MINUTES

Ordinary Council meeting
Monday, 4 March 2024

Order of Business

MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA
ON MONDAY, 4 MARCH 2024 AT 8.33 AM

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), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Josh Logan (Team Leader: Corporate Planning), Ceilidh Dunphy (Community Relations Manager), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights & Reporting Manager), Jeremy Boase (Manager: Strategy & Corporate Planning), Sarah Dove (Principal Strategic Transport Planner), Fiona Nalder (Principal Strategic Advisor), Andy Mead (Manager: City Planning & Growth), Frazer Smith (Manager: Strategic Finance & Growth), Cayley McLean (Team Leader: Waste Planning and Projects), Dan Smith (Manager: Sustainability & Waste), Kelvin Eden (Capital Programme Manager: Major Community Amenity), Paula Naude (Manager: Community Development & Emergency Development), Simon Collett (Manager Commercial Property), Ben Corbett (Team Leader: Growth Funding), Sarah Holmes (Corporate Planner), Ross Hudson (Manager: Strategic Planning and Partnerships, Spaces and Places), Blair Graham (Historical Village Manager), Nelita Byrne (Manager: Venues & Events), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Commissioner Tolley noted that submitters had been given the opportunity to speak and as they were now in the deliberation process it was not possible to hear any further submitters as Council needed to remain transparent in its decision making.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

There would be changes to the order of the business to allow the meeting to flow without interuption.

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 12 February 2024

RESOLUTION CO4/24/1

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

That the minutes of the Council meeting held on 12 February 2024 be confirmed as a true and correct record, subject to the following corrections:

Item 6 – Rosedale to be changed to Rowesdale

Item 112 – gardens to be changed to differential

Item 134 – Durban to be changes to urban.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Wasley noted that he owned a swimmng pool in relation to Item 11.17.

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 2024-2034 Long-term Plan Deliberations

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

Key points

- Provided an overview of the consultation process and a summary of the feedback received.
- Undertook a broad consultation process using a number of methods of engagement, including going out to the community.. The report provides an estimate of the number of people attending those sessions.
- The use of the marble voting jar had been popular for people to relay how they felt about particular subjects.
- Advertising and social media channels had also been used.

- The formal submission process had enabled those wanting to be heard to present their submissions to the Commissioners.
- Decision making requirements were set within the legislative framework, with paragraphs 48 and 49 of the report highlighting these. There was an obligation in the decision making process to give consideration to views and preferences of people likely to be affected by, or who had an interest in the matter, as well as a need to take into account all relevant matters, ignore matters that were not relevant, apply appropriate weightings to the different factors that were relevant to the decision and make decisions on reasonably grounds based on supporting evidence. Formal submissions were not the only relevant matters that Council would need to consider in order to discharge it's decision making responsibilities..

Discussion points raised

- It was noted that during the consultation process there was no ability to get a feel for the statistical validity of a wider community understanding and community view or get a breakdown of demographics. The process of going out into the community was really valuable. It would be helpful if there was a way to capture how many of the submitters had actually read the document and the detail in it.
- Acknowledgement of the estimated numbers of those engaged and the hope that the Council continued to go out and about to where people were at malls, markets, sports events and the like.
- Commissioners noted that it had been a valuable experience to have the opportunities for one on one discussions with the public as they were able to provide an explanation of the proposals in the LTP and it was hoped that the public also found this helpful.
- Engagement had not occurred at marae and Council had been criticised for not doing that or consulting directly with iwi. Council had tried to engage with iwi through all of the processes undertaken.
- In previous years engagement had included residents sitting around the table talking amongst themselves within their own communities where they reached a consensus on issues. The LTP was a good opportunity to discuss issues with a community. Appreciation was passed on to staff for the huge effort with Commissioners appreciating the work done.

RESOLUTION CO4/24/2

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

That the Council:

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

CARRIED

11.2 Financial Update - Long term Plan Deliberations

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

Tabled item – Debt to Ratio for deliberations

Key points

- The proposed three waters reform required that the activities not be included in the Draft LTP, acknowledging the potential that it could be included from Year 3 onwards. The total was $4.7B and waters of $1.3B were now included.
- The opening debt balance was $80M higher than the draft LTP with the tracking of capital projects, property purchases and the like.
- Three waters had been reintroduced with the inclusion of capex and activity back into accounts. The total Infrastructure Strategy water programme was $6B evenly over 30 years.

$1.3B of this was included in the draft LTP, and now $1.8B was included for water programmes in the LTP. This had pushed Council towards the borrowing covenants and put extra pressure on the rating numbers in the early years, making an average rate increase of 10% increase to 12.9%, and adding the Infrastructure Funding and Financing Act (IFF) levy this increased to 15.7%. There was a movement in the distribution between industrial and commercial which would impact the residential rate and make it slightly lower than that, if the recommendations proposed at this meeting were adopted.

- There was a need for higher water charges to be maintained with the water capital programme coming back on that needed to be reflected in the LTP.
- Referring to the powerpoint debt to revenue ratio screen, the red line in the debt to revenue ratio noted where the current covenants sat with the Local Government Funding Agency (LGFA), to achieve competitive rates and takes into account the previous IFF transport system plan which had previously been adopted and taken off the balance sheet, as well as the current Te Manawataki o Te Papa IFF transaction, which was still to be confirmed.
- The graph depicted the close gap between the red and the black line (the current updated LTP figures). The yellow line depicted the amount prior to consultation with three waters out and the blue line with three waters in the accounts, and showed that Council was close to the borrowing limits set by the LGFA.
- Approach taken was to prioritise the key transport projects over 10 years and to add three waters in at a level that was able to be brought back in within what the infrastructure strategy was predicting, within the Council's borrowing capacity.
- It was expected that a water entity or Council Controlled Organisation (CCO) would be created which would ringfence revenue from the balance sheet from 2027. Council was moving towards the borrowing constraints in the first two years. That continued for the 10 years but would seek to see some movement around 2027, which would provide Council with more borrowing capacity.

In response to questions

- In response to a query regarding the Te Manawataki o Te Papa IFF levy and investment undertaken in that period, it was noted that once the transaction was approved it could be drawn down from 1 July 2025, even though it would not be struck with ratepayers until 1 July 2026 and Council would capitalise on the interest to ensure that ratepayer funding did not go over $151.5M.
- In answer to a question in relation to waters not being taken out until 2027, and whether the recommendations being made by staff throughout issues and options papers, it was noted that the Council would remain within the debt limits, but would take debt close to the red line.
- While there was no rule and some flexibility, if Council was to increase the rates increase by 3% over what had been consulted on, the Council may need to reconsult. The Council had flexibility to take account of submissions received during the consultation process.
- Any unplanned or unforeseen events could be of a scale that they would not be able to be funded. In terms of flexibility, for example, if a property purchase was to become available, bringing some funds forward may be limited when getting close to those debt covenants.

Discussion points raised

- Many Councils were facing the same issues with regards to waters costs with this LTP, when they would possibly become off balance sheet in 2027-2030, so in reality this was a 3 year plan. Choices included the breaching of debt levels, take water out, resulting in a qualified audit, or push out items that could be brought back in later.
- There was concern with pushing out transport cost further out as more investment was needed not less. With the water charges possibly being taken over by a new entity and an affordability cap placed on what the community could afford, it could also create an opportunity for reprioritisation of investment going forward. Unless infrastructure was invested within the community, people would end up paying more through congestion, inconvenience, emissions, house prices and the like.

- The value of the LTP to the incoming Council was a clear and well considered understanding of the investment realities of the city. There would be a failure to demonstrate good governance, if it was not planned for now.
- Te Manawataki o Te Papa developments were not included and Council was still approaching the debt limits, with the primary driver being across the board underinvestment of infrastructure by previous councils necessary for the growth of the city, meaning the Council would be in catch up mode for the next decade.
- A robust plan now gave the incoming Council time to adjust, with a further plan in three years' time and an annual plan each year, it allowed some considerable influence within those times and for Council to move forward with the works.
- A water plan would need to be lodged by 1 July 2025 and that would be one of the first things that the new Council would need to do, and we know from the work to date, the Council could not afford to fund it on its own and account for the growth of the city.. It was possible that even with a regional entity it would not be sufficient, but the Minister of Local Government had made it clear that local ownership would be maintained.
- Council would work closely with mana whenua to a level that they felt safe and comfortable that protected the Mauri of their waterways, whilst decisions were made on what the delivery would look like. This would enable planning for the next LTP and the infrastructure investment needed, including playing catch up and providing for growth at the same time.
- The intention was to create conditions which Council could continue to facilitate items that the communities need and creating off balance sheet opportunities, with a need to be planning for what was ahead and creating opportunities for scale with regional and interregional partners working together on how to create that.
- There was value in the LTP which provided for those wishing to stand for the upcoming election in what was a challenging financial situation and environment and provided a basis of understanding of the complexity and immediate and longer-term challenges the city and the local government sector were facing.
- Acknowledgement of the good information contained in the report.
- Only clause (a) was being adopted at this stage of the meeting with the balance of the recommendations being considered at the end of the meeting.

RESOLUTION CO4/24/3

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Stephen Selwood

That the Council:

(a) Receives the report "Financial Update - Long term Plan Deliberations".

CARRIED

Attachments

1 Late attachment to 11.2 Financial Update_ Debt to Revenue Ratio for deliberations

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

Staff Paul Davidson, Chief Financial Officer
Nic Johansson, Head of Transport
Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

Tabled attachment to report

Key points

- The report reflected the internal movement changes around interest, the allocation of internal budgets which had some reduction in costs, increased waste water charges and the salary

budget which had increased to reflect the size and scale of the capital programme. Staff had been looking to find savings in each of the activities throughout the year to minimise the rating impact.
- There was also recommendations relating to capitalisation of operational expenditure (opex) costs where they provide long term benefits, particularly in regard to the digital services expenditure relating to software as a service which must be accounted for as opex.
- Tabled information included changes to the capital programme where staff had looked to rephase the capital programme to recognise the need to spend on key transport corridors within the borrowing constraints to maximise that. It showed the key projects spread differently to what was in the draft LTP, with the major projects highlighted in yellow.
- Cameron Road stage 2 had been rephased, but the LTP had the assumption of the Infrastructure Acceleration Fund (IAF) funding. A communication had been received on 1 March 2024, with the IAF team, as the milestones would need to change from that in the signed funding agreement, and because it was significant, it had to go back to the Minister, with the decision expected to be made by the Minister in late April/early May 2024. Council would need to disclose that in the LTP and, if the assumption was not realised, there would need to be a shift of other projects.

In response to questions
- It was noted that the LTP signalled the importance of transport for the city with an increase in expenditure over the next few years, but compromises were required. It was noted that there were many projects to ease congestion, however, arterial projects that had been removed where Council would not get Waka Kotahi subsidy.
- In relation to a comment that Council was spending $72M on bus infrastructure and not spending $20M on arterial routes, it was noted bus infrastructure did attract Waka Kotahi subsidy.
- In response to a query as to whether chasing the subsidy funding was overlooking the priority of the commuter who wanted to be able to get around the city, it was noted that staff would look to see what they could do to find a compromise and put funding back into the arterial expenditure. There were many low cost, low risk projects that would contribute toward lesser congestion and it was finding the balance to make public transport and a mode shift more attractive to use. It was suggested that $20M be taken out of public transport and put back into arterial route improvements. It was noted that any compromises and greater investment in transport would be at the cost of other initiatives.
- Discussion ensued on Pāpāmoa Beach Road needing to be rebuilt with the increase in heavy traffic given the construction of Wairakei/Sands town centre and Te Tumu,. A query was raised as to whether trucks could be forced through a bylaw to use Te Akaroa Drive and the TEL, until there was funding in the budget to rebuild Pāpāmoa Beach Road.. It was noted that a bylaw could be introduced, but staff were expecting changes that would lower truck movements with the completion of the Baypark to Bayfair, area and the Pāpāmoa East interchange would also have an impact on the use of the road from Pāpāmoa and Wairakei.
- In response to a statement that Council owed the residents of Pāpāmoa some relief from trucks and to make sure that they did use the alternative routes, it was noted that staff would look into the development of a bylaw to see if it could be adjusted in light of the points raised.
- In relation to the marine facility upgrades and renewals which were in three different activities at a cost of $50M it was noted that some of this was for the loading wharf at the marine precinct which had been re-budgeted for a number of years and now needed to be concluded as quickly as possible. Other works included Fisherman's wharf, Beacon wharf and Bridge wharf. Further information would be provided later in the meeting. Staff would look for opportunities to apply for government funding for some of those costs.
- In relation to the Waiāri water treatment plant capital ,which had been reduced from $220M down to $70M, it was noted that this was for stage 3, with significant budget being retained to connect it to the rest of the network. The extension out towards the east was delayed which included a reservoir. There was an explanation of this in Item 11.8 on the Te Tumu development as to why this was occurring.

- The community centres project budgets in 2025-26 were fully funding the Merivale and Gate Pa centres.
- The Infrastructure resilience capital works was within the resilience budget.
- In response to a query as to what was being done in relation to accessible streets with a smaller budget, it was noted it was to complete the works that were underway and some connection work to get the best value for the investment. A larger programme had been pushed out in both sites A and B. The Grenada cycleway was delayed and had been included in 2029, but staff would look at compromises to bring that back into the programme which was 100% funded by Council.
- Commissioners requested that a map detailing the connections in Arataki for all of the networks be compiled so that people were able to see the safe routes to get around their communities and to and from school.
- Further information was requested on the Marshalls Avenue footpath upgrade.

Discussion points raised

- One of the priorities was the Welcome Bay/Turret Road/15th Avenue corridor at $140M, with most of the expenditure within the first five years. While many of the projects would have significant impact on congestion, more needed to be done to leverage the $20M and to look for projects that would get Waka Kotahi funding and relieve congestion. Discussion of the incoming Council around waters was critical and much needed transport investment could be accelerated. The classic outcome of the financial constraints was that Council had to push projects out into the future that were needed sooner.
- It was important to note that within the revised capital programme the stadium expenditure of $89M was spilt to $44M in years 2033 and 2034. There were at least two more LTP's where the Council would make decisions on this. The Commissioners were only providing for it to happen at this stage, not contractually committing to it.
- Recommendations (a) to (d) were considered at this point with the balance of the recommendations being considered at the end of the meeting.

RESOLUTION CO4/24/4

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

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 requirements 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.

CARRIED

Attachments

1 Late attachment to 11.3 Executive Report

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

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Barbara Dempsey, General Manager: Community Services
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Key points

- A rescope of the Sulphur Point project had freed up come capacity to work within this activity and make some recommendations for consideration. There were 12 Issues and Options reports that had been summarised for guidance.

In response to questions

- There was funding for three additional toilet blocks. There was some funding in the Mount CBD budget but no further budget. Staff focused on and agreed with submitters that there was a need for more toilets in these areas and they now had the capacity to recommend these.
- Following the Mount Sport Club development request for squash courts, it was recommended a loan funded grant of one third in line with Council's policy, resulting in a facility that the Club would run and maintain. Recommendation c (ii) was important as it was a theme that would come up with other initiatives in terms of public access and multi-use and the ability for use over and above the membership. It was noted that this was the intention and the approach taken with these types of initiatives. The budget allocation for the loan funded grant was in 2029-30, which was later than the Club preferred, and if there was an opportunity to bring it forward it would be able to be done.
- Ngāi Tamarāwaho and Pukehinahina Charitable Trust carpark - there were still a lot of issues to work through and the Trust had an opportunity to come back to Council when the work had been completed. It was noted that staff were supportive of the goal and the outcome the Trust was trying to achieve. It was too early to build a carpark in that topography at the cost proposed. There was not enough certainty at this stage and staff were continuing to work with the Trust to understand what they wanted to do and how the Council could support them. The Trust was still going through a consenting process but do not have the funding to develop it at this stage, so it was a matter of timing. Council had given the Trust the certainty of the historic reserve status and a lease.
- Bay Oval Trust recommendation was to provide more funds than was requested as there was a need to get on and finish the project with some firm conditions around the recommendations. Staff were working with the Trust to ensure that they exhaust all practical funding opportunities for this component of the project. The proposal would allow the Trust to finish what they had started in readiness for putting in bids for some big events for the city. It was agreed that there was a need to get the project finished. The indoor training facility was another project that may or may not happen and what was there was well used. The proposal and need put forward for the training centre had moved on since it was proposed two years ago.
- Tauranga Hockey Centre in relation to a long term view of their operation on site, it would need to come through in the business case for the facility. At this stage there was support for a

feasibility study. It was understood that their intention was to have a standalone hockey centre on a bigger scale that what was currently there.

- Support for the Mount Maunganui College pool in year 2030 was timed around the management of the Council's budget. There was also still work to be done to define and refine what the proposition looked like, but if they could get to a level of certainty and the budget allowed, it could be brought forward. This was a win-win for the community and to ensure the project was well anchored in whatever agreement was made.
- Ngā Põtiki ā Tamapahore Trust and Manawa Development Holdings Limited Partnership and the Te Atea Reserve to provide funding for fencing subject to conditions to allow public access either side of the Wairakei stream and would help join up the connectivity gap and bring additional value to the community. In relation to the shade facilities, they could access funding from the shade bulk fund and was recommended that it be installed in Year 3 as it was appropriate for the area. The pathway for tsunami retreat could also be raised and put into the mix to gain connectivity.
- It was noted that Bluehaven had already been turned down for a request for a higher level of service for a pathway in the Wairakei Stream Corridor. In relation to the contribution of land as development contributions and wanting more, it was noted that Spaces and Places were considering the development of a more formal policy that would influence their decisions earlier in the consenting process.. An example was for the likes of a roundabout that was required in a subdivision, with less of those areas planted and more carparking to reflect changes in legislation.
- A lot of work had been done with developers over the years to come up with the level of service, with some areas wanting a high specification, which had been accepted as a targeted rate over that geographic area to reflect the higher level of service. One was the Pyes Pa Lakes area in terms of the green amenity and in some areas of Pāpāmoa. If there was no targeted rate it becomes a burden on the ratepayer. There were some of the older parts of the city that were not at that standard, and Council was trying to keep a balance across the city.   If these levels of service were to be raised, Council would need consult the community on introducing a targeted rate to do so.
- Community facilities in the eastern corridor was a request by Bluehaven to bring forward that funding.
- In response to a query in relation to the provision of additional budget for a park and ride in Tara Road with NZTA, it was noted that it was pending a Bay of Plenty Regional Council LTP decision to support the services and while they had been given an indication that it would be approved, there was still some uncertainty so it had been left in the Council's budget.
- There was also a feasibility study due in the next week as to whether the land between the park and ride and Ngā Potiki's development could be used for sports field. This would enable a constructive negotiation to take place with Waka Kotahi, taking into account the views of mana whenua.
- Pump track at Cambridge Park - it was good to have something put aside, subject to the investigation of the old landfill site.   Further information was sought on the request from Maungatapu School for a pump track.
- The Memorial Park to Elizabeth Street waterfront works included installing nodes at the end of the Avenues, beach replenishment and investigation into longer term consenting and property rights issues. . Definitive costs for the nodes were not yet known. Commissioners noted that their preference was to get the nodes completed and if there was funding left, to pursue the longer term consenting and property rights issues. There was $600,000 in the budget to do the investigation and $6M in the capex budget to complete the work.
- The recommendation on the future of the Otūmoetai Pool was a sensible way to go. It was requested that residents be advised that an investigation of options would be provided to Commissioners with information and timing before a definite decision was to be made on the future of the pool.

RESOLUTION CO4/24/5

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

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 play spaces 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 Tamarāwaho 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.

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.

(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).

CARRIED

11.5 SmartTrip Variable Road Pricing - Responses to Long-term Plan Engagement

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Sarah Dove, Principal Strategic Transport Planner

Key points

- A clear message had been received from the community not to proceed with a full business case at this point.
- Subsequent to the LTP consultation document going out for consultation there were some significant changes which were noted in recommendation (c) as the coalition agreement with the Act Party provides for reducing congestion and improving travel reliability and specifically to work with Auckland Council on that opportunity.
- A letter had been received from Waka Kotahi through the submission process inviting Council to be involved in a group consisting of representatives from Waka Kotahi, the Ministry of Transport and other councils, including Auckland, to create a national consistent approach on road pricing. This information was not available at the time of consultation.
- Intention was to proceed with an investigation of the areas that the community had raised through their submissions around cost, equity, availability of alternative transport modes and public transport, where various locations were charged, the timing of charging, the impact across the network in a broader sense including people diverting to avoid charging.
- Council would participate in the opportunity to work with Waka Kotahi, Ministry of Transport, Auckland Council and Auckland Transport in terms of the national work around road pricing and suggest that a $1.5M budget spread over three years to reassess in the annual plan, when more was known on the proposal which was still in the early stages. This would allow the Council to participate and ensure that the feedback from the community was incorporated into the national level of thinking.

Discussion points raised

- Commissioners noted their support for the recommendations noting that they were keen for Tauranga to get ahead of the transport issues.
- The modelling done in the SmartTrip analysis showed that congestion would double if Council did not look at options like this and there was a need to invest more in public transport to provide viable alternatives for residents.
- One of the principles was to enable the core arterial routes and expressway corridors to flow efficiently, with public transport being run on the arterials to match the service. There was a need to use the existing network more efficiently and effectively so that SmartTrip pricing could achieve that.
- The community had raised a number of valid issues that needed to be resolved, and it was important that these issues be communicated to government to ensure concerns were mitigated and reduced any negative impacts of pricing.

- Having the funding available to work with central government and other councils to get the best options available and whether subsequent Councils want to do this into the future, but they would at least be provided with the right evidence based information so that they could make a sound decision.
- Support for the proactive approach going forward and to provide a local perspective to feed into any national changes.
- Tolling in Tauranga was not a new issue so the prospect of paying for access would not be new for the community.
- Issues raised by the community were around equity, existing tolls and fuel excise would be addressed through the investigation and further studies. Tauranga needed to pay for its transport in a more efficient way so the removal of existing tolls and the fuel excise to pay for what people used was a fairer way to gather revenue and a clear focus to reinvest it back into the transport network.
- So much of what local government did was dictated by central government, as it had with three waters, when the government did not listen to the community concerns relayed to them from Council's. The new government policy was allowing local government to have a say in their own future.
- The petrol excise had been dropping for a long time and the roads were in a poor state with not enough money to allocate for what needed to be done. Tauranga had a massive upgrade to bring the state highways to an acceptable standard, and additionally they needed to cater for the growth on its own roads in the next 20 years.
- It made sense to be part of a discussion rather than reacting to the decisions and to encourage the incoming council to support this as there was some great and rich information provided from the community which needed to feed into the process early on, not at submission time, as it was harder to change the legislation at that stage. Council had followed a good process to date and this should carry on.

RESOLUTION CO4/24/6

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Bill Wasley

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 available 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.

CARRIED

At 10.22 am the meeting adjourned.

At 10.32 am the meeting reconvened.

11.6 Issues and Options - Waste Infrastructure

Staff Nic Johansson, Head of Transport
Cayley McLean, Team Leader: Waste Planning and Projects
Dan Smith, Manager: Sustainability & Waste

Key points

- The LTP had a significant level for sustainability and waste infrastructure, with a change of direction with changing circumstances in the private sector, cost increases and to treat it as a as regional or subregional issue.
- Changes included investing in the processing capability and capacity in the region and to do better in that space rather than have trucks carting it away.
- Invest in organic processing capability and minor improvements at the Te Maunga waste site to keep it going until the new investments were decided on.

In response to questions

- In response to a comment in relation to the possibility of private enterprise taking over the organic collection as had occurred with the construction and demolition waste, it was noted that construction and demolition waste was a commercial activity and not owned by the Council. The organic collection was a kerbside collection that the Council had the responsibility to manage and deal with and also controlled where it would go.
- As part of the investigation staff would look at the different methods of processing and whether there were other methods that would achieve the same result. There was a responsibility to process the waste locally rather than trucking it two hours away.
- Conversations were being held with the Kawerau and Whakatāne District Councils regarding different options and staff were also looking at contractual options and how they tied in.
- In relation to a query regarding what a schematic design at $1.1M would achieve, it was noted that a new resource recovery park was required in the north west and Te Manga needing an upgrade to becoming a resource recovery park. This was to ensure that each of the facilities tie into with one another, including what services were required at each, how they could complement each other, what potential business could be encouraged to occupy the land, where the entry and exit points were and the like to get an accurate design and budgets required for funding applications.
- The level of funding was based on what had been spent for Te Maunga and knowing that as well as the two sites there were current operations such as good wood, Material facility, the Western Bay of Plenty District Council community centres and how they all tie in. It also includes procurement and stakeholder engagement with iwi and Ngā Potiki.
- In response to a query in relation to the likely funding available, it was noted that the Ministry for the Environment had indicated support for the project and were awaiting the schematic design, costs to be packaged up as a project so that Council could apply to the waste management fund, which had a priority for projects with an organic nature.
- The current amount in the LTP was $58M which was a reduction of $7M.

Discussion points raised

- Acknowledgement of the good report and the information contained in it.
- Staff requested an amendment of recommendation f (ii) from $16.7M to $15M to take out that inflation on the land that had been included in the budget.

RESOLUTION CO4/24/7

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

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 ($15m) and development of the sub-regional waste infrastructure network - $34.6m, 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.

CARRIED

11.8 Issues and Options - Te Tumu Development Timing Topic

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Andy Mead, Manager: City Planning & Growth

Key points

- The recommendations respond to the submission points made and provides detail around the financial investment proposed, pushing a lot of the waters costs out.
- Commissioners had asked how much could be separated out for Te Tumu investment verses the Waiariki Town Centre and Pāpāmoa area, and by making an additional $7M investment upfront, around $200M could be moved out by changing the way Council were looking to construct.

- Staff were asking for re-endorsement of a previous resolution regarding the timing for the plan change to the first quarter of 2026 at latest. Along with that legal advice had recently been received which had made it clearer that Council needed to be able to demonstrate the infrastructure pathways were available and able to be progressed and to do that there needed to be further work done on the Kaituna overflow and bring it to a position where a resource consent was received or demonstrate that it would be receivable. Recommendation (f) sought funding so that could occur in parallel with the plan change preparation work and to be able to move through in the same time frame.
- Recommendation (h) deals with the matters raised by the land owners where they sought changes to the wording.

In response to questions

- A query was raised as to why Council had to give a date of 2035, as if the government makes funding available, it may be possible that the infrastructure could be funded earlier. While in relation to the Council budget it was the logical place for the work to happen, but it did not help the landowners who were trying to maintain confidence that it would go ahead. It was noted that the 2035 date could be removed, but it did reflect the best case scenario as was known at present and if Council was able to secure external funding, it would take approximately10 years to design, procure and deliver the infrastructure to get housing in 10 years. An independent review was being carried out on the infrastructure time frames.
- In response to a query in relation to engagement with the TK 14 Trust and aligning to prepare and develop the plan change with them, it was noted that the TK 14 Trust were taking the lead and the engagement with mana whenua was a Council led plan change process and were a part of that ensuring it served all purposes.

Discussion points raised

- Commissioners acknowledged the information and explanations included in the report for this and other developments as it showed how hard it was for local government to finance infrastructure, which was so expensive, sat on the books for so long, was debt funded and accumulated interest which grew. While the landowners want the Council to invest in the infrastructure, the cost to the ratepayers and to them was enormous.
- It was noted that 2035 provided a base date for going to the government with the reality on the current paradigm. If the parties could come up with a way to address the financing and delivery to bring this date forward, as there were 6,000 homes at stake, then this would occur.
- It was agreed to reword the final sentence of resolution (h) to *If successful, the Te Tumu development (initially housing development) on current national settings and nothing changes is likely to commence from 2035."*
- Support was noted for the rephasing of the Kaituna overflow planning as that was a critical element that needed to feed in and work parallel to the rezoning. If this did not occur, the Te Tumu development would not occur.

RESOLUTION CO4/24/8

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Shadrach Rolleston

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 rephasing 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) on current national settings and nothing changes is likely to commence from 2035."

CARRIED

11.9 2024-2034 Long-term Plan Deliberations - Other issues and options papers

Staff Barbara Dempsey. General Manager: Community Services
Gareth Wallis, General Manager: City Development & Partnerships
Christine Jones, General Manager: Strategy, Growth & Governance
Nic Johansson, Head of Transport
Paula Naude, Manager: Community Development & Emergency Development

Commissioner Wasley noted that he was a member of the Tauranga Chamber of Commerce.

In response to questions

- Tsunami evacuation pathways was an important issue for the Pāpāmoa Ratepayers Association to be raising. Staff were moving with pace on the issue and were awaiting scientific evidence to underpin some of the decisions that needed to be made and until that had been received, there was no information to move forward. Staff had considered the groups views and at this point there was not sufficient material in their proposal without the other

information to support it. There was no change in evacuation times with the group's proposal. Given the extent of the expenditure and what was not yet known, the preference was to move forward with what was already being done and await those outcomes.
- In response to a query as to whether the consultant would also consider the Ratepayers Association's concerns, it was noted that GNS were doing the digital work, the Bay of Plenty Regional Council were doing the modelling for the region and Council were engaging a consultant to consider whether there were interim measures that could be implemented now to alleviate some of the pinch points before the data came to hand. The Ratepayers Association's concerns would go to the consultant as part of the mix and would be considered and investigated alongside other options. This had been relayed to the Ratepayers Association Chairperson.
- The interim work was to inform as to whether there were some measures that could be put in place and this would be reassesses once the modelling had been completed. It was agreed that this needed to be done right and to get the expert independent review to provide information on what the long and short term options were.
- Proposed regional screen incentive fund - it was noted that staff were relatively supportive of what was proposed, noting that Priority One had also questioned why film had been chosen over a wide variety of other industries but no other industry had sought support through the LTP. The $100,000 in the budget supported the industry as an organisation and a continuation of what had been provided to them over the past three years to co-ordinate the film industry in the city and had worked relatively well. It was agreed that the Council could not afford an increase at present.
- Tauranga Māori Business Association was a great organisation doing good work and were making a difference to Māori businesses in the city. The recommendation was to provide an increased level of support to assist them to keep going with what they were doing. There was a need to increase their membership base and it was agreed that additional funding be provided up front and lessened into the future as they grow their membership base.
- Discussion ensued on what support would be provided to the Māori Business Association from 2026/27 as ongoing funding was provided to the likes of Priority One and the Chamber of Commerce. It was considered that looking at the membership fees and size of the membership the Māori Business Association could become more financially sustainable and less reliant with $30,000 but if they require more, it could be re-evaluated at that time. It also included trying to find the balance of what they needed to deliver on the outcomes that they had set for themselves and to provide the resourcing to deliver on that. The Association would not be able to get to the same level as the Chamber of Commerce and it was agreed that they did need support at this point to build their membership.
- It was agreed to change the order of contribution making it $50,000 in 2024/25, $40,000 in year 2025/26, and $30,000 in 2026/27 which would provide the resources for them to allow the organisation to grow their membership, make it more financially sustainable and improve their value proposition to their members. This also allowed them time to find other funding sources and commercial sponsorships which also required resources to invest the time to get potential funders onboard.
- Waiāri Cultural Recognition Programme - Iwi partners had made a significant contribution on the Waiāri Kaitiaki Advisory Group and the Council had an obligation under the resource consent to have a Māori model applied which tracks the impacts of the Waiāri treatment plant on the stream. This had been worked through with the iwi partners, there was an educational component to it . There were broader recognitions that could be made in relation to the programme and the recommendation was an investment into that. It was agreed this was where local mana whenua had an interest and local government had to make sure they were working closely with them as this was where mana whenua rights and interests were represented.
- Commissioners noted that those interests had been clearly enunciated over the three year period of the Waiāri Kaitiaki Advisory Group. There was also a need to continue ongoing discussions with partner consent holders the Western Bay of Plenty District Council and the Bay of Plenty Regional Council. While there was some sharing of costs, the integrity and trust of this Council it was important to make that contribution. It was noted that the other two

councils had not had their LTP consultation as yet and staff were working on the request of what their contribution should be. Iwi would also be making a submission to those plans.
- Incubator Creative Hub – in relation to a dispute as to how much was allocated and how much was delivered, it was noted that the signed contract with Incubator for a grant has a resolution that provided $250,000 in the first year of funding and increased by $110,000 per year. There was an error in the report, the LTP refers to $250,000, plus gst had been paid in 2021/22, $360,000 in 2022/23 with the $470,000 in 2023/24 still unpaid at this point. The recommendation was to move the organisation onto the multi-year contestable funding. There had been discussions with an opportunity to fund for one year and then three years, which brought them into the LTP cycle of funding and gave certainty of the amount of funding available once the LTP was signed off.
- It was agreed that the Incubator grant funding would remain the status quo as the Council's focus was on infrastructure. It was important to hold early engagement with the community organisations giving clarity of the process going forward and the opportunities for the next LTP process. The fees and charges discussion would be held be later in the meeting.
- Commissioners gave appreciation to the Incubator for the enormous contribution that they were making to the everyday lives of people through arts and culture and the community and Council wanted them to continue to do that. The Incubator had earned that three year certainty of funding at level built up to, but financial situation was that at this stage it could not be expanded. This did not underestimate the value of their work and the vibe created within the Historic Village as a reflection of the work they do.
- Wednesday challenge was to incentivise a mode shift from driving on a Wednesday as it was the busiest day of week and seeking a contribution to business module of their app and for Council to manage that programme on their behalf. Council did not have a resource to manage the programme, but were suggesting providing the funding for the app with the Wednesday Challenge taking on the resource component and managing it themselves.
- Council also had a request for this kind of resource for a contribution from Waka Kotahi for consideration and have an upcoming GPS which may have an impact on those sorts of decisions. Commissioners noted that Council could not have the transport decisions driven by Waka Kotahi or would be at their mercy all of the time. Council needed people to focus on how they chose to travel around the city so needed to keep a focus on providing and promoting alternatives.
- Ngāi Tūkairangi Hapū Trust – the recommendation was to increase the amount in the budget and to work with the Bay of Plenty Regional Council and the Western Bay District Council where they were contiguous to get joint funding to create a greater funding pool. $60,00 was sufficient at present for a smaller plan. These plans were helpful to Council as they were required for urban and housing planning, the building of infrastructure through hapū areas, a critical component for engaging with iwi and a benefit to ratepayers to have a clear process. The Ngāi Tūkairangi Hapū Trust could apply to the fund.
- It was noted that there were approximately 12 hapū plans within the city and with these needing to be reviewed every ten years it may be useful to have a revolving programme of review so the investment of reviews could be focused with maybe two each year.

Discussion points raised
- The confidential event was deferred until the public excluded session had been held.

RESOLUTION CO4/24/9

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Bill Wasley

That the Council:

(a) Receives the report "2024-2034 Long-term Plan Deliberations - Other issues and options papers".

Tsunami Evacuation Pathways (Attachment 1)

(b) 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.

(c) 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)

(d) 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)

(e) Approves a staged approach, providing Tauranga Māori Business Association with new operational funding in the 2024-2034 Long-term Plan of $50,000 in 2024/25, $40,000 in year 2025/26, and $30,000 in 2026/27 (an amended Option 3).

Waiāri Cultural Recognition Programme (Attachment 4)

(f) 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)

(g) Adheres to the newly adopted Community Funding Policy and moves The Incubator to a multi-year contestable funding agreement.

(h) 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).

CARRIED

11.11 City Centre Hotel and Conference Centre - Next Steps

Staff Gareth Wallis, General Manager: City Development & Partnerships
Paul Davidson, Chief Financial Officer

Key points

- Staff had been working with Willis Bond and Oscar Nathan from Priority One on the possibility of a hotel on the Durham Street carpark land. A feasibility study had been undertaken on what a hotel and conference centre could look like on that site and were seeking a direction from Commissioners to continue with that work with a view to having a thorough understanding of the value proposition and whether the city should invest in into the future by the end of the year.

Discussion points raised

- The alignment between Te Manawataki o Te Papa and each of the facilities would be complimentary to what each were to collectively deliver from an economic development perspective and for the growth of the city centre.

- The feasibility study would be available for the incoming Council to make the decision as to whether or not to proceed with the development.

RESOLUTION CO4/24/10

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Stephen Selwood

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.

CARRIED

11.13 Issues and Options: City Centre Development Incentives

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

Key points
- This was to understand from the community their view on further incentives to support development, one of which was a grant for development contribution policy costs. Staff do not think that it would make a difference to a development proceeding or not proceeding.
- There was a city incentive development fund and a deferral mechanism within the development contributions policy where a payment could be deferred until a later date in the cycle with interest accrued which needed to be communicated better.

In response to questions
- To qualify for a deferred contribution Council needed to be satisfied that the application was a credible developer with a track record. A legal agreement would be entered into with an encumbrance on the title so that if anyone was to purchase the property they understood that the contributions were still to be charged.

RESOLUTION CO4/24/11

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

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.

CARRIED

11.14 Industrial Rating Category

Staff Paul Davidson, Chief Financial Officer
Jim Taylor, Manager: Rating Policy and Revenue

Tabled document - Updated rating information

Key points

- There had been feedback in favour of supporting from those who would receive a reduction in their rates because of it and the opposite for those not receiving it.
- Feedback was received on the timing and whether it was to be phased or not.
- Information was tabled with the latest rating numbers and what it would mean for the median residential, commercial and industrial rates. It also continued to move to overall phasing in future years.

In response to questions

- In response to a comment that the commercial rate benefited from the industrial rate across each of the options, it was noted that the commercial benefit was a deliberate option taking into account the current economic environment in the retail and commercial sectors. Option 2.1 was substantially lower taking into account the cost of living crisis at present that was impacting retail more than industrial who had not had the same level of disruption. If the decision was to move to 65% residential, 15% commercial and 20% industrial looking at proposed revaluation the 2.7.1 differential would not change very much and would create some certainty for the industrial sector, but for the commercial sector it may be a further 1-2 basis points to get to the 13% share of the rates, when the economic environment allows governance to move that way.
- In relation to a query raised by submitters regarding double dipping as they felt that they were already being charged for transportation through the targeted rate two years ago. That had been replaced by the IFF levy so it was a like for like and not an addition. All sectors were paying the IFF which was for investment going forward, wear and tear on the roads and the like. On top of that the industrial users had a much greater effect on the roading network substantiated the need for them to pay more.

Discussion points raised

- Commissioner Tolley noted that she was disappointed with industry response with 113 submitters photocopying a letter and sending it in, to what was a substantial change to the rating differential in Tauranga. This was completely different to the commercial operators who were very engaged in the last LTP. Commissioners queried whether this meant that the industrial businesses were happy to pay more as they had not objected to it, or do they take one person's thoughts being copied as a number of objectors.
- Discussion ensued on the proposals and whether the rate should be charged in one hit or phased in to soften the blow for smaller businesses sooner.
- There was no guidance from the industry as to whether phasing in would make a substantial difference to them, however it would make a difference to the commercial and residential sector if it was to be charged now, with industrial taking a large share of the load.
- Feedback received from the retail sector was that they would continue to struggle over the next 12 months with rising costs, and this would also have an effect on small businesses.
- Given the need for investment in roading and transport, it was part of recognising the impact of industrial activity and the investment required, and that sector had to pay a fair share contribution.
- The recent Phillip Jones report provided to the Strategy, Finance and Risk Committee provided some compelling evidence of the difference between heavy and light vehicles using the transport network.

RESOLUTION CO4/24/12

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Bill Wasley

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.

(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.

CARRIED

Attachments

1 Tabled Item 11.14 - Industrial Rating Category

11.12 Draft 2024-2034 Long Term Plan Deliberations - Car Parking Buildings

Staff Paul Davidson, Chief Financial Officer
Simon Collett, Manager Commercial Property

Key points

- Evaluation of the community feedback and financial projections pertaining to the potential divestment of the Spring Street and Elizabeth Street carpark buildings and provides a detailed analysis of the anticipated financial implications.
- Provides a strategic pathway forward as a result of the feedback which was largely opposed to the divestment.
- The aim was to utilise the funding surpluses from the parking activity to support Te Manawataki o Te Papa programme of works up to $46M which would provide a better cash flow for Council.
- It was down to the delta of what Council would sell the buildings for and what it could borrow which sits at 1.5-2% and impacts Council's cash flows.
- If someone was to purchase the building based on guaranteed cash flows the valuation evidence suggests they would be sold at between 6.25%-6.75% with the buyer expecting that return. Council's borrowing rate was currently at 5.25%, with forecast to reduce that rate over 2 years. This was the delta of where the building could be sold and what Council could borrow it for.
- In line with the commitment to responsible stewardship, staff propose to reassess the potential divestment of the buildings should surpluses fall short of expectations.
- Underpinning this was the asset realisation reserve approach which categorises the buildings as potentially available for disposal which prudently provides Council with opportunities to optimise the asset portfolio.

- Financial analysis forecast was for an improved performance projects surpluses from 2025 onward. This offers Council the feasibility to explore non ratepayer funded debt financing as a solution to divestment and also presents alternative funding for Te Manawataki o Te Papa programme of works.
- A recent KPMG review which concluded that based on projections Council's overall debt capacity to take on the proposed borrowing that Councils revenue and debt forecast appeared plausible based on historical costs and comparative parking income. The analysis suggests to repay the loan from cash flows as this appeared affordable over the long term under the sensitivities that KPMG considered.
- Staff believed that they had listened to the community, were retaining assets that had increased strategic importance and value as the city centre reaches its potential in near future with Te Manawataki o Te Papa. On a cashflow basis the Council would be better off and would continue to control the operations in the long term.

In response to questions

- In response to a query as to whether the occupancy rates were reasonable, it was noted that the forecast was $20 per week on average by the end of the LTP period which was substantially lower than Auckland or Wellington. One of the more aggressive forecast was for occupancy six days a week when the CBD was busy and it was considered that the Council should back itself and make it work. There was also a long-term value proposition with Auckland currently charging $250,000 per carpark in the city.
- Staff were seeking a more commercial approach to how the activity operated on a fee basis and it should be run as a business and market led.
- All day parking was currently $17.50.

Discussion points raised

- Council were taking a risk with the occupancy space as the proposed shift was questionable, and supported the option that it could be reviewed depending on trends and to opt for a sale at a later date if appropriate.

RESOLUTION CO4/24/13

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Shadrach Rolleston

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.

CARRIED

11.7 Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm

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

Key points

- The report covers two elements of Council properties with decisions to be made on how the proceeds of the sales were to be used.
- The elder housing transactions with Kainga Ora had been completed. Pitau Road village had also been completed and Hinau Street village was still underway.
- It has been estimated as to what the likely proceeds were and decisions had been made as to how to allocate some of those funds. There would be approximately $16M available to invest in a housing outcome.
- There were a range of options provided in the paper where it was possible to do a mix of those putting up to a further $14M into the Housing Equity Fund, but beyond that Council would need to form a CCO, which was not a preferred option.
- Opportunities in the Te Papa peninsula were covered in the confidential section of the report as they were working in collaboration with other organisations. A further option was to have a housing reserve, earmarking funding for a specific purpose for housing which would align with a previous resolution, but not specifying particular projects.
- In terms of Smiths Farms, it had been approved to work with the preferred purchaser, with the asset realisation reserve funds being used for Te Manawataki o Te Papa as a first priority. Staff were now seeking to formally confirm that the net proceeds, after disposal costs, would go towards funding Te Manawataki o Te Papa.

12 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO4/24/14

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 – Item 11.7 - Confidential Attachment 1 - 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

13.2 – Item 11.7 - Confidential Attachment 2 - 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
13.3 – Item 11.9 - Confidential Attachment 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

CARRIED

At 12.34pm the meeting adjourned.

At 1.30pm the meeting reconvened.

13 BUSINESS *(continued)*

11.7 Reinvestment of Sales Proceeds - Elder Housing and Smiths Farm *(continued)*

RESOLUTION CO4/24/15

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Bill Wasley

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. $5.4M into a package of projects which will enable increased housing density of and development in Te Papa and subject to further conditions as noted in the public excluded section of the meeting; and

ii. A further $5M into the Housing Equity Fund (noting this takes the total Tauranga City Council’s investment into the Housing Equity Fund to $20M; and

iii. retain the remaining available proceeds in a housing reserve to be applied in accordance with the principles approved by Council in July 2022.

(c) Requests a further report:

i. refining the reinvestment principles that Council adopted in July 2022 to guide use of the Elder Housing Sale Proceeds and

ii. identifying opportunities to invest into infrastructure needed to enable delivery of Papakāinga Housing

(d) 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.

(e) Notes in accordance with Section 80 of the Local Government Act, that:

(i) the decision in b(ii) 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.

(f) **Attachment 1** can be transferred into the open when negotiations with partner organisations are finalised.

(g) **Attachment 2** can be transferred into the open when negotiations with partner organisations are finalised.

CARRIED

11.9 2024-2034 Long-term Plan Deliberations - Other issues and options papers *(continued)*

RESOLUTION CO4/24/16

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Bill Wasley

That the Council:

(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.

CARRIED

11.15 Establishment of an Urban Growth Targeted Rate (Te Tumu Related Investment)

Staff Paul Davidson, Chief Financial Officer
Frazer Smith, Manager: Strategic Finance & Growth

Key points
- The financial limitations being faced by Council were highlighted.
- One way to keep the debt within the limits was to push the Te Tumu related capital expenditure outside the current LTP period, which had been agreed to in item 11.8.
- Some projects needed to be built now to assist with the Wairakei development and part of the Pāpāmoa development.
- By pushing the Te Tumu development out the borrowing would attract a huge amount of compounding interest.
- The targeted rate would cover 50% of this interest cost meaning that the future Te Tumu development would be less likely to become unaffordable and therefore prevent the future development.
- The draft LTP excluded three waters so the current targeted rate only covered transportation. With the re-inclusion of three waters this rate may need to be looked at again in future years.

- There was a base charge across the city, with a double charge in the wider benefit area ,which included parts of Pāpāmoa, and a triple charge in the full benefit area of Wairakei.
- The updated calculations were still well within the range consulted upon through the draft LTP and would be introduced from 1 July 2025.

Discussion points raised
- Commissioners agreed that the issue was as a result of Council's precarious financial position

and the lack of central government funding, therefore the actions proposed were a reasonable way to deal with it.

RESOLUTION CO4/24/17

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

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.

CARRIED

11.16 Establishment of a Local Urban Infrastructure Targeted Rate

Staff Paul Davidson, Chief Financial Officer
Frazer Smith, Manager: Strategic Finance & Growth

Key points

- The report was a follow on from a previous report in relation to the development contributions backlog.
- Staff did not have perfect knowledge to foresee how a growth area would develop when it was first established, which resulted in a difference to what was actually collected to what may have been collected with that knowledge.
- Up until now Council had effectively been recovering this backlog from across the whole city and this proposal was an option to collect a significant part of the backlog from the growth area in which it arose.
- Only 50% of the backlog had been collected from the specific areas, recognising there was a wider benefit.
- Recognition that those still to develop had also made significant capital gains on their properties as a result of this new infrastructure.
- As with the previous report this rate may need to be looked at again in future years with the re-inclusion of three waters int he budget.
- Due to the identification of extensive additional development in the West Bethlehem growth area, predominantly related to Parau Farms development that had previously had no residential component, there was no need to create a West Bethlehem targeted rate, however a Pyes Pa West rate was still required.
- The updated calculations were still well within the range consulted on through the draft LTP and would be introduced from 1 July 2025.

In response to questions

- The postponement of rates was available where a property was being used for rural purposes in a residential zone.

Discussion points raised

- Commissioners noted that the outcome was a result of the growth paying for growth policy and agreed that significant capital gains had been made by property owners in these areas as a result of Council's investments.

RESOLUTION CO4/24/18

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

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 development contribution related debt to rates funded debt).

(iv) This targeted rate (and for Bethlehem West and Pāpāmoa growth areas) may need to be reconsidered in future with the inclusion of three 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.

CARRIED

11.17 Establishment of a targeted rate for private pool inspections

Staff Paul Davidson, Chief Financial Officer
Steve Pearce, Manager: Building Services

Key points

- Pool owners had a responsibility to comply with the Building Act 2004 and Council had a responsibility to inspect the pools.
- The proposal was an easier way to carry out the inspections with fewer administration costs.
- There was a lot of confusion with many submitters thinking that the targeted rate was for everyone, not just pool owners.
- Other local authorities had confirmed that they received fewer complaints with the introduction of the proposed system.

RESOLUTION CO4/24/19

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Stephen Selwood

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.

CARRIED

11.18 2024/25 Development Contributions Policy deliberations

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Andy Mead, Manager: City Planning & Growth
Ben Corbett, Team Leader: Growth Funding

Key points

- Two key points around the Te Papa catchment, the infill and brown field area where the Council was proposing changes from what was consulted on to create a sub-catchment for reserves. Although Council was making reserve investment across the peninsula, this budget would only be funding reserves in the southern end of the Te Papa peninsula.
- This would be refined down to ensure Council was in a robust position with regards to the Local Government Act 2002 requirements to show causation and benefit for those paying and the assets that they were paying for.
- No waters assets have been included due to the ongoing uncertainty with the water reforms and financing, and if appropriate these would be incorporated once this was known to ensure that the community would see that change coming in advance.

In response to questions

- In relation to value capture rather than development contributions, it was noted that to value capture was a possibility with assets that enhanced neighbourhoods and created the capacity for more intensification. A lot of the value would be delivered through the upzoning as well as the infrastructure through an area.
- In response to queries regarding the proposed changes to retirement villages and having to pay for services they do not use it was noted that the average was markedly lower on how this group use some of the services. A discount would be offered for a limited number of retirement villages that did not have a high quality of amenity and a lower charge for those with aged care bed facilities.
- This was about the total contributions so if retirement villages were paying less, other developers were paying slightly more, with the overall revenue coming from development contributions being the same.
- The change to library funding was to reflect the Te Manawataki o Te Papa IFF levy and decreasing the city wide development contributions by $2,000. This would only change if there was a legislative change in respect of the IFF levy and being able to use development contributions.
- The removal of the growth funding for indoor courts had been removed as it was not providing for any more growth, with no additional courts being added in this area. New courts would be added at Bay Park and new funding would be introduced at that stage.

RESOLUTION CO4/24/20

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Shadrach Rolleston

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; and

(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).

CARRIED

11.10 Long-Term Plan 2024-2034 Community Stadium

Staff Gareth Wallis, General Manager: City Development & Partnerships
Kelvin Eden, Capital Programme Manager: Major Community Amenity

External Puhirake Ihaka, Otamataha Trust
Shannon Joe, Jasmax Architects
Matt Farr, Populus (Online)
Craig Jones, Visitor Solutions

Tabled presentation

Key points

- There were 1189 submissions received, 19.6% of which supported the $81M being expended in years 6 and 7 of the LTP, with similar numbers supporting options 2a, a single stage build at earliest possible time and 2b in a single stage in years 6 and 7. There were 42.9% for proposals 1a and 1b in favour of wanting a stadium in some form. 55.7% of the submitters did not want a stadium at all.
- Younger persons were more supportive, with the support decreasing as the age of submitters increased.
- A number of submitters spoke at the LTP hearings around perceived loss of green space, carparking issues, not being in the right location, finishing other projects first and the high cost to ratepayers.
- A project team was established in December 2023 and had worked through the brief which was not to change the components of the business case but to consider what should be prioritised in stage 1 and what should be pushed out to stage 2. Also considered was what existing facilities could remain and be built around.
- Stage 1 included the relocation of the croquet and bowling clubs at the end of their leases and a new athletic track being built at Bay Park. These costs were included in separate budgets in the LTP.

- The recommendations take into account the financial pressure Council was under and moved the proposal out to years 9 and 10 of the LTP, which was noted in the increased escalation of costs from $11M to $20M.
- The project team gave a presentation outlining that the stadium was for everyone, by working closely with Council, stakeholders and mana whenua looking at how to use the precinct for all of the communities aspirations in every way possible.
- The site was a village, with components coming together to create a destination place for all, with a front door, fields, courts, engagement with the harbour and working with mana whenua on how to connect with Mauao.
- Additional carparking was provided to deal with spectators and athletes in both stages.
- To ensure a very public, inviting and welcoming place for all to use and minimised the amount of structure viewed from Cameron Road with a café and entry through a shaded plaza space. There would still be a view beyond that to the field of play and western stand.
- Stage 1 could include larger events such as a game day or concerts with 7,000 spectators.
- There would be flexible and adaptable community hall spaces for sport and other uses, embankment seating along the eastern portion, a 500 seat embankment on the south, the existing grandstand and bleacher seating had been maintained with an enhanced grass embankment zone.
- Retention of the existing cricket grounds and rugby field in the western corner as these areas work well in stage 1.
- Stage 2 would build on stage 1 with a full extension of the exhibition southern area with a shared kitchen and loading hub zone to create efficiency in the function space and the exhibition space.
- The western stand and bleach seating would be removed and replaced with a 5,000 seat grandstand with further seating being added when required for a big game to take it up to 15,000. This allowed for the flexibility and focus on scale of venue appropriate for the community. People would be able to play on the pitch when no rugby was being played.
- Layouts for small-medium events of 2-4,000 capacity using three sides to the large function/events using all four sides. This also had potential for a large function space, which includes a 1,300m² function area which gives views out to the field, the Mount and into the bay.
- Concert set up included two different stage positions in the north and east with a 25,000 audience and a flexible hard stand zone which would be suitable for weekend open markets to be set up.
- The area had a strong connection to the civic precinct.
- The trees would remain.
- Stage 1 was functional from the outset, with stage 2 providing more potential benefits.
- Staging did have some drawbacks including some operational disruptions resulting in reduced use and loss of revenue, an escalation in the construction costs and community benefits being pushed out.
- The revenue generated from the completed stadium would not be sufficient to cover debt and deprecation costs, which was the case with most stadiums around the world. The impact on ratepayers would be $5M per annum, then reducing as debt was repaid.
- Approximately $1.1M of the forecast of $1.3M was derived from food and beverage activities.
- Puhirake Ihaka noted that he was speaking on behalf of mana whenua, the Otamataha Trust Incorporated and hapū of Ngāi Tamarāwaho and Ngāti Tapu.
- The area was the site of the Otamataha Pa and was part of the defensive pa and was of significance to mana whenua for what it was originally used for and how it became part of the main area where the early inhabitants of their people settled.   Waka Tākitimu came across from Mauao and it was where Tamatea Arikinui accented and planted a Pou on behalf of the Tākitimu waka.
- The Trust's part in the discussions was to reflect on the importance of where mana whenua could best be represented in terms of the physical place, the layout, what was to be built on the site and to continue the theme that was set at Te Manawataki o Te Papa, which included the connection of the land, the people and the sea. The area represented the land, the atea of the old pa site and with that concept you get the notion of a village, which fits nicely with mana

whenua's idea of how they occupied and lived in that space.

- Also there was a connection to the sea, where the people collected kai moana and launched the waka, which took place over the last 700 years.
- It was not only for mana whenua Māori, it was for the whole community which was illustrated by the way in which the whole site had been designed, with openness and a welcoming area for people. This was a value of mana whenua and gave the feeling when people come on to the park, that they not only have the feel of the community but also had the welcome and feel of tangata whenua.
- The use of the land fits in with how it was used in the pre-European past, being used for a number of events - a pā was like a village and everything happened within its walls.
- Mana whenua support the project and hope that it was accepted as part of the LTP and into its first stage.

In response to questions

- Some geotechnical work had been done on site, resulting in a proposal to reduce the level of the field to 600mm which would no longer require the current retaining wall that was in place.
- The tennis facilities and courts would remain, including the fencing. A vehicle entry would be introduced at the Hamilton Street area in stage 2 with a small carpark for functionality of events and parking in Wharepai Domain for day to day use.
- The grandstand had been upgraded four years ago to a minimum seismic standard and if it was to remain until stage 2 further work would be required to bring it up to a higher standard as it would be at the end of life by that time.
- A wider walking track would be introduced that would take up the whole domain which the public would be able to use.
- In relation to a query regarding the change to the amount of open space that would be lost to buildings, it was noted that the ratio of open space was very similar in stage 1 and a slight reduction in stage 2, with most of the buildings being created over existing buildings, the current running track and existing carparking areas.
- Currently each club had its own space, but the idea was to create a multi-sport space where users could share facilities. The higher fields would be more usable and the lower fields would be retained and there was a net gain in the hours it could be used by the community.
- The entry point was the first key element to get right to build up a dominant linkage by introducing a café, play areas, hire and lease spaces to break down the barriers that traditional stadiums tended to have.
- The Domain was the best location to create the synergies and connection with the city centre and unlocking stronger economic multipliers being family orientated with better connections to the CBD. There was also a pedestrian crossing being considered to get people across Cameron Road closer to the stadium.

Discussion points raised

- Commissioners noted that throughout the LTP community engagement, the use of the marble jar engagement tool allowed them to speak directly with residents, showing pictures of what the Stadium would look like. The responses from many spoken to at these sessions was positive.
- Commissioners thanked the presenters for making it a public and open space, providing a blend of facilities close to the city centre and showing it was the right concept and location.
- The community was quite divided by age, so it was good that there were two more LTP rounds to consider whether it was the right thing to do.
- The Domain was a critical part of the inner city and was not being used well for the community at present.
- There were 5,000 carparks from 11th Avenue through to Mission Street and over 1,000 off-street carparks along with improving access to public transport.

RESOLUTION CO4/24/21

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Bill Wasley

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:

- new grassed verge seating (capacity – 1,500);
- new embankment seating (capacity – 2,000);
- temporary modular seating/hardstand (capacity – 2,000);
- enhancement to the Tauranga Domain entry;
- new community spaces and café;
- repurposed building for lease to the University of Waikato Sports Science/Physiotherapy faculty;
- installation of new lighting suitable for night games; and
- 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.

CARRIED

Attachments

1 Presentation - Community Stadium - Council 4 March 2024

11.19 2024-34 LTP - User Fees 2024/25, Revenue and Finance Policy

Staff Paul Davidson, Chief Financial Officer
Sarah Holmes, Corporate Planner

Tabled items included changes to groups of activities and street dining fee information.

Key points

- Recommendations regarding street dining fees were tabled as the valuations were not available at the time of the agenda.

- Seeking direction on changes for the final LTP document including the Revenue and Financing Policy, significant financial assumptions, performance measures and user fees and charges that were not covered in a separate report.
- Tabled changes to the groups of activities as a result of the Resource Management Act reform and the three waters reform since consultation.
- These had been updated but did not reflect the decisions made at this meeting, that would be reflected in the policies for the final LTP.

Discussion points raised

- Page 412 of the agenda – significant forecasting assumptions - Item 40 funding for civic precinct capital programme to include asset realisation reserve to the list of funding sources.

RESOLUTION CO4/24/22

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

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 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 repeal of the Three Waters legislation.

(v) Update funding information and figures regarding Te Manawataki o Te Papa.

(vi) Add asset realisation reserve to the list of funding sources for significant assumption 40 "Funding for Civic Precinct Capital Programme".

(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.

(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 sportsfields, 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.

(g) Approves the street dining fees for inclusion in the schedule of 2024/25 User Fees and Charges, to come into effect from 1 July 2024:

(i) Zone A - Inner City Centre, South of Marsh Street to First Ave (inclusive) - $16 per square metre annually.

(ii) Zone B - South City Centre, Second Ave to Eleventh Ave (inclusive) - $8 per square metre annually.

(iii) Zone C - Mount Mainstreet, Maunganui Road from Grace Road to Salisbury Avenue (inclusive) - $30 per square metre annually.

(v) Zone D: Mount Central, North of SH2, Hewletts Road and Golf Road (inclusive) - $15 per square metre annually.

(h) Waived the administration fee (new or reassignment) for businesses required to transition to the new user fees and charges system in the 2024/25 financial year.

CARRIED

Attachments

1 Tabled document - Street dining fees - tabled at 4 March council meeting

2 Tabled - Changes to groups of activities

11.20 User Fees for Sportsfields

Staff Barbara Dempsey, General Manager: Community Services
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Key points

- Consulted with fees and charges that resulted in a lot of passion from users.
- Now at a position where users had acknowledged their contribution towards the cost of maintaining the fields.
- Principles included the balancing of revenue against affordability for the clubs, to promote continuous growth, ensure there was stakeholder engagement, to provide equity and a logical starting point for discussions to start with clubs and acknowledging the importance of community sports.
- There was no revenue in the current budgets so what was to be resolved would be new revenue.
- Approximately $2.5M was spent on regular routine maintenance on sports fields, but did not include items such as rubbish collection or capital items over the next 10 years.
- Acknowledgement of the clubs and sporting codes who had been extremely helpful and had volunteered their time to assist staff to get to the recommendations.
- The draft LTP included a training fee and a playing fee, and based on engagement responses the match fee had been removed as it had the largest impact on the groups and tipped the balance of affordability.

- Sought to clarify the categorisation of different fields, codes and seasons.
- The fees accounted for emerging sports, where there were limited participants with a limited revenue base, and acknowledgement of those groups catering for lower socio economic players that otherwise may not be participating in sport.
- Had agreed to affordability, therefore participation resulting in a degree of revenue to account for the impact that organised sport had on the maintenance cost for the sports fields.
- Would continue to work with a range of clubs and codes over the first year of implementation, including the collection of data around the use and implementation, to determine if any refinement was needed to the charges into the future.

In response to questions

- Approximately $1.8M of the $2.5M annual cost was spent on grass maintenance, line marking and other field maintenance.
- The expected revenue of $115,000 would be the minimum amount collected as there was some undisclosed use that was likely to be picked up through the process.
- Public use of the fields had an impact.
- There was a strong public good element towards organised sport that was consistent with the wellbeing outcomes that Council were hoping to achieve.
- In terms of how to assess lower socio economic players it was noted that it would be based on information provided by the clubs, and the number of participants that were paying their fees on a piecemeal basis.

Discussion points raised

- The proposal gave a sense of fairness and recognised that it was provided and valued by the ratepayers and helped to build communities.
- Commissioners acknowledged the passion that a range of submitters brought to the table, noting that the city and community were in good heart with a range of volunteers being involved in providing and supporting sport throughout the city.
- Sportsfields were green spaces that contributed to the amenity of the city for which a monetary value could not be attributed.
- Include the principles within the resolution (c).

RESOLUTION CO4/24/23

Moved: Commissioner Bill Wasley
Seconded: Commissioner Stephen Selwood

That the Council:

(a) Receives the report "User Fees for Sportsfields"; and

(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; and

(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:

- **Balancing revenue needs and affordability** - Recognising the value of the community groups and strive a balance between generating non-rates revenue, ensuring affordability for community sports groups and promoting equity across the various sports codes.
- **Promotion of continued growth** - Connecting with and working alongside Sport BOP and sporting codes to monitor ongoing participation rates post implementation of fees to ensure ongoing participation rates are maintained at a minimum.
- **Stakeholder engagement** – Direct engagement with clubs to ensure a clear understanding of the fees and to ensure that emerging clubs and small community service providers (such as community gardens) can benefit from appropriate fee reductions that reflect the scale and nature of their operation.
- **Provide equity** to all users ensuring there is a logical, affordable and transparent process.
- **The importance of community sports** – recognising the importance of community sports and valuing the input from the volunteers who support our community; and

(d) Continues to work with sports field users to refine the approach with any further changes to be proposed through the Annual Plan 2025/26; and

(e) Agrees to review the fees annually; and

(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.

CARRIED

Attachments

1 Presentation - Sports Field and Reserve Leases - Principles

11.21 LTP 2024/34 - User Fees - Community Leases on Reserves

Staff Barbara Dempsey, General Manager: Community Services
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Key points

- Similar principles to sport club with submitters noting that they were impacted by land leases and proposed sportsfield charges and small and larger land lease holders around affordability.
- Creating a consistent methodology for land and building was not straight forward as many groups leased a relatively small area with only a few renting a large area. The larger land holders were providing recreational services on behalf of Council, were maintaining the land and were opening the spaces up for public access.
- While there was an increase proposed on the rent levels, they needed to remain affordable. A reduction of $6m² to $3m² was proposed for the first 1,000m², with no further charge for the next 10,000m² and a small charge for the larger land areas. The purpose was to get an appropriate level of affordability and equity across the market. Acknowledged that some of the larger organisations were already paying more than what they would be paying under the $3m² and it was recommended that the fees be grand parented.
- A reduction was also proposed for the seven building leases on reserves as the proposed changes were too significant to be affordable for any of those organisations. A flat fee of $25m² was being proposed.
- Recommending that a degree of delegation be provided where a club had been through a process with staff to find alternative ways to use the building or had explored alternative funding avenues and were still consistent with Council's community objectives.

In response to questions

- The same principles as the sportsfields would apply to these leases.

- Any group with a commercial sub-lease would be treated on a commercial basis.

Discussion points raised

- Commissioners acknowledged less sympathy for golf clubs as they occupied large pieces of land, had good membership and due to health and safety were not able to provide open access to their land in comparison to the racing club which relied on the public coming in.
- The golf clubs had been there for a long time and the city had grown around them, so were occupying what was valuable land with only a few hundred people having access.
- Commissioners wanted to ensure that staff had the flexibility to consider on a case by case basis, the charges for organisations such as the community gardens which had community value and no membership fee.
- Commissioners acknowledged staff for aiming to bring consistency into the process.
- In relation to the grandparenting of those organisations paying more, it was noted that these groups would have no rent rise for some time. The distinction was that some were providing a commercial activity, some providing enormous community benefit without membership, some that were completely looking after themselves and others with Council providing some maintenance within the rental basis.

RESOLUTION CO4/24/24

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

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 m^2 for the first 1,000m^2 (25% of the assessed average Reserve land value); and

(ii) no additional charge for 1,001m^2 to 9,999m^2; and

(iii) for leases over 10,000m^2, at \$0.30 per m^2 for the next 50,000m^2.

(c) Approves lease and licence fees for buildings on Council owned or managed reserves by community organisations of \$25 per m^2 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.

(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:

- **Balancing revenue needs and affordability** - Recognising the value of the community groups and strive a balance between generating non-rates revenue, ensuring affordability for community sports groups and promoting equity across the various sports codes.
- **Promotion of continued growth** - Connecting with and working alongside Sport BOP and sporting codes to monitor ongoing participation rates post implementation of fees to ensure ongoing participation rates are maintained at a minimum.
- **Stakeholder engagement** – Direct engagement with clubs to ensure a clear understanding of the fees and to ensure that emerging clubs and small community service providers (such as community gardens) can benefit from appropriate fee reductions that reflect the scale and nature of their operation.
- **Provide equity** to all users ensuring there is a logical, affordable and transparent process.

- **The importance of community sports** – recognising the importance of community sports and valuing the input from the volunteers who support our community; and

(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.

CARRIED

11.22 Issues and Options - Historic Village User Fees and Charges

Staff Barbara Dempsey, General Manager: Community Services
Blair Graham, Historical Village Manager
Nelita Byrne, Manager: Venues & Events
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Key points

- Submitters made reference to the 2012 Historic Village Strategic Plan. That Strategic Plan, actually noted that the Village should be self-sustainable with no rate impact. That was met by not carrying out repairs and maintenance, however as Council had effected some repairs and added buildings, the gap had got higher until it was now at breaking point.
- The 2020 Historic Village Strategic Plan did not refer specifically to a revenue and expenditure ratio but did refer to supporting community groups and the proposal outlined was in line with that 2020 Strategy.
- The total cost was in relation to rents and outgoings which had significantly increased in January 2024, so was a double hit for them.
- The principles recognise the social value that many of the tenants had within the Historic Village and the wider community, that fees and charges were fair, consistent, logical according to the area, and fairness.
- The difference to what was consulted on included that commercial rent outgoings were the same on a pro rata of all of these costs including security, toilet cleaning, rubbish collection and the like with an average of a 10% increase.
- Community had changed and was now based on a square metre calculation which had been capped at 100m² and those with larger areas would pay more than those with smaller areas.
- The significant difference was with the outgoings, which had had been reduced to $100 per toilet and $50 per basin. Some of the rooms were shared and were only paying a portion.
- This had resulted in six increased rents, four of which were less than $1,000 per annum and two large increases, which had been very low rents in the past.
- The total revenue had reduced by $158,000 from that included in the draft LTP. The tenants were happy with the recommendations.

In response to questions

- In response to a query to ensure that there was enough to maintain the facilities in a sensible manner it was noted that this was the case. When the funding was provided to upgrade the C2 building staff were given the task to keep expenditure within the cap of $7M and had done a lot of work to cut costs and were comfortable that would keep the maintenance to a good level.
- Staff were comfortable with the rent bands proposed as they were fair and reflected what the community brought to the table. The capping of the 100m² goes a long way for the likes of the Mens Shed who occupy 358m² as they would never be in a position to afford the rents originally proposed.
- In answer to a query as to whether external funding had been sought for some of the upgrades it was noted that staff would be more proactive in doing that. It was suggested that a package may be able to be made available for funders who may be interested in contributing over a period of time.

- Staff had been working alongside the Mens Shed to look at other avenues of funding and looking at what other Mens Shed groups were doing around the country.
- The operating costs would not be fully recovered and would be a cost to Council and that needed to be made clear.

Discussion points raised

- Commissioners noted the negligence of the facilities over the years with some of the tenants having to work in appalling conditions. Credit was given to the management who had lifted the standards for many of the tenants.

RESOLUTION CO4/24/25

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

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

(c) Approves the Commercial and Community user fees and charge for leases based on the following principles:

- recognises the social value of the non-profit/community groups to the city through delivering on the strategic action of “continuing to support community organisations to recognise the role they play in providing valuable services in our city”
- Fees and Charges are fair and deliver on the strategic action of “applying a level of consistency to the user fees and charges”
- provide equity to all tenants ensuring there is a logical, affordable and transparent process; 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.

CARRIED

11.23 LTP 2024/34 - User Fees - Boat Ramps

Staff Barbara Dempsey, General Manager: Community Services
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Key points
- Submissions were received on the boat ramp fees with 50% in favour and 50% against the increases.
- Challenge would be how long it would take to get the infrastructure in, but would do this as quickly as possible.

In response to questions
- Infrastructure updates included to ensure both boat ramps were operating efficiently, with good carparks available and commencing work on the resource consent to expand the Marine Park ramp at Sulphur Point to improve capacity.
- While this would result in the demarcation of some parking areas, they would be making improvements to the parking infrastructure to enable efficient use of the space.

Discussion points raised
- Costs in these areas were rapidly increasing, sometimes over the rate of inflation, so imposing fees was a means of keeping pace with that and enabling investment and providing a level of service that was satisfactory.

RESOLUTION CO4/24/26

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Shadrach Rolleston

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).

CARRIED

11.3 Executive Report to Deliberations on the 2024-34 Long Term Plan *(continued)*

Staff Paul Davidson, Chief Financial Officer
Nic Johansson, Head of Transport

Key points
- In relation to the wharves costs it was noted that it was a combination of renewal work and new work covering Fisherman's wharf, Beacon wharf, the seawalls around The Strand within the current year and in future years the Marine precinct off-loading wharf and the Bridge wharf renewal programme totalling $48M over the 10 years.
- The resilience programme for the first five years was mostly for the Cambridge reservoir trunk main relocation at a cost of $78M as it was at risk of a slip hazard.
- Work around wastewater and stormwater resilience being the main expenditure items from 2031 onwards. This would be reassessed once Council had moved into a CCO model for waters and to bring some of the expenditure forward when there was more capacity to do so.

- Further to the earlier discussions to bring the arterial transport review expenditure back into the LTP, adjustments could be made to the programme to allow $10M for the arterial review with a view to focusing on programmes that may attract a Waka Kotahi contribution which could potentially be a total of $20M. This would include redistributing of some of the expenditure on Cameron Road, Truman Lane and the public transport infrastructure. This would not compromise the Farm Street project as there were strict time lines.
- There was a limited pool of projects that could be adjusted in order not to be penalised by the IFF draw down.

In response to questions
- It was agreed that the $10M for arterial upgrades would help reduce congestion and it was noted that some works may not attract Waka Kotahi subsidy.

Discussion points raised
- Add to resolution (e) noting the reprioritising of the expenditure to include $10M of arterial upgrades to reduce congestion.

RESOLUTION CO4/24/27

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Bill Wasley

That the Council:

(e) Approves the recommended changes to the capital programme summarised in Attachment 2 noting the significant changes across transportation and community, reprioritising the expenditure to include $10M for arterial upgrades to reduce congestion.

(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

CARRIED

11.2 Financial Update - Long term Plan Deliberations *(continued)*

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

Discussion points raised
- The LTP was not as transparent as Commissioners would like as a number of projects had to be pushed out, knowing that at some stage they may be able to be brought back in. The LTP had to include three waters until such time as a decision was made to take that activity out.
- Resolution (f) was amended to reflect that the decision had been made earlier in the meeting.

RESOLUTION CO4/24/28

Moved: Commissioner Stephen Selwood
Seconded: Commissioner Bill Wasley

That the Council:

(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 was resolved in Item 11.3 Executive Report to the LTP.

(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.

CARRIED

14 CONCLUDING COMMENTS

It was noted that $500,000 was the net result of what had been added to the budget at this meeting. The rate rise was approximately an average increase of 13.1% prior to the IFF levy and would be adjusted for the rating change. The medium residential increase would be approximately 11%, an increase from the consulted increase of 8.8%. The information would be confirmed on the 22 April 2024 meeting.

The majority of the increase was as a result of responses to the submissions received from the community.

Apprecation was passed on to staff for all of the hard work and the added burden of bringing the LTP process forward for early adoption. Apprecaiton to the community for all of the effort they had also put in and hoped that the sports clubs and Historic Village community groups were happy that the Council had recognised their contribution and how important that was to a healthy, lively and active community.

Acknowledgement was also passed on to the Commissioners for their input and contributions into the process.

15 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 4.22 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 22 April 2024.

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Commission Chair Anne Tolley
CHAIRPERSON