



## NEW ZEALAND CYCLEWAY

2009 - 2012

### **Stage Two – Feasibility Study Guidance Notes**

**(October 2009)**

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## 1.0 Purpose

These guidance notes have been prepared to assist applicants that have progressed to stage two of the funding process for the New Zealand Cycleway Project.

## 2.0 Introduction

This document sets out, in broad terms, the requirements of a feasibility study. This guidance will be updated on the Ministry of Tourism website with greater detail as the New Zealand Cycleway Project progresses. All applicants that progress to stage two will be advised of updates as they are made.

The New Zealand Cycleway Technical Assessment Group (TAG) can provide technical advice throughout the process of completing this stage. Applicants should contact Ministry of Tourism staff in the first instance.

A glossary of terms used in this document is contained in the Guide to the Funding Process available on the Cycleway Website, at [www.tourism.govt.nz/cycleway](http://www.tourism.govt.nz/cycleway).

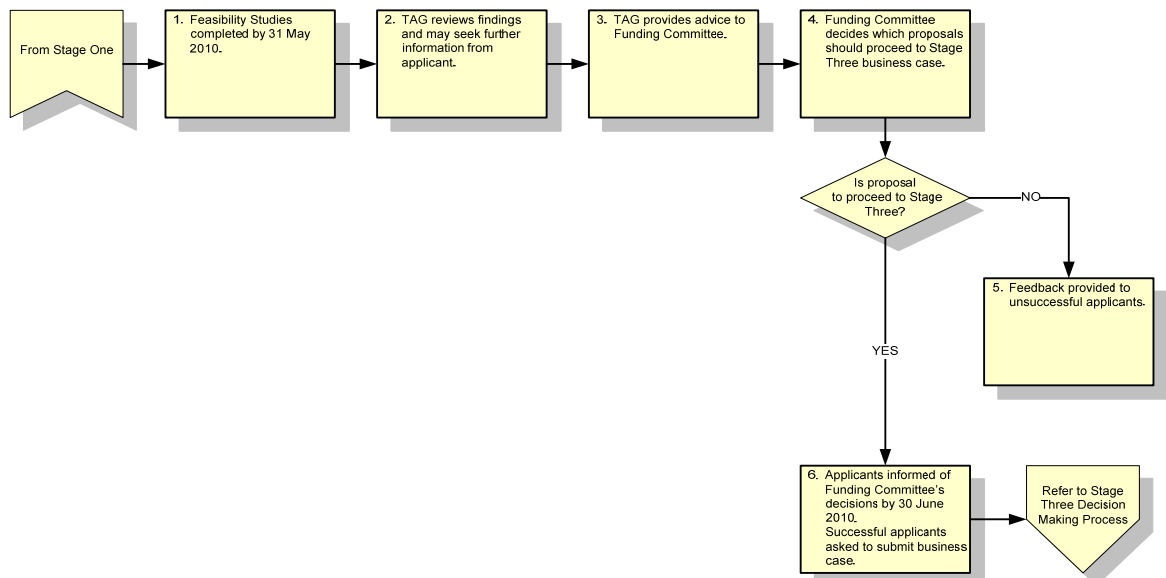
## 3.0 The Funding Process

The process to apply for funding will occur in three stages:

- Stage one requires the completion of a concept proposal;
- Stage two requires completion of a feasibility study; and
- Stage three required the submission of a business case.

These guidance notes are in relation to stage two – feasibility study, as outlined in the following diagram.

**Summary of Stage Two Decision Making Process**



The timeframes for proposals selected to progress to feasibility study are:

**1 February 2010** – Notification of selection for feasibility study

**31 May 2010** – Feasibility Study completed

## **4.0 Information required to be included in the Feasibility Study**

### **3.1 Executive Summary**

Executive summary of the findings of the feasibility study.

The executive summary is to be limited to 1,000 words.

### **3.2 Table of Contents**

Provide a table of contents.

Provide a list of figures and a list of tables (if applicable).

### **3.3 Introduction**

Provide an introduction to the report. State major assumptions that you have made.

### **3.4 Market Assessment**

Provide an assessment of how the product (cycleway) meets market needs (i.e. does the trail type match the preferences and needs of a market segment and to what extent it will meet those needs?). Document the range of attributes that demonstrates this match, such as access, accommodation, degree of challenge, scenery, history, other activities, etc.

The market research report by Tourism Resource Consultants<sup>1</sup> should form the basis for this work. However, at the micro level, localised market information driven by proximity to a large urban population, existing tourist flows to existing facilities, unique and iconic attractions and attributes that will drive demand will also need to be considered.

The resulting trail needs to meet the trail guidelines and characteristics for the appropriate trail grade as per the Guide to the Funding Process.

Estimate of demand for the trail (or separate parts of it) in terms of numbers of users per year.

### **3.5 Engineering Methodology**

Outline the methodology that has been adopted for the preparation of the feasibility study.

Document the type of site visits (walking, driving, helicopter, etc).

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<sup>1</sup> Available on the cycleway website at [www.tourism.govt.nz/cycleway](http://www.tourism.govt.nz/cycleway)

List the major steps in undertaking the work.

It is suggested to utilise GPS waypoints at points where trail treatment types change, bridges and significant culverts are required, boardwalks start and finish, landmarks are located and structures need to be provided.

### **3.6 Trail Specification**

Different trail types to be used are to be identified. These could include:

- Existing road
- Former railway embankment in good condition
- Former railway embankment in poor condition
- Trail on weak sub-grade
- Trail on swampy ground
- Trail cut into sloping ground
- Trail on road shoulder
- Structures

Include proposed widths of path and structures, surfaces, gradients and design speeds.

### **3.7 Route Description and Land Ownership**

- Give a description of the route, broken into logical sections. These will be major waypoints.
- Describe the scenic attractions to be encountered on the sections, the communities on or near the route and the general nature of the environment.
- State the section length.
- State the maximum gradient for each section.
- List the trail types to be used on the sections.
- List major structures and where access to the trail (e.g. car parking) is given.
- Where the trail uses former public roads, state the Average Annual Daily Traffic (AADT) estimate<sup>2</sup> and whether the road is sealed or unsealed.
- Where roads with an AADT above 1,000 vehicles per day are to be crossed, describe the proposed crossing facility.
- Outline land ownership for the section. Where easements or access is not secured in principle, this needs to be explicitly stated.
- State what consultation has been undertaken with land owners and iwi.
- Outline alternate routes where various options are being considered (for example, to mitigate potential easement issues).
- Give an overview of the whole trail on a map. Provide a north point and a graphic scale.
- Provide maps showing the proposed trail alignment, waypoints, trail types in a scale of 1:1000 or similar. Provide north points and a graphic scale. Indicate

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<sup>2</sup> Average Annual Daily Traffic (AADT) estimates can be obtained from a Council's RAMM (Road Assessment and Maintenance Management) database or from NZTA's traffic volume database covering State Highways on <http://www.transit.govt.nz/technical/traffic-volumes.jsp>

the proposed structures on the map. Outline land where access has not been secured 'in principle'.

- Provide an overview map showing toilet locations, restaurants / cafes and communities near the trail. Provide a north point and a graphic scale.

### **3.8 Major Structures and Works**

Provide an engineering assessment of the major structures that need to be provided. This includes:

- Bridges
- Clip-ons to existing bridges
- Large culverts
- Tunnels
- Board walks
- Stairways or viewing platforms (if any)
- Toilets
- Car and bike parks
- Significant earthworks

### **3.9 Statutory Approvals and Assessment of Effects**

- Identify the resource consents, concessions and any other statutory approvals that will need to be obtained.
- Provide a description of the AEE or EIA methodology and scope required to support any application(s) for statutory approvals.
- If preliminary discussions with consenting authorities or key stakeholder groups have been held in respect of the statutory approval(s) required, please state the outcome and provide copies of relevant documentation.
- Identify sites of ecological significance. Undertake preliminary consultation with Department of Conservation. Give an assessment of issues and options to overcome these.
- Identify sites of landscape significance. Undertake preliminary consultation with local authority. Give an assessment of issues and options to overcome these.
- Identify sites of heritage or archaeological significance. Undertake preliminary consultation with the New Zealand Historic Places Trust. Give an assessment of any issues and options to overcome these.
- Identify sites of cultural significance. Undertake preliminary consultation with iwi. Give an assessment of issues and options to overcome these.

### **3.10 Construction and Maintenance**

- Identify suitable basecourse and surface sources.
- Provide a construction methodology.
- Give an estimate of ongoing maintenance and operational costs (e.g. trail repair and maintenance (including signs), vegetation trimming, waste disposal).

### **3.11 Design and Construction Cost Estimates**

Provide a project cost estimate:

- Provide a construction cost estimate. Use unit costs for the construction costs of the different trail types.
- Give an estimate for detailed design and contract supervision costs.
- Provide cost estimates of the proposed major structures.
- Give estimates of costs for obtaining easements etc.
- Provide land purchase costs.
- Make an allowance for obtaining statutory approvals and undertaking mitigating measures resulting from the impact assessments.
- State your assumptions.
- Allow for contingency sums.

### **3.12 Assessment of Economic Costs and Benefits**

Summarise the economic costs and benefits of the development of the cycleway in the region(s). It is expected that this section will draw on information from other sections of the feasibility study, in particular the Market Assessment and Cost Estimate sections.

This section only requires the relevant information to be set out. No further analysis is sought. Please be specific and succinct in your answers.

Both direct and indirect economic costs and benefits should be described. Indirect costs and benefits include spill overs, which are those benefits and costs impacting on those not directly involved in, or targeted by, the project (e.g. health benefits).

#### **3.12.1 Costs**

Summarise the expected annual costs of the project, including:

- 1. Annualised capital/construction costs.
- 2. Annual operating and maintenance costs.
- Employment numbers and labour costs for (1) and (2) above.
- Summarise any environmental or other costs associated with the development of the Cycleway. Other costs should include any negative impacts on competing tourism infrastructure.

#### **3.12.2 Benefits**

Set out the timing and value of the expected annual benefits of the project, including:

- Additional spend in the region from domestic and international visitors. Show existing levels of visitor spend and visitor numbers, and the change in visitor numbers and spend as a result of the Cycleway Project. Show international and domestic visitor numbers and spend separately.
- The wider economic activity generated by the Cycleway Project on related activities, and why. For example, on bike shops, the accommodation sector, restaurants.
- How many jobs will the cycleway create? What is this based on? Show separately the direct jobs from the cycleway (construction and maintenance) and long-term jobs created by its wider impacts. Discussion of local labour market conditions is required.

- We are also interested in the wider benefits the cycleway will create in the region(s). Please provide a brief description (and, where possible, a monetary estimate) of the following:
  - Spill overs, e.g. for health and recreation
  - Complementarities with existing tourism infrastructure (including existing cycleways)
  - How the cycleway contributes to the objectives of the Economic Development Agency's development/growth strategy.

### **3.13 Governance structure and partnerships**

A governance structure will need to be determined as part of the feasibility studies.

The following criteria need to be considered when putting the governance structure in place. They are:

- The ability to gain legal access to Crown land. The applicant must be an entity that meets the criteria for this. As many of these projects will have issues of access to Crown land to address it is essential that the entity has the ability to access Crown land.
- It needs to be robust enough to be able to project manage a potential multi million dollar construction project.
- Is able to maximise wider business opportunities that will result from investment in the trail.
- The cycleway project is long term. Therefore the structure needs to be sound, with strong prudential control and be representative of the community and wider stakeholder groups.
- The governance structure can be established as a partnership.

### **3.14 Significant issues to be resolved prior to construction**

Applicants must be able to identify and clearly demonstrate how they intend resolve risks prior to construction. This will include:

- High level issue resolution plan
- Agreements in principle with landowners
- Consent schedule
- Details of potential/actual conflicts
- Other aspects that may impede the construction e.g. legal entity status.

## 5.0 Declaration

The declaration must be signed by an authorised representative of the applicant.  
Please print a copy of this declaration and attach it to the feasibility study.

I declare on behalf of the applicant that:

- I have read the Guide to the Funding Process and these guidance notes for submitting a stage two feasibility study under the New Zealand Cycleway project and fully understand and accept the procedures, terms, conditions and criteria; and
- all existing or potential conflicts of interest have been disclosed to the Ministry of Tourism.

Sign:

Print Name:

Title / Position:

Date:

Please send the feasibility study to:

Postal address:

New Zealand Cycleway Project

Ministry of Tourism

PO Box 5640

Wellington

Courier / physical address:

New Zealand Cycleway Project

Ministry of Tourism

33 Bowen Street

Wellington

Office Use Only

Date received:

Date acknowledged:

Proposal Number: