

# Te Ara O Hei- "The Path of Hei" (Coromandel Walks) - Project Fact Sheet # 13

## **BUSINESS CASE FOR LEES ROAD CAR PARK AND RATING IMPACT LONG TERM**

The project has \$1M of lotteries funding and a further \$333,000 from Trust Waikato which goes a considerable way to off-set local and district rates. Due to the expected economic benefits to the district the major roading infrastructural improvements along Lees Road and the car park are being funded by the district rates. This funding approach is consistent with Council's road rating policy.

The expansion of the Hahei Village Entrance car park will be funded by local Mercury Bay Ratepayers but funding also includes a \$250,000 contribution from DOC.

A considerable benefit of this project is the revenue stream that will be generated from car parking charges. This means visitors to the area using the infrastructure will contribute directly towards paying for it, rather than the burden being placed fully on the ratepayer.

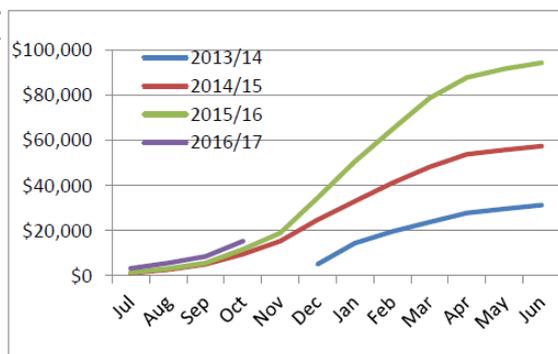
The business model, based on existing numbers and revenue generated from the hot water beach car park, indicates that return for the investment in upgrading the road and new car parking at Lees Road will be around 7 years. Revenue generated from the Lee's Road Car park will go towards maintenance of the walks and also go towards future tourist infrastructure and walks across the District.

Any revenue generated from the Hahei Village Entrance Car Park will be ring-fenced and will be used for tourist related infrastructure in the Mercury Bay area.

**The revenue model was based on Hot Water Beach Car Park revenue and vehicle numbers for winter and summer periods. A conservative estimation was then taken from these figures and applied to Lees Road car park and the new 200 car parks proposed for year 1.**

**Total Carpark Revenue Year to Date Accumulative Total**

	2013/14	2014/15	2015/16	2016/17
Jul		1,219	1,535	3,317
Aug		2,761	3,201	5,711
Sep		5,141	5,669	8,629
Oct		9,658	11,789	15,407
Nov		15,345	19,002	
Dec	5,134	24,861	34,529	
Jan	14,444	33,028	50,672	
Feb	19,633	41,210	64,999	
Mar	23,827	48,280	78,763	
Apr	27,883	53,961	87,968	
May	29,659	55,813	91,831	
Jun	31,424	57,550	94,479	



**The assumptions used for Lees Road revenue are as follows:**

- Hourly Rate - \$4
- Hours/Day - 5 (one car per day turn over - this is conservative as most stay for average of 2-3hrs - so could expect two cars turn over per day)
- Available Parks 200

- 80% summer usage - accounts for wet weather days and walks attraction in infancy
- 30% winter usage - accounts for wet weather days and walks attraction in infancy
- Model indicates that by year 7, revenue would be \$2,139,500 resulting in payment of capital for Car Park and Road Infrastructure.