



# AGENDA

## Ordinary Council meeting Monday, 20 May 2024

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

**Date: Monday, 20 May 2024**

**Time: 8.30am**

**Location: Bay of Plenty Regional Council Chambers  
Regional House  
1 Elizabeth Street  
Tauranga**

*Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: [www.tauranga.govt.nz](http://www.tauranga.govt.nz).*

**Marty Grenfell  
Chief Executive**

# Terms of reference – Council

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## Membership

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

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## Role

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

## Scope

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

## **Procedural matters**

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

## **Regulatory matters**

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





## Order of Business

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

## **7 CONFIRMATION OF MINUTES**

### **7.1 Minutes of the Council meeting held on 25 March 2024**

**File Number:** A15969296

**Author:** Anahera Dinsdale, Acting Team Leader: Governance Services

**Authoriser:** Anahera Dinsdale, Acting Team Leader: Governance Services

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### **RECOMMENDATIONS**

That the Minutes of the Council meeting held on 25 March 2024 be confirmed as a true and correct record, subject to the following correction/s:

(a)

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### **ATTACHMENTS**

#### **1. Minutes of the Council meeting held on 25 March 2024**

4556



# MINUTES

**Ordinary Council meeting  
Monday, 25 March 2024**

## Order of Business

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	Nil	
<b>8</b>	<b>Declaration of conflicts of interest</b> .....	<b>4</b>
<b>9</b>	<b>Deputations, presentations, petitions</b> .....	<b>4</b>
	Nil	
<b>10</b>	<b>Recommendations from other committees</b> .....	<b>4</b>
	Nil	
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**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,  
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA  
ON MONDAY, 25 MARCH 2024 AT 8.30AM**

**PRESENT:** Commission Chair Anne Tolley (Chairperson), Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Phil Kai Fong (Team Leader Strategic Property), Nick Swallow (Contractor: Corporate Solicitor), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Caroline Irvine (Governance Advisor), Aimee Aranas (Governance Advisor)

**1 OPENING KARAKIA**

Commissioner Shadrach Rolleston opened the meeting with a karakia.

**2 APOLOGIES**

**APOLOGY**

**RESOLUTION CO6/24/1**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the apology for lateness received from Commissioner Stephen Selwood be accepted.

**CARRIED**

**3 PUBLIC FORUM**

Nil

**4 ACCEPTANCE OF LATE ITEMS**

Nil

**5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

The meeting will move into Public Excluded for discussion as required.

## 7 CONFIRMATION OF MINUTES

Nil

## 8 DECLARATION OF CONFLICTS OF INTEREST

Nil

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

## 11 BUSINESS

### 11.1 Egret Avenue / Te Mutu Crescent Land Categorisation

**Staff** Alastair McNeil, General Manager: Corporate Services  
Phillip Kai Fong, Team Leader Strategic Property  
Nick Swallow, Contractor: Corporate Solicitor

At 8.33am Commissioner Stephen Selwood entered the meeting.

Commission Chair Tolley acknowledged the devastation and impact on the lives of those living in the area as a result of the extreme weather event that occurred 14 months ago and noted the long and strict process set by central government when dealing with issues such as these. Commission Chair thanked the residents attending the meeting.

### Key points

- Two landslides that took place at the top of Egret Avenue in Maungatapu during the weekend of Auckland Anniversary in 2023 caused extensive damage to a number of properties.
- It was noted that the full process of Land Categorisation had taken longer than expected.
- Mr Kai Fong acknowledged and thanked the affected residents for their patience and co-ordination with Council and consultants throughout the process.
- Central government concentrated on recovery in first instance in the most heavily affected areas in Auckland, Hawkes Bay and Te Tairāwhiti.
- A number of other Councils within the North Island had been working through similar issues where communities had been affected by flooding and landslides.
- Acknowledged all of the staff for the extensive work done to get to this point.
- There would be an on-going recovery process moving forward. The report was a step in that process.
- External contractors, consultants and expert guidance were employed to assist staff to understand the responses to the event. Their efforts were appreciated, given complexity of issues involved.
- The report sets out the background to the severe weather event, how the Future of Severely Affected Locations programme (FOSAL) was developed, the offer from Central Government to



use FOSAL in Tauranga and how to apply the process to properties affected by the landslides above Egret Avenue. Part of the process would include understanding the impact and risk that applied to certain properties.

### **In response to questions**

- A critical understanding in the report was that FOSAL was not a legislative or statutory process. It was clear that this was a locally led process with government support. A key element in this process was a best of science approach. Council went through an extremely robust process with Tonkin and Taylor Limited (T+T) with Whakatane District Council providing advice when needed. This process was also peer reviewed through Dr Tim Davies.
- Due to there being no set outline of what needed to be provided, Council had to show the Cyclone Recovery Unit (CRU) that Council went through the best of science approach assessment that met the criteria which included residential properties that were significantly impacted by the severe weather event faced risk in future severe weather events, with a critical concern of intolerable risk to life.
- The principle underlying FOSAL was to help a community move on faster from the effects of severe weather events. Council then needed to conclude with CRU the process which included resolution framework, the methodology to conclude agreements with landowners around valuation for properties, details received for insurance and EQC, settlements received or entitlements and timeframes involved. CRU contracted Crown Infrastructure Partners to assist with the agreement. There would be a basis to assist with the assessment and an on-going reporting process to ensure that Council purchased the properties accordingly.
- Category three properties were eligible to participate in the voluntary buy out process. It was emphasised that this was a voluntary buyout process and Council did not need to participate in FOSAL and similarly, property owners were not obliged to accept Councils buyout offer if their property was category three. Category three was where risk could not be mitigated or reduced to category two.
- M Category two recognised that there was a risk in the future which could be reduced or mitigated through community level interventions or residential property level intervention. Community level interventions included work on Council land or wider public works. Property level intervention included grants to property owners to complete works to assist in reducing impact in future weather events and related to a limited number of properties in the area. The report proposes to retain category two as an umbrella, rather than break it down to community or property level interventions. A category 2a needed further assessment.
- The T+T consensual remediation options provided to Council were high level and subject to final geotech investigation, detailed design and costing. Staff expected that there would be consenting issues that would need to be managed. There would be options to reduce the mitigation to category two properties but these were not confirmed until further assessment work had been completed.

### **Discussion points raised**

- Commissioners thanked the residents who had borne with the long and convoluted process noting that this meeting was hopefully the beginning of the end for this process.
- Commission Chair noted that the adoption of FOSAL was one time only as Central Government had made it clear and this was part of process as they were a 50% partner.
- It was noted that FOSAL was developed in response to the severe event affecting Hawkes Bay, Auckland and Te Tairāwhiti and was potentially something that needed to be revisited. Category two was a prediction that it would be able to be remediated.
- Commission Chair noted the processes for land categorisation and buyout for the land owners who were present at the meeting.
- The net value of the property would be shared between the Council and the Crown.
- Resolutions, (c), (j), (k) and (l) were resolved following the public excluded section.

**RESOLUTION CO6/24/2**

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Egret Avenue / Te Mutu Crescent Land Categorisation".
- (b) Adopts the use of the Future of Severely Affected Locations process (**FOSAL**) for properties on Egret Avenue and Te Mutu Crescent noted in this report (**the Taipari Properties**).
- (d) Approves the Resolution Framework in **Attachment 4**.
- (e) Approves use of the Stormwater Reactive Reserve Fund to fund Council's proportionate share of Category 3 property acquisitions.
- (f) Notes that Resolution (e) is inconsistent with Council's Stormwater Reactive Reserve Fund Policy (**SRRF Policy**) because the purpose of that policy is to address flooding issues rather than issues arising from landslides, notes that Resolution (e) is a one-off use of the Stormwater Reactive Reserve Fund, and that Council does not intend changing the SRRF Policy in response to this one-off issue.
- (g) Instructs staff to progress an engineering brief for remediation / mitigation options for the Taipari Slips including (but not necessarily limited to) further geotechnical investigation, detailed design, consideration of consenting requirements, and final costing prior to any physical works being undertaken.
- (h) Approves the purchase of Category 3 properties (should these be confirmed after consultation with relevant property owners) and delegates authority to the Chief Executive to implement FOSAL, including:
  - (i) Final decision on land categorisation following consultation with owners of the Taipari Properties;
  - (ii) Negotiation and entering into any associated contracts with the Cyclone Recovery Unit for the co-funded acquisition of properties categorised as Category 3 under FOSAL and the costs of any remediation / mitigation works to be funded through the Local Government Flood Resilience Co-investment Fund (**Flood Resilience Fund**); and
  - (iii) Negotiation and entering into agreements with property owners for the acquisition of any Category 3 Properties.
- (i) Notes for the avoidance of doubt, that Council's adoption of FOSAL is a one-time only decision taken solely because of the offer of Crown contributions in response to the 2023 North Island severe weather events and is not intended to be representative of how Council may approach natural disaster recovery on an ongoing basis.

**CARRIED**

**12 DISCUSSION OF LATE ITEMS**

Nil

## 13 PUBLIC EXCLUDED SESSION

### Resolution to exclude the public

#### RESOLUTION CO6/24/3

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
<b>Confidential Attachment 1 to Item 11.1 - Egret Avenue / Te Mutu Crescent Land Categorisation</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.2 - Confidential Attachment 2 to Item 11.1 - Egret Avenue / Te Mutu Crescent Land Categorisation</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.3 - Confidential Attachment 3 to Item 11.1 - Egret Avenue / Te Mutu Crescent Land Categorisation</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.4 - Confidential Attachment 5 to Item 11.1 - Egret Avenue / Te Mutu Crescent Land Categorisation</b>	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED**

## 11 BUSINESS *(continued)*

### 11.1 Egret Avenue / Te Mutu Crescent Land Categorisation *(continued)*

## RESOLUTION CO6/24/4

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (c) Approves the preliminary categorisation of properties as shown in **Confidential Attachment 3**.
- (j) Retains **Attachments 1** and **2** in confidential under section 7(2)(a) of the Local Government Official Information and Meetings Act 1987 until property owners have been notified of the outcome of this report and notes that part of Attachment 2 will be redacted on release for privacy reasons.
- (k) Retains **Attachment 3** in confidential indefinitely under section 7(2)(a) of the Local Government Official Information and Meetings Act 1987 as it contains private information.
- (l) Retains **Attachment 5** in confidential under section 7(2)(h) of the Local Government Official Information and Meetings Act 1987 indefinitely as it contains information that will continue to be commercially sensitive.

**CARRIED**

## 14 CLOSING KARAKIA

The closing karakia would be given after the Strategy, Finance and Risk Committee meeting.

The meeting closed at 9:20am.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 20 May 2024.

.....  
Commission Chair Anne Tolley  
**CHAIRPERSON**

**8 DECLARATION OF CONFLICTS OF INTEREST**

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

### 10.1 Matapihi Southern Pipeline Advisory Group

**File Number:** A15965093

**Author:** Anahera Dinsdale, Acting Team Leader: Governance Services

**Authoriser:** Coral Hair, Manager: Democracy and Governance Services

#### PURPOSE OF THE REPORT

1. The purpose of this report is to bring a recommendation from the Matapihi Southern Pipeline Advisory Group to Council for consideration. At its meeting on 8 May 2024, the Advisory Group passed the following resolution which includes a recommendation to Council.

#### COMMITTEE RESOLUTION MSP2/24/1

Moved: Mr Anthony Fisher

Seconded: Commissioner Shadrach Rolleston

That the "Matapihi Southern Pipeline Advisory Group":

- (a) Receives the report Discussion on Matapihi Southern Pipeline Terms of Reference and Memorandum of Understanding ".
- (b) Recommends to the Council the following proposed changes to the Memorandum of Understanding and Terms of Reference for the Matapihi Southern Pipeline Advisory Group:
  - (i) **Meeting Frequency:** No less than two meetings per year.
  - (ii) **Changes to Tauranga City Council Quorum:** Either One (1) Elected Member or a General Manager and a staff member from Tauranga City Council present at the meeting.

#### CARRIED

2. In accordance with the Committee recommendation MSP2/24/4 (b) (i) and (ii) Council are now asked to adopt the recommended changes to the Memorandum of Understanding and Terms of Reference for the Matapihi Southern Pipeline Advisory Group.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Matapihi Southern Pipeline Advisory Group".
- (b) Adopts the recommendations of the Matapihi Southern Pipeline Advisory Group and makes the following changes to the Memorandum of Understanding and Terms of Reference for the Matapihi Southern Pipeline Advisory Group:
  - (i) **Meeting Frequency:** No less than two meetings per year
  - (ii) **Changes to Tauranga City Council Quorum:** Either One (1) Elected Member or a General Manager and a staff member from Tauranga City Council present at the meeting.

## **ATTACHMENTS**

**Nil**

## 11 BUSINESS

### 11.1 Whareroa Marae - Future-proofing Option

**File Number:** A15883469

**Author:** Phil Kai Fong, Team Leader: Strategic Property  
Danna Leslie, Contractor

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

#### PURPOSE OF THE REPORT

1. This report seeks a decision from Council to progress providing a future proofing option for the Whareroa Marae community.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Whareroa Marae - Future-proofing Option".
- (b) Agrees in principle to providing the Whareroa Marae community with land to be available as a future proofing option to mitigate some of the issues faced by this community subject to:
  - (i) Appropriate mechanisms being available to achieve the objective while providing for the continued operation of the airport activity; and
  - (ii) Discussions and agreements with Whareroa Marae community; and
  - (iii) Discussions and agreements with the Crown and Western Bay of Plenty District Council as joint signatories to the 'Deed Terminating Tauranga Airport Joint Venture'.

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#### EXECUTIVE SUMMARY

2. The proximity of Whareroa Marae to Te Awanui, Tauranga Harbour means it will increasingly be exposed to climate change impacts and sea level rise. In addition, the Marae's industrial neighbours are having on-going impacts to the physical health as well as the cultural wellbeing and activities of the Whareroa Marae community.
3. Land currently situated on the southeastern fringes of the airport landholding has been identified as a potential future-proofing option for the Whareroa community.
4. This report includes discussion and recommendations on the following:
  - (a) Adverse effects experienced by the Whareroa Marae community;
  - (b) Land identified as a future-proofing option for the Whareroa Marae community; and
  - (c) A summary of the legislative frameworks which would need to be assessed and complied with when exploring possible pathways towards a future proofing option.

#### BACKGROUND

5. Whareroa Marae was established, in its current location, in the late 1860's by Ngāi Te Rangi rangatira (chief) and tupuna (ancestor) Taiaho Hōri Ngātai. The hapū associated with Whareroa Marae are Ngāti Kuku and Ngāi Tūkairangi.



6. The wharenui at Whareroa Marae, was constructed in 1873 and this marae is one of the oldest marae sites in Tauranga today. The Whareroa Marae site now consists of the Marae, papakāinga, including kaumatua housing, kohanga reo, and associated facilities (including parking and recreational space to accommodate cultural activities). The area currently occupied by Whareroa Marae has been reduced to 3.3 hectares.
7. The issues experienced by the Whareroa Marae community are well documented. In summary, together with climate change, the growth of industrial activity around Whareroa Marae has, and will continue to, erode this community's social, environmental, and cultural wellbeing.

### FACTORS IMPACTING ON WHAREROA MARAE COMMUNITY WELLBEING

8. Whareroa Marae's proximity to the sea means it will be increasingly exposed to climate change impacts from sea level rise, coastal flooding and erosion, groundwater rise, and increased exposure to increasing rainfall-related flooding. Currently, Whareroa Marae is at risk of coastal inundation and flooding from an extreme storm event. Current scientific modelling shows that these climate change impacts will continue to grow and this in turn will also have impacts on health and wellbeing for this community.
9. The construction of buildings and infrastructure around the Marae have removed the viewshaft from Whareroa to Mauao and the Ōtamataha Pā and Mission Cemetery, where Taiaho Hōri Ngātai is buried. The importance of reconnecting the Whareroa community with Mauao should not be understated. Mauao is a sacred tūpuna maunga of the Iwi and hapū of Tauranga Moana, and Whareroa Marae had direct sightlines to Mauao until being built out by surrounding industrial development. This has resulted in Mauao seldom being referenced in whaikōrero, and the cultural integrity of the positioning of the marae and wharenui being compromised.
10. While the industrial uses surrounding Whareroa, including the Port of Tauranga, have regional and national economic importance, mana whenua state that they have had significant negative effects including, deterioration of water quality, affecting the quality and quantity kaimoana (seafood) collected, and safe recreational activity. It has also been raised that the noise and odour produced by industrial activity has detrimentally impacted their day-to-day living, as well as their ability to appropriately host cultural events, including tangihanga.
11. There is concern around the compromised health of residents at Whareroa Marae from the deteriorating air quality. The site is most often occupied by kaumatua (elders) and tamariki (children) at kohanga reo (early childhood facility). The Toi Te Ora Public Health Study (2022)<sup>1</sup> (**Toi Te Ora Health Study**) records the negative effects on health as a result of the air quality issues, created by industrial activity, at Whareroa Marae. Council commissioned an independent expert review of the Toi Te Ora Health Study. The review<sup>2</sup> concurred with the findings in the Toi Te Ora Health Study that air quality in the Mount Maunganui area will result in premature mortality and hospital admissions.
12. The Whareroa Marae community, reference to whom includes the hapū of Ngāti Kuku and Ngāi Tūkairangi, have raised concerns over many decades and consistently participate in forums, studies, and discussions to address issues with Tauranga City Council, Bay of Plenty Regional Council, and commercial and industrial neighbours, including the Port of Tauranga.

### FUTURE-PROOFING OPPORTUNITY

13. The proposal is for Tauranga City Council to make available a parcel of land to mitigate the threats and impacts affecting the Whareroa Marae community, and to provide them with a future-proofing option at a time, and in a way, that reflects their needs.

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<sup>1</sup>

<https://www.esr.cri.nz/search/?q=Mount%20Maunganui%20Air%20Quality%20Monitoring%20Review%202022%20%20>

<sup>2</sup> Review report received at Council meeting 29 April 2024.

14. While Council is under no legislative obligation to address the concerns raised, the discussion represents a unique opportunity to assist in meeting the specific needs of the Whareroa Marae community. It is considered that this would not represent a precedent in addressing any individual issue, or a desire to dispose of operational land. Instead, it acknowledges the culmination of the factors outlined in paragraphs 8 to 12 above, which have impacted the social and cultural wellbeing and activities of this community.
15. Land forming part of Tauranga Airport has been identified as providing a potential future-proofing option for the Whareroa Marae community. The land is part of the wider Airport landholding, and it is currently used for grazing purposes. This use aligns with Council's continued operational requirement for the land, as it preserves the integrity of the Airport activity and ensures that this strategic asset can be utilised unimpeded by adjoining land uses.
16. It is acknowledged by the Whareroa Marae community that, should this future-proofing opportunity be progressed, they would be exposed to increased impacts associated with air traffic noise and movements. However, these impacts will be known in advance enabling the marae community to make an informed decision of whether they wish to take up the future-proofing opportunity.
17. The operational effectiveness of Tauranga Airport is a primary consideration for Council, as there is an ongoing operational requirement for the subject land. It is therefore likely that restrictions and conditions on use would be placed on the land, should this proposal be supported by Council.

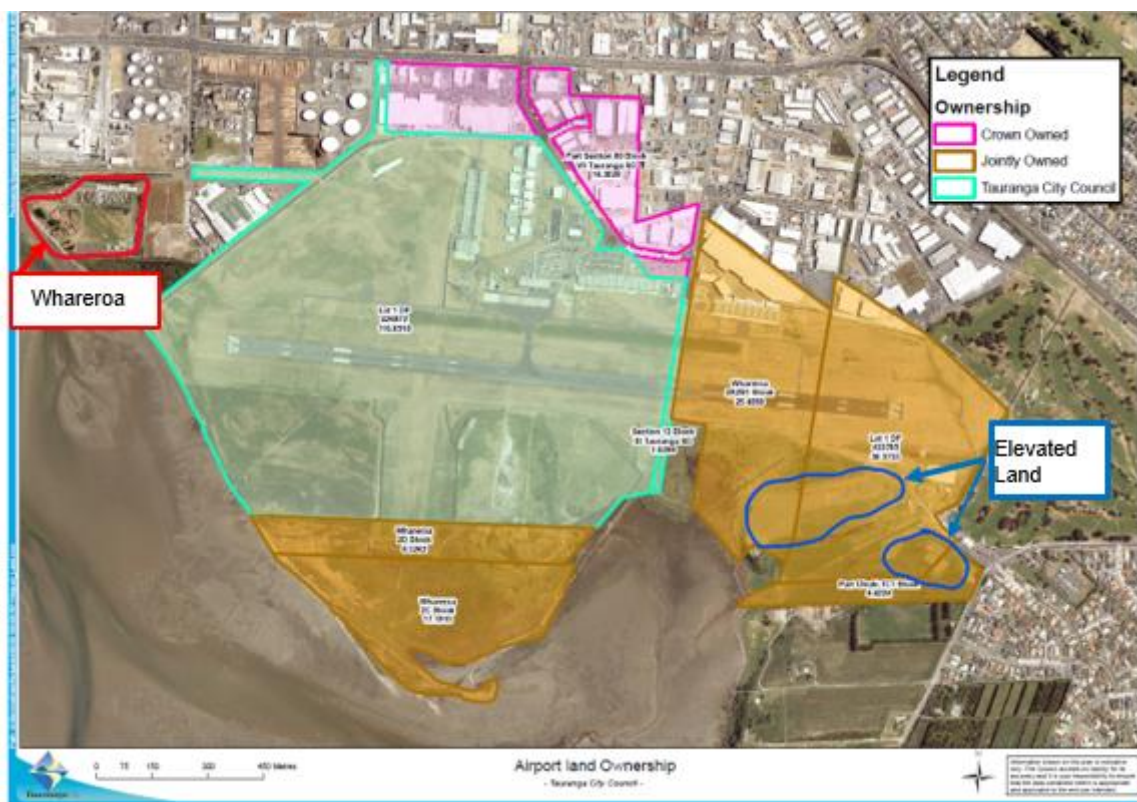
#### The Land

18. The land the subject of this report forms part of the wider Airport landholding and is located to the southeast of Tauranga Airport. The area, of approximately 28 hectares, is shown outlined in yellow on the plan below (**"the subject whenua"**):



19. The subject whenua is culturally significant. In addition to providing a sight-line to Mauao, it contains the Horoipia stream that is a prominent component of tangata whenua history being a sacred place where warriors would be cleansed and blessed upon return from warfare. It also contains part of the Omanu urupā which is the burial ground associated with Whareroa Marae and separated by the Tauranga Airport. Of further significance, pre-European burials were mainly conducted in swamp areas such as that surrounding the Omanu urupā so the areas that may be considered less valuable from a commercial perspective still hold high cultural value for tangata whenua.

20. Within the subject whenua are two areas, which as discussed below, are elevated and outside of the flood plains. They are shown edged blue on the plan below. The northern block is approximately 3.16 hectares, and the southern block is approximately 1.61 hectares ("the elevated land").



21. The subject whenua is held for the purposes of an aerodrome by Tauranga City Council. It is held on Trust for the benefit of Tauranga City Council, Western Bay of Plenty District Council and the Crown (Ministry of Transport). This is discussed further at paragraphs 33-36 below, and the full extent of the jointly-owned land is shown shaded yellow on the plan above.
22. The subject whenua, together with other parcels, was acquired through Public Works legislation in the 1960's for the purposes of developing an aerodrome. Further details regarding the acquisition and history of the land are outlined in **Attachment A**.
23. The subject whenua is zoned suburban residential and is subject to the following, which are identified on the City Plan; overland flow paths and floodplains, airport noise, airport height restrictions and slope surface, Areas of potential inundation from harbour surge, financial contributions to urban growth areas, and Areas of erosion and slope hazards.
24. Below is a plan showing the overland flow paths (in purple) and flood plains (in blue). The extent of the elevated areas shown on the plan at paragraph 20 above has been informed by the areas outside of the low-lying flood plains shown in this plan.





25. High level valuation advice has been obtained as to the square metre rates for the elevated land, low-lying land, and wetland areas. The indicative land values are outlined in the table below:

Land	Indicative Area	Valuation Advice based on m <sup>2</sup>	Indicative Value Land
Elevated land suitable for structures	6. 5 ha	8. \$225/m <sup>2</sup>	10. \$11,250,000
Low-lying land	12. 20 ha	13. \$5m <sup>2</sup>	15. \$ 1,000,000
Wetland	17. 3ha	18. \$0.50m <sup>2</sup>	20. \$15,000
Total potential land area	22. 28 ha	23.	24. \$12,265,000
Elevated land – value based on the same area as currently occupied by Whareroa Marae	26. 3.3 ha	27. \$225/m <sup>2</sup>	29. \$7,425,000

26. The subject whenua forms part of a 114-hectare area currently leased to a third party for grazing purposes and a riding school. This arrangement assists in preserving (rather than impinging on) the integrity of the Airport activity and ensures that this strategic asset can be utilised unimpeded by adjoining land uses. This lease has been in place since August 1988, and the tenant is responsible for maintenance on the land including fences and gates. While the lease is terminable on one months' notice, the tenant, has an ongoing relationship with mana whenua, and is willing to work with Council and representatives of Whareroa Marae as appropriate.

### OPTIONS ANALYSIS

27. There are a number of factors for Council to consider, to ensure compliance with its legislative obligations and to preserve the on-going operational integrity of Tauranga Airport. Further investigations and discussions with Whareroa Marae are required before presenting any options to Council.
28. A summary of the considerations are outlined below under Legal Implications / Considerations.

## LEGAL IMPLICATIONS / CONSIDERATIONS

29. The subject whenua is required by Tauranga Airport to preserve the ongoing operational activity of the Airport. Any alternative use of the subject whenua can only occur if it can be ensured that Council's airport operations are unaffected. Legal advice will be sought regarding the legal parameters within which any pathway could be progressed without compromising the future operation and development of Tauranga Airport.

### Airport Authorities Act

30. Activity on the subject whenua must be compliant with the provisions of the Airport Authorities Act 1996.
31. There are currently several leases registered against the titles to the wider Airport landholding which are subject to this Act. The Airport Authorities Act 1996 allows for land to be leased *"for any purpose that will not interfere with the safe and efficient operation of the Airport"*.
32. These existing leases are likely to include the following terms:
- (a) The consent of the airport authority would be required for any erection or structural alterations to any building or other installation. The airport authority may not give its consent if the erection or structural alteration will interfere with the use and enjoyment of the land as an airport.
  - (b) The airport authority is entitled to require any part of the leased property for airport purposes, and therefore terminate the lease for the whole, or in part. Should this occur, no compensation is payable, however compensation may be payable for any improvements.

Any future lease(s) would need to reflect the above provisions.

### Joint Ownership

33. While the titles to the land are registered in the name of either Tauranga City Council (RT528369 and SA2B/115) or Tauranga Borough Council (RT SA852/267), the land is jointly acquired land, held in trust for a public work. The beneficiaries of the trust are the Crown (acting through the Minister of Transport), Western Bay of Plenty District Council and Tauranga City Council ("the parties").
34. The parties originally operated Tauranga Airport as a joint venture dating back to 1961. The joint venture was terminated, and this was recorded by a Deed of Termination dated 30 April 1998 ("**Deed of Termination**").
35. The Deed of Termination confirms that the land is held on trust as noted above. It also specifies at clause 7.3.1 that:
- TDC {Tauranga District Council} may only sell the Jointly Owned Land for full market value to a purchaser at arm's length. Within 5 working days of receipt of any proceeds of such sale and of any part of them, TDC must pay 50% of such proceeds (including GST) to the Crown.*
- The consent of each of the parties would therefore be required prior to any opportunity being progressed.
36. Preliminary discussions have occurred with Ministers and Western Bay of Plenty District Council regarding the proposal to provide a future proofing option to the Whareroa Marae community. If progressed, the formal consent of each of the Crown and Western Bay of Plenty District Council will be requested.

### Public Works Act 1981

37. Some of the airport land was acquired as a public work and therefore the provisions of the Public Works Act 1981 apply. This may include offer back requirements if any land is no longer required (i.e. for the on-going operational activity of the Airport). For the avoidance of doubt, Council has not declared any part of the land surplus and as noted above, the land is

still required for airport purposes and may be needed for further airport operations in the future.

### SIGNIFICANCE AND ENGAGEMENT

38. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals, and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
39. In making this assessment, consideration must be given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region.
  - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
40. An appropriate assessment of the above considerations would be undertaken as part of any options analysis and reported to Council.
41. The subject whenua is part of the Tauranga Airport landholding which is identified as a "strategic asset" in Council's Significance and Engagement Policy 2020.

### NEXT STEPS

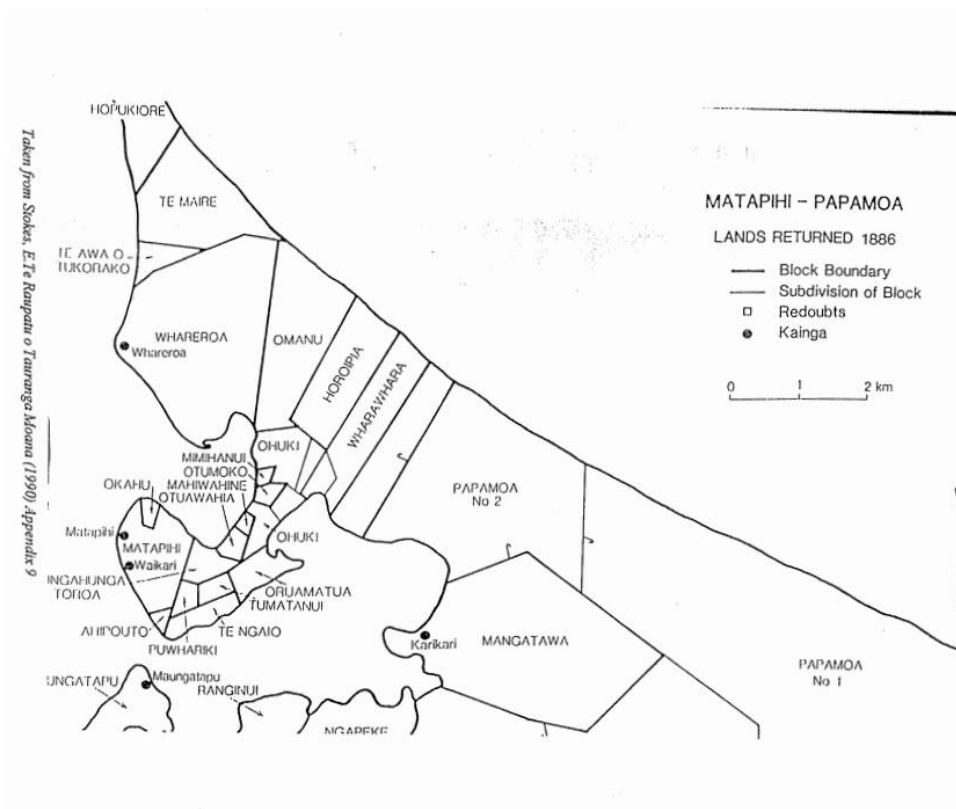
42. Upon Council direction being given, staff will notify representatives of the Whareroa Marae community of the decision and take the steps appropriate to the resolutions granted.

### ATTACHMENTS

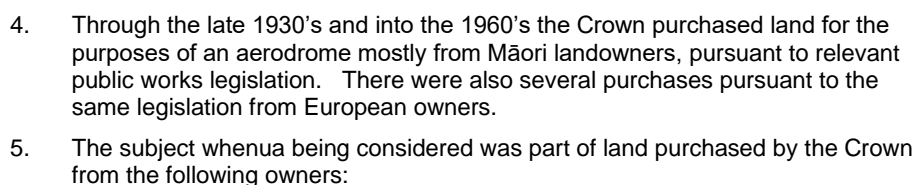
1. **Acquisition History of Subject Whenua - A15952383**  

## ACQUISITION HISTORY OF SUBJECT WHENUA

1. The subject whenua originally formed part of the much larger Whareroa, Omanu and Ohuki land blocks, as shown on the plan below, which were surveyed and set apart for members of Ngāi Te Rangi Iwi by 1881.



2. Subsequent grants by the Crown reduced the Whareroa, Omanu and Ohuki land blocks to discharge survey costs, and establish roads and rail corridors. There were also numerous subdivisions and sales by Māori and European landowners which further reduced the size of each Block.
3. In 1938 Tauranga Borough Council commissioned a survey to identify those parts of what was then known as the Whareroa No. 2 Block which would be required for the purposes of an aerodrome. These are shown on survey plan SO30302 below:



<b>Title</b>	<b>Owners at time of PWA purchase</b>	<b>Date of purchase under PWA</b>	<b>Amount paid</b> *includes other land
RT528369 being Lot 1 DP 433758	Estate of Sidney Robert Handley and Harold Roy Miles	1961	£20,000*
SA2B/115 being Whareroa 2A2B1	Huakina Paki	1963	£6,090
SA852/267 (Part Cancelled) being Part Ohuki 1C1	Estate of Sidney Robert Handley and Harold Roy Miles	1961	£20,000*



## 11.2 Tauranga Local Water Done Well - Preferred Structure

**File Number:** A15917261

**Author:** Cathy Davidson, Acting Director of City Waters  
Paul Davidson, Chief Financial Officer

**Authoriser:** Wally Potts, Acting General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. The purpose of this report is to provide a discussion on the preferred options for the Tauranga Local Water Done Well preferred options and CCO set up.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Tauranga Local Water Done Well - Preferred Structure".
- (b) Notes the key objectives for the development of a water entity include obtaining sufficient borrowing capacity for waters and council, retaining local ownership, the development of partnership models and improving the efficiency of water delivery and its integration with council planning and operations.
- (c) Will continue to monitor legislative developments for the establishment of water entities and the impacts this will have on the establishment of a water entity for Tauranga as outlined in this paper.
- (d) Approves the preferred option of establishing a Council Controlled Organisation (CCO) model with Western Bay of Plenty District Council.
- (e) Establishes a project team to prepare the organisation for joint delivery of three water services across the Western Bay of Plenty.
- (f) Notes that council will continue to investigate structure options involving other councils and approves the development of a CCO model that enables further councils to be included in the future
- (g) Notes that options may include both two (water and wastewater) and three water (including stormwater) options both on immediate set up and over time.
- (h) As part of the CCO structure development, investigates opportunities for volumetric wastewater charging.

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### EXECUTIVE SUMMARY

2. Following recent announcements regarding Watercare and Auckland Council regarding Local Water Done Well Tauranga City continues to work on options for the establishment of a water entity.
3. The focus of this entity is on the following key outcomes
  - (a) To enable sufficient borrowing capacity for three waters and council through balance sheet separation or equivalent financing arrangements
  - (b) Retaining local ownership of a water entity

- (c) The development of partnerships with other councils to improve efficiency of operations
  - (d) Development of a model that may allow scale and growth over time
  - (e) Ensuring integrations remains with Council for planning and delivery of infrastructure including growth planning and delivery.
4. This paper outlines the preferred way forward to achieve these outcomes, noting the final solutions may vary over time in order to ensure these outcomes are achieved. Also, this recognises that a staged approach may be the most appropriate way to achieve these outcomes.

## DISCUSSION

5. Recent announcements with regard to Watercare and Auckland Council have outlined legislation to be created which will enable local water done well.
6. For other Councils (i.e., TCC), they will need to wait for more details on how they can finance themselves appropriately and access the long-term debt structures. There is an opportunity for councils to form CCOs already with finance through existing structures, including Local Government Funding Agency. Further opportunity is expected to come from the Local Water Done Well Transition Bill due at the end of May 2024 together with follow up legislation at the end of the year.
7. Tauranga continues to work on a structure that will support local waters done well based on a preferred option of the establishment of a waters CCO for two or three waters with Western Bay of Plenty Council in the first instance and having the ability to grow this model over time to include increased water functions (if two waters is developed in the first instance) and for the inclusion of additional councils in the future.
8. Whilst this model is preferred it is noted that as this continues to be developed it may be varied in order to achieve the best outcomes.
9. Suggested key outcomes for the initial establishment of this model are outlined below.

### **Increased borrowing capacity**

10. Currently Tauranga City Council is approaching its debt to revenue limits as outlined in the recently adopted Long Term Plan. Work is continuing across the sector to enable greater financing capacity. This will be considered alongside any water entity model with the focus being able to create greater investment capacity for both the water entity and the balance of council operations.

### **Retaining Local Ownership**

11. A Council Controlled Organisation is seen as the preferred model at present. This ensures that Council remains the parent entity and therefor ensures local ownership of waters continues. Models that allow other councils to be part of CCO modelling ensures that local ownership remains.

### **Partnership, efficiency, and future proofing**

12. Whilst the creation of balance sheet separation will assist with financing the establishment of a CCO model can also assist with improving efficiency by providing scale. Any models proposed should have the ability to include other councils in the future to continue to develop greater efficiencies across the sector.

### **Integration with council**

13. Ensuring that planning and delivery remain integrated with council will be essential to ensuring the success of any CCO model and this will be considered in the structure of any entity going forward. A working group for the establishment of the CCO will consider the wider organisational impacts of any structure put forward.

**Water billing**

14. Currently Council has ring fenced activities for the three water activities. This includes volumetric billing for water. Volumetric charging may also be included for the wastewater activity and further work will be undertaken to explore the advantages and disadvantages of different pricing models.

**NEXT STEPS**

15. The financially separate CCO model being developed for Auckland City Council will be carefully reviewed by TCC together with other alternatives as part of the “Local Water Done Well” program of work endorsed by Council on 29<sup>th</sup> April 2024.
16. TCC are continuing to financially model a number of scenarios. Once the models have been fully developed and peer reviewed, there will be a greater understanding of the benefits or disbenefits for a new CCO to managing 2 waters or 3 waters.
17. TCC are invested in understanding how a CCO arrangement can be developed with Western Bay of Plenty District Council, and have the door open for other partners. A project team will be set up to focus on CCO establishment and implementation by 1 July 2025.
18. Once the Local Water Done Well Transition Bill requirements for a Water Service Delivery Plan is understood, in conjunction with Western Bay of Plenty District Council, the option of that plan being a joint plan will be decided.
19. As part of the CCO structure development, opportunities for volumetric wastewater charging will be investigated to support a financially sustainable organisation.

**ATTACHMENTS**

**Nil**

### 11.3 15th Avenue to Welcome Bay Single Staged Business Case

**File Number:** A15524991

**Author:** Derek McFadden, Senior Project Manager  
Jason Spencer, Transport Programme Manager - Dual Funded

**Authoriser:** Neil Mason, Programme Director: Major Projects

#### PURPOSE OF THE REPORT

1. To present to Council the *Fifteenth Avenue to Welcome Bay Single Stage Business Case* 'the SSBC' and seek Council approval for implementation of Stage 1 of the Project and seek Council endorsement for the submission of the SSBC to New Zealand Transport Agency (NZTA) for their approval and consideration for co-funding of Stage 1.

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#### RECOMMENDATIONS

That the Council:

- (a) **Receives** the report "15th Avenue to Welcome Bay Single Staged Business Case".
- (b) **Approves** Stage 1 Pre-implementation activities from October 2024 subject to:
  - (i) NZTA endorsement of the SSBC with funding approval for the remaining Stage 1 pre-implementation activities at 51% Funding Assistance Rate (FAR).
  - (ii) 2025/2035 Long Term Plan approval of sufficient funding to complete the Pre-implementation of Stage 1.
- (c) **Approves** that Stage 1 of the Project moves from Pre-implementation to Implementation activities under management of Council's Major Projects Unit subject to:
  - (i) Stage 1 scope is generally as described in the Option Analysis section and attachments to this Paper noting that changes will occur as the designs are developed but these changes are not to significantly alter the overall Stage 1 scope and outcomes.
  - (ii) NZTA endorsement of the SSBC with funding approval for Implementation at 51% Funding Assistance Rate (FAR) for Stage 1.
  - (iii) The Stage 1 Forecast Cost at Completion (FCAC) (P95) is reforecast at the milestones set out in paragraph 51 (i.e., a, b and c) by an independent qualified Quantity Surveyor and tracks less than or approximately equal to the FCAC (P95) contained in the Final SSBC approved by NZTA.
  - (iv) The Stage 1 Implementation Estimate (IE) (P95) is less than the approved 2025/2035 Long Term Plan budget for Stage 1 plus any other funds approved by the Council at the time.
- (d) **Notes** that Pre-implementation and Implementation phases for Stage 2 of the Project will be under management of Council's Low Cost Low Risk unit (LCLR) or other programme with allocated budget as set out in para 43 below.
- (e) **Approves** Stage 1 as noted in (b & c) above irrespective of whether Hairini Bridge abutment strengthening is approved by Council.
- (f) **Delegates** authority to the Chief Executive to approve submission of the Final SSBC to NZTA.

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- (g) **Notes** that the SSBC will only request NZTA co-funding for the Stage 1 amount detailed in para 43.
  - (h) **Notes** that there is scope, cost and funding uncertainty with respect to stormwater treatment requirements in Stages 1 and 2 and relevant costs included in this report will need to be adjusted accordingly (an update on this will be given to Council on 20 May).
  - (i) **Notes** that if Hairini Bridge abutment strengthening is approved this could affect the Project Programme (see Attachment 1).
  - (j) **Notes** that on 12 February 2024 Council approved early Pre-implementation works between March-September 2024 to the value of \$3.5M (P95) that are were forecast to be completed prior to the expected NZTA approval of Project funding.
  - (k) **Notes** that the final SSBC is expected to be completed in June 2024.
  - (l) **Accepts** the risk that if actual costs for Stage 1 exceed the P50 estimates contained in the Final SSBC and these costs are not fully covered by NZTA Cost Scope Adjustment(s), Council will have to fund 100% of the shortfall.
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## EXECUTIVE SUMMARY

- 2. The Project will enhance the Fifteenth Avenue, Turret Road, and Welcome Bay Road corridor by alleviating congestion, improving options for active modes of transportation and public transit, and enhancing access to essential destinations such as schools, marae, and shops. The significance of the corridor lies in its role as the primary link connecting Welcome Bay, Ohauiti, Hairini, Maungatapu, and the central and northern Te Papa Peninsula.
- 3. The Western Bay of Plenty Transport System Plan (TSP) identified parts of this corridor as having high operating gaps in level of service. It ranked as high as #4 in terms of the worst peak hour congestion, and there are level of service deficiencies for bus passengers, pedestrians and cyclists. These problems were confirmed through the Investment Logic Mapping process. The future form of the corridor is recognised as one of the key issues to address in the Western Bay of Plenty. This emphasises importance of this Project in addressing identified gaps in level of service, access and safety, particularly for cyclists.
- 4. The SSBC commenced with *the Indicative Business Case* (IBC) phase in March 2022. Presently the *Detailed Business Case* (DBC) phase is nearing completion.
- 5. This SSBC is a result of collaborative efforts between Tauranga City Council, tangata whenua, Bay of Plenty Regional Council, the NZTA and stakeholders.
- 6. The SSBC identifies a Preferred Option which includes:
  - (i) Completing the four-laning between Cameron and Burrows Street.
  - (ii) Three-laning of Turret Road and the Hairini Bridge and Causeway.
  - (iii) A tidal-flow (dynamic lane) system along Turret Road to provide an additional lane of capacity in the peak directions of travel.
  - (iv) High Occupancy Vehicle (HOV) lanes along Fifteenth Avenue and Turret Road – starting as T2, but potentially changing to T3 or bus lanes at some point in the future.
  - (v) Some Improved walking and cycling facilities, targeting the key journeys to schools for zone 1.
  - (vi) Safety improvements.
  - (vii) Opportunities to include cultural design elements that recognise the significance of the corridor to mana whenua.

7. The Project has an overall Benefit Cost Ratio (BCR) of **3.0** based on the costs eligible for co-funding<sup>3</sup>. With pavement rehabilitation costs included (these are not eligible for co-funding) the BCR is 2.5.
8. It is proposed that the Project will be implemented in two stages from mid-2025 to early 2028 with Stage 1 being implemented by the newly formed *Major Projects Unit* and Stage 2 being implemented by Council's *LCLR* or other Programme Unit.
9. The combined Pre-implementation and Implementation costs for Stages 1 and 2 are **\$116.3M (P50)**<sup>4</sup> and \$149.7M (P95) (including pavement rehabilitation). It is expected that Stage 1 be co-funded with NZTA at a 51% FAR. Stage 2 will be funded from Council's LCLR budget with co-funding where applicable and available from NZTA and other sources yet to be confirmed.

## BACKGROUND

10. In October 2021 Stantec was commissioned to conduct a strategic review of the Project and offer recommendations to frame the scope of the business case. This ensured a well-informed and strategic approach to the Project's development.
11. Following a competitive bid process, the SSBC phase commenced in March 2022 with Stantec as the main business case consultant. At the same time Aurecon was direct appointed to provide specialised advice on the condition and performance of the Hairini Bridge and Causeway. Aurecon's work has confirmed that three-laning of the bridge is possible.
12. In February 2023, the Commissioners agreed to an investigation of the option of a clip-on shared use path (SUP) on the Hairini Bridge. This SUP will provide a safer way for pedestrians and cyclists to cross the harbour, whilst creating space for an additional lane (for traffic) to be added onto the existing bridge.
13. Following public consultation in September 2023 the Commissioners approved the Preferred Option and the commencement of the DBC phase.
14. On 12 February 2024, the Commissioners approved early Pre-implementation activities between March-September 2024 that are required to be completed before the expected date of NZTA approval of the Project (October 2024). This was to ensure that the Project meets the Long-term Plan (LTP) construction start date of July 2025. This approval was for \$3.5M and it was acknowledged that this was unlikely to be co-funded by NZTA.
15. Early Pre-implementation works to date have focused on the colony of approximately 20 pairs of tara / white-fronted terns, which nest on the historic bridge piers adjacent to the Hairini Bridge. The Project involves a clip-on Shared Use Path (SUP) that will clash with some of the current tern nesting sites. To minimise effects on the terns TCC has commenced work to locate, permit and design an alternative and permanent nesting habitat in Waimapu estuary that can be used by the terns for at least the construction period of the SUP and conversion of the bridge to three lanes.
16. On 12 April 2024 the Western Bay of Plenty Transport System Plan (TSP) PMG agreed to recommend to the TSP Governance Group that it supports the Project.
17. On 17 April the TSP Governance Group also supported the Project. However, it also recommended that in the light of the current draft GPS investment priorities the Project economics be presented for a) the entire project and b) only those interventions that are most aligned with the current draft GPS and, therefore, most likely to be approved by NZTA and attract funding.
18. On 22 April the Commissioners decided that the Project should be implemented in two stages, with Stage 1 being implemented by the newly formed *Major Projects Unit* and Stage

<sup>3</sup> The additional stormwater treatment costs noted in Recommendation (h) have been assumed not eligible for co-funding and hence all BCRs presented in this report exclude these costs.

<sup>4</sup> Unless otherwise stated all costs exclude the additional stormwater treatment costs noted in Recommendation (h).



2 being implemented by Council's *LCLR Programme Unit or other programme*. The Commissioners also decided that the SSBC only request funding for Stage 1. Details of these stages and their respective economics are included in the Options Analysis section following and in Attachments 2 and 3.

19. Bay of Plenty Regional Council (BoPRC) has been represented on the Project Control Group throughout the SSBC phase and staff and management have expressed support for the Preferred Option. The Project was presented to the *BoPRC Joint Public Transport Committee (JPTC)* meeting of 1 May 2024 with the Committee expressing support for the Project and the proposed timing.
20. The SSBC is not finalised as of 20 May. However, the Executive Summary is finalised and included as Attachment 4. Consequently, the Council is requested to delegate authority to the CE to approve submission of the final SSBC to NZTA.
21. The SSBC is expected to be completed in June 2024 following which it will be submitted to NZTA for consideration. It is expected that the SSBC will go before the NZTA Board meeting of 24 October 2024.
22. At its meeting of 10 June Council will be updated on investigations into the strengthening of the abutments of the Hairini Bridge to improve seismic resilience of this structure and the harbour crossing.

## STRATEGIC / STATUTORY CONTEXT

23. Turret Rd is one of only two bridges across the harbour that connect Tauranga's central Te Papa peninsula to the east. This connection is of key strategic importance to the region. With existing and growing congestion, upgrading this route is paramount to economic growth and productivity of the region.
24. The Project has been identified as a priority in transport plans in Tauranga and the Bay of Plenty. The Project is one of Tauranga City Council's five major transport projects and is included in the Long-term Plan (LTP). It is listed as the sixth highest strategic priority in the *Bay of Plenty Regional Land Transport Plan 2024-34* (RLTP). It is listed with the highest priority of 'High' in the TSP. The *Urban Form and Transport Initiative* (UFTI) notes the Project as a 'key move' for the central corridor, and as one of the UFTI implementation first steps transport delivery actions.
25. This Project delivers on each of the strategic priorities in the *Draft Government Policy Statement on Land Transport 2024-2034* (GPS). The strong BCR of 3.0 indicates good value for money (BCR for both Project **and** Stage 1 is 3.0). The significant travel time benefits (39% of benefits for Project and 58% for Stage 1) deliver economic growth and productivity. The Project would also generate safety improvements (3% of benefits for Project and 5% for Stage 1). Moreover, the GPS specifically notes interventions such as dynamic lanes to make better use of assets and deliver value for money. Hairini Bridge strengthening that is being considered would increase resilience.
26. The Project would also improve multimodal access and help to address current deficiencies in the Welcome Bay area, including poor connections, lack of Māori land development opportunities and infrastructure constraints. These improvements align well with objectives in UFTI, the TSP, the LTP and the RLTP.
27. In summary, the Project is:
  - (i) of key strategic importance.
  - (ii) delivers on strategic priorities in the GPS.
  - (iii) delivers on objectives in UFTI, the TSP, the LTP and the RLTP and
  - (iv) is identified as a priority in UFTI, the TSP, the LTP and the RLTP

## OPTIONS ANALYSIS AND DEVELOPMENT

28. An initial wānanga held on 13 May 2022 convened stakeholders from TCC, BoPRC, NZTA and hapū to establish a strategic vision for a corridor project. This resulted in an agreed outcome statement: *'Acknowledging kaitiakitanga and improved wellbeing for future generations by delivering efficient movement and enhanced connectivity of people, place and identity'*.
29. A long-list workshop was held on 5 July 2022 convening stakeholders from diverse organisations to analyse key evidence and propose interventions aligned with the draft Investment Objectives. This resulted in the identification of 112 interventions addressing themes such as demand management, public transport, intersection upgrades, and safety measures.
30. The Early Assessment Sieving Tool (EAST) was systematically used to evaluate potential project interventions, identifying fatal flaws, out-of-scope initiatives, quick-win opportunities, and interventions aligned with the investment objectives. This process ensured prioritisation of feasible, goal-aligned interventions whilst eliminating those unlikely to deliver desired outcomes.
31. The Multi-Criteria Assessment (MCA) process, conducted between August and September 2022, comprised initial briefing sessions on 30 August and 9 September, followed by a technical moderation session on 23 September. During this session subject matter experts shared scores and discussed assumptions. Subsequent follow-up sessions were held to further refine scores, leading to the identification of top programmes for each of the four zones shown in the figure below. The programmes that were favoured for Zones 1 and 2 were *Walking and Cycling*, *Quality of Place* and *Transport Choice*; while those for Zones 3 and 4 were *Walking and Cycling* and *Do Maximum* respectively.



**Figure 1: Project extent showing Zones 1 to 4**

32. In early 2023 the short-listing assessment was undertaken confirming Zones 1 and 2 should include the introduction of T2 lanes in widening areas, raised medians along Fifteenth Avenue and the implementation of new pedestrian crossings around schools on Welcome Bay Road to enhance safety.
33. In February 2023 Commissioners agreed to an investigation of the option of a clip-on shared use path on the Hairini Bridge and conversion to three traffic lanes. This was subsequently confirmed as technically feasible.
34. Public consultation on the shortlist options took place during September/October 2023 to help inform selection of the Preferred Option. There was support for a tidal flow lane across



Hairini Bridge, improved shared/cycle paths and High Occupancy Vehicle (HOV) lanes along Fifteenth Avenue, with only minor changes needed to the shortlist options.

35. In October the Commissioners endorsed the Preferred Option which has subsequently been refined through further traffic modelling, a Safe Systems Audit and design development.
36. The Preferred Option comprises the following interventions:
  - (a) Zone 1 – Cameron Road to Burrows Street
    - (i) Widen to create a consistent four lane corridor - one general traffic and one high-occupancy vehicle (T2) lane in each direction.
    - (ii) Raised median (Cameron Road to Fraser Street)
    - (iii) New pedestrian/cyclist signalised crossing at Devonport Road.
    - (iv) Traffic signal at Grace Road\*.
    - (v) Shared path between Fraser Street and Turret Road (to the bridge)
    - (vi) Shared path between Fraser Street and Burrows (on one side)

**Zone 1 - Local road improvements**

    - (vii) Cycleway along Thirteenth Avenue to connect to Tauranga Boys College and Cameron Road.
    - (viii) Completion of the shared path along Burrows Street, including new pedestrian crossings.
    - (ix) Shared path along Eighteenth Avenue, outside of Tauranga Intermediate School.
  - (b) Zone 2 – Turret Road and Hairini Bridge and Causeway
    - (i) White fronted tern habitat relocation.
    - (ii) Clip-on shared path to the existing bridge.
    - (iii) Conversion of the existing bridge to three lanes.
    - (iv) Tidal flow system in place along Turret Road and across the bridge.
    - (v) New signalised pedestrian crossing across Turret Road.
    - (vi) New traffic signal for the Holiday Park.
    - (vii) Shared path along the causeway connecting to the bridge shared path.
  - (c) Zone 3 and 4 – Welcome Bay Road
    - (i) Shared path (on one side) along the full extent of Welcome Bay Road.
    - (ii) New signalised mid-block pedestrian crossing close to Kaitemako Road.
    - (iii) Signalisation of the Welcome Bay Road/James Cook Drive intersection.
      - (a) Includes two approach lanes along James Cook Drive (one for buses only during the AM peak)
      - (b) Removal of the right-turn out from James Cook Drive.
    - (iv) Mini roundabout at Victory Street/James Cook Drive\*.
    - (v) Improving the path (the 'goat track') between Wickham Place and Welcome Bay Link Road\*.
    - (vi) New roundabout at Waitaha Road/Welcome Bay Road (LCLR project due for completion in June 2024 not included in the Project cost estimates).
    - (vii) Recreational boardwalk across the mangroves, alongside Welcome Bay Road between James Cook Drive and Waitaha Road.

- (viii) Improvements for the Welcome Bay School (new pedestrian crossings & shared path).
- (ix) New signalised mid-block pedestrian crossing for Tauranga Waldorf School.

**Note:** Scope and cost estimates for interventions marked \* were added following completion of parallel estimate process. Also following this process, several raised tables have been removed from the scope and cost estimates.

37. The Preferred Option has a Benefit Cost Ratio (BCR)<sup>5</sup> of **3.0**, with benefits split as follows:
- (i) Travel time = 39%
  - (ii) Vehicle operation costs and CO2 = 6%
  - (iii) Public Transport = 2%
  - (iv) Safety = 3%
  - (v) Walking/Cycling = 50%
38. The BCR of 3.0 excludes both benefits and costs of pavement rehabilitation because TCC is not requesting NZTA co-funding for pavement rehabilitation. If pavement rehabilitation is included the BCR is 2.5.
39. On 22 April the Commissioners instructed that the Project be implemented in two stages with Stage 1 being implemented by the newly formed *Major Projects Unit* and Stage 2 being implemented by Council's *LCLR Programme Unit* or other programme. Key details of each stage are shown in the following table and in Attachments 2 and 3:

	Stage 1	Stage 2
<b>Scope of Works</b>	<b>Zone 1</b> All scope excluding some local road improvements. <b>Zone 2</b> All scope <b>Zone 3</b> Only signalisation of the Welcome Bay Road/James Cook Drive intersection and the mini roundabout at Victory Street/James Cook Drive	All Project scope not delivered in Stage 1
<b>Economics (BCR)</b>	3.0	3.1
<b>Programme</b>	Mid 2025 to late 2026	Late 2026 to early 2028

40. Both Stage 1 and Stage 2 are justifiable investments on their own merit. However, the Stage 1 BCR assumes Stage 2 is completed following completion of Stage 1. Without Stage 2 in place, the number of cyclists using the Stage 1 facilities (i.e., improved facilities along Fifteenth Avenue and the Hairini Bridge) is likely to be lower than the calculated value for “the whole scheme”. This is because some new cyclists using the Stage 1 facilities would be those who started their journey in Welcome Bay - and they may not switch to cycling without there being fully complete, and safe, ‘home to destination’ routes.

<sup>5</sup> BCRs presented in this paper include the Early Pre-implementation costs that TCC is 100% funding. Therefore, when the Final SSBC is presented to NZTA for consideration we will also include a calculation of the BCR net of the Early Pre-implementation costs that are forecast to be expended by the time of NZTA Board approval of the Project. Given these will be sunk costs it is expected that NZTA will make its assessment based on this revised BCR for Stage 1, which is expected to be higher than 3.0.

## 41. The Project will be managed as follows:

- (a) Stage 1 will be managed under the newly formed Major Projects Unit with best practice standards of project delivery and a robust governance structure including a Project Management Board (PMB), a Project Steering Group and an Oversight Group comprising three nationally recognised leaders in large project delivery. All governance groups will meet monthly with a common progress reporting format.
- (b) Mana whenua will continue to be represented as Project Partners on the PMB. We will consult with the hapū representatives who are on the PMB with respect to details of engagement with iwi on impacts of Stage 1 works on waterways.
- (c) NZTA and BOPRC will continue to be represented as Project Partners on the PMB.
- (d) Pavement rehabilitation and City Waters projects, renewals and repairs will be integrated into the management of the Pre-implementation and Implementation phases of Stage 1 where it is efficient to carry out these works at the same time as roading works.
- (e) If Council decides on strengthening of the Hairini Bridge this will also be integrated into the management of the Pre-implementation phase of Stage 1. The Implementation phase of bridge strengthening work would likely lag the Implementation phase of the current in-scope works but would be expected to be delivered as part of this Project.
- (f) Interdependencies with other projects and activities will be monitored to manage demands on the supply chain, combined disruption to the traffic network and funding cashflow. This will be carried out primarily through the Major Projects Programme but the project team will also continue to monitor projects and activities that do not come under the Major Works Programme.
- (g) There will be an integrated communications and engagement strategy across all aspects of Stage 1 design and delivery. This will continue engagement with key stakeholders as design detail is developed, will generally keep the public informed via the Project website and align with consultation requirements for resource consent applications.
- (h) The project management team will comprise a Senior Project Manager, a Project Manager, a Junior Project Manager and a Project Co-ordinator. This team will be supported by the an external provider who will maintain programme and undertake all cost control and forecasting for at least the duration of the Pre-implementation phase. It is also proposed that the team is supported by a procurement specialist until such time as the last of the main physical works contracts is let.
- (i) Stage 2 will be managed by the LCLR or other programme unit.

## 42. Consultant and contractor services for the Project will be procured as follows:

- (a) Aurecon has been direct appointed to carry out investigations, preliminary, detailed design and consenting for the Hairini Bridge and Causeway works and support TCC's project management team during contractor procurement. Subject to satisfactory performance during Pre-implementation it is intended to negotiate with Aurecon for Management Surveillance and Quality Assurance (MSQA) services for the Hairini Bridge and Causeway construction works.
- (b) Consideration is being given to Early Contractor Involvement (ECI) for construction of the Hairini Bridge and Causeway works because traffic disruption will be very dependent on construction methodology. A decision on this will be made following the completion of the **early** Pre-implementation works that Aurecon is currently undertaking and before confirming details of Aurecon's scope of works for the balance of the Pre-implementation works.
- (c) The remaining key procurement activities for Stage 1 will be led by a specialist consultant (yet to be appointed).

- (d) It is proposed that most of the investigation, design and consenting activities other than those being undertaken by Aurecon will be undertaken by a single *Corridor Works Consultant* who will engage sub-consultants and manage other consultants appointed directly by TCC. The scope of works will be all Stage 1 transport works, City Waters scope of works (details of which are to be confirmed) and pavement rehabilitation works in Zones 1 and 2. The procurement process for the Corridor Works Consultant will be a two stage Registration of Interest (ROI) and Request for Proposal (RFP) process with non-price attribute scores from the ROI evaluation carried over to the RFP evaluation. Subject to satisfactory performance during Pre-implementation it is intended to negotiate with the *Corridor Works Consultant* for MSQA services for the construction phase.
- (e) It is proposed that there would be two main contract packages for the Implementation phase as follows:
  - (i) **Zones 1 & 3 Contract** – all works within these zones possibly with Separable Portions for different zones or sub-zones; and
  - (ii) **Zone 2 Contract** - all bridge, causeway, roadworks and waters works in Zone 2. The reason for including road and waters works in this contract package is that the interfaces between these works and the bridge works will be quite significant and most if not all contractors who we would consider for the bridge works would also have the capability to do the roading and waters works.
- (f) It is proposed to procure the contractor for Zones 1 & 3 using a traditional design, bid, build process with measure and value payment contract type. This will provide a good balance of competitive pricing and cost certainty.
- (g) A decision on the procurement approach for Zone 2 will be made following the completion of the early Pre-implementation works that Aurecon is currently undertaking. The approach will be either traditional design, bid, build or ECI. If the ECI approach is adopted a single ECI contractor would be engaged under a Pre-construction Services Agreement following a competitive tendering process that would include evaluation of rates and margins. The construction contract would be negotiated with the ECI contractor at the conclusion of the ECI phase and would likely be a cost reimbursable Target Outturn Cost with pain/gain mechanism.
- (h) There is also small (~\$2M) design-build package of work required in Zone 2; this is the installation of pile jacketing and cathodic protection to the Hairini Bridge piles. WSP Laboratories, which has previously advised TCC on the feasibility and cost estimates for this work, will assist TCC with procuring a design-build contractor. This contract could be either managed directly by TCC or novated to the Zone 2 contractor if there are advantages to this.
- (i) If a decision is made to strengthen the Hairini Bridge it is proposed that the investigation, design and consenting for this would be varied into the Aurecon agreement. Depending upon timing of design, the strengthening works would be either included within the Zone 2 Contract or procured and performed separately. If the latter, the SUP would be designed and constructed to facilitate bridge strengthening works being performed later, i.e., sections of the SUP would be removable to allow strengthening works to happen around the abutment without damage to the SUP.
- (j) All procurement processes will comply with TCC and NZTA guidelines and significant procurement decisions will be discussed with NZTA.
- (k) Consultants and Contractors will be engaged for the Stage 2 in accordance with LCLR or other programme procedures.

## FINANCIAL CONSIDERATIONS

43. The Forecast Cost at Completion (FCAC) of the Pre-implementation and Implementation phases of the Project are presented below. These cost estimates including the Stage 1 and 2 allocations have been subject to an independent parallel estimate process.

	Stage 1		Stage 2		Stages 1 and 2	
	P50	P95	P50	P95	P50	P95
<b>Pre-implementation</b>						
Co-funded*	\$ 5,310,769	\$ 6,981,537	NA	NA	\$ 5,310,769	\$ 6,981,537
LCLR funded**	NA	NA	\$ 3,609,719	\$ 4,745,336	\$ 3,609,719	\$ 4,745,336
Early (costs to end Sept 2024)	\$ 2,209,978	\$ 2,905,237	NA	NA	\$ 2,209,978	\$ 2,905,237.08
Pavement rehabilitation	\$ 1,224,382	\$ 1,635,707	\$ 278,540	\$ 372,115	\$ 1,502,922	\$ 2,007,822.00
<b>Sub-total</b>	<b>\$ 8,745,129</b>	<b>\$ 11,522,482</b>	<b>\$ 3,888,259</b>	<b>\$ 5,117,451</b>	<b>\$ 12,633,388</b>	<b>\$ 16,639,933</b>
<b>Implementation</b>						
Co-funded*	\$ 57,870,973	\$ 74,375,774	NA	NA	\$ 57,870,973	\$ 74,375,774
LCLR funded**	NA	NA	\$ 31,741,510	\$ 40,794,189	\$ 31,741,510	\$ 40,794,189
Pavement rehabilitation	\$ 10,887,527	\$ 13,840,981	\$ 2,476,854	\$ 3,148,749	\$ 13,364,381	\$ 16,989,730
<b>Sub-total</b>	<b>\$ 68,758,499</b>	<b>\$ 88,216,755</b>	<b>\$ 34,218,365</b>	<b>\$ 43,942,938</b>	<b>\$ 102,976,864</b>	<b>\$ 132,159,693</b>
<b>Major Projects overhead***</b>						
Major Projects overhead***	\$ 680,000	\$ 880,000	NA	NA	\$ 680,000	\$ 880,000
<b>Project Total</b>	<b>\$ 78,183,628</b>	<b>\$ 100,619,236</b>	<b>\$ 38,106,624</b>	<b>\$ 49,060,389</b>	<b>\$ 116,290,252</b>	<b>\$ 149,679,626</b>
<b>Co-funding request</b>	<b>\$ 63,861,742</b>	<b>\$ 82,237,311</b>	<b>NA</b>	<b>NA</b>	<b>\$ 63,861,742</b>	<b>\$ 82,237,311</b>

### Notes:

\* Co-funded: SSBC will request co-funding from NZTA for this scope of works.

\*\* LCLR or other funded: An assessment of NZTA co-funding available for this scope of works has not been made at the time of reporting.

\*\*\*Major Projects overhead is \$340K (P50) / \$440K (P95) per annum for say 4 years allocated 50/50 to Transport (Stage 1) and Waters scope with transport costs assumed to be co-funded.

44. The scope of stormwater treatment along the corridor, which is required to ensure current and future discharges meet Council's consent conditions, has not been fully costed and funding options assessed at this time. This could increase costs for Stage 1 by approximately \$6M. As noted elsewhere in this paper these costs have **not** been included in the estimates nor the reported BCRs. Council will be provided an update of these costs and potential for NZTA co-funding at the 20 May Council meeting. If NZTA co-funding can be confirmed the BCRs will be revised accordingly and reported at the 20 May Council meeting.
45. Pavement rehabilitation is not expected to be funded by NZTA.
46. Pre-implementation expenditure before any NZTA funding approval decision is also not expected to be funded by NZTA. A *Request for Consideration of Prior Approval of Retrospective Funding* for these Early Pre-implementation costs has been submitted to NZTA but has been declined.
47. The LTP Budget submission for the Project as of 7 March 2024 is as follows:

	Total	Previous years	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
<b>TSP007 Turret Rd 15th Ave multimodal imp</b>								
N.000001.02.01 Turret/15th Ave Multimodal BC & Design	\$ 2,575,787	\$ 1,576,000	\$ 972,001	\$ 27,786	\$ -	\$ -	\$ -	\$ -
N.000001.02.02 Turret/15th Ave Multimodal Risk Const	\$ 91,879,698	\$ -	\$ -	\$ -	\$ 11,294,423	\$ 27,232,500	\$ 41,007,269	\$ 12,345,506
N.000001.02.03 Turret/15th Ave Multimodal Risk	\$ 24,950,481	\$ -	\$ 20,600	\$ 470,043	\$ 423,560	\$ 2,723,250	\$ 9,087,414	\$ 12,225,613
N.000001.02.04 Turret/15th Ave Multimodal Opt Bias	\$ 94,856	\$ -	\$ 94,856	\$ -	\$ -	\$ -	\$ -	\$ -
N.000001.02.05 Turret/15th Ave Multimodal Contingency	\$ 20,842,117	\$ -	\$ 428,999	\$ 464,979	\$ 317,670	\$ 2,723,250	\$ 6,915,337	\$ 9,991,881
N.000001.02.06 Pre Implementation design & procurement	\$ 6,169,788	\$ -	\$ 712,000	\$ 1,609,942	\$ 3,847,847	\$ -	\$ -	\$ -
<b>Sub-total</b>	<b>\$ 146,512,726</b>	<b>\$ 1,576,000</b>	<b>\$ 2,228,456</b>	<b>\$ 2,572,750</b>	<b>\$ 15,883,500</b>	<b>\$ 32,679,000</b>	<b>\$ 57,010,020</b>	<b>\$ 34,563,000</b>
<b>Turret Road Bridge Resilience</b>								
N.000039.08.04 Construction	\$ 4,873,005	\$ -	\$ -	\$ -	\$ 529,450	\$ 971,426	\$ 3,372,129	\$ -
N.000039.08.01 Planning & Design	\$ 690,696	\$ -	\$ -	\$ 263,872	\$ 426,825	\$ -	\$ -	\$ -
N.000039.08.02 Contingency / Risk	\$ 1,674,399	\$ -	\$ -	\$ 79,161	\$ 102,625	\$ 480,974	\$ 1,011,639	\$ -
N.000039.08.03 Optimism Bias	\$ 3,634,251	\$ -	\$ -	\$ 171,517	\$ -	\$ 1,270,850	\$ 2,191,884	\$ -
<b>Sub-total</b>	<b>\$ 10,872,351</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 514,550</b>	<b>\$ 1,058,900</b>	<b>\$ 2,723,250</b>	<b>\$ 6,575,651</b>	<b>\$ -</b>
<b>Project Total</b>	<b>\$ 157,385,077</b>	<b>\$ 1,576,000</b>	<b>\$ 2,228,456</b>	<b>\$ 3,087,300</b>	<b>\$ 16,942,400</b>	<b>\$ 35,402,250</b>	<b>\$ 63,585,671</b>	<b>\$ 34,563,000</b>

48. The LTP Budget for the Project Pre-implementation and Implementation phases, excluding any bridge strengthening or waters works, is **\$142.7M** (P95) (i.e., total of \$146.5M less \$3.8M for SSBC costs)<sup>6</sup>. Therefore, there is a shortfall at P95 level of **\$7.0M** (i.e., \$149.7M less 142.7M). This shortfall could increase by approximately \$6M depending on the additional stormwater treatment costs as noted in para 44. The reason for this shortfall is that the LTP Budget submission was based on capital cost estimates at the end of the Indicative Business Case phase in early 2023; the most recent cost estimates at the end of the Detailed Business Case phase were not available until after the LTP Budget submission on 7 March 2024.
49. This shortfall is addressed by **Recommendation (e) (iv)**, which makes Council approval for Stage 1 to progress to Implementation conditional on the *Implementation Estimate* (IE) (P95) being less than the LTP Budget **or** the LTP Budget **plus** other funding approved by the Council at the time.
50. The FCAC and available funding will be monitored and reported to the Major Projects Oversight Group throughout the Pre-implementation and Implementation phases to ensure there will be early warning of any budget shortfall.
51. Stage 1 cost at completion will be reforecast at the following milestones in accordance with NZTA procedures:
  - (a) **Pre-implementation Estimate (PE1)**: This will be prepared during the Pre-implementation phase prior to detailed design.
  - (b) **Pre-implementation Estimate (PE2)**: This will be prepared during the Pre-implementation phase once the design has been completed.
  - (c) **Implementation Estimate (IE)**: This will be prepared once the preferred physical works tender(s) have been evaluated and before contract award.
52. As design and contractor procurement will progress to different timelines we are currently scheduling the above estimates at separate times for each of the two main work packages of Stage 1. For clarity only the latter of these (i.e., the Zones 1 & 3) are shown in the programme in Attachment 1.
53. Ongoing alignment with broader transport and City Waters investments will be required to maximise the expected benefits, reduce disruption and to provide cost efficiencies through the Pre-implementation phase. The scope of the City Waters projects that will eventually be included in the scope of this Project is not yet defined. Therefore, the above FCAC and budgets exclude the City Waters projects.
54. Bridge strengthening works are subject to a separate decision-making process but if approved would be delivered within this Project and would be funded from the N.000039.08 budget lines in the above table. However, at this stage of the investigations it appears that the allocated budget will be insufficient for the works required.

## LEGAL IMPLICATIONS / RISKS

55. There is a risk that the draft Government Policy Statement on Land Transport (GPS) may result in delays of NZTA decision making, or funding potentially not being fully approved.
56. The above risk has been mitigated as far as possible as the SSBC will highlight that: (a) value engineering has taken place, (b) there is a high BCR for active modes, (c) there is demonstrated high existing demand for active modes, (d) there is a clear safety benefit, and (e) the clip-on SUP for the Hairini Bridge is required to enable the three-laning of the Hairini Bridge and tidal flow through Zone 2.
57. This risk has been further mitigated by dividing the Project into two stages with Stage 1 being most aligned with the current draft GPS and, therefore, most likely to be approved by NZTA

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<sup>6</sup> LTP Budget includes escalation. When comparing with forecast P95 costs it should be noted that the latter do **not** include escalation (this is as per NZTA requirements).

and attract funding. Stage 1 will be implemented by the newly formed Major Projects Unit and Stage 2 will be implemented by Council's LCLR Programme Unit or another programme. The SSBC will request co-funding from NZTA for Stage 1 only.

58. Council has been advised that no investment decisions will be made by NZTA's Board prior to October 2024 in alignment with National Land Transport Funding allocations. Council will continue to work with NZTA on submitting the SSBC to the NZTA Board for approval as soon as possible.
59. To meet the LTP date for commencement of construction Council has already commenced Pre-implementation works which puts Pre-implementation costs both before and following the date of NZTA Board approval at risk. Council has accepted it will need to 100% fund Pre-implementation costs expended before NZTA Board approval. The funding risk on Pre-implementation costs that will be incurred following NZTA Board approval is being managed by ensuring that procurement of suppliers for Pre-implementation works follows NZTA procurement processes.

## CONSULTATION / ENGAGEMENT

60. Community engagement began with a workshop in May 2022 to connect with partners, discuss corridor issues, and share stories with representatives from Council, NZTA, Bay of Plenty Regional Council and mana whenua. Subsequent meetings involved a broader range of stakeholders, including emergency services, government agencies, community groups, and more.
61. Mana whenua have been represented as Project partners on the monthly Project Control Group (PCG) meetings since the commencement of the SSBC. This representation will continue throughout the Pre-implementation and Implementation phases as the PCG transitions to the Project Management Board (PMB) under Major Projects. Several wānanga and hui have taken place from which a *Cultural Map* and *Cultural and Urban Design Framework* have been produced, both of which will inform design during the Pre-implementation phase of the Project.
62. Public consultation was held in June/July 2022 seeking the community's views of improving the corridor with a survey asking them to share concerns, ideas on how they travel, the environment and how community wellbeing could be improved. The community told us they wanted more lanes, widened roads, an upgraded harbour crossing, a tidal flow system, improved public transport, alternative travel modes, improved pedestrian and cyclist safety, reviewed speed limits, alternative routes and potentially additional schools to mitigate travel distances for students and parents.
63. Public consultation on the short list options took place in September/October 2023. Support was strong for a tidal flow system across Hairini Bridge, improved shared/cycle paths and HOV lanes along Fifteenth Avenue. Several changes were made to design details because of the public feedback.

## SIGNIFICANCE

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



- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
  - (d) the impacts of construction on residents and businesses and the staggered construction programme proposed along the corridor.
  - (e) the impacts of the Project on the wider network with its interface with other projects and where the main arterial flow of traffic will be diverted to, in and the around the city.
66. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of high significance.

## ENGAGEMENT






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

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

## NEXT STEPS

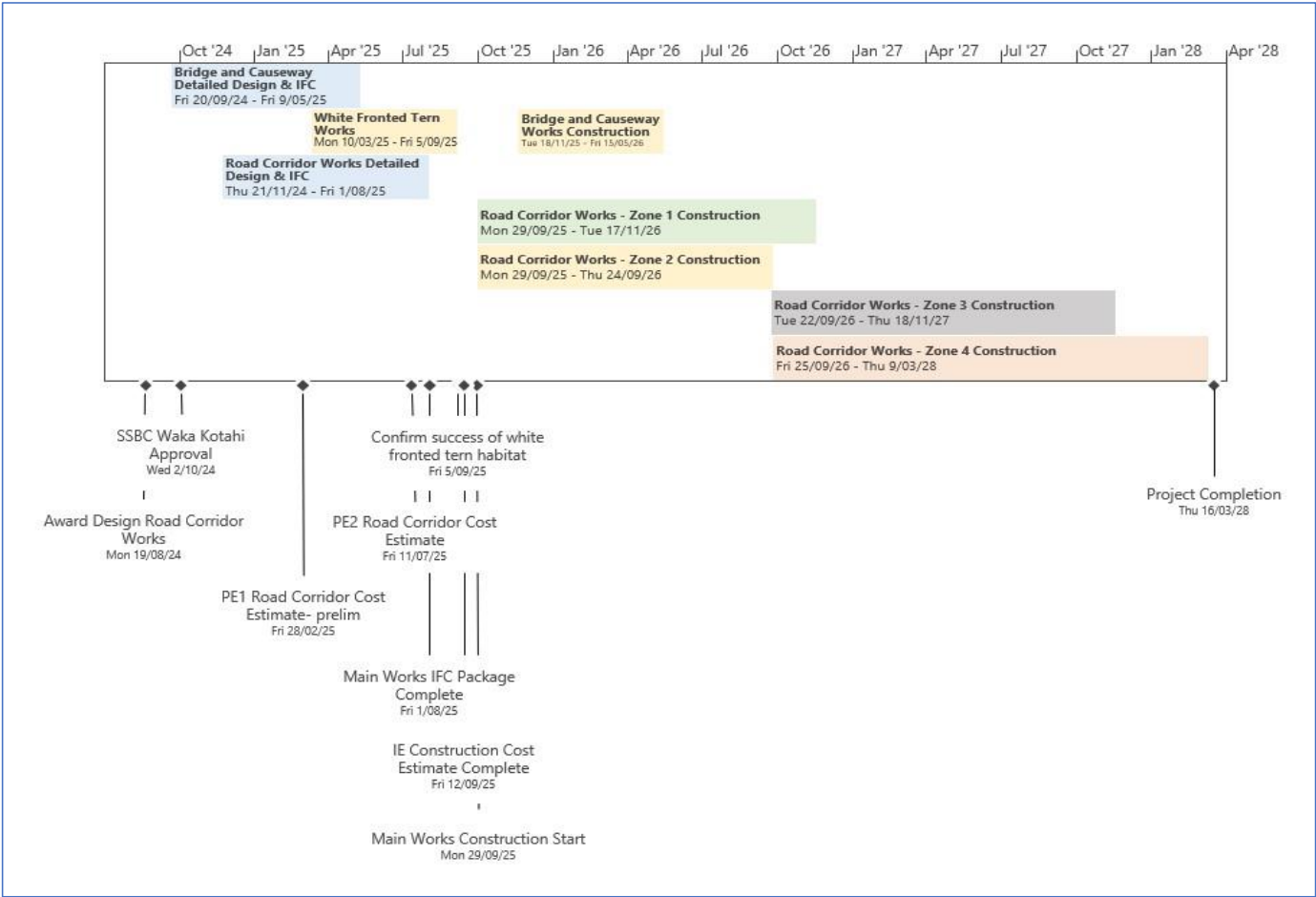
68. Council approval that Stage 1 of the Project proceeds to Implementation.
69. Complete the SSBC and submit it to Waka Kotahi for Board approval.
70. Continue with early Pre-implementation activities including integration of City Waters scopes of work.

## ATTACHMENTS

1. **Attachment 1: High Level Programme (Preliminary) - A15943867** [↓](#) 
2. **Attachment 2: Layout - Stage 1 - A15943868** [↓](#) 
3. **Attachment 3: Layout - Stage 2 - A15943869** [↓](#) 
4. **Attachment 4: SSBC - Executive Summary - A15916340** [↓](#) 
5. **Attachment 5: Engagement Summary Report - A15923681** [↓](#) 

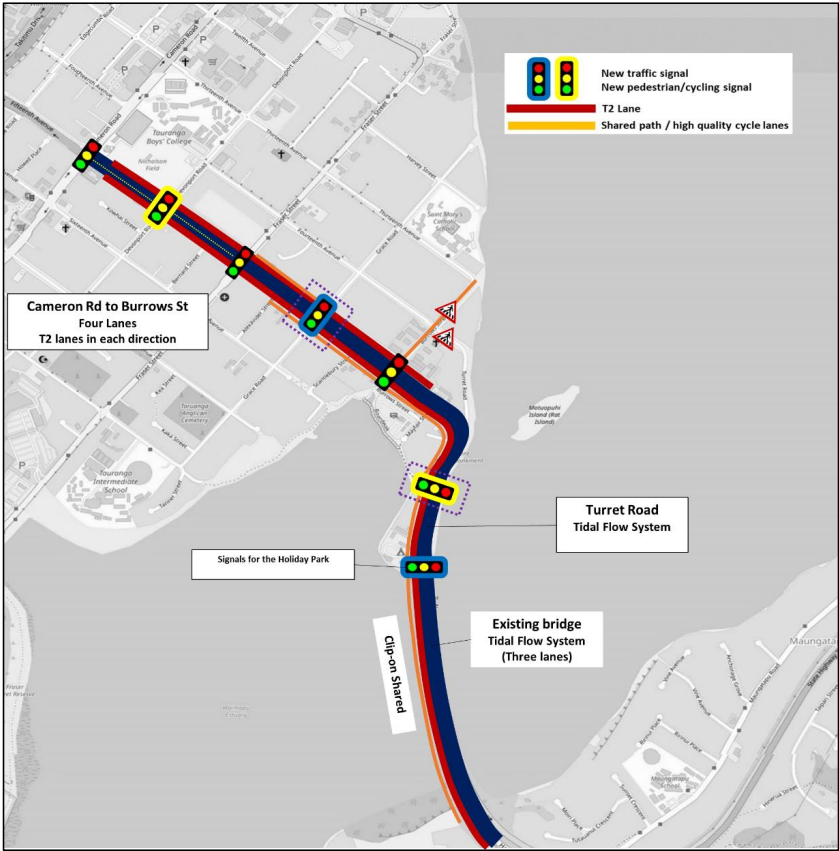


Attachment 1: High Level Programme (Preliminary)





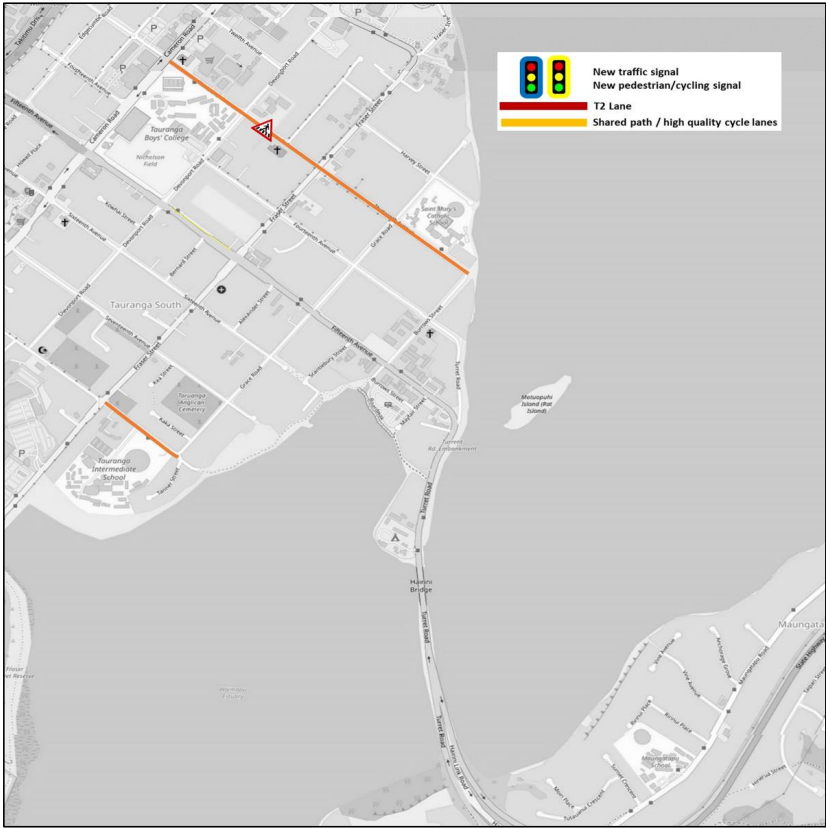
Attachment 2: Layout - Stage 1  
Stage 1 - Zones 1 and 2



Stage 1 - Zones 3 and 4



Attachment 3: Layout Stage 2  
Stage 2 - Zones 1 and 2



Stage 2 - Zones 3 and 4





## *Tūhono Ngā Tangata – mai Te Papa ki Tikorangi*

### Connecting the people. Fifteenth Avenue to Welcome Bay

### Executive Summary

#### Overview

Tauranga continues to grow at an unprecedented rate, with demand for new housing outpacing the investment in transport infrastructure. The **Fifteenth Avenue, Turret Road and Welcome Bay Road (15-WB)** corridor (from Cameron Road to the Tauranga City boundary) is in urgent need of upgrade to respond to this growth.

Improvements to the 15-WB have been subject to much debate over recent years, with several studies having been undertaken. This Single Stage Business Case (SSBC) allowed 'a step back' to refocus the project around the core problems of congestion, access to key destinations and transport choice.

This project will help resolve some of the existing congestion issues and reduce travel times whilst supporting a more sustainable future by providing people with better travel choices. Encouraging people to walk, cycle and use the bus benefits everyone – even those who want to travel by car, as it means fewer vehicles on the road.

The business case process was a collaboration between Tauranga City Council (Council), mana whenua, the Bay of Plenty Regional Council (BOPRC), New Zealand Transport Agency (NZTA), TCC Commissioners and the local community. Feedback from public open days led directly to changes in the design.

The preferred option includes:

- Completing the four-laning between Cameron and Burrows Street.
- Three-laning of Turret Road, the Hairini Bridge and causeway.
- A tidal-flow (dynamic lane) system along Turret Road. This will provide an additional lane of capacity in the peak directions of travel – two lanes towards the city in the morning, and two lanes towards Welcome Bay in the afternoon.
- High Occupancy Vehicle (HOV) lanes along Fifteenth Avenue and Turret Road – starting as T2 (two people travelling together), but potentially becoming T3 or bus lanes at some point in the future.
- Improved walking and cycling facilities, targeting the key journeys to schools.
- Safety improvements.
- Opportunities to capture cultural elements in the design which will recognise the significance of the corridor to mana whenua.



The preferred option is affordable within the corridor boundaries and provides strong economic benefits. It provides for the needs of all road users, supports safe travel and has wide reaching buy-in from partners, stakeholders and the public. The preferred option delivers significant benefits to economic productivity, public transport patronage and safety around schools. It provides value for money by optimising existing

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infrastructure (such as adapting the Hairini Bridge with a tidal flow system) and no property purchase is required. The project strongly aligns with priorities of the new Draft Government Position Statement on Land Transport 2024.

Four-laning of Turret Road, including a new bridge, remains part of the long-term vision. However, this is not currently justifiable and the focus for now is on making best use of existing infrastructure by delivering a three-lane corridor with tidal flow lanes. This option is far more affordable and will deliver measurable benefits in the short-medium term.

## Identified Problems

An initial wānanga (workshop) was held on 13 May 2022 to establish connections with project partners, share stories and define the problems and benefits of investment along the corridor. The workshop was attended by representatives from the four partner organisations: Council, BOPRC, NZTA and mana whenua. The project partners agreed upon the following outcome statement for the project:

***“Acknowledging kaitiakitanga<sup>1</sup> and improve wellbeing for future generations by delivering efficient movement and enhancing connectivity of people, place and identity.”***

The following problems were agreed:

<b>Movement (40%)</b> Limited routes across the Tauranga harbour, a growing population and lack of local employment, education, goods and services has resulted in congestion at peak times. This is causing travel delays and increased carbon emissions.	<b>Transport choice (30%)</b> A lack of priority and poor-quality infrastructure for active and public transport modes has resulted in car-dependent communities. This makes it difficult to achieve carbon emissions and mode shift targets.	<b>Access (30%)</b> High traffic volumes and reduced access to and across the corridor following the construction of transport projects has severed communities. This impedes access to key destinations (schools, marae and shops) and reduces social wellbeing.
---	--	--

The preferred option, described below, will help resolve the key problems that were originally identified. Similarly, the outcomes that will be achieved strongly align with the project’s overarching outcome statement.

The option to “do nothing” was considered, but congestion along the corridor will continue to worsen in response to growth. There is already high demand to walk and cycle along the corridor and across the bridge, but without improvements for active modes, people will keep seeing travel by car as the only viable option. This would then make the congestion issues even worse.

## Preferred Option - Fifteenth Avenue and Turret Road

The keys elements of the preferred option are widening Fifteenth Avenue to four lanes between Cameron Road and Burrows Street; widening to three lanes with a tidal flow system on Turret Road and the Hairini Bridge and causeway; and the introduction of T2 lanes. The preferred option requires no property take.

Considering the changes included in the new draft Government Policy Statement on Land Transport the project has been split into two stages as follows:

- “Stage 1” focuses on the improvements to Turret Road and Fifteenth Avenue – i.e., widening of the corridor (Cameron Road to Burrows Street), improvements to the Hairini Bridge and the tidal flow system on Turret Road. Stage 1 also includes the signalisation of Welcome Bay Road / James Cook Drive. The SSBC will only request NZTA funding for Stage 1.
- “Stage 2” covers the remainder of the improvements covered in the preferred option. This covers the walking and cycling improvements along Welcome Bay Road, Thirteenth Avenue and Eighteenth Avenue. TCC is investigating alternative funding provisions for these works.

A summary of all the proposed changes for Fifteenth Avenue, Turret Road, Hairini bridge and causeway are listed in the table below including staging.

<sup>1</sup> Kaitiakitanga means guardianship and protection. It is a way of managing the environment, based on the Māori world view.





Fifteenth Avenue - Stage 1	Turret Road – Stage 1	Local Roads
<ul style="list-style-type: none"> <li>Widen to create a consistent four lane corridor. One general traffic + one high-occupancy vehicle lane in each direction.</li> <li>New pedestrian/cyclist signalised crossing at Devonport Road.</li> <li>Shared path between Fraser Street and the Hairini bridge (south side).</li> <li>Physical central median between Cameron Road and Fraser Street.</li> <li>Shared path between Fraser Street and Burrows Street (north side).</li> <li>Traffic signals at Grace Road.</li> </ul>	<ul style="list-style-type: none"> <li>Clip-on shared path to the existing Hairini bridge.</li> <li>Tidal flow system (three lanes) along Turret Road and across the Hairini bridge and causeway.</li> <li>New signalised pedestrian crossing across Turret Road.</li> <li>New traffic signal for the Holiday Park (allowing both entrance and exit from the Park and turnaround of southbound traffic).</li> </ul>	<p><b>Stage 1</b></p> <ul style="list-style-type: none"> <li>Completion of the shared path along Burrows Street, including new pedestrian crossings.</li> </ul> <p><b>Stage 2</b></p> <ul style="list-style-type: none"> <li>Cycleway along Thirteenth Avenue</li> <li>Shared path along Eighteenth Avenue, outside Tauranga Intermediate School.</li> </ul>

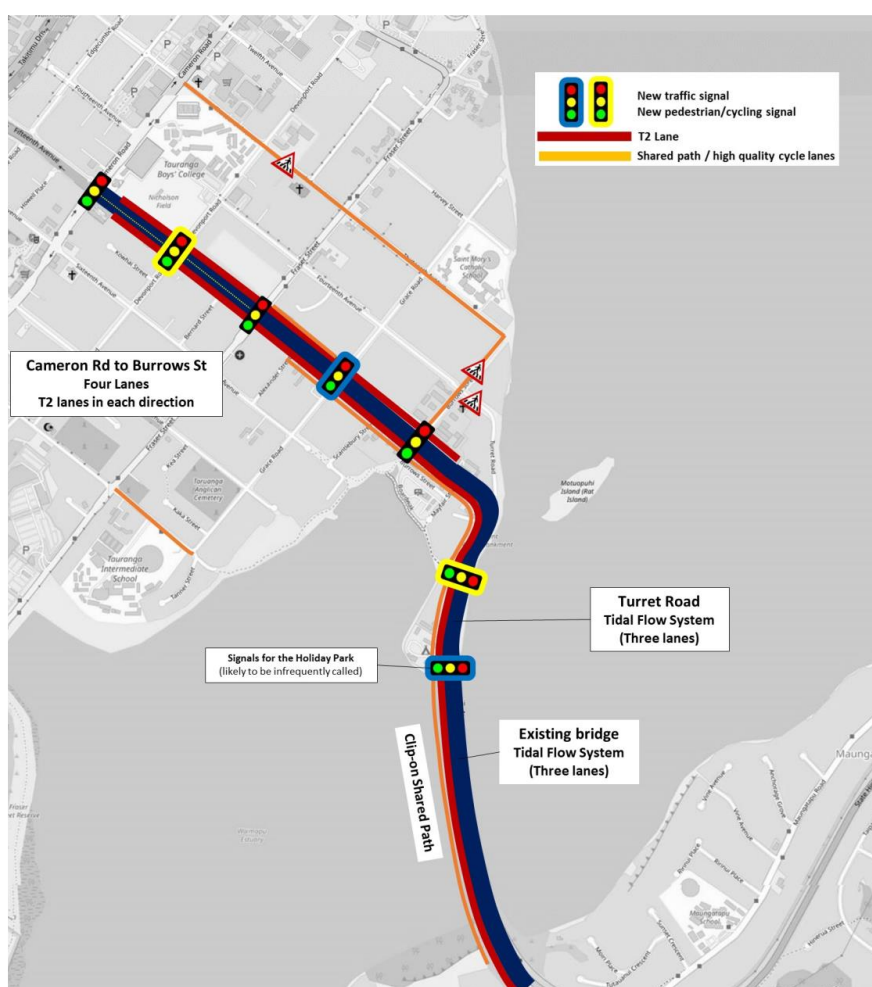


Figure 1: Preferred option for Fifteenth Avenue and Turret Road

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## Preferred Option - Welcome Bay Road

The preferred option for Welcome Bay Road includes:

### Stage 1

- Signalisation of the Welcome Bay Road/James Cook Drive intersection including two approach lanes along James Cook Drive (one for buses only during the AM peak).
- Mini roundabout at Victory Street/James Cook Drive.

### Stage 2

- Shared path (on one side) along the full extent of Welcome Bay Road (within the project extent).
- New signalised mid-block pedestrian crossing close to Kaitemako Road.
- Signalisation of the Welcome Bay Road/James Cook Drive intersection.
- Mini roundabout at Victory Street/James Cook Drive.
- Improving the path (the 'goat track') between Wickham Place and Welcome Bay Link Road.
- Recreational boardwalk across the mangroves, alongside Welcome Bay Road between James Cook Drive and Waitaha Road.
- Improvements for the Welcome Bay School.
- New signalised mid-block pedestrian crossing for the Tauranga Waldorf School.

**Other** – the following have already been completed or are in construction and are not subject to the SSBC co-funding request of NZTA:

- A new crossing outside the Welcome Bay school (completed end March 2024).
- New roundabout at Waitaha Road/Welcome Bay Road (scheduled to be completed end June 2024).



Figure 2: Preferred option for Welcome Bay Road

## Optioneering

Option identification began with an initial long list of over 120 different potential interventions identified by the community and stakeholders in mid-2022. These interventions were filtered (to remove unrealistic options) and then packaged into eight different "programmes". These programmes were then assessed using multi-criteria analysis, with evaluation and input from Council technical staff.

The outcome was an emerging preferred option for improvements to Fifteenth Avenue and Welcome Bay Road.

For Turret Road, we presented the community with an option to three-lane the corridor (which avoided any property acquisition). However, we also indicated that a four-lane corridor would be the likely long-term

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outcome when traffic demand justified the additional costs of a four-lane bridge and widening Turret Road (this would require a significant amount of property acquisition).

## Public consultation

There have been two phases of public consultation. An initial round of public consultation was held from 28 June to 28 July 2022 to seek the community's views on improving the corridor. This involved an online survey that asked people to share their concerns and ideas for how travel, environment, and wellbeing of the community could be improved.

A second round of consultation was held from 13 September to 6 October 2023. This involved an online survey seeking community feedback on the short-list options the business case was considering. There were 903 responses to the survey across a range of topics with key themes emerging around reducing congestion, as well as providing safe places for people to cross the road, walk and ride bikes.

Two drop-in sessions were also held at the Welcome Bay Hall on 21 September 2023. The drop-in sessions enabled people who were interested in the project to find out more about the options and talk directly to technical project staff about the options.

The design has changed as a direct result of the feedback received during the second round of consultation, such as reducing the length of the solid median along Fifteenth Avenue to allow better access to commercial properties and a mini roundabout at Victory Street / James Cook Drive.

## Assurances

The business case adheres fully to the requirements of the NZTA and had 'hold-points' where buy-in from Council and partners was gathered. This provided assurance that the project was on the right track and removed the risk of having to go back and retrace any steps – either now or in the detailed design stage.

During the process, several external peer reviews were completed, which provide assurance around key aspects of the business case. This means that, going into the next (Pre-implementation) phase, there is a strong level of confidence, particularly around cost estimates. Reviews included a Safe Systems Audit (of the design), parallel cost estimate, economics and traffic modelling peer reviews.

The final task is to finalise the business case documentation (including an external review) and submit the SSBC and a funding request to NZTA for approval.

## Cost estimate and funding

The Pre-implementation and Implementation estimate for Stages 1 and 2 of the project are detailed in the following table.

	Stage 1		Stage 2		Stage 1 & @	
	P50	P95	P50	P95	P50	P95
Stage 1 co-funding request to NZTA	\$66.0m	\$85.1m			\$66.0m	\$85.1m
Stage 2 alternative funding			\$35.3m	\$45.5m	\$35.3m	\$45.5m
Pavement rehabilitation	\$12.1m	\$15.5m	\$02.8m	\$03.5m	\$14.9m	\$19.0m
Total	\$78.1m	\$100.6m	\$38.1m	\$49.0m	\$116.2m	\$149.6m

As noted above Council intends to deliver the project in two stages. The SSBC will request only co-funding from NZTA for Stage 1 and Council is investigating alternative funding sources for Stage 2. Stage 1 will be delivered by Council's Major Projects Programme and Stage 2 will be delivered by Council's Low Cost Low Risks or other programme unit.

Pavement rehabilitation will be carried out within the project but does not qualify for NZTA co-funding.

Council will be requesting a funding contribution from NZTA of **\$32.57m** calculated as follows:



- Stage 1 costs eligible for co-funding = \$66.07m<sup>2</sup>
- Less “early pre-implementation” costs of \$2.21m (estimated Pre-implementation costs that Council will fully fund ahead of any NZTA funding approval decision)
- Total = (\$66.07m - \$2.21m) x 51% (Funding Assistance Rate) = **\$32.57m**

## Economics

The project benefit-to-cost ratio (BCR) based on the costs eligible for co-funding is **3.0**.

It is worth noting:

- Both Stage 1 and Stage 2 are justifiable investments on their own merit, with BCRs of 3.0 and 3.1 respectively.
- The Stage 1 BCR assumes Stage 2 is completed following completion of Stage 1. Without Stage 2 in place, the number of cyclists using the Stage 1 facilities (i.e., improved facilities along Fifteenth Avenue and the Hairini Bridge) is likely to be lower than the calculated value for “the whole scheme”. This is because some new cyclists using the Stage 1 facilities would be those who started their journey in Welcome Bay - and they may not switch to cycling without there being fully complete, and safe, ‘home to destination’ routes.

## Hairini Bridge - modifications and strengthening

As part of the SSBC, investigations and assessments concluded that it is feasible to convert the Hairini Bridge to three traffic lanes with a clip-on shared use path and to extend the bridge serviceable life to around 40 plus years through works to protect the bridge piles from corrosion.

However, the bridge and causeway are susceptible to earthquake damage. A 1-in-100 year event could cause damage to the bridge abutment piles and result in a significant outage of this transportation corridor whilst the piles are repaired.

Therefore, an engineering and economic assessment was carried out of the option of strengthening the bridge for improved earthquake resilience. A preliminary economic analysis of this option established a BCR of 1.4 for the bridge strengthening option.

Further detailed analysis is being undertaken to confirm the bridge strengthening recommendation, and forthcoming discussions with NZTA will understand the potential funding pathways for such an improvement. Council will then decide on bridge strengthening.

The cost for the bridge strengthening is not currently included in the project costs detailed above.

## Next steps

The overall recommendation of the SSBC is to progress the project through to Pre-implementation in stages. The key next steps for the project are:

- Begin preliminary and detailed design for the improvements, including the Hairini bridge.
- Engage with key stakeholders as designs develop.
- Prepare consenting documentation, including engagement and consultation as required, in parallel to the detailed design (mid to late 2024).
- Submit business case to NZTA (July 2024).
- NZTA funding decision (October 2024).
- Prepare implementation tender documentation for construction (early 2025).

<sup>2</sup> Includes Major Projects programme overhead costs as advised by TCC

# Fifteenth Avenue to Welcome Bay Single Stage Business Case Engagement Summary Report



January 2024

Ref: 310204252

**PREPARED FOR:**

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## Revision Schedule

Revision No.	Date	Description	Prepared by	Quality Reviewer	Independent Reviewer	Project Manager Final Approval
1	13/12/23	Draft	Susan Lilley	Matt Soper	Kylie Huard	Susan Lilley
2	11/1/2024	Final	Susan Lilley	Matt Soper	Kylie Huard	Susan Lilley

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# 1. Introduction

## 1.1 Purpose

This report summarises the community and stakeholder engagement activities undertaken by the Fifteenth Avenue to Welcome Bay (15-WB) Single Stage Business Case (SSBC) project team in late 2023. The purpose of this engagement was to understand the community's views and gauge the level of support on various proposed options. These insights will be used to inform the design and Council's decision on the preferred option for the corridor. The report also provides some background to the project scope and outcomes and outlines previous and ongoing engagement activities undertaken with the community and stakeholders.

## 1.2 Context

Tauranga is growing at an unprecedented rate, with demand for new housing outpacing the investment in transport infrastructure which is needed to sustainably support this growth. The 15-WB corridor needs to be upgraded to provide more efficient movement of people and goods and create a future where more people have access to alternative and attractive transport choices.

The 15-WB SSBC commenced in early 2022 to:

- Develop a long-term investment plan to improve access and enhance the place, amenity and cultural values along the corridor.
- Identify feasible and affordable improvements that encourage fewer car trips by making travel by walking, cycling and bus more appealing.

## 1.3 Project scope

The extent of the 15-WB corridor is shown as Figure 1. The project also includes a wider area on Te Papa Peninsula, covering Fraser Street and Devonport Road between Thirteenth Avenue to Fifteenth Avenue, plus the Cameron Road/Fifteenth Avenue intersection.



**Figure 1: Project extent**

Land use and transport issues vary along the route and the corridor has been split into four zones as follows:

- Zone 1: Te Papa connections (blue).
- Zone 2: Waimapu Estuary Crossing (red).
- Zone 3: Welcome Bay Road (West) (purple).
- Zone 4: Welcome Bay Road (East) (green).



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## 2. Collaboration and engagement

### 2.1 Project partners

The project is a collaboration between Tauranga City Council (Council), the NZ Transport Agency Waka Kotahi (NZTA), Bay of Plenty Regional Council (BOPRC) and mana whenua. The local, regional, and central government agencies have a collective responsibility in the planning, development, operation, and funding of land transport, including active and public transport. The three agencies and mana whenua are represented on the 15-WB Project Control Group (PCG). The representatives on the PCG receive regular updates on project process and work together to drive the direction of the project, address project issues and manage risks.

#### 2.1.1 Working with Mana Whenua

The corridor features many culturally significant sites, but growth and development have severed critical links of importance to local hapū. This project provides an opportunity to work collaboratively and use the expertise of mana whenua, while exercising their kaitiakitanga and rangatiratanga within the rohe. Three iwi are associated to the whenua in Tauranga Moana – Ngāti Pūkenga, Ngāi Te Rangi and Ngāti Ranginui. Within these iwi are the following hapū:

- Ngāi Tamarāwaho.
- Ngāi Te Ahi.
- Ngāti He.
- Ngāti Tāpu.
- Ngāti Ruahine.

Hapū representatives have been an integral part of the project team from the beginning, focused on achieving outcomes that enhance the natural environment, provide intergenerational equity and enhance cultural recognition of mana whenua. Opportunities to unlock Māori land for development are also of ongoing interest.

Strong partnership and engagement with mana whenua has been maintained through kanohi ki te kanohi (face-to-face) engagement. Through wānanga, a Cultural and Urban Design Framework has been developed to document cultural and mana whenua related values and outcomes for the area.

Local hapū have been invited to all stakeholder workshops, providing the opportunity for all stakeholders to develop a deeper understanding of cultural issues for this project. As the project progresses, mana whenua will continue to be involved in design workshops and the decision making.

### 2.2 Previous community and stakeholder engagement

#### Stakeholder Engagement

The project commenced with an initial wānanga (workshop) in May 2022 to establish connections with project partners, share stories and learn about the issues and opportunities along the corridor. The workshop was attended by representatives from each of the four project partners. Other workshops and meetings have included a broader range of stakeholders including representatives from emergency service providers, relevant government agencies, transport advocacy groups, community groups, local schools, businesses, and residents interested in the project.

In July 2022, a long list workshop was attended by representatives from Council, NZTA, Age Concern Tauranga, BOPRC, Disabled Persons Assembly NZ, Cycle Action Tauranga, National Road Carriers, Ngāi Te Ahi, Ngāti Ruahine, and St John Ambulance to identify options and alternatives for the corridor. A follow up workshop with stakeholders was held in October 2023 to provide a project update and overview of the shortlisted options (refer to Section 4.1.4).

#### Community Engagement

An initial round of public consultation was held from 28 June to 28 July 2022 to seek the community's views on improving the corridor. The project team developed a survey that asked people to share their concerns and ideas for how travel, environment, and wellbeing of the community could be improved. A summary of this consultation can be found in Appendix A.



### 3. Consultation on the short list options

#### 3.1 Background

In early 2023, the project team was asked to develop a short list of options for the corridor that would be presented for public feedback. A key outcome of the community consultation was to confirm the preferred way forward for Turret Road and the Hairini Bridge and causeway (Zone 2). Options that were developed for this section of the corridor were as follows:

- **Three-lane corridor** (which avoided any property acquisition).
- **Four-lane corridor** (would require a significant amount of property acquisition).

Four-laning of Turret Road and the Hairini Bridge and causeway would take a long time to plan, consent and build, partly because a significant number of properties would need to be purchased. The costs of this option are significantly higher (\$200m) than a three-lane option. To ensure affected residents were aware of what was being proposed prior to public consultation, Council worked with The Property Group to directly engage with owners and occupiers of properties likely to be impacted by four-laning of the corridor. The intention of this targeted engagement was to inform landowners of the possibility of a four-lane corridor in the future, not to seek their views on their preferred option. Targeted engagement took place during August and September 2023, prior to wider public consultation.

Given the current levels of congestion and the desire to deliver benefits as soon as possible, a staged approach (i.e., start with a three-lane corridor and upgrade to a four-lane corridor in the long-term) was considered to be the best way forward. For this reason, a single design option<sup>1</sup> with three lanes within Zone 2 was developed for consultation. Notwithstanding, the public were told that four lanes would be investigated as the long-term option, and feedback was sought on both options (refer to [letstalk.tauranga.govt.nz/welcomebay](https://letstalk.tauranga.govt.nz/welcomebay)).

Details of the options developed for public consultation during September 2023 are provided below.

#### 3.2 Zones 1 and 2 - Fifteenth Avenue, Turret Road and the Hairini Bridge and causeway between Cameron Road and SH29A Interchange

The key features of the three-lane design option for Fifteenth Avenue, Turret Road and the Hairini Bridge and causeway between Cameron Road and SH29A Interchange are shown in Figure 2. As noted previously, feedback on a long-term four lane option was also sought from the public.



**Figure 2: Zones 1 and 2 – Fifteenth Avenue, Turret Road and the Hairini Bridge and causeway from Cameron Road to SH29A Interchange**

<sup>1</sup> Design option = option that would be developed in detail as part of the business case



The option was summarised in consultation materials as follows:

- **High-occupancy vehicle or bus priority lanes** created on Fifteenth Avenue between Cameron Road and Burrows Street, Turret Road and Hairini Bridge and causeway to help people move around our city faster and more reliably. High occupancy lanes could be for two or more people (T2) or three or more people (T3). This would reduce the existing two general traffic lanes in some sections of the corridor from two to one.
- Creating a **third lane** between Burrows Street and SH29A Interchange (across the bridge and causeway).
- To make space for this additional lane on the bridge, we would introduce a **clip-on shared use path (for people walking, cycling, scootering or using a mobility device)**.
- Exploring the viability of the additional lane for 'tidal flow'.
  - 'Tidal flow' means the direction of the traffic lanes can be changed depending on the demand. For example, there could be two lanes into the city in the morning and two lanes out to Welcome Bay in the afternoon, to reduce congestion.
  - If a 'tidal flow' system isn't possible (e.g., for safety reasons) the third lane could be a permanent additional 'citybound' lane. One of the citybound lanes could be a high-occupancy vehicle or bus priority lane.
- A turnaround bay is proposed for Turret Road near the Hairini Bridge to provide drivers a place to turn safely.
- Safe places for people to walk and ride bikes including a **shared path or on-road cycle facilities** that will help connect people to schools, shopping, and other activities.
- **Two new signalised crossings on Fifteenth Avenue**, one at Devonport Road and one at Grace Road to provide safe crossing points for people who walk and ride bikes and scooters.
- **Safety improvements** including 30km speed zones around Tauranga Boys' College and St Mary's Catholic School, raised tables on the approaches to some intersections, and centre median barriers on Fifteenth Avenue.

### 3.3 Zones 3 and 4 – Welcome Bay Road

The key features of the design option for Welcome Bay Road is shown in Figure 3.

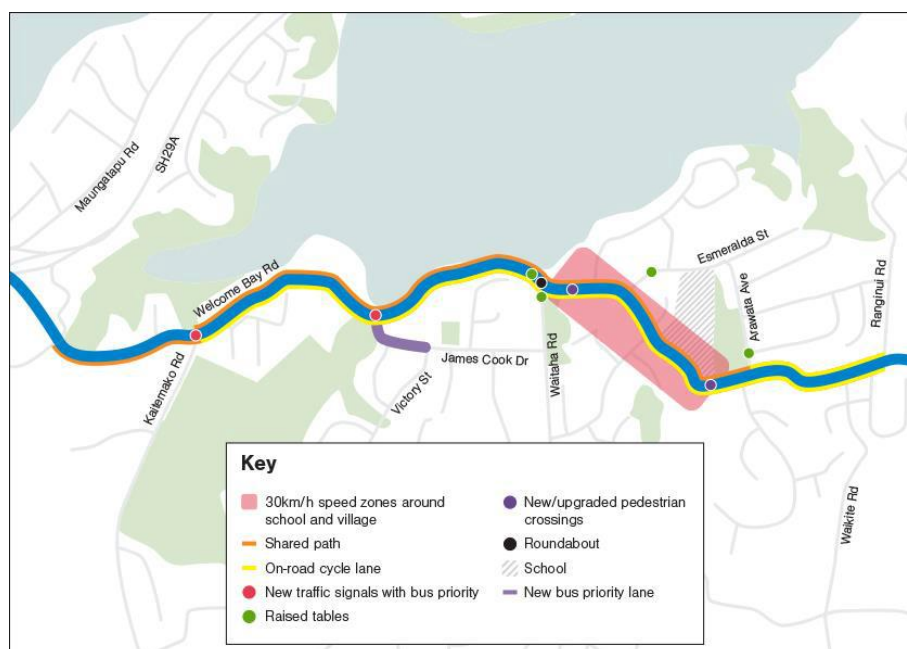


Figure 3: Zones 3 and 4 - Welcome Bay Road



The option was summarised in consultation materials as follows:

- **Two new signalised intersections with bus priority**, one at Kaitemako Road and one at James Cook Drive to allow for safer crossings and to improve bus and traffic flow. We're also investigating the viability of bus lanes along sections of Welcome Bay Road.
- **A bus priority lane** on James Cook Drive between Victory Street and Welcome Bay Road.
- **Safe places for people to walk and ride bikes** including:
  - Shared user path on the northern side of Welcome Bay Road between Welcome Bay School and Kaitemako Road.
  - On-road cycle lane on the southern side of Welcome Bay Road between Welcome Bay School and Kaitemako Road.
- **Safety improvements** including new and upgraded crossings and raised tables for people walking or using a bike as well as 30kph speed zone around Welcome Bay School and Welcome Bay Village (part of NZTA's Road to Zero strategy).



## 4. Feedback on the options

Council wanted to ensure people understood what option(s) the business case was considering and why.

The team wanted to provide as many opportunities as possible for people to provide feedback - the numerous communication channels used is summarised in **Appendix A**.

### 4.1 Methods of engagement

#### 4.1.1 Public survey

An online survey provided the easiest way for people to provide feedback on the consultation options. The survey was available on Council's website between Wednesday, 13 September and Friday, 6 October 2023. The survey received **903 responses**.

Analysis of the survey response is in Section 5, and a summary of those who responded in **Appendix B**.

#### 4.1.2 Drop-in sessions

Two drop-in sessions were held at the Welcome Bay Hall on Thursday, 21 September (from 12pm-2pm, and from 3:30pm-5:30pm). The drop-in sessions enabled people who were interested in the project to find out more about the options and talk directly to technical project staff about the options generally or specifically.

The first session (12pm to 2 pm) was attended by approximately 50 people and the second session (3.30pm-5.30pm) was attended by approximately 30 people.

#### 4.1.3 Direct communication

Over the four-week consultation period, the project team received 46 enquiries by email and phone. The majority of enquires related to a specific aspect of the design. In most instances, people wanted the design team to understand what the planned improvement would mean for them directly, and whether the impact was negative or positive. Other people wanted to ensure the project team was aware of existing constraints (trees) or express concerns about the options. The project team personally responded to each email and phone call.

More than 200 comments were posted on Tauranga City Council's social media pages. Council staff monitored and replied to social media posts.

#### 4.1.4 Workshop

An online workshop was held on Wednesday, 18 October with key stakeholders, including some who attended the 2022 long list workshop. In addition to project partners and mana whenua, the following key stakeholder organisations attended - Disabled Persons Assembly NZ, Cycle Action Tauranga, National Road Carriers, St John Ambulance, Hauora a Toi Bay of Plenty (formerly Bay of Plenty District Health Board) and Sustainable Bay of Plenty.

A one-hour workshop presentation provided an update on project progress, presented the proposed options, and allowed time for stakeholders to ask questions and share feedback. The next steps of the project were also explained. The workshop attendees were supportive of the design options, with most of the discussion focused on walking, cycling and public transport improvements and associated health benefits.

## 4.2 Summary of community feedback

Comments and feedback were diverse across a range of topics with key themes emerging around reducing congestion, as well as providing safe places for people to cross the road, walk, and ride bikes.

Key feedback was:

- People were generally supportive of changes that aim to reduce congestion in the area. There were mixed views on how this could be achieved i.e., bus lanes versus High Occupancy Vehicle (HOV) lanes.
- There was strong support for a tidal flow lane across the Hairini bridge and causeway. This was seen as a way to address some of the immediate congestion issues the community is experiencing.
- More investment in bus services was seen as a way to maximise and encourage long term behaviour change/mode shift.
- People acknowledged there needs to be safer places for people to cross the road, with differing views on the locations and number of crossings required. However, people do not want to see the flow of traffic disrupted, further contributing to congestion.





- There was support for creating safe places for different modes of transport, such as cycling, walking, skating and scootering, with feedback suggesting the current environment for these modes feels unsafe.
- People said that good progress has been made on the cycling network in Tauranga, and these proposed improvements for cycling will make the areas surrounding Fifteenth Avenue and Welcome Bay more connected.
- Those who were less supportive of walking and cycling improvements felt that people would not use the proposed walking and cycling facilities and therefore they were not needed. Some people felt that the money would be better spent on improvements to bus services or roads that may have a greater impact on reducing congestion.
- Some concern around the number of traffic signals between Mayfair Street and Cameron Road – general consensus was this will slow traffic significantly causing further congestion.
- Protection of Pohutukawa trees was very important to the majority of the community.
- People wanted Council not to lose sight of the longer-term strategy to address congestion. Overall, many perceived that provision for four lanes through the corridor is the only long-term fix.



## 5. Survey analysis

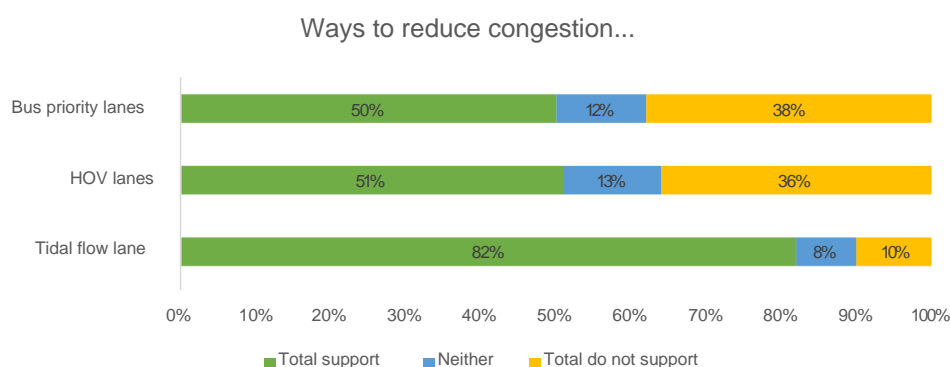
The survey included a series of questions that asked people to rank their degree of support for a design option (strongly support vs strongly do not support) using a five-point ranking system. People were also asked if proposed improvements were in the right place, or whether they were likely to use them if they were built. Open-ended questions were also available for people to add any comments. Questions were asked about Zone 1 and 2 together, and Zone 3 and 4 together.

This enabled Council to get insight into the community's level of support for the design options for different parts of the corridor. It also enabled some insight into what aspect of the design option people supported, and where they had specific concerns.

### 5.1 General

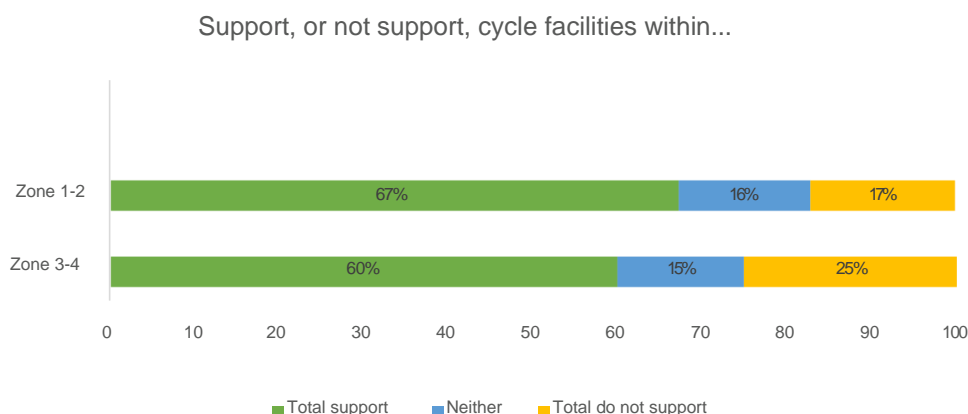
#### 5.1.1 Reducing congestion

People were asked to provide feedback on bus priority lanes, HOV lanes and tidal flow lanes as an improvement option to reduce congestion. People supported all three as a way of reducing congestion. The option of using tidal flow lanes was supported the most (82%).



#### 5.1.2 Cycle facilities

Most people supported shared paths or on-road cycle facilities.



### Themes

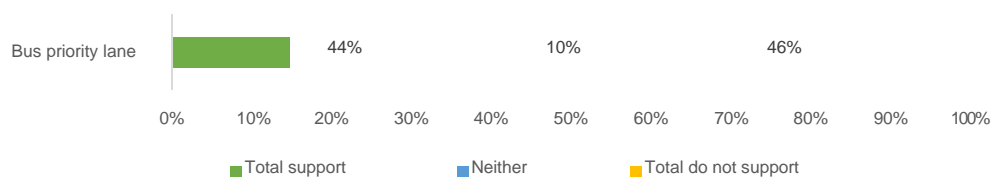
- **General support** – people commented that good progress has been made on the cycling network in Tauranga and think that the proposed improvements are a good idea.
- **Safety** – people asked how safety on shared paths will be managed, including when bikes and scooters are travelling at speed.
- **Encourage mode shift** – people agreed the proposed improvements would make it more appealing for people to walk or ride bikes or scooters, as an alternative to driving.
- **Walking and cycling improvements are not needed** – people said they would not use the walking and cycling facilities, the improvements were not needed, and the money would be better spent on improvements to bus services or roads that may have a greater impact on reducing congestion.
- **Design suggestions** – people suggested creating dedicated cycle lanes and ensuring there is separation from the traffic using barriers, planting, and landscaping. Others were concerned that these improvements would require road space and suggested that a better solution would be to use the existing footpath.

## 5.2 Zone 1-2 - Fifteenth Avenue, Turret Road and the Hairini Bridge and causeway between Cameron Road and SH29A Interchange

### 5.2.1 Bus priority lanes

People had mixed views about bus priority lanes on both sides of Fifteenth Avenue from Burrows Street to Cameron Road – 44% were supportive and 46% were not supportive.

Bus priority lanes on both sides of Fifteenth - level of support



### Themes

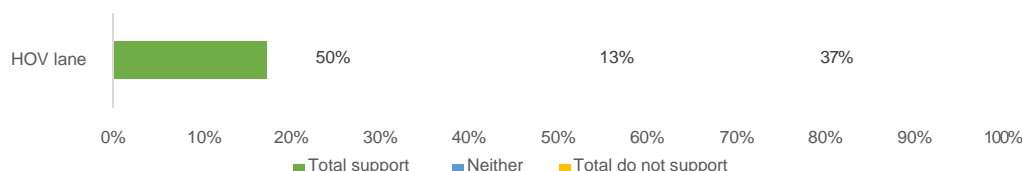
- **Encourage mode shift** – people commented that providing more bus-only infrastructure, especially at high congestion points, would encourage mode shift and provide the incentive for Tauranga residents to use the bus and contribute to reducing congestion.
- **Improve the bus journey** – people supported making it easier to get around without a car, improving the bus journey and offering more people better connections, to more places.
- **Bus services need to be improved** – people were concerned about Tauranga's current bus services, commenting that bus services need to be improved with more frequent, reliable, and faster services to encourage more people to use them.
- **Add to congestion** – people were concerned that bus priority lanes would add to congestion and were uncertain about how buses would safely merge with other traffic at pinch points.
- **Operation suggestion** – people said bus lanes should only operate during peak times, or that HOV lanes were better than bus priority lanes as more vehicle types could use them.
- **Supporting infrastructure** – people suggested providing high-quality bus shelters, park-and-ride facilities and complementary facilities for people walking or using a bike, such as widening the footpaths alongside the bus priority lane to allow for a cycle lane.



### 5.2.2 HOV lanes

People were supportive of HOV lanes on both sides of Fifteenth Avenue <sup>2</sup>, with 50% in support compared to 37% who were not.

HOV lanes on both sides of Fifteenth Avenue - level of support



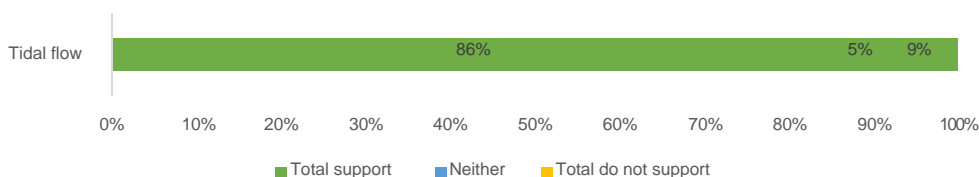
#### Themes

- **Encourage mode shift** – people said that providing opportunities for carpooling would discourage sole occupancy vehicles and positively contribute towards mode shift.
- **Congestion** – people said HOV lanes would ease congestion and improve overall traffic flow as the lanes can be used by a variety of vehicle types, making journeys more efficient and reliable. Other people said HOV lanes would add to congestion and potentially make things worse.
- **Improves the travel experience for general traffic** – people said HOV lanes are a good option to improve journey to and from the area, and benefit people dropping children off at school or already carpooling to travel to work.
- **Provides lanes for general traffic** - people prefer HOV lanes because they cater for general traffic as well as public transport.
- **Creates inequality** – people said that HOV lanes would create inequality and were not a fair solution for all users for the transport network as carpooling was not a viable option. HOV lanes would not encourage people to change their travel habits.
- **Operation suggestions** – people said enforcement of HOV lanes would need to be carefully considered.
- **Need more lanes for general traffic** - people said they wanted more lanes for general traffic, in particular four lanes across the Hairini Bridge and causeway or a second bridge crossing.

### 5.2.3 Tidal flow

Most respondents support a tidal flow lane (86%) with only 9% of respondents not in support.

Tidal flow lane from Burrows Street to the SH29A interchange  
- level of support



<sup>2</sup> From Burrows Street to Cameron Road

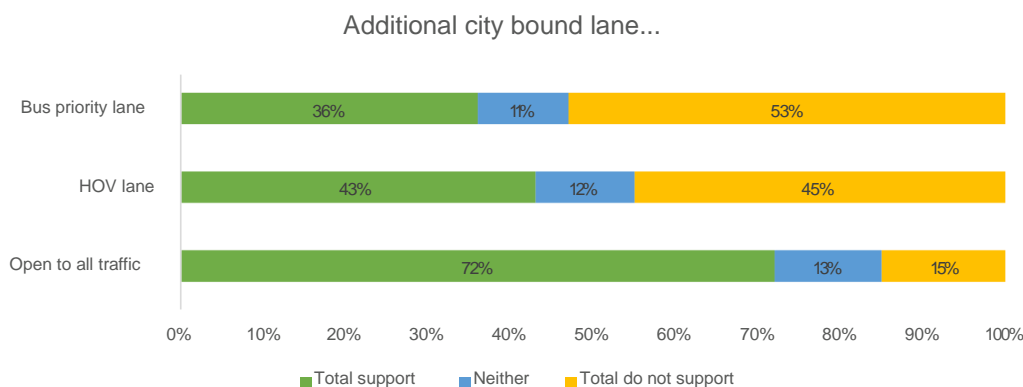


## Themes

- **Best option/solution** - most respondents support a tidal flow system. Many felt this was the best option to maximise use of existing infrastructure and want to see this delivered sooner rather than later.
- **Ease congestion** - respondents who supported this option said it will ease congestion, remove bottlenecks, maximise efficiency, improve traffic flow, and travel times.
- **Worked well elsewhere** - people said a tidal flow system offered more lanes for cars, which is what the area needs. Others said a tidal flow system was not transformational enough and investment needed to focus on four lanes across the Hairini Bridge and causeway or a second bridge crossing.
- **Safety** – people were concerned about safety, in particular driver confusion and behaviour, and how this would be managed.

### 5.2.4 Best use of third lane

The survey asked people to provide feedback on the idea of a permanent additional city bound lane if a tidal flow lane was not possible. The most support was for an additional, permanent citybound lane to be open to all traffic (72%) rather than a priority bus lane or HOV lane.



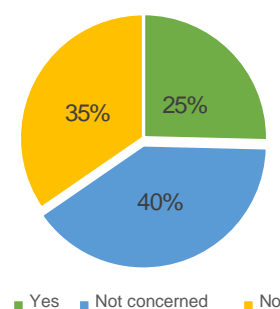
### 5.2.5 Safe crossing points

#### Signalised crossings

There were mixed views about the location of the two signalised pedestrian crossings proposed on Fifteenth Avenue - one at Devonport Road and one at Grace Road.

Some people said the current crossings are sufficient for the number of people walking and cycling through the area. Some said the Grace Road crossing was not needed at all and others suggested building an overbridge or underpass instead to avoid impeding traffic flow.

There were concerns that if additional signals were provided, congestion would increase.



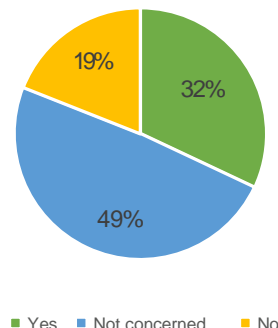
### Pedestrian crossings

Two new pedestrian crossings are proposed on Devonport Road and Thirteenth Avenue. Both pedestrian crossings are located near schools and will assist those most vulnerable in our community.

A third of respondents agree that the pedestrian crossings are in the right location, and almost half were not concerned.

Some people did not think the pedestrian crossings were needed and that additional crossings in these locations would add to congestion.

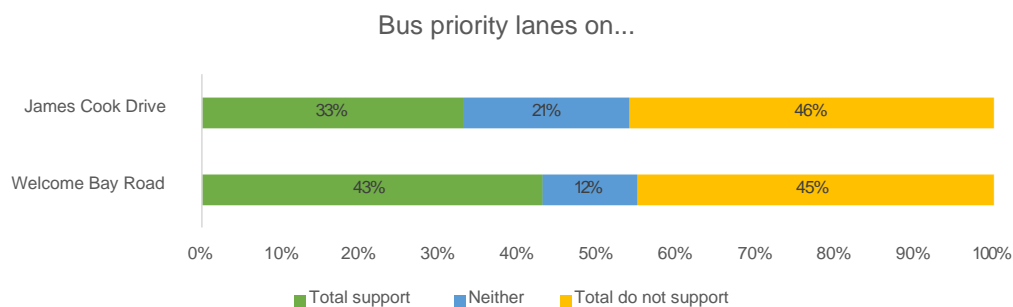
People also suggested building an overbridge or underpass instead to avoid impeding traffic flow and having only one pedestrian crossing rather than two crossings.



## 5.3 Zone 3-4 – Welcome Bay Road

### 5.3.1 Bus priority lanes

There was less support for bus lanes on sections of James Cook Drive and Welcome Bay Road than along Fifteenth Avenue and Turret Road.



### Themes

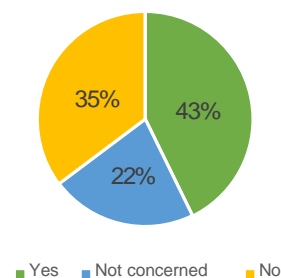
- **Improves bus journey** –people said bus lanes would improve bus journey and travel times, making the bus a more attractive option, and therefore encouraging more people to change their mode of transport and catch the bus, and result in higher usage of buses.
- **Low use and limited space** – people said there was not enough room for bus priority lanes in this location, and not enough buses or usage to warrant dedicated lanes.
- **Operation suggestion** – people said bus priority lanes should only be used during peak hours and correct use of the lanes should be enforced.

### 5.3.2 New signalised intersections

Two new signalised intersections are proposed - one at Kaitemako Road and one at James Cook Drive

Asked if the proposed signalised intersections were in the right place, 43% agreed with the location and 35% did not. Alternative suggestions were providing a roundabout instead, a signalised intersection at one location or the other, but not both.

Some people were concerned that additional signalised intersections will negatively impact traffic flow.



## 6. Progress and next steps

A high-level summary of the public feedback was presented to Council Commissioners in late October 2023. The project team was asked to proceed with the completion of the business case on the basis of the three-lane option (including a tidal flow system) through Zone 2 as the preferred short-medium term option.

Between October 2023 and March 2024, the following activities will take place:

- Complete the design for the project (to a level suitable to inform cost estimates and funding).
  - Capturing inputs from the community feedback and the four project partners
- Road Safety Audit of the design.
- Cost estimate for the project (including a peer review).
- Economic assessment of the project (including a peer review).
- Commence baseline monitoring of the White Fronted Tern population in the Waimapu Estuary.
- Continued engagement with Council subject matter experts, project partners (including mana whenua), schools and individual property owners, as required.
- Reporting to Council Commissioners.

Between April 2024 and June 2024, the focus is to complete the business case for submission to the New Zealand Transport Agency in June/July 2024. A funding decision from NZTA to continue to detailed design is anticipated around October 2024.

Council's website will be kept up to date with progress and further opportunities for people to provide feedback on the design.







## Appendix A    Summary of engagement – July 2022



310204252 | Engagement Summary Report  
Fifteenth Avenue to Welcome Bay Single State Business Case

Summary of engagement – July 2022






## Connecting the people.

Fifteenth Avenue to Welcome Bay



Our city is growing. We need a transport network that supports this. The Fifteenth Avenue, Turret Road and Welcome Bay Road is a key part of this network.

During July 2022, we asked people to tell us about their experiences travelling in this area and ideas to make their trip easier.

-  234 survey responses
-  7 posts sent to FB pages/community groups
-  2 drop-in sessions held
-  4,265 flyers sent to residents/businesses
-  10 People sent us emails

### About your experience:

- Not enough lanes
- Roads are too narrow
- Constantly congested
- Poor driving behaviours
- Lack of safety for pedestrians/cyclists
- Bottlenecks at Hairini bridge/causeway
- Public transport services do not meet community needs

### To make your trip easier:

- Create more lanes
- Widen the roads
- Build a new bridge, upgrade existing bridge(s)
- Use a tidal flow system to support peak hours
- Improve public transport services/facilities to motivate users to use public transport
- Encourage/educate the community to change the way they travel
- Make pathways for cyclist/pedestrians safe so that people will feel comfortable using them
- Review speed limits in the area
- Create alternative routes so that road users aren't limited to one way in and out
- Build another school to mitigate the travel required by students/parents having to travel along this route

For more information go to:  
[www.tauranga.govt.nz/welcomebay](http://www.tauranga.govt.nz/welcomebay)

 [transport@tauranga.govt.nz](mailto:transport@tauranga.govt.nz)

 07 577 7000

## Appendix B    Communication channels - 2023



To inform the community about the project and encourage feedback via the survey, multiple communication channels and tools were used, such as:

**Project webpage:** Council had a dedicated webpage that included information about the project with links to the survey and details of the drop-in sessions [letstalk.tauranga.govt.nz/welcomebay](https://letstalk.tauranga.govt.nz/welcomebay).

**Project email address/phone:** The Council phone number 07 577 7000 and email [connectingwelcomebay@tauranga.govt.nz](mailto:connectingwelcomebay@tauranga.govt.nz) provided a direct channel for the community to contact the project team. For those who wished to write feedback, post details were also advertised. The contact details were printed on all communication to encourage people to contact the project team with any enquiries.

Over the four-week consultation period 46 email and phone inquiries were received.

**Direct email:** An email update was sent to approximately 230 people on the Fifteenth Avenue to Welcome Bay project mailing list. This allowed the project team to re-engage those with a keen interest in the project.

**E-newsletter:** Updates were shared via Council's e-newsletters 'City News' and 'Kōrero Mai – Let's Talk Tauranga'. City News has about 2700 subscribers, while Kōrero Mai has more than 8000 subscribers.

**Flyer/letter drop:** A flyer was distributed containing key information about the project and how people could give feedback, including details of the drop-in sessions. The flyers were distributed to approximately 4,265 properties and businesses throughout the project area surrounding Fifteenth Avenue and Welcome Bay Road. In addition, Council sent 2,647 letters to property owners and residents along the route.

**Media release:** On Wednesday, 13 September 2023 a media release was issued on and shared on the Council website, which was later picked up and published by media outlets such as SunLive and Scoop news.

**Digital advertisement:** A digital advertisement was placed on a billboard at the Fifteenth Avenue/Fraser Street intersection. The advert was live between 18 September and 24 September and delivered more than 12,000 impressions for the week it was live.

**Sponsored media:** Two sponsored articles and print adverts were placed in The Weekend Sun (Friday, 15 September) and Bay of Plenty Times (Saturday, 16 September).

**Static media:** A project sign on Turret Road with general project information.

**Social media:** Several posts were published via Council's Facebook, Instagram, LinkedIn, and Neighbourly social media pages. Some of the posts were organic and some were paid to boost audience reach. These posts reached more than 55,900 people while the campaign was live.

Effectiveness of the communication channels:

- The media campaign ran from Wednesday, 13 September - 6 October 2023 using a mixture of outdoor, print and digital media. This campaign resulted in approximately 292,000 impressions (when a user sees an advertisement), exceeding the target by 146%, with 411 click throughs to the webpage.
- More than a third of respondents heard about the project via social media, including community group pages or directly from Council channels.
- The project webpage had 3673 views by 2851 users.
- 13% of survey respondents came to the survey from the Kōrero Mai – Let's Talk Tauranga newsletter.



## Appendix C Survey respondents

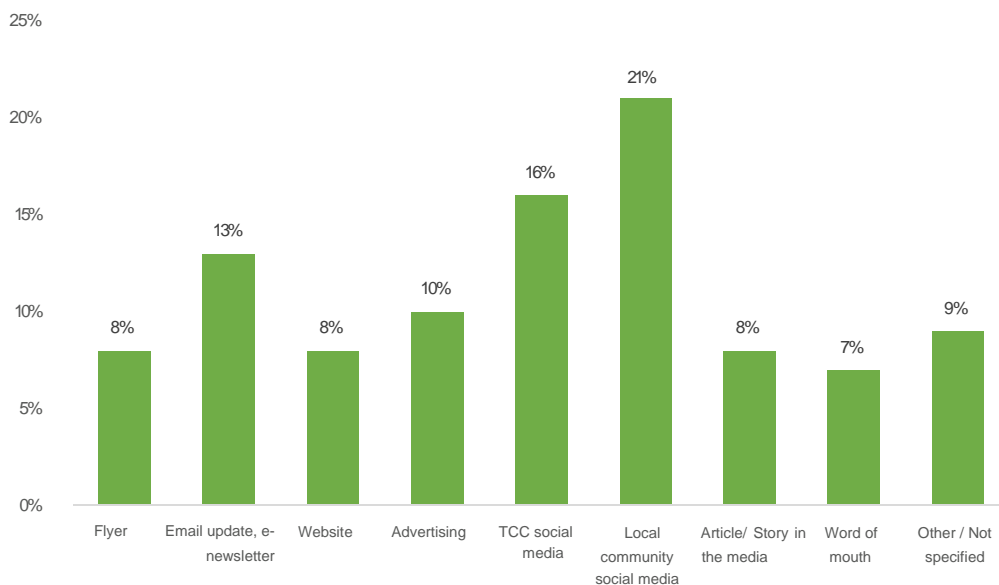


310204252 | Engagement Summary Report  
Fifteenth Avenue to Welcome Bay Single State Business Case

Survey respondents

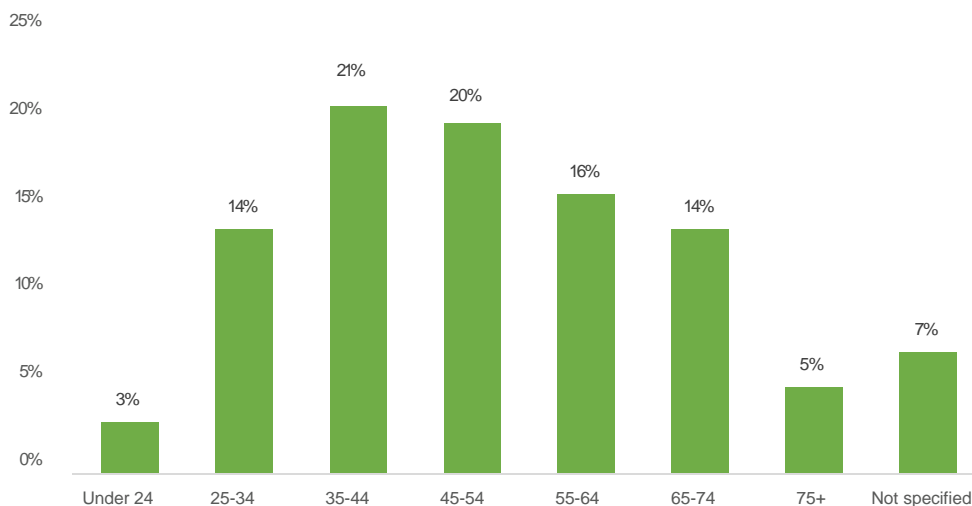
#### How did you hear about the survey?

More than a third of respondents heard about the survey via social media, including community group pages and Council channels. There were a range of other channels that reached respondents, demonstrating the targeted engagement approach was successful.



#### How old are you?

Most respondents were aged between 36-64 years; there were also many over 65. The under 24 age group had the least number of respondents.



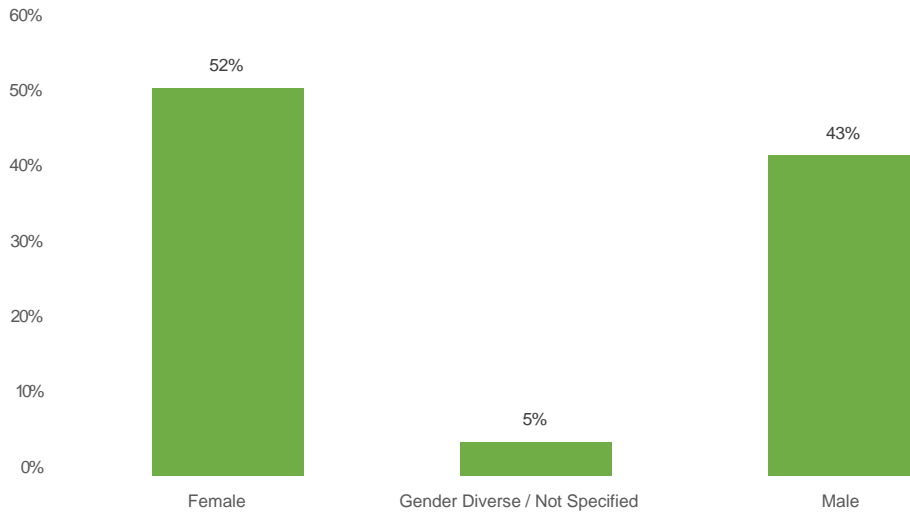
310204252 | Engagement Summary Report  
Fifteenth Avenue to Welcome Bay Single State Business Case

Survey respondents



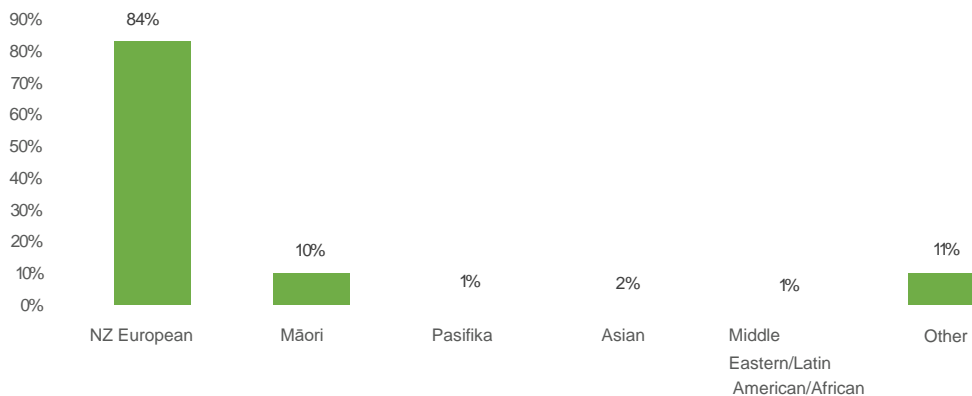
### What gender do you identify as?

Most respondents identified as female, about 43% were male, and 5% identified as gender diverse.



### What ethnicity are you?

Majority of respondents identified as NZ European alongside a range of other ethnic groups, including Asian and Pacific. This survey sees a 4% increase of Māori respondents when compared with the survey from 2022.



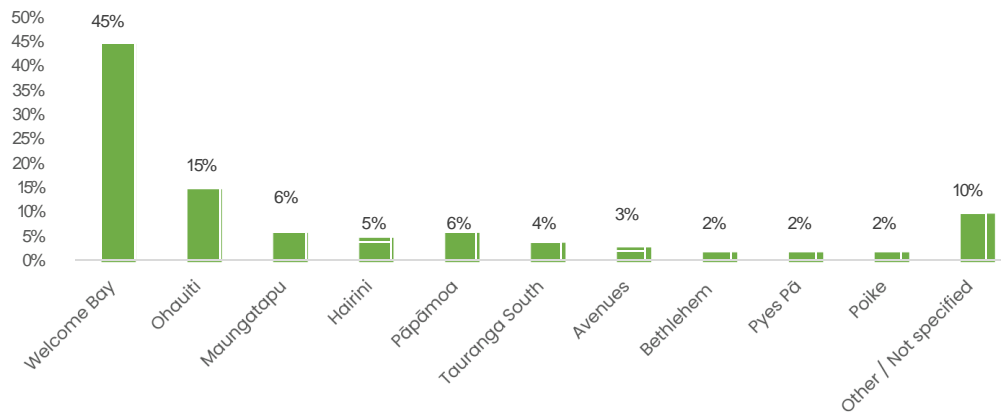
### Which suburb do you live in? (mandatory question)

Almost half of the respondents identified as living in Welcome Bay. However, suburbs near the project area (Ohauiti, Maungatapu, Hairini) had a significant number of responses in comparison to other parts of Tauranga.



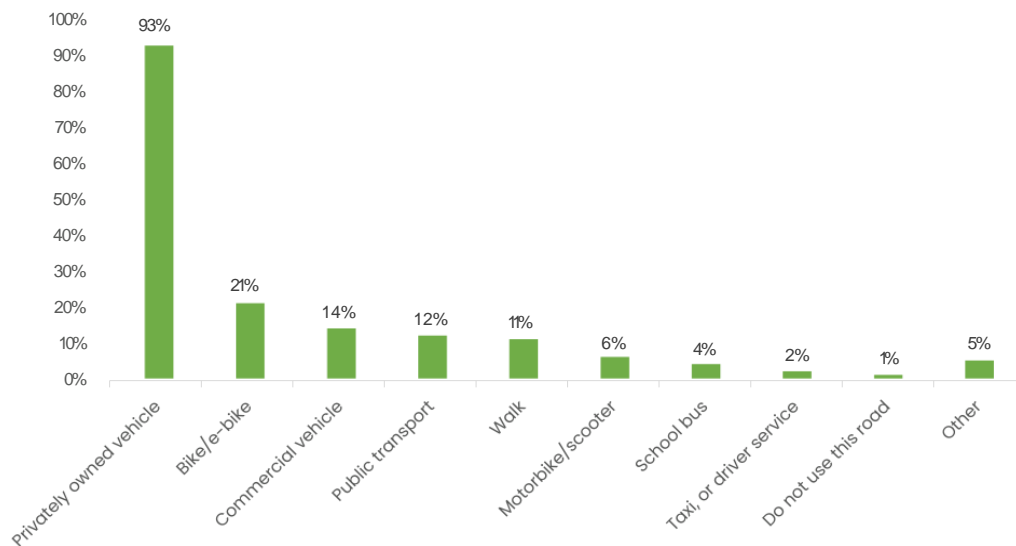
310204252 | Engagement Summary Report  
Fifteenth Avenue to Welcome Bay Single State Business Case

Survey respondents



**What mode of transport do you use when travelling on Fifteenth Avenue, Turret Road, Hairini Bridge and causeway or Welcome Bay Road? (mandatory question)<sup>3</sup>**

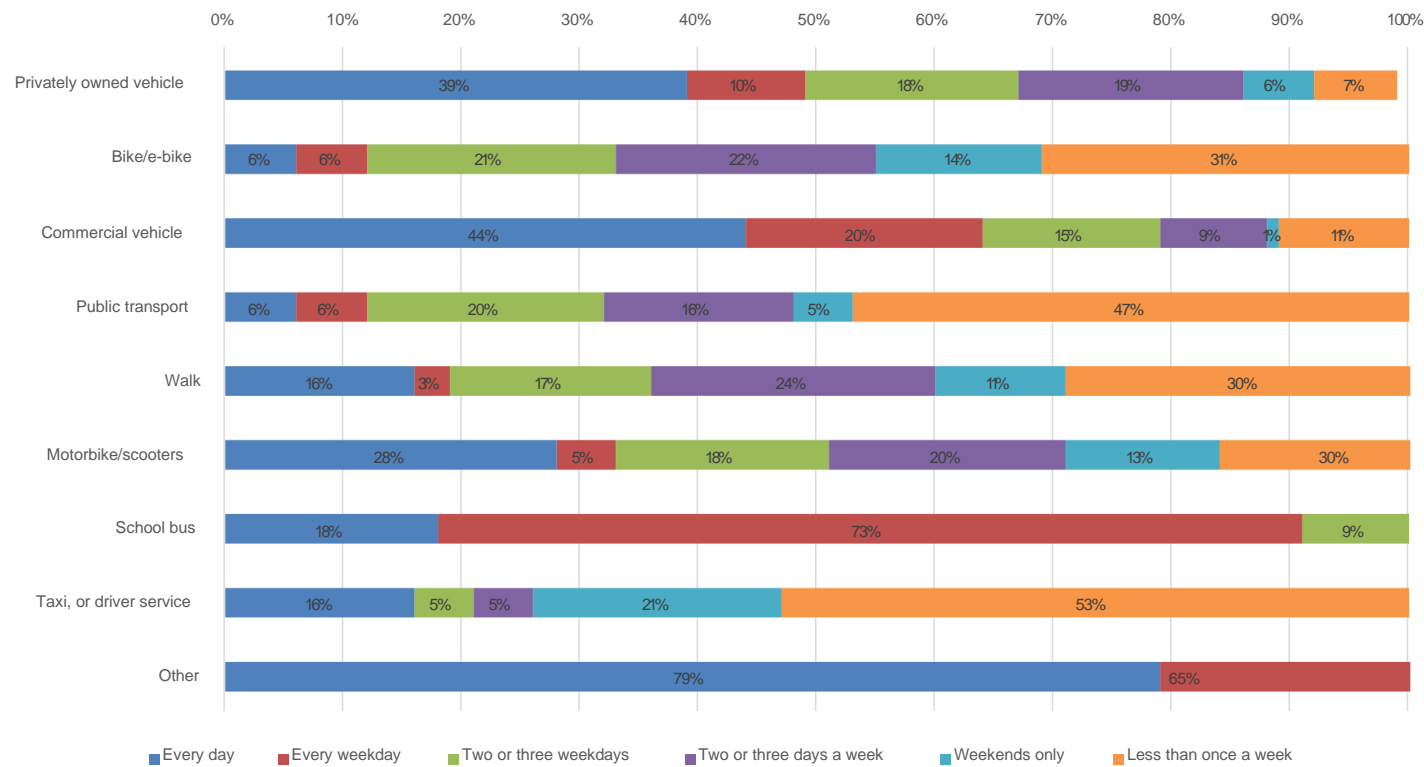
The majority of respondents use a car as their main form of transport. Some respondents travel by walking or using a bike and public transport.



<sup>3</sup> Respondents could select more than one mode of transport and therefore the totals do not equal 100%

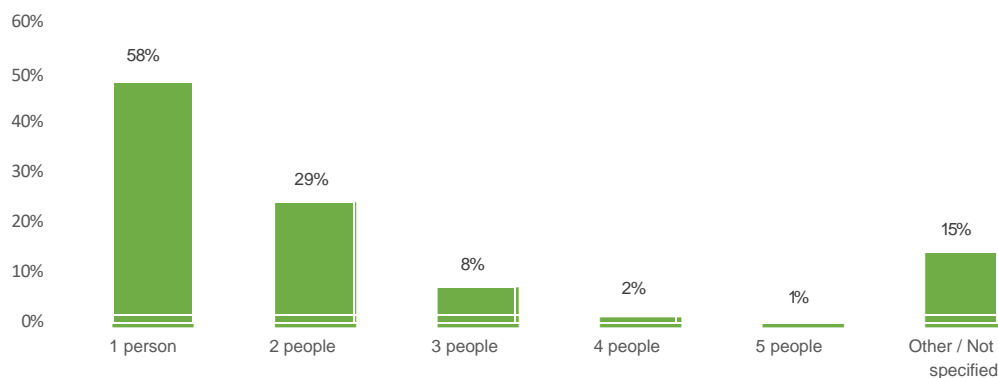


How often would you use each mode of transport when travelling on these roads?

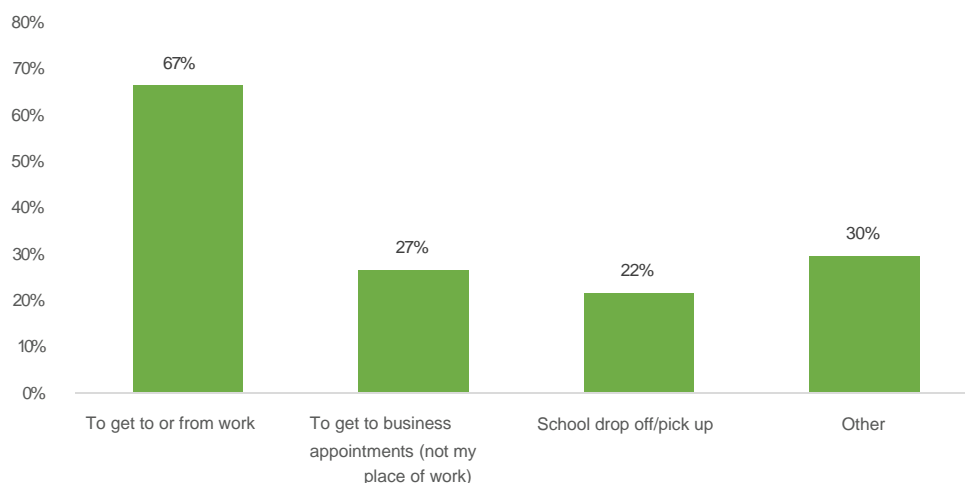


**Including yourself, how many people would typically be travelling in the vehicle on a weekday?**

More than half of respondents said they typically travel alone in their vehicle on a weekday. Around 40% of people travel with more than one person in the vehicle and would potentially benefit from HOV lanes, depending on the operation (T2 or T3).

**What is generally the purpose of your weekday trips?**

Most respondents travel in a vehicle on a weekday to get to or from work. Some respondents to visit friends, run errands, participate in leisure and recreational activities, while others travel to get to business appointments. This was reflected in the results as some respondents selected more than one destination.



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Connect with us



## 11.4 Speed Management Plan

**File Number:** A15595695

**Author:** Shawn Geard, City Centre Transport Advisor

**Authoriser:** Nic Johansson, Head of Transport

### PURPOSE OF THE REPORT

1. To present the Speed Management Plan for approval and implementation.

---

### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Speed Management Plan".
- (b) The speed management plan around schools and marae as per the attached map is adopted for Council approval and implementation, (with one of the below speeds adopted);
  - (i) These zones are restricted to 30km/h,
  - (ii) These zones are restricted to 40km/h, with provision for case-by-case reduction to 30km/h if speed continues contributing to safety concerns. The roads adjacent to Tauranga Intermediate reduced to 30km/h,
- (c) The speed management plan (30km/h) within the city centre is adopted for approval and implementation as per:
  - (i) The attached map,
  - (ii) The attached map (including the variable 30km/h zone on Cameron Road) however implementation of the 30km/h zone north of Harington Street is delayed and to be aligned with future development of the Culture and Historical Precinct.
- (d) The proposed changes to speed limits on Domain Road, Tara Road, Te Puke Highway, and Parton Road are deferred until such time future development changes the current road environment. This is would be decided by a future Council.
- (e) Delegate the Chief Executive to perform the road controlling authority responsibilities in relation to confirming and implementing the speed management plan documented within this report, as set out in the Land Transport Rule: Setting of Speed Limits 2022, including the Land Transport Rule: Setting of Speed Limits Amendment 2023.

---

### EXECUTIVE SUMMARY

2. Tauranga City Council on 12 February 2024 carried Resolution CO1/24/13 adopting the approach of 'Continue developing a speed management plan focusing on safe speeds around schools, marae, and the city centre This will include community engagement and a Council decision will be required prior to implementation.'
3. Tauranga City Council has funding for the implementation of a speed management plan. This funding expires at the end of June 2024.
4. The development of a speed management plan is no longer mandatory following a change in central government and subsequent rule changes.

5. Engagement with the community to understand their view on the speed management plan has been undertaken including a public survey that gained 1038 responses with the following outcomes:
  - (a) 71.7% are in favour of the 30km/h speeds restrictions around schools as proposed,
  - (b) 52.6% are in favour of the 30km/h speed restrictions within the city centre as proposed,
  - (c) 37% are in favour of the speed limit changes proposed on Domain Road and the roundabout intersection with State Highway 2,
  - (d) 36.1% are in favour of the speed limit changes on Parton Road.

## BACKGROUND

6. A four-week consultation period between 5 April 2024 and 3 May 2024 including two community drop in sessions has been undertaken by staff,
7. Tauranga City Council regularly engages with schools and their communities through the Travel Safe team within Transportation. Requests to reduce speeds around schools are regularly received as increased traffic, along with higher observed speeds, is considered a significant risk to student's safety, often reports of near misses are noted,
8. The development of a speed management plan was included in the Tauranga City Council Long Term Plan (LTP) Amendment 2021-31 as part of the Transport System Plan (TSP). This was also included within the Regional Land Transport Plan (RLTP) where current funding of \$1.5 million through Council and NZTA Waka Kotahi funds are committed to the development and implementation of the plan,
9. The speed management plan consulted on included;
  - (a) 30km/h within on roads immediately adjacent to schools. These would be Variable Speed Limits (VSL) as a standard with static limits being reserved to low volume roads where expenditure of more expensive VSL signs are impractical and roads where the current operating environment does not allow for higher speeds.
  - (b) Specific consultation was undertaken with Marae.
  - (c) Introduce a permanent 30km/h zone within the city centre.
  - (d) Introduce a VSL 30km/h zone on Cameron Road adjacent to Tauranga and Wharepai Domains.
  - (e) Changes to speed limits on Domain Road, Tara Road, Te Puke Highway, and Parton Road to improve consistency and safety.
10. During the 12 February 2024 council meeting, the need to understand the communities view on speed reductions, focusing on the city centre and variable limits around schools based on funding being available was expressed, the difference between 30km/h and 40km/h was also key.
11. A temporary 30km/h speed restriction has been in place within the city centre between First Avenue and McLean Street since late 2018.
12. In 2011 when speeds within Mount Manganui were reduced from 50km/h to 30km/h a 24% reduction in crashes was observed over a three-year period, compared to a 13% reduction in crashes within the surrounding area where speed limits were not reduced.

## Summary of Rule Change and Minister's Letter in Relation to Tauranga City Council

13. Under the previous Land Transport Rule: Setting Speed Limits, Councils were required to decrease speeds around 40% of schools to 30km/h by 30 June 2024, with the remainder by 31 December 2027,
14. Tauranga City Council through the Regional Transport Committee received a letter addressed to the Bay of Plenty Regional Council from Hon. Simeon Brown, Minister of Transport, on 12 December 2023 notifying changes to the Land Transport Rule: Setting of



Speed Limits 2022. Among other points, the requirement for a Council to have a speed management plan was removed. The minister noted: "I consider it is undesirable for RTCs and RCAs to apply public money and resources in developing speed management plans only to have to revisit the plans when the new Setting Speed Limit rule takes effect. Given this, if you have not already finalised your speed management plan, I encourage you to consider the new Rule before making final decisions."

15. The rule change referred to above enables Road Controlling Authorities (RCAs) such as Tauranga City Council to choose to develop speed management plans rather than the previous mandate,
16. An updated rule will implement requirements around variable speed limits rather than permanent speed reductions to keep young New Zealanders safe when arriving at, or leaving school,
17. The letter states the Government's commitment to road safety while stating 'I also note the policies within the previous Government's so-called 'Road to Zero' strategy, in relation to speed limits, are no longer the Government road safety strategy for the purpose of the Rule.'

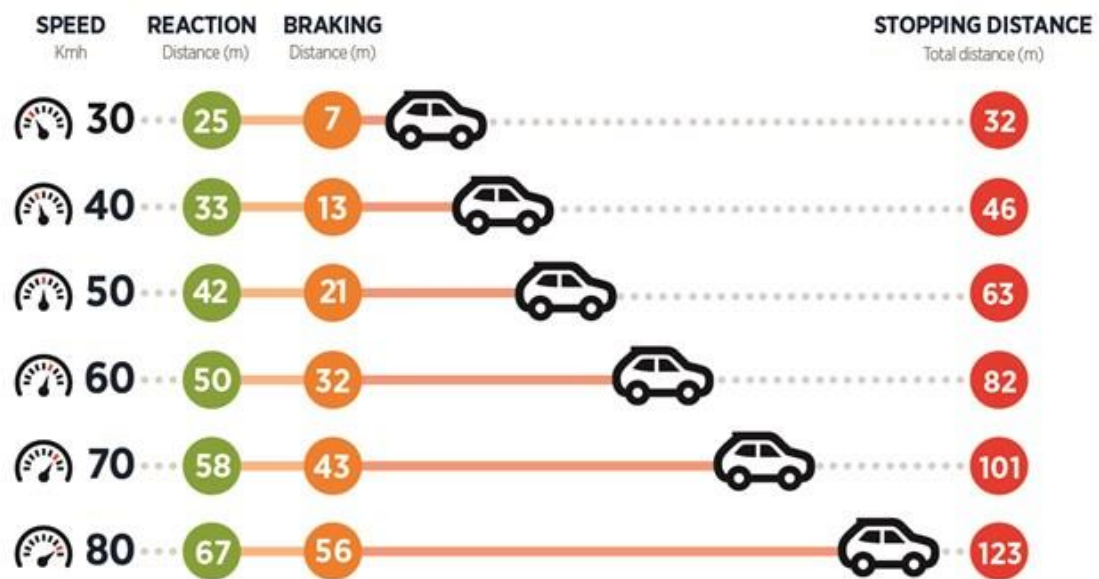
### STRATEGIC / STATUTORY CONTEXT

18. Ensuring safety around schools, enabling young people to access education through active modes of transport can be brought into the Our Direction framework under the community outcomes;
  - (a) Tauranga Mātaraunui – An inclusive city;
  - (b) Tauranga Ara Rau – A city that we can move around easily; and
  - (c) Tauranga a te kura – A city that supports business and education.
19. Speed reduction within the city centre support the City Centre Movement Framework as part of the City Centre Action and Investment Plan and both community outcomes Tauranga Mātaraunui, and Tauranga Ara Rau,

### OPTIONS ANALYSIS

20. Three key options exist to Council, these being:
  - (a) Adopt the speed management plan as per the attachment;
  - (b) Adopt the Speed Management Plan as per the attachment however replacing '30km/h' with '40km/h' however with provision for case by case reduction to 30km/h if speed continues to present safety concerns. The roads adjacent to Tauranga Intermediate reduced to 30km/h; or
  - (c) Maintain the current speed limits.
21. The signalised crossing of Fraser Street adjacent to Fraser Cove Shopping Centre is within the current variable 40km/h zone for Tauranga Intermediate School. Speed has been observed to continuing to be a safety issue at this crossing, warranting a further reduced variable speed, this location is therefore included to be reduced to 30km/h if a 40km/h standard reduction around schools is adopted,
22. The option of 30km/h or 40km/h is based on the collective assessment of acceptable risk, noting that while pedestrian fatalities are not a common occurrence, accidents do happen, and speed will have a factor in the occurrence and has a significant impact on the outcome,
23. Two figures (Figure 1, and Figure 2 below) produced by Auckland Transport from data taken from Research Report AP-R560-18 published in March 2018 by Austroads - the Association of Australian and New Zealand Road Transport and Traffic Authorities are depiction of this risk,

## Vehicle stopping distances\*



\*Assumes average driver attention, in good weather conditions and car has no brake or tyre defects

Figure 1: Average stopping distances at various speeds

## Death and injury risk percentages

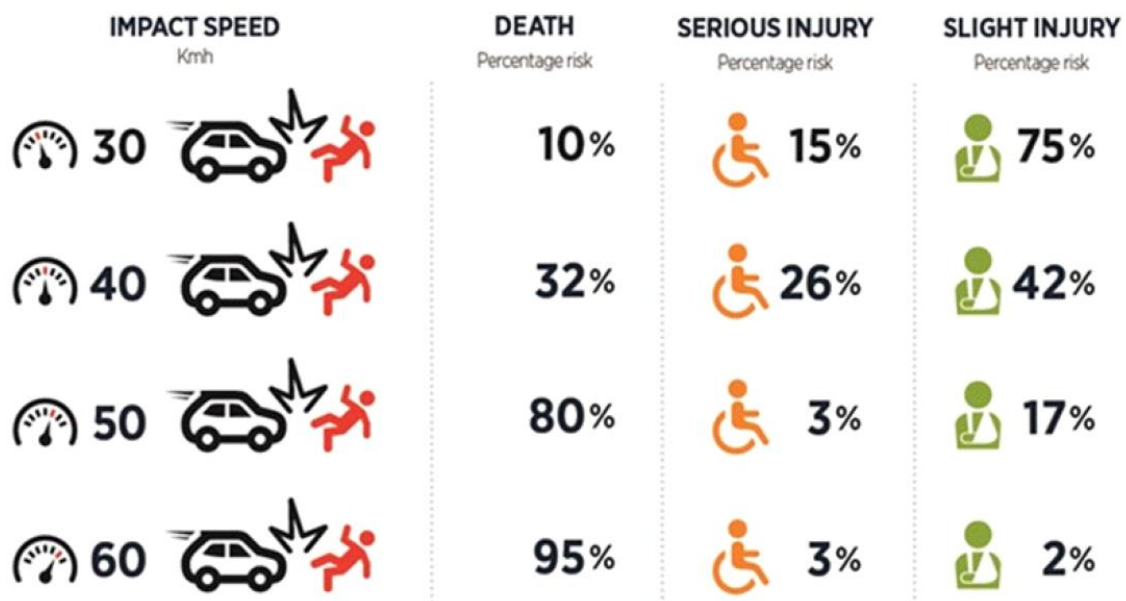


Figure 2: Risk of death and injury based on impact speed

## FINANCIAL CONSIDERATIONS

24. The current Council and NZTA Waka Kotahi commitments allow for Option 1 to be implemented with a 49% Council funded, 51% National Land Transport Fund (NLTF) funding arrangement until 30 June 2024,
25. As NLTF funding is currently not allocated post 30 June 2024 there is no commitment from NZTA Waka Kotahi that they would fund any speed reduction after this time, meaning Tauranga City Council may be required to fund 100% of speed reduction through loan funding.

## LEGAL IMPLICATIONS / RISKS

26. No legal implications/ risks have been identified.

## CONSULTATION / ENGAGEMENT

27. A four-week community engagement was undertaken from Friday, 5 April to Friday, 3 May 2024.
28. The engagement included the establishment of a project email address, web page, survey and three community drop-in sessions at local markets (one of which was cancelled due to poor weather). This was supported by a print, digital and social media advertising campaign as well as targeted engagement with schools, marae, and other key stakeholders.
29. Approximately 60 people attended the two drop-in sessions, more than 20 emails were received, and over 1000 surveys were completed.
30. Social media posts reached an audience of more than 92,000 with more than 350 comments made. Feedback in the comments was mixed, with general support for reducing the speed limit to 30km outside schools during drop off and pick up times, less support for reducing the speed limit in the city centre, and some people who felt that change was unnecessary and/ or unwanted.
31. Targeted consultation with Marae was undertaken, with the requests from three marae:
- (a) Waikari Marae, and Hungahungatoroa Marae (Matapihi), requested lower speeds to enable safer connectivity between marae and Te Kura O Matapihi.
  - (b) Waimapu Marae, while this request has been for the entire length of Waimapu Pa Road we propose to target the closest 200m with the aim of achieving general compliance, an expansion of this could be achieved in parallel to infrastructure supporting reduced speeds.

These have been included within the proposed maps.

## SIGNIFICANCE

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

## ENGAGEMENT

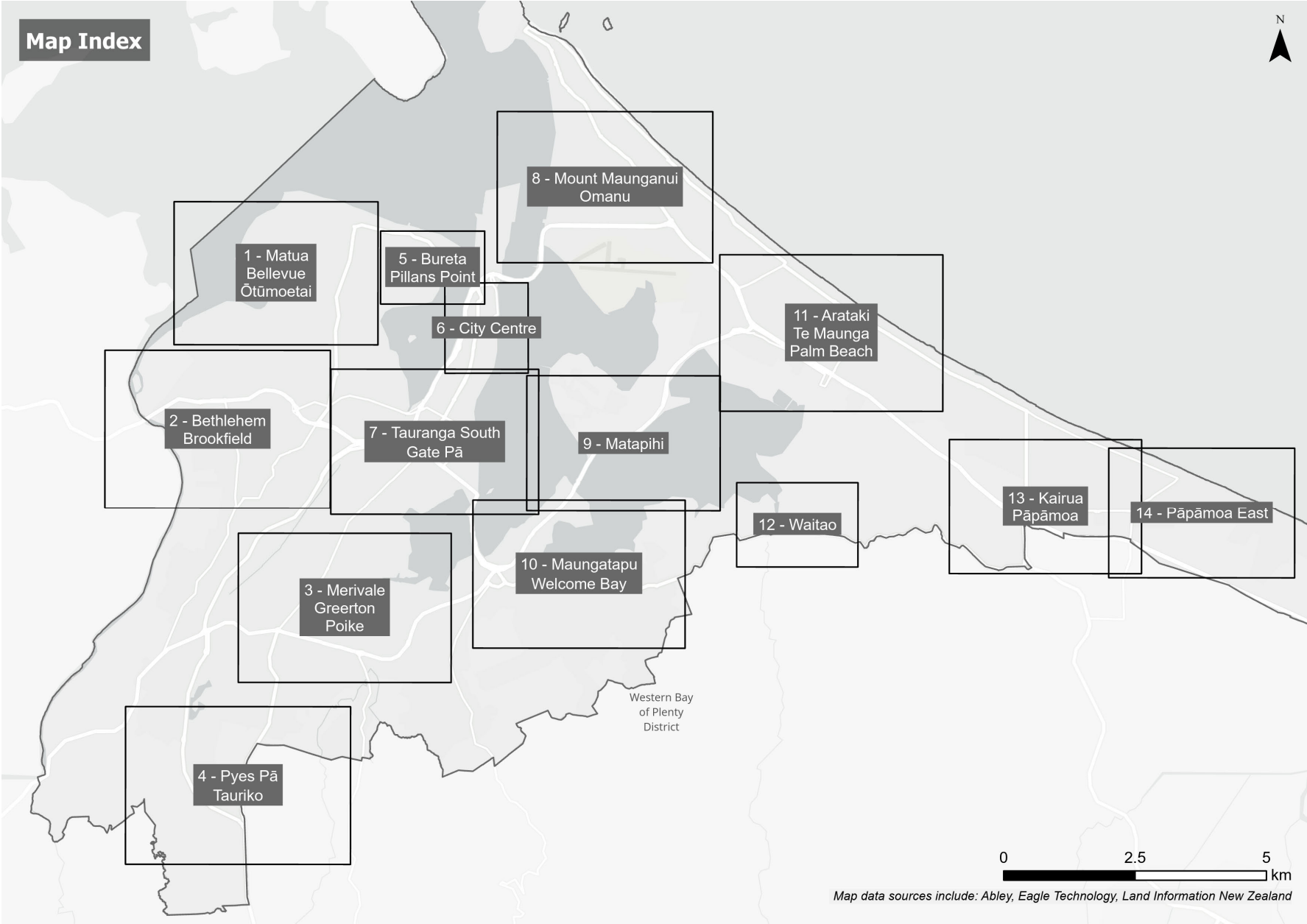
35. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

**NEXT STEPS**

36. Confirmation and implementation of the speed management plan is required as per the Land Transport Rule: Setting of Speed Limits 2022, and the Land Transport Rule: Setting of Speed Limits Amendment 2023.

**ATTACHMENTS**

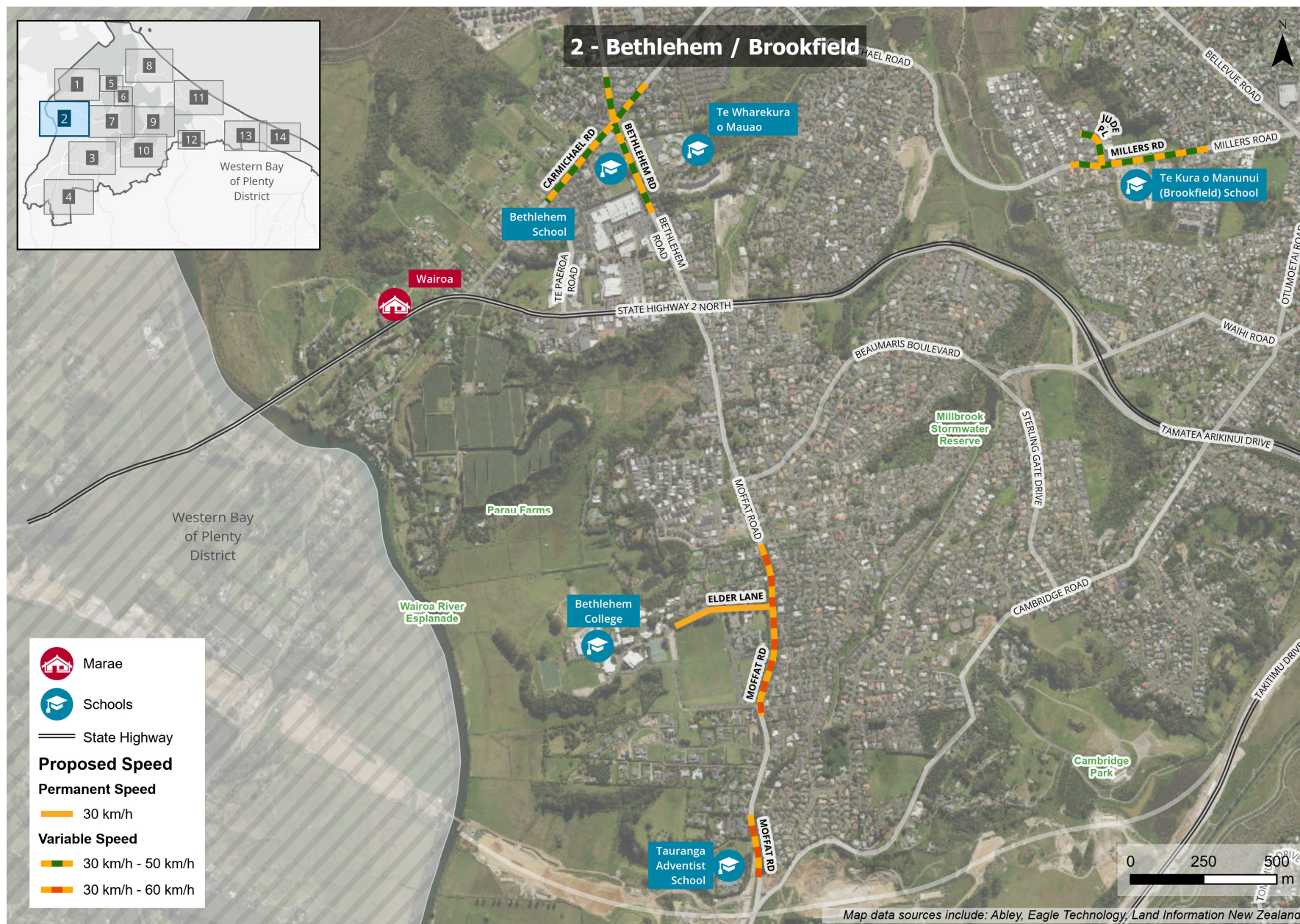
1. **Speed Management Plan Map - A15923545**  



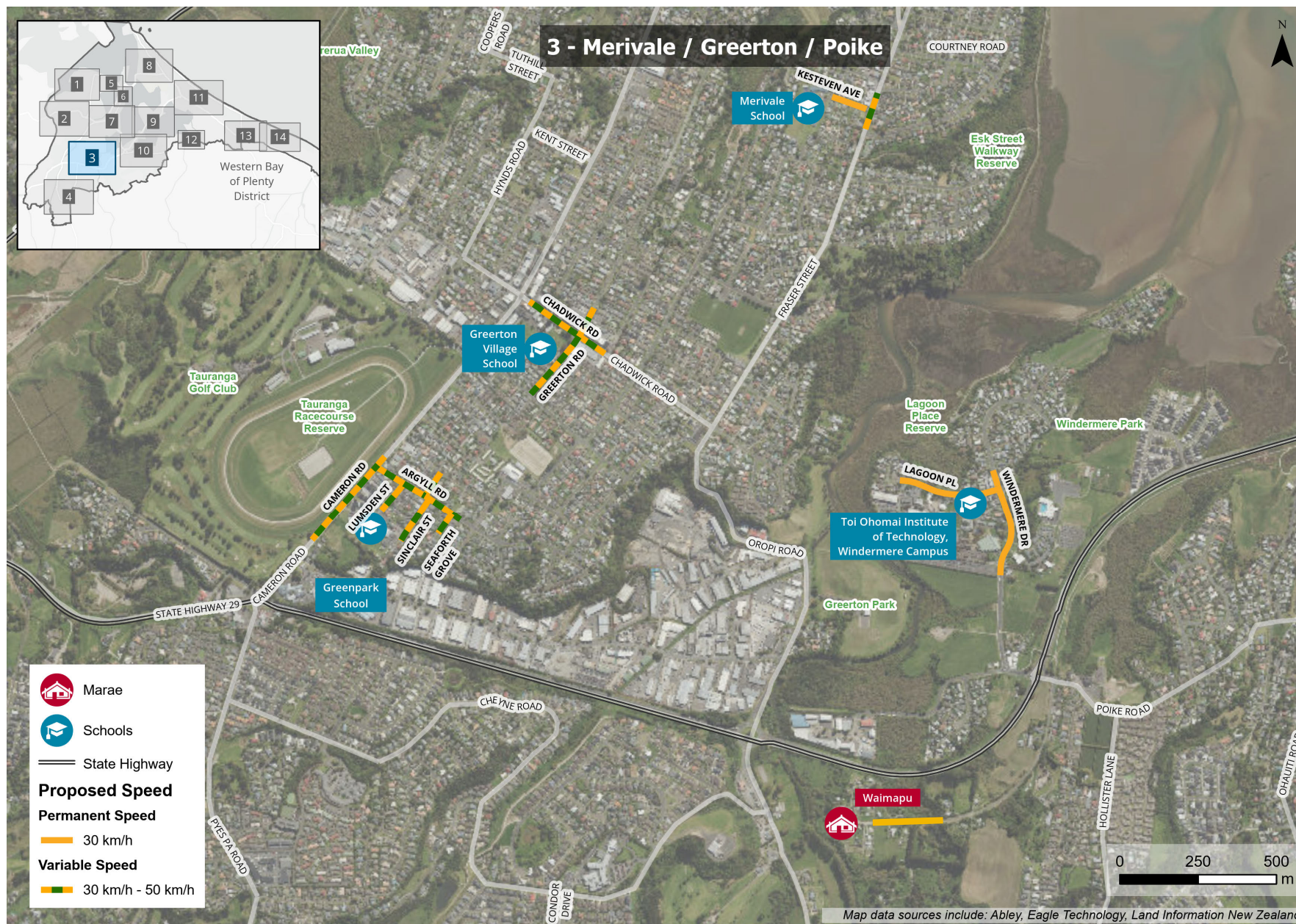




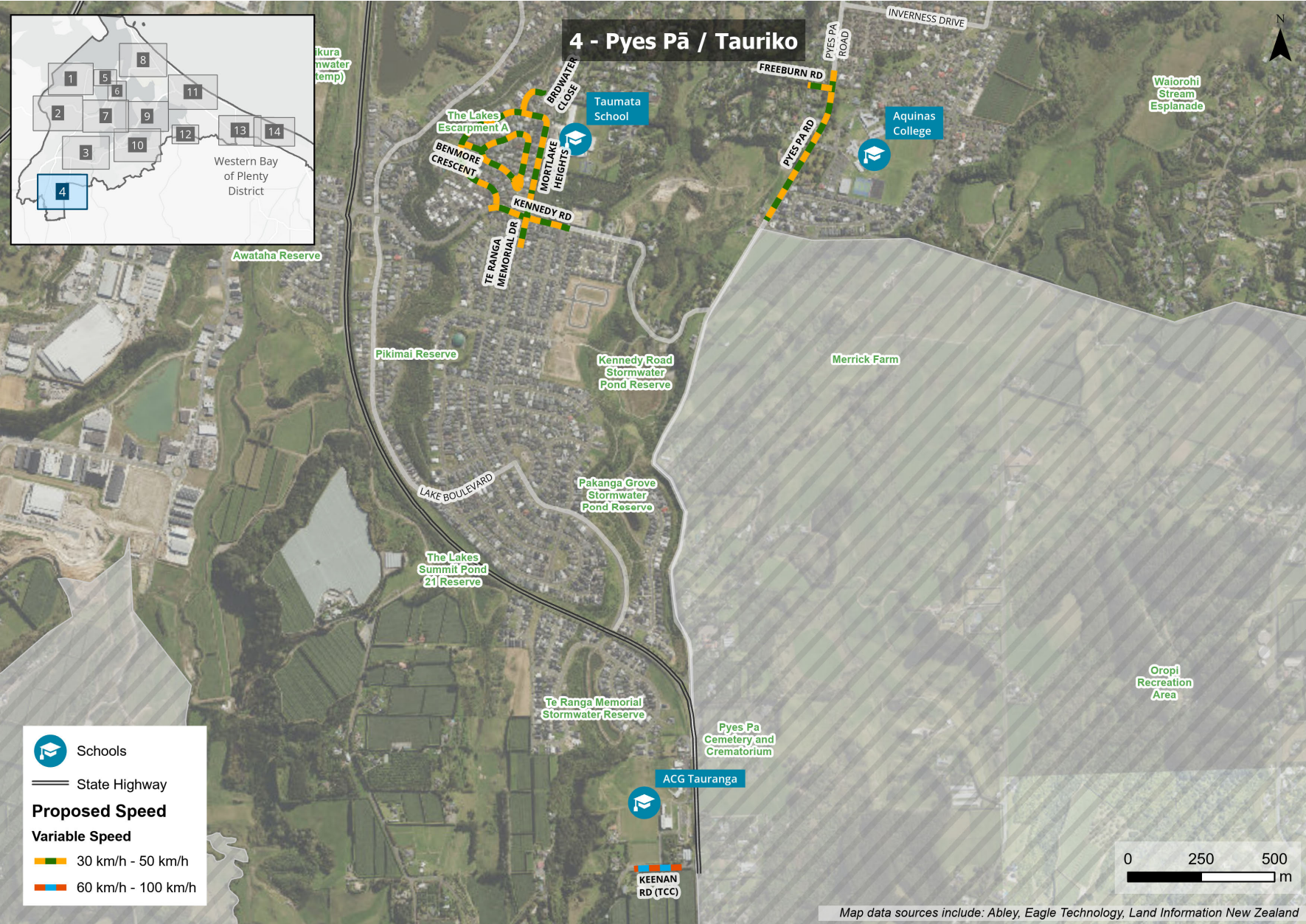
























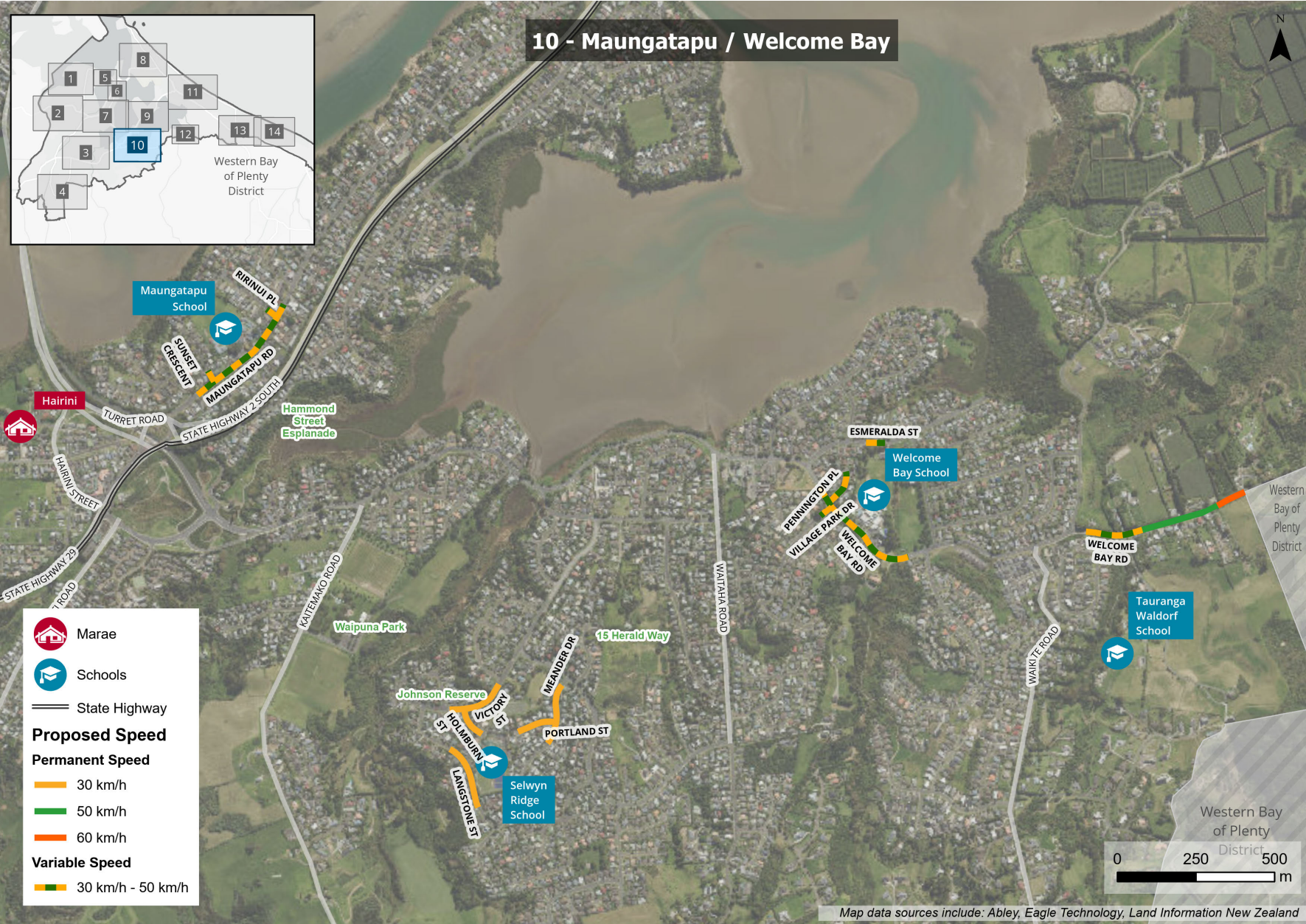








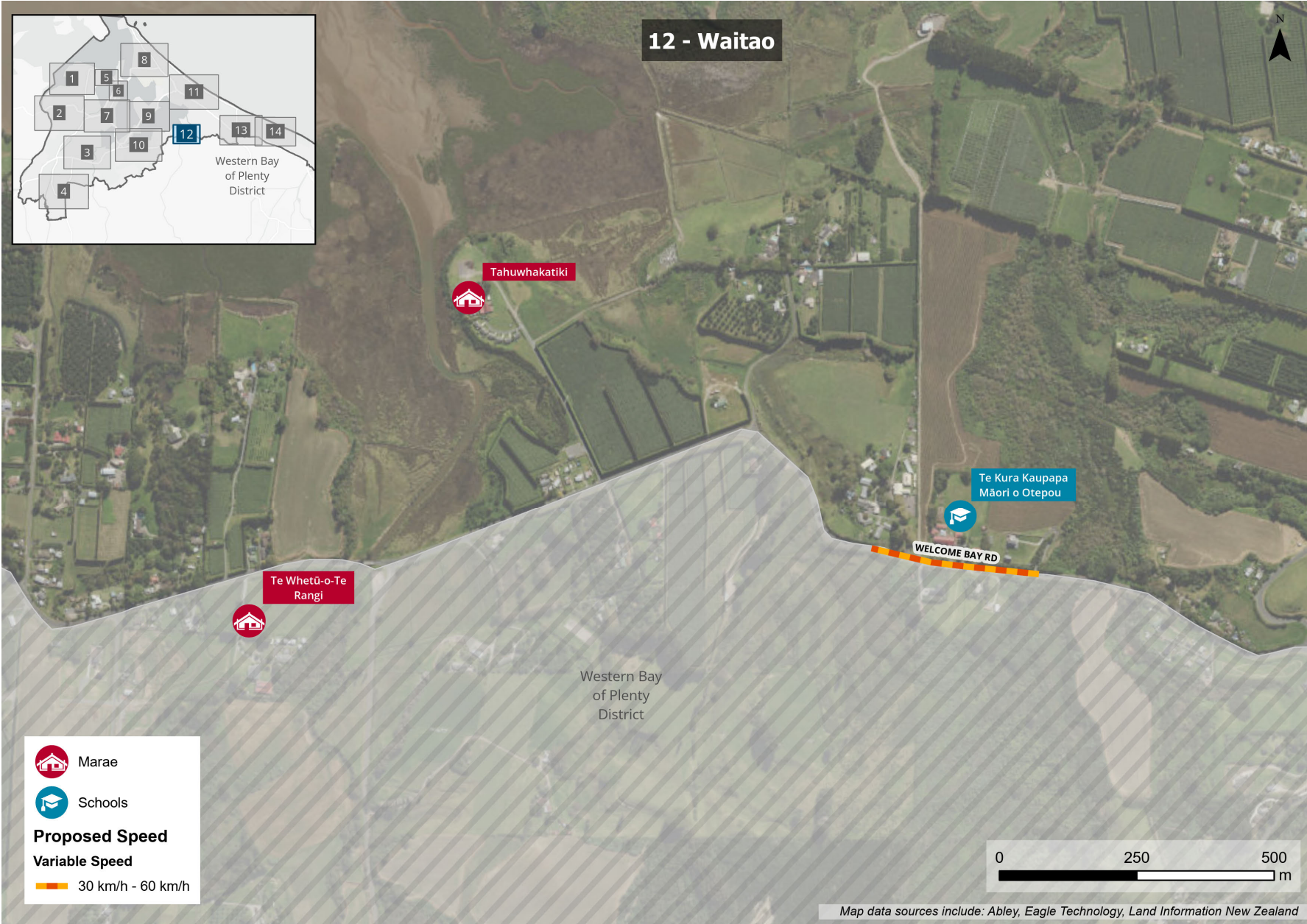




















**11.5 Ferry Proposal****File Number: A15966638****Author: Simon Collett, Manager: Commercial Property****Authoriser: Nic Johansson, Head of Transport****Please note that this report contains confidential attachments.**

<b>Public Excluded Attachment</b>	<b>Reason why Public Excluded</b>
Item 11.5 - Ferry Proposal - Attachment 1 - Appendix A	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p>
Item 11.5 - Ferry Proposal - Attachment 2 - Appendix B - Calculation Sheets 260424	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p>
Item 11.5 - Ferry Proposal - Attachment 3 - Appendix C - Preliminary naval architectural design - 260424	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p>
Item 11.5 - Ferry Proposal - Attachment 4 - Passenger and Bike Ferries Tauranga Harbour - Proposal to BOPRC	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p>

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## PURPOSE OF THE REPORT

1. To recommend Council underwrites up to 50% of the funding required to trial ferry operations up to a maximum amount of \$1.4M payable over the first two years of the trial (i.e. \$700K per annum) of rate funded expenditure.
- 

## RECOMMENDATIONS

That the Council:

- (a) Receives the report "Ferry Proposal".
  - (b) Underwrites up to 50% of the funding required to trial ferry operations up to a maximum amount of \$1.4M payable over the first two years of the trial (i.e. \$700K per annum) of rate funded expenditure.
  - (c) Notes:
    - (I) This underwrite is conditional on the other 50% being funded by Bay of Plenty Regional Council.
    - (II) For the 2025 financial year Council staff will seek to identify savings throughout the year to fund this amount if required. If the underwrite is required and savings cannot be achieved this will be funded by an increase in debt for that year.
    - (III) For the second year of the trial in 2026, the underwrite will be included in the 2026 Annual Plan and/or rate setting process.
  - (d) The attachment's can be transferred into open following completion of the trial.
- 

## EXECUTIVE SUMMARY

2. This report evaluates the request for an operational expenditure underwrite with respect to the proposal presented by Hauraki Express.
3. The proposal seeks to establish a passenger and bike ferry service in Tauranga Harbour. The proposal aims to provide a fast, efficient, and environmentally friendly transportation option connecting Tauranga City Centre and Mount Maunganui Town Centre.
4. Key features include utilising existing shore-based infrastructure, reducing road traffic congestion and emissions, and promoting mode-shift towards public transport and active travel.

## BACKGROUND

5. In 2019, Priority One (**P1**) initiated a study to explore the potential implementation of a ferry service in Tauranga. The primary objective was to assess the feasibility of such a service in enhancing transportation connectivity, promoting urban living within the city centre, and augmenting overall amenity.
6. To gauge the perceived demand, P1 conducted a targeted commuter survey primarily focusing on major employers in the Tauranga City Centre. This survey reached approximately 4000 individuals, representing a significant portion of the working population in the city centre, with 1200 responses received.
7. In January 2020, P1 produced a prospectus summarising the findings of the study. The prospectus highlighted:
  - (a) The proposed ferry service garnered substantial support among respondents.



- (b) Key considerations included pricing and scheduling, provision of adequate parking or transport links at both embarkation and disembarkation points, necessary infrastructure such as wharves, user facilities, and parking amenities, the capability to operate high-speed ferries within the harbour, and ensuring a high-quality user experience.
- 8. Based on the prospectus, P1 recommended that Bay of Plenty Regional Council (**BOPRC**) initiate further exploration through a feasibility study to delve deeper into areas such as customer demand, pricing strategies, alternative modes of transportation, allocation of capital for infrastructure enhancements, and alignment with the Urban Form and Transport Initiative (UFTI) (now SmartGrowth Strategy 2023 and Western Bay of Plenty Transport System Plan).
- 9. The Bay of Plenty Regional Council (**BOPRC**) holds the Transport Plan for the region. It finally delivered its feasibility report in November 2023.
- 10. Despite considerations for patronage estimates and mode share presumptions, the feasibility study underscored significant cost barriers associated with ferry operations. Transport planning experts highlighted the investment required for ferry services, expressing doubts about justifying such expenditure for a mode primarily serving a single destination. They recommended prioritising the optimisation of the existing bus-based public transport network in the short to medium term while preserving the option of future ferry services.
- 11. Given these findings, BOPRC was advised to defer further investigation into Tauranga and Western Bay of Plenty ferry services until the development of the long-term plans and the National Land Transport Programme for 2027.
- 12. BOPRC and now Council have since received a proposal from Hauraki Express. The proposal seeks a Council underwrite. This proposal and underwrite is outlined in the analysis below.

## ANALYSIS

### Hauraki Express

- 13. Hauraki Express is a family owned and operated start-up business which operates water taxi services within the Hauraki Gulf. Peter Bourke is the sole director of Hauraki Express Limited.

### Proposal

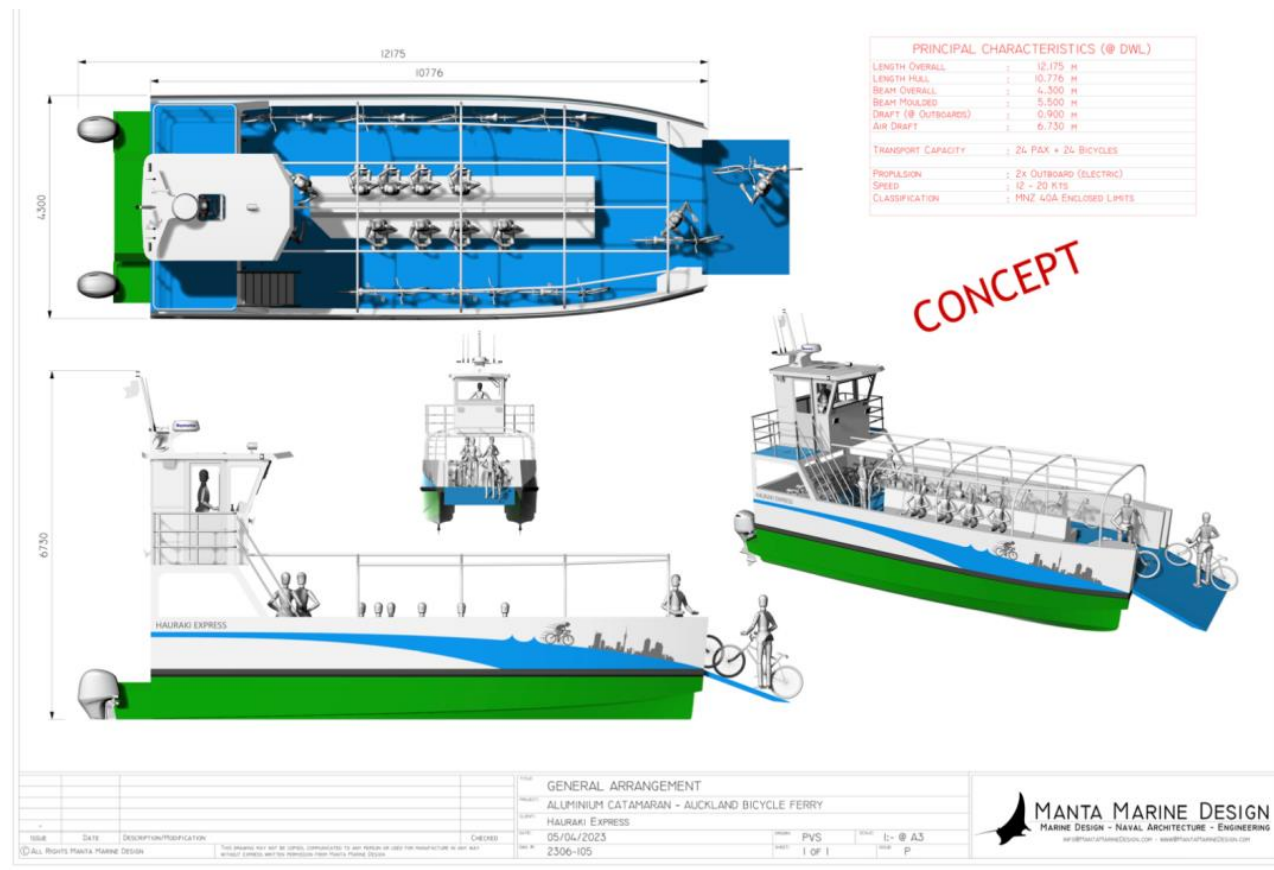
- 14. The plan entails developing a fleet of purpose-built ferries capable of accommodating passengers and bikes, with the initial two vessels to commence operations within 12 months. The service will initially operate between Tauranga Moana Waterfront and Salisbury Wharf, with potential expansion to other routes based on demand.
- 15. Financial feasibility analysis indicates that after four years of operation and expansion to three routes, the service is projected to carry an average of 1000 passengers per day, with an annual subsidy of \$1.6 million. The benefits-to-cost ratio is estimated at 2.5, with an annual reduction of 427 tonnes of CO2 emissions.
- 16. Hauraki Express proposes to establish and operate the ferry service, securing all necessary approvals and funding. The service will operate at least 330 days per year, with two vessels making 20 crossings daily. Collaboration between Hauraki Express, BOPRC, and TCC is proposed to integrate the ferry service into the public transport network, develop a marketing plan, and provide fare subsidies.

### Provisos

- 17. Commitment to the proposal is contingent upon full due diligence, market research, and funding support from Kiwibank. Additionally, the proposal includes provisions for financial support for operational expenditure from the Councils, use of wharves, and service continuation based on performance metrics.

### Passenger and Bike Ferry Plan

18. The plan outlines the specifications and design of the ferries, emphasising capacity, seaworthiness, and sustainability. The vessels will be integrated into Tauranga's public transport network, with cashless ticketing and subsidies available. Marketing efforts will target mode-shift towards active travel, highlighting benefits such as cost savings, safety, and environmental impact reduction.



## Conclusion

19. Hauraki Express advocates for the implementation of the ferry service as a vital component of Tauranga's transportation system. The proposal offers an innovative and cost-effective solution to address congestion and promote sustainable travel practices. Political and community support for the concept is positive, and Hauraki Express urges BOPRC and Council to consider the proposal as a step towards making Tauranga a true harbour city.

## Recommendation

20. Based on the assessment, we recommend underwriting up to 50% of the funding required for a two-year trial period, with a maximum amount allocated from rate-funded expenditure. Funding for the trial will be sought through savings or debt financing, with considerations for operational requirements, health and safety, and potential disruptions from other projects in the area.

## STRATEGIC / STATUTORY CONTEXT

21. The proposal aligns with the SmartGrowth Strategy 2023 and Western Bay of Plenty Transport System Plan.
22. Investing in the ferry service aligns with the goal of fostering economic growth by enhancing transportation connectivity between Mount Maunganui and Tauranga. This could attract more tourists, facilitate smoother commutes for residents, and potentially stimulate business activities.



**OPTIONS ANALYSIS**

23. If Council supports the underwrite, the pilot will potentially proceed. **This option is recommended.**

**Advantages**

- (a) Support Economic Growth: As set out above (para 22).
- (b) Reduce Congestion and Emissions: A ferry service offers an environmentally friendly alternative to traditional modes of transportation, reducing congestion on roads and lowering emissions, thereby contributing to environmental sustainability goals.
- (c) Enhance Public Transport Network: Integrating the ferry service into the existing public transport network could improve the overall efficiency and accessibility of public transportation between Mount Maunganui Town Centre and the Tauranga City Centre.
- (d) Road Works Disruption: The service will provide people with an alternative means of transport during road works disruption.
- (e) Trial Period: Underwriting the ferry service for a trial period allows for the assessment of its viability without making a long-term commitment upfront. This approach enables the Council to evaluate the service's effectiveness and adjust its strategy accordingly based on real-world data and feedback.

**Disadvantages**

- (f) Financial Risk: Underwriting the ferry service entails financial risk for the Council, especially if the service does not attract sufficient ridership to cover its operating costs. There is a possibility of the investment will be a sunk cost if the service proves to be economically unsustainable.
- (g) Reputational Risk: If the pilot fails, Council may be seen to have approved an unnecessary expense.

24. If Council does not provide the required investment, the pilot will most likely not proceed. **This option is not recommended.**

**Advantages:**

- (a) Risk Mitigation: By refraining from underwriting the ferry service, the Council avoids the financial risk associated with potential losses if the service fails to generate enough revenue to be sustainable.
- (b) Road Works Disruption: The opportunity to provide people with an alternative means of transport during road works disruption will have been missed.
- (c) Focus on Existing Priorities: Without allocating resources to the ferry service, the Council can concentrate its efforts on other priority projects that have been identified as more urgent or beneficial to the community.
- (d) Financial Constraints: Council is currently under balance sheet pressure. This underwrite will reduce its capacity further.

**Disadvantages:**

- (e) Missed Opportunity: Not underwriting the ferry service may result in a missed opportunity to improve transportation options, reduce traffic congestion, and promote environmental sustainability in the region. If successful, the ferry service could have provided significant benefits to residents and businesses.
- (f)
- (g) Limited Mobility Options: Without the ferry service, residents and visitors will continue to have fewer transportation options for traveling between Mount Maunganui and Tauranga, potentially leading to continued reliance on congested roadways and contributing to environmental pollution.

- (h) Public Dissatisfaction: Some members of the community may perceive the Council's decision not to underwrite the ferry service as a missed opportunity or a lack of commitment to improving transportation infrastructure and addressing environmental concerns.

### FINANCIAL CONSIDERATIONS

- 25. Underwriting the ferry service entails financial risk for the Council, especially if the service does not attract sufficient ridership to cover its operating costs. There is a possibility of the investment will be lost if the service proves to be economically unsustainable.

### LEGAL IMPLICATIONS / RISKS

- 26. N/A

### CONSULTATION / ENGAGEMENT

- 27. Public consultation with respect to the need for a ferry service was effectively carried out by P1 and the BOPRC as set out in the background to this report.
- 28. Hauraki Express has provided letters of support from Tourism BOP, Downtown Tauranga, Mainstreet Mount Maunganui and P1.

### SIGNIFICANCE

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

### ENGAGEMENT

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

### NEXT STEPS

- 33. Council staff to confirm support for the proposal.

### ATTACHMENTS

- 1. **Appendix A - A15969212 - Public Excluded**
- 2. **Appendix B - Calculation Sheets 260424 - A15969213 - Public Excluded**
- 3. **Appendix C - Preliminary naval architectural design - 260424 - A15969214 - Public Excluded**
- 4. **Passenger and Bike Ferries Tauranga Harbour - Proposal to BOPRC - A15969217 - Public Excluded**

## 11.6 Temporary Road Closure Report for Events 2024-2025

**File Number:** A15918540

**Author:** Lindsay Cave, Team Leader: Corridor Access & Temporary Traffic Management  
Jenna Quay, Events Facilitation Manager

**Authoriser:** Nic Johansson, Head of Transport

### PURPOSE OF THE REPORT

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

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Temporary Road Closure Report for Events 2024-2025".
- (b) Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974, grants approval to close the roads and car parks listed on Attachment A to ordinary vehicular traffic on the dates and during the hours stated for the purposes of facilitating safe and successful operations during the following events contingent on no objections are received during the formal notification period.

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### EXECUTIVE SUMMARY

2. Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974 this report seeks the Council approve the temporary road closures associated with events in Tauranga for the coming event season as outlined in Attachment A if no objections are received during the formal notification period.
3. The road closures aim to provide safe and well-organised events for public to attend, protect competitors, manage the transport network and minimise impacts to residents and businesses while events are taking place.
4. The organiser of each event will:
  - Undertake engagement with affected residents and businesses prior to the event occurring.
  - Submit a detailed temporary traffic management plan to the Corridor Access & Temporary Traffic Management Team for approval as part of Councils overall event approval process. This plan stipulates all traffic signage indicating sections of roads or carparks closed, alternative detours and any other appropriate signage for traffic control in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM).

### BACKGROUND

5. Each year the Event Facilitation Team coordinates a calendar of events with event organisers, relevant Council teams and affected stakeholders across the city. Event planning meetings are held in advance of events with representation from various Council teams, city stakeholders and the organisers. Many of these events have been running for

several years with traffic management and road closures playing an important role to support safety of event participants and public.

6. Road closures allow for safe access to, from, and during events by creating separation of vehicles from pedestrians. The wider event approval process led by the Event Facilitation Team assists in managing the impacts of events on residents and ensures event activities are managed within Councils regulatory requirements such as noise management, building consents, liquor licences and communication plans.

### STRATEGIC / STATUTORY CONTEXT

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

### LEGAL IMPLICATIONS / RISKS

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

### CONSULTATION / ENGAGEMENT

10. All temporary road closures must be publicly notified by Tauranga City Council allowing a 21-day period for the public to submit comments. Any objections must be considered by the Council before making a final decision on the requested temporary road closure.
  - (a) The temporary road closures have been publicly notified in the Bay of Plenty Times.
  - (b) The 21-day period for public notification concludes on 31 May 2024. Staff to advise any objections received to date at the Council meeting on 20 May 2024.
  - (c) If any objections are received post 20 May 2024 a further report will be brought to a later Council meeting prior to any final approval being granted.

### SIGNIFICANCE

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

**ENGAGEMENT**

14. Taking into consideration the above assessment of the decision being of low significance, officers are of the opinion that the following consultation is suggested/required under the Local Government Act 1974 Act.

**ATTACHMENTS**

1. **Temporary Road Closures For Events 2024 2025 PDF - Attachment A - A15968598** [↓](#) 

**Temporary Road Closure Report for Events 2024 2025 - Attachment A****Greerton Spring Fling**

Chadwick Road from Cameron Road to Greerton Road  
 From 6am – 5.30pm Saturday 21 September 2024

**Tauranga STEM Festival**

Laneway between Durham Street and Grey Street  
 From 5am-8pm Sunday 6 October 2024  
 Postponement date: Sunday 13 October 2024

**HOT Pink Walk for Breast Cancer**

The Strand from Harington Street to Devonport Road  
 Hamilton Street from The Strand to a point just east of Willow Street  
 Devonport Road from The Strand to Elizabeth Street  
 From 3:30pm - 9pm on Wednesday 9 October 2024

**GENX/Marra Tinman Triathlon**

Salisbury Wharf Car Park the entire car parking area  
 Salisbury Avenue from Victoria Road to The Mall  
 The Mall from Salisbury Avenue to Prince Avenue  
 From 6am Saturday 23 November 2024 - 2pm Sunday 24 November 2024

The Mall from Prince Avenue to Adams Avenue including the Pilot Bay Boat Ramp  
 Adams Avenue from The Mall to Marine Parade  
 Prince Avenue from The Mall to Victoria Road roundabout  
 Marine Parade from Adams Avenue to Oceanbeach Road  
 Oceanbeach Road from Marine Parade to Concord Avenue  
 From 5am - 2pm on Sunday 24 November 2024  
 Note: Roads may open earlier depending on progress of the event.

**Road Safe Orange Day Walk**

Nikau Crescent from Rata Street to Maunganui Road  
 From 7am-11am Thursday 28 November 2024

Maunganui Road from Salisbury Avenue to Pacific Avenue  
 Prince Avenue from Victoria Street to Maunganui Road  
 From 9am-11am Thursday 28 November 2024

**Sanitarium Weet-Bix Kids TRYathlon**

Monowai Street from Gloucester Road to Grenada Street  
 From 5am - 2pm on Sunday 1 December 2024  
 Postponement date: Sunday 15 December 2024

**Pak'N Save Papamoa "Superhero" Christmas Parade 2024**

Dickson Road from Longview Drive to Douglas Place  
 From 8am-2pm on Sunday 8 December 2024

Dickson Road from Douglas Place to Domain Road  
 Domain Road from Percy Road to Gravatt Road  
 From 9am-2pm on Sunday 8 December 2024

**EVES Surfbreaker Triathlon**

Marine Parade from Adams Avenue to Tweed Street  
 Adams Avenue from Marine Parade to Maunganui Road  
 From 5am - 11am on Friday 27 December 2024  
 Note: Roads may open earlier depending on progress of the event.

### Concert 1

Cameron Road from Wharf Street to Chapel Street  
 Hamilton Street from Cameron Road to Willow Street  
 Harington Street from Cameron Road to Willow Street  
 Durham Street from Wharf Street to Harington Street  
 From 10.30am Friday 27 December 2024 – 1am Saturday 28 December 2024

Hamilton Street West full length  
 From 6am Thursday 26 December 2024 – 1am Saturday 28 December 2024

### Concert 2

Cameron Road from Wharf Street to Chapel Street  
 Hamilton Street from Cameron Road to Willow Street  
 Harington Street from Cameron Road to Willow Street  
 Durham Street from Wharf Street to Harington Street  
 From 12pm Sunday 29 December 2024 – 1am Monday 30 December 2024

Hamilton Street West full length  
 From 1am Saturday 28 December 2024 – 1am Monday 30 December 2024

### New Year's Eve

The Strand from Harington Street to Devonport Road  
 From 2pm Tuesday 31 December 2024 - 3am Wednesday 1 January 2025

### Concert 3

Cameron Road from Wharf Street to Chapel Street  
 Hamilton Street from Cameron Road to Willow Street  
 Harington Street from Cameron Road to Willow Street  
 Durham Street from Wharf Street to Harington Street  
 From 10.30am Friday 3 January 2025 – 1am Saturday 4 January 2025

Hamilton Street West full length  
 From 1am Thursday 2 January 2025 – 1am Saturday 4 January 2025

### Sikh Parade

Burrows Street from Fourteenth Avenue to Fifteenth Avenue  
 From 11am - 3pm on Sunday 12 January 2025

Fourteenth Avenue from Burrows Street to Devonport Road  
 Devonport Road from Fourteenth Avenue to Eleventh Avenue  
 Eleventh Avenue from Devonport Road to Fraser Street  
 Fraser Street from Eleventh Avenue to Thirteenth Avenue  
 Thirteenth Avenue from Fraser Street to Burrows Street  
 Burrows Street from Thirteenth Avenue to Fourteenth Avenue  
 Rolling road closure between 11am - 3pm on Sunday 12 January 2025

### Mount Festival of Multisport

Salisbury Wharf Car Park the entire car parking area  
 Salisbury Avenue from Victoria Road to The Mall  
 The Mall from Salisbury Avenue to Prince Avenue  
 From 6am Friday 17 January - 9pm Saturday 18 January 2025

The Mall from Prince Avenue to Adams Avenue including the Pilot Bay Boat Ramp  
 Victoria Road from Salisbury Avenue to Prince Avenue  
 Prince Avenue from Salisbury Avenue to The Mall  
 Adams Avenue from The Mall to Marine Parade  
 Marine Parade from Adams Avenue to Oceanbeach Road  
 From 4:30am - 5pm on Saturday 18 January 2025

Oceanbeach Road from Marine Parade to road end  
 Yale Street from Oceanbeach Road to Maranui Street  
 Maranui Street from Yale Street to Sandhurst Drive  
 Papamoa Beach Road from Sandhurst Drive to Parton Road

*From 4:30am - 1pm on Saturday 18 January 2025*

State Highway 2 (Tauranga Eastern Link)

State Highway 2 (Tauranga Eastern Link), east bound from the intersection with Domain Road, including the Domain Road East Bound On Ramp, to the intersection with State Highway 33

*From 5:30am-1pm Saturday 18 January 2025*

*Note: Roads may open earlier depending on progress of the event.*

#### **One Love Festival**

Cameron Road	from Brown Street to Wharf Street
Durham Street	from Wharf Street to Harington Street
Hamilton Street	from Willow Street to the end of Hamilton Street West
Harington Street	from Willow Street to Cameron Road
Park Street	from Cameron Road to Cliff Road
Cliff Road	from Brown Street to Monmouth Street
Monmouth Street	from Cameron Road to Cliff Road
McLean Street	from Cameron Road to Willow Street
Brown Street	from Willow Street to Cliff Road
Mission Street	from Chapel Street to Cliff Road

*From 11:59pm Friday 25 January 2025 - 6am Monday 27 January 2025*

#### **Concert 4**

Cameron Road	from Wharf Street to Chapel Street
Hamilton Street	from Cameron Road to Willow Street
Harington Street	from Cameron Road to Willow Street
Durham Street	from Wharf Street to Harington Street

*From 10.30am Wednesday 5 February 2025 – 1am Thursday 6 February 2025*

Hamilton Street West full length

*From 1am Tuesday 4 February 2025 – 1am Thursday 6 February 2025*

#### **Concert 4 – Alternative Date**

Cameron Road	from Wharf Street to Chapel Street
Hamilton Street	from Cameron Road to Willow Street
Harington Street	from Cameron Road to Willow Street
Durham Street	from Wharf Street to Harington Street

*From 10.30am Thursday 6 February 2025 – 1am Friday 7 February 2025*

Hamilton Street West full length

*From 1am Wednesday 5 February 2025 – 1am Friday 7 February 2025*

#### **Waitangi Day Dawn Service**

Marine Parade from Grace Avenue to Pacific Avenue

*From 5am - 7pm on Thursday 6 February 2025*

#### **Calley Homes Women's Triathlon**

Salisbury Wharf Car Park	the entire car parking area
Salisbury Avenue	from Victoria Road to The Mall
The Mall	from Salisbury Avenue to Adams Avenue including the Pilot Bay Boat Ramp
Prince Avenue	from The Mall to Victoria Road roundabout
Adams Avenue	from The Mall to Marine Parade
Marine Parade	from Adams Avenue to Oceanbeach Road

*From 5am - 12 Noon on Sunday 16 February 2025*

*Note: Roads may open earlier depending on progress of the event.*

#### **Childrens Day 2025**

The Strand from Harington Street to Devonport Road

*From 4am to 7pm on Sunday 2 March 2025*



**Marra Sprint Triathlon**

Salisbury Wharf Car Park                      the entire car parking area  
Salisbury Avenue                                from Victoria Road to The Mall  
The Mall    from Salisbury Avenue to Adams Avenue including the Pilot Bay Boat Ramp  
Prince Avenue                                    from The Mall to Victoria Road roundabout  
Adams Avenue                                    from The Mall to Marine Parade  
Marine Parade                                    from Adams Avenue to Oceanbeach Road

*From 5am - 12 Noon on Sunday 9 March 2025*

*Note: Roads may open earlier depending on progress of the event.*

**Mount Maunganui Triathlon**

Marine Parade                                    from Adams Avenue to Oceanbeach Road  
Oceanbeach Road                                from Marine Parade to Yale Street  
Yale Street                                        from Oceanbeach Road to Maranui Street  
Maranui Street                                    from Yale Street to Papamoa Beach Road  
Papamoa Beach Road                            from Maranui Street to Hartford Avenue

*From 4am - 12 Noon on Saturday 5 April 2025*

*Note: Roads may open earlier depending on progress of the event.*

**Ultimate Athlete**

Marine Parade                                    from Grace Avenue to Pacific Avenue

*From 6am - 6pm on Saturday 11 April 2025*

**We Run the Night Half Marathon**

Marine Parade                                    from Commons Avenue to Hart Street  
Pacific Avenue                                    from Rita Street to Marine Parade

*From 3pm – 11:30pm on Saturday 3 May 2025*

**Bethlehem Tertiary Institute Graduation Parade**

The Strand                                        from Wharf Street to Devonport Road  
Devonport Road                                    from Spring Street to Fourth Avenue

*Rolling road closure from 1pm - 2pm on Saturday 17 May 2025*

*Postponement date: Saturday 24 May 2025*

**Anzac Day Dawn Parade and Memorial Services**

Marine Parade                                    from Commons Avenue to Banks Avenue  
Pacific Avenue                                    from Rita Street to Marine Parade

*From 2am - 12 Noon on Friday 25 April 2025*

**Anzac Day Civic Service**

Eleventh Avenue                                from Devonport Road to Fraser Street  
Fraser Street                                    from Eleventh Avenue to Thirteenth Avenue

*From 7am - 12 Noon on Friday 25 April 2025*

## 11.7 Asset Realisation Reserve - Classification of Properties

**File Number:** A15781096

**Author:** Simon Collett, Manager: Commercial Property  
Christine Tarrant, Strategic Property Advisor

**Authoriser:** Paul Davidson, Chief Financial Officer

### PURPOSE OF THE REPORT

1. This report seeks a Council resolution on the disposal classification of the properties set out in the below Recommendations section of this report ("**the Properties**"). The Properties were resolved to form part of the Asset Realisation Reserve at the Council meeting held on 24 July 2023. This classification will enable the initiation of a potential sale process, allowing the proceeds to be utilised for other capital projects.

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### RECOMMENDATIONS:

- (a) Receives the report "Asset Realisation Reserve - Classification of Properties".
- (b) Resolves that the disposal of the following properties be classified as Surplus Property in accordance with Council's Property Acquisitions and Disposals Policy ("the PADP") subject to first consulting appropriately with Mana Whenua and Mana Whenua not raising any specific objections to the proposed classification:
  - i. 59C Esmeralda Street, Welcome Bay;
  - ii. 53D Esmeralda Street, Welcome Bay;
  - iii. 2014L Kailua Road, Welcome Bay;
  - iv. 15 Herald Way, Welcome Bay;
  - v. 32 Keilor Road, Otūmoetai;
  - vi. 140 Grange Road, Otūmoetai;
  - vii. 96B Sherwood, Bellevue;
  - viii. 31,33,35 Glasgow Street, Tauranga;
  - ix. 149 Second Avenue, Tauranga;
  - x. 134-136 Greerton Road, Tauranga;
  - xi. 35A & 35B Third Avenue and 1-3 43 Third Avenue, Tauranga;
  - xii. 65-73 Cross Road, Tauranga; and
  - xiii. 85 Cross Road, Tauranga.("the **Surplus Properties**") noting that:
  - xiv. Subject to any legal obligations identified in this report, if these Surplus Properties are suitable for open market disposal, Council will follow the PADP and engage with Mana Whenua with respect to the proposed classification and then, should Mana Whenua not raise material objection to the proposed classification offer Mana Whenua the right of first refusal; and
  - xv. If Mana Whenua declines the offer, the Surplus Properties will be considered for disposal through an open market process.

- 
- (c) Resolves that the disposal of part of the property at 376 No.1 Road, Te Puke (**“the Orchard Block”**) be classified as a Strategic Disposal under the PADP, with the site-specific strategic objectives if the Orchard Block is sold to New Zealand Institute for Plant and Food Research Limited (**“PFR”**), including:
- (i) Improved community resilience and economic development as a sale to PFR will support the continued operation of PFR and the company’s research into sustainable crops; and
  - (ii) Strategic Disposal to PFR will achieve market value, enabling the sale proceeds to be allocated towards other strategic works.
- Notes that dependent on the outcome of consultation with Mana Whenua on the Orchard Block, the matter may need to come back to Council for a further decision.
- (d) Resolves that if an agreement for sale and purchase cannot be reached with PFR 12 months from the date of the Orchard Block’s classification under the PADP, then it is recommended that the Orchard Block be reclassified as a Surplus Property and the process to offer the property to Mana Whenua as prescribed under the PADP be carried out.
- (e) Resolves that as both the Surplus Properties and Orchard Block are held in the Asset Realisation Reserve, the proceeds of the disposal of the properties will be used to fund Council capital projects.
- (f) Resolves to initiate the procedure to revoke the reserve status, under section 24 of the Reserves Act 1977, of the property at 140 Grange Road, being a Local Purpose Reserve (Scout Hall Site), for the following specific reasons:
- (i) The Scout Hall building has been demolished;
  - (ii) The reserve no longer provides any significant community value in terms of its status and classification under the Reserves Act.
  - (iii) The property has been reviewed from a whole organisation perspective and assessed as no longer required for strategic or operational purposes, and
  - (iv) Subject to completion of revocation, the Council wishes to dispose of this property.
- 

## EXECUTIVE SUMMARY

2. In July 2023, Council established the Asset Realisation Reserve (**“ARR”**) for managing the disposal of properties no longer needed for operational or strategic purposes or suitable for disposal to fulfil a strategic purpose within a defined timeline.
3. This report proposes the classification and subsequent disposal methods for the Properties. The proposed classifications are in alignment with Council’s PADP and involves necessary engagement with Mana Whenua in compliance with policy obligations.
4. The recommendations in this report suggest classifying specific properties as Surplus and one property as a Strategic Disposal. Both these classifications will allow their future sale and the use of the proceeds to fund capital projects.
5. Council’s approval is sought to proceed with these actions, ensuring compliance with legal and policy requirements.

## BACKGROUND

6. On 24 July 2023 Council established the ARR as the first step in progressing the divestment of Council properties which have been identified as:
  - (a) No longer needed for operational or strategic purposes; or

- (b) Available for disposal to achieve a strategic purpose with a defined trigger or timeframe for that disposal.
- 7. A copy of the Council report from 24 July 2023 is included at **Attachment 1**.
- 8. The ARR will also be used to hold resulting sale proceeds. Council has decided to utilise sale proceeds in the ARR as a funding source for Te Manawataki o Te Papa project in the first instance. Proceeds held in the ARR may also be used to fund other capital projects, subject to Council resolution.
- 9. The report to Council which established the ARR also noted that identifying a property or asset to be managed through the ARR approach does not necessarily equate to an immediate decision to sell it. It is instead a recognition that the property/asset is no longer required by Council for operational purposes or is available for strategic disposal.
- 10. Once a property is identified to be managed via the ARR, the next steps are to assess it on a case-by-case basis, and in accordance with Council's legislative requirements and policies. The Properties have been identified for management via the ARR at the Council meeting of 24 July 2023, as part of the report establishing the ARR.
- 11. This report addresses Council's legislative requirements and policies and seeks a Council decision to classify the Properties as either a Surplus, Strategic or Atypical disposal as defined under the PADP.

#### DETAILS ON THE PROPERTIES BEING CONSIDERED IN THIS REPORT

- 12. **Attachment 2** provides a detailed summary for each of the Properties under consideration. These summaries cover general property information, the historical context of acquisition by Council, and initial assessments as required under the PADP.
- 13. The rationale for proposing the disposal of each property is clearly outlined in Attachment 2, reflecting the current considerations of the Council regarding the best use and management of these assets.

#### APPLYING THE PADP

- 14. Before proceeding with the disposal of the Properties, Council must classify the Properties as either:
  - a) Surplus - Property that has been reviewed from a whole of organisation perspective and assessed as no longer required for strategic or operational purposes; or
  - b) Atypical – A unique property, which has a lack of similar sales to inform market value assessments, or a property with a range of uses (all with a significant range of values), or a property which has a different value for a sub-section of the market than it does for the market as a whole; or
  - c) A Strategic Disposal - Disposal of property for the purposes of achieving strategic or operational outcomes for the community.
- 15. When classifying a property for disposal, Council must firstly undertake three steps, these are addressed by the following sections.

##### **Step 1: Assessment**

- 16. Council must assess three key elements: its statutory and legal obligations, whether the purpose of the sale is to achieve strategic objectives, and if the property is suitable for an open market sale process. Attachment 2 includes this assessment for each of the Properties.
- 17. The PADP requires that once the assessment (referred above) has been made, Council will, as soon as reasonably practicable, notify Mana Whenua of the details of the property being considered and a summary of the assessment undertaken. If the property is not subject to pre-existing statutory or other legal obligations, Council staff are required under the PADP to meet with Mana Whenua within 30 days of giving the above notice and engage in good faith to ensure any cultural matters have been appropriately identified and considered in the assessment and to receive any comments Mana Whenua may have in respect to the

possible classification of the property. Strategic Property in conjunction with Te Pou Takawaenga have prepared individual property reports (similar in content to the Property Summaries at Attachment 2) to be provided to key representatives of each of the relevant hāpu. Each of these property reports includes the full assessment required under the PADP. Takawaenga are currently in the process of distributing these reports and facilitating meetings with each of the relevant hāpu to enable engagement in good faith and to receive comments which they have in respect to the classification of the Properties.

It is considered that the PADP requirements in respect of *Engagement with Mana Whenua on Cultural Matters* have not yet been met and so the classification is sought subject to such engagement being completed and Mana Whenua not raising any material objections to the proposed classification. **Step 3: Classification**

18. Following completing an assessment of the Properties and engaging with Mana Whenua, Council can classify each of the properties via Council resolution. Once Council has classified the disposal type, Mana Whenua will be advised within 30 days of the Council resolution.
19. An assessment of the different classification options is set out below at the Disposal Classification Option and Recommendations section of this report.
20. Notwithstanding this, it is considered that the classification of the Surplus Properties benefits Mana Whenua so immediate classification is sought. Dependent on the outcome with engagement with Mana Whenua on the Orchard Property, Council officers may need to come back to Council for a further decision.

#### DISPOSAL CLASSIFICATION OPTIONS AND RECOMMENDATIONS FOR SURPLUS PROPERTIES

21. There have been no strategic or operational outcomes identified for the Surplus Properties to date and the Surplus Properties do not meet the definition of an atypical property set out in the PADP. Accordingly, the recommendation in this report is for all the Surplus Properties to be classified as surplus property, not atypical or strategic.
22. **Option One:** Classify the disposal of the Surplus Properties as Surplus Property on the basis that the sole objective is for realisation of financial return and removal of the asset from the property portfolio (**RECOMMENDED**)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Provides greater flexibility regarding the terms of any sale and purchase agreement, as Council will not be prioritising the achievement of strategic outcomes via the sale.</li> <li>Likely result in a financial benefit to Council.</li> </ul>	<ul style="list-style-type: none"> <li>Council has no control (or less control) over the strategic outcomes of the sale, as these are not prioritised via the property classification.</li> </ul>

23. **Option two:** Classification of the disposal of the Surplus Properties as a Strategic or Atypical Disposal: **NOT RECOMMENDED**

Comments:
<ul style="list-style-type: none"> <li><b>Classification of the properties as either strategic or atypical is not appropriate for these properties. There are no site-specific strategic outcomes relevant to meet a classification of this type and none of the properties meet the definition of atypical as defined under the PADP.</b></li> </ul>

24. **Option three:** Refrain from classifying the Surplus Properties on the basis that Council will retain ownership and not dispose: **NOT RECOMMENDED**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>May result in the Surplus Properties increasing in value overtime and being a more valuable asset to dispose of in the future.</li> <li>Revenue will continue to be generated from leases for those of the Surplus Properties which generate a rental/lease income.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and associated property risks of the Surplus Properties remains Council's responsibility.</li> <li>Retention of the Surplus Properties will not result in any generation of funds from a sale which could be applied towards other capital projects.</li> <li>Property insurance costs will remain with Council.</li> </ul>

### DIVESTMENT APPROACH OF SURPLUS PROPERTIES

25. In accordance with the PADP, if the Surplus Properties are classified as Surplus Property, then, following the discharge of any pre-existing statutory or other legal obligations by Council, Mana Whenua will be provided with the opportunity to purchase the Surplus Properties.
26. The right of first refusal applies to Surplus Properties which have been assessed as suitable for sale via an open market process, which is the case for all these Surplus Properties. In respect of the Surplus Properties, Mana Whenua will determine if they have an interest in purchasing the property and which iwi or hapū will proceed with the purchase. If more than one iwi or hapū (to which the offer is made) express an interest in the purchase of the property, then the parties shall work together in good faith to determine which iwi or hapū will complete the purchase (or if the purchase will be a joint undertaking). Market value will be paid for the Surplus Properties sold via right of first refusal.
27. If Mana Whenua decline the offer, then the Surplus Properties will be marketed for sale via an open market process.

### THE ORCHARD BLOCK STRATEGIC DISPOSAL PROPOSAL

28. The Orchard Block is the only contemplated Strategic Disposal as defined under the PADP in this report.
29. The property at 376 No.1 Road, Te Puke (outlined in pink in below image) was purchased by Council in 2004 for the construction of the Waiāri Water Treatment Plant (**WWTP**). The WWTP has now been completed.

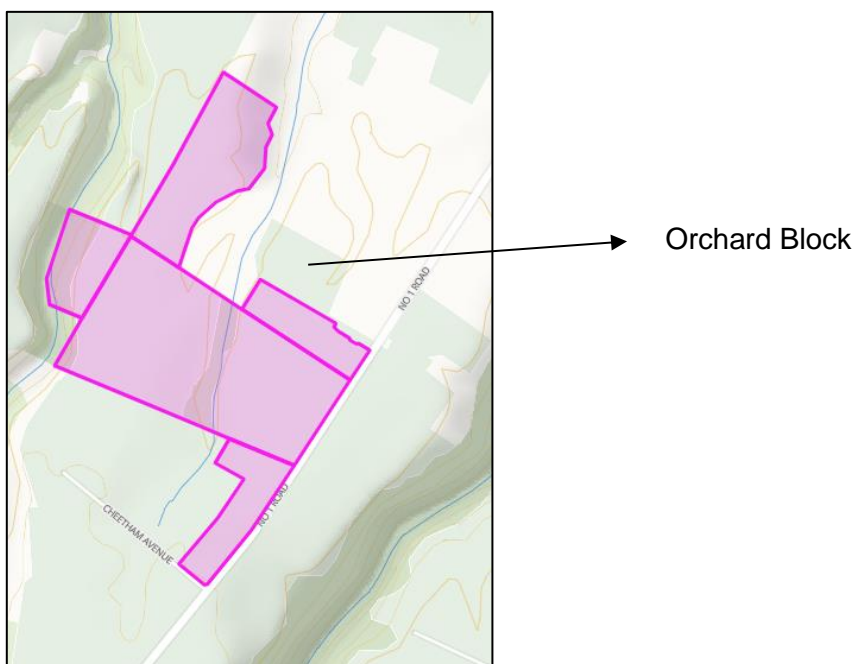




30. That part of 376 No.1 Road (shown in the image below and referred to as The Orchard Block) is no longer required for operational or strategic purposes and was identified as potentially surplus to Council requirements in 2019.



31. The Orchard Block is currently leased to The New Zealand Institute for Plant and Food Research Limited ("**PFR**") for research and development purposes ("**the Lease**"). The Lease expires 31 May 2028. There is no licence or crop generated for sale. The fruit is for selection and evaluation.
32. PFR are also the landowners of a large property adjoining the Orchard Block. PFR's adjoining land is contained in record of title SA68D/236 and is outlined in pink in the below image:



33. The Lease includes provision that Council may offer PFR the right to purchase the Orchard Block on terms and conditions agreed between them.
34. PFR has indicated an interest (subject to price negotiations) in purchasing the Orchard Block as the Orchard has formed part of their established operation. Given this, it is recommended by this report that Council commences a negotiation process with PFR and only considers a open-market process if negotiations with PFR are unsuccessful.



## OPTIONS ANALYSIS FOR DISPOSAL CLASSIFICATION OF THE ORCHARD BLOCK

35. **Option One:** Classify the disposal of the Orchard Block as a Strategic Disposal  
(**RECOMMENDED**)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Improved community resilience and economic development as a Strategic Disposal to PFR will support the continued operation of PFR and the company's research into sustainable crops;</li> <li>A Strategic Disposal to PFR may result in a higher sale price due to the potential for an adjoining owner premium to be applied</li> </ul>	<ul style="list-style-type: none"> <li>A Strategic Disposal to PFR would mean that Council would not look to offer the property to Mana Whenua under the PADP.</li> </ul>

- Option Two:** Classify the disposal of the Orchard Block as either an atypical disposal or surplus property (**NOT RECOMMENDED**)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Provides greater flexibility regarding the terms of any sale and purchase agreement, as Council will not be prioritising the achievement of strategic outcomes via the sale.</li> </ul>	<ul style="list-style-type: none"> <li>Council has no control (or less control) over the strategic outcomes of the sale, as these are not prioritised via the property classification.</li> <li>The suitability of the Orchard Block being offered on the open market may affect the sale price due to the lack of licence, crop and lease requirements to PFR.</li> </ul>

## DIVESTMENT APPROACH FOR ORCHARD BLOCK

36. We note that a right of first refusal to Mana Whenua does not apply to strategic disposals under the PADP and accordingly the recommendation is that the Orchard Block is divested by way of entering negotiations with PFR to dispose of the Orchard Block at a purchase price agreed upon by Council and PFR.
37. If an agreement for sale and purchase cannot be reached with PFR 12 months from the date of the Orchard Block's classification under the PADP, then it is recommended that the Orchard Block be reclassified as a Surplus Property and the process to offer the property to Mana Whenua as prescribed under the PADP be carried out.

## FINANCIAL CONSIDERATIONS

38. Updated market valuations for the Surplus Properties will be obtained before initiating the right of first refusal process described above. Similarly, updated valuations for the Orchard Block will be obtained as part of any negotiations with PFR. This will ensure that the Council has current market information, considering the unique characteristics of each property.
39. Standard transaction-related expenses will apply to each sale, including necessary costs such as legal fees and valuation expenses.
40. If Mana Whenua declines an offer to buy a property or if an agreement with PFR isn't reached, additional fees for commission and marketing will be incurred to prepare and promote the property for sale on the open market.

**LEGAL IMPLICATIONS / RISKS**

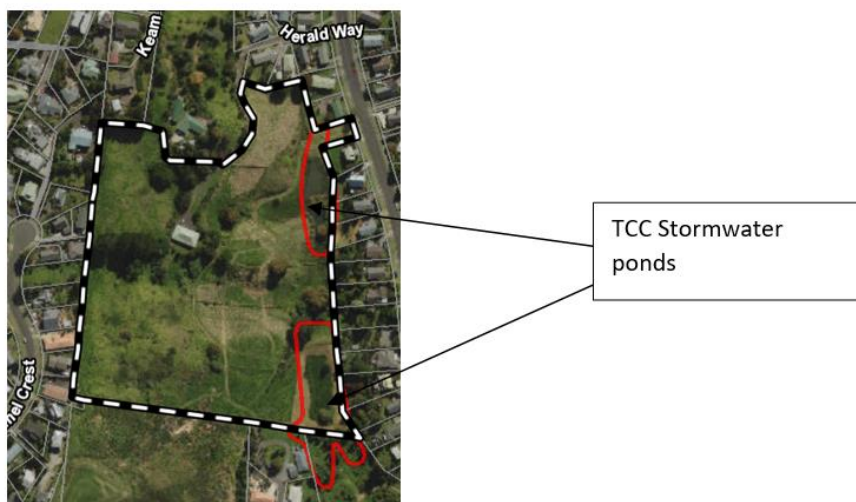
41. In any property sale, Council evaluates potential divestment implications under the Public Works Act 1981 ("**PWA**") and considers other legislative, policy, and zoning aspects specific to each property.
42. Since this report examines the disposal classification of multiple properties, various legal considerations apply to some of the Properties and not others. Details of these considerations and which properties they apply to are detailed below.

**PUBLIC WORKS ACT 1981**

43. Council must consider whether it has any 'offer-back' requirements under section 40 of the PWA when considering the disposal of all the Properties. An 'offer-back' requirement is when Council is obliged to offer back the property it is looking to dispose of, to its former owner or their successors for purchase at current market value prior to any other disposal process.
44. The Council may decide, under s40(2)(a) of the PWA, that it would be unreasonable to be required to offer back the following properties under the PWA because of the explicit contractual waivers of such rights signed by the vendors upon the transfer of ownership to the Council:
  - (a) 59C Esmeralda Street, Welcome Bay;
  - (b) 53D Esmeralda Street, Welcome Bay;
  - (c) 2014L Kairua Road, Welcome Bay;
  - (d) 15 Herald Way, Welcome Bay;
  - (e) 32 Keilor Road, Otūmoetai,
  - (f) 96B Sherwood, Bellevue; and
  - (g) 35B Third Avenue and 1-3 43 Third Avenue, Tauranga
45. Council has sought legal advice in relation to the waivers mentioned above and is awaiting receipt of this advice.
46. Council has also commissioned reports from a LINZ-accredited supplier to determine whether it has statutory or legal obligations concerning the following properties before they can be disposed of. Specifically, Council officers have sought advice on any offer-back obligations to previous owners or their successors under the PWA and whether exemptions under s40(2) might apply to any of these properties:
  - (a) 65-73 Cross Road & 85 Cross Road Tauranga;
  - (b) 140 Grange Road, Otūmoetai; and
  - (c) 134-136 Greerton Road, Greerton
47. The advice received will influence the disposal process. If any of the properties listed in clause 46(a) –(g) and/or 48 (a) – (c) are considered to be subject to offer-back obligations under the PWA, the statutory process must be followed to offer these properties back to the former owners or their successors.
48. Notably, if the Council finds that offer-back obligations exist under the PWA, the Right of First Refusal to Mana Whenua outlined in the PADP for Surplus Properties will not be carried out initially.  
35A Third Avenue
49. The Council purchased the property at 35A Third Avenue via an open-market auction in December 2008. Council is also awaiting legal advice in relation to offer-back obligations under the Public Works Act in relation to this property.

15 Herald Way

50. As detailed in the property summary for 15 Herald Way (Attachment 2, page 15) the property was initially acquired for the potential maintenance and expansion of stormwater-related infrastructure additional to the existing ponds. However, this work was not pursued, and the property now primarily serves as an operational asset containing stormwater ponds and infrastructure in the low-lying area near Resolution Road.
51. Before disposing of the property, the Council will initiate a 'setting apart' action in accordance with Section 52(4) of the Public Works Act 1981.
52. The purpose of this action is to create two separate fee simple lots.
53. The Council will retain the lot with the stormwater assets and associated infrastructure, while the second lot, which contains the existing dwelling, will be available for disposal. The diagram below provides a preliminary outline of the Council's stormwater ponds that will be retained. The remaining land will be considered for disposal. Note that the indicative boundaries shown below are subject to survey and specific legal guidance regarding the setting apart action, but this is the proposed outcome in principle.

**SECTIONS 140 & 141 OF THE LOCAL GOVERNMENT ACT 2002 (“LGA”)**

54. The properties at 31, 33, 35 Glasgow Street and part of the property at 149 Second Avenue in Tauranga are held as 'endowment land'. Contrast to the properties mentioned in paragraph 0 and 0 above (which the Council acquired for public works); the Crown vested these properties in the Council in 1885 as an endowment in aid of Borough Funds. Attachment 2, on pages 55 and 58, provides a summary of each of these property's specific details and historical background on how the land came into Council's ownership via endowment.
55. Sections 140 and 141 of the LGA provide for the sale or exchange of endowment properties and establish conditions for how the proceeds of such transactions should be utilised.
56. The Minister has the authority to approve additional or alternate purposes for which the property or its derived income may be used. The proceeds of sale of any such endowment property must be used for a purpose consistent with the purpose of the endowment, that is, in aid of Borough Funds
57. Section 141 of the LGA mandates that, in cases where the Crown originally donated the property to the Council, the Council must notify both the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations before disposing of endowment land.

58. Once these endowment properties have been classified as Surplus Disposals under the PADP via a Council resolution, the Council will fulfil its obligations under Section 141 by notifying the appropriate Ministers of the proposed disposal.
59. This notification will occur prior to initiating any divestment actions outlined in this report.

#### SECTION 24 RESERVES ACT 1977

60. The property at 140 Grange Road is classified as a Local Purpose Reserve (Scout Hall site) under the Reserves Act 1977. Formerly the location of a scout hall, the building has since been demolished.
61. Before divesting this property, a process must be followed according to Section 24 of the Reserves Act 1977 to determine if the reserve status can be revoked. The process will proceed as outlined below:
  - (a) *Council initiating process*<sup>7</sup>: The Council as administering body of the reserve needs to resolve to initiate the process of revocation following a report that considers the “value” of the reserve, having specific reference to the purpose of the reserve under the Act, before initiating the process of revocation. The resolution will clearly state the reasons for the proposed revocation.
  - (b) *Consult with Commissioner*: The Council must consult with the Commissioner, an officer appointed by the Director-General under the Reserves Act, of its intention to seek the revocation of the reserve;
  - (c) *Consultation and Public Notification*: Following consultation with the Commissioner, the Council will give public notice of the proposed revocation, stating the reasons for the proposed revocation consistently with the original resolution.
  - (d) *Public Objections*: The public will have one month after the date of the public notice to submit written objections to the revocation.
  - (e) *Consideration of Objections*: The Council must consider the objections received and may have a hearing to do so. Following that consideration and hearing (if applicable) there must be a Council resolution on those objections.
  - (f) *Consideration by Minister*: The Council must forward a copy of all objections and the Council’s resolution on those objections to the Minister to consider.
  - (g) *Minister’s Decision*: The ultimate decision to revoke the reserve status rests with the Minister of Conservation. The Minister will consider all objections and the Council’s resolution on those objections.
  - (h) *Ministerial Approval and Gazette Notification*: The Minister may, at their discretion, revoke the reserve status of all or part of the land by publication of notice in the *Gazette*.
62. If 140 Grange Road is deemed a Surplus Property I under the PADP, and pending a successful revocation of its reserve status, this report recommends rezoning the property from Open Passive Space to Residential for best compatibility with open-market sale approach.
63. Before the disposal of 140 Grange Road, Council will also need to register easements on the property to protect and maintain Council stormwater infrastructure and ensure secure access to this infrastructure after the property is no longer under Council ownership.

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<sup>7</sup> as defined in the interpretations section of the Reserves Act 1977 “**Commissioner**, in relation to any reserve, means an officer designated by the Director-General for the purposes of this Act”.

## CONSULTATION / ENGAGEMENT

64. When Council is assessing whether to consult on an issue or matter, it applies Council's Significance and Engagement Policy and considers legislative consultation requirements.
65. The Council's Significance and Engagement Policy provides guidance as to when Council should engage with the community. It includes a list of strategic assets. The decision to sell a strategic asset must be made via a Long-Term Plan and consulted on as part of that process (the LGA 2002, section 97). These Properties are not strategic assets, and therefore a decision to sell the Properties can be made without being provided for in the Long-Term Plan.
66. Council's Significance and Engagement policy also provides guidance to assess the significance of an issue, considering factors such as the level of community interest and financial impact. The proposed sale of the Properties is assessed as medium significance (see the following section) and Council's degree of consultation, if any, is discretionary. Any consultation undertaken may be targeted.

## SIGNIFICANCE AND ENGAGEMENT

67. The LGA 2002 requires an assessment of the significance of matters, issues, proposals, and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal, or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
68. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
69. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.
70. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that other than the consultation required to be carried out with Mana Whenua under the PADP, further consultation/engagement is not appropriate or necessary for classification of the Properties.

## NEXT STEPS

71. Following Council resolution of the disposal classifications, the following actions will be implemented by Council staff ensuring compliance with the PADP and other legislative requirements:
  - (a) Confirm if any of the Surplus Properties are subject to legal obligations to offer back any of the Surplus Properties to the former owners or their successors under the PWA.
  - (b) Subject to legal advice in relation to the above, promptly notify Mana Whenua re the classification of the Properties in accordance with the PADP. This step is crucial for maintaining transparency and honouring the cultural and historical significance of the properties to Mana Whenua.
  - (c) Initiate the procedure to revoke the reserve status, under section 24 of the Reserves Act 1977, of the property at 140 Grange Road.
  - (d) In accordance with s141 of the LGA notify the Minister of Land Information and the Minister in Charge of Treaty of Waitangi Negotiations that the Endowment Properties are being considered for disposal.

- (e) Engage with Mana Whenua to discuss and potentially execute the right of first refusal process as outlined in Section 5.9 of the PADP stage. This engagement will include confirming their interest or lack thereof in purchasing the Surplus Properties.
  - (f) Task independent registered valuers to assess the market value of the Properties, ensuring that valuations are conducted in an open and competitive environment, as required under Section 5.2 of the PADP.
  - (g) Prepare an offer to PFR concerning the Orchard Block as a strategic disposal.
72. These steps will be carried out with a commitment to transparency, adherence to statutory obligations, and in alignment with the strategic and operational goals of the Council.

## ATTACHMENTS

1. **Attachment 1 - Asset Realisation Reserve - A14836606**  
2. **Attachment 2 - Individual Property Summaries - A15966070 (Separate Attachments 1)** 



**11.5 Asset Realisation Reserve****File Number:** A14836606**Author:** Simon Collett, Manager Commercial Property**Authoriser:** Marty Grenfell, Chief Executive**Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 11.5 - Asset Realisation Reserve - Attachment 2 - Potential Sale Properties and Estimated Values - Confidential - 24 July 2023	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 11.5 - Asset Realisation Reserve - Attachment 3 - KPMG Report - Asset Realisation Reserve (12 July)	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

**PURPOSE OF THE REPORT**

1. This report seeks Council approval to create an Asset Realisation Reserve (the Reserve) approach. The Reserve approach will be used to identify, manage property and assets pending divestment, and to hold resulting disposal proceeds. Council will be able to by resolution allocate funds held in the reserve to capital projects, with Te Manawataki o Te Papa identified as the first capital project to receive funds from the Reserve.

**RECOMMENDATIONS**

That the Council:

- a) Receives the report "Asset Realisation Reserve".
- b) Approves the creation of an Asset Realisation Reserve approach which will be used to:
  - i) Manage Council properties and assets, initially acquired from sources other than the Strategic Acquisitions Fund, which have been assessed as:
    - No longer needed for operational or strategic purposes, or
    - Identified as available for disposal (externally or to a Tauranga City Council activity) to achieve a strategic purpose and a defined trigger or timeframe for that disposal has been determined; and
    - Includes, for avoidance of doubt, assets associated with commercial activities that Council no longer wishes to own or operate.
  - ii) Hold the resulting sale proceeds from Council properties and assets.
  - iii) Fund Council capital projects, with the decision to fund capital projects from the Asset Realisation Reserve to be made via Council resolution.
- c) Approves that on sale of assets managed through the Asset Realisation Reserve approach, any debt associated with that asset will be not repaid unless Council, by further resolution, determines full or partial debt repayment shall occur.
- d) Notes that property or an asset identified to be managed through the Asset Realisation Reserve approach is not necessarily a decision to sell that property or asset, but a



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recognition that the property/asset is no longer required by Council for operational purposes or is available for strategic disposal.

- e) Notes that an annual review of Council's property holdings will be undertaken, with those properties which are identified as no longer required by Council for operational purposes or are available for strategic disposal managed through the Asset Realisation Reserve approach.
- f) Notes that the potential sale of any Council properties or assets held by the Asset Realisation Reserve will be assessed and managed on a case-by-case basis and in accordance with Council's legislative requirements and policies, including the Property Acquisitions and Disposals Policy and Significance and Engagement Policy.
- g) Approves all the properties listed in Attachment 1, subject to not being required for any alternate operational purpose, being managed through the Asset Realisation Reserve approach and approve staff to progress the sale or potential sale of those properties.
- h) Approves the Asset Realisation Reserve to be used as a source of funding for the Te Manawataki o Te Papa project in the first instance.
- i) In accordance with section 80 of the Local Government Act notes that, with respect to the decision to hold sale proceeds in the newly established Asset Realisation Reserve:
  - i) The decision is inconsistent with the Property Acquisitions and Disposals Policy (section 5.8.5) which states that proceeds from the disposal of surplus property will be returned to the council activity that funded the purchase; and
  - ii) The reasons for the decision are addressed in this Asset Realisation Reserve Report; and
  - iii) Council intends to amend the Property Acquisitions and Disposals Policy to accommodate the decision.

- 
- j) Retains the information contained within Attachments 2 and 3 in public excluded until the respective property sale has been completed. Details associated with unsold properties will remain confidential and are to be redacted from any public release.
- 

**EXECUTIVE SUMMARY**

- 2. This report proposes the establishment of an Asset Realisation Reserve approach by Council to facilitate the funding and sale of non-core Council assets as outlined in the 2021-2031 Long Term Plan Amendment (LTPA). The reserve will transparently manage the sale of Council properties and assets and hold the resulting proceeds, which will be allocated to capital projects based on highest need.
- 3. The proposal aligns with Council's commitment to strategic and coordinated property management and will be supported by an annual property review process. The management of properties through the Asset Realisation Reserve approach does not imply an immediate decision to dispose of them, as disposal decisions will be made on a case-by-case basis following the transfer.
- 4. This report presents three issues for consideration and decision.
  - i. The proposal to establish an Asset Realisation Reserve approach and the criteria for identifying properties to be managed through that approach.
  - ii. The treatment of debt associated with properties in the reserve.
  - iii. The list of properties proposed for management through the Asset Realisation Reserve approach, which includes the Marine Precinct, central city carparking buildings, "Smiths Farm", "Pōteriwahi" (Parau Farms), and various other Council properties. The total estimated gross value of these properties is \$146.3 million (and \$97.7 million net of debt).

5. This report emphasizes that property values are influenced by wider economic performance and interest rates. It recommends considering future revenue assumptions and developing a parking strategy to maximise the value of the carpark buildings and inform any subsequent divestment. Further work will also be completed to develop a divestment strategy for the Marine Precinct.
6. The report highlights the financial considerations, legal implications, risks, and the need for consultation and engagement on individual property sales as required.
7. Any future sale processes will be managed on a case-by-case basis and in accordance with Council's legislative requirements and policies, including the Property Acquisitions and Disposals Policy and Significance and Engagement Policy.

## BACKGROUND

8. Through the 2021-2031 Long Term Plan Amendment (LTPA) Council noted the following:
  - Council needs to explore new ways of funding; and
  - With respect to Te Manawataki o Te Papa the sale of non-core Council assets was identified as a potential funding source. The consultation document stated "*Further investigation of assets sales is required, but potentially, this could include Council's two central city parking buildings and the Marine Precinct. If these investigations prove favourable, it's likely that further consultation would be undertaken with key stakeholders.*"
9. This report proposes the establishment of an Asset Realisation Reserve (the **Reserve**) approach by Council to create a vehicle to achieve the funding and asset disposals outlined in the LTPA.

## PROPOSAL TO ESTABLISH AN ASSET REALISATION RESERVE

10. Council acquires property to support the demands of growth and enable the timely provision of infrastructure and services, with the overall objective of enhancing the lifestyle, amenity and liveability of the City and delivering improved wellbeing for the City's residents.
11. Over time, as the needs of the City change and infrastructure projects are completed, some of Council's property portfolio is no longer required. When this occurs, there is an opportunity for Council to sell its surplus property.
12. Council may also choose to dispose of property to achieve a strategic outcome for the City. An example of this is the sale of Council's elder housing portfolio to Kāinga Ora: Homes and Communities, which ensured these sites will be used to increase the quantity and quality of public housing for the city.
13. This report proposes establishing the Reserve, which will be used as a vehicle to transparently manage the sale of Council properties and assets, and to hold any resulting proceeds. Council would then allocate funds from the Reserve to capital projects.
14. Establishing the Reserve will form part of Council's ongoing commitment to acquire, hold and dispose of property and assets in a strategic and coordinated manner, and would be established alongside an annual property review process. Holding net sale proceeds in the Reserve allows Council to transparently allocate funding and the benefits of capital gains from the Reserve to projects based on highest and best need.
15. The identification of a property or asset to be managed through the Reserve approach may not necessarily be a decision to dispose of that property or asset. Disposal decisions will be made on a case-by-case basis and managed in accordance with then current Council policy.

## CURRENT COUNCIL POLICY

16. There is some guidance within Council policy as to how sale proceeds and associated debt is to be treated.

17. The Property Acquisitions & Disposals Policy provides:

- 2.1 *"This policy relates to the acquisition and disposal of council property; except for .... acquisition of stormwater- affected property."*
- 5.5.4; *"When the Strategic Acquisitions Fund is used to purchase property, which is later used for operational purposes, the relevant council activity will then account internally for the purchase of the property. The notional purchase amount will be based on the amount the property was originally purchased for, including any legal and valuation costs incurred at the time of purchase, plus holding costs. The monies will be reimbursed to the Strategic Acquisitions Fund. Consideration may be given to the current market value and the original reason for purchase."*
- 5.8.5 *The proceeds from the disposal of surplus property will be returned to:*
  - *the council activity that funded the purchase, or;*
  - *the Strategic Acquisitions Fund if the purchase was funded by the Strategic Acquisitions Fund.*
- 5.5.5 to 5.5.7:
  - *Budget is allocated to the Strategic Acquisitions Fund per annum.*
  - *Unspent funds and proceeds reimbursed to the Strategic Acquisitions Fund will be carried over into the following financial year.*
  - *The Strategic Acquisitions Fund will be capped once the amount contained in the fund equals or exceeds the total amount of budget allocated over the previous three years. Future annual budget allocations will resume once the amount in the Strategic Acquisitions Fund is less than the total amount of budget allocated over the previous three years.*

18. The Treasury Policy provides in 5.1.4:

*"Council will repay borrowings from general funds, proceeds from the sale of investments and assets unless the Council specifically directs that the funds will be put to another use."*

19. Policies are created by Council resolution and the Local Government Act 2002 (section 80) address the matter of situations where Council subsequently makes a decision which is inconsistent with adopted policy:

*"If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify:*

- *The inconsistency; and*
- *The reasons for the inconsistency; and*
- *Any intention of the local authority to amend the policy or plan to accommodate the decision."*

20. Legal advice has confirmed that if Council sells an asset, and it otherwise still meets its debt covenants, Council can choose whether to use the proceeds to repay debt, or to use the proceeds for another purpose.

21. In summary the above guidance and legal framework generally provides that:

- With respect to property funded from the Strategic Acquisitions Fund:
  - Proceeds of disposal will return to the Strategic Acquisition Fund; and
  - Proceeds will reduce the required annual budget allocation to the Fund.
- With respect to property funded from an activity:

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- Proceeds from the property sales will return to that activity (except that there is no similar requirement for stormwater affected properties); and
- Proceeds will be used to repay debt.
- Council, can by resolution:
  - Direct proceeds from sale of assets to a use other than debt repayment; and
  - Decide not to act in accordance with an adopted policy provided that decision is transparently made, and specific Local Government Act 2002 requirements are complied with.

**ISSUE 1 – DECISION ON ESTABLISHING AN ASSET REALISATION RESERVE**

22. Property owned by Council is currently funded and held in either:

- The Strategic Acquisitions Fund; or
- An activity of Council.

23. It is proposed that the Reserve is established, with property managed through the Reserve where it is identified that:

- Either the property is no longer required for operational purposes, or it is available for disposal to achieve a strategic objective; and
- There is a defined trigger or timeline for the disposal to occur.

24. It is also proposed that there be an annual (or more frequently as appropriate from time to time) review of properties both within the Reserve and within activities to ensure that they are proactively managed, and that any property no longer required or available for strategic disposal is actively identified. Identification of property to be managed through the Reserve approach would be via Council resolution.

25. Proceeds from the divestment of property would be held in the Reserve and distributed in accordance with Council resolutions.

**26. Issue 1 – Option 1**

**Establish an Asset Realisation Reserve including property funded from the Strategic Acquisition Fund and Council Activities**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Requires an annual (at minimum) review of all property and identify property available for disposal through the reserve for active management.</li> <li>• Captures property value and enables Council to make a transparent decision on how that value should be applied.</li> <li>• Enables property not required for operational purposes to be removed from the activity and managed by a dedicated team with property expertise.</li> <li>• Increases transparency regarding Council's programme of potential property sales.</li> </ul>	<ul style="list-style-type: none"> <li>• The Strategic Acquisitions Fund would require additional debt to be raised as proceeds would not be reinvested in the fund and therefore less funds would be available for strategic acquisitions.</li> <li>• Activities do not benefit from any capital gains resulting from property held by their activity being sold.</li> </ul>

**27. Issue 1 – Option 2****Establish an Asset Realisation Reserve for property funded from Council Activities**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Advantages same as option 1</li> <li>Strategic Acquisitions Fund can continue to operate as it currently does.</li> </ul>	<ul style="list-style-type: none"> <li>Activities do not benefit from any capital gains resulting from property held by their activity being sold.</li> </ul>

**28. Issue 1 – Option 3****Do not establish an Asset Realisation Reserve**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>None identified</li> </ul>	<ul style="list-style-type: none"> <li>Does not enable Council to make a transparent decision on how capital gains realised by sale of property are applied (as capital gains from sale proceeds are automatically allocated to the activity which held that property).</li> <li>Does not enable property not required for operational purposes is be removed from the activity and managed by a dedicated team with property expertise.</li> <li>Provides less transparency regarding Council property which may at a future point be available for sale.</li> </ul>

**29. Recommendation**

It is recommended that **Option 2** be approved.

**ISSUE 2 – TREATMENT OF DEBT ASSOCIATED WITH PROPERTIES IN THE ASSET REALISATION RESERVE**

30. Council records debt associated properties against the activity for which the property is acquired.

31. The Treasury Policy provides, as noted in paragraph 18 above, that proceeds from sale of assets will be used to repay debt unless the Council specifically directs that the funds be put to another use.

32. The following options can be considered:

- Option 1: Upon selling a property, repay any associated debt.
- Option 2: Upon selling a property retain debt in an activity of Council to the extent that there is an available non-rate funding source to repay that debt and repay the balance of the debt.
- Option 3: Upon selling a property all debt retained within the activity associated with that property.

33. The rationale underpinning Option 3 is that there is no additional debt and Council is recycling or exchanging one asset for another by applying the gross proceeds to an alternative asset.

34. Option 3 results in the most funds being available for investment by way of Council resolution.



35. Options 2 & 3 result in higher debt levels than option 1.
36. Option 3, for assets from rate funded activities, Council may require rate funded debt in future years.

**37. Recommendation**

It is recommended that **Option 3** be approved.

**PROPERTIES AND ASSETS IDENTIFIED FOR TRANSFER TO THE ASSET REALISATION RESERVE**

38. Should Council decide to establish the Reserve, a list of Council properties to be managed through the Reserve approach are identified in Attachment 1. Confidential attachment 2 provides a breakdown of the estimated values at an individual property level.
39. As noted above, management through the Reserve approach is not necessarily a decision to divest/sell these properties. It is that Council has completed an initial assessment that the properties are:
- Not required to deliver core business; or
  - Should be disposed of (either externally or internally) to achieve a strategic objective; and
  - Are in the first stage of any resulting disposal process.
40. Properties recommended to be managed through the Reserve approach include the Marine Precinct, central city carparking buildings, "Smiths Farm", "Poteriwhi" (also known as Parau Farms) and a range of other Council properties. The total estimated gross value of these properties is \$146.3 million (and \$97.7 million net of debt).
41. It is intended that over time the Reserve will be used to providing funding for a range of Council's capital projects, with Te Manawataki o Te Papa being the first of these, as is recommended by the Financial Strategy for Te Manawataki o Te Papa report.
42. If Council decides to proceed with the properties listed in Attachment 1, any resulting sale processes will be managed at the individual property level with reports to Council as needed.
43. Sale processes will be managed in accordance with the disposal requirements outlined in Council's Property Acquisitions and Disposals policy and with consultation as required by Council's Significance and Engagement Policy.

**The Marine Precinct**

44. The Marine Precinct (also known as Vessel Works) is a marine servicing hub located at the Sulphur Point Marine Precinct. It offers a wide range of marine services and facilities for commercial and recreational vessels, including haul-out, launch, berthage, fuelling, and unloading. The initial development included a 6,300m<sup>2</sup> hardstand, deep water marina berths, and a large travel lift capable of hauling 350T vessels. Further development stages, such as expanding the hardstand space and adding additional buildings, are still being considered.
45. The Marine Precinct was initially funded by the Council and the Bay of Plenty Regional Council (BOPRC) through land sales and the Regional Infrastructure Fund (RIF), respectively.
46. The Precinct is currently owned and operated by the Council and holds approved Ministry for Primary Industries transitional facility status. It caters to a range of recreational users, from fishermen to boat owners, while also providing a base for boat building and refit businesses in Tauranga. The Marine Precinct's strategic location and direct connection to the transport network make it an ideal spot for marine businesses.

**Figure 1: Scheme Plan for Marine Precinct**

47. The vision for the Marine Precinct, shared by Council and BOPRC, is to support the growth of the region's commercial marine sectors, thereby benefiting the local community. It is proposed to achieve this by developing the site as a marine refit hub for commercial working fleets and super yachts, and to provide related support facilities for commercial vessels.

#### Requirement to Operate as a Marine Precinct

48. The obligation to develop and operate the site as a Marine Precinct is established through covenants registered against the property and a 2014 Heads of Agreement (HoA) between the Council and BOPRC.
49. The covenants, in favour of the Council and Port of Tauranga, state that activities on the site must be "Marine Related Activities," defined as operations or activities that provide goods and/or services to the marine industry. The Council is responsible for enforcing the covenants, with the option to seek Port approval if needed.
50. The HoA outlines various conditions, including restrictions on transferring the Marine Precinct land without BOPRC's approval and a repayment clause for the grant provided by BOPRC.

#### TwentyTwo Report

51. The Council engaged TwentyTwo consultants to assess future development and leveraging options for the Marine Precinct. The resulting report compares different development and operating models for the precinct.
52. This TwentyTwo report recommends that the Council considers selling the land to a third party, relying on the land covenants and the purchaser's reputation in the relevant market. Regional Council consent would be necessary for any divestment, with the wharves likely excluded from the divestment process.

Next steps

53. This Council report recommends managing the Marine Precinct through the Reserve approach. This would only be the first step moving towards divestment of the Marine Precinct and further work would occur to develop a divestment strategy for the Precinct, with any future disposal occurring in accordance with Council policy.

**Carparking Buildings – Spring Street and Elizabeth Street**

54. Council owns two carparking buildings located in central Tauranga, the Spring Street carparking building (453 carparks) and the Elizabeth Street carparking building (620 carparks). Council has recently reintroduced parking charges for on-street (berm) parking in the city centre, and as a result the fee-based carparking buildings are now a more attractive option than previously (when people could park for free on the street).
55. Council's long-term strategy for carparking management in the city is to reduce on-street carparking and implement carparking restrictions. Additionally, the *Draft Tauranga City Centre Parking Assessment (TCCPA) – Stantec Report Dated 17 November 2022* highlights significant growth projections for the CBD in terms of housing units, jobs, and students and makes the following conclusions:
- Carparking supply in the city centre is expected to decrease by 2025, in part due pending developments.
  - There is a strong desire to drive and park close to destinations.
  - The assessed access gap indicates a potential shortage of parking spaces.
56. In December 2022 KMPG completed a market sounding on Council's behalf, assessing the sale potential of the two carparking buildings. This report concluded that:
- Interested parties suggested the buildings should continue as car parks.
  - Redevelopment of the sites is unlikely.
  - The seismic ratings of the buildings may impact their value.
  - Cashflows, rather than land or building values, would determine the sale price.
57. This report seeks approval to manage the carpark buildings through the Reserve approach. The next step would be to begin the potential sale process, as per Council's Property Acquisitions and Disposals Policy. Any sale process would address consultation requirements, as required under Council's Significance and Engagement policy.
58. If Council decides to divest of the carpark buildings, it can consider a number of matters including (but not limited to):
- (a) whether to sell to a carpark operation or to an investor with a lease-back arrangement; and
  - (b) whether any conditions such as ongoing availability of public carparks would be appropriate.
59. The values of the carparks are largely dependent on their future revenue assumptions which will be further developed in coming months along with the parking strategy to support Te Manawataki o Te Papa and the city centre.
60. The carpark building issues and sale approaches will be explored in detail in a subsequent report to Council focused solely on the potential sale of the carpark buildings. Any future disposal/s will occur in accordance with Council policy.

**Smith's Farm**

61. The land known as "Smiths Farm" at 10 Richards Way, Bethlehem provides approximately 13-14ha of developable land and is zoned as medium density residential under Plan Change 33. Council is progressing development of this greenfield site via an open market disposal process.

62. In addition to the mandated minimum of 255 new dwellings and the option for 20% of the social / affordable housing land within the development to be made available for the Housing Trust arrangement which Council is currently exploring, Council is also seeking to achieve a blend of the following outcomes alongside optimised commercial return:

- Enabling housing supply.
- Encouraging improved housing affordability including affordable rentals, mixed tenure, shared equity, or other such innovative schemes.
- Encouraging quality density by the integrated and comprehensive design of a master planned medium density development.
- Community and cultural collaboration, employment and social initiatives.

63. Council has completed an Expressions of Interest process for Smiths Farm and shortlisted four responses. The next step in the process is a Request for Proposal with the aim of securing an unconditional sale and purchase agreement in 2024. However, the settlement date for this property will be 18 months+ from the date of sale due to siteworks. This disposal has been assessed under Council's Property Acquisitions and Disposals policy, and was classified as a strategic disposal

#### Pōterīwhi (Parau Farms)

64. This is a Council owned site of approximately 22 hectares in Bethlehem and was purchased by Council in 2000 for sports fields. The land is well placed for housing, close to shops, schools and other amenities, including public transport.

65. Council has engaged with Ngāti Kahu and has undertaken public consultation on the utilisation of this site.

66. At the 19 June 2023 Council meeting, Council:

- Approved the Pōterīwhi land use change to include retention of land for sports fields, passive reserves, stormwater and river access, with the remainder of land being disposed for housing purposes
- Endorsed in principle the updated concept plan for Pōterīwhi which included 11 hectares of housing land.

67. Sale of this site is expected to occur in the medium term (i.e., 3-6 years). It is proposed that the housing land area be managed through the Reserve approach. Council policy will be considered prior to any disposal approach being approved.

#### Other Council properties

68. Council owns a range of other properties across the City and Western Bay which have been identified as potentially suitable for sale in the short or medium term (refer Attachment 1.)

69. Some of these properties can be sold within the short term (1-3 years), whilst others would take longer to sell (3-6 years). This report recommends managing these properties through the Reserve approach. Some of these properties may be subject to consultation before a sale can be affected. Relevant Council policy will apply.

#### Economic considerations

70. Property values are closely correlated to wider economic performance. The current high interest rates are negatively impacting property values and it is not expected for property values to increase until interest rates fall, and the economy moves out of its downward cycle. A sensitivity test has been applied to estimated values to account for this (refer confidential Attachment 2).

### ISSUE 3 – MANAGEMENT OF PROPERTIES AND ASSETS THROUGH THE ASSET REALISATION RESERVE APPROACH

#### 71. Issue 3 – Option 1

Manage all the properties listed in Attachment 1 through the Asset Realisation Reserve approach.

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Property which is not required for operational purposes will be managed by a dedicated team with property expertise.</li> <li>There is a high level of transparency regarding Council's potential property disposal programme.</li> <li>There is increased certainty regarding Council's commitment to the proposed funding strategy for Te Manawataki o Te Papa.</li> </ul>	<ul style="list-style-type: none"> <li>May result in properties being managed through the Reserve approach which Council then decides not to sell (although this is potentially a risk with all options).</li> </ul>

#### 72. Issue 3 - Option 2

Manage through the Reserve approach only those properties categorised in Attachment 1 as a short-term priority for potential sale.

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Allows for further work to occur regarding those properties identified as medium-term sale prospects, meaning that when Council comes to decide whether to manage those properties through the Reserve approach, there is greater certainty regarding future sale timeframes, proceeds and processes.</li> </ul>	<ul style="list-style-type: none"> <li>Does not provide as much certainty regarding Council's potential disposal plans as managing properties through the Reserve approach would.</li> <li>May make the funding strategy for Te Manawataki o Te Papa appear less certain.</li> </ul>

#### 73. Issue 3 - Option 3

Do not identify any properties for management through the Reserve approach at this time. Proceed on a case-by-case basis as recommended by subsequent reports to Council.

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Allows for greater in-depth consideration of each property/asset prior to managing it through the Reserve approach.</li> </ul>	<ul style="list-style-type: none"> <li>Does not provide as much certainty regarding Council's potential disposal plans as identifying properties now would.</li> <li>Does not allow for 'bundling' of potential sale properties in Council reports, creating extra work for both Council staff and Commissioners.</li> <li>May lengthen sale times, impacting on potential cashflow for Te Manawataki o Te Papa.</li> <li>May make the funding strategy for Te Manawataki o Te Papa appear less certain.</li> </ul>

#### 74. Recommendation – Issue 3

It is recommended that **Option 1** be approved.



**STRATEGIC / STATUTORY CONTEXT**

75. The Local Government Act 2002 requires councils to promote the social, economic, environmental, and cultural well-being of their communities in a balanced and sustainable manner.
76. The creation of the Reserve will assist Council to meet its responsibilities to promote overall community wellbeing, as it assists Council to manage its divestment programme strategically and transparently and facilitates a considered approach to the reinvestment of sale proceeds into capital projects rather than sale proceeds automatically returning to Council activities or to the general fund.

**FINANCIAL CONSIDERATIONS**

77. Many of the assets generate income for Council. This income will be forfeit as a result of any divestment. The loss of income will need to be considered with respect to any sale, although this report notes the financial return on capital is generally low (setting aside any community or other non-financial benefits the assets provide).
78. The sale of non-core Council assets and strategic disposal of assets such as the central city carparking buildings was anticipated as a revenue stream for the Te Manawataki o Te Papa capital project by the LTPA consultation document. This report provides more detail regarding potential achievable proceeds and together with the Financial Strategy – Te Manawataki o Te Papa report, delivers certainty regarding Council's ability to fund the civic precinct development.

**LEGAL IMPLICATIONS / RISKS**

79. Each property/asset will have its own set of legal risks attached to it. These will be considered on a case-by-case basis. General legal considerations, which may apply to a number of properties, are discussed below. These will also be considered specific to each property as it is assessed for potential disposal.

**Section 40 Public Works Act 1981 (PWA)**

80. Section 40 of the PWA requires Council, when selling land that is no longer required for a public work, to offer that land back at current market value to its previous owner (or their successor).
81. There are exceptions to this. That is, where:
- Council considers that it would be impracticable, unreasonable, or unfair to do so; or
  - There has been a significant change in the character of the land in connection with the public work.
82. Whilst Section 40 of the PWA does not prevent sale of land by Council, it can lengthen the sale process.

**State-Owned Enterprises Act 1986 (SOE Act)**

83. Some of Council's central city properties (the Spring Street carpark for instance) have a Section 27A SOE Act memorial on them.
84. Where any land is transferred to or vested in a State Enterprise, the record of title will include the words "*Subject to section 27B of the State-Owned Enterprises Act 1986 (which provides for the resumption of land on the recommendation of the Waitangi Tribunal and which does not provide for third parties, such as the owner of the land, to be heard in relation to the making of any such recommendation)*".
85. This means the Waitangi Tribunal may require that the land be returned to Manu Whenua.

86. In practice this is not possible/achievable, as the relevant properties are part of a larger block containing several titles with a substantial structure over them. An example of this is the Spring Street carpark building. It is much more likely that the Tribunal would order a monetary compensation from the Crown with respect to such properties.

#### **KPMG Summary of Findings**

87. KPMG conducted a review of this report and its appendices, focusing on several key areas (see Summary of Findings - Attachment 3). In the Summary of Findings, KPMG:
- (a) Comments on the overall robustness of the conclusions and supporting analysis presented in this report.
  - (b) Conducts a specific review and provides comments on the saleability assessment for the priority properties. They also provide high-level comments on the sensitivities applied to sale prices.
  - (c) Offers more detailed comments on the saleability of the car parking buildings and outlines the necessary steps that need to be taken before divesting these assets.
88. The Summary of Findings does not include an examination of the internal structuring and process related to setting up the Reserve. They also do not comment on the debt position of individual properties or the overall debt situation of Council.
89. Furthermore, the Summary of Findings does not cover certain factors such as zoning, iwi engagement, or Public Works Act status.
90. Whilst generally supportive of the methodology and sensitivities applied, KPMG's Summary of Findings (Attachment 3) makes several recommendations and highlights material issues regarding the saleability and pricing of certain properties.
91. KPMG suggests that the Council, in the next phase of its work, assesses if there will be any significant impacts on borrowing capacity resulting from the foregone revenue caused by prioritised divestments. Alternatively, Council can create a plan to reduce existing debt using the proceeds from the divestments.
92. KPMG also recommends identifying any asset-specific issues that may affect the speed of bringing the assets to sale in the upcoming divestment work.

#### **CONSULTATION / ENGAGEMENT**

93. No consultation has occurred in relation to the proposal to create the Reserve and none is required. Consultation will occur for individual property/asset sales as appropriate.

#### **SIGNIFICANCE**

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

97. The assessment of low significance reflects that adopting the recommendations made by this report does not necessarily equate to a decision to divest of any Council property. Any property divestment will be dealt with its individual merits in accordance with the relevant policies (including Council's Significance and Engagement Policy), requirements and legislation.

#### ENGAGEMENT

98. Taking into consideration the above assessment, that the decisions proposed by this report are of low significance, officers are of the opinion that no further engagement is required prior to Council adopting the recommendations.

#### NEXT STEPS

99. If Council approves the creation of the Reserve, and the list of properties/assets to be managed through the Reserve approach as recommended by this report, the next steps would be to develop an individualised divestment plan for each property/asset, with subsequent reports to Council and community engagement/consultation as required.

#### ATTACHMENTS

1. **Property List - Public - 24 July 2023 - A14858964**
2. **Potential Sale Properties and Estimated Values - Confidential - 24 July 2023 - A14858965 - Public Excluded**
3. **KPMG Report - Asset Realisation Reserve (12 July) - A14860024 - Public Excluded**

## 11.8 Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy

**File Number:** A15418020

**Author:** Paul Davidson, Chief Financial Officer  
 Frazer Smith, Manager: Strategic Finance & Growth  
 Kathryn Sharplin, Manager: Finance  
 Helen Andrews, Business Analyst & Partner  
 Anne Blakeway, Manager: City Partnerships

**Authoriser:** Paul Davidson, Chief Financial Officer

**Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy - Attachment 1 - CONFIDENTIAL - TCC Civic Amenity Levy Proposal	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy - Attachment 2 - CONFIDENTIAL - IFF Funding and Administration Agreement (IFFFAAA) -	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy - Attachment 3 - CONFIDENTIAL - Key Changes to IFFFAAA from February Draft	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy - Attachment 4 - CONFIDENTIAL - Monitoring Deed	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy - Attachment 5 - CONFIDENTIAL - Draft Levy Remission and Postponement Policies	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

## PURPOSE OF THE REPORT

1. This report provides an update to the financial strategy for Te Manawataki o Te Papa budgeted capital works programme, including updated estimates for external grant funding and the use of the Asset Realisation Reserve and Airport Activity funding.
2. The report provides confirmation that Council will proceed with the Infrastructure Funding and Financing (IFF) levy for Te Manawataki o Te Papa (to be implemented from 1 July 2025) provided median levy amounts for the 2026 financial year remain within the ranges for residential and commercial ratepayers set out in paragraph 10 of this report.
3. The report also outlines the process for concluding this transaction, which is expected to be finalised in August 2024.

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## RECOMMENDATIONS

That the Council:

- (a) Receives the report "Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy".
- (b) Notes the latest updated funding tables in paragraph 17 and 35.
- (c) Confirms, based on this updated funding, that loans will be available from the airport and parking activities to reflect the amounts noted in table 3 paragraph 35.
- (d) Confirms the Infrastructure Funding and Financing levy for Te Manawataki o Te Papa, with a levy amount up to \$128 (including GST) for FY 2026 for a median residential levy payer and up to \$464 (including GST) for FY 2026 for a median commercial levy payer.
- (e) Confirms the levy will commence 1 July 2025.
- (f) Notes the amounts of the maximum levy are within the consulted range for the residential ratepayer, and that for the commercial ratepayer could exceed the amount consulted on by approximately 6% to allow for a buffer amount for the levy at the time the levy proposal was drafted.
- (g) Notes that the amount of maximum levy contains a buffer amount to allow for potential movements in interest rates from the time the levy proposal was completed.
- (h) Confirms the delegation to two Commissioners to sign the Monitoring Deed once in final form and confirms the delegation to the Chief Executive (CE) or Chief Financial Officer (CFO) to negotiate minor or technical amendments to the Monitoring Deed.
- (i) Agrees that two Commissioners may sign any ancillary documents that are deeds.
- (j) Agrees the changes to the Infrastructure Funding and Financing Funding and Administration Agreement (IFFFAAA) outlined in a confidential attachment to this report and confirms the delegation to the CE and CFO to finalise these amendments to the IFFFAAA and any other documents that are agreements and agree any further changes to the IFFFAAA and such documents that are minor or technical amendments.
- (k) Agrees by delegation to the CE and CFO to sign any amendments necessary to the existing Transport System Plan IFF contractual documents to achieve consistency with the Te Manawataki o Te Papa IFF (as agreed between Council and the Special Purpose Vehicle).
- (l) Approves the 'Draft Levy Remission and Postponement Policies' included in a confidential attachment and delegates authority to the CE or CFO to agree minor or technical changes.
- (a) **Attachment 1** can be transferred into the open upon the conclusion of the IFF transaction, subject to any commercial terms being redacted as agreed with Crown Investment Partners and other agencies



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- (b) **Attachment 2** can be transferred into the open upon conclusion of the IFF transaction, subject to any commercial terms being redacted as agreed with Crown Investment Partners and other agencies
  - (c) **Attachment 3** can be transferred into the open upon the conclusion of the IFF transaction, subject to any commercial terms being redacted as agreed with Crown Investment Partners and other agencies
  - (d) **Attachment 4** can be transferred into the open upon the conclusion of the IFF transaction, subject to any commercial terms being redacted as agreed with Crown Investment Partners and other agencies
  - (e) **Attachment 5** can be transferred into the open <<This field populates from the Attachments screen where you selected a confidential reason, please go back and add a reason in the available field.>>
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## EXECUTIVE SUMMARY

- 4. This report provides an update to the financial strategy for Te Manawataki o Te Papa (TMOTP), which was approved to provide sufficient funding for the approved project budget and deliver on the publicly consulted commitment to have a ratepayer funded loan no greater than \$151.5 million.
- 5. The financial strategy confirms the non-ratepayer funding will be utilised in the following priority order:
  - First priority - external non-rates funding.
  - Second priority – funding from the Airport activity, Parking Activity (related to parking buildings) and/or Asset Realisation Reserve.
- 6. The Financial Strategy Report of 24 July 2023 outlined the external funding sources available to ensure sufficient funding was available for the programme of works. This report seeks to update these funding sources and confirm the sources of external funding going forward.
- 7. The Infrastructure Funding and Financing (IFF) Levy will contribute the ratepayer portion of up to \$151.5 million towards the TMOTP projects. This paper confirms this levy will apply from 1 July 2025, subject to the final steps in obtaining necessary Government approvals and completing the IFF Act process and ensures that the levy will be materially within the range consulted on in September – November 2023. These amounts are within range as agreed to through the previous Long Term Plan Amendment for residential levy payers, which confirmed the introduction of an IFF levy for TMOTP. The commercial levy recognised an amount which may be up to 6% higher than that consulted on, due to interest rates allowing a buffer at the time the levy proposal was drafted.

## BACKGROUND

### *IFF Levy*

- 8. Council remains committed to limiting ratepayer funding for the Te Manawataki o Te Papa capital works project to \$151.5 million. This is to be funded through an IFF levy, paid by ratepayers.
- 9. The consulted IFF levy was based on a median residential levy for FY 2026 of \$107 to \$128. The consultation included a median commercial levy for FY 2026 of \$368 to \$440. The \$464 limit for commercial is 6% higher than the upper range of the amount consulted on of \$440. The amount of \$464 was included in the levy proposal, which was based on interest rates at the time, and provides an additional buffer for financing. It is not materially above the amount consulted on. The final amount will be known upon the conclusion of the debt financing process and will not exceed the amount in the levy proposal.

10. The source for the ratepayer/levypayer share was confirmed through the previous Long Term Plan amendment to establish an Infrastructure Funding and Financing (IFF) levy. This IFF levy would replace the direct rates contribution to service and repay borrowing for the capital expenditure on the programme up to \$151.5 million. This levy is reaching the final stages of development and will be implemented on 1 July 2025 (subject to the central Government process and financial close) provided the final amount of this levy does not exceed \$128 for the median residential levy for FY 2026 and does not exceed \$464 for median commercial levy for FY 2026.
11. All documentation has currently been prepared for the levy and the levy has been lodged with the appropriate Minister. **See Confidential Attachments 1 to 5, which includes the final levy proposal and the latest monitoring deed and IFF Funding and Administration Agreement (IFFFAAA).**

If approved, and the financing process undertaken via Crown Infrastructure Partners (CIP) confirms the levy does not exceed the amounts set out in paragraph 10 of this paper and a funding amount of \$151.5m, Council will proceed with the transaction. All delegations are in place to complete the transaction and the necessary contractual documents (IFFFAAA and Monitoring Deed) are expected to be signed in late June or early July. The effectiveness of these documents will be conditional on the transaction proceeding (including Executive Council approval of the Levy Order on Cabinet's recommendation). Tauranga City Council (TCC) will note to the counterparties that it may pause or withdraw from the IFF transaction including if:

  - (a) the IFF Funding is not confirmed (through issue of Order in Council) by 30 September 2024;
  - (b) If a material adverse event occurred in the Tauranga Rating Area; and
  - (c) the resulting levy amounts for median levies for FY26 (and associated costs of IFF) exceed the amounts set out in paragraph 10 of this paper and/or the funding amount is less than \$151.5m.
12. These steps are intended to be completed and the transaction fully completed by early August 2024, with the levy coming into force from 1 July 2025.

#### *External Funding*

13. The updated project costs are currently \$306.0 million, leaving \$154.5 million to be funded via alternative sources (non-rates funding) with two main avenues being developed:
  - i. **External funding** – this refers to funding provided to Council by other organisations. It includes the Waters Reform Funding ("Better Off" funding) and other government and community grants, as well as growth funding (developer contributions).
  - ii. **Airport and parking activities and / or Asset Realisation Reserve funding** – this refers to non-ratepayer debt funding, which is only applied where there is insufficient external funding to meet the full \$154.5 million. It includes funding from the Airport activity, i.e., non-ratepayer funded debt, and funds raised by disposal of Council assets as outlined in the LTPA consultation document. Following consultation on the disposal of parking buildings as part of the Long Term Plan, a decision was made to retain parking buildings and utilise parking revenue from buildings to fund loans associated with the TMOTP project if and when required.
14. There is ongoing work to review costs and ensure cost effective delivery, which aims to help manage the overall costs of the project.
15. Increases to the amount of external funding will reduce the amount of debt sourced from the Airport and parking activities and/or will allow Council to apply any proceeds from its Asset Realisation Reserve to other initiatives.

**PROPOSED FUNDING SOURCES FOR TE MANAWATAKI O TE PAPA**

16. Table 1 summarises the changes in the projected external funding from that consulted upon in the LTPA through to the current budgets and finally to an updated risk weighted estimate.
17. This table has been updated to reflect the latest estimates based on changes in the economic and political environment. For comparative purposes the LTPA and July 2023 estimates are included.

**Table 1: Comparison of the funding sources as per the LTPA with current estimates**

<b>Funding Source</b>	<b>LTPA Estimate Not risk weighted (\$M)</b>	<b>July 2023 Risk Weighted<sup>8</sup> Estimated (\$M)</b>	<b>May 2024 Risk Weighted<sup>1</sup> Estimated (\$M)</b>
<b>External Non-Rates Funding</b>			
Waters Reform “Better Off” funding	\$33.2M	\$12.1M*	\$12.1M*
Other Government Grants	\$49.1M	\$14.2M	\$13.0M
TECT Partnership	\$27.0M	\$21.0M	\$21.0M
Local and Community Grants including corporate sponsorships and philanthropy	\$31.7M	\$4.5M	\$4.6M
Growth Funding (Developer Contributions)	\$10.9M	\$11.4M	\$0.7M
<b>Total External Funding</b>	<b>\$151.9M</b>	<b>\$63.2M</b>	<b>\$51.5M</b>
<b>Total Remaining Funding Required</b>	<b>\$0</b>	<b>\$91.6M</b>	<b>\$103.0M</b>
Total Non-Rates Funding	\$151.9M	\$154.8M	\$154.5M
Rates Funded Debt (including Renewals)	\$151.5M	\$151.5M	\$151.5M
<b>Total Approved Budget for Programme of Works</b>	<b>\$303.4M</b>	<b>\$306.3M</b>	<b>\$306.0M</b>

\*\$6.7m already received.

### External Funding Sources

18. External funding sources are anticipated to include central government, charitable community trusts, corporate partnerships, and individual philanthropic donations.
19. The \$12.1M “Better Off” funding payment received from government as part of the water reforms has been allocated to Te Manawataki o Te Papa. We are in the process of confirming the application of this funding in response to a request from Department of Internal Affairs for consideration of the return of any unspent money. This funding continues to be included as an external funding source for this project.
20. As part of the Infrastructure Funding and Financing transaction, a minimum of 10% of funding must be from non-TCC sources. Currently the external funding, which should be classified as non-TCC source, is 15.7%.
21. At a leadership meeting with the Mayors/Chair and CEs of Tauranga City Council, Bay of Plenty Regional Council, Western Bay of Plenty District Council and Priority One, it was decided that, while Te Manawataki o Te Papa is an important project for the city, it should not be included in the list of projects to be included in any ‘Western Bay of Plenty City Deal’ with the new government.
22. Te Manawataki o Te Papa currently has not been included for funding in the new Regional Infrastructure Fund, subject to the impending announcement of the criteria by central government.

<sup>8</sup> Refer Table 2 for detail on Current Risk Weighted Estimate methodology for local and Community Grants

**Tauranga Energy Community Trust (TECT)**

23. A draft funding agreement is now sitting with TECT to formally confirm their 'Founding Funder' contribution of \$21 million towards the Museum and Exhibition Centre. This is the largest amount of funding that TECT has ever contributed to any project of regional significance. TECT has indicated that this is the beginning of a long-term strategic relationship with Council to fund community facilities and amenities. No change is expected to this funding, which will be received over several years as expenditure is undertaken.

**Other government grants**

24. An expression of interest has been submitted to the Minister for Arts, Culture and Heritage for significant funding from the Regional Culture and Heritage Fund, with a view to submitting a formal funding application closer to the construction date. This will be the first time that Tauranga has ever applied to this fund, which has provided significant funding towards similar projects in neighbouring councils, e.g., Rotorua. It should be noted that this is a "fund of last resort", decided by the Minister when all other funding sources have been exhausted.
25. The Lottery Significant Projects Fund remains closed for the 2023/24 financial year while it is undergoing a review, and the Lottery Community Facilities Fund has 46% less funding available compared with the previous year as a result of the cost-of-living crisis.

We will, however, be submitting a funding application to the Community Facilities Fund for \$500K for the Innovation and Sensory Spaces in the Library/Community Hub in early August, once building consent has been approved and the planned programme of community engagement is complete.

26. Staff have been working closely with various community and gaming trusts to determine which projects, or aspects of projects, might fit their respective criteria and eligibility thresholds. Bay Trust and Acorn Foundation have indicated that they would be unable to provide funding for a project of this scale. The Gaming Trusts, who have recently provided generous funding towards Destination Skate Park and the Art Gallery redevelopment, have indicated that Te Manawataki o Te Papa does not fit with their criteria, although there may be some interest to provide a small amount of funding towards the Innovation and Sensory Spaces in the Library/Community Hub. Funding applications will be submitted closer to the date of construction, as per their requirements.

**Corporate sponsorship and individual donor programmes**

27. A detailed corporate sponsorship and individual philanthropic donor programme has been developed and staff are in conversations with potential corporates and high net worth individuals who are keen to support the Te Manawataki o Te Papa civic development programme. In response to their feedback, Acorn Foundation will be used as the vehicle for "through funding" of donations to enable donors to claim back tax credits.

**Reduction in Development Contribution Funding for the Library**

28. The development contribution funding for the library has been significantly reduced as the remaining growth share has been reassessed at \$0.7M of the costs of the library, excluding the IFF funding share.

**Potential impacts on the funding environment**

29. With the recent change in government and outline of policy positions with the coalition partners, an updated assessment of external project funding has been undertaken and a risk weighting applied to the remaining grants.
30. The scale in Table 2 was used in the July report and has not changed for the current analysis. However, the assessment has now been updated based on the changes in economic and political environments, and these are reflected in Table 1 above. It is acknowledged that this may change over the construction of projects and more external funding will be sought where possible.



**Table 2: Criteria for reviewing potential grants**

Criteria	Confidence	Confidence Level	Financial Impact
Funds received/Contract in place	Very High	1	100%
Applied for and positive reaction. Not yet confirmed.	High	2	80%
Applied for, no response. External feedback that positive response likely.	Moderate	3	50%
Not applied for. No information or feedback.	Low	4	20%
Received negative response/feedback.	Very Low	5	0%

31. While this set of criteria has been used for determining the potential outcome of the external funding, this does not reduce the focus on collecting all the potential external funding.
32. The confidence level adjustments made are for conservative “worst case” financial planning reasons only and are at the minimum of council expectations from applications regarding government support for arts, culture and heritage and other community facility funding support. Council staff will continue to work on maximising these and other external funding opportunities.

### Other Funding Sources

33. Although external funding is the priority funding source for the Te Manawataki o Te Papa capital works project, it is likely that Council will still require a level of other non-rates funding (other funding), to proceed with the project.
34. Given current economic and political environments it is expected that this external funding pressure is likely to increase rather than decrease. Therefore, an updated assessment has been undertaken of the two other key sources of funds being:
  - Divestment of business interests and Council properties (refer Asset Realisation Reserve report on 24 July 2023 Council agenda).
  - Funding from the Airport activity and parking activity following the decision to retain parking buildings and use these income streams to fund debt related to TMOTP.
35. Table 3 below shows the amount of gross estimated asset realisable value as at July, compared to the amount of asset realisation currently estimated based on further work undertaken between July and the date of this report.

**Table 3: Potential other funding sources**

<b>Funding Source</b>	<b>Estimated Realisable Value Gross \$ millions (July 2023)</b>	<b>Estimated Realisable Value Net of Debt Repayment \$ millions (July 2023)</b>	<b>Estimated Realisable Value Gross \$ millions (Jan 2024)</b>	<b>Estimated Realisable Value Net of Debt Repayment \$ millions (May 2024)</b>
Asset Realisation Reserve	\$146.3	\$97.7	\$150.3M*	\$108M**
Airport Activity Funding	\$13.0	\$13.0	\$13.0	\$13.0
Other Funding Options	Nil ***	Nil ***	Nil ***	Nil ***
<b>Total Other Funding Identified</b>	<b>\$159.3</b>	<b>\$110.7</b>	<b>\$163.3</b>	<b>\$121M</b>
<b>Total Other Non-Rates Funding Required (Table 1)</b>	<b>\$91.6</b>	<b>\$91.6</b>	<b>\$83.4</b>	<b>\$103.0</b>

\* This figure includes \$46M for the car parking buildings based on the decision on 4 March 2024 to raise this amount in debt against projected surpluses. The amount to be funded from the loans via the parking activity will not materially differ from this amount.

\*\* Debt figure has reduced relative to previous reporting as it now excludes any existing debt on the assets being sold.

\*\*\* This is nil for this report but note that further opportunities will be available in the future. These opportunities need considerable work to realise and understand true value.

### **Funding from the Asset Realisation Reserve**

36. The gross estimated realisation valuation figure used above is the average of the most likely realisable values for each of the assets being sold. The individual sales values could be higher or lower than these amounts.
37. The key changes to the Asset Realisation Reserve estimates since July 2023 are made up of:
  - A reduction in the expected proceeds for the Marine Precinct, based on the latest negotiations, from \$33m to \$13m. Note also the debt against this asset has been reduced as a result of being released from the Funding Agreement with BoPRC, appropriate apportionment for other assets that will continue to be held and adding back in the depreciation expense.
  - An increase in the proceeds from Smith's Farm from \$11.2m to \$24m (net of cost of access road).
  - An increase in the expected proceeds from Poteriwahi from \$8.2M to \$17.75M, based on the value achieved from the sale of Smiths Farm and the determination there is no need to refund development contributions utilised to acquire the property (given the ongoing provision of sports fields).
38. Two of the assets that were considered for resale are Spring Street and Elizabeth Street carpark. As part of the LTP process, Council is now retaining these buildings and funding an equivalent amount of debt retirement through the parking activity.

**Funding from the Airport activity**

39. Currently the airport activity is transferring \$1m per annum into the Tourism Fund from its profits. This fund is then used to fund tourism related activities, such as the grant paid to Tourism Bay of Plenty.
40. Our independent benefit analysis identified that a portion of TMOTP should be funded by people from outside the region (i.e., tourists). We have already identified a link between Airport revenue and tourism and from there to the funding of TMOTP.
41. As a result of this we propose that an additional \$1m per year is transferred from the Airport reserves to the Tourism Fund for 30 years, and that the Fund applies these additional funds to the TMOTP projects. \$1m per year is sufficient to pay the interest and debt servicing on \$13m of TMOTP debt.
42. Table 4 identifies the risks and mitigations associated with this funding.

**Table 4: Risks and mitigation in using Airport profits to fund part of TMOTP projects**

Risk	Mitigation
Insufficient profits from Airport activity to fund this transfer.	From our review of the Airport activity projected financial statements over the LTP period, we are confident that there will be sufficient profits to support this additional funding.
Objection from the Crown as a significant portion of the Airport income comes from rentals on land that would revert to the Crown if no longer associated with an airport.	The term of the loan is set at 30 years, which is the maximum lease period allowed for commercial leases in this area.
Objection from Air NZ who pay the majority of the landing fees collected by the airport.	The Airport Manager has discussed using some of the profits in this manner with senior Air NZ officials and they are comfortable with this approach.
Crown has expressed concern that part of the TMOTP funding needs to come from out of the district to reflect the benefit analysis.	A significant portion of the visitors flying into Tauranga Airport do not live in Tauranga and therefore will contribute to this funding

43. A similar approach will be applied to the parking activity to ensure a loan is available, with no direct ratepayer impact, is funded through the revenue of parking buildings.
44. Where Asset Realisation Reserve (including loans from the parking activity) and/or Airport Activity funding is used to fund any shortfall in external funding for projects, it is proposed that they are repaid through future external grant funding as this money is received. This ensures staff will continue to look for external funding throughout the life of the project and use the Asset Realisation Reserve and Airport Activity funding as a secondary funding option or to bridge timing gaps.
45. It is expected that expenditure on the Te Manawataki o Te Papa programme of works will occur in advance of much of the external funding. To ensure there is no further ratepayer input into this programme of works, any interest incurred to fund this gap will be funded from the Asset Realisation Reserve and/or Airport Activity funding.
46. As can be seen in Table 3 above, there is a greater amount of "other funding" for Te Manawataki o Te Papa than is currently required. It is important to maintain a "funding buffer" to ensure ratepayer funding does not exceed \$151.5m in the event of one or more of the following:

- **Asset Realisation Reserve:** Some of the assets identified for realisation require further analysis and market testing. It is possible that Council may subsequently decide not to dispose of the asset or may attach conditions to the disposal that reduces the realisable value.
- **External funding shortfalls:** This funding buffer could be used if Council is unable to secure further external funding within the required timeframe. Estimates have been reduced downwards based on updated review of external factors.
- **Overruns:** Council may decide to utilise the buffer if unforeseen/unbudgeted project costs (due to inflationary pressures, supply-chain uncertainties etc) occur. This needs to be considered with the non TCC funding requirement under the IFF levy transaction.

## STRATEGIC / STATUTORY CONTEXT

47. This report is consistent with the decision to limit ratepayer funding of Te Manawataki o Te Papa to no more than \$151.5m and updates the latest financial strategy.

## FINANCIAL CONSIDERATIONS

48. These are noted in the body of the report and were reflected in the revised Long-term Plan budgets.

## LEGAL IMPLICATIONS / RISKS

49. Risks are noted in the body of the report focused on the potential for reduced external funding and the timing of realising assets for the asset realisation reserve.

## CONSULTATION / ENGAGEMENT

50. The projects and funding and financing of these projects have previously been consulted on.

## SIGNIFICANCE

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

## NEXT STEPS

54. Continue to seek external funding where available and continue with the asset realisation programme.
55. The IFF levy proposal and associated documentation is currently with the Minister for Housing for consideration and recommendation to Cabinet. To finalise the IFF levy transaction other steps will need to take place with Government and CIP will need to complete its financing process.

56. The Council will enter into the IFFFAAA and the Monitoring Deed with Council's obligations under these documents only coming into effect upon financial close of the transaction.

#### **ATTACHMENTS**

1. **CONFIDENTIAL - TCC Civic Amenity Levy Proposal - A15946860 - Public Excluded**
2. **CONFIDENTIAL - IFF Funding and Administration Agreement (IFFFAAA) - - A15970373 - Public Excluded**
3. **CONFIDENTIAL - Key Changes to IFFFAAA from February Draft - A15946463 - Public Excluded**
4. **CONFIDENTIAL - Monitoring Deed - A15970400 - Public Excluded**
5. **CONFIDENTIAL - Draft Levy Remission and Postponement Policies - A15970783 - Public Excluded**



**11.9 Decisions on Independent Hearings Panel Recommendations on Plan Change 33 - Enabling Housing Supply****File Number: A15676146****Author: Janine Speedy, Team Leader: City Planning****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****PURPOSE OF THE REPORT**

1. The purpose of this report is to seek decisions on the Independent Hearings Panel recommendations for proposed Plan Change 33 – Enabling Housing Supply.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Decisions on Independent Hearings Panel Recommendations on Plan Change 33 - Enabling Housing Supply".
- (b) Accepts all recommendations in the report of the Independent Hearings Panel (IHP) on proposed Plan Change 33 – Enabling Housing Supply in accordance with clause 104, Schedule 1 of the Resource Management Act 1991 (RMA) and adopts the reasons in the report.

**OR**

- (c) Accepts all recommendations in the report of the IHP on proposed Plan Change 33 – Enabling Housing Supply in accordance with clause 104, Schedule 1 of the RMA and adopts the reasons in the report, with the exception of the IHP recommendations set out in Table 1 below, which includes the reasons for rejecting recommendations, and any alternative recommendations in accordance with clause 101(1)(b), Schedule 1 of the RMA:

Table 1- Rejected IHP Recommendations

A	Recommendation rejected	Alternative recommendation (if any)
	Reason	

- (d) Delegate to the Commission Chair the authority to sign and send a letter referring any rejected IHP recommendations, together with reasons for rejecting the recommendation and any alternative recommendations, to the Minister for Environment in accordance with the resolutions of Council.
- (e) Publicly notify the decisions of the Council in accordance with clause 102, Schedule 1 of the RMA by 30 June 2024 including any recommendations of the IHP that it accepts or that it rejects together with the reasons for doing so and any alternative recommendation that it has provided for a rejected recommendation.
- (f) Notes that on public notification under clause 102, Schedule 1 of the RMA, all the recommendations of the IHP that are accepted by Council are incorporated into the Tauranga City Plan and are deemed approved under clause 17(1), Schedule 1 and become operative in accordance with clause 20, Schedule 1 of the RMA.
- (g) That the General Manager: Strategy, Growth and Governance be delegated the

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authority to approve any minor editorial changes and consequential changes (if any) to the proposed plan under clauses 16 and 95(2)(o), Schedule 1 of the RMA.

- (h) Adopt the non-statutory urban design guide (Residential Outcomes Framework) included as Attachment 2.
  - (i) That the General Manager: Strategy, Growth and Governance be delegated the authority to approve any minor editorial changes to the Residential Outcomes Framework.
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## EXECUTIVE SUMMARY

- 2. On 15 August 2022, Council adopted proposed Plan Change 33 (PPC33) for public notification in accordance with Schedule 1 of the Resource Management Act 1991 (RMA).
- 3. At the same meeting, Council appointed four independent hearing commissioners with expertise in planning, urban design, infrastructure and tikanga Māori to hear all submissions on PPC33 and make recommendations to Council.
- 4. Proposed Plan Change 33 was split into two hearing sessions which were held in July and October 2023.
- 5. The Independent Hearings Panel (IHP) have provided their recommendations on PPC33 in accordance with the requirements of the RMA. The IHP recommendations are set out in Attachment 1 to this report and is publicly available on the Tauranga City Council website at: [www.tauranga.govt.nz/pc33-key-documents](http://www.tauranga.govt.nz/pc33-key-documents).

## BACKGROUND

- 6. In response to the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021, Council was required to notify changes to the Tauranga City Plan (City Plan) by 20 August 2022 to incorporate the Medium Density Residential Standards and give effect to Policy 3 and Policy 4 of the National Policy Statement on Urban Development (NPS-UD).
- 7. Proposed Plan Change 33 covers the following key aspects:
  - (a) Incorporate current Suburban Residential, Wairakei Residential and Large Lot zones into new Medium Density Residential Zone consistent with the National Planning Standards to:
    - i) Enable the MDRS as a permitted activity;
    - ii) Enable four or more dwellings as a restricted discretionary.
  - (b) Rezone Te Papa Peninsula and areas around commercial centres identified to meet Policy 3 in the NPS-UD to High Density Residential Zone and combine with the current High Density Residential Zone consistent with the National Planning Standards to:
    - i) Enable the MDRS as a permitted activity;
    - ii) Introduce height maps to enable greater height adjacent to identified commercial centres to give effect to Policy 3(c) and 3(d) in the NPS-UD;
    - iii) Enable four or more storeys as a restricted discretionary activity, non-notified.
  - (c) Commercial Zone provisions amended to:
    - i) Introduce on-site amenity and urban design provisions for residential activities;
    - ii) Introduce height maps to enable greater height in identified commercial centres to give effect to Policy 3(c) and 3(d) in the NPS-UD.

- (d) City Centre Zone provisions are amended to:
    - i) Introduce on-site amenity and urban design provisions for residential activities;
    - ii) Enable greater development capacity to give effect to Policy 3(a) in the NPS-UD.
  - (e) Urban design:
    - (i) Introduce a non-statutory urban design guide known as the Residential Outcomes Framework (ROF);
    - (ii) Reflect key aspects of the ROF in the objectives, policies and assessment criteria of the City Plan;
    - (iii) Apply urban design requirements to developments of four or more dwellings and residential activities in the Commercial Zone.
  - (f) Supporting amendments to:
    - i) Chapter 3 - Definitions
    - ii) Chapter 12 – Subdivision
    - iii) Chapter 4 – Transportation, Noise, Permitted Intrusions
  - (g) Rezone Smiths Farm from Rural Residential to Medium Density Residential Zone.
  - (h) Identify Qualifying Matters that may limit height and density.
8. On 15 August 2022, Council appointed four independent hearing commissioners with expertise in planning, urban design, infrastructure and tikanga Māori to hear all submissions on PPC33 and make recommendations to Council.
9. Due to the number and complexity of submissions received, additional technical work required to respond to submissions received and outcomes of the expert conferencing the hearing for PPC33 was split into two sessions. Therefore, on 3 May 2023, Council applied in writing to the Minister for the Environment to amend the ministerial direction that sets out the date by which Council must notify its decisions on the IHP's recommendations. Following this, the Chair of the IHP released Direction #3 on 5 May 2023, which advised that PPC33 be split into two hearing sessions scheduled for July and October 2023.
10. On 16 August 2023, the Minister of the Environment granted Council's request for more time to complete the ISPP until 30 June 2024 in accordance with s80L and s80M of the RMA.
11. Session 1, held in July 2023, was a strategic hearing covering out of scope submissions and key themes raised through submissions. Session 2, which was held over two weeks in October 2023 was the substantive hearing which covered all submission points.
12. On 24 April 2024, the IHP provided their recommendations on PPC33 in accordance with the requirements of the RMA. The IHP recommendations are set out in Attachment 1 to this report and is publicly available on the Tauranga City Council website at: [www.tauranga.govt.nz/pc33-key-documents](http://www.tauranga.govt.nz/pc33-key-documents).
13. The IHP largely accepted the Council officers' recommendations from the section 42A report and closing statement.
14. There are six recommendations of the IHP that do not align with the Council officers' recommendations set out in the closing statement and s.42A report. These six recommendations are as follows:
- (a) retaining the heights and zoning for Mount Maunganui North as originally proposed by the Council when PC33 was notified;
  - (b) limiting residential sites closest to Gate Pā/ Pukehinahina within the identified viewshaft to the same height limits as in the existing City Plan (9m+2m intrusion), along with a new matter of discretion to require the consideration of the effect of any height intrusions within the identified residential sites on the sightline to Mauao from the

Pukehinahina viewing platform to avoid worsening the effect of any permitted development;

- (c) imposing a 12m height maximum over the existing building on the Mitre 10 Mega site in the Gate Pā town centre and 27m over the car park and the remainder of the town centre;
  - (d) removing the height limit over Area F in the City Centre Zone and consequential changes to the maps in Chapter 17 and relevant provisions;
  - (e) introducing an advisory rail line vibration alert layer at 60m from the designation boundary; and
  - (f) setting the minimum carriageway width for an accessway servicing up to 4 dwelling units at 4m rather than 3.5m.
15. There are also some minor editorial amendments that have been recommended by the IHP.
  16. On 29 April 2024, a public Council workshop was held where staff provided an overview of the IHP recommendations that differ from Council officer recommendations.
  17. The Residential Outcomes Framework is a non-statutory design guide to assist Council and developers achieve good urban design outcomes. The Residential Outcomes Framework was consulted through the formal public notification on PPC33. There were no submissions received seeking amendments. The Residential Outcomes Framework is included as Attachment 2.

## STRATEGIC / STATUTORY CONTEXT

18. The provision of a good supply and variety of housing to meet market demand over time is a key part of the overall city growth objectives. Proposed Plan Change 33 partially addresses residential development constraints and contributes towards achieving the targets for housing development capacity as set out in the City Plan.
19. Proposed Plan Change 33 enables a more compact city, particularly within and around commercial centres and aligns with the Urban Form and Transport Initiative.
20. Intensification of existing urban areas and enabling increased heights within and round identified commercial centres also gives effects to Policy 3 of the NPS-UD.

## OPTIONS ANALYSIS

21. **Option 1:** Accept all the IHP recommendations without amendment. Any recommendations that are accepted are incorporated into the City Plan and made operative.

Advantages	Disadvantages/Risks
<ul style="list-style-type: none"> <li>Makes PPC33 operative in full and would bring it into force with the greatest speed and certainty.</li> <li>Prevents any delay or uncertainty that comes referral of decisions to the Minister.</li> </ul>	<ul style="list-style-type: none"> <li>Accepting the IHP recommendations, the Council also accept the reasoning and weighting of evidence used by the IHP in coming to their recommendations.</li> </ul>

22. **Option 2:** Reject some of the IHP's recommendations on the provisions. Any recommendations that are rejected are sent to the Minister for Housing. Council must set out why the Council does not support the recommendation, provide an alternative recommendation and why the alternative recommendation is preferred. The Minister can choose whether to accept or reject the recommendations referred to them.

Advantages	Disadvantages/Risks
<ul style="list-style-type: none"> <li>Allows the Council to ensure that those parts of the IHP recommendations which might not align with the Council's strategic goals, interpretation of evidence or reasoning can be referred to the Minister with an alternative that does.</li> </ul>	<ul style="list-style-type: none"> <li>Any new provisions associated with the rejected recommendations are unable to be used until the Minister provides a decision. There are no timeframes for the Minister to make a decision on those recommendations that are rejected.</li> <li>The Minister may not elect to take the option referred to them by the Council and choose the IHP recommendation.</li> </ul>

## FINANCIAL CONSIDERATIONS

23. There are no financial considerations associated with this report. The costs associated with the PPC33 has been within existing LTP budgets.

## LEGAL IMPLICATIONS / RISKS

24. Proposed Plan Change 33 has been prepared and notified to meet the legislative requirements under Schedule 1 of the RMA.
25. In accordance with clause 101, Schedule 1 of the RMA, Council is required to decide whether to accept or reject each recommendation of the IHP and provide an alternative recommendation for any recommendation that the authority rejects.
26. Council must make decisions on the recommendations of the IHP by 30 June 2024 by direction of the Minister for the Environment. If decisions were not made by this date, Council will be in breach of this direction.
27. Commissioners are not permitted to consider any submissions or other evidence that was not made available to the IHP before they made their recommendations. In making decisions on the IHP recommendations, Commissioners should disregard any information that may have been received after the hearings closed.
28. There are no rights of appeal against any decision or action of the IHP, the Council or the Minister. However, their respective decisions are potentially subject to judicial review in the High Court. Such proceedings examine the decision-making process but do not generally allow the High Court to revisit the merits of a decision under review.

## CONSULTATION / ENGAGEMENT

29. Proposed Plan Change 33 was publicly notified on 20 August 2022 in accordance with Schedule 1 of the RMA. Public notices were included in newspapers on 19 and 20 August 2022 and letters sent to all landowners affected by the plan change. In addition to public notices and letters being sent, the following was undertaken:
- Advertising through online, social media and radio;
  - Information through Council newspapers; and
  - Emails to Council's key stakeholders list comprising of central government agencies, infrastructure providers, community groups and developers.
30. Submissions closed on 23 September 2023, 25 working days after public notification. Public notices were included in newspapers on 25 and 26 November 2022. Correspondence was sent to all submitters advising that the summary of submissions was available and that the further submission period was from 28 November to 9 December 2022. Letters were also sent to residents within the Mount Maunganui North area advising that submissions have been received seeking additional height.



31. The Friend of the Submitter was made available throughout the plan change process to provide independent advice to submitters.
32. A total of 404 submissions were received and a total of 205 further submissions were received.
33. Following the submission and further submission process, consultation was undertaken with various submitters through the preparation of the s42A report to clarify submission points and discuss options to resolve submission points.

## SIGNIFICANCE

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



## ENGAGEMENT

37. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that Council publicly notify its decision in accordance with clause 102, Schedule 1 of the RMA. No further public consultation is provided for in law with respect to the decisions outlined in this report.

## NEXT STEPS

38. Advise Minister for Housing of any IHP recommendations that are rejected.
39. Publicly notify the decisions made by Council on PPC33.
40. Serve notice of the public notice on every person who made a submission on PPC33.
41. Make a copy of the public notice and the decisions publicly available on Council's website and in physical form in all libraries.

## ATTACHMENTS

1. **Independent Hearings Panel recommendations on Plan Change 33 - A15891067** 
2. **Residential Outcomes Framework - April 2024 (A15911138) - A15969281 (Separate Attachments 1)** 

**ATTACHMENTS TO COUNCIL REPORT: DECISIONS ON INDEPENDENT HEARINGS  
PANEL RECOMMENDATIONS ON PLAN CHANGE 33 – ENABLING HOUSING SUPPLY**

Due to the size of the attachments to this report, the documents can be found on the Tauranga City Council website at the link provided below.

Attachment no.	Attachment	Link to documents
1	Independent Hearings Panel Recommendations on Plan Change 33	<a href="http://www.tauranga.govt.nz/pc33-key-documents">www.tauranga.govt.nz/pc33-key-documents</a> .

**11.10 483 Cameron Road - Indoor Court Project****File Number: A15920986****Author: Barbara Dempsey, General Manager: Community Services****Authoriser: Barbara Dempsey, General Manager: Community Services****PURPOSE OF THE REPORT**

1. To seek Council approval for the use of the recently purchased building at 483 Cameron Road (previously known as The Warehouse), for an Emergency Operating Centre, Public Parking as well as the establishment of Community Basketball (which has previously been approved).
2. To seek approval of the ownership structure.

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**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "483 Cameron Road - Indoor Court Project".
- (b) Approves that the 483 Cameron Road building remains in Council ownership and a lease or heads of agreement be executed to ensure Bay Venues Limited have the necessary ability to operate and maintain a Community Basketball facility.
- (c) Approves the conversion of a section of the mezzanine floor for the purpose of establishing an Emergency Operating Centre.
- (d) Approves staff to liaise with Bay Venues Limited and proceed with the policy framework to enable dedicated free and public paid carparking at 483 Cameron Road.

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**BACKGROUND**

3. The existing building at 483 Cameron Road consists of a single-storey portal frame structure, with a mezzanine floor, built over a basement carpark, constructed circa 1995.
4. The project currently underway and previously approved, is to convert the warehouse building from its current use as a retail store into a community sports facility. Under the Building Act, this is a change of use from retail to community sports facility, therefore triggers a change in Importance Level of the building from IL2 to IL3. As the building triggered the change of use criteria, it must comply as near as reasonably practicable to every provision of the building code that relates to fire, structural performance, sanitary facilities, and access and facilities for persons with disabilities.
5. On 11 December 2023, the Council approved a project to develop the warehouse building into an Indoor Court Facility comprising of four full-sized basketball courts, along with a reception area, tournament control room, storage, new toilets and changing facilities including accessible provisions as required for the expected occupancy to meet the building code.
6. There will also be:
  - 358 retractable bleacher seating.
  - Approximately 50 fixed seating.
  - Additionally, there are standing spaces around the courts.

7. All of the above-mentioned work will be undertaken within the project budget of \$7,350,000 including 15% contingency and professional fees.
8. This component of the project is progressing and should be completed in October 2024, in time to move from the QEYC building which will be demolished.

### THE BUILDING'S MEZZANINE FLOOR

9. Upgrading the existing mezzanine floor including offices, staff room, kitchen, ablutions, storage room etc was not in scope in the above-mentioned project.
10. The mezzanine floor area is approximately 600m<sup>2</sup>.
11. Any use of the mezzanine floor would require a refresh such as paint, carpet, updated toilets, installation of a ceiling and kitchen facilities. Given there was no budget in the "main" build any of this work would need to be funded by the individual activities, unless there is saving within the project budget, which given the small contingency is unlikely.
12. A plan of the mezzanine floor is attached which outlines an open area which could be used for two co-located uses:

### Emergency Operating Centre (EOC)

13. Council is required to give effect to the Civil Defence Emergency Act 2002, therefore a key responsibility in the case of an emergency is having the capacity and capability to respond.
14. Council's EOC is currently situated at 46 Spring Street and once 90 Devonport Road is completed, the lease of 46 Spring Street will cease. Given that 90 Devonport Road has not been built to Importance Level 4 (IL4) of the Building Regulations 1992 (the building code), this building cannot provide the primary or sole EOC facility. It is however noted that an alternate or secondary meeting room within 90 Devonport Road will ensure Council can meet the expectations of the CDEM Act.
15. Need for EOC Facility:
  - There is no practical means of fulfilling Councils Civil Defence Emergency Management functions without having an EOC to coordinate a response. Having a dedicated EOC separate from Council's main building has many advantages.
  - The first hour in response is crucial and requires efficiency in activation. In the absence of a dedicated, fit for purpose EOC space, the first hour (and likely longer), will be lost trying to respond immediately to the event and at the same time setting up an EOC which could require commuting to an identified site, setting up desks, computers, getting digital support in terms of sourcing resource for monitoring, e.g. surface hubs and monitors. The lag in becoming fully operational would take valuable time at the front end of the response.
  - As stated within the Report of the Government Inquiry into the Response to the North Island Weather Events (March 2024),  
*"Without adequate investment in readiness, the impacts of disasters will continue to be devastating".*
  - Council undergoes an annual EOC audit by BoP CDEM Group as part of the BoP CDEM Group Assurance Framework, as approved by the CDEM Joint Committee. The regional auditing process is used to ensure each organisation has the capability to activate and effectively establish a response capability. The audit process is used to assess the ability to contact and activate staff along with ensuring access to appropriate facilities, infrastructure, and equipment during an emergency to enable effective and efficient response management. Should Council not have a EOC facility, we would be deemed to lack the capability to activate and effectively establish a response capability as per the BoP CDEM group plan, which we work to deliver on as a member of the BoP CDEM Group.

- As noted above, resilience (and hence redundancy of facilities) is a key consideration. If the event that we are responding to is an earthquake, an assessment of any building would need to be undertaken prior to use. If for some reason the building at 483 Cameron Road is compromised, then a practical option of utilising a meeting room at 90 Devonport Road as the secondary EOC facility would be appropriate subject to any damage to that building.

16. Suitability of Cameron Road site:

- Location is central and strategically placed and allows for good access to the state highways via Cameron Road corridor, in more than one direction.
- Location is out of the geotechnical hazard zones and is expected to be viable for most responses.
- There is extensive parking for the EOC when activated, more specifically when a multi-agency response is needed, thus providing for external stakeholders.
- If the event was a significant event such as the Tauranga 2005 floods, the total size of the building would accommodate a large and significant response. It is not anticipated (hoped) that this would occur often as most events could be accommodated within the proposed dedicated EOC, but the option is there if required, particularly in a large multi discipline response.
- The mezzanine floor would be large enough to provide for an open plan EOC with break out rooms for IMT/Controller meetings or media briefings, there is existing kitchen and bathrooms, so no cost in establishing these spaces.
- The building does require structural and general upgrades as part of it changing from a retail building to a recreational courts facility, which requires categorisation as an Importance Level 3 building. The level of seismic strength that the building will achieve from the strengthening work has yet to be determined, but will be above the earthquake prone threshold at Importance Level 4. More importantly, as a low-rise building with a steel-framed superstructure, there is a reasonable likelihood of it being functional following a 500 year return period earthquake.

Surplus resource such as desks, chairs, tambours, etc from 306 Cameron Road, would be used to fit out seating for the EOC, meeting and training room.

17. Opportunities for EOC use in peace time.

The 483 Cameron Rd facility will be utilised as follows:

- Monthly EOC stand ups for all EOC staff training (approximately 30 staff).
- Quarterly EOC forums for all EOC staff training (approximately 30-40 staff).
- Annual EOC exercise (approximately 50 staff).
- Weekly radio checks.
- Bespoke, on-going professional development training for all Emergency Management staff, including Controllers and Recovery Managers.
- Storage of all EOC gear, including Starlink, Stinger, Satellite phones, laptops, phones and all Function Role resources, so that all response gear is at one site for ease of deployment.

18. It is envisaged that the EOC would be set up and ready to use immediately with key tools such as Starlink phones and laptops stored, so the facility could also be booked out and used by others, such as Bay Venues Limited, when not in use by Emergency Management, whether for training, meeting rooms, etc.

19. We have the majority of equipment required and there is budget within the Emergency Management activity that can be used to purchase new equipment, such as notice boards and service hubs.



**Staff facilities and meeting rooms for Bay Venues Limited**

20. Bay Venues Limited have signalled that they require room for 10 staff, three have been accommodated in the reception downstairs. They have also signalled that they require room for tournament control, this has also been accommodated on the ground floor, albeit a large event would benefit from a larger room. The attached floor plan identifies that a large area could be made available for Bay Venues Limited to fit out for these purposes.
21. Bay Venues Limited have indicated that they have office furniture that could be re-used, however any building upgrade would also need to be funded.
22. Bay Venues Limited have also indicated a need for public carparking as outlined below.

**CAR PARKS**

23. The building includes 221 car parks consisting of:
  - 179 covered car parks (of which there are six accessible car parks); and
  - 42 uncovered car parks (of which there are four accessible and two EV charging car parks).
24. The intention is that the 42 uncovered car parks are allocated for the activity and can be used for public carparking. The uncovered car parks will be utilised by users of the facility on a free basis, with parking limited, for example 120 minutes.
25. The 179 covered car parks can be utilised for public paid car parking. The property is some 1.8km from the City Centre. This equates to a 7-minute bus ride (there is a bus stop adjacent to the building on Cameron Road), or a 20-minute walk.
26. Council would need to install parking machines; the cost would be re-covered from the car parking fees. If this recommendation is supported staff would need to commence the process of changing the Parking Bylaw and install parking machines.

**OWNERSHIP STRUCTURE**

Note: Where lease is mentioned below, this could be lease or heads of agreement.

27. If the above recommendations are supported, this building will have three distinct activities within one building. Community Indoor Sports (including office space), Emergency Operating Centre, and public car parks.
28. From a balance sheet perspective, the debt on this facility will remain within the Spaces & Places activity regardless of whether the asset is transferred to Bay Venues Limited or remains with Council. Accordingly, the decision on ownership structure should be based on the best asset management, rather than balance sheet outcome.
29. The ownership structure has two options, Bay Venues own, and Council lease or Council owns and Bay Venues lease.
30. Given the varied nature of the activities within the building it seems logical that the property would be owned by Council (via the Spaces & Places activity) and leased to Bay Venues Limited.
31. The requirements and regular use of the area designated to the EOC means that while staff will not be located in the building it will have regular use as identified earlier in this report and there is Council interest in a significant car parking amenity. Council currently has systems and processes in place to manage a car park building. The Parking Management activity would “own” the covered park area together with the ramps and be responsible for the ongoing maintenance of this aspect of the building.
32. It is possible that the property can be owned by two activities within council. A partition agreement between, say, the Parking Management activity and the Spaces & Places activity would provide that as between those activities:

- The Parking Management activity owns and operates the covered car park area together with the ramps with ingress and egress over the exterior car park as well as off Cameron Road; and
- Spaces & Places owns the indoor sports building and exterior car parks (to be leased to Bay Venues Limited, Indoor Sports Facility).
- This would provide the Parking Management activity with control over the Parking Facility arrangements in order for it to meet the ongoing needs of the city.
- The arrangement would include provision for Spaces & Places and Bay Venues Limited (as operator) to utilise the Parking Facility after work hours, during weekends and on public holidays.
- It is noted that this decision will be subject to tax review.
- An appropriate proportionate ownership would be (as an appropriation of the original purchase price):
  - Parking Facility – 30% = \$5.4M; and
  - Indoor Sports Facility – 70% = \$12.6M.

### FINANCIAL CONSIDERATIONS

33. The cost to implement the above recommendations are minimal and can be accommodated in existing budgets.

### SIGNIFICANCE

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

### ENGAGEMENT

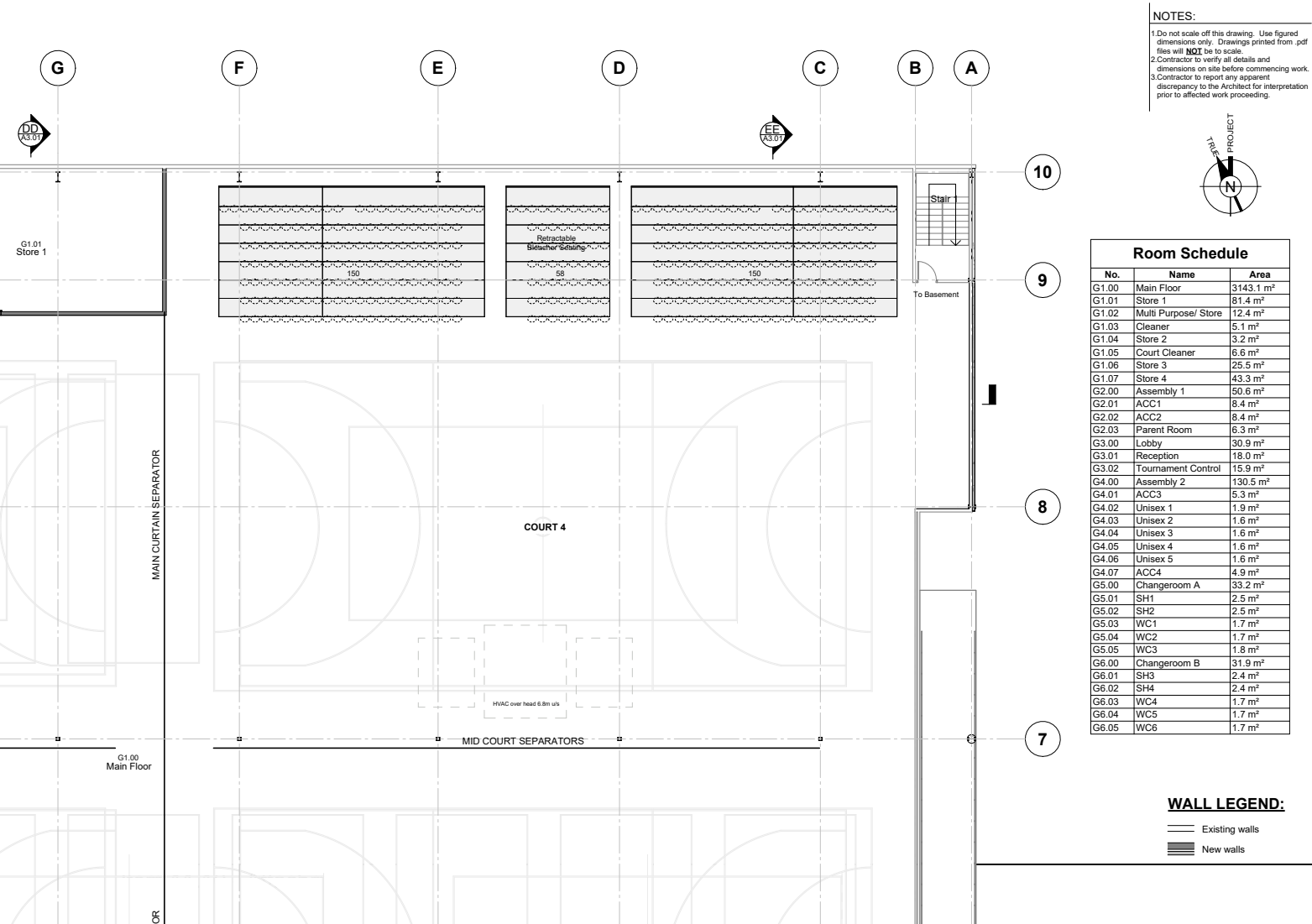
37. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.
38. It is noted that Council has engaged with Bay Venues Limited in the development of these recommendations.

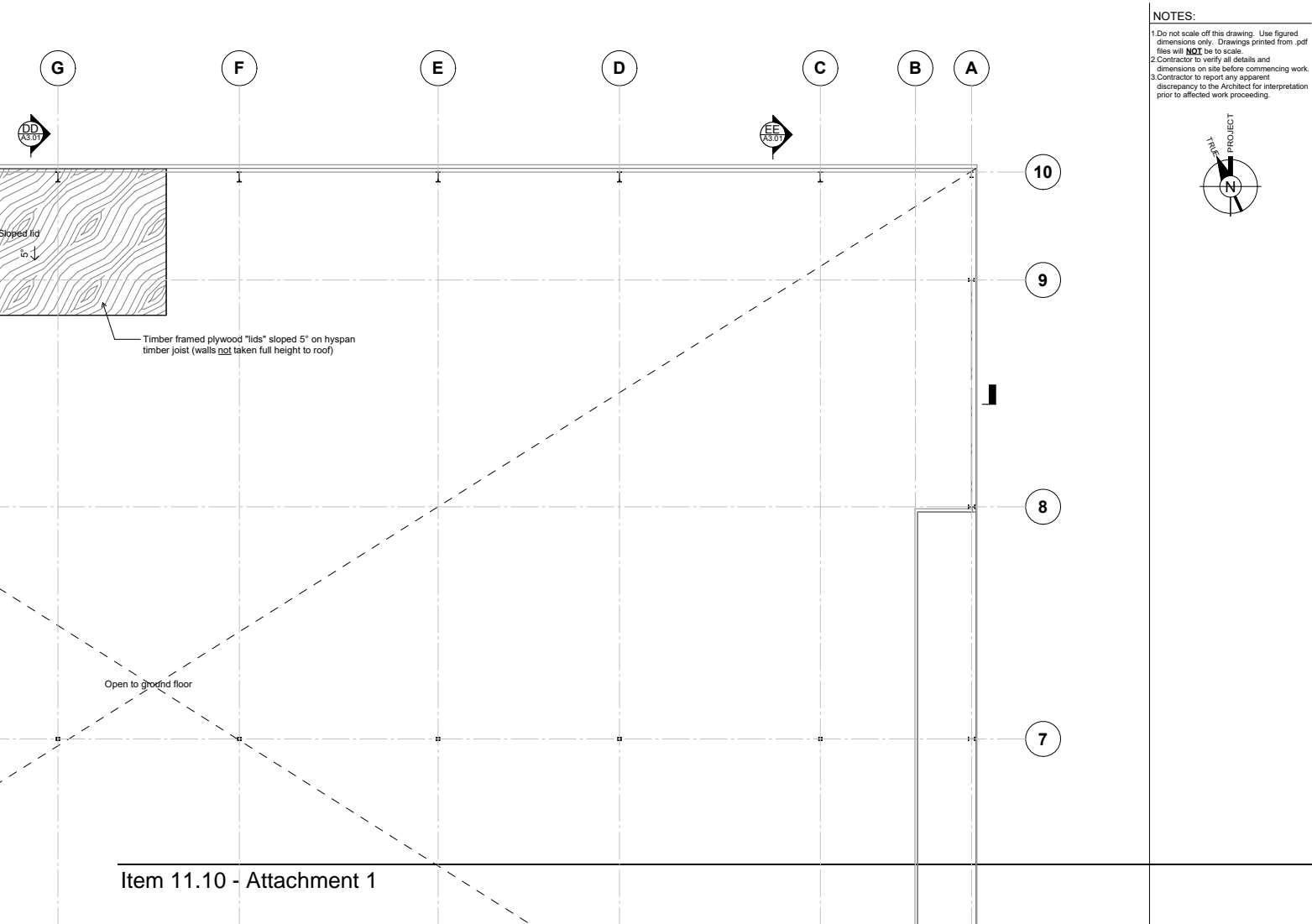
### NEXT STEPS

39. If the recommendations in this report are approved, staff will commence the process of changes to Bylaws and install appropriate equipment to give effect to the decisions.

## ATTACHMENTS

1. **483 Cameron Road - Proposed Ground & Mezzanine Floor Plan - A15946792** [↓](#) 







## 11.11 City Centre Public Realm Design Guidelines

**File Number:** A15917203

**Author:** Emily McLean, Programme Lead: City Development

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

### PURPOSE OF THE REPORT

1. To seek endorsement for the proposed "Tauranga City Centre Public Realm Design Guidelines".

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Centre Public Realm Design Guidelines".
- (b) Endorses the proposed guidelines "Tauranga City Centre Public Realm Design Guidelines" (Attachment 1) to be utilised to promote cohesive, high-quality public space design and development, including public streets.

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### EXECUTIVE SUMMARY

2. The preparation of a city centre public realm design guide that establishes a framework for consistent, high quality public space design (including public streets), is identified as an action in the City Centre Action and Investment Plan 2022–32 (**CCAIP**).
3. The Tauranga City Centre Public Realm Design Guidelines 2024 (**the guidelines**) have been prepared by landscape, urbanism and placemaking design consultants, LandLAB.
4. The purpose of the guidelines is to provide design guidance and direction to establish a cohesive and consistent public realm that:
  - (a) identifies and consolidates a coherent look and feel for Tauranga's city centre public realm and streetscapes;
  - (b) simplifies the design, briefing, procurement and delivery process for future projects;
  - (c) provides opportunities for efficiencies and economies of scale for the supply of materials and design elements;
  - (d) optimises and simplifies maintenance, and asset management budgets/issues; and
  - (e) aggregates design guidance into one place.
5. These guidelines will be used by Council project staff as the starting point for public realm and streetscape projects within the city centre. The Tauranga Urban Design Panel will use them in their review of public realm projects in the city centre, and private developers may utilise the guidelines in their developments to adopt a cohesive threshold between private and public space.
6. The guidelines will be accessed via the Council website with key links to the Infrastructure Development Code (IDC), and the urban design panel web pages.
7. Two stand-alone extensions to the guidelines are currently underway including:
  - (a) the "Signage and Wayfinding Masterplan and Strategy" for the city centre (in conjunction with the city-wide signage and wayfinding strategy); and
  - (b) a peer review of the guidelines to assess opportunities to incorporate Council's sustainability strategic priorities including creation of a base case that will be used to

measure and demonstrate how future projects are contributing to sustainable outcomes.

8. It is anticipated that the guidelines may need to be reviewed periodically (circa every three years) to respond to changes taking place in public realm projects, and to account for the impact of other guidelines that may be drafted, including guidelines on universal access and safety.

## BACKGROUND

9. Tauranga's city centre streets and public spaces are largely tired, cluttered, and are underperforming for the expectations of a thriving and modern city centre.
10. Recent streetscape upgrades at Durham Street, Wharf Street and Elizabeth Street (east and west) have set the bar high for streetscape upgrades, yet they have all adopted different street furniture and material palettes. As a result, there is an inconsistency which lessens the city centre's identity and character, as well as adding further complexity to maintenance and asset management operations.
11. The city centre is being redeveloped with significant public realm projects underway (or recently completed) that would benefit from a cohesive and 'complete street' approach to the public realm including:
  - (a) Elizabeth Street East and Tunks Reserve;
  - (b) Masonic Park;
  - (c) Waterfront;
  - (d) Willow Street shared space (between Hamilton and Wharf Streets); and
  - (e) Te Manawataki o Te Papa (public realm).
12. Future projects including the Red Square 'sanctuary space' upgrade, and extensive streetscape upgrades across city centre, will also benefit from the guidelines.
13. A draft of the guidelines was presented to the Tauranga Urban Design Panel in June 2023. Many of the recommendations from the panel have been accommodated in the final version including:
  - (a) providing greater emphasis on the 'relaxed urbanism' approach to give the city centre a more 'Tauranga-specific' look and feel; and
  - (b) sustainability (which is being addressed in greater detail in an addendum to the guidelines).

## STRATEGIC / STATUTORY CONTEXT

14. The Council adopted the CCAIP in August 2022, which sets the vision for the city centre and outlines the key actions that Council will take with our partners to continue to achieve the vision and revitalise the city centre.
15. A cohesive design-led approach to public realm improvements and streetscape upgrades will deliver on a number of strategic outcomes in the CCAIP including:
  - (a) a city centre for people (develop and deliver a programme of upgrades to existing parks and open spaces [tying in with a programme for streetscape upgrades], considering the needs of both visitors and residents);
  - (b) an accessible city centre (develop and deliver a programme of short-, medium-, and longer-term streetscape and laneway improvements, including streetscape and public realm guidelines for a consistent city centre-wide approach to design); and
  - (c) a city centre with identity and culture (implement the four pou as part of public and private projects, building on the Tauranga Moana Design Principles and deliver a programme of art, sculpture, interpretation and wayfinding across the city centre, elevating the visibility and tangibility of Māori history and relationship to the city centre, European history and contemporary culture, as appropriate);

- (d) an engaging city centre (prepare a city centre public realm design guide that establishes a framework for consistent, high-quality public space design, including public streets); and
- (e) a city centre in nature (through urban design guidance and council's Infrastructure Development Code, encourage green infrastructure to be incorporated into public and private projects at project initiation).

## OPTIONS ANALYSIS

### 16. Options include:

- (a) endorse the guidelines as proposed;
- (b) provide edits to the guidelines and endorse an amended version; or
- (c) leave the city centre without public realm design guidelines and rely on staff to create cohesiveness across individual projects.

## CONSULTATION / ENGAGEMENT

17. The guidelines were prepared through a series of internal workshops, with subject matter experts from across council providing input to ensure the guidelines are fit for purpose and appropriate for their specific requirements. Feedback was received and considered throughout the drafting of the guidelines from various parts of council including:
- (a) Te Pou Takawaenga;
  - (b) Arts, Culture and Heritage;
  - (c) Civic Development;
  - (d) Urban Communities including urban design;
  - (e) Transport including transport safety and asset managers (including lighting);
  - (f) Sustainability and waste;
  - (g) Community Services including accessibility and events facilitators; and
  - (h) Spaces and Places including asset managers and urban/landscape design.
18. It is noted that there are often competing objectives in public realm design; for example, championing a universally accessible and welcoming city for all users while designing curb-less multi-functional shared spaces to attract a greater variety of public events that can be challenging to navigate safely for those with various accessibility needs.
19. The guidelines seek to provide the starting point for projects and they will not remove the need to engage with key advisors through the project including tangata whenua, and through accessibility and safety in design reviews and following other best practice guidance. Specific solutions to place-based challenges and opportunities will need to be considered on a project-by-project basis.
20. Input from tangata whenua focused on strengthening the significance of the city centre's four pou (guiding principles for development) within the guidelines, as well as resolving the cultural map with more accuracy and detail. The guidelines also reiterate the importance of engaging with Council's Te Pou Takawaenga and mana whenua early in public realm and streetscape projects.

## SIGNIFICANCE

21. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

22. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision; and
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
23. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

### ENGAGEMENT

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

### NEXT STEPS

25. Council staff will publish the endorsed guidelines on the Council website and share the guidelines with council staff through the City Centre portfolio governance structure.

### ATTACHMENTS

1. **Tauranga City Centre Public Realm Design Guidelines FINAL 2024 - A15967061**  
**(Separate Attachments 1)** 

**12      DISCUSSION OF LATE ITEMS**

**13 PUBLIC EXCLUDED SESSION****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATIONS**

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

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>13.1 - Public Excluded Minutes of the Council meeting held on 25 March 2024</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.2 - Tauriko West Development Agreement</b>	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
<b>13.3 - Te Tumu Infrastructure Corridors and Active Reserve Compensation Arrangements</b>	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



<b>13.4 - Tauranga Western Corridor: Specified Development Project Draft Project Assessment Report - Council Response to Kainga Ora</b>	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
<b>13.5 - Blue Haven - Procurement Approval</b>	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  s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.6 - Supplementary Report - Harington Street carpark - Variation of Encumbrance</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.7 - Baypark Stadium</b>	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
<b>13.8 - Baypark Tauranga Netball Centre</b>	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
<b>13.9 - Appointment of a Mana Whenua Representative to the Tauranga Art Gallery Trust Board</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should	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

	continue to be supplied	
<b>13.10 - City Wharf Infrastructure Funding</b>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>13.11 - Car Park Provision for 2 Devonport Road Developer</b>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>Confidential Attachment 1 - 11.5 - Ferry Proposal</b>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>Confidential Attachment 2 - 11.5 - Ferry Proposal</b>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>Confidential Attachment 3 - 11.5 - Ferry Proposal</b>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the</p>	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under

	<p>information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	section 6 or section 7
<b>Confidential Attachment 4 - 11.5 - Ferry Proposal</b>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
<b>Confidential Attachment 1 - 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy</b>	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
<b>Confidential Attachment 2 - 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy</b>	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
<b>Confidential Attachment 3 - 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy</b>	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
<b>Confidential Attachment 4 - 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy</b>	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
<b>Confidential Attachment 5 - 11.8 - Te Manawataki o Te Papa Financial Strategy including Infrastructure Funding and Financing Levy</b>	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

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		section 6 or section 7
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**14 CLOSING KARAKIA**