



AGENDA

Council Meeting

**I hereby give notice that a Meeting of the Kapiti Coast District Council
will be held on:**

Date: Thursday, 25 February 2021

Time: 9.30am

**Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Wayne Maxwell
Chief Executive**

Kapiti Coast District Council

Notice is hereby given that a meeting of the Kapiti Coast District Council will be held in the Council Chamber, Ground Floor, 175 Rimu Road, Paraparaumu, on Thursday 25 February 2021, 9.30am.

Council Members

Mayor K Gurunathan	Chair
Deputy Mayor Janet Holborow	Deputy
Cr Angela Buswell	Member
Cr James Cootes	Member
Cr Jackie Elliott	Member
Cr Gwynn Compton	Member
Cr Jocelyn Prvanov	Member
Cr Martin Halliday	Member
Cr Sophie Handford	Member
Cr Robert McCann	Member
Cr Bernie Randall	Member

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1 WELCOME**2 COUNCIL BLESSING**

“As we deliberate on the issues before us, we trust that we will reflect positively on the communities we serve. Let us all seek to be effective and just, so that with courage, vision and energy, we provide positive leadership in a spirit of harmony and compassion.”

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro, e pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, ā, mā te māia, te tiro whakamua me te hihiri ka taea te arahi i roto i te kotahitanga me te aroha.

3 APOLOGIES**4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Notification from Elected Members of:

4.1 – any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting, and

4.2 – any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**6 MEMBERS' BUSINESS**

- (a) Public Speaking Time Responses
- (b) Leave of Absence
- (c) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

7 MAYOR'S REPORT

Nil

8 REPORTS

8.1 KAPITI GATEWAY PROJECT

Author: Janice Hill, Principal Advisor Growth & Development

Authoriser: Natasha Tod, Group Manager Strategy, Growth and Recovery

PURPOSE OF REPORT

- 1 This report seeks Council decision whether to proceed with the Kāpiti Gateway project and for the project to proceed in accordance with the project plan.
- 2 The report seeks Council decision whether to provide up to 50% funding for the Kāpiti Gateway project.

DELEGATION

- 3 Council has the authority to make this decision.

BACKGROUND

- 4 On 28 May 2020, Council resolved:

71. That the Council approves an application being made to the PGF for 50% (\$2.23m) of the total development costs for the Kāpiti Gateway Project and delegates to the CE the authority to sign off the final application and support material in general accordance with this report.

72. That the Council notes that officers will provide reprioritised capex budgets for the Council share of development costs, once the PGF application is approved and detailed design is confirmed – including construction deadlines.

73. The Council notes that a business case for the project is in progress, and the results of that will be taken into account by Council in progressing the project, and moves that further clarification to ascertain operation of the facility and analysis of future sustainability of the project will be undertaken before it proceeds.

74. The Council notes that further engagement with stakeholders and advisors will be carried out if the project progresses to inform the operation and final design.

- 5 A grant of \$2.23m (50%) towards the Kāpiti Gateway capital build has been approved by Government Ministers as an Infrastructure Reference Group (COVID19 Response and Recovery Fund) shovel-ready project. A funding agreement has been signed, subject to a number of pre-conditions, which must be met in order to commence the agreement. All the pre-conditions have been met, with the exception of:

5.1 Council resolution to support the full project

5.2 Council resolution to approve co-funding

- 6 The purpose of the COVID19 Response and Recovery Fund is to:
“provide additional support to those who have been most affected by COVID19. This includes boosting job creation through support for infrastructure, conservation, employment schemes and skills training. It also focuses on vulnerable populations across New Zealand and industries and sectors that have lost their funding base as a result of COVID19, such as arts, sport, racing and domestic tourism.”
- 7 Selecting a business model, which minimises the cost to ratepayers, has been a key consideration from the start of the Gateway project.
- 8 Further work has been undertaken on the business case assessing potential operating models and revising assumptions for the post-COVID19 environment. This work has included discussions with the Gateway Project working group of Councillors (working group), and has considered community and individual feedback and concerns; analysis

of the project on the Four Wellbeings framework, updated growth projections and revised assumptions and stakeholder engagement prior to this decision point.

Key changes to the Indicative Business Case

- 9 As part of the application for Government funding an [Indicative Business Case](#) was prepared by Giblin Group. Some key changes and updates from this are outlined in this report.
- 10 Independent specialist advice has been sought from Pricewaterhouse Coopers (PwC) to review and verify assumptions and explore potential operating models to ensure that the assumptions are valid and that the most viable business model is recommended.
- 11 A variety of potential operating model options have been assessed and revised model options are recommended by PwC. The recommended models differ in several ways from the Indicative Business Case which was presented to the Government's Provincial Development Unit. This is explained later in this report.

Issues and Options

Issues

- 12 The signed funding agreement has certain pre-conditions to trigger Commencement of the Agreement and contains an agreed timetable. Our current status with meeting these pre-conditions is outlined in paragraph 5 of this report. With regard to the agreed timetable, the project is running 120 days behind the timetable. Any further delays to this agreed timetable may result in the funding being withdrawn.
- 13 Council resolutions for support and co-funding of the project are critical to meet the pre-conditions outlined in the funding agreement. There has been some commentary made within the community about shifting this government funding to alternative projects. This is not an option – this government funding is approved specifically and only to the Kāpiti Gateway project.
- 14 Community feedback and questions received on the Indicative Business Case have largely focussed on:
 - 14.1 **Car parking** – the reduction in car parks on the proposed site
 - 14.2 **Visitor growth rate** - the rate of growth in visitation to Kāpiti Island proposed
 - 14.3 **Biosecurity fee** - the proposed fee for biosecurity checks and its likely impact on demand for visits to Kāpiti Island
 - 14.4 **Financial sustainability** - the ongoing financial sustainability of the centre, and its likely impact on ratepayers
 - 14.5 **Proposed building site** - especially as a coastal site within Maclean Park and alignment with the Maclean Park Management and Development Plans
 - 14.6 **Budget** - for the capital build, what the budget is made up of and confidence in delivering within that budget
 - 14.7 **Other funding options** - including debt funding costs, possibility of Department of Conservation funding, other funds and private sponsorships.

Options

Car parking

- 15 The proposal will reduce the number of public carparks on the site by 17 parks. This leaves 14 car parks (including 2 accessible parks) and 1 set-down/pick-up space on the site. It is recommended that the remaining carparks on this site be time-limited to ensure usage by visitors to Maclean Park and beach users is prioritised.
- 16 To help offset the loss of public carparks, it is proposed that a Council-owned public car-park on the corner of Kāpiti Rd and Maclean St be redeveloped and enlarged, providing an increased capacity with more efficient use of the site space with a total of 20 carparks (incl 2 mobility spaces). The cost would be incorporated within the Gateway project budget. This carpark is 100m closer to the Saturday market site (lower Maclean St) than the proposed Gateway site. A map of this carpark site (Figure 1) can be viewed in **Appendix 1**.
- 17 In addition to this, the Paraparaumu Beach Golf Club is still willing to investigate a commercial agreement to provide off-site all-day/overnight parking as an option for up to 30 cars. This is proposed to be offered as an option to the Kāpiti Island visitors (especially those staying overnight). Development of any car parking at the Golf Club is yet to be agreed, but would be on a commercial basis. It is worth noting that the most feasible access is through the current Golf Club entrance. Extending parking time-limits on the surrounding roads – already in place through-out much of Paraparaumu Beach village – would encourage longer stay vehicles to utilise the paid parking option.

Visitor Growth Rate

- 18 Since the Indicative Business Case was completed in June 2020, much more has become known about the impact of COVID19 on the tourism industry. Whilst the Kāpiti Gateway will include visitor information about the entire district, it will also serve as a Visitor Centre for Kāpiti Island. We do not have reliable data on visitation numbers for the district, but we do have reliable information about Kāpiti Island sourced from Department of Conservation (DoC). It is DoC numbers that have been used throughout the calculations for visitor numbers. This is with the knowledge that these numbers do not capture the full benefits of tourism to the district.
- 19 DoC has supplied detailed visitor numbers to Kāpiti Island from 2013 to 2020.
- 19.1 Between 2013 and 2019 visitor growth was 153.96%, at over 20% per annum.
- 19.2 Due to the impact of COVID19, there were negligible sailings for five months in 2020 and the total visitation in 2020 contracted from 2019 by 18.8 percent. This is a smaller contraction than expected.
- 19.3 For the 3 months - October, November and December 2020, visitor numbers were almost identical to the equivalent 3 months in 2019. This shows strong growth by domestic visitors, given in 2019 international visitors made up 30% of visitors (sourced from a Customer Survey commissioned by Council and carried out by Kāpiti Business Projects in April 2020 to Kāpiti Island).
- 20 Following further consideration and analysis, including the impacts of COVID19, assumptions have been updated to reflect that there will be no international visitors until 2022, and that international visitation takes until 2025 to return to pre-COVID19 levels. Beyond this, it is estimated that international visitation will grow at 8% pa, which is the long-term growth rate for NZ Tourism GDP contained in the Kāpiti Coast Economic Development Strategy and Implementation Plan 2020-23.
- 21 Domestic visitor growth to Kāpiti Island is projected to be initially 10% (for 2020 and 2021), then the rate of increase will reduce back to remain at 5% from 2026 onwards.
- 22 In total, the forecast visitor projections now assume 92% growth from 2019 to 2030 (Indicative business case had this at 224%). Please refer to **Appendix 1 – Figure 2 Kāpiti Gateway forecast visitor numbers**.

- 23 Figure 3 (**Appendix 1**) shows both the indicative business case (in blue) and revised (orange) forecast visitor numbers to Kāpiti Island.
- 24 Figure 3 also shows the historic maximum (based on the average number of sailing days per annum by Kāpiti Island Nature Tours in the past 5 years (233 days per year), multiplied by the daily limit.
- 25 Ninety-nine per cent of Kāpiti Island is classified a Nature Reserve and under the Reserves Act 1977, entering the Kāpiti Island Nature Reserve is only allowed by permit. The number of visitors allowed each day forms part of the Kāpiti Island Conservation Management Plan (CMP), which is jointly approved by the Wellington Conservation Board and the Kāpiti Island Strategic Advisory Committee (KISAC).
- 26 Currently, the limit is set at 160 permitted visitors per day, with a policy to investigate amending the visitor limits during the development of the Kāpiti Island CMP. DoC staff and iwi have indicated an openness to increasing visitor numbers in the future, including the possibility of 'seasonalising' the permits, to better match the higher demand in the summer months.
- 27 Even without changes to concession limits, there is substantial room for growth in visitor numbers to Kāpiti Island, as demonstrated by the maximum annual limit (37,280) on available sailing days (233 pa) being greater than the forecast (29,000) for 2030.
- 28 Wellington NZ - General Manager, has also reviewed the forecast visitor numbers and provided an opinion, which can be viewed in **Appendix 2**.

Biosecurity fees

- 29 The proposal includes a dedicated, best-practice biosecurity self-check facility for all visitors to Kāpiti Island. A user fee (i.e. added to the ticket price) of \$10 per adult passenger and \$5 for children was proposed in the indicative business case, however feedback was received from operators that they felt the price increase may stifle demand.
- 30 In response to concerns raised, it is now proposed that from opening day in 2022, the user charge be \$4 for adults (5% of the basic ticket price) and free for children, increasing by \$2 every second year until \$10 for adults and \$5 for children is reached in 2028. It is recommended that the user charge price increases would be subject to review prior to implementation to ensure that they were not affecting demand.

Financial sustainability

- 31 Selecting a business model, which is financially self-sustaining, has been a key consideration from the start of the project. However, post-COVID19, where tourism numbers are forecast to be impacted for some time (affecting potential revenue streams for the centre and by reduced biosecurity revenue), this is now of even greater importance.
- 32 Financial sustainability is influenced by a range of factors, including upfront capital (construction) costs, external funding, finance costs, depreciation, and facility operating revenue and costs. There are a range of decisions and options which can affect these, including the use of space and functions within the facility, as well as the facility operating model.
- 33 Of particular concern to some members of the community is the potential impact of the project on rates and whether proceeding with this project could result in other building projects (such as a new Waikanae Library) being delayed. The timing of other capital projects is being considered by Council through the discussions underway on the Long Term Plan. Pricewaterhouse Coopers (PwC) was engaged to provide an independent review of the business case and operating model options, to review the benefits, risks and feasibility of the project. This included visitor forecasts, government contributions,

current construction costs and estimated revenue. PwC was asked to explore all available alternatives which met the investment objectives. This include those previously considered as well as assessing other possible alternatives. The PwC report is attached in **Appendix 3**

- 34 PwC concluded that; *“a gateway facility would be well-sited to help protect Kāpiti Island and support growth of visitation to the island and engage visitors in the district to increase tourism spend. As well as sharing history and culture, the facility could also capitalise on its location and connection with Kāpiti Island, and educate people on ecology, climate change and the environment. This would be a tangible action supporting the Kāpiti Council to address the declared climate emergency.”* (refer page 11 of PwC report)
- 35 PwC assessed the revenue and risks of a variety of potential uses and functions of the Gateway, including biosecurity and visitor centre/ticketing functions, a gift shop, commercial office for tour operators, a daytime café and an evening bar/brasserie. They considered that “these potential revenue-driving uses would each support the Council’s Investment Objectives and would complement each other.”
- 36 PwC concluded that there were three “equally viable options” for Council depending on its preference for uses [see pages 10-11 of the PwC report]:

36.1 Option “K”: Biosecurity, Visitor/Discovery Centre, Office, Gift shop, Café and Bar/Brasserie

36.2 Option “J”: Biosecurity, Visitor/Discovery Centre, Gift shop, Café and Bar/Brasserie

36.3 Option “F”: Biosecurity, Visitor/Discovery Centre, Office, Gift shop

“Based on available data, information and assumptions the Gateway is anticipated to eventually break even and not require ratepayer subsidy in the long term. To progress its conceptual design to the next project phase (developed design and further due diligence on the supported uses and revenue streams) Council needs to agree in principle on a preferred option.” (refer page 11 of PwC report)

- 37 All three options would break even in approximately the same timeframe (5-6 years) and incur similar operating deficits until break-even point is reached. Refer to the following table which has been extracted from the PwC report (refer page 41 of PwC report).

Option K breakeven		Option J breakeven		Option F breakeven	
Breakeven year	2027/28	Breakeven year	2026/27	Breakeven year	2027/28
Breakeven period	6 years	Breakeven period	5 years	Breakeven period	6 years
Sum of shortfall (\$000s)	-349	Sum of shortfall (\$000s)	-302	Sum of shortfall (\$000s)	-347

- 38 PwC completed an assessment of risk by scoring each option against seventeen types of risk. Two of the preferred options (K and J) include some component of food and beverage in the model, and while recommended by PwC as preferred options, these options also carry the highest risks as assessed by PwC. This is primarily due to the technical and specific nature of the hospitality and food and beverage industry. There would also need to be careful consideration to ensure consistency with the Maclean Park Management Plan (Please see section *Proposed Building Site*, below).

- 39 The report notes that “If the food & beverage offerings are not supported by Council, Option F (with gift shop and office) would be the next strongest option, still breaking even around the same timeframe.”
- 40 PwC also considered a variety of operating models for the Gateway. From Council owning and operating the entire facility, to Council outsourcing the development, ownership and operation in its entirety.
- 41 PwC recommendation for the business operating model was:
- 41.1 Council design, develop and own the facility as a strategic regional asset.
- 41.2 Council lease out the food and beverage space to a commercial provider, as well as the office space (to the tour operators).
- 41.3 Council operates the visitor/discovery centre as it includes the promotional aspect of the district, as well as the gift shop which “is generally a simpler business to operate than the food and beverage.” [see page 25 of the PwC report]
- 42 In PwC’s opinion, managing the gift shop within the visitor centre and operating it with the two staff assigned to manage the facility was feasible and preferred. PwC further noted that “Online sales from the local artisans gift shop would also add to revenue without substantially impacting costs. This leverages the staff already assigned to the facility, and retains the gift shop net income (or loss) which could directly benefit the Council.”

Proposed Building Site

- 43 The proposed design has been developed with attention to:
- Respect and avoid existing dunes, beach and stream set-backs;
 - Improve public access to the beach;
 - Be neither permanent (it is a removable building) nor for private use;
 - Have positive effects on the natural character of the land, beach, dunes and stream;
 - Retain the natural beach and foreshore, and strengthen existing dune restoration programmes;
 - Maintain sight lines to the beach as much as possible;
 - Connect the Gateway centre to the Park and to the village centre and businesses;
 - Mitigate the reduction of public parking available at the site by replacing it in another part of the village, and still have the opportunity to further increase carparking through a possible future commercial arrangement with the Paraparaumu Beach Golf Club.
- 44 Geoff Canham Consulting (GCC) has undertaken a preliminary review of the proposal in relation to the MacLean Park Reserve Management Plan and concluded that: “*The proposed Gateway Project is aligned to the Plans and there is a clear process and set of thresholds, which includes stakeholder engagement, for assessing which activities may be permissible on the Park and recommend that KCDC undertake an assessment of the specific activities against this process and thresholds, in this case at key development stages. The current proposal meets the requirements of the MacLean Park Reserve Management Plan and Development Plan.*”
- 45 The Resource Consent application for the land use consent is currently on hold and is required to follow the statutory process set out in the RMA.
- 46 The Resource Consent for the stream works, including bridge replacement, has been received from Greater Wellington Regional Council.

- 47 As outlined in the Indicative Business Case, the project also took into account the Government's Four Wellbeing framework as follows:

<p>Cultural</p> <ul style="list-style-type: none"> • It will improve the visibility of mana whenua's history • The significance of the site will be enhanced through carvings, interpretation and storytelling, resulting in a greater understanding of the historical importance of the area; • Creating a place to welcome people to the district; • Sharing of history supports the Turangawaewae (sense of belonging to this place) for mana whenua and residents; • Mauri (integrity of the landscape and its ability to support and sustain life) of the site will be enhanced • Connections between the coast and Kāpiti Island will be enhanced 	<p>Environmental</p> <ul style="list-style-type: none"> • Improving a 55m stretch of the Tikotu stream (which is home to two endangered species, long-finned eels and inunga) through re-naturalisation and planting of the riparian zones; • The Maclean Park experience will be enhanced, with a destination attraction, a restored coastal stream mouth, native landscaping, landmark and interpretive Pou, beach access and community spaces; • The conservation story of Kāpiti Island will be told and celebrated at the site; • An appreciation of the wildlife supported on Kāpiti Island will be recognised on the Kāpiti Coast, with audio visual and interactive features; • Increased protection for the Kāpiti Island environment, flora and fauna, which will help to mitigate the impact of increasing numbers.
<p>Social</p> <ul style="list-style-type: none"> • Enhancing the visitor experience to the Island and the Kāpiti Coast; • Improving access to the beach for pedestrians by replacing the small narrow bridge across the stream with a wider, more accessible one. Along with landscaping, this will enhance the public amenity of Maclean Park and the beach; • Pedestrian safety will be improved by removal of conflict in the Boat Club carpark and a wider footpath above the culvert; • Viewing places of the beach (especially for those less-abled) created; • Volunteering opportunities created (biosecurity); • Additional educational opportunities and space created; • Identity of Paraparaumu Beach improved, linking the island and beach with our history, environment and culture on the beachfront; 	<p>Economic</p> <ul style="list-style-type: none"> • Kāpiti Island visits will be supported with a physical presence as an iconic tourism product, which will strengthen and enhance the tourism reputation of Kāpiti region; • The tourism and hospitality sectors will be supported with storytelling about tourist activities on the Kāpiti Coast, encouraging longer stays; • It is likely to lead to new tourism operations in the Kāpiti Coast, taking advantage of increased visitors to the area • Protects the valuable economic benefits for the district from the visits by reducing the risk of tourism to the Kāpiti Island environment; • A prime opportunity will be created for local artisans and craftspeople to supply quality products to the gift shop; • It will encourage skills development in the Kāpiti Coast visitor sector; • The current footbridge has reached the end of its serviceable life and is due for replacement. The funding arrangement would enable the replacement bridge to be part-funded by government funding, rather than to be fully funded by ratepayers.

- 48 Economic Solutions Ltd (ESL) has been engaged to update the local economic impacts of the proposed Kāpiti Gateway facility, based on the revised visitor growth projections and operating model. Due to a lack of sufficient data for wider tourism to the district, the economic analysis includes only the impact of visitation to Kāpiti Island. (Economic Impact Report - **Appendix 4**)
- 49 The current level of economic activity is assessed to be relatively unchanged (24 persons (jobs) and \$2.08m in Gross Regional Product (GRP) per annum) from the assessment based on the Indicative Business Case.

- 50 The economic benefits from the construction phase are assessed to be relatively unchanged from the assessment based on the Indicative Business Case. The construction period would deliver short-term economic impacts of 16 persons (jobs) and \$2.23m economic benefit (GRP) during the construction phase.
- 51 The local and employment impacts of the annual operation of the Gateway Centre in the initial full year (2023) have been assessed as relatively unchanged, at \$0.16m GRP and 3 persons (jobs) respectively.
- 52 The forecast increased visitation to the Kāpiti Coast district resulting from the projected increased visitation to Kāpiti Island will see an additional local economic impact increase (using the mid-point of visitor spending) of \$1.91m in GRP impact (per annum) and 22 persons (GRP) by 2030.
- 53 By contrast, the initial assessment based on the visitor projections used in the Indicative Business Case forecast an additional local economic impact increase (using the mid-point of visitor spending) of \$4.16m in GRP and 48 persons by 2030.
- 54 Therefore, the combined additional economic impact of the Gateway proposal (the annual operation of the centre plus increased visitation) by 2030 is forecast to be an additional \$2.07m per annum in GRP and 25 persons (jobs) per annum.

Budget

- 1 The capital budget for the Gateway project is as follows:

Buildings, finishes, FFE, containers	1,660,961
External works, decks, bridge, landscaping, site services, carvings	1,254,416
	2,915,377
Construction contingency @ 20%	583,075
	3,498,452
COVID19 contingency @ 15%	437,307
	3,935,759
Other fees, consents, design, project management @15%	524,768
TOTAL	4,460,527

Other Funding Options

- 55 The cost of debt funding for up to \$2.23m is included within the operational budget.
- 56 The possibility of Department of Conservation funding, for Capital and Operational costs has been fully explored.
- 57 The funding agreement for the government grant does not preclude Council from seeking alternative sources of Capital or Operational funds for its share. Several funds have been identified and Council staff have submitted Expressions of Interest to these funds.

- 58 Private sponsorships are also possible sources of additional funding. Electra has committed to a sponsorship of \$20,000 towards the supply and installation of solar panels on the building's roof.
- 59 Philanthropic gifting, including opportunities for visitors to contribute (especially related to the environmental value proposition) are further options which could be explored.

Considerations

Financial Considerations

- 60 The total capital cost of the Gateway build is \$4.46m. A grant of \$2.23m (50%) towards the Kāpiti Gateway capital build has been approved by Government Ministers as an Infrastructure Reference Group (COVID19 Response and Recovery Fund) shovel-ready project. This funding is available if Council commits to the remaining 50% capital expenditure.
- 61 Careful consideration has been given to the financial sustainability of the Gateway centre. The ongoing operating costs of the Gateway have been discussed earlier in this report (see paragraphs 26 to 37), and will depend on the final functions and operating model.
- 62 The funding from the Government to cover 50% of the capital costs of the project significantly increases the affordability of the proposed Gateway project.

Policy considerations

- 63 **Maclean Park Management and Development Plans** – An initial assessment has been undertaken of the proposal against these Plans and it has concluded that the current proposal is not inconsistent with the Plans. Further assessment will be undertaken through the detailed design stage.
- 64 **Public Art Strategy** – The project fits within the Public Art Strategy. The Council Public Art Panel were briefed on the proposal and comment was sought. (See **Appendix Five**)

Legal considerations

- 65 There are no specific legal issues.

Tāngata whenua considerations

- 66 The proposed Gateway site is identified as a site of significance to Te Ātiawa ki Whakarongotai, and is recognised in the Proposed Natural Resource Plan.
- 67 Ngāti Toa Rangatira and Te Ātiawa ki Whakarongotai are represented on the project Governance Group.
- 68 Ngāti Toa Rangatira and Te Ātiawa ki Whakarongotai have combined to signal their support for the proposed Kāpiti Gateway by gifting (koha) the name 'Te Uruhi'. Te Uruhi is the name mana whenua gave to the proposed site and surrounding area. Ngāti Toa and Te Ātiawa see the Kāpiti Gateway as a place to:
 - 68.1 recognise the significance to iwi in the spirit of partnership between iwi and the Council as Treaty partners
 - 68.2 strengthen the links between Kāpiti Island and the mainland
 - 68.3 help people understand the national significance of the Island and its importance to them;
 - 68.4 strengthen biosecurity measures available to protect this taonga for future generations

- 68.5 be a cornerstone for increasing the visibility of the area's significant history
 - 68.6 share and educate through storytelling and reflection,
 - 68.7 improve the environment both directly and indirectly by improving the condition of the mouth of the Tikotu Stream
 - 68.8 enhance the mana of the Island as well as Council's partnership with iwi and the entire community they serve.
- 69 Letters of support for the Gateway project have been received from Ngāti Toa Rangatira and Te Ātiawa ki Whakarongotai.

Strategic considerations

- 70 **Annual Plan** - Capital Expenditure (CAPEX) of \$255k for Kapiti Gateway is included in the 2020/21 Annual Plan. This is forecast will be sufficient should Council decide to proceed with the Kapiti Gateway project, because government funding includes 50% up-front payment.
- 71 **LTP** - Both \$2.23m as CAPEX and Operating Expenditure (OPEX) (including revenue) is included in the 2021-41 Long Term Plan (LTP) and is in front of Council for consideration as part of the LTP. These budgets are subject to change pending the outcome of Council decision on the recommendations in this report.
- 72 **Kāpiti Coast Economic Development Strategy and Implementation Plan 2020-23** – Kāpiti Gateway is noted as a project within this strategy to strengthen infrastructure for a key sector, and forms part of the development and implementation of a Kāpiti Coast Destination Plan. It is one of the key actions under Ngā Pou / Pillar - Manaakitanga / Supporting key sectors.
- 73 **Central Government relationships** - The project will help to demonstrate KCDC's ongoing ability to build strategic central government relationships and provide evidence that as a district we can deliver.

SIGNIFICANCE AND ENGAGEMENT

Significance and engagement policy

- 74 It is noted that there is a degree of public interest in the proposed Kāpiti Gateway and there are some deeply held views about the proposal. However, it is not considered to meet the thresholds for significance under the policy. This matter has a low level of significance under Council's Significance and Engagement Policy.

Publicity and Engagement

- 75 Further engagement with key stakeholders has been undertaken by the Working Group, with support from Council officers.
- 76 Following the Council meeting, council officers will notify the Governance Group, key stakeholders and community groups of Council's decision. A media advisory will be issued and Council will use its available channels to inform the wider community of Council's decision.
- 77 Should Council decide to proceed with the Kāpiti Gateway project, a communications and engagement plan will be further developed as part of the project delivery.

RECOMMENDATIONS

- 78 That the Council notes that further work has been undertaken to consider feedback received, review and revise assumptions, assess options for financial sustainability and operating models.
- 79 That the Council notes that further engagement with key stakeholders has been carried out.
- 80 That Council acknowledges and thanks Kāpiti iwi, Te Ātiawa ki Whakarongotai and Ngāti Toa Rangatira, who have combined to gift the name 'Te Uruhi' to the proposed Kāpiti Gateway.
- 81 That the Council approve to proceed with the Kāpiti Gateway project and for the project to proceed in accordance with the project plan on the basis of:
- Option K: biosecurity, visitor/discovery centre, office, gift shop, café and bar/brasserie, **OR**
 - Option J: biosecurity, visitor/discovery centre, gift shop, café and bar/brasserie, **OR**
 - Option F: biosecurity, visitor/discovery centre, office, gift shop.
- 82 That the Council approve to provide up to 50% funding for the Kāpiti Gateway project (\$2.23m)

APPENDICES

1. Kapiti Gateway Appendix 1 [↓](#)
2. Kapiti Gateway Appendix 2 [↓](#)
3. Kapiti Gateway Appendix 3 [↓](#)
4. Kapiti Gateway Appendix 4 [↓](#)
5. Kapiti Gateway Appendix 5 [↓](#)

Kapiti Gateway Appendices 1

Figure 1.



Figure 2.

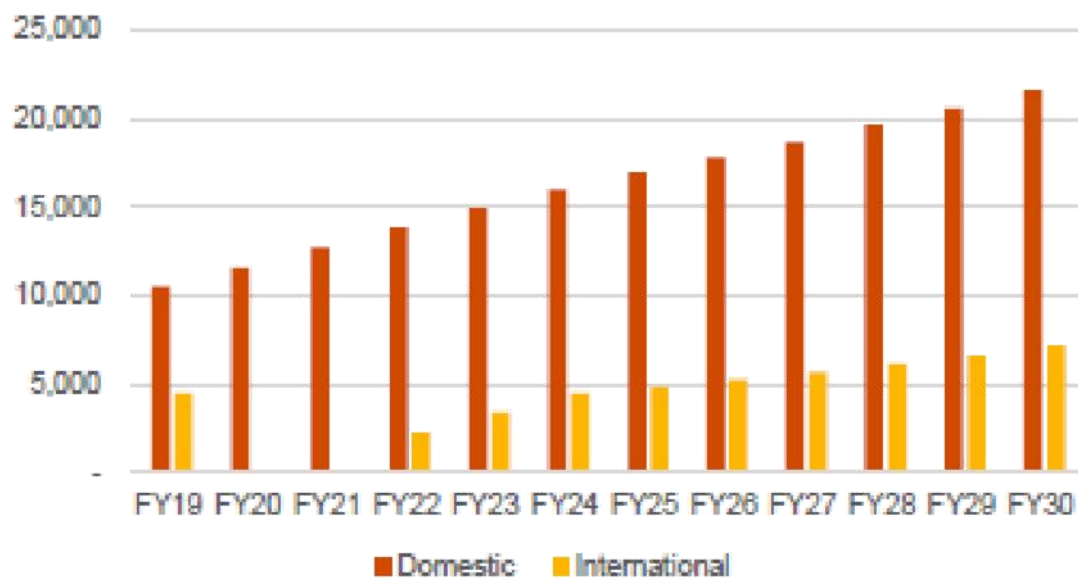
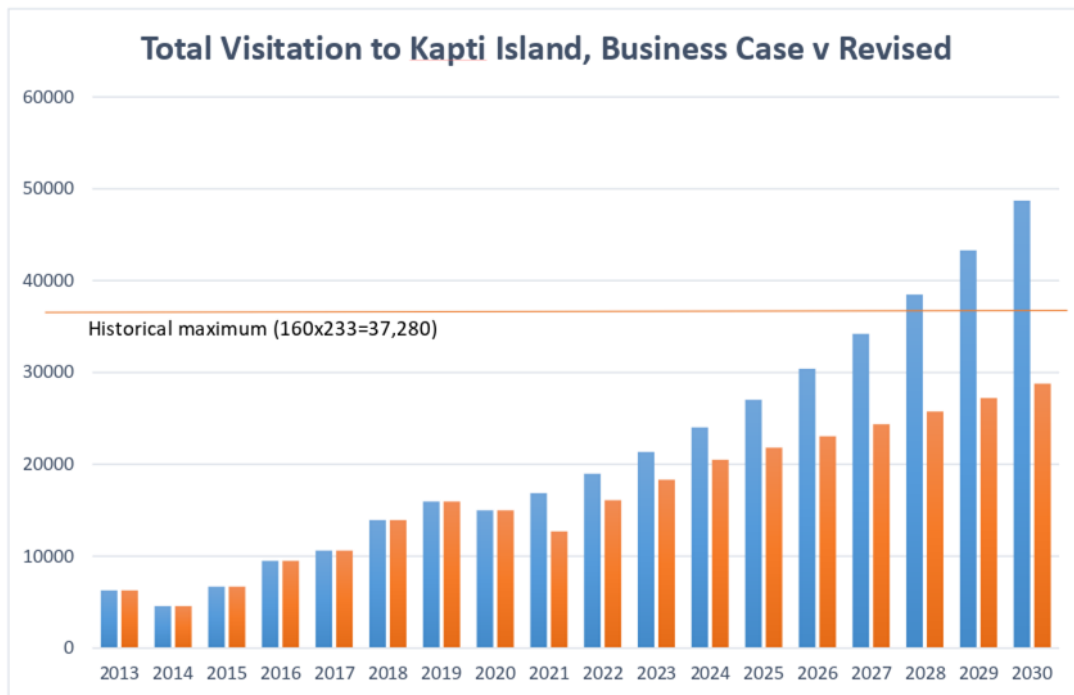
Kāpiti Gateway forecast visitor numbers

Figure 3.



Kapiti Gateway Appendices 2

Janice Hill
Principal Advisor Growth & Development
Kāpiti Coast District Council

2 February 2021

Re: Future visitor expectations relating to the Kāpiti Gateway project

Dear Janice

Thanks for all the information you have sent through and also our conversation on the phone. I've made some bullet points of my observations below:

- By and large I believe the assumptions that you have made in your modelling make good sense and do a good job of understanding the current Covid-19 impacted environment.
- The impact of Covid-19 is significant, and this is reflected in your workings.
- The balance between domestic and international visitors and the point at which the balance swings is well set out in your assumptions and workings. As we discussed if the borders stay closed longer then the uplift in domestic visitors can be expected to be retained; if they were to open sooner then the flattening of domestic numbers would be replaced by returning international visitors.
- In 'normal' circumstances domestic tourism has historically grown very much in line with the growth of the New Zealand economy plus a factor added in for population growth.
- The impact of domestic tourism isn't consistent nationally; it is clear that destinations closer to where Kiwi's live or can travel to easily and relatively economically are in a stronger position to benefit from domestic tourism than remote destinations.
 - There is a noticeable particularly positive impact for the halo regions of the main urban centres. Kāpiti is a good example of being a recipient of this benefit.
- I would note that there are some key factors that regardless of the current situation will be of significant impact to the success of the Gateway:
 - The development of the Gateway is delivered to the highest possible standard
 - The experience that visitors have at the Gateway is of the highest possible standard – one that people go away and talk about; recommending to others
 - The pricing of paid options is appropriate to the experience / market / product
 - The new 'experience' is marketed with sufficient investment for such activity and is easily discovered by visitors
 - The Gateway must be welcoming, accessible and embracing for local residents as well as visitors

I feel that I should add that the Gateway development provides the Wellington Region with a fantastic opportunity to add a significant new reason for visitors to stay longer in the region.

Whilst Kāpiti Island and the experiences it provides have long been recognised as being very special the physical detachment of the island has meant that understanding what the island is about and accessing the island has been difficult for all but the most determined visitors. The Gateway will provide visitors with an easy and obvious point of information, discovery and access to the island; for those who cannot afford the time or are impacted by the weather the Gateway will provide a focal point for the Kāpiti Coast that has not previously existed and as such a jumping off for other experiences on the mainland such as Ngā Manu, the Waikanae Estuary walkways and The Escarpment Track. All this of course means that visitors will spend more time and money in the Kāpiti district and thus the region as a whole.

Whilst the travel patterns of international visitors may not be top of mind at the moment we do know that most international visitors utilise SH 1 when travelling through the country; for too long the reasons to stop between Tongariro and Wellington city have been not strong enough to create the desired positive impact that the communities on that route have targeted. The Gateway development provides Kāpiti with the opportunity to provide a very specific reason to pause on that journey.

I trust this all makes sense and is useful; if you have any questions please do let me know

Best regards



David Perks

General Manager
Regional Development Destination and Attraction | WellingtonNZ

Kapiti Gateway Appendices 3

Kāpiti Gateway Options

Kāpiti Coast District Council

January 2021





Richard Chung
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Natasha Tod
Group Manager Strategy, Growth and Recovery
Kāpiti Coast District Council
175 Rimu Road
Paraparaumu 5032

29 January 2021

Dear Natasha,

Kāpiti Gateway Options Analysis

In accordance with the Letter of Engagement dated 11 December 2020, we provide you with our report.

In our report, we have:

- reviewed the project to-date, including documentation, design and analysis completed
- identified potential space uses and key operating model options
- assessed the identified options to create a shortlist of preferred options
- tested the assessment and preferred options with Council staff, and
- to the extent possible, benchmarked the options against other comparable tourism ventures.

This report is strictly confidential and (save to the extent required by applicable law and/or regulation) must not be released to any third party without our express written consent which is at our sole discretion.

Thank you for the opportunity to provide this advice.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R. Chung', with a stylized flourish at the end.

Richard Chung
Partner

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*“Whakarongo atu ki ngā tai o Raukawa moana e pāpaki mai ra, ia rā ia rā
Mutunga kore, pāpaki tū ana ngā tai ki uta
I tēnei rā kua pāpaki mai ngā tai o te ao ki a Te Āti Awa
Pī kē pea te piki atu, rere haere ai ki runga i te kaha o te ao hurihuri;
Me kore pea te kitea he maramatanga ki ngā whakaritenga o te wā e tika i
tātou te iwi
Nō reira, whakarongotai o te moana, whakarongotai a te wā.”*

“Listen to the tide of Raukawa Moana as it crashes, day in, day out
This is how it will always be, the tide forcing its way onto the shore
Today, the tides of the world have been forced onto Te Āti Awa
Perhaps instead of ignoring the swell, we should set sail on the strength of the new wave
In the hope that we will realise what must be done now to put our iwi on the right course
Therefore I say, as you listen to the tides of the ocean, listen to the tides of time.”

- Wi Te Kākākura Parata, Paramount Chief of Te Āti Awa and Ngāti Toa Rangatira, 1884.

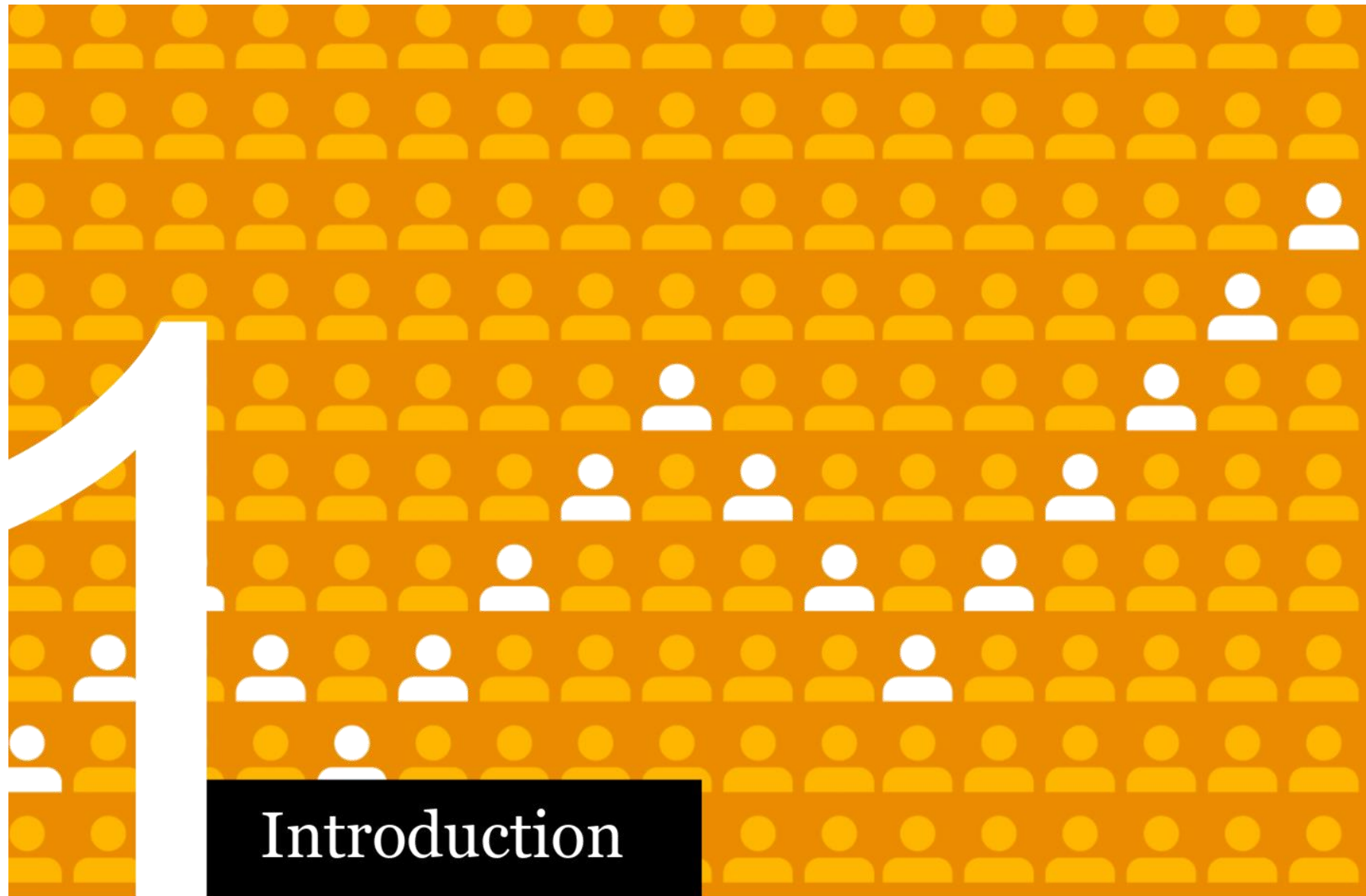
Born on Kāpiti Island in the 1830's, Wiremu (Wi) was well rehearsed in the land, politics and adapting to change over time. Wi was also a champion of Māori and pakeha working together for the best outcomes for all.

Perhaps Wi's lesson remains as relevant today as it was in 1884, and it's time to establish a gateway to the Kāpiti district that protects, serves and celebrates its history, culture, land and people.

A new wave.

Sources: Kāpiti Coast District Council MacLean Park Reserve Management Plan and National Library Te Ara Encyclopaedia of New Zealand.

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Introduction

Purpose

The Kāpiti Coast District Council (Council) has considered a 'Gateway' at Te Uruhi / MacLean Park for at least 28 years. The main purpose of the Gateway would be promoting and enhancing Kāpiti Island as a tourist activity and supporting additional tourism and economic activity across the region, recognising that Kāpiti Island draws 80% of its visitors in from outside of the Kāpiti district.

While it is sensible to leverage this to promote the region, capital development cost has been a major barrier to-date in feasibly developing a locally-significant capital asset. The Government's Covid Response and Recovery Fund has the potential to 'shift the dial' in this respect, having offered to contribute 50% of capital development costs. Also, the Te Uruhi / MacLean Park reserve that the Kāpiti Gateway (the Gateway) would be located on is being redeveloped in accordance with the MacLean Park Reserve Management Plan 2017. A potential Gateway facility is featured in the management plan and would integrate with the park's redevelopment over time.

Council wishes to gain an understanding of the benefits, risks and feasibility of the Gateway project informed by its visitor forecasts, Covid Response and Recovery Fund contributions, current construction costs and estimated revenue.

Council has an initial concept design with associated cost estimates. The next step is to gain Council support in-principle to construct the Gateway and allocate funding. This support would enable the next phase of the project to begin; to develop the design of the Gateway (informed by Council's preferences and priorities, public feedback and market testing) to hone and better understand each supported use of space in the Gateway.

PwC has been asked to identify and analyse the options for potential uses of space within the Gateway facility, to inform Council's discussion and potential progression to the next phase.

Scope

In accordance with the agreed scope, PwC has:

- reviewed the project to-date, including documentation, design and analysis completed
- identified potential space uses and key operating model options
- assessed the identified options to create a shortlist of preferred options
- tested the assessment and preferred options with Council staff, and
- to the extent possible, benchmarked the options against other comparable tourism ventures.

Key assumptions

We have utilised data and information provided by Kāpiti Coast District Council as true and correct; including construction costs, visitor forecasts and consentable footprint limitations.

As specified by the Council, financial feasibility was analysed on the basis of revenue breaking even with depreciation and finance and operating costs, and does not include repayment of loan principal.

Where leases are mentioned, these refer to a commercial arrangement and may be leases or operating licences, as appropriate on a reserve (Council's own management plan allows commercial activity).

We note that the project remains in relatively early stages as regards design/construction, property use allocations and commercial arrangements with potential third parties. These will become better understood as the project is progressed.

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History and overview

Understanding Te Uruhi / MacLean Park's history is important to help understand its potential future.

The site is of historic cultural significance to Te Ātiawa ki Kāpiti and Ngāti Toa Rangatira including as a pā site, waka landing site and access point to Kāpiti Island.

Since the early 1900's development of the park cemented its place as a community facility in the Kāpiti district, however it was not until the mid-2000's that piecemeal development was halted and development and management plans were consulted on with the public and finalised.

A 'gateway' facility of some sort has been discussed within the community for nearly 30 years. This was explicitly recognised in the 2017 MacLean Park Reserve Management Plan.

The proposed Gateway provides a platform to not only service the modern needs of the district and community, such as protecting and promoting the island and other tourism assets, but it can also serve to celebrate the area's history and cultural significance, and educate people on the environment, climate, flora and fauna.

Various redevelopment including basketball court, skate bowl extension, new kiosk building, and playground and pond upgrades. The pond continued to leak and was closed in 2016.

1820's

Prior to 1820's the wider area was occupied by the Te Uruhi Pā, by the Tikotu Stream.

1840's

Te Uruhi pā was well established and continued to be an important landing and departure point for waka travelling between the north, Kāpiti and surrounding islands, Mana and Porirua, and further to the top of Te Waipounamu (South Island).

1850's

The Native Land Court saw that Te Uruhi was divided up into various land blocks, resulting in Ngāti Puketapu's alienation from the land. The land was farmed by the MacLean family who owned a significant portion of land within the Paraparaumu Beach area.

1920's

The park was named MacLean Park at some stage in the 1920's, and subsequent development of the park occurred as the area saw the construction of the Marine Parade during this period.

1950's - 1990's

Extensive development of the park including landscaping, skating rink, changing rooms and toilets, skateboard area, boating pond, sea wall and kiosk.

1980's

Facilities leased to private operator and a 'fun park' was developed including water slide and bumper boats.

2012 - 2016

2016

Council funding was allocated for a Development Plan to be consulted on with the community.

2017

MacLean Park Reserve Management Plan finalised, including allowance for a 'Gateway' on the south side of Titoku Stream following public consultation.





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Our summary

A gateway facility would promote and enhance Kāpiti Island as a tourist activity, provide a focus for Kāpiti as a tourist destination, and promote other attractions and activities in the region.

Tourism to Kāpiti Island has been steadily growing, from 6,284 visitors in 2013 to 15,959 in 2019. Approximately 78% of visitors to Kāpiti Island are from New Zealand. There is significant opportunity for further growth, with an annual capacity of 58,400 visits based on current conservation concessions¹.

A Council survey of 2,000 visitors to the island demonstrated that an island tour is a strong catalyst for visits to the Kāpiti district, with nearly 80% of island visitors from outside Kāpiti and around 40% staying on average two nights in the district.

While leveraging the district's major tourist attraction is important for economic prosperity, it is also crucial to protect the island. Kāpiti Island is one of New Zealand's most important eco-sanctuaries and breeding grounds for protected and endangered species, and the introduction of pests is a significant threat.

Visitors to the island are currently loaded into boats in the parking area of the Kāpiti boating club, or directly on the beach. Provision of a best-practice biosecurity function would significantly lessen the risks of pests reaching the island and in turn protect the district's most strategic tourism asset.

The proposed Gateway site is also significant ecologically and culturally, with the Tikotu Stream an historically significant landing site for local iwi. *continued over*

¹ the Department of Conservation has indicated they may be open to increasing this to 73,000. Data points on visitor counts provided by Council.

Our recommendations



Establish the option Council will support and agree in-principle to fund and build the facility



Establish a project team and plan, and begin the developed design phase for the option that is supported in-principle



Conduct due diligence in the next project phase on the space use options that are supported in-principle

Including layout and configuration, sponsorships and advertising, and any gift shop and/or food & beverage offering.

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Our summary (continued)

There is currently no easily accessible way for locals or visitors to learn about and engage in this history. The Gateway facility could provide an important facility to educate locals and visitors on this history and the cultural importance of the area. Te Ātiawa ki Kāpiti and Ngāti Toa Rangatira are on the Governance Group for the Gateway project and support its development, and Ngāti Toa have indicated they wish to have an active role in the Gateway in the future.

A gateway facility would be well sited to help protect Kāpiti Island, support growth of visitation to the island and engage visitors in the district to increase tourism spend.

As well as sharing history and culture, the facility could also capitalise on its location and connection with Kāpiti Island, and educate people on ecology, climate change and the environment. This would be a tangible action supporting the Kāpiti Council to address the declared climate emergency. While the case supporting a gateway is strong from a tourism, biosecurity, environment, history and cultural point of view, it is also important that the facility is financially feasible. The Gateway will need to be able to generate sufficient revenue to cover its own costs in order to minimise, and eventually offset, any cost to ratepayers.

The facility will need to be multipurpose with uses to service both the local community and visitors. This will help mitigate some feasibility risk through maximising the potential customer base (customer profile as well as quantity) and attracting revenue from multiple sources and different industries.

We have assessed, at a high level as appropriate to this conceptual phase of the project, the potential revenue and risks of various uses within the Gateway including (in addition to the biosecurity and visitor centre/ticketing functions) a gift shop, commercial office, a daytime cafe and an evening bar & brasserie. These potential revenue-driving uses would each support the Council's Investment Objectives and would complement each other.

Our assessment of the potential cost, revenue and risks of each option indicates that Option K (incorporating all uses) would likely be the strongest overall option for the Council, however the next two strongest options (J and F) are extremely close and provide equally viable options for Council depending on its preference for uses.

The full suite of uses means Option K fully leverages the site and creates as many revenue-generating opportunities as possible. This does not come without additional risk, with Option K scoring the highest in terms of risks to manage. This is primarily due to the comparatively technical and specific nature of the hospitality and food & beverage industry (highlighting the importance of getting this function right, including contracting the right operator, selecting the right type of offering, and ensuring the commercial terms are right) and notably a food & beverage offering may not be permissible under the reserve management plan.

Option K has estimated costs of \$2.4m to develop¹, \$6.6m to operate over 20 years, and \$8.9m of estimated revenue over the same period. The breakeven point is in 2027/28, where the estimated annual revenue is anticipated to match (and from then exceed) the estimated annual costs.

There are some key risks however (these are detailed on page 24). Notably, nearly half of the anticipated revenue is directly dependent on the visitor growth forecast, presenting a tangible risk to financial feasibility should the forecast growth not eventuate.

If the food & beverage offerings are not supported by Council, Option F (with gift shop and office) would be the next strongest option, still breaking even around the same timeframe. Option F scored in third place behind K and J due to contributing less to the investment and general objectives, however the option also attracts less risk.

Based on available data, information and assumptions the Gateway is anticipated to eventually break even and not require ratepayer subsidy in the long term. To progress its conceptual design to the next project phase (developed design and further due diligence on the supported uses and revenue streams) Council needs to agree in principle on a preferred option.

¹ After Covid Response and Recovery Fund contribution (grant) of 50% up to \$2.3m

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Other considerations

Food and beverage-specific challenges

The hospitality / food & beverage industry is very specific and niche, and takes substantial experience (and risk) to establish the right type and style of offering in the right place at the right time. This will be a crucial element to the success of the food & beverage offering/s in the Gateway. The Council should engage with experienced operators and/or a hospitality specialist consultant to ensure that the operator procured will be complementary to local businesses and is contracted in the right way to optimally benefit the Council, the operator and existing food and beverage operators.

Even if the food & beverage offering is designed to complement, and grow the value of, the existing local hospitality offering, it is possible the MacLean Park Reserve Management Plan requirement for *any commercial activity to not duplicate other facilities in the vicinity could be interpreted to rule out any food & beverage offering.*

It should be noted that public consultation on the management plan occurred between three and four years ago. Views can change over time and along with learnings from COVID-19 and an actual Gateway concept to engage with now; the community may show more support if it is delivered in the right way, and the Gateway is dependent on it to be feasible.

Showcasing local produce

The food and beverage offerings and gift shop could be designed to overtly support and showcase local produce, arts and crafts; thereby further supporting the local and regional economy.

Alternative funding options

Alternative funding options could be explored to help fund the Council's capital contribution, such as targeted rates, crowdfunding from the community¹, a membership scheme or providing the potential corporate sponsor with benefits in return for an initial capital contribution.

¹ Potentially possible if the Gateway is operated via charitable trust (as Zealandia is)

Drawing in locals and Te Uruhi / MacLean Park users

Consciously designing the interface with the neighbouring Te Uruhi / MacLean Park green space and playground amenities could help draw in customers that otherwise would not have entered the visitor centre, ecological and cultural education, cafe or gift shop. These new customers could also be converted to Kāpiti Island visitors. This can be achieved by ensuring minimal/no physical barriers, visually attractive Gateway design from the Te Uruhi / MacLean Park perspective, and strategically installing temporary 'containerised' offerings (e.g. food & beverages, bike / kayak hire) in the area during peak season.

Leverage digital offerings

Digital promotion of the region, its attractions and goods is a low cost way of introducing visitors to all the region has to offer. This could be done inside the visitor centre and biosecurity area (e.g. while people are waiting for processing) as well as on the exterior of the Gateway. Enhancing this with 3D, virtual reality and interactive tools for experiencing the region could be powerful in improving the tourism economy.

Revitalising the Paraparaumu Beach township

The redevelopment of Te Uruhi / MacLean Park and the development of the Gateway both serve to act as a 'magnet' for locals and visitors, contributing to the local community and economy. The immediate surrounds (the beach township), however, are relatively 'tired'. Experience around New Zealand has shown that revitalised and beautified areas are important to attract both locals and visitors (e.g. Ahuriri in Napier, waterfront areas in Wellington, New Plymouth and Gisborne, Wharf St in Tauranga and the Wynyard Quarter and North Wharf areas in Auckland). Some revitalisation and beautification of the beach township could encourage economic development, support growth in visitor numbers and support better outcomes when done in conjunction with improving amenities in the area.



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Objectives

Six investment objectives have been agreed that underpin strategy and planning for the Gateway.

The six investment objectives on the right have been developed by Council and agreed in consultation with the project's Governance Group.

The objectives have been selected to encompass the ecological importance of Kāpiti Island, education and history of the area including significance to Māori, tourism and the local economy, and benefit to the community.

These have been used to assess potential options for the Gateway facility and help identify those options that will provide the most benefit against these objectives. However, there are several other criteria of importance that are not considered by these objectives. Therefore we have introduced additional objectives against which the options were also assessed:

Deliverability objectives

- Financial feasibility
- Risk management

General objectives

- Te Ao Māori connection
- Promotion of ecology and the environment
- Meeting tourism demand
- Visitor cross-patronage

Collectively these 12 objectives provide a comprehensive method for assessing the different options for the Gateway proposal. Assessment is discussed further on page 19.

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Provide education

Provide cultural interpretation and education about Kāpiti Island



Improve biosecurity

Protect Kāpiti Island through improved biosecurity measures



Growth in visitor numbers

Encourage more people to visit and experience Kāpiti Island



Share and celebrate history

Celebrate the rich history of Kāpiti Island and the Te Uhiri area and to tell its stories



Local economic benefit

Increase the economic benefit of tourism to the Kāpiti district



Better community integration

Provide the community with a dynamic, multi-purpose facility as part of the MacLean Park experience



Deliverability Objectives



General Objectives

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Case for change

The current use of Te Uruhi / MacLean Park and biosecurity process for accessing Kāpiti Island do not contribute to the Council's objectives for the island and area.

There are three key functional components to the Gateway proposal:

1. A terminus for accessing Kāpiti Island for ecological and commercial benefit
2. A tourism gateway for the Kāpiti region, and
3. The provision of facilities that benefit the local community.

Accessing Kāpiti Island

Biosecurity processing is currently undertaken in open surroundings. While this is currently the most practicable solution, there are obvious biosecurity drawbacks to this approach, with a real risk of unintentionally providing carriage for unwanted pests such as seeds, animals and plant matter.

Given Kāpiti Island's ecological status, its function as a reserve should be prioritised. With this in mind, biosecurity improvements with a best-practice facility such as that within the proposed Gateway are crucial to meeting the objective of improving biosecurity, especially while also meeting growth in visitor numbers in a sustainable manner.



A tourism gateway for Kāpiti

There is currently no central 'hub' to promote the Kāpiti region's attractions, assets, activities and goods.

Kāpiti has a variety of visitor assets, including wedding venues, walks, a marine reserve and wildlife rivalling Kaikōura, cycling, beaches and arts and crafts. Currently, Kāpiti relies on the Wellington iSite (and online) for promotion.

With Kāpiti Island being the region's key strategic visitor asset and responsible for around 80% of visitor numbers, there is an opportunity to leverage this to promote the wider region.



Benefitting the local community

The current use of the Te Uruhi / MacLean Park reserve and its amenities provides parking, greenspace and playground. While the revitalisation of the park has improved the attraction and usage of the reserve, without the Gateway it is unlikely to attract more visitors from across or outside the district.

Also, Kāpiti has unique historical, cultural and ecological assets. The current use of the reserve does not provide education opportunities or tell the story of Kāpiti Island and the Te Uruhi area. There is significant opportunity to tell these stories better than the current park and amenities do.

The Gateway will be crucial in meeting the Council's objectives for visitor growth, economy, history and culture, community and biosecurity.



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Potential uses

Several potential uses of the Gateway have been assessed.

Biosecurity

A biosecurity inspection room to process passengers before they are loaded onto the boats, a dirty store for goods before being inspected, and a clean store for goods that have been inspected and await a boat trip across to the island.

The biosecurity pod will be 160m², including office space and 44m² of toilets which will be self-contained for tikanga reasons. The main income of the biosecurity pod will be through biosecurity concession fees.

Cafe & Bar / Brasserie

A café or café & bar are two additional options for the Gateway. Council revenue would be generated by leasing food and beverage space of approximately 50m² to a third party¹. This assumes part of the 50m² deck space is utilised, toilets are shared with the main facility and an off-site production kitchen is used. This offering would require additional development costs, but assumes that the operator would complete the fit out. A brief market scan was undertaken to estimate a market rent of \$300-\$350 per m² in the vicinity of the park.

The food and beverage offerings in the area are varied and well established (see Appendices). This includes offerings for breakfast, lunch and ice cream/confectionary in daytime hours and restaurants and bars in the evening. While this means there is competition in the market, it establishes that there are a sufficient number of residents and visitors to meet demand and that there is potential for new food and beverage offerings. This is reinforced by another café (The Lockup) having opened at the end of 2020. The main risk of including a café and bar in the Gateway is the perception that Council is increasing market competition for existing food and beverage operators.



Visitor / Discovery Centre

A display and exhibition space for the general public and those visiting the island. This will also include a small office for Council staff and some storage for related material.

The discovery pod will be 75m² with potential for it to incorporate a gift shop. The income generated by the Visitor / Discovery Centre is limited to advertising (e.g. signage attracting an annual fee), however, it is considered part of the core offering of the Gateway due to its direct contribution to the Investment Objectives and driving Iwi engagement.

Office

Office space for boat operators of 16m² has been included in the design of the Gateway (within the biosecurity pod). For this assessment, the office has been considered an additional option for the Gateway.

The boat operators would occupy the offices under a commercial lease which would generate a marginal income for Council. The lease cost is assumed to be \$275 per m² based on other Marine Parade retail / offices. Considering the small space and marginal revenue, Council could consider a lease agreement based on \$100 weekly rent.

Gift shop

A small gift shop is an additional option for the Gateway. A gift shop of approximately 30m² would be incorporated into the discovery pod, meaning the space for the visitor / discovery centre would be proportionately reduced. It is assumed that the gift shop will be owned and operated by Council with all revenues retained.

From case studies with other ventures, it is recommended that the gift shop focus on regional-made arts, crafts and souvenirs direct from the makers. This creates greater potential revenue and better supports Council's Investment Objectives.

¹ The successful restaurant 50-50 is located at 22 MacLean Street in proximity to the park and operates in an area of 74m² including a kitchen

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Long list of options

Outlined below are eleven potential combinations of uses that we have identified for Kāpiti Gateway.

All of these options include Biosecurity Inspection and a Visitor / Discovery Centre including ticketing as 'foundational' uses. Option A represents the most basic foundational offering. Each option from B to K then explores the potential feasibility and merit of introducing different combinations of additional 'uses of space' to the Gateway facility.

A)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre 	E)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Cafe & Bar / Brasserie 	I)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Office + Cafe & Bar / Brasserie
B)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Office 	F)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Office + Gift shop 	J)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Gift shop + Cafe & Bar / Brasserie
C)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Gift shop 	G)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Office + Cafe 	K)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Office + Gift shop + Cafe & Bar / Brasserie
D)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Cafe 	H)	<ul style="list-style-type: none"> • Biosecurity • Visitor / Discovery Centre + Gift shop + Cafe 		

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Assessment criteria

We assessed the long list of options against four types of criteria, assigning a score for each type to identify a short list of the top options.

The four types of criteria for assessing the longlist of 11 options were:

- Investment objectives
- Financial feasibility
- Risk, and
- Other general objectives.

These were weighted, to ensure each had an appropriate proportional effect on assessment results. Weightings were agreed with Council.

Investment objectives was weighted the highest at 40% as it represents the strategic outcomes the Council is seeking.

Financial feasibility was weighted second highest at 30% due to the importance of this project being delivered in a fiscally prudent manner.

Risk and **General objectives** are evenly weighted at 15%.

Risk: While the facility itself is relatively straightforward in its design and delivery, there is still some risk associated with the revenue-related aspects of the facility.

General: These four objectives are important to consider as they are not entirely addressed by the three other types of criteria.

Weighting
40%

Investment objectives

Through consultation with the project's Governance Group and advisory group, six objectives for the project were identified (outlined in section 3). These provided clarity of the strategic outcomes that would be important from the facility.

Weighting
30%

Financial feasibility

A breakeven analysis was completed to assess financial feasibility. This provides a view of how long it would take for anticipated revenue to exceed costs on an annual basis.

1

3

2

4

General objectives

In addition to the investment objectives, and financial and risk-related criteria, we identified four additional objectives:

- Te Ao Māori connection
- Promote ecology and the environment
- Meet demand
- Visitor cross-patronage

Weighting
15%

Risk

We completed an assessment of risk by scoring each option against seventeen types of risk, with the primary risks given a higher weighting to represent their potential impact.

The full matrix of risks is in the Appendices.

Weighting
15%

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Option shortlisting assessment

Each of the eleven options were assessed against the four criteria.

1

The options were assessed against the investment, financial and general criteria using a positive scale, and against the risks using a negative scale.

2

The scores were weighted according to the relative importance indicated by each criteria's weighting value. The risk score of each option is a subtraction from the positively contributing criteria.

3

The weighted scores were ranked from highest to lowest to identify the options with the most merit (strongest in balancing the positive effect against the objectives with higher risks).

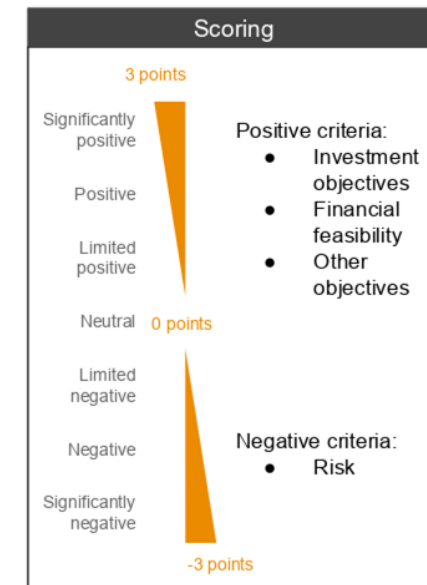
Criteria	Weighting	Options (unweighted scores)										
		A	B	C	D	E	F	G	H	I	J	K
Investment objectives	40%	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.5	2.5	2.5
Financial feasibility	30%	1.0	1.0	2.0	1.0	1.0	2.0	1.0	2.0	1.0	2.0	2.0
General objectives	15%	1.3	1.5	1.8	1.8	1.8	1.8	1.8	2.0	2.0	2.3	2.5
Risk	15%	-0.4	-0.4	-0.4	-1.1	-1.1	-0.2	-1.1	-1.1	-1.1	-1.1	-1.1
Weighted score		1.3	1.3	1.7	1.3	1.3	1.7	1.3	1.6	1.4	1.8	1.8

Shortlisted

✓
Full offering of uses,
less food & beverage

✓
Full offering of
uses, less office

✓
Full offering
of uses



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Shortlisted: Option K

Full offering

Option K includes the full offering of uses and is the strongest option demonstrating the most potential merit across the spectrum of objectives.



Strengths

- Helps mitigate some feasibility risk through maximising the potential customer base and attracting revenue from multiple sources and different industries.
- Office space in the Gateway will generate efficiencies for the boat operators.
- Combining a cafe with an evening food and beverage offering will better utilise space.



Weaknesses

- The offices will have minimal financial upside. However, excluding them would limit the operational benefits to the boat operators and lessen visitor cross-patronage with the cafe, gift shop and ticketing if tourists need to visit the boat operator at a different location.
- The gift shop is not generally considered a difficult business, however Council has no specific experience running a gift shop.



Considerations

- Gift shops that sell low-price/value imported goods are more susceptible to external market shocks like Covid-19. Focussing on local/artisan arts, crafts and souvenirs direct from makers could help manage this risk and better support Council's Investment Objectives. Showcasing local talent also has a positive effect on political and market risk scores.
- Competition and political risks exist if the food and beverage offering provides similar offerings as existing local businesses.
- Additional due diligence should focus on gaining a better understanding of potential revenue sources e.g. Napier Aquarium has a gift shop at the exit.



Market

- There is demand for office space from at least one of the boat operators. This operator currently occupies 67m² nearby on Marine Parade and has a short term lease because of their intent to lease space in the Gateway.
- There are no existing gift or souvenir shops (only florists, interior design, clothing etc.), providing potential to showcase local arts, crafts and souvenirs (as at Zealandia in Wellington).
- Biosecurity and the visitor / discovery centre are considered foundational uses because they underpin the basis of the Gateway. In current market conditions there are some risks around tourist demand.

- Biosecurity
- Visitor / Discovery Centre
- Office
- Gift shop
- Cafe & Bar / Brasserie



Indicative financial feasibility

Break-even period 6 years

Break-even year	2027/28
Development cost to Council	\$2.4m
Operating cost (20yr)	\$6.6m
Revenue (20 yr)	\$8.9m

- The financial feasibility of the gift shop and biosecurity functions is based on forecast visitor growth. The feasibility of the Gateway is therefore highly dependent on the forecast visitor growth being realised.
- The financials which underpin the above table are included in the appendices.

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Shortlisted: Option J

Full offering, less office

The key differentiator of Option J is that it excludes the offices for the boat/tour operators.

- Biosecurity
- Visitor / Discovery Centre
- ~~Office~~
- Gift shop
- Cafe & Bar / Brasserie



Strengths

- Removes the need for Council to act as landlord to two additional tenants and reduces lease management and related risks.
- The gift shop and cafe & bar / brasserie provide more upside in terms of potential revenue than the offices.
- Combining a cafe with an evening food and beverage offering will better utilise space.



Considerations

- Gift shops that sell low-price/value imported goods are more susceptible to external market shocks like Covid-19. Focussing on local/artisan arts, crafts and souvenirs direct from makers could help manage this risk and better support Council's Investment Objectives. Showcasing local talent also has a positive effect on political and market risk scores.
- Competition and political risk exists if the food and beverage offering provides similar offerings as existing local businesses.
- Additional due diligence should focus on gaining a better understanding of potential revenue sources e.g. Napier Aquarium has a gift shop at the exit.



Indicative financial feasibility

Break-even period 5 years

Break-even year	2026/27
Development cost to Council	\$2.3m
Operating cost (20yr)	\$6.3m
Revenue (20yr)	\$8.8m

- In financial terms, Option J, without investment in office space (with its associated construction, financing and operating costs), may provide slightly better margins. However, accommodating the boat operators onsite does support other objectives.
- The financial feasibility of the gift shop and biosecurity functions is based on forecast visitor growth. The feasibility of the Gateway is therefore highly dependent on the forecast visitor growth being realised.
- The financials which underpin the above table are included in the appendices.



Weaknesses

- Less visitor cross-patronage with the cafe, gift shop and ticketing if tourists need to visit the boat operator at a different location.
- Omitting the offices will inhibit the boat operators from being integrated with the other uses of the Gateway and potentially impact visitor cross-patronage.
- The gift shop is not generally considered a difficult business, however Council has no specific experience running a gift shop.



Market

- There are no existing gift or souvenir shops (only florists, interior design, clothing etc.), providing great potential to showcase local arts, crafts and souvenirs (as at Zealandia in Wellington).
- Biosecurity and the visitor / discovery centre are considered foundational uses because they underpin the basis of the Gateway. In current market conditions there are some risks around tourist demand.

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Shortlisted: Option F

Full offering, less cafe & bar / brasserie

The key differentiator of Option F is that it excludes the cafe & bar / brasserie.

- Biosecurity
- Visitor / Discovery Centre
- Office
- Gift shop
- ~~Cafe & Bar / Brasserie~~



Strengths

- Removes the need for Council to act as landlord to a food and beverage operator and reduces lease management and related risks.
- Removes the risk of the cafe & bar / brasserie not being in accordance with the MacLean Park Reserve Management Plan 2017.
- The owned and operated gift shop would provide the most upside in terms of potential revenue, whereas the cafe & bar / brasserie would be limited to an income based on a per-square-metre rate.



Weaknesses

- Less visitor cross-patronage with the gift shop and ticketing without the cafe & bar / brasserie attracting unique visitors to the Gateway.
- The gift shop is not generally considered a difficult business, however Council has no specific experience running a gift shop.



Considerations

- Gift shops that sell low-price/value imported goods are more susceptible to external market shocks like Covid-19. Focussing on local/artisan arts, crafts and souvenirs direct from makers could help manage this risk and better support Council's Investment Objectives. Showcasing local talent also has a positive effect on political and market risk scores.
- Additional due diligence should focus on gaining a better understanding of potential revenue sources e.g. Napier Aquarium has a gift shop at the exit.



Market

- There is demand for office space from at least one of the boat operators. This operator currently occupies 67m² nearby on Marine Parade and has a short term lease because of their intent to lease space in the Gateway.
- There are no existing gift or souvenir shops (only florists, interior design, clothing etc.), providing great potential to showcase local arts, crafts and souvenirs (as at Zealandia in Wellington).
- Biosecurity and the visitor / discovery centre are considered foundational uses because they underpin the basis of the Gateway. In current market conditions there are some risks around tourist demand.



Indicative financial feasibility

Break-even period 6 years

Break-even year	2027/28
Development cost to Council	\$2.0m
Operating cost (20yr)	\$6.3m
Revenue (20yr)	\$8.6m

- The financial feasibility of the gift shop and biosecurity functions is based on forecast visitor growth. The feasibility of the Gateway is therefore highly dependent on the forecast visitor growth being realised.
- The financials which underpin the above table are included in the appendices.

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Key risks

There are four key risks to keep in mind when considering support for any of the strongest options. Resolving, mitigating or accepting and managing these risks is crucial to successfully and viably implementing the Gateway.



Potential misalignment with the Maclean Park Reserve Management Plan

The management plan states no commercial activity will duplicate another facility in the vicinity.

- This is unclear. It could mean food & beverage offerings of the same type and target market (i.e. a fine dining restaurant does not duplicate a fish and chip shop), or it could mean no food & beverage offerings in totality are permissible. This should be clarified.
- Public consultation is three to four years old. There could be a different view in the community now.



Competition with nearby businesses

There are numerous other food & beverage offerings nearby. These are quite diverse, from fast food takeaways to cafes and single-offering outlets (e.g. Italian).

- Any food & beverage offering at the Gateway should be designed to contribute to and complement the existing offerings, as opposed to directly compete with.
- If the Gateway offering is directly comparable or in competition with existing nearby offerings it would likely not get support from the community.



Anticipated revenue dependent on visitor growth forecast

Around \$4.1m, or nearly half, of the anticipated revenue over 20 years is directly dependent on the visitor growth forecast being realised.

- Significant revenue loss would endanger the financial feasibility and/or extend the breakeven period.
- The Council should ensure it has confidence in its visitor growth forecast.



Resource consent still needs to be secured

The Gateway's resource consent application is still underway and has not yet been secured.

- If the resource consent is not granted for the concept as submitted, the concept will need to be redesigned and the feasibility may be impacted.
- If the resource consent is granted, with conditions, it may impact how the Gateway is delivered and potentially its feasibility.

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Operating models

A variety of operating models could be applied. The key to success will be simplicity and ensuring control and risks are aligned with the most appropriate parties.

At one end of the continuum, the Council could own and operate the entire facility and its functions, while at the other end it could be entirely outsourced to a third party to develop, own and operate¹. The key components in the middle options relate to the commercial elements of the facility, that could be attractive in the market and produce some revenue.

More involvement	OWN		OPERATE	
	Council	+	Council	<i>Council operate the entire facility including visitor centre, gift shop and food & beverage businesses.</i>
	Council	+	Third Party • food & beverage	<i>Council operate the visitor centre and gift shop, and lease out the food & beverage space.</i>
	Recommended			
	Council	+	Third Party • food & beverage • gift shop	<i>Council operate the visitor centre, and lease out the gift shop and food & beverage spaces.</i>
Less involvement	Council	+	Third Party	<i>Council outsource the operation of the entire facility and its functions.</i>
	Third Party	+	Third Party	<i>Council outsource the development, ownership and operation of the entire facility and its functions.</i>

Note: the biosecurity function is consistently assumed to be operated by conservation volunteers supported by four operators.

¹ Dependent on conditions of the Covid Response and Recovery Fund grant.

Recommended operating model

The recommended operating model initially would see the Council designing, developing and owning the facility as a strategic regional asset.

The Council own and operate model was discounted, as successfully operating food & beverage businesses relies on specific industry expertise, experience and knowledge. A review (in 2015) of the Council's operation of the Plunge Cafe in the aquatic centre highlighted some of the risks and impacts of this.

The opposite end of the continuum, where operation of the entire facility is outsourced was also discounted as it would likely not be attractive in the market. For example, a third party seeking to develop, own and operate would require a notional rental of around \$1,200 per m² just to cover operational cashflows before any return on capital investment. Completely outsourcing development as well as operation may also lead to the grant funding from the COVID Response and Recovery Fund being unavailable.

Importantly, the investment objectives also encompass more than simply a profit margin (e.g. promoting regional tourism growth, and cultural and environmental education) and these aspects could be given little focus under a commercially driven operator.

Of the middle ground, whereby the Council retains ownership and control of a strategic asset, the recommended model would see the Council lease out the food & beverage space (for reasons outlined above) as well as the office space. The Council would operate the visitor / discovery centre as it includes the promotional aspect of the region, as well as the gift shop which is generally a simpler business to operate than the food & beverage.

These two uses could be integrated (i.e. the gift shop within the visitor centre) and operated by the two staff assigned to manage the overall facility. Online sales from the gift shop would also add to revenue without substantially impacting costs. This leverages the staff already assigned to the facility, and retains the gift shop net income (or loss) which could directly benefit the Council.

Other potential operating models could be considered in the future, such as partnering with iwi or other socially-minded organisations for ownership and/or operation depending on future Council objectives.

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No other venture that we contacted incorporates all of the components of the Gateway. Five ventures were identified which incorporate various components of the Gateway.

The proposed Gateway is a fairly unique proposition, as a focal point for tourism in the region, a terminal point for visiting Kāpiti Island, and a cultural and historical education and visitor information centre: all within an urban setting. The various components (biosecurity, visitor terminus and ticketing, regional tourism gateway, office, food and beverage, cultural and ecological education, and gift shop) are not incorporated together in any other venture in New Zealand to our knowledge.

This makes it difficult to identify any single venture that can provide a view as to the challenges, opportunities and lessons likely to be experienced by the Council in developing the Gateway. However, benchmarking separate components (for example a gift shop, food and beverage, or digital experience) of the Gateway is still a useful way to draw lessons from other related ventures.

We interviewed five ventures to understand their experience and lessons from integrating with their visitor facilities, a:

- Gift shop
- Cafe
- Bar / Brasserie
- Digital experience.

The ventures we have benchmarked components of the Gateway project against are:

Zealandia (Wellington), a unique urban ecosanctuary run by a Wellington City Council-controlled not-for-profit trust.

Zealandia has previously been in discussions with Council in relation to the Gateway, so our discussion was targeted around digital experience and cross-patronage of ecosanctuary, gift shop and cafe functions.

Sanctuary Mountain Maungatautari (Waikato), a 3,400 hectare ecological sanctuary surrounded by one of the longest pest-proof fences in the world.

Key interview topics:

- Visitor trends
- Gift shop viability, patronage
- Food and beverage size, viability, occupancy, operation
- Education (charged) usage, viability and trend

New Plymouth iSite, a visitor information centre embedded within the Puke Ariki facility operated by the New Plymouth District Council (museum and education centre similar to Te Papa in Wellington, library, gift shop and attached cafe / restaurant / bar).

Key interview topics:

- Visitor trends
- Perceived value of combining visitor centre with various other functions and assets

Whangārei iSite, a visitor information centre operated by the Whangārei District Council with gift shop and attached cafe.

Key interview topics:

- Visitor trends
- Perceived value of combining visitor centre with cafe

Tourism Central Otago, a Central Otago District Council function responsible for a recent operating model change to visitor centre facilities in central Otago, whereby tourism visitor amenities were partially outsourced to local businesses including cafe and accommodation providers.

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Zealandia insights

Located in suburban Wellington and operated by a (Wellington City Council-controlled) not-for-profit charitable trust, Zealandia is the world's first fully-fenced urban ecosanctuary, with an extraordinary 500-year vision to restore a Wellington valley's forest and freshwater ecosystems as closely as possible to their pre-human state.

Comparability

- Conservation and ecology-related venture
- Ecosanctuary entrance with education, gift shop and food & beverage amenities
- Suburban location, separate but close to a main town/city
- Council-controlled at arms length

Key revenue sources

64 strategic and funding supporters including Wellington City Council, trusts, corporate partners, foundations and charitable grants, community organisations, iwi and individual memberships.

Key insights for Kāpiti Gateway

- Leasing out the food & beverage space to an operator is much more preferable than operating it yourself.
- Average gift shop spend per visitor is similar to 2019.
- Focus on local artists and artisan arts and crafts in the gift shop, differentiating from 'high street tourist trinkets'.
- Visitor experience is a focus, growing 'value added products' such as guided tours and a range of events and talks within the sanctuary.
- Crowdfunding can be successful. People are often keen to 'chip in' to support worthwhile initiatives. This acts almost like a voluntary targeted rate, but also opens up the opportunity to include donors from outside of the Council rating base.

Key statistics (2019-20)

\$6.4M total revenue incl \$365,362 COVID-19 wage subsidy

\$6.8M of buildings incl improvements

143,367 visitors

40% international visitors pre-COVID

\$903k net operating surplus

\$29.5M economic value to Wellington



Of note

Free entry between mid-May and end-June 2020 saw over 34,000 visitors. This contributed to a significant boost to paid memberships, which rose 28% compared to 2019 to be worth \$418,846 p.a. Zealandia also leveraged crowd-funding with a Givealittle campaign which proved popular.

Zealandia operate the food & beverage offering themselves. It has an operating surplus but this is largely due to few overheads (e.g. no lease), and generates a lower rate of profit than other commercial initiatives onsite. Pricing, competition and staffing are major ongoing operational issues being self-operated.

Demand continues for education school group visits.

Recently launched an online gift shop. Strong start but too early to assess its future viability.

Zealandia have a functions centre (up to 200). Popular for meetings and small seminars.

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New Plymouth i-SITE insights

Located within the multi-purpose Puke Ariki facility, colocated with the museum/discovery centre, gift shop, library, cafe and restaurant/bar.

Comparability

- Some ecological education with natural-world exhibitions in the discovery centre
- Colocation of various civic functions including visitor experience, gift shop and food & beverage
- Urban setting with neighbouring food and beverage offerings
- Council owned and operated, with food and beverage spaces leased out

Key revenue sources

Ticketing commissions and gift shop revenue, with the remainder subsidised by Council. Council consider it a 'civic service' to help drive the region.

The foyer and some meeting room space has been designed to be multi-functional and hired out for events, meetings and announcements. This has not provided a significant amount of income.

Key insights for Kāpiti Gateway

- Close partnership with local attractions and operators is key to effective promotion
- A 'Visitor Experience Lead' role has been very successful for New Plymouth and crucial to drive an overall strategy across various Council functions and operations plus liaising with local operators.
- The gift shop, especially with local artisan arts and crafts, is a profitable venture and helps reduce the Council subsidy required.
- There is significant cross-patronage of visitors between functions.

Key statistics

~30% international visitors pre-COVID

~4,000 visitors during busy season

~50% local visitors and 50% domestic visitors now

Booking commissions are down, gift shop sales are up

~30% visitors cross from museum to visitor information/gift shop and vice versa, where they would not otherwise have visited the other



Of note

Total visitor count is down (versus pre-COVID) but not significantly, but visitor spend in the visitor centre and gift shop is significantly up, indicating local and domestic visitors are spending more than internationals were.

There is a 'video wall' in the visitor centre to promote local attractions, and an interactive 'digital concierge' where visitors can build their own itinerary.

Gift shop sales have some 'tourist trinkets' but notably a supply of local artisan arts and crafts.

The cafe/restaurant space is leased on a revenue basis (5.4% of revenue, capped).

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Whangārei i-SITE insights

Located in Tarewa Park, the i-SITE provides a '*comprehensive, impartial information and booking service for Whangarei, Northland and New Zealand for accommodation, activities, attractions and travel bookings*'.

Comparability

- Colocation of visitor experience, gift shop and food & beverage
- Council owned and operated, with food and beverage space leased out

Key revenue sources

Ticketing commissions, gift shop revenue and brochure/digital display membership, with the remainder subsidised by Council.

Colocation with the adjoining cafe helps drive customer counts and contribute to the various revenue streams.

Key insights for Kāpiti Gateway

- There is significant cross-patronage of customers between the visitor centre and cafe.
- The Council shifted to an outsourced food and beverage model.
- Visitor experience and service is crucial to success.

"Does it work to have an adjoining café? Absolutely, we compliment and look after each other."

- Reana Te Hei, Team Leader, Whangārei i-SITE and The Hub visitor centre.

Key statistics

~36% lower visitor count against pre-COVID

\$2.02 revenue per visitor, with profit of 88c per visitor (2019).

Extremely high cross-patronage of visitors from cafe to visitor information/gift shop and vice versa, where they would not otherwise have visited the other



Of note

The Council used to operate the cafe as well as the visitor centre, but leased out the cafe in 2013.

The cafe space is leased on a space basis (\$/sqm).

There are two screens in the visitor centre to promote local attractions, However, there is little other digital offering as there is a preference to focus on manaakitanga or hospitality and knowledge of the visitor centre staff.

Gift shop has mostly souvenirs. Sales are down, one option being considered is to shift to local products to appeal to domestic visitors.

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Tourism Otago insights

Tourism Central Otago is the Regional Tourism Organisation for Central Otago. They coordinate and facilitate the marketing of the Central Otago region as a visitor destination both within New Zealand and internationally.

Comparability

- Role of regional tourism promotion
- Colocation of visitor experience and tourism promotion with other businesses and space uses
- Recent business model change from inhouse operation to a mixed model across the region

Key revenue sources

No revenue from outsourced sites. Council funding and ticketing commissions are from remaining sites.

Key insights for Kāpiti Gateway

- In a similar way to Tourism Central Otago shifting away from a 'ticketing role' and towards a regional promotion role; with the ticketing function of a visitor centre now shifted to Coastlands Mall retailers, Kāpiti Coast District Council is free to focus on a regional-promotion type role with the Gateway (complementing digital and online activity).
- Central Otago District Council see little value in subsidising a ticketing service, however consider regional tourism promotion a core service offering worth investing in.

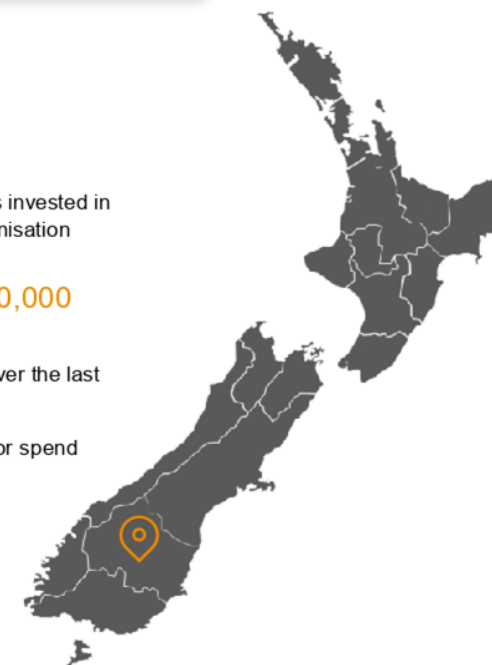
Key statistics (2018)

1.4% of total Council income is invested in the local Regional Tourism Organisation promoting the region

313,500 domestic visitors, **60,000** international

13% increase in room nights over the last five years

20% increase in domestic visitor spend



Of note

The Council had four i-SITE visitor centres (Ranfurly, Roxburgh, Alexandra and Cromwell). They have retained Ranfurly and Roxburgh (the latter housed within existing Council service centre/library, so minimal costs) and outsourced Alexandra and Cromwell.

They acknowledge there could be *some* risk in the outsourced providers not promoting the region much where they perceive there to be no likely sales. However, they view the role of the Council as the Regional Tourism Organisation (RTO) as being to promote the region, whereas the visitor centres' role is to focus primarily on selling people attractions and activities etc.

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Sanctuary Mountain insights

A 3,400 hectare ecological sanctuary surrounded by one of the longest pest-proof fences in the world.

Comparability

- Colocation of visitor experience, gift shop, food & beverage and education
- Based on an ecosanctuary offering

Key revenue sources

- Sponsorships and grants
- Contributions from Waipa District and Waikato Regional Councils
- Department of Conservation (contestable, not assured)
- Visitor entry
- Gift shop and cafe
- Education (school groups).

Key insights for Kāpiti Gateway

- The cafe is seen as a key offering and is being improved. There is no intention to grow capacity (30-40 seats).
- School groups pay \$13 per child and is growing with demand existing.
- Investigating more long term strategic sponsorship arrangements and memberships.
- More tours and package offerings are seen as an opportunity for higher value-added products.

Key statistics (2019-20)

\$1.8M total revenue

\$48k surplus after depreciation including a \$300,000 grant for education centre. Without this it would have been a net loss.

\$9.2M fixed assets

5% annual increase in visitors

64% increase in guided tour numbers

~14,000 total visitors, with 10,555 being domestic. Circa 21,000 visitors projected pre-COVID impact

2,127 guided tours

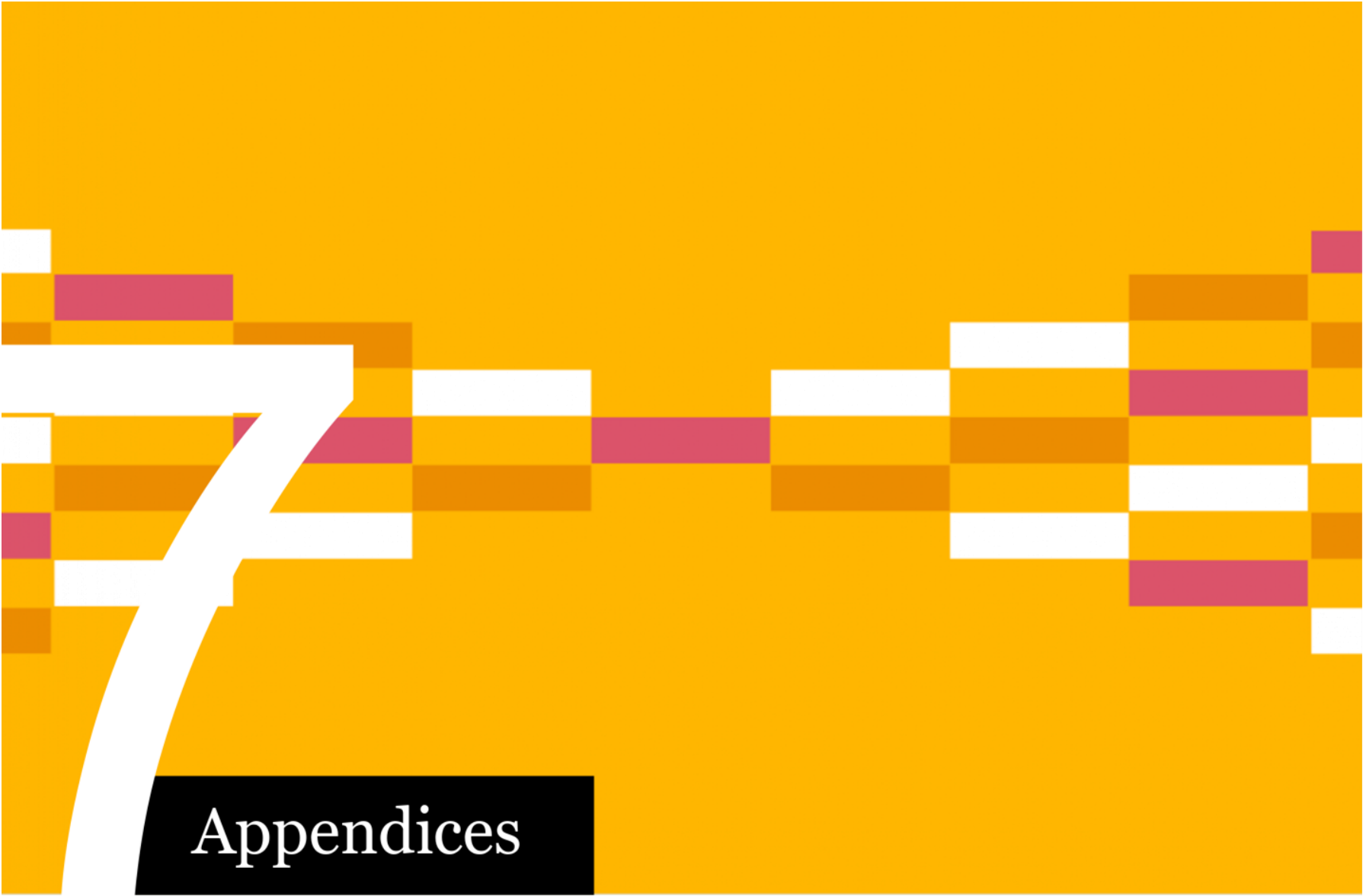


Of note

The cafe has contributed minimal revenue due to its limited offering (simple packaged food only). An expansion project is underway now (developing kitchen and preparation facilities) as this is recognised as a key offering.

There is no digital experience, excepting an 'audio trail'. This is seen as an opportunity and is on the to-do list.

The (charged) education tours for school pupils is popular; around 5,000 children per year and is being expanded with a 3-classroom education centre being built.



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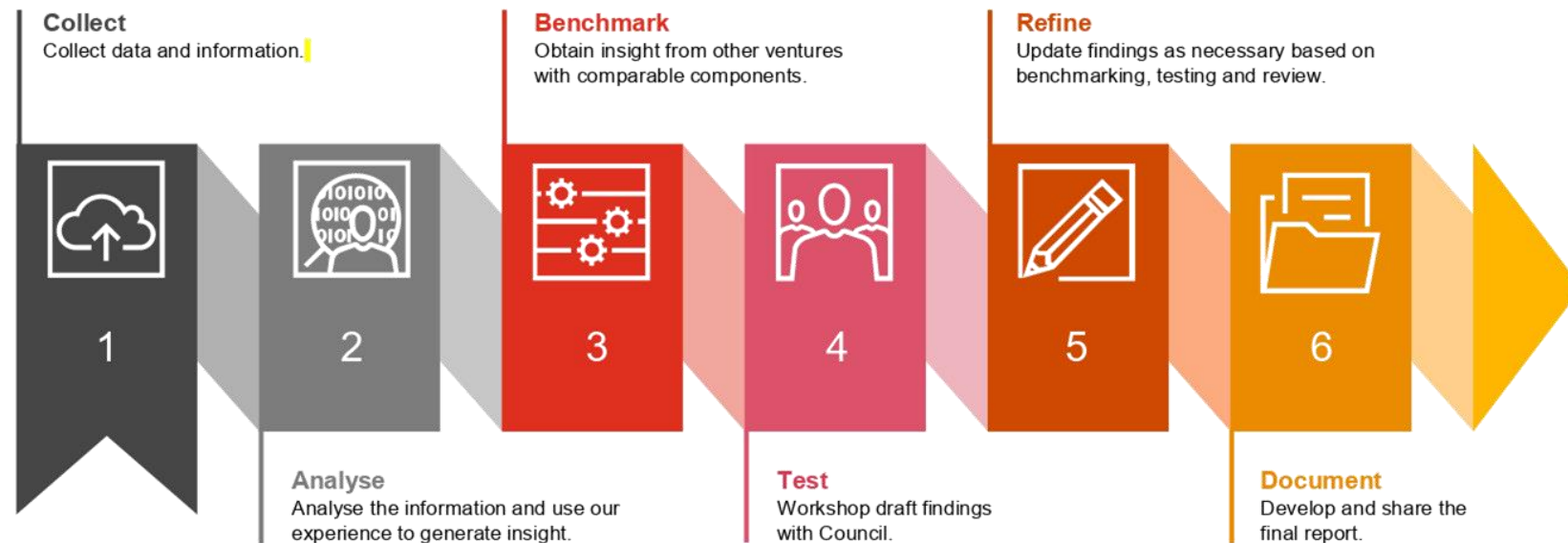
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Our methodology

We collected data from the Council then informed our own analysis of this data and assessment of the options with conversations with other ventures that have comparable components before testing our findings with the Council. Council's feedback provided input to refine our thinking and help document our findings.



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Key assumptions

The following are our general assumptions in preparing this report.

The total footprint of the facility will remain relatively constant (it will be impacted by Resource Management Act requirements and final construction design).

The biosecurity and visitor centre functions are considered 'foundation uses' and are included in every option.

The costed design, provided by quantity surveyor Rawlinsons, is correct and construction rates and assumptions are not materially different.

All data and information provided by the Council, e.g. visitor forecasting, is accurate and used as-is. Our scope did not include testing the value of the sponsorship, commissions, concession and advertising.

All space allocations for uses are in-principle and will be confirmed by Council working with its design and quantity surveying team and also reflecting final requirements from third parties e.g DOC, operators, commercial tenants.

The area of a gift shop is 30m² and the area of a cafe & bar / brasserie is 50m². The food & beverage space will be leased out on a per-square-metre basis, as opposed to a percentage take of the operator's revenue, and will be accommodated within the building design and utilise some of the existing deck area of the concept design.

The Gateway is operational from April 2022.

Financial analysis is based on forecasted Kāpiti island visitors. There will be additional visitors (e.g. locals and mainland visitors), however, these have not been modelled as no visitor data or research on these numbers has been completed.

Assumptions, rates and measures agreed between the Council and PwC are substantially accurate and appropriate for this conceptual phase of the project. These are listed opposite and split by revenue and cost assumptions. For this report, these rates were applied on a pro-rata basis to estimated Gateway footprint areas. These assumptions, rates and area allocations will be subject to further due diligence during the next phase of the project (during developed design) dependent on which uses Council supports. They will also be influenced by occupier requirements.

Amounts are not adjusted for inflation/price and cost escalation (unless specifically noted, e.g. biosecurity concession fees)..

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Key assumptions

The following are the key revenue assumptions that we agreed with Council.

We expect these assumptions will be tested during the next phase of the project (developed design) if the Council approves the current concept and supports a specified option/combination of uses.

Revenue Assumption

Commercial Sponsorship: \$26,000 p.a. based on \$6,000 p.a. of power being sponsored and \$20,000 p.a. provided from a separate commercial sponsor.

Commission on ticket sales: based on 10% commission.

Grants: \$70,000 in year 1, \$50,000 in year 2 and \$20,000 from year 3 onwards.

Advertising: growing from \$2,400 p.a. in year 1 to \$5,000 p.a. in year 4.

Gift shop: gross profit of \$4.34 per person, based off the gross profit achieved by Zealandia and forecast visitor numbers. Potential online sales have not been modelled.

Biosecurity concession fees: based on increasing adult and child rates and forecast visitor numbers. The fee per adult starts at \$4 with a gradual increase to \$10 and the fee per child starts at \$3 in 2023/24 and rises to \$5.

Lease revenue - cafe and bar / brasserie: A brief market scan was undertaken to estimate a market rent of \$300-\$350 per m² in the vicinity of Te Uruhi / MacLean Park.

Lease revenue - office: An estimate of market rent of \$275 per m² was based on Marine Parade retail/offices

PwC Commentary

As advised by Council and assuming that a corporate sponsor is secured.

As advised by Council.

As advised by Council and assuming that the annual grant is secured and ongoing.

As advised by Council; generally appears reasonable.

This assumption was derived from Zealandia Gift Shop. Zealandia advised they achieved a gross profit of \$4.34 per person, representing a gross profit margin of 39%. This gross profit per person was then multiplied by the forecast visitor numbers to Kāpiti Island. This revenue will be highly dependent on the forecast visitor growth being realised, and does not account for any sales to non-island visitors.

Generally appears reasonable. However, realising this revenue will be highly dependent on the forecast visitor growth being realised.

Generally appears reasonable.

Generally appears reasonable. Considering the small space and marginal revenue, Council could consider a lease agreement based on \$100 weekly rent.

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Key assumptions

The following are the cost assumptions that we agreed with Council.

We expect these assumptions will be tested during the next phase of the project (developed design) if the Council approves the current concept and supports a specified option/combination of uses.

Cost Assumption

Staff: \$120,000 p.a. comprising 1 FTE at \$60,000 p.a. and 1 FTE at \$40,000 p.a., multiplied by 20% to allow for overheads such as superannuation, ACC, Employee Entitlements and Training.

Rates: \$13,000 p.a. based on boat club rates.

Water rates: \$600 p.a. based on the Maple Building.

Cleaning: \$10 per m² per month.

Repairs and maintenance: \$5,000 per year while the build is new and covered by warranties.

Security: \$2,400 p.a. based on patrol price of other Council sites.

Power, IT, and printing and stationery: power of \$6,000 is sponsored (see previous page). IT of \$1,200 and printing and stationery of \$2,000 is based on the Aquatic Centre.

Insurance: \$19,000 p.a. based on development value of \$4.46m

Depreciation: based off CAPEX budget for buildings, deck and bridge, with straight line depreciation of 44 years. No depreciation on landscaping, Pou, site services and artwork.

Interest: based on an interest rate of 3.45% in 2021/22, 3.15% in 2022/23 and 2.95% thereafter on development costs incurred by Council.

Grounds maintenance: None, can be included within existing MacLean Park services.

PwC Commentary

Infometrics reports that the mean annual earnings (salary) for Kāpiti Coast District in 2019 was ~\$49,000 p.a.. Assumption of employment costs at \$100,000 p.a. for two FTEs is consistent with this.

The Kāpiti Island Boat Club is situated near to the proposed Gateway. Therefore the assumption to use similar rates as the boat club is reasonable.

As advised by Council. Generally appears reasonable.

The Property Council of New Zealand 2018 Operating Expenses Benchmark has a median cost of cleaning of \$7.72 per m² for an A grade office building. This benchmark is an annual cost, therefore \$10 per m² per month appears to be high.

The Gateway will be brand new and generally covered by warranties, therefore it generally appears reasonable that repair and maintenance will be minimal in the first few years.

As advised by Council. Generally appears reasonable.

As advised by Council. Generally appears reasonable.

As advised by Council.

Generally appears reasonable.

As advised by Council.

Generally appears reasonable.

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Risk Matrix

17 types of risk were considered when assessing the 11 combinations of functions or uses.

12 risks were considered primary risks. These represent risk with greater potential likelihood or consequences, a higher level of unknown, or mitigations that are yet to be understood or agreed. Primary risks were given twice the weighting of secondary risks

Five risks were considered secondary risks, with less likelihood or consequence, potential impact, management difficulty or unknowns.



Funding Risk

Including suitability of funding structure, terms and conditions, and changes in finance costs.



Capability/ Experience Risk

Ability of team to deliver and manage the project, incl. suitability of structures and processes.
Leadership culture.
Retention of key personnel.



Demand Risk

Demand side risks including suitability and specification, uptake, pricing, customer forecasts.



Title Risk

Including land title constraints and any encumbrances.



Scope Risk

Management of any scope change or "creep".



Physical Risk

Including topography, ground conditions, shape factor, neighbour interaction and existing improvements.



Programme Risk

Including programme changes, delays, slippage and events impacting costs.



Planning Risk

Including zoning, consenting, compliance and conditions.



Market Risk

Including macro and micro, cyclical and structural changes to anticipated market conditions.



Delivery Risk

Including form of engagement, contractor performance and default.



Feasibility Risk

Including understanding of costs, revenue, assumptions applied, dependencies and potential variables.



Infrastructure Risk

Including availability, capacity and delivery timing of services, traffic and social infrastructure.



Contract Risk

Including variations, type, specifications and disputes.



Political/Regulatory Risk

Support from local community, council, central government. Includes regulatory risk.



Environmental and Climate Risk

Including heritage, ecology and contamination risk, implications of adverse climate events on budget, programme and benefits.



Competition Risk

Characteristics of competing supply.



Consultant Risk

Including reputation, capability, capacity and recourse.

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Existing daytime food & beverage options

We scanned the area to identify the existing daytime food and beverage options. Daytime food and beverage offerings include traditional cafes, coffee bars, ice cream parlours and takeaway restaurants.

Daytime food & beverage businesses

- **180 degrees** - Licensed bistro & cafe
- **Two Fat Chefs** - Breakfast and lunch cafe
- **Club Vista (Paraparaumu RSA)** - Restaurant with burgers and Italian food
- **Cafe Lane** - Breakfast and lunch bakery/cafe with scoop ice cream
- **Sunlong Takeaways** - Chinese food and fish & chips
- **The Pinetree Arms** - Sports bar with pizza menu
- **Ambience Cafe** - Western style breakfast and lunch
- **Fed Up** - Fish & chips and seafood restaurant
- **Marine Parade Eatery** - Fully licenced breakfast and lunch cafe
- **Thai Marina** - Fully licenced Thai restaurant
- **The Lockup** - Cafe food and coffee
- **Kilim Kāpiti** - Turkish restaurant
- **Star of India** - Indian restaurant
- **Spice Lounge** - Indian restaurant
- **Bimi Sushi** - lunchtime sushi



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Existing evening food & beverage options

We scanned the area to identify the existing evening food and beverage options. Evening offerings have a range of international menus and several are licensed to serve alcohol.



Existing food & beverage businesses

- **180 degrees** - Licensed bistro with Western food
- **The Surfer's Mistress** - Italian eatery
- **Pram Beach** - Restaurant and cocktail bar
- **Umu Restaurant** - Restaurant and cocktail bar
- **Club Vista (Paraparaumu RSA)** - Restaurant with burgers and Italian food
- **Sunlong Takeaways** - Chinese food and fish & chips
- **The Pinetree Arms** - Sports bar with pizza menu
- **Papa Rossi's Take n Bake Pizza** - pizza restaurant
- **Fed Up** - Fish & chips and seafood restaurant
- **China Beach** - Chinese restaurant
- **Thai Marina** - Fully licenced Thai restaurant
- **Kilim Kāpiti** - Turkish restaurant
- **Star of India** - Indian restaurant
- **Spice Lounge** - Indian restaurant
- **50-50** - New Zealand fine dining
- **Soprano Ristorante** - Italian restaurant



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Estimated shortfall for shortlisted options

The tables below display the annual revenue, costs and surplus to the Council for the three shortlisted options. All three options have a very similar breakeven period.

Option K - full offering	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Option K breakeven	
Council revenue (\$000s)	56	240	278	269	322	335	392	Breakeven year	2027/28
Council costs (\$000s)	149	345	339	339	339	339	339	Breakeven period	6 years
Council surplus (\$000s)	-93	-104	-61	-70	-17	-4	53	Sum of shortfall (\$000s)	-349

Option J - full excluding office	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Option J breakeven	
Council revenue (\$000s)	55	235	273	264	317	330	387	Breakeven year	2026/27
Council costs (\$000s)	141	330	325	325	325	325	325	Breakeven period	5 years
Council surplus (\$000s)	-86	-95	-52	-61	-8	5	62	Sum of shortfall (\$000s)	-302

Option F - full excluding cafe & bar	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Option J breakeven	
Council revenue (\$000s)	52	224	262	253	306	319	376	Breakeven year	2027/28
Council costs (\$000s)	138	329	324	324	324	324	324	Breakeven period	6 years
Council surplus (\$000s)	-86	-105	-62	-71	-18	-5	52	Sum of shortfall (\$000s)	-347

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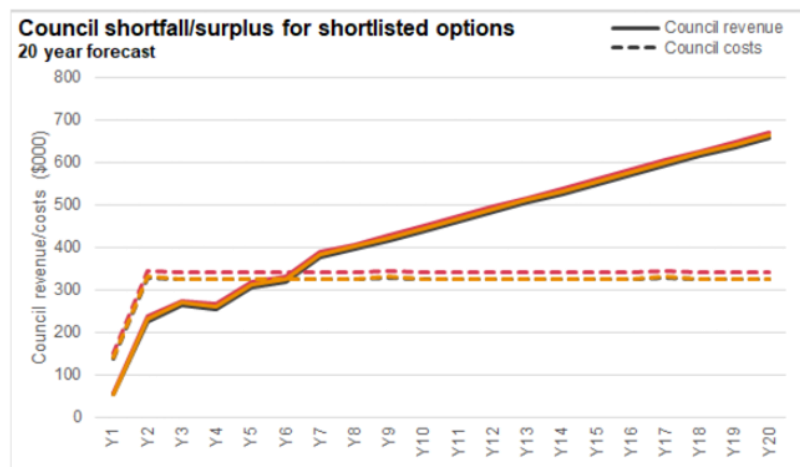
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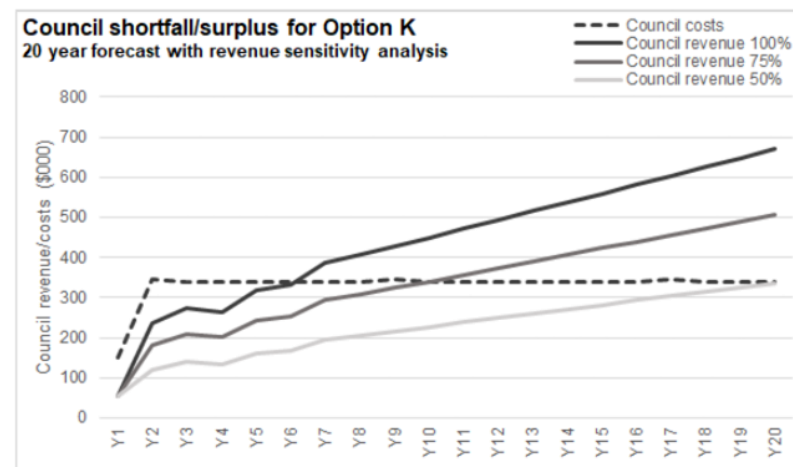
Breakeven sensitivity analysis

The charts below display the annual revenue, costs and breakeven points for the three shortlisted options and sensitivity analysis of the forecasted revenue.

The chart below displays the annual revenue, costs and breakeven points for the three shortlisted options. All three options have a very similar breakeven period.



The chart below displays the annual revenue and costs for Option K, and the breakeven points given various revenue scenarios.



Disclaimers and limitations

This Report has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. We accept no liability to any party should it be used for any purpose other than that for which it was prepared.

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We have not independently verified the accuracy of information provided to us. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our Report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

This report is issued pursuant to the terms and conditions set out in our engagement letter dated 11 December 2020 and the Terms of Business.



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Kapiti Gateway Appendices 4

Local Economic Impacts of Proposed 'Kapiti Gateway' Visitor Facility

10 February 2021

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Appendices 1 and 2

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Results Summary

- **Table A** below summarises the range of GRP/Economic activity and Employment economic impact results indicated in the main body of the report in relation to the proposed new 'Kapiti Gateway' visitor amenity/facility, and associated current and forecast increased visitation to Kapiti Island.
- Economic impact results are provided for the new facility construction period, the annual expenditure operation of the facility, and current and forecast visitation to Kapiti Island. In terms of visitor spending, a range of economic impact results are provided for, reflecting potential variation in some of the underlying influences on the level of visitor spending. Key results to note are as follows:
 - The current (year 2020) annual level of visitation to Kapiti Island is in the order of 15,000 people whose spending is estimated to have a mid-point total economic activity/GRP impact within the Kapiti Coast district of \$2.08 million and a total associated employment impact of 24 persons. GRP refers to Gross Regional Product or regional GDP.
 - The short-term local GRP and Employment economic impacts of the construction period for the new amenity have been assessed at approximately \$2.23 million and 16 persons respectively.
 - The local GRP and Employment impacts of the initial full year (2023) annual operation of the new amenity have been assessed at \$0.16 million and 3 persons respectively. These could increase with a larger facility operation resulting from significantly increased visitation to Kapiti Island over the longer-term.
 - The forecast increased visitation to Kapiti Island from 2023, will see the mid-point levels of local economic impact (of the visitor spending) increase to \$3.99 million (GRP impact) and Employment 46 persons.

Table A: Summary Kapiti Coast District Economic Impacts for Proposed New 'Kapiti Gateway' Visitor Amenity

Project Activity	Total Local Economic Impacts GRP/Economic Activity \$M			Total Employment (Persons)		
	Lower Bound	Mid Point	Upper Bound	Lower Bound	Mid Point	Upper Bound
<i>Facility Construction</i>		2.23			16	
<i>Annual Facility Operation From 2023</i>		0.16			3	
<i>Visitor Spending:</i>						
<i>Year 2020</i>	1.60	2.08	2.56	18	24	30
<i>Year 2023</i>	1.96	2.54	3.12	22	29	36
<i>Year 2027</i>	2.60	3.38	4.16	30	39	48
<i>Year 2030</i>	3.07	3.99	4.91	35	46	57
<i>Annual Facility Operation Plus Annual Visitor Spending:</i>						
<i>Year 2023</i>	2.12	2.70	3.28	25	32	39
<i>Year 2027</i>	2.76	3.54	4.32	33	42	51
<i>Year 2030</i>	3.23	4.15	5.07	38	49	60

Kapiti Gateway EIA

1- Introduction

- 1.1 Economic Solutions Ltd (ESL) has been asked to provide a suitably detailed assessment of the potential total flow-on economic impacts within the Kapiti Coast district, resulting from the establishment and ongoing operation of the proposed new Kapiti Island related visitor centre to be located at Paraparaumu Beach. The proposal is currently referred to as the 'Kapiti Gateway' visitor facility.
- 1.2 The aim of the proposal is to provide a facility (building) on the Kāpiti Coast beachfront at Paraparaumu Beach which effectively addresses the range of specific needs, issues and requirements relating to past and current visitation to Kāpiti Island, and also encourage opportunities for enhancing the overall Kapiti Coast district visitor experience.
- 1.3 The specific matters covered in the report's analysis, are as follows:
 - The economic impact assessment approach used for the purposes of the report.
 - The local/district economic impacts for the new facility construction period.
 - The local economic impacts for the annual operation of the new facility.
 - The local economic impacts associated with the current level of annual visitation to Kapiti Island and forecast increased levels of visitation in the future.
 - Aside from the economic impact gains, other local economic benefits expected to be generated by the new facility.
- 1.4 The key base information sources used for the report have included a range of project description, business feasibility, operational financials and other relevant information provided to ESL by Giblin Group Consultants (Hastings) working on behalf of Kapiti Coast District Council. The base economic impact modelling results have been provided by Dr Warren Hughes of Hughes Economics, Auckland (specialist economic impact modelling consultancy). Copies of Dr Hughes' modelling results and his CV details are attached in **Appendices 1 and 2**.

2- Economic Impact Assessment Methodology

- 2.1 Economic Impact Assessment (EIA) quantifies the total multiplied economic impacts for a specific geographical area (local/regional/national) of a significant existing or new revenue/expenditure operation, development or activity in an area.
- 2.2 The total economic impacts comprise the initiating direct expenditure or revenue/turnover impact associated with the activity and the flow-on or 'multiplied' economic impacts.
- 2.3 'Backward linked' flow-on impacts incorporate both production (indirect) and consumption (induced) impacts. The production impacts comprise the flow-on gains for businesses supplying goods and services to the initial expenditure or revenue activity, whilst the consumption impacts comprise the additional household spending of employees working directly in the activity and also in the businesses supplying inputs to the activity.

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- 2.4 Economic impacts are traditionally measured using four different variables, these being Total Revenue/Gross Output (the total value of the economic impact including the value of any imported items), Net (Disposable) Household Income (after removing taxation, savings, superannuation, etc.), Total Employment (measured in terms of persons/jobs) and Total Value Added/Gross Domestic Product GDP (or Gross Regional Product GRP for sub-national areas).
- 2.5 The GRP impact is considered to best measure the true multiplied gain in total economic activity in an area as a result of an initial expenditure or revenue project/change, as it excludes the value of imported items required for the project (payments for which flow out of the region to externally based suppliers of goods and services).
- 2.6 An economic impact or input-output table/model for a particular district/region/country is required in order to calculate multiplied economic impacts for an area. The economic impact results presented in this report are based on the latest available (year ended December 2019) Kapiti Coast district multiplier results for relevant sectors within a 106-sector economic (impact) model of the district.
- 2.7 The underlying national input-output table for these results relates to the 2013 year and was released by Statistics New Zealand in 2016. The national table has subsequently been modified by Butcher Partners, Christchurch for regional and local application. Dr Hughes has updated the national and Kapiti Coast district impact models using employment data for the year ended December 2019.
- 2.8 It is noted that the various multiplier results presented in the report incorporate Type II 'backward linkage' multipliers which include both production and consumption flow-on economic impacts.
- 2.9 It is also noted that the various economic impact results presented in the following three sections of the report represent the total or gross impacts/gains before any possible downside economic impacts associated with the development and operation of the Kapiti Gateway facility are taken into account. General examples of potential downside impacts include 'trade' divergence from competing entities, comparative economic benefits of alternative district locations for a new development and other options for use of a proposed development site.
- 2.10 ESL has considered these factors as they relate to the proposed Kapiti Gateway and concludes that given the nature of the facility within the Kapiti district context, any adverse impacts will be minimal if any. It is noted that the specialist Kapiti i-Site formerly located in Coastland's Mall, actually ceased operation in 2019 with its various services being transferred to other existing community organisations. Reasons for closure of the operation included its location with respect to the district's tourism market and the associated limited community and commercial/tourism use of the operation's services.
- 2.11 The proposed Paraparaumu Beach/McLean Park location of the new facility together with the various visitor, tourism operator, bio-security and district visitor information that it could potentially provide means that the facility should be much better placed to meet both Kapiti Island and wider district visitor needs.

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3- Economic Impacts for Facility Construction Period

- 3.1 This section indicates the Kapiti Coast district flow-on economic impacts for the Kapiti Gateway facility construction period which is currently estimated at nine months.
- 3.2 The present construction cost estimate is approximately \$4.5 million. The district-level flow-on economic impacts of this are indicated in **Table 1** over-page and *Table 2* of *Appendix 2*.

Table 1: Kapiti Coast District Economic Impacts for Kapiti Gateway Construction Period

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons/Jobs)	Value Added/ GRP (\$M)
Initiating Expenditure	4.50			
Total Direct Economic Impacts	4.50	0.60	7	0.95
Total Flow-on Economic Impacts Including Backward Linkages	4.20	0.59	9	1.28
TOTAL KAPITI COAST DISTRICT ECONOMIC IMPACTS	8.70	1.20	16	2.23

- 3.3 The key results to note from the table are as follows:
- A total Revenue impact within the region of \$8.70 million. This comprises the initial direct Revenue impact of \$4.50 million and a flow-on/multiplied Revenue impact of \$4.20 million;
 - A total district Net Household Income impact of \$1.20 million, comprising a direct Income impact of \$0.60 million and a flow-on/multiplied Income impact of \$0.59 million. The total income figure above represents the additional Net Household Income generated within the district by the development activity, including multiplier impacts;
 - A total district Employment impact of 16 persons/jobs, comprising a direct impact of 7 persons and a flow-on/multiplied impact of 9 persons; and
 - A total Value Added or GRP (Gross Regional Product) economic impact for the district of \$2.23 million, comprising a direct GRP impact of \$0.95 million and a flow-on/multiplied GRP impact of \$1.28 million. The total GRP economic impact result indicates the true level of the contribution of the facility development expenditure to overall economic activity in the district.
 - The last row of *Table 2 in Appendix 2* indicates the size of the various economic impact multipliers generated by the Kapiti Coast district economic impact model. They range from 1.93 for Revenue to 2.35 for Value Added.

Kapiti Gateway EIA

4- Economic Impacts for Initial Facility Operation

- 4.1 This section indicates the annual local district flow-on economic impacts of the new Kapiti Gateway facility operation during its initial full years (2023-2030). The impact results are provided in **Table 2** below and *Table 3 of Appendix 2*. Annual operating expenditure is forecast by the Council to be stable over this period.
- 4.2 The base gross operating expenditure figure used for the modelling analysis was a \$0.3 million (\$300,000) estimate, following exclusion from the draft facility operating budget of the depreciation (non-cash) item, and rounding down of the result for the purposes of the economic impact assessment.

Table 2: Kapiti Coast District Economic Impacts of Annual Kapiti Gateway Visitor Operation 2023-2030

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons)	Value Added/ GRP (\$M)
Initiating Total Expenditure	0.30			
Total Direct Economic Impacts	0.30	0.11	2	0.10
Total Flow-on Production and Consumption Economic Impacts	0.19	0.04	1	0.06
TOTAL KAPITI COAST DISTRICT ECONOMIC IMPACTS	0.49	0.15	3	0.16

- 4.3 The key results to note from the table are as follows:
- A total Revenue impact within the district of \$0.49 million. This comprises the initial direct Revenue impact of \$0.30 million and a flow-on/multiplied Revenue impact of \$0.19 million;
 - A total Net Household Income impact of \$0.15 million, comprising a direct Income impact of \$0.11 million and a flow-on/multiplied Income impact of \$0.04 million. The total income figure above represents the additional Net Household Income generated within the district by the annual facility operation, including multiplier impacts;
 - A total district Employment impact of 3 persons, comprising a direct Employment impact of 2 persons and a flow-on/multiplied Employment impact of 1 person; and
 - A total Value Added or GRP (Gross Regional Product) economic impact for the district of \$0.16 million, comprising a direct GRP impact of \$0.10 million and a flow-on/multiplied GRP impact of \$0.06 million.
 - The last row of *Table 3 in Appendix 1* indicates the size of the various operational economic impact multipliers generated by the Kapiti Coast district model. The multipliers range from 1.36 for the Net Household Income impact to 1.64 for the Revenue impact.

Kapiti Gateway EIA

5- Economic Impacts for Current and Future Visitor Numbers

- 5.1 This section quantifies the economic impact gains for the Kapiti Coast district associated with the current annual level of visitors travelling to Kapiti Island and with the Council's current forecasts for increased visitation to the Island over the next decade (in association with the operation of the proposed new Kapiti Gateway visitor amenity).
- 5.2 Current (year 2020) annual visitor numbers for Kapiti Island have been advised to ESL as being 15,000. After taking into account estimated proportions of this number for non-Kapiti Coast district resident visitors (20%), overnight and day visitors, domestic and international overnight visitors and Kapiti Island as a prime visitation factor, the total number of qualifying visitors calculated for economic impact assessment purposes is in the range 9,340-12,000 (80-100% of total non-local resident visitor numbers for the Island).
- 5.3 After further taking into account the average length of stay of overnight visitors to Kapiti Island, total night-stays have been calculated at in the range 5,320-10,640. The total number of day visitors has been calculated at 6,680.
- 5.4 ESL has quantified the total annual direct visitor spending impacts of the above results as overnight visitor spending as approximately \$1.33 million-\$2.66 million and day visitor spending \$0.85 million, hence a total of \$2.18 million-\$3.51 million. The mid-point of this range (\$2.85 million) has been used for the purposes of the visitor spending economic impact calculation.
- 5.5 **Table 3** indicates the economic impacts within the Kapiti Coast district of the above indicative level of direct visitor spending. *The relevant reference section in Appendix 2 is Section 5.*

Table 3: Kapiti Coast District Economic Impacts of Initial Annual Kapiti Gateway Visitor Spending 2020

Economic Impact Components	Economic Impact Measures			
	Revenue (\$M)	Net Household Income (\$M)	Employment (Persons)	Value Added/ GRP (\$M)
Initiating Total Expenditure	2.85			
Total Direct Economic Impacts	2.85	0.69	18	1.29
Total Flow-on Production and Consumption Economic Impacts	2.57	0.29	6	0.79
TOTAL KAPITI COAST DISTRICT ECONOMIC IMPACTS	5.42	0.98	24	2.08

- 5.6 The key results to note from the table are as follows:

- A total Revenue impact within the region of \$5.42 million. This comprises the initial direct Revenue impact of \$2.85 million and a flow-on/multiplied Revenue impact of \$2.57 million;
- A total district Net Household Income impact of \$0.98 million, comprising a direct Income impact of \$0.69 million and a flow-on/multiplied Income impact of \$0.29 million. The total income figure above represents the additional Net Household Income generated within the district by the current level of visitor spending, including multiplier impacts;

Kapiti Gateway EIA

- iii) A total district Employment impact of 24 persons/jobs, comprising a direct impact of 18 persons and a flow-on/multiplied impact of 6 persons; and
 - iv) A total Value Added or GRP (Gross Regional Product) economic impact for the district of \$2.08 million, comprising a direct GRP impact of \$1.29 million and a flow-on/multiplied GRP impact of \$0.79 million. The total GRP economic impact result indicates the true level of the contribution of the Kapiti Island related visitor spending to overall economic activity in the district.
 - v) The last row of *Table 5 in Appendix 2* indicates the size of the various economic impact multipliers generated by the Kapiti Coast district economic impact model. They range from 1.35 for Employment to 1.90 for Revenue.
- 5.7 Given the range of total direct visitor spending impact indicated in section 5.4 above, the level of local economic impact could range from 76% to 123% of the economic impacts quantified in Table 3 above. This situation also applies in the case of the results presented in the next section (5.8).
- 5.8 **Table 4** below summarises the total district economic impacts for the current and forecast levels of visitation to Kapiti Island, again based on the mid-point total annual visitor spending figure used for the Table 3 analysis above. *Section 6 of Appendix 2* provides more economic impact details for the individual scenarios.

Table 4: Current and Forecast Kapiti Coast District Visitor Spending Economic Impact Scenarios

Visitor Scenarios (# of Visitors)	Total Annual Economic Impacts			
	Revenue \$	Net Household Income \$M	Employment (Persons)	Value Added/GRP \$M
Year 2020 (15,000)	5.42	0.98	24	2.08
Year 2023 (18,330)	6.62	1.20	29	2.54
Year 2027 (24,370)	8.81	1.59	39	3.38
Year 2030 (28,790)	10.41	1.88	46	3.99

- 5.9 Assuming the above forecast year 2023 level of annual visitation to Kapiti Island along with the first full year (2023) of operation of the new Kapiti Gateway facility, the combined total district economic impacts are Revenue \$7.11 million, Net Household Income \$1.35 million, Employment 32 persons and Value Added/GDP \$2.70 million. These impacts assume the mid-point level of direct visitor spending associated with Kapiti Island.
- 5.10 By year 2030, the combined economic impacts could be in the order of Revenue approximately \$11 million, Net Household Income \$2 million, Employment 50 persons and Value Added/GDP \$4.2 million. These impacts assume a continuation of both the overall scale of the year 1 new facility operation and use of the mid-point level of direct visitor spending.

6- Other Economic Benefits

6.1 Other economic/tourism benefits for the Kapiti Coast district potentially arising from the proposed new Kapiti Gateway and increased tourism to Kapiti Island briefly include as follows:

- The proposed facility will provide an important platform for significantly increasing the overall quality of the Kapiti Island visitor experience and the level of visitation to the area (as reflected in the projections for increased visitor numbers to the Island over the next 10 years).
- The proposed development and associated increased tourism to Kapiti Island will strengthen the 'iconic' tourism status of the area from both a local district and wider Wellington region perspective. This is important for attracting further domestic tourism to the area (particularly in the short to medium term given the adverse impact of COVID-19 on international tourism to New Zealand). However, in the longer-term, the proposed development will be important for attracting increased international tourism to the district and region.
- Strengthening of both the Kapiti Coast and wider Wellington region visitor 'product' including both Maori/cultural and other tourism attractions and activities.
- An important opportunity to inform, promote and showcase the tourism profile of the Kapiti Coast district, particularly given the absence in the district now of a specialised dedicated 'visitor i-Site/information centre.
- Increased business opportunity for existing Kapiti Island related commercial tourism operators and for new operators over the longer-term as visitor numbers to the area increase.
- Potential development of other new tourism operations in the district, taking advantage of the increased numbers of visitors coming into the area.
- Increased visitation to the district and associated spending will have positive flow-ons to local servicing sectors such as accommodation, retailing, transport, food and beverage outlets, etc.
- Encouragement of further skill development within the overall Kapiti Coast visitor sector.

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APPENDIX 1

**POTENTIAL ECONOMIC IMPACTS OF PROPOSED 'KAPITI GATEWAY'
TOURISM FACILITY**

**Dr Warren R Hughes
Consulting Economist
Parnell Auckland**

FEBRUARY 2021

Kapiti Gateway EIA

1. INTRODUCTION

This report details the economic impacts generated by the proposed new 'Kapiti Gateway' tourism facility in the Kapiti Coast District economy.

The impacts for total business sales Revenue, full and part-time Employment in number of persons employed, Net Household Income after tax and saving, and Value Added or Gross Regional Product GRP (the regional or district equivalent of national GDP). Note that Value Added comprises employee wages, business profits and all government taxes. All impacts have been estimated using an underlying 106-sector economic model of the Kapiti Coast District, for the year ended December 2019.

Local/regional models such as this comprise 106 sectors ranging from *Horticulture & Fruit Growing* through to *Religious & Business Associations* (e.g. Rotary and Lions). Activity initiated in sectors related to tourism, such as *Accommodation* and *Food & Beverage Services*, generate flow-on impacts in supplying sectors such as *Horticulture & Fruit Growing*, *Food Cereal & Other Food Manufacturing*, *Electricity Distribution*, *Banking & Financial Services* and other sectors, which enable capture of the total economic impacts of a development in a local or regional economy. The total impacts flowing from and including an initiating activity are estimated and reported below.

2. KEY ECONOMIC INDICATORS

By way of background, **Table 1** below summarises the latest annual statistics for the New Zealand and Kapiti Coast District economies, in 2019.

TABLE 1: SUMMARY STATISTICS FOR THE NZ & KAPITI COAST DISTRICT ECONOMIES

Economic Measure	New Zealand	Kapiti Coast District	Kapiti CD % of NZ
GDP or GRP for the year ended December 2019 \$m*	\$314,650.1	\$2,083.0	0.7%
Population as at June 2019	4,917,000	56,000	1.1%
Population growth rate for latest year 2018/19	1.6%	1.3%	81.3%
Employment Count as at February 2019	2,284,000	13,600	0.6%
Value Added/GRP per Employment Count for 2019 in \$	\$137,763	\$153,162	111%

*Projected GDP/GRP for the last 3 quarters of 2019 was estimated using latest growth rates for the year ended March 2019.

Note that Kapiti district's Value Added per employee at \$153,162 is 11% greater than the NZ average. This possibly reflects the significant district employment of between 110 and 190 persons for the high value-adding sectors such as *Scientific & Technical Services*, *Legal & Accounting Services*, *Advertising Marketing & Consulting Services*, *Veterinary Services* and *Computer Services*. Furthermore, *Medical & Dental Services* (EC 650) and *Sport & Recreation* (EC 220) are two other high-value, high-employing sectors in the district. Note that the *Sport & Recreation* sector includes attractions such as aquariums, theme parks etc.

Kapiti Coast's population growth for the latest year at 1.3% exceeded that for the total Wellington Regional Council area of 1.1%. The Kapiti Coast GDP/GRP value estimated at \$2.1 b or 0.7% of the NZ total, is in line with the district's total national Employment Count share of 0.6%.

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3. CONSTRUCTION/DEVELOPMENT IMPACTS FOR THE KAPITI GATEWAY FACILITY

The Kapiti Gateway is a proposal to build a “modest iconic building”, located on the Paraparaumu Beachfront. This will essentially function as a visitor centre where people can buy tickets to go across to Kapiti Island, and also provide a place for biosecurity checking before passengers go on the boat. It will also be a place to tell the iwi stories and history of the area (e.g. it was Te Rauparaha’s stronghold). It is envisaged there may be other commercial activities attached to the facility such as bike hire, paddleboard hire, etc. At the present time, there is no building or anything to denote the departure point of boats to the Island. Currently, the biosecurity process is conducted on the beach, which is not at all satisfactory from a conservation point of view.

There is considered to be major potential for visitor numbers to Kapiti Island to grow, especially with a probable shift in NZ’s tourism focus to domestic tourism, in the light of the Covid-19 outbreak. This project will be a key development for the Kapiti Coast tourism sectors such as *Accommodation, Food & Beverages* and *Road Transport* (scenic tours, etc.)

Table 2 summarises the economic impacts for the Kapiti Coast District based on an estimated \$4.5 m total construction cost for the new ‘Kapiti Gateway’ facility. This cost figure has been allocated within the economic model as \$1.12 m to *Residential Building* (allowing for superior fit-out for reception, toilet, etc. areas in the facility), \$1.12 m to *Non-Residential Building* (the main shell), \$1.12 m to *Non-Building Construction* (parking, walkways, wharf, etc.) and \$1.14 m to *Construction Services* (electrical, air-conditioning etc.).

TABLE 2: ECONOMIC IMPACTS FOR THE KAPITI COAST ECONOMY FROM ‘KAPITI GATEWAY’ CONSTRUCTION PERIOD (Estimated at 9 Months)

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round construction impacts \$4 m	4.50	0.62	7	0.95
Flow-ons to supplying sectors e.g. aggregates	4.20	0.61	9	1.28
Total Impacts for the Kapiti Coast District	8.70	1.23	16	2.23
Kapiti Coast District Multipliers	1.93	1.98	2.29	2.35

*HH = Household

Table 2 shows that the equivalent of seven employees earn \$0.62 m/7 or about \$88,000 (after tax) each over the course of the project’s construction time. The flow-on employment impacts show another 9 employees earning \$0.61 m or about \$68,000 each (average) over the course of the project. Note that these employees could be engineers, quantity surveyors, etc. employed in the *Scientific & Technical Services* sector, as well as employees servicing household expenditures linked to sectors such as *Supermarkets & Groceries* patronised by construction and other workers.

The Net Household Income multiplier for Kapiti shows that for every \$1 of construction income earned on the site, another \$0.98 of worker income is generated somewhere in the Kapiti Coast District.

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4. ECONOMIC IMPACTS FROM INITIAL ANNUAL OPERATIONS OF THE NEW KAPITI GATEWAY VISITOR FACILITY

To estimate the economic impacts from the initial annual operational activities at the new Kapiti Gateway, an estimated \$0.3 m direct operating expenditure figure has been used for the purposes of modelling the initial scale of local economic impacts of these activities.

This value has been applied to the *Travel & Tour Services* sector in the district economic model; this sector currently employs 18 people in the Kapiti Coast district and its various constituent activities approximate the type of operations the new facility could undertake. The facility will, however, spend on inputs such as *Electricity Distribution, Banking & Financial Services* and similar, up to an estimated \$0.3 m annually. The estimated district economic impacts from the modelling of the annual operations at the Kapiti Gateway are detailed in **Table 3**.

It is anticipated that significantly increased visitation to Kapiti Island will in time require an increased level of operational resources for the Kapiti Gateway facility. This will, in turn, generate increased flow-on economic impacts from the facility's operation for the Kapiti district, above the levels indicated in the table below.

TABLE 3: LOCAL ECONOMIC IMPACTS FROM ANNUAL OPERATIONS AT THE KAPITI GATEWAY

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round spending	0.30	0.11	2	0.10
Flow-on impacts to supplying sectors	0.19	0.04	1	0.06
Total Impacts for the Kapiti Coast District	0.49	0.15	3	0.16
Kapiti Coast District Multipliers	1.64	1.36	1.50	1.56

*HH = Household

5. ECONOMIC IMPACTS FOR THE KAPITI COAST DISTRICT FROM VISITOR SPENDING

For the purposes of the initial economic impact modelling analysis, total direct visitor spending currently generated within the Kapiti Coast district by the present 15,000 visitors to Kapiti Island is estimated to be \$2.85 m. The first round or direct spending by visitors in relevant tourism related sectors is summarised in the first two columns of **Table 4**.

TABLE 4: ALLOCATION OF VISITOR EXPENDITURE ACROSS TOURISM SECTORS

Sector	\$ millions	Percentage	Total Employment in District
Accommodation	0.285	10	150
Food & Beverages	0.570	20	1,100
Road Transport (includes tours)	0.570	20	210
Other Retail	0.998	35	230
Sport & Recreation	0.427	15	260
TOTALS	2.850	100	1,950*

*Currently represents 14.3% of Kapiti employment.

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Table 5 summarises the local economic impacts for the Kapiti Coast district from the current Kapiti Island visitor related spending of \$2.85 m.

TABLE 5: CURRENT LOCAL ECONOMIC IMPACTS FROM VISITOR SPENDING RELATED TO KAPITI ISLAND

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round spending by visitors	2.85	0.69	18	1.29
Flow-on impacts to supplying sectors	2.57	0.29	6	0.79
Total Impacts for the Kapiti Coast District	5.42	0.98	24	2.08
Kapiti Coast District Multiplier	1.90	1.42	1.35	1.61

*HH = Household

Flow-ons to supplying sectors total \$2.57 m in Revenue and six employees for Employment. **Table 6** below shows the top five supplying sectors in both cases. These linkages are labelled backward linkages since they link back from a final sale to a Kapiti Island visitor from a sector such as *Food & Beverages*, to an intermediate or supplying sector such as *Employment & Business Services* which includes activities such as debt collection, credit checking and security services.

TABLE 6: KAPITI COAST SECTORS GAINING MOST FROM SUPPLYING GOODS & SERVICES TO VISITOR SPENDING SECTORS

SALES REVENUE or OUTPUT IN DOLLARS			EMPLOYMENT IN PERSONS		
Inputs from supplying sectors			Persons employed in supplying sectors		
#	Sector	\$ mill	#	Sector	Persons
1	Non-Residential Property Mngt (20)*	0.20	1	Employment & Business Serv (360)	0.47
2	Bank & Financial Services (85)	0.14	2	Food & Beverages (1,100)	0.41
3	Road Transport (210)	0.12	3	Road Transport (210)	0.39
4	Petrol Refining (0)	0.10	4	Residential Care Services (1,850)	0.29
5	Employment & Business Services (360)	0.08	5	Supermarkets & Groceries (650)	0.27
Top 5 supplying sectors			Top 5 supplying sectors		
Remaining 101 sectors & Households			Remaining 101 sectors & Households		
Total Backward Revenue Links			Total Backward Employment Links		

*Current employment count in this sector at 20 persons.

The values shown in Table 5 are not large reflecting the relatively small total visitor spend of \$2.85 m used in this analysis. Of course, even these small values suffice to identify the important flow-on sectors for tourist spending.

Note that *Petrol Refining* shows up as a supplying sector but of course these goods originate from Northland or overseas and are imported into the Kapiti district. Also, *Road Transport* and *Food & Beverages* show up as supplying sectors as well as direct spend sectors (Table 3). In Table 5, current employment counts are shown for each sector as in 360 for *Employment & Business Services*. Currently, sectors important for supplying the demands of visitors to the Kapiti district all show significant employment apart from *Petrol Refining* discussed above. This means, the district is currently well

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staffed in sectors to service tourist demands although some expansion would be expected in these and other sectors with the projected increases in visitors to Kapiti Island in the future, as analysed below.

6. DISTRICT ECONOMIC IMPACTS ASSOCIATED WITH THE KAPITI GATEWAY FACILITY BASED ON PROJECTED FUTURE INCREASES IN VISITOR NUMBERS

Projected visitors to Kapiti Island in the future have been estimated at 18,330 in 2023, 24,370 in 2027 and finally at 28,790 in 2030. Economic impacts for these visitor numbers are detailed in **Tables 7-9** below.

TABLE 7: ECONOMIC IMPACTS FROM VISITOR SPENDING RELATED TO KAPITI ISLAND – 18,330 Visitors 2023

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round spending by visitors	3.48	0.85	21	1.58
Flow-on impacts to supplying sectors	3.14	0.35	8	0.96
Total Impacts for the Kapiti District	6.62	1.20	29	2.54
Kapiti Coast District Multiplier	1.90	1.42	1.35	1.61

*HH = Household

Impacts from **24,370 annual visitors** are detailed in **Table 8**.

TABLE 8: ECONOMIC IMPACTS FROM VISITOR SPENDING RELATED TO KAPITI ISLAND – 24,370 Visitors 2027

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round spending by visitors	4.64	1.12	29	2.10
Flow-on impacts to supplying sectors	4.17	0.47	10	1.28
Total Impacts for the Kapiti District	8.81	1.59	39	3.38
Kapiti Coast District Multiplier	1.90	1.42	1.35	1.61

*HH = Household

Impacts from **28,790 annual visitors** are detailed in **Table 9**.

TABLE 9: ECONOMIC IMPACTS FROM VISITOR SPENDING RELATED TO KAPITI ISLAND – 28,790 Visitors 2030

Impact Round	Revenue \$ millions	Net HH* Income \$ m	Employment Persons	Value Added or GRP \$ m
Direct or first round spending by visitors	5.47	1.33	33	2.48
Flow-on impacts to supplying sectors	4.93	0.55	13	1.51
Total Impacts for the Kapiti District	10.40	1.88	46	3.99
Kapiti Coast District Multiplier	1.90	1.41	1.40	1.61

*HH = Household

Note that the flow-on sectors from Tables 7-9 will be the same as detailed in Table 6 but the flow-on values will be correspondingly larger. The dollar values in Tables 7-9 are in 2020 dollars. Accordingly, the actual dollar impacts in those years will be higher measured in the dollars-of-the-day. The actual

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dollar values at that time will depend upon the inflation rate between 2020 and the year in question, that is, 2025 or 2030 or later.

7. CONCLUSION

The economic impacts for the Kapiti Coast district from the Year 2023 annual operation of the new Kapiti Gateway facility and forecast Kapiti Island visitor related spending in that year, are summarised in **Table 10** below.

The projected increases in visitor numbers to the Island following the proposed development of the facility will significantly increase the economic impacts for the Kapiti district, as the visitor spending increases in Tables 7-9 indicate.

TABLE 10: TOTAL ECONOMIC IMPACTS FROM YEAR 2023 KAPITI ISLAND VISITATION AND NEW FACILITY ANNUAL OPERATION

Impact Round	Revenue \$ millions	Net Household Income \$ m	Employment Persons	Value Added or GRP \$ m
Visitor Spending 2023 Table 7	6.62	1.20	29	2.54
Kapiti Gateway Operations 2023 Table 4	0.49	0.15	3	0.16
Total Impacts for the Kapiti Coast District	7.11	1.35	32	2.70

APPENDIX 2

Kapiti Gateway EIA

Dr WARREN R HUGHES – AUTHOR PROFILE

The author is Cambridge, NZ born and a graduate of the University of Auckland and Indiana University in the USA, where he completed his doctorate in Business Economics and Public Policy in 1970.

Since that time, he has taught in the areas of econometrics, forecasting, financial economics and managerial strategy at The University of New South Wales in Sydney (1970 – 1978) and most recently at The University of Waikato (1978 – 2007). At various times, he has taught in MBA programmes at the University of Florida in Gainesville and in the Graduate School of Management at the University of California at Irvine. Dr Hughes retired from the University of Waikato in 2007 and was appointed an Honorary Fellow in Economics in 2008. At the present time, he works as an independent economic consultant based in Auckland.

The author has published extensively, mainly as single-authored articles in international journals such as *Decision Sciences*, *Theory and Decision*, *The Journal of Business*, *Mathematical & Computer Modelling*, *Environment & Planning*, *Australian Journal of Management*, *Forest Science*, *Australasian Journal of Regional Studies* and, most recently in April 2009, *OMEGA*, the international journal of management science and again in September 2010 in the *Chinese Business Review*. Other articles on theoretical and applied economics have been published by the author in *NZ Economic Papers* and *Australia's Economic Record*. He is a former member of the Advisory Board for the Wiley journal *Managerial and Decision Economics* and maintains a continuing interest in the latest developments in economic theory as it relates to management and business. The author has developed a particular expertise in the area of impact and regional analysis. He was the Editor/Manager of the *Regional Economic Bulletin*, which focused on topical issues relevant to the business and wider communities, mainly but not exclusively, in the Waikato and Bay of Plenty regions. The *Bulletin*, which was a complimentary publication of the University of Waikato, ceased publication in 2008.

The author has acted as a consulting economist for *Economic Solutions Limited*, *Environment Waikato*, *Carter Holt Harvey Limited*, *Contact Energy*, *Norske Skog Tasman Limited*, *Port of Tauranga Limited*, *Port of Napier*, *Feltex Carpets Limited*, *Man'O War Farm Limited*, *Refining NZ Limited*, *Zespri International*, *Waikato Innovation Park*, *Property Council of NZ*, *Creative Napier*, *Katolyst*, *Priority One BOP*, *Vision Manawatu*, *Enterprise Franklin*, *Venture Taranaki*, various District Councils in the Waikato, Bay of Plenty, Hawke's Bay and other regions and for events such as Tauranga's *Montana Jazz Festival*, Hamilton's *Balloons Over Waikato* and Napier's *Art Deco Weekend*.

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Kapiti Gateway Appendices 5**KCDC Public Art Panel****Submission to Council on The Kāpiti Gateway Proposal** 15 February 2021

The KCDC Public Art Panel comprises Kāpiti Council's appointed advisory experts on public art. The Panel's role is to consider strategically how public art contributes to the whole of the Kāpiti Coast District.

The Panel welcomes the opportunity to comment on the Kāpiti Gateway proposal.

These comments are limited to public art issues only.

Context

1. The Panel were asked during their meeting on 27th January that they review the proposed Kapiti Gateway project and consider making a submission to Council.
2. Members of the panel at that meeting were provided architectural and landscape drawings for the Kāpiti Gateway project Resource Consent Application Rev. 3, 13 July 2020. These show opportunities for public art integration in the project and suggestions of what these could be through precedent images.
3. A special meeting of the Panel was convened for Friday 12th February. At this meeting the panel received a briefing on the project from Janice Hill, (Principal Advisor Growth & Development KCDC). The panel then held discussions relating to the information provided to them to consider the opportunities for Public Art relating to the project.
4. This submission has been prepared as a reflection of the views and opinions of the members present at the meeting on the 12th February.

Janet Bayly, Nick Ray, Robin Simpson, Tracey Morgan

Public Art Opportunities

5. The Panel sees great opportunity for public art associated with both the building and landscape, to celebrate the complex stories past and current, relating to the sites' history and environment, and the purpose of the centre. This fits with an important narrative throughout Aotearoa New Zealand of telling the country's past, current, and future stories.
6. The Concept shows multiple opportunities for integrated public art including Pou, Waharoa, Waka elements on the beach, display panels, wall patterns, paving patterns, bridge. Precedents demonstrate successful examples of how such components could express and enhance this project.
7. The project fits within the Public Art Strategy to extend geographically and express the diverse stories of community and place along the coastal strip landscape, from mountains to sea. There is potential to connect with the Tohora sculpture already in Maclean Park through narrative or theme.

8. The Panel notes that public art can be the vehicle for serving the kaupapa of the building and can facilitate connection between the Paraparaumu Beach village and the centre, drawing tourists to and from the village for economic benefit to the village. The example of a line of Pou illustrated shows an opportunity to extend into the town, assisting wayfinding through visual presence and bringing the motu presence into the town.
9. The Panel's brief includes fostering established and emerging artists in Kāpiti. The Panel sees opportunity to celebrate local artists and artisans through public art installations and exhibitions at the centre and surrounds. There is an opportunity to accommodate dynamic, interactive, and rolling exhibitions that can change over time providing further opportunities to express the complex stories related to the site. The display panels illustrated could be the means for such exhibitions.

Other Considerations

10. The Panel notes that the concept drawings appear well developed. While this level of development assists by showing promising examples of artworks and potential locations, these are concepts alone. It should also be acknowledged that the precedents included are from other projects. This project offers unique opportunities for public art in Kāpiti. Specific works should be developed and undergo due process specific to this place and project.
11. The Panel notes that with short notice to provide comment, and without information on process to date, they are limited to preliminary comments on the project. The Panel are very keen to remain involved with this project and provide expert advice to deliver the best possible public art outcomes from the Kapiti Gateway.

8.2 ESTABLISHMENT OF THE WELLINGTON REGIONAL LEADERSHIP COMMITTEE

Author: Angela Bell, Principal Advisor

Authoriser: Natasha Tod, Group Manager Strategy, Growth and Recovery

PURPOSE OF REPORT

- 1 The purpose of this report is to provide you with background and recommendations on joining and becoming a member on a new regional Joint Committee, the Wellington Regional Leadership Committee (WRLC)¹.
- 2 Pursuant to Clause 30A, Schedule 7 of the Local Government Act 2002 (LGA), this new Joint Committee would include all of the Wellington region's local government authorities, designated iwi, the Horowhenua District Council, and central government ministerial representatives, as equal voting members.

DELEGATION

- 3 Council has the authority to make this decision under section A2 of the Governance Structure.

BACKGROUND

- 4 The Wellington Regional Growth Framework (WRGF) was endorsed by Council for public consultation at the 10 December 2020 Council meeting. A Joint Committee – the Wellington Regional Leadership Committee (WRLC) – has been identified as the best option to activate and support the decisions and programmes of the WRGF.
- 5 Pursuant to Clause 30A, Schedule 7 of the LGA, the WRLC would include all the Wellington Region's local government authorities, the Horowhenua District Council, designated iwi and Central Government ministerial representatives, as equal voting members.
- 6 This governance model and approach is consistent with other regional spatial planning endeavours in Waikato, Hamilton to Auckland, Bay of Plenty and Canterbury and meets the expectations of Central and Local Government partners, and progresses the Government's Urban Growth Agenda. Co-ordinated spatial planning also underpins economic development planning and COVID-19 recovery.
- 7 The WRLC is designed to provide a formal governance forum so that the members can work together with central government on matters that are of regional importance, cross-boundary and inter-regional. To ensure regional spatial planning, economic development and recovery opportunities are cohesively addressed, it is proposed the WRLC will have three spheres of responsibility:
 - the WRGF
 - regional economic development, and
 - regional economic recovery (from COVID-19 and any other future disruptive events) Issues and Options.
- 8 The details of the proposed WRLC are set out in a Joint Committee Agreement and provided under separate cover, in **Appendix 1**. The agreement, to be signed by the participating councils, is necessary for the Joint Committee to comply with Local Government Act requirements. The key provisions are briefly outlined below.

Terms of Reference

- 9 Terms of Reference for the proposed Wellington Regional Leadership Committee are contained within the Joint Committee Agreement (see Appendix 1). The proposed WRLC is

¹ In this paper we use Joint Committee and Wellington Regional Leadership Committee (WRLC) interchangeably.

designed to provide a formal governance forum so that the members can work together with central government on matters that are of regional importance, cross-boundary and inter-regional. It will address regional matters across three responsibility spheres, as programme areas, as listed above:

- the WRGF
- regional economic development, and
- regional economic recovery (from COVID-19 and any other future disruptive events).

Membership

Council

10 The Membership of the WRLC, with voting rights, include:

- The Mayor of Carterton District Council
- The Chair of Greater Wellington Regional Council
- The Mayor of Horowhenua District Council
- The Mayor of Hutt City Council
- The Mayor of Kāpiti Coast District Council
- The Mayor of Masterton District Council
- The Mayor of Porirua City Council
- The Mayor of South Wairarapa District Council
- The Mayor Upper Hutt City Council
- The Mayor of Wellington City Council.

Note: that the nomination of an alternate member is required, should exceptional circumstances prevent the Mayor from attending. Officials recommend that the Deputy Mayor is nominated as that alternative.

Mana whenua

11 A member of the WRLC, with voting rights, may also include:

- Ngāti Toa Rangatira represented by Te Rūnanga o Toa Rangatira Inc.
- Taranaki Whānui represented by Port Nicholson Block Settlement Trust
- Rangitāne O Wairarapa represented by Rangitāne O Wairarapa Inc
- Ngāti Kahungunu ki Wairarapa represented by Ngāti Kahungunu ki Wairarapa Trust
- Raukawa ki Te Tonga
- Ātiwawa ki Whakarongotai represented by Āti Awa ki Whakarongotai Charitable Trust
- Muaūpoko hapū represented by Muaupoko Tribal Committee.

Central Government

12 Central Government Representatives, with voting rights, include up to three Cabinet Ministers (specific Cabinet Ministers will be determined at a later date).

Note: Ministerial appointments will be confirmed after Cabinet have reviewed and endorsed the Wellington Regional Leadership Committee, and the Joint Committee Agreement. See the section on 'Next Steps,' for an indicative timeframe for the approvals process.

Independent Chairperson

- 13 An Independent Chairperson is considered essential for the WRLC to operate effectively, like New Zealand's other Joint Committees responsible for delivering growth frameworks, regional spatial planning and/or regional economic development.
- 14 The Chairperson will guide and moderate discussions, connect and communicate with key parties in advance of meetings, support and work with the WRLC's Secretariat on work programmes, while providing communication on the decisions and outcomes of the WRLC's deliberations.
- 15 An Independent Chairperson will be appointed by the WRLC following a robust recruitment process.

Voting Rights and Consensus Based Decision Making

- 16 While each member is accorded one vote, the WRLC will utilise a consensus-based decision model. This is to ensure decisions are robustly supported and made in the best interest of members, their shared communities and futures.

Observers

- 17 As per the Joint Committee Agreement, WRLC may invite observers to share and present information and insights as relevant to any of the three work programmes that it governs. Observer attendance is designed to be flexible, depending on the specified meeting's subject matter, agenda and decision-making requirements.
- 18 Central Government observers include:
 - The Ministry of Business, Innovation and Employment
 - Ministry of Housing and Urban Development (HUD) and/or Kainga Ora
 - Waka Kotahi
 - The Department of Internal Affairs.
- 19 Observers will be approved by the Independent Chair and may include any other persons the WRLC considers necessary, including representative(s) from key private sector organisations for matters relating to regional economic recovery.

Interaction of Wellington Regional Leadership Committee's Responsibility Spheres, as Programme Areas.

- 20 The following sets out how the membership, including observers, relates to the Committee's areas of responsibility.



Supported by the Wellington Regional Leadership Committee's Secretariat (four roles)

Supporting Resources and Operations

Administering Authority

- 21 An administering authority is required for the WRLC's operations as part of the Joint Committee arrangements. This includes utilisation of a council's standing orders, and the provision of administrative and human resources functions for the committee, chair and secretariat. A process to select and confirm the administering authority will be determined by March 2021.

Secretariat

- 22 To provide support, information and analysis a team of up to four positions will be appointed by the Administering Authority, in consultation with the WRLC and Independent Chair. These positions are (nominally and subject to approval) a Iwi Liaison Advisor, Project Director, Senior Strategic Advisor, and a Coordinator.
- 23 The Secretariat will work closely with the Independent Chairperson, and connect with members and other observers, contributors and subject matter experts, as required. They will focus on supporting delivery of the work programme and supporting/reporting and reporting against the decisions and strategies set by the WRLC, in pursuit of realising the WRGF, regional economic development and regional economic recovery.
- 24 A process for finalising the roles and responsibilities for the Joint Secretariat will be determined and implemented at a later date.

Agenda Management

- 25 The WRLC, supported by the Independent Chair and Secretariat, will meet to address the three spheres of responsibility. As noted by the diagram at para 20 above, the membership of the WRLC varies depending on the different spheres of responsibility. Therefore effective agenda management will be important to ensure that the appropriate members are present and prepared for the topics and decisions within each area of responsibility.
- 26 We anticipate that when meeting, decisions and discussion regarding the WRGF would be addressed first – which involves the widest membership group. This will allow the remaining members to then address the complementary economic development and recovery topics.

Draft Memorandum of Understanding

- 27 To reinforce and demonstrate commitment to regional cooperation, shared opportunities and meaningful dialogue with iwi, local and central government, a draft Memorandum of Understanding is being developed.
- 28 The Memorandum of Understanding (MoU) outlines how the Committee will operate and shapes and promotes the trusted, cooperative and partnership-based principles to guide the WRLC for the successful development and implementation of agreed decisions and strategies.
- 29 The draft MoU will include a section on reflecting the principles of Te Tiriti o Waitangi / The Treaty of Waitangi within the intended behaviours and approaches of the WRLC. An example of a draft MoU is provided for noting under separate cover, in **Appendix 2**. The WRLC itself will finalise the MoU when it first meets.

Options

- 30 There were a series of discussions on a range of possible regional governance models and approaches at Wellington Regional Mayoral and Chief Executive Forums in 2020. The final proposal for a new Joint Committee was shaped over a series of shared discussions and workshops, with the acknowledgement that a formal decision-making structure is required for implementation of the WRGF.
- 31 The three structural options considered in some detail, were:
- Utilising the existing Wellington Mayoral Forum
 - A Council Sub-committee
 - A new Joint Committee
- 32 Each option's disadvantages and benefits are explained below.
- 33 Option 3, a new Joint Committee under the Local Government Act, was agreed as the most effective cross-regional governance model.

Option 1: Utilise the Mayoral Forum

- 34 The advantage of this governance model is that a pre-established structure and process is already in place for nine of the ten councils, which could be adapted to include others and a wider mandate. Disadvantages include the forum's lack of formalised decision-making powers, and it is unlikely that this option would be supported by iwi and Central Government partners.

Option 2: A Council Subcommittee

- 35 The advantage of this governance model is that it is a known and a regionally utilised governance model. A primary disadvantage is how decisions from a subcommittee may be perceived as biased towards the parent council. Due to this perception, it is unlikely that this governance model would be supported by iwi and Central Government partners.

Option 3: Establishment of a new Joint Committee under Clause 30A, Schedule 7 of the Local Government Act 2002.

- 36 There are several shared and sustainable benefits to this governance model, including:
- A governance forum set up under this model, can utilise the powers and other capabilities of a Joint Committee, under the Local Government Act.
 - A Joint Committee model is consistent with other spatial plan and/or economic development governance structures across the country, and it aligns with central government partnership and dialogue expectations.
 - This model is likely to be seen as an equitable form of regional governance, with the advantage of including iwi and Cabinet Ministers as members, with key observers from Central Government and other regional commercial and private sector organisations.

- 37 For these reasons, a Joint Committee under the Local Government Act 2002 is considered the most effective and sustainable governance model to activate and cooperatively address the WRGF, regional economic development and regional economic recovery.

Cost

- 38 Funding the WRLC and the supporting Secretariat will be through a regional rate struck by Greater Wellington Regional Council. Council will likely pay a separate, proportionate contribution for their support of the Secretariat.
- 39 Funding arrangements for the various initiatives and projects to be undertaken under the umbrella of the WRLC is yet to be confirmed, but it is expected that initiatives and projects funded by Councils will be provided for within the relevant 10 Year and Annual Plans over the life of the Growth Framework as well as funded by central government. Funding for projects in an agreed 3 year Work Programme would also need to be funded, in addition to the support payment for the Secretariat.
- 40 Funding indications have been used to inform LTP budgets, to be consulted on shortly.

Next Steps*January – March*

- Wellington-Horowhenua region's local government authorities, iwi, Central Government officials and Cabinet review and proceed to endorse the Agreement and Terms of Reference and become members of the Wellington Regional Leadership Committee.

February-March

- Robust Independent Chair recruitment process commences – partners contribute names for consideration.
- Adminstrating Authority confirmed.
- Joint Secretariat roles and responsibilities confirmed.
- Recruitment process for Secretariat initiated – continues through March/April.
- Greater Wellington Regional Council consults on the WRLC as an option for its 2021-2031 Long Term Plan. This includes the funding implications from the proposed General Rate.

April – May

- Tentative first meeting of the new WRLC.
- Independent Chair recruitment process concludes, with Chair appointed by the WRLC.
- Expected Dissolution of the Wellington Regional Strategy Committee.
- Recruitment commences for the Secretariat positions.
- WRLC confirms Memorandum of Understanding.

June – July

- WRLC considers and reviews proposed 1-year and 3-year work programme.
- Work and planning commences against the three spheres of responsibility as per programme areas.

CONSIDERATIONS**Legal considerations**

- 41 The Joint Committee Agreement has been legally reviewed to ensure that the legal and procedural requirements of the LGA are met in relation to the creation and establishment of a Joint Committee.

Financial considerations

- 42 There is no financial impact at this point. As noted above, funding the WRLC and the supporting Secretariat will be primarily through a regional rate struck by Greater Wellington Regional Council. It is expected that Council would pay separately (and proportionately) for their support of the Secretariat.
- 43 Funding arrangements for the various initiatives and projects to be undertaken under the umbrella of the Committee are yet to be confirmed, but it is expected that initiatives and projects funded by Councils will be provided for in the relevant 10 Year and Annual Plans over the life of the Framework as well as funded by central government.

Tāngata whenua considerations

- 44 As a significant regional governance forum, membership includes designated mana whenua/iwi representatives.
- 45 Iwi organisations across the Wellington Region, Te Upoko o Te Ika a Maui and Horowhenua District were engaged with on the WRGF, and will be engaged with further to become members of the WRLC.
- 46 Funding has been provided for in the proposed new regional rate to provide for iwi members' full participation in the WRLC.

RECOMMENDATIONS

That the Council:

1. Receive the Establishment of the Wellington Regional Leadership Committee Report.
2. Approve the Wellington Regional Leadership Committee Joint Committee Agreement (referred to in, and attached to, the Report) and the Council's entry into it.
3. Note there is an inconsistency in the Joint Committee agreement regarding the role of Raukawa ki Te Tonga for matters outside of the WRGF and that this will be resolved by the Joint Committee when it is formed.
4. Authorise the Mayor to sign, on behalf of the Council, the Joint Committee Agreement.
5. Note that the Joint Committee will adopt a Memorandum of Understanding which will set out the principles that guide the Joint Committee's work and the approach that the Joint Committee will take.
6. Appoint and establish the Wellington Regional Leadership Committee as a Joint Committee under clause 30(1)(b) of Schedule 7 of the Local Government Act 2002 on the terms set out in the Joint Committee Agreement and with effect from the date that the Joint Committee Agreement is signed by all local authority parties.
7. Appoint the Mayor to the Joint Committee, with effect from the date that the Joint Committee is established.
8. Appoint the Deputy Mayor as an alternate to be a member of the Joint Committee and attend meetings in exceptional circumstances where the Mayor is unable to attend.
9. Note that the Joint Committee is a Joint Committee of all of the local authorities that are parties to the Wellington Regional Leadership Committee Joint Committee Agreement and includes members representing iwi and the Crown.
10. Make the following delegations to the Joint Committee:
 - a. Approval of all plans and implementation programmes necessary to fulfil the specific responsibilities of the Joint Committee, including:
 - i. Wellington Regional Growth Framework and the Wellington Regional Growth Framework Implementation Plan
 - ii. Regional Economic Development Plan
 - iii. Regional Economic Recovery Implementation Plan
 - b. Approval of all submissions and advocacy statements necessary to fulfil the specific responsibilities of the Joint Committee.
11. Note that the Wellington Regional Strategy Committee is likely to be disestablished in the future, with the disestablishment process to be confirmed.

APPENDICES

1. Wellington Joint Committee for Regional Leadership - Joint Committee Agreement, including the Terms of Reference (under separate cover)
2. Wellington Joint Committee for Regional Leadership - DRAFT Memorandum of Understanding (under separate cover)

9 CONFIRMATION OF MINUTES

9.1 CONFIRMATION OF MINUTES

Author: Grayson Rowse, Democracy Services Advisor

Authoriser: Janice McDougall, Group Manager People and Partnerships

CONFIRMATION OF MINUTES

RECOMMENDATIONS

- 1 The minutes of the Council meeting of 28 January 2021 be accepted as a true and correct record.

APPENDICES

1. Council Meeting minutes - 28 January 2021 [↓](#)

**MINUTES OF KAPITI COAST DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU
ON THURSDAY, 28 JANUARY 2021 AT 9.30AM**

PRESENT: Deputy Mayor Janet Holborow, Cr Angela Buswell, Cr James Cootes, Cr Gwynn Compton, Cr Jocelyn Prvanov, Cr Martin Halliday, Cr Sophie Handford, Cr Robert McCann, Cr Bernie Randall

IN ATTENDANCE: Community Board Chair Kathy Spiers
Community Board Chair Chris Papps
Community Board Deputy Chair Margaret Stevenson-Wright

Mr Sean Mallon, Mrs Janice McDougall, Mr James Jefferson, Ms Suzanne Rushmere, Ms Lesley Olsson, Ms Sarah Lloyd, Mr Grayson Rowse

APOLOGIES: Mayor K Gurunathan, Cr Jackie Elliott

**LEAVE OF
ABSENCE:** Nil

1 WELCOME

2 COUNCIL BLESSING

The Deputy Mayor welcomed everyone to the meeting and Cr Halliday read the Council blessing.

3 APOLOGIES

Paekākāriki Community Board Chair Holly Ewens and Community Board Chair James Westbury asked their apologies be noted

RESOLUTION CO2021/1

Moved: Cr Gwynn Compton

Seconder: Cr Jocelyn Prvanov

That apologies from Mayor K Gurunathan and Cr Jackie Elliott be received and accepted.

CARRIED

4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA

Rachel Barwell and Alison Lash from Kapiti Climate Change Action Group spoke to item 8.2, urging Councillors to delay adoption of Transport Strategy.

Trevor Daniels from Grey Power spoke on item 8.2, in particular 4.5 and 4.6 regarding ambulance services.

David Ogden was introduced to the meeting as the incoming Chair of the Older Persons Council. Councillors welcomed Mr Ogden by acclamation.

John Vickerman spoken to item 12.1 raising concerns about the tendering process, and reasons for public exclusion. The Chair did not allow questions on this matter, as it is a public excluded item.

6 MEMBERS' BUSINESS

- (a) Public Speaking Time Responses
 - (i) Responses will be covered during consideration of items
- (b) Leave of Absence
- (c) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

7 MAYOR'S REPORT

Nil

8 REPORTS

8.1 AMENDMENTS TO THE COUNCIL DELEGATIONS TO CHIEF EXECUTIVE AND STAFF

Sarah Lloyd presented the report, which was taken as read. Questions from councillors were responded to by officers.

RESOLUTION CO2021/2

Moved: Cr Angela Buswell

Seconder: Cr Bernie Randall

That the Council adopts the new Council to Chief Executive and Staff Delegations as shown in Appendix A to the report *Amendments to the Council Delegations to Chief Executive and Staff*.

That the Council adopts the revised Resource Management Act 1991 Delegations to Staff as shown in Appendix B to report *Amendments to Council Delegations to Staff*.

CARRIED

8.2 SUSTAINABLE TRANSPORT STRATEGY

Suzanne Rushmere presented the report, which was taken as read. Sean Mallon spoke to concerns raised during public speaking in relation to the drafting, and the purpose of the strategy, particularly in relation to climate concerns. Officers responded to questions from councillors.

Councillors proceeded to debate the recommendations.

POINT OF ORDER – MATTER TO LIE ON THE TABLE

Moved: Cr Sophie Handford

Seconder: Cr Gwynn Compton

That the item of business, 8.2, currently being discussed should lie on the table and not be discussed further at this meeting.

For: Crs Gwynn Compton, Jocelyn Prvanov, Sophie Handford and Bernie Randall

Against: Crs Janet Holborow, Angela Buswell, James Cootes, Martin Halliday and Robert McCann

LOST 4/5

RESOLUTION CO2021/3

Moved: Cr Angela Buswell

Seconder: Cr James Cootes

That Council adopts the Sustainable Transport Strategy.

That minor changes post the Ngā Hapū o Ōtaki review must be approved by the Mayor and Chief Executive.

That Council will discuss concerns raised by the Kapiti Climate Change Action Group with them

CARRIED

8.3 CLASSIFICATION OF ELIZABETH STREET RESERVE, WAIKANAE

James Jefferson and Lesley Olsson presented the report which was taken as read, and responded to questions from Councillors

RESOLUTION CO2021/4

Moved: Cr Jocelyn Prvanov

Seconder: Cr Robert McCann

That the Council classifies Elizabeth Street reserve (comprising LOTS 8 & 9 DP 1031 as shown in Appendix 1) as Local Purpose Reserve (District) under Section 16(1) of the Reserves Act 1977.

CARRIED

9 CONFIRMATION OF MINUTES

9.1 CONFIRMATION OF MINUTES

RESOLUTION CO2021/5

Moved: Cr Gwynn Compton

Seconder: Cr Angela Buswell

The minutes of the Council meeting of 10 December 2020 be accepted as a true and correct record.

CARRIED

10 PUBLIC SPEAKING TIME

- Covering other items if required

- Public Speaking Time responses

11 CONFIRMATION OF PUBLIC EXCLUDED MINUTES

Nil

12 PUBLIC EXCLUDED REPORTS

1 RESOLUTION TO EXCLUDE THE PUBLIC

PUBLIC EXCLUDED RESOLUTION CO2021/6

Moved: Cr Jocelyn Prvanov

Seconder: Cr Angela Buswell

That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting for the reasons given below, while the following matters are considered.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
12.1 - Waikanae Water Treatment Plant Stage 2 Upgrade	<p>Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>Section 7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	Section 48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

RESOLUTION CO2021/7

Moved: Cr Angela Buswell

Seconder: Cr Martin Halliday

That the Council moves out of a public excluded meeting.

CARRIED

The Council meeting went into public excluded session at 11.26 pm.

The Council came out of public excluded session at 12.26 pm.

The Council meeting closed at 12.26 pm.

.....
CHAIRPERSON

10 PUBLIC SPEAKING TIME

- Covering other items if required
- Public Speaking Time responses

11 CONFIRMATION OF PUBLIC EXCLUDED MINUTES

12 PUBLIC EXCLUDED REPORTS**RESOLUTION TO EXCLUDE THE PUBLIC****PUBLIC EXCLUDED RESOLUTION**

That, pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987, the public now be excluded from the meeting for the reasons given below, while the following matters are considered.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Confirmation of minutes	Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	Section 48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7