

COVER SHEET

5.9 Rotorua Big Moves PGF Application & Feasibility Assessment for Dunedin Waterfront Project PGF Application

Discussion

Background & context:

Applicant Organisations:

- Rotorua Lakes Council & Dunedin City Council + Partners

Location:

- Bay of Plenty & Dunedin

Proposals:

- **Rotorua Big Moves** – is a feasibility for the development of the Rotorua Lakefront and the ongoing enhancement of the Whakerewarewa forest
- **Feasibility Assessment for Dunedin Waterfront Project** – is for a feasibility and assessment and development of a business case for the vision of Dunedin's waterfront.

Funding Sought:

- **Rotorua Big Moves**
- Total project value: \$Commercial Information
- PGF Funding: \$811,625
- **Feasibility Assessment for Dunedin Waterfront Project**
- Total project value: \$Commercial Information
- PGF Funding: \$820,000

Background:

On the 21st of May SRO's considered two applications for similar projects, Free and frank opinions

Recommendation(s):

We recommend that the IAP:

- Discuss** the applications; and
- Review** the previous decisions that the SRO's made and confirm whether you agree with the decisions.

Commercial Information

We would like the IAP to review that decision to confirm you agree with those decisions.

The purpose of this discussion is to discuss SRO decisions: Big Moves and Dunedin Waterfront

The previous advice given to the SRO's and reasons for their decisions are below.

Our advice on Feasibility Assessment for Rotorua Big Moves was:

Meets the principles of allocation of PGF Funding

Positives

- It was a very clear and well-articulated proposal;
- The Project has clear drivers which include triggering \$Commercial Information of proposed investment from both Iwi and private sector. This includes new and expanded businesses; and
- It also identifies the potential for Commercial Information new jobs (direct and indirect) as a result of project.

Issues

- We will ask for more details about the project plan and draw down plans at the contracting phase, but this a minor point of clarity.

Recommendation

Approve, with requirement that officials get clarity on the project plan and draw down dates.

The reasoning for the SRO's decision to approve is below:

- Com funding, Approved \$811,625

Our advice on Feasibility Assessment for Dunedin Waterfront Project was

Meets the principles of allocation of PGF Funding

Positives

- The task will test the feasibility of a major infrastructure project, forming the basis of a future application. Task includes a business case, which will clearly determine commercial benefits.
- High level of support from local councils and organisations, with supporting evidence provided.
- Dunedin City Council has allocated \$Commercial Information in support of the project as part of their long term plan.
- Applicant has stated that if the task exceeds the allocated funding, then they will cover the increase in cost.

Issues / queries

- It is unclear how the 'in-kind' contributions from various parties will be measured and contracted. An MOU has been provided however clarity should be provided.
- Unclear when the funds will be required and therefore payment should be negotiated.
- Scope of the feasibility study / business case is inferred throughout, however clarity would benefit (noting that the procurement of a consultant is being completed by 25 May).

Recommendation

Approve, subject to financial due diligence being conducted on the parties and the PDU seeking an ongoing governance role within the project (to be addressed in the business case deliverables).

The reasoning for the SRO's decision to decline is below:

- Seeking \$Commercial In for feasibility, Commis% percent of funding.
- This is for a vision document. Concern of the alignment to the strategic priorities of the fund and how the vision document, local government LTTP project and core BAU of council.
- Declined to broad and city planning role.
- Opportunity in future for individual elements of the wider development to submit proposals in future.
- No specific investment that give opportunity for employment and economic development at this point, lack of co-funding.

SRO concern about precedent setting for these types of proposals based on comments above.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	N/A
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Supporting proposal:

Yes

Appendices:

PGF applications and supporting docs

Sponsor(s):

No

Manager/Author of paper:

David van der Zouwe (Investment Team)