TOURISM BAY OF PLENTY
Plenty FOR Everyone
makuru whenua makuru moana

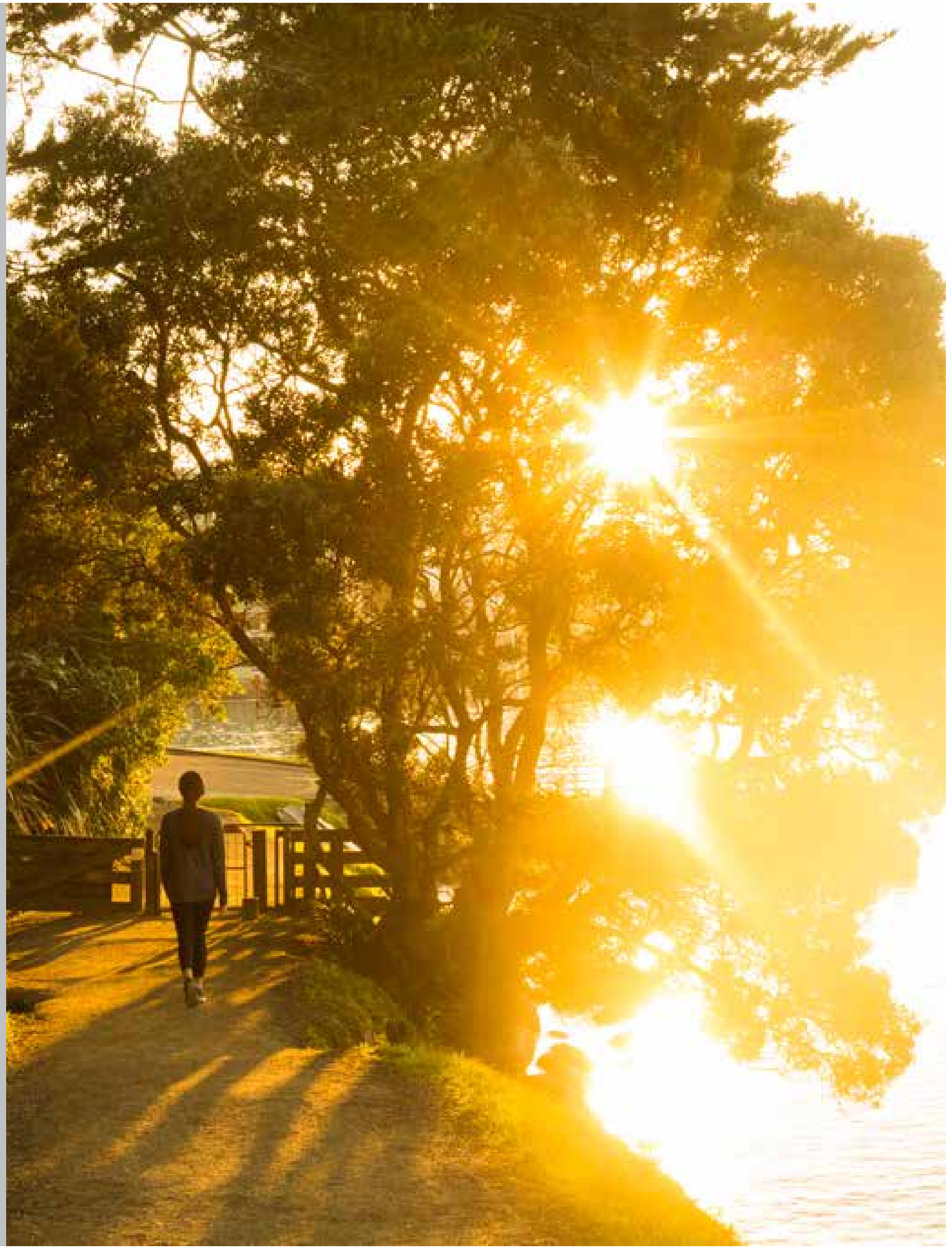
'Concept' artist impression only

Visitor Information Services

VISITOR CENTRE OPTIONS APPRAISAL - DECEMBER 2015

CONTENT

"Over the course of the past six months Tourism Bay of Plenty, in partnership with Tauranga City Council, has completed a review of the role of visitor centres in our region. These are our joint findings."



1. Executive SUMMARY

"Finding a perfect beach, a great place to stay or a restaurant the locals all love, can be the difference between an ordinary break and a holiday people will remember for the rest of their lives.[1]"

We have a vision to stimulate the visitor economy with a goal to increase visitor spend in the region to $1B per annum by 2030. In the context of emerging consumer and technological trends and demographic changes, what service delivery is optimal for visitor information services? And what is the most sustainable operating model?

After a discovery phase of extensive secondary research and reviewing the role of visitor information as an economic driver, we clarified the role and function of visitor centres. From the material presented and following two workshops with Elected Members we reached the following conclusions that are foundational in our recommendation:

- Visitor centres are only part of the visitor servicing picture. A range of visitor information services and an Integrated Visitor Experience strategy are both required.
- The success of visitor centres cannot be measured by their profit and loss. They are a loss leader for economic drivers and key to dispersal of visitor expenditure and increasing yield in the region.
- Although visitors access information online, they seek confirmation and reassurance and want the opportunity to speak to knowledgeable and friendly locals for credible, authoritative and unbiased information.
- The majority of visitors who come to our region are here to spend time with our residents. Residents are largely responsible for our visitors' experiences and their involvement is critical in conjunction with appropriate visitor services for four key target stake holders: residents, visitors, trade and local government.

Tourism brings $2.1M into the local economy a day ($773M per annum) and visitor information services and visitor centres have a powerful role in unlocking tourist spending, dispersing visitor expenditure and increasing yield across the region.

Visitor centres are loss leaders for the regional tourism economy and whilst self-sustainability should be the goal, it is rarely the reality. However, visitor centres make a valuable contribution to the economic, social and recreational wellbeing of our communities.

The recommended Integrated Visitor Experience Plan needs to align to the visitor decision process and offer information at each stage of the pre-trip, during trip, and post-trip process. Our vision for the role of a visitor centre in this decision process is clear. We are also clear about the functions it needs to perform to be fit-for-purpose for our core target markets and to move our service delivery into the 'value creation' quadrant of the Haeberlin Model, which helps define optimal Visitor Centre performance.

[1] *Tourism New Zealand (2012)*

Critical to value-creating visitor centres, and the pursuit of sustainability, is location and visibility. Whilst this report focusses on investment in new visitor centre infrastructure, the complete solution is an integrated and regionally networked approach using a mix of information delivery types and locations. This integrated approach, we believe, provides the greatest degree of future proofing and the ability to meet visitor needs specific to where, when and how they need information delivered.

After defining visitor needs and short-listing possible high visibility locations of visitor centre delivery, we briefed Wardale Consulting to complete an options analysis as a foundation for full business case development. This report Tauranga Visitor Information Centres – Options Analysis is supplied as a supporting document.

This report considers the short listed options of:

MOUNT

A. i-PORT upgraded (Gateway) plus Phoenix Carpark (Hub)

B. Coronation Park (Hub) plus Phoenix Carpark (Satellite)

TAURANGA

A. Nothing

B. Waterfront (satalite)

C. Civic Campus (satalite/integrated)

Combinations of these options were also modelled from a capex and opex perspective and reviewed against key criteria of critical success factors, namely visibility, access and amenities, as well as financial implications and risk considerations.

The recommended option from Tourism Bay of Plenty and validated by Wardale Consulting is a combination of centres labelled 2B, which is Coronation Park (Hub & Gateway) with smaller satellites in Phoenix Park and Tauranga Waterfront.

The capex estimate for this recommendation is $1.45M-$1.74M and the opex per annum estimated range is $830k-$1.08M depending on the size of the satellite locations in Phoenix Park and the Tauranga Waterfront. If existing TCC funding, management fees and rent obligations are removed this option would require additional funding or revenue of between $299k and $491k per annum.

This investment into our growing tourism industry will provide a high quality fit-for-purpose service for our visitors that welcomes them to our city, engaging them with our region and stimulating the visitor economy contributing to our vision to be a $1B industry by 2030.

2. Project OBJECTIVES

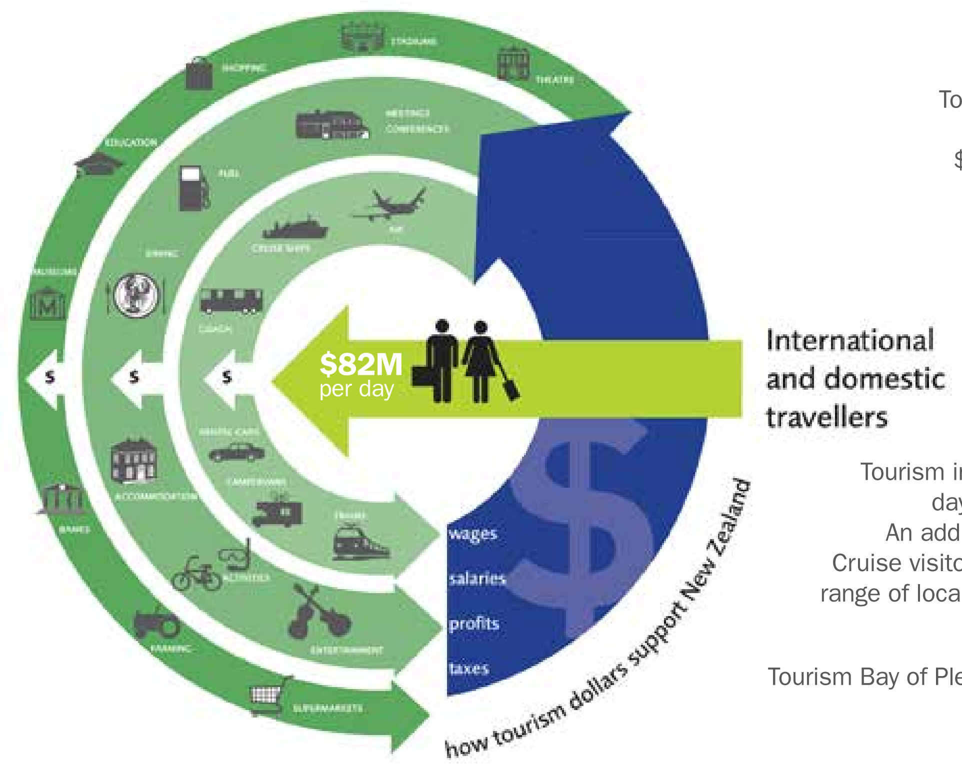
TO SUPPORT THE VISION TO BE A $1B INDUSTRY BY 2030:

- How do we want to welcome visitors to our city?
- How do we add to visitor excitement, experience, engagement and economy?
- Are we servicing our visitors in the most efficient and cost effective ways we can?
- What are the complementary opportunities and outcomes for the city?

3. The ECONOMY OF TOURISM

Tourism engenders a sense of pride and vibrancy and is often referred to as the 'shop window' for economic development. Visitors play an important role in enhancing the vibrancy and economic prosperity of an area, as well as strengthening business viability.

DIAGRAM 1: The Power of Tourism[2]



GROWING THE INDUSTRY

Tourism in New Zealand is an $82M per day industry, totalling almost $30B a year. As Diagram 1 shows tourism spend supports a wide range of services and products.

The Tourism 2025 growth framework has a goal to grow total tourism revenue to $41B a year by 2025 (including employment).

Tourism in the Bay of Plenty is a $2.1M per day industry, totalling $773M a year. An additional $40 - $45M is earned from Cruise visitors. This visitor spend is on a wide range of local services and products, positively impacting our local economy.

Tourism Bay of Plenty's goal is to grow total tourism spend to $1B a year, by 2030.

[2] *http://www.tianz.org.nz/main/the-power-of-tourism/*

TOURISM AS A LOCAL ECONOMIC DRIVER

Tourism Bay of Plenty is the 6th largest tourism region in New Zealand (by visitor spend). As at March 2015, visitor spend was $773M made up of $636M domestic and $137M international spend. Our strength in domestic tourism needs continued focus to be maintained and there is also much room for growth, particularly from international visitation.

DIAGRAM 2: Value of Tourism Regionally[3]

CENTRAL GOVERNMENT	LOCAL GOVERNMENT	TCC
$130M Investment	$48.8M Investment	$915K TBoP $292 VIC Investment
$15.3B export earnings National GDP 7% 2nd largest export industry	$82M per day in visitor spending nationally	$565M* per annum in visitor spending. $1.54M spend per day. * TCC TA results only

[3] *http://www.tianz.org.nz/main/the-power-of-tourism/*

TABLE 1: Tourism Bay of Plenty RTO Performance Ranking

Rank	RTO	2009	2010	2011	2012	2013	2014	2015
1	Auckland RTO	$5,512	$5,348	$5,263	$5,503	$5,457	$5,655	$6,496
2	Wellington RTO	$1,732	$1,726	$1,853	$2,011	$2,004	$2,013	$2,166
3	Christchurch	$1,867	$1,762	$1,642	$1,319	$1,426	$1,527	$1,752
4	Queenstown RTO	$1,167	$1,191	$1,206	$1,241	$1,350	$1,435	$1,688
5	Waikato RTO	$1,142	$1,112	$1,127	$1,087	$1,106	$1,149	$1,230
6	**Bay of Plenty**	**$675**	**$663**	**$667**	**$655**	**$649**	**$687**	**$773**
7	Hawke's Bay RTO	$536	$533	$579	$632	$648	$681	$691
8	Northland RTO	$647	$634	$620	$612	$595	$623	$661
9	Nelson Tasman RTO	$596	$591	$593	$575	$564	$589	$646
10	Manawatu RTO	$478	$452	$470	$473	$475	$544	$601
11	Rotorua RTO	$583	$575	$618	$539	$503	$508	$593
12	South Canterbury	$428	$428	$451	$471	$497	$491	$571
13	Dunedin RTO	$487	$455	$468	$468 $	470	$508	$530
14	Lake Taupo RTO	$431	$410	$392	$387	$391	$420	$453
15	Coromandel RTO	$317	$310	$310	$297	$313	$337	$371

TABLE 2: Tourism Bay of Plenty RTO Region Results by Territorial Authority

Territorial Authority	2009	2010	2011	2012	2013 2	014	2015
Domestic	**$545**	**$540**	**$548**	**$528**	**$532**	**$565**	**$636**
Tauranga City	$380	$372	$379	374	$370	$388	$459
Western Bay of Plenty District	$85	$91	$93	$83	$86	$89	$93
Whakatane & Kawerau Districts	$79	$76	$76	$71	$76	$88	$84
International	**$130**	**$124**	**$119**	**$127**	**$117**	**$122**	**$137**
Tauranga City	$101	$96	$93	$100	$92	$94	$106
Whakatane & Kawerau Districts	$17	$16	$16	$18	$16	$18	$20
Western Bay of Plenty District	$12	$11	$10	$9	$9	$10	$11
Grand Total	**$675**	**$663**	**667**	**$655**	**$649**	**$687**	**$773**

4. Growing the BOP TOURISM ECONOMY

If tourism is the 'shop window' for our economy then Visitor Information Centres (VICs) are the 'front door'. Visitor centres, or welcome centres as they are termed in the United States, are our region's concierge desk.

VICs are key to dispersing visitor expenditure and increasing visitor yield.

"One of the keys to maximising tourism potential is to have a fully informed market."[4]

Research shows there is correlation between visitor centre usage and visitors staying longer and spending more.

- Over 40% of International Visitors use an i-SITE in New Zealand
- They stay longer - 14 days vs 6 days
- They spend more - $1,766 vs $774
- 83% participate in additional activities due to their visit
- 59% say their visit resulted in additional, unplanned spend in the community

THE ROLE OF I-SITES IN ECONOMIC DEVELOPMENT

"The central effect of the i-SITE network is that it unlocks tourist spending, facilitating a series of flow-on effects."[5]

The activity generated by VICs can be classified as ***directly facilitated*** where visitors purchase services and products at the VICs, and ***indirectly facilitated***, where visitors are made aware of services/products at the VICs, but purchase elsewhere. VICs may also unlock additional expenditure when they cause visitors to undertake activities of which they had no prior knowledge. VICs also make purchases easier and/or more convenient, allowing visitors more time to undertake actual activities.

THE SUSTAINABILITY CHALLENGE

VIC's are loss leaders for our tourism proposition. Whilst sustainability is the goal, a visitor centre's success cannot be measured by profit and loss, door counts, or bookings revenue.

The existing i-SITE and i-PORT run very efficiently with over 200,000 visitor throughput and at a cost per walk-in of $1.50, versus an international benchmark average of $3.10 for this level of service.[6]

Improvements can be made to service delivery and potentially to commercial revenue streams, but improvements to the bottom line cannot be made by further cost reduction.

It is highly challenging for visitor centres to establish any kind of financial sustainability. Many of the services they

[4] *Economic Impact Analysis of the i-SITE Network (Sept 2015) New Zealand, Market Economics Limited and Victorian Visitor Information Centres Futures Project (Dec 2013).*

[5] *Economic Impact Analysis of the i-SITE Network (Sept 2015) New Zealand, Market Economics Limited.*

[6] *Urban Enterprise PTY Ltd (Dec 2013).*

provide - and are expected to provide by visitors - cannot be charged for and the flow-on financial benefits exist outside their own profit and loss.

A lack of consistent measurement means that the economic value of visitor centres can be questioned by stakeholders. Measurement of visitor centre effectiveness needs to change to indicators such as economic impact, visitor experience and satisfaction, industry growth and performance, and local community benefit.

"For every $1 provided in funding by households, the network returns on average $5.20 in Income."[7]

"For every $1 provided by Councils in funding, the network returns on average $8.70 in GDP."[8]

"With increases in online bookings, revenue reported up to 50% less from peak levels and upwards cost pressure across the board, the sustainability pressure is projected to only increase – all other things being equal, the average VC will need to find $50,000 more funding in five year's time to maintain breakeven."

THE WIDER BENEFITS

As well as the economic dispersal that visitor centres help to create, there are wider benefits to a community. Visitor centres can be a source of civic pride and provide resident focussed services.

"Studies show that visitor information centres make important contributions to the economic, social and recreational well-being of communities by encouraging travellers to experience local events, visit local attractions and finally support community retail, accommodation and hospitality venues."[9]

[7] *Economic Impact Analysis of the i-SITE Network (Sept 2015) New Zealand, Market Economics Limited.*
[8] *Ibid*
[9] *Meeting the needs of Tourists, Journal of Travel & Tourism (2009)*

POTENTIAL MEASUREMENT CRITERIA

To measure performance and demonstrate ROI, national and international benchmarks and performance criteria can be used.

- Overall economic impact: length of stay, increases in visitor expenditure.
- Visitor numbers: door counts, emails, phone enquiries, website hits measured as % of potential visitation to the area, cost per visitor.
- Merchandising revenue (total turnover, profit margin, % of merchandise from local area).
- Booking commissions (commissions on product booked).
- Visitor satisfaction (proportion of customers rating service as satisfactory or better, number of complaints received).
- Industry involvement and satisfaction (number of members, % of tourism operators, membership fees?).
- Service to industry (visitor referrals to tourism businesses (lead generation), frequency of familiarisations, number of promotional/marketing initiatives.
- Accessibility (opening hours, out-of-hours information).
- Community involvement (number of other services offered).
- Management (staff turnover, training offered and how often).
- Operating costs (staff and building overheads).

Source: Adapted from Tourism & Events Queensland and Visitor Information Centres Futures Project 2022. There is little data available to track visitor experience, satisfaction and economic impact, at this time.

5. Target MARKETS

"The majority of visitors who come to our region are here to spend time with our residents – so tourism is not something external to us. Residents are largely responsible for our visitors' experiences – their involvement is critical as is appropriate visitor services for residents and visitors alike."[10]

The Bay of Plenty's mix of customer is different to the national norm. Over 60% of our visitors are residents, 15% domestic and 25% international, this differs from the 30% residential, 26% domestic and 44% international, that is the national average.

RESIDENTS

This high residential proportion reflects the large number of Visiting Friends and Relatives (VFR) visitors we have in the Bay of Plenty. For this reason residents are an important target market and need to become destination champions. Our role is to promote the region not only to those outside our area, but also to the local community.

As part of the Integrated Visitor Experience Plan (pg 12) a Residents Host Strategy has been recommended to engage and inform the community as important hosts who engender civic pride. It is important our VICs facilitate this by engaging with the community to strengthen the VFR market.

VISITORS

Over 80% of the Bay of Plenty's visitors are domestic. Domestic travellers predominantly use Internet and the recommendations of friends and family as their information source and would reasonably view that the current visitor centres are for international visitors. As with residents, we need to re-engage with domestic visitors, many of whom will be repeat visitors.

[10] *Urban Enterprise Pty Ltd (Dec 2013).*

The remaining visitor groups are predominately international cruise passengers and Free Independent Travellers (FITs).

INDEPENDENT TRAVELLERS

Research shows that FITs seek novelty and variety and are therefore more inclined to make spontaneous on-site travel decisions. *"A key feature of independent travel is spontaneity and freedom."*[11]

A study completed in New Zealand showed that travel plans of FITs did not extend beyond 24 hours, confirming that detailed information search and planning did not occur until visitors approached or reached their destination. Other studies show that FITs keep their travel plans deliberately fluid to enable them to take advantage of changing circumstances and opportunities.

INTERNATIONAL VISITORS

44% of international visitors use i-SITES whilst in New Zealand, and this combined with the fluidity in their itineraries means the provision of information regarding services, attractions and facilities in the local area and wider region is critical to meet the needs of this target market, and to increasing our share of their spend. The aim is to capture and influence visitors before they have missed too much of the district. At this time visitors are looking for a mix of information and inspiration and *"real recommendations on where they should go rather than where they could go with insider knowledge giving a real flavour of the local area."*[12]

[11] *Meeting the needs of Tourists, Ballantyne, Hughes and Ritchies (Journal of Tourism and Marketing, 2009).*
[12] *Strategic Review of Kapiti Visitor Information Network, (MacIntyre, 2013).*

CRUISE

Cruise passengers are a subset of (mainly) international visitors who have specific requirements. Cruise visitors are usually only in the region for 8-12 hours and require visitor information services at or very close to the Port. This in order to quickly inform passengers of their options and capture their spend on local tours or retail, hospitality and services. There is a satellite visitor centre at the Port which is seasonal, although it does not carry i-SITE branding. This will be implemented in the 2016/17 season. The i-PORT processes approximately 87,000 passengers a cruise season offering information, advice, directions and sales of local tours, which are booked by approximately 13% of passengers. The service delivered at the i-PORT is similar to the i-SITE, only done with a high throughput of passengers at once and offering advice for time-poor visitors. The i-PORT works closely with local tour operators and are the sales agents for those tours. Whilst the i-PORT is one of the best cruise facilities in the country, improvements are needed to bring it to worldclass standard and to improve customer service and also logistical issues with the processing of passengers and better meet local tour operator expectations.

INDUSTRY

i-SITES offer a mechanism for local operators and service providers to promote and sell their products and for communities and regions to promote local events. An online survey completed with local tourism operators showed the relevance of i-SITES and importance to this stakeholder group with 91% saying a visitor centre was important or greater to their business and 39% saying it was critical:

- 8.0% slightly important
- 26.5% important
- 26.5% very important
- 39% critical

When asked what their relationship was with the TGA i-SITE:

- 57% said they make bookings with us via phone or email
- 53% they stock our brochures
- 37% we receive referrrals from them
- 14% they book us in real time via a booking system
- 13% they sell our tour/ attraction
- 6% have no relationship.

63% of trade rated the VIC Good, Very Good or Excellent for the value their business receives.

65% also rated the VIC Good, Very Good or Excellent for the service they deliver to customers and over 80% would recommend the VIC to their customers.

Improvements can be made in the areas of proactive contact, offering feedback to trade, sales training and providing cost effective leads.

6. Visitor DECISION PROCESS

> *Whether face to face or through digital technology, VICs can inspire visitors to explore the tourism product and other businesses that are distinct to a destination, such as culture, heritage, local produce and people. VICs can also enhance the overall visitor experience by creating a positive image of a destination, showcasing local merchandise and providing a hospitable and friendly welcome.*[13]

Research confirms that despite the increase in pre-destination research and booking, a significant range of decisions are still made in destination. Visitors want *"credible, authoritative and unbiased information, delivered with enthusiasm."*[14] Visitors are looking for expert advice on what they *should* do in an area, not what they *could* do.

There is an increasing trend towards visitors preferring to keep their itinerary and options open and flexibility in their plans, making firm bookings in destination and within a 24 hour timeframe.

DIAGRAM 3: Visitor Decision Process[15]

TNZ & RTO role		Digital & VIC role	
DREAMING	PLANNING	BOOKING	DESTINATION
Inspire, create interest and desire.	Make it tangible, communicate value.	Make it easy.	Increase spend in market.
Brand Campaign & PR	Marcomms	Digital	Encourage return visits.
	Conversion (VIC & Digital)	VIC	Inspire the next journey.
		Trade	
		Partners	

Tourism Bay of Plenty as the Regional Tourism Organisation is responsible for marketing the region to prospective visitors. The newly launched website www.bayofplentynz.com and visitor centres are two critical channels to assisting visitors through the Visitor Decision Process to booking and transaction. The Visitor Centre also plays a critical role in the visitor experience while in our region. The RTO and the Visitor Centres need to work together as a marketing and sales and service team would.

[13] The Future of Visitor Centres, Haeberlin Consulting (August, 2014).
[14] The Future of Visitor Centres, Haeberlin Consulting (August, 2014).
[15] PWC model also utilised by TNZ for Strategic Planning.

7. *Integrated*

VISITOR EXPERIENCE PLAN

A visitor centre is only part of the visitor servicing picture. A range of visitor information services are required to meet visitor needs on their visitor journey.





PRE TRIP

DREAMING, PLANNING BOOKING

INTERNATIONAL VISITORS

1. www.bayofplentynz.com
2. Friends + relatives

DOMESTIC VISITORS

DURING TRIP

PLANNING & BOOKING

WELCOME & INFORMATION CENTRES

- ■ Tauranga
- ■ Mount Maunganui
- ■ Cruise
- □ Waihi Beach
- □ Katikati
- □ Te Puke
- □ Whakatane

ENGAGEMENT & SHARING

RESIDENTS "HOST" STRATEGY

- A. Community comms + engagement
- B. Educate + inform hosts
- C. Change mindsets + behaviour
- D. Engender civic pride

EXTENDED HOSTS + UNMANNED INFORMATION

- ■ Accommodation
- ■ Transport
- ■ Operators
- ■ Airport
- ■ Shopping Precincts

Visitor Guide | Map | Taste Guide

City & Way Finding Signage

POST TRIP

SHARING, MEMORIES MESSAGES

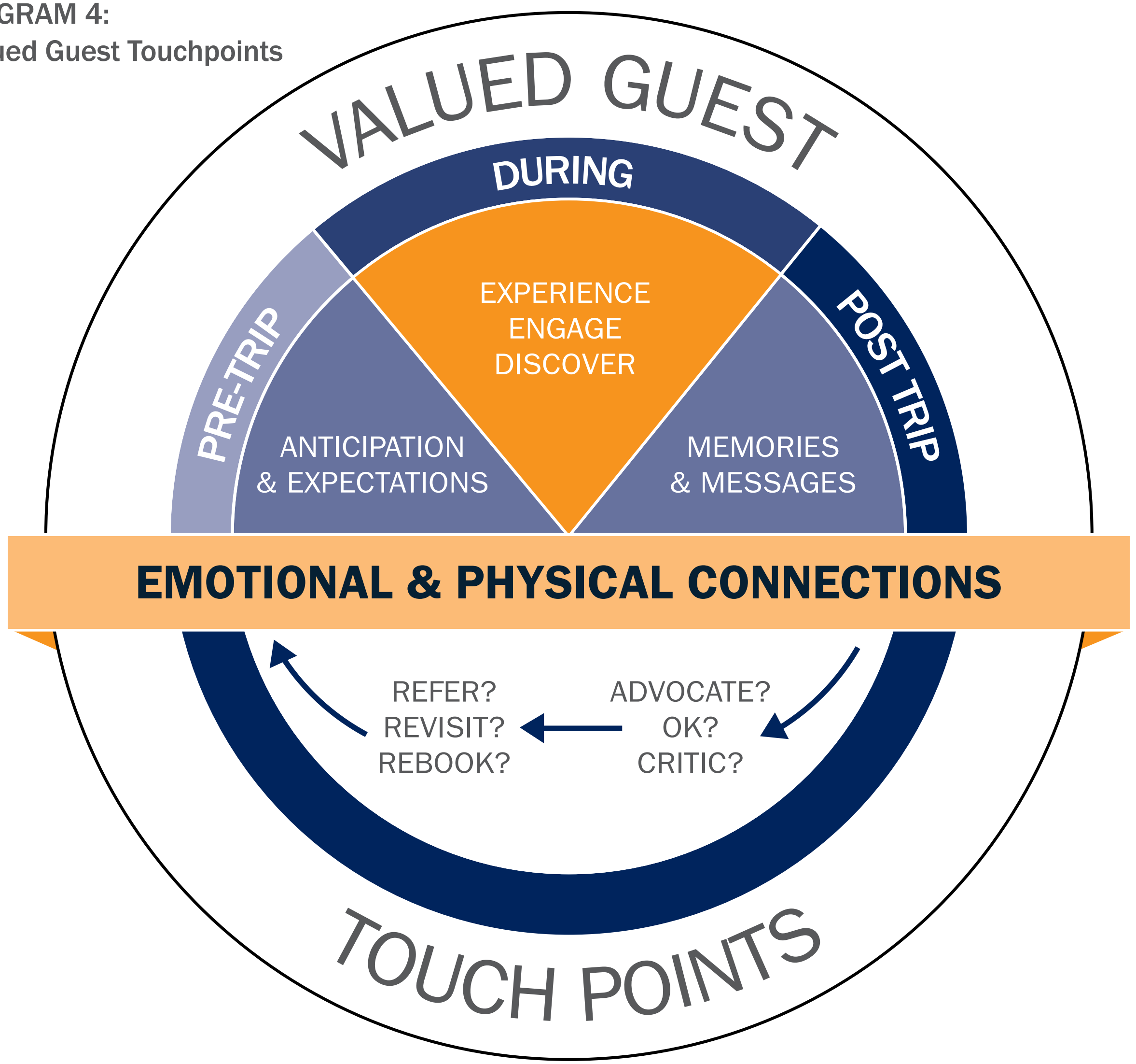
PHOTO ICON

SELFIE SPOTS

MERCHANDISE

8. The
ROLE OF VISITOR CENTRES

DIAGRAM 4:
Valued Guest Touchpoints



> *Informing, providing great local knowledge, friendliness and enthusiasm.* [16]

- A visitor information centre provides a central location for visitors to gain access to timely, accurate and impartial visitor information and advice.
- The prime purpose of a Visitor Information Centre is to enhance the visitor experience, encourage visitors to stay longer and undertake additional activities, exceed visitors' expectations and encourage visitors to return to the region.
- `A Visitor Information Centre delivers this by sharing passion and providing quality and accurate information, by providing exceptional customer service and effectively promoting the range of visitor experiences and services available.
- A Visitor Information Centre also supports local businesses and tourism operators within a region. Many local business and tourism operators are reliant on the services of the Visitor Information Centre to provide additional business and ensure a high standard of visitor servicing in the area.

[16] *Victorian VIC accreditation guidelines.*

VISITOR EXCITEMENT, VISITOR EXPERIENCE, VISITOR ENGAGEMENT, AND VISITOR ECONOMY.

9. *Vision for*

VISITOR INFORMATION SERVICES

THE VISION FOR RENEWED VISITOR INFORMATION SERVICES HAS FOUR KEY OBJECTIVES:

1. Make a measurable contribution to the quality of the visitor experience and our 2030 growth target.
2. Be recognised by tourism operators as a vital part of the local distribution network and a means of working together to encourage visitors to stay longer, increase spend locally, make a return visit and recommend others to the region.
3. Visitors will seek out our VICs as “must visit” information hubs and attractions in their own right, made easy by being located in highly visible, easy to find locations.
4. Aim for sustainability and provide services and facilities that maximise the economic and social benefits to visitors and the local community.

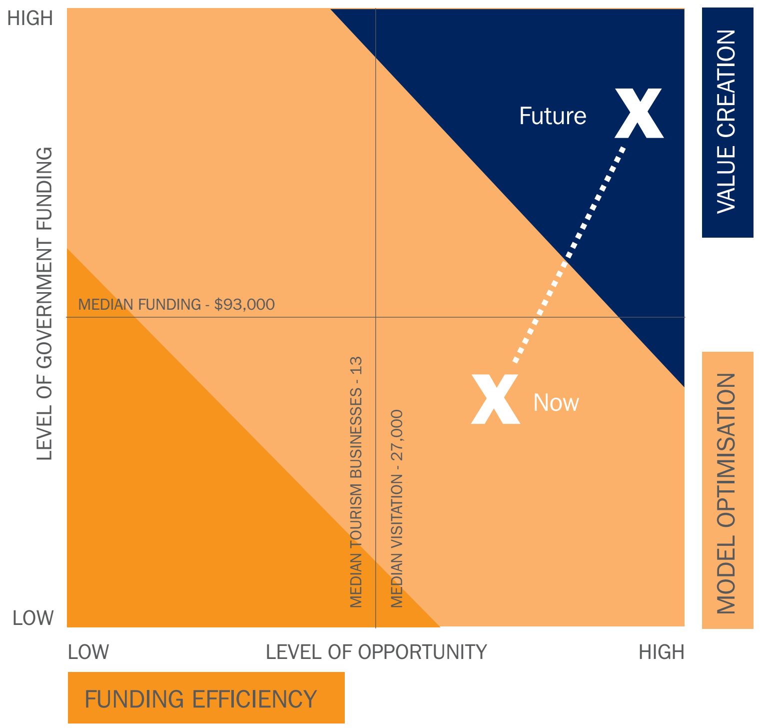
10. *Value*

CREATION FROM VISITOR CENTRES

BEST PRACTICE VICs SHARE THESE ATTRIBUTES:

- Delivers extraordinary visitor experiences and service.
- A well-considered approach to location and visibility.
- Thinks and operates like a commercial business with a strong reporting regime.
- Designed to suit location.
- Embraces digital technology including Wi-FI and self service.
- Online, real time bookability.
- A brand reflection of the destination.
- Showcases the tourism product and local operators.
- Engages with local community and actively services residents.
- A comprehensive marketing plan to market facilities.
- Multiple ways for visitors to gain information.
- Creates interest/atmosphere for what’s going on that day/evening .

DIAGRAM 5: Value Creation Model (Haeberlin)



An international model (Haeberlin Consulting) guides visitor centres through quadrants of Funding Efficiency, to Model Optimisation, to Value Creation. We are aiming to move our Visitor Information Services, into the Value Creation segment longer term. This requires fit for purpose location, services, model and investment.

11. *Visitor*

NEEDS ANALYSIS

Our aim is to provide a level of service that is fit for purpose and meets our various stakeholder needs. This is a combination of an optimal location and the services offered to visitors. The visitor needs analysis below summarises the key services required, by target market and identifies which of those are essential (A) and which offer a higher grade of service (B + C). The diagram also summarises the Where, When and How of the recommended Service Delivery Model.

TABLE 3: Visitor Needs Matrix Maximise tourism potential through a fully informed market and meeting audience needs.

What	Residents	Domestic Visitors	International Visitors	Cruise Passengers
In region information: Services, Attractions, Facilities	B	B	A	A
Out of region information: Services, Attractions, Facilities			A (RO)	B
Bookings: Transport, Accommodation, Attractions in and out of region, package tours	B	B	A (RO)	A (RO)
Collaterals: Visitor Guide, Visitor Map, attraction brochures	C	B	A	B
Whats's On: Events, shows, markets (bookings?)	A (RO)	A (RO)	A (RO)	A (RO)
Retail: Local & NZ souveniers, travel accessories, gifts	B	C	A	A (RO)
Local history & culture	B	B	A	A
Quick Info: weather, directions, toilets	C	A	A	A
Services: Free Wifi, phone charging, luggage storage, multiple languages, parking, rest stop, toilets & showers, FOREX.	C	A	A	B
Marketing + sales for local tourism businesses and other services	A (RO)			
Group and conference enquiries	C	A (RO)	B	
Where				
City Centre Hub (parking, public transport, services, retail)	✔	✔	✔	
Gateway - regionally networked / integrated/ co-located		✔	✔	
Satellite in strategic location				✔
Mobile	✔	✔		✔
Unmanned		✔	✔	
When				
Peak season	✔	✔	✔	✔
Shoulder seasons	✔	✔	✔	✔
Winter	✔	✔	✔	
How / Channel				
Website	✔	✔	✔	✔
VIC	✔	✔	✔	✔
Email	✔	✔	✔	✔
Phone	✔	✔		
Social sedia &pro-active digital comms	✔	✔	✔	✔

Key: A = High Priority B = Medium Priority C= Lower Priority *RO = Increased Revenue Opportunity.

12. *Location,*

LOCATION, LOCATION (s)

> *Despite location being the key driver for success of Visitor Information Centres, 57% are located with no strategic feasibility planning and are instead just located in available Council buildings.*

> *In order to facilitate visitor access to a VIC, positioning is crucial. An eye catching location on a main visitor route with close access to a town's commercial precinct and adequate parking form the basis to maximising VIC visitation.*[17]

TABLE 4: Options Development

			Mount Maunganui			Tauranga			
	Status Quo	**Digital Only**	**Phoenix Carpark**	**Coronation/ i-PORT**	**Port**	**Waterfront**	**Civic Modified**	**Cameron Rd Gateway**	**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									
Access - foot, drive, public transport, carparking									
Visibility									
Showcasing regional brand, cultural & historical story									
Footprint & Amenities - size sqm, parking, toilets, retail, digital and resting spaces									
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									

[17] *Urban Enterprise PTY LTD (Dec 2013)*

Key: **Light Blue** = High Fit **Orange** = Medium Fit **Dark Blue** = Low Fit to meet requirements

A REGIONALLY NETWORKED APPROACH

We recommend a regionally networked approach across the Coastal Bay of Plenty. This gives the opportunity for:

- Improved visitor information provision.
- Greater economies of scale through a network.
- Improved consistency in messaging throughout the region.
- Lower resourced VICs to leverage off better resourced VICs.

Whilst this report's recommendations refer specifically to investment in new VIC infrastructure, the total Visitor Information Services solution is a mix of:

Hub VIC – large scale visitor centre – the main VIC in a region.

Gateway VIC – welcoming passengers at a point of arrival.

Satellite VIC – a smaller centre backed up by the Hub.

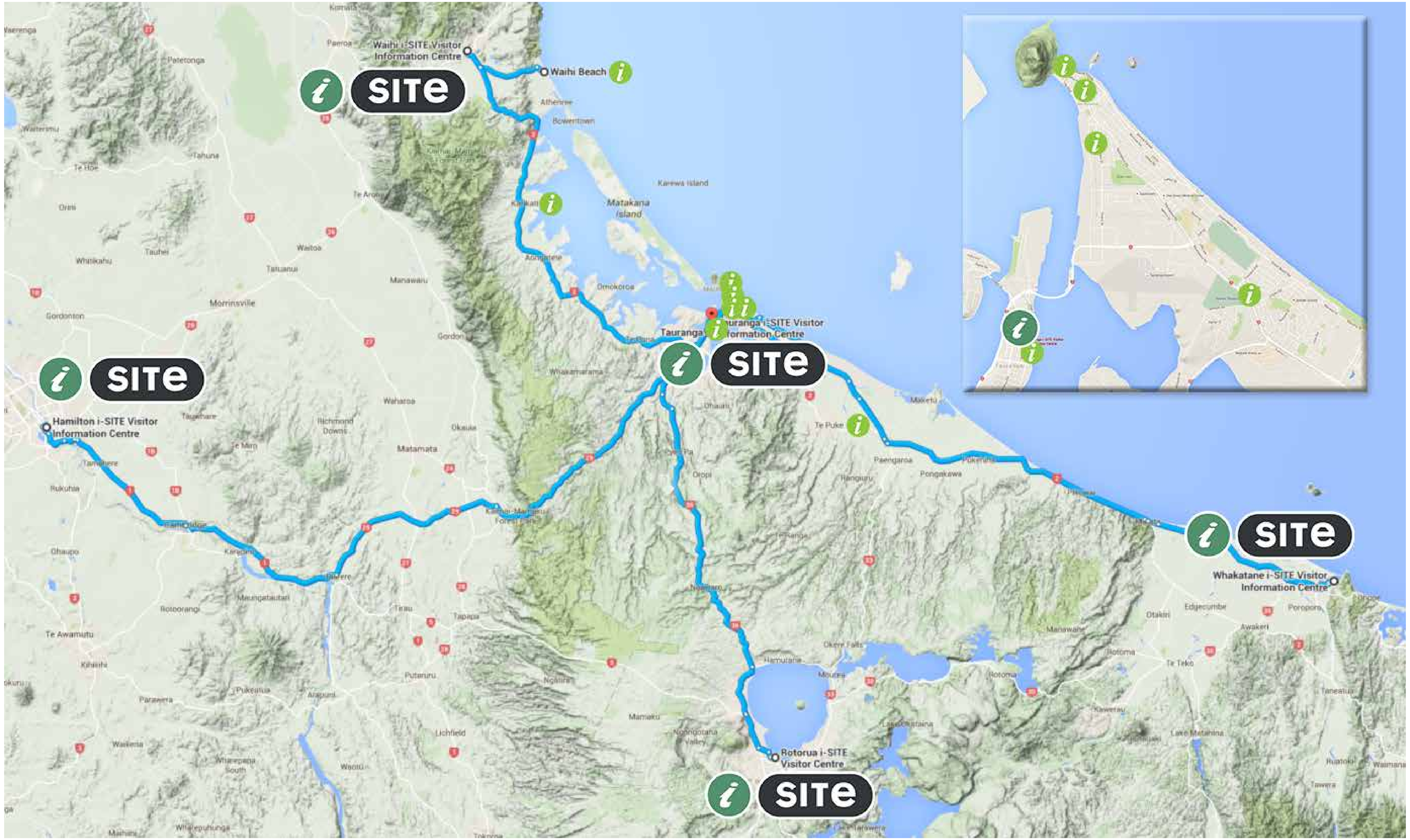
Integrated VIC – a VIC inside another premise sharing the space.

Mobile VIC – on the street 'meeters and greeters' and/or responsive web enabled information through mobile devices.

Unmanned Information – regional visitor guides, maps, and brochures merchandised through accommodation providers, airport, transport operators, shopping malls and other host and secondary host locations.

> *Research highlights that 50% of information sought in VICs relates to product across an entire region, not just a specific destination.* [17]

[17] *Information Centres Futures Project, Urban Enterprises 2013.*



13. Options APPRAISAL

After completing the target market 'Needs Analysis' and defining possible location options in the 'Options Development Matrix' to best meet those needs, Wardale (Aimee Comer) was commissioned to complete an 'Options Appraisal' to give confidence in the recommended option and as a foundation for a full business case on the chosen option.

SHORT LIST OPTIONS

Following a workshop with Project Elected Members, the short listed options to consider were identified to be:

TABLE 5: Short List Options

Option	Mount	Type	Tauranga	Type
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

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 that 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 55 carparks will be relocated and new park space with resting spots created. An iconic building (either a VIC or toilet block), and potentially a cafe to attract people to the area are also included in this recommendation.
- 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"*. This new VIC and its surrounding environment 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. 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 as well as potentially creating an attraction.

FURTHER ANALYSIS

In order to determine the preferred option, Wardale completed further analysis of the potential locations and completed the supplied document "Tauranga Visitor Centre - Options Analysis". This report considered:

- Critical success factors for location – visibility, access and amenities
- Financial implications – capex and opex
- Risk Considerations - dependencies, phasing & timing

LOCATION CONSIDERATIONS

*"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."* [18]

The options analysis concluded that with regard to **visibility:**

> ***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.*

With regard to **access**, the options analysis states:

"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 (FITs) 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 options analysis concluded that with regard to **access:**

> ***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.*

With regard to **amenities** the options analysis concluded:

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

> ***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 amenity.*

[1] *Wardale Business Case (Dec 2015).*

The table below summarises the options against this key criteria and shows that 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, we require more places to connect with our residents and visitors about what there is to see and do in the area. It is preferable that we have VICs to service the Mount (both cruise and general visitors) as well as Tauranga.

TABLE 6: Options analysis

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	Poor
1B i-PORT, Phoenix & Waterfront	Medium – low vehicle traffic	Yes	Phoenix – No Waterfront - Potentially	Low level of amenity at i-PORT	Some restrictions	Poor
1C i-PORT, Phoenix & Civic Campus	Medium – depends on Museum	Yes	Phoenix – No Civic Campus - Potentially	Low level of amenity at i-PORT	Some restrictions	Poor
2A Coronation + Phoenix	High	No	Coronation - Likely	Good level of provision	Sufficient	Good
2B Coronation, Phoenix & Waterfront	High	Yes	Coronation – Likely Waterfront - potentially	Good level of provision	Sufficient	Excellent
2C Coronation, Phoenix & Civic Campus	Potentially high if Museum project goes ahead	Yes	Coronation Park – Likely Civic Campus - potentially	Good level of provision	Sufficient	Good but dependent on Museum project

> ***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.*

FINANCIAL IMPLICATIONS

The Wardale report then considered the options from a financial perspective with preliminary high and low capex and opex estimates for each option developed. The opex assumptions were supplied by Tourism Bay of Plenty and capex assumptions by Tauranga City Council staff and were estimated based on two key parameters – likely size of the VIC and the type of VIC (hub, satellite) using dollar per sqm rates from comparable Tauranga City Council development projects.

TABLE 7: High Level Capex Estimates

Location	Base capex $000 High	$000 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	1,570

Source: Ryder Levett Bucknall

** 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, technology and customer relationship management upgrades and 'internal' project management costs. However, the important thing for the purpose of this options analysis is the relative scale of cost.

Notes:

- 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 (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 8: Net opex by location combination

Combination Options	A. Combined Opex (adjusted for multiple locations) $000 High	$000 Low	B. Incl TCC Funding $000 High	$000 Low	C. Excl Mgmt Fee & Rent $000 High	$000 Low
Status Quo Willow St (Hub) + i-PORT	433	433	142	142	-	-
1A i-PORT + Phoenix (Hub)	539	539	48	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	78	260	260
2A Coronation (Hub) + Phoenix	850	84	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

- All options assume the Willow St i-SITE will stay operating temporarily (for a period of up to three years) until the new options are up and running. The opex costs in Table 8 reflect the opex for the new options excluding Willow St.
- In Table 8, for each option total net opex for each location 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 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 the costs in column B.

TABLE 9: Summary of capex and opex estimates

Option	Capex	Opex p.a.	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 $1.57 - $1.67m	High $365k – $491k	High Cost

RISK CONSIDERATIONS

The Wardale options analysis then looked at timing, phasing, key dependencies and other considerations to establish the resulting level of risk or uncertainty with each option as set out in the diagram below. The options are all dependent on a range of other large projects/developments either planned or taking place. Legal considerations have not yet been investigated and this may have a material effect on the overall level of risk of each option.

TABLE 10: Timing and phasing, key dependencies and uncertainties

Option	Timing & Phasing	Key Dependencies	Legal considerations	Level of risk / uncertainty	Overall rating
1A i-PORT + Phoenix	• i-PORT: 1yr • Phoenix: 1-2yrs • **Overall: 1-2yrs**	• Phoenix Car Park redevelopment • Wayfinding Project • Customer services review	• TBA	**Low-Medium**	Short timeframe, low-medium risk
1B i-PORT, Phoenix & Waterfront	• i-PORT: 1yr • Phoenix: 1-2yrs • Waterfront: 1-3yrs • **Overall: 1-3yrs**	• Phoenix Car Park redevelopment • Waterfront Development Project • Spatial Framework Project	• TBA	**Medium** – due to dependency on two other Council projects	Short timeframe, medium risk
1C i-PORT, Phoenix & Civic Campus	• i-PORT: 1yr • Phoenix: 1-2yrs • Civic Campus: 1-5yrs • **Overall: 1-5yrs**	• Phoenix Car Park redevelopment • Wayfinding Project • Customer services review • Civic Campus Project	• TBA	**High** – due to dependency on two other Council projects, one of which is the Civic Campus Project	Long timeframe, high risk
2A Coronation + Phoenix	• Phoenix: 1-2yrs • Coronation: 2-5yrs • **Overall: 2-5yrs**	• Coronation Park restrictions • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review	• Cafe final lease expiry date is October 2019. Tenant has invested extensively in fit-out. • Reserves Act	**Medium** – due to dependency on two other Council projects	Medium timeframe, medium risk

Option	Timing & Phasing	Key Dependencies	Legal considerations	Level of risk / uncertainty	Overall rating
2B Coronation, Phoenix & Waterfront	• Phoenix: 1-2yrs • Coronation: 2-5yrs • Waterfront: 1-3yrs • **Overall: 2-5yrs**	• Coronation Park restrictions • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review • Waterfront Development Project • Spatial Framework Project	• TBA • Reserves Act	**Medium** – due to dependency on three other Council projects	Medium timeframe, medium risk
2C Coronation, Phoenix & Civic Campus	• Phoenix: 1-2yrs • Coronation: 2-5yrs • Civic Campus: 1-5yrs • **Overall: 2-5yrs**	• Coronation Park restrictions • Phoenix Car Park redevelopment • Wayfinding Project • Customer services review • Museum Proposal	• TBA • Reserves Act	**High** - due to dependency on 3 other Council project, one of which is the Museum Proposal	Long timeframe, high risk

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.*

PREFERRED OPTION

The options analysis completed by Wardale has been summarised in the table below, which gives a summary of the key considerations for each option along with an overall rating is set out in Table 11 below.

TABLE 11: Summary

Option	Location / Service level	Timing & risk	Cost	Key issues / concsiderations	Overall ryting
1A i-PORT + Phoenix	Poor – Lack of car parking, no presence in Tauranga	Short timeframe, low-medium risk	Low	• Phoenix planned stormwater works • Lack of visitor parking • No presence in Tauranga	Low fit
1B i-PORT, Phoenix & Waterfront	Poor – lack of car parking in Mount, low vehicle traffic in all locations	Short timeframe, medium risk	Medium	• Phoenix planned stormwater works • Lack of visitor parking	Low fit
1C i-PORT, Phoenix & Civic Campus	Poor – lack of car parking and low vehicle traffic in Mount	Long timeframe, high risk	Medium	• Phoenix planned stormwater works • Lack of visitor parking • Civic Campus Project uncertainty	Low fit
2A Coronation + Phoenix	Average – no presence in Tauranga	Medium timeframe, medium risk	Medium	• Reserve Act • No presence in Tauranga	Medium fit
2B Coronation, Phoenix & Waterfront	Excellent	Medium timeframe, medium risk	Medium - High	• Reserve Act	High fit - Preferred option
2C Coronation, Phoenix & Civic Campus	Good but dependent on Museum project	Long timeframe, high risk	High	• Reserve Act • Civic Campus Project uncertainty	Low fit

14.

RECOMMENDATION

From this analysis the Wardale report has concluded:

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 on which this option is dependent (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.*

This is also Tourism Bay of Plenty's recommended option comprising of:

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

The Capex estimate for this recommendation is \$1.45M-\$1.74M and the Opex per annum estimated range is \$830k-\$1.08M depending on the size of the satellite locations in Phoenix Park and the Tauranga waterfront. If existing TCC funding, management fees and rent obligations are removed this option would require additional funding or revenue of between \$299k and \$491k per annum.

This investment into our growing tourism industry will provide a high quality fit-for-purpose service for our visitors that welcomes them to our city, engaging them with our region and stimulating the visitor economy by contributing to our vision to be a \$1B industry by 2030.

This option is subject to further investigation of Reserve Acts legalities and processes and the existing lease and other due diligence.