



# **AGENDA**

## **Projects, Services and Operations Committee Meeting Tuesday, 18 February 2020**

**I hereby give notice that a Projects, Services and Operations Committee Meeting will be held on:**

**Date: Tuesday, 18 February 2020**

**Time: 9am**

**Location: Tauranga City Council  
Council Chambers  
91 Willow Street  
Tauranga**

*Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: [www.tauranga.govt.nz](http://www.tauranga.govt.nz).*

**Marty Grenfell  
Chief Executive**



## Order Of Business

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**1 APOLOGIES**

**2 PUBLIC FORUM**

**2.1 Paul Godwin - Kulim Park Active Ageing Gym**

**3 ACCEPTANCE OF LATE ITEMS**

**4 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

**5 CHANGE TO ORDER OF BUSINESS**



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## **6 CONFIRMATION OF MINUTES**

### **6.1 Minutes of the Projects, Services and Operations Committee Meeting held on 3 December 2019**

**File Number:** A11166254

**Author:** Jenny Teeuwen, Committee Advisor

**Authoriser:** Robyn Garrett, Team Leader: Committee Support

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### **RECOMMENDATIONS**

- (a) That the Minutes of the Projects, Services and Operations Committee Meeting held on 3 December 2019 be received.

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### **ATTACHMENTS**

**Minutes – Projects Services and Operations Committee Meeting – 3 December 2019**



# **MINUTES**

## **Projects, Services and Operations Committee Meeting Tuesday, 3 December 2019**

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<b>5</b>	<b>Change to Order of Business.....</b>	<b>4</b>
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**MINUTES OF Tauranga City Council, Council Chambers, 91 Willow Street, Tauranga**  
**ON TUESDAY, 3 DECEMBER 2019 AT 9AM**

**PRESENT:** Chairperson Kelvin Clout, Deputy Chairperson Jako Abrie, Mayor Tenby Powell, Cr Larry Baldock, Cr Bill Grainger, Cr Andrew Hollis, Cr Heidi Hughes, Cr Steve Morris, Cr John Robson, and Cr Tina Salisbury

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Barbara Dempsey (General Manager: Regulatory & Compliance), Susan Jamieson (General Manager: People & Engagement), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Allan Lightbourne (Acting General Manager: Corporate Services), Gareth Wallis (General Manager: Community Services), Doug Spittle (Team Leader: Public Spaces), Ana Hancock (Public Spaces Advisor), Jenny Teeuwen (Committee Advisor), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Raj Naidu (Committee Advisor)

## 1 APOLOGIES

### COMMITTEE RESOLUTION PR1/19/1

Moved: Cr Andrew Hollis

Seconded: Deputy Chairperson Jako Abrie

That an apology from Cr Dawn Kiddie and an apology for lateness from Cr Steve Morris be accepted.

**CARRIED**

## 2 PUBLIC FORUM

### 2.1 Keri Hunt, teacher, and students, Tahatai Coast Primary School - Hartford Ave Playground Upgrade

Cr Morris entered the meeting at 9.05am.

#### Key points

- Ms Hunt was accompanied by four students, Te Takahi, Lacey, Leia and Mahana.
- Tahatai Primary had been working with Lucy Brake, Infrastructure Contractor and Phill Bishop-Everett, Team Leader Parks Maintenance on the Hartford Ave playground upgrade.
- The students presented their wish list for the playground and presented Council with billboards depicting their ideas.
- The students thanked council staff for working with them to create a great playground.
- Cr Clout thanked the students for their presentation and called for a round of applause.

## **2.2 Coralea Nelson - Te Papa o Nga Manu Porotakataka (Phoenix) Park**

An apology was received from Coralea Nelson, who was unable to attend the meeting.

## **2.3 Grant Aislabie, Chair, Mount Maintstreet**

### Key Points:

- The pole in Te Papa o Nga Manu Porotakataka Park was leaning incorrectly.
- 'Mountie' should be placed in a prominent site.
- Requested the use of coastal plants in the main street, in keeping with the area.
- Wished to clarify that Bay Oval was at Mount Maunganui, not Tauranga.
- Requested that the entranceway to Blake Park be completed.
- Suggested that the toilet block in Te Papa o Nga Manu Porotakataka Park needed a re-paint and a new roof line, rather than being replaced.
- Requested better signage for cruise ship passengers that promoted the Mount and environs, in particular the close proximity of the Mount shopping centre.
- Suggested the May Street car park as a site for a five storey carpark building.
- Carpark markings around the shopping area were inconsistent and not all the same size.
- Requested consideration be given to a 'tidal flow' style of traffic management for peak time traffic flow between Mount Maunganui and Papamoa.

### In response to questions

- 'Mountie' was owned by Mount Mainstreet and the permanent placing of Mountie should be a Mount Mainstreet decision.
- There was community backing for coastal planting along the main street.
- Better signage for cruise passengers that did not have pre-booked excursions would be helpful.

## **3 ACCEPTANCE OF LATE ITEMS**

Nil

## **4 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

## **5 CHANGE TO ORDER OF BUSINESS**

Nil

## **6 DECLARATION OF CONFLICTS OF INTEREST**

Nil

## 7 BUSINESS

### 7.1 Kulim Park Upgrade - Update report

Staff: Doug Spittle, Team Leader: Public Spaces  
Ana Hancock, Public Spaces Advisor

Key Points:

- A third round of engagement occurred in October / November 2019.
- Two briefings had been held with the new council.
- Two key design elements had been added; touch the park lightly and reinforce the view to the Mauao and coast.
- Three design options were presented; developed design, alternative (residents) design and do minimum design.
- Estimated costs for do minimum option approximately \$400k.

In response to questions:

- Perpendicular car parks were proposed as considered easier to drive in and out of.
- Disability carparking and disability access to and within the park had been incorporated into the design.
- The design included accessible elements such as seating with armrests and accessible picnic tables.
- Development contributions budget was available until the end of the 2020 financial year.
- A cycleway had been incorporated into the shared pathway in each design.
- Traffic flow within the carparking area was likely to be determined by the number of carparks available - more carparks, more traffic.
- CCTV coverage to observe park / carparking usage was not currently available. Manual options were available and would be considered.
- Monitoring of drainage areas within the park over the winter period would be considered.
- Collected carparking data did not cover events such as a summer or holiday event.

### COMMITTEE RESOLUTION PR1/19/2

Moved: Cr Steve Morris

Seconded: Mayor Tenby Powell

That the Projects, Services and Operations Committee suspend Standing Orders to enable freer discussion on the Kulim Park Upgrade.

**CARRIED**

Discussion:

- Two key points were drainage and parking.
- Needed to be clear about desired outcomes.
- The Do Minimum option could benefit more disadvantaged communities by freeing up access to the Development Contributions budget to provide more green space in those areas.
- An aggregate shared pathway was still feasible in the Do Minimum option.
- A playground upgrade was included in the Do Minimum option.
- Do Minimum was a short term option. It did not exclude future development of the park.
- Support for a recommendation in favour of the Do Minimum option including outcomes was indicated.

**COMMITTEE RESOLUTION PR1/19/3**

Moved: Cr Steve Morris

Seconded: Cr Bill Grainger

That the Projects, Services and Operations Committee move back into Standing Orders.

**CARRIED**

**COMMITTEE RESOLUTION PR1/19/4**

Moved: Cr Larry Baldock

Seconded: Cr John Robson

That the Projects, Services and Operations Committee:

- (a) Receives the report "Kulim Park Upgrade"
- (b) Receives the community engagement report included in Attachment A
- (c) Adopts the 'Do Minimum' approach plan for the Kulim Park Upgrade at this stage with the following outcomes:
  - (i) Improving drainage of the park
  - (ii) Minimising unrestricted vehicle access on the grassed areas
  - (iii) Maintaining a minimum of 80 car parks (not necessarily sealed)
  - (iv) Upgrading the children's playground
  - (v) Constructing a shared pathway seaward of the existing roadway
  - (vi) Minimising invasive earthworks
  - (vii) Continued monitoring of park use to provide more information for future decision making and park development
- (d) Notes that this revised programme of design and construction for the Kulim Park Upgrade project is currently provided for within current budgets.

In Favour: Cr Kelvin Clout, Mayor Tenby Powell, Crs Larry Baldock, Bill Grainger, Tina Salisbury, Andrew Hollis, Steve Morris and John Robson

Against: Crs Jako Abrie and Heidi Hughes

**CARRIED 8/2**

Cr Bill Grainger left the meeting at 10.40am.

**7.2 General Manager's Report - Corporate Services**

Staff: Allan Lightbourne, Acting General Manager: Corporate Services

Key Points:

- Digital Services continued to see an increase in cyber security attacks.
- 1.5km of new kerbing had been laid at the Mount Holiday Park. Wi fi services had been provisioned. Continued to work through options for licence to occupy (LTO) site holders.
- The airport exceeded 500,000 passengers for the first time. More public car parks would be provided.
- The Strategic Finance Project (SAP finance subsystem) was underway.
- Draft budgets for the annual plan were under development.

In response to questions:

- Business case information for the operational change regarding the Mount Beachside Holiday Park Licences to Occupy (LTO) was requested.
- A high level summary of building consent feedback was included in the General Manager: Regulatory and Compliance update report.

**Staff Action**

- Business case information regarding the Mount Beachside Holiday Park LTOs to be circulated to Councillors.

**COMMITTEE RESOLUTION PR1/19/5**

Moved: Cr Andrew Hollis

Seconded: Cr Heidi Hughes

That the Projects, Services and Operations Committee

- (a) Receives the General Manager: Corporate Services report

**CARRIED**

**7.3 General Manager's Report - Community Services**

Staff: Gareth Wallis, General Manager: Community Services

Key Points:

- Baycourt won the supreme Venue of the Year award at the Entertainment Venues Association of New Zealand Awards. It is the first small venue in New Zealand to win this award.
- The Aims Games event was held for the sixteenth time. A formal post event survey was conducted every three years. Survey results were attached to the report.
- TVNZ One News story about the Community Development/Spaces and Places accessible picnic table initiative.
- A new community neighbourhood reserve in Arataki called Horopia Reserve was opened on 15 November 2019.

In response to questions:

- Tauranga City Council's role as part of the Civil Defence Emergency Management's change to organisational arrangements was still to be investigated and on the table for discussion.
- Clarification was sought on how the tsunami project budget was tracking.
- Fire damage to the slide and the slide structure at The Strand playground was extensive and unlikely to be fixed before Christmas.
- An update on the central business district (CBD) cruise ship shuttle bus service was requested.
- Congratulations were extended to everyone involved in making the Mr G: Home exhibition happen.
- Diversity would be considered during the recruitment process for five new Youth Advisory Group members.
- The New Zealand Symphony Orchestra played at Baycourt when in Tauranga.



**Staff Action**

- Staff to provide the following information to councillors:
  - Tsunami project budget and how this is tracking
  - CBD cruise ship/ shuttle bus service update

**COMMITTEE RESOLUTION PR1/19/6**

Moved: Cr Larry Baldock

Seconded: Cr Andrew Hollis

That the Project, Services and Operations Committee:

- (a) Receives the General Manager: Community Service's report for the period ending 30 November 2019.

**CARRIED**

**7.4 General Manager's Report - Regulatory and Compliance**

Staff: Barbara Dempsey, General Manager: Regulatory and Compliance

Key Points:

- Report covered business as usual.
- The Annual Dog Control Report 2018-2019 was a legislative requirement of Council.

In response to questions:

- Freedom camping infringements for non self-contained vehicles were low for the past three months.
- Clarification was sought on when freedom campers were able to be ticketed.
- Freedom camping enforcement officers used discretion when approaching people about freedom camping and issued tickets as appropriate.

**Staff Action**

- Detail on when freedom campers can be ticketed to be provided to councillors.

**COMMITTEE RESOLUTION PR1/19/7**

Moved: Cr Steve Morris

Seconded: Cr Andrew Hollis

That the Project, Services and Operations Committee:

- a) Receives the General Manager: Regulatory and Compliance report for the August to October 2019 period.
- b) Adopts the Tauranga City Council Annual Dog Control Report 2018-2019

**CARRIED**

## 7.5 General Manager's Report - Infrastructure

Staff: Nic Johansson, General Manager: Infrastructure

Key Points:

- Report covered projects or initiatives that were of high expenditure and/or exposure.

In response to questions:

- The cycleway from Tauranga Eastern Link to Paengaroa would be connected up to Papamoa as part of the Omokoroa/Tauranga/Paengaroa cycleway. Timing for completion was not definitive.
- The installation of two temporary roundabouts at the Farm St/Concord Ave/Links Ave intersection was a low cost interim option that improved safety of both intersections. The roundabouts could be in place for several years.
- The construction design had been completed for the Arataki roundabout but had not yet been installed due to funding constraints.
- Six potential locations for pedestrian crossings (refuges) on Ocean Beach Road had been identified between Tweed Street and Girven Road, and a further three potential locations on Papamoa Beach Road. April 2020 was the earliest timeframe for installation.
- A confirmed timeframe was not yet available for stage three of the Domain Road Improvements Project, Gardens Drive to Tara Rd.
- Farm/Concord/Links intersection had been modelled for functionality in terms of throughput as well as safety.
- The New Zealand Transport Agency (NZTA) was currently going through a consultation and engagement process for the Maunganui Road/Girven Road interchange underpass. The first two meetings had already occurred. The third meeting would take place in the new year.
- Work on the pedestrian crossing in Maleme Street to service Greenpark School was not likely to begin before the start of the 2020 school year.
- Stakeholder engagement for the cycleway/shared path as part of the Concord Ave upgrade had been completed.
- The cycle community was disappointed that Totara Street had not been included in the list of cycle corridors being investigated and would like to see more signage or any solutions to make it safer for cyclists.

## COMMITTEE RESOLUTION PR1/19/8

Moved: Cr Steve Morris

Seconded: Deputy Chairperson Jako Abrie

That the Projects, Services and Operations Committee:

- a. Receives Infrastructure General Manager Report December 2019

**CARRIED**

## 7.6 General Manager's Report - People & Engagement

Staff: Susan Jamieson, General Manager: People & Engagement

Key Points:

- Avon Adams had been appointed to the Communications and Engagement Manager role and would begin at the end of January 2020.
- The Contact Centre was the winner of ALGIM's Customer Experience Best Team of the Year Award for 2019.

**COMMITTEE RESOLUTION PR1/19/9**

Moved: Mayor Tenby Powell

Seconded: Cr John Robson

That the Project, Services and Operations Committee:

- (a) Receives the General Manager: People & Engagement's Report for the August to November 2019.

**CARRIED**

**7.7 General Manager's Report - Strategy & Growth**

Staff: Christine Jones, General Manager: Strategy & Growth

Key Points:

- Much of the work through the Strategy and Growth Group was reported through the Urban Form and Transport Development Committee and the Policy Committee. This GM update report covered matters that were outside of that.

In response to questions:

- Tauranga City Council had not been advised of any change to the timeline for the Marine Park Reserve revocation process.

**COMMITTEE RESOLUTION PR1/19/10**

Moved: Cr John Robson

Seconded: Deputy Chairperson Jako Abrie

That the Project, Services and Operations Committee:

- (a) Receive the General Manager: Strategy & Growth's Report for the period ending November 2019.

**CARRIED**

**8 DISCUSSION OF LATE ITEMS**

Nil

**The Meeting closed at 11.50am.**

**The minutes of this meeting were confirmed at the Projects, Services and Operations Committee Meeting held on \_\_\_\_\_.**

.....  
**CHAIRPERSON**

**7        DECLARATION OF CONFLICTS OF INTEREST**

## 8 BUSINESS

### 8.1 Baywave project review

**File Number:** A11146899

**Author:** Anne Blakeway, **Manager:** CCO Relationships and Governance

**Authoriser:** Gareth Wallis, **General Manager:** Community Services

#### PURPOSE OF THE REPORT

1. This report provides a high-level review of the Baywave project design and construction with the purpose of providing a series of 'lessons learned', which will help inform future capital projects.

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#### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receives the Baywave project review report and attachments.

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#### EXECUTIVE SUMMARY

2. This report provides a high-level review of the Baywave project design and construction, which took place between 2002 and 2005.
3. This review was in response to the extensive remedial work that was required to be undertaken by Bay Venues Limited (BVL) between 2013 and 2019.
4. The review has followed a structured process and included a high-level review of all internal and publicly available documentation relating to the project design and construction, along with a series of interviews with key personnel involved in the project.
5. Key themes identified in the 'lessons learned' summary include, client and scope, supply chain, end-product, finance and governance. These are described in detail in the attached report (Attachment 1).

#### BACKGROUND

6. The Baywave Aquatic and Leisure Centre (Baywave) building was designed and constructed between 2002 and 2005. It is owned and managed as part of the city's aquatic facility network by BVL on behalf of Tauranga City Council (TCC).
7. In 2013, remedial work was undertaken by BVL on a number of corrosion damaged items. Cracked wall panels were also noted at this time. Further remedial work was undertaken in 2015 on the plant room floor.
8. BVL subsequently engaged Beca to undertake a structural condition assessment of the overall building in March 2017. The general findings were damage to the precast concrete panels around the building perimeter, the hydro slide and the plant room areas. There were also weather-tightness issues with several windows and the large skylight, as well as a requirement to re-line the production bore.
9. BVL have kept Council informed of findings through regular updates to the CCO Working Group.
10. In March 2019, Council approved a request from BVL for renewal funding of \$2.01 million for the remediation of Baywave (DC42) as part of the Annual Plan 2019/2020. This enabled BVL to complete the work during a scheduled maintenance shutdown and prior to the opening of AIMS Games in September 2019.

11. TCC made an undertaking to conduct a high-level review of the Baywave project design and construction, by way of providing a series of 'lessons learned' that would help inform future capital projects, and in particular community recreation and aquatic facilities.
12. Following a Request for Proposal (RFP) process, Greenstone Group were contracted to undertake this review. (See Attachment 1 for Greenstone Bio and Scope.)
13. The review has followed a structured process that included a high-level review of all internal and publicly available documentation relating to the project design and construction, along with a series of interviews with key personnel involved in the project. See Attachment 2 for further details of the review methodology (1.2), presentation of findings from the documentation (2), and interviews (3).
14. Themes identified as being key to the generation of a 'lessons learned' summary are summarised below:

No	Category	Key themes
1	Client and scope	<ul style="list-style-type: none"> <li>Decision by TCC to introduce a Public Private Partnership into the project at a late stage</li> <li>Poor record keeping</li> <li>Introduction of scope changes and increase at the behest of the private partner</li> <li>Introduction of additional scope by elected members</li> </ul>
2	Supply chain	<ul style="list-style-type: none"> <li>Evaluation of capability of individual team members of proposing organisations</li> <li>Implementation of "single line of accountability" consultant procurement method</li> </ul>
3	End-product	<ul style="list-style-type: none"> <li>Significant structural deficiencies</li> <li>Suitability of designed materials and construction systems</li> </ul>
4	Finance	<ul style="list-style-type: none"> <li>Lack of control of budget and uplift of funding to accommodate change</li> </ul>
5	Governance	<ul style="list-style-type: none"> <li>Lack of formalised and effective governance</li> </ul>

15. Further detail of each key theme can be found in the attached report from Greenstone Group (Attachment 2, Section 4).
16. The main lessons learned for Council are the importance of having clear direction from the outset with regards to scope and ensuring that there is some form of independent peer review at the preliminary design stage.

### STRATEGIC / STATUTORY CONTEXT

17. BVL own and manage the aquatic facility network on behalf of TCC.
18. BVL are responsible for planning for the long-term future of this network to ensure that levels of service for community recreational amenities and facilities are maintained and improved, while continuing to provide for the diverse range of needs and for a growing population. To achieve outstanding venues, facilities need to be fit for purpose, well utilised and future proofed.

### FINANCIAL CONSIDERATIONS

19. There are no financial considerations.

### LEGAL IMPLICATIONS / RISKS

20. There are no legal implications. BVL have advised their insurance company that the remedial works detailed above have been undertaken.
21. The issue of potential liability/financial redress was discussed with the project review team as part of the initial scope. Advice received indicated that pursuing this avenue would prove fruitless as the parties involved would be protected by the statute of limitations due to the time elapsed since all the acts (or possible omissions) involved.

### CONSULTATION / ENGAGEMENT

22. No consultation or engagement is planned.

### SIGNIFICANCE

23. In terms of TCC's [Significance and Engagement Policy](#), the receipt of this report is considered to be of low significance as it is consistent with established practice.

### NEXT STEPS

24. This report and the lessons learned will be shared across the organisation, including the Strategy & Growth, Infrastructure, Legal and Project Management Office teams.
25. The key observations from this review have been discussed with the BVL Chief Executive.

### ATTACHMENTS

1. **Greenstone Group - Bio and Scope - A11168564** [!\[\]\(029651ce9ee64da8525b17c64e266edc\_img.jpg\)](#) [!\[\]\(05d3bfcaecedf25939aadd260bd34af7\_img.jpg\)](#)
2. **Greenstone Group - Baywave Project Review and Lessons Learned Report - A11157848** [!\[\]\(310e475275728c8e1dc2a5c976e124f9\_img.jpg\)](#) [!\[\]\(141928460a13e6dce55fa99596473bd7\_img.jpg\)](#)



## **Greenstone Group – Scope and Bio**

### **Who we are**

Good ideas are easy to come by, turning them into reality is a different story. Greenstone Group offer comprehensive services to enhance your project every step of the way, from conception to reality.

We know that your project is unique; requiring care and insight from the initial concept and design, right through to final delivery. That's why every project is driven by our bespoke project framework, ITR. A process robust enough to guarantee our standards, while maintaining the flexibility to adapt as your project evolves.

This allows each member of our team to effectively manage all aspects of your project and ensure it achieves the profit, quality and timely delivery you desire.

### **Our Story**

We are a specialist property consultancy that is operated by those that own the business. As a result, we are very motivated to make your project a success, as your success is our success.

From humble beginnings, we've grown into a diverse team of property advisors with extensive experience in all aspects of project management and property advisory.

We offer comprehensive services to enhance our client's project every step of the way. Design management, sales/marketing management, contract review and procurement, through to project audits and owner representation, Greenstone Group has the scope, scale and skills to enhance your project. We offer full conceptualisation from the get-go or add value to our client's ideas through property advisory and project management.

### **History**

**Greenstone Group** was established in 2000 to provide a specialist project management and property advisory service to the wider property sector both private and public.

**Greenstone Group** has over 60 staff based in Auckland, Hamilton, Tauranga, Wellington and Christchurch.

**Greenstone Group's** business is focused on the conversion of your property ideas into reality. The numbers of projects, their size and complexity have grown over the years.

**Greenstone Group** has amassed a significant amount of skills and experience through the diverse backgrounds of their team members and through the challenging and successful projects they have been able to complete for their clients.

Our experience conducting project reviews means we have excellent institutional knowledge of the key considerations around project processes and the influence on the built form. We also possess a diverse array of intellectual property within our office which affords us the opportunity to challenge ideas to deliver the best possible solutions to the benefit of the end user. An internal peer review is central to this concept, which will further contribute to 'stress-testing' the results.

We believe that our position as independent Project Managers positions us well with the extensive knowledge and understanding required to provide Tauranga City Council with insight across the multiple, often interlinked, facets that comprise complex construction projects, like Baywave.



We understand that a project review such as this one requires an intuitive approach to expose gaps in project processes whilst remaining sensitive to some of the challenges faced by the project team retrospectively. We have significant experience conducting project audits and reviews and will bring this experience to bear to achieve the best result for you. Of particular relevance at present is our commentary to funders in the financial industry on the reasons for project failure and the accompanying opportunities available to circumvent future challenges on high value projects. Our recent review on the Manurewa Sport Project is a further example of our expertise in this arena. We are also undertaking the University of Auckland's Leisure and Recreation Centre which is a \$200 Million multisport facility including swimming pools which provides us a wealth of information on a comparable facility.

A selection of recent projects completed by our Tauranga office include:

- University of Waikato – Tauranga CBD Campus
- University of Waikato – Tauranga Teaching Labs & Aquaculture Facility
- Bay of Plenty Regional Council – Tauranga and Whakatane Building Upgrades
- Toi Ohomai Institute of Technology – Te Ara o Mauao
- Kainga Ora (formerly Housing New Zealand) - Various Redevelopment Projects
- Ministry of Education – Various Capital Works Projects including Taumata School

#### **Staff**

We utilise our key personnel from both our Tauranga Office and Auckland Office namely:

- Darryl Fox – Project Director
- Todd Jones – Lead Project Manager
- Lance Painter – Project Director for UoA Leisure and Recreation Centre

#### **Scope**

##### **1. Overview**

The main purpose of the review is to review the project processes with particular reference to the where things went wrong on the project and also where things went well and provide advice as to what lesson learnt can be implemented in future projects. This is not a review of the approval process but rather a review of the processes managing the delivery of the project. It is important to understand that the project was completed 12 year ago and there will be a significant amount of undocumented intellectual knowledge that will have been lost which could provide gaps and in these cases assumptions will need to be made based on documented information and interviews we undertake through the process. It is worth noting that leisure facilities are inherently complex and difficult projects which require a very high level of design input and co-ordination to achieve a successful outcome. Since completion the project has had numerous maintenance, quality and code issues which should not have arisen in the normal lifecycle of a building. The review is to provide lessons learnt and an independent perspective on what has happened to date.

## 2. Review

Greenstone will undertake a high level review of documentation provided. Based upon this review, a Quality Assurance Assessment will be provided inclusive of the following key elements:

CLIENT & SCOPE	The clarity and control of baseline requirements, objectives, success criteria, , terms of reference. In particular, the procurement methodology; how the cost was managed and the risks mitigated throughout the project lifecycle.
RISKS & OPPORTUNITIES	The management of risk and opportunity through the life cycle of the project.
PLANNING & SCHEDULING	The execution of strategies, plans and schedules.
ORGANISATIONAL CAPABILITY & CULTURE	The people, behaviors, teams and processes, systems and working environment.
SUPPLY CHAIN	The procurement processes, engagement with, and capability of external supply chain.
SOLUTION	The deliverables and outcomes to meet the Business requirements.
FINANCE	The commercial management and administration.
PERFORMANCE	The measurement of project management performance against the baseline requirements, variance analysis and management action.

### Project Methodology

Our approach for the delivery of this review will be proactive and solutions based. We do not prescribe to a post box project management approach, our project team will be engaged and committed to the project.

We would approach the review on a four stage methodology namely

#### 1. Planning the assessment.

- The project scope and factor risks.
- Timing of assessment work relative to the scope requested.
- Confirm sources of information with TCC , Bay Venues and the Project Team
- Uncertainty should be recognised in assessing and rating categories.

#### 2. Gathering evidence.

The assessment will seek objective evidence to support the evidence requirements. At this point our understanding is the evidence will be limited to the high level documents which will be agreed with TCC and then TCC will provide this information .The assessment will use relevant documentary evidence from the project; with the following characteristics:

- Agreed with the Business.
- Shared with, and accessible to, the project team.
- Fit for purpose (i.e. has a level of detail and structure that is in proportion to the project).
- Uncertainty over key points (and the potential impact it may have had on project risks) should be considered in the assessment of the project's categories.
- If documentary evidence is not available, the assessment can include interviews to establish the extent to which the requirements for each criterion were satisfied, but scoring should reflect the lack of documentation.

The evidence will relate to:

- Processes that are communicated, proportionate, and founded on good practice.
- Project team activity that is considered appropriate and timely in manner.
- The output / outcome from the combination of processes and project team action should be effective in showing how the project was effected by the reported contributing factors.



## Darryl Fox

Regional Director – Bay of Plenty

BSc ENG

### Selected Project Experience

**Taumata School – New Build**  
\$15M

**University of Waikato – Tauranga CBD Campus**  
\$55M

**Bay of Plenty Polytechnic – Mass 2 Building**  
\$11M

**The Base - Farmers Extension & Homeware precinct**  
\$12M

**Katikati College – Technology Block**  
\$1.4M

**Bethlehem Town Centre - Various Tenancy Fitouts**

**Ministry of Justice - Minor Capital Works Hamilton & Tauranga**  
\$2M

**Tauranga Girls College - Library Refurbishment**  
\$500K

**Doha Festival City, Doha, Qatar - 550 unit mega mall, Hotel, Ikea mega store**  
\$2B

**Yasmeen Rotana Hotel, Damascus Syria -**  
\$150M

**Mudon, Dubai, UAE - Mixed use development**  
\$10B

**Mall of the Emirates, Dubai, UAE - 450 unit mega mall, Hotel, Indoor ski slope –**  
\$1.5B

**Wandsworth Riverside Quarter Residential Development –**  
\$150M

**Charter Quay Kingston upon Thames Residential Development –**  
\$100M

Darryl Fox oversees the project management services for Greenstone Group in Tauranga, Bay of Plenty.

For over 25 years, Darryl has led and managed the development of significant mixed-use projects. His particular expertise is in managing the development and project management process for projects covering commercial, retail, hospitality, leisure, residential and infrastructure.

Darryl has delivered projects at the highest level throughout the United Kingdom, Africa and the Middle East and continues to do so in his role with Greenstone Group.

Darryl has significant experience in the numerous sectors from multi-billion dollar projects to 10 thousand dollar projects and his key driver is delivery on time on budget and to a quality standard that meet the clients expectations as a minimum regardless of project size.

Darryl places strong emphasis on clearly defining the project's objectives up front to ensure all parties' expectations are aligned and the project team work towards a common goal.

Strong managerial skills and a specialised technical understanding of the construction cycle and the associated contractual and costing requirements are crucial skills Darryl has displayed through years of results. He thrives on the challenge of delivering the end product to the client within budget, on time and to the required quality standards.



## TODD JONES

### *Senior Project Manager*

*B.Const (Construction Management),  
Licensed Building Practitioner (Site 3)*

### Profile

Todd's varied professional background includes construction site management, project management and building consultancy. This foundation provides Todd with an excellent, well rounded results oriented skillset. Todd holds a Bachelor of Construction and is also an incorporated member of the Chartered Institute of Building.

Todd has extensive experience leading the master planning and redevelopment of brownfield sites. His ability to mix in depth strategic thinking with the creation of project frameworks providing the necessary controlled environments for the delivery of complex programmes of work has proved invaluable in delivering exceptional results for his clients.

Todd has a strong background in working with government departments giving him a firm grasp of complex project and stakeholder structures and the formal reporting and approval procedures inherent.

Todd's ability to communicate efficiently and effectively with stakeholder at all levels drives successful outcomes across all of his projects.

### Selected Project Experience

#### **University of Waikato – Tauranga CBD Campus** \$65M (NZD)

Todd successfully led the project and stakeholder team through a complex project that has quickly established itself as an iconic building within the Tauranga Skyline; anchoring itself as a catalyst for the reinvigoration of the CBD. Equipped with the experience and ability to deeply understand stakeholder needs and distil these into project team deliverables, Todd maintained tight project controls and consistent stakeholder management and engagement throughout the project to complete the delivery of the transformative campus. This included intensive Iwi engagement.

#### **Fabric of Onehunga – Apartments** \$95M (NZD)

Todd has been involved in the Design Management of the Fabric apartments, challenging the design team to ensure that all viable alternative design solutions were investigated. This included

- Basement excavation and falls resulting in significant reduction in execution and rock removal;
- Facilitation of significant ground investigation to minimise pile costs and removal of contaminated materials and;
- Alternative concrete structural design which yielded a significant cost reduction.

#### **Ministry of Education– Major Redevelopment** \$100M+ (NZD)

Todd managed the Auckland education portfolio which delivered numerous projects ranging from new schools to major redevelopments across multiple school sites around the region. Todd managed the construction value up to \$100M at any one time and was successful in delivering these projects for the Ministry of Education.

During his time project managing on behalf of the Ministry of Education, Todd managed tight budgets, strict programmes and operating requirements in live school sites. Todd is also versed in the development and writing of Business Cases on behalf of the Ministry.



## AWARDS & INVOLVEMENT

- Property Council Supreme Excellence Award -University of Waikato
- Property Council Best Team Award- University of Waikato
- Property Council Urban Design and Architectural Award - University of Waikato

## Selected Project Experience (Continued)

### **Flatbush Apartments** \$60M (NZD)

Todd was involved in the feasibility and design management of the south Auckland apartment complex. The project incorporated a 3 level basement and twin tower arrangement over a central podium. Todd successfully managed the technicalities of the design and the resource consent process.

### **Toi Ohomai – Institute of Technology** \$6M (NZD)

Todd is the lead project manager in the development of a new tertiary hub facility in the centre of Taupo. This new project replaces the existing aging campus with a state of the art facility to build on the presence in the Taupo region and facilitate economic growth. The project involves engagement with external stakeholders in both a cultural and business context.

### Other projects Todd has been involved in:

### **Glenside Terrace Apartment** \$12M (NZD)

## Specific skills Todd will bring to your project

- Design Management
- Stakeholder Management
- Construction Management
- Strategic and Innovative Problem Solving
- Project Budget Expenditure Control
- Iwi Engagement
- Value Engineer/Management
- Leadership
- Leading and managing collaborative teams



## Tauranga City Council – Baywave Project



### Project and Lessons Learned Review

October 2019



## Document Issue

REV:	DATE:	ISSUE TO:	VERSION:	PREPARED:	APPROVED:
1.0	October 2019	Tauranga City Council	1.0	Todd Jones	Darryl Fox

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## Executive Summary

This report follows the RFP request and our response to it, to provide Tauranga City Council (TCC) with a high level review of the "Baywave" project designed and constructed between 2002 and 2005. The purpose of the review being to provide a series of "lessons learnt" to be implemented by TCC on future projects it undertakes.

Our review has followed a structured process that can be broadly summarised as:

- Literature Review – incorporating the searching and reading of TCC provided documentation from both internal filing systems and publicly available "Council Property File" information.
- Interviews – a series of interviews have been conducted with key personnel identified through the literature review.

The findings documented within this report are comprised of both qualitative and quantitative research through research of documentation provided by TCC and interviews carried out with key members of the Baywave project team. The documentation provided and reviewed was relatively extensive in quantum, and not specifically arranged or organised in any way, presumably due to the timing of the project being in the early days of digital storage media.

Interviews and conversations were carried out with the following key Baywave project team members/stakeholders:

- John Scott – TCC Project Manager
- Gary Dawson – CEO - Bay Venues Limited
- Steve Edgecombe – Asset & Project Manager – Bay Venues Limited
- Gavin Frost & Maximo Muller – Structural Engineers responsible for seismic assessment – Beca
- Chris Jack – Project Architect, Jasmax
- Shane Rowse – Contracts Supervisor – Mainzeal Property and Construction Limited
- Bruce Black, Structural Peer Review Signatory – Holmes Consulting Limited
- Other project participants who did not wish to be named.

The categories of investigation and their accompanying descriptions as defined within our proposal, are as follows:

### **Client & scope**

The clarity and control of baseline requirements, objectives, success criteria, business case, terms of reference, contracts and benefits realisations. In particular, the procurement methodology; how the design was managed and the risks mitigated throughout the project lifecycle.

### **Supply chain**

The procurement processes, engagement with, and capability of, both the internal and external supply chain.

### **End Product**

The deliverables and outcomes to meet the Business requirements. Including product and / or service quality and the impact of the finished product or service on the social, physical and economic development.

### **Finance**

The commercial management and administration.

### **Governance**

the process of alignment with interests and strategic direction of Business and sponsors

These headers have been adopted in setting out the lessons learned.

The quantum of documentation provided by TCC is extensive. The scope of this review has not permitted the complete and extensive review of each and every document. A high-level review of the type of documentation on file and their general content has been completed.

A series of interviews were undertaken with members of the original project team. These interviews were focused on gaining a first-hand understanding of the project and the way in which events unfolded. Items of particular focus were; Project Governance and structure, Design team performance and attendance, Quality control, change control.

Through the combined research approach outlined and detailed within this report key themes have been identified as being key to the generation of a lessons learned summary. These key points are identified below (as they relate to the investigation categories identified);

NO.	CATEGORY	Key Themes
1	Client & scope	Decision by TCC to introduce a Public Private Partnership into the project at a late stage. Poor record keeping Introduction of scope change and increase at the behest of the Private Partner Introduction of additional scope by Elected Members
2	Supply chain	Evaluation of capability of individual team members of proposing organisations Implementation of "single line of accountability" consultant procurement method.
3	End Product	Significant Structural deficiencies Suitability of designed materials and Construction Systems
4	Finance	Lack of control of budget and uplift of funding to accommodate change
5	Governance	Lack of formalized and effective governance

These items are described in detail within section 5 of this report.

# 1. Format of the report

## 1.1 Summary

This report follows the RFP request and our response to it, to provide Tauranga City Council (TCC) with a high level review of the "Baywave" project designed and constructed between 2002 and 2005. The purpose of the review being to provide a series of "lessons learnt" to be implemented by TCC on future projects it undertakes.

Our review has followed a structured process that can be broadly summarised as:

- Literature Review – incorporating the searching and reading of TCC provided documentation from both internal filing systems and publicly available "Council Property File" information.
- Interviews – a series of interviews have been conducted with key personnel identified through the literature review.

These processes are documented within this report with a series of overarching themes or headlines adopted to inform the preparation of specific learnings to be taken from both the failings of the project and the successes. These learnings are framed as "lessons learnt".

## 1.2 Review Methodology

1.2.1 The findings documented within this report are comprised of both qualitative and quantitative research through research of documentation provided by TCC and interviews carried out with key members of the Baywave project team. The documentation provided and reviewed was relatively extensive in quantum, and not specifically arranged or organised in any way – presumably due to the timing of the project being in the early days of digital storage media. The information supplied can however be broadly categorised;

- Technical Documents produced by the various design consultants involved with the project,
- Internal TCC correspondence
- Records of stakeholder discussions
- Contractual documentation
- Meeting correspondence (agenda and minutes)
- Post Contract communications with Bay Venues Limited and other stakeholders.

1.2.2 A detailed document review was undertaken the content of the reviewed documents or in some instances gaps in documents, directed further specific research.

1.2.3 Interviews and conversations were carried out with the following key Baywave project team members/stakeholders:

- John Scott – TCC Project Manager
- Gary Dawson – CEO - Bay Venues Limited
- Steve Edgecombe – Asset & Project Manager – Bay Venues Limited
- Gavin Frost & Maximo Muller – Structural Engineers responsible for seismic assessment – Beca
- Chris Jack – Project Architect, Jasmax
- Shane Rowse – Contracts Supervisor – Mainzeal Property and Construction Limited
- Bruce Black, Structural Peer Review Signatory – Holmes Consulting Limited
- Other project participants who did not wish to be named.

1.2.4 Attempts were made to contact other project participants however these attempts were unsuccessful.

1.2.5 From the combined qualitative and quantitative research we have then identified several key themes that have informed the population of a lessons learned matrix, the basis of which is discussed in detail in the findings section of this report.

The categories of investigation and their accompanying descriptions as defined within our proposal, are as follows:

**Client & scope**

The clarity and control of baseline requirements, objectives, success criteria, business case, terms of reference, contracts and benefits realisations. In particular, the procurement methodology; how the design was managed and the risks mitigated throughout the project lifecycle.

**Supply chain**

The procurement processes, engagement with, and capability of, both the internal and external supply chain.

**End Product**

The deliverables and outcomes to meet the Business requirements. Including product and / or service quality and the impact of the finished product or service on the social, physical and economic development.

**Finance**

The commercial management and administration.

**Governance**

The process alignment with interests and strategic direction of Business and sponsors

These headers have been adopted in setting out the lessons learned.

## 2. Presentation of findings from documentation

- 2.1.1 The quantum of documentation provided by TCC is extensive. The scope of this review has not permitted the complete and extensive review of each and every document. A high-level review of the type of documentation on file and their general content has been completed.
- 2.1.2 From documentation reviewed, it appears that consultation for the proposed Baywave facility commenced with stakeholders and interested parties sometime in early-mid 2002. This consultation seems to have consisted of various workshops and engagement events. The outputs of these events being documented and informing the future development stages.
- 2.1.3 Davis Langdon were engaged as Consultant Project Manager/Cost Consultant. The engagement was formalised in April 2003, though it is evident that their involvement commenced prior to March 2003.
- 2.1.4 In early 2003 proposals from design consultants were sought and a design team subsequently appointed. Of specific note in this regard is that the method of engagement followed a "Single Line of Accountability" model. The specifics of the model employed effectively held the Architect – Jasmax, in the position of Lead Designer and contracted party. Jasmax was then responsible for the engagement of design sub-consultants including Mechanical, Electrical, Hydraulic, Fire (Lincolne Scott) and Structural Engineering (Harris Foster Consultants) services.
- 2.1.5 In June 2003 TCC sought Expressions of Interest for "a long term partner to jointly invest, develop, manage and operate its network of Aquatic Facilities, current and future". This EOI resulted in a submission being made on 29 August 2003 by H2O Management Limited. A Heads of Agreement was subsequently entered into in November 2003, with the goal being to conclude an agreement. A Memorandum of Understanding was eventually entered into in March 2004.
- 2.1.6 It is inferred from various reviewed documents (though not explicitly stated) that H2O were consulted with by TCC and the project design team with various requests then implemented into the design. It appears that the intention was for H2O to fund these items. It is suggested that these elements included the fitout of the fitness centre, kitchen and other operator specific areas. The funding expectation being significant, though unclear as to specifics
- 2.1.7 During October of 2003 a Request for Expressions of Interest was issued to market, calling for suitably qualified Constructors to respond. The EOI was to be the first of a two stage procurement process. The premise of the EOI was to produce a shortlist of competent contractors who would then be asked to provide tenders on the basis of "P&G and Margin". This method incorporating the provision of a fixed Preliminary and General sum (on-site overheads) and fixed margin sum (offsite overheads and profit). It was proposed that the successful respondent to stage two would then be engaged to provide "Contractor input into design" with the negotiation of a fixed price lumpsum to follow.
- 2.1.8 It is understood that in December 2003 the second stage procurement described in 1.1.5 was undertaken, this process resulting in the issue of a letter of intent to Mainzeal Property and Construction Limited. This notice confirmed Mainzeal and being the "preferred tenderer" and stated that they were to get underway with the provision of contractor advice in relation to the design immediately.
- 2.1.9 A fixed price lumpsum "tender" was submitted by Mainzeal on 31 March 2004. This fixed price lumpsum submission, presumably being the result of the "negotiation" referred to in the initial EOI documents. It is of note though that the submission was not framed as any form of negotiation. The reason for this process unfolding in this way is not clear. There is no record of any Contractor Advice available.

- 2.1.10 The value of Mainzeal's tender was \$13,436,665.87+GST and was based on a Schedule of Quantities produced by DL, this value being the subject of recommendation for acceptance by Davis Langdon. DL's recommendation report dated 19 April 2014 provides a detailed breakdown/reconciliation of the financial position of the project. Importantly, this reconciliation includes deductions (credits) to account for various items that were included in Mainzeal's price but were set to be funded separately, either through fundraising or by the management operator. The value of such items being identified as \$872,975+GST. It is of note that any failure to obtain additional funding would have caused the project to exceed the total budget allocated.
- 2.1.11 A letter of acceptance was subsequently authored by Stephen Town – Chief Executive and dated 29 April 2004. This letter was ultimately incorporated into the Contract documents.
- 2.1.12 Construction commenced in late May 2004 with a due date for completion of 13 May 2005. This timeframe appearing unrealistically short when benchmarked against similarly sized and complex buildings.
- 2.1.13 Construction progressed throughout 2004, documentation suggests that site meetings were held on a fortnightly basis, these being minuted by the Project Manager. Records available are sporadic and only contain a handful of minute sets.
- 2.1.14 There are also records of a project steering group, which consisted of members of the project team along with the project sponsor. There are only a small number of these meetings recorded within the documentation available for review. The content of the minutes does not appear to suggest that any significant decision making existed at this level, and whilst items were recorded these did not appear to be readily resolved or closed.
- 2.1.15 Documentation available throughout the construction phase is fairly limited, so little detail as to the day-to-day operations and administration is able to be analysed.
- 2.1.16 In December 2004 an award of an extension of time was made to Mainzeal – this award gave Mainzeal a so called "ex-gratia" extension of time that took the revised Due date for completion to 6 July 2005.
- 2.1.17 While no record of any further claim for extension of time is apparent, it appears that a further extension of time was retrospectively negotiated and the Due Date for Completion amended to 14 October 2005.
- 2.1.18 On 11 November 2005, a settlement agreement was drafted by Davis Langdon as a formal record of commercial negotiations that had taken place with Mainzeal in agreeing a Final Account. This document was subsequently signed by Mainzeal and countersigned by TCC with the agreement formalised and concluded on 21 November 2005.
- 2.1.19 The final account was agreed and signed at a value of \$16,100,000, a total uplift of \$2,663,334.13 or 19.8% over the lumpsum fixed price contract value. This level of cost increase being well in excess of what could be anticipated for a project of this type - typically 5-10%.
- 2.1.20 On 14 November 2005 a Certificate of Practical Completion was issued to Mainzeal. The Certificate was backdated to 14 October 2005.



### 3. Interviews

- 3.1.1 A series of interviews were undertaken with members of the original project team. These interviews were focused on gaining a first-hand understanding of the project and the way in which events unfolded. Items of particular focus were; Project Governance and structure, Design team performance and attendance, Quality control, change control.
- 3.1.2 Within forthcoming sections of this report, each interview will be documented specifically, an overall precis of the findings and process follows.
- 3.1.3 Interviews followed a conversational methodology where participants were asked fairly open questions and allowed to respond freely. The media by which interviews were conducted consisted of a combination of phone, video conferencing and face-to-face meetings.
- 3.1.4 The comments and views expressed within this section are based on information provided verbally by interview participants. As such Greenstone Group do not make any representation as to the accuracy of specific statements, and the opinions or views expressed are not those of the writer of Greenstone Group.
- 3.1.5 The overall perception of the project from all interview participants was (without exception) by and large that the project was, at the time, a success. There was a general consensus that the project team worked well together and that all members put the best interests of the project at the forefront of their actions.
- 3.1.6 We were advised that the project was the first large scale development project undertaken for some 20 years, the first since the construction of "Baycourt". Because of this fact the council were lacking experience with the implementation and delivery of significant projects.
- 3.1.7 Suggestion was made that the Chief Executive Officer prior to the construction period commencing was weak in communication methods and lacking in leadership. This apparently caused fractures within the organisation that resulted in numerous resignations and a split council.
- 3.1.8 It was clear that the TCC's approach to managing the project at the time was fairly "hands-off" and a lack of project structure and governance was evident. It appears that the effective running of the project was left to a single TCC employee without the backing of a genuine Project Control Group.
- 3.1.9 A fairly robust procurement approach is understood to have been undertaken, with processes seemingly in line with good practice at the time.
- 3.1.10 The project team felt that significant design change during construction was not specifically an issue and that the majority of variations during construction were the result of ambiguity between documents or general detailing requirements.
- 3.1.11 It was evident that TCC made a decision to introduce a private sector partner as operator at a very late stage. The impacts of this late introduction were magnified immeasurably by the fact that the ultimate partner – H20 – had significant input on specific design decisions and then at some point early in the construction phase became insolvent due to extraneous circumstances well beyond the projects control.
- 3.1.12 The dissolution of the management agreement is purported to have resulted in the loss of approximately \$3-\$5m of additional promised funding. Whether that funding was ever genuinely available to H20 is questionable according to interview participants. There was a feel from the project team that the project budget had not been fairly represented in the media at the time, with reports of budget over runs. It would appear that these budget overruns related in large part to the removal of the operators funding and the fact that TCC had already committed to constructing the facility by that stage.
- 3.1.13 A belief that there was a 'dysfunctional' environment within TCC at the time was conveyed. This dysfunction was described as a feeling that "other parts of council were attempting to sabotage the project particularly the finance department".

- 3.1.14 There was a consensus from the project team that at the time, a significant construction “boom” was ongoing within the Bay of Plenty. This significant workload was impacting the availability of resource from both contractors (and sub-contractors) and consultants.
- 3.1.15 Suggestion was made that the specific experience of the individual members of the contractor team was questionable with respect to the inherent complexities of indoor aquatic facilities. This supposed inexperience was seen as generating issues with construction methodologies and the understanding of specific design elements.
- 3.1.16 The construction team lacked a “service coordination” resource. This absence of crucial team member led to several instances of clashes and issues during the commissioning of the building.
- 3.1.17 Participants confirmed that the project specifications were fairly intensive in terms of extensive requirements for the production and provision of samples and mock-ups. These were apparently well adhered to.
- 3.1.18 It has been stated that during construction several issues were found with both the buildability of parts of the concrete structure – due to the significant size of precast wall panels required, this size suggested as potentially leading to the significant cracking evident to panels. In relation to this specific defect comment was also made identifying doubts as to the suitability and durability of internal finishing of the same – I.E lack of coatings allowing corrosive pool environment to migrate through cracks and worsen.
- 3.1.19 It was confirmed that whilst at the time no concerns were held about the detailing of the connection of “Dycore” flooring units (to the mezzanine floor) to the supporting walls. Shortly after the completion of Baywave the constructor undertook a project using a similar structural system. This project however incorporated significantly more robust structural connections – this raised a flag for the contractor at the time. Though we understand this wasn’t raised in turn with TCC.
- 3.1.20 There was genuine surprise from the majority of interviewees when told of the ongoing issues with the seismic rating of the building. It was from an interview with the Project Architect that it was discovered that a Peer Review had been undertaken upon the structural design at the time. This peer review being undertaken by Holmes Consulting Group – a highly regarded Structural Engineering consultant. This seemingly at odds with the significant shortcomings identified within Beca reports produced during 2017.
- 3.1.21 The project team felt that, generally speaking, the level of involvement of consultants during construction was appropriate and in keeping with common practice of the time. The consultant team collectively had significant experience in the design and construction of pools. The design phase incorporated significant levels of research including study trips abroad to ensure that the most up-to-date practices were followed. It was identified that portions of the Structural Engineering observation were outsourced by the design engineer – Harris Foster Consultants – to a third party engineer – Holmes Consulting Group.
- 3.1.22 It was stated that the issues surrounding the seismic rating of the building stem from the structural design philosophy – or lack of evident philosophy. The assumptions made within the design documentation are apparently untested and in part incorrect. These assumptions led to the detailing and construction of a building that is transferring significant structural loads through brittle and inadequate connections. Beca’s attempts to engage with the design engineer have apparently been ineffective with a reluctance for dialogue advised.

### 3.2 Individual Interview Findings

- 3.2.1 The following section outlines the discussion and content of the series of interviews that were undertaken in completing this report. Each interview subject is identified, along with their role and relationship to the project, with a series of key points/findings from the conversational interview presented.

**John Scott – Tauranga City Council – Project Manager**



- 3.2.2 A significant amount of preparation and planning took place for the project, with various foundation documents being prepared including a Project Execution Plan, detailed brief and business case (none of these sighted as part of this report).
- 3.2.3 The preparation of the detailed briefing document was outsourced to an external consultant, as was the business case.
- 3.2.4 The project was the first of any scale to be delivered by TCC for approximately 20 years, the last comparable project being Bay Court Theatre. This lack of recent enterprise wide experience resulted in a very inexperienced council being charged with the delivery of Baywave.
- 3.2.5 At the beginning of the project, Jasmax and Davis Langdon were engaged, as a joint venture, to undertake a feasibility study responding to the briefing documents. This process resulted in the presentation of 3-4 options for further investigation. At this point financial modelling was produced that clearly indicated the fact that pools are not typically a source of great profit.
- 3.2.6 A detailed procurement plan was put in place (not sighted as part of this report) with the first approach to market being for Project Management and Quantity Surveying/Cost Management services. This procurement process included a competitive bid process which included a formal evaluation and interview that included senior TCC staff and councillors.
- 3.2.7 A procurement document was produced by Davis Langdon to seek design services. This procurement was structured to procure a single line of design accountability whereby the Architect was to contract to TCC for the provision of all design disciplines and utilise sub-contract agreements with sub-consultants for the provision of services outside of the Architectural realm.
- 3.2.8 The evaluation process for design services followed a similar path to the Project/Cost Management procurement and included internal council staff and councillors. A significant amount of due diligence was undertaken and included reference checking and the like. This process ended in the appointment of Jasmax.
- 3.2.9 During the design phase regular estimates were undertaken along with a detailed value management process. No significant pressure was applied from a budget perspective where the building's structural elements were concerned. This largely being due to the knowledge of the critical nature of the structure and in particular the specialist durability requirements existing with provisioning for a highly corrosive interior environment inherent with indoor aquatic facilities. At the time of the design, there had been anecdotally significant issues with the structural design of Tauranga Hospital – this being designed by HFC also.
- 3.2.10 A competitive tender process was entered into to seek suitably qualified construction contractors this process resulted in the receipt of two compliant tenders – Mainzeal Property and Construction and McMillan & Lockwood. The resulting evaluation concluded with the appointment of Mainzeal based upon non-price criteria, specifically their company experience with the delivery of similar aquatics projects. There were a number of provisional sums incorporated within the Contract price, these pertaining to elements of work that were not yet fully designed.
- 3.2.11 As a separately procured portion of work, TCC completed a tender process for civil contractors to complete the carpark area. This procurement coincided with the implementation of the TCC "City Partners" scheme – one of the City Partners being Fulton Hogan. The tender return had Fulton Hogan not sitting as preferred contractor due to their price being approximately \$60,000 more than other tenderers, the contract was, however, ultimately awarded to Fulton Hogan.
- 3.2.12 TCC changed their mind on the delivery/operation method at a very late date and decided to introduce a Public Private Partnership model whereby a private entity would be sought to deliver the operational side of the development. This process resulted in the introduction of the third party operator "H2O Management". The manager of H2O was very opinionated with regard to specific aspects of the design, including the water treatment and filtration system and increasing the size of the fitness club areas among other things. A number of significant design changes were made to accommodate these specific requests. These ideas were good in theory for the generation of revenue, however no additional funding was ever obtained.

- 3.2.13 The PPP that was entered into, was perceived to significantly favour the private operator and contained favourable long lease terms. The setup of the agreement left TCC very exposed when the manager of H2O encountered personal legal issues which led to the insolvency of the company and ultimately the cancellation of the management agreement. TCC were left facing a circa \$5 million funding gap that needed to be bridged.
- 3.2.14 Throughout the project, a severe lack of strong governance existed. There was a lack of consistency of leadership from within TCC, with various elected and non-elected staff interfering sporadically with the process. One such interference being a decision by the Council to change the type of wave pool being installed – this change carried an additional cost of circa \$600,000 and had not been budgeted for, yet no additional funding was secured prior to instructing the change.
- 3.2.15 During Construction, significant variations were encountered. These variations were not able to be covered by the allocated contingency sum. The TCC CEO engaged a “professional fundraiser” to assist with the obtaining of funds.
- 3.2.16 Difficulties arose during construction with the provision of sub-contractor resource. This is thought to have been due to a combination of the aggressive Mainzeal culture and the extremely stretched market at the time.
- 3.2.17 Mainzeal proved to be difficult from a commercial perspective throughout the project and submitted a final account that sat circa \$800,000 adrift from assessed progress valuations. This resulted in a negotiation process where eventually a settlement was reached whereby TCC agreed to pay a further \$400,000.
- 3.2.18 There was a sense that during the project, despite being informed multiple times about budget pressure and risk of overruns, councillors did not listen or act. There was a complete void in terms of any leadership or governance coming from elected members, and involvement only tended to happen when forced, and then there was a complete lack of understanding demonstrated.

**Bay Venues Limited (Gary Dawson, CEO – Steve Edgecombe, Asset & Project Manager), Beca Limited (Gavin Frost, Technical Director – Maximo Muller, Structural Engineer – Both involved with seismic assessments)**

- 3.2.19 Generally speaking significant concerns are held by Bay Venues as the owners of an asset only 14 years old with an array of issues.
- 3.2.20 The issues experienced and identified since BVL's ownership include;
- Seismic and Non-seismic structural issues,
  - Durability concerns with protective coatings and the like,
  - Weathertightness issues relating to detailing an apparent failures
  - Integrity of water bores, where cracking the below ground steel casings corroded and collapsed within 13 years.
  - Issues with some tiling elements.
- 3.2.21 Whilst elements of the Building Management System required replacement and reconfiguration, subsequent to that taking place the building systems operate well and are fit for purpose.

- 3.2.22 In terms of the significant seismic issues identified with the buildings structure, it is fair to state that at the time of the building's design the various seismic design codes were much more vague than the standards currently in place particularly in determining the importance level that a building has been designed to. Applying the current code the Baywave building should clearly be an "Importance Level 3" (IL3) structure. However, it is possible that at the time, the design engineer determined the building as being "Importance Level 2" (IL2). The fact that no design features report has been sighted means that this is not able to be easily determined. The impact of this however would be minor in terms of the assessed compliance of the building.
- 3.2.23 From the outset of the structural design, flaws existed. Based on the geotechnical information available, the wrong soil class assumptions were carried forward to the structural design. Type B soil and the relevant parameters were adopted in the design of the foundation system, this should have been a Type C soil. The effect on the seismic performance of the building due to this error is, however, relatively small compared to other more critical design errors.
- 3.2.24 From structural calculations reviewed, an assumption adopted in respect to ductility has been incorrectly applied to the design of certain elements – this is particularly applicable to the design and detailing of the connections between the concrete mezzanine floor and the underlying structural walls. This incorrect assumption has led to brittle connections being detailed and constructed in these locations – these being the determining factor in concluding the overall building seismic rating. These connections are critical as significant load paths from the ladder frame roof truss are transferred through these elements – based on Beca's interpretation of the design philosophy.
- 3.2.25 From destructive investigation it has been clearly identified that the reinforcing placement within Structural Concrete elements has been undertaken incorrectly, this contributes to the poor seismic rating.
- 3.2.26 There are specific locations that bracing is shown on structural drawings. However, this has not been constructed. These "braced bays" have instead been constructed as infill aluminium window joinery. The absence of this bracing fundamentally alters the analysed load paths present within the building structure.
- 3.2.27 During the interview it was noted that a concrete block shear wall has been identified as appearing to be hollow, at least in part – I.E not filled with concrete. This poses a potential further risk and issue that had not previously been accounted for within Beca's analysis, Beca and BVL noted that investigations on this element were to be ongoing.

**Chris Jack – Project Architect, Jasmax**

- 3.2.28 The Principal Architect that delivered the design of the Project was Ivan Mercep, he has since passed away. Chris Jack joined the project during the detailed documentation phase and remained involved as the Project Architect throughout the Construction phase undertaking construction observation and the like.
- 3.2.29 Jasmax had worked successfully with their sub-consultant team on various occasions previously and maintained a good working relationship throughout the project.
- 3.2.30 Whilst the whole of the consultant team was based in Auckland, the group frequently ride shared to attend the site on at least a fortnightly basis throughout the Construction phase. This level of attendance and observation felt appropriate at the time.
- 3.2.31 Throughout involvement with the project, it appeared that there was very little governance structure in place and the whole of the project seemed to be run by John Scott of TCC with no apparent leadership from a higher level within TCC.
- 3.2.32 Although not able to be confirmed from Jasmax internal records there was a fair degree of certainty that a Structural Peer Review had been undertaken at the Building Consent stage by Holmes Consulting. (This was subsequently verified and discovered within the TCC "Property File".)

- 3.2.33 The quality assurance requirements for the project were stringently set out within specification documents and were fairly "intensive" requiring numerous samples and mock-ups.
- 3.2.34 The construction programme that Mainzeal were engaged to deliver upon was very tight (a little over 12 Months). This felt like a short timeframe at the time considering the complexities of the project.
- 3.2.35 From the outset of the construction phase, Jasmax had concerns with the level of specific experience of the project team with similar projects. It felt as though there was a significant degree of hand-holding required to assist Mainzeal in resolving methodology and sequencing issues caused by this lack of knowledge.
- 3.2.36 It was felt that Mainzeal completely underestimated/misunderstood the specialist detailing requirements inherent with an indoor aquatic facility. This lack of knowledge led to a very high volume of site raised Requests for Information (RFI's) that in Jasmax's view wouldn't have been raised by a suitably experienced contractor.
- 3.2.37 Mainzeal's site team did not include a services coordinator. This was unusual and not adequate for a project with such an intensive services engineering component.
- 3.2.38 The pool of suitable sub-contractors to undertake various specialist tasks was very limited at the time. This clearly impacted on Mainzeal's ability to deliver.
- 3.2.39 Significant strain was put on the project when the contracted pool operator departed. This appeared to have substantive impacts upon the budget. This strain was compounded when an alternative pool management company (Leisure Co) from Australia were appointed to manage the facility. From the outset there were significant concerns around the ability and knowledge of Leisure Co.

**Shane Rowse – Contract Supervisor, Mainzeal Property and Construction**

- 3.2.40 The frequency of visits by Consultants to undertake site observation, seemed in line with common practice at the time. Harris Foster Consulting engaged Holmes Consulting to undertake the majority of the structural construction observation processes on their behalf. This involvement included the checking of items such as pre concrete pours and extended to the issuing of Consultant Advice Notes.
- 3.2.41 As part of the structural and Architectural specifications a significant quantum of samples and mock-ups were required. This was in excess of what was generally required at the time, and the requirements were complied with by Mainzeal with numerous samples produced and reviewed by the consultant team onsite. Overall Mainzeal's perspective on the quality delivered was that it was of a high standard.
- 3.2.42 The level of design change experienced throughout the construction phase was not seen as significant. There were however a number of contentious items, these predominantly linked to the accuracy of the Schedule of Quantities upon which Mainzeal's contract price was based, along with various detailing requirements that were seen as outside of what was shown/demonstrated on drawings.
- 3.2.43 At the time it was perceived that a very capable team of consultants had been assembled to design and deliver the project. This translated to a well-developed set of construction documentation.
- 3.2.44 There were a number of buildability issues encountered during construction, a key one of these being the large size of the precast concrete panels that the design called for – this created issues with lifting and transporting the panels due to the potential for cracking under their own weight.
- 3.2.45 The construction programme was very tight and was perceived as somewhat enforced upon Mainzeal. To maintain the programme required significant effort from the whole construction team and necessitated a heavy management resource commitment. Significant issues were encountered as in-ground construction progressed through an extremely wet winter this caused the water table to become highly elevated and required a large amount of de-watering to be completed.
- 3.2.46 At the time the construction and detailing of the "Dycore" concrete mezzanine floor did not seem unusual or inadequate other than to say that the thickness of the topping slab seemed thin at a nominal 65mm thickness, all things considered. Shortly after Baywave was complete, however, another similar concrete structure was built and this structure employed significantly more substantial and robust connection details – this did raise a flag as to the adequacy of the Baywave structure at the time.
- 3.2.47 The design of the building was considered "different" and relied on unusual means to control the internal environment, it was considered perhaps a little 1-dimensional from Mainzeal's perspective.
- 3.2.48 A number of surface treatments seemed questionable in terms of long-term maintenance. An example of this being areas of exposed concrete wall panels. There is a feeling that the highly corrosive internal environment of the complex could easily penetrate the concrete panels and potentially impact the integral reinforcing steel. An applied paint finish is suggested as perhaps a more appropriate treatment.
- 3.2.49 The overall ongoing maintenance of the facility appears questionable. Corrosion seems to be evident to Stainless Steel surfaces and it is questionable as to whether this is regularly cleaned down as required to suitably maintain the surfaces.

## 4. Lessons Learned

### 4.1 Summary of Key Points Informing Lessons Learned

- 4.1.1 Through the combined research approach outlined and detailed within this report key themes have been identified as being key to the generation of a lessons learned summary. These key points are identified below (as they relate to the investigation categories identified);

NO.	CATEGORY	Key Themes
1	Client & scope	Decision by TCC to introduce a Public Private Partnership into the project at a late stage. Poor record keeping Introduction of scope change and increase at the behest of the Private Partner Introduction of additional scope by Elected Members.
2	Supply chain	Evaluation of capability of individual team members of proposing organisations Implementation of "single line of accountability" consultant procurement method. Overly ambitious construction programme proposed and accepted
3	End Product	Significant Structural deficiencies Suitability of designed materials and Construction Systems
4	Finance	Lack of control of budget and uplift of funding to accommodate change
5	Governance	Lack of formalized and effective governance

## 4.2 Client and Scope

- 4.2.1 **Decision by TCC to introduce a Public Private Partnership into the project at a late stage and Introduction of Scope Change as a result.**
- 4.2.2 It is clear from the research undertaken that the late introduction of a PPP into the Baywave project had significant implications for the project, these implications stemming from a multifaceted failure;
- The impact of late changes to the design due to the remit given to the private partner,
  - The impact of the eventual departure of the private partner.
- 4.2.3 The agreement between the TCC and H20 management enabled H20 to have a significant influence over the design of the facility – a good approach when applied correctly. The fact that H20 were procured at a time when the majority of the design and budget had been finalised meant that the incorporation of changes appears to have been undertaken hurriedly. This late introduction with fixed timelines already in place means that it would have been very difficult to appropriately design, estimate cost, value manage and adjust budgets to accommodate. TCC were put in a compromised position whereby there was insufficient time to evaluate the relevance and/or necessity of H20's requests and effectively had no real choice but to implement the changes without the requisite due diligence being undertaken.
- 4.2.4 The fact that the director of the partner organisation encountered personal legal issues that resulted in TCC being forced to dissolve the partnership exacerbated TCC's exposure as a result of the PPP no end. Not only had TCC been effectively forced into accommodating late changes, but now they were also exposed to significant additional costs for which no budget existed. This event created the environment and circumstances that played out as the project being significantly over budget etc.
- 4.2.5 The portions of the agreement reviewed for the purpose of this report contain no provision of performance bonds or insurances to account for the default of the TCC partner. The absence of such provision left TCC exposed to the full risk associated with H20's non-performance or inability to perform. Future Partnering Agreements should incorporate protective measures to mitigate the catastrophic impacts of the dissolution of such an agreement.
- 4.2.6 **Lesson Learned**
- 4.2.7 Documentation laying the foundation of the purpose and direction of a project at its outset is core to the delivery of any project. This documentation should exist in the form of a Project Execution Plan (PEP). Within the PEP funding arrangements and methods should be identified along with the project structure. It is at this point of a project that significant decisions relating to financial models and the like should be taken.
- 4.2.8 PPP's can tend to be complex agreements that take significant time and effort to negotiate and agree upon a mutually beneficial arrangement. Ultimately the specifics of such an agreement should feed in to the strategy and approach to the delivery of the project. And inform such things and procurement models, consultant selection, programme etc. etc. This need makes the decision to adopt a PPP (where this is being considered) an early stage task for the project governance group. Once a project has been initiated and commences any proposed change in the core delivery method should be fully considered and if taken up a review of the status of the project undertaken, a risk assessment completed and ideally progress paused while a PPP is formed. The project delivery timeframe would then require adjustment to facilitate the briefing process and accommodate the lost time during the "pause". Introducing such significant structural changes without adjusting delivery expectations can prove fatal to the perceived success of a project, as evidenced through Baywave.
- 4.2.9 The due diligence functions required to confirm the suitability of a partner are absolutely crucial. Whilst it is not possible to ascertain what level of Due Diligence was undertaken by TCC nor whether any additional reasonable due diligence would have ultimately uncovered the legal issues the director was faced with. The situation is a key reminder as to the risks of a public entity entering into a partnership with a private organisation.



**4.2.10 Poor Record Keeping**

4.2.11 The approach taken with the undertaking of this review, highlighted an inadequate level of record keeping and organisation of those records.

4.2.12 It is worth noting that the time that the project took place coincided with significant shifts in technology, where email was beginning to replace written and faxed correspondence but all forms coexisted. It is fair to assume that this step change would have posed significant challenges to the way in which files were stored.

**4.2.13 Lesson Learned**

4.2.14 The accuracy and organisation of records relating to any project is absolutely critical – without a structured and well maintained record/archive system it is extremely difficult for a third party – I.E any person that was not intimately involved in the delivery of the project - to locate specific key documents. There are several absolutely critical documents referred to within our interview with John Scott, that despite him stating that they were produced, no record can be found of them.

4.2.15 A well organised. Logical, file structure should be determined at the outset of any project. The files contained within this structure should wherever possible follow a logical naming convention, consistent across an organisation, to enable documents to be readily searchable. This process is at the core of both the administration of the project during its lifecycle and the archiving and retaining of files for future reference.

**4.2.16 Introduction of additional scope by Elected Members**

4.2.17 A directive to amend the design to incorporate a different wave pool did not of itself create an issue. It is the fact that such a directive was given without any apparent consideration of the financial implications or adjustment of project budget to accommodate the change that caused an issue.

**4.2.18 Lesson Learned**

4.2.19 Change requests and subsequent change management process are part of the nature of the delivery of projects with multiple stakeholders, they are to an extent unavoidable, it is how requests for change are dealt with that is critical. Processes for dealing with change should be developed at the outset of the project. These processes should record: what the proposed change is, who has generated the change request, the reason for the change any financial or time related impact of the change. These change request forms should then be approved by the Project Control Group, and ultimately signed off by the Project Sponsor. The process of approving change should incorporate reviewing the cost and benefit of the change along with evaluating whether the change can be tolerated by the project constraints.

**4.3 Supply Chain****4.3.1 Evaluation of capability of individual team members of proposing organisations**

4.3.2 The specific skillsets associated with successfully delivering unique projects in the Construction industry are often best obtained through experience with projects posing similar challenges. Indoor aquatic facilities are highly specialised spaces that incorporate highly bespoke detailing and construction systems to deal with the set of challenges associated with a highly corrosive, high humidity internal environment. Through the procurement of the construction contractor, ultimately Mainzeal, a high value was placed on the experience of Mainzeal as an organisation.



**4.3.3 Lesson Learned**

4.3.4 For large construction contractors the crucial element to assessing competency is the specific experience of their allocated team. Often the sharing of specific knowledge within large organisations in the Construction Industry is lacking. Essentially it is not unreasonable to suggest that despite Mainzeal, as a company, having delivered several directly comparable projects it is highly likely that (as evidenced through interviews undertaken) that the individual team members charged with delivering the project had little or no experience with the construction principles key to delivering the project without significant coaching.

4.3.5 The use of procurement methods where a suitable weighting is given to individual team member experience along with applying a monetary bond to secure those team members put forward within a proposal is an effective means of ensuring that the best value can be derived from a contractors tender.

**4.3.6 Implementation of "single line of accountability" consultant procurement method.**

4.3.7 The concept of undertaking only a single procurement process and engaging in only a single contract agreement for the delivery of the whole design element of a project is an attractive proposition. Prima facie the use of a single line of accountability should reduce the risks to a client organisation and places the design team performance risk on the shoulders of one party. However, in practice the approach significantly reduces the power of the client to direct and control the design process. This process also limits the Client's control of the actual personnel of sub consultants which poses the same issue as the above mentioned contractor team selection.

**4.3.8 Lesson Learned**

4.3.9 Where large, complex projects are being delivered it is highly advisable that individual, independent design consultants are engaged under separate agreements with appropriate liability provisions.

4.3.10 The development of robust scoping documentation and consulting agreements allows for the mitigation of risk associated with the appointment of individual, independent design consultants and enables the Client to undertake its own due diligence on each and every design consultant ensuring that relevant experience exists and that the requisite insurances are in place. Through this approach the Architect can still be appointed as the lead designer and hold the overall responsibility for coordinating the design team towards a collaborative and complete solution.

4.3.11 Throughout the project duration each of the consultant team is directly answerable to the Client and opportunities for the covering up of design errors and the like are minimised through management processes implemented by an appropriately competent Project Manager.

4.3.12 Direct procurement also ensures the Client has the ability to select a team with the required experience and drive from the individual consultants.

4.3.13 The provision of carefully scoped and prepared individual consulting agreements enables the clear allocation of liability provisions within standard form agreements (CCCS, NZIA etc). It is crucial that the liability caps within these agreements are tailored to address the actual risks associated with the design work being carried out, and the potential cost of rectification in the event of failure of the Consultant. The standard liability provision of "5 times the fee" is very rarely a suitable level of coverage.

**4.3.14 Overly ambitious construction programme proposed and accepted**

4.3.15 TCC's Request for Tender document stated a contract duration as 12 months, to which Mainzeal's Tender response complied, this subsequently forming part of the Contract. The ultimate construction duration ended up being slightly under 18 months.

4.3.16 The Baywave building is fairly significant in size and contains significant complexity. It is fair to say that the achievement of the delivery of the building in a 12 month timeframe, in a constrained market, was unrealistic at best.

**4.3.17 Lesson Learned**

- 4.3.18 A prudent approach to the procurement of Construction Contractors includes leaving the definition of programme as much as possible to the tendering Contractor's discretion. It is a reasonable assumption to make that if a client states a completion date, then a contractor will make their tender programme duration fit to avoid losing in a competitive environment. The end result of the acceptance (or enforcement) of an unrealistic Construction timeframe will generally be that the Contractor is looking at ways and means of recovering time (and resultant money) to build a buffer to shield them from Liquidated Damages. This process results in various claims for Extension of Time and commonly progresses towards conflict and formal dispute.
- 4.3.19 As part of any tender evaluation, it is suggested that an interrogation of the construction programme is undertaken rather than just blindly accepting the fact that the contract says they can complete within a certain timeframe. A competent contractor should be able to demonstrate a clear logic and have sufficient knowledge of the building and the means by which it will be constructed that all activities should be shown including dependencies, allowing sufficient time for the production and review of off-site activities such as shop drawings.

**4.4 End Product****4.4.1 Significant Structural Deficiencies**

- 4.4.2 The resulting structure of the Baywave building was evaluated by Beca as an independent expert as holding a seismic rating of 25% of the New Building Standard (NBS). Urgent works were then undertaken to improve elements of the structure and bring the building up to an assessed 35% NBS. This rating is only marginally above the 33% threshold for the building to be legally categorised as "Earthquake Prone". This is a situation that is clearly an unacceptable position to be in with a building constructed only 14 years ago.
- 4.4.3 The particular structural deficiencies largely relate to the way a series of structural assumptions have been made and implemented. These assumptions have been identified as either incorrect or incorrectly interpreted/implemented. The overall seismic rating is determined through the lowest scoring specific element of the design, this due to the critical nature of these elements and how they interact with transfer of significant structural loads within the building.
- 4.4.4 A structural peer review was undertaken at the building consent phase. It is reasonable to expect that where a design is produced by a CPEng Engineer and then formally reviewed by another that the fundamental elements of the building design are compliant with relevant codes of practice and standards.

**4.4.5 Lesson Learned**

- 4.4.6 A high degree of trust is placed upon the design and peer review process where highly technical design elements are concerned as is the case with Structural Designs. The process has at times proven to be somewhat flawed. These instances could speculatively be linked to the means by which the Peer Reviewer is selected. Often the Structural Engineer is asked who they would like to use to undertake the peer review. There exists a risk with this approach that the design engineer will select a peer reviewer with whom they may be overly familiar – I.E an ex colleague or similar. Where there is an innate sense of trust between the Designer and Peer Reviewer there is potential that the review process will not be completed with the rigour that is intended of it. There is anecdotal suggestion that whilst the Designer and Peer Reviewer of Baywave were both considered skilled Engineers in their own right, the Peer Reviewer had in fact previously been employed by Harris Foster Consulting, presenting a clear conflict of interest.
- 4.4.7 It is unclear from the scope of our review as to the means by which the structural peer reviewer was engaged. However, given the Consultant procurement methodology adopted (single line accountability – as discussed in the "Supply Chain section above) it is fair to assume that the Peer Reviewer was selected and engaged by Jasmax, most likely having followed the recommendation of Harris Foster.

- 4.4.8 It is a recommended approach for a prudent client that any Peer Reviewer is engaged directly by the Client after following its own procurement process. Part of the procurement should require the prospective Peer Reviewers to clearly state any perceived or actual conflicts of interest. It is crucial that the Peer Reviewer be engaged in the early phases of any project to enable critical analysis of the design and related assumptions to be undertaken prior to the design being “set-in-stone” and an overall design philosophy agreed between the two parties. The client should be privy to all communications between the designer and peer reviewer with all queries and discussions recorded – the final version of this record should demonstrate the progression through any issues from identification, to resolution. It is suggested that this process be followed for any complex technical discipline.

**4.4.9 Suitability of Designed Materials and Construction Systems**

- 4.4.10 Areas of the building are not performing in line with expectations in terms of durability with many elements exhibiting early deterioration.

**4.4.11 Lesson Learned**

- 4.4.12 Indoor Aquatic Facilities are inherently extremely complex buildings. The interior environment is incredibly difficult to manage as a combination of high (and constant) humidity, and highly corrosive elements mix. Unique consideration needs to be given to the selection of materials and finishes along with the detailing of the external envelope.
- 4.4.13 Whilst it appears that a high degree of effort was put into the surface protection of the various steel components within the building, it is questionable as to whether the same degree of rigour was applied to the selection of other materials and their finishes. There are various elements within the building that incorporate “exposed” surfaces such as concrete block structural walls and precast concrete external walls. It is possible that whilst these elements are exhibiting signs of early deterioration by way of cracking, the actual presence of these cracks and the fact that a number bridge from the interior to the exterior mean that there is a high likelihood that corrosive condensation is able to form on the inside of the panel and potentially contact reinforcing steel leading to the growth of cracks. A more appropriate finish may potentially have been available for these surfaces such as an appropriately durable paint system.
- 4.4.14 It is suggested that any future aquatic complex projects incorporate the services of a building enclosure specialist (façade engineer) to ensure the right balance between the aesthetic and building durability and performance is found.

## **4.5 Finance**

**4.5.1 Lack of control of budget and uplift of funding to accommodate change**

- 4.5.2 The Baywave Project encountered significant financial issues, where original budgets were exceeded and additional funding was required to complete the project. This funding shortfall was due to a number of factors including; the exit of the operator H2O, changes to the project without adjustment to budget and a complicated funding arrangement.

- 4.5.3 The ultimate cause of the exceeding of the budget however appears to boil down to the overall financial management of the project and a lack of decisive action from Councillors when told of budget pressures.

**4.5.4 Lesson Learned**

- 4.5.5 The control of budget and the manner in which possible cost overruns are dealt with is an absolutely fundamental aspect of the control of a project. Generally speaking, additional costs come about as a result of change, whether the change be to the overarching parameters of the project or for a more detail oriented reason. Some elements of change within a Construction Project are unavoidable, these changes relate to unforeseen situations where specific conditions found on the site dictate that aspects of the design, either significant or minor, must change to enable the delivery of the project – these types of change are what a contingency is held to cover. In the case of Baywave, the contingency seems to have been utilised to accommodate both avoidable change and major project structure change. The level of contingency held within the budget was never going to be sufficient to cover the circa \$3m - \$5m shortfall that was created by the failure of the PPP agreement. At the point of the dissolution of the management agreement, the facility was well into its construction phase. So in many ways the ultimate budget overrun became unavoidable, the situation highlights the importance of the points raised earlier in this report with respect to the checks and balances that must be completed prior to entering into any commercial agreement on which the Council relies. While this item specifically relates to Budget Control, it is very much linked to Project Governance which is considered below.

#### 4.6 Governance

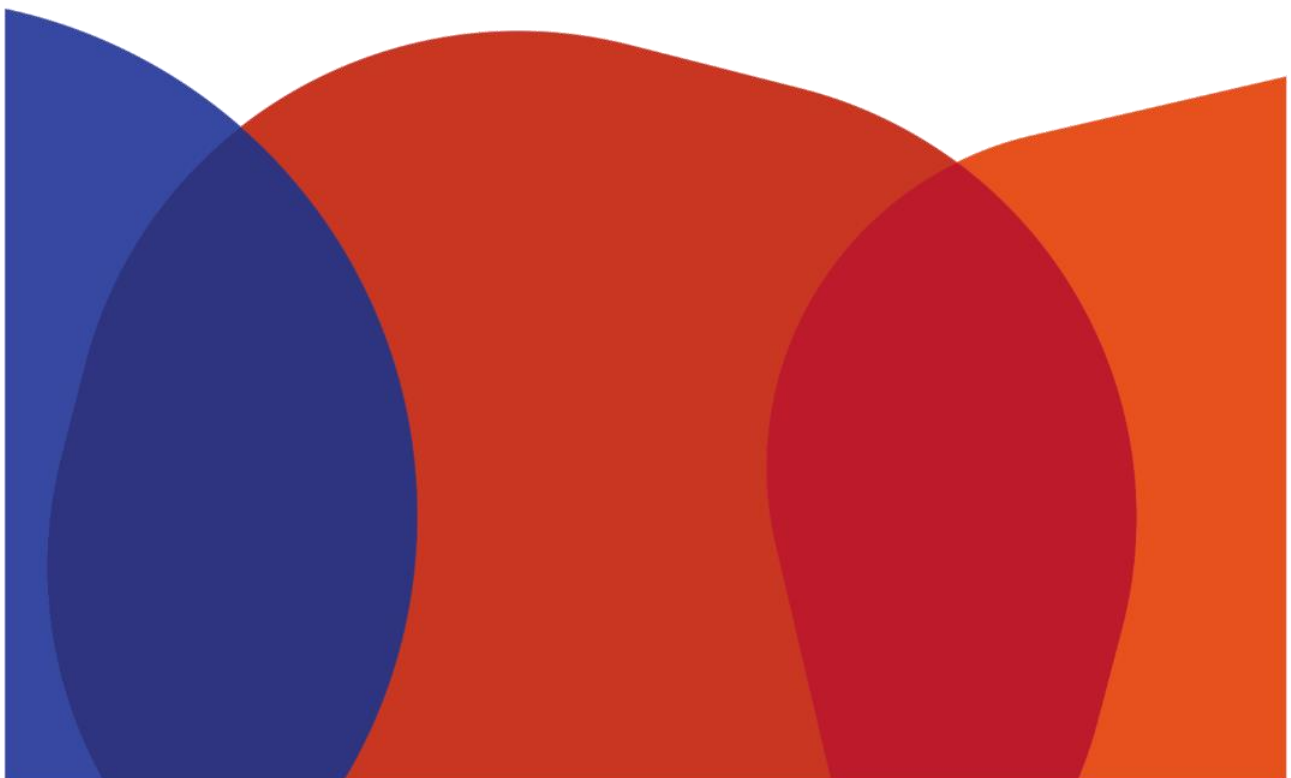
- 4.6.1 It is evidenced through the research undertaken in the preparation of this report that the Project lacked any truly effective governance. This lack of governance and formality appears to have led to or contributed to the perceived failings of the project.
- 4.6.2 Good governance is at the heart of structuring a project for success. The importance of this project function is amplified when a project exists within a complex organisation such as TCC where numerous stakeholders exist and deliverables span across various different business units or departments.
- 4.6.3 **Lesson Learned**
- 4.6.4 As a large organisation that frequently undertakes project based work, TCC should have a structured approach to defining project governance structures. Whilst the specifics of any given project may differ significantly the role of governance does not. Every project requires a governance structure regardless of the value or size of the project.
- 4.6.5 Generally, any project should have a Project Control Group initiated at the outset. The role of this group being to fulfil the core Governance functions associated with the project. The purpose being to provide strategic oversight, resolve issues and ensure the resources are available so that the project meets its objectives and delivers the projected benefits.
- 4.6.6 The makeup of the PCG should be identified and agreed at the project initiation. Of paramount importance is that the members of the group understand their individual role. A clear delineation of hierarchy, responsibilities and delegation of authority should be drafted, agreed and implemented without deviation. It is crucial that the group include a designated chair/decision maker – this is not necessarily the Project Sponsor, but a person with a formalised delegated authority under which they may act.
- 4.6.7 The function of the PCG can be broadly described as including;
- Provide overall strategic guidance
  - Manage political risk
  - Approve all major plans and authorise any major deviation from the agreed plan
  - Agree the project tolerances for time, quality and cost
  - Provide advice and support for the project sponsor
  - Make recommendations as appropriate to the Council
  - Ensure all the required resources are available
  - Facilitate organisational or cultural change which may be required within the organisation.
  - Take responsibility for the ongoing funding of the project, including agreeing the budget and approving any additional funding requirements.

- 4.6.8 It is important to understand that the role of the PCG should ideally not involve the detailed management of various workstreams but be limited to the Governance of the project and ensuring that each of the various workstreams are able to succeed in delivering on the project objectives. Providing this separation of function enables the PCG to operate at an appropriately high level and not get "bogged down" in detail.
- 4.6.9 It is crucial that there is continuity of the participants in the PCG, and attendance at PCG meetings is limited to those participants with a specific role. It is not beneficial to a project to have numerous extraneous attendees nor is it useful having nominated attendees whom infrequently attend PCG meetings. The organisation must entrust the PCG and its members with carrying out the responsibilities and functions bestowed on it. Equally, the PCG must report to the Project Sponsor frequently and clearly understand when items need to be escalated.





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## 8.2 Kulim Park Upgrade Update

**File Number:** A11168508

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### PURPOSE OF THE REPORT

1. To update the Projects, Services and Operations Committee on the Kulim Park Upgrade project and confirm the scope of works proposed to complete the project.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee (PSOC):

- (a) Receives the report "Kulim Park Upgrade Update"
- (b) Approves the trial layout shown in Appendix 1 to be implemented in early 2020
- (c) Approves a full design for the 'do minimum' upgrade being prepared through 2020 for implementation in early 2021.

### EXECUTIVE SUMMARY

2. Following the resolution from PSOC on 3 December 2019, options have been developed to give effect to the 'do minimum' upgrade approved through that resolution. Potential options are outlined in this report.
3. It is recommended that initially, a trial layout is implemented to manage the unrestricted vehicle access and allow for monitoring and community feedback. A final layout and design can then be prepared and implemented in early 2021, including playground upgrade, shared pathway and any other design elements that fit within the scope of a 'do minimum' upgrade.

### BACKGROUND

4. Kulim Park is a high-profile harbour reserve that serves as a destination for residents (local and citywide) and visitors to the city. It is located in Bureta, Ōtūmoetai and is part of a wider network of harbour reserves including Maxwells Road Reserve, Beach Road Reserve and Fergusson Park.
5. The purpose of the Kulim Park Upgrade is to recognise the potential for improvements to increase the use and enjoyment of the park, with emphasis on completing walkway and cycleway connections and better management of vehicle movement, parking and drainage. The harbour edge of the park has recently been enhanced with a repaired seawall and beach replenishment works, creating an attractive sandy beach on the harbour.

### Process to date

6. A summary of the process to date for the Kulim Park upgrade is outlined below.

Timeframe	Stage	Process
Jun–Oct '17	Project initiated Tender and award of contract for design services	Project identified in Reserve Management Plan. Project and budget brought forward in 2017/2018 Annual Plan. Contract for design awarded to Resilio, an Auckland-based landscape design firm.

Timeframe	Stage	Process
Oct '17	Tangata whenua engagement	Pre-concept design engagement.
Dec '17	Community engagement	Pre-concept design engagement.
Mar '18	Design	Development of initial concept design incorporating outcomes of community engagement.
Apr '18	Community engagement	Engagement on concept design.
May '18	Design	Further refinement of the design incorporating outcomes of community engagement.
Aug–Dec '18	Tender and award of contract for construction	<p>The lowest tender price for a full realisation of the design was \$695,000 more than the original budget of \$1,086,812.</p> <p>A reduced scope was agreed to allow a deliverable project within the original budget. The construction contract was awarded to Higgins.</p>
Feb '19	Review	The project was paused to allow a review of the project by Max Pederson Consulting.
16 Apr '19	Review	Outcome of above review presented to Council.
22 May '19	Council decision (M19/30.12)	<p><i>Approves the revised capital programme for 2019/2020 with the following amendments:</i></p> <p><i>(iv) Addition of \$695,000 for Kulim Park.</i></p> <p>Budget required to better reflect concept design costs at the time.</p>
18 Jun '19	PSOC decision (M19/36.4)	<p><i>Recommends that an additional budget of \$1,000,000 from the Historical Contributions Fund be included in the 2019/2020 Annual Plan for the redevelopment of Kulim Park (note that the \$1M was inclusive of the \$695,000 approved in the 22 May meeting).</i></p> <p><i>Approves staff undertaking a final round of engagement prior to bringing a final design to the PSOC to consider approval to proceed to construction in 2019/2020.</i></p> <p>The additional \$290,000 budget was required for risk funding allowance, construction monitoring, consenting, iwi monitoring and internal project management. There was also \$15k allowance for design, coming to a total of \$305,000.</p>
Aug '19	Design	<p>Project restarted.</p> <p>NZ Parks review recommendations provided to 18 June meeting were incorporated into design. Design elements removed in the reduced scope were reintroduced.</p>



Timeframe	Stage	Process
Oct '19	Community engagement	Engagement on the latest version of the concept plan. Public open day, information evening and online feedback.
21 Nov '19	Committee briefing	Presentation of concept design by consultant, and presentation of alternative design prepared by residents' group, followed by peer review of both design concepts.
3 Dec '19	PSOC decision	'Do minimum' upgrade resolution approved (see below).

7. On 3 December 2019, PSOC considered a report from staff regarding options for progressing with the proposed Kulim park upgrade. The PSOC resolution from that meeting was:

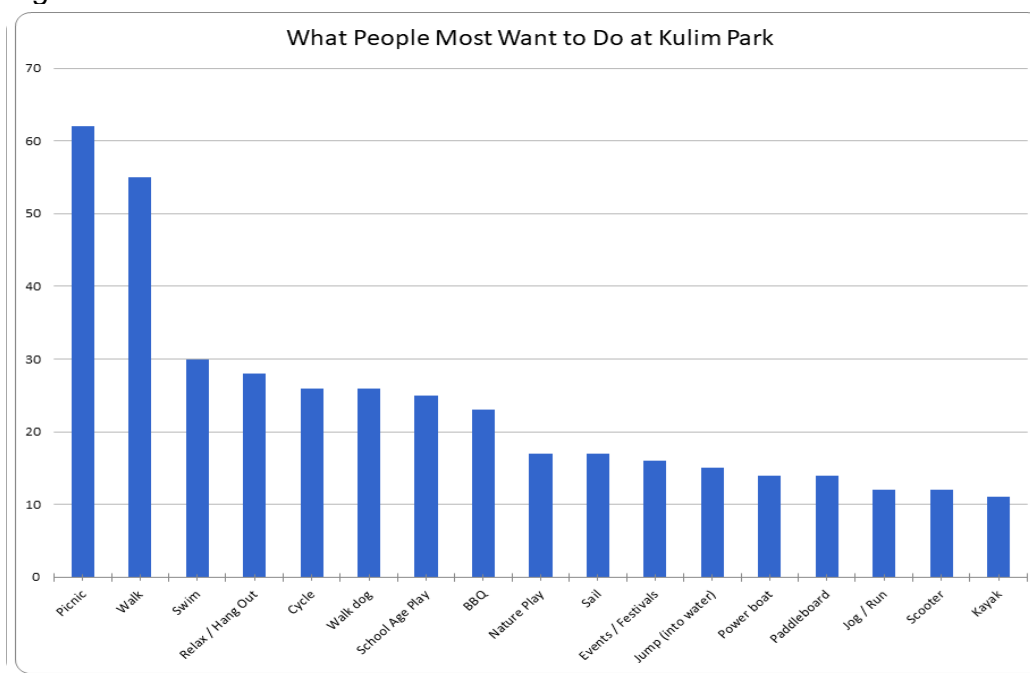
*That the Projects, Services and Operations Committee:*

- (a) Receives the report "Kulim Park Upgrade"*
  - (b) Receives the community engagement report included in Attachment A*
  - (c) Adopts the 'Do Minimum' approach plan for the Kulim Park Upgrade at this stage with the following outcomes:*
    - (i) Improving drainage of the park*
    - (ii) Minimising unrestricted vehicle access on the grassed areas*
    - (iii) Maintaining a minimum of 80 carparks (not necessarily sealed)*
    - (iv) Upgrading the children's playground*
    - (v) Constructing a shared pathway seaward of the existing roadway*
    - (vi) Minimising invasive earthworks*
    - (vii) Continued monitoring of park use to provide more information for future decision making and park development*
  - (d) Notes that this revised programme of design and construction for the Kulim Park Upgrade project is currently provided for within current budgets.*
8. This report seeks a resolution from PSOC confirming the programme and scope of works to give effect to the 'do minimum' upgrade resolution.

#### **HOW DOES THE 'DO MINIMUM' OPTION DELIVER AGAINST OUTCOMES SOUGHT BY THE COMMUNITY**

9. The community engagement undertaken for Kulim Park provides insight as to what people value most in terms of enjoying the park. Figure 1 below provides a summary of what the community engagement revealed.

Figure 1



10. The 'do minimum' option can still deliver in terms of improving the park for the most popular and valued activities.
11. The single most important opportunity is to maximise the places in the park where people can relax and safely enjoy the best aspects of the park, including the facilities and view to the harbour/Mauao. This can be achieved through providing for:
  - (i) Maximising grassed areas where there is shade and visual connection to the harbour edge and playground; and
  - (ii) Reducing vehicle conflict between pedestrian users of all ages and the best facilities and attractions in the park – i.e. playground, barbeques, seating, picnicing areas and the harbour's edge – including the connections between these elements.
12. The opportunity to improve the park experience in terms of these factors has been considered by staff in bringing options to this Committee for the 'do minimum' set of improvements.

## OPTIONS ANALYSIS

13. The resolution from 3 December PSOC can be delivered in several different ways in terms of configuration of the site. Two potential options as to basic site layout are shown in Appendix 2. The essential difference between the two being the length of the access road within the park.
14. This report recommends that rather than commit to a site layout from the outset, a trial layout should be implemented in the immediate term as shown in Appendix 1. This layout will minimise the unrestricted access to grassed areas and still provide for 80 car parks. This will also effectively address improving drainage of the site through re-grassing and aerating the soil, and completing the drainage connections to the outfalls.
15. This report recommends that the final full park layout and design for the 'do minimum' treatment of the park should be prepared after the trial layout has been implemented. This approach will allow for the following:
  - i) Integrating with the proposed playground upgrade design;
  - ii) Integrating the shared pathway with the final road extent; and
  - iii) Being responsive to monitoring data and community feedback from the trial layout.

16. This approach would allow for a design to be prepared for consideration of the PSOC in 2020 and delivery of the final improvements in early 2021.

### FINANCIAL CONSIDERATIONS

17. The trial layout will require a budget of approximately \$50K. This includes consideration of budget to trial different options around parking layout.
18. The resolution and meeting minutes from the 3 December PSOC meeting indicate a budget of \$250K for the proposed playground upgrade. A similar order of cost is likely for the shared pathway element although this is dependent on the final alignment, width and surface treatment(s) proposed. This detail will be confirmed and brought back to the PSOC following the trial phase.
19. As stipulated in the 3 December 2019 resolution, the budget required for the 'do minimum' upgrade is provided for within existing budgets.

### LEGAL IMPLICATIONS / RISKS

20. The 'do minimum' upgrade will be different from the design previously prepared through previous rounds of community engagement. This does give rise to some risks associated with timing of works, availability of existing budgets and arrangements with the approved contractor. Provided the upgrade works can be completed in early 2021, the risks associated with these factors are assessed as low.
21. There is a moderate reputation risk outstanding given how far the 'do minimum' option departs from concepts that were expressly consulted on with the community. There is an opportunity to manage this departure from the previous design track through the trial phase, and through appropriate ongoing communications and engagement.

### CONSULTATION / ENGAGEMENT

22. Three phases of community engagement have been undertaken to date. Further communications and engagement will be undertaken if necessary and with guidance from the Council Engagement Team. As a minimum, the outcome of the decision at this meeting will be communicated via the project website and a project update to those who have indicated they would like direct updates.

### SIGNIFICANCE

23. The matters outlined in this report are likely to be of moderate significance and public interest, being that they relate to the potential transformation of a premier city-wide amenity destination.

### NEXT STEPS

24. Implement the extent of works shown in Appendix 1 to initiate the trial phase.
25. Monitor usage and gain community feedback through trial phase.
26. Commence playground upgrade design.
27. Prepare a full site design integrating all 'do minimum' upgrade elements and monitoring/engagement data for consideration at a future PSOC meeting in 2020.
28. Complete park upgrade in early 2021.

### ATTACHMENTS

1. **Appendix 1 - Kulim Park Upgrade Trial Layout - A11176399** [!\[\]\(a724a4a68298d6dff85fe378e838a60a\_img.jpg\) !\[\]\(e45f0f4def98e1246d9487bb157beff5\_img.jpg\)](#)
2. **Appendix 2 - Kulim Park Upgrade Indicative Phase 2 Layouts - A11176432** [!\[\]\(88bfc90d98dd4d34739a3a724db7c68c\_img.jpg\) !\[\]\(ccf2eae7cfca7109675c84141018761f\_img.jpg\)](#)













### 8.3 Elizabeth Street Upgrade Update

**File Number:** A11169924

**Author:** Doug Spittle, Team Leader: Public Spaces

**Authoriser:** Gareth Wallis, General Manager: Community Services

#### PURPOSE OF THE REPORT

1. This report serves to update the Projects, Services and Operations Committee on progress through the concept design phase and seeks direction on the following:
  - Confirm the project objectives
  - Endorse the communications and engagement approach for the concept design phase

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#### RECOMMENDATIONS

That the Projects, Services and Operations Committee (PSOC):

- (a) Receives the report – Elizabeth Street Upgrade Update
- (b) Approves Attachment 1 – Elizabeth Street Upgrade Project Objectives
- (c) Approves Attachment 2 – Elizabeth Street Upgrade Communications and Engagement Approach

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#### EXECUTIVE SUMMARY

2. The Elizabeth Street Upgrade Project is a prioritised City Centre Spatial Framework project that supports a long-term vision for the CBD and complements significant developments including the refurbishment of Regional House, and the Farmers development currently under construction and due to open in April 2021.
3. The project has been in the design phase since 2018. The project team are currently developing options for the project as sought by the PSOC in its resolution of 6 August 2019, particularly in respect of scope and the potential staging of works.
4. It is recommended that the PSOC confirm the project objectives and the communications and engagement approach, so that options, including a preferred option can be developed by the design team for approval by Council in April 2020.

#### BACKGROUND

5. The Elizabeth Street Upgrade Project was prioritised to recognise the opportunity to respond to significant planned investment in the Bay of Plenty Regional Council and Farmers sites that front Elizabeth Street, and the related potential for co-investment opportunities.
6. The project is currently in the concept design phase. At the meeting on 6 August 2019, PSOC directed by resolution that staff bring scope and staging options back to the new Council. The resolution reads as follows:

*Requires the following for the Elizabeth Street upgrade:*

- (i) *Staff to arrange a workshop with key stakeholders and elected members for the design consultant to present the current concept plan, draft programme of works, updated costs and funding options.*
- (ii) *Commence design to the extent necessary to inform potential scope and staging options, and support delivery of this project in collaboration with the Farmers redevelopment.*
- (iii) *Report to Council in December 2019 on detailed design progress, cost estimates and potential staging options.*



7. A workshop with key stakeholders and elected members was held on 21 August 2019 at the University of Waikato Tauranga Campus. An update on the project was also provided in the GM: Community Services' GM Report to the PSOC at the 3 December 2019 meeting.

### STRATEGIC / STATUTORY CONTEXT

8. The key documents and programmes adopted by Council that have helped shape decision-making and investment in the city centre are:
- City Centre Strategy (2012)
  - Civic Space Options Project (2015 – 2017)
  - Heart of the City Programme (2018 – 2019)
  - City Centre Spatial Framework (2018)
  - Tauranga Moana Design Principles (2018)
9. In October 2018, Council adopted the City Centre Spatial Framework as a working document along with prioritisation criteria for the timing of investment. The Framework objectives include putting people first, celebrating culture and heritage, attracting residents to the city centre, and helping businesses to thrive. The Elizabeth Street upgrade was prioritised in this Framework to be delivered in the 2017–2022 time period.

### WHAT ARE THE PROJECT OBJECTIVES?

10. The project team have drafted objectives to inform the development of the project and the design approach. The proposed objectives are attached as Attachment 1. Some of the proposed objectives are listed below:
- (i) Create vibrant streets and public places where people want to live, work and play, and businesses want to invest.
  - (ii) The quality of the streets and public spaces provides comparable quality to new development (e.g. Regional House and Farmers developments).
  - (iii) The Elizabeth Street Upgrade contributes to the 'green necklace' of connected high amenity walkways around the city centre.
  - (iv) Provide a safe and accessible slow speed environment that prioritises pedestrian access and connection.
  - (v) Public spaces reflect local identity and values.
11. These objectives are set in the context of the Farmers development being the most significant CBD development seen to date, and likely to be seen for a generation. This lens should be applied when determining what built outcomes will be achieved, so that they are commensurate with the scale and significance of the Farmers development.

### OPTIONS ANALYSIS

12. The design team are current working on three main concept design options for the project. These include:
- (i) A 'do minimum' option – reinstates the public realm to a minimum standard that is compatible with the Farmers development.
  - (ii) A signalised intersections option – improvements to the public realm above a 'do minimum' standard and signalises the key intersections of Elizabeth/Devonport and Devonport/First.
  - (iii) A roundabout intersections option – improvements to the public realm above a 'do minimum' standard and roundabouts at all key intersections.
13. At this stage of the design process, the design team have assessed the roundabout intersections option as preferred in terms of amenity and transport outcomes. The reasons for this preference are principally in respect of creating a safe and low-speed environment where vehicle dominance is reduced.



**WHAT WORK IS STILL REQUIRED TO COMPLETE THE CONCEPT DESIGN OPTIONS?**

14. Further work is required in order to bring a full set of scope and staging options to the Council for consideration. Further work that is already underway includes:
  - (i) Transport modelling of options to understand their effectiveness and impact on the wider CBD/Te Papa network;
  - (ii) Complete design for landscape elements;
  - (iii) Cost estimation for all options; and
  - (iv) Construction phasing and staging options – integrating with the development program for the Farmers redevelopment and associated servicing.

**WHAT HAPPENED TO THE CONCEPT OF A LINEAR PARK FOR THE FULL LENGTH OF ELIZABETH STREET?**

15. The concept of a full linear park upgrade for the length of Elizabeth Street was developed through the initial concept design phase in 2018. Progressing this design was paused for several months in 2019, through the time of Council restructure.
16. In reviewing the scope and staging options, the design team accounted for the time that had passed and remaining timeframe to integrate streetscape improvements with the Farmers development program. The full linear park concept, notwithstanding whatever budget is allocated to the project, would not be deliverable by April 2021 and would entail significant disruption to the CBD network after opening of the Farmers development in April 2021. This led to the design team focusing on what project scope could potentially be delivered prior to the opening of the development and/or with an acceptable level of disruption to the network after opening.
17. The concept of the linear park remains the foundation stone for the project, based on the design logic and community engagement undertaken to date. The reduced spatial extent of the works scope therefore still accounts for the potential for the linear park concept to be realised in the future, with a minimal write-off of improvements undertaken in the short term.

**CONSULTATION / ENGAGEMENT**

18. The mana whenua for the city centre are Ngāi Tamarāwaho and Ngāti Tapu. The project team are committed to upholding the Tauranga Moana design principles in the development of the streetscape design, by involving mana whenua.
19. It is proposed to undertake a stakeholder and wider community engagement that presents all three of the above concept options, alongside the full linear park concept developed in 2018. The pros and cons of each option, including the preferred option will be presented.
20. Community feedback will then be available to inform Council's final decision on a concept design to be progressed to detailed design and construction.
21. The communications and engagement plan for this project identifies three key areas of focus for engagement:
  - (i) Inform the community about the project and build understanding of the proposal;
  - (ii) Consult with the directly affected stakeholders, as well as the wider community to understand their views; and
  - (iii) Give people the opportunity to help with designing the urban space on Elizabeth Street.
22. A summary of the proposed communications and engagement approach is attached as Attachment 2.

## FINANCIAL CONSIDERATIONS

23. The 2018-28 LTP includes \$23.65m (City Centre Investment Fund or CCIF) for delivery of projects aligned to the City Centre Spatial Framework. Projects generally seek to achieve multiple objectives and are comprised of different funding sources to reflect this, including:
  - City Centre Investment Fund
  - Council infrastructure renewals programme
  - Council infrastructure upgrades to accommodate growth and intensification
  - NZTA funding
  - Partnerships with other organisations e.g. Bay of Plenty Regional Council
24. Cost estimates will be undertaken for the concept options currently being developed. This will include consideration of the financial implications of doing the work now, in tandem with the Farmers redevelopment compared to doing work in future years. Financial consideration is only one of the relevant factors in this respect alongside others including the transport network function and disruption to the city centre.
25. The project does not yet have a specified budget as this will be determined alongside Council confirming the scope and extent of the concept design to progress to implementation. Whilst a project budget has not yet been established, there is funding specifically assigned to the Elizabeth Street project in the 2020 financial year (\$900K) and 2021 financial year (\$750K). These assignments were indicative of physical works being undertaken but were not based on a specific design scope.
26. To date there has been approximately \$200K spent through the development of concept design, which includes the original linear park design work in 2018 and the recently recommenced design work following the direction in August 2019 from PSOC to investigate scope and staging options.

## LEGAL IMPLICATIONS / RISKS

27. The key risk facing the project is the ability to ensure there is a solution in place at the time of Farmers opening in April 2021. It is vital that there is a working transport system and a safe and enjoyable public realm for opening day. If any works are required following the opening date, then these will need to be programmed so as not to create unacceptable disruption to the Farmers development and/or the wider CBD.
28. A detailed outline of project risks will be presented to the Council when the final concept and budget approval are sought.

## SIGNIFICANCE

29. The matters outlined in this report are likely to be of moderate significance and public interest, being they relate to significant investment in the public realm within the CBD. The transport impacts of the proposal will also be of moderate significance and public interest.

## NEXT STEPS

30. Complete transport modelling, concept design and cost estimation work necessary to compile adequate information for stakeholder and community engagement.
31. Undertake stakeholder and community engagement.
32. Complete concept design options and cost estimations.
33. Bring concept design options to Council in April 2020 to determine scope and extent of works and budget approval.

## ATTACHMENTS

1. **Draft Objectives for Elizabeth Street Upgrade - A11163416**  
2. **Communications and Engagement Approach - A11187863**  

## Elizabeth Street Upgrade – draft project objectives

Key Objectives	What does this mean for the Elizabeth Street Upgrade?	Examples of application	Success looks like
Create vibrant streets and public places where people want to live, work and play, and businesses want to invest	Streets and public spaces provide high levels of amenity for city residents, and for people resting, shopping, dining, socialising and relaxing	<ul style="list-style-type: none"> <li>• Create points of interest (public artwork, lighting features, landscaping and, play elements)</li> <li>• Provide places for street dining, resting, social meeting</li> <li>• Create opportunities for play</li> <li>• Incorporate artwork into the design</li> <li>• Streets and public spaces provide opportunities for events, performances, and activations at a variety of scales</li> </ul>	<ul style="list-style-type: none"> <li>• More people on the street staying for longer</li> <li>• Existing businesses doing well</li> <li>• New businesses attracted to the area</li> </ul>
	The quality of the streets and public spaces provides comparable quality to new development (i.e. the Farmers development)		
	The Elizabeth Street Upgrade contributes to the 'green necklace' of connected high amenity walkways around the city centre	<ul style="list-style-type: none"> <li>• Provide generous amounts of trees and landscaping</li> <li>• Existing trees are retained where possible</li> </ul>	
	The streets and spaces in the city centre are coherent and have a consistent look and feel	<ul style="list-style-type: none"> <li>• Design reflects current CBD material and furniture set out in Durham Street, Wharf Street, and the Infrastructure Development Code</li> <li>• Low impact design methods are used to improve water quality</li> </ul>	
	Design interventions respond to areas of active frontages, and pedestrian desire lines	<ul style="list-style-type: none"> <li>• Provide seating, tables, and other street furniture appropriately located for shade, shelter, and adjacent building use</li> </ul>	
	Design supports current business types but can accommodate changing use over time	<ul style="list-style-type: none"> <li>• Location of services, kerb lines and tree pits considered with future development in mind</li> </ul>	
	Design process future-proofs further development (further streetscape upgrades and private commercial and residential development)	<ul style="list-style-type: none"> <li>• Consultation with service providers ensuring coordination of required upgrades</li> <li>• Furniture and other amenities allow for relocation and reuse</li> </ul>	

	People feel safe to walk on the streets at night	<ul style="list-style-type: none"> <li>• Sufficient lighting</li> <li>• Crime prevention through environmental design</li> <li>• CCTV in appropriate locations if required</li> </ul>	<ul style="list-style-type: none"> <li>• Perception of safety is increased</li> <li>• More activity at night</li> </ul>
Provide a safe and accessible slow speed environment that prioritises pedestrian access and connection.	Streets provide a high standard of pedestrian access and connection	<ul style="list-style-type: none"> <li>• Pedestrian crossings are provided along pedestrian desire lines, including:               <ul style="list-style-type: none"> <li>○ Either side of the laneway</li> <li>○ Crossings at all approaches to intersections along pedestrian desire lines</li> <li>○ Mid block crossing points located opposite areas of activity – e.g. Farmers entrance, next to bus stop</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Streets are in line with best practice cycling and walking standards.</li> <li>• More people on bikes</li> </ul>
	Design streets for 30km speeds to allow for a safe and pleasant pedestrian environment, and safer for people on bikes to share the road with cars	<ul style="list-style-type: none"> <li>• Raised pedestrian crossings</li> <li>• Use of sharrows</li> <li>• Use of vertical elements to narrow streets -e.g. trees</li> </ul>	
	Transport system provides safe and effective access for development	<ul style="list-style-type: none"> <li>• Slow speed environment</li> <li>• Conflict between cars, people walking, and biking is mitigated</li> </ul>	
	Street design caters for all ages and all levels of mobility and disability	<ul style="list-style-type: none"> <li>• Footpaths are a generous width</li> <li>• Pedestrian movement zones are adjacent to buildings</li> <li>• Street design meets universal accessibility codes</li> <li>• Shade and shelter is provided to enable comfortable pedestrian movement during wet weather</li> <li>• Mobility parks make up 10% of parking numbers in each zone</li> <li>• Review from accessibility expertise</li> </ul>	
	Maintain effective public transport access	<ul style="list-style-type: none"> <li>• Intersections have sufficient space for bus movements</li> <li>• Inline bus stop to enable shorter stays at bus stops</li> </ul>	

	Reduce through traffic through the city centre	<ul style="list-style-type: none"> <li>• Redirect through traffic via alternative routes</li> </ul>	
Public spaces reflect local identity and values	Enhance mana whenua cultural landscapes within the design of streets and public spaces	<ul style="list-style-type: none"> <li>• The spaces and streets are co-designed with mana whenua</li> <li>• The Tauranga Moana Design Principles are applied during design development and construction</li> </ul>	<ul style="list-style-type: none"> <li>• The mana of tangata whenua is enhanced</li> <li>• Mana whenua and Tauranga residents feel like they belong</li> <li>• More people on the street staying for longer</li> </ul>
	Place making and design approaches reflect place and the people of Tauranga		
	The design approach, materials, and finishes are comfortable, welcoming, and enhance community connection		

## Communications and Engagement Approach

### Elizabeth Street Block Upgrade

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#### The proposed approach

- ☐ Inform the community about the project and build understanding of the proposal.
- ☐ Consult with the directly affected stakeholders, as well as the wider community to understand their views.
- ☐ Give people the opportunity to help with designing the urban space outside the Farmers development on Elizabeth Street.

#### Why

- ☐ While we have a limited time before this project needs to go into construction, we want to maximise the time available to go out to the community and understand their views on the proposal and find out if there are any issues or opportunities that have not been captured.
- ☐ We also want to use this opportunity to build understanding around the proposal and what changes there will be. We want to give our community a chance to be part of the design and we will seek their input on the new urban space on Elizabeth Street, we want people to enjoy this space and have it made to suit the needs of the people that will use it.

#### Timeline of engagement

2017	General community engagement to receive feedback on what the community wanted to see and experience in Elizabeth Street was undertaken in May 2017.
2018	<p>In June 2018, the Heart of the City Technical Advisory Group provided feedback on a draft concept design for Elizabeth Street, with amendments incorporated as an outcome of this meeting.</p> <p>In July 2018, a workshop was held for local businesses and residents to input into the draft concept design. This was a highly interactive workshop and the feedback provided was then incorporated into the concept design</p> <p>An elected member workshop on the Elizabeth Street concept design was held on 10 September 2018.</p> <p>Project put on hold.</p>

2019	<p>Project re-set – ‘explore staging and scope options’</p> <p>Stakeholder Workshop held on 21 August to discuss the concept plan with stakeholders (businesses and property owners) and elected members.</p>
18 February	<p>Seek endorsement to progress at Project, Services and Operations Committee.</p> <p>Engagement will commence following committee meeting, and consultation will run through until end of March.</p>
April	<p>Council to approve final design concept with community feedback considered.</p>
2020 – 2021	<p>Tender and construction phases to begin, on-going communications and community liaison throughout.</p>

#### Identified stakeholders

- ☐ Ngai Tamarawaho and Ngati Tapu
- ☐ James Pascoe Group
- ☐ Bay of Plenty Regional Council
- ☐ New Zealand Transport Association
- ☐ Downtown Tauranga
- ☐ Business owners on Elizabeth Street and surrounds
- ☐ Property owners on Elizabeth Street and surrounds
- ☐ Residents in the area
- ☐ Drivers on the road
- ☐ Pedestrians on the street
- ☐ People on wheels (bikes, scooters, prams, wheelchairs)
- ☐ Community (Rate-payers/City centre workers)

## 8.4 Waiari Update and Implications for Future Development Contributions

**File Number:** A11109467

**Author:** Richard Conning, Team Leader: Waters Projects

Kim Masters, Development Contributions Advisor

**Authoriser:** Christine Jones, General Manager: Strategy & Growth

### PURPOSE OF THE REPORT

1. To provide information relating to the potential effect on development contributions as a result of the Waiari Water Supply Scheme delivery.

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### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receive the Waiari Update and Implications for Future Development Contributions
- (b) Approve for inclusion in the 2020/21 Draft Development Contribution Policy, disclosure that there will be a future significant increase in the development contribution charge as a consequence of the Waiari Water Treatment Plan investment.

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### EXECUTIVE SUMMARY

2. The Waiari Water Supply Project (WWSP) has been part of Council's long-term planning for two decades.
3. Comprehensive assessments of all practicable options for increasing water supply to meet the needs of a growing city were undertaken in 2001 and again in 2008. Both processes concluded that the Waiari Stream was the best available future water source. Following the second of these processes, and following significant stakeholder engagement, Council sought and obtained a suite of resource consents to enable the project to proceed.
4. Implementation of the Waiari project was deferred as a result of the reduction in demand that resulted from the introduction of universal water metering and, more latterly, the effects of the global financial crisis.
5. In response to increased population growth, and therefore increased demand for water, the project was re-commenced in 2015/16. Significant work has been undertaken to update assessments made in 2008 to reflect the current strategic environment. This includes changes to the national regulatory environment for water supply.
6. The updated work concludes that the Waiari Stream remains the best available future water source for the city. This is consistent with Council's decision made in 2008 which has been reflected in the 2009/19, 2012/22, 2015/25 and 2018/28 Long-Term Plans.
7. In the 2018/28 Long-Term Plan the Waiari Project budget is \$144M, however current financial forecasting for the Waiari Project has placed the base outturn cost at \$146M.
8. Table 1 below highlights how these changes have manifested i.e. from what was previously considered as a P95 estimate at \$144M to a base estimate of \$146M.



**Table 1**

Item	Element	Concept Estimate 2016	Predicted Final Cost 04/19	Current Forecast Final Cost	Difference	% Increase
1	Professional Fees	\$ 8,625,956.00	\$ 13,561,140.00	\$ 17,440,014.32	\$ 3,878,874.32	29%
2	Physical Works	\$ 96,847,686.00	\$ 109,187,245.00	\$ 121,987,657.96	\$ 12,800,412.96	12%
3	Other Fees (TCC/Legal/Cultural)	\$ 10,615,164.00	\$ 10,615,164.00	\$ 7,111,804.26	-\$ 3,503,359.74	-33%
		<b>\$ 116,088,806.00</b>	<b>\$ 133,363,549.00</b>	<b>\$ 146,539,476.54</b>	<b>\$ 13,175,927.54</b>	
4	Contingencies P50	\$ -	\$ -	\$ 31,207,623.46	\$ 31,207,623.46	
		<b>\$ 116,088,806.00</b>	<b>\$ 133,363,549.00</b>	<b>\$ 177,747,100.00</b>	<b>\$ 44,383,551.00</b>	
5	Risk Funding P95	\$ -	\$ 10,925,273.00	\$ 19,045,600.00	\$ 8,120,327.00	
		<b>\$ 116,088,806.00</b>	<b>\$ 144,288,822.00</b>	<b>\$ 196,792,700.00</b>	<b>\$ 52,503,878.00</b>	

9. To understand Council's potential risk exposure in relation to the WWSP costs a risk analysis and modelling exercise was undertaken.
10. The WWSP cost management consultant (Cuesko) have utilised specialist software to model the impact of both risk and uncertainty to forecast the P50 (the value at which it is considered there is a 50% chance the project cost will fall below) and the P95 (the value at which it is considered there is a 95% chance the project cost will fall below).
11. The base outturn cost is \$146M, the P50 has been assessed as \$178M and the P95 has been assessed as \$197M.
12. The GM Infrastructure and GM Corporate Services are jointly leading a project to determine the approach to budgeting of capital projects in the LTP including the consideration of multi-project contingencies. This will be reported back to Council as part of the LTP process and the outcome will determine the contingency level to be budgeted for the Waiari programme in the LTP.
13. The final contracts (water treatment plant, budget \$29.6M and industrial automation, budget \$600K) are expected to be awarded by June 2020. Table 2 below compares the value of contracts that have been awarded inclusive of variations incurred to date and the estimated value of those yet to be awarded.

**Table 2**

Item	Element	Base Outturn Cost	P50 Contingency	P95 Contingency	Total Forecast	P50 + P95 as % of BOTC
1	Professional Fees	\$ 17,440,014.32	\$ -	\$ -	\$ 17,440,014.32	0%
2	Physical Works (Awarded)	\$ 91,845,633.96	\$ 23,193,823.46	\$ 11,068,300.00	\$ 126,107,757.42	37%
3	Physical Works (Yet to Award)	\$ 30,142,024.00	\$ 8,013,800.00	\$ 7,977,300.00	\$ 46,133,124.00	53%
4	Other Fees (TCC/Legal/Cultural)	\$ 7,111,804.26	\$ -	\$ -	\$ 7,111,804.26	0%
		<b>\$ 146,539,476.54</b>	<b>\$ 31,207,623.46</b>	<b>\$ 19,045,600.00</b>	<b>\$ 196,792,700.00</b>	<b>34%</b>

14. It should be noted that in terms of Item 1, Professional Fees and Item 4, Other Fees, a P50/P95 simulation has not been carried out. For reference Other Fees relate to TCC's internal overheads, land purchase, legal services and cultural liaison/monitoring, which are all required to facilitate the successful outcome of the WWSP.

15. Cuesko has based the current Base Out-Turn Cost to complete upon the current forecast completion date. As such both Professional Fees and TCC's internal costs, which should be relatively uniform have been forecast for this duration.
16. Only when there is a change to the physical works, whether by way of programme extension, or scope change, is there then likely to be a material impact on the cost of these two elements. Accordingly, where a risk has been identified as part of the P50 forecast and after due consideration it is deemed likely to have a direct impact on either of these cost elements then a provision has been made to account for such cost increases should they eventuate. If and when they do eventuate these costs will then be drawn down from the P50 contingency.
17. The P95 Risk Funding estimate does require further analysis. It has been widely acknowledged that there should be opportunities to mitigate cost going forward, placing the cost management function as critical component in achieving this aim.
18. The project team will be assessing opportunities through intense scrutiny of the procurement process for the remainder of the physical works to reduce the cost of the overall project and to actively manage risks, which may give rise to increased costs if not dealt with contemporaneously. This is an ongoing process which will not be completed prior to the 2020/21 Draft DC Policy being issued for public consultation.
19. At a cost of \$146m this project will increase the Citywide Development Contribution (CDC) by approximately \$5,000. At the higher end of the cost scale of \$197m this project will increase the CDC charge by approximately \$9,000.
20. The current Citywide development contribution levy for all services is currently \$8,500, the costs for the Waiari project will potentially cause this fee to double. The impact of potentially doubling the CDC's will essentially increase the cost of building within Tauranga, and there is a risk of an adverse reaction from the building community and wider public, unless a well planned and executed communication plan is delivered.
21. The outcome is a likely significant increase in citywide development contributions.
22. TCC has had a consistent message from the development and building community that their business models are multi-year, so early signalling of significant shifts in development contribution charges are important. In recognition of this we noted the future increase within the 2020 Development Contributions Policy (DCP) and will do so again in the 2021 DCP. Staff are also working on an engagement package to ensure that this information is directly provided to the building community and key stakeholders likely to be impacted by the increase.

## BACKGROUND

### Brief project history

23. Since the mid-1950s, Tauranga has relied on the two water treatment plants at Joyce Road (abstracting water from the Tautau Stream) and Oropi Road (abstracting from the Waiorohi Stream) to supply its water.
24. In the mid-1990s Council recognised the future need for additional water collection, treatment and distribution capacity to meet the needs of a growing city. Initial work at that time identified the Waiari Stream, south-west of Te Puke, as an option to improve water supply in the east of the city. A version of the Waiari Water Supply Project has been included in Council's long-term planning documents since at least the 1998 long-term financial strategy<sup>1</sup>.
25. In 2001, Council undertook a detailed review of water source options, including assessing groundwater options and 11 river or stream options. This review identified the Waiari as the preferred option.

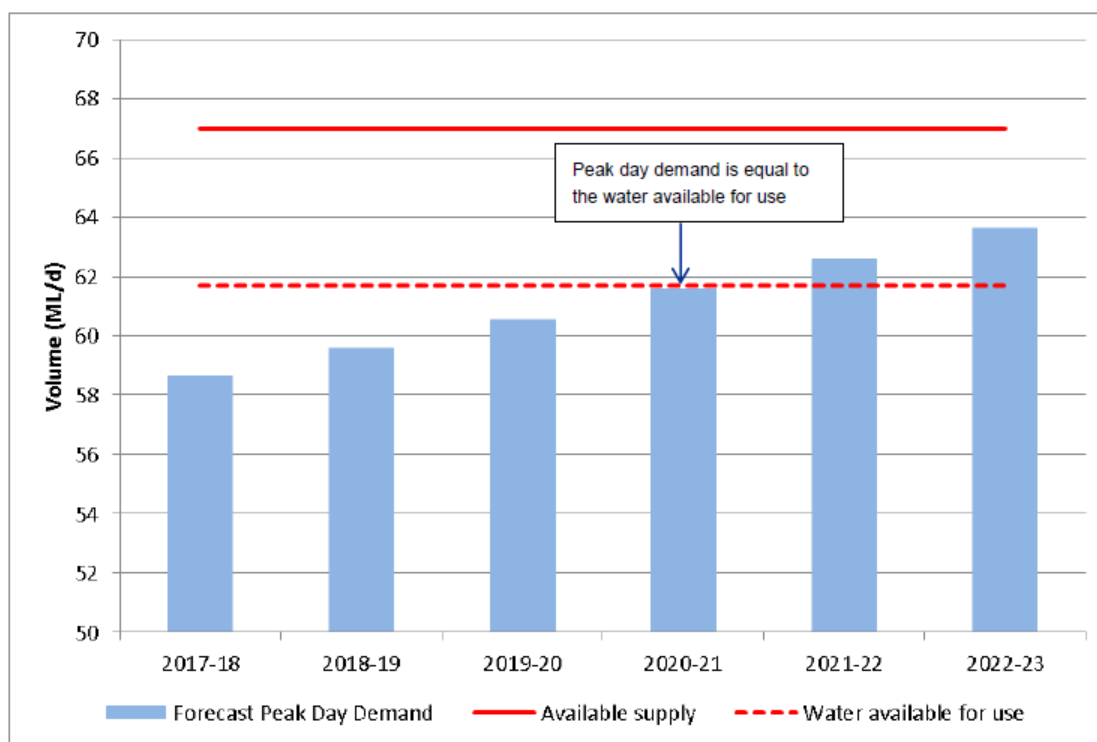
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<sup>1</sup> The long-term financial strategy (LTFS) was a three-yearly statutorily-required precursor to the long-term council community plan (LTCCP) that in turn evolved into the long-term plan (LTP) that Council now prepares.

26. In 2008, Council engaged CH2M Beca to undertake a further review of water supply options. This engagement included the preparation of a comprehensive quadruple bottom line assessment ("QBLA") of options. Again, that process identified the Waiari as the preferred option.
27. As a result, in 2010 Council (together with Western Bay of Plenty District Council) obtained the necessary water-take consents to enable the Waiari Water Supply Project to proceed.
28. Due to the ongoing change in customer water use behaviour as a result of the introduction of universal water metering and, more recently, due to the global financial crisis, the implementation of the Waiari Water Supply Project has been gradually deferred.

### Project re-commenced

29. In 2015/16, in response to the increasing demand for water across the city and also recognising that the water-take consents must be given effect to within 10 years of being granted, the project was formally re-initiated.
30. Council commissioned an initial piece of work to reassess the balance between future demand and future supply. This review included up-to-date usage information and revised population projections and considered the practical current supply capacity at each of the Oropi Road and Joyce Road treatment plants. The relationship between projected demand and available supply is shown in the diagram below.



31. The review<sup>2</sup> concluded that additional water supply would be needed by 2021. This confirmed that some form of intervention was required to increase supply.
32. The next step was to confirm what that form of intervention should be.

### Review of Water Source Strategy

33. In late 2016, Council commissioned a comprehensive review and update of the QBLA assessment conducted in 2008.
34. This review and update was designed to test:

<sup>2</sup> Demand Forecast and the Supply Demand Balance, CH2M Beca, 2016

- whether the changing strategic context from 2008 to 2016 had any impact on Council's proposed approach to future water supply; and, consequently,
- whether the Waiari was still the right option to meet Council's future water supply needs.

35. The changing strategic context included elements such as:

- updated population projections, using the December 2016 National Institute of Demographic and Economic Analysis (NIDEA) data;
- the outcome of the water Demand Forecast and the Supply Demand Balance report;
- the National Policy Statement on Freshwater Management and the consequent Proposed Plan Change 9 (Region-wide Water Quantity) to the Regional Water and Land Plan; and
- updated cost estimates for the principal options.

36. The Water Source Strategy Review 2017 undertook a detailed assessment of the three options considered in 2008 and a fourth option identified more recently (being 3a). These options were:

Option 1	Develop Waiari for immediate and future growth
Option 2	Develop Waiari for immediate growth and Oropi Road for future growth
Option 3	Develop Oropi to 54ML <sup>3</sup> per day for immediate growth and Waiari for future growth
Option 3a	Develop Oropi to 39ML per day for immediate growth and Waiari for future growth

37. Note that regarding Oropi Road, development to 54ML per day recognises the current consented maximum water-take which in 2008 was considered feasible and realistic. That consent expires in 2026. Development to 39ML per day reflects a more realistic expectation of future consented water-take as a result of the National Policy Statement on Freshwater Management and the regional council's Proposed Plan Change 9.

### **Conclusion of Water Source Strategy Review 2017**

38. The Water Source Strategy Review 2017 concludes that Option 1, developing a water supply from the Waiari Stream, is the preferred option.

39. This conclusion reflects that the Waiari:

- offers the most favourable outcome of the quadruple bottom line assessment;
- offers the lowest overall risk profile;
- has the least environmental impact;
- has the highest social benefit regarding ensuring continuity of city-wide supply;
- places no additional stress on the existing water-takes from the Waiarohi and Tautau streams; and
- provides additional diversity of supply, and therefore resilience, by introducing a third and distinct water supply catchment.

40. In addition, the Waiari:

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<sup>3</sup> One mega-litre (or 1ML) equates to one million litres or 1,000 cubic metres (m<sup>3</sup>)

- is physically closer to the residential and commercial growth in the east of the city;
- offers operational flexibility by creating an alternative water supply into the coastal strip;
- offers increased scope for the ongoing management of water treatment membranes by creating a third site; and
- utilizes a strategic asset (the Waiari water-take consent) which would lapse if not given effect to soon.

41. The Waiari (Option 1) does not have the lowest assessed net present value ("NPV") of the options. The lowest NPV relates to Option 3a, being short-term development of the Oropi Road water treatment plant followed by the mid-term development of the Waiari.
42. Despite this, the QBLA ranks Option 1 higher because the environmental impact of developing the Waiari project is less than further stressing the Waiohohi Stream, and because of the increased resilience and operational flexibility that a third source in the east of the city provides.

### **Funding and development contributions**

43. The construction of the Waiari Water Supply Project is required as a direct result of growth of the City and consequently will be funded via Development Contributions levied on growth developments across the City.
44. The project will provide for growth from the 2022 period on and so collection of DCs will start in the 2022 financial year. The costs will be levied on all new households constructed over that period as well as non-residential developments.
45. The total cost payable per household will depend on the final cost of the project.
46. At the lower end of the cost estimate of \$146 million – the WWSP will increase the CDC by approximately \$5,000 per household.
47. At the upper end of the cost estimate the project could increase the Citywide DC by potentially \$9,000 per household, noting that this is payable on issue of building consent.
48. To put this into context, the costs of combined building consent and CDC fees (payable on building consent) today for a new residential dwelling are approximately \$18,000 (including the CDC's of \$8,500). If all other costs remain the same, then the equivalent total cost in 2022 incorporating the potential Waiari costs will be in vicinity of \$23,000 to \$27,000.
49. Please note that these projected citywide increases are subject to confirmation of costs for the Waiari project, and there are additional Council project costs that will affect the total citywide development contributions.
50. The Waiari project has always been listed in the Development Contributions Policy as a Citywide Development Contribution funded project. As the scale and costs of the project have increased significantly it is becoming more important that we communicate this information to the building community and stakeholders to allow them to prepare for the cost increase. Early communication with the sector is important, however it is vital to ensure that the information provided is based on the most up to date and accurate information available.
51. Staff are currently working on an engagement strategy to ensure that all potential stakeholders are alerted to this information and made aware of the upcoming change. The operative 2019/20 Development Contributions Policy signalled expected changes to future development contribution policies (Section 1: Fees, maps and definitions 1.3.2)
52. This projected cost increase in the Waiari project and the impact on citywide development contributions was included in the policy to prepare the development sector for upcoming increases.

## STRATEGIC/STATUTORY CONTEXT

53. The development of additional water supply capacity has a strong link to the provision of a Sound City Foundation and the Quality of Life for all residents, business, and visitors to the city. The development of future urban areas in order to meet demand and the National Policy Statement on Urban Development depends on a secure future water supply.

## CONSULTATION / ENGAGEMENT

54. The anticipated increase in citywide development contribution fees due to the Waiari project was outlined in the 2019/20 Development Contributions Policy. However, due to increased project costs, staff feel that we need to increase the scale of engagement and ensure that this information is flagged directly to the building community likely to be impacted. Staff plan to outline in more detail the expected increase within the 2020/21 Development Contributions Policy, as well as fully inform and engage with the development community and wider public.
55. Signalling an increase in the DC charge now will allow time for the development community to prepare for this increase and factor costs into financial packages. The exact impact on the CDC will not be known until the project is completed so at this stage staff are proposing that consultation documents signal this as an increase in the order of \$5,000 to \$9,000 per household. This information can be updated as further costs are finalised.
56. Council has not yet begun engaging with the sector on this information as there is a need to ensure that Council is providing the most up to date and accurate financial information available.

## SIGNIFICANCE

57. Under the Significance and Engagement Policy 2014, the matter of future water supply is of high significance as it affects all residents, businesses and visitors to the city and involves a financial commitment in excess of \$146 million.
58. Community engagement on the principle of an additional water supply has been underway since the 1990s. Detailed engagement on the Waiari Water Supply Project was undertaken before and during the resource consenting process in 2008 through 2010.

## ATTACHMENTS

Nil

## 8.5 Petition - Street light changes

**File Number:** A11163347

**Author:** James Wickham, Team Leader: TTOC

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. The purpose of this report is to provide information to assist Council in their response and decision-making regarding street light changes requested from residents in Papamoa.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Following receipt of the petition (dated 11 November 2019) from Papamoa residents, approves the preferred option that was unanimously agreed upon by local residents at a meeting on 23 January 2020 to replace the lighting with decorative LED luminaires. (Option 3).
- (b) Requests staff to report back to the Projects, Services and Operations Committee on the implications of a change in approach to existing Council strategy of standardising street light columns and luminaires.

### EXECUTIVE SUMMARY

2. A petition was received from residents of Papamoa (refer Attachment 1) on 11 November 2019. The petition requested that Council immediately halt work being carried out on the lighting in Oriental Parade and adjoining streets. The residents wanted to retain the existing light bell shape and requested the LED light optics be inserted into the existing street light shade.

### BACKGROUND

3. As part of a nationwide initiative supported by central government, LED lights are being introduced across the city as they are recognized as being energy-efficient, produce less carbon emissions than standard street lights, require less maintenance, and offer overall better light quality. By early 2020 we will have replaced approximately 7000 street lights in residential areas with LED lights.
4. Council has an approved strategy of standardising street light columns and luminaires, as a result of a decision at the Council meeting held 8 September 2011. At this Council meeting, it was resolved that **'decorative streetlights are not renewed on a like for like basis and standard Oclytes are installed and powder coated where they are replacing deteriorated lights'** [M11/63.9]. The IDC was updated in 2016 to reflect this. The current policy is that any decorative fixture that is replaced under maintenance or renewal will be replaced with a standard lighting fixture. This policy provides the guideline for replacement of decorative luminaires with a standard LED luminaire.
5. Council staff investigated the viability of retrofitting current decorative luminaires with standard LED inserts, but for a number of reasons it is too problematic and very costly. Overall, we have approximately 3,300 decorative lights on the network, with an estimated 200 different designs.
6. There have been several near misses with mounting failures on decorative luminaires in recent years.
7. Many of these decorative fittings are failing and can't be altered to accommodate standard LED inserts. Street lighting is around 25% of council's electricity costs, therefore ensuring we deliver best overall value to council and our community is a priority. The LED upgrade project



is contributing approximately 90% to council's targeted electricity reductions by June 2020, detailed within council's Energy Management Plan.

8. All residential areas will be receiving standard LED luminaires. Areas such as Mount Mainstreet and the city centre are the exception, with non-standard LED street lights to be installed as part of placemaking initiatives.
9. Following receipt of the petition late last year opposing the street lighting changes to Oriental Parade, Oreiti Crescent, Bucklands Crescent, Ohope Place and Waimarama Close, Council staff met with impacted residents on 23 January 2020 to discuss the possibilities and options. These options are outlined in further detailed in the Options Analysis below.
10. At the time the petition was received, funding from Waka Kotahi NZTA was not available for decorative LED luminaires. However, in December 2019, the proposed decorative LED luminaires were approved by Waka Kotahi NZTA and are now eligible for 85% Funding Assistance Rate (FAR).

## OPTIONS ANALYSIS

### Option 1: Do nothing (retain existing lights)

Advantages	Disadvantages
<p>Street environment remains the same</p> <p>No additional capital cost to council</p> <p>Residents' concerns have been listened to</p>	<p>Maintenance costs increase</p> <p>Council unable to source like for like parts over time as parts for older style lamps are no longer manufactured</p> <p>Limits council's ability to be more efficient in the management of street lights across the city</p> <p>Council would not benefit from reduced energy and maintenance costs provided by LED luminaires</p> <p>Council would not receive benefits provided by real time monitoring and control of the LED luminaires.</p> <p>Response times to street light faults would not improve</p> <p>Dimming profiles would not be able to be set remotely</p>

Budget – Capex: \$0

Budget – Opex: \$250k (over 20 years for the 46 lights within the petition area)

Key risks: High.

- Increased maintenance costs as the assets age and it becomes increasingly difficult to source parts.
- This option could set a precedent for other areas of the city should other communities wish to retain their decorative lanterns or have them reinstated.
- Unknown quality and condition of the existing decorative luminaires on the network may continue to pose a risk to the public. There have been several near misses with mounting failures on decorative luminaires in recent years.

Recommended? **No**



**Option 2: Retrofit existing luminaires with LED components**

Advantages	Disadvantages
<p>Residents' concerns have been listened to</p> <p>Street environment remains the same</p> <p>Council would benefit from improved energy efficiency and reduced maintenance costs provided by LED luminaires</p> <p>Contributes to approximately 90% of council's targeted energy reductions within its Energy Management Plan</p> <p>Key contributor to council's eligibility for EECA subsidies</p>	<p>Installation costs higher due to more contractor time involved</p> <p>Higher ongoing maintenance costs</p> <p>Bespoke design would not comply with Waka Kotahi NZTA specification</p> <p>Would not be eligible for the 85% FAR from Waka Kotahi NZTA</p>

Budget – Capex: \$55k

Budget – Opex: \$195k (over 20 years for the 46 lights within the petition area)

Key risks: High.

- Increased maintenance costs as the existing assets age and it becomes increasingly difficult to source parts.
- This option could set a precedent for other areas of the city should other communities wish to retain their decorative lanterns or have them reinstated.
- Unknown quality and condition of the existing decorative luminaire on the network may continue to pose a risk to the public.

Recommended? **No**

**Option 3: Replace the street lighting fixtures with decorative LED luminaires**

Advantages	Disadvantages
<p>Residents' concerns have been listened to</p> <p>Council would benefit from improved energy efficiency and reduced maintenance costs provided by LED luminaires</p> <p>Contributes to approximately 90% of council's targeted energy reductions within its Energy Management Plan</p> <p>Key contributor to council's eligibility for EECA subsidies</p> <p>Council would receive benefits provided by real time monitoring and control of the LED luminaires</p> <p>Response times to street light faults would improve</p>	<p>Decorative LED luminaires are available on the market at a premium over a standard LED</p> <p>Options for decorative LED luminaires are limited</p>

<p>Pockets of the community will be satisfied with a different look in their neighbourhood</p> <p>The proposed decorative LED luminaires are approved by Waka Kotahi NZTA in December 2019 and are now eligible for the 85% FAR.</p>	
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Budget – Capex: \$70k

Budget – Opex: \$30k (over 20 years for the 46 lights within the petition area)

Key risks: Medium

- This option could set a precedent for other areas of the city should other communities wish to have decorative LED luminaires installed.
- Increased costs as a result of installing and maintaining non-standard luminaires.

Recommended? **Yes**

**Option 4:** Continue with current programme of installation of standard LED luminaires

Advantages	Disadvantages
<p>Council would benefit from improved energy efficiency and reduced maintenance costs provided by LED luminaires</p> <p>Contributes to approximately 90% of council's targeted energy reductions within its Energy Management Plan</p> <p>Key contributor to council's eligibility for EECA subsidies</p> <p>Council would receive benefits from real time monitoring and control of LED luminaires</p> <p>Improved fault resolution times</p> <p>Dimming profiles would be able to be set remotely</p> <p>All associated works would be eligible for the 85% FAR</p> <p>LED lighting reduces skyglow</p>	<p>Design is not aesthetically appealing to some of the residents</p> <p>Perception that LED lighting creates a less safe environment at night</p>

Budget – Capex: \$45k

Budget – Opex: \$30k (over 20 years for the 46 lights within the petition area)

Key risks: Low

- A small number of residents have raised concerns about the aesthetics of the standard LED luminaires. This may mean that council receives further complaints.

Recommended? **No**

**Option 5:** Maintain existing decorative luminaire and add a standard LED luminaire

(This option was proposed by some of the petitioners)

Advantages	Disadvantages
<p>Council would benefit from improved energy efficiency provided by LED luminaires</p> <p>Contributes to approximately 90% of council's targeted energy reductions within its Energy Management Plan</p> <p>Key contributor to council's eligibility for EECA subsidies</p> <p>Council would receive benefits from real time monitoring and control of LED luminaires</p> <p>Improved fault resolution times</p> <p>Dimming profiles would be able to be set remotely</p> <p>All associated works would be eligible for the 85% FAR</p> <p>LED lighting reduces skyglow</p>	<p>Maintenance of the decorative housing would be in addition to the cost of maintaining the functional luminaire</p> <p>Design is not aesthetically appealing to some of the residents</p> <p>Perception that LED lighting creates a less safe environment at night</p>

Budget – Capex: \$45k

Budget – Opex: \$195k (over 20 years for the 46 lights within the petition area)

Key risks: Medium

- Unknown quality and condition of the existing decorative luminaires on the network may continue to pose a risk to the public. There have been several near misses with mounting failures on decorative luminaires in recent years.
- A small number of residents have raised concerns about the aesthetic look of the standard LED luminaires. This may mean that council receives further complaints.

Recommended? **No**

## FINANCIAL CONSIDERATIONS

- Following TCC submitting a business case, Waka Kotahi NZTA is now offering an 85% FAR for LED luminaire replacements until July 2021. The energy savings provided by the LED upgrade programme is a key contributor to council's eligibility for Energy Efficiency & Conservation Authority subsidies if agreed energy savings are achieved.
- With Opex for options 3 and 4 being effectively the same, the premium for replacing standard luminaires with the communities preferred option is approximately \$30,000. With the 85% FAR the cost to ratepayers is approximately \$4,000 for the 46 lights in the petition area.
- To date we have been adhering to council strategy in dealing with these assets and upholding that the increased cost of maintaining decorative streetlights should not be at general ratepayers/Waka Kotahi NZTA's expense. Deviation from Option 4 will set a precedent and may require a review of our approach to street columns and luminaires.

## CONSULTATION / ENGAGEMENT

- In March 2019 work commenced on the conversion of residential street lights across the city to LED luminaires. Information about why we are changing to LED street lights and how this project fits with the nationwide roll out of energy efficient LED lights was communicated widely via various media channels including; local papers, council's web page, social media.

15. Progress on the suburb by suburb rollout programme is regularly updated via council's website, media releases and reports to Council.
16. The petitioners and residents of the area included in the petition held a meeting on 23 January 2020 that was attended by approximately 50 people. The above options were presented and discussed before a preferred option was voted on. The vote was unanimously in favour of option 3.

### SIGNIFICANCE

Under the Significance and Engagement Policy 2014, this matter is of low significance.

### ATTACHMENTS

1. **Petition - Street Lighting - Papamoa - 13/11/2019 - A11036296**  

**Mayor Tenby Powell** Tauranga Council

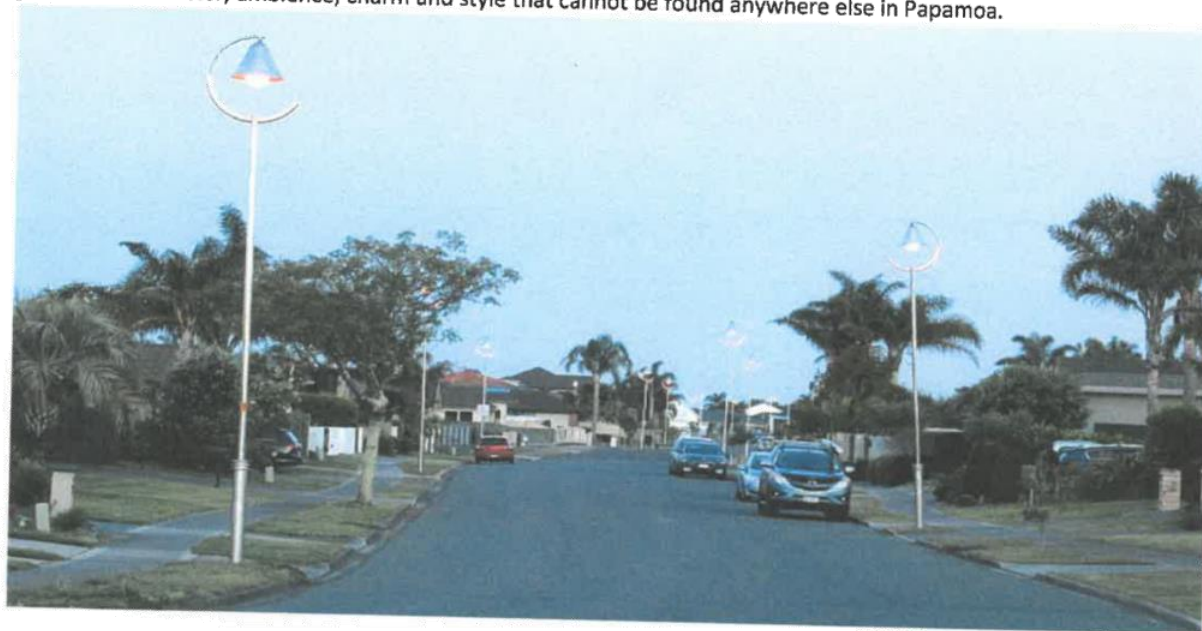
**Marty Grenfell** CEO Tauranga Council

**Steve Morris** Papamoa Area Representative Tauranga Council

Please accept our Petition regarding the proposed street lighting changes to Oriental Parade, Oreiti Crescent, Bucklands Crescent, Ohope Place and Waimarama Close. The residents of Beachwater Drive and 3 adjoining streets, plus the southern end of Palm Beach Boulevard and St Heliers Place have not been canvassed at this stage, but as their lighting is the same as ours, for all intents and purposes they are included.

We residents of this subdivision were shocked to hear of proposals to remove one of the features of our streets, a feature which makes it stand out from the mainstream, and all for what. We are not against change, we are not against progress, but not when it completely changes one of the one prominent feature that holds our street above others in Papamoa. The Oriental Parade type street lighting is we believe, in a class of its own in New Zealand for a residential street.

The original developer of this subdivision has stated that he considers such a move to be **destroying architecture**. The lights exude character, ambience, charm and style that cannot be found anywhere else in Papamoa.



We present our Petition with 156 signatures in good faith. We had an almost 100% response to this Petition, the only properties missing were those not at home/unoccupied and gated properties. No one needed any persuading and to some it was a 'no brainer.'

The wording of the Petition is attached and essentially asks for an immediate halt to any contract or other work on the lighting in the above-named streets until a thorough investigation is made in conjunction with the residents, that conclusively proves there are no alternative options.

We look forward to an early acknowledgement, and if necessary, will provide a resident who will speak on our behalf at the next Council public meeting.

Yours sincerely

A handwritten signature in black ink, appearing to be 'G. &amp; R. Espie'.

Grahame & Raewyn Espie and 156 Petitioners  
40 Oriental Parade Email: g.r.espies@xtra.co.nz

Enclosures : Petition document, signed Petition forms.

## PETITION

### To stop the change to our street lighting

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11 November 2019

#### Petition Summary:

1. Whilst we understand Central Government have instructed our local Councils to implement changes to street lighting, it is not what we want for our street, Oriental Parade and adjoining streets. We are agreeable to LED lighting but do not want the bell shape light shade feature changed.

#### Action Petitioned For:

1. We want an immediate halt to any contract work being carried out on the lighting in Oriental Parade and adjoining streets. We are happy with the existing lighting as it is aesthetically pleasing to we ratepayers. These existing lights exude character, ambience, charm and a bit of style and presence that cannot be found elsewhere in Papamoa. The result of these intangibles adds value to our properties. As a compromise, we would be happy to have LED light bulbs inserted into the existing street lighting and further investigation should be made into this option should it become the only option.

All in all we have not had value for the rates we pay. Our pond area (Wairakei Stream reserve corridor) is a disgrace and the recent work (improvements) did nothing to enhance the area, the roading has been resealed to a poor standard and now you wish to replace our street lighting with unaesthetically pleasing lighting.





# PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
11/11/19	Simon Hocking	[Signature]	1 Waimarama Close
11/11/19	Iola Hocking	[Signature]	1 Waimarama Close
11/11/19	ANA + JOSEPH	[Signature]	9 " "
11/11/19	JANDEES -	[Signature]	9 " "
11/11/19	Carl Holman	[Signature]	15 Waimarama Close
11/11/19	KYNNIE NORMAN	[Signature]	17 Waimarama Close
11/11/19	Arian Norman	[Signature]	" "
11/11/19	Timothy Norman	[Signature]	22 WAIMARAMA C
11/11/19	ROBBIE NORMAN	[Signature]	" "
11-11/19	KEVIN CURRIE	[Signature]	16 WAIMARAMA CL
11.11.19	ANNE CURRIE	[Signature]	18 WAIMARAMA CLOSE
11-11-19	JAN CAMPBELL	[Signature]	11 WAIMARAMA CLOSE
11-11-19	LYNE JOHNSON	[Signature]	10 WAIMARAMA CLOSE
11-11-19	Julie Johnson	[Signature]	" " "
11-11-19	Peter Robinson	[Signature]	4 Bucklands Crescent
11-11-19	Bey Robinson	[Signature]	4 Bucklands Cres.
11-11-19	Buchan	[Signature]	12 Ohope Place
11-11-19	Denise Buchan	[Signature]	12 Ohope Place
11-11-19	STEPHEN DALL	[Signature]	18 OHOPE PLACE
11.11.19	JUDITH DALL	[Signature]	18 Ohope Place
11	Glen Henderson	[Signature]	26 " "
11-11-19	Kevin Low	[Signature]	15 Ohope Place
11-11-19	Rochelle Bull	[Signature]	9 Ohope Pl.
11-11-19	Yvonne Roy Head	[Signature]	8 Bucklands Cres Ropema

# PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
11.11.19	Jill Hill		1 Oreti Cres Pap
11.11.19	Hori Ngata		9 Oreti, Cres. Pap.
11-11-19	Roy Tyler		19, ORETI, CRES
11-11-19	GILL TYLER		19 ORETI CRES
11/11/19	Sasha Eva		21 Oreti Cres
11/11/19	ANDRE KORA		23 ORETI CRES
11/11/2019	Michael Anger		25 Oreti Cres
11/11/19	Colleen Denholm		27 Oreti Cres
11/11/19	Kim Briggs		31 Oreti Cres
11/11/19	Kym Poratti		33 Oreti Cres
11/11/19	Jesse Poratti		33 Oreti Cres
11/11/19	Nicole Thun		54 Oreti Cres
11/11/19	Brett Hyslop		52 ORETI CRES
11/11/19	Chris Maxwell		48 Oreti Cres
11/11/19	Col Bradshaw		44 Oreti Cres
11/11/19	Jessica Phayer		38 Oreti Cres
11/11/19	Liana Morgan		24 Oreti Cres
11/11/19	Ben Kelly		22 Oreti Cres
11/11/19	Jacqui Kelly		18 Oreti Cres
11/11/19	CRAIG STEVENSON		17 ORETI CRESCENT
11/11/19	Jenni Smith		5 Oreti Cres
11/11/19	Courtney Hilton		11 Oreti Crescent
11/11/19	STEVEN NADALIN		46 ORETI CRESCENT
11/11/19	Sonic Lynds		40 Oreti Crescent
11/11/19	Mike Barker		28 Oreti Crescent

22



# PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
10/11/19	Gary Broome	[Signature]	116 oriental Pde.
10-11-19	Bruce McQuigall	[Signature]	116 Oriental Parade.
11-11-19	Gary O'Toole	[Signature]	52 Oriental Parade
11-11-19	STEVE MITCHELL	[Signature]	67 ORIENTAL PARADE
11.11.19	MANDY HOGGARD	[Signature]	68 ORIENTAL PARADE
11.11.19	Ann Bolton	[Signature]	104 oriental Parade
11.11.19	Siannelle Lewis	[Signature]	108 Oriental parade
11.11.19	JEANNE FERRIS	[Signature]	110 ORIENTAL PARADE
11	Irene Coulson	[Signature]	12 Oriental Parade
11.11.19	Phil Pethon	[Signature]	172 ORIENTAL PARADE
11.11.19	Jeff OLSEN	[Signature]	120 Oriental Pde.
11.11.19	Peter Coulson	[Signature]	133 Oriental Pde
11.11.19	Irene Coulson	[Signature]	133 Oriental Pde
11.11.19	Nicki McLaren	[Signature]	60 Oriental Parade
11.11.19	GRAMMEESDAE	[Signature]	40 ORIENTAL PARADE
11.11.19	Laewyn Espie	[Signature]	40 Oriental Parade
11.11.19	Gary O'Toole	[Signature]	52 Oriental Parade.
11.11.19	Helen Helm	[Signature]	48 Oriental Parade

[illegible]

2

Item 8.5 - Attachment 1

# PETITION

[illegible]






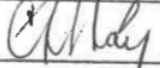
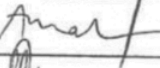

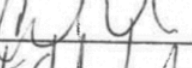

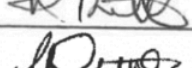
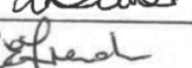
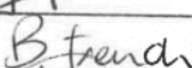

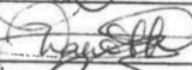

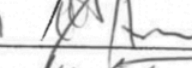
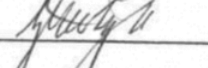
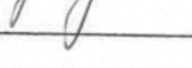
# PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
10/11/2019	Bob Ellis	[Signature]	Papamoa 2-oreti Crescent
10/11/2019	Klani Ellis	[Signature]	25 Oreti Crescent PAPAMOA
10/11/2019	Caroline Bird	[Signature]	6 Oreti Crescent / Papamoa
10/11/2019	Rebecca McLaughlin	[Signature]	10 Oreti Cres Papamoa
10/11/19	Christina	[Signature]	14 Oreti Cres Papamoa
10/11/19	Anna Frost	[Signature]	14 Oreti Cres Papamoa
10/11/19	River Tomy	[Signature]	18 Oreti Cres Papamoa
10/11/19	ADAM McLAUGHLIN	[Signature]	30 ORIENTAL Pde PAPAMOA
10/11/19	PATTI McLAUGHLIN	[Signature]	"
10/11/19	Paul Poskitt	[Signature]	26 Oriental Pde Papamoa
10/11/19	Fiona Poskitt	[Signature]	"
10/11/19	Trevor Hansen	[Signature]	22 Oriental Pde Papamoa
10/11/19	Heather Hansen	[Signature]	"
10/11/19	Robert Harris	[Signature]	26 Oriental Pde
10/11/19	Michelle Nolan	[Signature]	16 Oriental Parade
10/11/19	Bruce Pearson	[Signature]	14 " "
10-11-19	JYL CHRISTOPHER	[Signature]	14 ORIENTAL Pde
10-11-19	Vicki Thomas	[Signature]	10 Oriental Parade
10-11-19	Ben Thomas	[Signature]	" "
10-11-19	Stephen Thomas	[Signature]	" "
12-11-19	HARR-BOLD	[Signature]	18 ORIENTAL PARADE
12-11-19	PAULINE BOLD	[Signature]	15 ORIENTAL PARADE
12-11-19	Jill Thurston	[Signature]	6 Oriental Parade
12/11/19	Howard Thurston	[Signature]	6 Oriental Parade
12/11/19	Kerry Sanders	[Signature]	2 ORIENTAL Parade

## PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
10.11.19	Anne Applegate		31 Oriental Parade.
10/11/19	Vicky Usher		33 Oriental Parade, Papanua
10/11/19	John O'Donnell		35 Oriental Parade.
10.11.19	Gary James		39 Oriental Parade.
10.11.19	Michelle Watson		43 ORIENTAL PDE.
"	Peter Bouley		45 ORIENTAL PARADE
"	William Talbot		57 Oriental Parade
10/11/19	Peter Herrick		61 Oriental Pde
10/11/19	Cheryl Carey		65 Oriental Parade.
10/11/19	Peter Carey		65 Oriental Parade.
10/11/19	Nigel Sinker		69 Oriental Parade.
10/11/19	Kathy Thomas		73 Oriental Parade
10/11/19	Janet Blair		77 Oriental Parade.
10/11/19	Susan Saunders		81 Oriental Parade Papanua.
10/11/19	Lenschke		85 Oriental Pde Papanua.
10/11/19	PAUL CLARK		89 Oriental PARADE.
10/11/19	Stuart Radham		95 Oriental Pde.
10/11/19	Val M Cowie		101 Oriental Pde
10/11/19	Paul Larsen		105 Oriental Pde.
10/11/19	Richard Hoit		113 Oriental Parade.
10/11/19	Trish Hoit		113 Oriental Parade.
10/11/19	TREVOR DUNN		115 ORIENTAL PARADE.
10.11.19	Robyn Clifford		119 Oriental Parade.
10.11.19	Paul Clifford		119 Oriental Parade.
10.11.19	John Craddock		123 Oriental Parade
"	JOHN MILEHAM		129 ORIENTAL PARADE

# PETITION

DATE	PRINTED NAME	SIGNATURE	ADDRESS
12-11-19	P. Saunders		2 Oriental Parade
12-11-19	J Young		3 ORIENTAL PARADE
12-11-19	K. YOUNG		3 ORIENTAL PARADE
12-11-19	C. HAY		5 Oriental Parade.
12-11-19	A. Livingston		9 Oriental Parade.
12-11-19	T. Brunton		11 Oriental Parade
12-11-19	A. Alexander		13 ORIENTAL PARADE
12-11-19	K. Alexander		13 ORIENTAL PARADE
12-11-19	R. Little		15 Oriental Pde.
12/11/19	M. Little		15 Oriental Pde.
12-11-19	J. FRENCH		19 Oriental Parade
12/11/19	B French		19 Oriental Parade.
12/11/19	T. Ah-Siu		23 Oriental Parade.
12/11/19	E. AH-SIU		23 ORIENTAL PARADE.
12/11/19	R. Barrow		3 Batty St for 29 Oriental
12/11/19	Rod Simpson		42 oriental Parade
12/11/19	Gill Wija		42 Oriental Parade

[illegible]



## 8.6 General Manager's Report - People & Engagement

**File Number:** A11110599

**Author:** Susan Jamieson, General Manager: People & Engagement

**Authoriser:** Susan Jamieson, General Manager: People & Engagement

### PURPOSE OF THE REPORT

1. This report updates the Council on relevant issues and performance in the People & Engagement Group.

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### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receive the General Manager: People & Engagement's report for the period ending 31 January 2020.

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### EXECUTIVE SUMMARY – PEOPLE & ENGAGEMENT

2. Recruitment of key roles within People & Engagement conclude in February including Team Leader roles for both the Communications and Engagement teams, reporting to our newly appointed Communications & Engagement Manager, Avon Adams.
3. Recruitment continues for two Independent Chairs; the Independent Chair of the Rangapu Mana Whenua group (RMW) and the Finance, Audit and Risk Committee (FARC). A Tangata whenua representative is also being sought for FARC.
4. The newly formed Engagement team are focused on identifying current and future projects requiring engagement planning and clarifying internal service level agreements within the organisation.

### HUMAN RESOURCES

5. **HR strategy development** – the HR team has created a people strategy that will inform the team's approach to supporting and developing people at Tauranga City Council (TCC) over the next three years. We are currently working through the timelines/roadmap for activities and expect this will be completed by February 2020.
6. **HR policy review (ongoing)** – In December, Executive approved, in principle, to make changes to the Council's leave policy, including the Wellness Leave Guidelines. The proposed policy seeks to provide clarity for employees and leaders about entitlement to paid leave, and to improve the foundation for consistent, equitable and transparent management of leave. The HR team is preparing an implementation plan which will include an all staff consultation process.
7. **Collective bargaining** – negotiations for the Salaried Collective Employment Agreement continue. The bargaining teams attended mediation in November 2019 and progress was made towards a resolution. A further date for mediation has been agreed for early April 2020 to continue discussions.
8. **Remuneration improvements/working group** – we are talking to General Manager's about potential improvements to our remuneration system for 1 July 2020 annual review, as well as developing a longer-term road map for remuneration (2 – 3-year view). We will be seeking more input from our employees and the PSA as part of this process.

### HEALTH, SAFETY AND WELLNESS

9. **Asbestos management** - the Health, Safety and Wellbeing team have been conducting workshops with relevant teams to introduce them to a suite of asbestos management

processes and the completed register of all TCC assets that contain asbestos. These processes form part of TCC's asbestos management plan which meets statutory obligations and are designed to protect the health of our people and those affected by our operations.

10. **Priority risk project** – TCC operational risk owners are currently validating their lists of priority risks. These are risks that can result in a fatality or irreversible ill-health. The next milestone in the project is to establish a plan to systematically risk assess new priority risks and review existing. The result of this work will be a clear understanding of where our priority risks are and how they are being managed. This work will feed into the Executive and Councillor health and safety due diligence actions and performance reporting.

## COMMUNICATIONS

11. **Media dashboard (December only)** – there was a decline in the total number of media articles in December (294 articles, down 11% on previous month), primarily due to the shutdown period over Christmas. Even so, 63% of articles published were favourable (66% same time last year), with topics such as the Mauao base track reopening, free Wi-Fi at the Mount and AIMS Games economic success contributing to the overall favourability. Unfavourable articles remained below 10%, with the sale of the Bella Vista development being the key detractor.
12. **Media releases and media responses (December only)** – proactive and response-based coverage resulted in a 68% of articles published in December (up from 60% same time last year).
  - (a) **Media releases** – we issued 26 media releases on 21 topics/projects
  - (b) **Media enquiries** – we received 28 media enquiries on 25 different topics
13. **Communications and engagement manager appointment** – we welcomed Avon Adams on Tuesday, 27 January. Avon is an extremely experienced communications and engagement professional, having worked for numerous corporate and public sector companies including Vodafone, TVNZ, Department of Conservation and Ministry for the Environment.
14. **Internal communications** – several projects have been supported internally, including the strategic finance project (SAP) Te Waka Taumata o Tauranga, LGOIMA audit and cyber training.

## IWI AND HAPU RELATIONSHIPS

15. **Whakaari White Island response** -Tauranga tribes are closely connected to Whakaari and the tribes of the Eastern BOP and consequently, local iwi and hapu played a significant role in responding to this tragic event. Cultural proceedings included a karakia (prayer vigil) held at the port, led by Ngai Te Rangi leaders Reon Tuanau, Josh Te Kani and Aukaha Kakau on behalf of Tauranga Moana. There was strong support by Councillors and staff of TCC alongside other sectors of the community. The response was a great example of the value Tangata Whenua can add to a situation by following cultural practices and tikanga. Sincere thanks to all who attended or extended their thoughts.
16. **Mauao Base Track** – or more significantly, the resetting of the relationship with the Mauao Trust. This started with a “chief to chief” meeting involving the new mayor, the CEO and the relevant GM. With the support of Takawaenga, a genuine and frank discussion focused on what is in the best interest of Mauao. This was a crucial step to unlocking the conversation, permissions and agreements on how to proceed. Since that meeting and as the project has progressed, we have worked hard to realign any management decisions back to Poutiriao through current Chair Dean Flavell. This has gone well, and we expect will be reinforced as Poutiriao starts to meet with its new membership in 2020. The key going forward will be to maintain an appropriate level of governance contact to support the work with the Mauao Implementation Plan well advanced and ready to move on several initiatives. As such it is likely the Mauao Trust will invite Council to meet with them a couple of times a year to share

aspirations, strategies and priorities but mostly to share understanding. This is a fantastic opportunity for Council/Tangata Whenua relationships.

17. **Re-mandating of hapu and iwi representatives** post elections: this is a normal process following each election although it's worth noting that it can take a bit of time as we align 17 different entities and their processes. Hapu and iwi tend to watch the election and the outcome and discuss their responses to the results before discussing who they might mandate and how they might like to proceed. We expect all mandates to be confirmed before the end of February 2020.
18. **Independent Chair of Rangapu Mana Whenua (RMW)**: long-standing chair Puhirake Ihaka has advised he will be standing aside this year as independent chair after 10 years in the role. The selection process is underway, with a call for expressions of interest. Shortlisted candidates will be presented to the RMW in February for voting and selection. The new chair should be confirmed by the end of February 2020.
19. **Tangata Whenua Representative for Finance Audit & Risk Committee**: applications close 17 February 2020 and an appointee is expected to be confirmed by the end of February 2020.

## CUSTOMER SERVICES

20. **Response times** - 85% of contact centre enquiries were managed at first point of contact by the team without referral and 91% of calls were picked up within the required service level timeframe (1 minute 20 seconds).
21. **Business continuity** – we commenced discussions with key stakeholders around the level of service required during business continuity events affecting the external community. Once these discussions are complete and any new or changing priorities understood, the team will consider how best to integrate the change.
22. **Christmas LIM's** - the period leading up to Christmas is a busy period for LIMs and property files as customers rush to obtain their files before the break and the deadline set by non-working day limitations (Non-working day timeframe for LIM reports is 20 December to 10 January inclusive). LIM application numbers are showing an 18% (1742) increase on the same period last year, year to date. 92% of LIMs were issued on time against their expected 10-day service target. 780 LIMs have been issued earlier than the level of service on offer to customers across all application types (3 & 10 Day). An additional staff member commenced work in December to assist with the growth seen in LIMs.
23. **Service Centre** enquiries have declined overall by 16% (2,150) for the year. Receipting numbers are also showing a similar drop in foot traffic transactions by 12% (1957).

## STAKEHOLDER ENGAGEMENT

24. **Recruitment** for the permanent Team Leader: Engagement role will conclude in February, completing the formation of this new team.
25. **Key Priorities** – a 'shortlist of more than 50 projects requiring engagement support over the next 12-24 months has been developed for cross-checking and prioritisation with the responsible Council groups. The workstream this defines will then be allocated across the available resources, which may still involve some external input. Engagement advisors have been developing levels of service documentation and working with the Communications team to clarify responsibilities and establish protocols for delivering seamless services to the organisation. This work will assist the roll-out of engagement services to the wider organisation, which will be undertaken progressively over the coming weeks. Engagement staff are also meeting with key internal partners to gather information on community stakeholders and their respective needs and areas of interest.
26. **Engagement plans** – the team have been working to develop engagement plans and/or support activities for a wide range of projects and activities, including the Te Papa Spatial Plan and City Plan Changes; Cameron Road multi-modal project; Cycle Action Plan

(including the Ngatai Road – Better Connections project); Arataki transportation initiatives; Elizabeth Street upgrade; 2020/21 Annual Plan; Water Conservation; and ongoing water and transport projects.

27. **Online engagement** - The process of evaluating software options for an online engagement platform is also progressing well and this key engagement portal is expected to be operational within the next three months.
28. **Council workshop** – Councillors will be briefed on engagement priorities, timeframes and likely delivery costs at a workshop on 23 March. This will also seek to clarify the roles Councillors wish to play in community engagement activities and define a process for providing briefing information and receiving input to assist engagement planning.

## DEMOCRACY SERVICES

29. **Independent Chairperson appointed to the Finance, Audit and Risk Committee** – applications for this position closed on 17 January 2020. The appointment panel will be meeting to interview and recommend a preferred person to Council and it is anticipated that an appointment will be made by the end of February 2020.
30. **Ombudsman audit** – we are one of four councils chosen by the Chief Ombudsman to have our Local Government Official Information and Meetings Act 1987 (LGOIMA) policies and practices audited. This is part of the Ombudsman's Office ongoing programme of work proactively focusing on local government. The Ombudsman's public survey and staff survey was available from 2 December 2019 to 24 January 2020 and the Mayor and Councillors survey has been available from 21 January 2020. Staff from the Chief Ombudsman's Office will be on site for a week beginning 17 February 2020 to conduct interviews with selected staff. A training session for the Mayor and Councillors with a person from the Ombudsman's Office is planned for 3 March 2020. This will cover local government official information and the public information requirements of elected members. The Chief Ombudsman's final report will be tabled in Parliament in June 2020.
31. **Induction and training** – the incoming Council has been undertaking a series of briefings, tours, induction sessions and internal and external training. This induction and training programme will continue in 2020 and will include sessions on standing orders and code of conduct, health and safety, cultural awareness, media training and presentations by the office of the Auditor-General and the Ombudsman's office.

## ATTACHMENTS

Nil

## 8.7 General Manager's Report - Strategy & Growth

**File Number:** A11110263

**Author:** Christine Jones, General Manager: Strategy & Growth

**Authoriser:** Christine Jones, General Manager: Strategy & Growth

### PURPOSE OF THE REPORT

1. This report updates the Council on relevant issues and performance in the Strategy & Growth Group for the period ending 31 January 2020.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receive the General Manager: Strategy & Growth's Report for the period ending 31 January 2020.

### EXECUTIVE SUMMARY – STRATEGY & GROWTH GROUP

2. Much of the Strategy and Growth work programme results in reports directly to the Urban Form and Transport Development Committee or the Policy Committee. This Projects and Services Committee Report covers material that either is not being reported to one of the other two committees or is an interim update on matters that will be ultimately considered by one of those committees.

### DOMAIN ROAD

3. The Domain Road Single Stage Business Case (SSBC) was developed to investigate and recommend access and safety improvements to 1.9km of Domain Road in Papamoa East. Council staff worked on this business case collaboratively with NZTA staff for approximately 9 months before NZTA announced funding categories in the National Land Transport Fund (NLTF) were oversubscribed. This triggered the need for NZTA to re-prioritise nationally all projects that had been included in the NLTF co-funding.

NZTA advised that it was unlikely that this prioritisation would change therefore work on the business case ceased. Elected members were informed of the transport project funding risks at 26 March 2019 Projects, Services & Operations Committee meeting resulting in a unanimous resolution to approve continuation of this project independent of NZTA co-funding. The physical works construction on Domain Road progressed.

In October 2019, NZTA subsequently advised Council staff that the Domain Road SSBC had been re-considered and was now "likely" to receive funding. Council staff then finalised the SSBC which required reviewing work to date and a funding submission to the NZTA Delegations Committee Thursday 12 December 2019 for approval.

In December 2019, TCC received funding approval for \$5m (51% Funding Assistance Rate) from the NZTA Chief Financial Officer for the business case and the physical works elements that have not yet been constructed.

### TE TUMU HOUSING INFRASTRUCTURE FUND

4. The Housing Infrastructure Fund is a \$1 billion fund that provided 10-year interest-free loans to high-growth Councils. The funds were provided for core infrastructure to support housing development and increase housing supply.

In July 2018, Tauranga City Council submitted a Detailed Business Case to the Housing Infrastructure Fund (HIF) to support the development of the Te Tumu growth area along the Eastern corridor of Tauranga. The Te Tumu HIF application was approved by MBIE



(administers of the HIF fund), accompanied by NZTA approval of the eligible transport funding share from the NLTF.

In September 2018, NZTA confirmed the eligible funding share from the NLTF. NZTA agreed to a total NLTF contribution of \$30.46 million for the transport components totalling \$62.4 million, representing the application of a standard Funding Assistance Rate (FAR of 51%) against all eligible components.

Throughout this process, Council advised NZTA that cost estimates provided were provisional due to the challenge of bringing infrastructure development forward and the time required to progress design and costings. There was an understanding that a request for variation would be considered by The Agency post-HIF approval.

In September 2019, Council submitted a funding variation request to NZTA. The funding variation sought both a different approach to funding some items and additional funding associated with cost increases. FAR subsidy was sought on the transport components of Stormwater Pond G (approximately 28% of the cost), additional 51% FAR subsidy sought for the additional two laning of either Te Okuroa Drive or The Boulevard (whichever is constructed initially) to accommodate public transport. The funding variation also accurately reflects the updated design and engineers' cost estimates of the original HIF application with additional funding of \$9,095,000 sought.

The Te Tumu projects included in the funding variation memo request:

- Papamoa East Interchange;
- Te Okuroa Drive – from Main Road to Te Tumu boundary;
- Te Okuroa Drive/Main Road Intersection; and;
- Wairakei Land Purchase and Construction of Pond G.

Council have received a positive response to the funding variation request from NZTA and staff are currently responding to further information requests from NZTA, however no additional monies from the original bid have yet been approved.

## TE TUMU PEI DISCUSSIONS REGARDING TOLLING

5. TCC undertook discussions with NZTA regarding the potential inclusion of the Papamoa East Interchange (PEI) in the current Tauranga Eastern Link Order in Council (TEL Order). This would then allow tolling revenue to be utilised to pay down the PEI. Staff are seeking to determine whether tolling is a potential funding option for the significant capital expenditure of PEI which will likely be spent during the next LTP period.

NZTA advised their legal advice received was that the PEI was unable to be included in the definition of the current order but offered to support TCC to investigate the option of applying a Council toll, with Council leading the process, complying with the LTMA regarding criteria and process.

Council legal advisors are of the view that the TEL Order could be amended to include PEI related costs. NZTA and TCC have agreed that our respective legal advisors will meet to discuss the matter.

## DIVESTMENT OF FORMER BELLA VISTA PROPERTIES

6. In December 2019, Council advertised for registrations of interest (ROI) from developers for the former Bella Vista properties on Lakes Boulevard and Aneta Way. The deadline for submitting ROI is 30 January 2020. Interested parties are asked to provide information on capability, capacity and credibility and purchase price indications. The intention is to sell all 22 properties to one developer, with a condition requiring a permanent retaining wall to be built before the properties effected by the wall are on-sold. Temporary retaining walls are in place.

7. The last of the Lakes Boulevard houses was removed in December. The vacant sites have been tidied and grass is to be cultivated by way of hydroseeding to alleviate dust and to control sediment run-off. Timing of the reinstatement of the footpath along Lakes Boulevard is dependent on the removal of the existing sediment ponds, which will be determined shortly.

## ATTACHMENTS

**Nil**



## 8.8 General Manager's Report - Infrastructure

**File Number:** A11142773

**Author:** Nic Johansson, General Manager: Infrastructure

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. This report updates the Council on relevant issues and performance in the Infrastructure Group for the December 2019 to January 2020 period.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receives General Manager's Report - Infrastructure

### EXECUTIVE SUMMARY

2. This report covers material that either is not being reported to one of the other committees or is an interim update on matters that may ultimately be considered by one of the other committees.

### WAIARI WATER SUPPLY SCHEME

1. This project delivers Tauranga's third water treatment scheme. The water abstraction volume is shared by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC) 75% / 25%. Stage 1 brings on stream the first 15,000 cubic metres per day (of the consented 60,000 cubic metres per day).
2. There is a considerable amount of construction work to be completed to deliver the project. Work has been divided into six main contracts. Five have been awarded to-date, with one further one due for tendering in mid-February, as per the table below:

1	Intake works	Approx. 55% built - HEB
2	Reservoir to reservoir trunk-main	Approx. 58% built - HEB
3	Number One Road trunk-main	Commenced October 2019 - Smythe
4	Farm section trunk-main	Commenced December 2019 - HEB
5	Filtration Membrane Contract	Design complete
6	Treatment plant works	Tender to be released mid-February

3. The farm section and treatment plant contracts are at greatest risk of time delay due to challenging ground conditions and the significant quantum of works required to complete the Treatment Plant. The project team is approaching this issue on two fronts:
  - (a) Firstly, through exploring the opportunities and viability of acceleration to shorten construction timeframes.
  - (b) Secondly, through contingency planning and investigation of options to manage the supply of potable water to the community through the summer of 21/22.
4. We are in the process of reviewing the total project budget to inform the Annual Plan and Long-Term Plan processes. A risk-based assessment of the project has recently been

completed. It will inform the budget to be put forward through the financial planning processes. The outcome of this review is the subject of a standalone report to this committee which addresses the impact on development contributions when collection for the scheme commences and what actions are being taken to verify and minimise costs.

5. The final physical works contract (water treatment plant) is expected to be awarded by June 2020; the final value will not be available to inform budget adjustments in the annual plan, hence the requirement to make adjustments via the 21/31 long term plan process. A risk funding allowance will be included in the budget adjustments.
6. Extensive engagement continues with land owners, business and the community in relation to the project. Council is working very closely with our tangata whenua partners and WBOPDC and we aim to ensure stakeholders and the community are engaged and well informed.
7. Risks and opportunities are continually being assessed, mitigated and resolved as the project progresses. The assessment of risks informs Council's contingency planning and budget forecasting processes. Temporary Traffic Management (and the community's response to this) features prominently in the project risk matrix.

### **CAMERON ROAD / MALEME STREET INTERSECTION**

8. Staff are reviewing options to improve safety and connectivity for pedestrians and cyclists at the Cameron Road/Maleme Street intersection. We seek to find the most appropriate long-term solution but have introduced some interim measures before commencement of the new school term, including:
  - (a) Removing the left-turn slip lane
  - (b) Extending the cycle lane through the intersection, and
  - (c) Installing some flexible safety posts.
9. Further work underway involves redesigning the lane configuration of Maleme Street, the size of the existing pedestrian refuge and kerb realignments.
10. Longer-term options being investigated for this intersection include:
  - (a) Traffic lights
  - (b) Stand-alone light-controlled pedestrian crossing to the north of Maleme Street, across Cameron Road
  - (c) Traffic modelling to determine the impact on the wider transport network in this area
  - (d) Reconfiguration of the Western Bay of Plenty District Council entry/exit on to Cameron Road

### **15<sup>TH</sup> AVE CORRIDOR IMPROVEMENTS**

11. The works are progressing well, are within budget, while there are minor delays to the programmed completion date. To minimise any impact on local businesses and residents, we are investigating the possibility of extended hours, until the project completion which is expected to be by mid 2020.
12. Work is now underway on the Burrows Street intersection traffic signals. We are working to complete the road widening and shared path works by early March, which leaves the closure of Turret Road and the commissioning of the traffic signals.
13. Ongoing communication and engagement around the project is being undertaken by Higgins stakeholder staff, as well as through TCC E-News updates.

### **CONCORD AVE / FARM STREET / LINKS AVE INTERSECTION**

14. The primary focus of these works is to improve the safety of cyclists and pedestrians crossing the road at the staggered intersection of Concord Ave, Links Ave and Farm Street.

Traffic calming measures were also installed to reduce road users' speed in the area. The substantive works were completed in early February, prior to school returning.

15. The footpaths around the intersection were widened and converted into shared paths, and cycle/pedestrian crossings were installed across Concord Ave (both ends of the intersection), Links Ave and Farms Street.
16. Due to the yet to be decided location of the permanent Arataki bus facility, two temporary mountable roundabouts have been installed.
17. Works commenced on 8 January as scheduled. During the construction period, the Arataki community and the Bay of Plenty Regional Council (BoPRC) were consulted to ensure access was maintained to impacted properties and so bus services could operate without any issues.
18. There are still some minor works associated with lighting that are yet to be completed - as such, a temporary speed limit of 30km/h will be in place until this aspect is complete. In addition, a new shared pedestrian/cycle path on Links Ave is to be installed, which will connect with the existing path on the bus lane side of the road.
19. The final cost of the project is likely to exceed the engineers' estimate of \$500k but remains within the approved budget.
20. As for any transport project, a post-construction safety audit will be undertaken once all works are complete.



## TRANSPORT TECHNICAL REVIEWS

21. Following a number of technical reviews of key transport projects in 2019, we have a new approach to assess the robustness of transport projects from a safety and purpose perspective. This approach has been used successfully elsewhere in New Zealand and is known as Safety Assessment and Network Functionality (SANF).
22. The SANF is complementary to the traditional Safety Audit process and enhances this by including the requirement to take account of other considerations, such as the impact on network performance for all road user groups.
23. The transport challenges that face a growing city require us to consider in-depth the competing demands and complexities of a busy urban network. The benefit of the SANF process means a broader view is taken to ensure the project is fit for purpose.
24. The SANF considers, among other things, the following key elements:
  - (a) Integration with future land use and growth
  - (b) Integration with the public transport system

- (c) Effects on network capacity of both the existing road network and future transport projects
  - (d) Integration with urban design and amenity values for the area
  - (e) Pedestrian desire lines, total mobility and public safety
  - (f) Operation and maintenance activities
  - (g) Local community issues including school activities
  - (h) Integration with intersection operation and safety
  - (i) All elements of the current Safety Audit process are included
25. The SANF process formalises the consideration and documentation of these effects as part of a project's lifecycle.

## TARA ROAD

26. The Tara Road widening project has been a significant piece of work and is now complete subject to some further work required under Resource Management Act (RMA) conditions.
27. The project was approved by way of a Notice of Requirement under the RMA, with conditions imposed regarding noise levels, including:
- (a) The requirement for installation of a noise wall along some sections of the road to mitigate noise to local residences
  - (b) A maximum noise limit imposed, with noise assessments carried out periodically.
- In the event the limit is exceeded, then mitigations might comprise a reduction in the speed limit, quieter surfacing treatment for the road or additional noise walls.
28. As Tara Road was built on swamp land, there is ongoing ground settlement occurring, particularly around the Tauranga Eastern Link (TEL) Domain Road roundabout. This is being monitored, so repairs can be arranged should damage to road shape or drainage occur.
29. We are also looking at ways to improve safety at the Tara Road / Parton Road intersection, following reviews by TCC and concerns raised by residents. This is a well-used road by both private and commercial vehicles and located in close proximity to amenities such as bus stops, schools, childcare and medical facilities, a retirement village and other residences. Any safety interventions should seek to improve conditions for all road users, while not compromising through-flow or creating congestion in the network.
30. We are exploring options and these will be reported back to a future PSOC.
31. There is also a citywide speed limit review, which will encompass this area, as the speed of traffic here is also a concern.

## ROAD SEALING POLICY REVIEW

32. At the Projects, Services and Operations Committee (PSOC) meeting (6 August 2019), a petition was received regarding the proposed chip seal resurfacing of Santa Monica Drive, Papamoa.
33. The Committee received the petition and resolved that we would '**defer resurfacing of Santa Monica Drive until 2020/21**', directed us to '**engage with the community with regard to the most appropriate road surface for Santa Monica Drive**' and to '**present an issues and options paper to Council for the 2020/21 annual plan on road pavement resurfacing level of surface**'.
34. At the same PSOC meeting, another petition was received regarding the resealing of Oriental Parade, Oreti Crescent and Bucklands Crescent in Papamoa. The petitioners requested that Council reconsider its resurfacing policy and requested that an independent engineer carried out an inspection of the works.

35. An independent inspection has been undertaken of the works, and a report has been prepared. We are now analysing the conclusions and recommendations.
36. We are also preparing a report to compare the merits of asphaltic concrete surface and stone chip surfacing that will inform any recommendations to Council as part of the 20/21 Annual Plan process.
37. Any decision resulting from the Annual Plan process will, in turn, be reflected in the Council's resurfacing policy.

### **HEWLETTS ROAD AREA – SHORT TERM INVESTIGATION**

38. The purpose of this project, led by NZTA, is to identify potential quick-win solutions to improve traffic efficiency on Hewletts Road and the surrounding road network.
39. Coordination of this project is being undertaken by the Urban Form and Transport Initiative (UFTI) project team on behalf of the UFTI partnership. Overall, the draft report identifies limited opportunities to improve Hewletts Road in the short-term. However, opportunities do include:
  - (a) Improving signal phasing (e.g. Hewletts Road / Waimarie Street intersection)
  - (b) Lane utilisation by adjusting lane markings to accommodate additional vehicle stacking at certain locations (e.g. between Tasman Quay to Jean Batten Drive)
  - (c) Safety improvements, such as pedestrian and cycle connectivity between Newton Street and Maunganui Road and across the Hewletts Road/Totara Street intersection
  - (d) Potential to improve local road connection between Te Marie Street and Newton Street. This project has been costed at \$1.3m, which is above the Transport Agency's 'low cost low risk' Work Category threshold, as such, a business case would be required.
40. The next steps are to finalise the report and work with NZTA to scope in detail each of the short-term opportunities, so that they can be investigated and designed in detail. The medium-term and longer-term opportunities will be considered through the Transport System Plan project.

### **BUS SHELTER UPDATE**

41. On 10 December 2019, a report was presented to Council to provide an update on the provision of new bus shelters across the city. At that meeting, it was resolved that Council would give notice of the proposed installation of bus shelters in writing to owners and occupiers of land with frontage to the proposed bus shelters, as per the Local Government Act.
42. Prior to Christmas, 29 property owners were sent letters to advise of the proposal to install a bus shelter adjacent to their property.
43. The timeframe for lodging formal objections has now passed. We received one positive response and nine negative responses; the remaining 19 property owners did not respond to the letter. This response rate was less than what we had anticipated.
44. To allow for the possibility that property owners were either away or for the notification to have been overlooked, it is our intention to revisit these remaining property owners to determine their support or otherwise. Once this exercise has been completed, we will report to Council at its meeting on 10 March 2020 in order to seek a decision on proceeding.

### **IDC COMPREHENSIVE REVIEW**

45. The Infrastructure Development Code (IDC) provides technical information for development of our infrastructure. This is a living document to allow for an ever-changing environment.
46. It is a requirement of the IDC [Section GEN-5.2.5] that there is a comprehensive review carried out every 9 years. The 2020 Comprehensive IDC review was launched on 1 July 2019. Industry stakeholders were invited to share their thoughts on what in the IDC works

well and what may not work so well. The survey closed at the end of August 2019, with 24 responses received. Results and individual responses to comments were published on the TCC website, issued to the IDC contact list and discussed at the Property Developer's Forum.

47. The results of the survey did not include any recommendations for substantial changes to the IDC, therefore, a report will not be submitted to full Council as required under GEN-5.25f. All recommended changes have been included in the IDC projects list for prioritisation and action.

## ATTACHMENTS

Nil



## 8.9 General Manager's Report - Corporate Services

**File Number:** A11142050

**Author:** Nick Swallow, Manager: Legal & Commercial

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### PURPOSE OF THE REPORT

1. This report updates the Council on relevant issues and performance in the Corporate Services department for December 2019.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- (a) Receive the General Manager Corporate Services Report

### EXECUTIVE SUMMARY

2. Corporate Services Group covers the areas of finance, digital, legal and risk, property, airport, marine and procurement. The areas of finance, legal and risk are reported regularly through the Finance and Audit Committee and are not covered in detail in this report.

### LEGAL & COMMERCIAL UPDATE

3. The legal and commercial team is relatively new, with Procurement services and Legal and Risk services combining with the objective being to place several key business advisory services in a single team. Much of the last half of 2019 saw efforts geared towards bedding in the new team but also trying to better promote the gains that these three areas can bring to Council as a whole.
4. Because legal and risk both report quarterly to the Finance, Audit and Risk Committee it is better for this report will (insofar as it relates to those teams) to focus more on how those functions are operating:
  - (a) **Legal:** last year saw a concerted effort to increase the team's overall capacity to provide legal advice, particularly around capacity to provide commercial advice (contracts etc.). This saw a new position created - Team Leader: Legal, along with an additional Corporate Solicitor. Both these new positions have been filled, and we have been lucky enough to attract some very experienced commercial lawyers into the organisation. We are also currently recruiting to replace one of the existing roles following an internal promotion outside the Corporate Services group.
  - (b) **Risk:** this function underwent significant change as a result of the repositioning last year and saw two new positions created – Internal Auditor and Business Continuity Advisor. Again, we were lucky to attract some highly experienced and capable staff to the organisation. The new roles report into the Team Leader: Risk, which is itself a new role from the previous Risk Specialist position:
    - (i) **Internal Auditor:** this role is a safeguard function to ensure that Council is aware of progress on measures to reduce risk. More widely, there is increasing recognition of a need to utilise risk management tools at early stages of projects.

- (ii) **Business Continuity Advisor:** this position previously sat within the Emergency Management team and was unfilled. It was moved into Risk services in recognition that business continuity is distinct from things like natural disasters, and critical to ensuring Council functions can operate following a wide variety of possible disruptions. Late last year the team completed a series of risk assessment and business impact analysis workshops, which are the first step to gaining business understanding which then feeds into wider recovery strategies and business continuity plan development.
5. **Procurement:** As noted above, the Procurement team merged with Legal and Risk. The team reports to the Team Leader: Procurement position, which was filled late last year with a highly experienced team leader joining from the private sector. The last quarter of 2019 saw efforts placed on understanding how TCC does procurement with a view to process improvements. There are two central changes underway:
- (a) With only a single advisor plus a team leader, TCC has a small team compared to local authorities of a similar size. We are shortly going to commence recruiting for two new roles: a procurement specialist who will work with Council teams at a more strategic level (e.g. to understand market dynamics and trends), and a senior procurement advisor to increase the support to various TCC teams; and
- (b) TCC also operates a “centre led” procurement approach, which means there is a central policy framework and advisory support for various teams to follow. We are looking to understand if this model is effective and how to improve it. However, it is already clear that additional advisory support will be needed to reflect the considerable growth of the City and corresponding rise in the amount of procurement being undertaken. The team is working closely with the infrastructure team, including the PMO, around these potential changes. In addition, a recent change has seen the procurement co-ordinator role move from Infrastructure to Procurement bringing the tender portal under the umbrella of Procurement.

## DIGITAL SERVICES UPDATE

6. **Operating Statistics** for the reporting period 1 December to 15 January:

(Previous reporting period was 15 September to 31 October, 6 weeks)

- the number of service desk tickets 2370 (previous period 3077)
- the number of outages/P1 calls 0 (previous period 1)
- the number of changes released 25 (previous period 79)
- the number of active servers 241 (previous period 276)
- the number of active laptops/PCs/Tablets 1061 (previous period 898)
- The number of active virtual desktops 452 (previous period 856)
- The number of active users/accounts 2055 (previous period 2011)
- the number of cell phones 544 (previous period 534)
- the number of staff hours on projects 1225 (previous period 2176)
- the number of cyber-attacks 49,340 (previous period 45,600) (This number is unique attacks by user by type i.e. one address attacking us 1,000 times with one type of attack and then another 1,000 times with another type of attack is counted as ‘2’.)
- the number of emails processed 5,649,689 (previous quarter 1,776,487)
- the number of items scanned/profiled 16,417 (previous period 31,753)

**Notes:** Staff hours on projects lower due to the Christmas Break.

7. The DWF project has delivered all of the laptops and has a few PCs still to deliver. The numbers will drop a little in the next reporting period as old assets are retired in accordance with our lifecycle process. The number of active virtual desktops is decreasing as these are also being retired as an outcome of the DWF project.
8. The number of changes released was a lot lower this reporting period as we were in brownout/blackout for most of that timeframe over the Christmas break.
9. We have now moved our email environment completely to Exchange Online. This gives us much better reporting tools around email, and this accounts for the large increase in the number of emails processed. Our previous method of reporting could only account for externally sent and received emails, where the Exchange Online reporting gives us ALL emails processed including internal email.
10. **Key Digital Metrix**
  - **NPS** in this reporting period 43.2 (previous period 42.4)
  - **Transactions completed on-line** 3,484 (previous period 3,040)
  - Value of **transactions on-line** \$508,889 (previous period \$688,500)
  - the number of **property's/subdivisions processed** 14 (previous period 29)
  - the number of **new land parcels created** – 120 (previous period 97)
  - the number of **customer contracts on TCC fibre** - 18 (previous period 18)
  - the amount of **leased datacentre space** - 2 customers, 84 Units (previous period - 2 customer, 84 Units)
11. **Digital Programme (Master Plan) Summary**  
 Along with the Executive team Digital Services maintain a forward programme of work (called the Digital Master Plan), which represents the major streams of work required to:
  - Reduce organizational risk (to address end-of-life systems, poor asset management and historic under investment in IT)
  - Increase productivity (through providing our people and community fit for purpose tools and platforms)
  - Improve decision making (through providing our people access to information's and insights and opening up this information to the community)
  - Reduce cyber security risk (through providing appropriate education for our people and strengthening our borders)
  - Community enablement (through increased self-service, digitization of legacy processes, improved channel experiences and access to knowledge)
12. This Master Digital Plan represents 80% of our programme of work (not to be confused with business as usual activity), with 20% built up of the small but important changes that bubble up from the organization and community (such as providing dashboards for the transport team to understand the health of our cycle counters across the city and cycle volumes).

Completed	WIP	Future
Finance		
Strategic finance Planning	Strategic finance Delivery	AR Rating Corp Planning Sourcing & Procurement Property Management
Community, Services & Regulatory		
	Channels Roadmap Service request planning Field Services PoC	Consultation portal Simple Service Delivery Full Field Services
Community Engagement, Governance & stakeholder		
InfoCouncil		Stakeholder Management

		Content Distribution & Review. Engagement & consultation tools and processes. Channel Management tool.
<b>Data Insights &amp; Information</b>		
Development of BI strategy & roadmap.	Common BI & Reporting Portal Rollout. BI Reporting delivery	BI Reporting delivery
<b>Productivity Tools &amp; Infrastructure</b>		
Skype for Business Ph-1 Outlook online Laptop Delivery		Skype for Business Ph-2 Contact Centre Omni-channel Tool. Office 365 Productivity Tool Records Management Cloud Migration CAB Planning and Execution.
<b>HR</b>		
Building Services Competencies		HR Roadmap planning Year End Discussions (Full) Ask Your Team - org survey/engagement. Core HR Insights
<b>Major Services</b>		
	Kerbside Product Planning & Design. Waters Technology Assessment	Kerbside Product Delivery Water Contract Partner Solutions
<b>Asset Management</b>		
Powerplan Upgrade		Asset Management Review Accella upgrade and Optimisation.

- *Engagement & Consultation Tools and Processes is brought forward into financial year 20*

Project	Description	Phase	Status
Strategic Finance	Deliver on vision for Strategic Finance.	Delivery	<ul style="list-style-type: none"> <li>• Strategic Finance initiative is the first of a programme of work to remove the risk of our outdated ERP platform (Ozone) whilst supporting the finance team focus on strategic outcomes and supporting the organisation;</li> <li>• Project status currently green and tracking to plan, against a tight timeline.</li> <li>• Spend to date on track against budget.</li> <li>• Completed approx. 80% of development;</li> <li>• Completed approx. 80% test scripts and commenced system testing;</li> <li>• Business engagement and readiness activities ramping up;</li> <li>• Commenced deployment and cutover planning for trial cutovers and 'Go-Live' in April timeframe.</li> </ul>
Lifecycle	Maintaining our systems and solutions by ensuring they remain up to date, supportable and secure.	Delivery	<ul style="list-style-type: none"> <li>• A number of our systems are quickly coming to the end of life, where they will no longer be supported by the vendors and expose TCC to potential security vulnerabilities. This has been heavily driven by the</li> </ul>

Project	Description	Phase	Status
			<p>end of support of operating systems by Microsoft along with a history of under-investment in our IT systems.</p> <ul style="list-style-type: none"> <li>• Digital services have now successfully completed the following system upgrades:</li> <li>• Printing environment</li> <li>• Scanning environment (KOFAX)</li> <li>• Asset Management System (Accela)</li> <li>• City Waters server</li> <li>• Exchange migration to Exchange Online</li> <li>• Business Continuity website moved to Objective Connect</li> </ul> <p>The following are currently in progress:</p> <ul style="list-style-type: none"> <li>• Traffic management system (SCATS) Upgrade</li> <li>• Intranet 'Insider' upgrade</li> </ul>
Tools	Give our people the productivity tools they need to be successful.	Delivery	<ul style="list-style-type: none"> <li>• Skype for Business phase 2 is kicking off next quarter, which will enable the organisation to fully utilise the telephony and video conferencing capabilities.</li> <li>• Exchange email migration project – where we are moving our mailboxes to an online version of Microsoft Exchange. All mailboxes have been migrated to Exchange Online and we have now been monitoring on the legacy server to check for any remaining connections which need to be changed before switching the server off. The project has also successfully completed the TCC email archiver system and Digital Services &amp; Property Portal Service Desk solution. Next step is to decommission the legacy server and complete the documentation.</li> <li>• Digital Workplace of the Future Laptop rollout is complete with over 700 laptops across the organisation. The project is now focussing on removing the remaining virtual machines to be able to fully decommission the old environment.</li> <li>• Office 365 discovery work will commence next quarter. Vendor has been engaged to evaluate alternate options. The use of the Office 365 platform presents an opportunity for TCC to migrate from its legacy document management system, potential savings in license fees and an improved user experience. The organisation will be using the other aspects of the O365 suite and this is an opportunity to consolidate.</li> </ul>
Governance	Provide the right tools to enable appropriate council governance including facilities, reports, agenda's and meeting management.	Delivery	<ul style="list-style-type: none"> <li>• The first Initiative on this roadmap was the implementation of a tool, Infocouncil, to support democratic services and the organisation manage the end to end process for council and committee meeting content from initial report development through to submission, meeting agendas, minutes and actions.</li> <li>• Infocouncil web went LIVE Jan 2020. Infocouncil web automates the publishing of agendas and minutes to the TCC website. The Infocouncil project is expected to close down late Feb 2020</li> </ul>
Service, Portal & Channels	Enabling tools to support our community to interact with the council using the channels that suit them.	Discovery	<ul style="list-style-type: none"> <li>• Prior to the formal start of this project, Digital Services and People &amp; Engagement with support of a partner (Flare Design, who have previously done the Customer Services review) have</li> </ul>



Project	Description	Phase	Status
			<p>started the development of a Channel Strategy/Framework with the wider organization. This work is currently underway</p> <ul style="list-style-type: none"> <li>• The draft final report is being presented in late January to the Steering Group.</li> <li>• Starting work with the Engagement Team to progress tools to support better community engagement</li> </ul>
Regulatory	Provide the right tools and processes to support our regulatory requirements whilst managing the community's expectations,	N/A	<ul style="list-style-type: none"> <li>• In line with the master plan, major components in this space will start in 2022.</li> <li>• In the short-term Digital Services are working closely with the regulatory teams around some tools to support efficient delivery of services. Several initiatives are currently under development: <ul style="list-style-type: none"> <li>○ Improved reporting around resource consents</li> <li>○ Mobile field workforce tools. The first stage of this functionality will be available shortly</li> <li>○ Evaluating the viability of SAP All of Government cloud solution for regulatory processes</li> </ul> </li> </ul>
BI and Analytics	Continued maturing of our tools and capability to deliver enhanced reporting and data insights in order to enable data driven decision making across the organisation.	Delivery	<ul style="list-style-type: none"> <li>• A focus for the BI stream during this period has been the development of a strategy that will keep the BI activity aligned with the organisation's outcomes.</li> <li>• Support for the Strategic Finance project has been a key area of focus for the BI stream. Several reports are being developed as value add to vendor deliverables from the project.</li> <li>• To grow and future proof our BI platform, work is underway to leverage cloud technology and extend our BI capability.</li> <li>• A Data Insights roadmap will be socialised with Executive in the next reporting period. The roadmap will look to increase the organisations maturity around the creation and use of data to make good decisions.</li> </ul>



Strategic Finance in action – An interactive and collaborative approach to delivering complex projects

### 13. Other Digital Projects



In addition to the Major areas of work, Digital services are supporting the organization with a number of smaller initiatives to improve efficiencies and provide enhanced service to our community. These initiatives are being delivered through an iterative delivery methodology which enables stakeholders to realise value early and continue to iterate over time. The following initiatives have been delivered through this mechanism:

**a) Information Security Review:** DS have engaged an organisation called International Consulting Group (ICG) to source a contractor for a Security Governance review. The engagement is expected to start in mid to late February and take 4-6 weeks. It will involve leveraging experience in the security industry to hold quality discussions with key stakeholders, gather relevant information and come up with a pragmatic approach and recommendations for TCC. This is governance/risk/practices aspect of security rather than the operational parts. The value that this will provide is:

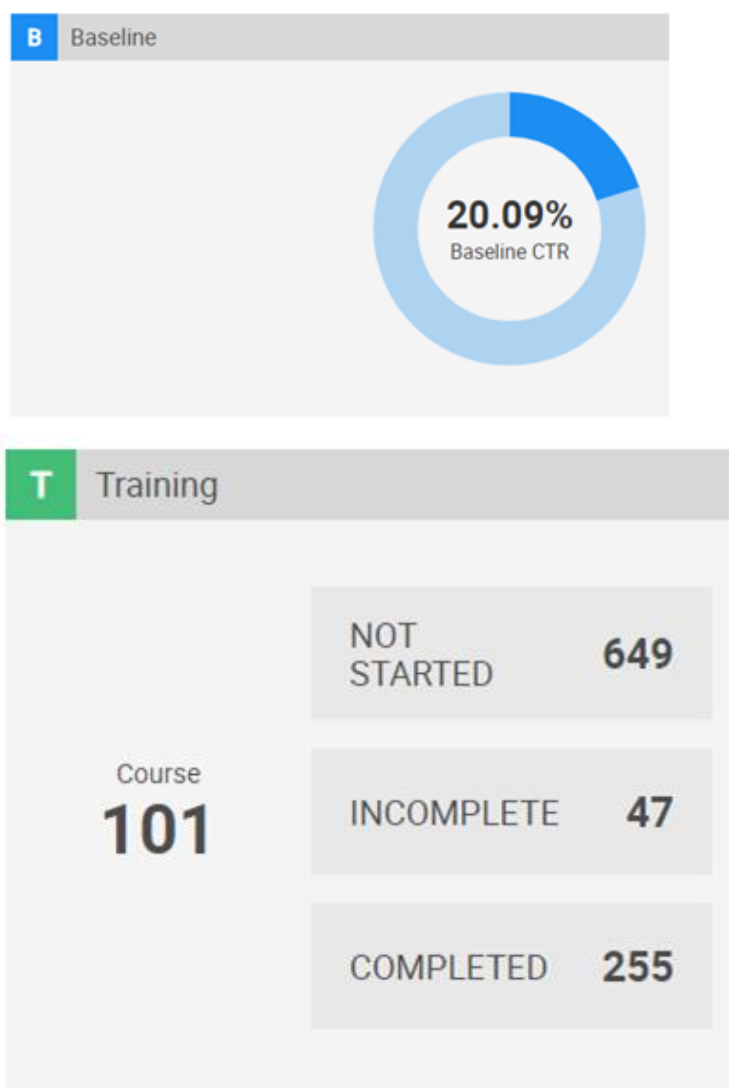
- Understanding what TCC's cyber security risk profile currently looks like and what an appropriate future state could look like;
- Informing a recommendation/debate with Exec and Council on the appropriate cyber stance for TCC;
- Knowing what steps to take to improve our cyber security risk profile;
- Being in a better position to understand the appropriate levels of investment required based on the risk profile we select;
- Aligning our efforts in this space to an active and informed decision by council.

**b) ALGIM Benchmarking:** DS have taken an opportunity to carry out a benchmarking exercise through ALGIM (Association of Local Government Information Management). This will allow us to benchmark against other IT departments within local government and provide us with a repeatable method to continue to measure this. This will augment the information we get out of NPS and help us to track our progress as a department. The value that this will provide is:

- Finding out what is really important to the business in order to steer DS in the right direction
- Identify dissatisfied stakeholders and build tailored improvement plans to meet their needs
- Identify how IT capacity constraints effect the organisation, providing a strong case for budgetary changes or refocus
- Identify what good practice looks like and understand where we fit against our peers. Be able to understand the link between IT Satisfaction and IT Maturity
- Enable us to set a baseline which will focus effort on improving IT maturity where it matters most
- Focus IT activity on where it is needed most by the business.
- Measure the satisfaction of our key decision makers annually

The sector benchmarking includes comparison against NZ councils and also international benchmarking statistics which will provide valuable insight. The survey is planned to take place in February, with the report being available in March.

**c) Cyber Security Training:** We launched our new cyber security training platform Phriendly Phishing to staff in January, and we are currently monitoring the progress. The uptake in the first 2 weeks looks very promising. We have run cyber security training for the last 18 months but have moved to a platform that better targets our high-risk area which is Phishing. To start fresh with the new system we ran a benchmarking exercise before Christmas ahead of launching the training. This is a simulation of a phishing attack that is sent to everyone in the organisation. This baseline showed 27% of the recipients opened the email, and 20% clicked on the link in the email.

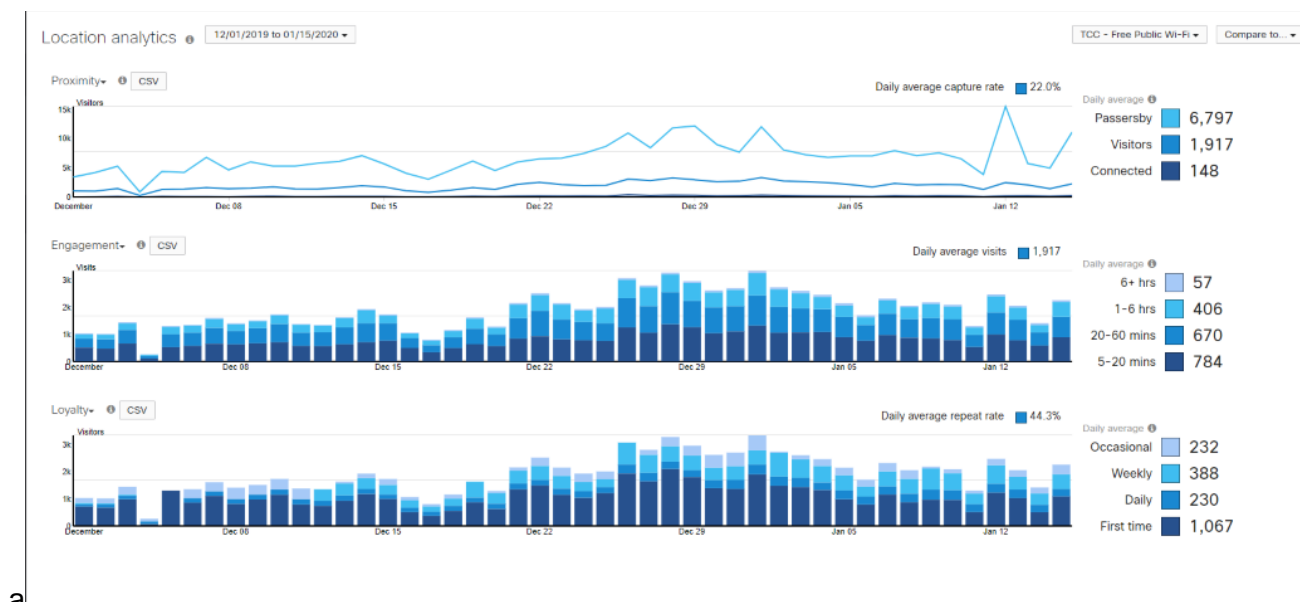


**d) Public Wifi on the beach – Phase 1:** We launched our WiFi service at Main Beach and we are now monitoring the stats to test:

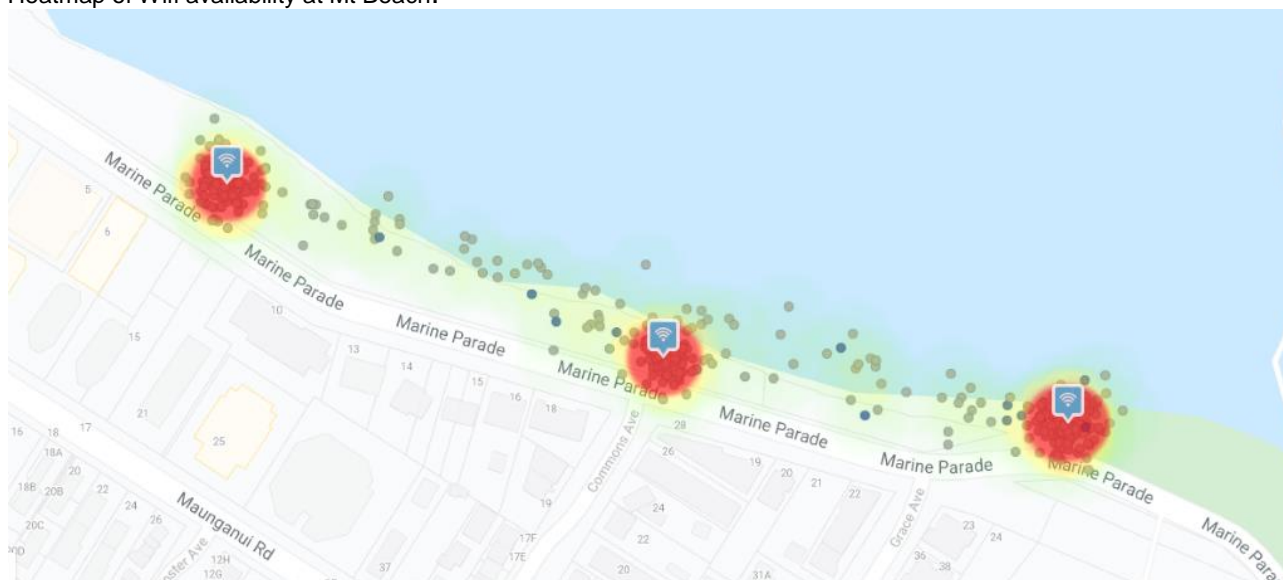
- Through offering a high-quality WiFi service, do we increase the volume of positive social media posts about the city
- Can we use the WiFi solution as a proxy to monitor the usage of Main Beach - better real-world data (facts) help us make better planning decisions
- Can we use the WiFi solution to track the number of people attending events
- Do community users access (use) the service and value it

Over the last few weeks, we have already started to gain a number of positive indicators around achieving our goals:

- Social - we have seen 110GB of social media content accessed – with the top services being Instagram, Facebook, Twitter and then Snapchat.
- Use - we have had an average of 148 people per day use the service from a potential 6797 devices coming into contact with the service each day at a total of 1.19TB of usage over the 6 weeks.
- 45% of people connecting each day have used the service previously.



Heatmap of Wifi availability at Mt Beach:



- e) **PowerPlan Upgrade:** TCC use PowerPlan Asset Investment Optimization (AIO) software to generate asset renewal plans which support TCC planning processes (asset management plans, budgeting and LTP). The value of the assets that TCC have in PowerPlan is \$1.4 billion with an annual depreciation amount of \$30 million. The 2018/19 renewal budgets forecasted using PowerPlan was \$17million. This upgrade has delivered performance and usability improvements:
- Increase in asset model recalculation performance – reduction from 5 days to 3 days for full recalculation of all assets.
  - Sync assets between Accela Asset Mgmt system and PowerPlan - gains here allow our asset planners to perform sync's mid-week rather than syncing over weekend, reducing lead-time in getting data to our planners.
  - User Interface improvements have significantly reduced wait time and increased usability leading to better and wider use of the product.
- f) **Integration –** Building on our first integrations built on Microsoft Azure in the last reporting period, we have added more Services to this cloud-based framework to integrate existing systems with the SAP implementation for the Strategic Finance

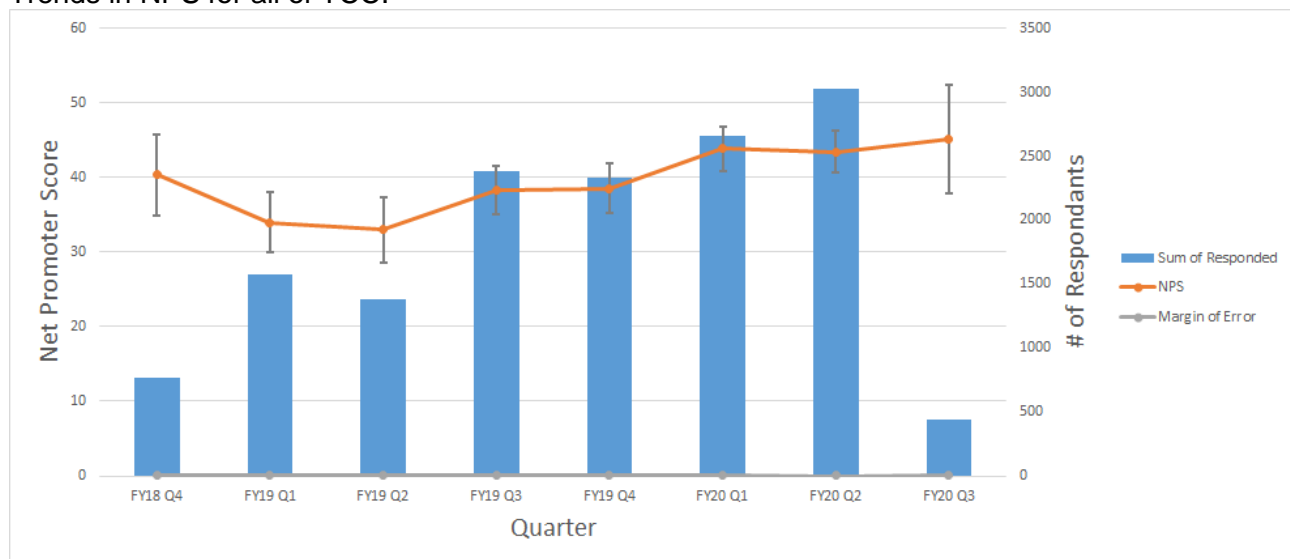
project. This approach significantly reduces our support effort, relies on off the shelf services and increases our agility and delivery speed.

- g) Insider Platform Upgrade** – to ensure we have the latest features and are up to date from a security perspective the content management system platform for Insider has been upgraded. This included an upgrade to the Knowledgebase module which Customer Services use heavily to provide information and navigate council processes when handling community enquiries.

- h) Continuation of Net Promoter Score rollout**, in this period:

Libraries now have their phone calls included in Net Promoter Score surveying of the community after they've called with enquiries.

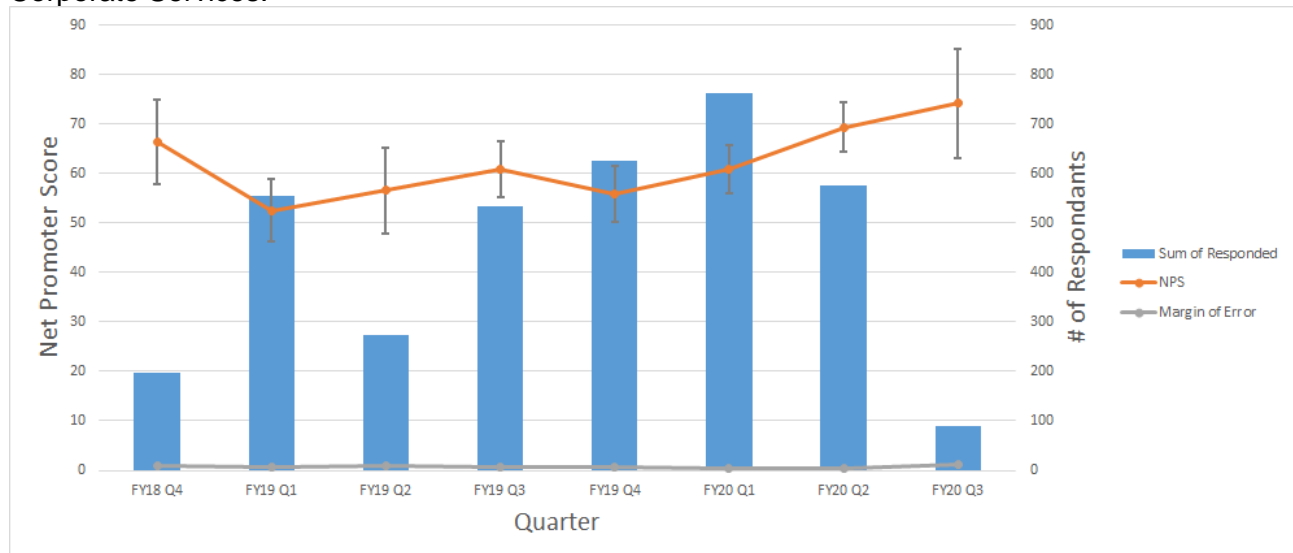
Trends in NPS for all of TCC:



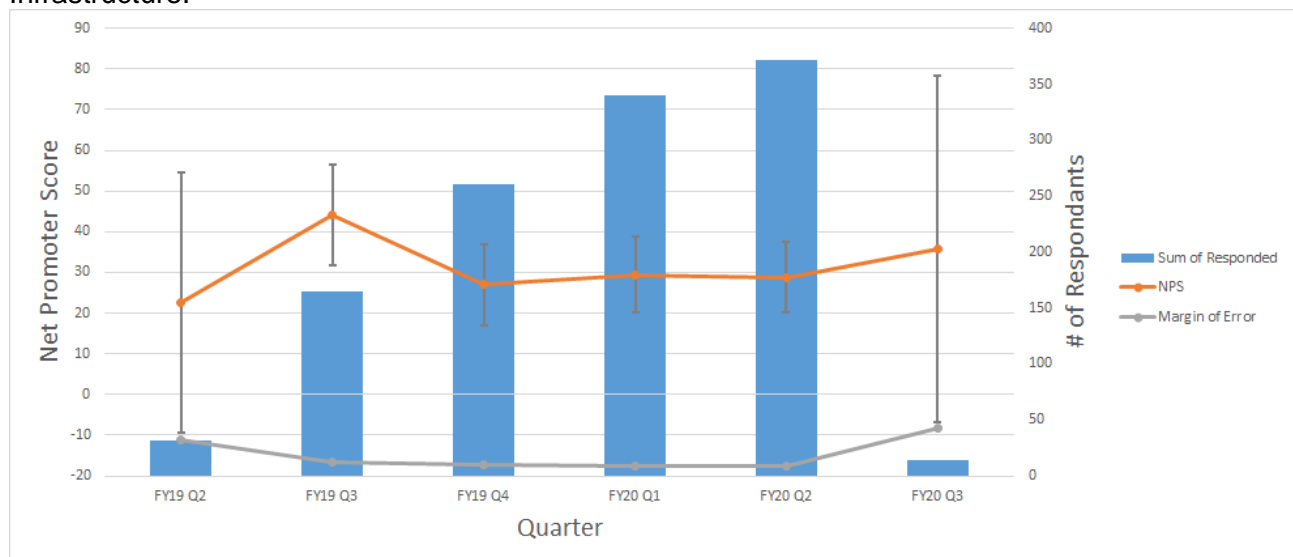
The early trend in January Net Promoter Score feedback is indicating an increase in community satisfaction with the services being measured, after remaining steady from Q1 to Q2. Number of respondents is continuing to increase as we add more business units.

Results by group below, note the margins of error (grey bars) increase as volumes of surveys are less:

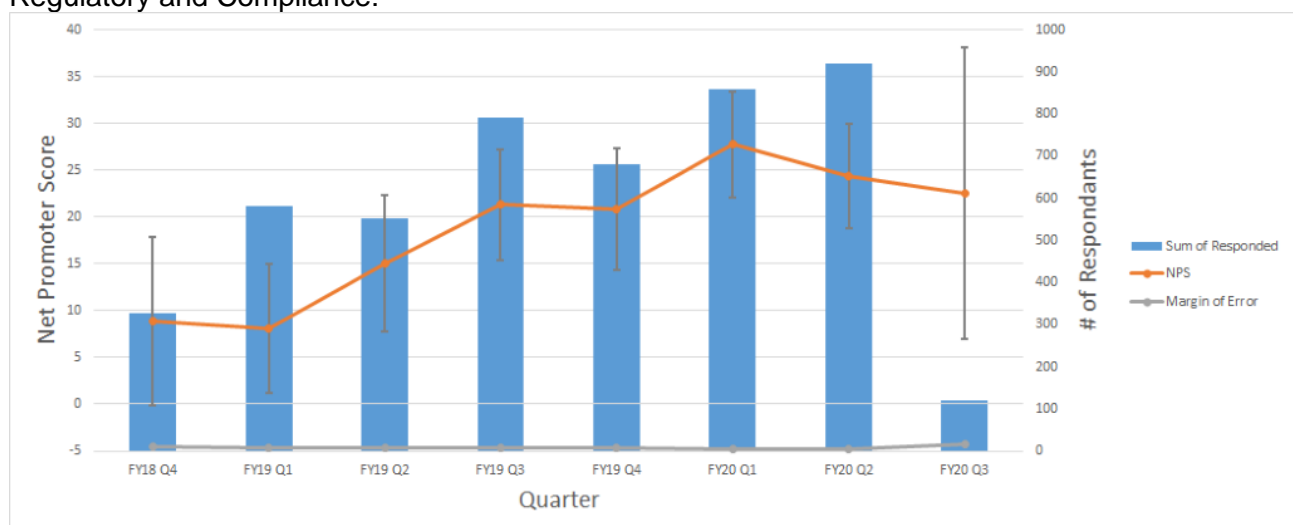
## Corporate Services:



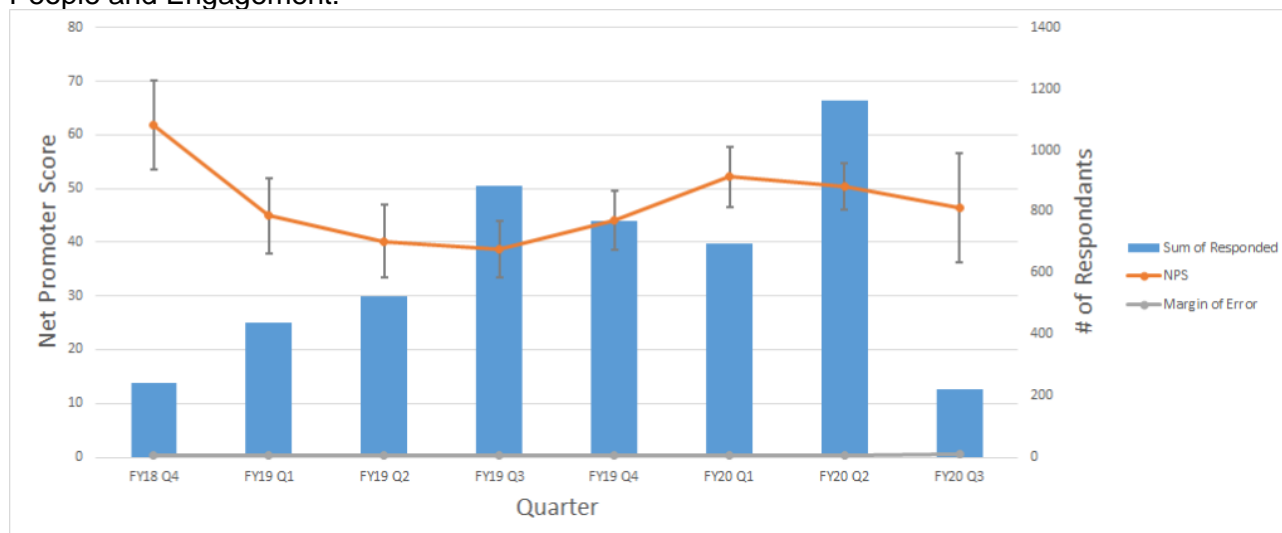
## Infrastructure:



## Regulatory and Compliance:



## People and Engagement:



Community Services (Space and Places have recently started along with Libraries as noted above, but no trends yet).

## PROPERTY OPERATIONS UPDATE

## 14. Property:

- a) The seismic compliance of the Spring street and Elizabeth street car parks are being assessed at present
- b) Fishermans wharf renewals planned due to deterioration of the timber deck and piles. Consultation to commence with the mooring holders.
- c) Public toilet cleaning tender has been awarded to Outsource Client Solutions.
- d) A tender to comply with the Governments Healthy homes will be tendered by the end of February.
- e) Elder Housing portfolio demands are increasing as discussions about divestment continue.

## 15. Mount Holiday Park:

- a) It was a busy summer holiday season with almost full occupation 24<sup>th</sup> December – 10<sup>th</sup> January, and ongoing peak capacity levels expected for the season.
- b) WIFI Installation is complete at the Mount Holiday Park and go live date was 17 December 2019. Feedback has been well received from occupants.
- c) Plans are underway to increase the capacity of the Holiday Park dining /lounge area to meet operational demands on this facility. An Architect is underway with preliminary plans for discussion and meeting with Iwi.
- d) Despite regular Arborist checks, ongoing Health & Safety inspections and mitigation processes, extensive high winds over the holiday season caused a branch from one of three Norfolk Pines on the Mount Holiday Park to fall on 4<sup>th</sup> January 2020. Although no one was injured, the branch landed on a caravan awning causing damage and had a high risk of personal injury. The trees were re-inspected by Arborists after the event and a longer term investigation and report is underway to review additional mitigation factors for such an event reoccurring. Refer Photos below.





## AIRPORT UPDATE

16. December was the completion of the busiest quarter ever for the Airport with 133,962 passengers using the Airport up 13% ,the 12 month running total is 512,659 18% up on the previous 12 months and 30% on the 12 month period prior to that.
17. The increased activity has virtually no effect on Air Traffic volumes as up gauging Aircraft size accommodates the passenger growth.
18. Car Park and Rental Car infrastructure is under pressure in peak periods. Projects are underway to ease this pressure.

## FINANCE UPDATE

19. Focus for the finance team has been implementation of the strategic finance project which has involved design and implementation of the functional requirements for the new SAP system. This project has been undertaken at pace with a large SAP team working with our finance and digital teams to deliver a new general ledger, financial and project reporting, asset system and purchasing to payment system.
20. The team has been highly engaged and the relationship with the SAP and digital services team has been exceptionally positive. The project is targeting an April go live date. The change management process has been rolled out into the organisation with a large number of subject matter experts from the business now being included in the project.
21. The financial advisory staff have been focussed on reviewing and monitoring the current year's performance and updating financial information for the annual plan including reviews of activity revenue and expenditure and trends to deliver a sound budget and user fee proposals for the annual plan.

22. Recent months have seen an update of assumptions for the annual plan including revenue and expenditure timing, project costs and leaky building claims. These updates will inform the draft budget presented in February to policy committee.
23. In preparation for the 2021-31 Long Term Plan the finance team focus includes:
  - (a) Analysis of debt growth likely over the next few years to frame the LTP discussions and the limits on borrowing, particularly the debt to revenue ratio. Borrowing limits will constrain the capital investment opportunities of council, particularly the amount of the desired infrastructure that can be delivered over the next few years.
  - (b) Investigation of alternative funding opportunities and their financial implications for TCC and residents of the city.
  - (c) Organisation of information and reporting on the capital programme to enable council to better understand investment options and prioritise investment in the light of budgetary limits.
  - (d) Review of options for the financial strategy, Revenue and Financing Policy, and rating options.
  - (e) Review of business needs and risks and the business implications of economic assumptions, and
  - (f) Development of the IBIS Breeze corporate planning system to replace Ozone and link with new SAP system
  - (g) work with our digital team to develop the BI reporting capability arising from the inclusion of financial and corporate planning data in the data warehouse.
24. The revenue team has collected 98.5% of the first rates instalment and are due to deliver the second rates instalment to all ratepayers from 1 February.

## ATTACHMENTS

Nil

## 8.10 General Manager's Report - Regulatory and Compliance

**File Number:** A11143276

**Author:** Barbara Dempsey, General Manager: Regulatory & Compliance

**Authoriser:** Barbara Dempsey, General Manager: Regulatory & Compliance

### PURPOSE OF THE REPORT

This report updates the Council on relevant issues and performance in the Regulatory and Compliance department for November to December 2019.

### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- a) Receive the General Manager: Regulatory and Compliance report for the November to December 2019 period.

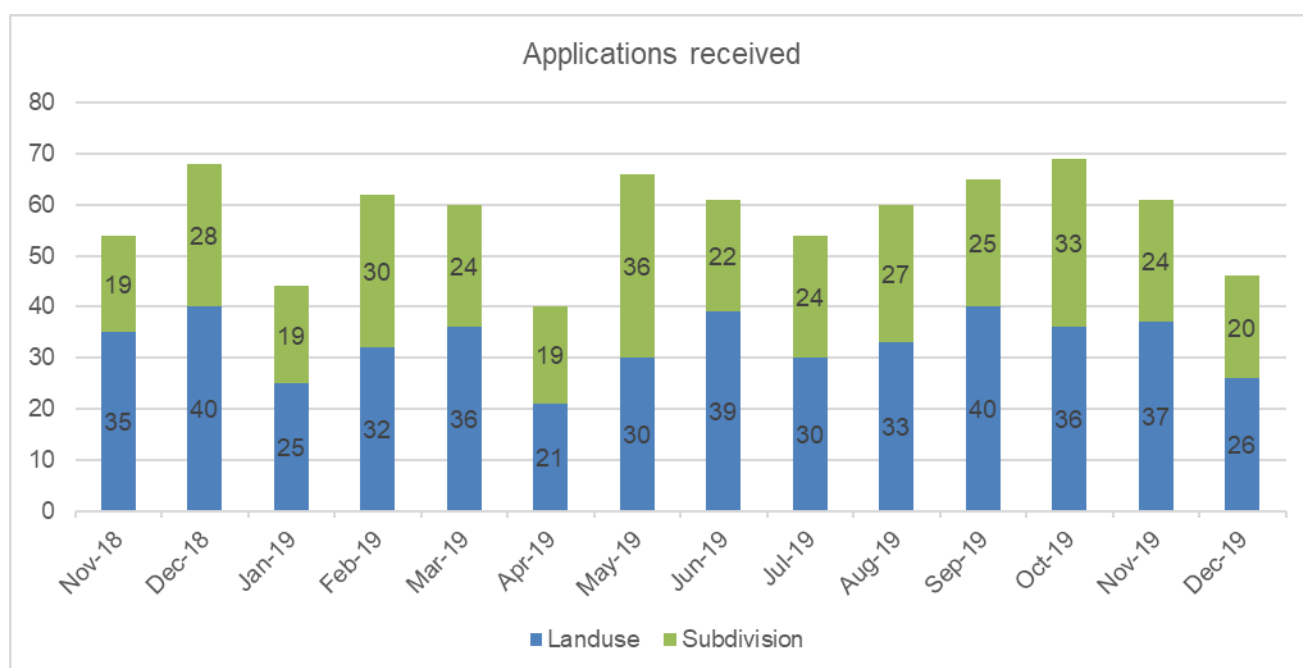
### EXECUTIVE SUMMARY

This report provides information on the performance of the Regulatory and Compliance Group in relation to the key activities of the Group.

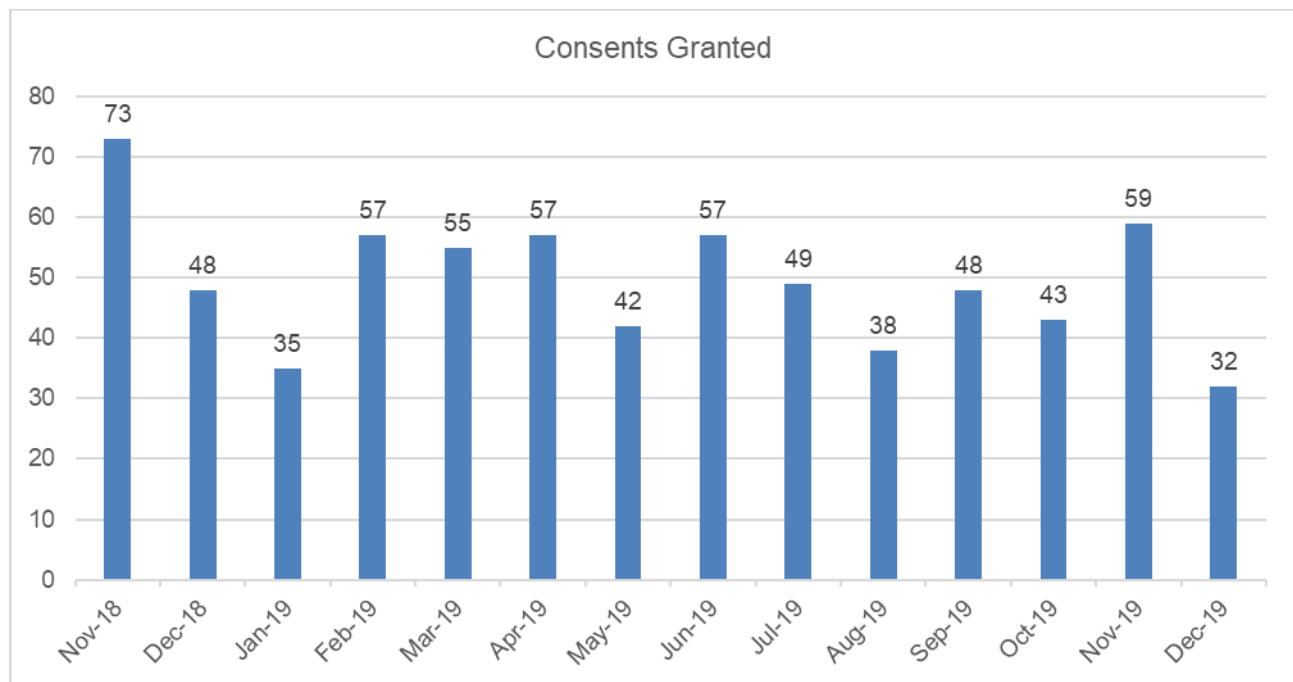
### ENVIRONMENTAL PLANNING AND MONITORING

#### Resource Consents

For the current reporting period, the Environmental Planning Team received 107 applications. The majority of these were land use activities (63) with the remainder being subdivision consents (44). This represents an overall decrease in the number of consents received over the previous reporting period:



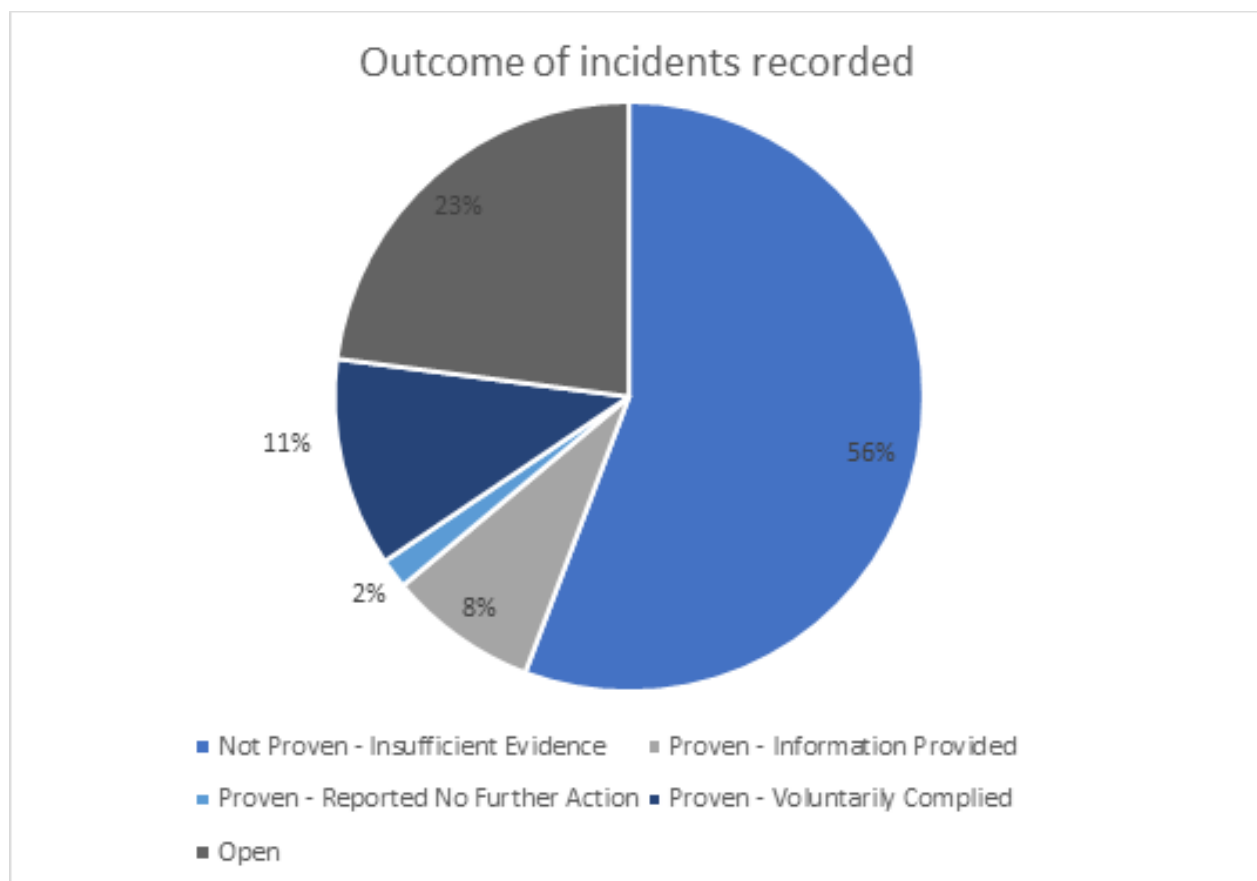
The number of resource consents **granted** in November increased slightly from the previous reporting period but dipped to almost half in December. This reflects the lower number of applications received in the reporting period:



For the current reporting period, 66% of applications were granted within the statutory timeframe. Recruitment is currently underway to fill the remaining vacancies within the team. A full complement of staff and improvements to current systems and processes will improve this outcome.

### Inspections and incidents

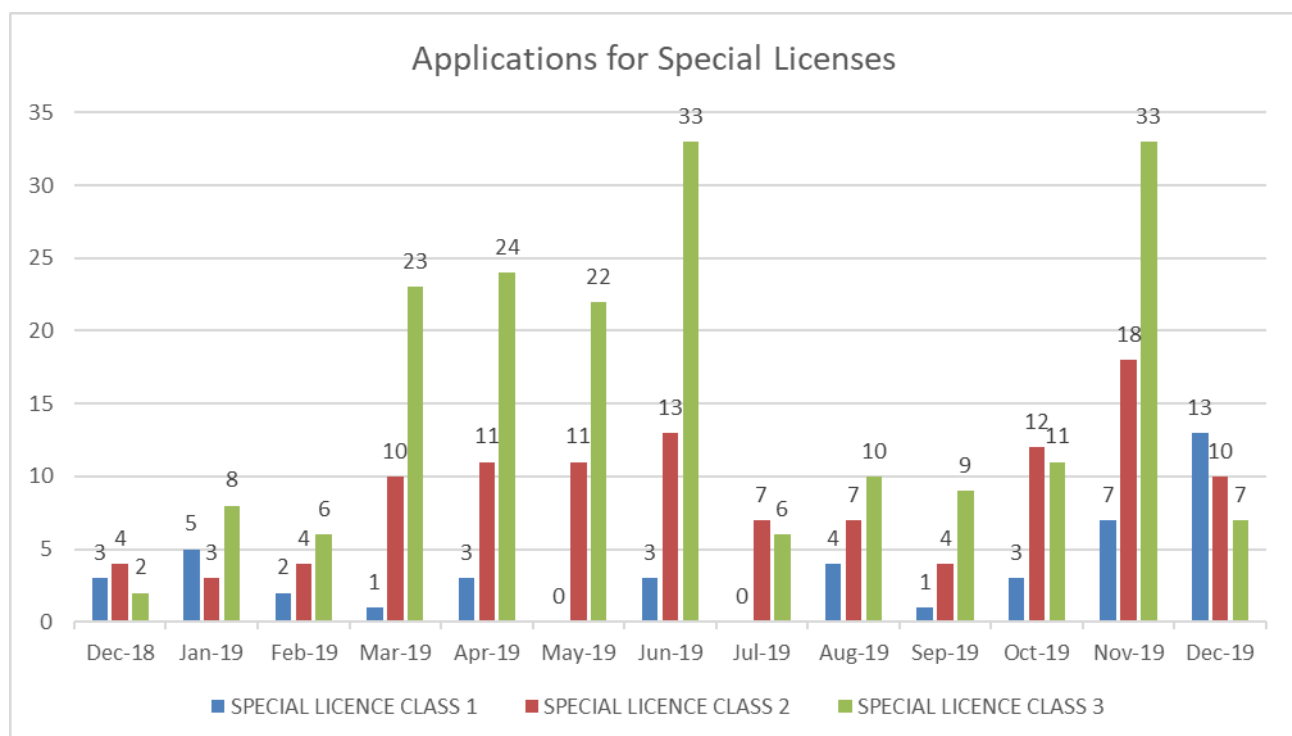
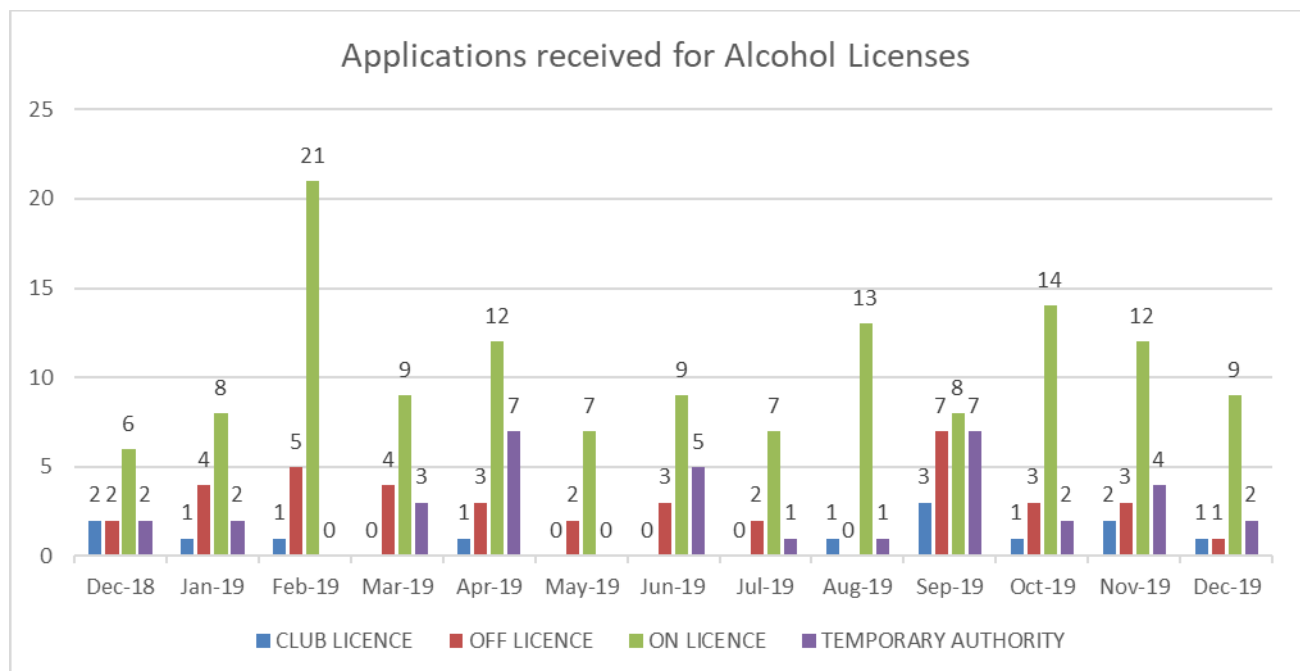
The Environmental Monitoring Team have responded to 61 phone calls and emails reporting incidents during this period. No infringement notices were issued for November and December 2019.



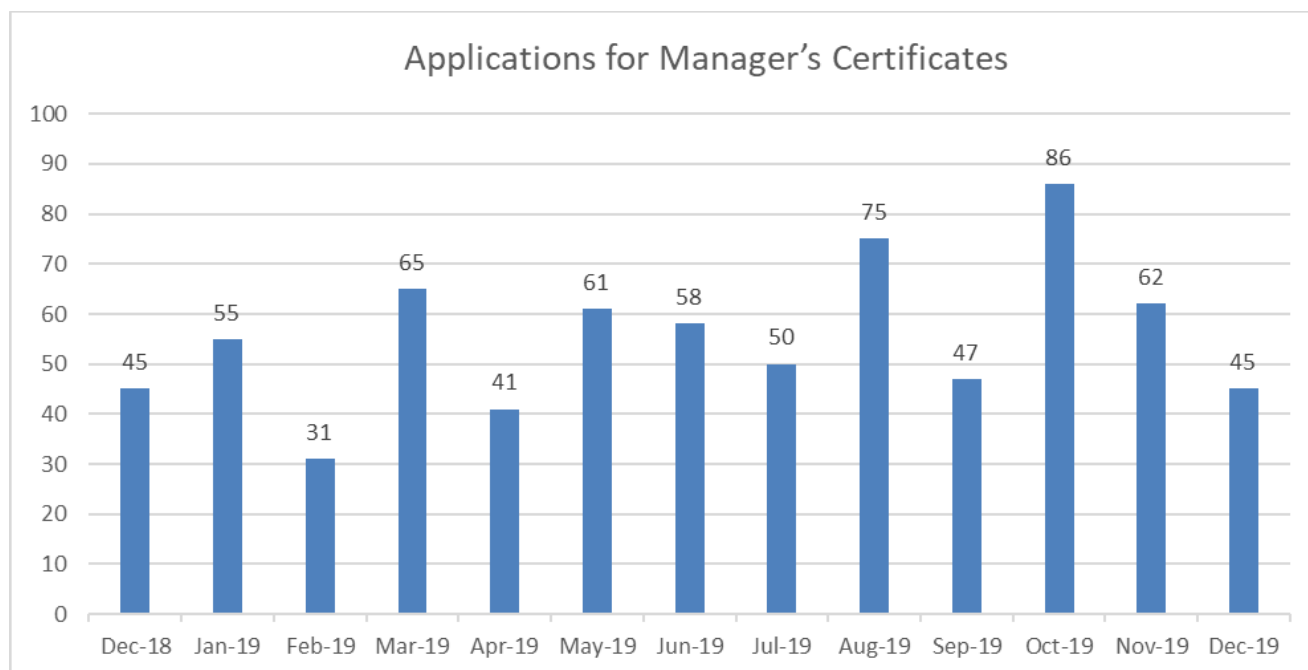
## HEALTH AND LICENSING

### Liquor Licensing

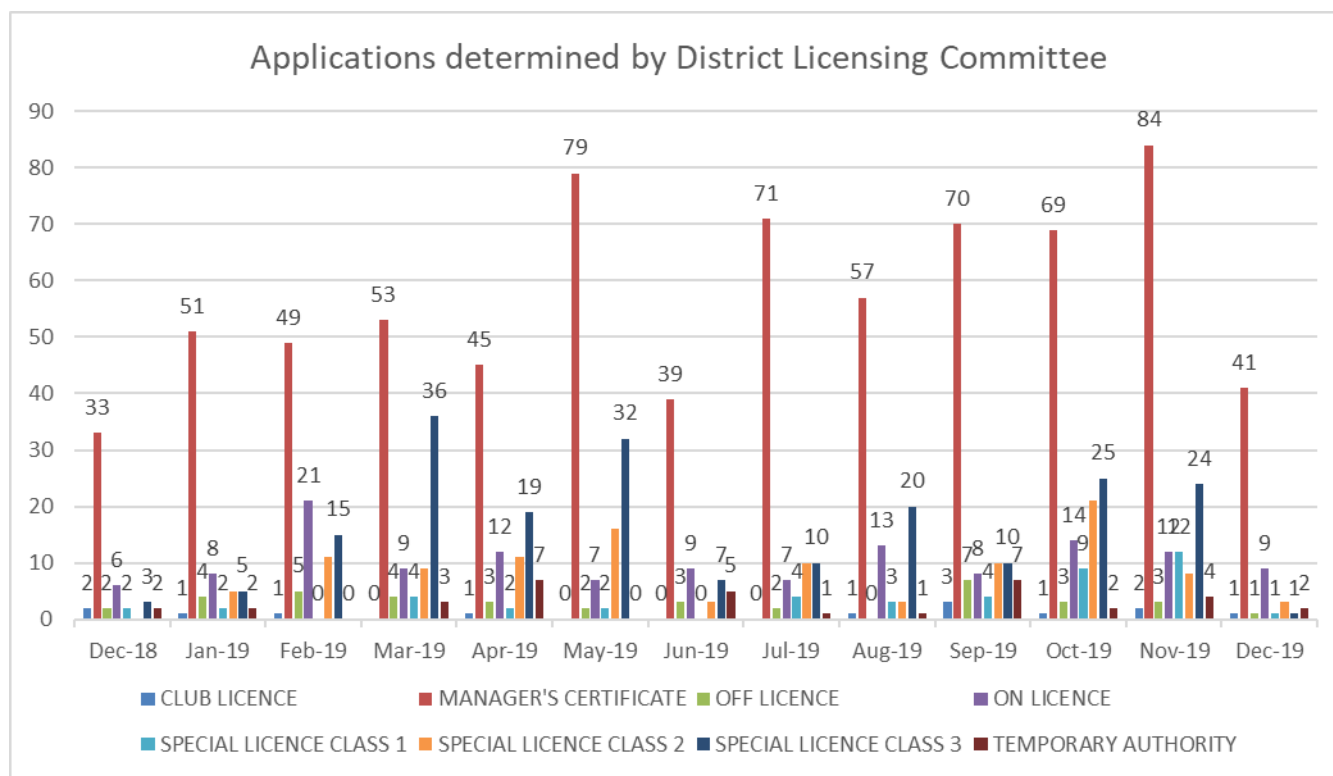
The graphs below show the number of applications received by the Alcohol Licensing team and the number of alcohol licences determined by the District Licensing Committee (DLC).



Special licences are split into classes 1, 2 and 3. The difference between the classes is the number of people attending the event.



The figures above are for both new and renewal. The greatest volume of applications received is for managers certificates. Every licensed premises are required to have a certified manager present at times when alcohol is being sold.



A number of applications for large special events were received during this period. The applicants organising these large events, Bay Dreams, One Love and concerts at various venues in the City, are interviewed by the Licensing Inspector and Police to discuss how the sale of alcohol will be managed. These meetings provide the opportunity to raise any concerns and for the applicant to address such, providing a platform for events to be well managed and result in less alcohol related harm.

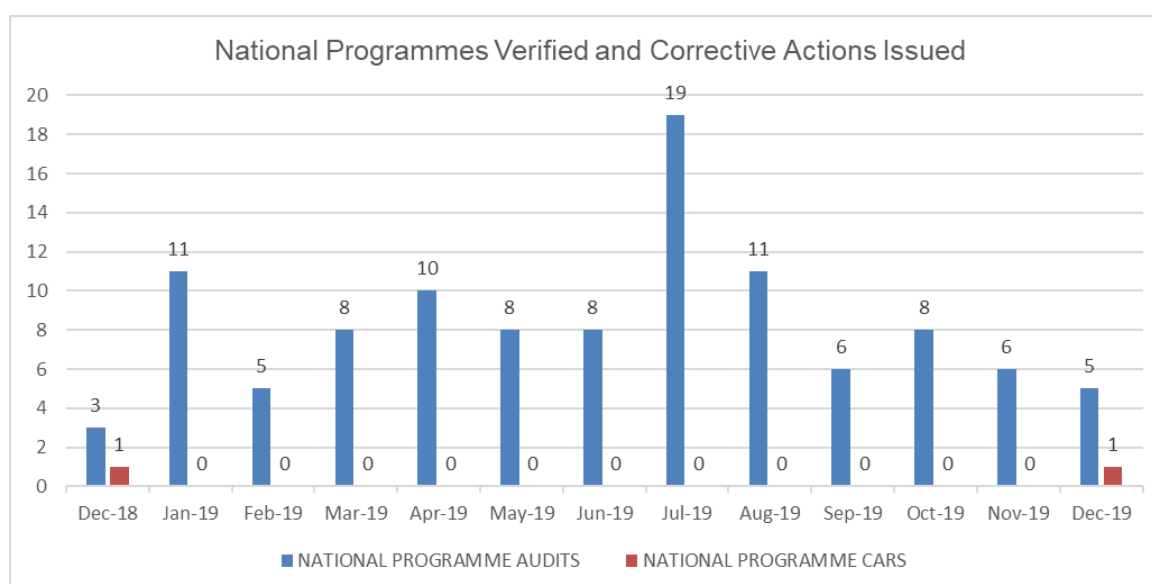
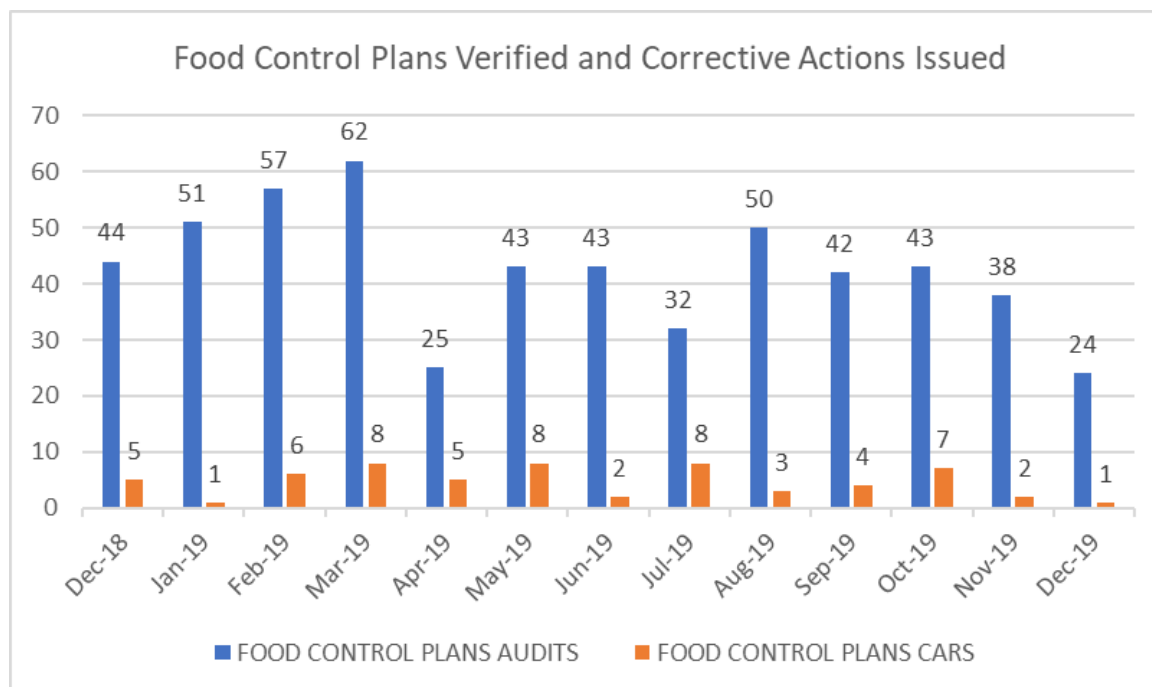
A hearing was held to consider an application for a new Off Licence for the Merivale Liquor Centre. A number of objections were received and raised concerns about alcohol related harm in the



community. The Off Licence was granted with a number of conditions and the premises will be monitored closely by both Police and the Liquor Licensing Inspector.

## Environmental Health

The graphs below show the verifications of Food Control Plans and National Programmes and the resulting corrective actions.

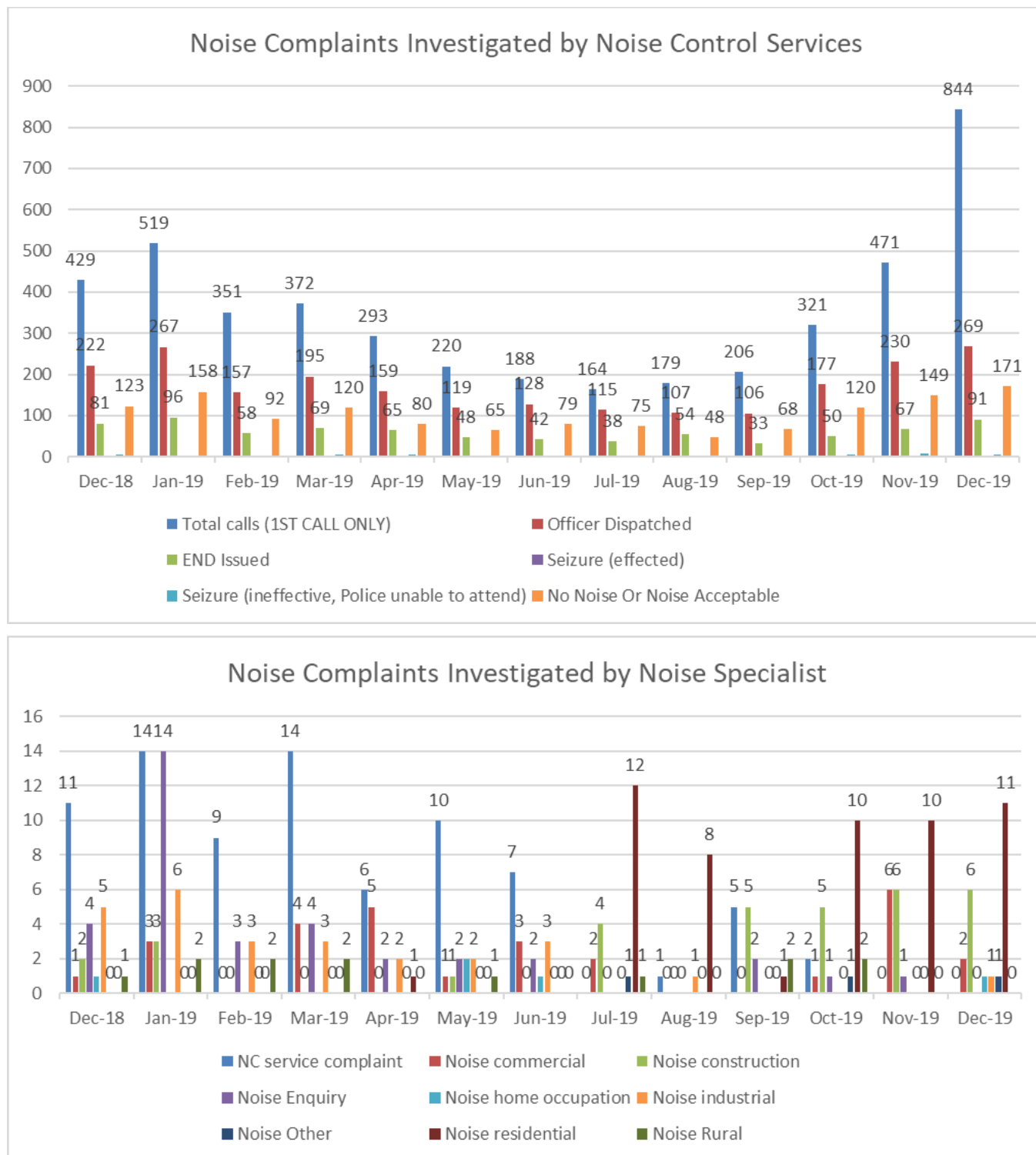


A number of new verifications have been undertaken as a result of both new premises being established and change of ownership (a new owner has to apply for a new Food Control Plan or National Programme). These verifications are given priority as the timeframes required by Ministry of Primary Industries must be met.

JAS-ANZ is scheduled to undertake an assessment of Councils QMS (Quality Management Systems) for Food Verification Services in March. The auditors will spend two days reviewing documentation and assessing verifiers in the field.

## Noise

The graphs below show the number of noise complaints and the actions taken by Council's Noise Control Services and the number of investigations relating to noise undertaken by the Noise Specialist in the Environmental Health team.



The last quarter shows a significant increase in the number of complaints received regarding noise and this is typical of the summer period with more people enjoying their outdoor living areas and having doors and windows open and an increase in visitor numbers.

Large events at which music was performed were well managed and monitored resulting in very few complaints relating to the noise levels created.

## ANIMAL SERVICES

Another successful Mud Dog Run event was held at TECH Park in November, this event is a combined initiative with Western Bay and Tauranga City Council and attracts dog owners from all over the Bay of Plenty.

November also saw the successful conclusion to a prosecution, where a dog attacked a pedestrian and hospitalised her with significant bites to both legs. The owner of the dog was disqualified as an owner for 5 years and ordered to pay restitution to the victim. A destruction order was made for the attacking dog, a Staffordshire Bull Terrier Labrador Retriever Cross.

The end of 2019 we had four dogs up for adoption and we were struggling to find new homes as we approached Christmas. However, in the final week, thanks to some great work from the team, all four were adopted, pictured below.



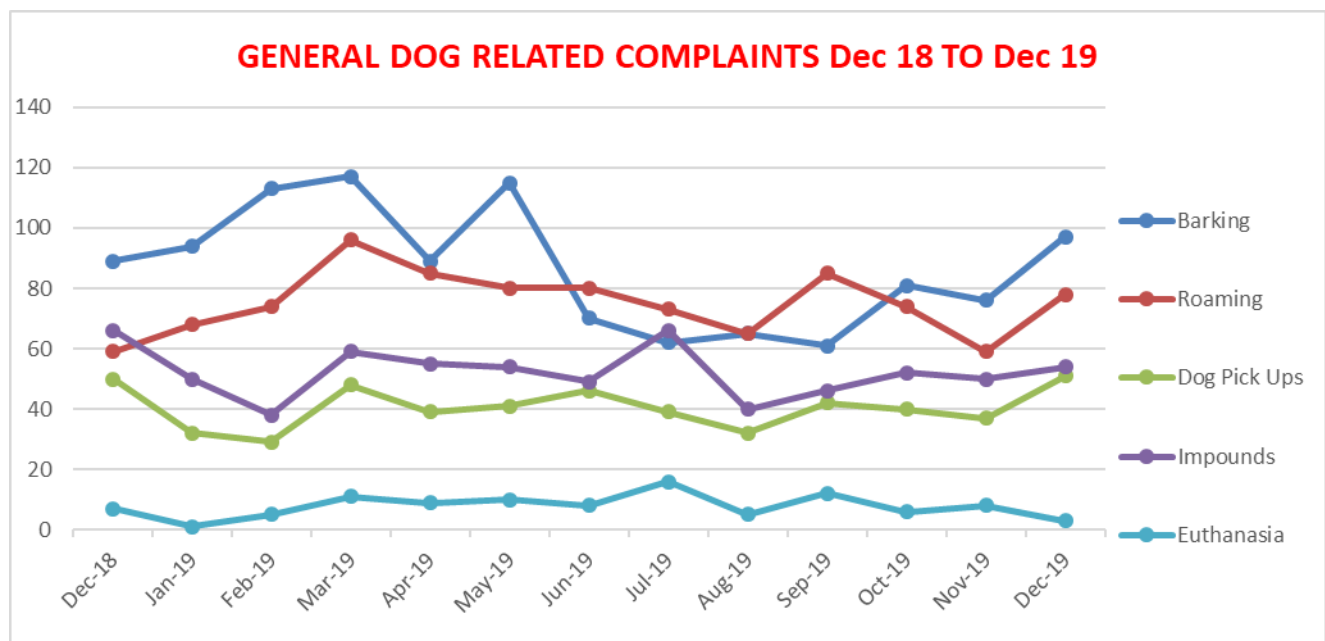
There was a number of attacks on cats over a two-day period in the Matua area immediately prior to Christmas. A total of five cats were reported killed, saliva samples were taken from three cats so we could complete a DNA comparison with three suspect dogs. The owner of the fifth cat clearly identified the dogs involved. DNA results have now been reviewed and a prosecution will commence against one dog owner from the area. 4 infringement fines will be issued, and two people have been disqualified from owning a dog for 3 years and 5 years respectively.

### New Shade Sail at the Pound

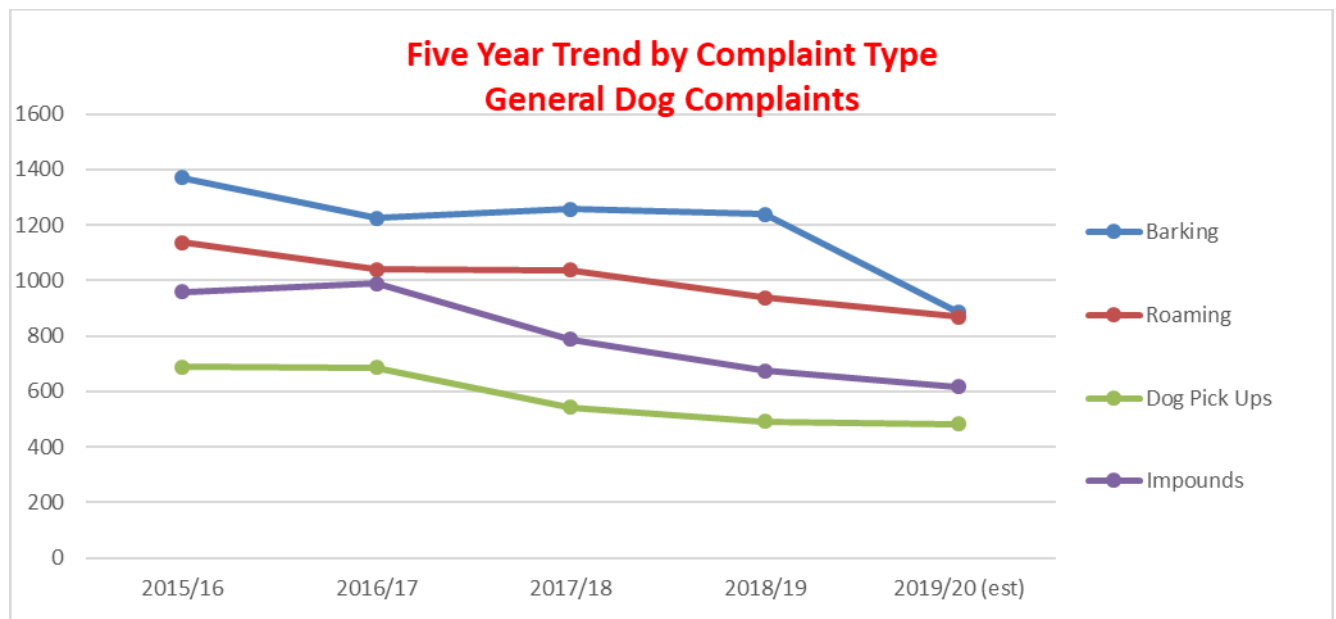
Thanks to an internal fundraiser supported by the Tauranga City Council Social Club, the Animal Services team were able to purchase a shaded area for dogs to exercise under and get out in the fresh air.



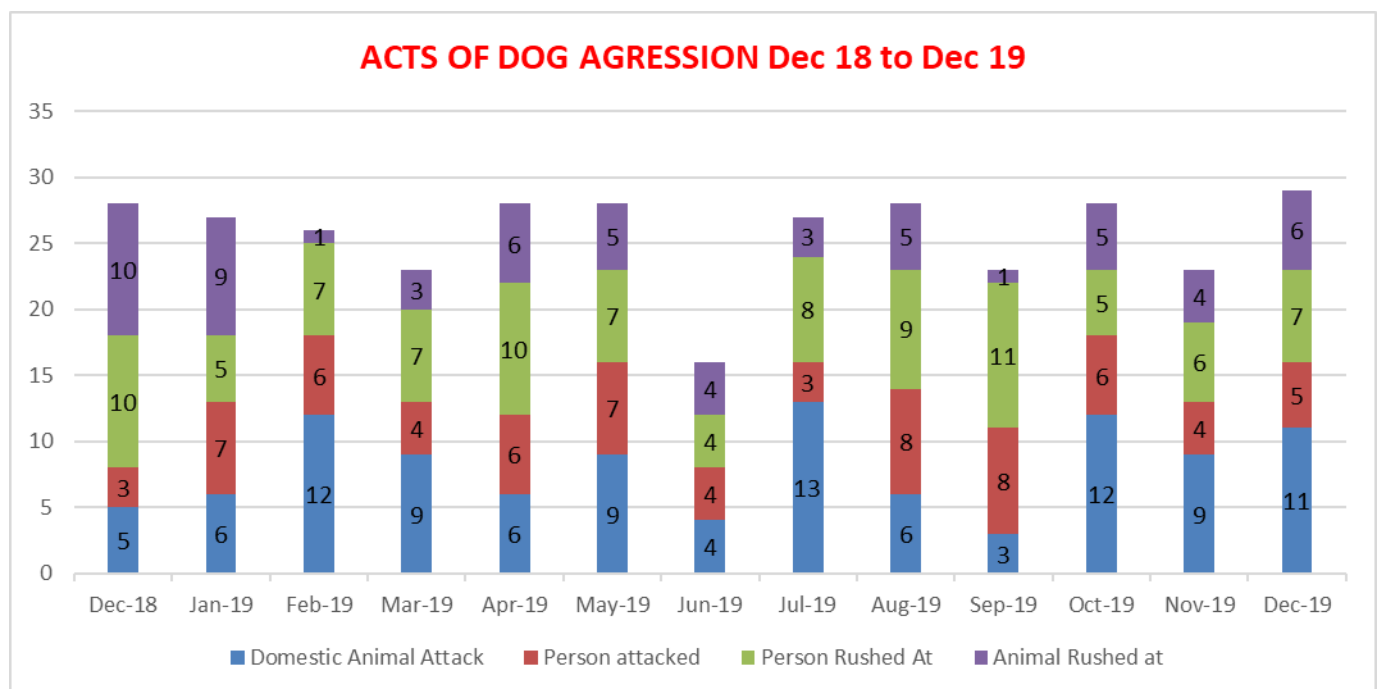
The following graphs depict trends in general complaints. There is often an increase in barking and roaming complaints at this time of the year as more people get out and about and enjoy outdoor living.

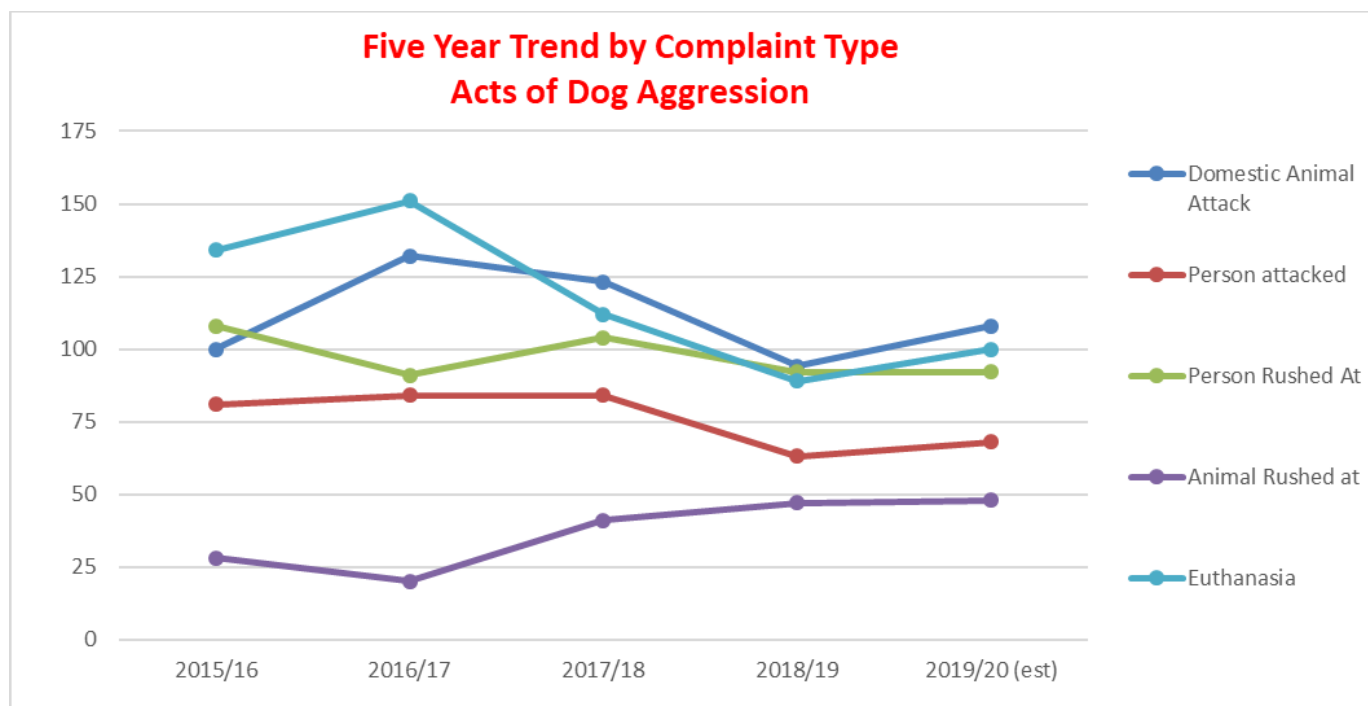


During the 5-year period shown in these graphs, dog numbers have increased in the City from 12024 to 13733, 400 in the last 12 months.



The next two graphs depict reported acts of aggression over the same period as the previous two graphs. “rushed at” are situation when a dog has shown aggression to a person or animal while they are in a public place but there has been no physical contact e.g. a dog running toward someone barking or growling.





## REGULATION MONITORING

### Parking

There is an increase in parking complaints in comparison with last year. An 8% increase from November 2018 and 12% increase from December 2018. All current parking officer vacancies have been filled allowing us to respond to complaints efficiently and focus on proactively monitoring areas of low compliance.

### Bylaws

#### Freedom camping enforcement overview

From the period 1 November until 30 April Council contractor, First Security, conduct proactive freedom camping patrols at the following locations 7 nights a week;

#### Designated freedom camping locations:

Fergusson Park  
Kulim Park  
Memorial Park  
Marine Park 1  
Marine Park 2  
Whareroa Reserve  
Harrisons Cut  
Stella Place  
Taylors Reserve

#### Prohibited locations:

Marine Parade  
The Mall  
Pacific Avenue  
MacVillie Park  
Beach Road  
Sulphur Point  
Papamoa Domain  
Papamoa Beach Road



From the period 1 May to 31 October the patrols are reduced to 4 nights a week, Thursday to Sunday, as compliance levels improve.

Any complaints received are responded to as soon as possible irrelevant of the time of year. These complaints normally relate to freedom campers in residential areas.

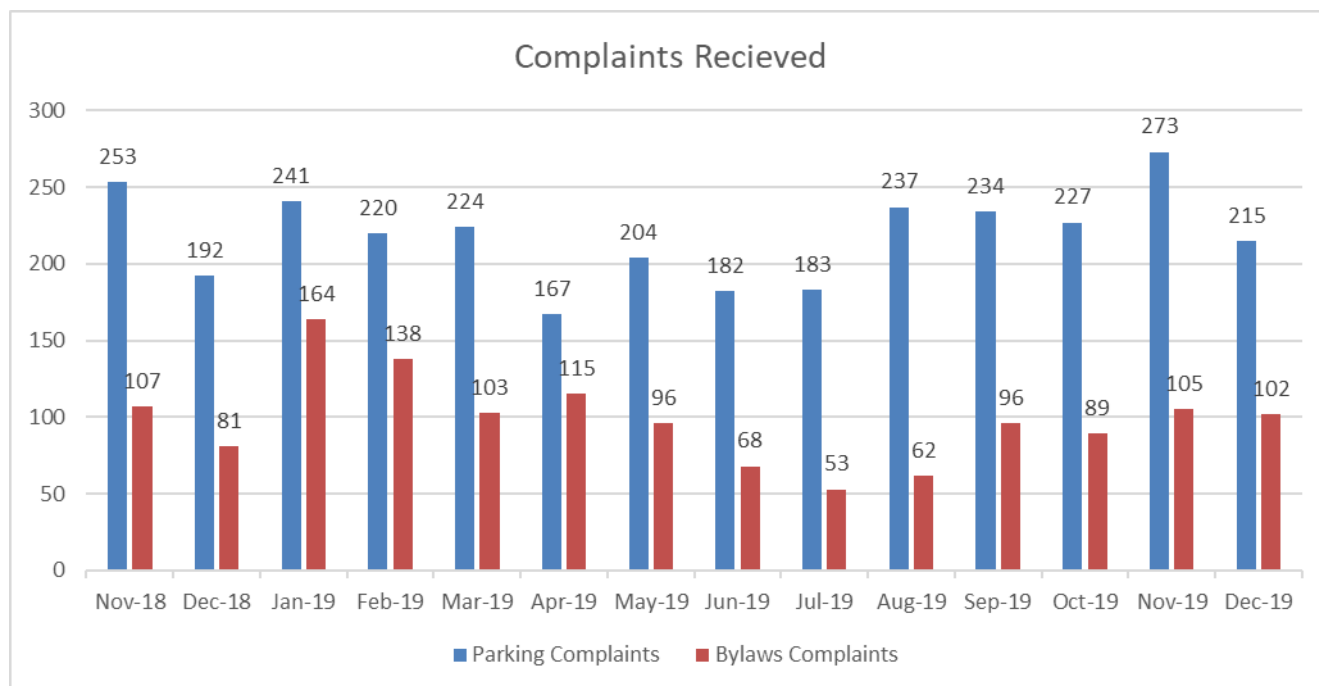
Patrolled sites are regularly reviewed for compliance and patrols can be amended to include new 'hot spots' or reduce patrols at compliant sites.

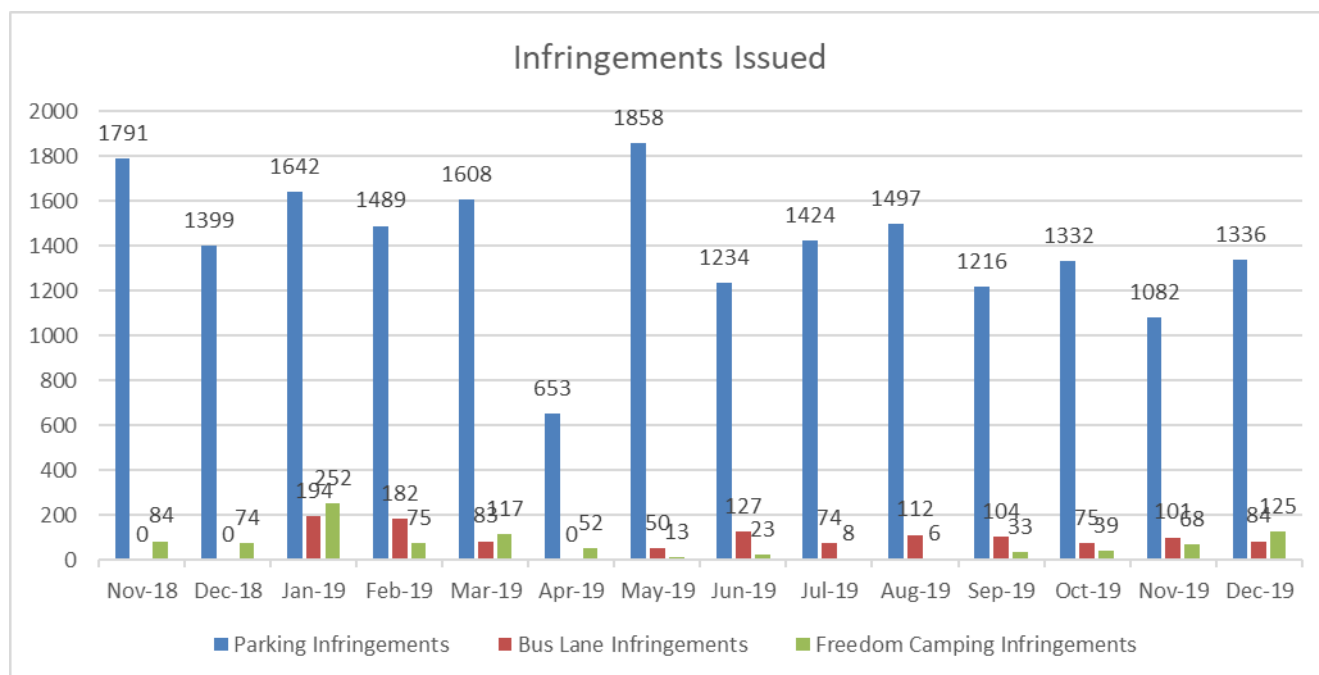
Infringements are issued for several offences but mainly; freedom camping in a non self-contained vehicle, freedom camping outside of a designated area or prohibited area and freedom camping for more than 2 nights at the same location per calendar month.

Common infringement disputes are that the occupant was not in the vehicle at the time of the infringement or they were resting due to driver fatigue. Officers always confirm the vehicle in breach of the bylaw is occupied.

As referenced in DC103 Deliberations on Draft Freedom Camping Bylaw 2019, Council has taken the position not to enforce the bylaw where there are situations of genuine homelessness. A lenient approach has been taken, people are provided information about relevant support services. Staff work closely with the contractor to ensure they are aware of any vehicles linked to genuine homeless persons and if someone receives an infringement and claims to be homeless, bylaw officers will make enquiries to confirm and take this opportunity to engage with unknown homeless to connect them with support agencies.

#### **Complaints received from the public regarding parking and bylaw non-compliance (previous 14 months)**



**Infringements issued (previous 14 months)**

**Note:** there are a range of different offences, listed below are the main ones.

Of the **1336** parking infringements issued

- 239 were \$200 infringements for expired licence & WOF
- 323 were \$40 infringements for failing to pay for parking
- 115 were ranging \$12-\$57 for parking longer than paid for
- 358 were ranging \$12-\$57 for parking over the time limit

Of the **125** \$200 freedom camping infringements issued:

- 45 were for freedom camping in a prohibited area
- 37 for freedom camping outside the designated area
- 33 freedom camping in a non-self-contained vehicle
- 7 freedom camping for more than 2 nights per calendar month in the same location

**BUILDING SERVICES**

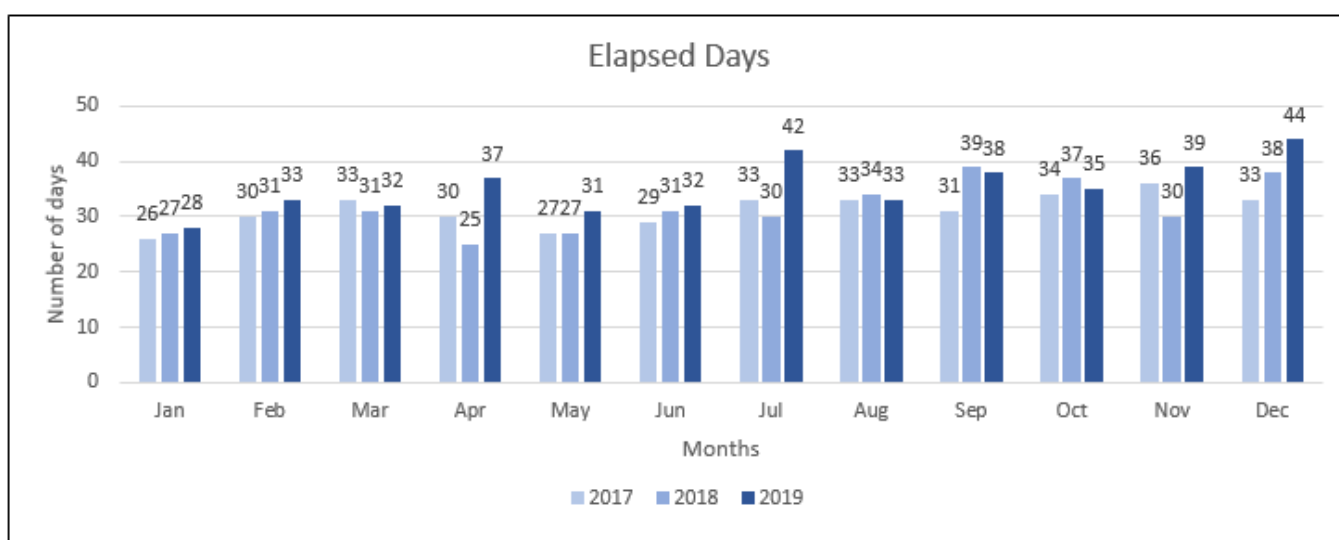
<b>November 2019</b>	
% of Building Consent applications processed within 20 days	97%
No. of Building Consents Issued:	
New Residential: 72	
Commercial: 18	
Other: 63	
Total: 153	
% of CCCs processed within 20 days	86%
No. of CCCs processed	206

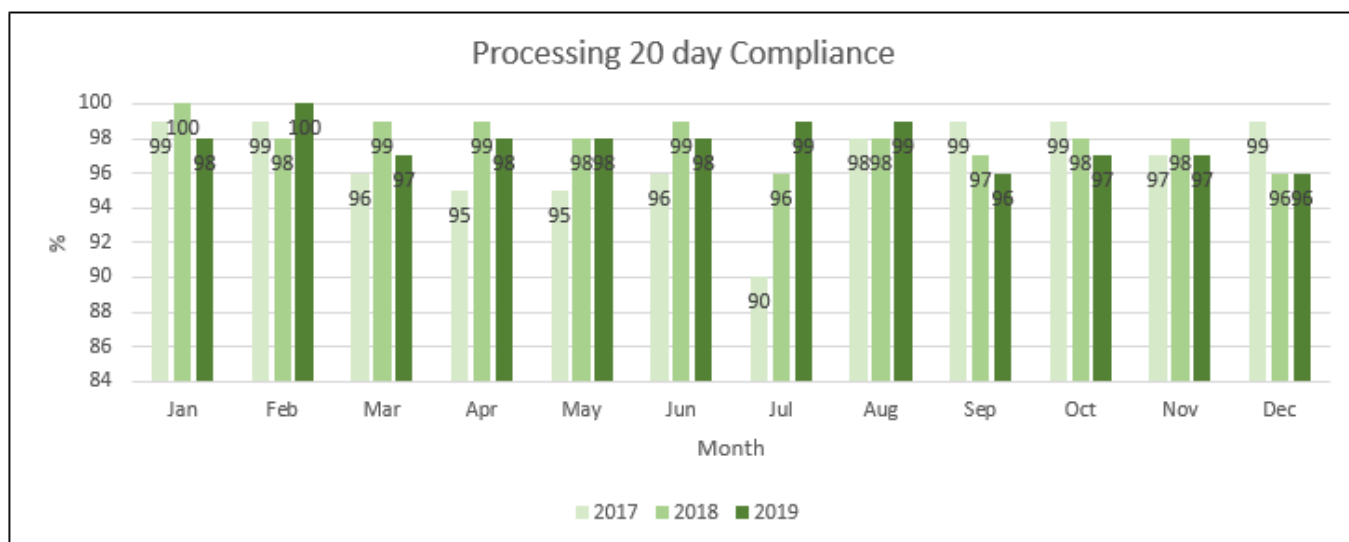
No. of building inspections undertaken per day (on average)	109
No. of inspections undertaken for the month of November	2291
Elapsed days* for the month of November	39

<b>December 2019</b>	
% of Building Consent applications processed within 20 days	96%
No. of Building Consents Issued:	
New Residential: 71	
Commercial: 22	
Other: 48	
Total: 141	
% of CCCs processed within 20 days	94%
No. of CCCs processed	214
No. of building inspections undertaken per day (on average)	98
No. of inspections undertaken for the month of December	1573
Elapsed days* for the month of December	44

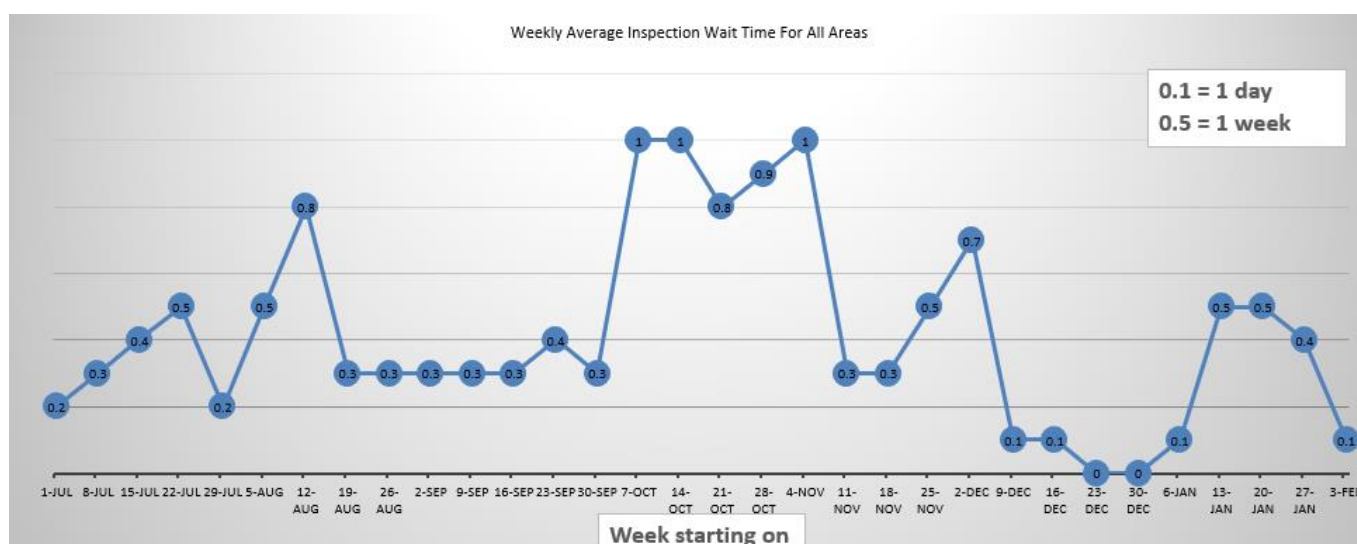
### IANZ Audit

At the time of preparing this report staff were still working with IANZ to clear General Non-Compliances.





### Building Inspection Wait Times



**Note:** 1.0 = 2 weeks

### Building Warrant of Fitness (BWOFF) Inspections

The BWOFF team continue to audit information provided from Independently Qualified People (IQP). IQPs are approved by the territorial authority as qualified to inspect certain specified systems and ensure that necessary maintenance occurs.

November 2019	
Certificates of Public Use (CPUs) issued	16
BWOFFs renewed	104
Outstanding BWOFF – Notices to Fix	4

December 2019	
Certificates of Public Use (CPUs) issued	10

BWOFs renewed	69
Outstanding BWOF – Notices to Fix	2

## STAKEHOLDER ENGAGEMENT

The Building Services team hosted a stakeholder event in December 2019, where we invited the industry (builders, designers, engineers, group home builders) to come and share with us what has been working well and opportunities where we could improve our services.

We welcomed the feedback and suggestions which will feed into the events calendar we will be running this year. Internally we are working on how we can collaboratively educate across the Building Consent process, to ensure the overall journey of the customer and their understanding on Tauranga City Council expectations for an application is well communicated. The end of year event was a chance for key personnel to engage and the subsequent events calendar will build on those opportunities across the disciplines.

During the year of 2019, a total of 2546 surveys were sent out to Building Services customers and we had 777 responses. We had a total of 279 responses come back negative, but a total of 498 coming back as positive and neutral.

The comments in the negative responses were generally around wait times for inspections, cost and frustrations around Building Services being 'pedantic'.

The comments in the positive and neutral responses were around excellent communication and our general improvement on responsiveness and service, and some positive comments around our online Building Consents system.

## ATTACHMENTS

Nil

## 8.11 General Manager's Report - Community Services

**File Number:** A11107392

**Author:** Gareth Wallis, General Manager: Community Services

**Authoriser:** Gareth Wallis, General Manager: Community Services

### PURPOSE OF THE REPORT

1. To provide Council with an update on the projects, progress and developments of Tauranga City Council's (TCC) Community Services Group (including Baycourt Community & Arts Centre, CCO Relationships & Governance, City Events, Community Development, Emergency Management & Civil Defence, Libraries, Spaces & Places and Urban Spaces).

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### RECOMMENDATIONS

That the Projects, Services and Operations Committee:

- a) Receive the General Manager: Community Service's report.
- b) Approve a \$10,000 contribution to support free CBD cruise ship shuttle bus services through until the end of the 2020 summer cruise ship season.

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### CBD CRUISE SHIP SHUTTLE BUS

2. A request has been received from Downtown Tauranga for Council to contribute \$10,000 towards a free CBD cruise ship shuttle service between now and the end of the current summer cruise ship season.
3. Council's contribution would supplement money contributed by Downtown Tauranga and many CBD businesses, who all want to see a free CBD cruise ship shuttle bus service reinstated as soon as possible.
4. Details of the City Express Hop On Hop Off trial, conducted on six days between 20 December 2019 and 11 January 2020, was distributed internally to Elected Members' for their information on Friday 14 February.
5. This information highlights an estimated 75% reduction in cruise ship passenger visits to the CBD during the trial period, versus what would have usually been expected if a free CBD cruise ship shuttle bus service had been operating.
6. This should be balanced against the fact that offering a free cruise ship shuttle bus service to one part of the city, the CBD in this case, disadvantages other shopping precincts, and the commercial tourism operators that operate out of the port at Mount Maunganui.
7. \$150,000 was allocated through a previous Council resolution to fund initiatives that would drive visitation to the CBD. \$100,000 of this has been committed to the Downtown Tauranga ACTIVATE initiative and \$50,000 was retained to support additional ideas.
8. It is recommended that \$10,000 of this balance of funds is committed to support free CBD cruise ship shuttle bus services through until the end of the 2020 summer cruise ship season. And as is already planned, at that point, a full and comprehensive review of all cruise ship shuttle bus services would be undertaken to inform plans for summer 2020/21.

### EXECUTIVE SUMMARY

9. Baycourt won two awards at the Entertainment Venues Association of New Zealand (EVANZ) awards, including the 'Supreme' award for best venue in the country. The awards recognise excellence across theatres, arenas, conference centres and stadia.



10. The interview process is underway to appoint new trustees to the boards of two CCO's, with two vacancies to be filled on the Tauranga Art Gallery Trust Board, and two on the Board of Tourism Bay of Plenty. An independent board review of the Bay Venues Limited Board is also underway with a summary report due to Council in March/April.
11. The City Events team have enjoyed a busy start to the summer period, including the successful delivery of community New Year's Eve events across four city sites. 99% of attendees surveyed at the events reported that they were either 'satisfied' or 'very satisfied' with the events.
12. Libraries staff completed a successful Summer Reads Programme with a new inclusive approach to enable children to continue learning once the school year has completed. The Summer Reads programme has no limits on participation numbers and featured activities to do in libraries and at home.
13. A refreshed website for the Heritage Collection has gone live, enabling improved and easier access for schools seeking to borrow items from the collection. The new site enables the public, for the first time, to search and view items from the collection online.

### BAYCOURT COMMUNITY & ARTS CENTRE

14. Baycourt was announced as "Small Venue of the Year" (under 1,000 seats) and "Supreme Venue of the Year" at the EVANZ awards held recently in Christchurch. The awards recognise excellence in NZ's venue management industry across theatre, arenas, conference centres and stadia. The Supreme award was particularly notable as this is awarded to the venue with the highest judges scores across the small, medium and large award categories. This was the first time that the Supreme award has gone to a small venue with previous winners including Spark Arena, Eden Park and the Claudelands Centre in Hamilton. The judge's comments noted that Baycourt was an "*excellent example of great stakeholder engagement, across a diverse programme of both commercial and community utilisation.*"
15. Annual attendance has remained strong during Q2 with a total of 15,278 people attending shows between October and December. Year-to-date ticketed attendance is 31,424, which equates to 45% of the annual attendance target. It should be noted that Q4 attendance is traditionally Baycourt's busiest period and the future pipeline of bookings is strong.
16. Baycourt utilisation remains ahead of target with the venue being in use 84% of available days during the reporting period. The high level of utilisation is driving a strong financial performance with revenue ahead of forecast for FY19/20. Baycourt continues to see a high level of demand for bookings from community hirers with 85% of utilisation qualifying for the community subsidy.
17. Notable public programme events during the reporting period include a sold-out performance by visiting international band Post Modern Jukebox, three performances by the Imperial Russian Ballet, and national tours from the New Zealand Symphony Orchestra and kids' science show, 'Nanogirl'.
18. Baycourt offered two capacity building workshops in November, partnering with ensemble theatre company Massive Company to offer workshops for teachers focusing on skills for devising theatre, and a fly-system training workshop giving local practitioners the skills to safely operate Baycourt's flying system.
19. Baycourt's annual maintenance programme was completed on time and on budget during the January closedown period with the Baycourt technical team undertaking full servicing of all theatrical equipment, including PAT testing of all electrical items. The maintenance programme was successfully used as a training exercise to upskill Baycourt's new casual technical assistants ahead of a busy year of programming.

**Upcoming**

20. Rehearsals have commenced for the first of Baycourt's "Made in Tauranga" projects, which will see a group of primary school students from Papamoa Primary School work with International artist Andy Field to create a performance work on the rooftop of the Bongard centre in the CBD. The performance project, "Lookout" will enable the year six students to present their vision for Tauranga's growth over the next 30, 60 and 90 years.
21. Baycourt will present the regional premiere of Roger Hall's new play "Winding Up" in March, the first presentation under the new regional venue consortium model, which sees Baycourt partnering with venues in Hastings, Hamilton and New Plymouth to present professional New Zealand theatre to regional audiences. The Roger Hall production will be staged by the Auckland Theatre Company and the consortium model will mean that Tauranga audiences can experience the production without having to travel to Auckland. The consortium plan to present up to three works per year for a pilot phase, which will run until December 2021.

**CCO RELATIONSHIPS & GOVERNANCE**

22. Interviews for the two vacancies on the Tourism Bay of Plenty (TBOP) Board were postponed due to the Whakaari/White Island eruption and rescheduled for 3 February. A report with recommendations for appointment will come to Council on 10 March 2020.
23. Max Pedersen is currently undertaking a review of the strategic alignment between TCC and its CCOs, which is due to be completed in March.
24. Council plans to appoint two new trustees to the Tauranga Art Gallery Trust (TAGT) Board with a report coming to the Policy Committee meeting on 11 February to approve the appointment panel and skills/experience sought. A report with recommendations for appointment will come to Council on 21 April.
25. The six-day trial of the new cruise City Express Shuttle Service operated by Bethlehem Coachlines has gone relatively well, although received less passengers than when previously sold via the iPort. This was due predominantly to passengers having full information to make an informed choice, and a better understanding that the Mount is an additional option within easy walking distance. TBOP will conduct a full season end-of-journey survey with passengers, which will provide data for a more complete service review in mid-2020.
26. A high-level 'lessons learned' review of the Baywave build project is complete and will be presented to Council at PSOC on 18 February 2020. It includes an assessment of the relevant documentary evidence relating to the processes followed, as well as interviews with former team members managing the delivery of the project and will help inform future recreational/aquatic capital projects.
27. The toddler involved in the near drowning at the Mount Hot Pools has recovered well and Bay Venues Limited (BVL) worked with the family to offer support, whilst also reviewing their operating policies and procedures to see if there are any areas for learning and/or improvement following this incident.
28. The General Manager: Community Services and BVL CEO met with the complainant about ongoing noise issues at Greerton Hall and have formulated a proactive plan for BVL to mitigate and manage any noise issues going forward.

**Upcoming**

29. TCC is undertaking an independent board review of the BVL Board in February, which will include surveying/interviewing the Board and BVL's senior leadership team. A summary report will come to Council in March/April.
30. Six-monthly reports detailing financial and non-financial performance are due from TCC's five council-controlled organisations (CCOs); BVL, TAGT, TBOP, Bay of Plenty Local Authority Shared Services Limited (BOPLASS), and the Local Government Funding Agency (LGFA) by 29 February. These will be presented to Council at the Finance, Audit & Risk Committee on 7 April.

31. Draft Statements of Intent (SOIs) are also due from the CCOs by 1 March. The Local Government Act (2002) requires that TCC (and WBOPDC in the case of TBOP) provide shareholder feedback to the CCOs by 1 May and this will come to Council for approval on 21 April. Final SOIs are due from the CCOs to TCC by 30 June.
32. BVL will provide a detailed update on the CBD Recreation and Leisure Hub feasibility study (Memorial Park) to Council in February. The business case will fully analyse both 25m and 50m pool options.

## CITY EVENTS

### Event Facilitation

33. The number of confirmed bookings in public open spaces and places that have taken place for the first two quarters of FY19/20 are listed below:

<b>FY2018/19</b>	<b>Qtr. 1</b>	<b>Qtr. 2</b>	<b>Qtr. 3</b>	<b>Qtr. 4</b>	<b>Total</b>
Private events and weddings	11	57	80	24	<b>172</b>
Facilitated events	33	109	142	57	<b>341</b>
<b>Total</b>	<b>44</b>	<b>166</b>	<b>222</b>	<b>79</b>	<b>513</b>

<b>FY2019/20</b>	<b>Qtr. 1</b>	<b>Qtr. 2</b>	<b>Qtr. 3</b>	<b>Qtr. 4</b>	<b>Total</b>
Private events and weddings	15	47			<b>62</b>
Facilitated events	43	121			<b>164</b>
Filming	2	3			<b>5</b>
<b>Total</b>	<b>60</b>	<b>171</b>			<b>231</b>

34. Significant events that were facilitated on public open space during the reporting period include the inaugural Tauranga Food and Wine Festival, Weetbix Kids Tryathlon, Orange Day Parade, Trustpower Christmas parade, Papamoa Christmas Parade, Christmas in the Park, TECT National 7's, Surfbreaker Triathlon, Bluelight U15 Games and Mount Monster.

### Event Delivery

35. In 2016, Council recognised that significant change was required to the management of activities at Mount Maunganui Main Beach on New Year's Eve, in order to provide a safe environment for residents and visitors to the city. This included a focus on putting safety measures and enhanced city operations in place at the site.
36. Council worked closely with key stakeholders to re-position its approach, creating a five-year plan to change behaviours and focus on community events across the city, with the aim of returning a community-based event back to Mount Maunganui for New Year's Eve 2020.
37. The city's 2019 NYE celebrations built on the success of previous years with around 10,000 people celebrating at community events in Matua, Papamoa, Greerton and the CBD, with fireworks displays at 9.30pm and midnight from various locations across the city.
38. Over 99% of those surveyed at the four community events were either satisfied (24.47%) or very satisfied (75.18%) with the delivered events. Staff also received several compliments on the events and the fireworks that could be seen across the city.
39. City Events staff are managing the debrief process with contractors and stakeholders in Q3 and continuing to work on the planned approach for NYE celebrations in Tauranga. The initial post-event feedback is that 2019 was another successful year.

### Event Development

40. A total of six events occurring between 1 and 31 December 2019 received financial support through Council's Event Funding Framework as follows:

<b>Community Event Fund</b>	
n/a	
<b>Total CEF</b>	<b>\$ -</b>
<b>Event Support Fund</b>	
Tauranga's Christmas in the Park	\$ 6,000
Charles Golf Tour event	\$ 14,250
Jack and the Beanstalk	\$ 2,500
<b>Total ESF</b>	<b>\$ 22,750</b>
<b>Legacy Event Fund</b>	
A Night Before Christmas	\$ 20,000
Surfbreaker Triathlon	\$ 2,000
<b>Total LEF</b>	<b>\$ 22,000</b>
<b>Major Event Fund</b>	
TCT National Sevens (year 2)	\$ 50,000
<b>Total MEF</b>	<b>\$ 50,000</b>
<b>Grand Total (all funds)</b>	<b>\$ 94,750</b>

41. The annual Surfbreaker Triathlon, managed by triathlon Tauranga attracted 171 athletes, 24 of which were elite competitors including New Zealand Commonwealth Games reps. A BOP Times article published the day after the race, lauded it as a race with “double the action, double the drama and double the pain for the athletes” – [Mount Maunganui Surfbreaker triathlon sets new standards](#).
42. In December 2019, the Tauranga Arts Festival Trust announced that award-winning, Tauranga-based singer and songwriter Ria Hall will take over from Jo Bond as Festival Director for the 2020-21 Tauranga Arts Festival. Jo will remain on at the Festival as a consultant to assist with the transition, until the completion of the 2021 Festival.

### Upcoming

43. On 23 January 2020, the ICC formally announced Tauranga as one the New Zealand cities selected to co-host the Women's Cricket World Cup in January/February 2021. Tauranga's bid has pre-approved support that will be delivered through the Major Event Fund.
44. City Events staff have been working closely with NZ Police as they prepare for the 2022 Australasian Police & Emergency Services Games – a week-long biennial sporting tournament expected to attract 2,500+ competitors. Rotorua and Tauranga have been informally awarded co-hosting rights and are working collaboratively to showcase the BoP's premiere sports facilities and experiences. Event organisers will submit a Major Event Fund application by 30 June 2020 for consideration by the Event Funding Panel.
45. Planning is underway for the 2020 Anzac Day commemorations.
46. The annual planning process for all event bookings on public open space will commence soon, balancing the conflicts between planned works, cruise ships operations, other events and spreading road closures across the city as much as possible.

## COMMUNITY DEVELOPMENT

### Youth

47. Recruitment for the Youth Advisory Group is now complete with seven new members appointed ahead of the first meeting scheduled for 19 February 2020.
48. TCC are currently working with Iwi to identify a Tuia Rangatahi representative for 2020. The Tuia programme is an intentional, long-term, inter-generational approach to develop the leadership capacity of young Maori in communities throughout New Zealand.
49. Priority One's Instep Young Leaders Programme will commence on 27 February 2020 with support from TCC staff, WBOPDC, Waikato Uni and Toi Ohomai. The purpose of the forum is to give young student leaders a voice in the future development of the sub-region, to build a relationship between youth and local government, to develop their leadership skills, and to help youth build strong community networks.

50. The 'Outvote Boomers' campaign, led by Council's Youth Advisory Group, with support from WAVE Creative Agency and Mount Brewing Company, has won an award ('best Ad that is not an Ad') at the recent StopPress Media Awards. The campaign reached over 50,000 people aged between 18 to 34, raising awareness of voting amongst young people.

### Safe City

51. Tauranga Western Bay Safer Communities (TWBSC) are on track to achieve re-accreditation as an International Safe Community for Tauranga City and Western Bay of Plenty. The reaccreditation application process is administrated by the Safe Community Foundation New Zealand.
52. The Community Development team provided community NGOs and volunteers working on the frontline with two well-attended professional development opportunities at the end of 2019; Mental Health 101 and De-escalation training.
53. Positive feedback was received from the national Safe Communities Foundation NZ on the TWBSC Annual Report and Governance Survey: *"TWBSC had strong and positive outcomes in the Governance Survey concerning satisfaction with participation, communications with partners, and decision-making processes. TWBSC's annual reports and case studies are also of a consistently high standard. All involved with TWBSC are to be congratulated on what has been achieved in the reporting period, particularly on the collaborative approaches to issues."*

### Welcoming Communities

54. Through the Welcoming Communities Programme, TCC and WBoPDC have received accreditation as a Committed Welcoming Community. The accreditation recognises our commitment to valuing and welcoming newcomers to our communities and leading in diversity and inclusion.
55. Staff provided the NZ China Friendship Society support for the Tauranga Chinese New Year Festival held at Historic Village on 25 January 2020.
56. Staff provided the Tauranga Sikh Gurudwara support for the annual Nagar Kirtan (also known as the Tauranga Sikh Parade), which was attend by more than 2,500 people. Staff also had a stand at the event to promote the Vital Update – Tauranga survey to those attending, and to share information about the role of Council.
57. Welcoming Communities is working in partnership with community stakeholders on a number of events in March under the banner of 'Celebrating Cultural Diversity', to coincide with New Zealand Race Relations Day on 21 March 2020.

### Disability & Age Friendly

58. The Community Development team is collaborating with Hamilton City Council and the Auckland Design Office to organise a North Island Universal Design Network. This will include a small conference (date TBC) focused on local Council's utilisation of universal design principles.
59. The beach access mat will be located at three sites for the 2019/20 summer period; Mount Main Beach, Cutters Cove and Pilot Bay. Signage has recently been added to these sites to assist with identification and navigation.
60. The Community Development and Spaces & Places teams have collaborated to install accessible picnic tables at Papamoa Domain, Beachside 136 Marine Parade, Tye Park, Arataki Park, Cameron Road Reserve, Horoipia Reserve and in the new Zespri green space.
61. The Disability, Positive Ageing and Youth Advisory Groups were invited to an end of year celebration with Mayor Powell. During the event, a number of members were presented certificates as recognition of the six years of service they have given to the respective advisory groups.
62. Two new members have been recruited to the Disability Advisory Group with a further two to be appointed in the new year. Applications are being sought via a public recruitment round.



63. The Positive Ageing Advisory Forum is under review with ongoing research around best practice on how to maximise the impact of the group. There is likely to be some changes in membership and approach in the future.
64. A Positive Ageing Action Plan has been developed to identify key actions that support the implementation of the Age-Friendly City Strategy.

### Community Capacity

65. The Gate Pa Collective Impact project has four sub-projects underway including the collation of baseline data from central government agencies, development of community vision through an art mural, showcasing strengths of Gate Pa through a photo competition, and a Gate Pa Gala Day in Anzac Park on 23 February 2020 to promote community connection.
66. Staff are working in partnership with the Acorn Foundation, TECT, BayTrust, DIA, WBoPDC, TPK and Socialink to facilitate the development of a sub-regional Homelessness Strategy. This will feed into the National Homelessness Strategy being led by MHUD. Consultation workshops commenced in December 2019 and will continue through to March 2020.
67. Work is continuing on the 'Vital Update – Tauranga' research, which looks at the geographic communities in Tauranga, identifying needs, wants and aspirations for their neighbourhoods and the wider city. As of January 2020, a total of 3,754 responses have been received with the aim of achieving 4,500 responses by mid-February 2020. This project is being run in conjunction with the Acorn Foundation, TECT, BayTrust and Key Research Ltd.

### Project Tauranga

68. An internal review of Project Tauranga has been completed and is with the General Manager: Community Services for review and action as appropriate.
69. Project Tauranga partners TECT, BayTrust, OfficeMax and Cooney Lees Morgan provided support to the 'Street Prints Mauao' festival held in January. The street art festival created 20 new murals across the city and included youth mentoring, a community mural and public workshops on illustration and calligraphy.
70. The Community Development Match Fund medium round was held in November with the following results:
- Number of applications: 19
  - Number of applications approved: 10
  - Total amount of funding requested: \$158,018
  - Funding available: \$70,000
  - Funding approved and distributed: \$68,463
71. The following projects were funded in the medium grant round:

Applicant (organisation)	Project	Approved
Mt Maunganui College	Traditional Maori gardens	\$2,000
Tauranga Moana Pride	Pride picnic	\$5,013
Clothes on Wheels	Clothes on Wheels supporting homeless people	\$5,000
Feunu Koula	Tongan Day 2020	\$6,800
Halberg Foundation	Trail rider disability access device	\$7,250
Mt Maunganui Primary School	Resurfacing outdoor courts	\$10,000
NZ China Friendship Society	Tauranga Chinese New Year Festival 2020	\$4,000
One Love Charity	Holi Colour Splash	\$8,400
Rotary Tauranga Sunrise	'This is Us' – public art project	\$10,000
Tauranga Living Without Violence	Programme for children who have experienced domestic violence	\$10,000
<b>TOTAL</b>		<b>\$68,463</b>

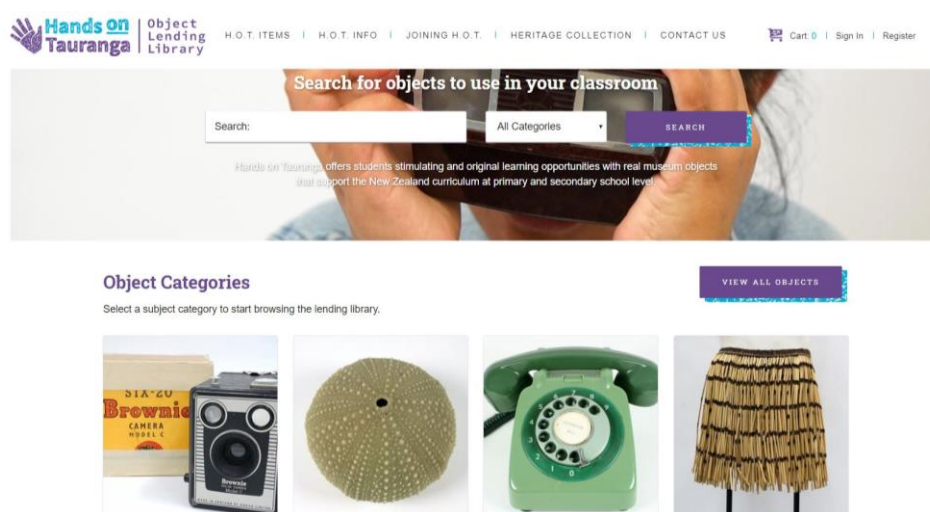


72. There have been a further four Community Development Match Fund small grants (up to \$1,000) approved during the period:

Applicant	Project	Approved
Parent to Parent	Family activities programme	\$1,000
Merivale Community Inc	A MerryVALE Christmas	\$1,000
Journey Restorative Trust	Community Christmas Dinner 2019	\$998
Hairini Marae Maori Committee	Community Kai ki Hairini Marae	\$1,000
<b>TOTAL</b>		<b>\$3,998</b>

### Tauranga Heritage Collection

73. A new look website for 'Hands on Tauranga', the Heritage Collection object lending library for Tauranga schools, is now live. The website has been updated with new objects, images and an easy to use booking system: <https://www.handsontauranga.co.nz/hot-items/>



74. As the Heritage Collection continues to celebrate 50 years of collecting, for the first time the public will be able to search and view the collection online via a browser that connects to the collection's content management system – Vernon. As high-quality photographs of collection items are taken, they will be uploaded to the browser for the public to enjoy.
75. The 'Te Whakaata I te Matapihi – Glimpses' display, which featured as part of the Tauranga Arts Festival continues to be shown around the city. In February it will be displayed at Tauranga Airport.
76. It is with great sadness that the Heritage Collection and wider Community Services team acknowledge the passing of local legend Alf Rendell. Alf made a huge contribution to the collection both in terms of his knowledge and expertise, and for the many important donations he made. The Heritage Collection is fortunate to have photographs of Alf taken with some of his donations and in the coming months will be working with several groups in the community to acknowledge his significant contribution.



### The Historic Village

77. A summary of visit statistics for Q2 are listed below:

	FY 2018/19 Q2	FY 2019/20 Q2
Village entries	69,921	78,002
Tenancy occupancy	95%	100%
<b>Indoor venues</b>		
Venue occupancy	25.7%	10.9%
Number of events	77	62
Event attendees	2,208	1,832
<b>Outdoor venues</b>		
Venue occupancy	64.3%	11.7%
Number of events	3	12
Event attendees	13,583	11,849

78. An internal upgrade of Building 70 tenanted by SeniorNet is now complete. Some external renewals including roof and cladding repairs, and a full external repaint is now being undertaken.
79. The Complex 1 interior upgrade project is now out to tender. Village staff are working through the procurement process and once a contractor has been selected, works will begin immediately.
80. Some remedial works on Building 18, which is currently tenanted by Vinyl Destination have been completed. The works bring the building up to a standard that can hold food and beverage licencing, which will give the Village another food outlet and a place for visitors to enjoy a beer or wine. The aim is to focus the offering on attracting attendance between 2–10pm, a time period which is not currently catered for by the existing café operation.
81. The Historic Village has seen substantial growth in enquiries for large outdoor events during the 2019/20 season. Last year four events of this type were held at the Village and this year, 13 have been received to date including:
  - Diwali Festival – 25 October (completed – 1,639 attendance)
  - Fringe Festival – 26 October (completed – 4,124 attendance)
  - Summer Shakespeare – 10–23 January (completed – 1,392 attendance)
  - Chinese New Year – 25 January (completed – 1,700 attendance)
  - Waitangi Day 2020 – 6 February
  - Gincredible – 14–16 February
  - Multicultural Festival – 22 March
  - Jazz Festival – 10 April

## EMERGENCY MANAGEMENT & CIVIL DEFENCE

82. Council has been engaging with Bay of Plenty Regional Council (BOPRC) and Emergency Management Bay of Plenty (EMBOP) regarding concerns raised by Whareroa marae and the community about a major hazard facility incident that occurred on 9 December 2019.
83. The incident has raised concerns from the community regarding major hazard facility emergency planning, community consultation and communication, and incident response. Meetings are to be held with WorkSafe NZ, Fire and Emergency NZ (FENZ), major hazard facility owners and the community to facilitate immediate steps to enhance the current situation created by the 9 December 2019 incident.
84. The incident has also highlighted wider concerns by the community with regard to land-use, and the proximity of industrial facilities to residential areas within Mount Maunganui. Later this year, Council intends to coordinate a major hazard facility emergency management forum as a collaborative method to bring all relevant parties together, to generate relationships and enhance understanding of roles, responsibilities and dependencies.

85. On 19 January 2020, sirens that are part of a legacy framework were triggered across the Western Bay from Waihi Beach to Te Puke. The sirens attracted widespread media coverage and triggered a partial evacuation at Waihi Beach.
86. Nine of the sirens belonged to FENZ, with three others belonging to Surf Lifesaving and BayPark Speedway. The sirens were not activated as part of an official tsunami warning. Of note, Western Bay of Plenty, Tauranga inclusive, currently has no formal arrangements for tsunami warning via siren. Council has offered through the BoP CDEM Group, to coordinate our procurement approach with other local authorities that may be seeking to undertake obsolescence management of their siren networks. The siren activation has also highlighted that greater effort is required to inform the public of the ways that they can/will be warned of hazards, particularly tsunami. These efforts will be coordinated with EMBOP over the coming months.
87. The Voice Over Siren Network Registration of Interest (ROI) process initiated in December 2019 will close at the end of February 2020, followed by shortlisted suppliers conducting collaborative technical design proposals. Updated inundation exposure modelling is expected back from Tonkin + Taylor in February 2020. The next stage is to coordinate a third-party review of Council's evacuation mitigation strategy through updating evacuation models, using latest census population data to understand population exposure.
88. Council has continued a 'fit-for-future' self-assessment of its emergency management systems, structure and activities. Insight visits are to be coordinated this quarter with Christchurch and Hamilton City Councils. Recruitment activity is to commence for an Organisational Readiness Advisor and possible internal secondment to provide relief whilst Julian Reweti remains seconded to Whakatane District Council supporting their recovery post the 9 December 2019 Whakaari eruption.
89. Council has initiated a review of the Western Operating Area Emergency Management Agreement with WBoPDC, specifically focusing on arrangements for emergency response management for Tauranga City and Western BOP as one area. Initial meetings with WBoPDC are to occur in February 2020.
90. Council has agreed in principle to supporting a collaborative research opportunity with Tonkin + Taylor, BOPRC, EMBOP and the University of Auckland for use of virtual reality and agent-based modelling for tsunami evacuation. Primary funding for the research is through EQC. If funded, this research will provide an innovative engagement approach in support of community engagement and education being developed to support the establishment of the voice over siren network.
91. Council has continued to collect new and update existing hazard data on a rolling basis, to ensure that the whole city is covered and that the data has responded to environmental changes such as sea level rise. Key activities this period include:
  - (a) *Inner harbour coastal storm surge inundation* research was released (August 2019). Letters sent to property owners who were identified as susceptible to inundation risk and property files were updated. A mapping tool was also made available through the Council website to enable individuals to see modelled outcomes for different locations and changes in sea level rise. Community engagement was conducted throughout September 2019.
  - (b) *Liquefaction hazard* mapping and ground investigations were completed; results are expected early 2020.
  - (c) *Landslide hazard* initial pilot study on Te Papa Peninsula has been completed; results are expected early 2020.
  - (d) *Coastal Erosion* mapping and analysis has also been completed; results are expected early 2020.
  - (e) *Coastal Inundation* mapping and analysis is underway, due to be complete May 2021.
  - (f) Transportation network emergency criticality analysis commenced November 2019 and is expected to be complete in June 2020.

## LIBRARIES

92. In collaboration with Multicultural Tauranga, Libraries community programming specialists run a fortnightly *Newcomer's Morning Tea & Topics* session for those who have arrived recently to our city. Feedback from recent sessions is very positive and gives new residents a great first impression of Council. Upcoming sessions are:

Date	Welcome	Topic
27 February	TCC Emergency Management	Understanding Hazards in Tauranga
12 March	Plunket	Supporting families and young children
26 March	TCC Animal Control	Pet safety

93. This year, the Summer Reads Programme was modified to better suit busy parents, opting for a more inclusive approach to enable children to continue learning once the school year has completed. The new-look programme has no limits on participation numbers, more flexibility, plus activities to do in libraries and at home. A popular feature was "Tūtohu Whenua", a treasure hunt/tour of historic landmarks of Tauranga Moana.
94. Four summer student library assistants and six Friends of the Library volunteers supported library staff to deliver the Summer Reads Programme.



95. Libraries have released an app, called Tauranga City Libraries, to allow customers greater access and flexibility to manage their own library borrowing, with the promise of payment through the app as a future upgrade.
96. Recruitment is underway for the position of Mātanga Hōtaka Hapori Māori. This is a specialisation of our existing role of Community Programmes Specialist, to further support Libraries commitment to the retention and maintenance of Te Reo Māori, Tikanga Māori and Te Ao Māori, by celebrating them in programmes and activities.

## SPACES & PLACES

### Welcome Bay Road to Tye Park Esplanade Reserve encroachments

97. TCC is working with Welcome Bay residents along Forrester Drive to remove reserve encroachments around Tauranga Harbour and restore public access to the reserve.



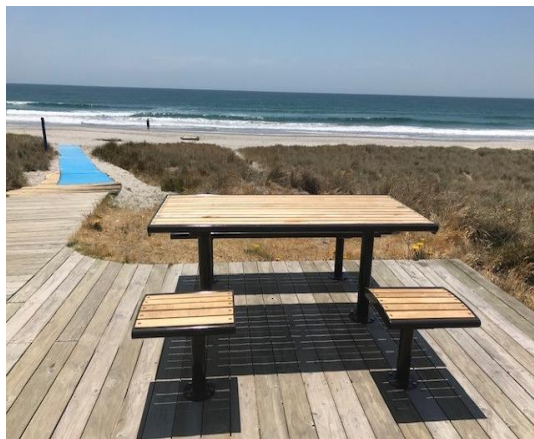
98. As part of restoring access, Council is asking residents to remove any non-structural encroachments such as wooden and wire fences, steps and timber edgings, and Council will remove the remaining non-structural encroachments.
99. In 2019, Council completed a similar project that removed encroachments along the length of the Mount Maunganui and Papamoa Coastal Reserve. This project saw hundreds of encroachments removed and the dunes returned to their natural state with native coastal plantings. This has restored ecological values to the coastal reserve and provides better erosion protection during storms.
100. The intent is to restore the reserve with minimal disruption to both seaside residents and the environment. The most likely option is bridging the concrete structures, possibly with sections of wooden boardwalk and at one location, an additional section of seawall. Wooden fences and other smaller encroachments will be removed to provide a predominantly grassed walkway and the walkway will then be maintained by Council.
101. The approximate timeframes for the project are as follows:
- September 2019 and December 2019 – Council structural engineers will assess encroachments on the esplanade reserve.
  - November 2019 – investigation will begin into any resource consent requirements for an additional section of seawall to support a boardwalk, and for sections of boardwalk to span structural concrete encroachments.
  - By early 2020 – residents should remove any non-structural encroachments, such as wooden and wire fences, steps and timber edgings, and retain any materials they wish to keep. Council will remove these remaining non-structural encroachments commencing March 2020.
  - By the end of April 2020 – the esplanade reserve will become accessible to the community.
  - Construction of the seawall and boardwalk will occur between July 2020 and July 2021.

### Asset improvements

102. A wide variety of routine and one-off asset maintenance activities have been completed in the last reporting period, including but not limited to:
- A comprehensive remaking of all road surfaces in Papamoa Domain
  - The Tye Park car park and boat ramp have been chip sealed
  - Council has a small budget to provide drinking fountains in reserves. The programme has been ongoing for several years and there are now 50 installed in the city's parks and reserves with new ones recently added to Tye Park, Blake Park (below left) and Tauranga Domain (below right)



- Accessible picnic tables were installed in Cutters Cove (below)



- Karewa Parade paved surfaces have been remarked
- As per the Annual Plan, a concrete path has been installed at Bell Common
- Freedom camping waste/recycling stations have been installed at Motiti Reserve, Tye Park, Rotary Park, Fergusson Park and Memorial Park
- Vandals set fire to the slide at Faulkner Park, which has since been replaced

### **Papamoa Surf Lifesaving Club Project**

103. Council staff are working alongside the Papamoa Surf Lifesaving Club to rebuild their facility. The upgraded facility will include space to store their equipment, lifesaving structures such as patrol towers and porta-coms, and accessways to the beach for surf lifesavers and the public. Volunteer and regional guard patrols continue with no major issues reported. Whilst Council contributed to the overall project cost, the club has done a great job of fundraising the balance of funds needed for their new building.

### **Alice Johnson Oval/Gordon Spratt**

104. A new grass cricket block is complete and had its first senior game in January. A feasibility study regarding an additional shared sporting hub for the park is nearly complete and the findings will be discussed with all key users early in the New Year. This work is being undertaken following confirmation from a needs analysis that this park required more facilities to cater for the growth now and into the short-term future.

### **Harbourside Netball/Mount Maunganui Tennis Court refurbishment**

105. This community project, which is being led by Harbourside Netball has had a few issues regarding the line marking of the courts and the quality of the installed surface. Contractors have had meetings on site with stakeholders and there is now a plan in place to rectify all issues, at a time to suit the facility users and at no cost to Council.

## **URBAN SPACES**

106. The Urban Spaces team (previously known as Public Spaces) will formally come into effect on 10 February, as a result of a recent review of the Spaces and Places division. Recruitment is underway for two positions to ensure the team can deliver the comprehensive Urban Spaces activity programme.
107. The Urban Spaces team continue to progress planning and design work for several significant projects, including:
- a) Wharf Street upgrade – progressing through tender process for construction in 2020
  - b) Kulim Park improvements (as per report to February PSOC meeting)



- c) Design work for Elizabeth Street and streetscape surrounding the Farmers redevelopment (as per report to February PSOC meeting)
108. Other projects the Urban Spaces team are progressing through planning and design, and updates on these (listed below) will be provided at a future PSOC meeting:
- a) Strand Extension (in partnership with BOPRC)
  - b) Te Tomokanga (Mount Maunganui Visitor Information hub)
  - c) Memorial Park to City Centre Pathway (business case/options development)
  - d) Te Papa o Ngā Manu Porotakataka (final elements and options development for future improvements)

### City Centre

109. The Urban Spaces team work closely with stakeholders in the city centre and support initiatives that add to its vibrancy and attraction.
110. The ACTIVATE pilot programme has been confirmed to receive \$100K of funding through to June 2020 and is generously supported by a further \$20K from Priority One. This pilot is to be delivered by Downtown Tauranga and will see activations in the city centre over the next few months. The outcome of the pilot will be reported to Council in the middle of 2020, upon completion of the pilot project.
111. A report will come to Council on 10 March regarding Our Place, which currently operates from the site of the former civic administration building. Our Place is a strategic activation featuring hospitality and retail pop ups, as well as programmed events. The Licence to Occupy for Our Place ends on July 9 and the report to Council will outline options for ongoing use of this space, prior to the potential redevelopment of a wider Civic Precinct site.
112. A new batch of installations were produced for the city centre Christmas season, to complement the return of the advent calendar in Red Square, Christmas trees on the waterfront, and Christmas-themed street flags. The city centre Christmas installations are the result of work in partnership between Council, Downtown Tauranga and The Incubator. This year the installations had almost 1,000 contributors to the art works.



113. Two local Kapa Haka groups from Tauranga Intermediate and Te Kura o Matapihi, as well as a jazz band from Tauranga Boys' College were commissioned to perform in Red Square over several days to complement the Christmas installations.
114. The Street Prints Mauao Festival came to town for a third time and produced 20 new installations by domestic and international street artists. A workshop-based installation by artist Askew One was sponsored by Council for the ground level of the Spring Street car park building. Over 150 people aged 2–60 took part in the workshop and the end result depicts several landmarks sacred to Tāngata Whenua in Tauranga.

### ATTACHMENTS

Nil

**9 DISCUSSION OF LATE ITEMS**

**10 PUBLIC EXCLUDED SESSION****RESOLUTION TO EXCLUDE THE PUBLIC**

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**RECOMMENDATIONS**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>10.1 - Te Papa and Plan Change Contract Renewal</b>	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

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