

Project Business Case

Key Project Information

Project Name	Tairua-Pauanui - Tairua-Pauanui Community Spaces - Harbours - Tairua Mary Beach Wharf and Boat Ramp Enhancement		
Project Description	<p>The project has three key components:</p> <ol style="list-style-type: none"> 1) Upgrade of the existing wharf facility which is reaching the end of its life (3-6 years) and subject to some major refurbishment work which includes re-piling, renovation of existing pedestrian walkway, new railings, fenders and upgrades to the pontoon. 2) Improvements of the existing trailer boat launching ramp including widening the existing ramp and extending it by 3 meters to improve capacity for all tide launching. Improvements also include a new pontoon to reduce safety issues around launching. 3) Improvements to trailer boat parking, including re-landscaping of the reserve adjacent to Mary Beach. 		
	2014/2015 \$ 25,000 2015/2016 \$420,000 2016/2017 \$780,000	OPEX Budget	2014/2015 \$10,000 2015/2016 \$25,000 (this will likely be capitalised) Positive effect on wharf for next 5 years.
AC/ILOS split (where relevant)		Funding Source (where known)	Harbours Activity - Tairua-Pauanui
Project Manager	Ross Ashby	Senior Supplier	Total Marine Services Ltd
Senior User(s)	Project Working Group	Project Executive	
Project Board	Donna Brooke (Tairua-Pauanui Community Board), Warren Maher (Tairua Pauanui Sports Fishing Club); Chris New (Tairua Pauanui Sports Fishing Club), Rob Glasgow (Tairua/Pauanui Ferry Operator); John/Margaret Norman (Commercial Fisherman); Jim Hope (Charter Boat Operator); Roy Veil (Charter Boat Operator - Epic Adventures); Graham Empson (Community Member).		



Introduction

The purpose of the Project Business Case is to provide the Project Executive and Project Board with a concise overview and business justification for the project to be undertaken.

The objectives are to:-

- Provide a succinct summary of the reasons for the project that align to Council's current Mission and Vision.
- Define how benefits will be measured/realised, highlight any potential dis-benefits, key risks with supporting mitigation approach.
- Define how the project will be delivered (internal/external) and supporting procurement plan.
- Enable the project to be assessed as a **viable, desirable** and **achievable** solution.
- Form the basis to verify that the projects objectives and benefits are being realised throughout the life of the project.

The Project Business Case is a living document that will be verified at the projects Stage boundaries to ensure that the project is delivering on benefits, objectives, baseline plan and to agreed budget. The key reference document that the content of the Business Case is **derived** from is the **Project Initiation Document** (refer Appendices) and **Project Plan** (refer Appendices).

Executive Summary

Key Drivers for the Project:

The Tairua Mary Beach Wharf and Boat Ramp Enhancement Project has been a key community project for the Tairua community for some 20 years. Designs have been conceptualised as far back as 1995 by the community and stakeholders looking at options to enhance the wharfing facility at Tairua for recreational and commercial boat owners as well as enhancing Economic Development opportunities for the Tairua community by creating a destination boat launching facility for locals as well as visitors as the first boating facility on the Coromandel's east coast from the Kopu Hikuai.

There are three primary drivers for this project:

1. To renew and ensure the continued safe operation of the Tairua wharf facility.
2. A safe all tide boat launching facility at Mary Beach for trailer boats so that they can launch during all tide.

3. To provide for adequate trailer boat parking at Tairua that adequately addresses summer peak demand periods but is also affordable and reflects a year round facility.

1) To renew and ensure the continued safe operation of the Tairua wharf facility.

Need for Existing Operation

- There appears to be no known construction plans available for the Tairua wharf, but it is believed that the original timber structured wharf was:
 - Built in the mid 1860's
 - Rebuilt approximately 1930
 - Rebuilt again in 1940 with further urgent repairs done in 1948
 - It had a further major reconstruction in 1956 which was considered to be substandard
 - The entire structure was demolished in 1958.
 - The present concrete wharf structure as it is today was built in 1963 (51 years old)
 - The precast pontoon and the aluminium ramp are approximately 15 years old.
- The Tairua wharf is owned and managed by TCDC and has been since 1998 and TCDC has a 30 year resource consent from Waikato Regional Council which comes up for renewal in 2032.
- TCDC undertakes condition assessments on a fortnightly basis, with more thorough assessments by a civil engineer being undertaken on a bi-annual basis.
- In 2014 a condition assessment was undertaken which updated a 2011 assessment. The report concluded some significant investment (\$80,000 over the next three years) was needed to keep the wharf functioning safely, stating that:
 - Urgent work was needed to the pedestrian concrete walkway with only 7-10 year life remaining from 2011 (now 3-6 years).
 - Repair of all piles (approximately \$50,000 for all condition 2-3 piles)
 - Replace timber handrails and fenders.
- The wharf is a significant and iconic structure to the Tairua community, and was the original wharf servicing the township since the 1860's.
- The wharf is an all tide facility without vehicle access directly to boats. Users have to walk along the pedestrian walkway to the end of the wharf or pontoon to access their boats. Trolleys are available for transporting gear to the end of the wharf and pontoon.
- Critically, the wharf provides pedestrian access to the Tairua – Pauanui ferry service located on the existing floating pontoon along with various charter operations, commercial fishing and recreational vessels which use the wharf to take on water, stores, passengers and for general access to the services of Tairua township.
- Currently, there are about 5 Commercial Operators that use the wharf due to the size of the vessels not being able to use the boat ramp for launching: Tairua – Pauanui Ferry, Taranui (Commercial), Jas 1 (Cray fishing), Slipper Island resort and Delphinus Dive Ltd
- Of these, three unload approximately 5 times a week from the wharf.
- Commercial fishing operations have declined in Tairua and Whangamata, with processing facilities based in Whitianga and Coromandel
- There are approximately 77 harbour moorings in the Tairua harbour. These are broken down into 55 swing moorings and 22 pole moorings. These moorings are for the larger launches and yachts that are too big to use trailer boat launching and is one of the premises for all tide wharf that is accessible for loading of these boats.
- 40 launches and yachts (of those 4 commercial). Approximately 1/3rd (12) of these are used every day over Christmas holiday period.

Future Demand

- Commercial fishing is declining in Tairua-Pauanui with the main processing plant at Whitianga. However commercial recreational fishing and marine services are continuing to grow. The second biggest contributor to NZ GDP in the Coromandel is the fishing industry.
- Over the next 10 years it is anticipated that there will be slow growth for usually resident population within the Coromandel Peninsula, which represents an estimated loss of 12 people per year in the Tairua-Pauanui ward.
- Across the district it is anticipated that the proportion over 65 years old are expected to increase to over 40% of usually resident population by 2045.
- Although there will be a decrease in pertinent population there will still be ongoing demand for holiday homes and visitors.

Summary and preferred way forward.

- Anecdotally (through extrapolating future demand predictions set out above) there is probably a slow steady increase in demand for larger vessels in the long term, however not enough to warrant high levels of investment in the short term alone.
- Demand for boat launching is primarily in the smaller trailer boat category, the wharf can be used for larger boats already, and with small improvements to loading could be improved to service commercial loading.
- Additionally, there is sufficient (at least in the short term) capacity at the recently constructed Tairua Marina for larger vessels, and this is often used for commercial charter operators already. There are 95 berths in total for 8-25m vessels with under half being occupied during last summer, and the remainder can be leased daily for \$27 or for a weekly rent over summer during the busiest period.
- There is the opportunity to re-look at the wharf provision given existing and future demands and to renew the asset as well as improve big boat loading by widening the existing pedestrian walkway and providing better trollies as well as improving vehicle access by widening the existing concrete and rock wall up to the wharf office building to better facilitate commercial operators such as dive, charter and crayfish operators.

2) A safe all tide boat launching facility at Mary Beach for trailer boats so that they can launch during all tides

Need for Existing Operation

- Alongside the wharf pedestrian walkway is a single lane boat ramp facility which provides all tide boat launching for trailer boats.
- Existing tidal issues have caused some safety concerns for boat launching within incoming tides resulting in boats being pushed and caught under the wharf.
- The boat ramp was widened and resurfaced in December 2012. Due to the sand fan there is significant capacity for boat launching with boats regularly using the sand to launch at the side of the concrete boat ramp. This is often preferred on an incoming tide to reduce the risk of boats being dragged under the wharf.
- The boat ramp and sand means that there is approximate capacity for 6-10 boat launchings at any one time, however the pinch point at the entrance reduces this capacity.
- Approximately 15-20 days over the summer period (of which 5-8 over Christmas and New Year) the ramp at Mary Beach was full with spill over parking being accommodated along Petley Parade.

Future Demand

- The boat ramp is experiencing increasing use due to a decrease in trailer boat parking at Paku with the development of the Tairua Marina and the increasing traffic congestion on the one lane town bridge over the summer period and holiday weekends.
- In 2016 the Tairua Marina will be fully developed, reducing the number of trailer boat parks by approx. 40 - increasing demand on Mary Beach boat ramp.
- Council is looking at alternative parking of trailer boats at Paku which could alleviate parking pressures at Mary Beach, however this is still to be worked through.
- These traffic issues in summer mean that Mary beach becomes a crucial level of service providing a much needed alternative boat launching location for those residents south of the Main Road (SH25) bridge to town and also helps to alleviate boat traffic through town to Paku.
- Improvements to the boat ramp are required to alleviate safety concerns around boats being carried under the wharf due to the tidal flows.
- There are on-going maintenance issues with stormwater run-off scouring underneath the ramp during rain events.

Summary and preferred way forward.

- There is room to widen and extend the boat ramp and improve it for all tide access.
- The key user working group discussed a number of options, with consensus that a floating pontoon alongside the wharf would help to alleviate the safety issues around the wharf.
- A second floating pontoon is being investigated, which could potentially be located at an angle to reduce tidal influences and increase boat launching capacity.
- Suggestions around widening and lengthening the concrete ramp are also being investigated to help with power loading issues and increasing capacity.
- The key user working group are coming up with a preferred design that will then be assessed by a registered engineer and costed to determine an approved scope.

3) Improvements to trailer boat parking, including re-landscaping of the reserve adjacent to Mary Beach.

Need for Existing Operation

- Currently there are approximately 19 dedicated trailer boat parks in the area of Mary Beach.
- An additional 9 (of the total 19) were provided recently (last two years) through reconfiguration of existing car parks on the Council owned land next to the Tairua Pauanui Sports Fishing Club.
- The main location for trailer boat parking and launching in Tairua has always traditionally been Paku, which provided on-road parking and beach launching. Historic parking has also been on land owned by the Marina approximately 40 parks.
- Recent consenting granted to the Marina development is putting pressure on trailer boat parking with construction likely to be a year away which will result in the loss of 40 parks.
- 15-20 days over the summer period (of which 5-8 over Christmas and New Year) the trailer boat parking at Mary Beach is full with spill over parking being accommodated along Petley Parade.
- This Easter (April 2015) there was a fishing competition as well as Easter traffic. There were approximately 15-20 trailer boats as well as a full ferry and vehicle parking adjacent to the reserve, there were no major problems with traffic or parking reported.
- The remainder of the year there is adequate trailer boat parking in the vicinity of Mary Beach boat ramp.

Future Demand

- Although not rapid growth, it is expected that demand for trailer boat launching and parking in the vicinity of the Mary Beach boat ramp will grow steadily. Permanent population growth is projected to be slow in the Peninsula. However, the ageing population will increase rapidly to almost 40% in the next ten years and additional demand for holiday homes will continue. An aged population tend to have more time and disposable income and growth in holiday homes will put added pressure on trailer boat parking.
- In 2016 the Tairua Marina will be fully developed, reducing the number of trailer boat parks by approx. 40 - increasing demand on Mary Beach.

Summary and preferred way forward.

- A total of 30 new car parks could possibly be provided in the immediate area to offset future pressures.
- A brief to the Roding Engineer will be compiled to inform options for trailer boat parking in the area.
- The key user working group suggested that Petley Parade, which is currently being used for overflow parking could be formalised as well as looking at options adjacent to the reserve.
- Following an options report from Roding Engineers, further discussion will be had with the working group and residents.

Project Reasons

- The renewal of the Tairua wharf and redevelopment of the boat ramp will retain existing levels of service which states *"All tide boat ramp that can be accessed in each community board area"*.
- The redevelopment of the wharf is part of this project and will allow for the continued level of service to be met which is *"Council will provide commercial wharfage facilities for industry use."*
- The Tairua Mary Beach Wharf and Boat Ramp Enhancement project ensures that visitors and the existing community can use harbour facilities so that Coromandel is the best place to live work and play.

Project Objectives

The objectives of the project are to:

- Extend the life of the Tairua wharf and pontoon for commercial and private boats and the ferry service.
- Continue to provide all tide boat launching facility and to improve this where possible.
- Ensure a safe public facility.
- To ensure on-going levels of service for trailer boat parking by providing alternative trailer boat parking to Paku.
- Proposed boat launching fee to be investigated contributing to the on-going costs of this project.

Project Options

(Outline the different options, assessment on each option and highlight the recommended option))

- Over the course of this project there has been a number of design options considered all with the intention to improve boat launching facility at Mary Beach. The concept development in 1995 by the late Roy McNabb proposed a land reclamation of approximately 3 hectares plus a 100 meter promenade for boat mooring and loading as well as 30 additional car parks.
- Council undertook a costing appraisal of this option through Airey Consultants in September 2012. The estimates came to \$3.8million plus consenting costs of upwards of \$500,000.
- Boffa Miskell was also engaged by Council with two more concept plans being developed with a 70 meter and 100 meter parallel wharf/promenade. The 70 metre concept was costed at \$2.2 million with an additional \$1 million for consenting costs. This option was also based on the cheapest seawall and did not leave much room for ramps, promenades, etc.

Risks for the above options:

- There are a number of significant risks for the above options that would pose substantial time delays and potentially prevent the project being completed. Additionally, on-going costs associated with land reclamation and uncertainty around Iwi settlements also posed high levels of risk.
- Significant uncertainty around consenting costs and approval of reclamation – upwards of \$500,000 (closer to \$1million).
- Dredging costs have not been determined - potentially \$10,000 maximum annually
- Unknown on-going maintenance costs of land reclamation.
- The options above do not address wharf age and redevelopment– risk wharf could collapse in 3-6 years.
- The Tairua wharf has been owned by Council since 1913 and has been maintained by Council since then, with ongoing maintenance responsibilities.
- Any reclamation requires consent from the Crown and is subject to Treaty settlements.
- The site has not been specifically raised in the Hauraki treaty negotiations. However, all Crown land is subject to Treaty of Waitangi claims until all claims in that area have been settled. A Council staff member has offered his services in contacting all Iwi to progress any options.
- The Tairua Mary Beach Working Group reconvened and met on 24 April 2015 to go through the above issues and consider options for moving forward.
- Key discussion points included the fact that the project had been identified for over 20 years and had progressed little due to budget constraints. A clear direction was set by the Tairua-Pauanui Community Board in 2012 setting the budget at \$1.2million. The key risks associated with the previous options were identified and some clear project objectives set out. These form the basis of this Business Case report as set out under the 3 key drivers. As such the options set out below are based on these discussions and a proposed new way forward, where the key drivers and issues were identified in the past options. These were taken forward for options analysis within the budget constraints of \$1.2 million. The project options have been broken down into the three key drivers being:
 1. To renew and ensure the continued safe operation of the Tairua wharf facility.
 2. A safe all tide boat launching facility at Mary Beach for trailer boats so that they can launch during all tides.
 3. To provide for adequate trailer boat parking at Tairua that adequately addresses summer peak demand periods but also is affordable and reflects a year round facility.
- The discussions and options were considered under the 3 key drivers

No.	Option	Advantage	Disadvantage
1. To renew and ensure the continued safe operation of the Tairua wharf facility.			
1	Renew the wharf as originally constructed	Costs less	Does not take advantage of opportunity to improve big boat loading
2	Renew the wharf with wider pedestrian walkway to better facilitate loading for bigger boats	Cost efficient Provides opportunity for improved big boat loading	Limited width increase due to existing wharf concrete walkway and engineering load bearing capacity
3	Complete wharf rebuild	Could be designed for best boat loading	Cost prohibitive High consenting risks Still requires trolley to load larger boats at end of wharf

2. A safe all tide boat launching facility at Mary Beach for trailer boats so that they can launch during all tides.			
1	Widen concrete boat ramp	Costs less	Does not address safety concerns
2	Widen concrete boat ramp with floating pontoon	Cost efficient Addresses safety concerns	Does not make maximum future proof capacity for trailer boat growth Council generate significant demand causing traffic and parking issues
3	Widen concrete boat ramp with two floating pontoons	Costs most Provides for maximum capacity	Costs including maintenance costs May reduce potential to do other parts of the project due to additional costs,
3. To provide for adequate trailer boat parking at Tairua that adequately addresses summer peak demand periods but also is affordable and reflects a year round facility.			
1	Re-configuration of existing parking to include new formalised trailer parking at Petley Parade during summer months	Costs least Retains reserve and existing features	Provides least number of additional trailer parks
2	Re-configure existing parking for trailer parking at Petley Parade and Road reserve outside toilets	May be cost efficient Provides additional trailer parks	May reduce some green park area outside toilets for parking during summer but could be designed to have minimal impact with new planting, etc.
3	Re-configure existing parking for trailer parking at Petley Parade and Road reserve outside toilets and adjacent to dinghy park	Most costly Provides most number of trailer parks	Reduced green space outside toilets plus may lose some vehicle parking for the park

Benefits

Benefit	Measurement	Measurement Method	Tolerance
Less maintenance costs on the Wharf	Monthly financial reporting	Annual Plan and Annual Report	10%
A refurbished attractive community wharf asset that is a focus of pride for the community	Positive feedback from visitors, wharf users and the community	Information Centre and other community feedback. Community Board Members and boating community reports	Some negative feedback expected but no more than 1:10
Improved big boat loading for all boats including commercial charter operators	Additional commercial wharfage fees Commercial operator comments	Annual wharfage fee accounts Community Board members reporting	10% for wharfage fees
Safer trailer boat launches	No incidents of boats under wharf Positive feedback from boating community	Community Board Member reporting Harbour Master reporting	0% for boat incidents under wharf
Increased capacity of trailer boat launching	More trailer boats being able to launch and land.	Reports from Harbour Master and Community Board Members and boating community reports	30% increase in trailer boat launching during the two summer months of December and January
Adequate trailer parking to accommodate trailer boats during summer months	Limited complaints during summer months At least 20 new trailer boat parks	Reports from Harbour Master and Community Board Members and boating community reports	No more than 10% increase in complaints from benchmarked pre construction summer (Dec/Jan 2015)

Dis-benefits

(Define the expected dis-benefits and how these will be managed)

Dis-benefit	Management Method
Width of new wharf walkway limited due to engineering constraints for cantilever options	On-going options discussions with engineer and key users during design phase
Congested trailer boat ramp and access	<ul style="list-style-type: none"> • Concept design tested thoroughly with working group and boating community before detailed design and tendering • Annual monitoring with future management options to be considered by the board
In adequate trailer parking during summer months	<ul style="list-style-type: none"> • Introduction of trailer boat parking fees and use of funds to look at further parking options • Initial first year monitoring, with review period and conclusions presented to the board with possible solutions including new parking at school.

Indicative Timescale

Project Phase/task	Date
Project Working Group established and options discussed	April 2015
Trailer boat ramp and pontoon design options from working group	May 2015
Trailer boat parking assessment and Roading engineer design options	May 2015
Community Board endorses the Business Case	May 2015
Concept design costed and design for public consultation	June 2015
Community input	July/Aug 2015
Preferred design identified	Sept 2015
Working Group and Community Board endorses preferred design	Oct-Nov 2015
Resource Consent and Building Consent prepared and lodged	Dec-Feb 2015
Resource Consent approved	July 2016
Tender documents prepared	July 2016
Tender submissions	July 2016
Preferred supplier chosen	July 2016
Project construction begins	July 2016
Project construction completed	Sept 2016
Project Close out	Oct 2016

Budget

Financial Year	Stage/Deliverable	CAPEX	Funding Required	Funding Source
2014/2015	Preliminary Design - Concept Parking	\$ 10,000		TCDC
2014/2015	Detailed Design (Total Marine - Wharf and Boat Ramp)	\$ 25,000		TCDC
2015/2016	Community input	\$ 5,000		TCDC
2015/2016	Resource Consent Building Consent	\$ 150,000		TCDC
2016/2017	Physical Works	\$1,010,000		TCDC

Financial Year	Operational Activity	OPEX
2019/2020 onwards	Maintenance	\$5,000

Risk Assessment

Risk Category	Risk	Likelihood	Impact
Schedule	Resource Consent is not granted	Medium	High
Time/Cost	Public consultation raises costs and other issues	Low	Medium
Time/Cost	Surrounding neighbours raise issues during consultation	Medium	Medium
Time	Time delays for consenting and public consultation delay construction	Medium	Medium
Quality	Design of boat ramp is not fit for purpose	Low	Medium
Costs	Design options for wharf refurbishment are expensive and impact budget	Low	Medium
Costs	During wharf refurbishment and construction further unanticipated costs arise	Medium	Medium
Resource	Time availability of engineer (Total Marine Services)	Low	Low
Resource/Time	Specialist marine hydrologists unavailable or raise significant issues that impact timing and likelihood of consent approval	Low	Medium