



AGENDA

Ordinary Council meeting Monday, 6 December 2021

I hereby give notice that an Ordinary Meeting of Council will be held on:

Date: Monday, 6 December 2021

Time: 10.30am

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.

Marty Grenfell
Chief Executive

Terms of reference – Council

Membership

Chairperson	Commission Chair Anne Tolley
Members	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley
Quorum	<u>Half</u> of the members physically present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members physically present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	As required

Role

- To ensure the effective and efficient governance of the City
- To enable leadership of the City including advocacy and facilitation on behalf of the community.

Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
 - Power to make a rate.
 - Power to make a bylaw.
 - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
 - Power to adopt a long-term plan, annual plan, or annual report
 - Power to appoint a chief executive.
 - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
 - All final decisions required to be made by resolution of the territorial authority/Council pursuant to relevant legislation (for example: the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).
- Council has chosen not to delegate the following:
 - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.
- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the CCO Boards of Directors/Trustees and representatives of Council to external organisations.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.

Procedural matters

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

Regulatory matters

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).

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1 OPENING KARAKIA

2 APOLOGIES

3 PUBLIC FORUM

3.1 Mr John Adshead - Dogs off-lead on beaches

4 ACCEPTANCE OF LATE ITEMS

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

6 CHANGE TO THE ORDER OF BUSINESS

7 CONFIRMATION OF MINUTES

Nil

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Civic Precinct Masterplan

File Number: A13032881

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Authoriser: Marty Grenfell, Chief Executive

PURPOSE OF THE REPORT

1. The purpose of this report is to present the revised Civic Precinct Masterplan report, including the estimated cost for the community facilities and amenity development and a programme to complete the project as a single-phase development between 2022 and 2028.

RECOMMENDATIONS

That the Council:

- (a) Receives the Civic Precinct Masterplan (Refreshed 2021) Report; and
- (b) Adopts the Tauranga Civic Masterplan (Refreshed 2021) attached; and
- (c) Notes that in making a decision to develop the Civic Precinct Masterplan Refresh 2021, Council is required to undertake a Long-term Plan Amendment, subject to section 97 of the Local Government Act 2002, due to the proposal including the provision of new and additional facilities, resulting in a significant change in level of service from that which was detailed in the LTP 2021-31; and
- (d) Approves preparation of a Long-term Plan Amendment, alongside the Annual Plan 2022/23 which includes the Tauranga City Masterplan (refreshed 2021); namely Site A community facilities and amenity projects and Site C Waterfront Reserve delivered by 2028; and
- (e) Receives a further report in February 2022 to enable the Commission to make a decision on inclusion of the Civic Masterplan in a Long-term Plan Amendment which addresses:
 - i) Operating costs for Site A community facilities and amenity projects; and
 - ii) Further refinement of capital expenditure costs if any; and
 - iii) Balance sheet impact of delivery of Site A community facilities and amenity projects; and
 - iv) Rating impacts, and any other funding impacts, over the Long-term Plan period associated with delivery of the Civic Precinct Masterplan; and
 - v) Alternative funding and financing options including the use of private equity and or building lease arrangements in accordance with the partnership agreement and any other off-balance sheet treatment; and
 - vi) The financial impact of different project staging options; and
- (f) In approving preparation for a Long-term Plan Amendment process, notes that the use of the special consultative procedure is required under section 93(5) of the Local Government Act 2002.

EXECUTIVE SUMMARY

2. The development of the Civic Precinct Masterplan 2018 commenced in 2015/2016 involving an extensive engagement process with the community and key stakeholders. A Long-term Plan Amendment Process (LTPA) was undertaken in June 2016 to include the masterplan

options and Civic Heart Project in the Long-term Plan (LTP) 2015-2025. In 2017 the Council commenced a procurement process to secure a developer partner. Willis Bond Ltd. were the successful tenderer and as part of the developer partner procurement process refined the 2016 masterplan. At the Council Meeting held on 28 June 2018 the Council approved the Willis Bond Masterplan as 'indicative' and formed the basis for the negotiations to deliver the Library, a hotel and Civic Administration Building. It should be noted that the Council excluded the costs of developing a museum on the site.

3. In July 2018, Tauranga City Council and Willis Bond and Company (Tauranga) Limited signed a 12-year partnering agreement relating to the Tauranga City Council – Heart of the City Project (Civic Precinct). The Heart of the City Project comprised a series of Council-led developments and development opportunities intended to establish the City centre as the commercial, civic and cultural heart of Tauranga.
4. In August 2021, the Council issued the Civic Precinct Masterplan Refresh brief to Willis Bond. The brief required that the consultant team retain the previously considered aspects of the 2018 Masterplan, updating it to reflect changes in community aspirations and decisions of Council. The changes in aspirations include support for the development of a Museum on the civic precinct site; a desire for the revised masterplan to reflect the cultural significance of the site; inclusion of the Waterfront Reserve in the masterplan; and the Council's decision to locate the Civic Administration function to 90 Devonport Road.
5. The consultant team selected for the masterplan refresh was Willis Bond, Studio Pacific Architects, Landlab and LT McGuinness, who have collectively been responsible for the delivery of several civic transformation projects in New Zealand.
6. The masterplan refresh was prepared in collaboration with the Commissioners, Executive staff members and tangata whenua, including representatives from Ngai Tamarāwaho, Ngāti Tapu and Te Materāwaho as represented by the Otamataha Trust. Tangata whenua involvement in the co-design has played an important role in ensuring that the cultural significance of the site is reflected in the proposed design philosophy of the buildings and urban landscape.
7. The development of the masterplan recognises that Tauranga lacks facilities that would be expected in New Zealand's fifth largest and fastest-growing city. Its premise is that development of those facilities in the Civic Precinct would create a new and vibrant cultural and civic heart for the city, which would engender a sense of ownership and community pride in activities and experiences which capture the essence of Tauranga Moana.
8. The masterplan design supports the key themes of a civic campus focusing on activities and experiences that promote community wellbeing, activation of the precinct and revitalisation of the city centre. The design recognises the cultural significance of the site, while promoting social cohesion and economic stimulus for the city centre. The inter-relationship of activities and functionality of the buildings, activities and urban landscape is a key factor in the transformation of the city centre and wider Te Papa peninsula.
9. The masterplan includes three sites:
 - (a) Site A - Civic Precinct Site bounded by Durham, Hamilton, Wharf and Willow Streets and including Masonic Park;
 - (b) Site B – 21- 41 Durham Street (formerly known as the TV3 Site); and
 - (c) Site C – Waterfront Reserve from The Strand to the water between Hamilton and Wharf Streets.
10. Major buildings proposed for the sites include:
 - (a) Site A – Civic Whare, Library and Community Hub, Museum and Exhibition and Events buildings, and Baycourt Theatre;
 - (b) Site B – Performing Arts and Conference Centre and a hotel; and

- (c) Site C – A new jetty at the harbour-end of Wharf Street, a Wharewaka, waka launching ramp, regional playground and waterpark.
11. The masterplan report proposes a single-phase development of Site A and the Waterfront Reserve, commencing in 2022 and running through to 2028, at an estimated cost of between \$270M and \$300M.
 12. Due to the introduction of a museum and exhibition/events facility into the proposal, resulting in a significant change in level of service for a significant activity, a decision to approve a single-phase development Site A will require an amendment to the Council's Long-term Plan (LTP) 2021-31.

BACKGROUND

13. In 2018, the Council adopted the Civic Precinct Masterplan, following extensive community consultation. The plan provided direction for the future development of the Council-owned site bounded by Willow, Hamilton, Wharf and Durham Streets; and the Council-owned site at 21-41 Durham Street, formerly known as the TV3 site.
14. The 2018 masterplan included a hotel and conference centre and a performing arts centre on the site at 21-41 Durham Street and the Civic Administration building, Library and Museum on the Willow Street Site, with connections through to Masonic Park.
15. Following the adoption of the Council's Long-term Plan (LTP) 2021-31, the Council issued a design brief to Willis Bond to prepare a Civic Masterplan Refresh to reflect the strategic decisions the Council had made as part of the LTP process, including a decision to lease a new Civic Administration building at 90 Devonport Road; respond to public submissions in favour of a Museum located on the Civic Precinct site; and to reflect the history and cultural significance of the site to tangata whenua and tell the stories of Tauranga Moana. The Council included a budget in the LTP 2021-31 for the development of a new library and community hub, to promote learning and education, and an enhanced urban space to promote activation and entertainment.
16. The refreshed masterplan focuses on facilities that will provide the activities and experiences the people of Tauranga deserve, and visitors expect. It will promote opportunities for welcoming and expression; learning and discovery; appreciating our past and shaping our future; and places for entertaining and hosting.
17. The need for facilities that deliver these cultural markers has long been recognised. Business cases have been prepared in the past for many of the precinct's elements, but for reasons we are all too familiar with, none have come to fruition. This refresh provides an opportunity to redress the past and deliver the vibrant cultural and civic heart the city has been missing.
18. The Civic Precinct site is culturally significant to tangata whenua of Tauranga Moana, particularly Ngai Tamarāwaho, Ngāti Tapu and Te Materāwaho. It was originally part of Te Papa, the central kāinga (village) of early Tauranga attracting people to a natural landing for waka, to access fertile cultivations, for trade, for gathering, for discussion and for interactions. It was heavily occupied and utilised pre-European arrival.
19. Upon arrival of the missionaries the Civic Precinct site was subject to land acquisition by the Christian Missionary Society (CMS) in 1838, for the benefit of the Native Race and Church. This was surveyed and the Civic Precinct site today includes what became known as Lot 45 and others.
20. Between 1866 and 1867, four-fifths of the CMS land was transferred to the Crown and confirmed under the Tauranga District Lands Act 1867.

Between 1885 and 1886, the Crown vested the land as reserve in the then-Borough of Tauranga, as an endowment in aid of Borough Funds. In 1930, the land changed its purpose of reserve to a site for a town hall and other municipal buildings. In 1982, the land was classified as Local Purpose (municipal buildings) Reserve subject to the Reserves Act 1977. In 1995, the land was issued to the Mayor, Councillors and Citizens of the Borough of Tauranga for Local Purpose (municipal buildings) Reserve subject to the Reserves Act 1977.

21. As a result of the alienation from the Church to the Crown as outlined above, mana whenua have maintained that the original purpose was not upheld and have sought to be reconnected to the whenua. This has been continuously and consistently reinforced through protests, occupations and arrests throughout time. The reconciliation of the disconnection is a significant priority for mana whenua.

DISCUSSION ON THE MASTERPLAN REPORT

22. This report should be read in conjunction with the Tauranga Civic Precinct Masterplan (Refreshed 2021) report prepared by Willis Bond.
23. The Council's primary objective is to create a long-term masterplan for the civic precinct that achieves the following objectives:
- (a) Creates a more vibrant, safe and accessible and successful city centre;
 - (b) Creates space and facilities that generate activity, attract people to and stimulate the area;
 - (c) Engages with and creates opportunity for tangata whenua;
 - (d) Recognises the history and cultural significance of Site A to tangata whenua and the wider community;
 - (e) Activates the site and maximises prime locations; and
 - (f) Creates a long-term vision for the site that forms the basis of a developed plan.
24. The masterplan proposes a series of distinct buildings with defined uses, set within a civic campus where functions and activities of each activity are co-dependant on shared facilities, such as meeting rooms, to complement the wider civic functions.
25. The masterplan creates a campus that focuses on the activities and experiences for the people of Tauranga and visitors alike. Activity based design has shaped the precinct promoting activities such as welcoming, shaping, nurturing, learning, discovering, expressing, entertaining and hosting. These uses are reflected throughout the buildings intended for the campus.
26. The landscape has been given as much prominence as the buildings to ensure a cohesive area that draws visitors to the site making the campus a major destination in the Bay of Plenty. A series of lawns, gardens, paved areas and amphitheatres are linked by steps and access ramps across Site A and Masonic Park, allowing visitors to traverse and gather across the area.
27. The natural fall of the site (approximately 14 metres from Durham Street to the water's edge) allows the natural form of the buildings to reflect the metaphorical flow of the streams that previously traversed the site on their way to the harbour. The buildings architecture will reflect this "this flow of water", with soft building edges lining the interior of the precinct.

28. Civic Whare | circa 1,100m²

The Civic Whare is located metaphorically and physically at the heart of the precinct. This is a multipurpose building, incorporating both traditional Māori design principles and modern Council requirements. The building will provide for both formal and informal meetings and civic functions. It will be designed to enable tikanga protocols for conducting of iwi hui and cultural functions.

Initial design envisions a timber construction, with a 6 Green Star rating. It is nestled into the landscape, allowing integration into the landscape and an active roof space.

The building is adjacent to the Exhibition and Events space, allowing shared bathrooms and kitchen spaces.

29. Library and Community Hub | circa 5,700m²

The Library and Community Hub is located on the corner of Willow and Wharf Streets. As the largest building in the precinct, it is located at the Southern edge of the site to prevent shading impacts and provides a strong gate way to the civic campus.

This building is envisioned as a multi-purpose facility beyond your typical library, providing space for people to gather, play and learn. There are a number of precedents of libraries being used to encourage these activities, including an Imagination Station LEGO play area at the Tūranga Christchurch library, and a technology lab with a 3D printer and VR sets at the Puke Ariki facility in Taranaki.

Retail space is proposed on the ground floor with a café opening into the precinct. There are rooftop terraces incorporated into the building, allowing community spaces and a proposed rooftop bar on the upper level.

30. Museum | circa 2,400m²

The Museum is located on the corner of Willow and Hamilton Streets. This facility will be used to display the city's taonga and heritage collection.

Functions are shared across buildings, with the Museum housing office and administration space for the wider precinct.

Extensive glazing is proposed on the Southern façade, with planting providing green edges along the roof perimeter of the building.

31. Cultural Elements

Contemporary waharoa thresholds are proposed on the edges of the Library and Museum buildings, creating a threshold to enter the site. These waharoa will feature carving by local artists and striking lighting features. Other cultural elements included in the design include Pouwhenua located on the Waterfront Reserve and in the design of paving and furniture.

32. Exhibition and Events | circa 2,900m²

Located on Hamilton Street, the Exhibition and Events space will allow significant exhibitions to be shown in Tauranga, encouraging visitors to the region. It can also support the proposed adjacent Conference and Performing Arts Centre when large scale events are held.

Similar to The Cloud, located on Auckland's Queens Wharf, this is a multi-purpose space that can cater to a number of different events, ranging from international art exhibitions and large-scale events down to local community exhibitions. It will complement the adjoining museum and nearby library and art gallery.

The site is connected to the Museum and the Civic Whare. This site shares facilities with these buildings and provides majority of the servicing requirements for the three buildings.

The Exhibition and Events building opens onto the Sculpture Garden. This space provides a reflective area to gather, with the ability for artwork and exhibitions to flow out onto this space.

33. Baycourt refurbishment

An upgrade of Baycourt Theatre is proposed, to modernise the facility and reflect the architectural design of other buildings within the Civic Precinct. An outdoor lift will be added to the outside of the building, allowing 24/7 accessible access across the site.

34. Waterfront area

The waterfront area is proposed to become an active play space, incorporating water features and a revitalised waterfront playground.

The importance of the water and the sites link to the moana will be emphasised, with an extension to Wharf Street and construction of a new wharf. A wharewaka is proposed, with a launching ramp provided for ongoing waka use.

A revised pedestrian crossing will be aligned to Masonic Park to emphasise connection between the areas and provide a strong visual link from the Civic Whare to the waterfront.

35. Performing Arts and Conference Centre and Hotel

Buildings on 21-41 Durham Street (Site B) include a circa 6,100m² performing arts and conference centre and a 11,600m² hotel. The proposed design of the Conference and Performing Arts centre will allow for large scale conferences, meetings, productions and concerts. The facilities shared facilities and will be linked to the proposed hotel by a roof terrace supporting a bar and restaurant.

STRATEGIC / STATUTORY CONTEXT

36. The Long-term Plan 2021-2031 (LTP) articulates *Putting the community at the heart of everything we do* as the foundation of the document.
37. Whilst the LTP included a significant project to provide a new central library and community hub on Willow Street, it also acknowledged the need to invest in the city centre to enable it to become the major civic, cultural, business, educational, residential, and commercial hub for the region.
38. The Council has taken the opportunity to consider how work in Willow Street could be enhanced to unlock a true city heart, which places community at the centre. This would enable the Council to deliver on a number of our strategic priorities including;
 1. Delivering on a City Centre Strategy
 2. Urban Transformation for Te Papa
 3. Creating a thriving Civic Precinct.
39. The Masterplan responds to the Council community outcomes by addressing: cultural recognition and reconciliation; economic rejuvenation of the CBD; activation of the precinct; accessibility and sustainability.
40. The refreshed Masterplan presented through this report has been developed to outline the future planning for the site and costs for the development of the civic precinct. As it is proposed, the Masterplan would deliver significant community benefits and lead to a significant change to the level of service that Council provides to the community. In particular, providing a regional museum facility that celebrates and showcases Tauranga Moana's rich and varied history, culture and taonga.
41. The Council must follow the decision-making provisions of the Local Government Act 2002 (LGA). In particular, a decision to significantly alter the intended level of service provision for any significant activity must be explicitly provided for in the Council's Long-term Plan.
42. As this proposal varies significantly from that included in the LTP 2021-31, this decision cannot be made without public consultation, in accordance with Section 97 of the LGA. The intent of this legislative requirement is to ensure that the community is involved in the decision-making process. As such, before making a decision to develop the site in accordance with the Masterplan, Council would be required to undertake a thorough consultation process.

OPTIONS ANALYSIS

43. Several options for delivering the Civic Precinct Masterplan were considered.

Option 1 – Single-Stage Phased Development Completion 2028

Single-Stage Phased Development of Site A and Waterfront Reserve between 2022 and 2028 - delivery of the Civic Precinct Site A, including the Civic Whare, Library and Community Hub, Museum, Exhibition and Events Facility and associated landscaping within the precinct and Masonic Park and the Waterfront Reserve. This option will require Council's approval as a single-stage phased development, with key decisions on each phase being sought from the Council, based on a detailed project plan for each development. This option

will require consideration of an appropriate level of resourcing to manage the programme delivery.

A single-phase development of the Civic Precinct (Site A) will inform all future placemaking, street upgrades and development within the wider CBD, providing the catalyst to re-energise and re-establish the CBD as an inviting, vibrant and people-centric area.

Advantages of a single-phase development include:

- (a) Design cohesion and coordination of the facilities and public spaces within the site;
- (b) Further economic benefits may be available through the consolidation of costs for design, consenting, site establishment and construction. This approach simplifies the sign off and Code Compliance Certificate (CCC) process, and may result in additional cost savings not currently included in the estimate. Part of the benefit of the Partnering Agreement and early engagement of LT McGuinness is that in parallel with the developed design process, a value engineering process targeting material savings can occur.
- (c) Social benefits by providing facilities and public spaces to revitalise the CBD within a 6-year period;
- (d) Reduction in the length of construction on the site and associated disruption on surrounding businesses and the functioning of the CBD;
- (e) Increased business confidence resulting from Council commitment to investment in urban revitalisation and renewal in the CBD;
- (f) Consolidation of construction capability within the region.

44. Costings

The redevelopment of Site A (including Masonic Park) and Site C (Waterfront Area) is estimated to cost in the range of \$270 million - \$300 million. This cost estimate reflects a single-stage phased development undertaken between 2022 to 2028.

45. The masterplan is very high level, with significant detailed design work required to finalise the design of each building within the precinct and the landscaped areas. As such, the costings presented are highly indicative at this stage, with a range of potential costs shown.
46. The high-level nature of current designs is reflected in a modest cost escalation and contingency allowance of circa 20%.
47. Construction cost escalation is expected to increase rapidly over the coming years, at an average rate of 5.0% per annum. This is driven by labour and supply constraints in the wider market. As such, if a multi-staged sequential development was proposed it is anticipated there would be a significant increase in cost. If 5.0% per annum construction cost inflation continues, this additional cost could total \$60 million. Construction cost inflation is currently growing at a faster rate than both CPI inflation, and the Council's cost of capital. Further information will be provided in a report to Council on the 22 February 2022.
48. The budget in the adopted LTP 2021-2031 for the Library and Community Hub, demolition and Civic Plaza upgrade is \$67.3 million. The costings related to the additional facilities including the museum, exhibition and events space and civic wharf and associated landscaping reflected in the masterplan will be provided in a report to Council on the 22 February 2022.
49. Cost estimates for the Conference Centre, Performing Arts Centre and Hotel on site B are estimated at \$221 million. Given the commercial and revenue-generating nature of these facilities, it is anticipated that the development of Site B will be privately funded, with Council contributing to operating costs.
50. Further economic benefits may be available through the consolidation of costs for design, consenting, site establishment and construction. This approach simplifies the sign off and CCC process, and may result in additional cost savings not currently included in the

estimated range of \$270 million to \$300 million. Part of the benefit of the Partnering Agreement and early engagement of LT McGuinness is that in parallel with the developed design process, a value engineering process targeting material savings can occur.

51. Option 2 - Multi-Staged Sequential Development with Completion 2036

Multi-Staged Sequential Development of the Civic Precinct between 2022 and 2036:

- (i) Stage 1 – 2022-2026 – delivery of the Library and Community Hub and progress concept designs, costings and funding options for the Civic Whare, Museum, Exhibition and Events facilities and associated landscaping, for inclusion in the draft LTP 2024-34;
- (ii) Stage 2 – 2026-2030 – delivery of the Civic Whare and Exhibition and Events facilities;
- (iii) Stage 3 – 2030-2034 – delivery of the Museum and Masonic Park;
- (iv) Stage 4 – 2034-2036 – Delivery of the Waterfront Reserve and associated facilities.

This option will require Council approval for each stage of the project over the next 12 years and projects circa 5.00% p.a. construction cost inflation, which over a 10-year period could increase the compounded cost of the project by upwards of \$60 million. In comparable terms this would be discounted (by councils cost of capital) for the purpose of comparison however a cost saving would occur in the event that construction costs increase at a greater rate than Councils cost of capital which is currently the case.

Whilst this option would see lower initial costs, the advantages mentioned above will not be realised nor will savings that could be achieved through the costs for design, consenting, site establishment and construction being streamlined.

52. Option 3 – Library and Community Hub

Build a Library and Community Hub and associated landscape as approved in the LTP 2021. This option would require additional budget through the annual plan process as the estimated costs of the facility have increased due to cost escalations for materials and labour because of the COVID-19 pandemic. This option is not preferred, as it will not meet the vision of the masterplan and intended revitalisation of the Civic precinct, resulting in protracted and uncoordinated development.

FINANCIAL CONSIDERATIONS

53. In addition to date no analysis has been undertaken as to the extent of this development on Councils overall financial position. Debt retirement was introduced in the Long-term Plan in order to maintain within overall borrowing covenants. Any further pressure will need to be assessed in line with other initiatives being undertaken to look for off balance sheet financing. In the event that alternatives are not finalised additional debt retirement may be required, or other off-balance sheet options developed. It is proposed that this matter be reported to Council in February 2022 if it is resolved to adopt and implement the refreshed masterplan.
54. This programme of works offers opportunities for different funding and financing models to be developed. This may range from different forms of private equity and or lease arrangements and may include other off balance sheet options. A further report will be brought back in the new year exploring these options in greater detail with a view to maximising public and private investment to deliver the outcomes of this programme of works.
55. The Partnering Agreement provides the ability for the parties to explore alternative commercial solutions for the funding and delivery of the various civic projects. During the procurement of the Development Partner, Council asked respondents to show sample solutions as it anticipated comparing these against the traditional model of Council funding its own projects.

The options Council has to explore include:

1. Ground lease / develop / lease (if legally feasible, the developer would pay Council for a long-term ground lease to secure the site, then develop the facilities and lease back to Council).
2. Public Private Partnership – or amortised lease solutions. This is where the developer would fund the development and lease back to Council at agreed rates to recover the costs (and margins) over an agreed period. Council would then own the facilities at the end of the lease term.
3. Joint venture – there are many permutations to this, but joint equity investment opportunities to fund and own the development – say Council, Development Partner and iwi – if feasible.

It may be that different solutions may apply to different sites, for example the TV3 site.

Council has the ability to explore these options with the Development Partner during the feasibility phase prescribed in the Partnering Agreement, and are encouraged to consider alternative solutions to reduce the upfront capital commitment required for an expansive development programme and budget.

LEGAL IMPLICATIONS / RISKS

56. The Civic Precinct Masterplan was prepared in accordance with the Tauranga City Council and Willis Bond and Company (Tauranga) Limited Partnering Agreement, signed in July 2018. The masterplan prepared in 2018 was completed in accordance with the partnering agreement. The partnering agreement permits revisions to the Masterplan. Clause 3.3 clearly acknowledges that the Masterplan (being the Master Plan forming part of the RFP Response) was only “indicative” and would need to be revised and, in the future, amended as necessary in response to the requirements of the Project.
57. There are historical issues relating to the parcels of land on the site. Discussions are ongoing with the Otamataha Trust and it the intention of the Council to resolve these issues as part of the redevelopment programme.

CONSULTATION / ENGAGEMENT

58. A comprehensive Communications Plan will be produced to support the development of a Long-term Plan Amendment, if the recommendations of this report are approved. This will see the single stage phased Masterplan proposal included as part of a Consultation Document alongside the Annual Plan 2022/23 Consultation Document.

SIGNIFICANCE

59. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances, a matter, issue, proposal or decision may have a high degree of importance to individuals, groups or agencies affected by the report.
60. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural wellbeing of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
61. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of high significance. It is a significant proposal for the community and, if implemented, would see significant increases in levels of service, capital

expenditure and transformation of the civic precinct area, resulting in high levels of community interest as a result of an anticipated rates increase.

62. In addition, Section 97 of the Local Government Act 2002 outlines that certain decisions may only be taken if provided for in Council’s Long-term Plan, including (1)(a) *“a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity.”*

ENGAGEMENT

63. Consultation is required under Section 93 (5) of the Local Government Act 2002, which states that “A local authority must use the special consultative procedure in making any amendment to a Long-term Plan.”

NEXT STEPS

64. If the Council approves the commencement of a Long-term Plan Amendment (LTPA) process alongside the development of the Annual Plan 2022/23, officers will commence the Amendment process. Key milestones will be aligned with the Annual Plan project timeline and include:

Action	Deadline
Council approves Consultation Document (CD) for Audit	28-Feb-22
Audit of LTPA	1-18 Mar-22
Council adopts CD and supporting information for consultation	24-Mar-22
Consultation (alongside Annual Plan)	28-Mar - 29-Apr-22
Hearings	9/10 May-22
Deliberations	24/26-May-22
Council adopts LTPA (alongside Annual Plan)	27-Jun-22

ATTACHMENTS

1. Civic Precinct Masterplan - refreshed (Willis Bond) - A13100762 [↓](#)

11.2 Tauranga City Council Tsunami Awareness Programme update

File Number: A12466887

Author: Barbara Dempsey, General Manager: Regulatory & Compliance
Cashy Ball, Program Manager: Tsunami Awareness AND Advisor to the Commissioners

Paula Naude, Manager: Emergency Management

Authoriser: Barbara Dempsey, General Manager: Regulatory & Compliance

PURPOSE OF THE REPORT

1. This report provides an update on the Tsunami Awareness Programme, including an overview of the Programme achievements to date and an update of the planned engagement for the months of December 2021 and January 2022

RECOMMENDATIONS

That the Council:

- Receives the Report – Tauranga City Council Tsunami Awareness Programme update

BACKGROUND

2. A Tsunami Awareness Programme has commenced to enhance community knowledge and understanding regarding the risk and appropriate preparedness required in response to the threat of tsunami.

TSUNAMI AWARENESS PROGRAMME

3. The Tsunami Awareness Programme is a collaborative, community focussed project delivering education and messaging to the community regarding tsunami risk and evacuation. This includes ensuring that the community knows when to evacuate, how to evacuate, and they have a plan. The programme aims to enhance community resilience, build confidence and self-reliance and ensure structures and community networks are in place to support those that need it.
4. The programme commenced in September 2021 with project planning, data gathering and the formation of a Community Working Group.

Tsunami Awareness Working Group

5. The Working group is made up of a range of key stakeholders representing emergency services, education, disability, business, ratepayers, sporting, iwi, Emergency Management Bay of Plenty and Tauranga City Council.
6. The Working Group has developed and approved a Terms of Reference. The group has also undertaken a workshop that included sharing of information regarding tsunami risk and preparedness and collaborative development of an Engagement Plan to enhance community awareness.
7. Through the working group a large number of networks and connections have been identified to ensure that the tsunami awareness message can be distributed effectively to residents in the tsunami hazard zone.

Data Gathering and Quality Control

8. Data has been gathered regarding key components of the project including: previous engagement and community feedback; latest national and international best practice

regarding messaging and alerting mechanisms; and appropriate community networks and engagement channels.

9. Evacuation maps were identified as requiring updating and quality control to ensure the project was disseminating accurate information. This has involved a physical check of evacuation routes and desktop analysis of recent development to enable the production of up-to-date evacuation maps for the community.

Project Team

10. A TCC project team has been established including representative from the Emergency Management, Takawaenga Māori, Community Development and Community Relations Teams. A Strategic Community Relations Advisor has also joined the team to oversee the delivery of the Engagement Plan through to February 2022.
11. Tsunami Awareness Ambassadors are also being utilised to ensure the message regarding awareness is delivered to the community face to face. Providing an opportunity to enable discussion, elaboration and prompting regarding preparedness. This will also present an opportunity to capture and respond to any specific concerns raised by the community. The Ambassador roles also provide a great opportunity for university students from Tauranga to gain experience in a role with excellent community engagement, community development and emergency management opportunities.

Community Awareness Programme

12. An engagement plan has been developed that identifies numerous opportunities for the team to distribute the tsunami awareness messaging throughout the community. This includes mass promotion and dissemination of core tsunami messaging such as ‘Long or Strong, Get Gone’ via mass media channels and social media. The engagement plan also includes very targeted reach into communities through trusted channels to ensure a more personalised and effective delivery. This will be greatly enhanced by the very collaborative nature of this project, particularly through the support of the Working Group.

13. Key Engagement deliverables: -

Channel	Audience	Dates
Promotional/educational material distributed through Early Childhood/Primary/Intermediate schools	Children, family, teachers	7-16 Dec
Pop-up events at Little Big Markets/Dinner in the park/DINNER/Mount Farmers Market/Solmarket	General audience	Commencing 4 Dec through to end January
Pop-up events at Libraries/community centres	Older community, families, general audience	Commencing 13 Dec through to end Jan
Face to face visits for business and a business workshop	Business sector	Visits Dec-Jan. Workshop late January
Information session at retirement villages	Village residents	January
Leaflet drop for in-zone homes	Residents	Mid Dec-end Jan
Promotional material distributed	Tourists/visitors	Mid Dec-end

through accommodation providers		Jan - ongoing
Newsletters/emails distributed by working group and key networks	Targeted sectors including sport, business, social, health, religious, education	1 Dec – 31 Jan
Ambassadors at popular beaches and recreational venues/town centres	General audience	1 Dec – 31 Jan
Posters and flyers at hospitality and retail venues	General audience	6 Dec – 31 Jan ongoing
Marae wānanga in conjunction with Kia Takatu	Hapū/whanau	6-17 Dec
Social media including videos and infographics through Council and partner pages	General audience and target groups through networks	Regular posts throughout Dec and Jan – launch 1 Dec
Traditional media, newspaper, radio	General audience, older community	Regular content/ads throughout Dec and Jan – launch 1 Dec

14. Kanohi ki te kanohi (face to face) interaction will be provided through markets, events, community group hui, presence of ambassadors at the beach, in shopping centres, community centres and libraries, sporting events and generally attending places where people are congregating during the summer period.
15. Due to the potential for changing Covid-19 restrictions, the programme is being developed to be able to adapt to traffic-light levels. If face-to-face engagement is not viable the campaign will move to a stronger digital and traditional media presence and greater utilisation of strong networks and links into communities through established channels.
16. Collaboration in the delivery of this programme is allowing the reach and impact to be much more effective. This includes opportunities to work with Red Cross through the Good and Ready programme, working with Auckland University to utilise developing technology to simulate tsunami evacuation, and connecting with the Kia Takatu programme to ensure a coordinated emergency management conversation with local Marae.
17. Collaboration with existing support networks will enable a personalised delivery for those who require greater support, particularly with the process of evacuation. This will include identifying appropriate support mechanisms where they are not already being accessed by individuals.
18. Throughout the awareness campaign, opportunities will be provided for the community to identify any specific concerns or risks. This information will be captured and where possible connections made to the relevant agency or Council team to ensure we are being responsive to community need. Enhancing community wellbeing through increased confidence and awareness is critical to the programme.
19. The programme objective is to ensure every one of the 49,000 residents in the tsunami risk area is aware of the risk, knows when and how to evacuate and has a plan. Data regarding programme reach will be captured through the engagement phase and reported back to the Council at the end of the programme.

OPTIONS

20. As this is a progress report, no options have been identified for Council’s consideration.

RECOMMENDATION

21. This report recommends that Council Receives the Report – Tauranga City Council Tsunami Awareness Programme update.

ATTACHMENTS

Nil

11.3 Letters of Expectation 2022-2023 for Council-Controlled Organisations

File Number: A13024278

Author: Josephine Meuli, CCO Specialist

Anne Blakeway, Manager: Community Partnerships

Authoriser: Gareth Wallis, General Manager: Community Services

PURPOSE OF THE REPORT

1. The purpose of this report is to confirm the Letters of Expectation for 2022-2023 from Tauranga City Council to three of its council-controlled organisations. The purpose is also to receive a request from Tourism Bay of Plenty to approve an amendment to their Statement of Intent for 2021-2024.

RECOMMENDATIONS

That the Council:

- (a) Receives the Letters of Expectation 2022-2023 for Council-Controlled Organisations report.
- (b) Approves the Letter of Expectation from Tauranga City Council to Bay Venues Limited (Attachment 1).
- (c) Approves the Letter of Expectation from Tauranga City Council to Tauranga Art Gallery Trust (Attachment 2).
- (d) Approves the Letter of Expectation from Tauranga City Council to Tourism Bay of Plenty (Attachment 3), noting that approval of the Western Bay of Plenty District Council as joint shareholder will be sought at their Council meeting on 16 December 2021.
- (e) Approves the Statement of Intent template for all three council-controlled organisations (Attachment 4).
- (f) Approves the amendment to Tourism Bay of Plenty's Statement of Intent for 2021-2024.

EXECUTIVE SUMMARY

2. Letters of Expectation for three of Tauranga City Council's (TCC) five council-controlled organisations, Bay Venues Limited (BVL), Tauranga Art Gallery Trust (TAGT) and Tourism Bay of Plenty are attached for Council's approval.
3. These provide guidance to the council-controlled organisations on what Council expects to see in their 2022-2025 Statements of Intent.
4. Tourism Bay of Plenty (TBOP) has requested Council approval an amendment to their Statement of Intent for 2021-2024, removing the performance measure for TBOP to support Council to explore alternative funding mechanisms. Staff support this request for the reasons outlined in paragraphs 19 to 25 below.

BACKGROUND

Legislative requirements for council-controlled organisations

5. Part 5 of the Local Government Act 2002 sets out the statutory regime for council-controlled organisations. The key components are:

- appointment of directors/trustees;
 - consideration of the draft statement of intent and providing comment;
 - regularly monitoring council-controlled organisation's performance; and
 - including the council-controlled organisation's objectives and performance in the council's long-term plan, annual plan and annual report.
6. Under the Local Government Act legislative framework, Council has minimal opportunity for input into a council-controlled organisation's planning for the following year, until the draft Statement of Intent has been completed and submitted to Council, at which point Council has two months to respond.
 7. A number of councils take a more proactive approach, working collaboratively with their council-controlled organisations and providing them with clear guidance at the early stages of the annual planning process. This helps to ensure that the council-controlled organisation's objectives and strategies are aligned with the council's, and is particularly important when council-controlled organisations deliver significant services on its behalf.
 8. Since 2014, TCC has worked with its council-controlled organisations to set clear expectations and to develop expectation documents, in particular the over-arching enduring statement of expectations and the annual letter of expectations. The letter of expectations outlines key areas of focus for the council-controlled organisations for the following year, usually linked to strategic priorities for the city.
 9. This process has been focused for those council-controlled organisations that TCC has significant control over; BVL, TAGT and TBOP (joint shareholder with Western Bay of Plenty District Council). An Office of the Auditor General Report in 2015 cited this process as an example of best practice when dealing with and managing council-controlled organisations.
 10. The key characteristics of the enduring statement of expectations, letter of expectations and statements of intent are provided in Attachment 4 for reference.

Letters of Expectation for 2021-2022

11. Letters of expectation for each of the three main council-controlled organisations have been developed in consultation with staff. The draft documents have been socialised with the Commissioners and the council-controlled organisations, and are provided as attachments to this report.
12. The Review of Strategic and Operational Alignment of TCC with its council-controlled organisations (Pedersen, February 2020) recommended that:

“Pending the development of new strategies, and to the extent that is possible, annual letters of expectation of the council-controlled organisations specify desired outcomes rather than outputs or tasks.”
13. Given that the City Vision and TCC's own strategic direction is still under development, this year's letters of expectations have a focus on Council's recently refreshed community outcomes that are relevant to the areas of service that the council-controlled organisations deliver on behalf of council, being arts and culture, tourism, recreation, sport and events.
14. This year's letters of expectations also make reference to Council's six guiding principles, but in particular prudent financial management, working in partnership with tangata whenua, managing the balance between social economic, cultural and environmental wellbeing of our communities, and transparency of decision-making.
15. The Pedersen Review (2020) also recommended:

“That the concept of the Council and its council-controlled organisations being part of a ‘TCC Group’ that has common desired community outcomes, be the overarching principle of accountability documents and interactions between the respective organisations.”

16. Again, this is difficult to implement without a specific “Tauranga city brand” (as Auckland Council has with its consistent use of the Council’s pohutukawa logo as part of the formal branding of its council-controlled organisations). However, we have included a statement of intent template (Attachment 5) with this year’s letters of expectations to provide clearer guidance to our council-controlled organisations, and ensure greater group consistency.
17. In addition, the Pedersen Review suggested that:
“The culture and values expected by the Council to be observed by its staff also guide how the staff of the council-controlled organisations are expected to work with the Council and for the community and be incorporated into the accountability documents.”
18. TCC’s values have therefore been included into the letters of expectations for the council-controlled organisations to incorporate into their statements of intent.

Amendment to Tourism Bay of Plenty’s Statement of Intent for 2021-2024

19. Following the presentation of their Annual Report to Council on 4 October, and a subsequent discussion with the Commissioners at TBOP’s ‘Governance-to-Governance’ meeting on 18 October 2021, TBOP have requested approval from Council to remove the following performance measure from page 17 of their [Final Statement of Intent 2021-2024](#):
“Support Councils to explore alternative funding mechanisms.”
20. This performance measure came about following a request from Council provided through feedback to TBOP’s draft Statement of Intent in April 2019.
21. Staff are of the view that this performance measure is now complete and support removing it from TBOP’s Statement of Intent for the reasons outlined in paragraphs 22 to 25 below.
22. In the [Local Government Funding and Financing – Response to Productivity Commission Draft Report](#) (DC257) that went to the Policy Committee on 20 August 2019, staff explored the Commission’s proposal that Government should legislate to allow councils in tourist centres to implement accommodation levies and that councils should explore opportunities for greater use of beneficiary or user pays models for tourism.
23. The staff recommendation at the time was to support this position, noting that it may not be of significant benefit in Tauranga. It was suggested that these issues *“can be further considered as part of the 2021-31 Long-term Plan should the next Council wish to do so.”*
24. Following an initial assessment by staff in August 2019 of the extent to which the ‘beneficiary pays’ in relation to tourism funding, it was found that:
“Funding Tourism Bay of Plenty predominantly through the Economic Development rate was largely a ‘well-allocated’ and efficient way to fund the majority of their costs. The additional costs of their new Destination Management approach are funded from airport revenues, which brings in a user-pays component. They also receive revenues from cruise ship tour operators and tourism experience providers.”
25. And that:
“Initial analysis of an accommodation levy suggested that projected revenues would potentially not warrant the administrative burden and that it may have unintended impacts on the visitor economy and the housing market. Options for charging cruise ships more directly have also been given initial consideration.”

STRATEGIC / STATUTORY CONTEXT

26. While not a legislative requirement under the Local Government Act (2002), when combined with the enduring statement of expectations, the letter of expectation is a key document that Council provides clear guidance to its council-controlled organisations.
27. The letters of expectations help ensure that the council-controlled organisation’s objectives and strategies are aligned with Council’s, by providing key areas of focus that Council expects to see reflected in their statements of intent.

OPTIONS ANALYSIS

Option 1: Approve the letters of expectation – RECOMMENDED.

28. Council approves the letters of expectations for the council-controlled organisations.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Council-controlled organisations are part of the TCC group and are expected to operate in ways which contribute to the success of the group as a whole. • The community outcomes that are delivered by services provided from the council-controlled organisations assist Council to achieve the community outcomes and four well-beings prioritised through the long-term plan. 	<ul style="list-style-type: none"> • Nil

Option 2: Do not approve the letters of expectation – NOT RECOMMENDED.

29. Council does not approve the letters of expectation for the council-controlled organisations.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Council may not be able to achieve its long-term plan community outcomes. • Lack of strategic direction, leading to a potential negative impact on Council’s relationship with its council-controlled organisations, who have undergone significant improvement through greater collaboration this year.

FINANCIAL CONSIDERATIONS

30. There are no financial considerations.

LEGAL IMPLICATIONS / RISKS

31. There are no legal implications or risks.

CONSULTATION / ENGAGEMENT

32. Community consultation or engagement is not required or appropriate for this matter.

SIGNIFICANCE

33. Under TCC’s [Significance and Engagement Policy](#), this decision is of low significance as it is consistent with adopted policy and established practice. The letters of expectations are governance documents which affect TCC and its council-controlled organisations only (and WBOPDC, with regards to TBOP).

NEXT STEPS

- 34. Once adopted, the letters of expectation will be incorporated into an official letter to each council-controlled organisation, signed by the Commission Chair and delivered to the Chair of each council-controlled organisation.
- 35. The letter of expectation for TBOP will go for approval by the Western Bay of Plenty District Council, as joint shareholder, at their Council meeting on 16 December 2021.

36. The letters of expectation are intended to inform the council-controlled organisations' draft statements of intent, which are due to Council on 1 March 2022. Council must then provide feedback on the draft statements of intent to the council-controlled organisations by 1 May 2022. The final statements of intent must be adopted by the council-controlled organisation boards and submitted to Council by 30 June 2022.

ATTACHMENTS

1. **TCC Letter of Expectations 2022-2023 to Bay Venues Limited FINAL - A13099414** [↓](#)
2. **TCC Letter of Expectations 2022-2023 to Tauranga Art Gallery Trust FINAL - A13099435** [↓](#)
3. **TCC Letter of Expectations 2022-2023 to Tourism Bay of Plenty FINAL - A13099399** [↓](#)
4. **CCO Statement of Intent Template 2022 - A13083601** [↓](#)
5. **Key characteristics of the Enduring Statement of Expectations, Letter of Expectations and Statement of Intent - A7361498** [↓](#)

11.4 Memorial Park to City Centre Pathway

File Number: A13090166

Author: Doug Spittle, Manager: Planning and Design

Paul Dunphy, Director: Spaces and Places

Authoriser: Gareth Wallis, General Manager: Community Services

PURPOSE OF THE REPORT

1. This report provides a progress update to Council on the Memorial Park to City Centre Pathway project. The report also seeks in principle approval to bring forward the programme for project delivery and to adjust cash flow supporting the project accordingly through the 2023 Annual Plan process.

RECOMMENDATIONS

That the Council:

- a) Receives the Memorial Park to City Centre Pathway Update report.
- b) Supports in principle, bringing forward the delivery programme and adjusting the funding cash flow accordingly through the 2023 Annual Plan process.
- c) Approves bringing forward \$852K to Financial Year 2022 to support the accelerated delivery programme.

BACKGROUND

2. Funding for the Memorial Park to City Centre Pathway is included in the 2021-31 Long-term Plan (LTP). The LTP currently provides for a budget of \$18.96M spread over the next five financial years.
3. The project has been considered in various forms for over twenty years. Strategic documents that have identified the project in recent years include the City Centre Spatial Framework 2017 and the Te Papa Spatial Plan 2020.
4. The project will be a significant landmark project for the city, connecting Memorial Park and the city centre, both of which are the subject of substantial Council investment to improve amenities over the coming years. The pathway will connect these destinations via a waterfront pathway experience.

PROGRESS UPDATE

5. Tenders have closed for consultancy services for the project management, resource consent planning, design and contract administration for this project. A preferred supplier has been confirmed and final negotiation of contract is underway (likely to be confirmed at the time of this meeting).
6. The scope of works for the consultant will be divided into two geographic areas because of potentially different consenting requirements for each area. These areas are:
 - (a) Memorial Park to Matapihi Bridge, where the potential path adjoins a number of residential properties with riparian rights along with sections of esplanade reserve – Area A.
 - (b) Matapihi Bridge to the city centre waterfront – Area B.

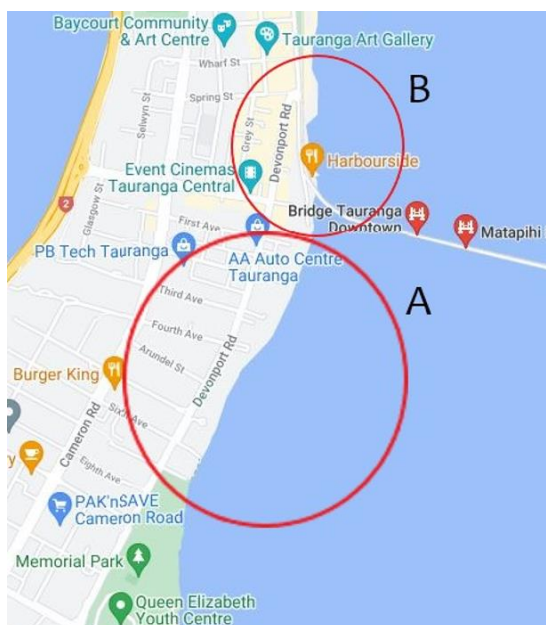


Figure 1 – Overview map of areas

7. The first phase of work for the consultant will be to quickly review work undertaken to date, and then prepare a summary report and concept design to bring to Council early in 2022.
8. Because of the limited number of stakeholders for Area B, it is expected that subject to receiving key stakeholder consent, planning approval and detail design can be expedited. Early contractor engagement is proposed with direct appointment to facilitate potential commencement of construction in summer 2022. Subject to the design, construction should be completed before the end of 2023.
9. Area A poses more significant challenges, especially in respect of achieving resource consent as there are a number of residential property owners adjoining the route who, during the last round of public engagement, strongly opposed the concept. It is hoped that through consultation during the concept preparation stage, their concerns can be adequately addressed.
10. Detailed design work and the appointment of a civil contractor can proceed in parallel with the planning and consenting processes. The earliest that construction for Area A is likely to be able to commence, is March 2023. Subject to design, current estimates are that construction could take up to 12 months with completion in the first quarter of 2024.
11. Subject to the design outcome and conditions in the market (e.g. price of materials), the project budget and delivery programme may require some adjustment although it cannot be confirmed until design, consent and contractor appointments have been made.
12. The above programme is faster than the delivery programme indicated in the LTP. This will require the cash flow supporting the project to be adjusted through the 2023 Annual Plan process, and also for \$852K of allocated budget to be brought forward to the current financial year. The comparative adjustment proposed is shown in the table below. The faster delivery leads to a slightly reduced total project cost given reduced inflation impact.

	Adopted LTP Phasing (Inflated)					
	2022 FY	2023 FY	2024 FY	2025 FY	2026 FY	Total LTP
Non Construction (incl Design)	500,000	515,000	-	-	-	1,015,000
Construction	-	-	636,540	6,556,200	5,627,500	12,820,240
Contingency (incl Risk & Optimism Bias)	-	-	254,616	2,622,480	2,251,000	5,128,096
TOTAL	500,000	515,000	891,156	9,178,680	7,878,500	18,963,336
	Proposed Revised Phasing (Inflated)					
	2022 FY	2023 FY	2024 FY	2025 FY	Total Proposed	
Non Construction (incl Design)	1,352,000	2,167,000	350,889	2,226	3,872,115	
Construction	-	4,250,000	4,654,650	209,520	9,114,170	
Contingency (incl Risk & Optimism Bias)	-	3,154,386	2,539,714	107,436	5,801,537	
TOTAL	1,352,000	9,571,386	7,545,253	319,182	18,787,822	

OPTIONS ANALYSIS

Option 1: Shorten the delivery programme and adjust funding cash flow through the 2023 Annual Plan – recommended.

This option will effectively deliver the pathway project two years earlier than the programme indicated in the current Long-term Plan. The quicker delivery will slightly reduce the total cost profile of the project given less inflation costs.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Earlier completion of project. • Reduced total project cost. 	<ul style="list-style-type: none"> • Increased risk to successful delivery against programme due to less headroom/flexibility for project risks that manifest.

Capex: \$18.8m across 2022-25 FYs (including bring forward of \$852k to 2022 FY).

Opex: \$10.0m across the ten years (\$1.3m over 2022-25 FYs financing costs, average \$1.5m/annum from 2026 FY for maintenance, financing and depreciation costs).

Note: Assumptions include 3.5% interest and 2.3% capex inflation in 2024 FY.

Key risks: Delivery programme may be compromised if project risks materialise (e.g. protracted consenting timeframes due to litigation)

Recommended? Yes

Option 2: Maintain the delivery programme as outlined in 2021-31 Long-term Plan – not recommended.

This option sees no change to the programme as outlined in the 2021-31 Long-term Plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No change to funding cash flow required through 2023 Annual Plan. 	<ul style="list-style-type: none"> • Opportunity to deliver project faster not realised.

Capex: \$19.0m across 2022-26 FYs.

Opex: \$7.8m across the ten years (\$657k over 2022-26 FYs financing costs, average \$1.4m/annum from 2027 FY for maintenance, financing and depreciation costs).

Note: LTP assumptions included 3.0% interest and 3.0% capex in inflation in 2024 FY.

Key risks: Reputational risk through slower than optimal project delivery timeframe.

Recommended? No

SIGNIFICANCE

13. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
14. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

15. The project is of high public interest and therefore, high significance. Consultation on the project was undertaken in 2019 and revealed a very high level of support (>90%) for the project through survey responses from across the city and sub-region. The project was subsequently included in the proposed 2021-31 Long-term Plan consultation document, and then confirmed through deliberations and adoption of the Long-term Plan.
16. As this report is only providing an update on progress to date, along with seeking in principle approval to shorten the delivery programme with attendant change to cash flow supporting the project, this particular report is assessed as of low significance.

NEXT STEPS

17. Appoint preferred supplier of consultancy services.
18. Complete concept design and bring to a Council meeting in early 2022.

ATTACHMENTS

Nil

11.5 Approval of temporary alcohol-free areas for the summer concerts and events**File Number: A13048522****Author: Jenna Quay, Events Facilitation Manager****Nelita Byrne, Manager: Venues & Events****Authoriser: Gareth Wallis, General Manager: Community Services****PURPOSE**

1. For Council to agree to, and implement, the temporary alcohol-free areas set out in this report.

RECOMMENDATIONS

That Council:

- (a) In accordance with section 147B of the Local Government Act 2002, agrees that the proposed temporary alcohol-free areas are appropriate and proportionate in the light of the evidence; and justified as a reasonable limitation on people's rights and freedoms.
- (b) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement the temporary alcohol-free areas as follows:

Soper Reserve and Newton Street between Hull Road and Hewletts Road from:

- 10am, 8 January 2022 to 6am, 9 January 2022
- 10am, 12 February 2022 to 6am, 13 February 2022
- 10am 19 February 2022 to 6am, 20 February 2022
- 10am, 3 March 2022 to 6am, 6 March 2022.

- (c) Rescinds the temporary alcohol-free areas associated with the New Year's Eve community events approved by Council on 4 October 2021, as detailed below:

Gordon Spratt Reserve	Gordon Spratt Reserve and Alice Way (all inclusive) and Parton Road (between Tara Road and Papamoa Beach Road) from 10am, 31 December 2021 to 6am, 1 January 2022.
Fergusson Park	Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) from 10am, 31 December 2021 to 6am, 1 January 2022.
Tauranga Racecourse Reserve	Tauranga Racecourse Reserve from 10am, 31 December 2021 to 6am, 1 January 2022.

EXECUTIVE SUMMARY

2. The Alcohol Control Bylaw 2018 (the Bylaw) provides for Council to resolve temporary alcohol-free areas where no person is allowed to bring in, possess, or consume alcohol in a public place for a specified time and/or event (temporary alcohol-free area).
3. This report seeks Council approval for temporary alcohol-free areas in addition to those approved by Council on 4 October 2021. This report seeks to cover the anticipated concerts where NZ Police have requested a temporary alcohol-free area to support Police operations at Soper Reserve, Mount Maunganui.

4. Additionally, the report seeks approval to rescind the temporary alcohol-free areas associated with the recently cancelled New Year's Eve community events, approved at the 4 October 2021 Council meeting. Due to these events no longer taking place at these locations, NZ Police have advised the restrictions are not required.

BACKGROUND

5. The purpose of the Bylaw is to control the consumption of alcohol in public places to reduce potential alcohol-related harm. As well as setting out permanent alcohol-free areas, clause 8 of the Bylaw states Council may, by resolution, prohibit the consumption, bringing and possession of alcohol on or in a public place for a time period and/or event specified in that resolution (temporary alcohol-free area).
6. Each year temporary alcohol-free areas are put in place around several events across the city. This supports the Police to manage any potential alcohol-related disorder and helps minimise the risk of alcohol related harm at and around these events.

DISCUSSION

7. Council is asked to support temporary alcohol-free areas for the below concerts over the summer period at Soper Reserve, where there is not an existing alcohol-free area. A letter from the Police with a request for the temporary alcohol-free areas is included as Attachment One. The 2nd January 2022 event requested in the Police letter is no longer required due to a recent cancellation, therefore this has not been included in the recommendation.
8. Soper Reserve on Newtown Street, Mount Maunganui is currently planned to host six concerts and events over the upcoming summer period. To support NZ Police operations during these events, and to minimise potential alcohol-related crime and disorder when large numbers of people are coming to attend these events, temporary alcohol-free areas are proposed from:
 - 10am, 8 January 2022 to 6am, 9 January 2022
 - 10am, 12 February 2022 to 6am, 13 February 2022
 - 10am 19 February 2022 to 6am, 20 February 2022
 - 10am, 3 March 2022 to 6am, 6 March 2022.
9. In the past, NZ Police have experienced a number of occurrences of event attendees pre-loading in close proximity to events. This has resulted in antisocial and inappropriate behaviour. This can also make it challenging for event security to manage the external environment if not regulated directly outside the event venue.
10. The NZ Police also report that previously implemented alcohol-free areas within the external environment to events have contributed to reduced incidents of alcohol related harm (see Attachment One). This provides further evidence for the proposed alcohol-free areas.
11. In accordance with the legislation, the proposed temporary alcohol-free areas are proportionate responses and place reasonable limitations of people's rights and freedoms.
12. Covid-19 has impacted the events industry with many events needing to be rescheduled. Due to the current environment, an additional report may be required to implement any additional temporary alcohol-free areas incorporating other events over the summer period, or changes in dates due to ongoing Covid-19 implications. Any further reports requiring additional requests will be completed within adequate timeframes to ensure compliance with the Bylaw and Local Government Act 2002 requirements.
13. If events are cancelled, the temporary alcohol-free areas will not be required, nor implemented.

STRATEGIC / STATUTORY CONTEXT

- 14. The proposed temporary-alcohol free areas are consistent with the purpose of the Bylaw to reduce alcohol-related harm in our community.

OPTIONS ANALYSIS

- 15. The table below outlines the advantages and disadvantages of approving the temporary alcohol-free areas.

Option	Advantages	Disadvantages
1 Approve the temporary alcohol-free areas (recommended)	<ul style="list-style-type: none"> • Police are better enabled to successfully limit alcohol harm and manage public disorder in public places during these events. • Police are provided with an additional tool to assist in the provision of a safer environment for the community. • The community and visitors can enjoy a safer environment in these areas and when attending events. 	<ul style="list-style-type: none"> • Some residents and visitors may view the proposed temporary alcohol-free areas as being too restrictive.
2 Do not approve the temporary-alcohol free areas	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • The ability of the NZ Police to successfully limit alcohol harm and manage public disorder in public places at these events may be impacted. • There may be a serious incident(s) in the high-risk areas highlighted by the NZ Police as a result of intoxication.

FINANCIAL CONSIDERATIONS

- 16. Should Council approve the temporary alcohol-free areas, there will be a cost of approximately \$2,000 to install signage (within budget).

LEGAL IMPLICATIONS / RISKS

- 17. The proposed temporary alcohol-free areas reduce the risk of increased alcohol harm and public disorder.
- 18. A minimum of 14 days public notice of the temporary alcohol-free areas must be made for the Police to have the power to enforce the temporary alcohol-free areas (s170 of the Local Government Act 2002).

CONSULTATION / ENGAGEMENT

19. As clause 8 of the Bylaw provides Council with the power to put in place temporary alcohol-free areas, public consultation is not required. Public consultation was carried out when the Bylaw was developed.
20. All residents in the proposed alcohol-free areas will be informed by letter if Council decides to implement the proposed alcohol-free areas.

SIGNIFICANCE

21. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals, and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal, or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
22. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region.
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
23. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

NEXT STEPS

24. In accordance with the Bylaw, public notice will be given prior to the temporary alcohol-free areas taking effect. Maps and information on all temporary alcohol-free areas will also be available on Council's website.
25. Residents along the streets of the proposed temporary alcohol-free areas will be informed of the restriction by letter.
26. Event organisers will provide communications to their attendees advising them of the alcohol-free areas.
27. In accordance with the Local Government Act 2002, Council will erect signs to inform people of the temporary alcohol-free area. This will ensure Police can exercise the power of search under the Local Government Act 2002.

ATTACHMENTS

1. **NZ Police - Request for temporary alcohol-free areas for summer concerts and events 2022 - A13059126** [↓](#)

11.6 Amended Temporary Road Closures - Annual Events 2021 - 2022

File Number: A13012110

Author: Lindsay Cave, Team Leader: Corridor Access & Temporary Traffic Management

Jenna Quay, Events Facilitation Manager

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To seek Council approval of temporary road closures for upcoming events.

RECOMMENDATIONS

That the Council:

- (a) Receives the report of Amended Temporary Road Closure Report.
- (b) Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974, grants approval to close the roads listed below to ordinary vehicular traffic on the dates and during the hours stated for the purposes of facilitating safe and successful operations during the following events in Tauranga.

EXECUTIVE SUMMARY

2. Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974 this report seeks the Council approve the attached temporary road closures associated with these events. The majority of the closures are changes to previously approved events that have had to change due to COVID-19 Government guidelines. Proposed temporary road closures outlined on Attachment One.
3. The road closures aim to provide safe and well-organised events for public to attend, protect competitors, manage the transport network, and minimise impacts to residents and businesses while events are taking place.
4. The organiser of each event will:
 - Undertake engagement with affected residents and businesses prior to the event occurring.
 - Submit a temporary traffic management plan for approval as part of the overall event approval process. This plan stipulates all traffic signage indicating sections of roads or carparks closed, alternative detours and, any other appropriate signage for traffic control and advance warning of road closures in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM).

BACKGROUND

5. A number of temporary road closures have previously been approved by Council but due to the recent COVID-19 alert level changes the events have had to change dates and/or courses, some for the third time.
6. Road closures allow for safe access to, during and from events by creating separation of traffic from pedestrians. Event activities are managed within any City Plan, resource consent and corridor access approval conditions which include requirements such as noise management and communication plans.

STRATEGIC / STATUTORY CONTEXT

7. Tauranga City Council has the authority to close roads under the powers of the Local Government Act 1974 – Clause 11(e) of Schedule 10.

LEGAL IMPLICATIONS / RISKS

8. The formal approval of road closures by the Council is part one of a two-part approval process.
9. In addition to seeking this approval under the Act part two requires a warranted Site Traffic Management Supervisor (STMS) to submit a traffic management plan (TMP) to the Corridor Access team who has delegated authority as a Traffic Management Coordinator (TMC) to review and approve a temporary road closure in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM).
10. The traffic management contractor has a duty to ensure so far as reasonably practicable the safe and efficient movement of all road users through and around the working space. This requires a risk assessment be completed prior to the implementation of a traffic management operation.

CONSULTATION / ENGAGEMENT

11. All temporary road closures must be publicly notified by Tauranga City Council allowing a 21-day period for the public to submit comments. Any objections must be considered by the Council before making a decision on the requested temporary road closure.
 - (a) The temporary road closures were publicly notified on 3 November 2021 in the Bay of Plenty Times.
 - (b) The consultation period finished on 24 November 2021. Staff to advise if any objections have been received at the Council meeting on 6 December 2021.

SIGNIFICANCE

12. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
13. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
14. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

15. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

ATTACHMENTS

1. **Attachment One - Temporary Road Closures for Events - Summer 2021-2022 - A13070318** [↓](#)

11.7 Traffic & Parking Bylaw Amendment No32

File Number: A13052452

Author: Will Hyde, Senior Transportation Engineer

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To obtain approval from the Commission to introduce amendments to the appropriate Attachments within the Traffic and Parking Bylaw 2012

RECOMMENDATIONS

That the Council:

- (a) Receives the Traffic and Parking Bylaw 2012 Amendments Report.
- (b) Adopts the proposed amendments to the Traffic and Parking Bylaw 2012 Attachment as per Appendix B, effective from the later of 7 December 2021 or when the required signs and markings are installed.

EXECUTIVE SUMMARY

2. A number of minor amendments to the bylaw are proposed to reflect and support operational and safety needs on the road network.
3. This report sets out amendments to the following:
 - (a) Attachment 7.1: No Parking Behind Kerb
 - (b) Attachment 7.2: Prohibited Stopping and Standing of Vehicles
 - (c) Attachment 7.7: Mobility Parking

BACKGROUND

4. Council adopted the Traffic and Parking Bylaw 2012 (the 'Bylaw') on 23 October 2012 and it came into effect on 1 November 2012. The purpose of the Bylaw is to facilitate traffic management and parking control measures in respect of roads, public places, parking areas and other transport assets owned or managed by Council.
5. The Traffic and Parking Bylaw 2012 includes Attachments each of which lists various traffic and parking restrictions. Council can amend the Attachments by Resolution.
6. Amendments to the Bylaw are presented to Council for approval three to four times annually so that any enforcement of parking restrictions can be carried out as required.
7. The amendments listed in the appendices have been identified through the development of minor safety projects; through communications from residents and businesses; or form part of larger projects which need to be enacted as the projects develop.

STRATEGIC / STATUTORY CONTEXT

8. The amendments achieve the vision and strategic transport priorities to help make our network safer and easier for people to get around the city.

FINANCIAL CONSIDERATIONS

9. Negligible – the associate costs can be accommodated within existing budgets.

LEGAL IMPLICATIONS / RISKS

10. The bylaw amendment is needed to allow enforcement of previously resolved items.

CONSULTATION / ENGAGEMENT

11. Consultation is not required for minor stopping and parking amendments, or other minor amendments to support safety and operational improvements.

SIGNIFICANCE

12. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
13. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
14. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

15. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

ATTACHMENTS

1. **Appendix A - T&P Bylaw Amendment 32 - A13085166** [↓](#)
2. **Appendix B - T&P Bylaw Amendment 32 - A13085167** [↓](#)

11.8 Proposed Location Interim Bus Interchange on Durham Street

File Number: A13088531

Author: Mark Burgess, **Manager:** Transport Infrastructure Outcomes

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

PURPOSE OF THE REPORT

1. The purpose of this report is to present the options for a temporary relocation of the Bus Interchange located on Willow and Wharf Streets. We also present estimated costs for the options and timing of the works to facilitate demolition works on the Civic Precinct site scheduled to commence in early April 2022.
2. This report proposes the site on Durham Street, located between Wharf and Spring Street, be approved for the interim bus exchange.

RECOMMENDATIONS

That the Council:

- (a) Receives the report, and
 - (i) Approves the relocation of the central bus hub from Willow Street to Durham Street between Spring and Wharf Streets (Option 1);
 - (ii) Approves funding of \$1.75M in the Annual Plan for relocation of the central bus hub.

EXECUTIVE SUMMARY

3. Several sites across the CBD have been assessed for appropriateness as an interim central bus interchange replacing the current facility at Willow Street, to allow for the demolition of the current Council building and library at 91 Willow Street.
4. It will be a central point where bus services in Tauranga will drop off and pick up customers using the bus service in the greater Tauranga area (NZ Bus) and the InterCity services. The site requires:
 - (a) wide footpaths to allow for queuing for multiple buses while maintaining social distancing,
 - (b) room for bus shelters (4 of which are to be relocated from the current Willow Street site), and
 - (c) a central location, preferably away from traffic congestionIt also must be cognizant of the current development within Tauranga City.
5. The two most preferred sites identified through the multi-criteria analysis (MCA) scored similarly through the process undertaken and each has strengths and weaknesses.
6. The preferred option is site 1 (Durham Street, Spring to Wharf) due to the proximity to the current site, the open streetscape and the fact it is more removed from high pedestrian traffic areas (unlike site 2 which would interact with the University of Waikato Tauranga Campus and the Trustpower building). Site 1 is also supported by the InterCity bus service from an operational perspective.

BACKGROUND

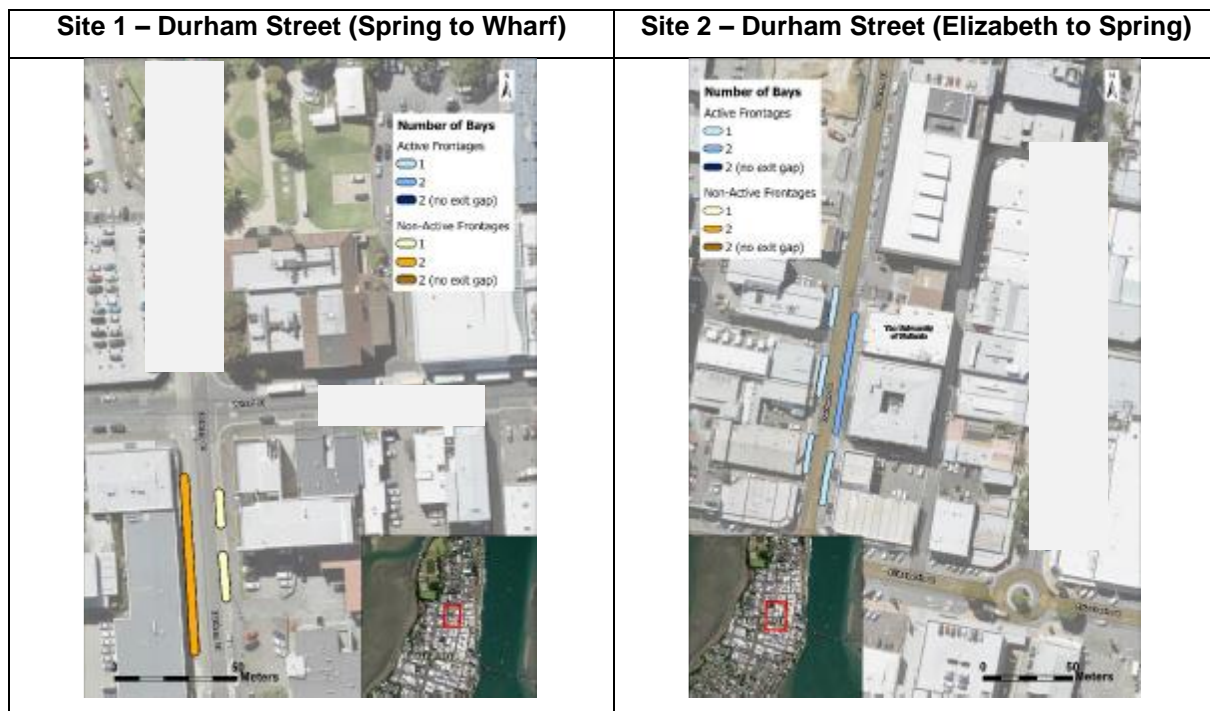
7. The demolition of the Tauranga City Council Offices and Central Library is scheduled to commence in early April 2022. The demolition work directly impacts the functioning of the Bus Interchange currently located on Willow and Wharf Streets. The footpath and potentially lanes adjacent to the office and library building, will be required for demolition works.
8. An interim bus interchange is required to operate until the Council determines on the final location of the new Transportation Hub currently scheduled for completion in 2026.
9. Abley Consultants were engaged to consider options for the location of the interim bus interchange in consultation with Council staff, Regional Council staff and NZBus.

STRATEGIC / STATUTORY CONTEXT

10. A priority activity in the Transport System Plan is to deliver a safe and accessible CBD public transport facility. This is to support the wider City Centre redevelopment, mode shift and environmental outcomes. The Long-Term Plan includes the investigation, business case and design of the permanent facility over 2022/23 and 2023/24 with the facility operational by 2026/27.
11. The Interim Bus Interchange would ideally be in operation for no more than 12 months. This means that the investigation of the long-term facility needs to be brought forward. The City Centre Strategy Refresh project will include options for the long-term facility and any business case requirements to follow. We are currently looking at options for fast tracking that process, however early indications are that the expected timeline for the 12-month duration is unlikely to be met.
12. Feeding into the decision regarding a long term solution is PT strategy work being done by the Regional Council, the Parking Management Plan work being done by TCC including the City Centre Movement Plan being developed by the Strategy and Growth team.

OPTIONS ANALYSIS

13. The suitability of sites was undertaken by Abley Consultants, with input from the Bay of Plenty transportation team, TCC transport planning team and NZBus who operate busses at the interchange. An MCA workshop with these stakeholders considered pedestrian focus areas, length of bus bays required, proximity to attractions, operational impacts and pedestrian safety.
14. Two sites on Durham Street scored highly overall in the MCA and have been taken forward as the preferred sites.



15. Preliminary designs have been prepared by Abley Consultants. The layout of these sites which show bus bay locations, pedestrian crossings, shelters, signage, and changes to road markings, are attached.

BAY OF PLENTY REGIONAL COUNCIL FEEDBACK

16. The Regional Council’s feedback on the proposed locations on Durham Street include concerns with street lighting, adjacent land use, access and safety. These will be considered and addressed as part of the design of the interim facility. The Regional Council do not support either option but prefers Site 2 (Durham Street – Elizabeth to Spring Streets) of the two options presented.

FINANCIAL CONSIDERATIONS

17. The estimated cost to construct the facility is estimated \$550K for Durham Street (Spring to Wharf Street) and \$500K for Durham Street (Elizabeth to Spring Street).
A cost breakdown is attached – see Attachment 3.
18. Pavement on Durham Street between Wharf and Spring Streets (Site 1) has not been designed to withstand high numbers of heavy vehicles, such as buses, and is likely to fail within 12 months. The street is not currently scheduled for replacement within the next two years and replacement is estimated to cost \$1.2M, which is currently unbudgeted.

OPTIONS SUMMARY

19. The table below summarises the key aspects of the sites:

Site 1 – Durham Street (Spring to Wharf)	Site 2 – Durham Street (Elizabeth to Spring)
Location assessment MCA score 2.94/5	Location assessment MCA score 3.16/5
6 bus bays to cater for urban services	6 bus bays total to cater for urban services
Non-active frontages, Pedestrian LOS score 7.5/10 with safety improvements	Active frontages and passive surveillance, Pedestrian LOS score 8.8/10 with safety improvements, although is perceived as less safe to walk to and from
Pavement work required	Quicker to deliver as the footpath and pavement

	have been future proofed for a bus interchange
Estimated 18 on street parks would be lost	Estimated 14 on street parks would be lost
Estimated construction cost \$550K + pavement work (\$1.2M)	Estimated construction cost \$500K
Driver facilities can remain on Wharf St	Driver facilities to be relocated

- 20. Council has recently invested significantly in Durham Street between Elizabeth and Spring Streets to make it an attractive pedestrian environment through the use of high-quality materials and the plantings near the Trustpower and University buildings.
- 21. This investment has led to the activity along the street changing, creating a high-quality streetscape with increased pedestrian movement. This would be compromised with the addition of the bus interchange. For this reason, we recommend Site 1, i.e. Durham Street between Spring and Wharf Streets.
- 22. The location of layover stops for resting busses within the city will also change. Other services such as the Intercity, regional services and charter services will be relocated close to the core interchange.

LEGAL IMPLICATIONS / RISKS

- 23. Timing of the works is urgent to meet the timeframes required to relocate the Interchange from Willow and Wharf Street to affect the Civic building demolition works scheduled for early April 2022.

CONSULTATION / ENGAGEMENT

- 24. A Consultation and Engagement strategy is being prepared to inform users and residents of the proposed relocation of the Bus Interchange including with the Ministry of Social Development and the businesses located on the corner of Durham and Wharf Streets. Consultation is required to place shelters outside neighbouring properties.

SIGNIFICANCE

- 25. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 26. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 27. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

NEXT STEPS

28. The programme to deliver the interim interchange is constrained. If the Council approves a site for the interim bus interchange, the delivery is planned as follows:

Action	Dates
Council approves site	6-Dec-21
Detailed design and consultation	7-Dec-21 to 21-Jan-22
Procure physical works	24-Jan-22 to 5-Feb-22
Construction	7-Feb-22 to 31-Mar-22
Demolition starts on the Council Buildings	1-April-22

29. Abley Consultants have resources available to complete the detailed design and construction drawings.
30. It is proposed to direct appoint a pre-approved contractor for the construction of the interchange. This procurement approach is recommended to meet the constrained programme.

ATTACHMENTS

1. **Attachment 1 - Concept Design - A13093302** [↓](#)
2. **Attachment 2 - Design Tech Note Issued v2 - A13093301** [↓](#)
3. **Attachment 3 - Block Cost v2 - A13093299** [↓](#)

11.9 Annual Plan 2022/23 Key Issues and Approach

File Number: A13073604

Author: Kathryn Sharplin, Manager: Finance

Josh Logan, Team Leader: Corporate Planning

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan, by 30 June 2022.
2. This report provides an update of the Annual Plan 2022/23 key issues and proposed approach.

RECOMMENDATIONS

That the Council:

- (a) Receives the report Annual Plan 2022/23 Key Issues and Approach.
- (b) Confirms the focus of the Annual Plan 2022/23 remains what was agreed to in the 2021-31 Long-term Plan.
- (c) Agrees the timetable and approach for the Annual Plan.
- (d) Agrees to redirect \$1.1m debt retirement proposed for stormwater debt in 2023 to instead retire \$1.1m of debt associated with existing unfunded liabilities
- (e) Notes that in future Annual Plan processes the portion of stormwater debt retirement above \$1.3m per annum proposed in subsequent years of the LTP could be diverted to retire debt associated with unfunded liabilities until that debt is extinguished.
- (f) Notes that the review of aspects of the rating structure agreed as part of the 2021-31 Long-term Plan deliberations is continuing with a view to implementing changes to the current rating approach in the 2022/23 year.
- (g) Notes that there is increased supply and cost pressures since the 2021-31 Long-term Plan was adopted that will be factored into the upcoming Annual Plan.

EXECUTIVE SUMMARY

3. The 2021-31 Long-term Plan (LTP) proposes a significant increase in capital investment over the ten years to meet improved outcomes across transportation, housing supply, community facilities, three waters expenditure and in response to resilience issues arising from climate change.
4. The starting point for the Annual Plan 2022/23 is the draft budgets for year two of the LTP. First draft budget information and further information regarding key issues for the Annual Plan and the proposed Long-term Plan Amendment will be provided to the 13 December meeting.
5. The draft annual plan proposed by the Executive will remain consistent with year two of the LTP with some increase in costs to reflect supply and price issues and further resource expenditure to support agreed outcomes as well as to meet new government reforms and requirements.
6. The proposal continues to ramp up resourcing within TCC to meet the increased delivery requirements of the capital programme as well as increasing rates funded debt retirement.
7. The capital programme budget remains close to the \$400m LTP budget for 2022/23.

8. In the draft annual plan, it is proposed to redirect a portion of debt retirement in stormwater to retire debt within the parking activity and the deficit within the risk reserve.

BACKGROUND

Year two of LTP basis for 2022/23 Annual Plan

9. The LTP focussed on making the investments in infrastructure and community facilities required for the large and ever-growing city of Tauranga.
10. The second year of the LTP budgeted \$400m of capital investment and associated operational budgets that reflected the growing infrastructure asset base and TCC resource requirements to deliver required investment and services. The overall rates increase proposed in the LTP for the 2022/23 year was 12% after population growth.
11. The draft annual plan includes some changes to the LTP budget to reflect changes to the timing and cost of delivering new infrastructure. There are also upward pressures on operational budgets relating to cost and supply of staff and consulting resources. There are also additional costs to council associated with new initiatives including government reforms and funding and financing opportunities. Some of these new initiatives are proposed to be loan funded as they are one-off in nature and government financial support to assist is as yet unclear. Overall total rates requirement is budgeted to increase 1% (\$2m) above that proposed in the LTP giving a total rate increase of 13%.
12. The costs associated with operating council with COVID-19 in the community and under the government's new traffic light system are unclear. No amendments to budgets have been made to reflect these costs, but it is proposed that the risk reserve covers any significant additional costs that are not covered by rates collected in the activities.
13. The first draft also does not include assumptions around any parking price increases which are being considered as part of the parking strategy review.

Unfunded Debt

14. Rate-funded debt retirement was included in the LTP to improve council's balance sheet debt levels. The focus of early debt retirement was in the three water activities, including stormwater. Initial debt retirement did not address the unfunded debt within the parking activity from the discontinued Harington Street carpark investment, or in the weathertight/former risk reserve deficit which has arisen from large weathertight settlements and the Bella Vista subdivision remediation.
15. The unfunded debt in the weathertight/former risk reserve and parking activity totals \$60m at 30 June 2021. The draft annual plan redirects a portion of debt retirement from stormwater activity to the parking activity and risk reserve to begin to address this unfunded debt. For the draft annual plan, the portion of debt retirement in stormwater above the \$1.3m per annum already commenced would be directed to the weathertight reserve (\$1.1m). In subsequent years of the LTP the amount of debt retirement in stormwater increases and a portion of this could be directed to the unfunded debt until it is extinguished. As a result, the stormwater debt would be \$60m higher over the ten years than proposed in the LTP, but previously unfunded debt of \$25m in the parking activity and \$35m within the risk reserve would be retired.

Amendments to the Current Approach to Rating and Impacts of Property Revaluation

16. Commissioners raised concern during the 2021/2031 LTP process that the balance of rate revenue sourced between the residential sector and the commercial and industrial sector was not fair and reasonable.
17. For many years the percentage of the total rate revenue assessed between the residential sector and the commercial and industrial sector has remained relatively settled at around 75% and 25% respectively. This is evident even as the differential for the commercial and industrial sector has increased from 1:1 to 1:1.6.

18. Councils which have comparable situations to Tauranga have an average funding mix for their general rates of 60% and 40% between their residential sector and commercial and industrial sector respectively. Hamilton City Council (HCC) which is probably the best benchmark for Tauranga, in terms of characteristics and size, is 59% and 41%. To achieve this outcome the HCC general rate differential is 2.65. This compares to TCC which has recently moved to 1.6 and a 76%: 24% funding mix.
19. To assess a fair balance of contribution to rates from the various sectors of the community, council is reviewing key areas of infrastructure and service spend and assessing relative benefits. The initial focus is on transportation benefits, but principles may apply across wider areas of council services. Independent consultants, Insight Economics, are reviewing the impact on transportation costs of commercial, industrial and residential users to understand a fair level of contribution. Initial analysis will be available for the 13th December meeting and a full report will be provided by Insight Economics in January.

Impact of Property Revaluation for 2022/23 financial year

20. The revaluation of properties for rating purposes is currently being undertaken and will affect rates based on capital value for 2022/23. Because of rapidly increasing residential property prices, the draft unaudited numbers for the property valuations have indicated a larger increase in value of the residential properties than the commercial and industrial sector. This difference in revaluation will impact the above overall funding percentages to place a further rating burden on the residential sector.
21. The utilities sector, which has a different capital valuation methodology continues to indicate a much lower increase in valuations that is out of line with the valuation movement of other sectors. This results in these businesses paying proportionately less rates revenue from an already relatively low base.
22. One approach to moving to a fairer balance could be to establish the desired balance that reflects relative benefit from council infrastructure and services and adopt a structure that maintains that benefit despite revaluation changes across the sectors. Further advice on such an approach will be brought to Council in February.

Issues and Options for the Annual Plan

23. Initial work has identified a number of decisions that are required to come before council via issues and options papers in order to be included in the draft annual plan for consultation next year.
24. The following topics for consideration are:
 - Additional renewals with no NZTA funding
 - Food security hub
 - Public alerting system project
25. These papers will come to Council on 8 February 2022.

Potential for Long-term Plan Amendment (LTPA)

26. As indicated earlier on this agenda in the report titled "Civic Precinct Masterplan" recommendation (c) suggests approving the commencement of an LTPA process alongside the development of the Annual Plan 2022/23.
27. This would then mean that as per section 95B of the Local Government Act 2002 that both processes would have a single consultation document and consultation period.
28. The consultation document would outline the proposal for the LTPA and then, as part of the annual plan, any significant changes to the year two of the Long-term Plan.
29. Both the annual plan and LTPA hearings and deliberations would occur at the same time.
30. Adoption of both documents are schedule to occur on 27 June 2022.

Proposed Timeframe for the Annual Plan

31. The following table outlines the proposed timeline for the Annual Plan 2022/23 from now till adoption

Type	Date
Council Meeting – indicative draft annual plan	13 December 2021
Council Meeting – approve draft annual plan	21 February 2022
Audit of LTPA	01 – 18 March 2022
Council Meeting – adopt draft annual plan/LTPA consultation document	24 March 2022
Draft annual plan/LTPA – Consultation	25 March – 26 April 2022
Council meeting - draft annual plan/LTPA – Hearings	09 – 12 May 2022
Council meeting - draft annual plan/LTPA – Deliberations	24-26 May 2022
Council Meeting - Adopt Draft annual plan/LTPA	27 June 2022

STRATEGIC / STATUTORY CONTEXT

32. The preparation of an annual plan is required under the Local Government Act 2002.

FINANCIAL CONSIDERATIONS

33. This report covers the issues and approach to developing the draft Annual Plan 2022/23. The initial financials for the development of the draft annual plan will be presented to the 13 December 2021 Council meeting.

CONSULTATION / ENGAGEMENT

34. Consultation on the annual plan will be in accordance with the requirements of the Local Government Act and the details of engagement will be further developed and presented at meetings in February and March 2022.

SIGNIFICANCE

35. The matter considered by this report, the draft Annual Plan 2022/23, is considered of high significance in terms of council's Significance and Engagement Policy. This is because it affects all residents, ratepayers and businesses in, and visitors to, the city, and because it involves council's resource allocation decisions and rating decisions for the next year.
36. However, the decisions to be made in response to this report are considered of low significance as they are just one interim step in the process of developing the draft annual plan.

ENGAGEMENT

37. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

38. The indicative draft annual plan will be reported to Council on 13 December 2021.

ATTACHMENTS

Nil

12 DISCUSSION OF LATE ITEMS

13 PUBLIC EXCLUDED SESSION

RESOLUTION TO EXCLUDE THE PUBLIC

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Wastewater Management Review Committee - appointments and quorum changes	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - 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
13.2 - Tourism Bay of Plenty - Board Performance Review 2021	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - 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
13.3 - Exemption to Open Competition - Maintenance and Operations Services	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) - 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
13.4 - Supplementary Report - CBD Hotel & Conference Centre - Council lease of Conference Centre	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - 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

<p>13.5 - CBD Hotel & Conference Centre Development - Council lease of Conference Centre</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - 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</p>
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14 CLOSING KARAKIA