. Features such as fitness trails, a casual running track, walking paths, picnic areas, event plaza and community lawn are proposed to encourage community members to meet, gather, and play in the Domain. Vehicle access is also proposed to be separated from pedestrian access to enhance safety, and allow events to operate with less disruption to public access.

The seating and orientation of the stadium is designed to amplify and frame the view to Mauao. The design of the South and East Stands has been kept open to allow visual transparency which maintains views of the wider landscape as well and into the field of play. These moves keep both the environment and the event visible together, enhancing the experience for attendees.

The design enables a series of sustainability strategies that will enhance the environmental CRESA trials of the project such as; The use of low carbon materials inclusive of timber structures, water stewardship through rainwater storage and reuse and on site energy production with PV panels.

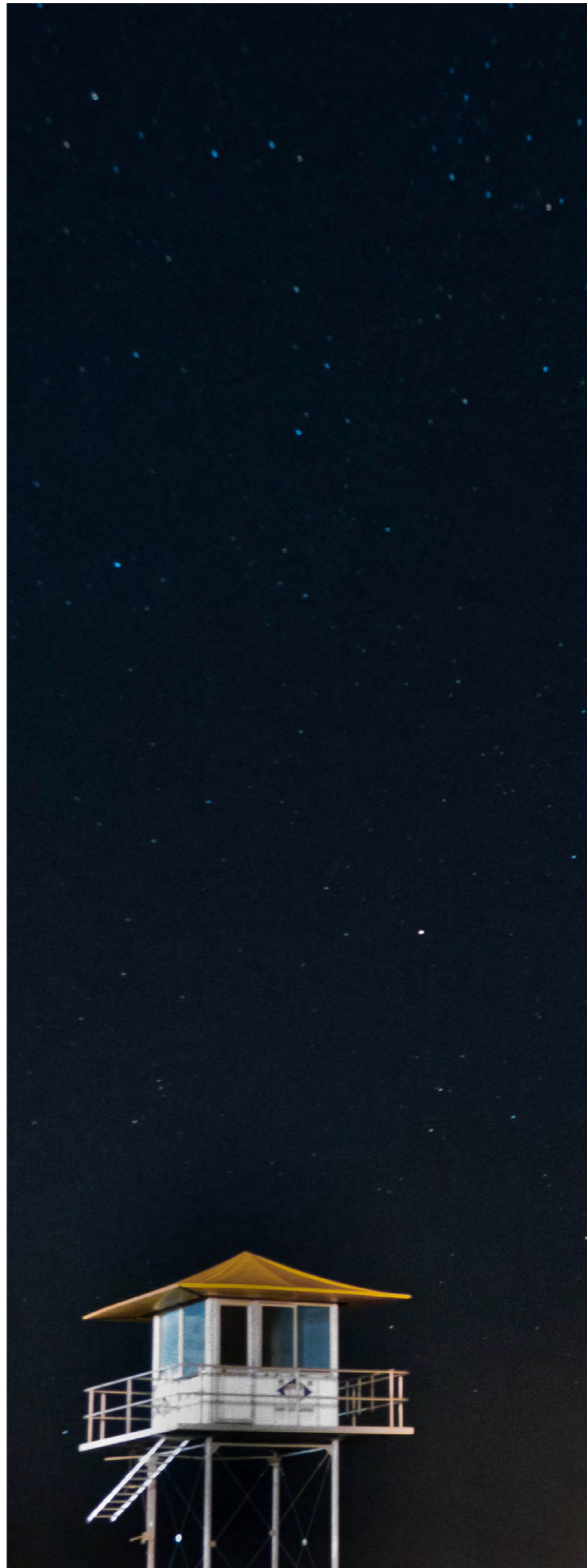
The level of the stadium field of play is proposed to be lowered to match the existing northern field. This creates a larger contiguous surface which is more flexible for a variety of event modes. The lowering of the field also enables the stadium buildings to be lower in height to reduce their apparent scale in the context of the site.

The stadium development is envisaged as a multipurpose event venue. Seating capacity is flexible through the use of stadium owned temporary seating, a variety of event modes are possible from rectangular sport, concerts, and festivals. Function and event spaces are fully integrated into the design which allows event and non event day activity; along side a rename of price points and experiences for attendees.



T A U R A N G A

T A U R A N G A



TAURANGA MOANA TRIBES

NGĀTI RANGINUI TRIBE OF THE TĀKITIMU CANOE

Ngāti Ranginui now occupy the shores of Tauranga Moana as well as inland areas. They have many marae and hapū (sub-tribes). Their main ancestor is Ranginui, the brother of Whaene and Kahungunu. Their father was Tamatea-pōkai-whenua-pōkai-moana. Some traditions state that he was the grandson of Tamatea-arikinui, the captain of the **Tākitimu Canoe**, while others say that this is just another name of Tamatea-pōkai-whenua-pōkai-moana.

One day the people of the tribe went to catch fish at Ōtira, a fishing ground near present-day Ōmanu, a few kilometres from Mauao. Kahungunu offended against customary practices by taking the largest snapper for himself, before any of the appropriate incantations had been recited. In anger his elder brother Whaene struck him with a fish, and one of the spines punctured his skin. Overcome with shame, Kahungunu migrated south to the East Coast, where he founded a great tribal empire. Whaene went to Taupō, while Ranginui remained in Tauranga Moana, settling at Pukewhanake on the banks of the Wairoa River. Ranginui's grandchildren by his son Tūtereinga, form an important foundation for all Tauranga Moana people.

NGĀI TE RANGI TRIBE OF MATAATUA CANOE

Ngāi Te Rangi are descended from crew members of the **Mataatua Canoe**, and Whaene, brother of Ranginui. The tribe originally lived in Ōpōtiki, but were pushed out by Ngāti Hā and migrated to the Gisborne district. They were not there long before trouble arose and they moved around the coast to Tōrere and to Whakatāne, finally settling at Matatā. By this time, in the 18th century, they had become known as Ngāi Te Rangihouhiri, named after their leader Te Rangihouhiri. He was the son of Rōmainohorangi, also known as Rongomainohorangi.

While they were there, Tamapahore, the brother of Te Rangihouhiri, went to visit his relations at Maketū. Despite a gift of land, it was not long before war broke out. During one of the battles Tūtengaehe, Te Rangihouhiri's eldest son, was killed. Overcome with grief, Te Rangihouhiri prophesied his own demise, saying, 'Farewell my son. You depart on the evening tide, and I shall follow you on the morning tide.' The next day Te Rangihouhiri entered into battle at Poporohuamea near Little Waihī, and met his end. On his death his people adopted the name Ngāi Te Rangi, rallied to avenge his death, and took possession of the land.

Ngāi Te Rangi were now determined to gain a foothold in Tauranga Moana, the home of their ancestor Whaene. After a series of battles, they secured Tauranga Moana as their permanent home, displacing the Ngāti Ranginui and Waitaha people then in occupation. They eventually settled much of the Tauranga Moana region, including the islands Matakana, Tūhua (Mayor Island) and Mōtītī.

NGĀTI PŪKENGĀ TRIBE OF MATAATUA CANOE

Ngāti Pūkenga were renowned for their prowess in war, and were sought out by other tribes when in need. Gifts of land were common and today, besides Tauranga Moana, Ngāti Pūkenga retain holdings at Manaia in Hauraki, Pakikaikutu in Whāngārei, Maketū and other places.

The ancestor Pūkenga was of **Mataatua** and tangata whenua origin. The son of Tānemoeahi, he spent his life in Rūātōki. According to tradition, he and his younger brother Te Āhuru named the Kaimai Ranges on a journey to Tauranga.

On Pūkenga's death his descendants left Rūātōki, and under the tribal name Ngāti Hā established their home at Ōpōtiki. There they developed a relationship with Rōmainohorangi's tribe, the progenitors of Ngāi Te Rangi. But this led to the dispute that caused Rōmainohorangi's people to leave the district.

When Ngāti Te Rangihouhiri returned from further east to attack Maketū, a messenger was despatched to seek help from Ngāti Hā. Te Kohokino and Te Tini o Awa, along with their forces, responded to the call to arms. They gained victory and eventually, after many more battles, Ngāti Pūkenga – as Ngāti Hā were now known – settled in Rangataua and other areas of Tauranga Moana.

A section of Ngāti Pūkenga now occupy the Ngāpeke block near Welcome Bay. The land was given by Ngāti Hē, a sub-tribe of Ngāi Te Rangi, for assistance in battle. The main Ngāti Pūkenga locations today are Ngāpeke, Manaia in Hauraki, Pakikaikutu in Whāngārei and Maketū in the Bay of Plenty.

WAITAHA TRIBE OF ARAWA CANOE

Waitaha are one of the original tribes of Tauranga Moana. Named for the son of Hei, a crew member on the **Arawa Canoe**, Waitaha at one time occupied all of the land from the Waimapu River in Tauranga, across to Maketū, as well as Mauao together with Ngāti Ranginui.

A number of generations after the Arawa canoe landed, a descendant of Waitaha, the great chief Takakōpīri, divided his lands between his two grandsons Te Iwikorokē and Kūmaramaoa. The former inherited the lands on the Maketū side of the Ōtawa Range, and the latter those on the Tauranga side. Kūmaramaoa's descendants married into sections of the Ngāi Te Rangi and Ngāti Pūkenga, who inherited his lands and today represent much of his interests. The Iwikorokē descendants of Waitaha have a marae base and settlement at Manoeka (Motungārara) near Te Puke.

Source: <https://teara.govt.nz/en/tauranga-moana/page-1>

ANCIENT PĀ SITES

KINONUI PĀ

Pilot Quay, Mauao. Located on the western side of Mauao, the site is spread over the knoll at the northern end of the small beach on the public walkway west of Pilot Bay. (Historic Place Category 2)

PĀ, MAUAO

(Historic Place Category 2)

MANGATAWA - Mangatawa Lane, Te Maunga, Bay Of Plenty

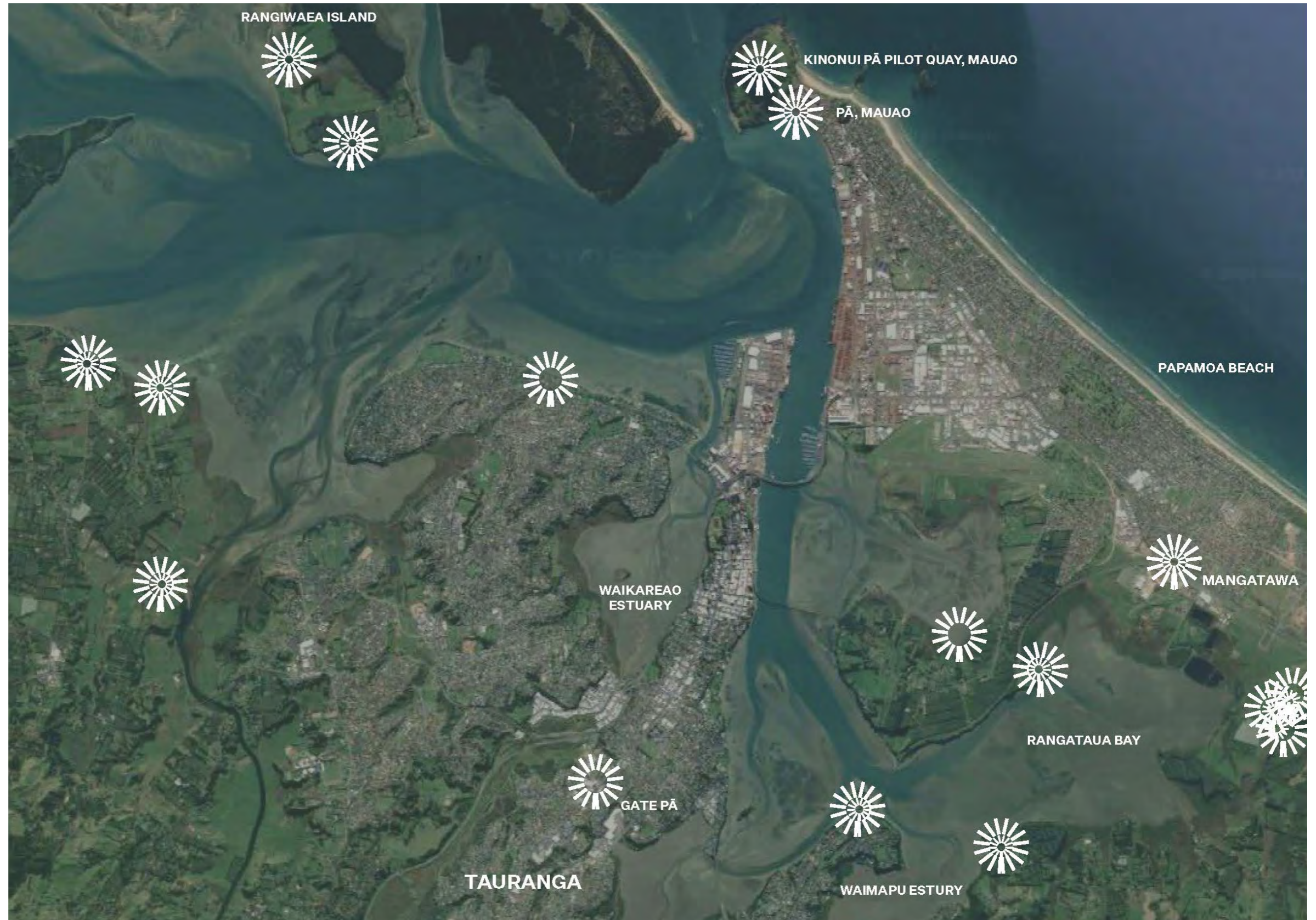
(Historic Place Category 2)

TE WHARO PĀ - 79-123 Reid Road And R/1160 Welcome Bay Road, Papamoa

(Historic Place Category 2)

GATE PĀ

Gate Pa or Gate Pā is a suburb of Tauranga, in the Bay of Plenty Region of New Zealand's North Island. It is the location of the Battle of Gate Pā in the 1864 Tauranga campaign of the New Zealand Wars.



NGĀ MARAE A TAURANGA MOANA

1. HAIRINI

Tamahika Street, Hairini

2. HURIA

Te Kaponga Street, Judea

3. HANGARAU

217 Bethlehem Road, Bethlehem

4. WAIMAPU

Waimapu Road, Poike

5. WAIROA

Waihi Road, Bethlehem

6. TUTEREINGA

Tangitu Road, Te Puna

7. PAPAROA

Paparoa Road, Te Puna

8. POUTUTERANGI

Beach Road, Te Puna

9. TAWHITINUI

Old Waihi Road, RD6

10. TUAPIRO

Hikurangi Road, Katikati

11. RANGIWAEA

Rangiwaea Island

12. ORUARAHI

Matakana Island

13. HUNGAHUNGATOROA

24 Hungahungatoroa Road, Matapihi

14. WHAREROA

25 Taiaho Place

15. WAIKARI

62 Waikari Road, Matapihi

16. OPOPOTI

25 Wikitoria Street, Maungatapu

17. TE WHETŪ O TE RANGI

5/612 Welcome Bay Road, Hairini

Ngāti Ranginui - Our Marae

<https://www.ranginui.co.nz/our-marae.html>



NGĀ MARAE A TAURANGA MOANA

1. HAIRINI MARAE | 9 Tamahika Street, Hairini
Hairini marae is located in Tauranga. The primary hapū for this marae is Ngāi Te Ahi of Ngāti Ranginui. The whare tipuna is named Ranginui and the wharekai is Urutomo. The marae connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

2. HURIA (JUDEA) | 1 Te Kaponga Street, Brookfield
Huria (Judea) marae is located in Brookfield, Tauranga. The primary hapū is Ngāi Tamarawaho of Ngāti Ranginui.

The whare tipuna is named Tamatea Pokaiwhenua and the wharekai are Ihuparapara and Iwipupu. Huria marae connects ancestrally to Takitimu waka, the maunga Mauao and the awa Kopurererua and Waikareao.

3. HANGARAU (PETEREHEMA) | 219 Bethlehem Road, Tāwera, Bethlehem
Hangarau Marae (also known as Peterehema) is located in Bethlehem, outside of Tauranga. The primary hapū for this marae is Ngāti Hangarau of Ngāti Ranginui.

The whare tipuna is also named Hangarau. The marae connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

4. WAIMAPU (RUAHINE) | 76-100 Waimapu Pa Road, Hairini
Waimapu marae (also known as Ruahine) is located in Tauranga. The primary hapū for this marae is Ngāti Ruahine of Ngāti Ranginui.

The whare tipuna is named Te Kaupapa o Tawhito. The marae connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

5. TE WAIROA | 2328 State Highway 2 (Waihi Road), Bethlehem
Te Wairoa marae is located in Bethlehem, Tauranga. The primary hapū is Ngāti Kahu of Ngāti Ranginui.

The whare tipuna is named Kahu Tapu. Te Wairoa marae connects ancestrally to the Takitimu waka, the maunga Mauao and the awa Waimapu.

6. TUTEREINGA | Tangitu Road, Te Puna
Tutereinga marae is located in Te Puna, outside of Tauranga. The primary hapū for this marae is Pirirākau of Ngāti Ranginui.

The whare tipuna is also named Tutereinga. The marae connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

7. PAPAROA | Paparua Road, Te Puna
Paparua marae is located in Te Puna, outside of Tauranga. The primary hapū for this marae is Pirirākau of Ngāti Ranginui.

The whare tipuna is named Werahiko. Paparua connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

8. POUTUTERANGI | Beach Road, Te Puna
Poutūterangi marae is located in Te Puna, outside of Tauranga. The primary hapū for this marae is Pirirākau of Ngāti Ranginui.

The whare tipuna is named Takurua. Poutūterangi connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

9. TAWHITINUI | Old Waihi Road, RD6, Tauranga
Tawhitinui marae is located in Ōmokoroa, to the west of Tauranga. The primary hapū for this marae is Pirirākau of Ngāti Ranginui.

The whare tipuna is named Kahi. Tawhitinui connects ancestrally to the waka Takitimu, the maunga Mauao and the moana Te Awanui.

10. TUAPIRO | Hikurangi Road, Katikati
Tuapiro marae is located in Katikati, 43 km north of Tauranga. The primary hapū is Ngāti Te Wai of Ngai te Rangi and Ngāti Ranginui.

The whare tipuna is named Ngā Kurī a Wharei. The wharekai is Muriwai. Tuapiro marae connects to the Mataatua and Takitimu waka, the maunga Hikurangi and the awa Tuapiro.

11. RANGIWAEA | Main Road, Rangiwea Island
Rangiwea marae is located on Rangiwea Island, which is nestled against Matakana Island, just across the harbour from Tauranga. The primary hapū for this marae is Ngāi Tauwhao of Ngāi Te Rangi.

The whare tipuna is named Te Haka a Te Tupere and the marae connects ancestrally to the waka Mātaatua, the maunga Mauao and the moana Te Awanui.

12. ORUARAHĪ (TE RANGIHOUHIRI) | 142 Matakana Point Road, Matakana Island
Oruarahi marae (Te Rangihouhiri) is located on Matakana Island, just across the harbour from Tauranga.

The primary hapū for this marae is Ngāi Tamawhariua of Ngāi Te Rangi. The whare tipuna is also named Te Rangihouhiri and the marae connects ancestrally to the waka Mataatua, the maunga Mauao and the moana Tauranga.

13. HUNGAHUNGATOROA | 25 Taiaho Place, Mauao
Hungahungatoroa (Whakahinga) marae is located in Matapihi, in the Tauranga region, and its principal hapū is Ngāi Tukairangi. Hungahungatoroa marae is part of the Ngāi Te Rangi tribal collective and of the Mataatua waka.

The marae consists of the wharenuī, Tāpuiti, the wharekai, Whakahinga, and links ancestrally to the mountain of Mauao and the moana of Tauranga.

14. WHAREROA | 25 Taiaho Place, Mauao
Whareroa marae is located just across the harbour from Tauranga in Mauao. The primary hapū for the marae are Ngāi Tukairangi and Ngāti Kuku of Ngāi Te Rangi.

The whare tipuna is named Rauru ki Tahi. Whareroa connects ancestrally to the waka Mataatua, the maunga Mauao and the moana Tauranga.

15. WAIKARI | 25 Taiaho Place, Mauao
Waikari marae is located in Matapihi, in the Tauranga region, and its principal hapū is Ngāti Tapu. Waikari marae is part of the Ngāi Te Rangi tribal collective and of the Mataatua waka.

The marae consists of the wharenuī Tapukino (built in 1881), and the wharekai Kahumoeangi. In 1881, Ngāti Tapu built the first Tapukino wharenuī at Te Mania, and in 1901, the hapū decided to relocate the marae to Waikari where it stands to this day.

16. OPOPOTI (MAUNGATAPU) | 25 Wikitoria Street, Maungatapu
Opopoti (Maungatapu) marae is located in Maungatapu, Tauranga. Its principal hapū is Ngāti He of Ngāi Te Rangi iwi.

The marae consists of the wharenuī, Wairakewa, the wharekai, Te Ao Takawhaaki. The Kohanga Reo for Opopoti sits adjacent to the marae, and both complexes are located on the beachfront.

17. TE WHETŪ O TE RANGI | 612 Welcome Bay Road, Welcome Bay
Te Whetū o Te Rangi marae is located in Welcome Bay, in Tauranga. Its principal hapū include Ngāti Hinemotu, Ngāti Kiorekino, Ngāti Kohokino, Ngāti Te Matau, Ngāti Te Rākau, Ngāti Tōwhare, Ngāti Whakina and Te Tāwera.

The original whare, Te Whetū o te Rangi, was a century old when in 2006 it was destroyed by arson. In 2008, Ngāti Pukenga completed reconstruction of the whare, opting to remain with the name Te Whetū o te Rangi.

HE WHENUA, HE TAURANGA

Tauranga Moana is an area known for its rich and significant resource of vegetation and plants

Rohe such as;

Otūmoetai - Te Papa peninsular and Kopurererua valley are known areas of species such as kahikatea, kōwhai, titoki, pōhutukawa and harakeke.

Kōwhai - This compact species is more coastal-hardy than most of its kind, and it does not fully flower till Māhuru (mid September).

Kahikatea - a tree that is prevalent across Tauranga low valley areas, including forming covered parts of the Kopurererua valley. A common tree that was used by Māori for tools, such as bird spears, and for food, such as the koroī seed resource.

Harakeke - Unique to Aotearoa, a much loved resource for both human and wildlife respectively. A plant that supplies nectar to tūi, korimako and tīeke, and it resource that is collected and turned into man-made uses such as kete (basket) and taura (rope).

Titoki - A common species on the Te Papa peninsular with its a twisting trunk with smooth dark bark, spreading branches and pinnate-like leaves. A much loved species with its seeds forever being spread by tūi, kererū and kōkako.

Pōhutukawa - regarded by Māori as a rākau rangatira (a chiefly tree) for its beauty and strength. It was also a resource for its healing properties, where extracts were made from it to help treat sore throat and wounds.



Kōwhai



Harakeke



Harakeke

HE KAITIAKI, HE TIPUA

**Toi tū te moana (health of the sea);
Toi tū te whenua (health of the land); and
Toi tū te tāngata (health of the people)**

The rohe of Tauranga Moana is a home to thousands shellfish, birds and fish. Some of these are part of the people's lifestyle, where they enjoy collecting pipi, catching kahawai and watching the mohu-perererū or banded rail. Thus, for mana whenua, and to ensure all people of Tauranga Moana can keep enjoying these things we need to work together to acknowledge the kaitiaki, including wildlife, and protect them so that they can protect us.

The estuaries play an important role in the lives of many marine and freshwater fish. Inanga (a whitebait species) spawn in autumn in the lower reaches of rivers and estuaries. The hatchlings drift out to sea to feed, returning after six months to live the rest of their adult lives in freshwater. The native tuna (eel), the short-finned and the long-finned eel, spend all their adult life in freshwater, but travel thousands of kilometres to spawn in the Te Moana nui a Kiwa (Pacific Ocean) and near the likes of Tonga. Other kaitiaki in Tauranga are the pātiki (flounder), mako (shark) and whai (short-tailed and long-tailed stingray).

Some of the common species of shell fish that live within Tauranga Harbour are: Titiko (mud snail); Tuangi (cockle); Pipi; Scallop; and Mussel.

There are a large number of birds that live in and around Tauranga Harbour. At low-tide large flocks of shorebirds are seen gathering on tidal flats to feed. Birds forage though seagrass beds and tidal flats for invertebrates and shellfish. Some birds wade or dive for small fish.



Mako



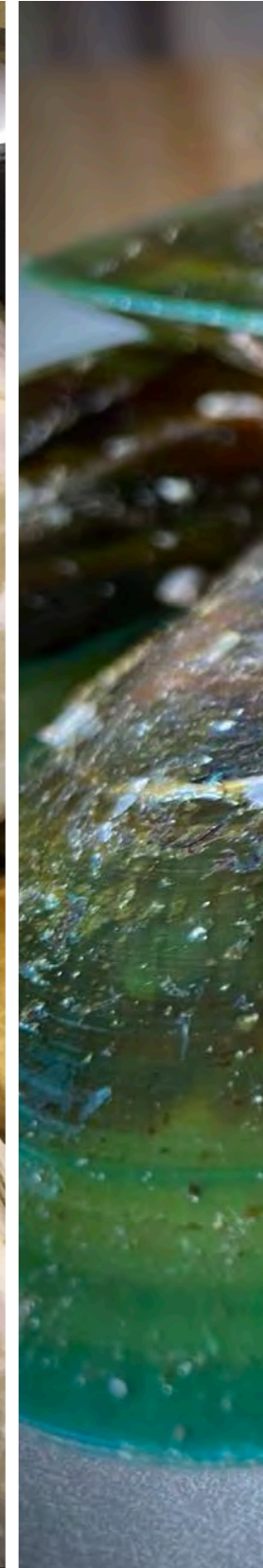
Kahawai



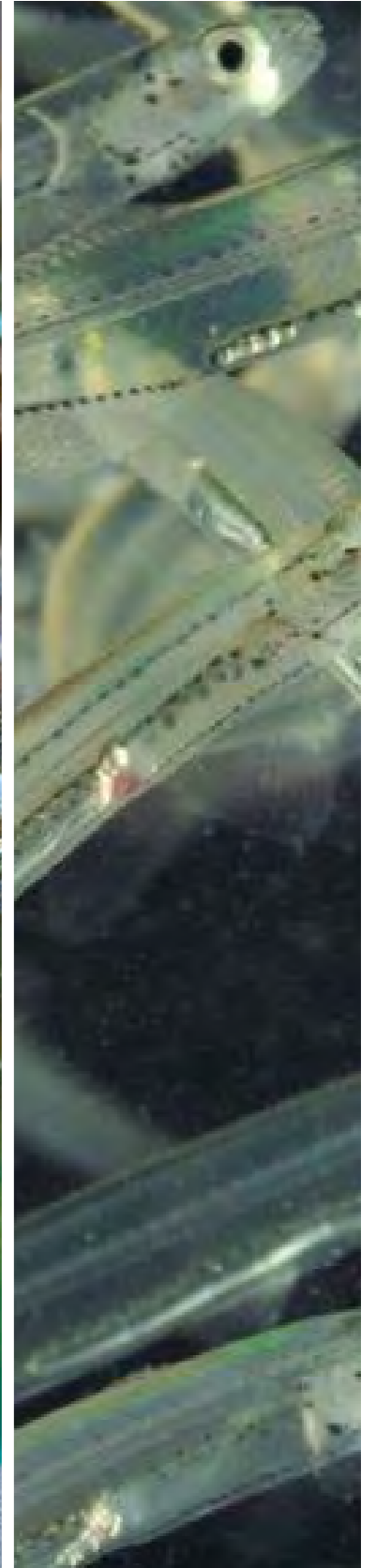
Tuna



Pipi



Kuku



Inanga

HE KAITIAKI, HE TIPUA

“Art was the way that Māori communicated knowledge, ideas and values, rather than by written language, and together the arts constituted a vital communication system” - Julia Paama-Pengelly (Ngāi Te Rangi, Ngāi Tūwhiwhia)

The elements of Māori design are the tools used to create visual information. A consistent number of design conventions appear in Māori art which provide a blueprint for creating Māori design, such as: tiki, manaia, taura (pattern), ata (light) and a taku (shadow), the human and non-human spiritual form, and pattern (a spiral is a pattern first and foremost but can exist as a form in tauihu, taurapa and pare and pae pae pātaka).

An artistic expression that was apparent and known throughout the Tauranga rohe is the rauru pattern - a double spiral composed of rauponga (parallel rows of haehae and pākati). At the centre the rows of haehae and pākati converge into an ‘S’ like form.



Tukutuku



Rei Niho



Haumarino



Kōwhaiwhai



Unaunahi



Rauru



Rauru



Pākati

TAURANGA / WHAREPAI DOMAIN PROXIMITY STUDY

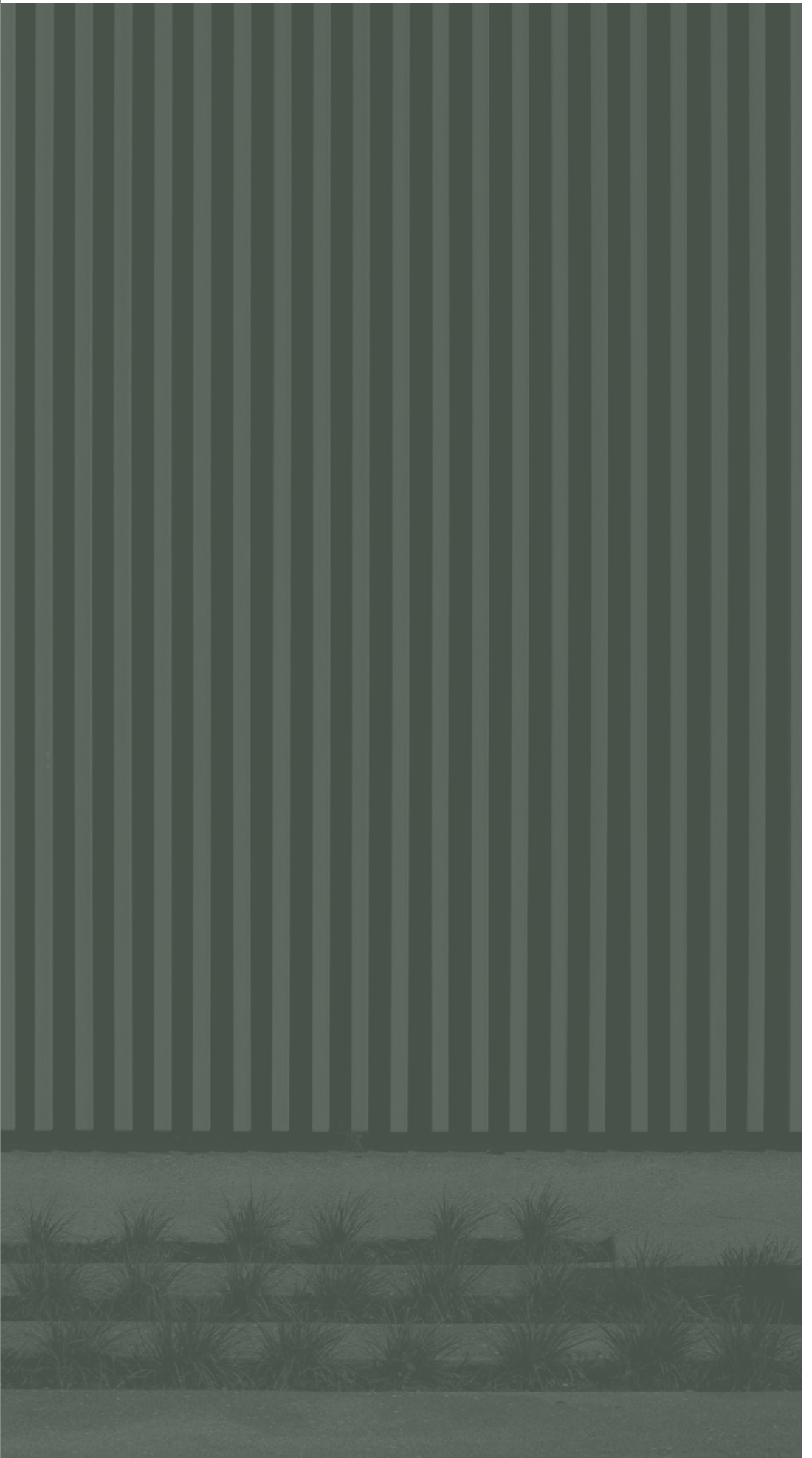


LOCATION	DISTANCE
TAUANGA BRIDGE MARINA	2.0 KM 4 MIN
TAURANGA YACHT CLUB	2.5 KM 6 MIN
BLAKE PARK	5.0 KM 8 MIN
TAURANGA AIRPORT	4.8 KM 9 MIN
MOUNT MAUNGANUI GOLF CLUB	5.7 KM 10 MIN
TAURANGA HOSPITAL	4.2 KM 11 MIN
MOUNT MAUAO RESERVE	4.2 KM 11 MIN
OMANU GOLF CLUB	7.7 KM 11 MIN
MAUNGANUI BEACH	7.3 KM 13 MIN

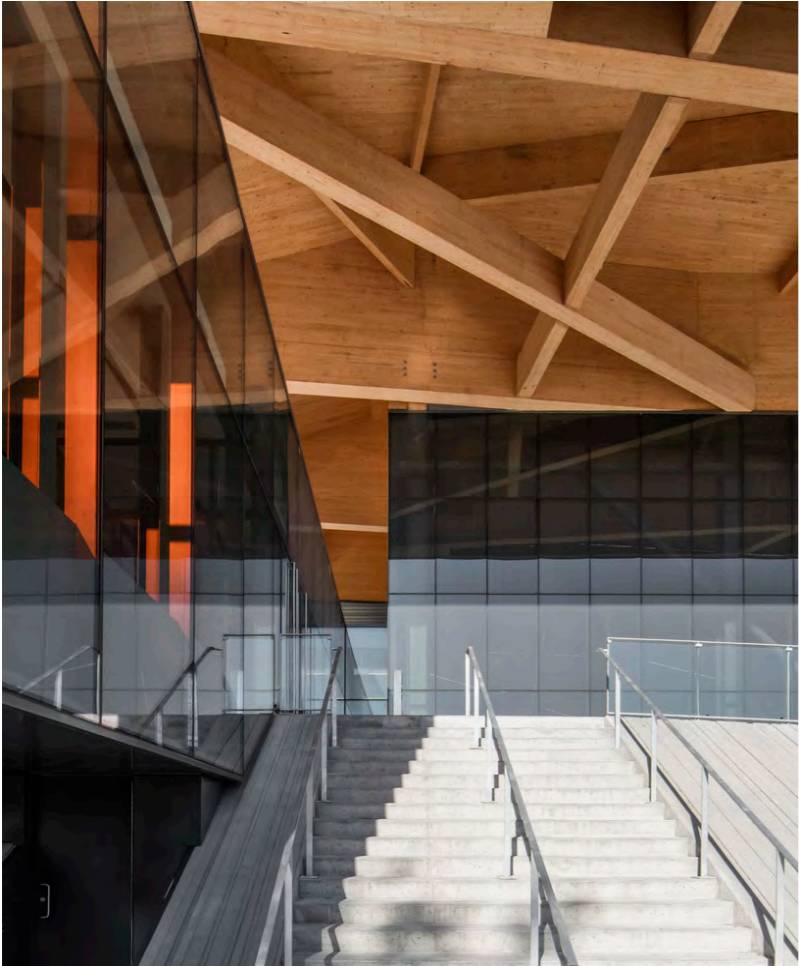
TAURANGA/ WHAREPAI DOMAIN EXISTING SITE CONTEXT REPORT



BENCHMARKING



BENCHMARK PROJECTS



NOUVEAUX PADDOCKS, CANADA



NOUVEAUX PADDOCKS, CANADA



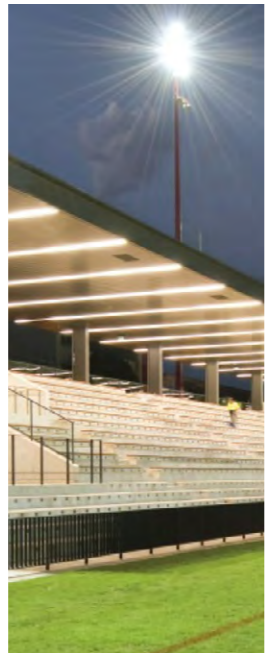
KEUKENHOF, NETHERLANDS



ERIC TWEEDALE STADIUM, NEW SOUTH WALES



REDFERN PARK & OVAL, NEW SOUTH WALES



ERIC TWEEDALE STADIUM, NEW SOUTH WALES



THESE BENCHMARK PROJECTS HAVE BEEN SELECTED AS THEY INCLUDE RELEVANT CHARACTERISTICS

- › SIMILAR SCALE/ COMPLEXITY TO THE PROPOSED TAURANGA/ WHAREPAI DOMAIN STADIUM
- › USE OF LOW CARBON MATERIALS SUCH AS TIMBER
- › COMPOSITIONS WHICH FRAME AND CELEBRATE THE NATURAL ENVIRONMENT
- › DYNAMICALLY FACILITATES BOTH SPECTATOR AND FUNCTION AREAS
- › PRIORITISES SPECTATOR JOURNEY AND EXPERIENCE
- › PROMOTES LOCAL COMMUNITY INTERACTION AND PLACE MAKING

CONCEPT PROPOSAL



CONCEPT PROPOSAL TAURANGA DOMAIN PRECINCT PLAN

*MASTERPLAN SUBJECT TO FURTHER GEOTECH AND DETAILED SITE ANALYSIS
 *EVENT INFRASTRUCTURE AND UTILITIES TO BE DEVELOPED IN KEY LOCATIONS
 *FENCING PLAN IS REQUIRED AROUND ENTIRE PRECINCT
 *KEY CULTURAL SITES AND 'INTERPRETIVE TRAIL' MASTERPLAN TO BE DEVELOPED



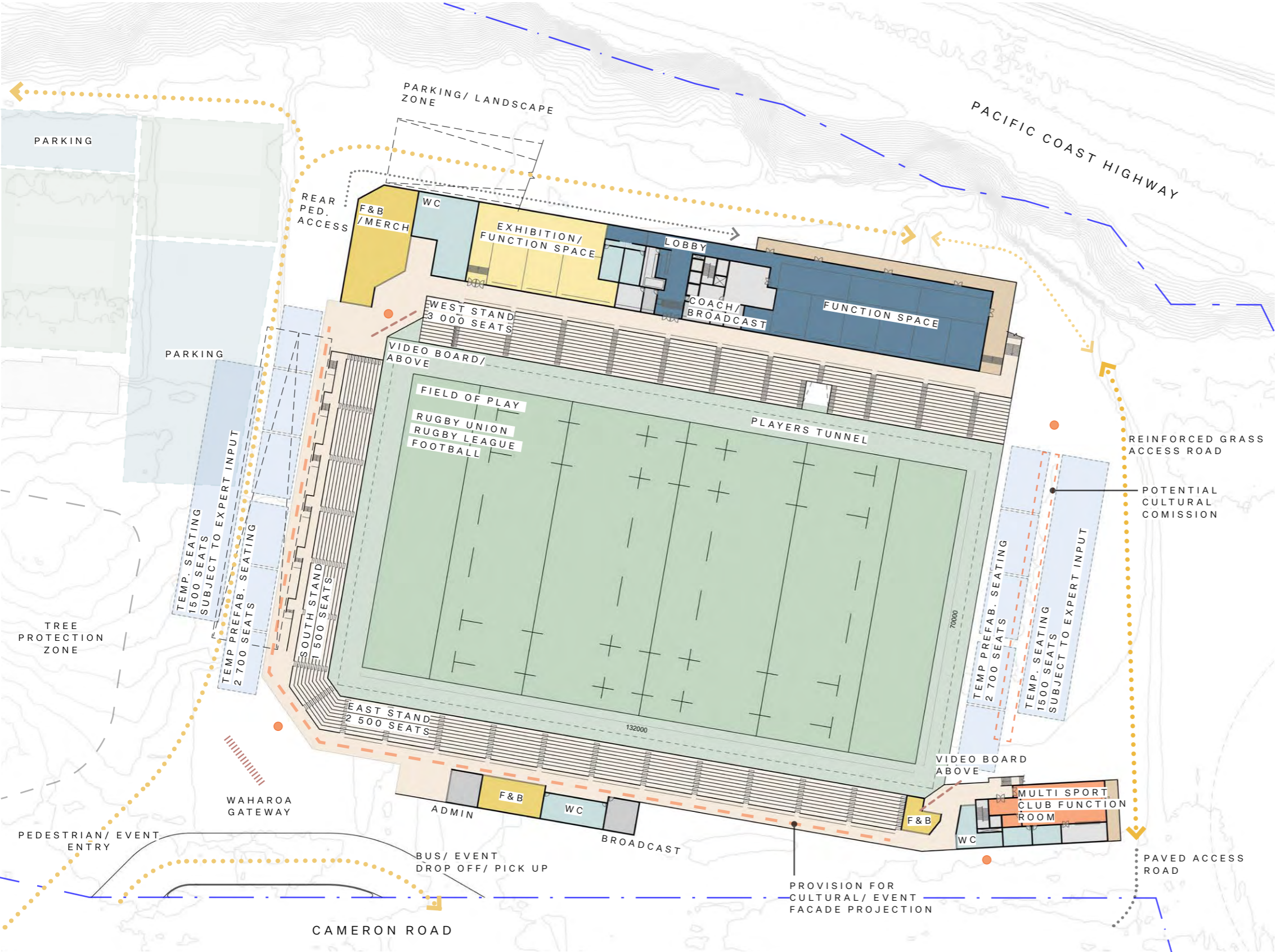
SUMMARY

INCLUSIONS

- 01 SHARED VEHICLE/ PED. ACCESS
- 02 UPGRADED DRAINED SAND FIELD FULL SIZE PITCH (SMALL) 95 X 55 - 105 X 60
- 03 REFURBISH EXISTING BUILDING
- 04 EVENT STAGE
- 05 NEW PARKING
- 06 EXISTING TENNIS COURTS (8)
- 07 RELOCATED TENNIS COURTS (2)
- 08 EXISTING TENNIS CLUB
- 09 TREE PROTECTION ZONE
- 10 RECONFIGURE RETAINING WALL
- 11 PLAYGROUND
- 12 ENTRY PLAZA
- 13 BUS DROP OFF/ PICKUP (IN EVENT MODE)
- 14 TRAFFIC ENGINEERING REQUIRED
- 15 PEDESTRIAN CONCOURSE (NON EVENT DAY PARKING)
- 16 REMOVE EXISTING BUILDING /TEMP. HARD STAND WASTE COLLECTION
- 17 NEW FENCE LINE TO DISCOURAGE TRESPASSES
- 18 PLAYER/ PEDESTRIAN ACCESS
- 19 RE-ENFORCED GRASS SERVICE ACCESS WAY
- 20 DEMOLISH EXISTING BUILDING
- 21 NEW MULTI SPORT CLUB ROOM
- 22 EXISTING SPORTS FIELDS
- 23 EVENT BACK OF HOUSE
- 24 REMOVE EXISTING BUILDING
- 25 CRICKET NETS
- 26 POTENTIAL 'CULTURAL INTERPRETIVE TRAIL' LOCATION
- 27 COMMUNITY WALKING/ RUNNING TRACK (LOCATION TBC)
- UTILITY/ SERVICE NODES (GENERAL LOCATION)



CONCEPT PROPOSAL UPPER GROUND FLOOR PLAN (CONCOURSE LEVEL)



UPPER GROUND		
CIRCULATION / TERRACE	2 560	SQM
PERMANENT SEATING	3 390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1 270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM
LOWER GROUND		
CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1 360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

TOTAL EXCL. TEMPORARY SEATING 14 450 SQM

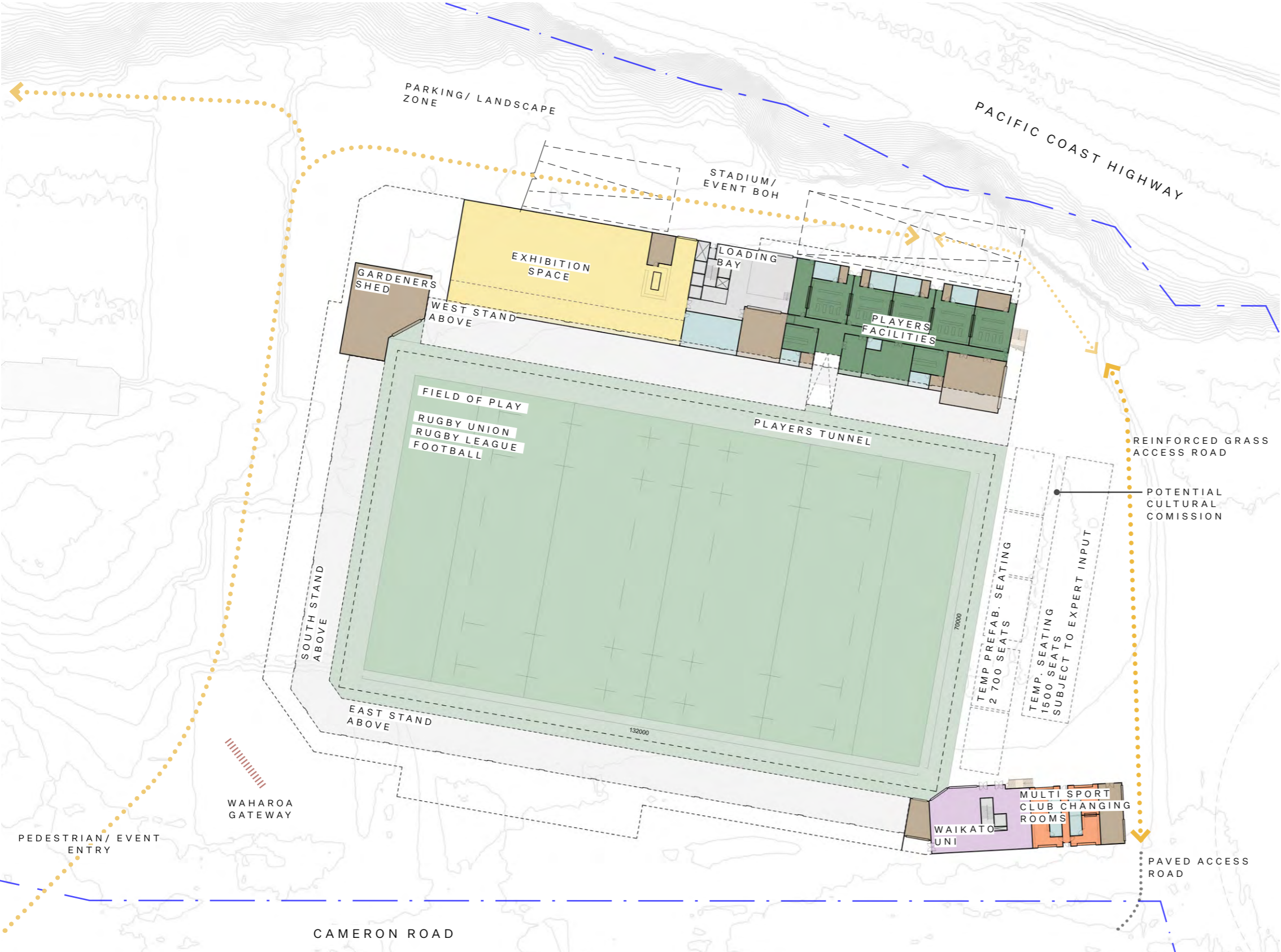
*Areas and figures in this schedule are approximate

TOTAL FUNCTION AREA	1 550	SQM
TOTAL EXHIBITION AREA	2 180	SQM
TOTAL MULTI SPORT CLUB AREA	700	SQM
UNIVERSITY OF WAIKATO	350	SQM
*incl. all relevant services/ amenity		

SEATING		
PERMANENT	7 000	SEATS
PROVISION FOR TEMPORARY	8 000	SEATS
TOTAL INCL. TEMPORARY SEATING	15 000	SEATS

● Approx. Stadium Lighting Location (25-30m high)
*Preliminary Input provided from Signify Ltd (formally Phillips Lighting) on optimal lighting tower height and location

CONCEPT PROPOSAL LOWER GROUND FLOOR PLAN (PITCH LEVEL)



UPPER GROUND

CIRCULATION / TERRACE	2 560	SQM
PERMANENT SEATING	3 390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1 270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM

LOWER GROUND

CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1 360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

TOTAL EXCL. TEMPORARY SEATING 14 450 SQM
*Areas and figures in this schedule are approximate

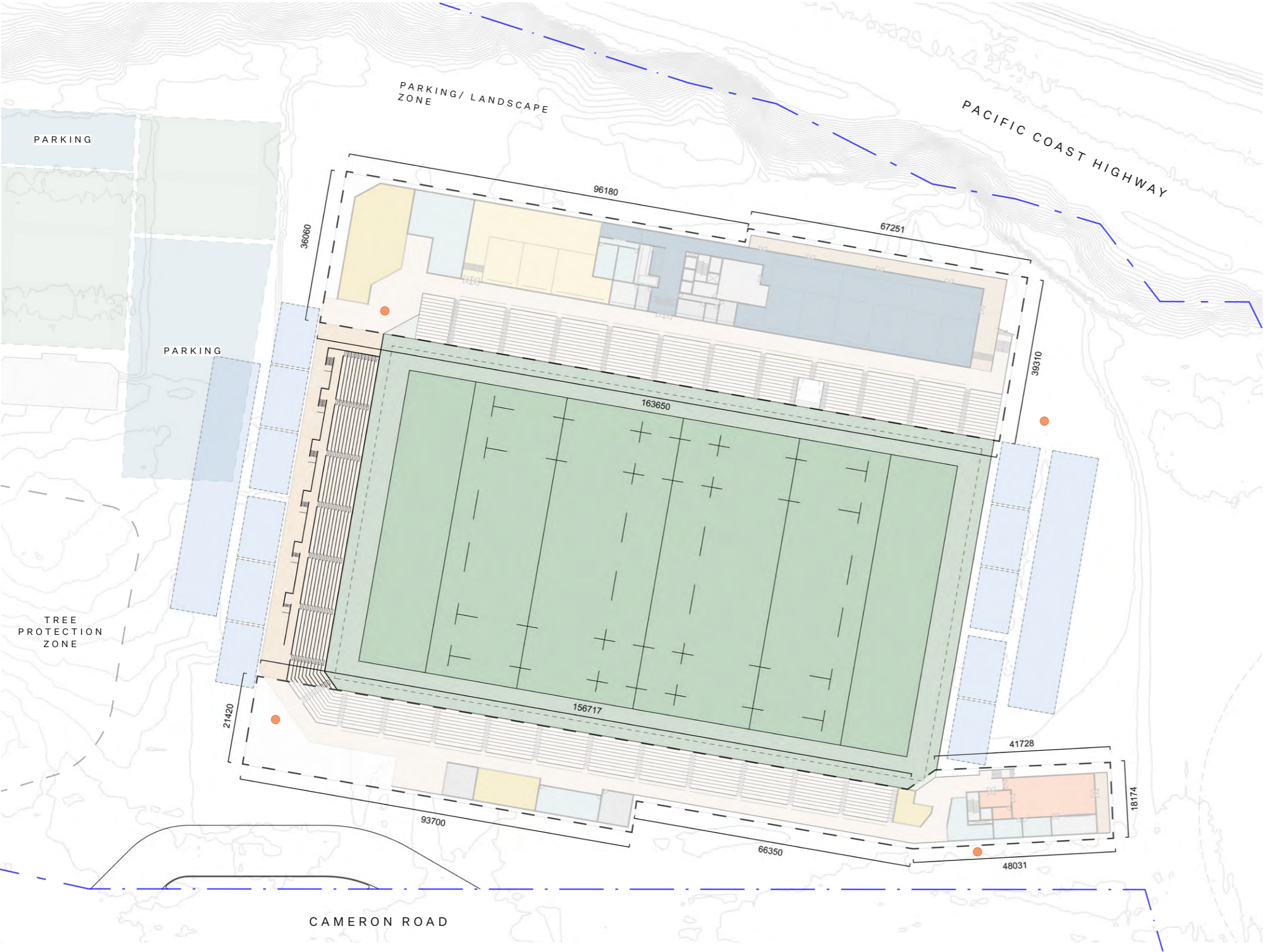
TOTAL FUNCTION AREA 1 550 SQM
 TOTAL EXHIBITION AREA 2 180 SQM
 TOTAL MULTI SPORT CLUB AREA 700 SQM
 UNIVERSITY OF WAIKATO 350 SQM
 *incl. all relevant services/ amenity

SEATING

PERMANENT	7 000	SEATS
PROVISION FOR TEMPORARY	8 000	SEATS
TOTAL INCL. TEMPORARY SEATING	15 000	SEATS

● Approx. Stadium Lighting Location (25-30m high)
 *Preliminary Input provided from Signify Ltd (formally Phillips Lighting) on optimal lighting tower height and location

CONCEPT PROPOSAL ROOF PLAN



UPPER GROUND

CIRCULATION / TERRACE	2 560	SQM
PERMANENT SEATING	3 390	SQM
TEMPORARY SEATING	-	-
FUNCTION SPACE	1 270	SQM
EXHIBITION SPACE	620	SQM
BALCONY/ DECK	325	SQM
FOOD/ BEVERAGE/ MERCH	520	SQM
WC AMENITY	550	SQM
LIFT/ STAIR CORE + BOH	355	SQM
MULTI SPORT CLUB FACILITY	245	SQM
BROADCAST/ COACH/ ADMIN	220	SQM

LOWER GROUND

CIRCULATION / TERRACE	30	SQM
EXHIBITION SPACE	1 360	SQM
PLAYERS FACILITIES	920	SQM
WC AMENITY	310	SQM
LIFT/ STAIR CORE + BOH	395	SQM
UNIVERSITY FACILITIES	320	SQM
MULTI SPORT CLUB FACILITY	170	SQM
STORAGE/ SERVICES	890	SQM

TOTAL EXCL. TEMPORARY SEATING 14 450 SQM
 *Areas and figures in this schedule are approximate

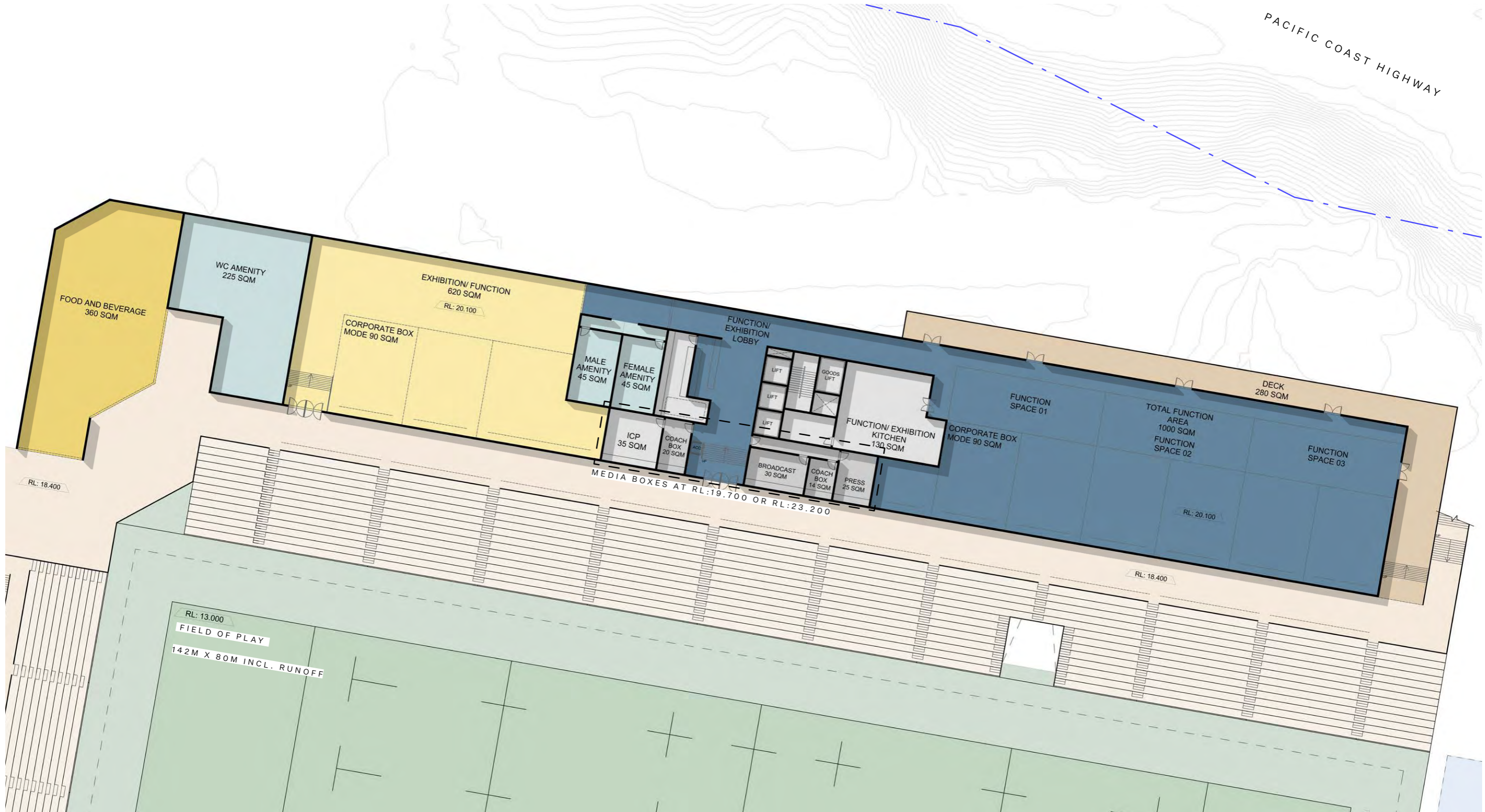
TOTAL FUNCTION AREA 1 550 SQM
 TOTAL EXHIBITION AREA 2 180 SQM
 TOTAL MULTI SPORT CLUB AREA 700 SQM
 UNIVERSITY OF WAIKATO 350 SQM
 *incl. all relevant services/ amenity

SEATING

PERMANENT	7 000	SEATS
PROVISION FOR TEMPORARY	8 000	SEATS
TOTAL INCL. TEMPORARY SEATING	15 000	SEATS

● Approx. Stadium Lighting Location (25-30m high)
 *Preliminary Input provided from Signify Ltd (formally Phillips Lighting) on optimal lighting tower height and location

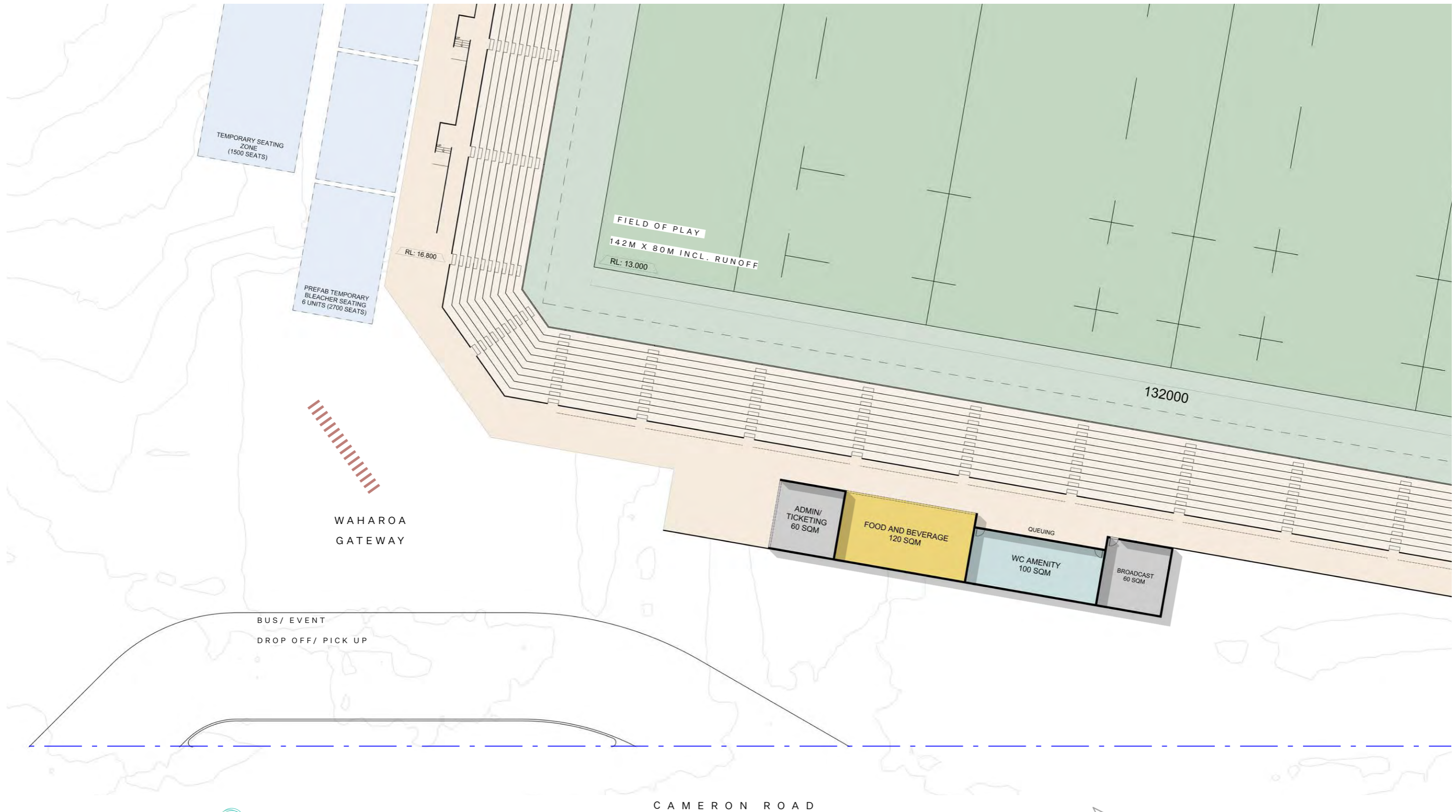
CONCEPT PROPOSAL UPPER GROUND WEST STAND (CONCOURSE LEVEL)



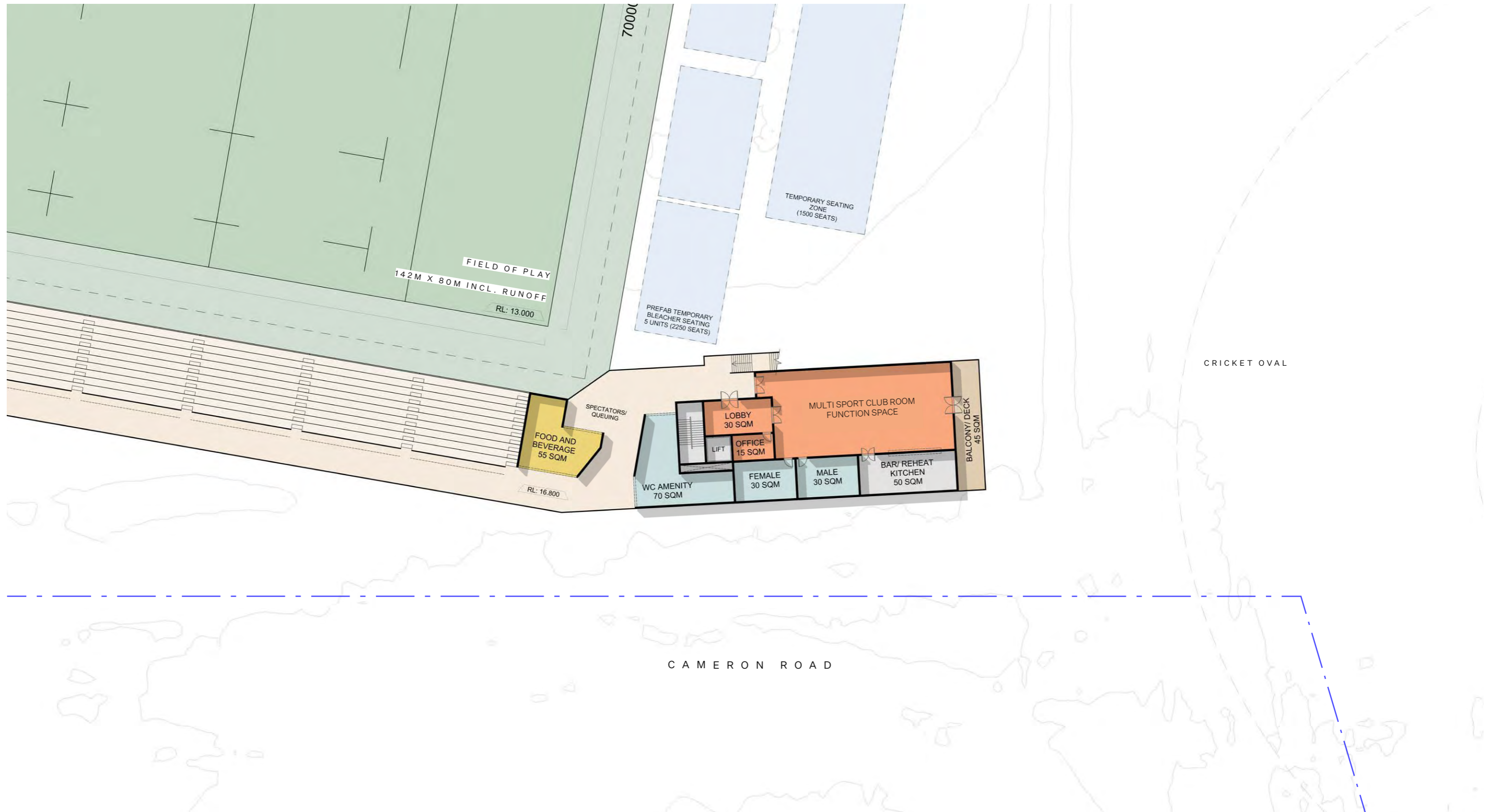
CONCEPT PROPOSAL LOWER GROUND WEST STAND (PITCH LEVEL)



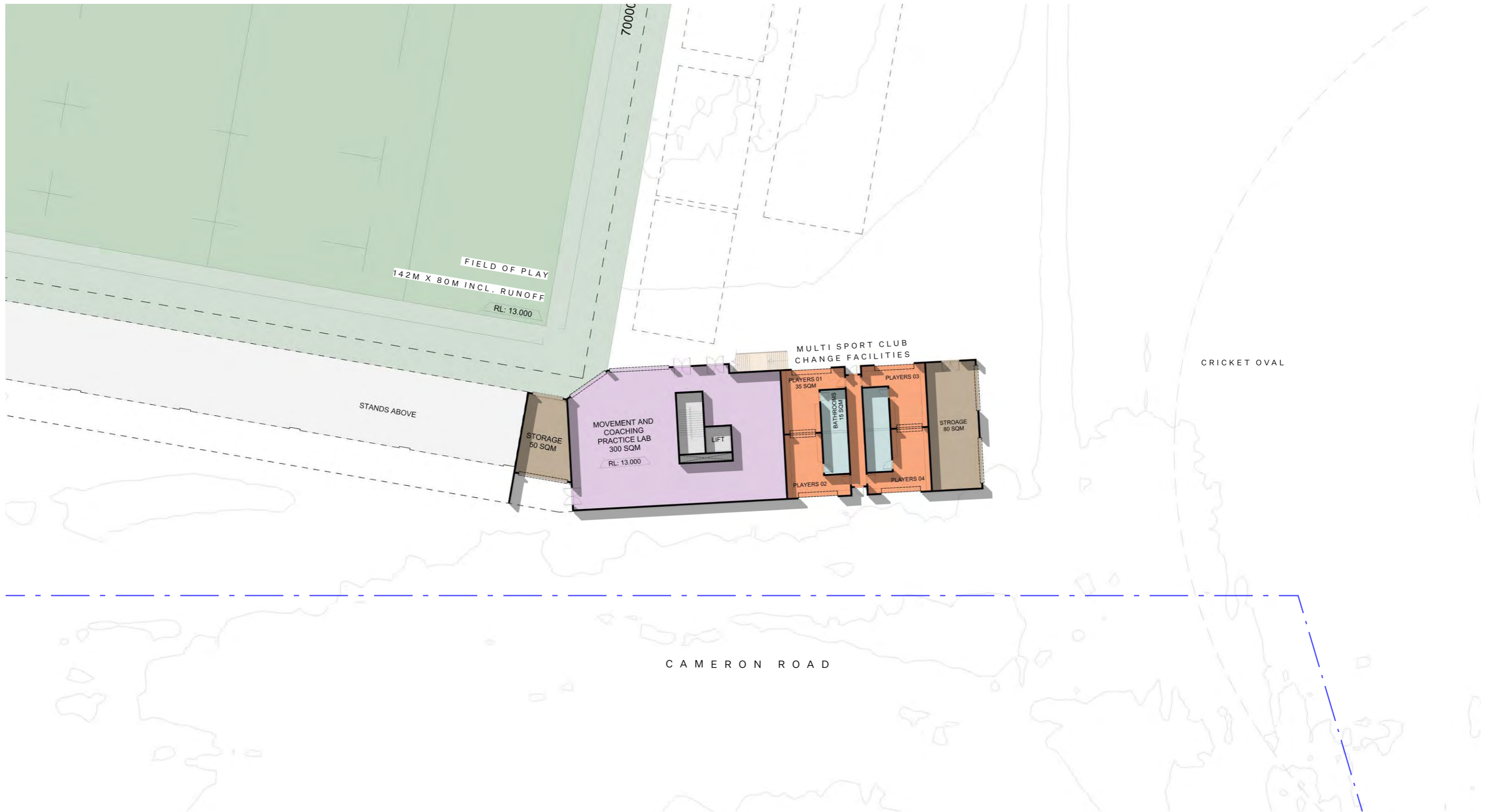
CONCEPT PROPOSAL UPPER GROUND EAST STAND (CONCOURSE LEVEL)



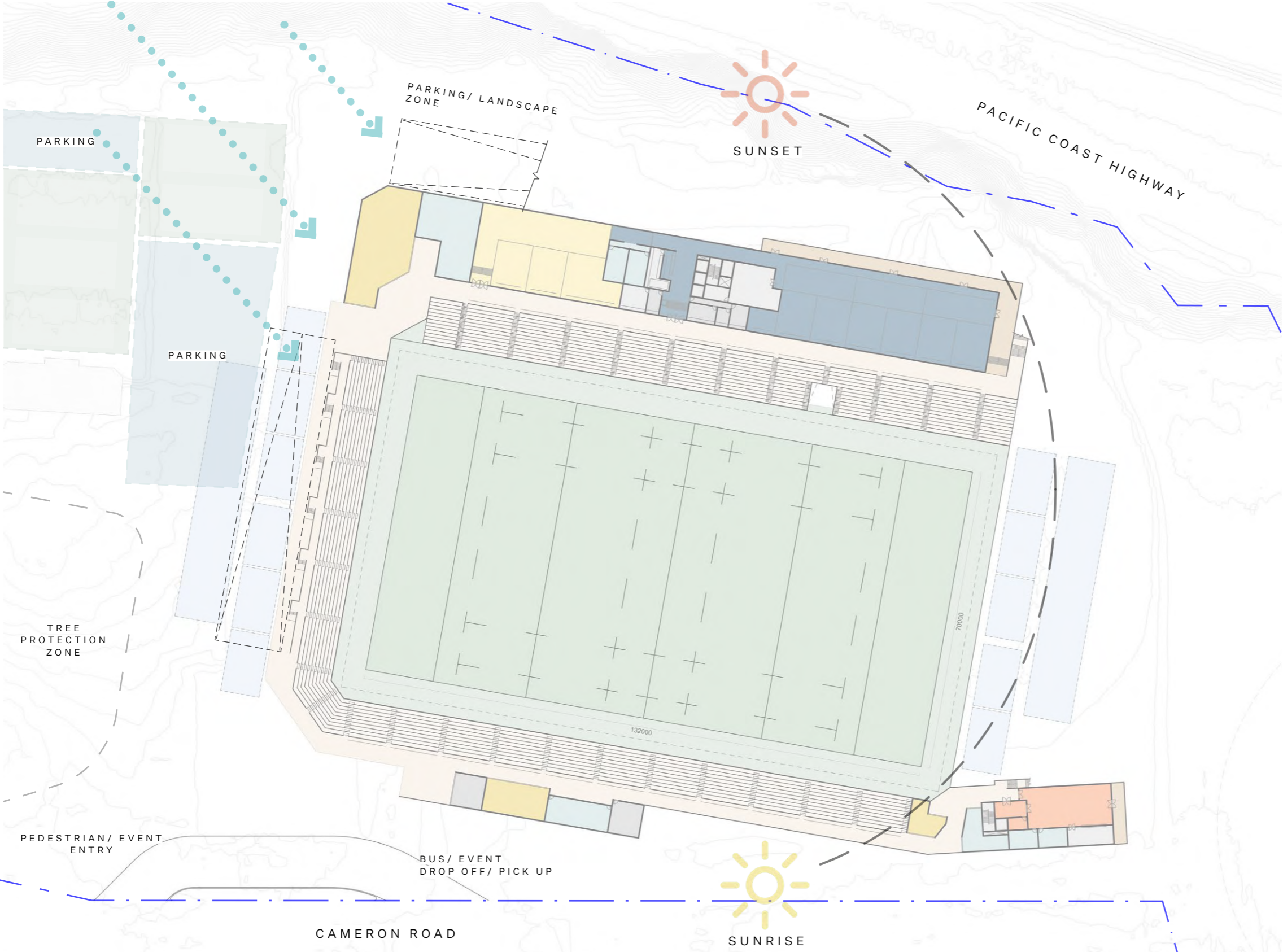
CONCEPT PROPOSAL UPPER GROUND NORTH EAST (CONCOURSE LEVEL)



CONCEPT PROPOSAL LOWER GROUND NORTH EAST (PITCH LEVEL)

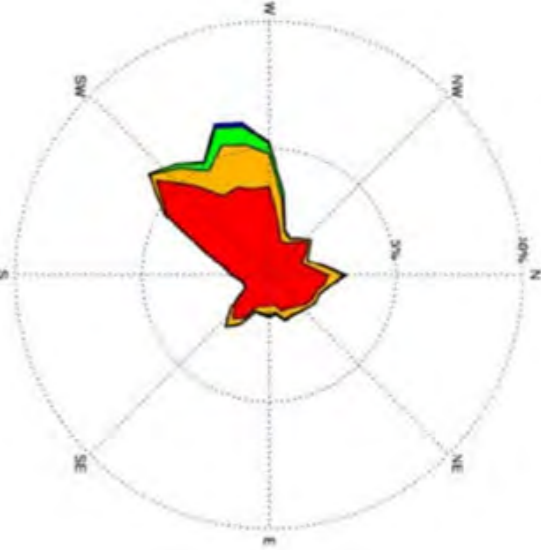


CONCEPT PROPOSAL ENVIRONMENT STUDY

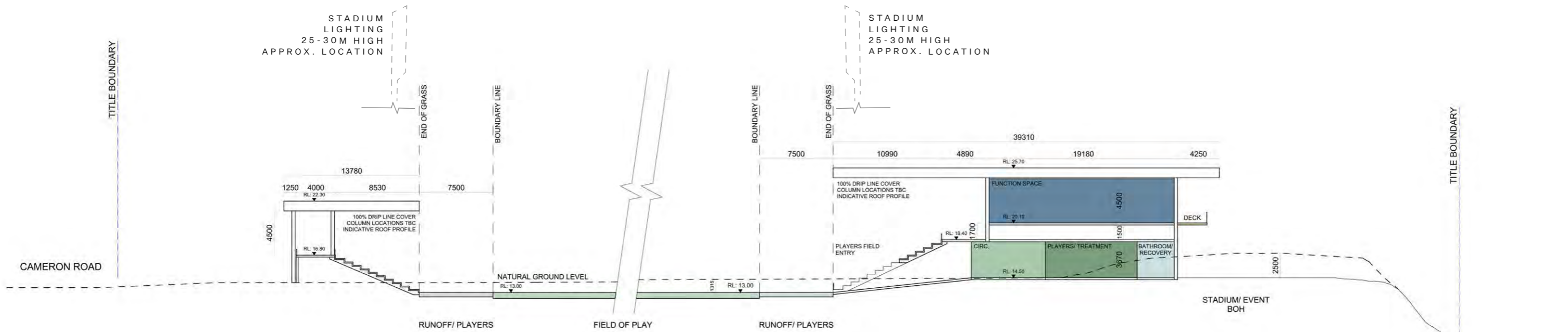
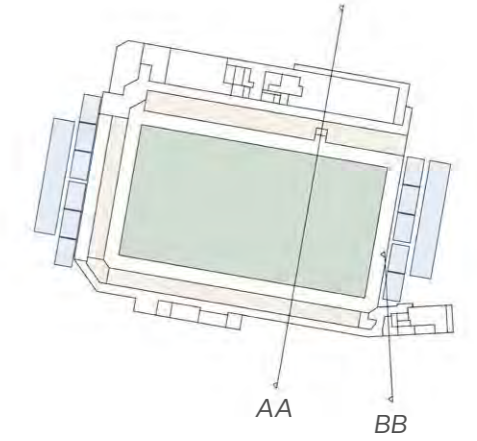


TAURANGA WIND ROSE

Prevailing South-West Wind

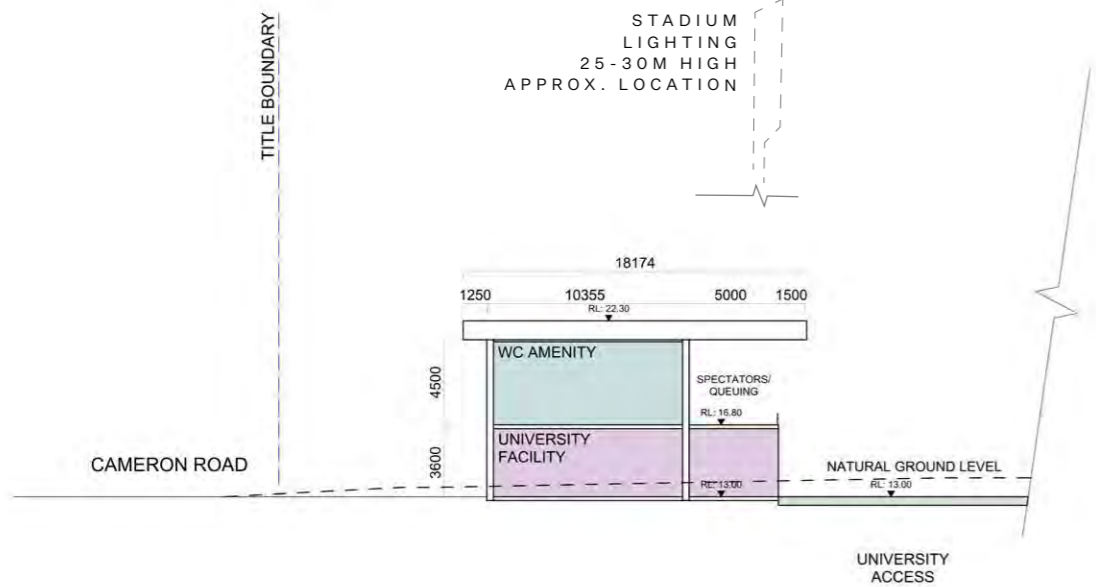


CONCEPT PROPOSAL STADIUM SECTIONS



EAST/WEST STAND SECTION

AA
1:400 @ A3



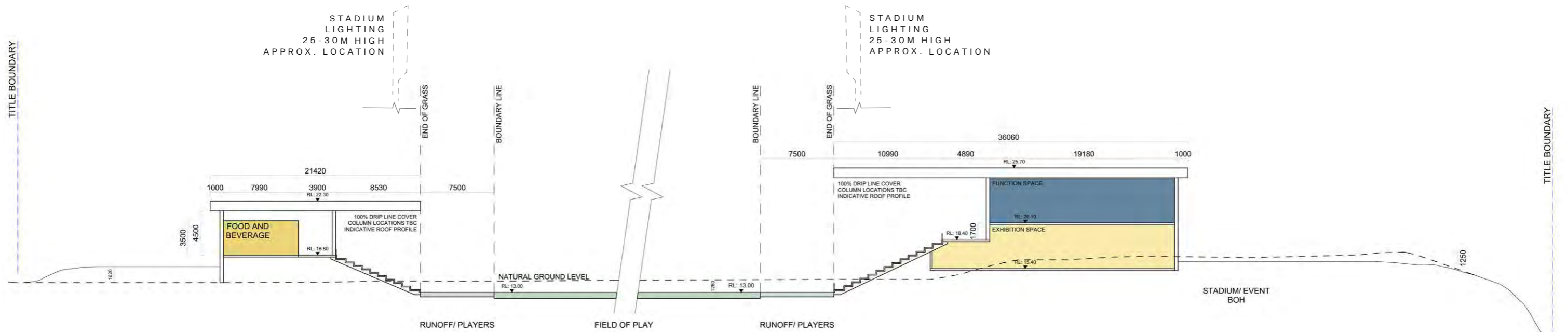
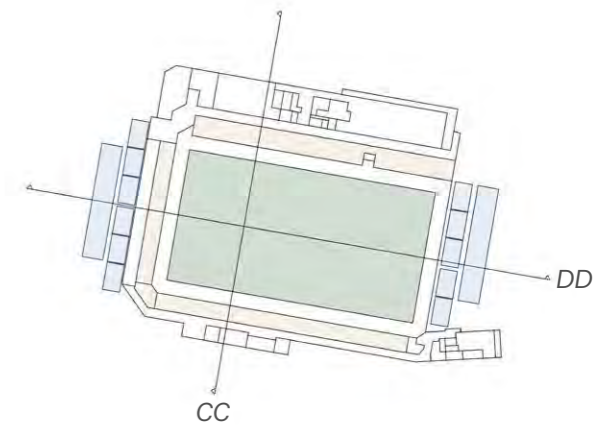
NORTH EAST STAND SECTION

BB

1:400 @ A3

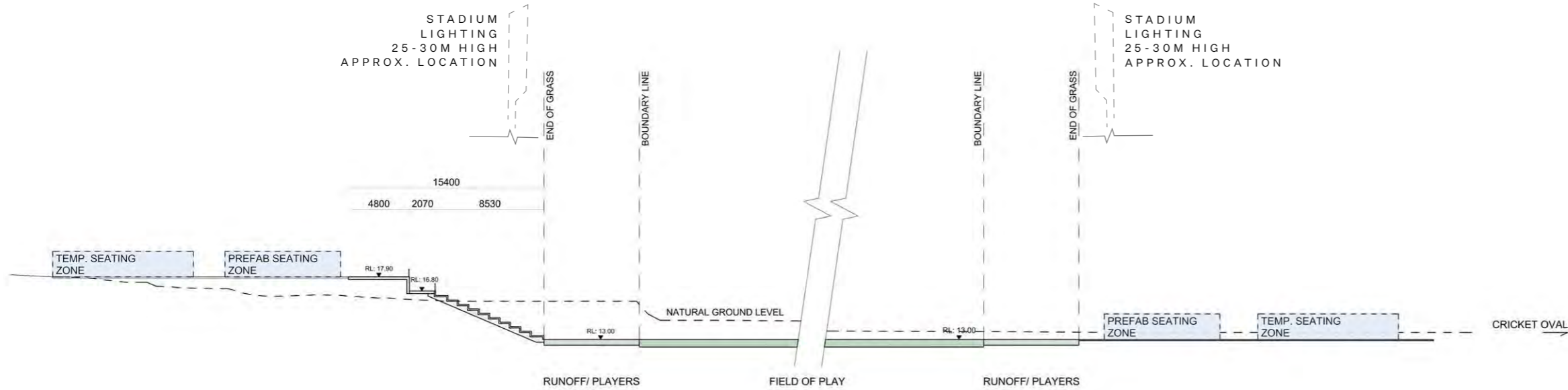
*All levels subject to survey data

CONCEPT PROPOSAL STADIUM SECTIONS



EAST/WEST STAND SECTION

CC
1:400 @ A3



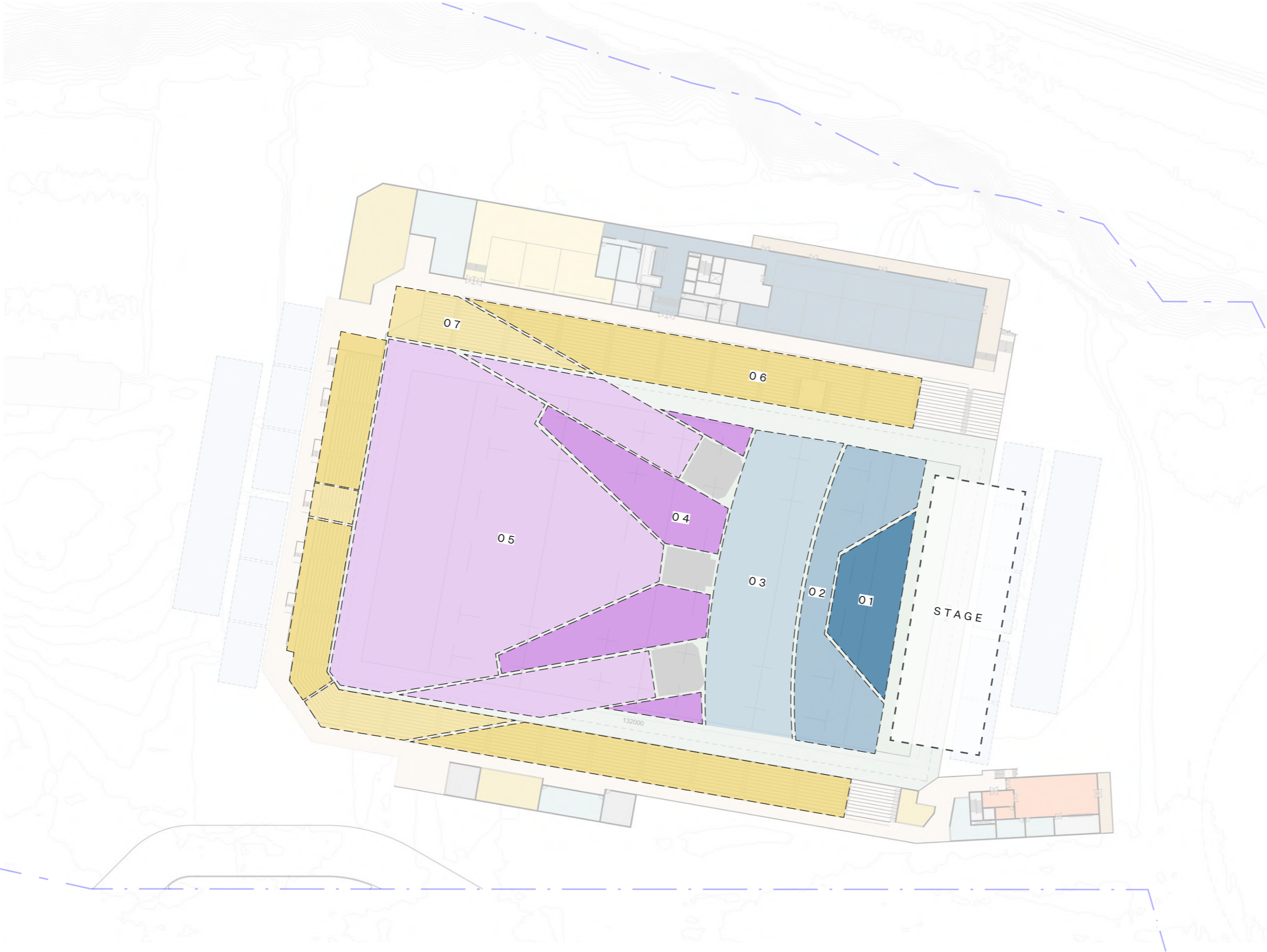
NORTH/SOUTH STAND SECTION

DD
1:400 @ A3

*All levels subject to survey data

STADIUM EVENT MODES

CONCEPT PROPOSAL CONCERT MODE NORTH STAGE



CAPACITY SUMMARY (INDICATIVE)

STANDING

490	SQM @ 0.25 SQM	1960	CAP.
1 050	SQM @ 0.35 SQM	3 000	CAP.
1 400	SQM @ 0.45 SQM	3 110	CAP.
1 250	SQM @ 0.55 SQM	2 270	CAP.
4 000	SQM @ 0.75 SQM	5 330	CAP.

SEATING

STADIUM SEATING			
2350	SQM	4 750	CAP.
STADIUM SEATING OBSCURE VIEWING			
750	SQM	1 500	CAP.

INDICATIVE CAPACITY APPROX. 21 920 CAP.

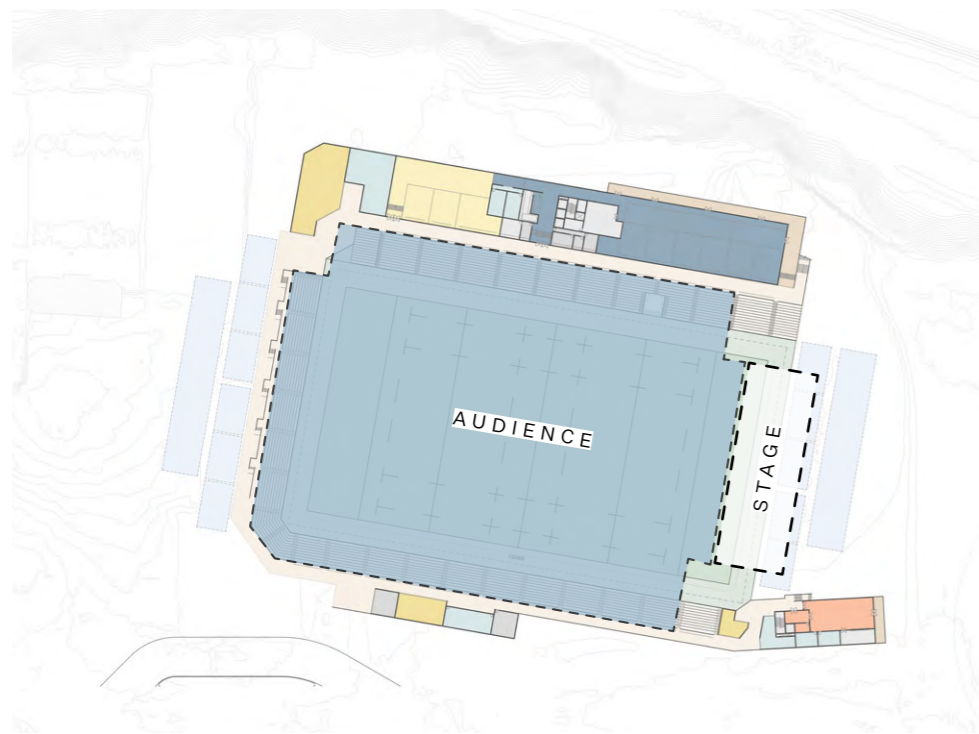
*The diagram shows one particular concert layout. Exact capacities will vary depending on stage location, speaker tower placement and venue hirer's production requirements

Concert capacity could potentially be up to 25,000 depending on field configuration and capacity required to be maintained for exiting patrons off field



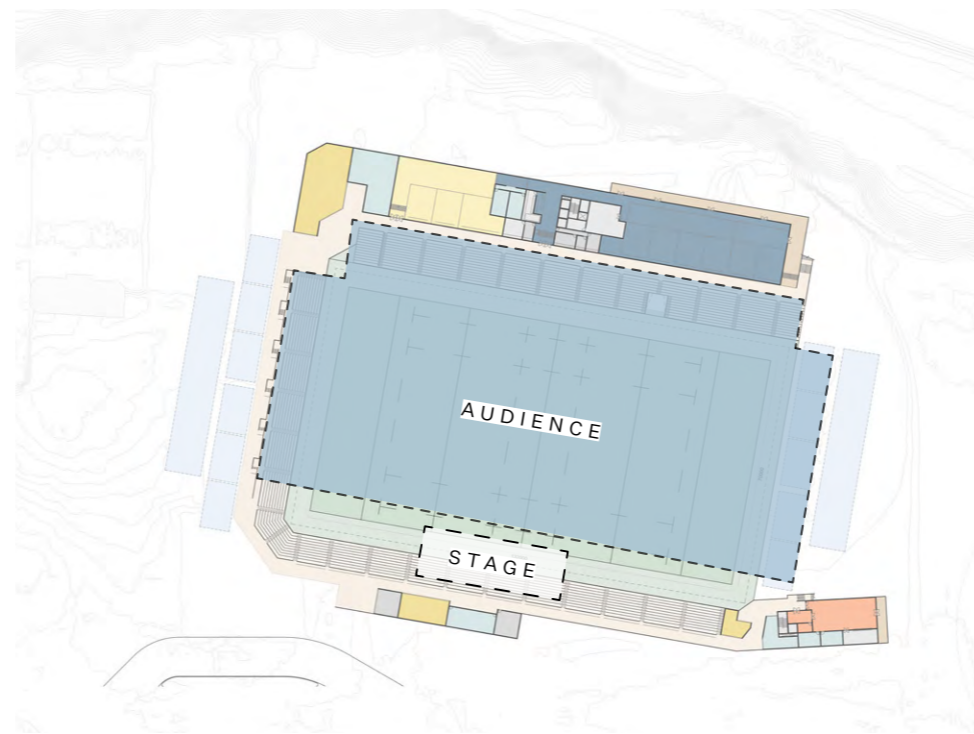
CONCEPT PROPOSAL ALTERNATE STAGE ORIENTATIONS

01.



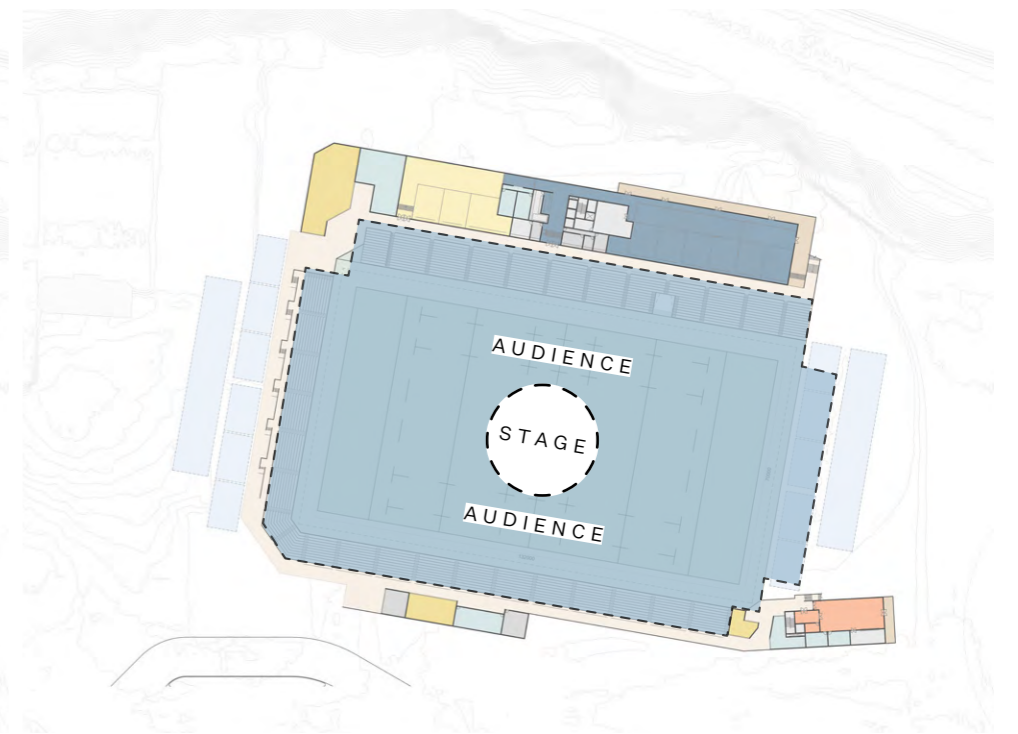
NORTH STAGE

02.



EAST STAGE

03.



CENTRAL STAGE

**Stage locations are indicative and will vary depending on stage location and venue hirer's productions requirements*



CONCEPT PROPOSAL STAGE ORIENTATIONS/ LOCATIONS (INDICATIVE) FESTIVAL MODE



STAGE SUMMARY

STADIUM (CENTRAL FIELD)

3 STAGE ORIENTATIONS

NORTH FIELD

5 STAGE ORIENTATIONS

SOUTH FIELD

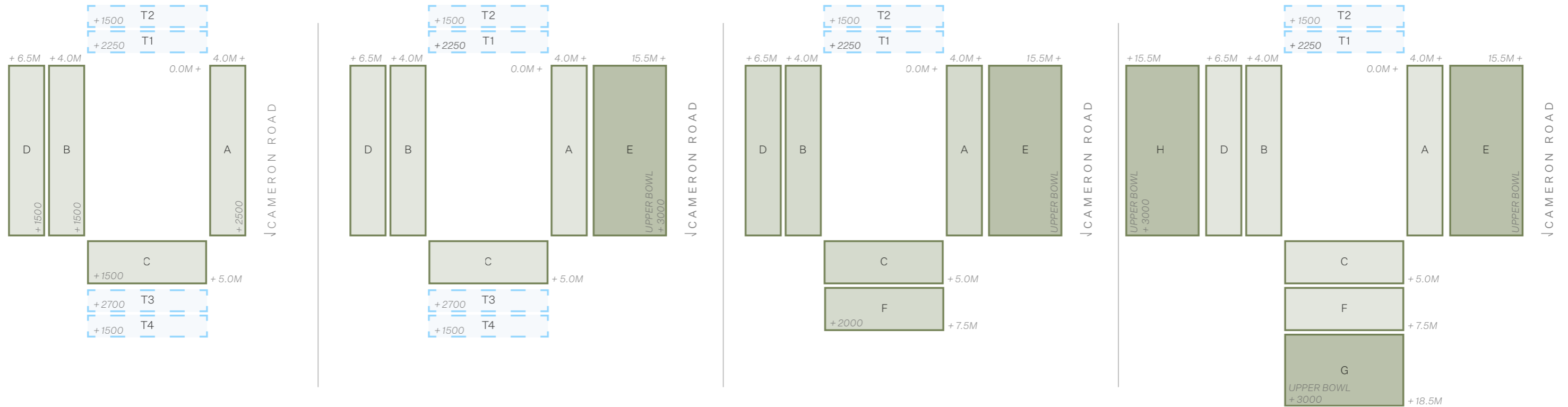
2 STAGE ORIENTATIONS

*Stage locations are indicative of where a variety of stages could be accommodated across the site. This diagram shows flexibility of the venue given the large field areas outside the stadium itself



STAGING AND EXPANSION STRATEGY

VIEWS TO MAUAO ↑



BASE SCHEME

A + B + C + D	7 000	PERMANENT
T1 + T2 + T3 + T4	8 000	TEMPORARY
TOTAL	15 000	SEATS

EXPANSION 01

A + B + C + D + E	10 000	PERMANENT
T1 + T2 + T3 + T4	8 000	TEMPORARY
TOTAL	18 000	SEATS

EXPANSION 02

A + B + C + D + E + F	12 000	PERMANENT
T1 + T2	3 800	TEMPORARY
TOTAL	15 800	SEATS

EXPANSION 03

A + B + C + D + E + F + G + H	18 000	PERMANENT
T1 + T2	3 800	TEMPORARY
TOTAL	21 800	SEATS

*All seating to be under over excl. temporary seating
 *Seating heights are approximate



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APPENDIX 2: PRELIMINARY COST ESTIMATE



MALTBYS

DEFINING COSTS · MANAGING RISK · DELIVERING RESULTS

TAURANGA MULTI-FUNCTION EVENT FACILITY FEASIBILITY & COST PLAN

16/02/2023



DEFINING COSTS, MANAGING RISK AND DELIVERING
RESULTS THAT ADD VALUE FOR OUR CLIENTS

**TAURANGA STADIUM
FEASIBILITY/COST PLAN**

Exhibition Option - 7,000 permanent seats (with further optional 8,000 temporary seats)

16-Feb-23

	Qty	Unit	Rate (\$ NZD)	Total (\$ NZD)	
Demolition					
Allow to demolish existing clubhouse	320	m2	200	64,000	
Allow to demolish existing structures incl bleachers	1,865	m2	200	373,000	
Demolish/site scrape existing track and field	15,740	m2	50	787,000	
Bulk Excavation & filling					
Excavation, removal and backfill to internal spaces (Exhibition space/lobby/loading/players facilities/university facilities etc)	2,800	m3	160	448,000	
Excavation, removal and backfill to achieve levels for pitch	14,560	m3	160	2,329,600	
Excavation, removal and backfill to achieve levels for seating/bleachers, Waikato uni, multi sport club room	5,300	m3	160	848,000	
Piling and Ground Beams					
1,800 x 1,000 deep ground beam	329	m	3,000	987,000	
8,000 wide x 1,200 deep raft slab to internal spaces	1,217	m2	1,720	2,093,240	
Piling establishment	1	Item	50,000	50,000	
600 dia piles 30m deep at 1800crs	5,480	m	890	4,877,200	
1,200 dia piles 30m deep to raft slab (2no. @ 6m crs)	1,522	m	1,550	2,359,100	
Piling to South and East seating stands	1,242	m2	600	745,200	Assumed piling likely - subject to further Geotech
Internal Buildings/Structures					
<u>Lower Level</u>					
Players facilities including sports field access	920	m2	6,400	5,888,000	
Storage/Services	890	m2	4,000	3,560,000	
WC Amenity	310	m2	8,500	2,635,000	
Multi sport club room	170	m2	5,300	901,000	
Core/Loading	395	m2	4,200	1,659,000	
Exhibition space	1,360	m2	5,300	7,208,000	
University Facilities/high performance building	320	m2	7,000	2,240,000	
Circulation/Terrace	30	m2	3,500	105,000	
<u>Upper Level</u>					
Function Space	1,270	m2	5,300	6,731,000	
Balcony/deck to function space	325	m2	3,500	1,137,500	
Food and beverage	520	m2	6,400	3,328,000	
Multi sport club room	245	m2	5,300	1,298,500	
Circulation/Terrace	2,560	m2	3,500	8,960,000	
Exhibition space	620	m2	5,000	3,100,000	
Toilet amenity	550	m2	8,500	4,675,000	
Media/Coach/Admin Facilities	220	m2	6,400	1,408,000	
Security/Admin	-	m2	6,400	-	
Core Services	355	m2	9,000	3,195,000	
University Facilities/high performance building	-	m2	7,000	-	
FF+E and ICT to above areas	1	item	1,850,000	1,850,000	
Seating					
Bleachers including foundations, framing and platform	3,390	m2	2,000	6,780,000	
Seating, handrails and hard fittings	7,000	seats	500	3,500,000	
Slab, foundations, framing and platform to Temporary Seating	2,470	m2	2,000	4,940,000	
Retaining wall to last	255	m2	1,000	255,000	
Temporary bleacher unit seating and scaffold seating, North and South		No.		EXCLUDED	See optional costs below
Roof					
Steel/CLT/Glulam frame to span 36m total, 15m cantilever over Western seating	6,175	m2	1,300	8,027,500	Steel roof members in excess of 2.0m deep
PVC or sim. roof over CLT frame (above)	6,175	m2	850	5,248,750	
Steel/CLT/Glulam frame to span 21.5m total, 8.5m cantilever over Eastern seating	3,700	m2	750	2,775,000	
PVC or sim. roof over CLT frame (above)	3,700	m2	800	2,960,000	
Infrastructure and Siteworks					
Main entry, including signage, street furniture, bollards, lighting and gates	1	No.	500,000	500,000	
Alternative entries, including signage, street furniture, bollards, lighting and gates	8	No.	50,000	400,000	
Soft landscaping generally including low level shrubs and grassed areas	6,500	m2	350	2,275,000	
Pedestrian concourse and non-event day parking including access driveways	4,200	m2	500	2,100,000	
Sports field, including drainage, subgrade, field marking, irrigation etc. Allowance is for Desso or sim. Hybrid turf product	1	Item	2,000,000	2,000,000	Main pitch
Relocated tennis courts (2 No)	1	Item	750,000	750,000	
Car parking	2,400	m2	300	720,000	
Reinforced grass service access	1	Item	500,000	500,000	
Allowance for Cameron Road interface including bus drop off/pick up	1	Item	1,000,000	1,000,000	
Concrete stairs/access to stands	6	No.	100,000	600,000	
Access ramps and retaining	1	Item	500,000	500,000	Retaining wall approx. 100m long, say 3m high
Allowance for secondary field	1	Item	500,000	500,000	Southern field, drained sand
Floodlighting	1	Item	3,600,000	3,600,000	
Security/CCTV to entire stadium	1	Item	750,000	750,000	
Media screens/score boards and the like	1	Item	2,000,000	2,000,000	
Infrastructure services and drainage (all mains services incl transformer & all mains stormwater and sanitary sewer drainage connections)	1	Item	3,200,000	3,200,000	No existing information available
Subtotal			Sub-total	131,721,590	

**TAURANGA STADIUM
FEASIBILITY/COST PLAN**

Exhibition Option - 7,000 permanent seats (with further optional 8,000 temporary seats)

16-Feb-23

	Qty	Unit	Rate (\$ NZD)	Total (\$ NZD)	
PROFESSIONAL FEES		Item	16%	21,075,454	
RESOURCE & BUILDING CONSENT FEES & CHARGES		Item	0.50%	764,000	
COUNCIL DEVELOPMENT CONTRIBUTIONS/UTILITY CHARGES		Item	1%	1,536,000	
CONTRACT WORKS INSURANCE		Item	0.25%	388,000	
CONSTRUCTION COST ESCALATION		Item		-	Excluded - (to be included in the financial model by Deloitte's)
DESIGN AND PROJECT CONTINGENCY		Item	20%	31,097,000	
TOTAL CONSTRUCTION COST (Excl any land, finance, interest costs & GST)				186,582,000	Say \$187m

OPTIONAL TEMPORARY SEATING (EXCLUDED FROM THE ABOVE COSTS)

4,950 temporary bleacher seats (11 modules) to North & South ends	1 No.	4,095,000	4,095,000	Starena quote
Additional cost for option of tilt up seats and canopies to each of the 11 modules	1 No.	1,464,265	1,464,265	
3,000 temporary scaffolding seats to North & South stands			EXCLUDED	

Rough Order of Costs by area (for possible deletion of scope)

Function area and Exhibition Space (3250m2 over two levels)	1 No.	25,000,000	25,000,000	
University Facilities (305m2)	1 No.	3,000,000	3,000,000	
Eastern roof - over seating only	1 No.	3,000,000	3,000,000	

Basis of estimate:

Warren and Mahoney architects Tauranga Multi-function Event Facility Business Case package WIP drawings dated 16 February 2023

Stantec structural engineering email dated 28/03/2022 and PDF entitled "Tauranga Stadium_proposed concept west stand sect Stantec comments 28032022".

Temporary seating costings provided by Warren & Mahoney architects dated 08 December 2022 (4,950 temporary seats split between North and East stands).

Assumptions:

Masterplan subject to further Geotech and detailed site analysis
Event Infrastructure and utilities to be developed in key locations
Fencing plan is required around entire precinct
Approximate stadium lighting location 25-30m high

Exclusions and Clarifications:

Event stages (item 4 Precinct Plan)
Works to existing tennis courts
Works to existing cricket ground and cricket nets
Refurbishment of existing building in south-eastern corner (item 3 Precinct Plan)
Tree protection zone
Fencing to boundaries
Cricket nets
Cultural Interpretive Trail
Community walking/running track
Any works to Cameron Road & Chapel St other than new Bus Bay & pedestrian entries
Mounds to cricket oval area
New playground
Any upgrade of existing mains services and drainage infrastructure serving the site
Any upgrade of existing roading infrastructure serving the site
FF&E and ICT to Waikato University spaces
F&B fitout by operators
Temporary seats (bleacher units) and temporary scaffolding seats

TAURANGA STADIUM

LIFE CYCLE COSTS

Exhibition Option - 7,000 permanent seats (with further optional 8,000 tem

Construction Element	Expected Lifespan	Yrs for	INITIAL CAPITAL Quantit y (m2)	Rate	Total (Yr 0)	5 YR MAINT. \$	YEARS													TOTAL LIFE COST OVER 60 YEARS	MAINTENANCE OVER 15 YEARS
							5	10	15	20	25	30	35	40	45	50	55	60			
External façade incl roof																					
External façade incl roof	15-25 years	20	0.2	\$ 28,570,000	\$ 5,714,000	\$ 571,400	142,414	177,473	221,164	13,780,534	343,461	428,015	533,385	33,234,707	828,330	1,032,250	1,286,371	80,152,609	\$ 137,875,000	\$ 541,000	
Internal basebuild and misc FF+E	15-20 years	20	1	\$ 11,428,000	\$ 11,428,000	\$ 285,700	356,034	443,683	552,910	27,561,068	858,653	1,070,037	1,333,461	66,469,414	2,070,825	2,580,624	3,215,927	160,305,218	\$ 278,246,000	\$ 1,353,000	
Services	10-15 years	15	1	\$ 17,141,000	\$ 17,141,000	\$ 342,820	427,216	532,389	33,172,676	826,784	1,030,323	64,198,498	1,600,060	1,993,966	124,242,226	3,096,568	3,858,888	240,443,799	\$ 492,564,000	\$ 34,132,000	
Seating																					
Bleachers including foundations, framing and platform	50+ years	50	1	\$ 6,780,000	\$ 6,780,000	\$ 67,800	84,491	105,291	131,212	163,514	203,768	253,933	316,446	394,350	491,431	61,241,274	763,178	951,058	\$ 71,880,000	\$ 321,000	
Seating, handrails and hard fittings	10-15 years	15	1	\$ 3,500,000	\$ 3,500,000	\$ 35,000	43,616	54,354	6,773,489	84,410	105,190	13,108,613	163,357	203,573	25,368,870	316,142	393,971	49,095,928	\$ 99,212,000	\$ 6,871,000	
East stand for temporary seating (excl) including retaining, foundations, framing and platform	50+ years	50	1	\$ 5,195,000	\$ 5,195,000	\$ 51,950	64,739	80,677	100,538	125,289	156,132	194,569	242,469	302,160	376,547	46,924,545	584,765	728,724	\$ 55,076,000	\$ 246,000	
Roof to stands																					
Steel/CLT/Glulam frame to span 36m total, 15m cantilever over Western	15-25 years	20	1	\$ 8,027,500	\$ 8,027,500	\$ 80,275	100,037	124,665	155,355	19,360,034	241,261	300,655	374,671	46,690,866	581,853	725,095	903,600	112,605,017	\$ 190,191,000	\$ 380,000	
PVC or sim. roof over CLT frame	15-25 years	20	1	\$ 5,248,750	\$ 5,248,750	\$ 78,731	98,113	122,267	152,367	12,658,484	236,622	294,874	367,466	30,528,643	570,664	711,151	886,223	73,626,357	\$ 125,502,000	\$ 373,000	
Steel/CLT/Glulam frame to span 21.5m total, 8.5m cantilever over	15-25 years	20	1	\$ 2,775,000	\$ 2,775,000	\$ 27,750	34,582	43,095	53,704	6,692,506	83,401	103,933	129,519	16,140,412	201,139	250,656	312,363	38,926,057	\$ 65,746,000	\$ 131,000	
PVC or sim. roof over CLT frame	15-25 years	20	1	\$ 2,960,000	\$ 2,960,000	\$ 44,400	55,330	68,952	85,927	7,138,674	133,441	166,292	207,230	17,216,439	321,822	401,049	499,780	41,521,127	\$ 70,776,000	\$ 210,000	
Infrastructure and Siteworks																					
Sports Field (Main & 2nd field)	10-15 years	15	1	\$ 2,500,000	\$ 2,500,000	\$ 37,500	46,732	58,236	4,838,206	90,439	112,704	9,363,295	175,026	218,114	18,120,621	338,724	422,112	35,068,520	\$ 71,353,000	\$ 4,943,000	
Floodlighting	10-15 years	15	1	\$ 3,600,000	\$ 3,600,000	\$ 54,000	67,294	83,860	6,967,017	130,233	162,293	13,483,145	252,037	314,084	26,093,694	487,762	607,841	50,498,669	\$ 102,748,000	\$ 7,118,000	
Security/CCTV to entire stadium	10-15 years	15	1	\$ 750,000	\$ 750,000	\$ 11,250	14,020	17,471	1,451,462	27,132	33,811	2,808,989	52,508	65,434	5,436,186	101,617	126,633	10,520,556	\$ 21,406,000	\$ 1,483,000	
Media screens/score boards and the li	5-10 years	10	1	\$ 2,000,000	\$ 2,000,000	\$ 30,000	37,385	3,105,939	58,058	4,823,428	90,163	7,490,636	140,020	11,632,729	217,447	18,065,273	337,689	28,054,816	\$ 76,054,000	\$ 3,201,000	
Subtotal				\$ 100,475,250	\$ 77,619,250	\$ 1,718,576	\$ 1,572,004	\$ 5,018,353	\$ 54,714,085	\$ 93,462,528	\$ 3,791,224	\$ 113,265,485	\$ 5,887,655	\$ 225,404,890	\$ 204,921,655	\$ 136,272,730	\$ 14,199,340	\$ 922,498,455	\$ 1,858,629,000	\$ 61,303,000	

NOTES:

- a) * Denotes ongoing maintenance required for 'expected lifespan'
- b) Excludes demolition and salvage value of materials, bulk excavation and filling, piling and substructures, landscaping, parking, paving and drainage etc
- c) Inflation included per annum at 4.5% (Estimated, excludes current hyper inflation due to COVID market effects)
- d) Maintenance figures exclude access costs for operation cost comparison
- e) Products above are external and will have other subframing and structural supports that are not included in the above
- f) Excludes temporary seating and loose items

Cost outlay at year 0	\$ 186,582,000
Cost per year from year 1	\$ 27,867,450
percentage of construction cost per year	15%
	2%

APPENDIX 3: COST BENEFIT ANALYSIS



TAURANGA MULTI-FUNCTION STADIUM

ECONOMIC ASSESSMENT: SUMMARY OF KEY POINTS

This economic assessment forms part of the wider assessment and business case associated with the Tauranga multi-function sport stadium. This short paper summarises the results of the economic assessment relating to the preferred option. The general structure aligns with that used in the preliminary assessment, but it has been expanded, refined, and adjusted to capture new information as well as the additional elements added different options through the business case process. The preferred option aligns with the earlier options considered as part of the economic assessment, but with some added elements and refinements. This economic assessment also includes the updated financial information.

Importantly, this short paper summarises the key results and is not a detailed description of the process or assumptions. This assessment integrates the high-level understanding about the potential funding approach, and includes a mix of sponsorships, debt/loan and grant funding.

Two different economic assessment tools underpin the analysis:

- A cost benefit analysis (CBA) – A CBA sheds light on the relationship between the costs and benefits, and the results are reported as a ratio. If the resulting ration is greater than one (>1), then the benefits outweigh costs, and
- An economic impact assessment (EIA) – An EIA explores the change in economic activity that would be facilitated by a new development. It includes the flow-on (supply chain) effects throughout the economy. GDP and employment impacts are reported. Importantly, GDP and economic impacts should not be seen a ‘benefits’.

The objective is to provide a high-level assessment of the economic effects associated with establishing a multi-function stadium in Tauranga (a facility). The modelling and assessment structures applied for this assessment are consistent other/similar assessments and processes, like securing funding from the Provincial Growth Fund, applications under the COVID-19 Recovery (Fast-track Consenting) Act as well as RMA processes (including Environment Court work). These were prepared using approaches as outlined by the New Zealand Treasury,¹ international literature on CBA best practice, and the Better Business Case approach. In addition, the assessment includes the GDP and employment effects as used in several economic assessments, including work in the Bay of Plenty.

The assessment is based on inputs as prepared by third parties, specifically the work of Deloitte, Maltbys and Visitor Solutions. This work is taken as accurate, complete, and we have not reviewed it. In addition, a range of informed assumptions underpin the modelling, and like any modelling several limitations and caveats apply². A conservative position is maintained throughout to limit optimism bias.

¹ Treasury New Zealand (2017) Guide to Social Cost Benefit Analysis.

² Detail can be provided upon request.



As mentioned, the earlier options were assessed using the same general structure. The results from the earlier rounds are included to enable comparison. The two options are, ‘stadium with fitness’ and ‘stadium with light exhibition’. The preferred option builds on the second option. The core changes relate to:

- increase in capital costs to develop the facility,
- adding a component to enable tertiary education to make specific use of the facility, and
- refining the underlying visitor/usage levels.

Only the net change is included in the analysis.

Cost and benefits

The costs benefit analysis includes the costs, and benefits that the facility would support and facilitate, including:

CORE ITEMS INCLUDED IN THE ASSESSMENT	
Cost	Benefits
Capital costs	Benefits to participants (consumer surplus)
Ongoing maintenance costs (life cycle costs)	The terminal value of the facility
The costs associated with operating the facility	Benefits to community users (based on time values and facility use)
The costs associated with delivering the services (e.g., food and beverages)	Return on business spending (e.g., for exhibitors, naming rights)
Participants opportunity costs	Additional spending and activity attracted to the facility
Opportunity cost of labour	Labour benefits (associated with new employment)
The value of the resources used to service ‘new visitors’ and the associated activity (estimated using producers’ surplus)	Additional monetary flows from international students

The analysis reflects the overall period, out to 2075. The future costs and benefits are expressed in today’s terms, using discounting. A default rate of 5% was used to discount future cashflows into present values. This rate is consistent with the default rates suggested by the NZ Treasury and Waka Kotahi NZ Transport Authority³. The following table summarises the core metrics for the different options

Table 1: Summary – Costs and Benefits (@5%)

	Benefits \$m	Costs \$m	Net position \$m	CBR	Annual (50 y) \$m
Stadium and Fitness	479.7	679.4	-199.7	0.7	-4.0
Stadium and Light Exhibition	837.4	1,031.1	-193.7	0.8	-3.9
Preferred option	1,099.1	1,163.3	-64.3	0.94	-1.3

Like the earlier versions, the preferred option returns a CBR less than one, suggesting that the costs outweigh the benefits. Importantly the core driver of the net position is the capital costs, and the ongoing life cycle costs. At the same time the relatively low value (benefit) associated with community use is also a drag, that coupled with the long timeline suggests that the project is high risk. The relatively low benefit of the community activities stems from the displacement and substitution effects relating to existing facilities (that is, some of the potential benefits are already experienced and will not be new). Appendix 1 provides additional

³ Acknowledging that Waka Kotahi’s projects are transport related.



information about the options under different discount rates. Even if lower discount rates are used, the different options' CB-ratio remain less than one. This suggests that the degree of benefit delivered by the different activities is too small to 'pay' for the capital costs. A sensitivity analysis revealed that if the project could be funded using private funding, then the CBR would be marginally below 1 (0.97), with the annual net position estimated at -\$0.8m, a deficit of \$12.06 per dwelling⁴/per annum (over 50 years).

Economic impacts assessment

The second tool used in the assessment is the EIA, and it is based on a Multi-regional Input-Output table, and the Dollar-values are expressed in 2021-terms. The different components of the facility were considered independently, and include:

- The construction effects,
- The life cycle costs,
- The ongoing and operational effects. This includes visitor spending that is attracted to Tauranga due to the facility.

The model reflects the supply chain effects⁵ and the impacts are reported using Value Added⁶ and Modified Employee Counts⁷. The impacts are due to a lift in economic activity in response to new demands generated by the facility. The total impacts include the direct, indirect as well as the impacts. Table 2 summarises the VA impacts using a 5% discount rate. Again, the earlier and preferred options are presented.

The present value of the total VA⁸ that would be delivered by the different options are estimated at:

- Stadium and Fitness \$289m,
- Stadium and Light Exhibition \$369m,
- Preferred Option \$778m.

The earlier options have broadly similar impact profiles, with the spatial impacts showing similar distributions across Tauranga, the rest of the Bay of Plenty and the Rest of NZ. Large shares of the VA impact generated during construction is expected to flow out of the region to the rest of NZ, but mostly Auckland, and is a function of supply chains. However, the ongoing activity will see large shares of the VA remain locally, with between \$76m and \$105m in additional VA locally once fully operational. For the preferred option, this value is considerable - \$264m.

From an employment perspective, the number of jobs supported during the different stages cannot be expressed in 'present value' terms. Using annual employment levels at the peaks, shows that establishing the facility will support local employment. The construction and life-cycle jobs are temporary, aligned with the investment cycles. During the construction period, the locally supported employment will be around 380 jobs during the peak periods (during peak construction).

⁴ Current dwellings.

⁵ Sometimes referred to as multiplier effects; we do not use multiplier to estimate the impacts as this can mis-represent the impacts. Instead the economic shock is translated into final demand, and the economic shifts required to meet the new level of demand are estimated.

⁶ Value Added is like GDP but taxes are treated differently.

⁷ A Modified Employee Count is a head count of all workers (including part time workers) and allowance is made for working proprietors.

⁸ These estimates do not show the potential effects of funding. The VA could be \$15m (upper limit) lower and the scale is a dependent on how the shortfall(s) are financed.



Table 2: VA Impacts (NPV @5%, \$'m)

Stadium and fitness	Phase		
	Construction	Life Cycle	Ongoing
Tauranga City	34	3	69
Rest of Bay of Plenty	13	1	15
Rest of NZ	98	8	48
Total	145	12	133
GRAND TOTAL		289	

Stadium and light exhibition	Phase		
	Construction	Life Cycle	Ongoing
Tauranga City	36	3	105
Rest of Bay of Plenty	13	1	22
Rest of NZ	106	8	74
Total	155	13	201
GRAND TOTAL		369	

Preferred Option	Phase		
	Construction	Life Cycle	Ongoing
Tauranga City	62	15	264
Rest of Bay of Plenty	23	5	53
Rest of NZ	159	35	162
Total	244	55	479
GRAND TOTAL		778	

For the preferred option, the peak levels are lower, but spread over two years. Over the two year peak, a total of 334 and 429 MECs will be supported in the local (Tauranga) economy. Once operational, the employment will be continuous and ongoing (not short term like construction). At the max (at full capacity) the options will support the following number of local employment:

- Stadium and Fitness 190 MECs locally in Tauranga,
- Stadium and Light Exhibition 290 MEC locally in Tauranga, and
- Preferred option 380 MECs locally in Tauranga.

The difference in scale is due to the change in scope for the preferred option (additional services around the university with students, a variation in the events and activities hosted).



Concluding remarks

The economic assessment illustrates the tension that normally exists when reviewing large, community facing facilities such as stadia. Investing in stadiums are often motivated based on the potential economic impacts that they support (VA and jobs) but the value for money (cost and benefit) proposition is difficult to see in a positive light – these are well documented observations and not unique to the Tauranga project. Regardless, cities and regions are still investing in new facilities and upgrading existing facilities. Often the motivation is related to enhancing existing facilities and amenities, and improving user experiences. Adding capacity and enabling a wider range of uses and participation is another reason for investing in facility upgrades. At the same time, upgrading facilities are also seen to expand local access to higher quality sport and entertainment events. Experience suggests that the ability to host more, and higher level sport and entertainment events assists cities to attract new visitors and visitor spending. In turn these visitors help to generate positive economic effects.

The CBA returns a below-one position for the two options, and an improved ratio for the preferred option. However the ratio remains below one suggesting that the costs outweigh the benefits.

It is important to note that the assessment does not integrate other potential benefits, like:

- Identity of place and pride in the city arising from the stadium and quality infrastructure,
- Potential neighbourhood effects and associated property value change⁹ arising from the investment,
- The potential to support regeneration efforts around the CBD, and enabling additional commercial and residential developments, and the potential to affect property values of neighbouring properties.
- The value of health outcomes. The community facility element would encourage wellbeing and lift healthy lifestyle choices, improve engagement in sports and physical activity.
- Improved local talent. The facility would support existing sport codes to improve the quality of their leagues, lifting quality and capabilities.

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⁹ Some studies show property values can increase around stadium developments. Matheson. V. Point/Counterpoint. Is there a case for subsidizing sports stadiums. December 2018.



Appendix 1: Summary of CBA results for multiple discount rates

		Benefits \$'m	Costs \$'m	Net position \$'m	CBR	Annual (50 y) \$'m
Stadium and fitness	0%	1,606	1,890	-284	0.85	-5.7
	3%	730	958	-228	0.76	-4.6
	5%	479.7	679.4	-200	0.7	-4.0
	7%	337	515	-178	0.65	-3.6
	9%	250	412	-162	0.61	-3.2
Stadium and light exhibition	0%	2,771	3,008	-236	0.92	-4.7
	3%	1,271	1,485	-213	0.86	-4.3
	5%	837.4	1,031.1	-194	0.8	-3.9
	7%	589	766	-177	0.77	-3.5
	9%	437	600	-163	0.73	-3.3
Preferred option	0%	3,794	3,620	174.1	1.05	3.5
	3%	1,708	1,721	-13.1	0.99	-0.3
	5%	1,099.1	1,163.3	-64.3	0.94	-1.3
	7%	752	842	-90.1	0.89	-1.8
	9%	540	643	-102.7	0.84	-2.1

APPENDIX 4: PRECEDENT PROJECTS

PRECEDENT PROJECTS

Deloitte undertook a review of precedent projects in order to gain an understanding of the approaches to procurement adopted on comparable projects, which may assist in assessing and confirming the most appropriate delivery model for the project.

The review identified that no identical precedent projects could be located. That is there were no boutique community stadiums which incorporated community and professional use together with function centres, light exhibition facilities and education facilities. For this reason, more traditional stadia were examined.

As demonstrated in table A1, there is precedent for a design and build (D&B) and 2-Stage MC model, with these models being used consistently for stadia projects of a similar scale and scope in Australia (Queensland) and New Zealand.

It should be noted that whilst the Perth Stadium was delivered under a PPP model. The Perth Stadium is of a greater scale and scope than the other comparable projects, and, while historically the minimum capital size for a PPP was \$100m (AU\$) the trend has shifted upwards with minimal capital size of approximately \$500m (AU\$).

The procurement options analysis for the Perth Stadium identified that a PPP model would best balance the control of project cost and risk with the achievement of project objectives while maximising value for money outcomes. Among the reasons for the decision to use the PPP model were adequate risk transfer, a robust maintenance regime tied to performance-based abatement, and sufficient market interest and capacity.

TABLE A1: PRECEDENT PROJECTS

PROJECT	DESCRIPTION	DELIVERY MODEL	CAPITAL COST (\$M)	CONSTRUCTION COMPLETION
Canterbury Multi-Use Arena Investment Case (New Zealand)	New 30,000 seat multi-use stadium to be finished April 2026.	D&B	~\$680 (NZ\$)	2026
North Queensland Stadium (Queensland Country Bank Stadium) (QLD)	New 25,000 seat stadium opened in February 2020	MC – 2 stages	~\$300 (AU\$)	2020
Carrara Stadium (Mettricon Stadium) (QLD)	Stadium redevelopment to facilitate a home for Gold Coast Suns and to host the 2018 Gold Coast Commonwealth Games. Capacity of 27,000.	MC – 2 stages	~\$150 (AU\$)	2013
Robina Stadium (CBUS Super Stadium) (QLD)	New stadium construction on the Gold Coast with a capacity of 27,400.	MC – 2 stages	~\$160 (AU\$)	2008
Western Sydney Stadium (Bankwest Stadium) (NSW)	Development of the new Western Sydney Stadium after demolition of the old Paramatta Stadium. Capacity of 30,000.	D&B	~\$350 (AU\$)	2019
Perth Stadium (Optus Stadium) (WA)	60,000 seat stadium with potential expansion to 70,000 seats, and associated transport infrastructure	PPP (Design, Build, Finance and Maintain)	~\$1,200 (AU\$)	2018

APPENDIX 5: FINANCIAL MODEL



Tauranga Multi Function Stadium Facility Feasibility study – Financial Analysis

Prepared for Visitor Solutions Limited
February 2023

Financial Model Preferred Option - Tauranga Multi-Function Stadium Facility

Overview of Approach

The expected annual costs of the Tauranga Multi-Function Stadium Facility (TMFSF) were determined through the development of a financial model ('the model'). The costs of the TMFSF comprise:

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

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

A summary of the key inputs and assumptions in the Model, and their respective sources are detailed below:

	Assumption	Source
Land	Land is assumed to be provided to the project at no cost as the development is replacing an existing facility.	TCC
Construction Timing	FY26/FY27 (24 Months)	Maltbys
Escalation on construction costs	FY23 1.5% (for Q4) FY24 4.7% FY25 3.8% FY26 3% FY27+~2%	Rider, Levett, Bucknall NZ Treasury
Depreciation	<p>Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.</p> <p>The useful lives associated with the depreciation rates of major classes of property, plant and equipment have been estimated as follows:</p> <ul style="list-style-type: none"> • Building shell fit-out: 20-50 years (2% to 5%) • Furniture, fittings, plant & equipment: 10-15 years (7% to 10%) 	Inland Revenue Department, benchmarked against other publicly disclosed financial statements.
Model period	54 years	Deloitte
Operations period	50 years	Deloitte
Inflation	~2% (applied to income and operating expenditure).	NZ Treasury Discount Rates and CPI Assumptions for Accounting Valuation Purposes (treasury.govt.nz)
NPV Date	Jul-22	Deloitte
GST & Tax	Excluded The facilities will be operated by a Trust or other non-tax paying entity.	

Cost to Funder Analysis

The consideration of how any residual funding requirement (post capital grants) will be sourced is outside the scope of this study. It is envisaged this may be via a wider targeted regional rate, regional or local council debt or provided by other entities (e.g. Quayside Holdings).

In the absence of definitive sources of debt we have modelled it consistently with how stadiums are generally financed and therefore modelled for the purposes of feasibility studies. Accordingly, for illustrative purposes the financial analysis has been prepared on the basis of council ownership. Further analysis will be undertaken as the debt funding options are refined.

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

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

- Net of revenue, and operating costs.
- Interest on the money borrowed by the Funder to fund the construction cost at 5% interest, repaid over 30 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by a Council.

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

- The net operating cost (before depreciation).
- Interest on debt borrowed to fund development of the facility.
- Debt repayment over 30 years (on the initial development capital expenditure).
- Depreciation, which is rated for and held in a reserve to fund capital replacements and renewals (based on 50 years straight-line for buildings, 10-20 years straight line for plant and equipment and 50 years straight-line on Fitness buildings).

The Cashflow Cost to Council (what it will actually cost in cash each year) is assumed to be:

- The contribution of the facility to Council.
- Add back the depreciation on the facility that is rated for.
- Less the actual cost of asset replacements.

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

Modelled Option

The option modelled is the preferred design option:

	Description
Preferred Stadium Option	Base Stadium with a light exhibition centre: 7,000 permanent seats and an initial purchase of 4,950 temporary seats. Includes: 250m2 University Waikato Health Science and Sports Facility

The modelling of the preferred facility option builds on previous financial modelling analysis undertaken on the two preferred design options (options 5 and option 7) and three alternative preliminary design options. The financial analysis related to the preferred design options is detailed within Appendix 2.

The focus of the financial analysis is to understand project cashflows as opposed to the flow of funds between the multiple parties that may be involved and/or hold ownership interests.

Capital Expenditure

The construction cost estimates for the facility option have been prepared by Maltbys (dated 16 February 2023) for the purposes of providing a construction cost estimate.

The construction of the facility will be phased over a 24 month period. All presented costs are reported in financial years (ended 30 June).

An allowance for cost escalation has been incorporated based on 3.0%-4.7% p.a. (reverting to Treasury assumptions from FY27 ~2% p.a). These escalation rates have been sourced from Rider Levett Bucknall (Forecast Report 102 "New Zealand Trends in Property and Construction").

Estimated Capital Costs

\$NZ000's	Preferred Stadium Option
Demolition	1,224
Bulk Excavation & Filling	3,626
Piling	11,112
Internal Building Structures	59,878
Seating (Including 4,950 temporary seats)	21,034
Roof	19,011
Infrastructure & Site Works	21,395
Resource Consents	764
Contract Works Insurance	388
Council Development Contribution	1,536
Professional Fees	21,075
Contingency	31,097
Total (Feb 2023 Real Terms)	192,140
Cost Escalation	28,132
Total (Nominal)	220,272

Source: Maltbys (QS), Deloitte Analysis

Excludes Capitalised Interest 8,058

Note forecast escalation is 1.4% (Qtr 4 FY23), 4.7% (FY24), 3.8% (FY25) and 3.0% (FY26).

We note that alongside professional fees (16%) a 20% contingency allowance has been factored into the estimated capital costs. No quantitative risk analysis has been undertaken. The escalated cost also includes an allowance for modular temporary seating which was originally below the line in the Maltby cost estimate.

Life cycle Costs

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

Maltbys estimate that the preferred facility option will likely incur \$186.4 million (real terms) in lifecycle costs over the 50 yr operating period.

Lifecycle Costs (Feb 2023 Real Terms)

\$NZ000's	Preferred Stadium Option
5 Yr	1,261
10 Yr	3,231
15 Yr	28,272
20 Yr	38,754
25 Yr	1,261
30 Yr	30,242
35 Yr	1,261
40 Yr +	82,112
Total (Feb 2023 Real Terms)	186,395

Source: Maltbys (QS)

Consistent with our approach in relation to the initial project capital expenditure this has been escalated on the same assumed capital cost escalation rate profile.

Operating expenditure and revenue

The operating model estimates the costs and revenues associated with the operation over a 50-year period. The model was informed by domestic and international stadium experts, Bay Venues, TCC and Visitor Solutions.

While operating revenue will be generated over a ~50 year period following the opening of the facility, operating expenditure will be incurred for salaries, finance, administration and IT prior to construction completion. This assessment is therefore undertaken over a 54-year timeframe that includes the project delivery and 50 years of operations.

Revenue:

Events Calendar:

The event calendar is the key driver of annual attendance levels and therefore key event day revenues such as ticketing and catering revenue. The number of event days (and annual event attendance) is also a driver of other revenue streams such as naming rights, sponsorship, signage and supply rights. The value of these is dependent on the level of exposure to event day patronage.

The table below presents the assumed events calendar for year 1, year 5 and year 10 for the new TMFSF for the preferred option.

Average Event Days

	Event no#			\$/Event	Revenue		
	Year 1	Year 5	Year 10		Year 1	Year 5	Year 10
<u>Sports</u>							
Super Rugby	1	2	2	60,000	60	120	120
NPC Rugby	5	6	6	30,000	150	180	180
Football	2	4	4	2,500	5	10	10
Other	5	5	5	2,500	13	13	13
<u>Community Sport</u>							
Medium	Not modelled on an \$/event basis				3	3	3
Small	Not modelled on an \$/event basis				3	3	3
<u>Outdoor Events</u>							
Concerts	3	4	4	60,000	180	240	240
Entertainment	1	2	2	15,000	15	30	30
Festivals - 1 Day	4	6	8	15,000	60	90	120
Festival - 2 Days	2	4	6	15,000	60	120	180
<u>Light Exhibition</u>							
Day events	30	35	40	5,000	150	175	200
2 day events	6	8	10	5,000	60	80	100
3 day events	4	6	8	5,000	60	90	120
Pack in/Pack out					80	98	116
<u>Function</u>							
Very Large	15	20	25	2,000	30	40	50
Large	30	35	40	1,500	45	53	60
Medium	40	45	45	1,000	40	45	45
Small	100	100	100	500	50	50	50
	248	282	305		1,063	1,438	1,639

Source: Visitor Solutions

Note: Light exhibition is \$/day

Sports

In Year 1 the following 13 events will be secured by the stadium:

- Super Rugby X 1 with an average attendance of 12,000
- NPC Rugby X 3 with an average attendance of 5,000, other Rugby fixtures X 2 with an average attendance of 2,500
- Football (various) X 2 with an average attendance of 1,500
- Other X 5 with an average attendance of 5,000

The model also takes into account estimated event numbers at year 5 and year 10 factoring in growth over the time period. For example Super Rugby increases from 1 to 2 events and football increases from 2 to 4 events.

Hires have been based on a traditional stadium service model (full service). However, given the nature of some events a clean hire approach may be negotiated¹.

Base rental rates (traditional stadium service model) will range between \$60k and \$2.5k per event. Across the 13 projected sports events base rental will total \$228k in year one.

Total PAX across all thirteen events in year one is estimated to be 59,750.

¹ Clean hire would include use of the turf, and grandstands, amenities, security, and stadium management observation. Rates would be negotiated. Potential hirers at the lower to mid-level sports event range indicated this approach made staging events at the stadium more of a viable proposition. This approach should be explored further in later project stages.

Food and beverage (F&B) expenditure is estimated to average \$9.50² per pax per event³. Assuming 59,750 PAX this will generate~ \$568k in revenue per year. Applying a 20% profit margin will generate \$114k per year⁴.

No margin will be charged on event security, cleaning, and traffic management⁵

Community Sport

Community sport will not be a significant revenue generator.

In year one the stadium turf will accommodate:

- 401 field hours between February and August (217 main field, 184 practice field)
- 384 field hours between September and January (204 main field, 180 practice field)

Additional community games will be accommodated as the booking schedule and turf conditions allow.

The intention is that all local field based sporting clubs have an opportunity to use the main stadium turf annually to assist with club and code development objectives.

Total revenue will equate to \$5k per annum.

Outdoor Events

In year one the wider precinct and stadium will attract 10 events of various scales. These will include:

- 3 very large event with an average attendance of 15,000
- 1 large events with an average attendance of 10,000
- 4 one day festivals with an average attendance of 6,000
- 2 two day festivals with an average attendance of 10,000

Total outdoor event PAX in year one is estimated to be 119,000.

Food and beverage expenditure is estimated to average \$7.50 per PAX per event per day. Assuming 119,000 PAX this will generate \$893k in revenue. Applying a 20% profit margin will generate \$178k.

The average day rate will be \$15,000 with larger concerts at \$60,000 (consistent with Super Rugby scale events) generating rental of \$315k in year one (24 days of bookings). This assumes an average of two days per booking (with pack in and pack out).

No margin will be charged on event security, audio visual, cleaning, and traffic management⁵.

Light Exhibition

The light exhibition space will host a total of 40 exhibitions (evenly split between community and commercial exhibitions) in year one. These will comprise:

- 30 day events/exhibitions
- 6 light exhibitions of a 2 day duration
- 4 light exhibitions of a 3 day duration
- Total 54 days of bookings

² This spend rate has been benchmarked and confirmed with existing North Island operators. The mix of events (e.g. levels of play will influence the spend rate with larger events pulling spend up and smaller events dragging spend back). Spend rates can be estimated again as the event calendar is firmed up and actual bookings are accepted.

³ Expenditure is based on benchmarking and averaging.

⁴ Note: if a clean hire was negotiated it is assumed the clean hire rate would be increased and offset any loss of F&B revenue. This approach should be explored further in later project stages.

⁵ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

Assuming an average attendance of 4,500 pax in year one total pax will be 240,000

The average daily rate will be \$5k generating rental of \$270k in year one (54 days of bookings).

The average daily pack in pack out rate will be \$2k per day per event (half day in half day out) generating rental of \$80k (40 events) in year one.

Food and beverage expenditure is estimated to average \$5.50⁶ per pax per event. Assuming 240,000 pax this will generate ~\$1,320k in revenue. Applying a 20% profit margin will generate ~\$264k.

No margin will be charged on event security, audio visual, cleaning, and traffic management⁷.

Commercial Functions

185 commercial functions will be held in year one. These will be comprised of:

- 15 very large functions with an average attendance of 600
- 30 large functions with and average attendance of 400
- 40 medium functions with and average attendance of 200
- 100 small functions with and average attendance of 100

An average function hire is set at \$900⁸ generating ~\$165k in year one.

A total of 39,000 PAX will be hosted in year one. An average F&B spend per PAX will be \$54⁹ generating ~\$2.1m in revenue. This will generate a 20% profit margin which equates to \$424k in year one.

No margin will be charged on event security, audio visual, cleaning, and traffic management¹⁰.

Community Multi Sport Facility

A community multi-sport facility will be developed for the use by the community-based sports clubs and organisations. This facility will be leased to local sports and community organisations (outside mid-week business hours) for a base rate of \$5k per annum. This is approximately 50% below similar Tauranga Council lease rates to take account of limited mid-week use, disruption due to stadium events and the need to relinquish the buildings' function space at these times.

Waikato University Facility

A University of Waikato sport and health facility will be developed for use by students and sport and health faculties. This facility will be leased to University for a base rate of \$150k per annum. This is based on similar Tauranga lease rates (\$300/sqm) but not a commercial rate based on construction costs.

⁶ This spend rate has been benchmarked and confirmed with existing North Island operators.

⁷ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

⁸ This assumes a range depending on the size of the function between \$500-\$2,000 per event.

⁹ Based on the weighted average of \$70/per person (very large, large), \$50/per person (medium) and \$25/per person (small).

¹⁰ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

Revenue Sources:

\$NZ000's	Preferred Stadium Option
Events:	
Sports Events	228
Community Sport	5
Outdoor Events	315
Light Exhibition	350
Functions	165
Food & Beverage	4,900
	5,963
Commercial Naming Rights	100
Lease - University/Multi Sport Facility	155
Other - Signage	10
Total (2022 Real Terms)	6,228

Source: Visitor Solutions, Deloitte Analysis

Note: Events Revenue is calculated based on \$/Event and driven by the event calendar

We highlight that whilst it has been assumed the margin on food and beverage will be to the benefit of the stadium operators that this will be a negotiated arrangement based on the various events planned. Accordingly, there is a possibility that the revenue and margin achieved will differ depending on agreements reached with alternative event promoters.

Operating Costs

There are a range of expenses resulting from the management and utilisation of major venues including:

- Event day expenses – all expenses directly related to hosting an event, including, but not limited to, security, event cleaning, ushers, traffic management and event presentation.
- Venue overhead expenses – all other venue operating costs which cannot be directly attributable to an individual event including employee expenses, regular repairs and maintenance, turf maintenance, insurances, promotion, marketing and general administration expenses.

Staffing

Catering and watering staff are accounted for directly within the revenue modelling so do not appear as a direct operational cost.

The main build facility staff and salary structure will include:

- General Manager (1 FTE) - \$110k
- Events and Marketing Manager (1 FTE) - \$85k
- Operations Manager (1 FTE) - \$65k
- Admin/Board Sec (.5 FTE) – \$25k
- Operational staff (2 FTE) - \$100k
- Kiwisaver etc (5%)

An elite ground staff crew will be established to service the Domain fields (hybrid turfs x 2, cricket oval, turf rugby fields, as well as selected premium turfs around the city). This is to ensure maximised community and professional use of the assets created. This is considered essential to maintaining the functionality of the development¹¹. The ground staff and salary structure will include:

- Heads grounds person (1 FTE) - \$90k
- Senior grounds person (1 FTE) – \$65k

¹¹ The option of contracting the work was investigated and rejected on the grounds that although being cheaper it would lead to reduced asset utilisation and not unlock the full value of the capital being invested in facilities.

- Junior grounds person (1 FTE) – \$45k
- Kiwisaver etc (5%)

It is anticipated that the ground crew staff will also support other turf needs within Tauranga. Accordingly, the model incorporates a 30% recharge of the total salary and wage costs received from other facilities within the costing.

The grounds crew will have an operational budget of \$80k annually. Every three years the budget would be increased to \$110k to account for resurfacing.

Facility Expenses

Facility expenses have been estimated in year 1 as being \$625k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.

- Electricity - \$100k
- Insurance - \$320k¹²
- Rates - \$20k
- Repairs and Maintenance - \$75k
- Security and Alarm monitoring - \$30k
- Cleaning Contract (Base contract) - \$80k

Indirect Costs

Administration and management costs have been estimated in year one as being \$195k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.

- Director and Governance Fees - N/A
- Marketing and Advertising - \$50k
- Telephone and Tolls - \$25k
- Other Administration (accounting, audit, bank, FBT, legal, professional fees, training, travel) - \$120k

Estimated Operating Costs

\$NZ000's	Preferred Stadium Option
Food & Beverage	
Sports	454
Community Sport	0
Outdoor Events	714
Light Exhibition	1,056
Function	1,696
Direct Costs	
Facility Costs	625
Turf Operational Budget	80
Staff Costs	
Staff Costs - Direct (Turf Mgmt)*	147
Staff Costs - Indirect	404
Indirect Costs	195
Total (2022 Real Terms)	5,371

Source: Visitor Solutions, Deloitte Analysis

*Includes Recharge

¹² The insurance figure is a provisional estimate and will be refined once negotiations are commenced with either local government insurers or third party insurer providers.

The scope of our work for this financial analysis excludes consideration of a preferred management model for the facility. For the purposes of the analysis, however, a number of implicit assumptions have been made regarding venue management, including:

- The venue is assumed to be managed by the venue owner (e.g Council entity) – therefore no private sector venue management fee has been included; and
- The venue manager is assumed to outsource many of the key operating activities to specialist third parties including ticketing, cleaning and security, which is common practice across the industry.

If the facility owner chose to have the facility managed by BVL there is likely to be additional operational synergies that are not reflected within the modelling at this stage.

Funding Sources

Typically there can be a range of funding sources available for infrastructure of this nature including:

- Debt funding - we anticipate the returns of the facility would likely be insufficient to support repayment of debt and therefore using this as a mechanism to fund the facility would likely place on-going financial stress on venue operations;
- Application of regional rates – it is not uncommon in New Zealand for regional councils to apply a special regional rate to assist with funding major projects which will benefit an entire region. For example, this approach was adopted for the Westpac Stadium and similarly for the Forsyth Barr Stadium; and
- Pre-sales of commercial rights – if rights were pre-sold it would significantly impact the ongoing operational financial performance of the venue.

Funding for the Stadium will need to be met through a combination of:

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

Regional rates will also be investigated following approval of preliminary business case..

A high-level funding assessment has been undertaken by Jenni Giblin (Giblin Group) which indicates an external funding target of circa \$60 million may be achievable. This estimate has been used in the financial modelling.

The remainder of the capital funding required is estimated to be \$168.3 million for the preferred option (based on a build cost of \$220.3 million and the impact of capitalised interest). It is assumed this is achieved through Council debt funding.

For the purposes of our analysis we have assumed the following funding profile:

Party	Description
Central Government	LGB Significant Project Fund \$6m LGB Community Facilities Fund \$800k Central Government Support into Tauranga \$20m
Local Government	Tauranga City Council TBC BOP Regional Council \$5m
Corporate/Philanthropic Partners	\$5m
Founding Partners	TECT \$20m

We anticipate that funding from other commercial sources such as private equity is highly unlikely noting the facility operational profits are sub-commercial and insufficient to repay debt. It is common in both the New Zealand and Australian markets that stadia infrastructure is generally funded by either local or central government.

Financial Evaluation

Financial Summary

Based on our analysis the preferred option is EBITDA positive. However, the preferred option does not contribute sufficient profit to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time.

Approximately \$980k of the ~\$856k forecast Yr1 EBITDA is derived from food and beverage activities. Indicating that the stadium is operating at a marginal loss – prior to debt and interest payments and depreciation.

The preferred option is not cashflow positive over the 50 year modelled time horizon.

Financial Summary	
\$NZ000's	Preferred Stadium Option
Project Metrics:	
Cumulative Cash Flow	(450,182)
NPV	(225,740)
IRR	N/A
Payback (Non discounted)	+50yrs
Capital Intensity	
Capex	220,272
EBITDA (FY22 Real Terms)	856
Capital Intensity (Capex/EBITDA) - Payback yrs (Real terms)	257
Profitability	
Revenue (FY22 Real Terms)	6,228
EBITDA (FY22 Real Terms)	856
EBITDA Margin%	14%
Debt Metrics	
Debt	(168,330)
Debt Repayment (over 30 yrs)	10,950

Source: Deloitte Analysis

This is not uncommon - in our experience stadiums are generally not financially self-sufficient (and often don't contribute enough to cover debt repayments or fund replacements over time) and therefore require "augmented" funding over time (often in the form of a council backed operational grant) to remain cash flow positive.

Detailed financial projections for each option, including the cost to funder, are provided within the Appendices.

Cumulative cashflow:

We have assessed the cumulative cashflow on both an undiscounted and discounted basis. Cumulative free cash flow on an undiscounted basis (over 50 years) for the preferred option is ~\$450 million.

Impact on Rates:

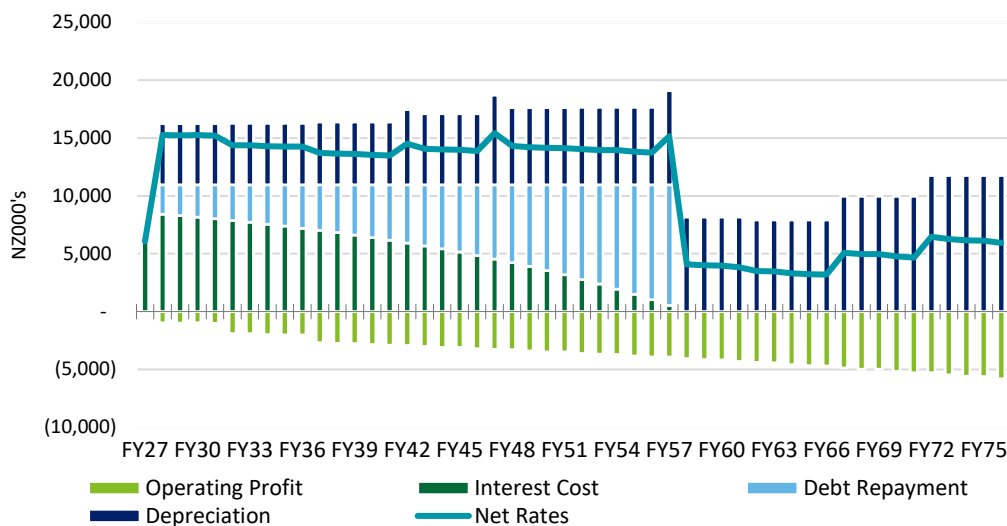
The rates cost to Council (what would be rated for) is assumed to be:

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

Our analysis indicates that the impact is ~\$15 million per annum:

- The gross cost of the facility reduces over time and this is evident after 30 years (~FY57) when the debt borrowed to fund the development has been paid off.

Rates Cost



Sensitivity Analysis

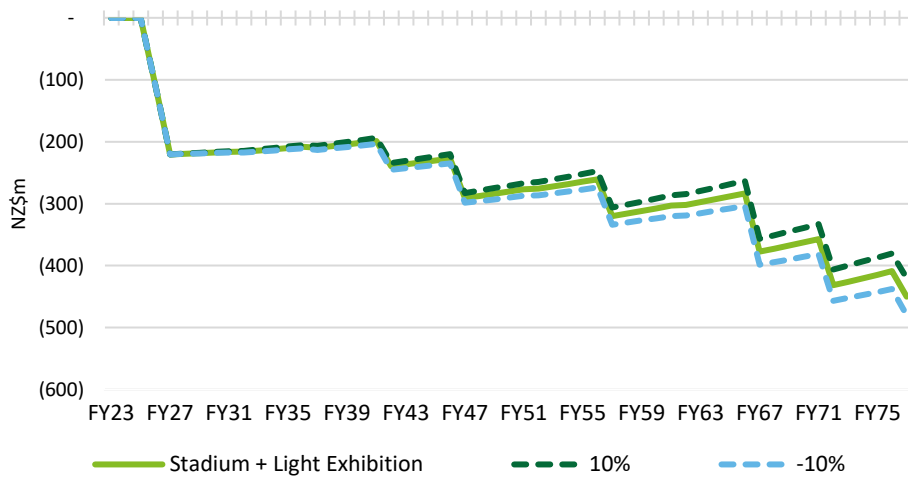
To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on cumulative cashflow and costs to council of the facility given potential changes to revenue, expenditure and capital expenditure.

Revenue

The first of the three variables considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 10% and an increase of 10% in the overall revenue line item (no change to expenditure).

- A 10% increase/decrease in revenue is projected to result in a ~+/- \$29.7 million impact on cumulative cash flow across the life of the project, which is presented in the chart below.

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



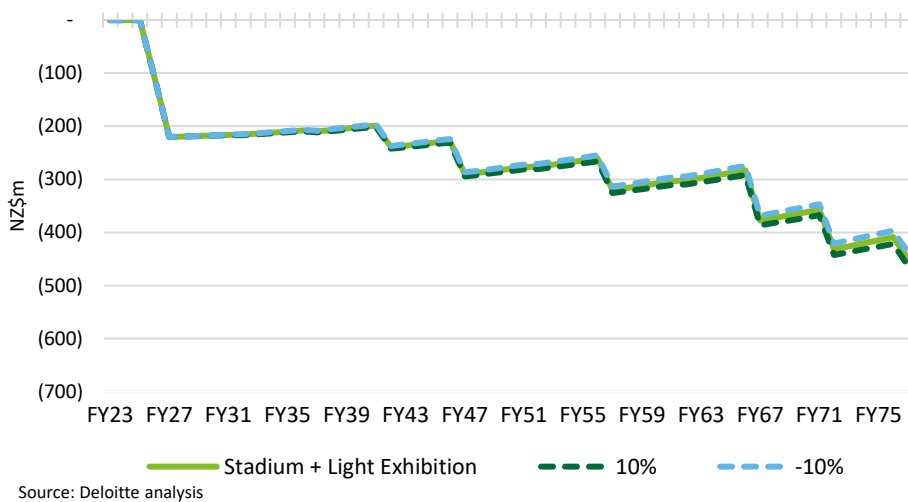
- A 10% increase/decrease in revenue is projected to result in a ~+/- \$234k impact on cost to council in FY28 (the first year of operations).

Expenditure

The second variable considered in the sensitivity analysis is expenditure, which considers the effects of a decrease of 10% and an increase of 10% in the overall facility expenditure line (no change to revenue).

- A 10% increase/decrease in expenditure is projected to result in a ~+/- \$12.7 million impact on cumulative cash flow across the life of the project, which is presented in the table below.

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



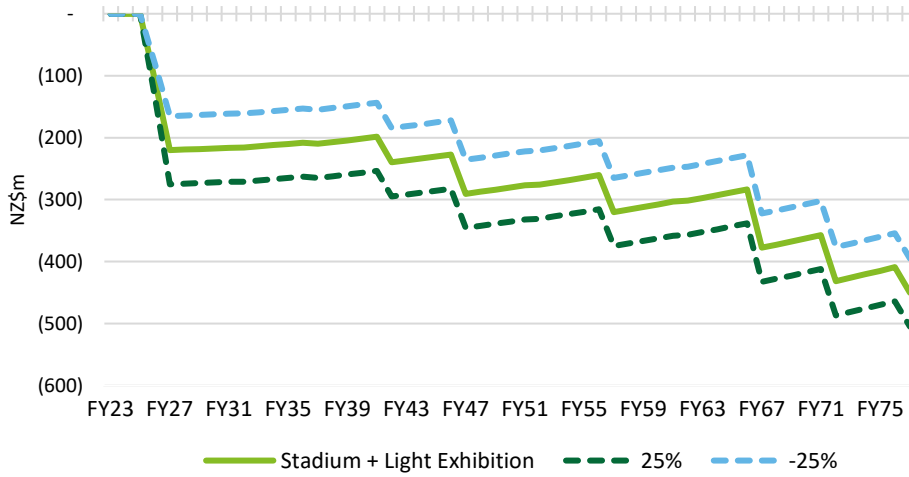
- A 10% increase/decrease in expenditure is projected to result in a ~+/- \$149k impact on cost to council in FY28.

Capital Expenditure

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

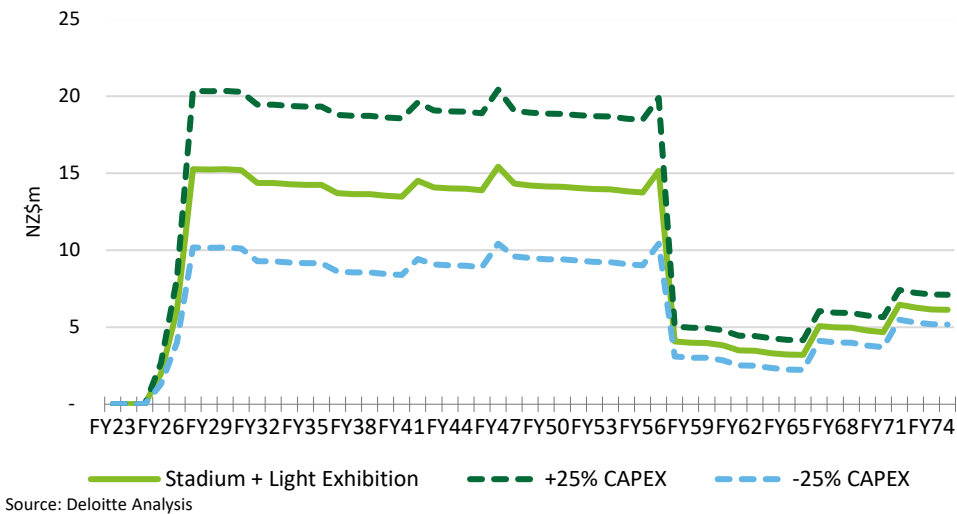
- A 25% increase/decrease in capital expenditure is projected to result in a ~+/- \$55.1 million impact on cumulative cash flow across the life of the project.

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



- A 25% increase/decrease in capital expenditure is projected to result in a ~+/- \$5 million impact on cost to council in FY28, this is illustrated below.

Cost to Council - Rates (NZ\$m)



Disclaimer

This analysis and report has been prepared for Visitor Solutions Limited in accordance with our engagement letter dated 22 November 2021. We consent with this analysis being incorporated into a Visitor Solutions wider report in connection with the project.

Please note the model projections have been compiled from information provided to Deloitte and the assumptions as outlined. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, no assurance can be provided that the predicted results will actually be attained.

In providing the Services we have relied upon and assume, without independent verification, the accuracy and completeness of all information that has been provided to us and available from public sources.

In no way do we guarantee or otherwise warrant that any forecasts of future profits, cashflows or financial position of the stadium would be achieved. Forecasts are inherently uncertain. They are predictions of future events, which cannot be assured. They are based upon assumptions, many of which are beyond the control of stadium operators and its management team.

Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

Deloitte

February 2023

DRAFT

APPENDIX 1: Detailed Financial Forecasts

Preferred Option Analysis: Preferred Stadium Option: Detailed Forecast

Tauranga Stadium - Preferred Scenario		Some years have been hidden for presentation purposes																													
\$NZ000's	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Y3Y3	Y3Y3	Y3Y3	FY37	FY38	FY39	FY40	FY41	FY42	Y44/44/4	FY47	Y44/4/5	FY52	Y9/5/5/5	FY57	Y9/5/6/6	FY62	3 4 5 6	FY67 '18 '19 '0 '1	FY72 '3 '4 '75 '6	FY77
Year	1	2	3	4	5	6	7	8	9	10	#	#	#	15	16	17	18	19	20	25	30	35	40	45	#	#	#	50	#	#	55
Sports						13	13	13	13	17				17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	
Community Sports																															
Outdoor Events						10	10	10	10	16				20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
Light Exhibition						40	40	40	40	49				58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	
Functions						185	185	185	185	200				210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	
Gym/Fitness Centre (Pax)																															
Revenue						260	266	271	276	400				441	450	459	468	478	487	538	594	656	724	799	883	974					
Sports																															
Community						6	6	6	6	6				7	7	7	7	7	8	8	9	10	11	12	14	15					
Outdoor Events						361	368	375	383	595				780	796	811	828	844	861	951	1,050	1,159	1,280	1,413	1,560	1,722					
Functions						401	409	417	425	549				733	748	763	778	794	810	894	987	1,090	1,203	1,329	1,467	1,619					
Light Exhibition						189	193	197	200	232				281	286	292	298	304	310	342	378	417	460	508	561	619					
Gym/Fitness Centre																															
Food & Beverage						5,611	5,723	5,837	5,954	7,994				10,366	10,573	10,784	11,000	11,220	11,445	12,636	13,951	15,403	17,006	18,776	20,730	22,888					
Other Revenue						303	309	316	322	328				363	370	377	385	393	400	442	488	539	595	657	725	801					
Total						7,131	7,273	7,419	7,567	10,105				12,970	13,230	13,494	13,764	14,040	14,320	15,811	17,456	19,273	21,279	23,494	25,939	28,639					
Direct																															
Food & Beverage (COS)						(4,488)	(4,578)	(4,670)	(4,763)	(6,395)				(8,293)	(8,458)	(8,628)	(8,800)	(8,976)	(9,156)	(10,109)	(11,161)	(12,322)	(13,605)	(15,021)	(16,584)	(18,310)					
Facility Expenses						(807)	(823)	(876)	(857)	(874)				(965)	(984)	(1,046)	(1,024)	(1,044)	(1,110)	(1,176)	(1,298)	(1,494)	(1,583)	(1,747)	(2,011)	(2,130)					
Gym/Fitness Centre																															
Salary & Wages																															
Turf (Incl Recharge)						(168)	(172)	(175)	(179)	(182)				(201)	(205)	(209)	(213)	(218)	(222)	(245)	(271)	(299)	(330)	(364)	(402)	(444)					
Gym/Fitness Centre																															
Administration						(463)	(472)	(482)	(491)	(501)				(553)	(564)	(576)	(587)	(599)	(611)	(674)	(744)	(822)	(908)	(1,002)	(1,106)	(1,221)					
Indirect						(223)	(228)	(232)	(237)	(242)				(267)	(272)	(278)	(283)	(289)	(295)	(325)	(359)	(396)	(438)	(483)	(534)	(589)					
Operating Costs						(6,150)	(6,273)	(6,434)	(6,527)	(8,194)				(10,278)	(10,484)	(10,736)	(10,907)	(11,126)	(11,393)	(12,529)	(13,833)	(15,334)	(16,863)	(18,618)	(20,638)	(22,695)					
Net Operating Cost						980	1,000	984	1,040	1,911				2,692	2,746	2,758	2,857	2,914	2,927	3,282	3,623	3,939	4,416	4,876	5,302	5,944					
Depreciation						(5,296)	(5,296)	(5,296)	(5,296)	(5,335)				(5,444)	(5,444)	(5,444)	(5,444)	(5,444)	(5,444)	(6,504)	(7,760)	(9,207)	(10,853)	(12,703)	(14,761)	(16,933)					
Subtotal						(4,316)	(4,296)	(4,312)	(4,256)	(3,424)				(2,752)	(2,699)	(2,686)	(2,588)	(2,531)	(3,577)	(4,479)	(5,397)	(6,421)	(7,609)	(8,933)	(10,429)	(12,157)					
Interest					(1,976)	(6,082)	(8,416)	(8,290)	(8,157)	(8,017)				(7,020)	(6,823)	(6,617)	(6,400)	(6,173)	(5,934)	(4,548)	(2,779)	(521)	-	-	-	-	-				
Total Accounting Cost						(1,976)	(6,082)	(12,732)	(12,586)	(12,469)	(12,273)	(11,294)		(9,772)	(9,522)	(9,303)	(8,988)	(8,703)	(9,511)	(9,026)	(5,876)	(4,736)	(3,486)	(5,077)	(6,459)	(6,631)					
Free Cash Flow																															
Net Operating Cost						980	1,000	984	1,040	1,911				2,692	2,746	2,758	2,857	2,914	2,927	3,282	3,623	3,939	4,416	4,876	5,302	5,944					
Capex - Establishment																															
Replacement Capex						(109,045)	(111,226)							(4,561)						(44,053)	(66,671)	(2,396)	(63,421)	(2,921)	(99,069)	(79,796)	(47,013)				
Total Free Cash Flow						(109,045)	(111,226)	980	1,000	984	1,040	298		(1,869)	2,746	2,758	2,857	2,914	(41,126)	(63,389)	1,227	(59,482)	1,496	(94,193)	(74,495)	(41,069)					
Cumulative						(109,045)	(220,272)	(219,291)	(218,291)	(217,307)	(216,267)	(215,968)		(209,882)	(207,136)	(204,378)	(201,521)	(198,607)	(239,734)	(290,676)	(275,758)	(320,066)	(301,819)	(377,586)	(431,659)	(450,182)					
Rates Cost to Council																															
Net Operating Cost						980	1,000	984	1,040	1,911				2,692	2,746	2,758	2,857	2,914	2,927	3,282	3,623	3,939	4,416	4,876	5,302	5,944					
Interest Cost/Capitalised Interest						(1,976)	(6,082)	(8,416)	(8,290)	(8,157)				(7,020)	(6,823)	(6,617)	(6,400)	(6,173)	(5,934)	(4,548)	(2,779)	(521)	-	-	-	-	-				
Capex - Establishment						(109,045)	(111,226)																								
External Funding Received						30,000	30,000																								
Debt Draw/Repayment						81,022	87,308	(2,534)	(2,660)	(2,793)	(2,933)	(3,080)		(3,930)	(4,127)	(4,333)	(4,550)	(4,777)	(5,016)	(6,402)	(8,171)	(10,429)	-	-	-	-					
Depreciation to Fund Replacements						(5,296)	(5,296)	(5,296)	(5,296)	(5,335)				(5,444)	(5,444)	(5,444)	(5,444)	(5,444)	(5,444)	(6,504)	(7,760)	(9,207)	(10,853)	(12,703)	(14,761)	(16,933)					
Total Accounting Cost						(15,266)	(15,246)	(15,262)	(15,206)	(14,374)				(13,703)	(13,649)	(13,637)	(13,538)	(13,481)	(14,527)	(15,429)	(14,047)	(15,164)	(16,464)	(18,033)	(19,869)	(21,983)					
Cash Flow Cost to Council																															
Cost to Rates						(15,266)	(15,246)	(15,262)	(15,206)	(14,374)				(13,703)	(13,649)	(13,637)	(13,538)	(13,481)	(14,527)	(15,429)	(14,047)	(15,164)	(16,464)	(18,033)	(19,869)	(21,983)					
Addback Depreciation						5,296	5,296	5,296	5,296	5,335				5,444	5,444	5,444	5,444	5,444	5,444	6,504	7,760	9,207	10,853	12,703	14,761	16,933					
Replacement Capex										(1,612)				(4,561)						(44,053)	(66,671)	(2,396)	(63,421)	(2,921)	(99,069)	(79,796)	(47,013)				
Total Cost to Council - Cash Flow						(9,970)	(9,950)	(9,966)	(9,910)	(10,652)				(12,819)	(12,804)	(12,819)	(12,803)	(12,806)	(14,527)	(15,429)	(14,047)	(15,164)	(16,464)	(18,033)	(19,869)	(21,983)					

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

APPENDIX 2: Financial Model - Tauranga Multi-Function Stadium Options

Overview of Approach

The expected annual costs of the Tauranga Multi-Function Stadium Facility (TMFSF) were determined through the development of a financial model ('the model'). The costs of the TMFSF comprise:

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

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

A summary of the key inputs and assumptions in the Model, and their respective sources are detailed below:

	Assumption	Source
Land	Land is assumed to be provided to the project at no cost as the development is replacing an existing facility.	TCC
Construction Timing	FY26 (12 Months)	Warren & Mahoney
Escalation on construction costs	CY22 5.4% CY23 6.3% CY24 5.8%	Maltbys
Depreciation	<p>Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.</p> <p>The useful lives associated with the depreciation rates of major classes of property, plant and equipment have been estimated as follows:</p> <ul style="list-style-type: none"> • Building shell fit-out 20-50 years (2% to 5%) • Furniture, fittings, plant & equipment 10-15 years (7% to 10%) 	Inland Revenue Department, benchmarked against other publicly disclosed financial statements.
Model period	54 years	Deloitte
Operations period	50 years	Deloitte
Inflation	~2% (applied to income and operating expenditure).	NZ Treasury Discount Rates and CPI Assumptions for Accounting Valuation Purposes (treasury.govt.nz)
NPV Date	Jul-22	Deloitte
GST & Tax	Excluded The facilities will be operated by a Trust or other non-tax paying entity.	

Cost to Funder Analysis

The consideration of how any residual funding requirement (post capital grants) will be sourced is outside the scope of this study. It is envisaged this may be via a wider targeted regional rate, regional or local council debt or provided by other entities (e.g. Quayside Holdings).

It is likely that residual funding would be provided to the operating Trust in the form of a grant so that the Trust would have no on-going debt obligations.

In the absence of definitive sources of debt we have modelled it consistently with how stadiums are generally financed and therefore modelled for the purposes of feasibility studies. Accordingly, for illustrative purposes the financial analysis has been prepared on the basis of council ownership. Further analysis will be undertaken as the debt funding options are refined.

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

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

- Net of revenue, and operating costs.
- Interest on the money borrowed by the Funder to fund the construction cost at 3.5% interest, repaid over 30 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by a Council.

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

- The net operating cost (before depreciation).
- Interest on debt borrowed to fund development of the facility.
- Debt repayment over 30 years (on the initial development capital expenditure).
- Depreciation, which is rated for and held in a reserve to fund capital replacements and renewals (based on 50 years straight-line for buildings, 10-20 years straight line for plant and equipment and 50 years straight-line on Fitness buildings).

The Cashflow Cost to Council (what it will actually cost in cash each year) is assumed to be:

- The contribution of the facility to Council.
- Add back the depreciation on the facility that is rated for.
- Less the actual cost of asset replacements.

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

Modelled Options

There are two preferred design options that have been modelled:

	Description
Base and Fitness Centre [Option 5]	Base Stadium with a Fitness Centre 8,000 permanent seats and up to 5,000 temporary seats
Base and Light Exhibition [Option 7]	Base Stadium with a light exhibition centre: 8,000 permanent seats and up to 5,000 temporary seats

The modelling of the preferred facility options builds on previous financial modelling analysis undertaken on three alternative preliminary design options. The financial analysis related to the preliminary options is detailed within Appendix 2.

The focus of the financial analysis is to understand project cashflows as opposed to the flow of funds between the multiple parties that may be involved and/or hold ownership interests.

Capital Expenditure

The construction cost estimates for the facility options have been prepared by Maltbys for the purpose of providing a construction cost estimate.

The construction of the facility will be phased over a 12 month period. All presented costs are reported in financial years (ended 30 June).

An allowance for cost escalation has been incorporated based on 5.4%-6.3% p.a. (reverting to Treasury assumptions from FY26 ~2% p.a). These escalation rates have been supplied by Maltbys.

Estimated Capital Costs

\$NZ000's	Stadium and Fitness	Stadium and Light Exhibition
Demolition	1,255	1,255
Bulk Excavation and Filling	1,530	1,530
Piling	10,549	10,549
Internal Building Structures	29,415	36,065
Seating	12,898	12,898
Roof	18,480	18,480
Infrastructure and Site Works	19,290	19,260
Resource Consents	532	570
Contract Works Insurance	270	289
Council Development Contribution	1,070	1,146
Professional Fees	13,074	14,005
Contingency	21,667	23,209
Total (2022 Real Terms)	130,030	139,256
Cost Escalation	24,865	26,628
Total (Nominal)	154,895	165,884

Source: Maltbys (QS), Deloitte Analysis

Excludes Capitalised Interest

1,661

1,853

Note forecast escalation is 5.4% (CY22), 6.3% (CY23) and 5.8% (CY24).

We note that alongside professional fees (14%) a 20% contingency allowance has been factored into the estimated capital costs.

Life cycle Costs

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

Maltbys estimate that the alternative facility options will likely to incur \$128.5 million to \$139.1 million (real terms) in lifecycle costs over the 50 yr operating period.

Lifecycle Costs (2022 Real Terms)

\$NZ000's	Stadium and Fitness	Stadium and Light Exhibition
5 Yr	821	907
10 Yr	1,806	1,892
15 Yr	19,092	21,133
20 Yr	28,676	30,711
25 Yr	821	907
30 Yr	20,077	22,118
35 Yr	821	907
40 Yr +	56,403	60,566
Total (2022 Real Terms)	128,515	139,142

Source: Maltbys (QS)

Consistent with our approach in relation to the initial project capital expenditure this has been escalated on the same assumed capital cost escalation rate profile.

Operating expenditure and revenue

The operating model estimates the costs and revenues associated with the operation over a 50-year period. The model was informed by domestic and international stadium experts, Bay Venues, TCC and Visitor Solutions.

While operating revenue will be generated over a ~50 year period following the opening of the facility, operating expenditure will be incurred for salaries, finance, administration and IT prior to construction completion. This assessment is therefore undertaken over a 54-year timeframe that includes the project delivery and 50 years of operations.

Revenue:

Events Calendar:

The events calendar is an important driver of a venue's financial performance. The event calendar is the key driver of annual attendance levels and therefore key event day revenues such as ticketing and catering revenue. The number of event days (and annual event attendance) is also a driver of other revenue streams such as naming rights, sponsorship, signage and supply rights. The value of these is dependent on the level of exposure to event day patronage.

The table below presents the assumed events calendar in the average year for the new TMFSF for each of the proposed options.

Average Event Days

	Attendance Numbers	Stadium and Fitness	Stadium and Light Exhibition
<u>Sports</u>			
Super Rugby	12,000	1	1
NPC Rugby	5,000	3	3
Football	1,500	2	2
Other	5,000	5	5
<u>Community Sport</u>			
Medium	400	30	30
Small	200	30	30
<u>Outdoor Events</u>			
Very Large	16,000	1	1
Large	10,000	4	4
Medium	5,000	8	8
Small	3,000	8	8
<u>Light Exhibition</u>			
Day events	4,500	0	40
2 day events	4,500	0	6
3 day events	4,500	0	4
<u>Function</u>			
Very Large	700	15	15
Large	500	30	30
Medium	200	40	40
Small	100	100	100
Events		277	327

Source: Visitor Solutions

Sports

The following 11 events will be secured by the stadium:

- Super Rugby X 1 average attendance of 12,000
- NPC Rugby X 3 average attendance of 5,000
- Football (various) x 2 average attendance of 1,500
- Other X 5 average attendance of 5,000

Hires have been based on a traditional stadium service model (full service). However, given the nature of some events a clean hire approach may be negotiated¹³.

Base rental rates (traditional stadium service model) will range between \$40k and \$2.5k per event. Across the 11 projected sports events base rental will total \$118k in year one.

Total PAX across all eleven events in year one is estimated to be 55,000.

Food and beverage (F&B) expenditure is estimated to average \$9.50¹⁴ per pax per event¹⁵. Assuming 55,000 PAX this will generate~ \$522k in revenue per year. Applying a 20% profit margin will generate \$104k per year¹⁶.

No margin will be charged on event security, cleaning, and traffic management⁵.

¹³ Clean hire would include use of the turf, and grandstands, amenities, security, and stadium management observation. Rates would be negotiated. Potential hirers at the lower to mid-level sports event range indicated this approach made staging events at the stadium more of a viable proposition. This approach should be explored further in later project stages.

¹⁴ This spend rate has been benchmarked and confirmed with existing North Island operators. The mix of events (e.g. levels of play will influence the spend rate with larger events pulling spend up and smaller events dragging spend back). Spend rates can be estimated again as the event calendar is firmed up and actual bookings are accepted.

¹⁵ Expenditure is based on benchmarking and averaging.

¹⁶ Note: if a clean hire was negotiated it is assumed the clean hire rate would be increased and offset any loss of F&B revenue. This approach should be explored further in later project stages.

Community Sport

Community sport will not be a significant revenue generator.

In year one the stadium turf will accommodate 30 larger club and school games with an average attendance of 400.

A further 30 smaller club and school games attracting an average attendance of 200 will take place in year one.

Additional community games will be accommodated as the booking schedule and turf conditions allow.

The intention is that all local field based sporting clubs have an opportunity to use the main stadium turf annually to assist with club and code development objectives.

Total revenue will equate to \$3k per annum.

Outdoor Events

In year one the wider precinct and stadium will attract 21 events of various scales. These will include:

- 1 very large event with an average attendance of 16,000
- 4 large events with an average attendance of 10,000
- 8 medium events with an average attendance of 5,000
- 8 small events with an average attendance of 3,000

Total outdoor event PAX in year one is estimated to be 120,000.

Food and beverage expenditure is estimated to average \$7.50 per PAX per event. Assuming 120,000 PAX this will generate \$900k in revenue. Applying a 20% profit margin will generate \$180k.

The average day rate will be \$15,000 generating rental of \$630k in year one (42 days of bookings). This assumes an average of two days per booking (with pack in and pack out).

No margin will be charged on event security, audio visual, cleaning, and traffic management¹⁷.

Light Exhibition

The light exhibition space will host a total of 50 exhibitions (evenly split between community and commercial exhibitions) in year one. These will comprise:

- 40 day events/exhibitions
- 6 light exhibitions of a 2 day duration
- 4 light exhibitions of a 3 day duration
- Total 64 days of bookings

Assuming an average attendance for commercial exhibitions of 7,000 pax and 2,000 pax for commercial exhibitions. In year one total pax will be 225,000 (175,000 community and 50,000 commercial).

The average daily rate will be \$5k generating rental of \$320k in year one (64 days of bookings).

The average daily pack in pack out rate will be \$2k per day per event (half day in half day out) generating rental of \$100k (50 events) in year one.

Food and beverage expenditure is estimated to average \$5.50¹⁸ per pax per event. Assuming 225,000 pax this will generate ~\$1.24 million in revenue. Applying a 20% profit margin will generate ~\$248k.

¹⁷ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

¹⁸ This spend rate has been benchmarked and confirmed with existing North Island operators.

No margin will be charged on event security, audio visual, cleaning, and traffic management¹⁹.

Commercial Functions

185 commercial functions will be held in year one. These will be comprised of:

- 15 very large functions with an average attendance of 700
- 30 large functions with an average attendance of 500
- 40 medium functions with an average attendance of 200
- 100 small functions with an average attendance of 100

An average function hire is set at \$750²⁰ generating ~\$139k in year one.

A total of 43,500 PAX will be hosted in year one. An average F&B spend per PAX will be \$80 generating ~\$3.5m in revenue. This will generate a 20% profit margin which equates to \$696k in year one.

No margin will be charged on event security, audio visual, cleaning, and traffic management²¹.

Fitness Centre

The fitness centre has been modelled based on data from the proposed Memorial Park Fitness Centre. A reduction in revenue of 20% has been applied to that model to reflect the times when the fitness centre would be inaccessible due to other activities.

If the Memorial Park Fitness Centre advances, we would strongly advise reconsidering creating a fitness centre in the Tauranga Domain.

The fitness centre is estimated to generate \$993k (assuming the Memorial Park Fitness Centre does not advance) per annum.

Community Multi Sport Facility

A community multi-sport facility will be developed for use by the community-based sports clubs and organisations. This facility will be owned by the asset owning Trust and leased to local sports and community organisations for a base rate of \$5k per annum. This is approximately 50% below similar Tauranga Council lease rates to take account of disruption due to stadium events and the need to relinquish the buildings function space at these times.

The operating revenue for the TMFSF is from a number of different sources. The variation within the revenue between the modelled options is the impact of the Fitness Centre, Light Exhibition rental and associated F&B revenue.

¹⁹ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

²⁰ This assumes approximately 75% of hires at \$500 and 25% at \$1,500.

²¹ Once greater detail is developed at the business case stage margins can be reconsidered on some aspects such as security and AV.

Estimated Revenue (average year)

	Estimated Revenue (average year)			Revenue (000's)	
	Attendance Numbers	Stadium and Fitness	Stadium and Light Exhibition	Stadium and Fitness	Stadium and Light Exhibition
<u>Sports</u>			<u>Event no#</u>		<u>Revenue</u>
Super Rugby	12,000	1	1	40	40
NPC Rugby	5,000	3	3	60	60
Football	1,500	2	2	5	5
Other	5,000	5	5	13	13
<u>Community Sport</u>					
Medium	400	30	30	2	2
Small	200	30	30	2	2
<u>Outdoor Events</u>					
Very Large	16,000	1	1	30	30
Large	10,000	4	4	120	120
Medium	5,000	8	8	240	240
Small	3,000	8	8	240	240
<u>Light Exhibition</u>					
Day events	4,500		40	0	200
2 day events	4,500		6	0	60
3 day events	4,500		4	0	60
Pack in/Pack Out				0	100
<u>Function</u>					
Very Large	700	15	15	11	11
Large	500	30	30	23	23
Medium	200	40	40	30	30
Small	100	100	100	75	75
		277	327	889	1,309
Multi-Sport Club				5	5
Gym & Fitness Centre				993	
Other Revenue/Signage Rights				10	10
Food & Beverage				4,903	6,140
Naming Rights				100	100
Other				n/a	n/a
Total Revenue (2022 Real Terms)				6,900	7,564

Source: Visitor Solutions, Deloitte Analysis

Operating Costs

There are a range of expenses resulting from the management and utilisation of major venues including:

- Event day expenses – all expenses directly related to hosting an event, including, but not limited to, security, event cleaning, ushers, traffic management and event presentation.
- Venue overhead expenses – all other venue operating costs which cannot be directly attributable to an individual event including employee expenses, regular repairs and maintenance, turf maintenance, insurances, promotion, marketing and general administration expenses.
- Gym expenses are primarily salary and wages and maintenance costs.

Staffing

Catering and watering staff are accounted for directly within the revenue modelling so do not appear as a direct operational cost.

The main build facility staff and salary structure will include:

- GM (1 FTE) - \$110k
- Events & Marketing Manager (1 FTE) - \$85k

- Operations Manager (1 FTE) - \$65k
- Admin/Board Sec (.5 FTE) – \$25k
- Operational staff (2 FTE) - \$100k
- Kiwisaver etc (5%)

An elite ground staff crew will be established to service the Domain fields (hybrid turfs x 2, cricket oval, turf rugby fields, as well as selected premium turfs around the city). This is to ensure maximised community and professional use of the assets created. This is considered essential to maintaining the functionality of the development²². The ground staff and salary structure will include:

- Heads grounds person (1 FTE) - \$90k
- Senior grounds person (1 FTE) – \$65k
- Junior grounds person (1 FTE) – \$45k
- Kiwisaver etc (5%)

It is anticipated that the ground crew staff will also support other turf needs within Tauranga. Accordingly, the model incorporates a 30% recharge of the total salary and wage costs received from other facilities within the costing.

The grounds crew will have an operational budget of \$80k annually. Every three years the budget would be increased to \$110k to account for resurfacing.

Facility Expenses

Facility expenses have been estimated in year one as being \$395k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have benchmarked against available data where possible and are set out as line items in the financial model.

- Electricity - \$60k
- Insurance - \$200k²³
- Rates - \$20k
- R&M - \$50k
- Security and Alarm monitoring - \$15k
- Cleaning Contract (Base contract) - \$50k

Indirect Costs

Administration and management costs have been estimated in year one as being \$195k. This includes electricity, insurance, rates, repairs and maintenance, security and alarm monitoring and cleaning. Allowances have been benchmarked against available data where possible and are set out as line items in the financial model.

- Director and Governance Fees - N/A
- Marketing and Advertising - \$50k
- Telephone and Tolls - \$25k
- Other Administration (Accounting, Audit, Bank, PC, FBT, Legal, PPS, Prof fees, Training, Travel) - \$120k

²² The option of contraction the work was investigated and rejected on the grounds that although being cheaper it would lead to reduced asset utilisation and not unlock the full value of the capital being invested in facilities.

²³ The insurance figure is a provisional estimate and will be refined once negotiations are commenced with either local government insurers or third party insurer providers.

Estimated Operating Costs

\$NZ000's	Stadium and Fitness	Stadium and Light Exhibition
Stadium/Events		
Staff Costs - Direct (Turf Mgmt)*	147	147
Staff Costs - Indirect	404	404
Direct Costs		
Facility Costs	395	395
Turf Operational Budget	80	80
Food & Beverage	3,922	4,912
Indirect Costs	195	195
	5,143	6,133
Gym/Fitness Centre		
Staff Costs	446	
Direct Costs	118	
Administration/Indirect Costs	50	
	613	0
Total (2022 Real Terms)	5,757	6,133

Source: Visitor Solutions, Deloitte Analysis

*Includes Recharge

The scope of our work for this financial analysis excludes consideration of a preferred management model for the facility. For the purposes of the analysis, however, a number of implicit assumptions have been made regarding venue management, including:

- The venue is assumed to be managed by the venue owner (e.g a charitable trust of a Council entity) – therefore no private sector venue management fee has been included; and
- The venue manager is assumed to outsource many of the key operating activities to specialist third parties including ticketing, cleaning and security, which is common practice across the industry.

Funding Sources

Typically there can be a range of funding sources available for infrastructure of this nature including:

- Debt funding - we anticipate the returns of the facility would likely be insufficient to support repayment of debt and therefore using this as a mechanism to fund the facility would likely place on-going financial stress on venue operations;
- Application of regional rates – it is not uncommon in New Zealand for regional councils to apply a special regional rate to assist with funding major projects which will benefit an entire region. For example, this approach was adopted for Westpac Stadium and similarly for Forsyth Barr Stadium; and
- Pre-sales of commercial rights – if rights were pre-sold it would significantly impact the ongoing operational financial performance of the venue.

Funding for the TMFSF will need to be met through a combination of:

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

Regional rates will also be investigated following approval of the feasibility study.

A high-level funding assessment has been undertaken by Jenni Giblin (Giblin Group) which indicates an external funding target of circa \$60 million may be achievable. This estimate has been used in the financial modelling.

For the purposes of our analysis we have assumed the following funding profile:

Party	Description
Central Government	LGB Significant Project Fund \$6m LGB Community Facilities Fund \$800k Central Government Support into Tauranga \$20m
Local Government	Tauranga City Council TBC BOP Regional Council \$5m
Corporate/Philanthropic Partners	\$5m
Founding Partners	TECT \$20m
Trusts	Gaming and Community Trusts \$3m

The remainder of the capital funding required is estimated to be \$96.6 million for Stadium and Fitness option and \$107.7 million for the Stadium and Light exhibition option (based on a build cost of \$154.9 million and \$165.9 million respectively). It is assumed this is achieved through Council debt funding.

Financial Evaluation

Financial Summary

Based on our analysis both TMFSF options are EBITDA positive. However, neither of the modelled options contributes sufficient profit to cover debt and interest payments nor a satisfactory contribution towards depreciation to fund replacements over time.

The options are not cashflow positive over the 50 year modelled time horizon.

Financial Summary

\$NZ000's	Stadium and Fitness	Stadium and Light Exhibition
Project Metrics:		
Cumulative Cash Flow	(313,878)	(321,665)
NPV	(167,084)	(174,242)
IRR	N/A	N/A
Payback (Non discounted)	+50yrs	+50yrs
Capital Intensity		
Capex	154,895	165,884
EBITDA (FY22 Real Terms)	1,143	1,431
Capital Intensity	135	116
Profitability		
Revenue (FY22 Real Terms)	6,900	7,564
EBITDA (FY22 Real Terms)	1,143	1,431
EBITDA Margin%	17%	19%
Debt Metrics		
Debt	(96,558)	(107,737)
Debt Repayment	5,250	5,858

Source: Deloitte Analysis

This is not uncommon - in our experience Stadiums are generally not financially self-sufficient (and often don't contribute enough to cover debt repayments or fund replacements over time) and therefore require "augmented" funding over time to remain cash flow positive.

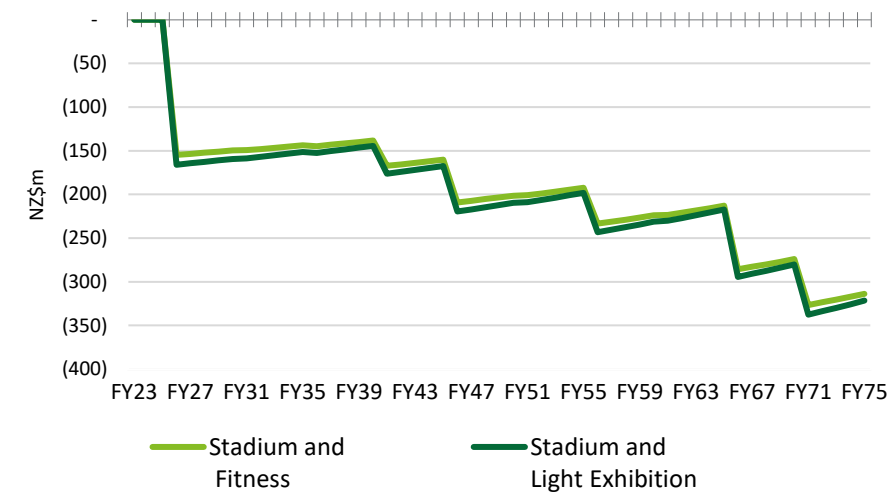
Detailed financial projections for each option, including the cost to funder, are provided within the Appendices.

Cumulative cashflow:

To quantify the options and ultimately determine which option is financially more viable we have assessed the cumulative cashflow difference on both an undiscounted and discounted basis.

As illustrated in the following chart there is almost no discernable difference between the two options with the increased capital costs associated with the Stadium and Light Exhibition option (~\$11 million) primarily offset by the increased EBITDA contribution of the facility (~\$300k per annum) over the modelled time horizon.

Cumulative Free Cash Flow (NZ\$m)



Source: Deloitte Analysis

On an undiscounted basis (over 50 years) the Stadium and Light Exhibition option will cost \$8 million more than the Stadium and Fitness option. (~\$7 million on a discounted basis).

Impact on Rates:

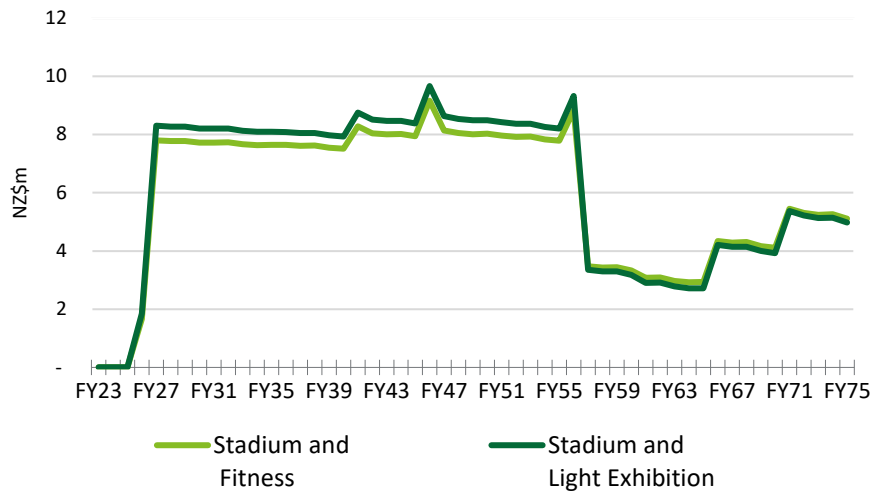
The rates cost to Council (what would be rated for) is assumed to be:

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

Our analysis indicates that:

- The gross cost of the facility reduces over time and this is evident after 30 years (~FY57) when the debt borrowed to fund the development has been paid off.
- The rates cost remains marginally higher for the Stadium and Light Exhibition option relative to the Stadium and Fitness option (~\$460k higher (~6%)) which is a result of the higher upfront capital costs driving both a higher depreciation charge and interest and debt repayment (as the required loan is higher) which are rated for.

Cost to Council - Rates (NZ\$m)



Sensitivity Analysis

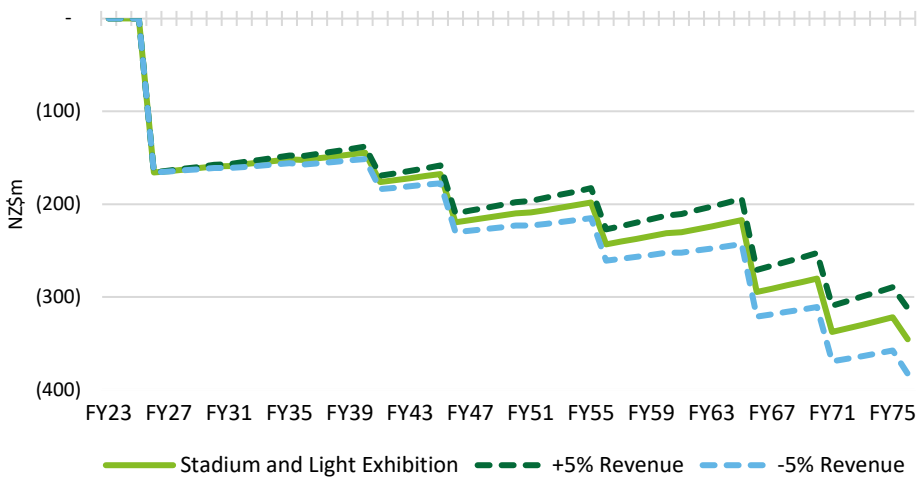
To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on cumulative cashflow and costs to council of the facility given potential changes to revenue, expenditure and capital expenditure. Note our sensitivity analysis has only been performed in relation to the Stadium and Light Exhibition option.

Revenue

The first of the three variables considered in the sensitivity analysis is revenue, which considers the effects of a decrease of 5% and an increase of 5% in the overall revenue line item (no change to expenditure).

- A 5% increase/decrease in revenue is projected to result in a ~+/- \$35 million impact on cumulative cash flow across the life time of the project, which is presented in the chart below.

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



Source: Deloitte analysis

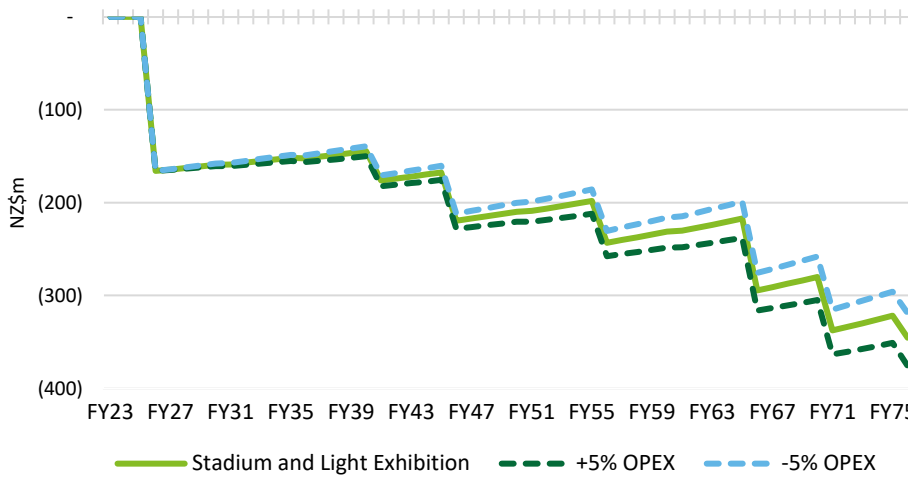
- A 5% increase/decrease in revenue is projected to result in a ~+/- \$400k impact on cost to council in FY27.

Expenditure

The second variable considered in the sensitivity analysis is expenditure, which considers the effects of a decrease of 5% and an increase of 5% in the overall facility expenditure line (no change to revenue).

- A 5% increase/decrease in expenditure is projected to result in a ~+/- \$28 million impact on cumulative cash flow across the life time of the project, which is presented in the table below.

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



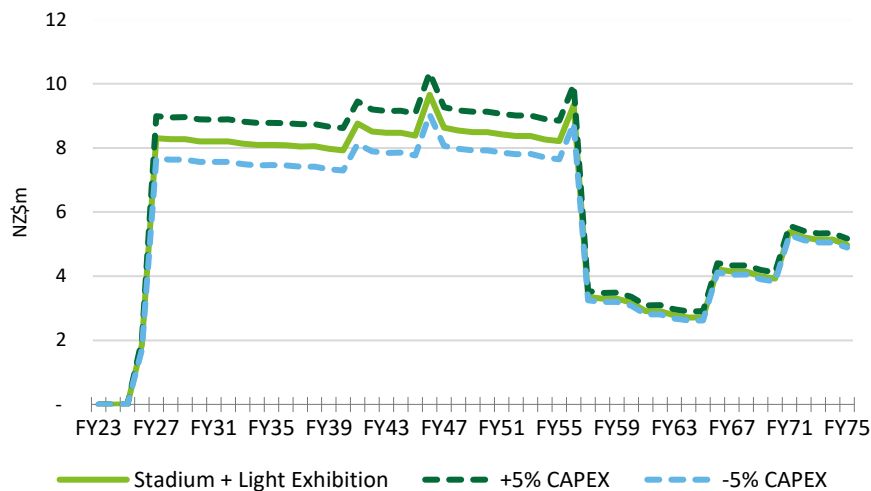
- A 5% increase/decrease in expenditure is projected to result in a ~+/- \$330k impact on cost to council in FY27.

Capital Expenditure

The up front capital expenditure costs are significant and as a result we have considered the effects of a decrease of 5% and an increase of 5% in the overall capital expenditure line item (no change to expenditure or revenue).

- A 5% increase/decrease in capital expenditure is projected to result in a ~+/- \$650k impact on cost to council in FY27, this is illustrated below.

Cost to Council - Rates (NZ\$m)



- A 5% increase/decrease in capital expenditure is projected to result in a ~+/- \$8.2 million impact on cumulative cash flow across the life time of the project.

Disclaimer

This analysis and report has been prepared for Visitor Solutions Limited in accordance with our engagement letter dated 22 November 2021. We consent with this analysis being incorporated into a Visitor Solutions wider report in connection with the project.

Please note the model projections have been compiled from information provided to Deloitte and the assumptions as outlined. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, no assurance can be provided that the predicted results will actually be attained.

In providing the Services we have relied upon and assume, without independent verification, the accuracy and completeness of all information that has been provided to us and available from public sources.

In no way do we guarantee or otherwise warrant that any forecasts of future profits, cashflows or financial position of the stadium would be achieved. Forecasts are inherently uncertain. They are predictions of future events, which cannot be assured. They are based upon assumptions, many of which are beyond the control of Stadium operators and its management team.

Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

Deloitte

March 2022

DRAFT

Preferred Option Analysis: Stadium and Light Exhibition: Detailed Forecast

Stadium and Light Exhibition		Some years have been hidden for presentation purposes																								
\$NZ000's	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Y3Y3Y3Y3	FY37	Y3Y3Y4Y4	FY42	Y4Y4Y4Y4	FY47	Y4Y4Y5	FY52	Y5Y5Y5Y5	FY57	Y5Y6	FY62	Y6Y6Y6Y6	FY67	Y6Y7Y7Y7	FY72
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Sports					11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Community Sports					60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60
Outdoor Events					21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Light Exhibition					50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Functions					185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185
Gym/Fitness Centre (Pax)					1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Revenue																										
Sports	-	-	-	-	132	134	137	140	142	145	160	177	195	216	238	263	290	321								
Community	-	-	-	-	3	3	3	4	4	4	4	4	5	6	7	7	7	8								
Outdoor Events	-	-	-	-	705	719	734	748	763	779	860	949	1,048	1,157	1,278	1,411	1,557	1,719								
Functions	-	-	-	-	155	158	162	165	168	172	189	209	231	255	281	311	343	379								
Light Exhibition	-	-	-	-	470	480	489	499	509	519	573	633	699	771	852	940	1,038	1,146								
Gym/Fitness Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Food & Beverage	-	-	-	-	6,874	7,011	7,152	7,295	7,441	7,589	8,379	9,251	10,214	11,277	12,451	13,747	15,178	16,758								
Other Revenue	-	-	-	-	129	131	134	137	139	142	157	173	191	211	233	257	284	314								
Total	-	-	-	-	8,468	8,638	8,811	8,987	9,166	9,350	10,323	11,397	12,584	13,893	15,339	16,936	18,699	20,645								
Salary & Wages																										
Turf (Incl Recharge)	-	-	-	-	(165)	(168)	(171)	(175)	(178)	(182)	(201)	(221)	(245)	(270)	(298)	(329)	(363)	(401)								
Gym /Fitness Centre Administration	-	-	-	-	(453)	(462)	(471)	(480)	(490)	(500)	(552)	(609)	(672)	(742)	(820)	(905)	(999)	(1,103)								
Direct																										
Food & Beverage (COS)	-	-	-	-	(5,499)	(5,609)	(5,721)	(5,836)	(5,952)	(6,071)	(6,703)	(7,401)	(8,171)	(9,022)	(9,961)	(10,998)	(12,142)	(13,406)								
Facility Expenses	-	-	-	-	(532)	(542)	(588)	(564)	(576)	(624)	(648)	(716)	(840)	(872)	(963)	(1,131)	(1,174)	(1,296)								
Gym /Fitness Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Indirect	-	-	-	-	(218)	(223)	(227)	(232)	(236)	(241)	(266)	(294)	(324)	(358)	(395)	(437)	(482)	(532)								
Operating Costs	-	-	-	-	(6,866)	(7,004)	(7,179)	(7,287)	(7,432)	(7,618)	(8,370)	(9,241)	(10,253)	(11,265)	(12,437)	(13,799)	(15,161)	(16,739)								
Net Operating Cost	-	-	-	-	1,602	1,634	1,632	1,700	1,734	1,732	1,953	2,156	2,331	2,628	2,902	3,137	3,537	3,906								
Depreciation	-	-	-	-	(4,046)	(4,046)	(4,046)	(4,046)	(4,075)	(4,075)	(4,142)	(4,810)	(5,107)	(5,140)	(6,255)	(6,046)	(7,678)	(9,119)								
Subtotal	-	-	-	-	(2,444)	(2,412)	(2,414)	(2,346)	(2,341)	(2,343)	(2,189)	(2,654)	(2,776)	(2,512)	(3,354)	(2,909)	(4,141)	(5,214)								
Interest	-	-	-	(1,853)	(3,771)	(3,698)	(3,622)	(3,544)	(3,463)	(3,379)	(2,914)	(2,361)	(1,705)	(926)	-	-	-	-								
Total Accounting Cost	-	-	-	(1,853)	(6,214)	(6,109)	(6,036)	(5,889)	(5,804)	(5,722)	(5,103)	(5,015)	(4,482)	(3,438)	(3,354)	(2,909)	(4,141)	(5,214)								
Rates Cost to Council																										
Net Operating Cost	-	-	-	-	1,602	1,634	1,632	1,700	1,734	1,732	1,953	2,156	2,331	2,628	2,902	3,137	3,537	3,906								
Interest Cost/Capitalised Interest	-	-	-	(1,853)	(3,771)	(3,698)	(3,622)	(3,544)	(3,463)	(3,379)	(2,914)	(2,361)	(1,705)	(926)	-	-	-	-								
Capex - Establishment	-	-	-	(165,884)	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
External Funding Received	-	-	-	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Debt Draw/Repayment	-	-	-	107,737	(2,087)	(2,160)	(2,236)	(2,314)	(2,395)	(2,479)	(2,944)	(3,496)	(4,153)	(4,932)	-	-	-	-								
Depreciation to Fund Replacements	-	-	-	-	(4,046)	(4,046)	(4,046)	(4,046)	(4,075)	(4,075)	(4,142)	(4,810)	(5,107)	(5,140)	(6,255)	(6,046)	(7,678)	(9,119)								
Total Accounting Cost	-	-	-	-	(8,301)	(8,269)	(8,272)	(8,203)	(8,198)	(8,201)	(8,047)	(8,511)	(8,634)	(8,370)	(3,354)	(2,909)	(4,141)	(5,214)								
Cash Flow Cost to Council																										
Cost to Rates	-	-	-	-	(8,301)	(8,269)	(8,272)	(8,203)	(8,198)	(8,201)	(8,047)	(8,511)	(8,634)	(8,370)	(3,354)	(2,909)	(4,141)	(5,214)								
Addback Depreciation	-	-	-	-	4,046	4,046	4,046	4,046	4,075	4,075	4,142	4,810	5,107	5,140	6,255	6,046	7,678	9,119								
Replacement Capex	-	-	-	-	-	-	-	-	(1,194)	-	-	-	-	-	-	-	-	-								
Total Cost to Council - Cash Flow	-	-	-	-	(4,256)	(4,224)	(4,226)	(4,158)	(4,126)	(4,126)	(3,905)	(3,702)	(3,527)	(3,229)	2,902	3,137	3,537	3,906								

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



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APPENDIX 6: PROGRAMME

PROGRAMME

Activity	Sub-Activity	Weeks	Start	End	Comment
Project Approval	Funding Committed & Governance Established	4	Jul-23	Jul-23	
Design Team Procurement	Market Engagement & RFP Development	6	Jul-23	Sep-23	
Design Team Procurement	RFP In Market	4	Sep-23	Oct-23	
Design Team Procurement	RFP Assessment & Award	4	Oct-23	Nov-23	
Design	Kick-off and Establishment	4	Nov-23	Dec-23	
Design	Concept Design	6	Dec-23	Jan-24	
Design	Concept Approval	2	Jan-24	Jan-24	
Design	Preliminary Design & Resource Consent Pkg	12	Jan-24	Apr-24	
Design	Preliminary Design Approval	2	Apr-24	May-24	
Design	Developed Design & Resource Consent Approval	21	May-24	Sep-24	Design stages to be staggered enabling Building Consent Packages to be developed (and approved) earlier for geotech, civils and structures. This will enable meaningful early works packages to be let and Main Contractor fast start.
Design	Developed Design Approval	2	Sep-24	Oct-24	
Design	Detailed Design	28	Oct-24	Apr-25	
Design	Detailed Design / Tender Package Approval	4	Apr-25	May-25	
Early & Enabling Works	Enabling Works Procurement	3	Apr-24	May-24	Starts post PD Approval
Early & Enabling Works	Enabling Works	12	May-24	Aug-24	
Early & Enabling Works	Early Work Procurement	3	Sep-24	Oct-24	Starts post DD Approval
Early & Enabling Works	Early Works - Stage 1	31	Oct-24	May-25	Site clearance, ground improvement and other de-risking activities
Early & Enabling Works	Early Works - Stage 2	16	May-25	Sep-25	Potential additional package to progress to foundation prep depending on design direction
Main Contractor	Market Engagement & EOI Development	37	Jan-24	Oct-24	A series of market engagement events to refine both the procurement / contract model and seek feedback on the design.
Main Contractor	EOI Process	8	Oct-24	Dec-24	
Main Contractor	RFT In Market	10	May-25	Aug-25	Market Engagement & RFT Development during design phase
Main Contractor	RFT Assessment & Award	6	Aug-25	Sep-25	
Main Contractor	Construction Works	104	Sep-25	Sep-27	Assumes 24 month build
Main Contractor	Commissioning & First Event	12	Sep-27	Dec-27	

APPENDIX 7: TECHNOLOGY

TECHNOLOGY

Technology in the future is likely to play a more important role in stadium experiences. Stadium technology includes a range of subcategories such as:

- Stadium analytics,
- Consumer behaviour,
- Crowd sentiment,
- Real time player insights,
- Live event holograms,
- Concessions and payments,
- Stadium drones and robots,
- Ticketing,
- Stadium connectivity,
- Esports.

The fundamental learning from sector discussions is get the basics correct and do not overreach. Given the rapidly moving technology sector overinvestment can carry risks, especially for smaller regional stadia. International stadia are investing \$100 million in technology per stadium. So what others are doing is not necessarily a comparison.

Getting the basics right involves laying a foundation that new technologies can build off. Such as:

- Adequate power supply,
- Super fast broadband connections,
- High quality Wi-Fi hotspots (dispersed throughout the stadium),
- Quality screens,
- Quality LED stadium lighting.

A large part of the tailored technology used in stadia in the medium term will likely be facilitated via personal devices (such as mobile phone, tablets, smart watches, headsets, and glasses). Provision of apps and content will likely be via a combination of entities such as franchises, promoters, stadium managers and third part technology providers.

Other stadia wide wrap around technology includes.

The Art Installations / Experiences

The stadium and surrounds become an immersive canvas for the delivery of experiences (such as celebrating scoring through to pure entertainment). These could be facilitated via different mediums such as water projection (from permanent or temporary pools in grass areas, or roof tops), dry projection onto screens and walls, or via specially designed display units. Use of LED lights, LED screens and sound systems can further enhance pre and during game experiences. The stadium itself could become a changing art instillation.

The Game

Enhancing the spectator experience by integrating people more into the game. For example, offering immediate data on player and team performance, live stadium commentary, providing the ability to follow a player or referee (via on body or tracking cameras), and the delivery of animated and still statistics. These data and experiences could be delivered in a tailored fashion (via personal devices) or stadia wide via screens or projections.

Service Optimisation

Optimising customers services such as ticketing, pre purchasing merchandise and food, food delivery through a centralised app. Real time customer feedback would also be possible.

APPENDIX 8: TURF

NZSTI Report Name: Tauranga Domain Stadium – Supporting Information for Concept - Final
NZSTI Report Number: NZSTI-LS 22307
Client: Visitor Solutions – Craig Jones
Report date: 18 November 2022
Visit date:
Prepared by: David Ormsby & Alex Glasgow - NZSTI
dormsby@nzsti.org.nz | 027 442 8053 | www.nzsti.org.nz



Good morning Craig

Please find or report summarising the supporting information for Tauranga Stadium proposed for the Tauranga Domain.

The information summarised in this report is based on the issues raised in your email 24 October.

If you have any additional queries, please contact Alex Glasgow or myself.

Your sincerely

A handwritten signature in black ink, appearing to read 'D Ormsby'.

David Ormsby – Sports Turf Agronomist

SUPPORTING INFORMATION – TAURANGA STADIUM

Background

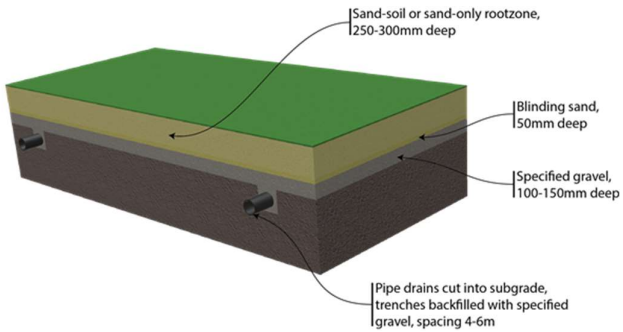
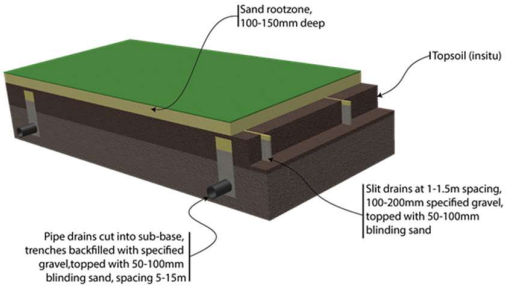
The concept for the proposed new Tauranga Stadium will involve redeveloping two of Tauranga City Councils existing Reserves, specifically:

- Tauranga Domain – proposed home of the new Tauranga Stadium
- Wharepai Domain – Community use and supporting training venue for Tauranga Stadium.

Subject to other logistical issues, the concept is to enable the community to utilise both these facilities as much as is practical, whilst also meeting the specific needs of televised national/international events.

Supporting information for this concept is summarised below.

Proposed construction methodology

Tauranga Stadium (Tauranga Domain)	Wharepai Domain
<p>This field would be constructed with a full sand profile, hybrid surface and established in ryegrass. In summary, the profile consists of:</p>  <p>Sand-soil or sand-only rootzone, 250-300mm deep</p> <p>Blinding sand, 50mm deep</p> <p>Specified gravel, 100-150mm deep</p> <p>Pipe drains cut into subgrade, trenches backfilled with specified gravel, spacing 4-6m</p>	<p>This field would be constructed using a sand carpet concept and established as a dual turf cover, specifically couch & ryegrass.</p>  <p>Sand rootzone, 100-150mm deep</p> <p>Topsoil (in situ)</p> <p>Slit drains at 1-1.5m spacing, 100-200mm specified gravel, topped with 50-100mm blinding sand</p> <p>Pipe drains cut into sub-base, trenches backfilled with specified gravel, topped with 50-100mm blinding sand, spacing 5-15m</p>

Proposed level of use

Play

The basis of the indicative use levels proposed are:

- Based on adult level play – for use based on children less than 10 – 12 years of age, these hours of use could be increased by 50%
- The fields must remain in a safe condition
- The fields must be able to be presented to a very high standard, suitable for a television audience on an as required basis.
- Due to the growth potential (recovery) of grass, slightly less use is possible during the winter. Tauranga's mild winter climate means the impact is minimal compared to cooler parts of the country.

The key to achieving the stated goals is managing the amount of use, specifically being aware of when important televised events will occur and monitoring the quality (density) of the turf throughout the year, particularly winter.

For example active management of use would typically involve:

- Restricting/preventing use 7 – 14 days prior to an important or televised event (depending on weather and turf condition).
- If excessive thinning of the turf cover is used, discontinuing play until the turf recovers

The best means of doing this is to base use of the venue on a booking system as opposed to allocating the venue to a club and giving them carte blanche in terms of use.

Maintenance

Windows in the ‘Stadiums’ calendar are critical to enable essential maintenance of the fields to be undertaken.

Anticipated levels of Use possible based on stated goals	
Tauranga Stadium (Tauranga Domain)	Wharepai Domain
Play <ul style="list-style-type: none"> • Winter – 10 - 15 hours adult use/week • Summer 15 – 20 hours use/week 	Play <ul style="list-style-type: none"> • Winter – 10 - 12 hours adult use/week • Summer 10 – 15 hours adult use/week
Maintenance <ul style="list-style-type: none"> • The hybrid turf requires: <ul style="list-style-type: none"> ○ A light renovation in autumn and spring each year that shouldn't result in more than a week (each renovation) of disruption to play ○ Resurfacing of the field is required every 1 – 2 years and a recovery period of 12 weeks, following resurfacing for establishment of a turf cover. 	Maintenance <ul style="list-style-type: none"> • 5 weeks is required each year to be set aside for renovations <ul style="list-style-type: none"> ○ A 3 week period must be allocated in late February – early March to enable a ryegrass turf cover to be established. ○ A 2 week period is recommended during September/October when the field will transition from ryegrass to Couch

Maintenance & Capital requirements

Tauranga Stadium (Tauranga Domain)	Wharepai Domain
Maintenance <ul style="list-style-type: none"> • Mowing 4x/week with a triplex mower and clippings caught • Aeration – 8x/year @ \$1000/treatment • Disease control 10x/year @ \$1,000/treatment • Fertiliser 10x/year @ \$1,500/application • Sanding 2x/year @ \$2,500/application • Poa control 8x/year @ \$700/application • Broadleaf weed control 2 @ \$600/application • Wetting agent 5x/year @ \$600/application • Line marking – 48x/year • Water 	Maintenance <ul style="list-style-type: none"> • Mowing 2 - 3x/week with a triplex mower and clippings caught • Aeration – 8x/year @ \$1000/treatment • Disease control 5x/year @ \$1,000/treatment • Fertiliser 6x/year @ \$1,500/application • Sanding 2x/year @ \$2,500/application • Grass control 3x/year @ \$1,000/application • Broadleaf weed control 1 @ \$600/application • Earthworm control 3x/year @ \$750/application • Line marking – 48x/year • Water
Capital <ul style="list-style-type: none"> • Every second-year field needs to be resurfaced and a turf cover established @ \$110,000 	Capital <ul style="list-style-type: none"> • Every 10 years field needs to be resurfaced @ \$190,000

Case studies

There are numerous examples of sand carpet sportsfields and Stadiums in NZ that could be used as part of the proposed concept. However, the concept you are proposing although sound is rarely practised in NZ, and hence the relevance of these examples is debateable. The norm once a ‘stadium’ is built is to strictly control and usually limit

play. One of the reasons play is limited is simply users cannot afford the costs associated with opening a stadium (security, cleaning, administration etc)

Examples that best represent your concept, are some of the 'regional No.1 fields' such as Waitakere Trust Arena, Paeroa Domain, Tauranga Domain that host a blend of community events (AMP shows, Fireworks events) local use (football, rugby and athletics) and national play (usually rugby).

The problem with all these examples is the use is rarely actively managed. The norm is the field is handed over to a winter/summer code whereby they can use it as much as they like and hence accommodating extra events or controlling the field quality is extremely difficult.

In summary, we believe that the proposed community and pro sports turf approach is viable so long as the following steps are observed:

1. Active management of all turf bookings is undertaken, and acceptance of bookings is based on the existing turf quality.
2. Appropriate turf maintenance is programmed and undertaken on both turf surfaces.