

6 July 2010

Chris Allison
Dun Mountain and Tasman Loop Cycle Trails
PO Box 370
NELSON

Dear Chris,

Dun Mountain and Tasman Loop Cycle Trails

I am pleased to advise you that your application to the New Zealand Cycle Trail Fund has been successful. We believe your trail will provide a world-class cycling experience that will showcase the best that New Zealand has to offer.

Funding of up to \$2,630,000 (excl GST) has been approved to contribute towards the construction of the cycle trail, specifically:

- a. Funding of up to \$484,089 (excl GST) to contribute towards the extension of the Dun Mountain cycle trail and;
- b. Funding of up to \$2,145,911 (excl GST) to contribute towards the construction of Stage One of the Tasman Loop cycle trail.

This funding is subject to you agreeing to the terms and conditions of the funding agreement and you providing the information set out in section 1 of the table below.

Your feasibility study demonstrated to the Funding Committee that your cycle trail is feasible, and meets the assessment criteria. To ensure construction can commence as soon as possible, we have decided to fast track the funding process by finalising the Funding Agreement at the same time you complete the Implementation Plan, and provide the additional information requested.

The following table sets out the information required from you. It is divided into three sections: Schedules for the Funding Agreement, Implementation Plan, and Technical Assessment Group Comments.

	Information required	Date required by
1. Schedules for the Funding Agreement		
These must be provided in order for us to complete the Funding Agreement. Once the information in the section is received, we will forward you a draft Funding Agreement for your consideration.		
1.1 Indicative Milestones and	Complete the attached template.	20 July 2010

Budget		
1.2 Land Access Table	Provide your land access table to reflect the current status (include any changes since your feasibility study – see table 6).	20 July 2010
1.3 Indicative Cash Flow	Complete the attached template.	20 July 2010
1.4 Co-Funding	Provide details of any co-funding including: the amount, the provider(s), and when you anticipate it will be confirmed. Also provide the monthly drawdown for this co-funding (in the same format as the indicative cash flow – see attached template)	20 July 2010
1.5 Legal Entity (the Recipient)	Confirm the Legal Entity (the Recipient) to enter into the Funding Agreement, and that you have the required approval from Council(s).	20 July 2010
<p>2. Implementation Plan.</p> <p>As mentioned above we have decided to fast track the funding process. The Implementation Plan will now be submitted at the same time as the Funding Agreement is being finalised. The first payment will not be available until the Implementation Plan is completed to the satisfaction of the Ministry – this will be a condition of the Funding Agreement.</p>		
See attached Stage Three Implementation Plan – Guidance notes	See attached Stage Three Implementation Plan – Guidance notes	See attached Stage Three Implementation Plan – Guidance notes
<p>3. Technical Assessment Group Comments (For noting only)</p> <p>Our Technical Assessment Group identified two specific areas of your feasibility study for comment. Please take these points into consideration as you develop your trail.</p>		
3.1 Grading of Trail	<p>Your application is for a Grade 1 or 2 trail. Therefore, the target audience includes inexperienced cyclists. It is important that the riding experience matches the confidence levels of the target audience.</p> <p>In every location where cyclists ride on roads that carry traffic, the criteria shown in Figure 29 in the Cycle Trail Design Guide needs to be met. Wherever the trail crosses roads, the type of required crossing facility is given in Figure 36. In order to assess this, you need to be aware of average daily traffic volume, the operating speed, and available shoulder width (if applicable).</p> <p>Please ensure that you fully meet these requirements.</p> <p>If you can not meet the criteria, the trail grading needs to be reduced to Grade 3, which will change your target market and your business model.</p>	For noting
3.2 Visitor Volumes	Most feasibility studies submitted put forward relatively optimistic forecasts of visitor volumes. We recommend that all trails base their financial	For noting

	planning on more conservative visitor volumes particularly in budgeting for operating revenues once the trail is established. To ensure that annual operational and maintenance costs can be met.	
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Please email *Section 1- Schedules for the Funding Agreement*, to Abby Cheeseman, at abby.cheeseman@med.govt.nz by 20 July 2010.

Please send one hard copy of *Section 2 - Implementation Plan* to John Dunn, PO Box 5640, Wellington.

Congratulations, we look forward to your exciting trail becoming part of Nga Haerenga, the New Zealand Cycle Trail.

Yours sincerely



John Dunn
Programme Manager
New Zealand Cycle Trail

Attachments:

- 1 Template for Indicative Milestones and Budget
- 2 Template for Indicative Cash Flow
- 3 Stage Three Implementation Plan – Guidance notes

