



CHRISTCHURCH CITY COUNCIL

EXPRESSIONS OF INTEREST (EOI) NUMBER 14/15-70

EOI FOR NEW BRIGHTON LEGACY PROJECT
HOT SALT WATER POOL

EOI'S RESPONSE DATE 12 NOON, WEDNESDAY, 24 SEPTEMBER 2014

**RESPONSES ELECTRONICALLY
UPLOADED AT** CCC TENDERLINK PORTAL ADDRESS www.tenderlink.com/ccc

OR

**HARD COPY DOCUMENTS
DELIVERED AT** CHRISTCHURCH CITY COUNCIL
Tender Box (Ground Floor Reception)
Civic Offices
53 Hereford Street
Christchurch 8011

EOI INFORMATION CONTACT PERSON Mark Noonan
CPG_BusinessSupport@ccc.govt.nz

HARD COPY AND ELECTRONIC EOI PROCESS

The EOI process allows for **both** hard copy and electronic issue of the EOI Documents and submission of EOI responses. The electronic process utilises the CCC TenderLink Portal which is accessed through the website www.tenderlink.com/ccc. It is important the Respondent carefully reads and familiarises itself with the Submission Rules and Guidelines should it elect to follow the electronic EOI process, as set out in this document.

1 EOI RULES

1.1 No Obligations

The Council is under no obligation to act further on any of the information submitted in the replies and is not bound in any way to short list and/or negotiate with any Respondent/s. It is not intended that this EOI (nor any response to the EOI) shall in itself give rise to contractual relationships. Similarly, it is not intended that consideration or discussion of any response to this EOI will give rise to any commitment or undertaking by the Council to take or refrain from taking any particular course of action in the future.

1.2 Furthermore in seeking Expressions of Interest, the Council is not committed to accepting all or any development partners or options or proceeding with its own development.

1.3 Rights Reserved by The Council

- a) Waive any irregularities or informalities in this EOI process.
- b) Enter into discussions and /or negotiations with any one or more Respondents at any time and upon any terms and conditions.
- c) Re-advertise this EOI or advertise as an RFP or RFT.
- d) Seek Clarification of any response.
- e) Provide RFP's or RFT's to any/all Respondents of this EOI, and/or other persons.

2 COUNCIL INFORMATION

- 2.1 While every effort has been made to ensure that any information relating to or contained within this EOI is correct, such information has been supplied on an indicative basis only. The Respondent shall have no claim for compensation or damages upon the grounds that any information so supplied is incorrect, incomplete, inaccurate or misleading

3 RESPONSE DATE

- 3.1 Responses must be **fully** uploaded via the www.tenderlink.com/ccc website **or** deposited in the Tender Box at the Council's Civic Offices, 53 Hereford Street, Christchurch 8011 by the Closing Date and Time detailed on the front page of this EOI.
- 3.2 Responses cannot be uploaded onto the CCC TenderLink Portal after the Closing Time. However, the Council reserves the right to accept a late response submission or extend the Closing Date and/or Time for the upload of responses onto the CCC TenderLink Portal or for deposit into the Tender Box at the Council's Civic Offices, at its sole discretion. Any late response in respect of which the Principle chooses not to exercise its discretion and to consider invalid shall be returned to the Respondent.

4 REQUIRED METHOD FOR SUBMITTING YOUR EOI

- 4.1 The Council requires that responses are submitted in the form of electronic files, using the CCC TenderLink Portal electronic tender box process or hardcopy documents be submitted by physical deposit into the Tender Box at the Civic Offices. The electronic Tender Box is accessed via the CCC TenderLink Portal at www.tenderlink.com/ccc.
- 4.2 Council requires that the files submitted are created in and readable in MS Office (Council's software) and are zipped when multiple files are being submitted.
- 4.3 A PDF copy of all response documents must be uploaded onto the CCC TenderLink Portal, along with the original Word or Excel file of all response documents submitted.
- 4.4 Respondents are allowed to upload a maximum of fifteen (15) attachments and no attachment shall be more than 100MB.

5 SUBMISSION RULES AND GUIDELINES

- 5.1 The electronic tender box clock operates in New Zealand Standard Time (NZST).
- 5.2 A system generated tender closing reminder is emailed to Respondents before the Closing Date and Time. However, no extension to the Closing Date or Time will be made if the closing reminder is not received by the Respondent.
- 5.3 Respondents' electronic response submission can only be submitted via the electronic file upload facility on www.tenderlink.com/ccc.
- 5.4 The electronic files are to be clearly named referencing the Respondent's company name and the Council's EOI project title and number reference.
- 5.5 It is recommended that Respondents begin the process of uploading documents with sufficient time to allow the upload to be **fully** completed before the EOI Closing Time. This is particularly important if Respondents are submitting large size files (greater than 5MB).
- 5.6 In cases where a response is not able to be uploaded by the Closing Date and Time due to www.tenderlink.com/ccc system outages or communication link failures beyond the control of the Respondent, the Respondent should advise the EOI Information Contact Person as soon as possible. Council will consider the circumstances and whether or not to accept a late response on a case by case basis and at its sole discretion.
- 5.7 If any of the files submitted are not readable by the Principal, such as due to file or data corruption, Council will consider the circumstances on a case by case basis. The Council may, at its sole discretion, ask the Respondent to resend a readable version. If this request is made, evidence that there have been no changes to the file content since the Closing Date and Time may be sought from the Respondent.
- 5.8 If technical support is required, related to the functioning of the website www.tenderlink.com/ccc, Respondents should contact the TenderLink Help Desk during business hours: by phoning 0800 698 363 or by emailing support@tenderlink.com

6 COMMUNICATIONS

- 6.1 EOI notices and communications sent by the Council via the electronic tendering service will be emailed to the Respondent's email address as per the Respondent's user profile on the CCC TenderLink Portal. All correspondence will be emailed from the etenders@tenderlink.com email address, and will be clearly marked as being from the Council.
- 6.2 Communication forums can be invoked at the discretion of the Council's representative. The EOI Information Contact Person may be contacted via the CCC TenderLink Portal at www.tenderlink.com/ccc with any questions in relation to this EOI, before the Closing Date and Time as specified in the forum page on the EOI Notice. Questions submitted to the forum will only be responded to during business hours.
- 6.3 All questions and answers presented via the forum are visible to all Respondents. Council will assess the materiality of any question and respond to the question via the forum. All Respondents will receive notification of forum questions and answers without disclosure of the Respondent. The Respondents are not identified in the forum unless the Respondent makes reference to their name in the text of any communication it presents to the on-line forum. Respondents should consider all answers provided by Council in the on-line forums when preparing their responses.
- 6.4 For enquiries that the Respondent considers to be of a private or confidential nature, the Respondent should contact the EOI Information Contact Person directly.
- 6.5 When required, notification of EOI clarifications, documentation amendments, and addendums will be emailed to the Respondents via the CCC TenderLink Portal.
- 6.6 After the EOI has closed, the EOI Information Contact Person may further communicate with the Respondent directly such as to set meeting times, and advise the outcomes of the evaluation process.

7 BACKGROUND

- 7.1 At its 17 July 2014 meeting, Council considered the Chairperson's Report of the Burwood/Pegasus Community Board meeting on 7 July 2014 and resolved:
- "7.1 That the recommendation of the Community Advisory Panel be received.*
- 7.2 That the Council approve the recommendation that an all weather hot salt water pool complex be the preferred legacy project for New Brighton.*
- 7.3 That Council request that staff (Director Facilities and Infrastructure Rebuild) to develop a draft High Level Expression of Interest for a Hot Salt Water Pool, based on but not limited by the scope outlined in Section 1.3 of the SGL report entitled: Legacy Hot Salt Water Pool – New Brighton (July 2014).*
- 7.4 That the draft EOI be approved by the Mayor, Chief Executive, and Burwood Pegasus Ward Councillors and Chair of Burwood Pegasus Community Board, prior to release.*
- 7.5 That the EOI be explicit that in seeking Expressions of Interest the Council is not committed to accepting all or any development partners or options or proceeding with its own development.*
- 7.6 That in addition to making the EOI publicly available that staff approach potential partner providers/users who may have the capability and interest in being involved in a Legacy Project for New Brighton."*
- 7.2 The Chairperson's Report including the SGL report is included as Attachment 1.
- 7.3 The SGL report notes under Section 1.1 "Background" that "...If the site is a significant distance from the salt-water source (greater than 0.5 km) this could make a potential facility unviable, as the costs to construct piping and pumping would increase significantly".
- 7.4 An indicative Planning Brief for the New Brighton beachfront is included as Attachment 2.

8 REQUIREMENTS

- 8.1 As noted in the above Council resolution, Expressions of Interest are sought for a Hot Salt Water Pool based on but not limited by the scope outlined in Section 1.3 of the SGL report entitled “Legacy Hot Salt Water Pool – New Brighton (July 2014)” refer Attachment 1.
- 8.2 The Council would like you to confirm in your Expression of Interest the scope of involvement you envisage from the Council and your Company.
- 8.3 The Council is keen to receive Expression of Interest for all or some of the following:
 - Partnering
 - Funding
 - Equity Providers
 - Design + Build + Operate
 - Commercial Opportunities/Acumen (to reduce the cost to Council)
- 8.4 The Expression of Interest shall be limited to ten (10) single sided A4 sheets excluding any appendices.

9 REQUIRED DETAILS

9.1 Responses are to be submitted in the following format. Additional information may be attached in support of these details.

9.2	Introduction and Company Information		
	Full legal name and address of Respondent		
	Trading name (if differs from above)		
	Contact person	Name	
		Phone	
		Address	
		Fax	
		Email address	
	The Respondents experience in the industry and the number of years that the Contractor has been in business.		
	A brief summary of the Respondents largest clients		
	Any actual or proposed changes in ownership known by the Respondent that could impact upon any agreement reached with the Council.		
9.3	Other Information		
	Description of services provided by Respondent		
	Extent of the Respondents commercial activity		
	List any Sub-Respondents and detail the work that they carry out		
	Describe how your solution could be applied to meet the requirement of the Council		
	Financial Options: Lease or Purchase, please provide details		
	Can you provide details of any facilities your company has constructed and/or operated, and confirm if you are still involved in their operation.		
	Please provide referees/references		

10 RESPONDENTS UNDERTAKING

On behalf of _____, I declare that the above information included in this response is full, factual and to the best of my knowledge, true.

Prepared by: _____

Position: _____

Company Name: _____

Address: _____

Telephone Number: _____

E-Mail address: _____

Date: _____

ATTACHMENT 1

CHAIRPERSON'S REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD MEETING ON 7 JULY 2014 (INCLUDING SGL REPORT ENTITLED "LEGACY HOT SALT WATER POOL – NEW BRIGHTON (JULY 2014)".

**REPORT BY THE CHAIRPERSON OF THE
BURWOOD/PEGASUS COMMUNITY BOARD
7 JULY 2014**

PART A – MATTERS REQUIRING A COUNCIL DECISION

1. NEW BRIGHTON LEGACY PROJECT

		Contact	Contact Details
Executive Leadership Team Member responsible:	Chief Executive	N	
Officer responsible:	Governance and Civil Services Manager	N	
Author:	Community Board Adviser, Burwood/Pegasus Community Board	Y	Peter Croucher 941-5305

1. PURPOSE AND ORIGIN OF REPORT

- 1.1 The concept of providing a legacy project for New Brighton was raised on 3 April 2014 by the Council's Earthquake Recovery Committee of the Whole (ERCoW). The Committee resolved to:

“Request staff to identify options for a legacy project in New Brighton and report these back to the Council by the end of May 2014.”

- 1.2 Staff considered that the best mechanism to identify options for a legacy project in a short time frame was through empowering the Burwood/Pegasus Community Board and the established Community Advisory Group of New Brighton. This would be more inclusive than providing direct officer recommendations. A panel, comprising the Community Advisory Group and residents associations, was formed to address the question of options for a legacy project. The panel met twice and agreed to put forward only one option for the Community Board and Council to consider.
- 1.3 This report advises on the outcome of deliberations by the Community Advisory Panel. It seeks a recommendation from the Burwood/Pegasus Community Board to the Council on whether the panel's preferred option for a Legacy Project, a hot salt water pool complex, is agreed along with associated decisions including funding and a feasibility study to determine options for location and scope. This report explains the process used and proposes some next steps to test feasibility before committing funds.

2. BACKGROUND

- 2.1 Officers' recommended to the Burwood/Pegasus Community Board on 5 May 2014 that identification of a Legacy project involve community input. The Board agreed to *“lead a process to identify options for a legacy project in New Brighton, with initial input from a community advisory group”*. This would provide for an inclusive approach whereby key concepts from the community could be discussed and a recommendation made for one or more options for a legacy project.

COUNCIL 17. 7. 2014

1 Cont'd

2.2 At the time of this decision, the Burwood/Pegasus Community Board had already established a Community Advisory Group (CAG) to facilitate a collaborative approach to completing the draft New Brighton Centre Master Plan. The CAG comprised representatives of:

- New Brighton Project Inc.
- New Brighton Pier and Foreshore Promotion Society
- Renew Brighton
- New Brighton Business and Landowners Association
- Eastern Vision
- WOW Brighton
- New Zealand Police

2.3 The CAG, having completed their draft New Brighton Centre Master Plan task, agreed to become part of a New Brighton legacy project group, named the Community Advisory Panel (CAP). The Community Board also invited the five coastal residents associations of Southshore, South New Brighton, New Brighton, North New Brighton and Northshore to be represented as members of the Group. The Board agreed that the appropriate process would involve community-led identification of ideas and a Board decision on any further consultation on these ideas.

3. COMMENT

3.1 The Community Advisory Panel met twice in May 2014 in facilitated sessions. The focus was twofold: identifying principles or outcomes to assist identification of a Legacy Project, and then identifying options for such a project.

3.2 In the 5 May 2014 officer's report, staff advised the Board that the resolution by the ERCoW is not specific to aquatic facilities and provides the opportunity to consider a broader range of possibilities for a legacy project. Such a project could, for example:

- Be an attractor for people visiting New Brighton.
- Make a contribution to place-making and be a positive experience of the locality, without dominating the commercial centre or its environs.
- Make a contribution to social and economic development within the suburb.
- Have the potential to encourage movement through the centre to help support pedestrian activity.

3.3 At the first meeting of the CAP there was a request made for a 'survey' to be prepared to enable residents associations, in particular, to consult with their members on the guiding principles and the options for a Legacy project. The survey was prepared by the CAP facilitator and made available within 48 hours of the first panel meeting. Results were analysed after the close off date of 5pm Monday 26 May 2014. Because the survey was produced at speed and over a weekend, there was little opportunity for refinement; some panel members were uncomfortable with the design of the survey. Nevertheless, it did provide the opportunity for thoughts and ideas to be gathered.

3.4 The survey results were not binding on the panel as they were intended to inform the thinking and debate of the panel in arriving at a possible recommendation or recommendations. 250 people responded to the survey with 202 completing it. The CAP considered the results of the survey as part of their deliberations at their second and final meeting on 29 May 2014.

COUNCIL 17. 7. 2014

1 Cont'd

- 3.5 The survey results showed that the following four guiding principles were most widely agreed by respondents:
- Recognise the coastal environment (as an asset)
 - Be attractive to all ages
 - Be accessible to a wide range of people
 - Attract people to and through the New Brighton Business District
- 3.6 The CAP discussed several options for a legacy project, including ideas put forward by the wider community. These options and ideas included a dog park, community centre, hall purchase, aquarium complex, casino, artificial reef, water park, art centre, boat hire, movie theatre and various pedestrian/cycle/boardwalk links. The popularity of ideas varied. Overall there was a majority wish for New Brighton hot salt water pools, with a strong focus also on access and connectivity to the foreshore – in particular pedestrian and cycleway access to and around New Brighton, whether north, south or west.
- 3.7 On discussing the results, the CAP was of the view that it wishes to advance only one Legacy project for the Council's consideration, being the development of a hot salt water pool complex. The Panel considered that a substantial sum of at least \$20 million would be required to seed fund the project and that the complex should be all weather (although not necessarily under fulltime cover). The sum of \$20 million was arrived at through discussion only, and a desire that the complex be a significant draw card for visitors to New Brighton. The panel acknowledged in discussions that it did not have expertise in the area of hot salt water pools and that a feasibility study would be required.
- 3.8 The CAP wished the Board and Council to know it is appreciative of their involvement in the Legacy project considerations and would like to continue that involvement at a feasibility study level. The CAP also wished to note that their support for a substantial and unique aquatics complex does not necessarily mean that New Brighton should be excluded as the location for the proposed Eastern Sport and Recreation Centre.
- 3.9 Notwithstanding the recommendation of the Community Advisory Panel to consider only a hot salt water pool complex as a legacy project for New Brighton, there is an opportunity for the Community Board and Council to consider whether this is the legacy project it wishes to progress, or whether other potential projects should be further considered and evaluated.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council has not given an indication of the source or level of available funding for a New Brighton legacy project.
- 4.2 There are a number of options available for funding. The Council could seed fund directly the whole of the costs for the establishing the project; it could provide a proportion of the required funding with an expectation that the community matches this funding; or another funding model could apply, including philanthropic funding or public-private partnerships.
- 4.3 Before the Council commits to any funding, either through the Long Term Plan or through use of existing funds, staff would recommend a feasibility study is undertaken.
- 4.4 Staff advice is that at least \$90,000 would be required for a feasibility study on a hot salt water pool complex, which would include looking at the scope, location, options and costings for the project. This amount is not currently budgeted in 2013/14 or 2014/15. At the time of preparing this report, staff are seeking advice from SGL Ltd, Australasian experts on aquatic facilities, on the potential scope and costings for a hot salt water pool complex. This advice will be distributed or tabled when it becomes available.

COUNCIL 17. 7. 2014

1 Cont'd

- 4.5 Should the Community Board and Council decide to pursue an alternative legacy project – other than a hot salt water pool complex - additional work would be required to determine the likely costs of a feasibility study.
- 4.6 In addition to budget for feasibility studies, it is noted that there are also no Capital funds currently budgeted for delivery of a legacy project.

5. STAFF RECOMMENDATION

It is recommended:

- 5.1 That the following recommendation of the Community Advisory Panel be received:
 - 5.1.1 For the New Brighton legacy project, the Council seed funds a minimum of \$20million towards a substantial and unique aquatic complex, including all-weather hot salt water pools, to provide a strong commercial and leisure focus and encourage further investment in New Brighton. Noting that this sits within the context of wider development plans for the New Brighton coastal zone.
- 5.2 That the Community Board consider whether there are any legacy project options other than a hot salt water pool complex which it wishes to recommend to Council for further consideration.
- 5.3 That if the Community Board wishes to recommend an all-weather hot salt water pool complex as a potential legacy project for New Brighton, that it recommends to Council that it:
 - 5.3.1 Allocate \$90,000 for a feasibility study to evaluate location and scope options for an all-weather hot salt water pool complex in New Brighton.
 - 5.3.2 Request staff to commission a feasibility study, with further input from the Community Advisory Panel as required.
 - 5.3.3 Request that staff report back to the Council on completion of the feasibility study with options and a recommendation for cost, location and scope of a hot salt water pool complex in New Brighton.
- 5.4 Alternatively, if the Community Board recommends a different legacy project or projects to the Council than indicated in 5.3, that the Council seek advice on feasibility and next steps.
- 5.5 That on completion of the work outlined in 5.3 and/or 5.4 above, the Council confirms the amount, source and timing of funding for any New Brighton legacy project.

6. BOARD CONSIDERATION

Staff in attendance responded to questions from members.

Additional information (**Attachment 1** and **Attachment 2**), received on the day of the meeting, was separately circulated by staff being a draft report from SGL Consulting Group Australia Pty Ltd and a summary document. This provided comparative information on the opportunities and cost associated with the development of a hot salt water pool.

The Board **decided** to recommend to the Council an expansion of the staff recommendation by also proposing potential sources of funding through the reallocation of Board funding to assist with the delivery of a feasibility study.

COUNCIL 17. 7. 2014**1 Cont'd****7. BOARD RECOMMENDATION**

- 7.1 That the following recommendation of the Community Advisory Panel be received:
- 7.1.1 For the New Brighton legacy project, the Council seed funds a minimum of \$20million towards a substantial and unique aquatic complex, including all-weather hot salt water pools, to provide a strong commercial and leisure focus and encourage further investment in New Brighton. Noting that this sits within the context of wider development plans for the New Brighton coastal zone.
- 7.2 That the Community Board wishes to recommend to the Council an all-weather hot salt water pool complex as a potential legacy project for New Brighton, and that the Council:
- 7.2.1 Commission a feasibility study as soon as possible to evaluate location and scope options for an all-weather hot salt water pool complex in New Brighton.
 - 7.2.2 Approve that the Community Board seek reallocation of Board funding to facilitate the feasibility study and seek further input from the Community Advisory Panel as required.
 - 7.2.3 Request that staff report back to the Council on completion of the feasibility study with options and a recommendation for cost, location and scope of a hot salt water pool complex in New Brighton.
- 7.3 That on completion of the work outlined in Clause 1.2 the Council confirms the amount, source and timing of funding for any New Brighton legacy project. The Board recommends the Council investigate the source of Council funding and suggest, (but not limited to), the use of the Betterment Fund and/or the Capital Endowment Fund.

Legacy Hot Salt Water Pool – New Brighton

Draft Report
July 2014



Prepared by SGL Consulting Group Australia Pty Ltd



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1 Introduction

1.1 Background

As part of the New Brighton Water Park Review it was identified that if a suitable site could be identified close to a coastal location then the opportunity to develop New Zealand's third salt water spa area (only one in the South Island) provided a significant opportunity.

Currently the high use Mount Maunganui Hot Salt Water Pools in the North Island are the country's main purpose-built salt water-bathing experiences. This facility managed by a CCO under direction of Tauranga City Council regularly attracts 200,000 to 250,000 annual visits and records annual operating surpluses of in excess of \$100,000.

The Ocean Blue Spa in Napier is the other main salt-water chlorinated facility in New Zealand that is operated by a commercial management company. The St Clair Salt Water Pools at Dunedin are operated as a standard swimming pool and do not offer hot salt pool soaking.

Key success factors for such a facility are the cost of piping the salt water to the pools, heating the water and the cost of water discharge. If the site is a significant distance from the salt-water source (greater than 0.5km) this could make a potential facility unviable, as the costs to construct piping and pumping would increase significantly.

New Brighton does not have access to a geothermal source of hot water therefore the heating source would be from a traditional method which would increase the annual operating costs.

1.1.1 Project Purpose

As part of a legacy project for the New Brighton area Council are seeking information on the opportunities and costs associated with the development of a hot salt water pool.

The purpose of this report is to provide advice on the potential scope and costing's for a hot salt-water pool complex in New Brighton. The information will provide councilors with a 'ballpark' sense of how much budget they may potentially wish to allocate to deliver a hot salt water pool complex, the size and scope options, potential operational costs, and expected attendance/participation over time.

As part of the review a range of facilities have been reviewed both in New Zealand and Australia. The aim of the review was to provide a continuum of facilities ranging from the successful Hamner Springs facility through to smaller more boutique facilities.

1.1.2 Global Wellness and Spa Summit Research

The following information provides a global context to the spa industry that should be considered when determining the opportunities for New Brighton.

The hot water pool (including salt water) and spa industry is a growing industry across the world. Research provided by the Global Wellness and Spa Summit indicates that the global spa industry has been on an upward trajectory, growing from \$60 billion in 2007 to an estimated \$73 billion in 2012, with fast-growing markets, including parts of Asia, currently reporting an increase in annual revenues of up to 20 percent a year. International research company SRI also estimates a 22 percent increase

in the number of spas worldwide during this time period: from 71,600 five years ago, to an estimated 87,000-plus today.¹

Research undertaken by Global wellness and Spa Summit via the **Global Best Practice in Hot Springs Industry Project** indicates that Hot Springs facilities are like magnets; they attract people from “all walks of life” to a single place. Hot Springs and their towns can become community hubs, hives of society activity and drivers of economic and spiritual wellbeing.

To be successful in New Zealand like many places overseas, high value bathing facilities should aim to differentiate away from the offerings of basic or common bathing facilities, thus distancing their offering from the perceived value of bathing offered by competing facilities. In New Zealand facilities commonly offer low cost bathing in conjunction with high cost spa massage. The research identifies and documents a wide range of features; products and services that can be combined to bridge the gap between New Zealand’s high and low cost offerings. Facilities with a desirable mix of features and particularly features that do not require a therapist could achieve gross margins from bathing in the vicinity of around 80% compared to 35% in the spa massage industry. For New Brighton this may result in a facility that incorporates a range of hot salt-water aquatic experiences including a combination of smaller and larger soak pools, spas and swimming areas.

The case studies have revealed from successful hot springs facilities (scattered randomly throughout the world) are achieving an average customer spend per visit in excess of NZ\$100. This is achieved through innovative combinations of ancient and contemporary bathing features products and services. Strong evidence has been gathered that indicates that people are willing to pay significant money for bathing related recreation, entertainment, health, wellbeing and lifestyle enhancing experiences.

1.2 Benchmarking of Current Facilities

In line with the project scope the following provides a summary of a range of the hot water pools (including some salt water). The summary provides details on:

- Location of the facility
- Facility Components
- Heating Source
- Capital Cost (where available)
- Operating Data – Financial and Usage (where available)
- Ownership and Management
- Other Comments.

The following of facilities has been identified for review. The facilities have been chosen to provide Council with a comparison of the range of facilities in terms of capital and operating costs, facility components and types of heating source.

The facilities range from the larger facilities that use geothermal water as a heat source and are a major attractor for the tourism market i.e. Hamner Springs through to the smaller more local facility such as Te Aroha Leisure Pools and Te Aroha Mineral Spas.

- Hamner Springs Hot Pools – NZ
- Peninsula Hot Springs – AUS
- Mt Maunganui Hot Salt Water Pools - NZ
- Moree Artesian Pools – AUS
- St Clair Hot Salt Water Pool – NZ
- Te Aroha Pools – NZ
- Ocean Blue Spa - NZ
- Hot Water Beach NZ

¹ Global Spa and Wellness Summit website

1.2.1 Hamner Springs Hot Pools

Location

The Hamner Springs Hot Pools are located approximately one and half hours drive from Christchurch. The facility is located at 42 Amuri Avenue, Hamner Spring.

Facility Components

Starting from a simple bathing pool with a fence in the 1850s, the pools have grown to a multi-million dollar, award-winning attraction that attracts in more than half a million visitors a year. The facilities include:

- A range of publically accessible pools including Rock Pool, Rainbow Pools, Sulphur Pool and a Hexagon Pool.
- Aqua therapy
- Super bowl and water slides (hydro slide), kids area and aqua play.
- Private thermal pools and steam and sauna area
- Freshwater pool with lazy river
- Café and merchandise area

Heating Source

The water comes out of the bore at a temperature of 52°C, having lost some of its heat through convection on the way to the Earth's surface. Heat is then extracted out of the water using a series of heat exchanges until it reaches bathing temperature of between 32-42°C

The water first passes through a series of gauze strainers which remove large pieces of debris such as leaves and twigs. It then passes through an exceptionally fine filter, to remove any smaller impurities. Other measures to maintain high quality include the addition of chlorine at the ratio of 2.5 parts per million, and recirculating the water every 3-4 hours.

The three sulphur pools have no additional treatment. They remain completely natural - thermal water being drawn directly from the bore.

Capital Cost

The capital cost of the recent redevelopment of the spa and wellness area was \$4.8M. Council has reinvestment in upgrades of the facility over the last 10 years.

Operational Data (financial / usage)

2012/2013 Operating Performance

Revenue:	\$10M
Expenditure:	\$8M
Net Operating surplus:	\$2M
Visits	520,000 to 540,000 per annum

The breakup of visitations is:

- 65% from the Canterbury region
- 25% international visitors

In 2004, 2005 and 2006, it won Best Visitor Attraction in the New Zealand Tourism Awards. It consistently ranks at the top of the 101 must do attractions and ranks among the most popular sites nationally. In 2012 it won the Best Natural Bathing Spa award from the Australasian Spa Association.

2011/12 was the first full year of operation of the expanded facility, which includes the Visitor Information Centre and the Cafe.

The complex is one of the largest employers in the Hurunui region

Ownership and Management

Formerly part of the Queen Mary Hospital, the pools are on government reserve land, but are owned by the Hurunui District Council. The pools are controlled by an experienced management team, which reports to a committee. Profits not reinvested into the operation are returned to the Hurunui District Council and invested in the physical reserves of the wider Hurunui District.

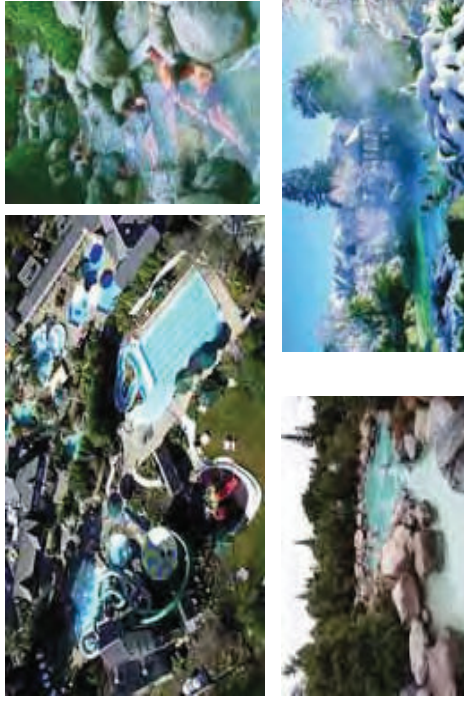


Figure 1: Hamner Springs

1.2.2 Peninsula Hot Springs

Location

The Peninsula Hot Springs is located on the Mornington Peninsula, Victoria, Australia. The first stage of the development (bath house) opened in 2005 and the second stage (spa dreaming Centre) opened in 2009.

The third stage of development currently being planned includes the provision 30 rooms of accommodation and a Wellness (Health and Wellbeing) Centre.

Facility Components

The facility includes two main areas – the Bath house which provides a social bathing experience for groups of friends and families, with over 20 different experiences and the Spa Dreaming Centre. The facilities include:

- **The Bath House:** Thermal mineral pools, hilltop pool, cave pool, reflexology walk, thermal mineral showers, turkish steam bath, underground sauna, family bathing area, lakeside pool, picnic area, hand and foot baths, cold plunge pools, hydrotherapy pool and hydro jet pool
- **Spa Dreaming Centre:** Thermal mineral pools, cold plunge pool, infrared sauna, private indoor baths, massaging bamboo shower, private outdoor pools, Arabian marquee (Specifically designed for group treatments and Turkish Hamam), and a relaxation room
- Two cafes and a gift shop.

Heating Source

All water is geothermally heated and is sourced via a bore 637 metres underground to a aquifer of 54 degree celsius natural hot mineral waters.

Capital Cost

The facility was privately funded and cost approximately \$40M. Discussion with the operator indicated that the development of a hot pools facility could range from between \$10M to \$100M depending on the scope and facility components.

Operational Data (financial / usage)

The facility receives approximately 400,000 visits per annum.

The breakup of visitations is:

- 20% local (Mornington Peninsula)
- 70% Melbourne (domestic)
- 10% international visitors

Given the commercial nature of the operation no financial operational data was provided. The facility however returns an operating profit.

Ownership and Management

The facility is privately owned by private operators brothers Charles and Richard Davidson and Norm Cleland.

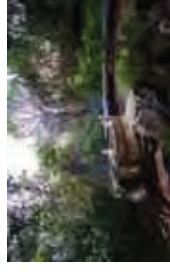


Figure 2 Peninsula Hot Springs

1.2.3 Mount Maunganui Hot Salt Water Pools

Location

The Mount Maunganui Hot Salt Water Pools is located in the Bay of Plenty region at the base of the Mount Maunganui, Tauranga

Facility Components

The facility was originally built in the 1960's and renovated in the 1990's

The facility includes:

Two outdoor spas, three private spas, toddlers pool with slide, soak pool w massage jets, 22m activity pool,

The services include casual swimming and soaking onsite massage therapy aqua aerobics. The facility is fully accessible with a hoist and water chair.

Heating Source

The pools are heated by geothermal water and chlorinated.

Capital Cost

The current valuation of the facility is \$5M - \$7M.

Operational Data (financial / usage)

2012/2013 Operating Performance:

Revenue:	\$1.043m
Expenditure:	\$906,000
Net Operating surplus:	\$137,000
Visits	200,000 per annum

These figures include head office overhead allocations of \$299,000 but not depreciation or debt servicing.

Approximately three quarters of the users are resident and one quarter are to the area

Ownership and Management

This facility is owned by the Tauranga City Council and is managed by a CCO under direction of Council

Other Comments

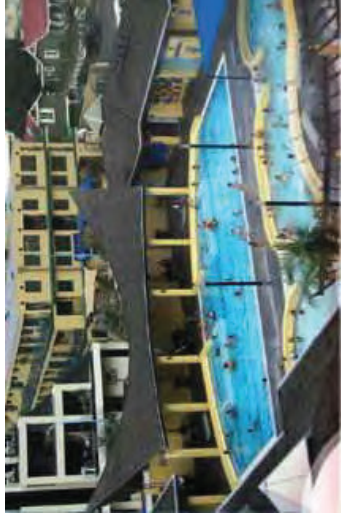


Figure 3 Mt Maunganui Hot Salt Water Pools

1.2.4 Moree Artesian Pools

Location

The Moree Artesian Pools are located in Moree, New South Wales.

The Moree Hot Mineral Baths originated in 1895, when the baths mercurial waters were accidentally discovered. While searching for a reliable source of irrigation water, a bore was sunk into the Great Artesian Basin. The bore derived hot mineral waters, heated naturally at 41 degrees Celsius

Facility Components

The facility includes:

- Hot Artesian Pools - 2 outdoor soak pools (8 x 8m and a central island), Private artesian pool, LTS pool 8m x 12m, 50m Olympic Pool
- Wellness Centre – Sauna, 8 treatment rooms, 2 have big soak tubs connected to artesian water
- Fitness Centre and Program
- Children's Hydroplay Area and Water Slide
- Retail and coffee shop
- Administration and office area
- Amenities

Heating Source

Water supplied by the artesian base to soak pools (38 – 41 degrees).

Heat exchanger heat the water for the learn to swim pool, 50m pool and water play park.

Other water spaces supplied by town water

Capital Cost

The original facility was developed in the early sixties years and underwent a \$8M total redevelopment in 2011/2012. This included all new pools and total refurbishment of all building areas.

Operational Data (financial / usage)

2012/2013 Operating Performance

Prior to the redevelopment the facility was reporting an operating deficit of between \$250,000 to \$300,000. Since the redevelopment the Centre is rebuilding and expecting the following operating results

Revenue:	\$3,965m
Expenditure:	\$4.075,000
Net Operating surplus:	-\$110,000
Visits	260,00 to 300,000 per annum

Currently 25% of users are local visitors and 75% are visitors to the area.

Ownership and Management

The facility is owned by the Moree Plains Shire but managed by a company limited guaranteed (company run by General Manager) and has a community based Board.



Figure 4: Moree Artesian Pool

1.2.5 St Clair Hot Salt Water Pool Dunedin

Location

St Clair Pool is an outdoor hot salt water pool built on a site at the southern end of St Clair beach. Its location on the beachfront makes it a highly pleasurable swimming experience. The pool is heated to 28 degrees Celsius and is a mixture of salt and chlorinated water.

The pool was upgraded in 2000/2001.

St Clair Pool opens for the summer season from the end of 30 September to the end March each year. The facility is open from 9am-5pm daily.

Facility Components

The facility includes:

- Outdoor heated 'saltwater' pools including: 1 x Six lane 25m lap pool (1.1m – 1.4m) 1 Toddlers pool
- Café
- Change rooms.

Pool has step-entry only

No chair lifts or other accessibility devices provided

Heating Source

The water is heated to 28 degrees Celsius and a mixture of salt and chlorinated water

- LPG is used for showering and hand basins
- Main pool heated by 2 x 100kw heat pumps boosted by electrical resistive heating
- Toddlers pool – electric resistive heating

Capital Cost

The current valuation of the facility is \$3M

Operational Data (financial / usage)

Revenue:	\$307,000
Expenditure:	\$309,000
Net Operating deficit:	\$2,000
Visits	48,899 per annum

These figures exclude head office overhead allocations of but includes depreciation of \$69,000.

Capital cost allocation of \$21,000 per annum

Ownership and Management

The facility is owned and operated by the Dunedin City Council. SGL competed a City wide Aquatic Strategy in 2010 which recommended the inclusion of hot salt soak pools and a wellness Centre at this facility. The cost of this proposal was approximately \$6M. This recommendation was not adopted by Council.



Figure 5: St Clair Hot Salt Water Pool

1.2.6 Te Aroha Leisure Pools and Te Aroha Mineral Spas

Location

The Te Aroha Leisure Pools and Mineral Spas are located beneath the Te Aroha Mountain, in the Hot Springs Domain.

Naturally filtered through rock, the hot soda water geyser these pristine waters have been enjoyed by locals and visitors for over a century.

Facility Components

The facility includes:

Leisure Pools - Outdoor include:

1 x 20m outdoor pool (31.2 degrees in summer and 33.5 in winter, 1 x 12m Spa pool - 38 degrees, Toddlers pool - 33.2 degrees in summer and 35.5 in winter.

Mineral Spas – Indoor includes:

Facilities: 8 rooms - 7 for spas (either tubs or baths), 1 for beauty therapy

Heating Source

Leisure Pools - Electric heat pump
 Mineral Spas – Geothermal mineral water from Mokena Geyser

Capital Cost

Facility currently valued at \$5M. Capital cost funded by Council.

Operational Data (financial / usage)

2012/2013 Operating Performance

Leisure Pools:

Revenue: \$170,000
 Expenditure: \$380,000
 Net Operating deficit: \$210,000 per annum
 Visits 30,500 annual visitation (July 2012 – June 2013)
 2,813 hours/year

Mineral Spas:

Revenue: \$400,000
 Expenditure: \$600,000
 Net Operating deficit: \$200,00 per annum
 Visits 23,014 annual visitation (July 2012 – June 2013)
 4,437 hours/year

The facility is opened 7 days a week

Currently 60% of users are domestic visitors and 40% are international visitors to the area.

Ownership and Management

Both facilities are entirely Council operated.

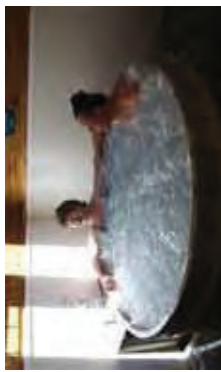


Figure 6: Te Aroha Leisure Pools and Te Aroha Mineral Spas

1.2.7 Ocean Blue Spa Napier

Location

The original Hot Sea Baths were constructed in early 1900's on Napier's Marine Parade. In 2003 the revamped facilities were opened on the site of the original Hot Sea Baths

Facility Components

The facility includes:

Outdoor heated 'saltwater' pools including:

- 25m lap pool,
- Free-form active and toddlers' play pools with fun features
- Large passive soak pool
- Circular spa pools x 2

Indoor Complex includes:

- Sauna and Steam Room,
- Two level weights gym with views over the site and out to sea
- Spa/Beauty
- Therapy rooms
- Cafeteria

Heating Source

All pools are heated via natural gas (Gas Boiler)

Capital Cost

The facility was redeveloped in 2006 at a cost of approximately \$6M. The current valuation of the facility is approximately \$10 M

Operational Data (financial / usage)

The facility operates for 364 days/year

The opening hours of the facility are:

- Monday - Saturday (6:00am to 10:00pm)
- Sunday and Public Holidays (8:00am to 10:00pm)

Due to the commercial operation of the facility no usage or financial operating data was provided. However discussions with the management indicated the 70% of users are adults and 30% are children (in both spend and visitation).

Ownership and Management

Napier City Council is the owner of the land and buildings. Council leases the facilities to

- H2O Management Waikato Limited
- Ocean Pools, Gym/Fitness and Spa/Beauty Therapy is managed by – Ocean Springs Management Ltd
- Oceans Café & Restaurant is managed by Soak Café & Restaurant (Napier) Ltd

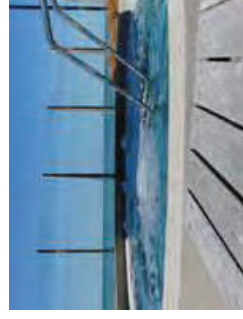
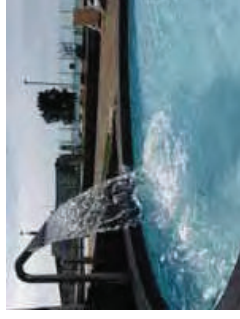


Figure 7: Ocean Blue Spa Napier

1.2.8 Franz Josef

Location

The Glacier Hot Pools located in the Franz Josef rain forest two hours drive from Greymouth, six hours from Christchurch and a five hour drive from Queenstown. The facility is situated on Cron Street Franz Josef Glacier.

Facility Components

The facility includes:

- Three public pools
- Three private pools with private change rooms
- Massage facilities

Pool is feed by the waters of the Franz Josef glacier and the water temperatures range from 36 to 40 degrees.

Heating Source

The water is headed by two 600Kilowatt LPG condensing boilers

Capital Cost

The cost of construction in 2007/2008 was \$8M. This is a proposal for a further \$3.8M development for the inclusion of huts and support infrastructure.

Operational Data (financial / usage)

The first year of operations attracted approximately 25,000 visitors

The facility is open all year from 1.00pm to 9.00pm

Ownership and Management

The facility is the Ngai Tahu Iwi Trust. The trust are currently in talks with Queenstown Lake District Council for the development of a \$25M hot pools development including:

- 12 large public hot pools

- 4 small private hot pools
- Health spa
- Change rooms facilities
- Reception/retail
- Café/restaurant

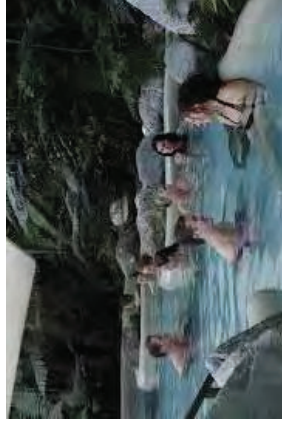
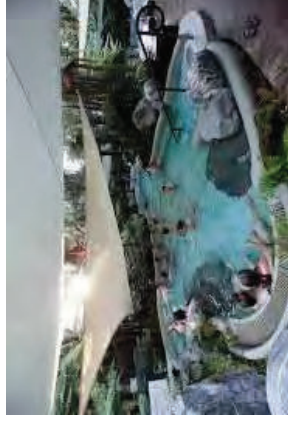


Figure 8: Franz Josef Glacier Hot Pools

1.3 Proposed New Brighton Facility

One of the key requirements of this review was to provide Council with a ‘ballpark’ sense of how much budget they may potentially wish to allocate to deliver a hot salt water pool complex, the size and scope options, potential operational costs, and expected attendance/participation over time.

Based on the benchmarking of successful centres and an understanding of the New Brighton demographics and characteristics the following provides a guide to the type of facility Council may wish to consider for the New Brighton area. A detailed feasibility, concept plan and independent quantity surveyors report will be required to confirm the recommended scope of works and the estimated capital cost. Due to the lack of a geothermal heat source a detailed energy audit would also be required to determine the operational cost of heating the water via traditional methods.

The location of the proposed facility on the New Brighton foreshore will enable the salt water to be sourced directly from the Ocean. The presence of the prevailing winds however may require a substantial amount of the facility to be constructed under cover or indoors to ensure customer comfort and amenity.

Based on the benchmarking of successful hot pool facilities the Centre will need to have the capacity to be developed into the following three customer market zones:

Zone One: General public pool – large pool zone (250m² – 330m²) to cater for the general public and families that will attract a spend of between \$8 to \$10 per person.

Zone Two: Private spa / soak pools – series of eight to ten private spas or soak pools, heated to between 36 and 40 degrees celsius and cater for a limited number of people (up to 10). These components will attract a spend of between \$35 and \$40 per person.

Zone Three: Wellness / beauty area – Provision of up to 12 consulting suites (8 singles and 4 doubles) plus change facilities off each room. Linked to lounge /refreshment area and linked to private spa /soak pool area. These components will attract a spend of between \$85 to \$120 per person.

Support infrastructure such as amenities, change rooms, food and beverage outlets and car parking would be provided to support each zone.

A detailed concept plan confirming the facility scope and requirements needs to be established to enable a reliable capital cost estimate to be developed. However, based on the benchmarked facilities it is anticipated that a facility footprint area of approximately 4000m² excluding car parking would be required. Depending on the scope of the facility and the combination of indoor and outdoor facilities it is anticipated that a facility of this type could cost between \$15M to \$25M.

Given the success of these facilities it is anticipated that a facility could attract between 300,000 to 350,000 visits per annum.

The operational success of many of the facilities reviewed is based on access to a geothermal heat source to heat the water. Given that this form of heating is not available in the New Brighton area the operational cost of using a traditional heating source to heat the salt water would be high.

For a facility to be viable there may need to be a combination of salt water pools (that would be flushed and replaced each day) and fresh water chlorinated pools at the Centre. The combination of hot salt water pools and a general public “fun” pool would provide would provide a point of difference to the New Brighton area.

APPENDIX A – FEES AND CHARGES

Hanmer Springs Prices

Category	Rate
Adult single entry	\$20.00
Adult return pass (initial entry and one return entry within the same day)	\$25.00
Adult two day pass (initial entry and one return entry the following day)	\$34.00
Child single entry (ages 3-15 years)	\$10.00
Child return pass (initial entry and one return entry within same day)	\$13.00
Child two day pass (initial entry and one return entry the following day)	\$17.00
Child under 3yrs	Free
Senior single entry (60 years and over)	\$15.00
Senior return pass (includes initial entry and one return entry within the same day)	\$18.00
Senior two day pass (initial entry and one return entry the following day)	\$26.00
Mini group single entry (2 adults and up to 3 children)	\$50.00
Mini group return pass (includes initial entry and one return entry within same day)	\$60.00
Mini group two day pass (initial entry and one return entry the following day)	\$90.00
Concession Card (10 adult admissions or 20 child admissions)	\$160.00
Waterslides/SuperBowl (must be taller than 1.2 metres for the waterslides)**	\$10.00
Swimming costume hire (plus \$20.00 deposit)	\$5.00
Towel hire (plus \$10.00 deposit)	\$5.00

Sauna/Private Pool Prices

Category	Rate
Sauna or Steam - 30 minutes (sauna & steam includes use of outdoor pools)**	\$30.00 per person
Sauna or Steam - 60 minutes (sauna & steam includes use of outdoor pools)**	\$40.00 per person
Private thermal pool - 30 minutes (minimum of 2 persons, includes use of outdoor pools)**	\$30.00 per person
Sauna or Steam - 30 minutes (sauna & steam includes use of outdoor pools)**	\$30.00 per person

Peninsula Hot Springs

Bath House entry prices

Category	Off Peak Mon - Fri	Peak Sat - Sun
Adult	\$35	\$40
Children (5-15)	\$20	\$25
Family (2 adults + 2 children)	\$95	\$115
Infant (1 month-4yrs)	\$5	\$5
Adult 10 visit pass*	\$300	\$340
Concession**	\$30	\$35
Adult	\$35	\$40

Bathe package - indoor

Peak: \$95 **Off peak:** \$85.5

Bathe package - outdoor

Peak: \$95 **Off peak:** \$85.5

Mt Maunganui Hot Salt Water Pools

Resident Admission Prices

Adult 16+ yr (swim only) - \$6.70
 Senior 65+ yr (swim only) - \$3.70
 Child 5-15 yr (swim only) - \$3.70
 Child 2-4 yr - \$2.80
 Under two yr - Free
 Spectator - \$1.20
 Family -
 (2 adults/2 children or 1 adult/3 children) - \$15.00

Resident Aquatic Concession Passes

Adult 10 visit - \$60.00
 Child 10 visit - \$32.60
 Senior 10 visit - \$32.60
 Adult 30 visit - \$162.00
 Child 30 visit - \$86.70
 Senior 30 visit - \$86.70

Non-Resident Admission Fees

Adult 16+ yr (swim only) - \$10.60
 Senior 65+ yr (swim only) - \$8.00
 Child 5-15 yr (swim only) - \$8.00
 Child 2-4 yr - \$5.60
 Under two yr - Free
 Spectator - \$1.70
 Family (2 adults/2 children or 1 adult/3 children) - \$30.50

Non-Resident Concession Passes

Adult 10 visit - \$95.00
 Child 10 visit - \$71.40
 Senior 10 visit - \$71.40

Aqua Aerobics Prices

Casual entry - \$10.00
 10 visit - \$90.00

Senior 65+ yr - \$8.50
 10 visit - \$76.50

Private Pool Resident Admission Fees*

Adult/Senior (private pool only) - \$13.00
 Adult/Senior (private pool & public pools admission) - \$16.30

Moree Artesian Pools

Aquatics - Outdoor Pools Only	Adult	Concession	Family
Casual Visit	\$8.00	\$6.00	\$25.00
Casual Day Pass	\$14.40	\$10.80	\$50.40
5 Visit Pass	\$34.00	\$25.50	\$119.00
10 Visit Pass	\$64.00	\$48.00	\$224.00
15 Visit Pass	\$90.00	\$67.50	\$315.00
3 Monthly Membership	\$172.80	\$129.60	\$320.00
6 Monthly Membership	-	-	\$550.00
Gym & Swim - Outdoor Pools Only	Adult	Concession	Family
Casual Visit	\$14.00	\$10.50	N/A
Casual Day Pass	\$25.20	\$18.90	-
5 Visit Pass	\$59.50	\$44.63	-
10 Visit Pass	\$112.00	\$84.00	-
15 Visit pass	\$157.50	\$118.13	-
3 Monthly Membership	\$302.40	\$226.80	-
Unlimited Annual Visits	\$655.20	\$491.40	-
Other Fees and Charges	Adult	Concession	Family
Wellness Spa Soak & Sauna -16 years & over	\$20.00	\$20.00	N/A
Wellness Spa Soak & Sauna - 15 Visit Pass	\$225.00	\$225.00	-
Learn to Swim Entry - with Pool Bookings	\$3.00	\$3.00	-
Spectator	\$2.50	\$2.50	-
Child under 3 years	-	\$1.50	-
Slide - 5 Rides	\$3.00	\$3.00	
Lane Hire		\$21.00 per hour	
		\$105.00 per month	

St Clair Hot Salt Water Pool

	Casual entry	Multi visit pass (12 swims)	Season tickets
Adult	\$6.00	\$60	\$200
Concession	\$3.60	\$36	\$110
Child	\$3.00	\$30	\$85
Pre-school	\$1	\$11.50	N/A
Family (2 adults and 2 children)	\$13.00	N/A	\$400 (\$30.00 extra child)

Ocean Blue Spa

GENERAL ADMISSION

Adult/Student	\$10.70
Child - 14 years and under	\$8.00
Under 2 years	\$3.00
Senior - 65 years and over	\$5.70
Family Unit (2 adults + 2 children or 1 adult + 3 children)	\$30.00
Spectator	\$2.50

Children under 8 years old must have active adult supervision at all times - please see conditions of entry

CONCESSIONS

Adult 10 concession	\$79.00
Adult 30 concession	\$225.00
Child 10 concession	\$61.00
Child 30 concession	\$175.00
Senior 10 Concession Card	\$45.00
Group concessions : please contact reception	

PRIVATE SPAS - 1/2 hour : Booking advised (details)

Maximun 4 people - does not include general admission	
Adults (per person)	\$13.00
Children (per child)	\$10.00

SUN BED - Booking advised

Casual	\$9.50
10 Concession	

Franz Josef Fees and Charges

Category	Rate
Adult	\$25
Children (5-15)	\$18
Private Pool – 45 min for 2 people	\$85
Massage	
Half hour	\$85
Hour	\$125
Hour and a half	\$175

Facility	Capital cost	Revenue	Expenditure	Net operating surplus	Heating	Facilities					Visits per annum	Ownership	Other comments	
						Range of leisure pools	Aqua therapy	Water slides	Aqua play	Steam / sauna / private pools				Lazy river
General comments:	Key success factors: cost of piping salt water, heating the water and water discharge. Sites greater than 0.5km from salt water source could make a facility unviable.				If heating is from a traditional method and not geothermal, annual operating costs would increase significantly	High value bathing facilities should differentiate from common bathing facilities.					The global spa industry has been on an upward trajectory, with fast-growing markets. Facilities with features that don't require a therapist could achieve high gross margins. For New Brighton this may result in a facility that incorporates a range of hot salt-water aquatic experiences including a combination of smaller and larger soak pools, spas and swimming areas.	Average customer spend per visit globally at successful hot springs facilities: at least NZ\$100 per visit	Hot springs and their towns can become community hubs and drivers of wellbeing	
Hanmer Springs	Full facility: unknown Grown over time since 1850s Capital Value: \$13.275M (including improvements of \$11.015M) Recent Spa/wellness: \$4.8m Freshwater pool, water slide, aqua play: \$7.5M	\$10M	\$8M	\$2M	Geothermal (bore, 52 degree water)	Y Rock pool, Rainbow Pools, Sulphur Pool, Hexagon pool	Y including superbowl	Y	Y with freshwater pool	Y	Merchandise area	520k – 540k from Canterbury region, 25% international visitors.	Land: government reserve. Pools owned by Hurunui District Council	Profits reinvested in reserves across wider Hurunui District. One of the largest employers in the district
Peninsula Hot Springs, Mornington Peninsula, Victoria AU	\$40M Stage I (bath house) 2005, Stage II (Spa dreaming centre) 2009	Unknown	Unknown	Returns a profit	Geothermal (637m bore to aquifer of 54 degree water)	Y Thermal mineral pools, hilltop pool, cave pool, family bathing area, lakeside pool				Y x2 Picnic area	Reflexology walk. Gift shop. Accommodation (30 rooms) and Wellness (Health & Wellbeing) Centre are being planned	400k (20% local, 70% domestic, 10% international)	Private operators Charles and Richard Davidson, and Norm Cleland	
Mount Maunganui Hot Salt Water Pools, Bay of Plenty	Current valuation is \$5M - \$7M Built 1960s, renovated 1990s	\$1,043M	906,000 Not including depreciation or debt servicing	\$137k	Geothermal	Two outdoor spas, 22m activity pool		Toddlers pool with slide				200k (75% resident, 25% visitors)	Tauranga City Council (managed by CCO)	Proposal to redevelop at cost of \$10M. Not yet agreed as it did not receive resource consent.
Moree Artesian Pools, New South Wales	Developed early 1960s. \$8M redevelopment in 2011/12	\$3,965M	\$4,075M Excluding head office overheads. Including depreciation of \$69k	Prior to redevelopment: operating deficit: -\$250 – \$300k Now: -\$110k	Geothermal (bore, heated naturally at 41 degrees) for soak pools, learn to swim, 50m pool, water play Other water spaces: town water heated to 25 – 28 degrees. Mix of salt & chlorinated water. LPG (shower, basins), Heat pumps (main pool), electric resistive heating (toddler pool)	2x outdoor soak pools, learn to swim pool, 50m Olympic swimming pool.	Y	Y	Y		Fitness centre and programme. Retail	260k – 300k (25% local, 75% visitors)	Moree Plains Shire. Managed by a company with community based Board.	
St Clair Hot Salt Water Pool, Dunedin	Current valuation of \$3M Upgraded 2001	\$307,000	\$309,000 Excluding head office overheads. Including depreciation of \$69k	Deficit - \$2,000 Capital cost allocation of \$21k per annum.	Heated to 25 – 28 degrees. Mix of salt & chlorinated water. LPG (shower, basins), Heat pumps (main pool), electric resistive heating (toddler pool)	Outdoor heated pools: six lap pool, toddlers pool				Y		48,899	Dunedin City Council – owned and operated	A Citywide Aquatic Strategy (SGL, 2010) recommended inclusion of hot salt soak pools and wellness centre. Cost approx \$6M Recommendation not adopted by Council.

Text in black is sourced from a Draft report from SGL Ltd: Legacy Hot Salt Water Pool New Brighton (7 July 2014).
Text in blue is additional information sourced by CCC staff.

Facility	Capital cost	Revenue	Expenditure	Net operating surplus	Heating		Range of leisure pools	Aqua therapy	Water-slides	Aqua play	Facilities			other	Visits per annum	Ownership	Other comments
					Hot pools	Hot pools					Steam / sauna / private pools	Lazy river	cafe				
Te Aroha Leisure Pools and Mineral Spas	Currently valued at \$5M. Capital cost funded by Council. Operating for over a century	Leisure pools: \$170k Mineral spas: \$400k	Leisure pools: \$380k Mineral spas: \$600k	Leisure pools: Deficit \$210k Mineral spas: Deficit \$200k	Geothermal (spas). Electric heat pump (leisure pools)		20m outdoor pool, toddlers				12m outdoor spa pool, 7 spa rooms		1 beauty therapy room	Leisure pools: 30,500 Mineral spas: 23,014 60% domestic, 40% international	Council operated		
Ocean Blue Spa, Napier	Current capital valuation approx \$10M. Originally constructed early 1900s. Revamped in 2006 at cost of approx \$6M	Unknown	Unknown	Unknown	Natural gas (gas boiler)		25m lap passive soak pool	Spa/beauty, therapy rooms		Free-form outdoor active and toddlers' play pools with fun features	2x circular outdoor spa pools, 3 private sauna and steam room	Y	Two level weights gym	Unknown 70% users adults, 30% children	Napier City Council owns land and buildings. Leases to three companies.		
Franz Joseph Glacier Hot Pools	\$8M construction cost (2007/2008)	Unknown	Unknown	Unknown	Two 600KW LPG condensing boilers		Three public pools	Massage facilities Sauna and steam room and plunge pool			Three private pools Sauna and steam room	Y		25,000 (first year of operation)	Ngai Tahu Iwi Trust.	Proposal for further \$3.8M development for inclusion of huts and support infrastructure.	
Currently in talks regarding a \$25M hot pools development (12 large public hot pools, 4 small private hot pools, health spa, change rooms, retail, cafe, with anticipated visitors 300k – 350k)																	

For New Brighton:

A detailed feasibility, concept plan and independent quantity surveyors report will be required to confirm the recommended scope of works and the estimated capital cost.

If located on the New Brighton foreshore, salt water can be sourced directly from the Ocean.

Due to the lack of a geothermal heat source a detailed energy audit would also be required to determine the operational cost of heating the water via traditional methods. The operational success of many of the facilities reviewed is based on access to a geothermal heat source to heat the water.

Given that this form of heating is not available in the New Brighton area the operational cost of using a traditional heating source to heat the salt water would be high.

The presence of the prevailing winds may require a substantial amount of the facility to be constructed under cover or indoors to ensure customer comfort and amenity.

The Centre will need to have the capacity to be developed into the following three customer market zones:

- **Zone One:** General public pool – large pool zone (250m² – 330m²) to cater for the general public and families that will attract a spend of between \$8 to \$10 per person.
- **Zone Two:** Private spa /soak pools – series of eight to ten private spas or soak pools, heated to between 36 and 40 degrees Celsius and cater for a limited number of people (up to 10). These components will attract a spend of between \$35 and \$40 per person.
- **Zone Three:** Wellness /beauty area – Provision of up to 12 consulting suites (8 singles and 4 doubles) plus change facilities off each room. Linked to lounge /refreshment area and to private spa /soak pool area. These components will attract a spend of between \$85 to \$120 per person.

Support infrastructure such as amenities, change rooms, food and beverage outlets and car parking would be provided to support each zone.

Based on the benchmarked facilities, it is anticipated that a facility footprint area of approx 4,000m² excluding car parking would be required.

Depending on the scope of the facility and the combination of indoor and outdoor facilities it is anticipated that a facility of this type could cost between \$15M to \$25M. It is anticipated that a facility could attract between 300,000 to 350,000 visits per annum.

For a facility to be viable there may need to be a combination of salt water pools (that would be flushed and replaced each day) and fresh water chlorinated pools at the Centre. The combination of hot salt water pools and a general public "fun" pool would provide would a point of difference to the New Brighton area.

Text in black is sourced from a Draft report from SGL Ltd: Legacy Hot Salt Water Pool New Brighton (7 July 2014).
Text in blue is additional information sourced by CCC staff.

ATTACHMENT 2

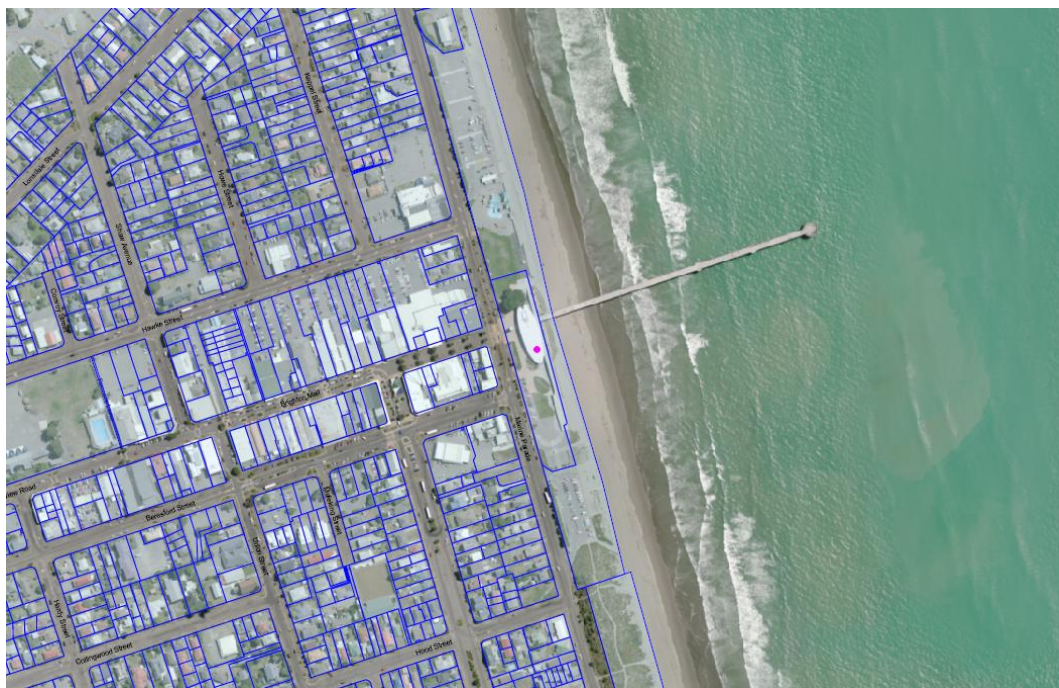
INDICATIVE PLANNING BRIEF PREPARED BY CHRISTCHURCH CITY COUNCIL AND ENVIRONMENT CANTERBURY

New Brighton Legacy Project Planning Brief

(a) CHRISTCHURCH CITY COUNCIL

– As applicable to 195 and 213 Marine Parade - New Brighton Beach Playground Parking Areas and Library

Please note that this advice is intended as a summary only. Please check the City Plan on line for a full list of rules.



Aerial Photograph of Site and Surrounds 2010

These sites are zoned **Open Space 2** within the City Plan – see excerpt from Planning Map 34 below.

Open Space 2 zones tend to have substantial physical resources within them such as clubrooms, changing sheds and toilet facilities. As well as these, recreation facilities such as walkways and playgrounds are common in this zone. Some parks also contain community facilities of value to the local neighbourhood or district e.g. the library at New Brighton.

The plan anticipates that it is important that a high level of open space is maintained in these areas, as they will often serve both district and local functions. The level of private use of public recreation space is therefore subject to assessment where general public use may be excluded. As these areas often have high levels of public use on weekends and weekday evenings, provisions are included to protect the surrounding community from the adverse environmental effects of public use. This includes factors such as lighting, noise, increased traffic and safety issues. These areas may also contain sites with natural, ecological and/or historic values. The pressure of high public use on any natural, ecological and historic values must therefore be taken into account in management of areas in the zone.

The Plan states that the following **environmental results** are anticipated:

- (a) *Provision for a high level of public use of open spaces and recreation areas within the zone.*
- (b) *The provision of buildings and facilities necessary to facilitate both formal and informal recreation, consistent with overall maintenance of an open space character which is not dominated by buildings and hard surfacing.*

(c) The maintenance of a system of large areas of public open space for recreation throughout the city, which are well distributed and readily accessible to people in all parts of the urban area.

(d) Enhancement of city amenities by the presence and further development of green open space and opportunities for tree planting.

(e) The exclusion or mitigation of activities and buildings which cause adverse environmental effects in terms of the Environmental results anticipated in the surrounding living zones.

(f) Maintenance and enhancement of the ecological heritage sites identified within the zone.

(g) In central New Brighton the maintenance of a low scale of buildings with an emphasis on community and recreational activities and a higher than normal amount of impervious surfacing in recognition of its role as an intensively used beachfront area.

Open Space 2 Plan rules

Development Standards

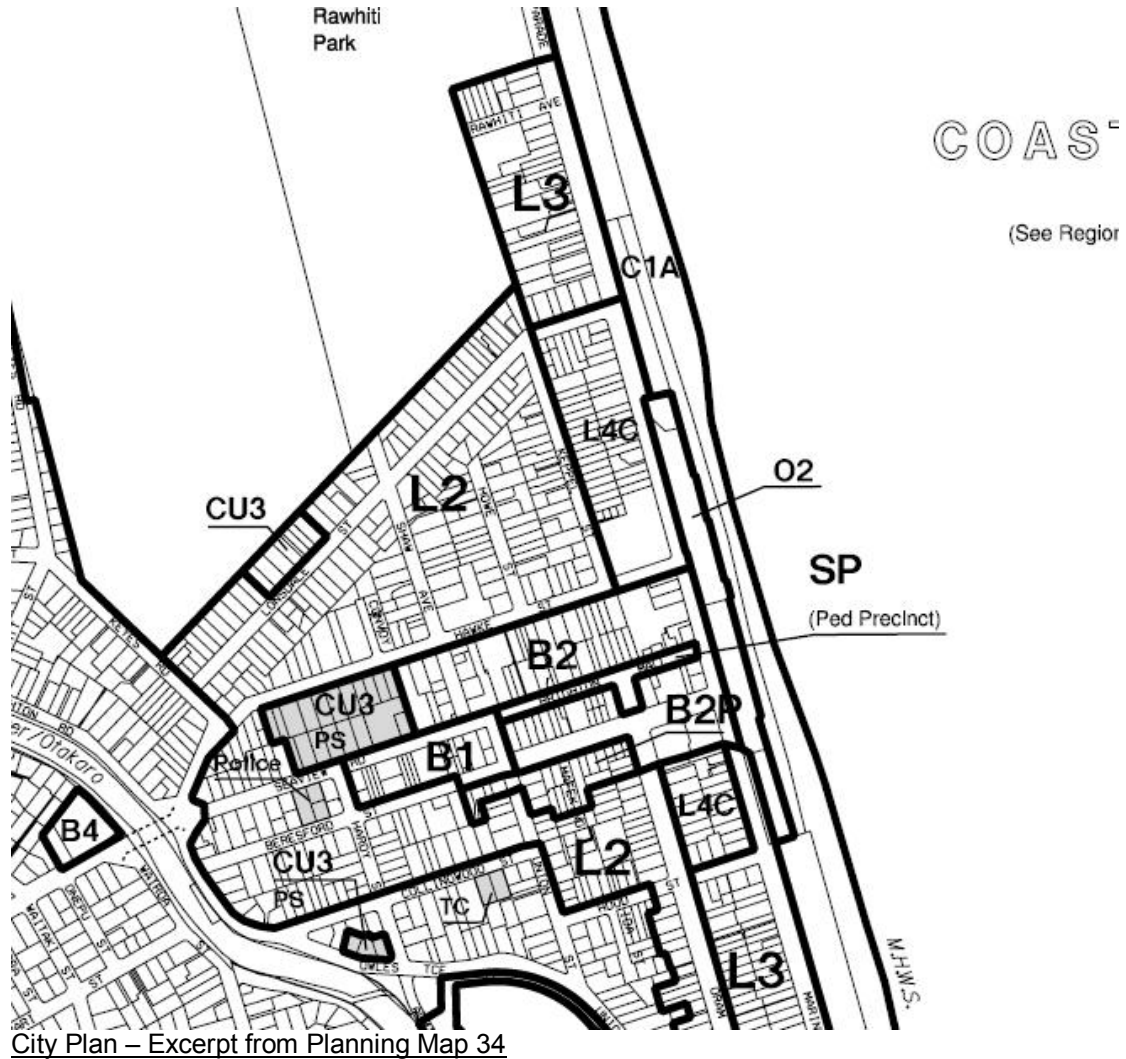
- 3m building setback from internal and road boundaries.
- Maximum building height of 6 metres.
- Where buildings and/or areas of impervious surfaces are located within 20m of a road boundary or zone boundary, there is a requirement that the site is planted for a minimum depth of 3m from these boundaries, with trees or shrubs capable of reaching a height of at least 1.8m at maturity.

Community Standards

- Maximum area of any site or reserve covered by any single building (exclusive of children's play equipment) shall be 100m².
- Maximum percentage of the net area of any site or reserve covered by buildings shall be 12%.
- Maximum percentage of the net area of any site or reserve covered by impervious surfaces (other than footpaths, artificial playing surfaces and cycle tracks, and excluding buildings) and/or in the case of the Open Space 2 Zone area under exclusive lease arrangements, shall be 75%.
- Any site and building shall only be used for recreation and community activities, and accessory administrative, and retail activities.
- Limitations on residential – only one unit for custodial or management purposes for the facility.
- Rules around the retention of native vegetation, natural features and existing landscape character – limitations on vegetation removal and planting.
- A maximum site coverage by buildings permitted of 40m².

Other City Plan rules of relevance:

- Excavation and Filling of Land – Part 9, Clause 5.
- Building adjacent to waterways and the coastline (refer Part 9, Clause 5). The property is located adjacent to the Mean High Spring tide line which is classified as the coastline in the Plan. Any development, filling or excavation within 20 metres requires resource consent.
- Hazardous Substances – Part 11.
- Transport (Parking, Access and Manoeuvring) - Part 13.
- Outdoor Advertisements.
- Protected Trees – a notable *Cupressus macrocarpa* is located in close proximity to the library.
- Noise and Glare standards.
- Heritage – The New Brighton Clock Tower is a group 4 protected item.



District Plan Review

Please note that the Stage Two chapters of the District Plan Review are scheduled to be notified in 2015 and include Open Space, Conservation and Recreation.

Climate Smart Strategy/Coastal Processes

Refer to the Christchurch City Council’s Climate Smart Strategy 2010-2025 for information on sea level rise, increased storminess/frequency/magnitude (climate change related) and their impact on the open coast i.e. erosion.

Refer also to coastal processes generally (area of erosion and coastal flooding historically).

Ecan commissioned a report on the inundation of the southern Pegasus bay coast in the event of a distant source tsunami (e.g. across Pacific Ocean). The model simulates worst case flooding from a distant source tsunami (not a regional/local source tsunami). This property is situated in an area identified in the report as an area of potential inundation in the event of a distant source tsunami. The District Plan Review includes a chapter on Natural Hazards.

(b) ENVIRONMENT CANTERBURY (Ecan)

Environment Canterbury (Ecan) has two Regional Plans - the Natural Resources Regional Plan (NRRP) which is their operative plan and the Land and Water Regional Plan (pLWRP) which is their proposed plan. Therefore each plan will have its own set of rules relevant to this activity. It is also possible that this activity may trigger some of the rules within their Regional Coastal Environment Plan (Coastal Plan).

The rules that are likely to be triggered within the above plans will vary depending on the location and design of this pool. Provided below are a summary of the possible rules:

Excavation in a Coastal Confined Aquifer

- Rule WQL36 of the NRRP will be triggered for excavation works of more than 100 cubic metres (in a 12 month period) where there is less than one metre of undisturbed material between the base of excavation and Aquifer 1. If this is to occur, then a resource consent will be required.
- Rule 5.175 of the pLWRP is triggered for any excavation works over a Coastal Confined Aquifer. If all relevant conditions of this rule can be met, a resource consent is not required.

Discharge of pool water

- Rule WQL4 of the NRRP and Rule 5.10 of the pLWRP relate to the discharge of swimming pool water. If all conditions of these rules can be met, a resource consent is not required.

Both these rules include conditions relating to the concentration of salt and other chemical concentrations within the water.

Taking of water from the Coastal Marine Area (CMA)

- Rule 8.30(1) allows for coastal water to be taken as a permitted activity (without resource consent) providing the conditions of this rule can be met.

Installation of structures in the Coastal Marine Area (CMA)

- Rule 8.1 of the Coastal Plan, outlines the structures that are permitted within the CMA. Many of these relate to the installation of Network Utility Structures and telecommunications lines and therefore it is likely that the installation of a structure other than these in the CMA may require a resource consent under the coastal plan.

Ecan also have rules within their Coastal Plan which relate to the Occupation and Disturbance of the CMA. These rules also specify the types of activities which can be considered as permitted. If your activity falls outside of these, a resource consent will be required.

- Rule 8.22 – 8.25 of the Coastal Plan relates to the Occupation of the CMA.
- Rules 8.6 to 8.10 of the Coastal Plan relate to the Destruction, Damage or Disturbance of the CMA.

The above gives some guidance of the type of rules that may be triggered. As you will see, many of these activities have a permitted activity status (can occur without a resource consent) depending on how the works are to occur.

If you wish to obtain copies of any of these rules, please either visit the Ecan website (<http://ecan.govt.nz>) or the Ecan Customer Services (calling from Christchurch: (03) 353-9007 or calling from any other area: 0800 324 636 (0800 EC INFO)).