



# **SUPPLEMENTARY AGENDA**

**Ordinary Council meeting  
Monday, 3 March 2025**

**Date: Monday, 3 March 2025**

**Time: 9:30 am**

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

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

**Marty Grenfell  
Chief Executive**



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## **7 CONFIRMATION OF MINUTES**

### **7.1 Minutes of the Council meeting held on 10 February 2025**

**File Number: A17610021**

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

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

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### **RECOMMENDATIONS**

That the Minutes of the Council meeting held on 10 February 2025 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Council meeting held on 10 February 2025**



# **MINUTES**

**Ordinary Council meeting  
Monday, 10 February 2025**

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UNCONFIRMED

**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,  
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA  
ON MONDAY, 10 FEBRUARY 2025 AT 9.30AM**

**MEMBERS PRESENT:** Mayor Mahé Drysdale (Chairperson), Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory & Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Caroline Lim (CCO Specialist), Kathryn Sharplin (Manager: Finance), Charles Lane (Team Leader: Commercial Legal), Stephen Burton (Transformation Lead: Water Services), Nigel McGlone (Manager: Environmental Regulation), Ross Hudson (Manager: Strategic Planning & Partnerships), Jamie Kinzett (Senior Strategic Advisor) Janine Speedy (Team Leader: City Planning), Coral Hair (Manager: Democracy & Governance Services), Clare Sullivan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor)

**EXTERNAL:** Pdraig McNamara, Partner, Simpson Grierson (online)

Timestamps are included beside each of the items and relate to the recording of the meeting held on 10 February 2025 at <https://www.youtube.com/watch?v=YY2G7BbGALM>

## 1 OPENING KARAKIA

Cr Hautapu Baker opened the meeting with a karakia.

## 2 APOLOGIES

Nil

## 3 PUBLIC FORUM

**TIMESTAMP: 9:40 AM**

### 3.1 Neil Pollett - Reclassification of Marine Park

#### Key Points

- Sought a pause on the reclassification and lease to University of Waikato.
- Sought consultation and public input to guide how to activate use of the area.
- Sought protection of as much greenspace as possible in the park.



## 4 ACCEPTANCE OF LATE ITEMS

### 7.2 Minutes of the Council meeting held on 25 November 2024

#### RESOLUTION CO/25/1/1

Moved: Cr Rick Curach

Seconded: Cr Rod Taylor

That the Council:

- (a) Accepts the following late item for consideration at the meeting:

Confirmation of open part of the minutes of the Council meeting held on 25 November 2024.

The above item was not included in the original agenda because it was not available at the time the agenda was issued, and discussion cannot be delayed until the next scheduled meeting of the Council as the public excluded minutes of the meeting are included in the public excluded section of the agenda.

**CARRIED**

## 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

It was noted that there would be several changes to the order of business within the meeting.

Item 3.2 Hearing of Submitters on the Alcohol Bylaw would be taken at 1pm immediately before Item 11.8 Alcohol Control Bylaw 2018 Amendment.

Item 11.4 will be taken at 11am.

Item 11.7 Temporary Road closure Report for Events march – June 2025 has been withdrawn from the agenda as the main event in the road closures Oceania Championship Triathlon was cancelled on Friday 7 February 2025.

Items 13.1 and 13.2 will be taken in public excluded from 2.00pm.

Item 13.9 Sale of Marine precinct – Legal Update will be taken at 3.15 pm in public excluded.

## 7 CONFIRMATION OF MINUTES

### 7.1 Minutes of the Council meeting held on 9 December 2024

**RESOLUTION CO/25/1/2**

Moved: Mayor Mahé Drysdale

Seconded: Cr Hautapu Baker

That the minutes of the Council meeting held on 9 December 2024 be confirmed as a true and correct record, subject to the following correction:

- (a) Item 3.8 correct name of the attachment being attributed to Alan Withy and not Sam Allen.

**CARRIED**

**7.2 Minutes of the Council meeting held on 25 November 2024****RESOLUTION CO/25/1/3**

Moved: Mayor Mahé Drysdale

Seconded: Cr Marten Rozeboom

That the minutes of the Council meeting held on 25 November 2024 be confirmed as a true and correct record.

**CARRIED**

**8 DECLARATION OF CONFLICTS OF INTEREST**

Nil

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

**10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil

**11 BUSINESS**

Mayor Drysdale, noted the recent resignation of Mikaere Sydney, he commented that it was sad to lose him as a member of the Council and wished him and his whanau the best wishes for a full recovery, and that he can continue to contribute to the future of Tauranga.

The Mayor also noted that nominations were now open for candidates for the by-election for a member of the Te Awanui ward and closed on 3 March at 12 noon. He encouraged those who will be eligible to vote to check they are enrolled on the Māori roll and to vote when voting papers were sent out.

The Mayor also congratulated residents of Tauranga who had been recognised in the King's new year honours list – Puhirake Ihaka, ONZM mfor services to Māori and governance, Noel Grahah Harris, ONZM, for services to the thoroughbred racing industry, Ian Martyn Pickard, ONZM, for services to Fire and Emergency NZ, Lee Wei-Hahn Murray, ONZM, for services to literature, particularly speculative literature and Rev Marie Eleanor Gilpin, KSM, for services to the community.

The Mayor acknowledged the work that many volunteers throughout Tauranga do for the people of the community and the city of Tauranga.

The Mayor also acknowledged the recent achievements of Sam Ruthe, a 15 year old who has won senior national athletics titles and a world best for his age group in the 1500m.

**11.1 Appointment of Chairperson and Deputy Chairperson to the City Futures Committee and Community and Performance Committee**

Mahé Drysdale, Mayor

**Timestamp 32:24**

Changes to recommendations:

- The Mayor moved a motion with changes to the names of the two committees and confirming the appointments of Chairperson and Deputy Chairperson for the committees.

UNCONFIRMED

**RESOLUTION CO/25/1/4**

Moved: Mayor Mahé Drysdale

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Appointment of Chairperson and Deputy Chairperson to the City Futures Committee and Community and Performance Committee".
- (b) Changes the names of the following committees:
  - (i) City Futures Committee to City Future Committee
  - (ii) Community & Performance Committee to City Delivery Committee.
- (c) Confirms the appointment of the Chairperson and Deputy Chairperson of the following committees:

Committee	
City Future Committee	Chairperson: Cr Marten Rozeboom Deputy Chairperson: Cr Rod Taylor
City Delivery Committee	Chairperson: Deputy Mayor Jen Scoular Deputy Chairperson: Cr Kevin Schuler

- (d) Confirms that the:
  - (i) Chairperson and Deputy Chairperson of the City Future Committee act as co-chairs.
  - (ii) Chairperson and Deputy Chairperson of the City Delivery Committee act as co-chairs.
  - (iii) That for each committee the following changes are made to the terms of reference:

**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.

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

**CARRIED**

## 11.2 Letters of Expectations 2025/26 for Council-Controlled Organisations

**Staff** Gareth Wallis, General Manager: City Development & Partnerships  
Caroline Lim, CCO Specialist

**Timestamp** 36.57

### Action

- It was requested that letters of expectations for future years to substantive Council Controlled Organisations be approved by Council before being sent out for the following financial year.

### RESOLUTION CO/25/1/5

Moved: Mayor Mahé Drysdale

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Letters of Expectations 2025/26 for Council-Controlled Organisations".
- (b) Receives the Letter of Expectations 2025/26 from Tauranga City Council to Bay Venues Limited (Attachment 1).
- (c) Receives the Letter of Expectations 2025/26 from Tauranga City Council to Tauranga Art Gallery Trust (Attachment 2).
- (d) Receives the Letter of Expectations 2025/26 from Tauranga City Council to Tourism Bay of Plenty (Attachment 3). Noting that as joint shareholder, Western Bay of Plenty District Council is not providing Tourism Bay of Plenty with a Letter of Expectations for 2025/26.
- (e) Receives the Letter of Expectations 2025/26 from Tauranga City Council to Te Manawataki o Te Papa Limited (Attachment 4).

**CARRIED**

## 11.3 Local Government Funding Agency (LGFA) Bespoke Covenant Application

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance

**Timestamp** 54:48

**RESOLUTION CO/25/1/6**

Moved: Mayor Mahé Drysdale

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Local Government Funding Agency (LGFA) Bespoke Covenant Application".
- (b) Agrees that Council application to LGFA for a bespoke borrowing Covenant includes the following:
  - (i) A bespoke borrowing covenant of 350% debt to revenue.
  - (ii) Noting that Council aims to maintain debt headroom by borrowing below this maximum, with an internal borrowing limit at around 320%.
  - (iii) the covenant should apply from the 2024/25 financial year.
  - (iv) the background information attached to this report is provided with the letter of application.
- (c) Authorises the Mayor to submit the attached application letter to the Board of LGFA on behalf of Council supported by the material contained in Attachment 1 to this report.
- (d) Notes that the implications of a bespoke LGFA borrowing covenant and how it would differ from the existing borrowing limits of the 2024-34 Long-Term Plan can be included in the financial information in the Annual Plan consultation document.

**CARRIED**

**11.4 Tauranga City Council Submission to Local Government (Water Services) Bill**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Charles Lane, Team Leader: Commercial Legal  
Stephen Burton, Transformation Lead: Water Services

**External** Pdraig McNamara, Partner, Simpson Grierson (online)

**Timestamp: 1:37:00**

**Changes to recommendations:**

- The Council discussed removing sections 2.1 and 2.2 in the draft submission on shareholder control over water organisations and that there is currently no requirement in the bill for water services providers to act in accordance with the statutory objectives.
- Additional matters were to be raised in the submission including development contributions and charging for stormwater.

**RESOLUTION CO/25/17**

Moved: Mayor Mahé Drysdale

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives this report "Submission Document – Local Government (Water Services) Bill".
- (b) Approves the draft submission "Tauranga City Council Submission - Local Government (Water Services) Bill" with the removal of sections 2.1 and 2.2 and subsequent renumbering.
- (c) Delegates authority to the Chief Executive to update the submission to address additional matters including development contribution and charging for stormwater, approve, finalise and sign the Council's submission on the Bill.

**CARRIED**

The meeting adjourned at 11.35.am and resumed at 11.50 am.

**11.5 Background Information - Marine Park Reclassification**

**Staff** Sarah Omundsen, General Manager Regulatory & Compliance  
Paul Davidson, Chief Financial Officer  
Ross Hudson, Manager: Strategic Planning & Partnerships Community, Spaces & Places  
Jaimee Kinzett, Senior Strategic Advisor, Strategic Property

**Timestamp: 2.21:**

The Council requested the public excluded attachments be made publicly available. Staff advised that they would need to engage with the University of Waikato on the release of the confidential agreements prior to doing so.

The Council agreed to let the report lie on the table until they discussed the public excluded attachments.

Note: Consideration of the item was adjourned until 6.35 pm.

The meeting adjourned at 12.15pm and resumed at 12.45pm.

**11.9 Submission on Resource Management (Consenting and Other System Changes) Amendment Bill 2024**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Janine Speedy, Team Leader: City Planning  
Andy Mead, Manager: City Planning & Growth

**Timestamp: 3:18:50**

**RESOLUTION CO/25/1/8**

Moved: Cr Marten Rozeboom

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Submission on Resource Management (Consenting and Other System Changes) Amendment Bill 2024".
- (b) Endorses the submission to the Select Committee on the Resource Management (Consenting and Other System Changes) Amendment Bill 2024 included as Attachment 1.

**CARRIED**

UNCONFIRMED



## 11.6 160 Devonport Road Land Purchase and Development

**Staff** Paul Davidson, Chief Financial Officer

**Timestamp: 2:41:44**

### RESOLUTION CO/25/1/9

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Council:

- (a) Leaves the report "160 Devonport Road - Land Purchase and Development" to lie on the table until 3 March 2025 .

**CARRIED**

## 11.7 Temporary Road Closure Report for Events March - June 2025

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

This report was withdrawn from the agenda as the main event in the road closures Oceania Championship Triathlon was cancelled on Friday 7 February 2025.

## 3.2 Hearing of submitters on the Alcohol Bylaw

**Timestamp: 3:33:50**

The following members of the public spoke to their submission to the Alcohol Bylaw. A copy of all presentations and documents tabled at the hearing can be viewed on Tauranga City Council's (TCC) website.

### (1) Kerry McCaffery

#### Key Points

- Supports the bylaw.
- Tauranga needs places for people to be able to detox safely.

### (2) John Tawahru

#### Key Points

- Represent community, supports the bylaw.
- Bylaw area should be extended and police need to act urgently on calls from residents in the area.

### (3) Susan Hodkinson

#### Key Points

- Collects rubbish throughout the area.
- Supports the bylaw and wants to have more compliance on rubbish left in the area of the ban and throughout Mount Maunganui.

**(4) Andrew Galloway, Executive Director Alcohol Healthwatch****Key Points**

- Support the bylaw and would want a permanent ban in summer months from Mt Maunganui to Pāpāmoa.

**11.8 Alcohol Control Bylaw 2018 Amendment: Hearings and Deliberations**

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

**Timestamp:**4.04:23

**RESOLUTION CO/25/1/10**

Moved: Cr Steve Morris

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Alcohol Control Bylaw 2018 Amendment: Hearings and Deliberations".
- (b) Receives the submissions to the draft Alcohol Control Bylaw 2018 Amendment (**Attachment One**).
- (c) Resolves, in accordance with section 147A and 155 of the Local Government Act 2002 that:
  - (i) the amendments to the Alcohol Control Bylaw 2018 (**Attachment Two**) are the most appropriate and proportionate way of addressing the perceived problem of alcohol consumption in public places in the area that the amendments apply;
  - (ii) the draft amendments are in the most appropriate form of bylaw;
  - (iii) the draft amendments do not give rise to implications under the New Zealand Bill of Rights Act 1990;
  - (iv) the draft amendments can be justified as a reasonable limitation on people's rights and freedoms;
  - (v) a high level of crime or disorder caused or made worse by alcohol consumption is likely to arise in the area to which the draft amendments are intended to apply if the amendments are not made;
  - (vi) the draft amendments are appropriate and proportionate in light of that likely crime and disorder.
- (d) Adopts the Alcohol Control Bylaw 2018 Amendment (**Attachment Two**) to come into effect on the 24 February 2025.
- (e) Consider consulting in 2027 on adding to Schedule 1 all reserves, beaches and public places on and including the seaward side of the road from Grove Road to Sandhurst Drive.

**CARRIED**

**12 DISCUSSION OF LATE ITEMS**

None

**13 PUBLIC EXCLUDED SESSION**

UNCONFIRMED

**RESOLUTION TO EXCLUDE THE PUBLIC RESOLUTION CO/25/1/11**

**Timestamp:4:23**

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Marten Rozeboom

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>13.1 - Matua Hori Ahomiro - Asset Realisation Reserve</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.2 - Spencer Webster, CEO Nga Potiki a Tamapahore Trust - Asset Realisation Reserve</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.3 - Public Excluded Minutes of the Extraordinary Council meeting held on 25 November 2024</b>	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.4 - Public Excluded Minutes of the Council meeting held on 9 December 2024</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)(g) - The withholding of the information is necessary to maintain legal professional privilege	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

<p><b>13.5 - Disposal of Properties under Asset Realisation Reserve</b></p>	<p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>13.6 - Asset Realisation Reserve - 376 No.1 Road, Te Puke (Orchard Block) Divestment Objectives and Disposal Classification</b></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>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>13.7 - Asset Realisation Reserve - Kairua Road - Divestment Objectives and Disposal Classification</b></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>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>13.8 - Te Maunga Bioreactor 2 - Contractor Negotiations Update</b></p>	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p><b>13.9 - Sale of Marine Precinct - Legal Update</b></p>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <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>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

<b>13.10 - Western Bay of Plenty Sub-Regional Deal Proposal</b>	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 1 - 11.5 - Background Information - Marine Park Reclassification</b>	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 2 - 11.5 - Background Information - Marine Park Reclassification</b>	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED**

The public were excluded at 1.55pm.

The meeting resumed in open at 6.35pm

**11.5 Background Information - Marine Park Reclassification (Continued)**

**Staff** Sarah Omundsen, General Manager Regulatory & Compliance  
 Paul Davidson, Chief Financial Officer

The Council agreed to let the report lie on the table until 3 March 2025 Council meeting to provide time for further consideration by the University of Waikato on the release of the confidential agreements (with or without redactions).

**RESOLUTION CO/25/1/12**

Moved: Deputy Mayor Jen Scoular  
 Seconded: Mayor Mahé Drysdale

That the Council:

- (a) Leaves the report to lie on the table until the 3 March 2025 Council meeting.

**CARRIED**

**14 CLOSING KARAKIA**

Councillor Baker closed the meeting with a karakia.

**The meeting closed at 6.37 pm.**

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 3 March 2025.

.....  
Mayor Mahé Drysdale  
**CHAIRPERSON**

UNCONFIRMED

## 11 BUSINESS

### 11.6 Background Information - Marine Park Reclassification

**File Number:** A16672159

**Author:** Nick Chester, Principal Strategic Advisor

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

#### PURPOSE OF THE REPORT

1. The purpose of this report is to present a comprehensive overview of Council's decision-making processes regarding the reclassification of a section of Marine Park and subsequent lease to the University of Waikato (UoW) for a research and educational facility.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Background Information - Marine Park Reclassification".

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#### EXECUTIVE SUMMARY

2. Council was approached by the University of Waikato in 2017 to work collaboratively towards establishing a research and educational facility close to the city centre at Sulphur Point.
3. Staff undertook an assessment of several sites and concluded that a near 7000m<sup>2</sup> portion of Marine Park was the most appropriate site for such a facility.
4. As the site was classified as a recreation reserve, council would need to either revoke reserve status, or reclassify the portion of the reserve as "local purpose" status before a facility could be constructed.
5. Council underwent a consultation process in 2018-2019 with the intention to revoke reserve status of the relevant portion of the park, and then lease the land to UoW. In July 2020, the Minister of Conservation declined the revocation process.
6. Council subsequently undertook a process to reclassify the portion of the reserve to local purpose status. Following public consultation, Council resolved to reclassify in July 2022.
7. A tender process was then undertaken to lease the land, with UoW the only tender received. The lease was successfully negotiated and announced in June 2024.
8. The facility has now proceeded to design and consenting stage. It is anticipated that the facility will be opened in 2027/28.

#### BACKGROUND

##### ***University of Waikato Research and Educational Facility***

9. At the beginning of 2017 the University of Waikato (UoW) approached Council with the wish to work collaboratively towards establishing an internationally sought after, multidisciplinary research and educational facility close to the city centre at Sulphur Point.



10. The facility aims to increase the quality and quantity of tertiary and post-tertiary education, allowing Tauranga to further establish itself in this important and valuable sector. Some of the specific outcomes of the project include:
  - (a) Public benefit, including accessible, marine and coastal environmental based education and/or public engagement initiatives.
  - (b) Resilience understanding; including innovative and sustainable responses to climate change, water quality and sea level rise.
  - (c) Identified benefit to Tauranga Moana Iwi and Hapu, focused on educational wellbeing and/or provision for Māori culture and design, Matauranga approaches as well as social and economic outcomes.
  - (d) Employment opportunities to people living in Tauranga and the wider Bay of Plenty region including Eastern Bay aquaculture initiatives.
  - (e) Increased tertiary education (including research) capabilities, in undergraduate, post graduate and doctoral programmes as well as national and international collaboration.
  - (f) Potential identification of sustainable and valuable commercial development opportunities, e.g. entrepreneurial universities, cancer drugs, nutraceutical, etc.
11. Staff undertook an assessment of several sites in mid-2017 to determine if any would be appropriate for such a facility. The findings of this assessment identified a 7,000m<sup>2</sup> site at Marine Park at Sulphur Point as the most feasible site for this significant economic development opportunity.
12. Marine Park was identified as the most suitable location for the University of Waikato facility, considering the factors below:
  - (a) Proximity to Tauranga CBD campus on Durham Street
  - (b) Proximity to a deep-sea channel connected to the harbour entrance
  - (c) Proximity to water for boat launch and water intake for the filtration tanks
  - (d) Good water quality to enable world class coastal marine research
  - (e) Adequate area to provide for required functions (generic and specialist laboratories, as well as research facilities)
  - (f) Community outreach and public engagement capabilities

### **Marine Park**

13. Marine Park is located on Keith Allan Drive at Sulphur Point. The park is 11.2ha in size. The park is shown in Figure 1, noting:
  - (a) Area 1 is the areas newly reclassified for local purpose and leased to UoW
  - (b) Area 2 is the current overflow car park.
  - (c) Area 3 is the Tauranga Fish & Dive Club building.



Fig.1: Marine Park map

14. At the time of UoW's initial approach to Council, the whole of Marine Park at Sulphur Point was classified as a recreation reserve under the Reserves Act 1977. The whole site is zoned Active Open Space in the City Plan.
15. The Tauranga Fish and Dive Club is located on the southern half of the reserve, in addition to an area that is used for events, and space for passive recreation. The northern half of the reserve includes a Māori navigation circle and is also used for passive recreation and some events.
16. Marine Park is the premier recreational boating access point for Tauranga and is the focal point of large recreational boating activities and events. It is a prime location for water related activities due to the location of the area of reclaimed land near deep water channels in the harbour. Marine Park is the only space of its kind in Tauranga that provides all tide access for water based recreation and supports water based, non powered, recreation access and events. The park is also used for informal recreation. Observational studies undertaken of the reserve in the location of the proposed research facility January and February 2019 indicated low levels of informal recreation by the community.
17. The Park falls within the Iwi rohe of Ngati Ranginui, Ngati Pukenga, and Ngai Te Rangī, and the Hapu rohe of Ngai Tamarawaho, Ngati Tapu and Ngai Tukairangi.

**Unsuccessful Revocation Process 2018-2020**

18. Classification of reserves under the Reserves Act 1977 Act identifies the primary purpose of a reserve and helps direct its management, usage and development. The building of an educational facility on a recreation reserve is not permissible under the Act as it is not the primary purpose for use of the reserve. More information about reserve classification status can be found on council's [website](#).
19. In order for the facility to be developed, Council was required to either:
  - (a) Reclassify the portion of Marine Park to be used for the facility from recreation reserve to local purpose reserve, and lease the site to the University of Waikato, or
  - (b) Revoke the reserve status of the portion of the park entirely and lease the site to the University.
20. Council resolved the following at a meeting on 16 October 2018:

*"That Council:*

  - (a) *Approves in principle its intention to seek the revocation, pursuant to Section 24 of the Reserves Act 1977, of the recreation reserve status of part of Marine Park not exceeding 7,000m<sup>2</sup>, being part of Part Lot 2 DPS 34961 and shown as Attachment A to report DC319.*
  - (b) *Notes that the purpose of the proposed revocation is to enable the leasing of the land to the University of Waikato to enable the development of a new Marine Research and Educational Facility. Officers are to arrange for the required area to be surveyed.*
  - (c) *(Notes that the formal resolution to publicly notify the intention to seek the revocation of the reserve status of that area will be referred to a subsequent meeting of the Council.*
  - (d) *Directs staff to discuss the provision of replacement land with Bay of Plenty Regional Council."*
21. Public consultation on the revocation of reserve status took place in November and December 2018. Engagement also occurred with tangata whenua.
22. A total of 498 submissions were received from the community during this consultation period. In response to the question "*Would you support the revocation of the reserve status of 6,952m<sup>2</sup> of land as part of Marine Park (total 112,369m<sup>2</sup>) for the purpose of the long-term lease to the University of Waikato to enable the development of a new marine research and education facility?*" 58% responded "No" and 42% responded "Yes".
23. Council considered feedback received during this consultation and approved the revocation of reserve status at its meeting on 7 August 2019.
24. The revocation application was submitted to the Department of Conservation (DOC) in November 2019. The application comprised relevant Council reports and resolutions and supporting material, and objections and other submissions received by Council.
25. On 29 July 2020, the Minister of Conservation declined the application, on the basis that:
  - (a) it would adversely affect activities associated with deep water recreational boating and associated events,
  - (b) it would have a significant detrimental effect on the recreational amenity value of the recreational reserve,
  - (c) two iwi groups objected to the proposal,
  - (d) the land is highly valued for reserve and open space,
  - (e) no assessment of alternative sites had been undertaken, and a majority of submitters opposed the revocation.
26. The Council was of the view that some of the material on which the Minister based the decision was incomplete (largely that the minister stated that alternative sites had not been

investigated, by council believed this had been adequately done) and that was raised with DOC and the Minister's office with a request that the refusal be reconsidered. Subsequent communications with DOC have advised that DOC will not reconsider Council's application without the entire revocation process being run afresh.

### **Reclassification and Lease Process**

27. Following the unsuccessful attempt to revoke reserve status, council investigated the option to instead reclassify the portion of Marine Park from reserve status to local purpose status, and then lease this to the University of Waikato.
28. The process to classify or reclassify reserves is set out in section 17 of the Reserves Act 1977 and requires notification by the council and a formal consultation period. Council, as administering body, has delegated authority from the Minister to make the decision as to whether to reclassify all or part of a reserve.
29. On 4 October 2021, Council resolved to initiate the reclassification process for approximately 7,000m<sup>2</sup> of land making up 6% of Marine Park ([agenda](#), [minutes](#))
30. Consultation on the proposed reclassification took place from 16 May – 20 June 2022. A total of 323 submissions were received, with 66.3% in support of the proposal. A hearings report outlining the results of feedback, and to provide submitters with an opportunity to present in person occurred at the meeting of Council on 27 June 2022 ([agenda](#), [minutes](#)).
31. On 25 July 2022, Council resolved to reclassify the relevant portion of Marine Park to local purpose, and initiate lease tender process under the Public Bodies Leases Act 1969. The resolution also endorsed the Chief Executive to exercise the delegated authority to appoint a preferred applicant under the Public Bodies Leases Act 1969 ([agenda](#), [minutes](#)).
32. The reclassification was confirmed by Council, acting as the Minister of Conservation's delegate in September 2022 and finalised through the Gazette notice and updated title in November 2022.

### **Lease Tender and Award**

33. The tender process for leasing the land was completed in March 2023. Council received only one tender. Through their tender the University of Waikato demonstrated the capability to establish and operate such a facility, subject to meeting the requirements in the Agreement to Lease.
34. Negotiations with the University of Waikato commenced in April 2023 and concluded successfully in June 2024. The lease was signed on 4 July 2024. The Agreement to lease is included as Attachment 1.
35. The University of Waikato will now progress with concept design and funding approvals. A resource consent has not yet been applied for and would typically follow design and funding conditions being satisfied. It is anticipated that the facility will be fully open during 2027/2028.

### **Sulphur Point Masterplan**

36. The Marine Facilities Strategy that Council engaged with the community on in 2021 has been progressed into a framework with various actions. Staff are in the process of planning the work required around these actions.
37. One of the priority actions from the Framework is the development of a Sulphur Point masterplan. Sulphur Point and Marine Park are strategically important for many people in Tauranga and is the one of the only places for deep water access. The Master Plan will help to identify future land use, facilities and activities to respond to concerns raised by recreation and commercial users, and identify actions and investments required.
38. The masterplan will not incorporate the development of the facility.

**STRATEGIC ALIGNMENT**

39. 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 checked="" 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 checked="" type="checkbox"/>

40. The reclassification of Marine Park and future development of the UoW facility is strongly aligned to Council’s strategic direction, specifically the following community outcomes:
- (a) Tauranga Taurikura – A city that values, protects and enhances the environment. The facility will provide valuable insights related to climate change, water quality and sea level rises and provide educational opportunities to enhance the understanding of environmental risks on the city and region.
  - (b) Tauranga a te kura – A city that supports business and education. The new facility provides both educational and employment opportunities to the city and enhances Tauranga’s reputation as a city that provide educational opportunities.

**FINANCIAL CONSIDERATIONS**

41. Financial considerations are detailed in Attachment 2.

**LEGAL IMPLICATIONS/RISKS**

- 42. The reclassification requirements have been adhered to, as provided for in the Reserves Act 1977.
- 43. Council has a legally binding Agreement to Lease with the University of Waikato for the land at Marine Park.

**TE AO MĀORI APPROACH**

- 44. Council’s Te Ao Māori approach has been applied throughout the reclassification and lease process. Marine Park has been identified as a site of interest to tangata whenua, and proactive engagement has been undertaken to identify key concerns and aspirations.
- 45. Engagement with Tangata Whenua / mana whenua on the proposed reclassification and potential use of the land was a critical part of the reclassification process. Ngai Tamarawaho and Ngati Pukenga had initially objected the revocation process but supported the subsequent reclassification process in principle.
- 46. Ngati Pukenga have indicated an interest if the reclassification has an impact on the harbour for which they have a joint kaitiaki responsibility along with other hapu and iwi, otherwise they support Ngai Tamarawaho’s position on the land itself in recognition of their mana whenua.
- 47. Ngai Tamarawaho supported the reclassification in principle, and their feedback to date is summarised below:
  - (a) The hapū is, in principle, in support of the reclassification taking into account the proposed activity. However, if any permanent disposal is on the table, the hapū considers that the whenua should be returned to them in the first instance.
  - (b) Marine health is of paramount importance and should be considered throughout the lifecycle of the project.
  - (c) There was no consultation when the initial reclamation was undertaken.

- (d) The hapū was previously interested in this land for a historic and cultural centre, but this project is now being considered on another site.
  - (e) The hapū is interested in exploring partnership opportunities with both Council and the lease applicant/s.
  - (f) There is a study being undertaken currently, to gauge the level and health of kai moana in the estuary which could identify potential actions.
48. The University of Waikato are actively engaging with Tangata Whenua on the design criteria for the facility.

### CLIMATE IMPACT

49. The development of the UoW facility has the potential to improve Tauranga's ability to adapt to a changing climate. This can be achieved through the facility's stated aims to improve climate resilience understanding including innovative and sustainable responses to climate change, water quality and sea level rise.

### CONSULTATION / ENGAGEMENT

50. There has been significant engagement at various stages throughout the project.
51. There was an open public consultation period during the unsuccessful attempt to revoke reserve classification, which took place in late 2018. This was accompanied by public open days run by council staff.
52. Council ran a public consultation process as part of the reclassification of the Park as required by the Reserves Act 1977, and in line with our own Significance and Engagement Policy. Consultation was open in May and June 2022. Submitters also spoke in person on the matter at a Council meeting on 27 June 2022.
53. The consultation included:
- (a) A notice in the local paper, which appeared three times, 16 May, 23 May and 30 May 2022.
  - (b) Online posting on LinkedIn and Facebook.
  - (c) Geo-targeted advertisements.
  - (d) Online webpage for Marine Park reclassification.
  - (e) Physical copies of project documents at Libraries, He Puna Manawa and the mobile service centre.
54. A complaint was received by the Ombudsman relating to consultation undertaken as part of the reclassification process. The Ombudsman released his opinion on this complaint on 18 July 2024, finding that Tauranga City Council had met the obligations under the Local Government and Reserves Act before making any decision. The Ombudsman's full decision is included as Attachment 3.

### SIGNIFICANCE

55. 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.
56. 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.

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




### ENGAGEMENT

58. Taking into consideration the above assessment, the matters raised in this report do not require any further engagement and no decision is being requested from the Council.

### NEXT STEPS

- 59. The University of Waikato are progressing with funding and design of the facility, and obtaining the necessary consents required to begin building. It is anticipated it will be fully open during 2027/2028.
- 60. The Marine Facilities Strategy that Council engaged with the community on in 2021 has been progressed into a framework with various actions. Staff are in the process of planning the work required around these actions.
- 61. One of the priority actions from the Framework is the development of a Sulphur Point Master Plan. Sulphur Point and Marine Park are strategically important for many people in Tauranga and is the one of the only places for deep water access. The Master Plan will help to identify future land use, facilities and activities to respond to concerns raised by recreation and commercial users, and identify actions and investments required.

### ATTACHMENTS

- 1. **Agreement to Lease - Marine Research Facility - fully signed 4 July 2024 - A17431883**  [↓](#)
- 2. **Marine Research Facility - Financial Considerations - A17431926**  [↓](#)
- 3. **Final Decision from Ombudsman on Marine Park Reclassification Complaint - A16203811**  [↓](#)

# AGREEMENT TO LEASE

Tauranga City Council

University of Waikato





## AGREEMENT TO LEASE

AGREEMENT dated this 4<sup>th</sup> day of July 2024

### PARTIES

1. Tauranga City Council (TCC)
2. University of Waikato (UoW)

### BACKGROUND

- A. TCC owns and manages the land at Marine Park, Sulphur Point, Tauranga.
- B. TCC has called for tenders for the lease of part of that land for the purposes of constructing and managing a Marine Research and Education Facility.
- C. UoW submitted a tender application.
- D. Pursuant to the process outlined in the tender documentation, the parties now enter into this agreement to record the terms under which TCC will lease the land to UoW and UoW will design and construct on that land the Marine Research and Education Facility.

### TERMS OF AGREEMENT

#### 1. DEFINITIONS AND INTERPRETATION

- 1.1 **Defined Terms:** In this Agreement and any schedules to it, the following terms will, unless the context otherwise admits or requires, have (with or without the definite article) the following meanings:

**Agreement** means this agreement.

**Authority** means any local body, government or other authority having jurisdiction over or authority in respect of the Premises and its use or occupation and acting in that capacity.

**Approvals** means any consents, authorities, and permits required from any Authority (except for any approval required of TCC acting in its capacity as lessor (not the territorial authority) under this Agreement) for UoW to complete the Development Works including (without limitation) all consents required pursuant to the Resource Management Act 1991, the Building Act 2004 and the Reserves Act 1977.

**Community Outcomes** means the outcomes of the Development that benefit the Tauranga community as are more particularly described in the Design Criteria.

**Concept Design** means the concept design documents and concept plans and specifications (which are to be based on the Preliminary Concept Design and the Design Criteria) for the Development developed and approved in accordance with this Agreement.

**Contaminant** has the same meaning as set out in the Resource Management Act 1991 and 'Contamination' shall have a corresponding meaning.

**Design Criteria** means the design criteria for the Development, as set out in Schedule Two which include the Community Outcomes.

**Design Group** has the meaning given to it in clause 4.2.

**Detailed Design** means the detailed design documents, plans and specifications for the Development Works (which are to be based on the Concept Design) as developed in accordance with clause 6.2.

**Development** means the buildings, carparks and improvements to be erected on the Development Land by UoW in accordance with this Agreement.

**Development Land** means that part of Marine Park being an area of 6,952 square metres and described as Area A on Survey Office Plan 530292, being classified as a local purpose (marine research and education) reserve subject to the Reserves Act 1977.

**Development Works** means the works to be executed to complete the Development in accordance with the Detailed Design, together with the Subdivision and any other incidental works in relation to the completion of the Development.

**Dispute** means a dispute arising between the parties on any matter under this Agreement (except a dispute over a right to rescind or terminate this Agreement).

**Good Faith** means dealing with each other honestly, openly and without misleading each other. Good faith requires parties to be active and constructive in establishing and maintaining a productive relationship in which they are responsive and communicative.

**Lease** means the lease between TCC (as Lessor) and UoW (as Lessee) to be entered into by the parties pursuant to clause 10.1 of this Agreement on the form set out in Schedule Four.

**LINZ** means Land Information New Zealand.

**Marine Park** means the land owned and managed by TCC, described as Part Lot 2 DPS 34961, Lot 4 DPS 34961 and Section 1 SO 332660, comprised in record of title 173890, including all buildings and improvements on that land, being a reserve subject to the Reserves Act 1977.

**Objective** means to proactively work together in Good Faith for the purposes of constructing a Marine Research and Education Facility on the Development Land.

**Practical Completion** or **Practically Complete** means that stage of the Development Works when:

- (a) UoW's architect (acting reasonably) confirms that the Development Works have been completed in accordance with the Detailed Design to the extent that the Development is available for occupation and use by UoW for its intended purpose without material inconvenience and subject only to any minor work and any necessary remedial work that does not prevent such occupation and use; and
- (b) a Code Compliance Certificate or certificate of public use (for a reasonable period) has issued for the Development Works.

**Preliminary Concept Design** means the plans and documents attached as Schedule One of this Agreement.

**Project Control Group** means the project control group described in clause 7.

**Subdivision Approvals** means the Approvals contemplated by clause 5.1.

**Target Dates** mean the key dates and milestones specified in Schedule Three; and

**Working Day** has the meaning given to that term in the Property Law Act 2007 and otherwise excludes any day on which UoW is closed.

1.2 **Interpretation:** In this Agreement, unless the context otherwise requires:

- (a) words importing one gender include the other genders;
- (b) the singular includes the plural and vice versa;
- (c) a reference to TCC or UoW is a reference also to their respective executors, administrators or successors and permitted assigns;
- (d) headings are for convenience only and shall not affect interpretation;
- (e) references to sections, clauses and schedules are references to sections, clauses and schedules of this Agreement unless specifically stated otherwise; and
- (f) references to any legislation or to any provision of any legislation (including regulations and orders) includes that legislation or provision as from time to time amended, re-enacted or substituted and, unless otherwise specifically stated, refers to New Zealand legislation and provisions.

## 2. CONDITIONS

2.1 **Conditions and fulfilment dates:** This Agreement is conditional upon the following:

- (a) UoW preparing and TCC approving, the Concept Design for the Development in accordance with clause 4.7. The last date for the fulfilment of this condition will be the date 12 months from the date of this Agreement.
- (b) UoW being entirely satisfied that it has obtained or that it will obtain all necessary funding commitments for the completion of the Development as a single project. The last date for the fulfilment of this condition will be the date two years from the date of this Agreement.
- (c) UoW obtaining, and notifying TCC that it has obtained, all Subdivision Approvals in accordance with clause 5.1. The last date for the fulfilment of this condition will be the date 12 months following the date both conditions in clauses 2.1(a) and 2.1(b) are fulfilled;
- (d) TCC and UoW approving the terms and conditions of the Subdivision Approvals. The last date for the fulfilment of this condition will be the date three months following the fulfilment of the condition in clause 2.1(c); and
- (e) UoW obtaining and notifying TCC that it has obtained all Approvals contemplated by clause 6.1 from the relevant Authority on terms and conditions satisfactory to UoW in all respects. The last date for the fulfilment of this condition will be the date 18 months following the date both conditions in clauses 2.1(a) and 2.1(b) are fulfilled.

- 2.2 **Benefit of conditions:** The condition/s in:
- (a) clause 2.1(b) is inserted for the sole benefit of UoW;
  - (b) clauses 2.1(a) and 2.1(c) to 2.1(e) are inserted for the benefit of both parties.
- 2.3 **Operation of conditions:** In relation to each condition set out in clause 2.1, the following shall apply unless otherwise expressly provided:
- (a) The condition will be a condition subsequent.
  - (b) The party for whose benefit the condition has been included must do all things which may reasonably be necessary to enable the condition to be fulfilled by the date of fulfilment.
  - (c) Time for fulfilment of any condition and any extended time for fulfilment to a fixed date will be of the essence.
  - (d) If one party requests an extension to the date for satisfaction of a condition contained in this clause 2, the other party will act reasonably in considering that request.
  - (e) The condition will be deemed to be not fulfilled until notice of fulfilment has been served by one party on the other.
  - (f) If the condition is not fulfilled by the date for fulfilment, either party may at any time before the condition is fulfilled or waived, avoid this Agreement by giving notice in writing to the other. Upon avoidance of this Agreement neither party shall have any right or claim against the other arising from this Agreement or its termination.
  - (g) At any time before this Agreement is avoided, any party may waive any condition which is for the sole benefit of that party. A waiver shall be by notice in writing.
3. **COLLABORATIVE APPROACH**
- 3.1 **Uncertainty:** The parties acknowledge that at the date of this Agreement UoW's funding of the design and construction of the Development is uncertain. In particular UoW is not aware of how long it will take to obtain funding nor the amount of funding UoW will be able to raise or otherwise allocate in relation to the design and construction of the Development. Therefore, the size and features of the Development are currently unknown.
- 3.2 **Staging variations:** In addition to the above, it is possible that the construction of the Development may need to be staged so that it is developed and expanded over time and a staged approach is not currently contemplated by this Agreement or the Lease.
- 3.3 **Tauranga Community:** UoW acknowledges that TCC as local authority and administering body of Marine Park has obligations to the Tauranga community that go beyond those obligations of being merely a passive ground lessor. Accordingly, there are obligations as expressed in this Agreement that address the completion of the Development in accordance with the agreed Concept Design and Detailed Design, Approvals and practical public access to the Development.

- 3.4 **Collaboration on variations:** Recognising the uncertainty set out in clauses 3.1 and 3.2, TCC's obligations set out in clause 3.3, and the need for collaborative solutions and problem solving, the parties agree to work together in Good Faith in respect of any variations to this Agreement, the Lease, and/or the construction phasing, which may be reasonably necessary or desirable to reflect or address such factors as UoW funding, the need to stage construction or operation of the Development.
- 3.5 **Objective:** The parties agree to exercise Good Faith in implementing the Objective and in performing their respective obligations under this Agreement.
- 3.6 **Approach:** In keeping with the parties' agreement in clauses 3.4 and 3.5, UoW will in Good Faith as part of its procurement processes for the Development (but without creating any obligations and subject always and absolutely to UoW's procurement obligations/policy):
- (a) consider opportunities for Iwi and youth; and
  - (b) take into account potential benefits to the Tauranga based contractors and suppliers.
4. **CONCEPT DESIGN & DESIGN GROUP**
- 4.1 **Preliminary Concept Design:** The Preliminary Concept Design that has been provided by UoW is an overview of the key site strategies informing early bulk and location analysis for the proposed Development. TCC acknowledges that this will not be determinative of the Concept Design or Detailed Design. Nothing in the Preliminary Concept Design, whether statements, representations or imagery will be binding on UoW.
- 4.2 **Formation of the Design Group:** As soon as practicable following execution of this agreement, the parties will work in Good Faith to appoint the Design Group (whose membership will be in accordance with clause 4.3). The Design Group's purpose will be to provide guidance on the fulfilment of the Design Criteria in UoW's development of the Concept Design.
- 4.3 **Membership of the Design Group:** The Design Group will consist of:
- (a) Two representatives of UoW;
  - (b) Two representatives of TCC;
  - (c) UoW's architect; and
  - (d) any other person (whether as a continuing or temporary member) as TCC and UoW may from time to time appoint by agreement.
- 4.4 **Preparation of Concept Design:** Following the appointment of the Design Group, UoW shall procure the development of the Concept Design in accordance with the Design Criteria, including features of any access, connections and services that may need to be anticipated in the consents to be obtained by UoW in accordance with clause 5.1 and 6.1.
- 4.5 **Design Group guidance:** UoW will refer iterations of the Concept Design during its development to the Design Group, where UoW considers it appropriate for the purpose of increasing the likelihood of obtaining TCC approval pursuant to clause 4.7.

- 4.6 **Staging:** Where, whether prior to the commencement of the design process or during the development of the Concept Design, there arises a requirement or desire to stage the Development in one or more stages, the parties will, in accordance with clause 3.4, work together to determine any variations that may be required to this Agreement, including whether the Concept Design for the Development itself is progressed in a staged manner.
- 4.7 **TCC approval:** UoW will provide the Concept Design to TCC for approval upon its completion. TCC will advise UoW whether it approves or disapproves the Concept Design (as lessor and not as regulatory authority) as soon as reasonably practicable, but in any event within 20 Working Days of receipt of the Concept Design. TCC shall not withhold or delay the giving of its approval to the Concept Design where the Concept Design is consistent with the Design Criteria or otherwise unreasonably or arbitrarily withhold its consent for any other reason.
- 4.8 **Variations:** Where TCC advises UoW of variations required to enable it to provide its approval for reasons of any inconsistency with the Preliminary Concept Design or Design Criteria, and UoW accepts such variations, UoW will incorporate such variations into the Concept Design at its cost. Following incorporation of such variations, UoW will re-submit the Design Concept to TCC and the process in clauses 4.7 and this 4.8 will re-apply. If UoW (acting reasonably) does not agree to TCC's proposed variations, and the parties cannot resolve TCC's changes within 20 Working Days, then one or both of the parties may refer the matter for determination in accordance with clause 13.2.
- 4.9 **Deemed approval:** TCC will be deemed to have approved the Concept Design or any variation (as lessor and not as regulatory authority) if it does not provide its approval or disapproval in writing within the timeframe set out in clause 4.7 provided that UoW has first served notice on TCC advising TCC of its failure to provide its approval or disapproval in writing and allow no less than a further 10 Working Days for TCC to respond.
5. **SUBDIVISION APPROVAL**
- 5.1 **UoW to obtain:** UoW will seek to obtain any Approvals required for:
- (a) the issue of a separate leasehold record of title for the Development Land;
  - (b) any required connections of the Development to the Tauranga harbour; and
  - (c) any services necessary for the Development to the Development Land.
- 5.2 **TCC's approval of applications:**
- (a) UoW's applications for its Subdivision Approvals (and any conditions or variations to the Subdivision Approvals) will be subject to TCC's approval (as lessor and not as regulatory authority) prior to submission and/or variation.
  - (b) UoW must provide a copy of any applications for the Subdivision Approvals to TCC not less than 20 Working Days prior to the date on which UoW proposes to lodge them for approval by the relevant Authority.
  - (c) TCC, acting promptly, diligently and in Good Faith, will have 20 Working Days from the date of receipt to provide its feedback on the applications to UoW. The feedback shall include the reasons for TCC's approval or disapproval (as lessor and not as regulatory authority) together with supporting information (where applicable) to enable UoW to ascertain and consider the implications of the feedback and (including (if applicable) any variations required by TCC to enable it

- to provide its approval) to the applications for the Subdivision Approvals to UoW in writing (**Subdivision Feedback Notice**).
- (d) On receipt of the Subdivision Feedback Notice, the parties shall discuss the same in Good Faith to agree the changes (if any) to the applications.
  - (e) If UoW agrees to the changes sought by TCC in the Subdivision Feedback Notice, UoW shall update the applications to reflect the Subdivision Feedback Notice (or any revised feedback agreed during the discussions between the parties) prior to lodging the application.
  - (f) UoW shall lodge the application as soon as practicable following receipt of approval in accordance with clause 5.2(c), or its agreement to update the applications in accordance with clause 5.2(e).
  - (g) UoW shall provide a copy of the finalised applications to TCC within 3 Working Days of their lodgement.
  - (h) If UoW (acting reasonably) does not agree to the feedback or changes proposed in the Subdivision Feedback Notice, and the parties cannot resolve TCC's changes sought in the Subdivision Feedback Notice within 20 Working Days of receipt of the Subdivision Feedback Notice, then one or both of the parties may refer the matter for determination in accordance with clause 13.2. Nothing in this clause restricts the right of UoW to avoid this agreement under clause 2 if the Subdivision Approvals have not been approved by both parties by the date provided for in clause 2.1(d).
- 5.3 **Deemed approval:** TCC will be deemed to have approved UoW's applications for the Subdivision Approvals (as lessor and not as regulatory authority) if it does not provide its approval or disapproval in writing within the timeframe set out in clause 5.2.
- 5.4 **Approval of consent:** UoW shall provide a copy of each Subdivision Approval received to TCC promptly following receipt of the same. Each party shall advise its approval or disapproval of the conditions of any consent within 10 Working Days of the date that the relevant consent is provided to TCC. The parties acknowledge that they shall not be entitled to object to any term or condition which was contemplated in any application approved pursuant to this clause 5, or otherwise could reasonably be expected to be included in a consent of the nature intended and which is otherwise consistent with the terms of this Agreement and the Lease, except where such term or condition materially decreases the benefit, increases the burden or otherwise impacts the economic viability of the Development to either party.
- 5.5 **Subdivision Approval Costs:** TCC will be responsible, and will reimburse UoW, for all reasonable costs associated with UoW obtaining the Subdivision Approvals and completing the subdivision in accordance with the Subdivision Approvals to create a separate leasehold record of title for the Development Land, including:
- (a) consultancy costs, including planning, surveying and engineering;
  - (b) legal costs (as between solicitor and client);
  - (c) LINZ fees;
  - (d) any consent fees or development contribution required to be paid to any Local Authority; and

- (e) any out of site works agreed pursuant to clause 6.7,

and TCC will make payment of such costs on the 20<sup>th</sup> of the next month following receipt of a valid tax invoice from UoW, notwithstanding any prior cancellation of this Agreement.

- 5.6 **Deduction:** UoW will be entitled to deduct any unpaid amount of costs under clause 5.5 from any amount of rent or outgoings payable under the Lease.

- 5.7 **Assistance:** TCC acting as lessor, will provide reasonable assistance where requested by UoW to secure the Subdivision Approvals.

## 6. BUILDING AND LAND USE CONSENTS

- 6.1 **UoW to obtain:** Following approval of the Concept Design and fulfilment of the condition in clause 2.1(b)2.1(a) UoW will obtain, at its cost, any Approvals required for the Development including (but not limited to):

- (a) the carrying out of the Development Works; and  
(b) the use of the Development as a Marine Research and Education Facility.

- 6.2 **Development of Detailed Design:** For the purpose of obtaining building consent Approval, UoW will procure the development of the Detailed Design. The Detailed Design must be consistent with the Concept Design approved by TCC pursuant to clause 4 and any conditions of the Subdivision Approvals. UoW may refer material iterations of the Detailed Design during its development to the Design Group, where UoW considers it appropriate to ensure its consistency with the Concept Design and compliance with this clause 6.2.

- 6.3 **Provision of applications to TCC before submission:** UoW must provide a copy of any applications for the Approvals under clause 6.1 to TCC (as lessor and not as regulatory authority) as soon as reasonably practicable and in any event, not less than 20 Working Days prior to the date on which UoW proposes to lodge them for approval by the relevant Authority. This obligation shall not apply in respect of any variations to the Approvals which may become necessary during the course of the construction of the Development Works provided that such variations do not materially depart from the Concept Design (as approved by TCC in accordance with clause 4.7). TCC will be given no less than 20 Working Days following receipt to provide any comments on the application, before it may be submitted by UoW. It will be at UoW's discretion (acting reasonably) whether any variations are made to the application for Approval following receipt of comments by TCC.

- 6.4 **Assistance:** TCC acting as lessor, will provide reasonable assistance where requested by UoW to secure the Approvals contemplated by this clause 6.

- 6.5 **Contamination assessment:** TCC will have prepared and provided to UoW a report from an independent environmental engineer from a reputable firm of environmental consultants confirming the presence (or otherwise) of any existing Contaminant in or on the Development Land, and where necessary, advice as to the steps required for the appropriate remediation of such Contamination to enable the Development to take place. If TCC considers the cost of such remediation works is unreasonable or uneconomic, TCC will discuss with UoW in Good Faith to endeavour to come to a resolution, failing which TCC may determine this agreement at any time within a period of six months following receipt of the contamination report. Upon such termination, neither party shall have any claim against the other except:



- (a) for any antecedent breach of this Agreement; and
  - (b) TCC will reimburse UoW for the costs incurred pursuant to clause 5.5 and any other reasonable costs incurred by UoW in the preparation and approval of the Concept Design and the progression of any Approvals.
- 6.6 **Contamination:** Subject to TCC's right of termination in clause 6.5, to the extent that any Approvals required for the purpose of clause 6.1 necessitate the remediation of any existing Contaminant within or on the Marine Park, all associated works and costs of such remediation will be the responsibility of TCC. TCC will complete all required remediation works as soon as reasonably practicable following the obtaining of the relevant Approval by UoW.
- 6.7 **Out of site works:** The parties acknowledge that, in exercising its rights to fulfil or otherwise the conditions in either clauses 2.1(d) or 2.1(e), UoW may take into account whether any Approval under those clauses necessitate any upgrade or improvement to any existing infrastructure and/or the addition of new infrastructure which is outside of the Development Land. Prior to exercising any right of cancellation for non-fulfilment of such conditions, UoW will discuss with TCC in Good Faith endeavour to come to a resolution on the responsibility for such works, failing which, UoW may cancel this agreement pursuant to clauses 2.1(d) or 2.1(e), as the case may be.
- 7. PROJECT CONTROL GROUP**
- 7.1 **Project Control Group:** As soon as practicable following UoW obtaining the Subdivision Approvals in accordance with clause 5 or other Approvals in accordance with clause 6 (whichever is earlier), UoW will establish a project control group for the construction of the Development. The Project Control Group will consist of:
- (a) two representatives of UoW;
  - (b) two representatives of TCC;
  - (c) UoW's architect;
  - (d) a representative of the head contractor for the Development (following appointment of that contractor); and
  - (e) any other person (whether as a continuing or temporary member) UoW may from time to time appoint.
- 7.2 **Meetings:** The Project Control Group will meet on a monthly basis.
- 7.3 **Dissolution:** The Project Control Group will dissolve following Practical Completion.
- 8. CONSTRUCTION OF DEVELOPMENT**
- 8.1 **Construction contract:** Following completion of the Detailed Design and any necessary Approvals being obtained, UoW will procure its construction contract (on the conditions of contract substantially similar to those set out in the relevant Standards New Zealand form) in accordance with its usual procurement policies and processes. In appointing its contractor, UoW will have regard to clause 3.6.

- 8.2 **Commencing construction:** Prior to commencing construction, UoW will provide TCC with an indicative programme for completion of the Development, generally in accordance with the Target Dates.
- 8.3 **UoW's works:** UoW will:
- (a) complete the Development generally in accordance with the Detailed Design and the Target Dates, subject to clause 8.4;
  - (b) ensure that the Development is completed in accordance with the requirements of any statutory or regulatory authority having jurisdiction and with the provisions of any Approvals issued for the Development and the Development Works;
  - (c) ensure the Development is undertaken in a good and workmanlike manner and in accordance with good industry and regulatory standards appropriate for the Development; and
  - (d) notify the relevant Authorities on completion, and obtain a code compliance certificate for the Development and the Development Works.
- 8.4 **Extension to Target Dates:** If an extension of time is properly approved under the construction contract described in clause 8.1 then the Target Dates will be extended by an equivalent length of time. UoW must take all reasonable steps to accelerate the work to reduce to the extent possible the effect of any extensions of time (but shall not be obliged to incur a greater cost in accelerating the work than it otherwise would have had if the work not been accelerated).
- 8.5 **Variations and Alterations to Detailed Design:**
- (a) UoW will be entitled to make minor alterations and variations to the Detailed Design which may become necessary during the course of the construction of the Development Works by reason of any matters beyond the control of UoW. Such matters beyond the control of UoW may include, but not be limited to:
    - (i) the requirements and directions of any Authority; or
    - (ii) the practical requirements of the construction of the Development Works including the dictates of good building practice and/or the availability of materials.
  - (b) UoW will be entitled to make all immaterial and otherwise minor alterations and variations to the Detailed Design which occur during the ordinary course of construction of the Development Works. UoW such alterations and variations shall be raised at the PCG.
  - (c) In relation to all other alterations and variations to the Detailed Design, UoW must obtain TCC's prior written approval (not to be unreasonably withheld) and TCC must provide its approval (as lessor and not as regulatory authority) or otherwise promptly so as to not delay the undertaking of the Development Works. Such approval may be provided (in writing) via TCC's representatives on the PCG as part of any PCG process.
- 8.6 **Substitution of Materials:** If through unavailability or delays in availability of materials, or if through any other cause beyond the reasonable control of UoW it is impractical to

incorporate in the Development Works any material, finish, product or system referred to in the Detailed Design, then UoW may substitute an equivalent alternative material, finish, product or system provided:

- (a) such substitution adheres to, or preserves to the maximum extent practicable the quality and intent as stated in the Detailed Design; and
- (b) does not delay the Development Works programme, except as contemplated by clause 8.4.

UoW must advise TCC prior to substituting any materials.

8.7 **Practical Completion:** UoW will notify TCC in writing promptly upon the occurrence of Practical Completion. Following Practical Completion, UoW must obtain a Code Compliance Certificate, Compliance Schedule and a Compliance Schedule Statement in respect of the Development.

8.8 **Costs:** TCC will not be responsible for any costs relating to any Approvals for the Development, completion of the Development Works (including the cost of any physical works required as part of the Subdivision Approval) or maintenance of the Development, unless specifically provided for in the Agreement or the Lease. UoW agrees not to call on TCC to contribute to these costs.

#### 9. NAMING RIGHT

9.1 UoW will, prior to achieving Practical Completion advise TCC of the name of the Marine Research and Education Facility. Such name proposed by UoW must not contravene the requirements set out in the Signage and Naming Requirements attached as Schedule Five.

#### 10. LEASE OF THE DEVELOPMENT LAND

10.1 **Agreement to lease:** TCC agrees to lease and UoW agrees to take on the lease of the Development Land on the terms and conditions specified in this Agreement and otherwise on the terms and subject to the covenants contained in the Lease.

10.2 **Lease commencement:** The Lease will commence one day after the later of:

- (a) the date that all of the conditions contained in clause 2.1 are fulfilled or waived; and
- (b) the date of completion by TCC of the remediation of any Contamination pursuant to clause 6.6.

On and from the commencement date of the Lease, UoW will be granted vacant possession of the Development Land. UoW acknowledges and agrees that such possession will be subject to the terms and conditions of any easements or other interests registered against the title to the Marine Park.

10.3 **Subdivision and Lease registration:** UoW will, as soon as practicable do all things reasonably necessary to complete the subdivision of the Development Land in accordance with the Subdivision Approvals obtained pursuant to clause 5, including the completion of any required works at UoW's cost. As part of the subdivision, UoW will as soon as practicable procure the registration of the Lease with LINZ and obtain a new leasehold record of title in

the name of UoW. TCC will sign the necessary documents as lessor under the Lease to enable its registration.

10.4 **Rent** The rent will be payable as set out in clause 3.1 of the Lease.

10.5 **Outgoings:** Outgoings will commence, on the commencement of the Lease.

10.6 **Consents under the Lease:** TCC agrees that TCC's approval (as lessor and not as regulatory authority) of UoW's Subdivision Approvals and the Concept Design in accordance with this Agreement, will be deemed to be its consent to the subdivision of the Development Land and additions and alterations which form part of the Development pursuant to clauses 6 and 7 of the Lease.

## 11. INSURANCE

11.1 **Construction insurances:** Prior to commencement of any Development Works, UoW will:

(a) effect or procure UoW's contractor to effect and maintain contractor's all risks insurance to cover the Development for full replacement value, including additional costs for reinstatement, and noting the interest of TCC as lessor, until the date of Practical Completion. Such insurance may be subject to such reasonable exclusions and excesses as are contained in UoW's contractor's all risks insurance policy;

(b) hold and maintain or procure UoW's contractor to hold and maintain insurance against public liability for an amount no less than \$10,000,000 at all times until the date of Practical Completion; and

(c) upon request, produce evidence of the currency of the insurances referred to in this clause 11.1.

11.2 **Building insurance:** From the date of Practical Completion, UoW will effect and maintain all insurances relating to the Development and UoW's use of the Development and Development Land as required by the Lease.

## 12. REGULATORY POSITION

12.1 **TCC's capacity:** TCC has entered into this Agreement in its non-regulatory capacity.

12.2 **Position:** This Agreement does not bind Tauranga City Council in its regulatory authority in any way, and any consent or agreement TCC gives under this Agreement is not an agreement or consent in Tauranga City Council's regulatory capacity and vice versa.

12.3 **Consideration of applications for Approvals:** When acting in its regulatory capacity, Tauranga City Council is entitled to consider all applications to it without regard to this Agreement. TCC will not be liable to UoW or any other party if, in its regulatory capacity, Tauranga City Council declines or imposes conditions on any consent or permission UoW or any other party seeks for any purpose associated with this Agreement.

12.4 **Definitions:** For the purposes of this clause, "Tauranga City Council" refers to the Tauranga City Council in its regulatory capacity and "TCC" refers to the Tauranga City Council in its non-regulatory capacity.

**13. GENERAL PROVISIONS**

13.1 **Costs:** Each party shall pay its own costs of and incidental to the preparation of this Agreement, the Lease, any variation to this Agreement, and (except as expressly provided in this Agreement) the performance of all obligations arising under this Agreement.

13.2 **Disputes:**

(a) Where any differences or disputes arise between the parties in relation to this Agreement, in a spirit of mutual goodwill and co-operation the Chief Executive of TCC and the Senior Deputy Vice-Chancellor of UoW will from time to time meet with each other as necessary to discuss such differences or disputes and will use their best endeavours to resolve the matter before recourse to other processes.

(b) If any difference or dispute cannot be resolved in accordance with clause 13.2(a) within fifteen Working Days, then the parties shall refer the matter to mediation. The parties will try to agree on a mediator and failing agreement within ten Working Days of the matter being referred to mediation, the then current President of the Waikato Bay of Plenty Branch of the New Zealand Law Society shall be asked to appoint a mediator. The mediation will not be binding unless a settlement agreement is signed by both parties. Failing resolution of the dispute by mediation within thirty Working Days of referral of the dispute to mediation, the parties are free to initiate legal proceedings or, if both parties agree, commence arbitration proceedings.

(c) Notwithstanding any other provision in this Agreement, either party may at any time initiate proceedings for urgent injunctive relief.

13.3 **Waiver:** Waiver by either party of a default by the other party will not constitute a waiver of any other default.

13.4 **Notices:** Any notice in writing or other document required to be given under this Agreement shall be given to TCC or UoW at its address set out below or such other address as may be notified in writing by that party to the other party from time to time. Any such notice is deemed to have been served:

(a) if delivered by hand, at the time the notice is left at the party's address as recorded below;

(b) if sent by overnight courier (or another next Working Day delivery service), on the second Working Day after posting;

(c) if sent by email, the notice will be deemed to have been duly received on the date and time at which it enters the addressee's information system (as shown in a confirmation of delivery report from the sender's information system, which indicates that the email was sent to the email address of the addressee notified below);

unless in each case such deemed receipt would occur outside business hours (meaning 9.00am to 5.00pm on any Working Day), in which case receipt will be deemed to occur when business hours resume in the place of receipt.

TCC: Position: GM: Community Services

Physical Address: Tauranga City Council

306 Cameron Road  
Tauranga 3110

Postal Address: Private Bag 12002  
Tauranga 3143

Email: barbara.dempsey@tauranga.govt.nz

UoW: Position: Deputy Vice-Chancellor

Physical Address: University of Waikato

Te Whare Wananga o Waikato  
Gate 1, Knighton Road  
Hamilton 3216

Postal Address: Private Bag 3105  
Hamilton 3240

Email: ajones@waikato.ac.nz

- 13.5 **Entire agreement:** The terms and conditions set out in this Agreement and any approvals and consents in writing provided for in this Agreement and given prior to execution contain the entire Agreement as concluded between the parties. This Agreement replaces and supersedes any prior agreement, representation or arrangement, including (but not limited to) the tender application.
- 13.6 **Variations:** Any modification to or variation of this Agreement must be in writing and signed by an authorised person for each party.
- 13.7 **No merger:** Notwithstanding the execution of the Lease, the covenants, conditions or agreements appearing in this Agreement remain binding upon the parties until the duration of any such covenant, condition or agreement has expired (where the same is expressed to be for a limited period) or until performance in full of such covenant, condition or agreement whichever shall be the earlier.
- 13.8 **No partnership or agency:** Nothing in this Agreement or in the Lease will constitute a partnership or a relationship of agency between the parties.
- 13.9 **Assignment:** Neither party will assign its interest under this Agreement other than to a statutory successor.
- 13.10 **Applicable law:** This Agreement will in all respects be construed and applied and take effect as a contract made in New Zealand and shall be governed by and performed according to the law of New Zealand.
- 13.11 **Confidentiality:** The parties agree to keep confidential this Agreement, and any information relating to the Agreement and the Lease directly or indirectly obtained, except where:
- (a) required by law or necessary to carry out obligations by TCC or UoW pursuant to this Agreement;

- (b) required to be disclosed to either party's professional advisors for the purposes of entering into this Agreement;
- (c) either party has obtained the express consent of the other party to disclose any confidential information; or
- (d) the information is publicly available without a breach of confidentiality.

The restrictions contained in this clause 13.11 will continue to apply notwithstanding termination of this Agreement or Practical Completion of the Development and will persist for the duration of the Lease.

13.12 **Parties' Legislative Obligations:** The parties acknowledge that the each may be subject to the Privacy Act 1993, the Ombudsmen Act 1975, the Official Information Act 1982, the Local Government, the Official Information and Meetings Act 1987, the Public Audit Act 2001, the Public Finance Act 1989 and other legislation relevant to their activities. To enable the parties to comply with its legislative obligations, the parties agrees as follows:

- (a) They will each (**Recipient**) immediately refer to the other (**Other Party**) for response to any request made by a third party for information about the Development or the Agreement, regardless of whether or not the request is stated to be made under any particular legislation.
- (b) The Other Party will provide assistance and information to the Recipient upon request in order to:
  - (i) fulfil the Recipient's responsibilities under the relevant legislation; and
  - (ii) enable the Recipient to comply with any other statutory obligations or internal business obligations insofar as they relate to this Agreement.
- (c) The Other Party will not charge or otherwise make a claim on the Recipient for assistance and/or information provided by it under this clause 13.12.

13.13 **Announcements:** Neither party will make any statements to the media or publish any material concerning the Agreement or the other party, without the prior written consent of the other party, provided that this clause will not prohibit UoW from publicly issuing updates of construction of the Development following the commencement date of the Lease.

13.14 **Counterparts:** This Agreement may be executed in two or more counterparts, all of which will be deemed to constitute one and the same agreement. A party may enter into this Agreement by signing a counterpart copy and sending it to the other party, including by facsimile or email. This Agreement is deemed to be signed by a party if that party has signed any of the following formats of this Agreement:

- (a) an original;
- (b) a photocopy; or
- (c) a PDF or email image copy,

13.15 **Execution:** The parties shall not be bound until they have both executed this Agreement.

**EXECUTED AS AN AGREEMENT**

**Signed by Tauranga City Council by:**



\_\_\_\_\_  
Authorised Signatory's signature

Barbara Dempsey

\_\_\_\_\_  
Authorised Signatory's full name

\_\_\_\_\_  
Authorised Signatory's signature

\_\_\_\_\_  
Authorised Signatory's full name


**Signed by University of Waikato by:**



\_\_\_\_\_  
Authorised Signatory's signature

Rt Hon Sir Anand Satyanand

\_\_\_\_\_  
Authorised Signatory's full name



\_\_\_\_\_  
Authorised Signatory's signature

Professor Neil Quigley

\_\_\_\_\_  
Authorised Signatory's full name



**SCHEDULE ONE**

**Preliminary Design Concept**

**UoW Marine Education & Research Facility**  
**1.2 Connection & Context**

**SITE STRATEGIES**

- Strengthening Tauranga City Councils strategic vision for the wider Tauranga Moana site and context
- Promoting strong physical and visual connectivity to the park, water's edge, wider recreational amenity and key sight lines
- Prioritizing pedestrian movement and safety across the site

**DESIGN PRINCIPLES**

- Supporting positive north/south connectivity by attracting and drawing people through the site
- Respecting key sight lines and site features including Te Kāpūhi Whetū - The Māori Celestial Compass, and view shaft to Mt Maunganui/ Mauao
- Providing clear and welcoming points of entry and arrival
- Separating vehicle and pedestrian movement, public and private circulation zones, and supporting positive CPTED Principles
- Encouraging access to and celebration of the waters edge and foreshore through integration of play and landscape features



**DIAGRAM KEY | ACCESS & MOVEMENT**



**UoW Marine Education & Research Facility**  
**1.3 Form & Function**

**SITE STRATEGIES**

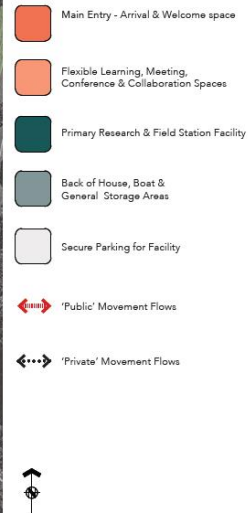
- Actively engaging and interacting with the surrounding context
- Putting marine education and research on display and making it accessible to the community
- Supporting flexible and adaptive use by the University and wider community partners

**DESIGN PRINCIPLES**

- Engaging sensitively with surrounding context through building orientation, edge treatments and form
- Maximising transparency and porosity as appropriate to support positive flow and movement through and around the facility
- Careful consideration of public and private functions, including integration and screening of back of house facilities (avoiding 'site shed sprawl')
- Accommodating for likely rezoning strategies within proposed building height and mass



**DIAGRAM KEY | FUNCTIONAL ZONES**



### UoW Marine Education & Research Facility 1.4 Community Engagement & Amenity

**SITE STRATEGIES**

- Activating and enhancing the wider natural and physical amenity of the Marine Park Recreation area
- Offering a 'draw-card for the community' encouraging engagement and interaction
- Providing environments for community use, learning and collaboration

**DESIGN PRINCIPLES**

- Prioritising coastal edge for public engagement spaces and shared amenity
- Optimising design through integration of shared use multi-purpose spaces
- Design & planning to support positive passive surveillance of all public use spaces



**DIAGRAM KEY | SHARED AMENITY**

- Social Verandah - Covered External Public Space & Circulation Zone integrating Bike Parking, Water Fountain Amenity etc...
- Marine Themed Public Playground & Educational Resource
- Main Entry - Arrival & Welcome Zone - including access to Public Use WC's
- Flexible Learning, Meeting & Conference Zone - including Community Events & Showcasing Spaces, Live Camera Feeds & Aquarium
- Primary Research & Field Station Facility
- Back of House, Boat & General Storage Areas
- Facility Parking & Loading Zone - including Spill Over Parking for Community Use to South

### UoW Marine Education & Research Facility 1.5 Climate Change & Resilience

**SITE STRATEGIES**

- Provisioning for climate change resilience while making a 'light imprint' on the site
- Building as a living resource for climate change research and learning

**DESIGN PRINCIPLES**

- Carefully considered site orientation and facade specific elevational treatments
- Greenstar or equivalent design principles to be applied through design development and specification
- Design development to be guided by early Life Cycle Assessments (LCA)
- Zero effective impact, zero discharge design with focus on enhancing water quality
- Rising Sea Level Mitigation Measures: including setbacks and relative floor levels to be informed by UoW Research Team and Geotechnical Engineers



Sensitive selection of materials for coastal context, with LCA focus



Showcasing of environmental awareness and marine preservation



Careful integration of native planting to mitigate coastal erosion and support TTC's 'green necklace' strategy

UoW Marine Education & Research Facility  
**Visualisation**



Shared Education  
& Showcasing Spaces



Interactive Display  
& Aquarium



Marine Themed Playground  
& Recreation Amenity

**SCHEDULE TWO****Design Criteria****Simple Form Carefully Integrated with its Context**

- Engagement with iwi and mana whenua focus in building design and narrative.
- Simple two-story build accommodating a mezzanine and double-height areas.
- Design emphasis and impact focused on Public Education/Community facing facades and entrances to the West/South West of the site.
- Design approach to seek, where practical, to blur the edges between building and landscape.
- Visual impact and welcome

**Innovation & Value Focused Design**

Design concept for the new facility is to balance simplicity and affordability with the provision of an education and research environment. This will require consideration of the following features:

- Tailored façade responses, given a building with no 'back'.
- Integrated cultural and environmental narrative as part of the built form.
- Simplicity of materials palette and detailing.
- Context-appropriate materials with, where practical, an emphasis on durability and tactility to front of house spaces.
- Integrate sustainability outcomes as much as feasible.

**Active Community Hub – A Destination for Education & Engagement**

- New facility to provide an active and engaging community learning environment through a combination of design, display, and functionality. Key design features where possible to comprise:
  - Attractive and welcoming entry and arrival.
  - Interactive environment with meeting/breakout/workshop spaces accommodated at ground and possible mezzanine levels.
  - Interactive marine displays, including wall (both as display and practical research environment) providing the physical interface between community education and research facilities.
  - Destination playground and possibly a café environment

**Flexible & Agile Research Facility – Nexus Point for Learning and Research**

- Where possible, Research Facilities accommodated within clear open construction enabling long-term flexibility with the ability to 'dock' more specialist components as required over time.

**SCHEDULE THREE**

**Target Dates**

Commencement of Construction: The date 36 months from the Commencement Date.

Practical Completion Date: Prior to the date 60 calendar months from the Commencement Date.

**SCHEDULE FOUR**

**Form of Lease**

This approved format may be used for lodgement as an electronic instrument under the Land Transfer Act 2017

**Form 11**

**Lease Instrument**

(Section 91 Land Transfer Act 2017)

Record of Title (unique identifier)	All/part	Area/Description of part
173890	Part	Area A SO 530292 Part Lot 2 DPS 34961

**Lessor**  
TAURANGA CITY COUNCIL

**Lessee**  
UNIVERSITY OF WAIKATO

**Estate or Interest** *Insert "fee simple", "leasehold in lease number" etc*  
Fee simple

**Lease Memorandum Number** *(if applicable)*  
Not applicable

**Term**  
Refer Schedule A

**Rental**  
Refer clause 3.1

**Lease and Terms of Lease** *If required, set out the terms of lease in Annexure Schedules*  
For the purposes set out in the Background, the Lessor leases to the Lessee and the Lessee accepts the lease of the above Estate or Interest in the land in the affected computer register(s) for the Term and at the Rental and on the Terms of Lease set out in the Annexure schedules.

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**Annexure Schedule**

Page 2

*Insert instrument type*

**Lease**

**Background**

- A. The land in the record of title referred to on the front page of this Lease instrument forms part of the larger reserve known as Marine Park.
- B. Pursuant to the Agreement to Lease the Lessor agreed to grant to the Lessee the lease in respect of the Land.

**SIGNING:**

**SIGNED** for and behalf of **TAURANGA CITY COUNCIL** under delegated authority as Lessor by:

\_\_\_\_\_ Full name of authorised signatory

\_\_\_\_\_ Signature of authorised signatory

**SIGNED** for and behalf of the **UNIVERSITY OF WAIKATO** under delegated authority as Lessee by:

\_\_\_\_\_ Full name of authorised signatory

\_\_\_\_\_ Signature of authorised signatory

\_\_\_\_\_ Full name of authorised signatory

\_\_\_\_\_ Signature of authorised signatory

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Lease

<b>SCHEDULE A</b>	
LAND:	0.6952 ha more or less being Area A SO Plan 530292 Part Lot 2 DPS 34961 being part of the land contained in Record of Title 173890 classified as a Local Purpose (Marine Research and Education Facility) reserve subject to the Reserves Act 1977, together with the drains or other structures existing on the Land at the Commencement Date.
TERM:	99 years from the Commencement Date
COMMENCEMENT DATE:	<i>[Insert Commencement Date under the Agreement]</i>
FINAL EXPIRY DATE:	<i>[Insert the date being 99 years from the Commencement Date]</i>
PERMITTED USE:	Marine Research and Education Facility, including ancillary uses which are: <ul style="list-style-type: none"> <li>(a) facilities for public interpretation and education; or</li> <li>(b) associated with, complementary to, or which generally form part of the activities and functions of a tertiary education provider in relation to the Centre, for example research and teaching; or</li> <li>(c) associated with, complementary to, or which generally form part of such a Centre, for example a café serving users of and visitors to the Centre.</li> </ul>
DEFAULT INTEREST RATE:	Double the 90 day bank bill buy rate applicable during the continuance of the default.
LESSEE'S INSURANCE: (clause 11.1)	Type: Indemnity to estimated replacement value. Public liability.

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Lease

**SCHEDULE B**

The Lessor and the Lessee covenant:

**1. DEFINITIONS AND INTERPRETATION**

**Definitions**

1.1 In this lease, unless the context otherwise requires:

**Agreement to Lease** means the agreement to lease between the parties in respect of the Land dated *[Insert date 2024]*

**Approvals** means the building consents and other approvals from the relevant Authority (if applicable);

**Authority** means any government, regulatory, local, regional, territorial, or other authority having jurisdiction or authority over, or in respect of, the Land or its use;

**BA** means the Building Act 2004;

**Building** means the building situated on the Land to be constructed in accordance with clause 6 as part of the "Development" as contemplated in the Agreement to Lease;

**Code Compliance Certificate** has the meaning given to that term in the Building Act 2004;

**Commencement Date** means the commencement date of the Term as specified in Schedule A;

**Compliance Schedule** means the definition of Compliance Schedule as used in the Building Act 2004;

**Compliance Schedule Statement** means the definition of a Compliance Schedule Statement as used in the Building Code pursuant to the Building Act 2004;

**Contaminant** has the same meaning as set out in the Resource Management Act 1991 as at the Commencement Date, and 'Contamination' shall have a corresponding meaning.

**Council** means Tauranga City Council and includes any successor to that body;

**Crown Entity** has the meaning given to that term in the Crown Entities Act 2004;

**Easements** means any easements, land covenants, encumbrances, consent notices and other memorialised interests, rights or obligations registered against record of title 173890 as may affect the Land;

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Lease

<p><b>Force Majeure Event</b> means an event beyond the reasonable control of the party immediately affected by the event, including without limitation:</p> <ul style="list-style-type: none"> <li>(a) fire, floods, tsunami, storms, tempest, earthquake and other acts of God or nature;</li> <li>(b) nuclear, chemical or biological contamination;</li> <li>(c) acts of public enemies, terrorism, war (whether declared or not), invasion, riots, act of civil or military authority, sabotage, rebellion, insurrection, revolution or civil war, embargo or requisition;</li> <li>(d) act of government or government agency, or a change to applicable law; or</li> <li>(e) epidemic or pandemic; or</li> <li>(f) malicious damage, civil disturbance or labour disruption.</li> </ul> <p><b>GST</b> means goods and services tax charged or chargeable under the Goods and Services Tax Act 1985;</p>
<p><b>Insured Risks</b> means loss, damage or destruction to the Building resulting from fire, earthquake, storm, flood, lightning, volcanic activity, explosion and any other risks which the insuring party reasonably requires to be insured against being risks for which cover is obtained from a reputable insurer at commercially competitive rates;</p> <p><b>Land</b> means the land specified in Schedule A;</p> <p><b>Lease</b> means this lease, including any memorandum (as amended, added to, or varied) incorporated into it, and any Schedule attached to and forming part of this lease;</p> <p><b>Lessee</b> means the lessee named on the front page of this Lease and includes that party's executors, administrators, successors and assigns and, where not repugnant to the context, includes the servants and agents of the Lessee;</p> <p><b>Lessor</b> means the lessor named on the front page of this Lease and that party's executors, administrators, successors and assigns and, where not repugnant to the context, includes the servants and agents of the Lessor;</p> <p><b>Outgoings</b> means the total outgoings, costs, expenses in any way relating to the Land or the interest of the Lessor in the Land (to the extent not otherwise paid by the Lessee), including the following to the extent they may be applicable:</p> <ul style="list-style-type: none"> <li>(a) rates, charges, levies, assessments, duties, impositions and fees from time to time payable by the Lessor to any Authority relating to the Land irrespective of the ownership of the Land or paid or payable by the Lessor in respect of the receipt of money or the provision of services pursuant to this Lease (but excluding Lessor's income tax or any other tax duty or levy assessed in respect of the Lessor's profits, income, or capital gains and any other tax</li> </ul>

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**Annexure Schedule**

*Insert instrument type*

**Lease**

payable by the Lessor as a result of any disposition of or dealing with the reversions of this Lease);

- (b) any costs incurred by the Lessor in complying with the requirements contained in any compliance schedule provided in the Building and in obtaining an annual Warrant of Fitness for the Building;
- (c) any insurance premiums and amounts payable by the Lessor in respect of any insurances which are required by Law to be taken out and maintained by the Lessor in respect of the Land and which under the applicable Law the obligation of the Lessor cannot be discharged by procuring the Lessee to take out and maintain these policies or self-insure for those risks;
- (d) any costs incurred by the Lessor in relation to the Lessor obtaining and maintaining registrations, permits and licences for the Services required by Law or any Authority for the lawful occupation of the Land and the lawful provision and operation of those Services;
- (e) any costs required to be met by the Lessee under this lease but incurred by the Lessor in relation to repair or maintenance, including capital and structural repair and replacements and structural work, in respect of the Land;

but excludes any such costs which are otherwise separately recoverable by the Lessor under this Lease;

**Permitted Use** means the permitted use specified in Schedule A;

**PLA** means the Property Law Act 2007;

**Rating Act** means the Local Government (Rating) Act 2002;

**RMA** means the Resource Management Act 1991;

**Services** means all services or systems of any nature from time to time provided to, exclusively service or available for exclusive use of the Land, and includes those of the following which are part of the Land on the Commencement Date:

- (a) any electronic medium, energy source, lighting, gas, fuel, power, water, sewerage, drainage, loading docks, plant rooms, storage areas, fire services, sprinkler systems or devices, lifts, escalators and air-conditioning;
- (b) fittings, fixtures, appliances, plant and equipment utilised for any of these Services; and
- (c) any services or systems from time to time utilised for access to the Land;
- (d) line or system charges associated with the foregoing utilities;
- (e) rubbish collection charges; and
- (f) New Zealand Fire Service charges.

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Annexure Schedule

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Lease

**Term** means the term of this Lease specified in Schedule A;

**Working Day** means any day of the week other than:

- (a) Saturday, Sunday, Tauranga's Anniversary day, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, Matariki and any other statutory holiday observed in Tauranga; and
- (b) a day in the period commencing on the 24th day of December in any year and ending on the 5th day of January in the following year, both days inclusive;

**Interpretation**

1.2 In this Lease, unless the context otherwise requires:

- (a) any term which corresponds to a heading in Schedule A means and includes the details inserted against that heading in Schedule A;
- (b) clause headings do not form part of this Lease and do not affect the interpretation or construction of this Lease;
- (c) words referring to one gender include every other gender;
- (d) words referring to the singular include the plural and vice versa;
- (e) words denoting persons include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state, agency of a state, municipal authority, government or statutory body, in each case whether or not having separate legal identity;
- (f) any provision of this Lease to be performed by two or more persons binds those persons jointly and severally;
- (g) a reference to a statute includes all regulations under and amendments to that statute and any statute passed in substitution for that statute;
- (h) a reference to a clause is a reference to a clause of this Lease;
- (i) a reference in a clause to a paragraph is a reference to a paragraph of that clause;
- (j) all covenants and powers implied in leases by law apply to this Lease except to the extent that they are inconsistent with the express provisions of this Lease;
- (k) in respect of the Default Interest Rate specified in Schedule A, the applicable 90 day bank bill buy rate is that rate advised by the Lessor's bank and, if more than one such rate, then the highest rate during the relevant period;
- (l) any obligation not to do anything includes an obligation not to allow or cause that thing to be done; and

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**11.7 Draft Annual Plan 2025/26****File Number: A17468236****Author: Kathryn Sharplin, Manager: Finance  
Tracey Hughes, Financial Insights & Reporting Manager****Authoriser: Paul Davidson, Chief Financial Officer****PURPOSE OF THE REPORT**

1. The purpose of this report is to provide further options to reduce expenditure and raise user fee revenue, consistent with an option for Council consideration of a rates increase for 2025/26 of less than 10%. It also seeks adoption of the revised schedule of user fees after Council direction on the User fee schedule from the February 24 Council meeting and further proposals for user fees contained in this report.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Draft Annual Plan 2025/26".
- (b) Agrees to increase water by meter charges by 9.3% to \$3.87 per m3 including GST, while increasing the fixed charge by 7% from current year charges.
- (c) Agrees to amend airport parking fees as follows:
  - (i) For short-term charges to increase charges to \$25 per day and increase the duration of charging without maximum, but at a decreasing scale of \$10 after day 8 and \$5 after day 11.
  - (ii) For long-term charges retain the daily rate at \$20 for the first day and \$15 up to day 8, then \$5 per day after day 8.
- (d) Agrees to reinstate boat ramp parking fees for the 2025/26 year at \$20 per day with an option of an annual charge of \$200.
- (e) Approves an additional operational grant of \$338k to Bay Venues Limited to continue operation of Memorial Park Indoor Sports Centre in 2025/26, noting this has been included in the baseline budget.
- (f) Notes that further consideration will be given to charges for animal services as part of the consideration of these fees in April.
- (g) Agrees to adopt the user fees and charges schedule as presented to the 24 February council meeting adjusted for changes presented at the 24<sup>th</sup> meeting and this meeting as agreed in (b) to (d).
- (h) Agrees to the placeholder expenditure reductions of \$9.8m to be worked into actual budgets to the extent possible before the adoption of the Annual Plan in June.
- (i) Notes the categories under which the cost reductions will be made are as follows:
  - (i) Streamlined Operations to improve efficiency
  - (ii) Optimised Supply Chain
  - (iii) Revised Budget Prioritisation including operational and level of service initiatives.
  - (iii) Improved decision-making and governance

- 
- (j) Notes that digital initiatives to promote streamlined operations and improved efficiency will be promoted including migration of all remaining operations from the Ozone digital platform to SAP, with a summary of proposed priorities and their business cases provided prior to adoption of the final annual plan.
  - (k) Notes the overall reduction in rates increases arising from adjustments agreed by Council in this report and the associated Report to this meeting “Draft Annual Plan 2025/26 – value for Money Options” will be confirmed once all adjustments are modelled through the corporate planning system.
  - (l) Notes the debt level of \$1.65b is \$10m higher than the level included in the 2024/34 Long-term Plan (LTP) for the 2026 year.
  - (m) Notes the draft annual plan financial information with all agreed changes will be presented for adoption by Council on 11 March 2025.
- 

## EXECUTIVE SUMMARY

- 2. On 24 February Council considered reports in respect of the annual plan regarding:
  - (a) draft user fees schedule,
  - (b) the baseline 2025/26 budget with an overall rate increase of 12.5% after growth and
  - (c) rating structure decisions to apply to the 2024/25 Annual Plan year.
- 3. Council had earlier requested an option for consideration that would move the rates increase below 12.5% to a maximum of 10% overall increase. The 10% increase option was not finalised in time for presentation to 24 February meeting and instead options are presented in two reports to this 3 March meeting, being this report and one entitled “Draft Annual Plan 2025/26 – value for Money Options”.
- 4. This report identifies a placeholder budget saving of \$9.8m, to be converted to specific budget adjustments prior to finalisation of the Annual Plan in June 2025. It will require further and more rapid organisational reset, focusing on efficiency, right sizing and supply chain savings.
- 5. This report also presents the proposed User Fees & Charges Schedule considered at 24 February meeting for adoption, including incorporation of any user fee changes agreed at this meeting.
- 6. Decisions on this report will drive changes to budgets for the draft Annual Plan to be presented to Council for adoption on 11 March 2025.

## BACKGROUND

- 7. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan by 30 June 2025.
- 8. Following the reports and workshops on the annual plan in November and December 2024, a further Council workshop was held on 18 February. This was to hear presentations from a selected number of Activity Managers on their activities. There was also a discussion on budget updates, consultation options, user fees and charges and an update on proposed consultation document and the communications and engagement plan.
- 9. On 24 February, staff presented a paper titled “*Draft Annual Plan 2025/26 - Decision Making*” for Council’s consideration that sought agreement to a total capital programme of \$506m and a baseline operating budget of 12.5% pending further work to present a 10% rate increase option (after growth) for Council consideration.
- 10. The financials presented to 24 February Council meeting included a significant organisational reset to bring total rates requirement within the limits set by the 2024-34 Long-term Plan

while fully funding depreciation increases which had not been included in the 2026 LTP budget.

11. Also presented to the 24 February Meeting was a report providing the draft User Fees and Charges schedule and proposal for consultation. The updated user fees and Charges schedule is presented to this 3rd March meeting for Council adoption.

**Water Charges Proposal to be included in the User Fees and Charges Schedule**

12. The main source of revenue for water supply activity is water by meter revenue which is budgeted at \$42.7m for 2025/26. The fixed rate share of rates revenue is \$3.3m. These charges are charged as targeted rates under the Rating Act. There is a small amount of other user charges that relate to other services such as hydrant use. For completeness the water targeted rates are included with user charges in the User Fees and Charges Schedule. They were not finalised in time for the draft so are included in this report for consideration and would be included in the adopted draft user fees and charges schedule. The proposed charges have been incorporated in revenue budgets in the annual plan.
13. The water supply activity is ring-fenced so that operational revenue is set to cover operating expenditure and any surplus or deficit in the activity is retained within the activity. The budgeted charges are set to cover operational costs. While the user fee charge is proposed to increase 9.3% the overall expected revenue increase from volumetric charges is 7.3% above 2025 budget based on a reduction in assumed volumes consumed. This reduction has been driven by the closure in 2024/25 of commercial operations using significant volumes of water. The consumption volume for 2025/26 is assumed to be 1.4% below the budgeted volume in 2025. The fixed charge, which is the base charge per meter size, is proposed to be moved 7%. Residential user charges are primarily based on the 15-20mm sizes.
14. The proposed water charges to be added to the user fees and charges schedule are as follows:

	<b>CURRENT</b>	<b>PROPOSED</b>	
<b>General</b>	<b>2024/25</b>	<b>2025/26</b>	<b>% change</b>
Unmetered Water Annual Charge	\$920.40	\$948.01	3.0%
Consumption Charge per m3	\$3.54	\$3.87	9.3%
Meter reading by appointment	\$47.84	\$49.28	3.0%
Restrictor fee - install (domestic)	\$268.32	\$276.37	3.0%
Restrictor fee - remove (domestic)	\$268.32	\$276.37	3.0%
Disconnection fee (industrial/commercial)	\$369.20	\$380.28	3.0%
Reconnection fee (industrial/commercial)	\$369.20	\$380.28	3.0%
Backflow Prevention Installation	At Cost	At Cost	NA
<b>Contractor Supplied Standpipe / Hydrant Use</b>	<b>2024/25</b>	<b>2025/26</b>	<b>% change</b>
Administration cost per invoice per month	\$43.68	\$44.99	3.0%
Repairs and maintenance	Own cost	Own cost	N/A
Damage to hydrants	Contract rate to user	Contract rate to user	N/A
Water charge per m3 (extra ordinary hydrant use)	\$4.54	\$4.68	3.0%
Non permitted hydrant use	\$1,526.72	\$1,572.52	3.0%

<b>Meter testing</b>	<b>2024/25</b>	<b>2025/26</b>	<b>% change</b>
Up to and including 25mm meters	\$343.20	\$353.50	3.0%
Above 25mm to 50mm meters	\$624.00	\$642.72	3.0%
Over 50mm meters	\$877.76	\$904.09	3.0%
<b>Base charge meter size (mm)</b>	<b>2024/25</b>	<b>2025/26</b>	<b>% change</b>
15mm	\$38.48	\$41.17	7.0%
20mm	\$38.48	\$41.17	7.0%
25mm	\$72.80	\$77.90	7.0%
32mm	\$72.80	\$77.90	7.0%
40mm	\$300.56	\$321.60	7.0%
50mm	\$594.88	\$636.52	7.0%
80mm	\$1,188.72	\$1,271.93	7.0%
100mm	\$1,463.28	\$1,565.71	7.0%
150mm	\$1,463.28	\$1,565.71	7.0%
200mm	\$1,463.28	\$1,565.71	7.0%

15. In the Council Report 11.4 to 24 February Council meeting additional funding was sought for an additional operational grant to Bay Venues of \$338k to continue operation of Memorial Park Indoor Sports Centre(QEYC) once the Cameron Road courts facility (Haumaru). Councillors have requested additional information from Bay Venues and this is provided as an attachment to this report. In summary Bay Venues has advised that the \$338k represents the expected reduction in operating surplus from both facilities compared with the current QEYC performance. Bay Venues propose to review the commitment after the 2025/26 year once the Haumaru venue has been operating and additional revenue can be confirmed. At present revenue assumptions from Haumaru are conservative. Attachment 4 provides the Bay Venues breakdown of costs and revenue comparing QEYC stand alone and combined with Haumaru.

**PROPOSALS TO FINALISE A BUDGET OPTION THAT INCLUDES A 10% OVERALL RATE INCREASE OPTION**

**Reinstatement of Boat ramp fees**

16. In the LTP boat ramp fees had been introduced to support funding of the marine facilities activity. Councillors decided to remove this charge for the 2024/25 year. An option to support reduction of rates would be to reinstate this charge for 2025/26 at an estimated revenue of \$313k. The decision to remove boat ramp fees was made at the Council meeting on 26 August 2024, Report 11.2 Boat Ramp Parking Fees.

**Animal Services additional charges**

17. An option of additional animal services charges to reduce the rates requirement to this activity from 10% to 5% could reduce rates requirement by \$158,000 and would comprise an increase in dog registration fee of \$10 per dog. This option can be considered as part of the review of animal services charges under regulation in April 2025 and would form part of the placeholder savings identified in this report.

**Airport Parking charges**

18. Councillors have requested consideration of options for parking charges at the airport to be extended beyond current maximum parking charges. These have been considered as short-term and long-term parking options.
19. For short-term parking, there is free parking after 8 days of charges at \$20 per day, so that the maximum parking charge applied to cars using the short-term carpark is \$160. This maximum is comparable to average regional areas but Auckland airport charges for the same period would be \$281 which is 76% higher. At present almost no cars have been recorded as staying more than 14 days (3 out of 2225). Comparison with regional airports is considered important to remain a competitive choice for airport users. Details of charges and options are shown in Attachment 1 to this report. Regional airports tend to charge at around \$20 per day. Council could consider increasing Tauranga to \$25 per day. This is still well below Auckland charges.
20. For long-term parking, maximum charging is reached by day 6 and is a maximum charge of \$95. This maximum is considerably below regional averages and below Auckland as shown in Attachment 2. Options are presented that show increases of \$5 and \$10 per day and no maximum charge option. Increasing the daily rate \$5 per day could increase revenue per annum by \$222,900 per annum. If a maximum charge was applied at day 18, the maximum charge would be \$165 and increased revenue would be \$195,000 per annum. The main consideration in increasing parking costs at the airport is that passengers may choose other regional airports or drive to Auckland. In addition to loss of parking revenue every passenger choosing an alternative airport reduces TCC's landing charges revenue by \$32. At present 98% of long-term parkers stay 18 days or less (2259 out of 2319 parkers over a year). There has been no analysis of price sensitivity of passengers flying from Tauranga Airport.
21. Given the risk of losing passengers and the lack of demand data at this stage the recommended charging options that look to increase charges beyond the current maximums but that keep charges regionally competitive and below Auckland charges. Options to achieve this are presented below from the Attachments provided:
  - (a) For short-term charges council could choose to increase charges to \$25 per day and increase the duration of charging without maximum but at a decreasing scale (e.g., \$10 after day 8 and \$5 after day 11 as indicated in Option 4 in Attachment 1.
  - (b) For long-term charges retain the daily rate at \$20 for the first day and \$15 up to day 8, then \$5 per day after day 8 as indicated in Option 1 in Attachment 2.
22. The Airport is a ring-fenced activity that is solely funded from user fee revenue. The increase in revenue from parking would therefore have no impact on rates but would reduce total council net debt.

### Placeholder Savings

23. Stage 1 of the reset to achieve a rate increase of 12.5% has included \$25m of expenditure reduction to offset the increases in depreciation and funded depreciation requirements that have arisen since the LTP. The required expenditure reductions involve a significant reset of the organisation aspects of which will need to be worked through and consulted on with the organisation.
24. Because of the time to finalise the reset and the need to have a draft budget for consultation in March, Stage 1 budget adjustments included placeholder savings of \$2.9m in the following activity budgets as presented on 24 February:
  - (a) Transport - other operating costs reduction \$800k
  - (b) City Planning - other operating costs reduction \$500k
  - (c) Spaces and Places - other operating costs \$576k
  - (d) Allocator activity savings - \$1m.



25. Stage 2 budget review to achieve a rate increase of less than 10%, will require more extensive organisational changes which will require more time to identify and implement. In the meantime, in order to produce a draft budget at a 10% increase a further \$6.9m of expenditure reduction is required to be budgeted as a placeholder. To achieve this, the stage 1 activity adjustments totalling \$2.9m have been removed. They have been replaced with adjustments totalling \$9.8m across all rate-funded activities proportionate to operating budgets. This will be reflected in salary lines in the Executive activity and other operating expenditure across the wider organisation.
26. In addition to the \$9.8m placeholder budget, there have been specific cost adjustments for council consideration that are included in a separate report to this meeting. In total if all the recommendations of that report are accepted, the rates requirement would reduce by \$1.2m. Any recommended savings that are not accepted will require further placeholder savings to meet the 10% rates increase limit.
27. Before the final Annual Plan budget is presented in June placeholder savings will be replaced with identified budget adjustments.
28. The organisational reset requires further consideration by the executive, and consultation with staff. This process is underway and aims to be finalised in time for Annual Plan adoption in June. Some of the initiatives will take longer to achieve. The areas in which cost reduction will be sought are categorised as follows:
  - (a) **Streamlined Operations to improve efficiency:** Remove lower priority roles and streamline processes. Council aims to reduce overhead and optimise resource allocation. More efficient workflows and processes are being considered. System improvements from the migration to the new SAP system will provide efficiencies and replace some manual and time-consuming tasks.
  - (b) **Optimised Supply Chain:** Renegotiate contracts when appropriate and consolidate suppliers to support cost savings.
  - (c) **Revised Budget Priorities including Operational and Level of Service Initiatives:** A re-evaluation of priorities to be funded, leading to a more cost-effective allocation of resources across departments.
  - (d) **Improved Decision-Making and Governance:** Clearer reporting lines and decision-making structures to reduce inefficiencies, ensuring that spending is more controlled and directed toward value-generating activities.

### Additional Digital Development Budget

29. Since developing the draft budget and following consideration of the digital programme the executive has identified the importance of migrating all remaining business applications from the Ozone system to the new SAP system within the next 1 to 2 years. Moving from ozone is important for security reasons and provides opportunities for efficiency improvements identified through the reset process. The executive is seeking full business case analysis of the investment required and prioritisation within this work programme and other digital demands within the business. There are also deliverability considerations as right-sizing of the organisation progresses. To achieve the required pace of migration some additional loan funded opex may be required. However, at this stage the prioritisation and deliverability process is yet to be undertaken. It is proposed that this information will be brought to Council in April/May along with options to remain budget neutral overall.

### FINANCIAL SUMMARY

30. The key financials for the draft Annual Plan 2025/26 option shown in the table below and included in Attachment 5, are based on achievement of an overall rates increase of 9.9%. This could be achieved if Council agrees to the \$1.2m of proposed savings along with allowing budget for placeholder savings of \$9.8m which, if possible, would be assigned to actual budgets prior to adoption of the Annual Plan in June. The table below shows the key

financials at 10% compared to the LTP with the placeholder savings and other \$1.2m savings budgeted in. Attachment 5 to this report includes a comparison of the 12.5% baseline and the 10% option for all key financials.

- 31. Net debt was noted in the February 2024 report as being \$1.65b consistent with the LTP. However, this was incorrect as the LTP level was \$1.64b. The correction is noted in the recommendations.
- 32. The high-level debt variances in the Annual Plan compared to the LTP are summarised in Attachment 6, showing the lower opening balance in July 2025 accompanied by lower capital delivery assumptions in both 2025 and 2026, largely offset Te Manawataki o Te Papa (TMOTP) being brought back on balance sheet and lower capital subsidies received.

**Table: Key Financials at Below 10% Overall Rates Increase**

**Key Financials for Annual Plan revision, inflated**

	2025 LTP	2026 LTP	2026 Update	2026 AP Variance to:	
				LTP 2025	LTP 2026
Capital Programme (\$m)	431	457	430	(2)	(28)
Operational Expenditure of a Capital Nature (\$m)	78	87	76	(2)	(11)
Net Debt (\$m)	1,450	1,639	1,649	199	10
Debt to revenue ratio (Financial Strategy)	237%	255%	303%	66%	78%
Debt to revenue ratio (LGFA calc)	234%	223%	262%	28%	
Financial Limit on Borrowing (debt to revenue ratio - bespoke)	285%	280%	280%	-5%	0%
Total Rates (\$m)	333	373	367	34	(5)
Total Rates Increase (net growth and penalties)	13.1%	10.3%	9.9%	-3.2%	-0.4%
IFF levies (approx increase on rates)	2.8%	2.2%	0.0%	-2.8%	-2.2%
Total Ratepayer increase net growth	15.9%	12.5%	9.9%	-6.0%	-2.6%

**STATUTORY CONTEXT**

- 33. In accordance with the Local Government Act 2002 (LGA), Council is required to produce and adopt an annual plan, by 30 June 2025. The purpose is to identify variations from the financial statements of the second year of the current Long-term Plan.
- 34. Council must consult on changes that are significantly or materially different from the adopted LTP.

**STRATEGIC ALIGNMENT**

- 35. 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 ✓

The Annual Plan budgets provide the resourcing and funding available to deliver on the agreed services and investments that deliver on the above outcomes.

### OPTIONS ANALYSIS

36. Council has the option to accept the proposed budget changes and implications for rates and debt or to request further work to be undertaken on the draft budgets. Options for airport parking are included in Attachments 1 and 2.

### FINANCIAL CONSIDERATIONS

37. The draft budgets are consistent with the Long-term Plan. The levels of capital expenditure along with the operational budgets proposed are financially sustainable and continue to deliver on agreed levels of service. The rating structure decided in an earlier report of council along with decisions on user fees will affect how the budgets are paid for and by which ratepayers and users of council services.

### LEGAL IMPLICATIONS / RISKS

38. In accordance with the Local Government Act 2002, council must consult with the community if the annual plan includes significant or material differences from the content of the Long-term Plan for the financial year to which the proposed annual plan relates.

### CONSULTATION / ENGAGEMENT

39. Under the proposed approach, consultation on the annual plan will occur from 28 March to 28 April 2025 alongside consultation on the options for Local Waters Done Well, the Draft Development Contributions Policy (DC Policy) and draft User Fees and Charges Schedule.
40. The DC Policy and User Fees and Charges Schedule form part of the annual plan. The draft documents have been presented as separate reports on 24 February 2025 and this agenda.

### SIGNIFICANCE

41. 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.
42. 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.
43. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.






### ENGAGEMENT

44. Taking into consideration the above assessment, that the proposal is of high significance, officers are of the opinion that the following consultation/engagement is suggested/required under the Local Government Act 2002.

**NEXT STEPS**

45. The draft Annual Plan Budget will be presented to Council for adoption on 11 March 2025. The 11 March report will also provide revised rating increase information for the draft budget for consultation.
46. Following Council's decisions relating to this report, staff will finish preparing the following documentation for approval and adoption by Council on 24 March 2025:
  - a) Draft Annual Plan including the financial supporting information.
  - b) Consultation document for the Annual Plan 2025/26.
  - c) Statement of proposal for the User Fees and Charges and draft schedule.
  - d) Statement of proposal for the Development Contributions policy and draft policy.

**ATTACHMENTS**

1. **Attachment 1 Airport Short term parking fee options Meeting 3 March 2025 - A17602288** [↓](#) 
2. **Attachment 2 Airport Long term parking fee options - Meeting 3 March 2025 - A17602287** [↓](#) 
3. **Attachment 3 202526 DRAFT Fees and Charges Schedule - Council 3 March - A17602211** [↓](#) 
4. **Attachment 4-March 3 Council Bay Venues Additional Grant Request - A17608897** [↓](#) 
5. **Attachment 5 - 3 March Annual Plan P&L and Key Financials - A17608368** [↓](#) 
6. **Attachment 6 - Debt Variance Summary - A17608858** [↓](#) 