



ATTACHMENTS

**Accountability, Performance &
Finance Committee meeting
Separate Attachments 2**

Tuesday, 5 November 2024

Table of Contents

9.2	Rating Categories and Rating Policy	
Attachment 1	2022-03-28-Transport-Funding-Peer Review Gray Matter	4
Attachment 2	Insight Economics - Assessment of Tauranga Transport Funding 21022022	9
Attachment 3	Attachment to Rating Review - PJ & Associates Report on Rating Categories - Differential	33
Attachment 4	Attachment 2 to Rating Review - Road Control Authority - THE IMPACT OF HEAVY VEHICLE TRAFFIC ON ROAD PAVEMENTS	41
Attachment 5	Funding Impacts for general rates apportionment options (estimated)	51
9.7	Election 2024	
Attachment 1	2 Sep 2024 Committee report - Election 2024	56
Attachment 2	Questions and Answers - Election 2024	86
Attachment 3	Election Analysis Report - Election 2024	105
Attachment 4	Legal advice - Election 2024	125
Attachment 5	LGNZ - Local electoral reform - Issues paper	128

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Malcolm Gibb
Tauranga City Council
Private Bag 12022
Tauranga 3143



Gray Matter Ltd
2 Alfred Street
PO Box 14178
Hamilton, 3252
Tel: 07 853 8997

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Dear Malcolm

PEER REVIEW OF TRANSPORT NETWORK FUNDING – STAGE 1

1. Introduction

Tauranga City Council (TCC) is currently reviewing its approach to funding transport activities to ensure that each rating group is paying an appropriate share of the transport costs incurred by TCC.

Insight Economics has completed an assessment considering the need for and/or merits of:

- = Altering the share of transport rates between the two existing residential and commercial ratepayer groups, and/or
- = Identifying new ratepayer groups and resetting transport rates accordingly.

TCC has engaged Gray Matter Ltd to review the transport inputs and assumptions used in the Insight Economics report¹ (the "Report") as Stage 1. In Stage 2 we will complete more detailed transport analysis to better understand the split of transport cause and benefits to more fairly allocate costs between the residential and commercial rating units.

2. Assessment of Tauranga City Council's Transport Activity Funding

The key points from the review, paraphrased, are that:

- = Benefit allocation is based on the direct benefits accruing to users of the road network using the number of vehicle trips (peak hour or daily).
- = Benefits derived from other transport modes, such as public transport, or wider indirect benefits of the transport network are not considered.
- = Different ratepayer groups cause the need for, and benefit from, spending on the city's roading network.
- = Funding options that are simple, transparent, and therefore easy to explain are preferred.
- = Typical trip generation rates were applied to building gross floor areas (GFA) with adjustments made to reflect primary vs diverted and pass-by trips and mix of heavy and light vehicles.
- = Commercial land uses (commercial, retail and industrial) fund 20% of the transport rates but generate more than 50% of the daily and peak hour trips.
- = The differences between the proportion of trips and the proportion of transport rates across the three non-residential groups do not warrant disaggregating the commercial ratepayer group.
- = Insight Economics recommends that TCC's existing ratepayer groups be maintained, but that the funding split between residential and non-residential ratepayers for transport activities be reviewed.

¹ Assessment of Tauranga City Council's Transport Activity Funding, 21 February 2022, Insight Economics

3. Review and Discussion

3.1. Exclusions

We have not reviewed the detailed assessment or calculations presented in Section 5 (Potential New Ratepayer Groups), Section 6 (Current Transport Rates by Group) or Section 8 (Current Funding vs Trip Demand) of the Report.

We have not repeated the calculations of trip presented in Section 7 (Trip Shares by Land Use). We have focussed our assessment on the assumptions and inputs used in that analysis.

3.2. Trip Generation

3.2.1. Step 1: Trip Rates

Table 3 of the Report presents seven land use categories adopted in the analysis based on the trip generation data in the NZ Transport Agency Research Report 453 (RR453)² which was published in 2011.

The Trips Database Bureau (TDB) formed following the commission of two research reports by Transfund (Research Reports 209 and 210) and includes data presented in RR453. These reports formed the basis of the TDB database and since 2002 the database has been added to and updated with new survey information. The TDB database was last issued in 2018. The TDB has now been integrated into TRICS³, a UK based system for trip generation surveys and analysis. We note that the majority of the data in the TRICS database is from the UK.

In our view the TDB database from 2018 represents a better data set for comparison of rates to inform review of Council's funding Policy than RR453 because it includes more current data.

Land Use	Unit of Measure	Report Rates		Comment	Recommended Rates ⁴	
		Daily Trips/ Unit	Peak hour trips/ unit		Daily Trips/ Unit	Peak hour trips/ unit
Commercial	100sq.m GFA	19.6	1.6	Update rate to TDB 2018	17.4	2.3
Small shopping centre (<4,000sq.m)	100sq.m GFA	92.0	14.6	Update rate to TDB 2018	74	12.4
Medium shopping centre (4,000-10,000sq.m)	100sq.m GFA	77.3	12.2	Update rate to TDB 2018	47	10.8
Large shopping centre (>10,000sq.m)	100sq.m GFA	62.4	7.1	Update rate to TDB 2018	24	6.0
Service station	100sq.m GFA	449.0	65.1	Recommend deleting this land use, refer discussion below	Delete	Delete
Other industry (excluding Port)	100sq.m GFA	8.9	1.1	Refer discussion below	6.2	0.8 - 1.1
Residential	Household	10.0	1.1	Revise daily rate to 9.5	9.5	1.1

Table 1: Trip Generation Rates (Report, Table 3)

The TDB contains survey of office activities with different rates to that of RR453, slightly lower daily rate and higher peak hour rate. The TDB retail/ shopping centre rates are slighter lower than published in RR453.

RR453 provides trip rates for different type of residential unit: Inner City (multi-unit), Inner Suburban and Outer Suburban. The Inner City rate is based on a very limited number of surveys of apartments located within the Christchurch central city and should be used with caution. The Report has used the Inner Suburban

² <https://www.nzta.govt.nz/resources/research/reports/453/>

³ <http://www.trics.org>

⁴ The rates are derived by filtering surveys based on land use type can calculating the 50% trip generation rate. Assumptions made in the analysis of industrial land uses is discussed within our review.

rate which we consider most appropriate, although we note that the published rate was 9.5 trips/day/unit (not 10 trips/day/unit as stated in the Report).

We would advise caution in applying GFA based trip generation rates for service stations. Much of the survey data used in was collected in the 2000's and earlier and the nature of service station offerings has changed with full service stations providing retail and car wash, etc. and self-service stations with no retail (i.e. no GFA). In our view the relationship between GFA and trip generation is not reliable for service stations. In general, trip generation for service stations is assessed as 2.5% to 5% of the passing traffic volume. We recommend that the service station land use is not used in this analysis.

In a previous analysis of the TDB data for HCC⁵ we recommended an industrial trip rate of 6.2 trips/day/100sq.m GFA. The HCC assessment included all land uses within the industrial category which covers commercial, industrial park, manufacturing, storage and vehicle testing. Analysis of the hourly surveys shows a trip generation rate of 0.8trips/hour/100sq.m GFA, but 40% of the surveyed sites are based on storage activities. If the storage activities are excluded from the analysis the trip rate is 1.1 trips/hr/100sq.m GFA. The hourly rate used in the Report is considered appropriate for this analysis.

The Report uses an industrial trip rate of 8.9 trips/day/100sq.m described as a weighted average rate of manufacturing and warehouse survey data. The TCC City Plan definition of Industrial zone provides for a wide range of activities

Buildings or land used for the manufacture, dismantling, processing, assembly, treating, testing, servicing, maintenance, storage or repairing of goods, products, articles, materials or substances and includes premises on the same land used for:

- a) *The selling of goods by wholesale;*
- b) *The provision of amenities for employees;*

As the industrial zones in TCC provides for a range of industrial type activities including high (e.g. wholesale retail, manufacturing) and low (e.g. storage, warehousing) trip generating activities it may be more appropriate to use a rate of 6.2 trips/day/100sq.m GFA.

We have assumed that the Port trip generation data provided in Table 4 of the Report is accurate and not reviewed the raw data provided by Council.

3.3. Step 3: Estimate Daily and Peak Hour Trips

The light vehicle/ HCV splits describe in the Report (Table 5) were sourced from mobileroad.org. That website collates and presents Council's traffic volume data. It is important to note that Council does not complete traffic surveys on all roads on the network and a large portion of the information included in mobileroad.org are estimates and not actual current counts.

Residential activities do generate some heavy vehicle trips including refuse collection, public transport, deliveries, furniture removal and emergency vehicles. Assuming 0% HCV is not strictly correct. The proportion of HCV trips is likely to be low (<5%) and 0% is appropriate for the purpose of this assessment.

⁵ HCC Development Contributions Policy Review of Transport Demand Conversion Factors, Gray Matter Ltd, March 2021

