

## COVER SHEET

### 1. National Aquarium of New Zealand Expansion Detailed Business Case Project PGF Application

For:  
Approval

#### Background & context:

##### Applicant Organisation:

- Napier City Council

##### Location:

- Napier

##### Proposal:

- Develop a detailed business case for the National Aquarium of New Zealand (NANZ) Expansion Project.

##### Funding Sought:

- Total project value: \$<sup>Commercial Information</sup>
- PGF funding (grant): \$350,000

##### Background:

- The existing NANZ is nearing the end of its asset life and requires major investment to simply sustain existing services. Napier City Council has revisited the strategy in relation to NANZ and consider there is an opportunity to expand and enhance the offering. It has completed an indicative business case and is now seeking PGF funding to prepare the detailed business case.
- NANZ expansion is a priority within the Matariki Hawkes Bay Regional Development Action Plan. This was reinforced in a letter from the Matariki Steering Group to the Minister for Regional Economic Development (dated 16 February 2018).
- Commercial Information

#### Recommendation:

##### We recommend that the SROs:

- Discuss** the proposal.
- Note** that entity due diligence has not been carried out as the Applicant is a local authority.
- Note** the project has been assessed by the PDU against PGF funding criteria categories including: increased economic benefit, regional stakeholder support, and management & governance, in a surge region, are evidenced.
- Note** the PGF is being asked to supply \$350,000 of the \$<sup>Commercial Information</sup> required to prepare the detailed business case.
- Note** that the cost of constructing the NANZ expansion has been estimated as \$<sup>Commercial Information</sup>,  
Commercial Information  
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- Approve** allocation of \$350,000 from the PGF to the proposal.

Commercial Information

The purpose of this briefing is to consider recommending PGF funds to the NANZ expansion Project.

**Alignment to PGF criteria:**

*Increased Economic Benefit*

Based on the indicative business case the project would increase the attraction of the aquarium, creating more jobs, and more business opportunities (as well as linking with educational opportunities). There is a key link with tourism and bringing in additional visitors / providing more for them to do.

Free and frank opinions

*Alignment with regional plans/ Stakeholder support*

The project forms part of Napier City Council's long term plan. Air New Zealand, local iwi and local private investors have been consulted at a high level and support the project. The parties acknowledge that more robust consultation is required, and have agreed to undertake this as part of the detailed business case. Full consultation will be carried out as part of developing the detailed business case and evidence of the consultation will be sought as a condition of payment.

*Management and Governance*

As a local authority the application indicates that appropriate management structures exist. These will be developed in further detail as the business case development progresses.

**Risks Issues:**

There has been challenge around the robustness of visitor projections. This will be thoroughly tested and developed during the detailed business case development process.

**Eligibility points of note:**

- *Due diligence*:- Entity due diligence has not been carried out as the applicant is a local authority.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident.
- *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.
- *Commercial funding availability*:- Given the nature of the project and its early stage of development, 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	N/A+++
<b>Supporting proposal:</b>									
Yes									
<b>Appendices:</b>									
Yes – Application.									
<b>Sponsor(s):</b>									
N/A									
<b>Manager/Author of paper:</b>									
Privacy of natural persons, Investment Team									

PROACTIVELY RELEASED