



MINUTES

**Ordinary Council meeting
Monday, 16 October 2023**

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**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, 16 OCTOBER 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), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Ben Corbett (Team Leader: Growth Funding), Ana Blackwood (Senior Advisor, Growth Funding), Anne Blakeway (Manager: City Partnerships), Melanie Rose (Procurement Contracts Advisor), Carlo Ellis (Manager: Strategic Māori Engagement), Angela Murray (Team Leader: Procurement), Brendon Bisley (Director of Transport), Will Hyde, (Senior Transportation Engineer), Reece Wilkinson (Parking Strategy Manager), Mark Ross (Senior Programme Manager: Civic Redevelopment Projects), Malcolm Gibb (Contractor – Rating Review), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Janie Storey (Governance Advisor), Wikus Van Pareen (AV Support Specialist)

1 OPENING KARAKIA

Commissioner Shadrack Rolleston opened the meeting with a karakia.

PRESENTATION - KIM FRASER – 25 YEARS OF SERVICE

Commissioner Tolley acknowledged Kim Fraser who joined the Council on 15 October 1998 and gave Council's sincere thanks to her for her contribution to the city's water operations over that time. Her work had been greatly valued by her colleagues who note that she does an excellent job, takes on additional responsibilities, was passionate about the management of water assets and had been instrumental in influencing positive change for the benefit of the city.

Her staying power was clear with her first task being loading 15 years of paper-based records into the first digital asset management system, and was key to the disappearance of mountains of paperwork and to also create an effective operating system. Kim also helped with the introduction of 39,000 water meters, by first having to update the rating database and input all of the data for these assets. Kim's answer to how do you eat an elephant – one bite at a time.

Over the years Kim had contributed in many key aspects and had led a team of subject matter experts working across Parks and Reserves and Three Waters Assets, ensuring that the systems and processes were fit for purpose. She recently led a team of 20 to implement the three waters collaboration project migrating all of the assets to the new Watercare and ensuring the systems were in place for the commencement of the new Waters contract.

Her encyclopaedic knowledge of Council's assets and management saw Kim seconded into the water services reform project as an asset data specialist. Council would await with interest any announcements on the future of the reforms following the weekend election.

Commissioner Tolley thanked Kim for the 25 years of dedication to making Council's three waters services one of the country's most effective providers, congratulated her on her long service achievement milestone and presented Kim with a bouquet of flowers.

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 11 September 2023

RESOLUTION CO19/23/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

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

CARRIED

7.2 Minutes of the Council meeting held on 25 September 2023

RESOLUTION CO19/23/2

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

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

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

9.1 Gia Nelson and father Ricky Nelson - Mount Manganui High School - Petition on Level Crossing Safety

A video was played showing how busy the area was when a train was passing through Hewlett's Road. The video presentation was available on request.

A copy of the tabled document for this item can be viewed on Tauranga City Council's website in the Minutes Attachments document for this committee meeting.

Key points

- Mr Nelson noted that he was a representative of the tangata whenua forum of the SmartGrowth Leadership Group which the petition had been presented to a month ago. This had resulted in an invitation from Commissioner Rolleston to also present it to Council to gain their support. Mr Nelson noted that the petition had been fully endorsed by the tangata whenua forum.
- A video was played with pedestrians, traffic and a train crossing the area noting the danger this posed to pedestrians.
- Gia Nelson introduced herself and said that she had taken the initiative on behalf of Mount Maunganui College students to create a petition to seek the creation of pedestrian crossing barriers at the rail line.
- After the recent death of one of their whanau the students say enough was enough and it was time for them to make a stand, as school kids have the right to be safe going to and from school and not be at risk when there were reasonable and affordable safety measures available.
- People had raised these concern for years with Tauranga City Council and the New Zealand Transport Authority and believe they had been ignored when these safety measures were supposed to be implemented.
- The petitioners call on Council, KiwiRail and Waka Kotahi to implement the following safety measures immediately:
 - Pedestrian barrier arms at the level signal like the crossings at Matapihi Road, Bay Fair, Hewletts Road and Hull Road.
 - An independent safety risk assessment for cyclists and pedestrians around school zones in the Mount Maunganui, State Highway 2 Bay Fair to Hull Road and Hewletts Road.
 - The establishment of a student forum with Tauranga City Council as there needed to be a place where students could voice their concerns and be heard.
- The reasons for constructing safety measures around these roads were simple:
 - Hewletts Road was obvious and with the recent loss of a young life when school had finished shows that it may happen again as there were three schools, Mount Intermediate, Mount College and Omanu Primary School in the vicinity.
 - Hull Road sat next to the Mount Maunganui Sports Centre and new skate centre where kids played a number of sports. This was a hazard as there were sometimes no carparks at the fields or courts and parents had to park near the railway track, making it unsafe for kids to be around.
 - Matapihi Road had little measures like railings, but that does not mean that it was safe.
 - Gia noted that when she attended Arataki Primary School the safety zone for tsunami was at the Omanu Golf Club which meant that the students needed to cross the railway line to get to safety.
 - Safety measures such as barriers and lights would save lives.
- The Petition was being presented to Council to endorse and listen to the voice of Rangatahi which had so far been ignored. They hoped that the Council could add extra weight to the petition, seeking to get these safety measures put in place.
- Gia then presented the Petition entitled "Safe Railway Crossings for Pedestrians and Cyclists" with 608 signatures to Council.

- Mr Nelson advised that the students at Mount Maunganui College were taking the initiative to say that while there had been a number of opportunities to present submissions on a number of issues over time in the area, they now had a mechanism whereby students were presenting their voice. Principal Alistair Sinton was unable to attend the meeting but was listening online.
- While they were fully aware that engagement at the higher level was taking place and things were moving behind the scenes, this was a great opportunity for students to put something forward as an important voice of their community.

In response to questions

- In relation to a query as to whether conversations had been held with the Matapihi community due to the increased use of cycleways in that area, Gia noted that she had not talked to that community, all of the work to date had been done through the school with very serious conversations being held about it.
- Mr Nelson noted that the underpass was taken away in 2016 which was a safe connected multi modal pathway for the communities to be connected. The children were fully involved at the time as students of Arataki as well as Intermediate during the promotion of this. They were fully aware and respect the mana of the hapū at Matapihi and their concerns at having those pathways through their rohe, but just across the railway there were also connecting pathways to other areas and shopping centres that families need to access.
- The students had identified within their school zone there were three high risk level crossings and as the video showed crossing a main road and looking for cars there was a lot of noise and distraction and looking down to negotiate the way. The perception for adults was they would come up with their own assumptions, but if the measures were in place, it would no doubt save lives.
- Gia, in response to a question, noted that she had not been to the Priority One Young Leaders Forum to talk about the crossing.

Discussion points raised

- Commissioner Tolley noted that there was a lot happening in the background and staff had recently taken the KiwiRail Board Members to look at the site where the tragedy occurred.
- The points raised were excellent and Council would advocate on behalf of the voice of students. Commissioners noted their appreciation to Gia for putting together the petition, attending the meeting and bringing the issue to their notice.
- Commissioner Rolleston noted that staff would work on the points raised and report back to Gia. There was a lot of work being done around Hull Road and the skatepark and the carparking for the fields and courts with new carparks and better access across the road.
- Council had introduced measures and would continue to do all they could to keep people safe, but people would sometimes make their own judgements about whether to stop or not.
- Commissioners thanked Gia for starting a good conversation.
- Discussions had started with Waka Kotahi and KiwiRail and Council was pushing to have early and immediate work done while the longer term processes were being planned and put in budgets.
- The suggestion of a student representational group was good as there was usually no voice for the pedestrian when looking at multi-modal transport options. It would be helpful to get input from youth, especially with the redesign of the Hewletts, Hull and Totara Street areas.

Attachments

- 1 Gia Nelson Petition

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Adoption of draft Development Contributions Policy 2024/25

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Ben Corbett, Team Leader: Growth Funding
Ana Blackwood – Senior Advisor: Growth Funding

Key points

- The draft Development Contributions Policy (the Policy) had been adapted as a result of previous reports and conversations. It would be consulted alongside the Long Term Plan 2024-34.
- Staff aligned the policy every year with either the Annual Plan or Long Term Plan on projects to be delivered, including cost estimates and delivery timelines that may have changed, and reflected the underlying assumptions on the decisions that came through. The Policy was a draft as it would reflect the decisions that come from the Long Term Plan, when adopted.
- Three additional substantive changes had been identified.
- Firstly, a new local development contributions charge was proposed for the Te Papa peninsula for both residential and non-residential development. These charges would fund the growth-related portion of a collection of transport and community infrastructure projects to be delivered in the Te Papa peninsula and the share of the costs allocated recognised that these projects would enable and benefit development growth in this area.
- There was a need to refine the Te Papa catchment's relationship with the Transport System Plan (TSP) Infrastructure Funding and Financing levy (IFF). There was a risk that the development contribution charge would displace IFF funding and have negative impacts on the financial efficiency of that funding tool, however there was work being undertaken to ensure the risks were being minimised to the extent possible. The Te Papa catchment would continue to sit inside the Tauranga Infill local development contribution catchment. The proposed Te Papa local development contributions charge would result in an additional \$4,000 per lot.
- Secondly, there was a large residential category change being introduced. After researching other local authorities and talking to large developers, it was evidenced that 4+ bedroom properties had a markedly different demand profile to the 3 bedroom or less properties. While the overall levies remained the same it would lower the cost for 1-3 bedroom properties.
- Thirdly, staff had looked closely at the demand and benefit factors for aged care facilities and the collection of charges were proposed to reduce charges for activities such as reserves, community centres and the like as these aged care facilities were not generating a large amount of demand or receiving large amounts of benefit from those community facilities.
- Next steps included taking the proposals to the community including in the Panui and Toolbox email monthly newsletters. Some general information had been sent out a month ago through those mediums signalling the general substance of the proposal and pending price rises for some catchments without providing any particular details.
- Information had also been shared through the Developers Sector Forum with larger land and building developers and information would now be provided through all links with more detail and a link provided to the consultation portal which would commence on 15 November 2023.

In response to questions

- In relation to the concern of the cost increases with the likes of Waiāri and Cambridge Road and the original estimates being so far out that Council now that had to play catchup had undermined the confidence of development contributions being charged. It was noted that new systems and processes for project estimation had been introduced over the past few years which should increase confidence that the figures would be closer to the expected cost by the time the work was closer to being done.

- Civil construction was very risky with a lot of unknowns and while in the past staff had carried out risk assessments of the known risks, they were now building in contingencies for the items/risks that were unknown and general cost increases which had seen increases of 30-50% since 2020.
- In the past there had never been an overcharge of development contributions. There was a shortfall of development contribution funding of \$50M that had been transferred to rate funding.
- In relation to the under collection, as the projects were funded over a 30-40 year period, the other collections were likely to be quite low as they would be delivered early in that funding period. Council had deliberately started collecting for Waiāri towards the construction date which minimised the risk of cost fluctuations. Staff had to be cautious or would end up refunding contributions which was more of a challenge.
- In response to a query that a higher level of project planning and scrutiny of the estimates was carried out before they got put into the development contributions framework, it was noted that the financial information was included in the Long Term Plan. For a project the uncertainty would be greater than when it was funnelled into implementation which would have a final design and then received tender pricing. Staff did as much work as they could to get the cost estimate right, but there were still unknowns that needed to be taken into consideration. There was a different level of governance and oversight in and around the decision making for the suite of projects such as transport and three waters, and they were relying on a greater level of external expertise to understand risks and contingencies. The new process would help with this also.
- In noting concern that it was hard for developers and builders to change when the price goes up, Commissioners noted that there was a need to ensure Council was pitching at the right level.
- In response to a query as to whether there were other assessments required to avoid significant increases within the suite of development contributions, it was noted that the whole Long Term Plan process included capital projects assurance that looked at quality of costings. Projects further out had a greater level of uncertainty which had a greater level of contingency reflecting where they were in the development phase, based on history over time, and as these projects progressed, the level of contingency was replaced by updated costings and methodology to get to the numbers.
- Growth Funding staff were applying more rigour at the early stages going through the projects further out and ensuring staff were reviewing them, that the scope had not changed and that they were up to date with the costs to avoid under assessment.
- In answer to a question as to the response to the policy from the house builders, it was noted that to date this sector had been incredibly quiet. Staff had talked through the proposal in detail outlining the reasoning, methodology used and advising of a possible 20% or higher increase in the levies. The report would be sent out to all groups after this meeting, which may prompt some further discussion and would be provided to Commissioners for visibility. There were some consistent submitters and staff had responded to those, however it was hard with general house builders as they did not realise until they actually saw the numbers and they would probably not provide feedback. The building and planning teams provided monthly newsletters to a variety of businesses and groups and the decisions from this meeting would be included in the next edition.
- The table in paragraph 22 was clarified. The draft charges in the right-hand column have been revised from the charges presented in the report to Council on 4 September 2023. The base charge was on capital expenditure where staff considered how much it would cost, add further costs for debt holding and time to collect all of the contributions to completion and adding inflation when it was not immediately being delivered. Legislatively Council was required to separate out the capital expenditure from the finance costs.
- Paragraph 23 (a) was incorrect and should relate to the transport charges being decreased not increased and the reserves charges being increased not decreased and it was requested that the report be changed and clarified to reflect the correct amount to be charged.
- In relation to the low population estimates, it was noted that the 2013 census data was used and would be updated when the new census data was available next year. While numbers

were lower, the proportions still held with data on the occupancy and were also used elsewhere in the Long Term Plan.

- In relation to the age care facilities being applied across the board as many had independent villas as well as care homes and hospital facilities, it was noted that these were separated out in the levies.
- The Te Papa peninsula had two different catchments, one being the already existing Tauranga Infill catchment which collected development contributions for the southern pipeline (wastewater infrastructure) at \$4,000 per property for residential development. This supported the city centre, Te Papa, Bethlehem and a large collection of the western catchment. The Te Papa peninsula had not been removed from the Tauranga Infill catchment and had run the two catchments alongside each other. This was related to the uncertainty around the water reform and in time could be reconciled to one catchment to make it simpler to understand. The Te Papa catchment collected the levy for other infrastructure such as roading and reserves caused by growth. The total development contributions charge for all services for Te Papa totalled approximately \$12,000 per property.

Discussion points raised

- Commissioners felt reassured that processes were in place and projects were not being underestimated so they got onto the list of works. With the long term plan process and capital investment Council could not afford any under investment and had to cover risk and contingencies.
- An early knowledge and a no surprises environment were important and staff were encouraged to notify the interested parties of these increases as early as possible.
- Vital Updates indicated that 37% of the housing stock in Tauranga was 4 bedroom or more and of that 54% had four people or more occupying those dwellings. It was suggested that with the cost of living and overcrowding in housing, there may be more people living in these dwellings over time, which indicated that the 4+ bedroom charge made sense and would relieve pressure on the 1, 2 and 3-bedroom properties.

RESOLUTION CO19/23/3

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

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.

CARRIED

11.2 City Centre Development Incentive Fund Update 2022/2023

Staff Gareth Wallis, General Manager: City Development & Partnerships
Anne Blakeway., Manager: City Partnerships

In response to questions

- In response to a query as to a potential loss of focus on accommodation within the city centre it was noted that staff would look to stimulate opportunities to attract residential or student accommodation into the civic centre.
- There were three specific sites that were of interest at present, but the cost of providing accommodation did not make it viable at present. One of these had a government agency considering it as a possibility and staff were trying to stimulate interest with developers for the other two to convert the opportunity for some form of accommodation and asking what the Council could do to assist to make it a viable option.
- Commissioner Tolley noted that there was also support through the Housing Equity Fund that may help make the difference in the market and considered that accommodation was critical for the CBD. Staff would increase the focus and report back early in the new year.
- In terms of interest in the support for the licence to occupy relief, it was noted that all the city centre businesses had a reduction of 80% to 30 June 2024 and discussions would be held in the new year on whether to continue to provide that discount.
- Staff would attend the upcoming Priority One and the Downtown Tauranga annual general meetings and let businesses own the decisions on prioritisation rather than the Council.
- One request through the engagement session had been for a retail strategy, and while it was not Council's role to provide it, the fund could be used to fund Downtown Tauranga to engage an expert, so there was a strategic view for the CBD.
- In noting that construction was about to start on Te Manawataki o Te Papa and other developments such as the courthouse there was a captive audience of up to 200 construction and professional service workers. Staff had been looking at what resilience and support looked like and were challenging businesses to adapt to new opportunities, such as additional workers, rather than focus on negatives such as carparking. Council funded the Chamber of Commerce to mentor businesses and they could be directed to focus on taking advantage of the opportunities. Mention would also be made at the upcoming annual general meetings to look at increasing the uptake of businesses using mentors.

Discussion points raised

- Commissioners acknowledged the work of the team for the engagement opportunities and direct connection with over 2,000 people providing messaging to understand what was occurring. There had also been good feedback received regarding those opportunities.
- Looking into the next \$300,000 future investment, a query was raised as to what the priority was coming from the business community, getting them to look at driving the agenda and make prioritisation decisions as if this was their own budgets. The Arts sector had done well to date and Commissioners wanted to see a prioritised investment programme from the business sector to get their buy in and support. Commissioners acknowledged the work being done by staff and the trust that was being instilled in the community with the constant communication.

RESOLUTION CO19/23/4

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

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

CARRIED

11.3 Broader outcomes - social procurement targets

Staff Alastair McNeil, General Manager: Corporate Services
Melanie Rose, Procurement Contracts Advisor
Carlo Ellis, Manager: Strategic Māori Engagement
Angela Murray, Team Leader: Procurement

Key points

- The broader outcomes were designed to stimulating the local economy and local community including buying from Māori and Pacifica businesses.
- Giving shot of adrenaline to Council's procurement policy and boosting the intent on delivery and aligning it with the Sustainability Plan.
- Developing Council's role in creating opportunities for local business, to ensure that when procuring goods and services it was also maximising opportunities for the community. When dealing with large suppliers Council needed to know how they would deal with their waste to minimise the impact on the community. Diversifying the supplier base provided more opportunities for Māori and Pacifica businesses and other small and medium size businesses.
- Social enterprises included increasing engagement with them as they did not tend to play a big role in the capital works projects but could play a better role in the engagement and sustainability spaces.
- Staff were conscious of the big capital works programme for Council and saw a gap in the supplier base of Māori and Pacifica businesses. Staff had been assisting with developing their connections and capability capacity within the programme and had spoken of the benefits of bringing longevity in the area and offering employment to people who would be here in the long term.
- Staff had been working on a range of different barriers to the participation of Māori and Pacifica businesses that had made it difficult for them to participate in procurement processes.
- This was an opportunity for Council to grow and align towards central government targets by including these businesses and adding them to the supplier base and to also assist Council to achieve its 5% target as current engagement rate was low.

Discussion points raised

- With a \$450M in capital programmes of a variety of projects with environmental, social, and economic initiatives, partnering with Māori and Pacifica would also deliver some of their outcomes. Putting this in place now would start to build those connections and Council's local capability without having to import staff, services and goods from outside the city.

RESOLUTION CO19/23/5

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

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).

CARRIED

11.4 Traffic & Parking Bylaw Amendment No.47

Staff Nic Johansson, General Manager: Infrastructure Services
Brendon Bisley, Director of Transport

Key points

- Requesting changes to the bylaw because of parking technology now that cameras were installed on vehicles to enable licence plate recognition. The old system for handling physical residents' parking was no longer needed. Staff were able to be far more adaptive in the future as more CBD parking was made available.

In response to questions

- Residents that were able to park in restricted areas would have their number plate loaded into the system so tickets would not be issued to those vehicles in that area.
- The annual charge for car parking was \$180 which was the cost to provide the permit for residential properties that did not have onsite carparking. Council would be separately looking at whether any subsequent owners would have a right to the parking space so they would know when buying the property there was no on street parking provision.
- It was noted that there were several businesses located in homes on 3rd and 4th Avenue who were asking about the provision of car parking for staff. Commissioners agreed that there was a need to ensure that the focus was on residential parking and not for any businesses that may be run from a property.

Discussion points raised

- Commissioners agreed that they would need to consider this carefully with the rules no longer requiring car parking to be provided on site as the cost of providing carparking was expensive.
- Consideration would also need to be given to a policy of charging for revenue rather than just covering costs and as a measure to incentivise developers to supply parking, otherwise the community and businesses would end up carrying the cost.
- Legislative change may be required as the charge for the cost was limited to implementation. Commissioners agreed that Council should be able to charge the actual cost, not a fee that was set by central government.

RESOLUTION CO19/23/6

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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 17th October 2023 subject to executive approval.

CARRIED

11.5 Spring St Carpark Strengthening - Unbudgeted Expenditure

Staff Nic Johansson, General Manager: Infrastructure Services
Mark Ross, Senior Programme Manager: Civic Redevelopment Projects

Key points

- While the project had undergone a robust estimate and design process, and had been built as detailed, some of the services and reinforcing steel were not in the design locations expected and as a result of this the cost to repair had increased and further funding was required.
- It was noted that Naylor Love had taken out the Supreme Award “For the development of a New Zealand design or technology which eliminates or manages a risk to safety or health at work” at the recent New Zealand Health and Safety Awards for designing and building a mechanical drilling rig to drill a significant number of holes throughout the Spring Street carpark strengthening.
- Dave Brunsdon was working alongside the team providing support.
- Increases in costs included design changes, additional electrical work, additional consultancy fees and a five-month extension of the time of the contract with Naylor Love.

In response to questions

- In response to a query as to whether good records and changes to plans at the time a building was constructed, it was noted that the electrical cabling was usually done by conduit, but in this case some of lighting circuits were within the concrete slabs. The building was built 35 years ago, and the level of documentation on the steel structures was very detailed and reflected what was there, however when concrete was placed, some things moved 5-10 mm and this proved to be in critical areas.
- The documentation required for a consent now was more detailed and there were better details and records kept with structural changes being captured. There was a risk with electrical components which were not monitored the same way as other factors of a building.
- The building was now complete and open for use.

Discussion points raised

- Commissioner Tolley noted that the Commissioners had been onsite and had seen the difficulties and design work around the steel structure. She complimented staff for the work done and Naylor Love for providing the drilling rig to drive 8,000 bolts into the building.
- Mark Ross and the team were acknowledged for the work and giving confidence on the safety of the structure by bringing the building up to a standard of 67% of New Building Standard.

RESOLUTION CO19/23/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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.

CARRIED

11.6 Parking Management Plan Roll Out Adjustment.

Staff Nic Johansson, General Manager: Infrastructure Services
Brendon Bisley, Director of Transport
Reece Wilkinson, Parking Strategy Manager

Key points

- The parking strategy needed to be adapted to what was currently occurring in the CBD and to acknowledge that.
- The adjustment recognised that businesses were struggling and the impact on rolling out further paid car parking would have on these businesses.
- With the proposed delay in implementing the roll out it would allow the 100 carparks in Devonport Road to come on stream and to get the residents' permits system implemented.

In response to questions

- There was still some pavement work to be carried out on the carparks in Willow Street, but this could be done overnight and could still be used during the day.
- Additional parking would be finished by the end of February 2024 and the Cameron Road works around the city centre also completed and the proposal offered respite for all of that.

Discussion points raised

- Commissioners asked that information be provided on the use of the carparks in the inner city to ensure that people were using those as they were part of the behaviour change with the narrative changing from "there is no parking in town" to "there is no free parking in town" that needed to take place.
- The centre city businesses needed a good summer, and the proposal was an acknowledgement of all the work that was being undertaken around the city and showed that Council was listening to the business sector.
- Acknowledgement for the work of the team in the CBD and the proposition to delay the implementation to February 2024 and finishing current initiatives before implementing it.
- Acknowledgement to the Bay of Plenty Regional Council for the removal of the buses from Willow Street, and staff for the reinstatement of the parking.
- Information was requested on the regular use of carparks, the occupancy over time within the catchment on average per month including data on occupancy in the late afternoon and evening. It was noted that this information would be provided in the Commissioners Catchup on a monthly basis and on a quarterly basis in the Executive Report to Council.

RESOLUTION CO19/23/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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.

CARRIED

Item - 11.7 Hearings on the Options to Fund the Civic Precinct - Te Manawataki o Te Papa - has been moved to another part of the document.

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO19/23/9

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Public Excluded Minutes of the Council meeting held on 11 September 2023	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons 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
13.2 - Public Excluded Minutes of the Council meeting held on 25 September 2023	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons 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
13.3 - Exemption to Open Competition - Subdivisional Hard Fitout	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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) 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	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

<p>13.4 - 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 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>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
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CARRIED

At 12.10pm the meeting adjourned.

At 12.32pm the meeting reconvened.

11 BUSINESS (continued)

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

Staff Paul Davidson, Chief Financial Officer
 Malcolm Gibb, Contractor – Rating Review

The following members of the public spoke to their submission to the Options to Fund the Civic Precinct - Te Manawataki o Te Papa.

A copy of all presentations and documents tabled could be viewed on Tauranga City Council's (TCC) website.

(1) Sub No. 34 – Greg Brownless

Key points

- The main object of the Infrastructure Funding and Financing Act (IFF) seemed to be to support infrastructure, enabling housing and urban development and funding of certain community projects, which this could be seen as one of those.
- Method of funding the CBD projects comes down to whether you want to state clearly as to who would pay – the ratepayer via rates or the ratepayer by a separate payment to the IFF.
- A financially prudent household or business would not want to pretend it had less debt by financing deals from separate sources to make themselves believe they were financially sustainable or to shuffle around payments that would eventually catch up with them also or they could go into more debt than was on the balance sheet and spend more.
- Looking at project maps, they showed an investment including the government investment of the Courthouse and already seen a proposal to remit the development impact fees for those developments also. The submitter felt that if that did go ahead, and hopes it doesn't, the group that would have to fund the difference were the ratepayers, who had copped enough over the past few years with rates up 53% on average and debt up 73%.
- The Commissioners have had to go to government saying that the growth here was impossible without government investment, just like the Council had to do in the past when the government were dithering and delaying the roading and the like.

- The IFF has another principle that was of openness and transparency. Many of the submitters did not comprehend that it was them who would still be doing the paying. They do not want to pay for the CBD for whatever reason and had selected the IFF so it was not on their rates, without realising that they would still have to pay a separate levy. Mr Brownless considered this to be smoke and mirrors.
- A further consideration was the interest rate which looked to him that the IFF rate would be greater than one the Council could borrow at.
- The IFF gave more headroom on the balance sheet to increase debt and allow Council to spend or borrow more at a time when most groups were not doing that.
- Mr Brownless concluded by noting that you did not have to be financial genius to know that the IFF deal was less obvious to ratepayers than showing it as a rates increase and more expensive. He asked the Council to call it for what it was as it mattered not what something was called but what it was – It was not so much a rose by any other name but a rate by any other name.

In response to questions

- In response as to whether the points raised related just to Te Manawataki o Te Papa or the use of the IFF generally, Mr Brownless noted it was the use generally and while it could be used to get Council out of a bind, they needed to be careful what it was used for. He considered that this project did not justify the use of the IFF and wanted everyone to see clearly what they were paying for and doing this through a rate.

Discussion points raised

- Commissioner Tolley noted that the IFF had already been used for transport and that her understanding was that the incoming government was keen to see it used more widely.

(2) Sub No. 47 – Chudleigh Haggett

Key points

- The submitter noted that he was disturbed about what's happening in Tauranga over the last few years as people could not afford the grandiose plans.
- For Council to hold a meeting whether to fund the project this or that way was like asking someone whether they preferred to be shot or hung without asking them if they wanted to die. Mr Haggett said that he felt this was the situation that the ratepayers were in.
- The CBD was collapsing before our eyes and none of the fancy, touchy feely projects had done anything except spend ratepayers' money. This was just a disaster as no one had asked for cycle lanes, bus lanes and the extra costs incurred on Cameron Road and was this was just another project ratepayers could ill afford and would bring Tauranga City closer to bankruptcy.
- No matter how good or bad the plan was, the decision should be made by the ratepayers who would pay for it and not be a decision of Commissioners and Council staff with no vested interest apart from their jobs.
- Economy of any place depended on its people as they buy and sell, manufacture, import and export, rent and provide services for whatever they do, and the money goes round and that was your economy.
- This could not be said for councils as the tasks they did were not needed by the ratepayers.
- Mr Haggett considered that if you look at councils seriously they were leeches on the rest of the economy, taking all the money out of the economy and did not produce or give anything back for it. Ratepayers were not getting any benefit from it. Even if money goes back to the shops, rentals or homes, it came from there in the first place and was just going back. The submitter noted that he was really confused about how a statutory body could do this.
- Mr Haggett said that as Commissioners your fundamental job was to make sure there was water at his doorstep, his rubbish got taken away, the facilities owned by ratepayers were looked after and cared for and the roads and infrastructure was capable of doing its

job. Mr Haggett considered that none of these seemed to be the prime objective of the Commissioners or staff who seem to go on and on with bigger and bigger projects which required them to employ more people for things that could not be afforded by ratepayers.

- While Council staff may be doing due diligence, when they look at the affordability of projects, they look at the government average incomes of \$60-70,000 but forget to look at that average with top 5% of earners removed, when the average then drops to less than \$30,000 which was barely enough to get by on in today's world. The 40% of people on a fixed income would have to move and with them would go most of the city and experience.
- It's a project too far and Council should consider get a group of ratepayers together to discuss it further and they decide what was currently affordable and separate a need from a want.

(3) Sub No. 170 – Julie Andrews

Key points

- The submitter supported rates funding over the IFF funding.
- Either way the ratepayer would pay, but the main consideration was that the IFF was more expensive, it provided private finance and the interest would be higher.
- In terms of the argument that it was fairer to charge a levy because it was more transparent and spread over a longer period, Ms Andrews did not understand why this could not be done using the rating mechanism and could be shown as a separate line item and Council could have the discretion to determine what the repayment curve looked like.
- In relation to a question from a recent public meeting as to whether a ratepayer's property could be sold for non-payment of the levy the same way as non-paying of the rates, Ms Andrews wanted confirmation that it would be the same and use the debt recovery process and ultimately a mortgagee sale for the levy.
- Staff noted that while the Council had never used this it would be similar to the powers under the Rating Act, but in this case under legislation the debt sat with the Crown Infrastructure partner.

(4) Sub No. 254 – Glen Crowther, Sustainable Bay of Plenty Charitable Trust

Key points

- Mr Crowther noted that he had submitted to Council three different times and had noted how good the consultation had been with those projects. However this one was a problem as the Sustainable Bay of Plenty Charitable Trust (the Trust) did not see this as a very informative process.
- Right back to initial Long Term Plan discussions around the civic centre people had been confused what the ratepayers would and would not be paying for. The impression given by staff to the Trust that the initial consultation gave detail around one option and not a lot around another option was misleading, as it gave the indication that ratepayers would have to pay a significant percentage for the smaller scale civic centre development rather than the larger scale. The only reason for doing that was confirming the external funding component would be for various things.
- Mr Crowther noted that his understanding from staff was that the key was not from three waters funding and TECT who had limited their contribution to the Museum and Exhibition Centre as opposed to the library.
- Ratepayers should have been told that all of the funding from three waters, the sale of the parking buildings and other land and assets could be used to pay off debt or used to fund extra facilities.
- The Trust had indicated that it should be a transparent process but did not think it was. Based on reading the submissions, people who were supporting option 1 could have logically supported option 2 as they were saying that they did not want higher rates as these were already high enough. If all the reasons were added up, there would be a different slant on that than just the numbers and he considered that staff had done a

disservice by not doing enough analysis of the submissions because what was said was more important than the numbers.

- The second reason when using government mechanism to effectively get around the debt limit imposed, it seemed like a circuitous route and the Council would only want to do that if it got a distinct benefit.
- The third reason the Trust did not support the use of the IFF was that fundamentally it would cost more. The Trust had put in a LGOIMA request to find out information on the transport levy and the government legislation says you cannot disclose the financial details, however, if you do the math, it could be seen how much was being paid back. \$525m over the thirty years, so you know it would cost more and the Trust's argument was that it would cost more.
- Council had debt headroom and depth to fund this with the rates mechanism and that was a more cost-effective option. The Trust asked why load up the same ratepayers with more money to pay back when Council could voluntarily choose to keep the interest rate lower. It was a shame it did not happen a year to two earlier as Council would have got a lot better funding deal.
- Council should do the normal debt funding as it would be a lot better deal for everyone, it would be more transparent for all and would not get the confusion where people in the community were thinking they were sweet and not submitting. They would get a shock when they see the line item in their next rate's account.
- Use the mechanism in the future if you had to for some of the growth infrastructure, but not now when the Council did not need to.

In response to questions

- It was clarified that the Local Government Funding Authority set the debt levels for councils. While the limit was lifted over Covid, it had been brought back down again.
- In relation to a query relating to the concern of the Trust being in respect of the use of the IFF levy for this particular project, Mr Crowther advised that it was the wider application of the IFF on the grounds of the extra cost, regardless of the project. The only justification for its use would be if Council got to the point that it had no headroom and there was essential infrastructure to be delivered. An example was that if the government did not come to the party with three waters, then in 3-5 years Council may need to look at some debt funding around that which may need a IFF mechanism, but until then why do it.

(5) Sub No. 297 – John Robson, ClearThink

Key points

- With the election on the weekend, what came out of that was that you were not a leader if people were not following you. If you want to have positions as leaders, then you must take your community with you.
- Getting a decision across the line at a meeting was not winning – winning was your decision surviving the next election. There would be a lot of time and energy spent in the next few months in the country unwinding decisions that were imposed without community support.
- Good governance understands the need to take the community with them and because of that good governance consults with integrity. People do not like being lied to and lying by omission was still lying and paltering was lying in an attempt to deceive people. Lying by obfuscation was no better as it muddled things up in such a way that people were not clear of what the decision was in front of them.
- Good consultancy relied on good research, facts and information and it was a fact that politicians were pretty low on the respect ladder along with journalists.
- Mr Robson noted that his background was in consultancy research and there was a joke that when people quoted research, they often referred to the way it was used in the same way that a drunk uses a lamppost - more for support than illumination.
- Mr Robson suggested that given how crooked the lamppost was, it seemed to him that in this case the lamppost was being built by drunks or alternatively that the lamppost was crooked by design.

- The submitter hoped that the Commissioners would read the pending report carefully.
- Mr Robson noted a comment made by one of the submitters who was a strong supporter of Te Manawataki o Te Papa who said that they were embarrassed and felt that Council had insulted them by producing a piece of work that was misleading, based on fear and lacks integrity and Mr Robson said that he could not agree with this statement more.

14 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 1.04 pm

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 6 November 2023.

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CHAIRPERSON