



AGENDA

Ordinary Council meeting Monday, 16 October 2023

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

Date: Monday, 16 October 2023

Time: 9.30am

Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth 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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- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO THE ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 11 September 2023

File Number: A15132540

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Anahera Dinsdale, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Council meeting held on 11 September 2023 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 11 September 2023



MINUTES

**Ordinary Council meeting
Monday, 11 September 2023**

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UNCONFIRMED

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 11 SEPTEMBER 2023 AT 9.30AM**

PRESENT: Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Sarah Omundsen (General Manager: Regulatory and Compliance), Reece Wilkinson (Parking Strategy Manager), Sarah Holmes (Corporate Planner), Fiona Nalder (Principal Strategic Advisor), Kathryn Sharplin (Manager: Finance), Josh Logan (Team Leader: Corporate Planning), Andy Mead (Manager: City Planning & Growth), Frazer Smith (Manager: Strategic Finance & Growth), Tracey Hughes (Financial Insights & Reporting Manager), Alison Law (Manager: Spaces and Places), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shad Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

5.1 Infrastructure Funding and Financial Act (IFF) for funding Te Manawatahi o Te Papa Adoption of Consultation Document

RESOLUTION CO16/23/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the report Infrastructure Funding and Financial Act (IFFA) for funding Te Manawatahi o Te Papa - Adoption of Consultation Document be transferred to the public part of the meeting and as a change to the order of business it would be taken first.

CARRIED

6 CHANGE TO THE ORDER OF BUSINESS

Item 13.3 – Infrastructure Funding and Financial Act (IFFA) for funding Te Manawataki o Te Papa – Adoption of Consultation Document would be held as the first item in 11 Business.

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 21 August 2023

RESOLUTION CO16/23/2

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the minutes of the Council meeting held on 21 August 2023 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Wasley noted that he was a pool owner in relation to Item 11.4 which included a potential targeted rate for pool owners.

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

13.3 Infrastructure Funding and Financing Act (IFFA) for funding Te Manawataki o Te Papa – Adoption of Consultation Document

Staff Paul Davidson , Chief Financial Officer

Tabled document “Updated consultation document with track changes”

Key points

- Consultation document to raise the ratepayer funding for Te Manawataki o Te Papa, with the options of a levy or by way of a rating mechanism.
- The information was continuing to be updated, with the figures reflecting the financial markets as of 8 September 2023.
- Based on the current information the cost for an average residential property would range between \$107-\$128 and \$369-\$440 for a commercial property.
- The model was sensitive to growth assumptions and lowering in growth would flatten the curve of the graph but increased the amount that came in earlier timeframes and this was reflected in the consultation document.

In response to questions

- The transport levy was based on a 50% split for residential and commercial, whereas this was based on 70% residential and 30% commercial.

Discussion points raised

- The benefits of an IFFA levy were in the intergenerational equity as to who pays, with 1.5 generations over 30 years contributing to these costs, the transparency of a separate charge, certainty of funding and removing the loan funding from the Council's balance sheet
- The Council was demonstrating that it was making use of all available funding sources and the public now had the opportunity to have their say on the options for funding Te Manawataki o Te Papa.
- Recommendation (d) was removed as the matter was being discussed in the public part of the meeting.

RESOLUTION CO16/23/3

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Infrastructure Funding and Financing Act (IFFA) for funding Te Manawataki o Te Papa - Adoption of Consultation Document".
- (b) Approves to continue with the IFFA process and for consultation on the proposal to commence on the 14th September and finish on the 6th October 2023.
- (c) Adopts the attached draft Consultation Document in Attachment 1 which summarises the proposal and an alternative option.

CARRIED

Attachments

- 1 Tabled document "Updated consultation document with track changes"

11.1 Mount Maunganui Parking Strategy

Staff Nic Johansson, General Manager: Infrastructure Services
Reece Wilkinson, Parking Strategy Manager

Key points

- Parking Management Plan for Mount Maunganui had been commissioned as it was needed especially during summer.
- There was some anxiety in the community, but no sweeping changes were mooted. This was the start of the discussion with the community.
- Mount Maunganui faced issues with high occupancy rates and time limits which were not being followed.
- Mount Maunganui would soon become a city centre in its own right, which meant there was a need to work towards better transport choices.
- Workers in the area were concerned about what would be available for them to park, but as there had never been an incentive for off street parking, this proposal was an opportunity to slowly start that process.
- The preference was to start with a low rate of paid parking to get people used to the idea and to monitor it to see if it resulted in a change of behaviour.
- There was an option for separate worker rates which could be implemented with a pay by plate programme, rather than setting aside specific locations.

In response to questions

- There were four different zones suggested for the town centre, high density residential, the beachfront and suburban residential.
- One suggestion was to charge for parking along the beachfront during the peak of summer and leave it open during winter as there were people who parked early to keep a space on the beachfront.
- The businesses want a sizeable portion for their customers and people walking the Maunga also find it difficult to get a park. The proposal was to find a balance and a compromise for the variety of users.
- In relation to a query regarding the provision of high density residential parking not being at the cost of those wanting to use the parks for a short time or residents. Council was not obligated to provide on street parking for apartments and the plan needed to change that.
- There was a thought to seek approval to start working on a permit system trial for longer term residents within the town centre where these would become less users over time. It would need to be implemented in such a way that it only applied to people in the area before the parking plan, so that anyone buying a property would know that they were not be able to park on the street.
- In answer to a query ensuring that workers, shoppers, tourists and recreation users were accommodated within the contestable spaces it was noted that the area was growing so quickly, something needed to be done and it was anticipated that the plan would integrate all users.
- There were private parking spaces within the commercial area that businesses could lease to generate income.
- While the engagement of the plan could not be part of the Long Term Plan consultation document, it was part of the concept setting and would run concurrently.

Discussion points raised

- Commissioners noted that framing the engagement was important, as was the need to reach out to all stakeholders.
- Resolution (b) was amended to incorporate the points noted.

RESOLUTION CO16/23/4

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Mount Maunganui Parking Strategy".
- (b) Approves engagement for development and implementation of the Mount Maunganui Parking Management Plan to be undertaken concurrently with the LTP with the affected community (Mount Maunganui and users of the Mount) and that the results be reported back to Council.

CARRIED

11.2 Significant Forecasting Assumptions

Staff Paul Davidson, Chief Financial Officer
Sarah Holmes, Corporate Planner
Josh Logan, Team Leader: Corporate Planning

Tabled – Attachment 1 – corrected table on pages 23-24 of the agenda Capital and maintenance cumulative cost inflation assumptions provided in a more readable format.

Key points

- The figures provided in the tabled information was as up to date as possible and included inflation assumptions.

RESOLUTION CO16/23/5

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Significant Forecasting Assumptions".
- (b) Approves the Recommendation from the Strategy, Finance and Risk Committee that Council:
 - (i) Adopts the full updated Draft Significant Forecasting Assumptions (Attachment 1) to form part of the supporting documentation for the purpose of public consultation for the proposed Long-term Plan 2024-2034 in November 2023.
 - (ii) Authorises the Chief Executive to make minor amendments to the documentation to ensure accuracy and correct minor drafting errors.
- (c) Approves the Significant Forecasting Assumptions and associated mitigation actions for audit as set out in **Attachment 1**.

CARRIED

Attachments

1 Attachment 1 corrected table

11.3 2024-2034 Long-Term Plan - Adoption for Audit of the Draft Infrastructure Strategy

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Fiona Nalder, Principal Strategic Advisor

Key points

- The information was a key part of the Long Term Plan package along with the Financial Strategy setting out Council's intent for infrastructure over the next 30 years.
- There was a key focus on population growth, greenfield developments, climate change and resilience and delivering for our communities within the scope and timeframes for the delivery of these.

Discussion points raised

- Commissioner Selwood stated that the intention of introducing Infrastructure Strategy's for local government was to provide greater long term certainty of the investment pathway, consider how infrastructure would support land use change over time and develop a culture around long term and robust asset management.
- Commissioners expressed their concern that the Infrastructure Strategy was almost too high level and strategic and they expected more content that one would see in the Infrastructure Development Code or at least the relationship between the Strategy and the Code and how the Infrastructure Strategy would support the long term urban development planning for the city. There was more work to be done on the Strategy.
- It was agreed that while it was too late to change the Strategy now, in three years' time when the next Long Term Plan was being reviewed, a better relationship would have developed between the Strategy and other plans.

In response to questions

- It was noted that the test of the Strategy and what could be delivered would be through the audit process with any further iterations coming through that process. The Strategy was compliant with legislation and had been purposefully kept readable. The comments and concerns of the Commissioners would be noted to work on in the future.

- A maintenance strategy could be included as an improvement to the document.
- It was noted that all of the information requested was available, but staff were trying to keep a balance to ensure the document was readable and not too detailed. The Asset Management Plans were audited regularly and Council could gain a level of assurance from that.
- In response to a query as to whether any changes would need to go through a separate process, it was noted that only changes that significantly impact either the services or the Long Term Plan would need to be done separately.

RESOLUTION CO16/23/6

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "2024-2034 Long-Term Plan - Adoption for Audit of the Draft Infrastructure Strategy".
- (b) Adopts the draft Infrastructure Strategy, as set out in **Attachment 1**, as a supporting document for the draft 2024-2034 Long-Term Plan, for submission to Audit New Zealand.
- (c) Delegates authority to the Chief Executive to make editorial amendments to the draft Infrastructure Strategy, if required, prior to it being submitted to Audit New Zealand.
- (d) Notes a revised version of the Infrastructure Strategy, following any amendments required by Audit New Zealand and for graphic design purposes, will be provided to Council for its approval in early November 2023.

CARRIED

11.4 Draft User Fees and Charges Schedule for the draft 2024-34 Long-term Plan

Staff Paul Davidson, Chief Financial Officer
Sarah Holmes, Corporate Planner
Alison Law, Manager: Spaces and Places

Key points

- The information was bringing together directions from Council for Year 1 of the Long Term Plan.
- The document was included in the statement of proposals for consultation with the changes and a full schedule of these highlighted.

In response to questions

- In response to a query regarding the long term prime spot leases at the Mount Holiday Park and having these made available to more than one group, it was noted that the team were working to reduce the number of long term leasees with the intention of phasing them out.
- Further information would be provided on the future use of The Strand carpark and carparks attached to moorings as over time these would be phased out. This was the new site for the Wharewaka.

Discussion points raised

- Commissioners acknowledged that the fees were being lifted to catchup for years of underinvestment in roading and community facilities and to manage and invest in growth, where they were looking at the commercial and industrial sectors to pay their fair share, as well as the users of Council facilities.
- A mixture of charges was being implemented, including recognising an amount of general public good in having these facilities available and the cost to maintain them.

- Staff were acknowledged for working through the issues and providing a fair and transparent way of introducing the new charges, getting the balance right and ensuring that the levels of service were maintained.
- It was important to keep up with inflation, keep up with the costs incurred and to be informed by benchmarking the fees with what other authorities were charging.

RESOLUTION CO16/23/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report 'Draft User Fees and Charges Schedule for the draft 2024-34 Long-term Plan'.
- (b) Adopts the draft user fees and charges in **Attachment 2**, for audit purposes, incorporating any amendments as approved by Council at this meeting.
- (c) Delegates the Chief Financial Officer to approve the final wording of amendments (as per Council direction) prior to public consultation.

CARRIED

11.5 2024-2034 Long-term Plan - Adoption for Audit of Draft Groups of Activities and Performance Measures sections

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Paul Davidson, Chief Financial Officer
Josh Logan, Team Leader: Corporate Planning

Key points

- The groups of activities and performance summary information for each group was reported on per measure with the change process aligning to tell a better story and noting the challenges and focus areas for the next 10 years. Outcome levels were reported in other documents.
- The changes had gone through a quality assurance process noting inflation and impacts.
- An additional resolution (f) was sought to reflect a change to the inflation numbers of around a 1% range for later years. The impact of this on the amount of debt retirement and debt to revenue ratios would be higher than shown in the agenda. This would impact on items 11.7 and 11.8 of the agenda and additional resolutions would be requested to be added to those items.

In response to questions

- Year 1 – 2024-25 would be the test of the new systems and the measure for those, with information being provided to the Strategy, Revenue and Finance Committee.

Discussion points raised

- Commissioners acknowledged that the Long Term Plan was being compiled well ahead of the normal process and that they had asked for a lot of changes. They noted their appreciation for the extraordinary effort that staff were putting into this process.

RESOLUTION CO16/23/8

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "2024-2034 Long-term Plan - Adoption for Audit of Draft Groups of Activities and Performance Measures sections".

- (b) Adopts the draft Groups of Activities Plans, as set out in **Attachment 1**, for submission to Audit New Zealand, as they form part of the supporting information for the Draft 2024-2034 Long-term Plan.
- (c) Adopts the draft Performance Measures, as set out in **Attachment 2**, for submission to Audit New Zealand, as they form part of the supporting information for the Draft 2024-2034 Long-term Plan.
- (d) Delegates authority to the Chief Executive to make editorial amendments to the draft Groups of Activities Plans and draft Performance Measures, if required, prior to it being submitted to Audit New Zealand.
- (e) Notes a revised version of the Groups of Activities Plans and Performance Measures, following any amendments required by Audit New Zealand and for graphic design purposes, will be provided to Council for its approval in early November 2023.
- (f) Approves the inclusion of changes to the funding impact statements by groups of activity to reflect the impact of inflation.

CARRIED

11.6 Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Andy Mead, Manager: City Planning & Growth
Frazer Smith, Manager: Strategic Finance & Growth

Key points

- The report had expanded to support decision making on the Pāpāmoa East Interchange, Opal Drive Wastewater Pump Station, the transport and three waters investment programme for the next 10 years for Pāpāmoa East, a set of projects to support existing and future growth and the Te Tumu urban growth area.
- The set of projects supported the growth of Pāpāmoa, Wairakei and Te Tumu areas collectively and could not be individually developed as they were intertwined with the significant retail, office and residential investment within those areas.
- Staff were engaging with the National Transition Unit for Three Waters to ensure the entity was aware of the issues with debt funding that would become their responsibility..
- The funding model includes the \$300M of investment going on the Council's debt to begin with and assumes that once Te Tumu development came forward development contributions would repay the debt. The draft Long Term Plan 2024-34 does not include critical infrastructure for Te Tumu to commence.
- Given the uncertainty around the Te Tumu funding share being available for the Pāpāmoa East Interchange (PEI) and the Opal Drive projects as well as other projects, it was considered an appropriate time to review the funding model for Te Tumu and determine if it was suitable to deal with the issues.
- Three issues in relation to Te Tumu included timing of capital expenditure around the Kaituna stormwater overflow, planning risks, as Te Tumu was not zoned for urban development, and a new policy environment for freshwater management and indigenous biodiversity and implications for the structure plan.
- Staff were working with tangata whenua, some of whom had opposition around the development of that area, and were taking independent planning and legal advice.
- Access and infrastructure with multiple owners in the Kaituna 14 Māori land trust block (TK14) was a risk. Staff were in negotiations with the Trust and slowly proceeding as there were significant process steps that needed to be undertaken. Once the infrastructure corridor had been concluded, it still needed to be voted upon by beneficial owners and then move through to the Māori Land Court. As there was little in the way of precedent, the process was challenging and time consuming.

- A correction was requested by the TK14 Trustees to paragraph 21 of the report changing - *A majority of TK14 beneficiaries who voted, supported these negotiations proceeding, to The majority of trust owners who have been engaged, supported the negotiations proceeding.*
- Options for potential general and targeted rate funding were assessed in the report and it was recommended that 50% of the Te Tumu funding risk share relating to transport projects be transferred to a mix of general rates (flat charge across the city), double the rate for those in the wider benefit area of Pāpāmoa East and triple the rate for those in the full benefit area of Pāpāmoa East.
- Transport projects only were recommended to be funded given the uncertainty around the timing of the proposed waters reform. Should this be significantly delayed staff would look at options to include future water charges.

In response to questions

- Council was building a strong centre around Pāpāmoa East with high density housing that was more sustainable with people working there rather than travelling into the city, thereby taking some pressure off the roading network.
- In response to a query in relation to apportionment of the costs, it was noted that if Te Tumu was to proceed the share would be \$700M before growth commenced which would limit everything else that needed to be done across the whole city. It was therefore considered fair that the whole city should contribute towards the cost.
- There was a timeframe for Council to act to get zoning in place., There were still some uncertainties and staff would report back with an analysis and timeframe.
- In answer to a query as to whether the funding proposal was part of a rethink of how to look at funding growth, it was noted that these costs were not related to growth. In the past the Council has traditionally made rates spreading decisions to fund the costs across the city, but were now looking at a more targeted approach.
- From an infrastructure planning perspective, Council was trying to take a future proofing and staging approach. Wherever possible the Council was requiring the developer to put in infrastructure in place that traditionally Council would have built and collected over time from development contributions. The tools in the legislation were not enabling enough to deal with the level and complexity of growth to reduce the risk on Council. This was a complex web and staff were continuing to explore techniques to reduce these risks.
- In relation to a question as to whether there was a plan B if the three waters did not proceed it was noted that the Council would be consulting with that in mind and would make changes through the final Long Term Plan if needed. It was not possible to put a targeted three waters rates for Year 1 if it was not consulted on, but it could be signalled and introduced in Year 2 with consultation as part of the annual plan.

Discussion points raised

- The Commission had focused on providing infrastructure for the existing population and the Opal Drive wastewater plant and the PEI were two critical pieces of infrastructure required for the existing population,
- The PEI should have been constructed at the time the Eastern Link was built as this would have been more cost effective.
- The funding system for paying for growth was so broken that the ratepayer took the risks and underwrote the costs and central government reaped the benefits and the Commission would continue to advocate for change.
- There were significant risks in terms of the new planning frameworks and Te Tumu development had become more difficult under these.
- The issue was how to deal with the debt in a fair and equitable way and it was appropriate that those communities who had been identified as reaping the higher benefits should pay a higher cost.
- It would be a useful exercise to condense the complexity, the risks and liability for ratepayers relating to this level of providing and funding growth into a briefing for the incoming Minister of Local Government to assist understanding at both ministerial and official levels.

RESOLUTION CO16/23/9

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Papamoā East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches", subject to the paragraph 21 changes being noted.
- (b) Notes for consideration the range of strategic issues relevant to progressing construction of infrastructure in the Eastern Corridor and specifically the Papamoā East Interchange and Opal Drive Wastewater Pump Station.
- (c) Agrees that Te Tumu transport funding risks will be proposed to be managed by a targeted rate based on:
 - (i) 50% of the Te Tumu portion of the transport projects which have the majority of their expenditure in the first 3 years of the Long-Term Plan (including the Papamoā East Interchange).
 - (ii) A flat charge (i.e. not based on CV) per ratepayer across the city with a higher charge (double) in the wider benefit area in Papamoā East and (triple) for those in the full benefit area in Papamoā East.
 - (iii) A 20-year repayment period starting in Year 1 of the 2024-34 Long Term Plan period.
- (d) Consults with the community on the proposed Te Tumu transport related targeted rate through the draft 2024-2034 Long Term Plan.
- (e) Agrees not to propose a targeted rate for waters projects due to the proposed three waters reform and exclusion of waters activities after Year 2 of the 2024-34 Long Term Plan.
- (f) Retains attachments 1 and 2 in public excluded under section 7(2)(ii) of the Local Government Official Information and Meetings Act.
- (g) Retains attachment 3 in public excluded under section 7(2)(g) of the Local Government Official Information and Meetings Act.
- (h) Retains attachment 5 in public excluded under s7(2)(i) of the Local Government Official Information and Meetings Act until the contractual negotiations associated with the Papamoā East Interchange construction contract are complete.

CARRIED

At 11.32am the meeting adjourned.

At 11.45am the meeting reconvened.

11.7 Draft Financial Information for the 2024-34 Long term Plan

Staff Paul Davidson, Chief Financial Officer
Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

Information was tabled outlining changes to the key financials in the consultation document and Infrastructure Strategy.

Key points

- The key financials were updated to reflect the decision of a new rating category. The Financial Strategy flows from all of the work done to date and in the information tabled the orange shaded lines noted the changes to some of these.
- As Council had an A+ credit rating, borrowing was an appropriate way to fund growth.
- Two graphs were replaced, graph 2, the Annual Debt Profile, which showed total debt peaking at \$1.8B by 2034. The changes reflected a review of debt profile after transferring the three waters debt to the new entity. Most of the water debt was growth debt and once it was removed beyond 2027 most was in non-growth debt.
- The second graph 3 Debt to revenue ratio against proposed borrowing limit was replaced and some of debt retirement has been moved. Not all the financials had been flowed through the model and the graph represented conservative estimates. Further updated information would be provided to Council.
- The Finance Strategy was focused on paying a fair share and telling the story of who pays for what, and these were represented in graphs on pages 190 and 191.
- Recommendation changes were made to reflect the tabled amendments to the financials and to approve the Financial Strategy, funding needs analysis and revenue and the revenue and financing policy.

In response to questions

- Waters would be transferred to the new entity with the debt taken away and the assets lost. As government guidance of how to treat this had not been received as yet it would be reiterated with a note advising this under the graph.
- A comparison had not been made with other metros at this stage on the percentage of costs paid by rates but would be done.
- It was noted in the pie graph charts that the expense sits all at once, but the revenue was spread over a longer time than the 10 year programme.

RESOLUTION CO16/23/10

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Draft Financial Information for the 2024-34 Long term Plan".
- (b) Approves for submission to Audit the following material:
 - (i) Funding Needs analysis
 - (ii) Revenue and Financing Policy
 - (iii) Financial Strategy
 - (iv) Supporting Financial Information
- (c) Accepts the tabled amendments to the financials which are included in the consultation document and financial strategy to show:
 - (i) the estimated impact of inflation and
 - (ii) to recognise the correction in amount of growth debt repaid as part of waters reform
- (d) Agrees that further refinement of the financials will be completed to reflect this detail in all financial documents including groups of activities and supporting documentation before they are provided to audit later in the week. These will be reported to council in future meetings.
- (e) Approves the draft 2024-34 Long-term Plan financial strategy funding needs analysis and revenue, revenue and financial policy and supporting financial information for the

purposes of submitting it to Audit New Zealand for the audit process with amendments to reflect the decisions made at this 11 September Council meeting with respect to the following reports:

- (i) Draft User Fees and Charges Schedule for the Draft 2024-2034 Long Term Plan
- (ii) Mount Maunganui Parking Strategy
- (iii) Papamoa East / Wairakei / Te Tumu Investments Strategic Considerations and Funding Approaches.
- (iv) the estimated impact of inflation and to recognise the correction in amount of growth debt repaid as part of waters reform.

CARRIED

Attachments

1 Tabled - Amendments to Financials in Consultation Document, Infrastructure Strategy

11.8 2024-2034 - Long-term Plan - Adoption for Audit of draft Long-term Plan Consultation Document

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Josh Logan, Team Leader: Corporate Planning

Tabled replacement pages 28 and 29 of the draft consultation document (pages 31 and 32 of Attachment 2).

Key points

- The tabled replacement pages note that the targeted rate for pool inspections had been updated to better reflect the staff time for this activity.
- An additional recommendation was included b (iv) to note the estimated impact of inflation and recognise a correction in the amount of growth debt repaid as part of the waters reform.

RESOLUTION CO16/23/11

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "2024-2034 - Long-term Plan - Adoption for Audit of draft Long-term Plan Consultation Document" with the tabled amendment to pages 28 and 29 of the Consultation Document and noted an update to the targeted rate for pool inspections from \$58.33 to \$107.65.
- (b) Approves the draft 2024-34 Long-term Plan Consultation Document (Attachment 1) for the purposes of submitting it to Audit New Zealand for the audit process with amendments to reflect the decisions made at this 11 September Council meeting with respect to the following reports:
 - (i) Draft User Fees and Charges Schedule for the Draft 2024-2034 Long Term Plan
 - (ii) Mount Maunganui Parking Strategy
 - (iii) Papamoa East / Wairakei / Te Tumu Investments Strategic Considerations and Funding Approaches.
 - (iv) The estimated impact of inflation and to recognise the correction in amount of growth debt repaid as part of waters reform.
- (c) Delegates authority to the Chief Executive to make editorial amendments to the draft 2024-34 Long-term Plan Consultation Document, if required, prior to it being submitted to Audit New Zealand.

- (d) Notes the final version of the 2024-34 Long-term Plan Consultation Document, following any amendments required by Audit New Zealand and for graphic design purposes, will be provided to Council for its approval at the meeting in early November 2023.

CARRIED

Attachments

- 1 Tabled - Targeted Rates Changes

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO16/23/12

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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
<p>13.1 - Papamoa East Interchange – Contract Award</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>
<p>13.2 - Opal Dr Wastewater Pump Station Budget Approval</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</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</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>

	commercial and industrial negotiations)	
Confidential Attachment 1 - 11.6 - Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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
Confidential Attachment 2 - 11.6 - Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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
Confidential Attachment 3 - 11.6 - Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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
Confidential Attachment 5 - 11.6 - Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches	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

CARRIED

Commissioners acknowledged the additional pressure put on staff and noted their appreciation for completing the mammoth job to get the Long Term Plan to this stage so early in the year, and to include the number of additions that had been sought.

14 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 12.36 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 16 October 2023.

.....
CHAIRPERSON

UNCONFIRMED

7.2 Minutes of the Council meeting held on 25 September 2023

File Number: A15175541

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Anahera Dinsdale, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Council meeting held on 25 September 2023 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Council meeting held on 25 September 2023**



MINUTES

**Ordinary Council meeting
Monday, 25 September 2023**

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	3
5	Confidential business to be transferred into the open	3
6	Change to the order of business	3
7	Confirmation of minutes	4
	7.1 Minutes of the Council meeting held on 4 September 2023.....	4
8	Declaration of conflicts of interest	4
9	Deputations, presentations, petitions	4
10	Recommendations from other committees	4
11	Business	4
	11.1 Council-controlled organisations' draft and final Annual Reports for 2022-23	4
	11.2 The Historic Village Complex 2 Project – Unbudgeted Expenditure.....	9
	11.3 Water Management Plan Update	10
	11.4 Executive Report.....	12
12	Discussion of late items	15
13	Public excluded session	15
	13.1 Public Excluded Minutes of the Council meeting held on 4 September 2023.....	15
	13.2 Deputy Chair and Trustee Appointments to the Tourism Bay of Plenty Board	16
	13.3 Disposal of Smiths Farm and Housing Equity Fund Affordable Housing Proposed Arrangement	16
14	Closing karakia	16

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 25 SEPTEMBER 2023 AT 9.30AM**

PRESENT: Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Steve Pearce (Acting General Manager: Regulatory and Compliance and Manager Building Services), Anne Blakeway (Acting General Manager: City Development & Partnerships and Manager: City Partnerships), Sanjana France (CCO Specialist), Blair Graham (Historical Village Manager), Peter Bahrs (Manager: Water Services), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 4 September 2023

RESOLUTION CO17/23/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the minutes of the Council meeting held on 4 September 2023 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Council-controlled organisations' draft and final Annual Reports for 2022-23

Staff Gareth Wallis, General Manager: City Development & Partnerships
Sanjana France, CCO Specialist
Anne Blakeway, Manager: City Partnerships

External Chad Hooker, Bay Venues Limited
Simon Clark, Bay Venues Limited
Sonya Korohina, Tauranga Art Gallery
Rosemary Protheroe, Tauranga Art Gallery
Russ Browne, Tourism Bay of Plenty
Oscar Nathan, Tourism Bay of Plenty

Presentations from the three organisations are attached.

Bay Venues

Key points

- The report celebrates a successful year despite being on the rebound from Covid which had shown through in the numbers presented. Time was taken to think about a reset for the organisation and to ensure that they were well positioned to move forward.
- Appreciation to the Commissioners for their support and assisting them to move forward and also to the Chief Executive and Council team for their support.
- The financial statements were currently unaudited, but the green light had been given for them to be signed off at the Board meeting on 26 September 2023.

- Highlights included the return of visitations with over 2M visitors to the various facilities participating in a range of activities with an 88% customer satisfaction rate.
- The Board's motto was community at heart and commercial in mind. An example included recent liaison with a Muslim Women's group which resulted in them being able to use one of the swimming facilities exclusively at off peak times.
- Bay Venues was well set up financially for the future which was achieved by getting a team in place, a structure set up to support the strategies, a focus on strategic delivery to support the community and building capability moving forward including in sustainable spaces.
- Challenges included being at maximum capacity around many of the venues and they were working closely with the Council around the Memorial Park project which would deliver more capacity going forward along with the master plans and opportunities for Baypark.
- In the short term there would be some challenges with Baypark as more netball courts were built.
- Another challenge was the anti-social and aggressive behaviour that staff received from time to time. This was a significant risk to staff and customers and they were working hard to mitigate it.
- Appreciation was given to Council for allowing Bay Venues to be able to move to paying a living wage to staff. This had helped with a reduction of staff turnover in the past 12 months from 40% to 25%.
- The Governance Board from two years ago had been retained and the inclusion of Dr Wayne Beilby as Mana Whenua representative and Saima Hussein-Anis as Future Director were positive.
- Council had engaged Governance 365 for a review of the Board and this would be carried out in the next month.
- There were a number of key projects being focused on by the team to deliver the best customer focus and to keep improving. They were also looking at venue capacity and how potential space and time could be created within some venues and to ensure the right spaces were available for staff.
- Continuing investment was being made in systems and the people to grow them.
- Working on delivery of the Baypark master plan and to keep building relationships with the netball and speedway entities.
- The Board was well positioned to take up opportunities as they arose within the city.
- Changes to the summer delivery included some of the Baypark events and concerts being moved to the Tauranga Domain.
- Appreciation to Simon Clark, the Board, Bay Venues staff and the community for their support of the facilities.

In response to questions

- The commercial catering activities were based on market price and they would continue to monitor them so they kept pace with the market.
- Community facilities pricing increases for general admission had increased now and user groups would be from 1 January 2024. The Board would continue to use the benchmark model as a guideline going forward and would continue to look for other revenue opportunities to offset operating costs.
- In response to a query as to how to measure progression with sustainability, it was noted that they were working with Council around the Toitu certification for the first time this year and were due to start again. They would also be looking within the carbon space to understand what they were doing and looking at projects to see what they could achieve such as replacing lighting with LED's.
- The level of satisfaction remained reasonably stable, this was one of the concerns coming out of Covid with more people using the facilities, but they had held up. There had been some trend slightly downwards with the satisfaction of facilities in respect of the age, quality and demand on them, but were monitoring that and investing back into the facilities all of the time with better and more efficient technology.

- In answer to a question relating to the right level of renewal funding going forward, it was noted that they worked closely with the Council and were comfortable that they had the right levels included into the budget moving forward.
- Several school lunches contracts had been lost from schools at Whakatāne as they wanted to provide for their own community. Bay Venues was now focused around Tauranga with 11 schools being serviced. As the programme was based on a decile system, the ability to increase capacity depended on whether the government extended the service. Staff were also looking at leveraging the team to service other markets.
- Bay Venues was trying to focus on the core portfolio and to ensure that the network got up to speed but this would take some time to do. They were short on recreational water space and while the next 10 years was adequate, being able to cater in the next 30 years it was a challenge to have facilities built that had the flexibility to respond to changing trends in the leisure and recreation space as the growth continued.

Discussion points raised

- Congratulations was offered to Chad Hooker for the recent article in The Sun and for his part in Priority One which was critical for the Bay of Plenty.
- Appreciation for the work for the environment, inclusivity and vibrancy that were achieved in the community and making all parts of it connected.
- It was important to keep investing in the facilities and to ensure that the appropriate level of maintenance renewal continued to occur.
- Commissioners congratulated Bay Venues for a great year and their support and the way they managed the big sporting events such as the World Squash Championships and AIMS Games which were huge successes and promotions for the city and managed well.

Tauranga Art Gallery

Key points

- There had been a number of governance changes, with the inclusion of Wayne Werder stepping into the role of Deputy Chair and the appointment of two new Board Members, one of which was a mana whenua representative. They were confident about their ability to meet the challenges going forward despite the headwinds in front of them.
- Covid had an impact on revenue in the education activity, venue hire, sponsorship and donors, but they had worked hard to make this up over the year.
- The team had worked hard within the education space to bring more schools in and catch up from the Covid times. There had been great engagement through the schools programme which had also seen an increase in the number of secondary schools from outside Tauranga participating. Feedback from the students was that they were now able to see creative pathways when working with these top artists.
- The work of Stephen Cleland, the previous Director was acknowledged.
- The Gallery's vision was to create lifelong engagements with art.
- Over 50,000 people engaged with the gallery exhibition experience around New Zealand.
- Ayesha Green, a recipient of the Rydal Art Prize sponsored by the Gallery and Seeds Trust, was able to take six months off work to develop a significant body of work which was shown at the Gallery. She had sold works in Auckland and Christchurch and was now exhibiting at the City Gallery in Wellington. This was one way to demonstrate that the Tauranga Art Gallery contributed to a wider discourse within the country.
- Visitor satisfaction was at 76%, and with the borders opening this year they were looking forward to welcoming more domestic and international visitors over summer to the pop-up space on Devonport Road.
- The financials were currently unaudited and there was a \$200,000 deficit, mostly due to lower revenue generation as a result of Covid. It was not as an attractive proposition during that time for the private and public sectors who were also experiencing supply chain issues, pressures and ongoing overhead costs.
- The main building would close on 1 October 2023 as Masonic Park was developed. The Gallery were excited to become part of the Te Manawataki o Te Papa development.

- Education programmes would still be at the same level at the pop-up gallery.
- The closure would allow the team to undertake a review of the programmes and visitor experiences so when they reopen the gallery next year they would be able to service future generations through exceptional art experiences.

In response to questions

- In response to a question as to what the development of a sustainable business model meant, it was noted that as a gallery there were a range of funding sources including significant funding from Council, community trusts, donors and corporate sponsors. A full business team had been appointed which would focus on revenue generation. The reopening of the Gallery would also add opportunities for revenue generation as a venue for hire within the city centre.
- The Gallery would be looking at opportunities when it reopened to charge national and international visitors, as people expected to make a contribution when visiting such facilities.
- In answer to a query in relation to the sponsorship received being much lower than the budget projection, it was noted that there were challenges in securing corporate sponsorship in the current environment. The Gallery had developed excellent relationships and were already underway with corporate partnerships and expected to improve in that space over coming 12 months. It was noted that while sponsorship was down, the Gallery had been successful in gaining other revenue such as non-government grants and additional donations.
- In response to a query in relation to a change in the way expenses were recorded, it was noted that there had been increased costs in the delivery of exhibitions and changes were made on how they structured payments by introducing a tiered system. What used to be invoiced at the conclusion of an exhibition was now phased across the time which was reflected in the costs. There were also specialist expertise requirements reflected for some of the exhibitions.
- It was agreed that a more focused and rationalised set of targets and non-financial measures would be beneficial for the team to work towards. It was noted that Council staff could help with the reduction of the estimated 20 targets.

Discussion points raised

- Inclusion of a key note 13 explaining the variances in the revenue and expenses would make the information better understood. The ability to capture revenue for admission to special events was also suggested.
- Commissioners noted that they wished to understand the changes to the financial processes for the Gallery and look at revenue to be accumulated.

Tourism Bay of Plenty

Key points

- Acknowledged support from the Commissioners, Council and staff across the programmes to get as many people on board by working together, not crossing each other's lanes or getting in each other's way.
- Confident in the role and leading the prosperity of our people and place through tourism.
- Rationale of the KPI's was useful and to be able to accurately report on the top ten with 8.5 being achieved. Positive outcomes included economic wellbeing, cultural wellbeing and organisation wellbeing.
- The cycle proposition was a juggling act with the city boundaries, Western Bay of Plenty District Council and a few aspects from Whakatāne included to provide a coastal offering.
- Achieved capability building and support with operators exceeding the business targets.
- Keeping up with all of the digital campaigns and programmes, including the timing of advertising, continuing with the Green Room programme, working with Bay Venues and supporting their programmes.
- Social wellbeing was set at a 70% level but as they only reached 64% they would continue to drive that.
- International visitors were returning and were back to 60% of what it was. With the recent lifting of Covid restrictions and isolation visitors were slowly increasing and the Chinese market was also starting to come back.

- A lot of innovative things happening within the cultural market. Tauranga needed to look at what was different to other regions and much of this was around story-telling and the bespoke nature of the city concentrating on the smaller activities rather than large attractions.
- Flavours of Plenty was in its second year and had increased from 4 to 10 days and 20 events to 34, with revenue increasing from \$200,000 to \$500,000 provided to Tauranga and Coastal Bay of Plenty horticultural and providence operators. The festival was also nominated as a finalist in several categories of the New Zealand Event Awards.
- The cruise season went extremely well with 91 arrivals of the 105 expected, with the non-summer weather having an impact. Good partnerships had been developed with the Port and they were looking at repeating that again next season.
- A group meeting would be held in early October 2023 to discuss what was to be expected next season. 76% of local residents supported the cruise market.
- Developing a cruise value proposition plan and partnering with Priority One and others to deliver it.
- Cash reserves were being reduced. The government, during Covid, enabled regions to be supported by a regional events fund and a strategic tourism asset protection programme. Both of these had now come to the end of their funding periods and the cash reserves would be used over the next three years returning to business as usual.
- Overall it was a great year and the next steps included building confidence in other areas including brand work for the destination, playing a role in the smart city development with digital kiosks and way finding and evolving propositions around the wellness of oceans and beaches.
- Two new Trustees had been appointed and the Board was meeting with a mana whenua candidate on 29 September 2023.
- The Board had taken on the hosting of the Emerging Directors Awards.

In response to questions

- In response to a query in relation to the social wellbeing target and the positive impact on the city, it was noted that this related to a general question being asked by Council. Mr Nathan suggested that he review the question and how it was posed to give it more scope so that people could get a better understanding that what was good for them was good for visitors. The general 76% support was a result of specific independent review by Tourism Bay of Plenty. Commissioners agreed that reviewing the question would be beneficial.
- The key in growing the communities appreciation and value of the positive impact of tourism included refocusing and direction with good commentary from operations on what had occurred in the last year
- With a change in government likely, there was already a group talking to Statistics and others with a focus on robust statistics within the region and to make sure there was rigour in the cruise sector as it was the second biggest visitor market at present.

Discussion points raised

- Commissioners acknowledged and congratulated Tourism Bay of Plenty on the progress against the KPI's being easy to understand, as was the data provided and comparisons from the previous years, as it helped to understand the trends and directions headed.
- Story telling about how important tourism was to the growth of the city, businesses, community and the creation of jobs was required to help build confidence in the tourism sector and what was being done within the group for future sustainability.
- In comparison to other cities the result was good and currently sitting at 8.8% tourism to Tauranga's GDP.
- Commissioner Tolley commended Tourism Bay of Plenty on their good work.

Local Government Funding Agency

Discussion points raised

- Commissioner Tolley requested an explanation be given to the public on how the funding agency assisted local government and the difference it made with the lower borrowing rates offered to councils. It was noted that this would be provided to the Strategy, Finance and Risk Committee noting the interest rate savings over time.

RESOLUTION CO17/23/2

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Council-controlled organisations' draft and final Annual Reports for 2022-23".
- (b) Receives Bay Venues Limited's draft annual report on its performance for the year to 30 June 2023.
- (c) Receives Tauranga Art Gallery Trust's draft annual report on its performance for the year to 30 June 2023.
- (d) Receives Tourism Bay of Plenty's draft annual report on its performance for the year to 30 June 2023, noting that it will also be provided to Western Bay of Plenty District Council as joint shareholder at their meeting on 26 October 2023.
- (e) Receives Bay of Plenty Local Authority Shared Services Limited's draft annual report on its performance for the year to 30 June 2023.
- (f) Receives the Local Government Funding Agency's final annual report on its performance for the year to 30 June 2023.

CARRIED

Attachments

- 1 Presentation - FY23 Bay Venues Full Year Update
- 2 Presentation - Tauranga Art Gallery Trust Annual Report 2022-2023
- 3 Presentation - TBOP Annual Report PPT (YE June 2023) for 25 Sep 2023

11.2 The Historic Village Complex 2 Project – Unbudgeted Expenditure

Staff Barbara Dempsey, General Manager: Community Services
Blair Graham, Historical Village Manager

Key points

- Complex 2 was an extremely important building supporting the wider operations within the Village.
- While the team undertook an invasive investigation, the damage was only revealed when the lining was removed and it now needed a significant structural upgrade. Funding was not included in the budget and staff were seeking more funding to undertake the repairs.
- It was suggested that uncommitted funds be used this year and to seek unbudgeted expenditure for the next financial year. This would also provide an opportunity to step back and look at all of the buildings in the Village to see what savings could be made to either earn more revenue or make tough decisions to close some.
- A recommendation was also being made to directly appoint the current contractor to carry on with the work and not go out to the market or change builders as better control could be kept of the price on scheduled rates. Any unbudgeted costs would be quantity surveyed to ensure the right amount was spent.

In response to questions

- The business case would undertake an assessment of all relevant buildings including invasive investigations where needed as they did not want any more surprises of this quantum.
- Staff would engage with the tenants of the Village to ensure they understood the story of what was occurring, the way Council had undertaken the review of fees and charges and to tangibly support the Village Manager to charge the rates with no exception to negotiate on the amount set in the schedule so they were able to achieve the revenue targets.

Discussion points raised

- Commissioners noted that the business case needed to note that if any of the buildings were not fit for purpose that they be closed rather than letting community groups use an unsafe building. The peppercorn rentals did not pay for upgrades to be carried out.
- Add to recommendation (e) *with the proviso of a quantity surveyor to ensure the correct amount was allocated.*
- Include a new recommendation (f) noting the items raised in item 16 (c) of the report.

RESOLUTION CO17/23/3

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "The Historic Village Complex 2 Project – Unbudgeted Expenditure
- (b) Approves Option 1 which approves an additional capital budget of \$3,442,191 to complete the upgrade to Complex 2 at The Historic Village.
- (c) Transfers \$1,400,000 of uncommitted projects within the 2023/2024 Annual Plan Budget to partially offset the increased capital cost of the project.
- (d) Approves unbudgeted expenditure of \$2,042,191 to complete the physical works on Complex 2 at The Historic Village.
- (e) Approves the direct appointment of Alaska Construction Interiors to complete the physical works on Complex 2 at The Historic Village, with the proviso of a quantity surveyor to ensure the correct amount was allocated.
- (f) Notes that there is a capex budget of \$8,200,000 in the 2024/2034 LTP and an Opex project budget of \$2,400,000. A full business case will be prepared and presented to Commissioners which will ensure that the reliance on ratepayer contributions is not increased from the draft Long Term Plan 2024-2034 and staff take this opportunity to consider the condition of other buildings.

CARRIED

11.3 Water Management Plan Update

Staff Nic Johansson, General Manager: Infrastructure Services
Peter Bahrs, Manager: Water Services

Key points

- Update of the report on the Water Drought Management Plan which was presented to Council on 7 November 2022.
- The report was to bring this work to a conclusion and provide an update on the current state of the water sources and provide a recommendation for further work.
- There had been double the average rainfall last year which had recharged the aquifers and picked up the source water streams. Council still needed to prepare for any weather events going forward.
- NIWA had signalled El Niño which was expected to bring dry conditions, so the forward planning needed to be for unexpected weather events rather than based on what had been done historically.
- Two water takes were due for consenting and it was unsure how much water Council would be allocated, and there was a need to be seen as a water efficient city. The initiatives proposed lends itself towards water efficiency as well as the other initiatives already in place to make the resources last longer and keep resilience within the city. There were still more efficiencies to be gained in the water loss strategy and staff would look at this from a good practice perspective.

- Extending Waiāri into the Pāpāmoa area via two pipelines could provide a quick turnaround in the event that more water was needed.
- Preparing a hose pipe ban procedure as a precautionary measure would formalise what it would mean. The cap on when to introduce a hose pipe ban had been lifted from 50,000m³ per day to 55,000m³ per day in recognition of the Waiāri coming on line and staff wanted to check if that was the right cap without impacting negatively on the community.
- Planning was being undertaken on the ability to transport water from Waiorohi Stream to the Joyce water treatment plant if needed.
- A Demand Management Plan was required for the consenting process and staff wanted to get a good data on water loss and develop a strategy to gain more efficiencies.
- A recommendation was included to increase engagement with the community and set up an advisory panel to get input from residents.

In response to questions

- It was noted that the perception of the value and use of water by the community needed to change and options be provided such as more efficient shower heads and toilets, greywater recycling and rain tanks. In response to a query as to whether this sat with the Infrastructure Development Code (IDC) it was noted that while it normally would not, it could be investigated from that a building consenting point of view. It was noted that it was also timely with the review of the Building Act underway and options could be put forward to that process.
- The Demand Management Plan was temporary at this stage until the requirements for the consenting process were known. Options to make it permanent may be considered following that process.
- Waiāri Stage 2 works were included in the 2021-31 Long Term Plan and was an extension of the pipeline where it terminates at the Welcome Bay roundabout to bring water to Mangatawa and Pāpāmoa to cover two-thirds of the coastal strip. Currently water from Waiāri feeds into two reservoirs that feed into the lower Pāpāmoa area.
- An initiative driven by Council's sustainability team was being carried out on the use of rainwater tanks. To date eight rain water workshops had been run with 30-40 attending each session where they were advised of information including consenting requirements and the leeway given. A student was also employed to look at opportunities within parks and reserves to collect and use tank water. Options for a subsidy were also being worked on.
- The formal process for a planning framework to introduce water conservation measures had not been fully explored, but staff were looking to do that for the new greenfield developments. This would now be included in the work being undertaken on the District Plan changes which would be reported to Council before the end of the year.
- There was nothing in the three water reform legislation regarding rain water tanks. The Commissioners had raised this with Minister Mahuta early on as it required a legislative change. It would also be added to the list of items for discussion with the new Minister of Local Government as whatever shape the water entities became, they would want this opportunity.
- In terms of setting up a community advisory group, the Water Care experience showed it was about getting people up to speed from a technical point of view and understanding the challenges. In TCC's case it was about good water use and water conservation practices, and then getting opinions on what worked and what does not work. Staff would provide information back to Council within three months.
- A freshwater management tool to establish the correlation between surface water, ground water and the weather events was pending which would give better knowledge of the aquifers feeding the streams.

Discussion points raised

- Commissioners requested investigations be carried out on potential opportunities for the use of grey water.
- Support was noted on comments to value the resource, to consider different ways to manage the supply and demand and to think carefully about how to treat and use water. Setting up an Advisory Panel to change the behaviour, views, perceptions and values would be helpful as

many in the community do not understand they paid for highly treated water to wash the car and water the gardens when water could be collected from other sources for these type of activities.

RESOLUTION CO17/23/4

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Water Management Plan Update".
- (b) Approves the recommendations:
 - (i) Any viable options to extend Waiāri Stage 1 into the Papamoa Network are implemented, as part of enabling works for Waiāri Stage 2
 - (ii) An implementation plan is developed for a hose pipe ban prior to the summer of 2023/2024.
 - (iii) The planning and design of a temporary solution to transfer water from the Waiorohi Stream to the Joyce WTP is progressed.
 - (iv) A Demand Management Plan (incorporating the Water Loss Strategy and Loss Reduction Plan) is prepared within the next 6 months.
 - (v) Staff report back on the merits of setting up a community advice panel to engage on Tauranga's water conservation journey, following engagement with Watercare who have a similar panel in place.

CARRIED

At 11.21am the meeting adjourned.

At 11.26am the meeting reconvened.

11.4 Executive Report

Staff Nic Johansson, General Manager: Infrastructure Services
Barbara Dempsey, General Manager: Community Services
Paul Davidson, Chief Financial Officer
Christine Jones, General Manager: Strategy, Growth & Governance
Alastair McNeil, General Manager: Corporate Services
Steven Pearce, Acting General Manager: Regulatory and Compliance
Anne Blakeway, Acting General Manager: City Development & Partnerships

Infrastructure

In response to questions

- 1 July 2026 was the expected statutory date for water reform with advice being received to continue with the financials for these activities for two years.
- Council was given the opportunity from the National Transition Unit to comment on the date and to explain a reason if Council wanted to go earlier. No response had been received to date, but staff were expecting to hold a meeting with them.
- Additional servicing of public refuse bins was normal for long weekends, with Labour Weekend now being added to the schedule.

Discussion points raised

- The transport team were doing good work around basic metrics and Commissioners were looking forward to the report being able to include data with trends of what was working in key areas and what was not.

- Acknowledged the work done by the transport team with community engagement for the Totara Street works so that road users could plan in advance on how best to manage the traffic flows.
- The Bureta/Vale roundabout had traffic moving through the intersections more efficiently.
- Commissioner Rolleston noted that he had a positive meeting with the Chief Executive of Ngā Potiki regarding waste water and noted that the group were now gaining a better understanding of long term planning and what Council were doing.

Community Services

Key points

- Highlights of key activities included events being held, training for coaches and the Baycourt tech initiative to extend accessibility services.
- Parts of the city were still recovering from weather events, including roading repairs on the road to McLaren Falls.
- Working on metrics and data for events following the first quarter to see the benefit of these for the community.

In response to questions

- Further information would be provided on the Youth Feasibility Study and whether the facilities such as the new community facility at Merivale were being looked at from a youth perspective. Commissioner Tolley noted that in her experience youth centres did not work and it would be better to consider how the current facilities could provide good services to young people and to find out what they needed from community centres..
- The feedback and number of people using the customer service centres at the Papamoa and Greerton libraries was good to see. There would also be kiosks installed at locations and staff would look at what resources were needed in the city in the coming years.

Discussion points raised

- Commend the team for the reuse of the play equipment at Keam Reserve and the initiative being carried out in Welcome Bay.
- Acknowledged the assistance from the Director Arts, Culture and Heritage and the Heritage Collections Manager with the recent Ministerial visit to the Mt Maunganui museum store.
- Acknowledged the recent stormwater and turf renewal works at Shaw Place.
- Acknowledged the Events team for their part in the recent FIFA World Cup and the AIMs Games.

Chief Financial Officer

Key points

- The work at the Airport was progressing well.
- The asset divestment project plan was nearing completion.

In response to questions

- Information would be sought from Air New Zealand to obtain data on the extent of the capacity of flights to and from Tauranga.

Strategy, Growth and Governance

In response to questions

- When the boundary adjustment was carried out between Tauranga City Council and the Western Bay of Plenty District Council, a requirement was made to review all bylaws for that section of land, whereas Council had considered that their existing bylaws would be extended to include the area. This was an administrative issue which had now been agreed to and would be changed to allow Council's bylaws to be extended.

Discussion points raised

- In relation to the difference of voting for local and central government, Commissioner Tolley noted that with local government it was critically important to get good representation as much as it was for central government.

Corporate Services

Key points

- The Drug and Alcohol Policy for staff would be rolled out in October 2023.
- There were 15 students in the Summer intern programme where students would spend the summer holidays working on a variety of projects.
- Staff were looking at intersections within Te Manawataki o Te Papa and considering how to bring students into the city.
- There were 23,000 followers on Council's Facebook page with big numbers reached for the engagement on Accessible Streets Otūmoetai and wishing Hairy Maclary a happy birthday..
- The buying local survey held with local businesses on procurement was successful with 100 responses. 40% of the respondents were indicating they were keen to attend a drop-in session so that Council staff could help them buy local.

In response to questions

- In response to a question as to whether there were any demographics for the 7,000 subscribers to the Korero Mai – Let's Talk Tauranga newsletter it was noted that a gap analysis would be done and the information provided.
- Staff turnover was at the top quartile in terms of performance where a 1:10 ratio was healthy and overall tracking well.
- A supplier with nationwide experience had been appointed to provide the technology at Te Manawataki o Te Papa..

Regulatory and Compliance

Key points

- Consent volumes across the city were down and stable from previous years.
- The volumes of complaints were rising, but this always tended to occur in winter.
- Staff had been engaging with industries to meet their needs.

In response to questions

- In relation to a concern at the consents stalling at 68%, it was noted that outside assistance had been sought earlier this year with a consultant on hand to come in when staff were away to ensure there was depth in all of the teams. The backlog had diminished and it was hoped that it would not increase again.
- Staff recruitment was now attracting applications from highly professional people who were work ready and did not need an 18 month lead in time.
- Alcohol licencing legislation required that the District Licencing Committee made the decision on whether or not there was a hearing. It was noted that a further discussion point for the incoming Minister of Local Government was that it was process heavy and fees were set that did not cover the cost of the processing.
- Information would be provided on what happened to the revenue from fines paid by motorists using the bus lane.
- Information was requested on a graphic representation of the number of code of compliance certificates and those for new dwellings to what was needed at 1,000 a year – e.g. does every 100 consents turn into 50 houses? It was noted that the extraction of the information was a manual process and they were looking at how to automate the process going forward. Code of compliance over time, the amount of new houses had dried up by 80% which was 30% overall. There were a number of commercial applications, housing additions and alternations.

City Development and Partnerships

Key points

- Progress was being made with capital projects and funding.
- An expression of interest was put forward for the Museum during the recent Minister of Culture and Heritage visit, but no formal application would be made until resource consent had been issued.

Discussion points raised

- Commissioners noted that the Northern carpark had received a number of positive comments and as it was the entrance into the CBD from the harbour bridge it had lifted the quality of urban design in the area. It was noted that the design group from the Otamataha Trust was valuable to telling the story of what the design was about.
- Commissioner Rolleston noted that he had recently met with retailers who had voiced a common theme regarding carparking and being able to load and unload goods into their premises. Marty’s at Tunks Reserve had advised that with the section of Elizabeth Street being closed off for three months, it would take 12 months to get the customers back. It was requested that any areas that could be accessed for parking be opened up.
- Commissioners acknowledged the work done by Paul and Kendell on the ground within the CBD, noting that the benefit of having the constant contact with the businesses and people was worth every cent as it gave them a feeling of being understood and able to talk to someone about their fears.

RESOLUTION CO17/23/5

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Executive Report".

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO17/23/6

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

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
<p>13.1 - Public Excluded Minutes of the Council meeting held on 4 September 2023</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the</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</p>

	<p>commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</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>under section 6 or section 7</p>
<p>13.2 - Deputy Chair and Trustee Appointments to the Tourism Bay of Plenty Board</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</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>
<p>13.3 - Disposal of Smiths Farm and Housing Equity Fund Affordable Housing Proposed Arrangement</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>

CARRIED

14 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 12.28 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 16 October 2023.

.....
CHAIRPERSON

UNCONFIRMED

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

9.1 Gia Nelson of Mount Manganui High School - Petition on Level Crossing Safety

10 RECOMMENDATIONS FROM OTHER COMMITTEES

11 BUSINESS

11.1 Adoption of draft Development Contributions Policy 2024/25

File Number: A15012662

Author: Ben Corbett, Team Leader: Growth Funding

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

PURPOSE OF THE REPORT

1. To present the proposed local and citywide development charges to be included in the draft Development Contributions Policy 2024/25.
2. To report on changes to the proposed Te Papa local development contributions since the report *Introduction of Te Papa Local Development Contributions Catchment* on 4 September 2023.
3. To present the rationale for, and financial impact of, introducing a 4+ bedroom citywide development contributions charge to be included in the draft Development Contributions Policy 2024/25.
4. To present the rationale for, and financial impact of, applying a reduction to the unit of demand applied to certain retirement villages and aged care facilities in the draft Development Contributions Policy 2024/25.
5. To present the draft Statement of Proposal and Development Contributions Policy 2024/25 for adoption for the purposes of public consultation.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Adoption of draft Development Contributions Policy 2024/25".
- (b) Agrees to incorporate the proposed updates to local and citywide development contributions in the draft Development Contributions Policy 2024/25.
- (c) Agrees to incorporate a 4+ bedroom charge for citywide development contributions in the draft Development Contributions Policy 2024/25.
- (d) Agrees to incorporate a lower citywide development contribution for transport, community facilities and reserves infrastructure for retirement village and aged care facilities developments in the draft Development Contributions Policy 2024/25.
- (e) Adopts the draft Statement of Proposal and Development Contributions Policy 2024/25 for the purposes of public consultation.
- (f) Delegates authority to the General Manager: Strategy, Growth & Governance to make minor amendments to the draft Development Contributions Policy 2024/25 to correct errors in wording or financial information.

EXECUTIVE SUMMARY

6. Tauranga City Council (TCC) is proposing to include a number of changes into its draft Development Contributions Policy (draft DCP, attached).
7. These changes are primarily to mirror the changes to TCC's capital programme decided upon through the development of the draft Long-term Plan 24-34 (draft LTP).

The significant increases to project budgets, in particular for waters infrastructure, have resulted in a substantial uplift in some development contribution charges.

8. TCC has also proposed three changes to improve the equitability of growth funding by:
 - (a) Introducing a local development contributions catchment to fund the growth-related portion of a collection of infrastructure projects in the Te Papa peninsula;
 - (b) Introduce a charge for 4+ bedroom dwellings, thereby reducing charges for dwellings with fewer bedrooms; and
 - (c) Update the charging methodology for certain retirement villages and aged care facilities to better recognise the demand those developments place on council infrastructure.

BACKGROUND

9. Council uses development contributions to fund a portion of the cost of growth-related capital expenditure for certain infrastructure projects. Development contributions are charged in accordance with the operative Development Contributions Policy (DCP).
10. TCC generally updates its DCP annually. The amendments proposed in this current draft are aligned with TCC's draft Long-term Plan 24-34 (draft LTP) and are proposed to be implemented from 1 July 2024 alongside the adopted Long-term Plan 24-34 (LTP).

DISCUSSION

11. Four substantive changes are proposed in the draft DCP as follows:
 - (a) Updates to infrastructure cost estimates, growth projections and inflation and cost of capital assumptions to align with TCC's draft LTP
 - (b) Introduction of a new local development contributions catchment for the Te Papa peninsula
 - (c) Introduction of a 4+ bedroom charge for citywide development contributions and updates to underlying assumptions regarding the number of bedrooms in each dwelling developed; and
 - (d) Introduction of a reduction in certain citywide development contributions infrastructure charges for 'aged care' facilities.
12. Each of these changes is discussed in more detail below.

Updates to reflect the draft LTP

13. TCC has a statutory obligation under the Local Government Act 2002 to ensure the DCP reflects its LTP (other than for waters assets which can be included in the draft DCP despite Three Waters Reform). TCC is in the process of developing its draft LTP for consultation. Staff have incorporated the changes proposed in the LTP into the draft DCP. At a high level, these changes are to update:
 - (a) cost estimates for projects funded through the DCP;
 - (b) timing of capital expenditure where projects are being delivered sooner or later than stated in the 23/24 DCP;
 - (c) growth assumptions regarding when and where new dwellings and non-residential developments are expected to occur; and
 - (d) assumptions regarding expected inflation rates and interest rates on debt and deposits.
14. Taken together, the amendments described above have resulted in changes to the development contribution charges for all TCC's 12 existing catchments that have local

development contribution charges. The most substantial percentage changes (those greater than 6%) are set out below.

Catchment	Increase (\$)	Increase (%)	Draft 24/25 charge	Unit
Citywide (residential)	4,470	15	34,477	Per lot
Citywide (non-residential)	1,370	22	7,630	Per 100 sqm gross floor area
Wairakei B	36,742	9	436,686	Per hectare
Wairakei C	57,848	9	715,479	Per hectare
Tauranga Infill	321	9	3,997	Per lot
Pyes Pa West	2,284	6	40,404	Per lot
Papamoa	563	8	8,007	Per lot

15. The changes for each catchment are detailed in the attached Draft Statement of Proposal and in the attached draft DCP and the key drivers of change are discussed in the attached table.
16. The substantial rises in citywide and several local development contribution charges reflect the increased cost of delivering TCC's capital programme through the draft LTP. For example,
 - (a) The Waiari Water Main Stage 3 cost estimate has increased from \$50m in the operative Development Contributions Policy to \$133m. The scope of this project has not changed. The increase cost estimate relates to (i) updating delivery costs to reflect recent market pricing and (ii) incorporating allowance for risk, contingency and under-assessment in accordance with TCC's usual practise; and
 - (b) Cambridge Road Reservoir No. 4 cost estimate has increased from \$6.5m in the operative Development Contributions Policy to \$27.5m. The scope of this project has increased to ensure it is able to service greater population density anticipated in its catchment. The increased cost relates to (i) greater land requirements, (ii) updating delivery costs to reflect recent market pricing and (iii) incorporating allowance for risk, contingency and under-assessment in accordance with TCC's usual practise.
17. Note, the citywide non-residential charges have increased by a greater proportion than the citywide residential as the increase in residential charges has been partially offset by a decrease in budgeted costs for certain community infrastructure assets (which are not charged for non-residential development).
18. These significant rises in budget costs have flowed through into the draft DCP charges.
19. TCC will collect development contributions for these assets in the 24/25 financial year until such time as TCC no longer has the right to collect development contributions for

these assets. At that time, waters assets will be removed from TCC’s Development Contributions Policy and growth funding charges will be administered by the Water Services Entity.

20. Given the substantial increase to a number of catchments, Council should consider:
 - (a) These increases are likely to make development less affordable in a difficult economic climate
 - (b) Development contribution price volatility, especially when fees may be subject to significant change in future through the water reform process, is likely to encourage behaviour by developers to reduce their costs. This can create substantial increases in work volume for TCC’s Environmental Regulation teams.
 - (c) Any delay in collection moves away from the ‘growth pays for growth’ principle.
 - (d) Any partial implementation of development contribution increases will create an undercollection of development contributions.

Introduction of a Te Papa local development contributions catchment

21. On 4 September 2023, Council resolved to:

“... create a local development contributions catchment for the Te Papa catchment in the draft Development Contributions Policy 24/25 to be reported to Council in September 2023 for consideration and approval”

22. While preparing amendments to the draft policy, staff have continued to refine the proposed local development contributions charges calculations. The table below shows the draft charges presented in supplementary materials on 4 September and the charges proposed in this report (all numbers are approximate).

Development contribution charge	Draft charge (4 September)	Draft charge including inflation and cost of capital
Transport – residential	\$6,300 per dwelling	\$5,400 per dwelling
Transport – non-residential	\$8,200 per 100 sqm of gross floor area	\$6,700 per 100 sqm of gross floor area
Reserves - residential	\$2,200 per dwelling	\$2,900 per dwelling

23. Estimates have changed since the 4 September 2023 report for the following reasons:
 - (a) Updates to financing costs. Inflation and cost of capital were assumed to be 80% of capital expenditure costs for transport projects and 40% of capital expenditure costs for reserves projects. This has been updated to align with inflation and interest cost assumptions in the LTP. This has increased the transport charge and decreased the reserves charge.
 - (b) Lower than assumed growth between 2024 and 2034. Staff had assumed annual growth would occur evenly in Te Papa over 30 years. This has now been updated to reflect draft LTP growth assumptions with lower growth in the period 2024 -2034 and higher growth in the following 20 years. This has increased the reserves charges (more than offsetting the decrease discussed at point (a))

above) as this is funded over the period 2024-34. Consequently, there are fewer developments to share in the costs of growth in this period.

- (c) Revising the method of allocating costs between residential and non-residential properties to align with the existing catchment methodologies. Further, following initial advice from an independent economist, staff have increased non-residential growth assumptions thereby reducing the cost allocation to residential development.
24. It is noted the Te Papa peninsula is a part of the existing Tauranga Infill local development contribution catchment. This catchment collects development contributions for the Southern Pipeline (wastewater infrastructure). This charge amounts to \$3,987 per lot for residential development and \$411 per 100 sqm of gross floor area for a non-residential development. While TCC continue to collect development contributions charges for water infrastructure, these amounts will be charged to Te Papa developments as well as the Te Papa catchment charges.

Introduction of a 4+ bedroom charge

25. TCC's operative Development Contributions Policy has differentiated citywide development contribution charges for 1, 2 and 3+ bedroom dwellings on the basis that they generate different levels of demand for infrastructure. Larger dwellings, on average, have more people living in them and generate more demand for infrastructure eg use more water.
26. To ensure the lower charges for smaller dwellings do not result in development contribution under-collection, the charges for all properties are 'grossed up' to ensure TCC receives the same amount of development contributions revenue as if all dwellings paid the same development contribution amount.
27. Over several years, the development community has requested TCC introduce a 4+ bedroom charge to reflect the greater infrastructure demand that these homes generate on average.
28. In order to introduce a 4+ bedroom charge staff have:
- (a) Confirmed that 4+ bedroom properties generally create more demand than a 3-bedroom property; and
 - (b) Revisited the existing assumptions in the operative Development Contributions Policy regarding how many dwellings are expected to be delivered with 1, 2, 3 or 4+ bedrooms.

Demand from 4+ bedroom properties

29. Staff have used the latest available census data to assess demand from 4+ bedroom properties. There is a clear correlation between the number of bedrooms per dwelling and the number of occupants per dwelling.
30. Dwellings in Tauranga have an average occupancy rate of 2.5 persons per dwelling. 3-bedroom dwellings in Tauranga also have an average occupancy rate of 2.5 persons. 4+ bedroom dwellings have an average occupancy rate of 3.26 persons.
31. This means the average 4+ bedroom dwelling has 1.3 times the occupancy levels of the average 3-bedroom dwelling. TCC's Development Contributions Policy assumes the standard Household Unit Equivalent (HUE) has 2.5 occupants. Consequently, the average 4+ bedroom dwelling should create 1.3 times the demand of a standard HUE and so contribute 1.3 times the citywide development contribution.

Dwelling Type	No. of Dwellings	No. of Occupants per dwelling	Average no. of occupants per dwelling	Average no. of Occupants / 2.50 (1 HUE)
One bedroom	1728	2169	1.26	0.50
Two bedrooms	7737	13161	1.70	0.68
Three bedrooms	21426	52683	2.46	0.98
Four or more Bedrooms	12219	39783	3.26	1.30
Total (Dwellings / Occupants)	43110	107796		

Bedrooms per dwelling assumptions

- 32. When TCC introduced lower citywide development contributions for 1- and 2-bedroom dwellings, it included assumptions around how many 1 and 2 bedroom dwellings would be developed each year. Staff were aware that as the property market, and the types of properties delivered to market, changed these assumptions would need to be updated. The market has now moved significantly, with many more 2 bedroom dwellings being developed than assumed in the operative Development Contributions Policy.
- 33. It is proposed to update the assumption in the Policy on the expected proportion of dwellings in each bedroom category to reflect the trend over the past five years of annual data. This has been averaged in the following table and a comparison provided against assumptions in the operative Policy. Staff will continue to refine this assumption to incorporate development projections.
- 34. The table below shows:
 - (a) There are significantly more 2-bedroom dwellings being delivered than assumed (25% as compared to 9%). This means TCC has not been sufficiently grossing up its 3+ bedroom charge. This has created an under-collection of development contributions (this undercollection has not been addressed through recent council reporting regarding development contribution undercollection); and
 - (b) There is a significant percentage of 4+ bedroom dwellings developed each year (25%) which justifies creation of a new 4+ bedroom category for citywide development contributions.

Assumptions				
# Bedrooms	1	2	3	4
Original Projected Build Rate	6.47%	8.97%	84.56%	NA
Updated Projected Build Rate	2.80%	25.60%	47.30%	24.30%
HUE Multiplier	0.50	0.65	1.00	1.30

Financial impact of 4+ bedroom charge on citywide development contributions

- 35. Introducing a 4+ bedroom charge, and maintaining the same anticipated development contributions revenue, means the revenue required from properties with fewer bedrooms must decrease.
- 36. The table below shows:
 - (a) The charges that would be applied if no updates were made to the bedroom assumption (in the row titled *Current Approach*)
 - (b) The impact of adjusting the assumed percentage of properties delivered with 1, 2 and 3+ bedrooms (in the row titled *Updated Bedroom Assumptions*); and
 - (c) The impact of introducing a 4+ bedroom charge after updating the bedroom assumptions (in the row titled *Introduction of 4+ Bedroom Charge*). This has created a 3% decrease in the draft charges for 1-, 2- and 3-bedroom dwellings.

Charges				
# Bedrooms	1	2	3	4
Current Approach	\$ 17,847	\$ 23,201	\$ 35,693	NA
Updated Bedroom Assumptions	\$ 18,640	\$ 24,232	\$ 37,280	NA
Introduction of 4+ Bedroom Charge	\$ 17,238	\$ 22,410	\$ 34,477	\$ 44,820
Variance to Original Assumptions	-3%	-3%	-3%	

Introduction of lower development contributions charged for aged care facilities

37. Staff are recommending that the 2024/25 draft DCP be updated to reflect lower demand profiles by households in Retirement Villages for certain types of citywide funded infrastructure. The recommended changes are:
 - (a) Reduce the citywide development contribution charge for the transport, reserves, and community facilities activities from 0.5 Household Unit Equivalents (HUE) to 0.3 HUE for all units within registered Retirement Villages
 - (b) Reduce the citywide development contribution applicable for Aged Care Facilities (which provide 24/7 medical care and are constructed within registered Retirement Villages) so that charges for Transport, Reserves and Community Facilities are based on 0.15 HUE. This is a reduction from a current charge based on 0.4HUE.
38. This proposed change comes in response to several submissions from the Retirement Village community and a subsequent analysis undertaken by staff. Specifically, TCC commissioned a review and report from Insight Economics. The report was based on publicly available data for Retirement Villages and aged care units and recommended the following conversions compared to a standard 1 HUE development.

Table 1: Conversion Ratios for Citywide DCs

Asset Types	RV units	Aged Care units
Water	0.50	0.40
Wastewater	0.50	0.40
Stormwater	0.50	0.40
Transport	0.20	0.10
Reserves	0.10	0.05
Community facilities	0.10	0.05

39. The current policy already treats all units in retirement villages as 1-bedroom units when assessing citywide development contributions and therefore already charges a 0.5HUE charge for water, wastewater and stormwater. No further discounts are recommended for these activities.
40. Reductions for transport, reserves and community facilities intuitively makes sense as villages often provide their own on-site facilities which results in less demand for Council provided services. There is strong evidence that supports this – particularly in relation to the aged care units which typically provide for a much older population. It should also be noted that these charges more closely align with charges by other Councils for similar activities.
41. Staff are not recommending any changes in relation to local development contributions. The primary reasons for this is that the policy already has mechanisms in place to limit or cap local DCs based on the higher densities achieved in retirement village developments.
42. Also, the cost of local infrastructure is typically driven by the need to construct urban infrastructure networks in greenfield environments rather than by the capacity of that infrastructure.

OPTIONS ANALYSIS

Option 1: Approve the proposed changes to the draft DCP 24/25 (recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Complies with legislative requirement to ensure the development contributions policy aligns with TCC’s Long-term Plan • Ensures TCC is maximising development contributions revenue using up to date information • Improves the equitable application of the growth pays for growth principles by ensuring charges more closely match the cause and benefit of growth funded infrastructure 	<ul style="list-style-type: none"> • Increases the cost of many development contribution charges which will make development more expensive overall

Option 2: Do not approve some or all of the proposed changes

43. The advantages and disadvantages of this approach are inverse to those of option 1.

FINANCIAL CONSIDERATIONS

- 44. The changes proposed to the Development Contributions Policy 24/25 will provide financial benefits to Council and ratepayers while ensuring the cost of growth are shared more equitably among developers.
- 45. Council is provided with a new catchment and associated development contributions revenue to fund growth projects. It will also ensure development contributions are calculated with reference to the latest cost estimates to minimise the risk of under collecting based on lower, outdated cost estimates.
- 46. Funding the growth share of capital expenditure through development contributions ensures that those who cause and benefit from growth infrastructure are contributing equitably towards the associated expenditure and thereby minimises reliance on debt funded by general rates.

LEGAL IMPLICATIONS / RISKS

47. There are no particular legal implication or risks associated with the decision to incorporate these changes into the draft DCP for consultation.

SIGNIFICANCE

- 48. 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.
- 49. 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.
50. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

ENGAGEMENT

51. Taking into consideration the above assessment, that the matter is of medium significance, significant engagement will be undertaken through Council's usual channels alongside the draft LTP consultation process.

NEXT STEPS

52. Staff will implement a communications plan to ensure stakeholders have an opportunity to learn of the proposed increase to development contribution charges in advance of consultation.
53. The draft DCP is proposed to be open for formal consultation at the same time as the draft LTP consultation document.

ATTACHMENTS

1. **Draft Statement of Proposal - A15066500**  
2. **Table of Key Drivers to DC Funded Projects - A15157451**  
3. **Draft Development Contributions Policy 24/25 - A15176609 (Separate Attachments 1)** 

Statement of Proposal: 2024/25 Development Contributions Policy



Tauranga City Council is proposing to adopt a new Development Contributions Policy.

We review the Development Contributions Policy every year. This is to ensure that the policy aligns with funding decisions made by the Council when it reviews its annual/long term plan.

A copy of the draft 2024/25 Development Contributions Policy is available online at www.tauranga.govt.nz/development-contributions

Public consultation on the draft Development Contributions Policy will be open from 15 November to 15 December. You can make a submission online at tauranga.govt.nz or by post to. Attn: Ben Corbett, Tauranga City Council, Private Bag 12022, Tauranga 3143.

The key changes proposed to the policy

Citywide development contributions for residential development will increase by 15%. The new charge for a 3-bedroom dwelling will be \$34,477 (excluding GST) which is an increase of \$4,470

Key Drivers

- Water +30%:
 - Waiari Watermain - the project base costs have increased from \$36m to \$72m due to general construction cost increases. Risk allowance (25%), under-assessment pricing (44%) and contingency (10%) have been added in line with TCC's cost estimation tool. The high under-assessment pricing is based on the uncertainties for this project, as planning for this project has not been finalised.
 - Cambridge Rd Reservoir - Overall budget increased from \$6.5M to \$27M due to an increased scope. The project has increased in scale due to increased population density expectations requiring a larger reservoir which will not fit onto the existing site. Hence land purchase costs had to be added to the base cost estimate. Risk allowance (25%), under-assessment pricing (44%) and contingency (10%) have been added in line with TCC's cost estimation tool. The high under-assessment pricing is based on the uncertainties for this project, as planning for this project has not been finalised.
 - SH2 Main - Overall budget increase due general construction cost escalation. Risk allowance (25%), under-assessment pricing (22%) and contingency (10%) have been added in line with TCC's cost estimation tool.
- Wastewater +8%
 - Te Maunga Bioreactor – Changes to underlying market pricing as well as an increased allocation towards growth within the funding calculations.

Updates to local development contribution charges

All the capital expenditure budgets for local development contribution projects have been updated. The table below shows the proposed local development contributions and movements compared to last year.

Local catchment	Charge basis	Proposed		Change (\$)	Change (%)
		2024/25 Fee (excl. GST)	2023/24 Fee excl GST		
Bethlehem	Per lot	12,889	12,503	386	3.1%
Ohauti	Per lot	11,569	11,201	369	3.3%
Papamoa	Per lot	8,007	7,444	563	7.6%
Pyes Pa	Per lot	7,252	6,911	341	4.9%
Pyes Pa West	Per lot	40,404	38,121	2,284	6.0%
Tauranga Infill	Per lot	3,997	3,676	321	8.7%
Tauriko	Per hectare	360,206	369,157	(8,951)	-2.4%
Wairakei A	Per hectare	595,699	567,105	28,595	5.0%
Wairakei B	Per hectare	436,686	399,944	36,742	9.2%
Wairakei C	Per hectare	715,479	657,631	57,848	8.8%
Welcome Bay	Per lot	9,170	8,805	366	4.2%
West Bethlehem	Per lot	31,100	30,216	884	2.9%

Key Drivers

- **Papamoa [+7.6%]**
 - Stormwater: Wairakei Stream overflow to the Kaituna – Project base costs increased from \$45M to \$74M reflecting cost escalation and further allowance for risk (25%), under-assessment pricing (19%), and contingency (10%).
- **Pyes Pa West [+6%]**
 - Dam 5 & Wetland 5: Increase in cost to deliver. This cost increase has already gone before the Commissioners.
- **Tauranga Infill [+8.7%]**
 - Southern Pipeline 3 yearly increase – the only charge for Tauranga Infill
- **Wairakei (B & C) [+9%]**
 - Wastewater: Wairakei wastewater assets & Opal Drive - Construction cost increases and risk, under-assessment pricing, and contingency requirements in line with TCC's cost estimation tool.
 - Transport: Increase in base construction costs, and risk, under-assessment pricing and contingency allowance in line with TCC's cost estimation tool.

Further changes to Wairakei development contributions

Significant planning is in progress for several eastern corridor wastewater projects. This includes investigation into the existing network capacity and potential changes to the scope and timing for several wastewater projects. The output from this work is expected towards the end of the 2023 calendar year and may result in changes to development contribution funding proportions for some Wairakei projects. Early indications are that there may be a recommendation to reduce the renewal funded portion of the Wairakei rising mains project. Reducing the renewal funding (currently 70%) and increasing the growth funded cost would have a significant impact on the Wairakei DC charge. Currently 8% of these costs are funded via the Wairakei catchment.

- Increasing the Wairakei funded proportion to 14% would result in a further increase in the Wairakei DC charges of between 10-15%. (i.e., this increase is in addition to charge in the draft policy).
- Increasing the Wairakei funded proportion up 40% (and making the project 100% growth funded) would more than double the Wairakei DC charge for the wastewater activity.

Introduction of a Te Papa local development contribution catchment

A new local development contributions charge is proposed for the Te Papa peninsula. This charge is proposed for both residential and non-residential development.

These charges will contribute a portion of the funding towards a collection of transport and community infrastructure projects to be delivered in the Te Papa peninsula including multi-modal upgrades to Cameron Rd and the creation of greater amenity in parks and reserves.

The share of costs allocated to the new Te Papa catchment recognizes that these projects will enable and benefit development growth in this area.

The approximate charges for this proposed catchment are set out below.

Development contributions charge	Residential charge (\$)	Non-residential charge (\$)
Transport	5,400	6,700
Reserves	2,900	
Total	8,300	6,700

Introduction of a 4+ bedroom citywide development contribution charge

To enable a more equitable approach to charging Citywide Development Contributions, it is proposed that an additional charging category for 4+ bedroom dwellings category be added. Historical census data provides a convincing trend which shows an increased average occupancy rate as the number of bedrooms per dwelling increases. The average occupancy rate for a 2, 3, and 4+ bedroom dwelling is 1.70, 2.5, & 3.25 occupants per dwelling respectively.

Given this trend shows that larger dwellings have more occupants than smaller dwellings, it makes sense that there should be a higher contribution paid by the larger dwellings. A 4+ bedroom dwelling has an average occupancy that is 1.3 x that of a 3-bedroom dwelling (the 3-bedroom dwelling is the benchmark for a standard household unit of charge for a residential citywide DC). It is therefore proposed that, in line with the observed increased average occupancy rate, that a 4+ bedroom dwelling attract a citywide development contribution charge of 1.3x a standard Household Unit Equivalent.

How will this impact Development Contributions? The introduction of a 4-bedroom charge essentially reduces the amounts that are payable for 1,2- and 3-

bedroom dwellings. The table below shows what the citywide development contributions would be if no 4-bedroom charge was introduced.

Charges				
# Bedrooms	1	2	3	4
Current Approach	\$ 17,847	\$ 23,201	\$ 35,693	NA
Updated Bedroom Assumptions	\$ 18,640	\$ 24,232	\$ 37,280	NA
Introduction of 4+ Bedroom Charge	\$ 17,238	\$ 22,410	\$ 34,477	\$ 44,820
Variance to Original Assumptions	-3%	-3%	-3%	

Retirement village and aged care facilities

The draft policy includes some updates to definitions and charges related to retirement village units and aged care facilities. These changes are to reflect lower demand profiles by households in retirement villages. The changes are:

- A reduced citywide development contribution charge for the transport, reserves, and community facilities activities from 0.5 household unit equivalents (HUE) to 0.3 HUE
- A reduced citywide development contribution applicable for Aged Care Facilities (which provide 24/7 medical care and are constructed within registered Retirement Villages) so that charges for Transport, Reserves and Community Facilities are based on 0.15 HUE. This is a reduction from a current charge based on 0.4HUE.

This proposed change comes in response to several submissions from the Retirement Village community and a subsequent analysis undertaken by staff. The analysis exercise and an external report indicated that the current charge of 0.5HUE is appropriate for the water, wastewater, and stormwater activities but that the demand by retirement villages for council funded transport, reserves and community infrastructure is significantly lower than what the current policy provides for. The lower demand profile is due not just to the older age of retirement village residents and their relatively limited activity/mobility, but also the often-extensive provision of onsite social and recreational facilities to meet residents needs without having to travel offsite.

Funding options available to the Council

The discussion below is an analysis of the reasonably practical funding options which Council could use to fund growth-related capital expenditures.

Option 1: Charge Development Contributions under the Local Government Act 2002

Population and urban growth of the city is the reason much of Council’s capital expenditure needs to be undertaken. As the cause of this expenditure, it is fair that a significant portion of this cost is recovered directly from the development community through the collection of development contributions. While this does create a significant upfront cost for development, if these costs were not funded by development, the main alternative would be to increase

rates by a substantial amount. Council's view is that this would impose an unfair financial burden on the ratepayers of the city.

Option 2: Financial contributions under the Resource Management Act 1991

Financial contributions are similar to development contributions but charged under the Resource Management Act 1991 through a condition of a resource consent. The financial contribution system, and each individual financial contribution charge, are open to appeal through the Environment Court. Use of financial contributions adds cost, time and creates a high level of uncertainty for Council. For these reasons, development contributions are preferred in most cases to financial contributions. Tauranga City Council still uses financial contributions in limited circumstances which are specified within the development contributions policy and in the Tauranga City Plan.

Option 3: Rates-funded loans

This would involve growth-related capital expenditure being funded in the same manner as most of Council's other capital expenditure – through loans that are repaid through the collection of rates. This would impose the cost of growth-related capital expenditure on the whole community rather than targeting the funding of these costs at the growth community which have caused these costs to be incurred.

Option 4: Targeted rates

This would be similar to development or financial contributions in the sense that funding would still be targeted at the growth community. The primary difference is that development contributions are charged upfront whereas the targeted rate would recover the costs over a lengthy period of time. This option would increase rates on new properties by a significant amount for an extended period (e.g. doubling a property's rates bill for 20 years). This is unlikely to be popular and may cause Council difficulties in the future when properties are sold to new owners. This has been Council's experience to date with a relatively modest targeted rate in The Lakes development. It should also be noted that Council has not fully explored the details associated with implementing this type of targeted rate under the Local Government (Rating) Act 2002, and some legal impediments may exist.

Option 5: Levies under the Infrastructure Funding and Financing Act

The new Infrastructure Funding and Financing Act introduces a new funding tool which Council is currently considering in consultation with the community. It is possible that this funding method will be used as an additional method to fund growth-related infrastructure costs in the future. The levies will work in a similar manner to targeted rates from a property owner's perspective but the benefit to the Council is that the financing would be off Tauranga City Council's balance sheet.

Key dates

Consultation: 15 November – 15 December

This is when we want to hear from you. All submissions are due by 5pm on Friday, 15 December

Hearings: [TBC]

This is your chance to talk about what you've told us

Deliberations: [TBC]

This is when the commissioners consider all the feedback from the community

2022/23 Development Contributions Policy adoption: [TBC]

After considering the feedback received, the commissioners make a final decision on the changes to the Development Contributions Policy and adopt the new policy for 2024/25.

New fees applied: 1 July 2024

Have your say

Send us your feedback by 5pm on Tuesday 26 April 2022. You can share your views by any of the methods below.

Fill in a submission form

Use the online LTP submission form at [TBC]

Download a pdf version of the submission form at [TBC]

Pick up a paper copy from our customer service centre (He Puna Manawa – 21 Devonport Road) or your local library.

Send it to us

Drop your submission form into our customer service centre or to your local library.

Send an email with your submission and any attachments to submissions@tauranga.govt.nz

Post your form to (no stamp required):

Freepost authority number 370
DC Policy 2024/25
Tauranga City Council
Private Bag 12022
Tauranga 3143

APPENDIX: Explanatory note – projects driving development contributions increases

Increase in citywide development contributions

The table below details the projects driving the largest citywide development contribution increases and the reasons for the increase.

Asset Type	Project	Explanation
Water supply	Waiari Watermain (Stage 3)	The project base estimate went up from \$36M to \$72M due to general construction cost increases. In line with TCC's cost estimation tool a risk allowance of 25%, under-assessment pricing of 44% and a contingency of 10% was added to the project. The high level of under-assessment pricing is due to the uncertainty of this project as planning for this project has not been finalised.
	Cambridge Rd Reservoir No.4	Overall budget increase from \$6.5M to \$27M due to increased scope. Project has increased in scale due to increased population density expectations. This larger reservoir cannot be fit onto the existing site. Hence land purchase costs had to be added to the base cost estimate. Further, increased allocation for contingency (10%), under-assessment pricing (44%), and risk (25%). The high under-assessment pricing is based on the uncertainties for this project, as planning for this project has not been finalised.
	SH2 Mains Network - Welcome Bay Rd Waiari Watermain Stage 2	Overall budget increased from \$51M to \$64M to allow for general construction cost escalation (increase from \$26M in 2021 to \$34M in 2024) and increase in allowances for risk (25%), under-assessment pricing (44%), and contingency (10%). The high level of under-assessment pricing is due to the uncertainty of this project as planning for this project has not been finalised.

Increase in local development contributions

The table below details the projects driving the largest local development contribution increases and the reasons for the increase.

Catchment	Project	Explanation
Papamoa	Wairakei Overflow to Kaituna (Stormwater)	Cost increased from \$45M to \$74M reflecting cost escalation and further allowance for risk (25%), under-assessment pricing (19%), and contingency (10%).
Tauranga Infill	Southern Pipeline (Wastewater)	Pre-arranged increase every 3-years.
Pyes Pa West	Dam 5 & Wetland 5 (Stormwater)	Cost increase reflects the additional effort required based on very poor soil conditions, which was not previously known in addition to general construction cost increase.
Wairakei (A, B & C)	Main Wairakei PS (Wastewater)	Cost increased from \$18M to \$39M to reflect cost escalation and further allowance for under-assessment pricing (14%), risk (15%) and contingency (10%).
	Opal Dr. Pump Station (PS) (Wastewater)	Cost increased from \$24M to \$33M reflecting escalations due to poor ground conditions. Due to the criticality of the PS it is being designed to the same importance level as Te Maunga WWTP which further increased the cost in addition to general construction cost increases. Risk allowance, under-assessment pricing and contingency are sitting at 10% each.
	Rising Main from Wairakei PS to Opal Dr Pump Station (Wastewater)	Cost increased from \$57M to \$85M reflecting cost escalation and further allowance for under-assessment pricing (15%), risk (25%) and contingency (10%).
	Opal Dr to Te Maunga Rising Main (Wastewater)	Cost increased from \$77M to \$91M to reflect cost escalation and further allowance for risk (25%), under-assessment pricing (16%) and contingency (10%).
	Wairakei Overflow to Kaituna (Stormwater)	Cost increased from \$45M to \$74M reflecting cost escalation and further allowance for risk (25%), under-assessment pricing (19%), and contingency (10%).
	Te Okuroa Dr. (Transport)	Final cost of construction \$21M due to increased construction costs
	Papamoa East Interchange (Transport)	Cost increased from \$95M to \$106M to reflect cost escalation.

11.2 City Centre Development Incentive Fund Update 2022/2023

File Number: A14939429

Author: Lisa Gilmour, City Partnership Specialist

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. To report to Council on the progress made and activities funded by the City Centre Development and Incentive Fund to 30 June 2023.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Centre Development Incentive Fund Update 2022/2023".

EXECUTIVE SUMMARY

2. Council approved the re-purposing of the City Centre Development Incentive Fund [**the Fund**] on 3 April 2023 to enable a broader range of initiatives that will support the ongoing growth and development of the city centre.
3. This report provides a six-monthly update on progress against the objectives of the Fund, as agreed in the 3 April 2023 report.
4. To date, \$610,796 of the Fund has been used to enable a wide range of initiatives that will support the growth and development of the city centre in the short-, medium- and longer-term.
5. A balance of \$300,000 remains in the Fund to support further initiatives in the current financial year, through to 30 June 2024.

BACKGROUND

6. The Fund was originally approved by Council to facilitate an increase in the supply of residential accommodation in the city centre, by supporting feasibility assessments of possible residential accommodation developments.
7. The Fund was allocated \$500,000 per annum (for three years) as part of the 2021-2031 Long-term Plan.
8. On 3 April 2023, recognising that the decline in prosperity of the city centre is unlikely to be rectified by focusing on one particular solution, the scope of the Fund was broadened to enable a wider range of initiatives that will support the ongoing growth, development, and prosperity of the city centre. This wider range of initiatives was approved by Council specifically to:
 - (a) attract and incentivise the development of residential and in particular, student accommodation;
 - (b) support short- to medium-term tactical parking interventions that will increase the availability of car parking;
 - (c) generate initiatives that will support city centre businesses that are severely impacted by the current period of construction disruption; and
 - (d) support increased activation and vibrancy.
9. Staff subsequently worked on a transparent and equitable process for the implementation and distribution of the Fund and continue to develop tools to allow us to report, where possible, on the Return on Investment for this Fund.

Stakeholder engagement and events

- 10. Proactive stakeholder engagement has been undertaken over the last 12 months, with engagement purposefully increasing since the Commission provided the mandate to proceed with Te Manawataki o Te Papa at the Council meeting on 24 July 2023.
- 11. Over 50 engagement opportunities and events have been held, facilitating a direct connection with over 2,000 people. These engagement opportunities have been undertaken to inform and reassure businesses that Council is committed to supporting them during the city centre development period.
- 12. Staff have gathered feedback to understand any concerns, listened to ideas, and gauged community support for a wide variety of issues and opportunities. Feedback from those meetings has included:

“A good time for change”

“Great to see investment in city centre and eyes focused on its future”

“It’s happening at last...very exciting!”

“Your excellent presentation was comprehensive and reassuringly positive”

Projects undertaken in last 12 months

- 13. The following initiatives have been undertaken, in collaboration with our city partners, over the last 12 months:

\$30,000	Feasibility Study for the development of student accommodation in Spring St.
\$71,437	Feasibility Study, commissioned by Priority One, for Bayleys’ Real Estate investigation into student accommodation development options across the entire city centre.
\$20,000	Additional funding has been added to the current Smart Economy Business Advisor (SEBA) contract with Tauranga Business Chamber, to create Business Navigators who will focus on capability building initiatives for city centre businesses – expected reach is up to 150 businesses.
\$10,000	Funding Downtown Tauranga for the specific provision of 1:1 mentors for city centre businesses via Mentoring NZ.
\$74,458	Provision of support to existing hospitality businesses in the city centre by offering 80% Licence to Occupy relief from 1 July 2023 through 30 June 2024.
\$26,233	Report commissioned to identify, source and facilitate suitable spaces for use for short- to medium-term activations. Additional work included investigations into space(s) for a secure public bicycle parking facility, as a result of demand from businesses for alternative transport mode support.
\$135,000	FONT is a newly established public art trust committed to enriching Tauranga’s city centre through resourcing, commissioning and gifting contemporary public art works. This funding will kick start the Trust and assist with the delivery of the first significant piece of city centre public artwork in 2023/24. On completion, this is expected to draw visitors into the city centre.
\$20,000	Support for the Tauranga Arts Festival (19-29 Oct 2023) to activate key city centre venues and spaces, and create ‘festival routes’ through the city centre. This will help send the message that, even though the city centre is going through a period of disruption and transformation, it is still open for business.
\$194,377	Support for relocation of Tauranga Art Gallery to a temporary “pop-up” location on Devonport Road while construction of the Masonic Park/Art Gallery development project takes place as part of the Te Manawataki o Te Papa Civic Precinct, and to ensure the Art Gallery and education spaces remain within the city centre.

\$19,291	Contribution towards the “Kowhai Grove” art commission on Grey Street, to add vibrancy, activation and interest to a regularly used public space.
\$10,000	Operational support for Tourism Bay of Plenty information kiosks (in Red Square) to help residents and visitors to the city centre find their way comfortably around the city, and to find out what’s going on.
\$610,796	TOTAL SPEND 2022/23 (to date)

14. This initial list of initiatives have been developed in response to feedback from city centre businesses and stakeholders, in order to support them through the period of disruption and to increase foot traffic. Some direct feedback has been received:

“The Chamber delivers a wide range of business support contracts; however, the eligibility criteria can sometimes mean established SMEs can slip through the cracks. The City Centre Business Support contract, provided by the Fund, enables established SMEs in the CBD to access free training, tools and resources that they can immediately implement into their business. The demand from SMEs to-date focuses on business strategy (e.g. diversifying revenue), digital marketing, financial planning, and help with negotiating lease renewals.”

Matt Cowley, Chief Executive, Tauranga Business Chamber

“Tauranga Art Gallery’s temporary exhibition and learning space opened on at the start of Term 3. We join a new Devonport Road ‘creative hub’ popping up with the Tauranga City Library and Kuwao Gallery across the street, architects and filmmakers alongside. The ability to remain open whilst the main art gallery building is closed, means we are able to continue our fully booked exhibitions, schools education programmes, talks and events, building vibrancy and activating the city centre for the overall benefit of businesses and the community alike.

Sonya Korohina, Director, Tauranga Art Gallery added:

Projects currently underway in FY 2023/24

15. Delivery of a secure public bike parking facility in Grey Street as a response to demand from city centre businesses and cycling groups, and in alignment with modal shift initiatives. This is a collaboration between TCC’s City Development and Partnerships and Transportation teams, and a private operator who will manage the day-to-day operations once open.
16. Vacant shopfront work to activate vacant spaces – a collaboration with landlords, agents and other key partners. A group is being formed to work on initiatives to address the vacant shop situation in the city centre.
17. A new City Safety and Engagement Advisor role has been established to have an on-the-ground presence in the city centre, to help build relationships, and to support city centre individuals, businesses and other key partners with issues and/or opportunities that have been identified. Some initial feedback about the establishment of this role includes:
- “The first time in 11 years that I felt like the Council cares about the safety and wellbeing of the local businesses and their staff. So good work putting your staff member on the street, it is greatly appreciated.”*
- “Being a resident of the CBD, it is very comforting to know you are looking to have a presence in the streets monitoring. Extremely proactive of the Council – awesome!”*
18. Improved lighting across key areas in the city centre, in particular car parking buildings, is being explored to further alleviate safety concerns.
19. Staff are investigating a number of options to increase parking capacity in the city centre through the delivery of a variety of short-term and temporary parking initiatives.
20. A summer programme of city centre events and activations is in the early stages of development.

STRATEGIC / STATUTORY CONTEXT

21. The Fund enables increased alignment with Te Rapunga Ora ki Te Papa – City Centre Action and Investment Plan. This is seen through an improved ability to streamline projects that could quickly contribute to the strategy’s vision of creating a great place to live, work, learn and play.

OPTIONS ANALYSIS

22. As this report is providing an update to Council, there are no options.

FINANCIAL CONSIDERATIONS

23. The financial considerations are outlined in paragraph 10 of the report (above).
24. \$610,796 of the Fund has been disbursed to date.
25. A balance of ~\$300,000 remains in the Fund to support further initiatives in the current financial year, through to 30 June 2024.

SIGNIFICANCE

26. 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.
27. 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; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
28. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

Click here to view the [TCC Significance and Engagement Policy](#)

ENGAGEMENT

29. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further consultation/engagement is required.

NEXT STEPS

30. The City Partnerships team will continue to collaborate with city centre landlords and business owners to understand and support their concerns, and consider how the remaining funds can be best utilised.
31. The team continues to work with city partners Priority One, Tauranga Business Chamber and Mainstreet Tauranga to align with this work, and to ensure that there are positive outcomes for our community that will improve vibrancy and increase foot traffic in the city centre.
32. Further updates will be provided to Council every six months, until such time as all funds have been distributed.

ATTACHMENTS

Nil

11.3 Broader outcomes - social procurement targets

File Number: A14980488

Author: Melanie Rose, Procurement Contracts Advisor

Authoriser: Alastair McNeil, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. This report sets out the case to introduce a target for influenceable spend of at least 5% to be awarded to Māori and Pasifika business, to:
 - (a) improve diversity of our supplier base and boost our supplier options,
 - (b) access untapped resource to help us deliver our capital programme,
 - (c) and deliver on the intent of our procurement policy regarding broader outcomes.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Broader outcomes - social procurement targets".
- (b) Supports a target of at least 5% of the value of all influenceable spend to be awarded to Māori and Pasifika businesses and supports work to significantly increase engagement and support of social enterprises.
- (c) Approves mandating the inclusion of broader outcomes in all tenders going out to market. This can be either incorporating as a mandatory requirement in lowest price conforming tenders or as a compulsory attribute to be included in weighted attributes processes (minimum 10% weighting).

EXECUTIVE SUMMARY

2. The concept of broader outcomes in procurement has been gaining momentum over the past few decades, both overseas and relatively more recently in New Zealand; central government has had specific targets in place since 2020. Broader outcomes can be defined as *“the secondary benefits that are generated by the way a good, service or works is produced or delivered”*; these benefits can be social, environmental, cultural, or economic and can vary, depending on what good or service is being procured.
3. Tangible benefits can be achieved through the targeted engagement of Māori and Pasifika businesses resulting in improved communication, assisting timeframes, and reducing delays, especially in culturally sensitive areas.
4. Tauranga City Council can and should use its purchasing power or influenceable spend to help achieve positive results for our community. We want to boost economic prosperity in Tauranga and the Bay of Plenty, and this includes amongst Māori and Pasifika businesses, which we can see are currently underrepresented in our supplier base and in our influenceable spend.
5. Influenceable spend refers to all spend TCC can address or control, either through managing our sourcing or supplier process, and through our procurement policy and contracts. It excludes all fixed costs and staff costs. TCC’s influenceable spend for the financial year ending 2023 was circa \$377m.
6. In addition to meeting our obligations under the Local Government Act to “promote the social, economic, environmental and cultural well-being” of our community, we need to boost and diversify our supplier base to help meet the demands of our capital delivery programme.

7. TCC’s capital spend for FYE 2023 was \$318m; this was against a target \$382m, meaning there was a delivery shortfall of \$64m. We are working hard to close the gap; we need to increase capacity to deliver the programme of work to meet this year’s capital delivery target of \$451m.

BACKGROUND

8. Social procurement is explicitly listed among the immediate areas of work in our recently adopted Sustainability Approach Implementation Plan (July 2023), under its strategic priority of delivering equitable outcomes.
9. One of the key goals put forward in the plan is for TCC to be an inclusive and equitable organisation with a value chain reflecting the diverse mix and needs of our community. To reach this goal, the Plan commits to promoting sustainable procurement through training and awareness-raising to ensure a consistent, strategic approach to procurement that embeds sustainability and equitable outcomes.
10. Further, existing TCC procurement policy (2021) shows we are committed to achieving public value and broader outcomes, as indicated in the clauses below:

6.1.3 Broader outcomes to be achieved through the procurement activity are identified early in the project and procurement planning stages. Procurement assessments will not always default to the cheapest solution at the cost of promoting social, economic, environmental, or cultural outcomes.

6.1.4 Delivering broader outcomes requires consideration of how to effectively involve small to medium-sized business, Māori and Pacific businesses and social enterprises in procurement opportunities.
11. While the current procurement policy has been in place since 2021, it was initially unclear whether we had made any meaningful progress against the aims espoused. To begin with, we had no visibility of how many Māori, Pasifika and Social Enterprise suppliers we were working with. To gather data on our supplier base, last August we began to collect this information.
12. We used the Amotai database and SocialLink web directory, comparing those suppliers listed with what we had in our payment system. In addition, we updated our new creditor form to allow new suppliers to self-report whether they are a Māori, Pasifika, or Social Enterprise business. This was done solely for monitoring purposes.

<p>Progressive Procurement (tick any that apply) As per Tauranga City Council Procurement Policy 2021, we are committed to achieving public value:</p> <p>6.1.3 <i>Broader outcomes to be achieved through the procurement activity are identified early in the project and procurement planning stages. Procurement assessments will not always default to the cheapest solution at the cost of promoting social, economic, environmental, or cultural outcomes.</i></p> <p>6.1.4 <i>Delivering broader outcomes requires consideration of how to effectively involve small to medium-sized businesses, Māori and Pacific businesses and social enterprises in procurement opportunities.</i></p>	<p><input type="checkbox"/> Māori Business <small>(If at least 50% of the business is owned by a person or persons who identify as Māori or hold 100% ownership for sole traders, as defined by the IRD)</small></p> <p><input type="checkbox"/> Pasifika Business <small>(If at least 50% of the business is owned by a person or persons who identify as Pasifika or hold 100% ownership for sole traders, as defined by the IRD)</small></p> <p><input type="checkbox"/> Māori and Pasifika <small>(As above, with 50:50 Māori and Pasifika ownership)</small></p> <p><input type="checkbox"/> Social Enterprise <small>(Businesses whose primary purpose is addressing a social or environmental challenge rather than creating profit for owners or shareholders)</small></p>
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13. Based upon the above initiatives, we can see that since July 2020 we have engaged and worked with at least 73 Māori businesses, 15 Pasifika businesses and 89 social enterprises.
14. By reviewing the industry categories in which Māori and Pasifika businesses are currently working with TCC, we can also see they have a small share of the spend in these categories i.e., 3.38% and 0.03% respectively for financial year ending 2023. Further, if we compare this with the *total* influenceable spend (circa \$377m), this equates to 2.8% share for Māori business and 0.02% for Pasifika business.

Existing initiatives to support Broader Outcomes

15. To address the low numbers of Māori and Pasifika suppliers and deliver on broader outcomes as stated in our procurement policy, we have undertaken the following actions:
 - (a) Developing a broader outcomes toolkit to assist staff to incorporate broader outcomes in their procurement, and run sessions within teams to raise awareness
 - (b) Forged relationships with external organisations such as Amotai, Pacific Growth, Toi Kai Rawa and Whāia Charitable Trust to access support and guidance
 - (c) Stepped up our engagement with the Tauranga business community at large with a [‘Let’s Talk Tauranga’](#) survey to find out more about demographics and aspirations of our local suppliers.
16. The broader outcomes toolkit, launched in May this year, assists staff by providing broader outcomes questions to include in their tender documents. Adoption has been good, with 10 RFX tender opportunities with a broader outcome weighting since the toolkit was introduced. However, making broader outcomes mandatory in our procurement, with at least 10% weighting in weighted attributes, will boost the up-take further and help us deliver against our policy goals by giving the toolkit a meaningful place to connect.
17. Another approach has been to ensure procurement opportunities are adequately promoted through networks of Māori and Pasifika business, leveraging our relationships with organisations such as Amotai, Pacific Growth, Toi Kai Rawa and Whāia Charitable Trust. These organisations all work to increase capability of Māori and Pasifika businesses to respond to opportunities for work with national and local government agencies. TCC is not resourced to be able to provide this service, and so relies upon support from our partners, who have the expertise, capacity and existing trust-based relationships with the Māori and Pasifika business communities.
18. Where we can offer support is in facilitating procurement drop-in sessions, which give an opportunity to *all* small and medium sized Tauranga-based business to meet with members of the procurement team.
19. The ‘Let’s Talk Tauranga’ survey, promoted through our standard engagement channels (LinkedIn, Korero Mai e-newsletter) yielded a total of 101 responses. Of these, 61 respondents indicated they were a Tauranga-based business. Further, the survey showed the majority (83%) are a small business, with less than 20 employees; 15% have between 20 – 99 employees, and only 2% have 100 or more employees. Several businesses indicated they’d like to attend drop-in sessions to learn more about procurement opportunities, and we are in the process of coordinating these, with the first date scheduled for 20 October.

Benefits of broader outcomes and a diverse supplier base

20. A key driver behind the need to diversify our supply base is to boost our ability to be able to deliver our capital programme of works.
21. Last financial year we had a shortfall of \$64m, delivering \$318m of a proposed \$382m capital programme. It is in our interest to do what we can to boost and diversify our supplier base, to ensure we have the capability and capacity to deliver our capital programme now and in the future.
22. From working with our Māori and Pasifika partner organisations, and referencing the Amotai database, we know there are over 200 businesses that specialise in construction and physical works activities; many of which we have never worked with previously.
23. By making a concerted effort to engage with small, medium business, including Māori and Pasifika businesses, means we can engage them directly or via sub-contractual arrangements to assist with delivery of the capital programme.

24. In addition to helping us meet our capital delivery programme, other benefits of a diverse supplier base for TCC include increased innovation, increased competition, and an improved robustness of our supply chain.
25. Incorporating broader outcomes in our procurement means we will:
 - (a) Promote and facilitate opportunities that lead to a healthy, safe, and connected community
 - (b) Support ethical economic prosperity through employment, upskilling and innovative supply-chain initiatives that encourage a resilient workforce and reduced inequalities
 - (c) Support initiatives and innovations that protect and enhance our community's natural environment, and enable the reduction of carbon emissions and waste
 - (d) Encourage initiatives that embrace cultural diversity, inclusivity of all people and revitalisation of our indigenous heritage through Mātauranga Māori (knowledge)
26. Our broader outcomes toolkit allows staff to select RFX questions specifically targeted to their procurement needs.

STRATEGIC / STATUTORY CONTEXT

27. ***He pika tūranga, he piki kōtuku*** the report from the Review into the Future for Local Government (2023), identifies 12 actions that 'can happen now' ahead of any reform. Among these is "introducing social procurement and supplier diversity as standard practice", detailed below:

Using council purchasing power to support wellbeing

Local government has significant purchasing power in the community. Its spending decisions can be targeted towards realising as many wellbeing outcomes as possible. One way to do this is by embedding social procurement and supplier diversity as standard practice. It is the strongly held view of the Panel that this needs to be resourced and supported across all levels of government. Purchasing power is a key lever to creating wellbeing within communities.

Social procurement is about achieving additional benefits from investment, and is typically achieved by including social, economic, or environmental outcomes in the planning, assessment, or contracting stages of the procurement process. It can also be achieved by deliberately choosing to purchase from organisations that are likely to deliver those outcomes through the way they conduct their business.

28. In 2020, central government began "progressive procurement" with a policy and a target for 5% of procurement contracts to be awarded to Māori business annually. This has been recently increased to 8%, as the original target was exceeded; the government's plan is to review the 8% target again in 2024.
29. As it stands, Tauranga City Council (TCC) sustainability plan sets a goal 5% of influenceable spend with Māori and Pasifika business by 2029; this is far behind the government target, both in terms of value of spend and timeframes to achieve this.
30. Establishing a target of at least 5% of influenceable spend per financial year from now will help to set clear direction and accountability for us to increase our engagement with and, as such, increase chances for Māori and Pasifika business to participate in the opportunities available.
31. In addition, making broader outcomes mandatory in our procurement is another way to ensure we are delivering on our obligations under the Local Government Act – i.e., *to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.*

OPTIONS ANALYSIS

32. To improve diversity of our supplier base, access untapped resource to help deliver our capital programme, and deliver on the intent of our procurement policy as regards broader outcomes this report poses three options:

- (a) Maintain the status quo (2.82% spend, Māori and Pasifika combined). Continue existing efforts to slowly diversify the supplier base and increase opportunities for Māori and Pasifika businesses without a target; make no changes to existing levels of engagement with social enterprises; continue to allow optional inclusion of broader outcomes within procurement activity - or
 - (b) Introduce a 5% target for influenceable spend with Māori and Pasifika businesses; significantly increase efforts to engage and leverage support of social enterprises; make broader outcomes a mandatory feature in our procurement activity – either incorporating as a mandatory requirement in lowest price conforming tenders or as a compulsory attribute (min. 10% weighting) in weighted attributes processes (recommended) - or
 - (c) Introduce an 8% target for influenceable spend with Māori and Pasifika business, in line with central government; significantly increase efforts to engage and leverage support of social enterprises; make broader outcomes a mandatory feature in our procurement activity – either incorporating as a mandatory requirement in lowest price conforming tenders or as a compulsory attribute (min. 10% weighting) in weighted attributes processes
33. Maintaining the status quo and simply continuing with the work already underway is not recommended. We are already working towards improving broader outcomes without a target in place, and early signs are that we will never achieve the impetus and pace required to make a meaningful difference without leadership intervention. Setting a target helps to provide direction, clarity and focus of effort, and instils a level of accountability to take action.
34. Meanwhile, we consider the 8% target, while in line with government targets, might be too difficult to achieve in the short term, given our low starting point. We have recommended a target of at least 5%, which still allows for a higher target to be achieved; by stepping out the target it will help build momentum.

FINANCIAL CONSIDERATIONS

35. There are no foreseeable financial implications from setting a target of 5% of influenceable spend to be with Māori and Pasifika business; any spend is within existing budget.

LEGAL IMPLICATIONS / RISKS

36. For the avoidance of doubt, the target of 5% influenceable spend should not be interpreted as introducing a policy of positive discrimination. Our existing procurement processes will still be followed in determining best public value. As such, we do not foresee any legal implications and associated risks.

CONSULTATION / ENGAGEMENT

37. We have partnered with organisations to help develop our approach to improving opportunities for Māori and Pasifika business, they have all suggested a target would support the work already underway.
38. The broader outcomes toolkit was launched earlier in the year, and as a living document it continues to be updated and amended with feedback from TCC staff.
39. Ultimately, the broader outcomes toolkit and the proposed targets are aligned with and embedded within TCC's Sustainability Plan. Development of this work involved engagement with internal and external stakeholders to identify ways in which TCC could become a more sustainable organisation.

SIGNIFICANCE

40. 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.

41. 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.
42. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance, however, the decision proposed in this report is of low significance.

ENGAGEMENT

43. 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

44. Should Council agree with the recommendations, the next steps would be to:
 - (a) Communicate the changes to TCC staff, and
 - (b) Update our procurement policy to reflect these changes
45. Progress against the target and any measurable progress in meeting broader outcomes would be reported on a quarterly basis at the Strategy, Finance and Risk Committee meetings.

ATTACHMENTS

Nil

11.4 Traffic & Parking Bylaw Amendment No.47

File Number: A15093319

Author: Will Hyde, Senior Transportation Engineer
Reece Wilkinson, Parking Strategy Manager

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To obtain approval from the Commission to introduce amendments to the Traffic and Parking Bylaw (2012) and its Attachments.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Traffic & Parking Bylaw Amendment No.47".
- (b) Adopts the proposed amendments to the Traffic and Parking Bylaw (2012) Attachments as per Appendix A relating to minor changes for general safety, operational or amenity purposes, to become effective on or after 17 October 2023 subject to appropriate signs and road markings being implemented.
- (c) Adopts the proposed amendments to the Traffic and Parking Bylaw (2012) and its Attachments as per Appendix B, relating to updating the existing provisions for Residents' Parking and identifying areas for Residents' Parking to be applied, to become effective on or after 17 October 2023 subject to executive approval.

EXECUTIVE SUMMARY

2. The Traffic and Parking Bylaw 2012 includes Attachments each of which lists various traffic and parking restrictions.
3. Council can amend the Attachments by Council Resolution.
4. This report sets out amendments to the following Attachments for general operational reasons, principally requests from the public or other stakeholders for numerous small changes to parking controls.:
 - (a) Attachment 7.2: Prohibited Stopping and Standing of Vehicles
5. These amendments are summarised in Appendix A.
6. This report also sets out proposed changes to the Residents' Parking provisions in Clause 22 of the Bylaw, updating the clauses to account for electronic parking permits, and Attachment 31 outlining the change in residents parking zones.
7. These amendments are set out in Appendix B.

PART A – OPERATIONAL CHANGES

BACKGROUND

8. The amendments set out in Appendix A are changes proposed to reflect and support operational and safety needs on the road network.
9. The proposed amendments are minor changes to parking restrictions across the city which have arisen through requests from the public, transportation staff or other stakeholders;

changes resulting from approved developments; plus other minor changes deemed necessary by the Network Safety and Sustainability team.

10. The proposals include changes on residential, commercial, and industrial roads.

STRATEGIC / STATUTORY CONTEXT

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

OPTIONS ANALYSIS

12. The reasons for each proposal are described in Appendix A. In each case the problem identified is expected to continue if the proposed amendment is not adopted.

FINANCIAL CONSIDERATIONS

13. Negligible – the associate signs and markings costs can be accommodated within existing project or operational budgets.

LEGAL IMPLICATIONS / RISKS

14. The bylaw amendment is needed to allow enforcement of changes deemed necessary for safety and amenity purposes.

CONSULTATION / ENGAGEMENT

15. The amendments proposed in Appendix A have been assessed as being of a minor nature.
16. Consultation is not required for minor stopping and parking amendments, or other minor amendments required to support operational or safety improvements.

SIGNIFICANCE

17. 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.
18. 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.
19. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

20. 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.

PART B – RESIDENTS’ PARKING PROPOSALS

BACKGROUND

21. With the development of parking technologies and the introduction of enforcement through Licence Plate Recognition in Tauranga we no longer need to administer physical residents’ parking permits with demarcated separate residents parking zones.

STRATEGIC / STATUTORY CONTEXT

22. Updating the bylaw allows us to introduce an electronic permit structure for handling residents’ permits within the paid city centre parking zone, providing a useful tool for easing the transition of the area into paid parking.
23. With our current equipment it would be difficult to enforce a physical residents’ parking programme when required.

OPTIONS ANALYSIS

24. Addition to the bylaw gives us the ability to implement and enforce a modern residents parking programme. If the changes are not implemented, we will see no change from status quo.

FINANCIAL CONSIDERATIONS

25. Residents Permits can be charged and are limited to the cost of implementation by legislation. Expected cost is yet to be calculated but for Tauranga should be approximately \$180pa.

LEGAL IMPLICATIONS / RISKS

26. The bylaw changes are required to update how residents’ parking permits can be issued. If the changes are declined, it will need to be revisited should the council wish to implement in the future.

CONSULTATION / ENGAGEMENT

27. Consultation is not required in this case as Residents’ Parking is outlined in the bylaw already. The changes are minor in nature.

SIGNIFICANCE

28. 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.
29. 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.
30. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

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

NEXT STEPS

32. Once approved, no immediate action is required. The changes will allow officers to issue permits as and when required.

ATTACHMENTS

1. **Appendix A - T&P Bylaw Amendment 47 - A15157871** [↓](#) 
2. **Appendix B - T&P Bylaw Amendment 47 - A15157870** [↓](#) 

APPENDIX A: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.2: Prohibited Stopping and Standing of Vehicles

Pursuant to Clause 12.1 and Clause 12.3 of the Traffic and Parking Bylaw 2012, the parking of motor vehicles is prohibited at all times in the following locations:

Prohibited Stopping and Standing of Vehicles		Reason for implementing
Additions:		
Awatira Drive North side	From opposite the common boundary of Nos.67 and 69, eastwards for 28m.	Parked vehicles obstructing roadway and sight lines on curve.
Awatira Drive South side	From the common boundary of Nos.55 and 57, westwards for 25m.	Parked vehicles obstructing roadway and sight lines on curve.
Cambridge Road South side	BMX park access.	Vehicles parking in entrance when gates are locked, prevents access when gates are re-opened.
Cassinia Close North side	From the intersection with Palm Springs Boulevard westwards to a point 7m west of the south-east corner of No.1	Parked vehicles causing queuing too close to adjacent intersection.
Courtney Road East side	Across the frontage of No.64	Parked vehicles blocking sight lines and access at driveway.
Courtney Road West side	33m centred on the north corner of No.95 Courtney Rd.	To address safety hazard created by vehicles parked on the inside of a blind corner.
Gordon Spratt Reserve Carpark	1. The southern 75m of the reserve roadway (both sides) running north-west/southeast from the end of Alice Lane; and 2. The southern 65m of the roadway (both sides) running south-west/north-east from the roadway noted in 1 above.	Existing yellow lines not currently in bylaw, parking at these locations blocks safe movements around the carpark.
Marine Parade North-east side	A distance of 12m centred opposite the pedestrian walkway between Nos.162C and 163.	To prevent parked cars blocking sight lines around a refuge crossing point frequently used by school children.
Penetaka Heights Both sides	From the eastern boundary of No.17 to the southern boundary of No.31	Parked vehicles obstructing sight lines at driveways and on small-radius curve.

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012**Bylaw Clause 22: Residents' Parking Area****Proposed amendments in RED**

22.1 The Council may by resolution:

- (a) specify parking places or parking spaces to be a residents' parking area the subject of a residents' parking scheme;
- (b) specify the hours and days of the week during which a residents' parking scheme shall operate.
- (c) impose conditions, and prescribe fees and charges, for use of residents' parking scheme;
- (d) specify any other conditions related to the residents' parking scheme.

Note: See Attachment 7.31 for the resolutions made under this clause

22.2 A residents' parking area is for the exclusive use at the specified times of vehicles owned by residents of the surrounding area and which display a residents' parking permit issued for the vehicle **or hold a valid electronic permit.**

22.3 A residents' parking area shall be indicated by appropriate signage .

22.4 Where a permit is required to be held for the use of a resident's parking scheme:

- (a) the parking permit shall be displayed so as to be legible through the front window where fitted, or visible on the vehicle where no front window is fitted, on a motor vehicle stopped, standing or parked in the residents' parking area;
- (b) the permit shall identify the motor vehicle for which it has been issued. The permit only applies to the motor vehicle displayed in the permit;
- (c) the permit shall be returned to Council immediately after the resident ceases to be entitled to the permit;
- (d) the permit is valid and effective only during the time specified on the permit and in the road or roads specified on the permit.
- (e) In the case of electronic residents' permits, the residents' parking zone and times of operation are to be outlined in the application process.**
- (f) In use cases with electronic permits no physical pass is required to be displayed as it will be tied to the vehicle registration number.**

22.5 No person shall park, stop or stand a vehicle in a residents' parking area without displaying a valid permit, except for:

- (a) vehicles operated by or for the Council if necessary for the provision of, or maintenance of, facilities within the road reserve;
- (b) vehicles operated by utility operators if necessary for the provision of, or maintenance of, a utility operation;
- (c) vehicles driven by Council officers (e.g. dog control officers, building inspectors) attending the property of a resident holding a residents' parking scheme permit;
- (d) vehicles being used to pick up or deliver goods to, or in connection with emergency maintenance of, the property of a resident holding a residents' parking scheme permit;
- (e) medical practitioners such as doctors, district nurses and midwives who are attending a patient;
- (f) vehicles specified in clause 15.1(a), (b) or (c) of this Bylaw.
- (g) In the case a residents' permit provides access to a paid parking area, paid parking access applies.**

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.31: Residents' Parking Areas

Pursuant to Clause 22.1 of the Traffic and Parking Bylaw 2012, the following parking spaces are to be used exclusively for residents' only parking areas:

Residents' Parking Areas		Reason for implementing
The paid parking zone on the Te Papa Peninsula	Applies to all on-road spaces. All marked time limits remain applicable.	To ease the transition for residents living in the paid parking zone.

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.7: Mobility Parking

Pursuant to Clause 12.1 and Clause 12.2(d) of the Traffic and Parking Bylaw 2012 the driver or person in charge of a motor vehicle in which an approved disabled persons parking permit is displayed may park in the following parking space.

Mobility Parking		Reason for implementing

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.9: Parking Time Restrictions

Pursuant to Clause 12.1 and Clause 12.2(c) of the Traffic and Parking Bylaw 2012 no vehicle (except for passenger service vehicles in vehicle stands) may park on the following roads for longer than the applicable time limit listed below:

Parking Time Restrictions: 5 minute parking	Reason for implementing

Parking Time Restrictions: 15 minute parking	Reason for implementing

Parking Time Restrictions: 120 minute parking	Reason for implementing

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.12: Pay Areas

Pursuant to Clause 13.1 of the Traffic and Parking Bylaw 2012 the following areas of road, land or buildings are declared to be Pay Areas: The location and maximum parking time allowed for each parking area within the Pay Areas below are displayed on signs or parking machines.

Loading Zones with Time Restriction	Reason for implementing

APPENDIX B: Proposed Amendment No.47 to the Traffic and Parking Bylaw 2012

Attachment 7.16: Loading Zones with Time Restriction

Pursuant to Clause 18.1 of the Traffic and Parking Bylaw 2012 the following portions of road, land or building are declared to be loading zones during the times specified below only:

Loading Zones with Time Restriction	Reason for implementing

11.5 Spring St Carpark Strengthening - Unbudgeted Expenditure

File Number: A15157690

Author: Mark Ross, Senior Programme Manager - Civic Redevelopment Projects

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. Request for approval for unbudgeted expenditure in relation to the Spring St Carpark Strengthening.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Spring St Carpark Strengthening - Unbudgeted Expenditure".
- (b) Approves an additional capital budget of \$1,065,688 for the completion of the Spring St Carpark seismic strengthening works.
- (c) Approves an increase to Council's 2023/24 borrowing limit by \$1,065,688 to fund the overspend.

EXECUTIVE SUMMARY

2. Work to design and complete seismic strengthening of the Spring St Car Park has recently been completed. These works are crucial to ensuring the building is safe and can be removed from the Earthquake Prone Building (EPB) register.
3. During the construction works, unforeseen design complexities have led to significant redesign and a more complex strengthening programme. This is primarily due to the internal design of the concrete reinforcing and servicing that could only be confirmed following the initiation of physical works.
4. These challenges have resulted in an increased project cost of \$1,065,688. The total project cost is now \$6,861,688.
5. A project budget increase of \$424,000 for the physical works was flagged in March 2022 with CE approval gained to proceed with the project. This amount was not subsequently factored into the Annual Plan and is included within the unbudgeted expenditure requested.
6. The additional work required has delayed the completion of works by 5 months from April to September 2023.
7. The works are now complete, having successfully achieved seismic strengthening of the building.

BACKGROUND

8. In November 2020 Consultants were commissioned to undertake a detailed seismic assessment of the Spring Street carpark building. The detailed assessment rated the building to be at 25% New Building Standard (NBS). This meant that the building was identified as an Earthquake Prone Building, requiring work to strengthen the building to have it removed from the EPB register.
9. In 2021, a detailed design was done to undertake a full seismic strengthening of the building. According to the detailed seismic design, the building will achieve a building rating of 67% NBS (IL2). In September 2021, the tender process was completed for the seismic strengthening works along with fire and accessibility upgrades.

10. The contract works were tendered and awarded for a sum of \$4,641,065. The construction started in July 2022. The approved budget for the whole project including consultancy fees was \$5,796,000.
11. During construction the contractor has faced unforeseen design complexities, requiring a complete redesign and a more complex schedule of works. This has impacted the completion date and final cost of the works.
12. The construction process revealed internal complexities that could not have been reasonably anticipated at the design stage. The internal design of the concrete reinforcing has necessitated new and more complex steel connections with greater load tolerance.
13. The Seismic Strengthening solution adopted by the Consultant team involved bolting new designed structural steel elements to existing columns and beams throughout the building.
14. The engineered seismic strengthening solution for the building involved 122 ton of structural steel with 8,000 bolts connecting the steel elements to the existing concrete structure. Naylor Love designed and built a mechanical drilling rig to drill a significant number of the 8,000 holes throughout the car park building. The drilling rig proved extremely successful in innovation and its H&S mitigation. The machine took out the supreme award in the NZ Health and Safety awards late last year in "*Category 5: For the development of a New Zealand design or technology which eliminates or manages a risk to safety or health at work.*"
15. The existing building as-builts plans also guided this bolting methodology and although identified as some risk, the documentation was at the time heavily relied upon without intrusive investigation. A large number of structural steel elements required re-engineering and re-designing which caused time and cost delays for the Structural and Building team.
16. The discovery of electrical services within the floor slabs also presented a significant health and safety risk. This was resolved through the identification and relocation of these services.
17. The total cost of the project is now \$6,861,688 requiring approval for an additional expenditure of \$1,065,688. While a \$424,000 increase was flagged as necessary to proceed with the physical works in March 2022, this budget increase was not factored into the Annual Plan and is included in the unbudgeted expenditure requested through this report.
18. The redesign and more complex construction phase have led to a 5-month delay in the programme. The works are now complete and have successfully achieved an acceptable seismic standard for the building.

STRATEGIC / STATUTORY CONTEXT

19. The seismic strengthening work is being undertaken within the requirements of the Building Act 2004 and the Building (Earthquake-prone Buildings) Amendment Act 2016.
20. The works haven enabled the building to achieve an acceptable NBS and will be removed from the Earthquake Prone Building register.

OPTIONS ANALYSIS

21. The seismic strengthening work has now been completed. The additional design, reinforcing and service work was required to complete the building strengthening to an acceptable standard.
22. Given the nature and timing of the additional work, no further options were considered feasible in achieving an acceptable New Building Standard.

FINANCIAL CONSIDERATIONS

23. The project has been previously approved with a total budget of \$5,796,000. The additional works outlined above have led to an increase of \$1,065,688. The final project budget is now \$6,899,190.
24. The additional project expenditure will require debt funding of \$1,065,688 which was not included in the 2024 borrowing programme.

LEGAL IMPLICATIONS / RISKS

25. The project works are now complete and subject to finalisation of contractual arrangements.
26. The strengthening work has been done in accordance with the building consent gained for the project. These works ensure the building is compliant with the Building Act and the Building (Earthquake-prone Buildings) Amendment Act 2016.

SIGNIFICANCE

27. 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.
28. 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.
29. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

30. Taking into consideration the above assessment, that the decision is of medium significance and the completion of site works, we are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

31. Provided approval is given, the final project commitments can be met with the contractor following the recent completion of the site works.

ATTACHMENTS

Nil

11.6 Parking Management Plan Roll Out Adjustment.**File Number: A15173243****Author: Reece Wilkinson, Parking Strategy Manager****Authoriser: Nic Johansson, General Manager: Infrastructure****PURPOSE OF THE REPORT**

1. Seeks to update and modify the roll out of the Parking Management Plan (File Number: A13763600) in the city fringe.
-

RECOMMENDATIONS

That the Council:

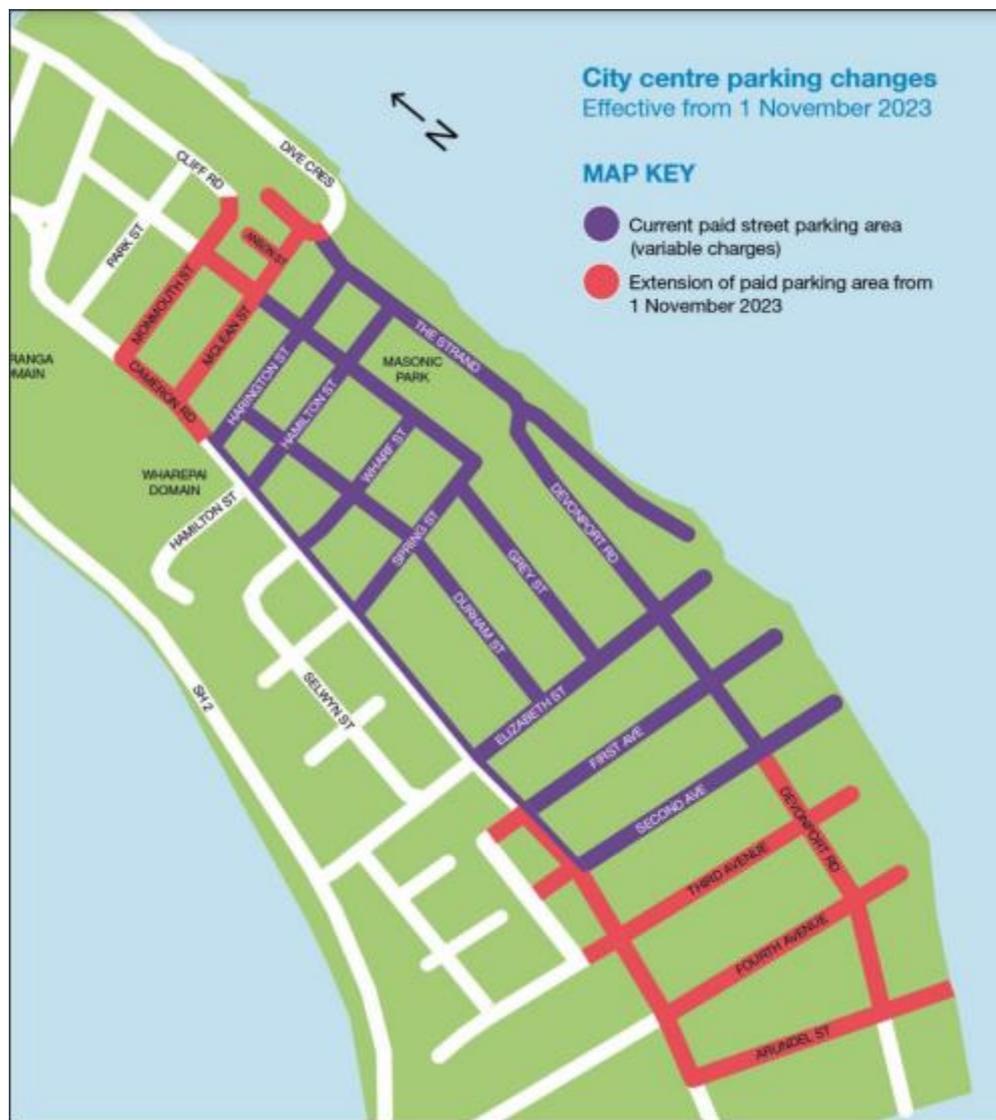
- (a) Receives the report "Parking Management Plan Roll Out Adjustment."
 - (b) Approves the following changes to the Parking Management Plan, to modify the implementation of paid parking expansion as follows:
 - (i) Putting the expansion of paid parking scheduled for 1 November 2023 on hold until 26 February 2024
-

EXECUTIVE SUMMARY

2. The previously approved (on 3 October 2022 and confirmed 7 August 2023) parking management plan proposes the roll out of time restrictions for parking in the city centre fringe.
3. In keeping with the parking management plan, we are due to roll out the next phase of changes from 1 November 2023 onwards. However, with various projects moving ahead before Christmas there will be a reduced number of all-day parking spaces in the city centre while other projects are in the final phases of completion. This alongside cost-of-living concerns among the wider community, we have the opportunity to consider deferring the implementation of the phased paid parking expansion from the 1 November 2023 until 26 February 2024.

BACKGROUND

4. In August 2023 Tauranga City Council’s Commission agreed to stagger the roll out of additional changes to parking in the city centre as outlined in the Parking Management Plan. Stage 2 was due to come into effect on 1 November 2023 and would increase the paid parking into the city centre fringe as outlined in the below map.



5. Since the staggered roll out of the Parking Management Plan for the city centre was approved by Council in August, various projects in the area have been given the green light, and our city centre transformation is on.
6. Some of the projects which have been progressed will impact the number of all-day parking available in the city centre, as well as additional parking impacts from work vehicles and delivery trucks which require loading zones and layover areas.
7. By postponing the expansion of paid parking in the city centre it will give us more time to complete some of the projects currently underway, many of which will open up more car park spaces for the community. Some of these projects include but are not limited to:
 - (a) The Spring Street car park will be back to full occupancy
 - (b) Dive Crescent car park will be complete, creating more than 150 car parks in total across stage one and two
 - (c) Tunks Reserve and Elizabeth Street East upgrade will be complete, opening up the road again to on-street parking

- (d) A new temporary off-street car park on the corner of Devonport Road and First Avenue will create over 100 new all-day parks
 - (e) New bike parking will also be open creating more multimodal transport options
 - (f) Implementation of the City Centre Action and Investment Plan, including (but not limited to), accessibility audits, streetscape changes, bus stop changes and movement framework changes in the city.
8. Increased restrictions in the residential city fringe will be required over time as more properties are built without off-street parking, shifting the perceived responsibility from the landowner to the public. We are already beginning to see an uptake in parking enforcement requests in higher density residential streets. If we follow the pattern of Auckland’s higher density suburbs, we can expect to see a marked increase in requests for the restrictions outside of the traditional city centre over the next few years.

STRATEGIC / STATUTORY CONTEXT

- 9. The current parking demand is highly variable with everything from macro-economic changes, weather and roadworks all factoring into the daily data results.
- 10. The city centre transport network is expected to be highly changeable over the next 18 months and we will need to ensure parking follows suit. A delayed roll out allows us time to continue monitoring the parking demand in the city centre and be more adaptable to ensure we are minimising further disruption for local businesses, residents and the wider community during the city centre transformation.

OPTIONS ANALYSIS

- 11. Given the current environment and for the reasons mentioned above our recommended approach is Option 2.
- 12. **Option 1:** Continue as planned with 1 November roll out of city centre fringe parking changes. This plan is straight forward as it is purely sticking to the original plan with no further adjustment.

Advantages	Disadvantages
Easy to implement and fast	Expected to be unpopular and create a negative response from local businesses, city centre workers and residents. Option conflicts with our commitment to support the city centre during its period of transformation.

- 13. **Option 2:** Put the rollout of any further changes in the city centre on hold until February.

Advantages	Disadvantages
Expected to be supported by city residents, local business owners, city centre workers and the wider community Enables us to complete various city centre parking projects which will create more all-day city centre parking options before the expansion is implemented.	Doesn't drive change and doesn't remove the need for that change in behaviour.

FINANCIAL CONSIDERATIONS

14. Financial considerations are limited to the expected increase in revenue from expanding parking in the city fringe and enforcement of timed parking areas. Postponing the roll out will not impact city centre parking, other than machine storage costs until install can be completed.

LEGAL IMPLICATIONS / RISKS

15. It is important to acknowledge the potential risk that the public may not engage with the proposed changes. We may see the public not adjust their transport habits as parking restrictions extend resulting in an impact on parking in the non-restricted areas when changes are rolled out.
16. We will monitor the situation as we roll out and if this appears to be happening, we may need to recommend a full roll out as planned.

CONSULTATION / ENGAGEMENT

17. The initial approval for the proposed changes on 1 November came after public consultation on the Parking Strategy the approved changes where the implementation of this.
18. The recommendation to delay the roll out is the result of local business and community requests to postpone until there were more all-day city centre parking options and there was less disruption.

SIGNIFICANCE

19. 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.
20. 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.
21. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.

Note: you may require two statements regarding significance e.g. the issue is of high significance e.g. (climate change), however the decision proposed in this report is of low significance (e.g. an update on a particular work stream)

ENGAGEMENT

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

Note: any engagement/consultation undertaken to date should be included in the background section of the report with any issues identified during the consultation included for discussion.

Click here to view the [TCC Significance and Engagement Policy](#)

NEXT STEPS

23. Once the proposed change to delay the roll out of parking restrictions are approved the implementation process will commence immediately under the guidance of the Parking Strategy Manager. We will work in close partnership with the community relations and city development and partnerships teams to ensure the information is clear across all avenues of communication with our residents.

ATTACHMENTS**Nil**

11.7 Hearings on the Options to Fund the Civic Precinct - Te Manawataki o Te Papa

File Number: A15132929

Author: Malcolm Gibb, Contractor - Rating Review

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. To receive and hear submissions from the community on the options to fund the community funded portion of the future civic precinct – Te Manawataki o Te Papa.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Hearings on the Options to Fund the Civic Precinct - Te Manawataki o Te Papa".
- (b) Receives the 297 on-line submissions and four written submissions that were submitted prior to the consultation period closing at 5.00 pm on 6 October 2023.
- (c) Receives the verbal submissions.

EXECUTIVE SUMMARY

2. At its meeting of 11 September 2023, Council adopted the consultation document for the options to fund Te Manawataki o Te Papa.
3. Public consultation on the consultation document was undertaken between 14 September and 6 October 2023. The consultation document presented two options to fund the community portion of Te Manawataki o Te Papa from a levy or rates.

BACKGROUND

4. A full set of the submissions received are attached as **Attachment 1**. The submissions are publicly available on the Tauranga City Council website:
5. A list of the order of speakers is also attached as **Attachment 2**. This will be subject to change as speakers are confirmed and will be updated for the Hearings.
6. The submission period closed at 5.00 pm on 6 October 2023. There were no late submissions received after this date.

STRATEGIC / STATUTORY CONTEXT

7. Council has consulted on the Te Manawataki o Te Papa project and decided to proceed at the Council meeting on the 24 July 2023. This consultation process is to consider which of two options should be used to fund the community share of the funding which is \$151.5 million.

OPTIONS ANALYSIS

8. There were two options provided in the consultation document. Option 1 to provide Infrastructure Funding and Financing (IFF) funding to contribute \$151.5 million to the delivery of the civic precinct - Te Manawataki o Te Papa – funded by an annual levy on all eligible properties. Option 2 to not pursue IFF funding and default to a rate funded loan.

9. Of the 301 submissions received, 189 supported Option 1 (63%) and 84 supported Option 2 (28%) and 28 didn't provide a response to the Option choice (9%). Of those who did provide a response, 67% supported Option 1 and 31% supported Option 2.
10. Further analysis of the submissions will be provided in the Deliberations report to be presented to Council on 6 November 2023.

FINANCIAL CONSIDERATIONS

11. These were presented in the Council report Infrastructure Funding and Financing (IFF) for funding Te Manawataki o Te Papa on the 11 September 2023.

LEGAL IMPLICATIONS / RISKS

12. These were presented in the Council report Infrastructure Funding and Financing (IFF) for funding Te Manawataki o Te Papa on the 11 September 2023.

CONSULTATION / ENGAGEMENT

13. Council is consulting with the community on this topic given its significance.

SIGNIFICANCE

14. 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.
15. 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 issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
16. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of high significance.

ENGAGEMENT

17. Taking into consideration the above assessment, that the issue is of high significance, officers are of the opinion that this consultation/engagement is necessary.

NEXT STEPS

18. Council is scheduled to deliberate and decide on this issue at the Council meeting on the 6 November 2023.

ATTACHMENTS

1. **Submissions on options to fund the Civic Precinct - Te Manawataki o Te Papa - A15176371 (Separate Attachments 1)** 
2. **List of submitters speaking on options to fund the Civic Precinct - Te Manawataki o Te Papa - A15176423** [↓](#) 

List of submitters wishing to be heard
Options for funding Civic Precinct - Te Manawataki o Te Papa
Limited

Monday, 16 October 2023 Council meeting

Submission Number	First Name	Last Name	Organisation
14	Rik	Little	
34	Greg	Brownless	
47	Chudleigh	Haggett	
170	Julie	Andrews	
33 254	Glen	Crowther	Sustainable Bay of Plenty Charitable Trust
279	Paul	Callinan	
297	John	Robson	ClearThink

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
<p>13.1 - Public Excluded Minutes of the Council meeting held on 11 September 2023</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</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>
<p>13.2 - Public Excluded Minutes of the Council meeting held on 25 September 2023</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</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>
<p>13.3 - Exemption to Open Competition - Subdivisional Hard Fitout</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>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</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>
<p>13.4 - Cameron Road Stage 2 Progression of Procurement</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the</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</p>

	<p>information s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>good reason for withholding would exist under section 6 or section 7</p>
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14 CLOSING KARAKIA