

Coromandel harbour projects update

TO Coromandel-Colville Community Board
FROM Jacqui Thorby - Project Manager
DATE 2 May 2018
SUBJECT **Coromandel harbour projects update**

1 Purpose of Report

The purpose of this report is to provide an update on two key projects in Coromandel.

- Coromandel/Furey's Creek Marine Facility – Development Proposals
- Sugarloaf Expansion Project – Coro Marine Farmers Association (CoroMFA) and Hauraki Aquaculture Future (HAF) proposals and issues

2 Background

For a number of years now there has been a desire to expand the Sugarloaf facility to cater for Aquaculture growth, improve harbour facilities for users and find a way to get a fast ferry into Coromandel Town.

At the end of October 2017 a Thames Coromandel District Council (Council) initiated Harbour Development Expressions of Interest (EOI) closed and 12 were received. 9 were from potential suppliers, wishing to provide their goods and services if and when any development proceeds. The remaining 3 EOI's were from potential developers presenting a range of options to enhance the harbour accessibility and useability.

After initial evaluation of the 3 developer EOI's, staff and Coromandel Colville Community Board (CCCB) developed a set of criteria to try and find the proposal with the best fit to the needs of the community and the harbour. **Refer Attachment A.** These criteria became a key part of the draft Marine and Harbour Strategy, which was also developed in support of the EOI process.

All 3 EOI's received were at different stages of development and had elements of alignment with criteria, but no one proposal met all the needs defined. No EOI received catered adequately for aquaculture growth or provided for an all-tide boat ramp. Proposed development costs ranged from \$20-30M + consenting costs.

In terms of design concepts, proposals ranged from a 60-70 berth marina with some ancillary services on private land adjacent Furey's Creek; to an 800m pier with an 80 berth floating marina and provision for charter and ferry docking; to a 200 berth marina in the harbour basin somewhere between Furey's Creek and the Coromandel Wharf. Given these 3 proposals all met some elements of the agreed criteria they were all short-listed pending further information and discussions.

Due to the diversity and range of proposals it was decided not to "pick a winner", but to continue to facilitate the progression of all appropriate proposals in the interests of progressing wider economic development objectives.

To assist facilitation of the process there was a need to gauge potential demand for a marina, to both inform the developers of the size of the opportunity, and also to provide Council with an indication of the level of community interest.

201 expressions of interest were received in response with 85% of respondents (171) interested in purchasing a berth depending on marina type, location and cost. 12% of respondents (23) opposed development of the harbour and its environs due to concerns with dredging toxicity, impact on the environment and lack of suitable disposal sites for dredged material. Some questioned why Council initiated the process rather than the possible developers. 3% of people (7) indicated a neutral position on the matter and a number of respondents commented on the desire for additional facilities, including the provision of an all-tide boat ramp and a ferry to the town.

The comments received gave a clear indication that there is a high level of interest in development of the Coromandel Harbour, with the majority of respondents in support, subject to location, cost, responsible environmental controls and safe dredging practices. A summary of this information (excluding personal details) was provided to the 3 potential developers for their due diligence.

The next step in the facilitation process was a Request for Further Information (RFI) which was sent to the 3 potential developers. Discussions have continued with all 3 to try and better define opportunities and concepts. Throughout the entire process staff and contractors have acted in a facilitation role with some proposals developing faster than others.

The outcome of the discussions with potential developers and key stakeholders including Waikato Regional Council and Iwi has resulted in the concept evolving in a way that better aligns with CCCB criteria and community needs and desires.

One proposal that is moving rapidly forward is Pita Street Developments. **Refer Attachment B.** The concept design has been through a number of iterations and revisions following lengthy engagement with key stakeholders and potential users of the facility. The proposal has been heavily influenced by the needs of the community, learnings from a previous proposal that did not proceed and the criteria developed by staff and CCCB.

A further late proposal was presented to the CCCB on 8 May 2018, making a total of 4 EOIs received. This provided for a Ferry Terminal with improvements to berthage and associated marine services at Furey's Creek.

Although the proposals by the Pier Trust and Dredging NZ are still "alive", their progress has been slower to date and matters such as detailed concepts, design, feasibility and funding methods are yet to be determined.

3 Issues

No one proposal meets all CCCB criteria or community needs. All proposals have elements of alignment with agreed criteria with varying levels of progress. No proposal has explicitly asked Council for a financial contribution, although the Council has contributed some funds towards the Pier Development project previously. All current proposals request different types of in kind Council support, with a common thread to provide help with funding applications and/or consenting going forward. No current proposal caters for much-needed aquaculture expansion.

The proposal by Pita Street Developments, which is the most progressed, is a privately funded development that is well-advanced. One key issue with the proposal is that the Furey's Creek Channel will initially need to be dredged to -1.2M MLWS to get a purpose-built ferry and charter boats into the Town. Dredging the creek for the Ferry alone will never be feasible or cost-effective. However, provision is made for a Ferry Terminal and Charter Boat moorings within the development, if council endorse the proposal and provide in kind support for preparation of a Provincial Growth Fund and/or Tourist Infrastructure Fund applications depending on their best fit with criteria. These funding applications would be

centred around the initial dredging of Furey's Creek and feasibility of getting a Ferry into Coromandel. This support would come under the Economic Development arm of Council.

4 Discussion

It is clear that there is a high degree of interest and support in the development of the Coromandel Harbour in a safe and sustainable manner. It is also evident that the EOI processes and subsequent discussions and facilitation role council has played has been useful and has resulted in 4 potential proposals, that to varying degrees, will meet community needs and desires if successful.

The fact that no proposal caters adequately for aquaculture is disappointing, but not unexpected given the available space, tidal constraints and health and safety issues associated with mixed-use facilities. We already know from the current Sugarloaf situation, that combining recreational activities with industry activities without clear separation is not workable.

For a number of years Council has been working with CoroMFA to try and facilitate the Sugarloaf Expansion project. In spite of widespread industry agreement on the need to expand the facility, there is clear lack of alignment on the size and type of facility required to cater for forecast growth. A recent Coachio Group Health and Safety report commissioned by CoroMFA, has put an impetus the need to provide physical separation between recreational and commercial activities at the Sugarloaf without delay. A key outcome of the report was for CoroMFA to engage AECOM engineering consultants to develop further concept designs. This design options report has now been received and as at this stage there still is no majority agreement from CoroMFA members on the best option.

The ongoing lack of agreement has resulted in the formation of a break-away group from CoroMFA and some of the previous executives have resigned, although they are still members of the association. The new group called Hauraki Aquaculture Futures (HAF) has been formed to attempt to drive the development and this group has already begun lobbying local and central government for support.

Although the Sugarloaf Expansion appears to be at a stalemate between HAF and CoroMFA, the positive news is that there is a clear desire to do something quickly due to the worsening Health and Safety concerns. Council will continue to act in a facilitation role as needed. Such facilitation will include help with networking, funding applications and other in kind support where appropriate and in line with Council criteria.

Key criteria for the Sugarloaf development includes the provision of a fit for purpose facility for all industry users (big and small), also protects the current needs of recreational users. It will also be important that a suitable owner of the facility be found who will provide a level playing field for all industry users. This may include Crown, Iwi or local Government or an appropriate private developer, who can demonstrate they will not undertake anti-competitive practices.

The current situation is uncertain with the two groups progressing differing development options. In an ideal world there will be a suitable compromise, which has majority agreement from industry users. Whatever the final concept TCDC endorsement will be needed to seek government funding and to ensure its interests are accommodated and the wider benefits included.

5 Suggested Resolution(s)

That the Coromandel-Colville Community Board:

1. Receives the 'Coromandel Harbour Projects update' report, dated 2 May 2018.
2. Recommends to Council that it:

3. Supports a continuing facilitation process by TCDC as appropriate, to progress harbour development opportunities that align with its approved criteria.
4. Supports the continued investigations to progress the proposal presented by Pita Street Developments.
5. Supports the continued facilitation by TCDC staff for other potential developers that align with agreed criteria.

References-Tabled/Agenda Attachments

Attachment A *Harbour EOI criteria*

Attachment B *Pita Street Developments - Concept Plan and supporting paper*

Attachment A

| PARTNER DETAILS: | | | | |
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| Criteria 1 CAN THEY ACTUALLY DELIVER THEIR PROPOSAL? | Essential / Preferred | Weighting | Cumulative weighting | Notes and Comments |
| <p>Partner selection criteria - meets TCDC minimum requirements:</p> <ul style="list-style-type: none"> • Track Record - 30% • Specific relevant experience and methodology – 30% • Relevant Skills – 20% • Resources -20% <p>Considerations here are in relation to the partner and their ability to deliver an outcome to meet project needs.</p> | Essential | Total 20% | 20 | <ul style="list-style-type: none"> • Track record - Do they have a reputation and/or experience in delivering similar projects? • Specific relevant experience and methodology - What other similar projects have they delivered and what was their role? • What was their methodology for delivering their proposal? • Skills & Resources - Do they have the skills and resources to complete a project of this size? • Resources - Do they have relevant business expertise or ability to draw on it? Who are the partners involved and what is their resource capability? |
| Criteria 2 DO THEY HAVE THE FUNDING OR ABILITY TO DRAW ON FUNDS? | Essential / Preferred | Weighting | Cumulative weighting | Notes and Comments |
| <p>Proposal can be funded to achieve the desired investment outcome:</p> <ol style="list-style-type: none"> a. Financial Viability / Credibility b. Sub-investors and partners viability and credibility | Essential | Total 20% | 40 | <ul style="list-style-type: none"> • What is their ability to finance the project / raise capital? • Who are their investors / financial partners? • What are they expecting in terms of Council support (cash or in-kind?) |

| <p>Considerations here are in relation to the interested parties. Is some level of community/ratepayer funding needed?</p> <p>Have they checked their proposal against the Tourism Infrastructure Fund if they are seeking TI funding?</p> | | | | <ul style="list-style-type: none"> • What funding are they seeking from Government and others? • Is there revenue potential for council? • Have they checked their proposal against the Tourism Infrastructure Fund criteria if they are seeking TI funding? And if so how do they stack up? |
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| Criteria 3 IS IT LIKELY TO BE POLITICALLY ACCEPTABLE? | Essential Preferred / | Weighting | Cumulative weighting | Notes and Comments |
| <p>Liabilities to Council and Ratepayer can be isolated and managed within acceptable tolerances:</p> <ul style="list-style-type: none"> • Environmental; • Operational Sustainability; • Reputational • Iwi considerations | <p>Essential</p> | <p>Total 20%</p> | <p>60</p> | <ul style="list-style-type: none"> • Is the proposal and methodology to build the development environmentally safe and sustainable? • Who will own, insure and maintain the asset post-construction? • Will what they are proposing place any maintenance or operational requirements of the Council longer-term? • What are the reputational risks and issues associated with the proposal? If Council supports the proposal, will it cause long-term reputational damage to the Council? |
| Criteria 4 DOES IT SOLVE OUR ISSUES AND MEET OUR NEEDS FOR THE FUTURE? OPTION 1 - ECONOMIC DEVELOPMENT BENEFITS | Essential Preferred / | Weighting | Cumulative weighting | Notes and Comments |
| <p>The benefit to the community in terms of the environment, the economy and / or the amenity is quantifiable and measurable on an on-going basis. i.e. the proposal solves existing issues as follows:</p> | <p>Essential</p> | <p>Total 40% (max) 15%*</p> | <p>100%</p> | <ul style="list-style-type: none"> • Does the proposal solve our current infrastructure issues? • What needs doesn't the proposal solve? • Tick box – how many of our desired outcomes does this proposal meet and are these outcomes essential or |

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| <p>The benefit to the community in terms of the environment, the economy and / or the amenity is quantifiable and measurable on an on-going basis. i.e. the proposal solves existing issues as prioritised below:</p> <ol style="list-style-type: none"> 1) Reduce congestion at Sugarloaf and Hannafords (M9); 2) Provision for commercial marine services i.e. boat storage, haul-out (M9); 3) Provision of appropriate Commercial Wharfage for Aquaculture; (M8); 4) Increased capacity for charter berthage, loading and unloading customer reception facilities with associated parking (M8); 5) All tide recreational boat launching facilities with sufficient parking capacity (M8); 6) Sewage pump out facilities for all boats (M8) CCCB (S6); 7) Loading facilities for mooring holders (M7); 8) Launching and landing facilities for commercial fishing (including scallops / finfish / crustaceans) (M7) CCCB (S6); 9) Provision of a facility to accommodate appropriate all-tide fast-ferry: <ol style="list-style-type: none"> i) Improved facility through either sole use or increased capacity (M8) CCCB (S6); ii) Direct into Coromandel Town (S6); iii) Faster service (C3); iv) Direct (no stops) (C2); 10) Utilises existing infrastructure where | | <p>Total (max)</p> | <p>40%</p> | <p>100%</p> | <ul style="list-style-type: none"> • Does the proposal solve our current infrastructure issues? What exactly are they proposing to build? Location? Size? Scope? • Tick box - What outcomes doesn't the proposal solve and are these outcomes essential or desirable? • Must = Essential outcome due to immediate need around health & safety, environmental or capacity issues already present. (Scores 7-9) • Should = Preferred outcome due to a current need & forecast need or benefit. (Scores 4-6) • Could = Desirable outcome with no immediate need or associated risk. (Scores 1-3) |
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| <p>appropriate e.g. Coro Wharf, Jacks Point Ramp and Fureys Creek haul out (S6);</p> <p>11) Fuel facilities (S6);</p> <p>12) Marina facility and Berth age for house boats (S4);</p> <p>13) Potable water facilities (S4);</p> <p>14) Provision for marine retail i.e. chandlery, bait, fishing gear etc (C3).</p> | | | | |
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Pita Street Development Company

The aim of the Pita Street Development Company is to establish **a marine basin and service facility near the center of the town of Coromandel** to provide;

- Town-centred long-term Ferry landing
- Facilities for Charter Vessel operations
- A travel lift haul-out, marine services area for boat building and maintenance
- Boat-stack storage on-land
- Some marina berths
- New marine-focused businesses
- All with improved all-tide access to and from the sea
- All being done environmentally sustainably, economically positively and offering improved “quality of life” for the town.

This will also be good for current Fureys Creek users including the recreational trailer vessel launching ramp facility.

It also will be very good for the town of Coromandel by creating and centering new and sustainable complimentary businesses in the heart of the town. There is also the opportunity to adjust layout of roading to improve town access especially to the west.

The marine service area will be built into existing private land. The key public space to be developed is just the Creek itself (by deepening, some widening and stop-banks) so as to be all-tide and take vessels in both directions and faster-moving vessels (eg Ferry).

This proposal differs from the 1999 Coromandel (350 berth) Marina and Ferry consent applications (“Coromandel Waterways”) by this being; smaller, confined to private land, not a RCA, not in an ASCV, clearly not affecting High Natural Character areas, clearly being driven for public benefit, with minor effects on local ecology. Last time the proposal was opposed by all 3 of;

- TCDC
- Waikato Regional Council
- Department of Conservation
- and this time the support (excluding Regulatory) of all 3 is required before proceeding.

Timing is for 2018 Consultation on the Proposal then to lodge the required consent applications and to complete Construction by early 2021. **Funding** will be raised from Agency and Private Investors as needed in stages, re Consenting and Construction.

A pre-application consultation phase is planned in 2018 which TCDC (and other Agency plus Public) support will be sought. Such support is vital to the project, and notably includes support for;

- **ferry facilities, and charter**
- **creek access improvements**
- **relocate the paper road**
- **consultation and consenting**

Appendix; Background

Marina Facilities Generally

Auckland (some 2 hours away by fast ferry) has ~ 6 very large marinas. There are also Whangaparaoa and Sandspit. Waiheke Island is to get a marina. The eastern sea-board of Coromandel has 3 marinas and 2 waterways.

Coromandel town (and Thames) by contrast have no all-tide marine facilities for marine users apart from a Mussel wharf at Sugarloaf and Hannafords wharf at Te Kouma, and Thames has a small and tidal marina. Both towns have small and increasingly privatised tidal wharf facilities.

Council polling has shown the very considerable interest in a marina-related facility at Coromandel. It appears that marine facility development at Coromandel would also be positive and supportive of like facilities at Thames.

Comment re a Coromandel Marina

There remains the opportunity, which is entirely separate from this proposal, to build a potentially large marina at Coromandel, such as at Jacks Point and adjacent to the south side of Coromandel Wharf. That would create readily many suitable berths and allow ready balancing of cut and fill arrangements for the marina and associated vehicle parking and associated business. However it may alternatively be that a marina developer would chose a site elsewhere (eg south side of harbour) that was more “greenfields” and with deeper water.

These concepts if/when they happen, are of little concern to our proposal as they are essentially separate concepts.

We are confident that town business would support our proposal for this marine town basin concept, due to our proposal being built into Coromandel town to support existing businesses, rather than being 1,000+m away or out of town and the risks that poses for existing town business arrangements.

Probable Facilities: These are as follows;

- Provision of a facility to accommodate appropriate all-tide fast-ferry, direct into Coromandel Town
- Provision for commercial marine services i.e. boat storage, haul-out
- Increased capacity for charter berthage, loading and unloading, customer reception facilities with associated parking
- Some marina berths
- Users Access to; Toilets, Showers, Washing plus; Potable water and Sewage pump out facilities
- Loading facilities for visiting Vessels
- Some terraced housing, perhaps with rental access.

Possible Facilities:

- Provision for marine retail i.e. chandlery, bait, fishing gear etc.
- Fuel facilities
- Launching and landing facilities for commercial fishing (including scallops / finfish / crustaceans)
- Potable water facilities
- Sewage pump out facilities for all boats
- Loading facilities for mooring holders

Unlikely Facilities List:

- Provision of appropriate Commercial Wharfage for Aquaculture

- All tide recreational boat launching facilities with sufficient parking capacity, however development of the Creek will allow ready redevelopment of the current facility for this sector
- Marina facility and berthage for house boats (live aboards)

Alternative Approach

Alternatively the private land now earmarked for this development could be readily privately “carved up” and “flogged-off” for eg yet more accommodation, which would be the cheap, easy and most profitable thing to do. That would leave Coromandel continuing to miss-out on the considerable social and economic benefits from a town basin.

Contact;

- Gilbert James, Project Chair.

Also;

- Ian Murphy, of Murphys Buses; Project Investor and Advisor re; Transport and Business.
- Tom Hollings, acting Project Secretary.

