

COVER SHEET

<p>1. Kopu Marine Servicing and Business Precinct – Business Case Project PGF Application</p>	<p>For: Approve</p>
<p>Background & context:</p>	<p>Recommendation:</p>
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Thames-Coromandel District Council (TCDC) <p>Location:</p> <ul style="list-style-type: none"> Kopu Thames-Coromandel District, Waikato Region <p>Proposal:</p> <ul style="list-style-type: none"> The development of a business case to identify options to develop Kopu as a marine servicing and business precinct <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ <small>Commercial Inform</small> PGF Funding: \$ <small>Commercial Inform</small> <small>Commercial %</small> <p>Background:</p> <ul style="list-style-type: none"> This project sits across a range of industries, including: <ul style="list-style-type: none"> Construction Aquaculture Marine science research and development Food and beverage Tourism Maori Economy Cycling and Walking The project aims to deliver: <ul style="list-style-type: none"> Improved access to marine servicing, enhancing efficient commercial operations and delivering improved profitability. Resilient and fit-for-purpose maritime and transport facilities, supporting commercial and recreational users. Improved processing, manufacturing, tourism and research opportunities – providing resilience and adding value. 	<p>We recommend that the SRCs:</p> <p>a) Note That this proposal is one of three components of the Coromandel marine aquaculture wharfing infrastructure investment strategy (alongside Sugarloaf Expansion and Coromandel Gateway).</p> <p>The three pronged approach enables growth of the two key economic sectors in the Coromandel, tourism and aquaculture. The approach does this by providing essential increased capacity to land aquaculture product for the growing aquaculture industry (Sugarloaf extension), increases capacity and safety for recreational users, ferry and charter boats (Coromandel Gateway) and also the support services for the increase in large locally based boats and barges (Kopu Marine Servicing Facility).</p> <p>b) Note That MBIE has funded a feasibility study with the final report due to be completed November 2018.</p> <p>c) Note That the aim is to have the Business Case completed by June 2019.</p> <p>d) Note This project sits within a wider Productivity Plan for the District.</p> <p>e) Note stakeholder engagement has already been carried out as part of the feasibility study for this project. This has included discussions with the RED unit and the Hauraki District Council. As part of recent studies, there have been numerous stakeholder surveys,</p>

- For the Thames-Coromandel District to realise the benefits of continued aquaculture activity in the district and its potential to drive growth, it will need the infrastructure to handle the increased volumes of produce and inputs used. This includes wharves and facilities to handle additional barge movements.
- The Kopu site is already zoned industrial. In addition, the land required for the berth/wharfing infrastructure sits on an unformed public road owned by TCDC.
- The development of a berthing/wharfing facility could potentially be used for a number of industries – marine servicing, aquaculture, aggregate transportation, forestry, some allocated space for recreational boating as well as a maintenance site for charter boat operators as well as tourism linked to the Hauraki Rail Trail.

workshops and meetings undertaken.

- f) **Note** That the Thames-Coromandel District has a low, largely rural ratepayer base and the District Council does not have the financial resources to contribute to the co-funding of the Business Case.
- g) **Note** That MPI have assessed the proposal and support the recommendation of the PGF to proceed to Business Case as proposed.
- h) **Support** the recommendation to **Approve** \$^{Commercial Information} from the PGF fund towards Kopu Marine Servicing and Business Precinct Business Case subject to:
 - The completion of the feasibility study satisfactory to the PDU in all respects;
 - Agreement between the PDU and TCDC as to the project deliverables, and associated detailed budget;
 - PDU agreement to the make-up of the Stakeholder Advisory Group and proposed project management structure; and
 - PDU agreement of the consultant/consultant firm contracted to undertake the work.

PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> • This project aims to grow investment in the Kopu area to support industry, business, employment and GDP growth. • The business case will quantify the wider economic and social benefits of investment in Kopu as a Marine and Business Precinct. 	✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> • Increasing local employment opportunities, 	✓✓

	providing greater diversity of opportunities	
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> The Business Case will need to identify the economic impact on Iwi Interests 	
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> The project will be developed with a focus on the protection and enhancement of the District's natural assets. 	
Mitigation of climate change effects	<ul style="list-style-type: none"> 	
Additionality		
Adding value by building on what is already there	<p>While this project is highly complementary to the work of TCDC, it has not had the opportunity to take it further in the past due to funding and capacity constraints.</p> <p>The proposal does build on the Feasibility Study due to be completed November 2018</p>	✓✓✓
Acts as a catalyst for productivity potential in the region	<p>The expected expansion of aquaculture activities alone provides strong rationale for investment in Kopu marine facilities to provide support facilities for the Sugarloaf wharf in the Coromandel.</p>	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The project aligns with the Waikato Regional Economic Development Agency and Waikato Means Business strategies. 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Stakeholder surveys, workshops and meetings with local businesses have been undertaken. A communications and engagement plan will be developed for the project. 	✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> Project Governance and management structure is to be agreed 	
Risk management approach	<ul style="list-style-type: none"> To be determined 	
Future ownership / operational management	<ul style="list-style-type: none"> TCDC 	
<p>The purpose of this briefing is to consider recommending PGF funds to the Kopu Marine Servicing and Business Precinct – Business Case</p>		

Risks Issues:

- That the TCDC lacks the experience and skill base to deliver the project successfully. Mitigant – The establishment of a Stakeholder Advisory Group made of key stakeholders with the necessary skills and experience to oversee the work programme. The engagement of an appropriately skilled consultant/consultant firm contracted to undertake the work.

Eligibility points of note:

- *Due diligence:* Entity due diligence is not required as the applicant is a local authority.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* The project aligns with the Waikato Regional Economic Development Agency and Waikato Means Business strategies.
- *Commercial funding availability:* Given the nature of the project which is to deliver a business case access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI
Supporting proposal:									
Yes									
Appendices:									
Yes - Applications and supporting letters are as annexes									
Sponsor(s):									
N/A									
Manager/Author of paper:									
Nick Hough, Investment Team									