



Tauranga Visitor Information Centre

Options Analysis



Prepared for:
Tauranga City Council

Contents

1	Executive Summary	1
2	Recommendations	2
3	Introduction	2
	Purpose of report.....	2
	Key objectives for Bay of Plenty Visitor Information Services	4
4	Current visitor information services	4
	Location and services.....	4
	Visitors	4
	Funding / financials	5
5	Key issues and opportunities.....	6
	Best practice VICs.....	6
	Key issues with current VIC	8
	Opportunities.....	9
6	Short-list of options	10
	Options development matrix	10
	Options discounted.....	12
	Locations considered.....	12
	Types of VICs.....	13
	Location combinations considered.....	13
7	Location considerations	14
	Visibility / foot & traffic flows.....	14
	Access	15
	Amenities	17
	Footprint.....	18
	Summary.....	18
8	Timing and phasing, dependencies and uncertainties.....	20
9	Financial considerations.....	21
	Capex requirements	21
	Opex requirements.....	23
	Summary.....	27
10	Preferred Option.....	28
11	Implementation.....	29
	Timing and phasing	29
	Risk.....	29
	Other considerations	30
	Next steps	30

1 Executive Summary

The purpose of this report is to assess the shortlisted options for a more efficient and effective visitor information and services model in Tauranga and recommended a preferred option for further consideration.

The provision of visitor information services in Tauranga (through the Willow Street i-SITE and seasonal i-PORT facility) is not currently fit for purpose or optimised for the future. A key issue is the location of the Willow Street Visitor Information Centre (VIC) which is less than ideal as it is not a highly visible building nor is it located in vibrant area, there are no green/resting spaces and the presence of several bus stops along Wharf Street and Willow Street does not create a safe and inviting atmosphere or provide a good representation of the city. As a result of the location, a large proportion of sales are residential bus ticketing rather than servicing of visitors. Car parking in the area is also limited and does not meet the need of free independent travellers. Another weakness of the current situation is that there is no VIC at Mount Maunganui where the majority of visitors are.

The shortlist of future options considered as part of this options analysis is as follows:

Option	Mount	Tauranga		
1A	I-port + Phoenix	Gateway + Hub	Nothing	
1B	I-port + Phoenix	Gateway + Hub	Waterfront (upgraded, permanent)	Satellite
1C	I-port + Phoenix	Gateway + Hub	Civic campus	Integrated
2A	Coronation Park + Phoenix	Gateway / Hub + Satellite	Nothing	
2B	Coronation Park + Phoenix	Gateway / Hub + Satellite	Waterfront (upgraded, permanent)	Satellite
2C	Coronation Park + Phoenix	Gateway / Hub + Satellite	Civic campus	Integrated

In order to determine the preferred option, analysis of the following has been undertaken:

- *Critical success factors for location* - visibility and access (car parking etc.) and amenities
- *Financial implications* – high level Capex and Opex estimates
- *Risk and uncertainty* - Timing, phasing, key dependencies and other considerations to establish the resulting level of risk or uncertainty associated with each option. Note: Legal considerations have not yet been investigated and this may have a material on the overall level of risk and uncertainty of each option.

The recommended option is 2B comprising of:

- A Hub / Gateway VIC in Coronation Park (Salisbury Ave) of approximately 300m² servicing cruise passengers and other visitors in a purpose built facility; and
- A satellite VIC in Phoenix Park and a satellite VIC on the Tauranga waterfront, ranging in size from 50–130m².

This option is considered to provide the best level of service to visitors (including appropriate parking and amenities) and can be delivered within an acceptable timeframe. The key projects that this option is dependent on (Phoenix Car Park redevelopment and Waterfront Development) look likely to proceed and can accommodate the requirements of a VIC.

The high level Capex estimate for this recommendation is \$1.45m-\$1.74m and the Opex per annum is estimated at approximately \$830k-\$1.08m depending on the size of the satellite locations in Phoenix Park and the Tauranga waterfront. If existing TCC funding is included and management fees and rent obligations are removed, this option would require additional funding or revenue of between \$299k and \$491k per annum. While the costs are at the higher end of the options considered, if the Phoenix and Waterfront locations are serviced by a small kiosk, then the costs involved are comparable to options 1B, 1C and 2A.

This investment into the Bay of Plenty's growing tourism industry is expected to provide a high quality fit-for-purpose service for visitors that welcomes them to the city, engaging them with the region and stimulating the visitor economy by contributing to the vision to be a \$1 billion industry by 2030.

The timing and phasing for implementation of the recommended option is dependent on a number of key projects including Coronation Park / Salisbury Ave upgrades, Phoenix Car Park redevelopment and the Waterfront Development Project. While the timing and ultimate outcomes of these projects are yet to be confirmed, the potential timing and phasing could be as follows:

- Mid 2017 - Phoenix VIC opens
- End of 2017 / Early 2018: Coronation Park Hub opens / Willow St closes
- 2018: Tauranga Waterfront VIC upgrade completed

A number of risks exist which require a further detailed assessment and strategies for mitigation. These include:

- Dependence on other Council projects
- Existing Café lease
- Reserves Act
- Phoenix Park planned storm-water works
- Port logistics

In order to implement the recommended option, the following key actions are required:

- Due diligence including detailed financials, legal and planning considerations and full risk assessment
- Develop options around commercial model and decide on preferred model
- Prepare full business case
- Public consultation
- Budget approval by Council
- Develop detailed implementation plan

2 Recommendations

It is recommended that:

- a) The following option (2B) is selected as the preferred option for Tauranga's future Visitor Information Services:
 - A Hub / Gateway VIC in Coronation Park (Salisbury Ave) of approximately 300m² servicing cruise passengers and other visitors in a purpose built facility; and
 - A satellite VIC in Phoenix Park and a satellite VIC on the Tauranga waterfront, ranging in size from 50–130m².
- b) Detailed due diligence on Option 2B be undertaken, which includes a detailed assessment of costs, legal and planning considerations and risks
- c) Options for a commercial delivery model be developed and presented to Council along with the results of the due diligence exercise in b) in the form of a full business case.

3 Introduction

Purpose of report

The purpose of this report is to assess the shortlisted options for a more efficient and effective visitor information services model in Tauranga and recommended a preferred option as a foundation for a full business case on the chosen option.

Unless otherwise indicated, all information in this report was provided to Wardale by Tauranga City Council (TCC) and Tourism Bay of Plenty (TBoP).

Key objectives for Bay of Plenty Visitor Information Services

The key objectives for Bay of Plenty (BoP) Visitor Information Services are:

- To make a measurable contribution to the quality of the visitor experience and our vision to grow visitor spend in the region to \$1 billion by 2030
- To be recognised by tourism operators as a vital part of the local distribution network and together the local industry are encouraging visitors to stay longer, increase spend locally, make a return visit and recommend others to the region.
- That visitors will seek out our VICs as “must visit” information hub and attraction in its own right and they are located in easy to find locations.
- To be viable, sustainable and provide services and facilities that maximise the economic and social benefits to visitors and the local community.
- To be agile, adaptable and future proofed for visitor emerging customer and technological trends, demographic changes and city changes.
- To add to the vibrancy, identity and civic pride of the city.

4 Current visitor information services

Location and services

The current Tauranga i-SITE VIC, located on the corner of Wharf Street and Willow Street inside part of a large council building, provides customers with information and full booking and ticketing services for all transport, accommodation, and activities 7 days a week. It also has a retail outlet, contact centre (phone and email) and staff are fluent in major languages.

It has a Qualmark rating of 89% which is regarded as high for an information centre. According to the most recent annual Deloitte Survey it is classed as a ‘small tourist centre’ based on staff numbers, visitor numbers, and sales. However inclusion of cruise figures in 2015/16 will likely push it into the ‘secondary tourist’ category.

A Mount Maunganui i-SITE was previously located in Salisbury Ave on the edge of Coronation Park. This closed in 2012 as location and visibility are critical to a VIC’s success and the Salisbury Avenue location was not considered fit for purpose at the time. Cruise passengers were serviced from within the port with a purpose built seasonal facility (i-PORT) and an information centre was placed into the Beachside Holiday Park to meet the demand of other visitors in a prime location.

Visitors

The Willow Street i-SITE serviced 125,000 customers in 2014/15. An additional ~85,000 cruise visitors are serviced at i-PORT (between 2,500 and 7,000 passengers a day during the cruise season) bringing total annual visitor numbers to around 200,000. Cruise has been a strong source of visitor growth, increasing by around 600% over the last 10 years.

As shown in Figure 1 below, visitors to Tauranga i-SITE locations declined steadily from 2008/09 and also following the closure of the Mount Maunganui i-SITE in 2012. The i-PORT facility has cannibalised a % of cruise passengers that would have visited an i-SITE in earlier years. Willow St i-SITE visitor numbers have plateaued over recent years. Internet visits in 2014/15 totalled 216,000 demonstrating the importance of having an online presence.

Figure 1: Visitor Numbers and Funding



Over 60% of visitors to the Bay of Plenty are residents, 15% domestic and 25% International (this differs from the national average of 30% residential, 26% domestic and 44% International). The Tauranga VIC customer breakdown is 37.5% residential, 9.5% domestic and 53% international, demonstrating the need to locate VICs in places that are more attractive and accessible to residents. 73% of users are 25-65 years, and 23% are over 65 years with only 4% of 18-25 year olds using VICs.

Funding / financials

Tourism Bay of Plenty (TBoP) took over the management and administration of the BOP i-SITE operations in July 2006. TCC is the sole local government funder of the VICs, providing \$291k of annual funding which has decreased by 27% from a high of \$400k 10 years ago despite an increase in the number of total visitors (i.e. including cruise) served.

In 2014/15, the Tauranga i-SITE generated \$1.67M of sales directly into the regional economy by way of commission based sales for accommodation, activities or attractions. This equates to 1.56% of the total tourism expenditure across the Tauranga City.

Total operating revenue was \$753k comprising funding \$291k (38%), commission-based sales \$236.5k¹ (31%), retail sales \$120k (15%), cruise ship advertising \$46k (6.2%) and brochure fees \$27k (3.61%).

With the addition of the i-PORT facility, TBoP has been cross subsidising the true cost of Visitor Information Centres in the region and in 15/16 the forecast true cost for the VIC and i-PORT facilities is \$787k. This results in a forecast net loss of \$66k despite revenue having increased and this comes out of TBoP’s operational marketing budget. The Willow St i-SITE accounts for the majority of the deficit (\$57k).

TBoP i-SITES operate very cost effectively with an average cost per walk in visitor of \$1.50 compared to the average VIC in the “small tourist” size category of \$3.10. i-PORT is a low cost operation, only accounting for 13.7% of TCC funding while generating ~45% of total operating revenue and ~30% of expenditure.

¹ *Bus sales are approximately 55% of the \$546 k of travel sales with resulting revenue of approximately \$150k.

5 Key issues and opportunities

Best practice VICs

Best practice VICs provide the following:

- a) **Fit for purpose service** for customers, which comprises
 - i. *Optimal location*
 - Highly visible / easy to find
 - In an area of high traffic (car and/or foot) within or near a tourism precinct and in close proximity to local attractions / points of interest
 - Services the target market
 - Accessible – ample parking, close to transport hubs, walking / cycling connections
 - Close to key amenities including toilets, resting spaces, cafes etc.
 - ii. *Attractive building design*
 - Iconic design that is a brand reflection of the location and is an attraction in itself e.g. Matamata i-SITE (refer Figure 2 below).
 - An open and welcoming space that is integrated into the streetscape
 - Visible signage and credible branding
 - User friendly internal layout / design

Figure 2: Matamata i-SITE iconic building



- iii. *High level of service for visitors*
 - Adequate number of enthusiastic, knowledgeable professional staff with good customer service, technology and sales skills
 - Information provided is free, comprehensive, credible, authoritative and unbiased
 - Regional displays and stories
 - Meets emerging social and technological trends e.g. free Wifi, online content, interactive displays, self-service express information, online bookings, multiple languages etc.

- iv. *Strong relationships with community and tourism industry*
- Engage with the local community and actively service residents
 - Allocate space to local products to encourage community 'buy-in'
 - Positive working relationships with the tourism industry and local businesses and organisations

b) Financially sustainable

- i. Funding is sufficient to provide fit for purpose building and services
- ii. Pursue all avenues of revenue and funding opportunities
- iii. Services are provided in an efficient and cost effective manner

Key issues with current VIC

The provision of visitor information services in Tauranga is not currently fit for purpose or optimised for the future for the following reasons:

Location

- The location of the current VIC in Willow Street is not ideal as it is not a vibrant area, there are no green/resting spaces and the presence of several bus stops located along Wharf Street and Willow Street does not create a safe and inviting atmosphere or provide a good representation of the city.
- As a result of the location, a large proportion of sales are residential bus ticketing rather than servicing of visitors.
- Car parking in the area is limited and not suitable for large campers etc.
- There is no VIC at the Mount where the majority of visitors are. Demand at the Beachside Holiday Park and the Mount Mainstreet Office demonstrates that there are visitors whose needs are not being met by the Tauranga location or the cruise specific i-PORT.

Building

- The VIC is not highly visible or well sign posted
- The internal layout of the VIC is not optimal as it is not custom designed, being a re-fit of a previous retail space.

Operations

- A range of operational improvements are needed including increased staffing levels, more customer service/sales training, a greater level of engagement with trade and tourism operators, and sale of more out of region products.

Trade relationships

- Over 30% of trade customers rated the VIC as Fair or Poor for the value their business receives. Improvements are needed in the area of proactive contact, offering feedback to trade, adding sales training and providing cost effective leads.

Providing a fit for service customer experience is the key issue to be addressed as part of this options assessment, with a focus is on objective a) i) i.e. determining the optimal location (or combination of locations) that will enable us to better service the various visitor segments and gain greater access to the customer.

Any building developments / upgrades involved will assume a functional and attractive building design as outlined in objective a) ii). Objectives a) iii) and iv) will be addressed through operational improvements that will continue to be made independent of the location decision.

Opportunities

In terms of objective b), it is recognised that the purpose of VICs is not to make money², rather they exist primarily as an economic driver. By ensuring visitors are properly informed and better equipped to enjoy their visit, they lead visitors to stay longer and spend more, generating substantial benefits for the economy³. The perceptions of the Bay of Plenty that attract visitors are also those that attract people to return to live, study, work and do business therefore it is an integrated part of developing a region's economic potential. If all stakeholders see value in the operation and are prepared to fund it, then it can be considered sustainable. However, if the proposed location (or combination of locations) does provide opportunities to increase revenue or reduce costs then that would be ideal.

There are a range of opportunities to improve the viability of the Tauranga VICs through some or all of the following initiatives:

Additional revenue generating opportunities

- Subletting space, co-locating with or managing complimentary activities e.g. Café / other retail / attractions
- Event ticketing services
- Improve retail offering / merchandising local products to showcase the region and generate income
- Hire out space for events (design as a flexible space)
- Explore additional sponsorship / advertising opportunities with local businesses
- Develop strategic partnerships with complementary entities e.g. DOC, travel agencies, forex
- Sales training for staff (62% of Willow St i-SITE visitors and 86% of i-PORT visitors are non-transactional).

Additional funding sources

- Seek grants from within the wider region (not just TCC funding) as the wider region benefits from the VIC
- Revisit TCC funding policy/strategy to increase TCC funding

Increased revenue from commissions / retail through increase in visitors

- Locate in high foot traffic area / where the tourists spend their time
- Make the VIC an attraction in its own right demonstrating local culture/creativity
- Co-location with café / retail / other key attractions
- Integrate building into streetscape
- Digital/interactive displays
- Use of technology to provide new attraction, engagement and information provision channels. A more pro-active approach in taking information to the visitor e.g. through use of social media and newsletters, instead of hoping the visitor comes to the information.
- Collect meaningful information and insights about VIC visitation to understand how best to meet visitor needs and expectations
- Hold events e.g. cultural performances (at or nearby the VIC) that tourists would be attracted to.

Cost savings / operating efficiencies

- Rationalise costs of operation where possible e.g. partial use of volunteers, installing unmanned information kiosks etc.

² Only 9/80 i-SITEs in New Zealand are financially self-sufficient and these are in high volume locations with high volume commissionable products and are also often subsidised in rent, rates etc. by local government

³ "For every \$1 provided by Councils in funding, the network returns on average \$8.70 in GDP." Economic Impact Analysis of the i-SITE Network Sept 2015, New Zealand, ME

6 Short-list of options

Options development matrix

A high level “options development” matrix (shown in Figure 3 below) was considered at the November workshop for Project Elected Members only. Potential options (including the Status Quo) were assessed against a range of criteria at a high level, with the highest ranking options circled, being those that were a high fit (indicated in green) for the majority of criteria.

Figure 3: Options development matrix

	Status Quo	Digital Only	MM - Phoenix Carpark	MM - Coronation/ i-PORT	MM - Port	TGA - Waterfront	TGA - Civic Modified	TGA - Cameron Road Gateway	TGA - Spatial Framework option
Target Market	1. Resident 2. Domestic 3. International	1. Domestic 2. International 3. Resident	1. Resident 2. Domestic 3. International 4. Cruise *Best fit for all	1. Cruise 2. International 3. Domestic 4. Residential	1. Cruise only	1. Resident 2. Domestic 3. International 4. Cruise *Best fit for all	1. Resident 2. Domestic 3. International 4. Cruise *Best fit for all	1. International 2. Domestic 3. Resident	1. Resident 2. Domestic 3. International
i-SITE Accreditation	Green	Red	Green	Green	Green	Green	Green	Green	Green
Access - Foot, Drive, Public Transport, Carparking	Yellow	Red	Green	Green	Green	Green	Green	Yellow	Yellow
Visibility	Yellow	Red	Green	Yellow	Green	Green	Green	Yellow	Yellow
Showcasing regional brand, cultural & historical story	Red	Red	Green	Green	Green	Green	Green	Green	Green
Footprint & Amenities - size sqm, parking, toilets, retail, digital and resting spaces	Yellow	Red	Green	Green	Yellow	Green	Green	Green	Green
Interdependencies	Civic Campus Project Wayfinding Project Customer Services Review	Digital Strategy Development	Phoenix Redevelopment Wayfinding Project Customer Services Review	Coronation Park Restrictions Wayfinding Project	Port Restrictions	Waterfront Development Project & Spatial Framework Project	Civic Campus Project	Spatial Framework Project	
Timeframes	NOW	NOW	1 - 2 years	2-5 years	NOW	1 - 3 years	1 - 5 years	5 - 10 years	5 - 10 years
Cost-Benefit	Capex Cost = L Opex Cost = M Benefit = L	Capex Cost = L Opex Cost = M Benefit = L	Capex Cost = M Opex Cost = M Benefit = H	Capex Cost = H Opex Cost = M Benefit = H	Capex Cost = L Opex Cost = L Benefit = H	Capex Cost = M Opex Costs = L Benefit = H	Capex Cost = H Opex Costs = M Benefit = M	Capex Cost = M Opex Costs = M Benefit = H	Capex Cost = H Opex Costs = M Benefit = M
Agile - Future Proofed	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Green

Key: Green = High Fit Orange = Medium Fit Red = Low Fit to meet requirements

Options discounted

Following this assessment, the following options were discounted:

Digital only

- The provision of digital visitor information services is necessary and will be maintained and enhanced in the future. However it is considered that a physical presence is also required in order to provide a comprehensive service that is visible and accessible for all visitors.
- Although consumers increasingly access information and products on-line, the opportunity to speak to knowledgeable and friendly locals who can provide credible and unbiased information is highly valued. Research confirms that despite the increase in pre-destination research and booking, a significant range of decisions is still made in destination (40% of international and 25% of domestic visitors use an i-SITE on arrival). Tourists who use visitor centres also tend to stay longer and spend more in a region.

I-PORT only

- This will not meet Tauranga's baseline service needs on its own given the port specific location that does not service non-cruise visitors, therefore will only be considered in combination with a physical presence at another VIC.

Status Quo (Willow St)

- The current location is not considered optimal in terms of visibility, accessibility and vibrancy and does not service the Mount which is the largest tourist area.

Cameron Road

- While Cameron Road would have been a highly visible gateway location, finding a suitable site for a VIC proved to be challenging.

TGA Spatial Framework

- The outcomes of this project are still uncertain and long timeframes are involved. It is also looking likely that the Tauranga waterfront, which is one of the shortlisted options, will be identified as the core location for creating the "heart" of the city.

Locations considered

The five shortlisted options were the Port, Coronation Park and Phoenix Car Park at the Mount and the Waterfront and Civic (modified) in Tauranga. These options are considered at a more detailed level in this paper to enable a recommendation as to the preferred option.

A brief description of the opportunity at each of the five locations is set out below.

Port (Cruise only)

- The i-PORT facility, which is used to service large volumes of cruise passengers, consists of a large temporary marquee structure which is erected during the cruise season
- This facility requires upgrading to provide more space and areas for passengers to view information and sit/rest as well as space for self-service sales kiosks. The structure also needs to be more robust / weatherproof.

Phoenix Park

- The concept involves the removal of the Mount Mainstreet office building from the site, the relocation of 55 car parks and creation of a park with resting spaces, an iconic building (either a VIC or toilet block), and potentially a cafe to attract people to the area
- It would be a location for a variety of community activities including markets, concerts, outdoor movies etc.
- A VIC at this location is seen to have strong alignment with the vision for Phoenix Park which is to "create a destination space that invites and attracts people, providing opportunities for them to relax, engage and connect within the town centre" as it would attract locals, tourists and cruise passengers into the town centre as a first port of call.

- The plan is to get a land use consent for the site in 2016.

Coronation Park

- This option involves a substantial redevelopment of the Council owned Salisbury Ave building located on the edge of Coronation Park which housed the previous i-SITE that closed in 2012
- This VIC would be an iconic building servicing a high throughput of customers - both cruise passengers arriving at the port (located within approx. 130m adjacent to the rear of the park) and other visitors arriving at the Mount via Maunganui Road.
- I-PORT would no longer be required.

Tauranga Civic Campus

- This option would be a modification of the existing VIC by attaching it to another municipal building e.g. museum as part of the Civic Campus Project which involves a rebuild of the existing civic buildings as well as the creation of new green spaces.
- TBoP could potentially be a tenant / co-tenant / sub-tenant.
- There are many uncertainties associated with this project and locating the VIC here would only make sense (i.e. provide a significant advantage over the status quo) if plans for the museum (a significant visitor attraction) were to go ahead and the bus services were re-routed.

Tauranga Waterfront

- This option would involve an upgrade of the current visitor information booth in its current location or otherwise creation of a new VIC in a different location on the waterfront
- The new / upgraded waterfront VIC would be bigger, have a semi-permanent feel to it and likely provide an increased retail / food offering

Types of VICs

There are a number of different types of VICs:

- **Hub** – a large scale visitor centre, dealing with national enquiries as well as those about the city of location. It is the main VIC in a given area.
- **Gateway** – located in an area that welcomes visitors at a point of arrival and has easy access for parking, transport etc. right outside
- **Satellite** – a smaller office, which is backed up by a main office (hub)
- **Integrated** – co-located alongside or inside another service, retail outlet or attraction, sharing the space and in some cases the staff
- **Mobile** – On the street “meeters and greeters” and/or web enabled information through mobile phones

Location combinations considered

Given the need to service cruise passengers as well as other visitors, for the Mount location the options would be:

1. I-PORT (upgraded) plus Phoenix Park (Hub)
2. Coronation Park (Hub) plus small foot traffic site at Phoenix Park

For a Tauranga location the options considered are:

- A. Nothing (assuming a Mount location)
- B. Waterfront (upgraded)
- C. Civic Campus

Options A, B and C all assume that Willow St will stay operating temporarily, say for a period of 2-3 years or however long is required prior to the VICs at the new location(s) being implemented.

The shortlist of options considered in this paper comprise a combination of the potential Mount and Tauranga options listed above as set out in the table below.

These options assume a Mount location is required as tourism is going from strength to strength in the area and the Mount is a popular tourist destination. It is understood that re-establishing a VIC at the Mount was always the intention when the time was right and resources allowed.

Table 1: Options considered

Option	Mount	Tauranga		
1A	I-port + Phoenix	Gateway + Hub	Nothing	
1B	I-port + Phoenix	Gateway + Hub	Waterfront (upgraded, permanent)	Satellite
1C	I-port + Phoenix	Gateway + Hub	Civic campus	Integrated
2A	Coronation Park + Phoenix	Gateway / Hub + Satellite	Nothing	
2B	Coronation Park + Phoenix	Gateway / Hub + Satellite	Waterfront (upgraded, permanent)	Satellite
2C	Coronation Park + Phoenix	Gateway / Hub + Satellite	Civic campus	Integrated

Mobile (on the street) VICs will be complementary to these.

In order to determine the preferred option, further analysis of the following is required:

- *Critical success factors for location* - visibility and access (car parking etc.) and amenities
- *Financial implications* – high level Capex and Opex estimates
- *Risk and uncertainty* - Timing, phasing, key dependencies and other considerations to establish the resulting level of risk or uncertainty associated with each option.

This analysis is set out in sections 7 to 10 below, based on information provided by TBoP and TCC.

7 Location considerations

The key location based requirements for a successful VIC are visibility and accessibility to car parking and toilet facilities.

Visibility / foot & traffic flows

A successful VIC will be highly visible / easy to find, in an area of high traffic (car and/or foot) within or near a tourism precinct and in close proximity to local attractions or points of interest.

Unfortunately we do not have sufficient data to accurately assess foot and vehicle traffic for each location. However, we know that Tauranga’s key attractions are Mount Maunganui (both Main beach and Mauao), particularly during the summer months which is the high season for tourism, and the Tauranga waterfront / CBD.

The five potential locations and their weakness / strengths in regard to this are shown in Table 2 below.

Table 2: Visibility and foot/traffic flows by location

Location	Weaknesses	Strengths / Opportunities	Summary
Tauranga Civic Campus	<ul style="list-style-type: none"> Currently not a vibrant area 	<ul style="list-style-type: none"> Potential for large numbers of visitors to the area if Museum proposal goes ahead 	<ul style="list-style-type: none"> Future plans for area have potential to improve visibility/traffic flows but high level of uncertainty regarding museum proposal
Tauranga Waterfront	<ul style="list-style-type: none"> Low vehicle traffic 	<ul style="list-style-type: none"> Good visibility – waterfront is a focal point of the city High pedestrian flows Plans to increase visibility of waterfront / make it a more prominent feature 	<ul style="list-style-type: none"> High foot traffic location
Coronation Park	<ul style="list-style-type: none"> Not a high foot traffic area Limited street interface and recognition of the park as a whole Public safety concerns 	<ul style="list-style-type: none"> Close to downtown Mount Maunganui Foot traffic likely to increase due to proposed upgrades to the park including resting areas and improved walking & cycling connections High traffic throughput area, being a key road entry point into the Mount Close to port (~130m) therefore could also service cruise visitors 	<ul style="list-style-type: none"> Potential to become a highly visible Gateway VIC due to planned roading upgrades while also servicing cruise given its proximity to the port.
Phoenix Carpark	<ul style="list-style-type: none"> Not on a key traffic route 	<ul style="list-style-type: none"> Location in a high foot traffic area in the heart of Mount Maunganui Phoenix Park redevelopment will attract visitors to the area 	<ul style="list-style-type: none"> High foot traffic location
I-PORT	<ul style="list-style-type: none"> Only services cruise passengers 	<ul style="list-style-type: none"> Key entry point to Tauranga for around 85,000 visitors p.a. 	<ul style="list-style-type: none"> High foot traffic but cruise specific

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Conclusion: Phoenix Park has the most certainty of becoming a highly visible location due to the planned redevelopment and also the location in the heart of Mount Maunganui. Coronation Park has the potential to become a highly visible Gateway VIC while also servicing cruise passengers given its proximity to the port. Tauranga Waterfront is likely to become an increasingly busy pedestrian area due to the planned Waterfront Development project.

Access

The car parking issue is one of the top complaints received regarding the existing Willow Street i-SITE. Car parking needs to meet the requirements of Free Independent Travellers (FIT) who may be travelling by car, van, or by large motorhome as well as the requirements of tour groups who are travelling by large van or bus.

The five potential locations and their weakness / strengths in regard to this are shown in Table 3 below.

Table 3: Car parking by location

Location	Weaknesses	Strengths / Opportunities	Summary
Tauranga Civic Campus	<ul style="list-style-type: none"> Unclear as to what the CBD parking plans are but it would seem to have the same issues as the existing site unless dedicated/ fit for purpose parking can be created somewhere. 	<ul style="list-style-type: none"> Because it is a redevelopment, there is an opportunity to improve the parking situation e.g. if there is a museum, customer parking would need to be provided for this and could also be designed to accommodate i-SITE visitor parking 	<ul style="list-style-type: none"> Uncertain but potential to accommodate appropriate parking for a VIC
Tauranga Waterfront	<ul style="list-style-type: none"> The concept for Stage One of the Waterfront appears to remove the car parking along the waterfront or part thereof 	<ul style="list-style-type: none"> It might be possible for coach/camper parking down one of the cul-de-sac ends of the Strand (depending on final location of i-SITE) 	<ul style="list-style-type: none"> Uncertain but potential to accommodate appropriate parking for a VIC
Coronation Park	<ul style="list-style-type: none"> Existing car parking not adequate to service a VIC 	<ul style="list-style-type: none"> Changes to Nikau Crescent and Salisbury Ave have already been approved to make it more vehicle friendly and provide more car parking. Potential on-park options for creating dedicated visitor parking. 	<ul style="list-style-type: none"> Proposed changes to area are likely to provide well for VIC parking requirements
Phoenix Carpark	<ul style="list-style-type: none"> Existing car parking to be removed and replaced with (more) side street parking Much more of a foot traffic option 	<ul style="list-style-type: none"> Council is looking at a coach drop off area outside Phoenix Park and move on to Salisbury Ave area (which is going to be best location for coaches etc.) There may be able to be a provision somewhere within walking distance of the Phoenix Carpark / Mount Maunganui High Street for larger style visitor parking (likely to be Salisbury Ave) 	<ul style="list-style-type: none"> No suitable parking - more of drop/off or foot traffic option
I-PORT	<ul style="list-style-type: none"> While car parking is not required for FIT's or Coach, more functional car parking is required for the Cruise Tourism Operators other than the current arrangement at MOSC Carpark, some options of which have been tabled with the Mayor and others 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Visitor car parking not required at this location

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Conclusion: Coronation Park would appear to have the best street side and potentially on-park options for creating dedicated parking, if resource consent allowed it.

All of the above options are very accessible by bus.

Amenities

Another key success factor for VICs is proximity and access to key amenities including toilets, resting spaces, cafes etc.

The five potential locations and their weakness / strengths in regard to this are shown in Table 4 below.

Table 4: Amenities by location

Location	Weaknesses	Strengths / Opportunities	Summary
Tauranga Civic Campus	<ul style="list-style-type: none"> Toilets seem scarce in the area 	<ul style="list-style-type: none"> Redevelopment plans to include a park / green space 	<ul style="list-style-type: none"> Current amenities scarce – future uncertain
Tauranga Waterfront	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> 2-3 toilet options already exist on the Waterfront (whilst they could be more beautiful). Plenty of green space Opposite café strip 	<ul style="list-style-type: none"> In close proximity to key amenities
Coronation Park	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Located within park area with resting spaces etc. Redevelopment may include subletting space to a cafe Toilets are located on the Salisbury Avenue entrance (right beside old VIC where redevelopment would take place). 	<ul style="list-style-type: none"> In close proximity to key amenities
Phoenix Carpark	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Toilets are included in the current plan – will be redeveloped or upgraded Proximity to shops, cafes and restaurants Proposed park includes green space / resting areas which is a good location for residents and their VFR (Visiting Friends and Relatives), who are the majority of the visitors to the region, to mix together. 	<ul style="list-style-type: none"> In close proximity to key amenities
I-PORT	<ul style="list-style-type: none"> There are no toilet facilities until Salisbury Ave but this does not appear to be an issue No resting areas hence need to extend marquee to provide places to sit Lack of retail / cafes 	<ul style="list-style-type: none"> Location at point of disembarkation for cruise passengers 	<ul style="list-style-type: none"> Lack of amenities

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Conclusion: Phoenix Park has the best potential for provision of key amenities provided the redevelopment goes ahead. Coronation Park would also provide a good level of amenity for visitors following the planned upgrades to this area however it is not as close to cafes / restaurants etc. Tauranga Waterfront is also an area with good provision of key amenities.

Footprint

The only options that have a limited potential footprint for a VIC are the Port which is also temporary / seasonal and Tauranga Waterfront (covenants and bylaws affect this area).

While the footprint is sufficient at the Phoenix Car Park site, major stormwater works are planned which could potentially impact on the building design and/or location. This issue requires further investigation in order to determine the extent of the risk.

Conclusion: The potential building footprints for a VIC are not likely to be limited at Coronation Park and Civic Campus. Planned stormwater works at the Phoenix Car Park could potentially impact on building design/location.

Summary

A summary of location considerations for each of the five locations is set out below.

Table 5: Summary of location considerations – individual locations

Location	Visibility / Traffic flows (car & foot)	Suitable Car parking for visitors	Amenities	Footprint	Overall rating
Tauranga Civic Campus	Only if museum project goes ahead otherwise not a vibrant area	Potentially – depends on Museum project	Potentially – depends on Civic Campus project	Sufficient to meet needs	Highly uncertain
Tauranga Waterfront	High pedestrian traffic	Could potentially be accommodated in waterfront development	In close proximity to key amenities	Impacted by covenants and bylaws	Suitable location for a walk in VIC
Coronation Park	Potential to become a highly visible Gateway VIC while also servicing cruise	Proposed changes to area are likely to provide well for VIC parking requirements	In close proximity to key amenities	Sufficient to meet needs	Highly suitable location for a large VIC
Phoenix Car Park	High foot traffic	No	In close proximity to key amenities	Footprint sufficient to meet needs however risk that permanent building is impacted by planned major stormwater works	Highly visible walk-in location with good amenities
I-PORT	Cruise only	Not required at this location	Lack of amenities	Restricted as on port land but sufficient to meet cruise needs	Cruise specific – close to port but lacking in amenities

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

A summary of location considerations for the combination of options 1A to 2C is set out below.

Table 6: Summary of location considerations – location combinations

Option	Visibility / Traffic flows (car & foot)	Service both Mount & Tauranga	Suitable Car parking for visitors	Amenities	Footprint	Overall rating
1A i-PORT + Phoenix	Medium – low vehicle traffic	No	No	Low level of amenity at i-PORT	Some restrictions	No car parking or presence in Tauranga
1B i-PORT, Phoenix & Waterfront	Medium – low vehicle traffic	Yes	Phoenix Hub – No Waterfront - Potentially	Low level of amenity at i-PORT	Some restrictions	Lack of car parking in Mount, low vehicle traffic in all locations
1C i-PORT, Phoenix & Civic Campus	Medium – depends on Museum proposal	Yes	Phoenix Hub – No Civic Campus - Potentially	Low level of amenity at i-PORT	Some restrictions	Lack of car parking and low vehicle traffic in Mount. Dependent on highly uncertain Museum proposal
2A Coronation + Phoenix	High	No	Coronation Hub - Likely	Good level of provision	Sufficient	Good but no presence in Tauranga
2B Coronation, Phoenix & Waterfront	High	Yes	Coronation Hub – Likely Waterfront - potentially	Good level of provision	Sufficient	Excellent
2C Coronation, Phoenix & Civic Campus	Potentially high if Museum proposal goes ahead	Yes	Coronation Hub – Likely Civic Campus - potentially	Good level of provision	Sufficient	Good but dependent on highly uncertain Museum proposal

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Option 1 is problematic due to the lack of suitable car parking at the Mount locations (i-PORT and Phoenix) and low vehicle traffic at all locations. The level of amenity able to be offered to visitors at i-PORT will also always be restricted due to the more isolated location and temporary nature of the structure.

Options 1A and 2A have the disadvantage that there is no VIC in Tauranga. Given the growth in tourism and the city's population, more places are required to connect with residents and visitors about what there is to see and do in the area. It is preferable that there are VICs to service the Mount (both cruise and general visitors) as well as Tauranga.

Conclusion: Options 2B and 2C are the only combinations of locations that potentially meet all the critical location criteria, however Option 2B is likely to be preferable due to the high levels of uncertainty and longer timeframes associated with the museum proposal.

8 Timing and phasing, dependencies and uncertainties

The timing and phasing, key dependencies, other considerations, and resulting level of risk / uncertainty involved with each option is set out in Table 7 below.

Note that legal considerations have not yet been investigated and this may have a material impact on the overall level of risk and uncertainty associated with each option.

The options are dependent on a range of other large projects / developments either planned or taking place. In terms of levels of certainty associated with these projects:

- The waterfront development stage one is approved and commencing therefore this has budget approval.
- The roading reconfiguration on Salisbury Ave and around Coronation Park is approved and commencing
- Phoenix Car Park has a development budget approved and is undergoing public consultation
- It is understood that the current civic building will need to be redeveloped at some stage, however the Civic Campus project has high levels of certainty involved, particularly in relation to the museum proposal.

Table 7: Timing and phasing, key dependencies and uncertainties

Option	Timing & Phasing	Key Dependencies	Legal considerations	Level of risk / uncertainty	Overall rating
1A i-PORT + Phoenix	<ul style="list-style-type: none"> • i-PORT: 1yr • Phoenix: 1-2yrs • Overall: 1-2yrs 	<ul style="list-style-type: none"> • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review 	<ul style="list-style-type: none"> • TBA 	Low-Medium	Short timeframe, low-medium risk
1B i-PORT, Phoenix & Waterfront	<ul style="list-style-type: none"> • i-PORT: 1yr • Phoenix: 1-2yrs • Waterfront: 1-3yrs • Overall: 1-3yrs 	<ul style="list-style-type: none"> • Phoenix Car Park redevelopment • Waterfront Development Project • Spatial Framework Project 	<ul style="list-style-type: none"> • TBA 	Medium – due to dependency on two other major Council projects	Short timeframe, medium risk
1C i-PORT, Phoenix & Civic Campus	<ul style="list-style-type: none"> • i-PORT: 1yr • Phoenix: 1-2yrs • Civic Campus: 1-5yrs • Overall: 1-5yrs 	<ul style="list-style-type: none"> • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review • Civic Campus Project 	<ul style="list-style-type: none"> • TBA 	High – due to dependency on two other major Council projects, one of which is the highly uncertain Civic Campus Project	Medium – long timeframe, high risk
2A Coronation + Phoenix	<ul style="list-style-type: none"> • Phoenix: 1-2yrs • Coronation: 2-5yrs • Overall: 2-5yrs 	<ul style="list-style-type: none"> • Coronation Park • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review 	<ul style="list-style-type: none"> • TBA • Cafe lease expiry date is Oct-19. Tenant has invested extensively in fit-out. • Reserves Act 	Medium – due to dependency on two other major Council projects	Medium timeframe, medium risk

Option	Timing & Phasing	Key Dependencies	Legal considerations	Level of risk / uncertainty	Overall rating
2B Coronation, Phoenix & Waterfront	<ul style="list-style-type: none"> Phoenix: 1-2yrs Coronation: 2-5yrs Waterfront: 1-3yrs Overall: 2-5yrs 	<ul style="list-style-type: none"> Coronation Park Phoenix Car Park redevelopment Wayfinding Project Customer services review Waterfront Development Project Spatial Framework Project 	<ul style="list-style-type: none"> TBA Reserves Act 	Medium – due to dependency on three other major Council projects	Medium timeframe, medium risk
2C Coronation, Phoenix & Civic Campus	<ul style="list-style-type: none"> Phoenix: 1-2yrs Coronation: 2-5yrs Civic Campus: 1-5yrs Overall: 2-5yrs 	<ul style="list-style-type: none"> Coronation Park Phoenix Car Park redevelopment Wayfinding Project Customer services review Civic Campus Project 	<ul style="list-style-type: none"> TBA Reserves Act 	High - due to dependency on 3 other major Council projects, one of which is the highly uncertain Civic Campus Project	Medium – long timeframe, high risk

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

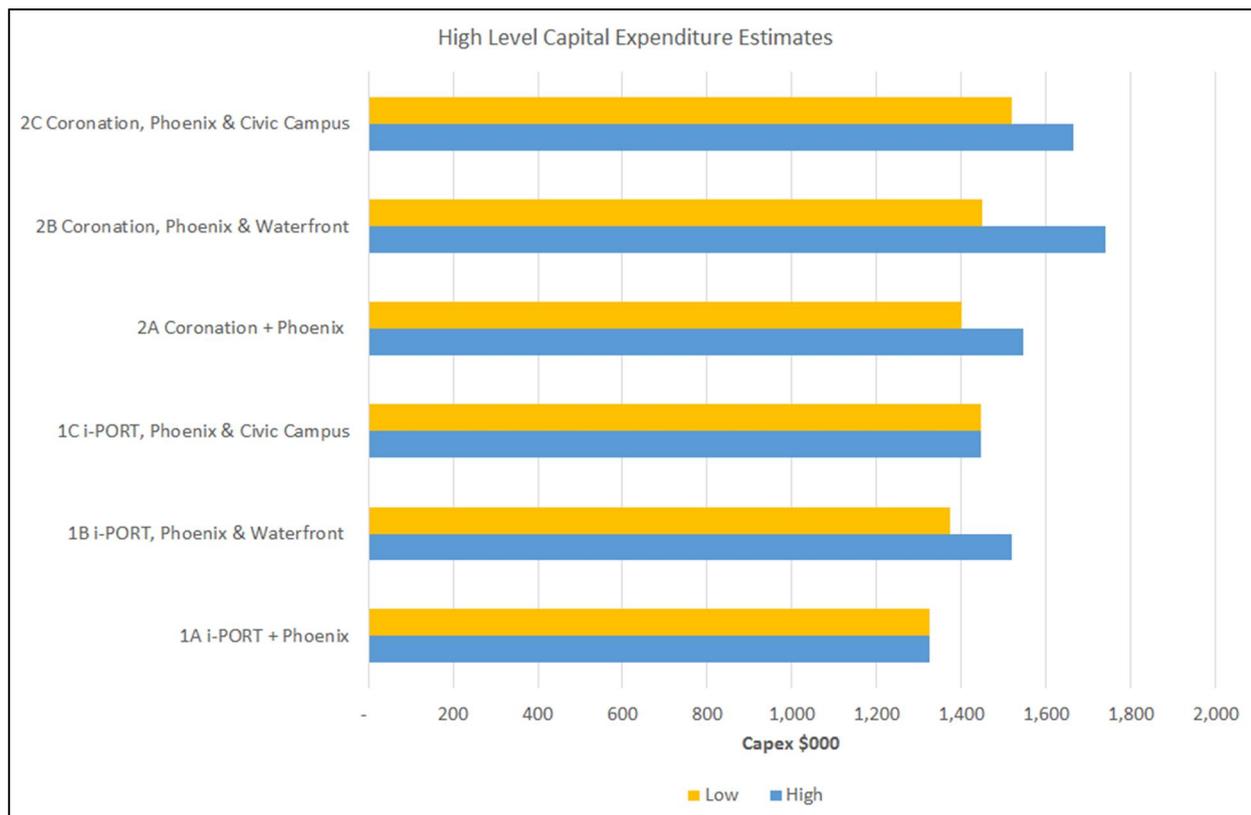
Conclusion: All options are dependent on other Council projects. Options 1A and 1B provide the lowest risk options within the quickest timeframes. Options 1C and 2C are the highest risk option due to the uncertainties involved with the museum proposal.

9 Financial considerations

Capex requirements

The high and low capital expenditure (Capex) estimates for each option considered are shown in Figure 4 below.

Figure 4: High level Capex estimates



The Capex estimates in Figure 1 above have been estimated based on two key parameters – likely size of the VIC and the type of VIC (hub, satellite etc.) as shown in Tables 8 and 9 below. Note that these are preliminary estimates only.

Table 8: High level Capex assumptions

Location	Type	\$/m ² *	Area m ²	Base Capex \$000	
				High	Low
Tauranga Civic Campus	Integrated	1,200	100	120	120
Tauranga Waterfront	Satellite	1,500	130	195	-
		1,000	50	-	50
Phoenix Carpark	Hub	4,500	250	1,125	1,125
	Satellite	1,500	130	195	-
		1,000	50	-	50
Coronation Park	Gateway / Hub	4,500	300	1,350	1,350
I-PORT	Gateway		288	200	200

Source: Ryder Levett Bucknall

Key points to note are:

- The current Willow St i-SITE is approx. 250m² including office, retail, staff toilets / lunchroom etc.
- For the Tauranga Waterfront and Phoenix Car Park Satellite options, the “high” scenario assumes a 130m² building whereas the “low” scenario assumes a 50m² “kiosk” style VIC.
- Coronation Park Capex assumes a new-build. A refurb is not likely to achieve the objectives for the site however would result in capex savings of around \$300k based on a building footprint of 300m²
- The current value of the existing building at Salisbury Ave (café plus toilets) that would be removed to facilitate the redevelopment is \$137k. Costs to remove the building are not included in the Capex estimates above.
- I-PORT upgrade Capex of \$200k is based on the estimate of \$175k provided by Spacewise plus an allowance of \$25k for additional costs (resource consent, electrical, plumbing and water).

Table 9: Capex estimates

Option	Base Capex \$000	
	High	Low
1A i-PORT + Phoenix (Hub)	1,325	1,325
1B i-PORT, Phoenix (Hub) & Waterfront	1,520	1,375
1C i-PORT, Phoenix (Hub) & Civic Campus	1,445	1,445
2A Coronation (Hub) + Phoenix	1,545	1,400
2B Coronation (Hub), Phoenix & Waterfront	1,740	1,450
2C Coronation (Hub), Phoenix & Civic Campus	1,665	1,520

* Costs include 10% extras/contingency + 12% fees + 4% escalation costs (e.g. material cost inflation)

Potential minor costs are not accounted for including migration of people and IT, any bespoke design elements and ‘internal’ project management costs. However the focus for the purpose of this options analysis is the relative scale of cost.

Opex requirements

Current situation

In total, the Tauranga i-SITE employs 24 people (head count) with 4 individuals in full time paid employment, 5 in permanent part time paid employment and 18 in casual part time paid employment (cruise season supports). During the winter months of (April to October) there are three staff on each day and during the summer months of (November to March) this increases to four staff.

For the cruise ship season (November to March) the VIC also staffs the i-PORT and i-TICKET, and employs another 18 casual cruise staff bringing the overall total for the summer period to 24 staff. This staff to visitor ratio is in line with International benchmarks.

The range of services currently provided at the Willow Street VIC includes:

- Local, regional and national product knowledge including geography, history, literature and culture.
- Local accommodation, attractions, shops, restaurants
- Local and national accommodation booking service
- Public transport information, route planning and bookings
- Admission tickets for local attractions

- Distribution of local guides and literature
- Retail outlet of books, maps and souvenirs
- Fluency in major languages
- Contact centre (phone and email)

Total net operating expenditure (Opex) for 2014/15 (including TCC funding of \$291k) was \$700 (comprising a \$23k profit for Willow Street and \$22k loss for i-PORT). Forecast Opex for 2015/16 is a net deficit of \$66k as more Visitor Centre and i-PORT costs are being accounted for in the VIC budgets (and not cross subsidising out of the TBoP budget).

There are a number of areas within both operations where a greater investment in Opex is required. The 2016/17 budget (total net deficit of 142k, comprising \$65k for Willow Street and \$77k for i-PORT) reflects an enhanced level of customer service including increased staffing levels. Without TCC funding of \$291k, the net deficit is \$433k.

Future requirements

Annual Opex estimates for each of the combination options have been estimated by TBoP on the following basis:

Base opex

- The improved level of service that is reflected in the 2016/17 Willow Street i-SITE budget is assumed at the new locations
- Opex figures are net Opex i.e. income (excluding TCC funding of \$291k) less operating expenditure
- Opex estimates are considered to be conservative
- Operating income reflects additional revenue generating opportunities at each location e.g. increase in commissions due to higher visitor numbers, improved retail opportunities, savings from co-location, sub-letting opportunities etc. These opportunities will need to be planned for and implemented.
- Key Opex items are Management Fee, Rent and Wages
- Depreciation is not currently included – this would be accounted for on a diminishing value basis, with the high Capex options having corresponding higher depreciation costs.
- It is assumed that the current café tenant at the Salisbury Ave building (current rental \$10,500 p.a.) will be able to be accommodated in the new development. No rental recovery is currently included in the Opex figures.

Table 10 shows the total base net Opex (excluding TCC funding) for each location, excluding depreciation.

Table 10: Net Opex estimates by individual location

Location	VIC type	Area m ²	Base Opex \$000
Tauranga Civic Campus	Integrated	100	239
Tauranga Waterfront	Satellite	130	239
	Kiosk	50	146
Phoenix Carpark	Hub	250	462
	Satellite	130	323
	Kiosk	50	146
Coronation Park	Gateway / Hub	300	508
I-PORT	Gateway	288	77

Note: Excludes depreciation expense

Location combination options

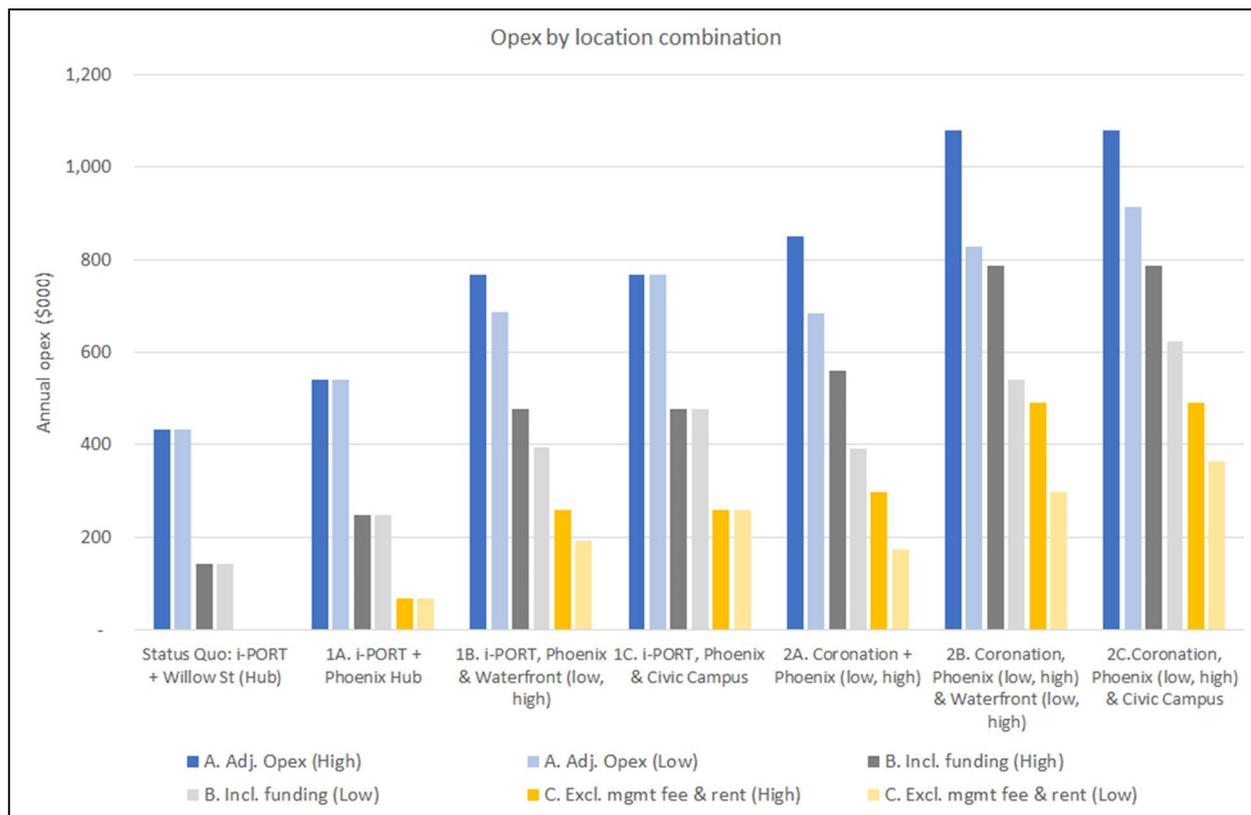
- All options assume the Willow Street i-SITE will stay operating temporarily (for a period of up to say three years) until the new options are up and running. The Opex costs in Table 11 and Figure 5 below reflect the Opex for the new options (i.e. excluding Willow Street).
- In Table 11, for each option total net Opex for each location (from Table 10) has been added together and then adjustments made to reflect the impact of having multiple locations.
- For options that include the Tauranga Waterfront and/or Phoenix Car Park Satellites, the “high” scenario assumes a 130m² building whereas the “low” scenario assumes a 50m² “kiosk” style VIC.
- Combined Opex (column A) includes adjustments for having multiple locations but excludes TCC funding of \$291k p.a., the impact of which is reflected in column B.
- These options contain management fees (\$80k) that could be removed if managed by TBoP via a single contract. They also include commercial rent rates which could be removed if TCC chose to offer “rent breaks” on their owned premises. Column C shows the impact of removing management fees and rent from Column B.

Table 11: Net Opex by location combination

Combination Options	A. Combined Opex (adjusted for multiple locations)		B. Incl. TCC Funding		C. Excl. Mgmt Fee & Rent	
	High	Low	High	Low	High	Low
Status Quo Willow St (Hub) + i-PORT	433	433	142	142	-	-
1A i-PORT + Phoenix (Hub)	539	539	248	248	68	68
1B i-PORT, Phoenix (Hub) & Waterfront	769	685	478	394	260	194
1C i-PORT, Phoenix (Hub) & Civic Campus	769	769	478	478	260	260
2A Coronation (Hub) + Phoenix	850	684	559	393	299	173
2B Coronation (Hub), Phoenix & Waterfront	1,080	830	789	539	491	299
2C Coronation (Hub), Phoenix & Civic Campus	1,080	914	789	623	491	365

Note: Excludes depreciation expense

Figure 5: Net Opex by location combination



Summary

Table 12: Summary of Capex and Opex estimates

Option	Capex	Opex p.a. (excl. mgmt. fee & rent)	Overall rating
1A i-PORT + Phoenix	Low - \$1.325m	Low – \$68k	Low cost
1B i-PORT, Phoenix & Waterfront	Low - Medium \$1.38-\$1.52m	Medium \$194k – \$260k	Medium cost
1C i-PORT, Phoenix & Civic Campus	Medium - \$1.45m	Medium - \$260k	Medium cost
2A Coronation + Phoenix	Medium \$1.4m - \$1.55m	Medium \$173k – \$299k	Medium cost
2B Coronation, Phoenix & Waterfront	Medium - High \$1.45m - \$1.74m	Medium - High \$299k – \$491k	Medium – High cost
2C Coronation, Phoenix & Civic Campus	High \$1.52 - \$1.67m	High \$365k – \$491k	High Cost

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Conclusion: Option 1A is the lowest cost option while Option 2C is the highest. Options 1B, 1C and 2A are similar in terms of opex and capex. While the costs of Option 2B are at the higher end, if the Phoenix and Waterfront locations are serviced by a small (50m²) kiosk (i.e. low option), then the costs involved are not significantly higher than options 1B, 1C and 2A.

10 Preferred Option

A summary of the key considerations for each option along with an overall rating is set out in Table 13 below.

Table 13: Summary

Option	Location / Service level	Timing & risk	Cost	Key issues / considerations	Overall rating
1A i-PORT + Phoenix	No car parking or presence in Tauranga	Short timeframe, low-medium risk	Low	<ul style="list-style-type: none"> Phoenix planned stormwater works Lack of visitor parking No presence in Tauranga 	Low fit
1B i-PORT, Phoenix & Waterfront	Lack of car parking in Mount, low vehicle traffic in all locations	Short timeframe, medium risk	Medium	<ul style="list-style-type: none"> Phoenix planned stormwater works Lack of visitor parking 	Low fit
1C i-PORT, Phoenix & Civic Campus	Lack of car parking and low vehicle traffic in Mount. Dependent on highly uncertain Museum proposal	Medium – long timeframe, high risk	Medium	<ul style="list-style-type: none"> Phoenix planned stormwater works Lack of visitor parking Civic Campus Project uncertainty 	Low fit
2A Coronation + Phoenix	Good but no presence in Tauranga	Medium timeframe, medium risk	Medium	<ul style="list-style-type: none"> Reserve Act No presence in Tauranga 	Medium fit
2B Coronation, Phoenix & Waterfront	Excellent	Medium timeframe, medium risk	Medium - High	<ul style="list-style-type: none"> Reserve Act 	Best fit - Preferred option
2C Coronation, Phoenix & Civic Campus	Good but dependent on Museum proposal	Medium – long timeframe, high risk	High	<ul style="list-style-type: none"> Reserve Act Civic Campus Project uncertainty 	Low fit

Key: Green = High fit to meet requirements, Orange = Medium Fit, Red = Low fit

Conclusion: The recommended option is 2B: Coronation, Phoenix & Waterfront as it is considered to provide the best level of service to visitors and can be delivered within an acceptable timeframe. The key projects that this option is dependent on (Phoenix Car Park redevelopment and Waterfront Development) look likely to proceed and can accommodate the requirements of a VIC. While the costs (Opex and Capex) are at the higher end of the options, if the Phoenix and Waterfront locations are serviced by a small kiosk, then the costs involved are comparable to options 1B, 1C and 2A.

11 Implementation

Timing and phasing

The timing and phasing of the recommended option (2B) is dependent on the following projects:

- Coronation Park / Salisbury Ave upgrades
- Phoenix Car Park redevelopment
- Wayfinding Project
- Customer services review
- Waterfront Development Project
- Spatial Framework Project

While the timing and ultimate outcomes of these projects are yet to be confirmed, the potential timing and phasing for the implementation of Option 2B could be as follows:

- Mid 2017 - Phoenix VIC opens
- End of 2017 / Early 2018: Coronation Park Hub opens / Willow St closes
- 2018: Tauranga Waterfront VIC upgrade completed

It should be noted that if the Coronation Park Hub is not up and running before the end of 2017 / early 2018 then i-PORT upgrades are likely to be required in order to keep it functional for cruise.

Risk

A number of risks exist in relation to Option 2B. These risks require a further detailed assessment and strategies for mitigation, however at a high level these include:

- **Dependence on other Council projects** – there is a risk that these may take longer or that the outcomes may be different than expected.
- **Existing Café lease** – the final lease expiry is not until October 2019 and the café operator has made significant investment in fit-out. It may be possible to negotiate for them to not elect to renew the lease at the first expiry in October 2016, however this is likely to require financial incentives as well as security of a new premise to move into.
- **Reserves Act** – All of Coronation Park is classified as Recreation Reserve under the Reserves Act, and is administered by and vested in TCC. In August 2013, the site where the i-SITE building is located was re-classified from Local Purpose Reserve to Recreation Reserve to enable TCC to enter into a commercial lease of the building. Legal advice is required to determine whether the status would need to be changed back to Local Purpose Reserve in order to re-establish an i-SITE at this location. This may depend on the commercial model i.e. who constructs, owns and operates the VIC and what activities would occur at the site (e.g. commercial ventures such as a café, food outlet or ticket sales).
- Once the desired status of the reserve to facilitate the project is known, there would be a number of Reserves Act processes to undertake which could include Council resolutions, public notification and Minister of Conservation approval. Where there is public notification, if there are submissions, then a Council hearing must occur and Council needs to make the decision. If there are no submissions, then no hearing or Council decision is required.
- **Phoenix Park storm-water works** – It is understood that major storm-water works are planned for the site and further investigation is required to determine the scope and timing of this as well as the potential risk and impact on the building design / footprint / location for a satellite VIC at the site.
- **Port logistics** – Ideally, in order to achieve a fully integrated solution with the port, cruise passengers would exit the port at a different location than currently and be guided to the VIC at Coronation Park. This would require negotiation with the port.

It should be noted that the above is a list of initial risks identified, and it is possible that additional risks may be identified during detailed due diligence of the preferred option.

Other considerations

There is a right of way over part of the reserve for the Police Station, which will need to be factored into any proposed development.

The City Plan rules will also apply to any building on the reserve, which is zoned Active Open Space. It is in the Flood Hazard Plan Area of the City Plan. It is a Scheduled Site in the City Plan, specifically called the Salisbury Ave Scheduled Site (Chapter 13).

Next steps

In order to implement the recommended option, the following key actions are required:

- Due diligence including detailed financials, legal and planning considerations and full risk assessment
- Develop options around commercial model and decide on preferred model
- Prepare full business case
- Public consultation
- Budget approval by Council
- Develop detailed implementation plan