



AGENDA

Ordinary Council meeting Monday, 4 March 2024

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

Date: Monday, 4 March 2024

Time: 8.30am

**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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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO THE ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 12 February 2024

File Number: A15591214

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Anahera Dinsdale, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Council meeting held on 12 February 2024 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 12 February 2024



MINUTES

Ordinary Council meeting

Monday, 12 February 2024

Tuesday, 13 February 2024

Wednesday, 14 February 2024

2024-2034 Long-term Plan Hearings

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**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING HELD ON
MONDAY, 12 FEBRUARY 2024 AT 1.30PM
BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,
1 ELIZABETH STREET, TAURANGA
TUESDAY, 13 FEBRUARY 2024 AT 1PM,
CLUB MOUNT MAUNGANUI, 45 KARAKA STREET, MOUNT MAUNGANUI
WEDNESDAY, 14 FEBRUARY 2024 AT 9AM,
HURIA MARAE, 1 KAPONGA STREET, JUDEA, TAURANGA**

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), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Josh Logan (Team Leader: Corporate Planning), Ella Quarmby (Corporate Planning Intern), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

The karakia had been given at the Council meeting earlier in the day.

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

Nil

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 2024-2034 Long-term Plan - Hearings

The following members of the public spoke to their submission to the 2024-2034 Long-term Plan.

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

(1) Sub ID: 1101 - Jo Wills

Key points

- Asked what the measures of success were for the LTP and the challenges Council were facing.
- Growth was occurring for the sake of growth and GDP seemed to be the only measure.
- There were no social or environmental outcomes noted as measures.
- If the measure was the GDP, the plan would have won as cash was all that measured.
- TCC was facing a number of problems with its transport, housing, mental health, inequity and the like and there was no evidence of looking at those or contributing to measuring them.
- Council could not make an educated decision on what they were achieving.
- There was no overarching lens of the LTP other than growth and items like sustainability were there as an add on.
- Greenstar rating should be done regardless and was nothing to do with the goals or where Council were wanting to head as a city. Everything should have sustainability lens across it.
- Questioned what would improve the lives of people living in poverty, ratepayers living in poverty, not owning a car, connectivity and reducing emission in a way that was game changing rather than doing something less bad.
- Council cannot just tinker around the edges, it needed to change things.

(2) Sub ID: 1065 - Des Heke

Key points

- Noted the importance infrastructure for Māori land and the LTP.
- There were areas of the future urban limits of Kaitemako which had been missed out in the of planning sequence of how Council could address the anticipated growth areas.
- Council's relationship with a number of Kaitemako land blocks some of which were currently rural that needed to go through a plan change in order to be developed.
- The plan change was reduced to the Ohauti south area, and even if it was a private plan change, the need to encourage the peripheral Māori Land as they all share the same level of service of infrastructure requirements and would result in better community outcomes with more structured and integrated planning as was originally

intended.

- The Ohauti-Welcome Bay planning study was put on hold but was important to raise issues around current infrastructure.
- There were new government invested projects to look at to develop Māori land and Council supporting staff and what the housing needs would look like.
- The submitter questioned how Council's proposals fitted and integrated into the current infrastructure.
- There was an opportunity for the Kaitemako land situated above the rural/residential land had a resilient and soon to be main water line, which was an opportunity to provide rider mains to service that community. It still unaddressed and still sitting there as a development issue.
- Currently in the LTCCP and in communication with land trust representatives the Otumanga pump station in the Welcome Bay catchment and across Maungatapu and the Waimapu estuary to bottom of Turret Road had upgraded work carried out in the mid 2000's. The Marae whanau thought that the station would have the capacity to service their land.
- Council recently upgraded some asbestos pipe in the area, but the trust land that were current anticipated growth areas had come to feasibility plans with Council as well as the Trusts further up in the rural zone but the Otumanga pump station had fallen off the LTCCP to be upgraded. This means that all of that planning and efforts to address some of the housing needs would be encumbered by the loss of investment by Council into the Otumanga pump station which needed to be upgraded.
- The submitter noted he was an Iwi representative mainly for waste water, but put the submission in on behalf of all of the land trusts, iwi, hapu and community that would benefit. If the Council were upgrading the asbestos pipes why not the pump station also. Requested that the costings to be brought to light as according to those housing needs.
- There were trustees of the three major land blocks – Kaitemako B & C, Kaitemako M2 & N - had an idea of what they want to build and create on their land and want that accommodated in the plan.

(3) Sub ID: 675 - Phillip Brown, Papamoa Residents & Ratepayers Association

Key points

- Concerned at the tsunami evacuation pathways from Papamoa.
- There was evidence of tsunami debris in the Papamoa hills so it was a real threat to residents.
- Considered that anything to help residents evacuate had been put in the too hard basket.
- The latest tsunami maps released in October 2023 indicate that 90% of Papamoa would be under water.
- There were 30,000 people living in the community that was expected to evacuate to the Papamoa hills which was a distance of 3 kms.
- If a tsunami was from the Kermadec Islands it would reach land within an hour.
- There were no plans as to what was to be done in the future, yet a tsunami could happen at any time.
- Council's attitude was irresponsible, how does 30,000 people get to the hills with no pathways directly to them.
- Emergency sirens, as used by other towns had been cancelled. Instead a group had met once and disbanded with no follow up to residents.
- Papamoa roads would be gridlocked and for those travelling by foot or bike, they needed to cross the eastern link. There were only three ways to cross, with the new interchange bridge adding a fourth crossing.
- When asked to put a pedestrian crossing on the interchange bridge, the reply was any easement over private land was up to developer.

- Isn't it one of Council's obligations to look after its residents.
- In relation to a suggestion to close the expressway to allow easy crossing, was told it was not possible, yet it had recently been closed for a cycle race.
- The current state of the sides of Domain Road only had ditches and no footpath.
- Papamoa residents had considered a set of pathways and presented these to Council and NZTA at a cost of \$20M. Nothing had happened since that presentation.
- There was responsibility of care and welfare for residents.
- Commissioners were driving change, this was an opportunity of a lifetime but at Papamoa they want an opportunity for a life.

In response to questions

- Staff were doing a lot of work since the release of the maps in October 2023 and the issues raised were being taken seriously.
- The matter of the closure of the expressway was raised with the NZTA Board last year and it was agreed that it would be done.
- Staff were prepared to work with the Association and this would happen.

(4) Sub ID: 1478 - Garth Mathieson, The Tauranga Millennium Track Trust**Key points**

- Track Trust supports option 3 and opposes any form of stadium being included in the LTP.
- The business case provided by Priority One allowed for 15,000 seats, a community multi-sport facility and a university sports science centre. Rotorua already had a 20,000 seat stadium, with half of the population.
- There was no carparking in that area of Tauranga.
- A community stadium cannot be matched and would result in a loss of a substantial part of the greenspace and limited use of the fields.
- It would be built on a recreation reserve and compete with other function centres.
- Community multi-sport facility was a flash name for changing rooms.
- Waikato University had indicated to the submitter that they were not committed to a stadium and the inclusion of them as a proposed tenant may suggest they were tenant, which was beyond any discussions held to date.
- Was there to be a proper account of noise that would come from events held?
- The creation of revenue streams was a fantasy. Did not consider that the grounds would not get 248 events in first year or 5,000 attendees at each game.
- NPS rugby games cost an average of \$400,000 to stage and some do not pay.
- Why have a second regional rugby stadium, when Rotorua was 1 hour away and it was only 15 minutes from Bay Park. It would compete with those facilities.
- The cost of a new stadium was \$250M with a loss of \$15M per year expected.
- There was still \$150M of funding to find.
- Why target philanthropic donors and not??
- How much was BOP Rugby contributing?
- All local organisations should go out and get money and put in an effort themselves if they want a stadium.
- 59% residents were against the proposal so the decisions should be turned around as it was too soon to put it in the LTP and too soon to justify it.

(5) Sub ID: 868 - Barry Scott**Key points**

- Opposed to the Tauranga domain proposal.
- Emphasise the contention that Council failed to validly consult about the proposal.
- Local Government Act notes the need to consider the views of the community and

encourage people to present those views and make a presentation. Council was to receive these with an open mind and had failed to do that adequately.

- Online survey results revealed that the majority disagreed with the proposal.
- Council designed the survey and only gave submitters five minutes to speak.
- Not enough consultation was held which was a breach of the Act.
- Another major breach was the discussions to be held in an open and transparent manner. In May 2023 a Project Development Committee was appointed to oversee feasibility study with nothing included on any web pages and when asked for more information was advised it was not a formal Council group and was a partnership with Council and Priority One.
- Anne Tolley and the Chief Executive had attended the Governance and Workshop Group meetings but no record of meetings were put on the webpage.
- Looks like people were being deliberately kept away and there was nothing to indicate the partnership existed.
- Council must consider all reasonable options and consider advantages and disadvantages. The Working Group was to consider only the domain for a stadium and other sites only if domain was impossible to use as the site.
- The majority of the group had some interest in proposal going ahead, so was not completely unbiased and it was not unfair to wonder if decisions were made from discussions at those meetings.
- People were suspicious of outcomes and if you try to hide it undermines the credibility and validity of those decisions.
- There was no need to do the work under Priority One, it could have been an in-house exercise which would have been more open and transparent and free from any bias.
- Would like Council to admit to itself and withdraw the project from the LTP, put it back on the shelf and leave it for the new Council to consider in due course.
- Pause the whole process and extend the process of the adoption of the LTP to end of September 2024 so that the elected representatives could have a look at it.
- Excellent submission of the Tauranga Historic Village Board which should also be put on hold until it could be reviewed. The Village was helping residents with mental health issues and was the best. Council should support it and not make it harder.

(6) Sub ID: 1252 - Scott Adams, Carrus

Key points

- Applaud Commissioners for progressing the LTP to be operative by July 2024.
- Two developments progress delayed due to lack of infrastructure.
- Te Tumu was the number one priority growth area in the Western Bay and rezoned in 2002 for future development and Council must find a pathway to proceed.
- Carrus request a change in the LTP to say that the Council and main land owners were progressing the plan change with best case notification target of July 2024 which was before the 10 years expired and before the new Council was elected.
- Te Tumu landowners had a desire and belief that this could be done with the building of houses being commenced in 2030. Need to accelerate the rezoning now and explore funding options with central government.
- 49 Pukemapu Road – after purchasing more than 9 ha of land the developers and having been assured by Council engineers there was infrastructure capacity and entering into a \$3.2M Rosedale residential share compensation deal of which TCC contributed to and brought 2 houses for road access.
- Carrus spent 12 months carrying out iwi consultation and a lengthy Heritage NZ process to remove an archaeological site from the land.
- Now have grave concerns that the ability to develop the residential zoned land to provide urgently needed housing was ruined because of service network constraints.
- Council engineers had advised that despite the land having been zoned residential for 20 years, there was not sufficient water or wastewater capacity to service the land with

460 new residences.

- The Rosedale developers were not tasked by Council at the time of their development to future proof their infrastructure, so why was the land rezoned residential if there was no way to service it.
- Had been advised that 2 of 4 waste water upgrades necessary would be implemented between 2026-28 and the other two as late as 2044, so unless Council engineers collaborate with Carrus construction team to come up with alternative solutions which they had already indicated that they were not willing to do, then there would be no development in Pukemapu for the next 10-20 years.
- Wastewater was already near spillage and the nearest one to service the land was located at Joplin Way, 1.2 km away from the boundary and as developer would be responsible for the cost of the \$7M for construction a new dedicated sewer pipeline and which was not ready for use until 2028.
- Because of wider downstream sewer network system improvements would also be required for the development and some were not included in the draft LTP so would not be available until after 2034.
- Other upgrades to pump stations were not included in the plan.
- Request a follow up meeting with the Commissioners and Chief Executive to explore with Council on site storage and off site peak discharge could be used to ensure that the development could commence including stormwater management, water, firefighting solutions, wastewater treatment and future roading for both blocks.
- Given the cost of \$18M so far, Carrus request Commissioners put pressure on the Council engineers to be more flexible so that Carrus commence with the development. There were other solutions but have no transparency to Council modelling and any collaboration to alternative solutions had so far been rejected.
- The Pukemapu project had been given key account status under the Rosedale compensation agreement between Carrus and Council so all need realise this. There need to be some serious outside the box thinking to get it underway urgently with interim solutions and overall development solutions so that consents could be lodged for earthwork and roading consents for an October 2024 earthworks start.
- Wants to work with Council towards a robust solution.

In response to questions

- Commissioner Tolley noted that they were not aware of some of the points raised and would follow up with staff.

(7) Sub ID: 812 - Todd Morris, Otumoetai Cadets Cricket Club

Key points

- Proposal of increase fees did the opposite and the more they learned, the worse it got.
- If groups of residents had a proposal, you could get a diverse range of people.
- The existing fields were used for a few hours a week and now Council want to charge for it which was not fair or consistent, but a cash grab.
- The subjective terms were more propaganda than fact.
- Social cohesion and were counter to Council's own dos.
- No impact analysis was done, they just want money for pet projects not more.
- Big money was being spent on skate parks, library and the like with no consistency and fairness as people were not charged for the use of those facilities.
- If Council kill the senior clubs with the proposed charges, the junior clubs would follow.
- The club were already battling to survive.
- Any health and wellbeing benefit comments were absent from the proposal.
- There was a legacy at stake that decision makers would have to live with.
- Already killed off many sports clubs. Council were for destruction not cohesiveness.
- Volunteers work long hours to maintain community groups.
- Some kids and grandkids committed suicide and Council were pouring petrol on that.

- The charges would kill sports clubs with no analysis being done.
- Show decency and goodwill and put the proposal in the dustbin where it belongs.
- The players came from a lot of different backgrounds and make connections on the field. There were lawyers and doctors playing alongside beneficiaries.
- While the submitter knows that Council want the city to survive but wanted them to prove it.

(8) Sub ID: 1546 - Keni Piahana, Kelly Waaka

Key points

- The notion of industrial rate was sensible, with Tauranga a centre for the country in many ways, and while there were reservations at first on the cost of living but with the port activities, it looked like they paid attention to the services as well.
- Shortfall of 50% for Pyes Pa was seen as a catch up mode from the 1990's with the inception of the plan and greenfield subdivisions which saw so much happened so quickly with the cost implications manifesting later on.
- If people could see the actual cost and what was involved in infrastructure they would understand it more.
- Selling of the car park buildings as a way to fund community projects, but raised questions at Waimapu Marae as to what community projects the proceeds were funding when they do not have footpaths or street lighting.
- Since the Commissioner's had attended a hui at the Marae they had gained so much more with staff commitment to the projects raised.
- In 1860 the hapu withdrew and moved from Huria back into the Waimapu. From then until now they had been in a position of withdrawal as that gave them control. However over time although they had lost control with new roads and pipes, they still had the view that it was still a good move for them as the Waimapu Pa Road area was home and of significance to them.
- Now in 2024, there were all those things that they were going without and now want to put pressure on as there were no footpaths for the children to walk to school and the street lighting was poor.
- An application had been made to have been considered previously and staff had engaged with the Waimapu community well.
- Request Council to look at road speed limits and the support 30km for the whole stretch of road right out Poike Road intersection as people had to walk on the narrow stretch of road.
- Support SmartTrip proposal which the considered could be taken a lot further as making a modal shift would make a difference to the congestion being seen at present.
- An LTP performance measure for the iwi was that a child should be able to leave home with their parents knowing they were safe as a common place like it used to be and having children restoring their own independence to go to school on their own.
- Need good linkages, connectivity and public transport options as some families were running 2-3 cars as the options for alternative public transport were not strong.

In response to questions

- Submitter was thanked and advised that a check would be made with staff and an update provided.

(9) Sub ID: 1663 - Lorin Waetford, Ngai Tukairangi Ahu Whenua Trust

Key points

- Trust not supportive on any of the consultative questions and want to be more informed around the issues.
- Request \$150,000 be set aside for the Ngai Tukairangi Ahu Whenua Trust to update their Hapu Management Plans to make sure they were updated and sat above and fed

into Council plans.

- Too often hapu representatives provide time, effort and work for the whole city before their own communities.
- Hapu representations were ignored by staff or only had a tangata whenua or mana whenua chapter layer added in to details at a later time with no specified date.
- Presented a submission to the SmartGrowth strategy and pointed out the failure of Council to include Māori Land Trusts in the planning process, or detailing who they were and what value they could have in it.
- For the whole city - if tangata whenua were striving - all would. This does not mean the replacement of hapu and iwi land trusts as they all had a part to play.
- The LTP consultation process did not target any iwi consultation. Māori being able to come to any of the community engagement events was not an inclusive process.
- There was not enough time to show the issues that come from the top down and to bring kaupapa to Māori communities.
- Engage with the wider whanau was needed to ascertain if they were aware of the LTP and if it had capacity for more than one member.
- Lack of safety with some of the roads, noting the recent death of a child and offering tai toko that the child was taken before Council were doing anything. This was not the first time that Council had acted only after a death had occurred.
- Council could expect a letter of opposition to the SmartTrip proposal as the Trust had tenants in Grey Street properties.
- The life span of the Commissioners was coming to an end and they were trying to get the LTP over the line. The Trusts were here way before and would be long after the Councillors were elected in.

In response to questions

- Noted that discussions had been held with Rangapu regarding the plan and that they had also made a submission.
- Point taken regarding the Land Trusts.

(10) Sub ID: 1578 - Annie Hill, Creative BOP

Key points

- Thanks for the community arts and culture that was occurring and understanding the value of it to the city.
- The group enhanced the health, wellbeing, educational outcomes of residents while stimulating innovation and economic growth.
- Had developed a strong track record of delivering programmes to the art sector with positive changes.
- Deep connections had been developed in the creative sector which had positioned them well to add significant value to Council.
- Well placed to help Council and maximise opportunities as they arose.
- Exciting opportunities to support an arts, culture heritage investment plan.
- Support for iwi and hapu to reach their aspirations.
- Support for Māori and non-Māori to access resources and contribute to the public art framework with historical and cultural narratives,
- Development of a strong sector in advocating for the arts as member of Arts Aotearoa, developing strategic relationships and engaging with the sector in arts culture and creativity.
- Happy to talk more and were to open to opportunities to extend their contract with the Council.

(11) Sub ID: 1077 - Michel Galloway, Tauranga Lawn Tennis Club**Key points**

- Concerned at the increased rent charges for clubs using Council sports grounds with the new user pay fees as recovery fees.
- Object to the stadium proposal.
- Users pay for small clubs shows a disconnect to them.
- No consultation had been done before putting these items into the LTP.
- 100% recovery would provide a rent to increase from \$800 to \$37,000 plus gst which was untenable and creating a lot of stress on small clubs which would likely result in closure.
- Most clubs were located in residential areas and contributed much to the wellbeing of their community by providing programmes with juniors and working with school children through to the older residents for no revenue.
- There were no foreseeable grounds for cost recovery unless the Council want to pay for some of the sports development programmes from development levies otherwise there would be a loss of membership and loss of clubs.
- Why should the clubs be penalised when they did not have the funds to pay.
- Using the LTP to float the increase was unfortunate, as there had been little input from users.
- People value greenspaces but building a stadium would reduce the free use of an area which had been used for generations. It would also lead to a loss of some of the community sports currently operating on the domain.
- A stadium would be costly to build and to operate.
- The majority of those surveyed strongly opposed the building and paying for it.
- Remove the stadium from the LTP and use the funding for other community facilities.

(12) Sub ID: 1492 - Peter McKinlay**Key points**

- Submission based on 30 years working within extensively with local government and advisers around the globe.
- The fees and charges policy and the Council decision making process was non-compliant with the provisions of the Local Government Act as it failed to address the purpose of the promotion of local democratic decision making by and on behalf of communities and the promotion of the four well beings and does not recognise that the role of local government was furthering the purpose of local government in the district
- There was nothing to indicate that Council had any understanding of those requirements or of Section 14 of the Act where it must consider the impact of each of the four well beings.
- Similar to UK recently where as part of a general competence provision, Councils were required to further community wellbeing. When judicial review proceedings were undertaken many were overturned. This was the view the courts would take was that the Act provided very clear requirements. Most Councils in NZ do not observe them, and a practice grown up in the sector over the years. This explains it but does not excuse the non-compliance.
- The submitter does not expect the Commissioners would have to go back and redo the decision, the main purpose for the submission was to raise understanding with the public that the Council had consistently not complied with the requirements of the Act and to alert the incoming Councillors that there was a serious and endemic problem of non-compliance that they would need to deal with.
- There were not individuals that should be blamed for this as it was an endemic problem in the sector in large part because of the way central government had treated local government which explains but does not excuse.
- Then only course open to Council if it wished to be compliant was to go back and

understand the requirements of the Act and apply them in future decision making. This would require significant change in the way the Council does its business but observing the law should not be seen as an unduly onerous obligation.

In response to questions

- In response to a query as to a sense of the nature of scope of change the submitter believed necessary, he noted that in developing any policy Council explicitly needed to consider and promote in the district of what impact it had by and on other communities and what impact was being had on the four well beings. Section 14 of the Act considers the impact of each of the four well beings on each decision. It was more than showing it in a document it was adopting it and implementing it as per the requirements of the legislation.

(13) Sub ID: 1362 - Kathryn Lellman, Nicky Hansen, Tauranga Arts Festival Trust

Key points

- Remind communities of the importance of arts and culture to the city and its residents.
- Significant debate had been held in the United Kingdom where arts were seen as the cherry on cake, when actually the arts were the cake.
- Support for Spaces and Places to connect, play and learn with the revitalisation and bringing the heart of the city alive.
- The Arts Festival in October and November 2023 had 52 ticketed events and 7 free events which attracted over 10.000 people and school children with artwork from a variety of artists from tangata whenua, Pasifika, North and South Asia and LGBTQIA. .
- Over 30% were first time attendees, with most being very satisfied.
- The attendees and visitors made the city a better place.
- The arts were strongly contributing and creating exciting things to do for all ages and abilities
- The investment of the museum, library, theatre and outdoor spaces, what happens there was justified. 452
- Still have to justify the cost of the use of buildings such as Baycourt and the Cargo shed
- Acknowledge Council support for the use of the Crystal Palace free of charge.
- The cost for the use of other spaces needed to be cost realistic and affordable as the arts were for the benefit of the community and an investment in our future .
- Acknowledge and appreciate the support given by Council during 2023.
- Seek to ensure a balanced investment in the arts and not just putting cherry on top. Continue to invest in the events still to come.

In response to questions

- Commissioners acknowledged the Arts Festival as a great event.

(14) Sub ID: 1237 - Warren Banks

Key points

- 41 years as a resident and life member of Priority One and a CCO member.
- Spending priorities of the Council were wrong as there was nothing to bring businesses back into town.
- Cameron Road pipe works became so much more and resulted in a loss to all as it restricted traffic flow.
- The proposal to implement a congestion charge when Council had reduced parking in the town and had made attendance harder to get to the Bay Oval.
- More congestion had occurred with the on road cycleways as they were unsafe and creating barriers to gain access to business premises. People were looking for the premises not the cyclists.
- Cost escalation was being put on sports and community clubs, causing widespread

damage to the health of all ages across the community as they could not afford the increased fees. Should Council deprive parts of community with these increased costs.

- Community gardens were a cost.
- The Mens Shed had an amended leases for more than one tenant.
- The increased cost for the Historic Village was unjustified. The Village was a healthy and active community and any closure threatened all ages.
- Alfresco dining would also be affected.
- Public transport system was flawed as there was an abundant provision for bus lanes which only caused a congestion of the traffic flow.
- Use smaller buses as the bigger ones were mostly empty.
- Motorcycle access around the city was great.
- If Council needed new revenue source for the nice to have projects then cut costs. The focus should be on essentials not beauty programmes.
- The community deserved to see dollars and dates for the projects.
- Keep up the recycling and the track developments on Mt Maunganui.
- While there had been a dysfunctional Council before, it was now a misaligned one.
- Keep the people informed.

(15) Sub ID: 1008 - Arun Baby

Key points

- Proposed ground usage charges were from a concerned player and parent perspective who was apprehensive of the increases being imposed.
- The financial implication of the increases affected families and the broader cricket community, especially the junior players.
- There was a cost increase of 421% in competition fees for senior players from \$221 to \$3,400 per team..
- Families with multiple players would have double or triple the subscription cost.
- While respecting the plans, the reality was that all senior and junior competitions would have the same cost which would make it harder for them to transition from junior grade to the seniors.
- Junior programmes relied on the dedication of senior players as coaches, managers, mentors and role models. The loss of those senior players would affect the junior programmes and have an impact on their cricketing skills..
- Accessibility – there would be financial barriers for senior players to remain in the club and to embark on roles for the benefit of all players.
- Youth and junior groups would be adversely affected as the fee increase would impact on those players as they like to see their seniors actively playing the sport.
- Appeal for the consideration of cricket in the community and to have a commitment towards retaining the senior players as Council risk disputing the delicate balance of the cricketing community.

(16) Sub ID: 1653 - Evan Turbot, Tauranga Village Radio

Key points

- The Radio station had been situated at the Historic Village for 40 years and was part of the cultural identity of the village and the city.
- There were serious safety issues with the building and were working with management to resolve those issues.
- The Village was established in the 1970's as a permanent space to work with the community.
- People were invited to use spaces for little or no cost and the Village radio station responded to that call.
- While visions could change, the people of Tauranga had not changed.

- Want the Council to hear that the Village was a place for ratepayer investment.
- Revenue gained from users pays and a return on assets would bring distress to the many volunteers who run not for profit services at the Village. 75% of the tenants were community organisations.
- From a city wide average, the rent looked reasonable, but only if you were a commercial entity not a local authority. It was too high, even with a discount for community groups.
- Questioned whether consideration had been given to the Local Government Act in regard to the four well beings as there was no word of social and cultural wellbeing in the revenue gathering statement.
- Was Council discharging its obligations as it applied these charges to the groups in the Historic Village.

In response to questions

- In response to a query regarding income it was noted that the station had limited resources, with the only real income coming from charitable grant funders. A subscription of \$5 a year was paid by some supporters of the Village radio and they had \$30,000 in the bank.
- The group had serious financial constraints in the past and they were once again scared that they would be facing them again in the future.

(17) Sub ID: 294 - Jaijus Pallippadan, Johny**Key points**

- Lived in Tauranga for three years and was a member of a cricket club playing senior cricket.
- The fees expected from users was unfair and it was crucial to recognise these were non-profit community organisations.
- There were a lot of health and wellbeing benefits relating to sporting activities.
- The players relied on affordable or free access as they operated on minor budgets, many of whom were volunteers. It was tough to get sponsors this year.
- The financial strain being caused would reduce or cease the cricket programmes.
- Many non-profit organisations assist backward or under privileged groups and provided valuable opportunities for these groups while also giving them the ability to fulfil their missions to help their community.
- The increase in fees undermines equal opportunities for social, health and recreation.
- Request the decision makers to give further consideration for the non-profit user fees for sports fields, uphold fairness and demonstrate commitment in building a healthier and more vibrant community for all.

In response to questions

- Commissioner Tolley thanked the submitter and noted the dilemma Council was facing with sports users for indoor facilities paying more than those using the outdoor sports fields and asked how did Council get that balance right so all users get a fair go. Many of those users were also on fixed incomes and were managing to keep their facilities up to scratch.
- Council also needed to look at filling in the gaps with sporting facilities over the next 10 years, which was not an easy outcome.

At 3.07pm the meeting adjourned.

At 3.30pm the meeting reconvened.

(18) Sub ID: 1495 – Heidi Lichtwart, Larissa Cuff, Nick Chambers Sport Bay of Plenty

Key points

- Sport Bay of Plenty appreciated the gravity of the situation with a growing city.
- Sport was a key to healthier and more connected communities which was shown in the submissions received.

In response to questions

- Commissioner noted that they value of the relationship with Sport Bay of Plenty.
- Noted that when Bay Venues Limited set their fees and charges they were higher for indoor sport creating a huge disparity in sporting costs which was a big issue.
- Art and environmental groups also wanted same amount of funding.
- Commissioners understood the value of all sport, play and active recreation, along with the health and connected community benefits.
- Mr Chambers noted at a recent indoor sport users forum that there was a balancing act with the challenges of the city and active recreation and sport. Collaborative partnerships together with outdoor sports users, Council and ratepayers facing it together and understanding the reasons and looking at how to remain solution focused without participation dropping off.
- Ensure engagement was held with clubs around the fees being staged and more feasible to ensure increased participation not a reduction.
- Other Councils had also gone through similar processes.

(19) Sub ID: 851 - Ken Green**Key points**

- The comments on assumptions that most tend to make about stadiums were from the people who want them.
- Lots of research had been carried out from sports economists around the world.
- Criticism of the four assumptions in the report.
- The cost were always wrong resulting in cost blow outs by saying we also need this and that, or it would be so much better with a roof.
- While the projects all start out as multi-use, they never were, and as soon as the grass was put in that made it a rugby stadium for the local franchise or players. These groups were only a small part of the population.
- Usually 90% of the facility was empty and stadiums always looked inward not outward to the community and did nothing.
- A stadium was not a good use of ratepayers money.
- The cost to run these edifices were high. A really good CEO and marketing team was needed as there were always promises made of how much they make, but they hardly ever did and did not even make money to cover capital costs.
- The benefits to the community were always exaggerated, over stated and utter nonsense. The prediction of 100% occupancy in hotels was a farce when there was generally an 80% occupancy anyway.
- Council was always on about how much was spent at games, but \$100 spent by a family on a rugby match was spent and they would not be able to spend it anywhere else.
- If Council spend \$300M it would be a lost opportunity to do something else. With all of the infrastructure problems money had to be spent for a far better purpose.
- Put the plans for a stadium on the shelf until Council feel the city was wealthy or for someone with all the dough comes up.

(20) Sub ID: 1494 - Katie Mayes, NZTA - Waka Kotahi**Key points**

- Reiterate NZTA support for Tauranga City Council and SmartGrowth for road pricing.

- Important to make the most of transport infrastructure that the city had and manage the demand.
- Pricing and other economic tools were important to manage the demand.
- Tauranga city had traffic issues and NZTA give support for exploring road pricing schemes. The Minister of Transport noted recently in the coalition agreement that the government wanted to get on with roading quickly as it was an effective way to manage demand and other utility services.
- NZTA could see benefit to keep exploring and to support the quality of life for residents and trades people to be able to move around the city, using a bus or their own transport as their choice.
- Keen to keep working with Council and national elements around the country and noted the specific issues being faced around Tauranga.

In response to questions

- Commissioner Tolley noted that a bad job had been done explaining SmartGrowth to the people.
- There were a number of good issues coming through the submissions noting that whatever the government does it needed to take into account that some people had no supermarket locally or had to drop their children off to school as there was no bus for them. Council would collate the issues raised in the submissions for the government to consider and take into account when the legislation was being designed, as addressing these would make it work or not work and make fair or not fair.
- Ms Mayes noted that it was good to be collating the issues for consideration at a national level and to see what those were. Pricing was part of a package of how to manage traffic and people moving around a city. There needed to be choices so public transport needed to be looked at to see if there was sufficient frequency and range to give people a choice.
- Funding and financing of transport was broken and widely acknowledged with NZTA telling the Ministry to make sure to keep the purpose closely aligned with what they were trying to achieve and to raise revenue to manage the demand.
- There was a need to return to the fundamentals to fully user pays principal and take into account equity issues at a national scale and local considerations to add on. It should be demand management rather than revenue raising as many Councils had high debt levels and infrastructure services so something had to give at a national and local level.

(21) Sub ID: 1496 - Lee Siegle, Sustainability Options

Key points

- Working in the Bay of Plenty for 11 years on a range of different projects within the sustainability space, and in a social capacity they were presently working in the housing space.
- Make housing huge priority as the city did not have enough and with what they did have, some was not in a great condition and needed remediation work.
- The group go into homes and teach residents how to run their home more efficiently with items such as glass ventilation, drapes and the like.
- Economic impact notes that poor housing had a negative health impact on many families and costs the country at least \$1B a year. This also adds to the cost of lost work with sick kids needing to be looked after.
- Following advice and tips to homeowners, some of the children were now at school every day so the parents were able to go to work.
- Environmental impact of housing with old homes being drafty and losing heat was an energy waste and if a house did not operate properly it would become full of mould which was not good for health.
- If any person wanted advice or assistance, they were there to share education and help

to make Tauranga a thriving city.

In response to questions

- In response to a query it was noted that the group were not working with Councils urban design panel.
- There had not been any indication from Kainga Ora for funding assistance or whether they were interested in expanding their funding to allow sustainability options. The programme was open to all residents to benefit.
- Commissioners noted the great work being undertaken by Sustainable Options.

(22) Sub ID: 825 - Mark Dean and Lyall Holmes, Rotary Centennial Trust**Key points**

- Could see potential with the enlivenment of the city centre and asked the Council to get on with it.
- Noted a river water pool seen in Brisbane which included sand and beaches, which would be a winner for here. It could be located between the Harbourside Restaurant and The Strand with the walkway and underpass in place this could be the next stage. Request that a water pool be added to the LTP to be investigated.
- Grandchildren swim at the harbourside steps, but it was difficult because of the tide. A salt water pool would be used all the time and draw people into the city and would not replace the use of the aquatic centre.
- It was secluded and safe to swim at the Mount and was popular with families and young children.
- The harbourside area was good for dining until you get rowdy hoons driving through. Suggested the use of barrier arms from 6 pm to 6 am and let cafes put tables on the street that was free of traffic to create an eating precinct second to none and a delightful place to dine.
- Retailers were experiencing a down turn at present. Suggest a full blown street market once month as it would not cost much to put on.
- Kopurererua Valley development off the State Highway and Takitimu Drive extension where 350 ha of farmland was restored by the Rotary Centennial Trust to a wetland was a unique area and had the potential to be a wetland reserve in the city where people could connect with the environment.
- The Rotary Centennial Trust was set up to raise money to augment the Council budget and was not being used. There was a lot of money available from TECT, Lotteries Commission and the like that was not being sought.
- The Trust had already put in a lot of plants and infrastructure like bridges and it was considered that Council should use the Trust to provide the funds to develop the area further.
- It was a huge space for nature and an opportunity to encourage people to take nature into their own gardens and get behind it like the Western Bay District Council had done in Katikati and Te Puke.

In response to questions

- In response to a query Mr Holmes, Chair of Rotary Centennial Trust noted that no communication had taken place between the Trust, Council and iwi and noted that they would like to start a conversation as all three organisations were essential to make it all work.
- It was important how, as a city, we could maximise benefit of the Rotary Trust who also had the resources to raise funds as necessary from groups that were not currently being used.

(23) Sub ID: 1564 – Catherine Stewart, Simone Anderson, Phil Hayho, Incubator Creative Hub (and supporters)

Key points

- Noted in the room were a number of community people in support of the submission.
- Council needed to understand what had gone on with the Historic Village and the hard work of volunteers, businesses and people who could not afford the rent hike proposed.
- Incubator was involved with the strategy and communication process for the Village.
- Urge Commissioners to speak with the people, the Village was the heartbeat of the community and if the Council ramped up the rents it would kill off many good community and not for profit organisations.
- The group acknowledged the work of the Commissioners and appreciate the work that had been done.
- Seek engagement in a mutual vision for an arts and culture community in Tauranga and region to add value for the city and have the LTP create decisions so that the creative community could thrive.
- The Village had created jobs and was attracting visitors and pathways to a sustainable community and creative fabric of the city.
- Noted the purpose of the four community well beings within the environment of all parts of the Village and the viability with the hub which had been tested and holds true.
- Overwhelmed by the community support through the submission process with 15% submissions supporting the Village and 25% on the proposed increase in the fees and charges.
- The submissions were diverse to make creative arts available to all from grass roots up.
- Tabled a request to open dialogue around the submission for a trusted partnership with the Commissioners and Council Chief Executive .
- Marty noted he was a Trustee of the Incubator and a psychiatrist who had worked globally and in some significantly impoverished war torn areas where he had learned a lot about mental health and social cohesion.
- There were significant mental health and social cohesion issues in the city with people battling substance use, homelessness, mental illness, social issues, youth and engagement with youth more challenging, elderly growing population. The arts was an industry which was what incubator was and exactly the work a community should be doing.
- Arts was an area for people to come together, to discuss things and have a relationship. It provided a median to engage and create something and develop themselves, more so than a lot of other strategies.
- Management team had several hundred people coming in for the vision, most of whom were unpaid. They acted financially responsibly and within financially wise strategies to do as much as they could within the resources available.
- There was a lot of anxiety and stress in organisations with people leaving because of the ongoing tension.
- Would appreciate and benefit from it if there was greater stability and understanding around the funding and a greater degree of longer term commitment to allow them to do better with the planning and to form a greater partnership and engagement with the city.
- Council had been excellent with funding, but there was always more needed and more would be appreciated.
- Simone was an advocate for arts and creativity and was overwhelmed with the 318 submitters who had put forward their views, 12 of which were speaking at the meeting.
- All of the submitters were everyday people and while she acknowledges change never suits all, investing in the future was necessary and to embrace the appetite for change and foster creativity in infinity.
- Overcome hurdles. The strategy highlights the city vision "Together we can". Change requires commitment drawn on years of this to breathe life in this Village where everyone was valued. Now with the proposed increased charges to recover capex and opex costs it was unrealistic and puts the vibrant city at risk.
- The costs were not sympathetic to the value of the work in the Village, as it was a

flourishing community hub with a variety of accessible services for the community. But those restrictions would make it hard to deliver.

- Everyone was in the same boat working for the same challenges and through partnership and creative thinking we could do it together.
- It was a situation of not only what Council could get from us but what they could do together to get a momentum of results.
- There had been a lot of fundraising and hours of volunteer time put into the Village which provides a strong and flexible core for community art programmes.
- Want to engage in discussions around the growth of the language of arts and creativity.
- Thank you for the opportunity and look forward to an outcome of forward thinking leadership. Without Art was the same as without mauri and wairua.

(24) Incubator Sub ID: 305 - Jill Leyton, Robin and Anne Wikingi

Key points

- The group were known as the Jack Duster Ukulele Players and wanted to express enormous gratitude to Incubator.
- They were originally a group of 7 and were now up to 40, mostly of the older age group.
- There was a huge need for older age group people to get together and have common interests.
- The group were invited to play at the Village and had ongoing relationships.
- People in the group now had the confidence to play in public.
- They also had members suffering from dementia and special needs joining.
- Other community groups were now asking the group to play, with any money earned going back into the community.
- The group sung a Waiata of unity and togetherness.

(25) Incubator Sub ID: 063 - Hayley Smith, Okorore Nga toi Māori

Key points

- The art group and heritage building was gifted to the Incubator and iwi took great pride that the whare tupuna had given the whare house to the Incubator so that their Tipuna could use it.
- All involved were paying residents and artists that fund the Village and all were involved with creativity, delivery of volunteer hours and service to the community.
- 180 years to celebrate Okorore Māori gallery was stemmed from loins of iwi – so began the infrastructure of the Tauranga Moana, hapu and iwi fabric of society of the Historic Village.
- The history of the whare was deeply engraved within iwi who continue to set pathways for their toi and fabric of many kaupapa to the community, volunteer hours and services that they pay to fund and to deliver.
- \$7,000 was being paid for water which they do not have in their space, so were struggling to understand how capex and opex cost could be dropped on the group as servants to their forefathers. This could not equate to the volunteer hours and trying to make Okorore a destination as it was a gallery in one of the oldest homesteads of the area.
- Council must allow them to hold the space for the delivery whakapapa and genealogy of the people where it started 180 years ago and still had many years to come.
- Their people had been here before and it shows.

(26) Incubator Sub ID: 063 and Sub ID 311 - Carla Acacio

Key points

- A tattoo artist originally from Brazil who had come to live in this beautiful town, but had noticed that under surface something vital missing.

- Listened to many stories regarding mental health and addictions within a few months of arriving here. Brazil had more.
- Tauranga needs more spaces where people can use expression and get the feel of truly being connected. The Village was a multi culturalism space with a vibrancy because it was real.
- There were no fancy flash buildings, what was there comes from local artists and the only place to find this was at the Historic Village and the Incubator where people could enjoy belonging and where everything was truly alive and valuable.
- Hopes that the Council understands that the Incubator was the heart and soul of the town and should be protected.

(27) Incubator Sub ID: 054- Sam Allen

Key points

- Sam quoted a poem that he had written which was created with art in his heart and paint in veins, all he saw was vultures and a home without culture and a lack of artistry in the Bay.
- If funds were taken away from the community what was humanity without artistry.

(28) Incubator Sub ID: 176 - Tina Zhang, NZ China Friendship Association

Key points

- President of the local NZ China Friendship Association.
- The Village was not just a place that Chinese could share a culture and arts centre, but to build a home for the Chinese community and cultural exchange.
- It was not a typical commercial hub, it was a place where culture could flourish, where they could celebrate heritage, share stories and friendship in the spirit of bringing people together.
- The group love their new home.

(29) Incubator Sub ID: 130- Sequoia Trass and MaryAnne

Key points

- Sequoia was a 16 year old student from Otumoetai College who had been going to the Village for 10 years as her mother was a worker at the Incubator. She noted that she could not have spent that 10 years any better and would continue to spend much time there.
- She learnt a number of skills, including using watercolour, sewing, ceramic lessons and was open to so much more with the hundreds of diverse music gigs.
- Mary Ann was 8 years old and does a number of different classes and learns a lot of different skills and had spent many hours doing sewing classes.
- The Incubator also gets kids involved with scavenger hunts and movies.
- The students had met many other similar people who also go as the focus was on everyday artists not just the elite.
- The inaccessibility to get out and do something was being overrun by greed.
- After many years being connected to the Village and its resident artists you could see what it does for Tauranga, providing a collaborative environment, which would not be able to happen any more if the fees were raised.
- We want to see it flourish through art, culture and the like. The Historic Village was about making a dream for a home in the city a reality
- Maryanne gave a gift of a soft toy tiki she had made from old blankets to each of the Commissioners.

(30) Incubator Sub ID: 300 – Cherie Anderson, Northern Health School

Key points

- Cherie Anderson worked with numerable groups of youth providing opportunities that they could not access for various reasons including health.
- They were a state school providing educational access to students for kids not able to attend school full time, many of which had severe mental and physical needs.
- While the focus needs to be numeracy and literacy, if it were not for the Incubator, they would not have any creativity in their lives. This was how they expressed themselves.
- The Village was taking vulnerable students and giving them some mana and self-belief through the centre and were about to embark on a 20 week art collaboration course to develop series of Pou Whenua for the front of the school. This would be a life changing experience for some of the students.
- A recent example of a 14 year old who would not leave home started to work in the community garden and now leaves home several times a week to water the gardens as it had given him a real sense of belonging.
- Who would provide this if not the Incubator to establishments such as schools if they had to pay market charges.
- The Incubator cannot afford to pay full rental and the students and future of Tauranga would miss out on the social capital gains which far outstrip any financial gain from increasing the rents, which was short sighted. Anō me he whare pūngawerewere – behold, it is like the web of a spider. If whakatauki was a full stretch of the web it would be reaching out to the full city.

(31) Incubator Sub ID: 069 – David Henderson, Otumoetai College**Key points**

- David Henderson, Art teacher at Otumoetai College supported the web metaphor.
- The Incubator was a creative hub giving students a spotlight and exhibiting their art which gave the students a buzz and an opportunity to sell their work. The smiles from the families when they see the work displayed was priceless.
- The Village provides a futures pathway through workshops and art pathways and does not know what they would do without it.

(32) Incubator Sub ID: 017 – Sue MacDougall**Key points**

- Submitted noted she was a passionate person and local artist with a window at the gallery.
- 18 months ago and witnessed the impact on the community with the artist window and 46 talented artists providing a platform for them to shine.
- It was a path to accessibility that was open 7 days a week and everyday people were able to indulge in their passion.
- Where else could you find such a dedicated and accessible gallery that gave people the ability to maintain the level of dedication of artists who volunteer their time to ensure it was open to the public.
- Believes in the power of art to enrich lives.
- In reality was Tauranga lacking adequate representation as there were very few options to engage with the community like the Village does.
- The new status art window had begun to make waves for locals and visitors from afar where they could express positively with the purchase of art.
- Cruise ship passengers visit and purchase art which spreads the word here and overseas. We won't have that soon and the increase of fees was leaving the future in the balance if not subsidised 95%.
- The vibrant support may not be available if the rent increases and the artists would be left without a central hub of art.
- Urge to stand with solidarity and rally support for the preservation of art and encourage

- a vibrant and sensible art centre for generations to come.
- Walk the talk – Tauranga together we can as a city vision.

(33) Incubator Sub ID: 289 – Derek Jacombs

Key points

- Was a jobbing musician who had been touring NZ since 1983 who realises the value of art to a community.
- Some people believe we should all pay for self and others see the richness of a community quantifiable other than money.
- The work of the Incubator Jam Factory was valuable for practitioners and audiences and was a musical wasteland as a place to play. It was a glaring reason when potential audiences were much smaller than expected.
- There was a large elderly population in the facilities many of whom had minimal community engagement and helped 18-25 year olds who were lost to education elsewhere.
- The closure would lead to a shortage of venues with Baycourt and Totara St being expensive and others not suitable for a lot of music that they put on.
- Many artists were excluded from the touring circuit and had to travel elsewhere to interact with other musicians. The Jam Factory had changed that and they now had an influx of folk musicians who did not used to come here but do now.
- It allows ticket prices to be made viable and for other acts to come and had added vibrancy in many ways.
- It helps the youth scene with a host of shows and was a band hire venue for those who do not have a following and provided a real opportunity for them to learn.
- It was also a place where you could work with professionals and learn from jam factory volunteers and to invite bands from other areas. They now get invited to play in other areas.
- The Village should be viewed as an investment in the culture of the town within every tendrill of growth. Don't tinker with it as it was making Tauranga a better place.

(34) Incubator Sub ID: 284 – Kirsty Clegg

Key points

- Submitter was a Health professional who works at Tauranga hospital.
- The Village provides a place where all staff, patients and families could go to have time out.
- After 30 years of working in the health sector, you know that all people need a supportive community connectivity and creativity to feel well and connected. The Incubator gives that in biggies and in bucketloads.
- Ask that Council continue to support a place where people could go to connect, feel safe and access for all people to create their own creativity or help others and was central to the human experience.
- Art makes for better, healthier life choices and this had been proved by research.
- Tauranga was facing terrible health challenges, yet this wonderful and unique place was here to allow them to be happier humans.
- Why would Council want to dismantle this when it held so much of what was needed in one place. It should support the amazing work and continue to support the Incubator for their happiness and health.
- Support creativity not cuts.

(35) Incubator Sub ID: 025 – Sandy Kerr – The Pothouse Collective

Key points

- Part of the potter's collective who were more happy mucking with mud than being at

this meeting.

- Had provided a full submission but wanted to provide a visual face to face and stand with the wider Incubator community and the life blood of the power house.
- Newbies would lose the opportunity to stand next to and on the shoulders of nationally recognised potters.
- Any closure would be bad for the whole of the art community and would be multiplied if they were not at the hub. It would not just be ripples, it would be a tidal wave of loss for the community.

Discussion point raised

- Commissioner Tolley noted to the group of submitters that the description of the wellbeing of arts and culture was standing up and roaring and that some others think it was a nice to have.
- What had been shown to Commissioners today was that actually local government was about people and communities and that it was a task to have to balance the budget. They were hearing loudly that the core of any community was its people.

(36) Sub ID: 787 - Vanessa Ham, S Volsky and Jo Bond Font Tauranga Public Art Trust

Key points

- Thanks to the Council on behalf of Font and for receiving an early contribution and to provide the delivery of the first public art sculpture in Red Square.
- Artist Piako Walton was working on the details and these would be revealed in due course.
- Council staff had been great to work with.
- Font were looking forward to the delivery of public art in Tauranga as this was a key for Font.

In response to questions

- The public art was to have been delivered in May but had been pushed back to June due to co-ordination issues with a lot happening in May. It would be in place before the Commissioners leaving.
- Four curatorial advisors had reduced a number of proposals to 4 works and they had gone with Piako. The proposal had all come with manufacturers specifications.
- Public art was a journey which had been included in their 10 year plan, they had not got to the specificity of actual sites or funders at this stage.
- There had been a lot of expressions of interest and approaches made to private funders towards a public art framework. They were working closely with Council staff and mana whenua on the framework.
- Bw engagement with urban design panel – helps all to be anchored
- In relation to engagement with the urban design panel, it was noted that they could not speak to that artwork, but would follow up on that.
- The group were thanked for all the do with regards to public art around the city.

(37) Sub ID: 150 - Nathan Wansbrough – online

Key points

- The submitter had been a quantity surveyor in commercial construction around the Bay of Plenty and Tauranga for over a decade.
- The built environment was important and a passion.
- Focus was on two areas of the LTP which were fantastic and wanted to see implemented - the issue of the sale of the carparks to fund Te Manawataki o Te Papa project and congestion charges and time spent by commuters in the main throughfare.
- Sale of carparks allows more competition with carparks and congestion to act as a disincentive to driving as it becomes harder to get around the city.

- Disincentivising the use of vehicles when there was no suitable alternative as the public transport system was not viable.
- There was a need to come from a different prospective and look at public transport and how to move them to a bus system, to invest more in that and in commuter rail.
- Spoke to the transport panel and they did not want commuter rail in 50 year plan, which was a shame when the corridor was conducive to having it.
- Property developers intensifying the CBD and grants to go towards affordable housing projects would be in play with the public transport and for people to be able to walk and cycle.

In response to questions

- Commissioner Tolley noted that Waka Kotahi want to continue to have discussions and may disincentivise the wrong people. Talked the Bay of Plenty Regional Council and were sharing submissions on public transport services in Tauranga and getting a good feel of the public thinking and lack of transport options.

(38) Sub ID: 1505 and 1506-Jeff Fletcher, Malcolm Short, Geoff Ford, Tumu Kaituna 14 Trust and Ford Land Holdings and Scott Adams, Carrus – on line

Commissioner Walmsley noted that he was a member of the SmartGrowth panel.

Key points

- Included Malcolm Short, Chair of Tumu Kaituna 14 Trust, Geoff Ford Chair of Ford Land Holdings and Scott Adams of Carrus.
- Opportunity for the Te Tumu urban area as it was a priority urban growth area for the region.
- It was unique as it had three main land interests working together with Council to progress the plan change to deliver 6,000 much needed houses for the region as well as providing housing to the Tumu Kaituna 14 Trust beneficial owners and their whanau.
- The Trust along with Carrus Holdings had recommenced the plan change programme this year and were focused and committed to getting it prepared and notified as soon as possible. Having the change notified and going through the regulatory processes was critical to enable infrastructure funding discussions to be undertaken with government. Until it was notified there was little basis for the discussions.
- Since the plan change submissions had closed, the government had been announced its new direction for water services delivery and the repeal of the three waters legislation on which the LTP was based and only notified water expenditure for the first two years, which they now understand that Council would include three waters capital and operational expenditure for 10 years.
- The land owners seek that the three waters network infrastructure necessary for Te Tumu be included in the final LTP. If Council were not to do that due to balance sheet constraints, they request that the three waters network infrastructure project for Te Tumu that were unfunded in the LTP be itemised in the LTP so they could be included in a proposed city deal between Council and the government and/or be picked up by the governments new local waters proposal. This was critical as the LTP provided a signal of what was needed and with the commitment by the land owners to progress the plan change it provided an important bookmark for future discussions on funding.
- Mr Short noted a recent article in the Bay of Plenty times which outlined the Tauranga housing shortage and the Te Tumu development being critical to plug the gap and noted that they supported it.
- Mr Ford noted the fundamental points of the rezoning of the land was critical and had met with Council officers for the second time this year on 9 February 2024 and stressed the importance to rezone the land which was able to be done with conditions applied to the rezoning in a 2 stage approach and not full consenting of everything.
- They would go through each area and comply and need to updated their submission

and fast track the change so Council could notify the rezoning while the Commissioners were still in power.

- This could be done but would require some active and accelerated processing to achieve. Without the rezoning there were a number of issues where the Minister would look at funding for that zoned land.
- The proposal had been going since 2017 when a relationship agreement was signed and not a lot of progress had been made.
- Requested Commissioners to reinforce to staff to consider the reports they received so far and advise how they could be updated and to see how it could be actively have it notified.

In response to questions

- In response to a query as to why the developers were worried that an elected council would not pursue Te Tumu and why it was important that the plan change be notified while Commissioners were still here, it was noted that the biggest worry was that there had not been enough active processing of the application and had been ongoing for years. Last year they were given a timeframe and then in September 2023 they had received a bombshell that it was to be pushed out due to legal advice provided to Council. They felt that this needed to be reviewed and a second opinion sought.
- Commissioner Tolley noted that while they understand the frustration, but now as the work had recommenced in earnest now that plan change 33 had progressed and would continue through into the elected council.
- The workstream was too slow and needed to be pushed quicker to achieve and was critical to have it notified so they could go to central government with land that had been notified to strengthen the case as the new government were looking to actively provide housing. The proposal was for 6,000 houses but without government support, Council would be struggling to come to terms with the financing. However, if it was notified rezone there would be a strong case for advancing all of the funding. They were concerned about further delays with the upcoming elections and the education of Councillors as it was unknown what make up would be it was a big risk. This was a big project and without certainty it was going nowhere.
- Commissioner Tolley noted that no one was expecting or promising money on the table, but that Council were looking at ways to enable and speed up the process and different ways to fund.
- Mr Ford noted it was not just picking up money and until there was certainty landowners could not do anything as all they had was land so were unable to go to financiers to build. Access could be conditioned for rezoning and worked through the, but they had to get the first lot done and consented with conditions.
- An independent mediator had been appointed to chair proceedings from now on and to keep it going at a pace that the Trust were comfortable with was important and meet on a regular basis.
- Scott Adams noted that they needed more than a mediator they needed someone to aggressively drive the plan change to notification with a skill base to explore all options coming out of 100 day government plan, to push forward because of the need to move on to the next stage
- Commissioner Tolley noted that while they understood this, the Commissioners role was to protect ratepayers and they could not incur the risks on their behalf and legal opinions were important and advised the submitters that they were most welcome to get their own legal opinion.

(39) Sub ID: 1528 – Logan Rainy, Property Council New Zealand, John Murphy - online

Key points

- Mr Murphy noted that he was here to protect the ratepayers, with property being the largest industry in the Bay of Plenty.

- Appreciate the Commissioners working towards a better outcome and putting Tauranga on a better path.
- In favour of the approach towards a community stadium and the SmartTrip loading pricing.
- Concern regarding the rating differential, as the changes would set Tauranga back a few years.
- Strongly oppose separating industrial and residential as it would have a detrimental effect and outcome across the city and needed to be across the board.
- Unfair for industrial properties to pay an unfair share and disproportional amount.
- It would be double dipping as industrial users already pay road taxes and transport costs. There was no evidence industry impacted on infrastructure such as wastewater and roading.
- Higher rating differentials – it was disappointing seeing Council opposing this with businesses already under pressures over the years and with labour shortages it being passed back to businesses and Council trying to avoid these.
- There would be some excessive increases of up to \$600,000 and could not see how that was fair on businesses.
- Pass costs on to the community not industry as it would force people to go inland from Waikato which was not what was wanted or to have higher costs across the city. Instead of continuing a staged reduction to remove or reduce industry, there was a need to focus on those two points.

In response to questions

- Commissioners noted that there was already a differential for commercial and now there would be one for industrial. Tauranga communities rate was lower than Hamilton and many other metros.
- If the increase fell back on residential ratepayers it would add to what were some of the highest house prices and rentals in the country in an area where income was less than national average. It was not a rich residential community to pay all of the costs for a growing city. In the past there had been great support from the commercial sector with the introduction of the differential rate.
- Mr Rainey noted that the starting point from the sector which had championed a lot of work and investment in the last few years and was a point of difference this time is the structure of how done. Transport argue that industrial properties make a solid contribution in other ways such as road tolls and while there was a willingness to make a contribution, the concerns were around the way it was structured.
- Commissioners noted that people did not realise how much Council put into the state highway system, which was a huge resource as we go along. The latest update included work that Council had to fund first before the state highway improvements were put in.
- A note had been made to talk about the Transport System Plan (TSP) and to ensure that the Council were not double dipping. The basis for the industrial rate was largely based on the transport system and heavy industry on the roading systems.
- Mr Rainey also noted the submission in favour of alternative funding tools for alternative transport and special purpose vehicles and appreciated the offer to relook at the Transport Systems Plan.
- Commissioners noted that they were happy to have a wider conversation at another date about other issues the group interested in.

At 5.49pm the meeting adjourned to be reconvened on Tuesday 13 February 2024 at 1.00 pm
Commissioner Shad Rolleston gave a karakia to end this day's meeting.

Continuation of meeting – Tuesday, 13 February 2023 at 1pm

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 (Head of Transport), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Josh Logan (Team Leader: Corporate Planning), Ella Quarmby (Corporate Planning Intern), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor)

11.1 2024-2034 Long-term Plan – Hearings *(continued)*

(40) Sub ID: 1522 – Ian Glover, Aidy Banderveke, Donal Boil? Bevan Woods, Mount Maunganui Aquatic Centre

Key points

- Mount Maunganui Aquatic Centre Trust (MMACT) was established in 2011 with a vision to upgrade and promote the Mount Maunganui College (MMC) Swimming Pool. In 2013 MMACT and BayVenues presented a proposal to the then Mayor, Stewart Crosby to instal a 51m by 25m pool in the existing area which would cost approximately \$10m. However Council had planned to develop BayWave and the proposal was dismissed.
- The Aquatic Centre heated the outdoor pool to allow year round operation.
- The relationship between Mount Maunganui Aquatic Centre Trust and Mount Maunganui College was well established.
- MMC and Ministry of Education strongly support the MMACT proposal. It was noted that Ministry of Education documents clearly state that school pools should involve community groups.
- The MMC Board of Trustees support the proposal.
- It was noted that the pool location had good accessibility for the public along with newly built 85 space carpark adjacent to the park. The public opening hours of the pool would be after school hours, meaning parking shouldn't be an issue.
- The pool use had grown and was now running at maximum capacity.
- Concern raised around pool infrastructure now passed used by date.
- A new pool would accommodate more sports and events and believed this pool was a valuable asset to the Tauranga Aquatic network.

In response to questions

- MMACT were currently in discussion with Council staff and Bay Venues.

(41) Sub ID: 1020 - Jade Kent, Film Bay of Plenty

Key points

- Bay of Plenty had a diverse array of breath taking locations and film stars like Cliff Curtis. Though Bay of Plenty was an emerging location, Film BOP was progressing towards maturity.
- The Film Office worked behind the scenes to ensure the Producers had everything needed like permits, catering, accommodation, co-ordinating with local iwi etc.
- Bay of Plenty would be the first region in North Island of NZ to offer a Screen Incentive

and this was about enticing the film industry to film in Bay of Plenty.

- The Screen Canterbury Incentive saw a 77% increase of filming in their region. Taupo's incentive saw a 17% return on investment for an investment of \$50,000.
- It was noted that incentives saw an influx of visitors and tourism due to movie exposure meaning economic drive. Matamata and it's Hobbiton Village being a prime example.
- It was noted that film induced tourism created job opportunities.
- The screen incentive was a separate investment from operational funding. A screen incentive allowed for region to be on a global map for production opportunities.
- The goal was for all Council's in Bay of Plenty investing in the Screen Incentive. It's about collaboration, economic growth and community.

In response to questions

- The Screen Incentive requested \$250,000 over the 3 years and received \$50,000 last year.

(42) Sub ID: 467 - Emma Jones, Clear the Air Mount Maunganui

Key points

- Did not attend.

(43) Sub ID: 1365 - Kenneth Purser

Key points

- Did not attend.

(44) Sub ID: 1282 - Mikael Carter, Western Bay of Plenty Cricket

Key points

- Asked that Council thoroughly reconsider the Sports Field and Facilities user pays proposal.
- Concerned that the proposal was developed without the understanding and necessary investigation to make it feasible or sensible.
- The use of sports fields and facilities contribute to mental and physical health.
- The proposed increase of fee's could disengage an active community.
- Expressed an understanding that there was cost for maintenance of fields.
- Expressed that Council lacked community awareness and could not ask Sport Clubs and Groups for money they did not have.
- Considered the negative effects if the sports groups did not or could not pay.

(45) Sub ID: 1446 - Claudia West, Kate Grove-Pacino, Mount Business Association

Key points

- Expressed concerns of the Street Dining Policy and submits to Council that more work was needed to make this policy practical and fair for all the Mount Business main users.
- Expressed concern of engagement with Council staff and Mount Business Association (MBA) about planned upgrades of Coronation Park. MBA were key stakeholders and reiterated that they would like more involvement.
- Highlighted that MBA were involved with Council for Mount Maunganui storm water. Suggested that Council staff worked in silo between divisions alongside MBA to look at best outcomes for everyone.
- Acknowledged Paul Mason on his work with MBA on Security. With Social housing in place at some hotels, there has since been an increase in crime. Making sure of security work with TCC and Police. Asked if Council could consider potential of funding for street ambassadors at the Mount over Summer period.

- Applaud Council for marine parade walkway.
- Funding for safer spaces and service lanes.
- Expressed concerns regarding Plan Change 33 in City Centre density changes from 12 metres to 22 metres.

(46) Sub ID: 1429 - Kathy Webb, Chair WBOP Neighbourhood Support

Key points

- Neighbourhood Support aimed to achieve safe, resilient and connected communities.
- Spoke in support of Council's Safer Community action and investment plan and wanted to ensure it was properly resourced and funded.
- Neighbourhood Support connected with Section 4 – safe neighbourhoods, 6 – Safety Agencies working together and 8 which talked of the measures of success in the Action and Investment Plan.
- Neighbourhood Support ran an Event, Sirens and services and koha ice cream day, though the weather was wet, 1,500 people supported the event that was funded by Council. In discussion with Council to continue these events that were consistent with the action and investment plan.
- Working with Socialink, Community insights division mapping where Neighbourhood Support was located around the city. That information was imperative.
- Support the partnership between Council and Neighbourhood Support.

In response to questions

- Thanked for good work and acknowledged they were volunteers.
- The mapping done was integrated in the Council Community Development tea Vital Updates Programme.

(47) Sub ID: 1521 - Chris Toms, Terminals New Zealand

Key points

- Did not attend.

(48) Sub ID: 1087 - Heidi Hughes, The Wednesday Challenge

Key points

- Noted the Wednesday Challenge was not a community organisation or Trust and do not apply to community funding and grants.
- Acknowledged Wednesday Challenge could be considered a mode shift consultancy.
- Supported Council's proposed congestion charge and expressed concern around work done to ensure public transport was part of the proposal.
- Hugely engaged program across city in 2022 with 10% of community involvement. This program was maintained in 2023 with 63 businesses having participated in Wednesday Challenge and Tauranga City Council placing fourth.
- Survey results showed that 83% of businesses would like to participate this year.
- The applied funding for 2024 was to cover basic costs as program was nation-wide.
- Premise of the challenge was to encourage shift of habits to use other modes of transport.
- The Wednesday Challenge seek funding to pay the licence fee for the app used for the Challenge.
- Noted they were in discussion with Bay of Plenty Regional Council to fund the licence for the Wednesday Challenge school program.

In response to questions

- \$25,000 contribution was for a city licence and the entire city to participate in the challenge as businesses.

(49) Sub ID: 1576 - Tim Jackson and Tane Cook, Turning Point Trust**Key points**

- Mr Jackson quoted a whakatauki
- Noted there were a group present in support of Turning Point Trust.
- Had been a tenant in the Historic Village since the year 2000 and occupied many different buildings within the Village.
- Noted there was a period when Council did not maintain the Historic Village and Council had now stepped up and spent a lot of time, energy and money upgrading the Village.
- Noted the 2020 Strategic Plan seemed to be a move towards favouring venues over leasable spaces for businesses.
- Turning Point Trust had lost two other spaces prior to this and believed leasable spaces were at a loss for community groups like them.
- Believed Council were favouring revenue over community development.
- Proposed to Commissioners to leave a legacy that did not push community and well being groups.
- Proposed rates were going to have an significant impact on Turning Point Trust and could mean they would have to leave the Historic Village after 24 years occupying the space.
- Noted a cloak was placed by Kaumatua of Tauranga Moana to the space within Historic Village to allow a space for people to grow and strengthen themselves.
- Closed with a whakatauki about being able to understand each other, will then allow true reality of unity to begin.

(50) Sub ID: 1323 - Paul Goodall, Western Bay of Plenty Softball Association**Key points**

- Softball and Baseball was a great family sport. Currently played at Carlton Reserve which had built in baseball fields and facilities like public toilets.
- The Council contributions included mowing etc.
- The proposed User Pay's fee's would be a \$45k additional cost. Concerned that the increased costs would close the sport organisation. The current work budget for Softball Association was \$20k and that was mostly sources from fees.
- The Softball Association had plans to build club rooms there.
- Noted teams travelled from Rotorua and Whakatane.
- Asked for fair and equitable fee increases.

(51) Sub ID: 1532 - Nathan York, Bluehaven Group**Key points**

- Suggested more community parks in Papamoa outside of Tauranga city centre.
- Urban area, noted it was important to have acknowledge the Sands as a town centre.
- Bluehaven accept and acknowledge the investment into city centre but did not agree to the extent of investment compared to other areas of Tauranga.
- It would be useful for the user pay's proposal as long as service was the same for all.
- Supported Te Tumu development. Would like further consideration and information on targeted rates assessment.

In response to questions

- Noted the road pricing was Central Government lead.

(52) Sub ID: 1088 - Richard Kluit, Ōtūmoetai Sports and Recreation Club Inc and Bowls Matua Inc

Key points

- Submission was in regards to charges being proposed for Council leased facilities.
- Expressed concern on the LTP Submission time restraints put on sports club to submit a thorough and meaningful submission.
- Noted he was involved with public meetings and submissions for 2005, 2007, 2012 and 2019 Active Reserves and Management Plans, maintained an interest in a 2021 Community Facilities Investment Plan and 2023/2033 Reserves and open Space Investment Plan. 2023.2050 Otumoetai Investment Plan.
- Noted that until 10 years, there were six monthly meeting hosted by TCC and Sport Bay of Plenty for Sport Facility Users and Spaces.
- Noted there were no element of consultation with facility and land occupiers and no indication that a significant charge increase would be introduced.
- Noted that this was a chance for Council and Community to share information and plans.
- TCC funded the public toilets and gave a letter of support to the Clubs which was instrumental in securing public and community funding.
- The intended charges would have considerable impact on users. TCC would take over ownership of facility that was currently volunteer run.
- Recommended the proposed charges be deferred to allow consultation with community.

(53) Sub ID: 1270 - Matthew King and Warwick Brew, Ōtūmoetai Tennis Club

Key points

- Had leased Bellevue Park since 1990 and pay a peppercorn rental due to providing a service to the community.
- Over 500 members at the Tennis Club that was accessible to public every day. 300 of these were junior members.
- Noted they were one of the largest and best tennis club facilities in Aotearoa.
- Expressed great concern to the 4000% increase to user fees and charges.
- Noted that the duty of Council under LGA to provide for economic, social and culture wellbeing to the community.
- Noted the Tennis club run the club through a core group of volunteers.
- Council funds \$0 to the current operation of the club and only provide land.
- Concern raised about the need to increase membership fees and this could further prevent some families from joining. The current fees were quite low compared to other clubs countrywide.
- Rely heavily on community grant funding for capital expenditure, maintenance and resources.
- There was currently a decline in community funding and it was tracking downwards.
- Proposed an alternative was to charge lease on valuation based to charge on dripline of the building.
- Great relationship with Council since 1990.

(54) Sub ID: 1275 - Kent Lendrum, Mount Maunganui Tennis Club

Key points

- Agreed with Ōtūmoetai Tennis Club comments as above.
- The Clubs first reaction was that the proposed User Pay's Fees were going to impact membership fees and membership.
- Concerned that the proposal could discourage youth from doing an outdoor activity when we should be encouraging youth to play sports.

- Club members were aged from 4 to 84 years old.
- The tennis club was not for profit.
- The club was 100% self-sufficient through membership and community grants.
- Members who played two sports were concerned that increases could mean they would need to choose one sport due to affordability.
- The proposed increase of rates was well over 30 times of their current lease rate.
- \$100 per member increase of membership.
- Queried how the lease would apply to publicly used courts and the six courts that Mount Maunganui Tennis Club would inherit from Netball Association.

(55) Sub ID: 1512 - Robert Naumann, Tennis Western BOP

Key points

- Tennis Western Bay were the umbrella organisation of all Tennis Club and represents them on a Regional and National stage.
- Clearly the User Pays Fees charges was a financial issue.
- Tennis was a game for life.
- Expressed concern on the elder generation and pensioners who play tennis and fear based around health of people who play Tennis and any sport.
- The value of tennis WBOP was it was neutral and it provided a platform for Council and tennis club to get through options.
- Requested further consultation and a better partnership between Council and various Tennis Clubs in Bay of Plenty.

In response to questions

- Thanked for attending.

At 2.25pm the meeting adjourned.

At 3pm the meeting reconvened

(56) Sub ID: 1432 - Alida Shanks and Karen Walters, WaiBOP Football

Key points

- The proposed User Pays fee model would have a significant impact on Football.
- Proposed model would cost an excess of \$600,000 per year which was not fair especially while there is a cost of living crisis.
- Believed this model would affect kids playing sports and would see a decline in playing sports.
- Would like an opportunity to discuss a fair and competitive rate.
- 2023 saw increase of 23% in players. Three quarters of the increase being kids and youth
- Research shows that the financial cost of playing sports was a top barrier to participation in sport.
- Requested Commission review and reconsider the current User Pays fees model.

In response to questions

- The per season in comparison to Hamilton City Council model would be helpful.

(57) Sub ID: 852 - Barry Brown

Key points

- Noted was not opposed to Commissioners doing the LTP but opposed to the time and planning of the LTP. Noted it was flawed and overcoming for a substantial enterprise like Tauranga City.

- Supports Councils of exploring ways of balancing the budget.
- Noted the currently rates were low for a growing city.
- Supports the initiative to revitalise the CBD.
- Agreed to increase the development contributions.
- Unsure about community stadium and the funding sources to build it.
- Focus on main things like the City's infrastructure.

(58) Sub ID: 1271 - Maree Quill

Key points

- Had paid rates in Tauranga for over 25 years and love the village atmosphere of Tauranga.
- Commissioners had caused much stress to many residents with the proposed rates.
- Noted the LTP was not focussed on the right things.
- Suggested the LTP include roading improvement especially on Waimapu bridge and Turret Rd.
- Noted that only 20% of population visit museums.
- Car gave the greatest personal freedom.
- Suggested the removal User Pays Policy out of LTP.
- Papamoa was subject to future changes like floods and tsunamis and expressed concerns on the evacuation process with few gaps to get to higher ground.
- Noted the proposed LTP would plunge city into huge debt and negatively affect the well being and the wealth of the residents.

In response to questions

- A proposal for Turret Road was included in LTP.

(59) Sub ID: 1500 - Chris Pattison

Key points

- Background in Engineering insurance.
- Expressed concern on the proposed Stadium. The future stadium would have to host as much events as possible for it to meet the intended economic value
- Believed the transport and carpark spaces would disincentivise attendees to the Stadium and would end up being a white elephant.

(60) Sub ID: 1089 - John Coster

Key points

- Expressed the importance and the future of Watkin's house located on the corner of Cameron Road and Elizabeth Street, Tauranga.
- Noted he was a current member of Tauranga Historical Society.
- Watkins house was one of a very small amount of house museums.
- Suggested a productive working partnership between TCC And Tauranga Historical Society.
- Congratulated the Commission on their farsighted management of the city.

In response to questions

- Bus stop required close for better visitor accessibility especially the cruise ship visitors.

(61) Sub ID: 1491 - Mike Williams, Mount Maunganui Sports

Key points

- Was a non-profit organisation and a mostly volunteer club.

- Noted Community Grants was a shrinking pool of money.
- Increase of club fee's would drive people out of sport.
- Expressed concern on timing of notification for charges.

(62) Sub ID: 1582 - Carla van den Hout and Ian Mason, Tauranga Gem and Mineral Club

Key points

- Noted have been a tenant at Tauranga Historic Village for 48 years.
- Provided a valueable service to village and community.
- Were a non-profitable organisation managed by volunteers with an interest in gem and minerals in Aotearoa.
- Had own museum of collected mineral found in NZ and the world.
- Welcome to all ages with a library and workshop for public to enjoy.
- The last club bi-annual event attracted over 5,000 people.
- Expressed the club does not want to leave Historic village.
- Asked council to review and reconsider proposal fee's increase at the Historic Village.

(63) Sub ID: 961 - Michael Batchelor

Key points

- Proposed fee's increase from \$950 p/a to \$8,300 p/a.
- S14 LGA 2002, sets out principals which must be followed to exercise its right to conduct its business. Half submitters today have complained that Council has not complied with this principle. Must apply in all case when Council is conducting business.
- Expressed concerns on User Pays Fee increases.
- These charges would destroy these community groups and organisations.

(64) Sub ID: 1313 - Brendon McHugh, Tauranga City AFC

Key points

- Opposes the Long Term Plan User pays fees.
- The proposed 2,600 increase in fees would break the club. 80% members are junior, 20% seniors.
- Runs a risk of undermining the clubs ability to provide.
- Comparison to Auckland football clubs who pay no council fee's
- Commended the many sport volunteers.
- Fee increases would impact sport players and in turn create an "if you can pay, then you can play" culture in the club.

(65) Sub ID: 1165 - John Koning, Tauranga Netball Centre

Key points

- Current lease between Netball Centre and Council expired 31 March 2023 and had not been renewed yet.
- The proposed fees and charges would affect the Tauranga Netball Centre and rough calculation the rates would increase by \$70,00 plus.
- Blake Park was a classified as a Recreation Reserve which did not match the Councils Reserves Policy that describes it as an Active Reserve.
- Expressed concerns on User Pays charges and asked for further consultation.

(66) Sub ID: 1501 – Jitjiu Patel and Bevan, Hockey Tauranga

Key points

- Received approximately 96,000 visitors a year which does not include AIM's games

week.

- The current Hub at Blake Park was integral to Hockey Tauranga.
- The Club worked hard to keep fee's low for members.
- Noted it was a volunteer run club.
- Aware Club occupied a large piece of land.
- The current facility was not fit for purpose and the remaining life span was unknown but the club were working hard to keep facility useable for another 5 years.
- Unsuccessful in obtaining external funding of \$39,000 to conduct a feasibility study.
- Sourced funding would enable club to complete the build of new a facility.
- The Board for Hocket Club worked to develop a strategy for the Club.
- Looking forward to on-going partnership with the Council.

(67) Sub ID: 1414 - Simon Berkett, Mount Maunganui Sports Club

Key points

- Key benefits include increasing participation in the sport.
- Almost doubled membership in the last few years but also noted there were casual pay for play players using the facility also.
- Adams High performance centre close proximity to Squash Club.
- Worked with Council spaces and places team to expand current building to better serve the members and wider community.
- Seeking 50% funding from Council for the development.

In response to questions

- Worked with Council staff on the Concept Plan.

(68) Sub ID: 1377 - Robert Paterson

Key points

- Did not attend

(69) Sub ID: 1602 - Andrew von Dadelszen, Tauranga Rotary Centennial Trust for the Kopurererua Reserve Development

Key points

- Submission was in strong support of the Kopurererua Reserve Development.
- Raised an excessive \$2m for restoration off valley and hours of voluntary work.
- Congratulated Commission for work done with restoration the wetland.
- Looking for recognition of value of the restoration of the wetland.
- Expressed the need to update Reserve Management Plan but does not need to be rewritten.

In response to questions

- Resistance to using volunteers previously due to health and safety aspect but developed a process put in place to assist with this.

(70) Sub ID: 1132 - Nigel Tutt, Priority One

Key points

- 76% population increase since turn of century.
- Did not support Industrial Commercial Rates Split.
- A lot of support around generally theme of beneficiaries paying. Growth paying for growth.
- Concerns found in community around affordability.

- Noted the encouraging development in the city centre.
- Congratulated Commissioners on their work done.

In response to questions

- Commercial rates parties accepted rate increase and successful. Industrial rates industry not in agreement. Better discussion would be helpful.
- Industrial rate benefits were not quite explained.
- Development contributions – reduction for some case of development. Residential housing that under the residual house prices. Encourage people to live in the city.

(71) Sub ID: 1453 - Robert Morgenstern, ATARA Film Ltd**Key points**

- Happy hikoi was successful. Response was overwhelming and
- Noted one story ready for filming on Pukehinahina ready in April 2024
- Noted they were on track to make a 19min documentary to tell stories of Tauranga Moana with could be a game changer for Tauranga tourism.
- 14 stories ready to film.

In response to questions

- Worked with Dean Flavell but not Greg.

(72) Sub ID: 1264 - Darlene Dinsdale, Waiari Kaitiaki Advisory**Key points**

- Did not attend

(73) Sub ID: 527 - Greg Stevenson**Key points**

- Expressed reservation on current LTP proposal.
- Concern raised on bike lanes and the safety of it.
- Why develop new initiatives when there was a history of poorly executed projects.

At 4:45pm the meeting adjourned.

At 5:30pm the meeting reconvened

(74) Sub ID: 1471 - Phill Mulligan, Ōtūmoetai Football Club**Key points**

- Widely assumed that their club was financially fit.
- Last year's weather saw many game cancellations due to rain and flooding.
- Concerned Fergusson Park would be under water by 2070.
- Acknowledged introduction of increase to fees but disagreed with the amount of fee increase. Community can still participate without being pushed out.

(75) Sub ID: 1218 - David Walton, Greerton Scout Group**Key points**

- Deeply concerned about 2024/34 LTP proposal.
- The User Pays charges suggest increasing land use by over 431%.
- Scouts was a not-for-profit organisation.
- Scouts empowers lives of over 13,000 children across NZ with over 100 members aged 5 to 14 year olds in Tauranga alone.

- Greerton Scout Group had been around for 60 years.
- Expressed that the increase to fee's could be the end of Scouts problem.
- Asked that Council to reconsider the fee increase.

(76) Sub ID: 1123 - Gretchen Benvie, Tauranga Croquet Club

Key points

- Aware there had been in depth presentations to the User Pays proposal.
- Agreed with the User Pays charges as long as it was fair and equitable.
- Costs for the club were paid by membership and community grants.
- Most of maintenance work at the club were carried out voluntarily by members. The only costs for maintenance were if the club needed to use machinery.

In response to questions

- Croquet Club owns all its building and maintains their club independently.

(77) Sub ID: 561 - Michelle Bull

Key points

- Not in attendance

(78) Sub ID: 713 - Nathan Bonney

Key points

- Noted that the proposed LTP was not done with thorough community engagement.
- The proposed \$20m stadium was not required and long term implications for Rate Payers would impact many people. It would also displace sports clubs.
- The User pays proposal was not beneficial for clubs and their contribution to the community's health and wellbeing.
- Concern raised around wrongly parked cars in Mount Maunganui.

In response to questions

- Mandate from previous Government was to deliver the Long Term Plan which was a legislative and democratic process.

(79) Sub ID: 704 - Phil Hansen, Tauranga Woodcrafters Guild Inc

Key points

- Mostly retired members both men and woman. Been in operation since 1986. Memberships was static with 90 people in a given year.
- Objective to encourage wood crafting as an everyday activity.
- Provided an environment to interact socially and engage in a craft as socialising was very important for mental health.
- The workshop equipment all owned by Club.
- Undertake charity work creating and donating wig holders for Cancer patients.
- Owns all buildings and pays all maintenance and operation bills.
- Higher operating costs means higher subscription fees.
- The Tauranga Woodcrafters Guild Inc does not support the user pays proposal.

(80) Sub ID: 686 - Richard Hart

Key points

- Expressed concern on the Te Tumu Park development.
- Battle of Te Tumu was important to local iwi and the history of area.
- Noted the design work on Te Tumu needed more work.

In response to questions

- Pushed the Infrastructure of Te Tumu out 10 years but land purchases were still included in the LTP.
-

(81) Sub ID: 1097 - Pat Rae, Bay of Plenty Rugby Union**Key points**

- Disappointed with timeframe for submissions.
- Noted this submission was on behalf of all affected rugby clubs.
- A lot of Rugby Clubs had done their planning for 2024 year.
- Serious thought and strategy planning needed to cover these costs.
- 64% of participants are maori and pacific islander and Rugby was one of the cheapest participating sports with a high rate of health outcomes from these participate.
- Don't agree with the idea of passing costs to members as membership fees would need to increase in order to meet the proposed User pays charges.
- Supported the proposed Stadium in Tauranga.

(82) Sub ID: 1009 - Cherie Luxton**Key points**

- Many residents in Papamoa were disappointed with the development of an asphalt bike track being installed.
- Does not support User Pays proposal and believed it was unfair. Would support if the user pays system was used across the board.

(83) Sub ID: 1267 - Jenny Kirk, Volleyball - Tauranga & Phoenix Clubs**Key points**

- Advocated for more indoor court space. Greatly supported the purchase of the Warehouse building as a prospect for more courts.
- Highlighted frustration expressed due to not being able to increase or accept new players due to limited court space.
- Indoor users appreciate trying to get some equity with outdoor users.
- Disagreed with the increased User Pays proposal.

In response to questions

- Discussion happening with Bay Venues about more court space.

(84) Sub ID: 1361 - Mark Rogers, Tauranga City Basketball**Key points**

- Does not support the User Pays proposals and were currently seeking equitable fees for sport clubs and members.
- Noted basketball was a developing sport in NZ.

In response to questions

- Recognised Bay Venues and sports were struggling

(85) Sub ID: 1417 - Nika Rikiriki, Tauranga Blue Rovers Football Club**Key points**

- Noted the football club was a non-profit community sports club.
- The club runs programs all year with 1,600 people involved and pride themselves on

diversity.

- Main thing was for football to be affordable and accessible. All players should be afforded an opportunity to support and play sports.
- Was not opposed to a proposed User Pays charges. The concept was good and asked that the fee was balanced and affordable for the community.
- Football funding model was a ground up model.
- Expressed it was important to keep fees affordable for children.

(86) Sub ID: 1114 - Gerald Greig, Papamoa Sports Tennis Club and Papamoa Tennis Charitable Trust

5h 33m

Key points

- Two bodies that manage the TCC lease.
- Outlining exciting plans for future.
- Mission was to provide opportunities for communities to connect.
- Developed a lot of connections with Tennis NZ.
- Proposal to develop a covered facility, 6 courts, versatile admin building, covered courts, hospitality meeting and conference. Other rackets courts, gym. Additionally compatible tenancy (physio). Tournaments held would no longer be affected by weather.

In response to questions

- Feasibility and funding not completed yet.

(87) Sub ID: 910 - Barbara West, Ōtūmoetai Community Garden

Key points

- Concern raised around proposed User Pays charges. It would mean a 1000% increase in fees to the Garden Club.
- Organisation was not a commercial enterprise. Rentable gardens were never fully occupied.
- Managed the many out-goings for the gardens from the low garden rental costs.
- Noted the Community garden helped many of its gardeners wellbeing and physical nourishment.
- Asked that the Garden Club rent remains the same with no increase.

In response to questions

- Water was metered and Garden pays water rates.
- Memberships of Society were the gardeners with 20-22 members.

(88) Sub ID: 1015 - Murray Clarkson, Athletics?

Key points

- Disappointed regarding the Business Case for proposed Community Stadium being included in the LTP.
- The construction of the Community Stadium would take away many sports ranging from Athletics to croquet from the Domain and questioned what sports would then take place.
- The Domain was an active reserve and protected as a green space. No buildings were allowed to be erected as it was protected as a green space.
- The prospect of the Council was that Athletics was moved from the Domain to BayPark.
- Noted the Consultants ignored the information Athletics provided.
- Stated that track at Wharepai Domain had useful life until 2039.

In response to questions

- Four options of Stadium proposed and consulted on prior to LTP.

(89) Sub ID: 1466 – (Bruce Inglis) Sue Roberts, Mt Greens Sports Inc

Key points

- Provided a competitive, recreational multi-sport and services for all ages.
- \$1.8m contributed by Mt Green Sports to Club Mount Maunganui build.
- The proposed User Pays charges meant an over 11,000% increase. The membership fee's would increase significantly to accommodate the increase.
- Critical part for the community to encourage well-being and physical activity.

(90) Sub ID: 1461 - Neil Pollett, Save Marine Park

Key points

- The Save Marine Park was a group of a few hundred people who strongly oppose to Council's reclassification of Marine Park and many of the issues in the 2024/34 LTP.
- Worked with several community organisations to get direct feedback. A brief summary was provided in the media.

(91) Sub ID: 956 - Pam Heaton, Ōtūmoetai Railway Gardens Society Inc

Key points

- The Society occupied the Railway Reserve in Ōtūmoetai.
- Outcomes of the gardens include diversity and inclusivity.
- Believed the Society met Councils User Charges Policy.
- Gardening had positive well-being and health outcomes
- Asked Council to partner and support the society by keeping the lease fees at the same level that they were.

In response to questions

- Public liability insurance on a building not owned by the Society, a shed with no electricity.

Continuation of meeting – Wednesday, 14 February 2023 at 10am

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), Gareth Wallis (General Manager: City Development & Partnerships), Ella Quarmby (Corporate Planning Intern), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor),

Tamati Tata opened the meeting with a karakia.

11.1 2024-2034 Long-term Plan – Hearings *(continued)*

(92) Sub ID: 1448 - Buddy Mikaere, Ngai Tamarāwaho & Pukehinahina Charitable Trust

Key points

- In 2014 the Trust was set up as the NZ Wars Centre and they were currently at the consenting process.
- Carpark was to be situated on the lower reserve, but staff had given an indication that Council would need to consider this and had asked for a business plan.
- In parallel with Bay Park to do a quantity survey to get costs and making sure that the parking space was entered into the LTP for consideration so they could proceed to work with staff and Bay Park on resource consent issues, stormwater, traffic and entry into the site.
- On the anniversary of Cyclone Gabriel, it brings to mind the impact on the Emergency Centres, and the Trust request that Council consider making some of the local marae Civil Emergency Centres.
- These would need some resilience assets associated with the centre including solar power.

In response to questions

- In response to a query in relation to working with staff on the proposed timeline and the funding for the building, it was noted that it was part of the quantity survey, and the aspiration was that a \$64M construction programme would begin in 2026.
- Commissioner Tolley noted that there was a lot of work being done with Marae around the use of them as emergency centres.

(93) Sub ID: 1662 – Hayden Henry, ?? Ngai Tukairangi Hapu Trust – ??43B

Key points

- Dr Riri Ellis had strong connections with Ngati Para and offered his apologies.
- Do not support some of the LTP so providing finer details and how we get to that outcome.
- Summary was included in the submission.
- The Trust struggle to have the resources required of the hapu and need further resources to complete these.
- Do not support a lot of the LTP, but do not have enough time to understand the

implications.

- Support resources towards Hapu Management Plans and would provide more details.
- Funding and resourcing had been done and they had a budget. The Council requests were enormous.
- Treaty settlements had stalled, and it was hard to move forward.
- Reiterate want to be party to talks around and plans underway for the Tauranga airport and should be in discussions with Council.
- More closely on Te Papa and Otamataha to rekindle and enliven Te Papa. The Trust occupies office space on land they owned and were working with other hapu which was great.
- There was a dire need for more housing and the Trust want to work with Council on that.

In response to questions

- In response to a concern by the Trust over the Tauranga Airport it was noted that there were no plans to relocate the facility. While there may be regional discussions being held, they did not involve Tauranga.
- In answer to a query in relation to the utilisation of Māori land and the Te Tumu plan change, it was noted that it was about the precedent of how the Trust were being engaged and the outcome to make sure of the precedent impact on them and other hapu, before putting in the final plan.

(94) Sub ID: 1444 – Vivienne Robinson and Aaron Collier, Waitaha Assets Limited Partnership

Key points

- Waitaha assets as part of a post treaty settlement entity, they received parcels of land which had cultural heritage and cultural significance to them and wanted to ensure that material wellbeing was being realised for their people.
- There had been a number of developments and plan changes over time, with a lot of time spent on these.
- They had recently landed on a proposal to build a substantial retirement village with 142 units, which would come back to the Trust.
- An opportunity for the partnership to participate and it was of importance to their people.
- Consent had been provided, but a barrier to this was that the stormwater upgrade for the pump station on Opal Drive and Kirkpatrick Street had been moved out from 2025 to 2032. The impact of this for them was significant and as they had determined that building in stages was not economically viable for this proposal with price increases and the iwi having to wait longer to realise their asset.
- Request Council consideration be given to bring forward the stormwater works to the start the development in post 2025. This was a must do for the partnership or they may lose the development.
- The delay was an impediment to the partnership and something that they had worked on it for a long time.

In response to questions

- In answer to a question relating to having neighbours consent for the development, it was noted that they were meeting with Ngā Potiki on 15 February 2024 to understand the issues as it was a subdivision of that. They were hopeful they could work through the issues together as they were in the same boat.
- The Chief Executive of Council had indicated that Council would be open to suggestion to bring the upgrade forward if there was a contribution to the development costs.
- Commissioner Tolley noted that the Council needed to borrow money, which was then dribbled back and needed other ways to fund on the development so that those costs

were not put on the balance sheet.

- The area was zoned 30 years ago and there had been an additional yield from Ngā Potiki land as they were not far behind. There were a lot of houses to be built in those areas and without the pump station the development would not occur.
- The submitter noted that if there was not a solution soon, they might have to abandon the project sooner rather than later.
- Regional and Heritage NZ consents had been in place for a while.

(95) Sub ID: 900 - Mary Dillon – Envirohub

Key points

- Acknowledged marae building and ancestors Morehu Rahipere, who had a granddaughter on the Envirohub Board.
- Stadium view was that they wanted to add deep concern about Memorial Park which was a lot cheaper option and would bring more people in to the city and do not want the greenspace used for a stadium.
- More parks needed to be brought back into the plan. The group had been working since 2004 to get a regional park and it was still not in there.
- Variable pricing was effective, but it was hoped that legislation was focused on all of NZ to allow Councils to make up their own mind as it was an important equity issue with tight purse strings.
- Many people working in the support and charitable sectors drove around in their own cars and this needed to be thought about when setting any SmartTrip fees. Maybe community services card holders would provide some degree of equity for people less able to handle the cost.
- Councils were about to sail into difficult waters with the changes in 3 waters legislation. It was a wait and see what it was situation. Council needed to ensure what was set up would not enable privatisation. Never privatise water.
- There was a lot of pressure with co-governance and how to handle Māori consultation.
- Suggest that Council go back to the documents created to make sure those were funded through their funding plans and continue to be delivered.
- Thanks for the time spent by Commissioners getting the job done, huge progress had been made in different environments and be proud of moving Tauranga forward as a city.

In response to questions

- It was acknowledged that 3 waters changes would not be easy, but a clear message had been received from ratepayers that they had paid for those assets and want that recognised. The government were repeating that and it would be maintained.
- Memorial Park was going ahead with nodes being created at ends of the street but there was the possibility of a court case as to whether it could be connected.
- Noted in the submission was the Memorial in the Spring St Carpark and staff would be asked to look for it. Also the special Maple tree on Memorial Park would either stay or be moved and would not be cut down.

(96) Sub ID: 1105 – Delwyn , Tauranga Moana Outrigger Canoe Club Incorporated

Key points

- Based at 85 Cross Road, with 128 members who had paid a lot of membership over that time.
- This was the 40th jubilee year, having spent 20 years at the current site where they had been moved across road from the water as you were not allowed to build on a marine reserve. This had caused some safety measures to access the ramp.
- The waka trolley was 120kg and a dragon boat was 300kg, which had to be taken across the road.

- Do not agree with ramp charging and the proposed land increase charges.
- The group use the ramp multiple times daily and any charges would be untenable within their membership and circumstance. It would be inequitable with rowing and waka ama as there was no charge for those sports.
- The club had experienced high insurance rises.
- Would be good to have a different design for safety when crossing the road.
- Land was located in a commercial zone, which was a Council decision not theirs. They own the building which could be shifted.
- The current lease was \$2,000 with the new proposal it would increase to \$6,000 which would require passing on a 30% membership increase. The club also pay water rates and maintain the land and the berm.
- The proposal for waka ama and dragon boats was unimpeded with no charges for any type of waka.
- Request the cost better reflect the recreational value the club provides so that they could stay and get out and paddle.

In response to questions

- In response to a query regarding being in discussions with staff, it was noted that they were helping Council to provide a better understanding of the nuances of what they do and need as a club. A new location had not been discussed. One passing thought for the marine reserve as there was a slight area that could be adapted but it would take away some of the greenspace and the club were opposed to doing that as the green spaces needed to be kept.

(97) Sub ID: 1322 - Barbara Cook

Key points

- The submitter noted that she was a Specialist teacher that had lived in many great cities around the world.
- Concerned ratepayer that the debt was getting high and many people could no longer count on living here in their retirement.
- Cut back on non-essential items such as the stadium.
- Support local facilities that support the town rather than grandiose items.
- Opposed to closure of the Otumoetai pool because of the new aquatic centre being built as there were not many facilities in that community with a lot of people.
- There was a need for another transfer station in the city.
- Oppose fees and charges increase as it already costed too much to play sport.
- SmartTrip road pricing – Covid caused a transfer of wealth so do not make another with the poorest to the richest. The proposal would penalise low-income people, many of whom could not work from home or bike around because of their commitments.
- Tauranga did not have a great public transport system, that needed to be invested in with a rapid bus network first.
- Glumness and apathy had been accepted for the long loss of democracy. There had been a lot of debt and not the power to influence that debt.
- Delay the LTP until the end of September to enable an elected council to adopt it and to reflect the needs and wants of people of Tauranga.

(98) Sub ID: 1493 - Matt Cowley, Tauranga Business Chamber

Key points

- Understand the predicament of local government across NZ.
- The Chamber were generally supportive of the plan.
- The harder Council pushes the harder people push back in an election. The continuity was good.
- Commercial and industrial rate differential – while most people understand the logic,

they were not aware until they were told. Suggest that it be introduced in a slow and transitional capacity as many businesses were reaching tipping point for commercial rates and were not making capital investment which was starting to come on the radar.

- Demand for housing had been suppressed by the OCR, but there should be a boom in the next 2-4 years.
- Support a quiet period to prioritise the housing and transport to avoid further social issues.
- Climate change was on the radar with some industrial areas located on low level land. Request that Council work with the Chamber and businesses towards a policy framework and engagement as it was rolled out.
- Do not support SmartTrip as there were alternative funding mechanisms. Agree that it should proceed to next stage as it was worthy of discussion and to get word from employees on the charge.
- Support for the selling of the carpark buildings was conditional on the carparks remaining.
- The Chamber asks that Council complete further assessments on the need for a stadium.
- Not supporting the capex in the LTP with the impact on businesses with \$4M capex in the next 10 years and a lot more disruption with access to their premises. Council should set time frames for the disruption periods. This would be a low-cost mitigation opportunity to work with the Chamber for one-on-one initiatives.
- Do not compete where the supply market already suggests and put in performance measures if there was an issue.

In response to questions

- In response to a query on the industrial differential rate feedback it was considered that the logic for a differential between industrial rather than average it all together. The Chamber understood that needed better engagement.
- There were opportunities to talk with businesses before any disruption occurs such as alternative revenue streams, working with the landlord, it would be a low cost and help businesses to be more resilient in the future.

(99) Sub ID: 1590 – Diane ? John ? and Mavis Fowke, Senior Net

Key points

- Burden of the plan was included in their submission.
- The group were established in 1996, as a nationwide programme to assist seniors to keep up with technology.
- The use had increased over the last 18 months with the use of digital devices and the stresses this had caused for learners.
- They spent practical time and patience to teach seniors learn, and after the sessions they were more comfortable to use their devices.
- The group were all volunteers who had a wide range of skills to offer people so that they could gain the most from their devices as digital access was now a necessity for all – from contacting a business to making appointments.
- Covid highlighted the need for digital connectivity with many being unprepared and isolated.
- Sessions were held on various issues including scams, safe banking and the like.
- A modest charge was made to clients but the group had limited funds.
- They were located in the Historic Village but would not be able to continue with services provided with the cost increases which would leave seniors with few options to learn.
- Some clients had mobility issues so that was also a barrier. Some do not have people that they could go to ask for help or do not want to bother people.
- The group were strongly endorsed by the Turning Point Trust and the ongoing management of the Historic Village as they did not want to see Senior Net close

(100) Sub ID: 1540 - Liz Davies, Socialink**Key points**

- Focused submission on the increase in fees and charges on the community sector.
- Concerned at the impact on community services, the arts and sport which would likely result in the closure or loss of services.
- TCC had a vision to lift each other up.
- The lack of visibility of the changes to the charges and so some groups had not put in a submission outline the impact to them and the Historic Village.
- It was unlikely that the philanthropic sector would give money to help with increased rents.
- Understand the need to recover costs, but there was a significant public benefit to social wellbeing of residents and the balance.
- Request that the cost increases be withdrawn and engage with organisations to ensure there was not an impact on social services, sports fields and art venues and the like.
- Doubling of the hireage rates at the Historic Village for venues only and no staff required.

In response to questions

- Commissioner Tolley noted that the Council had to balance the investment made with the Historic Village, plus the backlog that the sport and community facilities faced due to rates being kept low. There was a burden on the ratepayer that had to be balanced with users. They agreed that did not have this right, but there were also many people in the community on either fixed or low incomes that Council had to be mindful of as well.
- There were some areas in the Historic Village that did not meet the required standards.
- The submitter noted that she understood that, but it would make a balanced difference with lots of other organisations saying similar things.

(101) Sub ID: 1511 - Glen Crowther, Sustainable BOP**Key points**

- The Trust was still in position to be consulted with regarding the plan.
- Three waters capex and opex – the government's view had not yet been made public and they should get a chance when the scale of investment needed was known.
- Unsustainability of the nature of plan with regards to environmental issues such as air pollution, wetland, water for growth, ongoing increases in carbon emissions and a good public transport infrastructure.
- Economic growth sustainability was being pushed to limit and was now broken with serious social, environmental and climate challenges making it unsustainable.
- Consultation with local communities and a good plan does not sacrifice people, the balance was wrong
- The plan does not include \$8M unfunded transport projects and does not address the 3 waters expenditure necessary, which was cost prohibitive to provide.
- Ratepayers owe \$125M and rising, with projects of \$3b for all of the Council projects, which would be higher if they did not sell the parking buildings.
- There was still not enough external funding to pay for the Te Manawataki o Te Papa projects which was of concern.
- Transport costs were overwhelming everything else.
- Some people say not to worry about debt and build what was needed, but others say that it was not what the people they were talking were saying, especially those on fixed incomes with young families and the like.
- There was a need to address transport and congestion problems.
- The desire to compete with other metro cities was the wrong approach, Council should shift growth towards Hamilton as it was more sustainable. A regional approach could

reduce the need for Council to invest so much in non-essential infrastructure and direct growth to more sustainable locations and allows investment into local infrastructure.

- The submitter queried whether the Council spatial plan had a focus of growth in the corridor as it completely contradicted the SmartGrowth strategy

(102) Sub ID: 1351 - Glen Crowther

Key points

- Support for a new transfer station in the western suburbs, as what was being done now was unsustainable and was needed now as there was a lot of carbon usage to drive to the current facility.
- Support more community facilities in Otumoetai as it currently had no significant facilities.
- The closure of the Otumoetai pool had serious implications for programmes such as learning to swim. The decision to close had been done far too quickly with no analysis done to keep it open.
- Support fast tracking the Brookfield bus interchange as there were a number of runs converging, there needed to be a solution and to give people the ability to change buses.
- Support being creative on elder and disabled housing.
- Support Papamoa tsunami routes being created.

In response to questions

- It was noted that five public meetings had been held in relation to the western corridor, greenfields etc and homes would be developed in that area over the 30 years. The SmartGrowth strategy for the area was being developed at present.

(103) Sub ID: 1489 - Rhonda Harrington, Caravan Club Support Group

Key points

- Support group submission with 44 others co-signing it.
- Raising of rent in the Historic Village had caused a lot of anxiety in the Village and community who regard it as a personal touch, a public place of historic and local interest and it was a pleasure to go there. It had a long history of community development.
- Scrub had been cleared and the land drained mainly with volunteer labour who were proud of the input they were preparing for.
- The community opened 1976, when it was a place to relax, stroll around and listen to local radio.
- The Incubator was a place for artists to display art and always had something on and people going there to do and see lots things. It has the feel of community, commitment and doing things together.
- The Village held examples of restored buildings that had been taken there, restored and put together. There was a need to keep a short history of each building from the early pioneers and to make niche to live in.
- In 1989, a number of not for profit organisations were the main groups to hire buildings in the area. For them it would be hard to deal with any rent rise as they had limited hours and offer so many community amenities.
- The Mens Shed, catered for a lot of elderly men on fixed incomes who do things for all sorts of organisations. Charity shops send their electrical gear to be fixed and put back into good working order so they knew they were able to be used safely before selling them.
- The Mens Shed increase was huge and as a result they would lose members and have to close down, which would be the loss of one of best community assets that the city

had.

(104) Sub ID: 1480 & 1235 - Maaka Nelson, Papamoa Football Incorporated

Key points

- Thank you for the investment of all of the community infrastructure underway, it was amazing to see.
- Papamoa Football supports a fee increase, but the increases included in the draft LTP were around what was a fair share, where the Council were penalising one democratic system in support of a fair regime.
- Support community engagement as the recommendations to what was proposed made no sense.
- Disappointed at the proposed pricing where revenue increases with costs. If clubs had to pay for the fields not cancel or close them the fees would far outweigh what was received.
- The sport was larger in the juniors than in the senior space which would create conflict in codes of juniors verse senior players.
- They spread out training to keep the fields in good condition and to restrict expenses would be result with an increased use on a smaller number of fields and would be more expensive to maintain as it got more use.
- Unless the Council information was accurate it would go down the wrong path.
- Charging must be fair and reasonable.
- Indoor sports users cost the bulk \$4.3M which leads to a loss, maybe the same could be afforded to greenspaces.
- Line marking was required by all users whether they be junior or senior as well as the lights being maintained across the network.
- The 10 year plan was for fairness and the fee increased go against this.
- The club cannot charge fees for use of the reserve and cannot on charge
- Senior players would not be able to afford to play and would leave a big gap in the sport.
- Everyone in the user agreement pays, and that was what dictates the Council charge. The sporting codes would carry out any upkeep as best they could.
- If a booking mechanism had accurate data they would be able to update an outdated policy as the existing agreements were not fit for purpose.
- Council and Sport Bay of Plenty changing patterns and accurate mechanism for charging would future proof the city, and charging in arrears not in advance which would put the onus on each club to be accurate.
- No club could afford the hire fees proposed, it would destroy communities.
- The submitter raised a query as to how much funding Council had received from gaming funders that was utilised by community clubs and codes.

(105) Sub ID: 1474 - Maaka Nelson

Key points

- As a player, coach or manager of football, no matter what the reason, the investment of a significant amount of time cannot be quantified in a dollar value.
- There was a lot of goodwill provided and if the Council go down the road of increasing feed it would destroy clubs.
- Clubs were happy to pay a fair share to stay sustainable but this was not sustainable.

In response to questions

- Commissioners noted that they had appreciated hearing from a lot of clubs, who had expressed a lot of detail to be taken into account.
- In relation to a comment regarding junior players subsidising senior players it was noted that the Football scale related to the age of players. The seniors were charged by

default and was definitely a subsidisation and that was not the way to offer what was on offer. The club cost to run last year was \$322,000 with \$115,000 payable in fees that meant that that club had to find \$200,000 to cover their set costs. The club made \$7,000 and \$5,000 and had hours of volunteer time. They also had to provide under the Act to be sustainable. That was an easy pitch to the membership to understand what get. To charge a small minority and then have to go to juniors to pay \$200 for the seniors to play as they could not afford to pay \$600 to play when there were other ways to mitigate those costs.

(106) Sub ID: 620 - Elizabeth Howell

Key points

- Do statistical analysis on key items and not manipulate them, do it right
- Big decisions should be delayed until the elected Councillors were there to make decisions.
- Had been to a number of places around the world selling teacher training courses and as such was a well-qualified professional speaking for old people and the volunteer sector at Papamoa and district.
- Provided a breakdown of the amount a senior citizen received, how much expenses they had and what was left to spend at the end of the fortnight to live on.
- This was not case for the submitter as she came to the country as a qualified person and was lucky to have a section value increase by \$300,000 in 4 years.
- The rating system for old people had to be taken into account, they already pay huge rates.
- When the older people were on the bus there were times when there was lots of trouble when some school kids do not want to pay and they intimidate the driver.

(107) Sub ID: 930 - Mary Dillon, Lauri Russell Envirohub Bay of Plenty

Key points

- Not submission for funding, Envirohub was to support sustainability and working beyond the Tauranga and Wairakei region.
- They partnered with Council in the management of pest plants, to plant more trees on private land to increase tree canopy and biodiversity of the area as moving people to nature was more important.
- Want to see the regional park to connect the people with nature.
- SmartTrip was worth looking at as it would reduce the use of transport option.
- Looking forward to helping Council deliver programs as they did that anyway and to improve everyone's own back yard.
- Green team sustainable backyard programme included tips and opportunities for engagement.
- Appreciation to staff and the Commissioners for their support.

In response to questions

- In response to a query in relation to evidence of system changes with places and spaces being taken in house again, it was noted that there had been a massive change of attitude of people generally with what to do. The way the staff interacted with the public was amazing, their knowledge, they were proud of what they do, were cheerful and cared about the environment. This was hard to do with contractors who had a different view from staff.
- The reserve from Clydesdale Road was ripe for biodiversity and would be a place to work on these types of things like the Kopurererua Valley. The value of a wetland that size was special and saw its value to Tauranga as being the same as Hagley Park was to Christchurch.

(108) Sub ID: 1335 - Jenny Turner, Touch Pāpāmoa**Key points**

- The group was a not for profit sports which goes from Year 1 to masters level
- They had been in operation for 17 years, with 900 junior players and 500 adult members. This would grow once the new fields at Gordon Spratt and was the only affiliated touch module in the Tauranga area.
- The club do not mind contributing something towards the cost but feel that the proposed rates were too high and a lot of members cannot afford to pay the subscriptions as it was. The new fees would be a \$100-200 per team increase.
- The club had to pay administrators and the like to keep the services alive.
- Mt Maunganui had a brand new skate park and no one was paying to use that.
- The club offered free coaching sessions which were open to all not just members, so there would also be a loss of services being offered.
- There was no one size fits all with the payment of fees.

At 11.58am the meeting adjourned.

At 12.20pm the meeting reconvened.

(109) Sub ID: 1250 - Ruth Tuiraviravi and Bruce Cortesi, Athletics Tauranga**Key points**

- The club acknowledges the issues facing Council and know that they had to be addressed.
- In relation to the lease charges for buildings and the proposal for SmartTrip charges, the group had the view that more detail was needed to be considered fairly and in balanced way for the club and the community.
- The services of the group included the wide region of the Bay of Plenty.
- Square metre charges would impact people being able to participate in sport and any increased fees would be compounded as athletes would also have to pay congestion charges during the week to get to the field. .
- A coach at the fields could pay up to \$48 in congestion charges in one day and would need to pass this on to the athletes they train.
- The suggestion to move to Baypark would need to be looked at.
- Athletics was a group of individuals competing, it was not a team sport.
- There were alternative ways to address the fees, by adding a fee onto car registrations that would go towards the cost of the maintenance of services in region. This would have a lesser impact on sporting codes.
- It was already difficult to get officials to come to Tauranga from the Waikato and further afield.
- Council needed to consider the impact of fee increases as it would have a snowball effect to deliver sports. There needed to be more detail and more discussion to achieve increases.

In response to questions

- Appreciation was given to the submitter for working closely with Council for some time and creating a new venue exclusive to athletics.
- SmartTrip was a government legislation proposal and the comments made by submitters would be passed on to the government to think about.
- The lease charges would be looked at and discussions held with sports clubs as Council could control that.

(110) Sub ID: 853 - Michael Goff

Key points

- A Bellevue resident, who appreciated the good work done by Council on the Carlton Street reserve.
- Leasing of facilities at an increased cost was not a good way to raise revenue to support other needs of the community.
- Submitter was originally from Detroit where economic changes resulted in a loss of social programmes and added to crime in the city. Here there would also be an increase in crime as the kids would not have enough to do, they may get into gangs, drugs, teen pregnancies and the like.
- Keep activities together to keep the kids off the streets and it would help preserve the community in a lifestyle to enjoy.
- Currently there were a wide range of activities for kids and lots of opportunities for getting them active. The submitters children went to athletics where there were 100 kids ranging from 3 years up to 16 years having fun.
- The Council needed to look at ways to support the community and growth but not at the expense of social programmes and putting kids in front of video programmes or on the streets.
- People would not be able to afford the fee increases along with rate increases and the rising cost of living as they were already struggling and would not be able to support their kids if the fees increased.
- Request that Council hold off on the stadium as there was already a lot going on in the town and money being spent. Wait and see how things settle in and see if there was support for a stadium going forward from ratepayers.

At 12.34pm the meeting adjourned.

At 1.24pm the meeting reconvened.

(111) Sub ID: 621 - Bryce Strong, Tauranga Menz Shed**Key points**

- The group started up in 2008 and was not mirrored by other clubs.
- The aim was to enhance the mental and physical wellbeing of men.
- There was a lack of things that some men could do which could have an effect on their wellbeing. The Mens Shed provided that for them.
- The group had 81 volunteer members and no paid employees.
- They fixed items for people who cannot afford to get them repaired and survive on the volunteer donations they received for those jobs.
- Many Mens Shed's in other areas received financial support from their Councils. The Western Bay District Council actively supported a new Mens Shed in Te Puke, Katikati and Omokoroa and had a different attitude towards community support.
- The proposed increase was 243% - \$7,000 in rent per year, with a number of other financial fixed costs that was unaffordable.
- The Historic Village was not a piece of commercial real estate, it served in many non-commercial ways and the valuation of the property should reflect that.
- If Council want the Mens Shed gone, the LTP would ensure their departure.
- The uncertainty of tenure was causing considerable distress to Members.
- The group continue to support community organisations and provide a real value of services to the community.
- Reminded Council that the Local Government Act provides for support for the wellbeing of communities.
- Request a reduction in the proposed rent by \$6,500 limiting it to annual inflation and liaise with users.
- Allow minor building alterations to provide a separate lunch room at the Mens Shed's own cost.

In response to questions

- Commissioners noted that there was no doubt of the great work the Mens Shed did in the community and acknowledged the considerable amount of capital Council had put into the Village to make it a safe place as the previous Council had neglected it.

(112) Sub ID: 1549 - John Robson**Key points**

- This was the submitters last time to address this governance team.
- Appreciate what had been done with the gardens which had been pushed further and faster than he had been able to do and from a business community perspective it was the right thing to do.
- Commissioner Tolley's latest comments were looking to the central government for funding the city's needs, but this does not meet the concept of financing as we all know who had to pay.
- Support for the submissions made by the Incubator groups, Barbara Cook and the Sustainable BOP Trust and encourage all people asking for money. Other submitters should have been more transparent of their conflict of interest as the public had a right to know people were advocating for largess.
- Looking forward to the upcoming election where the only thing people had to report to the community was where they were from.
- At present Tauranga did not have a governance team that lived, breathed and operated in the city was reflected on how could you get it so wrong.
- Conceding that Council got the fees and charges wrong was good.
- Appreciation to Huria Marae for lunch and its manakitanga and wish the Commissioners well as their tenure was coming to an end.

(113) Sub ID: 1341 - Joel Coppins**Key points**

- President of the Mt Mustangs Inline Hockey Club.
- Reiterate strong sport for an indoor roller sport facility in the LTP which would become a versatile space for inline hockey users and other sports.
- A collective of roller sports groups had been formed.
- With the impending decommissioning of the Mount Sports Centre coupled with no transitional plan of replacement amplifies the urgency of a facility.
- There was a lack of capacity in other centres for a national competition and other sports which hampers the growth of sport and denies residents of the opportunity to participate.
- A suggested facility had been put forward to meet the needs of other roller sports and would transform Tauranga into a hub to attract visitors. It provided a promising opportunity in the form of a community lease. Bay Venues Limited had shortlisted them, but the submitter advised that he could not outline any further details at this point except to say it held significant potential and would assist with other users who also had constraints.
- Council support was also critical for the premises, but needed to be discussed further off line.

In response to questions

- Commissioner Tolley noted that the Mount Sports Centre was being expanded, not demolished. The submitter noted that he had not been involved in those discussions.
- In response to a query as to whether they would be able to use the new Cameron Road facility, it was noted that they were not involved in those discussions as yet.
- In answer to whether an outdoor facility work, it was noted that they could skate

outdoors.

(114) Sub ID: 1135 - Hamish MacMillan, Mount Maunganui Cricket Club

Key points

- Cricket provided a community connection, grass roots sport and diverse opportunities for social and mental health across a range of ages, genders, ethnicities, neurodiversity and occupations.
- There were at least 1,000 engaged stakeholders playing the game during the week.
- The club were fundamentally opposed to user pays, it would result in generational negative outcomes and mental health issues for people unable to afford to play the sport.
- Ground fees were unintended consequences and would kill the sport.
- The proposed user pays fees were \$100,000 per season which was double the current club revenue. To cover this with subscriptions Saturday members would have to pay \$550 per season. Twilight cricket was \$600 per team and would increase to \$2,700 per team.
- With cost of living rising, the members were already fast approaching a ceiling of willingness to pay and if it was increased, there was a big risk of making the sport inaccessible.
- Junior and school sport had been carved out, but the increase in cost would in part be reflected in the junior subs to increase revenue.
- The submission had not addressed other increase and ongoing discussions with Council for the clubhouse.
- Green recreation space was a core responsibility of Council, and they must allow the public to participate in health initiative that was community sport where people felt safe, had a sense of belonging and were connected to their neighbourhoods.
- Sports role in our lives was misunderstood as every resident was a user of the greenspaces directly or indirectly, therefore rates was a far better way to pay.
- All players were already paying their fair share.
- With the introduction of user pays there was real doubt cricket or any sport would be available and accessible.

(115) Sub ID: 1174 - Judith Priest

Key points

- Supporting the Mens Shed as her husband was the Treasurer.
- Workshop was located on the western side of the Village. In 2020 they paid \$942 a month in rent and in 2021 that was increased to \$1,090. On 1 July 2024 they would need to find another \$4,000 to take to \$51,500 pa and with a share of the cost for utilities it would have the outgoings of the club at \$70,000. The rental was unsustainable.
- The group consisted of retired people who provided peer support, a place to meet to talk about concerns and interest adding a purpose and structure to their day.
- The men do a lot of community projects which gives them a feeling of self-worth.
- They carry out repairs on items that would otherwise be discarded and recycle a lot of timber and tools.
- They make a range of items to sell in their shop and to give to schools, charities and children in need.
- Some of the items including making computer slopes for breast cancer patients, installing ramps for disabled, a new letter box at the Elm and fishing rod holders for the disabled so they could fish.
- The group contribute to the wider wellbeing of the community.
- Members pay subscriptions to belong and some donations were received.
- Their contribution to the community had significant valuable to organisations and

people in need.

- Rent rise proposed was unaffordable for the organisation and to survive they would need to adopt a commercial basis which would be in conflict with the aims of the Mens Shed.
- If the rise goes ahead the group would be forced to close resulting in a significant loss to the community.
- Please reconsider. The group ask not to lose sight of having the community at heart.

(116) Sub ID: 1455 – Roger Cox, Momentum Planning and Design Ltd

Key points

- New targeted rates to fund urban infrastructure with an example of a large undeveloped residential property in West Bethlehem with 12ha of residential zoned land as a future growth area. When developed it would provide 120-140 dwellings which were much needed.
- New targeted rates and development contributions were to cover past development contribution shortfalls but by targeting these it would add financial pressure on the site reducing rather than facilitating the housing supply.
- Development contributions were already expensive and Options 1 and 2 lacked detail on how they would be structured other than that the total shortfall of 50% was to be acquired with increased development contribution amounts over a 30 year time frame. More detail was needed.
- An increase in the development contributions and a rate increase were not good.
- There were site zones yet to be developed not within the Council's work projects.
- A targeted rate may not be equitable for other areas
- Option 3 was a fairer method to recover costs and a rate funded debt over 10 years. If in future changes were needed Council need to consider the effects across the city.
- While it was good to have city centre development incentives there were other options including a mixed used development of residential with parts for commercial activity on the ground floor.
- SmartTrip was beneficial for the LTP, but people needed to understand the Cameron Road upgrade before charging road users further. The cost to small businesses of increased opex costs would be substantial for them.
- A toll on existing road network would fall on locals.
- Infrastructure strategy and capital works for the planned intensive growth needed to take into account climate change. Had the stormwater works planned for the Te Papa peninsula been finalised and made public yet?
- Council urgently needed to consider the structure and planning for other projects and further intensification.

In response to questions

- In response to a query regarding the incentive space, it was noted that the planning regime was status quo as it provides for intensification, it was more around financial incentivising to offset of development contributions and carparking as changes to Cameron road reduces the parking available. This had been voiced by business owners as having an adverse effect on their business.
- In response to the reference to additional charges for new homes in West Bethlehem it was noted that there were concerns if a targeted rate was imposed as it would add further cost on what was already a high development contribution structure cost wise and disincentivises development and further restricted housing.
- The timeline for land was that they were in the early stages of preparing the site earthworks for houses.

(117) Sub ID: 883 - Laura Atkins

Key points

- Concern at the leasing fee at the Otumoetai Railway gardens, making it unaffordable as they already had maintenance, equipment servicing, care of the area, petrol and insurance costs to pay.
- The area had a diverse range of gardens and shared cultures, where people shared ideas and learning and had contact with their culture and traditional ways to do things.
- The area provided a space that always had somebody to talk to for people living in social isolation and was a nice place to connect with others.
- There were many interactions with children and showing them what they could do to help out in the garden.
- Some participants had suffered the loss of a loved one, the garden helps bring up memories of their loved ones, it was therapeutic and had helped people with their recovery from illness.
- The garden was a part of the Arts Garden Festival which was held every two years, with many participants volunteering their time. People from all over NZ come to Tauranga to see the gardens.
- The Cherry blossom trees were very popular, with lots of interaction from Asian groups especially when they were in bloom.
- Today with the cost of living, smaller house sections and increasing density, community gardens would become more vital.
- Gardening reduces stress and provides a sense of engagement and purpose and was an affordable way to access organic vegetables and share the with others.
- Think of child in a high rise flat, and showing those children around the garden, how to grow plants, the insects, the pollination and the like – sharing this knowledge brings delight to them and the children.
- A study carried out by the Otago University Medical School on ecological gardens showed many positive benefits to people.

(118) Sub ID: 1670 - David Marshall, Tauranga & WBOP Grey Power Association**Key points**

- Genuine concerns significant increase in user fees for organisations at the Historic Village.
- Tauranga was a leader among NZ councils to adopt an age friendly city initiative with the Village and its arts and support.
- The increase in the licence to occupy when many of the organisations exists to serve the community with no government or council funding provided.
- The Grey Power financial base was on subscriptions of members, many of whom were retirees on fixed incomes and rate increases would be devastating for their long term survival.
- The letter received from Council of the increase had errors in it. Grey Power would have a 36% increase which was unsustainable.
- In 2012 they moved office from Main Street to allow for commercial tenants and were now in an office where there was no foot traffic, yet it had been deemed as a high traffic area and had attracted the highest rating.
- Not for profit organisations were having to carry the development of the commercial sector and the unexpected budget blowouts.
- Request that there be a higher discount for not for profit groups to reflect their community value.

(119) Sub ID: 1428 - Liz Cooper**Key points**

- A member of the creative sector and supporter of many of them.
- The 2022 hearings plan for the civic precinct outlined flexible structures and spaces and

embedded a concept of being together as a creative sector with storytelling and diverse lives.

- A thriving arts community would lead to a vibrant city for years to come.
- Tauranga had fantastic artists of all kinds, many with limited resources and creative ways. Time and labour were given and goodwill for others to rely on while providing these create opportunities.
- Arts impacts on the quality of life given by others.
- Sports and leisure facilities were getting their own creativity and passion, but it was stretching budgets and support.
- Council may not have limited resources with many wealthy people across the landscape.
- Help the creative sector to thrive and use creativity on how the money was spent for the wider wellbeing of residents and visitors.
- Revisit user fees all across the city as many cultural initiatives would be impacted.

(120) Sub ID: 1364 - Callum Duncanson, MACH Family Trust, Duncanson Rentals Trust

Key points

- Support Option 3 for a Targeted rate as it was unfair to a apply targeted rate on land not yet developed.
- Option 1 was inaccurate and targets yet to be developed land who were not responsible for the backlog.
- Acknowledge that ratepayers pay high development contributions and targeted rates.
- Council and the government were responsible for the shortfall and all ratepayers.
- What could not be gotten from past developers should be gotten from current owners who should contribute on that basis that they brought their property cheaper.
- It was nonsense that a targeted rate be for undercharging on the land that benefits. If developed areas had grossly overpaid would that have been kept by the Council, returned, or paid to home owners? It would not be paid to owners of undeveloped land.
- Proposal of Option 1 was challengeable with regard to cause or benefit.
- Given the absence of an Option 4 only Option 3 was there.

In response to questions

- In response to a query as to what the submitter was opposed to with regard to undeveloped land it was noted that the linking area could be anywhere. Because of the under charging, the developers of undeveloped land would end up paying 3 times the general targeted rate for neighbours and development contributions so would overpay. It was unfair and discouraged any development at all.

(121) Sub ID: 1292 - Digby Green

Key points

- Do not support selling the carparking buildings.
- Lived in the city a long time and here when it was small and now it was too big, with too many people for the size of the roads.
- The city was being destroyed with the revamped Willow Street and the amount of empty buildings, with no one to rent. We have a ghost town and it had spoiled the area.
- Many footpaths were now wider than most but there was no foot traffic as there was no car parking.
- How could Commissioners sleep when approving such things when you had no right to.
- Agrees with some of the things that had been done, but adopting the LTP when an elected Council was not there was irresponsible and should have been left to the new Council to do.
- Cameron Road became gridlocked at certain times and needed to be 3 lanes.

(122) Sub ID: 1321 - Eliana Peters**Key points**

- Attends Otumoetai Primary School and wants to be able to ride safely to school.
- Provided pictures of good roads that were wide and did not have many cars, it was a flat area and easy to ride with no raises, there were places to cross where you could see the sides and see the kids.
- Provided a table of all of the roads around the school and map showing areas in green as good, yellow as ok and orange as bad for riding.

(123) Sub ID: 1683 - Tanya Trass and others, The Village People**Key points**

- Historic Village tenants to talk about the progress and process of the LTP.
- Communities that were devoid of connection were a world that lacked vibrancy which was of critical importance of a cultural connection.
- Weave together humanity, along with heritage and traditions.
- Concerned at not being able to provide to the most vulnerable within a community. There were all sorts of groups at the hub, with the most vulnerable in the Pacifica and Māori groups for some time.
- Provide mana whenua to all and those who bring a wealth of ideas, exchange knowledge and unblock creativity The gifting of the whenua as these had been places to offer wellbeing and comfort.
- Developed the Village People name with the mutual support and understanding of one another.
- When the spatial plan was released for Te Papa it was different from the rest of Tauranga as there was a high percentage of Māori and Pacifica living there in social housing and living with poor mental health. These people need a community facility that could give an opportunity for inclusiveness, social interaction, learning and recreation.
- People felt isolated because of various reasons including the cost of living and the like.
- The Village was not a place to make a community viable, to take the services and build income to sustain it with social service. You could not do it the other way and ask them to prop the Village up.
- Support people for who they were and where they come from and help them feel safe. If the charges come in it would destroy the Village and a place of safety would no longer exist.

(124) Sub ID: 1684 – Dennis Robins**Key points**

- Support for the Mens Shed and wants be sure the Council understands what it was they do.
- They were not a group of old men drinking tea, they support the community, repair items and make things for organisations that could not afford them anywhere else.
- The group kept a book where the jobs that come in were listed. There were 1,500 jobs noted in the book in the last 2 years.
- Last week two jewellery boxes were brought in by an owner who considered them precious and they received a cake for the repair work.
- Easels were made for the Art Society out of recycled materials.
- People get all sorts of items fixed for a price they could afford and if it was not fixed by them in would go into landfill. Most of the 1,500 jobs would have ended up in landfill if they had not there to take up the slack.
- Everything that came into the shed was recycled, including scraps of wood.
- The group did not take on jobs to compete with the commercial sector.

- The most important thing being recycled was old men.
- There was 50 years' experience and knowledge from people who did not charge for their time except to get a cuppa and a chat while the community were getting so much.
- Support us and do not knock us down, hold us up as we feel threatened.

(125) Sub ID: 1497 – Kelvin Jones, Bay Oval

Key points

- The Bay Oval had experienced a busy summer and a record breaking 12 months.
- 24,000 tickets were sold for the recent cricket games which put \$1.1M into the city. The Black Caps games had 1.1M television viewers.
- 50,000 spectator, visitors and participants for the Women's Football World Cup with the Netherlands team staying in the area.
- The facility had missed out on rugby test matches and to feature in that prime time tourism market because the net cost of the Bay Oval was more than facilities in other cities.
- The next stage of the pavilion programme was underway and they were pushing ahead. Fundraising had become more competitive and to complete what they wanted to do with the facility they would need to fill a shortfall.
- They would be hosting a number of matches throughout November and December 2024 and would be part of the Cricket World Cup in 2028.
- The facility was much more than cricket ground, and they were working with Council on necessary consents.
- The facility was logical as an emergency safe zone.
- The space could and should be seen as much more than a cricket ground.

In response to questions

- Commissioners acknowledged the success of the recent cricket tests, how well the ground was presented and how great it looked on television.
- In response to a query in relation to the construction contract for the pavilion, it was noted that the items had been removed from the contract including the fitout kitchen, bars and the like and they would end up with a useable shell. While this was not their desire as it does not serve its purpose, it was what they needed to do to help raise the revenue as they were potentially about to lose a lot of the funding that had been approved so they had to make a start

(126) Sub ID: 1661 – Pete Roden, Cambridge Pump Society

Key points

- Involved in the sport since 1990 and the building of pump tracks.
- Looking at a site in as in Tauranga this side of the bridge there was a strong demand for a further pump track.
- Pump was a simple way with wheels and to get exercise as it was open to all riders.
- Looking at a track at Cambridge Park beside the BMX track and once installed, pump would become more popular.
- Want to attract and get adults out there on a public facility and be active.

In response to questions

- In response to a query as to how discussions were progressing with staff, it was noted that there had been some engagement with Council two years ago when they had mooted the use of Cambridge Park and adding a track to the area of the old dump site by moving forward to cut the trees and remove the stumps to get the site straight. Nothing had happened over the last 13 months.
- As it was an old dump site, 1 metre of cap material was needed. There was a lot of earth moving next to it with the expressway, but in the end it was about keeping the

community active.

- Commissioner Tolley noted that the matter would be followed up.

(127) Sub ID: 1138 – Mark Divehall, Papamoa Cricket Club

Key points

- The club was established in 2017, and had been instrumental in creating a sense of community and organised sport in Papamoa.
- There was increased demand and the club was the largest in the Bay of Plenty.
- They were connecting groups of diverse individuals to play cricket.
- The rise in fees would affect the ability of the club to provide the game.
- The proposed user fees for the Alice Johnston Oval would run against the families wishes and their vision for the park would be eroded.
- If the costs were implemented, there would be a decline in senior sports which would have a cascading effect on the juniors also.
- Council were building and connecting neighbours, this impeded that and the broader issues of health and wellbeing of communities.
- Strongly oppose the rise in fees, which would contradict fostering an active and connected society. The proposed user fees undermine the essence of fees and ask Council to truly understand users and come up with more suitable solution.

(128) Sub ID: 1456 – Alex and Shaun Hatwell, Tauranga City Tridents American Football Club

Key points

- The group was established in 2021 when the sport had been bring back to Tauranga after 20 years.
- The club do not support the increase in charges.
- The club were supportive of the work being done by Council and the community focus.
- The club had 85 members from all walks of life and were over represented in demographics.
- The club used Waipuna Park in Welcome Bay and had a successful club both on and off field and at the nationals competitions.
- Fees were low so that the sport could be made available to all wanting to play. 10% of the membership base was paying subscriptions by instalments.
- \$2,600 a year was a 200% increase in the current operating costs and was a death spiral for the club.
- The club were putting on a 30 club tournament next month, which would cost \$30,000 - so no one would bother.
- They were a not for profit club and had the goodwill of volunteers and labour of love.
- The social activities were a centre piece, and people were able blow off for several hours which for many was the only true time they got to themselves each week. A lot of the players were youth at risk.
- The fees would cause a decrease of membership base, and the human cost of club. An example was a solo mother and with children who love the sport but struggle to pay fees, another was a case with flag football being beneficial for the dyslexic brain.
- Families were paying for lots of other things just to survive. Many had no dads in their lives and turn to the sport for that contact.
- Please consider the human costs when setting fees.
- The Club were proud of what they had done and do not want to see it scarpered because of an increase in fees. Even a 10% loss in membership would be drastic.

At 3.08pm the meeting adjourned.

At 3.39pm the meeting reconvened.

(129) Sub ID: 1682 – Dianna O’Brien and Hilary Ziparta**Key points**

- The petition had been brought into Council and it was agreed that it be dealt with as a submission to the LTP.
- Sulphur Point reserve improvements on the north eastern part of zone 1. The information provided mostly refers to the boat ramp and water sports not to family groups, swimming and land based activities.
- The signatures were from a wide age range who had a variety of purposes for using the reserve.
- Little had been done to the area over the years.
- Two large trees had been cut down and replaced with a hazardous chemical tank which was located near the barbecue table.
- There was a lack of toilets and a changing area and that was of concern. A café opposite was too far away for someone with children. It was a health and safety concern and for the environment that needed to be needed to be addressed urgently.
- In the master plan for the area a toilet was only mentioned as an opportunity.
- A retaining wall was installed in 2020, but the people putting that in forgot that to enjoy the beach and sea you had to be able to easily access it.
- Access to the beach was impossible for anyone with a physical limitation. They could only gain access with difficulty and generally in an undignified manner.
- The boat ramp was steep and slippery, and the submitter noted she had recently witnessed 2 accidents involving older people trying to navigate down to the water.
- The installation of a hand rail or steps would give better access for more people.
- These were basic needs of a reserve, they were not asking for expensive environment as it was all a playground, just a basic necessity to improve the experience of many citizens all seasons of the year.
- The area needed to be recognised as a beach of importance in Tauranga and one of the more swimmable beaches in the area.
- Tabled two photos taken on 14 January and 6 February 2024 showing a crowded beach.

In response to questions

- Commissioner Tolley noted that the Sulphur Point master plan had not yet been finalised and they would find out what was happening with that and the chemical tank.

(130) Sub ID: 1478 - Garth Mathieson**Key points**

- Support retaining the carparking buildings as the Council needed the money.
- The Stadium proposal should not have been included in the LTP or consulted on.
- There were flaws in the LTP with over \$100M for the Te Papa peninsula and the CBD it was a waste of ratepayers money as there were CBD's all over city it should be made redundant to be centrally located as most of the items were done electronically now such as banking, meetings and the like. It would save money and there would be less need to move around.
- Geography of the city with its big tidal harbour and estuary was not conducive to transporting people around.
- Landlords should reduce rentals.
- Advertising a funding target with Matua and Otumoetai would be more effective than what the Council was doing as it was not a bottomless pit.
- Who were in the know reorganising the 2022 local government elections?

In response to questions

- Commissioner Tolley noted that it was a Government decision to cancel the election and appoint the Commissioners and people should not hold the Commissioners responsible for that. The Council at the time was not capable and the government intervened, which the Local Government Act allows them to do.
- There had been a lot of under investment in the city which would now be handed back to an elected council. The Commissioners had to do all of the responsibilities and powers of the Council the same as any council did.
- The Mayor and Councillors would be re-elected in July with a city that was in much better shape to deal with the massive growth.

(131) Sub ID: 572– Jonathan Spink

Key points

- Support reducing the traffic congestion with variable road pricing.
- When the \$1 bridge toll came off, there was an immediate increase in traffic by 20% and causeway had reduced it by 10%.
- Considers the congestion charge not be disproportionality targeted on heavy traffic as they had to use bridge.
- Secondary advantage was to gather revenue and decrease the amount of rush hour traffic.
- The old \$1 bridge toll each way would be equivalent to only \$2.50 today, so envisage a charge of \$5 for both ways.

(132) Sub ID: 1451 –Leone Farquhar, Lloyd Rakaupai, Jacqui Rolleston, Te Rina McRae-Hape Tauranga Māori Business Association

Key points

- The submission outlines where the Association had come from and where they wanted to go.
- History included that they were a Tauranga moana business network with the previous entity established 2003 and funded by Te Puni Kokiri. The funding ceased in 2010 and as they were no longer funded, the Board was made up of volunteers with a commitment to ensure the survival of the network and that they continue to thrive.
- Financial value of Māori business and the need to provide a bespoke to Māori business and whakapapa across all iwi in general.
- The Association help them realise their potential for generations to come in the heart of all they do.
- They had been told that other networks do not understand Māori business and what they needed to provide them in the way of support.
- Tikanga was fundamental in Māori business and pakihi supporting, empowering, growing, providing, facilitating and living up to the aspirations of their tikanga
- Provide equitable support to Māori business to survive and to meet their needs to see if more support was needed.
- Printouts were provided outlining the value of the role and their core values.
- There was a tremendous need within Māori members for delivering programs and funding, through to other organisations to help to build capability for tendering to pathways and the delivery of future opportunities.
- A chart was provided to show statistics of growth in Māori business.

In response to questions

- Commissioners noted that it was great to see the objectives of the Association.

(133) Sub ID: 1510 – Julie Andrews

Key points

- The Commissioners were intent in proposing various projects to catch up and want to leave a vibrancy legacy to the city, but it was also about what the people want.
- Not in favour of the LTP as it was not sustainable for people to live here nor was it environmentally responsible.
- There were big financial challenges with central services, carbon emissions and climate change.
- In favour of the new library, museum, arts centre and keeping sports accessible to all.
- The city had huge cost and social problems with storms, floods etc so Council cannot afford to max out debt as many were already struggling to make ends meet.
- Creating a vibrant city for tourists, but how do you pay off so much debt, when there was more traffic and the like.
- The stadium and exhibition spaces were in a different league and would need millions in subsidy each year.
- Council should reduce carbon emissions and do not need new buildings.
- Why pay for an aquatic centre on Memorial Park when there was one less than 10km away.
- Why compete with Hamilton and Rotorua with hosting rugby games.
- There was much to do on public transport and to allow people to move around easier.
- Fear that Council would ignore pleas and not understand that by locking in contracts that cannot be cancelled because of financial penalties and leaving a crippling debt.

In response to questions

- Commissioners noted that the Otumoetai pool was not safe and was at the end of its life, the ground conditions were difficult and Baywave was at capacity.
- The community wants to be a connected, diverse vibrant community which was about facilities and an aquatic centre for residents to enjoy.
- The submitter noted that she was questioning the scale when a modest pool where kids could have enjoyment and learn to swim, and a place to take kids would be sufficient. She had rung and spoke to the Te Rapa pool which catered for the whole of Hamilton and with some local pools.

(134) Sub ID: 1524 - Maureen Anderson

Key points

- Contract with the ratepayers what had been done, the cost, how to fund it and the timeline.
- The local demographics depicts natural tension between elected members and corporate staff. This tension was lost when the Commissioners were appointed, with over the last 3 years Council staff had been pushing and the Commissioners rubber stamping.
- The existing LTP was to bring a full refreshed civic precinct alive with \$303M development for the city centre. Council had defied and denied building a museum on two previous occasions.
- How does spending \$303m bring services to the ratepayers?
- Reserve facilities and the unsustainable demand being made for increased fees and charges to be imposed.
- The staff and Commissioners were worlds apart from public expectation and needed to be mindful of excessive spending with current conditions and a slowdown of growth.
- There had been a substantial increase in staff numbers with farther bureaucracy and red tape rather than efficiencies and productivity. There needed to be a review and rationalisation of staff numbers.
- The level of outputs had diminished over time and ratepayers want and need local government to prioritise water, wastewater, stormwater, roading and facilities and not the nice to haves.
- Support for the Mens Shed and was cogent with all reserve users. the Durban task

force submission and the Village and all of the people who spoke to that.

- Outcome sought was that the rates and fees and charges increases be recalculated and the increase no more than the rate of inflation.

In response to questions

- Commissioner Tolley assured the submitter that they were not a rubber stamp for staff.

(135) Sub ID: 1045 - Mike Callard, Gate Pa Tennis Club

Key points

- Tennis was a passion.
- There was a problem with the proposed user fees, they were a community based club that had been there since 1953.
- The club had a strong emphasis on juniors and unsure how to differentiate a tennis club and justify charges with no increase for juniors as the court still had nets on it.
- 50% of the membership was under 18 years of age and most of those were under 12. They could not pay an increase in fees.
- There was no cost to Council with most clubs as they do everything including maintenance and upgrades. The courts were kept in good condition and the rent was for the clubhouse only.
- \$34,000 was already paid and with the new proposal it was a total of \$50,000 which was unsustainable and would not work.

(136) Sub ID: 1574 – Darin Hills, Kevin Tauranga BMX Club

Key points

- They were a small club with a membership of 50 who were all youth BMX riders.
- Most members were under 12 years of age, some up to 18 and a few senior members.
- They had two of the best venues and coaches in Tauranga. The club had sent 5 members to the last world champs the club, which was proof that many riders were able to compete at a high level internationally.
- Had held significant BMX meets over 2-3 days for which they had received Council funding. The economic impact was positive for local the community as a whole.
- They had 16,600 sqm and would agree to new rate if they had a track at the beach front, but they were located next to the old dump. There were different values to other parts of town. The rental would be \$117,000 per year. When the original lease was signed in 2012 the rental was \$1 a year. They now paid \$670 which they could absorb across their membership base who pay \$50 a year and they also do some fund raising.
- The group were a not for profit organisation.
- The club maintains the track and surrounding area, and pay \$50,000 a year to maintain the racing surface with lime and cement as it was susceptible for damage.
- The club was making the whole district more accessible for cycling and there were far more families utilising the track than the club members. Small parts of the area were not accessible and they were happy to pay a rate for that area.
- The group were part of the first round of the BMX race meet with 300-400 overseas competitors at Rotorua where people get in behind the sport to facilitate that growth and activity.
- In early stages the club had helped to grow Cambridge Park which was more a mountain biking activity track with big jumps and track. They maintain the track to keep it safe and the mow area.
- Request the Council to be open to consideration on how they charge as clubs could not afford a raise and would not survive.
- Improvements made by the club included lighting like other clubs had so that people could ride in the evening and to improve the facilities they were looking at fundraising and approaching Trust for funding which they did not want to pay for new lease fees..

RESOLUTION CO2/24/1

Moved: Commissioner Stephen Selwood
 Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report “2024-2034 Long-Term Plan Hearings”.
- (b) Receives the written and verbal submissions to the draft 2024-2034 Long-term Plan.

CARRIED

Appreciation was given to Huria Marae for hosting the meeting on 14 February 2024, and the Mount Surf Club for hosting it on 13 February 2024. Appreciation also to the public for their submissions and Council staff for the support provided during the meetings.

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Nil

14 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 4.33 pm.

The minutes of this meeting were confirmed as a true and correct record at the Council LTP Deliberations meeting held on 5 March 2024.

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 2024-2034 Long-term Plan Deliberations

File Number: A15525927

Author: Josh Logan, Team Leader: Corporate Planning
Ceilidh Dunphy, Community Relations Manager

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

PURPOSE OF THE REPORT

1. This report is presented to Council to frame deliberations on the issues raised and feedback received throughout the consultation period and hearings.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "2024-2034 Long-term Plan Deliberations".

EXECUTIVE SUMMARY

2. This report is presented to Council to frame deliberations on the issues raised and feedback received throughout the consultation period and hearings. All submissions received have been analysed in topic-specific reports on the consultation topics. There are also various issues and options reports and an executive report.
3. Community views from the consultation period are reflected in the Issues and Options Papers and proposed comment responses to be considered through this deliberations meeting. These are set out in further reports on this agenda.

BACKGROUND

4. Council began its 2024-2034 Long-term Plan development in 2023 and worked throughout the year to finalise the elements of the draft plan and the consultation document.
5. On **6 November 2023**, Council resolved to adopt the consultation document and consult from 15 November to 15 December on the 2024-2034 Long-term Plan.
6. The consultation document presented eleven parts for consideration:
 - Part One: A message from the Commissioners
 - Part Two: Our Direction
 - Part Three: Our biggest challenge: Striking the right balance
 - Part Four: Our Priorities
 - Part Five: Consultation Topics
 - Should we introduce a new industrial rating category?
 - Should we introduce new targeted rates?
 - Private pool inspections
 - New Targeted Rates to fund Local Urban Infrastructure - West Bethlehem and Pyes Pā West

New Targeted Rates to fund Urban Growth - Te Tumu growth area (Pāpāmoa and Wairākei)

Should we sell our City Centre Parking Buildings to help fund capital projects?

Should we commit to a Community Stadium at Tauranga Domain in this decade?

Part Six: Other ideas for consideration

Should we provide more incentives for development to enable more people to live and work in the city centre?

Should we explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements?

Part Seven: Other consultations

New user fees and charges

Policies for consideration

Draft Revenue and Finance Policy

Draft 2024/25 Development Contributions Policy

Part Eight: Looking beyond this LTP

Part Nine: Our Infrastructure Strategy

Part Ten: Our Financial Strategy

Part Eleven: Tell us what you think

7. 2,202 submissions were received from individuals and organisations over the month-long consultation.
8. A total of 119 submitters spoke at hearings between 12-14 February 2024 in support of their submissions.

DISCUSSION

Long-term Plan Engagement

9. Community consultation on the 2024-2034 Long-term Plan was undertaken from 15 November to 15 December 2023.
10. A series of events spread across the city, were planned throughout the consultation period for the 2024-34 Long-term Plan.
11. Council held a variety of different kinds of engagement sessions aimed at reaching more diverse communities who are not always aware of council planning and programmes.

Events

12. Events at shopping centres, where people already were, were the most well attended, which reinforced learnings from the previous Long-term Plan and Long-term Plan Amendment, that Council should go to where the people are. The markets were also well attended but were not as popular as the shopping centres.
13. The number of attendees at each consultation event have also been included in Table 1 below. Noting, counters were not used at larger events and so estimates have been provided from the Community Relations team that were in attendance, to give sense of attendance at each event.

Table 1: Consultation Events and Attendance

Date	Time	Venue	Attendance
Saturday 18 November	9:30am to 5pm	Bayfair shopping centre	200*
Monday 20 November	11am to 1pm	Mount Hub	13

Date	Time	Venue	Attendance
Wednesday 22 November	5:30pm to 7pm	Western Bay LTP event at WB Council Chambers	4
Saturday 25 November	9am to 3pm	Mount - Little Big Market	150*
Wednesday 29 November	7:30am to 9am	Business Breakfast – Base Station Babbage Room	40
Saturday 2 December	9am to 3pm	Pāpāmoa - Little Big Market	120*
Monday 4 December	6pm to 7.30pm	306 Cameron Road drop-in session	7
Saturday 9 December	10am to 2pm	Tauranga Crossing	150*
Wednesday 13 December	7:30am to 9am	306 Cameron Road drop-in session	5
Total			694

* Estimate

14. In addition to encouraging the use of our formal submission tool Council also asked for informal feedback at engagement events with marble voting jars on **the Stadium question**.
15. In total 256 voted and the following is noted:
 - The most popular vote was option 2A (single stage construction within 2024-2034) with 146 votes (57%)
 - Followed by option 3 (no stadium in 2024-2034) having 49 votes (19%) and option 1 (staged implementation – the proposed approach) having 40 votes (16%).
 - Option 2B (single stage construction but deferred start date) got 21 votes (8%)

Table 2: Marble Jar Voting Totals

Event	Option 1	Option 2A	Option 2B	Option 3	Totals
Bayfair	17	41	5	9	72
Mount Hub	0	3	0	0	3
Western Bay	1	0	0	1	2
Mount Market	5	34	5	7	51
Business Breakfast	5	6	2	2	15
Papamoa Market	5	33	6	4	48
306 evening event	1	1	0	0	2
Tauranga Crossing	6	26	3	26	61
306 morning event	0	2	0	0	2
	40	146	21	49	256

Advertising and social media

16. Council booked extensive advertising across a variety of platforms (radio, print, digital and social) to promote the 2024-2034 Long-term Plan consultation opportunity and reach diverse audiences.
17. The digital campaign was very successful with over six million impressions on digital channels promoting the Long-term Plan campaign to Tauranga residents.
18. This resulted in 21,000 clicking through to find out more on the consultation. This equates to a Click Through Rate of 0.36% to the website and 5.2% completing the survey. This is in line with past consultations and industry averages.
19. On social media channels there were 566,876 impressions to Tauranga residents. This resulted in over 400 comments and other informal feedback on the consultation and over 1000 people clicking through to find out more about the consultation.

EXTERNAL SUBMISSIONS

20. In total 2,202 formal submissions were received on the Long-term planning processes during the month-long consultation. A total of 119 submitters spoke at hearings between 12-14 February 2024 in support of their submissions.
21. From the 2,202 submissions received, 1,177 provided a response to the question regarding which option was their preference for the introduction of a new **Industrial Rating Category**.
22. The key themes from submissions are further outlined in the report titled "Industrial Rating Category" on this agenda.
23. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: Support new rating category Industrial defined as land whose primary use is industrial, port, transportation, or utilities networks (Proposed).	769
Option 2: Do not support a new industrial rating category.	402
Comment Only	6
Total	1,177

24. From the 2,202 submissions received, 1,106 provided a response to the question regarding which option was their preference for the introduction of a **new targeted rate for private pool inspections**.
25. The key themes from submissions are further outlined in the report titled "Establishment of a targeted rate for private pool inspections" on this agenda.
26. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: Fund private pool inspection costs fully through a new annual targeted rate (proposed) -Targeting rates in this way would spread the cost burden of the pool inspection equally over three years as opposed to one fee every three years.	303
Option 2: Keep charge for private pool inspection as a fee - Not targeting rates in this way would mean that the fee is paid every three years at the time of inspection.	794
Comment Only	9
Total	1106

27. From the 2,202 submissions received, 785 provided a response to the question regarding which option was their preference for the introduction of a new **Targeted Rate to fund Local Urban Infrastructure**.
28. The key themes from submissions are further outlined in the report titled “Establishment of a Local Urban Infrastructure Targeted Rate” on this agenda.
29. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: From 2025/26 establish a targeted rate to recover 50% of the backlog from the areas in which it has been caused over 30 years (proposed).	292
Option 2: From 2025/26 establish a targeted rate to recover all of the development contributions backlog created by the shortfalls in these areas over the last 30 years	165
Option 3: No Targeted rate and transfer reserve balances from development contributions funded debt to rates funded debt over 10 years (status quo).	316
Comment Only	12
Total	785

30. From the 2,202 submissions received, 756 provided a response to the question regarding which option was their preference for the introduction of a new **Targeted Rate to fund Urban Growth**.
31. The key themes from submissions are further outlined in the report titled “Establishment of a Local Urban Infrastructure Targeted Rate” on this agenda.
32. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: From 2024/25, establish three targeted rates to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (in Papamoa and Wairakei) (Proposed):	269
Option 2: No targeted rate and continue with the assumption that Te Tumu will be developed and that costs will be recovered through development contributions (status quo).	479
Comment Only	8
Total	756

33. From the 2,202 submissions received, 1,165 provided a response to the question regarding which option was their preference if we **should we retain or sell our City Centre Parking Buildings to help fund capital projects?**
34. The key themes from submissions are further outlined in the report titled “Draft 2024-2034 Long Term Plan Deliberations - Car Parking Buildings” on this agenda.
35. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: Sell the Parking Buildings (proposed) - Council could sell the carparking buildings with a leaseback to Council for a minimum term of 15 years. Council would continue to manage the carparking operations as it does now.	501

Option 2: Retain the Parking Buildings - Council could continue to hold the buildings.	649
Comment Only	15
Total	1165

36. From the 2,202 submissions received, 1,190 provided a response to the question regarding which option was their preference if we **should commit to a Community Stadium at Tauranga/Wharepai Domain in this decade?**
37. The key themes from submissions are further outlined in the report titled “Long-Term Plan 2024-2034 Community Stadium” on this agenda.
38. These submissions have been categorised as presenting the following positions:

Question	Count
Option 1: Staged Implementation (proposed) - Involves the staged development of the community stadium in a manner that ultimately achieves the ambition championed in the preliminary business case but executed in stages rather than as a single-stage project.	233
Option 2a: Single stage construction within 2024-2034 - Involves taking the approach included in the preliminary business case and working towards an immediate start to construction.	190
Option 2b: Single stage construction with deferred start-date - Involves the same approach as Option 2a, but with a delayed start-date.	87
Option 3: Do not include any form of community stadium in the LTP 2024-34 process - Council would decide not to include any form of community stadium project in the 2024-34 Long-term Plan process.	662
Comment Only	17
Total	1190

39. Whilst not part of the formal consultation questions for the Long-term Plan we also asked the community for feedback on the concept of variable road pricing and if we should progress this work further with NZTA - Waka Kotahi.
40. From the 2,202 submissions received, 1,053 provided a response to the question regarding which option was their preference if we **should explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements?**
41. The key themes from submissions are further outlined in the report titled “SmartTrip Variable Road Pricing – Response to Long-term Plan Engagement” on this agenda.
42. These submissions have been categorised as presenting the following positions:

What is your level of support for using SmartTrip variable road pricing to accelerate Tauranga's investment in a better road network and transport services thereby reducing congestion and carbon emissions?

Question	Count
Strongly oppose	758
Oppose	95
Neutral/Don't know	62
Support	90

Strongly support	48
Total	1053

Should we work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation?

Question	Count
Yes	208
No	716
Total	925

43. We also had a number of concurrent consultations on our User Fees and Charges 2024/25, Development Contributions Policy 2024/25 and our Revenue and Finance Policy. We received written feedback on each of these consultations. Analysis of these responses on the topics mentioned above are addressed in separate Council reports on this agenda.
44. In addition to this we also asked people as a sperate consultation outside the Long-term Plan if Council should be providing incentives for development that would enable more people to live and work in the city centre. Analysis of responses receive regarding this question is addressed in another report on this agenda.
45. The remaining submission responses that require a decision of Council are included on this agenda as Issue and Options papers attached to two separate reports. All submissions that only required a comment response from Council are being worked on separately and will be presented at a future Council meeting prior to the adoption of the 2024-2034 Long-term Plan on 22 April 2024.

STRATEGIC / STATUTORY CONTEXT

46. This report is prepared in response to submissions on the consultation document on the 2024-2034 Long-term Plan. The process for preparation of a Long-Term Plan is set out under the Local Government Act 2002 (LGA).

Long-term Plan Decision Making

47. Section 10 of the LGA states that the purpose of local government is to *'enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future'*. For the purpose of the Long-term Plan, the decision-making responsibility lies with Council 'on behalf of' its communities.
48. Decision-making procedures are set out in sections 76 to 82 of the Act. Among those requirements is that Council must, *'in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter'* (section 78(1)). This consideration includes, but is not limited to, the views and preferences expressed in written and verbal submissions on the Long-term Plan consultation document.
49. In making good decisions, Council needs to consider all relevant matters, ignore matters that are not relevant to the decision, apply appropriate weightings to the different factors that are relevant to the decision, and make decisions on reasonable grounds based on supporting evidence. Formal submissions are a relevant matter when considering decision-making, both in terms of the number of submissions and the matters raised in those submissions, but they are not the only relevant matter that Council will need to consider in order to discharge its section 10 responsibilities in compliance with sections 76 to 82.

LEGAL IMPLICATIONS / RISKS

50. The Long-term Plan must be prepared in accordance with the Local Government Act 2002.

SIGNIFICANCE

51. 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.
52. 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 decisions.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
53. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions are of high significance.

ENGAGEMENT

Taking into consideration the above assessment, that the decisions are of high significance, and that a formal consultation process has just been undertaken, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

54. Following Council's decisions, the 2024-2034 Long-term Plan document will be prepared including any changes as a result of deliberations and will be audited and then presented for adoption by Council on 22 April 2024.

ATTACHMENTS

Nil

11.2 Financial Update - Long term Plan Deliberations

File Number: A15525935

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Ross Boreham, Civic Communications Specialist to the Chief Executive & Mayor
Jeremy Boase, Manager: Strategy and Corporate Planning

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to update Council on the developing financial position since the draft Long-term Plan (LTP) was consulted on and to seek Council decisions on the financial strategy for the 2024-34 LTP. High-level financial information will be circulated separately for the meeting and this information will be updated for any decisions through deliberations.
2. The detail of recommended budget changes is presented separately in the Executive Report to the 2024-34 Long-term Plan.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Financial Update - Long term Plan Deliberations".
- (b) Agrees that the revised LTP for deliberations includes three waters for the duration of the LTP.
- (c) Agrees to include \$1.8b of additional three waters projects into the LTP.
- (d) Agree to rates-funded debt retirement in three waters of \$320m phased in from 2027, to move toward a more sustainable debt-to-revenue ratio while three waters remain within TCC's consolidated debt for the purposes of borrowing covenants.
- (e) Notes that changes relating to opening debt, inclusion of three waters, and the timing of projects and associated subsidies have negatively impacted the debt to revenue ratio in the LTP from 2025.
- (f) Notes that to partially offset these impacts Council proposes adjustment to the timing of projects in order to remain within its borrowing covenants, the detail of which will be considered in the Executive Report to the LTP (on this 4 March 2024 Council agenda).
- (g) Agrees that the debt to revenue ratio should provide debt headroom of approximately \$30m while waters remain within the Council's consolidated debt, for the purposes of borrowing covenants.

EXECUTIVE SUMMARY

3. This report considers the funding and financing implications of the draft 2024-34 Long-term Plan, with reference to the fact that, following the Government's repeal of the Water Services Acts, Council now needs to provide for planned investment in water services for all years of the LTP.

4. A notable outcome of this change in Government policy is that Tauranga City Council will have insufficient debt capacity to undertake all of the projects outlined in the LTP in preferred timeframes, unless structural changes are made which would allow future water services capital expenditure to be undertaken in a manner that does not impact on Council's balance sheet.
5. Tauranga will, in the first year of the LTP, approach its borrowing covenants. This will mean significant reductions in flexibility and capacity to deal with any unexpected events that may arise.
6. Additional rate-funded debt retirement of \$320m is proposed in three waters activities to bring the debt to revenue ratio in these activities to more acceptable levels, to support TCC to remain within its borrowing limits.
7. With the inclusion of three waters and higher debt levels than included in the draft LTP, Council has a higher debt to revenue ratio than in the draft financial information. Without recommended capital rephasing it would breach borrowing covenants within a few years.
8. There have been three areas where the situation has worsened since the draft was prepared:
 - (a) The inclusion of \$1.8b of three waters capital.
 - (b) The amendment to timing of projects and subsidy revenue associated with projects.
 - (c) An increase in the opening debt assumption primarily as a result of revised costings, timing of capital revenue and some expenditure including strategic property purchases which have brought forward projects from later years.
9. Recommended amendments to the timing of projects within the capital programme are included in the Executive Report to the LTP, to bring the debt to revenue ratio within borrowing limits for the duration of the LTP.
10. Based on the new Government's policy position on Local Water Done Well there remains an expectation that waters delivery will be separated from council at some stage during the LTP period. The associated expected repayment of waters debt and the removal of the new entity from council's balance sheet would result in the financial position of TCC being substantially improved. This will allow the rephasing of projects delayed due to financial constraints being rephased where appropriate.
11. The LTP financials are prepared based on two infrastructure Funding and Financing (IFF) arrangements removing \$327m of debt from TCC's balance sheet. The first of these, for transportation, has been put in place and ratepayers will pay the transportation IFF levy from July 2024. The second is the IFF for Te Manawataki o Te Papa which if approved is assumed to be levied from 2026.

BACKGROUND

12. Following the Government's repeal of the Water Services Acts, Council now needs to provide for planned investment in water services for all years of the LTP.
13. A notable outcome of this change in Government policy is that Tauranga City Council will, have insufficient debt capacity to undertake the projects outlined in the LTP in the timing proposed along with the proposed waters capital programme of \$1.8b. Under current structures with three waters included, Tauranga will rapidly approach its borrowing covenants. This will mean significant reductions in flexibility and capacity to deal with any unexpected events that may arise.
14. TCC's debt constrained financial situation is common to many councils, as has been clearly signalled by Standard & Poor's recent downgrading of the financial outlook for 15 councils and two CCOs from stable to negative (noting that TCC's outlook is unchanged).
15. As part of the recent repeal of Three Waters legislation it has been recognised that local government is facing funding and financing challenges and needs alternate water service

delivery structures, such as Council Controlled Organisations. If such structures could provide the balance sheet separation from Council, which is required it would allow essential infrastructure investment to continue. This is because waters revenue could then be further leveraged to increase waters debt to revenue limits outside of traditional council balance sheet levels and more akin to utilities.

16. TCC is undertaking the preliminary work needed to explore possible structural solutions, bearing in mind our community's strong preference that ratepayer ownership of waters assets and local input into decision-making is maintained.
17. Because of Government's intention to support structural change, a key focus of the draft 2024-34 LTP is on the infrastructure investments our city needs, irrespective of waters capital expenditure. However, given that the future delivery structure of three waters services is unknown at this time, a balanced review of the priority and timing of planned capital expenditure projects is required in the meantime.
18. It is recommended through the executive report to this meeting that Council adjust the timing of key projects in order to remain within borrowing covenants and retain some capacity to deal with unexpected events and manage its capital programme to ensure the best delivery outcomes for the community.
19. Beyond 2027, the capital programme will be managed to remain within debt to revenue limits, noting that the establishment of a water CCO would provide increased capacity for the delivery of non-waters capital investment. This approach would mean that projects deferred in the LTP may be brought forward once debt capacity is created through the establishment of a ring-fenced water CCO.
20. Also of note is that Council is aware that further increases in borrowing capacity, through a ring-fenced CCO or other model, could create affordability pressure for ratepayers. This will be considered in future Long-term Plans and work will continue with government to look for ways to refine the local government funding and financing model to provide for additional investment capacity, as well as give consideration to affordability for ratepayers.

FACTORS AFFECTING COUNCIL'S FINANCES SINCE CONSULTATION

21. There have been three areas where the financial situation envisioned in the draft LTP has worsened. First is the inclusion of three waters; the second is the loss of capital revenue expected in the draft; and the third is the opening debt position. Each of these is discussed below.
22. The key driver of debt is borrowing to fund the capital programme. Therefore amending the capital programme is a way to ensure Council remains within existing financial covenants.

Three Waters

23. The consultation on the draft 2024-34 Long-term Plan in November and December 2023 assumed that three waters services would be excluded from Council from Year 3 of the plan, with three waters debt repaid to Council at that time. Council was required by the Water Services Act 2023 to exclude three waters from year 3 of the LTP.
24. The assumption of debt repayment to council of \$580m was based on three waters debt levels assumed for 2026 based on an agreed methodology with the National Transition Unit.
25. TCC foresaw in its draft LTP consultation document that a change in Government could impact years 3-to-10 of the LTP and published high-level information regarding waters expenditure. This was included in the draft Financial Strategy appendix 4, based on an assumption of \$1.3b of additional capital expenditure. Three waters capital expenditure was also included in the draft Infrastructure Strategy. The approach taken was approved by Audit NZ. Therefore, there is no compelling reason to reconsult on the workplan set out in the LTP.
26. The Government has passed the Waters Services Act Repeal Act, which removes the requirement for Councils to move waters services to separate prescribed entities outside of Council control.

27. The Government has directed that councils that commenced consultation on their long-term plans based on a 'waters out' scenario may, but do not need to, reconsult based on any changes required by a 'waters in' investment programme.
28. Council's three waters activities have a combined debt to revenue ratio that increases to over 500% during the LTP. If three waters remain within council, this level of debt significantly constrains council's ability to undertake other capital expenditure, as its overall debt limit ratio is 280% of debt to revenue. Substantial rates-funded debt retirement in waters activities is needed in the LTP to provide capacity for council to undertake its capital programme.
29. The inclusion of \$1.8b of additional waters capex for the full period of the LTP increases the capital programme to \$4.9b after proposed timing adjustments included in the Executive report.
30. TCC's challenges with respect to continuing to provide three waters services are shared by other councils. This is clearly signalled by Standard & Poor's recent downgrading of the financial outlook for 15 councils and two CCOs from stable to negative (noting that TCC's outlook is unchanged), with the higher debt concerns already resulting in most councils with S&P credit ratings being placed on a negative rating watch. S&P has noted the importance of debt headroom, especially as it relates to responding to natural disasters. (S&P presentation slides are attached as Attachment 1).

Reduction in External Revenue

31. Government funding assumptions have been reduced from the draft LTP with some of this affecting 2025 (\$25m) and a loss of \$165m over the ten years including from Te Manawataki o Te Papa, sustainability and waste, and transportation projects as some of this programme has moved outside the ten years. The reduction or uncertainty of external revenue is a key issue elevating the risks associated with this LTP and the need to more closely consider feasible timing of projects and the need to maintain significant debt headroom.
32. The new Government has announced a different set of priorities for infrastructure development which particularly affects Council's transportation programme. There is a signalled move away from prioritising multi-modal transportation initiatives and as a result staff are recommending moving some of these out to later in the ten years or beyond with other projects brought forward a few years.
33. Council has already considered the ability to fund the non-ratepayer share of Te Manawataki o Te Papa. In the light of an assumed reduction in government funding over the next few years, Council has agreed to use asset realisation and business surpluses including the Airport, to fund this work without additional costs to the ratepayer. These options have slower cashflows and also carry risks around the value that may be realised. Work continues with external funders, including government, to increase the amount of future funding available. In addition, the asset realisation programme continues to be reviewed to look for divestment opportunities to be accelerated where possible. A more detailed report will be presented to Council in March 2024 providing an update to this external funding programme.
34. In 2025 there have been delays in receipt of other parties' funding of Tauriko West which has delayed revenue by \$31m, which negatively impacts the debt to revenue ratio.

2024 Unbudgeted Expenditure affecting Opening Debt for LTP

35. Unbudgeted expenditure in the 2024 financial year (over and above bring forwards and offsets) has flowed through to opening debt changes since the draft. These unbudgeted actual and projected expenditure include the following items that account for \$81m of higher debt:
 - (a) Purchase of properties ahead of budgeted year approx. \$48m
 - (b) Cameron Road stage one approved overspend of \$15m

- (c) Pyes Pa West Dam \$6.5m
 - (d) Bring forward payment under Lakes works in lieu agreement to finalise these agreements early with the developer \$3.5m,
 - (e) Purchase of art gallery land \$3.2m
 - (f) Water fluoridation \$2.6m
 - (g) Construction on Devonport Road carparks \$1.4m
 - (h) Spring Street seismic work \$1m
36. Adding to the above unbudgeted expenditure in 2024, lower asset revenue is forecast from development contributions and capital subsidies of \$14m in 2024.
37. These impacts have been offset by lower forecast capital expenditure in 2024.
38. As a result of higher expenditure and lower revenue, opening net debt is projected to be higher than in the draft LTP. The flow through of opening debt and the loss of other revenue means the 2025 debt to revenue ratio will have increased. This increase will also impact interest costs and rates requirement from 2025.

Capital Expenditure

39. The capital programme in the draft LTP was \$3.4b excluding three waters from 2027. The additional waters capital recommended is \$1.8b. Councils borrowing covenants constrain the total amount and timing of projects, and there are recommended changes to project costs and timing included in the Executive report to the LTP that would enable Council to remain within its overall borrowing limits. The total capital over the ten years after the recommended adjustments would be \$4.9b.
40. The summary capital programme will be circulated separately as part of the Executive Report to the LTP.

Alternative Financing through IFF

41. The Infrastructure Funding and Financing Act (IFF) put in place off- balance-sheet project finance as the mechanism provided by Government to assist councils who had inadequate balance sheet capacity to meet their infrastructure needs. TCC's debt to revenue ratio is held within borrowing covenants because of the inclusion of two IFF arrangements which together remove \$327m of debt from TCC's balance sheet. The first of these, for transportation projects, is already in place taking \$177m of debt off-balance sheet which would otherwise be council debt. Ratepayers will pay the transportation IFF levy from July 2024. The second is the proposed IFF for Te Manawataki o Te Papa. Establishment of this arrangement for a further \$151.5m is underway, with the LTP financial information assuming the levy would be implemented from 1 July 2026.
42. If these arrangements were not in place and this debt remained on council's balance sheet, TCC would be in breach of its covenants early in the LTP. In the event that the Te Manawataki o Te Papa IFF levy is not approved further savings or project adjustments will be needed to ensure Council remains within its borrowing covenants subject to any changes due to establishment of a separate waters CCO or similar.
43. Standard and Poor's, our credit rating agency, has indicated that, because the IFF levy is paid by ratepayers, there is a limit to the extent that credit rating agencies consider acceptable for IFF arrangements for a council. With two such arrangements in place Tauranga is likely to be at the limit of IFF arrangements for our community.

OPTIONS ANALYSIS

44. Council can decide whether to make changes to the timing of projects within the capital programme to remain within borrowing limits for the ten years or to accept a potential breach of borrowing limits which is likely to lead to a qualified audit report on the LTP. The recommendations on the capital programme are included in the Executive Report to this meeting.

FINANCIAL CONSIDERATIONS

45. Updated key financial information for the LTP will be circulated separately prior to the Council meeting incorporating the recommendations from this report and the Executive Report to this meeting.
46. The financial information has not been updated for Issues and Options reports to be presented during deliberations. The impact of those reports and staff recommendations will also be circulated separately and updated during deliberations as decisions are made by Council.

STRATEGIC / STATUTORY CONTEXT

47. This report forms part of the long-term planning process required under the Local Government Act 2002

LEGAL IMPLICATIONS / RISKS

48. The process of preparation of the LTP continues to follow the requirements of the Local Government Act 2002

CONSULTATION / ENGAGEMENT

49. Consultation on the LTP has been undertaken.

SIGNIFICANCE

50. 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.
51. 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.
52. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of high significance as it is an update on a particular aspect of the LTP and sets the overall financial strategy for the Council in terms of approved planned debt levels.

ENGAGEMENT

53. Taking into consideration the above assessment, that the matter is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision. This is because in repealing the Water Services Act 2023, the Government has directed that councils that commenced consultation on their long-term plans based on a

'waters out' scenario may, but do not need to, reconsult based on any changes required by a 'waters in' investment programme.

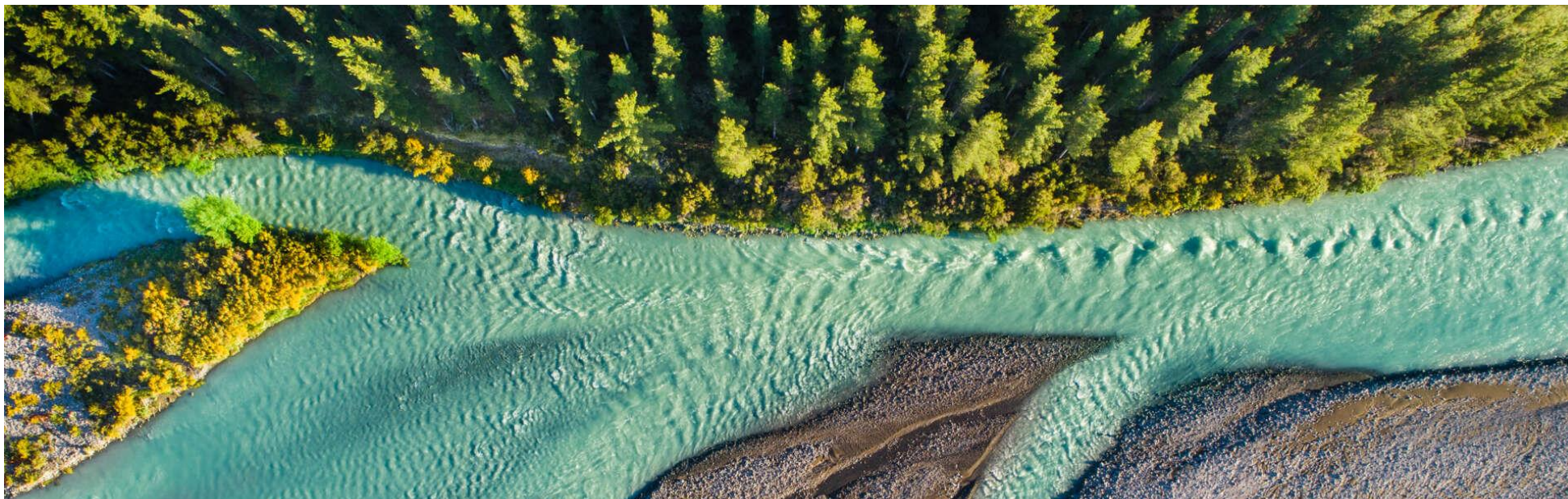
54. The waters capital programme for 30 years was included in the draft Infrastructure Strategy consulted on as part of the LTP consultation.

NEXT STEPS

55. This information and the decisions made on the recommendations to this report will provide a baseline against which deliberation decisions may be added to work towards revised financial Information for the LTP.
56. The agreed changes will be incorporated in budgets and the financial strategy will be updated.

ATTACHMENTS

1. **Standard & Poors presentation on Institutional Framework - A15590189** [↓](#) 



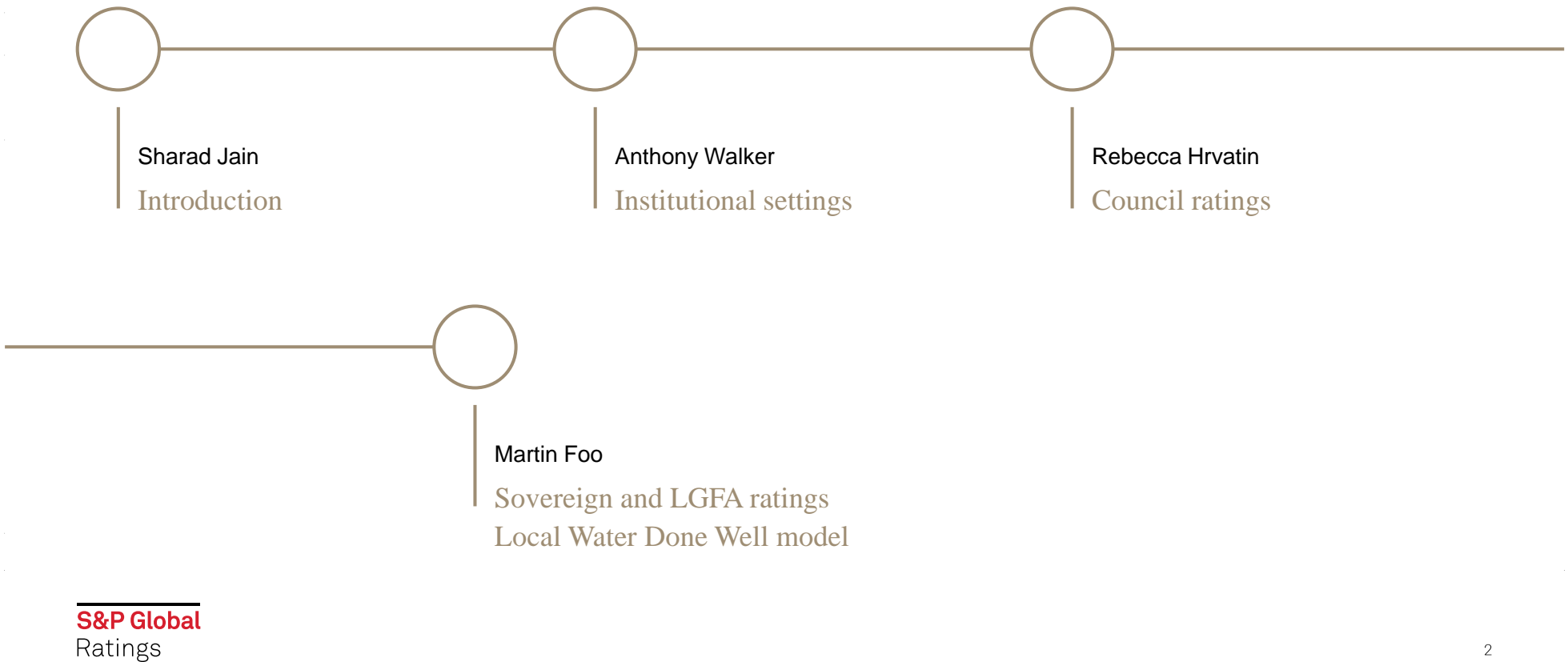
New Zealand Local Councils: Weakening Institutional Settings And Rising Negative Outlooks

Feb. 22, 2024

S&P Global
Ratings

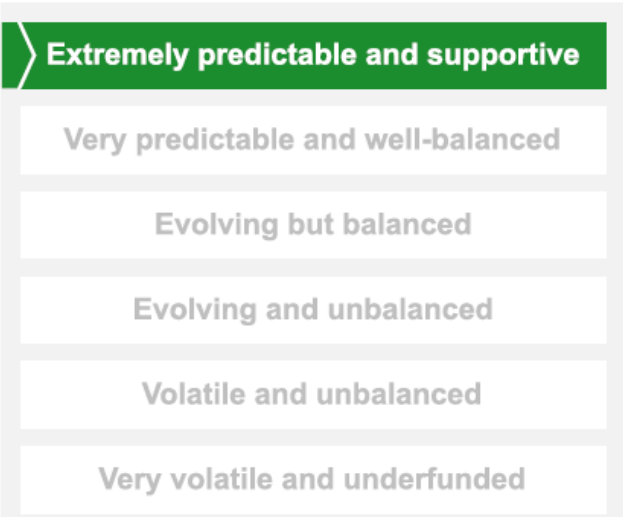
This report does not constitute a rating action

Agenda

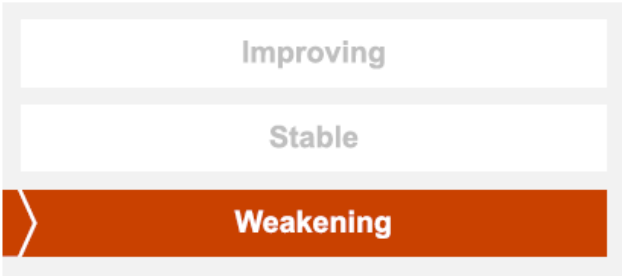


The Institutional Framework Assessment

Institutional Framework Assessment:



Trend:



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The Institutional Framework Assessment

What is the institutional framework?

Predictability

- Reform frequency and extent affecting responsibilities & revenues between tiers of governments;
- Predictability of reform outcomes including the implementation and impact on finances; and
- Ability to veto decisions of higher tier governments.

Transparency and accountability

- Public-sector accounting systems and standards of financial reporting and planning; and
- The accountability of officials, managers and politicians.

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4

The Institutional Framework Assessment

What is the institutional framework?

Revenue and expenditure balance

- The adequacy of the revenues to cover its expenditure;
- The strength of a fiscal policy framework imposing prudent limits on an LRG's debt and deficit levels; and
- Exceptional support from a higher government tier.

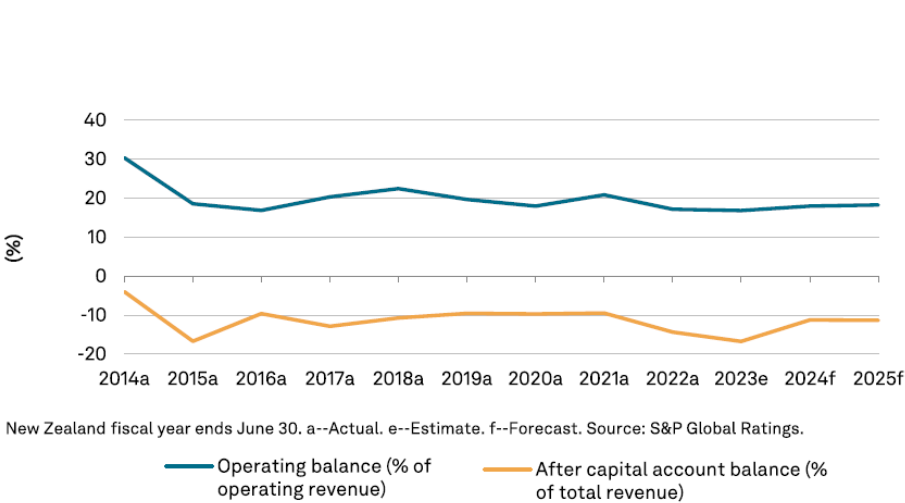
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5

Revenue And Expenditure Imbalance

Budgetary performance

Recent outcomes deteriorated from already weak position

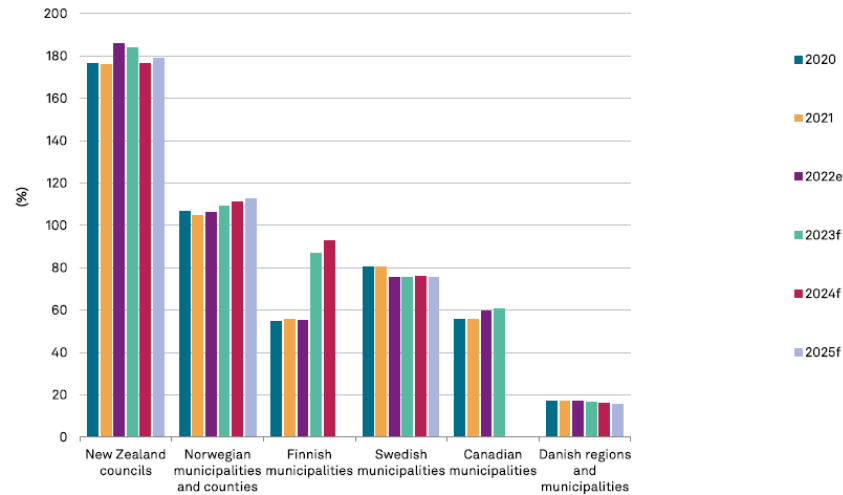


Source: S&P Global Ratings.

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Debt levels

Debt much higher than peers



Figures based on our most recent reviews of institutional framework assessments over 2021-2023. f--Forecast. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

Rating Actions Taken On New Zealand Councils

Ratings And Outlooks On Entities Affected By The Revision Of Our Institutional Framework Trend

Entity	Issuer credit rating	Outlook (of Feb. 19, 2024)	Previous Outlook
Auckland Council	AA	Stable	Stable
Christchurch City Council	AA	Stable	Stable
Christchurch City Holdings Ltd.	AA	Stable	Stable
Dunedin City Council	AA	Negative	Stable
Dunedin City Treasury Ltd.	AA	Negative	Stable
Greater Wellington Regional Council	AA+	Negative	Stable
Hastings District Council	AA-	Negative	Stable
Horowhenua District Council	AA-	Negative	Stable
Nelson City Council	AA	Negative	Stable
New Plymouth District Council	AA+	Negative	Stable

Palmerston North City Council	AA	Negative	Stable
Porirua City Council	AA	Negative	Stable
South Taranaki District Council	AA	Negative	Stable
Tasman District Council	AA	Negative	Stable
Taupo District Council	AA+	Negative	Stable
Tauranga City Council	A+	Stable	Stable
Upper Hutt City Council	A+	Negative	Stable
Waimakariri District Council	AA	Negative	Stable
Western Bay of Plenty District Council	AA	Negative	Stable
Whanganui District Council	AA	Negative	Stable
Whangarei District Council	AA	Stable	Stable
WRC Holdings Ltd.	AA+	Negative	Stable

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Councils' Individual Credit Profiles Range From 2.0 to 3.2

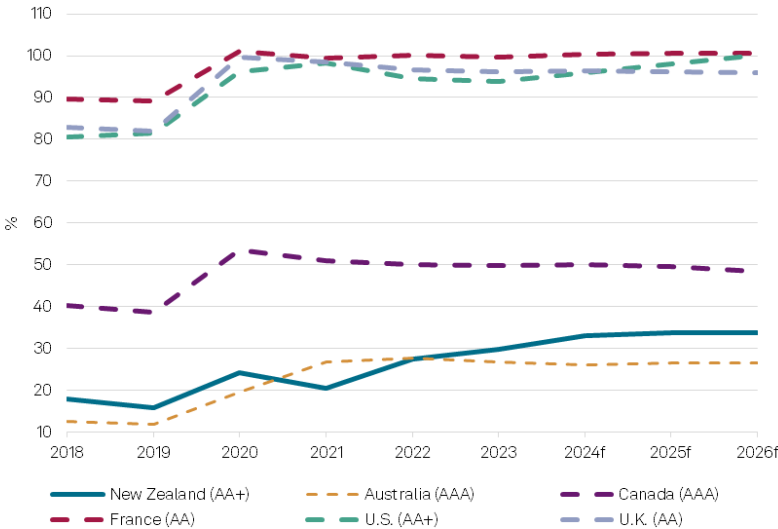
Combining The Institutional Framework Assessment And The Individual Credit Profile										
--Institutional framework--			--Individual credit profile--							
Assessment	Descriptor	1	1.5	2	2.5	3	3.5	4	4.5	5
1	Extremely predictable and supportive	aaa	aaa	aa+	aa	aa-	a	bbb+	bb+	bb- and below
2	Very predictable and well-balanced	aaa	aa+	aa	aa-	a+	a-	bbb	bb	b+ and below

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The Crown Government's Balance Sheet Remains Very Strong

New Zealand’s public debt is still low ...

Net general government debt / GDP (%)

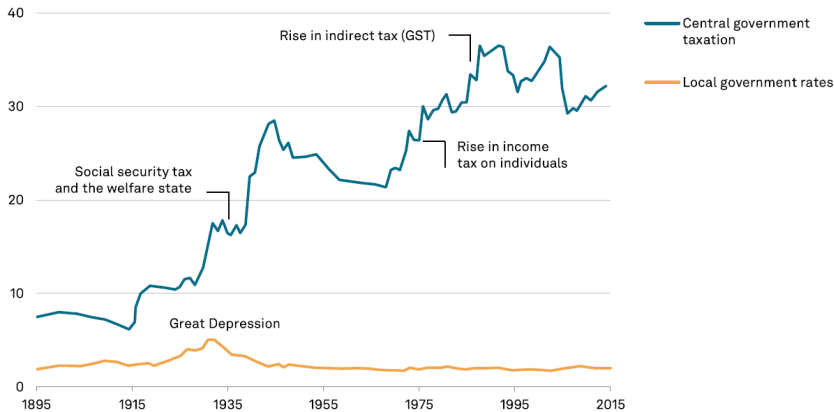


Ratings shown are on a foreign-currency basis. Source: Sovereign Risk Indicators.

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... but the local government sector has limited funding tools

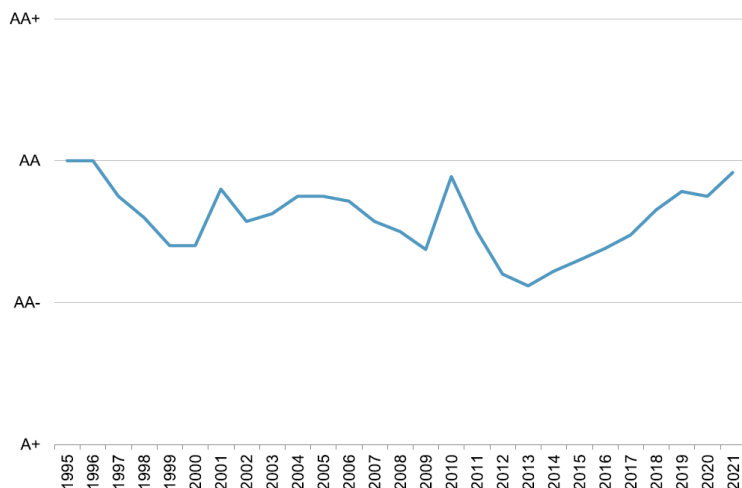
Taxation / GDP (%)



Sources: Adapted from New Zealand Productivity Commission, based on data from New Zealand Initiative, P. Goldsmith, Stats NZ, OECD.

LGFA Can Likely Weather Negative Rating Actions

Average Credit Ratings Have Stayed Firmly Around 'AA' Territory
Simple unweighted average of S&P long-term ratings on New Zealand councils



Source: S&P Global Ratings.

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Ratings

- A slight weakening in credit quality of LGFA's loan book and guarantors is manageable, in the context of generally improving ratings over the past decade (see chart).
 - Loan book: 77 member councils, five CCOs
 - Guarantors: 72 member councils
- Counterintuitively, loan concentration risks to Auckland Council and Christchurch City Council may improve slightly as other councils take on proportionally more debt.
- Longer-term questions:
 - Can LGFA lend to proposed regional water CCOs if they are “financially independent”?
 - Will LGFA's market position erode if there is a separate water services funding agency?

10

Will "Local Water Done Well" Work?

Potential positives:

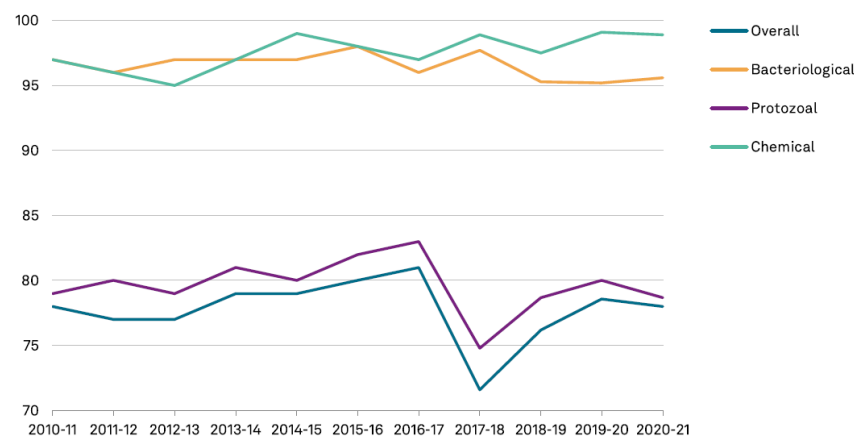
- Economic regulation could allow for higher water tariffs/rates to be set free of political influence
- Regional water CCOs could be subject to sharper commercial discipline

Uncertainties:

- Will regional water CCOs achieve adequate economies of scale?
- Under a voluntary model, do stronger councils have an incentive to join with weaker ones?
- How will government balance the competing tensions of creating CCOs that are “financially independent” while purporting to restore council “ownership and control” of water services?

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Many water supplies don't comply with drinking water standards
Percentage of population with access to safe drinking water (%)



Source: New Zealand Ministry of Health.
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Analytical Contacts



Sharad Jain

Director, Financial Institutions, Sovereigns &
International Public Finance Ratings

sharad.jain@spglobal.com



Anthony Walker

Director, Sovereign & International Public Finance
Ratings

anthony.walker@spglobal.com



Martin Foo

Director, Sovereign & International Public Finance
Ratings

martin.foo@spglobal.com



Rebecca Hrvatin

Associate Director, Sovereign & International Public Finance
Ratings

rebecca.hrvatin@spglobal.com

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Related Research

- Credit FAQ: New Zealand's Policy Shift To Weaken The Institutional Setting On Local Councils, Feb. 19, 2024 (subscription)
- Institutional Framework Assessment: New Zealand Councils' Extremely Predictable And Supportive Institutional Settings Are At Risk, Feb. 19, 2024 (subscription)
- Various Rating Actions Taken On New Zealand Local Councils On Weakening Institutional Framework Trend, Feb. 19, 2024 (subscription)
- New Zealand Local Government Outlook 2024: Bridge Over Troubled Waters, Nov. 19, 2023

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11.3 Executive Report to Deliberations on the 2024-34 Long Term Plan

File Number: A15537253

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Susan Braid, Finance Lead Projects Assurance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to request Council decision on recommended adjustments to budgets as a result of decisions, events and revised information since the draft Long Term Plan (LTP).
2. The financial impact of the following recommendations will be circulated prior to the meeting.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Executive Report to Deliberations on the 2024-34 Long Term Plan".
- (b) Agree to the following changes to operational costs from the draft at consultation which would increase rates by 2.6% to an overall increase in rates requirement in 2025 of 12.9%.
 - (i) Interest increases of \$4.9m as a result of higher opening debt (1.7% rates increase)
 - (ii) A reallocation and reassessment of various operational budgets which in total slightly reduce rates (reduction in rates of approx. 1%)
 - (iii) Increase in wastewater charges in 2025 to cover cost increases \$3.7m (1.3% rates increase)
 - (iv) Increase in salary budgets totalling \$5.1m, with offsetting salary savings for most of this to be found by the executive leaving a net increase in rates of \$1.6m (0.6% increase rates)
 - (v) Additional operational budget for digital services to ensure upgrades and SAP development, and organisational improvement. This increased budget is either loan-funded, or is offset by reduction in depreciation (as such work was previously budgeted as capital) with no rates increase.
- (c) Approve loan funding of operational costs within digital services for development related to software as a service, with rates funding retirement of this debt over ten years.
- (d) Note the impact on operational cashflows related to the Tauriko West programme of capital works that is delivered by Waka Kotahi and shows in TCC financial statements as revenue and payments. In 2025 due to timing changes there is a reduction in operational subsidy revenue of \$31m and grant expenditure of \$21m. There is no rates impact.
- (e) Approves the recommended changes to the capital programme summarised in Attachment 2 noting the significant changes across transportation and community.
- (f) Note the rephasing and adjustments to these projects reduces capital revenue in the

early years of the LTP.

- (g) Note that the issues and options reports and other matters to be considered through deliberations have not been included in these numbers and would further increase borrowing and rates if proposals are adopted.
 - (h) Once deliberations are completed all financial impacts will be processed and confirmed at the council meeting on 22 April 2024
-

EXECUTIVE SUMMARY

- 3. The LTP is recommended to be adjusted in terms of both capital and operating budgets as a result of decisions, events and revised information since the draft Long Term Plan (LTP). The impact on key financial information will be circulated separately to this report.
- 4. As a result of changes recommended in this report and prior to decisions at deliberations the overall increase in rates requirement has increased by 2.6% to 12.9% after growth and excluding IFF levy.
- 5. The introduction of \$1.8b of additional three waters capital has required changes to timing of capital projects across the business. Expenditure on three waters projects is phased through the ten years increasing in the later years of the LTP to a total of \$2.1b over the ten years.
- 6. The total capital programme has increased to \$4.9b. There have been some significant readjustments in timing of transportation projects, with multi-modal projects for Mount Maunganui and Otumoetai and road improvements associated with Hewletts Rd have been moved to later in the LTP, with some expenditure moved outside the ten years. The revised programme and adjustments are shown in Attachment 1 to this report.
- 7. The debt to revenue ratio has increased close to the limits of Council's borrowing covenants and will remain high for the duration of the LTP as discussed in the financial update report to this meeting. Higher debt levels relative to revenue in the early years of the LTP put pressure on Council's credit rating and on the need to closely manage expenditure on the capital programme and operations.
- 8. Impacts of Issues and Options papers including recommendations in those papers are not included in the financial information to be circulated as part of this report.

BACKGROUND

- 9. Since the adoption of the draft LTP there have been events and decisions which have an overall negative impact on the financials for the LTP, both in terms of rates increases and our debt position relative to borrowing limits.
- 10. The rates increase for 2025 is now 12.9% after growth and excluding IFF levy.
- 11. The 2.6% increase in rates since the draft of for 2025 has been driven by an increase in the targeted rates for wastewater, and interest increases generated by higher opening debt levels and increases to salaries.
- 12. The capital programme with waters included is \$4.9b, including \$1.8b of additional three waters projects phased across the ten years but more heavily into later years of the LTP to stay within TCC borrowing limits through the ten years.
- 13. A summary of key financial information will be circulated separately. The summary will not include the impact of recommendations from the issues and options papers. These will be updated through the deliberations process and final information will be included in the Long-term Plan presented for adoption on the 22 April 2024.

REDUCTION IN REVENUE

14. Operating grants and subsidies revenue has been reduced by \$31m in year 1 reflecting programme updates for the Tauriko West enabling works. This is expected to be recovered by year 3 and does not impact rates.
15. Capital grant revenue is \$25m less than the draft in year 1, and \$165m less over the 10-year period. This reflects programme timing and cost adjustments, mainly in the transport and civic rebuild programmes in year 1.

HIGHER OPERATIONAL COSTS AND RATES INCREASE

16. An increase to rates of 2.6% has been driven by additional funding required in the Wastewater activity (1.3%) and increases to interest and salary costs, offset by a reduction to other expenditure costs and funding.
17. Interest costs have increased by \$4.9m as a result of higher opening debt which has resulted in a rates impact of 1.7%.
18. Salaries budgets have increased \$5.1m to reflect workload requirements. Most of this has been offset by a savings target and capitalisation to reduce the net impact to \$1.6m (0.6% increase in rates requirement).
19. Additional loan funded opex for digital services. Digital services expenditure related to software as a service - eg implementation of SAP across the business - must now be accounted for as operational costs. Budgets have been introduced to achieve this with \$3.9m added in 2025 since the draft, and a total of \$16.8m additional over the first three years. Interest and debt repayment costs on this loan-funded expenditure is offset by a reduction in depreciation as it is no longer recorded as capital. Additional software licensing costs have also been included to support this work and depreciation savings also cover this. Work in 2025 includes support for the new city operations team, and regulatory and compliance along with work across the organisation to enhance utilisation of SAP and other system and process improvement. A resolution to support loan funding of software as a service with rates funding of debt retirement is included in this report consistent with the revenue and financing policy.

ADJUSTED CAPITAL PROGRAMME

20. The capital programme for 2025 was \$441m in the draft, and \$3.4b over the ten years excluding three waters from 2027. The recommended programme is now \$447m in 2025 and \$4.9b for the ten years. This includes an additional \$1.8b of three waters capex and some adjustments to transportation and community projects timing and cost.
21. Significant changes are recommended relating to transportation projects as a result of:
 - (a) revised NZTA priorities for funding
 - (b) the need to further rephase projects to allow capacity for three waters projects.
 - (c) The need to provide adequate timeframes for planning and design before commencing construction on projects to ensure value for money, deliverability and reduced disruption to the community.
 - (d) Revised costings
22. These changes are recommended as follows:
 - (a) Otumoetai and Mount multi-modal projects have been moved to the end of the LTP period. This reflects revised prioritisation indications from the government for NZTA subsidy.

- (b) Hewletts Road improvement projects have also been moved out to later years recognising project and external funding uncertainty. This project is currently in business case stage.
 - (c) Turret Road / 15th Ave has been moved to earlier in the LTP reflecting funding priority.
 - (d) Cameron Road Stage 2 costs have been increased (\$48m) and rephased to be completed by the end of 2030 rather than the completion date of 2028 at the time of the draft LTP. This takes into account some planning uncertainties yet to be resolved
23. There are various adjustments recommended to community projects.
- (a) The strategic purchase of the Warehouse Cameron Road property has brought forward the project associated with replacement of the indoor courts at Memorial Park.
 - (b) To reflect Council decisions regarding Memorial Park Aquatics
 - (c) Additional indoor sports budgets have been included later in the LTP to meet level of service requirements (\$18m) consistent with the Action and Investment plan.
 - (d) The adopted Bay Park Master plan is to be phased along with the re-phasing of BVL capital expenditure to achieve priority outcomes by 2029, and full completion by 2033 which is consistent with the draft LTP.
24. Three waters projects include some major projects as outlined in Attachment 1. The timing of projects has been phased to fit within councils borrowing constraints which in an unconstrained environment would be expected to be delivered earlier including:
- (a) Waiari mains are required to deliver water to Wairakei and Tauriko West
 - (b) Oropi Joyce mains are considered more fragile with mains continuing to fail and require repair
 - (c) Cambridge Rd mains needed for Otumoetai and Poteriwahi and Bethlehen, with existing pipes under pressure to fill reservoirs
 - (d) Some adjustment to timing of Te Maunga upgrades which are required to accommodate increasing diversion from Chapel Street as a result of growth in Omokoroa/Te Puna.
25. These adjustments to the capital programme along with numerous other revisions to project cost and timing are recommended to be approved by council. The changes are summarised in Attachment 2 and the revised full programme is included as Attachment 1.
26. The programme includes capital delivery adjustments of \$60m per annum across the first four years of the LTP. Because the debt to revenue ratio is very close to borrowing limits from 2025, there will be limited opportunity for budget carryforwards from 2024, and this impacts the ability to enable bring forward of budgets.
27. A number of spaces and places issues and options suggest funding of new proposals by reducing existing budgets for Sulphur Point development. A summary table of proposed adjustments is included in this report as Attachment 3.

STRATEGIC / STATUTORY CONTEXT

28. This executive report forms part of the deliberations process for the LTP

OPTIONS ANALYSIS

29. The key options for council are to either:
- (a) Accept recommended amendments to the financials with the identified increase to rates and debt, which takes council slightly above the limits to rates increases consulted on, or
 - (b) Decline some or all recommended adjustments.

FINANCIAL CONSIDERATIONS

30. The revised LTP financials show a worsening financial position for council from 2025. The key drivers of this picture are:
 - (a) the higher opening debt due to unbudgeted expenditure in 2024 and
 - (b) the loss of significant capital revenue from that budgeted for 2024 and in the draft LTP for 2025, which remains a risk for the duration of the LTP.
 - (c) increased costs of projects
31. The higher debt levels will result in the need for tighter restrictions on budgets for the LTP and have created the need to push priority projects to later in the LTP. This can create outcome risks, eg for three waters projects and transportation projects linked to congestion and housing outcomes. It also creates strong argument for a balance sheet separated water entity for Tauranga.
32. There will be a risk to TCC's credit rating from the worsening cashflow and "at risk" revenue assumed in the revised financials.
33. Affordability of rates to the community will become an increasing issue with the flow through of rates increases included in the LTP, including \$320m of rates funded debt retirement required to maintain three waters in council

LEGAL IMPLICATIONS / RISKS

34. The process of considering the Executive Report is part of the LTP process required under the Local Government Act 2002.

CONSULTATION / ENGAGEMENT

35. No further consultation is required outside existing LTP processes.

SIGNIFICANCE

36. 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.
37. 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 proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
38. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.




ENGAGEMENT

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

NEXT STEPS

40. Decisions on this report and wider deliberations will be incorporated in the 2024-34 Long-term Plan to be audited by Audit New Zealand and finalised for adoption by Council on 22 April 2024.

ATTACHMENTS

1. **Attachment 1 - Executive Report 2024-34 LTP - Revised Capital Programme - A15591070** [↓](#) 
2. **Attachment 2 - Executive Report 2024-34 LTP - Capital Programme Changes from Draft LTP - A15591071** [↓](#) 
3. **Attachment 3 - Executive Report 2024-34 LTP - Spaces & Places I&O Paper Offsets Summary Table - A15591167** [↓](#) 

Revised Capital Programme 2024-34 LTP

Programme	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Total 10 Years
Transport	131,904,868	154,097,824	162,770,044	179,867,985	202,368,061	139,572,633	127,025,890	160,499,397	115,917,356	132,730,513	1,506,754,571
Accessible Streets	3,665,656	2,976,913	3,100,525	6,274,042	6,544,926	7,986,758	9,111,524	7,602,885	8,963,024	8,355,200	64,581,453
Arterial Upgrades	0	0	0	0	0	0	595,000	3,929,250	3,987,750	4,078,750	12,590,750
Bridge Resilience Capital Works	771,825	1,588,350	2,832,180	6,967,756	288,025	0	1,833,750	3,507,840	8,695,840	19,659,000	46,144,566
Bus Infrastructure	16,792,133	13,832,551	8,405,009	7,003,687	10,893,452	2,458,101	2,884,942	3,094,293	3,173,860	3,708,230	72,246,257
Cameron Road Stage 2	4,116,400	36,579,120	42,046,980	48,032,863	54,455,827	34,003,350	0	0	0	0	219,234,540
Capital Delivery Adjustment	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	20,000,000	20,000,000	40,000,000	40,000,000	0	0	0
City Centre Development	1,381,470	1,977,617	4,839,024	9,698,859	1,143,537	0	0	30,067,200	20,460,800	18,472,284	88,040,792
Domain Rd Upgrading Capital Works	0	0	0	0	0	0	559,630	604,719	646,417	6,252,411	8,063,177
Eastern Corridor - Papamoa East Wairakei	51,767,216	37,636,202	15,485,076	218,595	0	0	1,630,583	0	0	0	106,737,672
Eastern Corridor - Papamoa Growth Area	2,054,816	542,415	0	0	0	0	0	0	0	0	2,597,230
Eastern Corridor - Te Tumu	0	0	0	0	6,444,875	2,817,524	0	0	0	0	9,262,399
Eastern Corridor - Wairakei	11,456,550	2,832,262	0	0	0	0	0	0	0	0	14,288,812
Grenada Street Cycleway	0	0	219,000	0	3,272,676	3,399,249	3,277,932	0	0	0	10,168,857
Hewletts Improvements	2,049,800	5,512,500	4,971,196	4,947,878	0	0	0	0	10,187,680	10,286,190	37,955,244
Local Roads Renewals	22,911,364	25,983,693	28,809,075	32,496,590	38,044,901	37,800,551	34,167,338	34,749,035	35,736,029	36,704,304	327,402,881
Local Roads Upgrades and Improvements	17,575,500	11,586,769	17,077,005	12,073,519	7,854,804	6,737,448	5,326,598	5,672,486	5,908,228	6,079,253	95,891,609
Marshall Ave Footpath upgrade	0	0	555,543	571,353	3,619,898	3,748,720	3,841,095	0	0	0	12,336,609
Minor Safety Improvements	4,057,516	3,667,007	3,804,189	3,941,363	4,077,520	4,274,870	4,406,180	4,538,530	4,645,075	4,781,257	42,193,507
Mount Intensification	0	0	0	447,306	587,449	620,103	642,663	668,822	654,234	0	3,620,577
Mount/Papamoa Multimodal	9,262	1,586,038	3,006,343	0	0	0	0	0	0	0	4,601,643
Otumoetai Intensification	0	0	286,228	302,400	318,578	6,679,181	7,007,446	7,404,062	179,813	0	22,177,708
Otumoetai Multimodal	2,385,870	4,827,525	0	0	0	0	0	0	0	0	7,213,395
Park & Ride Activation	2,881,480	297,551	0	0	164,260	172,404	180,055	2,026,107	3,408,060	5,287,256	14,417,173
Prop Management Upgrades & Renewals	19,204	31,889	65,759	96,754	2,522	1,200	54,870	61,364	225,952	2,113	561,626
Smiths Farm Development	0	0	0	11,931,195	0	0	0	0	0	0	11,931,195
Streetlight Renewal & LED Upgrade	2,225,250	2,398,500	2,463,750	2,410,150	2,463,900	2,513,350	2,558,500	2,599,350	2,638,050	2,698,250	24,969,050
Te Papa Intensification	4,709,597	7,115,649	16,093,057	3,182,120	2,033,700	4,595,747	2,146,819	2,180,443	4,652,465	4,767,113	51,476,709
Traffic Signalisations	165,600	0	0	0	0	0	853,087	0	0	0	1,018,687
Transportation Model	1,283,400	1,066,000	848,625	896,800	916,800	935,200	952,000	967,200	981,600	1,004,000	9,851,625
TTOC Projects	1,340,097	1,248,480	1,636,606	1,173,164	1,316,775	828,879	768,473	856,029	772,478	594,901	10,535,884
WC - Tauriko Business Estate	1,903,267	4,027,226	3,264,164	0	3,360,638	0	0	0	0	0	12,555,294
Welcome Bay, Turret Rd & 15th Ave Corridor	2,572,750	15,883,500	32,679,000	57,010,020	34,563,000	0	0	0	0	0	142,708,270
Western Corridor - Belk Rd Plateau	1,709,483	0	0	0	0	0	4,227,405	9,969,782	0	0	15,906,670
Western Corridor - Bethlehem	1,687,724	900,065	281,709	0	0	0	0	0	0	0	2,869,498
Western Corridor - Ring Rd	411,640	0	0	0	0	0	0	0	0	0	411,640
Western Corridor - Tauriko West	0	0	0	191,571	0	0	0	0	0	0	191,571

Revised Capital Programme 2024-34 LTP (continued)

Programme	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Total 10 Years
Waters	119,034,431	136,133,468	189,975,380	192,745,567	215,706,356	168,171,574	178,701,474	187,030,005	324,257,165	347,618,435	2,059,373,853
Cameron Road Stage 2	2,047,528	1,016,588	2,690,860	2,346,589	0	0	0	0	0	0	8,101,564
Capital Delivery Adjustment	0	0	(30,000,000)	(30,000,000)	0	20,000,000	20,000,000	20,000,000	0	0	0
CSC Stormwater Treatment Capital Works	1,024,485	372,295	548,350	565,250	0	0	0	0	0	0	2,510,380
Eastern Corridor - Papamoa East Wairakei	2,099,298	1,465,322	0	0	0	0	0	0	0	0	3,564,621
Eastern Corridor - Papamoa Growth Area	21,249	43,824	0	0	0	0	0	0	0	0	65,073
Eastern Corridor - Te Tumu	103,150	170,192	89,929	92,701	95,784	99,007	101,795	104,657	17,000,041	1,622,070	19,479,326
Eastern Corridor - Trunk Wastewater	14,769,021	18,150,715	21,593,628	19,383,820	12,772,005	3,838,325	808,381	998,566	24,235,221	28,142,646	144,692,327
Eastern Corridor - Wairakei	412,600	638,220	924,531	698,649	827,482	0	0	0	0	0	3,501,482
Freshwater Management	356,577	0	0	0	0	0	0	0	0	0	356,577
Funding Provision	0	252,630	0	0	0	0	0	0	0	0	252,630
Infrastructure Resilience Capital Works	5,312,225	7,203,376	12,212,851	25,283,633	30,987,366	301,850	7,882,890	17,813,594	52,395,880	57,489,135	216,882,800
Mount Intensification	237,245	305,814	315,301	169,575	0	0	0	0	0	0	1,027,935
Otumoetai Intensification	257,823	400,696	413,127	335,419	116,810	362,220	372,420	888,305	4,398,841	17,101,682	24,647,343
Prop Management Upgrades & Renewals	68,871	66,217	37,219	101,192	55,800	39,550	28,028	27,238	272,162	39,421	735,697
Reservoir Upgrades & Renewals	4,373,560	5,465,291	8,501,618	5,653,631	7,359,030	14,395,830	16,906,627	9,443,344	1,458,866	2,919,995	76,477,791
Smiths Farm Development	0	295,815	970,580	0	0	0	0	0	0	0	1,266,394
Capital Delivery Adjustment	(10,000,000)	(10,000,000)	0	0	20,000,000	0	0	0	0	0	0
SW Bulk Fund & Reactive Reserve	2,991,350	2,350,777	7,305,218	8,555,930	16,778,441	3,482,142	3,580,198	4,587,022	7,850,400	4,182,950	61,664,428
SW Minor Capital Works & Renewals	2,277,810	2,827,846	5,791,678	12,347,261	18,551,546	18,471,413	16,153,038	16,599,474	17,466,373	20,977,770	131,464,209
Te Maunga WW Treatment Plant	20,574,985	18,028,006	28,593,613	32,632,813	11,201,900	25,455,268	26,909,751	25,640,984	51,804,928	60,780,933	301,623,182
Te Papa Intensification	6,978,153	17,310,570	35,208,378	32,113,406	43,356,233	31,167,634	28,541,857	29,344,266	30,082,298	30,923,793	285,026,590
Waiari Water Treatment Plant Capital	5,935,019	1,056,254	2,724,203	4,614,701	3,852,394	0	0	0	21,239,257	25,868,385	65,290,213
Wairakei Stream Culvert Upgrade	206,300	929,674	3,290,100	2,955,127	0	0	0	0	0	0	7,381,201
Wairakei Stream Landscaping	876,775	1,774,615	107,202	130,008	201,497	277,702	285,522	733,873	752,330	781,109	5,920,633
Wastewater Renewals/Upgrades Programme	983,020	1,439,186	1,483,835	1,529,567	1,580,439	1,730,204	1,778,926	1,828,938	1,874,937	1,927,385	16,156,437
Water Netwrk Upgrades & Renewals	9,191,239	13,258,386	17,745,392	13,216,800	14,508,923	14,219,357	12,786,987	11,944,240	28,228,544	26,510,940	161,610,807
Water Supply Plant Upgrades & Renewals	3,853,778	6,331,971	9,714,857	3,680,772	3,056,759	3,937,401	1,737,321	2,488,153	7,645,468	4,350,755	46,797,235
WC - Pyes Pa West Growth Area	6,055,407	6,620,198	0	1,932,288	0	0	0	0	0	0	14,607,893
WC - Tauriko Business Estate	7,640,714	544,402	0	0	0	0	0	0	0	0	8,185,115
Welcome Bay, Turret Rd & 15th Ave Corridor	1,366,748	6,382,200	10,907,778	6,470,982	0	0	0	0	0	0	25,127,708
Western Active Reserve Capital Works	0	0	548,001	0	0	0	0	0	0	0	548,001
Western Corridor - Belk Rd Plateau	154,725	265,925	0	0	233,620	1,811,100	1,617,544	12,507,740	13,999,880	14,391,500	44,982,034
Western Corridor - Bethlehem	839,979	1,986,461	3,257,802	2,726,766	3,182,733	1,492,346	1,278,642	0	0	0	14,764,729
Western Corridor - Tauriko West	5,590,730	4,999,390	9,566,416	0	0	259,591	2,596,068	6,279,396	14,208,851	18,809,824	62,310,266
WW Reticulation Upgrades & Renewals	20,641,222	21,093,391	27,410,885	36,294,726	23,940,952	25,712,923	33,839,385	23,964,391	24,640,382	28,516,016	266,054,273
WW Treatment Plant Renewals	1,792,846	3,087,220	8,022,025	8,913,962	3,046,640	1,117,712	1,496,094	1,835,827	4,702,505	2,282,127	36,296,958

Revised Capital Programme 2024-34 LTP (continued)											
Programme	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Total 10 Years
Civic & City Centre	120,606,499	103,510,250	77,469,295	96,571,707	38,309,943	13,378,927	330,137	181,350	44,974,721	45,197,208	540,530,036
Capital Delivery Adjustment	(10,000,000)	(10,000,000)	0	0	10,000,000	10,000,000	0	0	0	0	0
City Centre Development	0	3,471,100	4,202,899	4,126,000	0	0	0	0	0	0	11,800,000
City Centre Waterfront Development	9,149,351	4,394,325	6,013,774	8,301,795	0	0	0	0	0	0	27,859,245
Civic Administration Building	12,499,686	0	0	0	0	0	0	0	0	0	12,499,686
Community Stadium - Tauranga Domain	0	0	0	0	0	0	0	0	44,580,985	45,008,958	89,589,943
Marine Facilities Upgrades & Renewals	4,780,665	4,252,594	5,783,670	3,824,362	2,734,704	3,378,927	330,137	181,350	393,736	188,250	25,848,394
Memorial Park Aquatics & Recreation Hub	20,571,773	19,945,705	20,783,563	48,719,313	16,370,021	0	0	0	0	0	126,390,374
Te Manawataki o Te Papa	79,982,524	80,446,526	39,185,390	31,600,238	9,205,217	0	0	0	0	0	240,419,895
Te Papa Intensification	3,622,500	1,000,000	1,500,000	0	0	0	0	0	0	0	6,122,500
Spaces & Places	40,666,699	32,283,823	38,499,690	46,625,566	66,072,610	53,806,683	68,105,124	60,727,798	56,265,240	57,861,704	520,914,938
Active Reserve Development	15,935,294	15,514,607	11,448,188	16,107,700	22,236,038	7,204,607	12,414,407	5,440,500	8,589,000	13,805,000	128,695,342
Beachside Holiday Park Capital Programme	145,991	872,947	108,720	78,889	139,324	116,674	139,815	75,841	1,419,227	494,376	3,591,805
Capital Delivery Adjustment	(10,000,000)	(10,000,000)	0	0	10,000,000	10,000,000	0	0	0	0	0
Cemeteries Capital Programme	218,431	552,003	569,859	494,518	24,720	432,094	194,494	221,425	69,919	181,740	2,959,202
City Centre Development	2,066,800	2,135,400	2,205,800	2,277,800	2,733,390	2,885,626	2,990,185	2,476,683	2,538,090	2,565,291	24,875,065
City Operations Capital	880,281	230,259	412,271	461,655	1,453,450	607,691	172,387	79,797	673,823	1,458,679	6,430,293
Civic Complex Renewals	25,275	30,296	35,500	67,260	68,760	70,140	71,400	72,540	73,620	75,300	590,090
Community Centres	11,182,849	489,805	0	0	0	1,169,000	4,760,000	0	1,641,726	6,275,000	25,518,380
Eastern Corridor - Te Tumu	0	0	0	0	0	0	3,605,441	6,045,000	3,067,500	3,137,500	15,855,441
Historic Village Capital	4,343,953	1,420,451	511,110	215,625	204,384	120,739	313,742	276,664	201,936	0	7,608,604
Infrastructure Resilience Capital Works	144,419	144,562	144,739	144,820	144,966	145,073	145,157	145,219	145,276	146,612	1,450,842
Kopururerua Valley Development	113,850	117,260	120,450	123,310	126,060	128,590	101,150	102,765	104,295	106,675	1,144,405
Marine Facilities Upgrades & Renewals	362,250	822,814	705,618	86,562	0	0	0	946,601	960,694	982,617	4,867,158
Marine Park/Sulphur Point Development	0	0	0	723,750	737,520	4,914,569	9,379,565	5,369,210	5,507,150	5,659,720	32,291,485
Memorial Park Masterplanning	0	0	2,065,936	2,065,282	2,067,433	0	0	0	0	0	6,198,652
Memorial Park to City Centre Pathway	669,127	3,203,100	3,308,700	0	0	0	0	0	0	0	7,180,927
Mount Intensification	0	0	0	589,219	608,426	627,577	561,165	513,800	527,000	541,600	3,968,787
Neighbourhood Reserves & Other Minor Capital Pr	3,942,561	4,345,599	3,411,925	4,045,003	3,032,230	3,270,072	2,845,783	2,622,662	2,683,391	2,754,681	32,953,905
Otumoetai Intensification	0	0	0	1,252,790	0	0	0	0	0	0	1,252,790
Parks LOS Capital Development	2,895,010	4,528,035	4,656,460	8,042,946	8,018,694	7,079,179	7,275,212	7,390,436	7,102,778	6,412,888	63,401,637
Parks Renewals	3,926,807	4,316,070	5,025,158	5,164,680	5,953,644	4,132,111	6,685,779	7,444,211	9,387,799	8,642,375	60,678,633
Prop Management Upgrades & Renewals	3,043,256	1,179,912	1,493,317	1,687,108	1,872,451	1,130,615	1,332,063	1,288,088	2,016,979	2,582,130	17,625,918
Te Papa Intensification	0	1,279,200	1,563,906	2,638,274	2,714,874	2,769,361	2,819,110	3,407,567	2,468,111	1,269,433	20,929,834
Te Ranga Masterplan	356,867	368,712	380,868	238,790	246,841	254,913	635,785	653,489	670,278	688,848	4,495,391
TECT Park Development	206,680	192,186	165,435	119,585	117,730	126,182	132,462	136,151	139,648	81,240	1,417,298
WC - Pyes Pa West Growth Area	207,000	216,741	0	0	0	0	0	0	0	0	423,741
Western Corridor - Social Infrastructure	0	0	0	0	3,571,675	6,621,870	11,530,023	16,019,150	6,277,000	0	44,019,719
Western Corridor - Tauriko West	0	323,863	165,732	0	0	0	0	0	0	0	489,595

Revised Capital Programme 2024-34 LTP (continued)											
Programme	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Total 10 Years
Digital	2,179,575	1,818,436	2,017,116	1,330,425	1,558,331	2,569,067	2,543,054	1,482,053	1,625,407	2,452,458	19,575,922
Digital Services Capital Programme	2,179,575	1,818,436	2,017,116	1,330,425	1,558,331	2,569,067	2,543,054	1,482,053	1,625,407	2,452,458	19,575,922
Balance of Programme	32,623,513	38,554,850	30,168,738	24,711,888	36,660,360	36,590,381	29,837,821	18,621,027	21,857,493	21,882,999	291,509,069
Airport Upgrades & Renewals	2,942,760	103,332	49,275	0	201,673	0	42,900	0	0	0	3,339,939
Animal Services Minor Capital Works	2,715	11,517	16,479	834	67,562	35,997	12,194	1,123	156,954	1,542	306,918
Bay Venues New Capital	7,364,091	10,635,595	8,643,280	3,369,455	6,354,006	10,843,712	4,097,066	1,467,696	2,437,359	3,661,535	58,873,795
Baycourt Capital Renewals	396,372	283,552	398,838	876,973	302,754	193,094	200,938	206,659	639,009	281,784	3,779,974
Cemeteries Capital Programme	0	1,225,900	2,096,925	2,578,300	3,094,200	2,688,700	1,710,625	1,737,938	1,763,813	1,804,063	18,700,463
City Centre Development	1,709,877	2,303,696	2,951,055	4,152,933	3,608,140	3,309,175	3,279,228	4,319,180	4,278,989	4,786,226	34,698,499
Community Services Minor Capital Works	0	0	0	0	0	0	0	0	0	12,550	12,550
Corporate Services Minor Capital Works	31,982	32,939	33,836	34,639	35,411	36,122	36,771	37,358	36,810	37,650	353,518
Digital Services Capital Programme	861,120	886,912	911,040	932,672	953,472	972,608	990,080	1,005,888	1,020,864	1,044,160	9,578,816
Emergency Management Capital Works	0	497,982	0	0	0	0	0	0	0	0	497,982
Health & Safety Risk Control Capital	159,908	109,798	112,785	115,463	118,038	120,407	122,570	120,900	122,700	125,500	1,228,069
Historic Village Capital	538,496	1,466,290	155,037	299,964	318,400	340,822	235,960	31,478	44,523	12,864	3,443,833
Kerbside Waste Collection Capital Works	5,175	954,315	980,277	1,003,553	1,025,934	1,046,524	1,065,324	1,082,333	1,098,447	1,123,514	9,385,395
Library Capital Works	1,467,714	1,479,268	1,513,871	1,357,379	1,336,080	1,362,895	1,381,428	1,403,303	1,424,196	1,456,696	14,182,830
Marine Facilities Upgrades & Renewals	6,727,500	5,756,400	1,095,000	0	1,629,956	300,760	1,190,000	0	1,227,000	0	17,926,616
Parking Infrastructure	326,718	782,304	647,697	403,154	611,906	393,205	407,978	472,719	644,527	556,728	5,246,936
Regulatory Services Minor Capital Works	10,661	10,980	11,279	11,546	11,804	12,041	12,257	0	0	0	80,567
Strategic Acquisition Fund	5,175,000	5,330,000	5,475,000	5,605,000	5,730,000	5,845,000	5,950,000	6,045,000	6,135,000	6,275,000	57,565,000
Sustainability & Waste Upgrds & Renewals	3,470,107	5,321,539	893,535	1,115,483	1,097,324	913,320	732,602	689,452	827,301	703,188	15,763,850
Waste Facilities Redevelopment	1,433,320	1,362,530	4,183,530	2,854,540	10,163,700	8,176,000	8,369,900	0	0	0	36,543,520
Grand Total	447,015,585	466,398,650	500,900,263	541,853,139	560,675,660	414,089,264	406,543,500	428,541,630	564,897,380	607,743,318	4,938,658,389

Changes to 2024-34 Draft LTP Capital Programme (including FY24 Revisions)														
Programme	11 Year Total Draft LTP	11 Year Total Revised LTP	FY 2024 Movement	FY 2025 Movement	FY 2026 Movement	FY 2027 Movement	FY 2028 Movement	FY 2029 Movement	FY 2030 Movement	FY 2031 Movement	FY 2032 Movement	FY 2033 Movement	FY 2034 Movement	11 Year Total Movement
Transport	1,890,483,444	1,649,560,201	1,953,078	(27,956,667)	(10,268,464)	4,811,495	14,088,462	21,229,951	(29,893,256)	(51,031,029)	(27,120,393)	(75,108,936)	(61,627,485)	(240,923,244)
Accessible Streets	68,690,622	68,751,121	(356,001)	310,500	(1,066,000)	(1,095,000)	1,121,000	1,146,000	0	0	0	0	0	60,499
Arterial Upgrades	23,947,500	12,590,750	0	0	0	0	(560,500)	(3,724,500)	(3,799,250)	(3,272,500)	0	0	0	(11,356,750)
Bridge Resilience Capital Works	46,639,168	46,294,566	0	514,550	1,058,900	2,069,670	2,486,556	(6,474,278)	0	0	0	0	0	(344,602)
Bus Infrastructure	89,257,673	80,513,186	332,429	(104,805)	(320,295)	(4,386,933)	(1,120,300)	5,083,250	0	(1,168,278)	(2,246,780)	(2,358,843)	(2,453,932)	(8,744,487)
Cameron Road Stage 2	174,765,973	222,313,783	(11,920,757)	(25,858,196)	(3,441,742)	(7,316,891)	7,626,218	54,455,827	34,003,350	0	0	0	0	47,547,809
Capital Delivery Adjustment	(14,500,000)	(16,250,000)	16,250,000	3,000,000	0	8,000,000	5,000,000	43,000,000	42,000,000	30,000,000	(25,000,000)	(82,000,000)	(42,000,000)	(1,750,000)
City Centre Development	91,995,713	88,040,792	0	(3,601,850)	(529,450)	0	0	(9,216,800)	(16,812,092)	(18,756,870)	9,581,205	18,716,666	16,664,271	(3,954,920)
Domain Rd Upgrading Capital Works	8,460,674	8,460,675	1	0	0	0	0	0	0	0	0	0	0	1
Eastern Corridor - Papamoa East Wairakei	128,360,667	128,599,966	(3,000,001)	3,087,300	(5,294,500)	5,446,500	0	0	0	0	0	0	0	239,299
Eastern Corridor - Papamoa Growth Area	2,609,895	2,647,230	(616,056)	110,977	542,415	0	0	0	0	0	0	0	0	37,336
Eastern Corridor - Te Tumu	9,532,852	10,093,640	304,503	0	0	0	(9,006,114)	6,444,875	2,817,524	0	0	0	0	560,788
Eastern Corridor - Wairakei	16,401,767	16,378,483	799,996	(823,280)	0	0	0	0	0	0	0	0	0	(23,284)
Grenada Street Cycleway	16,867,040	17,745,216	(1)	(2,955,689)	(3,099,743)	(3,016,249)	0	3,272,676	3,399,249	3,277,932	0	0	0	878,176
Hewletts Improvements	190,289,425	39,111,109	(2)	(10,100)	(7,900)	0	0	(15,982,833)	(33,737,204)	(57,698,093)	(10,028,600)	124,240	(33,837,824)	(151,178,316)
Local Roads Renewals	363,457,080	348,214,799	(2,838,855)	(2,882,629)	(3,242,659)	(6,088,048)	(2,380,314)	1,061,948	1,128,275	0	0	0	0	(15,242,281)
Local Roads Upgrades and Improvements	87,293,290	115,496,085	(3,259,997)	6,204,789	2,968,915	13,664,018	8,541,275	3,012,294	(2,928,500)	0	0	0	0	28,202,794
Marshall Ave Footpath upgrade	12,336,609	12,336,609	0	0	0	0	0	0	0	0	0	0	0	0
Minor Safety Improvements	45,920,842	45,933,666	(515,000)	527,824	0	0	0	0	0	0	0	0	0	12,824
Mount Intensification	3,620,577	3,620,577	0	0	0	0	0	0	0	0	0	0	0	0
Mount/Papamoa Multimodal	52,720,623	5,601,643	(525,000)	(2,333,656)	(2,067,167)	(1,078,532)	(4,201,125)	(4,320,375)	(5,965,500)	(7,640,625)	(9,396,000)	(9,591,000)	0	(47,118,980)
Otumoetai Intensification	22,177,708	22,177,708	0	0	0	0	0	0	0	0	0	0	0	0
Otumoetai Multimodal	107,077,385	8,157,259	(3,200,023)	(4,472,059)	(1,934,994)	(16,943,639)	(17,607,304)	(26,127,709)	(28,634,400)	0	0	0	0	(98,920,127)
Park & Ride Activation	14,502,517	14,881,547	(2,800,000)	2,881,480	297,551	0	0	0	0	0	0	0	0	379,031
Prop Management Upgrades & Renewals	676,626	676,626	0	0	0	0	0	0	0	0	0	0	0	0
Smiths Farm Development	8,888,318	11,931,195	0	0	0	(8,888,318)	11,931,195	0	0	0	0	0	0	3,042,877
Streetlight Renewal & LED Upgrade	27,105,050	27,105,049	(1)	0	0	0	0	0	0	0	0	0	0	(1)
Te Papa Intensification	73,119,295	94,954,104	15,534,839	(3,578,753)	(1,133,363)	8,335,434	179,360	0	2,497,293	0	0	0	0	21,834,809
Traffic Signalisations	1,045,470	1,045,470	0	0	0	0	0	0	0	0	0	0	0	0
Transportation Model	9,890,200	10,815,105	283,680	455,400	213,200	(27,375)	0	0	0	0	0	0	0	924,905
TTOC Projects	11,567,583	11,253,123	(314,461)	0	0	0	0	0	0	0	0	0	0	(314,461)
WC - Pyes Pa West Growth Area	2,187,614	2,187,609	(5)	0	0	0	0	0	0	0	0	0	0	(5)
WC - Tauriko Business Estate	14,841,982	16,429,870	(2,418,552)	1,613,833	(4,232,194)	3,264,164	0	3,360,638	0	0	0	0	0	1,587,888
Welcome Bay, Turret Rd & 15th Ave Corridor	163,339,875	146,364,094	1,392,001	74,867	12,470,930	14,822,541	11,886,943	(33,761,062)	(23,862,000)	0	0	0	0	(16,975,780)
Western Corridor - Belk Rd Plateau	1,343,332	15,906,670	(1,343,332)	1,709,483	0	0	0	0	0	4,227,405	9,969,782	0	0	14,563,338
Western Corridor - Bethlehem	5,310,508	5,117,664	1,519,648	1,687,724	(1,450,369)	(1,949,847)	0	0	0	0	0	0	0	(192,844)
Western Corridor - Ring Rd	3,871,640	3,871,640	0	0	0	0	0	0	0	0	0	0	0	0
Western Corridor - Tauriko West	4,870,352	191,571	(1,355,975)	(3,514,377)	0	0	191,571	0	0	0	0	0	0	(4,678,780)

Changes to 2024-34 Draft LTP Capital Programme (including FY24 Revisions) continued														
Programme	11 Year Total Draft LTP	11 Year Total Revised LTP	FY 2024 Movement	FY 2025 Movement	FY 2026 Movement	FY 2027 Movement	FY 2028 Movement	FY 2029 Movement	FY 2030 Movement	FY 2031 Movement	FY 2032 Movement	FY 2033 Movement	FY 2034 Movement	11 Year Total Movement
Waters	1,667,410,510	2,151,770,827	(11,673,839)	(2,638,302)	6,611,001	45,052,016	30,472,241	76,564,771	1,931,877	8,319,943	10,308,804	146,324,469	173,087,337	484,360,317
Cameron Road Stage 2	9,601,689	8,468,669	(1,348,200)	666,026	(673,965)	1,139,815	368,214	(1,284,910)	0	0	0	0	0	(1,133,020)
Capital Delivery Adjustment	(77,000,000)	(8,000,000)	8,000,000	17,000,000	24,000,000	(30,000,000)	(30,000,000)	20,000,000	20,000,000	20,000,000	20,000,000	0	0	69,000,000
Constrained Waters Adjustment per Financial Strategy Lim	(870,000,000)	0	0	0	0	110,000,000	130,000,000	150,000,000	50,000,000	100,000,000	80,000,000	100,000,000	150,000,000	870,000,000
CSC Stormwater Treatment Capital Works	4,210,380	4,210,380	0	0	0	0	0	0	0	0	0	0	0	0
Eastern Corridor - Papamoa East	264,695	382,445	220,900	(103,150)	0	0	0	0	0	0	0	0	0	117,750
Eastern Corridor - Papamoa East Wairakei	3,640,099	4,704,360	3	1,309,052	1,465,322	0	0	0	0	(1,710,117)	0	0	0	1,064,261
Eastern Corridor - Papamoa Growth Area	65,073	65,073	0	0	0	0	0	0	0	0	0	0	0	0
Eastern Corridor - Te Tumu	78,718,012	19,658,826	0	103,150	(105,306)	(450,744)	(14,595,886)	(1,312,944)	(4,258,500)	(23,344,527)	(10,881,734)	5,740,304	(9,953,000)	(59,059,186)
Eastern Corridor - Trunk Wastewater	301,333,775	153,618,489	(2,625,970)	(2,600,564)	(6,699,728)	(12,510,737)	(9,672,072)	(23,125,032)	(22,913,908)	(33,404,082)	(32,687,142)	(1,172,869)	(303,182)	(147,715,286)
Eastern Corridor - Wairakei	5,389,290	3,701,482	0	(146,030)	(1,541,777)	0	0	0	0	0	0	0	0	(1,687,807)
Freshwater Management	633,137	798,177	0	165,040	0	0	0	0	0	0	0	0	0	165,040
Funding Provision	252,630	252,630	0	0	0	0	0	0	0	0	0	0	0	0
Harrisons Cut Stabilisation	231,118	231,118	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Minor Capital Works	369,089	369,089	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Resilience Capital Works	215,059,343	218,773,049	1,190,249	345,621	1,185,147	(7,002,364)	(6,309,852)	12,419,838	0	(14,276,100)	(17,612,940)	9,075,871	24,698,235	3,713,706
IT Hardware New	8,000	8,000	0	0	0	0	0	0	0	0	0	0	0	0
Mount Intensification	1,019,915	1,127,935	0	0	53,185	54,835	0	0	0	0	0	0	0	108,020
Oropi WTP Capacity Upgrade	300,634	300,635	1	0	0	0	0	0	0	0	0	0	0	1
Otumoetai Intensification	24,494,998	24,750,343	0	82,520	85,096	87,736	0	0	0	0	0	0	(7)	255,345
Prop Management Upgrades & Renewals	860,697	860,697	0	0	0	0	0	0	0	0	0	0	0	0
Reservoir Upgrades & Renewals	92,171,150	79,732,429	(1,186,796)	234,151	1,276,440	2,891,998	1,017,450	1,526,707	(411,292)	(5,690,579)	825,576	(4,997,422)	(7,924,953)	(12,438,721)
Smiths Farm Development	1,266,394	1,266,394	0	0	0	0	0	0	0	0	0	0	0	0
SW Bulk Fund & Reactive Reserve	67,595,487	64,215,491	4	(2,475,600)	0	0	(904,400)	0	0	0	0	0	0	(3,379,996)
SW Minor Capital Works & Renewals	130,202,906	134,320,636	0	(209,395)	(241,460)	(252,241)	2,227,085	2,102,580	1,643,271	(248,280)	(293,549)	(300,932)	(309,350)	4,117,730
Te Maunga WW Treatment Plant	325,726,200	319,999,073	(7,297,379)	(4,089,134)	(23,500,413)	(5,193,102)	6,169,103	(17,024,458)	(14,901,581)	(6,282,401)	(1,484,826)	30,992,364	36,884,699	(5,727,127)
Te Papa Intensification	307,553,605	290,684,654	(2,964,814)	(9,241,496)	(1,761,744)	17,438,940	14,099,216	1,767,175	16,717,205	(11,785,035)	(24,977,627)	(6,357,950)	(9,802,820)	(16,868,950)
Waiari Water Treatment Plant Capital	219,791,987	69,185,321	(154,263)	(1,546,916)	(10,485,521)	(20,453,387)	(29,277,068)	(31,297,986)	(25,087,978)	(18,584,402)	(6,368,958)	(5,614,072)	(1,736,115)	(150,606,666)
Wairakei Stream Culvert Upgrade	11,568,249	10,821,510	(772,499)	(825,200)	850,960	0	0	0	0	0	0	0	0	(746,739)
Wairakei Stream Landscaping	7,613,883	7,613,885	2	0	0	0	0	0	0	0	0	0	0	2
Wastewater Renewals/Upgrades Programme	16,156,437	16,156,437	0	0	0	0	0	0	0	0	0	0	0	0
Water Netwkr Upgrades & Renewals	169,326,998	170,328,328	229,088	1,206,513	3,677,365	(2,807,214)	(15,966,504)	(14,309,684)	2,130,951	277,566	582,208	15,880,244	10,100,797	1,001,330
Water Supply Plant Upgrades & Renewals	51,312,727	51,319,688	(2)	6,964	0	0	0	0	0	0	0	0	0	6,962
Waters CIP Stimulus	80,973	240,976	160,003	0	0	0	0	0	0	0	0	0	0	160,003
WC - Pyes Pa West Growth Area	30,211,271	23,431,951	(508,999)	585,892	2,264,936	(5,006,970)	(2,911,038)	(1,203,143)	0	0	0	0	0	(6,779,321)
WC - Tauriko Business Estate	13,534,833	10,004,403	(950,243)	1,374,914	544,402	(4,499,502)	0	0	0	0	0	0	0	(3,530,430)
Welcome Bay, Turret Rd & 15th Ave Corridor	39,064,846	25,127,708	(1,412,366)	(279,551)	4,310,694	(1,572,495)	(8,526,593)	(6,456,828)	0	0	0	0	0	(13,937,138)
Western Active Reserve Capital Works	548,001	548,001	0	0	0	0	0	0	0	0	0	0	0	0
Western Corridor - Belk Rd Plateau	22,013,457	45,132,034	150,000	0	265,925	0	0	233,620	1,811,100	1,233,952	6,343,211	8,944,222	4,136,548	23,118,578
Western Corridor - Bethlehem	15,259,691	15,648,779	(1,110,217)	178,514	1,103,590	217,201	0	0	0	0	0	0	0	389,089
Western Corridor - Tauriko West	79,307,108	65,132,766	(3,189,924)	(7,925,355)	4,999,390	(1,215,144)	(15,832,031)	(13,454,176)	259,591	2,596,068	6,279,396	13,554,651	(246,809)	(14,174,342)
WW Reticulation Upgrades & Renewals	341,083,999	279,015,008	1,787,584	3,772,410	4,793,873	(530,421)	4,934,115	(2,015,988)	(23,056,982)	(462,120)	(9,414,812)	(19,419,943)	(22,456,706)	(62,068,991)
WW Treatment Plant Renewals	26,567,735	37,563,956	109,999	(226,677)	744,590	4,715,810	5,652,500	0	0	0	0	0	0	10,996,222

Changes to 2024-34 Draft LTP Capital Programme (including FY24 Revisions) continued														
Programme	11 Year Total Draft LTP	11 Year Total Revised LTP	FY 2024 Movement	FY 2025 Movement	FY 2026 Movement	FY 2027 Movement	FY 2028 Movement	FY 2029 Movement	FY 2030 Movement	FY 2031 Movement	FY 2032 Movement	FY 2033 Movement	FY 2034 Movement	11 Year Total Movement
Civic & City Centre	650,620,833	658,294,546	21,190,692	34,375,218	19,786,756	(27,416,435)	1,977,802	(55,950,263)	(40,880,000)	(11,000,000)	(10,000,000)	34,580,985	41,008,958	7,673,714
Capital Delivery Adjustment	37,000,000	(3,000,000)	3,000,000	(4,000,000)	1,000,000	14,000,000	13,000,000	(32,000,000)	0	(11,000,000)	(10,000,000)	(10,000,000)	(4,000,000)	(40,000,000)
Carpark Buildings	1,901,187	2,966,875	1,065,688	0	0	0	0	0	0	0	0	0	0	1,065,688
City Centre Development	11,800,000	11,800,000	0	(1,433,400)	1,433,400	0	0	0	0	0	0	0	0	(0)
City Centre Streetscape Capital Programme	5,806,119	5,698,367	3,078,598	(3,186,350)	0	0	0	0	0	0	0	0	0	(107,752)
City Centre Waterfront Development	35,974,068	35,974,080	11	0	1,826,918	(1,826,918)	0	0	0	0	0	0	0	11
Civic Administration Building	31,710,719	31,710,722	3	0	0	0	0	0	0	0	0	0	0	3
Community Stadium - Tauranga Domain	80,405,500	89,589,943	0	0	0	0	0	(39,525,500)	(40,880,000)	0	0	44,580,985	45,008,958	9,184,443
Marine Facilities Upgrades & Renewals	32,954,091	33,224,754	(1)	74,520	196,144	0	0	0	0	0	0	0	0	270,663
Memorial Park Aquatics & Recreation Hub	121,259,055	148,799,974	21,150,541	10,571,776	(10,054,293)	(19,216,436)	18,719,311	6,370,020	0	0	0	0	0	27,540,920
Memorial Park to City Centre Pathway	6,262,481	8,662,481	2,400,000	0	0	0	0	0	0	0	0	0	0	2,400,000
Parking Infrastructure	1,527,504	2,692,500	1,164,996	0	0	0	0	0	0	0	0	0	0	1,164,996
Prop Management Upgrades & Renewals	63,920	63,923	3	0	0	0	0	0	0	0	0	0	0	3
Te Manawataki o Te Papa	274,655,363	280,687,604	(7,169,145)	28,726,172	25,384,587	(20,373,081)	(29,741,509)	9,205,217	0	0	0	0	0	6,032,241
Te Papa Intensification	9,300,826	9,423,324	(3,500,002)	3,622,500	0	0	0	0	0	0	0	0	0	122,498
Spaces & Places	602,846,130	580,143,779	15,395,795	5,037,370	(1,170,699)	(58,561)	(10,193,826)	4,504,202	(13,781,898)	988,187	(6,760,519)	(8,105,435)	(8,556,968)	(22,702,352)
Accessible Streets	168,650	240,653	72,003	0	0	0	0	0	0	0	0	0	0	72,003
Active Reserve Development	126,173,071	143,883,085	(1,847,847)	(2,702,578)	(1,614,485)	1,696,065	341,670	0	584,500	0	3,292,863	6,399,249	11,560,577	17,710,014
Animal Services Pound Upgrades	464,282	734,282	270,000	0	0	0	0	0	0	0	0	0	0	270,000
Beachside Holiday Park Capital Programme	4,041,653	4,041,653	0	0	0	0	0	0	0	0	0	0	0	0
Bus Infrastructure	103,000	103,000	0	0	0	0	0	0	0	0	0	0	0	0
Capital Delivery Adjustment	20,000,000	(11,500,000)	11,500,000	(3,000,000)	5,000,000	2,000,000	(3,000,000)	7,000,000	(15,000,000)	4,000,000	(10,000,000)	(12,000,000)	(18,000,000)	(31,500,000)
Cemeteries Capital Programme	4,992,609	4,992,605	(4)	0	0	0	0	0	0	0	0	0	0	(4)
City Centre Development	24,975,065	24,975,065	0	0	0	0	0	0	0	0	0	0	0	0
City Centre Streetscape Capital Programme	2,683,565	2,683,566	1	0	0	0	0	0	0	0	0	0	0	1
City Operations Capital	5,422,106	12,479,725	1,281,633	828,531	176,959	357,521	441,634	1,432,982	586,812	66,786	(27,489)	564,939	1,347,310	7,057,619
Civic Complex Renewals	600,545	600,545	0	0	0	0	0	0	0	0	0	0	0	0
Community Centres	29,049,678	28,918,380	(838,209)	6,545,035	(558,295)	(5,279,829)	0	0	0	0	0	0	0	(131,298)
Eastern Corridor - Te Tumu	24,405,000	15,855,441	0	0	0	0	0	0	0	(2,344,559)	0	(3,067,500)	(3,137,500)	(8,549,559)
Historic Village Capital	9,515,520	12,205,463	1,400	3,261,712	(533,070)	225,571	(77,785)	0	0	0	0	0	(187,885)	2,689,943
Infrastructure Resilience Capital Works	1,450,842	1,450,842	0	0	0	0	0	0	0	0	0	0	0	0
Kopururerua Valley Development	4,561,182	4,561,182	0	0	0	0	0	0	0	0	0	0	0	0
Local Roads Upgrades and Improvements	225,000	2,394,918	2,169,918	0	0	0	0	0	0	0	0	0	0	2,169,918
Marine Facilities Upgrades & Renewals	5,142,643	5,172,300	(7)	(511,704)	0	541,368	0	0	0	0	0	0	0	29,657
Marine Park/Sulphur Point Development	32,291,485	32,291,485	0	0	0	0	0	0	0	0	0	0	0	0
Mauao Placemaking & Interpretation	381,793	531,789	149,996	0	0	0	0	0	0	0	0	0	0	149,996
Memorial Park Masterplanning	8,334,209	6,198,652	0	0	(2,834,209)	565,936	(434,717)	567,434	0	0	0	0	0	(2,135,556)
Memorial Park to City Centre Pathway	7,180,927	7,180,927	0	0	0	0	0	0	0	0	0	0	0	0
Mount Intensification	3,968,787	3,968,787	0	0	0	0	0	0	0	0	0	0	0	0
Neighbourhood Reserves & Other Minor Capital Projects	33,649,110	36,088,558	(249,994)	569,170	1,087,809	564,025	468,438	0	0	0	0	0	0	2,439,448
Omanawa Falls Development	1,976,601	3,156,601	1,180,000	0	0	0	0	0	0	0	0	0	0	1,180,000
Otumoetai Intensification	1,252,790	1,252,790	0	0	0	0	0	0	0	0	0	0	0	0
Parks LOS Capital Development	72,388,310	71,067,979	(11)	80,000	(454,827)	(467,200)	(478,293)	0	0	0	0	0	0	(1,320,331)
Parks Renewals	65,273,257	64,397,234	74,678	260,001	(1,138,066)	50,471	(122)	(100,324)	46,789	98,037	(25,893)	(2,123)	(139,471)	(876,023)
Prop Management Upgrades & Renewals	19,999,358	19,999,346	(12)	0	0	0	0	0	0	0	0	0	0	(12)
Purchase of Vehicles & Equipment	345,078	0	(345,078)	0	0	0	0	0	0	0	0	0	0	(345,078)
Skatepark Development & Upgrades	3,470,705	4,326,937	1,764,032	(292,797)	(302,515)	(312,488)	0	0	0	0	0	0	0	856,232
Smoother	(23,000,000)	(11,500,000)	11,500,000	0	0	0	0	0	0	0	0	0	0	11,500,000
Te Papa Intensification	21,187,834	21,187,834	0	0	0	0	0	0	0	0	0	0	0	0
Te Ranga Masterplan	4,495,391	4,495,391	0	0	0	0	0	0	0	0	0	0	0	0
TECT Park Development	1,745,864	1,745,864	0	0	0	0	0	0	0	0	0	0	0	0
WC - Pyes Pa West Growth Area	7,485,456	3,951,587	213,296	0	0	0	(1,681,500)	(2,065,665)	0	0	0	0	0	(3,533,869)
Western Corridor - Social Infrastructure	52,955,170	44,019,719	0	0	0	0	(5,773,150)	(2,330,225)	0	(832,077)	0	0	0	(8,935,451)
Western Corridor - Tauriko West	489,595	489,595	0	0	0	0	0	0	0	0	0	0	0	0

Changes to 2024-34 Draft LTP Capital Programme (including FY24 Revisions) continued														
Programme	11 Year Total Draft LTP	11 Year Total Revised LTP	FY 2024 Movement	FY 2025 Movement	FY 2026 Movement	FY 2027 Movement	FY 2028 Movement	FY 2029 Movement	FY 2030 Movement	FY 2031 Movement	FY 2032 Movement	FY 2033 Movement	FY 2034 Movement	11 Year Total Movement
Digital	41,193,792	22,009,481	(17,305,900)	(92,949)	(790,363)	(613,025)	(2,491,690)	(455,737)	(428,946)	(673,989)	869,163	1,003,448	1,795,677	(19,184,311)
Digital Services Capital Programme	28,623,343	22,009,481	(4,735,451)	(92,949)	(790,363)	(613,025)	(2,491,690)	(455,737)	(428,946)	(673,989)	869,163	1,003,448	1,795,677	(6,613,862)
IT Hardware Renewals	70,449	0	(70,449)	0	0	0	0	0	0	0	0	0	0	(70,449)
IT Software	12,500,000	0	(12,500,000)	0	0	0	0	0	0	0	0	0	0	(12,500,000)
Balance of Programme	331,877,370	343,397,470	2,211,450	(2,462,264)	(4,504,886)	(1,579,108)	(1,558,716)	10,133,127	3,525,262	6,992,930	(2,547,859)	591,965	718,201	11,520,100
Airport Upgrades & Renewals	14,533,007	14,591,011	58,004	0	0	0	0	0	0	0	0	0	0	58,004
Animal Services Minor Capital Works	306,918	306,918	0	0	0	0	0	0	0	0	0	0	0	0
Bay Venues New Capital	62,373,795	62,373,795	0	0	0	0	0	0	0	0	0	0	0	0
Baycourt Capital Renewals	4,205,598	4,205,598	0	0	0	0	0	0	0	0	0	0	0	0
Capital Delivery Adjustment	0	0	0	0	0	10,000,000	0	0	(3,000,000)	(3,000,000)	(3,000,000)	(1,000,000)	0	0
Cemeteries Capital Programme	18,700,463	18,700,463	0	0	0	0	0	0	0	0	0	0	0	0
City Centre Development	35,375,757	34,698,499	0	260,877	598,096	761,055	363,124	(805,311)	(758,511)	(301,199)	(291,001)	(465,372)	(39,015)	(677,258)
Civic Administration Building	0	90,000	90,000	0	0	0	0	0	0	0	0	0	0	90,000
Community Services Minor Capital Works	733,010	483,010	(250,000)	0	0	0	0	0	0	0	0	0	0	(250,000)
Corporate Services Minor Capital Works	384,418	384,418	0	0	0	0	0	0	0	0	0	0	0	0
Digital Services Capital Programme	30,000	9,608,816	0	861,120	886,912	911,040	932,672	953,472	972,608	990,080	1,005,888	1,020,864	1,044,160	9,578,816
Emergency Management Capital Works	497,982	497,982	0	0	0	0	0	0	0	0	0	0	0	0
Health & Safety Risk Control Capital	1,738,569	1,738,569	0	0	0	0	0	0	0	0	0	0	0	0
Historic Village Capital	6,822,611	3,443,833	0	349,830	(2,144,335)	(195,458)	(652,366)	(114,600)	(621,850)	0	0	0	0	(3,378,778)
Kerbside Waste Collection Capital Works	10,280,625	10,280,625	0	0	0	0	0	0	0	0	0	0	0	0
Library Capital Works	16,961,714	15,287,894	0	0	(543,660)	(558,450)	(571,710)	0	0	0	0	0	0	(1,673,820)
Marine Facilities Upgrades & Renewals	8,927,373	18,137,351	(5,245,937)	6,483,758	5,505,358	837,128	(263,995)	876,118	(275,299)	909,756	(276,426)	946,459	(286,943)	9,209,978
Parking Infrastructure	9,849,245	8,758,336	(975,072)	(656,087)	266,500	273,750	0	0	0	0	0	0	0	(1,090,909)
Regulatory Services Minor Capital Works	90,867	90,867	0	0	0	0	0	0	0	0	0	0	0	0
Strategic Acquisition Fund	65,314,721	65,314,723	2	0	0	0	0	0	0	0	0	0	0	2
Sustainability & Waste Upgrds & Renewals	22,082,854	16,757,961	(2)	578,617	44,712	52,614	(4,220,982)	(940,252)	(967,687)	24,393	13,680	90,014	0	(5,324,893)
TTOC Projects	55,000	55,000	0	0	0	0	0	0	0	0	0	0	0	0
Waste Facilities Redevelopment	52,612,844	37,591,802	(11,465,545)	(10,340,380)	(9,118,470)	(13,660,787)	2,854,540	10,163,700	8,176,000	8,369,900	0	0	0	(15,021,042)
WC - Tauriko Business Estate	0	20,000,000	20,000,000	0	0	0	0	0	0	0	0	0	0	20,000,000
Grand Total	5,184,432,079	5,405,176,304	11,771,276	6,262,406	9,663,345	20,196,382	32,294,273	56,026,052	(79,526,961)	(46,403,957)	(35,250,805)	99,286,495	146,425,720	220,744,225

		FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	Total
Recommended Budget Increases per Spaces & Places I&O Papers (inflated numbers)												
Additional Bay Oval Grant Funding	Loan-funded grant	1.9m										1.9m
Mount College Pool Grant Funding	Loan-funded grant						1.9m					1.9m
Mount Sports Club Grant Funding	Loan-funded grant						1.9m					1.9m
Hockey Grant Funding	Opex grant	0.0m										
Other Minor Capex Additions in I&O toilets, fence	Capex				0.6m	0.6m	0.8m		0.6m			2.6m
Recommended Budget Reductions to Offset the Above												
Sulphur Point Development (total budget \$32m) to be reduced to offset above I&O proposals	Capex				(0.7m)	(0.7m)	(4.9m)	(2.0m)				(8.4m)
Impact on Borrowing		1.9m			(0.1m)	(0.2m)	(0.3m)	(2.0m)	0.6m			0.0
Net Rates Change to Draft LTP		0.3m	0.3m	0.3m	0.2m	0.2m	0.5m	0.5m	0.4m	0.5m	0.5m	3.5m

11.4 2024-2034 Long-term Plan Deliberations - Spaces and Places

File Number: A15510727

Author: Josh Logan, Team Leader: Corporate Planning

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

PURPOSE OF THE REPORT

1. To consider and determine a number of specific matters raised through the 2024-2034 Long-term Plan consultation process relating to Spaces and Places activities.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "2024-2034 Long-term Plan Deliberations - Spaces and Places".

Additional Public Toilets (Attachment 1)

- (b) Approves \$1.5m for installation of new toilets at major neighbourhood playspaces and beach access points funded by reallocation from existing Spaces and Places budgets (Option 1).

Mount Sports Club (Squash) Building Development (Attachment 2)

- (c) Approves a loan funded grant of one third of the Mount Sports Club refurbishment and expansion costs up to \$1.65M using existing budgets (\$1.93M inflated), subject to:
 - (i) Mount Sports Club securing the total funding required to complete the project; and
 - (ii) Council staff being satisfied with the detailed design and business case, and the extent of public access and multi-use.
- (d) Notes the average Opex impact for debt retirement and debt servicing is \$250k per annum from FY30, with total financing costs \$1.25M over the ten year loan repayment period.

Ngāi Tamarawaho and Pukehinahina Charitable Trust (Attachment 3)

- (e) Does not fund or make provision for a public car park on Gate Pā recreation reserve for use by Te Pūtake o Te Riri and instead contributes to a wider discussion on the funding and development of the centre through a business case process. (Option 1)

Bay Oval Trust (Attachment 4)

- (f) Approves a loan funded grant in 2024/25 to cover a maximum shortfall for the Stage 2 Pavilion build up to \$1,939,757, funded by reprioritisation within the existing Spaces & Places budget. The average Opex impact for debt retirement and debt servicing is \$233k per annum, total opex over the ten years for financing costs is \$2.3M.
- (g) The Bay Oval Trust grant is subject to the following conditions being met:
 - (i) Bay Oval Trust demonstrates to TCC that all potential funding opportunities have been pursued and secured wherever possible and appropriate; and
 - (ii) There is project budget and general accounting transparency to Council through to completion of construction; and
 - (iii) TCC is able to nominate a person to be member of the project steering group.

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- iv) Bay Oval Trust provide TCC use of the Pavilion facility for a minimum of 10 days per year at no charge, for Council related activities / functions.
 - v) Conditions (g) (ii), (iii) and (iv) being reflected in a signed funding agreement.
 - (h) Does not allocate funding to the Bay Oval indoor Training Centre at this time.
 - (i) Requests staff work with Bay Oval Trust to determine an appropriate ongoing operational funding level and associated priorities prior to the development of the Annual Plan 2025/2026. (Option 1)

Tauranga Hockey Centre Facility Development (Attachment 5)

- (j) Agrees to fund the feasibility study at \$39,000. (Option 1)
- (k) Supports in principle a funding contribution towards development of a hockey centre with any further funding to be confirmed via a future Council decision-making process.

Mount Maunganui College Pool (Attachment 6)

- (l) Provides a one-off grant up to a maximum of \$1.65 million to support the redevelopment of the Mt Maunganui College pool in FY30 of the draft Long-term Plan (\$1.93M inflated), subject to Council being satisfied that:
 - i) A review of the pool depth from 2m to 1.8m is undertaken and concluded.
 - ii) A business case is satisfactorily completed.
 - iii) There is certainty that the pool will continue to be available for community use and consideration is given to extended public hours of use.
 - iv) An independent condition assessment on the facility is completed (and suggest this be updated every three year).
 - v) A long term (ten year) maintenance and capital and renewals plan is prepared.
 - vi) Current financial statements and a long term (ten year) operating budget prove financial viability of the pool and its operation.
- (m) Approves the one-off grant (opex) to be funded by a loan repaid over a ten year period and notes that the financing costs are an average of \$250k per annum from FY30 onwards, a total of \$1.25M financing costs over the ten year period of the loan

Pōtiki ā Tamapahore Trust and Manawa Development Holdings Limited Partnership - Community Spaces and Facilities in Manawa development (Attachment 7)

- (n) Does not provide funding for the development of Te Atea Reserve and work with the developer to agree a plan for Te Atea. (Option 1)
- (o) Provides funding of up to \$100,000 from existing Spaces and Places budget to fence the Maungarongo walkway from the Manawa development to Simpson Road, subject to agreement on additional access. (Option 1)
- (p) Allocates up to \$50,000 from the shade budget for artificial shade at Hine Kahu Reserve. (Option 1)

Funding for Wairakei Stream Corridor Works (Attachment 8)

- (q) Does not allocate a specific budget for Wairakei Stream Corridor works above that already committed and continue to work with the submitter to confirm the designs and level of service for the walkway. (Option 1)

Community facilities in Eastern Corridor (Attachment 9)

- (r) Retains the status quo - no requirement for additional capex in the first years of the Long-term Plan due to overall fiscal capacity being constrained.

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- (s) Notes that a total of \$12 million capex is already included in the draft LTP from 2030/31. (Option 1)

Pump Track and Other Play and Active Recreation Infrastructure (Attachment 10)

- (t) Reallocates \$650,000 of existing Spaces and Places budget for a pump track in the west of the city. (Option 1)

Memorial to Elizabeth Street Waterfront Recreational Connection/ Te Hononga ki Te Awanui (Attachment 11)

- (u) Does not approve additional budget be allocated in the Long-term Plan to deliver Memorial Park to Elizabeth Street Recreational Connection (Te Hononga ki Te Awanui) beyond what was approved by Council in August 2023 (resolution CO14/12/5). (Option 1)

Future of Ōtūmoetai Pool (Attachment 12)

- (v) Endeavours to keep Ōtūmoetai Pool open at least until the new Memorial Park facility is open at the end of 2027.
 - (w) Establishes a working group made up of Council and Bay Venues staff, representatives from the Ōtūmoetai community and College and an external aquatics expert to explore options to keep the Ōtūmoetai Pool available to the community in some form, including options of the pool being outside of Council ownership and maintenance responsibility.
 - (x) Options will be brought back to Council for a final decision on the way forward. (Option 1)
-

BACKGROUND

Long-term Plan consultation process

- 2. Consultation on the Long-term Plan was undertaken from 15 November to 15 December 2023. In total, 2,202 submissions were received covering a wide variety of topics.

This report

- 3. This report covers a number of matters raised through submissions that broadly relate to sport facilities, reserve development and other matters relevant to the Spaces and Places activity.
- 4. Each identified matter where a clear decision is required by Council has been covered in a separately attached issues and options paper. These issues and options papers include financial considerations relevant to the specific matter.
- 5. The recommendations within each issues and options paper have been brought forward into the above recommended resolutions for Council's consideration. Council may alternatively select a different option from within the issues paper or craft its own resolution.
- 6. This is a compilation report. While a single author and authoriser are identified above, in reality the attachments have been prepared by a number of different authors and each has been formally approved by the relevant General Manager. Discussion on each attachment will be led by the relevant General Manager.

STRATEGIC / STATUTORY CONTEXT

- 7. Where appropriate, relevant strategic context is provided in the individual attachments.
- 8. Statutorily, the Local Government Act 2002 requires Council to prepare a Long-term Plan following a special consultative procedure. This report is in response to issues raised through that special consultative procedure.

SIGNIFICANCE

9. 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.
10. 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.
11. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions required by this report are individually of low or medium significance.













ENGAGEMENT

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

NEXT STEPS

13. For each matter covered by this report, staff will action the resolutions made by Council.

ATTACHMENTS

1. **Additional Public Toilets - A15436347** [↓](#) 
2. **Mount Sports Club (Squash) Building Development - A15447190** [↓](#) 
3. **Ngāi Tamarawaho and Pukehinahina Charitable Trust - A15449705** [↓](#) 
4. **Bay Oval Trust - A15449513** [↓](#) 
5. **Tauranga Hockey Centre Facility Development - A15447193** [↓](#) 
6. **Mount Maunganui College Pool - A15436304** [↓](#) 
7. **Ngā Pōtiki ā Tamapahore Trust and Manawa Development Holdings Limited Partnership - Community Spaces and Facilities in Manawa development - A15448479** [↓](#) 
8. **Funding for Wairakei Stream Corridor works - A15465689** [↓](#) 
9. **Community facilities in Eastern Corridor - A15465970** [↓](#) 
10. **Pump Track and Other Play and Active Recreation Infrastructure - A15426825** [↓](#) 
11. **Memorial Park Walkway - A15495413** [↓](#) 
12. **Future of Ōtūmoetai Pool - A15498763** [↓](#) 

Title: Issues and options – Additional Public Toilets**File Number: A15436347****Author:** Emma Joyce, Open Space and Community Facilities Planner**Authoriser:** Barbara Dempsey, General Manager: Community Services**ISSUE**

1. To consider new funding to support the installation of new public toilets at major neighbourhood play spaces and key beach access points.

ANALYSIS OF SUBMISSION POINTS

2. A submitter requested installation of new toilets along the Marine Parade coastal pathway, suggesting Te Ngaio Reserve and opposite Hart Street as potential options.
3. There were also submissions in support of renewing the existing public toilets at Te Papa o Ngā Manu Porotakaka and to provide infant change facilities in public toilets at reserves.

DISCUSSION AND ANALYSIS

4. As noted in the Play, Active Recreation and Sport Action and Investment Plan (PARS Plan), the provision of toilets (and other facilities such as drinking fountains and seating) support people to be able to stay and enjoy our reserves and open space longer. While there is funding of \$2.5m allocated in the draft Long-term Plan (LTP) to redevelop toilets in Mount Maunganui CBD area, there is no budget in the draft LTP for new toilets at other locations.
5. Proposed budgets to implement local play, active recreation and to support water play and access actions in the PARS Plan included funding for toilets. These budgets were not prioritised for inclusion in full in the draft LTP. While the draft LTP includes additional investment to support implementation of the PARS Plan, this is approximately half of what is required to implement the priority actions in the plan, including providing supporting infrastructure like toilets. For play, the current focus of the funding included in the draft LTP is on upgrading existing playgrounds. This is because there is a significant number of playgrounds with a major renewal and replacement required in upcoming years, and budget is being allocated to ensure that the playgrounds delivered can be designed to meet their intended function within the playground network.
6. The cost to install a standard double bay public toilet can be up to \$500,000 depending on ease of connecting to services and site location. We are of the view that additional funding for public toilets would be advisable to meet community expectations and recommend an additional \$1.5m spread across the LTP to deliver additional toilet facilities, with this funding to be reallocated from existing Spaces & Places budgets.

Key Beach Access Points

7. We support the submission requesting additional toilets along the coastal strip. This is consistent with action 66 of the PARS Plan which is identified as a priority, but unfunded action: *"Install toilets (including space for changing facilities), showers, shelter/shade, bike racks and drinking fountains at key water access points"*.
8. As noted in the submission, the development of the natural play area alongside the Marine Parade shared path and the proposed renewal of Te Ngaio Reserve will see this area become a major beach access and recreation destination. However, further work is required to confirm appropriate locations (including availability and ease of service connection) for new toilets along the coastal strip. The final concept design for the Marine Parade Coastal Pathway notes that it creates a new "Destination Point" opposite Te Ngaio Reserve and identified public toilet facilities at this location for further design consideration. The concept also identifies 'Future public toilet facilities with beach shower (long term objective)' at the Hart Street hub.

Major Neighbourhood Play Spaces

9. Through the PARS Plan, we have developed a playground hierarchy that includes the delivery of a 'major neighbourhood play space per neighbourhood/suburb (approximately 1.5 kilometre radial distance). To achieve this will require upgrades to existing reserves and play spaces over time. A number of these reserves do not currently have toilets including, for example, Te Pō Roa in Gate Pā. We have also received requests for a toilet at Pacific Park in Arataki due to the popularity of that upgraded play space.
10. This is consistent with action 39 of the PARS Plan which is identified as a priority, partially funded action:
"Progressive upgrades to existing reserves to fulfil the function of a 'major neighbourhood play space'. This may include additional or new play equipment, artificial shade, trees and vegetation, toilets, drinking fountains, bike parking, pathways (e.g. Moa Park, Parkdale Reserve)".
11. An increasing population and likelihood of less private open space in the future will mean more people using public space for socialisation and play. This will have an impact on existing infrastructure as well as creating demand for additional facilities such as toilets.

Policy and Procurement

12. Installation of toilets in these locations ensures we meet the level of service in the Public Toilet Location Level of Service Policy by providing public toilets at "major recreation destinations" and "major beach access points".
13. The costs for installing new toilets are dependent on ease of accessing services and site considerations, such as the assessment matters included in the Tauranga Reserves Management Plan, additional design considerations and public opinion.
14. Current procurement of new toilets is on an ad hoc, project basis. A dedicated budget for toilets will enable a more strategic approach to procuring new toilets. This includes the ability to investigate options for toilets with less heavy doors noting feedback from the disability and elderly communities that the doors can be difficult or too heavy to open.

OPTIONS ANALYSIS

15. There are three options for consideration;
 1. Reallocating budget in FY28, FY29 and FY32 of the LTP for new toilets at key locations (option 1 - recommended)
 2. Status quo (no provision for new toilets in the LTP), except for that already included in the draft LTP for Mount Maunganui town centre (option 2)
 3. Providing a toilet at Te Ngaio Reserve (or in the vicinity thereof) only (option 3).

Option 1: Reallocate funding* from existing Spaces & Places budgets for installation of new toilets at major neighbourhood playspaces and beach access points (Total \$1.5 million)

* Refer Executive report on this agenda for information on capex project funding which is proposed to be reallocated to fund the new toilets as per this paper (& other projects)

Advantages	Disadvantages
<ul style="list-style-type: none"> Consistent with reserve development and play enhancement actions in the Reserves and Open Space and Play, Active Recreation and Sport Action and Investment Plans. Meets community expectations for provision of toilets at some reserves. 	<ul style="list-style-type: none"> Requires additional opex budget. Planned project which funds are being reallocated from will not occur in LTP period.

<ul style="list-style-type: none"> • Supports previous investment in the development of reserves and open space. • Opportunity to address lack of provision in certain areas and meet agreed level of service. • Potential to enable a more strategic approach to procurement of public toilets. 	
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Budget – Capex: **\$1.5 million** in FY28, FY29 and FY32 (Inflated \$1.7M) from within existing budgets.

Budget – Opex: Ongoing costs of up to **\$10k** per toilet block, \$151k total (Inflated) for 3 toilet blocks over ten years. Finance and depreciation costs are an average of \$73k per annum from FY28 onwards. Total Opex across the ten years for ongoing maintenance, depreciation, and financing costs - \$666k.

Key risks: Nil

Recommended? **Yes**

Option 2: Retain the status quo (no budget for new public toilets outside of the Mt Maunganui town centre area)

Retention of the status quo will see no new public toilets installed to support beach access or major neighbourhood play spaces.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No additional capex or opex requirement. 	<ul style="list-style-type: none"> • Unable to address community requests for additional public toilets. • Unable to deliver key aspect of major neighbourhood play spaces. • Does not address lack of provision of public toilets in certain areas or ensure level of service.

Budget – Capex: **Nil**

Budget – Opex: **Nil**

Key risks: Reputational risk as customer requests for new toilets cannot be met. Continued gaps in provision.

Recommended? **No**

Option 3: Install toilet at Te Ngaio Reserve (or in the vicinity thereof)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Supports previous investment in Marine Parade shared path. 	<ul style="list-style-type: none"> • Unable to address community requests for additional public toilets in other locations. • Unable to deliver key aspect of major neighbourhood play spaces. • Potential to increase provision in Mt Maunganui but not address gaps in provision elsewhere. • Does not meet level of service. • Risk that Te Ngaio Reserve site is not the preferred/feasible location.

Budget – Capex: **\$500,000** (\$549k inflated) in FY28

Budget – Opex: Ongoing costs of up to **\$10,000** per year per toilet block, total \$69k (inflated). Finance and depreciation costs are an average of \$31k per annum (\$217k total over ten years). Total Opex across the ten years for ongoing maintenance, depreciation, and financing costs - \$286k.

Key risks: Unable to meet level of service for public toilet provision. Te Ngaio Reserve is not a suitable site for public toilets.

Recommended? **No**

RECOMMENDATION

16. That Council reallocate existing Spaces & Places budget of \$1.5m (\$1.7M inflated) to install 3 additional toilets across the LTP period (option 1). Ongoing maintenance costs of up to **\$10k** per toilet block, \$151k total inflated for 3 toilet blocks over ten years. Finance and depreciation costs are an average of \$73k per annum from FY28 onwards (\$515k total over 10 years). Total Opex across the ten years for ongoing maintenance, depreciation, and financing costs - \$666k.

NEXT STEPS

17. Subject to the decision, staff will prioritise areas for installation of new toilets.

SUBMISSIONS RECIEVED

Submission #: 595, 613, 1446

ATTACHMENTS

Nil

Title: Issues and options – Mount Sports Club (Squash) Building Development**File Number: A15447190****Author: Chelsea Brett, Partnerships and Facilitation Planner****Emma Joyce, Open Spaces and Community Facilities Planner****Authoriser: Barbara Dempsey, General Manager, Community Services****ISSUE**

The submitter, Mount Maunganui Sports Club, is requesting that Council funds 50% (\$2,507,878) of their proposed building re-development. The redevelopment includes a squash court extension, renovation and seismic strengthening to existing building and carpark development at the Mount Sports Club Building on Blake Park and estimated to cost \$4,470,933.

ANALYSIS OF SUBMISSION POINTS

The submitter has outlined that the space for the Mount Maunganui Sport Club extension project was allocated in the final Blake Park Masterplan (the masterplan) and has detailed how the inclusion of this proposed re-development and the other improvements across the site, were identified as enhancing the role of Blake Park as a premier community and high-performance sports centre.

The submitter has highlighted key benefits of the building development, including meeting the increasing demand for squash court space, accommodating a surge in squash participation, and elevating the quality of the squash facilities for both community and high-performance sport. The development will allow the submitter to double the volume of current squash players, as well as open up new multi-use opportunities to share the space with other sporting codes and jointly host world class squash events with Devoy Squash Centre.

The submission highlights the financial sustainability of the Mount Sports Club and aligns the proposed development with Club specific, Bay of Plenty and New Zealand squash strategies.

Furthermore, the submitter has underscored the importance of the extension project for adapting the current 50-year-old building to the aesthetic standards outlined in the Blake Park Masterplan, positioning it as a key entrance point to the park.

The submitter mentions support from Squash Bay of Plenty, Bay Oval Trust, AIMS Games Trust, (letters of support are supplied).

DISCUSSION AND ANALYSIS**Play, Active Recreation and Sport Action and Investment Plan**

The Play, Active Recreation and Sport Action and Investment Plan acknowledges the Active Reserve Programme which looks to improve the capacity and quality of the network. The programme will implement a range of improvements across the three major reserves in Tauranga, one of these being Blake Park.

Within the Blake Park masterplan, the squash extension to the Mount Sports Club building was identified as a key improvement on the site. However, no funds have been allocated to the project from the Active Reserve budget.

Council contribution to date

The Council's involvement in the project to date was outlined by the submitter. Council has contributed 50% of the funding towards the initial high level concept plans and rough order of Magnitude (ROM) Cost, that have been presented with the submission.

Community Funding Policy 2023

The Community Funding Policy (the policy) provides for capital grants to community organisations for community facilities. However, granting funding requires Council to make an exception under

the eligibility requirements in the policy as like many sports clubs, the Mount Maunganui Sports Club, is not a registered charity but has legal status as an incorporated society.

As per the policy, the Mount Sports Club have been working with council staff to develop the proposal prior to making a formal request for funding through a Long-term Plan (LTP) submission.

Tauranga Reserve Management Plan (TRMP)

The TRMP specifically mentions allowance for an extension of the existing Mount Sports Club building to provide for additional squash court space.

Wider community use

The additional squash court facilities will be available to the wider community outside of club hours at a minimal cost, with an easily accessible online platform for the public to book the courts.

The submitter also mentioned that they have interest from other codes to use the courts as an indoor training facility, including Rugby and Netball and that there is also the option to expand use of the courts for Racketball which has growing popularity in New Zealand.

Location

Blake Park is an appropriate location for additional squash facilities, as it is one of the two locations across Tauranga, the other location being the Devoy Squash & Fitness Centre on Devonport Road. The two sites provide adequate squash facilities for the Tauranga community.

Funding

The submitter is requesting 50% of the total cost for the building and carpark development totalling (\$2,507,878).

The submitter is yet to obtain the remaining 50% and will seek the remaining funds from community funding organisations, contributions directly from the club, and commercial partnerships.

The submitter expressed that funding availability from community funding organisations has become more challenging in recent years and believe the project will not be feasible without the proposed 50% contribution from Council. None the less, due to funding constraints, it is proposed that a third of the funding is offered.

OPTIONS ANALYSIS

The options considered are as follows:

- Option 1: That Council fund through reprioritisation of existing budgets, a third of the Mount Sports refurbishment and expansion (\$1.65m) and to work with them to develop the design to multi-use. *(recommended)*.
- Option 2: That Council allocates a total of \$2.5 million from existing budgets to fund 50% of the construction costs for the proposed Mount Sports Club building redevelopment and 100% of construction costs of the adjacent carpark.
- Option 3: Do not contribute towards the Mounts Sports Club building development.

Option 1: That Council fund through reprioritisation of existing budgets*, a third of the Mount Sports Club refurbishment and expansion (\$1.65m) and to work with them to develop the design to multi-use. *(Recommended)*

* Refer Executive report on this agenda for information on capex project funding which is proposed to be reallocated to fund the Mt Sports Club (Squash) Development as per this paper (& other projects)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Evidence based decision making on design of the extension of the facility. 	<ul style="list-style-type: none"> • Cost to the ratepayer for feasibility/business case process,

<ul style="list-style-type: none"> Support delivery of a facility that provides a sport opportunity for all ages and abilities. Re-development is supported through the Blake Park masterplan and the Tauranga Reserves Management Plan. Supports access to squash facilities across Tauranga. 	<p>design, and construction of the building development.</p> <ul style="list-style-type: none"> Reliance on club raising the additional funds required – uncertain delivery timeframe.
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Budget – Capex: N/A

Budget – Opex: **\$1.65M** existing LTP budget transferred from Capex to a loan funded Opex grant (\$1.93M inflated). The total Opex impact on debt retirement and debt servicing is \$1.25M across the ten years, an average of \$250k per annum from FY30. Existing Spaces & Places budget will be reprioritised to enable this (See Executive Report).

Key risks: The submitter will be unable to secure remaining capital funding.

Recommended? **Yes**

Option 2: Council fund 50% of the construction costs for the proposed building development and 100% of construction costs of the adjacent carpark totalling \$2.5 million, provisional on sufficient funding being available from the active reserves budget.

Advantages	Disadvantages
<ul style="list-style-type: none"> Support delivery of a facility that provides sport opportunity for all ages and abilities. Re-development is supported through the Blake Park masterplan and the Tauranga Reserves Management Plan Supports access to squash facilities across Tauranga. No requirement of additional opex to be included in the LTP as falls within Blake Park Masterplan budget. 	<ul style="list-style-type: none"> Cost to the ratepayer for design and construction of the building development. Reliance on club raising the additional funds required – uncertain delivery timeframe.

Budget – Capex: N/A

Budget – Opex: **\$2.51M (\$2.6M inflated)** funded from existing LTP budget transferred from Capex to Opex as a loan funded grant in FY26. The total Opex impact on debt retirement and debt servicing is \$2.9M over the ten years, an average of \$320k per annum from FY26.

Key risks: The submitter will be unable to secure remaining capital funding.

Recommended? **No**

Option 3: Do not contribute towards the Mounts Sports Club building development.

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional opex required through the LTP. 	<ul style="list-style-type: none"> No increase in squash infrastructure in Tauranga City.

	<ul style="list-style-type: none">• Inconsistent with the approach specified in the PARS AIP.• Inconsistent with the Blake Park masterplan.
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Budget – Capex: Nil

Budget – Opex: Nil

Key risks: Relationship risk with Mount Sports Club.

Recommended? **No**

RECOMMENDATION

That Council –

- (a) Approves a loan funded grant of one third of the Mount Sports Club refurbishment and expansion at \$1.65M using existing budgets (\$1.93M inflated), dependent on the following –
 - (i) Mount Sports Club securing the total funding required to complete the project.
 - (ii) Council staff being satisfied with the detailed design and business case, and also the extent of public access and multi-use.
- (b) Notes the average Opex impact for debt retirement and debt servicing is \$250k per annum from FY30, total financing costs \$1.25M over the ten years. A loan funded grant is approved for this Opex and agreed to retire the debt from the loan over 10 years.
- (c) Requests staff work with the Mount Sports Club to develop the design and business case including opportunities for more multi-use activity.

NEXT STEPS

Staff support Mount Sports Club with business case development and seeking other funding.

SUBMISSIONS RECIEVED

Submission #: 1414

ATTACHMENTS

Nil

Title: Issues and Options – Ngāi Tamarawaho and Pukehinahina Charitable Trust – Seeking Council funded and delivered carpark to support the operation of Te Pūtake o Te Riri (New Zealand Wars Centre)

File Number: A15449705

Author: Clare Abbiss and Emma Joyce, Open Space and Community Facilities Planners

Authoriser: Barbara Dempsey, General Manager: Community Services

ISSUE

1. Ngāi Tamarawaho and Pukehinahina Charitable Trust (the Submitter) are requesting \$830,000 to be budgeted in the long-term plan (LTP) for the development of a carpark on part of Gate Pā Domain (Recreation) Reserve to service the proposed Te Pūtake o Te Riri (New Zealand Wars Centre).

ANALYSIS OF SUBMISSION POINTS

2. The Submitter is seeking Council to develop a carpark on part of Gate Pā Domain (Recreation) Reserve (indicated at "LOWER SITE B" on the diagram below) to service the proposed Te Pūtake o Te Riri – New Zealand Wars Centre (indicated at "UPPER SITE A" on the diagram below).
3. The Submitter is seeking that Council includes a budget of \$830,000 to build the carpark in financial year 2025 (i.e. year 1 of the 2024-2034 LTP).
4. The Submitter contends that as part of the 2022 process to re-classify part of the Gate Pā Domain (Recreation) to facilitate the development of a cultural and historic centre on the site, there was an agreement that Council would plan and fund the development of a carpark on the remaining area of the reserve (LOWER SITE B in the diagram below) as the car park would service a range of activities and users at Pukehinahina/Gate Pā.



DISCUSSION AND ANALYSIS

Agreement to build a carpark

5. On 25 July 2022, Council resolved (CO14/22/4) to confirm its support, in principle, to the proposal to establish a cultural and historic centre on a portion of Gate Pā Reserve and subject to the

Reserves Act 1977 (the Act) to reclassify that portion of the reserve to facilitate the development of the proposed centre. This recognised a longstanding commitment by Council to provide space for Ngāi Tamarawaho in the Kopurererua Valley.

6. As part of the consideration of issues arising from the proposed reclassification, the July 2022 Council report included a statement *“Council intends to provide public carparking within the area of Lower Site B on Figure 1 below. The carpark is intended for use by visitors to the reserve, the cultural and historic centre, the nearby tennis courts and users of the Kopurererua Valley”*.
7. There is no evidence of any formal written agreement entered into with Ngāi Tamarawaho, nor the Trust, for Council to plan and fund delivery of a carpark. November 2022 correspondence to submitters on the reclassification suggested that a car park had not yet been agreed. There is also no evidence of any feasibility work to assess whether a car park could actually be constructed on a steep reserve with limited access.
8. There is currently no plan or budget to construct this carpark.

Need for a carpark, at what scale, implications for additional Council investment

9. Any investment in a car park on the balance of reserve needs to comply with the Act and Tauranga Reserves Management Plan (TRMP) provisions around car parking. Table 1 below summarises how a car park conforms to these requirements. (Note that this assessment is undertaken as part of Council's role as an administering authority under the Act and not its authority under the Resource Management Act 1991)

Table 1: summary of carpark compliance with Reserves Act and TRMP		
	Criteria	Discussion
Reserves Act and TRMP	Car park can only be provided for users of the reserve. Therefore, any car park can only provide for the Gate Pā tennis club and the proposed cultural and historic centre.	<ul style="list-style-type: none"> • Council does not provide car parking for tennis club at present and has no obligation to do so. Tennis club may currently use car parks on the site, but this was unavailable prior to the demolition of the former bowling club. • Car park cannot be justified on the basis it provides for visitors to nearby Kopurererua Valley. • Reserve currently consists of a grove of commemorative trees and an area of open space generating no demand for car parking. On-street car parking is available. There are no plans to enhance the balance of the reserve that would see this demand change.
Resource consent application	The Trust's application for resource consent for Te Pūtake o Te Riri indicates a requirement for 21 carparks outside of their proposed development area.	<ul style="list-style-type: none"> • Consent has not yet been granted. • Unclear how often demand for additional car parks is required as this demand is suggested to be generated by conference attendees. • Current proposal has not been assessed by Council to ensure consistency with the Act to enable a lease to be developed and agreed.
Proposed Lease	Per 25 July 2022 Council resolution (CO14/22/4), staff have sought to work with the Trust to ensure conformance with the Act and the TRMP.	<ul style="list-style-type: none"> • No detailed description of the proposed activities and operations has been provided by the Trust to date which has impeded consideration and development of a lease.

10. As the table above notes, there is no confirmation that the proposal conforms with the Act and TRMP. In summary, unless there is to be investment in the balance of the reserve site to create a need for a carpark for visitors to it, and until Council is able to confirm the proposed activities and operations Te Pūtake o Te Riri are able to be granted a lease, there is no confirmed demand for a new public carpark on the lower area of the reserve.

Other matters for consideration

11. Table 2 below outlines other matters that should be considered before considering whether to allocate funding for a car park.

Table 2: other matters for consideration	
Issue	Discussion
Construction costs and feasibility	<ul style="list-style-type: none"> March 2023 order of magnitude estimates put the cost of a car park at between \$1.7 million for a small car park and \$2.5 million for a large carpark. This did not consider professional fees. Construction costs have since risen by approximately 10%. Proposed site has significant constraints to construction including sloping land, archaeological and cultural values, and steep access to Cameron Road. This has not been considered in the construction costs and may mean construction of a car park is not feasible. The \$830,000 requested by the Submitter is insufficient to meet construction costs. It is not known how this cost was identified.
Timing of Construction	<ul style="list-style-type: none"> The proposed Te Pūtaka o Te Riri is a large, high-quality facility with bespoke design features, expected to cost a considerable amount of money to build, and it is understood the Trust is leading the search for funding. It does not yet have resource consent, building consent, nor a lease under the Act. On this basis, it is considered unlikely that the Te Pūtaka o Te Riri will be operating in the next 18 months and is unlikely to need carpark spaces in year 1 of the LTP.
Alternative options to car park	<ul style="list-style-type: none"> TRMP requires the use of innovative solutions to provide carparking in reserves and requires decisions about building carparks to be balanced with the desirability of retaining and preserving open space. The importance of retaining and improving green space is identified in the Te Papa Spatial Plan. The potential loss of green space in an intensifying area should be considered before approving the development of a car park. In addition, the creation of additional car parking should be considered in the context of the wider vision for Cameron Road being developed through the Cameron Road Stage 2 project. Aside from a high-level consideration of building a carpark on the unformed road reserve adjacent to the site (off the end of George Street) which was deemed unfeasible, staff are not aware of any alternative options having been investigated by Council or the Trust. This could include discussions with nearby businesses, schools or religious organisations.
Availability of carparks for the cultural and historic centre's use	<ul style="list-style-type: none"> Due to the requested carpark being a public carpark on recreation reserve, it is not possible to provide exclusive use of the proposed car park for visitors to Te Pūtaka o Te Riri.

Funding to support the cultural and historic centre

12. Aside from approving the reclassification of Gate Pā Reserve to facilitate the development of a historic and cultural centre, Council has provided \$125,000 opex to progress the historic and cultural centre. In response to submissions on the reclassification proposal, it was noted that no further funding assistance had been sought for the development at that time, and that any decision on carparking would be through the consenting process for the development.

OPTIONS ANALYSIS

13. There are three options for responding to the request to set aside \$830,000 for the development of a carpark on Gate Pā Recreation Reserve. The pros and cons of each option are outlined below.

Option 1: Council does not fund or make provision for a public car park on Gate Pā recreation reserve for use by Te Pūtaka o Te Riri and instead engages with the submitter in a wider discussion on the funding and development of the centre through a business case process. (recommended).

Option 2: Council sets aside budget of \$830,000 in year one of the LTP as per the Submitter's submission, subject to conditions.

Option 3: Council sets aside budget of up to \$3 million, subject to conditions.

14. Options 2 and 3 would be subject to the following conditions:

- i. The proposed Te Pūtaka o Te Riri being successfully granted a lease by Council under the Reserves Act, or an agreement to a lease in compliance with the Reserves Act having been entered in to with Council, and
- ii. The Trust demonstrating to Council the number of carparks required in the public carpark to support the approved lease activity, and
- iii. Council being satisfied by evidence from the Trust that there are no viable alternatives to provide spaces for the carparks identified in (ii), other than on Gate Pā Recreation Reserve, and
- iv. Evidence of a viable funding and development strategy to support the development and operation of Te Pūtaka o Te Riri.

Option 1: Council does not fund or make provision for a public car park on Gate Pā recreation reserve for use by Te Pūtaka o Te Riri and instead contributes to a wider discussion on the funding and development of the centre through a business case process. (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> Enables a more strategic approach to future funding of Te Pūtaka o Te Riri to be developed. Opportunity to consider the development of Te Pūtaka o Te Riri within the aspirations for this area expressed in Te Papa Spatial Plan and Cameron Road Stage 2 project. No additional capex in the LTP. No ongoing maintenance or depreciation costs to Council, or operational requirements. No loss of green space. 	<ul style="list-style-type: none"> Does not support the submission. Does not directly support the development of Te Pūtaka o Te Riri. Will not provide a carpark to support development of the balance of the reserve in the future.

Budget – Capex: Nil

Budget – Opex: No additional opex.

Key risks: Nil.

Recommended? **Yes**

Option 2: Council sets aside budget of \$830,000 in Year 1 of the LTP, to construct a public car park on Gate Pā Recreation Reserve for use by Te Pūtaka o Te Riri, subject to conditions outlined in paragraph 14:

Advantages	Disadvantages
<ul style="list-style-type: none"> Supports the LTP submission. Directly supports the development of Te Pūtaka o Te Riri. Will ensure that the carpark is only built if the need is demonstrated. 	<ul style="list-style-type: none"> Budget of \$830,000 is highly unlikely to meet the full costs of the proposed car park. Requires additional capex to be included in the LTP.

Advantages	Disadvantages
<ul style="list-style-type: none"> Will provide a carpark to support development of the balance of the reserve in the future. 	<ul style="list-style-type: none"> Being a public carpark, no ability to guarantee spaces for users of Te Pūtaka o Te Riri. Loss of green space. Carpark unlikely to be required in year 1 of the LTP. No consideration of the aspirations for open space outlined in the Te Papa Spatial Plan or Cameron Road Stage 2 project.

Budget – Capex: \$830,000, Year 1 LTP

Budget – Opex: Depreciation approx. \$17k per annum based on \$860,000 replacement cost and 50 year asset life. Average Interest costs \$32k per annum. Total Opex costs for depreciation and finance costs \$476k over the ten years.

Key risks: It is not feasible to build the carpark (no feasibility work has been undertaken), meaning that Te Pūtaka o Te Riri is unable to operate as planned, or the costs of construction are underestimated meaning that additional funds will be required.

Recommended? **No**

Option 3: Council sets aside budget of up to \$3 million, to construct a public carpark on Gate Pa Recreation Reserve, for use by Te Pūtaka o Te Riri, no earlier than year 2 of the LTP, subject to the conditions outlined in paragraph 14

Advantages	Disadvantages
<ul style="list-style-type: none"> Supports the LTP submission. Directly supports the development of Te Pūtaka o Te Riri. Will ensure that the carpark is only built if the need is demonstrated. Will provide a carpark to support development of the balance of the reserve in the future. 	<ul style="list-style-type: none"> Requires additional capex to be included in the LTP. Being a public carpark, no ability to guarantee spaces for users of Te Pūtaka o Te Riri. Loss of green space. No consideration of the aspirations for open space outlined in the Te Papa Spatial Plan or Cameron Road Stage 2 project.

Budget – Capex: Up to \$3 million no earlier than year 2 of the LTP

Budget – Opex: Depreciation approx. \$63,000 per annum based on \$3 million replacement cost and 50-year asset life. Average Interest costs of \$121k per annum from FY26. Total depreciation and finance costs \$1.66M across the ten years, an average of \$185k per annum.

Key risks: It is unfeasible to build the carpark (no feasibility work has been undertaken), meaning that Te Pūtaka o Te Riri is unable to operate as planned, or the costs of construction are underestimated, meaning that additional funds will be required.

Recommended? **No**

RECOMMENDATION

15. Option 1 is recommended. That Council does not fund or make provision for a public car park on Gate Pā recreation reserve for use by Te Pūtaka o Te Riri and instead engages with the submitter in a wider discussion on the funding and development of the centre through a business case process. (recommended)

NEXT STEPS

16. If Option 1 is approved, Council will advise the submitter of the decision not to fund the car park but contribute to a wider discussion on the funding and development of the centre through a business case process.
17. If Option 2 or 3 is chosen, Council will work with The Trust to progress the lease discussions, confirm number of carparks required for a permitted lease activity, and investigate alternative options for the carparking.

SUBMISSIONS RECIEVED

Submission #: 1448

ATTACHMENTS

Nil

Title: Issues and options – Bay Oval Trust**File Number: 15449513****Author: Chelsea Brett, Partnerships and Facilitation Planner****Emma Joyce, Open Spaces and Community Facilities Planner****Authoriser: Barbara Dempsey, General Manager, Community Services****ISSUE**

1. The submitter, Bay Oval Trust, is requesting additional funding to contribute towards the following projects:
 - (a) Fund 50% of the shortfall, being \$1,184,167, for the Stage 2 Pavilion build.
 - (b) Funding of 30%, up to a maximum of \$2m, of the cost to develop an indoor training facility.
 - (c) Tauranga City Council (TCC) looks at models to increase the annual operational and/or funding for the Bay Oval.

ANALYSIS OF SUBMISSION POINTS

2. The submitter highlights Bay Oval Trust's success as a significant venue, noting economic benefits and international exposure. Future plans include hosting diverse events and seeking resource consent for concerts.
3. The submitter emphasises the importance of TCC support to secure financial parity with other entities when bidding for cricket matches, stressing the positive economic impact and community benefits. The Bay Oval operates as a non-profit with a successful model driven by a cricket-focused Trust.
4. The submitter has stated that if the facility developments are implemented, the Bay Oval will be of a high standard and future proofed for the whole community into the future.
5. The submitter states that the Bay Oval Stage 2 Pavilion project, initiated in 2023, faces challenges due to delays and rising construction costs. Despite scaling back the design, the project still has a funding shortfall. A fully completed pavilion supports the vision of a self-sufficient community facility available for events such as AIMS games, concerts, and in emergency events.
6. The submitter also acknowledges that the venue is facing stiff competition for event hosting, and research by the Bay Oval Trust reveals a significant operational funding disadvantage against competing grounds across the country such as Seddon Park (Hamilton) and the Basin Reserve (Wellington). The Trust requests increased operational and/or renewal funding from TCC, emphasising the need for support to realise emergency management benefits and offering community-wide advantages, such as maintaining cricket wickets in the region and caring for premium turf surfaces at Blake Park.

DISCUSSION AND ANALYSIS**Play, Active Recreation and Sport Action and Investment Plan**

7. The Play, Active Recreation and Sport Action and Investment Plan identifies the Active Reserve Programme which looks to improve the capacity and quality of the network of sports facilities across the city. Masterplans for our three primary active reserves – Blake Park, Baypark and the Tauranga Domains – identify a set of actions to enable them to optimise community sport, high performance sport and event outcomes.
8. The Bay Oval stage 2 pavilion and indoor training facility were identified as part of the Blake Park Masterplan. However, no funds have been allocated to the projects from the Active Reserve budget.

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Council Contribution

9. Council made an initial funding allocation towards the Pavilion extension through the 2021/31 Long Term Plan. This contribution was then increased to \$3,363,907 through deliberations on the Annual Plan 2022/23.
10. The current operational grant provided by TCC to Bay Oval is \$409,546.66 per annum, which is approximately 48% of the average operational cost outlined in the submitter's proposal.
11. Through the Annual Plan 2022/23 Deliberations, Council agreed in principle to fund one-third (\$2m) of the indoor training centre as part of a future Long Term Plan process if/when the Bay Oval Trust demonstrated funds had been secured for the remaining two-thirds. However, at the time the information was that it would be the sole North Island facility of its type, which is no longer likely to be the case.

Benefits of investment

12. The Bay Oval is an important part of the Tauranga's sporting and event infrastructure. Bay Oval is the only international standard sporting venue in the region and hosts several high-profile international cricket matches and events annually. The Bay of Plenty Spaces and Places Strategy recognises the role of Bay Oval in providing for cricket within the sub-region and recommends investment in the pavilion and indoor training facility to maintain the international facility standard.
13. Completion of the stage 2 pavilion will enable the Bay Oval to cement itself as a key international cricket venue in New Zealand. The pavilion has already gained the support of TCC and other funders through a funding grant. Further discussions with the Trust, following their submission, lead us to recommend that Council cover the remaining cost of the pavilion (including bar, commercial kitchen and service lift) up to a value of \$1,939,757 to ensure it is able to be completed in a timely manner. Staff recommend that the grant is subject to:
 - a) Bay Oval Trust demonstrates to TCC that all potential funding opportunities have been pursued and secured wherever possible and appropriate; and
 - b) the Trust agreeing to a fully 'open book' accounting approach with Council; and
 - c) TCC is able to nominate a person onto the project steering group.
 - d) TCC being provided free of charge use of the facility for a minimum of 10 days per year.
14. There is a demand for an indoor cricket training facility within the Bay of Plenty region for both community and high-performance activity. Indoor training nets enable all-weather training, supporting high-performance athletes and emerging cricketers. However, whilst this facility is considered to have potential as a worthwhile investment proposition, it is considered a lower priority than the completion of the pavilion. The business case for the facility is less developed and the likelihood of non-Council funding is less clear. In a constrained funding environment, it is proposed that, in alignment with the previous resolution of Council, a funding allocation is not made until the prospects of success are clearer.

Funding

15. For the requested funding contribution for the stage 2 pavilion shortfall - a capital funding agreement document already exists with the Trust and Council would look to vary the document before any funding contribution is provided to the Bay Oval Trust.
16. There is no funding currently allocated as a contribution to the new Indoor Training Facility. This could be added to the Long-Term Plan but is not recommended due to funding constraints and uncertainty of non-Council funding.
17. Proposed changes to operational funding levels are not defined and are considered to require analysis. Council could agree a specific increase, such as \$100k, with its use to be defined through a funding agreement, or staff could review the scope of the funding requirement and further consideration could be given through a future Annual Plan.

OPTIONS ANALYSIS

Option 1 (Recommended)	<ul style="list-style-type: none"> • Council allocates funds¹ to cover the shortfall for the Stage 2 Pavilion build up to a total of \$1,939,757. • Council makes no further commitment to the indoor training facility at this stage. • Prior to any funding grant changes, work with Bay Oval Trust to get a better understanding of actual operational costs and alternative funding sources identified by Bay Oval in time for the development of the next Annual Plan 2025/2026.
Option 2	<ul style="list-style-type: none"> • Council allocates funds to cover 50% of the shortfall for the Stage 2 Pavilion build up to a total of \$1,184,167. • Council confirms funding for 30% (up to \$2 million) of the cost to develop an indoor training facility. • Council allocates an additional \$100k of operational funding to Bay Oval and works with Bay Oval to confirm its uses through a funding agreement.
Option 3	<ul style="list-style-type: none"> • Council does not contribute towards the Bay Oval Trust stage 2 shortfall or indoor training facility development or increase operational grant above CPI increases.

Option 1: Allocate funds¹ to cover shortfall for the Stage 2 Pavilion build up to a total of \$1,939,757. Make no further commitment to the indoor training facility at this stage. Prior to any funding grant changes, work with Bay Oval Trust to get a better understanding of actual operational costs and alternative funding sources identified by Bay Oval in time for the development of the Annual Plan 2025/2026. (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Support delivery of a Bay Oval stage 2 pavilion and indoor training facility. 	<ul style="list-style-type: none"> • Cost to the ratepayer for building development of the pavilion. • Provides only conditional endorsement to the indoor facility (per previous resolution). • Uncertainty for Trust on operational funding support level until review complete. • Ongoing operational costs and depreciation have not been considered for the indoor training facility or pavilion.

Budget – Capex: N/A

Budget – Opex: **\$1,939,757** loan funded opex grant in 2024/25. The average Opex impact for debt retirement and debt servicing is \$233k per annum, total opex over the ten years for financing costs is \$2.3M. Funding to be reallocated and brought forwards from existing Spaces & Places budgets (see Executive Report).

¹ Refer Executive Report on this agenda for information on the project from which funds will be reallocated to enable Bay Oval Trust request to be funded.

Key risks: Non-delivery of indoor facility in reasonable timeframes.

Recommended? **Yes**

Option 2: Allocate funds to cover 50% of the shortfall for the Stage 2 Pavilion build total up to \$1,184,167. Confirm funding for 30% (up to \$2 million) of the cost to develop an indoor training facility. Allocate an additional \$100k of operational funding to Bay Oval and works with Bay Oval to confirm its uses through a funding agreement.

Advantages	Disadvantages
<ul style="list-style-type: none"> Supports the Bay Oval pavilion to be completed in a timely manner. Supports development of indoor facility with associated social and economic benefits Greater operational support and certainty for Trust. 	<ul style="list-style-type: none"> Cost to the ratepayer for building development for both the pavilion and indoor training facility. Reliance on trust raising the additional funds required for the indoor training facility – uncertain delivery timeframe. Ongoing operational costs and depreciation have not been fully considered for the indoor training facility.

Budget – Capex: N/A

Budget – Opex: \$3,184,167 in FY25 (budget to be transferred from capex to opex as a loan funded opex grant) + \$100k per annum (\$1.1M inflated over ten years for operational funding). The average Opex impact for operational funding, debt retirement and debt servicing \$493k per annum, total \$4.9M.

Key risks: The submitter will be unable to secure remaining capital funding.

Recommended? **No**

Option 3: Council does not contribute towards the Bay Oval Trust stage 2 shortfall or indoor training facility development or increase operational grant above CPI increases.

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional opex required through the LTP. 	<ul style="list-style-type: none"> Inconsistent with the approach specified in the PARS AIP. Stage 2 Pavilion may not be completed. Unlikely that indoor training facility can be developed at this time. Potential loss of community facility providing for future economic activity.

Budget – Capex: Nil

Budget – Opex: Nil

Key risks: Relationship risk with Bay Oval Trust. The Bay Oval cannot be completed, or completion will take longer than desired/expected.

Recommended? **No**

RECOMMENDATION

18. That Council -

- (a) Reprioritises and brings forward existing Spaces & Places programme budget to cover a maximum shortfall for the Stage 2 Pavilion build up to \$1,939,757. The average Opex impact for debt retirement and debt servicing is \$233k per annum, total opex over the ten years for financing costs is \$2.3M.
- (b) Approves a loan funded grant in FY25 to the Bay Oval Trust, subject to the following conditions being met:
 - i) Bay Oval Trust demonstrates to TCC that all potential funding opportunities have been pursued and secured wherever possible and appropriate; and
 - ii) There is project budget and general accounting transparency to Council through to completion of construction; and
 - iii) TCC is able to nominate a person to be member of the project steering group.
 - iv) Bay Oval Trust provide TCC use of the facility for a minimum of 10 days per year at no charge, for Council related activities / functions.
 - v) Conditions (b) (ii), (iii) and (iv) being reflected in a signed funding agreement.
- (c) Does not allocate funding to the Bay Oval indoor Training Centre at this time.
- (d) Requests staff work with Bay Oval Trust to determine an appropriate ongoing operational funding level and associated priorities prior to the development of the Annual Plan 2025/2026.

SUBMISSIONS RECEIVED

Submission #: 1497

ATTACHMENTS

Nil

Title: Issues and options – Tauranga Hockey Association Pavilion Development

File Number: A15447193

Author: Chelsea Brett, Partnerships and Facilitation Planner

Emma Joyce, Open Spaces and Community Facilities Planner

Authoriser: Barbara Dempsey, General Manager, Community Services

ISSUE

1. The submitter, Tauranga Hockey Association, is requesting that Council funds a feasibility study at a cost of \$39,000 to assess options and determine the most achievable solution to redevelop the existing hockey facility at Blake Park. On completion of this study, the submitter has requested a maximum of \$3.5 million grant funding towards the construction of a new multipurpose pavilion be included in years 2027-2028 of the Long-term plan.

ANALYSIS OF SUBMISSION POINTS

2. The submitter has highlighted that a full replacement of their current pavilion is required as it is substandard and not fit for purpose for hockey and the wider community. Their goal is to develop a facility plan that is fit for purpose for the next 20 years, including the development of a new pavilion.
3. The submitter has stated that they wish to undertake a comprehensive feasibility study to assess all options and determine the most achievable and fit for purpose solution to meet the needs of the community, hockey, and the organisation. They are requesting Council fund the full costs of this feasibility study.
4. The submission highlights that the project is aligned to the Blake Park Masterplan (the masterplan) and Bay of Plenty Spaces and Places Strategy.
5. The submitter mentions support from Sport Bay of Plenty, Hockey New Zealand, and Omanu Beach Hockey Club (letters of support are supplied).

DISCUSSION AND ANALYSIS

Play, Active Recreation and Sport Action and Investment Plan

6. The Play, Active Recreation and Sport Action and Investment Plan acknowledges the Active Reserve Programme which looks to improve the capacity and quality of the network. The programme will implement a range of improvements across Blake Park and two other major reserves in Tauranga. The master plan identifies the redevelopment of the hockey pavilion as a key future improvement at Blake Park. However, no funds have been allocated to the project from the active reserve budget.

Council contribution

7. Council staff have had several conversations with the Hockey Association over several years about the Blake Park future state analysis project and more recently the Blake Park masterplan process and have always been supportive of the pavilion redevelopment.

Bay of Plenty Spaces and Places Strategy

8. The Bay of Plenty Spaces and Places Strategy (the strategy) states that the process for all new capital development proposals should involve an investigation to consider event overlay, participation outcomes and wider network provision. While some initial consideration of these aspects has been undertaken for the proposed Tauranga hockey pavilion development, further investigation into these aspects through a feasibility study needs to be completed.
9. Within the strategy, the facility investment decision making process outlines a clear framework to follow for investment including a feasibility study and business case. The submitter is aware of this process but didn't mention it in their submission. Council would

look to work with the submitter to follow the process, beginning with the feasibility study and business case as a next step.

Community Funding Policy 2023

10. The Community Funding Policy (the policy) provides for capital grants to community organisations for community facilities. However, granting funding would require Council to make an exception under the eligibility requirements in the policy as like many sports clubs, the Tauranga Hockey Association, are not a registered charity but has legal status as an incorporated society.

Tauranga Reserve Management Plan (TRMP)

11. The TRMP specifically mentions allowance for the construction of a new hockey centre on Blake Park.

Wider community use

12. The Hockey Association currently provide opportunities for all ages and abilities and have programmes ranging from cultural festivals, play sessions for 'tots n turf', hockey for people with disabilities and hockey programmes and competitions and representative programmes. The pavilion and turf are also used for wider community events or activities including sports training by other codes based on Blake Park.
13. Council should look to identify opportunities through the feasibility study on how the wider community could utilise the new pavilion and the wider turf area.

Funding

14. The submitter is requesting 100% of the feasibility study (\$39,000) and 33% of the building development funding up to a maximum value of \$3,500,000. There is currently no estimated cost for the build.
15. The submitter is yet to obtain any other funding and will seek the funds from community funding organisations, contributions directly from the club, and commercial partnerships. The secured Council funding should enable the association to then secure other funding and sponsors to complete the build.
16. The submitter has made independent efforts to obtain the funding for the feasibility study through other funding organisations, but their application was declined.
17. While the pavilion is located at Blake Park in Tauranga, this facility fulfils a subregional purpose providing space for hockey from Waihi Beach to Otamarakau.

OPTIONS ANALYSIS

18. The options considered are:
 - Option 1: That Council support in principle a funding contribution towards development of a hockey centre with any further funding to be confirmed via a future Council decision-making process. (Recommended option); and agrees to fund the feasibility study at \$39,000.
 - Option 2: That Council fund 100% of the feasibility study and 33% of the total development project, up to a maximum of \$3.5 million.
 - Option 3: Do not contribute towards the Tauranga Hockey Association pavilion development.

Option 1: That Council support in principle a funding contribution towards development of a hockey centre with any further funding to be confirmed via a future Council decision-making process. (*Recommended option*); and agrees to fund the feasibility study at \$39,000.

Advantages	Disadvantages
<ul style="list-style-type: none"> Evidence based decision making on design of the extension of the facility. Support delivery of a facility that provides a sport opportunity for all ages and abilities. Development of a facility supported by the Blake Park masterplan and Tauranga Reserves Management Plan. Supports access to hockey facilities across Tauranga. No requirement of additional capex to be included in the LTP. 	<ul style="list-style-type: none"> Cost to the ratepayer for feasibility, design, and construction of the pavilion development. Reliance on club raising the additional funds required – uncertain delivery timeframe.

Budget – Capex: Nil

Budget – Opex: Grant of **\$39,000** in 2024/25

Key risks: The submitter will be unable to secure remaining capital funding.

Recommended? **Yes**

Option 2: That Council fund 100% of the feasibility study and subject to the recommendations of a business case, allocates 33% of the total development project, up to a maximum of \$3.5 million, in 2031/32.

Advantages	Disadvantages
<ul style="list-style-type: none"> Support delivery of a facility that provides hockey opportunities for all ages and abilities. Supports access to hockey facilities across Tauranga. Development of a facility supported by the Blake Park masterplan and Tauranga Reserves Management Plan. No requirement of additional opex to be included in the LTP as falls within Blake Park Masterplan budget. 	<ul style="list-style-type: none"> Cost to the ratepayer for design and construction of the building development. Reliance on club raising the additional funds required – uncertain delivery timeframe.

Budget – Capex: Nil

Budget – Opex: Grant of \$39,000 in 2024/25

33% contribution to build project, up to \$3.5 million within existing budgets. Total financing costs and debt retirement - \$1.98M, an average of \$495k per annum from FY31.

Key risks: The submitter will be unable to secure remaining capital funding.

Recommended? **No**

Option 3: Do not contribute towards the Tauranga Hockey Association pavilion development.

Advantages	Disadvantages
<ul style="list-style-type: none">No additional opex required through the LTP.	<ul style="list-style-type: none">Inconsistent with the approach specified in the PARS AIP.

Budget – Capex: Nil

Budget – Opex: Nil

Key risks: Relationship risk with Tauranga Hockey Association

Recommended? **No**

RECOMMENDATION

19. That Council –

- (a) Approves additional opex funding in 2024/25 of \$39,000 towards the feasibility study.
- (b) Support in principle a funding contribution to Tauranga Hockey Association towards a rebuilt hockey centre at Blake Park, on the basis that the feasibility study recommends proceeding.

NEXT STEPS

20. Staff work with Tauranga Hockey Association to develop feasible options.

SUBMISSIONS RECEIVED

Submission #: 1638 and 1501

ATTACHMENTS

Nil

Title: Issues and options – Mount Maunganui College Pool**File Number: A15436304****Author:** Emma Joyce, Open Space and Community Facilities Planner**Authoriser:** Barbara Dempsey, General Manager: Community Services**ISSUE**

1. The Mount Maunganui Aquatic Centre Trust and the Mount Maunganui College operate the college pool as a joint venture providing aquatic space for local schools, Omanu Swim Club and surf lifesaving training. They are requesting a contribution of \$1.6 million to the upgrade of the pool (total cost is \$5.4 million).

ANALYSIS OF SUBMISSION POINTS

2. The joint venture operating the Mount Maunganui College pool (the college pool) is requesting a contribution of \$1.6 million to support the redevelopment and upgrade of the college pool. The joint venture has already secured \$1.6 million of funding and anticipates that securing the equivalent Council funding will put them in a position to access remaining funding to meet the full costs of the redevelopment (\$5.4 million). Council's contribution would be slightly less than one third of the total costs. If the pool and associated plant is not upgraded, then it is highly likely that pool will close.
3. The submitter notes that the college pool alleviates potential demand on BayWave by providing access to aquatic facilities for local schools, the Omanu Swim Club and surf lifesaving organisations. The upgrade, as well as replacing ageing infrastructure, will provide some additional lane capacity and increase the depth of the pool to provide for waterpolo. The pool is open to the public from 11am to 4pm during the summer school holidays.
4. There is no request for additional or ongoing operating costs with the submission stating that as happens currently all operating costs will be met by the joint venture.

DISCUSSION AND ANALYSIS

5. The Play, Active Recreation and Sport Action and Investment Plan does acknowledge the value of school-owned facilities to city and in meeting community needs, though no formal assessment has been made of the network value of school pools, as in general they provide limited public access. Similarly, the 2020 Bay of Plenty Spaces and Places Strategy identified the college pool as a locally important pool that should be maintained for effective network provision.
6. As the submitter notes, this pool provides additional capacity for local schools and community organisations needing aquatic space that potentially would need to otherwise be accommodated at BayWave. The pool is also available to the wider community outside of school hours at a minimal cost, with the joint venture funding the costs of a lifeguard in the summer months.
7. A more complete assessment of the value of the pool within the wider aquatics network has not been undertaken. However, staff consider that this facility does play an important role in the aquatics network, particularly given BayWave is at capacity. Bay Venues confirmed that should the college pool close, the activity currently undertaken at the college pool could not be accommodated at BayWave. BayVenues offered in principle support for the grant subject to the following conditions;
 - (a) A review of the pool depth from 2m to 1.8m
 - (b) A business case
 - (c) The pool continuing to be available for community use and consideration of extended public hours of use

- (d) An independent condition assessment on the facility (and suggest this be updated every three year)
 - (e) A long term (ten year) maintenance and capital and renewals plan
 - (f) Current financial statements and a long term (ten year) operating budget proving financial viability.
8. The Community Funding Policy states that applicants for capital funding should approach council staff prior to making a formal request for funding through a Long-term Plan (LTP) submission. As such, this application for funding has not been through the facility investment decision-making process outlined in the Bay of Plenty Spaces and Places Strategy. This process would provide Council with the opportunity to consider, for example, the conditions outlined in paragraph 7 above. Any capital grant funding could also be conditional on the application being successfully considered through that process. A funding agreement could also include the option of entering into a community share agreement formalising community access to the pool.
 9. The \$573 million “community spaces and facilities fund” mentioned in the submission is the planned investment in community spaces over the ten years of the LTP, including for example, the Memorial Park and active reserve upgrades. It is not a grant fund nor is there scope to reallocate that planned investment to support the college pool upgrade.
 10. Any funding would be agreed through a funding agreement which would include provision to formalise community access and ensure there is an adequate asset management plan in place. No monies would be released until such time as there is confidence that all funds for the pool development are secured.

OPTIONS ANALYSIS

11. Council could grant the requested \$1.6 million (or a lesser amount) or not grant funds to the joint venture for the pool upgrade. The advantages and disadvantage of each option are outlined below.

Option 1: Reallocate existing Spaces & Places budget (see Executive Report) to provide a one-off grant up to maximum of \$1.6 million in FY30 to support the redevelopment of the Mt Maunganui College pool, subject to a business case and funding agreement covering items in point 7 of this report.

Advantages	Disadvantages
<ul style="list-style-type: none"> Supports access to aquatic facilities, potentially relieving pressure on BayWave. No requirement on Council to provide ongoing operational costs or contribute to any renewal costs. 	<ul style="list-style-type: none"> Mount Maunganui has a higher level of pool provision than other parts of the city, particularly given planned closure of Ōtūmoetai Pool.

Budget – Capex: Nil

Budget – Opex: **\$1.65M** existing LTP budget transferred from Capex to a loan funded Opex grant (\$1.93M inflated). The total Opex impact on debt retirement and debt servicing is \$1.25M across the ten years, an average of \$250k per annum. Existing Spaces & Places budget will be reprioritised to enable this (See Executive Report).

The joint venture have stated that “no further contribution will be needed from council to complete, run, and maintain the facility in the future”. This can be formalised in any funding agreement.

Key risks: Risk that the joint venture will not secure remaining capital funding. Potential future requests from other organisations looking for similar investment in their pool upgrades.

Recommended? **Yes**

Option 2: Retain the status quo – no grant to support upgrade of Mount Maunganui College pool

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional capex required through the LTP. 	<ul style="list-style-type: none"> Potential loss of additional capacity provided by the Mount College pool, requiring existing users to be accommodated at Baywave Does not recognise the wider value of the college pool to the Tauranga aquatics network

Budget – Capex: Nil

Budget – Opex: Nil

Key risks: Community potentially loses access to aquatic facilities increasing pressure on Baywave, where demand already exceeds capacity.

Recommended? **No**

RECOMMENDATION

12. That Council:

- a) Provides a one-off grant up to a maximum of \$1.65 million to support the redevelopment of the Mt Maunganui College pool in FY30 of the draft Long-term Plan (\$1.93M inflated), subject to Council being satisfied that:
 - i) A review of the pool depth from 2m to 1.8m is undertaken and concluded.
 - ii) A business case is satisfactorily completed.
 - iii) There is certainty that the pool will continue to be available for community use and consideration is given to extended public hours of use.
 - iv) An independent condition assessment on the facility is completed (and suggest this be updated every three year).
 - v) A long term (ten year) maintenance and capital and renewals plan is prepared.
 - vi) Current financial statements and a long term (ten year) operating budget prove financial viability of the pool and its operation.
- b) Approves the one-off grant (opex) to be funded by a loan repaid over a ten year period and notes that the financing costs are an average of \$250k per annum from FY30 onwards, a total of \$1.25M financing costs over the ten year period of the loan.

NEXT STEPS

13. If option 1 is supported, staff will first undertake an assessment of the pool's value within the wider aquatics network before confirming any funding agreement with the joint venture. If option 2 is supported, staff can work with the joint venture to identify alternative sources of funding.

SUBMISSIONS RECIEVED

Submission #: 1522

ATTACHMENTS

Nil

Title: Issues and options – Ngā Pōtiki ā Tamapahore Trust and Manawa Development Holdings Limited Partnership - Community Spaces and Facilities in Manawa development

File Number: A15448479

Author: Emma Joyce, Open Space and Community Facilities Planner

Authoriser: Barbara Dempsey, General Manager: Community Development

ISSUE

1. The submitter, Ngā Pōtiki ā Tamapahore Trust and Manawa Development Holdings, have requested a total of \$800,000 Council funding for reserve development and enhancements in the Manawa development (Pāpāmoa).
2. As this development is in the Wairakei Urban Growth Area, the developer is not required to pay development contributions for reserves. Developers are instead required to provide land for and develop reserves in accordance with our Open Space Level of Service Policy (the policy).

ANALYSIS OF SUBMISSION POINTS

3. The submitter has requested the following funding be allocated through the Long-term Plan
 - (a) \$650,000 for development of a neighbourhood reserve to be named Te Atea Reserve
 - (b) \$100,000 for a security fence separating the Maungarongo walkway from adjacent private land
 - (c) \$50,000 for shade at Hine Kahu reserve located at 81 Te Hou Hou Crescent.
4. The map below shows the location of these three sites.



Figure 1: Location of sites where submitter is seeking council funding.

5. Te Atea is a proposed approximately 3000m² neighbourhood reserve located in the Manawa subdivision in Pāpāmoa. This reserve will provide green space and play opportunities for residents in the subdivision. The submitter contends that the plans for Te Atea represent a

“substantive Level of Service increase over that required for residential subdivisions”. As such, Council should provide funding to support its development. The submitter made a similar request to the last long-term plan (LTP) for Council to fund Te Atea which was declined.

6. The Maungarongo Walkway (shown on figure 1) connects the Manawa development to Simpson Road passing over private land. The submitter states that as this walkway provides wider community benefit, Council should support its maintenance including adding security fencing to separate the walkway from the private land. The pathway is shown on the approved site layout plans forming part of the subdivision consent and therefore would be considered as part of the consent requirements. However, there is no requirement for fencing.
7. The Manawa development includes a number of smaller reserves, including a small playground known as the Hine Kahu reserve. The submitter is requesting \$50,000 to install artificial shade at this reserve.

DISCUSSION AND OPTION ANALYSIS

Te Atea Reserve (\$650,000)

8. Within the Wairakei Urban Growth Area, Council does not collect development contributions from developers for the provision of neighbourhood reserves. Therefore, the developer is responsible for providing the land and developing the reserves in accordance with the policy and City Plan. During the subdivision consent process, developers work with Council to confirm the area and location as well as the development/ landscaping elements to be delivered on the reserve.
9. The provision and development of reserves within Manawa are required to meet the policy in order to ensure a network of reserves is available that meet people's needs for recreation, community activities, social interaction and to support placemaking opportunities. As shown on figure 2 below, Te Atea Reserve is required to ensure all homes in the Manawa development are within 400m of a neighbourhood reserve.



Figure 2: Showing 400m radius catchments for neighbourhood reserves in the vicinity of Manawa development (outlined in dashed red line). Te Atea is identified by the red dot.

10. Table 1 below outlines how the policy applies to Te Atea reserve.

Open Space Level of Service Policy requirements	Application to Te Atea
Most houses must be within 400m of a neighbourhood reserve	Figure 2 shows that Te Atea ensures most houses are within 400m of a neighbourhood reserve
Neighbourhood reserves should be located in permanent locations (for example, corner sites)	Te Atea is in a prominent location
An ideal size of 3000m ²	Te Atea Reserve is roughly 3000m ²
Provision of a playground, areas of open space, seating and shade, vegetation and landscaping While the base requirements suggest a playground, it is noted that the function of a neighbourhood reserve is to provide a "play space". This could include facilities such as a basketball court.	The proposed development includes a play area, open space, seating and shade, and vegetation ensuring Te Atea meets the base requirement of a neighbourhood reserve.

11. As the table above outlines, Te Atea is not a "substantive increase" on the required level of service for neighbourhood reserves. For elements such as the basketball court or fitness equipment which meet the function standard (areas for play (particularly young children)), but potentially not exceed the base requirements (playground, area of open space, seats and shade, vegetation/landscaping), Council can use its discretion to accept.
12. The Play, Active Recreation and Sport Action and Investment Plan (Play Plan) considers basketball courts as well as other play and active recreation infrastructure, for example skate facilities. The Play Plan aims to ensure basketball facilities are progressively installed in each community area. Gordon Spratt Reserve basketball courts are located approximately 1500 metre radial distance from Te Atea.
13. Under the Play Plan, Te Atea Reserve is a neighbourhood play space providing options for accessible play for younger persons. While there is no requirement for a basketball court or fitness equipment at Te Atea Reserve, the developer can provide this if desired. However, it is not a requirement to meet our standard for neighbourhood reserves and therefore we do not recommend additional council funding be allocated to this portion of the proposed reserve development.
14. Council has previously resolved (following the same request from the developer) not to provide funding for the development of Te Atea but to work with the developer to agree a plan for the development of the reserve. This decision was made on the basis that it was potentially precedent setting and did not align with the agreement for developers to fund the cost of reserves in the Wairakei Urban Growth Area.
15. The table below outlines the advantages and disadvantages of funding Te Atea development.

Option	Advantages	Disadvantages
1 Do not provide funding for the development of Te Atea Reserve and work with the developer to agree a plan for Te Atea (Recommended)	<ul style="list-style-type: none"> Consistent with the requirement that developers within the Wairakei Urban Growth Area provide reserve land and develop it in accordance with the policy due to the fact that no development contributions are collected by Council for this purpose. Does not set a future precedent for Council to meet some of the 	<ul style="list-style-type: none"> May result in the developer reducing the scope of Te Atea Reserve

		<p>costs of neighbourhood reserves in growth areas</p> <ul style="list-style-type: none"> Recognises that the reserve is not offering a higher level of service than anticipated by the policy 	
2	Provide funding of \$650,000 to support development of Te Atea Reserve	<ul style="list-style-type: none"> Consistent with the submitters' request 	<ul style="list-style-type: none"> Sets precedent for Council funding of neighbourhood reserves where developers do not pay development contributions Requires additional capex to be included in the LTP

Budget – Capex: Nil

Budget – Opex: Nil

Key risks: May result in the developer reducing the scope of Te Atea Reserve

Fence from Manawa to Simpson Road (\$100,000 capex)

16. The submitter notes that they have constructed a walkway across private land between Simpson Road and their development. This walkway supports access to the beach and Taylor Reserve for residents in the Manawa development. However, there are no connections to this walkway for people using Te Ara o Wairakei with the pathway ending at the private land. As part of any agreement to fund this walkway fencing, staff would want to discuss options for connecting the Maungarongo walkway to the public walkway running from Parton Road and behind Ashley Place.
17. No budget was included in the draft LTP for walkway development.
18. The table below outlines the advantages and disadvantages of providing funding for the walkway fence.

Option	Advantages	Disadvantages
1 Provide funding of up to \$100,000 to fence the Maungarongo walkway from the Manawa development to Simpson Road, subject to agreement on additional access (Recommended)	<ul style="list-style-type: none"> Consistent with the submitters' request Recognises public benefit of providing walkway across private land Opportunity to engage in discussion around extending access over private land. 	<ul style="list-style-type: none"> Requires additional capex to be included in the LTP
2 Do not provide funding for a security fence	<ul style="list-style-type: none"> No additional capex requirement 	<ul style="list-style-type: none"> Potential loss of amenity if walkway closes due to security concerns. No opportunity to engage in discussion around extending access over private land.

Budget – Capex: \$100k funded from existing Spaces & Places budgets in FY28.

Budget – Opex: Depreciation and interest costs total \$43k over the ten years.

Key risks: May result in the landowners ceasing or limiting access across their land.

Shade at Hine Kahu Reserve (81 Te Hou Hou Crescent)

19. As a result of strong community support, the LTP 2021-2031 included for the first time a budget for installation of artificial shade. While the initial focus was installing artificial shade in high use reserves and where people may spend extended periods of time, it is anticipated in the Play and Reserve Plans to extend the artificial shade programme to neighbourhood reserves over time.
20. This site is not considered a neighbourhood reserve under the policy and the playground has been provided by the developer at their own cost with Council accepting ongoing maintenance responsibility. As Council maintains this playground (the land ownership remains with the developer), we could allocate funding from the shade budget to install artificial shade at this location from within the current LTP programme.
21. The table below outlines the advantages and disadvantages of funding shade at the Hine Kahu reserve.

Option		Advantages	Disadvantages
1	Allocate up to \$50,000 from the shade budget for artificial shade at Hine Kahu Reserve (Recommended)	<ul style="list-style-type: none"> Consistent with the submitters' request Does not require additional capex to be allocated through the LTP Aligns with Play and Reserve Investment Plans 	<ul style="list-style-type: none"> Sets precedent for Council funding of neighbourhood reserve enhancements where developers do not pay development contributions Playground is above base provision in this area May mean installation of shade at other reserves is postponed.
2	Do not allocate funding for shade at Hine Kahu Reserve	<ul style="list-style-type: none"> Consistent with the requirement that developers within the Wairakei Urban Growth Area are responsible for reserve development Does not set a future precedent for Council to meet some of the costs of neighbourhood reserves in growth areas 	<ul style="list-style-type: none"> Playground cannot be fully utilised during warmer months

Budget – Capex: Up to **\$50,000** of existing budget

Budget – Opex: from within existing budgets

Key risks: Installation of shade at other reserves is postponed.

RECOMMENDATION

22. That consistent with Council's previous resolution no funding be allocated to the proposed Te Atea reserve noting that reserve provision and development is a requirement of all developers in the Wairakei Urban Growth Area.
23. That funding of up to \$100,000 (\$109,790 inflated) capex and \$43k total depreciation and interest costs over the ten years be allocated from existing Spaces & Places budgets in FY28 for fencing of the Maungarongo walkway, subject to an agreement to extend public access to the private land connecting with the existing walkway behind Ashley Place.
24. That funding of up to \$50,000 of existing budgets be allocated from the shade budget to install shade over the playground at 81 Te Hou Hou Crescent.

NEXT STEPS

25. Council will discuss with the developer to action the resolutions.

SUBMISSIONS RECIEVED

Submission #: 1529

ATTACHMENTS

Nil

File Number: A15465689

Authoriser: Barbara Dempsey, General Manager: Community Services

1. The submitter, Bluehaven Group, have requested \$15 million be allocated for the Wairakei Stream Corridor works in the vicinity of the future Sands Town Centre.

2. The submitter is requesting \$15 million to support the development of the Wairakei Stream Corridor works suggesting that the investment in this area should be benchmarked against other high profile walkway developments projects such as the Marine Parade shared path. The Sands Town Centre is considered to be a subregional centre that will draw visitors from beyond the immediate area. As such, we should incorporate a “higher level of service” for walkways and associated facilities in this location.
3. The submitter notes that while there are budgets available for reserve development included in the draft LTP, there is no specific budget for the stream corridor works.

4. In November 2022, Council issued concept designs for the continuation of the pathway along the Wairakei Stream corridor from Mandalay Key to the future Sands Town Centre. The design excluded the future Sands Town Centre with an expectation that the design and level of service would be further developed in partnership with the submitter and Council. (Refer plan below)



Location of development

5. As this development is in the Wairakei Urban Growth Area, the developer is not required to pay development contributions for reserves. Developers are instead required to provide land for and develop reserves in accordance with our Open Space Level of Service Policy (the policy).

Level of service for walkways

6. The submitter contends that the proposed walkway has benefits outside the immediate area and should be benchmarked against high profile pathways such as along the Marine Parade coastal reserve. The Tauranga Reserves Management Plan (TRMP) recognises that coastal reserves are “highly valued for the recreational opportunities they provide, are central to the lifestyle of many people and are considered one of the best natural features in the Bay of Plenty region”. As such, they are considered as citywide areas of open space where it is appropriate to have a higher level of service for play equipment and other structures. Under the Open Space Level of Service (the policy), walkways like that proposed for the Wairakei Stream corridor are likely to be considered as either local area or suburban area open space.
7. The base requirements for local and suburban area open space are outlined in the table below;

Open Space type	Base Requirements	
Local Area Open Space	<ul style="list-style-type: none"> Open Space area Pathways 	<ul style="list-style-type: none"> Seats and shade Vegetation/landscaping
Suburban Area Open Space	<ul style="list-style-type: none"> Open space areas Picnic / barbecue facilities Vegetation/ landscaping 	Optional: <ul style="list-style-type: none"> Toilet facilities Buildings / clubrooms Skateparks Themed landscaping

8. There is no specific level of service for walkways. As indicated in the November 2022 plan, Council staff can work with the developer to identify how the above base requirements can be applied to the walkway that both benefits recreational users and visitors to the future town centre. Similarly, there is scope to determine details such as path width and surfacing. Feedback received during the development of the Pāpāmoa shared path indicated a preference for paved surfaces that could accommodate a greater range of users. Council involvement in the design of the walkway can also ensure that we meet objectives for play and open space identified in recently adopted action and investment plans.
9. The future Sands Town Centre is acknowledged as being of strategic importance to achieve the outcomes identified in the Urban Form and Transport Initiative and Connected Centres programme. It may be appropriate to consider an increase on the level of service in this area from the baseline level developed along the rest of the Wairakei corridor. This could include public art, shade and seating as suggested by the submitter.
10. We are developing a citywide and CBD signage and wayfinding strategy that will set a standard for reserves and public spaces and can be applied to this location.
11. It should be noted that the proposed walkway does not extend all the way to Parton Road to connect with existing and recently constructed shared paths. Extension of the walkway would require negotiation and agreement with private landowners.

Existing funding

12. There is existing funding in the waters budget to implement the concept plan. However, this funding is based on the provision of a similar level of service to the existing Te Ara o Wairakei pathway, including a gravel pathway and some edge planting. There is no provision within that budget to deliver the artwork, drinking fountains, barbecues and other community facilities suggested by the Submitter.

13. There is no specific budget for new walkways included in the draft LTP. While there is budget for play and reserve enhancement, the current focus of that funding included in the draft LTP is on upgrading existing playgrounds. This is because there is a significant number of playgrounds with a major renewal and replacement required in upcoming years, and budget is being allocated to ensure that the playgrounds delivered can be designed to meet their intended function within the playground network. New shared pathways (other than transport-led commuter links) were not specifically included in the draft LTP.
14. The cost to construct the Marine Parade shared path was approximately \$2.4 million per kilometre, including costs for associated facilities such as seating and barbecues. The area behind the Sands Town Centre is approximately 500 metres. It is unclear how a total of \$15 million was identified.

OPTIONS ANALYSIS

15. There are three options available to Council:
 1. Do not allocate a specific budget for Wairakei Stream Corridor works above that already committed and continue to work with Bluehaven to confirm details of the design for that part of the walkway behind the future Sands Town Centre (option 1)
 2. Allocate budget of \$15 million for Wairakei Stream Corridor works in the draft LTP, additional to that already committed to implement the Wairakei Stream corridor (option 2)
 3. Allocate a specific budget of \$1.5million to provide an increase in level of service for the Wairakei Stream corridor behind the future Sands Town Centre (option 3)

Option 1: Retain the status quo – no specific allocation for the Wairakei Stream Corridor above that already committed and continue to work with the submitter to confirm the designs and level of service for the walkway (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides for Council staff and Bluehaven to confirm the designs, level of service and required investment prior to confirming any funding arrangement, including the potential for direct financial contribution from the developer for a higher level of service. Consistent with agreement for developers to provide open space in the Wairakei Urban Growth Area. No additional capex or opex required in LTP. 	<ul style="list-style-type: none"> Potential delay in developing the stream corridor behind the Sands Town Centre.

Budget – Capex: Nil

Budget – Opex: Staff time

Key risks: Potential delay in developing the stream corridor.

Recommended? **Yes**

Option 2: Allocate a specific budget of \$15 million for Wairakei Stream Corridor works in the draft LTP additional to that already committed to provide stormwater-related outcomes.

Advantages	Disadvantages
<ul style="list-style-type: none"> Enables an increase on the base level of service for the Wairakei Stream corridor recognising the 	<ul style="list-style-type: none"> A total of \$15 million is more than spent on the Marine Parade shared path. Requires additional capex and opex to be included in the draft LTP.

strategic value of the future Sands Town Centre.	<ul style="list-style-type: none"> Potential precedent for Council funding reserve enhancement in Wairakei Urban Growth Area. Funding would be granted prior to confirmation of an agreed concept plan.
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Budget – Capex: **\$15 million in FY31 (\$17.9M inflated)**

Budget – Opex: \$200k per annum based on current maintenance costs for the completed stream corridor, total \$2.2M inflated. Finance and depreciation costs are an average of \$974k per annum from FY31 onwards. Total Opex across the ten years for ongoing maintenance, depreciation, and financing costs - \$6.1M.

Key risks: Funding is approved without agreement on concept design and level of service.

Recommended? **No**

Option 3: Allocate a specific budget of \$1.5 million for Wairakei Stream Corridor works in the draft LTP additional to that already committed to provide stormwater-related outcomes.

Advantages	Disadvantages
<ul style="list-style-type: none"> Enables an increase on the base level of service for the Wairakei Stream corridor recognising the strategic value of the future Sands Town Centre. 	<ul style="list-style-type: none"> Requires additional capex and opex to be included in the draft LTP. Potential precedent for Council funding reserve enhancement in Wairakei Urban Growth Area. Funding would be granted prior to confirmation of an agreed concept plan.

Budget – Capex: \$1.5 million in FY31 (\$1.79M inflated)

Budget – Opex: \$200k per annum based on current maintenance costs for the completed stream corridor, total \$2.2M inflated. Finance and depreciation costs are an average of \$97k per annum from FY31 onwards. Total Opex across the ten years for ongoing maintenance, depreciation, and financing costs - \$2.6M.

Key risks: Funding is approved without agreement on concept design and level of service.

Recommended? **No**

RECOMMENDATION

16. Option 1 is recommended. That Council do not allocate additional funds through the Long-Term Plan 2024-2034 for the Wairakei Stream Corridor works and continue to work with Bluehaven to identify the preferred concept for that portion of the Wairakei Stream corridor behind the proposed Sands Town Centre.

NEXT STEPS

17. Council will continue to work with the Submitter on plans for the public walkway behind the future Sands Town Centre.

SUBMISSIONS RECIEVED

Submission #: 1532

ATTACHMENTS

Nil

Title: Issues and options – Provision of community facilities in Eastern Corridor (Bluehaven)**File Number: A15465970****Author:** Emma Joyce, Open Space and Community Facilities Planner**Authoriser:** Barbara Dempsey, General Manager: Community Services**ISSUE**

1. The submitter, Bluehaven Group, have requested that the funding provision for future land acquisition to provide for community facilities in the Eastern corridor be brought forward to 2025.
2. At present, a total of \$12million is available in the draft Long-term Plan (LTP) to purchase land for community facilities in the Eastern corridor commencing in 2030/2031 financial year.

ANALYSIS OF SUBMISSION POINTS

3. The submitter notes that Pāpāmoa is one of the fastest growing areas in Tauranga and like the City Centre has not received adequate investment in community facilities. Rather than investment in planned new community facilities sitting outside the 2024-2034 LTP period, there should be some investment in community facilities in the next ten years.
4. Funding is available for land acquisition in later years of the draft LTP. The submitter is requesting this be brought forward to the first two years of the LTP.

DISCUSSION AND ANALYSIS

5. As the submitter suggests, Council has a network approach to delivering community facilities identified primarily through the 2021 Community Facilities Investment Plan (CFIP). While upgrading ageing infrastructure in the city centre was the initial focus, CFIP recognises the need to develop new facilities to support new communities in the Eastern Corridor in circa 2035. Provision for land acquisition was included in later years of the draft LTP.
6. Options for site acquisition are in the early stages of assessment. As such, it is unlikely that funding will be required in the first two years of the LTP. Should Council be in a position to acquire land at an earlier date, process exists to bring forward that funding for land acquisition or consider additional funding through an annual plan process.

OPTIONS ANALYSIS

7. There are two options in response to the request;

Option 1: Retain the status quo (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Consistent with planned investment approach to providing a network of community facilities • Ensures funding is available for land acquisition • No requirement for additional capex in the first years of the LTP when overall fiscal capacity is constrained. 	<ul style="list-style-type: none"> • Potential that funding is not available if land becomes available for purchase before 2030

Budget – Capex: Nil. A total of **\$12 million** capex is already included in the draft LTP from 2030/2031

Budget – Opex: None at this time. Opex may be required following land purchase.

Key risks: Potential that funding is not available if land becomes available for purchase before 2030.

Recommended? **Yes**

Option 2: Bring forward budget for land acquisition for community facilities in the Eastern Corridor to the first two years of the LTP

Advantages	Disadvantages
<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Additional capex in the first years of the LTP Sites for future land acquisition not yet identified Inconsistent with planned investment approach to providing a network of community facilities

Budget – Capex: Nil. A total of **\$12 million** capex is already included from 2030/2031

Budget – Opex: None at this time

Key risks: Potential that funding is not available when land becomes available for purchase

Recommended? **No**

RECOMMENDATION

8. Option 1 is recommended.

NEXT STEPS

9. Council will continue to work with the submitter on the development of community facilities in the Eastern corridor.

SUBMISSIONS RECIEVED

Submission #: 1532

ATTACHMENTS

Nil

Title: Issues and options – Request for a pump track and other play and active recreation infrastructure**File Number: A15426825****Author: Sonya McCall, Community Facilities and Open Space Planner****Authoriser: Barbara Dempsey, General Manager: Community Services****ISSUE**

1. Recreation Aotearoa, Sport New Zealand and Sport Bay of Plenty have submitted that more actions in the Play, Active Recreation and Sport Action and Investment Plan (PARS Plan) should be funded in this Long Term Plan (LTP).
2. Another submitter is requesting that Council funds the development and ongoing maintenance of a pump track at Cambridge Park (or other location along the Western Corridor, Tauranga).

ANALYSIS OF SUBMISSION POINTS

3. The submitters highlighted the value of investment in play, active recreation and sport and its contribution to local government wellbeing outcomes. Newly released findings from a Social Return on Investment study reveal that each dollar allocated to play, active recreation and sport yields a social return of \$2.12 in New Zealand.
4. The submitters support the proposed investment in community spaces and places. They encourage council to ensure investment is given priority in the eastern and western growth corridors, encourage investment into active transport and greater connectivity between routes and suggest rather than a community stadium there are other priority matters including unfunded play and active recreation infrastructure identified in PARS Plan.
5. Recreation Aotearoa lays down a wero (challenge) to council to consider and invest in providing opportunities that reflect Te Ao Māori views of recreation and to encourage and support more Māori to recreate in culturally-centred ways.
6. Recreation Aotearoa emphasised the need to provide accessible recreation for disabled people. They request that we ensure new recreation developments are accessible for people with disabilities, genuinely engage, increase investment for the provision of more accessible play equipment across the playground network, and provide more beach mats at additional locations.
7. Recreation Aotearoa submit that rapid changes in demographics, participation trends and technology mean that a 'build it and they will come' approach doesn't always work. Recreational assets need to be activated and programmed to make them more appealing and to break down barriers for the hard-to-reach areas of the community.
8. One submitter is requesting a pump track in the west of the city, due to a lack of pump track facilities in that area. The submitter has identified a preferred site at Cambridge Park, alongside the BMX track. The submitter has highlighted significant benefits to the region/city of having a pump track of this scale/quality. While the 'scale/quality' of the requested pump track is not detailed in the submission, the submitter has previously provided Council staff with their proposal for a pump track that could host events (e.g. UCI Red Bull Pump Track World Qualifiers, AIMS Games). The submitter has also summarised generic benefits of pump tracks to a community.

DISCUSSION AND ANALYSIS

9. There is a mix of development and ownership/management models for play, active recreation and sport facilities in Tauranga. Council provides many play, active recreation and sport facilities, including but not limited to playgrounds, skate parks, basketball courts, sports fields shared pathways, and pétanque piste. In other instances, infrastructure/facilities are funded by

clubs and located on public land leased from Council (e.g. tennis, netball, croquet, bowls). There are also privately owned facilities on private land (e.g. some swimming pools, school playgrounds, turf and courts). These decisions are typically made on a case-by-case basis depending on the investment priorities of the community and Council at the time of proposal.

Play, Active Recreation and Sport Action and Investment Plan, 2023 (PARS Plan)

10. The PARS Plan establishes council's current position on play, active recreation and sport. The PARS Plan supports the kaupapa of the submitters regarding the value of play, active recreation and sport, its impact on community well-being and council's role as a provider of facilities and infrastructure for these activities, including for Māori, disabled people, tamariki, rangatahi, underactive demographics in high deprivation areas and an aging population.
11. The goal of the PARS Plan is to 'increase participation by providing easily accessible opportunities for organised and informal play, active recreation and sport for people of all ages, background and abilities'.
12. The PARS Plan has been partially funded in the draft LTP. Investment has been prioritised across all of council's delivery areas to manage affordability of the entire LTP programme.

Proposed LTP funding

13. There is considerable funding allocated for supporting organised sport through the major active reserves and sports field capacity increasing projects. Funding is also allocated for play, active recreation and sport facilities through the development of new indoor courts and aquatic centres in existing and future growth areas.
14. For play, the current focus of the funding included in the draft LTP is on upgrading existing playgrounds. This is because there is a significant number of playgrounds with a major renewal and replacement required in upcoming years, and budget is being allocated to ensure that the playgrounds delivered can be designed to meet their intended function within the playground network. It is noted that some of the play space upgrades may prioritise other active recreation features such as a basketball half court over traditional playground elements.

What else could be funded

15. This approach to prioritisation has resulted in limited investment in free-to-access active recreation facilities for rangatahi, such as pump tracks. Other activities not specifically included in the draft LTP is funding for supporting recreational water activities, new shared pathways (other than transport led commuter links), roller / wheely facilities such as pump tracks and skate parks, basketball hoops / courts and senior play spaces and supporting infrastructure that encourages people to come, stay and play, such as toilets.
16. There are areas of the city where there are gaps in the provision of particular infrastructure, for example pump tracks in the west of the city, and major or destination playgrounds in the Pāpāmoa / Pāpāmoa East and Greerton areas. There are also community areas that do not have council provided active recreation infrastructure other than junior playgrounds and pathways, including Merivale, Bethlehem and Ohauiti.
17. Incremental improvements to the level of service for play and active recreation infrastructure across the city will result in increasing participation levels. This programme will work towards achieving equitable recreation opportunities for the community, improving wellbeing. The implementation programme needs to be cognisant of financial, internal and external resourcing requirements. If the funding was available, investment in additional active recreation infrastructure such as a pump track would be justified.

Pump track facilities

18. There are currently three asphalt pump tracks in Tauranga, all located in the east of the city – There is also a modular pump track located at Orangapani Reserve in The Lakes, Pyes Pa. The Gordon Spratt and Arataki Park pump tracks were community funded and constructed (by Project Tauranga and Mount Maunganui Pump Track Inc. respectively). The Hartford Ave Reserve pump track is a smaller design and was funded and constructed by Council. The modular pump track at Orangapani Reserve was also funded by the Council, and provides a

different, reduced experience, with the 79m track limited to 6 riders at a time. All four pump tracks are now owned and maintained by Council.

19. An intention of the PARS Plan is that we will invest in a network of facilities for roller and wheely sports, taking a strategic network approach. Action 50 for the PARS Plan is of specific relevance to this submission. This action is noted in the as an unfunded, priority action.

Progressively develop additional pump tracks across the city. The final locations will be dependent on-site assessments, community engagement and the scale of facilities deemed to be suitable.

20. We agree that there is demand for a pump track facility in this area of the city. Whether Cambridge Park is a feasible and priority location requires further investigation - there are challenges and opportunities associated with this site that require further investigation (e.g. geotechnical considerations due to its status as a closed landfill, activation opportunities – noting the BMX club is no longer driving this initiative due to a lack of volunteer capacity, access, supporting infrastructure). Other options in the west of the city that could be investigated include Carlton Reserve, Pōteriwahi future active reserve, Orangapani Reserve, a site within the Tauriko West urban growth area and Greerton Maarawaewae. The provision of pump tracks at multiple locations in the west of the city is supported by the PARS Plan.

OPTIONS ANALYSIS

21. The options are to:

- Option 1 **(Recommended)**: Build and maintain a pump track in the west of the city reallocating \$650k of existing Long Term Plan budget to enable this in FY30.
- Option 2: Deliver additional play and active recreation infrastructure to the value \$50,000 for planning and design in Year 1, and \$650,000 biennially from year 2 (total \$3.3million).
- Option 3: Do not construct a pump track at Cambridge Park but remain generally favourable to a community group using the site to develop a pump track with Council taking ownership and ongoing management upon completion.
- Option 4: Do not facilitate the delivery a pump track in the west of the city.

Option 1: Build and maintain a pump track in the west of the city reallocating \$650k of existing Spaces & Places budget* to enable this (see Executive Report for details). (Recommended)

* Refer Executive report on this agenda for information on capex project funding which is proposed to be reallocated to fund the new pump track as per this paper (& other projects)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Delivery of a pump track in the west of the city. This will improve equity in provision of this type of facility across the city, reducing the need for families from the city-west to travel to Pāpāmoa to participate in this activity. This is anticipated to increase physical activity levels, which are currently below recommended levels. This is consistent with the approach specified in the PARS AIP. • Delivery of a pump track facility that can attract events to the city. • Delivery of a facility utilising efficiencies from delivering using Council's design and delivery capabilities. 	<ul style="list-style-type: none"> • Cost to the ratepayer for design, delivery and maintenance of a new pump track.

<ul style="list-style-type: none"> • Delivery of a facility that provides an active recreation opportunity for all ages. 	
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Budget – Capex: **\$650,000 (\$759,200 inflated) in FY30 from within existing budgets**

Budget – Opex: **\$10k year annum from FY31, total \$46k. Financing costs and depreciation an average of \$50k per annum from FY30, total financing costs \$250k across the ten years. Total Opex costs \$297k across the ten years.**

Key risks: Geotechnical issues resulting in increased capital costs and increased ongoing opex costs / delaying project delivery. Community engagement required for alternative sites if Cambridge Park is not feasible.

Recommended? **Yes**

Option 2: Build and maintain additional play and active recreation infrastructure to the value \$50,000 for planning and design in Year 1, and \$650,000 biennially (every second year) from year 2 (total \$3.3million).

Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows time to refine the planning to better determine community priorities for play and active recreation investment – could be allocated any prioritised play or active recreation facilities – e.g. pump track, skate park, basketball hoop, senior play space, shared pathways, supporting infrastructure. • This is anticipated to increase physical activity levels, which are currently below recommended levels. This is consistent with the approach specified in the PARS AIP. • Addresses the issues raised by the submitters. 	<ul style="list-style-type: none"> • Additional cost to the ratepayer - financial, staffing and delivery resources required to deliver the programme of work.

Budget – Capex: \$3.3m (\$3.8m inflated)

Budget – Opex: An additional \$10,000 per annum per facility (\$50,000 per annum by year 10), total maintenance costs \$254k over the ten years. Finance costs and depreciation average \$132k per annum, or a total of \$1.3M over the ten years. The total Opex cost \$1.6M over the ten years including ongoing maintenance, depreciation, and interest.

Key risks: Deliverability, Community perspective

Recommended? **No**

Option 3: Do not construct a pump track at Cambridge Park, but remain generally favourable to a community group using the site to develop a pump track with Council taking ownership and ongoing management upon completion.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Delivery of a pump track in the west of the city. This will improve equity in provision of this type of facility across the city, reducing the need for families from the city-west to travel to Pāpāmoa to participate in this activity. This is anticipated to increase physical activity levels, 	<ul style="list-style-type: none"> • Reliance on fund raising for funds required – uncertain delivery timeframe. An entity with responsibility for raising the funds has not yet been established.

Advantages	Disadvantages
<p>which are currently below recommended levels. This is consistent with the approach specified in the PARS AIP.</p> <ul style="list-style-type: none"> • Delivery of a pump track facility that can attract events to the city. • Delivery of a facility utilising efficiencies from delivering using Council's design and delivery capabilities. • Reduced cost to the ratepayer. • Potential for increased community buy-in from required fundraising efforts. • Delivery of a facility that provides an active recreation opportunity for all ages. 	<ul style="list-style-type: none"> • Potential unavailability of appropriately sized and located land.

Budget – Capex: Nil

Budget – Opex: \$10,000, ongoing (\$110k inflated over the ten years)

Key risks: Geotechnical issues resulting in increased capital costs and increased ongoing opex costs / delaying project delivery. Community engagement required for alternative sites if Cambridge Park is not feasible. Inadequate funds raised.

Recommended? **No**

Option 4: Do not facilitate the delivery a pump track in the west of the city.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No cost to the ratepayer. 	<ul style="list-style-type: none"> • No new pump track in the west of the city. Inequity in provision of this type of facility across the city remains. Families from the city-west required to travel to Papamoa to participate in this activity. No impact on increasing physical activity levels, which are currently below recommended levels. • Inconsistent with the approach specified in the PARS AIP.

Budget – Capex: **Nil**

Budget – Opex: **Nil**

Key risks: Reputational risk from lack of progress towards achieving the objective of the PARS Plan.

Recommended? **No**

RECOMMENDATION

22. That Council build and maintain a pump track in the west of the city reallocating \$650k (\$759k inflated) of existing Long Term Plan capex budget to enable this in FY30. Maintenance costs \$47k total over the ten years. Financing costs and depreciation average \$50k per annum from FY30 onwards, total \$250k. Total Opex costs \$297k across the ten years for ongoing maintenance, depreciation, and financing costs.

NEXT STEPS

23. If option 1 is chosen, continue to engage with the submitter and investigate feasibility of Cambridge Road site.

SUBMISSIONS RECIEVED

Submission #: 1483 – Sport NZ; 1495 – Sport BoP; 1548 – Recreation Aotearoa; 1661 – Peter Roden

ATTACHMENTS

Nil

Title: Issues and Options – Memorial to Elizabeth Street Waterfront Recreational Connection/ Te Hononga ki Te Awanui**File Number: A15495413****Author:** Emma Joyce, Open Space and Community Facilities Planner**Authoriser:** Barbara Dempsey, General Manager: Community Services**ISSUE**

1. To consider including additional funding in the Long-term Plan 2024-2034 to complete Stage 2 of Te Hononga ki te Awanui walkway (the walkway) connecting Memorial Park to Elizabeth Street.

ANALYSIS OF SUBMISSION POINTS

2. Submitters noted that there are long-standing plans to develop a walkway between Memorial Park and the city centre. They contend that construction of this path will bring more visitors into the city centre through the provision of an off-street walking and cycling pathway. Envirohub also notes that construction of a pathway will increase access to our coastal and marine environment aligning with objectives of connecting people to nature.
3. It was suggested that Council should redirect proposed funding for the stadium to enable this project.

DISCUSSION AND ANALYSIS**Background**

4. The walkway is included as a medium-term action in the City Centre Action and Investment Plan (AIP). In August 2023 Council approved a staged approach to the development of the Memorial Park to Elizabeth Street Recreational Connection (Te Hononga ki Te Awanui).
5. This approach approved “limited intervention of the city fringe and escarpment link zones from 1st to 7th Avenue, which may include some beach replenishment between 6th and 7th Avenues as an achievable short/medium-term outcome” (resolution CO14/23/5). This would be stage 1 of the development. While concurrently progressing the consenting, legal, planning and design work for the proposed long-term development of a piled walkway structure or stage 2.
6. To support this approach \$6.6M of capital funding was allocated stage 1, for the design, consenting and construction of the development of the coastal nodes at 1st to 7th Avenue. A further \$1.6M of Opex funding was allocated to progress stage 2, specifically the consenting, legal, planning and design work for the long-term development option. This would include a determination of the legal position regarding property right issues. Depending on the outcome of this work, any resulting construction costs to develop the long-term option (Stage 2) would be considered as part of deliberations for the following long-term plan (resolution CO14/12/5).
7. There is no specific budget for new walkways included in the draft LTP. While there is budget for play and reserve enhancement, the current focus of that funding included in the draft LTP is on upgrading existing playgrounds. This is because there is a significant number of playgrounds with a major renewal and replacement required in upcoming years, and budget is being allocated to ensure that the playgrounds delivered can be designed to meet their intended function within the playground network. New shared pathways (other than transport-led commuter links) were not specifically included in the draft LTP.

Other issues

8. Further legal investigation and negotiation with private property owners over riparian rights is to be investigated concurrently with the implementation of stage 1 of the project. This would inform the viability of the implementation of the Stage 2 long term solution for the site.

9. Consideration of the likelihood of a future asset being impacted by climate change and coastal effects is a key principle of Council's Coastal Structures Policy. It is likely that the walkway location would be subject to future inundation. Consideration should be given to the long-term viability of new assets in this location.

OPTIONS ANALYSIS

10. There are two options with regards to funding Te Hononga ki Awanui;
 - Option 1:
Deliver the staged implementation approach, as per the August council resolution CO14/23/5 for increasing access to water and coastal edge consisting of interventions along the coastal fringe to improve access to and along the coast in zones from 1st to 7th Avenue (stage 1). While concurrently progressing the consenting, legal, planning and design work for a long-term option which includes a determination on property rights (stage 2).
 - Option 2:
Include additional capex of \$28.2 million in the LTP to deliver the full walkway, which includes, coastal reclamation and structures, structural pathways and accessways.
11. Option 1 provides for the development of nodes on the coastal edge at the bottom of improved avenue links, which would provide for recreational access and amenities. It includes some sand deposition and replenishment, with the construction of groynes to entrap sand at the southern end of the project area between Sixth and Seventh Avenue and at First Avenue. It makes good use of existing public land, and provides some improved connection with the water, and increased recreational facility for public use. This also provides the opportunity to concurrently determine the consenting and property right risks associated with any long-term development of the site.
12. Option 2 includes a reclamation with a pathway against the coastline extending along the city fringe zone from Elizabeth Street to First Ave. This link would be comprised of a combination of deposited sand and formed pathway protected by groyne structures between Fourth Ave and Memorial Park. From First Ave to Fourth Ave the walkway would consist of a piled structure providing for recreational access and amenities. In August 2023, the estimated cost of this option was approximately \$28.2 million.
13. **Option 1:** No additional budget be allocated in the LTP to deliver Memorial Park to Elizabeth Street Recreational Connection (Te Hononga ki Te Awanui) beyond what was approved by Council in August 2023 (resolution CO14/12/5). **Recommended**

Advantages	Disadvantages
<ul style="list-style-type: none"> • Improves access and amenity to those walking to and along the foreshore at mid-low tide • Aligns with the wider redevelopment of Memorial Park • No requirement for additional capex in the LTP • Consistent with the Coastal Structures Policy • Recognises the need to resolve legal matters before progressing Stage 2 	<ul style="list-style-type: none"> • Low likelihood of a completed pathway in the next ten years • Failure to deliver an agreed action in the City Centre AIP • Access to and along the foreshore would not be provided to all physical abilities

Budget – Capex: No additional capex requirement beyond that already included in the LTP.

Budget – Opex: No additional opex requirement beyond that already included in the LTP.

Key risks: Potential reputational risk around non-delivery of the full walkway.

Recommended? **Yes**

14. **Option 2:** Include additional \$28.2 million in the LTP to fully fund Stage 2 of the walkway from Memorial Park to Elizabeth Street in FY34.

Advantages	Disadvantages
<ul style="list-style-type: none"> Delivers on an action in the City Centre AIP Provides an off-road path from Memorial Park to the city centre Provides access to water for a greater range of users 	<ul style="list-style-type: none"> Requires significant amount of additional capex to be included in the LTP Low likelihood of legal issues being resolved in the short-term No consideration of the long-term viability of constructing an asset that will be subject to inundation Complex consenting issues that would need to be addressed

Budget – Capex: Additional \$12.9M capital funding required. Currently there is \$15.3m outside the draft LTP term. Note the \$28.2m construction costs is a high level estimate only.

Budget – Opex: Full opex costs are to be determined subject to final walkway design.

Key risks: Affordability, long-term viability of walkway, likelihood of legal challenge.

Recommended? **No**

RECOMMENDATION

15. Option 1 is recommended. No additional budget be allocated in the LTP to deliver Memorial Park to Elizabeth Street Recreational Connection (Te Hononga ki Te Awanui) beyond what was approved by Council in August 2023 (resolution CO14/12/5).

NEXT STEPS

16. Staff will continue to progress the development of nodes on the coastal edge at the bottom of improved avenue links, and progress investigation into the longer term consenting and property rights issues.

SUBMISSIONS RECIEVED

Submission #: 283, 900, 930

ATTACHMENTS

Nil

Title: Issues and options – Future of Ōtūmoetai Pool**File Number: A15498763****Author:** Ross Hudson, Manager: Strategic Planning and Partnerships**Authoriser:** Barbara Dempsey, General Manager, Community Services**ISSUE**

1. To determine way forward for the future of Ōtūmoetai Pool.

ANALYSIS OF SUBMISSION POINTS

2. Council received submissions in support of investment in Ōtūmoetai Pool that would continue to see a pool provided as a Council pool for the community and schools of Ōtūmoetai and adjacent suburbs. It was also noted that there had been limited public consultation over the proposed closure with this decision being made as part of wider decision-making on the redevelopment of Memorial Park and the new aquatic centre.

DISCUSSION AND ANALYSIS

3. In December 2023, Council approved the development of the new Memorial Park Aquatic Centre. The preferred option for the new aquatic centre was adopted in part on the basis that additional swimming lane provision creates more capacity in the citywide network and could replace provision at the Ōtūmoetai Pool. It was noted that the Ōtūmoetai pool is nearing the end of its life and would require significant investment to keep it fit for purpose. There are significant issues such as pool tanks cracking, plant equipment reaching end of life and the canopy cover and beams over the pool hall which are well beyond expected life. The bore consent expires in 2026 and the bore pump and injection equipment are projected to have no more than eight more years of life.
4. Bay Venues have had an initial condition assessment done of the pool, building and surrounds. Based on the condition assessment it has been estimated that the capital cost to keep the pool open could be in the vicinity of \$10m - \$20m. The initial condition assessment is currently being reviewed by WSP and then a more accurate estimate of costs will be available.
5. The costs of operating Ōtūmoetai pool are high for the number of annual users. With the opening of the Memorial Park Aquatic Centre, attendance numbers are expected to drop further as swimmers, especially club and learn-to-swim activities relocate to the new aquatic centre. The Ōtūmoetai pool receives about 50,000 visits per annum. For comparison, Greerton Pool, which is similar, receives about 90,000 visits. Due to its relative under-utilisation, Council provides an operating subsidy of about \$450,000 per annum or \$9 per visit. The general public make up only 14% of visits, with Evolution Aquatics (club and learn-to-swim provider) and Ōtūmoetai College making up the majority of use. Whilst the pool is well-located for the school, it is not well-located for volume use and only provides for lane swimming.
6. Council and Bay Venues staff and Commissioner Selwood attended a community led meeting on 20 February 2024 to listen to the concerns raised by the community about the prospect of Ōtūmoetai Pool being closed. Approximately 120 people attended the meeting and attendees shared the view that Ōtūmoetai Pool plays an important part in their local community, particularly from a water safety, learn to swim and social wellbeing point of view. A common point raised was that many in the Ōtūmoetai Community would not travel to the new aquatic centre at Memorial Park which would result in children not being able to access water safety and learn to swim programmes and people having reduced physical activity opportunities.
7. Whilst the pool is not in a position to provide a long-term contribution to the Council wider city aquatics network, options may exist to enable Ōtūmoetai pool to continue to operate differently than it currently does; for example at certain times of the day and year and / or outside of Council's ownership and / or management. The pool at Mount Maunganui College provides a

potential example, where the pool is owned and maintained by a community trust and provides for some community use.

8. If the Ōtūmoetai Pool was to be kept open in some form, we would need to address the issues referred to above, demonstrate that its future operation would be economically sustainable and consider how it contributes to the need for aquatic facilities in the wider city area.
9. The intention is to keep the Ōtūmoetai Pool open at least until the new Memorial Park Aquatic Centre is open in late 2027. This is dependent on being able to address the issues raised above, as required in the short term and noting potential constraint regarding future bore consent.

OPTIONS ANALYSIS

10. There are three options for consideration:
 - a) Endeavour to keep the pool open at least until the new Memorial Park Aquatic Centre is open at the end of 2027. Establish a working group made up of Council and Bay Venues staff, representatives from the Ōtūmoetai community and College and an external aquatics expert to explore options to keep the Ōtūmoetai Pool available to the community in some form, including options outside of Council ownership and maintenance responsibility. Options to be brought back to Council for a final decision on the way forward. **(Recommended)**
 - b) Council formalise its December 2023 decision and determine that the pool will close when the redeveloped Memorial Park pool is open.
 - c) Include an additional \$10m of capex in the Long-term Plan 2024-2034 to maintain and upgrade the Ōtūmoetai Pool (noting that this may not be enough to complete all required works).

Option 1: Endeavour to keep the pool open at least until the new Memorial Park Aquatic Centre is open at the end of 2027. Establish a working group made up of Council and Bay Venues staff, representatives from the Ōtūmoetai community and College and an external aquatics expert to explore options to keep the Ōtūmoetai Pool available to the community in some form, including options of the pool being outside of Council ownership and maintenance responsibility. Options will be brought back to Council for a final decision on the way forward. (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides the opportunity for the community to be heard and be a part of the decision making for the future of Ōtūmoetai Pool. May identify alternative funding and / or operating models. 	<ul style="list-style-type: none"> Uncertain future for the pool (option assessment likely to take 6 – 9 months)

Budget – Capex: Unknown – will depend on final decision as to the future of Ōtūmoetai.

Budget – Opex: Ongoing costs involved with keeping the pool operational until such time as a decision is made.

Key risks: The pool could become difficult to keep open without a significant spend to fix the identified issues.

Recommended? **Yes**

Option 2: Council formalises its December 2023 decision and the Ōtūmoetai pool will close when the redeveloped Memorial Park pool is open (or before if unable to be kept operating due to building/plant failure)

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional capex requirement in LTP Recognises that the redevelopment of Memorial Park pool will provide aquatic options for this area. Pool has limited use when compared to Greerton and Baywave 	<ul style="list-style-type: none"> School groups and residents of the Ōtūmoetai area and its neighbouring suburbs will need to travel into Tauranga make use of Council-run aquatics facilities. Potential increased traffic movements and reduced participation.

Budget – Capex: Uncertain – will depend on whether dollars are required to keep the pool open until late 2028.

Budget – Opex: Ongoing operational expenses.

Key risks: Potential reputational risk to Council with loss of community pool.

Recommended? **No**

Option 3: Invest in the redevelopment of the Ōtūmoetai Pool

Allocate an additional \$10m in 2027/28 to upgrade and maintain Ōtūmoetai pool.

Advantages	Disadvantages
<ul style="list-style-type: none"> Closer access to aquatics for schools and residents in the area. The community feels listened to. 	<ul style="list-style-type: none"> Requires additional capex to be included in the LTP. It is unknown as to how much investment is required to keep the pool operational in the long term. It is unlikely that the long-term operation of the pool is viable in it's current form.

Budget – Capex: \$10m in 2027/28 of the Long-Term Plan.

Budget – Opex: Ongoing operational costs with keeping the pool open as well as Interest and depreciation costs - average \$500k per annum from FY28. Total interest and depreciation costs over the ten years \$3.5M.

Key risks: Additional funding pressure and risks of cost escalation.

Recommended? **No**

RECOMMENDATION

11. That Council:

- a) Endeavour to keep the pool open at least until the new Memorial Park Aquatic Centre is open at the end of 2027.
- b) Establish a working group made up of Council and Bay Venues staff, representatives from the Ōtūmoetai community and College and an external aquatics expert to explore options to consider ways to keep the Ōtūmoetai Pool available to the community in some form, including options of the pool being outside of Council ownership and maintenance responsibility. Options will be reported to Council for a final decision on the way forward.

NEXT STEPS

12. If Council agrees to the recommendation, Council and Bay Venues staff will liaise with key stakeholders, to set up a working group as per the general points of this report.

SUBMISSIONS RECIEVED

Submission #: 613, 685, 1351

ATTACHMENTS

Nil

11.5 SmartTrip Variable Road Pricing - Responses to Long-term Plan Engagement

File Number: A15534451

Author: Sarah Dove, Principal Strategic Transport Planner
Peter Siemensma, Principal Transport Planner

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

PURPOSE OF THE REPORT

1. The purpose of this report is to provide a summary of the Long-term Plan (LTP) engagement feedback received on SmartTrip, and provide recommendations on whether to proceed, and if so, how to proceed based on the feedback.

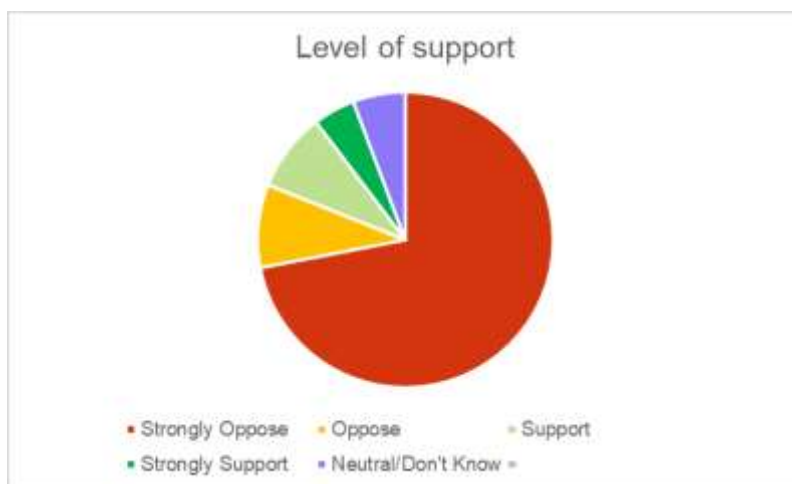
RECOMMENDATIONS

That the Council:

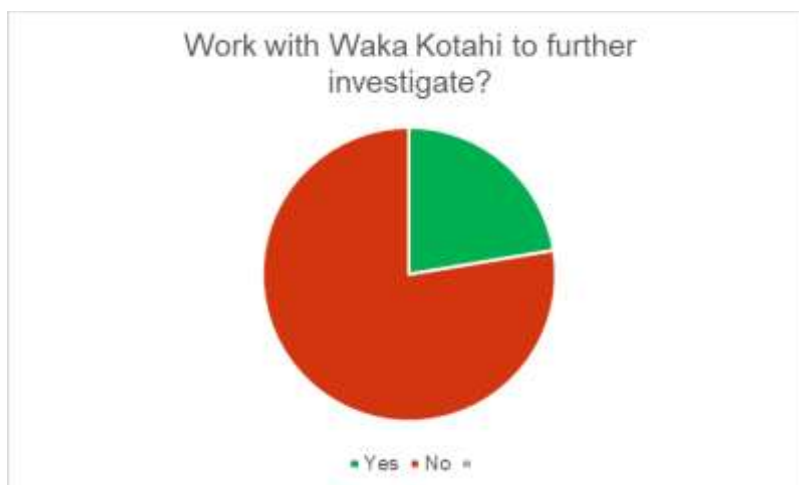
- (a) Receives the report "SmartTrip Variable Road Pricing - Responses to Long-term Plan Engagement".
 - (b) Notes the feedback received through LTP engagement and does not proceed with a full business case for Variable Road Pricing at this stage.
 - (c) Notes that, subsequent to the draft LTP consultation document being issued:
 - (i) Road charging is now being progressed by the new Government (as per the Act Coalition Agreement) to reduce congestion and improve travel reliability.
 - (ii) NZTA – Waka Kotahi have invited TCC to work together with them, the Ministry of Transport and other councils such as Auckland Council (and Auckland Transport) to support a nationally consistent approach on road pricing.
 - (d) Proceeds to:
 - (i) Investigate key areas of community feedback received, including the cost of road pricing charges, the quality and availability of alternative transport modes, location and time of charge, equity concerns and wider network impact (particularly diversion impacts).
 - (ii) Engage with NZTA-Waka Kotahi, the Ministry of Transport, and other interested councils including Auckland Council / Auckland Transport to explore nationally consistent approaches to road pricing.
 - (e) Includes a budget of \$1.5m spread evenly over the first three years of the LTP (with timing reviewed at the next Annual Plan) and requires staff to apply for any applicable subsidy or external funding to reduce the cost to the ratepayer.
 - (f) Notes that the approved road pricing budget will position TCC to be able to participate at a national level and help to ensure that topics raised by the Tauranga community are embedded in nationwide investigations into road pricing.
-

EXECUTIVE SUMMARY

2. The SmartTrip Variable Road Pricing concept is a pricing mechanism that would introduce variable charges across the region's highways, with higher costs during peak travel times and lower costs when demand is less.
3. A council report was provided to Council on [4 September 2023](#), explaining the findings of the SmartTrip study (a proof-of-concept study), and noting the benefits such a system would have. Council endorsed to engage on the SmartTrip concept through the 2024-2027 Long Term Plan (LTP).
4. The engagement took place between 15 November and 15 December 2023
5. Through the engagement three questions were asked:
 - (a) *'What is your level of support for using SmartTrip variable road pricing to accelerate Tauranga's investment in a better road network and transport services thereby reducing congestion and carbon emissions? (Strongly oppose / oppose / neutral/don't know / support / strongly support).*
 - (b) *Should we work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation? (This would confirm the benefits variable road pricing could provide and identify solutions which would address any potential negative impacts).*
 - (c) *Any comments?*
6. The LTP engagement process received 1,667 submissions. Notably, 568 submissions left all SmartTrip related questions blank (34%). 1,099 respondents answered at least one of the three SmartTrip questions.
7. The responses to Questions 1 and 2 are visualised in the two graphs below.



Graph 1: Question 1, Level of Support for SmartTrip (submitters not answering any of the SmartTrip questions excluded)



Graph 2: Question 2, Should we work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation? (submitters not answering any of the SmartTrip questions excluded)

8. The open question was answered by 711 respondents, and provided nuanced insight in reasons why they are opposed or supportive.
9. The concerns/topics raised through the submission's Open Questions have been categorised and are presented in the 'Engagement Feedback Summary' section below. The most common topics for not supporting SmartTrip were: Cost of living / not able or willing to pay more; The quality of alternative modes of transport needing improvement; and equity concerns for those on lower incomes, in certain suburbs, and for those with disabilities.
10. Following the general elections on 14 October 2023 a new coalition government was formed between National, ACT and NZ First on 23 November 2023, i.e. during the LTP engagement. The coalition agreement between National and ACT highlights direction to: *Institute long-term city and regional infrastructure deals, allowing PPPs, tolling and value capture rating to fund infrastructure, and work with Auckland Council to implement time of use road charging to reduce congestion and improve travel time reliability.* Subsequently, it is understood that the new coalition government will be preparing a new Government Policy Statement (GPS) on Land Transport.
11. Based on the consideration of responses and assessment of identified options, the recommended option is to:
 - Not proceed with a full business case at this stage;
 - Further investigate key areas of community feedback received, including exploring pricing scenarios in terms of current or forecast active and public transport enhancement projects;
 - Continue to liaise with Waka Kotahi, the Ministry of Transport, and other interested councils to explore nationally consistent approaches to road pricing, to enact any benefits in policy and engagement alignment.
12. The rationale for the recommendation is that:
 - (a) There is no current legislation in place to implement road pricing schemes
 - (b) At a national level the issue of road pricing is now actively being progressed and there is an opportunity for Tauranga City Council to participate in this process and influence it, rather than merely being a subsequent receiver of work undertaken by others.
 - (c) Feedback received through the engagement identified specific issues which warrant further investigation and consideration; and
 - (d) Appropriate to await further direction from the pending new GPS on Land Transport which is currently being prepared by the new Government.

BACKGROUND

13. The Western Bay has experienced significant growth in recent years. Both the Urban Form and Transport Initiative (UFTI) and the Transport System Plan (TSP) stress the importance of mode choice and the uptake of public transport, walking and cycling to keep the region moving in the context of the anticipated growth.
14. A proof-of-concept Variable Road Pricing (VRP) study was undertaken as part of responding to a 'Key Move' of the SmartGrowth Urban Growth Partnership developed and endorsed UFTI, which is to:
"Investigate and introduce economic instruments to influence travel choice (parking policies, tolling, congestion charging, freight mode choices) within years 0-10 of the programme. Parking policy changes to commence 2021 as per the Te Papa business case" ([UFTI, final report](#), page 105)
15. The study undertaken between 2022 and 2023 investigated how VRP could:
 - (a) Support urban form outcomes (primary outcome)
 - (b) Achieve optimisation of the whole transport system including past investment and the role of each travel mode
 - (c) Improve travel time reliability
 - (d) Raise revenue to invest in local transport solutions
 - (e) Incentivise lower carbon emissions
 - (f) Incentivise travel choice
16. The key findings and benefits of the study's three reports were summarised in the council report provided to Council on [4 September 2023](#). The recommended concept (Concept 5) of the study was later named 'SmartTrip'.
17. The study identified that introducing urban road pricing should be viable for Tauranga and could deliver reduced congestion and improved network performance. The concept was found to deliver a greater positive network impact in terms of vehicle kilometre travelled (VKT), reduced CO2 emissions and reduced travel time delay than most of the other planned network improvements combined.
18. The report further acknowledged some key limitations for implementation:
 - (a) New legislation, a significant process that Government would need progress.
 - (b) On a more local level, the study found that the current Tauranga transport network would require significant investment in improved mode choice before the network could support implementation of a road pricing scheme.
 - (c) The study acknowledges that a significant barrier would be public acceptability. The CDM Smith-Milestone Solutions report (undertaken by TCC and Waka Kotahi-NZTA in 2022 and 2023, as attached to the council report on [4 September 2023](#).) notes that international experience suggests that public acceptability is predicated on a clear compelling accurate and locally-agreed understanding of the value proposition to the 'payer', supported by sufficient alternatives provided before a pricing scheme is implemented.
19. On 4 September 2023 Council endorsed the following resolution (Resolution CO/15/23/10)
 - (a) *Receives the report "SmartTrip Variable Road Pricing Study"*
 - (b) *Notes the benefits identified by the study include reduced congestion and emissions and an ability to accelerate investment in the city's transport infrastructure.*
 - (c) *Notes an expectation that, if implemented:*
 - (i) *Revenue derived locally from SmartTrip (less costs) would be reinvested in the Tauranga transport network as net additional funding to create a better roading*

network, more efficient public transport services and better active (cycling and walking) facilities;

- (ii) *Recommends engaging on the concept of variable road pricing with the community as part of the Long-Term Plan 2024-2034 development as well as SmartGrowth Partners and Government;*
- (iii) *Notes that changes in Government legislation would be needed before variable road pricing could be introduced.*

20. The resolution was the basis to engage with the community on the SmartTrip concept through the Long-Term Plan engagement process, considered as the first of a series of engagement events in future.
21. The information below provides a summary of the results of the engagement process, as well as consideration of next steps.

QUESTIONS ASKED THROUGH LTP CONSULTATION

22. Through the engagement three questions were asked:
- (a) *'What is your level of support for using SmartTrip variable road pricing to accelerate Tauranga's investment in a better road network and transport services thereby reducing congestion and carbon emissions? (Strongly oppose / oppose / neutral/don't know / support / strongly support).*
 - (b) *Should we work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation? (This would confirm the benefits variable road pricing could provide and identify solutions which would address any potential negative impacts).*
 - (c) *Any comments?*
23. The Options presented through the engagement package were:

Option
1

Investigate SmartTrip through a business case investigation

Work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation. This would confirm the benefits variable road pricing could provide and identify solutions which would address any potential negative impacts.

Option
2

Not proceed with a SmartTrip

Not proceed with a SmartTrip business case and continue with our planned investments in transport network improvements.

24. The two options were supplemented with a 6-page document explaining the concept, the benefits to travel time, potential costs associated with the scheme etc. The full consultation document is available on Tauranga City Council's [engagement website](#).

ENGAGEMENT FEEDBACK SUMMARY

25. The engagement has been undertaken through the Long Term Plan (LTP) 2024-2034 process, between 15 November and 15 December 2023.

26. A total number of 1667 submissions to the LTP have been received. Most comments came through the questionnaire. We also received written submissions (in the form of a letter), which often covered multiple topics of the LTP. These letters came primarily from larger organisations and stakeholders.
27. 1099 of the total 1667 LTP submissions responded to at least one of the three SmartTrip questions. 1057 respondents answered the first question (supportive/opposed), 931 answered the second question (working with Waka Kotahi), and 711 provided further comments. It is noted that 40 respondents left the first two questions blank but did provide a response in the open comments question.
28. The first question, asking for the submitters' level of support for SmartTrip, provides the following answers (rounded):
- (a) Strongly oppose 72%
 - (b) Oppose 9%
 - (c) Neutral / don't know 6%
 - (d) Support 9%
 - (e) Strongly support 5%
29. The second question, asking whether the respondents would support TCC in working together with Waka Kotahi NZTA in developing a business case, the results would be as follows:
- (a) Yes: 22%
 - (b) No 78%
30. The open question was answered by 711 respondents, and provided nuanced insight in reasons why they are opposed or supportive.
31. Whilst the level of support in Tauranga appears lower, the support to undertake further studies with Waka Kotahi NZTA appears reasonably similar to the results found in a survey undertaken by the [NZ Infrastructure Commission](#) in 2023. They surveyed 3,000 respondents nationally, covering representative groups from all ages, locations, and backgrounds, and is therefore fully representative of all New Zealanders. The study found that (outside Auckland) 22% of the respondents thought that congestion charging as a fair way of charging for road use at peak times. The study notes these findings are comparable to results found overseas in cities before congestion charging was introduced. It is noted that due to the nature of the LTP engagement, all survey results are counted equal, whilst some groups may be under, or over-presented. As such may not be fully representative.
32. The responses to the 'other comments' question provided insight to the key reasons why submitters were opposing or supportive. The majority of these comments can be clustered into the following categories:
- (a) Cost of living / not able or willing to pay more / economic challenges.
 - (b) The quality of alternative modes of transport needs improvement, i.e. public transport and cycling. Including not believing that overseas examples of pricing will have the same effect in Tauranga, due to this lack of alternative modes.
 - (c) Equity for those on lower incomes, in certain suburbs, and for those with disabilities. (Some submitters acknowledged the status quo also has significant inequity, evidenced by long commute times, access to employment and housing unaffordability).
 - (d) The lack of alternatives for certain employees travelling at specific times / type businesses / for those living remotely.
 - (e) That such initiatives are better suited to be led by central government, providing a consistent approach across the country.

- (f) The feeling they're already paying their fair share to using the roads through council rates, fuel taxes and vehicle registration fees.
 - (g) Concerns about details in the proposal, such as the hours of operation or specific roads in/excluded in the scheme.
33. In addition, the following comments were made only once or twice, although not necessarily provided by evidence, but these comments do provide further insight:
- (a) That travelling in off-peak hours or working from home isn't feasible for many people.
 - (b) A risk that this scheme might push people and businesses elsewhere outside the region.
 - (c) People who can avoid the peak already try doing so due to congestion.
 - (d) Unwelcoming for tourists and visitors.
 - (e) Those travelling to health care appointments may not have a choice to travel in the off-peak hours, nor an option to use other modes of transport.
34. Both submitters opposing and supportive referred to 'conditions' as were also mentioned in the CDM-Smith Milestone Solutions report (undertaken by TCC and Waka Kotahi-NZTA in 2022 and 2023, available through the council meeting report from [4 September 2023.](#)), i.e. submitters are suggesting that certain conditions be met before a SmartTrip concept be considered for implementation:
- (a) A wide range of options should be considered through a business case process (including increasing roading capacity, reducing barriers for alternative modes, rail upgrades, mode shift programmes, as well as variable road pricing schemes).
 - (b) The scheme should be limited to peak-hours only, and off-peak hours should be free for drivers;
 - (c) The scheme avoids shifting traffic from main roads to local roads (e.g. Cameron Road and Cambridge Road are currently used to bypass the Takitimu Drive Toll Road);
 - (d) Alternative modes of transport, in particular public transport higher level of reliability/faster (some respondents suggested bus costs should be reduced or free);
 - (e) Tauranga would have light rail or passenger trains;
 - (f) Those on lower incomes, disabled, and/or those without alternative modes of transport should be catered for well;
 - (g) The scheme would be introduced country-wide through e.g. changes to fuel taxes, road user charges, rather than a Tauranga-specific scheme.
 - (h) Mitigate any concerns about high levels of surveillance, privacy and data protection.
 - (i) Potential revenues to be re-invested in the transport network only. Some submitters noted it should only be used to fund better mode choice.
35. Three of the SmartGrowth Partners provided a written response through the LTP:
- (a) Waka Kotahi NZTA (#1494);
 - (b) Western Bay of Plenty District Council (WBOPDC, #1519); and
 - (c) Bay of Plenty Regional Council (BOPRC, #1565).
36. Submissions have been provided on behalf of iwi and hapū whanau, including Te Rangapu Mana whenua o Tauranga Moana.
37. Commissioners have raised SmartTrip and the LTP engagement with the SmartGrowth Partners. An LTP submission has been received from Toi Te Ora (part of Te Wahtu Ora, Health NZ), noting their support to encourage alternative modes of transport, however no specific comments were made about SmartTrip.

38. In addition to the SmartGrowth partners, we did receive submissions from several organisations and industry forums representing a number of businesses and individuals (e.g. WBOP Infrastructure Forum (#1650), Tauranga Business Chamber (#1493), Sustainable BOP (#1511), Property Council New Zealand (\$1528), etc.).
39. Waka Kotahi NZTA (submission #1494) noted through its submission that they support TCC in exploring road pricing, and invites TCC to work together with them, the Ministry of Transport and other councils such as Auckland Council (and Auckland Transport) to support a nationally consistent approach on road pricing.
40. Bay of Plenty Regional Council (submission #1565) also notes that *they 'support the need for a review of national transport pricing which considers all of the funding and charging options and ' support the prospect of TCC working with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation.*
41. Western Bay of Plenty District Council (submission #1519) *acknowledges the work done investigating Smart Trip variable road pricing and the potential this has to be an eventual replacement for fuel tax to fund the roading network nationwide. However, they 'have significant concerns about how it might be implemented in Tauranga and the disproportionate impact this will have on the residents of our district'*
42. Both submitters opposing and supportive noted recommendations should further investigations proceed. Many of these comments are similar to the recommendations provided in the CDM-Smith Milestones Solutions report, which reconfirms the importance. These are summarised and classified as follows:
 - (a) Ensure good traffic data prior and post implementation to assess the effectiveness.
 - (b) Strong and clear communication and clarify to the public that the current approach of not-charging has significant costs, e.g. long commute times, access to employment and housing/rental unaffordability. This may include consideration of a trial ahead of implementation.
 - (c) Consider a charging system that is integrated with e.g. public transport payment systems
 - (d) Consider combining the ANPR cameras (automated number plate recognition) to be also used for enforcement of e.g. seatbelt wearing, hand-held mobile phone use, speeding, WoF and Rego compliance.
 - (e) Mitigate perverse outcomes that might occur if road users take alternative routes (rat-running)
 - (f) Ring-fence any benefits to be reinvested in the transport network.
 - (g) Consider expanding the scheme to reducing emissions such as an Ultra Low Emission Zone, e.g. charging the most polluting vehicles a higher fee.
 - (h) Consider excluding buses and emergency vehicles from the fees.
 - (i) Reconsider in detail which roads should be in/excluded in the scheme.

NEW COALITION GOVERNMENT DIRECTION ON ROAD PRICING

43. The LTP consultation (15 November – 15 December 2023) took place after the General Elections held on 14 October. Halfway during the LTP consultation, a new Coalition Government was formed by three parties: National, NZ First and ACT on 23 November 2023. The NZ National Party developed two coalition agreements, one with NZ First and one with ACT. NZ [Coalition agreement \(23 November 2023\) between National and ACT](#) notes the following:
 - (a) *Institute long-term city and regional infrastructure deals, allowing PPPs, tolling and value capture rating to fund infrastructure.*
 - (b) *Work to replace fuel excise taxes with electronic road user charging for all vehicles, starting with electric vehicles.*

- (c) *Work with Auckland Council to implement time of use road charging to reduce congestion and improve travel time reliability.*
44. It is anticipated that the coalition government will prepare a new Government Policy Statement (GSP) on Land Transport to guide future transport investment through the National Land Transport Fund (NLTF).
45. Following up forming a new government, the Ministry of Transport (MoT) prepared [Strategic Briefings](#) to the Incoming Minister. This provides important direction and rationale for the new Minister to consider congestion charging and forms of tolling. The MoT briefing includes information for the new Minister about Tauranga's proof-of-concept into road pricing, and more generally the briefing includes the following statements about road pricing:
- (a) *There is interest from several larger metro councils in congestion charging, both to reduce congestion by managing traffic and potentially raise revenue for transport projects. The Ministry expects them to seek your support for the legislation. Draft legislation has been developed, so it could be advanced quickly, although the underlying policy would need to be confirmed in consultation with you.*
- (b) *It further states that: 'there are options for new tolling approaches, including variable pricing or tolling existing roads. These would require amending the LTMA. For example, Waka Kotahi has been working with Tauranga City and Eastern Bay of Plenty on a proof-of-concept study for variable road pricing'.*
46. Further government announcements are anticipated shortly. With the New Zealand Infrastructure Commission leading research pieces and supporting a collaborated approach, along with the Auckland regional fuel tax being removed, changes are being made.
47. City Deals are also in discussion and direction from the new government has highlighted the importance of considering road/congestion pricing within a City Deals package.

OPTION ASSESSMENT AND RECOMMENDED NEXT STEPS

48. Based on the feedback received, the majority of respondents were opposed to the SmartTrip concept and do not support to proceed with a detailed business case at this time. However, comments in the 'any comments' section indicate that there is merit for further investigations under a nationwide remit. Given that no legislation is currently available, staff considered the following potential options on how to proceed locally considering all the above community feedback analysis.

Option	Pros	Cons
1 - Do nothing.	<p>Short-term cost saving</p> <p>Aligns with a large part of submission results.</p>	<p>Not proceeding means forgoing benefits shown through the assessment.</p> <p>Reputational risk by not doing enough to improve accessibility.</p> <p>Does not align with the agreed action in UFTI (endorsed by SmartGrowth partners).</p> <p>Risk that TCC is not actively involved in roading pricing work at a national level and therefore unable to influence the outcomes on behalf of our community (including addressing matters raised by the community through submissions)</p>

<p>2 - Await Government investigations into road pricing.</p>	<p>Nationwide approach may have benefits to public acceptance.</p> <p>Short-term cost saving.</p> <p>Aligns with a large part of submission results.</p>	<p>Limited local control over a business case</p> <p>Objectives of a nationwide approach may have different objectives, over which local councils have limited control.</p> <p>Uncertainty about whether potential financial revenues would be ringfenced to local areas.</p>
<p>3 – Actively participate in the opportunity to work with Waka Kotahi, the MoT and other councils to investigate and potentially implement road pricing, including further investigating key areas of feedback received through submissions. Allocate budget in the LTP to continue some targeted investigation.</p> <p>Recommended</p>	<p>Recognises the work done into road pricing by Auckland Council/Transport (and provided for in the National Party / ACT Coalition agreement), which enables further studies at a national level.</p> <p>Will help to scope potential future work.</p> <p>Enables further investigations into matters raised through engagement, such as equity, cost of living and mode choice, along with exploring pricing scenarios in terms of current plans around active and public transport enhancement. It will also allow wider economic benefits to be determined in more detail to assist with further comms and engagement.</p> <p>Build on the benefit in engagement being aligned between local and national policy conversations. It also provides an opportunity to influence and inform new legislation (when investigation together with NZTA, the Government and other councils).</p> <p>As pricing is a strategic tool that works well as part of integrated transport and land use planning, it allows pricing scenarios to be considered in parallel planning (e.g. business cases related to public transport).</p> <p>Enables further community engagement, e.g. in the form</p>	<p>Does not fully align with submission results.</p> <p>Costs of further investigating estimated at approx. \$1.5m over the next few years (\$500k in the first year). This would include approx. \$500k plus staff time to further investigate local issues, and a further \$1m to co-fund nationwide studies/policies to influence scope and ensure concerns by the Tauranga community are included in the scope – this is not currently included in the LTP.</p>

	of a Community Panel.	
4 – Undertake a business case.	<p>More control over objectives and ringfencing potential revenues.</p> <p>Provides an opportunity to realise accessibility, travel time reliability and other benefits outlined in studies to date.</p> <p>Provides an opportunity to influence and inform new legislation.</p> <p>Enabled further community engagement, e.g. in the form of a Community Panel.</p>	<p>Would rely on Government legislation that does not exist yet</p> <p>Would be proceeding contrary to majority community feedback.</p> <p>Key criteria as outlined in Milestones Report, such as quality mode choice, not currently met and require continued investment (as outlined in TSP).</p> <p>Short-term budget requirements</p> <p>NLTF funding would need to be sought as LTP does not currently anticipate budget (Business Case anticipated \$2m-3m)</p> <p>Outcome may be inconsistent with work being progressed nationally and result in sunk costs.</p>

49. It is noted that for all potential next steps it is vital to continue to emphasise the importance of investment in the region's transport network, improvement of mode choice and encouraging mode shift, and its integration with potential pricing scenarios, as directed by UFTI and the TSP. Funding and financing options to deliver the infrastructure and services required needs to be determined.
50. Prior to any new legislation, and whilst key transport infrastructure and improved mode choice is being planned and delivered, it is recommended that further comms and engagement activities could proceed to communicate and educate on the benefits of road user charging. Consideration should be given to establishing a Community Panel.
51. It is also recommended to acknowledge the community feedback that reinforces the need for viable mode choice, through attractive alternative mode options. The TSP already focusses on this, and it is important to re-enforce that this should continue to be the focus of the TSP Partners, irrespective of whether further work on SmartTrip would proceed.
52. Considering the four options, the absence of current legislation, the inclusion of road charging in the coalition agreement, the investigations into road pricing ongoing in Auckland, and the feedback received, it is recommended to further investigate key areas of feedback received whilst continuing to liaise with Waka Kotahi NZTA, the Ministry of Transport, and other councils to explore nationwide consistent approaches to road pricing. This option enables TCC to actively and meaningfully participate in road pricing work as it evolves.

FINANCIAL CONSIDERATIONS

53. The costs and benefits of proceeding with investigations of SmartTrip has been outlined in the council report, dating [4 September 2023](#).
54. Depending on the option endorsed by Council, the options may require additional budget in the LTP. Currently no budget provision is made in the draft LTP.
 - (a) Actively participate in discussion with Waka Kotahi NZTA, the MoT and Auckland Council will require a budget to complete the required work. This includes budget to further investigate key areas of feedback received, This is estimated to require LTP budget in order of \$500k (plus staff time) in total.

- (b) A further \$1m is considered to be required should council wish to input to / co-fund national studies, as this enables Tauranga to actively inform the scope of future studies and include topics raised through the engagement.
 - (c) Proceeding with business case investigations into road pricing is estimated at \$3m, as outlined in the Transport System Plan (TSP) Refresh. Co-funding would be sought through the NLTF. It is hoped that this may be at least partially progressed at a national level.
55. It is noted that postponing further investigations may not have direct financial implications, as no business case or implementation costs are anticipated, but postponing or cancelling any further investigations into SmartTrip is likely to have many indirect consequences in the longer term. For example, increased journey times, reduced trip reliability, increased emissions, increased operating costs, reduced productivity, increased public pressure to invest in new infrastructure, etc. (as outlined in the council report dating 4 September 2023).

LEGAL IMPLICATIONS / RISKS

56. It is noted that road pricing would require legislative changes to implement.

STRATEGIC / STATUTORY CONTEXT

57. The SmartTrip study from 2023 has identified that the SmartTrip concept could deliver a range of benefits aligned to UFTI and the 'Community Outcomes' in the Councils Long Term Plan 2021-31, including:
- *We have a well-planned City*
 - *We are inclusive*
 - *We value and protect our environment*
 - *We can move around our City easily*
58. SmartTrip also aligns with the 'Our Direction' framework which was adopted on 12 December 2022. This includes an objective that: *Tauranga is a well-connected city, easy to move around in and with a range of sustainable transport choices.*

SIGNIFICANCE

59. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
60. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
61. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that a decision to continue to actively participate in a cross-region / national policy agenda regarding road pricing and continue with some localised further investigations is of medium significance. However, it is likely to be of high interest to the community. Any potential future implementation of a road pricing scheme would likely have high significance.

ENGAGEMENT

62. Due to the nature of the variable road pricing proof-of-concept study, no prior engagement was carried out on this topic prior to the LTP consultation.
63. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.
64. All further work with involve stakeholder and partner engagement, and broader community consultation as an when appropriate and/or relevant opportunities arise. This will be undertaken not only through local programs, but also through regional and national channels of communication.

NEXT STEPS

65. The LTP consultation community feedback has shown that proceeding with a full business case is not supported at this stage.
66. Having considered the consultation responses including the detailed reasonings provided, it is proposed to only continue with a limited level of further investigation at this stage, to better understand aspects of key areas of community feedback received.
67. In order to ensure Tauranga keeps at pace or ahead of the road pricing national discussion and is involved in policy changes to best reflect Tauranga's needs, Council will continue to liaise with NZTA-Waka Kotahi, the Ministry of Transport, and other interested councils. This includes Auckland Council / Auckland Transport to explore nationally consistent approaches to road pricing.
68. To support this resource, it is proposed that a budget of \$500k is included in the first year of the LTP, with an additional \$500k in each of the following two years, which will be reviewed through subsequent Annual Plans / LTP Amendments. This budget will fund further local investigations and provide input to / co-fund national studies, as this will enable TCC to be part of any next steps at national level and help to ensure that topics raised by the Tauranga community are embedded in nationwide investigations into road pricing.

ATTACHMENTS

Nil

11.6 Issues and Options - Waste Infrastructure

File Number: A15237596

Author: Cayley McLean, Team Leader: Waste Planning and Projects
Dan Smith, Manager: Sustainability & Waste
Nick Chester, Principal Strategic Advisor

Authoriser: Nic Johansson, Head of Transport

PURPOSE OF THE REPORT

1. The purpose of this report is to:
 - Seek direction on future waste infrastructure requirements for the city.
 - Confirm amendments to the LTP budget.

RECOMMENDATIONS

That the Council:

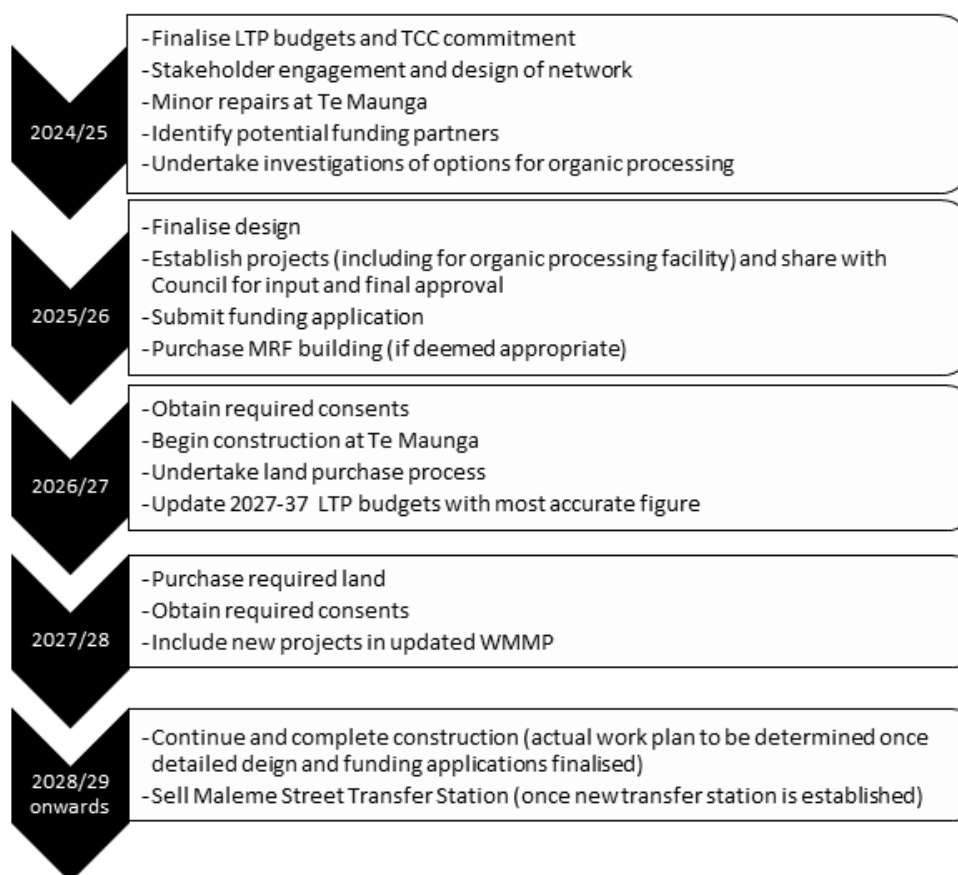
- (a) Receives the report "Issues and Options - Waste Infrastructure".
- (b) Discontinues the original Te Maunga Redevelopment Project.
- (c) Confirms that Tip Lane at Te Maunga is considered unsuitable for organic waste processing.
- (d) Collaborates with Western Bay of Plenty District Council (WBOPDC) to identify opportunities to connect WBOPDC recycling centres to the sub-regional waste infrastructure network.
- (e) Undertakes investigations, funded by the waste levy, to identify the best method to process organic waste (food and garden waste) in conjunction with WBOPDC and potentially other councils in the BOP and southern Waikato Region. This is to include consideration of land purchase for developing a local organic waste processing facility located in or near the sub-region.
- (f) Approves investment in the 2024-34 LTP to:
 - (i) Undertake minor critical upgrades to Te Maunga Transfer Station to ensure health and safety compliance - \$819,040.
 - (ii) Undertake schematic design (\$1.14m), securing land (\$16.7m) and development of the sub-regional waste infrastructure network - \$32.94m, which enables:
 - Transition of Te Maunga waste site into a Resource Recovery Park including the Material Recycling Facility; and
 - Development of a new Resource Recovery Park in the north-west of Tauranga to service residents in the western Tauranga and potentially the Western Bay of Plenty District.
- (g) Notes the investments in (f) above result in an overall waste capex LTP investment of \$51.59m, which is a reduction from the draft LTP of \$7,394,876. Further notes that staff will seek to maximise funding from external sources for the waste investments.

EXECUTIVE SUMMARY

2. TCC has recently conducted a Bay of Plenty Regional Waste Infrastructure Analysis alongside the five other councils in the BOP Region, aimed at determining the waste infrastructure needs for the sub-region (Tauranga and Western BOP) and a sub-regional

Circular Economy Project identifying opportunities to transition our city towards a circular economy.

3. Outcomes from the recent studies undertaken highlight the need for investment in waste infrastructure now and in the future, including a well-established sub-regional waste infrastructure network, including, a local organic waste (food and garden) processing facility and a Resource Recovery Park towards the North-West of the sub-region.
4. Despite Tauranga's status as a rapidly growing city, TCC has allocated less than half the per-person investment into waste infrastructure and operational costs compared to other councils in the region. This absence of capital expenditure investment has resulted in the deterioration of waste facilities in the city, leaving them ageing and run down.
5. Funding in future years is proposed for three projects:
 - (a) Minor critical upgrades to Te Maunga Transfer Station to ensure health and safety compliance.
 - (b) Schematic design of the sub-regional waste infrastructure network, including:
 - (i) Transitioning Te Maunga from a transfer station into a Resource Recovery Park, including the Material Recycling Facility (MRF).
 - (ii) Development of a new Resource Recovery Park in the North-West to service residents in the western Tauranga and the Western BOP District.
 - (iii) Identifying opportunities for the Western Bay of Plenty recycling centres to connect to the network.
 - (c) Identifying the best method to process our organic waste (food and garden waste) in conjunction with the Western BOP District Council and potentially other councils in the BOP and southern Waikato Region. This may include the development of a local organic waste processing facility located in or near the sub-region.
6. Investment in waste infrastructure is needed to not only respond to community expectations, as per LTP submissions, but also to meet the goals and actions in TCC's Environment Strategy, Waste Management and Minimisation Plan, and Climate Action Investment Plan.
7. **Proposed work plan:**



BACKGROUND

8. Moving waste services to align with the principles of the "circular economy" involves the shared, leased, reused, repaired, refurbished, and recycled utilization of resources. This approach aims to extend product life cycles and reduce resource consumption. Embracing a circular economy in waste management offers environmental, social, and economic benefits.
9. According to audits conducted in April 2023, the sub-region (Tauranga and Western Bay of Plenty) disposes of nearly 107,000 tonnes of waste in landfills annually. Of this, 65,000 tonnes (61%) have the potential to be diverted. The waste per capita for the sub-region is reported to be 0.484 tonnes per capita per annum.
10. In 2020/21, TCC was successful in securing \$12.5M of funding for the redevelopment of Te Maunga Transfer Station from the MfE. The original project was going to include a construction and demolition (C&D) sorting facility as well as a community-led resource recovery centre (which TECT indicated an interest to help fund). The entire project was estimated at \$16.5M, with TCC only having to contribute \$4M.
11. Over time, the scope of the project changed, and it was identified that to future-proof Te Maunga, there needed to be significant changes to the overall design and not just focus on the C&D facility. This included creating a new entrance for the community to enable separate entrances for them vs commercial users to drastically reduce wait times, safety concerns and traffic build-up. It also included much-needed improvements to the site that has not been improved since initial construction in 1995. Space became restricted, which led to the removal of the community-led resource recovery centre (along with any potential funding from TECT). The decision was also made to increase the size of the C&D plant, to cater for growth in the region, which led to a bigger (more expensive) building. These changes, as well as staff turnover and cultural challenges, led to significant delays, resulting in increased costs through inflation and rising building costs. The detailed design undertaken in April 2023 had the project estimated at \$53M – a 221% increase. This was going to increase again to \$57M if the project was to be staggered to bring it in line with the proposed LTP spend.

12. In August 2023, it was decided to pause the project due to rising costs and delays. As we could not justify the benefits against any measures at the time, it was decided a business case to assess its continued viability in achieving the goal of reducing waste sent to landfills. Concurrently, the Regional Waste Infrastructure Analysis and Circular Economy Project was initiated, involving the collation of regional waste data and engagement with key stakeholders. This project also provided an opportunity to collaborate with other councils in the Bay of Plenty, addressing regional waste challenges collectively and integrating newly mandated 'circular economy' principles. These parallel efforts aimed to reevaluate the current project and explore more effective and sustainable approaches to manage and reduce waste in the region.
13. Key findings identified that the private sector is planning initiatives that will provide a solution to the sub-region's C&D waste, making it clear that TCC investing in a C&D plant is unviable.
14. Furthermore, the research revealed that all the districts in the Bay of Plenty already possess established infrastructure for redirecting materials like C&D waste, along with easily reachable transfer stations and Community Resource Recovery Centres. Tauranga and Western Bay of Plenty, however, are falling behind in these aspects. While the other councils have expressed initial interest in establishing a regional waste network, it is evident that Tauranga and Western BOP must first establish the necessary local infrastructure before expanding connectivity on a regional level. Presently, conversations are underway with the BOP Regional Council regarding the formulation of a Regional Waste Strategy.
15. The current draft LTP has \$59M (including inflation) in the budget for both Waste Infrastructure Development (\$52.7M between Y1-4) and a Community Resource Recovery Centre (\$6.3M between Y5-7).
16. The MfE has advised that the original funding (approximately \$10M) for the Te Maunga Redevelopment Project is no longer available due to it initially being granted based on being a shovel-ready project. They have however encouraged TCC to apply to their contestable Waste Minimisation Fund (WMF) for any future projects that contribute to identified strategic objectives, which currently are around diverting organic waste from landfill and initiatives that support the move towards a circular economy. The level of investment from EnviroNZ is also unknown at this stage as it will directly relate to the commercial benefit gained from the options taken from this paper. A C&D plant is not their preferred option given the risks involved with the competition for C&D.

Summary of findings from the Waste Infrastructure Analysis and Circular Economy Project

17. **C&D Waste Solutions** - A private company is in the process of establishing a commercial transfer station in Tauriko (no public access), primarily targeting commercially generated C&D waste. The transfer station would be a consolidation point, from which materials will be transported to a processing plant near Huntly. The expected diversion rates from this facility remain undisclosed due to commercial sensitivity. Nevertheless, it is anticipated that the facility will achieve very high diversion rates, primarily attributed to the substantial scale and financial investment earmarked for the C&D processing facility by the private company and the MfE.
18. The top infrastructure-related recommendation identified in the Circular Economy Project for the C&D sector was to establish a location/facility where reusable materials and items can be collected, stored, resold, or redistributed. This has also been supported by discussions with the construction sector.
19. **The opportunity for a Circular Resource Network** - There is an opportunity to create a Circular Resource Network (see Figure 1 below) that consists of a Resource Recovery Park (RRP) that includes drop-off, bulking, storage, sorting, repairing, resale, some processing, and education. Te Maunga has been identified as an ideal site for an RRP.
20. A Circular Resource Network is a concept that seeks to manage material in a way that is fully aligned with a circular resource economy, which is a priority of the current New Zealand Waste Strategy - Te Rautaki Para. The vision is for each region in New Zealand to have a 'Hub' that acts as a full facility RRP and is integrated with and supports other smaller sites in

the sub-region/region. This concept was developed following a significant national infrastructure review completed in 2022 and will form a core part of the government's infrastructure investment plan currently in development. A Circular Resource Network would form the basis of a Waste Infrastructure Network.

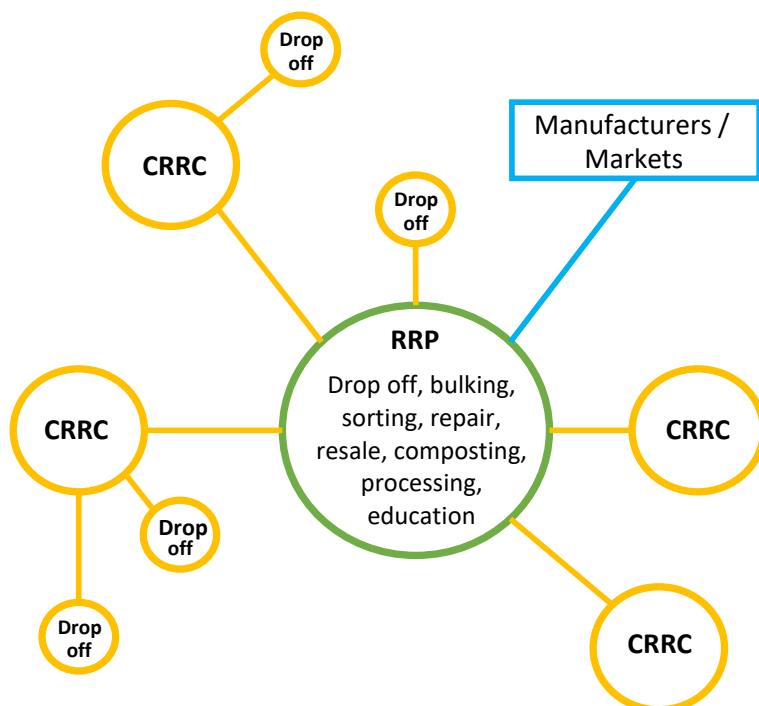


Figure 1: Example of a Circular Resource Network. Note that CRRC stands for Community Resource Recovery Centre and RRP stands for Resource Recovery Park.

21. **Transfer station vs Resource Recovery Park (RRP)** – A transfer station serves as a temporary holding facility for solid waste before its final transport to destinations like landfills or recycling centres. Its main purpose is to consolidate and transfer waste from smaller collection vehicles, such as garbage trucks, to larger transport vehicles like truck trailers. This facilitates more efficient hauling to disposal or processing facilities. Unlike transfer stations, RRP's are more extensive facilities designed to extract resources from waste streams using methods like recycling, composting, and anaerobic digestion. RRP's strive to minimize landfill contributions by reclaiming valuable materials for reuse, recycling, or energy production. These parks often feature distinct processing units or modules dedicated to various waste streams, such as organic waste, construction and demolition waste, electronics, and other recyclables. Additionally, RRP's may incorporate educational and community engagement components to promote waste reduction, recycling, and sustainable practices. In essence, while both transfer stations and RRP's play crucial roles in waste management, transfer stations concentrate on the transfer and transportation of waste, while RRP's are comprehensive facilities focused on recovering resources through diverse recycling processes.
22. **Organic Waste Processing Facility** - A local (ideally regional) organic processing facility is required for the processing of food and garden waste.
23. **Second Transfer Station** is required with expected population growth and to allow appropriate travel times for people to have adequate access to dispose of their waste, especially items that cannot be disposed of through the kerbside service.
24. **Material Recycling Facility** There is potential for a regional Material Recycling Facility (MRF) that services the broader region and is owned and operated by all six BOP councils and potentially councils in southern Waikato.
25. **Regional Waste Strategy and Support** The region requires a refreshed Regional Waste Strategy and the establishment of a BOP Regional Strategic Waste role.

ISSUES

26. Two significant issues have arisen from the Waste Infrastructure Analysis and the Circular Economy Project. These are as follows and are discussed in detail below:

- (a) The sub-region has had a significant lack of investment in waste infrastructure; and
- (b) The sub-region lacks a local organic waste processing facility.

Issue 1: Lack of investment in waste infrastructure in the sub-region

27. Currently, the Waste Infrastructure Network in the sub-region is made up of:

- (a) Te Maunga Transfer Station (TCC owned but operated by EnviroNZ)
- (b) Maleme Street Transfer Station (TCC owned but operated by EnviroNZ)
- (c) Four small recycling/garden waste drop-off locations (owned and operated by the Western BOPDC)
- (d) Material Recycling Facility (MRF) that processes the region's recycling and sends it to end-markets (building and plant owned by Waste Management and land owned by TCC)
- (e) Old composting facility site at the back of Te Maunga Transfer Station near Rangataua Bay (land owned by TCC but previously operated by Revital)
- (f) Goodwood, which is a private organisation that diverts untreated timber (buildings and plant owned by Goodwood and land owned by TCC)

28. Table 1 below shows the percentage spend on solid waste activities against total spending across the various councils in NZ (taken from figure.nz). This shows that both Tauranga and the Western BOP councils have invested significantly less than other councils in solid waste activities. Note that these costs include both opex and capex, e.g. kerbside collections as well as transfer stations.

Table 1: Percentage spend on solid waste activities against total spending across the various councils in NZ (taken from figure.nz)

Council	Population	2022 Total Waste Spend	2021 Total Waste Spend	2020 Total Waste Spend	3 year Average Waste Spend	\$ Per Head Waste Activities	Landfill	Total Spend (Last Recorded)	Spend % Waste
Tauranga	161,800	\$6,450,000	\$6,384,000	\$5,536,000	\$6,123,333	\$37.85	No	\$250,968,000	2.44
Western BOP	60,800	\$3,270,000	\$1,355,000	\$1,284,000	\$1,969,667	\$32.40	No	\$69,049,000	2.85
Rotorua	78,200	\$6,750,000	\$6,033,000	\$8,518,000	\$7,100,333	\$90.80	No	\$149,184,000	4.76
Whakatane	38,800	\$7,974,000	\$5,316,000	\$5,130,000	\$6,140,000	\$158.25	No	\$79,028,000	7.77
Kawerau	7,820	\$1,590,000	\$1,861,000	\$1,262,000	\$1,571,000	\$200.90	No	\$15,729,000	9.99
Opotiki	9,300	\$2,503,000	\$2,755,000	\$1,476,000	\$2,244,667	\$241.36	No	\$23,790,000	9.44
Auckland	1,470,000	\$123,020,000	\$123,545,000	\$134,930,000	\$127,165,000	\$86.51	No	\$2,694,601,000	4.72
Christchurch	405,000	\$44,364,000	\$49,319,000	\$31,414,000	\$41,699,000	\$102.96	Yes %	\$896,535,000	4.65
Wellington	215,200	\$20,544,000	\$18,627,000	\$18,668,000	\$19,279,667	\$89.59	Yes	\$623,574,000	3.09
Hamilton	185,300	\$10,755,000	\$8,058,000	\$12,557,000	\$10,456,667	\$56.43	No	\$326,821,000	3.20
Dunedin	106,200	\$19,863,000	\$17,744,000	\$14,861,000	\$17,489,333	\$164.68	Yes	\$296,918,000	5.89

29. The two transfer stations have had little to no investment since they were established in the mid-late 90's. This absence of capital expenditure investment has resulted in the deterioration of waste facilities in the city, leaving them ageing and run down.

30. In 2021, the closure of Maleme Street Transfer Station to the public was prompted by persistent stormwater contamination issues (resulting in abatement notices) and the site's vulnerability to flooding. Due to these factors, the location has been deemed unsuitable for further investment. The site now only accepts waste from commercial account holders and is used to consolidate both TCC and WBOPDC's kerbside rubbish and food scraps, before being taken to Hampton Downs. This leaves Te Maunga as the only transfer station open to the public for TCC and WBOPDC residents. This places significant stress on Te Maunga and is suboptimal from the standpoint of health & safety, and resilience, particularly considering

the potential consequences for the sub-region in case Te Maunga becomes unavailable, such as during severe weather events.

31. Significant investment is required to ensure waste facilities are fit for purpose, resilient, can accommodate future growth, support a circular economy, and ultimately reduce waste to landfill. Currently, Te Maunga diverts a significant amount from landfill (almost 26,000 tonnes in 2022/23, which equates to approximately 41% of the material received at the transfer station). However, higher diversion rates can easily be achieved with improved designs, layout changes, upgrades and additional facilities providing complementary services.
32. Tauranga is the only large city in NZ that does not have a Community Resource Recovery Centre and is solely reliant on second-hand stores as drop-off points for unwanted items. Most second-hand stores do not have the space to store large items, which means a lot of reusable items end up going to landfill. TCC does, however, provide financial relief in the form of a 'charity waiver' to several charity stores/organisations to help with the disposal of materials to landfill, which costs TCC approximately \$80,000 - \$100,000 per annum.
33. In April 2023, a visual survey of Te Maunga Transfer Station highlighted a substantial number of potentially reusable items being disposed of in landfill, mainly from members of the public. The following figures **per week** provide an overview, recognising that this is not an exhaustive list, and there will be additional items that were not observed visually:
 - (a) 2,300+ wood offcuts over 1 metre long
 - (b) 930 items of residential furniture (e.g., tables, chairs, carpet, drawers, shelves, couches, mattresses, and bed frames)
 - (c) 360 electronic items (e.g., small appliances, whiteware, computers, audio equipment)
 - (d) 310 plumbing-related items (e.g., toilets, sinks, baths, pipes)
 - (e) 270 items of joinery (windows, doors, frames)
 - (f) 120 outdoor tools (e.g., power tools, hand tools, ladders)
 - (g) 59 bicycles

Note that this was only from Te Maunga Transfer Station, which generates 30% of the sub-region's waste sent to landfill. It does not include Maleme Street Transfer Station, which takes 70% of the sub-region's waste that is sent to landfill.

34. Auckland and Christchurch have several well-established and connected centres, including Auckland's series of 14 [Community Resource Recovery Centres](#) (with plans to expand to 23 by 2030) and Christchurch's 12 [EcoDrop](#) recycling centres and collection points. These are examples of well-established Waste Infrastructure Networks. Hamilton has their Lincoln Street [Resource Recovery Centre](#), Wellington City has their [Tip Shop](#) and New Plymouth has [The Junction](#).
35. Establishing a Community Resource Recovery Centre is in TCC's Waste Management and Minimisation Plan and Climate Action Investment Plan. There was funding in the original draft LTP for \$6.3M (including inflation) from fiscal years 2028/29 – 2030/31.
36. TECT have expressed a very strong interest in helping to fund a Community Resource Recovery Centre. They have advised the areas of interest of the project are the community-led elements in relation to the Community Resource Recovery Centre and the development of an education centre. They have advised they would expect the recommendations of such a site to be informed by the community and that it would service the resource recovery needs of both Tauranga and the Western Bay of Plenty. Due to the significant amount of funding provided for Te Manawataki O Te Papa, TECT has advised they will need to plan for any other potential projects so they can build up the reserves in their regional fund.
37. MfE also expressed that funding would be provided for projects that align well with their pending Action Investment Plan and the circular economy. Their preference is for TCC to allocate funding in their LTP and to undertake schematic design to get the best estimate of costs and then apply to their Waste Minimisation Fund.
38. Western Bay of Plenty District Council (WBOPDC) has investigated and approved the establishment of Community Resource Recovery Centres at two of their existing community recycling sites in Katikati and Te Puke. They are currently working closely with iwi and

community groups in their district to establish such centres. WBOPDC indicated that they will be interested in exploring the potential to have these sites connected to a larger Waste Infrastructure Network to increase efficiencies with Te Maunga and any future transfer stations or resource recovery parks. The WBOPDC LTP is still under development and their commitment to waste projects is not yet known.

39. WBOPDC residents require easier access to a transfer station, especially in Western areas where residential growth is high and travel distances to Te Maunga are further. Pre-engagement feedback to their LTP and Waste Management and Minimisation Plan outlined the lack of a transfer station within the district as a large issue for the public. This was particularly felt by those residents who had previously relied on Maleme Street and in high-growth areas such as Ōmokoroa. WBOPDC has indicated a desire to explore options and collaborate with TCC. Costs to support implementation for a new facility are not currently budgeted in their current LTP, however some budget for investigations is included. Further funding would be subject to investigations of feasibility, location, cost, and partnership opportunities. This is also supported in the WBOPDC draft WMMP.
40. As previously outlined in the report, a private company is in the process of opening a commercial transfer station in Tauriko. While this will in large part address issues related to diverting C&D waste from landfill, it does not solve the issue of requiring a second transfer station for the public. The private company has advised they are open to exploring the idea of working with both TCC and WBOPDC and having a residential drop-off location next to their site. However, it is not big enough to accommodate a full public-facing transfer station and options for the provision of a resource recovery park to enable the sorting of residential waste from landfill. Any future investment from TCC should focus on providing solutions to maximise diversion from landfill and connect with the wider Waste Infrastructure Network. The timing for the establishment of this commercial facility is unclear at this stage but they have indicated they need to finalise their plans as soon as possible, given they will require C&D waste for their new plant that is opening near the end of 2024.
41. There is the potential for TCC to purchase a piece of land for a Resource Recovery Park in the North-West, that the private company (and other waste minimisation-orientated organisations) can lease and operate their business from. The land would also need to accommodate existing activities such as a consolidation point for food and general waste, which currently occurs at Maleme Street Transfer Station. Contractual obligations and partnerships with existing providers all need to be considered.
42. Maleme Street could be sold to supplement the costs associated with a new transfer station for approximately \$12M (based on a swift preliminary internal assessment). The benefits of a potential sale of this site would need to be carefully weighed up against the costs of purchasing a new site given it has existing infrastructure, land designations and consents for waste activities as well as its current functions and contractual obligations.
43. There are also opportunities to include the land currently occupied by the Material Recycling Facility (MRF) in any new designs to ensure the two operations complement one another with increased efficiencies and provisions for increasing waste diversion from landfill. Especially given the current lease with Waste Management ends at the end of 2025. There is now an opportunity for TCC to purchase the building from Waste Management, which staff are exploring further and forms part of the amended LTP budget.

ISSUE 2: Sub-region lacks an operational local organic waste processing facility

44. An estimated 26,000 tonnes of organic waste are sent to landfill per annum from the sub-region, with 22,000 tonnes (84%) being compostable and able to be diverted from landfill. Organic waste is comprised of food scraps and compostable garden waste.
45. The sub-region's organic waste is currently being transported to Hampton Downs, a two-hour drive (160km) from Tauranga. Since the kerbside service started in July 2021, almost 22,000 tonnes of organic waste have been transported to Hampton Downs. This comes at a cost and puts additional pressure on our roading network creating unnecessary environmental

impacts and emissions. This was initially agreed to in the kerbside contracts with EnviroNZ and was intended as a temporary solution until a local facility was established.

46. With increasing numbers of councils beginning to collect organic waste at the kerbside, as required by government policies, there will be a growing quantity of organic waste collected from within the region. This will add additional pressure to EnviroNZ's organic facility. This results in additional pressure to find a local processing option for the region/sub-region's organic waste.
47. TCC is contractually required to provide a site for EnviroNZ to build a processing facility by July 2024. The site TCC had earmarked is the old compost site previously occupied by Revital, located on Tip Lane, behind the Te Maunga Transfer Station. There are ongoing legal disputes with Revital that need to be resolved before any land can be made available at Te Maunga, including the remediation of contaminated land and transfer of resource consent.
48. Based on TCC's current contract with EnviroNZ, if a local processing facility were to be available, processing and haulage fees for food and especially garden waste, would decrease. If a local processing facility is to be established, TCC alone would save approximately \$5M in operational costs over 10 years (based on 2024 tonnages excluding expected increases to align with population growth), not to mention the environmental impacts of not having to transport this material to Hampton Downs.
49. The S&W team, Three Waters and Spaces and Places are currently developing a land use plan for Te Maunga. Relevant stakeholders, along with Ngā Pōtiki, have stated their concerns over developing another composting site at Te Maunga. The main concerns from Bay Park are the potential odours that could impact the users of the soon-to-be upgraded Bay Park. This site is further complicated by the implications of the Rangataua Bay Working Party having Customary Marine Title (CMT) and the pending decision on the Wahi Tapu status of Rangataua Bay, significantly impacting the ability to obtain consents for anything that impacts the harbour. Modelling also shows that the existing site is located in a future inundation zone.
50. EnviroNZ has conveyed a strong interest in exploring a collaborative regional initiative for processing organic waste with interested councils. The aim is to secure feedstocks through Council contracts and alleviate the need for EnviroNZ to independently fund the entire investment, including the purchase of land. While their preference is to have the site situated within the sub-region, they are open to considering locations in other districts. Other options are worth exploring in collaboration with other nearby councils.
51. With the concerns listed above, a decision is required on whether we continue to use Te Maunga to develop a new organic waste processing facility, or TCC seek funding to purchase another piece of land or TCC leave EnviroNZ to purchase the land. Despite the option taken, this is likely to lead to a contract variation (likely an extension to their current contract term and increased processing costs that would also impact WBOPDC's contract with EnviroNZ).

OPTIONS / OPPORTUNITIES

52. To address the two issues outlined above, the following opportunities have been identified:
 - (a) Undertake schematic design of an updated 'Waste Infrastructure Network', that incorporates existing infrastructure and service needs, as well as future requirements, including a new transfer station and organic waste processing facility. The schematic design will uncover the requirements for each piece of infrastructure, as well as ensure they are designed to complement each other and allow for future growth for the sub-region. This process will allow Council to identify the costs associated with establishing the network as well as expected increases in diversion rates and will put Council in a better position to update required budgets in the next LTP as well as seek external funding, e.g. through TECT and applications to the MfE's Waste Minimisation Fund.

- (b) Undertake investigations to identify the best method for processing the sub-region's organic waste (Whakatane District Council has also expressed interest in this). This may include establishing a local composting facility (including buying land), continuing to use the facility at Hampton Downs or looking at existing nearby facilities such as EcoGas. Once the investigations are complete, an Issues and Options paper will be presented to Council on the best options to explore further.

BENEFITS

53. There are environmental, social, and economic benefits to developing waste services in line with a circular economy, including:
- (a) **Synergy and Efficiency** - An interconnected Waste Network allows for the sharing of resources, equipment, and expertise among facilities. This fosters efficiency in operations and reduces redundant infrastructure and costs.
 - (b) **Improves Resilience in Disaster Event** - In the aftermath of a disaster, there is often a surge in waste generation from debris, damaged infrastructure, and emergency response activities. RRP's parks can efficiently manage this waste by storing, sorting, recycling, and processing materials, thus preventing environmental hazards and public health risks associated with uncontrolled waste accumulation.
 - (c) **Optimised Resource Utilisation** - Various waste streams can be more efficiently sorted, stored, processed, and recycled to recover valuable resources such as metals, plastics, glass, and organic matter, which reduces waste sent to landfills and maximizes material recovery.
 - (d) **Economies of Scale** - This applies to procurement, operations, and marketing. Larger volumes of recycled materials can be produced and sold at competitive prices, enhancing the economic viability of the facilities.
 - (e) **Environmental Benefits** - By diverting more waste from landfills and reducing the need for virgin resource extraction, connected resource recovery parks help mitigate greenhouse gas emissions associated with transport, landfilling and resource extraction while conserving natural resources.
 - (f) **Job creation** - Establishing a connected network and focussing on a circular economy generates employment opportunities within the local community. Jobs may range from waste sorting and processing to administrative roles, contributing to economic development and reducing unemployment rates.
 - (g) **Community Engagement and Education** - Interconnected networks provide opportunities for community engagement and education on waste reduction, recycling, and sustainability. Public tours, educational programs, and outreach initiatives can raise awareness and encourage participation in recycling and waste diversion efforts as well as enabling residents to feel empowered by participating in waste reduction initiatives.
 - (h) **Social Equity** - A connected network ensures equitable access to waste management services and opportunities for involvement across diverse socioeconomic groups. This fosters inclusivity and social cohesion within communities.

STRATEGIC / STATUTORY CONTEXT

54. The recommended options support the strategic direction of TCC through Tauranga Taurikura - Environment Strategy, in particular Goal 4: Tauranga values resources in a circular economy.
55. The recommended options also help to fulfil outcomes and actions in other key TCC documents, such as the Climate Action and Investment Plan and the Waste Management and Minimisation Plan

56. The recommendations listed in this report are also very well aligned with Te Rautakai Para New Zealand Waste Strategy and allow Tauranga to invest in new and existing infrastructure to move towards a circular economy.
57. There are no known bylaws or policy implications from any of the recommended actions in this report. However, this will be explored further depending on what options are selected.

FINANCIAL CONSIDERATIONS

58. Summary of Requirements for 24-34 Long Term Plan

Table 2 below provides an updated budget for the 24-34 LTP, based on the proposed recommendations. Note that all costs are inflated and are based on estimates that require more detailed costings to improve accuracy. Table 3 below outlines the funding for proposed projects and Table 4 compares the original draft LTP with the new proposed.

The expected **inflated** Capital Cost over the LTP period is \$51.6M (including land purchase). This will however be offset by the sale of Maleme Street Transfer Station (initial estimate of \$12M), reducing the net TCC Capital Cost to \$39.6M.

A number of subsidies and grants are available and work to secure these will form part of the planned work in 2025. Estimated external funding will contribute around \$12.5M.

Table 2: Breakdown of proposed projects for the 24-34 LTP (including inflation)

Proposed Projects	2025	2026	2027	2028	2029	2030	2031	2032 to 2034	TOTAL
Critical upgrades to Te Maunga	\$0.82M								\$819,040
Schematic design of waste infrastructure	\$0.61M	\$0.42M	\$0.107M						\$1,140,790
Development of waste infrastructure		\$0.94M	\$4.07M	\$1.21M	\$10.2M	\$8.17M	\$8.37M		\$32,936,840
Land purchase				\$16.7M					\$16,695,975
TOTAL	\$1.43M	\$1.36M	\$4.18M	\$17.90M	\$10.16M	\$8.17M	\$8.37M	\$0	\$51,592,645

Table 3: Breakdown of how the proposed projects for the 24-34 LTP will be funded (including inflation)

Funding Mechanism	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	TOTAL
Subsidies-Grants*				\$2.85M	\$5.53M	\$2.92M	\$1.19M				\$12,503,810
Loans excl. land	\$1.43M	\$1.36M	\$4.18M		\$4.63M	\$5.25M	\$7.17M				\$24,039,710
Loans incl. land				\$15.05M							\$15,049,125
TOTAL											\$51,592,645
Land sale (Maleme)								-\$12M			-\$12,000,000
TOTAL Minus Land Sale	\$1.43M	\$1.36M	\$4.18M	\$17.90M	\$10.16M	\$8.17M	\$8.37M	-\$12M	\$0	\$0	\$39,592,645

*To be secured at a later stage – funding options discussed below

Table 4: Comparison of original draft LTP vs recommended new funding (excluding land sale).

Draft LTP	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Waste Facilities Redevelopment	\$11.8M	\$10.5M	\$17.8M	\$12.6M							\$52,687,036
Resource Recovery Centre					\$4.3M	\$0.99M	\$1.02M				\$6,300,485
Total	\$11.8M	\$10.5M	\$17.8M	\$12.6M	\$4.3M	\$0.99M	\$1.02M	\$ -	\$ -	\$ -	\$58,987,521
Proposed Final Adopted LTP											
Waste Infrastructure	\$1.43M	\$1.36M	\$4.18M	\$17.9M	\$10.16M	\$8.17M	\$8.37M	\$ -	\$ -	\$ -	\$51,592,645

Total Change	-\$10.3M	-\$9.1M	-\$13.6M	+\$5.3M	+\$5.9M	+\$7.2M	+\$7.3M	\$ -	\$ -	\$ -	-\$7,394,876
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59. Funding for required infrastructure options to be explored in the future include:
- MfE's Waste Minimisation Fund
 - User pays options at Resource Recovery Parks
 - Investigate the use of the Growth Fund
 - Other external funding, e.g. New Zealand Green Investment Finance
 - Private investment or lease for portions of land bought to offset capex costs
 - Long-term leases for land instead of land purchases
 - Annual contribution from WBOPDC
 - Increase in waste-related rates
 - Targeted rates
60. Constraints on capex through the LTP process have meant that the proposed LTP budget above does not reflect the levels of actual investment required to achieve the goals and outcomes of TCC's strategic objectives. Actual capital costs for necessary waste infrastructure to achieve these objectives are as follows:

Project	Actual estimated cost
Te Maunga Resource Recovery Park	\$30M
New Resource Recovery Park (transfer station) - (land, consents, and development)	\$40M
Organics facility (land, consents, minor development)	\$15M
Materials Recycling Facility	\$1.8M

61. In addition to the above, a total opex component for Y1-3 of \$356K is required.

LEGAL IMPLICATIONS / RISKS

62. TCC is bound by contractual commitments with EnviroNZ that require careful consideration.
63. This report discloses confidential information that must not be shared publicly.
64. Potential risks have been a critical factor in assessing options, with the recommended options in the report representing the lowest risk to Council.

CONSULTATION / ENGAGEMENT

65. Discussions have already started with other councils, private waste companies, internal TCC teams and Ngā Pōtiki.
66. If business cases are pursued, additional collaboration will occur with relevant stakeholders, including TECT, MfE, and other iwi potentially holding mana whenua for alternative land areas suitable for waste activities.

SIGNIFICANCE

67. 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.
68. 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.

69. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of high significance.

ENGAGEMENT

70. Taking into consideration the above assessment, that the issue is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision. This is because the options listed above are all consistent with meeting the actions within the Waste Management and Minimisation Plan, the Climate Action and Investment Plan and the TCC Environment Strategy. However, as the individual options are investigated, further assessments of the requirements to engage with stakeholders and the wider community will be considered.

NEXT STEPS

71. Plan and undertake critical upgrades at Te Maunga Transfer Station.
72. Start schematic design of existing and future Waste Infrastructure Network.
73. Investigate the best option for processing organic waste in the sub-region in conjunction with the WBOPDC.
74. Purchase land based on schematic design and investigations.
75. Seek funding opportunities for all options listed above.

ATTACHMENTS

Nil

11.7 Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm**File Number: A15499441****Author: Fiona Nalder, Principal Strategic Advisor****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 11.7 - Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm - Attachment 1 - Confidential Attachment 1 - Allocation of elder housing proceeds	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).
Item 11.7 - Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm - Attachment 2 - Confidential Attachment 2 - Smiths Farm	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).

PURPOSE OF THE REPORT

1. This report seeks Council decisions on the allocation of the remaining sale proceeds from the sale of the elder housing portfolio, and the allocation of the Smiths Farm sale proceeds.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm".
- (b) Approves the remaining sale proceeds of the Elder Housing portfolio (estimated circa \$16m) being invested as follows:
 - i. \$XXX into a package of projects which will enable increased housing density and development in Te Papa; and/or,
 - ii. \$XXX in neighbour revitalisation and amenity projects in communities where public and affordable housing is being delivered at scale (such as parks and open spaces projects); and/or,
 - iii. \$XXX for infrastructure to enable Papakāinga housing to proceed; and/or,
 - iv. \$XXX into the Housing Equity Fund; and/or,
 - v. retain the remaining available proceeds in a housing reserve to be applied in accordance with the principles approved by Council in July 2022.
- (c) Approves the net proceeds from Smiths Farm, which are being managed by the Asset Realisation Reserve, to be applied to funding of the capital cost of Te Manawataki o Te Papa.
- (d) Notes in accordance with Section 80 of the Local Government Act, that:
 - (i) the decision in b(iv) above is inconsistent with the *Treasury* policy as the Housing

-
- Equity Fund does not have an approved credit rating; and
- (ii) it is not intended to amend the *Treasury* policy to accommodate this decision.
- (e) **Attachment 1** can be transferred into the open when negotiations with partner organisations are finalised.
- (f) **Attachment 2** can be transferred into the open when negotiations with partner organisations are finalised.
-

EXECUTIVE SUMMARY

2. This report seeks Council decisions regarding the allocation of sale proceeds from the sale of the elder housing portfolio and Smiths Farm.
3. Seven of the nine elder housing villages were sold to Kāinga Ora: Homes and Communities in 2022. The remaining two (Pitau Road village and Hinau Street village) are being sold for private redevelopment. Overall, the expected sale proceeds from the elder housing portfolio total approximately \$47.8m. A significant portion of these funds, \$22.1m, have already been invested into achieving increases in public, social, affordable, and elder housing for Tauranga.
 - \$6m towards development contribution grants for Papakāinga housing and registered community housing providers.
 - \$15m in the Bay of Plenty Regional Housing Equity Fund (HEF).
 - \$1.1m into providing long term leases for the Tauranga Women's Collective (previously known as the Tauranga Women's Refuge).
4. This report provides options for Council to consider regarding the allocation of the remaining elder housing sale proceeds (approximately \$16m).
 - Invest some or all of the remaining proceeds into the HEF.
 - Invest some or all of the remaining proceeds into a suite of projects focussed on enabling increased residential development across the Te Papa peninsula. The details of these projects are contained in Confidential Attachment 1. This information is confidential to allow for negotiation processes to proceed with potential project partners.
 - Retain some or all of the remaining proceeds in a 'housing reserve', for use in the future.
 - One or more alternative options
5. Smiths Farm is a large council owned site in Bethlehem which will be developed for residential purposes. Council has completed an open market sale process and is currently finalising sale terms with its preferred purchaser. As this sale is still being negotiated and finalised, some of the information regarding the sale, including likely commercial terms and sale price, is still confidential. This information is available in Confidential Attachment 2 to this report.
6. The sale of Smiths Farm, and the resulting allocation of its sale proceeds, is being managed by council's Asset Realisation Reserve, established in July 2023. The purpose of the Asset Realisation Reserve is to transparently manage the sale of council properties and assets and hold the resulting proceeds, which will then be allocated to council capital projects based on highest need (rather than the proceeds being returned to the council activity which managed the property/asset).
7. Upon establishing the Asset Realisation Reserve, Council noted that Te Manawataki o Te Papa was the initial priority project to receive funding from the Asset Realisation Reserve. This report seeks confirmation of this previously signalled direction, by seeking a formal

resolution allocating the sale proceeds from Smiths Farm towards the delivery cost of Te Manawataki o Te Papa.

ELDER HOUSING SALE PROCEEDS

8. Council approved the sale of seven of its nine elder housing villages to Kāinga Ora: Homes and Communities in December 2021 and this sale was finalised in November 2022. The remaining two villages, Pitau Road and Hinau Street, are currently under contract with private developers and are progressing through sale processes.
9. The proceeds (minus costs) from the sale of all nine of the villages have been earmarked by way of Council resolution for reinvestment into delivering housing outcomes for Tauranga. Expected sale proceeds total approximately \$47.8m:
 - Sale of seven villages plus Pooles Road property to Kāinga Ora – \$20,612,000 plus GST (if any).
 - Sale of Pitau Road and Hinau Street – expected to realise approximately \$27.2m plus GST (if any).
10. To date, a total of \$22.1m has been committed/spent on reinvesting into housing outcomes.
 - \$3m in development contribution grants to Papakāinga housing (\$1.5m over 3 years for the period of 2021-2023, and a further \$1.5m over 2024-2026, with unspent funds to be rolled over annually).
 - \$3m in development contribution grants to registered community housing providers (\$1.5m over 3 years for the period of 2021-2023, and a further \$1.5m over 2024-2026, with unspent funds to be rolled over annually).
 - A total of \$15m to the Bay of Plenty Regional Housing Equity Fund (HEF). An initial \$10m, with a further \$5m to be provided contingent on the HEF purchasing at least \$13m of land and housing on Smiths Farm.¹
 - \$1.1m in purchasing and upgrading council properties to provide to the Tauranga Women's Collective (previously known as the Tauranga Women's Refuge) for long term lease (at \$1 per annum). This investment facilitated the relocation of the Women's Collective from their previous council owned site, which was then sold to Kāinga Ora as part of the elder housing sale transaction.
11. Further to this, Council has incurred Pitau 'buy back' costs of \$7.6 and ancillary costs relating to sale processes, demolition of Pitau Village, relocation of tenants, and subsequent work on the reinvestment of funds into the HEF of \$1.8m (see financial section for further details).
12. This leaves approximately \$16m available to invest into housing outcomes for Tauranga. In July 2022 Council adopted the following principles to guide the reinvestment of the remaining proceeds from the sale of the elder housing villages and Pooles Road properties. Funds will be used in such a way as to:
 - Deliver an increase in public, social, affordable, and elder housing for Tauranga.
 - Minimise private individual profit.
 - Provide the opportunity to leverage additional external funds.
 - Ensure funds remain within non-profit entity control (i.e. if reinvestment does return a profit, the resulting profit will be reinvested to deliver further public and/or affordable housing and would not return to Council).
 - Result in community benefit being retained long term.

¹ Additional detail regarding the HEF is available in the Council reports 'Reinvestments of sales proceeds - Elder Housing and Smiths Farm' 14 August 2023 (public) and 'Reinvestments of sales proceeds - Elder Housing and Smiths Farm' 25 September 2023 (public excluded).

13. Council consulted on the investment of the elder housing sale proceeds in June 2023, and following this made the decision to invest funds in the HEF (14 August 2023).
14. At the August meeting Council also resolved that the remaining funds (as cash and/or property) would be applied to either the HEF or alternative affordable/social/elder housing projects in Tauranga. Council further resolved that decision regarding investment of the remaining elder housing funds would be made via Council resolution before adopting the 2024-34 LTP and would not be subject to further community consultation.
15. This report presents three options for Council consideration and seeks direction. The three options are outlined below.

OPTIONS ANALYSIS – ELDER HOUSING

Option 1: Invest up to \$14m of the available proceeds into the Housing Equity Fund

16. The Bay of Plenty Housing Equity Fund (HEF) is an investment fund with the purpose of delivering housing outcomes across the Bay of Plenty region, focusing on producing housing options that are not currently being provided by the market, and on providing affordable housing for those most in need.
17. Five organisations have partnered together as the founding shareholders: Tauranga City Council, BayTrust, TECT, Trust Horizon and Rotorua Trust, collectively contributing a total of \$45m. The HEF will invest in housing projects with an aim of returning CPI + 4% (pre-tax, net of fees) to its investors via development margins, rental returns and capital growth in the properties. This financial return will be in addition to the social impact the HEF is focussed on delivering.
18. Council's funds are ring-fenced and can only be used towards funding Tauranga City projects. Over time, Council can choose to reinvest its financial returns, providing ongoing housing outcomes for the city. Additionally, as the HEF aims for a return on investment, Council expects its initial investment to grow over time.
19. Council could choose to invest remaining proceeds from the elder housing sale into the HEF. This would have the advantage of protecting (and growing) the capital realised by the sale of Council's elder housing whilst still delivering housing outcomes for the city.
20. If Council chooses to invest further funds into the HEF, it will need to limit the amount it invests, so that a Council-controlled organisation (CCO) is not inadvertently created (this could occur if local government investment into the fund totals 50% or more of the overall funds invested). Council could invest up to a further \$14m without creating a CCO, this would take council's investment to 49% of the overall funds invested, and as no other local governments have currently committed to investing in the HEF, a CCO would not be created.
21. Key risk: That council investment increases the risk of the creation of a council-controlled organisation in the future (i.e. if another local government chose to invest in the HEF).
22. Alignment with divestment criteria: Yes, further investment into the HEF aligns with the adopted reinvestment principles.

Advantages	Disadvantages
<ul style="list-style-type: none"> Delivers long-term housing outcomes for the city, with the potential for fund recycling to over time provide greater benefits than one-off grants or investments. Relatively low ongoing time and cost burden for Council, as Council is not directly delivering projects. 	<ul style="list-style-type: none"> Risk is passed to third party so reliance is placed on due diligence and ongoing monitoring Capital and control is passed over to third party, limiting Council's influence over outcomes. Less funding available to pursue other housing related opportunities.

Option 2: Invest \$5.55m of the remaining available proceeds into collaborative projects which will enable increased housing density and development in Te Papa, including completing feasibility analysis, scoping studies and the delivery of waters infrastructure (refer to Confidential Attachment 1 for more information)

23. This option packages together a suite of projects which involve working with government organisations, community housing providers and private business to deliver residential development projects across the Te Papa peninsula.
24. Included within this package would be funding for feasibility analysis, scoping studies and delivery by council of waters infrastructure needed to enable increased density. Further information about the specific projects is included within Confidential Attachment 2. This information is confidential to allow negotiations with partnership organisations to proceed, and can be made public once negotiations are finalised.
25. Key risk: that council invests funds into the early stages of projects which do not occur.
26. Alignment with divestment criteria: Yes, this use of funds would enable the delivery of an increase in public, social, affordable, and elder housing that otherwise may not happen. The sub-projects within this package deliver to different degrees on the remainder of the reinvestment principles, and this is discussed in more detail in Confidential Attachment 2.

Advantages	Disadvantages
<ul style="list-style-type: none"> Removes/decreases infrastructure barriers preventing the redevelopment (and increased density) of community housing. Allocation and expenditure of funds is fully within council control. Includes delivering council projects which are BAU, meaning that necessary skills, knowledge and staff resource already exists in-house. Provides an opportunity for council to work collaboratively with other organisations, leveraging overall greater outcomes than could be achieved by each party working alone. Opportunity to facility non-market housing delivery in the Te Papa peninsula. 	<ul style="list-style-type: none"> Does not directly deliver increased housing numbers.

Option 3: Retain some or all of remaining available proceeds in a housing reserve

27. This option proposes retaining some or all of the remaining elder housing sale proceeds within a reserve, earmarked for future investment into delivering housing outcomes.
28. Key risk: That a future Council decides to spend these funds in a way that does not contribute to the delivery of increased public, social, affordable, and elder housing for Tauranga.
29. Alignment with divestment criteria: This option does not deliver on the reinvestment principles, but it retains the ability to deliver on them in the future.

Advantages	Disadvantages
<ul style="list-style-type: none"> Retains flexibility to invest in opportunities that may be unknown or unavailable at this time. 	<ul style="list-style-type: none"> Increases the risk that these funds will be used for non-housing related purposes in the future.

Alternative options

30. Council may also wish to consider the following options for some of the available funds:
- Invest in neighbour revitalisation and amenity projects in communities where public and affordable housing is being delivered at scale (such as parks and open spaces projects).
 - Provide funding for infrastructure to enable Papakāinga housing to proceed. There are a number of opportunities to support Papakainga housing and Council staff could identify priority investments which could support housing in the next 2 – 5 years.

SMITHS FARM SALE PROCEEDS

31. Smiths Farm is a large greenfield site located between Bethlehem and Tauriko, on the eastern side of Cambridge Road, earmarked to deliver increased (medium) density housing for the city. Smiths Farm holds a current resource consent to provide for residential housing on the site.
32. Council is currently negotiating the sale of Smiths Farm to a preferred purchaser, following an open market process. The preferred purchaser's proposal for the site will deliver a range of housing types at different price points and densities, and includes selling a minimum of \$13m worth of completed house and land packages to the HEF.
33. The sale of Smiths Farm is being managed via the Asset Realisation Reserve (ARR), established by Council resolution in July 2023.²
34. The ARR was established to transparently manage the sale of Council properties and assets and hold the resulting proceeds. Proceeds in the ARR will then be allocated to capital projects based on highest need. Te Manawataki o Te Papa was identified by resolution³ as the first capital project to receive funds from the ARR.
35. Council costs related to the sale and development of Smiths Farm that do not already have allocated funding will be met via the sale proceeds (as is standard practice for council disposals), and the remaining proceeds will be held in the ARR.
36. This report seeks Council approval to allocate the available net sale proceeds from Smiths Farm towards the cost of delivering Te Manawataki o Te Papa, confirming the direction previously given.
37. Further details regarding the expected quantum of funding are provided in confidential attachment 2.

OPTIONS ANALYSIS – SMITHS FARM

Option 1: Allocate the net proceeds from the sale of Smiths Farm towards Te Manawataki o Te Papa (RECOMMENDED)

38. This option proposes allocating available proceeds from the sale of Smiths Farm towards the cost of delivering Te Manawataki o Te Papa.
39. Key risk: that the amount available to contribute towards Te Manawataki o Te Papa won't be known until the sale process is finalised.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Decreases the amount of funding for Te Manawataki of Te Papa that council will need to find from alternative sources (such as ratepayers and/or external sources). • Aligns with the stated purpose of the ARR and Council's previous resolution that Te Manawataki 	<ul style="list-style-type: none"> • Prevents proceeds from being allocated towards other council projects.

² Refer to Council report 'Asset Realisation Reserve' 24 July 2023.

o Te Papa was the priority project to receive funding from the ARR.	
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Option 2: Retain the net proceeds from the sale of Smiths Farm in the Asset Realisation Reserve or allocate to another purpose (NOT RECOMMENDED)

40. This option proposes retaining the net sale proceeds from Smiths Farm in the ARR or allocate the funds to another purpose not related to Te Manawataki o Te Papa.
41. Key risk: that council's ability to fund Te Manawataki o Te Papa is negatively impacted.

Advantages	Disadvantages
<ul style="list-style-type: none"> Retains the Smiths Farm proceeds in the ARR for alternative capital projects. 	<ul style="list-style-type: none"> Increases the amount of funding required from alternative sources to deliver Te Manawataki o Te Papa. Not consistent with previous resolution of Council.

STRATEGIC / STATUTORY CONTEXT

42. Council is committed to addressing housing needs in the city as a strategic priority. The sale of the elder housing villages, and the subsequent reinvestment of sale proceeds into housing outcomes for the city, supports the delivery of this strategic priority and the community outcome 'A well-planned city'.
43. Investing in delivering housing outcomes for the city also aligns with local government responsibilities under the Local Government Act 2002 to promote the social, economic, environmental, and cultural well-being of their communities.
44. The use of the Smiths Farm sale proceeds to fund the delivery of Te Manawataki o Te Papa decreases negative financial impacts for ratepayers and also aligns with council's responsibilities under the Local Government Act 2002. The delivery of Te Manawataki o Te Papa is a strategic priority for Council and will contribute to the revitalisation of the city centre and the social, economic, and cultural wellbeing of the city.

FINANCIAL CONSIDERATIONS

Elder housing sale proceeds

45. The following tables provide further information regarding the sale proceeds and costs/investment commitments to date.

Table 2: Sale proceeds

Sale to Kāinga Ora (actual proceeds)	\$20,612,375
Sale of Pitau and Hinau villages (estimated proceeds)	\$27,200,000
TOTAL PROCEEDS	\$47,812,375

Table 3: Costs/investment commitments to date

Approved Investment into the Housing Equity Fund	\$15,000,000
Development Contributions grants	\$6,000,000
Relocation of the Women's Refuge	\$1,058,620
Pitau Village (buy back of property)	\$7,607,500
Overall project expenses	\$1,771,809
TOTAL EXPENDITURE	\$31,437,929

46. There remains an estimated \$16.37m available.

Smiths Farm sale proceeds

47. Refer to Confidential Attachment 2.

LEGAL IMPLICATIONS / RISKS

Investment of elder housing sale proceeds

48. Investment into the HEF – Investment in the HEF does not adhere to investment guidelines in Council's Treasury policy as the Fund does not have an approved credit rating. Whilst the HEF will aim to provide commercial returns of 4% per year, the Fund is motivated by social outcomes rather than financial returns (impact investment) and this is reflected by its adopted mission statement and impact objectives (www.bophef.info). However, given the intent of investment into the HEF, which is motivated by outcomes rather than financial return, and Council's awareness of the risk, an exemption from the Treasury policy is considered acceptable.
49. Investment into residential projects across Te Papa: There are no specific legal implications or risks relating to a Council decision to use the elder housing sale proceeds in this way. However, as these projects are partnership projects, contractual agreements are likely to be required.
50. Retaining the sale proceeds in a reserve: There are no legal implications related to this decision.

Allocation of the Smiths Farm proceeds to Te Manawataki o Te Papa

51. There are no apparent legal implications or risks associated with this decision. The sale of council assets and the allocation of the resulting proceeds towards the cost of Te Manawataki o Te Papa was first signalled in the Long-Term Plan Amendment 2021-2031. The management of the divestment of Smiths Farm by the Asset Realisation Reserve and the allocation of the Smiths Farm sale proceeds towards the cost of delivering Te Manawataki o Te Papa was indicated by Council report 'Asset Realisation Reserve', 24 July 2023.

CONSULTATION / ENGAGEMENT

52. Council consulted with the community regarding the reinvestment of the elder housing sale proceeds from Wednesday 31 May until Monday 26 June and received 67 responses. The results of this consultation were presented to Council in August 2023.⁴
53. No consultation has occurred regarding the expenditure of the Smiths Farm sale proceeds specifically, however allocating the sale proceeds from the disposal of non-core council assets was referenced in the Long-Term Plan Amendment 2021-2031. Neither the Local Government Act 2002 nor council's Significance and Engagement Policy indicate that consultation is required.

SIGNIFICANCE

54. 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.
55. 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

⁴ Refer to report 'Investment of Elder Housing Sale Proceeds' 14 August 2023.

- (b) any persons who are likely to be particularly affected by, or interested in, the decisions.
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

56. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions are of medium significance.

ENGAGEMENT

57. Taking into consideration the above assessment, that the decisions are of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision. (Noting that previous engagement has occurred regarding the reinvestment of the elder housing sale proceeds.)

NEXT STEPS

58. Implement the resolutions resulting from this report.
59. If Council decides to invest the elder housing sale proceeds in partnership projects across Te Papa, this will include working closely with a range of government and non-government entities.

ATTACHMENTS

1. **Confidential Attachment 1 - Allocation of elder housing proceeds - A15567569 - Public Excluded**
2. **Confidential Attachment 2 - Smiths Farm - A15568238 - Public Excluded**

11.8 Issues and Options - Te Tumu Development Timing Topic

File Number: A15495325

Author: Andy Mead, Manager: City Planning & Growth
Claudia Hellberg, Team Leader: City Waters Planning
Frazer Smith, Manager: Strategic Finance & Growth

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

PURPOSE OF THE REPORT

1. The report addresses submissions on Te Tumu made through consultation on the LTP, including issues and options in respect of the timing of infrastructure investment to enable urban development in Te Tumu.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Issues and Options - Te Tumu Development Timing Topic".
- (b) Receives the external submission points in support of the Te Tumu urban growth area, including requests to accelerate rezoning, secure external funding and bring forward infrastructure investment.
- (c) Endorses the aspiration expressed in these submissions to bring forward the development of Te Tumu but notes the challenges to achieving this, in particular Council's broader affordability challenges.
- (d) Approves the comment responses to Te Tumu related submission points (paragraph 27).
- (e) Agrees to Option 2B: Do not amend the draft LTP to incorporate construction budgets for all Te Tumu projects that are required for development to commence and adjust budgets further with a total of \$243m in the LTP period in order to manage Council's broader affordability challenges.
- (f) Approves a rephrasing of the Kaituna Overflow planning budget of \$1.245m over the LTP period with \$645,000 in 2024/25 and \$600,000 in 2025/26. This is to enable work to be completed such that the Kaituna Overflow resource consent is ready for lodgment in alignment with the plan change being ready for notification.
- (g) Agrees to increase funding for the development of the structure plans by \$300,000 in 2024/25. This expenditure to be loan funded with rates funded debt retirement of the loan over 5 years.
- (h) Agrees to the following wording being included in the LTP in respect of Te Tumu:

"Te Tumu is a priority urban growth area for the sub-region. Tauranga City Council together with the three main landowners / land interests in the Te Tumu Urban Growth Area are progressing a Plan Change for the Te Tumu Urban Growth Area with the aim of it being notified by early 2026 at the latest.

The LTP contains budgets for the construction of infrastructure to service Te Tumu where that infrastructure also provides for growth in the Papamoa and Wairakei areas e.g. the Papamoa East Interchange and the Opal Drive wastewater pump station. It also includes a range of planning budgets for Te Tumu specific infrastructure for initial investigation, consenting, design and land purchase activities.

Key Te Tumu specific infrastructure construction budgets are not contained in the 2024-34 LTP because of broader Council affordability constraints. Council and the three main landowners / land interests will work together and with Central Government

to seek to identify and secure the infrastructure funding or other financial arrangements, that will enable the network infrastructure that is required for Te Tumu to be brought forward and delivered in the 2024-34 LTP period. This infrastructure is currently budgeted in the order of \$320 million. If successful, the Te Tumu development (initially housing development) is likely to commence from 2035.”

EXECUTIVE SUMMARY

2. Te Tumu is a significant future urban growth area that would provide significant housing supply.
3. Over \$650M of infrastructure investment is required to enable development of Te Tumu.
4. Including this infrastructure in the LTP (without removing an equivalent amount of other infrastructure investment) would result in TCC's borrowing limits being breached.
5. The recommendation is to exclude the majority of Te Tumu related infrastructure investment from the LTP and to separately seek external funding or other financial arrangements which enable infrastructure delivery to be brought forward.
6. Current assessment of infrastructure delivery timeframes suggests that if funding was available, construction could commence in the late 2020's following design, consenting and land acquisition workstreams, and be completed around the end of the 2024-34 LTP period. This would enable housing development to commence around 2035. These timeframes are currently being independently reviewed.

ISSUE

7. Four submissions have requested the LTP be amended to enable accelerated development of Te Tumu by bringing forward rezoning and infrastructure construction.
8. The majority of infrastructure costs in question relate to three waters projects given transport projects, particularly the Papamoa East Interchange, are included in the draft LTP.
9. The draft LTP did not contain three waters expenditure beyond Year 2 however a 10-year three waters capex programme was developed alongside the LTP. This included some capex budgets for Te Tumu infrastructure, but some remained outside the LTP period. These would need to be brought forward for development to commence earlier. TCC's broader fiscal and affordability challenges are a key consideration in whether this is possible.
10. Three of the LTP submissions received are from Te Tumu landowners (Carrus, Tumu Kaituna 14 Trust and Ford Land Holdings Pty Ltd) and one is from the adjoining developer in Wairakei (Bluehaven).
11. In addition to the external submissions received on this topic, staff recommendations have been made through the LTP consultation period on Te Tumu infrastructure projects. These recommendations identify projects that could be further deferred beyond the LTP period if development timing is not brought forward or if necessary to deliver broader fiscally prudent outcomes.
12. The staff recommendation aligns with previous Commissioner direction in the development of the LTP, that projects like the Kaituna stormwater overflow construction should sit outside the LTP, and projects to be completed for Te Tumu related investment to be deferred where possible.
13. More recently in December 2023 Council resolved to prioritise the Te Tumu structure planning and rezoning/ plan change project, with the view to notification of a zoning change by the first quarter of 2026.

ANALYSIS OF EXTERNAL SUBMISSION POINTS

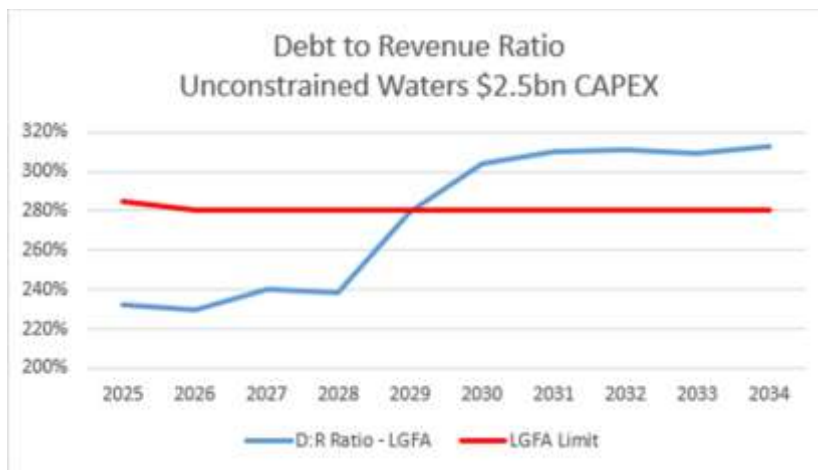
14. The key external submission points are summarised as following:

- (a) Both rezoning and infrastructure construction should be brought forward, with infrastructure delivered by 2030.
 - (b) Structure planning issues should be addressed in parallel with the rezoning process (rather than be resolved before a plan change to rezone Te Tumu is notified).
 - (c) Resourcing of the rezoning processes should be increased.
 - (d) External funding should be sought to assist infrastructure delivery, including through the City Deal process.
 - (e) Infrastructure planning processes continue and are retained as per the draft LTP.
 - (f) Existing infrastructure construction budgets in the draft LTP are retained (e.g., Opal Drive pump station and the Papamoa East Interchange)
 - (g) Consenting of the 'Kaituna Link' road that crosses the Kaituna River is progressed as a joint project with other Councils as a priority (Ford Land submission only)
15. Both the Tumu Kaituna 14 Trust (TK14) and Ford Land Holdings Pty Limited (FLH) submission requests that statements in the draft LTP, which note that the timing of Te Tumu development is anticipated to be significantly delayed and likely to start in approximately 2040, be replaced with the following:
- "Te Tumu is a priority urban growth area for the sub-region and Tauranga City Council together with the three main landowners / land interests in the Te Tumu Urban Growth Area are progressing a Plan Change the Te Tumu Urban Growth Area in 2024 with the aim of it being notified in 2025.*
- Council and the three main landowners / land interests will work together and with Central Government to identify and secure the infrastructure funding, external to the LTP, that is required to enable the network infrastructure that is required for Te Tumu to commence in late 2026.*
- Based on this the Te Tumu development (initially housing development) is likely to commence from 2030."*

DISCUSSION AND ANALYSIS

16. Te Tumu is a long-standing component of Tauranga and the Western Bay of Plenty's sub-regional urban development strategy. Te Tumu is a key part of addressing the current significant housing shortfall which the city faces. Tauranga's current housing shortage is in the range of 5,000 homes. This is projected to grow significantly even with planned new intensification and greenfield growth areas like Te Tumu.
17. The reason that the Te Tumu related capital expenditure was pushed out was to enable TCC to meet its borrowing covenants (restrictions on the amount of debt Council can borrow). While the draft LTP was put together assuming 3 waters would be excluded after 2026, we did include some information in relation to how our debt would look with 3 waters still within Council (as is now expected to happen).
18. Figure 1 shows how the ratio looks, based on the draft LTP, if there is no restriction on waters spending. TCC breaches these limits in 2029.

Figure 1: Debt to Revenue ratio with unconstrained water expenditure.



19. Figure 2 shows, based on the draft LTP, the impact of restricting waters expenditure to \$1.3bn over the LTP period and increasing waters revenue at 10% pa. This keeps TCC below its maximum debt to revenue capacity. To bring forward Te Tumu capital expenditure within the LTP period an equivalent amount of spending would need to be pushed out and/or revenue increased significantly beyond the 10% pa level. We note that there would be no significant Te Tumu development contribution revenue received within the LTP period even if the capital projects were brought forward.

Figure 2: Debt to Revenue ratio with constrained waters revenue and 10% pa water revenue increases



20. Currently TCC staff are actively:
- (a) Progressing the Te Tumu planning project to prepare a proposed plan change for notification whilst concurrently advancing critical TK14 workstreams (access rights across the block to allow for delivery of essential infrastructure to enable development of Te Tumu).
 - (b) Engaging with Government policy advisors on policy and legislative changes which would enable the Te Tumu rezoning to proceed at a fast pace and with greater certainty.
21. The timing for Te Tumu development has recently been considered by Council, this includes:
- (a) **11 September 2023:** The report discussed the broader strategic considerations related to decisions on the Papamoa East Interchange and Opal Drive Pump Station, and to

determine the funding approach to address funding risks associated with the Te Tumu urban growth area for inclusion in the draft 2024-34 LTP.

This report noted that:

Given the overall fiscal challenges that Council is facing, the draft 2024 – 2034 LTP provides for the following with respect of Te Tumu:

- *Continuation of land use planning and rezoning.*
- *Infrastructure planning (including design).*
- *Securing land required for infrastructure or public amenity purposes; and*
- *The Kaituna Overflow, which is critical to development commencing, not being completed until after the 2024-34 LTP period⁵.*

The implication of this is that housing supply is unlikely to be delivered in Te Tumu until around 2040 once land development and civil works timeframes are considered.

A number of submissions are expected on the draft LTP in relation to Te Tumu timing and the proposed targeted rate, and these matters will be further considered through the deliberations process in early 2024.

- (b) **11 December 2023:** The purpose of this report was to:

To reconfirm Te Tumu as a priority urban growth area including Council's commitment to progressing a Plan Change to enable urban development, and to update progress on the project.

22. In respect of the Te Tumu development timing, the December report noted that the challenges such as divergent aspirations among Māori landowners, the need to engage and with tangata whenua (acknowledging that currently there is a range of differing opinions within some iwi, hapu and land trusts), and changes in national policy, especially freshwater management, as having led to risks and delays. Further, that the planning process remained lengthy and uncertain, with notification of a plan change possibly not be able to occur until 2026, subject to further assessment of any options to accelerate this.
23. Council resolved the following in response to this report:
- (a) *Receives the report "Te Tumu Urban Growth Areas" and notes the update on key matters.*
 - (b) *Reconfirms Te Tumu as a priority urban growth area.*
 - (c) *Reconfirms prioritising work on the Te Tumu structure planning and rezoning project to prepare for notification of a Plan Change to rezone Te Tumu concurrent with process with Tumu Kaituna 14, by the first quarter of 2026.*
 - (d) *Notes that regular updates will be reported to Council through 2024 as various workstreams, including infrastructure corridor and Kaituna Overflow workstreams are further advanced.*
24. To help expedite the work on the proposed plan change we recommend that an additional \$300,000 is included in the 2024/25 year of the LTP. This will enable external resources that can supplement the work being completed by internal staff. As is standard for the development of structure plans we recommend loan funding this. The Revenue and Financing Policy requires that this be specifically resolved in each instance.

⁵ Council direction in preparing the draft LTP was to exclude construction costs associated with the Kaituna Overflow. However, the majority of these construction costs were included in the LTP period. An internal staff recommendation has been made on the basis that Commissioners may want to push these budgets out as per original direction.

25. Key milestones required to provide confidence of project delivery and TCC infrastructure construction include:
- (a) Securing access through the TK14 Block to enable development of Te Tumu urban growth area to commence.
 - (b) Developer Agreement for internal infrastructure funding / delivery
 - (c) An agreed funding package for external infrastructure – including landowner and government commitments.
 - (d) Confidence that key infrastructure can be consented and delivered (e.g. the Kaituna Overflow).
 - (e) Successful rezoning of the land for urban development.
26. A significant development since the draft LTP was developed is that the previous government's three waters reforms have been stopped by the new government. While there are still changes planned for the delivery of three waters, these are currently uncertain and TCC is now required to include three waters activities in its LTP for the full 10-year period. This creates further fiscal challenges for Council which are relevant to whether infrastructure, like that required for Te Tumu, can be brought forward. This is a key issue addressed in this report.

COMMENTS

27. A number of the external submission points above can be addressed through comments as there are not multiple options. These are set out in the following table:

Submission point	Response
That rezoning should be brought forward (including potentially into 2024)	<p>The assessment presented to Council in December 2023 that resulted in a Council resolution of notification of a proposed plan change to rezone Te Tumu by first quarter 2026 remains valid.</p> <p>Alternative processes such as those that use a Board of Inquiry or Environment Court to determine a plan change have a similar requirement to a standard plan change process through Schedule 1 of the RMA e.g., the requirement to give effect to National Policy Statements.</p> <p>Consultation with Tangata Whenua is a key requirement prior to notification of a zone change. The current timeline proposed by TK14, who will lead the Tangata Whenua engagement workstream, is 12 – 16 months.</p> <p>Council has sought legal advice on opportunities to bring forward zoning, and what needs to be completed prior to zoning notification. That legal advice has been shared with landowners and TCC is of the view that it supports the current timeline of zoning notification by first quarter 2026.</p> <p>TCC continues to engage with the government on the policy and legislative changes required to support a Te Tumu plan change, including options that could accelerate timeframes.</p>

Submission point	Response
<p>The structure planning issues should be addressed in parallel with the rezoning process (rather than before rezoning is notified)</p>	<p>There are no current rezoning processes that allow key issues such as development of a Structure Plan and compliance with National Policy Statement to be 'conditioned' and addressed through later consenting processes. Such an approach is also not supported through the policy framework set out under the Bay of Plenty Regional Policy Statement, which Council must also give effect to. This limits the ability to undertake structure planning and plan change processes without ensuring these issues are addressed.</p> <p>TCC will continue to engage with the government on the policy and legislative changes required to support an approach that allows timeframes to be accelerated.</p>
<p>Resourcing of the rezoning processes should be increased</p>	<p>Council is committed to providing sufficient project resourcing and ensuring that resourcing is not a reason for project delay. Resourcing needs are currently being assessed based on the revised work program and include both staff resourcing and technical consultant workstreams.</p>
<p>That external funding should be sought to assist infrastructure delivery, including through the City Deal process</p>	<p>The City Deal process is underway inclusive of Te Tumu infrastructure requirements and funding needs. The development of a full funding package including broader funding and financing options is required. This will include the need for developer / landowner commitments to both internal and external infrastructure funding and delivery.</p> <p>TCC is also progressing a transport business case to support future applications for NZTA funding for Te Tumu transport projects.</p>
<p>That infrastructure planning processes continue and are retained as per the draft LTP</p>	<p>Funding for infrastructure planning is retained in the LTP for projects including:</p> <ul style="list-style-type: none"> • infrastructure concept design and consenting • securing access to land for infrastructure corridors. <p>For the Overflow the expected key milestones and timeframes have been discussed with the landowners and are being progressed as fast as practically possible.</p>
<p>That existing infrastructure construction budgets in the draft LTP are retained</p>	<p>Only transport activity construction budgets were included in the draft LTP due to three waters being excluded after Year 2.</p> <p>There was a draft 10-year three waters programme that sat alongside the LTP which contained some infrastructure construction budgets for Te Tumu.</p> <p>These budgets have been retained (subject to the outcome of projects affected by internal staff</p>

Submission point	Response
	recommendations which are addressed in the following section of the report).
Consenting of the Kaituna Link is progressed as a joint project with other Councils as a priority (Ford Land submission only)	The merits of the Kaituna Link transport route have been previously considered (SmartGrowth Leadership Group 2018) with it being determined that it was unnecessary to enable development in Te Tumu and the wider settlement pattern for the eastern corridor. The context in which this matter was previously considered, specifically traffic demands from a range of population scenarios in Te Tumu, natural hazard resilience and connectivity to land uses outside of Tauranga area have not changed to the point where it would result in a different outcome. It is noted that since then the range of relevant consenting matters has increased and would likely create greater uncertainty that this road link could be consented. Nevertheless, the opportunity to deliver this road link has continued to be part of the planning for Te Tumu with consideration being given to ensuring there is protection for this link should it be advanced in the future.

STAFF RECOMMENDATIONS – CAPEX INVESTMENTS & TIMING

28. The following TCC staff recommendations have been made in relation to Te Tumu infrastructure projects.

(a) Wastewater rising main from Opal Drive to Wairakei pump station:

- Project forms part of the network required to transfer wastewater flows from Te Tumu back to the Te Maunga treatment plant.
- Scope, cost & program change proposed.
- The original plan was to construct new dual rising mains which would provide for Wairakei and Te Tumu. The project is now proposed to be delivered in two stages:
 - (i) Stage 1: Upgrade of existing rising main to provide for Wairakei and the eastern end of Papamoa.
 - (ii) Stage 2: New single rising main – to provide for Te Tumu.
- All costs for stage 2 (new rising main) are proposed to be moved beyond 2034.
- The scope change above has resulted in changes to funding allocations. Stage 2 – the new rising main (~\$74M) is proposed to be 97% funded via Te Tumu UGA funding allocations subject to further review
- Proposed programme would enable servicing of Te Tumu by 2040.

(b) Wastewater rising main from Opal Dr pump station to Te Maunga treatment plant.

- Project forms part of the wastewater network required to transfer wastewater flows from Te Tumu to the Te Maunga treatment plant.
- New, second rising main from Opal Drive pump station to the wastewater treatment plant.
- Only phasing / timing change (scope and total cost remain the same – excluding inflation).

- Total project cost (concept solution) ~\$91M.
- Propose moving substantial construction costs for new rising main to beyond 2034.
- Proposed programme would enable servicing of Te Tumu by 2040.
Plan to commence feasibility (planning stage) soon.

(c) Kaituna stormwater overflow

- Needed to manage flood hazard by providing an emergency 'overflow' from the Wairakei Stream to the Kaituna River.
- Overflow formed part of the original planning for these existing urban areas and Te Tumu and was authorised through conditions of the Papamoa Comprehensive Stormwater Consent.
- Required before first house can be built in Te Tumu.
- No cost change (\$74M), but now proposed as a single stage programme with deferred timing.
- Land purchase budgets only are proposed within current LTP but not detailed design. Proposed programme enables servicing of Te Tumu by 2040.
- The Kaituna Overflow has a planning budget of \$1.245m over the LTP period. It is recommended that the timing of the budget be changed to be \$645,000 in 2024/25 and \$600,000 in 2025/26. This is to enable work to be completed such that the resource consent is ready for lodgment in alignment with the plan change being ready for notification by the end of first quarter 2026 (as per Council resolution). The resource consent is key to be able to demonstrate that there is a feasible pathway for construction of the stormwater outfall which is a matter that needs to be satisfied as part of the zoning process.

29. There are also other Te Tumu infrastructure projects that already sit outside the 10-year LTP period and are not subject to further staff recommendations. A number of them are water supply projects such as the Bell Road watermain. These water supply projects are not required for development in Te Tumu to commence and would not have to be brought into the LTP period if the development timing was accelerated.
30. The only additional project that would have to be brought forward, based on the draft LTP / 10-year waters programme, is the Te Tumu wastewater rising main from the Te Tumu boundary to the Wairakei pump station. Construction of this project budgeted at \$51M is currently planned for 2034 – 39.
31. Based on the draft LTP and three waters programme, there was over \$600m of Council infrastructure investment required to enable development of Te Tumu, of which over \$300m is allocated to Te Tumu funding with the rest coming from other funding sources e.g., other growth areas, NZTA and rates.
32. These costs largely need to be incurred before development in Te Tumu commences and the compounding impacts of interest mean that Te Tumu's \$300m+ share is projected to become around \$605m if development is delayed until 2040. The proposed targeted rate for Te Tumu transport costs would partly address this.
33. The first table below summarises the proposed changes to Te Tumu capex through internal staff recommendations and the second table provides a more detailed breakdown at a key project level. The base cost of capex funded via Te Tumu will increase with the staff recommendations. However, the total cost of the debt by 2040 will actually be very similar as delaying some of the project expenditure reduces the initial capital costs and associated interest accumulating on debt.

	Total capex (inflated)	Te Tumu share of capex	Total capex 2024-34 period	Te Tumu share in 2024-34 period	Te Tumu debt 2040 (includ. interest)
Sept 23	\$601M	\$309M	\$452M	\$215M	\$605M
Feb 24	\$657M	\$405M	\$243M	\$130M	\$580M
Change	+\$56m	+96m	-\$209m	-\$85m	-\$25m

Project	Proposed timing (including. risk)	Required for Te Tumu to commence?	Total project cost (uninflated)	Total project cost (incl. inflation)
Water				
Te Tumu Bell Rd Watermain	F35 – FY41	N	\$30M	\$46M
Eastern no.2 Reservoir**	Not yet in LTP (could be in 10-year horizon)	N	\$18.2	\$25M
No.1 Road storage and water main upgrade**	Not yet in LTP (>30- year horizon)	N	TBC	TBC
Wastewater				
Wairakei Pump Station and	FY23 – FY29	Y	\$39M	\$43M
Opal Drive Pump Station (and main upgrades)	FY22 – FY27	Y	\$37M	\$38M
Wairakei Rising Main	FY22 – FY41	Y	\$86M	\$125M
Opal Drive to Te Maunga Rising Main	FY22 – FY38	Y	\$91M	\$123M
Te Tumu Rising Mains	FY23 – FY39	Y	\$37M	\$51M
Stormwater				
Kaituna Overflow	FY23 – FY40	Y	\$74M	\$106M
Total water capex required for Te Tumu to commence				\$486M
\$ required for Te Tumu that is outside of LTP				\$321M

OPTIONS ANALYSIS

34. Two scenarios have been developed for infrastructure timing and are set out in the table below. These are currently subject to an independent review to ascertain which scenario, or alternative scenario, is the most realistic. The two scenarios identify the key factors which impact upon the timing of infrastructure construction.

Best Case	Base Case
Based on Plan Change being operative end of 2026 (2 years ahead of current projections).	Based on Plan Change being operative early 2028.
<u>Assumptions:</u>	<u>Assumptions:</u>
<ul style="list-style-type: none"> Infrastructure agreements finalised 2027. Infrastructure construction commences 	<ul style="list-style-type: none"> Infrastructure agreements finalised 2028 – 2029. Key infrastructure construction post 2034 (after current LTP).

<p>in 2028.</p> <ul style="list-style-type: none"> • Key infrastructure delivery timeframe approximately five years across multiple capex projects. • No funding constraints, no consenting delay. • Infrastructure in place approximately 2033. • Te Tumu internal infrastructure commences early 2032 to enable housing to commence in late 2035. 	<ul style="list-style-type: none"> • Infrastructure to Te Tumu boundary in place 2038-2039. • Te Tumu internal infrastructure commences early 2037 to enable housing to commence in early 2040.
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35. The options identified to respond to the external submissions to bring forward infrastructure investment and internal staff recommendations are as follows.

36. **Option 1: Amend the draft LTP to incorporate construction budgets for all Te Tumu projects that are required for development to commence.**

(a) Submissions seek infrastructure to be in place by 2030.

(b) Initial staff assessment (currently being independently reviewed) suggests that 2033 would be more realistic if funding was not an obstacle. This would provide 5 years for construction from an assumed operative plan change date of 2028. Option 1 is based on 2033 timing.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Demonstrates TCC's commitment to implementation of the agreed SmartGrowth growth pattern. • Would contribute to addressing the acute shortfall in land for housing supply in Tauranga and the sub-region. • May assist other processes underway eg securing access into Te Tumu and rezoning of Te Tumu for urban development 	<ul style="list-style-type: none"> • See Figure 2 above. In order to meet Council's debt restrictions, we would have to push an equivalent amount of other projects outside the LTP period. • If Te Tumu is unable to brought forward for other reasons it would result in inefficient infrastructure investment. • Approving TCC funding of Te Tumu infrastructure may limit the ability to secure external funding as no funding gap would be evident

(c) Budget – Capex: Approximately \$320M (including inflation) would have to be brought forward into the 2024-34 period.

(d) Budget – Opex: While there would be operational costs associated with these projects (such as depreciation and maintenance costs) these should be consistent with the operating costs from other projects were pushed out of the LTP period in order to stay within our borrowing limits. Therefore, there is unlikely to be any overall impact.

(e) Key risks: Broader Council affordability challenges, other capex would need to be displaced outside the LTP, uncertainty of Te Tumu timing due to other processes (e.g., zoning and access), may compromise ability to secure third party infrastructure funding.

(f) Recommended? No

37. **Option 2A: Do not amend the draft LTP to incorporate construction budgets for all Te Tumu projects that are required for development to commence and retain project timing as per draft LTP/waters programme.**

- (a) Option 2A involves retaining timing as per the draft LTP/three waters programme and not adopting external or internal staff recommendations on infrastructure timing.
- (b) Note that this option would still provide the opportunity to bring forward infrastructure construction where not provided for in the draft LTP into the LTP period if sufficient external funding can be secured and other milestones achieved (including greater certainty of zoning timing, greater certainty of land access and developer commitment to internal infrastructure investment).

Advantages	Disadvantages
<ul style="list-style-type: none"> Demonstrates some TCC commitment to implementation of Te Tumu as part of the agreed SmartGrowth growth pattern. More affordable than Option 1 but still raises affordability challenges. 	<ul style="list-style-type: none"> Currently these projects would need to be 100% funded from external revenue (such as direct developer funding) in order to bring them forward because of our debt constraints. Does not allowing timing of Te Tumu to be brought forward as some projects still sit beyond LTP period. Would not contribute to addressing the acute shortfall in land for housing supply in Tauranga and the sub-region. May create challenges for other processes underway e.g., securing access into Te Tumu and rezoning of Te Tumu for urban development

- (c) Budget – Capex: No change from draft LTP / waters programme
- (d) Budget – Opex: While there would be operational costs associated with these projects (such as depreciation and maintenance costs) these should be consistent with the operating costs from other projects were pushed out of the LTP period in order to stay within our borrowing limits. Therefore, there is unlikely to be any overall impact. The impact of any operational costs from projects funded from external revenue is unlikely to be of a level which would significantly impact rates.
- (e) Key risks: Efficiencies identified for wastewater investment in the Wairakei rising main project would not be captured, does not provide for Te Tumu development to be accelerated as some projects still outside LTP period, broader Council affordability challenges, other capex would need to be displaced outside the LTP period.
- (f) Recommended? No

38. Option 2B: Do not amend the draft LTP to incorporate construction budgets for all Te Tumu projects that are required for development to commence and adjust budgets further as per staff recommendations.

- (a) Option 2B involves pushing out some additional Te Tumu related infrastructure budgets beyond the LTP period compared to the draft as outlined in the Staff Recommendations – Capex Investment & Timing section of this report.
- (b) Note that this option would still provide the opportunity to bring forward infrastructure construction into the LTP period if sufficient external funding or alternative financial arrangements can be secured and other milestones achieved (including greater certainty of zoning timing, greater certainty of land access and developer commitment to internal infrastructure investment).

Advantages	Disadvantages
<ul style="list-style-type: none"> • Enables Council to stay within its debt limits over the LTP. • Will assist in securing external funding for Te Tumu infrastructure investment. • Efficiencies identified in delivering the Wairakei rising main project would be realised. • Provides the opportunity to bring forward investment in future if there is greater funding certainty or increases balance sheet capacity. 	<ul style="list-style-type: none"> • Does not demonstrate Council commitment to implementation of Te Tumu as a core part of the SmartGrowth growth pattern. • Does not provide for development of Te Tumu to be brought forward. • Does not address Tauranga's significant housing shortage. • May create challenges for other processes underway e.g., securing access into Te Tumu and rezoning of Te Tumu for urban development

(c) Budget – Capex: This option involves further reduction of capex in the LTP period which would help Council stay within its borrowing restriction.

(d) Budget – Opex: A reduction in capex would also reduce associated opex costs.

(e) Key risks: The lack of commitment to enabling development to commence in Te Tumu.

(f) Recommended? Yes

39. Option 2B is recommended as Te Tumu infrastructure investment is not affordable for Council to include in the upcoming LTP period and external funding is not currently in place and therefore cannot be relied upon. Once external funding is confirmed Council should reconsider timing.

40. Based on this recommendation an appropriate statement for the final LTP document on Te Tumu would be:

“Te Tumu is a priority urban growth area for the sub-region and Tauranga City Council together with the three main landowners / land interests in the Te Tumu Urban Growth Area are progressing a Plan Change the Te Tumu Urban Growth Area with the aim of it being notified by early 2026 at the latest.

The LTP contains budgets for the construction of infrastructure to service Te Tumu where that infrastructure also provides for growth in the Papamoa and Wairakei areas eg the Papamoa East Interchange and the Opal Drive wastewater pump station. It also includes a range of planning budgets for Te Tumu specific infrastructure for initial investigation, consenting, design and land purchase activities.

Key Te Tumu specific infrastructure construction budgets are not contained in the 2024-34 LTP because of broader Council affordability constraints. Council and the three main landowners / land interests will work together and with Central Government to seek to identify and secure the infrastructure funding or other financial arrangements, that will enable the network infrastructure that is required for Te Tumu to be brought forward and delivered in the 2024-34 LTP period. This infrastructure is currently budgeted in the order of \$320 million.

If successful, housing development in Te Tumu development is likely to commence from 2035.”

NEXT STEPS




41. The next steps are to:

- (a) Continue structure planning processes and preparation of a plan change for notification.
- (b) Continue engagement with the government on policy and legislative changes to would assist and expedite the project.
- (c) Continue to pursue external funding opportunities.
- (d) Progress infrastructure corridor workstreams to confirm access and servicing.
- (e) Commence development agreements for infrastructure funding and delivery.
- (f) Commence infrastructure planning workstreams including design and consenting.

SUBMISSIONS RECEIVED

- 42. Submission 1252: Carrus
- 43. Submission 1505: Tumu Kaituna 14 Trust
- 44. Submission 1506: Ford Land Holdings Pty Limited
- 45. Submission 1532: Bluehaven

ATTACHMENTS

- 1. **Attachment 1 - Comparison between the Te Tumu Funded costs from Sept 2023 to Feb 2024 - A15498022** [↓](#) 
- 2. **Attachment 2 - Te Tumu related project detail as at September 2023 - A15498023** [↓](#) 
- 3. **Attachment 3 - Te Tumu related project detail as at February 2024 (Inclusive of Staff Recommendations) - A15498024** [↓](#) 

Attachment 1 – Comparison of Te Tumu Funded costs from Sept 2023 to Feb 2024

Table 1: Te Tumu Related Capex based on February 2024 staff recommendations.

	Committed (actual + current year)	LTP budget (2024-2034)	Outside LTP (2034+)	Total
Water	\$.6 M	-	\$ 23 M	\$ 23 M
Wastewater	\$ 6 M	\$ 82 M	\$ 199 M	\$ 287 M
Stormwater	\$ 1 M	\$ 6 M	\$ 29 M	\$ 36 M
Transport	\$ 17 M	\$ 41 M	-	\$ 58 M
Total (Te Tumu share)	24 M	\$ 130 M	\$ 250 M	\$ 405 M
Total (full project budgets)		\$243M		\$657M

Table 2: Te Tumu Funded Capex Sept 2023 (Based on draft LTP budgets)

	Committed (actual + current year)	LTP budget (2024-2034)	Outside LTP (2034+)	Total
Water	\$.6 M		\$ 20 M	\$ 19 M
Wastewater	\$ 8 M	\$ 146 M	\$ 45 M	\$ 198 M
Stormwater	\$ 1 M	\$26 M	\$ 5 M	\$ 32 M
Transport	\$ 17 M	\$ 42 M		\$ 59 M
Total	\$ 26 M	\$ 215 M	\$ 70 M	\$ 309 M
Total (full project budgets)		\$452M		\$601M

Attachment 2: Te Tumu Related Capex - September 2023 (Draft LTP)

Te Tumu Funded Infrastructure Projects included in the 2024/25-2034 LTP						LTP 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Attachment 3: Te Tumu Related Capex - February 2024 - based on staff recommendations

Te Tumu Funded Infrastructure Projects included in the 2024/25-2034 LTP						LTP year																																											
IBIS	Project description	Te Tumu Cost \$	Te Tumu Share %	TCC cost (excl. WK Funding)	Estimated NZTA funding	Total project budget	0		1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18		19		20		
							Actual	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44																					
Water																																																	
120737	Bell Road 450mm Main - Wairakei and Te Tumu	22,946,913	50%	45,893,825		45,893,825	-	129,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - water						45,893,825	-	129,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
							\$	1.3																																									
Wastewater																																																	
121771	Main Wairakei Pumpstation (PS166)	31,503,689	74%	42,572,553		42,572,553	100,163	1,552,335	1,508,203	10,249,434	10,536,485	12,198,661	6,427,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
122115	Opal Drive Pump Station	15,561,421	41%	37,954,684		37,954,684	2,156,197	5,664,581	13,668,961	10,909,515	5,555,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122116	Opal Drive Rising Main (historical costs/design new)	190,253	70%	271,790		271,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122116	Upgrade to existing Wairakei rising main (betw	1,699,567	13%	13,073,593		13,073,593	1,046,764	655,866	1,358,437	3,895,371	2,070,367	4,046,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123222	Rising Main from Wairakei p/s to Opal Drive p/	101,155,042	90%	112,394,492		112,394,492	64,118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123230	Rising Main from Opal Drive p/s to Te Maunga	86,446,965	70%	123,495,665		123,495,665	64,118	260,000	257,275	317,670	381,255	367,458	576,050	2,630,786	1,458,443	5,504,803	15,982,442	16,379,879	16,828,557	15,850,760	23,002,516	23,633,653	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
122998	Te Tumu Rising Main (from Wairakei p/s to Te	50,784,628	100%	50,784,628		50,784,628	775,249	324,775	2,417,356	1,873,194	562,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - wastewater						380,547,405	4,414,281	8,457,557	19,210,232	27,245,185	19,105,616	16,612,908	7,003,322	2,630,786	1,834,973	6,211,382	16,403,168	17,690,479	22,327,483	25,692,793	45,875,739	60,752,092	27,695,320	14,272,775	18,304,875	18,806,442	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Stormwater																																																	
123215	TOD and PEI Roading related stormwater (28%	802,008	52%	1,542,323		1,542,323	1,542,323	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123224 (plus his	Wairakei Stream - Overflow to Kaituna	35,518,065	33%	106,532,888		106,532,888	797,286	50,000	102,910	168,365	89,323	91,865	94,472	97,834	100,245	102,730	16,615,448	1,580,584	553,412	17,862,369	1,597,654	5,150,831	28,215,022	11,602,082	11,720,860	4,902,616	5,036,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - stormwater						108,075,211	2,339,609	50,000	102,910	168,365	89,323	91,865	94,472	97,834	100,245	102,730	16,615,448	1,580,584	553,412	17,862,369	1,597,654	5,150,831	28,215,022	11,602,082	11,720,860	4,902,616	5,036,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transport																																																	
280277	Designations in Papamoa	19,950	57%	35,000	51%	35,000	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122982	Sands Avenue - between PEI and Te Okuroa Dr	66,464	54%	122,042		122,042	122,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122977	Te Okuroa Drive - Sands Avenue to Te Tumu (s	5,193,856	57%	9,064,321		9,064,321	10,360	3,032,000	4,391,379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122203	PEI - land purchase and early design	3,952,131	54%	7,256,942	4,402,659	11,659,601	11,659,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
199698	PEI Phase 1	3,960,057	54%	7,271,497	7,568,293	14,839,790	12,787,110	2,052,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
199711	PEI Phase 2	3,544,062	54%	6,507,641	6,773,260	13,280,901	1,813,182	9,080,207	2,387,512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
199724	PEI Phase 3	21,685,895	54%	39,819,859	41,445,159	81,265,018	1,682,417	7,583,408	32,537,488	32,925,905	6,535,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
182875	Sands Avenue - The Boulevard to Te Okuroa Dr	3,184,362	25%	12,737,447		12,737,447	30,120	3,264,000	6,167,427	3,275,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123165	Intersection - Between Sands Ave and The Bou	1,021,602	25%	4,086,406		4,086,406	-	-	2,161,110	1,925,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123172	The Boulevard - From Stevenson to Sands	2,272,623	15%	15,150,817		15,150,817	38,725	-	12,279,830	2,832,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
123166	The Boulevard - Between Sands Ave and Te Tu	3,326,298	35%	9,503,708		9,503,708	-	-	1,029,100	4,771,608	3,484,542	218,459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
150204	Wairakei Town Centre bus facility	1,443,040	48%	3,006,334		3,006,334	-	762,142	2,244,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
122607	Right of Access Te Tumu Corridor	681,856	100%	681,856		681,856	384,404	297,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
150206	Te Tumu Road Corridors x2	9,000,490	100%	9,000,490		9,000,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal - transport						58,410,413	15,856,120	16,603,079	44,867,967	27,949,697	6,387,758	9,218,949	-	-	-	1,630,583	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total						405,018,964	22,610,010	25,240,136	64,181,109	55,363,247	25,582,696	25,923,721	7,097,794	2,718,620	3,565,800	6,314,112	33,018,616	19,271,062	23,082,869	43,970,211	48,894,793	74,665,323	75,415,542	39,749,256	31,609,635	23,709,057	5,036,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative total						657,030,594	22,610,010	47,850,146	112,031,255	167,394,502	192,977,198	218,900,919	225,998,713	228,727,733	232,293,133	238,607,245	241,625,861	250,896,924	263,979,793	357,950,004	406,844,797	481,510,120	556,925,662	596,674,918	628,284,553	651,993,610	657,030,594	657,030,594	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

11.9 2024-2034 Long-term Plan Deliberations - Other issues and options papers**File Number: A15510841****Author: Josh Logan, Team Leader: Corporate Planning****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 11.9 - 2024-2034 Long-term Plan Deliberations - Other issues and options papers - Attachment 9 - 2028 Event (Confidential)	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.

PURPOSE OF THE REPORT

- To consider and determine a number of specific matters raised through the 2024-2034 Long-term Plan consultation process that have not been covered in other reports.

RECOMMENDATIONS

That the Council:

- Receives the report "2024-2034 Long-term Plan Deliberations - Other issues and options papers".

Tsunami Evacuation Pathways (Attachment 1)

- Engages a consultant to assess the evacuation routes, and explore options for enhancing evacuation times, as an interim measure until the new evacuation model is completed.
- Establishes a Tauranga City Council facilitated working group with community and key stakeholders to devise additional evacuation alternatives. (Option 1).

Proposed Regional Screen Incentive Fund (Attachment 2)

- Retains current Film BOP funding of \$102,500 per annum with CPI increases, via the targeted commercial rate, managed through the City Partnership Team in Council. (Option 3).

Tauranga Māori Business Association (Attachment 3)

- Approves a staged approach, providing Tauranga Māori Business Association with new operational funding in the 2024-2034 Long-term Plan of \$30,000 in 2024/25, \$40,000 in year 2025/26, and \$50,000 in 2026/27 (Option 3).

Waiāri Cultural Recognition Programme (Attachment 4)

- Approves additional budget in the 2024-2034 Long-term Plan for the Waiāri Cultural Recognition Programme of \$250,000 for 2024/25 and a further \$250,000 for 2025/26, plus \$40,000 each year after for maintaining mauri model and data (Option 1).

Incubator Creative Hub (Attachment 5 and 6)

- Adheres to the newly adopted Community Funding Policy and moves The Incubator to a multi-year contestable funding agreement.
- Does not fund the other initiatives outlined in the submission (Option 1).

Wednesday Challenge (Attachment 7)

- (i) Pays the licence fee only for one year for The Wednesday Challenge Business Module through rate payers funds and the Wednesday Challenge provide the resource to deliver it (Option 2).

Ngāi Tūkairangi Hapū Trust (Attachment 8)

- (j) Increases funding for Hapu Management Plans by \$40,000 per annum (Option 1).

2028 Event (Confidential) (Attachment 9)

- (k) Approve total \$980,000 of additional operational funding for the event over years 2026/27 – 2028/29 of the 2024-2034 Long-term Plan (Option 1)
 - (l) **Attachment 9** can be transferred into the open when all negotiations have been completed and the announcement has been authorised.
-

BACKGROUND**Long-term Plan consultation process**

- 2. Consultation on the Long-term Plan was undertaken from 15 November to 15 December 2023. In total, 2,202 submissions were received covering a wide variety of topics.

This report

- 3. This report covers a number of matters raised through submissions that have not been addressed in other reports on this agenda.
- 4. Each identified matter where a clear decision is required by Council has been covered in a separately attached issues and options paper. These issues and options papers include financial considerations relevant to the specific matter.
- 5. The recommendations within each issue and options paper have been brought forward into the above recommended resolutions for Council's consideration. Council may alternatively select a different option from within the issues paper or craft its own resolution.
- 6. This is a compilation report. While a single author and authoriser are identified above, in reality the attachments have been prepared by a number of different authors and each has been formally approved by the relevant General Manager. Discussion on each attachment will be led by the relevant General Manager.

STRATEGIC / STATUTORY CONTEXT

- 7. Where appropriate, relevant strategic context is provided in the individual attachments.
- 8. Statutorily, the Local Government Act 2002 requires Council to prepare a Long-term Plan following a special consultative procedure. This report is in response to issues raised through that special consultative procedure.

SIGNIFICANCE

- 9. 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.
- 10. 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.

11. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions required by this report are individually of low or medium significance.









ENGAGEMENT

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

NEXT STEPS

13. For each matter covered by this report, staff will action the resolutions made by Council.

ATTACHMENTS

1. **Tsunami Evacuation Pathways - A15393804** [↓](#) 
2. **Regional Screen Incentive Fund - A15494168** [↓](#) 
3. **Tauranga Māori Business Association - A15493696** [↓](#) 
4. **Waiāri Cultural Recognition Programme - A15480446** [↓](#) 
5. **Incubator Creative Hub - A15467052** [↓](#) 
6. **Community Partnership Agreement - The Incubator 15/12/2022 - A15531159** [↓](#) 
7. **The Wednesday Challenge - A15497558** [↓](#) 
8. **Ngāi Tūkairangi Hapū Trust - A15501671** [↓](#) 
9. **2028 Event (Confidential) - A15497950 - Public Excluded**

Title: Issues and options – Tsunami Evacuation Pathways for Pāpāmoa to Tauranga City**File Number: A15393804****Author: Paula Naude, Manager: Community Development & Emergency Management****Authoriser: Barbara Dempsey, General Manager: Community Services****ISSUE**

1. Submitters have requested additional evacuation routes in Pāpāmoa with a proposed evacuation route/cycleway route that runs parallel to State Highway 2.

ANALYSIS OF SUBMISSION POINTS

2. That an evacuation pathway be built towards Papamoa Hills and alongside the Tauranga Eastern Link State Highway.
3. Create additional pathways that connect to the Tauranga Eastern Link.
4. Install footpaths along Domain Road and Parton Road extension which are identified as two major evacuation roads.
5. Implement a multi-agency taskforce between NZTA, Tauranga City Council, Papamoa Rate Payers Association and the Eastern Corridor Alliance.
6. Build the pathways within 12 months.

DISCUSSION AND ANALYSIS

7. Bay of Plenty Regional Council has engaged GNS Science to undertake a detailed, region wide, tsunami model. The inundation modelling and updated tsunami evacuation zone maps will be completed and publicly released in approximately 18 months. Draft outputs of this model will be assessed during this period.
8. Tauranga City Council is currently undertaking an audit of the existing evacuation routes to identify areas for improvement, pending completion of the regional modelling by GNS Science.
9. GNS Science is currently undertaking an evacuation model of the existing road and pathway network to assess the times to reach identified safe locations outside of the tsunami evacuation zone, due for completion mid-2024.
10. This programme is progressing with the commissioning of GNS to complete a regionally consistent tsunami model for the entire Bay of Plenty coastline, undertaking a regional tsunami impact assessment with identification of critical impacts for the Bay of Plenty. Following the development of these, locally led tsunami response planning will be undertaken to reflect the updated tsunami map once finalised.
11. Tauranga City Council Emergency Management has been working as part of the Tsunami Ready Programme led by Emergency Management Bay of Plenty (EMBOP) for almost 2 years. The aim of this project is to develop a coordinated Tsunami Ready programme for the Bay of Plenty CDEM Group to ensure regional consistency; alignment to national projects and standards; and giving effect to current science.
12. This project encompassed a thorough review of all scientific models across the Bay of Plenty, development of updated tsunami evacuation maps, the adoption of a one blue zone approach for the evacuation zone, and a comprehensive communication and public education campaign.
13. A public awareness campaign has recently been undertaken on new evacuation zone maps. This campaign will continue over summer to increase public awareness and to ensure our community understands natural warnings, where the evacuation routes are, and what they should do to prepare.

14. Over December/January 2024 the coastal tsunami evacuation routes have been audited to ensure evacuation signage is appropriate. Any changes required are being actioned to ensure all signage reflects the current evacuation zone and any access changes that have occurred since they were installed.
15. Alongside identifying these signs, the beach accessways were audited to ensure they link to the existing evacuation paths and that signage is visible at each entranceway. Where no signs are visible an evacuation sign will be installed to connect pedestrians onto the nearest evacuation pathway.
16. Current evacuation network is based on an extensive study conducted by Tonkin + Taylor, in association with Beca Ltd, in 2015.

OPTIONS ANALYSIS

Option 1: Engage a consultant to assess the evacuation routes, and explore options for enhancing evacuation times, as an interim measure until the new evacuation model is completed. Establish a Tauranga City Council facilitated working group with community and key stakeholders to devise additional evacuation alternatives. **Recommended and Progressing**

Advantages	Disadvantages
<ul style="list-style-type: none"> Engaging a consultant brings in expertise in urban planning and transportation logistics. This ensures a thorough and professional assessment of current evacuation routes and options for improvement. A consultant can provide an unbiased and objective analysis of the current evacuation network, facilitate discussions and workshops, and identify areas for improvement. Involving the community in the working group will enhance the public's trust in the proposed evacuation plans and increase overall community resilience. The working group facilitates collaborative decision making, allowing the inclusion of local knowledge. This can result in evacuation alternatives that are not only technically sound but also culturally and socially sensitive. 	<ul style="list-style-type: none"> Areas identified towards Pāpāmoa hills for pathway development is private land in Western Bay District. The effectiveness of proposed evacuation alternatives may be hindered by challenges during implementation, such as logistical constraints.

Budget – Capex: Within budget.

Budget – Opex: Within budget.

Key risks:

- Conflicting interests may hinder consensus and cooperation. Conversely, there is a large and diverse community that will need to be engaged.

This will be closely managed and any issues arising will be addressed. External consultant will help facilitate key workshops and meetings providing an unbiased position.

- Logistical & financial constraints with challenges in implementing changes, such as infrastructure limitations or technical issues which may hinder the effectiveness of the proposed improvements.

Support from key Tauranga City Council teams will be required to deliver this work effectively.

Recommended? **Recommended and progressing.**

Option 2: Adopt the Tsunami Evacuation Route/Cycleway Pathway proposed through community submissions

Advantages	Disadvantages
<ul style="list-style-type: none"> • Multi-use network is delivered which will be used for tsunami evacuation and as a cycleway. 	<ul style="list-style-type: none"> • Uncertain costs as the proposed pathways have not been assessed by an external consultant and transport planner. • Other community groups not engaged in process. • Other improvement options will not be assessed through the adoption of this plan. • Proposed route towards Papamoa Hills is in Western Bay of Plenty District Council jurisdiction. • Areas identified for additional evacuation routes cross private land which may result in escalations to estimated costs not addressed in proposal. • The proposed cycleway along State Highway 2 runs parallel to the coast and predominantly aligns with the tsunami evacuation zone boundary. This route has minimal impact on travel distance outside of the evacuation zone, and offers limited benefits for emergency evacuation (based on walking distances).

Budget – Capex: Significant Capex expenditure expected across multiple departments of Council, not currently in budget and if recommended, would require annual planning and budget forecasting.

Budget – Opex: Significant impacts on consultancy, admin and other operating expenses. Not currently in budget and if recommended, would require annual planning and budget forecasting.

Key risks: High risk of unknown cost escalation requiring an independent review. Alternative options which may be of higher benefit are not assessed.

Recommended? **No**

RECOMMENDATION

- Option 1 - Engage a consultant to assess the proposed new evacuation routes and explore options for enhancing evacuation times. Establish a Tauranga City Council facilitated working group with community and key stakeholders to devise additional evacuation alternatives.

NEXT STEPS

17. Engage a suitable consultant to lead the project. Establish a working group that incorporates community members to assess all aspects of tsunami evacuation planning for Mount Maunganui and Pāpāmoa coastal areas.

SUBMISSIONS RECIEVED

Submission #: 675, 620, 1293 and 1511.

ATTACHMENTS

Nil

Title: Issues and options – Proposed Regional Screen Incentive Fund**File Number:****Author:** Anne Blakeway**Authoriser:** Gareth Wallis**ISSUE**

1. Consideration of funding requests from:
 - Film Bay of Plenty for \$385,000 per year, which includes \$110,000 of support towards their operational costs, as part of their current funding agreement with Priority One to support the film and media sector, as well as \$250,000 towards a new regional screen incentive fund, and \$25,000 to support administration costs.
 - Tauranga Moana – Our Stories for \$100,000 of funding to support phase one – developing a mini-doco series and associated content – in a collaboration between Tommy “Kapai” Wilson and Robert Morgenstern of Atara Film.

ANALYSIS OF SUBMISSION POINTS**Film Bay of Plenty**

2. Film Bay of Plenty (Film BOP) are requesting \$385,000 per year, which includes \$110,000* of support towards their operational costs as part of their current funding agreement with Priority One, to support the film and media sector, as well as an additional \$250,000 towards a new regional screen incentive fund, and \$25,000 to support administration costs.
**Noting that there is already \$102,500 included in the Priority One budget in the draft Long-term Plan 2024-2034 for a film sector grant, which would mean an increase of \$282,500 to the targeted commercial rate.*
3. The vision is to establish a 'Bay of Plenty' incentive programme structured on a percentage-based model, with the goal to fund approximately eight projects, with an average budget of \$3 million each. The incentive will go to productions that can commit to and then prove that 60% of the total budget is spent on local cast, crew, locations and suppliers. The calculated Return on Investment per year, based on 60% of that budget, is approximately 6.07 times the spend.
4. Under this framework, film productions intending to shoot in multiple locations across Tauranga, Western Bay, Rotorua, and Taupō would be eligible to access a percentage of the incentive fund. The specific percentage allocated would be contingent upon the number of planned shoot days, local crew employment, local businesses used, internships, and workshops.
5. Since its inception, Film BOP has acted as a catalyst for economic growth in the Taupō, Rotorua and Tauranga regions by attracting screen projects, supported by a sustainable plan for long-term impact. Increased filming activities will contribute to the revitalisation of the city centre, fostering heightened community engagement and high economic impact through employment and local spend.
6. Film BOP have indicated that there has been a surge in interest in the Bay of Plenty in the last 12 months – in particular from screen productions with moderate to substantial budgets, potentially with an international focus, and from the New Zealand domestic market – which underscores the region's growing reputation as a versatile filming destination.
7. In 2023 Film BOP had a test run with a regional incentive fund in Taupō, which led to them being successful in landing a NZ feature film in Taupō. Other opportunities have been sourced by Film BOP in the past but have been unable to proceed due to the additional costs to produce here compared to main centres such as Auckland. Film BOP have helped to 'land' the production here but are unable to make any financial contribution to incentivise them to use local crew.

8. Without an incentive fund, there is limited capacity for Film BOP to attract productions to film in Tauranga. A recent example in November 2023 saw a major New Zealand television series with a \$3 million budget lost to Auckland as we were unable to provide the full incentive support that the production required, despite the production being set in Tauranga.
9. Similar incentives in Auckland, Rotorua and Christchurch have anecdotally provided strong return on investment, with advantages from increased job opportunities to heightened cultural visibility.
10. In Christchurch, an investment of \$1.5 million over three years in Screen Canterbury through a Regional Incentive Fund grew incoming productions from one to two productions per year, to nine in 18 months, resulting in increased spend in the region, employment and strengthening of the local industry.
11. In Taupō, a New Zealand feature film delivered both tangible and intangible benefits to the region, including 63 local people employed as cast and crew, and approximate spend in the region of \$2 million, along with other benefits outlined in the submission.
12. Film BOP is currently seeking continued funding support from other local councils, BayTrust, and the Tauranga and Rotorua Energy Consumer Trusts. Council's contribution would be of a similar value to that of Rotorua, albeit significantly smaller on a per capita basis.

Tauranga Moana – Our Stories

13. In a collaboration between local author, Tommy "Kapai" Wilson, double Emmy nominated director, Robert Morgenstern, of Atara Film, and local creatives, this is an epic feature film project, aimed at showcasing the profound history and diverse heritage of our region, with the launch planned for 2025.
14. The team is requesting a one-off grant of \$100,000 to support phase one of their project, which includes the creation of ten engaging mini documentaries over six months, for online release every two weeks between April and October 2024. This would produce a "teaser" for the main feature film and a feedback platform for phase two, leading to the development of compelling visual content for partners to leverage as momentum is built.
15. A budget is provided for the project in the submission, which also outlines the broader project benefits of global impact and visitor economy. More specific benefits of phase one include:
 - Elevation of our identity, culture, heritage and sense of place
 - Providing local talent with employment
 - Fuelling creativity in the heart of the city, with Atara's film studio based at 32 Devonport Road
 - Providing content for Tauranga City Council and partners to leverage and promote, complementing the civic precinct development
 - Providing resources for educators to support teaching a rich local curriculum
 - Empowering talent.

DISCUSSION AND ANALYSIS

16. The [Ministry of Culture and Heritage website](#) highlights the numerous wider benefits of supporting screen productions, including skills development, attracting tourism, and contributing to New Zealand's goal of becoming a high-wage, low emissions economy. Cultural benefits include showcasing our unique New Zealand stories, perspectives, and identity on screen.
17. Council has previously supported Film BOP for four years, before deciding through the Annual Plan 2020/21 to cease funding.
18. In the Long-term Plan 2021-2031, a substantive submission was received from Film BOP, along with several other submissions from the local film sector. The subsequent resolution was to provide Priority One with \$100,000 per annum to support industry co-ordination and distribution to the film and media sector against an agreed set of criteria.

19. The Commissioners felt that there would be benefit from a more co-ordinated and strategic approach to investment in this sector before any individual funding was provided, and that Priority One could help develop that structure through a contestable fund, with an emphasis on collaboration and bringing the various industry groups together. TCC would specify a strategic approach and provide a clear definition of outcomes required in their contract with Priority One.
20. Over the last three years, Priority One has funded Film BOP \$100,000 per annum, with additional one-off grants of \$10,000 provided to an independent film maker and to the Village Cinema at the Historic Village.
21. Film BOP has used the funding to explore opportunities to attract productions to Tauranga. Key performance indicators in their current agreement with Priority One include (a) attracting and facilitating national and international productions to promote Tauranga and the Bay of Plenty as a film-friendly environment, (b) growing and supporting local productions, and (c) developing the local crew base through training and upskilling, are reported on annually to Priority One.

Priority One feedback

22. It appears that Priority One acting as the conduit for funding, and providing oversight and agreement of outputs and intended outcomes, has ensured alignment with agreed economic-development priorities. However, Film BOP reporting is not included in Priority One's Annual Report to Council, and Council have had very little oversight over the benefits and returns from this investment.
23. Priority One has advised that, while they support Film BOP's continued operational funding, they do not think that the funding needs to go through them in future and would prefer that the relationship was managed in-house by TCC staff. This would also enable TCC to seek information on the benefits of specific proposals and put in place relevant reporting/monitoring requirements, to ensure an appropriate level of accountability.
24. In addition, Priority One have said that they would not support a film incentive fund for the following reasons:
 - It could be seen to be incentivising only one sector of the economy, and there is no economic analysis to support special treatment for film versus other sectors.
 - While film is viewed as a relatively attractive sector, evidence of economic uplift would need to be more robust than it is currently (e.g., discount the value of employment if it wasn't local/permanent), with comparisons made to other sectors and to strategic problems that we are trying to solve.
 - Anecdotally, other economic development colleagues do not generally support film via incentives. Taupō would probably not provide incentive funding support again.
 - While Auckland has previously played a strong role in supporting the film sector through its facilities, they are currently in the process of divesting their involvement. Wellington currently has an established industry, and Christchurch is putting considerable funding into attraction, as they are in many other areas.
 - Priority One believe that the film industry already receives a significant amount of government assistance, through the New Zealand Screen Production Rebate and other incentives, and that is where most of the benefit is collected.

Economic Development targeted rate

25. If Council were to support continued funding for Film BOP and/or the establishment of a regional incentive fund, along with funding of the Tauranga Moana – Our Stories project, the funding would need to come from the Economic Development targeted rate, which is a part of the Commercial rate, so that there is a direct correlation between the funding source and potential beneficiaries.

OPTIONS ANALYSIS

Option 1: Provide Film Bay of Plenty with \$385,000 per annum through the targeted economic development rate, to be reviewed before the next Long-Term Plan.

26. This would include \$102,500* of support towards Film BOP's operational costs to support the film and media sector, as well as an additional \$250,000 towards a new regional screen incentive fund and \$32,500 to support administration costs.

** With \$102,500 already included in the Priority One budget in the draft Long-term Plan 2024-2034 for a film sector grant, this option would mean an additional increase of \$282,500 to the targeted commercial rate.*

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides an opportunity to support the community outcome that Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs and a skilled workforce. Provides a coordinated and strategic approach to film and media investment with a 'tried and tested' partner, i.e., Film BOP. The <i>Tauranga Moana – Our Stories</i> project could apply for funding through the screen incentive fund. 	<ul style="list-style-type: none"> Adds to the rates burden on commercial ratepayers, which is rising significantly. Could be seen to be incentivising only one sector of the economy, with no economic analysis to support special treatment for film versus other sectors. The film industry already receives a significant amount of government assistance.

Budget – Capex: None

Budget – Opex: An increase of \$282,500 per annum to the targeted commercial rate for an additional three years, which has an impact of \$21.87 on the targeted rate, or 0.3%

Key risks: This option is not supported by Priority One.

Recommended? No

Option 2: Provide *Tauranga Moana – Our Stories* with \$100,000 of funding to support phase one to develop a mini-documentary series and associated content.

27. This would be in the form of a one-off grant, with a funding agreement drafted to include some key deliverables.

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides an opportunity to support the community outcome that Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs and a skilled workforce. Increased opportunities to support the revitalisation of the city centre. Providing resources for TCC and educators. Elevation of our identity, culture, heritage and sense of place. Providing local talent with employment. 	<ul style="list-style-type: none"> Adds to the rates burden on commercial ratepayers, which is rising significantly. Could be seen to be incentivising only one player in the sector. Does not provide a coordinated and strategic approach to film and media investment. The film industry already receives a significant amount of government assistance.

Budget – Capex: None

Budget – Opex: An increase of \$100,000 to the targeted commercial rate for year one of the Long-term Plan 2024-2034, which has an impact of \$7.74 on the targeted rate, or 0.1%

Key risks:

Recommended? No

Option 3: Retain the status quo funding level. (Recommended)

28. No additional funding – support current Film BOP funding of \$102,500 per annum with CPI increases, via the targeted commercial rate.
29. Do not support the Tauranga Moana – Our Stories project with \$100,000 of funding.

Advantages	Disadvantages
<ul style="list-style-type: none">No additional burden on targeted rates.Continues support to film sector in BOP.	<ul style="list-style-type: none">Potentially reduced opportunities to enable economic development in a high potential sector.Potentially unrealised opportunities to support the revitalisation of the city centre.

Budget – Capex: None

Budget – Opex: As per current commitment in the draft Long-term Plan 2024-2034. This would need to be moved out of the Priority One funding, if it is to be managed in-house.

Key risks:

Recommended? Yes

Option 4: Retain the status quo with Film BOP and in addition, establish a \$100,000 screen incentive contestable grant fund.

30. Retain current Film BOP funding of \$102,500 per annum with CPI increases, via the targeted commercial rate, while also establishing a \$100,000 screen incentive contestable grant fund, which would be run through TCC's Community Development Funding Hub.

Advantages	Disadvantages
<ul style="list-style-type: none">Provides an opportunity to support the community outcome that Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs and a skilled workforce.Provides a coordinated and strategic approach to film and media investment with a 'tried and tested' partner.The <i>Tauranga Moana – Our Stories</i> project could apply for \$100,000 of funding through the contestable grant fund.Enables Council to seek information on the benefits of specific proposals and put in place relevant reporting/monitoring requirements, which ensure an appropriate level of accountability for use of ratepayer funds.	<ul style="list-style-type: none">Adds to the rates burden on commercial ratepayers, which is rising significantly.Could be seen to be incentivising only one sector of the economy, with no economic analysis to support special treatment for film versus other sectors.The film industry already receives a significant amount of government assistance.Regional Screen Incentive Fund not supported by Priority One

Budget – Capex: None

Budget – Opex: An increase of \$100,000 to the targeted commercial rate for an additional three years, which has an impact of \$7.74 on the targeted rate, or 0.1%

Key risks: While Priority One support the continued annual funding of Film BOP, they do not support the establishment of a regional screen incentive fund initiative.

Recommended? No

RECOMMENDATION

31. Council approves that \$102,500 (\$100k plus CPI) continues to be funded through the Economic Development targeted rate to support Film BOP's operational costs to support the film and media sector, as per current commitment in the draft Long-term Plan 2024-2034.
32. Priority One support the removal of this funding from the budget allocated to them in the Long-Term Plan 2024-2034, agreeing that it will instead be managed by the City Partnerships team.

NEXT STEPS

33. TCC staff will work to ensure the approved funding is distributed with appropriate contractual and accountability arrangements attached.

SUBMISSIONS RECEIVED

Submission #: 1020 and 1453

ATTACHMENTS

Nil

Title: Issues and options – Tauranga Māori Business Association Funding Submission for LTP**File Number: Submission 1451****Author: Lisa Gilmour****Authoriser: Gareth Wallis****ISSUE**

1. Tauranga Māori Business Association is seeking funding through the Long-term Plan 2024-2034 to support the organisation's objective to continue to grow and support their membership.

ANALYSIS OF SUBMISSION POINTS

2. Tauranga Māori Business Association (TMBA) is an Incorporated Society with a six-person executive board. It was initially established in 2010 with the general objective to create opportunities for businesses to connect, grow and thrive in Tauranga Moana.
3. TMBA work with Toi Kai Rawa, Tauranga Business Chamber, WBOP Transport, Whanake, and the Pacific Business Hub. This strategic alignment enables them to pool expertise and resources, achieving mutual success.
4. TMBA submission focuses on:
 - (a) Explaining the objective of TMBA; to create opportunities for businesses to connect, grow and thrive in Tauranga Moana.
 - (b) Acknowledging the financial support of \$20,000 previously provided by Council, which enabled the establishment of a Kaitautoko part time role, and subsequent achievement of goals.
 - (c) The request for additional funding explaining, how this would be utilised, and the key strategic context and alignment for the funding.
5. The submission seeks new operational expenditure of \$65,000 in year one of the Long-term Plan and CPI increases for subsequent years, to assist TMBA with their key objective of continuing to grow their membership, thus ensuring more access to services for Pakihi Māori in Tauranga Moana, and to:
 - Increase membership to upwards of 120 members
 - Increase service delivery through educational/networking workshops and events
 - Increased strategic partnerships with other Māori business networks

Note: Toi Kai Rawa receives funding from Priority One and Bay of Plenty Regional Council to provide support to Māori business networks at a regional level. TMBA works collaboratively with Toi Kai Rawa on service delivery for Māori Pakihi within the sub-region

 - Source collaborative opportunities for members
 - Market members through promotional content on website/socials/LinkedIn
 - Provide referrals to Whanake organisations (a collective of organisations that uplift Māori and Pasifika businesses within Tauranga Moana) and build capability to be tender-ready
 - Grow partnership opportunities for members
 - Create and grow relationships with the three iwi, Ngāti Ranginui, Ngāti Pūkenga and Ngai Te Rangi.

DISCUSSION AND ANALYSIS

6. TMBA were provided with \$20,000 of Council funding in FY2023 from the City Partnerships operational budget, which enabled them to establish a part-time (10 hours per week) Kaitautoko role to support the provision of business advisory services and assist with elevating Pakihi Māori in Tauranga Moana, build capability, and provide operational and administrative support to the Association at large.
7. As a result of this new role, they have already seen the membership base grow by 64% to 75 members in December 2023.
8. TMBA received no funding support from TCC in FY2024, as they had only just established the Kaitautoko role when TCC was adopting the Annual Plan.
9. TMBA have requested funding in the Long-term Plan from FY2025 onwards to enable them to continue to build on this growth. They would like to increase the Kaitautoko role to full-time and in time, provide another full-time support resource. They plan to approach others for funding support and will not be reliant on Tauranga City Council funding as their sole source of income. There is a staged approach proposed to build the business model.
10. TMBA presented their annual report at the Strategy Finance and Risk Committee meeting in October 2023, and offered some tangible outcomes despite the limited hours.
11. TMBA are requesting an increase of funding in the LTP, which is equivalent to that received by the Tauranga Business Chamber, which is \$65,000.00 plus CPI annually.
12. Annual membership fees for TMBA are as follows:

Certified Membership (Business Owner)	\$100 + GST
Associate Membership (Professional)	\$120 + GST
Associate Membership (Student)	\$50 + GST
Group Membership (5 or more people)	\$400 + GST

By comparison, Tauranga Business Chamber has the following membership fee structure:

Essential Plan (start ups and small business owner)	\$269 + GST
Prime Plan (established and growing businesses)	\$399 + GST
Premium Plan	\$850 + GST
Not for Profits (up to 5 staff)	\$185 + GST
An additional one time fee is also payable for new members	\$40 + GST

Priority One membership fees start from \$1000 upwards.

13. Priority One and Tauranga Business Chamber are supportive of the TMBA funding request, although not necessarily at the level proposed in their submission.
14. Key strategic contexts for this submission are:
 - Seeking Council support to commit to achieving equitable outcomes for Māori businesses in Tauranga Moana
 - Strengthening Government and Council commitment to assisting Māori businesses
 - Assisting growing Māori businesses to increase intergenerational sustainability, with the objective to grow the economic prosperity of the sub-region.

OPTIONS ANALYSIS

15. Three options are put forward for consideration.

Option 1: Retain the status quo – Council does not provide TMBA with any funding.

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional opex expenditure required in the Long-term Plan. No resulting impact on ratepayers through the targeted rate. 	<ul style="list-style-type: none"> Council is perceived to be unsupportive of Māori economic business initiatives. This approach provides no support for a new membership organisation, whose vision aligns with TCC's own broader community outcomes. This will require TMBA to source sufficient additional external funding to fulfil their objectives. There is limited opportunity for TMBA to continue their work to build capability for the Māori community in this region and improve Māori prosperity.

Budget – Capex: Nil

Budget – Opex: Nil

Key risks:

Recommended? **Not recommended**

Option 2: Agree to provide TMBA with new operational funding of \$65,000 in year one of the Long-term Plan (with CPI increases for subsequent years).

16. This would come from the Economic Development targeted rate and would be subject to a satisfactory funding agreement, which would be reviewed before the next Long-term Plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides the opportunity for TMBA to continue with their strategic plan and grow capability in the Māori business community. Alignment with Council's broader community outcomes and sustainability plan. Provides an equitable outcome in relation to funding paid to Tauranga Business Chamber. 	<ul style="list-style-type: none"> Increased operational expenditure in the Long-term Plan, with a resulting impact on ratepayers through the targeted rate. TMBA was established more recently than the Tauranga Business Chamber, with a considerably smaller membership base – 75 members in December 2023, expected to rise to 120 members. By comparison, Tauranga Business Chamber membership as at 31 January 2024 is 560. Support paid to Tauranga Business Chamber is very specific and targeted at start up business advisory services. This will require TMBA to source sufficient additional external funding to fulfil their objectives.

Budget – Capex: Nil

Budget – Opex: \$65,000 in year one, with CPI increases annually for year two and three of the Long-term Plan. This will have an impact of \$5.03 (i.e. 0.074%) on the targeted rate.

Key risks:

Recommended? **Not recommended.**

Option 3: Consider a staged approach, by providing TMBA with new operational funding in the Long-term Plan of \$30,000 in year one, \$40,000 in year two, and \$50,000 in year three.

17. This considers the lower membership numbers comparative to other organisations, as well as being in alignment with the staged business model supplied in the submission.
18. This would come from the Economic Development targeted rate and would be subject to a satisfactory funding agreement, which would be reviewed before the next Long-term Plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> This approach would provide sustainable growth as roles expand and membership numbers increase. Alignment with Council's broader community outcomes and sustainability plan. Council is providing some funding with this approach and is supportive of Māori business aspirations and capability building initiatives, albeit at a lower level. 	<ul style="list-style-type: none"> Increased operational expenditure in the Long-term Plan, with a resulting impact on ratepayers through the targeted rate. The financial provision is not as generous as requested and may limit some of TMBA's objectives and plans. This will require TMBA to source sufficient additional external funding to fulfil their objectives.

Budget – Capex: Nil

Budget – Opex: \$30,000 year one, \$40,000 year two, \$50,000 year three. In year one, this will have an impact of \$2.32 and 0.034% on the targeted rate.

Key risks:

Recommended? Yes

RECOMMENDATION

19. Council approves providing TMBA with new operational funding from the economic development targeted rate of \$30,000 in year one of the Long-term Plan, increasing to \$40,000 in year two, and \$50,000 in year three.
20. Option 2 is TMBA's preferred option, but a staggered approach under Option 3 has been recommended by staff, in line with growth objectives outlined in the submission.
21. Next steps – TCC staff develop a three-year funding agreement and work with TMBA to establish clear Key Performance Indicators to measure the outcomes from the funding provision.

SUBMISSIONS RECEIVED

Submission #: 1451

ATTACHMENTS

Nil

Title: Issues and Options – Waiāri Cultural Recognition Programme**File Number: A15480446****Author:** Peter Bahrs - Manager: Water Services and Kelvin Hill - Manager: Transport Infrastructure Outcomes**Authoriser:** Stephen Burton - General Manager: Infrastructure**ISSUE**

1. To recommend the inclusion of budget into the LTP 2024-34 to progress the Waiāri Cultural Recognition programme.

ANALYSIS OF SUBMISSION POINTS

2. The submission received is supporting the inclusion of budget into the LTP 2024-34 to progress the prioritised cultural recognition programme for the Waiāri Water Supply Scheme. This matter has been the subject of discussion at various Waiāri Kaitiaki Advisory Group (WKAG) meetings and arises from the cultural recognition report tabled at the WKAG meeting of 8 November 2023.
3. The cultural recognition projects are proposed to be jointly funded by Tauranga City Council (TCC), Western Bay of Plenty District Council (WBOPDC), and the Bay of Plenty Regional Council (BOPRC). This submission only deals with the funding requirement for TCC but the WKAG will also be seeking support from the WBOPDC and the BOPRC through their LTP processes.
4. The overall budget estimate for the six prioritised projects is \$1.39 million. This submission recommends the inclusion of a budget of \$250,000 in the 2024/25 budget and \$250,000 in 2025/26 budget of the LTP.

DISCUSSION AND ANALYSIS

5. The Waiāri Water Supply Scheme was developed and implemented to augment the water supply for the Tauranga sub-region. As part of the Waiāri resource consent conditions the WKAG was established. One of the consent requirements was to develop a mauri model to meet the consent requirements of "to inform the Regional Council of the effects of the water take authorised under this consent on the mauri and mauriora of the Waiāri Stream", this in turn resulted in the development of a cultural recognition report as part of the WKAG deliberations.
6. The cultural recognition report provided a summary of discussion and decisions which led to a list of prioritised initiatives for cultural recognition for the Waiāri Water Supply Scheme project. Iwi reps met to discuss the subject in late 2022, 13 April and 2 May 2023 for the purpose of contributing their input into the cultural recognition document developed in conjunction with the Takawaenga team in 2022.
7. At the WKAG meeting of the 7 June 2023, a committee resolution (WA2/23/6), requested a follow up report on cultural recognition development that includes scope of each initiative, costings and funding sources, priorities and timeframes for implementation. It also agreed to a proposed funding model that requires each of the parties, TCC, WBOPDC, BOPRC to seek funding via their individual LTP process.
8. The WKAG meeting, held on 8th November 2023, received an update on the Cultural Recognition Development which led to a Committee Resolution (WA4/23/5). It resolved "that the Waiāri Kaitiaki Advisory Group supports a submission to the three councils (Bay of Plenty Regional Council, Tauranga City Council and Western Bay of Plenty District Council) Long Term Plan processes, in support of the proposed draft budget for the six prioritised cultural recognition programmes for the Waiāri. It also noted that some funding arrangements will come from external sources and that timeframes, prioritisation and approval for these projects are

yet to be determined by each Council". See table of cultural recognition initiatives and indicative costs below.

9. Table of Prioritised Cultural Recognition Projects (uninflated):

Cultural Recognition Programme Components	Budget \$
Mauri Model Application	\$210,000
Rest Area Restoration (Waiāri Bridge)	\$620,000
Tohu Māori - Storytelling cultural interpretation options	\$100,000
River Access Points	\$100,000
Regeneration Programmes	\$150,000
Education and Employment Pathways	\$220,000
Total	\$1,390,000

10. Consideration was given to the above prioritised projects as to TCC's contribution and this was estimated as \$500,000 (uninflated).
11. The TCC contribution is spread across the six cultural initiatives to varying values. A combination of technical planning and reporting is required along with some physical costs associated with undertaking environmental improvements and some components of infrastructure to enhance the Waiāri. The scope in some parts still needs to be worked through and will require funding by WBOPDC and BOPRC.
12. This Issues & Options paper is focused only on the contribution from TCC and the ongoing commitment to implementing and progressing the 6 cultural initiatives. (The funding request only recognises the first two years as per the current direction/legislation).

OPTIONS ANALYSIS

Option 1: To approve an additional LTP budget of \$250,000 per annum for 2024/25 and 2025/26, plus \$40,000 each year after for maintaining mauri model and data (uninflated). (Recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> To ensure that recognition is given to the contribution of the iwi partners in the 35-year water take consent held jointly by TCC / WBoPDC (75%:25%) To contribute to funding the prioritised cultural recognition projects associated with the Waiāri Water Supply Scheme To build long term relationships with iwi partners as key stakeholders in current and future consenting processes. To acknowledge the role that iwi play in the principles of Te Mana o te Wai and kaitiakitanga. 	<ul style="list-style-type: none"> Additional funding to be considered. On-going resource required to maintain the Mauri model

Budget – Opex: Provision of \$250,000 per annum for 2024/25 and 2025/26 plus \$40,000 each year after for maintaining mauri model and data (uninflated).

Key risks: N/A

Recommended? This option is recommended.

Option 2: Retain the status quo.

13. No additional budget allocated.

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional cost to ratepayer 	<ul style="list-style-type: none"> This will be seen by iwi as council not acting in good faith. This in turn will impact on ongoing relationships with iwi partners. The WKAG meetings as required under the resource consent for the Waiāri will become more adversarial. This may impact negatively on the re-consenting process for the existing water takes consents expiring in 2026.

Budget – zero

Budget – zero

Key risks: Impact on ongoing in working with iwi partners.

Recommended? Not recommended

Option 3: Lesser funding of the Project Costs or similar level of funding spread over a 5-year period.

14. Another amount / period to be agreed.

Advantages	Disadvantages
<ul style="list-style-type: none"> The cost impact to ratepayers will be less in 2025 and 2026 and spread over 5 years. 	<ul style="list-style-type: none"> Requirements for the new consent to have the Mauri model built, will not be met before the current consent expires in 2026. This will be seen by iwi as council not acting in good faith. This in turn will impact on ongoing relationships with iwi partners. The WKAG meetings as required under the resource consent for the Waiāri will become more adversarial. This may impact negatively on the re-consenting process for the existing water takes consents expiring in 2026.

Budget – Opex: Provision of \$100,000 per annum for 2025 to 2029 plus \$40,000 each year after for maintaining mauri model and data (uninflated).

Key risks: The Mauri model will not be developed in time to meet the new consenting requirements.

Recommended? Not recommended

RECOMMENDATION

15. Option 1 is recommended.

(\$000) Inflated

FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
\$290	\$296	\$42	\$44	\$45	\$47	\$49	\$50	\$52	\$54

Funded 100% by water rates revenue.

To ensure:

- resource consent compliance of the Waiari Water Supply Scheme.
- continue Iwi partnership arrangements with the Waiari Kaitiaki Advisory Group.
- long-term relationships associated with TCC's \$200 million investment in the Waiāri Water Supply Scheme is protected.

NEXT STEPS

16. To inform the WKAG of the outcome and integrate the outcome into the joint cultural recognition project arrangements.

SUBMISSIONS RECIEVED

Submission 1264

ATTACHMENTS

Nil

Title: Issues and options – Proposal from the Incubator Creative Hub**File Number: A15467052****Author: Greg McManus, Director: Arts, Culture & Heritage; Ellie Smith, Community Arts Advisor****Authoriser: Barbara Dempsey, General Manager: Community Services****ISSUE**

1. Consideration of a proposal for a new partnership and funding agreement for the Incubator Creative Hub.

ANALYSIS OF SUBMISSION POINTS

2. The Incubator has a strategic vision for the arts in Tauranga, and at the Historic Village in particular. The Incubator is proposing a unique and bespoke partnership with Tauranga City Council to grow its footprint in the Historic Village, implement a new role, and create a series of events for Historic Village. The Incubator is seeking a total financial commitment of \$796,000 per annum, plus an additional one-off grant of \$100,000. This request is comprised of the following elements:
 - (a) renewing the multi-year funding agreement for a minimum of a three years for core opex activities, and increasing the amount received (\$520,000 p/a);
 - (b) a grant to fully cover proposed increased lease costs (\$64,000 per annum – note this figure is assumed to be p/a but is not explicitly stated in the proposal);
 - (c) funding a Kaitiaki Ngā Toi role (\$70,000 p/a – note this figure is assumed to be per annum but is not explicitly stated in the proposal); and
 - (d) a contract for services to deliver a series of strategic events at the Historic Village (\$142,000 per annum; and
 - (e) a one-off grant to cover an alleged shortfall in The Incubator's multi-year funding agreement from 2021 (\$100,000).

DISCUSSION AND ANALYSIS

3. Over the last three years, the Incubator has received \$1,080,000 through a multi-year funding agreement (\$250k in Year 1, \$360k in Year 2, and \$470k in Year 3). The Incubator also received a further \$50k in the 2022 FY as a one-off grant for programming, subsidised rent, and additional grants to cover its Christmas Tree Project.
4. The Incubator is widely recognised by a range of stakeholders for delivering high-quality delivery of arts and culture outcomes for Tauranga. Its submission has drawn many supporting submissions (318) from the community.
5. The Incubator is proposing that its core operating funding from Council be increased to enable it to respond to growth opportunities at the Historic Village, and to meet demand for its services. The Incubator has continued to seek opportunities for new spaces in the Village to develop into arts and culture destinations that support artists and practitioners. The work The Incubator has done in the Historic Village has helped to increase its profile.
6. The Incubator has developed strong engagement with, and support from, artists and practitioners, demonstrating that there is demand for its programmes and services.
7. In late 2023, after extensive community consultation, Tauranga City Council adopted a new Community Funding Policy. The Policy includes four 'cornerstone' partnerships with key organisations in the community which will be eligible for non-contestable multi-year funding agreements. Recognising its broad-reaching advocacy and strategy work, it was decided that Creative Bay of Plenty is the appropriate organisation to represent Arts & Culture as a

cornerstone partner. The Policy also lists several community organisations which will be eligible for contestable, multi-year funding agreements (as opposed to one-off grants). The Incubator is named as one of these organisations. A contestable, multi-year funding agreement will still provide security to The Incubator when planning its upcoming activities, as well as encouraging funding and sponsorship from other partners. This new funding policy will also be fairer across the board, allowing more organisations to apply for multi-year funding, and will bring The Incubator in-line with funding given to other community organisations.

8. The grant funding pool in the long-term plan has not been increased therefore grants to organisation will be in line with current year.
9. The Incubator submission requests an additional one-off grant of \$100,000 to cover an alleged shortfall in its multi-year funding agreement from 2021. As per the agreement dated 15th December 2022 and signed by both Council and The Incubator, the funding tranches paid are correct and there is no discrepancy.

OPTIONS ANALYSIS

Option 1: Adhere to the newly adopted Community Funding Policy and move The Incubator to a multi-year contestable funding agreement. (Recommended)

Do not fund the other initiative outlined in submission.

Advantages	Disadvantages
<ul style="list-style-type: none"> In line with new Community Funding Policy. Positive community perception as does not show favouritism. Still in a preferred position to other community organisations, as able to apply for contestable multi-year funding. Aligns The Incubator with other community organisations supported by Tauranga City Council. Maintains a similar current partnership model. Allows more community organisations to apply for Council support. 	<ul style="list-style-type: none"> Contestable multi-year funding provides fixed term security. Risk of negative community perception as Incubator has strong community support.

Budget – Capex: Nil

Budget – Opex: Nil – within current budgets.

Key risks: Negative reaction from The Incubator's supporters.

Recommended? **Yes**

Option 2: Provide The Incubator with increased operational funding through a three-year partnership agreement, to a total of \$796,000 per annum + an additional \$100,000 one-off grant from 2024 FY, to deliver the programmes and initiatives outlined in the Incubator's submission.

Advantages	Disadvantages
<ul style="list-style-type: none"> The Incubator is fully resourced to continue to grow its operations. 	<ul style="list-style-type: none"> Creates continued reliance on Council as a primary funder, with no incentive to grow new revenue outside of Council funding.

<ul style="list-style-type: none"> • Potential for increased activity to drive additional visitation to the Historic Village, raising the profile of arts and culture in Tauranga and the Historic Village as a key visitor destination for locals and visitors. • Secure, non-contestable, multi-year funding provides security when planning for activities. 	<ul style="list-style-type: none"> • Directly contradicts the new Community Funding Policy which was adopted in late-2023. • Risk of the Incubator dominating the Historic Village to the exclusion of other groups, organisations, and activities. • Risk of community perception showing favouritism to one provider. • Significant increase in funding from current level.
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Budget – Capex: Nil

Budget – Opex: **\$896,000 in 2024 FY, \$796,000 per annum for two years following.**

Key risks: Creates continued reliance on Council funding. Directly contradicts new funding policy. Perception risk of favouring one organisation over other community organisations.

Recommended? **No**

RECOMMENDATION

Option 1 – Adhere to the newly adopted Community Funding Policy and move The Incubator to a multi-year contestable funding agreement.

NEXT STEPS

10. Implement the new Community Funding Policy.

SUBMISSIONS RECEIVED

Submission #: 1564.1

ATTACHMENTS

1. The Incubator Funding Agreement

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Between

Tauranga City Council
"TCC"

and

The Incubator Creative Hub
"Funded Party"

COMMUNITY PARTNERSHIP AGREEMENT

COMMUNITY PARTNERSHIP AGREEMENT

THIS AGREEMENT is made this 15th day of December 2022

PARTIES:

- A. Tauranga City Council ("TCC")
- B. The Incubator Creative Hub

IT IS AGREED AS FOLLOWS:

1. TCC will provide the Funded Party with Community Funding Grant for the Project, and the Funded Party accepts that Grant, on the terms and conditions set out in this Agreement.
2. The following documents forming this Agreement in order of precedence are:
 - This Page 2 – Community Partnership Agreement
 - Schedule 1 – Project Funding Details
 - Schedule 2 – Payment Schedule
 - Schedule 3 – Deliverables
 - Schedule 4 – Terms and Conditions of Funding

Each item above shall prevail over any item appearing lower in the list where any conflict or ambiguity arises.

3. This Agreement shall constitute the entire agreement between the parties hereto for the provision of the Grant by TCC to the Funded Party for the Project. This Agreement supersedes all negotiations, representations and warranties except insofar as the same are expressly incorporated herein.

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SIGNED on behalf of **TAURANGA CITY COUNCIL** by its authorised signatory:


Nelita Byrne (Dec 22, 2022 12:45 GMT+13)

Signature

Barbara Dempsey Nelita Byrne

22/12/2022

Name

Date

GM, Community Services Acting GM Community Services

Position

SIGNED on behalf of **The Incubator creative Hub** by its authorised signatory


Simone Anderson (Jan 12, 2023 13:33 GMT+13)

Signature

Simone Anderson

12/01/2023

Name

Date

Director, The Incubator Creative Hub

Position

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SCHEDULE 1**FUNDING DETAILS**

(Clause numbers refer to the Terms and Conditions of Funding contained in Schedule 4 of this Agreement)

Item Number and Clause Reference	Details
Item 1 – project: <i>(clause 1)</i>	Project Name Incubator Creative Hub Operational Funding Description of Project To provide operational funding for the delivery of the Incubator Creative Hub to enable it to: <ul style="list-style-type: none"> • Act as a key arts and culture partner for Tauranga City Council • Diversify its revenue streams to grow new revenue from non-council sources • Operate a range of arts and culture venues as a tenant at the Historic Village • Achieve future development goals as agreed with Tauranga City Council
Item 2 – Grant: <i>(clause 1)</i>	Operational funding Allocation \$250,000 + GST 2021-2022 \$360,000 + GST 2022-2023 \$470,000 + GST 2023-2024 The following resolution was approved in the 2021-2031 Long Term Plan: RESOLUTION CO12/21/52 Moved: Commissioner Bill Wasley Seconded: Commissioner Shadrach Rolleston That the Council: (d) Confirms support for the Incubator at the level included in year 1 of the LTP then, subject to achieving a set of community and arts and culture focused deliverables/KPIs, increases funding by \$110,000 per annum for years 2 and 3 of the LTP (Option 4).
Item 3 – Purpose of Grant: <i>(clause 4.2)</i>	To support and enable the Incubator Creative Hub to deliver to the following objectives: 1. Strategic partnership <ul style="list-style-type: none"> • To operate as an arts and culture delivery partner for Tauranga City Council, providing a range of arts and culture experiences and offerings based at the Historic Village. • To work collaboratively with the Historic Village, supporting the Historic Village Strategic Plan with particular focus on the Village's objectives for arts and culture; supporting arts and culture activity, recognising the significant role this has played in the growth of the Village, providing arts and creative learning, promotion, activity, events and

	<p>entertainment.</p> <p>2. Operational support</p> <ul style="list-style-type: none"> To provide operational funding for the delivery of the Incubator core services and venues at the Historic Village. To support capacity and capability growth of the Incubator. <p>3. Enablement</p> <ul style="list-style-type: none"> To grow the Incubator's capacity to diversify revenue streams and funding sources. To support accessible entry for the community to a year-round programme of arts and culture activities and experiences. To create opportunities for local creative practitioners to develop and present their work. <p>4. Development and Growth</p> <ul style="list-style-type: none"> To present a programme of festivals, markets and events that activate spaces at the Historic Village, working in collaboration with the Historic Village management.
<p>Item 4 – Party Representatives: (clause 5.1)</p>	<p>TCC Relationship Manager: the Tauranga City Council relationship manager for this partnership agreement will be the Arts and Culture Manager.</p> <p>LTO Tenancy agreement with the Historic Village: The Incubator has a tenancy agreement with the Historic Village, which details all arrangements for rental and outgoings. The key contact for this agreement is the Historic Village Facilitator.</p> <p>For the avoidance of doubt- This partnership agreement does not cover the Incubator's lease arrangements with the Historic Village.</p> <p>Funded Party Representative: Simone Anderson, Director</p>
<p>Item 5 – Address for Notices: (clause 16)</p>	<p>Tauranga City Council Private Bag, 12022 Tauranga 3143 Email: james.wilson@tauranga.govt.nz</p> <p>Funded Party: The Incubator Creative Hub The Historic Village 17th Avenue Tauranga 3112 Email: simone@theincubator.co.nz</p>

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SCHEDULE 2

PAYMENT SCHEDULE

(clause 4)

	Milestone	Deliverable	Due Date of Deliverable	Due Date of Milestone Payment	Amount Due (excl. GST)
Year 1	Milestone 1	Agreement signed by appropriately authorised representatives.	30/11/2021	31/12/2021	\$125,000
	Milestone 2	6 month report against deliverables	20/02/2022	31/03/2022	\$125,000
Year 2	Milestone 3	12 month report against deliverables	31/07/2022	20/11/2022	\$180,000
	Milestone 4	6 month report against deliverables	31/01/2023	28/02/2023	\$180,000
	Milestone 5	12 month report against deliverables	31/07/2023	31/08/2023	\$235,000
Year 3	Milestone 6	6 month report against deliverables	31/01/2024	20/02/2024	\$235,000
	Milestone 7	12 month report against deliverables	31/07/2024	n/a	\$n/a
TOTAL					\$1,080,000

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SCHEDULE 3**DELIVERABLES***(clause 6.1)*

Deliverable	Description of Funded Party Deliverables
Project Delivery and Compliance:	Delivery of the Project in compliance with: <ul style="list-style-type: none"> • The terms of this Agreement • All applicable law and regulatory requirements
TCC Brand Promotion:	<p>The Funded Party is required to acknowledge TCC support in its annual reports and accounts.</p> <p>Other Brand Exposure Feature the by-line “proudly supported by Tauranga City Council” in promotional materials, in line with the Funded Party’s grant acknowledgement procedures.</p> <p>Collateral Approvals The Funded Party must obtain approval from TCC’s Media Representative of all material bearing TCC’s name or logo, with at least 48 hours’ notice. Promotional materials will include, but may not be limited to, media releases, media strategy, interviews, programmes, posters and brochures.</p>
Reporting	<p>The Incubator will attend quarterly strategic meetings to discuss progress and activities with the TCC relationship manager and the Historic Village Manager. The Incubator will present a strategic plan to TCC on an annual basis, identifying prospective new activity and opportunities for collaboration between TCC, The Historic Village and the Incubator.</p> <p>The Incubator will provide a written report to the arts and culture manager on a six-monthly basis. The report will detail progress towards the outcomes detailed on page 8 of this agreement.</p>

Objectives and Measures table for The Incubator Creative Hub

Outcome	Measure	Target
1. Collaborate with the Historic Village to grow arts and culture at the Historic Village.	1.1 Number of attendances at Incubator events and spaces 1.2 Positive editorial coverage for Incubator events	1.1 At least 30,000 visitors per annum 1.2 At least 6 editorial features secured promoting events at the Incubator
2. Unlock opportunities for funding and support for community art projects.	2. Number of grants secured for Incubator projects	2. Funding secured from at least three sources additional to Council.
3. The creative arts are nurtured, encouraged and showcased, making creative experiences accessible to all from grassroots up.	3.1 Number of exhibitions held 3.2 Number of workshops held 3.3 Number of performances held 3.4 Number of festivals / events held	3.1 At least 12 exhibitions held per annum 3.2 At least 20 workshops held per annum 3.3 At least 20 performances held per annum 3.4 At least 4 festivals /events held per annum
4. Be recognised as a hub for grassroots and community artists, providing advocacy for local independent arts practitioners.	4. Advocacy opportunities/ submissions	4. At least 3 pieces of advocacy, research or public submissions made per annum
5. Facilitation of pathways for arts practitioners	5. Number of art practitioners mentored and supported	5. At least 30 artists supported through Incubator programmes
6. Committed to a robust representation of Ngā Toi Māori acknowledging Te Tiriti o Waitangi.	5. Collaborations and partnerships with Mana Whenua	6. At least 4 projects that demonstrate collaboration and partnership with mana whenua per annum

SCHEDULE 4**TERMS AND CONDITIONS OF FUNDING****1. Definitions**

In this Agreement, unless the context requires otherwise:

Agreement means the funding agreement between TCC and the Funded Party that comprises Page 2, Schedule 1, Schedule 2, Schedule 3, this Schedule 4 and any other Schedules or annexures agreed in writing from time to time;

Business Day means any day excluding Saturdays, Sundays and statutory public holidays in Tauranga;

Commencement Date means the date of signing of this Agreement by both parties;

Confidential Information means any information:

- a) disclosed by either party to the other party on the express basis that such information is confidential; or
- b) which might reasonably be expected by either party to be confidential in nature,

provided that where information relates exclusively to one party, nothing in this Agreement will require that party to maintain confidentiality in respect of that information;

Conflict of Interest will arise if a party or its personnel's personal or business interests or obligations do or could conflict or be perceived to conflict with its obligations under this Agreement. It means that its independence, objectivity or impartiality can be called into question. A Conflict of Interest may be:

- a) actual – where the conflict currently exists;
- b) potential – where the conflict is about to happen or could happen; or
- c) perceived – where other people may reasonably think that a person is compromised.

Deliverable means a deliverable that the Funded Party is to provide to TCC, as set out in Schedule 3;

Milestone means a milestone identified as such in the Payment Schedule;

Payment Schedule means Schedule 2;

Project Report means a report to be prepared by the Funded Party and provided to TCC on at least a 6 monthly basis or as set out in this Agreement to review, reflect and analyse the performance of the Project against agreed milestones and performance targets, as set out in Schedule 3;

Grant means the grant to be provided by TCC to the Funded Party under this Agreement, as set out in Item 2 of Schedule 1; and

Term means the term of this Agreement, as set out in clause 2 of Schedule 4.

2. Term

This Agreement will commence on the Commencement Date and will continue until the Due Date of the final Milestone, unless terminated earlier in accordance with this Agreement.

3. Grant

- 3.1. TCC will provide the Grant to the Funded Party.
- 3.2. The Funded Party must use the Grant provided by TCC solely for the purposes set out in Item 3 of Schedule 1.
- 3.3. The manner in which the Grant will be paid is set in the Payment Schedule.
- 3.4. The Funded Party must send TCC an invoice for the Grant on delivery of each Milestone, as set out in the Payment Schedule. The invoice must quote the purchase order number supplied to the Funded Party by TCC. TCC has the right to withhold any payment due if TCC considers, acting reasonably, that the Funded Party has failed to meet any Milestone, as set out in the Payment Schedule.
- 3.5. Where TCC is satisfied that a Milestone has been completed, TCC will pay the invoice on the 20th of the month following receipt of an invoice from the Funded Party.
- 3.6. If a Milestone is not completed on or before the due date set out in the Payment Schedule, TCC may terminate this Agreement with immediate effect by giving written notice to the Funded Party, in accordance with clause 11. If this Agreement is terminated in this manner, TCC will have no liability to pay any outstanding Grant specified in the Payment Schedule.

4. Representatives

- 4.1. The parties' representatives are those set out in Item 4, Schedule 1.
- 4.2. Each party must notify the other party in writing of any change in the party representatives from time to time.

5. Deliverables

- 5.1. The Funded Party must provide to TCC the Deliverables set out in Schedule 3 and any services incidental to the Deliverables, at no additional cost to TCC. TCC may amend the Deliverable(s), in its absolute discretion, on written notice to the Funded Party.

6. Provision of Information

- 6.1. The Funded Party must give information to TCC relating to the Grant and the Project that TCC reasonably requests
- 6.2. All information provided by the Funded Party must be in a format that is usable by TCC and delivered within a reasonable time of the request.
- 6.3. The Funded Party must co-operate with TCC to provide information immediately if the information is required by TCC to comply with an enquiry or its statutory or other reporting obligations.

- 6.4. The Funded Party will provide TCC with a copy of each of the documents listed in Schedule 4 on the due dates specified.

7. Insurance

The Funded Party will take out, effect, and maintain with a reputable insurer, all appropriate insurances relating to the provision of the Project, including public liability insurance. The Funded Party will provide evidence to TCC of such insurance coverage upon request by TCC.

8. Conflict of Interest

- 8.1. The Funded Party must use all reasonable endeavours to avoid situations that may lead to a Conflict of Interest.
- 8.2. The Funded Party must tell TCC immediately, and in writing, if any Conflict of Interest arises in relation to the Project or this Agreement. If a Conflict of Interest does arise the parties must discuss, agree and record in writing whether it can be managed and, if so, how it will be managed. Each party must pay its own costs in relation to managing a Conflict of Interest.

9. Indemnity

- 9.1. The Funded Party is solely liable for all of its debts, losses and expenses arising out of its entry into this Agreement, the performance of its obligations under this Agreement and the Project.
- 9.2. The Funded Party indemnifies TCC and will keep TCC indemnified in respect of any action, claim, loss, cost, liability, damage or expense, including legal costs on a solicitor/client basis, incurred by TCC by reason of the Funded Party's breach of any term of this Agreement or in connection with any third party claim that the delivery of the Deliverables, or Milestones to TCC or TCC's use of them, infringes a third party's rights.

10. Compliance and Health and Safety

- 10.1. Without limiting any other provision in this Agreement, the Funded Party must:
- a) ensure the Project complies with the Tauranga City Plan and all applicable legislation (including the Health & Safety Act, bylaws (including all bylaws relating to the holding of events at the Site), regulations, policies, industry best practice and government guidelines relating to Covid-19; and
 - b) ensure that it does not do or omit to do anything that may cause the Funded Party to be in breach of its obligations under this Agreement.

11. Termination

- 11.1. TCC may terminate this Agreement at any time, with immediate effect, on written notice to the Funded Party if the Funded Party:
- a) Does not complete its obligations under this Agreement (that are not waived by TCC) on or before the relevant due date, as set out in the relevant Schedule;
 - b) becomes bankrupt or insolvent, has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed or becomes subject to any form of external administration;
 - c) suffers any change in circumstance relating to ownership and operation (otherwise than previously approved in writing by TCC);

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- d) The Project is materially altered, as determined by TCC in its sole discretion, without TCC's written consent;
 - e) does something or fails to do something that, in TCC's opinion, results in damage to TCC's reputation or business;
 - f) has a Conflict of Interest that in TCC's opinion is so material as to impact adversely on the Project or TCC.
- 11.2. In the event of termination of this Agreement (including in accordance with clause 13.2.b) above), the parties agree that, as from the date of termination, no further funding shall be payable by TCC and TCC shall have sole discretion to determine whether the Funded Party is required to return all or any of the Grant paid to the Funded Party under this Agreement. The Parties agree that any decision by TCC that requires all or any of the Grant to be returned to TCC shall be binding on the parties to this Agreement and the Funded Party agrees to return the full amount of the Grant specified by TCC, in accordance with any conditions specified by TCC in a written notice issued under this clause. Any return of the Grant must be received by TCC within 15 Business Days of such request unless an alternative timeframe is specified by TCC.
- 11.3. Termination will be without prejudice to either party's rights and remedies in respect of any breach of this Agreement by the other party, where the breach occurred before the termination of this Agreement.

12. Warranties

Each party warrants to the other that:

- a) It has obtained all authorisations and has done all things necessary in order to enter into this Agreement and to perform its obligations under this Agreement;
- b) It is not aware of anything which will, or might be reasonably expected to, prevent or impair that party from performing all of its obligations under this Agreement, in the manner and at the times contemplated by this Agreement; and
- c) All information disclosed to one party, by or on behalf of the other party in relation to this Agreement is, or will be when disclosed, complete and accurate in all material respects and that the use of that information by either party will not breach the intellectual property of any third party.

13. Confidentiality

- 13.1. Each party will maintain as confidential at all times, and will not at any time, directly or indirectly, disclose or permit to be disclosed to any person, any Confidential Information except:
- a) As required by law;
 - b) As is already or becomes public knowledge, otherwise than as a result of a breach by the party disclosing or using that Confidential Information of any provision of this Agreement;
 - c) As authorised in writing by the other party;
 - d) as disclosed on a non-confidential basis by a third party who is not bound by a confidentiality obligation; or

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e) To the extent reasonably required by this Agreement.

- 13.2. The Funded Party acknowledges that TCC may be required to disclose information pursuant to its obligations under the Local Government Official Information and Meetings Act 1987.

14. Dispute Resolution

- 14.1. Any dispute or difference which may arise between the parties concerning the interpretation of this Agreement or relating to any other matter arising under this Agreement will be actively and in good faith negotiated by the parties with a view to a speedy resolution of such dispute or differences.
- 14.2. If the parties have been unable to resolve the dispute or difference, then the parties will refer the dispute or difference to the Chief Executive Officers (or their equivalent) of the parties who will jointly endeavour to resolve the matter.
- 14.3. If the matter has not been resolved within 15 Business Days from the date of the referral to the Chief Executive Officers (or their equivalent), then either party may require that the matter be referred to a mediator in accordance with clause 14.4.
- 14.4. Either party may commence mediation by giving the other notice in writing requiring the mediation. The parties may mutually agree a mediator to be appointed. If the parties cannot agree then a mediator will be appointed by the then Chairperson of the Resolution Institute (or the Chairperson's designated representative). The parties will then agree the rules for any mediation in full consultation with the agreed appointed mediator before commencing the mediation. Participation in a mediation will not prejudice any other right or entitlement either party may have.

15. Notices

- 15.1. Each party will provide written notification to the other at the earliest possible time of any factor, event or impending event known to it which may affect its ability to meet the requirements of this Agreement.
- 15.2. All notices required or permitted under this Agreement must be in writing and will be deemed validly given only if:
- a) delivered by hand to the other party's address; or
 - b) sent by email to the other party's email address,
- as specified in Item 5 of Schedule 1 (as applicable).

16. General

- 16.1. Neither party will transfer or assign any rights or responsibilities under this Agreement except with the prior written approval of the other party (such approval may be refused).
- 16.2. No amendment to this Agreement will be effective unless it is in writing and signed by a duly authorised representative of each party.
- 16.3. Nothing express or implied in this Agreement will constitute either party as the partner, agent, employee or officer of, or as a joint venturer with, the other party. Neither party will make any contrary representation to any other person.

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- 16.4. Any waiver by either party of any of its rights or remedies under this Agreement will be effective only if it is recorded in writing and signed by a duly authorised representative of that party. If the waiver relates to a breach of any provision of this Agreement, this will not (unless stated otherwise) operate as a waiver of any other breach of that provision.
- 16.5. The illegality, invalidity or unenforceability of any provision in this Agreement will not affect the legality, validity or enforceability of any other provision.
- 16.6. This Agreement constitutes the entire agreement between the parties relating to the matters dealt with in this Agreement and supersedes all previous arrangements, understandings or representations whether written, oral or both, relating to these matters.
- 16.7. This Agreement may be signed in one or more counterpart copies which, read together, will constitute one and the same instrument. Any email copy of this Agreement in PDF format may be relied on by the other party as though it were an original copy. This Agreement may be entered into on the basis of an exchange of such PDF copies.
- 16.8. This Agreement will be construed and take effect in accordance with the laws of New Zealand.











Community Grant Partnership Agreement The Incubator_2021_24_151222

Final Audit Report

2023-01-12

Created:	2022-12-22 (New Zealand Daylight Time)
By:	Sarah Swan (sarah.swan@tauranga.govt.nz)
Status:	Signed
Transaction ID:	CBJCHBCAABAAmnk9NcyLaTXHen0LMjrpFb4DUI_nma8W

"Community Grant Partnership Agreement The Incubator_2021_24_151222" History

-  Document created by Sarah Swan (sarah.swan@tauranga.govt.nz)
2022-12-22 - 8:41:05 AM GMT+13
-  Document emailed to Nelita Byrne (Nelita.Byrne@tauranga.govt.nz) for signature
2022-12-22 - 8:43:30 AM GMT+13
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-  Document e-signed by Nelita Byrne (Nelita.Byrne@tauranga.govt.nz)
Signature Date: 2022-12-22 - 12:45:30 PM GMT+13 - Time Source: server
-  Document emailed to simone@theincubator.co.nz for signature
2022-12-22 - 12:45:31 PM GMT+13
-  Email viewed by simone@theincubator.co.nz
2023-01-10 - 1:49:52 PM GMT+13
-  Email viewed by simone@theincubator.co.nz
2023-01-12 - 1:31:37 PM GMT+13
-  Signer simone@theincubator.co.nz entered name at signing as Simone Anderson
2023-01-12 - 1:33:16 PM GMT+13
-  Simone Anderson (simone@theincubator.co.nz) verified identity with phone authentication using the phone number +XX XXXXX2249
2023-01-12 - 1:32:10 PM GMT+13
-  Document e-signed by Simone Anderson (simone@theincubator.co.nz)
Signature Date: 2023-01-12 - 1:33:18 PM GMT+13 - Time Source: server

**Adobe Acrobat Sign**

✓ Agreement completed.
2023-01-12 - 1:33:18 PM GMT+13

 **Adobe Acrobat Sign**

Title: Issues and options – The Wednesday Challenge**File Number: A15497558****Author: Sonia Lynds – Team Leader: Travel Safe and Anna Somerville - Manager: Network Safety & Sustainability****Authoriser: Nic Johansson - Head of Transport****ISSUE**

1. The Wednesday Challenge groups LTP submission is seeking funding to cover an annual business license fee of \$25,000.
2. The Wednesday Challenge group is proposing that Travel Safe picks up the delivery of The Wednesday Challenge promotion within its currently vacant workplace role. Additional funding would also be required for liaison with workplaces to undertake business activations.
3. In addition to the above, The Wednesday Challenge group is also seeking funding through the BOP Regional Council Regional Land Transport Plan submission process for the annual licensing fee for the schools programme for Tauranga. This is an additional \$25,000 per year.

ANALYSIS OF SUBMISSION POINTS

4. The proposal is requesting funding towards a mode shift initiative. Tauranga City Council has applied to New Zealand Transport Agency/Waka Kotahi but does not have confirmed funding for additional Travel Demand Management through the National Land Transport Plan. A decision could be no decision due to uncertainty following the change of government and waiting for an updated Government Policy Statement on Transport.
5. The proposal is requesting that the Travel Safe Workplace role picks up the management of the business promotion of The Wednesday Challenge. This role has been under internal review while currently vacant, to assess how it is currently funded. Unless Tauranga City Council is successful in its bid to receive additional Travel Demand Management funding, this role will be heavily focused on Workplace Road Safety under existing funding.

DISCUSSION AND ANALYSIS

6. In this submission, Tauranga City Council are being asked to fund an annual licensing fee for a program that would also require Travel Safe staff time to manage. Tauranga City council wouldn't have ownership of the data, but access to it.
7. The annual licensing fee covers the cost of making the Challenge webapp available to businesses, webapp support, marketing resources, statistics access and a Tauranga data base of active participants and business mode shift connectors.
8. Details within The Wednesday Challenge survey data are not well defined, and it is difficult to determine between school data verses workplace data.
9. Wednesday remains one of the busiest days of car usage across Tauranga city. (see the attached spreadsheet showing recent daily vehicle counts across the city from August 2023 – November 2023)
10. The Wednesday Challenge has had some success within the school environment.
11. Duplication of The Wednesday Challenge programme and council Travel Safe Schools programmes has at times caused confusion for the schools and resulted in a lot of council staff time coordinating and clarifying issues relating to interactions with schools and data capture. For this initiative to be successful, it will require dedicated resource to support and drive the workforce sector. This submission requires council resource which is not currently allocated or funded to do this.

Options Analysis

12. The following provides an Options analysis of the submission.

Option 1: No funding be included in the LTP for Wednesday Challenge

Advantages	Disadvantages
<ul style="list-style-type: none"> Allow time for funding request to NZTA/Waka Kotahi to be finalised under the new government, including our request for some dedicated Travel Demand Management operational funding. The workplace role can re-establish itself and ensure that it is focused on initiatives that will provide the most benefit and consistent behavioural change for the community. 	<ul style="list-style-type: none"> The city could miss out on potential benefits that The Wednesday Challenge could provide. The Wednesday Challenge project may cease due to lack of funding

Budget – Capex: Nil

Budget – Opex: \$0 per year for the Wednesday Challenge Business Module

Key risks: Tauranga City Council could miss out on potential benefits that The Wednesday Challenge could provide.

Recommended? No

Option 2: Tauranga City Council pays the licence fee only for one year for The Wednesday Challenge Business Module through rate payers funds and the Wednesday Challenge provide the resource to deliver it. **(Recommended)**

Advantages	Disadvantages
<ul style="list-style-type: none"> Have access to a data gathering tool within the business sector. The Wednesday Challenge adapt their data gathering to focus only on commuter rides allowing more accurate emission reduction data capture. Currently there is no dedicated Travel Demand Management role working within workplaces. This programme would address this. Council work with The Wednesday Challenge to develop KPI's to reflect mode shift in the workforce sector 	<ul style="list-style-type: none"> Ongoing funding is not guaranteed for delivering this programme.

Budget – Capex: Nil

Budget – Opex: \$25,000 for the 24/25 year only for the Wednesday Challenge Business Module.

Key risks: Wednesday Challenge will need to provide the resource to deliver it, as the Travel Safe team do not currently have the resourcing capacity or funding to support delivery.

Recommended? Yes

Option 3: Tauranga City Council supports the submission and funds The Wednesday Challenge directly through rate payer funds for their full license fee and allocates Council staff hours to advocate for The Wednesday Challenge for approximately 3-4 hours each week.

Advantages	Disadvantages
<ul style="list-style-type: none"> The initiative has positive graphics and advertising in the community promoting mode shift. 	<ul style="list-style-type: none"> Tauranga City Council does not currently have approved funding to dedicate to Travel Demand Management operationally. When Tauranga City Council does replace the currently vacant workplace role, this person will need to spend their time across multiple activities each week. Under current approved funding, this role will be heavily weighted towards promoting Workplace Road Safety. Paying for the licence would not mean that Tauranga City Council owns the data but has access to the data. Travel Safe team do not currently have the resourcing capacity or funding to support delivery.

Budget – Capex: Nil

Budget – Opex: Approximately \$50,000. \$25,000 per year for the Wednesday Challenge Business Module Licence fee + funding for Workplace activations + a portion of a salaried position at Tauranga City Council.

Key risks: Tauranga City Council does not have any approved money subsidised to spend on Travel Demand Management available. If Tauranga City Council decides to fund some Travel Demand roles directly without requiring any New Zealand Transport Agency/Waka Kotahi contribution, it would be prudent to spend time investigating the best spend for sustainable behaviour change outcomes, before deciding to allocate any direct funding to one provider.

Throughout the year, Council are approached to fund other mode shift initiatives across Tauranga, including The Wednesday Challenge. Without dedicated Travel Demand Management funding, each decision is made on a case by case basis. If this proposal needs to be an addition to the current submission to the New Zealand Transport Agency/Waka Kotahi, indications are that it is unlikely to be supported.

Recommended? No

RECOMMENDATION

- That Tauranga City Council pays the licence fee only for one year for The Wednesday Challenge Business Module and the Wednesday Challenge provide the resource to deliver it.

NEXT STEPS

- Council informs Wednesday Challenge of the outcome of Long-term Plan deliberations.

SUBMISSIONS RECIEVED

Submission #1087

ATTACHMENTS

Nil

Title: Issues and options - #1662.10 Ngāi Tūkairangi Hapū Trust

File Number: A15501671

Author: Keren Paekau – Team Leader, Te Pou Takawaenga

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

ISSUE

1. Ngāi Tūkairangi hapū have made a submission to the Long-Term Plan consultation and made proposals for funding hapū contributions to Council processes and hapū management planning. The submission highlights issues of capacity and capability faced as a result of uncertain resourcing from Council for the inputs required and the difficulty in facilitating high quality and timely input into Council decision making processes.

SUBMISSION POINTS

2. Point one of the submission proposes a funding allocation of \$250,000 to facilitate essential initiatives encompassing the development of a comprehensive environmental plan, a resource management unit, a land-use plan, and other endeavours.
3. Point two of the submission proposes a funding allocation of \$150,000 to produce a hapū management plan.

DISCUSSION AND ANALYSIS

4. Ngāi Tūkairangi hapū are one of 17 iwi and hapū members of Te Rangapū Mana Whenua o Tauranga Moana who hold relationship protocols with Tauranga City Council.
5. The protocols guide the agreed processes for engagement with tangata whenua as part of Tauranga City Council's legislative duty to maintain and improve Māori contribution to decision making processes as set out in Section 4 of the Local Government Act 2002 and other sections.
6. Hapū input into decision making processes is largely resourced by way of retrospective fees for contributions on an ad hoc basis.
7. Remuneration is guided by the Tangata Whenua Remuneration Policy as reviewed and agreed from time to time with the benefit of independent benchmarking and advice provided by industry experts.
8. Hapū management plan funding serves the purpose of supporting tangata whenua to gather their perspectives and aspirations in a manner that is culturally appropriate and provides the first layer of information for Council activities to consider in planning and decision making processes.
9. TCC has an annual budget of \$60,000 for Hapū management plans. Even if all of this fund were allocated to Ngāi Tūkairangi Hapū Trust it would be insufficient to fund the requested \$150,000.
10. There are also mechanisms Council uses to try and align similar funds from neighbouring Councils and other funding streams where objectives and outcomes make the pooling of resourcing appropriate.
11. The proposal speaks to the ability to front resource these requirements with planning, engaging qualified hapū representatives that can add constructive and well-informed feedback as well as ensuring hapū representatives are abreast of the volume and breadth of the work programmes of Council as aligned with any long term planning for the City.
12. Equity across all 17 iwi and hapū partners, and what the appropriate role for Council is in funding iwi and hapu needs to be considered.

OPTIONS ANALYSIS

13. Option 1: Increase funding for Hapu Management Plans by \$40,000 (*Recommended*)

Advantages	Disadvantages
<ul style="list-style-type: none"> Funds will only be expended if there are applications which meet criteria and ensures the established monitoring and accountability requirements are met. Facilitates a process which Council utilises the outcomes of plans for capex projects and urban planning. Provides increased funding opportunity with a larger fund. 	<ul style="list-style-type: none"> Does not fully support the request received via submission, nor ensure that the additional funds will be allocated to the submitter. Does not improve Māori contributions into Council decision making processes

Budget – capex: Nil

Budget – opex: \$40,000

Key risks: Increasing impact of timeliness and availability issues in high growth environment.

Recommended: Yes

14. Option 2: Fund requested \$250,000 for initiatives associated with development of environmental plan, resource management unit, and land use plan, plus a further \$150,000 for a hapu management plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> Resources a proactive approach by hapū to plan and improving Māori contributions into Council decision making processes. 	<ul style="list-style-type: none"> Could establish a precedent that it is a Council role to fund hapu environment plans, resource management units, and hapu related land use plans. Unclear why funding would be granted to one hapu.

Budget – capex: Nil

Budget – opex: \$400,000

Key risks: Public perception of investment into tangata whenua too high. Creates precedent leading to similar funding requests from other hapu with expectation of approval.

Recommended: No

RECOMMENDATIONS

15. Proceed with Option 1 to increase hapu management fund by \$40,000 per annum.

NEXT STEPS

16. Advise Tangata Whenua of the increased funding available.

SUBMISSIONS RECEIVED

Submission #: 1662.10

ATTACHMENTS

Nil

11.10 Long-Term Plan 2024-2034 Community Stadium

File Number: A15435399

Author: Kelvin Eden, Capital Programme Manager: Major Community Amenity

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

PURPOSE OF THE REPORT

1. This report presents a summary of the Long-term Plan consultation findings and seeks a Council decision regarding delivery of the proposed Tauranga Community Stadium.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Long-Term Plan 2024-2034 Community Stadium".
- (b) Approves the staged delivery of a community stadium at Tauranga Domain.
- (c) Approves community stadium Stage 1, providing an event capacity of 15,000+, commencing construction in 2033/34 at a total cost of \$90m. Noting Stage 1 is planned to include:
 - i. new grassed verge seating (capacity – 1,500);
 - ii. new embankment seating (capacity – 2,000);
 - iii. temporary modular seating/hardstand (capacity – 2,000);
 - iv. enhancement to the Tauranga Domain entry;
 - v. new community spaces and café;
 - vi. repurposed building for lease to the University of Waikato Sports Science/Physiotherapy faculty;
 - vii. installation of new lighting suitable for night games; and
 - viii. installation of new hybrid turf sports field.
- (d) Notes that 50% of the \$90m delivery cost for Stage 1 of the community stadium is to be met by external funding sources.
- (e) Notes that the cost of Tauranga Domain improvements, over and above and independent of the community stadium project, are estimated at \$5m and are currently unbudgeted. These costs are to be funded by external funding sources and/or re-prioritisation of other Council projects.
- (f) Notes that to deliver both the community stadium and improvement projects included in the Tauranga Domain Masterplan, some existing community sports clubs that use Tauranga Domain require relocation (over time), at a total cost of \$21m (inflated to 2029).
- (g) Notes that the planned improvements for Tauranga and Wharepai Domains, including relocation of existing community sports clubs, are independent to the community stadium and scheduled for implementation regardless of the stadium being approved for delivery.

EXECUTIVE SUMMARY

2. Council has been exploring the concept of a stadium for the city since late 2018, in partnership with key stakeholders, including Priority One, Bay of Plenty Regional Council and Sport New Zealand.

3. In 2022, Council agreed in principle that Tauranga Domain is the preferred location for a community stadium (the Stadium) and approved council's participation in next steps of the project. On 1 May 2023, Council considered a report titled *Tauranga Community Stadium – preliminary business case*, which supported the delivery of a boutique, multi-use community stadium at a total capital cost of \$220m (based on single stage delivery in 2026 and excluding relocation costs).
4. Two surveys were conducted in June-July 2023; a demographically representative market research survey managed by Key Research Limited, and a self-select survey managed by council.
5. The market research survey of 1,198 participants found that 49% of people supported or strongly supported delivery of the Stadium and 43% of people opposed or strongly opposed the delivery of the Stadium. The self-select survey of 3,318 participants found that 35% of people supported or strongly supported delivery of the Stadium and 63% of people opposed or strongly opposed the delivery of the Stadium.
6. These results were presented to Council in August 2023 and at that meeting, Council decided to consult as part of the Long-term Plan 2024-34 on a proposal to deliver the Stadium via a staged approach. Construction of Stage 1 would commence in 2029/30 at a total cost of \$81m, with 50% of this to be funded via external sources.
7. A masterplan has also been completed for the Tauranga Domains (the Active Reserves Masterplans for the Domains, Baypark and Blake Park). This envisages that several of the existing users of the Domains are relocated in 2029 at an expected cost of \$21m. These relocations are planned regardless of whether the Stadium is delivered on the site, allowing the Domains to become an event-focused space for the city, and to enhance the existing green space.
8. Long-term Plan consultation ran from 15 November to 15 December 2023 and a total of 2,202 submissions were received. Of these, 1,189 submissions answered questions about the proposed Stadium. In total, 55.7% of submitters opposed including the Stadium in the Long-term Plan, whilst 42.9% supported the delivery of the Stadium (either as phased stages or single stage implementation).
9. Commissioners also attended engagement events during the Long-term Plan consultation period. At these sessions, 256 people provided their views on the Stadium via informal voting. Of these 256 people, 19% opposed including the Stadium, whilst 81% supported the delivery of the Stadium (either as phased stages or single stage implementation).
10. This report recommends including the delivery of the Stadium via a staged approach, with funding for the delivery of Stage 1 to be included in the city's budget with construction commencing in the 2033/34 financial year. This has been deferred from 2029/30 as proposed in the Long-term Plan consultation. This deferral allows council to better manage its overall debt levels, particularly whilst the responsibility for the delivery of the wastewater, stormwater, and water supply activities remains on council's balance sheet.
11. Stage 1 will provide permanent seating for up to 5,000 people, expandable up to 7,000, and a range of other facilities, including community spaces and café, a University of Waikato / physiotherapy facility, and a multi-sports turf. Regardless of whether later stages are delivered, Stage 1 will provide a valuable facility for the city, able to host events with enhanced facilities and to generate estimated revenue of \$2,341,000 per year (with an EBITDA of -\$91,000).
12. A business case for Stage 1 of the Stadium, which provides further detail including conceptual designs for Stage 2 (noting that Stage 2 does not have a proposed delivery date), is provided as Attachment 1 to this report. Furthermore, the designs for Stage 1 and Stage 2 allow for further expansion, a Stage 3, if needed, to meet future demand.
13. Depending on the decisions made by Council, the next steps will be to progress the implementation of Stage 1 of the Stadium, including:

- Consulting with existing leaseholders and stakeholders about future planning for the Domain and relocation opportunities.
- Liaising with internal council teams on adjacent projects like Cameron Road upgrades, events planning, and relevant infrastructure works.

BACKGROUND

14. Since late 2018, a project partnership including Priority One, Tauranga City Council, Bay of Plenty Regional Council and Sport New Zealand, has been considering the potential of establishing a sub-regional stadium in Tauranga. Between 2019 and 2022, the project partnership commissioned and received reports titled:
 - Needs assessment report
 - Pre-feasibility study
 - Site selection report
 - Feasibility study.
15. Following presentation of the feasibility study to Council in May 2022, Council agreed in principle that the Tauranga Domain is the suitable site for a community stadium and approved council's participation in the project's next steps, including development of a business case, further design work, and ongoing engagement with mana whenua and affected parties.
16. On 1 May 2023, Council considered a report titled *Tauranga Community Stadium – preliminary business case*, which supported the delivery of a boutique multi-use community stadium with the following elements:
 - 7,000 permanent seats and provision for 8,000 temporary seats (circa 5,000 being prefabricated seating modules)
 - Light exhibition centre (circa 2,000m² exhibition space plus support facilities)
 - Function centre (circa 1,300m²)
 - Community multi-sport facility (circa 400m² of changing room and lounge space)
 - Waikato University Sports Science / physiotherapy facility (circa 250m² dedicated space and shared spaces).
17. Following this report, Council undertook community surveys and investigated the potential of a staged implementation plan, in recognition of Council's financial position and the interests of existing users of the Tauranga Domain.
18. A further report, Long-Term Plan 2024-2034 Community Stadium, was presented to Council on 21 August 2023. This report provided the results of the community surveys to Council and recommended that Council consult as part of the Long-term Plan 2024-34 on the option of delivering a community stadium via a staged implementation approach.

COMMUNITY ENGAGEMENT AND CONSULTATION

19. Council undertook community-wide engagement regarding the Stadium during 2023 via:
 - (i) a demographically representative market research survey managed by Key Research;
 - (ii) a self-select survey managed by council; and
 - (iii) informal engagement and formal consultation via the Long-term Plan 2024-34 consultation process.
20. The results of the two surveys were reported to Council in detail in August 2023, and are briefly summarised here.

Survey findings

21. Both the market research survey and the self-select survey asked the same questions:

- (i) *To what extent do you support or oppose the proposed community stadium at Tauranga Domain?* (responses on a five-point scale)
 - (ii) *To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates?* (responses on a five-point scale)
 - (iii) *What economic benefits, if any, do you think the construction and the use of the proposed community stadium could bring to Tauranga?* (free text responses)
 - (iv) *What community or social well-being benefits, if any, do you think the proposed community stadium could bring to Tauranga?* (free text responses)
 - (v) An invitation to provide any further comments or feedback. (free text responses)
 - (vi) Demographic questions.
22. The surveys ran for the same period; 26 June to 21 July 2023. The market survey received 1,198 responses, generated from inviting 10,000 randomly selected people from Tauranga's electoral roll to participate. The council-managed survey was open to everyone and available via council's website, this survey received 3,318 responses. In total, across the two surveys, 4,516 responses were received. A self-select survey has an inherently higher margin of error than a demographically representative survey of similar size.
23. A summary of the responses to the first two questions is shown in Table 1 below.

Table 1: Summary of responses

	Market Research Survey		Self-select Survey	
	Strongly/ somewhat support	Strongly/ somewhat oppose	Strongly/ somewhat support	Strongly/ somewhat oppose
<i>To what extent do you support or oppose the proposed community stadium at Tauranga Domain?</i>	49%	43%	35%	63%
<i>To what extent do you support or oppose a proportion of the funding of the proposed community stadium to come from annual rates?</i>	30%	57%	27%	66%

24. Overall, the results of the self-select survey are less supportive of the proposed community stadium, and less supportive of a proportion of funding coming from annual rates, than the demographically representative survey.
25. Both surveys showed:
- Greater support for the proposed community stadium among males, compared to females.
 - Greater support for the proposed community stadium among younger age groups.
 - Greater opposition to a proportion of rates funding among females, compared to males.
26. The survey results are provided in more detail by the 21 August 2023 Council report.

Long-term Plan 2024-34 – informal engagement

27. The Commissioners and council staff visited several public locations during the Long-term Plan consultation period. As part of this engagement, people were offered the opportunity to select one of the four Stadium options set out in the formal consultation through voting with marbles in a jar.
28. A total of 256 people voted. The most popular vote was Option 2a, single stage delivery, with 146 votes (57%), this was followed by Option 3, remove the Stadium from the Long-term Plan (49 votes, 19%), and Option 1, staged delivery (40 votes, 16%). Option 2b, deferred single stage delivery, received 21 votes (8%).

29. In summary, out of the 256 people who voted, 19% opposed including the Stadium, whilst 81% supported the delivery of the Stadium (either as phased stages or single stage implementation).

Long-term Plan 2024-34 – formal consultation

30. Consultation on the draft Long-term Plan 2024-34 ran from 15 November to 15 December 2023 and a total of 2,202 submissions were received. Of these, 1,189 submissions answered questions about the proposed Stadium.

Table 2: Summary of responses

Decision Sought	Number of submitters who selected this option	%
Option 1: Staged Implementation (proposed) – involves the staged development of the community stadium in a manner that ultimately achieves the ambition championed in the preliminary business case but executed in stages rather than as a single-stage project.	233	19.6%
Option 2a: Single stage construction within 2024-2034 – involves taking the approach included in the preliminary business case and working towards an immediate start to construction.	190	16.0%
Option 2b: Single stage construction with deferred start-date – involves the same approach as Option 2a, but with a delayed start-date.	87	7.3%
Option 3: Do not include any form of community stadium in the Long-term Plan 2024-34 process – council would decide not to include any form of community stadium project in the 2024-34 Long-term Plan process.	662	55.7%
Comment only	17	1.4%
Total	1189	100%

31. In total, 55.7% of submitters opposed including the Stadium in the Long-term Plan, whilst 42.9% supported the delivery of the Stadium (either as phased stages or single stage implementation).

Table 3: Comparison of Long-term Plan submissions and survey results

	Supports delivery of stadium (either as phased or single delivery project)	Opposes delivery of stadium
Long-term Plan submissions	43%	56%
Market research survey	49%	43%
Self-select survey	35%	63%

Submission themes – supportive

32. Of the 233 submitters who chose Option 1, staged implementation, 35 provided comments. Most of these comments reinforced preferences for a staged delivery approach and expressed generalised support for the delivery of the Stadium, for example:

“Let’s get it underway with a staged implementation – great initiative”

33. Some used the comments section to express additional thoughts or concerns regarding the project, for example:

“Parking around the stadium area would be an issue, as insufficient car parking now exists with the removal of the Strand Car parking area.”

34. Of the 190 submitters who chose Option 2a, single stage construction within the Long-term Plan timeframe, 55 provided comments, with most of these expressing a desire for the Stadium to be completed as soon as possible, such as the following comment.

"We need a stadium in the city. The sooner we can do this, the better. We miss out on so many events that often go to Hamilton, Rotorua or even Napier because we do not have the facilities for it. This will immediately bring life back to the CBD."

35. Option 2b was chosen by the smallest number of submitters, 87, of these 27 provided comments. Most of these comments expressed their desire for delivery of the Stadium to be delayed allowing for funding to be secured, and for other projects to be completed first, for example:

"Delay the single stage construction until there is enough free debt (other capital projects have been completed) to undertake this."

Submission themes – opposed

36. Of the 662 submitters who chose Option 3, 341 provided comments. Of these comments:
- 53% indicated they thought the Stadium was a waste of money/not needed/not a priority.
 - 38% thought it was the wrong location, 17% due to traffic and parking issues, and 21% referenced alternative locations, such as BayPark.
 - 26% wanted the site left as it is for greenspace and existing users.
37. Note that some of the comments referenced more than one of the above concerns (i.e. the percentages above do not add up to 100%). Below are some examples of comments received.

"The Baypark stadium is already built. Extend if required. Parking and roading around area is good."

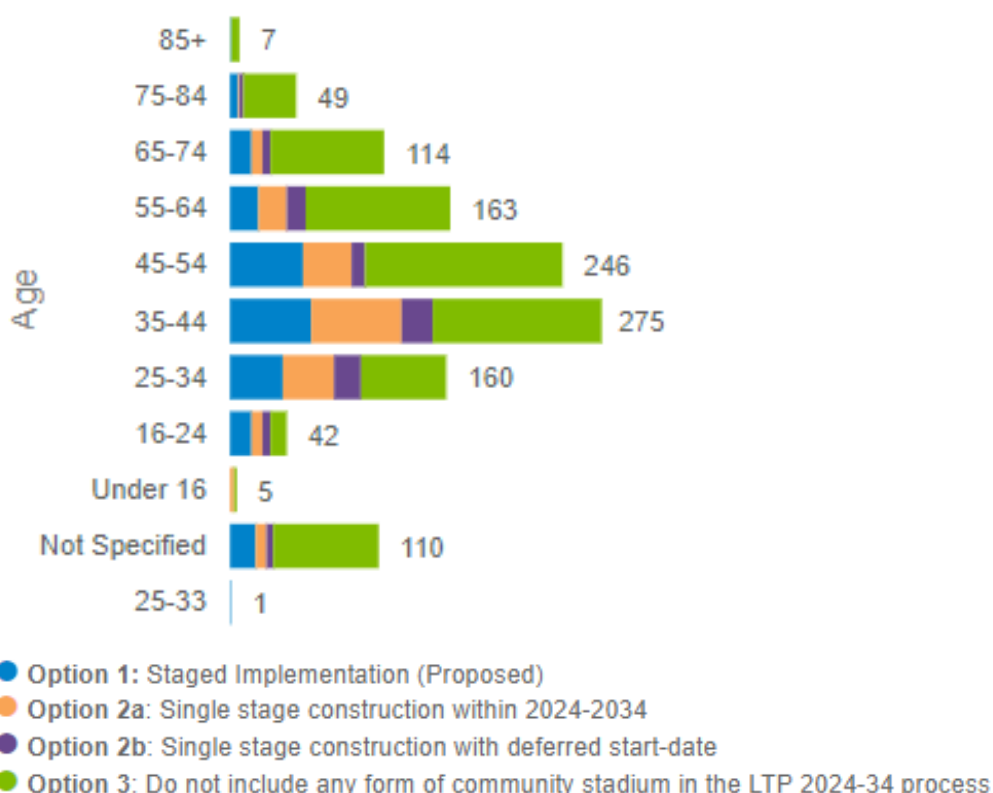
"Leave the Tauranga Domain exactly as it is, a beautiful green space for all the thousands of residents who currently use it and for all the generations to come."

"You need to get the budget under control before you take on any new projects, I'm not confident in your planning."

Demographic analysis

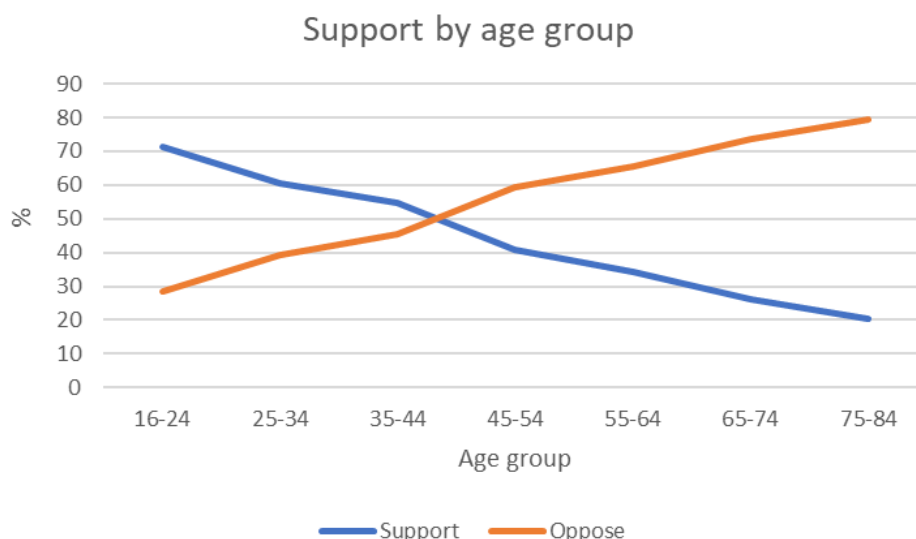
38. Figure 1 shows the people's preferred option by age group.

Figure 1: Age breakdown – community stadium submissions



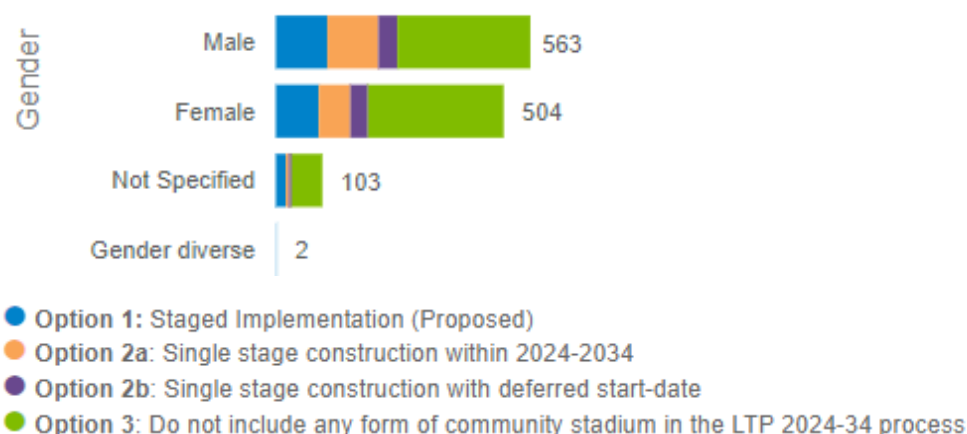
39. Figure 2 shows this same information broken down into support for the Stadium (Options 1, 2a and 2b) versus opposition for the Stadium (Option 3). This graph shows clearly how support for the stadium progressively declines in line with age, with support being highest in the 44-year-old and under groups. This finding aligns with the feedback from early surveys, which also showed support for the Stadium was highest amongst younger age groups.
40. Note that Figure 2 uses percentages and does not show how many people submitted in each age group, this information is shown in Figure 1. Submitters aged under 16 years and 85+ have been excluded from Figure 2, due to the very small numbers in these groups.

Figure 2: Support for the Stadium by age group



41. Figure 3 shows support for the Stadium by gender. Overall, out of the 504 submitters who identified as female, 40% supported the Stadium (Options 1, 2a and 2b) and 60% opposed. Out of the 563 submitters who identified as male, 48% supported the Stadium (Options 1, 2a and 2b) and 52% opposed.
42. This result aligns with the results of the surveys, which also showed greater support for the proposed Stadium among males, compared to females.

Figure 3: Gender breakdown – community stadium submissions



STAGED IMPLEMENTATION OF THE COMMUNITY STADIUM

Proposed design

43. The proposed design for the staged implementation of the Stadium delivers the facility over two stages. More detail regarding the proposed designs for each stage, and supporting information, is provided by Attachment 1: Tauranga Community Stadium Business Case.

44. Stage 1: Construction commences in the 2033/34 financial year and will provide permanent seating for up to 5,000 people, expandable up to 7,000. This stage is budgeted to cost \$90m (with 50% of that to be secured externally from council). Note that these figures are based on delivery at a later date than was consulted on in the draft Long-term Plan. The average number of estimated events able to be held once Stage 1 is delivered is 23, and the annual estimated revenue is \$2,341,000 (with an EBITDA of -\$91,000). Key features of Stage 1 are:
- Retention of the existing western stand (capacity – 1,500)
 - Retention of cricket and rugby facilities
 - Grassed verge seating (capacity – 1,500)
 - Embankment seating (capacity – 2,000)
 - Temporary modular seating / hardstand (capacity – 2,000)
 - Park entry, community spaces and café
 - University of Waikato Sports Science / Physiotherapy facility
 - Lighting suitable for night games
 - Hybrid turf sports field
 - Event capacity of 15,000+
45. Stage 2: No delivery date is set for the delivery of Stage 2 as it sits outside of the Long-term Plan timeline. Upon completion of Stage 2, the seating capacity of the Stadium will increase to 7,000, expandable up to 15,000. The expected cost of delivering Stage 2 is \$157,046,000, however, this cost is based on escalation until 2035 and will need to be updated once exact delivery timeframes are confirmed.
46. During the construction of Stage 2, the average estimated number of events annually would decrease from 23 to 18, and then increase to 258 once construction was complete. This significant increase in event capacity is due to the addition of the light exhibition and function centre as part of Stage 2. Once Stage 2 is complete, the estimated annual revenue of Stadium is \$7,304,000, based on Stage 2 becoming operational in 2037 (with an EBITDA of \$1,356,000). Key features of Stage 2 are;
- Increased seating capacity, through the replacement of the western stand and additional temporary modular seating options (capacity – 7,000 permanent + 8,000 modular)
 - Addition of light exhibition space (2,000m²)
 - Addition of function space (1,270m²)
 - Community multi sports facility (420m²)
 - Expanded and enhanced player facilities
 - Improved food and beverage facilities
47. The existing western stand was built in 1963 and by 2035, the stand and associated facilities will be over 70 years old and in need of replacement. Money put aside to replace the existing stand (depreciation and renewals) will be able to be channelled into the delivery of Stage 2.
48. Stage 3: No firm plans exist for Stage 3, however, the design of the project (Stage 1 and Stage 2) makes allowance for a further Stage 3, if the city wishes to expand the Stadium and increase the permanent seating capacity in the future. Allowance for a Stage 3 future-proofs the project in the event that demand exceeds the capacity delivered by Stage 1 and Stage 2. This addresses some of the feedback, which commented that the proposed stadium capacity was not 'big enough' and ensures that the project is forward-looking, anticipating the continued and likely growth of our city.
49. As Stage 3, based on current thinking, is focused on increasing permanent seating and does not include any other significant design elements, it would be relatively low cost compared to the delivery of earlier stages (at an estimated cost of \$20m based on delivery in 2038).

50. The benefits of a staged delivery are notable, providing a high-quality community facility for the city and allowing council to spread the delivery cost over time, assisting in balancing council's overall capital expenditure programme. Regardless of whether Stage 2 is delivered, Stage 1 in itself will increase the city's event capacity and improve community sports opportunities.
51. Staging the project does have some drawbacks. The full economic and social benefits of the Stadium will only be realised upon the delivery of Stage 2. Additionally, the delivery of Stage 2 will compromise the daily operation of the Stadium, whilst Stage 2 is in construction. There will be reduced availability during this time for events and sports, decreasing the revenue generated by the Stadium and limiting community access. These negative impacts will be temporary and once completed, Stage 2 will significantly improve the value and outcomes delivered by the Stadium.
52. Mana whenua have been partners in the design proposed for the staged option, with viewshafts and other cultural elements forming part of design considerations. Overall, the delivery of the Stadium will complement Te Manawataki o Te Papa and, if it proceeds, the development of 'Site B', Durham Street (which is earmarked for a hotel and conference centre). The Stadium is part of revitalising the city centre and will provide a community asset for many years, with options to enlarge it as the city inevitably grows.

Floor Plan Stage 1



Geotechnical considerations and site stabilisation

53. The Tauranga Domains are located within an area of the Te Papa peninsula, which is known for increased soil instability, especially in the case of a significant seismic event.
54. Further geotechnical testing on site was completed in November 2023. This information has assisted the concept design team to refine embankment stabilisation and foundation designs, much reduced from those estimated in the Preliminary Business Case. These conclusions are incorporated into the project costings for the site.
55. The implementation of surface drainage measures is also required to minimise water discharge and soakage occurring to the slopes. This is key to the ongoing management of the slopes whether the stadium proceeds or not.

Amenity, activation and greenspace

56. A common theme of submissions opposing the Stadium is the need to retain the Domains as green space for the city and for community use. The proposed design for the Stadium maximises community use and enhances permeability of the space, allowing the public to walk through and around the Stadium when it is not in use. On a day-to-day basis, the Stadium will have strong visible connections to Cameron Rd, with several access points for pedestrians. Temporary fencing will only be used for event management when necessary.
57. Additionally, the improvements to the Domain over time will allow for greater use of the space for informal recreation, including running, walking and circuit training. Budget for the delivery of improvements identified in the Tauranga Domain Masterplan, including a nature-based play area, is estimated to cost \$5m with this funding not currently included in Long-term Plan budgets. It is suggested that external funding is sought for this, or that re-prioritisation of other projects occurs in the future to resolve the funding gap. Relocation costs are however included in the current Long-term Plan budget.
58. The current layout of the Domains means that a portion of the space is already effectively privatised by existing clubs. It is recommended these clubs be relocated over time (regardless of whether the Stadium is delivered) and that the space they occupy will then either become general open/green space, or be incorporated into the Stadium facility.
59. Plans for the Stadium retain existing vegetation, with a focus on protecting mature trees. A planting plan will be included as part of the detailed design for the Stadium and look to enhance the existing greenspace of the Domains.

Traffic management and carparking

60. Some submissions argued that the Domains were not a suitable location for the Stadium due to parking and traffic issues. However, its location on Cameron Road makes it highly accessible from a public transport perspective, there is provision within the design for a limited amount of on-site carparking, and there are substantial numbers of publicly available carparks in the city centre within an easy walk to the Stadium. Proximity of car parks and walking distances are typical or enhanced from many other New Zealand stadia.
61. The number of city centre carparks is also increasing, with an increase from 2069 spaces in January 2023 to 2101 spaces in November 2023. The data also shows that there is always at least 20% vacancy in the Elizabeth Street and Spring St car parks at any given time, often significantly more. On-street parking throughout the city centre is free from 5pm and all weekend.
62. Further growth in the number of carparks in the city centre is planned for 2024. Council will be delivering 100+ car parks at 160-176 Devonport Road, to be completed by mid-2024. A minimum of 200 public car parking spaces will be available at the new Hamilton Street/Panorama Towers car park from mid-2024.

63. However, it is unrealistic to expect sufficient carparking to be available to meet demand when large events are being held, regardless of where the Stadium is located. This is normal in cities all over New Zealand, and the world. In these cases, there will be event responsive traffic management plans in place, including enhanced and integrated ticketing of public transport options.

Potential ownership and delivery structures

64. Work is ongoing regarding both ownership and delivery structures however; the August 2023 Council report highlighted the following key assumptions and considerations:
- That Bay Venues Limited are best placed to operate the proposed Stadium once built.
 - That Te Manawataki o Te Papa Limited (a council-controlled organisation) is well placed to lead the delivery of the Stadium. Alternatives would be in-house delivery by council or to contract delivery to another entity.
 - Long-term ownership of the Stadium, if it proceeds, will need further consideration, as there are a range of potential approaches. These include direct ownership by council, indirect ownership by council through Bay Venues Limited (a council-controlled organisation), or ownership by a not-for-profit third party, potentially a community-led charitable trust.

Existing leases

65. Tauranga Lawn Tennis Club: the current lease runs until March 2029. Neither Stage 1 nor Stage 2 impact on the tennis facilities currently under lease and therefore no relocation budget has been included in the Long-term Plan. It is proposed tennis facilities remain at the Domain.
66. Tauranga Croquet Club: the current lease runs until April 2029. Stage 1 of the Stadium requires croquet to relocate to alternate facilities at the end of their lease and \$3.48m (inflated to 2029) is included in Spaces & Places Long-term Plan budget for this relocation.
67. Tauranga Bowling Club: the current lease runs until September 2028. Council has acquired additional land adjacent to another central city bowling club for potential expansion and \$822k (inflated to 2029) is included in Spaces & Places Long-term Plan budget for this relocation/expansion. Should the expansion not proceed, the additional land already acquired could be sold.
68. Tauranga Millennium Track Trust: The current athletics track will reach its need for renewal around the end of this decade, with significant new capital investment required at that point. It is proposed that athletics be relocated to Baypark and a new track is built there by 2029, with \$16.81mil (inflated to 2029) included in the Active Reserves Masterplan Long-term Plan budget for this relocation.
69. The Tauranga Sports Club, WBOP Rugby and Tauranga Cricket Association would retain existing facilities in Stage 1. Stage 2 proposes delivery of a community multi-sports centre to replace their existing and aged facilities.

THE TAURANGA DOMAINS MASTERPLAN

70. The Tauranga Domains Masterplan recommends a set of projects to enable the Tauranga Domains to become a more enhanced events space, meeting the objectives of the integrated Active Reserves Masterplans for the Domains, Baypark, and Blake Park.
71. Several of these projects are required to enable the Stadium build to proceed, most notably the relocation of some of the existing Domain users. There is \$21m of relocation costs budgeted for and included within the Long-term Plan for this purpose.

72. There are further costs of \$5m, which will deliver a range of additional improvements to the Domain. This was previously recognised as Domain Sundries in the 21 August 2023 Council report. These costs are not included in the Long-term Plan. It is suggested that external funding is sought to cover these costs, or that re-prioritisation of other projects occurs in the future to solve the funding gap.
73. The total \$26m Domains budget therefore includes:
- relocation of relevant sports clubs (i.e. bowls, croquet and athletics);
 - refurbishment of the Wharepai Domain building so it can better support Wharepai events;
 - creation of a new entry plaza and hardstand area;
 - improvements to surfaces and internal pathways to enable improved access and movement across the site; and
 - development of a nature-based play area.
74. This \$26m of costs, including the relocation of sports clubs, is being planned for regardless of whether the Stadium project proceeds.
75. In the event of Council choosing to proceed with Option 3 (i.e. Council does not include delivery of the Stadium within the Long-term Plan period), it is recommended that \$5m is retained in the Stadium budget. This would allow for landscaping areas vacated by relocated sports clubs, park entries, further car parking, land stabilisation, and stormwater management. See also paras 96-98 of this report.

STRATEGIC / STATUTORY CONTEXT

76. The proposed Stadium aligns and supports key Tauranga City Council strategic planning documents, including:
- Our Direction – Tauranga 2050 (including the City Vision)
 - Tauranga City Council Community Outcomes
 - Sport and Activity Living Strategy (2012)
 - Te Papa Spatial Plan 2020
 - City Centre Action and Investment Plan 2022-32
 - Tauranga Events Action and Investment Plan 2022-32
 - Our Public Places Strategic Plan 2023
 - Play, Active Recreation, and Sport Action and Investment Plan 2023-33
 - Masterplans for Wharepai and Tauranga Domains, Baypark and Blake Park 2022.
77. It also aligns with sub-regional, regional and national strategies, most notably the Urban Form and Transport Initiative, SmartGrowth, the Bay of Plenty Spaces and Places Strategy, the Living Standards Framework, and Sport New Zealand's Strategy Plan 2020-24.
78. Delivery of the proposed Stadium will support the strategies and plans above by:
- Contributing to the vibrancy of the city centre, complementing and enhancing other proposed city centre initiatives such as Te Manawataki o Te Papa.
 - Addressing the city's growing demand for open space by optimising the use of the Domain. The proposed Stadium project forms part of Council's wider work to consider the future use of shared green spaces across the city.
 - Complementing the overall city facility network by providing light exhibition space, which frees up capacity at Mercury Baypark for increased community use.
 - Providing a sub-regional facility in a central location, connecting in with public transport routes to minimise the need to travel via car to the stadium for events, and maximising the population catchment serviced by the Stadium (rather than locating it on the outskirts of the city).

79. For a more detailed discussion of how the Stadium would deliver on strategic objectives for the city and the region, refer to the Strategic Case included within the preliminary business case⁶.

FINANCIAL CONSIDERATIONS

80. Council is currently under significant financial pressure, both in terms of its balance sheet and borrowing capacity, and on the community's ability to absorb increased rates. Council is committed to significant community amenity upgrades in the city centre via the Te Manawataki o Te Papa project, in its aquatic and indoor sport networks, and in its active reserves through the master planning work. The proposed Stadium complements these developments but imposes additional costs on council and ultimately, the ratepayer.

Stadium – delivery and operational costs

81. The breakdown of the estimated delivery costs for Stage 1 and Stage 2 of the Stadium are as follows.

Table 1: Estimated capital costs for Stage 1 and Stage 2 of the Stadium (\$NZ000's).

	Stage 1	Stage 2	Total
Demolition	330	303	633
Foundation Work	1,830	6,640	8,470
Building Structures	17,975	44,462	62,437
Seating	4,407	13,795	18,202
Infrastructure	16,205	7,050	23,255
Margin/P&G	7,628	10,691	18,319
Professional Fees	9,675	15,460	25,135
Contingency	11,610	19,680	31,290
Total (Feb 2024 Real Terms)	69,660	118,081	187,741
Escalation	19,930	38,966	58,896
Total	89,590	157,047	246,637

82. Originally, escalation of \$11m was applied taking the Stage 1 delivery cost to \$81m; this was based on delivery from 2029/30, as per the Long-term Plan consultation document. The recommendation of this report is to commence construction in 2033 increasing escalation and the nominal total for Stage 1 to \$90m.
83. Council's draft Long-term Plan assumes that 50% of the capital costs for Stage 1 of the Stadium will be met via external sources and therefore, rates-funded capex of \$45m of the overall \$90m capex cost has been included in the Long-term Plan across years 2033/34 and 2034/35.

Relocation costs

84. Relocations costs (capital) are projected to cost a total of \$21m and are included in year 2029 of the draft Long-term Plan. Following relocation, an additional \$1m of operational costs has been included per annum.

⁶ Pages 13-40 of Attachment 2 to the 1 May 2023 Council report, available [here](#) on council's website

OPTIONS ANALYSIS

Option 1: Staged Implementation, commencing 2033/34 (RECOMMENDED)

85. This option proposes delivering the Stadium in stages, as per the design outlined earlier in this report, and is the option recommended by this report.
86. Additionally, this report recommends deferring funding for the delivery of Stage 1 from 2029/30, as proposed in the Long-term Plan consultation document, to the 2033/34 financial year. This deferral allows council to better manage its overall debt levels, particularly whilst the responsibility for the delivery of the wastewater, stormwater, and water supply activities remains on council's balance sheet.
87. Proceeding with this option provides the ability to ultimately achieve the ambition championed in the preliminary business case. However, the staged approach would result in a longer delivery timeframe, particularly if Council chooses to defer funding to the 2033/34 financial year as recommended.
88. Cost:
Capital costs of \$90m, relocation costs in 2029 of \$21m, and Domain improvements in 2029 of \$5m.

Annual operating costs of \$5m for the Stadium (average calculated over 2035-37) and \$2m operating costs per year for the relocation and Domain improvement projects (average calculated over 2030-34)
89. Key risk:
That staged implementation will result in either cost increases beyond expected, or in Stage 2 not being delivered and as a result, the full benefits of the Stadium project are not realised.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Responds to those in the community who support a community stadium and the additional amenity it will provide for the city, albeit in a delayed and staged manner. • Provides additional time to establish fundraising opportunities. • Reduced additional rating impost from 2032/33 onwards. • Significantly reduced pressure on council's long-term capital programme and financial capacity. • Construction in the later years of the Long-term Plan avoids cross-over with the Te Manawataki o Te Papa project. • Additional timeframe allows for a more measured relocation process for existing facilities, including enabling the existing athletics track to reach end-of-life stage before being removed. 	<ul style="list-style-type: none"> • Slows momentum in a project with strong stakeholder support. • Weaker signal of intent to future funding partners in public, private, and charitable sectors. • Cost escalation implications of delaying construction. • Cost increase implications by staging the delivery of the project over an extended timeframe. • Reduced event capacity during development of future stages. • Higher risk that the Stadium will be removed from future Long-term Plans.

Option 2a: Single Stage Implementation within 2026-28 (as per Option 2a in the Long-term Plan consultation document)

90. This option proposes taking the approach included in the preliminary business case and working towards an immediate start to construction.

91. Cost:

Capital cost between \$260m and \$280m including relocation costs in 2026 of \$20m, and domain improvements in 2026 of \$5m.

Annual operating costs of \$12m for the Stadium (average calculated over 2029-34) and \$1m operating costs per year for the relocation and domain improvement projects (average calculated over 2027-34).

92. Key risk:

That committing to delivering the entire project commencing 2026, will result in other key projects for the city being delayed or not being delivered, due to costs and limited council resources.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Responds to those in the community who support a community stadium and the additional amenity it will provide for the city. • Maintains momentum in a project with strong stakeholder support. • Positive signal of intent to future funding partners in public, private, and charitable sectors. • Results in the full benefits of the Stadium being realised sooner. 	<ul style="list-style-type: none"> • Further prioritisation of council's capital programme will be required to create the financial capacity to support this project alongside all other competing priorities. • Potential further disruption to the city centre area at the same time as Te Manawataki o Te Papa, and other public and private development initiatives are taking place in the vicinity. • Significant additional rating imposed from 2028/29 onwards. • Lessens the likelihood that the Stadium will be removed from future Long-term Plans.

Option 2b: Single Stage Implementation with deferred start date (later in the Long-term Plan, as per Option 2b in the Long-term Plan consultation document)

93. This option proposes taking the approach included in the preliminary business case, however, with a deferred start date.

94. Cost:

Capital cost between \$295m and \$315m including relocation costs in 2029 of \$21m, and Domain improvements in 2029 of \$5m.

Annual operating costs of \$14m for the Stadium (average calculated over 2033/34) and \$2m operating costs per year for the relocation and domain improvement projects (average calculated over 2030-34)

95. Key risk:

That committing to delivering the entire project commencing 2029 will result in other key projects for the city being delayed or not being delivered, due to costs and limited council resources.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Responds to those in the community who support a community stadium and the additional amenity it will provide for the city, albeit in a delayed manner. • Provides additional time to establish fundraising opportunities. 	<ul style="list-style-type: none"> • Slows momentum in a project with strong stakeholder support. • Weaker signal of intent to future funding partners in public, private, and charitable sectors.

<ul style="list-style-type: none"> Provides additional time to further prioritise council's long-term capital programme to ensure financial capacity. Construction from 2029/30 avoids cross-over with the Te Manawataki o Te Papa projects. Additional timeframe allows for a more measured relocation process for existing facilities, including enabling the existing athletics track to reach end-of-life stage before being removed. Results in the full benefits of the Stadium being realised sooner. 	<ul style="list-style-type: none"> Significant additional rating impost from 2032/33 onwards. Cost escalation implications of delaying construction by four years. Higher risk that the Stadium will be removed from future Long-term Plans.
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Option 3: Do not include any form of community stadium in the Long-term Plan 2024-34 (as per Option 3 in the Long-term Plan consultation document)

96. If Council decides on this option, the community stadium would not be included in Long-term Plan 2024-34 in any form. However, except for the Stadium, the actions and initiatives outlined in the Tauranga Domains Masterplan would still be delivered, maximising the site's amenity as a premier event and community space.

97. Cost: Upgrades and relocation costs as per masterplan.

\$21m of relocation costs budgeted for 2029 and Domain improvements of \$5m budgeted in 2029. \$2m operating costs per year associated with the relocation and Domain improvements projects (average calculated over 2029-34).

An additional \$5m of Domain upgrades would be required with an annual associated operating cost of \$500k. These costs would be required for the remedial works associated with relocation of sports clubs, and to ensure resilience and protection of the Domains, (stormwater management) but would only be required if the Stadium project did not proceed.

98. Key risk:

The city will miss out on hosting events and the long-term community amenity of the Tauranga Domains will be lessened. The lack of the Stadium will decrease project synchronicity within the city centre, decreasing social and economic outcomes for the city.

Advantages	Disadvantages
<ul style="list-style-type: none"> Decreased pressure on council's long-term capital programme and financial capacity. No additional rating impost in future years. No additional significant construction disruption to city centre. No stadium development allows for a more measured relocation process for existing facilities. Still delivers planned improvements to the Tauranga Domains as anticipated in the Masterplan for this area. 	<ul style="list-style-type: none"> Does not respond to those in the community who support a community stadium and the additional amenity it will provide for the city. Halts momentum in a project with strong stakeholder support (or significantly slows momentum if other stakeholders continue without council's support).

LEGAL IMPLICATIONS / RISKS

99. Project risks are comprehensively set out in the attached business case and are managed on an ongoing basis by the project team. Risks identified in the business case with a 'residual risk' assessment (i.e. after known mitigation actions have occurred) of 'medium' (on a scale of very high, high, medium, low) are as follows:
- Lack of appropriate engagement with stakeholders during design phase
 - Cost escalations pre-tender
 - Cost escalations during construction
 - Political changes reduce support for the project
 - Funding constraints
 - Contractor capacity and capability
 - Geotechnical conditions are worse than anticipated
 - Disruption and traffic management during construction
 - Club displacement
 - Site is found to be susceptible to natural hazards
 - Supply chain constraints.
100. There were no risks identified in the business case with a residual risk higher than 'medium'.

SIGNIFICANCE

101. 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.
102. 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.
103. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.

ENGAGEMENT

104. Taking into consideration the above assessment, that the decision is of high significance and that public engagement has been completed via the Long-term Plan process, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

105. Consult with existing leaseholders and stakeholders about future planning for the Domain and relocation opportunities.
106. Liaise with internal TCC teams on adjacent projects like Cameron Road upgrades, events planning and infrastructure works.

ATTACHMENTS

1. **Updated Preliminary Business Case - A15589487 (Separate Attachments 1)** 

11.11 City Centre Hotel and Conference Centre - Next Steps

File Number: A15489894

Author: Sarah Stewart, Principal Strategic Advisor
Paul Davidson, Chief Financial Officer

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

PURPOSE OF THE REPORT

1. The purpose of this report is to seek approval for the development of a business case for the city centre Hotel and Conference Centre project. This proposed project is the next step in revitalising the city centre.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Centre Hotel and Conference Centre - Next Steps";
- (b) Approves the preparation of a business case that examines the case for investment, including if the proposal will deliver the best value for our communities;
- (c) Notes that findings from the business case will be reported to Council in the second half of 2024; and
- (d) Notes that in making any future decision to progress with the proposed city centre Hotel and Conference Centre project, Council may be required to undertake a Long-term Plan Amendment, subject to section 97 of the Local Government Act 2002.

EXECUTIVE SUMMARY

2. The next stage of the visionary Te Manawataki o Te Papa Masterplan presents the opportunity to develop an integrated hotel and conference centre. Positioned in the city centre with captivating harbour vistas to the west of the planned new library and community hub, civic whare, and museum and exhibition gallery; the proposed hotel and conference centre will underpin Tauranga's evolution into a world class city.
3. This paper seeks approval for a business case to be developed for the proposed hotel and conference centre project on Site B (21-41 Durham Street). A business case will build on prior work and will fully examine the costs, risks, and benefits of this proposal, to support and inform sound investment decision-making in the future.

BACKGROUND

4. In 2018, the Council adopted the Civic Precinct Masterplan, following extensive community consultation. The plan provided direction for the future development of the Council-owned site bounded by Willow, Hamilton, Wharf and Durham Streets; and the Council-owned site at 21-41 Durham Street (Site B), colloquially known as the TV3 site. The 2018 Masterplan included a hotel and conference centre, and a performing arts centre on Site B, and a civic administration building, library, and museum on the Willow Street site, with connections through to Masonic Park.
5. Following the adoption of the Council's Long-term Plan (LTP) 2021-31, the Council issued a design brief to Willis Bond to prepare a Civic Masterplan Refresh to reflect the strategic decisions the Council had made as part of the LTP process, including a decision to lease a new civic administration building at 90 Devonport Road; respond to public submissions in favour of a museum located on the civic precinct site; and to reflect the history and cultural significance of the site to tangata whenua and tell the stories of Tauranga Moana. The

refreshed masterplan was formally adopted by Council on 6 December 2021. It includes a hotel and conference centre on Site B (refer Figure 1 for a site map).

Figure 1: Te Manawataki o Te Papa Masterplan illustrating Site B's Hotel and Conference Centre.



6. As part of the LTP 2021-31, the Council included a budget for the development of a new library and community hub. It later consulted on and amended the LTP to include the civic whare, museum and other projects included on Site A of Te Manawataki o Te Papa. This did not include the hotel and conference centre proposed on Site B, which was planned for a later stage of masterplan implementation.
7. Various investigative works have already been undertaken:
 - Feasibility Design Report – Te Manawataki o Te Papa Performing Arts, Conference Centre and Hotel (Warren and Mahoney, February 2023)
 - Site B, Durham Street Investment Case (Willis Bond, March 2023)
 - DRAFT, Site B, Durham Street Investment Case Follow Up (Willis Bond, August 2023)
8. Similar to Site A projects, it is proposed that a business case that builds on prior work is developed to fully examine the costs, risks, and benefits of this proposal. If a robust case for investment is the outcome of this process, a decision can then be made on whether Council wishes to further progress this project in the future.

HOTEL AND CONFERENCE CENTRE

9. The current proposed design features a nine-storey hotel and conference centre, with a podium reception area and restaurant offering stunning water views. An up to 500-delegate capacity conference centre is also proposed that will underpin the occupancy of the hotel.
10. The proposed design comprises:
 - a total of 164 hotel rooms (including 19 larger suites)
 - conference lobby and conference room
 - conference meeting rooms and break-out spaces
 - hotel lobby
 - parking spaces and loading bays.
11. Figures 2 and 3 illustrate the initial exterior design from different viewshafts for the proposed hotel and conference centre, showing seamless integration with the wider Te Manawataki o Te Papa area.

Figure 2: View from the Plaza looking past the Civic Whare, Museum, Exhibition Gallery and Library towards the proposed Hotel and Conference Centre⁷



Figure 3: Street level view from the Baycourt lawn looking east to the Hotel and Conference Centre¹



⁷ Warren and Mahoney's (2023) Feasibility Design Report - Te Manawataki o Te Papa Performing Arts, Conference Centre and Hotel.

The demand is high for accommodation and Tauranga is well-positioned for conferences

12. The Bay of Plenty is a recognised tourist destination and visitor spending has important economic implications for the region. Currently, a lack of quality accommodation constrains investment in the city centre. The promotion of the economic well-being of the community and district through tourism growth, and the concurrent demand for visitor accommodation, needs to be supported by sufficient supply of quality accommodation in the city centre. A comparison of hotel rooms in nearby cities (Table 1) clearly shows that Tauranga city lags behind its neighbours, particularly in comparison with Rotorua.

Table 1: Number of hotel establishments and rooms currently in supply⁸

Location	Number of hotel establishments	Number hotel rooms
Tauranga	9	494
Rotorua	22	1,828
Hamilton	8	687

13. Ninety percent of conferences hosting more than 200-500 delegates take place in the North Island⁹. A new facility in Tauranga is considered well-positioned to capture the lucrative regional conference circuit. The conference centre will stimulate the local economy due to a net increase in visitor spending.
14. Willis Bond's financial analysis of the project's feasibility identifies there is strong operator demand for new hotel space in Tauranga and the conference centre is a major benefit to hotel development. They also identified that there is "*current evidence of market failure, where the private sector is unable to fulfil a public need and that failure results in negative externalities*". For example, the major tourist coaches do not visit Tauranga because they operate in partnership with branded hotels. If tourism operators cannot guarantee block bookings, they do not visit. This effectively cuts a source of tourists to the city who would also likely visit the public Te Manawataki o Te Papa facilities e.g. museum and exhibition gallery.
15. Willis Bond's (March 2023) conclusions on market opportunity included:
- There is a clear opportunity to improve Tauranga's market share, which is currently underperforming relative to its population size.
 - The optimum sizing is for a facility designed to accommodate up to 500 delegates.
 - The provision of a modern, purpose-built facility with on-site hotel accommodation will provide a key point of difference within Tauranga's competitor set.
16. Council is aware of other initiatives in the city centre that may also alleviate Tauranga city's accommodation supply issue. Thorough investigation and consideration of these initiatives, alongside the proposed hotel and conference centre opportunity, will occur as part of the business case process.

The benefits – economic uplift and a vibrant city centre

17. Together, the hotel and conference centre will attract a high proportion of out-of-town guests, contributing a net economic gain to the city and the wider region, enabling future growth by stimulating investor confidence. In combination with the new museum (part of Te Manawataki o Te Papa), the conference centre (supported by quality accommodation) will enable the city to attract more events, functions, and conferences – helping to inject vibrancy, activation and life back into the heart of our city centre.

⁸ Statistics New Zealand – Commercial Accommodation Monitor, Year-end September 2019 (last results published).

⁹ Willis Bond (March 2023) Site B, Durham Street – Investment Case

18. GHD¹⁰ undertook an assessment of the economic benefits of the conference centre with results shown in the table below. The benefits were assessed by discounting the net additional tourism expenditure over 60 years at real discount rates of 4% and 6%. These benefits are compared with the capital cost of the conference centre showing a total net benefit of \$58.8M at a 4% discount rate.

Benefit (GDP net present value)	Discount rate	
	4%	6%
Direct	\$56,600,000	\$37,000,000
Indirect	\$54,200,000	\$35,500,000
Total	\$110,800,000	\$72,500,000
Cost		
Capital cost + opex grant	\$59,000,000	\$55,000,000
Land cost (est)	\$6,000,000	\$6,000,000
less net operating surplus	-\$13,000,000	-\$8,000,000
Total	\$52,000,000	\$53,000,000
Net benefit (direct)	\$4,600,000	-\$16,000,000
Net benefit (total)	\$58,800,000	\$19,500,000

19. Other key benefits identified by GHD (2023) in relation to the conference centre were:
- The catalytic impact on the city centre including stimulus for other hotels, restaurants, and hospitality businesses.
 - Reputational benefit for Tauranga as a place that attracts business and social events.
 - Amenity value to Tauranga residents who will have another high-quality venue for in-region events and functions.
 - That the conference centre could support the equivalent of between 2,300 and 3,500 one-year full-time jobs across the 60 years (or 60 jobs a year every year over the next 60 years) through the tourism spending brought into Tauranga by delegates.
20. Vibrancy and liveability are both currently lacking in Tauranga's city centre. Aligning with the Council's strategic direction and priorities, investment in building an attractive, safe, and interesting urban built environment will activate the city centre, creating a vibrant place to live and visit.

Indicative project costs

21. A summary of development costs for the proposed hotel and conference centre is estimated at \$147,180,000. A breakdown of costs is provided in Table 3.
22. Project milestones and timeframes are yet to be formulated as the development of a business case is the next logical step to determine if the project should proceed.

¹⁰ GHD (August 2023): Wider economic benefits of the stadium, conference centre and waterfront.

Table 3: Indicative development costs for the Hotel and Conference Centre¹¹

	Convention Centre	Hotel	Combined
Set up and consent	550,000	930,000	1,480,000
Construction			-
Hotel		57,840,000	57,840,000
Transverse frame		2,250,000	2,250,000
Convention Centre	30,500,000		30,500,000
Conference FF&E	2,600,000		2,600,000
Piling	4,680,000	4,680,000	9,360,000
Infrastructure	2,100,000	2,100,000	4,200,000
External Works	2,100,000	-	2,100,000
Contingencies	6,510,000	10,360,000	16,870,000
Consultants	7,370,000	11,700,000	19,070,000
Overheads & other costs	410,000	500,000	910,000
	56,820,000	90,360,000	147,180,000

The challenges – funding and financing

23. Funding and financing are a significant barrier to delivery of this project. Without external funding, or the availability of a suitable funding and financing mechanism, the opportunity to create the full Te Manawataki o Te Papa vision for the city centre – unlocking significant cultural, social, and economic benefits for the city and the region – will not be fully realised. In addition, the city is likely to remain with insufficient accommodation, constraining investment, and economic growth into the future.
24. Willis Bond acknowledge that the success of the conference centre is likely to be dependent on new hotel supply. Establishing funding for the conference centre is likely to provide investor confidence, thereby encouraging private sector funding for the hotel development.

STRATEGIC / STATUTORY CONTEXT

25. The proposed delivery of a city centre hotel and conference centre has clear alignment with the city and Council's strategic direction, from the aspirational community vision and primary strategies, through to Council's action and investment plans, including:
 - Our Direction – Tauranga 2050 (including the City Vision)
 - Tauranga City Council Community Outcomes
 - Te Papa Spatial Plan 2020
 - City Centre Action and Investment Plan 2022-2032
 - Tauranga Events Action and Investment Plan 2022-2032
26. It also aligns with sub-regional and regional strategies, most notably the Urban Form and Transport Initiative, and SmartGrowth.
27. The Te Manawataki o Te Papa programme of projects, significant Tauranga Moana waterfront development, and a city centre hotel and conference centre development, all demonstrate Council's commitment to city centre regeneration. Leveraging off our natural and cultural assets, Te Manawataki o Te Papa will become the driver of a sustainable and thriving economic future, and a catalyst for further private sector investment. The outcome will be a regenerated city centre that provides opportunities for new commercial and economic activities, as well as conferences and tourism offerings, all adding to the city's revival and ongoing employment opportunities.

¹¹ Willis Bond (August 2023): Site B, Durham Street Investment Case Follow-Up

OPTIONS ANALYSIS

Option One: Proceed with business case development as the next step for the proposed Hotel and Conference Centre project (RECOMMENDED).

Advantages	Disadvantages
<ul style="list-style-type: none"> • Supports sound investment decision-making by providing a systematic method for evaluation of the benefits, costs, and risks of the project. • Potential to build on work that was developed for the Te Manawataki o Te Papa business case (2023). This may also allow benefits to be monitored and responded to across the entire Te Manawataki o Te Papa precinct. • Prior work is used to develop the investment case. • Best practice for substantial projects and investment decisions. 	<ul style="list-style-type: none"> • Cost of business case development.

Option Two: Do not proceed with business case development for the proposed Hotel and CONFERENCE Centre (NOT RECOMMENDED).

Advantages	Disadvantages
<ul style="list-style-type: none"> • No business case development costs. 	<ul style="list-style-type: none"> • Potential for disjointed or lack of information required for a robust investment decision.

28. Staff recommend that Council proceeds with business case development as the next step in progressing the proposed city centre Hotel and Conference Centre project.

FINANCIAL CONSIDERATIONS

29. Costs to develop a business case are anticipated to be up to \$200K. There is existing budget in the LTP to cover this cost.

LEGAL IMPLICATIONS / RISKS

30. There are no legal implications to the decisions in this report.
31. It is useful to note that if Council decides to proceed with the proposed hotel and conference centre project at some point in the future, this is likely to initiate an amendment to the LTP 2024-34. The Local Government Act 2002 (LGA) enables a local authority to amend its LTP at any time (section 93(4)). It also sets out that a decision to significantly alter the intended level of service provision for any significant activity undertaken by a local authority triggers a LTP Amendment (section 97).
32. Due to the introduction of a hotel and conference centre facility, resulting in a significant change in level of service for a significant activity, a decision to implement the hotel and conference centre project requires an amendment to the Council's LTP 2024-34. Council will then need to consult on this amendment through the special consultative procedure required by the LGA (section 93(5)), to reach decisions on the amendments to the LTP.

CONSULTATION / ENGAGEMENT

33. If the recommendations of this report are approved and the outcomes of the business case result in a decision to proceed with the proposed hotel and conference centre (at some point in the future), a comprehensive communications plan will be produced to support the development of a LTP Amendment.

34. This will see the hotel and conference centre proposal included as part of a consultation document alongside an upcoming annual plan, long-term plan or long-term plan amendment.

SIGNIFICANCE

35. 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.
36. 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; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal to develop a hotel and conference centre is of high significance, however the decision proposed in this report is of low significance.

ENGAGEMENT

38. 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.
39. However, following any future decision by Council to proceed with the hotel and conference centre project, consultation is required under Section 93 (5) of the Local Government Act 2002, which states that *"a local authority must use the special consultative procedure in making any amendment to a Long-term Plan."*

NEXT STEPS

40. If Council approves the development of a business case, staff aim to report back to Council on the business case findings before the end of 2024. At that time, Council may wish to make a decision on whether to proceed with the proposed Hotel and Conference Centre project or not.

ATTACHMENTS

Nil

11.12 Draft 2024-2034 Long Term Plan Deliberations - Car Parking Buildings**File Number: A15431145****Author: Simon Collett, Manager: Commercial Property****Authoriser: Paul Davidson, Chief Financial Officer****PURPOSE OF THE REPORT**

1. This report considers community feedback on the potential divestment of the Spring Street and Elizabeth Street parking buildings and provides a full analysis of the projected financial implications.
2. Taking the community's response and the analysis into account, this report seeks Council approval:
 - (a) To utilise the projected cash surpluses from the Parking Management Activity to fund interest and principal repayments sufficient to provide up to \$46M funding for the Te Manawataki o Te Papa programme of works; and
 - (b) Should sufficient surpluses not be or are determined at any point to be unlikely to be achieved, revisit the potential to sell the Spring Street and Elizabeth Street parking buildings with a lease-back at the appropriate time, but in any case, during the 2024-2034 Long Term Plan period.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Draft 2024-2034 Long Term Plan Deliberations - Car Parking Buildings"; and
- (b) Utilises the projected cash surpluses from the Parking Management Activity to fund interest and principal repayments sufficient to provide up to \$46M funding for the Te Manawataki o Te Papa programme of works; and
- (c) Notes the need for the projected price increases as outlined in paragraph 25 of this report are required to generate the surpluses outlined in resolution (b); and
- (d) Should sufficient surpluses not be or are determined at any point to be unlikely to be achieved, revisit the potential to sell the Spring Street and Elizabeth Street parking buildings with a lease-back at the appropriate time, but in any case, during the 2024-2034 Long Term Plan period.

EXECUTIVE SUMMARY

1. This report assesses community feedback regarding the potential divestment of Council's Spring Street and Elizabeth Street parking buildings and provides a comprehensive analysis of the projected financial implications.
2. Considering community responses and the financial assessment, the report proposes a way forward to:
 - (a) Utilise the projected cash surpluses from the Parking Management Activity to fund interest and principal repayments sufficient to provide up to \$46M funding for the Te Manawataki o Te Papa programme of works; and
 - (b) Take a commercial approach to the Parking Buildings – that is, let the market (rather than other considerations such as pricing control) dictate appropriate fee levels; and

- (c) If surpluses are insufficient or unlikely to be achieved, revisit the potential to sell the parking buildings with a lease-back arrangement during the 2024-2034 Long Term Plan period.
- 3. Valuations for the parking buildings suggest a combined value of \$43.7 million with a lease-back option. Given they are currently scheduled for potential divestment in 2028, we have inflated this number to \$46M.
- 4. The Asset Realisation Reserve approach classifies the parking buildings as potentially available for disposal.
- 5. The financial analysis forecasts improved performance, generating surpluses from 2025. This potentially provides Council with headroom to raise debt (as an alternative to divestment) and provide funding to the Te Manawataki o Te Papa program of works.

BACKGROUND

Parking Buildings

- 6. Council owns two parking buildings located in central Tauranga: the Spring Street parking building (453 car parks) and the Elizabeth Street parking building (620 car parks) (**Parking Buildings**). While Spring Street is in fee simple, Council's interest in the Elizabeth Street parking building is held in two unit titles. The retail units on the ground floor of the building are owned by a private investor.
- 7. The Parking Buildings are part of Council's wider property portfolio.

Early Signalling

- 8. In Council's 2021-31 Long Term Plan (**LTP**) Amendment, Council noted that if it progressed implementation of the full programme of works for Te Manawataki o Te Papa (**TMoTP**), half of the funding needed would have to come from sources other than rates.
- 9. At a meeting of Council on 21 February 2022, it was noted that the LTP Amendment would signal to the community that Council was having discussions on alternative funding possibilities and was considering selling some assets such as the marine precinct at Sulphur Point and the Parking Buildings. Council resolved to undertake further work to support the sale of the Parking Buildings. The consultation document itself did not specifically speak to the Parking Buildings, but it did reference funding via the "*potential sale of non-core Council assets*".

Market Engagement

- 10. In December 2022, KMPG assessed the sale potential of the Parking Buildings on Council's behalf following market engagement with stakeholders, developers and private and crown infrastructure investors. The report concluded that:
 - (a) The Parking Buildings should continue to provide car parks;
 - (b) Redevelopment of the sites is unlikely;
 - (c) The seismic ratings of the Parking Buildings may impact their value;
 - (d) Cashflows, rather than land or the Parking Buildings' values, would determine the sale price. A lease-back option would be attractive, although there was also feedback that the sales process should not be overcomplicated;
 - (e) Demand underwrite for around 10 years would make the assets an attractive investment opportunity; and
 - (f) There was significant interest in the Parking Buildings from private investors.

Asset Realisation Reserve and Funding for TMoTP

- 11. Through inclusion in the Asset Realisation Reserve approach, Council has resolved that the Parking Buildings have been assessed as potentially:
 - (a) No longer needed for operational or strategic purposes, or

- (b) Available for disposal to achieve a strategic purpose and a defined trigger or timeframe for that disposal has been determined.
12. As part of the Asset Realisation Reserve reporting, Parking Building valuations were obtained from Preston Rowe Paterson and issued in June 2023. The valuations assessed the Parking Buildings as existing operating assets based on current cashflows and on a hypothetical basis with a lease-back to Council. The basic lease terms were assumed to be as follows:
- (a) *Term*: 15 years.
- (b) *Rent*: Based on 100% of car parks rented at market value.
- (c) *Outgoings*: Triple Net Lease (i.e., Council responsible for outgoings and maintenance costs)
- (d) *Rent Reviews*: Annual to CPI (capped at 3.5%) and market reviews every 5 years.
13. The valuations are summarised as follows:

	As Is Cap	As Is Valuation	Lease-Back Rent	Lease-Back Cap	Lease-Back Valuation
Spring Street	6.5%	\$7.18M	\$1.250M pa	6.25%	\$20.00M
Elizabeth Street	6.75%	\$9.93M	\$1.552M pa	6.5%	\$23.70M
Totals		\$17.11M			\$43.70M

*Figures excl. GST

14. With respect to capital projects generally, the funding preference (in order) is:
- (a) *Preference 1* - Other sources, where available. For example, grants, IFF or regional or subregional funding.
- (b) *Preference 2* - Asset sales.
- (c) *Preference 3* - Loans and rates.
15. While Council's priority is to obtain external grants for the non-ratepayer funded debt portion of the cost of the TMoTP programme of works, the Asset Realisation divestment programme provides a critical pathway for the required funding. A significant portion of funding available via asset sales is reliant to divestment of the Parking Buildings. It was therefore proposed that Council seek early feedback from the community with respect to the proposal to sell the Parking Buildings.

Draft 2024-2034 LTP

16. As set out in the Draft 2024-2034 LTP consultation document:
- (a) Council proposed to sell the two Parking Buildings to help fund Council capital projects, the first of which was likely to be TMoTP.
- (b) The Parking Buildings are currently managed through the Asset Realisation Reserve approach, which manages the sale of Council properties and assets and holds any resulting proceeds for allocation to capital projects and initiatives that have a greater positive impact on the community.
- (c) Should Council decide to go ahead with the sale option following public consultation, this does not mean Council would immediately sell the Parking Buildings. The timing will be market driven to maximise the proceeds and Council will monitor this over the coming years.
- (d) The options are to:
- (i) *Option 1A* - Sell the Parking Buildings with a lease-back while simultaneously ensuring:

- (1) The proceeds of the sale are utilised to fund Council capital projects (including TMoTP).
- (2) The capital invested in owning and operating the Parking Buildings is allocated to more pressing community needs.
- (3) Council will ensure the Parking Buildings continue to supply publicly available car parks for at least 15 years.
- (ii) *Option 1B* - Sell the Parking Buildings as operating assets on the basis:
 - (1) The proceeds of the sale are utilised to fund Council capital projects (including TMoTP). Full sale value is assumed at \$46M based on the 2023 valuation with estimated value escalation.
 - (2) The capital invested in owning and operating the Parking Buildings is allocated to more pressing community needs.
 - (3) Council will rely on a temporary (i.e., 15 years) restrictive covenant, the prohibitive cost of changing the Parking Buildings' use and its ability to influence prices through other parking options to manage parking supply and prices.
- (iii) *Option 2* - Retain the Parking Buildings and Raise Debt to Fund \$46M for TMoTP:

While not specifically set out in the consultation document, we have determined that the projected revenues will allow the Parking Management Activity to raise non-ratepayer funded debt to fund TMoTP.

That is, Council could utilise the projected cash surpluses from the Parking Management Activity to fund interest and principal repayments on a 40 year term using the average forecast interest rate over the Long Term Plan period, to reach an annual repayment of \$2.6M sufficient for \$46M debt funding for the Te Manawataki o Te Papa programme of works.

The debt will sit on Council's books impacting on the total debt to revenue ratio (which limits the total Council can borrow).

- 17. In accordance with the consultation document, it was proposed that Council sell the Parking Buildings either as going concern operations or with a lease-back to Council.

Analysis

- 18. Recognising the community's feedback on the proposed divestment, a full analysis has been undertaken on the options.

COMMUNITY CONSULTATION

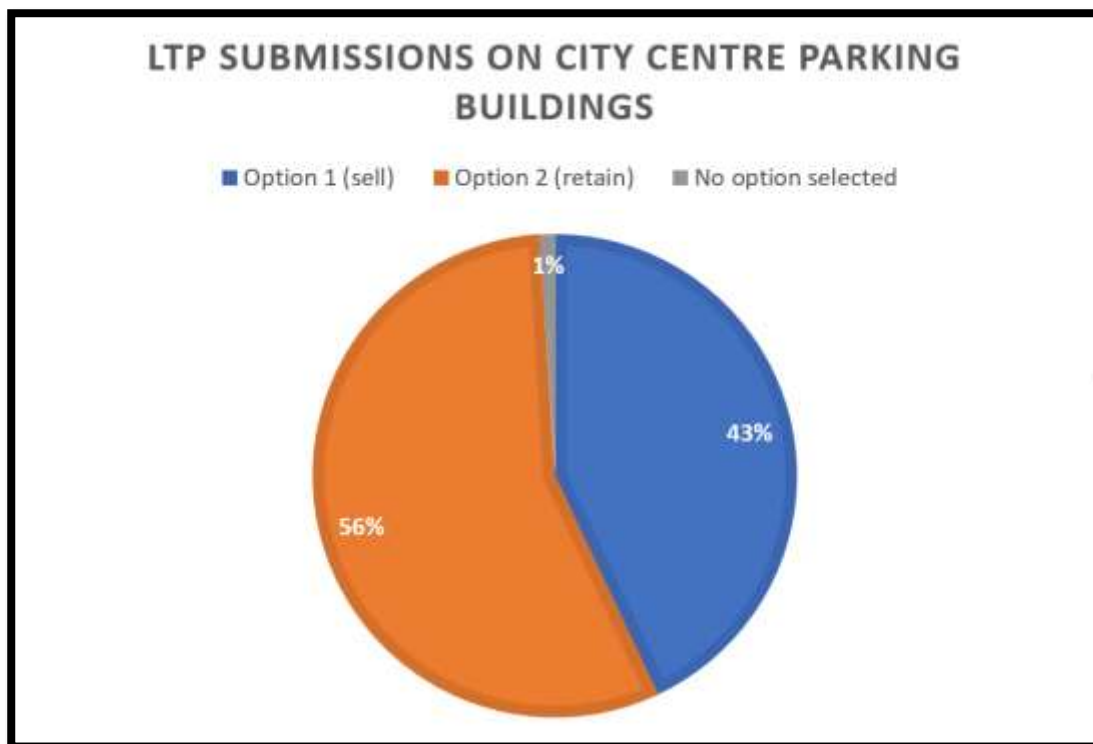
- 19. The community consultation process provided an opportunity to engage with the wider public on whether they thought Council should divest the Parking Buildings as proposed.
- 20. Submissions closed on 15 December 2023.

Summary of Draft LTP Submissions

- 21. A total of 1165 submissions were received on the topic of the Parking Buildings during the Draft 2024-2034 LTP community consultation process. The table and graph below show the breakdown of submissions.

Table/Graph A – Submissions Received

Total no. of submissions	1165	100%
No. of submissions in support of Option 1 (sell the Parking Buildings)	501	43%
No. of submissions in support of Option 2 (retain the Parking Buildings)	649	56%
No. of submissions selecting neither option	15	1%



22. Comments with respect to Options 1 (Sell) and 2 (Retain) were received from 263 submitters.

23. Of those that commented in favour of Option 1 (Sell)

- 28% consider the business is not a core Council operation.

Response: This would pre-suppose Council sells the Parking Buildings as operating assets, rather than with a lease-back. With a lease-back, Council would be operating a business that 28% of respondents in favour of sale consider to be non-core.

The sale of the buildings with a lease-back would signal that Council considers it should not be in the business of providing car parking buildings indefinitely.

- 16% agreed to sell on the proviso that car parking supply is maintained.

Response: A lease-back would ensure Council continues to supply the Parking Building car parks for at least 15 years. We have suggested that Council retain further rights of renewal to enable it to keep control, if it deems appropriate, for up to a further 15 years (i.e., 30 years in total).

Council has approximately 1,050 on-street car parks and 493 other off-street car parks in the city centre. It has a level of influence on supply through these car park options as well.

- 20% agreed to sell on the proviso Council continues to control pricing.

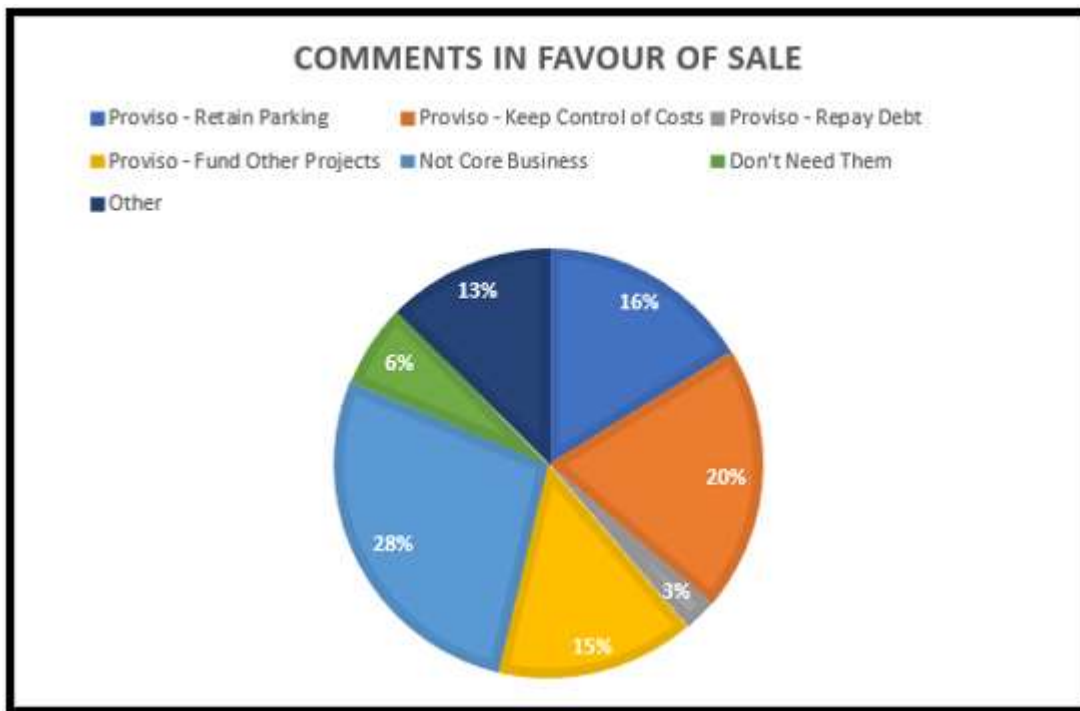
Response: As above, a lease-back will ensure Council continues to control pricing in the Parking Buildings for at least 15 years and we have suggested further rights of renewal.

Council has other parking supply and can exert a reasonable level of influence on pricing through such car parks as well.

- 15% agreed to sell on the basis the proceeds of sale are used to fund other capital projects.

Response: This is a requirement of the assets being within the Asset Realisation Reserve approach.

Graph B – Submissions Received in Favour Categorised



24. Of those that commented in favour of Option 2 (Retain):

- 43% were concerned with loss of control of supply / pricing.

Response: A lease-back would ensure Council continues to supply and control pricing with respect to the Parking Building car parks for at least 15 years. We have suggested that Council retain further rights of renewal to enable it to keep control, if it deems appropriate, for up to a further 15 years (i.e. 30 years in total).

Council has approximately 1500 other car parks in the city centre. It has a level of influence on pricing and supply through these car park options as well.

Even with a sale of the Parking Buildings as operating assets, Council would require a restrictive covenant to be registered to ensure they are utilised as public car parks for at least 15 years.

We consider that this concern can be adequately dealt with should Council decide to sell the Parking Buildings.

- 21% were against the sale of assets generally.

Response: This concern, as it relates to the Parking Buildings, is valid.

As the city centre improves over time (and particularly following completion of TMoTP), the value of the land underlying the Parking Buildings will likely also become more strategic and valuable. The sale of the Parking Buildings would lead to the loss of potentially strategic assets from which Council can draw community benefits in the future.

It may also be argued that councils have a record of selling assets and then spending the proceeds in a non-transparent manner. This may partially drive the concern from

such submitters. In this case, Council has made it clear that the mandate to sell is predicated on the proceeds being used for specified capital works that deliver community outcomes.

The counter to this concern is therefore that the proceeds are targeted for investment into capital projects that will provide greater community benefit than the Parking Buildings currently provide. In this respect, capital is simply being recycled into other capital, albeit with less opportunity for revenue generation.

The below financial analysis provides an insight into the cost/benefit of selling the assets.

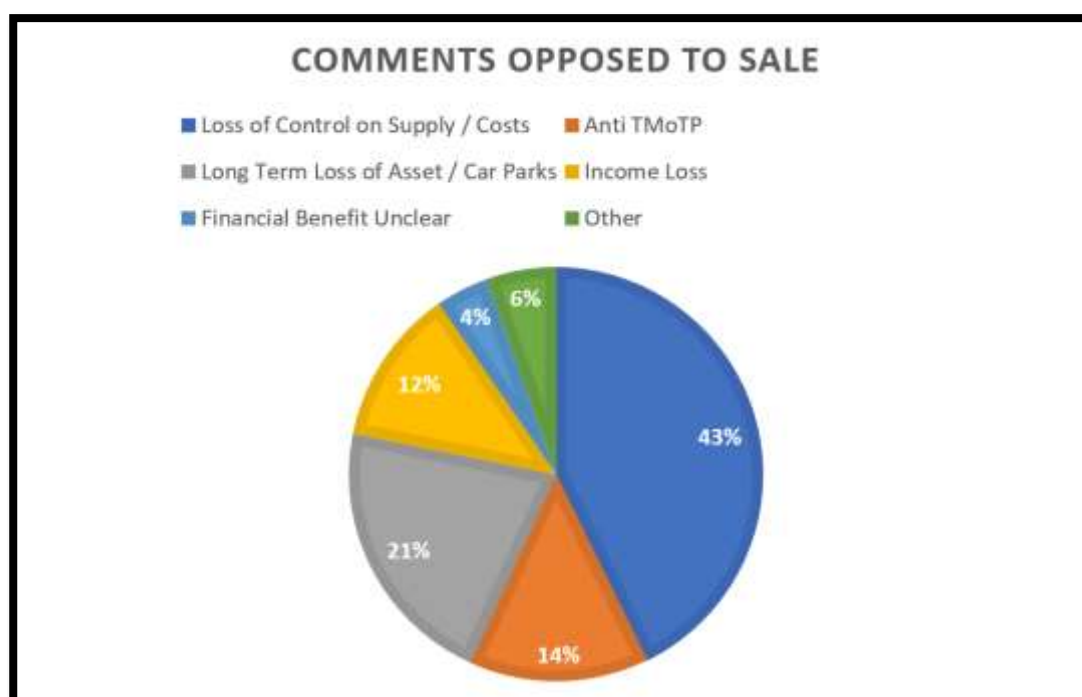
- 14% were opposed to TMoTP and therefore the use of the sale proceeds to support the programme of works.

Response: Council has committed to the programme of works for TMoTP. With due respect to those who submitted, we have discounted these comments on the basis opposing the potential divestment, because the proceeds will be used to fund TMoTP, relates to a matter that has already been consulted on.

- 12% are concerned with the loss of an income generating asset.

Response: This concern is valid. While the Parking Buildings are currently generating no surpluses, we are forecasting improved performance over the LTP period. See the financial analysis below.

Graph C – Submissions Received in Opposition Categorised



FINANCIAL ANALYSIS

Forecasting Improved Performance

25. Council's Parking Management Activity is forecasting that, as the city centre achieves its potential (and on the assumption that road pricing or parking levies are not implemented in future):
 - (a) The rates charged for car parks in the Parking Buildings will increase by 7-8% per annum; and
 - (b) Occupancy will improve to 85% (6 days per week) by 2028 (with a direct link to completion of TMoTP).

Table D – Parking Building Rates and Occupancy

Financial Year End	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Ave. Rate Lease per day	\$11	\$12	\$13	\$14	\$14	\$16	\$16	\$18	\$18	\$20
Ave. Rate Casual per day	\$11	\$12	\$13	\$14	\$14	\$16	\$16	\$18	\$18	\$20
Days per week	5	5	5	6	6	6	6	6	6	6
Days per year	260	260	260	312	312	312	312	312	312	312
Occupancy % Casual	76%	80%	80%	85%	85%	85%	85%	85%	85%	85%
Occupancy % Lease	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

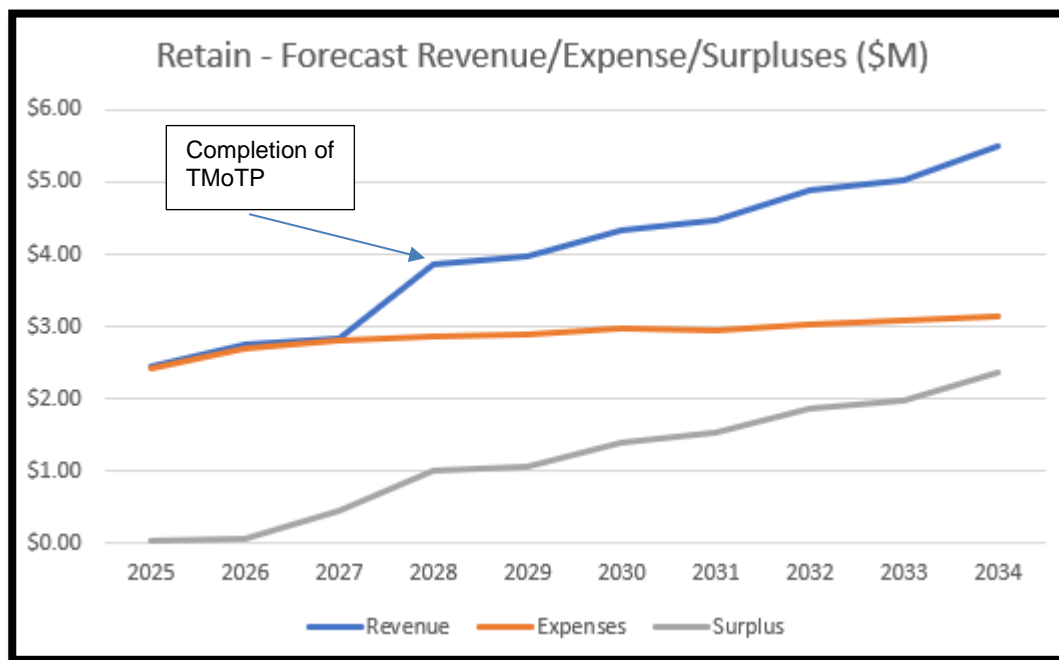
NB Christchurch \$18, Auckland \$25, Wellington \$30+ as comparison.

26. This forecasting suggests the Parking Buildings will generate consolidated surpluses from the 2024-2025 financial year as follows:

Table E – Parking Buildings Projected Turnover and Surpluses

Financial Year End	Projected Turnover	Projected Surplus
2025	\$2.442M	\$0.02M
2026	\$2.754M	\$0.63M
2027	\$2.841M	\$0.44M
2028	\$3.854M	\$1.00M
2029	\$3.971M	\$1.07M
2030	\$4.339M	\$1.38M
2031	\$4.471M	\$1.52M
2032	\$4.885M	\$1.87M
2033	\$5.034M	\$1.96M
2034	\$5.499M	\$2.35M

27. This represents a 2.25x increase in revenue over the LTP period. The increased revenue will be offset to a degree by inflationary pressures on costs over the same period (a forecast increase of 1.3x). However, surpluses are forecast to increase from \$19K pa to \$2.35M pa.

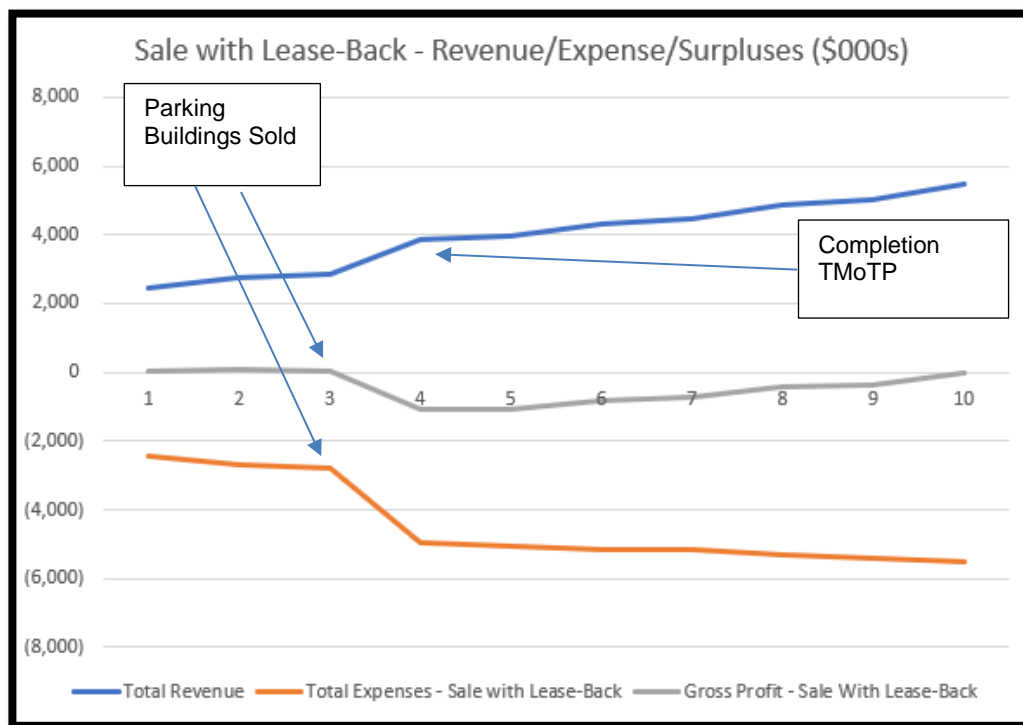
Graph F – Parking Buildings Forecast Revenue, Expenses and Surpluses

NB – The forecast costs do not take into account any major remedial or upgrade works (none of which are planned at this stage).

Sale of Parking Buildings with Lease-Back

28. The financial impact of Council selling the Parking Buildings with a lease-back, and retaining the buildings, is set in Graph G below.
29. Our analysis suggests that, should Council sell the Parking Buildings subject to a lease-back, the car park operations would run at a loss throughout the LTP period. This is even given the increased revenue.

NB - The analysis does not account for the net sale revenue of (say) \$46M in 2028 (assuming the values increase in accordance with the projected rate of inflation from the valuation date to 2028) reducing Council's overall debt position by the same amount, and the interest saving. That is, if Council does not sell the Parking Buildings, the required amount will have to be raised via debt. Based on an average interest rate of 4.96%, there would a potential interest saving of circa \$2.3M pa over the 2028 to 2034 financial years.

Graph G – Sale with Lease-Back - Parking Buildings Forecast Revenue, Expenses and Surpluses

Utilisation of Non-Ratepayer Funded Surpluses

30. If Council were to retain the Parking Buildings, we believe there will be surpluses that can fund non-ratepayer funded debt.
31. While most of Council's activities are funded by ratepayers, there are several activities that are funded directly by user fees. For these activities we have undertaken a three-step process to determine what funding might be available for the TMoTP programme of works.

Step1: Link to city centre activity

32. Step 1 is to assess the linkage to the city centre both in terms of impact that the activity has on the city centre and the geographic proximity. Criteria and results are summarised in Table H below.

Table H: Link to City Centre for User Fee Funded Activities

User Fee Funded Activity	Link to increased city centre activity	Geographic Proximity to City Centre	Activity has sufficient surplus	Overall
Airport	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Marine Facilities	✓✓✓	✓✓✓	×	×
Animal Services	×	×	×	×
Building Services	×	×	×	×
Marine Precinct	✓	✓✓✓	×	×
Parking Management	✓✓✓	✓✓✓	✓	✓
Cemetaries	×	×	×	×
Beachside	✓	✓	×	×

Key	
✓✓✓	Strong Link
✓	Weak Link
×	No discernable link/ Unaffordable

Step 2: Identify the maximum funds available.

33. A review was completed of the projected cash surpluses for the Parking Management Activity as it relates to the Parking Buildings.
34. On this basis it was determined that the Parking Buildings could debt fund up to **\$46M** of the TMoTP programme of works if the Parking Management Activity funds both interest and principal repayments from cashflow. Interest and principal repayments have been calculated on a 40 year term using the average forecast interest rate over the Long Term Plan period, to reach an annual repayment requirement of \$2.6M.
35. There are significant increases in cashflows expected to be created in the 2027-2028 financial year with the completion of TMoTP and other significant construction projects (such as Council's building at 92 Devonport Road, Northern Quarter, 35 Hamilton Street Commercial Centre etc). Council will also be taking a commercial approach to the Parking Buildings – that is, the market (rather than other considerations such as providing inexpensive parking) should generally dictate appropriate fee levels. Submitters were presumably concerned about pricing control as they consider Council should continue to depress pricing. However, we are recommending that Council adjust pricing to a more commercial model.
36. Council can use these increases in cash flows to directly fund the debt servicing. While this provides increased control in relation to the Parking Management Activity compared to the sale options, it does materially impact Council's debt to revenue ratio and therefore further debt raising capacity.

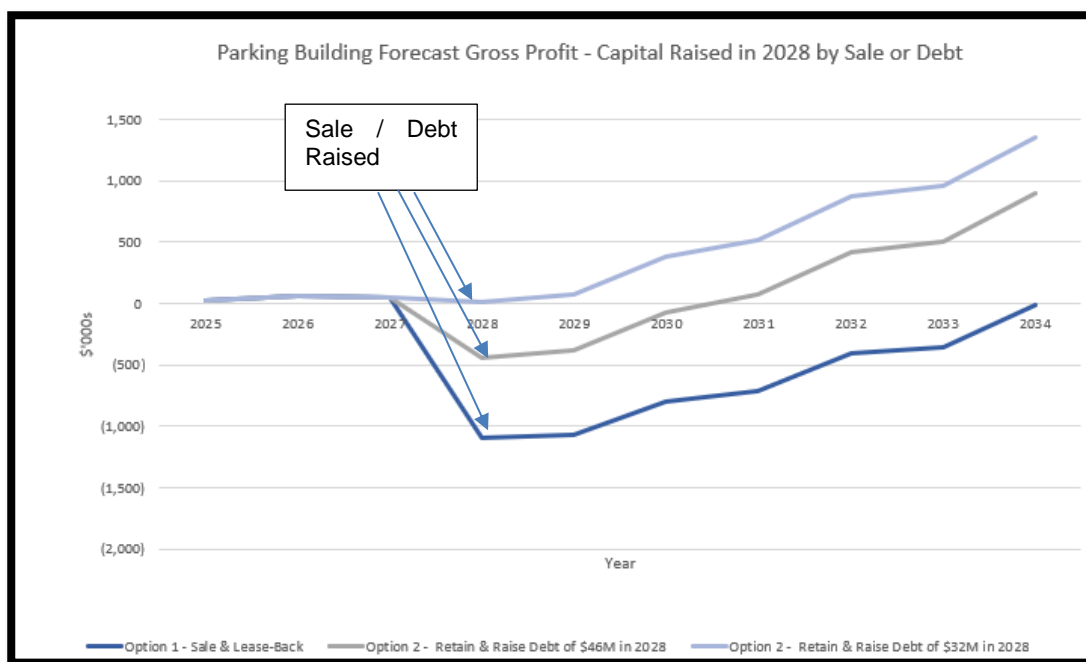
Step 3: Specifically identify the level of funding which would be appropriate to apply to Te Manawataki o Te Papa

37. To date, the airport is the only activity identified as having both strong links with the city centre and available surpluses (see Table H above).
38. However, we now consider that the Parking Buildings will also have available surpluses. We have based our forecasts on improved management of the Parking Buildings, the introduction of market driven pricing and increased demand generated by the general uplift in the city centre, primarily due to the completion of TMoTP.
39. We note again that utilising funding from the Parking Buildings will have an impact on Council's debt to revenue ratio (which limits Council's total borrowing capacity).

Comparison – Sale with Lease-Back vs Debt Raise

40. For comparative purposes, we have undertaken an exercise which assumes Council borrows \$46M in 2028 against future forecast surpluses (i.e., the same amount as we would expect to receive from the sale of the car parking buildings in 2028). This is equal to the amount we have assumed for the divestment value based on the 2023 valuation plus an estimated value escalation. We have also shown what the Parking Management Activity's cash position would look like if it was to raise a lesser sum of \$32M.
41. The below Graph I demonstrates that Council would be financially better off, based on forecasts, if the debt was raised in one tranche in 2028 against the temporary deficit in the Parking Management Activity. The main difference is that a purchaser would likely pay a 6.25-6.5% cap rate for the Parking Buildings, which is higher than the rate Council will be able to borrow at (a delta of circa 1.5%). This delta will exist no matter what happens to commercial property cap rates, as they tend to follow interest rate movements.

Graph I: Forecast Surpluses Based on \$46M Sale and \$46M Debt Raise (Also \$32M Debt Raise)



NB – Surpluses do not take into account annual debt repayment of 2.5%

Recommendation

42. We are cognisant of the assurance that was made to the community that only \$151M of the cost of TMoTP would be met out of ratepayer funded debt. In this respect:
- The sale of the Parking Buildings is possibly critical to Council being able to meet this promise dependent on the level of external grant funding obtained and treasury requirements. Council has few other high value property assets.
 - The feedback through the consultation process has encouraged us to look to other non-ratepayer funded solutions, hence the proposal to instead raise debt against the Parking Building revenues.
43. This report therefore recommends that Council:
- Utilises the projected cash surpluses from the Parking Management Activity to fund interest and principal repayments sufficient to provide up to **\$46M** funding for the Te Manawataki o Te Papa programme of works; and
 - Should sufficient surpluses not be or are determined at any point to be unlikely to be achieved to raise the required debt, revisit the potential to sell the Parking Buildings

with a lease-back at the appropriate time, but in any case, during the 2024-2034 Long Term Plan period.

PROCEEDS OF SALE

44. Paragraph 5.6.7 of the Property Acquisitions and Disposals Policy provides that the proceeds from the disposal of properties managed through the Asset Realisation Reserve will be held in the Asset Realisation Reserve pending utilisation of the proceeds to fund capital projects approved by council resolution, and any debt associated with the disposed property will not be repaid unless council, by further resolution, determines to repay that debt in part or in full.
45. Pursuant to the July 2024 resolution the proceeds of sale of assets within the Asset Realisation Reserve are to be used as a source of funding for TMoTP in the first instance. It is acknowledged that this is inconsistent with the Property Acquisitions and Disposals Policy (section 5.8.5) which provides that proceeds from the disposal of surplus property will be returned to the council activity that funded the purchase.

STRATEGIC / STATUTORY CONTEXT

Council's Role and Responsibility for City Centre Parking

46. The Crown has signalled it considers Councils may need to sell such assets. In December 2021, the New Zealand Transport Agency produced a report titled National Parking Management Guidance. The document provides guidance on best practice management of public parking (on-street parking and publicly owned/managed off-street facilities) throughout New Zealand. The report notes "*Councils are not required to provide public parking. There may be more benefit to the community if the parking area is divested or converted to a different use - the private sector may be able to provide replacement parking if needed.*"

Strategic Assets

47. As set out above, retaining the Parking Buildings will allow Council to leverage these assets in the future. It is anticipated they will become more valuable as the city centre improves, and in particular following completion to TMoTP. While the buildings would be difficult to repurpose (given they have tilt rather than horizontal floors) the airspace above them could be utilised or the land value may eventually be sufficient to justify a full redevelopment. The sale of the Parking Buildings would potentially result in the loss of future high community and/or monetary value assets.
48. Given the recommendation in this report, it is proposed that Council does not work towards classifying the Parking Buildings for the purposes of the Property Acquisitions and Disposals Policy at this stage.

OPTIONS ANALYSIS

49. The two options present different advantages and disadvantages. These are set out below.

Advantages / Disadvantages	Option 1A – Sale as Operating Assets	Option 1B - Sale with Lease-Back	Option 2 – Retain and Raise \$46M Debt
Proceeds of sale for TMoTP.	Yes - \$17.11	Yes - \$46M	No
Raise Debt for TMoTP (funding interest and principal repayments from Parking Management Activity revenues).	No	No	Yes - \$46M
Control car parking supply.	Yes – 15 years	Yes – Up to 30 years	Yes
Long term renewal of building ensured through funding of depreciation.	Renewal dependent on owner's financial resources	Renewal dependent on owner's financial resources	Yes – principal repayments create headroom
Control car parking pricing.	Only through supply of other parking options	Yes	Yes
Material impact on Council's future borrowing capacity.	No	Yes	Yes
Sell assets which may become more strategic and valuable as time passes.	Yes	Yes	No
Sell assets which are forecast to generate surpluses.	Yes	Yes	No
Council will operate assets at a loss.	N/A	Yes	Yes on basis of principal repayments.
Action will reflect community feedback.	No	Yes (for period of lease)	Yes
Likely to maintain specialised expertise.	Yes	Not core business	Not core business
Council can integrate parking facilities into broader urban planning strategies, ensuring that they align with the overall development goals of the community.	No	Yes	Yes
Parking decisions may become politicised, leading to choices influenced by short-term political considerations rather than long-term planning. This is a risk to profitability.	N/A	Yes	Yes
Responsibility for maintenance and upkeep, requiring ongoing investment.	No	Yes	Yes
Risk to TMoTP funding if revenue assumptions incorrect.	No	No	No
Operations may require ratepayer funding to cover losses/capital.	No	Yes	Potentially – to fund renewal
Funding only available if buildings successfully sold for expected price and within required timeframes.	Yes	Yes	Available
Ability to fund a lesser amount to TMoTP if full \$46M	No	No	Yes

is not required			
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LEGAL IMPLICATIONS / RISKS

Public Works Act

50. Council must consider whether it has any 'offer-back' requirements under section 40 of the Public Works Act 1981 (**PWA**). An 'offer-back' requirement is when Council is obliged to offer back the property to its previous owner for purchase at current market value prior to any other disposal process.
51. Any sale (whether via lease-back or outright) would require that the Parking Buildings are used for car parking for at least 15 years. Our view is that s40 will not therefore be applicable.
52. Even if s40 does apply, we consider it would be impracticable to sell the Parking Buildings to the original owner (or his or her successor) as there has been a significant change in the character of the land in connection with the public work given the nature of the significant improvements. Accordingly, the exceptions in section 40(2) PWA would apply.

State-Owned Enterprises Act 1986 (SOE Act)

53. The Spring Street parking building has a Section 27A SOE Act memorial on it.
54. Where any land is transferred to or vested in a State Enterprise, the record of title will include the words "Subject to section 27B of the State-Owned Enterprises Act 1986 (which provides for the resumption of land on the recommendation of the Waitangi Tribunal and which does not provide for third parties, such as the owner of the land, to be heard in relation to the making of any such recommendation)".
55. This means the Waitangi Tribunal may require that the land be returned to Mana Whenua.
56. In practice this is not possible/achievable, as the property is part of a larger block containing several titles with a substantial structure over them. It is much more likely that the Tribunal would order a monetary compensation from the Crown with respect to the property.

Local Government Act 2002 (LGA)

57. Council must comply with section 101(3) of the LGA. For each activity, Council must determine the appropriate sources of funding that will meet the funding needs of each activity (step one). In determining this Council must take into consideration the:
 - (a) Community outcomes to which the activity primarily contributes;
 - (b) Distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
 - (c) Period in or over which those benefits occur;
 - (d) Extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (e) Costs and benefits, including the consequences for transparency and accountability, of funding the activity distinctly from other activities.
58. Having completed the above analysis Council must then consider 'the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community' (step two).

KPMG

59. KPMG has been requested to analyse the data and to provide a high level assessment of the forecasting, risk and proposed strategic recommendations in this report. This report is expected to be completed prior to the meeting and will be distributed as soon as available.

SIGNIFICANCE

60. 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.
61. 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.
62. Under the Significance and Engagement Policy 2014 (as revised in December 2020) the Parking Buildings are not listed as strategic assets.
63. Further, Parking Buildings are not a strategic asset of Council as set out in section 5(2) of the Local Government Act 2002 (LGA).
64. However, given the possible impact on a wide range of people, high public interest and the value of the Parking Buildings, we consider the potential divestment has a high degree of significance.

ENGAGEMENT

65. The consultation undertaken with the public through the Draft 2024–2034 LTP process meets the Local Government Act and Policy requirements for community consultation.

NEXT STEPS

66. Pending Council approval, Council should prepare to raise debt against projected cash surpluses for the TMoTP programme of works.

ATTACHMENTS

Nil

Financial Year End	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Interest Rates	5.00%	5.25%	5.50%	5.25%	5.25%	5.25%	4.75%	4.75%	4.75%	4.75%
000's										
Total Revenue	\$ 2,442	\$ 2,754	\$ 2,841	\$ 3,854	\$ 3,971	\$ 4,339	\$ 4,471	\$ 4,885	\$ 5,034	\$ 5,499
Option 1 - Sale & Lease-Back Option										
Expenses - Sale & Lease-Back Option										
Operational Expenditure	\$ 1,192	\$ 1,229	\$ 1,257	\$ 1,320	\$ 1,349	\$ 1,389	\$ 1,420	\$ 1,464	\$ 1,497	\$ 1,543
Interest Cost of Existing Building Debt (\$12M)	\$ 600	\$ 630	\$ 660	\$ 630	\$ 630	\$ 630	\$ 570	\$ 570	\$ 570	\$ 570
Depreciation	\$ 631	\$ 832	\$ 880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rent - Spring Street	\$ -	\$ -	\$ -	\$ 1,337	\$ 1,365	\$ 1,384	\$ 1,423	\$ 1,453	\$ 1,483	\$ 1,515
Annual Rent - Elizabeth Street	\$ -	\$ -	\$ -	\$ 1,659	\$ 1,694	\$ 1,730	\$ 1,766	\$ 1,803	\$ 1,841	\$ 1,880
Total Expenses - Sale & Lease-Back Option	\$ 2,423	\$ 2,691	\$ 2,797	\$ 4,946	\$ 5,038	\$ 5,143	\$ 5,179	\$ 5,290	\$ 5,391	\$ 5,508
Gross Profit/Cash Position - Sale & Lease-Back Option	\$ 19	\$ 63	\$ 44	\$ 1,092	\$ 1,067	\$ 804	\$ 708	\$ 405	\$ 357	\$ 8
Option 2 - Retain & Raise Debt of \$46M in 2028 (Fund via Temporary Deficit in Activity)										
Expenses - Retain & Raise Debt of \$46M in 2028										
Operational Expenditure	\$ 1,192	\$ 1,229	\$ 1,257	\$ 1,320	\$ 1,349	\$ 1,389	\$ 1,420	\$ 1,464	\$ 1,497	\$ 1,543
Interest cost of building debt (\$12m)	\$ 600	\$ 630	\$ 660	\$ 630	\$ 630	\$ 630	\$ 570	\$ 570	\$ 570	\$ 570
Depreciation	\$ 631	\$ 832	\$ 880	\$ 999	\$ 919	\$ 940	\$ 962	\$ 985	\$ 1,010	\$ 1,035
Annual Interest Cost - Table Mortgage Loan	\$ -	\$ -	\$ -	\$ 1,451	\$ 1,451	\$ 1,451	\$ 1,451	\$ 1,451	\$ 1,451	\$ 1,451
Total Expenses - Retain & Raise Debt of \$46M in 2028	\$ 2,423	\$ 2,691	\$ 2,797	\$ 4,300	\$ 4,349	\$ 4,411	\$ 4,404	\$ 4,470	\$ 4,527	\$ 4,599
Gross Profit - Retain & Raise Debt of \$46M in 2028	\$ 19	\$ 63	\$ 44	\$ 446	\$ 378	\$ 72	\$ 67	\$ 414	\$ 507	\$ 900
Annual Principal Repayments (2.5%)	\$ -	\$ -	\$ -	\$ 1,149	\$ 1,149	\$ 1,149	\$ 1,149	\$ 1,149	\$ 1,149	\$ 1,149
Gross Profit + Principal = Cash Position - Retain & Raise Debt of \$46M in 2028	\$ 19	\$ 63	\$ 44	\$ 1,595	\$ 1,527	\$ 1,221	\$ 1,062	\$ 735	\$ 642	\$ 249
Option 2 - Retain & Raise Debt of \$32M in 2028 (Fund via Temporary Deficit in Activity)										
Expenses - Retain & Raise Debt of \$32M in 2028										
Operational Expenditure	\$ 1,192	\$ 1,229	\$ 1,257	\$ 1,320	\$ 1,349	\$ 1,389	\$ 1,420	\$ 1,464	\$ 1,497	\$ 1,543
Interest Cost of Existing Building Debt (\$12M)	\$ 600	\$ 630	\$ 660	\$ 630	\$ 630	\$ 630	\$ 570	\$ 570	\$ 570	\$ 570
Depreciation	\$ 631	\$ 832	\$ 880	\$ 999	\$ 919	\$ 940	\$ 962	\$ 985	\$ 1,010	\$ 1,035
Annual Interest Cost - Table Mortgage Loan	\$ -	\$ -	\$ -	\$ 998	\$ 998	\$ 998	\$ 998	\$ 998	\$ 998	\$ 998
Total Expenses - Retain & Raise Debt of \$32M in 2028	\$ 2,423	\$ 2,691	\$ 2,797	\$ 3,847	\$ 3,897	\$ 3,958	\$ 3,951	\$ 4,018	\$ 4,074	\$ 4,146
Gross Profit - Retain & Raise Debt of \$32M in 2028	\$ 19	\$ 63	\$ 44	\$ 6	\$ 75	\$ 380	\$ 520	\$ 867	\$ 959	\$ 1,353
Annual Principal Repayments (2.5%)	\$ -	\$ -	\$ -	\$ 802	\$ 802	\$ 802	\$ 802	\$ 802	\$ 802	\$ 802
Gross Profit + Principal = Cash Position - Retain & Raise Debt of \$32M in 2028	\$ 19	\$ 63	\$ 44	\$ 795	\$ 727	\$ 421	\$ 282	\$ 65	\$ 158	\$ 551

11.13 Issues and Options: City Centre Development Incentives

File Number: A15476092

Author: Nick Chester, Principal Strategic Advisor
Ben Corbett, Team Leader: Growth Funding

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

PURPOSE OF THE REPORT

1. To provide an overview of feedback received through the Long-term Plan submission process on incentives for development in the City Centre.
2. To outline potential options for providing incentives for development in the city centre.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Issues and Options: City Centre Development Incentives".
- (b) Notes analysis of submission points received as part of the 2024-34 Long-term Plan consultation process.
- (c) Approves Option 1: Do not provide any further incentives (retain the status quo).
- (d) Notes that staff will engage with developers and support city centre residential developments as and where possible, utilising existing tools such as deferral options already provided for in the Development Contributions Policy.

EXECUTIVE SUMMARY

3. This paper provides an overview of feedback received through submissions on the Long-term Plan 2024-34 relating to the potential of introducing development incentives for city centre developments.
4. A total of 507 responses were received to the question. Of these submissions, 136 (27%) supported incentives, 125 (25%) opposed and 240 (48%) made comments that were not directly related to incentives but about wider issues in the city centre.
5. It is recommended that no further action is taken on developing specific incentives for residential development in the city centre.

BACKGROUND

6. Through the draft 2024-34 Long-term Plan, Council requested community feedback on the potential to introduce development incentives for city centre developments. This was to gauge community support for supporting developers in the city centre to commit to projects that would contribute to goals of increased residential living and vibrancy in the city centre.
7. There is an existing and well-known housing shortage in Tauranga, which presently ranges from 4,300 to 5,300 houses. There is a need for increased development of residential accommodation, particularly in areas of higher intensification. More city centre development and intensification will also reduce new infrastructure requirements in greenfield areas.
8. Providing incentives to encourage development are one way to increase the supply of housing. This is most commonly achieved through Development Contributions (DC) remission schemes.
9. There are examples from other parts of New Zealand of providing incentives to encourage residential development in city centres. Hamilton City Council provide DC incentives for their

city centre in Section 18 of their [Development Contributions Policy](#). The scheme has resulted in two successful applications for DC remissions in Hamilton since 2021, totally \$1.1m.

ANALYSIS OF SUBMISSION POINTS

10. A total of 507 submissions made comment on the question relating to development incentives for the city centre. This was 23% of all submissions made.
11. Of these submissions, 136 (27%) supported incentives, 125 (25%) opposed and 240 (48%) made comments that were not directly related to incentives but about wider issues in the city centre.
12. Of the submissions that supported incentives, issues raised included:
 - (a) Support for incentives that will increase residential living in the city centre (34) – see point 13 below for more detail.
 - (b) Support for businesses in the city centre (10).
 - (c) Support for non-financial incentives (11).
 - (d) Support for incentives that improved local amenity or liveability (5).
 - (e) Support for incentives that contributed to stated goals and vision for the city centre (3).
13. Key themes from submitters who supported incentives to increase residential opportunities in the city centre included:
 - (a) Supportive of incentives if minimum heights were achieved (i.e. six stories).
 - (b) Supportive of incentives for mixed-use developments (retail at ground level with residential above).
 - (c) Supportive of incentives for different housing types aside from apartments (e.g. terraced housing, loft-style housing etc).
 - (d) Supportive of incentives, but only if they are temporary in nature.
14. Of submissions that did not support incentives, this was primarily due to additional costs to ratepayers and a desire to see developers pay the full costs associated with building in the city centre. The speed of change was also a concern. The general tone of submissions that did not see council as having a role in providing incentives could be summarised by the following comment in submission #864:

"I think council's role is creating the conditions for investment. If the city centre has great transport links, sufficient parking, and world-class public spaces, then people will want to live and visit there."
15. Of submissions that did not provide a direct comment about incentives, comments were broadly concerned about further development in the city centre or pointed to existing issues that needed to be addressed first.
16. Of the issues raised by these submitters, common themes included:
 - (a) Parking – insufficient amount, costs associated with parking, and concerns that further residential development would add further pressure to existing car parking.
 - (b) Roothing – concerns with roading projects that make getting into the city centre more difficult. Recent work on Cameron Road Stage 1 was highlighted as a major deterrent to people coming into the city centre. A number of submitters also raised concerns that potential initiatives such as Smart Trip would further disincentivise people travelling to the city centre.
 - (c) A need for better infrastructure in the city centre prior to more residential developments. This was largely related to roading and public transport, but also amenities such as green spaces and retail.
 - (d) Increased support for city centre businesses who have suffered from a variety of external setback in recent years.
17. A detailed summary of submissions is included in Attachment 1.

STRATEGIC / STATUTORY CONTEXT

18. Tauranga City Council approved “Our Direction” as the overarching strategic framework in 2022. The framework includes the community outcome of “we are well planned city”, alongside action and investment plans that aim to improve the safety, vibrancy, and accessibility of Tauranga, especially the city centre.
19. This framework is also supported by Te Manawataki o Te Papa – a comprehensive plan to redevelop the civic precinct in the heart of Tauranga. Increased vibrancy and liveability are key identified benefits to the project, as detailed in the Business Case, approved in July 2023.
20. Priority One has also developed a CBD Blueprint, which identifies 20 catalyst developments in the city centre, with a combined value of over \$1.5B, underpinning the start of investment and further opportunities within Tauranga city centre leading up to 2030.
21. TCC currently provides some rates funded grants to offset DCs for community housing, and papakainga developments. Council has also previously provided assistance for projects looking to increase development and vibrancy in the city centre. The City Centre Development Incentive Fund (CCDIF) was approved as part of the 2021-31 Long-term Plan, with a budget of \$500,000 per year to assist feasibility studies on residential accommodation in the city centre. The scope of the fund was broadened in April 2023 to include initiatives that support growth and development in the city centre, including residential and student accommodation, car parking, vibrancy, and support for business impacted by ongoing city development.
22. Feasibility studies for student accommodation in the city centre have been funded at a total cost of approx. \$100,000. The fund is also supporting projects to alleviate issues raised in submissions, such as parking, and support for city centre businesses.
23. Section 2.10 of the [Development Contributions Policy](#) also provides an opportunity for DC deferrals at TCC’s discretion. This enables DC payment to be deferred for a period of time with interest charged during the deferral period. Decisions regarding deferral are currently made through TCC’s Waiver Panel but are generally approved where an applicant is willing to accept interest costs. Deferral of DC’s was raised as an effective way to support developers through the LTP submission process, specifically by Priority 1.
24. Priority 1 also suggested providing dedicated TCC resource to support developers with consenting pathways and helping to reduce consenting timelines. This resource is currently available at a cost to developers.
25. It is recommended that further work is undertaken by staff to support developers to be aware of and utilise DC deferral options already in the policy, and to explore options for subsidising consent management costs.

OPTIONS ANALYSIS

26. Considering community feedback, staff believe there are three potential options:

Option 1: Do not provide any further incentives (retain the status quo) (*Recommended*)

27. Do not provide any specific incentives for development within the city centre. This anticipates no significant change to the way that development occurs in the city centre currently.
28. There are already some options available to developers through the existing policy, specifically related to deferring DCs during development.

Advantages	Disadvantages
<ul style="list-style-type: none"> Long Term Plan submissions did not provide strong support for the introductions of incentives. No additional costs or redirecting of funding from elsewhere to offset. 	<ul style="list-style-type: none"> The development community has been supportive of an incentive scheme.

<ul style="list-style-type: none"> It is not clear that the quantum of incentives that such a scheme would provide would materially affect the decision of developers to build apartments in the city centre. Does not prevent an incentive scheme being introduced at a later date if a clearer case and demand are more evident. 	
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Budget – Capex: No additional capex

Budget – Opex: No additional opex

Key risks:

- Less chance that there is a change to how developers build in the city centre.

Recommended? Yes

Option 2 – Create a fund for DC remissions to incentivise city centre development.

29. The fund would be small in nature and would enable a case to be built for expansion in future years through annual plans and long-term plans, following specific community consultation.
30. Granting of DC remissions would be at the sole discretion of Council. Successful applications would receive a 50% remission of DCs payable on developments, and meet minimum criteria such as:
 - engagement with the Urban Design Advisory Panel
 - residential developments in the city centre of 4 or more storeys

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides the most direct opportunity to contribute to strategic outcomes for city centre development. Provides a cap for financial assistance, which gives certainty to council in terms of how much is budgeted for. 	<ul style="list-style-type: none"> The size of the fund is unlikely to be big enough to be a deciding factor for developers proceed with an investment or not. Unlikely to lead to a high volume of new developments (Hamilton City Council has had two applications to its fund in two years) Not widely supported in submissions in the Long-term Plan.

Budget – Capex: \$500,000

Budget – Opex: No additional opex

Key risks:

- The approval of a fund is not widely supported through consultation feedback and would carry ongoing risk of lack of community support and understanding.
- The amount required to make a considerable difference for developers is high (Hamilton City Council has so far funded two applications, totalling \$1.1m). This means that a smaller fund is unlikely to be utilised.
- Potential for risk of confusion (and/or potential perception of double dipping) with the CCDIF.

Recommended? No

Option 3: Provide other incentives

31. Do not provide incentives related to DC remissions but look at other incentives that could be offered. A number of submissions supported this type of incentive that could support development of housing in the city centre, but without a large financial burden. These may include:

- (a) Fast-tracking consents that will increase housing supply in the city centre (e.g. multi story, mixed-use developments).
- (b) Remove/reduce fees or reduce rates on city centre apartments.

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides some level of incentives without large financial burden for ratepayers. No additional costs or redirecting of funding from elsewhere to offset. 	<ul style="list-style-type: none"> Incentives are unlikely to be large enough to influence development decisions. Unclear if these type of incentives are desirable or useful to developers.

Budget – Capex: No additional capex

Budget – Opex: No additional opex

Key risks:

- Low chance that any additional developments will occur as a result.

Recommended? No

FINANCIAL CONSIDERATIONS

32. The recommended option is a continuation of the status quo and does not require any additional funding. There are no further financial considerations for council as part of the Long-term Plan 2024-34 deliberations.

LEGAL IMPLICATIONS / RISKS

33. No legal implications or risks have been identified other than as discussed above.

SIGNIFICANCE

34. 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.

35. 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; and
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

36. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of low significance.


ENGAGEMENT

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

NEXT STEPS

38. Staff will continue to engage with developers and support city centre residential developments as and where possible, utilising existing tools such as DC deferral options already in the Development Contributions Policy.

ATTACHMENTS

1. **Long Term Plan 2024-34 Summary of Submissions - City Centre Incentives - A15463668** [↓](#) 

Long Term Plan 2024-34 – Incentives for Development in the City Centre

The following issue was included for input from submitters as part of the Long Term Plan consultation in November-December 2023:

The issue

We're exploring an option to attract more development in our city. Council is investing significantly in the heart of our city in the coming years, and to optimise the benefits of this investment requires more people living and working there.

We know that a stronger city centre with more people calling it home will improve the performance of Tauranga's transport network, resulting in less congestion, delay and carbon emissions.

What we're proposing

Similar to what other growth cities such as Hamilton have implemented, we're wanting to provide incentives to attract more public and private investment in new development in our city centre.

The choices

We have some initial thoughts on a framework for incentivising more development and we'd like to know what you think.

- Full or partial grants to offset development contributions
- Which land uses the grants would apply to (residential and/or non-residential)
- The scale of development the grants would apply to (e.g. only to buildings of at least six storeys, or perhaps to the component of a development above six storeys only)
- The area in which grants are applied (e.g. just to the core of the city centre, or to a larger area)
- The timeframe for construction of developments (with development commencing sooner likely to have priority)
- Any limits or caps on the amount of development contribution grants that could be applied, to ensure affordability for ratepayers.
- Requirement for a demonstrable benefit from the development to City Centre strategic objectives, and sufficient evidence that the grant would significantly impact the financial feasibility of the development.

A total of 507 submissions made comment on the question relating to development incentives for the Central City. This was 30% of all submissions made.

1. Sentiment of responses

As responses were not directed through a support/oppose style of question, but instead through an open text box, responses have been individually analysed to understand overall sentiment. This can be seen below.

	Support	Oppose	No clear view/comments outside scope*
Total	136	125	240
Percentage of submitters who answered question	27%	25%	48%
Percentage of all submitters	6%	6%	11%

*These comments did not have a direct opinion on the matter of incentives for development. Most of these comments were largely negative in tone, and about wider issues in the CBD that could/should be addressed but did not have a clear perspective on any form of development incentive. The general theme of these responses was reflected in the submission point below (from submission #864)

“I think council's role is creating the conditions for investment. If the city centre has great transport links, sufficient parking, and world-class public spaces, then people will want to live and visit there. “

2. Specific comments on Development Contributions (DCs)

A small minority of respondents made direct submission points relating to DCs and how these could be used to provide incentives to developers.

Comment
Ensure that developers pay and that unpaid DCs aren't covered by ratepayers
DC reduction for specific uses i.e. mixed use blocks, not a blanket reduction
Increase DCs to cover shortfalls in other areas i.e. Bethlehem
DC costs get passed onto purchaser, so they should be minimal to keep housing costs low
Support discounted DCs in CBD

3. General Feedback on incentives

About half of responses that supported incentives for central city development provided comments or suggestions. The following comments were made in submissions and reflect suggestions made about how incentives could be used to increase development in the city centre.

Focus Area	Comment
Incentives that will increase residential living in the central city (Total number of comments – 34)	Supportive of temporary incentives only encourage inner city living to occur in the short term
	Supportive of rebates/reduced fees if a certain minimum height is achieved i.e. 6 stories
	Incentivise mixed used - ie accommodation options above retail development
	Decreased rates in central city apartments to encourage people to live there
	All future CBD developments should be at least 50% for residential living

	Incentives for developers should only be for high-density, affordable housing projects and required community amenities.
	Incentives should be for terraced housing, not just apartments
	Rent control for flats within the CBD to encourage growth.
	Turn vacant shops into loft style apartments
	The incentive shouldn't be for the building, but for proof of it delivering more people living in the CBD and apartments bought/leased
	Rezone CBD for residential only
	Commercial activities in the CBD (ie car yards) should be incentivised to move so this land can be used for more productive purposes that encourage inner city living
	Decrease costs to build and essentially move to a "quantity over quality" approach to building residential living in the central city
Business/commercial incentives (including hotels) (Total number of comments – 10)	Incentivise businesses to move into the CBD
	Change focus of city centre to commercial, make use of proximity to water
	Create incentives for business to relocate to currently empty shops in the CBD
	Need to dis-incentivise retail developments in suburbs (i.e. shopping malls) in an effort to make CBD more attractive as a retail location
	Incentivise building of hotels in central city
	Charge more to big international companies who set up in the CBD
Partner with others/offer other types of incentives – (Total number of comments – 11)	Fast track permitting, waive fees or reduce them for set period. Public-Private-partnerships for projects that align with cities goals or priorities
	Seek central government funding rather than ratepayer funded
	Investigate non-financial incentives
Incentives for amenity or cultural value – (Total number of comments – 5)	Follow successful initiatives from other cities
	Incentivise projects that have the best standard of sustainability, energy efficiency and accessibility
	Incentivise projects that include waterfront living, marine themed public art, sustainable seafood restaurants, business that embrace cultural elements of Tauranga
	Provide low cost loan finance to developers to incorporate off street parking in buildings that cater for residents and visitors to keep vehicles of streets
	Should only be for unique or otherwise disadvantaged development, not for standard buildings that exist in any city
Incentives that support city vision (Total number of comments – 3)	Development should support the vision for the central city
	Long term benefits that result from short term costs need to be well explained to the public to increase overall buy-in

4. Other issues raised

The open nature of the question led to a large number of responses that were not directly related to incentives for development.

However, some of these responses were still relevant to the wider issue of how to provide incentives that encourage people to live, work or visit the central city and are included below.

There were also a small number of comments that noted an inability to answer the question as what was meant by an “incentive” was unclear in their opinion.

Issue	Detail	Number of comments
Parking – general	<ul style="list-style-type: none"> • Parking enforcement – CBD residents getting tickets for parking • More free car parks needed • Increased focus on parking options in the CBD • People will choose shopping malls with free parking over coming to the CBD • Parking for CBD workers required • Time limited free parking in the CBD • Park and ride options • Free parking options retained until central city development is finished Development without parking options wont work • All developments should include mandatory parking • Identify sites for large paid parking areas 	118
Roading in and around the CBD/ SmartTrip	<ul style="list-style-type: none"> • Current roading isn’t good enough – too many closed streets/road works/streets that are too narrow • Stop building cycle lanes • SmartTrip will reduce visits to the CBD • Cameron Rd Stage 1 a failure that hurt businesses and city development 	59
Transport	<ul style="list-style-type: none"> • Public transport to and from the CBD needs to be more reliable (buses and trains) • More alternatives to driving required before driving is discouraged further • Look at rail/ferry options 	40
Wider environment	<ul style="list-style-type: none"> • Ensuring city centre is attractive for living –museum, food options, supermarket, green spaces, easy to get around, vibrancy, activation, markets. • Improve Uni campus, which in turn will improve hospitality • Encourage destination retail • Retain heritage buildings • CBD isn’t accessible – walkways should be clear, planting shouldn’t interfere with driving • Pedestrianisation of some streets • A plan is needed to give the CBD its own identity • Better use of waterfront location (i.e. salt water pool, walkways, public art trails) 	32

Better support for CBD Businesses	<ul style="list-style-type: none"> • Reduction or subsidy to businesses rent • Don't restrict business activities • Replicate the experience at the Mount – that works well and is thriving, CBD is dead • Don't charge for footpath space 	20
Speed of change	<ul style="list-style-type: none"> • Too fast – needs to be considered • Do nothing and give the CBD time to adjust to all recent changes • Stop Te Manawataki o te Papa and other council vanity projects and redistribute funding on projects to support CBD businesses • Too many plans over the years without a focus on consensus building and focus on business • Too many developments happening at once • Current Infrastructure can't support it. 	17
Social issues	<ul style="list-style-type: none"> • Homelessness in the CBD needs to be addressed • Improve safety in CBD, especially at night • Provide a police presence in the CBD 	10
CBD shouldn't be for retail	<ul style="list-style-type: none"> • CBD as a retail space is a dead concept – should be a business district, don't try and compete with malls etc. • Topography of city centre make it unsuitable for further development 	7

11.14 Industrial Rating Category

File Number: A15431653

Author: Malcolm Gibb, Contractor - Rating Review
Jim Taylor, Manager: Rating Policy and Revenue
Kathryn Sharplin, Manager: Finance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The report considers the options which we presented in the draft 2024-34 Long-term Plan (LTP) to set a separate industrial rating category and to present a summary of the submitters' points on this topic.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Industrial Rating Category".
- (b) Approves the introduction of a new rating category for industrial properties in the 2024-34 Long-term Plan (LTP).
- (c) Agrees the evidence around roading costs and other wellbeing impacts including congestion and safety provides justification for considering a higher differential charge for the industrial category.
- (d) Agrees the following approach for the industrial category.
 - (1) set a rating differential for the industrial category at 2.7:1 over the residential rate from year 1 of the LTP **or**
 - (2) phase in the differential for the industrial category over a two-year period starting at 2.4:1 over the residential rate from year 1 of the LTP and 2.7:1 over the residential rate from year 2 of the LTP.
- (e) Agree to retain the commercial differential category to 2.1:1 over the residential rate in year 1 of the LTP.
- (f) Agree to phase-in further differential changes to reach a percentage share of general rates by category of approximately 65% residential, 15% commercial and 20% industrial.

EXECUTIVE SUMMARY

2. Industrial companies are particularly significant to the city's economy. They bring significant employment and wealth to the city and its community.
3. There are however costs and pressures on the city which come with this business activity. The planning and provision of infrastructure services is crucial to this sector as well as the need for housing and social, environmental and cultural amenity.
4. The Rating Policy was amended in the 2022/2023 Annual Plan to phase in commercial rating differential for the general rate and a transportation targeted rate to reflect a 50/50 funding split between commercial and residential rating units.

5. In submissions members of the commercial sector requested council to further differentiate the contributions of the commercial sector by separately recognising the benefits received and impacts of the industrial sector in the city.
6. There is a category within the district valuation role called industrial which TCC can use to create the industrial rating category. It includes industrial warehousing, manufacturing, transportation of goods and other industrial activity related to industrial properties.
7. At its meeting on 11th September to adopt the draft 2024-34 LTP for audit and then the Consultation Document (CD) on 6th November, Council proposed the introduction of a new rating category for industrial properties for consultation with the community in the draft LTP.
8. The draft LTP and CD presented two options, one to introduce a new rating category Industrial, defined as land whose primary use is Industrial, Port, Transportation or Utility Networks, OR secondly not to introduce a new rating Industrial category.
9. The proposal featured an industrial differential at 2.7 times the residential general rate and for the commercial sector to continue to pay a differential of 2.1.
10. The outcome of the consultation provided 1,177 submissions with 65% in favour of Option 1, 34% in favour of Option 2 and just under 1% not offering an Option.
11. There were several points raised by submitters, either as written or verbal comments. Those comments received from the four-week consultation period and those presented at the Hearings held on the 12th February are summarised in this report.
12. Of the 244 submitters who provided comments, 54% substantially supported Option 1 and 46% substantially supported Option 2. The pre-dominant themes were for council to
 - Be fair and equitable to ratepayer groups.
 - Consider whether rating differentials are a reasonable way to fund council costs and to use other funding mechanisms.
 - Understand the submitters' views on the consequential impacts on business activity if Option 1 were to be approved.

BACKGROUND

SUMMARY OF SUBMISSIONS

13. Council received 1,177 submissions on this topic. 769 (65.28%) supported Option 1 and 403 (34.21%) Option 2 and 6 (0.51%) did not make a choice but did provide comment. Of these submitters, 244 provided written or verbal comments. 131 (54%) made comments which substantially supported Option 1 and 113 (46%) substantially supported Option 2.
14. Of the 113 submitters who made comments in support of Option 2, 12 provided the same narrative template.
15. There are several key themes which have been identified. Those submitters who support Option 1 are keen to have council provide a fair and equitable split of rate revenue between residential, commercial and industrial ratepayers and that due to the impact industrial businesses have on the roading network and environment that this category should be paying a larger share of the council's funding requirement.
16. Conversely those supporting Option 2 do not believe industrial businesses should be paying more and that to do so is not a fair and equitable position for council to take and is not a fair allocation of costs amongst the different groups who benefit from the increased investment.
17. Neither group - Option 1 and Option 2 supporters - provided technical or transport related information or evidence to substantiate their position. Their support appears to be based on their experiences and feeling on what is fair and equitable to them and their views on the wider community.

18. There are several Option 2 supporters who believe the extent or use of rating differentials is unfair. The opinion spread is from those submitters who believe the commercial and industrial sectors should be assessed with the same differential while others would like all differential rates to cease – possibly phased out over time.
19. Other key themes focussed on
 - Fairness and equity for the allocation of rates revenue – both Option 1 and Option 2 supporters
 - Affordability of the rates to be assessed – both Option 1 and Option 2 supporters.
 - Those who have the biggest impact (environmental, congestion, network damage, traffic movement) should pay more – Option 1 supporters.
 - Identifying and assessing which council services are used by the Industrial sector which are different from the Commercial category – Option 2 supporters.
 - Ensuring council is investing in the right things, ensure the roading network is efficient and well maintained and there are travel options– by Option 1 and Option 2 supporters.
 - Consequential impacts of a rating differential for the industrial category on investment and business operations in the city, cumulative impact on their costs (inflation, labour shortages, interest rates and government costs), lack of supply of industrial zoned land, potential for a change of land use to commercial use and council not being business friendly – primarily Option 2 supporters.
 - Industrial properties predominately using infrastructure funded and maintained by central government and so a view that this category already contribute by way of TSP levies, road tolls. The targeted commercial roading rate will cease when the TSP levy commences on 1st July 2024. – Option 2 supporters.
 - Alternative funding mechanisms such IFF, Private Public Partnerships, Congestion Charging should be used instead of a differential – primarily Option 2 supporters.
 - Reflecting the requirements of the Rating Act – Option 2 supporter.

CURRENT APPROACH TO RATING

20. Currently council has two rating categories
 - “Residential” which includes land whose primary use is residential, rural, educational, recreation, leisure, or conservation
 - “Commercial” which includes land whose primary use is commercial, industrial, port, transportation or utilities networks, and any land not in the residential category.
21. During the 2022/23 Annual Plan process, council approved an increase in the commercial general rate differential from 1.6 in financial year 2021/22 to 1.9 in 2022/23 with a further increase to 2.1 in 2023/24. The commercial transport targeted rate was also approved to move from 1.6 in financial year 2021/22 to 3.33 in 2022/23 and with a further increase to 5 in 2023/24. The commercial transport targeted rate will be superseded by the IFF TSP levy when it commences in July 2024.
22. This decision was to ensure a fairer balance between the residential and commercial categories in the city particularly noting the relative effect on council’s costs relating to transportation where the contribution was based on a 50:50 split.
23. The issue about whether the commercial rating category fairly reflected all the constituent activity, particularly by the Industrial category, was raised by commissioners and other commercial ratepayers during the 2021-31 Long-Term Plan deliberations.
24. The problem for council has been to source robust technical information to definitively illustrate the activity and use of the roading network. In previously commissioned work,

Insight Economics and Gray Matter concluded that there was insufficient information from council's vehicle trip data to support disaggregating the commercial rating category.

25. Further work was undertaken by staff and supported by PJ & Associates noted that the current available information on renewals does not adequately separate commercial and industrial users to draw conclusions on the direct cost basis for a different differential rate for commercial and industrial rates. The findings did provide support the current rating differentials.
26. Council staff have continued to work to improve its data collection processes and to be able to provide a more substantive co-relation between the costs being incurred and the benefits being received from rate-payer groups.
27. However, as also noted in the PJ & Associates report, council can consider section 101(3)(b) of the Rating Act to assess the overall impacts on the use of the roading network and more widely the community and particularly the four well beings. The social, economic, environmental and cultural impacts have been considered to include safety, congestion, noise and pollution.
28. On this basis the Strategy Finance and Risk (SFR) Committee on 7 August recommended to Council to introduce an industrial category.
29. Following this meeting further research information was sourced on the relative impacts of heavy vehicle use primarily associated with industrial category businesses and properties. This is summarised in Table 1. This was presented in a report to council on 21st August.

Table 1 : Relative Impact of Heavy versus Light Vehicles on a Transport Network.

Comparison of the Impact of Heavy versus Light vehicles				
Comparators	Sources	Heavy Vehicles	Lighter Vehicles	Ratio of Impact
Economic Cost	1	82% of the cost and 21% of the vehicle traffic volume	18% of the cost and 79% of the vehicle traffic volume	4 to 1
	5	Fourth power law (appendix to SFR report)		10,000 to 1
Environmental Cost	2 and 3	NOx range 2,000	Nox range 60-280	10 to 1
	2 and 3	Exhaust particles - 20	Exhaust particles - 5	4 to 1
	2 and 3	CO2 1,500	CO2 500-2,270	1 to 1
	4	Account for 27% of climate emissions from road transport in Europe and only 2% of traffic	Account for 73% of emissions and 98% of traffic volumes	3 to 1
Safety Cost	6	Deaths from crashes make up 20% of deaths but only 6% of total distance travelled	80% of deaths over 94% of distance travelled	3 to 1
Sources	1	IEEE : Assessing the Impact of Heavy Vehicles		
	2	European Commission Report 2023		
	3	NZ Ministry of Transport : Summary of Euro Pollution Reductions		
	4	Transport & Environment		
	5	RCA Forum		
	6	Overview of Road Safety in NZ		

30. In each comparator, the impact of heavy vehicles compared to light vehicles is considerably greater, as evidenced in the ratio of impact column in Table 1.

31. The safety comparator is particularly significant to separate walking and cycling options from vehicle and particularly heavy vehicle traffic.
32. The ratio of impact could form the basis to establish a differential of between 3 or 4 to 1 compared lighter vehicles. Some of the vehicles classified as lighter vehicles would include vehicles typically used by the commercial category but not the industrial category. Similarly heavy vehicles are more commonly associated with the industrial category.
33. Council approved the decision to proceed with a proposed Industrial category for rating purposes on 21st August and included this topic in the draft 2024-34 LTP which was adopted for audit on 11th Sept and included in the LTP Consultation Document which was adopted on 6th November.

COMPARISON OF DIFFERENTIALS AND CONTRIBUTION OF THE COMMERCIAL /INDUSTRIAL CATEGORY

34. Table 2 below shows that this council's commercial differential, at 2.1, is the lowest compared with other metro councils that we benchmark against. It also confirms that the capital value of the industrial category as percentage of the city's total capital value, at 9%, is higher than these councils. This is consistent with the proximity of New Zealand's busiest port to the centre of Tauranga.
35. Tauranga has 1,800 commercial rating units with a capital value \$7.2b and 2,187 Industrial rating units with a capital value of \$7b. There are 57,714 residential properties with a capital value of \$68b.

Table 2 : Comparison of Commercial Differential Rates with other Metro Councils

Council	Commercial differential	Industrial (% total \$ capital value)	Commercial (% total \$ capital value)	Utility (% total \$ capital value)	Residential (% total \$ capital value)	Lifestyle (% total \$ capital value)	Other(% total \$ capital value)
Tauranga	2.1	9%	9%	1%	70%	4%	8%
Hamilton	2.98	8%	9%	2%	74%	1%	7%
Dunedin	2.47	4%	7%	3%	72%	7%	7%
Auckland	2.63	6%	8%	1%	76%	6%	3%
Wellington	3.7	2%	13%	2%	75%	1%	7%
Christchurch	2.22	7%	10%	5%	70%	2%	7%

36. The extent of rates revenue contributed by the commercial category to total rates revenue is 26% for this council.
 - (a) Hamilton 34%
 - (b) Wellington 40%
 - (c) Auckland 31% (Note : AC have proposed to continue at this level for their 2024-2034 draft LTP).
 - (d) Christchurch 26%.
37. This provides further evidence that on balance the commercial/Industrial category could contribute more to total rate revenue and further that this may be contributed by the industrial category based on the analysis presented later in the report. It is recognised that no other metro council currently has a separate rating category for industrial properties.

STRATEGIC / STATUTORY CONTEXT

38. This report considers the options to fund the activities of Council which have been consulted on as part of the 2024/34 Long Term process.

OPTIONS ANALYSIS

39. Having considered the factors in section 101(3)(a) of the Rating Act, council can then consider section 101(3)(b) and the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.
40. Under section 101(3)(b) Council can consider what level of contribution and differential to apply to commercial and or industrial properties relative to residential users to provide a fair share of the costs of the city.
41. The level of general rates differential can be developed through the consultation process to ensure a fair and equitable balance is achieved. The estimated financial impacts of a range of differential options are shown in “Attachment A – Funding impact of rates policy options”. For the purposes of presentation of advantages and disadvantages an indicative selection of options is shown below:¹²
42. A new rating category can be defined as “Industrial” which includes land whose primary use is industrial, port, transportation or utilities networks.
43. The options analysis below considers options in two parts. The first is the level of differential associated with the categories from FY2025 (year 1 of LTP). The second matter is to consider the phasing of the introduction of higher differentials for industrial and/or commercial categories working towards an agreed proportion.

Introduction of an Industrial Category and Associated Differential Levels

44. **Option 1: Introduce a separate Industrial rating category defined as land whose primary use is Industrial, Port, Transportation or Utilities Networks in the 2024/2034 Long Term Plan.**

Advantages	Disadvantages
<ul style="list-style-type: none"> - Responds to the commercial sector's concerns that they are paying a disproportionate rate. - Responds to the majority of submission responses (65%) that support Option 1 - Recognises the increasing volumes of heavy vehicle to Industrial related businesses in the city from journeys originating or finishing outside the city's boundary. - Recognises the social and environmental impacts such as congestion, safety and pollution on the city of heavy vehicles and industrial activity. - The contribution of the combined commercial/industrial categories moves closer to that of comparable councils. 	<ul style="list-style-type: none"> - Increase in rating distribution to the industrial sector noting the submitters' view on the impacts and consequences on this sector.

¹² noting that numbers are indicative only being based on 2021 rating valuations that may change with the revaluation in 2023.

Key risks	The sufficiency of the direct empirical financial and asset management evidence could result in a challenge to the introduction of a new category, but this is mitigated by the recent Supreme Court judgement and council's consideration of the four wellbeing's as part of the rating process in this Long-term Plan.
Recommended?	Yes

45. Council staff will continue to develop systems and processes capable of providing more substantive financial and asset management information.
46. Staff are also continuing work to analyse and progress other funding mechanisms as suggested by some of the submitters.

47. **Option 2: Do not introduce a new rating Industrial category in the 2024/2034 Long Term Plan.**

Advantages	Disadvantages
<ul style="list-style-type: none"> - Continue to monitor the fairness and equitable funding of the transportation activity. Staff will continue to develop systems and processes capable of providing the financial and asset management information to provide a definitive position for council. - Provides support to the Option 2 supporters and the views they have expressed. 	<ul style="list-style-type: none"> - The rating policy is not necessarily providing a fair and equitable outcome. - The known impacts on community wellbeing of heavy vehicles are not recognised in the establishment of differentials. - Contrary to the on-balance views of the submitters (65%) who support Option 1.

Key risks	<p>Council is not providing a fair and equitable solution to fund its activities.</p> <p>The technical information is difficult to capture and measure and may take time and considerable technical resources to get to a position of more exact equivalence.</p>
Recommended?	No

48. In response to submissions from the commercial and industrial sector council could consider phasing in the proposed 2.7:1 differential for the Industrial rating category over two years.
49. The differential would be 2.4:1 in the 2024/2025 rating year and 2.7:1 in the 2025/2026 rating year.

Advantages	Disadvantages
<ul style="list-style-type: none"> - Respond to the concerns of some of the sector and provides time for budgeting. 	<ul style="list-style-type: none"> - It would take longer to get to an equitable distribution of rates. - The residential and commercial sectors will pay more rates in the first year of the Long-term plan.

Key risks	Council would take longer to provide a fair and equitable solution to fund its activities.
Recommended?	No

Longer term phasing of increased differentials and change of approach.

Option 1: Phasing a proportional approach to set the future revenue split from each sector to provide certainty and consistency between rating years

50. This option is to set a percentage of the general rate revenue to be collected from each rating category for example, 65% residential 15% commercial and 20% industrial, which would give a result close to the proportional share of commercial and residential categories at Hamilton City Council as presented in Table 2.
51. If the 65% residential, 15% commercial and 20% industrial percentages were to apply on the current valuations the resulting differentials are estimated to be 2.98 for the Industrial category and 2.45 for the Commercial category. To reach these levels, further phased increases in commercial and industrial rates may be required. The overall outcome for these categories would be the equivalent of a combined differential of 2.7, which is comparable with the metro councils in Table 2.
52. Under this option, and to meet the percentage target, the differential may vary as valuations change.
53. All properties in the city are currently being revalued, based on a valuation date of 1st May 2023. The current plan is to have these valuations certified by the OVG on 15th March for application in the 2024/25 rating year, from 1st July 2024. If these are not able to be certified then, the current valuations based on 1st July 2021 will be used to set and assess rates on 1 July 2024.
54. Depending on the outcomes of this valuation process, council may be able to achieve the 65%,15%, 20% split referred to above in the 2025/26 rating year. This would provide more predictability for each sector on their share of the rate requirements and minimise the fluctuations over the longer term which would otherwise occur when properties are revalued every three years.

Advantages	Disadvantages
<ul style="list-style-type: none"> - Removes the uncertainty of the revaluations as the differential is dependent on budget not valuations. - Recognises that the Industrial category should contribute more. - Provides clear relativity in the overall allocation of revenue need over the whole community. 	<ul style="list-style-type: none"> - Increase in rating distribution to the industrial sector, noting the impacts of this category and reasoning for the increases in differential. - Timing of current economic conditions on the category may continue. - May not be affordable without phasing options over a period.

Key risks	Increases in costs to commercial and industrial categories.
Recommended?	Yes

Option 2: Do not introduce a proportional approach. (Not Recommended)

55. This approach would mean that differential levels and the proportions of contribution would be impacted by capital property revaluations which occur every three years.

Advantages	Disadvantages
<ul style="list-style-type: none"> - Recognises the relative changes in valuation each three years over every property, rather than movement within each sector. - Better link to valuation movements. 	<ul style="list-style-type: none"> - Timing of current economic conditions on the category may continue into the future. - Revaluations will impact on the level of rating distribution across categories which may not always be equitable

Key risks	Revaluations may create an inconsistent approach due to changes in capital value across categories.
Recommended?	No

56. In conjunction with rating differential options, council staff will continue to investigate other options to fund the transport activity, noting some options such as congestion pricing or variable road pricing may provide a long-term solution to help manage the demand on the network. This would have the additional benefit of providing funding from users not owning property within this council's boundaries.

FINANCIAL CONSIDERATIONS

57. If the recommendations are approved there will be financial impacts on the current rating base. There may some budget requirements to develop systems and processes to better measure who benefits from the activity expenditure in the city.
58. If Council decides to introduce a new rating category there will be implications on the rating categories. These will be presented in the 2024/34 LTP.

LEGAL IMPLICATIONS / RISKS

59. The recent Judgement made by the Supreme Court of NZ (May 2023) in the successful appeal by Auckland Council, for a targeted rate on commercial accommodation providers, has provided some important principles in the setting of rates by a local authority.
60. The key principles are the extent to which a local authority needs to ensure a rational connection between the imposition of the rate and the benefits from the activity exist. This does not need to be an exact equivalence, or a close correlation and it is reasonable for the local authority to consider the intended or expected future benefits from an activity that is to be funded.
61. This Judgement is significant regarding the matter being discussed in this report and given the opportunity provided by section 101(3)(b), council staff have developed options which can now be considered.
62. The Local Government Act requires Council to consult on any proposal to change the Rating Policy and this report forms part of this process.

CONSULTATION / ENGAGEMENT

63. This report is a continuation of the commissioners' response to the community concerns received as part of the changes to the Rating Policy to ensure fair and equitable funding for the council's activities, in particular the transport network.

SIGNIFICANCE

64. 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.
65. 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 proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
66. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of medium significance.

ENGAGEMENT

67. Taking into consideration the above assessment, that the proposal is of medium significance, staff are of the opinion that engagement was required as part of the 2024/34 LTP process and has been an integral part of the engagement process.

NEXT STEPS

68. The decision of council will be included in the 2024-2034 LTP. All submitters on this topic will be advised of council's decision.

ATTACHMENTS

1. **Appendix A - Industrial Rating Category - A15566977** [↓](#) 

Appendix A – impact models for a range of residential, commercial, and industrial properties under each option.

(Capital values based on the current 1 July 2021 values, general rates include the Uniform Annual General Charge, general rates, stormwater rates and resilience rates. Funding Impacts are estimated and subject to any changes to the final budget during the councils 2024-2034 Long Term Plan deliberations)

Issue 1 - Introduce a new industrial rating category.

Option 1, The new industrial rating category has differential of 2.7:1 in the 2024/2025 rating year.

Indicative property rates (single occupancy, residential one toilet, commercial/Industrial two toilets)									
your proposed rates breakdown for 2024/2025									
Capital Value 2021	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw	TSP IFF Levy Increase %	TSP IFF Levy Increase \$/pw	Rates budget (Plus IFF)	\$	299,681,144
Residential									
Low Residential (1%)	\$385,000	\$2,157	\$1,997	8.1%	\$3.09	1.4%	\$0.55	commercial differential	2.10
Lower Quartile (25%)	\$785,000	\$3,068	\$2,844	7.9%	\$4.30	2.0%	\$1.12	Industrial differential	2.70
Median (50%)	\$980,000	\$3,512	\$3,258	7.8%	\$4.89	2.2%	\$1.39	commercial gen rates as a %	12.7%
Upper Quartile (75%)	\$1,220,000	\$4,058	\$3,766	7.7%	\$5.61	2.4%	\$1.73	Industrial gen rates as a %	18.5%
High residential (99%)	\$3,930,000	\$10,228	\$9,510	7.5%	\$13.79	3.1%	\$5.58	Residential gen rates as a %	68.8%
	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw					
Commercial									
Lower Quartile (25%)	\$1,052,500	\$7,151	\$6,801	5.1%	\$6.73	5.8%	\$7.53	Res range low to high cv	8.1-7.5%
Median (50%)	\$2,030,000	\$12,185	\$11,615	4.9%	\$10.95	6.5%	\$14.52	Comm range low to high cv	5.1-4.6%
Upper Quartile (75%)	\$3,580,000	\$20,168	\$19,249	4.8%	\$17.66	6.9%	\$25.60	Industrial range low to high cv	24.2-31.8%
High commercial (99%)	\$78,230,830	\$404,634	\$386,920	4.6%	\$340.66	7.5%	\$559.49		
	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw					
Industrial									
Lower Quartile (25%)	\$715,000	\$6,380	\$5,139	24.2%	\$23.88	5.2%	\$5.11		
Median (50%)	\$1,460,000	\$11,226	\$8,808	27.4%	\$46.49	6.2%	\$10.44		
Upper Quartile (75%)	\$3,140,000	\$22,152	\$17,082	29.7%	\$97.49	6.8%	\$22.46		
High Industrial (99%)	\$30,853,000	\$202,392	\$153,574	31.8%	\$938.80	7.5%	\$220.65		

Issue 1 - Introduce a new industrial rating category.

Option 2, The new industrial rating category has differential of 2.4:1 in the 2024/2025 rating year, and 2.7:1 in the 2025/2026 rating year.

Indicative property rates (single occupancy, residential one toilet, commercial/Industrial two toilets)									
your proposed rates breakdown for 2024/2025									
Capital Value 2021	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw	TSP IFF Levy Increase %	TSP IFF Levy Increase \$/pw		Rates budget (Plus IFF)	\$ 299,681,144
Residential									
Low Residential (1%)	\$385,000	\$2,177	\$1,997	9.0%	\$3.46	1.4%	\$0.55	commercial differential	2.10
Lower Quartile (25%)	\$785,000	\$3,107	\$2,844	9.2%	\$5.05	2.0%	\$1.12	Industrial differential	2.40
Median (50%)	\$980,000	\$3,561	\$3,258	9.3%	\$5.83	2.2%	\$1.39	commercial gen rates as a %	13.0%
Upper Quartile (75%)	\$1,220,000	\$4,119	\$3,766	9.4%	\$6.78	2.4%	\$1.73	Industrial gen rates as a %	16.9%
High residential (99%)	\$3,930,000	\$10,423	\$9,510	9.6%	\$17.54	3.1%	\$5.58	Residential gen rates as a %	70.1%
	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw					
Commercial									
Lower Quartile (25%)	\$1,052,500	\$7,260	\$6,801	6.8%	\$8.84	5.8%	\$7.53	Comm range low to high cv	6.8-6.7%
Median (50%)	\$2,030,000	\$12,397	\$11,615	6.7%	\$15.03	6.5%	\$14.52	Industrial range low to high cv	16.4-20.6%
Upper Quartile (75%)	\$3,580,000	\$20,541	\$19,249	6.7%	\$24.84	6.9%	\$25.60		
High commercial (99%)	\$78,230,830	\$412,795	\$386,920	6.7%	\$497.60	7.5%	\$559.49		
	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw					
Industrial									
Lower Quartile (25%)	\$715,000	\$5,982	\$5,139	16.4%	\$16.21	5.2%	\$5.11		
Median (50%)	\$1,460,000	\$10,412	\$8,808	18.2%	\$30.84	6.2%	\$10.44		
Upper Quartile (75%)	\$3,140,000	\$20,401	\$17,082	19.4%	\$63.83	6.8%	\$22.46		
High Industrial (99%)	\$30,853,000	\$185,189	\$153,574	20.6%	\$607.97	7.5%	\$220.65		

11.15 Establishment of an Urban Growth Targeted Rate (Te Tumu Related Investment)**File Number: A15496507****Author: Frazer Smith, Manager: Strategic Finance & Growth****Authoriser: Paul Davidson, Chief Financial Officer****PURPOSE OF THE REPORT**

1. This report considers community feedback on the 2024-34 Long-Term Plan (LTP) on options for establishing an urban growth targeted rate.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Establishment of an Urban Growth Targeted Rate (Te Tumu Related Investment)".
- (b) Approves establishment of three new targeted rates, titled Urban Growth Targeted Rate. This rate is calculated as being 50% of the interest impact associated with transport projects due to the delay in capital expenditure required to establish the Te Tumu growth area. These rates are split as follows:
 - (i) A Citywide charge across all ratepayers within TCC that are not in the Full Benefit area or Wider Benefit area; and
 - (ii) A charge across all ratepayers within the Wider Benefit area equal to double the Citywide charge; and
 - (iii) A charge across all ratepayers in the Full Benefit area equal to triple the Citywide charge.
- (c) Notes for clarity, the benefit areas are as shown in Attachment 2.

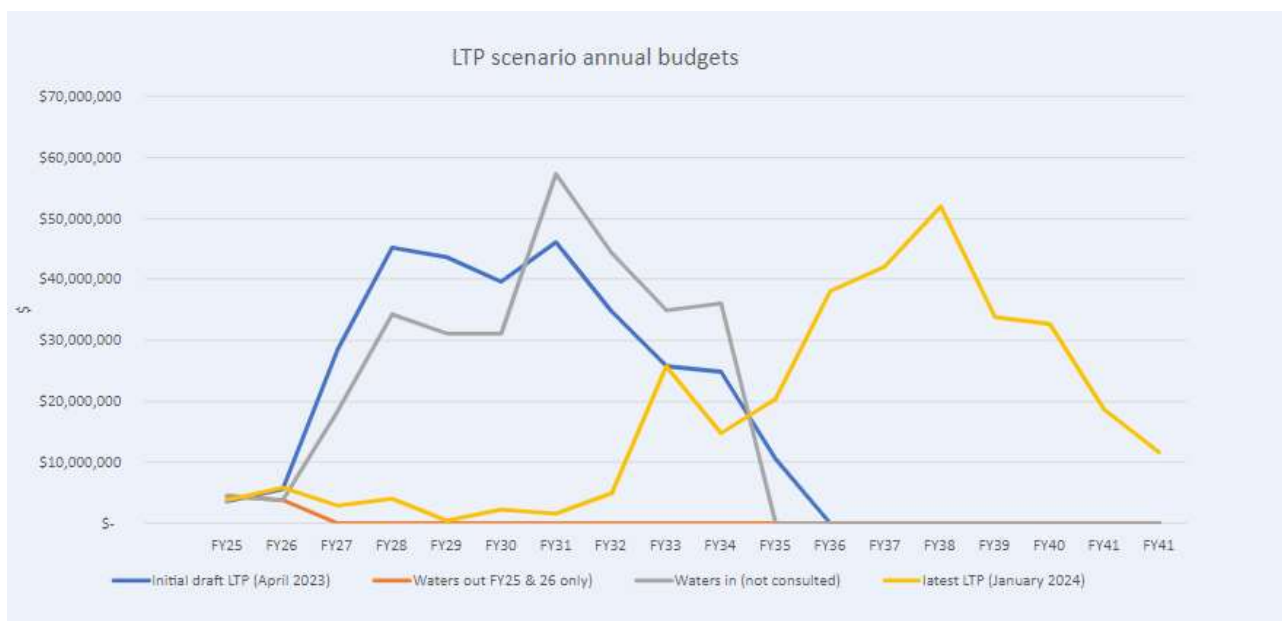
EXECUTIVE SUMMARY

2. Because of the level of TCC debt, Council elected to push out capital expenditure required to support Te Tumu until 2045. However, some of this infrastructure is required to be constructed now to also support development in Wairakei and parts of Papamoa.
3. In order to address the impact of additional interest costs compounding to future Te Tumu Development Contributions (DC's) Council examined the potential to recover part of these additional costs through a targeted rate. While there are citywide benefits in relation to charging this rate, it was felt that this benefit particularly related to Wairakei ratepayers (Direct Benefit area) and parts of Papamoa (Wider Benefit area).
4. The option to introduce this targeted rate was specifically consulted upon as part of the Draft 2024-34 LTP. This report is to finalise Council's approach to this issue after taking into account the feedback from the community.

BACKGROUND

5. As part of the LTP deliberations prioritisation process Council is deciding whether many of the key infrastructure projects required for Te Tumu growth area to be developed will be pushed out. See Figure 1.

Figure 1: Proposed change in timing of Te Tumu water related projects



6. However, there are a number of projects that need to be constructed now as they are needed for Papamoa, Wairakei as well as for Te Tumu. With the pushing out of Te Tumu development there was a concern that the impact of compounding interest costs on the Te Tumu portion will make the Te Tumu Development Contribution charges unaffordable in the future. Figure 2 below shows the potential impact of this compounding interest.

Figure 2: Likely Impact on Te Tumu debt if it is left to compound until 2045

Project Name	Future Te Tumu Debt portion (before interest) \$M	Te Tumu portion in 20 years if no targeted rate (\$M)
3 waters projects	250.21	552.24
Transportation projects	59.33	183.15
Total	309.54	735.39

7. After reviewing a number of options Council resolved to consult on the introduction of a targeted rate to fund a portion of these costs. Figure 3 summarises the outcome consulted upon.

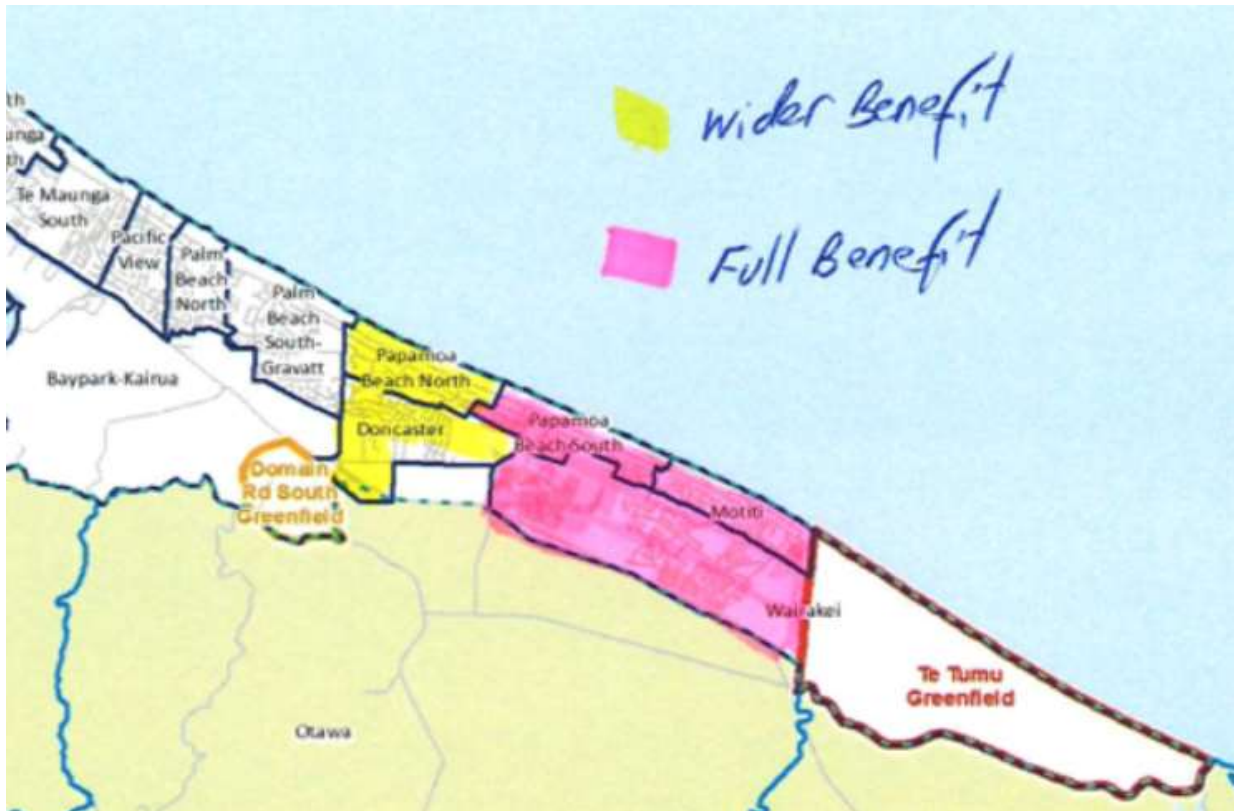
Figure 3: Option selected for consultation.

Targeted Rate (transport only)	per report (excl GST)	Inc GST	Suggested range for consultation
Across Full benefit area	\$ 88.81	102.13	\$96 to \$114
Across Wider Benefit area	\$ 59.21	68.09	\$64 to \$76
Across City	\$ 29.60	34.04	\$32 to 38

8. The key options selected for this rate included.
- Only considered interest costs in relation to transportation projects. Legislation at the time put 3 waters projects into a separate entity to fund.
 - 50% of the interest costs to be covered

- Whole city to make a contribution to this rate
- Increased charge to wider benefit area (double base charge) and full benefit area (triple base charge). See Figure 4 below for these areas.
- No Commercial/ Industrial differential
- Flat charge per property

Figure 4: Benefit areas identified

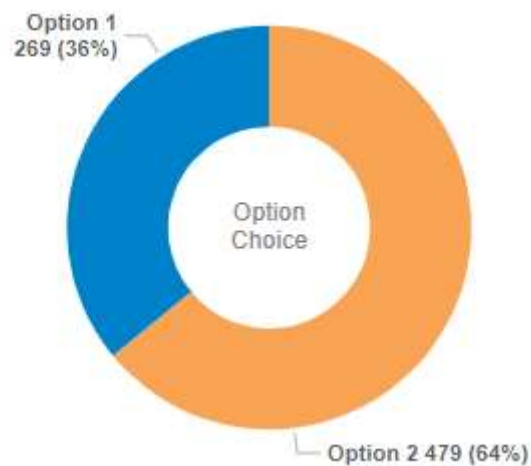


9. Note that since the consultation was commenced, we have mapped these on a more detailed basis. These more detailed maps are included as Attachment 2.

Consultation Summary

10. The options consulted upon were:
- Option 1: From 2024/25, establish three targeted rates to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (Papamoa and Wairakei)
 - Option 2: No targeted rate and continue with the assumption that Te Tumu will be developed and that costs will be recovered through development contributions.
11. The results of this consultation are shown in Figure 5

Figure 5: Responses in relation to establishing an Urban Growth Targeted Rate



12. A review of the comments included in the feedback gave us the following summary

Figure 6: Summary of written responses

Response Summary	Number of responses
Support Option 1 (feedback on incidence of targeted rate)	
Agree with proposed spread of targeted rate	12
Charge should just be over areas benefiting (ie Wairakei and Papamoa)	6
Everyone in City should pay Equally	6
Support Option 2	
Charge all of the costs to developers	55
Other comments on charging	
People cannot afford rates increases (no feedback on how achieved)	10
Reduce other costs so that this rate doesn't have to be charged	5
Why should ratepayers pay for a Council mistake?	3
Collect through roading tolls/ Waka Kotahi	2
Other Comments	
Don't develop Te Tumu	11
Speed up Te Tumu planning/ development	2
Need to get more information and revisit	1
Unrelated comments (eg public transport, trains, planning issues)	25
Total number of Comments on topic	138

Updated Results

13. There were some changes to projects during the consultation period. These predominantly related to 3 waters projects and therefore do not have a significant effect on the calculations. The updated table is included as Figure 7. More detail in relation to the updated figures is included in Attachment 1.

Figure 7: Updated option selected for consultation.

Targeted Rate (transport only)	per report (excl GST)	Inc GST	Range used for consultation
Across Full benefit area	\$ 93.76	107.82	\$96 to \$114
Across Wider Benefit area	\$ 62.50	71.88	\$64 to \$76
Across City	\$ 31.25	35.94	\$32 to 38

14. The principle reason for the increase compared to the Draft LTP (per Figure 3) related to a more accurate calculation of the number of properties within the growth areas affected (now directly from the rating system).
15. Another significant change since the draft LTP is the removal of the requirement to exclude 3 waters after 2027. Including the impact of 3 waters projects would approximately double the charges calculated above. We have not included this as an option as the change is too large compared to the amount consulted upon. The figures including 3 waters can be seen in Attachment 1. The exclusion of 3 waters projects from this targeted rate may need to be reconsidered in future years, either as a targeted rate or included in the water by meter charge.

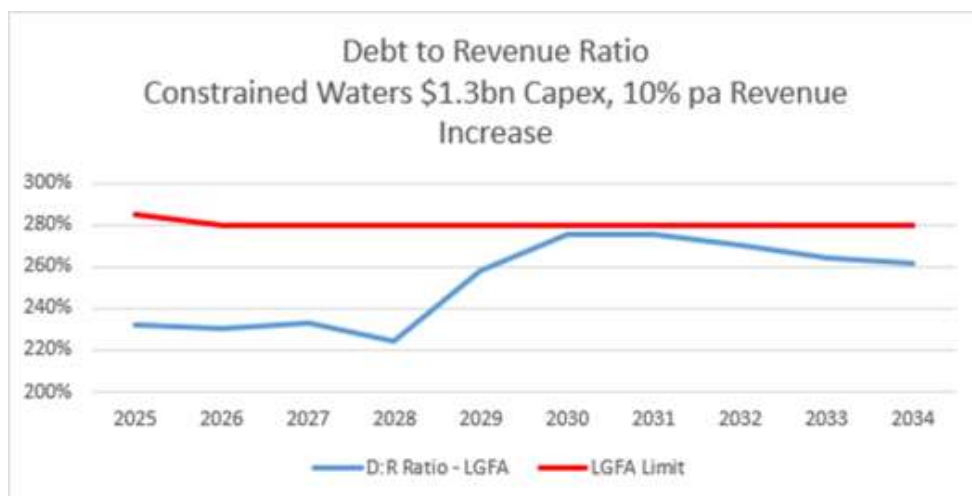
STRATEGIC / STATUTORY CONTEXT

16. The Papamoa East Interchange, Opal Drive Wastewater Pump Station and other related transport and three waters projects are key infrastructure requirements to enable development of Wairakei and Te Tumu in accordance with SmartGrowth's strategic growth strategy as agreed through the SmartGrowth Urban Form and Transport Initiative.

FINANCIAL CONSIDERATIONS

17. Council debt is looking to increase over the LTP period to the maximum amount TCC can borrow. See Figure 8 below.

Figure 8: Debt to Revenue ratio per draft LTP with constrained waters revenue and 10% pa water revenue increases ratio



18. Because of this high level of debt Council has pushed the development of Te Tumu out past the LTP period. Charging a targeted rate to mitigate 50% of the interest due to this delay has several financial benefits to TCC.

- Reduces risk of eventual Te Tumu DC's being unaffordable, which would prevent development and mean TCC would not be able to recover the debt already incurred on Te Tumu from Development Contributions
 - The additional rates will lower Council debt and improve its borrowing ratio, allowing additional Capital expenditure.
19. As outlined above, the targeted rate calculated is not expected to remove all Te Tumu debt but will considerably reduce this. This financial impact is expected to have the following impact (compared to Figure 2 above) as shown in Figure 9.

Figure 9: Likely Impact on Te Tumu debt through to 2045.

Project Name	Future Te Tumu Debt portion (before interest) \$M	Te Tumu portion in 20 years if no targeted rate (\$M)	Te Tumu portion in 20 years if use targeted rate (\$M)
Transportation projects	58.41	180.42	85.54

OPTIONS ANALYSIS

20. There were no new options evaluated as the outcome of these was too different from the options consulted upon. Updated Tables in relation to these options are included in Attachment 1. The 2 options considered were.
21. **Option 1: Recommended** From 2024/25, establish three targeted rates to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (Papamoa and Wairakei).

Figure 10: Advantages and disadvantages of Option 1

Advantages	Disadvantages
<ul style="list-style-type: none"> • Reduces the future Te Tumu debt reducing the risk that the eventual Te Tumu DC's become unaffordable. 	<ul style="list-style-type: none"> • Not the preferred option from consultation (64% against)
<ul style="list-style-type: none"> • Recognises that TCC has pushed out the development of Te Tumu in order to manage the debt limit. This is a citywide benefit. 	<ul style="list-style-type: none"> • Not fully compatible with TCC growth pays for growth philosophy.
<ul style="list-style-type: none"> • The additional rates will reduce TCC debt levels creating capacity for other capital. This is a citywide benefit. 	
<ul style="list-style-type: none"> • Recognises that capital projects that are being built now to support Wairakei and parts of Papamoa will also be required for Te Tumu (such as PEI). This benefit principally falls to the Wairakei and part of Papamoa catchments. 	
<ul style="list-style-type: none"> • The feedback on the incidence of charging this targeted rate did not highlight any significant difference of opinion to the method consulted upon (ie larger impacts in the Direct Benefit and Wider Benefit areas). 	

22. Option 2: No targeted rate and continue with the assumption that Te Tumu will be developed and that costs will be recovered through development contributions.

Figure 11: Advantages and disadvantages of Option 2

Advantages	Disadvantages
<ul style="list-style-type: none"> The preferred option from Consultation (64% for). 	<ul style="list-style-type: none"> Increases the risk that the eventual Te Tumu DC's become unaffordable. If Te Tumu doesn't develop this debt would have to be covered by the ratepayers.
<ul style="list-style-type: none"> Fully compatible with TCC growth pays for growth philosophy. 	<ul style="list-style-type: none"> Puts the full impact of TCC pushing out the development of Te Tumu onto the Te Tumu developers.
	<ul style="list-style-type: none"> Higher debt levels will reduce TCC capacity to invest

23. On balance it is considered that the introduction of a Targeted rate as consulted upon is the best option for TCC given the current levels of debt and the fact that Council has had to make a decision to delay Te Tumu.
24. Recommended that TCC establish three targeted rates from 2024/25, to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (Papamoa and Wairakei). Further that these targeted rates be charged across the city with a double charge in the wider benefit area and a triple charge in the direct benefit area. This is as consulted upon in the draft LTP.

LEGAL IMPLICATIONS / RISKS

25. There are a range of risks associated with the development of Te Tumu, especially financial risks and legal risks associated with planning processes. These have been covered in previous reports and are not repeated here.

CONSULTATION / ENGAGEMENT

26. This report is the conclusion of the consultation process undertaken as part of the LTP. The new targeted rate outlined in this report was a specific consultation question across the entire community. No further consultation is considered necessary as the final recommendations are within the outcomes consulted upon.

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:
- the current and future social, economic, environmental, or cultural well-being of the district or region
 - any persons who are likely to be particularly affected by, or interested in, the .
 - 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 issue is of high significance. The ramifications of cumulative debt related to Te Tumu and funding approaches to address this matter are substantial.

ENGAGEMENT

30. Taking into consideration the above assessment, that the issue is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision due to the extensive specific engagement that has already been undertaken through the draft 2024-2034 LTP.

NEXT STEPS

31. Depending on the outcome resolved in relation to this report, Council will proceed with the final preparations for including this targeted rate from the 2024/25 financial year.

ATTACHMENTS

1. **Attachment 2 Maps for Urban Development Targeted Rates - A15566976** [↓](#) 
 - **Attachment 1: updated information from Consultation Document**

ATTACHMENT 1: UPDATED INFORMATION FROM CONSULTATION DOCUMENT

There were a number of changes from the consultation document. These were not significant (apart from the inclusion of 3 waters), but have been included here for completeness,

Updated Debt Impacts

Table 1: Updated Likely Impact on Te Tumu debt if it is left to compound until 2045

Project Name	Future Te Tumu Debt portion (before interest) \$M	Te Tumu portion in 20 years if no targeted rate (\$M)	Te Tumu portion in 20 years if use targeted rate (\$M)
3 waters projects	346.52	621.81	527.14
Transportation projects	58.41	180.42	85.54
Total	404.93	802.23	612.68

Main change relates to a wastewater project that was split into 2 parts. The first part is now services predominantly Wairakei and Papamoa and the second part (the major portion) is only required for Te Tumu.

Updated Project List

Table 2: Updated Summary of projects selected to be included in the calculation of a targeted rate

Project Name	Full cost of all projects with a Te Tumu benefit (\$M)	Te Tumu portion of the benefit to be funded (\$M)	Full cost of all projects meeting criteria (\$M)	Te Tumu portion of the benefit to be funded (\$M)
3 waters projects	534.52	346.52	95.14	49.57
Transportation projects	122.51	58.41	174.75	49.67
Total	657.03	404.93	269.89	99.24

There was no change in the criteria that staff established to determine which projects should be included in a rating calculation. These were:

- Projects that have the majority of their expenditure in the first 3 years of the LTP (i.e., a greater degree of certainty over design and costs).
- Excludes projects that are 100% Te Tumu funded (there must be some wider benefit)
- Addresses water projects separately from Transportation projects due to the uncertainty around legislative reform.

The projects that met the criteria are outlined below, with the additional project highlighted

Waters

- Main Wairakei Pump Station
- Opal Drive Pump Station
- Upgrade to existing Wairakei rising main (13% relating to Te Tumu)
- Te Okuroa Dr and Papamoa East Interchange roading related stormwater

Transport

- Designations in Papamoa
- Sands Ave – Between Papamoa East Interchange and Te Okuroa Dr
- Te Okuroa Drive – Sands Ave to Te Tumu
- Papamoa East Interchange (land purchase, design, Phases 1-3)
- Sands Ave – The Boulevard to Te Okuroa Dr

- Intersection – Sands Av and The Boulevard
- The Boulevard – Stevenson Dr to Sands Ave
- The Boulevard – Sands Ave to Te Tumu
- Wairakei Town Centre Bus Facility

Updated Benefit area Alternatives

As part of the original assessment, we examined charging the rate across Wairakei and Papamoa only (Table 3), across Wairakei and Papamoa with a double charge for Wairakei (Table 4), and evenly across the whole city (Table 5) in addition to the option selected. All Tables exclude GST

Table 3: Charged across Wairakei and Papamoa (in part) evenly

Project Name	Annual Targeted Rate (\$) 2025		
	Across Full benefit area	Across Wider Benefit area	Across City
3 waters projects	\$ 279.03	\$ 279.03	\$ -
Transportation projects	\$ 279.61	\$ 279.61	\$ -
Total	\$ 558.64	\$ 558.64	\$ -

Table 4: Charged across Wairakei and Papamoa (in part) with a double charge to Wairakei

Project Name	Annual Targeted Rate (\$) 2025		
	Across Full benefit area	Across Wider Benefit area	Across City
3 waters projects	\$ 323.30	\$ 161.65	\$ -
Transportation projects	\$ 323.98	\$ 161.99	\$ -
Total	\$ 647.28	\$ 323.64	\$ -

Table 5: Charged evenly across the City

Project Name	Annual Targeted Rate (\$) 2025		
	Across Full benefit area	Across Wider Benefit area	Across City
3 waters projects	\$ 38.64	\$ 38.64	\$ 38.64
Transportation projects	\$ 38.72	\$ 38.72	\$ 38.72
Total	\$ 77.37	\$ 77.37	\$ 77.37

Updated outcome including 3 waters

The draft LTP excluded the impact of 3 waters as this was expected to transfer out of TCC control. However a change of government has brought these activities back inhouse (for now). If we include 3 waters projects the targeted rate increases significantly. This is shown in Table 6 and 7 (includes GST).

Table 6: Charged across the city but with Wairakei paying triple the amount and Papamoa (in part) a double charge.

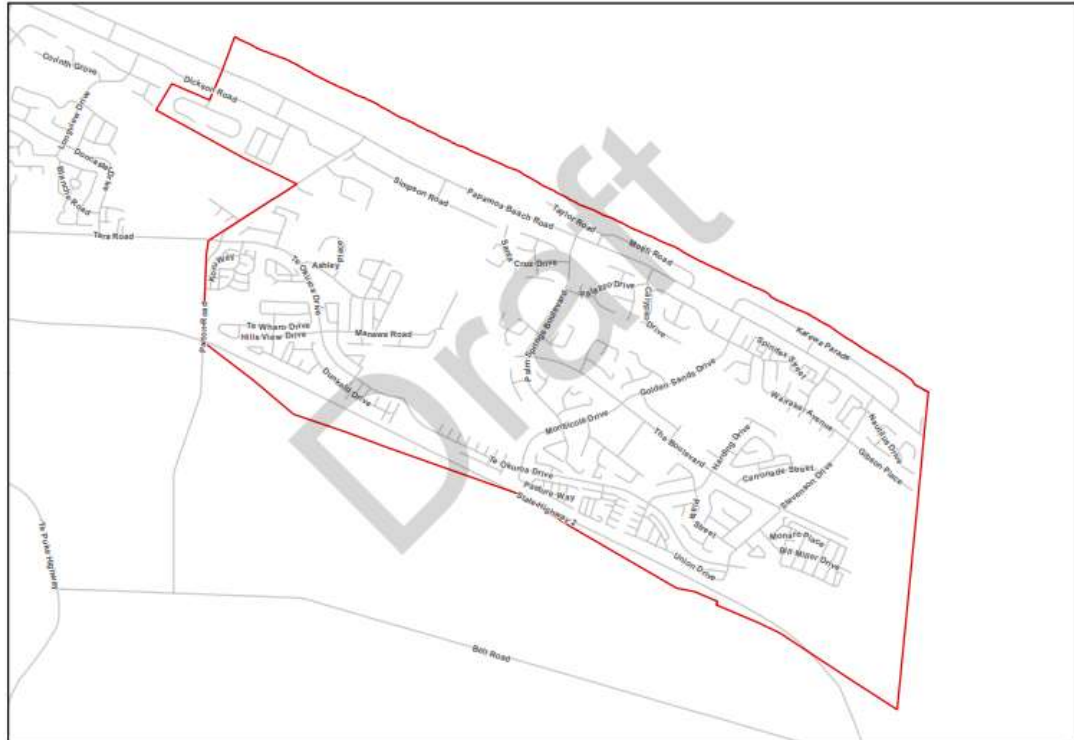
Project Name	Annual Targeted Rate (\$) 2025		
	Across Full benefit area	Across Wider Benefit area	Across City
3 waters projects	\$ 93.56	\$ 62.37	\$ 31.19
Transportation projects	\$ 93.76	\$ 62.50	\$ 31.25
Total	\$ 187.32	\$ 124.88	\$ 62.44

Table 7: As per Table 6 but including GST

Targeted Rate (all projects)	per report (excl GST)	Inc GST
Across Full benefit area	\$ 187.32	215.42
Across Wider Benefit area	\$ 124.88	143.61
Across City	\$ 62.44	71.81

ATTACHMENT 2: UPDATED BENEFIT AREA MAPS

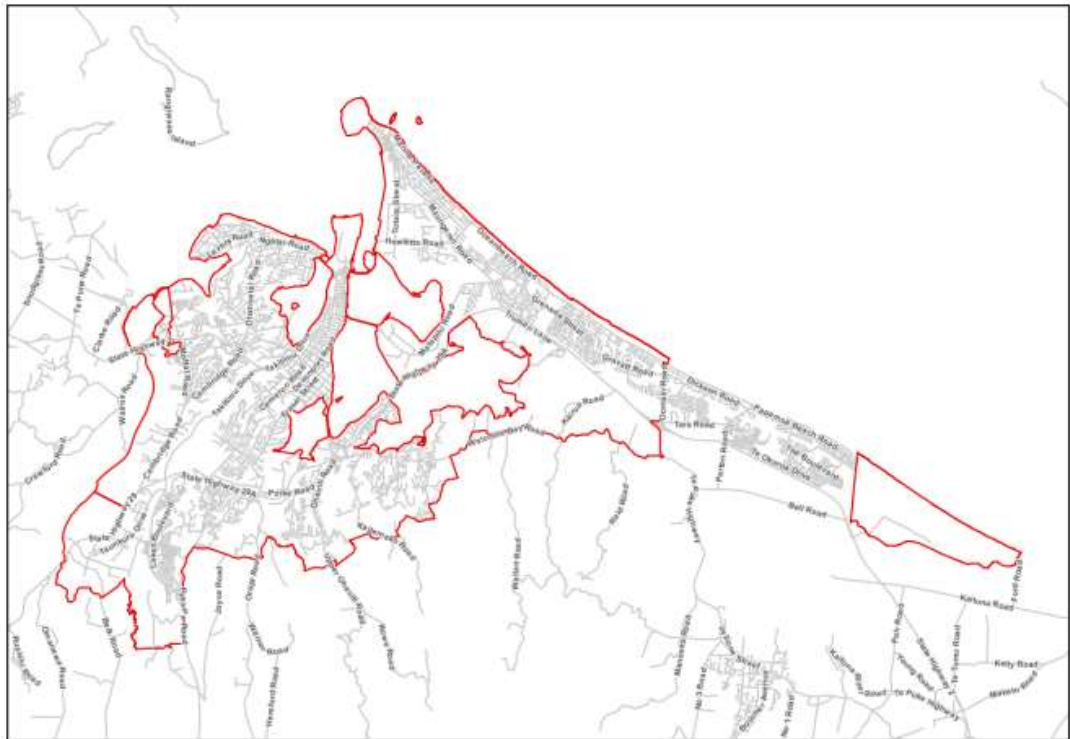
Map of Full Benefit Area



Map of Wider Area Benefit



Map of remaining city area



11.16 Establishment of a Local Urban Infrastructure Targeted Rate**File Number: A15523420****Author: Frazer Smith, Manager: Strategic Finance & Growth****Authoriser: Paul Davidson, Chief Financial Officer****PURPOSE OF THE REPORT**

1. This report considers community feedback on the 2024-34 Long-Term Plan (LTP) on options for establishing Local Urban Infrastructure targeted rates.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Establishment of a Local Urban Infrastructure Targeted Rate".
- (b) Approves establishment of a new targeted rates, titled Pyes Pa West Urban Growth Targeted Rate. This rate is calculated as being 50% of the development contribution backlog associated with the Pyes Pa West growth area. We note the following:
 - (i) The targeted rate will commence from 2025/26 (Year 2 of the LTP).
 - (ii) The rate will be collected over 30 years.
 - (iii) The remaining 50% of the Pyes Pa West backlog will be collected from the rest of the city (as part of the ongoing transfer of DC related debt to rates funded debt)
 - (iv) This targeted rate (and for Bethlehem West and Papamoa growth areas) may need to be reconsidered in future with the inclusion of 3 waters or if Parau Farms is not developed into residential housing.
- (c) Resolves not to establish a targeted rate in the Bethlehem West Urban Growth area as additional development within the growth area should enable the full amount of Development Contributions to be collected.
- (d) Notes for clarity, the benefit area is shown in Attachment 1

EXECUTIVE SUMMARY

2. While Council has a policy of growth pays for growth, we have not been able to collect the full costs of growth through development contributions. Council's financial DC reserves are less than they should be in order to fully recover our capital costs.
3. A change in approach was proposed as part of the Draft LTP. Rather than just transferring the backlog of growth funded debt to ratepayer funded debt, Council proposed transferring some of the backlog to the specific geographic areas where the backlog was generated.
4. The preferred option consulted upon was that 50% of the backlog should be recovered from the growth areas in which the infrastructure was installed with the reduced balance (50%) being transferred as before. This effected the West Bethlehem and Pyes Pa West areas.
5. A review of future growth identified that the number of future houses to be developed in West Bethlehem was significantly higher than previously estimated (mostly through the addition of housing at Parau Farms). This led us to drop the proposed targeted rate from that area.

6. Broadly speaking, the preferred option consulted upon was supported through the consultation process and a new targeted rate is being proposed from 2025/26. However, bringing 3 waters back within Council may create a desire to review this in the future.

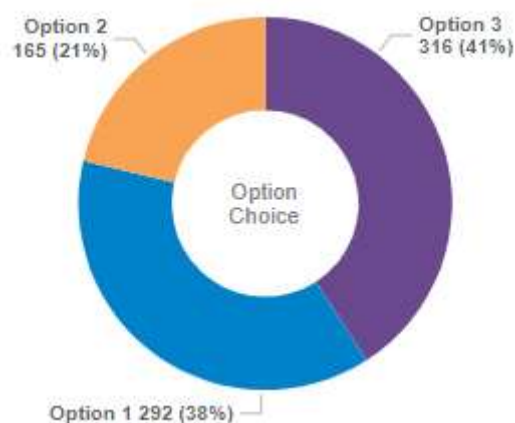
BACKGROUND

7. TCC has been collecting Development Contributions (DCs) (either as Development Contributions (LGA) or as Financial Contributions (RMA)) since 1994. While Council has a policy of growth pays for growth, in practical terms we have not had sufficient knowledge of the future or the ability through the legislation to fully recover our costs. More detail on the causes of this backlog can be reviewed through Attachment A of the original Council report on 4 September 2023.
8. The result is that when the growth area is full, Council expects to have a shortfall in the amount of DCs collected. This is referred to as the 'backlog'. Legally TCC cannot charge current or future developments more development contributions to recover this backlog.
9. In order to reduce the risk of incurring further backlogs, particularly in new growth areas, Council has both improved its practices in terms of estimating future costs and has moved away from charging DC's in favour of using tools such as developer agreements.
10. This backlog was reducing, predominantly due to a decision made by Council in 2011 to start funding this backlog by transferring some of the backlog growth debt to rates funded debt. Since 2015 this has been offset by significant project increases, (particularly in Pyes Pa West, West Bethlehem and Papamoa). These project increases have caused the backlog portion to increase.
11. An alternative approach was considered in a 4 September 2023 Council report. This approach is to recover the backlog through a targeted rate over the same geographic area that the DC charges are being levied.

Consultation Summary

12. The options consulted upon were:
- (a) Option 1: From 2024/25, establish a targeted rate to recover 50% of the development contribution backlog from the areas in which it has been caused over 30 years.
Recommended
 - (b) Option 2: From 2024/25, establish a targeted rate to recover all of the development contribution backlog from the areas in which it has been caused over 30 years.
 - (c) Option 3: Do not establish a targeted rate and transfer reserve balances from development contribution funded debt to rates funded debt over 10 years.
13. The results of this consultation are shown in Figure 1

Figure 1: Responses in relation to establishing an Urban Growth Targeted Rate



14. The feedback from the consultation indicates a preference for a targeted rate being established (59% in total). However, there is a recognition that some of this should be shared across the community (64% of those preferring a targeted rate).
15. A review of the comments included in the feedback gave us the following summary:

Figure 2: Summary of written responses

Response Summary	No. of responses
Support Option 1 or 2	
Those benefiting should pay	25
Support Option 3	
Everyone in City should pay Equally	19
Other comments on charging	
Charge all of the costs to developers	26
Reduce other costs so that this rate doesn't have to be charged	17
People cannot afford rates increases (no feedback on how achieved)	5
Change legislation to enable full collection/ government funding	4
Other Comments	
Question why correct charge wasn't calculated initially	21
Stop further growth	1
Need to get more information and reconsult	2
Unrelated comments (eg public transport, trains, planning issues)	11
Total number of Comments on topic	131

16. In relation to the comments on charging received, several consultation responses refer to charging the developer more. While this is an outcome preferable to the ratepayer, the legislation specifically prohibits this. There is currently no indication that the legislation will be changed in the near term.
17. Several of the consultation responses commented on calculating the charge correctly. We make every effort to do so, but making accurate predictions about project cost and requirements at the introduction of a new growth area is extremely difficult. Attachment A of the original Council report on 4 September 2023 provides more detail on how these differences have occurred and what TCC staff are doing for new growth areas to mitigate this risk.
18. A submission was also received from a landowner who has residentially zoned land in the Pyes Pa growth area and that land is currently being used for rural purposes. Landowners can apply under 5.3 of the Rates Postponement Policy for postponement of rates on farmland where the value of the rating unit is influenced by the potential residential, commercial or other non-rural use.

Updated Results

Bethlehem West

19. Since the initial work completed in relation to funding the DC backlog, we have reviewed the likely yields of Bethlehem West and Pyes Pa West. While there were no major gains available in relation to Pyes Pa West, there have been some major developments in relation to Bethlehem West.

20. Within Bethlehem West there has been a significant increase in the number of properties expected to be developed. This predominantly relates to the development of Parau Farms (previously only had sportsfield development) and the increased yields compared to the original planning.
21. Based on these increased yields Council are comfortable that the increased number of properties be developed in the area will fund the shortfall for Bethlehem West.

3 waters

22. The draft LTP excluded 3 waters projects (legislatively required). A significant portion of the full backlog relates to Stormwater (over 70%). The remaining backlog almost entirely relates to transportation projects.
23. If we included the full impact of this, it would have a significant impact on the figures consulted upon. For this reason, we have not re-examined these balances or suggested they be included in the initial targeted rate.
24. This is something that could be reconsidered as part of the 2025/26 Annual Plan.

STRATEGIC / STATUTORY CONTEXT

25. These new rates were proposed in order to recover the backlog in the Development Contributions in a more targeted way.

OPTIONS ANALYSIS

26. Because of the updated information in relation to Bethlehem West, the targeted rate for this area has been removed from consideration.

Option 1: From 2024/25, establish a targeted rate to recover 50% of the development contribution backlog from the areas in which it has been caused over 30 years (Recommended)

Advantages		Disadvantages	
<ul style="list-style-type: none">• Matches current principles• Transparent process and write-off• Targets large balances• Enables small balances in other areas to be written off• Targets those areas that have historically given rise to the backlog• Charges those areas where there has been an underpayment of DC's.• Does recognise that some ratepayers have already gained from the \$28.3M already transferred to city wide rates funded debt		<ul style="list-style-type: none">• Some ratepayers who have developed recently will pay a high DC and the targeted rate.• Only partially recognises that Council has, at times in the past, recovered costs relating to a specific area from the city wide population• Does charge ratepayers who have gained no benefit from that infrastructure, although at a much lower level than at present.	
Budget – Capital Expenditure	No change in capital expenditure or total debt. From 2025/26 there would be a decrease from \$4.0 M to \$3.6 M on the transfer of DC's funded debt to rates funded debt.		
Budget – Operating Expenditure	For Pyes Pa West ratepayers there would be an increase in targeted rates of approximately \$77 (being approximately 2.1% on the median rates) from 2025/26.		

	There would be a decrease of rates funded interest of approximately \$30,000 (being interest at 5.75% on the debt impact above) attributable to the general ratepayer.
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Option 2: From 2024/25, establish a targeted rate to recover all of the development contribution backlog from the areas in which it has been caused over 30 years.

Advantages	Disadvantages
<ul style="list-style-type: none"> Matches current principles Transparent process Targets large balances Targets those areas that have historically given rise to the backlog Charges those areas where there has been an underpayment of DC's Doesn't charge ratepayers who have gained no benefit from that infrastructure. 	<ul style="list-style-type: none"> For West Bethlehem ratepayers in particular, even at 30 years this would still be a significant increase in rates (over 6%). Some ratepayers who have developed recently will pay a high DC and the targeted rate. We have removed all of the transfer of DC debt to rates debt and there is nothing left to remove small balances. Doesn't recognise that Council has, at times in the past, recovered costs relating to a specific area from the city wide population. Doesn't recognise that some ratepayers have already gained from the \$28.3M already transferred to rates funded debt
Budget – Capital Expenditure	<p>No change in capital expenditure or total debt.</p> <p>From 2025/26 there would be a decrease from \$4.0 M to \$3.0 M on the transfer of DC funded debt to rates funded debt.</p>
Budget – Operating Expenditure	<p>For Pyes Pa West ratepayers there would be an increase in targeted rates of approximately \$154 (being approximately 4.1% on the median rates) from 2025/26.</p> <p>There would be a decrease of rates funded interest of approximately \$60,000 (being interest at 5.75% on the debt impact above) attributable to the general ratepayer.</p>

Option 3: Do not establish a targeted rate and transfer reserve balances from development contribution funded debt to rates funded debt over 10 years

Advantages	Disadvantages
<ul style="list-style-type: none"> Matches current principles Transparent write-off Targets large balances Spreads the impact more evenly across whole population 	<ul style="list-style-type: none"> For most ratepayers this means that they are paying for a shortfall in the funding of infrastructure that provides no service to their property.
Budget – Capital Expenditure	No change in capital expenditure or total debt.

Budget – Operating Expenditure	No change in total revenue or expenditure. Continue to transfer \$4M of DC related debt to rates funded debt.
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Recommendation

27. Council recommended Option 1 in the Consultation process. Most ratepayers (59%) recommended some level of targeted rate, but there was significant recognition that this was a wider issue and that only 21% thought that the entire backlog should be funded based on where it arose. (Option 2).
28. This feedback supports Council's preferred option and is therefore our recommendation for adoption. However due to additional work done since the consultation process was commenced, staff recommend that this charge is only levied in relation to the Pyes Pa West Growth area. A map of this area is included as Attachment 1.

FINANCIAL CONSIDERATIONS

29. There are no financial implications for the 2024/25 as the rate doesn't impact until 2025/26 onwards.
30. The amended targeted rates of the various options is included in Figure 3 below.

Figure 3: Pyes Pa West Targeted Rates for the three consulted options

Pyes Pa West Targeted Rate	per report (excl GST)	Including GST	Range per consultation
Option 1 (50%)	73.57	84.60	\$80 to \$93
Option 2(100%)	147.13	169.20	\$160 to \$186
Option 3 (Status Quo)	-	-	Nil

31. The results are within the bounds used for the consultation.
32. The potential financial implications of the recommended approach are shown in Figure 4 below for information purposes.
33. Key additional information used for Figure 4 include.
 - Assumption: Growth in number of ratepayers 2.5% pa
 - Impact on general rates funded debt from the previous LTP is \$3.98M pa up to and including 2030/31. The net impact is the recommended transfer (0.66 M pa) less the budget already in the system
 - Excludes impacts of Status quo as these are nil.

Figure 4: Financial Impacts of Targeted Rate in Pyes Pa West

Financial Year	Option 1: 50% of Backlog charged as targeted rate			Option 2: 100% of Backlog charged as targeted rate		
	Impact on Rates Pyes Pa West	Impact on Rates Funded Debt \$M	Impact on Rates (Cumulative) \$M	Impact on Rates Pyes Pa West	Impact on Rates Funded Debt \$M	Impact on Rates (Cumulative) \$M
2024/25	\$ -	0	0	\$ -	0	0
2025/26	\$ 73.57	(0.48)	(0.03)	\$ 147.13	(0.96)	(0.06)
2026/27	\$ 71.77	(0.48)	(0.06)	\$ 143.54	(0.96)	(0.12)
2027/28	\$ 70.02	(0.48)	(0.09)	\$ 140.04	(0.96)	(0.18)
2028/29	\$ 68.31	(0.48)	(0.12)	\$ 136.62	(0.96)	(0.24)
2029/30	\$ 66.64	(0.48)	(0.15)	\$ 133.29	(0.96)	(0.30)
2030/31	\$ 65.01	(0.48)	(0.18)	\$ 130.04	(0.96)	(0.36)
2031/32	\$ 63.42	0.48	(0.15)	\$ 126.87	0.96	(0.30)
2032/33	\$ 61.87	0.48	(0.12)	\$ 123.78	0.96	(0.24)
2033/34	\$ 60.36	0.48	(0.09)	\$ 120.76	0.96	(0.18)
2034/35	\$ 58.89	0.48	(0.06)	\$ 117.81	0.96	(0.12)
Total		(0.96)			(1.92)	

34. Note that the financial implications outlined above are different to those in the September report as this assumed that the backlog in relation to 3 waters projects would transfer out to the new entity.
35. The exclusion of the West Bethlehem targeted rate may also need to be revisited if the proposed residential development at Parau Farm does not eventuate.

LEGAL IMPLICATIONS / RISKS

36. There are no legal implications in relation to this decision.

CONSULTATION / ENGAGEMENT

37. This report is the conclusion of the consultation process undertaken as part of the LTP. The new targeted rate outlined in this report was a specific consultation question across the entire community. No further consultation is considered necessary as the final recommendations are within the outcomes consulted upon.

SIGNIFICANCE

38. 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.
39. 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 .
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

In accordance with the considerations above, criteria and thresholds in the policy, it is considered that this matter is of low significance as it involves no rates impact to the majority of the city. It may be a higher significance within Pyes Pa West area, but as the recommended outcome only involves a 2.3% increase it is considered to be of medium significance.

ENGAGEMENT

40. This report is the conclusion of the consultation process undertaken as part of the LTP. The new targeted rate outlined in this report was a specific consultation question across the entire community. No further consultation is considered necessary as the final recommendations are lower than the outcomes consulted upon.

NEXT STEPS

41. Depending on the outcome resolved in relation to this report, Council will proceed with the final preparations for including this targeted rate from the 2025/26 financial year.

ATTACHMENTS

Nil

Attachment 1: Map of Pyes Pa West growth area

ATTACHMENT 1

MAP OF PYES PA WEST GROWTH AREA



11.17 Establishment of a targeted rate for private pool inspections

File Number: A15518805

Author: Steve Pearce, Manager: Building Services

Authoriser: Sarah Omundsen, General Manager: Regulatory and Compliance

PURPOSE OF THE REPORT

1. This report considers community feedback on the proposal to introduce a new targeted rate for private swimming pool inspections as part of the 2024-34 Long-term Plan (LTP).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Establishment of a targeted rate for private pool inspections".
 - (b) Approves establishment of a new targeted rate titled 'Pool Inspections Targeted Rate' to commence in the 2024/25 rating year.
-

EXECUTIVE SUMMARY

2. All swimming pool owners are required to ensure their pool is safe for those who use it. One requirement is ensuring the pool has an appropriate pool safety barrier. It is Council's legal responsibility to ensure all pool safety barriers are recorded on a register and to regularly inspect them to make sure they continue to comply. Council inspects pool safety barriers every three years and charges pool owners a fee for this service.
3. As part of the LTP 2024-34 consultation process, the community were asked if Council should introduce targeted rates for swimming pool inspections as a way of reducing Council's administrative burden as well as spreading the cost burden on pool owners. In this proposal, a targeted rate would replace the current three yearly fee to ensure future owners pay their fair share while reducing administration impacts.
4. Overall, submitter responses were unclear. At first glance, submitters appeared to not favour the introduction of a new targeted rate for pool inspections. However, it appears that many submitters a) did not realise that the targeted rate would only apply to swimming pool owners and b) regardless of the approach to charging for inspections (fee versus targeted rate) the cost to pool owners would increase to better reflect actual costs to Council.
5. Staff recommend that the new targeted rate proposed is established to ease the administration burden on Council with minimal impact on private pool owners.

BACKGROUND

6. In 2016, a change to the Building Act 2004 meant that local authorities became legally responsible for ensuring that all pool safety barriers within their jurisdiction are recorded on a register and meet compliance. Council began scheduled pool safety barrier inspections in early 2016 in preparation for the new legislation coming into effect from 1 January 2017.
7. At the time, Council decided that scheduled pool safety barrier inspections would be undertaken at no cost to the pool owner, with all costs borne by Council. This approach was maintained until all pool safety barriers had been inspected and brought to a compliant standard, at which point inspections were charged.
8. The focus of inspections is pool safety. Pool safety is particularly important in Tauranga with our warm climate and high number of private swimming pools. There are approximately

3,000 pools on Council's register that are inspected (1,000 annual pool inspections). The Building Act requires inspections to be undertaken at least once every three years (within six months on either side of the last inspection) to ensure the ongoing safety of pool safety barriers, particularly pool gates, as the pool safety barrier can fail or deteriorate over time.

9. Regulating and inspecting pool safety barriers does have a positive outcome. The Ministry of Business, Innovation and Employment (MBIE) released a 2013 Regulatory Impact Statement focusing on compliance costs and child safety around pools. It reported that the number of young children drowning in home swimming pools reduced substantially with the introduction of regulation. A comparison of pre and post regulation shows that drownings of young children in New Zealand over a 10-year period decreased from 100 to 30.

CURRENT PROCESS FOR FEE COLLECTION

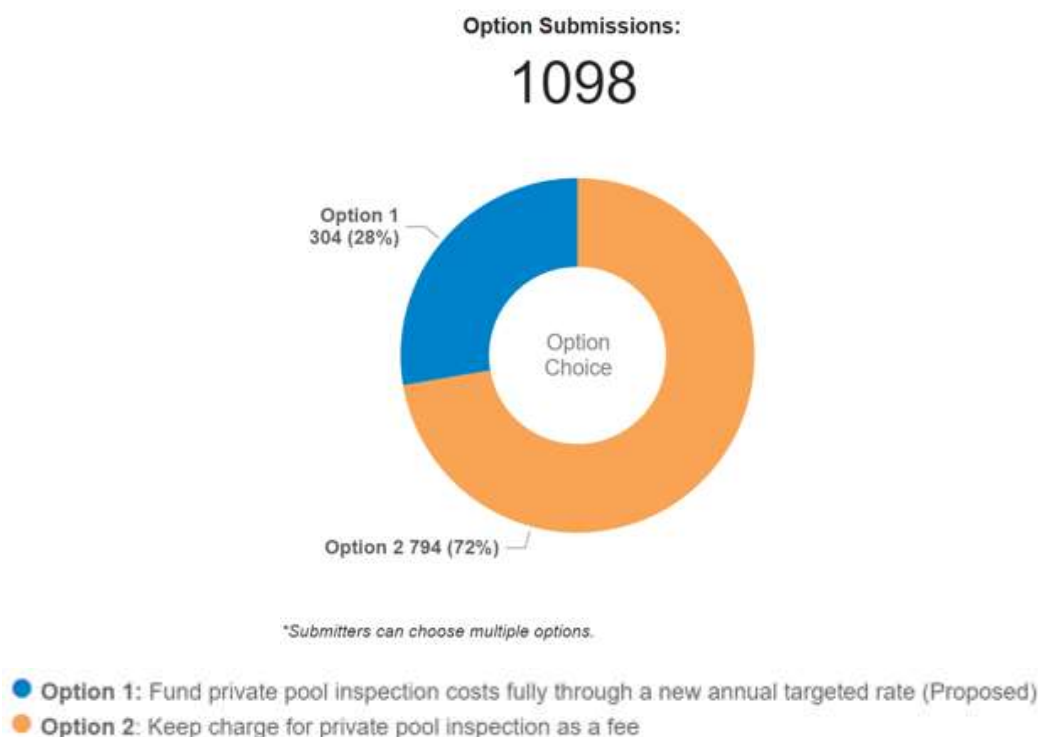
10. To cover the cost of scheduled pool inspections by members of the building team, a pool safety barrier inspection fee of \$165.00 is currently charged by Council every three years following a pool inspection. This is charged regardless of a pass or fail, and any re-inspections require a further inspection fee to be paid.
11. Examination of the time and cost for swimming pool inspections, including administration and complaint response, found that the \$165 fee covers slightly less than half the actual cost to Council. Regardless of the approach to charging for swimming pool inspections, the inspection fee will need to increase to \$321 every three years (or \$107 annually) as set out in the Long-term Plan (LTP) Consultation Document to cover actual costs to Council.

LTP 2024-34 CONSULTATION ON SWIMMING POOL INSPECTIONS

12. As part of the LTP 2024-34 consultation process, the community were asked if we should introduce a new targeted rate for swimming pool inspections.
13. Targeted rates are paid by ratepayers when a property benefits directly from a service and can only be spent on the things they were collected for. A targeted rate would replace the current three yearly fee to ensure future owners pay their fair share and also to reduce administration costs, allowing resources to be used in other areas of the building service activity.
14. The options in the consultation document relating to pool inspections were:
Option 1 – Fund private pool inspection costs fully through a new annual targeted rate. A targeted rate of \$107 per year is introduced to fund private pool inspections (only applies to private pool owners).
Option 2 – Keep the charge for private pool inspections as a fee. Continue to charge \$321 fee every three years.
15. Key facts were noted between the two approaches:
 - \$0 difference in cost for swimming pool owners (a fee of \$321 every 3 years compared with targeted rates of \$107 per year)
 - \$0 difference on all ratepayers (targeted rate would only apply to private pool owners)
 - \$0 impact on Council debt.
16. A targeted rate for private swimming pool owners (Option 1) was the preferred option identified by Council in the Consultation Document.
17. In addition, the 2024/25 Draft Fees and Charges document proposed that any additional swimming pool barrier inspection would be charged at \$174.90 (this would be in addition to the proposed \$107 annual targeted rate in the event of a failed pool inspection).

COMMUNITY FEEDBACK

18. There were 1,098 submission responses to the question relating to the introduction of a new targeted rate for swimming pool inspections. Most submission responses (794) favoured keeping the charge for pool inspections as a fee (72%) and the remaining 304 responses (28%) agreed with Council's preferred approach of introducing a targeted rate (Figure 1).



19. Comments on this topic were received from 195 submitters. Of these, 38 submitters (20%) were in support of annual targeted rates and 105 (53%) preferred the fee-based approach.
20. Please note that approximately half of submitter comments supporting a fee-based approach appeared to misinterpret the information thinking that:
- the rate would be applied across general rates (i.e. all ratepayers) rather than being applied to swimming pool owners only; and/or
 - fees would increase from \$165 every three years to \$107 per year with a targeted rate (i.e. effectively doubling), rather than fees increasing to \$321 every three years no matter what charging approach is used.
21. A further 52 comments were received on other matters. Some comments were outside of Council's legislative requirements, such as requests to stop all pool inspections, lengthen time between pool inspections and to change to independent (non-Council) inspectors.
22. Key themes raised by submitters are summarised in the table below.

	Key themes	Number of submitters
Support new annual targeted rate (Option 1)	General support / fairer approach is to charge annually (including if property ownership changes over the 3-year period)	33
	Cost spread for pool owners – more affordable	5
Support current fee-based approach (Option 2)	Keep it simple / focussed / fairer / transparent	56
	Represents user pays / less cost to pool owners (<i>appeared to misinterpret information</i>)	49

Other comments	Fees are too high	15
	Many pools not identified for inspection	3
	Organise inspections more efficiently	4
	Change to 5-year inspection period (or longer)	7
	Stop having pool inspections all together	6
	Inspections should be independent of Council	1
	Not directly related to issue	16

STRATEGIC / STATUTORY CONTEXT

23. As discussed above, swimming pool inspections are important to ensure pool safety in our city, particularly in relation to our young children. They are also part of Council's legislative role under the Building Act 2004.

OPTIONS ANALYSIS

24. There are three options for Council's consideration.

Option One: Charge private pool inspection costs fully through a new annual targeted rate (RECOMMENDED)

Advantages	Disadvantages
<ul style="list-style-type: none"> Less administrative time required for Council. Some submitters perceived that this is more affordable for pool-owners as the charge gets spread annually. Some submitters perceived that it is fairer to charge annually, particularly when a property changes ownership as the cost is transferred to the new owner. 	<ul style="list-style-type: none"> Majority of submitters <u>did not</u> support this option (although this may be due to a misinterpretation as discussed above).

Option Two: Keep the charge for private pool inspections as a fee (NOT RECOMMENDED)

Advantages	Disadvantages
<ul style="list-style-type: none"> Majority of submitters indicated that this is the preferred option (although this may be due to a misinterpretation as discussed above). The current system was perceived by some submitters as being fairer and more transparent as you pay for the service when you receive it. 	<ul style="list-style-type: none"> More time required for administration, resulting in other building service administration tasks being reprioritised.

Option Three: Re-consult on the establishment of a new targeted rate for swimming pool inspections (NOT RECOMMENDED)

Advantages	Disadvantages
<ul style="list-style-type: none"> Able to clarify consultation material and gather more accurate community feedback. 	<ul style="list-style-type: none"> Cost of a second consultation process may not be perceived by community as a good use of Council funds for a minor issue that has minimal impact on the community, including swimming pool owners.

25. Although community preference is unclear, Staff recommend that Council proceeds with the new targeted rate (option 1). This option lessens Council's administrative burden and has very minimal impact on swimming pool owners.

FINANCIAL CONSIDERATIONS

26. There are no financial implications for Council or private swimming pool owners:
- \$0 difference in cost for swimming pool owners (a fee of \$321 every 3 years compared with targeted rates of \$107 per year)
 - \$0 difference on all ratepayers (targeted rate would only apply to private pool owners)
 - \$0 impact on Council debt.
26. It should be noted that the actual cost of administration for the targeted rate approach is likely less than the current fee-based approach.

LEGAL IMPLICATIONS / RISKS

27. There are no legal implications in relation to this decision.

CONSULTATION / ENGAGEMENT

28. A full special consultative procedure under Section 83 of the Local Government Act has been carried out as part of the LTP process. The new targeted rate outlined in this report was a consultation question contained within the Consultation Document.
29. Although the consultation process did not result in a definitive community preference, due to the likely misinterpretation of information by submitters, it also did not highlight any significant community issues. No further consultation is therefore considered necessary.

SIGNIFICANCE

30. 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.
31. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- the current and future social, economic, environmental, or cultural well-being of the district or region
 - any persons who are likely to be particularly affected by, or interested in, the decision.
 - the capacity of the local authority to perform its role, and the financial and other costs of doing so.
32. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

33. 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

34. If Council decides to proceed with a new targeted rate for pool inspections, Council will proceed with the final preparations for including a targeted rate from the 2024/25 rating year.

ATTACHMENTS

Nil

11.18 2024/25 Development Contributions Policy deliberations**File Number: A15509519****Author: Ben Corbett, Team Leader: Growth Funding****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****PURPOSE OF THE REPORT**

1. To present analysis and draft responses to submissions on the draft Development Contributions Policy 2024/25.
2. To recommend changes to the draft Development Contributions Policy 2024/25 in light of consultation responses.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "2024/25 Development Contributions Policy deliberations".
- (b) Approves the 2024/25 Development Contributions Policy 2024/25 to include:
 - (i) Updated, reduced Housing Unit Equivalent divisors for registered retirement villages and aged care facilities; and
 - (ii) A 'large residence' category of charges for 4+ bedroom dwellings; and
 - (iii) A new Te Papa Infill local development contributions catchment for the transport activity and a new sub-catchment within the Te Papa Infill catchment for the reserves activity; and
 - (iv) Consequential updates to development contributions charges to reflect decisions made by Council through deliberations on the Long-Term Plan 24-34.
- (c) Notes that the proposed final 2024/25 Development Contributions Policy will be reported to Council in March for consideration.
- (d) Approves the responses to external submissions received on the draft Development Contributions Policy 2024/25 (report paragraphs 15, 22, 28 and 38 and Attachment A).

EXECUTIVE SUMMARY

3. TCC undertook public consultation on its draft Development Contributions (DC) Policy 2024/25 (DCP) alongside Long-term Plan 24-34 (LTP) consultation.
4. A relatively small number of submissions were received with the majority of substantive submissions being received from large developers and industry bodies. This is in line with previous DCP consultations
5. The changes proposed to the draft DCP met with mixed support as detailed in this report. Staff recommendations have not materially changed in light of consultation but various improvements and clarifications to the policy are proposed.
6. Staff are also proposing a series of updates to reflect decisions made since November 2023 including updates to Cameron Road Stage 1 and 2 budgets, delivery of the Memorial Park Aquatics Center and associated indoor courts investments and to reflect the outcome of Long-Term Plan deliberations by Council (particularly those affected by the 3 waters changes).

7. The draft DC charges will be updated following Council's LTP deliberations and will be reported back to Council on 18 March 2024.

BACKGROUND

8. Council uses DC's to fund a portion of the cost of growth-related capital expenditure for certain infrastructure projects. DC's are charged in accordance with TCC's operative Development Contributions Policy.
9. Staff presented a paper on 16 October 2023 (*Adoption of draft Development Contributions Policy 2024/25*). At this meeting Council resolved to adopt a draft DCP for public consultation including four key changes, as follows:
- (a) updated, reduced Housing Unit Equivalent divisors for registered retirement villages and aged care facilities resulting in lower DCs for those developments;
 - (b) a new 'large residence' category of charges for 4+ bedroom Dwellings charged at 1.3 times the rate of a 3-bedroom dwelling;
 - (c) a new Te Papa Infill local development contributions catchment; and
 - (d) updates to project cost estimates and project timings to reflect the draft Long Term Plan 2024-34.
10. Consultation on the draft DCP was conducted in November – December 2023. Consultation feedback on each key matter is summarised below along with a discussion of the impact of several recommendations from within TCC.

STRATEGIC / STATUTORY CONTEXT

11. TCC received 56 submissions on the draft DCP. 14 of these were relatively sophisticated and detailed, often with specific feedback relating to particular catchments. The remaining 42 submissions were generally very brief and contain expressions of sentiment or high-level ideas of how the DCP should operate.
12. Staff have summarised submission feedback on the four key topics below.

Introduction of lower development contributions charged for aged care facilities

13. The draft DCP included the following proposed changes:
- (a) Reduce the citywide DC 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; and
 - (b) Reduce the citywide DC charge for transport, reserves and community facilities activities from 0.4 HUE to 0.15 HUE for Aged Care Facilities (which provide 24/7 medical care and are constructed within registered Retirement Villages).
14. No changes are proposed to local DC charges as the DCP already has mechanisms in place to limit or cap local DCs based on the higher densities achieved in retirement village developments.
15. TCC received 4 submissions commenting negatively on this change. The reasons given and staff response are summarised below.

Submission Point	Response
Retirement villages can afford to pay DCs	Ability to pay is not a lawful consideration under the Local Government Act 2002
Reducing collection from retirement village developers will shift the burden to future generations and/or ratepayers	This is not correct. The charges for all developments will be 'grossed up' to reflect the lower charge for retirement villages to ensure TCC receives the same amount of DC revenue as if all developments paid the same DC

	amount. This means the question of lowering the retirement village divisors is not about whether TCC raises more or less DC revenue or shifts the burden to ratepayers but rather what is the most equitable way to collect that revenue.
The change endorses the creation of retirement 'enclaves' with lesser contributions towards the overall city	The merits of retirement villages is not a lawful consideration under the Local Government Act 2002
TCC should look to provide less infrastructure to reflect lower demand by retirement villages rather than lower charges	TCC provides infrastructure to reflect the overall needs of development collectively, not the needs of specific developments. A marginal decrease in demand from a specific development or type of development is negligible compared to the scale of infrastructure in question.
Retirement village residents will have the benefit of whatever infrastructure TCC chooses to provide, and many residents do choose to utilise council infrastructure	The HUEs in the draft DCP are approximately correct based on the data available and the independent advice we have received. The HUE seeks to be reflective of benefit considerations.
Retirement villages should be asked to commit to maintaining their 'replacement' infrastructure in perpetuity if they are not to pay for other infrastructure	In principle, staff agree. However, this seems practically difficult to achieve. TCC is not aware of any village that has stopped providing amenity given the competitive market in this industry.

16. TCC received 2 submissions commenting positively on this change. Both supported the change on the basis the data suggests lower using of assets by retirement village developments.
17. In light of the above, staff still recommend updating the charges for retirement villages as described above at paragraph 14.

Advantages	Disadvantages
Recognises the lower demand placed on infrastructure by retirement villages	Results in an incremental increase to citywide DC charges paid by other developers.

Introduction of a 'large residence' category for 4+ bedroom dwellings

18. TCC's operative DCP has differentiated citywide DC charges for 1, 2 and 3+ bedroom dwellings on the basis that dwellings with different numbers of bedrooms on average have different numbers of residents who generate different amounts of demand for infrastructure. TCC has signalled for a number of years that staff would look into introducing a 4+ bedroom dwelling charge to more equitably share the costs of growth.
19. To ensure the lower charges to smaller dwellings do not result in DC under-collection, the charges for all properties are 'grossed up'; to ensure TCC receives the same amount of DC revenue as if all dwellings paid the same DC amount. This means the question of adding a large residence charge is not about whether TCC raises more or less DC revenue but rather what the most equitable way is to collect that revenue.
20. If TCC does not introduce the 4-bedroom charge, charges for 1, 2 and 3 bedroom dwellings will increase as detailed in the October 2023 report and replicated below. For example, if the

large residence charge is introduced, the fee for a 3-bedroom dwelling will be approximately \$37,000 (plus GST). If it is not introduced, the fee will be approximately \$34,000 (plus GST). Note, the exact dollar values will change to reflect the outcome of Long-Term Plan deliberations.

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%	

21. TCC received 4 submissions commenting negatively on this change. The reasons given and staff response are summarised below.

Submission	Response
Disagree with bedrooms as a measure of demand on the basis that number of bedrooms is not determinative of usage.	TCC acknowledges bedrooms is not a perfect way to measure demand. However, TCC has been using bedrooms as a measure of demand for over 10 years and it is a well-accepted measure used by many other councils. Census data indicates bedrooms are a reasonably accurate measure of household occupancy and that there is clear relationship between household occupancy and infrastructure demand.
Questions as to whether the data used is accurate	Staff used the most recently available census data (2013) to undertake this analysis. Staff will update the analysis once the results from the most recent census are available in future.

22. There may be a number of reasons some developers are averse to this change:
- (a) developers expecting to deliver a greater number of 4-bedroom properties in the near future;
 - (b) developers expecting the introduction of 4-bedroom charges to result in a greater reduction in charges for dwellings with fewer bedrooms; and/or
 - (c) costs increasing across the board and a lower rise in 1, 2 and 3 bedroom properties seeming more palatable than a new, higher charge for 4+ bedroom properties.
23. TCC received 2 submissions commenting positively on this change. Both supported the change on the basis our analysis suggests higher demand for infrastructure in dwellings with a greater number of bedrooms.
24. Staff note a correction has been made to assumptions regarding expected housing delivery to reflect the treatment of retirement villages. This has increased the number of 1-bedroom dwellings.
25. In light of the above, staff still recommend introducing a 'large residence' category of DC charges.

Advantages	Disadvantages
Improves the equity of growth charges	Is not supported by some industry groups and some developers

Aligns with TCC's growth pays for growth principle	Results in higher charges for development of homes with four or more bedrooms
Partially offsets the proposed increase in charges for 1, 2 and 3-bedroom properties	

Introduction of Te Papa local development contribution catchment

26. TCC consulted on introducing a new local DC catchment for the Te Papa peninsula. The catchment was proposed to collect DC's towards the growth-related share of transport and reserves projects.
27. Charges for a residential property in the draft DCP were \$8,300. As the Te Papa Infill catchment lies within the Tauranga Infill catchment, a further existing charge of approximately \$4,000 would apply for the southern pipeline wastewater project. Non-residential developments were proposed to be charged approximately \$6,700 per 100 sqm of gross floor area. All amounts shown in this report are exclusive of GST. These charges will increase to reflect recent decision making by Council to update the cost estimates for Cameron Road Stages 1 and 2. These changes are summarised in the tables at paragraph 35.
28. TCC received one submission in favour of introducing the catchment with none opposing it. The submission in favour raised a number of further points, summarised and responded to below.

Submission	Response
Water infrastructure should be funded through the catchment	TCC staff agree – waters infrastructure was not included in the catchment due to the uncertainty around the water reform process. Staff will continue to monitor the proposed water reforms and may seek to include DC charges for these activities in the future.
TCC should reinterrogate the percentage of growth funding for each project. Significantly more funding should be allocated to growth. The methodology underpinning the growth allocations is not sufficiently detailed.	Staff are confident in the methodology used but will continue to refine the methodology over time as more data becomes available.
Reserves funding is difficult to assess as limited detail has been provided	See below.

29. TCC's level of service policy for open spaces focuses on providing a network of neighbourhood reserves within close proximity of residential areas. Staff have included one reserves project in the DCP: a bulk fund to support development of a collection of neighbourhood reserves in Gate Pa, Merivale and Greerton areas.
30. In accordance with its open spaces policy, TCC is focussed on providing amenity at neighbourhood reserves to support the catchment surrounding the reserve. This means reserves in Gate Pa, Merivale and Greerton are unlikely to have the infrastructure to support visitors travelling from further afield (e.g. public toilets, extensive parking). Consequently, reserves provided south of 15th Ave are unlikely to be regularly used by residents in other parts of Te Papa. Those residents would have other reserves closer to their homes.
31. In order to lawfully apply DC funding for a project, TCC needs to show a demonstrable link between development both causing investment to occur and that development benefitting from the investment (at least in part). On this basis,
 - (a) development north of 15th Ave is not causing development of the reserves in question, other reserves are available to those developments to use; and

- (b) those developments are unlikely to benefit from the investment in reserves, as they are unlikely to travel to use them due to the nature of their facilities.
32. Considering this, staff have formed the view it is most likely unlawful to charge reserves DCs to developments north of 15th Ave. Instead, staff are recommending a sub-catchment within the Te Papa Infill catchment which will collect reserves DCs for developments within the Te Papa Infill catchment which are south of 15th Ave only. In time it may be appropriate to extend this sub-catchment to match the Te Papa Infill zone as new projects are added to future LTPs or funding allocations for projects are refined.
33. Creating a smaller sub-catchment for reserves funding will increase the reserves charges for developments south of 15th Ave. This is because the budget for these projects remains the same but the number of developments to pay for the infrastructure has reduced. This means the charge would go from \$2,900 (as consulted on), to approximately \$4,000 – 4,500. At a catchment-wide level, this is an increase of between 8 – 11%. Staff will continue to refine this range and table updated numbers at the Council meeting. This is balanced by a commensurate decrease in charges for the remainder of the Te Papa Infill catchment north of 15th Ave which would no longer pay reserves charges.
34. While the increase for part of the community is substantial, staff are of the view it is appropriate to proceed given:
- (a) The dollar value of the change is relatively low;
 - (b) The increase in the south of the catchment is balanced by a decrease in the north of the catchment; and
 - (c) The change has been made in part in response to a submission requesting greater detail regarding the reserve's investments in Te Papa.
35. The changes to transport and reserves activity charges are summarised in the tables below.

Residential development charges – Te Papa Infill			
Charge	Draft charges (Nov '24)	Proposed Te Papa charges north of 15th Ave	Proposed Te Papa charges south of 15th Ave
Transport	5,400	5,400	5,400
Add draft Cameron Rd Stage 1 charge increase	-	+150	+150
Add draft Cameron Rd Stage 2 charge increase	-	+600	+600
<i>Sub-total</i>	5,400	6,150	6,150
Reserves	2,900	2,900	2,900
Apply reserve charge south of 15 th Ave only	-	-2,900	+1,100 – 1,600
<i>Sub-total</i>		0	4,000 – 4,500
Wastewater: Southern Pipeline	4,000	4,000	4,000
Total	12,300	10,150	14,150 - 14,650
Variance		-2,150	1,850 – 2,350

Non-residential development charges – Te Papa Infill		
Charge	Draft charges (Nov '24)	Proposed Te Papa charges

Transport	6,700	6,700
Add draft Cameron Rd Stage 1 charge increase	-	+250
Add draft Cameron Rd Stage 2 charge increase	-	+750
Wastewater: Southern Pipeline	400	400
Total	7,100	8,100
Variance	-	+1,000

36. In light of the above, staff still recommend introducing the Te Papa Infill local DC catchment.

Advantages	Disadvantages
Ensures development in Te Papa shares appropriately in the costs of growth	Increases the cost of development in Te Papa
Provides a more equitable economic environment for development in different areas of the city.	Increases the charges associated with reserves in the south of the peninsula creating a charging asymmetry within the catchment and adds complexity to the implementation of charges
Takes the most robust approach to applying the law to reserves contributions	

Increase in DC charges

37. The draft DCP proposed an increase to citywide DCs and many local DCs. These changes met with mixed support.
38. TCC received 10 submissions commenting negatively on this change. The reasons given and staff response are summarised below.

Submission	Response
Fees are already substantially higher than in other parts of New Zealand	It is difficult to compare DC charges between different councils. Each council is delivering different assets, at a different price and recouping the investment over a different time period. TCC's charges reflect the large amount of investment being made in the coming years to enable growth.
Higher fees will make it more difficult to build in Tauranga	Staff acknowledge higher fees will make it more challenging to achieve commercial feasibility for some developments. However, DCs make up a relatively small portion of total costs when building and the proposed increases are not expected to materially affect the vast majority of development feasibility analysis.
Higher fees will result in higher property prices for buyers	DCs are one of a vast array of factors that influence property price. Staff have not seen any evidence to suggest DCs are a significant driver of house price as compared to inflation rates, finance conditions or the cost of building.
Financing options other than DCs should be investigated including IFF and central government funding	Both IFF and central government funding have been successfully achieved and TCC is continuing to work on other opportunities.

Growth costs should be spread across all ratepayers	TCC has a 'growth pays for growth' principle in its Revenue and Financing Policy. This suggestion runs contrary to that.
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39. TCC received 8 submissions commenting positively on this change.

Submission	Response
Continue with the 'growth pays for growth' principle.	The 'growth pays for growth' principle is included in the DCP and Long-term Plan 24-34.
Increases are supported as developers can afford to pay more towards the cost of growth.	While affordability of DCs is a concern for council, developers being able to afford increases is not a lawful consideration under the Local Government Act 2002.
Increases in costs will slow down development	DC rises (and other cost increases facing developers) may impact on the level of development that occurs to some extent. However, changes are required because the cost of growth-related infrastructure is increasing, and it is more equitable that the development community meet these costs than the wider community.

40. Staff continue to recommend implementing increases to DCs.

Advantages	Disadvantages
Ensures the DCP aligns with the Long-term Plan	Increases the cost of DCs to developers.
Ensures TCC is collecting the growth share of capital expenditure, minimising the impact of growth on ratepayers	

Other external submissions

41. External submitters have raised a number of matters further to those discussed above. These matters have been summarised and responded to in Attachment A. Many of these are detailed and technical matters which are part of larger projects. Key submissions include:
- (a) A submission requesting the creation of two local DC catchments for the Lower Belk Road area from 1 July 2025. This will support the proposed private Plan Change to rezone this land and complement a proposed development agreement. Staff will work with the landowners to progress the creation of catchments in the next draft DCP.
 - (b) Submissions relating to the development of Te Tumu and Wairakei. In particular relating to the project budgets, funding allocations for projects that support growth in this area and requesting further detail relating to the delivery of certain enabling infrastructure. This information links into the broader ongoing Te Tumu work programme and will be supplied through the existing landowner meetings.

Impact of internal staff recommendations on the LTP

42. Internal recommendations and other decisions made by Council following adoption of the draft Long Term Plan 24-34 can impact DC's eg. where the timing of delivery of assets or project cost estimates are updated.
43. A number of material changes to the citywide DC are worth noting:

- (a) Updates to costing of Cameron Road Stage 1 and 2 made in December 2023 will increase the local DC for Te Papa Infill as detailed above.
 - (b) The increase in Memorial Park aquatics centre project cost together with the removal of growth funding for the indoor courts (planned for a new Cameron Road site) is expected to be approximately cost neutral.
 - (c) The inclusion of growth funding for indoor courts at BayPark (which is now intended to provide for growth) will increase the citywide DC community infrastructure charge by approximately \$500 for residential development.
 - (d) Changes to library funding to reflect the proposed implementation of the Te Manawataki o Te Papa IFF will decrease the citywide DC by approximately \$2,000.
44. Staff note that decisions made through deliberations may have a further impact on citywide and local DCs
45. Staff will also prepare a series of minor wording updates to improve the efficacy of the policy.

FINANCIAL CONSIDERATIONS

46. The financial considerations of each option have been discussed above and in the October 2023 paper.

LEGAL IMPLICATIONS / RISKS

47. Legal implications and risks have been addressed through the options analysis above.

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. All necessary engagement has been undertaken during the public consultation period.

NEXT STEPS

52. Staff will update the DCP to reflect Council's recent resolutions and decisions made through deliberations on the LTP. Staff will return to Council with updated DC charges on 18 March 2024.
53. Staff will then return to Council with the final DCP for adoption in April 2024. At that time staff will propose key actions/changes proposed for the 2025/26 DCP for review and endorsement by Council. These changes are likely to include the creation of new local DC catchments for Lower Belk, and the introduction of a significant number of additional waters projects.

ATTACHMENTS

1. **Attachment 1: List of all submitters to the 2024/25 Development Contributions Policy - A15568655** [↓](#) 
2. **Attachment 2: Summary of submission topics on 2024/25 Development Contributions Policy and proposed responses - A15568654** [↓](#) 

Attachment 1: List of submitters to the draft 2024/25 Development Contributions Policy

Submission number	Submitter First Name	Submitter Last Name	Organisation
1358	Julia	Campbell	
1359	Jesse	Tuke	
852	Barry	Brown	
994	Bill	McMaster	
44	Petra	Savicova	
1532	Nathan	York	Bluehaven Group
1356	Mike	Way	New Zealand Certified Builders
1505	Jeff	Fletcher	Tumu Kaituna 14 Trust
1506	Jeff	Fletcher	Ford Land Holdings
1507	Libby	Gosling	Classic Builders Tauranga
1526	Downing	Grant	Element IMF
1528	Logan	Rainey	Property Council New Zealand
1544	Aaron	Collier	Urban task Force
1610	Shane	Lye	Tauranga Branch Master Builders
996	Dwayne	Roper	
1535	Jennifer	Tepaea	
1065	Des	Heke	
1196	Whiti	McLeod	
133	Aleisha	Schofield	
1113	M	Stone	
1585	Susan	-	
66	John	Bielby	
141	Christine	Treacher	
165	Julia	Johnson	
201	Ainsley	Richards	
284	Sian	Howells	
392	Austeja	Sevcenkaiteq	
468	Kevin	Millin	
281	Matthew	Pene	
952	Marz	Ansorge	Handy Marz Ltd
1388	Gary	Allis	
302	Alan	Bennett	
522	Lanna	Gell	
1427	Marama	Williams	
680	Stephen	Decke	
1511	Glen	Crowther	Sustainable BOP
231	Dean	Evans	
2	Kevin	Allum	
41	Anita	Brookbanks	
49	chris	newnham	
140	Michelle	Kelly	
287	William	Dyck	
423	J	Mason	
548	Emma	Johnson	
612	Stephanie	Jamieson	
915	Anthony	Rogers	
951	Nicola	Taylor	
1028	Noel	Hall	
1200	Guy	Wilkins	
1294	Dave	Quill	
1349	Jean	Crowther	
1351	Glen	Crowther	
1549	John	Robson	

Attachment 2: Summary of submissions to the draft 2024/25 Development Contributions Policy and proposed responses

Topic #	Topic	Submission numbers	Summary / staff comments	Response
1	DCs for Retirement Villages	1358, 1359, 852, 994, 1544	This topic has been discussed in the report. Submitters will be sent a copy of the report.	
2	4-bedroom charges	44, 1544	This topic has been discussed in the report. Submitters will be sent a copy of the report.	
3	Opposing high DCs/ increases in DCs	1528, 1356, 522, 1544, 1610	This topic has been discussed in the report. Submitters will be sent a copy of the report.	
4	Requesting TCC explore the use of other funding options in lieu of charging DCs	1528, 1356, 1388, 1544	This topic has been discussed in the report. Submitters will be sent a copy of the report.	
5	Te Papa DCs	1532	One submission notes that the proposed Te Papa DC charge is limited to Transport and Reserves activities and that waters infrastructure investment is also being driven by growth and so should be funded via growth rather than all ratepayers. The submitter requests that if Councils intention is to effectively subsidise the costs of growth that this policy provision this should be made transparent.	<p>The three waters were not included within the proposed charges for the Te Papa catchment as at the time the schedules were drafted the three waters activities were expected to be removed from TCC' s balance sheet through the establishment of three waters entities. While uncertainty still exists around future three water delivery arrangements, staff are now reviewing the funding allocations for the waters projects to determine an appropriate growth funding method should it be appropriate to consider a development contribution approach in future.</p> <p>We note that the complexity of funding infrastructure within an infill area compared to that of a greenfield growth area does mean that the funding approach may not be directly comparable. For example, using DCs to fund the stormwater infrastructure may prove difficult due to the sparse nature of planned stormwater projects. In some cases, this mean that alternative means of growth funding may be more appropriate than DCs, for example a targeted rate.</p>
6	Charge developers more	2, 41, 140, 231, 287, 423, 548, 612, 915, 951, 1028, 1200, 1294, 1349, 1351, 1549	17 submissions generally indicated that we need to charge developers more so that the ratepayers should not have to "foot the bill" or of similar intent.	One of TCC's core funding principles is that where possible all growth-related capital infrastructure costs are funded by those causing the need and or benefiting from the infrastructure. This is referred to as the "growth pays for growth principle". To best achieve this, staff review all capital infrastructure projects to determine the most fair and appropriate funding allocation for each. This includes determining the appropriate proportion of the cost that can be funded via development contributions. However, there are several legislative limitations that do make recovering the full cost of capital difficult in some situations. For example, if we overestimate the cost of constructing a project and charge developers too much then we can end up in a situation requiring a refund to developers. Staff are constantly reviewing project costs and funding allocations to achieve the most fair and equal costs share within the legal parameters that it must operate.
7	Add new policy principal	1532	Request to add a new principle into the Development Contributions policy which reflects that the policy should have regular annual reviews based on strong and consistent project-based evidence to minimise cost increases and providing desirable investment certainty for delivery of housing and business development	TCC staff do not consider the additional principle required as the policy is already updated annually, and the costs reflect the best-known final estimates to deliver each project. While we agree that it is important to minimise cost increases and where possible to provide certainty for the delivery of houses and businesses, this must be balanced with other funding and delivery goals of the Council.

8	Increased costs for Wairakei wastewater, water and stormwater costs	1532, 1505, 1506	The developers in Wairakei and future developers of Te Tumu have made submission comments that reflect concern for ongoing cost escalation for projects in these development areas. Most of the projects which have escalated in cost have been subject to further design and costs have increased to reflect this. Staff will provide the proposed response set out in this table and work to provide them with further information, as suitable, regarding the latest costs.	Staff will make direct contact with you to discuss the latest cost estimates for the infrastructure projects which you have identified as being of concern. Most of these projects identified are moving nearer to delivery stage and as a result have had a further design and project scope developed. Of note is the Wairakei rising mains project which the statement of proposal highlighted may be subject to further change. This project was moving into delivery stage but due to changes associated with Te Tumu it was decided to review the project scope and timing. At the time of consultation, the final information on this was not available but Council has since been able to make some decisions in regard to the project. Further details can be provided to the submitters, but the key summary is that the rising mains project has been split into two phases. This allows for the second phase to be delivered in line with the expected timing of Te Tumu in future. This change has resulted in a review of the funding allocation for the project meaning that Phase 1 will be largely funded via Wairakei whereas Phase 2 will be largely funded via Te Tumu. Overall, for Wairakei the cost change to the DC charge on a per hectare basis compared to the operative (2023/24) policy will be minimal.
9	Wastewater charges for non-serviced houses	1356	Query the wastewater contribution charge for housing in Papamoa and Bethlehem which is not serviced by TCC sewage.	Any housing which does not connect to TCC wastewater system will not be charged any development contributions related to the wastewater activity.
10	Funding allocations	1505	Query on the funding allocations for several Wairakei/Te Tumu capex projects including: <ul style="list-style-type: none"> - Bell road water main - Wairakei Rising Main - Main Wairakei Pump Station - Opal Drive Pump Station - Te Maunga Rising Main - Kaituna Overflow - Te Okuroa Drive (Sands Avenue to Te Tumu) - Papamoa East Interchange - Te Okuroa Drive - Sands Avenue Intersection 	Staff have reviewed the funding allocations for all of the identified projects and consider that the funding in the draft policy was correct and aligned with allocations shown in previous years. In some cases the percentages shown appear to differ from those shown in recent Council reports. This is only due to different aggregation of projects and different presentation of the NZTA funding contributions. It is important to note that the Insight Economics Report considered funding allocations for the Boulevard and Sands Avenue projects which had not previously been included within the development contributions policy. We note there was on typo in the report which in error named a project as Te Okuroa Drive/Sands Avenue but the project plan clearly showed the location. This error has now been updated. Staff can meet with the submitter to review any questions on the funding allocations as required.
11	Sale of land for PEI	1532	Requests the sale of land costs which offset the land purchase price associated with the PEI are added back into the DC schedules.	The underlying/historical costs associated with the construction of Papamoa East Interchange project (PEI) have been updated so that the project only includes the portion of the initial land purchase which directly relates to land which will be actively used or associated with the interchange. The project does not include the initial cost for the commercial zoned land which is owned by TCC which is allocated to rates funding. Costs related to land underlying Te Okuroa Drive and stormwater ponds have all been allocated to those projects. This was updated at the same time as the land sale project was removed and the change was made to ensure that NZTA funding and developer funding were only contributing towards costs directly linked to the interchange.
12	Amend policy for non-residential DCs staging	1532	Amend policy to provide for deferrals of DCs where non-residential land uses are delivered in a staged manner through land use consents or multiple building consents.	At this stage we do not consider it necessary to amend the policy for this scenario as in some cases it would create risks of undercollection for development contributions. We will manage deferrals and staged

				payments of this nature on a case-by-case basis and with sufficient security in place.
13	More transparency in policy	996	Submission noting that there needs to be more transparency in the development contribution policy, which could be done by including more detail of the specific projects that make up the contributions and the timeframes.	The development contributions policy already itemises each individual project which is funded using development contributions and the portion funded via each catchment. In most cases the schedules provide an indication of when the project will be constructed. Further detail including the exact budget timing for each project, calculation of underlying cost of capitals and details on the funding allocations are available from staff upon request but are not included within the policy due to the share scale of information, the very limited number of users for whom would want that information and the challenge of keeping it correct and up-to-date over time.
14	Wants more information	1427, 680, 1113	Three submissions were received that made comments indicating that the information provided through the consultation process was not enough or not clear enough.	A full copy of the development contributions policy is available on council's website. Staff can be contacted directly via email to developmentcontributions@tauranga.govt.nz if you require further specific information not already available or need help understanding any of the information provided.
15	Proposes new DC catchments for lower Belk development areas	1526	Two submissions received requesting that staff add in two new local development contribution catchments to recover from landowners any infrastructure investment in the Lower Belk catchment (Tauriko Business Estate extension area). Staff agree that this matter needs to be considered but it presents some complex matters that need time to be worked through, including the request for TCC to take responsibility for the delivery of a number of additional projects that are not in the 24-34 LTP. Staff will work through these matters with the submitter and report back to Council later in the year with the aim of outcomes being incorporated into the upcoming Annual Plan / DC Policy review process.	Thank you for the submission and the details provided in relation to the proposed development contribution charges. Staff will be work with you to consider this request over the coming months for consideration through the next Development Contributions Policy review.
16	Change in funding approach – reduce citywide increase local/greenfield DCs.	1511, 281	Council should shift the burden of growth-related investment to greenfield areas and reduced the costs borne by intensification	In accordance with the Local Government Act 2002, TCC's Development Contributions Policy mirrors the capex investment detailed in its Long-term Plan. TCC assesses the growth funding allocation for each infrastructure asset included in its Long-term Plan. The growth component is then funded from local and/or citywide catchments based on various measures of demand and benefit. In order to support the community's trust in the Development Contributions Policy, it would be inappropriate to artificially increase funding from greenfield areas in order to decrease the costs of intensifying in existing residential areas. It would also make the policy susceptible to legal challenges from developers of greenfield land.
17	DC's for Māori Land	1065, 1196 1535	Two submissions were received querying the link between the DC policy and definition in the Resource Management Act – section 11 Part 2. "Māori Land". Another submission asks if staff feel its important to consult with local Hapu or Iwi.	TCC works closely with local Hapu and Iwi where relevant to ensure they are included in consultation processes. TCC has a legislative obligation under the Te Ture Whenua Māori Act 1993 to promote the retention of Māori Land to its owners and to facilitate the occupation, development, and utilisation of that land for its owners. Council achieves this by operating a transparent and equitable development contributions scheme and delivering infrastructure to the boundary of Māori Land to enable development.

				<p>The Development Contribution Policy also provides for the exclusion of Local Development Contributions in relation to reserve and community infrastructure activities for Rural and Urban Marae Community, Ngati Kahu Papakainga Zones and in relation to the development of multiple owned Maori Land within 500m of these zones (on the basis the development is to provide housing for the shareholders of said land). TCC also provides partial to full development contribution grant available to eligible papakainga developments.</p> <p>In terms of seeking more definition on the RMA 1991 section 11 Part 2 “Māori Land”, we are unclear what is being sought here and welcome a phone call to assist further.</p>
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11.19 2024-34 LTP - User Fees 2024/25, Revenue and Finance Policy**File Number: A15440585****Author: Sarah Holmes, Corporate Planner****Authoriser: Paul Davidson, Chief Financial Officer****PURPOSE OF THE REPORT**

1. This report is presented to Council to deliberate on the issues raised and feedback received through consultation for the:
 - (a) 2024/25 User Fees and Charges
 - (b) Revenue and Financing Policy
 - (c) Significant Forecasting Assumptions
 - (d) Performance Measures.

RECOMMENDATIONS

That the Council:

- (a) Amends the draft Funding Needs Analysis and Revenue and Finance Policy as follows (as per Attachment 2):
 - (i) Approximately 10% of the Support Services expenditure is funded by borrowing, due to digital projects being accounted for as operational expenditure.
 - (ii) Remove the Flood Protection activity due to the Three Waters legislation repeal.
 - (iii) Add context on the relationship between Te Manawataki o Te Papa, projected increasing visitors to the city centre, and expected increased use of parking.
- (b) Amends the Significant Forecasting Assumptions as follows (as per Attachment 3):
 - (i) Update the assumption regarding the Resource Management reform to reflect the recent repeal of the Natural and Built Environment Act and the Spatial Planning Act,
 - (ii) Update investment interest rates to reflect the high deposit rates banks are currently offering and expected to continue in the near term,
 - (iii) Update the ownership of water infrastructure assets, reflecting known government direction and the expected repeal of the Three Waters legislation.
 - (iv) Add to 'deliverability of capital programme' assumption to reflect the government direction and uncertainty of funding, as well as the expected repeal of the Three Waters legislation.
 - (v) Update funding information and figures regarding Te Manawataki o Te Papa.
- (c) Amends the Performance Measures as follows (as per paragraph 32-34)
 - (i) Remove GDP as the measurement of a 'high wage economy with quality locally based jobs and easily accessible employment centres'. Replace measurement with unemployment rate (target: below national rate) and job creation (target: increasing).
 - (ii) Remove Flood Protection performance measures due to the Three Waters legislation repeal.
 - (iii) Amend data source for the measurement of domestic and international tourism spending in the city to be Tourism Bay of Plenty Marketview data, due to MBIE Monthly Regional Tourism Estimate data no longer being available.

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- (d) Approves the comment responses to User Fees and Charges related submission points (attachment 1).
 - (e) Approves 2024/25 User Fees and Charges as consulted in the draft Long Term Plan (excluding those specifically addressed in other reports on this agenda being sportfields, boat ramps, Historic Village and use of Council land.)
 - (f) Notes that the final 2024/25 User Fees and Charges schedule, the Revenue and Financing Policy, Significant Forecasting Assumptions, and performance measures (as amended by resolutions a-c) will be presented for adoption to Council at its meeting on 22 April 2024.
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EXECUTIVE SUMMARY

- 2. At its meeting of 6 November 2023, council adopted the Statement of Proposal: draft User Fees and Charges and Statement of Proposal: draft Revenue and Finance Policy. At the same meeting the consultation document and supporting information, including the Significant Forecasting Assumptions to the 2024-34 Long-term Plan (LTP) were also adopted for consultation.
- 3. Consultation using the Special Consultative Procedure was carried out between 15 November and 15 December 2023.
- 4. Consultation material for user fees and charges was largely focused on the introduction of new fees for sports fields, boat ramps, and use of council land, therefore these received the most feedback. These topics and recommendations are covered under separate reports.
- 5. Limited feedback was received on the Revenue and Financing Policy, and minor changes are proposed as a result of internal review.
- 6. No submissions were received on the Significant Forecasting Assumptions, however changes are proposed to ensure they are as up to date as possible.
- 7. This report is presented to Council to deliberate on any remaining user fees and charges issues raised and feedback received throughout the consultation period and hearings on draft User Fees and Charges and Revenue and Finance Policy.

USER FEES AND CHARGES

- 8. The consultation document and supporting documentation to the Long-term Plan included the draft User Fees and Charges schedule which contained the proposed User Fees and Charges for Council's activities and services for the year commencing 1 July 2024.
- 9. The topics receiving the majority of user fees and charges feedback were sports fields, boat ramps, leases, and use of council land. These topics are covered under separate reports.
- 10. This report addresses the other fees and charges feedback, as well as changes to the Revenue and Financing Policy as a result of consultation and review.

General Comments on user fees and charges

- 11. Submitters who were generally against increasing fees and charges noted the cost of living as being a reason not to implement new fees or increase fees. Many also mentioned that Council should be using a "user pays system" as much as possible.
- 12. Council's general approach is to reduce the burden on the ratepayer by utilising a 'user pays' approach. Therefore, where a service user can be identified, they will pay for that service through a user fee or charge. This approach requires a greater percentage of the costs of an activity to be recovered from service users.
- 13. Council's user fees and charges enable the actual and reasonable costs of council's services to be suitably contributed to by those who directly benefit from the service.
- 14. Various submitters noted that any increases in fees should result in improvements to levels of service.

Street dining fees

15. At the 4 December 2023 Strategy Finance and Risk Committee meeting, the committee agreed to phase in charging for street dining zones in the City Centre and Mount Maunganui in the 2024 LTP fees and charges based on 20% of the full value (for more information see [SFR9/23/13](#)). 317 people responded to the policy review, with 48 percent of submitters disagreeing or strongly disagreeing with charging or street dining compared with 42 percent agreeing or strongly agreeing with the proposal. Whilst not directly consulted on in the LTP 12 submissions mentioned the street dining charges, two strongly supported charging, two supported charging a small fee and eight opposing charging a fee. A summary of the points raised in the submission and Council's proposed response have been attached to this report as **Attachment 1**.
16. Valuation information is currently being sought and will be presented at the 4 March Council meeting if it is available at that time.

Comments on specific user fees and charges

17. Six submitters raised issues with fees and charges relating to specific activity areas. These submissions points were directed to each Activity Manager to provide comment on. A summary of the points raised in the submission and Council's proposed response have been attached to this report as **Attachment 1**.
18. This report does not recommend any changes to fees and charges as a result of submissions, however changes as a result of feedback on boat ramps, sports fields, use of council land and leases will be considered in separate reports.
19. Any changes to fees resolved by council during the deliberations process will be reflected in the 2024/25 User Fees and Charges schedule and presented to council for adoption on 22 April 2024.

REVENUE AND FINANCING POLICY

20. The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy (RFP), that is then included in the Long-term Plan.
21. The RFP sets out how Council plans to fund each of its activities and outlines how it has made these decisions.
22. Council issued a Statement of Proposal and consulted on a number of changes to the RFP for the 2024-34 Long Term Plan. This included private swimming pool targeted rates, and introducing an industrial differential, which are both covered in separate reports.
23. Proposed changes to the funding needs analysis (which will then also be reflected in the policy) are shown in **Attachment 2** as follows:
 - (a) Following discussion with Audit New Zealand, changes are proposed to the funding of digital expenditure to show that approximately 10% of support services expenditure is funded by borrowing. With the increased uptake and growth of program and systems tools in different areas of the business, and changes to products from perpetual to subscription based licensing, digital projects previously designated as capital no longer passed the test of intangible assets and are now accounted for as operational expenditure funded by loans.
 - (b) Removal of the Flood Protection activity due to the Three Waters legislation repeal.
 - (c) Correction of an error in the draft for the activity City and Infrastructure Planning – Changing General Rates band from MEDIUM to HIGH.
 - (d) Wording has been added to strengthen the relationship between Te Manawataki o Te Papa, projected increasing visitors to the city centre, and expected increased use of parking.
24. One public submission (#1549) was received specifically on the RFP, with the comments being addressed in other reports (industrial rating category, targeted pool inspection rate).

25. This report does not recommend any changes to the RFP as a result of submissions, however changes as a result of feedback on private swimming pool targeted rates, and introducing an industrial differential will be considered in separate reports.
26. Any changes to the RFP resolved by council during the deliberations process will be reflected in the final 2024-34 LTP and presented to council for adoption on 22 April 2024.

SIGNIFICANT FORECASTING ASSUMPTIONS

27. No feedback was received on the Significant Forecasting Assumptions during the consultation period.
28. Council's Significant Forecasting Assumptions have been updated to reflect the new government direction and current environment, including:
 - (a) Update the assumption regarding the Resource Management reform to reflect the recent repeal of the Natural and Built Environment Act and the Spatial Planning Act. This also includes the unknowns around what future resource management legislation may look like.
 - (b) Investment interest rates have been updated to reflect the high deposit rates banks are currently offering and expected to continue in the near term,
 - (c) The ownership of water infrastructure assets assumption has been updated to show that council expects to retain ownership of assets. This reflects known government direction and the expected repeal of the Three Waters Reforms within the next month.
 - (d) Addition to deliverability of capital programme assumption due to the change in government, uncertainty of funding, as well as the impact of the expected repeal of the Three Waters legislation.
 - (e) Updated funding information and figures regarding Te Manawataki o Te Papa.
29. Changes are shown in **Attachment 3** – note that only the changed/updated assumptions are included.
30. Further changes may be required to assumptions before the adoption of the final LTP. If this is the case, the changes will be provided in the LTP adoption report in April.

PERFORMANCE MEASURES

31. Our performance measures were included in the supporting information for consultation. The performance measures consulted on are available here: <https://letstalk.tauranga.govt.nz/Portals/14/data/citywide/ltp-2024-2034/files/draft-performance-measures.pdf>
32. Due to the change in direction in the three waters space, the Flood Control activity will no longer be required (as it will be contained within the Stormwater activity). The service performance measures for Flood Control are proposed to be removed – this is a minor administrative change.
33. As a result of feedback from Priority One during the consultation period asking to replace the GDP measure with other metrics, the following changes are proposed to the high wage economy Our Direction Outcome Measures:

#	Success looks like...	Outcome Measure	Trend
ODM43	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	GDP per capita. <u>Unemployment rate.</u>	<u>Increasing</u> <u>Below national rate</u>
<u>ODM44</u>	<u>We have a high wage economy with quality locally based jobs and easily</u>	<u>Job creation</u>	<u>Increasing</u>

#	Success looks like...	Outcome Measure	Trend
	<u>accessible employment centres.</u>		

34. Tourism Bay of Plenty has advised that the Ministry for Business, Innovation and Employment (MBIE) is pausing the Monthly Regional Tourism Estimates which monitor visitor spend. This has resulted in a proposed change to the economic development measure regarding domestic and international tourism spending in the city:

Level of service	Performance measure	2022/23 result	24/25	25/26	26/27	27-34
We are committed to enhancing Tauranga's reputation as a desirable visitor destination by fostering positive resident sentiment and collaborating with Tourism Bay of Plenty and the tourism sector	Domestic and international tourism spending in the city Source: MBIE Monthly Regional Tourism Estimates. No baseline available <u>Tourism Bay of Plenty Marketview data</u>	Achieved: 9% increase from previous year Markets total 2021/22: \$665,267,130 Markets total 2022/23: \$718,949,066 <u>New data source</u>	≥\$600m <u>Baseline established</u>	Increasing	Increasing	Increasing

STRATEGIC / STATUTORY CONTEXT

35. This report is prepared in response to submissions on the statements of proposal on the draft Revenue and Finance policy, User Fees and Charges, and supporting information to the LTP consultation document. The process for preparation of both is set out under the Local Government Act 2002 (LGA).

CONSULTATION / ENGAGEMENT

36. Consultation has been carried out in accordance with the LGA.

SIGNIFICANCE

37. 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.
38. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- the current and future social, economic, environmental, or cultural well-being of the district or region
 - any persons who are likely to be particularly affected by, or interested in, the decision, or matter
 - the capacity of the local authority to perform its role, and the financial and other costs of doing so.

39. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the three documents referenced within this report are of medium significance.

ENGAGEMENT

40. Taking into consideration the above assessment, that the two documents referenced within this report are of medium significance, officers are of the opinion that no further engagement is required prior to Council's decision.

NEXT STEPS

41. The funding of the activities of Council will be consistent with the Revenue and Finance Policy in the preparation of the final 2024-34 LTP.
42. Following Council's decisions, the final 2024/25 User Fees and Charges schedule, Revenue and Financing Policy, and Significant Forecasting Assumptions will be prepared, including any changes as a result of deliberations, and will be presented for adoption by Council on 22 April 2024.

ATTACHMENTS

1. **Fees and RFP submissions and proposed responses - A15478351** [↓](#) 
2. **Funding Needs Analysis - Tracked Changes - A15510573** [↓](#) 
3. **Changes to Significant Forecasting Assumptions - A15543781** [↓](#) 

Other user fees and charges submissions

**Spelling and grammar have been corrected where required for clarity.*

Street Dining

Submission	Name or Organisation	Summary of submission points raised*	Council's proposed response
1446	Kate Barry-Picono and Claudia West (Mount Business Association)	<p>It is difficult to make an informed submission on the new street use dining user fees and charges as no rates have been set to date.</p> <p>MBA urges Council to reconsider this user fee approach for street dining, putting the policy on hold while it further considered comparative councils' approaches. A possible alternative being a business licence fee, which would apply to all types of businesses who use the street space. Charging a nominal fee e.g. \$100pa would reduce cost solely on hospitality while enabling councils to still maintain street use guidelines and policies and a more accurate database of all businesses and types.</p> <p>Currently retail businesses can use the first one metre of footpath space in front of their premises at no charge, with the ability to make a commercial gain. MBA seeks to have this first metre included as a reduction to the sqm rate of the businesses street dining area.</p> <p>During recent times of economic downturn, we have seen a considerable number of businesses change ownership as well as the type of a business change within that ownership. Therefore more clarity and consideration are needed around when this fee will be charged, is it an annual charge or monthly charge? Is it collected via the rates or billed directly to the business?</p> <p>The usable footpath area in the Mount Mainstreet is significantly less than the businesses who are currently paying user charges on The Strand or Wharf Street as this is shared with pedestrians. MBA does not support the variable market rate, however if this rate is applied, we would expect the required pedestrian clearance allocation to not be included in the sqm rate for businesses as they are not making a commercial gain from that section of the footpath.</p> <p>Outcome sought:</p> <ol style="list-style-type: none"> Put this policy on hold while more appropriate alternative options are considered. If user fee is still applied, then a one-off administration fee between \$0 - \$400 could be charged, in line with other NZ regions. Removal of 'market rate' variable cost. If market rate is applied, then: <ol style="list-style-type: none"> Consideration is given to the highly seasonal nature of Mount Mainstreet, along with weather impacts limiting use of outdoor dining. The pedestrian clear way is not included in the total sqm charge. Option for fee to be paid monthly so this cost can be spread out during the year, and if a business is sold the paid fee is transferred to the new owners. 	<p>The submitter urges the council to pause the Street Use Policy that was approved by the SFR committee on 4 December 2023 and pause the decision to implement fees for street dining from 1 July 2024 at 20% of the full value of the space.</p> <p>The submitter would prefer the council take a nominal fee approach to street dining rather than a fee based on the market rate of the land used. A nominal fee option was presented as part of the policy review but was not selected by the committee.</p> <p>The submitter requested a 1m exemption to reflect that retail businesses can use 1m of street for retail displays without charge. The policy does not contain an exemption for the first 1m of dining space. Existing Licences to Occupy locations do not include this exemption.</p> <p>The council will work with businesses on a fee structure that will work for them and can structure payment times to suit seasonality or other considerations. The payment will be billed separately to rates.</p> <p>The square metreage will be based on a survey of the site to account for the size of the footpath and will not include the area designated for the pedestrian way.</p> <p>When considering the average commercial value for street dining in a zone council will consider information from different time</p>

Submission	Name or Organisation	Summary of submission points raised*	Council's proposed response
		<p>d. A further deduction for the first one metre outside the shop front, that premises are currently permitted for all types of use e.g. retail.</p> <p>5. Seek clarity on how and when this user fee will be charged.</p>	<p>periods in the year to account for the seasonal differences in the value of street dining.</p>
302	Alan Bennett	Also re. al fresco dining per The Weekend Sun, pg. 4, 17/11/2023, yes charge per square metre made available, and more importantly ensure pedestrian through ways are not barricaded off as currently occurs on the Strand. The ratepayers own this space not the businesses.	With the significant growth in the city and the development of multiple retail and hospitality centres, the policy proposes phasing in more consistent charging for street and balcony dining across the city centre and Mount Maunganui. Charging for street dining provides consistency across popular areas within the city and with other commercial users of council land (e.g., mobile shops, events) who are required to pay for the use of public land.
342	Anna Rogers	Oh and hands off charging businesses for street use e.g. al fresco dining. What next?	
420	Ben Reyngoud	People will not live and work in the city centre while businesses are struggling. Look at the number of closed businesses and those struggling financially due to things like persistent roadworks outside their premises, reduced car parking, car parking fees, and now proposed fees for use of the footpath.	
592	Caroline Dafoe	I don't like the idea of charging cafes a fee for having tables and chairs outside on the sidewalk. This adds to the positive feeling and vibrancy of the city centre.	
669	Michael Maguire	<p>Decisions that made should always consider what impact it may have on the revitalization of the city centre. E.g. The decision to charge restaurants in the city centre and Mount main street for using the pavements will add costs that will be passed on or stop them using them resulting in more people fleeing to food courts in the malls and have opposite effect of revitalizing.</p> <p>We want the city to be vibrant with cafes and restaurants on pavement e.g. Wharf Street and the strand buzzing.</p>	<p>The fees to businesses for street dining spaces are proposed to be 20% of the full value of the area initially. This recognises current economic conditions and will phase in the charges in to minimise the impact on business. The council will work with businesses on a fee structure that will work for them and can structure payment times to suit seasonality or other considerations. The payment will be billed separately to rates.</p>
825	Mark Dean	When I dine on the strand in the evenings - especially weekends, the experience is ruined by rowdy vehicles parading up and down the Strand. (Possibly in an effort to impress the girls). A simple solution and one which would greatly help the city centre to become alive would be to close off the Strand to vehicles each evening at 6.00pm and open it at 6.00am. This could be done initially as a trial using cones and if successful installing barrier arms as used at railway crossings. In addition all the cafes and restaurants would be encouraged to use the road and place their tables (and Umbrellas) on the street. This would create a wonderful atmosphere and encourage people to come to the city for a great alfresco dining experience. Restaurants must be able to use the street FREE of charge. I think charging them to use the space they do is a totally retrograde move. Council must think long term to build use of the city centre rather than place impediments in the way with additional charges.	<p>The square metreage will be based on a survey of the site to account for the size of the footpath and will not include the area designated for the pedestrian way.</p> <p>When considering the average commercial value for street dining in a zone council will consider information from different time periods in the year to account for the seasonal differences in the value of street dining.</p>
861	Illya Smith	Give incentives to retailers and hospitality to fill the shops and for goodness sake DON'T charge for cafe pavements on top of the already extortionate rates.	
905	Tracy Keys	I am amazed restaurants and cafes have not been paying for space on ratepayer funded footpaths. I was sure they would have been. Wheelchairs and prams are excluded by ropes, plants, small fences and other demarcations. Often these cause passengers to be unable to exit car parking spaces onto the footpath because there is a fence or a line of chairs so you can't open passenger doors. Parents can't get to children in car seats etc. Waitstaff have no consideration for people walking on the footpath. If cafes and restaurants continue with this they should at least pay heavily for the privilege. Everyone else pays for the space their	

Other user fees and charges submissions

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Submission	Name or Organisation	Summary of submission points raised*	Council's proposed response
		business inhabits. Or else police the rules so people can use the footpaths. I get that al fresco dining contributes to the vibe and ambience of a town but so many cafes and restaurants act like they own the footpath. There are some where it is so bad I always end up walking on the road in that spot, sometimes with my children. It's a nightmare and I'm incensed by it so at least gather some revenue...	
1237	Warren Banks	El Fresco dining has become an institution in Tauranga. It must be preserved. Why do you need to tax this area? Is it to fund unnecessary projects? Again you are imposing a burden on the cafes along with the lack of car parks. If you must tax the cafes, do it carefully.	
1342	Alan McKenna	If you want to create a vibrant downtown restaurant scene, then there should be minimal charging for outdoor table use. This should also be on the understanding that the business is required to ensure the area is cleaned by the corresponding business.	
1461	Neil Pollett	No to boat ramp fees reserve charges etc or smart trip tolls or charging cafes to put tables outside. How about TCC start charging Lime and Beam (US companies) who get free use of our footpaths to dump their scooters on?	
1070	Matthew Yardley (Way More Fun Ltd t/a Rice Rice Baby)	I have concerns about the outdoor user fee for Hospitality businesses. Yes, I have a hospitality business in Mount Maunganui but I also have one in Hamilton. I was actually in support of you charging a fee as I think it's fair that the user pays, especially when it is a commercial venture. Many other hospitality business owners were/are upset with me for having this view. However, the Hamilton City Council's Outdoor Dining Permit only costs my business a little more than a \$100 per annum. The fee you are proposing is outrageous when compared to this figure. Especially considering the outside area of my Hamilton business is twice as large as the one in Mount Maunganui. I believe it's quite hard for you to justify that amount. Furthermore, what about retail businesses that have shelves and/or clothes racks out the front of their store? Some of these high-end fashion stores would make more revenue selling expensive dresses on an external rack a day than some cafes selling \$5 coffee and muffins. That does not seem fair. There's also questions about public liability. If you are now "leasing" the frontage to us businesses are you not now responsible to have public liability insurance rather than the businesses themselves? That's quite a legal grey area. In short, I have no problem with paying a fee. However, that fee should be in line with other councils around New Zealand and, it should apply to all businesses. Have a lovely day.	<p>The fees to businesses for street dining spaces are proposed to be 20% of the full value of the area initially. This recognises current economic conditions and will phase in the charges in to minimise the impact on business. The council will work with businesses on a fee structure that will work for them and can structure payment times to suit seasonality or other considerations. The payment will be billed separately to rates.</p> <p>The square metreage will be based on a survey of the site to account for the size of the footpath and will not include the area designated for the pedestrian way.</p> <p>When considering the average commercial value for street dining in a zone council will consider information from different time periods in the year to account for the seasonal differences in the value of street dining.</p>

Parking

Submission	Name or Organisation	Summary of submission points raised	Council's proposed response
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Other user fees and charges submissions

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1130	Jane Palmer	Yes support user pays, but think parking fees need to be reviewed - at least to bring back an 'early bird' all day option at the car park buildings. And why is it more expensive to park in the parking building for 1 or 2 hours then on the street?? And \$5 per hour on the street after the first two hours is extortionate. I wouldn't mind so much if the money was being invested into better alternative transport choices and public transport infrastructure, but it seems to be getting poured into trophy projects that we don't need.	<p>Demand for city centre parking and the competing interests of all day workers and city visitors requires management in the form of paid parking. Council trialled free parking in the city centre for two years and it failed to revitalise the city centre as workers took up the spaces all day, making parking unavailable for short term visitors. We have kept on street parking free on weekends and weekly after 5pm.</p> <p>Submitter is correct that there is some work to be done with the parking rates in Tauranga. We are expecting to have more news out to the public regarding this in 2024. It's understood that the disconnect between the rates on street and in the buildings does impact the user experience.</p>
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Planning and building

Submission	Name or Organisation	Summary of submission points raised	Council's proposed response
1493	Matt Cowley (Tauranga Business Chamber)	<p>We support the increase in fees for planning building and regulatory service, subject to it resulting in better levels of service. Fee increases of this degree need to result in:</p> <ul style="list-style-type: none"> improved adoption of technology and procedures to improve productivity and efficiencies; improved processing times and reduced time delays; and better customer communication and transparent/live-progress updates. <p>These improvements are particularly important where businesses must receive Council approval of permits, licences or consents in order to operate.</p>	<p>The increase in user fees across the regulatory service group covers inflation costs and does not result in new/additional resources. Nevertheless, the teams have established continuous improvement projects to drive greater efficiency – including better technology, improved timeframes and better communication. We agree that these focus areas are key to success for TCC and the industry.</p>

Spaces and Places

Submission	Name or Organisation	Summary of submission points raised	Council's proposed response
1334	Kathryn Ison	Use of gas BBQ should be coin operated.	<p>All our barbecues run on electricity. In general, we provide barbecues at particular reserves as they allow people to stay longer in our reserves and recognise the important role</p>

Other user fees and charges submissions

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Submission	Name or Organisation	Summary of submission points raised	Council's proposed response
			of reserves and open space in providing for people to gather socially.

Libraries

Submission	Name or Organisation	Summary of submission points raised	Council's proposed response
141	Christine Treacher	Reinstate the fee that used to be charged at libraries for books that weren't returned, and fines for late returns, that was user pays as it should be, and it is beyond my comprehension why that was stopped.	The charge for replacement cost of library books that are not returned has been retained. Only the daily charges for overdue adult books has been removed. The daily overdue charges provided only a very small portion of the cost of providing the library services, so a more effective service is provided without collecting these small charges. Library services will remain free and there is an incentive to return books within the due date period to avoid the payment of replacement cost charges.
601	Gareth Mouat	Charge fees at the library and art centre instead.	Public Libraries are provided free to residents by all local councils in New Zealand as a core service for the public good, with varying levels of cost recovery to manage demand such as printing and lost book fees. Local authority libraries provide some of their services, such as free computers, with financial support from the Department of Internal Affairs.
1009	Cherie Luxton	If fees and charges are applied to all council owned assets including libraries, art gallery etc then everyone would be paying their fair share.	To ensure that all members of the Tauranga and Western Bay community can access the social wellbeing, arts and cultural benefits of the Art Gallery and Library, keeping entry free of charge is preferred. Evidence has shown that if charges for locals are applied it becomes unaffordable and creates a barrier to access for many individuals and families. Regarding tourists and visitors to the city, the Gallery is reviewing entrance fees in line with expectations of visiting major cultural institutions.

Other user fees and charges submissions

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FUNDING NEEDS ANALYSIS

FOR THE REVENUE AND FINANCING POLICY 2024-34

Purpose and Scope

1. The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the principles in the Revenue and Financing Policy.
2. Council must comply with section 101(3) of the Local Government Act 2002 (LGA) which results in a two-step process to identify funding sources for each activity.
3. Step one involves assessing the funding needs of the activity, who benefits and creates the need for the activity, and how they could potentially pay for those needs and benefits.
4. Having completed the step one analysis Council must then consider 'the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community'¹ (step two).
5. This funding needs analysis documents step one.

Types of expenditure

Broadly speaking there are two types of Council expenditure:

Operating expenditure (Opex): is the money spent on the ongoing day to day activities and services of the Council. This includes contributions to the wear and tear on assets used (depreciation), interest charges on borrowing for capital projects and corporate overheads.

Capital expenditure (Capex): is the money spent on creating assets such as property, plant and equipment that provide benefits and enable council to deliver goods and services over a number of years.

Operating expenditure and capital expenditure are funded differently.

Council must consider the funding for each activity after considering the 5 criteria of section 101(3)(a) step one (see Table 1: Legal requirements for expenditure needs).

Table 1: Legal requirements for expenditure needs

Step one reference	Considerations
Community outcomes - s.101(3)(a)(i)	Determine which of the Council's community outcomes an activity primarily contributes to. It is useful to describe how the activity contributes to the community outcomes.
Distribution of benefits - s.101(3)(a)(ii)	Consider who (individual and groups) benefits from the activity, and how the benefit of an activity applies to households, businesses, and

¹ Section 101(3)(b) Local Government Act 2002.

Step one reference	Considerations
	the community as a whole. Determining this involves the exercise of judgement by Council. It is inherently subjective. Where Council considers there is a clearly identified relationship between users and the services provided then Council will consider fees and charges or targeted rates. Where Council considers the services provide a benefit to the community as a whole; or where Council is not able to identify a strong or direct relationship between users and the service the Council will consider general rates.
Period of benefit – s.101(3)(a)(iii)	For most operational expenses the benefit is received in the year the expense is incurred. For most capital projects the benefit is received over the life of the asset. For most activities Council funds depreciation (an operating expense) from revenue sources and this is recorded in reserves for the future renewal of assets. Some operational expenses (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period.
Who creates the need – s.101(3)(a)(iv)	Some services Council must do because the actions or inactions of individuals or groups create the need to undertake the activity or increase the cost or frequency of a service being provided. Council may choose to target these people or organisations through fines, charges or rates.
Separate funding – s.101(3)(a)(v)	Council must consider the practicalities of separate funding along with transparency and accountability. When doing this it is prudent to consider matters such as the financial scale of the activity, administrative cost, legal requirements, and promotion of value. In some cases, while it may be desirable to charge individuals there may be no practical way of doing so. For all activities Council must identify what proportion of operational expenses is recovered from each funding source.

Funding Bands

1. After considering the section 101(3)(a) components, Council considers how much of each funding source is allocated to fund each activity.
2. This Funding Needs Analysis is intended to inform the Revenue and Financing Policy, which will be in place for the next three years before it is reviewed. Because things change over time, it is not possible to precisely determine the percentage allocated. Therefore, Council has decided to band the percentage into the categories listed in Table 2.

Table 2: Funding Bands

Name	Symbol	Range
Unlikely	x	0
Low	✓	0-30%
Medium	✓	30-70%
High	✓	70-100%
Potential to be used	*	*

The assessment in Table 4 identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity.

Objective ID A14426953

Funding Sources for operating expenditure

1. The LGA² sets out the funding sources that Council must consider in developing a Revenue and Financing Policy. The funding needs analysis considers all of these funding sources.
2. The available funding sources for operating expenditure under the LGA include:
 - User charges
 - Grants, sponsorship, subsidies, and other income
 - Proceeds from asset sales
 - Lump sum contributions
 - Investment income
 - Financial contributions
 - Reserve funds
 - Borrowing
 - Rates
 - General rates
 - Targeted rates
3. Tauranga City Council may use all of the above sources to fund operation costs, the most common are outlined below. Table 4 documents Council's section 101(3)(a) consideration for each activity.

Fees & Charges

Where Council considers there is a clearly identified relationship between users and the services provided, particularly with an immediate benefit, it will implement fees and charges for that activity. The use of fees and charges may be balanced with other funding sources. We set our fees and charges annually to reflect increases in costs or changes to charging structures.

General Rates

The base for the general rate is Capital Value. Council is setting this differentially which will mean that commercial ratepayers will have a higher general rate in the dollar than residential ratepayers. This is to balance the overall impact of rates allocation for revenue needs on the whole community

The uniform annual general charge is a fixed charge on each separately used or inhabited part of a rating unit. Every rating unit will make a minimum contribution to councils' costs.

Targeted Rates

We use targeted rates to appropriately charge those who directly benefit from or use a service or have created a need or cost, where this can be determined. Targeted rates are chosen where the services provided are specific to a particular community or area and it is not considered fair to charge all ratepayers.

Grants, subsidies, interest revenue, borrowing & other

Grants, sponsorship, other subsidies and external funding will be used where they are available. In activities where there is a surplus, we may earn interest revenue on that surplus.

² Section 103(2) Local Government Act 2002.

Overheads

Overheads are internal charges (overhead expenditure charged by allocation to other activities). For example, Support Services and Community, People and Relationships activities are primarily funded through the other activities. The majority of this expenditure (85-90%) is funded by rates.

Funding sources for capital expenditure

1. There are 3 types of capital expenditure
 - a) **Level of Service:** capital expenditure that is not growth related – shifts level of service
 - b) **Growth:** growth related capital expenditure required to provide additional capacity
 - c) **Renewals:** capital expenditure that either replaces or continues the life of an existing asset with no increase in service level
2. A capital project is expected to contribute to community outcomes in the same way as the activity in which it is funded unless Council resolves otherwise.
3. Capital expenditure benefits the same groups as the operating expenditure for each activity.
4. Council may choose to target specific groups through use of financial and development contributions, lump sum contributions or targeted rates. When financial and development contributions are used the distribution of benefits and rationale regarding funding sources is discussed within the Development Contributions Policy.
5. For most capital projects the benefit is received over the life of the assets. Council will have regard to the equitable distribution of costs over time for the building and renewal of the assets.
6. Some capital costs are due to the actions or inactions of individuals or groups that create the need to undertake the activity. Council may decide to target these people or groups to help fund the capital expenditure.
7. Council will also consider the practicalities of separate funding along with transparency and accountability.
8. Council's preferences when considering the funding of capital projects are set out in Table 3 below.

Objective ID A14426953

Table 3: Funding Sources for Capital Expenditure

New capital expenditure (not growth related)	Renewals expenditure	Growth-related capital expenditure
Preference 1		
<ul style="list-style-type: none"> Other external sources, including government or other grants e.g. Waka Kotahi subsidies, TECT grants, national or regional/ sub regional funding. 	<ul style="list-style-type: none"> Other sources, where available for example Waka Kotahi grants. 	<ul style="list-style-type: none"> Other sources where available for example Waka Kotahi grants, national or regional/ sub regional funding.
Preference 2		
<ul style="list-style-type: none"> Reserves Asset sales Infrastructure Funding and Financing (IFF) 	<ul style="list-style-type: none"> Depreciation Reserves Asset sales 	<ul style="list-style-type: none"> Development/Financial Contributions Asset sales Infrastructure Funding and Financing (IFF)
Preference 3		
<ul style="list-style-type: none"> Loans funded through general or targeted rates, user fees, activity surpluses. 	<ul style="list-style-type: none"> Loans 	<ul style="list-style-type: none"> Loans. Depreciation Reserves where there is a renewal portion of capital projects. Targeted rates or general rates, user fees, or activity surpluses may also be considered for the portion of capital that offers wider benefit or where there has been an under collection in development contributions.

Next step

Step two might include considering the following:

- does the outcome from step one support the strategic direction or initiatives of the local authority (for example protecting natural or historic heritage)?
- legal and other constraints
- affordability issues (impact on the elderly or low-income families)
- would there be any barriers to the accessibility to some services
- are there any implications on community or cultural groups?
- what are the size and materiality of any shifts in funding and how do these affect the community?
- is the mix of funding sources sustainable in the long-term?
- what are the current and projected future economic conditions?

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Table 4: Funding Needs Analysis by Activity - Operating Expenditure

Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Transportation												
Transportation	Use of the transport network, provision of road safety and access to different modes of transport. Provision and management of parking at recreation facilities, venues, and city spaces for convenient access to amenities.	Well-planned city - Tauranga - Tatai Whenua Easy to move around - Tauranga Ara Rau Supports business and education - Tauranga a te kura, and investment by the council and others	The whole community benefits from use of the transport network and parking, as well as economic benefits of movement of goods and accessibility for people to services businesses and amenity. Commercial and industrial sectors, both within the city and in the wider region or nationally (e.g., due to access to the port or warehouses and outlets) benefit from movement of goods and employees. Road users benefit from road access and exclusive use of convenient parking close to where they want to go, including visiting recreation facilities, businesses. Access to their work, places for shopping, health appointments. Other beneficiaries include cyclists, developers, people accessing the road corridor, and public transport providers. <u>Visitors enjoying council's amenities benefit from accessible and convenient parking.</u>	Benefit is expected to arise in the year funding is sourced. Benefits from economic activity and commercial and industrial activity are short to long term, benefitting future generations.	All road and road corridor users create the need for this activity. Heavy vehicles, commercial and industrial and utility networks all use the road corridor, and increase the costs of this activity. Heavy vehicles create more costs because of their impact on roading surfaces, safety and other requirements People who create congestion on roads, and in parking areas also create the need for additional expenditure Other users of the road corridor including walkers and cyclists. <u>Desirable amenities and visitor destinations such as facilities associated with Te Manawataki o Te Papa create the need for parking to enable convenient access.</u>	Targeted rates assist with accountability and transparency of Council's expenditure on this activity. Identifying separate fees and charges for parking and infringements assists in the accountability of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	There are limited practical options for charging for the individual benefits received from using the transport network. Tolling is one practical way however it requires an Order in Council (legislative instrument that is made by the Executive Council led by the Governor-General) to be made. Congestion charging which charges users on the basis of timing of road use offers advantages for demand management as well as reflecting the costs of peak traffic flows on the need for more roads and congestion management. This also requires legislation so it currently outside the control of Council. General rates reflect that transportation offers wider benefits across all members of the community. The allocation of the liability is able to be spread across the city. However, while all users benefit commercial and industrial users and utility networks have been identified as having a higher proportion of benefit and creation of costs of this activity. Heavy vehicles have been shown to cause substantially higher costs on the roading activity and on congestion impacting communities and the economy. They are predominantly (though not solely) used by industrial users. Utility networks such as power and telecoms use the road corridor for their services and regularly disrupt transportation when maintaining their networks. A differential or a targeted rate may both be appropriate to reflect fair and equitable funding of this activity across these groups of users. Parking management is fully funded by user fees (parking fees and fines) to reflect the benefit received from those using parking spaces to access services and amenities. Targeted rates may be used to fund operations, maintenance, renewal and new investment where a project benefits a group or sector ratepayers. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness.
Water Supply												

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Water Supply	Provides residents and businesses with drinking water.	An inclusive city - Tauranga Matauaunui Values and protects the environment - Tauranga Taurikura Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	Residents and businesses connected to Tauranga's water supply system benefit from potable water and reliable supply. The community as a whole benefit from public health from the provision of drinkable water, and water for firefighting.	Benefit is expected to arise in the year funding is sourced.	All members of the community create a need for this activity. High volume water users create a greater need. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate funding – in the form of a targeted rate based on water use - assists in the accountability and transparency of Council's expenditure on this activity.	LOW	UNLIKELY	HIGH	LOW	UNLIKELY	Targeted metered water rates are appropriate for charging those that benefit from the supply of drinkable water, and volumetric charges allow for users to pay for the water used. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness to those using water from the water supply. Fees and charges recognise specific benefits received for certain services.
Wastewater												
Wastewater	Provides a network of infrastructure to manage sewage, protecting public health and the natural environment.	An inclusive city - Tauranga Matauaunui Values and protects the environment - Tauranga Taurikura Well-planned city - Tauranga - Tatai Whenua	All properties connected to Council's wastewater system benefit from safe, sanitary removal of wastewater from their homes and businesses. The whole community benefits by protecting public health and the environment. The commercial sector and trade waste industry benefit from high volumes of trade waste being disposed of.	Benefit is expected to arise in the year funding is sourced.	All members of the community create a need for this activity. Heavy commercial and industrial producers have an adverse impact greater than most users. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity. Targeted rates are the appropriate funding source for those connected to the wastewater system and receiving direct benefits. Fees and charges reflect the user benefit for trade waste and commercial operations.	LOW	UNLIKELY	HIGH	LOW	UNLIKELY	Targeted rates for wastewater based on the number of water closets (toilets/urinals/pans) is a practical way of charging for residential users' contribution to the wastewater system. In the case of heavy commercial and industrial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this through user fees and charges. A targeted rate for resilience also acknowledges the benefit received from emergency preparedness.
Stormwater												
Stormwater	Management of stormwater to reduce flooding and prevent water contamination for all residential, commercial and industrial properties and including use of the road corridor.	A well planned city - He taone i āta maheretia Values and protects the environment - Tauranga Taurikura	The wider community benefits from the management of stormwater in an environmentally acceptable way. Some residents benefit from higher levels of service in specific geographic areas, e.g. Lakes. Commercial and Industrial users benefit from stormwater management by ensuring mobility and accessibility and pollution control.	Benefit of most operating costs is expected to arise in the year funding is sourced. Some benefits - from the stormwater reserve fund are likely to arise in the future.	The actions of some individuals and groups impact on this activity. For example, some stormwater runoff is a direct result of land works and individual actions. Properties with less permeable surfaces also create more need. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	Funding from a mix of general and targeted rates reflect the benefit to property owners and the wider community benefit of stormwater management. General rates differentials are appropriate recognising the social, environmental and economic wellbeing impacts and benefits to the commercial and industry sector of stormwater being appropriately managed Increased funding from targeted rates allows for the ability to better reflect the impact from different sectors on stormwater infrastructure in the future. Properties with less permeable surfaces have a greater stormwater requirement. A targeted rate for resilience also acknowledges the benefit received by households and businesses from planning for resilient infrastructure.

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
					on this activity. Industrial and commercial uses also impact on need for stormwater management and remediation and pollution management							
Flood Protection												
Flood protection	Opening and maintaining overland flow paths to provide access to and egress from properties.	A well planned city – He taone i āta maheretia	The wider community and people with properties protected from flooding. Commerce and industry directly benefit from addressing and remediating flooding to ensure economic activity can continue efficiently.	Benefit is expected to arise in the year funding is sourced.	Property owners in flood prone areas create the need for this activity. The actions of individuals and businesses who are planning, or who attract growth to the city, have an impact on this activity. Commercial and industrial operations contribute to requirements for infrastructure to be resilient and able to cope with heavy vehicles and traffic flow.	Identifying separate targeted rates assists in the accountability and transparency of Council's expenditure on this activity.	UNLIKELY	HIGH	HIGH	UNLIKELY	UNLIKELY	Funding from a mix of general and targeted flood protection rate ensures the costs are recovered from properties that benefit from flood protection, and the wider community that benefits. NOTE: This will be operational as a standalone activity following the transition of the three waters to the Water Services Entity. General rates are appropriate recognising the social and economic wellbeing that comes from a flood resilient and well managed city. General rates differentials are appropriate recognising the social, environmental and economic wellbeing impacts and benefits to the commercial and industry sector of flooding resilience and recovery being appropriately managed
Sustainability and Waste												
Sustainability & Waste	Improves sustainability and ensures the protection of public health and the environment via managing the collection and disposal of the community's waste and promoting sustainable practices and our response to climate change and sustainability targets	Values and protects the environment - Tauranga Taurikura	Individuals benefit directly from waste collection and waste facilities. Users of transfer stations benefit from having a waste disposal location. People using waste education programmes benefit from those initiatives. The whole community including commercial and industrial properties benefit from sustainability and climate change initiatives waste minimisation, education, improved sustainability performance and waste collection.	Benefit of most operating costs is expected to arise in the year funding is sourced. Some benefits from the sustainability initiatives are likely to accrue over time or in the future.	The actions of individuals and groups create the need for this activity through waste generation. Groups that generate large amounts of waste such as industry, commercial, and construction and demolition industry. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying targeted rates for this activity assists in accountability. User charges recognise the accountability of users to pay for a service provided.	LOW	MEDIUM	MEDIUM	LOW	UNLIKELY	The actions of individuals or groups create the need to have this activity. Funding from targeted rates and user fees and charges appropriately recognise this for the waste collection service in particular. There are public benefits to waste minimisation and the implementation of the climate action plan and sustainability. Protecting the environment enhances quality of life. General rates are appropriate to fund this activity based on the whole of community benefits from reducing and managing waste and the availability of support in carbon reduction and climate resilience. General rates differentials are appropriate recognising the social, environmental and economic wellbeing impacts and benefits to the commercial and industry sector of sustainability and climate change being appropriately managed
City and Infrastructure Planning												

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
City and Infrastructure Planning	Promotes sustainable management of Tauranga City's natural and physical resources for existing and future people and communities.	The sustainable management of our natural resources and providing for infrastructure in the future contributes to all community outcomes.	Council, residents, homeowners, industry, the community as a whole, developers, commercial and industrial users.	Benefit is expected to arise in the year funding is sourced. Some benefits are short to long term, benefitting future generations.	The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity. Commercial and industrial users benefit from an efficient and well planned economy	User charges assist in fair and equitable funding of Council's expenditure for this activity. There are no transparency benefits to funding the community portion of this activity separately to general rates.	LOW	MEDIUM-HIGH	UNLIKELY	UNLIKELY	UNLIKELY	Fees and charges recognise the immediate benefit to people or groups instigating plan changes. General rate funding recognises the whole of community benefit of having a well-planned city, catered for growth, with planned infrastructure. The allocation of the liability is able to be spread across the city. However, while all users benefit commercial and industrial users and utility networks have been identified as having a higher proportion of benefit and creation of costs of transportation. A differential may be appropriate to reflect fair and equitable funding of this activity across these groups of users.
Community, People and Relationships												
Activities include Democracy Services, Customer Services, Community Relations, Te Pou Takawaenga Māori Unit.	Enables democratic, local decision-making and action by and on behalf of our communities, provides customer service and engages the community about council business. Maintains high level strategic relationships with Tangata Whenua and the wider Māori Community that reflect the principles of the Treaty of Waitangi.	Community, People and Relationships work collaboratively with the community and all other Council activities which contribute to all community outcomes.	All member of the community benefit from this activity. The beneficiaries for each activity are captured in each individual funding needs analysis.	Benefit is expected to arise in the year funding is sourced.	The actions of individuals and groups impact on this activity.	There is a high degree of public benefit, and little transparency benefit to funding the community portion of this activity separately to general rates.	LOW	LOW	LOW	LOW	HIGH	Operating costs are allocated as an overhead through the Council's other activities, or specific functions can be recovered through other activities. A small amount of external funding is available for this activity for citizenship ceremonies, and from the Regional Council for contribution to election costs, cadet programmes from MSD. There are sometimes opportunities for partnership with organisations for external Cultural and Heritage funding, however the funding would sit with the delivering activity or external partner. Fees and charges recognise the immediate benefit to people or groups requesting LIMs and property information, accessing cultural competence training, and other councils using TCC after hours service. Service Centre functions will become part of an integrated community hub with wider library and hub facilities in the 2025/26 year.
Community Services												
Arts & Culture	Understanding of our heritage and experiencing art and the opportunity to share artwork.	An inclusive city - Tauranga Matarauui Supports business and education - Tauranga a te kura	Those people who access the Art Gallery, either as a visitor or an exhibitor. Local creative sector and arts, culture and heritage organisations. Hands on Tauranga users, education sector. The community as a whole for access to cultural and heritage	Benefit is expected to arise in the year funding is sourced.	Those accessing the Art Gallery and the Heritage Collection, creative sector, and education sector. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit.	LOW	HIGH	UNLIKELY	LOW	UNLIKELY	General rates are the appropriate funding source for the community as they are easy to administer, and it recognise the benefit from art and heritage promotion. General rates are used to fund the grant to the Art Gallery, and fees and charges are levied by the Art Gallery. Fees and charges recognise the user benefit of education services and cultural heritage programmes. There may be potential for external funding in the future for the educational

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
			facilities and programmes, as well as a vibrant city. <u>Tauranga Airport benefits from patronage due to visitors attending Tauranga's arts and culture scene.</u>		<u>Tourism and visitor numbers create the need for investment in facilities, events, and spaces for arts and culture in the city.</u>							and cultural/heritage services we provide.
City Centre Development	Manages the delivery of the Te Manawataki o Te Papa civic precinct development and Tauranga Moana Waterfront development projects, as well as delivery of a number of other community amenity projects, including Memorial Park. A city centre that reflects its history and culture and is a place that future generations can be proud of.	This activity contributes to all community outcomes through the construction of Te Manawataki o Te Papa, the Waterfront development and the Memorial Park projects.	The whole community benefits from economic effects of tourism, a place where people can come together to connect, share stories, learn, discover, enjoy the present, shape our future, be entertained, and have fun. Visitors benefit from enjoyment of the city centre with more things to do, increased amenities/facilities. Businesses in the city centre benefit from improvements to foot traffic, beautification and accessibility bringing more customers to the city centre.	Benefit is expected to arise in the year funding is sourced. Economic benefits are short to long term, benefitting future generations.	The actions of most individuals and groups have an impact on this activity. Visitors to the city increase the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit.	UNLIKELY	HIGH	POTENTIAL	POTENTIAL	UNLIKELY	General rates are the appropriate funding source for the community as they are easy to administer, and it recognise the social, cultural, and economic benefits of a vibrant city centre.
Community Development	Empowers communities to actively participate, make decisions and work towards self-reliance to build strong, resilient sustainable communities.	An inclusive city - Tauranga Matarauui	The community as a whole benefit from social equity, a sense of community pride and belonging, connection, and improved social wellbeing and outcomes.	Benefit is expected to arise in the year funding is sourced. Some benefits are short to long term, benefitting future generations.	Community organisations and businesses requiring support. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit.	UNLIKELY	HIGH	UNLIKELY	LOW	UNLIKELY	General rates are the appropriate funding source for households and businesses as they are easy to administer and recognises the benefit from community development. There may be potential for external funding in the future from social development and government agencies.
Libraries	Provides a hub for community connection. Provides accessible educational opportunities, supports literacy and encourages lifelong learning, research and innovation.	An inclusive city - Tauranga Matarauui Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	The primary benefit is to those that borrow and use library material and resources. Benefits also accrue to the wider community through the availability of library resources.	Benefit is expected to arise in the year funding is sourced. Educational and community belonging benefits are short to long	The actions of individuals and groups have a minor impact on this activity. The actions of individuals and business (commercial and industrial) who are	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. User charges assist in fair and equitable cost recovery of Council's	LOW	HIGH	POTENTIAL	POTENTIAL	UNLIKELY	The private good component of the library activity is recovered through user charges and fines. High levels of user charging will in many cases, restrict accessibility to those who currently benefit the most for the activity. General rates are the appropriate funding source for households as they are easy to administer and recognise the benefits and availability of the libraries.

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
	Preservation and sharing of Tauranga history and taonga. Programmes, events and learning opportunities engage the community.		Tauranga Airport benefits from patronage due to visitors being attracted to Tauranga as a destination with vibrant arts, culture, and community hub facilities.	term, benefitting future generations.	planning, or who attract, growth to the city, have an impact on this activity.	expenditure for this activity.						There is potential for external funding to be available from time to time to fund certain activities.
Venues and Events	Economic and social benefits including encouraging visitors to Tauranga, contributing to community pride, and belonging.	An inclusive city - Tauranga Mataraunui	Individuals, visitors, film makers, tourism industry, non-profit and community groups, businesses, and the community as a whole. Tauranga Airport benefits from patronage due to visitors attending Tauranga's vibrant venues and events.	Benefit is expected to arise in the year funding is sourced. The community pride and economic benefits are short to long term, benefitting future generations.	The actions of most individuals and groups have a minor impact on this activity, particularly those organising events and requiring venues. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. User charges assist in fair and equitable cost recovery of Council's expenditure for this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	The use of the general rate to fund Events and venues recognises the benefits to the whole community. Fees and charges recognise the immediate benefit to people or groups hosting events using Council venues, and leasing property space. External funding is available for some events and venues, and through the Friends of Baycourt Trust. Other funding may be available from time to time.
Economic Development												
Airport	Provides a facility for air transport services to connect Tauranga with the rest of the country and the world.	Supports business and education - Tauranga a te kura Easy to move around - Tauranga Ara Rau	Users of the airport, lessees of Airport land, business community, recreational aviators, commercial aviation industry, taxi and rental car operators. Visitors who are attracted to Tauranga's vibrant spaces, places, arts, culture, venues and events benefit from access to these places for recreation and tourism.	Benefit is expected to arise in the year funding is sourced.	Individuals using the airport as passengers, to transport goods and for aviation education. Those who lease Airport land to operate their businesses. Attractive spaces and destinations such as Te Manawataki o Te Papa, Mauao, attract visitors and holiday makers, creating the need for regional air travel.	User charges assist in accountability and transparency cost recovery of Council's expenditure for this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	Fees and charges recognise that the benefits of the airport activity occur to individual users of the airport, lessees of land. These are well established methods for charging airport users. A small portion of interest revenue contributes to the funding of this activity.
Economic Development	Facilitates value creation and employment opportunities to enable our economy to become more competitive, resilient and sustainable.	Supports business and education - Tauranga a te kura An inclusive city – Tauranga Mataraunui	Businesses, visitors, investors, educational institutions, and the community as a whole from the efforts to grow the economy.	Benefit is expected to arise in the year funding is sourced. Economic and education benefits are short to long term, benefitting future generations.	The actions of individuals and groups impact on this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the	Identifying a separate targeted rate for commercial properties assists in the fairness, accountability and transparency of Council's expenditure on this activity.	UNLIKELY	UNLIKELY	HIGH	LOW	UNLIKELY	A targeted rate for commercial properties acknowledges that the benefit of this activity goes to commercial ratepayers.

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
					city, have an impact on this activity.							
Marine Precinct												
Marine Precinct	Delivers a purpose built marine servicing facility.	Supports business and education - Tauranga a te kura Values and protects the environment - Tauranga Taurikura	Those using the marine precinct – predominately the marine and fishing industries.	Benefit is expected to arise in the year funding is sourced.	Individuals and commercial business using the marine precinct create a need for this activity.	Identifying separate fees and charges assists in the accountability of Council's expenditure and charges those who cause the need for the activity.	HIGH	UNLIKELY	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise the benefits for people who use marine precinct.
Emergency Management												
Emergency Management	Reduces the risk from hazards by ensuring a coordinated effective response during civil emergencies and business continuity incidents.	Values and protects the environment - Tauranga Taurikura An inclusive city – Tauranga Mataraunui	The community as a whole, businesses, partners and stakeholders (e.g. emergency services) and the Council itself benefits from preparedness, response to, and recovery from events.	Benefit is expected to arise in the year funding is sourced. Planning and recovery provides short to long term benefits of a resilient community.	All individuals and groups create a need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. A separate targeted rate provides accountability for our resilience planning funding.	UNLIKELY	HIGH	LOW	POTENTIAL	UNLIKELY	The high general rates allocation recognises the whole community benefits from resilience, planning, response, and recovery from emergency events. A targeted rate for resilience provides accountability for funding emergency preparedness and making our city more resilient to disaster and climate change. There is potential for some external resilience funding for specific projects.
Regulatory and Compliance												
Animal Services	Maintains animal control. People feel safe. Dog registration benefits dog owners by allowing legal ownership and enabling impounded dogs to be traced.	Values and protects the environment - Tauranga Taurikura An inclusive city – Tauranga Mataraunui	Owners of dogs and other animals such as poultry and bees. Schools and workplaces receiving education. The community as a whole benefit from an environment free from nuisance animal behaviours, and safety from dangerous dogs.	Benefit is expected to arise in the year funding is sourced.	Owners or keepers of animals create the need for this activity. People who breach the Keeping of Animals Bylaw and allow dogs to roam create a need for monitoring.	Identifying separate fees and charges for dog registration assists in the accountability of Council's expenditure on the dog control part of this activity. General rates funding recognises the public benefit of animal control and the reduction of animal nuisance.	HIGH	LOW	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that dog owners create the need for this activity, and irresponsible ownership behaviours result in infringements. General rates are the appropriate funding source for the public safety, protection from nuisance, and education benefits. There is external funding available from time to time depending on national direction and strategies, e.g. dog neutering campaigns.
Building Services	Implements processes to ensure buildings are safe and legally compliant and inspects swimming pool fencing as per the Building Act 2004.	Well-planned city - Tauranga - Tatai Whenua Values and protects the environment - Tauranga Taurikura An inclusive city – Tauranga Mataraunui	Building consent applicants, owners, future owners, commercial owners benefit from safe and sanitary buildings. The community benefit from assured safety of buildings, (public and private), fenced swimming pools.	Benefit is expected to arise in the year funding is sourced. Some benefits will be received by future owners and future generations.	The actions of most individuals and groups have a minor impact on this activity. People carrying out building work or with a swimming pool on their property create a need for this activity.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity. Using targeted rates for swimming pool inspections assists in fairness and are easy to administer. General rates funding recognises the public safety benefits.	HIGH	LOW	LOW	LOW	UNLIKELY	User charges recognise that the need for building services is created by people carrying out building work, and it being required to be certified legally compliant. A targeted rate for private swimming pool inspections recognises the benefits owners receive by in having safely fenced pools. General rates are an appropriate funding source for the community to recognise the benefits of safe and sanitary buildings and pools, and public access to queries and complaints. Subsidies for building consents relating to the installation of solar panels are completely funded by general rates, given the environmental benefit.

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Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Environmental Planning	Enables sustainable growth and development throughout the city. Delivers assts associated with the subdivision and land development processes that are fit for purpose.	Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	Individuals who apply for resource consents and use the other services of this activity such as accessing information relating to planning issues. Affected parties benefit from having views considered in relation to land use and subdivision activities. The whole community benefits from sustainable growth, protection of amenity.	Benefit is expected to arise in the year funding is sourced. Longer term sustainable growth and protection of amenity benefits future generations.	The actions of most individuals and groups have a minor impact on this activity. People carrying out certain activities and developing land create the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity. General rates funding recognises the public benefit of sustainable growth and protection of amenity.	MEDIUM	MEDIUM	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity arises from those who carry out activities requiring resource consents. General rates are an appropriate funding source for the community to recognise the benefits of sustainable growth and protection of amenity through ensuring adverse effects of development are mitigated or remedied. Additionally, the public benefit from being able to query activities and receive response to complaints.
Environmental Health and Licensing	Protecting public health through education, registration and monitoring of food, health, and alcohol related businesses	An inclusive city – Tauranga Matarauui Well-planned city - Tauranga - Tatai Whenua Supports business and education - Tauranga a te kura	The benefit of inspection and licensing of premises occurs mostly to the public. Premises requiring licensing receive reputation benefits from having a licence.	Benefit is expected to arise in the year funding is sourced. Long term public health and education benefits future generations.	The actions of most individuals and groups have a minor impact on this activity. Premises requiring licensing and monitoring create the need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity. General rates funding recognises the public health benefit of safe and sanitary food premises and the reduction of alcohol related harm.	MEDIUM	MEDIUM	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity is created by premises requiring licensing and reflect the public reputation benefits of being a licensed premises, providing some assurance to customers. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the public health benefits of safe food premises, reducing alcohol related harm, and ensuring other premises requiring registration are operating in a hygienic manner.
Regulation Monitoring	Ensures and encourages compliance with the city's bylaws and various Land Transport legislation. Contributes to community well-being by responding to social issues and promoting road safety.	As an activity monitoring various rules spanning different activities, Regulation Monitoring contributes to all community outcomes.	The whole community benefits from the efficient monitoring of bylaws, some groups benefit from specific bylaw monitoring relevant to their business, activities, or personal circumstance.	Benefit is expected to arise in the year funding is sourced.	The actions of most individuals and groups have an impact on this activity. People who do not comply with rules create a need for monitoring and enforcement action. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	This activity is of high public benefit. The costs of funding the activity separately to general rates would not outweigh the transparency benefit. Identifying separate user pays funding assists in the accountability of Council's expenditure on this activity.	LOW	HIGH	UNLIKELY	LOW	UNLIKELY	User charges and infringements recover costs from those using the services and breaching the bylaws. General rates are the appropriate funding source for households and businesses as they are easy to administer. General rates recognise the benefit to the community of having rules monitored and enforced, and benefits received by businesses regarding parking availability and customer turnover.
Spaces and Places												

Objective ID A14426953

Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Cemeteries	The provision of cemetery and cremation services, a place to preserve history of the deceased and a place for remembrance and connection.	A well planned city - He taone i āta maheretia An inclusive city – Tauranga Matarauui	Those using the services of the cemetery and crematorium. The Community also benefit through the protection of public health and the maintenance of cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site.	Expected to arise in the year funding is sourced. However, some benefits to future generations occur in the future.	The actions of most individuals create a need for this activity. The actions of individuals and business (commercial and industrial) who are planning, or who attract, growth to the city, have an impact on this activity.	Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	User charges recognise that the need for this activity is from those who use the service. Some external funding is available in the way of hardship grants for individuals or families that cannot afford the cost of service.
Beachside Holiday Park	Provides accommodation and on onsite visitor information centre at the base of Mauao. Encourages tourism and a social atmosphere in the Mount North area.	Supports business and education - Tauranga a te kura	Visitors benefit from use of the facility; businesses benefit from visitor spending and information services. The wider community also benefits from economic activity.	Occurs in the year funding is sourced.	People requiring accommodation and visitor support create the need for this activity. The actions of individuals and business attracting visitors to the city have an impact on this activity.	User pays funding assists in the accountability and transparency of Council's expenditure on this activity.	HIGH	UNLIKELY	UNLIKELY	LOW	UNLIKELY	User charges recognise that the need for this activity is from people who require accommodation and visitor information services, and they are largely the ones who benefit. External funds are available from time to time such as the Tourism Infrastructure Fund.
Marine Facilities	Provides both recreational and commercial marine facilities. Leases land and commercial premises in marine areas.	Well-planned city - Tauranga - Tatai Whenua Easy to move around - Tauranga Ara Rau Supports business and education - Tauranga a te kura	Commercial users benefit from convenient facilities to operate their business from. Recreational users benefit from use of facilities for recreation, including carparking. Leaseholders of land and premises benefit from the use of the land and accessible storage options for boats and tractors.	Benefit is expected to arise in the year funding is sourced.	Commercial and recreational wharf users create the need for this activity. The actions of individuals and business who attract visitors to the city have an impact on this activity.	User pays funding assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	UNLIKELY	POTENTIAL	UNLIKELY	User charges recognise that the need for this activity is from commercial and recreational users. Benefits received by users include berthing vessels at wharves, social benefits of recreation, convenient carparking for vehicles and trailers. Businesses receive benefits of a convenient location for pick up and drop off for cruises and boat tours. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the public availability of marine facilities for community use as well as the wider economic benefits of marine activities.
Spaces and Places	Protects and enhances a network of quality reserves and community facilities, that enable a range of experiences and services to the community. Protects the environmental, cultural, heritage, ecological and biodiversity values of the varied open spaces.	A well planned city - He taone i āta maheretia An inclusive city – Tauranga Matarauui	Users of facilities and spaces. the whole community for availability of spaces for recreation and enjoyment. Businesses benefit from commercial use of spaces, and visitors from outside the city also benefit from use, including carparking near recreation facilities. Tauranga Airport benefits from	Benefit is expected to arise in the year funding is sourced.	Individual and groups requiring space and places for events and sports create a need for this activity. High performance sports expect a higher level of service. The actions of individuals and business (commercial and industrial) who are planning, or who	Identifying separate user charges assists in the accountability and transparency of Council's expenditure on this activity.	LOW	HIGH	LOW	LOW	UNLIKELY	User charges recognise that the need for this activity arises from individuals and groups using the spaces and places for both recreation and commercial activity. Paying users have the use of spaces and places to the exclusion of others. Targeted rates acknowledge the higher level of service for some areas and can also ring fence revenue for investment on particular amenities over time General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the social, physical, and mental benefits of passive and active recreation.

Objective ID A14426953

Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
			<u>patronage due to visitors being attracted to Tauranga as a desirable destination.</u>		attract, growth to the city, have an impact on this activity.							
Support Services												
Includes Asset Services, Strategic Property & Commercial Facilitation, Digital Services, Finance, Capital Programme Assurance Division, Legal, Risk and Procurement, People, Performance & Culture, Strategy & Corporate Planning.	Contribute to all of Council's activities by enabling them. The nature of benefit for each activity are captured in each individual funding needs analysis.	Support Services work collaboratively with all other Council activities which contribute to all community outcomes.	The whole community benefits as Support Services enable all other Council activities to provide services to the community. The beneficiaries for each activity are captured in each individual funding needs analysis.	Benefit is expected to arise in the year funding is sourced. Some benefits are longer term, allowing appropriate renewal of assets, financial forecasting, and business continuity.	There is limited impact from specific individuals, as the whole community creates the need for Support Services.	Council considers that there is little transparency or accountability benefit of separate funding for this activity.	LOW	LOW	LOW	UNLIKELY LOW	HIGH	Operating costs are allocated as an overhead through the Council's other activities, or specific functions can be recovered through other activities. <u>Digital capital expenditure (for example computer programs and systems developed for council use) are accounted for as operation expenditure and can be funded by loans.</u>

Objective ID A14426953

Changes to Significant Forecasting Assumptions – Post LTP Consultation

Draft assumptions consulted on can be found here: <https://letstalk.tauranga.govt.nz/Portals/14/data/citywide/ltp-2024-2034/files/draft-significant-forecasting-assumptions.pdf>

11 Resource Management reform					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>That during the life of this LTP, the Resource Management Act 1991 (RMA) will be repealed and replaced with new legislation. This would result in a new National Planning Framework, and a regional planning model.</p> <p>That the Government will change Resource Management legislation to make it easier to develop new housing and infrastructure, enable primary industry, and better balance environmental protection.</p> <p>Until further direction is received, almost all resource management matters will continue to apply as set out in the Resource Management Act 1991 (RMA).</p> <p>The Natural and Built Environment Act 2023 (NBA) and the Spatial Planning Act</p>	<p>Ministry for the Environment</p>	<p>That <u>future reform impacts council's delivery of services</u> such as developing policy (city planning), <u>and may be implementing regional spatial strategies that it has limited input into.</u></p> <p>That due to the legislative changes, the Council is unable to effectively plan for growth, resulting in ineffective investment in infrastructure and services.</p>	<p><u>Medium-High.</u></p> <p><u>The Natural and Built Environment Act and the Spatial Planning Act have been repealed.</u></p> <p><u>The details of the reform are unknown.</u></p> <p><u>The initial indication is the overall transition process would be completed within ten years.</u></p>	<p>High.</p> <p>Changes could have a significant impact on the way we operate, <u>however the effects are unknown until further information is released by the Government.</u></p> <p>The Resource Management Act 1991 will be repealed and replaced with three new acts:</p> <ul style="list-style-type: none"> • The NBA is the main replacement for the RMA, to protect and restore the environment while better enabling development. • The SPA, requiring the development of long-term regional spatial strategies (RSS) to help coordinate and integrate decisions 	<p>We will continue to keep a watching brief on the review and any resulting legislative changes.</p> <p><u>The Ministry for the Environment has commenced on the practice, capacity and training needed to ensure local government, iwi/hapū and Māori and resource management practitioners can transition and successfully participate in the new system.</u></p>

Tracked changes to assumptions – post LTP consultation period

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2023 (SPA) have been enacted.				made under relevant legislation. The Climate Adaptation Act (CAA), to address complex issues associated with managed retreat.	
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16 Interest rates - Investment interest rates					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Average investment interest rates range from 3.50% to 4.57.0% for the period 1 July 2024 to 30 June 2034.	Based on forecast market deposit interest rates.	Significant market interest rate fluctuations.	High.	Low. Relatively small impact due to deposit levels.	Maintain detailed cashflows to manage the investment portfolio and interest is managed on a net basis.

20 Ownership of water infrastructure assets					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<u>TCC will retain ownership and service delivery of water supply, wastewater, and stormwater infrastructure assets.</u> <u>Central government is currently reviewing the way that three waters (wastewater, water supply and stormwater) are managed in New Zealand.</u>	<u>Department of Internal Affairs, Three Waters, post cabinet press conference (12 February 2024) Department of Internal Affairs, Three Waters</u>	<u>There may be material changes to the legislative landscape that cause significant changes to what we do and how we pay for it. There may be unanticipated material changes to the legislative landscape that cause significant</u>	<u>High, High.</u> <u>With a central government election in October 2023 and noted intention from the</u>	<u>High - changes could have a financial impact on the way we operate.</u> <u>TCC's debt would reduce significantly if three waters assets and associated debt were transferred to a CCO in the future.</u> <u>High.</u>	<u>The capital programme proposed aims to meet the required investment outcomes to enable housing supply, build communities and meet environmental standards particularly within three waters. The LTP presents the increased revenue requirements across three waters funding and transportation to meet these</u>

Tracked changes to assumptions – post LTP consultation period

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20 Ownership of water infrastructure assets						
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation	
<p>The Government has indicated it will repeal the Three Waters reforms by 23 February and will pass two laws to replace it – the first by mid-2024 followed by the long-term replacement by mid-2025. Part of this legislation will include streamlined rules for setting up council-controlled organisations (CCOs) to allow councils to easily move the delivery of water services to CCOs.</p> <p>This LTP document has been prepared on the basis that Council's management of water supply, wastewater, and stormwater will continue. TCC will not retain ownership of water supply, wastewater, and stormwater infrastructure assets and from 1 July 2026, Entity C will deliver Tauranga City's drinking water, wastewater and stormwater services.</p> <p>Central government is currently undertaking a reform of the way that three waters (wastewater, water supply and</p>		<p>changes to what we do and how we pay for it.</p> <p>A change in government direction could result in a different model being adopted for water services, where assets are retained by the Council, requiring significant cost and debt implications to maintain those assets and meet the required standards.</p>	<p>Opposition to keep water assets in Councils' control, uncertainty is high around what water services will look like from 1 July 2024.</p>	<p>Changes could have a significant financial impact on the way we operate. The removal of the three waters capital programme and debt would materially assist the financial sustainability of TCC, however would affect other areas of the business due to overhead allocations.</p> <p>A change in government direction resulting in waters assets being retained would materially affect the financial sustainability of TCC. Debt would need to be reduced through debt retirement charges.</p>	<p>infrastructure requirements. The projects contained in the LTP have been based on the basis that Entity C will carry out three waters services from year three onwards.</p> <p>Modelling will be carried out to prepare for a variety of scenarios resulting from the uncertainties around the reform.</p>	

Tracked changes to assumptions – post LTP consultation period

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20 Ownership of water infrastructure assets					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>stormwater) are managed in New Zealand. The Water Services Entities Act 2022 has established the new water services entities, expected to provide services from 1 July 2024, and Chief Executives have been appointed to the entities.</p> <p>On 13 April 2023 the government announced its reset plan for its Three Waters Reform programme, now named Water Services Reform. Notable changes have been made on the timeline of the reform and the framework of the programme. Changes include increasing the number of Water Services Entities from four to 10, and a new 'go-live' date for these entities that will occur in a staged approach from early 2025 to 1 July 2026, rather than the original start date of 1 July 2024 for all entities. With this reset, Tauranga's water services will now transition to the newly announced Water Services Entity C (Bay of Plenty), alongside Western Bay District Council.</p>					

Tracked changes to assumptions – post LTP consultation period

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20	Ownership of water infrastructure assets				
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>Whakatāne District Council, Rotorua Lakes Council, Kawerau District Council and Ōpōtiki District Council.</p> <p>The Opposition has released its 'Local Water Done Well' plan which would disestablish the new water entities and establish a Water Infrastructure Regulator to set and enforce standards for Councils' investment and maintenance of vital water infrastructure.</p> <p>This LTP document has been prepared on the basis that Council's management of these services will not continue from year three onwards.</p>					

37	Deliverability of the capital programme				
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Capital programme is likely to remain similar if not	Capital programme budgets	The capital programme continues to increase in value from previous years	High.	High. While there is a high chance that the full	Processes in place to “rationalise” programme to ensure delivery teams are

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37 Deliverability of the capital programme					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
slightly larger than previous LTP.		<p>Significant changes continue being made to our organisation and procurement and delivery processes to achieve this.</p> <p>There are risks of delays in the early stages of consent and design, and in procuring delivery from contractors. If this happens work will be deferred to later years of the Long-term Plan and affected programmes of work will be rephased accordingly.</p> <p>The financial implication of such delays include lower borrowings and a reduction in the need for rates-funded debt retirement in early years, although it is expected that most of this would be undertaken in later years of the Long-term Plan.</p> <p>Some government funding from Crown Infrastructure Partners and NZTA depends on delivery within prescribed timeframes. Consequently, this work is being prioritised to be delivered on time.</p> <p><u>Government policy statements are still outstanding which provide local government with direction on the type of projects/outcomes that are more likely to receive funding. Particularly the transport programme.</u></p> <p><u>Waters reform changes are likely to require waters infrastructure to be included in all 10 years of the LTP.</u></p>		<p>programme will not be delivered in the timeframes budgeted, it is likely that the delays for individual projects will not be significant. Costs of the total project and a delay in achievement of desired community outcomes may occur.</p> <p>Delays to projects where suppliers cannot be sourced, or prices are too high requiring longer negotiations or change in scope of projects. Leading to suboptimal community outcomes, higher costs to deliver the desired outcome.</p> <p><u>Draft capital programme will require to be reviewed against government direction, with changes likely required.</u></p> <p><u>Waters infrastructure added back into capital programme will put</u></p>	<p>realistic about what can be delivered.</p> <p>Procurement strategies in place to provide efficiencies to deliver projects or programmes of work</p> <p>Continue to ensure project delivery resourcing is fit for purpose for future capital programme.</p> <p><u>Maintain communication channels and relationship with central government.</u></p>

Tracked changes to assumptions – post LTP consultation period

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37 Deliverability of the capital programme					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
		If delivery of the capital programme is delayed, then proposed outcomes will not be achieved in the timeframes originally intended.		<u>further pressure on financial limits requiring draft capital programme to be adjusted</u>	

40 Funding for Civic Precinct Capital Programme					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Funding for this programme assumes \$154.52m of external funding generated from sources other than rates from a variety of sources including various government agencies and community grants, growth funding (development contributions), corporate partnerships, and individual, philanthropic donations, etc, and other groups.	<u>Regular financial strategy and funding updates provided to Council and Te Manawataki o Te Papa Limited Board.</u>	That Insufficient grant income is not obtained.	High.	High. If there is a significant shortfall in grant/ external funding income across the programme, either the programme would be reduced to fit within the funding available, or other sources of funding would need to be explored.	A detailed Funding Strategy has been developed and approved by Commissioners that gives effect to a variety of mechanisms to support additional funding for this programme of work, if needed. <u>This plan has been updated in early 2024 to reflect the current external funding environment.</u> <u>In addition, we have appointed high calibre directors in the Te Manawataki o Te Papa Limited Board to govern</u>

Tracked changes to assumptions – post LTP consultation period

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					the delivery of the programme
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11.20 User Fees for Sportsfields**File Number: A15449978****Author: Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places****Authoriser: Barbara Dempsey, General Manager: Community Services****PURPOSE OF THE REPORT**

1. To consider submissions on the Long-Term Plan proposals for user fees for sportsfields.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "User Fees for Sportsfields"
- (b) Approves the following changes to the fees proposed in the draft Long-Term Plan 2024/34 for the use of sportsfields by organised sport, with charges commencing for the 2025 Winter sports season:
 - (i) No match fee;
 - (ii) Basis of the charge is one full adult football/rugby/cricket field or relevant equivalent field size for the sport in question;
 - (iii) A 'season' relates generally to a season of greater than 3 months;
 - (iv) Proportionate fees apply for use of half a field, or a season of less than 3 months;
 - (v) 50% discount is available to 'emerging sports' with less than 100 participants, that is less than 5 years established and where over 10% of participants are from low socio-economic backgrounds.

OR

- (c) Approves fees for the use of sportsfields by organised sport, with charges commencing for the 2025 Winter sports season based on the following principles...

AND

- (d) Continues to work with sportsfield users to refine the approach with any further changes to be proposed through the Annual Plan 2025/26.
- (e) Agrees to review the fees annually.
- (f) Notes that the fees are inconsistent with Council's Active Reserves Level of Service Policy and requests staff make revisions to the policy for consideration by the incoming Council.

EXECUTIVE SUMMARY

2. The draft Long Term Plan 2024/34 proposes new fees for the use of sportsfields for senior level sport as means to generate revenue to cover a proportion of the costs of maintaining and upgrading the fields. Organised sport is the major user of the fields, with training having the biggest impact on field maintenance and upgrade costs. Most New Zealand cities charge for the use of fields for organised sport.

3. The proposed fees seek to find a balance between fairness – with primary users making a contribution, rather than all costs being socialised through rates, affordability – ensuring we do not compromise the strategic objective to enable participation in community sport, and administrative efficiency – both ease of administration and enough revenue that is worth administering.
4. The proposed fees were \$225 (+gst) per hour, per field, per day in a standard week (for senior sport), with that cost then being the seasonal charge for training. Matches were proposed to be charged at \$225 (+gst) per match. So, a club training on three fields for three hours, three days a week would pay 27 x \$225 (+gst) – a total of \$6,986 for training for the season. If it had 72 matches a season, it would pay 72 x \$225 (+gst) – a total of \$18,630 for matches for the season.
5. Having engaged further with field sports clubs through the submission period via community meetings, discussions with Sport Bay of Plenty and other representative bodies, and having reviewed written submissions, it is evident that the proposed fees – particularly the proposed match fee – will make community sport unaffordable for many and could lead to some clubs becoming unsustainable.
6. For example, Otūmoetai Football Club would pay about \$24k per annum to Council and the charges would require at least a doubling of club membership fees. This is expected to lead to a drop off in participation, which would in turn reduce the revenue gain. Moreover, this would compromise Council's primary objective of enabling community sport and would undermine the value of the multi-million-dollar investments Council is proposing to make in sportsfield capacity and quality over the Long Term Plan period.
7. Instead, it is now proposed that the match fee is excluded. This would make the charges more affordable. They would also be simpler and cheaper to administer because it would exclude representative bodies (who organise the matches) from the process. We also propose delaying the introduction of the fees until the Winter sports season 2025 to align with the timing of season structuring and membership fee collection. To not do so risks compromising clubs operating models. Expected additional revenue would reduce from about \$230k per annum by 2027 to about \$115k per annum.
8. The revised fee structure would also clarify that the basis of the charge is 1 full football/rugby/cricket field or relevant equivalent field size for the sport in question and that a 'season' relates generally to a season of greater than 3 months. Proportionate fees would apply to, for example, use of half a field, or a season of less than 3 months.
9. In addition, our revised proposal is that a 50% discount is available to 'emerging sports' with less than 100 participants, that is less than 5 years established and where over 10% of participants are from low socio-economic backgrounds (i.e. paying membership fees in instalments).
10. Whilst the revised proposed fee is considered to be affordable and administratively simple, dialogue with the clubs has suggested alternative approaches that may have merit and provide greater equity within and between clubs and codes. For example, charging for junior sport (potentially at a lower rate) has been suggested, along with a standard fee per hour of use across all forms of use (training, matches, casual use). Further exploration of these options is only possible with improved booking data, which does not currently capture all the nuances of use. We propose to work closely with user groups and Sport Bay of Plenty and to improve booking data and to propose any refinements to the approach through the next Annual Plan.
11. Council's annual sportsfield maintenance costs are about \$1.8m per annum. The revised recommended fees are considered to provide an appropriate balance - asking clubs to pay a proportion of the maintenance costs and to pay for what they use, without compromising affordability and participation. However, a further option is for Council to establish only the principles of the fees and to adopt specific fees at a later date.

BACKGROUND

12. Key themes from the feedback through the Long-Term Plan submissions process can be summarised as follows.

13. Fees are too high and will impact participation

- Further consultation required to find an acceptable contribution.
- An association survey shows members could not afford the fees.
- Increased fees will be passed on to users and become increasingly unaffordable for many and community sport will only be accessible to those who can afford to pay.
- Through subs, fees won't necessarily only go to adults, costs could be passed on to juniors also.
- A 2022 Sport NZ *ActiveNZ* survey shows a downward trend in adults meeting physical activity guidelines, with fewer sports and activities participated in, markedly in 18-24-year-olds.
- Decline in adult competition will also affect junior competitions, as coaches, managers, umpires, and administrators largely come from senior playing ranks.
- Decrease in fields booked – intensification of teams using a smaller area, increasing turf damage.

14. Impact on club financial management and sport funding models

- Increasing fees could result in clubs meeting threshold to be required to register for GST and then charge an additional 15% on fees.
- Lack of lead time leaving clubs insufficient time to prepare and adjust budgets accordingly. Subs for 2025 have already been set.
- Will see clubs and sports organisations all competing for already limited operational grant funding, that could then be redirected from supporting child and youth development programmes.
- Start date of new fees is halfway through the winter season, leading to cashflow issue.
- Penalising 'organised' sport over non organised sport will create long term issues, with teams choosing to compete outside organised competitions and clubs (but still accessing and using the grounds), impacting the playing level and enjoyability of the game in the region.
- National tournaments will look to go to other regions if match fees are retained.

15. Equity

- Lack of equity in pricing across indoor, field, hardcourt sports and other recreational investments – e.g. no charge to use \$4m skatepark.
- Multiple nuances in bookings across training and matches, between codes, leading to inevitable inequities.
- Rain, whether during training or even hours prior to a training session will likely cause training cancellations. Fees should be reduced accordingly.
- Cricket trainings on a field may not use a whole field, e.g. an open wicket practice may use the whole field, however, a fielding only training would only use a quarter or half a field. Should there be an ability to book only a quarter or half field?
- The condition of each field and each set of practice nets varies in quality and condition. Should the fees charged be the same for different quality and condition surfaces?
- Cricket matches are played over many formats and games lengths and on artificial or grass wickets, which all have different costs to clubs and to Council's maintenance.

- Difficulty in administering charges for social football (semi-regular play) or for multiple short matches (e.g. touch rugby programme with 24 matches in an evening).
- General concerns related to the cost of living crisis, marginalising of people on lower incomes, physical and mental health.
- Concern that rates won't be reduced in response to new fees.
- Inequity with informal users of reserves for sport and recreation.

STRATEGIC / STATUTORY CONTEXT

16. Council's Play, Active Recreation & Sport Action and Investment Plan outlines Council's objectives and investment priorities for sport, including significant investment in the capacity and quality of playing fields.
17. The draft Long Term Plan 2024/34 outlines Council's objective to secure more revenue from user fees and charges to achieve a more equitable balance to rates funding.

OPTIONS ANALYSIS

18. The following options have been assessed –

Option	Description	Fee	Projected annual revenue	Pros	Cons
1	Proposed alternative – no match fees and proportionate charges per points 8 and 9 above. (Recommended)	Seasonal training charge based on \$225 per hour of field use in average week; but no additional match charge	\$115k (by year 2)	Provides a better balance between revenue and affordability	Reduces projected non-rates revenue
2	Draft LTP	Seasonal training charge based on \$225 per hour of field use in average week, matches at \$225 per match	\$230k	Increases revenue to offset field maintenance an upgrade costs, but only if participation is maintained	Considered unaffordable by many clubs and likely to undermine participation and club viability
3	Reduced training and match charges	Seasonal training charge based on \$100 per hour of field use in average week, matches at \$100 per match	\$122k	Provides a better balance between revenue and affordability	More complex to administer for no significant gain versus option 2
4	Establish principles of fees only	Charges TBD	TBD	Provides more time to refine options	Creates uncertainty
5	Revert to current situation	No charges	\$0	Makes field sports affordable	Provides no rebalancing from rates; does not disincentivise over-booking

NEXT STEPS

19. Implementation of approved fee structure for the Winter 2025 season.

ATTACHMENTS

Nil

11.21 LTP 2024/34 - User Fees - Community Leases on Reserves**File Number: A15479680****Author: Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places****Authoriser: Barbara Dempsey, General Manager: Community Services****PURPOSE OF THE REPORT**

1. To consider Long Term Plan 2024/34 submission feedback on proposed lease rates for land and buildings on Council's reserves.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "LTP 2024/34 - User Fees - Community Leases on Reserves".
 - (b) Approves lease and licence fees for use of land within Council owned or managed reserves by community organisations of (GST exclusive):
 - (i) \$3 per m² for the first 1,000m² (25% of the assessed average Reserve land value); and
 - (ii) no additional charge for 1,001m² to 9,999m²; and
 - (iii) for leases over 10,000m², at \$0.30 per m² for the next 50,000m²
 - (c) Approves lease and licence fees for buildings on Council owned or managed reserves by community organisations of \$25 per m² flat fee.
 - (d) Retains the current fee/rent level on leases where the lessee is paying a greater sum than would be charged under the fees recommended above.
- Or,
- (e) Approves lease and licence fees for use of land within Council owned or managed Reserves and/or Council owned buildings on those Reserves by community organisations on the following principles...
 - (f) Delegates to the General Manager, Community Services, authority to amend individual rent levels where a community organisation can demonstrate inability to pay leading to a significant negative effect on Council's Community Outcomes, with criteria to be agreed by Council at an upcoming meeting.

EXECUTIVE SUMMARY

2. The draft Long Term Plan 2024/34 proposes new fees for land and building leases on Council's reserves to community organisations. For land leases a fee of \$6.05 per m² (+gst) was proposed. For Council-owned building leases on reserves a fee of \$33 per m² (+gst) was proposed, plus a \$50m² (+gst) fee for operational costs (rates, water etc.) The rates were based on a valuation of the land at an average of \$12.10 per m² and then reduced to account for the fact that the provision is for community organisations not commercial entities.
3. The draft proposals also noted that a more nuanced fee structure would be required for leaseholders of large areas of land, such as tennis clubs and golf clubs, that also provide a service, through maintaining publicly accessible reserve land that would otherwise fall to Council to maintain and providing recreational opportunities.

4. Of the reserve land leases to community organisations, 103 are for areas of land under 3,000 m² (usually a small building footprint), eleven are for areas between 3,000 m² and 10,000 m² and nine are for areas over 10,000 m². There are seven building leases.
5. Feedback through the submissions process and via community meetings held with some key stakeholders following the LTP hearings, strongly suggests that the proposed fees are unaffordable for many community organisations. Whilst there is currently an inconsistent charging structure due to historical lease agreements, the average land lease is at about \$1.50 per m² and the current building lease averages about \$9 per m². This would mean a 400% increase for land leases and a 900% increase for building leases at the proposed fee levels.
6. Reflecting on community feedback and with further consideration of an approach to the large land area leases, it is now recommended that Council adopts the following fee structure:
 - \$3 per m² (+gst) for the first 1,000 m² leased, no additional charge for 1,001m² to 9,999m²; for organisations with a leased area over 10,000m², a further \$0.30 per m² for the next 50,000m². Building leases are proposed at a flat fee of \$25 per m².
7. This revised fee structure is considered to have the following benefits –
 - (a) Provides a better balance between affordability, which is a major issue for community organisations, and the need for Council to get a balance between rates and non-rates revenue.
 - (b) Is more consistent with Council's broader objectives in its strategic framework pertaining to inclusivity, investment in sport, recreation and the environment.
 - (c) Enables a consistent structure across all reserve leases, leading to transparency and administrative efficiencies for Council and the community organisations.
 - (d) Acknowledges the role that large land area leaseholders play in maintaining public land (negating that cost to Council) and providing accessible community sport and recreation opportunities that otherwise Council would need to provide.
8. An alternative option would be for Council to adopt a set of principles by which fees would be set and ask staff to provide further options for consideration at an upcoming Council meeting.
9. Current revenue from land leases on reserves is about \$225k per annum. Projected revenue for the option proposed in the draft Long Term Plan was \$785k per annum (which excluded large land area leaseholders). Under the revised recommended structure, projected revenue would be about \$525k per annum (including large land area leaseholders). Building lease revenue would rise from \$13k per annum to \$49k per annum.
10. Whilst the revised proposed fees are considered to provide an appropriate balance between revenue and affordability (and therefore community participation and wellbeing), there may be a small minority of cases where the rent levels are unaffordable. In these cases, staff will work with an organisation to explore options, including advisory support from strategic partners such as Social Link and Sport Bay of Plenty; different use of the building/space to share costs or create revenues with other community groups; moving to different premises; seeking grants from community funders.
11. Where a leaseholder has exhausted those options and where the service it provides has significant community benefit aligned to Council's strategic framework, it is proposed that the General Manager, Community Services, is delegated discretion to adjust the rent level. A community garden that has a large licenced area, but very limited funding, would be an example. Criteria could be brought to a future Council meeting for adoption.

SUMMARY OF SUBMISSIONS

12. While individual submitters agreed it was appropriate to charge for use of Council land, there was a general expectation that this cost would be kept low for community and not for profit organisations with purely commercial entities paying the full cost. Some submitters noted that

many of these organisations were providing a valuable service to the community that may otherwise be required to be provided by council.

13. There was concern expressed that sports clubs would look to recover the additional cost through an increase in membership fees which many families were already struggling to pay. This could result in clubs folding or children and young adults not being able to participate in sport and recreation.
14. Sports clubs that use Council fields, also noted that they were potentially being asked to take a “double-hit” through the proposed introduction of sportsfield charges and increased lease fees.
15. Individuals and organisations submitted that Council needed to consider the broader community value of the organisations who lease Council land. For example, the Tauranga Yacht and Powerboat Club calculates that under the proposal their lease cost would increase by approximately \$20,000. The club infers, that as well as increasing membership fees, it is likely that paying the lease will come at the expense of other community-focused activities undertaken by the club such as learn to sail programmes for girls and disabled people. Under the revised proposal, their rent would be \$3,000.
16. Both Ōtūmoetai and Tauranga Golf Clubs and Western Bay Tennis submitted that Council should recognise their costs in maintaining golf courses and tennis clubs at no cost to the ratepayer. These grounds are free to access by members of the public with maintenance costs sitting with the clubs.

STRATEGIC / STATUTORY CONTEXT

17. Alongside its User Fees & Charges policy, Council’s position on lease fees to community organisations on reserves is influenced by the objectives of its Our Public Places strategic plan, the Accessible Tauranga Action & Investment Plan and the Tauranga Reserves Management Plan.

OPTIONS ANALYSIS

18. For land and building leases on reserves the following options were considered –

Option	Fee	Projected annual revenue (land leases)	Pros	Cons
1 Revised recommended	Land – \$3 per m ² (+gst) for the first 1,000m ² , no additional charge for 1,001m ² to 9,999m ² , with leases over 10,000m ² , at \$0.30 per m ² for the next 50,000m ² Buildings – \$25 per m ² flat fee	\$525k (by year 3)	Provides a better balance between revenue and affordability	Reduces projected non-rates revenue versus draft LTP.
2 Draft LTP	Land - \$6.05 per m ² (+gst) Buildings - \$33 per m ² + \$50 per m ² opex	\$785k	Provides additional <i>potential</i> revenue to Council	Would likely lead to some community organisations and sports clubs being unviable.

3 Adopt principles of fees only	To be determined through further consideration	TBD	Allows further consideration before adoption of fee levels	Does not provide clarity to stakeholders
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FINANCIAL CONSIDERATIONS

19. Both options 1 and 2 increase Council revenue by varying amounts.

LEGAL IMPLICATIONS / RISKS

20. None beyond usual legal implications of lease agreements.

CONSULTATION / ENGAGEMENT

21. Proposals were consulted on through the Long-Term Plan consultation.

NEXT STEPS

22. Further communication with affected parties, with implementation through lease renewal and rent review processes.

ATTACHMENTS

Nil

11.22 Issues and Options - Historic Village User Fees and Charges**File Number: A15496052****Author: Blair Graham, Historic Village Manager
Nelita Byrne, Manager: Venues & Events****Authoriser: Barbara Dempsey, General Manager: Community Services****PURPOSE OF THE REPORT**

1. To consider and determine lease fees for tenancies at the Historic Village.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Issues and Options - Historic Village User Fees and Charges".
- (b) Approves the Historic Village Commercial and Community user fees and charge for leases at the greater of:
 - (i) Current charges; or
 - (ii) At the bands identified below.

Activity Type	Proposed Charge 2024/25		
	Rate Band 1	Rate Band 2	Rate Band 3
Retail	230.00	207.00	201.25
Retail Community*	149.50	134.55	130.81
Office	195.50	172.50	161.00
Office Community*	127.08	112.13	104.65
Warehouse	166.67	149.50	135.13
Warehouse Community*	108.34	97.18	87.83
Venue Leased	166.67	149.50	
Venue Leased Community*	108.34	97.18	

*Tenant spaces are capped at 100sqm per building space for community tenants.

Rate 1 = High quality space located in high traffic area

Rate 2 = Mid quality space located in moderate traffic area

Rate 3 = Low quality space located in low traffic area

OR

- (c) Approves the Commercial and Community user fees and charge for leases based on the following principles

AND

- (d) Approves the Historic Village Community operating charge of:
 - 50pa water charge for basins in each tenanted space and
 - \$100pa water charge for toilets in each tenanted space and
 - Electricity charged on consumption.

EXECUTIVE SUMMARY

2. The 2024-2034 Long-term Plan consultation document proposed changes to lease fees at the Historic Village. These proposed changes meant some tenants faced no increase in lease fees, some had relatively minor increases (less than 10%) and some had increases over, and in some cases well over, 10%. A small number of tenants whose leases had yet to incorporate other increases over the last three years faced large increases.
3. A significant number of submissions were received relating to the proposed new charges of lease fees and operational recovery charges, almost all of it objecting to those proposed changes. In particular, many of the submissions noted the community organisation tenants may struggle to continue to offer the same level of service, or perhaps any level of service if the proposed charges were implemented.
4. Staff have considered revised approaches to lease fees at the Historic Village and present those through this report. An amended approach, featuring a greater discount for community organisations and a capping of the square metreage that community organisations will be charged for is recommended along with limiting the operational cost recovery charges.
5. There have over many years been an inconsistent approach to the setting of fees. This report attempts to ensure we take an as fair as possible approach across the village while recognising the importance of those providing community services to both the village and the wider community.
6. It is not proposed to reduce the fee below the current fees, rather these will be capped until such time as the general fees for the village reach the same level.

BACKGROUND

Strategic objectives

7. The Village Strategy 2012-22 has the following as one of its principles:
 - *Sustainable and Efficient: The Historic Village will be operated in an environmentally and financially sustainable manner. The village funding is to be self-sustaining with no allocation of rates funding for operational expenditure.*
8. With the review of this policy, The Village Strategy 2020–2030 (which superseded the 2012-22 version) has two relevant actions:
 - *“Applying a level of consistency to the user fees and charges approach to reflect the different types of community and commercial activity that operate in the Village and the different characteristics of each user group”* and
 - *“Continuing to support community organisations to recognise the role they play in providing valuable services to our community”.*
9. To deliver on the strategic objective, in 2020 a new system of setting leasing fees taking into consideration space type, quality and location was implemented and appraised against market rates.

Analysis of submission points

10. The proposed increase in lease fees at the Historic Village in the 2024-34 LTP has seen many (circa 500) submissions from tenants opposing the increases, the majority stating the increase will either force them to close, reduce their service levels to the community or force them to move out of the Historic Village.
11. A main concern for tenants was the significant increase in their operational cost recovery charges. These increases have been significant due to supplier cost increases and not having the increases passed on to tenants since 2020. Some submitters also felt they did not benefit from some of the services they were being charged for.

12. Many submitters felt the 20% discount was not enough to make the lease fees affordable for community tenants.
13. Community tenants who occupy large areas of the village faced significant increase due to the lease fees being charged on a per square metre basis. These tenants in particular voiced concerns they could not continue to deliver their services with the proposed lease fee increases.
14. All submissions talk to the benefits these community groups bring to our community and the contribution to our community wellbeing.

Discussion

15. While tenants faced increases in fees and charges in the draft LTP, they have also faced increases in their operational cost recovery charges. The significant increases are due to supplier cost increases and not having been increased since 2020. These costs include insurance, rates, mowing and gardens, building wash and rodent control, public toilet cleaning, waste management, security patrols and monitoring, and fire monitoring which many feel should be covered by the Council as part of providing a community hub. Electricity which has been part of these charges and has been previously amortised, will now be charged on consumption by meter readings which will result in a fairer system. Water costs have been amortised across all tenants regardless of their building's water services.
16. Leasing a space at The Historic Village is different from leasing a building such as club rooms on a reserve or sports ground. The spaces at the Historic Village are part of an actively managed facility, providing higher levels of service including Building Warrant of Fitness, air conditioning, type 2 fire and security systems, and higher building renewal levels where aesthetics and a safe environment play a part in the service delivery for many tenants. The Village tenants also receive marketing support from the council marketing team and a dedicated village management team based onsite offering a high service level.
17. There are several community organisations who are tenants in the Historic Village that provide valuable services to our community and deliver wellbeing outcomes that council is unable to provide itself. These community organisations are not financially self-sustaining and have relied on having council subsidised spaces to operate from. Without these organisations there could be a detrimental effect on community wellbeing in Tauranga.
18. One of the key benefits of the Historic Village is having the 22 community tenants in the same campus as the Kollektive who have 25 resident community organisations. There are collaborative benefits to the wider community by having these organisations located in one place. Organisations collaborate on issues when located together and this was a founding principle which determined the sale of community land to TECT for the Kollektive project and is part of the Historic Village Strategy 2020 to create a community hub.
19. It is also noted that there are some commercial businesses operating at the Village, which adds to the vibrancy and foot traffic. Many are small businesses who are unique to the character of the village.
20. Staff are of the view the current Strategic Plan does reflect the value the council places on the good work that the community groups contribute to the Village and the wider community.

OPTIONS ANALYSIS

21. **Option 1:** Commercial and Community user fees and charge for leases, with a capped square metre charge at 100sqm for community tenants. Limit operating charges for Community tenants to:
 - \$50pa water charge for basins in each tenant space and
 - \$100pa water charge for toilets in each tenant space and
 - Electricity charged on consumption.
 - Commercial tenants pay out on a pro rata of actual costs of the service.

Activity Type	Proposed Charge 2024/25		
	Rate Band 1	Rate Band 2	Rate Band 3
Retail	230.00	207.00	201.25
Retail Community*	149.50	134.55	130.81
Office	195.50	172.50	161.00
Office Community*	127.08	112.13	104.65
Warehouse	166.67	149.50	135.13
Warehouse Community*	108.34	97.18	87.83
Venue Leased	166.67	149.50	
Venue Leased Community*	108.34	97.18	

*Tenant spaces are capped at 100sqm per building space for community tenants.

Rate 1 = High quality space located in high traffic area

Rate 2 = Mid quality space located in moderate traffic area

Rate 3 = Low quality space located in low traffic area

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides a community focused rate for tenants who provide community and social wellbeing outcomes. Removes and further reduces the significant operational cost recovery charges that tenants were struggling to afford. The capped square metre policy resolves significant increase faced by long standing community tenants. Supports the Historic Village Strategy action of continuing to support community organisations to recognise the role they play in providing valuable services to our community. Supports the Historic Village Strategy action of applying a level of consistency to the user fees and charges approach to reflect the different types of community and commercial activity that operates in the Village. 	<ul style="list-style-type: none"> The Village will carry the cost of insurance, rates, mowing and gardens, building wash and rodent control, public toilet cleaning, waste management, security patrols and monitoring, and fire monitoring. There will be limited mechanism to recover escalating operational costs. If the ratio of commercial to community tenancy swings more to community an increase in rates funding will be required.

22. **Option 2:** Proceed with the user fees and charges proposed in the draft LTP with a 20% discount for qualifying community organisations.

Advantages	Disadvantages
<ul style="list-style-type: none"> Increases revenue levels, offsetting the cost of The Historic Village to rate payers. Closes the gap between Village rates and market rates meaning lower increases to tenants in the future. 	<ul style="list-style-type: none"> Could have detrimental impact to community groups and force many to either reduce services, close, or move locations. Could render spaces empty reducing revenue. Perception that Council does not place value on benefits community groups bring to Tauranga Moana.

Key risks: Losing valuable community groups from The Historic Village and their services to the wider community if their operations fold.

23. **Option 3:** Proceed with the proposed fees in the draft LTP structure and implement a grant fund of \$150,000 which community groups can apply to offset their lease costs. These community tenants would need to meet a criteria outlining the outcomes they deliver to the community.

Advantages	Disadvantages
<ul style="list-style-type: none"> Least amount of financial impact to tenants. Fair process to ensure community tenants provide community outcomes to qualify to receive the grant. Gives tenants a clear picture of actual cost to be in business. 	<ul style="list-style-type: none"> Requires additional (specialist) administration in qualification of applicants, agreement administration and monitoring. Consideration needs to be given to the work completed around centralised funding. Will require \$150,000 of additional rates funding.

Key risks: More resource to possibly administer. The grant process could mean that some tenants get more favourable outcomes than others causing friction amongst tenants.

24. **Option 4:** Retain user fees and charges for community tenants at 2023/24 levels and charge commercial tenants at market rates

Advantages	Disadvantages
<ul style="list-style-type: none"> Reduced ratepayer commitment compared to Options 1 and 3 Recognises that Council places value 	<ul style="list-style-type: none"> It does not address issues for a small number of community tenants whose leases had yet to incorporate other increases over the last three years and

<p>on the benefits community groups bring to Tauranga Moana.</p> <ul style="list-style-type: none"> Ensures commercial lessees are being charged market rates. 	<p>faced increases over 100% which they cannot afford.</p> <ul style="list-style-type: none"> Does not address the current inconsistencies in charging approaches for community organisations (which is a key strategic objective in the Village Strategy 2020-2030). Could have detrimental impact to community groups and force many to either reduce services, close, or move locations. Could render spaces empty reducing revenue. Perception that Council does not place value on benefits community groups bring to Tauranga Moana.
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Key risks: Under this option some community groups are still facing significant increases to meet the 2023/24 fees and charges. Some of the commercial tenants will move out of the village with the ratio of the community to commercial tenant swinging more to community an increase in rates funding will be required and could impact on vibrancy.

LEGAL IMPLICATIONS / RISKS

25. No significant legal implications or risks noted.

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 decision.
 - (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 decision is of medium significance.

ENGAGEMENT

29. Taking into consideration the above assessment, that the decision is of medium significance, and the fact that extensive consultation has just occurred through the LTP process, officers are of the opinion that no further engagement is required prior to Council making a decision.

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

NEXT STEPS

- 30. Staff will implement the new fee structure to come into effect 1 July 2024.
- 31. Staff will amend the operation cost recovery charges effective immediately.

ATTACHMENTS

Nil

11.23 LTP 2024/34 - User Fees - Boat Ramps**File Number: A15480091****Author: Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places****Authoriser: Barbara Dempsey, General Manager: Community Services****PURPOSE OF THE REPORT**

1. To seek direction from Commissioners on whether Council should introduce a user fee for boat trailer parking Sulphur Point, Pilot Bay and Whareroa boat ramps.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "LTP 2024/34 - User Fees - Boat Ramps".
- (b) Adopts the fees proposed in the draft Long Term Plan 2024/34 for boat and trailer parking at Pilot Bay, Sulphur Point (located in Marine Park) and Whareroa ramps (option 1).

EXECUTIVE SUMMARY

2. The draft Long Term Plan 2024-2034 included a proposal to introduce a boat ramp user charge at: Pilot Bay, Sulphur Point (located in Marine Park) and Whareroa ramps. This fee would be charged to park vehicles and trailers at the "designated parking" areas of each site. The proposed fee is \$20 per day or \$200 per annum (GST inclusive) for Tauranga residents. The introduction of the fee was to provide a more equitable and fair balance between funding these activities from general rate payers and those that benefit directly from these facilities, noting that many users are likely to come from outside Tauranga.
3. Feedback from submitters to the Long-Term Plan consultation was mixed with broadly equal responses in favour and against the fees. This report proposes that Council seeks to implement the fees per the draft Long Term Plan, but notes that further steps are required through changes to the Traffic and Parking Bylaw and, at Marine Park, which is a reserve under the Reserves Act, endorsement from the Minister of Conservation would be required.

BACKGROUND

4. There is currently no charge to use the boat ramps in Tauranga. The ramps are popular facilities with peak use occurring over the summer holiday periods. Currently operational and capital funding for these facilities is funded via general rates. Visitors to Tauranga using the ramps are benefitting from these facilities without contributing to their cost of provision. Charging for boat ramps is not uncommon with a number of councils around New Zealand having a charging regime in place. At present, the annual cost to maintain and fund depreciation of the boat ramps are \$223,691.
5. The introduction of a user charge for trailer parking at boat ramps was proposed alongside a number of other proposed charges to recognise specific beneficiaries of services or amenities and thereby reduce the extent to which general ratepayers must fund these. In addition, the introduction of the charges may address congestion at some of our busier boat ramps.
6. The proposed method of charging for use of the boat ramps is through a parking charge which will apply to anyone that parks a vehicle within the vehicle and trailer designated parking areas. Under the Traffic and Parking Bylaw, the only designated parking area for

vehicle trailer parking is at Waikorire Pilot Bay. This means that while parks at Whareroa and Sulphur Point boat ramps are marked for vehicle trailer combinations, there is nothing preventing other users from parking in those spots. It is recommended that prior to introducing a fee that those other areas become designated parking areas for vehicle trailer combinations. Sufficient 'non-trailer' parking will also need to be retained outside of the designated areas.

7. There are users of our boat ramps who do not use a vehicle trailer combination, for example, dragon boat and waka ama. If the proposed fee is attached to the designated area for vehicle and trailer parking only, some boat ramp users will not be required to pay the fee. Vehicle and trailer users constitute a significant majority of users and have the largest impact on wear and tear and space required. Hence, the proposed approach is considered to be appropriate.
8. To minimise administration costs it is proposed that users of the carparks (both occasional users and residents buying an annual pass) can pay through the "Pay my Park" which is the App currently in use. Parking machines will also be installed at each site to allow those without the App to pay. The management of the App and parking enforcement will be undertaken using existing Council processes.
9. Further work is required to define the exact areas at each location for the designated boat and trailer parking zones, to prepare the areas and install the payment systems. Changes to the Traffic and Parking Bylaw and ministerial endorsement at Marine Park will also delay the point at which the regime is in place and revenues can be collected. We expect to start charging in the Summer of 2024/25.

CONSULTATION FEEDBACK

10. Feedback was mixed with many submissions not in support, while others recognised that not all residents received the same benefit from the provision of boat ramps.
11. Council received 238 submissions directly related to this proposal, of those 48% were in support and 47% were opposed to a fee, the balance were neutral. The most common reasons for and against were:

Against:

- A fee would discourage people from recreational activities on the water.
- Boat ramps are paid for via rates already, why charge another fee.
- There is currently no charge for other facilities that are seen as a public good, like cycleways, skateparks etc, so why single out boat ramps.

For:

- Our boat ramps are used by non-ratepayers who should pay their share.
 - Those residents that don't use boat ramps should not pay for those that do.
 - Support the fee but would expect a higher level of service.
12. Specific feedback has been received from the Whareroa community requesting further consideration of the implications a parking charge would have on their recreational use of the Whareroa boat ramp. As the ramp is located near their Marae as an access point to the Harbour, they are questioning whether they should be exempt from the charge. Further discussion will be needed with the Whareroa Community to identify how they use the ramp, frequency of use and what they are expecting from Council.

STRATEGIC / STATUTORY CONTEXT

13. As noted above, the introduction of a fee will require amendments to the Traffic and Parking Bylaw. This includes designating exclusive areas for vehicle and trailer combinations and making those areas "pay areas" under the Bylaw.

14. As Marine Park (Sulphur Point) is classified as a recreation reserve under the Reserves Act 1977, consideration needs to be given to the provisions of that Act in relation to car parking. This includes ensuring that users of the reserve are able to access it. The introduction of a parking fee will require ministerial approval. This will require clear delineation of vehicle and trailer parking versus parking for other users, which is intended.

OPTIONS ANALYSIS

15. **Option 1 – Implement charges as consulted (*Recommended*)**

ADVANTAGES	DISADVANTAGES
Fairer and more equitable charging regime for the provision of boat facilities.	Possibility people may seek to use free boat ramps which may lead to congestion at those facilities. Users may also demand higher levels of service which could have cost implications.

16. **Option 2 – Status Quo of no charges**

ADVANTAGES	DISADVANTAGES
No likely diversion to ramps without charges.	Rate payers who don't use these facilities continue to fund costs associated with boat facilities used by others, including visitors from outside Tauranga.

FINANCIAL CONSIDERATIONS

17. A financial analysis has been undertaken of potential revenue and costs of introducing a fee. This analysis was based on the available designated boat ramp carparks at each site and the utilisation of these carparks per day. An allowance has been made for the proportion of total users that it is estimated would use the annual fee option. The estimated annual revenue is between \$261k and \$365k per annum depending on ramp usage. The initial establishment costs for the parking infrastructure in year 1 is estimated at \$40k with ongoing costs of approximately \$50k per annum. Annual depreciation expense on the boat ramps is \$150k and maintenance costs are \$73k.
18. In responding to the suggested fee, some submitters supported the proposed fee but implied that this should deliver a higher level of service (e.g. free boat washes).

LEGAL IMPLICATIONS / RISKS

19. There is a risk that users may look to use free boat ramps such as at Fergusson Park, Bell Road and 6th Avenue. These sites would not be suitable for a larger volume of users as they lack parking and pontoons to assist with vessel launching. Also, these ramps are only available at high tide and are unlikely to be appealing to most users. There is also the potential for some users to look at using unformed beach access to launch their watercraft. Western Bay of Plenty District Council also raised concerns that a fee would increase use at boat ramps in their district. These potential unintended consequences would require ongoing monitoring.
20. The introduction of parking fees to Sulphur Point boat ramps will require Minister of Conservation approval

CONSULTATION / ENGAGEMENT

21. Consultation and engagement on the proposed user fee for boat ramp was undertaken through the draft Long-term Plan 2024-2034.

NEXT STEPS

22. Implementation of the proposed fees would involve the following –
- (a) Designation of clearly defined areas for the fees; at Sulphur Point (Marine Park), this would take account of the emerging spatial plan for the area.
 - (b) Changes to the Traffic & Parking Bylaw to be considered by Council.
 - (c) For Marine Park, submission of the proposal to the Minister of Conservation.
 - (d) Set up of the payment systems (physical and digital).
 - (e) Communication and advertising of the new fees.
 - (f) Enforcement.

ATTACHMENTS

Nil

12 DISCUSSION OF LATE ITEMS**13 PUBLIC EXCLUDED SESSION****Resolution to exclude the public****RECOMMENDATIONS**

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Attachment 1 - 11.7 - Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm	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
Confidential Attachment 2 - 11.7 - Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm	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
Confidential Attachment 9 - 11.9 - 2024-2034 Long-term Plan Deliberations - Other issues and options papers	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

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