



# AGENDA

## City Future Committee meeting Monday, 17 February 2025

I hereby give notice that a City Future Committee meeting will be held on:

**Date:** Monday, 17 February 2025

**Time:** 9.30am

**Location:** Bay of Plenty Regional Council Chambers  
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 – City Future Committee

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## Common responsibility and delegations

The following common responsibilities and delegations apply to all standing committees.

### Responsibilities of standing committees

- Establish priorities and guidance on programmes relevant to the Role and Scope of the committee.
- Provide guidance to staff on the development of investment options to inform the Long Term Plan and Annual Plans.
- Report to Council on matters of strategic importance.
- Recommend to Council investment priorities and lead Council considerations of relevant strategic and high significance decisions.
- Provide guidance to staff on levels of service relevant to the role and scope of the committee.
- Establish and participate in relevant task forces and working groups.
- Engage in dialogue with strategic partners, such as Smart Growth partners, to ensure alignment of objectives and implementation of agreed actions.
- Confirmation of committee minutes.

### Delegations to standing committees

- To make recommendations to Council outside of the delegated responsibility as agreed by Council relevant to the role and scope of the Committee.
- To make all decisions necessary to fulfil the role and scope of the Committee subject to the delegations/limitations imposed.
- To develop and consider, receive submissions on and adopt strategies, policies and plans relevant to the role and scope of the committee, except where these may only be legally adopted by Council.
- To consider, consult on, hear and make determinations on relevant strategies, policies and bylaws (including adoption of drafts), making recommendations to Council on adoption, rescinding and modification, where these must be legally adopted by Council.
- To approve relevant submissions to central government, its agencies and other bodies beyond any specific delegation to any particular committee.
- Engage external parties as required.

# Terms of reference – City Future Committee

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## Membership

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<b>Chairperson</b>	Cr Marten Rozeboom
<b>Deputy chairperson</b>	Cr Rod Taylor
<b>Members</b>	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Kevin Schuler  <i>Mayor Mahé Drysdale (ex officio)</i>
<b>Non-voting members</b>	(if any)
<b>Quorum</b>	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
<b>Meeting frequency</b>	Six weekly

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## Role

The role of the City Future Committee is:

- To consider strategic issues and opportunities facing the city and develop a pathway for the future.
- To consider Tauranga's strategic responses at a sub-regional, regional, and national level as appropriate.
- To ensure there is sufficient land supply for housing and for commercial and industrial purposes.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure that Tauranga's urban form and transport system enables, supports and shapes current and future sustainable, vibrant and connected communities.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long-term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga's urban centres to thrive and provide a sense of place.
- To ensure that council and partner investments in Tauranga's build environment are economically and environmentally resilient.
- To work with all key partners to enhance, protect and restore (where necessary) the wellbeing of our natural environment and harbour to ensure the people of Tauranga can thrive and enjoy the lifestyle this city provides.
- To review and determine the policy framework that will assist in achieving the desired strategic and operational priorities and outcomes for the city.

## Scope

- Development and ongoing monitoring and update of the Western Bay of Plenty Transport System Plan and associated programmes and network operating plans.
- Development and ongoing monitoring and update of the Future Development Strategy and urban settlement patterns, including structure plans as required.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Development of City Plan changes and related matters for adoption by Council.
- Contribution to matters related to the SmartGrowth Strategy and input to the SmartGrowth Leadership Group.
- Regular monitoring of strategic growth-related projects and strategic transport projects.
- Development of strategies, policies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.
- Ensuring that social, environmental, economic and cultural wellbeing's are promoted through all strategic work considered by the Committee.
- Consideration of significant natural hazards risks across the city, as they apply to current and future land-form and built environment.
- Develop, review and approve policies, including as appropriate the development of community consultation material, the undertaking of community consultation, and the hearing of and deliberating on community submissions.

## Power to Act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

## Power to Recommend

- To Council and/or any standing committee as it deems appropriate.

## Chairperson and Deputy Chairperson acting as Co-Chairs

- While the Chairperson and Deputy Chairperson of the Committee roles are separately appointed it is the intention that they act as co-chairs.
  - Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chairperson as set out in standing orders and has the option to use the casting vote in the case of an equality of votes.
  - The rotation of the meeting chairs is at the discretion of the Chairperson and Deputy Chairperson and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
  - When the Deputy Chairperson is chairing the meeting, the Chairperson will vacate the chair and enable the Deputy Chairperson to chair the meeting. The Chairperson will be able to stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
  - The Chairperson and Deputy Chairperson will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for the Committee.
  - The Chairperson and Deputy Chairperson will jointly oversee and co-ordinate all activities of the Committee within their specific terms of reference and delegated authority,

providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.

- The Chairperson and Deputy Chairperson will be accountable for ensuring that any recommendations from the Committee are considered by the Tauranga City Council.



## Order of Business

<b>1</b>	<b>Opening karakia</b> .....	<b>9</b>
<b>2</b>	<b>Apologies</b> .....	<b>9</b>
<b>3</b>	<b>Public forum</b> .....	<b>9</b>
<b>4</b>	<b>Acceptance of late items</b> .....	<b>9</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b> .....	<b>9</b>
<b>6</b>	<b>Change to order of business</b> .....	<b>9</b>
<b>7</b>	<b>Declaration of conflicts of interest</b> .....	<b>9</b>
<b>8</b>	<b>Business</b> .....	<b>10</b>
8.1	Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy .....	10
8.2	Cameron Road Stage 2 - Project Progression Options.....	25
8.3	Major Transport Projects Update.....	33
8.4	Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025.....	39
8.5	Residential Development Feasibility Assessment (Intensification & Greenfields) .....	71
8.6	2025/26 Development Contributions Policy - Growth Funding Opportunities.....	81
8.7	Psychoactive Substances (Local Approved Products) Policy 2018 review .....	91
8.8	Tauranga Wayfinding & Interpretation Signage Strategy for Parks and Reserves.....	108
<b>9</b>	<b>Discussion of late items</b> .....	<b>225</b>
<b>10</b>	<b>Public excluded session</b> .....	<b>225</b>
	Confidential Attachment 2 8.1 - Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy .....	225
	Confidential Attachment 3 8.4 - Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025.....	225





- 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 ORDER OF BUSINESS**
- 7 DECLARATION OF CONFLICTS OF INTEREST**

## 8 BUSINESS

### 8.1 Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy

**File Number:** A17356073

**Author:** Chris Farnsworth, Senior Project Manager - Major Projects  
Chris Barton, Programme Director: Major Projects

**Authoriser:** Nic Johansson, General Manager: Infrastructure

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

Public Excluded Attachment	Reason why Public Excluded
Item 8.1 - Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy - Attachment 2 - 15th Avenue to Welcome Bay Upgrade - Procurement Strategy - Final - February 25	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.

### PURPOSE OF THE REPORT

1. Provide an update on the Fifteenth Avenue to Welcome Bay Upgrade project and seek endorsement of the proposed procurement strategy for project delivery.

### RECOMMENDATIONS

That the City Futures Committee:

- (a) Receives the report "Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy".
- (b) Endorses the Early Contractor Involvement (ECI) procurement model approach.
- (c) Delegates authority to the Chief Executive to approve award of an ECI contract following a competitive public procurement process, noting updates will be provided to the Committee at key design and contract gateway points.
- (e) **Attachment 2** can be transferred into the open following award of the contract after a procurement and commercial negotiation process.

### EXECUTIVE SUMMARY

2. Fifteenth Avenue to Welcome Bay including the Hairini Bridge is a key arterial transport corridor of Tauranga. The Western Bay of Plenty Transport System Plan (TSP) identified improvements of this corridor as the fourth highest regional priority to address current and growing issues with peak hour congestion, poor level of service, access and safety problems, and walking and cycling deficiencies.
3. 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 transport, and enhancing access to essential destinations such as schools, marae, shops, and places of work. The significance of the corridor lies in its role as the primary link connecting the Welcome Bay, Ohauti, Hairini, Maungatapu communities, and the central and northern Te Papa Peninsula schools, workplaces and activities.

4. The project business case was approved by Council in 2024 and submitted to NZ Transport Agency Waka Kotahi (NZTA) to seek approval of co-funding. At the time of preparing this report NZTA have not yet confirmed their decision on approval of the business case, however a decision is anticipated in February 2025.
5. A proposed delivery model for the project including a procurement strategy has been developed. The procurement strategy assessed various delivery options and considers many elements in selection of a preferred model. For this project the main drivers are to minimise disruption in all forms (to the transport network, the community and the environment), while providing value for money to TCC.
6. An Early Contractor Involvement (ECI) model is the recommended procurement approach for this project. The ECI<sup>1</sup> model is a collaborative approach where the designer is procured along with the contractor who is the most suitable for the project as it enables proactive collaboration between designers and constructors to minimize disruption to the public, businesses, and schools by ensuring thorough planning of works methodologies and sequencing and effective communication. With 26,000 vehicles per day currently using this corridor the project will significantly impact the traveling public along with nearby businesses and schools. Therefore, careful planning and clear communication are essential to successfully managing these challenges.
7. The ECI model for delivery of this project has been recommended by Resolve Group who are industry leaders in procurement strategies for major transport projects. The recommendation has also been reviewed and supported by the Major Projects Oversight Steering Group (OSG), TCC Legal, Bell Gully, Alta (project professional service partner) and NZTA.
8. Subject to NZTA confirming approval of co-funding and endorsement of the proposed delivery plan, it is noted the procurement process can take up to six months to develop, tender, assess, and award. The baseline programme is for design to be complete in mid/end 2026 with construction to commence in late 2026/early 2027 with estimated completion in 2029.
9. As the project develops, updates will be provided via the regular Major Projects Update report to the City Futures Committee. Reports will also be provided to Council/Committee at key design development points and prior to entering into the implementation/construction phase.

## BACKGROUND

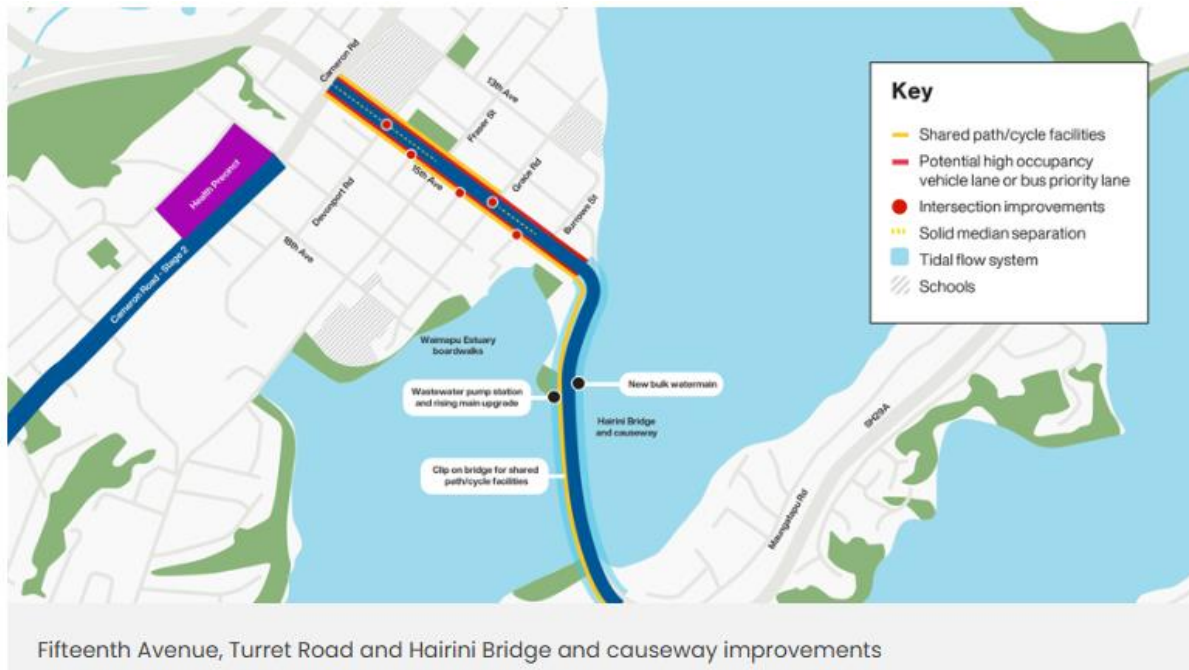
10. The Single Stage Business Case (SSBC) commenced in March 2022 was completed in July 2024, and is a result of a collaborative effort between Tauranga City Council, Tangata Whenua, Bay of Plenty Regional Council, NZTA and stakeholders.
11. The SSBC was approved by Council at the 26 August 2024 meeting. The SSBC was submitted to NZTA on the same day seeking approval of project co-funding for future project phases. The project was considered by the NZTA Board in December 2024. At the time of preparing this report NZTA's decision on approval of the Business Case and co-funding approvals has not yet been confirmed. It is noted that NZTA co-funding has been prioritised and is included in the 2024-27 National Land Transport Programme (NLTP).

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<sup>1</sup> [New Zealand Government Procurement – ECI Information Sheet](#)

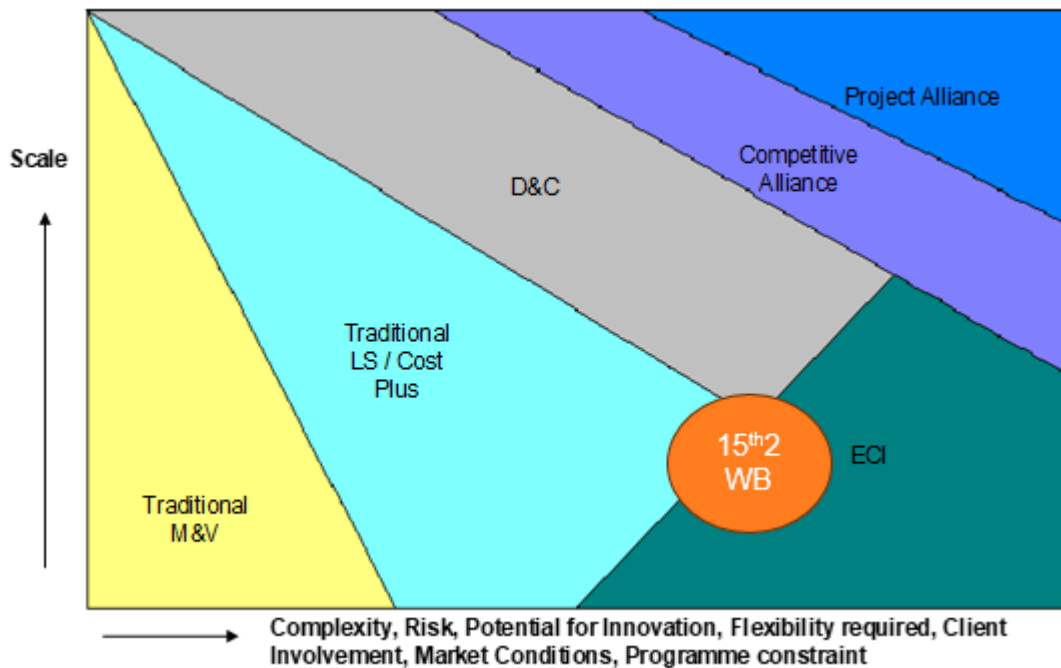
12. The high-level scope of the project includes road widening and rebuilding pavement to introduce three dynamic/tidal-flow lanes or four lanes; intersection treatments; shared path; water mains, stormwater, sewer renewals/replacement; third party utilities upgrades; Hairini Bridge alteration and addition of a clip-on shared path.

13.



**PROCUREMENT STRATEGY**

14. In 2024 Resolve Group were engaged to provide expert advice on the procurement strategy for delivering this large and complex project. Resolve’s draft procurement strategy was circulated for review and feedback to Bell Gully, Alta, NZTA and the OSG with the consensus being the ECI model is the most appropriate procurement strategy for the project. Taking on all feedback and building on from Resolve’s procurement strategy, the project team has undertaken further assurance reviews with a comprehensive review of lessons learned from Cameron Road Stage 1, insights from the Single Stage Business Case (SSBC), reconfirmed key drivers and risks to determine the most appropriate ECI variant for the project.
15. It has been identified that minimising disruption is a key priority of this procurement. This determination was the result of several workshops with the TCC project and procurement teams, who rated a variety of metrics to inform a multi-criteria analysis. This assessment was reviewed throughout the development of the procurement strategy to determine if there had been any shift in priorities. Ultimately, the key driver of this procurement is the minimisation of disruption in all its forms to corridor users, stakeholders, and the surrounding area. This remains the top priority while achieving the project's outcomes and providing the best value for money, as most other objectives are tied back to this.
16. A supply market analysis has also been undertaken and identified favourable local market conditions, with a concentrated pool of capable Tier 1 construction companies and experienced regional suppliers, to secure competitive resources with a focus on local professional services expertise.



17. An options analysis assessment was undertaken based on the NZTA standards that factored in scale, complexity, innovation potential, timing and urgency, supplier market conditions, risk profile, stakeholder involvement and customer requirements, level of client involvement, broader outcomes, value for money and flexibility to deal with change that suggests that there is a good opportunity to utilise a variant of an [ECI delivery model](#) on the project.
18. ECI is best used to gain early advice and involvement from a contractor into the buildability and optimisation of designs. It's suited to large, complex or high-risk projects because it affords an integrated delivery team (contractor, designer and client) time to gain an early understanding of requirements, enabling robust risk management, innovation and value for money. This delivery model is founded on embedded relationship principles and an overall collaborative approach.
19. The primary factor in the assessment that makes the ECI delivery model the most suitable for the project is its ability to manage disruption. The disruption caused by the project to the travelling public (current traffic volumes are 26,000 vehicles per day), residents, businesses, and schools within proximity of the work area will be significant. As such, it will be hugely important that all aspects of the project are well planned and communicated, and that these and other project constraints are well incorporated into the project design, development, and delivery. An ECI delivery model will ensure strong consideration of all staging and sequencing methods that can be utilised in delivery for the benefit of the project while at the same time remaining flexible to adjustments.
20. The primary alternative feasible delivery model would be a traditional design → tender → build approach, where Council engage a designer to progress the design development, and subsequently procure a construction contractor. This model is not recommended for this project as:
  - separation of the design and construction process reduces the opportunity for the design and construction teams to work together to optimise the design from a construction perspective;
  - this approach does not provide a single point of responsibility for design and construction; and
  - this model is likely to result in increased challenges with working around existing utilities and services (which was a key challenge on the Cameron Road Stage 1 project) and has

potential for redesign later in project development to incorporate constructability considerations.

21. The ECI model is more collaborative to allow the contractor to be involved early in the design phase which facilitates more accurate construction cost estimation and value engineering opportunities. Value for money will continue to be demonstrated through design refinement and prior to construction through independent parallel estimates and reviews to confirm costs are consistent with market rates.
22. The procurement strategy development has also included peer review lessons learnt (successes and challenges) from ECI delivery models in NZ and overseas. Overall findings are that there is definitely benefit to be gained by adopting an ECI model on a project such as this, but it is also noted client maturity and commercial acumen is important to leverage the benefits and manage the risk of the delivery model.
23. The proposed procurement strategy is available as Attachment 2 to this report.

## STATUTORY CONTEXT

24. The outcomes sought for this Project delivers on each of the strategic priorities in the Government Policy Statement on Land Transport 2024-2034 (GPS). The significant travel time benefits support economic growth and productivity and create a more efficient and reliable transport corridor. Enhancements to intersections and pathways help to provide a safer corridor. Upgrades to assets, in particular stormwater, and the potential to add other resilience works to the project by way of structural upgrades to the bridge and rock stabilisation enhancement to the causeway, also aligns strongly to the resilience and increased maintenance criteria of the GPS.

## STRATEGIC ALIGNMENT

25. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

26. The Urban Form and Transport Initiative (UFTI) in the western Bay of Plenty sub-region includes the Connected Centres Programme - a 30 to 70-year plan to integrate land use and transport initiatives with key objectives including sustainable urban development, sufficient housing supply, and improved transport outcomes.
27. The Fifteenth Avenue to Welcome Bay improvements will support multimodal access and safety, and address current deficiencies in the Welcome Bay area, including poor connections, lack of Māori land development opportunities, and infrastructure constraints.
28. The Project has been identified as a priority in transport plans and is one of Tauranga City Council's five major transport projects 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)<sup>2</sup>. 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.

<sup>2</sup> [Bay of Plenty Regional Land Transport Plan 2024-34](#)

## FINANCIAL CONSIDERATIONS

29. The project has a current funding allocation in the 2024-34 Long-Term Plan of \$170.1m (based on P95 estimate), which includes three waters and resilience budgets that are expected to be delivered within the scope of the project. Project funding is comprised of a combination of NZTA co-funding (at 51% FAR for eligible components), IFF, Development Contributions and Loan Funding.
30. The current project cost estimates include estimates for the design and construction phases which are proposed to be delivered via the ECI contract as well as allowances for other anticipated project costs and contingencies.

Project Phase	Cost Estimate
Business Case	\$3.9m
Pre-Implementation	\$15m
Construction (via ECI Contract)	\$151.1m
<b>Total</b>	<b>\$170m</b>

31. It is noted that NZTA approval of co-funding if approved will be phased, with approval of implementation/construction phase funding subject to a subsequent project gate review following the pre-implementation phase. It is also noted that NZTA co-funding will only be approved to up to the P50 expected estimate, with additional co-funding approval requests to be submitted if costs exceed the P50 estimate.
32. Further alignment with NZTA will be required on how best to deliver an ECI model, with funding drawdown hold points reconfirmed between TCC and NZTA to align with the ECI model and contractual requirements.

## LEGAL IMPLICATIONS / RISKS

33. Following a constructability assessment, both a delivery risk review and cost estimate update are currently underway. Prior to initiating the procurement activity/tender process updated estimates will be reconciled and aligned with current budgets to ensure we have confidence works can be delivered within funding allocations.
34. Early in the design phase a further assessment is required to confirm that the Hairini Bridge has the structural capacity to accommodate proposed changes and additional load. To mitigate this risk a Go/No-Go hold point will be added pending confirmation of the structural integrity of the Hairini bridge (fatal flaw assessment).
35. A Go/No-Go hold point will also be added between Design and Construction phases to ensure the project can be delivered within budget. Prior to committing to the construction phase an independent assessment would be undertaken to confirm construction pricing is in accordance with market rates and demonstrates value for money.
36. Minimising disruption is a priority in this project, with strategic risks focused on traffic impact and community effects. Key mitigation strategies include engaging suppliers to reduce disruption, establishing Key Performance Indicators (KPI's) for traffic flow, and implementing a robust communication plan to keep stakeholders informed.
37. The project faces risks related to co-funding interdependencies, affordability, and cost escalation, where funding support may be reduced, costs may exceed the budget, or delays could increase expenses; these will be mitigated through proactive communication with funding partners, regular budget reviews, and contingency planning to manage potential cost increases. The contract will be based on a Target Outturn Cost (TOC) process, updated at various stages of the Design. Components of the TOC will have the ability to be transferred to a lump sum or guaranteed maximum price type arrangement if required.

## TE AO MĀORI APPROACH

38. Tangata Whenua are a key delivery partner in the Project and have been involved since project initiation (2022) in the Investment logic mapping process, hui, and as members of the monthly Project Management Board.
39. This partnership will continue through the life of the project, where TCC will continue to explore opportunities to include cultural design elements that recognise the significance of the corridor, as well as potential delivery opportunities for hapu business during procurement.

## CLIMATE IMPACT

40. The Project creates the opportunity to reduce the overall Vehicle Operating Costs and emissions by reducing congestion and providing mode choice.
41. Several underground services will be upgraded during delivery, noting the stormwater system which will be modified and upsized to cope with increasing rainfall peak volume and velocity rates.
42. Resilience will be included within the project, but requires a preliminary design, economic analysis and value for money review to determine scale and funding requirements. The key items within this scope look to enhance the bridge piers, scour protection, and harbours rock revetment wall (note this will be a developed and a co-funding request submitted to NZTA during the Pre-Implementation phase).
43. Opportunities for further consideration of alternative designs/materials to reduce operational and embodied carbon will be further considered through the project design phase, including incorporation of sustainable considerations into the contract Principals Requirements.

## CONSULTATION / ENGAGEMENT

44. Council has already consulted with the community on this project as part of developing the 2024-34 Long Term Plan.
45. Significant community engagement has been undertaken through the project business case phase, and communication / engagement will continue with project stakeholders as the project progresses to the design phase.

## SIGNIFICANCE

46. 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.
47. 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.
48. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

## ENGAGEMENT



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



**NEXT STEPS**

50. Subject to confirmation of NZTA co-funding and rationalisation of updated project cost estimates, formal market engagement with suppliers (construction contractors and design consultants) will commence regarding the proposed ECI delivery model.
51. Preparation of tender documentation including Principals Requirements will also commence. The baseline programme is for design to be complete in mid-2026, with construction to commence in late 2026/early 2027 and works completion estimated in 2029.
52. As the project develops updates will be provided via the regular Major Projects Update report to the City Futures Committee.
53. It is also noted that a subsequent report will be provided to Council prior to entering into the implementation/construction phase as a key gateway.

**ATTACHMENTS**

1. **15th Avenue to Welcome Bay Upgrade - Project Overview Presentation - A17439656**  
2. **15th Avenue to Welcome Bay Upgrade - Procurement Strategy - Final - February 25 - A17404056 - Public Excluded**



## 15<sup>th</sup> Avenue to Welcome Bay – Overview

January 2025



## Key Problems to Address and Benefits Received

### Problems on the corridor

#### Movement (40%)

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.

#### Transport choice (30%)

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.

#### Access (30%)

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, maraes and shops) and reduces social wellbeing and connectivity.

### Benefits from addressing the problems

- More efficient movement of people and goods, and more certainty of journey time. Increase proportion of people within 30mins of social and economic opportunities.
- Improved transport choice, providing reliable options to a wider range of users
- Improved quality of place and better accessibility to the natural, cultural and built environment

Resolving the problems along the corridor, and in particular the congestion issue, aligns strongly with the Governments priorities for land transport (economic growth, productivity).

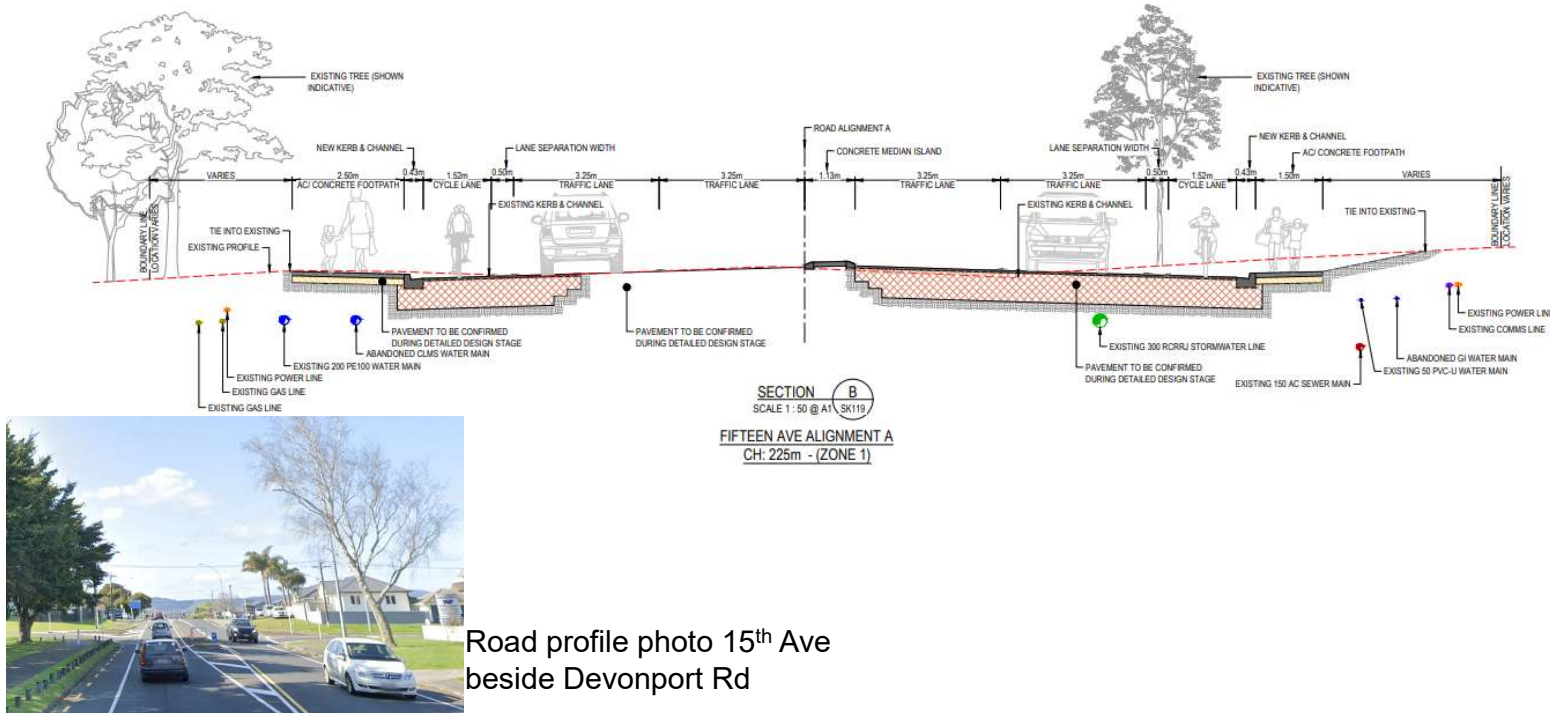
## 15<sup>th</sup> Ave Turret to Welcome Bay - Scope

- Completing the four-laning of 15th Avenue between Cameron and Burrows Street.
- Three-laning of Turret Road, the Hairini Bridge and causeway. New 'clip-on' shared path on the existing bridge, to allow the existing bridge deck width to be allocated for three traffic lanes.
- A tidal-flow (dynamic lane) system along Turret Road. Options to utilise for T2 and HOV.
- Services and utilities replacement and upgrades
- Pavement Renewal
- James Cook Dr intersection upgrade

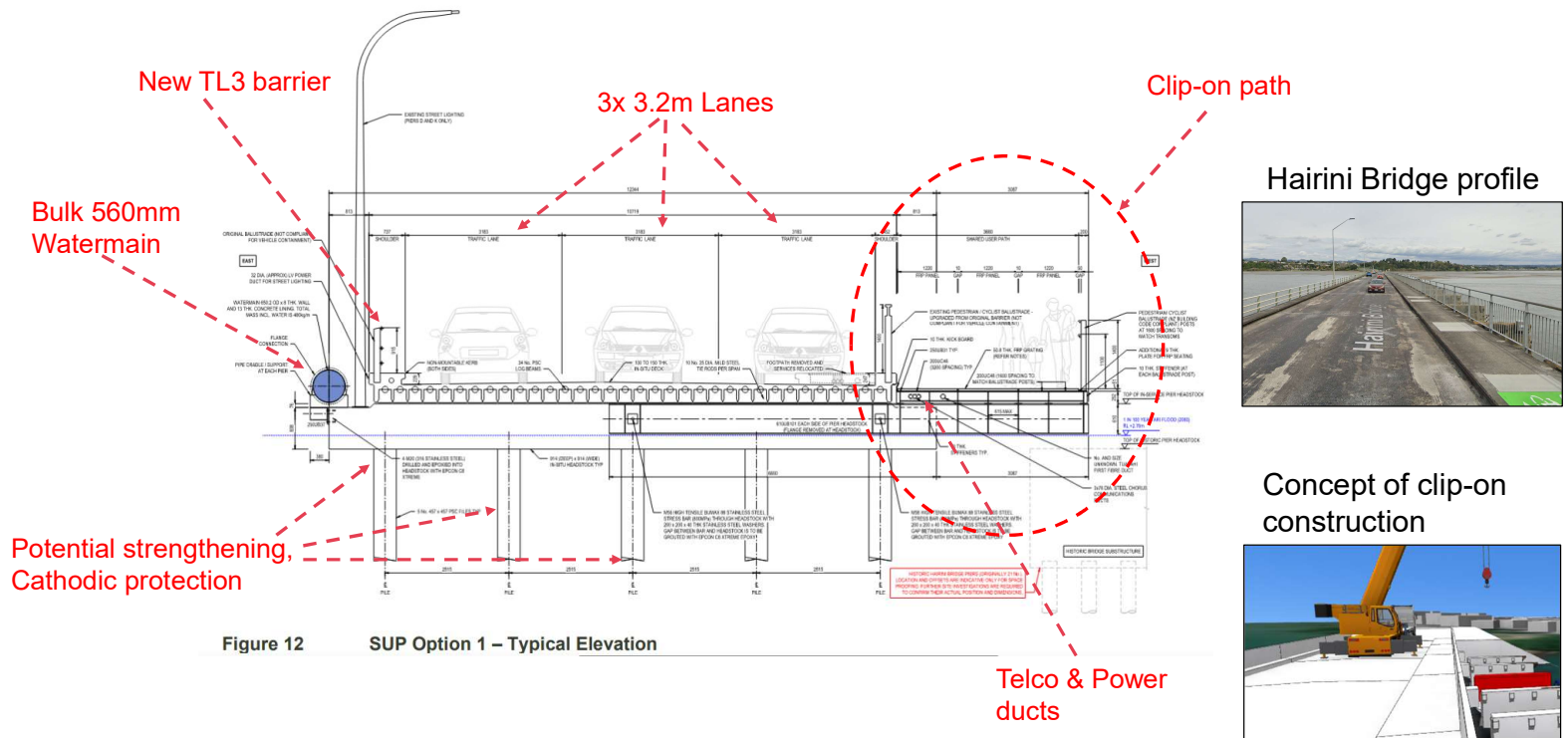


## Proposed Cross-section 15<sup>th</sup> Avenue

### Cross-section 15<sup>th</sup> Ave beside Devonport Rd including services and pavement



## Proposed Cross-section Hairini Bridge 3lanes + shared path clip-on



## Constructability Review, Risk Review, Cost Estimate update

### Constructability Review and gap analysis

- Construction sequence options reviewed. Assessed concept drawings against onsite constraints. Delivery Risk Review undertaken. Updated Cost Estimate (Base, P50, P95)

### Financials and Co-Funding Request

- Total Project Estimate = \$170M (P95)
- Current co-funding requests are \$10.28m for pre-implementation and \$79.7m for implementation both at 51% FAR.
- Future co-funding requests may be made for additional Pavement renewals (\$12.3m) or if updated cost estimate exceed current co-funding approvals.

### High level Risk

- Hairini Bridge structural and seismic capacity (Go/No-Go)
- Traffic and area disruption vs efficient construction
- Utilities alterations, site constraints (width) and coordination
- Cost reconciliation approval from NZTA

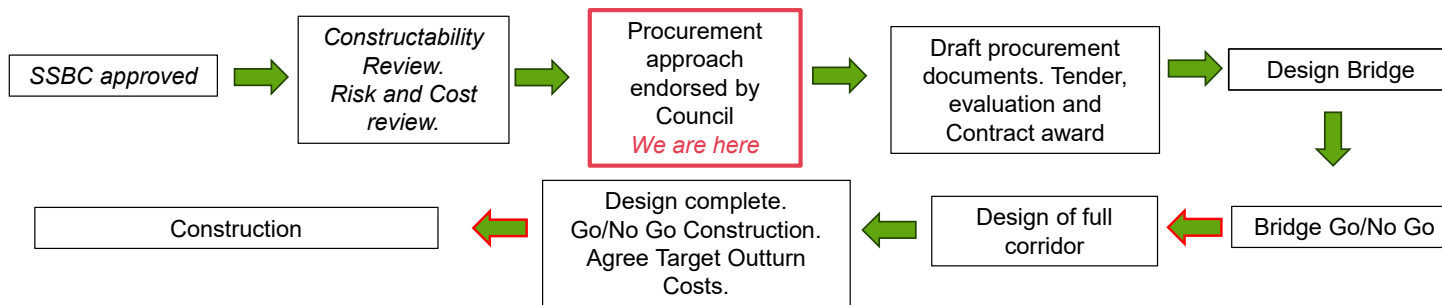


Tidal Flow example,  
Redoubt Rd, Auckland

## Project Next Steps

**The key next steps for the project are:**

- **Feb 25** – NZTA endorse SSBC and fund Pre-Implementation
- **Feb-Mar 25** – TCC endorse procurement approach
- **Feb-July 25** - Prepare Procurement documentation, Tender & Evaluate
- **Aug 25** - Contract Award to Design/Constructor consortium
  
- **Aug 25** - Begin detailed design. Hairini bridge structural assessment is Step 1
- **End 25/26** – Go/No Go stage for Bridge. (Pass; Realise strengthening risk; Fail and No-Go due to bridge load requirements)
  
- **Early 26** – Start Design of all other work
- **Mid 26** – Community Engagement on design
- **End 26/Early27** – Go/No Go Construction (confirm scope = budget). Construction start





## 8.2 Cameron Road Stage 2 - Project Progression Options

**File Number:** A17327379

**Author:** Richard O Kane, Senior Project Manager  
Chris Barton, Programme Director: Major Projects

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. To seek direction on whether the Cameron Road Stage 2 project should further progress or be placed on-hold.

### RECOMMENDATIONS

That the City Futures Committee:

- (a) Receives the report "Cameron Road Stage 2 - Project Progression Options";
- (b) Confirms the Cameron Road Stage 2 project is to be placed 'on hold' subject to further prioritisation and funding considerations in future Annual Plan, Long Term Plan and National Land Transport Programme processes; and
- (c) Subject to resolution (b), endorses exploring opportunities to reallocate planned project IAF and IFF funding to alternative eligible Council projects.

### EXECUTIVE SUMMARY

2. The Cameron Road Stage 2 (CRS2) project seeks to upgrade the strategically important Cameron Road arterial corridor from Seventeenth Avenue to Barkes Corner, which is a key enabler for continued city growth in the Western Corridor and planned intensification of the Te Papa peninsula.
3. The project was planned and budgeted in Councils 2024-34 Long Term Plan (LTP) subject to approval of co-funding from NZ Transport Agency Waka Kotahi (NZTA). NZTA have subsequently confirmed that project co-funding will not be prioritised or supported in this 2024-27 National Land Transport Programme (NLTP).
4. The project has approval of Crown grant funding from the Infrastructure Acceleration Fund (IAF) to a value of \$56.6m. \$13.7m of funding is also proposed via the Infrastructure Funding and Finance (IFF) levy.
5. Following development of a reworked Detailed Business Case (DBC) a decision is required on whether to continue to progress with development of the CRS2 project or to pause future stages of project.
6. Without anticipated NZTA co-funding there is a deficit between the funding stack and the project cost estimate of between \$88m and \$110m. Potential funding options to progress without NZTA funding are additional IFF funding, additional TCC loan funding or other funding sources (i.e. City/Regional Deals opportunities).
7. In the current draft 2025/26 Annual Plan project funding to progress next stages of the CRS2 project has been deferred to the 2027/28 financial year. To progress the project without NZTA funding and remain within Councils financial strategy limits would require significant adjustments to the 2025/26 Annual Plan and the 2027-37 LTP to prioritise and bring forward the required TCC and IFF funding.
8. By placing the project on-hold there is a high likelihood that the Infrastructure Acceleration Fund Crown grant funding commitment will no longer be available to the project.

Opportunities for potential reallocation of approved IAF funding could be further investigated, however there is a high likelihood this grant funding commitment may be withdrawn.

9. The CRS2 project is a top regional priority in the Transport System Plan (TSP), and an upgrade of this corridor will be required at some stage. The key consideration is 'when' rather than 'if' it is required.
10. It is recommended that the project is paused and reconsidered for prioritisation and funding as part of the TCC 2027-37 LTP and NZTA 2027-30 NLTP.

## BACKGROUND

11. The Cameron Road Stage 2 project is a key enabler to continued city growth, particularly as a connector for development of the western corridor and planned intensification of the Te Papa peninsula.
12. There is a significant housing shortfall and affordability crisis in Tauranga and the wider sub-region. Moving forward at pace to deliver serviced and zoned land is critical to increasing supply which in turn will improve affordability.
13. The Urban Form and Transport Initiative, Te Papa Indicative Business Case and Spatial Plan, SmartGrowth Strategy and Transport System Plan are all key planning documents which provide direction on the future housing and business land supply to sufficiently accommodate the projected growth in the sub-region, along with supporting transport infrastructure required to enable housing intensification of existing urban areas and new greenfield areas.
14. Cameron Road is one of Tauranga's main arterial corridors, providing an important connection to the city centre for people within and beyond the corridor. It is an important route and a destination for many with schools, businesses, public spaces, and the hospital located along it. Over the next 30 years, it is anticipated that more than 35,000 people will be living on Te Papa Peninsula.
15. More broadly, the wider Western Bay of Plenty region is planning for an extra 200,000 people living in the region over the next 30 to 50 years. Tauranga needs to transform into a place where more people can live, work, study, and provide more sustainable ways to move around.
16. Cameron Road Stage 1, from Harrington Street to Seventeenth Avenue has now been completed. Cameron Road Stage 2 connects this and the future planned upgrades from Tauriko to Barkes Corner along the State Highway 29a and is paramount for realising the full corridor benefits for the wider community.
17. The Te Papa Indicative Business Case (prepared alongside the Te Papa Spatial Plan), a joint business case prepared by NZTA, TCC and Bay of Plenty Regional Council, was approved by NZTA alongside the Urban Form and Transport Initiative Programme Business Case in 2020.
18. Both the Urban Form and Transport Initiative and the Te Papa Indicative Business Case provide for an integrated land use transport strategy supporting significant intensification within the Te Papa corridor, located around the Cameron Road spine.
19. Plan Change 33 has recently been completed which significantly increases the housing density along the Cameron Road Stage 2 corridor enabling intensification up to eight storeys. The 'Feasible and Reasonably Expected Development Capacity Assessment' undertaken as part of the plan change process shows that over the next 30 years, an additional 16,500 dwelling units (including apartments) could be reasonably expected along the corridor. In addition, it is estimated that intensification along the corridor will support growth of the city centre and surrounding commercial area of up to 15,000 more jobs over 30 years.
20. The Te Papa Indicative Business Case and Spatial Plan is also strongly aligned with Government Policy Statement on land transport 2024, particularly the Strategic Priority for Economic Growth and Productivity. The economic analysis for the indicative business case, which included Cameron Road stages 1 and 2 as key components, identified significant

benefits relating to safety, travel time savings, congestion reduction, productivity gains and emissions reduction.

21. There have been a number of larger scale apartment developments delivered along and in vicinity of Cameron Road over the past few years, with significant future development opportunity also existing in the Gate Pā area where Accessible Properties Limited (a community housing provider) owns approximately 100 parcels within walking distance to Cameron Road.
22. Investment in movement within the Te Papa area and along Cameron Road corridor, including potential for T2, T3, public transport, walking and cycling provision, is both a necessity to respond to reasonably expected growth and network capacity challenges, as well as providing a catalyst for future private investment. This aligns with both the existing National Policy Statement on Urban Development and envisaged future amendments to this policy, which provide for a focus to enable “more people to live in, and more businesses and community services to be located in, areas of an urban environment ... well-served by existing or planned public transport”.
23. Importantly, Cameron Road is also a key component of the broader SH29 Tauriko Network Connections long-term improvement plan, which is designed to link future growth in the western corridor to the city centre and Port of Tauranga. The Tauriko Network Connections project will enhance freight and vehicle access while facilitating development of an additional 1,600 homes in Tauriko West, complementing the 2,400 homes already planned. Over the longer term, it will also support housing growth in potential western corridor areas, such as Keenan Road, unlocking the potential for up to 25,000 new dwellings, as well as supporting expansion of the Tauriko Business Estate, which is expected to unlock 6,000-plus new jobs. Cameron Road will play a key role providing transport alternatives to connect the western corridor with the city centre over this time.
24. The CRS2 project also includes significant upgrades and renewals to water and wastewater infrastructure along the Cameron Road corridor. Upgrades to the water and wastewater networks are also key enablers to planned intensification and growth.
25. Councils 2024-34 LTP anticipated progressing with design of the Cameron Road Stage 2 project in 2024 and 2025 with construction to commence from 2026, noting project funding assumed significant co-funding from NZTA.

#### DETAILED BUSINESS CASE UPDATE

26. The initial Cameron Road Stage 2 DBC was completed in early 2024. Following the introduction of a new Government Policy Statement on Land Transport (GPS) which became effective in July 2024, the original DBC for CRS2 was rejected by NZTA. As a result, the project was not prioritised for funding in the 2024-2027 NLTP.
27. The rejection of the original DBC and associated project co-funding has created a significant funding gap.
28. As previously reported to Council on 19 August 2024 works have been progressing to revise the DBC in closer alignment with GPS 2024 to seek further potential co-funding opportunities.
29. The reworked DBC is due to be finalised in February '25 including:
  - (a) **Flexible design:** The updated recommended design now accommodates future urban accessibility, including active modes, by incorporating:
    - (i) 4-lanes continuous throughout the corridor, including 3.5-meter wide outer/nearside lanes which meet the minimum requirements for bus lanes, high occupancy vehicle lanes or general traffic lanes.
    - (ii) 3-meter-wide shared paths on both sides of the corridor that can be adapted into separated cycle lanes in the future.

- (b) **GPS 2024 alignment:** The revised design and business case now align strongly with the GPS 2024 policy framework.
- (c) **Benefit/Cost Ratio:** The DBC achieves a BCR of 1.2, excluding the wider economic benefits.
30. The reworked DBC provides an alternative direction and design that increases alignment with the Government Policy Statement (GPS) on Land Transport and an improved BCR, however it is noted that NZTA have confirmed further project co-funding will not be further considered or approved within this current 2024-27 NLTP.

## STRATEGIC ALIGNMENT

31. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

32. We are an inclusive city – The CRS2 project supports inclusive access consistent with the Ministry of Transport’s Transport Outcomes Framework and the National Policy Statement on Urban Development.
33. We value, protect, and enhance the environment – The project will incorporate low impact design principles and support reduced emissions through improved modal choice.
34. We are a well-planned city – CRS2 will help deliver the Connected Centres, Urban Forum and Transport Initiative (UFTI), Transport System Plan and Te Papa Spatial Plan outcomes.
35. We can move around our city easily – Flexible design with multi-mode conversion options.
36. We are a city that supports business and education – The Te Papa Peninsula is a key intensification area with Cameron Road the main arterial corridor, providing connection between residential, employment, health, education and recreational destinations.

## FINANCIAL CONSIDERATIONS

37. The current 2024-2034 LTP budget beyond the DBC phase is \$294.8m for the CRS2 project – which includes a combination of transport and waters components. Project funding in the LTP was comprised of:
- NZTA co-funding - \$110.3m
  - IAF - \$56.6m
  - IFF - \$13.8m
  - Development Contributions - \$21.4m
  - TCC Loan Funding - \$92.7m
38. For the transport components the LTP assumed NZTA co-funding at a 51% Financial Assistance Rate (FAR). NZTA have confirmed that no project co-funding is available within the current 2024-2027 NLTP.
39. As part of prioritisation of the draft 2025-26 Annual Plan in late 2024, it is noted that project funding for the CRS2 project beyond the current DBC phase has been deferred outside of the 2025/26 and 2026/27 financial years.

### Infrastructure Acceleration Fund (IAF)

40. The IAF contribution is dependent on a full funding package being secured and the project being delivered to the current programme.

41. TCC has advised the Kainga Ora funding team that the business case was not endorsed in July this year and that the project has not received material funding through the recent NLTP announcement.
42. The remediation plan was formally submitted on the 27<sup>th</sup> September, which detailed TCC's proposed approach to revising the business case to better align with the new GPS.
43. The remediation plan also outlined the alternative funding conversations that are underway for this project which may be able to resolve any funding shortfall. These opportunities include increased funding by TCC, funding or financing tools enabled through the proposed Western Bay of Plenty regional deal or a combination of the two.
44. Kainga Ora have advised that TCC's proposed approach to the remediation plan is acceptable, which could potentially align with Option1 of this paper.
45. Should the project be placed 'on hold', there is a significant risk that IAF funding would be lost, subject to a Ministerial decision.

#### Infrastructure Funding and Financing (IFF)

46. The IFF is a compulsory charge levied almost on all properties in Tauranga over a 30-year period from 1 July 2024. The IFF Transport Levy funds and finances capital expenditure of approximately \$175m to fund up to 13 transport projects including Cameron Road Stage 2.
47. IFF funding is potentially available up to 65% of project value, which could, subject to necessary approvals mitigate the existing NZTA funding gap.

#### **Cost and Funding Tables**

48. The below table sets out the Forecast Delivery Cost and associated Funding Stacks for the current LTP (24-34) remaining budget for the original DBC and the forecast cost and potential funding delta for the reworked DBC.

	LTP ('24-'34) Remaining Budget Transport and Waters (inflated)	Reworked DBC Cost Estimate Range (P50 - P95)	Delta	Comments
<b>Total</b>	\$ 294,821,411	\$260,010,694 - \$294,010,694	\$800K - \$34m	Reworked DBC scope cost estimate high end of range (P95) is negligably lower than previous
<b>Funding Stack</b>				
NZTA	\$ 110,266,809	\$88m - \$110m	\$88m - \$110m	NZTA funding not available for reworked DBC
IAF	\$ 56,629,798	\$ 56,629,798	\$ -	Maximum IAF available
IFF	\$ 13,795,532	\$ 13,795,532	\$ -	Potential for funding to increase
Developer Contributions	\$ 21,359,830	\$ 21,359,830	\$ -	Potential for funding to increase
TCC Loans/Renewals	\$ 92,769,442	\$ 92,769,442	\$ -	Potential for funding to increase
<b>Funding Gap</b>	N/A		\$88m - \$110m	<b>Potential funding gap range for reworked DBC project</b>

**OPTIONS ANALYSIS**

49. Two potential options for the CRS2 project have been identified and assessed:

<b>Option 1 – Complete the reworked DBC and progress the project without NZTA funding and seek alternative funding opportunities.</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>- NZTA funding not required.</li> <li>- NZTA DBC approval process not required.</li> <li>- Retain IAF contribution and utilise IFF.</li> <li>- TCC can influence design layout outside of GPS requirements (Multi-modal).</li> <li>- Retain current programme/timeframe.</li> <li>- Business continuity of internal/external specialist resources.</li> <li>- Realising benefits of CRS1 sooner.</li> </ul>	<ul style="list-style-type: none"> <li>- Requires mitigation of current funding shortfall of between \$88m (P50) and \$110m (P95).</li> <li>- To progress the project in the next 24-30 months would require additional funding to be prioritised in the 2025-26 Annual Plan</li> <li>- Significant risk that alternative funding sources other than TCC loan funding cannot be secured.</li> <li>- Community engagement would need to be completed on revised '4 lane' design that could be contentious with the general public and stakeholders for a project that may still not receive funding approvals.</li> <li>- Progressing the CRS2 project to enable construction by 2026/27 could likely conflict with timing of planned construction of the 15<sup>th</sup> Ave to Welcome Bay project.</li> </ul>
<ul style="list-style-type: none"> <li>➤ <b>Cost implications</b> – A potential funding shortfall of between <b>\$88m – \$110m</b> requires mitigating by TCC from alternative funding sources.</li> <li>➤ Delay in timing: Dependant on time taken to secure/secure an alternative funding partner.</li> </ul>	

<b>Option 2 – Place the project 'on hold' and prepare project for potential inclusion within the 2027-37 LTP and 2027-30 NLTP funding programme.</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>- Delay allows for opportunity of NZTA co-funding in the next NLTP (2027-2030), subject to prioritisation.</li> <li>- Clarity to project position that can be communicated to Partners, Stakeholders and the Community.</li> <li>- Alternative funding sources (to NZTA) not required.</li> <li>- Funding consistent with draft 2025-26 Annual Plan.</li> <li>- Delay potentially allows construction of 15<sup>th</sup> Ave to Welcome Bay to be complete prior to commencing CRS2 construction.</li> <li>- Delay potentially allows better alignment with SH29a/Barkes Corner project delivery timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>- Delivery would not be consistent with IAF requirements and the current IAF crown grant funding could be lost.</li> <li>- Non-delivery of IFF funded project will have a consequential cost unless able to be reallocated.</li> <li>- Minimum 2–3-year delay to project implementation.</li> <li>- Infrastructure investment opportunity to create jobs and support businesses delayed.</li> <li>- Loss of business continuity and project delivery momentum for internal and external resources.</li> <li>- Potential negative public feedback for placing project 'on hold' after work to date and delivery expectations.</li> <li>- Potential that at least some of the current</li> </ul>

	project capital expenditure would need to be transferred to Opex as no asset would be created (subject to future phases).
<ul style="list-style-type: none"> <li>➤ Cost implications – No additional costs in the short term, however delays to delivery will likely increase the overall project delivery costs beyond current estimates due to cost escalation.</li> <li>➤ Delay in timing: Potentially 2-3 years minimum.</li> </ul>	

50. If the project is delayed, an indicative future cost delivery profile beyond the DBC phase is:

Forecast Spend Profile								
FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total
N/A	N/A	\$10m	\$57m	\$60m	\$61m	\$57m	\$49m	\$294m

51. The project includes upgrades to the transport, water, wastewater and stormwater networks. It is currently anticipated that if the overall project is delayed by 2-3 years that waters infrastructure works would defer in accordance with overall project delivery timeframes, however if the project is further delayed some water infrastructure upgrades and renewals may be required to progress in advance of transportation works.

52. Options for partial delivery utilising existing budgeted LTP funding excl. NZTA co-funding (\$184.5m) could also be further considered. Reduced scope options could include for example progressing an upgrade from Seventeenth Avenue to Gate Pa or Greerton. It is noted that progressing partial scope would still leave a funding gap to deliver the intended overall corridor outcome.

### TE AO MĀORI APPROACH

53. Council’s [Te Ao Māori approach](#) has been incorporated throughout project development to date. As valued delivery partners, hapū/iwi have been intrinsically involved with the project with a particular focus on the significant Gate Pā /Pukehinahina site.

54. As the project progresses it is intended this engagement would continue to support the principles of manaakitanga, rangatiratanga, kaitiakitanga, whanaungatanga, wairuatanga, tūmanako and Te Reo Māori

### CLIMATE IMPACT

55. The CRS2 project DBC has incorporated and assessed options and opportunities to adapt to a changing climate, reduce emissions and enhance nature and biodiversity.

56. Key project opportunities include stormwater treatment through raingardens, retention and incorporation of flora into design, reduction in raw material requirements through optimised design and recycling of materials, and encouraging sustainable transport modes through ensuring appropriate connections and design optimisation.

### SIGNIFICANCE

57. 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.

58. 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.

59. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

### **ENGAGEMENT**

60. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that the following consultation/engagement is suggested/required:

- (a) Should the decision be made to continue with the project, a full community engagement process would be undertaken on the revised design option prior to the reworked DBC being issued to the City Futures Committee for approval.

### **NEXT STEPS**

61. Subject to decisions and direction from this Committee, the project will either:

- (a) Go on-hold with the updated DBC and associated concept design being filed for subsequent project recommencement at a future date; or
- (b) Progress to next stage of further community engagement on the revised design concept and associated funding approvals and design development.

62. If the decision is made to place the project on hold it is also recommended that Council explore opportunities to reallocate planned project IAF and IFF funding to alternative eligible Council projects. The potential city/regional deals process may provide an avenue to progress funding reallocation opportunities with Central Government.

### **ATTACHMENTS**

**Nil**



### 8.3 Major Transport Projects Update

**File Number:** A17356094

**Author:** Chris Barton, Programme Director: Major Projects

**Authoriser:** Nic Johansson, General Manager: Infrastructure

#### PURPOSE OF THE REPORT

- To provide an update to committee on the Transport Major Projects including Pāpāmoa East Interchange, SH29 Tauriko Enabling Works, Fifteenth Avenue to Welcome Bay, Cameron Road Stage 2 and Connecting Mount Maunganui.

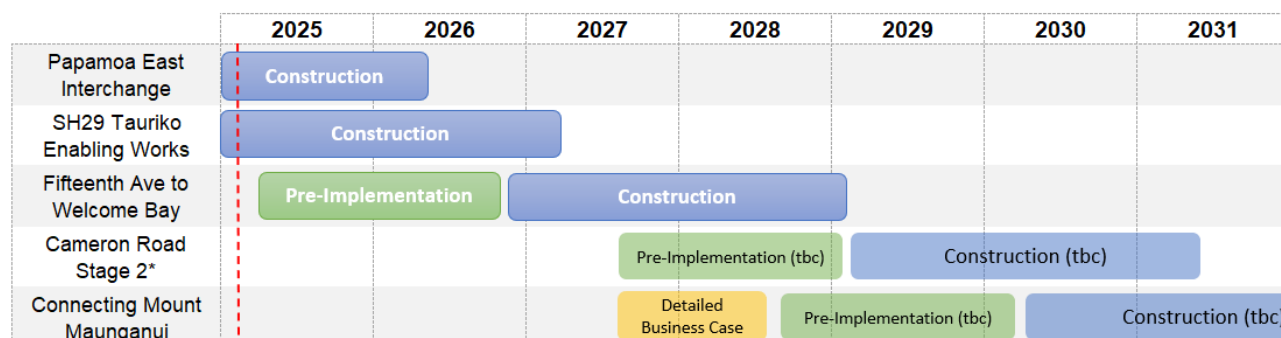
#### RECOMMENDATIONS

That the City Futures Committee:

- Receives the report "Major Transport Projects Update".

#### DISCUSSION

- Council have a planned programme to deliver five major transport projects in the 2024-23 Long Term Plan. As previously reported to the Vision, Planning, Growth and Environment Committee, this is a regular update report on the status and progress of the projects.
- The projects are being delivered by the Major Projects unit which has been established with capacity and capability to appropriately manage planning and delivery of projects of this scale, complexity and risk.
- It is noted that separate reports to this Committee meeting are provided regarding the Fifteenth Avenue to Welcome Bay and Cameron Road Stage 2 projects.
- Overview timeframes for delivery of the respective projects are outlined below:



\* Indicative timeframe as outlined in the 2025/26 AP and separate report to this meeting

- Noting the sensitivity of the transport network to construction activities, this programme of works is highly interdependent with other major transport works in the area. Particular key interdependencies are timing of State Highway works being delivered by NZTA, including Takitimu Northern Link (due for completion in 2028) and the planned SH29/SH29a Road of National Significance upgrade (timeframes to be confirmed).

**PĀPĀMOA EAST INTERCHANGE**

- 7. The Pāpāmoa East Interchange is a key roading connection to improve network connectivity for existing residents and also enable ongoing growth and development of the Pāpāmoa East, Wairākei and future Te Tumu areas.
- 8. Construction is progressing well with works currently ahead of programme and costs forecast to be within budget.
- 9. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget \$79.3m. Current estimate \$68m-\$75m
Time		Ahead of programme. On track for completion in first half of 2026.
Safety		Appropriate safety management with regular audits.
Scope		Scope confirmed with no substantive changes
Stakeholders		No major disruption or complaints
Risk		Active management of live risks. Contingencies in place

- 10. Bridge foundation ground improvement works were completed in late 2024 which has enabled works to progress with construction of the new overbridge abutments.



- 11. The overall interchange is on track for completion by mid 2026, however staff are actively seeking to engage with NZTA regarding opportunities for early opening exit or entry ramps from the Pāpāmoa East area with the Tauranga Eastern Link (TEL) eastbound lanes, with a target of potential partial interchange opening in the second half of this year.

**SH29 TAURIKO ENABLING WORKS**

- 12. The Tauriko West Enabling Works project supports both residential and industrial growth - it will directly enable initial development of up to 2,400 new homes in the Tauriko West development area and enable ongoing development of over 100 hectares of industrial land in the Tauriko Business Estate, which is anticipated to provide up to 6,000 additional jobs within the city.
- 13. Construction is progressing well with works underway at both the Redwood Lane and Tauriko Village / Cambridge Road sites.
- 14. An overview of the project status is as below:

	Status	Comments
Cost	Yellow	LTP Budget \$240.8m. Current estimate \$215m-\$240m which is within budget, however significant risks remain.
Time	Green	Construction on programme.
Safety	Green	Over 80,000 worker hours without any serious harm incidents
Scope	Green	Scope confirmed with no substantive changes
Stakeholders	Yellow	Actively working with project neighbours and travelling public, but anticipate ongoing traffic disruption during construction
Risk	Yellow	Active management of live risks and contingencies in place, however this remains a high risk project with significant residual risks.

15. As previously advised the project required a lane closure on Cambridge Road in January to enable installation of sheet piles for a new retaining wall. Works progressed well and the lane closure was lifted four days ahead of schedule.



16. Key upcoming milestones for the project include:

- April/May 2025 – Planned opening of new northern access road and Tauriko School / Playcentre carpark. This link will provide northern access to the Tauriko West development area.



- Late 2025 / early 2026 – Complete new SH29 / Kaweroa Drive / Redwood Lane roundabout. This link will provide southern access to the Tauriko West development area.



17. NZ Transport Agency Waka Kotahi (NZTA) will present an update to the 31 March Committee meeting on planned and upcoming State Highway works in the Western Corridor which includes planned upgrades to State Highway 29, State Highway 29A and State Highway 36 between the Omanawa Bridge and Barkes Corner.

**FIFTEENTH AVENUE TO WELCOME BAY UPGRADE**

18. A separate report is provided to this Committee meeting with further information on this project.
19. At the time of writing this report, staff are awaiting feedback from NZTA on whether co-funding has been approved to progress to the next phase of progressing design development.
20. An overview of the project status is as below:

	Status	Comments
Cost	Green	LTP Budget \$170.2m. Current estimate \$149.7m-\$170.2m
Time	Yellow	Some delays to Business Case decisions from NZTA which has impacted commencing design.
Safety	Green	No current issues.
Scope	Yellow	Some scope elements to be further defined through the pre-implementation phase
Stakeholders	Green	Further engagement planned through design in advance of construction
Risk	Yellow	Some key risks remain which will be further addressed through the pre-implementation phase.

**CAMERON ROAD STAGE 2**

21. A separate report is provided to this Committee meeting with further information on this project.

22. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget \$302.7m. Current estimate \$260m-\$302m, however anticipated \$110m of NZTA co-funding has not been funded.
Time		Lack of funding likely to defer the project outside of the current 2024-27 NLTP period.
Safety		No current issues.
Scope		Some scope elements to be further defined for the recommended option - subject to decisions on progressing
Stakeholders		Noted significant further communication and engagement would be required prior to confirming the recommended scope.
Risk		Depending on direction of progressing or pausing the project, there are key risks which will need to be addressed.

### CONNECTING MOUNT MAUNGANUI

23. This project is the top ranked priority intervention in the Transport System Plan, seeking to address significant delays and unreliable journey times in the Mount Maunganui area, keep goods moving as the key route to and from the Port of Tauranga, and enable continued growth of the region.
24. The project Indicative Business Case (IBC) was completed in 2024, and was endorsed by the Vision, Planning, Growth and Environment Committee on 11 November. The IBC has been submitted to NZTA with review by the NZTA Board anticipated in February.
25. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget (for anticipated TCC 50% share) \$294.5m. Current estimate \$139.1m-\$187.3m, however NZTA co-funding has not been prioritised/funded in this NLTP period.
Time		Lack of funding likely to defer the project outside of the current 2024-27 NLTP period.
Safety		No current issues.
Scope		IBC has identified a recommended option. Some scope elements to be further defined subject to decisions on progressing
Stakeholders		Noted significant further communication and engagement would be required prior to confirming the recommended scope – including further engagement with Ngati Kuku who do not support a grade separated intersection at Totara / Hewletts intersection.
Risk		Currently a high risk of delays to implementation which is likely to result in additional network delays and potential to constrain ongoing growth and economic productivity. This large scale and complex project is still at an early phase and includes significant risk items.

26. NZTA are seeking funding to progress with implementation of the proposed Hewletts Road T3 managed lanes within the next 24 months, and have also confirmed that no funding is available in this 2024-27 NLTP period to progress any further elements of this project.



27. Noting the strategic importance of this project Council are continuing to explore opportunities and options to progress this project, including inclusion into a City / Regional Deals application to central government.
28. Staff are also preparing a submission to the Infrastructure Priorities Programme (IPP) being facilitated by the NZ Infrastructure Commission. Projects assessed as meeting the criteria under the IPP will be published and included within the National Infrastructure Plan which will likely support future investment and funding prioritisation decisions.
29. A further report is to be presented to the 31 March City Futures Committee meeting following the NZTA Board meeting to seek direction on how Council would like to proceed with this project – particularly whether to fund and progress the next phase Detailed Business Case in this 2024-27 NLTP period or not.

### NEXT STEPS

30. A regular update report will be provided to future City Futures Committee meeting.

### ATTACHMENTS

Nil

## 8.4 Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025

**File Number:** A17100076

**Author:** Andy Mead, **Manager:** City Planning & Growth

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

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

Public Excluded Attachment	Reason why Public Excluded
Item 8.4 - Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025 - Attachment 3 - Development Proposal	<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)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

### PURPOSE OF THE REPORT

- To report progress on key projects relating to managing growth in a sustainable manner, including land use planning projects and related transport, infrastructure and funding workstreams.

### RECOMMENDATIONS

That the City Future Committee:

- Receives the report "Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025".
- Attachment 3** can be transferred into the open When development proposal is public and financial arrangements have been agreed between developer, Western Bay of Plenty District Council and Tauranga City Council.

### EXECUTIVE SUMMARY

- Managing growth is a significant issue for Council, particularly the challenge of ensuring growth is sustainable in a four wellbeing's context for both current and future communities.
- The attached report outlines the progress being made in relation to a number of projects necessary to manage this continued growth. This information is also regularly reported to the SmartGrowth partners.

### KEY UPDATES

- The key points to note in this update are outlined in the paragraphs below.

#### Greenfield projects

- Significant progress has been made on greenfield planning and development projects in recent months:

- (a) The Tauriko Business Estate extension plan change has been made operative.
  - (b) The Upper Ohauti private plan change for residential development has been through Hearings, Recommendations and Council decision-making. The decision has been notified and it will become operative if no appeals are received.
  - (c) The Tauriko West plan change hearings were held in early December 2024 and we are awaiting a recommendation from the Independent Hearing Panel.
  - (d) Council approved commencement of planning for the Upper Belk Road area.
6. In relation to Tauriko West, agreement was not reached with the Redwood Lane landowners on terms approved by Council resolution. Staff will report further on this after recommendations from the Independent Hearings Panel have been received.
  7. In relation to Te Tumu, work continues on valuation and negotiation processes for access and active reserves on Māori land. We expect to report to Council in the near future for decisions.
  8. Kainga Ora's proposed Western Corridor Specified Development Project was not approved by the Ministers of Housing and Finance. Growth in the western corridor remains a priority and will be progressed through other means.

### **Fast Track Approval Projects**

9. The government passed the Fast Track Approvals Bill into law in late 2024. A number of projects in and around Tauranga have been included in the Bill including three housing projects (Tauriko West – (Classic Group Land), Bell Road and Tara Road) and two roading projects (Taurko Network Connections/SH29 and TNL Stage 2). TCC project applications were unsuccessful.
10. Staff are working with developers and landowners on the three housing projects. Of note:
  - (a) The Tara Road site has significant wastewater capacity constraints which have been communicated to the applicant.
  - (b) The Bell Road project is located in WBOPDC on the boundary with TCC. It faces similar wastewater constraints if reticulated to TCC's network. The developer is working with WBOPDC on other options. There are also significant stormwater and flooding challenges which BOPRC are leading engagement on.
11. Outside of the fast-track process staff are working with a developer and WBOPDC on a housing proposal on the edge of the City. Further information is contained in the confidential attachment to this report.

### **PC27 Flooding**

12. Plan Change 27 (Flooding from Intense Rainfall) was progressed to manage existing flooding risk across the city, and potential increased risk from further development/intensification and climate change. Staff have been working through appeals for some years. These have now been resolved with the relevant parties and a consent order is with the Environment Court to consider. Once the Court confirms their agreement the plan change can become operative. We anticipate this will be early this year.

### **SmartGrowth**

13. The SmartGrowth Strategy implementation and funding plan was approved in October 2024. The focus now moves to implementation and enabling development, which is primarily led by each SmartGrowth partner, especially the three Councils.

### **Māori Land Development**

14. In response to queries from Councillors, this section outlines the work TCC undertakes in respect of development of Māori land especially papakainga development.



15. Papakāinga is traditional communal housing, typically built on multiply owned Māori land where whānau live in close proximity, supporting and sustaining intergenerational connections, cultural values and community support. More than housing as usual, Papakāinga reflects Te Ao Māori ways of being and doing, prioritising Te Ao Māori principles and values such as uninterrupted connections of whakapapa (genealogy) belonging and stewardship of the land and surrounding resources promoting cultural heritage and ancestral responsibilities.
16. Utilising Māori land is recognised as part of the wider suite of housing solutions for TCC and is a priority for tangata whenua in Tauranga Moana. Papakāinga are currently a key priority for Te Rangapū Mana Whenua o Tauranga Moana.
17. Council supports Papakāinga housing through a coordinated approach of working with Iwi, Hapu, Māori Land Trusts, Te Rangapū Mana Whenua o Tauranga Moana, Ara Rau Tangata and other local stakeholders aligned to Smartgrowth and Te Keteparaha mo nga Papakāinga - Māori Housing toolkit.
18. Two key ways in which TCC provides support are:
  - (a) Papakāinga Advisor – designed to remove institutional barriers and mistrust that restrict Māori land trusts and owners from open and honest discussions on their aspirations including opportunities, risks and barriers. The current provider has experience that is valuable to trustees and landowners namely as a builder and project manager for successful papakāinga across and beyond Tauranga. This, in turn, gives TCC a finger on the pulse for opportunities and developments in a manner that continually builds trusted relationships.
  - (b) Development Contributions Grant for Papakāinga Housing – designed to address a key barrier within TCC control effectively removing on average \$30,000 of financial barrier also understanding that these are usually funded by developers and landowners through finance and/or recovered by equity which are largely unavailable when developing housing on Māori land.
19. Māori Land Trusts are in charge of their vision for their Papakāinga, and a key part of council engagement has been to wrap around support to ensure they have council supported Papakāinga plans as well as access to a dedicated and responsive resource to troubleshoot barriers.

## Challenges

20. There are a number of inherent and emergent challenges to deliver Papakāinga housing including but not limited to:
  - (a) **Collective ownership** – Māori land often involves complex ownership structures, including multiple owners, which can hinder decision making. Often Shareholding is fractured, and elder members have passed on requiring succession which is an additional and often lengthy process through the Māori Land Court. Likewise, decision making generally is also a much longer process requiring collective support for a common plan by Hui a Hapu / Hui a Whanau, continued discussion by shareholders and beneficiaries and seeking formal endorsement by the trustees or nominated caretakers of the land.
  - (b) **Resource constraints** – There is limited access to funding and support from government or other sources to cater the unique needs of Māori land and the families they represent. Additional costs in obtaining consent are unaffordable due to lower-than-average income levels. Also it is often harder to obtain traditional finance for housing due to lenders need for limited risk, security and additional requests for security over collateral assets.

- (c) **Regulatory and infrastructure Barriers** – Building codes and at time zoning provisions do not naturally align with Māori land, along with lack of proximity to infrastructure like water, wastewater and formed roads, building on Māori land can be costly and time consuming, adding to development delays.

**Details of Māori land and papakāinga proposals in the Tauranga area.**

- The location and extent of Māori land is set out in the plans in Attachment 2. There is over 1,800 hectares of multiple owned Māori land in Tauranga.
- While some Māori land is located in urban or future urban area likes Bethlehem, Welcome Bay, Papamoa and Te Tumu, most is located in rural locations especially in the vicinity of Matapihi and Mangatawa. Māori land in Matapihi totals around 250ha, this being about 70% of the that area. Most if it is zoned Rural (230ha) with two smaller areas zoned Rural Marae Community (20ha). The land has been identified as having the right characteristics for urban development however this is not planned as the aspirations of Māori landowners in this area are for it to remain predominately in rural (main horticulture -kiwifruit) with pockets of papakainga.
- Despite these initiatives limited development has occurred or is planned on multiple owned Māori land reflecting the challenges outlined earlier. The figure below shows the number new papakainga housing units built on Māori land in Tauranga between 2000 and 2023. The purple colour indicating the annual number and the blue colour being the cumulative amount. Data for 2024 and current building consent applications is currently being sourced for the Committee meeting.



- Further to this, some other housing and non-residential development has occurred on Maori land such as the Pacific Coast and Pacific Lakes retirement villages in Papamoa as well as leasehold industrial development eg Mainfreight on Truman Lane.
- A number of areas are planned to be bought through as collectives subject to resolving the challenges set out above, being Hangarau (Bethlehem), Welcome Bay, and Inner-City areas aiming to address housing needs through collaboration with Tauranga City Council (TCC), relevant stakeholders, and government agencies. These projects focus on planning, infrastructure, and funding to support cohesive growth.
  - Ngāti Kahu – 53 homes, 12 in next stage
  - Ngāti Hangarau – 128 homes, 15 in first stage
  - Welcome Bay – 219 homes
  - Te Reti – 32 homes
  - Matapihi [link](#) - 80 homes

TOTAL POTENTIAL – 512 homes, short to medium term 27 homes.

**Further TCC Assistance**

26. To support tangata whenua to step through the process to develop their land, the Māori housing toolkit – Te Keteparaha mo ngā Papakāinga was reviewed and refreshed in 2020. The Māori Housing Toolkit is a step-by-step guide designed to assist Māori to develop papakāinga proposals on multiple owned Māori land.
27. There is also a focus on Māori housing through the SmartGrowth Strategy, including an action to establish a Joint Agency Group to oversee Māori housing delivery which is in the process of being established.
28. The Tauranga City Plan (City Plan) has specific rules and zones that enable papakāinga on Māori land. The purpose of these zones and associated planning provisions are to provide for activities which range from tangi and hui through to the provision of residential accommodation, health, education, recreation and social services. They were prepared in partnership with iwi, hapu and land trusts to provide for land development aspirations, therefore bespoke rules apply to different areas.
29. Council staff provide technical support to work through the rules within the City Plan and provide high level assessments of development potential. In some cases, this includes external technical assessments funded by Council. For example, work has been undertaken with land trusts on Kaitemako Road to understand potential development areas. Generally, the City Plan is not the barrier to development. Where the rules are the barrier to development, Council works with the relevant land trust. This is the case for Ngati Hangarau where engagement is ongoing regarding amendments to rules that are specific to their area in Bethlehem. We expect to undertake a Council funded plan change in due course.
30. Council's greenfield projects also include significant engagement with tangata whenua. Te Tumu includes large areas of multiply owned Māori land, where significant efforts have occurred to understand land trust aspirations. This has included cost sharing to undertake technical assessments and progress through Māori Land Court processes.
31. Engagement is also underway in regard to the Fast-track proposal in Tara Rd to enable 605 residential allotments and a commercial precinct. One of the local iwi is involved in this project.
32. Poteriwhi (Parau Farm) is another example of a greenfield site where we have been working with tangata whenua, in this case Ngāti Kahu, to ensure cultural and archaeological values are respected and the hapu's aspirations for the site and their people are considered.
33. The provision of infrastructure can be a barrier to development of Māori land. Staff engagement occurs with iwi, hapu and land trusts to understand infrastructure needs and how this can be delivered. An example of Council assistance was a papakāinga development on Ranginui Road in Welcome Bay where Council (ratepayers) funded waters infrastructure investment to enable the development to progress. Council has also in recent years funded wastewater reticulation to a number of Marae.
34. In future, transport and waters infrastructure investment is planned in a number of locations that would support Māori land development eg the Bethlehem and Carmichael Road areas.
35. Funding can also be a barrier to development on Māori land. Grants to offset Development Contributions on Papakāinga Housing Policy were first adopted by Council in October 2021. The purpose of these grants is to support the aspirations of shareholders and/or beneficial owners of Māori land to return to their whenua through the provision of affordable, safe and healthy homes. The grants help to reduce the financial burden of development contributions on the development of Papakāinga housing on Māori land. The approved funding is \$3 million to be applied at \$500,000 per annum over the six financial years ending 2021 to 2026, with any unspent funds rolled over annually.

**Government Reforms**

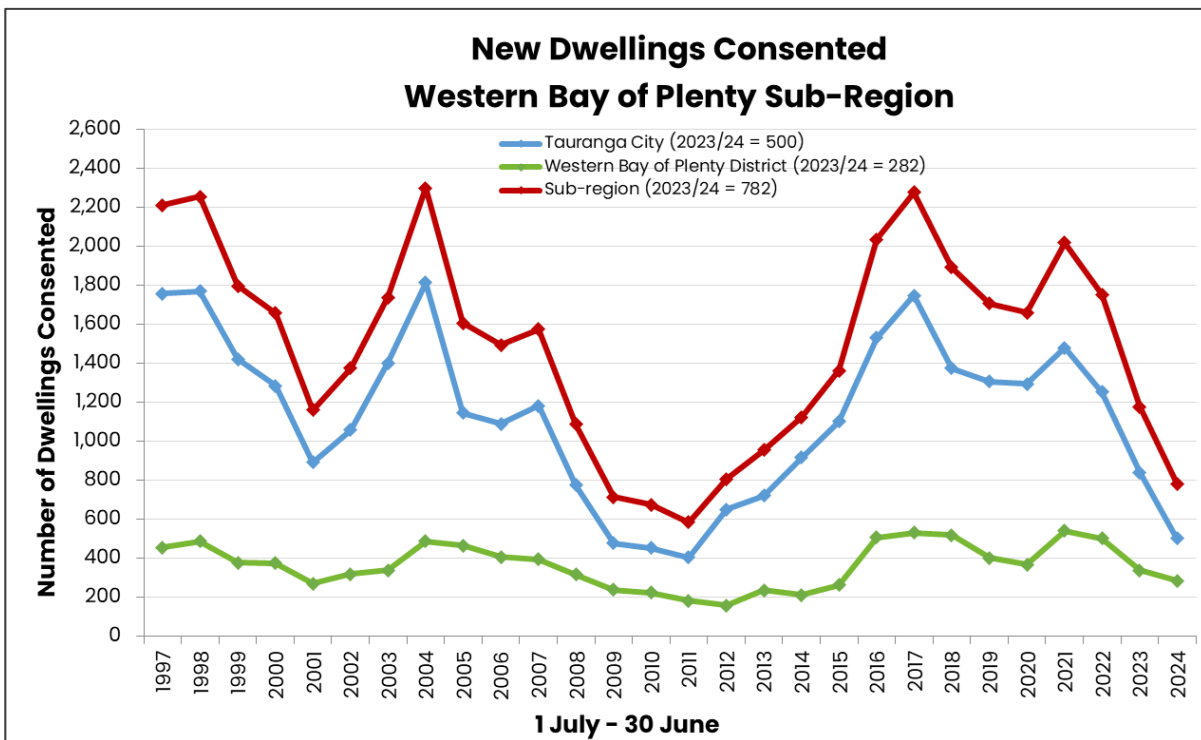
36. The Government is undertaking a wide-reaching policy and legislative reform process called Going for Housing Growth which will have significant implications for growth management in the City. The three pillars of this policy are:
  - (a) Freeing up land for urban development, including removing some planning barriers.
  - (b) Improving infrastructure funding and financing to support urban growth.
  - (c) Providing incentives for communities and councils to support growth.
37. The government is also reforming the resource management system in three phases. Phase 1 was to repeal the Natural and Built Environment Act and the Spatial Planning Act which was completed in December 2023.
38. Phase 2 is a series of targeted amendments. Phase 2 started with the new Fast-track Approvals Bill and the Resource Management (Freshwater and Other Matters) Amendment Bill, which Council submitted on. The Resource Management (Freshwater and Other Matters) Amendment Act 2024 came into force in October 2024. The key changes largely relate to regional council functions and the process to prepare and amend national direction. The key change relating to TCC functions is that the National Policy Statement for Indigenous Biodiversity implementation timeframes have been extended.
39. The Second Resource Management Act Amendment Bill was introduced to parliament in December 2024. Submissions were due on 10 February and the TCC submission was considered at the 10 February Council meeting. The Bill will be accompanied by a number of changes to national direction under the RMA. The changes are grouped into four packages being infrastructure and energy; housing; farming and primary sector; and emergencies and natural hazards. An overview of each package is included in Attachment 1.
40. Phase 3 is the longer-term replacement of the RMA with a new planning system. An Expert Advisory Group (EAG) was established in September 2024 to prepare a blueprint to replace the RMA, based on principles agreed by Cabinet together with the Government's resource management reform objectives. The timelines for RMA Phase 3 are EAG report was due by Christmas 2024, Cabinet decisions early 2025, detailed policy and legislation drafting with the aim of introducing bills in Parliament in mid-2025 and passed into law by mid-2026. The Government has advised that a Select Committee process will occur.
41. Other relevant Government reforms include:
  - (a) Local Waters Done Well which will provide greater capacity to invest in waters infrastructure for growth.
  - (b) Funding reforms – the government has signalled direction around infrastructure funding such as greater use of pricing / user pays, a strong focus on growth paying for growth with less direct government investment (eg initiatives like to Infrastructure Acceleration Fund), more private sector investment and making better use of existing infrastructure and less direct government investment. We are anticipating more detailed government announcements on new and improved funding mechanisms for local government infrastructure early this year.
  - (c) Legislation to enable more use of road tolling and the introduction of congestion pricing of road networks in larger cities like Tauranga. A Bill to enable this was introduced to Parliament in late 2024. Once it is referred to a Select Committee, submission timeframes will be determined.
  - (d) The development of a framework for Regional Deals to provide greater coordination and alignment between central and local government outcomes and investment over the long-term. The application process is now underway. The first regional deal will be finalised in 2025.
42. Council staff are involved in a range of capacities and forums providing input and advice into the early stages of Government policymaking. Council will have further opportunities to

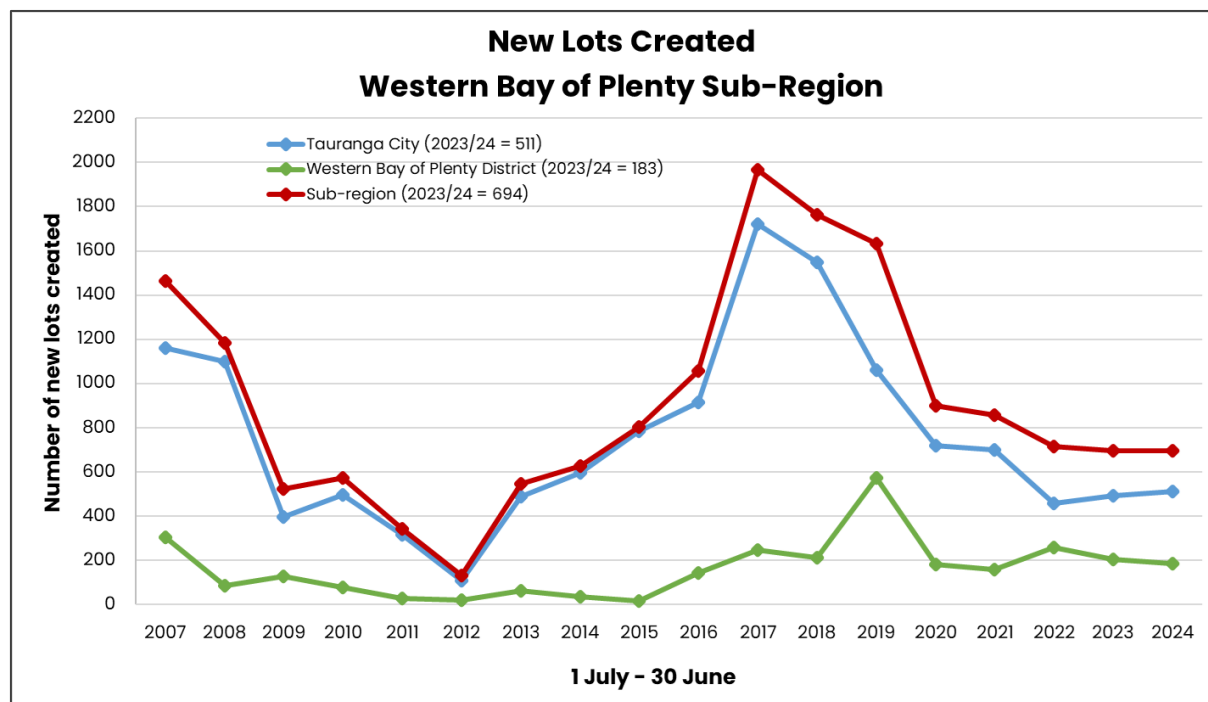
provide formal submissions in due course. We expect to have a significant focus on submissions to changes to the national direction and the second Resource Management Act Amendment Bill in the early part of 2025. Further updates may be available when this report is considered by the Committee.

**SmartGrowth Development Trends Report**

- 43. The 2024 SmartGrowth Development Trends Report was completed and published [online](#) in December 2024. The report is produced annually by the SmartGrowth partners for the Western Bay of Plenty sub-region. It contains subdivision, residential and non-residential development and population trends in Tauranga City and Western Bay of Plenty District. The purpose of the report is to monitor and report what has been happening in relation to development, not to provide detailed future projections.
- 44. A brief summary of the report findings is outlined below. More detailed reporting to the SmartGrowth Leadership Group can be found here starting on page 133 [https://cdn.prod.website-files.com/639c0b75c31ac6442f8d9994/675634d140feea0fbe28351b\\_2024%2012%2016%20-%20SmartGrowth%20Leadership%20Group%20-%20Agenda%20-%20OPEN.pdf](https://cdn.prod.website-files.com/639c0b75c31ac6442f8d9994/675634d140feea0fbe28351b_2024%2012%2016%20-%20SmartGrowth%20Leadership%20Group%20-%20Agenda%20-%20OPEN.pdf).
- 45. In summary subdivision and building activity has significantly slowed and is at historically low levels. This trend is being experienced in other growth regions around New Zealand and is consistent with past experience and the cyclical nature of economic and property markets as demonstrated in the next two figures.

**Figure 1 New Dwellings Consented, Western Bay of Plenty Sub-region, 1997-2024**



**Figure 2 New Lots Created, Western Bay of Plenty Sub-region, 2007–2024**

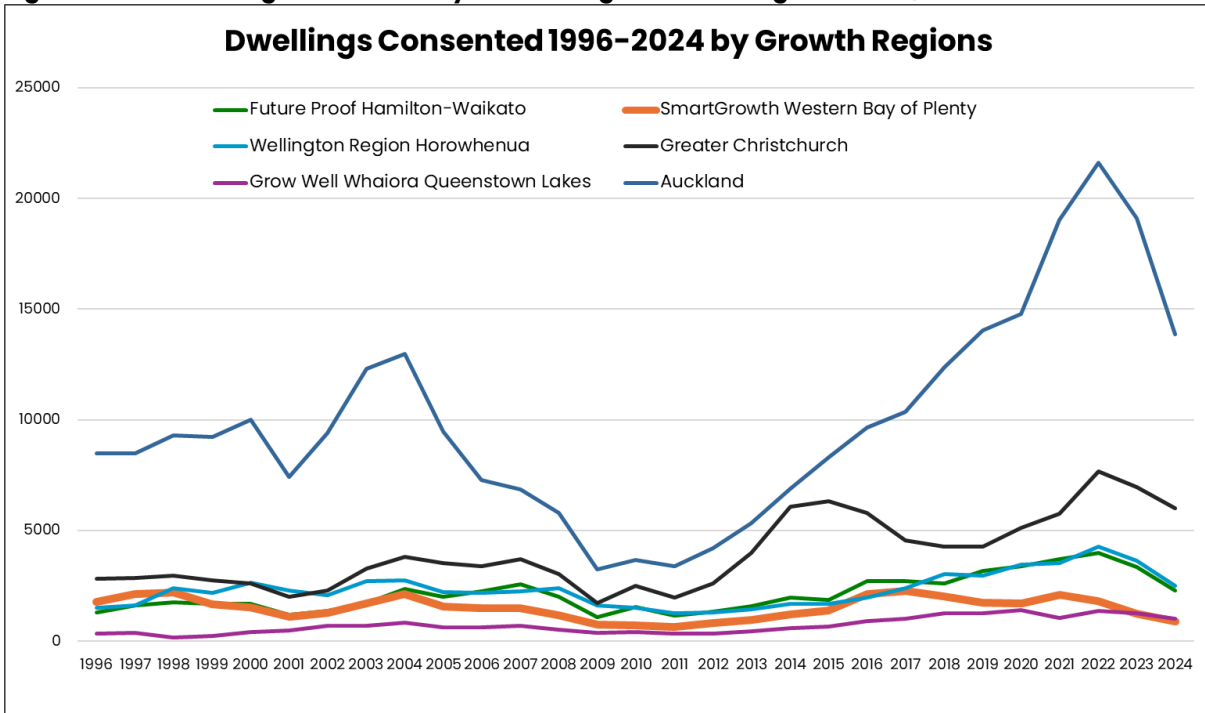
46. The reporting demonstrates there is a clear trend toward intensification and higher densities:

- Duplex and terraced housing has become more prevalent (increasing from 30 to 38% of new dwellings consented)
- Section sizes continue to decrease
- Two storey housing now makes up 44% of new dwellings consented (up from 27% in the previous year)
- 41% of new dwellings consented had 2 bedrooms (up from 37%), with the proportion of larger homes continuing to decline (3-5+ bedrooms)
- Average new dwelling size in m<sup>2</sup> continues to decline with the average floor size (130m<sup>2</sup>) of residential buildings being smaller by 4m<sup>2</sup> compared to the previous year.

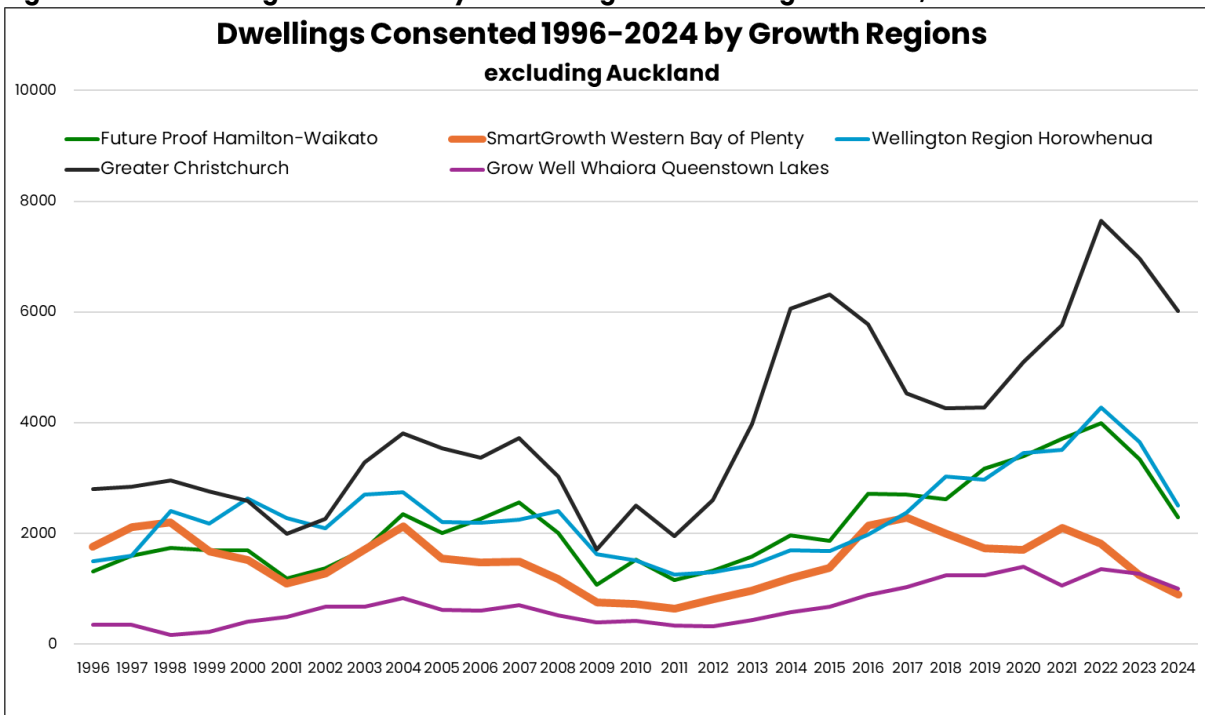
47. Development Outlook

- As mentioned above, trends in dwellings consented and new lots created reflect the cyclical nature of property development over time. Although land supply constraints are also likely to be influencing the fall in new dwellings consented and residential lots created.
- Figures 3 and 4 illustrate that the downturn currently affecting the sub-region is also occurring in other growth regions.
- Historical trends suggest that similar situations have occurred in the past, and given previous recoveries, we anticipate residential building and subdivision activity will rebound.

**Figure 3 New Dwellings Consented by Growth Regions including Auckland, 1996-2024**



**Figure 4 New Dwellings Consented by Growth Regions excluding Auckland, 1996-2024**



**Housing Equity Fund Investment**

- 48. Council has invested \$20m of the sale proceeds from the elder housing villages into the [Bay of Plenty Housing Equity Fund](#) (the Fund). The purpose of the Fund is to deliver housing for those who need it, whilst providing a return on investment to shareholders. Council is a founding shareholder, alongside Bay Trust, Trust Horizon, TECT, Rotorua Trust and New Zealand Green Investment Finance.
- 49. The intent is for Council to reinvest returns from the Fund, back into the Fund, allowing over time for the delivery of multiple housing projects. This decision was made with the aim of

ensuring the elder housing sale proceeds deliver ongoing housing outcomes for Tauranga's communities. All of the funds invested by Council will be used for Tauranga projects, although the Fund itself covers the entire Bay of Plenty.

50. In early December 2024 Council was called upon for its first project investment via the Fund. This is for a Tauranga Community Housing Trust (TCHT) project, which will deliver 20 one-bedroom apartments for seniors (55+) or those with disabilities, all eligible for subsidised rental (i.e. income related rent). TCHT are a Tauranga based registered community housing provider.
51. The Fund's total investment in this project will be \$3m, with an initial contribution of \$446,250. The initial contribution is intended to support the project to building consent phase. Council provided \$278,906 of the initial \$446,250 contribution, with the remainder being provided by TECT and Bay Trust.

### **Tauranga Northern Link Tolling**

52. TCC made a submission to the tolling consultation process identifying a number of concerns with the tolling proposal and made a request to NZTA for further engagement before recommendations and decisions were made. Tolling decisions for the Tauranga North Link have been made without this further engagement happening. The Minister has announced that tolling will occur.
53. The concerns TCC had with the proposal related to:
  - Relevant information not being provided through the consultation process (eg information on diversion to the current SH2 because of tolling and how toll revenues vastly exceeded maintenance costs)
  - Further tolling creating inequity between Tauranga and other regions given the prominence of toll roads locally.
  - Tolling for TNL Stage 2 being questionable and potentially unlawful under the LTMA as TNL Stage 2 is separate from TNL Stage 1 and is not a committed and funded project at this time.
  - Proposed toll pricing being sub-optimal due to the impact of traffic diversion and that lower pricing would achieve better outcomes.
  - Peak pricing not being warranted as the TNL will have sufficient capacity during peak times and peak pricing would have minimal impact on encouraging the use of public transport and instead put more cars on the existing road through Bethlehem.
  - No commitment that toll revenues would be reinvested locally.
  - That tolling decisions should be delayed to align with consideration of broad road pricing options in the near future.
  - The proposed revocation of part of SH2 back to TCC not being supported under the tolling proposal as it would continue to operate with a State Highway function due to significant traffic diversion creating poor outcomes for local communities and significant maintenance / renewal costs for TCC.
54. TCC is seeking further information on if / how TCC's concerns were considered, assessed and reported by NZTA through its processes and to the Minister.
55. Overall, the limited information available on submissions to the tolling proposal show that 72% of respondents were against tolling of the TNL.

### **Outstanding actions**

56. This section outlines the status of relevant resolutions passed by the Committee that have not yet been completed. These are:
  - (a) The request for a report on options for intensification at Mount North
  - (b) The request for a report on the merits of changing the timing of payment of citywide development contributions from building consent to subdivision consent



- (c) The request for a memo on interim / temporary servicing options to unlock more housing supply.
57. Mount North – we will report to the Committee once the RMA Amendment Bill and changes to the National Policy Statement for Urban Development are known – as these are likely to influence options.
58. Citywide Development Contributions – we will report to the Committee once the outcomes of the government’s review of the development contributions system is complete and the direction for waters reform are clear as they will have a significant bearing this matter.
59. Interim servicing – A memo is being prepared and will be circulated to elected members for consideration in the near future.

### STRATEGIC ALIGNMENT

60. The projects reported in this report and attachments contribute to all of the strategic community outcomes in the table below, with a specific focus on a well-planned city.

#### Outcome

We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

61. Further, the projects covered in this report are framed under the strategic direction of the SmartGrowth Strategy 2024 including the Future Development Strategy and the 2024-34 Long Term Plan (including the 30-year Infrastructure Strategy).

### TE AO MĀORI APPROACH

62. We take a deliberate approach to collaborate and engage with Tangata Whenua as part of our planning projects to ensure we understand Māori views and can reflect this in our projects using the Te Ao Māori approach.

### CLIMATE IMPACT

63. Climate change is a significant matter that is considered and addressed in our planning projects, especially as it applies to natural hazards such as sea level rise and flooding from intense rainfall. Climate change impacts are modelled, and constraints associated with climate change are addressed through planning frameworks e.g. minimum building platforms above flood levels or setbacks from constrained areas.

### OPTIONS ANALYSIS

64. There is no options analysis. This report is for information only.




### SIGNIFICANCE

65. While growth is a significant issue for Tauranga City, this report does not require any decisions and is not significant in itself.

### NEXT STEPS

66. Council will continue to progress the projects and works identified in the report and Attachment 1 (A17100068).

**ATTACHMENTS**

1. **Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025 - A17100068**  
2. **Maori Land - A12339065**  
3. **Development Proposal - A17423080 - Public Excluded**

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
<p><b>Plan Change 27 - Flooding from intense rainfall Plan Change</b></p>	<p>Plan Change 27 proposes to manage the effects of flooding from intense rainfall on people, properties and infrastructure. Following decisions from Council on the Independent Hearings Panel recommendations, Environment Court appeals closed on 25 May 2022. Three appeals were received and 20 interest parties joined these appeals. One appeal was withdrawn on 24 November 2023. There are two appeals that remained to be addressed.</p> <p>Mediation was held on 11 and 12 October 2022. The mediation resulted in a number of actions and follow up meetings to discuss the parameters of the flood model, the process for resource consents and building consents when landform has changed and providing clear information on process on Council’s website. Expert conferencing was completed in 2023 and 2024 to discuss the parameters of the flood model and plan provisions. All matters have now been resolved with the appellants. All parties have now signed the consent order documentation, and these have been filed with the Environment Court.</p>	<p>Once the Environment Court has responded, there will be a report to Council to make the plan change operative.</p>
<p><b>Plan Change 38 – Business Land Framework</b></p>	<p>On 4 December 2023, the Strategy Finance and Risk Committee approved proceeding with development of a plan change to comprehensively review the commercial and industrial zones and relevant provisions in the City Plan. The key drivers for progressing a review of business land include:</p> <ul style="list-style-type: none"> <li>a) The lack of a clear commercial hierarchy in the City Plan;</li> <li>b) Inconsistency with the National Planning Standards structure and framework for commercial and industrial zones;</li> <li>c) Provisions within the City Plan that are no longer fit for purpose to support development in the commercial/industrial zones or alignment with strategic outcomes;</li> <li>d) The need to better manage effects of industrial activities within zones and adjacent sensitive zones, including outcomes from the Mount Industrial Planning Study; and</li> <li>e) Reviewing the quantity and spatial allocation of commercial and industrial land across the City to give effect to the NPS-UD.</li> </ul> <p>The project plan was endorsed by the Strategy Finance and Risk Committee in May 2024 and brought to the attention of the new Council at the October meeting of the Vision, Planning, Growth &amp; Environment Committee meeting.</p> <p>The plan change is currently in the research and investigation phase.</p>	<p>Report to City Futures Committee first half of 2025 to set out identified issues driving the need for this project and potential impacts resulting from RMA Amendments.</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
<p><b>Variation 1 to Plan Change 33 - Tauriko West Urban Growth Area</b></p>	<p>This project is to re-zone the Tauriko West urban growth area from rural zone to medium density residential zone (MDRZ), through a variation to Plan Change 33: Enabling Housing Supply, known as Variation 1: Tauriko West.</p> <p>Variation 1 provides much needed greenfield housing supply (i.e. up to 4,000 homes at full build out) supported by provisions that enable small-scale commercial activities in local and neighbourhood centres, active and passive reserve and recreation areas including adjoining the Wairoa River, and schooling.</p> <p><a href="https://www.tauranga.govt.nz/council/council-documents/tauranga-city-plan/proposed-plan-changes/variation-1-to-plan-change-33">https://www.tauranga.govt.nz/council/council-documents/tauranga-city-plan/proposed-plan-changes/variation-1-to-plan-change-33</a></p> <p>The hearing on the Plan Change by an Independent Hearings Panel (IHP) was held on 4 and 5 December 2024. Key issues raised at the hearing included:</p> <ul style="list-style-type: none"> <li>• Minimum yield – a request from a submitter for a lower required minimum average yield of 20 rather than a stepped approach (i.e. initially 22 dwellings per hectare (for the first 800 homes) then stepping to 25 dwellings per hectare across the growth area).</li> <li>• The approach to the staging and sequencing of development within the urban growth area particularly in respect to the allocation of the first 2,400 homes (as provided for by the Enabling Works transport improvement project) to the majority landowners (Classic Group; Kainga Ora; Tauriko West Limited) who are part funding key infrastructure ahead of other landowners near Redwood Lane.</li> <li>• That land adjacent to Cambridge Road, owned by Kainga Ora, is zoned rural residential rather than MDRZ.</li> <li>• That land subject to flood risk be adequately addressed, and all land within the northern gully floodplain be zoned as Passive Open Space for flood storage capacity.</li> </ul> <p>The IHP will now be deliberating on evidence by Council and Submitters at the hearing and will make a recommendation to Council on whether to accept, accept in part (with amendments) or reject the Variation. The IHP's recommendation is likely to be received towards the end of the first quarter of 2025. Council then makes a decision on Variation 1. Should Council not accept parts of the IHP recommendation then those matters are referred to the Minister for Environment for a decision.</p>	<p>IHP Recommendation on Variation 1 expected in the first quarter of 2025 for Council decision-making.</p> <p>Progressing the Comprehensive Stormwater Consent.</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>In parallel to Variation 1 Council has lodged the Comprehensive Stormwater Consent (CSC) application with BoPRC. The CSC is required to manage stormwater runoff from the future urban development of Tauriko West. The period for making submissions to BoPRC on the CSC closed on 9 August '24; and 13 submissions were received – comprising the Tauriko West developers, nearby residents, Ngati Pango, Forest &amp; Bird, Ministry of Education and Kainga Ora.</p> <p>BoPRC has provided technical feedback on the CSC, which is to be addressed by Council's technical experts for ecology, water quality and stormwater/flood management. The BoPRC Hearing will be held on 18-19 February 2025. Council is currently liaising with the Wairoa Hapu who are developing a proposal for a Cultural Monitoring Program (CMP) to address cultural impacts on the awa from the future urban stormwater runoff. The CMP will be addressed as a CSC condition for the cultural health index baseline and monitoring work required.</p> <p>In addition, staff are continuing to work with the majority landowners to confirm a Development Agreement in the first half of 2025. This agreement, while still in development, focuses on:</p> <ul style="list-style-type: none"> <li>• The responsibility for the main landowners to fund and deliver the landowners infrastructure within Tauriko West;</li> <li>• The design and approval process for landowner delivered infrastructure;</li> <li>• TCC's commitment to providing the TCC infrastructure (community facilities such as destination playground, active reserves and community centre) to support housing density;</li> <li>• Defining the anticipated outcomes for the development (housing outcomes, infrastructure)</li> <li>• The desire to work collaboratively to achieve a successful outcome / development.</li> </ul> <p>Kainga Ora are reviewing its land holdings in Tauriko West, including the option of divesting. Staff are monitoring this process, and the government has been made aware of potential impacts this may have on the project, including funding implications and delay to housing delivery.</p>	
<p><b>Te Tumu Urban Growth Area</b></p>	<p>In December 2023 Council reconfirmed the importance of enabling urban development in Te Tumu and that all necessary work be prioritised to support the rezoning of this area to allow for a proposed plan change to be ready for notification by the end of the first quarter 2026.</p> <p>Work has been progressing to complete updates to several key technical assessments necessary to support a plan change that enables urban development in this area. These updates include reconsidering the area's capacity for urban land development and the feasibility of this along with identifying areas potentially affected by natural hazards, and all significant cultural,</p>	<p>Continue to progress consultation process with Tangata Whenua on the project and finalise a draft compensation agreement for access rights across the TK14 Block.</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>ecological and landscape features. Updates have been necessary given changing statutory requirements and financial constraints.</p> <p>Consultation with iwi and Māori land trusts across Te Tumu is critical to understanding challenges and opportunities for development within this growth area and to ensure any proposed plan change responds to these matters appropriately. TCC is working alongside the trustees of the Tumu Kaituna 14 (TK14) Māori land block to re-engage with these groups. This approach has been adopted to ensure consistent messaging around how the development aspirations of the TK14 land, which has been a particularly contentious point for many groups, can be supported by a proposed plan change. This process is intended to meet the statutory requirements under the RMA for tangata whenua consultation.</p> <p>All work necessary for preparing the plan change is taking place alongside a process to agree a compensation arrangement with the Trustees of TK14 block to obtain access rights through that Māori land block and to enable delivery of a public active reserve. Access rights across this block are essential to supporting future rezoning and enabling urban development within Te Tumu. These access rights will enable the delivery of corridors to support critical infrastructure including roading, water and wastewater reticulation for the growth area.</p> <p>TCC staff and TK14 Trustees have been working to agree valuations for the land required for these corridors and active reserve. An independent valuation panel was established to consider this matter further and a final determination is expected early in 2025. Understanding the valuation of this land is critical to finalising the components of a draft compensation agreement with Trustees. Only once a draft compensation agreement has been agreed between the Trust and TCC (including Council decision-making) will this then be presented to the beneficial landowners of TK14 by the Trustees for their consideration. If approved by beneficial landowners, the agreement will be part of documentation lodged with the Māori Land Court to confirm these access rights. The Māori Land Court consideration of this matter will include a public hearing process.</p>	<p>An update on the work associated with the compensation agreement is expected to be reported to Council in the first quarter of 2025.</p> <p>Continue to work on ensuring critical matters for the plan change are identified and any gaps in technical assessments are addressed.</p>
<p><b>Ohauti South Urban Growth - Area – Private Plan Change 39</b></p>	<p>Proposed Plan Change 39 is a private plan change proposed by Landsdale Development Limited that seeks to rezone land located at 120 &amp; 125 Upper Ohauti Road. The property is currently zoned Rural and Greenbelt and the proposal seeks to create a new Residential Zone that will include the MDRS. The property has a total area of approximately 56 hectares and is located on both sides of Upper Ohauti Road.</p> <p>The hearing on submissions to this plan change was held on 20 November 2024. Council resolved to adopt the recommendations of the independent hearings commissioner to approve</p>	<p>Council’s decision on this proposed plan change was publicly notified on 20 December 2024. An appeal period will run until 24 February 2025.</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	the plan change on 10 December 2024. The decision was then publicly notified on 20 December 2024. An appeal period will run until 24 February 2025. If appeals are received this will need to be worked through, alternatively if no appeals are received the plan change will be able to be finalised and then made operative following public notification.	
<b>Ohauti – Land at end of Rowsdale Drive</b>	Based on decisions by the previous Council, land was acquired, and covenants constraints were resolved that were preventing the development of residentially zoned land at the end of Rowsdale Dr for 200 plus homes. Developers are working on initial consenting through the Regional Council (eg earthworks) and some activity is occurring on-site in anticipation of earthworks commencing (eg removal of avocado trees). The developer is still working on a number of issues, including subdivision layout. A development agreement is being drafted and will enable TCC to recoup cost associated with the land and covenants matters above.	Finalise development agreement  Developer consenting and site development
<b>Lower Belk Road Urban Growth Area (Tauriko Business Estate Stage 4) – Private Plan Change</b>	Plan Change 35 Belk Road Rural Residential and Plan Change 35 Tauriko Business Estate Stage 4 were made operative and incorporated into the City Plan on 25 November 2024.	Project completed.
<b>Keenan Road Urban Growth Area</b>	<p>The Keenan Road area is located south of The Lakes. It is identified for residential development in the order of 2,500-3,000 homes (subject to further assessment being undertaken as part of the development of the Structure Plan for the growth area). There are a range of landowners (including developers) in Keenan Road ready to develop.</p> <p>The technical studies to support the development of the Structure Plan to guide the development of the re-zoning proposal continue to progress. Key to this work are the Geotech and stormwater assessments. The development of a business case for the transport components to enable the growth area is also key. The Indicative Business Case (IBC) phase of the business case is completed and with NZTA for their consideration. It is important to note that the development of the Keenan Road area is dependent on the NZTA Tauriko Network Connections improvements (e.g., SH29 / Takitimu Drive intersection improvement; SH29a / Barks Corner improvement being delivered).</p> <p>Capex and funding requirements to enable the Keenan Rd urban growth area were considered through the 2024-34 LTP development process. The LTP includes funding to complete the planning processes and for early stages of infrastructure projects (e.g., design and land</p>	<p>On completion of the technical reports the next step will be development of a preferred structure plan. This will then be taken out to the community for consultation and is anticipated to be in the last quarter of 2025.</p> <p>Key risk is the cost and affordability of infrastructure (stormwater; wastewater; transport) to enable the development of the growth area. This matter will continue to be considered</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>purchase) but does not include funding for infrastructure construction due to broader TCC debt and rates constraints. On this basis development would not be able to commence until after 2035 without external infrastructure funding and financing solutions, or alternatively an increase of Council held debt. It should be noted that Kennan Road is quite different to Te Tumu and Tauriko West where internal infrastructure will be directly funded and delivered by developers. The fragmentation of landownership in Keenan Road (over 80 landowners) means that TCC will need to take the role of coordinating and delivering internal infrastructure and recouping these costs via development contributions or other means.</p>	<p>through the development of the structure plan.</p>
<p><b>Upper Belk Road UGA Planning</b></p>	<p>The area of upper Belk Road is included as a future urban growth area in the SmartGrowth Strategy 2024-2074. The Strategy's Implementation Plan puts the planning for the urban growth area in the next 0-3 years. Council has approved the project to be undertaken in phases. Phase 1 has commenced and is a high-level internal desktop assessment of yield and feasibility in the current financial year. Subject to the outcome of Phase 1, funding has been approved for Phase 2 in the 2025/26 financial year for technical studies to develop the structure plan. Phase 3 is the preparation of the structure plan and plan change to the City Plan and is dependent on the outcome of Phase 2. Phase 3 is not funded at this time.</p> <p>The area is currently within the WBOPDC jurisdiction and discussions are underway around how the two councils will progress the project collaboratively.</p>	<p>Assessment of yield, including the apportionment between industrial land and housing, and costs of providing infrastructure will feed into the feasibility analysis to be undertaken in June 2025.</p> <p>Key risk is the cost of infrastructure and effect on feasibility.</p>
<p><b>Specified Development Project (SDP) assessment for the Western Corridor</b></p>	<p>Minister Bishop advised Council on 3 December that the joint Ministers rejected Kainga Ora's recommendation of an SDP for the Western Corridor. This is not a decision that further growth should not be pursued in the Western Corridor, rather a decision that the SDP was not the right mechanism particularly given the government's reform in relation to resource management, housing and infrastructure funding, as well as Regional Deal opportunities.</p>	<p>Project closed.</p> <p>The funding of development in the Western Corridor will be included in the Regional Deal negotiations with Government and through other processes. The planning will be delivered through the project above (Upper Belk Road UGA Planning)</p>
<p><b>Fast Track Approval Projects</b></p>	<p>The government plans to pass the fast-track bill into law in early 2025. A number of project in and around Tauranga have been included in the Bill including three housing projects (Tauriko</p>	<p>Continue to work with landowners and developers.</p>



**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>West – (Classic Group Land), Bell Road and Tara Road) and two roading projects (Taurko Network Connections/SH29 and TNL Stage 2). TCC project applications were unsuccessful.</p> <p>Staff are working with developers and landowners on the three housing projects. Of note:</p> <ul style="list-style-type: none"> <li>• The Tara Road site has sufficient wastewater capacity constraints which have been communicated</li> <li>• The Bell Road project is located in WBOPDC on the boundary with TCC. It faces similar wastewater constraints if reticulated to TCC's network which have been communicated to the applicant. The developer is working with WBOPDC on other options. There are also significant stormwater and flooding challenges which BOPRC are leading engagement on.</li> </ul>	
<p><b>Commercial Centres Sub-Regional Strategy</b></p>	<p>The SmartGrowth Strategy 2024-2074 (SmartGrowth) establishes an indicative centres hierarchy based on outcomes of the Urban Form and Transport Initiative (UFTI) and reflecting the requirements of the National Planning Standards. At a strategic level, key centres identified in SmartGrowth include the City Centre and Town Centres.</p> <p>SmartGrowth, however, acknowledges that additional detailed work is required to establish a commercial centres strategy for the sub-region to ensure that centres can thrive and meet the outcomes of UFTI in creating an integrated land use and transport network. A Commercial Centres Strategy is a key short-term action of the SmartGrowth Strategy 2024-2074 Implementation and Funding Plan with Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC) indicated as the project lead.</p> <p>Accordingly, TCC and WBOPDC have partnered to develop a Commercial Centres Sub-regional Strategy (CCS). A project plan is being worked to that spans this year into 2026 and includes research and drafting in the first half of 2025. An additional piece of expert economic work / advice / assessment is needed to inform the CCS.</p> <p>Once a draft CCS has been established the project team propose to use the Local Government Act 2002 Special Consultative Procedure to engage on and adopt the Strategy to enable it to have greater weight in RMA processes (eg PC38).</p>	<p>Research and draft the strategy. Procurement of expert economic work. Regular reporting and updates to Council</p>
<p><b>Smith's Farm</b></p>	<p>As part of the Takitimu North Link (TNL) project Waka Kotahi will deliver the Smiths Farm access road which will provide access and reticulated services to enable development of this site. The TNL project was expected to be completed in 2026, now NZTA are advising 2027. As such the site cannot be developed immediately.</p>	<p>Subdivision consenting by the developer.</p>

### Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>This land was rezoned as part of Plan Change 33 and now includes a Medium Density Residential Zone across the area of the site that previous obtained a resource consent to allow for residential development as a Special Housing Area.</p> <p>Alongside the rezoning of the site, TCC has completed the divestment of the site for development to Venture Developments who will deliver a minimum of 307 homes, including 21 affordable homes as part of the Housing Equity Fund. Venture Developments lodged the super-lot subdivision application on 20 January 2025.</p>	
<p><b>Pōteriwahi (Parau Farm)</b></p>	<p>Reports were brought to the previous Council on 29 April and 10 June 2024 which resulted in direction to proceed with a mix of housing and reserves on site based on a draft concept plan.</p> <p>Two hapū representatives have been appointed from Ngāti Kahu to partner with and input into various project workstreams.</p> <p>The 2024-34 Long Term Plan does not currently include budget provision for all infrastructure and development costs required to deliver the concept plan.</p> <p>Technical work underway includes Parau Drive extension design and an ecological assessment on the area. This work will inform access and environmental aspects to consider.</p> <p>Beyond this, the project is largely on-hold awaiting direction from Council on its approach to the broader active reserve network.</p>	<p>Reporting to Council in 2025 on issues and options.</p>
<p><b>Papamoia East Interchange surplus land</b></p>	<p>TCC owns a significant amount of surplus development land around the Papamoia East Interchange. The land is zoned for employment / business outcomes, but has potential for TCC activities (eg aquatic centre) or for housing. Initial feasibility work has been undertaken and further reporting to Council is planned for early 2025 for decision-making on land use options and TCC's role in development of the land.</p>	<p>Reporting to Council in early 2025.</p>
<p><b>Resource Management (RM) System Reform</b></p>	<p>The Government has signalled three phases of resource management reform. Phase 1 was to repeal the Natural and Built Environment Act and the Spatial Planning Act which was completed in December 2023.</p>	<p>Continue to engage with Government officials on RM reform and make submissions.</p>

**Quarterly Update – Growth, Land Use Planning & Transport Strategy Projects – February 2025**

PROJECT DESCRIPTION	PROGRESS UPDATE / KEY MATTERS	NEXT STEPS / IDENTIFIED RISKS
	<p>Phase 2 is a series of targeted amendments. Phase 2 started with the new Fast Track Approvals Bill and the first resource management amendment bill, both of which TCC submitted on. The First resource management amendment Bill came into force in October 2024. The key changes largely relate to regional council functions and the process to prepare and amend national direction. The key change relating to Council functions is that the National Policy Statement for Indigenous Biodiversity implementation timeframes which have been extended. The Fast-track Approvals Bill passed into law in late 2024.</p> <p>The second RMA amendment bill was introduced to Parliament in December 2024. Submissions were due 10 February and the Bill is likely to be passed into law in mid-2025. The TCC submission was considered at the 10 February Council meeting. The Bill will be accompanied by a number of changes to national direction. The changes can be grouped into four packages.</p> <p>The infrastructure and energy package will:</p> <ul style="list-style-type: none"> <li>• Develop further national direction to enable a range of energy and infrastructure projects, including a new National Policy Statement for Infrastructure.</li> <li>• Provide a consistent approach to quarrying across the resource management system.</li> <li>• Extend the duration of port coastal permits by a further 20 years.</li> <li>• Change the National Environmental Standard for Telecommunication Facilities to keep up to date with technological developments and give telcos greater certainty and reduced consenting costs as they upgrade their infrastructure.</li> <li>• Give effect to the Government’s Electrify NZ reforms to make it easier to consent renewable energy.</li> </ul> <p>The housing package will:</p> <ul style="list-style-type: none"> <li>• Enable the first pillar of the Government’s Going for Housing Growth policies.</li> <li>• Require councils to demonstrate compliance with the 30-year Housing Growth Targets.</li> <li>• Provide councils with the flexibility to opt out of the Medium Density Residential Standards.</li> <li>• Simplify heritage management.</li> <li>• Develop new national direction to enable granny flats and papakāinga.</li> </ul> <p>The farming and primary sector package will:</p> <ul style="list-style-type: none"> <li>• Amend the National Policy Statement on Highly Productive Land to make it clear that indoor primary production and greenhouses are permitted on highly productive land.</li> </ul>	

























## 8.5 Residential Development Feasibility Assessment (Intensification & Greenfields)

**File Number:** A17423845

**Author:** Andy Mead, Manager: City Planning & Growth  
Claudia Hellberg, Team Leader: City Waters Planning

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

### PURPOSE OF THE REPORT

1. To provide context for a presentation and workshop session at the Committee meeting on the topic of residential development feasibility assessment and how feasibility impacts development outcomes in the City.
2. To provide information on three waters infrastructure capacity (and constraints) to support intensification.

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### RECOMMENDATIONS

That the City Future Committee:

- (a) Receives the report "Residential Development Feasibility Assessment (Intensification & Greenfields)".

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### EXECUTIVE SUMMARY

3. Development feasibility assessment involves determining financially whether a development project is sufficiently profitable to proceed. This could be a specific development or a whole new urban growth area. Development feasibility is a key determinant of what development happens in the City and what does not.
4. Assessment of development feasibility involves quantifying anticipated development costs and revenues to determine whether sufficient profit margins exist to secure project funding and account for development risk. Typically, projected profit margins need to be at least 20-25% in order for the development to proceed.
5. Currently feasibility is a significant challenge for apartment development in the City as well as new urban growth areas.
6. Intensification also relies on sufficient infrastructure capacity being available. An attachment to the report sets out a high-level assessment of infrastructure capacity and constraints for three waters infrastructure in intensification areas based on currently projected LTP investment and anticipated levels of intensification over the next 10 years.

### BACKGROUND – DEVELOPMENT FEASIBILITY

7. There are a number of factors that determine development outcomes in Tauranga including:
  - (a) What is enabled by the City Plan through zoning and planning provisions
  - (b) Whether infrastructure capacity is available (waters, transport, electricity etc)
  - (c) Whether development is likely to be profitable (development feasibility)
  - (d) Whether the land is available for development (eg covenants may constrain this or landowners may not wish to develop or sell their land)

8. This report and associated presentation is focused on development feasibility but will also touch on infrastructure capacity for intensification. It will help address the question of whether Council can rely more heavily on residential intensification to deliver sufficient development capacity to meet the City's projected growth. This report contains some high-level information, and more detail will be provided through the presentation.
9. Development feasibility assessment involves looking at a project from a developer's perspective to determine financially whether it is sufficiently profitable to proceed. It involves quantifying anticipated development costs and revenues to determine whether sufficient profit margins exist to secure project funding and account for development risk. Typically estimated profit margins need to be at least 20-25% in order for the developer to secure the finance required to enable the development to proceed but there are some market participants that will accept lesser outcomes eg public and social housing providers.
10. Development feasibility assessment is a specialist skill. TCC holds some internal expertise and resources in this regard, such as our own greenfield feasibility model. However, inputs to the model in respect of development costs and revenues need to be sourced externally along with peer review. Intensification feasibilities are generally outsourced entirely, such as the Veros work for Plan Change 33.
11. Greenfield feasibility assessment is generally based around turning bare land into completed sections especially in Tauranga where land developers tend to sell sections to builders rather than build the homes themselves. Developers face a wide array of costs, the main ones being:
  - (a) Bulk earthworks
  - (b) Civil works (subdivision infrastructure)
  - (c) Bulk / trunk infrastructure (often via development contributions)
  - (d) Land acquisition and holding costs.
12. While subdivision and housing development has slowed, it remains feasible in existing greenfield areas and more recently duplex and terraced housing typologies have become feasible in areas like Wairakei. Apartment development however is generally not yet feasible in greenfield areas.
13. New greenfield areas planned have a greater set of feasibility challenges, mainly driven by much higher costs for bulk infrastructure (which are met by developers under the growth pays for growth philosophy), combined with the current downturn in the property market. This requires careful consideration, including investigating options to reduce or defer infrastructure costs and iteratively reassessing how this impacts feasibility.
14. Intensification feasibility involves assessing housing projects like duplexes, terraced housing and apartments. The costs differ significantly from greenfield development as the land has already been developed. The main costs tend to be:
  - (a) Construction costs (which increase substantially for dwellings above 1 level and especially for projects above 3 levels due to the cost of steel and concrete, structural design requirements, lift wells etc)
  - (b) Site acquisition, preparation and holding costs
  - (c) Development contributions
  - (d) Offsite infrastructure upgrades (if sufficient capacity is not available).
15. The presentation will cover the feasibility of different intensification typologies in different parts of the City, especially terraced housing and apartments including the impact of foundation requirements on apartment development. In short, duplex and terraced housing typologies are feasible and there are a number of projects of this nature underway, whereas apartments remain very challenging.



16. In recent years development costs have increased significantly as property prices (ie revenues) have remained static or fallen. This has compromised the feasibility of a number of projects and development typologies.
17. Development feasibility is however not static, it can change significantly through economic and property market cycles. For example, during the Global Financial Crisis we undertook feasibility assessment for the Wairakei urban growth area which indicated, under the prevailing conditions at that time, that development was challenging and generally unviable. However, property prices in Tauranga have more than doubled since then, vastly improving feasibility. Most of Wairakei is now developed.
18. As such care needs to be taken when considering the outcomes of development feasibility assessment on decision-making. Staff would however be reluctant to recommend that Council proceed with infrastructure investment to support growth that is not assessed to be feasible.
19. In an overall sense Council has limited control or influence over development feasibility aside from:
  - (a) Decisions-making around infrastructure funding which tends to make feasibility more challenging through a growth pays for growth philosophy.
  - (b) Council decisions around zoning and infrastructure provision will have some impact on the cost of land for development and the value of completed sections / homes. For example, in the current climate where insufficient development capacity is zoned and serviced development land prices are likely to be higher than they otherwise would be, as would completed sections / homes.
  - (c) Regulatory / consenting timeframes and costs also have some impact on development feasibility.

## **BACKGROUND – INFRASTRUCTURE CAPACITY FOR INTENSIFICATION**

20. While infrastructure is 'already in the ground' in the existing part of the City some of it has limited or no additional capacity to support intensification, especially at a local street by street level and further infrastructure investment is required to enable further development to proceed. Pipes may be too small, pump stations undersized, water pressure too low or stormwater networks inadequate for instance. This is a real constraint facing some current development proposals which may result in them not being able to proceed or having to be reduced in scale.
21. Further detail of three waters infrastructure capacity and constraints is set out in the attachment to this report, and this will be covered further through our presentation.
22. Other types of infrastructure can also be a constraint to intensification, for example the transport network, or infrastructure delivered by utility companies, in particular the electricity network.

## **STATUTORY CONTEXT**

23. TCC is required to incorporate development feasibility assessment into its quantification of development capacity under the requirements of the National Policy Statement for Urban Development Capacity.
24. The Local Government Act requires council to make prudent financial decisions. When investing in infrastructure to service growth, development feasibility assessment is a key tool in ensuring that growth will materialise to use the infrastructure efficiently and to fund the infrastructure costs.

## **STRATEGIC ALIGNMENT**

25. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input checked="" type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

26. Feasibility assessment assists alignment between Council planning and investment decisions and private sector development delivery of new housing and business opportunities required in a growing city.

### OPTIONS ANALYSIS

27. There are no options this report is for information only.

### FINANCIAL CONSIDERATIONS

28. The report deals with complex financial assessments, but the report itself does not have any financial implications for Council.
29. Infrastructure investment is provided in the current LTP to support anticipated levels of residential intensification.

### LEGAL IMPLICATIONS / RISKS

30. No legal implications have been identified.
31. Development feasibility assessment is a key risk management mechanism for both developers and Councils.
32. Development feasibility, more specifically that not enough development is feasible, is a significant risk affecting the delivery of sufficient housing in the City. It may affect the delivery of strategic growth priorities such as some large scale new greenfield projects and the uptake of medium and high-rise apartment development.

### TE AO MĀORI APPROACH

33. This report has limit impact on the Te Ao Māori approach however development feasibility challenges are felt in relation to development undertaken by Māori and on Māori land, and are a factor in the why so little development of Māori land has / is occurring.

### CLIMATE IMPACT

34. Climate change requires Council and developers to deal with greater natural hazard events such as larger floods. This can have significant impacts on development feasibility through reducing the amount of land available for development or by increasing development costs required to build land up above flood levels or deliver more infrastructure to accommodate rainfall from those events. This is a significantly contributing to development costs in flood prone infill areas and large greenfield areas like Tauriko West and Te Tumu.

### CONSULTATION / ENGAGEMENT

35. No specific consultation or engagement has occurred in relation to this report. This does however occur on a project-by-project basis eg with developers and landowners as part of greenfield structure planning projects and with the wider public and development sector through the Housing and Business Capacity Assessment and Future Development Strategy (FDS) work through SmartGrowth.
36. Through the FDS the development sector feedback was particularly strong around the need for robust development feasibility assessment when setting the future development pattern.

## SIGNIFICANCE

37. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
38. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (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.
39. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that while the issue is of high significance, the decisions associated with this report are of low significance.

## ENGAGEMENT

40. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required.

## NEXT STEPS

41. To continue undertaking and updating development feasibility assessment for our key growth and development areas. Through 2025 the focus will be on:
  - (a) Te Tumu
  - (b) Keenan Road
  - (c) Upper Belk Road
  - (d) TCC surplus land holdings around the Papamoa East interchange and at Poteriwhi / Parau Farm.
42. To revise our development feasibility inputs to development capacity assessments as required based on upcoming changes to the National Policy Statement for Urban Development.
43. These matters will all be reported through Council for decision-making.
44. Planning and delivery of infrastructure to resolve capacity constraints and support intensification will also proceed as provided for through the LTP and Annual Plan.

## ATTACHMENTS

1. **Three Waters Intensification Assessment - A17465573**  













## 8.6 2025/26 Development Contributions Policy - Growth Funding Opportunities

**File Number:** A17324583

**Author:** Ben Corbett, Team Leader: Growth Funding

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

### PURPOSE OF THE REPORT

1. To inform Council of proposed changes to Tauranga City Council's (TCC's) Development Contributions Policy in 2025/26 including introduction of local development contributions catchments for Tauriko Business Estate Stage 4, Tauriko West and Upper Ohauti.
2. To inform Council of proposed changes to growth funding of certain water and community infrastructure assets.
3. To seek decisions from Council regarding incorporating these changes into the draft 2025/26 Development Contributions Policy. The draft 2025/26 Development Contributions Policy will be brought to Council in March 2025 for approval to proceed to public consultation.
4. To detail the proposed consultation plan for the 2025/26 Development Contributions Policy.

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### RECOMMENDATIONS

That the City Future Committee:

- (a) Receives the report "2025/26 Development Contributions Policy - Growth Funding Opportunities".
- (b) Approves the inclusion of new local development contributions catchments for Tauriko Business Estate Stage 4, Tauriko West and Upper Ohauti.
- (c) Notes that further work is underway on the benefit / potential need to utilise development contributions for the funding of internal infrastructure within Tauriko West, and this will be reported for decision-making alongside the draft Development Contributions Policy at an upcoming Council meeting.
- (d) Approves including growth funding for two components of the Te Maunga Wastewater Treatment Plan upgrade and the Cambridge Road Reservoir upgrade in the draft Development Contributions Policy 2025/26.
- (e) Approves including updated growth funding allocations for the Memorial Park Aquatic Centre and the Central Library in the draft Development Contributions Policy 2025/26 to align funding decisions with assumptions made in the draft Annual Plan 2025/26.
- (f) Notes that staff will report the 2025/26 draft Development Contributions Policy to Council in March 2025 incorporating the outcome of upcoming Council decisions relating to the draft Annual Plan 2025/26.

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### EXECUTIVE SUMMARY

5. Staff are recommending several changes to the draft 2025/26 Development Contributions Policy (DCP).
6. The most substantial change is the introduction of three new local development contributions (DC) catchments for Tauriko Business Estate Stage 4, Tauriko West and Upper Ohauti.

7. Following an internal review of growth funding for waters assets in 2024, staff are proposing to make a small number of updates to funding allocations through the Annual Plan 2025/26 (AP 25/26) process.
8. Citywide DCs are of particular interest to the development community as they apply wherever development occurs. This year, any change to citywide DCs is likely to be driven by:
  - (a) changes to the budget, timing and growth allocations for community infrastructure projects. Removal of the previously proposed Infrastructure Funding and Financing levy for the central library in particular is likely to increase the citywide DC charge. This will be at least partially offset by any budget reduction or third party funding; and
  - (b) the conclusion of DC collection for a range of wastewater infrastructure assets. This will decrease the citywide DC.
9. The draft DCP will be prepared using historic costs for projects completed and projected cost estimates from TCC's Long Term Plan 2024-34 (LTP) updated, where applicable, by the draft AP 24/25. The draft DCs in this report are indicative only and likely to change based on further Council decision-making for the draft AP 25/26. Staff will prepare a draft DCP reflecting Council's resolutions and report back to Council in March 2025 alongside the AP 25/26 Consultation Document.
10. At the Growth Funding workshop with Council last year, staff discussed the timing of development contributions charging in particular the charging of citywide development contributions on building consent. Council asked for a report to be brought explaining the current approach to charging together with alternatives. This report will be presented following publication of the Governments development contribution reform program – expected in early 2025.

## BACKGROUND

11. TCC is in the process of preparing its draft AP 25/26 and draft DCP for public consultation.
12. TCC's DCP provides a mechanism to fund growth-related infrastructure by collecting development contributions (DCs) from those that caused the investment and who benefit from it (either through local or citywide development contributions).
13. TCC is required to update its DCP at least every three years under the Local Government Act 2002. Usually, updates are made each year to ensure capital expenditure budgets are updated and minor amendments are made to improve the efficacy of the DCP wording. Following this meeting, staff will prepare a draft DCP 2025/26 for public consultation alongside the AP 25/26. Staff will report to Council regarding the nature of submissions received and interested parties are able to be heard in person. Staff will then make recommendations to Council for decision-making in June 2025. The DCP 2025/26 will become operative from 1 July 2025.

## DISCUSSION

14. Over the course of the financial year to date, staff have undertaken work to:
  - (a) Prepare three new local DC catchments to be included in the DCP. These are for Tauriko Business Estate Stage 4, Tauriko West and Upper Ohauti;
  - (b) Review the funding of waters assets in the Long-Term Plan 2024-34 and assess projects for inclusion in the DCP 2025/26; and
  - (c) Implement changes to capital budgets to reflect work undertaken in the draft 2025/26 Annual Plan including updates to funding for community infrastructure projects.

**Introduction of new local DC catchments***Tauriko Business Estate Stage 4*

15. Element IMF has largely developed the first three stages of the Tauriko Business Estate (TBE). This comprises 200 hectares of industrial and commercial land.
16. TBE Stage 4 (TBE 4) was rezoned in December 2024. It covers approximately 108ha of land zoned industrial. TBE 4 borders the existing TBE (stages 1-3), the Belk Road Rural Residential Land (Plan Change 34) and is across State Highway 29 from the Tauriko West Urban Growth Area (subject to the outcome of Variation 1 to Plan Change 33).
17. TCC anticipates the development of TBE 4 will occur in two stages. The first (which we refer to as TBE 4A) will occur on land owned by Element IMF. The second stage will occur on land that is currently in more fragmented ownership. This stage (known as TBE 4B) is expected to be enabled by delivery of future transport upgrades to State Highway 29 by NZTA beyond the enabling works currently underway.
18. Funding for TBE 4 is proposed to be sourced from a broad variety of sources.
19. Infrastructure internal for TBE 4A will be delivered and funded by Element IMF. This will be formalised in a development agreement between Element IMF and TCC over the course of this year. TCC expects this agreement will also provide for futureproofing of transport and servicing corridors to enable the future development of Upper Belk Urban Growth Area. TCC will have to fund the future proofing component with the intention being to recover costs from potential future development in the proposed Upper Belk growth area. Some allowances for this have been made in the 2024-34 LTP.
20. Because of the mixed nature of landownership in 4B we are unable to rely on developer funding and delivery of infrastructure to the same extent. TCC therefore will need to utilise development contributions for internal infrastructure to a greater extent if infrastructure delivery is to proceed.
21. The Tauriko West enabling works forms a significant component of the external infrastructure for TBE4. This is funded through a wider range of sources, including development contributions from TBE 4. Other infrastructure, external to the development is also funded by development contributions (for example the Southern Pipeline).
22. Greenfield development DCs are usually charged at a per Hectare rate. Staff currently estimate the local DCs for TBE 4A will be approximately \$350k per ha plus finance costs and inflation. This is similar to the current DC charge for existing TBE catchment which is \$348K per hectare plus finance costs and inflation.
23. It is difficult to estimate DCs for TBE 4B at this stage as a number of infrastructure requirements remain to be resolved. Currently, we expect the local DC to be no less than \$814,000 per Hectare (excluding inflation and finance costs). However, this will rise once the costs associated with enabling transport and waters infrastructure are known. This includes the potential transport connection from Kawaroa Drive to State Highway 36 and Western Corridor water and wastewater mains.
24. Staff intend to undertake in-depth consultation on these matters with the relevant landowners over the coming months.

*Tauriko West*

25. Tauriko West is a large-scale urban development proposed to support the current and future growth of the city. Tauriko West will initially deliver 2,400 new homes under stage one of the development and ultimately up to 4,000 new homes following additional State Highway 29 upgrades.
26. TCC is currently working through a plan change to rezone the Tauriko West Urban Growth Area (UGA) from rural to residential. The Hearing was held in December 2024 and the independent hearings panel will provide their recommendations to Tauranga City Council for decision-making in early 2025.

27. Tauriko West is majority owned by three main landowners, Tauriko Property Group (Classic), Tauriko West Ltd (Element IMF) and Housing NZ Build Ltd (HNZBL), with a small group of private landowners on Redwood Lane (Redwood Landowners). The government's interest in the land through HNZBL (Kainga Ora) is currently under review by the Minister for Housing. We expect to know more about HNZBL's development aspirations at Tauriko West in the coming months, but exact timings are not yet known.
28. Internal infrastructure at Tauriko West will be funded almost entirely by the developers. TCC is proposing to deliver active reserves (which have a citywide benefit) and certain local community infrastructure that benefits the wider Western Corridor.
29. Due to the ongoing uncertainty of HNZBL's involvement in this development, questions have arisen regarding the financing of internal infrastructure, in particular the first section of the spine road and associated utilities which was previously expected to be the sole responsibility of the developers. This portion of the spine road connects development at the northern end of Tauriko West to State Highway 29. Once complete, it will allow development to proceed on the Classic Group and HNZBL land. Originally, this asset was expected to be delivered by Classics with costs shared between the developers. Establishing a cost sharing arrangement for this infrastructure is expected to be beneficial for the landowners and TCC. However, it is yet to be agreed and HNZBL is not expected to move quickly on this matter, if at all. If left unresolved, this is likely to delay delivery of housing by Classic Group.
30. Staff are working with developers to identify options to allow development to proceed as planned and will provide a further verbal update at the Council meeting. There may be an opportunity to use DCs to ensure an equitable outcome for cost sharing of internal infrastructure. Ultimately, infrastructure would still be funded and delivered by developers.
31. For example, Classics could deliver and fund the spine road and TCC could collect DCs from development on the HNZBL land to reimburse Classics for a portion of costs without having the debt of its balance sheet (ie acting as a financial intermediary). TCC has taken this approach in the past for new growth areas like Pyes Pa West (The Lakes) and this approach supported by current advice from TCC's legal and accounting advisors.
32. Another option could be for TCC to finance the HZNBL share through its own balance sheet with debt repaid from DC revenue. This requires both debt capacity and willingness to take on some risk as to when development will occur.
33. Staff will report further on this matter in March when the draft DCP is proposed to be adopted. It may be appropriate to incorporate DCs of this nature into the upcoming draft DCP for consultation to keep Councils options open.
34. Those issues aside, the local DC charge proposed by TCC for Tauriko West are expected to be relatively low as it will include a limited number of projects which are either external to the development and support multiple catchments (for example the Southern Pipeline) or are projects that are already within the LTP and will be delivered by TCC (community centre and library).
35. The stage one charge for those TCC projects is expected to be around \$6,000 plus finance and inflation costs per lot. This may increase for certain developments as discussed above. Stage two of the development (beyond 2,400 homes) will also pay the \$6,000 per lot but is likely to have several additional projects included such further waters capacity upgrades and potentially contributions to future State Highway 29 upgrades. At this stage it is too early to accurately quantify what the local DC charge for stage two might be.
36. As with TBE, staff will undertake in-depth consultation with the relevant landowners over the coming months.

#### *Upper Ohauti*

37. Upper Ohauti is a proposed new catchment area located south of Ohauti at 120 and 125 Upper Ohauti Road. Development is enabled through Private Plan Change 39. Council decisions have been made to approve the plan change, this decision has been notified and

we are waiting to see whether any appeals are lodged. PC39 rezones 56.4ha of land from rural and greenbelt zones to medium density residential zoning.

38. The overall area is held in two land parcels with the same owner, located on the western and eastern sides of Upper Ohauti Road. The eastern block is currently under contract to a developer.
39. In the event development occurs, the eastern block is expected to develop first. The western block may follow in time although significant infrastructure and amenity upgrades may be required first, including upgrades to the State Highway network.
40. TCC's proposed approach to the funding and delivery of three waters, transport and open space is for the land developer to fund and deliver infrastructure internal to the development, and the responsibility to fund, design and deliver external infrastructure to be shared between the developer and TCC, as set out below.
  - (a) Water supply upgrades will be funded by the developer and reimbursed by TCC. These will be largely funded through citywide DCs with a smaller contribution from ratepayers to account for the benefit to existing residents.
  - (b) Wastewater assets will be majority developer funded and paid by both the Upper Ohauti development and other developments in the area. As this infrastructure is external to the proposed developments, it is considered practical for TCC to deliver and finance this work upfront.
  - (c) Transport upgrades will be funded by the developer with TCC contributing a small share of local DCs previously collected from the Ohauti catchment in respect of transport upgrades along Upper Ohauti Road.
41. TCC's preferred approach is for the above arrangements to be agreed through a development agreement. Relatively minor amendments would be required to update the DCP to incorporate funding for a limited number of projects. However, if a development agreement is not entered into, TCC will need to put a more substantive local DC catchment in place for Upper Ohauti to ensure growth costs are met by the developer. While this is not the preferred approach, the local catchment is proposed to be included in the draft DCP so consultation can occur, and the charges can be implemented in due course if required. Staff note that funding for the Upper Ohauti projects will need to be added to TCC's LTP before DCs can be collected.
42. A letter was sent from TCC to the Developer and the landowner in December 2024 outlining TCC's proposed approach to infrastructure funding and further engagement will occur over the coming months. If DCs were utilised for wastewater it is estimated that they would be in the order of \$12,000 per lot.

### **Review of growth funding of waters assets**

43. TCC currently collects citywide DCs for water and wastewater infrastructure but not for stormwater as no stormwater projects are citywide in nature given the localised nature of stormwater catchments. Local DCs are collected for three waters infrastructure which includes stormwater infrastructure.
44. Significant investment in the water's infrastructure was provided for within the 2024-34 Long Term Plan. This included a number of new waters projects as well as updates to budgets and scopes for some existing projects.
45. Staff have reviewed the growth funding of waters projects introduced into the Long-Term Plan 2024-34. The purpose of the review is to ensure that DC funding opportunities are maximised where appropriate and lawful.
46. TCC's review of waters funding has been undertaken at a time of significant uncertainty. Water reform and growth funding reform have been live conversations over several years. In December 2024 the Government introduced the Local Government (Water Services) Bill

(Bill). This proposes a growth funding system for waters that mirrors the DC regime. However, indications are that the Government intends for upcoming DC reform to apply in the waters space meaning there remains some uncertainty around the future growth funding approach. We have approached our review on the basis waters infrastructure remains development contribution funded under current settings whether by TCC or a proposed water entity.

47. The review of water assets concluded:

- (a) Growth opportunities for the majority of new water projects have been maximised.
- (b) A limited number of projects introduced to the LTP did not have growth funding identified where this is lawful and appropriate. Growth funding allocations have been assessed for those closest to delivery and the following three projects are proposed to be included in the draft DCP:
  - (i) Two components of the Te Maunga Wastewater Treatment Plant which are being delivered as part of a package of works to increase treatment capacity; and
  - (ii) An expansion of the existing Cambridge Road water reservoir facility to enable greater water storage.
- (c) Several other projects were identified where growth funding is appropriate and lawful, but the project is not planned to be delivered imminently. Staff will assess growth funding allocations as collection for these projects closer to their delivery timing.
- (d) A small number of projects have been identified where it is considered likely that investment does provide for limited growth in some way, but DC legislation means collection is unlikely to be lawful. For example, where a budget provides for renewal of water pipes, these pipes may be upsized. However, the scale of the upgrade, timing and beneficiary group are unknown. Collecting DCs towards such projects, even at a low nominal figure, is not recommended on the basis that it undermines the robustness of the DCP and opens TCC to the risk of legal challenge. TCC has encouraged reform of DC legislation to allow for collection of this type of asset.
- (e) There are a number of projects which have raised further lines of enquiry through the review process. For example, the renewal of the Mount Maunganui Water Reservoir is under consideration. The preferred design is not yet known but it is possible it could be renewed at a similar scale to its current form or at a substantially larger scale. The first scenario would not provide for growth whereas the second would. Until a design has been approved, it is not appropriate or lawful to start collecting DCs. Staff will continue analysis to understand growth funding options in light of future DC reform and as projects approach delivery.

48. DC collection for a number of wastewater assets is due to end this year. Staff are reviewing these projects to assess whether it is appropriate and lawful to continue collection for any of these projects. The outcome of this work will be incorporated into the draft DCP in March 2025.

49. A number of stormwater projects were reviewed. Some projects such as investments in Te Papa are likely to enable growth if they proceed. However, their primary purpose is to resolve existing flooding which benefits existing residents and property owners. Further the projects are highly geographic specific, generally benefiting small defined areas not the larger DC catchments that we have.

50. Consequently, DCs are not an effective tool to recouping growth investment. Instead, a targeted rate would likely be more effective and could be considered in future depending on the outcomes of water reform. Targeted rates are generally a more flexible tool than DCs as they are subject to different legislative requirements which can be more easily targeted to beneficiary groups.

**Citywide growth funding for community infrastructure**

51. TCC is currently collecting citywide DCs for the following community infrastructure assets. The total growth funding for each asset and the DC per household unit equivalent (roughly equivalent to the 3-bedroom dwelling charge) are set out below for 2023/24, 2024/25 and the draft fee for 2025/26. These amounts are based on the capital expenditure budgets for each project but do not include the impact of inflation or the debt costs associated with borrowing for each project. The key drivers for material change are discussed below.

*Total growth funding by asset*

<b>Asset</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Draft 2025/26</b>
Memorial Park Aquatics Centre	19.6m	7.9m	7.1m
Indoor courts facility*	14.3m	11.8m	11.8m
Central Library	11m	0.7m	12.5m
<b>Total</b>	<b>44.9m</b>	<b>20.4m</b>	<b>31.4m</b>

*Capital expenditure charge per HUE by asset (excluding finance costs)*

<b>Asset</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Draft 2025/26</b>
Memorial Park Aquatics Centre	1,460	730	1,236
Indoor courts facility*	1,069	473	481
Central Library	1,599	225	1,530
<b>Total</b>	<b>4,128</b>	<b>1,428</b>	<b>3,247</b>

\* Note, the proposed indoor courts facility was originally planned for the Memorial Park Recreation Centre which is no longer expected to proceed. Additional indoor courts are still proposed to be delivered in future, but the location and facility are subject to future Council decision making. TCC is currently collecting a contribution towards the BayPark Arena Extension. In the event the facility is changed, DCs are expected to be transferred to the new facility regardless of location given the citywide nature of the indoor court network.

*Memorial Park Aquatic Centre*

52. Staff have used the total project budget included in the draft Annual Plan reduced to reflect assumptions from 2024/25 regarding commercial space and third party funding.
53. The funding period for this project has been shortened from 2023 – 2033 to 2023 – 2029. This has increased the DC per HUE. This funding period was set in 2022/23 to reflect the period over which the facility had capacity to support growth and to align the intended delivery of the next aquatics facility in 2034 (at which point DC collection would begin for that project). The funding period for this project will continue to be reassessed over time for the reasons discussed below.
54. There is still uncertainty regarding two material matters which may further impact DCs for this asset. The delivery of the project is under review and subject to further consideration by Council. Material changes to project scope, staging and delivery may impact budget and the amount of growth provided for by the development and so the growth funding allocation. The future status of Otumoetai Pool will also have an impact on the growth funding for this asset. This matter is currently under review, but the operative DCP has assumed Otumoetai Pool will close when the new Memorial Park facility opens. If this does not occur, more of the Memorial Park facility will provide for growth. In the event the Otumoetai Pool does not close, total funding for this project is likely to return to approximately 2023/24 levels. TCC is also undertaking a strategic review of its aquatics network. As part of this process TCC's level of service benchmark may be revisited to incorporate Mount Hot Pools within the

benchmark. This too would increase the level of growth funding for the Memorial Park facility.

#### *Central Library*

55. Third party funding for this project has reduced. Previously significant funding was assumed from the Te Manawataki o Te Papa IFF. This funding source is no longer progressing and so has been removed. A reduction in assumed third party funding has resulted in an increase in total growth funding and the DC charge per HUE.
56. TCC has introduced some new third-party funding to reflect ongoing conversations with TCC's potential funding partners (as previously reported to Council in December 2024).
57. Staff have made two corrections to the total amount of library space and the library level of service benchmark where incorrect numbers had been used. Coincidentally, these errors offset each other creating no material impact on the DC charge.

#### *Other funding opportunities*

58. Staff have also started considering whether it is appropriate to fund a portion of other community infrastructure costs, in particular those for the Civic Whare, Exhibition Space and Museum.
59. It is possible that growth funding could be made available for this project. Any funding is likely to be a small percentage of the total budget. A number of questions need to be resolved before any growth funding could be allocated to this project.
  - (a) TCC does not have a benchmark level of service for this type of asset. A new level of service policy would need to be drafted and then consulted on before growth funding could be assessed. This process requires specialist skills from staff experienced in the design and operation of this type of asset to ensure the service is described accurately and a measurable benchmark is implemented. This takes a significant commitment of time and resource. It is most feasible to develop a policy for public consultation alongside the next Long-Term Plan.
  - (b) As this is the first asset of its type, it is possible that the whole cost would be to resolve an existing level of service shortfall. Any allocation to growth is expected to be very small as a percentage. The absolute amount of funding may still be material given the quantum of capital expenditure.
  - (c) On initial review, staff have not identified any other councils using growth funding for this type of asset. This would put TCC out of step with the local government sector and may create legal risk.
60. Staff are proposing to reconsider this matter more fully alongside the preparation of a level of service policy for this asset.
61. As a general note, the above illustrates the risk associated with collecting DCs towards community infrastructure projects. Under the LGA, TCC is obliged to spend DCs on the purpose for which they are collected. Community infrastructure projects can be subject to rephrasing or rescoping in an environment of tightening fiscal constraints and updated priorities. If is significant it can impact the level of growth funding and potentially trigger refunds of DCs collected. This is certain to be a costly and time consuming process which will draw resource away from achieving other growth funding priorities.

#### **Updates to reflect 2025/26 Annual Plan**

62. Staff have started to prepare the draft 2025/26 DCP reflecting decisions made by Council to date (and will update the draft to reflect decisions made over the coming months).
63. We have also updated the capital expenditure budgets where updates have been made through the 2025/26 Annual Plan process. This has resulted in some project budgets increasing and others decreasing. Staff will report back in March with draft changes to all DCs for public consultation.



## STATUTORY CONTEXT

64. As discussed above.

## STRATEGIC ALIGNMENT

65. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input checked="" type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

66. A robust, comprehensive and transparent DC Policy encourages trust from developers in TCC and assists in their planning of developments. DCs are a key funding source to deliver growth-related infrastructure to enable planned growth to occur.

## FINANCIAL CONSIDERATIONS

67. Discussed above.

## LEGAL IMPLICATIONS / RISKS

68. Discussed above.

## SIGNIFICANCE

69. 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.

70. 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.

71. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

## ENGAGEMENT

Taking into consideration the above assessment, that the matter is of low significance, officers will start engagement with directly impacted parties. Broader consultation and engagement will occur as part of the formal consultation process later this year.

## NEXT STEPS

72. Staff will continue to prepare the draft DCP 2025/26. The draft will be brought to Council in March for review and approval to proceed to public consultation. Consultation, hearings and deliberations for the DCP will occur alongside the Annual Plan 25/26. The final DCP is expected to be adopted in June 2025.

73. In the meantime, staff will bring back a report to this Committee regarding the timing of DC collection and associated considerations.

**ATTACHMENTS**

**Nil**

## 8.7 Psychoactive Substances (Local Approved Products) Policy 2018 review

**File Number:** A15302790

**Author:** Sandy Lee, Policy Analyst  
Nigel McGlone, Manager: Environmental Regulation

**Authoriser:** Sarah Omundsen, General Manager: Regulatory and Compliance

### PURPOSE OF THE REPORT

1. To provide direction on the issues arising from the review of the council's Psychoactive Substances (Local Approved Products) Policy 2018 and adopts the draft updated policy.

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### RECOMMENDATIONS

That the City Future Committee:

- (a) Receives the report "Psychoactive Substances (Local Approved Products) Policy 2018 review".
- (b) Adopts a draft updated Psychoactive Substances (Local Approved Products) Policy but waits until a psychoactive product is approved by the Regulatory Authority before formally considering when to commence public consultation on it.
- (c) Approves the following proposed changes to the draft updated policy:
  - (i) Edit the definition of 'sensitive sites' with broad categories of sites and include medical facilities, social welfare facilities, and places of cultural significance as types of sensitive sites. See 'sensitive site' definition on page 2 of the updated policy and the updated map in Attachment 4.
  - (ii) Update the mapped locations of sensitive sites, removing those that are no longer there and adding those that are newly developed, or developing. See the updated map in Attachment 4.
  - (iii) Remove the map in Schedule One of the policy and provide the information on the council website instead.
  - (iv) Maintain the current 75m minimum distance of retail premises from sensitive sites and 50m minimum between retail premises. See Attachment 4 for updated map showing 75m buffer for all sensitive sites.
- (d) Delegates to the General Manager Regulatory Services the authority to make minor editorial or presentation changes to the draft updated policy for correction or clarity prior to the information going onto the council website.

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### EXECUTIVE SUMMARY

2. Tauranga City Council's (Council) Psychoactive Substances (Local Approved Products) Policy (Attachment 1) is made under provisions in the Psychoactive Substances Act 2013 (the Act) and regulates where in the city approved products may be sold to protect the health of, and minimise harm to, individuals who use these substances<sup>3</sup>. The policy was adopted in September 2018 and we have commenced a five-year review as required under the Act<sup>4</sup>.

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<sup>3</sup> Psychoactive substance means any substance, mixture, preparation, article, device or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance (Section 9(1) Psychoactive Substances Act 2013). It includes substances that are in products such as party pills, herbal highs, energy pills, and synthetic cannabis. Psychoactive substances exclude medicines,

3. In reviewing the policy, we have considered options for continuing with the policy given no products have yet been approved by the Psychoactive Substances Regulatory Authority (the Authority). We have also engaged with public and community health addiction and support services, Kaupapa Māori health services, the Police, and relevant staff for feedback on how they think the policy can be improved to meet the policy objectives, should any products be approved in the future. The issues raised in the feedback were primarily in relation to the proximity of retailers selling approved products to vulnerable groups.
4. Three issues and options are presented for direction from the Committee<sup>5</sup>. An updated Psychoactive Substances (Local Approved Products) Policy (Attachment 2) has also been drafted and we are seeking adoption of the draft policy.

## BACKGROUND

5. The policy was developed to manage the potential future risk of retailers selling approved psychoactive products being located anywhere in the city. While there were no approved substances when the policy was first developed (which remains to be the case at the time of writing this report), having a policy in place is a proactive approach to protecting the community.
6. The current policy restricts the location of where future retailers may get a licence to sell approved products to only within the Tauranga City Centre Commercial Zone<sup>6</sup>, and specifies the minimum distance (buffer zone) away from 'sensitive sites' that retailers must be. Sensitive sites include places that are frequently used by vulnerable groups, such as children/young people and people with mental health and addiction issues, and currently includes education facilities, mental health and addiction treatment facilities and council community facilities. It also includes cultural, religious and/or spiritual places where the moral values are inconsistent with such substances (see the definition in Section 3 of the existing policy for details).

### Review of the policy

7. We contacted public and community health addiction and support services, Kaupapa Māori health organisations and services, and the relevant Police department in Tauranga for feedback on the policy. We also sought input from the council's City Safety and Engagement Advisor on the locations of vulnerable groups (homeless and young people) in the city centre. Emails were sent to sixteen stakeholder organisations asking for their thoughts on the current restrictions and whether they think the policy could be improved, with five providing feedback<sup>7</sup>.
8. Four respondents suggested increasing the minimum distance of retailers from sensitive sites, with some also recommending additional facilities be included as a sensitive site. Police were concerned about the sale of psychoactive substances in dairies, vape stores and other outlets in proximity to areas of the city where the homeless are and where there is often anti-social behaviour. Aside from vape stores, however, section 52(1) of the Act already prohibits the sale of approved products from dairies, convenience stores, temporary structures and mobile shops. The two Kaupapa Māori health organisations suggested increasing distances to retailers in general, with one advocating for greater protection for vulnerable whānau, tamariki and rangatahi as well as protections for marae and other cultural spaces.

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controlled drugs, herbal remedies, dietary supplements, food, alcohol and tobacco, all of which are managed under other Acts.

<sup>4</sup> Under section 69(4) of the Act, territorial authorities are required to review their policy within 5 years of adoption. The policy does not cease to be effective if it is due for a review or is being reviewed (section 69(5) of the Act).

<sup>5</sup> Minor drafting and formatting amendments have also been made to the policy to clarify existing provisions.

<sup>6</sup> This aligns with the approach taken by many other councils. Advice received when the policy was initially developed in 2018 also indicated that restricting premises to one location makes it more difficult for users to access such substances.

<sup>7</sup> Two stakeholder organisations replied that they had no comments or thoughts on the policy.

9. One respondent considered the current policy to be appropriate as is given the absence of any approved substances.

### STATUTORY CONTEXT

10. The Psychoactive Substances Act was enacted in 2013 to regulate the psychoactive substances market by controlling the importation, manufacture and sale of psychoactive substances in Aotearoa, New Zealand, to protect the health of and minimise harm to, individuals who use psychoactive substances.
11. Psychoactive substances are considered for approval by the Authority, but the Act enables territorial authorities to develop a Local Approved Products Policy in consultation with their communities to regulate where approved products may be sold within their district. As specified in Section 68 of the Act, the policy may determine 1) the location of premises where approved products may be sold, 2) the proximity between licensed premises, and 3) the proximity of licenced premises from sites of a particular kind or kinds within the district.

### STRATEGIC ALIGNMENT

12. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input checked="" type="checkbox"/>
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

13. Regulating where in the city future retailers may be able to get a licence to sell approved psychoactive products contributes to an inclusive city by protecting vulnerable groups and communities from potential harm from such products. In doing so, the policy contributes to the strategic goal of 'wellbeing – thriving people, thriving whanau, thriving communities' and the priority to promote healthy communities in the Tauranga Matarauuni – Inclusive City Strategy 2023-33.

### OPTIONS ANALYSIS

#### Issue 1: Whether to continue with the policy

14. Territorial authorities are not required under the legislation to have a psychoactive substances policy although many councils have chosen to develop one. For the 10 plus years the legislation has been in place, however, no psychoactive product has been approved by the Regulatory Authority and therefore the policies, including Tauranga City Council's policy, are proactive protections but they are not currently being used.
15. The Ministry of Health's review of the Act in 2018 indicated there have been no licence applications for retailing, manufacturing or wholesaling products received by the Authority<sup>8</sup>. One of the key reasons they highlight for the lack of any low harm product being approved and made available through a regulated market is due to the Act disallowing any products from getting approved if they have used animal testing<sup>9</sup>.

<sup>8</sup> Licences have been issued for research purposes only. The review report is available here: <https://www.health.govt.nz/publications/review-of-the-psychoactive-substances-act-2013>

<sup>9</sup> Restrictions on animal testing was included in 2014 when the legislation was amended in response to a petition with over 40,000 signatures aimed at stopping psychoactive substances being tested on animals.

16. The policy is therefore unlikely to be used until the animal testing principle is removed from the Act to enable the approval of low harm products. Council can consider how they would like to proceed with the policy.

**Table 1: Options for continuing with the policy**

	Options	Advantages	Disadvantages
1a.	Rescind the policy.	<ul style="list-style-type: none"> <li>Saves council time/resources on needing to keep an unused policy up to date.</li> </ul>	<ul style="list-style-type: none"> <li>Council will not have any protections in place should any psychoactive product get approved by the Regulatory Authority.</li> <li>Members of the community and health organisations are likely to be concerned about council removing proactive protections.</li> <li>May still need to undertake a special consultative procedure (SCP) on this decision.</li> </ul>
1b.	<p>Adopt a draft updated policy, but wait until a psychoactive product is approved by the Regulatory Authority before formally considering when to commence public consultation on it.</p> <p><i>If this option is selected, then the committee needs to provide direction on the issues and options below.</i></p> <p><b>Recommended</b></p>	<ul style="list-style-type: none"> <li>Ensures the most up to date changes are captured for the most effective proactive protection of the community.</li> <li>Information is still available to the public on council's website.</li> <li>Saves time/resources on consulting on changes that currently have no impact on the public.</li> <li>Prevents potential confusion in the public about why council is seeking feedback on changes to a policy that is currently not being used.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
1c.	Approve a draft updated policy for public consultation.	<ul style="list-style-type: none"> <li>Ensures the most up to date changes are captured in the policy and allows the general public to have their say on it.</li> </ul>	<ul style="list-style-type: none"> <li>Time/resources on consulting on changes that do not currently have any impact on the public.</li> <li>Potential confusion in the public as to why</li> </ul>

			council is asking for feedback on changes that do not have any real impact as the policy is not currently used.
1d.	Status quo. Leave the 2018 policy as is.	<ul style="list-style-type: none"> <li>No material impact at the moment given the absence of any approved products currently.</li> </ul>	<ul style="list-style-type: none"> <li>The policy is out of date and leaves a number of sensitive sites with vulnerable groups unprotected should any products get approved by the Regulatory Authority.</li> <li>Does not meet the legislative requirement for a 5 year review of the policy.</li> </ul>

**Issue 2: Updating ‘Sensitive Sites’**

Other types of sensitive sites

- Some stakeholders suggested other types of facilities that could be included as sensitive sites, identifying them as places where vulnerable groups may frequent and/or places of cultural significance that are inappropriate for psychoactive products to be sold in proximity. Suggestions included Work and Income New Zealand (WINZ)/Ministry of Social Development (MSD) and Oranga Tamariki<sup>10</sup>, Hauora Māori health providers, and marae and other cultural spaces significant to Māori.
- Council could consider editing the definition of sensitive sites and use broad categories of facility types, such as medical facilities, social welfare facilities, and places of cultural significance to encompass the new sites suggested by stakeholders within those categories as well as the existing sites listed in the current definition.

Mapped locations of sensitive site facilities

- Schedule One of the existing policy is a map illustrating where approved products may be sold within Tauranga and the locations of sensitive site facilities and their ‘buffer zones’ where no approved products may be sold. Since the policy was adopted in 2018, new facilities have been or are in the process of being developed while some of the mapped locations are no longer there. New facilities include an early childhood centre (Kidz Kindy), tertiary education facilities (University of Waikato Tauranga Campus, Employ NZ), and a range of council community facilities (He Puna Manawa, Customer Service Centre at the new council office building, the Waterfront development<sup>11</sup>, and Te Manawataki o Te Papa).
- Because of the changes described above, the map needs to be updated to reflect current locations of sensitive site facilities.

**Table 2: Options for updating sensitive sites**

Options	Advantages	Disadvantages
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<sup>10</sup> Between receiving the feedback and drafting this report, the Oranga Tamariki branch on Devonport Road unexpectedly closed down.

<sup>11</sup> The Waterfront Central development is located outside the City Centre Business Zone but the buffer will restrict some of the surrounding areas that fall within the Business Zone.

2a.	<p>Edit the definition of ‘sensitive sites’ with broad categories of sites and include medical facilities, social welfare facilities, and places of cultural significance as types of sensitive sites.</p> <p>See ‘sensitive site’ definition on page 2 of the updated policy and the updated map in Attachment 3.</p> <p><b>Recommended</b></p>	<ul style="list-style-type: none"> <li>• Supports the efforts of vulnerable groups who use these services who are working to overcome their addictions.</li> </ul>	<ul style="list-style-type: none"> <li>• None.</li> </ul>
2b.	<p>Update the mapped locations of ‘sensitive sites’, removing those that are no longer there and adding newly developed or developing sensitive sites.</p> <p>See updated map in Attachment 3.</p> <p><b>Recommended</b></p>	<ul style="list-style-type: none"> <li>• Reflects current sensitive site locations.</li> <li>• Protects these spaces frequented by vulnerable groups<sup>12</sup> from any future retailers establishing in close proximity.</li> <li>• Helps ensure sites that will be finished within the next few years are protected.</li> </ul>	<ul style="list-style-type: none"> <li>• None.</li> </ul>
2c.	<p>Remove the map in Schedule One of the policy and provide the information on the council website instead.</p> <p><b>Recommended</b></p>	<ul style="list-style-type: none"> <li>• Ensures the policy does not date when locations of sensitive sites change.</li> <li>• Enables the maps to be readily updated when needed on the council website, rather than waiting until the policy is reviewed.</li> <li>• Consistent with how maps for other Council policies are presented.</li> </ul>	<ul style="list-style-type: none"> <li>• Public will have to refer to the website to see the map.</li> </ul>

### Issue 3: Minimum distances to sensitive sites and between retailers

21. In the current policy retail premises must be at least 75m from sensitive sites (clause 5.3.1) and at least 50m from another retail premise (clause 5.2.1).
22. Four of the stakeholder organisations believed the current minimum distance from sensitive sites is too close and suggested an increase. One respondent suggested doubling the minimum distance to 150m, another suggested increasing the distance to at least 100m from schools and kura and at least 150m from cultural spaces, while an increase 500m particularly from schools was suggested by another.

<sup>12</sup> Based on Ministry of Justice data on the number of psychoactive substances offences from 2014 to 2023, those between 20-29yrs are the highest users of these substances compared to any other age group, making up on average a quarter of all convictions each year. See <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/>



23. While no comments were made by respondents in relation to the minimum distances specifically between retailers, one organisation did insist on not having retailers concentrated in one area.

**Table 3: Options for increasing the minimum distance from sensitive sites**

	Options	Advantages	Disadvantages
2a.	<p>Increase the minimum distance of retail premises from all sensitive sites to 100m, but keep the minimum distance between retail premises at 50m.</p> <p>See Attachment 4 for map showing 100m buffer for all sensitive sites.</p>	<ul style="list-style-type: none"> <li>• Relatively common minimum distance set by other councils<sup>13</sup>.</li> <li>• Takes into account other common modes of transport (i.e. bikes, skateboards, and e-scooters) that make smaller distances easier to reach.</li> <li>• Acknowledges the feedback from key stakeholders regarding the need to increase the distance.</li> <li>• Restricted (buffer) zones cover the key areas where vulnerable groups (homeless and young people) are located in the city centre<sup>14</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum distance is smaller than what was suggested by key stakeholders.</li> <li>• Risk that potential future retailers consider the restrictions a defacto ban as the area where retail premises are permitted is significantly reduced compared to the current policy.</li> </ul>
2b.	<p>Increase the minimum distance of retail premises from sensitive sites where young people may frequent (e.g. educational facilities, the waterfront, He Puna Manawa, and Te Manawataki o Te Papa) to 100m, but maintain the current 75m minimum distance from all other sensitive sites and 50m minimum between retail premises.</p> <p>See Attachment 5 for map showing 100m buffer for sensitive sites with young people.</p>	<ul style="list-style-type: none"> <li>• Acknowledges concern from stakeholder regarding proximity to young people.</li> <li>• Staggered approach is also used by the bigger city councils (Auckland and Wellington).</li> <li>• Restricted (buffer) zones cover the key areas where vulnerable groups (homeless and young people) are located in the city centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum distance is smaller than what was suggested by key stakeholders.</li> <li>• With increased restricted areas from greater number of sensitive sites, a significant proportion of the City Centre Business Zone is restricted with a risk of it being seen as a defacto ban.</li> </ul>
2c.	<p>Status quo. Maintain the current 75m minimum distance of retail premises from sensitive sites and</p>	<ul style="list-style-type: none"> <li>• May suffice given there are currently no approved</li> </ul>	<ul style="list-style-type: none"> <li>• Does not directly address the concerns regarding proximity</li> </ul>

<sup>13</sup> A minimum distance of 100m is used by several similar sized and/or neighbouring councils including Hamilton, Christchurch, Dunedin, Western Bay of Plenty and Rotorua.

<sup>14</sup> Durham Street around the bus stop and northern ends of Grey Street and Devonport Road were identified by the City Safety and Engagement Advisor as the areas that need to be protected.

	<p>50m minimum between retail premises.</p> <p>See Attachment 3 for updated map showing 75m buffer for all sensitive sites.</p> <p><b>Recommended.</b></p>	<p>psychoactive substances.</p> <ul style="list-style-type: none"> <li>• The increased number of sensitive sites means there is still a considerable reduction in the area/locations where approved products may be sold compared to the current policy.</li> <li>• The buffer zones mean that areas where retailers may sell approved products are dispersed around the City Centre Business Zone.</li> <li>• Restricted (buffer) zones cover the key areas where vulnerable groups (homeless and young people) are located in the city centre.</li> </ul>	<p>expressed by some key stakeholders.</p>
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**FINANCIAL CONSIDERATIONS**

24. There are no financial implications of the decisions in the report.

**LEGAL IMPLICATIONS / RISKS**

25. Local authorities do not have the ability to ban the sale of any psychoactive products in their district which have been officially approved by the Authority. Council can only manage and restrict the locations of where approved products may be sold.

**TE AO MĀORI APPROACH**

26. The recommendations in this report support the principle of manaakitanga - ahurutanga/haumarutanga – a strong duty of care and safety for our people by increasing the restrictions on where future approved products may be sold in the city to protect health and minimise harm to the community.

**CLIMATE IMPACT**

27. The recommendations in this report do not have any climate impacts.

**CONSULTATION / ENGAGEMENT**

28. A range of stakeholder groups who work with users of psychoactive substances (either from a health or an enforcement perspective) were contacted for feedback on the existing policy. Emails were initially sent out in May and June 2024 with follow-up emails in October 2024 to those who hadn't provided feedback. Stakeholders were identified with the help of the Community Services team and Takawaenga Māori Unit at the council.

29. Stakeholders included the appropriate services in Te Whatu Ora, Bay of Plenty, four community organisations with specific mental health and addiction services, seven Kaupapa

Māori health services, and the Tauranga Police. Te Rangapū Mana Whenua o Tauranga Moana was also asked whether they were interested in providing feedback, who instructed we work with Kaupapa Māori health services directly, including Ngāi te Ranga Iwi who run a health and addiction services programme<sup>15</sup>.

## SIGNIFICANCE

30. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
31. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (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.
32. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.






## ENGAGEMENT

33. If the Committee chooses to adopt the draft updated policy (option 1b), then no further engagement will take place until a psychoactive product is approved by the Regulatory Authority.
34. When a product does get approved and consultation on the draft policy is required, staff will seek clear direction from Council or the appropriately mandated committee at that time on both the draft policy and the consultation approach. A Special Consultative Procedure (SCP) will be required per Section 69 of the Psychoactive Substances Act, which would include a Statement of Proposal, opportunities for the public to present their views to Council, and a consultation period of not less than one month.

## NEXT STEPS

35. Staff will make any minor amendments to the draft updated policy before the document and information go onto the council's website.
36. The stakeholder groups who provided their feedback on the existing policy will be informed of the draft changes and sent the updated draft policy. A copy will also be provided to the Psychoactive Substances Regulatory Authority.

## ATTACHMENTS

1. **Psychoactive Substances Policy 2018 - A17299325** [↓](#) 
2. **Draft revised Psychoactive Substances (Local Approved Products) Policy - A17336689** [↓](#) 
3. **Map - 75m buffer - all sensitive sites - A17336685** [↓](#) 
4. **Map - 100m buffer - all sensitive sites - A17392994** [↓](#) 
5. **Map - 75m buffer plus 100m buffer young people - A17392995** [↓](#) 

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<sup>15</sup> Staff have sent follow up emails to the Manager of the CAYAD (Community Action on Youth Alcohol and Drugs) programme but no feedback has been received to date.



















## 8.8 Tauranga Wayfinding & Interpretation Signage Strategy for Parks and Reserves

**File Number:** A17423405

**Author:** Ana Hancock, Senior Project Manager

**Authoriser:** Barbara Dempsey, General Manager: Community Services

### PURPOSE OF THE REPORT

1. To inform the City Future Committee on the Tauranga Wayfinding & Interpretation Signage Strategy for Parks and Reserves.

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### RECOMMENDATIONS

That the City Future Committee:

- (a) Receives the report "Tauranga Wayfinding & Interpretation Signage Strategy for Parks and Reserves".

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### EXECUTIVE SUMMARY

2. Interpretive and wayfinding signage are a common feature of public spaces. They provide information about spaces and support people to navigate them safely and effectively.
3. Tauranga is currently lacking a consistent approach to the installation of wayfinding and interpretive signage at reserves and other public spaces. This has led to outdated and inconsistent signage across the city.
4. The draft Tauranga City Council Signage and Interpretation Strategy has been developed to provide a consistent approach. This is an operational document that will guide staff with installation of new signage and renewals of existing signage.
5. The draft strategy is operational in nature and is ready to be utilised immediately for projects currently underway.
6. A similar strategy with a focus on the city centre is being developed and will be presented to the committee later in 2025. The two strategies have been developed alongside each other using the same signage consultant to ensure that the 'look and feel' is similar.

### BACKGROUND

7. Tauranga is a popular destination for national and international visitors. It is important that Tauranga provides clearly identified and consistent wayfinding and interpretive signage across the city.
8. There is currently no established wayfinding and interpretation signage style in the city. Each location has different styles of interpretive signs, many of which are outdated and no longer align with Council branding, and there is little, if any, wayfinding signage.
9. Within parks and reserves, the basic park identification sign provides little opportunity for pictures and graphics or the presentation of detailed information. This has resulted in a proliferation of individual signs either attached to the park identification sign or on a separate post nearby.
10. Having a library of signage templates and technical details for hardware will ensure consistency across the city and create efficiencies where individual projects are not starting from scratch.

11. Staff engaged consultants DallowBoss and Locales in February 2024 to develop a strategy to provide consistent guidance for interpretive and wayfinding signage throughout the city. Staff worked closely with the consultants and made significant changes to ensure better value for money and a design that links both this and the Centre City Strategy.
12. The draft Signage and Interpretation Strategy is included as Attachment 1. The strategy is operational in nature, providing clear guidance to staff on interpretive and wayfinding signage to improve accessibility and opportunities for cultural recognition. The strategy includes the following aims for signage:
  - (a) Better identifies our spaces and places,
  - (b) Delivers high quality information to users,
  - (c) Offers opportunities for storytelling and interpretation,
  - (d) Aligns with the developing TCC brand and messaging approach,
  - (e) Provides a guide for future implementation.
  - (f) The signage is accessible for those with visual impairments (e.g. font size, colour choice and contrast etc.)
13. If adopted, the strategy is ready for immediate implementation in future projects. New signage will be introduced over time as renewals are required.

### STRATEGIC ALIGNMENT

14. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	□

15. The draft strategy has strong alignment with Our Direction and several community outcomes. These are detailed below.
  - (a) Tauranga Matarauui - We are an inclusive city. Interpretive and wayfinding signage provides an opportunity to build a more welcoming and inclusive community in Tauranga. This can be achieved through creating signage that is accessible and readable to all users (as detailed in Consultation/Engagement section below). Interpretive signage also provides an opportunity to provide information about individual reserves and sites, connecting locals more closely to their communities. This fulfils on several aims in Tauranga Matarauui, including:
    - (i) Access
    - (ii) Inclusion and diversity
    - (iii) Strong neighbourhoods and liveable communities.
  - (b) Tauranga Taurikura - We value and protect the environment. Interpretive and wayfinding signage provides an opportunity for increased awareness of environmental issues at specific sites and to increase community knowledge and appreciation of biodiversity. This helps to fulfil on two of the goals of Tauranga Taurikura:
    - (i) Thriving nature and biodiversity as the heart of our communities
    - (ii) Our built environment supports the wellbeing of our natural environment.

- (c) Tauranga Tātai Whenua – We are a well-planned city. Interpretive and wayfinding signage offers an opportunity for residents to make best use of spaces and facilities by providing better and more relevant information on these spaces. This helps to fulfil on goals in Our Public Places Strategic Plan, specifically:
  - (i) Places for community
  - (ii) Places for culture and storytelling
- (d) Tauranga Ara Rau – We can move around our city easily. Wayfinding signage provides people with more information and may support those who are choosing active transport to navigate through spaces more easily and effectively.

**OPTIONS ANALYSIS**

- 16. Staff have identified two potential options:
  - (a) Adopt the Signage and Interpretation Strategy
  - (b) Do not adopt the Signage and Interpretation Strategy
- 17. These options are analysed below.

**OPTION 1:** Adopt the Signage and Interpretation Strategy (*recommended*)

Advantages	Disadvantages and risks
<ul style="list-style-type: none"> <li>• Will result in an integrated and consistent signage and wayfinding system that works for Tauranga.</li> <li>• Improved accessibility for people to navigate and orientate within Tauranga’s spaces and places.</li> <li>• Integration of Council brand colours, font sizes and layouts into all signage with accessibility in mind. This will help to create a consistent visual identity and conform to Council brand and identity.</li> <li>• Incorporation of Te Reo place naming, where a name exists.</li> <li>• Provision of a suite of interpretative signage designs that will help form the ‘typologies’ that narrate the history of the area and environment.</li> <li>• Provision of signage templates and technical libraries to ensure consistency across the city.</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• Signage may become a larger component of capital project costs.</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Potential public expectation that all existing signs will be replaced quickly to meet new standards in the strategy.</li> </ul>

**OPTION 2:** Do not adopt the Signage and Interpretation Strategy

Advantages	Disadvantages and risks
<ul style="list-style-type: none"> <li>• Does not raise public expectation of updated signage.</li> </ul>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>• Continuation of inconsistent signage across the city</li> <li>• Dated signage is at odds with a growing city with high numbers of tourists.</li> </ul>

	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Public dissatisfaction with existing signage that is inadequate or unhelpful.</li> </ul>
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## FINANCIAL CONSIDERATIONS

18. Implementation of the strategy will be done on a rolling basis as part of capital projects. For example, replacement of signage can be added to the scope of future parks and reserve projects. Staff will rely on existing operational budget for implementation and maintenance of new signage.

## LEGAL IMPLICATIONS / RISKS

19. There are no legal implications or risks associated with the strategies.

## TE AO MĀORI APPROACH

20. The strategy has strong alignment to Council's Te Ao Maori approach. This can be seen through the following principles:
- Manaakitanga - ahurutanga/haumarutanga – a strong duty of care and safety for our people. The strategy considers best practice by ensuring interpretive signage can tell a full story of the area it covers, including pre-European settlement where appropriate.
  - Rangatiratanga - Mana motuhake – self determination, Tikanga – best practise, Tāuutuutu – reciprocity. The strategy steers and encourages Te Ao Māori engagement within the sign development process steps. Future engagement with mana whenua will be carried out during the design and implementation phases of signage projects by the designated project team for that space.
  - Wairuatanga - Mana atua & whakaponu - a well-grounded belief system that supports instinct and intuition in line with whāia te tika – the pursuit of the right way forward. The strategy allows flexibility should a site of cultural significance be elevated to include more bespoke signage such as what has been implemented at Mauao and Omanawa Falls. Engagement with mana whenua (Ngāi Tukairangi and Ngāti Kuku) on the Marine Parade Coastal Pathway project for signage and interpretive signage has taken place. Implementation will occur following the approval of the strategy.
  - Te Reo Māori - Active commitment to protect and promote this taonga, the Māori language, for future generations of all New Zealanders. Integration of Te Reo on signs for naming places has been allowed for and is encouraged in the Strategy's proposed graphic layouts. Adoption of Māori place-names would still need to adhere to the Council's naming policy and would be again managed by the project team designing and implementing the signs for the space. Where there is approval of a Māori name for an existing Reserve the Māori name would appear first, followed by the English name.

## CLIMATE IMPACT

21. The draft strategy does not have a direct climate impact. However, there is indirect impact as signage content in some locations will be focusing on subjects such as the natural environment and educating people on the effect of climate change and urban growth on the environment.

## CONSULTATION / ENGAGEMENT

22. No specific public engagement has been undertaken for the strategy as it is an operational document.
23. The project team presented the new signage designs to the Accessible City Special Interest Group in November 2024. Many of the suggestions offered by the group (such as increased

font size and better colour contrasts) have been considered and are consistent with international standards for signage and Council brand colours and included within the draft strategy.

24. Internal consultation with relevant departments and officers has guided the strategy and signage designs over the course of the project.

## SIGNIFICANCE

25. 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.
26. 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.
27. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

## ENGAGEMENT

28. 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

29. Implementation of the strategy will occur through current and future projects.
30. Staff from the City Centre team will present a similar strategy with a focus on the city centre to the committee be later in 2025.

## ATTACHMENTS

1. **Draft Tauranga Citywide Signage & Interpretation Strategy - A17466739** [↓](#) 































































































































































































































































**9 DISCUSSION OF LATE ITEMS****10 PUBLIC EXCLUDED SESSION****Resolution to exclude the public****RECOMMENDATIONS**

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>Confidential Attachment 2 - 8.1 - Fifteenth Avenue to Welcome Bay Upgrade - Procurement Strategy</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>Confidential Attachment 3 - 8.4 - Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - February 2025</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)(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