

Evaluation, Cover Sheet and Decision Form

Project:	District Revitalisation – Westport Waterfront Redevelopments	FOR:	Approval
Applicant:	Buller District Council	Pipedrive ID:	Commercial I
Application type:	Main PGF	(A) Total Project Value:	\$ Commercial Information
Funding type:	Grant	(B) PGF Funding Sought:	\$ Commercial Information
Entity Type:	Local Authority	(C) PGF Funding Recommended:	\$1,860,000
Region:	West Coast	(D) Applicant Contribution:	\$ Commercial Inform pledged
Tier:	3 - Infrastructure	(D/A) Co-contribution Rate:	contribution/total = $\frac{\text{Com}}{\text{Com}}$ %
Sector:	General Infrastructure		
Application summary:	<p>The Buller District Council is seeking to construct an elevated crossing over existing KiwiRail tracks to provide a pedestrian and cycle connection between the town centre and the river. Included as part of the project is redevelopment of the waterfront including landscaping and terraces that people can use to access the river. Notably this project would enable the Kawatiri Coastal Trail to start in a location much closer to the Town Centre.</p> <p>Providing for pedestrian access to the riverside will enable retail opportunities including the associated businesses to the Kawatiri Coastal Trail, such as cycle hire, cafes to develop along the waterfront.</p> <p>This project is part of the wider District Revitalisation Project, which the Buller District Council begun in 2018 and have allocated \$ Commercial Informat to the wider project for the 2019 financial year.</p> <p>The scope of the Westport Waterfront Redevelopments is beyond the scope of the council's small ratepayer base to fund by themselves, as such, they have sought external funding from the PGF.</p> <p><i>[Please see full project description in the Application Description Section]</i></p>		

The PDU recommends that the IAP:

Agree to approve an up to \$1,860,000 grant from the PGF towards District Revitalisation – Westport Waterfront Redevelopments

1. because:

- Commercial jobs would be created during Commercial Informat construction period;
- The applicant anticipates up to Commercial long term jobs being created indirectly as a result of this project;
- The redevelopment of the waterfront, including landscaping and terraces, can be started immediately;
- This project is seen as a key part of the districts economic plan; and

2. subject to:

- Delivery of a detailed work plan, costings and agreed milestones.

3. note:

- a) This project will support the Kawatiri Coastal Trail, by allowing the waterfront to be used as the beginning of the Trail, a project that was approved by RED Ministers in November 2018 for a grant of \$9,360,000
- a) This project is part of the wider Westport Revitalisation Project and the Council have allocated \$ Commercial Information during the 2019 financial year towards the project. The Council has also budgeted \$ Commercial Information next FY 2020/21 for district revitalisation projects.
- b) A letter of intent has been supplied by KiwiRail for the project. Withheld - Commercial Information
- c) DOC is supportive of this project.

Due diligence on applicant – Summary of findings	Not Requested
The applicant is a Council.	
Conflicts of Interest	No
The applicant has not identified any conflicts of interest.	
Terms and Conditions	Yes
The applicant has correctly filled out the Terms and Conditions and signed the application	

Application description

Background

The Buller District Council commenced the Westport Revitalisation Project in 2018, with the main output from that being the Westport Revitalisation Design Framework. This document was consulted on with the community, stakeholders and elected members, and has since been accepted as defining the direction the council wants to take with regards to urban development. The Council committed to investing in the project for three years in its 2018/19 Long Term Plan, and have allocated \$ ^{Commercial Informa} to the project for the 2019 financial year. However there are elements of the project that are beyond the scope of the Councils small ratepayer base, so it is looking to external funding sources to help complete these significant and vital connecting elements.

The recent departure of Holcim and the demolition of their assets on the waterfront have meant that council can meaningfully consider options to turn the waterfront areas into public spaces that can be enjoyed by all those who reside and visit here. ^{Commercial Information}

Proposal

The core of this project is to construct an elevated bridge between the town centre of Westport, near Brougham Street, providing pedestrian and cycle access to the riverfront. This connection will form a part of the Kawatiri River trail a cycle and walkway which has been built around the waterfront at Westport by local volunteers. The bridge connection will also enable businesses connected with the Kawatiri Coastal Trail to be situated near the town centre, as opposed to the outskirts of the town.

To date the Kawatiri Coastal trail been focused on the area beside the Buller Bridge as a start point as there was no certainty around the waterfront development in town or the ability to connect the waterfront area with the main commercial area of Westport (due to having to cross the rail lines in some way other than a level crossing).

The existing riverbank is also currently suffering badly from neglect – weeds and dilapidated wharfs predominate, making for an uninviting riverside experience. Included as part of the redevelopment are plans for the construction of a set of steps that people can use to access the river. These works can be started immediately.

The applicant has proposed the following schedule, noting the applicant expects a short timeframe between the completion of design work and the start of construction;

#	Description	Payment criteria:	Invoice Value \$ (Exc. GST)
1	Completion of the designs and consents	Delivery of designs and approved consents	\$ ^{Commercial Info}
2	Completion of terraces to river	Completion of construction for the riverside terraces	\$ ^{Commercial Inform}
3	Bridge completion	Completion of the bridge construction	\$ ^{Commercial Informator}
4	Final Report received	Final report completed and submitted	\$ ^{Commercial Inform}

Co-Funding Table

Co-Funder	Pledged/Confirmed/Cash/In-Kind	Amount \$
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Buller District Council (through its Revitalisation Fund)	Pledged	\$ <small>Commercial Inform</small>
Provincial Growth Fund	In principle	\$1,860,000
Total		\$ <small>Commercial Information</small>

Project Ownership (Structure and Key Personnel)

This project will be led by the Infrastructure team within the Buller District Council. The key personnel involved will be:

- Project Owner – Privacy of natural persons
- Project Sponsor - Privacy of natural persons
- Project Manager – Privacy of natural persons

Overseas Investment Office

- Is the application being made by a non-New Zealand based legal entity? (Foreign investment laws may apply and the Overseas Investment Office consulted) **No**

Does the Application have a Te Ara Mahi (TAM) component? **No**

Section B: Operational Assessment Criteria (Complete for EoIs and Applications)

(Rate and comment – 1= poor, 5 = very good - Provide the number for this project, not subsequent phases)

Fund and government outcomes

Please highlight number below

Would the project:

➤ create permanent jobs?	<small>Do me</small> jobs would be created during <small>Commercial Informatio</small> construction period; <small>Lo merc</small> applicant anticipates up to <small>Comm</small> long term jobs being created indirectly through a mixture of small tourism sector businesses, pop-up kiosks, container style retailers, service providers who could utilise the new precincts.	N/A 1 2 3 4 5
➤ deliver community benefits?	Making Westport an appealing place to live is important to the community's long-term viability. The applicant states that this project will enhance the perception of Westport as being a great place to visit, live and/or work, which will help to grow and sustain the economy that is needed to keep the town alive.	N/A 1 2 3 4 5
➤ increase utilisation of and returns on Maori assets?	There is the potential for indirect benefits if the pop-businesses are Maori owned.	N/A 1 2 3 4 5
➤ enhance the sustainability of	This project will not directly use natural assets, but from benefiting from a beautified public space along the Waterfront.	N/A 1 2 3 4 5

natural assets?		
➤ mitigate climate change effects, or assist with the lowering of emissions?	Not evident	N/A 1 2 3 4 5
Additionality		
Would the project:		
➤ add value by building on what is already there, without duplicating effort?	This project is part of the wider Westport Revitalisation Project, which the Council have allocated \$ <small>Commercial Information</small> during the 2019 financial year towards the project.	N/A 1 2 3 4 5
➤ be a catalyst for productivity potential in the region?	<p>The applicant states that Riverside developments are known to attract people to them and they expect this area to be no different. There is potential for a wide range of goods and services to be sold from this area in the future, and this development would open up new opportunities for business that currently don't exist.</p> <p>The most substantiated example of that potential is through the links with the Kawatiri Coastal Trail</p>	N/A 1 2 3 4 5
Connected to regional stakeholders and frameworks		
Does the project:		
➤ align with regional priorities, such as frameworks, or regional plans?	In the process of developing the Westport Revitalisation Design Framework consultation was carried out with key stakeholders and interest groups. Once completed, the framework was released to the public for consultation as part of the council's Long Term Plan process and then approved as part of the Long Term Plan.	N/A 1 2 3 4 5
➤ have the support of local governance groups (councils, iwi and hapu)?	<p>The applicant is the Buller District Council and has consulted with the public on the project.</p> <p>The public consultation process that was carried out for this project was more around community support for the concept of a riverfront development than seeking expressions of interest from potential businesses that would make use of the area. At the time the consultation was carried out this was very much a concept to work towards rather than something that was close to becoming a reality.</p> <p>DOC have noted that "The regions runanga, Te Runanga o Ngati Waewae, appears supportive of this proposal."</p>	N/A 1 2 3 4 5

Governance, risk and project execution		
Does the application show:		
➤ robust project management and governance systems?	The Buller District Council manages a number of infrastructure projects within its region, including the Westport Water Tunnel Pipeline Project which was completed on schedule and under budget, and this project will be delivered in line with its policies and previous projects.	N/A 1 2 3 4 5
➤ plans for future ownership and operational management?	The Buller District Council will undertake regular safety assessments of these structures, including annual structural engineer checks. The assets will be maintained as part of council's ongoing asset management plan.	N/A 1 2 3 4 5
➤ how the project will be delivered and managed?	<p>Privacy of natural persons will oversee the delivery of this project on behalf of council, and will report to Privacy of natural person on a monthly basis. Privacy of na will provide updates to Privacy of natural persons and the councillors on a monthly basis for the duration of the project.</p> <p>The procurement for this project will be carried out in line with Council's Supplier Selection Model. This model has been approved by the Council and is used for all of their procurement activities. It will ensure value-for-money as well as the ability to deliver this project on time, to a high standard and within the timelines agreed.</p>	N/A 1 2 3 4 5

Section C: Risk Management Evaluation

Does this application demonstrate consideration of the following risks?			Yes
Type of risk	Risk description	Mitigations	Risk Rating
<input checked="" type="checkbox"/> Project risk	KiwiRail approval is not gained for final designs	<ul style="list-style-type: none"> Ongoing consultation with KiwiRail throughout the project Letter of intent from KiwiRail Commercial Information 	Low/Medium/High
	Project costs greater than forecast	<ul style="list-style-type: none"> A % contingency is included in this application to cover this risk 	Low/Medium/High

<input checked="" type="checkbox"/> Operational risk	Will the project or asset operate to specification?	The Buller District Council will undertake regular safety assessments of these structures, including annual structural engineer checks. The assets will be maintained as part of council's ongoing asset management plan.	Low/Medium/High
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Section D: Funding and financial analysis

Please highlight number below

Does the application show:

➤ How strong is the financial position of the applicant organisation?	The applicant is a council.	N/A 1 2 3 4 5
➤ How does the scale of the project compare to their overall business?	The Buller District Council manages a number of infrastructure projects within its region and has the capability to manage this project.	N/A 1 2 3 4 5
➤ Why is Crown funding being sought rather than commercially-available funding?	The project is non-commercial and the council is funding other aspects of the wider project	N/A 1 2 3 4 5
➤ What does the independent financial analysis/ business case indicate?	Not applicable	N A 1 2 3 4 5
➤ Is the funding model requested appropriate? Is the PDU recommending a different model?	A grant is appropriate given the applicant is a council undertaking a non-commercial project.	N/A 1 2 3 4 5
➤ Has the applicant provided evidence of market pull for this project?	The applicant does not substantiate the demand for small businesses to set up along the riverside developments.	N/A 1 2 3 4 5
➤ Has the applicant provided evidence that their supply chain is secure?	Not relevant.	N A 1 2 3 4 5
Summary of funding and financial analysis:	The applicant is a council and has the capability to manage this project.	N/A 1 2 3 4 5

Funding arrangements

A grant based on a milestone plan is appropriate.

Proposed Term Sheet Summary (noting full term sheet will be developed post decision)

Is the application a Grant or Loan?

Grant - Loan Details Table deleted

Consultation from partner agencies undertaken or implications

DOC have provided the following comments

Is DOC supportive of this application?

Yes. Based on the information available in the application, and as a tenant of the Westport CBD and a large employer in the region, DOC generally supports beautification projects such as this one.

Does DOC view this initiative as making a positive contribution to Maori Development or not? Explain.

This application likely has the ability to indirectly influence Maori development by making the Westport CBD more appealing.

Through the PGF Westport has received investment in the visitor sector and in iwi business, such as the coming Pounamu Pathway. The Westport Waterfront Redevelopment supports these prior investments and sends a message that the Buller District is committed to/on the way to realising its full potential.

Is DOC aware of any Iwi or Maori relationships/matters that could impact on the viability of this proposal?

The regions runanga, Te Runanga o Ngati Waewae, appears supportive of this proposal.

Are there any other related matters that, in the opinion of DOC, may be relevant to this application.

The Buller District has received significant visitor market investment such as the Dolomite Point Redevelopment, the Oparara Redevelopment, and the Kawatiri Coastal Trail. As discussed in the application, the region has experienced economic challenges with businesses like Solid Energy and Holcim exiting. Investments such as these signal a transition away from traditional industries and towards new economic prosperity through highlighting and leveraging the natural assets the region is blessed with.

This project assists local communities to embrace and support their town by giving them access to outdoor space adjacent the river; a great wellbeing initiative.

Is there any further information from the applicant?

No - Section deleted

Summary statement of Application Review undertaken

All of the following have occurred as part of this application assessment and recommendation:

- Discussions between the Regions Team and the Investment Team; and
- Consultation with relevant partner agencies allowing the provision of technical advice; their verbatim feedback is included above; and
- Full and comprehensive review by an Investment Director; and
- Review by the Head of Investment; and
- Review by the PDU Leadership Team.

These have occurred to the satisfaction of the reviewer and the reviewer concurs with the recommendation.

Review has been completed

Yes

Supporting proposal:

Yes

Appendices:

Yes – Applications and supporting letters are as annexes [Supporting letters withheld - Commercial Information](#)

Author of paper:

SC, Investment Analyst, AM, Investment Director, PDU Investment Team