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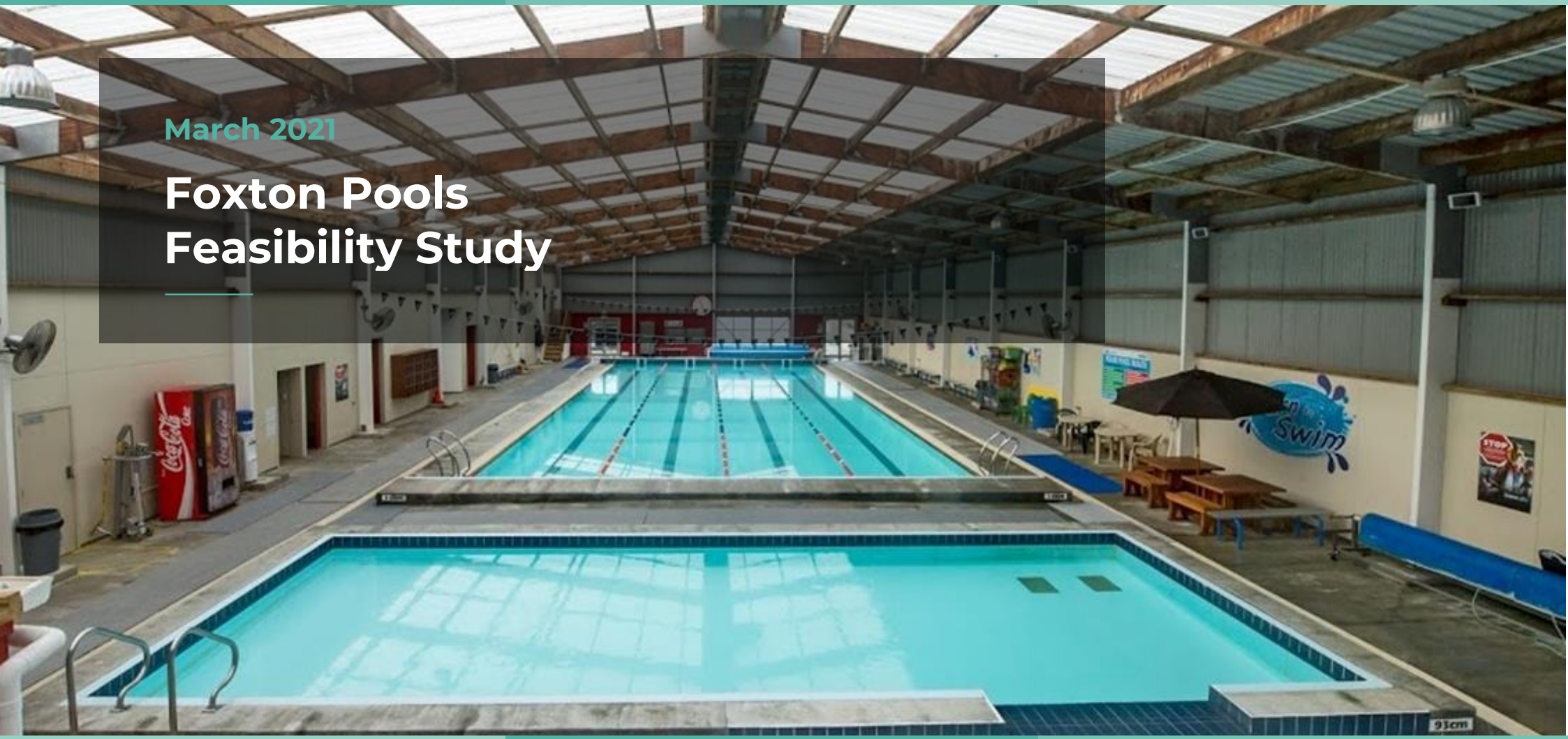

March 2021

Foxton Pools Feasibility Study

Prepared for:

Horowhenua DISTRICT COUNCIL

INFORMATION

Document Reference	Foxton Pools – Feasibility Study
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Version	Final
Date	17 March 2021

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CONTENTS

1.0 EXECUTIVE SUMMARY

HOROWHENUA AQUATIC FACILITY STRATEGY

In 2020, Horowhenua District Council developed an Aquatic Facility Strategy to provide a blueprint for the future development of its aquatic facilities. Key findings from the Strategy were:

- Current provision of all-year water-space is low and additional water-space will be needed to meet demand from population growth.
- A gap in the provision of leisure water-space exists.
- There is a high demand from aquatic water sports.
- A growing older population supports demand for hydrotherapy.
- Levin Aquatic Centre is under-sized and needs to be expanded.
- Foxton Pools have critical building issues and have low use.
- Jubilee Park Paddling Pool is aging and unsupervised.

The Council resolved to undertake a three-part feasibility study to explore future options for Foxton Pools, Levin Aquatic Centre, and Jubilee Paddling Pool. The studies will help inform the Long-Term Plan 2021-2041. This report summarises the Foxton Pools feasibility study which was progressed more quickly due to the urgency of the building issues. The process for the Foxton study is outlined below.

FOXTON POOLS

Foxton Swimming Baths originally opened in 1927 as an outdoor pool on Easton Park, Main Street, Foxton. In December 2007, an indoor facility was opened including a 25x10metre (4 lane) pool, 10x5metre teaching pool and a small toddlers' pool. The outdoor pools were closed sometime after 2007 but were never demolished.

The pool building was constructed without a vapour barrier, thermal insulation, or mechanical ventilation. This design directly contributes to high condensation and variable internal temperatures. Excessive condensation has led to high moisture, promoting the risk of fungi and structural decay. The building is performing poorly, accelerating the deterioration of the structure, plant, and equipment. While not a current risk, in time it will become a safety issue.

USE OF FOXTON POOLS

Foxton Pools serves a local catchment including Foxton, Waitārere, Himatangi and Shannon. It currently attracts about 2,000 visits per month / 17,000 for the 8-month season. Best practice suggests visits for similar facilities are around 20,000 to 25,000 visits, equivalent to approximately 3,300 to 4,000 per month. The condition and structured nature of the facility are two likely reasons for low use and limited appeal.

STRATEGIC ALIGNMENT

Foxton Pools contributes to Horowhenua District Council's community outcomes of Thriving Communities, An Exuberant Economy, Enabling Infrastructure and Vibrant Cultures.

Foxton Pools are strategically located opposite Te Awahou Nieuwe Stroom. Changes to State Highway 1 over the next 10 years have the potential to increase the number of visitors to Foxton (being a major interchange for the proposed motorway). An appealing aquatic facility which is attractive to visitors, may contribute to strategic objectives to grow visitors as part of the Foxton Futures Economic and Destination Development Plan.

DEMOGRAPHIC CHANGES

Horowhenua district is going through an exciting period of growth, with the population forecast to grow from 33,300 in 2018 to 81,000 by 2050.

The Foxton Pools catchment is expected to grow from 9,100 to 14,500 over the next 20 years, over 60% growth. The growth is expected across all age-groups, with more families, children, and older population. The ethnic breakdown of the catchment is not expected to change, with mainly European and Māori residents.

The catchment size and profile support the need to provide water-play, learning, fitness and relaxation (warm water) opportunities.

COMMUNITY VIEWS

During October and November 2020, engagement with aquatic stakeholders and the Foxton community was undertaken to understand preferences for addressing the issues at Foxton Pools. 676 community responses were received, which is a high response rate. Three potential development options with the following responses:

- 9% of respondents supported the basic option to rebuild the building.
- 10% of respondents supported removing the building to create an outdoor seasonal facility with added leisure components.
- 81% of respondents supported a hybrid approach to rebuild the building and add leisure components to increase the appeal.

Respondent's ratings of important factors were:

- 81% of respondents want a swimming pool retained in Foxton.
- 71% of respondents want an all-year round indoor facility.
- 66% of respondents want the appeal of the facility to be addressed.

NEEDS ANALYSIS

There are several factors to consider in the future of Foxton Pools.

Key Drivers

- Address the deteriorating condition and underlying design issues of Foxton Pools to ensure the facility is safe and fit for purpose.
- Increase the appeal of the facility to improve utilisation and cater for all-sectors of the growing population around Foxton.
- Resolve the future of the abandoned outdoor pool area.

Providing for Population Growth

To accommodate potential demand from population growth, the facility could be expanded up to 450m^2 of water-space (from 300m^2 currently). This would assist in providing increased aquatic capacity for the District.

Improving Use & Appeal

To improve use of the facility, there needs to be a strong focus on increasing the appeal for families, young people, and older people by providing better opportunities for water play, learning, fitness and relaxation (warm water) functions.

Community Preference for All-year Facility

There is strong community support for an indoor/outdoor facility which provides an all-year facility with appealing pool layout to suit the needs of the whole community and attracts greater use.

Increasing Revenue Generation

Providing opportunities for the facility to drive increased revenue through quality learn to swim programmes, dry fitness opportunities, a variety of aquatic programmes, and more appealing facility.

OPTIONS

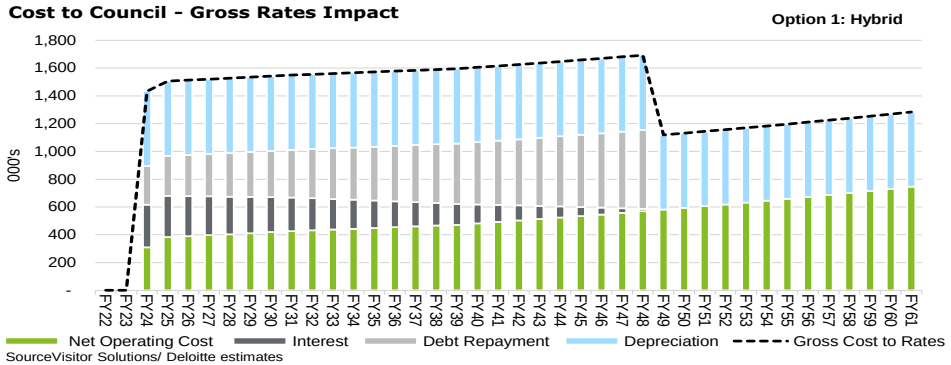
Due to the condition of the building, doing nothing is not an option. Building on the findings, five options were developed for Foxton Pools.

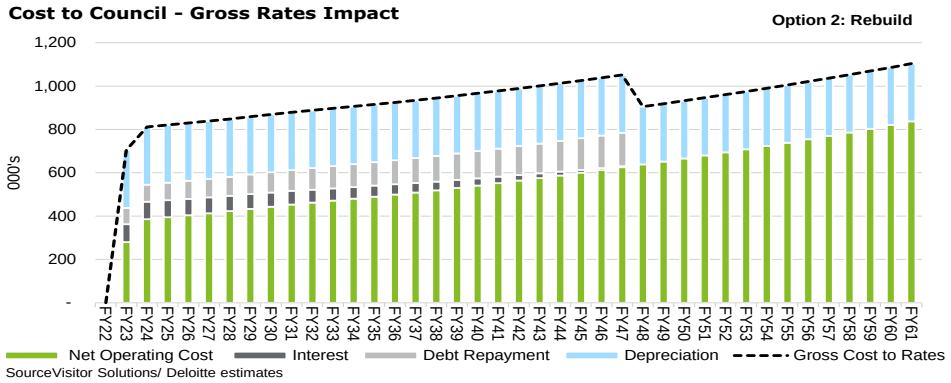
OPTION	DESCRIPTION
1 - All-year Indoor / Outdoor Leisure Pool (Hybrid option)	Rebuilding and extending the building to provide an all-year facility with lap pool, teaching pool, leisure pool, multi-purpose room and outdoor splashpad.
2 - All-year Indoor Basic Pool (Rebuild)	Rebuilding to provide an all-year facility with lap pool and teaching pool. Outdoor area restored to grass.
3 - Seasonal Outdoor Leisure Pool (Outdoor option)	Removing the building to provide an outdoor facility with lap pool, teaching pool, leisure pool & splashpad.
4 - Seasonal outdoor Basic Pool	Removing the building to provide an outdoor facility with lap pool and teaching pool. Existing outdoor area restored to grass.
5 – Close the Facility	Demolish the facility and restore to grass.

FINANCIAL IMPACTS

Operational modelling was prepared for the four development options, estimating the potential use, revenue, expenditure, and net result. The results are summarised in the table on the following page.

Options 1 and 2 were also analysed for the financial impact. As Option 1 has higher capital costs (therefore higher debt servicing and depreciation), the net impact on rates is circa 1.37% (based on a 30-year average). By comparison, Option 2, which has lower capital costs, has a net impact of circa 0.58% over the 30-year average.





Sensitivity analysis on Option 1 shows sourcing other capital or increasing revenue (higher entry prices or more visits) would have a positive impact on the net financial impact, although the reductions are small.

EVALUATION OF OPTIONS

While financial impacts are very important, the assessment should also consider other factors including the impact on the aquatic network, participants, functionality, wider community returns and visitor appeal. Considering all factors, Option 1 has the highest evaluation score. While the costs of this option are higher, it provides strong benefits including:

- Provides an all-year round facility which the community supports.
- Improves the appeal of the facility which the community supports.
- Provides new leisure and relaxation opportunities which expands the appeal of the facility across the community and to visitors.
- Will help reduce demand pressure on Levin Aquatic Centre and will be able to accommodate growing demand from population growth.
- Increases the efficiency of the water-space.
- Includes a flexible fitness space which will help drive revenue.

Option 1 provides a comprehensive facility which meets a wide cross section of needs and is sized for the population now and in the future.

Option 2, which rebuilds the facility with no changes to the pools, was selected by Horowhenua District Council (HDC) as the preferred option in the draft Long-Term Plan as it is the closest option to status quo (doing nothing is not an option). Option 2 provides community benefit by retaining a swimming pool in Foxton but it will not improve the appeal of the facility or deliver the wide range of benefits of Option 1.

Option 3, making the facility an outdoor pool has benefits, but likely to have less community support due to the seasonal operation. Both Option 4 (basic outdoor pool) and Option 5 (close facility) are likely to have high community opposition.

CONCLUSIONS AND RECOMMENDATIONS

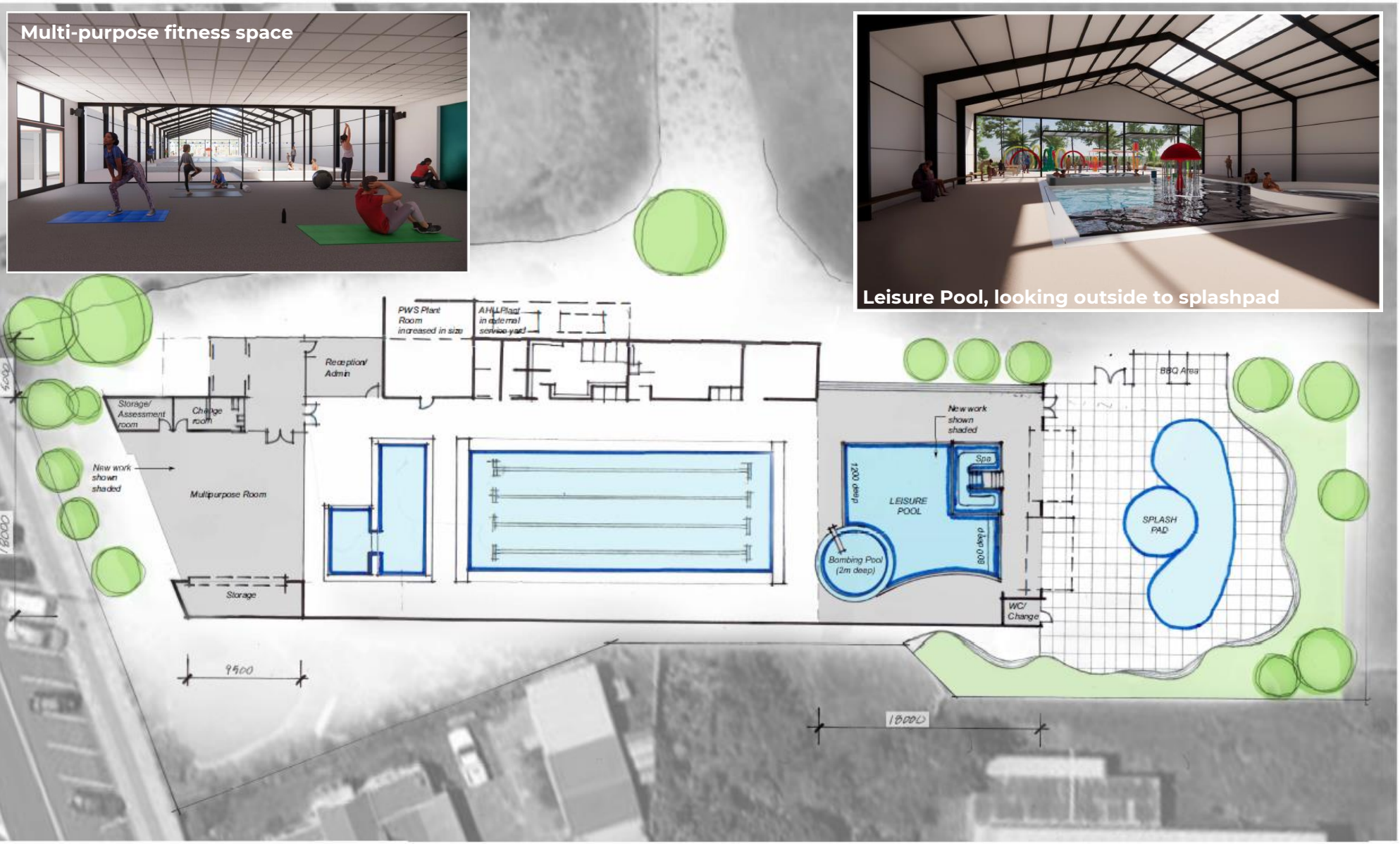
Based on the analysis, **Option 1 is considered the strongest overall option** delivering strong benefits. Going forward, it is recommended:

1. HDC consult with the community on the options through the LTP.
2. If there is community support for Option 1, then consider funding in Years 1 to 3 of the Long-Term Plan 2021-2041.
3. Scope alternative capital funding sources.
4. Prepare a detailed project plan to guide the project.

SUMMARY OF FOXTON POOLS DEVELOPMENT OPTIONS – SCOPE, COSTS, OUTCOMES & ASSESSMENT

	OPTION 1 ALL-YEAR LEISURE	OPTION 2 ALL-YEAR BASIC	OPTION 3 SEASONAL LEISURE	OPTION 4 SEASONAL BASIC	OPTION 5 CLOSE FACILITY
Scope	Indoor lap pool Indoor teaching pool Indoor leisure & spa pool Outdoor splashpad Outdoor landscaped area Multi-purpose fitness space	Indoor lap pool Indoor teaching pool	Outdoor lap pool Covered teaching pool Outdoor leisure & spa pool Outdoor splashpad Outdoor landscaped area	Outdoor lap pool Covered teaching pool Outdoor grass space (no landscaping)	Demolish & close facility
Operation	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	22 weeks operation Every day 10am to 7pm	22 weeks operation Every day 10am to 7pm	No operations
Capex Cost	$9.4 million	$2.6 million	$4.4 million	$1.9 million	$350,000
Year 1 visits	59,132	26,607	21,274	10,616	Loss of 17,000 visits
Opex Cost	$345,000 per annum	$350,000 per annum	$190,000 per annum	$200,000 per annum	Saving of $230,000
Outcomes	✓ Address condition & design issues. ✓ Increase appeal & use. ✓ Resolve outdoor area. ✓ Increase capacity for population growth. ✓ Provide all core functions. ✓ All-year facility ✓ Improve revenue	✓ Address condition & design issues. ✓ Resolve outdoor area. ✓ All-year facility. × No additional appeal & use. × No capacity for growth. × Limited core functions. × No additional revenue.	✓ Address condition issues. ✓ Increase appeal & use. ✓ Resolve outdoor area. ✓ Increase capacity for population growth. ✓ Provide all core functions. × Seasonal facility. × Limited revenue generation.	✓ Address condition issues. ✓ Resolve outdoor area. × No additional appeal & use. × No capacity for growth. × Limited core functions. × Seasonal facility. × No revenue generation.	✓ Address condition issues. ✓ Resolve outdoor area. × No aquatic facility to meet community needs. × No capacity for growth.
Assessment	• Strongest outcomes for improved use, utilisation, and efficiency. • Highest capital cost. • Higher operating costs. • Net impact on rates of ~1.37% 30-year average.	• Increases the total visits but efficiency does not improve as the visits are spread over 12 months. • Low capital cost. • Higher operating costs. • Net impact on rates of ~0.58% 30-year average.	• Increases use, utilisation and improves efficiency. • Lowest operating costs (reduces current costs). • Mid-range capital cost. • Not heavily supported by community.	• Reduces use, utilisation, and efficiency. • Lower operating costs. • Lowest capital cost. • Likely strong opposition by the community.	• No facility will be a significant community loss. • Strong community opposition anticipated. • Eliminates operating costs.
Conclusion	**Strongest overall option**, whilst the highest cost, provides strongest and wide-reaching benefits.	Third best option, low capital cost but higher operating costs. No additional benefit.	Second best option, mid-range costs, increases appeal, but likely to have less community support.	Weakest development option and likely to generate community opposition.	Weakest option and likely to generate strong community opposition.

FOXTON POOLS OPTION 1: ALL-YEAR INDOOR/OUTDOOR LEISURE POOL - STRONGEST OVERALL OPTION



ANALYSIS

2.0 INTRODUCTION

2.1 BACKGROUND

The Horowhenua district is going through an exciting period of growth as the area becomes more accessible to live, work and play. Population growth experienced and forecasted highlights the need to examine community infrastructure to meet community needs.

In 2020, the Council developed an Aquatic Facility Strategy to review its aquatic facilities, analyse demand, consider innovations, and provide a blueprint for future development of its aquatic facilities.

The key findings from the Aquatic Facility Strategy were:

- Current provision of aquatic space is low for all year water-space and with forecast population growth, additional water-space is needed.
- There is a significant gap in the provision of leisure water-space which caters for the largest group of aquatic users.
- Additional water-space is needed to meet the demand for aquatic sports, specifically deep-water.
- A growing population of older people in the District will drive increased demand for hydrotherapy and more warm water facilities.
- Levin Aquatic Centre is under-sized and needs to be expanded to cater for current and future demand and there is an opportunity for a hub development with tennis, squash, and rugby.
- The building at Foxton Pools is in critical condition and needs to be addressed and currently the facility has low use.
- Jubilee Park Paddling Pool is an ageing asset at the end of its useful life and there is a significant risk being an unsupervised pool.

The Council resolved to undertake a three-way feasibility study to explore future options for Foxton Pools, Levin Aquatic Centre and Jubilee Park Paddling Pool. These feasibility studies will help inform the Long-Term Plan 2021-2041.

2.2 PURPOSE

Engineering assessments have confirmed the building at Foxton Pools is in critical condition and requires urgent investment to secure the facility. The facility also has limited appeal and low use which needs to be considered in the future of the facility. In addition, the old outdoor pool tank lies abandoned adjacent to the current Foxton Pools and the future of this space needs to be resolved.

The purpose of this feasibility study is to analyse options for the future of Foxton Pools, outline the issues, assess demand, and review options and determine the capital costs, operational costs, and financial impact of the options. The feasibility study concludes with a recommended option and implementation approach.

Horowhenua District Council will be consulting with the community on the Foxton Pools options as part of the draft Long-Term Plan 2021-2041. The Council plans to decide on the future of Foxton Pools including potential investment in mid-2021, following community feedback.

2.3 SCOPE

The scope of the feasibility study includes:

- Summarising the current state of Foxton Pools.
- Outlining the relevant strategic alignment.
- Assessing the impact of population growth for Foxton Pools.
- Assessing demand and community needs for Foxton Pools.
- Identifying potential development options including capital costs.
- Engaging with stakeholders and the community to refine the options.
- Determining the operational implications of the options.
- Undertaking financial analysis of the preferred two options.
- Providing recommendations and implementation timing for the way forward.

2.4 METHODOLOGY

The feasibility study has been developed through different approaches, outlined in this section, and summarised in Figure 2.1.

DESK-TOP RESEARCH

While the analysis undertaken for the Aquatic Facility Strategy in 2020 laid the platform for the feasibility study, further analysis has been undertaken on:

- Use of Foxton Pools.
- Catchment of Foxton learn to swim users.
- Engineering assessment of Foxton Pools.
- Financial performance.
- Foxton demographics using the 2018 Census data.

STAKEHOLDER ENGAGEMENT

In October 2020, stakeholders of Foxton Pools attended a workshop to review the issues facing the facility and discuss possible options for the facility. Current user groups, local sport groups and local schools were invited. The attendees included representatives from:

- Foxton Community Board.
- Foxton Surf and Lifesaving Club.
- Members of Aquafit classes.
- Foxton Beach School.

In addition, engagement was undertaken with Sport Manawatū and Horowhenua District Council in relation to the wider park opportunities and with Ngāti Raukawa ki te Tonga to understand potential Mana Whenua views.

COMMUNITY ENGAGEMENT

Informed by the current state findings and stakeholder feedback, three possible options were developed for Foxton Pools. The three options, along with background information was collated into an information pack and distributed to aquatic stakeholders, Foxton schools and was available at the Pool and on the Council's website. Community engagement was held from 8 November (commencing with the Foxton Fun Day) and completed on 23 November 2020.

A total of 544 online and 132 hardcopy forms were received representing 676 completed responses. The responses were analysed, and the feedback used to inform the refinement of the development options.

OPTIONS DEVELOPMENT

Architecture HDT and Visitor Solutions collaborated on the development of options for Foxton Pools using the desk-top research, stakeholder, and community feedback to inform the scope of the options.

Initially, three options were presented to Horowhenua District Council but was subsequently expanded to five development options following councillor discussion. The Horowhenua District Council selected Option 2 as the preferred option for the draft Long-Term Plan 2021-2041 as it was the closest to the status quo.

Capital cost estimates were undertaken by quantity surveyor MPM Projects.

Operational modelling was undertaken by Visitor Solutions using current operations and case studies as the basis for the modelling.

Financial analysis was undertaken by Deloitte..

FIGURE 2.1 FOXTON POOLS FEASIBILITY STUDY PROCESS

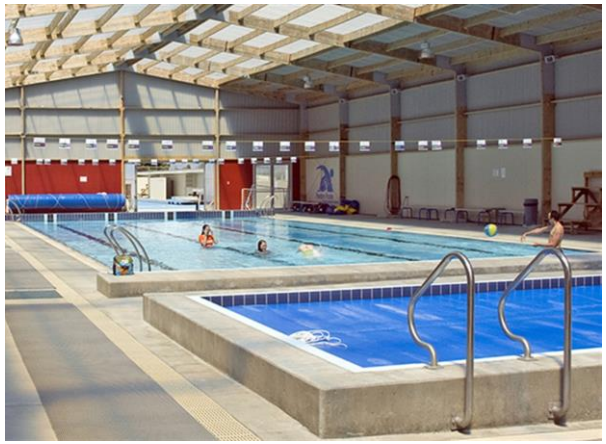
3.0 CURRENT STATE

Summarises the current state of Foxton Swimming Pool and the three primary issues facing the future of the facility.

POOR CONDITION

- The building does not have a vapour barrier, thermal insulation, or mechanical ventilation.
- This building design directly contributes to high condensation and variable internal temperatures.
- Excessive condensation has led to high moisture content in the timber structure, promoting risk of fungi and structural decay.
- Pool plant and equipment are corroding.
- Pool tanks are in reasonable condition, but likely to require new membrane in 3-5 years.
- The building is performing poorly, accelerating the deterioration of the structure, plant & equipment.
- While not a current risk, in time it will become a safety issue.

LOW USE



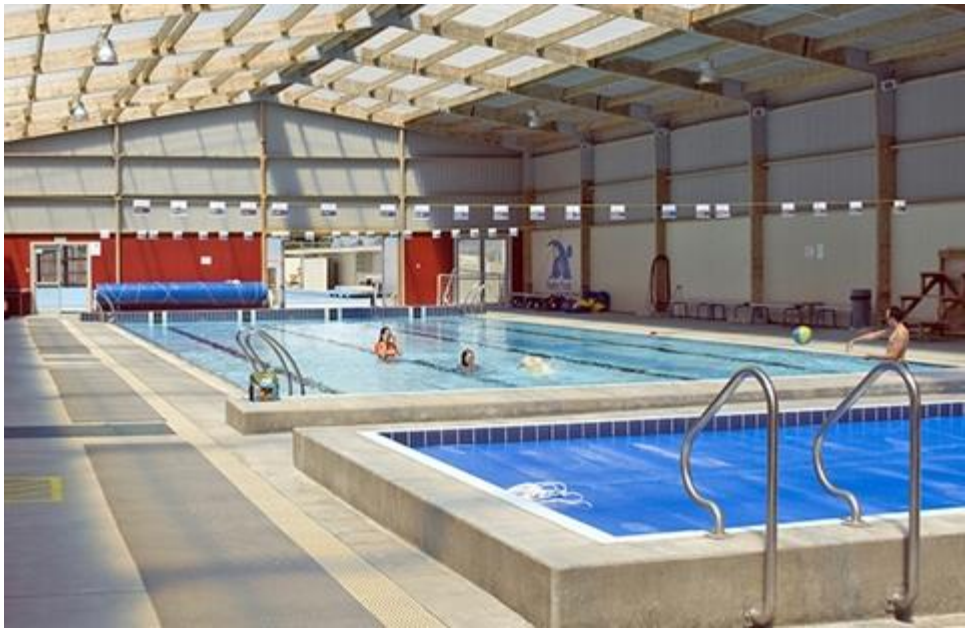
- The facility serves a local catchment including Foxton, Waitārere, Himatangi and Shannon.
- The facility provides for water-play (limited), fitness and learning functions.
- The facility currently attracts about 2,000 visits per month, about 17,000 for the extended season.
- Visits on average have not changed significantly with the extended season.
- Range from 10 people/day to over 200/day.
- Average daily visits in 2019/20 was 75/day.
- Average hourly visits in 2019/20 was 8/hour.
- Best practice suggests visits for this type of facility should be around 20,000 to 25,000 visits for a 6-month summer season. Equivalent to approximately 3,300 to 4,000.

ABANDONED OUTDOOR POOL

- When the Foxton Pools was built in 2007, the outdoor pools adjacent to the facility were left decommissioned but not demolished.
- While not a risk in their current state, in time and with natural deterioration, the area poses a potential risk and is an eye-sore.
- The area is also a potential opportunity for the future development of Foxton Pools.

3.1 FACILITY

FIGURE 3.1: FOXTON POOLS



Foxton Swimming Baths originally opened in 1927 as an outdoor unheated pool on Easton Park, Main Street, Foxton. In December 2007, the Foxton Pools opened adjacent to the outdoor pool which were closed sometime after 2007. The amenities are outlined in Table 3.1.

TABLE 3.1: FOXTON POOLS AMENITIES

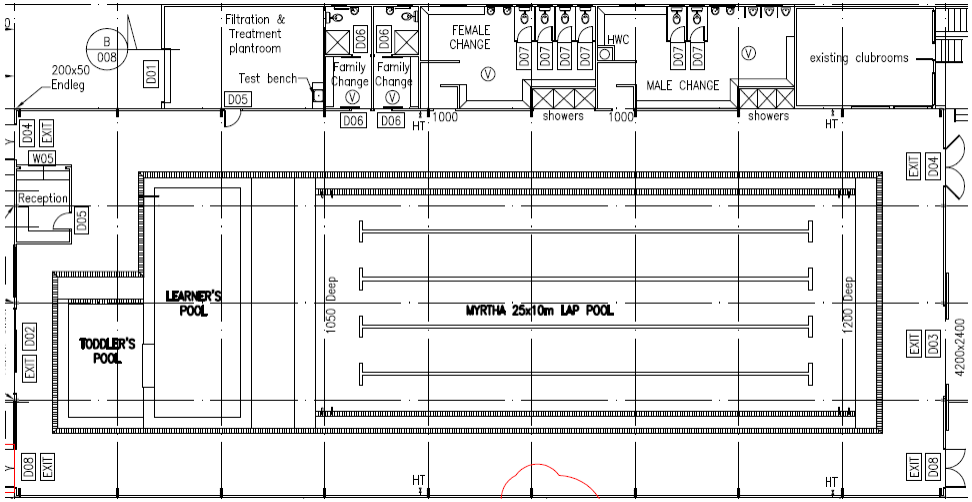
POOLS	SIZE	DEPTH
Main Pool	25m x 10m (4 lanes)	1.05m – 1.2m
Learners Pool & Toddlers Pool	5m x 10m	0.7m – 0.93m

The building is a simple portal frame structure, 43 metres long by 18 metres wide. The building construction is lightweight, with no thermal insulation or vapour barriers. The wall cladding and sections of the roof are profiled colorsteel and the remainder of the roof is clear panels (skylights). There are manually opening doors at each end.

On the northern side, a lean-to accommodates male and female changing room/toilets, plant room and staff-room, shown in Figure 3.2.

The pools are concrete structure with Myrtha pool membrane with portable pool covers. The pools are filtered by pressured DE filters and heated via gas boiler.

FIGURE 3.2 LAYOUT OF FOXTON POOLS



Initially, the pools were unheated and expected to operate in the summer season from December to April. It was noted at the time of construction that condensation and variable internal temperature were likely due to the lack of insulation, ventilation, and extensive skylights.

In 2012, the gas-fired condensing boilers were installed to heat the pool water. The main objective was to provide reliable and warmer water temperatures at the beginning and end of the season to increase use. The risk of increased condensation was clearly identified and understood. A fan-forced outdoor air supply was added to help address the problem.

During the winter of 2014, a new pool operator decided to operate the facility through the winter, which resulted in significant condensation issues and the formation of mould on the building surfaces. The condensation and mould issues initiated the start of a series of reports to address the facility issues (see Section 3.2 Condition). Following 2014 it was decided to revert to the summer operating period, apart from a brief winter operating period when Levin Aquatic Centre was closed in 2016.

In September 2018, the Council agreed to trial an extended season for the Foxton Pools from September to April. Condensation and temperature control issues continue to plague the facility, with increasing concerns around the deterioration of the building and plant.

3.2 CONDITION

There have been several reports commissioned on the Foxton Pools over the last 5 years, which are summarised in this section.

FOXTON POOLS CONDENSATION REMEDIATION 2015

Commissioned to investigate and report on the causes and options for mitigation of condensation at Foxton Pools after severe condensation during the winter of 2014 and the appearance of mould on timber and surfaces.

The report found condensation was caused by the building design being uninsulated with poor ventilation. The heating systems introduced to warm the pool water resulted in increased evaporation in the uncontrolled air temperature. The issues facing the facility include:

- High humidity, causing condensation and promoting mould growth.
- Limited means of providing or controlling ventilation.
- Consequential corrosion, rotting or damage to building fabric, materials, structures, and equipment.
- Overheating in the peak summer periods.
- High internal noise.

The report found the building is a comparatively low-cost structure with a relatively short useful life (before major work is required). The report suggested making the best use of the existing facility without major changes and recommended a range of operating changes to improve the situation. If other changes are considered necessary then investigating the addition of insulation, double glazing and controlled mechanical ventilation were recommended.

FOXTON POOLS VENTILATION & STRUCTURAL ISSUES REPORT 2016

Commissioned to investigate options to address overheating of Foxton Pools due to solar gains in summer and the potential for the facility to operate year-round. The facility has a history of overheating with temperatures of 32°C or more being recorded inside the building.

The report found the overheating of Foxton Pools is a direct consequence of the design of the building, with the extensive translucent roof, uninsulated building and poor passive ventilation. The addition of water heating has exacerbated the over-heating and resulted in significant condensation issues. A range of mitigation options were considered including shading and improved ventilation. However, it was noted elimination of condensation was not possible due to the design of the existing building. It appears the recommendations were not substantially implemented.

The report also examined the structural capacity of the building. The modelling found the structure is adequate for existing loading arrangement (Ultimate Limit State). Deflections (Serviceability Limit State) were identified under wind loading (1 in 25-year event) due to a lack of bracing. The excessive deflections reported in the portal frames under wind and seismic load could cause loosening of nails (slippage) and potential loss of strength at steel plate connections. Several options were considered with further investigations recommended to determine an appropriate solution.

FOXTON POOLS YEAR-ROUND OPERATION FEASIBILITY REPORT 2017

Commissioned to examine improvements that could be made to enable Foxton Pools to operate year-round as follow-up to the 2016 report.

The report identified the introduction of a mechanical (fan-forced) ventilation system providing heated air would be required to operate the facility year-round. However, as the building is uninsulated, the cost of heating the building will be very high and formation of condensation will be inevitable. The report stated heating the building without addressing the insulation is considered very poor, if not unacceptable, practice.

Taking account of the building design and structural issues identified in the 2016 report, a range of solutions were considered from just adding ventilation to improving thermal efficiency through re-roofing, re-cladding to rebuilding. The report concluded just adding ventilation should not be pursued. Improving thermal efficiency of the building should be considered a high priority. Introducing a ducted ventilation system should be reviewed. Addition of bracing to improve the building structure was also identified. It appears the recommendations were not pursued.

FOXTON POOLS STRUCTURAL REVIEW REPORT 2019

Commissioned to undertake a condition inspection and structural review of Foxton Pools.

The assessment found the LVL portal frames have a moisture content in excess of 18%. The increased moisture content is due to a combination of condensation, lack of insulation and ventilation issues in the building. The effect of increased moisture content is:

- An increase in self-weight in the LVL and timber members.
- Reduced capacity of the LVL timber members and their connections.
- A risk of fungi and structural decay to the LVL and timber members if left untreated.

A structural assessment confirmed the portal framed structure and timber purlins in their current condition are adequate for the loading arrangement (Ultimate Limit State). Issues with serviceability deflections under wind and seismic load combinations remain unchanged (Serviceability Limit State).

The report concluded if the facility were to continue operating without significant improvements then a condition assessment should be undertaken each year prior to the spring opening to confirm the structural integrity of the building.

FOXTON POOLS CONDITION ASSESSMENT 2019

As part of the Horowhenua Aquatic Facility Strategy, a condition assessment of the Foxton Pools was commissioned to understand the condition of the entire facility. The assessment identified:

- Reconfirmed the lack of building insulation and vapour barrier contributes to significant condensation and has consequential impacts on the building with durability set at 5 years maximum.
- Single glazing joinery contributes to lack of thermal performance.
- The ceiling, walls and doors were recommended for replacement.
- The myrtha pool membranes are in reasonable condition with the tiles at scum line in fair condition with some chips. The toddler and learner pool were recommended for membrane and tile replacement in 3 years and the main pool in 5 years, along with pool overflow channels.
- The resin flooring is in excellent condition.
- Corrosion identified on most of the pool plant.
- Pool boiler in relatively good condition.
- Pools fans rusting and insufficient for the facility.

CONCLUSIONS ABOUT FOXTON POOLS CONDITION

The building enclosing Foxton Pools does not have a vapour barrier, thermal insulation, or ventilation. The design of the building directly contributes to high condensation and variable internal temperatures. Excessive condensation has led to high moisture content in the timber structure, which promotes a risk of fungi and structural decay.

The pools and plant are in reasonable condition but much of the metal components are corroding due to the environmental conditions. The pool membrane will require replacement in 3-5 years.

Ultimately, the building is performing poorly which is accelerating the deterioration of the structure, plant, and equipment. While the building is not currently compromised, in a short period of time this will become a safety issue.

3.3 USE

Foxton Pools normally operates from December to April. In September 2018, the Council agreed to trial an extended season of the Foxton Pools from September to April. The facility is open from 11am to 7pm weekdays, 10am to 6pm weekends and 11am to 6pm public holidays.

Total visits to the facility are shown in Figure 3.2 along with the monthly average. Figure 3.3 shows the monthly totals for the last 5 seasons. Prior to the extended season the facility was drawing seasonal visits of around 12,000, which increased to 17,000 in 2018/19 and 14,000 in 2019/20. The pattern of visits remains relatively similar.

On average, the facility attracts:

- About 2,000 visits per month, which has not changed significantly with the extended season, although it appears to be declining slightly.
- Ranging from 10 people per day to over 200 on a busy day.
- Average daily visits in 2019/2020 was 75 per day.
- Average hourly visits in 2019/20 was 8 people per hour.

FIGURE 3.2: FOXTON POOLS SEASON TOTALS AND MONTHLY AVERAGE

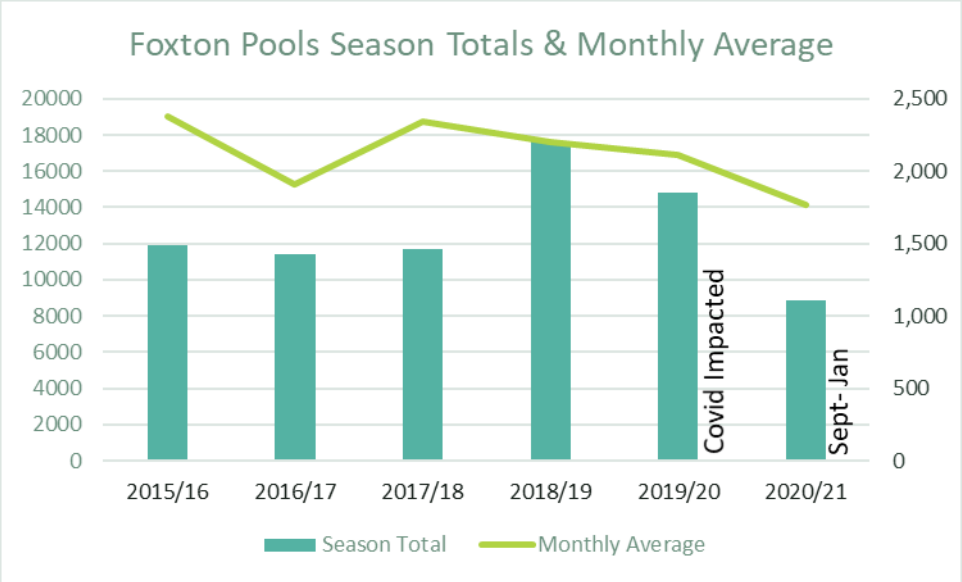
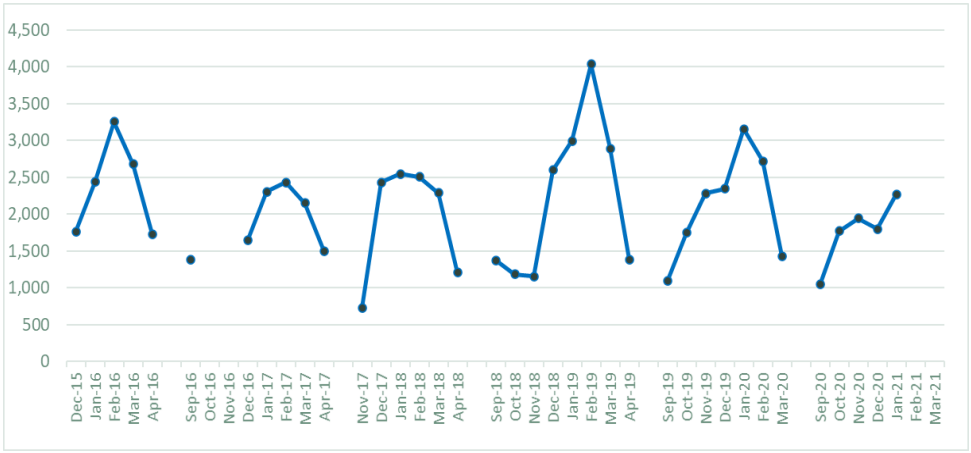


FIGURE 3.3 FOXTON POOLS MONTHLY VISITS



PROGRAMMES

Foxton Pools delivers programmes including learn-to-swim, aquafit and land-based programmes outside or at Te Awahou Nieuwe Stroom. The facility is also used by swimming clubs and surf clubs for swim training and by schools for learn-to-swim and aquatic programmes.

Learn-to-swim operates in Term 4 and Term 1 and a shortened programme during the school holidays. The facility takes around 80 learn-to-swim enrolments each term.

Aquafit appears to be a popular programme attracting up to 30-40 participants. There are currently seven sessions offered per week.

CONCLUSIONS ABOUT FOXTON POOLS USE

The use of Foxton Pools is very low. Average monthly visits appear to be declining, even with the extended season. Best practice would indicate a facility of this size to attract around 20,000 to 25,000 visits for a 6-month summer season. Equivalent to approximately 3,300 to 4,000 per month.

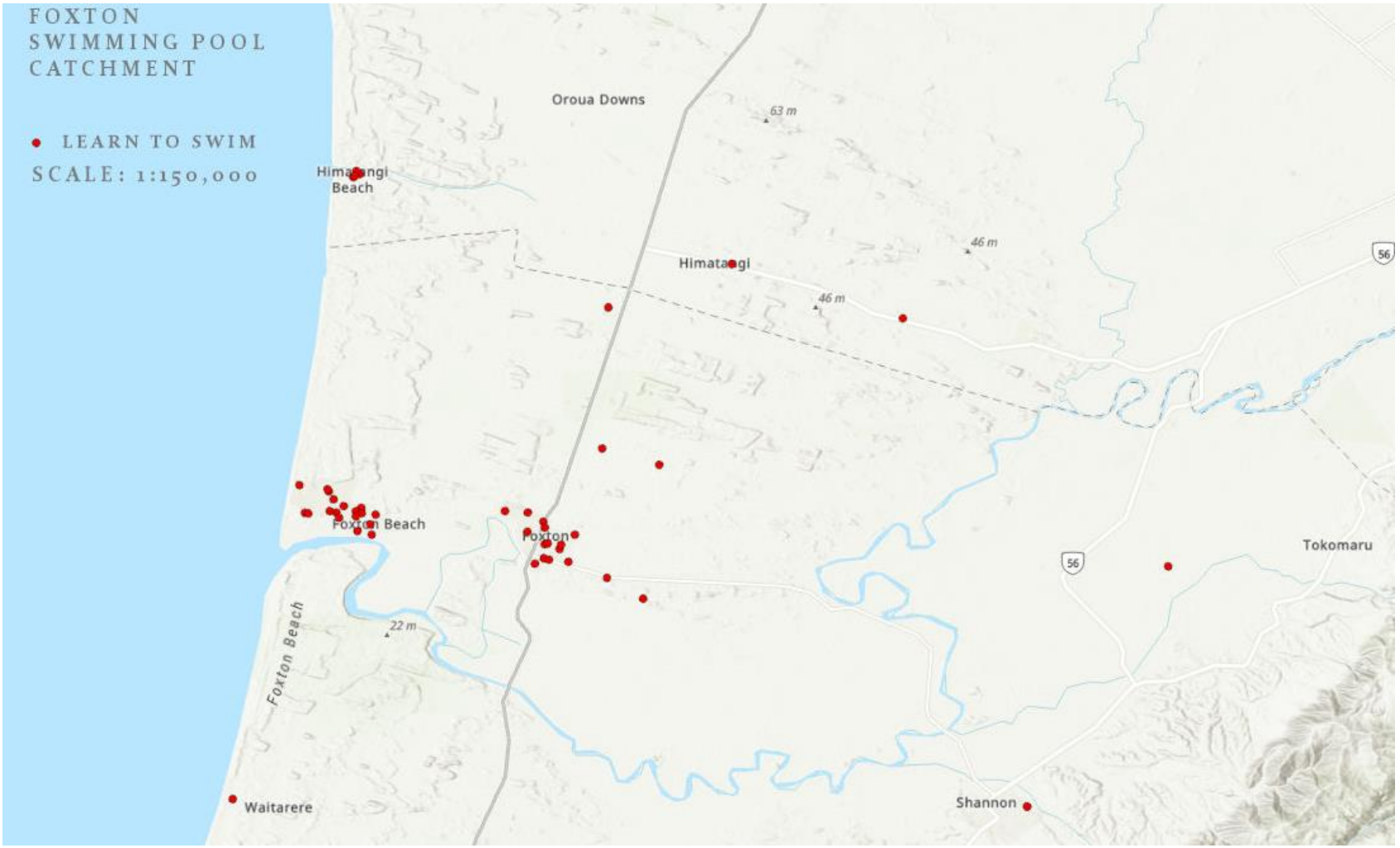
It appears the facility is well used for structured activities like learn-to-swim, fitness programmes and club hire. The structured nature of the facility combined with condition issues are likely to be contributing factors around the low usage.

3.4 CATCHMENT

It is useful to understand the geographic catchment of a facility to understand how far users are willing to travel. For Foxton, the only data available to support catchment analysis is the home address of learn-to-swim and fitness users. This has been mapped and shown in Figure 3.4.

The catchment analysis shows Foxton users are mainly located in Foxton and Foxton Beach. However, there is small proportion of users from Himatangi, Waitārere, Shannon and Tokomaru. This geographic spread is consistent with anecdotal evidence of the Foxton Pools catchment.

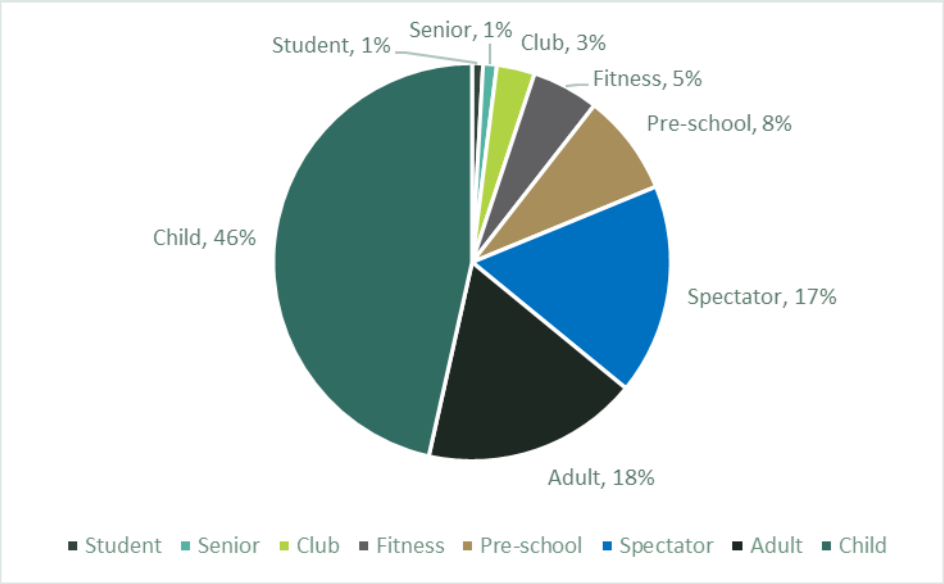
FIGURE 3.4 FOXTON POOLS LEARN TO SWIM & FITNESS CATCHMENT



3.5 VISITOR PROFILE

To understand who is using Foxton Pools, analysis of five years of visit data from 1 July 2015 to 31 December 2020 has been undertaken. The result of this analysis is shown in Figure 3.5.

FIGURE 3.5 FOXTON POOLS BREAKDOWN OF VISITORS OVER LAST 5 YEARS



Source: Horowhenua District Council Centreman Reports

Children are the dominant visitor, making up 54% of visits (children and pre-school) over the last 5 years. This is on par with national indicators where children typically comprise 50% to 66% of swimming pool visits.

Adults make up 35% of visits (combination of adults and spectators). This is on par with national indicators.

With seniors making up only 1% of visits over the last 5 years, this is lower than anticipated given the high proportion of older people living in the catchment area (see Section 5). It is possible the visits by older people are captured in the fitness visitors (for aquafit and movement programmes), which are popular with the older age-groups.

3.6 AQUATIC FUNCTIONS

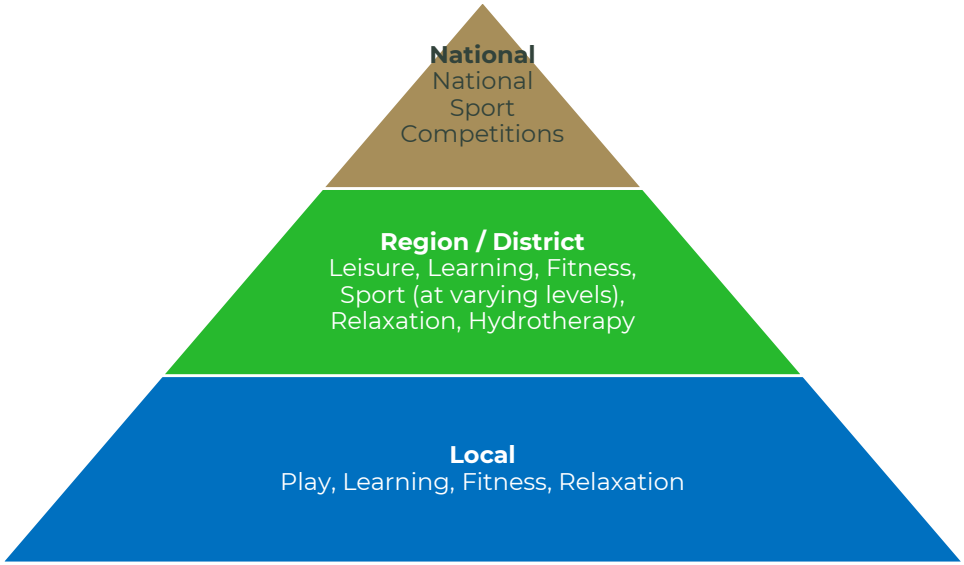
Aquatic facilities have different functions described in Table 3.2.

TABLE 3.2 FUNCTIONS OF AQUATIC FACILITIES

FUNCTION	DESCRIPTION
Play	Unstructured water fun and play which can occur in any type of pool, indoor or outdoor.
Leisure	Water-play undertaken in dedicated leisure pools, usually with heated water (28 to 32 degrees) and interactive water features such as water toys, beach, waves, hydro-slides, splashpads or play-structures. Equipment like an aqua-run can be used in a standard pool to provide temporary leisure function.
Learning	Building water confidence and teaching the skill of swimming. To be most effective, learn to swim is delivered in a separate learn to swim pool with graded depth from 0.8 to 1.1 metres, warm water 30 to 34 degrees, and in a separated enclosed environment.
Fitness	In-water fitness such as lane-swimming, swim training (not competitive), aqua-jogging, aqua-aerobics and in-water exercises. Requires a lap-pool at least 25 metres long with 2.5-metre-wide lanes and typical depth from 1.35 metres to 2 metres.
Sport	Competitive swimming, water polo, flipper-ball, underwater hockey, multi-sport, synchronised swimming, and other pool-based sports. Ideally requires a pool tank at least 25 metres by 8-10 lanes 2.5 metres wide and depth of 2 metres. Competitive swimming can occur in pools of lower depth. Flipper-ball requires a shallower depth up to 1.2 metres.
Relaxation	Use of spas, saunas, steam-rooms and warm water for relaxation (soaking).
Hydrotherapy	Dedicated hydro-therapy pools and/or warm water used for therapy or rehabilitation purposes.

The national aquatic facility strategy provides direction for how aquatic functions should be distributed across local, district, regional and national facilities. Figure 3.5 provides a diagrammatic view of the level of provision required for different aquatic functions.

FIGURE 3.5 FUNCTIONALITY OF AQUATIC FACILITIES AT DIFFERENT LEVELS



FUNCTIONAL ROLE OF FOXTON POOLS

Table 3.3 outlines the network of aquatic facilities in Horowhenua and Manawatū (as relevant to Foxton Pools) specifying the functions provided and the level at which the facility operates.

The Horowhenua and Manawatū aquatic network essentially functions as a hub and spoke model with The Lido in Palmerston North serving as the regional facility, Levin Aquatic Centre and Makino Aquatic Centre serving as district facilities.

Foxton Pools serves as a local facility within the aquatic network. The facility plays a role serving the local area, including Foxton, Foxton Beach, Himatangi, Waitārere, Shannon and Tokomaru for daily aquatic activities including water play, learning and fitness.

TABLE 3.3 HOROWHENUA AND MANAWATŪ AQUATIC FACILITY NETWORK

POOL	LOCATION	LEVEL	PLAY	LEARNING	FITNESS	RELAXATION	LEISURE	SPORT	HYDROTHERAPY
Foxton Pools	Foxton	Local	✓	✓	✓				
Manawatū College	Foxton	Local	✓	✓	✓				
Coley Street School	Foxton	Local	✓	✓					
Foxton Beach School	Foxton Beach	Local	✓	✓					
Levin Aquatic Centre	Levin	District	✓	✓	✓	✓		1/2	1/2
Lido Aquatic Centre	Palmerston North	Region	✓	✓	✓	✓	✓	✓	✓
Makino	Feilding	District	✓	✓	✓	✓		✓	

3.7 ABANDONED OUTDOOR POOL

When the current Foxton Pools were constructed in 2007, the original outdoor pools were left decommissioned on the adjacent land. This is shown in Figure 3.6 and Figure 3.1 on page 10.

Resolution of the outdoor pool needs to be determined. While the decommissioned facility does not presently pose current risks to the Council or the community. With time, further natural deterioration is anticipated and there will come a time when the facility could pose a risk to the public. The area is also an eyesore against the current facility.

The area also represents a potential development opportunity for the Foxton Pools.

FIGURE 3.6 FOXTON POOLS ABANDONED OUTDOOR POOLS

4.0 STRATEGIC ALIGNMENT

Summarises the strategic context of the District, Region and New Zealand relevant to Foxton Swimming Pool.

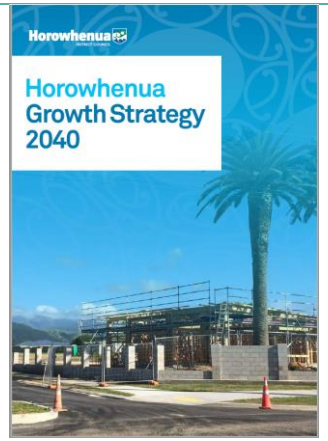
Foxton Pools could contribute to the transformational moves through:

- Sustainable growth by providing facilities sized appropriate to the population needs and growth.
- Destination management by being attractive to Foxton visitors.

Foxton Pools contributes to community outcomes of:

- Thriving Communities
- An exuberant economy
- Enabling infrastructure
- Vibrant cultures

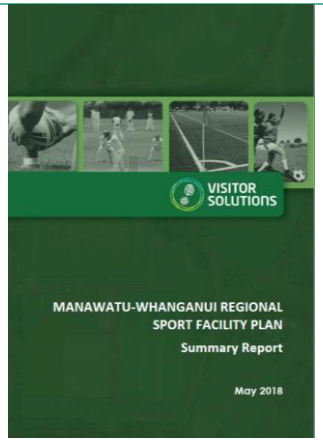
The location of Foxton Pools opposite Te Awahou Nieuwe Stroom provides opportunities to contribute and capitalise on increased visitor activity to the town, particularly following state highway road improvements.



There is growth capacity in Foxton and Foxton Beach, but current demand is low.

Proposed motorway improvements in the next 10 years will mean Foxton is first town before/after the new motorway.

Planning for Foxton Pools needs to consider viability, utilisation, balancing demands and changing community needs.



Undertaking robust analysis of community needs for Foxton Pools, considering the needs of changing population.

4.1 HOROWHENUA DISTRICT COUNCIL

GOOD TO GREAT

Horowhenua District Council established "Good to Great" to provide clarity around improving community wellbeing and implementing transformational change for Horowhenua. The district transformation vision articulates what the Council and its partners want to achieve:

One Vision: "He rau ringa e pakari ai ngā taura whiri i ō tātou kāinga noho me ō tātou hapori – mai i te pae maunga o Tararua ki te moana - With many hands the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea."

The Council identified three transformational moves:

- Lake Horowhenua.
- Sustainable growth.
- Destination management.

Foxton Pools contributes to the transformational moves through being attractive to residents and visitors, contributing to sustainable growth and destination management. With sustainable growth, it is important to ensure the size of aquatic provision is on par with population size and demand. Within destination management, it means considering the nature of aquatic provision to be attractive to visitors.

HOROWHENUA COMMUNITY OUTCOMES

The Horowhenua District Council Long-Term Plan 2018-2038 was developed as a 20-year plan recognising population growth is expected to continue for the next 20 years. The Long-Term Plan is the key financial document for the Council, also defining the community outcomes. There are six community outcomes outlined in Table 4.1.

TABLE 4.1 HOROWHENUA COMMUNITY OUTCOMES

OUTCOME	FOXTON POOLS' CONTRIBUTION
Thriving Communities	• Providing a 'sense of place' where people want to live. • Providing opportunities for people to participate in recreational and physical activities supporting healthy lifestyles. • Providing opportunities for social connection.
An exuberant economy	• Providing opportunities for people of all ages to enjoy quality of living. • Contributing to the local economy through employment and sustainability.
Stunning environment	• Careful management of water use, and discharge contributes to environmental management.
Enabling infrastructure	• Planning to meet current and future needs. • Ensuring facilities are reliable, efficient and well-run.
Partnership with Tangata Whenua	• Valuing the objectives and goals of Tangata Whenua in the provision and development of Foxton Swimming Pool.
Vibrant cultures	• Providing opportunities for all cultures and a place where cultural diversity can be celebrated.

The Long-Term Plan also outlines Council's level of service for aquatic facilities which includes the following service statements:

- Safe aquatic facilities are operating in the district.
- Aquatic centres meet customer needs.
- A high-quality swim school operates at Levin and Foxton.

The Long-Term Plan identifies a major challenge for aquatic provision is the change in demand and community expectations as well as ongoing increases in operational costs, coupled with the desire to make fees and changes affordable for the community.

Another challenge is the interest expressed in having Foxton Pools operate all year round. The current structure and design of the facility does not allow for this, but the Council resolved to extend the season from 5 to 8 months in 2018.

HOROWHENUA GROWTH STRATEGY 2040

The growth strategy identifies areas where residential and industrial growth might occur while maintaining Horowhenua's unique character and protecting our environment.

The spatial strategy proposes to consolidate growth within and around existing urban areas with a lower density development on the greenbelt edge, which includes the following components:

- Increase density within settlements in defined locations to utilise existing urbanised land and minimise future infrastructure costs.
- Support the commercial and social service facilities in the existing settlements through carefully managed increases in density and to provide some economic and social benefits to the local community.
- Utilise natural landscape features to guide the pattern of development and retain features that contribute to a sense of place.

While there is capacity around Foxton township, there is low current demand for residential, commercial, and industrial development. Capacity is also available around Foxton Beach township, although additional infrastructure capacity may be required.

FOXTON FUTURES 2019

'Foxton Futures' economic development strategy and action plan outlines a multi-phased approach to address the development of Foxton town. Relevant components of the plan to aquatic development include:

- Te Awahou Nieuwe Stroom (TANS) cultural centre with 140,000 visitors per annum, town centre improvements and the windmill now stand proud as green shoots of Foxton renewal.
- The confirmation of the Ōtaki to North Levin expressway which exits at Foxton, means the township is ideally positioned for growth.
- Redevelopment of the Manawatū River Loop at Foxton by dredging accumulated silt, removing aquatic weeds and constructing boardwalks/wharfs and landscape amenities. These works will help residents and visitors to 'face-the-river' attracting more visitors.
- Improved walk/cycleways will provide better access to the world renowned Ramsar wetland in the Manawatū River estuary and a sought-after recreational experience capable of attracting over 40.000 visitors per annum.

The location of the Foxton Pools opposite Te Awahou Nieuwe Stroom provides opportunities to contribute to and capitalise on increased visitor activity to the town.

FIGURE 4.1 TE AWAHOU NIEUWE STROOM OPPOSITE FOXTON POOLS

4.2 TRANSPORTATION CONTEXT

WELLINGTON NORTHERN CORRIDOR

The Wellington Northern Corridor improvements will ensure the State Highway 1 route between Wellington Airport and North of Levin provides safe, efficient, and reliable travel that communities and businesses can rely on to grow and prosper.

FIGURE 4.2 PREFERRED CORRIDOR ROUTE

The Ōtaki to North of Levin section is in the phase of developing a detailed business case with the actual route still to be determined and designated. The development of this section is expected within a 10-year timeframe.

The development of this portion of the corridor does mean Foxton will be the first town on/off the motorway, providing opportunities to service and attract through-traffic.

4.3 SPORTING CONTEXT

MANAWATŪ-WHANGANUI REGIONAL SPORT FACILITY PLAN 2018

The Manawatū-Whanganui Regional Sport Facility Plan provides a high-level strategic framework for regional sport and recreation facility planning across the region. The plan was designed to focus thinking at a network wide sport and recreation facilities level with emphasis on national, regional, and sub-regional assets, while also capturing local level facility data.

Key facility provision principles which should be recognised in the Foxton Swimming Pool planning include:

- **Sustainability** - Our network of facilities and the individual facilities themselves need to be sustainable to maximise benefits for residents.
- **Multi Use** - Where appropriate facilities should be designed to enable multiple uses.
- **Accessibility** - Our facilities should be accessible to all residents regardless of income, ages and physical ability.
- **Partnerships / Collaboration** - Working together with partners to plan, develop and operate sport and recreation facilities will become increasingly important to optimise our network and maintain its sustainability.
- **Adaptability / Functionality** - It is important that our facilities be as adaptable and functional as possible as sport and recreation demands will likely change in the future.

- **Community Return on Investment** - It is important that any capital investment delivers a justifiable community return (measured both socially and economically) to residents.
- **Avoid Overprovision / Duplication** - Overprovision or unnecessary duplication of facilities should be avoided.
- **Appropriate Maintenance** - existing and planned facilities need to be appropriately maintained throughout their projected lifespan to ensure they deliver benefit to the community.

The Sports Facility Plan also provides evaluation criteria to assess facility development proposals. These criteria have helped inform the evaluation criteria in Section 10.3 although not all are relevant.

NATIONAL AQUATIC FACILITY PLAN 2013

Sport New Zealand commissioned the National Aquatic Facility Plan to provide guidance and direction in the development of facilities for aquatic sports on a national basis. The plan addressed the need for facilities to serve competitive aquatic sports and the community network to serve local community needs.

Competitive network – the plan identifies the current aquatic facilities in New Zealand generally meet the needs for aquatic sports (particularly with developments in Auckland and Christchurch). Any further investment into national level facilities should be focused on improving the functionality of the current facilities rather than building any new facilities.

Community network – overall New Zealand has too many aquatic facilities, but these are poorly distributed relative to community needs. Significant challenges identified for the provision of aquatic facilities include:

- The cost of building and operating aquatic facilities is high. Most facilities operate at a loss and an operating subsidy is required by the asset owner. Building in methods to improve financial viability is critical.
- Many aquatic facilities are under-utilised during the day while there is heavy demand in early mornings and after-school. Mechanisms to improve utilisation during the day is critical.
- There is increasing conflict between competitive sport uses and community/recreational use.
- With the generally aging demographic within New Zealand, aquatic facilities need to provide varied facilities to cater for different age-groups.

The National Aquatic Plan recommends benchmark provision for populations of 30,000 a ratio of 35 people per square metre which should result in a range of 40,000 to 100,000 visits per annum.

5.0 DEMOGRAPHIC TRENDS

Summarises the demographic trends for Foxton and Horowhenua District and how this will impact aquatic provision in Foxton.

SUMMARY FOR FOXTON POOLS

Population Growth	• 2018 Horowhenua District population 33,200 • 2018 Foxton Pools catchment population 9,132 • 12% growth in last 5 years • 5,500 more people forecasted in Foxton Pools catchment in the next 20 years – 60% growth. • Horowhenua District is forecast to continue growing to reach 81,583 by 2050.
Age-groups	• 25% of the population in the Foxton Pools catchment is aged under 20 years. • 35% of the population in Foxton Pools catchment is aged over 60 years. • Growth is expected across all age-groups with population expected to get slightly younger with more families and children.
Ethnicity	• Horowhenua District has a higher proportion of European and Māori residents. • Foxton Pools catchments have higher concentration of European and Māori. • Not expected to change dramatically with population growth.
Socio-economic	• The townships of Foxton and Foxton Beach have higher overall deprivation compared to the rural areas.

5.1 INTRODUCTION

Recognising the catchment of Foxton Pools extends beyond the towns of Foxton and Foxton Beach, the demographic analysis for Foxton Pools has focused on comparing data across four geographic areas:

- **Foxton Catchment** – including the Statistics New Zealand official Statistical Areas (SA2s) of Foxton North, Foxton South and Foxton Beach.
- **Northern Horowhenua Catchment** - including the 'Foxton' area and the neighbouring Statistics New Zealand official Statistical Areas (SA2s) of Kerekere, Miranui and Shannon.
- **Levin** – including the Statistics New Zealand official Statistical Areas (SA2s) of Donnelly Park, Kawiu South, Kawiu North, Fairfield, Queenwood, Levin Central, Makomako, Tararua, Taitoko, Playford Park and Waiopehu and noting the influences of Levin's satellite neighbouring Statistical Areas (SA2s) in the southern Horowhenua District (i.e. Waitārere, Makahika, Waikawa, Ōhau-Manakau and Kimberley).
- **Horowhenua District** – including all the Statistical Areas (SA2s) above along with Waitārere, Makahika, Waikawa, Ōhau-Manakau and Kimberley.

The analysis was undertaken to identify any specific local population trends that may influence current and/or future sport and recreation facility demand or participation in Foxton.

5.2 RECENT POPULATION GROWTH

The resident population of Horowhenua District has been growing slowly at around 1% per year over the last decade, with neighbouring Districts growing at a slightly higher rate. However, over the last 5 years the rate of population growth in Horowhenua has increased to around 2% per year, exceeding the recent growth of neighbouring districts.

Table 5.1 shows the changes between the 2006 and 2018 Statistics New Zealand censuses. The bulk of growth in Horowhenua District has occurred in the last 5 years. The population growth in Kāpiti District reflects the increasing overflow from the Wellington area and impacts of actual and anticipated transport improvements. These influences are starting to contribute to growth in the Horowhenua District.

TABLE: 5.1: RECENT DISTRICT POPULATION GROWTH (OVER LAST 3 CENSUSES – 12 YEARS)

	2006	2013	2018	CHANGE 2006-2018	%	CHANGE 2013-2018	%
Horowhenua District	29,868	30,096	33,261	3,393	11	3,165	11
Kāpiti District	46,458	49,287	53,940	7,482	16	4,653	9
Palmerston North City	78,894	81,228	85,716	6,822	9	4,488	6
Manawatū District	25,971	27,156	30,246	4,275	16	3,090	11

Source: Statistics New Zealand Census (2006-2018)

Within Horowhenua District itself, Table 5.2 summarises recent population changes at the localised areas. More localised growth has become stronger over the last 5 years and this has been strongest (in relative percentage terms) in Foxton and the surrounding Northern Horowhenua areas. Numerically the highest population growth is in Levin.

TABLE: 5.2: LOCALISED POPULATION GROWTH (OVER LAST 3 CENSUSES – 12 YEARS)

	2006	2013	2018	CHANGE 2006-2018	%	CHANGE 2013-2018	%
Foxton Local Area	4,659	4,506	5,031	372	8	525	12
Northern Horowhenua	8,361	8,187	9,132	771	9	945	12
Levin	15,972	16,257	17,679	1,707	11	1,422	9
Horowhenua District	29,868	30,096	33,261	3,393	11	3,165	11

Source: Statistics New Zealand Census (2006-2018)

5.2 PROJECTED POPULATION GROWTH

Looking forward using customised population projections specifically for Horowhenua District[1] which take account of roading infrastructure developments and related planning. Table 5.3 illustrates the projected Horowhenua District population growth from the updated 2020 Sense Partner projections compared to the 2017 projects (both at 95th percentile), and the Statistics New Zealand projections (medium and high series)[2].

TABLE 5.3: COMPARATIVE PROJECTED POPULATION GROWTH – HOROWHENUA DISTRICT

	2020	2050	CHANGE	%
Sense Partner 2020	35,887	81,583	45,696	127
Sense Partner 2017	34,112	71,577	37,465	110
Statistics NZ High Series*	32,900	36,000	3,100	9
Statistics NZ Med Series*	32,200	31,500	-700	-2

Source: Sense Partners Customised Projections and Statistics NZ Projections (see footnote))

[1] Horowhenua District uses customised projections from Sense Partners to take account of local development directions which add to the baseline Statistics NZ projections. The original projections were undertaken in 2017 but have been updated in 2020. These projections are used for the council's planning processes (including LTP).

[2] Statistics New Zealand projections are based on Census 2013 data, with Census 2018 updates not available until mid-2021 . However, these don't account for localised changes such as infrastructure, or new planning developments. Current Statistics New Zealand Projections are based on.

The Sense Partners Projections propose rates of population growth at around 4% per annum for the Horowhenua District over the next 30 years. With numerical growth of over 45,000, this is likely to translate into growing demand for sport and recreation facilities and services.

Looking specifically at projected growth areas in Horowhenua District, Table 5.4 outlines projections for additional housing in different areas identified by Horowhenua District Council[3] from 2021 to 2041. These projections have been correlated with the potential catchment areas. Between 2021-2041 the Sense Partner 2020 projections estimate a population gain of 26,008 residents. Assuming equal numbers of residents across additional households and using their relative household percentages, a broad estimate of the number of additional residents has been calculated.

TABLE 5.4: PROJECTED NUMBER OF ADDITIONAL HOUSES BY AREA (AND ESTIMATED POPULATION NUMBERS)

	ADDITIONAL HOUSES	% SHARE GROWTH	EST. POP.	CATCHMENT AREAS
Levin	5,163	51.8	13,468	Levin
Foxton Beach	998	10.0	2,603	Foxton Local
Foxton	748	7.5	1,951	Foxton Local
Shannon	337	3.4	879	North HD
Tokomaru	37	0.4	97	North HD
Waitārere Beach	1,047	10.5	2,731	District
Ōhau	761	7.6	1,985	District
Waikawa Beach	461	4.6	1,203	District
Manakau	378	3.8	986	District
Hokio Beach	37	0.4	97	District
Horowhenua District	**9,967**		**26,008**	

These projection data indicate the following for growth:

- Numerically by far the largest housing and population growth is projected in Levin.
- Proportionately, strong relative growth is also projected in areas near to Levin including Waitārere Beach, Ōhau and Manakau.
- However, the Foxton and Foxton Beach areas are also projected to grow with an additional 1,700 houses and 4,500 additional population.
- Northern Horowhenua (around Shannon and Tokomaru) has lower levels of growth projected.

FOXTON POOLS CATCHMENT AREA

Extrapolating the population numbers outlined above, in the Foxton Pools catchment area (see Section 3.4) is summarised in Table 5.5. On this basis, the Foxton Pools catchment has the potential to grow to close to 15,000 over the next 20 years. It is important to keep this potential catchment in mind when considering the size of Foxton Pools.

TABLE 5.5 POTENTIAL FOXTON POOLS CATCHMENT POPULATION NEXT 20 YEARS

	FOXTON LOCAL	NORTHERN HOROWHENUA	FOXTON POOLS CATCHMENT
2018 Population	5,031	4,101	9,132
Anticipated population growth next 20 years	4,554	976	5,530
Potential Population 2041	9,585	5,077	14,662
Change %	90%	23%	60%

[3] Sense Partner projections are only available at District Council level, but have been used in association with local housing planning processes to project the number of additional houses projected from 2021 to 2041 - Source: Report 9: Population Assumption for the Long Term Plan 2021-2041 in Horowhenua District Council Meeting - 14th Oct 2020.

5.3 AGE-GROUP ASSESSMENT

Table 5.6 and Figure 5.1 outline the breakdown of age-groups in the Foxton area, Northern Horowhenua, Levin, District and New Zealand.

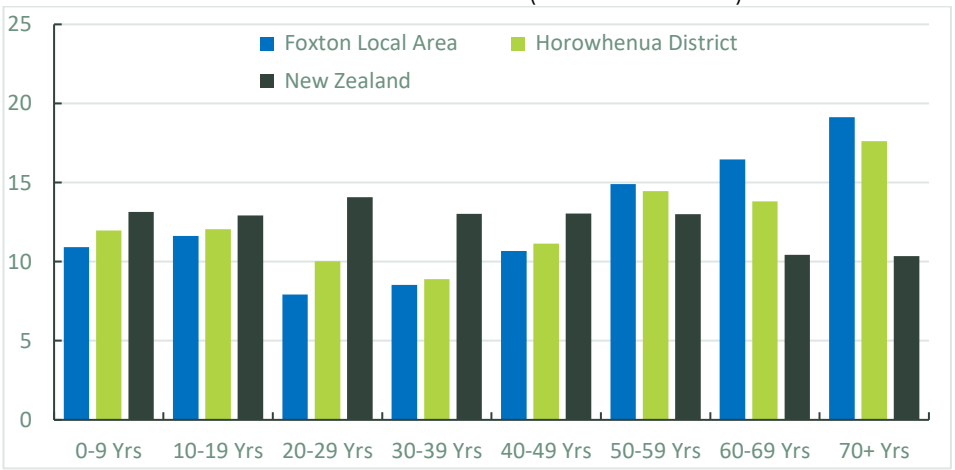
The stand-out features for the catchment of Foxton Pools is a higher proportion of residents aged over 50 years with the median age in the Foxton Local area at 49 years and in Northern Horowhenua at 44 years. Around a quarter of the population in the Foxton Pools catchment are children under the age of 20 years.

TABLE 5.6: CURRENT AGE GROUP DISTRIBUTION (%)

	0-9	10-19	20-29	30-39	40-49	50-59	60-69	70+	TOTAL	MED AGE
Foxton	11	12	8	9	11	15	16	19	5,031	49
North. Horo.	13	12	10	10	12	15	14	15	9,132	44
Levin	12	12	11	9	11	13	12	20	17,679	50
District	12	12	10	9	11	14	14	18	33,261	47
NZ	13	13	14	13	13	13	10	10	4,699,764	38

Source: Statistics NZ Census (2018)

FIGURE 5.1: CURRENT AGE-GROUP DISTRIBUTION (% OF POPULATION)



GROWTH EXPECTATIONS

While currently relatively 'older' than many areas of the New Zealand, the Horowhenua District's population is not projected to progressively age (as is characteristic of many areas of New Zealand). The updated customised population projections by Sense Partners (2020) for Horowhenua District include age-group projections. All age groups are projected to have solid population increases (Figure 5.2 and Table 5.7) with notably high growth in the youth and young adult population numbers. This is due to expected growth in families in the District due to external migration into the area.[4].

FIGURE 5.2: PROJECTED AGE-GROUP CHANGE IN HOROWHENUA (2020-2060)

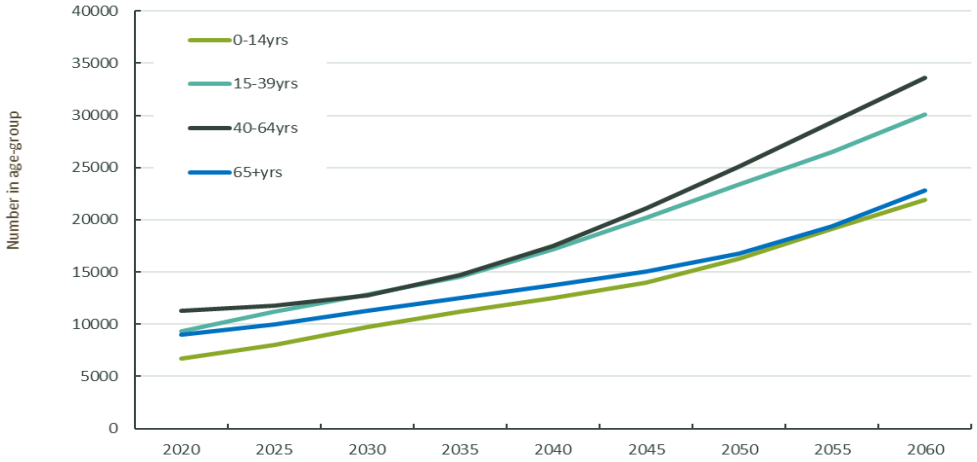


TABLE 5.7: PROJECTED AGE-GROUP CHANGE IN HOROWHENUA DISTRICT (2020-2060)

	2020	2030	2040	2050	2060	CHANGE	%
0-14yrs	6,746	9,708	12,536	16,271	21,950	15,204	225
15-39yrs	9,329	12,824	17,166	23,423	30,104	20,775	223
40-64yrs	11,269	12,776	17,500	25,086	33,584	22,315	198
65+yrs	8,981	11,250	13,781	16,783	22,851	13,870	154
	36,325	46,558	60,983	81,563	108,489	72,164	199

Sources: Sense Partners Customised projections (by age-group) for Horowhenua District

[4] Noted the population growth signalled in the Horowhenua 2040 Strategy is likely to comprise a more even age distribution including more growth in the numbers of younger residents than apparent from previous patterns. This is reflected in the Sense Partner age-group projections.

5.4 ETHNICITY ASSESSMENT

Horowhenua District has a slightly different ethnic mix to the rest of New Zealand. Figure 5.3 and Table 5.8 show slightly higher proportions of European and Māori residents and lower proportions of Asian and Pacific. The ethnic characteristics are broadly consistent with those for the Manawatū-Whanganui Region (excluding a greater diversity in Palmerston North), although differ from those in the neighbouring Kāpiti District (which tends to feature a higher European proportion).

FIGURE 5.3: ETHNIC COMPOSITION COMPARISON – HOROWHENUA AND NEW ZEALAND

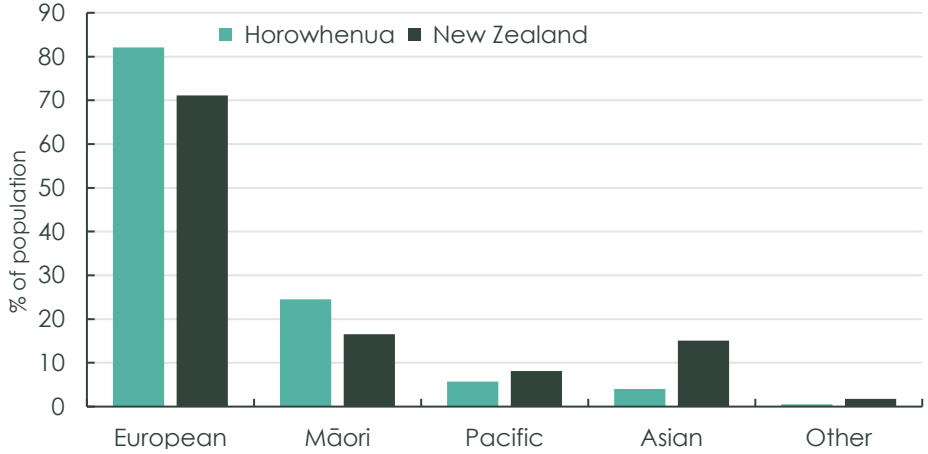


TABLE 5.8: ETHNIC COMPOSITION COMPARISON – HOROWHENUA AND OTHER AREAS (%)

	EUROPEAN	MĀORI	PACIFIC	ASIAN	OTHER	TOTAL
Horowhenua	82	24	6	4	0.5	33,261
Manawatū-Whanganui	81	23	4	6	0.9	238,797
New Zealand	71	17	8	15	1.8	4,699,755
Kāpiti Coast	89	15	3	5	0.8	53,673
Palmerston North City	77	19	5	12	1.7	84,639

Source: Statistics NZ Census 2018

Within Horowhenua District there is little variation in overall ethnic diversity, with most areas having ethnicity distributions largely consistent with the District overall (Figure 5.4 and Table 5.9).

FIGURE 5.4: ETHNIC COMPOSITION COMPARISON - WITHIN HOROWHENUA DISTRICT

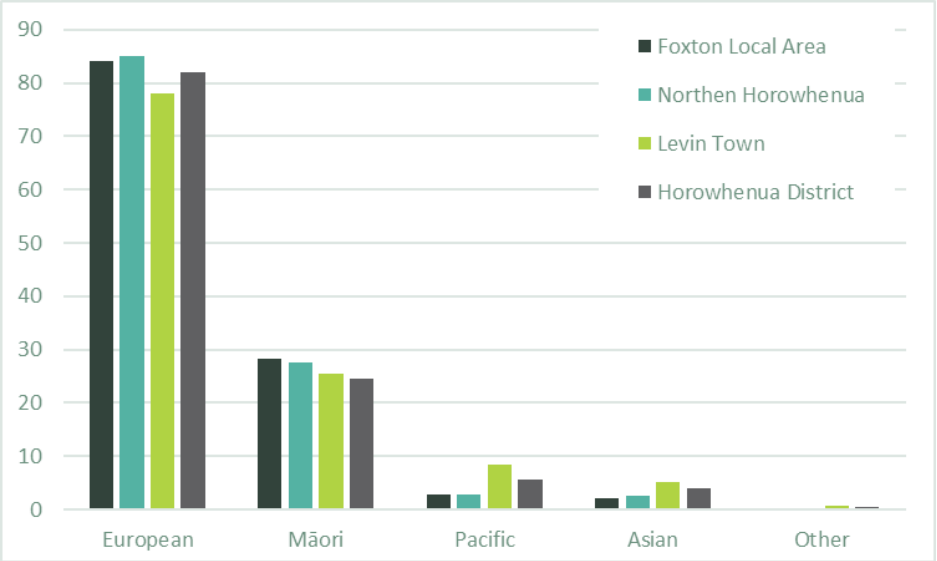


TABLE 5.9: ETHNIC COMPOSITION COMPARISON - WITHIN HOROWHENUA DISTRICT (%)

	EUROPEAN	MĀORI	PACIFIC	ASIAN	OTHER	TOTAL
Foxton Local Area	84	28	3	2	0.1	5,031
Northern Horowhenua	85	28	3	3	0.3	9,132
Levin Town	78	25	8	5	0.8	17,679
Horowhenua District	82	24	6	4	0.5	33,261

GROWTH EXPECTATIONS

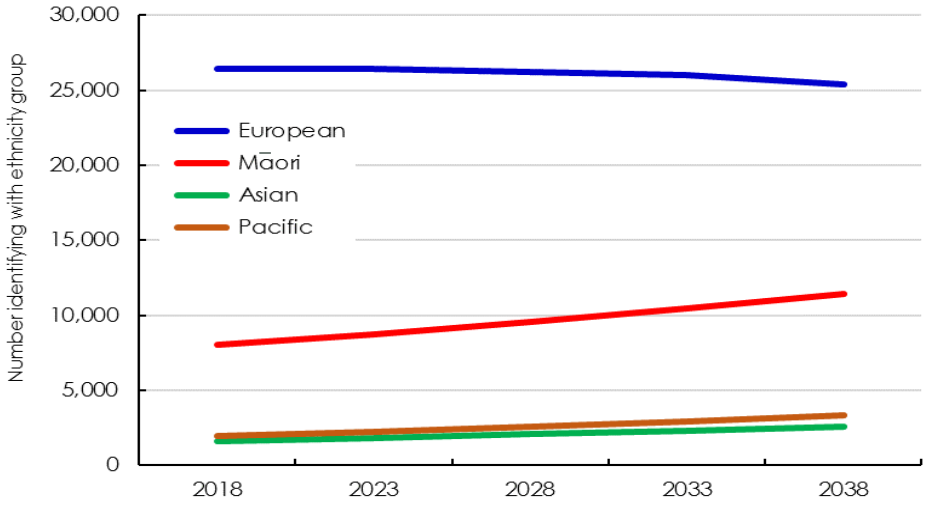
Looking forward Statistics NZ projects a growing ethnic diversity in Horowhenua, with most growth in the Māori, Asian and Pacific groups (Table 5.10, Figure 5.5)[5].

TABLE 5.10: PROJECTED ETHNIC GROUP NUMBERS (2018-2038)

	2018	2023	2028	2033	2038	CHANGE 2018-2038	%
European	26,400	26,400	26,200	26,000	25,400	-1,000	-4
Māori	8,000	8,750	9,570	10,450	11,450	3,450	43
Pacific	1,920	2,230	2,570	2,940	3,360	1,440	75
Asian	1,590	1,830	2,070	2,310	2,540	950	60
Total	32,200	32,500	32,600	32,400	32,000	-200	-1

Source: Statistics NZ Subnational projections by ethnicity (2013base)

FIGURE 5.5: PROJECTED ETHNIC GROUP NUMBERS (2018-2038)

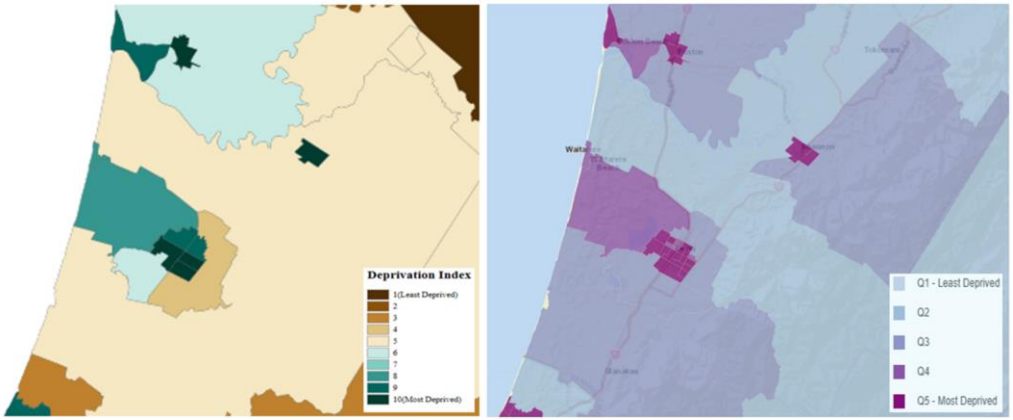


5.5 SOCIO-ECONOMIC INDICATORS

Summary indicators of overall socio-economic conditions in an area are provided through deprivation indices. Two slightly different examples summarise these features for Horowhenua. On the left is from the *Deprivation Index*, created by the University of Otago, and on the right from the *New Zealand Index of Multiple Deprivation*. Both use different combinations of official data relating to income, home ownership, crime, health, education, employment, housing, transport, and access to various services.

Figure 5.6 summarises the index scores from both indices according to the statistical areas[6] around Horowhenua District. The key features are the relatively higher levels of deprivation (darker shades) in the central urban areas/towns (including Foxton/Foxton Beach) relative to the more sparsely populated rural areas. These results suggest most current town residents have relatively higher levels of socio-economic constraints. These could represent some constraint to potential recreation and leisure activity participation.

FIGURE 5.6: DEPRIVATION INDICES – HOROWHENUA DISTRICT

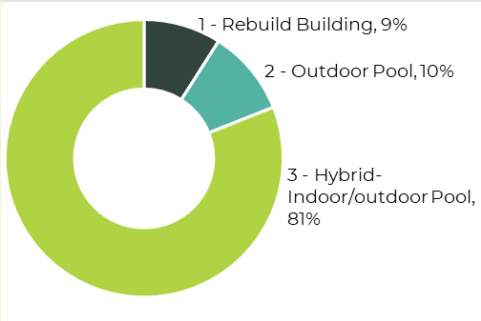


[5] Here it should be noted that the population growth signalled by Sense Partners 2020 and in the Horowhenua 2040 Strategy is likely to result in a different ethnic balance than is apparent from currently available Statistics NZ ethnicity projections – noting that updated projections based on Census 2018 data are not available until mid-2021. However, based on current understandings and base numbers, it is not considered that any related ethnic variations would be significant change variables in future demand overall.

[6] (i) Deprivation Index - https://insights.nzherald.co.nz/article/deprivation-index/ and (ii) Index of Multiple Deprivation - https://www.fmhs.auckland.ac.nz/en/soph/about/our-departments/epidemiology-and-biostatistics/research/hgd/research-themes/deprivation.html .

6.0 NEEDS ANALYSIS

Summarises the aquatic needs to inform the future development of Foxton Pools.

DEVELOPMENT DRIVERS	PROVISION ASSESSMENT	AQUATIC PARTICIPATION	AQUATIC MARKETS & FUNCTIONS
1. Address condition & underlying design issues. 2. Increase appeal. 3. Resolve outdoor pool area.	Current pool is 300m² - on par with national benchmark. Forecast population growth to 14,500 Facility could be expanded to 400m² to 450m².	Current use of Foxton Pools is very low. Need to increase appeal. Focus on: Children & Families Older People	Provide quality, appealing facility which provides for: Play Learning Fitness Relaxation
STAKEHOLDER FEEDBACK	**COMMUNITY PREFERENCES**	**FACTORS OF IMPORTANCE**	**OTHER CONSIDERATIONS**
Support hybrid approach which involves rebuilding to enable all-year operation and increasing the appeal by providing indoor and outdoor options.		Keeping a pool in Foxton **81%** Providing all-year facility **71%** Increasing the appeal **66%**	Programming Energy cost savings Strong learn-to-swim Dry fitness opportunities Flexibility

6.1 DEVELOPMENT DRIVERS

Due to the deteriorating condition of Foxton Pools, it is clear doing nothing is not an option, as the facility will soon become a safety issue if there is no intervention.

From the current state, strategic and demographic analysis, there are three clear development drivers for Foxton Pools:

1. Address the deteriorating condition and underlying design issues of Foxton Pools to ensure the facility is safe and fit for purpose.
2. Increase the appeal of the facility to improve utilisation and cater for all-sectors of the growing population around Foxton.
3. Resolve the future of the abandoned outdoor pool area.

Additional considerations include:

- Scale and style of aquatic provision to ensure Foxton Pools complements the aquatic network.
- Adaptability and functionality to respond to trends.
- Contributing to Foxton Futures destination appeal.
- Operational sustainability - minimising the on-going operational costs.

These sections provide an analysis of the aquatic needs to help inform the future development of Foxton Pools, touching on the development drivers and considerations outlined above.

6.2 PROVISION ASSESSMENT

Ratios and benchmarks can be used to provide a high-level assessment on the size of an aquatic facility. However, they are just the starting point for analysis, particularly as they make no allowance for the different aquatic functions (see Section 3.6) or the required pool design/depths. The following provision assessment needs to be considered alongside all the other information outlined in this section.

The National Aquatic Facility Strategy does not provide a guideline for population centres of less than 10,000 but for population centres of 30,000 the benchmark guidance is **35 people per square metre** of indoor/all year water-space. Table 6.1 assesses the level of provision in Horowhenua District based on the two district indoor pools, including an assessment to accommodate the forecast population growth.

TABLE 6.1 AQUATIC WATER-SPACE RATIOS

	DISTRICT	LEVIN	FOXTON
2018 population	33,261	17,679	9,132
Aquatic Provision m²	840	540	300
2018 People/m²	39.6	32.8	30.4
2041 Forecast Population	59,269	31,147	14,662
Forecast 2041 People/m²	70.6	57.7	48.9
Benchmark provision based on forecast population	1,694	890	420

Key findings from the provision assessment[7]:

- Based on current population, the current level of provision is on par with the national benchmark of 35 people per square metre.
- With forecast population growth, the current level of provision is likely to be insufficient to cater for growing demand resulting from larger populations at Foxton, Levin and for the District.
- For Foxton Pools, if forecast population growth eventuates then the facility could increase in size to around 400 to 450 square metres.

[7] The findings on the provision assessment differ from the findings in the Horowhenua Aquatic Facility Strategy for 2 reasons. 1) there are updated population projections for Horowhenua. 2) more analysis has been undertaken about the potential catchment of Foxton Pools, which enables a wider population catchment to be considered.

6.3 AQUATIC PARTICIPATION

Another ratio to consider is the level of visits per head of population and water-space, outlined in Table 6.2. There is no national benchmark for visits, but over 5 visits per population is generally considered desirable.

TABLE 6.2 AQUATIC VISITS PER HEAD OF POPULATION AND WATER-SPACE

	HOROWHENUA DISTRICT	LEVIN	FOXTON
2018 population	33,261	17,679	9,132
Aquatic Provision m²	840	540	300
2018/19 Visits	194,833	177,200	17,633
Visits/Population	5.9	10.0	1.9
Visits/water-space m²	231.9	328.1	58.8
2041 Forecast Population	59,269	31147	14,662
Desired visits based on 5.0 visits per population	296,345	155,735	73,310

Overall, Horowhenua District has good visitation at 5.9 visits for the population. This is due to the very high use of Levin Aquatic Centre at 10 visits for Levin population and 5.3 visits for the District. Foxton Pools is operating at a lower level with only 1.9 visits for the population. This reconfirms Foxton Pools currently has low levels of use. Future development needs to consider how to increase use / appeal.

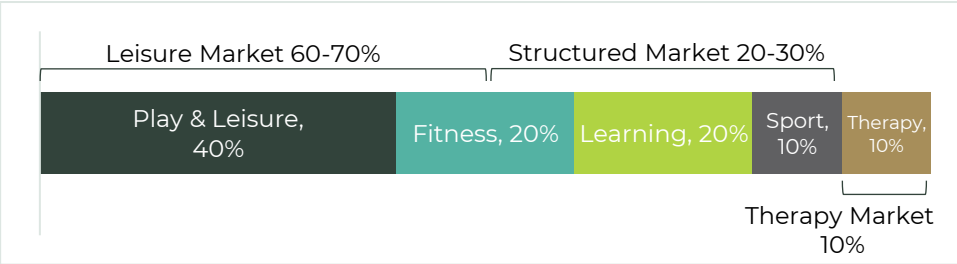
6.4 AQUATIC MARKETS & FUNCTIONS

There are three distinct markets for aquatic facilities:

- Recreation and leisure market: (60-70% of users) usually made up of families, people coming with friends and groups for fun, fitness, and social activity.
- Structured market: (20-30% of users) usually made up of people attending facilities alone or in small groups for structured learning, fitness or aquatic sport training and competitions.
- Therapy market: (10% of users) usually made up of older adults and health groups, such as those with arthritis or mobility conditions.

Figure 6.1 provides a representation of the typical breakdown of aquatic users by aquatic functions. This breakdown will vary from facility to facility and region to region depending on provision and users.

FIGURE 6.1 TYPICAL BREAKDOWN OF AQUATIC MARKETS & FUNCTIONS



Research throughout New Zealand and overseas indicates the recreation and leisure will continue to be the largest aquatic market as it contains people of all ages, abilities, interests, gender, and ethnicity. Children in a household are typically strong drivers for using aquatic facilities but provision of aquatic leisure for all age-levels is important. Willingness to pay within this market tends to be higher in comparison to other user groups. The frequency of visits is generally lower but has a wide user base. This market will generate around 50% of the facility revenue, where the leisure provision is strong.

The structured market are important users of aquatic facilities. While these users visit frequently, it is not a large group. This group typically pays the lowest cost per visit as they take advantage of frequent visitor or membership payment options. Consequently, revenue generated from the fitness and sport aspects of the structured market is lower compared to the capacity utilised.

The learning market is a strong market and generates strong revenue. A teaching pool is typically one of the most utilised and profitable pool tanks in an aquatic facility and has a high turn-over of children/people which contributes to both high visitation and revenue.

The therapy market is becoming increasingly important, with more people with mobility issues and a growing population of older people seeking low-impact health and wellness opportunities. While typically not a high revenue generator, this user group typically want to use the facility in off-peak periods, which is beneficial for public aquatic facilities.

WHAT DOES THIS MEAN FOR FOXTON POOLS?

In considering the future of Foxton Pools, it is important to ensure the facility is sized and provides the appropriate aquatic functions for the local catchment population.

If the facility is too big, then the risk is usage will proportionally decrease, making the facility less efficient. There is also the potential to drag users away from Levin Aquatic Centre making that facility less efficient. Using the provision guideline, Foxton Pools could be around 400 to 450m^2, to provide additional capacity for population growth in the catchment.

In terms of aquatic functions, at a local level the core requirements are play, fitness, learning and relaxation. Providing these functions should ensure the facility appeals to a wide cross-section of the community. Improved play provision would be beneficial to attract more children and families and attract a broader cross-section of the community. Similarly, providing warm water / spa should attract the growing older population. Maintaining provision of learning and fitness functions is equally important.

Foxton Pools do not need to provide all the aquatic functions, particularly the leisure and sport functions, which are best delivered at the district level (Levin Aquatic Centre). This will ensure Foxton Pools caters for its catchment population and complements the wider aquatic network.

6.5 STAKEHOLDER FEEDBACK

To help understand the community needs for the future development of Foxton Pools, engagement was undertaken with stakeholders including local schools, sport and recreation clubs and user-groups. A stakeholder workshop was held in October 2020 to outline the issues facing Foxton Pools and discuss potential development strategies. Two potential strategies were presented (derived from the Horowhenua Aquatic Facilities Strategy) and a third strategy was endorsed by the stakeholders for consideration. The development strategies include:

- Strategy 1 – rebuilding the building to provide an all-year facility with no change to the pool tanks.
- Strategy 2 – removing the building to provide an outdoor facility with improvements to the pool tanks.
- Strategy 3 – hybrid of the strategies 1 and 2 to provide a new building and improvements to the pool tanks.

Feedback from the stakeholders is summarised in Table 6.3.

TABLE 6.3 SUMMARY OF STAKEHOLDER FEEDBACK

STRATEGY	FEEDBACK
1 – Rebuild building	• All year round is better for schools, clubs, and community. • Minimises travel to Levin to access learn to swim and everyday fitness programmes. • Unlikely to attract more people.
2 – Outdoor pool	• Undertaking fitness programmes outside is not ideal. • Concerned about westerly wind and sun protection. • Heating is an important issue for young and old. • Operating for summer only is a waste. • Leisure pool will be appealing for families & young people. • Developing outdoor greenspace is a benefit.
3 – Hybrid indoor/ outdoor pool	• All-year facility is strongly supported. • Increasing appeal for families & young people. • Potential for sport-hub with the Park. • Support this approach if cost implications are positive.
Other comments	• Facility needs more promotion and marketing. • Free children swims and lessons should be considered. • Need to improve changing rooms and private showers.

6.6 COMMUNITY FEEDBACK

Feedback from the stakeholders was used to shape three potential development strategies for community feedback. The community feedback process was undertaken from 8 November to 23 November 2020. The community engagement was promoted through:

- Foxton Fun Day on 8 November 2020.
- Displays at Foxton Pools and Te Awahou Nieuwe Stroom.
- Information pack sent to all stakeholders and schools in Foxton.
- Information on Council's website with an associated digital feedback form.

The three potential development strategies presented for community feedback are summarised in Table 6.4.

TABLE 6.4 FOXTON POOLS DEVELOPMENT STRATEGIES FOR COMMUNITY FEEDBACK

STRATEGY	SCOPE
1. Rebuild Building	• Demolish existing building and rebuild to modern standards. • No change to pool layout. • All year pool operation. • Lowest capital cost. • Double current operating costs. • Unlikely to increase appeal or use.
2. Outdoor Pool	• Demolish the building and build new change rooms & admin building. • Existing pools are outdoor, cover over the teaching pool. • Develop at the rear with leisure/deep water pool, splashpad and landscaping. • Summer only operation. • Mid-range capital cost. • Less than current operating costs. • Increases appeal and use.
3. Hybrid – Indoor & Outdoor Pool	• Rebuild the building and expand at the front to include new leisure pool alongside existing pools. • Add an outdoor splashpad. • All-year operation. • Highest capital cost. • Mid-range current operating costs. • Increases appeal and use.

A total of 676 completed responses were received (544 online and 132 Hardcopy). This is a high response, which indicates a high level of community feeling about Foxton Pools. The community preferences for are illustrated in Figure 6.2 and the feedback outlined in Table 6.5.

FIGURE 6.2 COMMUNITY PREFERENCES FOR FOXTON FACILITY STRATEGIES

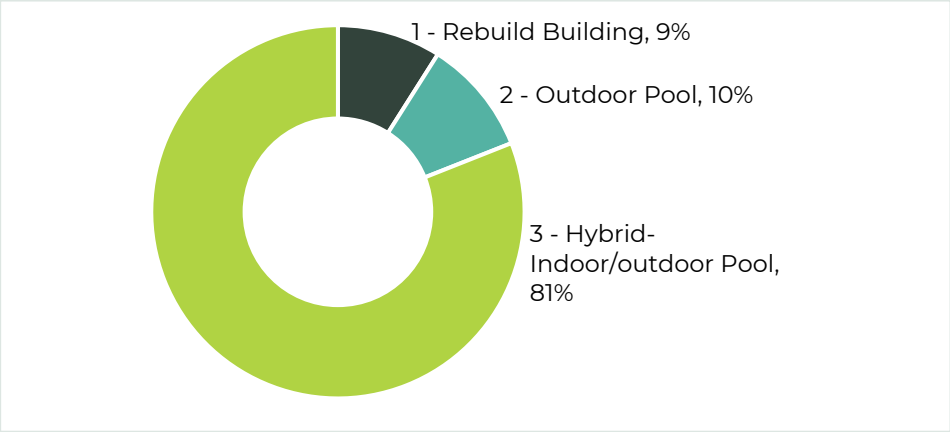
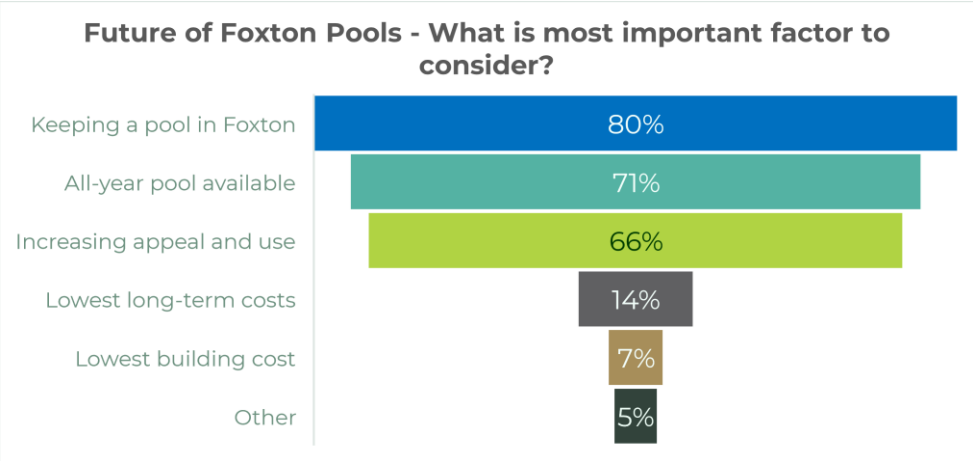


TABLE 6.5 SUMMARY OF COMMUNITY FEEDBACK ON FOXTON POOLS STRATEGIES

STRATEGY	FEEDBACK
1. Rebuild Building	• **9% of respondents** selected as their preferred option. • Many commented this is the bare minimum to keep a pool in Foxton and provide an all-year pool. • Some support to spend the least amount possible, although very few commented on ongoing costs.
2. Outdoor Pool	• **10% of respondents** selected as their preferred option. • Large portion of children like this option for fun, deep-water and leisure options. • Many commented they liked the concept of a more appealing pool but do not like the summer only operation or concerned about the impact of weather.
3. Hybrid – Indoor & Outdoor Pool	• **81% of respondents** selected as their preferred option. • Support the all-year provision and increasing the appeal with indoor and outdoor pools. • Perception this option supports growth of Foxton. • Range of improvements suggested including exercise space, deep-water leisure & development at rear.

Respondents were also asked to determine the most important factors for consideration in the future of Foxton Pools (respondents could select multiple responses). The results are outlined in Figure 6.3.

FIGURE 6.3 IMPORTANT FACTORS FOR THE FUTURE OF FOXTON POOLS



CONCLUSIONS FROM COMMUNITY ENGAGEMENT

The community engagement for Foxton Pools supports the following conclusions:

- Retaining a swimming pool in Foxton is the most important consideration.
- A strong preference for an all-year round facility which is more appealing and meets the needs of the community and attracts more use (hybrid strategy).
- Important to listen to the voice of children, who traditionally make up 50% of pool users. Children have expressed a desire for leisure (fun), including deep-water.
- Desire for wider recreation options including exercise space or fitness centre.

As a result of the community feedback, modifications to the hybrid strategy were introduced to include an exercise space, deep-water and development at the rear of the facility.

6.7 MANA WHENUA ENGAGEMENT

An initial meeting was undertaken with a representative of Ngāti Raukawa ki te Tonga to understand potential Mana Whenua views. This was only an initial meeting and **further engagement is necessary with Mana Whenua should the project advance.**

Initial feedback provided on the development of Foxton Pools include:

- Opportunity to incorporate appropriate design and storytelling to reflect Mana Whenua in any future development of Foxton Pools.
- Important to consider the environmental impacts of any proposed development including the impact on land, water and air.
- Consideration of the facility being more environmentally sustainable through minimising consumption and discharge of water and improving energy efficiency.
- Opportunity to provide programming to increase participation by Māori in physical activities to promote health and wellbeing.

6.8 WIDER PARK DEVELOPMENT

Foxton Pools are located adjacent to Easton Park in Foxton. There is an aspirational plan to develop a community hub at Easton Park which could potentially link with future development of Foxton Pools. Engagement with Sport Manawatū and Horowhenua District Council officers confirmed there is significant work required on this aspiration and the current focus is on asset management.

Issues for the wider park development for consideration include:

- Improving the entrance from the Main Street side of the Park as the State Highways access is likely to come under increasing pressure.
- Carparking provision to service the pool and sport field.
- Possibility of including outdoor courts on the Park.

6.9 OPERATIONAL CONSIDERATIONS

Almost all public aquatic facilities do not generate sufficient revenue to cover annual operating costs. To improve financial viability, the recommended best practice is to:

- Provide programmes to increase utilisation during off-peak periods.
- Consider cost saving opportunities to reduce energy consumption.
- Provide a strong learn to swim programme.
- Provide health and fitness facilities which generally result in higher revenue for limited operating costs.
- Consider complementary revenue generating opportunities including spa, sauna, food, retail, childcare and meeting spaces.
- Develop facilities co-located with other community facilities to create social infrastructure hubs and drive cross-patronage.

When considering the development of a new or upgraded aquatic facility, the 2015 National Aquatic Facilities Guidelines identify the following best practice approaches:

- **Needs-driven** – ensure any development is supported by well researched markets, trends, and projections.
- **Long-term horizon** – planning for demand changes and utilising robust aquatic design and high-quality materials to provide longevity in the facility use and operations.
- **Flexibility** – ensure the layout, depths, temperatures, and equipment provide flexibility to accommodate a wide range of activities.
- **Revenue generating** – consider opportunities to generate revenue and increase revenue in off-peak periods from aquatic and ancillary or complementary services.
- **Operationally efficient** – ensure design and material selection provides for ease of operation, management, and maintenance.
- **External integration** with the outdoor environment and facility setting and consider partnership opportunities.
- **Optimal location** for market accessibility, exposure, visibility, transport connections and collocation with complementary offers.
- **Economically sustainable** – consider opportunities to optimise operating costs, improve revenue and leverage funding opportunities.

6.10 DESTINATION APPEAL

One of Horowhenua District Council's three transformational moves is Destination Management, looking for opportunities to increase external visitors to the District.

Foxton Futures identifies opportunities to improve the appeal of Foxton, leveraging off the success of Te Awahou Nieuwe Stroom and future changes to the transport network.

Currently tourism is the ninth largest sector in Horowhenua District's economy accounting for $102 million Gross Expenditure, 88% from domestic and 12% from international sources. Domestic visits to Horowhenua are projected to increase by 5-6% within the next five years.

Tourism is unlikely to be a major role in driving aquatic demand. However, the provision of quality aquatic facilities can contribute to the overall attractiveness of Horowhenua as place to live, work, play and visit.

7.0 DEVELOPMENT OPTIONS

Outlines the development options considered for Foxton Pools.

7.1 DEVELOPMENT NEEDS

The current state analysis, strategic context, demographic trends and needs analysis underpins the following needs for the development of Foxton Pools.

KEY DRIVERS

1. Address the deteriorating condition and underlying design issues of Foxton Pools to ensure the facility is safe and fit for purpose.
2. Increase the appeal of the facility to improve utilisation and cater for all-sectors of the growing population around Foxton.
3. Resolve the future of the abandoned outdoor pool area.

PROVISION REQUIREMENTS

To accommodate potential demand arising from population growth, the facility could be expanded to up to 450m^2 of water-space. This would assist in providing increased aquatic capacity for the District.

IMPROVING USE & APPEAL

To improve use of the facility, there needs to be a strong focus on increasing the appeal for families, young people, and older people by providing better opportunities for water play, learning, fitness and relaxation (warm water) functions.

COMMUNITY PREFERENCE

There is strong community support for an indoor/outdoor facility which provides an all year facility with appealing pool layout to suit the needs of whole community and attracts greater use.

REVENUE GENERATION

Providing opportunities for the facility to drive increased revenue through quality learn to swim programmes, dry fitness opportunities, a variety of aquatic programmes, and more appealing facility.

7.2 OPTIONS

The Horowhenua Aquatic Facilities Strategy identified two potential development strategies for Foxton Pools – Rebuilding and Converting to an outdoor pool. These strategies were considered with stakeholders and expanded to include a third hybrid strategy. Community engagement in November 2020 considered three strategies (Rebuild, Outdoor and Hybrid). Horowhenua District Council (9 December 2020) resolved to consider five development options summarised in Table 7.1.

TABLE 7.1 DEVELOPMENT OPTIONS CONSIDERED FOR FOXTON POOLS

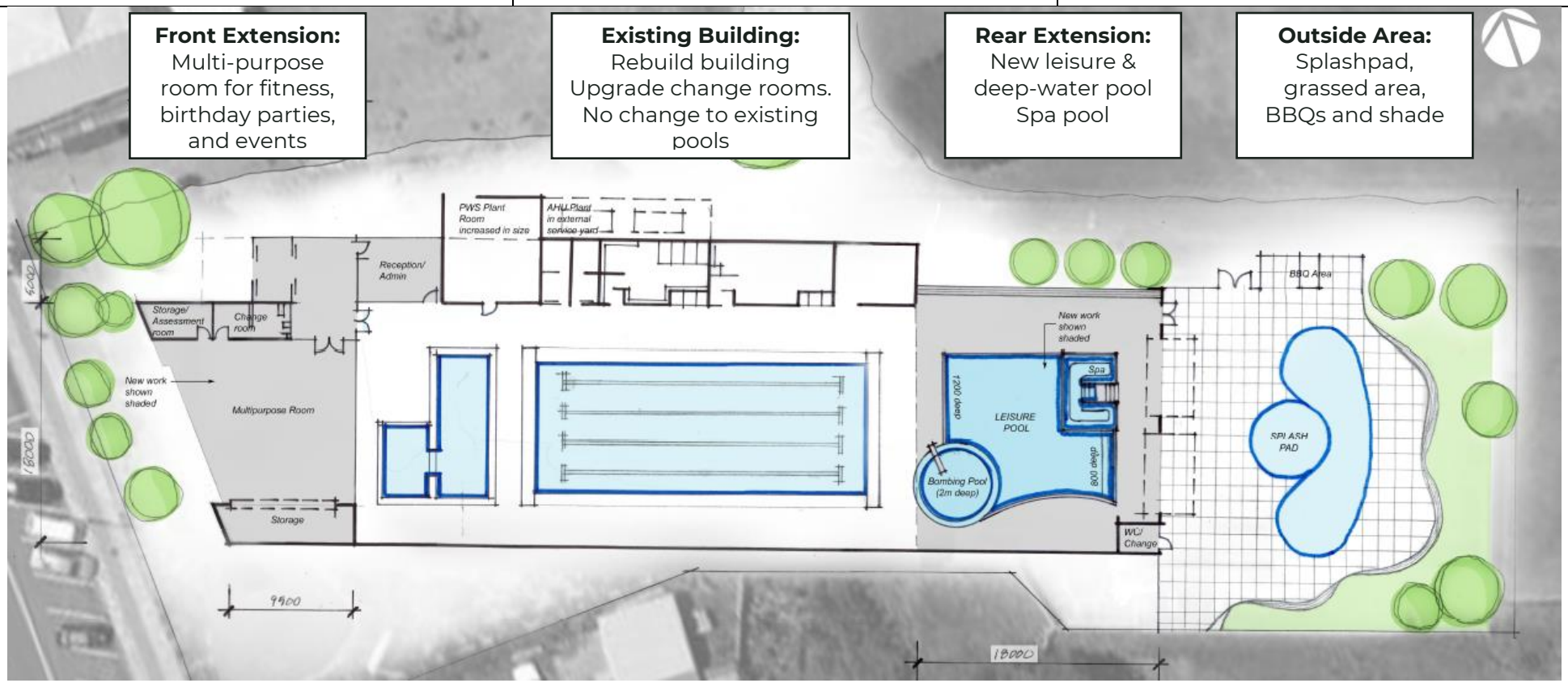
OPTION	DESCRIPTION
1 - All-year Indoor / Outdoor Leisure Pool (Hybrid)	Also referenced as Hybrid indoor/outdoor pool. Rebuilding and extending to provide all-year facility with lap pool, teaching pool, leisure pool, multi-purpose room and outdoor splashpad.
2 - All-year Indoor Basic Pool (Rebuild)	Also referenced as Rebuild. Rebuilding to provide all-year facility with lap pool and teaching pool. Outdoor area restored to grass.
3 - Seasonal Outdoor Leisure Pool (Outdoor)	Also referenced as the Outdoor Pool. Removing the building to provide outdoor facility with lap pool, teaching pool, leisure pool & splashpad.
4 - Seasonal outdoor Basic Pool	Removing the building to provide outdoor facility with lap pool and teaching pool.
5 – Close the Facility	Demolish the facility and restore to grass.

The following sections outline each option including the capital costs and operational costs.

All design plans are attached in Appendix 1. All cost estimates are attached in Appendix 2. The assumptions and calculations for operational costs are outlined in Section 8.0.

7.3 OPTION 1 – ALL-YEAR LEISURE POOL

Building Changes	Operational Changes	Build cost / Operating cost
• Demolish and rebuild building. • Extend the building at front to include a multi-purpose fitness room. • Extend building at the rear to include leisure pool and deep-water pool, plus spa pool. • No change to existing pools. • Add outdoor splashpad and landscaping. • Upgrade change rooms.	• 12-month operation. • Opening hours increase to 6am-7pm weekdays and 8am-6pm weekends. • Forecast to increase level of visits. • Estimated annual visits – 59,000.	**Build cost** $9.4 million across first three years of LTP 2021-2024. **Operating cost** Estimated year 1 operating deficit of $345,000.



OPTION 1 PERSPECTIVE – INSIDE LOOKING OVER LEISURE POOL TO OUTSIDE AREA

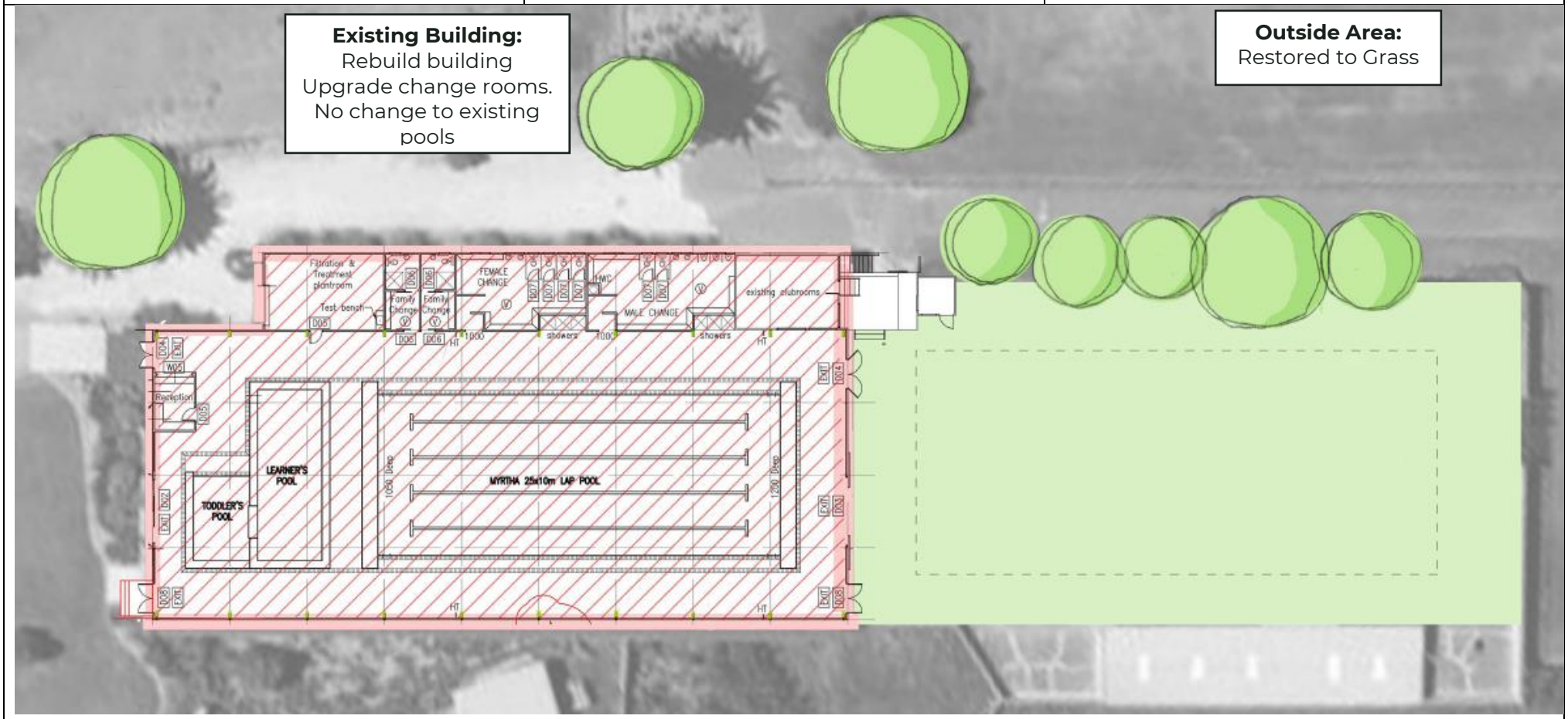
OPTION 2 PERSPECTIVE – LOOKING THROUGH MULTI-PURPOSE SPACE TO INDOOR POOLS

ASSESSMENT OF OPTION 1 AGAINST DEVELOPMENT NEEDS

REQUIREMENT	ASSESSMENT
Address condition & design issues	✓ Demolishing existing building and rebuilding with vapour barrier, insulation and ventilation will address underlying design issues and restore the building to like new condition.
Increase appeal for families & children	✓ Addition of leisure and deep-water pool will appeal to families, children, and youth.
Increase appeal for older people	✓ All-year facility and inclusion of spa will appeal to older people.
Cater for population growth	✓ Expanding the water-space to 475m^2 will accommodate potential increased demand resulting from population growth.
Core functions	✓ All-year provision of play, learning, fitness and relaxation functions.
Resolve future of outdoor pool area	✓ Outdoor area converted to grassed area with splashpad, shade and BBQs.
Community preference for all-year facility	✓ Facility operates all year round.
Revenue generation	✓ Multi-purpose space provides opportunities to provide dry fitness options which can generating revenue. Indoor learn to swim will support development of strong learn to swim programme. Ability to deliver variety of programmes from comprehensive facility.

7.4 OPTION 2 – ALL-YEAR INDOOR BASIC POOL

Building Changes	Operational Changes	Build cost
• Demolish and rebuild building. • No change to existing pools. • Upgrade change rooms. • Restore abandoned outdoor area to grass.	• 12-month operation. • Opening hours increase to 6am-7pm weekdays and 8am-6pm weekends. • Forecast to not change level of visits. • Estimated annual visits – 26,000.	$2.6 million across first three years of LTP 2021-2024. **Operating cost** Estimated year 1 operating deficit of $350,000.

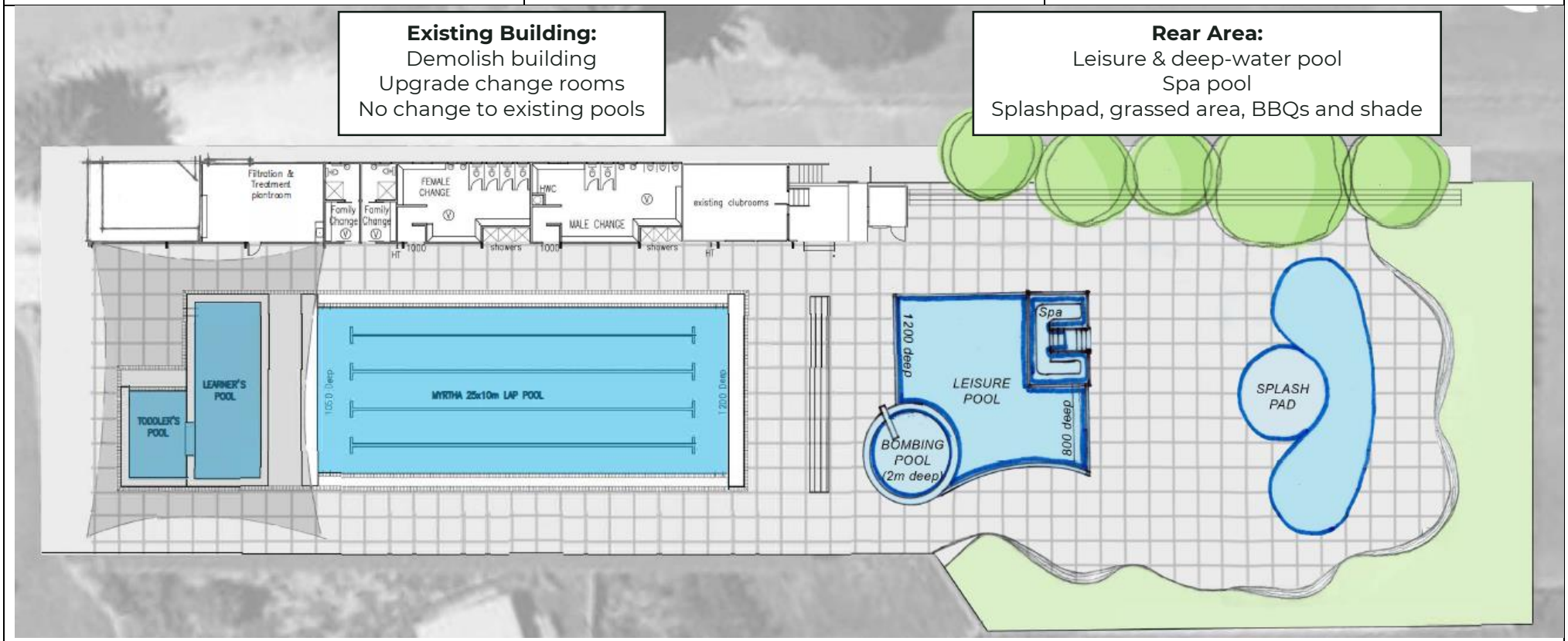


ASSESSMENT OF OPTION 2 AGAINST DEVELOPMENT NEEDS

REQUIREMENT	ASSESSMENT
Address condition & design issues	✓ Demolishing existing building and rebuilding with vapour barrier, insulation and ventilation will address underlying design issues and restore the building to like new condition.
Increase appeal for families & children	× No changes to the pools indicate the facility will have the same appeal to families, children and youth compared to existing facility. Unlikely to increase facility use and appeal.
Increase appeal for older people	½ All-year facility is likely to be appealing for older people who already use the facility, but no additional warm water will not appeal to older people who don't use the facility.
Cater for population growth	× No change to water-space will not accommodate any increasing demand resulting from population growth, although there is capacity within existing facility to grow use.
Core functions	✓ All-year provision of learning and fitness functions. × Does not provide for play or relaxation functions.
Resolve future of outdoor pool area	✓ Outdoor area converted to grassed area.
Community preference for all-year facility	✓ Facility operates all year round.
Revenue generation	½ Indoor learn to swim will support strong learn to swim programme. No additional revenue generating opportunities.

7.5 OPTION 3 – SEASONAL OUTDOOR LEISURE POOL

Building Changes	Operational Changes	Build cost
• Demolish existing building. • Rebuild change room & admin building. • Upgrade change rooms. • Existing pools become outdoor heated pools. • Add outdoor leisure & deep-water pool. • Add spa pool. • Add outdoor splashpad and landscaping. • Cover over the teaching/toddler pool.	• 5 months operation (mid-October to March). • Opening hours 10am-7pm. • Forecast to proportionally increase level of visits. • Estimated annual visits – 21,000.	$4.4 million across first three years of LTP 2021-2024. **Operating cost** Estimated year 1 operating deficit of $185,000.



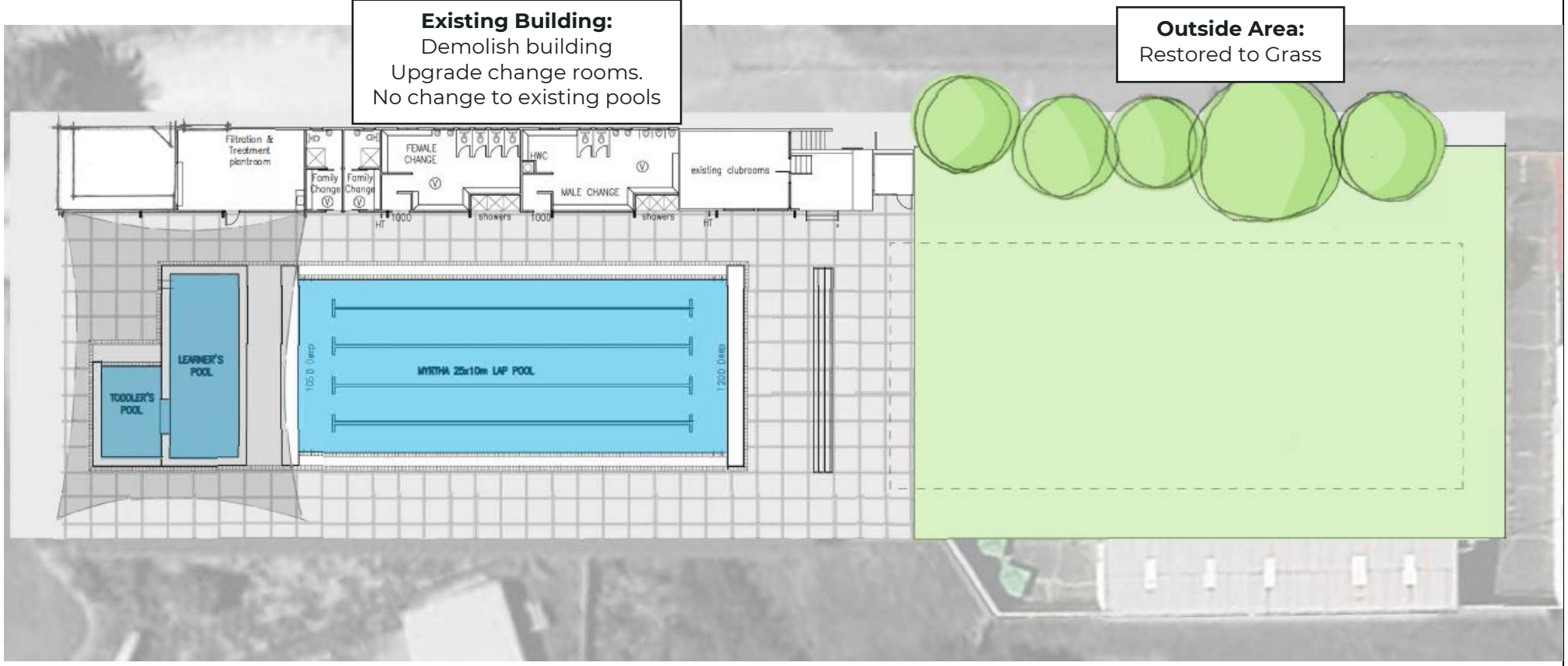
OPTION 3 PERSPECTIVE – OUTSIDE LOOKING OVER SPLASHPAD TO LEISURE POOL

ASSESSMENT OF OPTION 3 AGAINST DEVELOPMENT NEEDS

REQUIREMENT	ASSESSMENT
Address condition & design issues	✓ Demolishing existing building eliminates condition and design issues. Changing rooms and administration areas will be improved.
Increase appeal for families & children	✓ Addition of leisure and deep-water pool will appeal to families, children, and youth
Increase appeal for older people	½ Inclusion of spa will appeal to older people but outdoor facility likely to be less appealing for older people (particularly current users who like the indoor facility).
Cater for population growth	✓ Expanding the water-space to 475m^2 will accommodate potential increased demand resulting from population growth. Although provision will only be seasonal.
Core functions	✓ Provision of play, learning, fitness, relaxation functions although only seasonal.
Resolve future of outdoor pool area	✓ Outdoor area converted to grassed area with splashpad, shade and BBQs.
Community preference for all-year facility	× Facility operates for summer period only.
Revenue generation	½ Limited ability to generate revenue although learn to swim could operate. Leisure facility likely to be appealing in summer.

7.6 OPTION 4 – SEASONAL OUTDOOR BASIC POOL

Building Changes	Operational Changes	Build cost
• Demolish existing building. • Rebuild change room & admin building. • Upgrade change rooms. • Existing pools become outdoor heated pools. • Cover over the teaching/toddler pool. • Restore abandoned outdoor area to grass.	• 5 months operation (mid-October to March). • Opening hours 10am-7pm. • Forecast to proportionally decrease level of visits. • Estimated annual visits – 11,000.	$1.9 million across first three years of LTP 2021-2024. **Operating cost** Estimated year 1 operating deficit of $200,000.



ASSESSMENT OF OPTION 4 AGAINST DEVELOPMENT NEEDS

REQUIREMENT	ASSESSMENT
Address condition & design issues	✓ Demolishing existing building eliminates condition and design issues. Changing rooms and administration areas will be improved.
Increase appeal for families & children	× Structured pools likely to have limited appeal for families, children and youth.
Increase appeal for older people	× Outdoor facility and no warm water pools likely to limited appeal to older people.
Cater for population growth	× No change to water-space will not accommodate any increasing demand resulting from population growth.
Core functions	✓ Seasonal provision of learning and fitness functions. × Does not provide for play or relaxation.
Resolve future of outdoor pool area	✓ Outdoor area converted to grassed area.
Community preference for all-year facility	×Facility operates for summer period only.
Revenue generation	× Limited ability to generate revenue although learn to swim could operate.

7.7 OPTION 5 – CLOSE THE FACILITY

Building Changes	Operational Changes	Build cost
• Remove indoor pool building and pools. • Remove abandoned outdoor pools. • Restore entire area to grass.	• Cease current operations. • Likely to increase use of Levin Aquatic Centre.	$350,000 in 2021-2022. **Operating cost** Estimated operating saving of $230,000.

ASSESSMENT OF OPTION 5 AGAINST DEVELOPMENT NEEDS

REQUIREMENT	ASSESSMENT
Address condition & design issues	✓ Facility demolished, condition and building issues are eliminated.
Increase appeal for families & children	× No facility to meet needs of families, children and youth.
Increase appeal for older people	× No facility to meet needs of older people.
Cater for population growth	× No facility to meet increased demand resulting from population growth. Likely increased pressure on Levin Aquatic Centre.
Core functions	× No provision of core functions.
Resolve future of outdoor pool area	✓ Outdoor area converted to grassed area.
Community preference for all-year facility	×No facility.
Revenue generation	✓ Operational savings to Horowhenua District Council by not operating the facility.

7.8 SUMMARY OF OPTIONS

Table 7.2 provides a summary of each option including scope, assessment, and costs. Evaluation of the options is outlined in Section 10.

TABLE 7.2 SUMMARY OF SCOPE AND IMPACT OF FOXTON POOLS OPTIONS.

	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5
SCOPE SUMMARY	**ALL-YEAR LEISURE**	**ALL-YEAR BASIC**	**SEASONAL LEISURE**	**SEASONAL BASIC**	**CLOSE FACILITY**
All-year / indoor provision	✓	✓			
Seasonal / outdoor provision			✓	✓	
25m Pool	✓	✓	✓	✓	
Leisure Pool & Spa Pool	✓		✓		
Teaching / Toddler Pool	✓	✓	✓	✓	
Splashpad	✓		✓		
Upgrade change rooms	✓	✓	✓	✓	
Cover over Teaching / Toddler Pool			✓	✓	
Outdoor landscaping / BBQ area	✓		✓		
Multi-purpose room	✓				
ASSESSMENT SUMMARY					
Address condition & design issues	✓	✓	✓	✓	✓
Increase appeal for families & children	✓	×	✓	×	×
Increase appeal for older people	✓	½	½	×	×
Cater for population growth	✓	×	✓	×	×
Provide core functions	✓	✓ learning & fitness. × play & relaxation.	✓ Seasonal only	✓ learning & fitness. × play & relaxation.	×
Resolve future of outdoor pool area	✓	✓	✓	✓	✓
All year-round provision	✓	✓	×	×	×
Revenue generation	✓	½	½	×	Savings
COST SUMMARY					
Estimated capital cost	$9.4 million	$2.6 million	$4.4 million	$1.9 million	$350,000
Estimated operational cost (Year 1)	$345,000	$350,000	$190,000	$200,000	$230,000 saving
Estimated visits (Year 1)	59,000	26,000	21,000	11,000	0

8.0 OPERATIONAL MODELLING

This section develops operating models for each development options to indicate potential operating costs.

8.1 GENERAL ASSUMPTIONS

Operational modelling has been developed using general and specific assumptions for each development option. General assumptions include:

- All facilities are operated by Horowhenua District Council.
- Inflation for capital and operational costs is calculated in accordance with annual amounts specified by Horowhenua District Council. See Appendix 3 for the annual adjustments.
- The operational model assumes a theoretical Year 1 start date based on current operating costs and revenue. In the financial model in Section 9.0 the finances in the operating model have been escalated to the year in which operations will commence based on estimated timeframes for delivery.
- Assumptions for specific facility components have used comparisons with the current facility or equivalent facilities across New Zealand.

8.2 ESTIMATING VISITS

Estimated visits for each pool option initially considers benchmarking based on visits per month, and visits per population. Using the current level of visits to provide a base level of demand, extrapolated for full year or reduced periods of operation. This provides a rough estimate of potential visit numbers.

The operational modelling then utilises a refined Pool Loading approach to estimate the potential loading of each pool tank across different periods of the day to build the total visits. Assumptions are used to inform the potential visits across different times of the day, week and year based on best practice knowledge of peak and non-peak times for aquatic facilities. A drop-off over winter is assumed which is natural for all aquatic facilities. The outcomes of the pool loading are tested against the benchmark approach and compared against similar facilities and populations.

In addition, assumptions are made for the learn to swim, aquacise and fitness classes based on the current level of demand or a comparison with Levin Aquatic Centre.

BENCHMARKING APPROACH

Foxton Pools has a current catchment population of approximately 9,100, with forecast growth to 14,500 by 2041. Average current visits are 2,000 per month for a two-pool arrangement. The model expects a similar level of use to continue for Options 2 and 4 which have the same pool arrangement and higher for Options 1 and 3 which have increased water-space. Table 8.1 outlines potential visits level for each option.

TABLE 8.1 BENCHMARK ANALYSIS OF POTENTIAL POOL VISITS

	CURRENT	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Pool Area	300	475	315	475	315
Potential Visits	17,000	50,000	25,000	20,000	10,000
2018 Population	9,100	9,100	9,100	9,100	9,100
2041 Population	14,500	14,500	14,500	14,500	14,500
Operation	8 mths	12 mths	12 mths	6 mths	6 mths
Visits/Month	2,125	4,167	2,083	4,000	2,000
2018 Pop/Water	30.33	19.16	28.89	19.16	28.89
2041 Pop/Water	48	31	46	31	46

POOL LOADING APPROACH

This method is a refined approach to determine the likely loading of the facility. Loading is different from maximum capacity. Maximum capacity is the absolute maximum number of people a facility can accommodate. It is very rare for aquatic facilities to reach maximum capacity as there is always peak and off-peak periods.

Full loading is the expected number of people using the facility. This allows for peak periods, when certain pool tanks are heavily used and off-peak times when the tanks have light use. The loading approach utilises common use patterns to estimate the number of visits to each pool-tank (varied by indoor and outdoor pools). Table 8.2 outlines the assumptions used to build the pool loading.

TABLE 8.2 ASSUMPTION FOR DIFFERENT POOL TANK LOADING

POOL	INDOOR FACILITY	OUTDOOR FACILITY
Lane Pool	• Heavy use weekday morning & afternoons • Light use during school day • Medium use during weekends and holidays • 40% reduction over winter	• Medium use during early mornings & afternoons • Light use during school day • Medium use during weekends and holidays • No operation during winter
Leisure Pool	• Light use during school • Medium use after school • Heavy use during weekends and holidays • 40% reduction over winter	• Light use during school • Medium use after school • Heavy use during weekends and holidays • No operation during winter
Bookings	• 10 bookings per week • 2 bookings/week in winter	• 4 bookings per week • No operation during winter
Learn to Swim	• 4 x 10-week sessions • 25 classes per week • 25% winter reduction	• 2 x 5-week sessions • 20 classes per week • No operation during winter
Aquacise	• 10 classes per week • 25% reduction over winter	• 6 classes per week
Fitness	• 20 classes per week • 25% reduction over winter	
Birthday parties	• 1 party per week with 8 attendees	

The loading calculation for each option is summarised in Table 8.3.

TABLE 8.3 ESTIMATED VISITS FOR EACH OPTION

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Lane Pool	15,347	15,347	7,412	8,168
Leisure Pool	20,085	-	11,414	-
Bookings	3,960	3,960	960	960
Learn to Swim	4,020	4,020	720	720
Aquacise	3,280	3,280	768	768
Fitness	7,200	-	-	-
Birthday parties	240	-	-	-
Total	**59,132**	**26,607**	**21,274**	**10,616**

For Option 1, visits have been adjusted by 1% per annum as there is greater capacity and likelihood of visit growth. For all other options, visits are increased by 0.5% per annum.

PRICING STRATEGY

A consistent pricing strategy has been used for all development options. Although, there is opportunity to consider a higher entry prices particularly for Option 1 given the increased level of provision. Table 8.3 outlines the pricing strategy for the operational modelling.

TABLE 8.3 PRICING STRATEGY FOR ALL DEVELOPMENT OPTIONS

COMPONENT	PRICING STRATEGY
Casual entry	Average fee (for adults & child) $3.50 per entry
Bookings	Current child entry at $2.50
Learn to swim	Current Learn to Swim at $11.50 per class
Aquacise	Current fee of $5.00 per class
Fitness	Current fee of $7.00 per class
Birthday Parties	Based on $9.00 per child including room hire.

Entry fees have been adjusted annually in accordance with Horowhenua District Council annual opex adjustments outlined in Appendix 3.

8.3 OPERATING ASSUMPTIONS

Table 8.4 outlines the assumptions for other revenue and expenditure items for each option. All costs have been adjusted annually in accordance with Horowhenua District Council's annual opex adjustments outlined in Appendix 3.

TABLE 8.4 OPERATING ASSUMPTIONS FOR ALL OPTIONS

COMPONENTS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Facility components	Indoor lap pool Indoor leisure pool & spa pool Indoor teaching pool Outdoor splashpad & green area Multi-purpose fitness space	Indoor lap pool Indoor teaching pool	Outdoor lap pool Outdoor leisure pool & spa pool Covered teaching pool Outdoor splashpad	Outdoor lap pool Covered teaching pool
Operating Hours	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	22 weeks operation Every day 10am to 7pm	22 weeks operation Every day 10am to 7pm
Vending Machines	For all options, it is assumed vending machines will be available in the facility. Net profit of $0.40 from 50% of casual entries			
Retail	For all options, it is assumed reception will sell goggles, swim-nappies etc. Net profit of $0.50 per learn to swim user			
Pool Staff Costs	Team Leader 2 Senior Lifeguards Lifeguards 150 hours/week Holidays 49 hours for 12 weeks	Team Leader 2 Senior Lifeguards Lifeguards 118 hours/week	Based on current staffing costs per month for 6 months Plus, extra lifeguards for holiday period	Based on current staffing costs per month for 6 months
Learn to Swim Staff	520 hours of learn to swim lessons delivered		120 hours of learn to swim lessons delivered	
Aquafit Staff	360 hours of classes per year		96 hours of classes over 16 weeks	
Kiwisaver & ACC	Applied at 5% of all staff costs.			
Power	Calculated by Powell Fenwick, attached in Appendix 4.			
Utilities	Power - $127,000 Water - $12,000 Chemicals - $15,000 Cleaning - $8,000 Consumables – $5,000 Rubbish - $5,000 Security - $10,000	Power - $77,000 Water - $10,000 Chemicals - $10,000 Cleaning - $5,000 Consumables – $5,000 Rubbish - $5,000 Security - $10,000	Power - $60,000 Water - $5,000 Chemicals - $6,000 Cleaning - $5,000 Consumables – $2,000 Rubbish - $2,000 Security - $5,000	Power - $50,000 Water - $5,000 Chemicals - $6,000 Cleaning - $5,000 Consumables – $2,000 Rubbish - $2,000 Security - $5,000
Repairs & Maintenance	$8,000 for parks maintenance. $32,000 for pool maintenance		$8,000 for parks maintenance. $27,000 for pool maintenance	
Administration	$15,000 for marketing, training, uniforms, office supplies, IT		$10,000 for marketing, training, uniforms, office supplies, IT	

8.4 OPTION 1 ESTIMATED OPERATING FORECAST

TABLE 8.5 ESTIMATED OPERATING FORECAST FOR FOXTON POOLS – OPTION 1 BASED ON POOL LOADING AND OPERATING ASSUMPTIONS

Foxton Pool - Option 1 All-Year Leisure Pool										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opex CPI Adjustments		2.5%	2.4%	2.5%	2.4%	2.5%	2.6%	2.6%	2.4%	2.1%
Income										
Quantity of visitors										
General Admissions	40,432	40,836	41,244	41,657	42,073	42,494	42,919	43,348	43,782	44,219
Bookings	3,960	4,000	4,040	4,080	4,121	4,162	4,204	4,246	4,288	4,331
Learn to swim	4,020	4,060	4,101	4,142	4,183	4,225	4,267	4,310	4,353	4,397
Aqua programes	3,280	3,313	3,346	3,379	3,413	3,447	3,482	3,517	3,552	3,587
Fitness	7,200	7,272	7,345	7,418	7,492	7,567	7,643	7,719	7,797	7,875
Birthday Parties	240	242	245	247	250	252	255	257	260	262
Revenue per visitor - Unit Rate										
General Admissions	$ 3.04	$ 3.12	$ 3.19	$ 3.27	$ 3.35	$ 3.44	$ 3.53	$ 3.62	$ 3.70	$ 3.78
Bookings	$ 2.17	$ 2.23	$ 2.28	$ 2.34	$ 2.39	$ 2.45	$ 2.52	$ 2.58	$ 2.65	$ 2.70
Learn to swim	$ 10.00	$ 10.25	$ 10.50	$ 10.76	$ 11.02	$ 11.29	$ 11.59	$ 11.89	$ 12.17	$ 12.43
Aqua programmes	$ 4.35	$ 4.46	$ 4.56	$ 4.68	$ 4.79	$ 4.91	$ 5.04	$ 5.17	$ 5.29	$ 5.40
Fitness	$ 6.09	$ 6.24	$ 6.39	$ 6.55	$ 6.71	$ 6.87	$ 7.05	$ 7.24	$ 7.41	$ 7.56
Birthday Parties	$ 7.83	$ 8.02	$ 8.21	$ 8.42	$ 8.62	$ 8.84	$ 9.07	$ 9.30	$ 9.53	$ 9.73
Revenue per unit										
General Admissions	123,053	127,390	131,752	136,396	141,067	146,039	151,335	156,822	162,192	167,254
Bookings	8,609	8,912	9,217	9,542	9,869	10,217	10,587	10,971	11,347	11,701
Learn to swim	40,200	41,617	43,042	44,559	46,085	47,709	49,439	51,232	52,986	54,640
Aqua programmes	14,261	14,764	15,269	15,807	16,349	16,925	17,539	18,174	18,797	19,383
Fitness	43,826	45,371	46,924	48,579	50,242	52,013	53,899	55,853	57,766	59,569
Birthday Parties	1,878	1,944	2,011	2,082	2,153	2,229	2,310	2,394	2,476	2,553
Aquatic Income	**231,827**	**239,998**	**248,216**	**256,966**	**265,764**	**275,132**	**285,109**	**295,447**	**305,563**	**315,099**
Vending Machine - net profit	8,086	8,167	8,249	8,331	8,415	8,499	8,584	8,670	8,756	8,844
Retail - net profit	2,010	2,030	2,050	2,071	2,092	2,113	2,134	2,155	2,177	2,198
Total Income	**241,923**	**250,196**	**258,515**	**267,368**	**276,270**	**285,744**	**295,826**	**306,271**	**316,496**	**326,142**
Expenditure										
Staff - pool	286,494	293,656	300,704	308,221	315,619	323,509	331,921	340,550	348,724	356,047
Staff - learn to swim	10,764	11,033	11,298	11,580	11,858	12,155	12,471	12,795	13,102	13,377
Staff - fitness	38,280	39,237	40,179	41,183	42,172	43,226	44,350	45,503	46,595	47,573
Kiwisaver and ACC	16,777	17,196	17,609	18,049	18,482	18,944	19,437	19,942	20,421	20,850
Utilities	180,000	184,500	188,928	193,651	198,299	203,256	208,541	213,963	219,098	223,699
Repairs and maintenance	40,000	41,000	41,984	43,034	44,066	45,168	46,342	47,547	48,688	49,711
Administration	10,000	10,250	10,496	10,758	11,017	11,292	11,586	11,887	12,172	12,428
Other	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Total Expenditure	**587,315**	**601,998**	**616,445**	**631,857**	**647,021**	**663,197**	**680,440**	**698,131**	**714,886**	**729,899**
EBITDA	**-345,392**	**-351,802**	**-357,930**	**-364,489**	**-370,751**	**-377,453**	**-384,614**	**-391,860**	**-398,391**	**-403,757**

8.5 OPTION 2 ESTIMATED OPERATING FORECAST

TABLE 8.6 ESTIMATED OPERATING FORECAST FOR FOXTON POOLS – OPTION 2 BASED ON POOL LOADING AND OPERATING ASSUMPTIONS

Foxton Pool - Option 2 All-year Basic Pool										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opex CPI Adjustments		2.5%	2.4%	2.5%	2.4%	2.5%	2.6%	2.6%	2.4%	2.1%
Income										
Quantity of visitors										
General Admissions	15,347	15,424	15,501	15,578	15,656	15,734	15,813	15,892	15,972	16,051
Bookings	3,960	3,980	4,000	4,020	4,040	4,060	4,080	4,101	4,121	4,142
Learn to swim	4,020	4,040	4,060	4,081	4,101	4,122	4,142	4,163	4,184	4,205
Aqua programes	3,280	3,296	3,313	3,329	3,346	3,363	3,380	3,397	3,414	3,431
Revenue per visitor - Unit Rate										
General Admissions	$ 3.04	$ 3.12	$ 3.19	$ 3.27	$ 3.35	$ 3.44	$ 3.53	$ 3.62	$ 3.70	$ 3.78
Bookings	$ 2.17	$ 2.23	$ 2.28	$ 2.34	$ 2.39	$ 2.45	$ 2.52	$ 2.58	$ 2.65	$ 2.70
Learn to swim	$ 10.00	$ 10.25	$ 10.50	$ 10.76	$ 11.02	$ 11.29	$ 11.59	$ 11.89	$ 12.17	$ 12.43
Aqua programmes	$ 4.35	$ 4.46	$ 4.56	$ 4.68	$ 4.79	$ 4.91	$ 5.04	$ 5.17	$ 5.29	$ 5.40
Revenue per unit										
General Admissions	46,708	48,115	49,516	51,007	52,493	54,074	55,757	57,493	59,167	60,712
Bookings	8,609	8,868	9,126	9,401	9,675	9,966	10,277	10,597	10,905	11,190
Learn to swim	40,200	41,411	42,617	43,901	45,179	46,540	47,989	49,483	50,924	52,253
Aqua programmes	14,261	14,690	15,118	15,574	16,027	16,510	17,024	17,554	18,065	18,537
Aquatic Income	**109,777**	**113,084**	**116,377**	**119,883**	**123,374**	**127,091**	**131,047**	**135,127**	**139,061**	**142,692**
Vending Machine - net profit	3,069	3,085	3,100	3,116	3,131	3,147	3,163	3,178	3,194	3,210
Retail - net profit	2,010	2,020	2,030	2,040	2,051	2,061	2,071	2,081	2,092	2,102
Total Income	**114,857**	**118,189**	**121,508**	**125,039**	**128,556**	**132,298**	**136,281**	**140,386**	**144,348**	**148,004**
Expenditure										
Staff - pool	251,189	257,468	263,648	270,239	276,724	283,643	291,017	298,584	305,750	312,170
Staff - learn to swim	10,764	11,033	11,298	11,580	11,858	12,155	12,471	12,795	13,102	13,377
Staff - fitness	11,880	12,177	12,469	12,781	13,088	13,415	13,764	14,122	14,460	14,764
Kiwisaver and ACC	13,692	14,034	14,371	14,730	15,084	15,461	15,863	16,275	16,666	17,016
Utilities	122,000	125,050	128,051	131,252	134,403	137,763	141,344	145,019	148,500	151,618
Repairs and maintenance	40,000	41,000	41,984	43,034	44,066	45,168	46,342	47,547	48,688	49,711
Administration	10,000	10,250	10,496	10,758	11,017	11,292	11,586	11,887	12,172	12,428
Other	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Total Expenditure	**464,524**	**476,137**	**487,565**	**499,754**	**511,748**	**524,542**	**538,180**	**552,172**	**565,424**	**577,298**
EBITDA	**-349,668**	**-357,948**	**-366,057**	**-374,715**	**-383,192**	**-392,243**	**-401,899**	**-411,786**	**-421,077**	**-429,294**

8.6 OPTION 3 ESTIMATED OPERATING FORECAST

TABLE 8.7 ESTIMATED OPERATING FORECAST FOR FOXTON POOLS – OPTION 3 BASED ON POOL LOADING AND OPERATING ASSUMPTIONS

Foxton Pool - Option 3 Seasonal Outdoor Leisure Pool										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opex CPI Adjustments		2.5%	2.4%	2.5%	2.4%	2.5%	2.6%	2.6%	2.4%	2.1%
Income										
Quantity of visitors										
General Admissions	18,826	18,920	19,015	19,110	19,205	19,301	19,398	19,495	19,592	19,690
Bookings	960	965	970	974	979	984	989	994	999	1,004
Learn to swim	720	724	727	731	735	738	742	746	749	753
Aqua programes	768	772	776	780	783	787	791	795	799	803
Revenue per visitor - Unit Rate										
General Admissions	$ 3.04	$ 3.12	$ 3.19	$ 3.27	$ 3.35	$ 3.44	$ 3.53	$ 3.62	$ 3.70	$ 3.78
Bookings	$ 2.17	$ 2.23	$ 2.28	$ 2.34	$ 2.39	$ 2.45	$ 2.52	$ 2.58	$ 2.65	$ 2.70
Learn to swim	$ 10.00	$ 10.25	$ 10.50	$ 10.76	$ 11.02	$ 11.29	$ 11.59	$ 11.89	$ 12.17	$ 12.43
Aqua programmes	$ 4.35	$ 4.46	$ 4.56	$ 4.68	$ 4.79	$ 4.91	$ 5.04	$ 5.17	$ 5.29	$ 5.40
Revenue per unit										
General Admissions	57,297	59,023	60,741	62,571	64,393	66,333	68,398	70,527	72,581	74,476
Bookings	2,087	2,150	2,212	2,279	2,345	2,416	2,491	2,569	2,644	2,713
Learn to swim	7,200	7,417	7,633	7,863	8,092	8,336	8,595	8,863	9,121	9,359
Aqua programmes	3,339	3,440	3,540	3,647	3,753	3,866	3,986	4,110	4,230	4,340
Aquatic Income	**69,923**	**72,029**	**74,127**	**76,360**	**78,583**	**80,950**	**83,470**	**86,069**	**88,575**	**90,887**
Vending Machine - net profit	3,765	3,784	3,803	3,822	3,841	3,860	3,880	3,899	3,918	3,938
Retail - net profit	360	362	364	365	367	369	371	373	375	377
Total Income	**74,048**	**76,175**	**78,293**	**80,547**	**82,791**	**85,180**	**87,721**	**90,341**	**92,868**	**95,202**
Expenditure										
Staff - pool	121,012	124,037	127,014	130,190	133,314	136,647	140,200	143,845	147,297	150,390
Staff - learn to swim & fitness	5,940	6,089	6,235	6,390	6,544	6,707	6,882	7,061	7,230	7,382
Kiwisaver and ACC	6,348	6,506	6,662	6,829	6,993	7,168	7,354	7,545	7,726	7,889
Utilities	85,000	87,125	89,216	91,446	93,641	95,982	98,478	101,038	103,463	105,636
Repairs and maintenance	35,000	35,875	36,736	37,654	38,558	39,522	40,550	41,604	42,602	43,497
Administration	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Other	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Total Expenditure	**263,300**	**269,882**	**276,359**	**283,268**	**290,067**	**297,318**	**305,049**	**312,980**	**320,491**	**327,222**
EBITDA	**-189,252**	**-193,707**	**-198,066**	**-202,721**	**-207,275**	**-212,138**	**-217,328**	**-222,639**	**-227,623**	**-232,020**

8.7 OPTION 4 ESTIMATED OPERATING FORECAST

TABLE 8.8 ESTIMATED OPERATING FORECAST FOR FOXTON POOLS – OPTION 4 BASED ON POOL LOADING AND OPERATING ASSUMPTIONS

Foxton Pool - Option 4 Seasonal Outdoor Pool										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opex CPI Adjustments		2.5%	2.4%	2.5%	2.4%	2.5%	2.6%	2.6%	2.4%	2.1%
Income										
Quantity of visitors										
General Admissions	8,168	8,209	8,250	8,291	8,333	8,374	8,416	8,458	8,500	8,543
Bookings	960	965	970	974	979	984	989	994	999	1,004
Learn to swim	720	724	727	731	735	738	742	746	749	753
Aqua programes	768	772	776	780	783	787	791	795	799	803
Revenue per visitor - Unit Rate										
General Admissions	$ 3.04	$ 3.12	$ 3.19	$ 3.27	$ 3.35	$ 3.44	$ 3.53	$ 3.62	$ 3.70	$ 3.78
Bookings	$ 2.17	$ 2.23	$ 2.28	$ 2.34	$ 2.39	$ 2.45	$ 2.52	$ 2.58	$ 2.65	$ 2.70
Learn to swim	$ 10.00	$ 10.25	$ 10.50	$ 10.76	$ 11.02	$ 11.29	$ 11.59	$ 11.89	$ 12.17	$ 12.43
Aqua programmes	$ 4.35	$ 4.46	$ 4.56	$ 4.68	$ 4.79	$ 4.91	$ 5.04	$ 5.17	$ 5.29	$ 5.40
Revenue per unit										
General Admissions	24,859	25,608	26,354	27,148	27,938	28,780	29,676	30,600	31,491	32,313
Bookings	2,087	2,150	2,212	2,279	2,345	2,416	2,491	2,569	2,644	2,713
Learn to swim	7,200	7,417	7,633	7,863	8,092	8,336	8,595	8,863	9,121	9,359
Aqua programmes	3,339	3,440	3,540	3,647	3,753	3,866	3,986	4,110	4,230	4,340
Aquatic Income	**37,485**	**38,614**	**39,739**	**40,936**	**42,128**	**43,397**	**44,748**	**46,141**	**47,485**	**48,724**
Vending Machine - net profit	1,634	1,642	1,650	1,658	1,667	1,675	1,683	1,692	1,700	1,709
Retail - net profit	360	362	364	365	367	369	371	373	375	377
Total Income	**39,479**	**40,618**	**41,752**	**42,960**	**44,162**	**45,441**	**46,802**	**48,206**	**49,560**	**50,810**
Expenditure										
Staff - pool	111,012	113,787	116,518	119,431	122,297	125,355	128,614	131,958	135,125	137,963
Staff - learn to swim & fitness	5,940	6,089	6,235	6,390	6,544	6,707	6,882	7,061	7,230	7,382
Kiwisaver and ACC	5,848	5,994	6,138	6,291	6,442	6,603	6,775	6,951	7,118	7,267
Utilities	75,000	76,875	78,720	80,688	82,625	84,690	86,892	89,151	91,291	93,208
Repairs and maintenance	35,000	35,875	36,736	37,654	38,558	39,522	40,550	41,604	42,602	43,497
Administration	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Other	5,000	5,125	5,248	5,379	5,508	5,646	5,793	5,943	6,086	6,214
Total Expenditure	**242,800**	**248,870**	**254,842**	**261,214**	**267,483**	**274,170**	**281,298**	**288,612**	**295,539**	**301,745**
EBITDA	**-203,321**	**-208,252**	**-213,090**	**-218,254**	**-223,321**	**-228,729**	**-234,496**	**-240,406**	**-245,979**	**-250,935**

8.8 COMPARING THE OPTIONS

This section compares the options by assessing the estimated impact on the use of Foxton Pools and the estimated impact on net position (EBITDA).

ESTIMATED USE OF FOXTON POOLS UNDER THE OPTIONS

Figure 8.1 shows the estimated visits and Table 8.9 summarises different benchmarks for the four options for Foxton Pools.

TABLE 8.1 ESTIMATED IMPACT ON VISITS TO FOXTON POOLS UNDER EACH OPTION

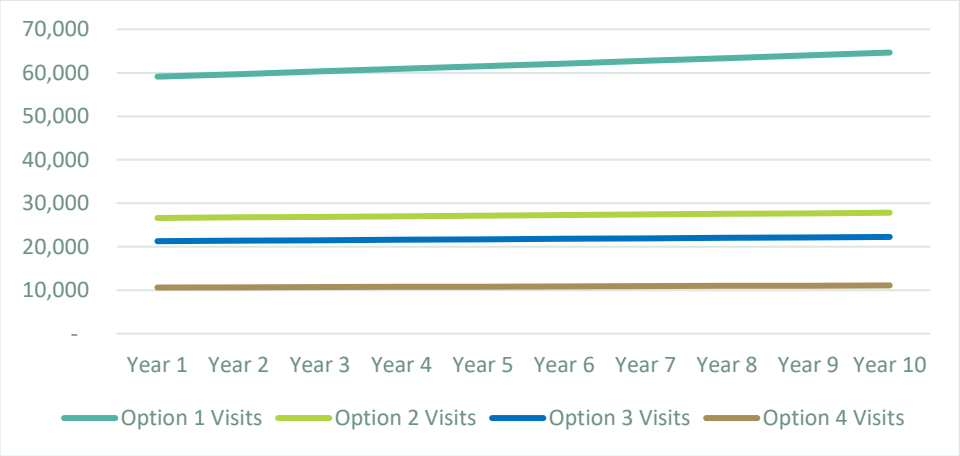


TABLE 8.9 SUMMARY OF YEAR 1 OPERATIONAL FORECAST

	CURRENT	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Pool Area	315	475	315	475	315
Visits	16,174	59,132	26,607	21,274	10,616
Population	9,100	9,100	9,100	9,100	9,100
Operation	32 weeks	52 weeks	52 weeks	22 weeks	22 weeks
Visit/Pop	1.78	6.50	2.92	2.34	1.17
Visit/Water	51.35	124.49	84.47	44.79	33.70
Visits/Month	2,022	4,928	2,217	4,255	2,123
Visits/Week	505	1,137	512	967	483

From Figure 8.1 and Table 8.9 it is clear Option 1, providing an all-year round indoor/outdoor leisure facility, provides the best outcomes in terms of increasing the potential visits to Foxton Pools, improving utilisation of the water-space, and increasing efficiency across the operating period.

Option 2, providing an all-year round basic facility, provides the next best outcome in terms of increasing the potential visits to Foxton Pools. However, it is not expected to improve the efficiency across the operating period as visits per week are similar to current levels.

Option 3, providing a seasonal outdoor leisure facility, does not increase the level of visits substantially but as this is spread over a shorter operating period, the level of efficiency is improved.

Option 4, providing a seasonal outdoor basic facility, provides the least outcomes in terms of use of the facility and efficiency. This option will deliver poor outcomes compared to the current facility.

ESTIMATED IMPACT ON NET COST UNDER THE OPTIONS

Table 8.10 (next page) summarises the estimated year 1 revenue and expenditure of each option and Figure 8.2 shows the estimated net position (EBITDA) over the first 10 years for each option.

FIGURE 8.2 ESTIMATED NET POSITION OF FOXTON POOLS OPTIONS

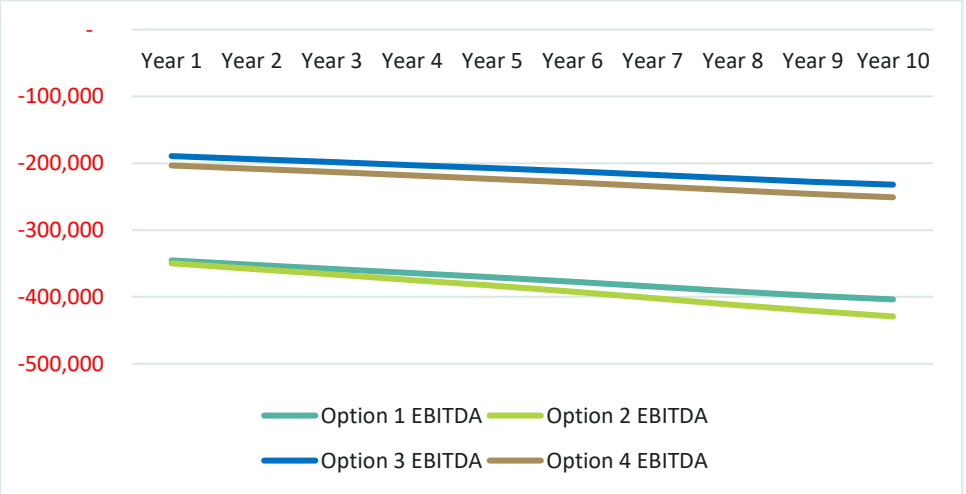


TABLE 8.10 SUMMARY OF YEAR 1 REVENUE AND EXPENDITURE

REVENUE	CURRENT	OPTION 1	OPTION 2	OPTION 3	OPTION 4
General Admissions		123,053	46,708	57,297	24,859
Bookings		8,609	8,609	2,087	2,087
Aqua Programmes		14,261	14,261	3,339	3,339
Retail Revenue		10,096	5,079	4,125	1,994
Swim School		40,200	40,200	7,200	7,200
Fitness		43,826			
Birthday parties		1,878			
Total Revenue	**44,078**	**241,923**	**114,857**	**74,048**	**39,479**
EXPENDITURE					
Staff - pool	173,751	286,494	251,189	121,012	111,012
Staff - learn to swim		10,764	10,764	5,940	5,940
Staff - fitness		38,280	11,880		
Kiwisaver and ACC	3,868	16,777	13,692	6,348	5,848
Utilities	47,530	180,000	122,000	85,000	75,000
Repairs and maintenance	48,851	40,000	40,000	35,000	35,000
Administration	888	10,000	10,000	5,000	5,000
Other	-	5,000	5,000	5,000	5,000
Total Expenditure	**274,888**	**587,315**	**464,524**	**263,300**	**242,800**
Net Loss	**230,810**	**345,392**	**349,668**	**189,252**	**203,321**
Net Loss per month	28,851	28,783	29,139	37,850	40,664

The least cost option to Horowhenua District Council is clearly Option 5, closing the facility, which will result in a potential savings of $230,000 per annum. However, it is likely there will be increased costs to the Council due to a shift in aquatic demand at Levin Aquatic Centre. Therefore, the net saving to Council is likely to be less than $230,000.

Aquatic facilities have three significant components which contribute to the overall net result:

- Level of revenue generated.
- Amount of staffing required.
- Power consumption to heat the water and air.

Of the four potential development options for Foxton Pools, Option 3, providing a seasonal outdoor leisure facility, has been calculated with the lowest operating cost and a potential saving to the Council of $40,000 per annum. The shorter operating season means there are fewer staffing costs compared to an all-year facility. The outdoor heated pools results in higher power costs. However, the leisure style pools are estimated to provide stronger revenue compared to a basic facility. It is important to note Option 3 (and Option 4) will be subject to highs and lows associated with variable weather patterns.

Option 4, providing a seasonal outdoor basic facility, provides the next lowest operating costs, through the reduced season. However, revenue is estimated to decrease compared to current operations.

Option 1, providing an all-year round indoor/outdoor leisure facility, provides the least cost of the two indoor all-year options although it is not substantially different to Option 2. However, Option 1 has the greatest potential to grow visits and achieve significantly higher revenue levels (without much impact on operating costs). This is due to the indoor leisure pool, outdoor splashpad and multi-purpose fitness space being very attractive drawing more visits and generating more revenue. All three elements could be substantially more successful that currently forecasted.

Both Options 1 and 2 will increase the net financial cost to Horowhenua District Council. The overall financial impact of Options 1 and 2 to Horowhenua District Council is outlined in section 9.0.

9.0 FINANCIAL ANALYSIS

Analyses the financial impact of Options 1 and 2 to Horowhenua District Council prepared by Deloitte.

9.1 OVERVIEW

An indicative financial analysis has been developed for the proposed Foxton Pools development. The following section covers the financial analysis of two potential development opportunities:

- **Option 1 (Hybrid)** a comprehensive development incorporating a building extension for a multi-purpose space and indoor leisure and deep-water pool, spa and outdoor splashpad constructed between March 2023 to November 2023 with operations commencing in December 2023.
- **Option 2 (Rebuild)** a lower cost rebuild of the existing building (no change to pools) and remediation of the defunct outdoor pool area, with the construction scheduled to occur between March 2022 to November 2022 with operations commencing in December 2022.

9.2 GENERAL ASSUMPTIONS

The following general assumptions have been made:

- All numbers are presented exclusive of GST.
- Annual Inflation (CPI) and capital cost escalation is based on local government index forecasts supplied by HDC which we understand is based on BERL "Local Government Cost Adjustor Forecast" projections. The rates applied are:

CPI Assumptions

%	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Opex	3.2%	2.7%	2.5%	2.4%	2.5%	2.4%	2.5%	2.6%	2.6%	2.4%	2.1%	2.1%	2.1%	2.1%
Capex	4.0%	3.0%	2.6%	2.7%	2.6%	2.8%	2.8%	2.8%	2.9%	2.7%	2.3%	2.3%	2.3%	2.3%

Source: HDC, BERL CPI Estimates

- Capital cost escalation is applied to the construction cost estimates noting that construction is forecast to commence in March 2022 (for the Rebuild Option 2) and March 2023 for the Hybrid Option 1.
- Land is assumed to be provided to the project at no cost as the development is replacing an existing facility.
- The facilities will be operated by HDC.

9.3 OPERATIONAL ASSUMPTIONS

The detail supporting the operational assumptions has been presented in Section 8.0 of this report.

Other than timing related impacts due to the alternative operational commencement dates between options the input assumptions that drive pricing, user numbers and operating costs are consistent with the assumptions presented previously.

PRICING AND USER NUMBERS

Pricing and user numbers have been estimated by Visitor Solutions:

Aquatic Facility - Year 1 Patronage & Revenue Projection

	$FY21 incl GST	$FY21 excl GST	Users/ No#	Users/No#	$FY25 excl GST	$FY25 excl GST
General Admissions			Hybrid	Rebuild	Hybrid	Rebuild
Casual Adult & Child	$3.50	$ 3.04	40,642	13,669	$3.39	$3.39
Genral Bookings	$2.50	$ 2.17	3,960	3,980	$2.42	$2.42
Programmes						
Learn to Swim	$11.50	$10.00	4,020	4,040	$11.12	$11.12
Fitness	$7.00	$6.09	7,200	0	$6.77	$6.77
Aqua Programmes	$5.00	$4.35	3,280	3,296	$4.84	$4.84
Other						
Birthday/Function Room	$9.00	$7.83	240	0	$8.71	$8.71
Estimated Aquatic Centre Revenue $000's					$259	$117
Other Income (Vending Machine, Retail Revenue) $000's					$11	$5
Estimated Total Revenue (FY25 $000's)					**$270**	**$122**

Source: Visitor Solutions Foxton Pool Cost Estimate, Deloitte Analysis

Pricing has been held constant between the options with the only variation between options the difference in visits, as a result of the enhanced offering within Option 1 (Hybrid). This equates to approximately $130,000 per annum of additional revenue in FY21.

Note, the table provides the FY25 estimated users which equates to year 1 of Option 1 Hybrid and year 2 of Option 2 Rebuild.

OPERATING COSTS

Operating costs include:

- Staff, administration, maintenance, and operating costs (electricity, cleaning, etc.), but exclude depreciation, interest, or debt repayment.
- Inflation is assumed based on the assumptions presented previously.

The following table presents the operating costs in FY21 real terms.

Staffing Costs

$NZ000's	Hybrid		Rebuild	
Aquatic Facility	FTE's	$	FTE's	$
Pool	8.20	$286	6.18	$251
Learn to swim	0.25	$11	0.25	$11
Fitness	0.56	$38	0.17	$12
Administration				
N/A	-	$0	-	$0
Estimated Payrolll Cost	9.01	**$336**	6.60	**$274**
On Costs (ACC/Kiwisaver etc)		$17		$14
Estimated Payroll Cost (Today $000's)		**$352**		**$288**

Source: Visitor Solutions Foxton Pool Cost Estimate.

Other Operating Costs

$NZ000's	Hybrid	Rebuild
Aquatic Facility		
Power	$125	$77
Water	$12	$10
Chemincals	$15	$10
Cleaning	$8	$5
Consumables	$5	$5
Rubbish	$5	$5
Security	$10	$10
R&M - Parks	$8	$8
R&M Pool	$32	$32
Administration		
Admin	$10	$10
Admin - Marketing Training & Uniforms	$5	$5
Other	$0	$1
Estimated Other Operating Costs	**235**	**178**

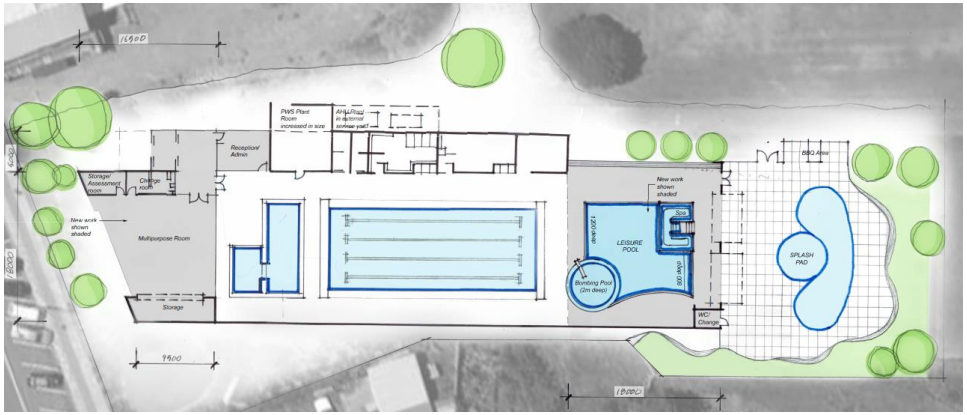
Source: Visitor Solutions Foxton Pool Cost Estimate.

Consistent with revenue the variation in operating costs between options is as a result of the enhanced offering within the Hybrid development resulting in higher staffing requirements and higher power consumption. This equates to approximately $120,000 per annum which largely negates the increase in revenues from the larger hybrid pool offering. Later in this section, there is consideration as to whether higher usage and higher pricing may change the financial impact.

9.4 OPTION 1 – HYBRID DEVELOPMENT

Option 1 is a comprehensive development incorporating a building extension to accommodate a multi-purpose space, leisure pool, spa and outdoor splashpad constructed between March 2023 to November 2023 with operations commencing in December 2023.

FIGURE 9.1 PROPOSED DESIGN OF OPTION 1



CAPITAL COSTS

Capital costs have been estimated at $9.4m in today's dollars by MPM Projects (Appendix 2). Based on the assumption that construction would commence in March 2023 the cost is forecast to escalate to $10.1m (based on a BERL capital cost escalation at 3-4% per annum).

Asset renewal costs are based on HDT Architecture and MPM Projects estimates for replacement cycles, inflating at CPI annually. The asset renewal costs and replacement cycles are detailed within Appendix 4.

Foxton Pool Development

$NZ000's	Hybrid
Building Structure	3,966
Plant & Equipment	2,012
Landscaping/Parking etc	245
Professional Fees/Other	1,608
Contingency	1,569
Total Capital Cost	**9,400**
Escalation (BERL estimates)	784
Capital Cost	**10,184**

Source: MPM Project (December 2020), Deloitte Analysis

INDICATIVE COST OF OPERATIONS TO COUNCIL

The indicative operating cost to Council shown below considers:

The Accounting Cost to Council (what will appear in the Annual Accounts) is:

- Net of revenue, and operating costs.
- Interest on the money borrowed by HDC to fund the construction cost at 3.0% interest, repaid over 25 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by HDC.

The Rates Cost to Council (what would be rated for) is assumed to be:

- The net operating cost (before depreciation).
- Interest on debt borrowed to fund development of the facility.
- Debt repayment over 25 years (on the initial development capital expenditure).
- Depreciation, which is rated for and intended to be held in a reserve to help fund capital replacements and renewals (based on 50 years straight-line for Aquatic buildings and 20 years straight line for Aquatic plant and equipment).

The Cash flow Cost to Council (what it will actually costs in cash each year) is assumed to be:

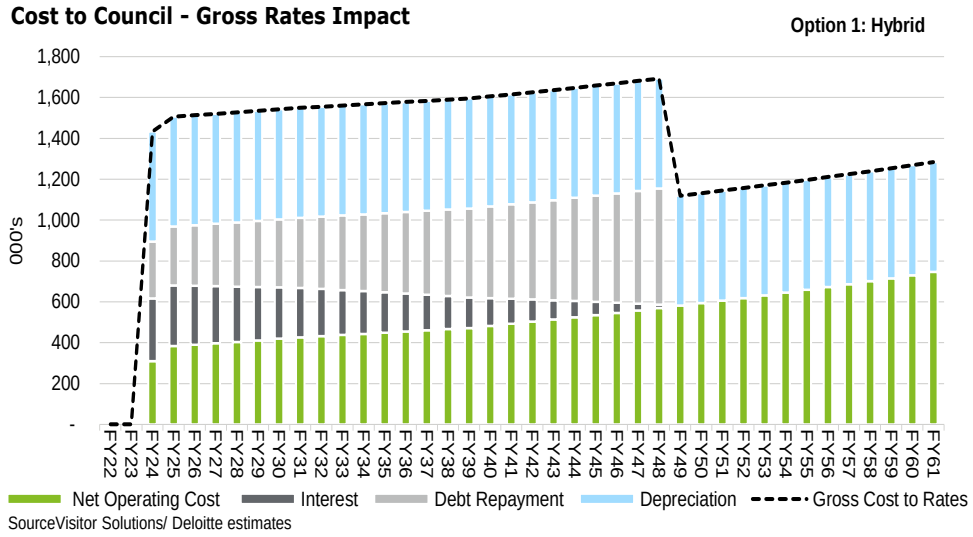
- The rates cost to Council.
- Add back the depreciation on the facility that is rated for.
- Less the actual cost of replacements.

Though the cash flow cost varies by year (depending on what is replaced in a year), in all cases the total rates collected exceeds the cash flow cost (as the depreciation rated for is more in total than the annual cost of replacements).

Deloitte's analysis indicates that:

- The gross cost to HDC rates to provide the hybrid aquatic facility (Option 1) would be ~$1.5m p.a. (inflating) on the basis that HDC fully debt funded the construction, fit out, and plant and equipment.
- The gross cost of the facility increases over time as the facility is not operationally profitable. Profitability deteriorates further over the forecast period as a result of on-going cost escalation (due to increased operating costs increasing at a greater rate than revenue).

FIGURE 9.2 GROSS IMPACT OF OPTION 1

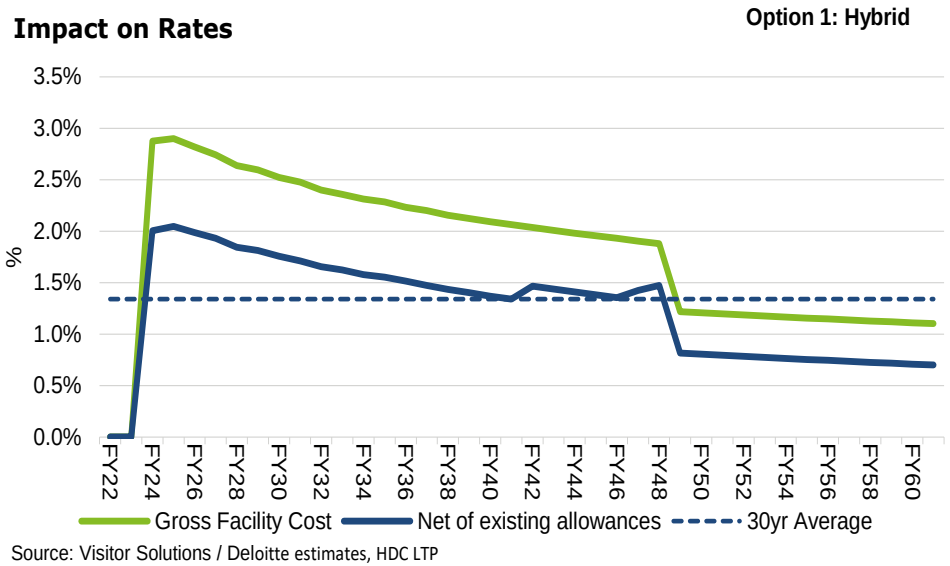


SourceVisitor Solutions/ Deloitte estimates

INDICATIVE IMPACT TO RATES

- It is estimated $450,000 per annum of costs are already reflected in HDC's Long Term Plan (and therefore factored into the LTP rates estimate) associated with provisional $2.6m expenditure for redevelopment of Foxton Pools. The $450,000 has been estimated based on operating costs reflected in the Long-Term Plan for the Foxton Pools plus an estimate of the interest and debt repayment profile assuming capital expenditure is fully debt funded and repaid over 25 years at 3.0% interest.
- Based on projected HDC rates revenue in FY25 of $52.4m (as per HDC Long Term Plan) the net impact on rates to provide the hybrid development equates to a net increase of ~1.37% (based on a 30 year average increase) over and above the allowance already made in the HDC Long Term Plan).

FIGURE 9.3 IMPACT ON RATES OF OPTION 1



Source: Visitor Solutions / Deloitte estimates, HDC LTP

The percentage impact declines as the wider HDC rate base increases.

The cost to Council further reduces after 25 years (~FY49) when the debt borrowed to fund the development has been paid off.

FORECAST FINANCIAL PERFORMANCE

The forecast financial performance and cash flow is shown on the next page.

Option 1: Hybrid

Some years have been hidden for presentation purposes

$NZ000's	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY43	FY53	FY63	FY73
Year				*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*20*	*30*	*40*	*50*
Aquatic Admissions (000's)	-	-	-	22	45	45	45	46	46	47	47	48	48	49	51	51	51	51
Aquatic Programmes (000's) No#	-	-	-	7	15	15	15	15	15	15	15	16	16	16	17	17	17	17
Aquatic Events No#	-	-	-	-	240	242	245	247	250	252	255	257	260	262	276	276	276	276
Revenue	-	-	-	136	270	279	289	299	309	321	331	342	352	363	459	565	696	857
Staff	-	-	-	(191)	(392)	(402)	(411)	(422)	(433)	(444)	(455)	(464)	(474)	(484)	(583)	(718)	(884)	(1,088)
Direct	-	-	-	(239)	(245)	(251)	(257)	(263)	(270)	(277)	(284)	(290)	(296)	(302)	(364)	(448)	(552)	(679)
Indirect	-	-	-	(16)	(17)	(17)	(18)	(18)	(18)	(19)	(19)	(20)	(20)	(21)	(25)	(31)	(38)	(46)
Other																		
Operating Costs	-	-	-	(447)	(653)	(670)	(686)	(703)	(721)	(740)	(758)	(774)	(790)	(806)	(972)	(1,197)	(1,473)	(1,814)
Net Operating Cost	**-**	**-**	**-**	**(310)**	**(383)**	**(390)**	**(397)**	**(404)**	**(412)**	**(419)**	**(426)**	**(432)**	**(438)**	**(443)**	**(513)**	**(632)**	**(778)**	**(957)**
Depreciation	-	-	-	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)
Subtotal	-	-	-	(849)	(922)	(929)	(935)	(943)	(950)	(958)	(965)	(970)	(976)	(982)	(1,052)	(1,170)	(1,316)	(1,496)
Interest	-	-	-	(306)	(297)	(289)	(280)	(270)	(261)	(251)	(241)	(231)	(220)	(209)	(95)	-	-	-
Total Accounting Cost	-	-	-	(1,154)	(1,219)	(1,217)	(1,215)	(1,213)	(1,211)	(1,209)	(1,206)	(1,201)	(1,196)	(1,191)	(1,147)	(1,170)	(1,316)	(1,496)
Rates Cost to Council																		
Net Operating Cost	-	-	-	(310)	(383)	(390)	(397)	(404)	(412)	(419)	(426)	(432)	(438)	(443)	(513)	(632)	(778)	(957)
Interest Cost	-	-	-	(306)	(297)	(289)	(280)	(270)	(261)	(251)	(241)	(231)	(220)	(209)	(95)	-	-	-
Capex - Establishment	-	(543)	(4,475)	(5,166)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Funding Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Draw /Repayment	-	543	4,475	4,886	(288)	(296)	(305)	(314)	(324)	(334)	(344)	(354)	(364)	(375)	(490)	-	-	-
Depreciation to fund Replacements	-	-	-	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)	(538)
Total Cost to Council - Rates (Gross)	**-**	**-**	**-**	**(1,434)**	**(1,507)**	**(1,514)**	**(1,520)**	**(1,527)**	**(1,535)**	**(1,543)**	**(1,549)**	**(1,555)**	**(1,561)**	**(1,567)**	**(1,636)**	**(1,170)**	**(1,316)**	**(1,496)**
Already Factored into HDC LTP (below)		456	498	425	434	438	442	451	455	460	470	474	479	490	566	505	592	698
Total Cost to Council - Rates (Net)	**-**	**456**	**498**	**(1,009)**	**(1,073)**	**(1,076)**	**(1,079)**	**(1,076)**	**(1,079)**	**(1,083)**	**(1,079)**	**(1,081)**	**(1,082)**	**(1,077)**	**(1,070)**	**(665)**	**(724)**	**(797)**
Cash Flow Cost to Council																		
Cost to rates	-	-	-	(1,434)	(1,507)	(1,514)	(1,520)	(1,527)	(1,535)	(1,543)	(1,549)	(1,555)	(1,561)	(1,567)	(1,636)	(1,170)	(1,316)	(1,496)
Addback Depreciation	-	-	-	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538
Replacement Capex	-	-	-	-	-	-	-	(160)	-	-	-	-	(1,307)	-	(6,006)	(3,220)	(10,638)	(3,165)
Total Cost to Council - Cash Flow	**-**	**-**	**-**	**(895)**	**(968)**	**(975)**	**(982)**	**(1,149)**	**(997)**	**(1,004)**	**(1,011)**	**(1,017)**	**(2,329)**	**(1,028)**	**(7,104)**	**(3,852)**	**(11,416)**	**(4,122)**

Already Factored into HDC LTP (Foxton Facility)

Some years have been hidden for presentation purposes

$NZ000's	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY43	FY53	FY63	FY73
Rates Cost to Council																		
Net Operating Cost		(284)	(262)	(264)	(266)	(267)	(269)	(270)	(272)	(274)	(276)	(277)	(279)	(281)	(326)	(398)	(485)	(591)
Interest Cost		(45)	(78)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-
Capex - Establishment		(1,500)	(1,130)	-	-													
Debt Draw /Repayment		1,459	1,056	(76)	(78)	(80)	(83)	(85)	(88)	(90)	(93)	(96)	(99)	(102)	(132)	-	-	-
Depreciation to fund Replacements		(85)	(85)	(85)	(90)	(90)	(90)	(96)	(96)	(96)	(101)	(101)	(101)	(107)	(107)	(107)	(107)	(107)
Total Cost to Council - Rates		**(456)**	**(498)**	**(425)**	**(434)**	**(438)**	**(442)**	**(451)**	**(455)**	**(460)**	**(470)**	**(474)**	**(479)**	**(490)**	**(566)**	**(505)**	**(592)**	**(698)**
Cash Flow Cost to Council																		
Cost to rates		(456)	(498)	(425)	(434)	(438)	(442)	(451)	(455)	(460)	(470)	(474)	(479)	(490)	(566)	(505)	(592)	(698)
Addback Depreciation		85	85	85	90	90	90	96	96	96	101	101	101	107	107	107	107	107
Replacement Capex		(58)	(34)	(182)	(49)	(11)	(15)	(12)	(24)	(264)	(13)	(13)	(13)	(20)	-	-		
Total Cost to Council - Cash Flow	**-**	**(428)**	**(447)**	**(521)**	**(392)**	**(358)**	**(367)**	**(367)**	**(384)**	**(628)**	**(381)**	**(386)**	**(391)**	**(402)**	**(459)**	**(398)**	**(485)**	**(591)**

DISCLAIMER - These projections have been compiled from information and instructions furnished to us and estimates made by Deloitte. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be acheived.

Deloitte, Chartered Accountants, Christchurch February 2021

9.5 OPTION 2 – REBUILD

Option 2 is a lower cost rebuild of the existing facility and remediation of the defunct outdoor pool area, with the construction occurring between March 2022 to November 2022 with operations commencing in December 2022.

FIGURE 9.4 DESIGN OF OPTION 2

CAPITAL COSTS

Capital costs have been estimated at $2.6m in today's dollars by MPM Projects. Based on the assumption that construction would commence in March 2022 the cost is forecast to escalate to $2.77m.

Foxton Pool Development

$NZ000's	Rebuild
Building Structure	1,182.40
Plant & Equipment	461
Landscaping/Parking etc	90
Professional Fees/Other	439
Contingency	428
Total Capital Cost	**2,600**
Escalation (BERL estimates)	170
Capital Cost	**2,770**

Source: MPM Project (December 2020), Deloitte Analysis

Asset renewal costs are based on MPM Projects estimates for replacement cycles, inflating at CPI annually. The asset renewal costs, and replacement cycles are detailed within Appendix 4.

INDICATIVE COST OF OPERATIONS TO COUNCIL

The indicative operating cost to Council shown below considers:

The Accounting Cost to Council (what will appear in the Annual Accounts) is:

- Net of revenue, and operating costs.
- Interest on the money borrowed by HDC to fund the construction cost at 3.0% interest, repaid over 25 years on a table loan basis (equal payments each year).
- Depreciation on the fit-out and plant funded by HDC (based on 50 years straight-line for Aquatic buildings and 20 years straight line for Aquatic plant and equipment).

The Rates Cost to Council (what would be rated for) is assumed to be:

- The net operating cost (before depreciation).
- The cost of capital expenditure on the facility, with the initial development funded by debt.
- Interest on debt borrowed to fund development of the facility.
- Debt repayment over 25 years.
- Depreciation, which is rated for and intended to be held in a reserve to help fund capital replacements and renewals.

The Cash flow Cost to Council (what it will actually cost in cash each year) is assumed to be:

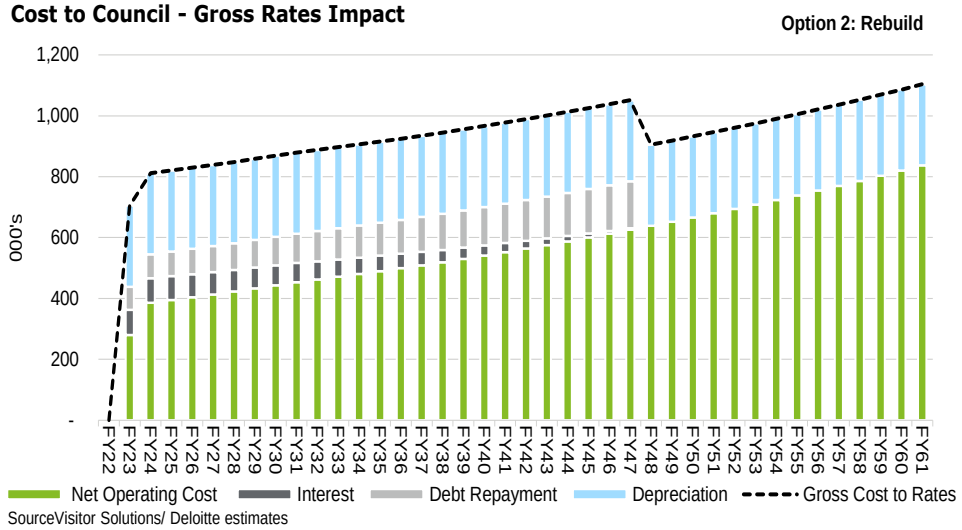
- The rates cost to Council.
- Add back the depreciation on the facility that is rated for.
- Less the actual cost of replacements.

Though the cash flow cost varies by year (depending on what is replaced in a year), in all cases the total rates collected exceed the cash flow cost (as the depreciation rated for is more in total than the annual cost of replacements).

Deloitte's analysis indicates that:

- The gross cost to HDC rates to provide the Foxton "Rebuild" option would be ~$800k p.a. (inflating) on the basis that HDC debt funded the initial construction, fit out, and plant and equipment.

FIGURE 9.5 ESTIMATED GROSS IMPACT OF OPTION 2

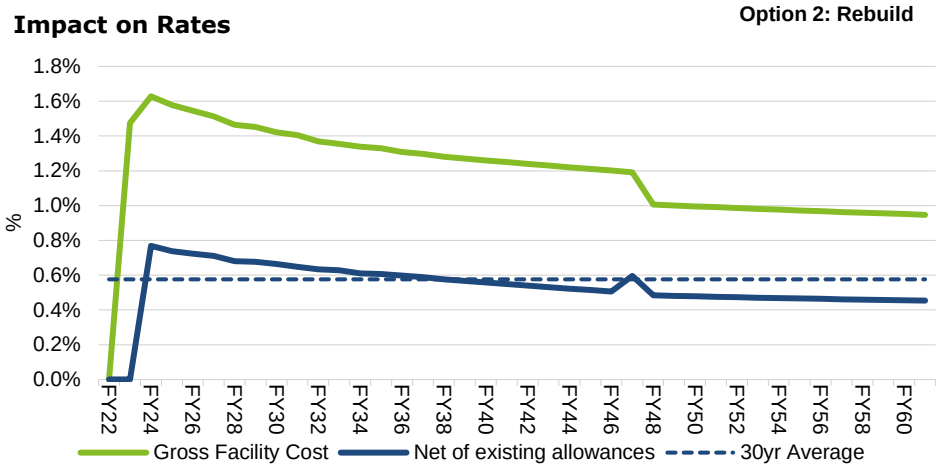


SourceVisitor Solutions/ Deloitte estimates

INDICATIVE IMPACT TO RATES

- As noted previously it is estimated ~$450k p.a. of costs are already reflected in the HDC's Long Term Plan (and therefore factored into the LTP rates estimate) for the development of the Foxton Pools.
- Based on projected HDC rates revenue in FY26 of $52.4m (per HDC Long Term Plan) the net impact on rates to provide the single stage development is ~0.58% (30-year average) over and above the allowance already made in the HDC Long Term plan.

FIGURE 9.6 NET IMPACT ON RATES OF OPTION 2



Source: Visitor Solutions / Deloitte estimates, HDC LTP

As per Option 1 analysis the percentage impact declines as the wider HDC rate base increases.

The cost to Council further reduces after 25 years (~FY48) when the debt borrowed to fund the initial development has been paid off.

FORECAST FINANCIAL PERFORMANCE

The forecast financial performance and cash flow is shown on the next page.

Option 2: Rebuild

Some years have been hidden for presentation purposes

$NZ000's	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY43	FY53	FY63	FY73
Year				*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*20*	*30*	*40*	*50*
Aquatic Admissions (000's)	-	-	9	18	18	18	18	18	18	18	18	18	18	18	19	19	19	-
Aquatic Programmes (000's) No#	-	-	4	7	7	7	7	7	7	8	8	8	8	8	8	8	8	-
Aquatic Events No#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	-	-	60	119	122	126	129	133	137	142	146	149	153	157	193	238	293	-
Staff	-	-	(152)	(312)	(320)	(328)	(336)	(344)	(353)	(362)	(371)	(379)	(387)	(395)	(476)	(586)	(721)	-
Direct	-	-	(172)	(176)	(180)	(185)	(189)	(194)	(199)	(204)	(209)	(213)	(218)	(222)	(268)	(330)	(406)	-
Indirect	-	-	(16)	(16)	(17)	(17)	(18)	(18)	(18)	(19)	(19)	(20)	(20)	(21)	(25)	(31)	(38)	-
Other																		
Operating Costs	-	-	(340)	(505)	(517)	(530)	(542)	(556)	(570)	(585)	(599)	(612)	(625)	(638)	(769)	(947)	(1,165)	-
Net Operating Cost	**-**	**-**	**(280)**	**(386)**	**(395)**	**(404)**	**(413)**	**(423)**	**(433)**	**(444)**	**(454)**	**(462)**	**(471)**	**(481)**	**(576)**	**(709)**	**(872)**	**-**
Depreciation	-	-	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	-
Subtotal	-	-	(546)	(652)	(661)	(670)	(680)	(689)	(700)	(710)	(720)	(729)	(738)	(747)	(842)	(975)	(1,139)	-
Interest	-	-	(83)	(81)	(78)	(76)	(74)	(71)	(68)	(66)	(63)	(60)	(57)	(54)	(22)	-	-	-
Total Accounting Cost	-	-	(629)	(733)	(740)	(746)	(753)	(760)	(768)	(776)	(783)	(789)	(795)	(801)	(864)	(975)	(1,139)	-
Rates Cost to Council																		
Net Operating Cost	-	-	(280)	(386)	(395)	(404)	(413)	(423)	(433)	(444)	(454)	(462)	(471)	(481)	(576)	(709)	(872)	-
Interest Cost	-	-	(83)	(81)	(78)	(76)	(74)	(71)	(68)	(66)	(63)	(60)	(57)	(54)	(22)	-	-	-
Capex - Establishment	-	(520)	(2,250)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External Funding Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Draw /Repayment	-	520	2,174	(78)	(81)	(83)	(85)	(88)	(91)	(93)	(96)	(99)	(102)	(105)	(137)	-	-	-
Depreciation to fund Replacements	-	-	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	(266)	-
Total Cost to Council - Rates (Gross)	**-**	**-**	**(705)**	**(812)**	**(820)**	**(829)**	**(839)**	**(848)**	**(859)**	**(869)**	**(879)**	**(888)**	**(897)**	**(906)**	**(1,001)**	**(975)**	**(1,139)**	**-**
Already Factored into HDC LTP (below)		456	498	425	434	438	442	451	455	460	470	474	479	490	566	505	592	698
Total Cost to Council - Rates (Net)	**-**	**456**	**(207)**	**(387)**	**(387)**	**(392)**	**(397)**	**(397)**	**(403)**	**(409)**	**(409)**	**(413)**	**(418)**	**(416)**	**(435)**	**(470)**	**(547)**	**698**
Cash Flow Cost to Council																		
Cost to rates	-	-	(705)	(812)	(820)	(829)	(839)	(848)	(859)	(869)	(879)	(888)	(897)	(906)	(1,001)	(975)	(1,139)	-
Addback Depreciation	-	-	266	266	266	266	266	266	266	266	266	266	266	266	266	266	266	-
Replacement Capex	-	-	-	-	-	-	(116)	-	-	-	-	(792)	-	-	-	-	-	-
Total Cost to Council - Cash Flow	**-**	**-**	**(439)**	**(545)**	**(554)**	**(563)**	**(688)**	**(582)**	**(592)**	**(603)**	**(613)**	**(1,414)**	**(630)**	**(640)**	**(735)**	**(709)**	**(872)**	**-**

Already Factored into HDC LTP (Foxton Facility)

Some years have been hidden for presentation purposes

$NZ000's	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY43	FY53	FY63	FY73
Rates Cost to Council																		
Net Operating Cost		(284)	(262)	(264)	(266)	(267)	(269)	(270)	(272)	(274)	(276)	(277)	(279)	(281)	(326)	(398)	(485)	(591)
Interest Cost		(45)	(78)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-
Capex - Establishment		(1,500)	(1,130)	-	-													
Debt Draw /Repayment		1,459	1,056	(76)	(78)	(80)	(83)	(85)	(88)	(90)	(93)	(96)	(99)	(102)	(132)	-	-	-
Depreciation to fund Replacements		(85)	(85)	(85)	(90)	(90)	(90)	(96)	(96)	(96)	(101)	(101)	(101)	(107)	(107)	(107)	(107)	(107)
Total Cost to Council - Rates		**(456)**	**(498)**	**(425)**	**(434)**	**(438)**	**(442)**	**(451)**	**(455)**	**(460)**	**(470)**	**(474)**	**(479)**	**(490)**	**(566)**	**(505)**	**(592)**	**(698)**
Cash Flow Cost to Council																		
Cost to rates		(456)	(498)	(425)	(434)	(438)	(442)	(451)	(455)	(460)	(470)	(474)	(479)	(490)	(566)	(505)	(592)	(698)
Addback Depreciation		85	85	85	90	90	90	96	96	96	101	101	101	107	107	107	107	107
Replacement Capex		(58)	(34)	(182)	(49)	(11)	(15)	(12)	(24)	(264)	(13)	(13)	(13)	(20)	-	-		
Total Cost to Council - Cash Flow	**-**	**(428)**	**(447)**	**(521)**	**(392)**	**(358)**	**(367)**	**(367)**	**(384)**	**(628)**	**(381)**	**(386)**	**(391)**	**(402)**	**(459)**	**(398)**	**(485)**	**(591)**

DISCLAIMER - These projections have been compiled from information and instructions furnished to us and estimates made by Deloitte. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be acheived.

Deloitte, Chartered Accountants, Christchurch February 2021

9.6 SENSITIVITY

The following sensitivity analysis has been undertaken on the percentage increase to rates over a 30-year period post construction of the new facility. As debt repayments are modelled over a 25-year term the percentage increase to rates reduces after 25 years. Sensitivity analysis has been prepared on Option 1 (Hybrid) as the higher cost option.

CAPITAL FUNDING

The financial modelling has assumed no additional capital funding sources via grants, renewal funding or development contributions.

Relative to the other sensitivities the level of capital funding will likely be the largest opportunity available to reduce the impact on rates.

As a sensitivity the impact on rates has been modelled to provide for a range of funding contributions of between $1m to $5m (from any source) for the facility construction.

As the impact to rates factors the development capital cost (through the repayment of the debt facility) as well as the renewal costs (through the depreciation charge) the impact of potential funding sources only impacts the level of debt (reducing it). As the capital funding does not change the ongoing depreciation costs, it does not have a material impact on the overall cost to rates.

$NZ000's	Capital Contribution						
	$0	$1,000	$1,500	$2,000	$3,000	$4,000	$5,000
	1.37%	1.31%	1.28%	1.24%	1.18%	1.11%	1.05%

= Modelled Scenario

As a high-level rule of thumb for every ~$1m of available funding the impact on the cost of rates reduces by 0.067%.

If there is funding in the order of $2m available from renewals funding for Foxton Pools, then the impact on rates of the proposed development would reduce to a 30-year average of 1.24% per annum.

CHANGES IN VOLUME / PRICE

The user numbers and admission pricing assumed for Option 1 is considered conservative (as outlined in section 8.8). It is anticipated the improved service offering of Option 1 may lead to a higher level of visits and the opportunity to increase prices (at a minimum) to equivalent prices charged at Levin Aquatic Centre.

The tables below outline the impact of changes in pricing and visits for the Option 1. For the purposes of the analysis price assumptions have been applied to general admissions and booking only users as opposed to learn to swim and other aquatic programmes. We have assumed no increase in operational costs to support the higher visits.

The first table outlines the impact on FY25 Year 1 EBITDA and the second table outlines the impact on the average net rates increase over the 30 year time period modelled.

Impact on Year 1 (FY25) EBITDA

User Decrease	Price Increase						
	0%	10%	25%	50%	75%	90%	100%
0%	(383.5)	(368.8)	(346.7)	(309.9)	(273.1)	(251.0)	(236.3)
20%	(354.0)	(336.4)	(309.9)	(265.7)	(221.6)	(195.1)	(177.4)
40%	(324.6)	(304.0)	(273.1)	(221.6)	(170.1)	(139.2)	(118.6)
60%	(295.2)	(271.6)	(236.3)	(177.4)	(118.6)	(83.2)	(59.7)
80%	(265.7)	(239.2)	(199.5)	(133.3)	(67.0)	(27.3)	(0.8)
100%	(236.3)	(206.9)	(162.7)	(89.1)	(15.5)	28.6	58.1

Impact on Average % Net Rate Increase to FY53

User Increase	Price Increase						
	0%	10%	25%	50%	75%	90%	100%
0%	1.37%	1.34%	1.30%	1.22%	1.15%	1.11%	1.08%
20%	1.31%	1.28%	1.22%	1.14%	1.05%	0.99%	0.96%
40%	1.25%	1.21%	1.15%	1.05%	0.94%	0.88%	0.84%
60%	1.19%	1.15%	1.08%	0.96%	0.84%	0.76%	0.72%
80%	1.14%	1.08%	1.00%	0.87%	0.73%	0.65%	0.60%
100%	1.08%	1.02%	0.93%	0.78%	0.63%	0.54%	0.48%

= Modelled Scenario

This illustrates either doubling the entry price (with no change to visit numbers) or increasing visit numbers by 100% would reduce the average net impact to Council at 1.08% over 30 years.

To achieve an equivalent net impact to Option 2 (circa 0.58%), would require entry prices to increase by 75% and visit numbers to increase by 100%. This is a highly unlikely scenario.

However, the table does show that increasing revenue through either higher entry prices or higher visits would have a positive impact on the overall net impact, although the margins are small.

9.7 DISCLAIMER

These financial projections are based on information provided to Deloitte and the assumptions as outlined.

As these projections are based on assumptions about circumstances and events that have not yet taken place, they are subject to variations that may arise as future events actually occur. Accordingly, Deloitte cannot give assurance that the forecast results will actually be achieved.

10.0 CONCLUSIONS

Summaries the outcomes of the feasibility study and provides conclusions and recommendations for the future of Foxton Pools.

10.1 DEVELOPMENT NEEDS

In 2020, the Horowhenua Aquatic Facilities Strategy identified serious issues at Foxton Pools and recommended reviewing the facility and making decisions about its future. This feasibility study has assessed the current state, strategic context, demographic trends and needs analysis and identified the following development needs for Foxton Pools.

KEY DRIVERS

1. Address the deteriorating condition and underlying design issues of Foxton Pools to ensure the facility is safe and fit for purpose.
2. Increase the appeal of the facility to improve utilisation and cater for all-sectors of the growing population around Foxton.
3. Resolve the future of the abandoned outdoor pool area.

IMPROVING USE & APPEAL

Foxton Pools currently has low use, related to its condition and low appeal. To improve use, there needs to be a strong focus on increasing the appeal of the facility for families, young people, and older people. This can be achieved through the design of pools to include a leisure and spa offerings and outdoor relaxation opportunities.

PROVISION REQUIREMENTS

The Foxton Pools catchment is forecast to grow and if population growth results in increased demand, the facility could be expanded up to 450m^2 of water-space (from 300m^2 currently).

COMMUNITY PREFERENCE

Through engagement with aquatic stakeholders and the community, the strongest support is for an indoor/outdoor facility which provides an all-year facility with appealing pool layout to suit the needs of whole community and which attracts greater use.

CORE FACILITY FUNCTIONS

Analysis of the role of Foxton Pools identifies the facility should be delivering the core aquatic functions of play, learning, fitness and relaxation functions. This will contribute to the facility having greater appeal across the community and complement the aquatic network.

REVENUE GENERATION

Aquatic facility best practice provides direction to improve revenue through strong learn to swim programmes, dry fitness opportunities, a variety of programmes and increasing the appeal of the facility.

10.2 OPTIONS FOR FOXTON POOLS

Five development options have been considered for Foxton Pools, which are summarised on the following page in Table 10.1. Designs for the options are outlined in Appendix 1.

An evaluation of the options against evaluation criteria is outlined in Section 10.3.

TABLE 10.1 SUMMARY OF FOXTON POOLS OPTIONS

	OPTION 1 ALL-YEAR LEISURE	OPTION 2 ALL-YEAR BASIC	OPTION 3 SEASONAL LEISURE	OPTION 4 SEASONAL BASIC	OPTION 5 CLOSE FACILITY
Scope	Indoor lap pool Indoor teaching pool Indoor leisure & spa pool Outdoor splashpad Outdoor landscaped area Multi-purpose fitness space	Indoor lap pool Indoor teaching pool	Outdoor lap pool Covered teaching pool. Outdoor leisure & spa pool Outdoor splashpad Outdoor landscaped area	Outdoor lap pool Covered teaching pool. Outdoor grass space (no landscaping)	Demolish & close facility
Operation	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	12-month operation Weekdays 6am to 7pm Weekends 8am to 6pm	22 weeks operation Every day 10am to 7pm	22 weeks operation Every day 10am to 7pm	No operations
Capex Cost	$9.4 million	$2.6 million	$4.4 million	$1.9 million	$350,000
Year 1 visits	59,132	26,607	21,274	10,616	Loss of 17,000 visits
Opex Cost	$345K per annum	$350K per annum	$190K per annum	$200K per annum	Saving $230K
Outcomes	✓ Address condition & design issues ✓ Increase appeal & use. ✓ Resolve outdoor area. ✓ Increase capacity for population growth. ✓ Provide all core functions. ✓ All-year facility ✓ Improve revenue	✓ Address condition & design issues ✓ Resolve outdoor area. ✓ All-year facility × No additional appeal & use × No capacity for growth × Limited core functions × No additional revenue	✓ Address condition issues ✓ Increase appeal & use. ✓ Resolve outdoor area. ✓ Increase capacity for population growth. ✓ Provide all core functions. × Seasonal facility × Limited revenue generation	✓ Address condition issues ✓ Resolve outdoor area. × No additional appeal & use × No capacity for growth × Limited core functions × Seasonal facility × No revenue generation	✓ Address condition issues ✓ Resolve outdoor area. × No aquatic facility to meet community needs. × No capacity for growth
Assessment	• Strongest outcomes for improved use, utilisation and efficiency. • Highest capital cost • Increased operating cost. • Net impact on rates of ~1.37% (based on a 30-year average increase)	• Increases the overall visits but efficiency does not improve due to longer operating period. • Low capital cost. • Increased operating cost. • Net impact on rates of ~0.58% (30-year ave.).	• Increases use, utilisation and improves efficiency. • Lowest operating costs (reduces current costs). • Mid-range capital cost. • Not heavily supported by community.	• Reduces use, utilisation and efficiency. • Reduces operating costs. • Lowest capital cost. • Likely strong opposition by the community.	• No facility will be a significant community loss. • Likely strong community opposition. • Improves operating costs for Council.
Conclusion	Strongest overall option, whilst the highest cost, provides strongest benefits.	Third best option, low capital cost but higher operating costs. No additional benefits.	Second best option, mid-range costs, increases appeal, but likely to have less community support.	Weakest development option and likely to generate strong community opposition.	Weakest option and likely to generate strong community opposition.

10.3 EVALUATION OF OPTIONS

Using the Horowhenua Aquatic Facility Strategy Objectives as a basis for evaluation, Table 10.2 outlines the evaluation criteria used to assess the Options.

TABLE 10.2 EVALUATION CRITERIA

STRATEGY OBJECTIVES	CRITERIA	EXPLANATION
Network – secure sufficient capacity in aquatic network to meet demands of growing population	**Complements network**	Degree the facility option will complement the aquatic network: scaled appropriately, type of facility and impact on other facilities in network.
Needs – Provide for and balance community needs to enable participation in variety of aquatic activities	**Participant experience**	Degree the facility option enhances the participant's experience.
	Participation volume	Degree the facility option impacts participation volumes and the number of people who will benefit.
Efficiency – ensure facilities are designed for efficient operation and strive to generate revenue and minimise operating costs	**Operational implications**	Impact on the on-going financials to operate the facility.
	Functionality	Degree the facility option is adaptable to respond to trends and drive new revenue.
Appeal – Contribute to making Horowhenua attractive place to live, work, play and visit	**Community Return**	Wider community impact – community connections, lifelong participation, making Foxton a great place to live, work & play.
	Destination Appeal	Destination impact - contributes to increasing the appeal of Foxton to visitors.
Investment – level of investment required to deliver the project	**Capital implications**	Capital cost of the facility option.

Scoring each criterion on a scale 0 to 10 with 10 being strong delivery against the criteria and 0 no delivery against the criteria. The results of the evaluation are outlined in Table 10.3 with a maximum value of 80.

TABLE 10.3 EVALUATION OF FOXTON POOLS OPTIONS

CRITERIA	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5
Complements network	10	6	8	4	0
Participant experience	10	5	6	3	0
Participation volume	10	5	6	1	0
Operational implications	2	1	9	8	10
Functionality	8	1	2	1	0
Community return	9	5	5	2	0
Destination appeal	7	1	4	1	0
Cost implications	1	8	5	9	10
	57	**32**	**45**	**29**	**20**

STRONGEST OPTION

Based on this evaluation, Option 1 is considered the strongest overall option. While Option 1, providing an all-year round indoor/outdoor leisure facility, has the highest capital cost and higher operational costs (compared to current state), the improvements to the facility will deliver positive benefits to a wide cross section of the community and visitors.

Feedback from the community through the Council's draft Long-Term Plan 2021-2041 should be used to test whether the community has the appetite for the additional costs of Option 1 given the long-term and wide-ranging benefits, for the Foxton community and the Horowhenua District through a stronger aquatic network.

10.4 IMPLEMENTATION CONSIDERATIONS

The completion of a feasibility study for an aquatic facility is an important milestone in the development process of an aquatic facility. Figure 10.1 outlines the tasks in the next stages of the process.

Concept	Plan	Design	Build	Operate	Improve
Horowhenua Aquatic Facility Strategy ✓	Needs Assessment ✓	Procurement process to engage Consultant Team	Site establishment	Operate facility	Review performance
Identified issues ✓	Feasibility Study ✓	Engage Iwi in design and development	Health & Safety Construction Plan		Maintain facility as per asset management plan
	Examine funding options	Engage stakeholders & community in design	Construction		Transfer learnings to other projects
	Community feedback through draft Long-Term Plan process	Developed Design Cost check	Planning for operations		
	HDC Approval Select Preferred Option Confirm funding. Confirm timing	Resource Consent Building Consents	Planning for opening		
	Prepare Project Plan: - Scope - Objectives - Cost - Timing - Resources - Governance	Procurement Plan for Contractor Detailed Design Tender Documents			
		Contractor procurement process – construction cost			
		HDC Approval to Proceed			

10.5 CONCLUSION & RECOMMENDATIONS

Based on the analysis undertaken, the feasibility study has concluded Option 1 - All-year Indoor/outdoor Leisure Facility, at an estimated capital cost of $9.4 million is the strongest overall option delivering wide ranging benefits for the community and visitors.

The benefits of Option 1 include:

- Providing an all-year round facility which the community supports.
- Improving the appeal of the facility which the community supports.
- Providing new leisure and relaxation opportunities which expands the appeal of the facility across the community and to visitors.
- Will help reduce demand pressure on Levin Aquatic Centre and accommodate increasing demand from population growth.
- Increases the efficiency of the water-space.
- Includes a flexible fitness space which will help drive revenue.

Going forward, it is recommended:

1. Horowhenua District Council undertakes community consultation on the Foxton Pools options outlined in this feasibility study through the Long-Term Plan 2021-2041 consultation process.

2. If there is community support for the level of expenditure outlined in Option 1 due to the stronger community benefits, then the Council should consider funding Option 1 in Years 1 to 3 of the Long-Term Plan 2021-2041.

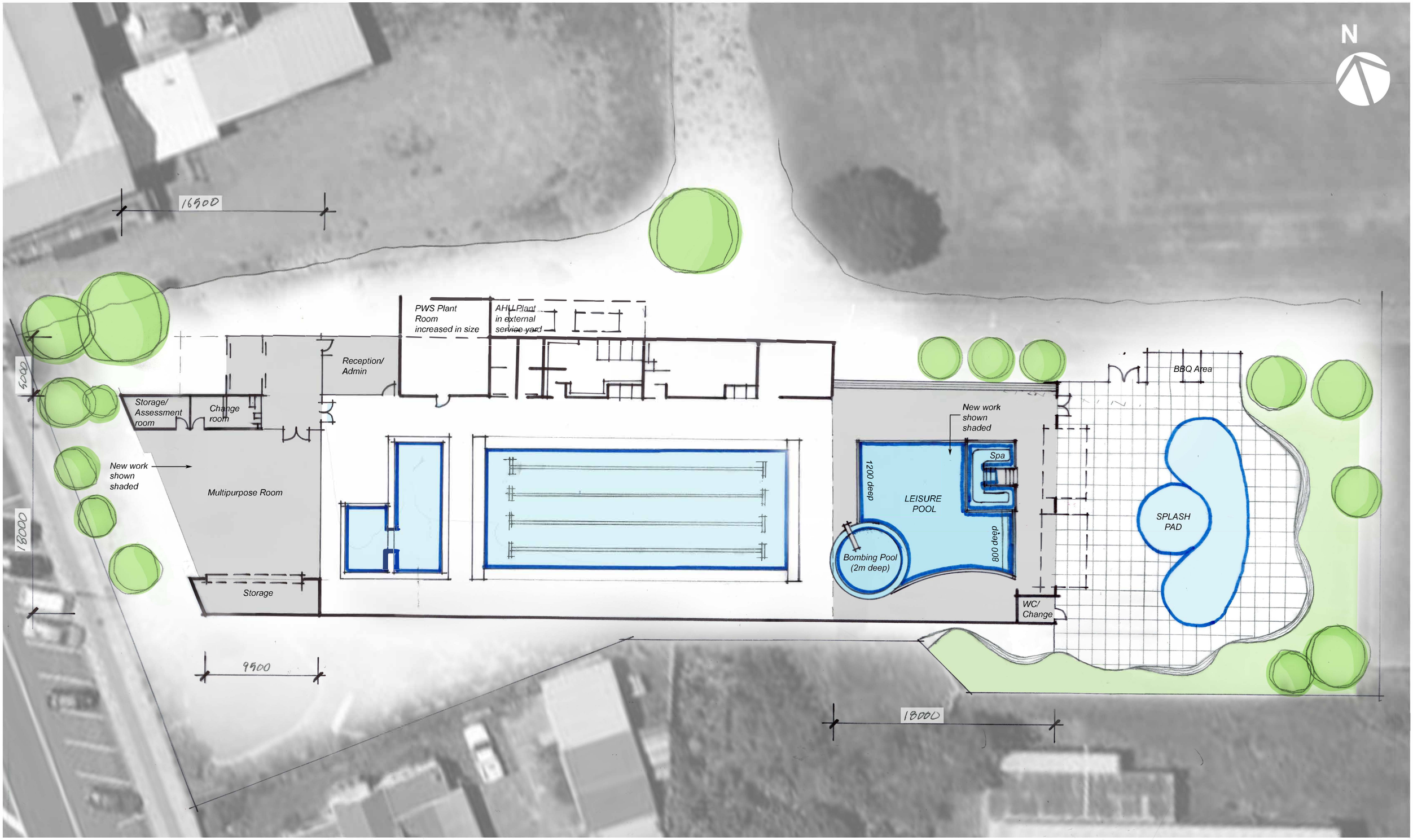
3. Horowhenua District Council scopes alternative funding sources, including development contributions, renewal funding, grants or commercial partnerships for Foxton Pools redevelopment.

4. If redevelopment of Foxton Pools is endorsed, prepare a detailed project plan which confirms the scope of selected option, objectives, expected costs, timing, resources, procurement strategy, and governance for the project.

APPENDIX

11.0 APPENDIX 1 – DESIGN PLANS

FOXTON POOL OPTION 1: All-YEAR INDOOR / OUTDOOR LEISURE POOL



HOROWHENUA Aquatic Strategy

For Visitor Solutions Ltd

Foxton - Concept Option 4

SK201214 - 4 SCALE 1:250 @ A3

ARCHITECTURE HDT

ARCHITECTURE
HDT

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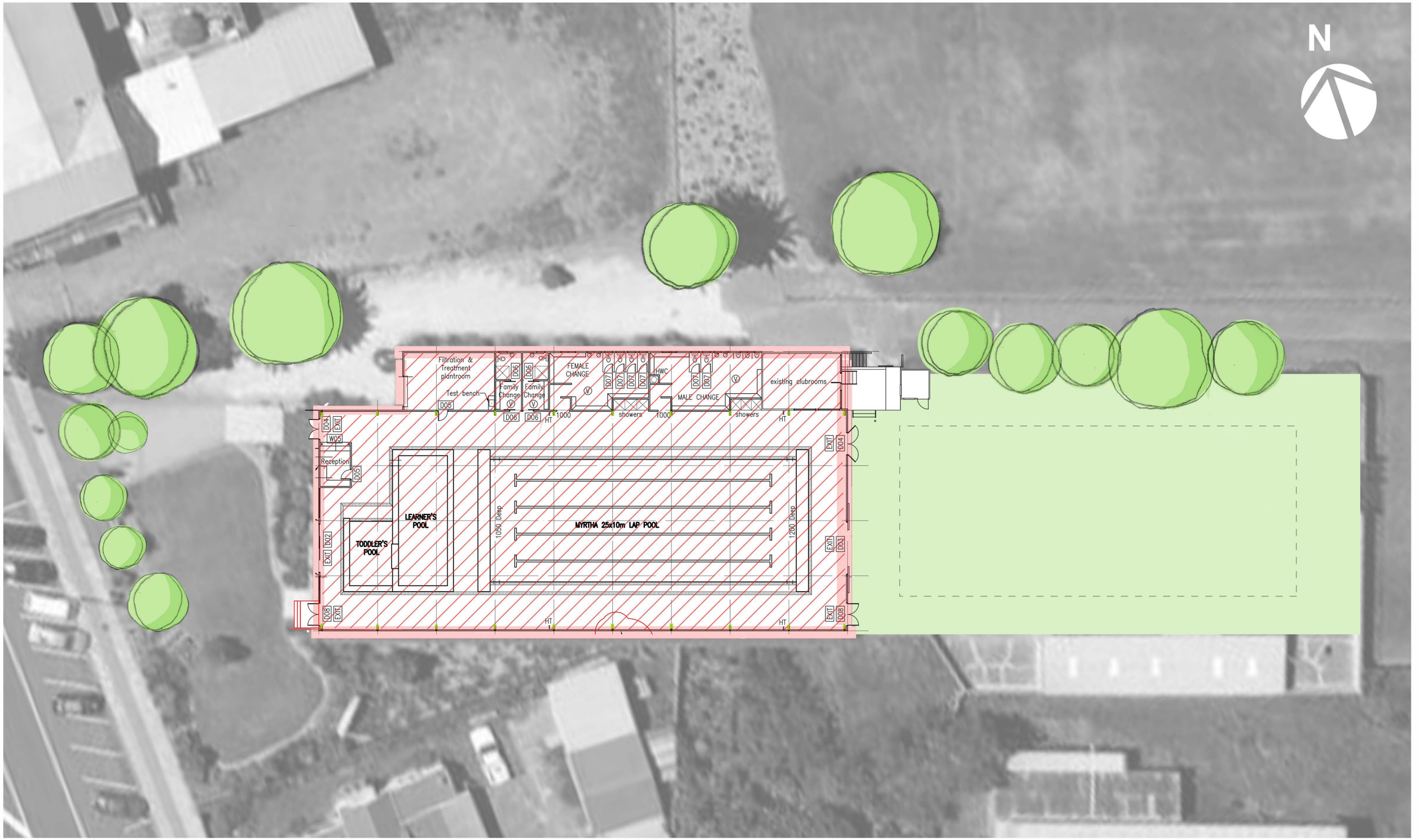
HDT

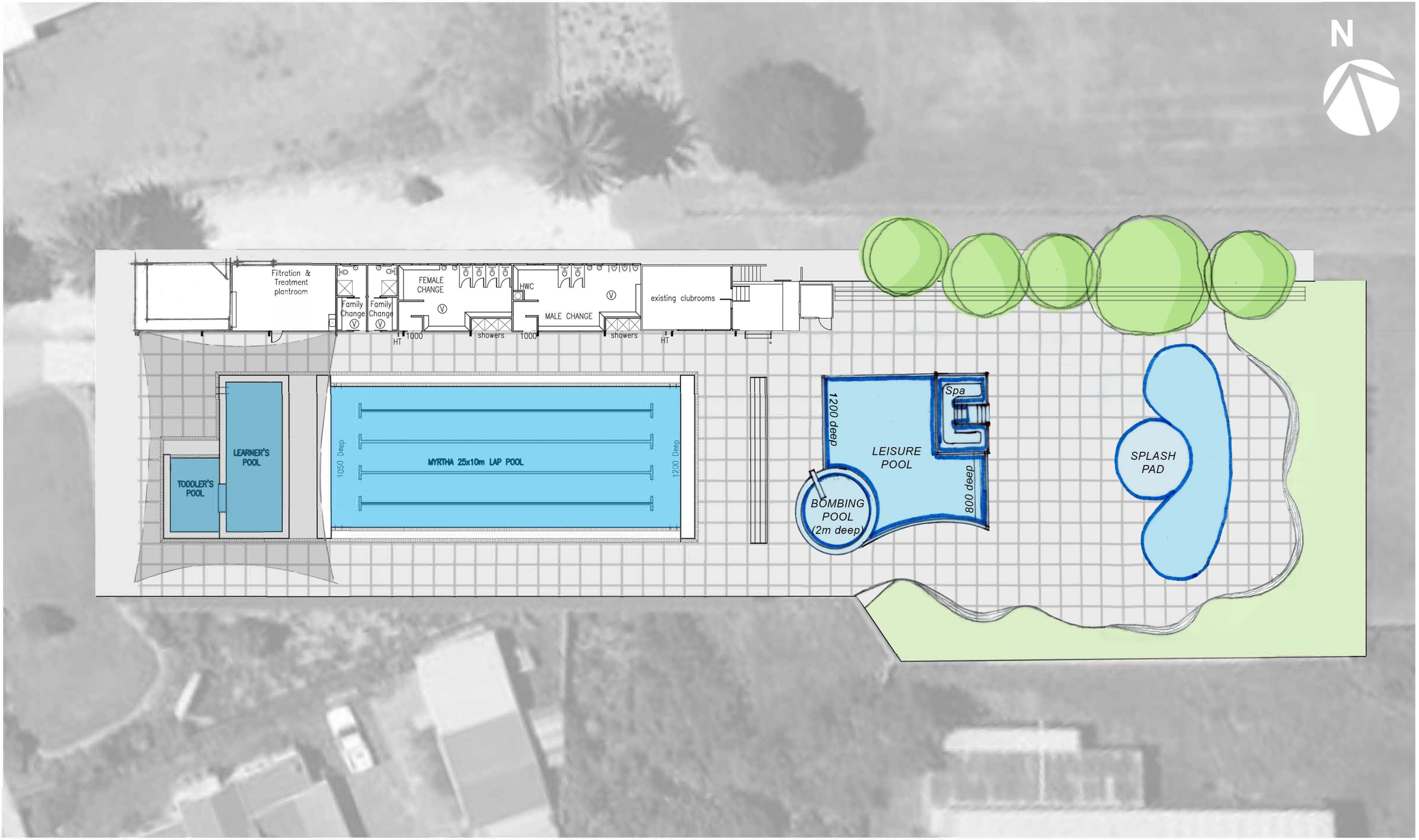
FOXTON POOL OPTION 2: ALL-YEAR INDOOR BASIC POOL



HOROWHENUA Aquatic Strategy
For Visitor Solutions Ltd
Foxton - Concept Option 1
SK201217 - 1A SCALE 1:250 @ A3

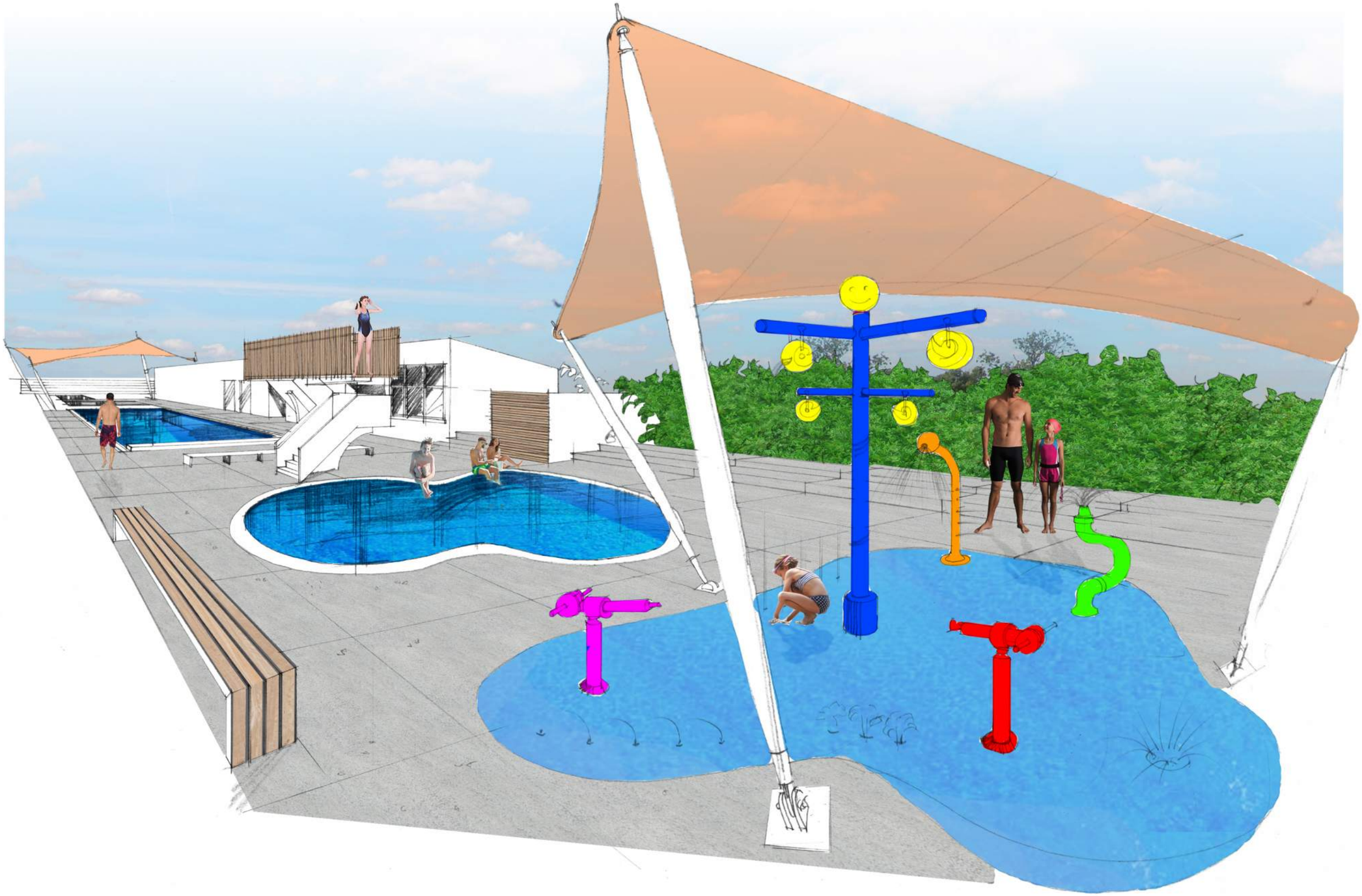
ARCHITECTURE HDT

FOXTON POOL OPTION 3: SEASONAL OUTDOOR LEISURE POOL



HOROWHENUA Aquatic Strategy
For Visitor Solutions Ltd
Foxton - Concept Option 3
SK201214 - 3 SCALE 1:250 @ A3

ARCHITECTURE HDT



Horowhenua Aquatic Strategy

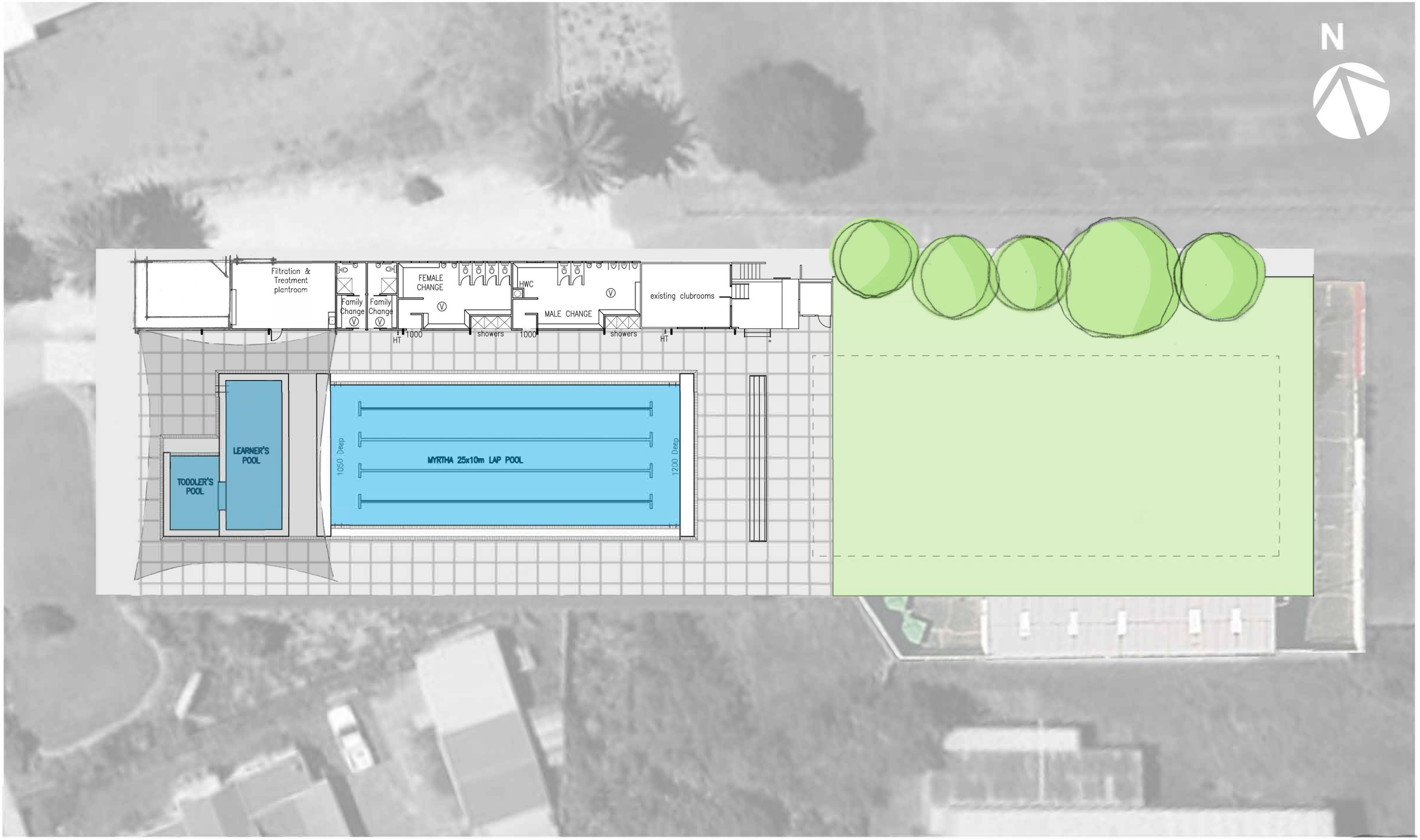
For Horowhenua DIstrict Council

Foxton Pool-Option 3 - Outdoor Pool

SK200513A SCALE NTS: @ A3

ARCHITECTURE HDT

FOXTON POOL OPTION 4: SEASONAL OUTDOOR BASIC POOL



HOROWHENUA Aquatic Strategy
For Visitor Solutions Ltd
Foxton - Concept Option 2
SK201214 - 2 SCALE 1:250 @ A3

ARCHITECTURE HDT

12.0 APPENDIX 2 – COST ESTIMATES

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Rough Order of Cost Estimate

Foxton Pool

21st December 2020

MPM Projects Limited, 6 Kirk Street, Grey Lynn, Auckland

P O Box 3257, Auckland <> Phone: (09) 303 9420 <>

mpm projects

Foxton Pool

Rough Order of Cost Estimate - December 2020
Clarifications & Exclusions

Clarifications

Estimates are based on the following :

Option 1 Rebuild & extension scope of works plan by HDT ref Concept Option 4
Option 2 Rebuild scope of works plan by HDT
Option 3 Leisure Outdoor Pool
Option 4 Basic Outdoor Pool
Option 5 Demolish existing pool
Estimates assume a traditional procurement process

Exclusions

The following are excluded from these estimates:
Developement contributions & infrastructure growth charges
Site specific allowances for geotech issues
Contaminated materials
Escalation costs from 4th Quarter 2020
GST

Foxton Pool

mpm projects

Rough Order of Cost Estimate - December 2020

Option 1 - All-year Leisure Pool - Rebuild and Extend Existing Building

Description	Quantity	Unit	Rate	Amount
Existing Building				
Remove metal cladding	750	m2	18	13,500
Remove roofing	990	m2	18	17,820
Remove timber framed walls & fibre cement cladding	264	m2	25	6,600
Allowance to paint timber framing	1,100	m2	35	38,500
Provisional allowance for replacement timbers	1	Sum	30,000	30,000
Allowance for rust treatment to steel brackets & cross bracing	300	m2	55	16,500
Install resin boots to portal bases	26	Nr	150	3,900
New Kingspan RW 60 panel to roof & walls	1,740	m2	250	435,000
Extra value for Danpalon skylight 5m x10m	1	Sum	25,000	25,000
Allowance for rainwater installation	1	Sum	15,000	15,000
Allow to replace aluminium joinery with double glazed units	50	m2	720	36,000
Allowance for tempered air supply & extraction	940	m2	490	460,600
Provisional Allowance to refurbish change rooms	129	m2	2,000	258,000
Preliminary & General Costs	1	Sum	200,000	200,000
Entrance Extension				
Entrance/Reception/Multipurpose room/Change/Stores	300	m2	4,700	1,410,000
Additional Plant Room	21	m2	2,900	60,900
Rear Leisure Pool Extension				
Building Extension	360	m2	3,700	1,332,000
Variable depth Leisure Pool	1	Sum	560,000	560,000
Bombing Pool	1	Sum	290,000	290,000
Spa	1	Sum	230,000	230,000
WC /Change	6	m2	3,500	21,000
External Works				
Demolish existing outdoor pool & associated structures	1	Sum	50,000	50,000
Allowance to backfill outdoor pool	1	Sum	30,000	30,000
Splash Pad	1	Sum	450,000	450,000
Outdoor hard paving	450	m2	300	135,000
Boundary fencing	120	m	250	30,000
Landscaping	1	Sum	50,000	50,000
BBQ Area	1	Sum	20,000	20,000
External Plant service yard	1	Sum	10,000	10,000
Sub Total				6,236,000
Professional Fees	18%			1,123,000
Consent fees	1.5%			111,000
Council managed internal costs	5%			374,000
Project Contingency	20%			1,569,000
				9,413,000
			Say	**$ 9,400,000**

Foxton Pool

mpm projects

Rough Order of Cost Estimate - December 2020

Option 2 - All-year Basic Pool - Rebuild of Existing Building

Description	Quantity	Unit	Rate	Amount
Existing Building				
Remove metal cladding	750	m2	18	13,500
Remove roofing	990	m2	18	17,820
Remove timber framed walls & fibre cement cladding	264	m2	25	6,600
Allowance to paint timber framing	1,100	m2	35	38,500
Provisional allowance for replacement timbers	1	Sum	30,000	30,000
Allowance for rust treatment to steel brackets & cross bracing	300	m2	55	16,500
Install resin boots to portal bases	26	Nr	150	3,900
New Kingspan RW 60 panel to roof & walls	1,740	m2	250	435,000
Extra value for Danpalon skylight 5m x10m	1	Sum	25,000	25,000
Allowance for rainwater installation	1	Sum	15,000	15,000
Allow to replace aluminium joinery with double glazed units	50	m2	720	36,000
Allowance for tempered air supply & extraction	940	m2	490	460,600
Provisional Allowance to refurbish change rooms	129	m2	2,000	258,000
Preliminary & General Costs	1	Sum	200,000	200,000
External Works				
Demolish existing outdoor pool & associated structures	1	Sum	50,000	50,000
Allowance to backfill outdoor pool & restore to grassed area	1	Sum	90,000	90,000
Sub Total				1,697,000
Professional Fees	18%			306,000
Consent fees	1.5%			31,000
Council managed internal costs	5%			102,000
Project Contingency	20%			428,000
				2,564,000
			Say	**$ 2,600,000**

Foxton Pool

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Rough Order of Cost Estimate - December 2020

Option 3 - Leisure Outdoor Pool

Description	Quantity	Unit	Rate	Amount
Existing Building				
Remove Existing Building	774	m2	100	77,400
Provisional Allowance to refurbish change rooms	189	m2	2,500	472,500
Allowance for new external paved areas	993	m2	300	297,900
Sunshades	216	m2	350	75,600
Allowance for bleacher seating	1	Sum	25,000	25,000
Boundary fencing	175	m	250	43,750
Landscaping	1	Sum	75,000	75,000
BBQ Area	1	Sum	20,000	20,000
Preliminary & General Costs	1	Sum	180,000	180,000
Leisure Pool				
Variable depth Leisure Pool	1	Sum	560,000	560,000
Bombing Pool	1	Sum	290,000	290,000
Spa	1	Sum	230,000	230,000
Splash Pad				
Demolish existing outdoor pool & associated structures	1	Sum	50,000	50,000
Allowance to backfill outdoor pool	1	Sum	30,000	30,000
Splash Pad	1	Sum	450,000	450,000
Subtotal				2,877,150
Professional Fees	18%			518,000
Consent fees	1.5%			51,000
Council managed internal costs	5%			173,000
Project Contingency	20%			724,000
				4,343,150
			Say	**$ 4,400,000**

Foxton Pool

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Rough Order of Cost Estimate - December 2020

Option 4 - Basic Outdoor Pool

Description	Quantity	Unit	Rate	Amount
Existing Building				
Remove Existing Building	774	m2	100	77,400
Provisional Allowance to refurbish change rooms	189	m2	2,500	472,500
Allowance for new external paved areas	520	m2	300	156,000
Sunshades	216	m2	350	75,600
Allowance for bleacher seating	1	Sum	25,000	25,000
Demolish existing outdoor pool & associated structures	1	Sum	50,000	50,000
Allowance to backfill outdoor pool	1	Sum	30,000	30,000
Boundary fencing	175	m	250	43,750
Landscaping	1	Sum	95,000	95,000
BBQ Area	1	Sum	20,000	20,000
Preliminary & General Costs	1	Sum	175,000	175,000
Subtotal				1,220,250
Professional Fees	18%			220,000
Consent fees	1.5%			22,000
Council managed internal costs	5%			74,000
Project Contingency	20%			308,000
				1,844,250
			Say	**$1,900,000**

Foxton Pool

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Rough Order of Cost Estimate - December 2020

Option 5 - Demolish Pool Building & Reinstate to Grass

Description	Quantity	Unit	Rate	Amount
Demolition				
Demolish existing pool complex	940	m2	85	79,900
Allowance to backfill pool	1	Sum	22,000	22,000
Allowance to restore to grassed area	940	m2	30	28,200
Demolish existing outdoor pool & associated structures	1	Sum	50,000	50,000
Allowance to backfill outdoor pool	1	Sum	47,000	47,000
Allowance to restore to grassed area	1,305	m2	30	39,150
Sub Total				267,000
Professional Fees	10%			27,000
Consent fees	1.0%			3,000
Council managed internal costs	5%			15,000
Project Contingency	10%			32,000
				344,000
			Say	**$ 350,000**

13.0 APPENDIX 3 – FINANCIAL ASSUMPTIONS

ANNUAL ADJUSTMENTS

Horowhenua District Council use the Community index to adjust open annual and use capex LGCI to adjust capex annually as specified in the following table.

	OPEX	CAPEX
2022	3.20000%	4.00000%
2023	2.70000%	3.00000%
2024	2.50000%	2.60000%
2025	2.40000%	2.60000%
2026	2.50000%	2.70000%
2027	2.40000%	2.60000%
2028	2.50000%	2.80000%
2029	2.60000%	2.80000%
2030	2.60000%	2.90000%
2031	2.40000%	2.70000%
2032	2.10000%	2.30000%
2033	2.10000%	2.30000%
2034	2.10000%	2.30000%
2035	2.10000%	2.30000%
2036	2.10000%	2.30000%
2037	2.10000%	2.30000%
2038	2.10000%	2.30000%
2039	2.10000%	2.30000%
2040	2.10000%	2.30000%
2041	2.10000%	2.30000%

OPERATIONS

- All numbers are presented exclusive of GST unless stated.
- Costs and revenues increase annually at CPI (estimate per BERL Local Government Cost Adjustor Forecasts).
- Future usage is based on estimates from Visitor Solutions.

CAPITAL EXPENDITURE

- Capital costs are as per MPM Projects Order of Cost estimates.
- Asset renewal costs are based on MPM Projects estimates for replacement cycles, inflating at CPI annually.

Asset Renewal Costs - Hybrid

$NZ000's	Replace	$Today	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
Roofing & cladding	40	$750	$0	$0	$0	$0	$0	$0	$0	$923
Roofing & cladding repaint	10	$300	$0	$310	$0	$310	$0	$310	$0	$0
Skylights	25	$150	$0	$0	$0	$0	$53	$0	$0	$0
Alumin Joinery	20	$570	$0	$0	$0	$76	$0	$0	$0	$76
Repaint internal linings	10	$250	$0	$259	$0	$259	$0	$259	$0	$259
Joinery	15	$100	$0	$0	$103	$0	$0	$103	$0	$0
WC partitions	15	$100	$0	$0	$76	$0	$0	$78	$0	$0
Floor Finishes	10	$150	$0	$155	$0	$155	$0	$155	$0	$155
Elect/Fire /data/security	20	$600	$0	$0	$0	$475	$0	$0	$0	$475
HVAC	20	$2,400	$0	$0	$0	$822	$0	$0	$0	$822
Sanitary Fittings	15	$120	$0	$0	$124	$0	$0	$124	$0	$0
Pools lining replacement	20	$400	$0	$0	$0	$332	$0	$0	$0	$332
Pools tiling /sealant maintenance	5	$100	$92	$92	$92	$0	$92	$92	$92	$0
Concourses tile/resin replacement	20	$250	$0	$0	$0	$207	$0	$0	$0	$207
Concourses tile/resin maintenance	5	$50	$42	$42	$42	$0	$42	$42	$42	$0
Pool plant	20	$1,300	$0	$0	$0	$575	$0	$0	$0	$575
Landscaping	10	$100	$0	$115	$0	$115	$0	$115	$0	$115
Furniture Fittings & Equipment	15	$200	$0	$0	$207	$0	$0	$207	$0	$0
Spa tiling replacement	20	$0	$0	$0	$0	$102	$0	$0	$0	$102
Splashpad lining replacement	20	$0	$0	$0	$0	$200	$0	$0	$0	$200
Pool Equipment	15	$250	$0	$0	$98	$0	$0	$98	$0	$0
Capital Cost			**$133**	**$972**	**$742**	**$3,628**	**$186**	**$1,580**	**$133**	**$4,241**

Source: MPM Project (December 2020), Deloitte Analysis

Note: $ expressed in real terms.

Asset Renewal Costs - Rebuild

$NZ000's	Replace	$Today	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
Roofing & cladding	40	$552	$0	$0	$0	$0	$0	$0	$0	$552
Roofing & cladding repaint	10	$186	$0	$186	$0	$186	$0	$186	$0	$0
Skylights	25	$32	$0	$0	$0	$0	$32	$0	$0	$0
Alumin Joinery	20	$46	$0	$0	$0	$46	$0	$0	$0	$46
Repaint internal linings	10	$155	$0	$155	$0	$155	$0	$155	$0	$155
Joinery	15	$62	$0	$0	$62	$0	$0	$62	$0	$0
WC partitions	15	$46	$0	$0	$46	$0	$0	$46	$0	$0
Floor Finishes	10	$93	$0	$93	$0	$93	$0	$93	$0	$93
Elect/Fire /data/security	20	$372	$0	$0	$0	$372	$0	$0	$0	$372
HVAC	20	$585	$0	$0	$0	$585	$0	$0	$0	$585
Sanitary Fittings	15	$74	$0	$0	$74	$0	$0	$74	$0	$0
Pool lining replacement	20	$248	$0	$0	$0	$248	$0	$0	$0	$248
Pools tiling /sealant maintenance	5	$89	$89	$89	$89	$0	$89	$89	$89	$0
Concourses tile/resin replacement	20	$155	$0	$0	$0	$155	$0	$0	$0	$155
Concourses tile/resin maintenance	5	$31	$31	$31	$31	$0	$31	$31	$31	$0
Pool plant	20	$275	$0	$0	$0	$275	$0	$0	$0	$275
Landscaping	10	$89	$0	$89	$0	$89	$0	$89	$0	$89
Furniture Fittings & Equipment	15	$124	$0	$0	$124	$0	$0	$124	$0	$0
Pool Equipment	15	$15	$0	$0	$15	$0	$0	$15	$0	$0
Capital Cost			**$100**	**$533**	**$281**	**$1,838**	**$131**	**$715**	**$100**	**$2,205**

Source: MPM Project (December 2020), Deloitte Analysis

Note: $ expressed in real terms.

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- Capital and land costs will escalate annually at CPI (estimate per BERL Local Government Cost Adjustor Forecasts).

FUNDING

- The capital expenditure for the options are funded by HDC debt at 3.0% interest per annum, with debt repaid over 25 years. (Note: HDC can currently borrow at <3% interest rate, but the long-term interest rate applied for capital projects is 3.0%). This is consistent with other Council approaches that we are aware of.

14.0 APPENDIX 4 – UTILITY ESTIMATES

DESIGN ADVICE MEMO

MECHANICAL

Powell Fenwick

Memo No	**M01**
Job Name	**Foxton Pool**
Job No	**201593/M/1**
Date	**26 November 2020**
To	**Architecture HDT**
Email	**mark.b@hdt.co.nz**
Attention	**Mark Bates**
Signature	**Nick Yannakis**

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Foxton Pool Operations Cost

The following outlines the energy and chemical consumption of proposed Foxton Pool Developments. There are three options modelled which are based on the following Architecture HDT schemes provided:

- Option 1 – Remediate the existing pool hall, adding a ventilation system to maintain a conditioned space (Option 1A is without the insulating the building, Option 1B is with the building insulated with Kingspan)
- Option 2 - Demolish the existing pool building and create as outdoor pools
- Option 3 – Remediate the existing pool hall, add a new small Leisure Pool and spa pool indoors and add a splash pad to the front of the building. This includes adding a ventilation system to maintain a conditioned space in the pool hall.

Table 1: Operational statistics for current facility at different flow rates and options with a 26˚C pool hall for the current season (September to April inclusive)*

Key Parameters	OPTION 1A Repairs to Building Envelope	OPTION 1B Upgrades to Building Envelope	OPTION 2 Demolish building keep outdoor pools	OPTION 3 Upgrades/Extension to Building Envelope
Gas Energy Brought [kWh/annum]	1,050,000	450,000	1,100,000	900,000
Electricity Energy Brought [kWh/annum]	100,000	100,000	150,000	175,000
Chemical Consumption	$7,000pa	$7,000pa	$10,000pa	$10,000pa
Annual Operational Cost	$90,000	$50,000	$105,000	$95,000

Table 2: Operational statistics for current facility at different flow rates and options with a 26˚C pool hall for full year season*

Key Parameters	OPTION 1A Repairs to Building Envelope	OPTION 1B Upgrades to Building Envelope	OPTION 2 Demolish building keep outdoor pools	OPTION 3 Upgrades/Extension to Building Envelope
Gas Energy Brought [kWh/annum]	1,700,000	750,000	N/A	1,350,000
Electricity Energy Brought [kWh/annum]	150,000	150,000	N/A	260,000
Chemical Consumption	$10,000pa	$10,000pa	N/A	$15,000pa
Annual Operational Cost	$140,000	$80,000	N/A	$140,000

Modelling is based on the following assumptions:

Assuming average bathers and pool temps of:

- Main Pool at 26˚C with an area of 250m², volume of 280m³, and an average of 12 bathers (all options)
- Learners Pool at 32˚C with an area of 44m², volume of 35m³, and an average of 5 bathers (all options)
- Toddlers Pool at 32˚C with an area of 18m², volume of 7m³, and an average of 4 bathers (options 1 and 2)
- Spa Pool at 39˚C with an area of 16m², volume of 15m³, and an average of 5 bathers (option 3)
- Leisure Pool at 32˚C with an area of 100m², volume of 80m³, and an average of 10 bathers (option 3)
- Splash Pad at 32˚C with an area of 100m², volume of 20m³, and an average of 8 bathers (option 2 and 3)
- Bombing Pool at 26˚C with an area of 55m², volume of 70m³, and an average of 8 bathers (option 2)

Operating hours of the pool are 10am – 7pm, 7 days a week

Heating via gas boiler with efficiency of 85%.

Pool hall ventilation system uses 50% efficient air to air heat exchanger between the exhaust and fresh air streams and uses fresh air to dehumidify the space to maintain 65% RH.

Natural gas cost of $0.06/kWh and electricity cost of $0.18/kWh.

Liquid chlorine used (1% sodium hypochlorite) at 6c/l.

Outdoor pools are covered afterhours.