

Notice of Meeting:

I hereby give notice that an ordinary meeting of Hamilton City Council will be held on:

Date: Wednesday 24 February 2016
Time: 9:30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Council OPEN AGENDA

Membership

Chairperson	Her Worship the Mayor J Hardaker
Deputy Chairperson	Cr G Chesterman
Members	Cr M Forsyth
	Cr M Gallagher
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly

Jude Pani
Democracy Manager

18 February 2016
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Terms of Reference:

- To carry out leadership functions including advocacy and facilitation on behalf of the community.
- To exercise all non-delegatable and non-delegated functions and powers of the Council.
- To make those decisions which are required by legislation to be made by resolution of the local authority.
- To consider any matters referred to it from any of the Standing or Special Committees.
- To authorise all expenditure not delegated to staff or other Committees.
- To receive the Council Risk Register and legal issues reports.
- To receive reports from the Audit & Risk Committee.
- To develop and approve the draft Long Term Plan (LTP) (including any amendments or variations) and Annual Plans (including the Budget and Funding and Financial policies); ensure their effective communication to the community; hear submissions and approve the final plan.
- To approve the Hamilton Plan and to retain overview of it through setting direction on key strategic projects and receiving regular reports on its overall achievement
- Make decisions in respect of District Plan matters.
- The authority to agree to settle and submit draft consent orders to the Environment Court relating to an appeal on a Proposed District Plan, Plan Change, Plan Variation or Notice of Requirement to designate land or for a heritage order, or a resource consent application.
- The authority to reject a private plan change request.

Financial:

- To determine all financial matters not delegated.
- To receive reports of the exercise of financial delegated authority pursuant to the Public Bodies Contracts Act 1959.
- To approve Council's borrowing programme and treasury management strategy.
- To undertake the statutory audit processes and to consider and approve the external audit arrangements, to receive the Auditor's reports and to approve the audited annual report.

Procedural Matters:

- Delegation of all Committee powers.
- Adoption of Standing Orders.
- Confirmation of all Standing and Special Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive, setting of the Chief Executive's performance targets and review of the Chief Executive's Performance and Remuneration (in accordance with the Employment Agreement).
- Other Delegations.

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1 Apologies

2 Confirmation of Agenda

The Council to confirm the agenda.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for three minutes or longer at the discretion of Her Worship the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Democracy Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Democracy by telephoning 07 838 6825.

Committee: Council

Date: 24 February 2016

Report Name: 2016-17 Budget Review

Author: Stephen Halliwell

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Year 2 of Council's 2015-25 10-Year Plan</i>
Financial status	<i>There is budget allocated for 2016/17</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. The purpose of the report is to:

- Recommend changes to Hamilton City Council's 2016/17 budget, to be adopted in the 2016/17 Annual Plan.
- Report to Council on other matters Council requested to be considered as part of the Annual Plan process.

3. Executive Summary

4. Council adopted the 2015-25 10-Year Plan in June 2015 and in doing so adopted detailed budgets for the first three years of the plan. This report recommends updates to the 2016/17 budget, to be contained in the 2016/17 Annual Plan.
5. 2014 amendments to The Local Government Act 2002 (LGA) mean that Council is no longer required to consult on the Annual Plan as a matter of course. The legislation now encourages councils to focus only on changes to the budget and to only consult only on those changes that are significant and material.
6. As such, this report has been prepared using an exception-based approach – i.e. concerned only with those matters requiring a change to the 2016/17 budget previously approved as part of the 10-year Plan.
7. These changes are structured in the report as:
 - Confirmation of adjustments to reflect decisions made by Council in 2015/16
 - Updated assumptions
 - Chief Executive 'imperatives'
 - Proposals for Council consideration
8. The proposals for Council to consider are largely a response to a higher rate of population and housing growth than that originally forecast in the 10-Year Plan.
9. The changes recommended in this report fit within the Council's financial strategy.

10. Staff will prepare the budget, making fiscally neutral housekeeping changes and updating fees and charges to reflect budgets. These will be reported to the May meeting of the Finance Committee.
11. Council will adopt the 2016/17 Annual Plan and rates resolutions at its meeting on 30 June 2016.

12. Attachments

13. Attachment 1 - Decision Made by Council
14. Attachment 2 - Updated Assumptions
15. Attachment 3 - Chief Executive 'Imperatives'
16. Attachment 4 - Proposal - Responding to City Growth
17. Attachment 5 - Proposal - Indoor Recreational Facilities
18. Attachment 6 - Proposal - Event Sponsorship Fund
19. Attachment 7 - Other Matters - Voluntary Targeted Rate
20. Attachment 8 - Other Matters - Information Sheet (Art Gallery Feasibility and Pool Space)
21. Attachment 9 - Financial Strategy

Note: for the purpose of this report and the attachments:

- numbers in brackets e.g. (168), decrease our surplus or increases debt
- numbers not in brackets e.g. 168, improves our surplus or reduces our debt

22. Financial summary

23. As noted in the 10-year plan, the financial strategy is the cornerstone to the Council achieving the goal of managing growth while living within its means. The key elements of the financial strategy are:
 - Balancing the books – i.e. running an operating surplus each year
 - Reducing debt to revenue ratio to 200% or below by 2020
 - Providing rates certainty – keeping rates growth at 3.8% per annum
24. By adopting the 2016/17 budget changes recommended in this report, Council would:
 - Run a balancing the books surplus of \$2.8m in 2016/17 (compared to \$2.0m in the 10-year plan budget for 2016/17)
 - Reduce the 2016/17 debt to revenue ratio to 198% (compared to 203% in the 10-year plan) and reduce the forecast 2020 debt to revenue ratio to 197% (compared 198% in the 10-year plan)
 - Make no change to the 3.8% rates growth budgeted in the 10-year plan
25. Rates certainty is a key to the financial strategy. There have been no external factors that have changed that create a need to review this assumption.
26. Maintaining revenue is important to maintaining a balanced budget. Council's projected surpluses are under \$3m for the next three financial years which given the size of Council's business this level of surplus is insubstantial.

27. The proposed 2016/17 budget changes fit within the financial strategy because of the following changes since the 10-Year Plan:
- 2015/16 financial performance has resulted in lower debt.
 - Higher than forecast growth in Hamilton is reflected in 2016/17 rates revenues \$0.5m higher than budgeted in the 10-year plan and 2016/17 Developer Contribution revenue \$2.0m higher than budgeted in the 10-year plan
 - 2016/17 Inflation is forecast to be lower than budgeted in the 10-year plan, resulting in savings of \$0.8m
28. The financial strategy impacts are represented graphically in Attachment 9.

29. A summary of the 2016/17 financial impact of the recommended changes is shown in the Table below.

BUDGET CHANGES - SUMMARY

2016/17 Annual Plan

	Attachment No.	Balancing the Books	Capital Programme
		\$(000)	\$(000)
10-Year Plan 2016/17 Budget	(A)	1,951	(72,572)
Council Decisions made 2015/16	1		
Rototuna reservoir and associated bulk mains			(3,000)
Clarence Street Theatre		110	
Celebrating Age Grant		(30)	
Museum Art fund			(50)
Pensioner Housing		(475)	205
Victoria on the River (VOTR) development		(168)	(4,900)
Central City Transformation Plan (CCTP) –Parking changes		(500)	
Rototuna reservoir and associated bulk mains			(2,500)
Sum of Council Decisions made 2015/16	(B)	(1,063)	(10,245)
Revised 10-Year Plan 2016/17 Adjusted for Council Decisions		888	(82,817)
Updated assumptions	2		
Interest savings from lower debt		1,286	
BERL inflation update		300	480
Development contributions		2,000	
Rating growth		550	
Depreciation		(2,150)	
Sum of updated assumptions		1,986	480
Chief Executive 'imperatives'	3		
Restructuring and Efficiency		440	
Waterworld		(408)	(2,900)
Zoo Renewals			(300)
Sum of Chief Executive 'imperatives'		32	(3,200)
Proposals for Council consideration			
City Growth – Ruakura infrastructure	4		(2,300)
City Growth – Rotokauri Stage 1	4		(2,400)
City Growth - Integrated Catchment Management Plans (ICMPs)	4		(441)
Indoor Recreation Centre, Rototuna School	5	0	
Events Sponsorship Fund	6	(150)	
Sum of Proposals for Council consideration		(150)	(5,141)
Total adjustments (C)		1,868	(7,861)
Adjusted 2016/17 Budget	(A)+(B)+(C)	2,756	(90,678)

Community consultation

30. The LGA requires Council to determine whether individual changes to the budget are significant or material and whether the cumulative impact of changes are significant or material. If changes are deemed to be significant and/or material, then Council is required to consult the public on those changes.
31. The guidance provided by the government is that *"...the aim is to make the consultation process more efficient and flexible, by minimizing 're-consultation' on matters that have already been addressed and decided as part of the long-term plan In some circumstances there will be no need for consultation on the proposed plan"* ([Better Local Government - Fact Sheet](#))
32. Council regularly receives feedback from the community and stakeholders on a range of matters. Each of the recommend changes made to the budget outlined in this report has considered feedback received as part of the 10-year plan consultation process as well as feedback through various other engagement channels (such as Citizen Space, community surveys, issue-specific consultations, public information sessions and open days).
33. Staff have evaluated the recommended changes in this report against the criteria of the new legislation and are recommending that there are no significant or material changes.
34. Should Council determine that any changes to the Annual Plan are significant and/or material, then a consultation process will be triggered.
35. While it is difficult to determine the extent of work required to undertake a consultation using the more targeted approach allowed by the amended LGA, staff have estimated, based on previous Draft Annual Plan consultation processes, staff time, communication and engagement costs of between \$50,000 and \$75,000.
36. A communications plan is being developed for the Council decisions made on the updated 2016/17 Annual Plan. The plan aims to communicate the new Annual Plan process to the public (including the reasons and benefits for the change) as well as the specific changes in the 2016/17 budget.

37. Recommendations

38. Recommendations included in the Attachments

39. Attachment 2.– Updated Assumptions

- a) That Council approves the 2016/17 budget changes to reflect the updated assumptions.

40. Attachment 3.– Chief Executive 'Imperatives'

Efficiency Savings

- b) That Council approves the 2016/17 budget changes that are consequential to the Chief Executive led organisation restructure.

Waterworld

- c) That Council amends the 2016/17 Waterworld budget to add capital expenditure of \$2.9m and consequential operating impact of \$408,000.
- d) That Council approve the closure of the Waterworld facility for a period of up to eight weeks between July and December 2016.

Hamilton Zoo

- e) That Council budgets \$300,000 in 2016/17 for any additional Zoo animal enclosure related capital works.

41. Attachment 4. Proposal – Responding to City Growth

- f) That Council approves additional funding of \$4.292m within the 2015-25 10-Year Plan commencing in 2016/17 to leverage a partnership opportunity with Tainui Group Holdings and Chedworth Property Ltd that will result in the broader Ruakura area being strategically serviced.
- g) That Council approves acceleration of current capital funding of \$5.776m within the 2015-25 10-Year Plan for strategic infrastructure in Rotokauri to facilitate current residential and business development growth pressure (resulting in funding increases of \$2.4m in 2016/17, \$3.366m in year 2017/18 and \$10,000 in year 2018/19).
- h) That Council approves additional funding of \$862,000 (\$441,000 in 2016/17 and \$421,000 in 2017/18) to accelerate the development of Integrated Catchment Management Plans for the priority Rototuna, Rotokauri and Peacockes greenfield growth areas.

42. Attachment 5. Proposal – Indoor Recreation Facilities

- i) That Council approves entering into a partnership agreement with the Rototuna High School Establishment Board of Trustees to construct a four court indoor recreation facility on the school site which provides for community use.
- j) That Council authorises the Chief Executive to enter into a mutually acceptable governance and operations model with the Rototuna High School Establishment Board for the operation of the indoor recreation centre.
- k) That Council approves funding of \$4m to be brought forward from 2021/22 to the 2015/16 financial year and increased by up to \$500,000 as a grant towards the construction of two of the four courts to be built at the new Rototuna High Schools.
- l) That Council approves bringing forward an operational grant of \$120,000 per annum from 2022/23 to 2017/18.

43. Attachment 6. Proposal – Event Sponsorship

- m) That Council increase the 2016/17 Event Sponsorship Fund budget by \$150,000, to a total of \$373,000.

44. Attachment 7: Other Matters – Voluntary Targeted Rate Report

- n) That Council does not introduce a Voluntary Targeted Rate due to the significant impact on its balance sheet debt over a 10 year period.

45. Overall Recommendations

- o) That the report be received.
- p) That community engagement is not required as the adjustments to the budget do not significantly nor materially change the 2016/17 budget from the proposed budget in the 2015-25 10-Year Plan.
- q) That the Chief Executive prepare the 2016/17 Annual Plan, based on the 2015-25 10-Year Plan and as amended by the changes resolved by Council, for adoption at the meeting of Council on 30 June 2016.

46. Risk

- 47. The changes to the 2016/17 budget are proposed to mitigate the impact of higher than anticipated growth on the city's core infrastructure, and to address matters the CEO has determined require priority resources to address.
- 48. Council will not adopt the 2016/17 Annual Plan until 30 June 2016. Events may occur between the adoption of these budgets and the adoption of the Annual Plan that require a change to the budget. These changes will need to be assessed against the criteria for significance and materiality to determine whether consultation is required and to what extent that may be required.
- 49. This is a change in the processes that Council has used to engage with the community. The Communication Plan is designed to help the community understand the changes and the reasons and benefits of those changes.

Signatory

Authoriser	Richard Briggs, Chief Executive
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Attachment 1: Decisions made by Council

Council has made these decisions at previous meetings and the purpose of this section is to confirm the 2016/17 budget changes consequential to those decisions.

Item	Reason	Impact	Operating 2016/17 (\$000)	Capital 2016/17 (\$000)
Rototuna reservoir and associated bulk mains	Council decision July 2014 to defer capital expenditure	Part of this project was deferred from 2014-15, to be split over two years – 2015-16 and 2016-17		(3,000)
Clarence Street Theatre – Gifting to Community Trust	Council decision	Net saving from reduced revenue, expenditure & depreciation	110	
Celebrating Age Grant	Council decision	New expenditure next 2 years	(30)	
Museum Art fund	Council decision	New expenditure annually		(50)
Pensioner Housing	Council decision	Net cost from reduced revenue, expenditure & depreciation. Removal capital expenditure budget	(475)	205
Victoria on the River (VOTR) remediation and enhancement	Council decision	Lost revenue from off-street parking and reduced expenditure New capital expenditure	(168)	(4,900)
Central City Transformation Plan (CCTP) – Central City Parking changes See attached Information Sheet	Council decision	Lost revenue from the implementation of CCTP parking changes	(500)	
Rototuna reservoir and associated bulk mains	Council noted the additional spend when adopting business case	Revised cost estimates - additional capital expenditure		(2,500)
Sum of Changes - Decisions made by Council			(1,063)	(10,245)

Information Sheet

Implementation of the CCTP Parking Changes

Author:	Chris Allen – General Manager City Infrastructure
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1. Purpose

- 1.1. To describe the 2016/17 budget implications of the Council's decision on the Central City Transformation Plan in relation to parking changes.

2. Summary

- 2.1. At the Council meeting on 15 December 2015, Council resolved that:
- The draft Central City Transformation Plan (as circulated with the committee report) be approved; and
 - The changes to parking in the Central City Transformation Plan be implemented after 1 July 2016 to take into account integration with the parking technology project.
- 2.2. The parking technology project will take effect from 1 November 2016. In line with the council resolution, the parking charges will take effect from this date.

3. 2016/17 budget impact

The implementation of the parking changes will see a reduction of \$0.5m revenue in 2016/17 from following sources:

Revenue source	Description	2015-25 10 Year Plan	Annual Impact	2016/17 Impact*
Parking meter revenue	Revenue received from on street parking meters.	\$1.7m	\$0.6m	\$0.35m
Parking Infringement revenue	Revenue received from parking infringement notices issued for non-payment, parking over time limit and illegal parking (e.g. parking on yellow lines).	\$0.6m	\$0.1m	\$0.06m
Traffic infringement revenue	Revenue received from traffic infringement notices issued for expired Warrant of Fitness and vehicle registrations.	\$1.4m	\$0.12m	\$0.07m
Other	Court fines, Parking Permits, External Fees	\$0.5m	\$0	\$0
TOTAL		\$4.2m	\$0.82m	\$0.5m

* Pro-rated from November 2016

- 3.1. Data analysis identified that the revenue loss before 9am and after 3pm was up to 35% of current meter revenue, 17% of the parking infringement revenue and 9% of the traffic infringement revenue obtained from within the CCTP 'Blue Zone' during these times.

4. Financial Implications

10-Year Plan Budget

	\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue		4,288	4,392	4,505	4,627	4,759	4,901	5,054	5,220	5,398	43,142

Operating Expenditure	(1,987)	(2,036)	(2,088)	(2,145)	(2,206)	(2,272)	(2,343)	(2,419)	(2,502)	(19,992)
Net Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Net Benefit/(Cost) to Council	2301	2357	2417	2483	2554	2630	2702	2801	2897	23,150

Budget Adjustments

\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue	(500)*	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(7,060)
Operating Expenditure	0	0	0	0	0	0	0	0	0	0
Net Capital Expenditure	0	0	0	0	0	0	0	0	0	0
Net Benefit/(Cost) to Council	(500)*	(820)	(7,060)							

* November 2016 implementation

Attachment 2: Updated Assumptions

The 2015-25 10-Year Plan assumptions have been reviewed and adjusted for the latest data available. While all assumptions were reviewed, only those assumptions that have a material impact on the budgets for 2016/17 are recommended for change.

Further analysis on city growth is included in Attachment 4 (proposal to respond to city growth).

Recommendation

- That Council approves the 2016/17 budget changes to reflect the updated assumptions.

Item	Reason	Impact	Balancing the Books 2016/17 (\$000)	Capital Programme 2016/17 (\$000)
Opening debt position lower than 10-Year Plan	Asset sales and improved financial performance in 2015-16	Interest saving	1,286	
BERL inflation update See attached Information Sheet	Updated assumption of operating (reduced from 2.33% to 1.9%) and capital inflation rates (reduced from 2.61% to 1.9%)	Revenue reduced	(248)	
		Personnel costs reduced	278	
		Other expenses reduced	270	
		Capital expenditure reduced		480
Development contributions See attached Information Sheet	Budget adjusted to recognise current trends	Additional revenue	2,000	
Rating growth See attached Information Sheet	Increase from 0.8% to 1.2%		550	
Depreciation	Impact of asset revaluations and vested assets	Additional expenditure	(2,150)	
Sum of Changes – Updated Assumptions			1,986	480

Information Sheet

Inflation, Development Contributions and Rating Growth

Author:	Stephen Halliwell - Consultant
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BERL Inflation Treatment

1. As part of the 2015-25 10-Year Plan Council adopted the BERL Local Government Cost Index (LGCI) inflation forecasts (10-Year Plan p105). The LGCI has been used by the Council since 2009.
2. These forecasts are related to the types of costs that the local government sector is likely to incur. These sector specific inflation cost adjustors are called the Local Government Cost Index (LGCI). This is a different inflation cost adjustor to the frequently used Consumer Price Index (CPI) and chosen because it is more relevant to the activities Council does.
3. The major cost components of the LGCI include:
 - a. Planning and Regulatory
 - b. Roading
 - c. Transport
 - d. Community Activities
 - e. Water and Environmental Management
4. The forecast was updated in September 2015 and, consistent with the 10-Year Plan approach to inflation, applied to the 2016/17 budgets. The forecast LGCI has since reduced creating a saving for the 2016/17 budget.
5. The LGCI is broken down to operating costs (OPEX) and capital costs (CAPEX).
6. 2016/17 10-Year Plan budget Inflation Assumption

	10-Year Plan - 2016/17	Updated 2016/17
OPEX	2.33%	1.9%
CAPEX	2.61%	1.9%

7. The financial impact of the changes are:

Impact 2016/17	Balancing the Books \$(000)	Capital Programme \$(000)
Revenue Reduced	(248)	
Personnel costs reduced	278	
Other expenses reduced	270	
CAPEX reduced		480

8. Inflation is not applied to community grants, arts grants, event sponsorship, fixed priced contracts and other amounts that are not subject to inflation adjustments.
9. The revised BERL LGCI forecasts have been updated for each year of the 10-Year Plan. As Council is focusing on the Annual Plan for 2016/17 inflation adjustments have only been made for that year. BERL will update its inflation forecast for LGCI prior to the 2017/18 Annual Plan and if necessary budgets.

Development Contributions Revenue

10. As part of the 2015-25 10-Year Plan Council adopted an assumption on Development Contributions (DC) revenue of \$9m for 2016/17 (10-Year Plan p104).
11. Determining DC budgets remains difficult as developers have considerable flexibility in when they choose to develop and release land requiring payment of DC's.
12. 2015/16 six months results show that development contributions are \$5.9m ahead of YTD budget and annual budget at this time. The higher than expected issuing of resource consents indicates that this is likely to continue in 2016/17.
13. The 10-Year Plan budget for DC Revenue in 2016/17 is \$9.0m. The baseline budget has been increased by \$2.0m to a total of \$11.0m.
14. The increased revenue is based on an analysis of 66 of the largest consents currently active that have DCs payable exceeding \$100,000. In total these consents (if completed) will pay \$117m in DC's over the next 8 years.
15. The calculation of \$11m is based on staff's assessment of current payment patterns and knowledge of actual progress on these consents. This is considered to be a conservative estimate.
16. As stated in the 10-Year Plan assumptions: "Should Hamilton grow more quickly than expected, development contributions revenue is likely to exceed these expectations. However the increased revenue is likely to be offset by a need to accelerate growth related core network infrastructure."
17. The additional revenue received in 2015/16 has had the interim effect of reducing debt and has resulted in the proposal to bring forward some Ruakura and Rotokauri growth projects in the 2016/17 Annual Plan, consistent with the 10-Year Plan assumption.

Impact 2016/17	Balancing the Books \$(000)	Capital Programme \$(000)	Debt \$(000)
DC Revenue Increased	2,000		
Debt Reduced			2,000

Ratepayer Growth

18. As part of the 2015-25 10-Year Plan Council adopted an assumption on Ratepayer Growth (10-Year Plan p104) of 0.8% p.a. increase in rates revenue for each year of the 10-Year Plan and reflected Council's forecast growth expectations for Hamilton City.
19. Actual growth in the rates revenue for 2015/16 is ahead of forecast and is 0.9% after the first six months. This represents approximately 700 new properties (707 for the year 2014/15). This reflects the higher than expected number of new properties consented.
20. As we are in a period of higher than expected growth it is appropriate to change the forecast ratepayer growth for 2016/17 from 0.8% to 1.2%. This provides for an additional 300 rating units to be created in 2016/17.
21. These changes are shown in the Baseline Financial Changes as:

Impact 2016/17	Balancing the Books \$(000)	Capital Programme \$(000)
Revenue Increased	550	

Attachment 3: Chief Executive ‘Imperatives’

Chief Executive ‘imperatives’ are as a result of the Chief Executive led efficiency review and restructuring and two matters that have arisen during the first half of the 2015/16 financial year that require attention in order to maintain service levels at Waterworld and to respond to anticipated recommendations at Hamilton Zoo.

Recommendations

- That Council approves the 2016/17 budget changes that are consequential to the Chief Executive led organisation restructure.
- That Council amend the 2016/17 Waterworld budget to add capital expenditure of \$2.9m and consequential operating impact of \$408,000.
- That Council approve the closure of the Waterworld facility for a period of up to eight weeks between July and December 2016.
- That Council budget \$300,000 in 2016/17 for any additional Zoo animal enclosure related capital works.

Item	Reason	Impact	Balancing the Books \$(000)	Capital Programme \$(000)
Restructuring and Efficiency	CE led change to organisation structure	Net saving	440	
Waterworld See attached recommendation	Remedial works	Lost revenue Increased expenditure Additional capital expenditure	(400) (8)	(2,900)
Zoo Renewals See attached recommendation	Zoo review	Additional capital expenditure		(300)
Sum of Baseline Changes – Other			32	(3,200)

Recommendation

Waterworld Renewals

Author:	Deanne McManus-Emery Community Development and Leisure Manager	Authoriser:	Lance Vervoort General Manager Community Group
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Purpose

1. To approve the capital budget for essential renewal works relating to the pools' water recirculation, water filtration systems and concourse floor surface and the resulting financial implications for the operating budget.
2. To approve the closure of the Waterworld facility for a period of eight weeks in 2016 (between July – December) to complete the work.

Recommendations

- That Council amend the 2016/17 Waterworld budget to add capital expenditure of \$2.9m and consequential operating impact of \$408,000.
- That Council approve the closure of the Waterworld facility for a period of up to eight weeks between July and December 2016.

Background

3. Following adoption of the 2015-25 10-Year Plan, staff engaged OPUS to undertake a full condition assessment of the Waterworld facility that included structural, flooring, heating ventilation air conditioning (HVAC), mechanical and piped assets at Waterworld.
4. This condition assessment was in response to identification of a pipework issue that had become apparent in mid-2015 and included a condition assessment of all assets.
5. The filtration system and pipework is now 30 years old having been installed when Waterworld was originally built in 1976.
6. The condition of some assets at Waterworld was the subject of a briefing to Councillors on 17 November 2015.
7. In summary, the assessment report identified :
 - That the current pool water recirculation (pipework) and water filtration systems in the indoor complex is at the end of their useful life and present an increasing risk of asset failure. In addition there is progressive cracking and lifting of the poolside flooring and degradation of the non-slip surface.
 - The condition of the flooring presents health and safety concerns for both the public and staff, while the declining condition of the pipework and filtration systems could mean that the pool facilities would not meet public health standards, particularly at times of peak demand.
 - The report concludes that renewal of the current pool water recirculation and water filtration systems for the 25 metre, 50 metre and dive pools, and a new fit-for-purpose floor surface for the indoor concourse is required as a matter of priority.

Response to the report findings

8. In response to the findings of the condition assessment report, staff have laid non-slip mats over deteriorating areas of flooring in the indoor concourse however the main mitigation strategy for the flooring, pipes and filtration systems is replacement. Staff are recommending the following work is done in the 2016/17 year:
 - Renew the filtration system, pipework and flooring as indicated by the condition assessment report at an estimated capital cost of \$2.9m.
 - Close Waterworld for a period of eight weeks between July and September 2016 to enable this work to be undertaken at an estimated loss of revenue of \$400,000.
9. The renewal of these assets will:
 - Address all health and safety issues identified by the assessment report.
 - Enable reliable operation of the pools to the level of service indicated in the 10-Year Plan 2015-2025 (safe and family friendly swimming facilities).
 - Extend the useful life of the current facility by a minimum of 20 years and potentially up to 40 years.
 - Provide better access to pipework for future condition assessment, maintenance and renewals due to the pipes being repositioned externally to the pools.
 - Also anticipate likely changes to Health and Safety compliance standards for pool filtration in the next two years through the replacement of the diatomaceous earth water filtration system which has been used for the 25 metre and 50metre pools since 1976 with a sand water circulation system. The sand circulation system aligns with international trends for improved standards for filtration systems and Health and Safety in aquatic facilities.
 - Future-proof the facility– the renewal of assets will ensure Waterworld is able to continue to meet current demands and short-term needs of users until a new aquatic facility is built.
10. A positive outcome of this work is that the sides of the 50 metre pool will be raised to enclose the new external pipework, increasing the depth of the pool and making it more suitable for a wider variety of aquatic activities and sporting events.

Financial considerations

11. OPUS is currently developing detailed specifications necessary to prepare tender documents for April 2016. The budget of \$2.9m is based on preliminary options developed by OPUS.
12. The work is programmed during the school holidays, so as to cause least disruption to users and minimise the financial impact of lost revenue. A full closure is required as the 25 metre, 50 metre and dive pools need to be drained and the floors to enable new pipework, filtration and flooring to be installed.
13. The projected loss of \$408,000 in revenue is based on the revenue figures for the off-season in past years.
14. Swimming Waikato, which is the organisation that represents the clubs that use Waterworld has been alerted to the potential closure of Waterworld during the off-season. A meeting will be held with Swimming Waikato and other stakeholders on 23 February to inform them of the planned work and discuss alternative options for accommodating their needs while the facility is closed. A communications plan has been developed for other stakeholders and users of Waterworld.
15. The Fitness Centre will remain open to the public and the hydrotherapy pool may be open for part of the time (dates to be determined).

Future work identified by OPUS

16. A shorter partial closure may be required in 2017/18. The fans providing ventilation, air temperature and humidity control to the 25m and 50m pools are heavily corroded and are at the end of their useful life. Further investigation on their condition is underway and a bespoke heat recovery system will take at least 12 months to be designed and installed. The building renewals budget of \$530,000 for 2016/17 and \$1.063m for 2017/18 has been allocated to the renewals of the HVAC system.
17. A number of other maintenance recommendations have been made by Opus and these will be completed using existing renewal and building maintenance budgets in 2016/17 and/or 2017/18.

Financial Information

18. This proposal has been taken into account in the adjustments made to budget for 2016/17 and fits within the financial strategy.

10-Year Plan Budget

\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue	2,834	3,093	3,344	3,430	3,523	3,623	3,731	4,367	4,509	32,454
Operating Expenditure	(3,698)	(3,958)	(3,880)	(4,033)	(4,116)	(4,203)	(4,467)	(4,816)	(4,981)	(38,152)
Net Capital Expenditure	(741)	(1,372)	(658)	(1,160)	(2,209)	(839)	(6,580)	(257)	(597)	(14,413)
Net Benefit/(Cost) to Council	(1,605)	(2,237)	(1,194)	(1,763)	(2,802)	(1,419)	(7,316)	(705)	(1,069)	(20,111)

Budget Adjustments

\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue	(400)	(100)								(500)
Operating Expenditure	(8)	3	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(54)
Net Capital Expenditure	(2,900)									(2,900)
Net Benefit/(Cost) to Council	(3,308)	(97)	(7)	(3,454)						

Recommendation

Zoo – Capital and Operations

Author:	Stephen Standley Zoo Director	Authoriser:	Lance Vervoort General Manager Community Group
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1. Purpose

- To increase the animal enclosure renewals budget for the Hamilton Zoo in 2016/17.

Recommendation

- That Council budget \$300,000 in 2016/17 for any additional Zoo animal enclosure related capital works.

Summary

- The CE led restructure in 2015 resulted in the Zoo being transferred from the former Economic Development Group to the Community Group. As a result of this transfer, and the fatality that occurred in September 2015, staff commissioned PwC to undertake a review of the Hamilton Zoo operations. This review includes an assessment of the dangerous animal enclosures to ensure best practice is being followed. This review is currently underway.
- Some additional work has already been authorised by management as a response to assessments and is underway. This work includes additional fencing and some other minor works relating to the enclosures and the employment of four additional keepers.
- The outcome of the PwC report is not due to be finalised until May 2016. However early feedback received indicates that further works will be required in future years that are currently unbudgeted, and the renewals programme will need to be increased to fund animal enclosure capital works in 2016/17.
- Staff recommend an allocation of \$300,000 be added to the Zoo's capital works budget to ensure these works can be covered.

Attachment 4: Responding to City Growth

PROPOSAL

Author/Authoriser: Chris Allen - General Manager City Infrastructure

Purpose

- To bring forward three infrastructure related programmes of work in the 2015-2025 10-Year Plan capital budget with additional funding. Those programmes of work are:
 - Ruakura growth cell: bringing forward to 2016/17 funding allocated in years 6-10 (2020/21-2024/25), plus additional funding for strategic infrastructure requirements within this growth cell, including components of wastewater, water supply and land for transport provisions.
 - Rotokauri Stage 1: bringing forward funding for capital projects in years 7-10 (2021/22-2024/25) into years 2-4 (2016/17-2018/19) for strategic infrastructure to support and accelerate development.
 - Integrated Catchment Management Plans (ICMPs): new funding to complete ICMPs within priority growth cells of Rototuna, Rotokauri and Peacocke growth areas (Te Awa o Katapaki, Rotokauri, Mangaheka, Mangakotukutuku ICMPs).

Recommendations

- That Council approves additional funding of \$4.292m within the 2015-25 10-Year Plan commencing in 2016/17 to leverage a partnership opportunity with Tainui Group Holdings and Chedworth Property Ltd that will result in the broader Ruakura area being strategically serviced.
- That Council approves acceleration of current capital funding of \$5.776m within the 2015-25 10-Year Plan for strategic infrastructure in Rotokauri to facilitate current residential and business development growth pressure (resulting in funding increases of \$2.4m in 2016/17, \$3.366m in year 2017/18 and \$10,000 in year 2018/19).
- That Council approves additional funding of \$862,000 (\$441,000 in 2016/17 and \$421,000 in 2017/18) to accelerate the development of ICMPs for the priority Rototuna, Rotokauri and Peacockes greenfield growth areas.

Cost and Timing

- This proposal is in three parts. Each part has financial impact tables for the remaining years of the 2015-2025 10-Year Plan. The table below provides a summary of the net financial impacts of these proposals for 2016/17. The recommendations in this report fit within the financial strategy for the 2015-2025 10-Year Plan.

Item	Reason	Impact	Operating 2016/17 (\$000)	Capital 2016/17 (\$000)
PROPOSALS TO ADDRESS GROWTH				
City Growth – Ruakura infrastructure	Response to growth	Additional revenue Capital expenditure brought forward to 2016/17-2019/20 from 2020/21-2024/25		(2,300)
City Growth – Rotokauri Stage 1	To accelerate the extension of Te Wetini Drive	Capital expenditure brought forward to 2016/17 & 2017/18		(2,400)
City Growth - Integrated Catchment Management Plans (ICMPs)	To complete ICMPs for Rototuna, Rotokauri and Peacockes	Capital expenditure to complete ICMPs		(441)

Summary

3. Since the 2015-2025 10-Year Plan was prepared and adopted by Council, Hamilton has been growing faster than anticipated. Council is seeing evidence of this through:
 - Higher than expected population growth. New population projections from the University of Waikato's National Institute of Demographic and Economic Analysis (NIDEA) are indicating a faster growth rate and this is substantiated by the latest population estimates from Statistics New Zealand.
 - High demand for new housing, reflected through building consent figures.
 - Increased market activity, reflected through sections available for sale and sale prices.
 - Pressure from developers ready to develop land for Council to invest in infrastructure that will allow developments to progress and bring sections to market.
 - Information that residential section supply is not meeting the demand for new sections.
4. There is also continued pressure from central government to ensure an adequate supply of developer-ready land is available and housing (particularly land) remains affordable.
5. This proposal responds with targeted investment that will:
 - Help to bring more serviced land supply to the market in the shorter term for both residential and employment use (Ruakura and Rotokauri Stage 1).
 - Prepare for longer-term and continued development by ensuring the correct infrastructure planning is in place in priority growth areas to allow future infrastructure to progress (ICMPs).

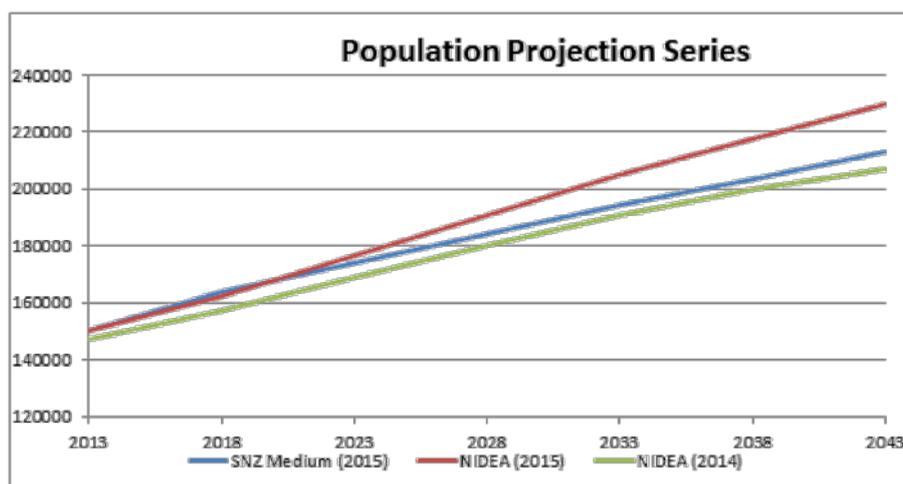
Growth Indicator Changes

6. Staff monitor a number of metrics that are considered to be indicators of growth, in particular, population changes, building consents, and section sales and price. The impact of changes within these indicators since the development of the 2015-2025 10-Year Plan is set out below.

7. Population Growth

8. Hamilton's population is growing faster than projected in the 2015-2025 10-Year Plan.
9. Council used the 2014 medium series population projections from NIDEA to develop the 2015-2025 10-Year Plan. Since this time NIDEA has updated its projections to a higher rate of population growth. Over the next 10 years, NIDEA is now projecting that Hamilton's population will grow by 5,300 more people (27,800) during this 10-Year Plan period than previously projected in 2014 (22,500).
10. Staff have cross-checked the 2014 and 2015 NIDEA projection series (low, medium and high) against the latest population projections from Statistics New Zealand. The latest Statistics NZ's population projections were produced in 2015. Figure 1 below shows the NIDEA medium projection and the Statistics New Zealand population estimates are similar.

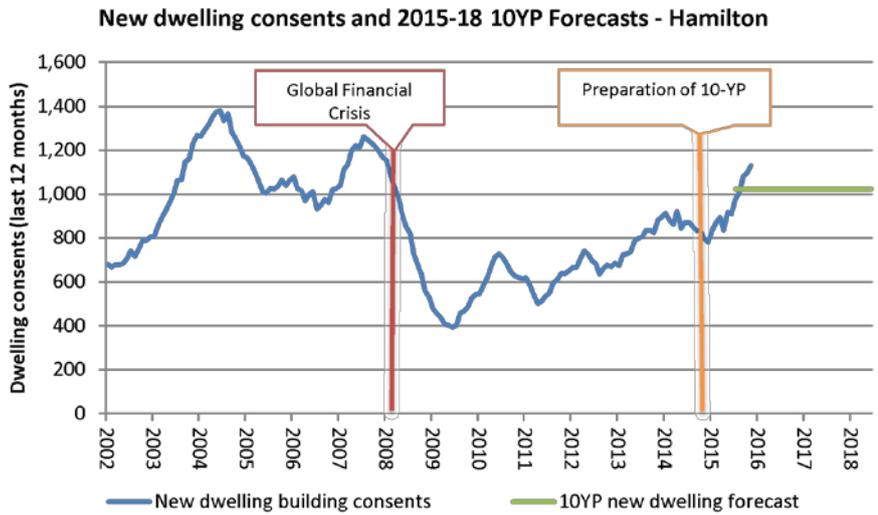
Figure 1: Population Projections and Estimates



11. Growth in Residential Building Consents

12. There has been an increase in number of building consents issued for new houses over the 2015 calendar year.
13. When the initial capital growth programme for the 2015-25 10-Year Plan was prepared, residential building consents were around 800 consents per annum. The 2015-2025 10-Year Plan allowed for growth by estimating an average of 1,023 new dwellings annually for 2015/16 to 2017/18. This figure of 1,023 was used for planning infrastructure investment and development contributions revenue.
14. Building consents for new dwellings for the 12 months to 31 December 2015 were 1,187, significantly higher than the 10-Year Plan average (see figure 2).

Figure 2 New dwelling consents and 2015-18 10YRP forecasts - Hamilton



15. Section Sales (and section prices)

- 16. Section sales are a reliable indicator of future building consents for new dwellings. The latest data on section sales indicate very strong sales activity when compared to recent years.
- 17. There is evidence of a potential supply and demand imbalance through the trending down of the number of sections available for development on the open real estate market. Currently the number of sections being advertised for sale on the open market is at a record low.
- 18. Many sections are now sold by developers directly to housing companies reducing the number of sections that are marketed directly to end purchasers, making it increasingly difficult for end purchasers to find sections for sale. Figure 3 below illustrates this.

Figure 3 Sections for sale and new dwelling building consents



Source: Strategic Risk Analysis and REINZ

19. At the same time, feedback from the development sector is that the number of sections being developed is not keeping pace with demand from building companies for new residential sections.
20. Staff has considered data relating to consents issued that are yet to have the subdivision completed by developers and new sections titled, to assess whether there is supply but it is being withheld. Council data shows that since 2008 there have been consents issued to developers to create 3,934 new sections in Hamilton. Of these, over 1,400 sections are yet to have the subdivision completed by developers and new sections titled. This is over one year's supply based on current estimates.
21. The consent process typically provides for a period of up to 8 years for developers to complete the conditions associated with consent. A wide range of factors can influence the speed at which a consent is progressed, including the desire of the developer to bring the land to market. Council cannot compel developers to progress their development, even if the land is 'developer ready' (has strategic/bulk infrastructure available) and in a zoned and planned greenfield area.
22. The timeframe for completion of development varies across the developer community. Some recent developments have moved from resource consent to titled sections within two years.

Conclusion

23. Based on these indicators, staff have concluded that:
 - There is evidence of a marked and sustained increase in demand for new housing.
 - The high numbers of building consents for new dwellings are highly likely to continue over the coming twelve months.
 - The city's supply of serviced developer-ready land available for development is being used up faster than planned for in the 2015-2025 10-Year Plan and the supply of sections is not keeping pace with the market demand.
24. Over time a shortage of sections available to build on can constrain the market and translate into higher section prices. Upward movement in section prices is already evident (see figure 4). Over the longer term this has potential to have a negative effect on housing affordability in Hamilton.

Figure 4 Sections sale prices and new dwelling building consents



25. In the 2015-25 10-Year Plan Council has taken a just-in-time approach to providing serviced land as a way of supporting growth to ensure Council is staying within its financial strategy. However there is a considerable lag time in making additional land available for sections. Before new sections can be brought to market, there are two key steps in terms of providing infrastructure:
- 1) Strategic / bulk infrastructure is available. This is primarily the Council's job and includes constructing new bulk infrastructure or upsizing the local infrastructure that connects up to the rest of the city. Land that has the necessary strategic / bulk infrastructure in place for step two to progress is referred to as being 'developer ready'.
 - 2) Local infrastructure is completed. Developers construct the local infrastructure as required in the conditions of their subdivision consent and create sections for sale.
26. Developer-ready land is land where Council has made the strategic and bulk infrastructure available and is waiting for the developer to complete the required local infrastructure and obtain titles for the sections.

Proposed responses

27. Staff propose to respond to the indicated shortage of sections available by bringing forward funding for areas of the city that will generate more developer-ready land in the shorter term. These areas have been identified using the following criteria:
- Alignment to our existing growth strategy – the land already has zoning that allows for development and has necessary structure planning completed.
 - Able to leverage off strategic / bulk infrastructure that is already in place in or adjoining established growth cells.
 - Willing developers who are actively partnering with Council and are ready to invest.
 - Developer scale rather than fragmented ownership is evident.
28. Staff propose the following three work programmes and funding packages to respond to the higher than planned growth in Hamilton. These work programmes are already in the 2015-25 10 Year Plan capital budget, and the proposal is to bring them forward, with some changes and some additional funding.
1. **Ruakura growth cell:** bringing forward to 2016/17 funding allocated in years 6-10 (20/21-24/25), plus additional funding for strategic infrastructure requirements within this growth cell, including components of wastewater, water supply and land for transport provisions.
 2. **Rotokauri Stage 1:** bringing forward funding for capital projects in years 7-10 (21/22-24/25) into years 2-4 (16/17-18/19) for strategic infrastructure to support and accelerate development.
 3. **Integrated Catchment Management Plans (ICMPs):** new funding to complete ICMPs within priority growth cells of Rototuna, Rotokauri and Peacockes growth areas (Te Awa o Katapaki, Rotokauri, Mangaheka, Mangakotukutuku ICMPs).
29. The proposals will allow development to occur in new parts of Hamilton and increase the number of significant developers serviced with strategic / bulk infrastructure.

Ruakura Growth Cell - employment and residential

30. This proposal is to bring forward funding in years 2020 to 2025 of the 2015-25 10 Year Plan and provide additional funding of \$4.292m commencing in 2016/17 to support the proposed upsizing contribution for strategic infrastructure requirements within the Ruakura Growth cell. These include strategic components for wastewater, water supply and land for transport provisions.
31. Three existing 10 year plan projects or programmes related to Ruakura will be accelerated, with some changes:

- 1) **Transportation - CE15093 Roading Upgrades in Ruakura** - additional \$1m funds in 17/18 for the purchase of land not owned or under the control of TGH or CPL required for the spine road arterial and to host the strategic water and waste water services
 - 2) **Sewerage - CE15112 Increase capacity of network (far east interceptor)** - reallocates existing \$5m funding from years 9 and 10 to years 2 and 3 to create the ability to enter into a PDA for upsizing strategic wastewater construction within Ruakura.
 - 3) **Water supply - CE15141 Water demand management - Hillcrest reservoir zone** – removal of \$7.98m from years beginning in year 6 (20/21) and replaced with funding of \$11.2m over the next 9 years.
32. The proposed Ruakura package contains additional funding for:
- Procurement of lands not provided by Tainui Group Holdings (TGH) and Chedworth Properties Limited (CPL) for the arterial spine road arterial.
 - Upsizing the proposed Ruakura water reservoir from 4ML to 12ML facilitating future expansion to 24ML, all to be incorporated as part of the citywide water supply. Future proofing water supply needs for the eastern side of the City are required. Staff are proposing a different approach to service these needs than original planned. The current planning allows for the construction of a 24ML reservoir at Hillcrest with a portion of the funding in year 9 and 10 of the 2015-25 10-Year Plan and the balance in years just outside the 10 years. In assessing the Ruakura development needs alongside the future city need, staff now propose constructing a 12ML reservoir at Ruakura in the early years of the 10-Year period in partnership with TGH and CPL and planning for a 12ML reservoir at Hillcrest just outside the current 10 Year Period. Both reservoirs will be capable of upgrading to 24ML in the future when the demand eventuates.
 - Upsizing the trunk water supply network for servicing the full potential of the Ruakura growth cell
 - Upsizing strategic wastewater mains to service the full potential of the Ruakura growth cell and have provision to service the future R2 block expansion north of Ruakura - reallocating \$5M funding from years 9 and 10 of the 2015-25 10-Year Plan to years 2 and 3.
33. The rationale for advancing these projects and seeking additional funding is:
- TGH and CPL have been successful in their Private Plan change and have now lodged consents and are progressing development.
 - CPL has already demonstrated that they have strong market demand for their sections and a strong commitment to meet this demand as quickly as possible. It is estimated that the proposed investment from Council will allow developers to release approximately 150 new sections per year if the market remains strong. CPL is one of the few developers that is in a position to deliver a significant number of sections over the next few years.
 - Timing in the 10-Year Plan (weighted to years 5-10) for Council investment in strategic / bulk infrastructure does not match the anticipated development uptake in Ruakura. Upsizing of strategic / bulk infrastructure is critical to accommodate future development of the broader Ruakura area.
 - Advancing these work programmes fits within the financial strategy.
 - The reworked projects deliver a better outcome for the city than originally planned.
 - Council has had significant engagement with both the developers (TGH and CPL) and the wider community over the development of the nationally significant Inland Port and other Ruakura land uses through both a Board of Inquiry process and subsequent Ruakura variation to Proposed District Plan. Submissions were also received on the 10-Year Plan seeking Council to fund Ruakura Infrastructure.

10 Year Plan Budget

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue				180.3*	1,818.9*					1,999.2
Operating Expenditure		(265.5)				(33)	(73)	(73)	(83)	(527.5)
Capital Expenditure (Gross)				(353.8)	(3,782.5)	(460)	(600)	(5,142)	(6,500)	(16,838.3)
Benefit/(Cost) to Council		(265.5)		(173.5)	(1,963.6)	(493)	(673)	(5,215)	(6,583)	(15,366.6)

*NZTA subsidy

Budget adjustments

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue										
Operating Expenditure		(10)	(10)	(10)	(50)	(50)	(10)	(10)		(150)
Capital Expenditure (Net)	(2,300)	(4,500)	(5,700)	(4,500)	216	400	600	5,142	6,500	(13,942)
Benefit/(Cost) to Council	(2,300)	(4,510)	(5,710)	(4,510)	166	350	590	5,132	6,500	(4,292)

Rotokauri stage 1 - Residential

34. The Rotokauri proposal is to bring forward infrastructure funding for residential growth areas for some infrastructure within Rotokauri stage 1 from years 2021 to 2025 of the 2015-2025 10-Year Plan for:

- **Strategic Land procurement of Te Wetini drive extension** (Transport CE15090)
 - Capital funding of \$500k to be reallocated to 2016/17 within Transport CE15090- Roading upgrades in Rotokauri stage 1
- **Designation of a floodway including partial land procurement for stormwater** (Stormwater CE15060)
 - Capital funding of \$1.8M to be reallocated to 2016/17 within Stormwater CE15060- Rotokauri stormwater infrastructure stage 1
- **New wastewater pump station and rising main to strategic wastewater network** (Sewerage CE15107)
 - Capital Funding of \$100k to be reallocated to commence in 2016/17 within Sewerage CE15107- Increase the capacity of network in Rotokauri stage 1

35. An additional \$13,000 of operational expenditure will be required in 2019/20 for the operation of the wastewater pumpstation.

36. Actual expenditure of capital will be subject to future approval by Council of Private Developer Agreements or a Business Case.

37. The benefits of this proposal are:

- The transport land provision would allow a primary transport route to the Rotokauri area to be established and also allow direct access to strategic wastewater and water supply.
- Designation and land purchase for the stormwater floodway would help developers in being able to provide stormwater infrastructure that is integrated with adjoining development and assist with the installation of strategic wastewater infrastructure. This option would heavily rely on development community to construct the infrastructure provisions but will remove the constraints posed by adjoining landowners.
- It is estimated that this investment will help developers to bring to market more quickly approximately 500 new sections over the next 5 years if the market remains strong.

38. The rationale for advancing these projects is:
- These projects will leverage off already existing Council investment and in a relatively short period of time unlock approximately 500 sections.
 - Rotokauri Developments Ltd and other localised developers have demonstrated that they have strong market demand for their sections and a strong commitment to meet this demand as quickly as possible.
 - Without acceleration of some infrastructure funding, this will mean:
 - it is uneconomic for developers to keep developing in this area, and
 - staff will continue to be faced with proposals for developer affordable but non-strategic infrastructure solutions.
 - Significant progress has been made in partnership with the Rotokauri development community on the Integrated Catchment Management Plan (ICMP) which has highlighted other areas of Council funding that would assist growth in this area over the next 1-4 years. Council also received submissions to the 10-Year Plan by various developers seeking accelerated timing for funding of strategic infrastructure.
 - To partner with RDL and other developers (Everton Trust) in the localised Wintec area to ensure that strategic servicing can be provided in an affordable manner for all parties, including the Council.
 - Advancing this work programme fits within the financial strategy.
39. The impact over the 10 year period is shown below.

10 Year Plan Budget

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue										
Operating Expenditure		(19)	(24)	(35)	(70)	(80)	(80)	(129)	(141)	(577)
Capital Expenditure	(1,636)	(1,186)	(2,441)	(6,746)	(1,404)	(5,036)	(14,271)	(13,857)	(6,252)	(52,828)
Benefit/(Cost) to Council	(1,636)	(1,205)	(2,465)	(6,780)	(1,474)	(5,116)	(14,351)	(13,986)	(6,393)	(53,404)

Budget Adjustment

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue										
Operating Expenditure				(13)						(13)
Capital Expenditure	(2,400)	(3,366)	(10)			129	3,912	1,464	549	278
Benefit/(Cost) to Council	(2,400)	(3,366)	(10)	(13)	0	129	3,912	1,464	549	265

Integrated Catchment Management Plans - priority growth areas

40. This proposal seeks new funding of \$862,000 (\$441,000 in 2016/17 and \$421,000 in 2017/18) to develop Integrated Catchment Management Plan's (ICMP's) within the priority greenfield growth areas of Rototuna, Rotokauri and Peacocks to meet increasing development demands. These areas have been identified as priority areas because substantial development pressures exist, there is little or no existing local infrastructure currently, and the impact of sub-optimal infrastructure for the city networks and the local environments are potentially significant.
41. The District Plan provisions stipulate the need for sub-catchment ICMPs for significant development in the city and full ICMP's for any new Structure Plan (greenfields).

42. A programme for the development of ICMPs was included in years 2016-2025 of the 2015-25 10-Year Plan but staff consider that the current funding provision of \$3.228m is insufficient to complete the prioritised greenfield ICMPs and meet time frame expectations of the development community.
43. Following the completion of the Otama-ngenge ICMP, staff are now in a better position to appreciate the full costs, timeframes and resources required to complete ICMPs. After reviewing options to expedite the completion of these ICMPs' completion, staff have concluded that the current funding available through the 10-Year Plan will not be sufficient to develop the critical ICMPs for Rototuna, Ruakura and Peacockes growth areas in a timeframe that aligns with development needs.
44. The rationale for the additional funding to complete these ICMPs is:
- ICMPs are an essential document to identify the management of stormwater, wastewater, and water supply for a given catchment to ensure infrastructure delivered by HCC and the development community optimises the investment of both parties and the resulting outcomes.
 - Without ICMPs there is a significant risk that incorrect investment in infrastructure occurs, the receiving environment is unnecessarily adversely impacted, and future additional investment by HCC may be required potentially at a higher cost with a greater physical impact.
 - Greenfield ICMP's for Rototuna, Rotokauri and Peacockes areas are a priority as potential impacts from urban development could arise, and there is little or no existing local infrastructure.
 - Extensive feedback with the development community has indicated that ICMPs are seen as a Council-led responsibility.
 - It is now clear that it is inefficient and unrealistic to require developers to lead infrastructure planning for an entire catchment if they are the first developer.
 - The estimated completion dates for the ICMPs under the current 10-Year Plan creates a considerable barrier to enabling land to be made available for development.

45. The impact of this proposal over the 10 years is shown below.

10-Year Plan Budget

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue										
Operating Expenditure										
Net Capital Expenditure	(359)	(379)	(324)	(333)	(343)	(354)	(366)	(378)	(392)	(3,228)
TOTAL Project Cost (including revenue)	(359)	(379)	(324)	(333)	(343)	(354)	(366)	(378)	(392)	(3,228)

Budget adjustments

\$(000)	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue										
Operating Expenditure										
Net Capital Expenditure	(441)	(421)								(862)
Net Benefit/(Cost) to Council	(441)	(421)	0	(862)						

Attachment 5: Indoor Recreation Facilities

PROPOSAL

Purpose

1. To approve Council entering into a partnership arrangement to enable the construction of an indoor recreation centre.
2. To bring forward and increase 10-Year Plan funding for a grant towards the construction of an indoor recreation centre.

Recommendations

- That Council approves entering into a partnership agreement with the Rototuna High School Establishment Board of Trustees to construct a four court indoor recreation facility on the school site which provides for community use.
- That Council authorises the Chief Executive to enter into a mutually acceptable governance and operations model with the Rototuna High School Establishment Board of Trustees for the operation of the indoor recreation centre.
- That Council approve funding of \$4m to be brought forward from 2021/22 to the 2015/16 financial year and increased by up to \$500,000 as a grant towards the construction of two of the four courts to be built at the new Rototuna High Schools.
- That Council approve bringing forward an operational grant of \$120,000 per annum from 2022/23 to 2017/18.

Background

3. The Council made the following resolution as part of the 2015-2015 10-Year Plan:
 - a) Council supports the development of a feasibility study, led by Sport Waikato in conjunction with key stakeholders, investigating the best option for an indoor recreation facility including location, design, fundraising and operational model, with recommendations to Council prior to October 2015; and
 - b) Council sets aside operating grant funding towards the construction of an indoor recreation centre of \$4m in 2021/22 and associated on-going net operating costs of \$120k pa.
4. The Waikato Regional Sport Facility Plan (the Facilities Plan) identified a need for two additional four court facilities in Hamilton, including one in the North East of the city in the short term. Opus International Consultants Ltd (Opus) was engaged by Sport Waikato in July 2015 on behalf of Council to undertake an analysis of potential partnership options for a new indoor recreation facility in the city consistent with the findings of the Facilities Plan and the Council resolution in the 2015-25 10-Year Plan.
5. Councillors were briefed at the end of 2015 on the outcome of the Facilities Plan and the four options identified by OPUS.
6. 3.5 The 2015 Opus report considered four sites: the Te Rapa Sports Drome, Rototuna Junior and Senior High Schools, Wintec Rotokauri Campus, and the University of Waikato (UoW). The original scope also included Hamilton Boys High School but this option was deleted from scope due to limitations around the size of their site to expand their indoor court and access issues.

7. In considering the four options, Opus applied the following assessment criteria:
 - a. Community Access – community access the majority of the time particularly on weekends, and evenings during the week.
 - b. Demand – Hamilton is a rapidly growing city with growth occurring at a higher than previously projected.
 - c. 'Hub' potential – surrounding facilities and neighbourhood
 - d. Linkages - public transport links and safe walking and cycle way connections
 - e. Infrastructure – four court facility is likely to attract likely to attract more than 200,000 visitors per year requiring well established infrastructure
 - f. Future Proof potential – multi sport facility to accommodate a range of sports
 - g. Partnership – agreement should stipulate requirements for community access and performance should be measured against Key Performance Indicators
 - h. Strategic Alignment – includes the Hamilton Plan, and the various Indoor recreation plans and strategies undertaken to date, including the demand for two 4 -5 court facilities; prioritise facility partnerships; and maintain the existing network and facilities
 - i. Timeframe - a strong desire and willingness from potential partners to work with Council to meet this demand with the range of proposals at different stages of readiness
 - j. Affordability - Council has allocated \$4m in 2021/22 of the 10-Year Plan towards a partnership model

Options Assessment

8. Opus' assessment is that the best option is a partnership with Rototuna Junior and Senior High Schools. Rototuna Junior and Senior High Schools rates the highest of all the options on the assessment criteria. The Ministry of Education (MoE) is able and willing to be a funding partner and there are economies of scale to be achieved working within their school construction contract arrangements and timeframe.
9. Since the Opus report, staff discussions with potential partners have determined that the \$4million allocated in the 10-Year Plan will be insufficient to meet the contribution required of Council in any partnership arrangement for an indoor recreation centre. A commitment to partner with Rototuna Junior and Senior High Schools before 31 March 2016 provides certainty around the cost to Council and certainty for Council, school and community regarding the timing of the additional courts.
10. A summary of the options is listed below.
- 11. Option 1 - Rototuna Junior and Senior High Schools**
12. The schools are building a two court gymnasium at the new high school site in 2016 with the facility planned to open in April 2017. There is an immediate opportunity for Council to partner with MoE to extend the construction to a four court multi-sport facility and take advantage of current contract rates.
13. The school board has expressed a strong commitment to partnering with Council including making significant adjustments to their existing two court plans to accommodate an extension and meet the required specifications to ensure the courts are to a national standard. If funding is approved, Council will work with the school to develop a governance structure, operational budgets and a partnership agreement. MoE is project managing the construction project and the school (or possibly a separate trust) will be responsible for the on-going operation of the facility.
14. A decision by Council to fund this project is required no later than 31 March 2016. Any delay in a decision would increase the cost by requiring the construction site to be re-established at a later date, and potentially result in the loss of this window of opportunity to develop a partnership with the school and establish a facility in the North-East.

15. The MoE would own the land and indoor recreation facility. Either the school, or preferably a Trust that has representatives from each contributing party, users and the community, would operate the facility.
16. Council would provide an annual grant to the school or Trust which covers costs related to the operation of the facility i.e. staff, power, maintenance, insurances, depreciation etc.
17. Funding this option would achieve the following:
 - Two additional multi-sport courts available for community use for 100% of the time with bookable community access to the other two courts outside the school's 7.30am-4.30pm operating hours.
 - Affordability – MoE has already approved funding for the majority of the facility with construction ready to start in 2016. MoE has also negotiated a very favourable contract with Arrow Construction Ltd from which the Council can realise a saving of approximately \$1m. MoE has advised that Council's contribution would be \$4.5m (if undertaken now) or a minimum of \$5.5m (if undertaken in later years).
 - A timely response to demand in this rapidly growing area through the provision of infrastructure in the North-East within a very short period of time.
 - Connections with the developing Rototuna community including the surrounding schools, town centre and community facilities including the sports park directly across the road from the school.
 - Further opportunity to build on a partnership model with the Rototuna High School with a shared library and black box theatres available for community use.

18. Option 2 - University of Waikato (UoW)

19. The UoW has developed a Master Plan for a sporting precinct including plans for either a new two court or four court facility, dependent on funding. The site is linked to playing fields, accommodation and other campus facilities. There are good linkages to public transport, road network and car parking.
20. The University of Waikato has not yet allocated funding towards construction and no cost estimates for design and construction are available at this stage. Timeframes are not yet established and are dependent on commitment and funding from other parties.

21. Option 3 - Wintec

22. Wintec has set aside land for sporting facilities at their Rotokauri Campus. Preliminary concept designs for a four court indoor recreation facility have been completed and the site could accommodate up to a total of 12 courts. There is access to public transport and roading networks and potential of development of a sports 'hub' over the long term.
23. Wintec has not yet allocated funding towards construction and no cost estimates for design and construction are available at this stage. Timeframes are not yet established and are dependent on commitment and funding from other parties. The Hamilton Community Indoor Recreation Centre Trust is willing to work with Council to develop a proposal and raise funds for a new facility.

24. Option 4 - Te Rapa Sports Drome

25. Te Rapa Sports Drome has potential to be extended to accommodate an additional two courts. The facility is currently fully booked out during peak hours, with demand exceeding availability. However, day time use is limited. It is an aging facility in average condition. The cost to increase the two courts is estimated at around \$7m and there is limited potential for commercial or other third party investment and partnership. The Sports Drome is located in an area with limited projected growth.
26. It is assumed Council will continue to maintain the Te Rapa Sports Drome as a community facility.

Conclusions:

27. Based on the assessment made by Opus and subsequent discussions between staff and potential partners, staff are recommending that Council enter into an agreement with Rototuna Junior and Senior High Schools and bring the funding allocation forward from 2021/22 to the 2015/16 financial year, for these reasons:
- The MoE have committed to constructing a facility as part of the new Rototuna High School. Council has an opportunity to leverage off this development and extend the scope of their project and secure significant community benefit for a lesser investment than the other options suggest. The School is under construction and there is a window of opportunity until 31 March 2016 for Council to respond.
 - The proposal will deliver a significant amount of additional court space for community use in the area.
 - Of all the options canvassed by Opus, Rototuna is the only option ready to go now and that provides certainty about cost and delivery times.
 - The proposition from the MoE includes an attractive funding model with a mixture of capital funding and on-going operational contributions.
 - Residential growth is continuing quickly in the vicinity of the school. There is expectation for the community that community facilities will be provided. These have been part of Council's long-term planning over recent years.
 - This option fits within the Council's funding allocation and the costs and timing are known. The other options may require more Council funding as construction costs are likely to increase with time and there is less certainty regarding funding.
 - This arrangement represents a partnership between Council and Schools which will benefit the city by avoiding potential duplication of facilities across the city and a cost effective way of providing indoor recreation facilities to the community.

Funding

28. The cost of the Council's investment is \$4.5m as a grant toward the cost of construction for two courts in the indoor recreation centre and an annual grant of \$120,000 per annum towards operating costs.
29. The current 10-Year Plan allocates \$4m in 2021/22 and \$120,000 per annum from 2022/23. Council is asked to bring this funding forward to 2015/16 and approve a further \$500,000 in this financial year to enable this project.
30. Money is available within this financial year (2015/16) to allocate to this project without compromising the financial plan and will enable construction to start as planned in April 2016.
31. Council will save approximately \$1m through this opportunity. MoE has advised that an additional \$4.5m (if undertaken now) or \$5.5m (if undertaken in later years) is required for the additional two courts. This costing assumes the work is completed as part of the Ministry's current contract with Arrow Construction Ltd. Confirmation of funding from Council is required no later than 31 March 2016 to take advantage of current contract rates.

Financial Information

10-Year Plan Budget

\$000	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue											
Operating Expenditure							(4,000)	(120)	(120)	(120)	(4,360)
Net Capital Expenditure											
Net Benefit/(Cost) to Council							(4,000)	(120)	(120)	(120)	(4,360)

Budget Adjustments

\$000	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue											
Operating Expenditure	(4,500)		(120)	(120)	(120)	(120)	3,880				(1,100)
Net Capital Expenditure											
Net Benefit/(Cost) to Council	(4,500)		(120)	(120)	(120)	(120)	3,880				(1,100)



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EXECUTIVE SUMMARY

In July 2015, Sport Waikato engaged Opus International Consultants (Opus) to undertake an analysis of potential partnership options for a new indoor recreation facility. Previous research completed for Hamilton City Council (HCC) has highlighted that the lack of indoor courts has affected the growth of several sports^{1,2}. These reports have clearly highlighted the immediate demand for additional indoor court space in Hamilton, and have requested that HCC urgently respond to this demonstrated lack of integral community infrastructure.

The Waikato Regional Sport Facility Plan³ (the Facilities Plan) identified a need for two additional four court facilities in Hamilton. This was supported by a 2014 review⁴ by Opus International Consultants Ltd (Opus) which found that an additional four courts are required in the short term, with another four courts required to meet long term demand. The Hamilton City Council (HCC) 2015-25 10-Year Plan (10-YP) has currently allocated funding of \$4M for one four court facility in 2021/22.

The key drivers of the proposed HCC indoor recreation facility are:

1. Community access will meet community demand;
2. The financial commitment by HCC (both capital and operational) is consistent with HCC's Annual Plan considerations;
3. The proposed timeframe to construct the facility is realistic and achievable;
4. The proposed site will meet several criteria including: potential for Hub facility, existing infrastructure, future proofed, existing public transportation links, and strategic alignment.

As noted above, one of the key criteria was that the financial commitment was consistent with HCC's annual plan considerations. HCC must recognise that the total cost to construct an indoor recreation four court facility is estimated to be \$13.6M as stated in the Waikato Multi Court Facility Preliminary Outline Report⁵. By entering into a partnership HCC can substantially reduce the capital cost of providing a four court facility for the community.

¹ Hamilton City Council (2007) *Needs Analysis for the Evaluation of Indoor Recreational Sporting Facilities*. Undertaken by Arrow International

² Hamilton City Council (2011) *Sports & Recreation Facilities Review*. Undertaken by N-Compass

³ Sport Waikato (2014) *Waikato Regional Sport Facility Plan*

The Waikato Multi Court Facility Preliminary Outline report also noted developing in partnership provides additional capital, operational synergies and minimises facility duplication. Furthermore, as well as the financial cost of construction, there are costs associated with delaying investment or not investing at all. If the investment is delayed there is a risk of losing one or all of the three proposed partners, and cost to construct will continue to increase over time due to inflationary pressures. There are also social costs associated with not investing in a partnership facility. If HCC does not invest in a partnership facility, community sport continues to be the biggest loser.

Each site included in this report presents unique opportunities and limitations. The following four sites were evaluated:

- **Rototuna Junior and Senior High Schools** have completed detailed design, and will begin construction on a two court facility in March 2016. After consultation with HCC in 2015 the Ministry of Education (MoE) specifically set aside land on the school grounds for a further two court facility for HCC. The cost to HCC to construct the two court facility is \$4.5 million (on the provision the facility is constructed in 2017). Note: if HCC choose to delay construction of the facility for several years, cost to construct will increase by approximately \$1 million. To ensure MoE are able to meet their existing construction programme, they have requested that the decision regarding partnership agreements is to be advised no later than 31st March 2016;
- **University of Waikato (UoW)** has recently completed consultation with key stakeholders, and has developed a Master Plan for a sporting precinct including plans for a new four court facility. The proposed new four court facility would provide for both community and high performance sports, and also include viewing areas for the sports fields, social rooms, and additional spaces for associated services and sports lab. UoW is yet to complete concept design, developed and detailed design, set dates for construction and allocate funding;

⁴ Opus International Consultants (2014) *HCC Indoor Court Facility Review*

⁵ Hamilton City Council (2014) *Waikato Multi Court Facility Preliminary Outline Report*. Undertaken by Visitor Solutions.

- **Wintec** has designated land to construct and an indoor recreation facility at the Rotokauri Campus. Initial concept designs for an indoor recreation facility have been completed that allows for the facility to be built in several stages, with four courts being completed in the short term, and the potential to add additional courts to meet long term demands and provide a facility for regional sporting competitions and events. Wintec is yet to complete developed and detailed design, set dates for construction and allocate funding;
- **Te Rapa Sports Drome** is an aging facility in average condition. There is potential to extend this council owned facility to accommodate an additional two courts, although the site is constrained by limited parking, limited space for an extension (i.e. extension of the facility would encroach on park land) and poor visual surveillance (refer: Visual Assessments). The facility is currently fully booked during peak hours, with demand exceeding availability. There is limited potential for commercial or third party investment or partnership, and therefore the site was excluded as a possible option.

Whilst undertaking the site evaluations / interviews it was obvious that there is a strong desire and willingness by all three proposed partners to provide feasible solutions to the city's shortage of indoor court space. All three proposed partners are thanked for their ongoing commitment and contribution towards ensuring Hamilton has a suitable indoor recreation facility. There is now a real opportunity for HCC to demonstrate strong leadership and good governance by entering into a partnership agreement as per the following recommendations:

Key Recommendations

- HCC to bring funding forward in the 10-YP to align with demonstrated demand for an additional four court facility, and to capitalise on a strategic partnership that will benefit the City;
- HCC to partner with Rototuna Junior and Senior High Schools and contribute \$4.5 million to the four court facility. Council should partner to align with MoE construction timelines for completion of the full four court facility by 2017;
- HCC to work with University of Waikato to develop a feasibility study and business case for a new shared four court facility or an alternative sports facility on the UoW site; and
- HCC to work with Wintec to develop a feasibility study and business case for a new shared four court facility or an alternative sports on the Wintec Rotokauri site.

SCOPE

In July 2015, Sport Waikato engaged Opus to undertake an analysis of potential partnership / site options for an indoor recreation facility. As part of the analysis an assessment was completed for each option to ensure considered and sustainable investments is made.

The project scope included:

1. Review and analyse the following potential site locations and partnership options'
 - Te Rapa Sports Drome
 - Rototuna Junior and Senior High School
 - Wintec Rotokauri Campus
 - University of Waikato
 - Hamilton Boys High School (HBHS)
2. The review and analysis considered the following key criteria:
 - Community Access
 - Affordability
 - Timeframe
 - Demand
 - Hub Potential
 - Linkages
 - Infrastructure
 - Future Proof
 - Partnership
 - Strategic Alignment

Options and recommendations for future and existing recreational facilities.

METHODOLOGY

The project was completed through a combination of background research, desktop analysis, site investigations and proposed partner interviews that were held with a selected steering group. Steering Group members included representatives of Sport Waikato, Hamilton City Council and Sport NZ. The role of the steering group was to ensure the interviews were unbiased and to ratify the findings of the report.

The desktop analysis included a review of demographics and demand forecasting, GIS mapping of existing community facilities and indoor recreation facilities within Hamilton and surrounding districts, GIS review of land ownership, zoning of land, service connections and transportation links.

A visual assessment by a landscape architect assessed the natural and built environment surrounding the sites. Other aspects assessed included connectivity with surrounding areas and characteristics of the site. The full site assessment for each site is included in the Appendices to this report.

Stakeholder engagement included meetings with representatives from each of the potential sites to discuss their respective site and proposed facility. In addition to the landowners of the four identified sites, third party partnership options have also been included in the assessment of partnership structures.

The original scope also included consideration of HBHS and the Sports Drome as a potential sites. Currently, HBHS has proposed a shared community-school indoor recreation centre with one court, and the HBHS proposal did not meet the HCC's requirement for an additional four courts. In addition, the proposal is reliant on improved access via Beale Street. There is currently no funding within the 10-YP to carry out work on this road, and therefore it is not feasible to establish a community/school shared recreation centre on the HBHS site. The HBHS proposal was therefore excluded from the scope of this report.

KEY CRITERIA

KEY CRITERIA

It is well recognised that the cost to develop, build and operate an indoor recreation facility is substantial. Therefore in order to deliver an appropriately designed and constructed facility it is imperative that HCC selects a strategic partnership that has a shared mandate. The following key criteria were used to assess the proposed partnerships / site locations and ensure that there was a shared mandate for the proposed Indoor Recreation facility.

Community Access

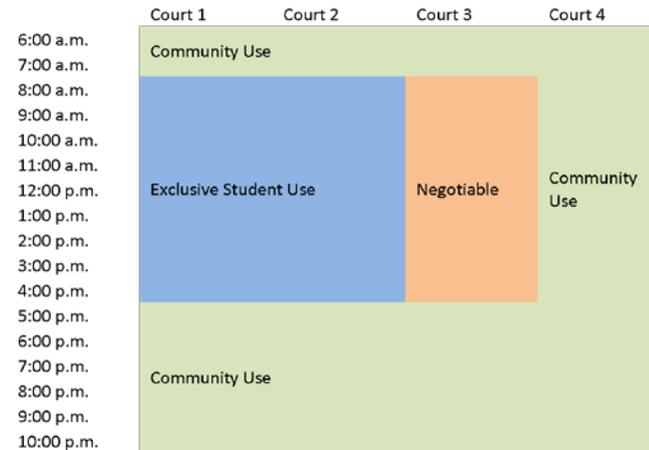
In regards to the proposed facility, it is recommended that HCC enter into a robust service agreement / contract with the asset owner that will ensure adequate community access can be maintained in the long term.

When assessing the partnership options, the level of community access to the courts is the governing factor for HCC. Community access means that community groups and individuals are able to use the facility on a casual or booking basis for an agreed portion of time.

Based on the different requirements for court time, a school / council partnership is often considered a good way to maximise the use of facilities. Although, there is a potential for conflict between school use and community use during the early evening hours, with both user groups requiring access for school and club sports as well as casual community use.

It is noted that as a school or tertiary roll increases and/or their requirement for sports teams increases, there is a risk that community access to court space may decrease over time. With increasing demand for student use, the revenue potential from external / community use may diminish. However, as three of the sites were all educational intuitions, this has been discounted, as general health and wellbeing of the community (whether it be student or casual use) is priority.

Figure 1: Minimum requirement for community access⁶



⁶ Hamilton City Council staff recommendation

Affordability

The cost to develop, build and operate an indoor recreation facility is substantial. Currently, HCC has \$4.0M allocated in the 10 Year Plan to invest in a new indoor recreation facility. With only \$4.0M allocated and the estimated cost of a four court facility at \$13.6M HCC requires a strategic partner with a shared mandate to build and operate an indoor recreation facility.

In 2014 the Waikato Multi Court Facility Preliminary Outline Report⁷ (Waikato Multi Court Facility Report) was undertaken for HCC by Visitor Solutions. The Waikato Multi Court Facility Report was developed to scope a potential partnership for a four court facility in Hamilton to be developed in partnership with the MOE. The Waikato Multi Court Facility Report provides the projected capital expenditure and operational expenditure costs for the subsequent development and operation of the facility (based on a generic four court facility).

A partnership agreement can be beneficial to leverage additional funding⁸. Third party funding can be sought from various sources;

- Community Trusts
- Commercial operators as part of management contract
- Philanthropic funders
- Professional sporting organisations
- Community fundraising

Although, some funders do not make significant capital grants to schools, nor do they contribute to council owned projects. For many larger development projects this has given rise to the popularity of Trusts, as both capital raising and operational entities¹⁵.

Assumptions: Preliminary Model

- The facility will be externally owned and managed as one facility (i.e. not managed by HCC or the school);
- The facility will be based on a revenue generating model (i.e. users will need to pay for access); and
- The facility will be dual use (school and community).

⁷ Hamilton City Council (2014). Waikato Multi Court Facility Preliminary Outline Report. Undertaken by Visitor Solutions.

Assumptions: Revenue

- The facility will be owned and operated by a trust;
- Programme development and delivery will be undertaken by facility management;
- A gym managed on a commercial basis will be operated by facility management;
- Minimal funding grants have been incorporated into these assumptions;
- HCC and the school will provide an annual operations contribution; and
- Estimated revenue is for year 1 (conservative estimate).

Key findings:

- The facility's capital cost is estimated at \$13,600,000;
- The facility is projected to make a \$261,000 deficit in its first year, this could be erased/mitigated with increased programme delivery and partner subsidy levels;
- Developing in partnership provides additional capital, operational synergies, minimises facility duplication, access to partners skills, and access to strategic sites; and
- The generic four court gymnasium area is 4824 square meters.

As well as the financial cost of construction, there are costs associated with delaying investment or not investing at all. If the investment is delayed there is a risk of losing one or all of the three proposed partners, and cost to construct will continue to increase over time (inflation). There are also social costs associated with not investing in a partnership facility. If HCC does not invest in a partnership facility, community sport continues to be the biggest loser.

⁸ Sport NZ (2011) *Territorial Authorities / School Facilities Partnerships – A Guide*. Undertaken by Visitor Solutions.

Timeframe

It is strongly recommended that HCC brings the \$4M funding forward to 2016 / 2017. As evidenced by the Facility Plan¹⁴ and the Opus review⁹, there is an immediate demand for additional indoor recreation facilities in Hamilton. This report has also found that there is a strong desire and willingness from the three potential partners to work with HCC to meet this demand.

As demonstrated in the assessment there is one proposed partner who has completed detailed design, and about to begin construction. This partner has shown a real commitment towards forming a mutually agreeable partnership, however, they also require a formal response by the 31st March 2016 to work with HCC to progress planning of the development of a new four court facility.

Demand

It is recommended that the proposed facility is built in an area with an identified gap in existing provision, with an established population, or in an area of growth.

Hamilton is a rapidly growing city with a projected 29% growth in population over the next thirty years¹⁰. When the existing network of indoor recreation facilities (Appendix A), are combined with the current population density data (Appendix C) and projected growth areas (Appendix D), there is an obvious gap in provision in the North East of the city in the areas surrounding Rototuna.

In addition to the increased pressure from population growth, the 2014 Opus report¹¹ found a high level of demand for indoor court space from netball, basketball and volleyball as shown in the table below. Previous reports have also found that a lack of indoor court capacity is inhibiting the growth of many indoor sporting codes^{12, 13}.

Table 1: Hamilton Indoor Sporting Codes Facility Feedback

Sport	Participants 14, 15	Sport Comments
Badminton	250	<ul style="list-style-type: none"> No indication that there is a shortage of badminton facilities
Basketball (club & social)	2,700	<ul style="list-style-type: none"> Waikato Basketball (WB) reports that the current facilities are at capacity and for 90% of the competitions they are having to modify games (e.g. playing on smaller courts, shortening game duration, playing later in the evening) Lack of capacity all year round, as seasonal demand for basketball does not vary for social leagues Growth is inhibited by lack of indoor court capacity Implementation of a partnership policy between council and schools would secure more time for community users
Martial Arts	N/A	<ul style="list-style-type: none"> Kobukan Martial Arts notes growth of traditional martial arts is static, while mixed martial arts has a growing youth market
Netball (club and social)	4,500	<ul style="list-style-type: none"> Growth is inhibited by lack of indoor court capacity
Volleyball (club and social)	2,000	<ul style="list-style-type: none"> Growth is inhibited by lack of indoor court capacity Lack of capacity all year round, seasonal demand for volleyball does not vary for social leagues Low roof height is a constraint in all school venues.

⁹ Opus International Consultants (2014) *HCC Indoor Facility Review*

¹⁰ Cameron, M.P., Jackson, N., and Cochrane, W. (2014) *Baseline and Stochastic Population Projections for the Territorial Authorities of the Waikato Region for the Period 2013-2063*

¹¹ Opus International Consultants (2014) *HCC Indoor Court Facility Review*

¹² Hamilton City Council (2007) *Needs Analysis for the Evaluation of Indoor Recreational Sporting Facilities*. Undertaken by Arrow International

¹³ Hamilton City Council (2011) *Sports & Recreation Facilities Review*. Undertaken by N-Compass

¹⁴ Hamilton City Council (2011). *Sports & Recreation Facilities Review*. Undertaken by N-Compass

¹⁵ Note: Numbers differ to those presented in the Needs Analysis which included all school league and social league participants

Hub Potential

It is recommended that the proposed facility is located in the vicinity to other community facilities and amenities. This includes sports fields, aquatic facilities, schools, community centres, shops, cafes, and parks. Research by McCormack et al. has found that good access to a mix of nearby recreational opportunities, raises awareness and increases use of recreational facilities, achieving higher levels of physical activity participation¹⁶.

Linkages

It is recommended that the proposed facility is located in an area with good public transport links, safe walking and cycle ways connections and suitable car parking. The catchment area for community indoor recreation centres is generally estimated to be within a walking distance of 800m, 5km bike ride or a 15 minutes' drive.

People are more likely to use a facility which is easily accessible to them, either by foot, car or public transportation. If possible, walking and cycling should be encouraged to promote physical activity and to minimise the impact on the road network, and minimise the requirements for car parking at the destination.

Infrastructure

It is recommended that the proposed facility is located where there is existing capacity within all infrastructure networks, including existing car parking facilities. It is estimated that a four court indoor recreation facility is likely to attract more than 200,000 visitors every year¹⁷. This will put additional pressure on existing infrastructure including water supply, waste water, storm water and road networks. Furthermore, if the appropriate three waters and roading infrastructure exists at the chosen site, there will be less financial commitment required by HCC.

¹⁶ McCormack, G.R., Giles-Corti, B., Bulsara, M. and Pikora, T.J. (2006) *Correlates of distances travelled to use recreational facilities for physical activity behaviours*. Int J Behav Nutr Phys Act. 2006; 3: 18. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1557534/>

¹⁷ Using historic visitor usage data the 2014 Opus report assumed the Te Rapa Sports Drome (two court facility) attracts around 115,000 visitors per year.

Future Proof Potential

To ensure the city has adequate recreational infrastructure it is recommended that the proposed facility can accommodate a minimum of four courts now, with potential for expansion in the future. It is also recommended that the facility is designed with an ability to adapt to changes in user demands and requirements such as changes to the demographic profile and participation trends of the community.

Hamilton's population is projected to increase by more than 29% over the next thirty years⁹. The demographic profile of the city is expected to change towards a more ethnically diverse population and an increase in people in the 65+ age range. This will change the demand for facilities. Recent trends show an increasing preference for indoor sports, and for playing new versions of outdoor sports indoors¹⁸, and alternative sports (i.e. futsal, indoor cricket). All proposed facilities should be designed to accommodate these changes in participation and activity.

Partnership

It is recommended that HCC specify their requirements for community access to the facility in any partnership agreement with the preferred partner(s). Facility partnerships are increasingly being considered to meet the sporting and recreation needs of both the wider community and students¹⁹. When reviewing potential partnership options it is recommended that consideration is given to the following:

- Build trust
- MoU and or ToR at an early stage
- Community use vs partner use
- Operational budgets and funding models
- Long term asset management and planning
- Value proposition
- Funding Plan
- Strategic vision and business plan.

¹⁸ Sport NZ (2014) *National Indoor Facilities Strategy*. Undertaken by Aurecon

¹⁹ Sport NZ (2011) *Territorial Authorities / School Facilities Partnerships – A Guide*. Undertaken by Visitor Solutions.

The most cost effective opportunity to maximise partnership benefits starts in the very early planning stages. It is essential that robust planning, modelling and negotiation take place prior to any design process beginning. Investing time and money in planning will return significant capital and operational benefits. With any partnership, a well-documented and considered partnership agreement is important. This sets out the responsibilities and expectations of each partner, and can be used as a reference point if conflict occurs.

To ensure the facility contributes to the wider community well-being of the city, it is recommended that the partnership model enables HCC to monitor performance against Key Performance Indicators for visitor numbers, community based programming and financial management. Opus completed an Aquatic Facilities Service Delivery Review for Hamilton City Council in 2015²⁰. The Review highlighted the importance of understanding and agreeing on the key drivers prior to deciding on the appropriate model. HCC's key driver is community access. Because community access is the key driver, this may affect the way the user fees are set, and the financial targets for the facility. The development of Memorandum of Understanding or Terms of Reference documents at the early stages of facilities planning will ensure that the partners have a common understanding of the partnership vision, and their roles and responsibilities in achieving that vision.

Cross boundary partnerships

It is recommended that HCC engage with the cross-boundary councils to gauge interest and to establish cross boundary community benefits. Three of the four proposed sites have a catchment area extending into neighbouring districts (Waikato DC, Waipa DC and Matamata-Piako DC). A cross-boundary partnership may be in the form of service level agreement, funding contribution or sharing of resources such as providing staff and expertise.

Commercial Partnership

Partnering with a commercial entity may provide both capital investment as well as operational expertise. A commercial partnership can work if the contract terms are well-defined and measurable. Although a commercial entity will have

a stronger financial focus, delivery on key community outcomes can be built in to the Key Performance Indicators of the contract.

There is currently a limited market in New Zealand for commercial operational management of sport and recreation facilities. CLM and YMCA have a long track record of facilities management throughout the country, and most recently Belgravia was awarded facilities management contracts for Auckland Council's Leisure Facilities.

Education Provider Partnership

An education partnership presents benefits such as high utilisation (educational use during the day, community use at night time and weekend) and significant cost savings through integrated maintenance and asset management of the facility. However, there is a risk of education demands for court time taking preference over community use. Educational facilities will also require controlled access for security reasons, which may lead to limited community access during the day.

Strategic Alignment

It is recommended that the proposed facility for Hamilton, is considered in the context of these strategies, and in particular how it relates to the Waikato Regional Sports Facility Plan and the Hamilton Plan.

To ensure new facilities are built to meet the current and future demands of the community, a network approach is recommended. Hamilton's sport and recreation facilities network should be guided by the Hamilton Plan²¹, the Waikato Regional Facilities Plan²², and the National Indoor Court Facility Strategy²³.

The **Hamilton Plan** has one of its ten priority areas; *Waikato is the capital of high performance sport*. This means that 'Hamilton has a commitment to community sport', and that 'participation in organised and recreational sport increases'. The contribution towards the development of a new four court indoor recreation facility will enable increased participation in community sport at grass-root level, as well as providing training facilities for our future high performance athletes.

²⁰ Opus International Consultants (2015) *Service Delivery Options Report for Hamilton City Council*

²¹ Hamilton City Council (2015) *Hamilton Plan*

²² Sport Waikato (2014) *Waikato Regional Sport Facility Plan*. Undertaken by Visitor Solutions.

²³ Sport NZ (2014) *National Indoor Facilities Strategy*. Undertaken by Aurecon

Key recommendations for indoor court provision in Hamilton from the **Waikato Regional Facilities Plan** are:

- Develop (ideally in partnership) two 4-5 court facilities with one being located in the north-east of the city (which will also serve Waikato District Council, Waipa District Council and Matamata Piako residents);
- Explore opportunities with schools and tertiary institutions;
- Investigate facility partnerships with high schools to optimise existing assets; and
- Maintain and where possible optimise existing assets.

The **National Indoor Facilities Strategy** recommends that facilities are designed and managed to maximise utilisation and access opportunities, to cater for an increasing number of different sporting codes and have the ability to adapt to changing participation trends, and investigate opportunities for potential linkages to expand services offered including those of tertiary education. Furthermore the Strategy recommends that any new development compliments and supports the existing network, and that the development of facilities needs to be focused on the functional capacity required in that component of the network.

EVALUATION

Table 2: Rototuna Junior and Senior High School

Key Criteria	Opportunities	Risks or Limitations
1. Community Access	<ul style="list-style-type: none"> • Current Ministry of Education (Ministry) proposal is a 2 court facility located in the senior high school which will be in completed March/April 2017. The additional 2 Council courts will increase size of facility to 4 courts. • 2 of the 4 courts will be available for 100% school use during school time (7.30am to 5.00pm, Monday to Friday) • 2 of the 4 courts will be available for 100% community use during school time (7.30am to 5.00pm Monday to Friday) unless the school has booked the full complex for a special event. • All 4 courts will be available for community use outside of school hours (after 5.00pm school days and 7.30am to 10pm at other times – non-school days). • School usage may be lower during the school holidays. It is expected the school courts will be available for community use during these periods. • The starting 2016 junior high roll is approximately 600 students. The junior high is currently designed for a maximum roll of 1,200 students. The senior high starts with year 11 students in 2017 and is designed for a maximum roll of 800 students. • The maximum number of students the site can accommodate is 2,500. It is unknown when this roll will be achieved. Current designation limits roll to 1,650 until Borman Road extension is completed. 	<ul style="list-style-type: none"> ✓ There is limited risk to community access as: <ul style="list-style-type: none"> - The school will have exclusive access to 2 courts from 7am to 5pm Monday to Friday and possibly at weekends (to be discussed and agreed with school). - The Community will have exclusive access to the other courts seven days per week. - The school can book the full complex via the booking process detailed in the operating agreement. - The funding and operating agreement must detail the operating including booking protocols.
2. Affordability	<ul style="list-style-type: none"> ✓ Estimated cost of construction is between \$4.5M and \$5.5M. The actual cost will depend on the agreed scope, timing and contract arrangement. It is expected the cost will be lower if the additional courts are completed as part of Arrow's current contract. ✓ The Ministry will seek approval for additional funds to upgrade the school's proposed two courts to meet Council's regional sport specification (this funding has not been applied for to date). ✓ The Ministry funds routine maintenance via an annual property maintenance grant and capital maintenance on a 5 yearly basis via the ten year property programme process. There is no capital 	

Key Criteria	Opportunities	Risks or Limitations
	maintenance funding for the first ten years, refer draft funding and operating agreement for further detail. ✓ The design lifespan of facility will be at least 50 years.	
3. Timeframe	✓ Construction of the school's two courts is expected to start late 2016 and will be completed in early 2017. Design and construction of the additional two courts (if the partnership proceeds) can start as soon as Council confirm funding. If Council brings their funding forward to 2016/17 and 2017/18 it is expected the full facility will be completed by September 2017. ✓ The Ministry has advised the design of the proposed school gymnasiums is on hold until 31 March 2016 to allow Council to determine the preferred location of the community recreation centre. ✓ The land for the additional HCC courts must be pre-loaded prior to the facility being constructed. The Ministry have indicated they will undertake the pre-loading as part of the construction of the two school gymnasiums.	
3. Demand	✓ Demand for a facility in the North East of the city is supported by evidence in the Regional Sports Facility Plan and the HCC Indoor Court Facility Review (2014) completed by Opus. ✓ Rototuna and surrounding suburbs are in the highest growth areas of Hamilton and currently have capacity for over 4000 more houses (Refer: Appendix C and D). ✓ The maximum capacity of the Rototuna Junior and Senior High School is 2,500. The maximum roll is capped at 1,650 until the Borman Road extension is completed. ✓ Northern United Football Club (recently merged club) have indicated an interest in training at the proposed Rototuna sports fields. The club may utilise the facility particularly for Futsal and skills development. The club currently has 800 players (expected to increase 100+ with High school partnership) and also runs a Futsal programme that has doubled its numbers each year (expected to be 300+ in a year). ✓ The school development includes two theatres, a library, and music and performance spaces. These may be available for community use.	✓ Dependence on accessing facility by car (versus foot / bike), as current population live over 800m away, although this will change as area / infrastructure develops. There is now a bus stop on Borman Road near the school – recently added by HCC.

Key Criteria	Opportunities	Risks or Limitations
4. Hub Potential	<ul style="list-style-type: none"> ✓ Rototuna High School are also in discussion with HCC on other uses of the wider campus such as the shared use of the school's library and theatres. While there are no firm commitments are in place, these opportunities broaden the appeal of Rototuna's hub opportunity beyond sport and leisure to include information, arts, theatre and technology. ✓ HCC have long term plans for an aquatic facility (2025) and sports precinct (2020) to be constructed within the Rototuna town centre. ✓ Currently there are four schools and a number of early childhood centres within a 500 metre radius. 	<ul style="list-style-type: none"> ✓ Although area is to be developed as a sports –hub, the school is located 800 m away from planned community pool and town centre.
5. Linkages	<ul style="list-style-type: none"> ✓ Proposed new bus route – Borman Road (within 5 years). Note: Rototuna High Schools has secured an extension of the Rototuna Direct East and Rototuna Direct West services so that they now include Borman Road (http://busit.co.nz/Hamilton-routes/Rototuna-Direct). ✓ Walking and cycling routes are being developed as part of the wider Rototuna Town Centre development. There is an existing shared walk and cycle way to the school site. ✓ Current proposal for a Supermarket/petrol station to be built within 800m of the school site. 	<ul style="list-style-type: none"> ✓ Limited existing bus service although this will change as area / infrastructure develops however there a shared walk and cycle way to the school site – from both North City Road along Bourn brook road to the school AND via Chesham Street to the school (also links Te Totara and Hamilton Christian School).
6. Infrastructure	<ul style="list-style-type: none"> ✓ 200 carparks on site and 200 carparks planned to be built at Rototuna sports fields by HCC. ✓ 5 sports fields (Rototuna). 	<ul style="list-style-type: none"> ✓ Potential of insufficient car parking on site for larger events. Noted that larger events would most probably occur in the school holidays so less pressure on school car parking facility.
7. Future Proof	<ul style="list-style-type: none"> ✓ Facility can adapt and respond to changing demands (within the four court facility footprint). 	<ul style="list-style-type: none"> ✓ Site restricts further extension the 4 court facility, however as per previous research / reports submitted to HCC it is recommended that there is development of 2 separate facilities (with two alternative geographic locations) over the next ten years in Hamilton to meet Hamilton's forecasted population growth. ✓ Sufficient demand from school and local community.
8. Partnership	<ul style="list-style-type: none"> ✓ Significant strategic partnership between local council and central government. 	<ul style="list-style-type: none"> ✓ There is no preference from the school as to whom operates the facility – this would be negotiated as

Key Criteria	Opportunities	Risks or Limitations
	<ul style="list-style-type: none"> ✓ School has a willingness to investigate Trust governance model / or a suitable alternative model. ✓ Potential of cross boundary partnership due to location of the facility. Note: although meetings have been held with WDC there is no formal agreement regarding a cross boundary partnership for the facility. 	<p>part of the agreement (and out of the Trust or community governance model.</p>
<p>9. Strategic Alignment</p>	<ul style="list-style-type: none"> ✓ Project contributes to HCC's vision for a 'more attractive city for residents' with a growing population in the North East. ✓ Project contributes to the Regional Sports Facilities Plan which specifically identifies a need for a four court facility to the north-east of the city. ✓ Regional Sports Facilities Plan recommends school/council partnerships. 	

Table 3: University of Waikato

Key Criteria	Opportunities	Risks or Limitations
1. Community Access	<ul style="list-style-type: none"> ✓ Currently proposed to be a 2 court facility. Additional 2 courts will increase size of facility to 4 courts. ✓ Maximised shared use with student, club, school and community use during daytime, in the evenings and weekends to meet the needs of all groups and sporting codes (student roll is approx. 12,000). ✓ 2 courts will meet University needs. With 4 courts community and other stakeholders will be able to be accommodated on an ongoing basis. Other facilities are available on campus to accommodate demand at peak times. ✓ During non-teaching times community use will be able to be maximised for tournaments etc. ✓ Good links with local schools (including the five secondary schools in East Hamilton). This successful relationship is evidenced by use of the University pool. ✓ Successful Eastlink relationship currently exists as a partnership with the University and a project with Sport New Zealand, Sport Waikato and HCC. Note: This is an Active Communities project that concludes in July 2016 which has built a solid base for continued involvement. ✓ Programming of hours could occur using a similar model to other shared use facilities (for example the Avantidrome in Cambridge). 	<ul style="list-style-type: none"> ✓ Balance between UoW associated clubs and community usage will need to be maintained (To be negotiated and detailed in the 'Operation and Funding Contribution Agreement'). ✓ Balance between high performance and community usage will need to be maintained (to be negotiated and detailed in the 'Operation and Funding Contribution Agreement').
10. Affordability	<ul style="list-style-type: none"> ✓ UoW are planning to construct a 2 court facility, although the date of construction has not been confirmed. ✓ University may bring the indoor court facility project forward in its master plan with confirmation of HCC investment. ✓ Waikato University Combined Sports (WUCS) can access fundraising ✓ UoW would contribute to capital and operational costs (To be negotiated and detailed in the 'Operation and Funding Contribution Agreement'). 	<ul style="list-style-type: none"> ✓ Indicative costs for construction are not yet available. Cost of HCC is therefore uncertain. ✓ No evidence shown of capital commitment. ✓ Limited scope for commercial investment.
11. Timeframe	<ul style="list-style-type: none"> ✓ University has completed a Master Plan for the sports hub. ✓ Priority for the UoW is the construction of at least one artificial turf. ✓ UoW is involved in a multi-purpose facility in Tauranga. ✓ Project is included in the University's Capital Investment Plans without a specific timeframe / allocation of capital. 	<ul style="list-style-type: none"> ✓ No specific concept design completed for indoor recreation centre. ✓ No evidence of support from the University Council. ✓ Competing capital works priorities with the wider development plan for the UoW.
12. Demand	<ul style="list-style-type: none"> ✓ Planned sports hub, with the recreation facility being the main hub for the surrounding sporting infrastructure. Proposed sports include rugby, netball, futsal, hockey, basketball. ✓ Potential links with Sports Science and High Performance Sports. 	<ul style="list-style-type: none"> ✓ Limited population growth expected around the immediate vicinity of the University (low risk as forecasted demand for facility will be sufficient).

Key Criteria	Opportunities	Risks or Limitations
	<ul style="list-style-type: none"> ✓ International stakeholders (for example the "Game On" initiative on campus in 2015 with WRU and a Japanese University). ✓ Existing partnerships with High Performance (including existing with Avantidrome) and potentially new Regional sports. 	<ul style="list-style-type: none"> ✓ Note that nearby Ruakura growth cell Refer Appendix C - will have a significant population increase over time. ✓ Regional Sport Facilities Plan did not note a current gap in provision in the areas surrounding UoW. Note: as per the Opus report (2014) all Hamilton recreation facilities are at capacity during community use hours.
13. Hub Potential	<ul style="list-style-type: none"> ✓ Existing student accommodation on site that can be utilised for tournaments / events. ✓ Located adjacent to the Academy of Performing Arts and cultural facilities, and the Faculty of Education campus. ✓ Master plan sites indoor recreation facility near to artificial turfs (yet to be built) and existing netball courts, cricket nets, gymnasium and swimming pool. ✓ Existing University pool is in a HCC partnership pool for the next 3 years. ✓ Proposed Tanui commercial development may provide increased population growth / increased vacancies. 	
14. Linkages	<ul style="list-style-type: none"> ✓ Established bus / pedestrian and cycle ways linkages. ✓ East Link recreation facilities within walking distance approximately >800m. 	
15. Infrastructure	<ul style="list-style-type: none"> ✓ Existing capacity within water and wastewater network. ✓ Existing car parking. 	<ul style="list-style-type: none"> ✓ Potentially limited capacity within Stormwater network (can be managed).
16. Future Proof	<ul style="list-style-type: none"> ✓ Potential to add further courts. Note: Master plan currently proposes four courts, however there is enough room to build six courts. 	<ul style="list-style-type: none"> ✓ Limited potential for expansion on the proposed site beyond six courts. However other sites could be considered.
17. Partnership	<ul style="list-style-type: none"> ✓ Existing partnership with HCC (Partner Pool and Gallagher Academy of Performing Arts) ✓ No joint ownership (University would prefer to own) ✓ U-Leisure could potentially provide operational management of the facility however the UoW are open to other operators. ✓ University of Waikato combined sports will have a vested interest 	<ul style="list-style-type: none"> ✓ No potential partners confirmed.

Key Criteria	Opportunities	Risks or Limitations
	<ul style="list-style-type: none"> ✓ Potential of cross boundary partnership due to location of the facility. Note: although meetings have been held with WDC there is no formal agreement regarding a cross boundary partnership for the facility. 	
18. Strategic Alignment	<ul style="list-style-type: none"> ✓ Project contributes to HCC's vision for a 'more attractive city for residents'. ✓ New road links make South East location accessible to the North East. ✓ Support from Vice Chancellor on the position of sport which is evidenced by existing strategic partnerships and the UoW commitment to sport (policy / financial). ✓ Indoor Recreation Centre aligns with UoW objectives. ✓ Tertiary institution's assets can be used seven days a week all year round. 	

Table 4: Waikato Institute of Technology (Wintec)

Key Criteria	Opportunities	Risks or Limitations
1. Community Access	<ul style="list-style-type: none"> ✓ Currently proposed to be a 4 court facility, with potential to be extended to a 9 court facility. ✓ 2 of the 4 courts will be available for community use 100% of the time and the other 2 potentially 100% of times from 5.00pm onward weekdays and most weekends. ✓ Campus currently has 2000 students, and this number will increase gradually over time. ✓ 100% availability for community access / tournaments / events during student breaks (Nov, Dec, Jan, Feb). 	<ul style="list-style-type: none"> ✓ Facility may have minimal use during the day due to current student numbers / limited number of surrounding residential housing Note: population / infrastructure in this area will increase / develop over the next ten plus years.
2. Affordability	<ul style="list-style-type: none"> ✓ Estimated construction costs of a 4 court facility - \$7.5M. ✓ Estimated 18 months to design / build facility (9 month build). Wintec to provide in kind project management services. ✓ Wintec indicated they would provide an indication of a potential capital contribution when HCC shows their commitment to the project (i.e. brings forward funding in the Long Term Plan). ✓ Wintec Council has retained a parcel of land solely for recreational purposes. ✓ Facility has potential for further revenue generating additions and services – for example, a climbing wall, and a retail food outlet. Proposed that the facility will be operated on a user’s pay system. ✓ Existing Trust who can approach / access charities for funding. ✓ Indicated there is an interest from potential philanthropic funders. ✓ Indicated there is potential for investment from professional sporting bodies and commercial operators. ✓ Lifespan of facility will be constructed to at least 50 years. 	<ul style="list-style-type: none"> ✓ No evidence shown of capital commitment other than land provided free of cost. ✓ Commercial operator, sports organisations, potential partners and additional services not yet confirmed.
3. Timeframe	<ul style="list-style-type: none"> ✓ Feasibility work undertaken on 9 court facility. ✓ Developed concepts and consultation has been undertaken for a first-stage 3 court facility towards the 9 court requirement. 	<ul style="list-style-type: none"> ✓ General timeframes provided for the delivery of the facility (design/ construction). ✓ Competing capital works priorities with the wider development plan for the Wintec.
4. Demand	<ul style="list-style-type: none"> ✓ Plans to develop Rotokauri Town Centre, currently 1300 lots being developed (2015 – 2020) Ref: Rotokauri Structure Plan. ✓ Population of residents in planned Rotokauri town centre yet to develop. ✓ Wintec positive about adapting site / facility to user demand / trends (i.e. climbing wall, swimming pool, fitness centre etc). 	<ul style="list-style-type: none"> ✓ Dependence on accessing facility by car (versus foot/bike), as current population live over 800m away, although this will change as population grows, area develops and public transportation options are increased.

Key Criteria	Opportunities	Risks or Limitations
	<ul style="list-style-type: none"> ✓ Wintec open to facility having commercial use (medical centre, fitness centre, Pilates / café etc). 	<ul style="list-style-type: none"> ✓ Rotokauri growth cell has yet to be developed, although 1300 lots are currently being developed in stages (2015 – 2020). Ref. Rotokauri Structure Plan. ✓ HCC has increased the boundaries of Rotokauri, and have not allocated funds for infrastructure development. ✓ Limited evidence of established relationships with local schools.
5. Hub Potential	<ul style="list-style-type: none"> ✓ Wintec land available to build a wider Regional Sports Facility that combines: sports fields, athletics track and pool. ✓ Recent interest from a commercial swimming pool operator. ✓ Sport Waikato Sports House and Biokinetic clinic on site, and cafes and shops nearby. ✓ Ongoing conversations regards facility use with Regional Sports Organisations. 	<ul style="list-style-type: none"> ✓ Limited existing facilities. Note: population / infrastructure in this area will increase / develop over the next ten plus years. ✓ Commercial operator, sports organisations, potential partners and additional services not yet confirmed.
6. Linkages	<ul style="list-style-type: none"> ✓ Regular bus service. ✓ The Base shopping complex. 	<ul style="list-style-type: none"> ✓ Limited pedestrian access and cycle ways however RSP provides for these in line with town centre growth.
7. Infrastructure	<ul style="list-style-type: none"> ✓ Recently opened a further 330 car parks in close proximity to the allocated site. ✓ Development of a comprehensive ICMP – 12 months including the consideration of a Green Corridor. Rotokauri infrastructure upgrades and expansions planned for 2018-25 (Wastewater and storm water). 	<ul style="list-style-type: none"> ✓ Peat Soil conditions on site can be challenging for storm water management.
8. Future Proof	<ul style="list-style-type: none"> ✓ Potential for 3 - 9 courts. ✓ Flexibility with design, timeframe and partnership structure. 	

Key Criteria	✓ Opportunities	Risks or Limitations
9. Partnership	<ul style="list-style-type: none"> ✓ Cross boundary partnership opportunities. ✓ In favour of a Trust ownership and governance model. ✓ Wintec do not want to operate the facility or own the building, and would prefer operation by commercial operator. 	
10. Strategic Alignment	<ul style="list-style-type: none"> ✓ Project contributes to HCC's vision for a 'more attractive city for residents'. ✓ Potential for competition grade facility which can attract visitors and economic growth to the city. ✓ Facility would provide for high performance and community sport. 	

Table 5: Te Rapa Sports Drome

Key Criteria	Opportunities	Risks or Limitations
1. Community Access	✓ 100% community use.	
2. Demand	✓ Existing user groups.	✓ Limited existing population within 800m: 2000. ✓ Limited growth expected.
3. Hub Potential	✓ Adjoining existing sports fields with playground.	✓ No other community facilities or amenities.
4. Linkages	✓ Pedestrian access from residential areas and neighbouring schools. ✓ Bus service.	
5. Infrastructure	✓ Existing water and wastewater capacity	✓ Limited car parking.
6. Future Proof	✓ Ability to adapt with changing demands.	✓ Limited potential for expansion.
7. Partnership	✓ HCC owns the facility outright. ✓ Potential third party investment by commercial operator.	✓ Potentially limited commercial interest in aging facility in average condition.
8. Strategic Alignment	✓ Facilities Plan recommends maintaining existing facilities.	✓ Limited potential for shared facility use. ✓ Limited potential for high performance sport provision.
9. Timeframe	✓ Flexible.	✓ Dependent on third party funding.
10. Affordability	✓ Relatively low cost.	✓ Potentially limited interest from third party and community funders.

CONCLUSION

There appears to be a misalignment between the HCC 10-YP funding priorities and the demonstrated demand for indoor recreation facilities. Research^{24, 25, 26, 27} has found that there is an immediate demand for an additional four courts in the short term, with another four courts required to meet long term demand. It is strongly recommended that HCC considers adjusting their funding schedule in the 10-YP to bring investment into alignment with the demonstrated demands of the community, and capitalise on the opportunities to enter into partnership with willing partners and external funders.

Stakeholder consultation has clearly demonstrated there are several willing partners, who are interested in collaborating with HCC to design and construct an indoor recreation facility. This is an opportunity for HCC to demonstrate they are willing to invest in the future of the city and provide for future generations. The prospect of investing in a shared facility at Rototuna, Wintec or UoW fulfils most of the key criteria. The key point of difference between these options and is the affordability, and proposed timeframe to construct the facility.

The three main key criteria are summarised under the respective entities. Based on the criteria assessment it is recommended that;

- HCC to bring funding forward in the 10-YP to align with demonstrated demand for an additional four court facility, and to capitalise on a strategic partnership that will benefit the City;
- HCC to partner with Rototuna Junior and Senior High Schools and contribute \$4.5 million to the four court facility. Council should partner to align with MoE construction timelines for completion of the full four court facility by 2017;
- HCC to work with University of Waikato to develop a feasibility study and business case for a new shared four court facility or an alternative sports facility on the UoW site;
- HCC to work with Wintec to develop a feasibility study and business case for a new shared four court facility or an alternative sports on the Wintec Rotokauri site.

²⁴ Hamilton City Council (2011) *Sports & Recreation Facilities Review*. Undertaken by N-Compass

²⁵ Hamilton City Council (2007) *Needs Analysis for the Evaluation of Indoor Recreational Sporting Facilities*. Undertaken by Arrow International

²⁶ Opus International Consultants (2014) *HCC Indoor Facility Review*

²⁷ Sport Waikato (2014) *Waikato Regional Sport Facility Plan*. Undertaken by Visitor Solutions.

Rototuna Junior and Senior High School

Figure 2: Rototuna Junior High School²⁸

Recommendation: It is recommended that HCC enters a partnership with Rototuna Junior and Senior High School.

Rototuna School met all three key criteria as summarised below.

1. **Community Access:** 2 of the 4 courts will be available for community use at 100% of the school day hours (8am till 4pm). All 4 courts will be available for community use outside of school hours (after 4.30pm school days and 8am to 10pm at other times – non-school days).
2. **Affordability:** Cost to HCC to design and construct \$4.5M (2016). Cost to MoE to design and construct is \$7M.
3. **Timeframe:** Detailed design is completed. Construction begins March 2016. Completion of all 4 courts is estimated to be in September 2017. MoE have requested that HCC make a decision on which partnership agreement and funding contribution by 31st March 2016.

Summary: MoE have already invested significant resources in the planning and design of the Rototuna high school facilities. HCC has also invested significantly in the design and construction of associated infrastructure (including roads and parks). Furthermore, the Rototuna Structure Plan will provide opportunities for an aquatic facility, sports fields and town centre.

²⁸ Image courtesy of. <http://rjhsblogdiary2015.blogspot.co.nz/search?updated-max=2015-06-21T11:30:00%2B12:00&max-results=7>

University of Waikato

Figure 3: University of Waikato Sports Precinct Master Plan²⁹

Recommendation: It is recommended that HCC continues to develop a working relationship with the University of Waikato and works together on the development of a feasibility study and business case for a new four court community indoor recreation centre. University of Waikato met one of three key criteria as summarised below.

1. **Community Access:** 2 of the 4 courts will be available for community use at 100% of the University day hours (8am till 4pm). All 4 courts will be available for community use outside of University hours (after 4.30pm school days and 8am to 10pm at other times).
2. **Affordability:** Cost to HCC to design and construct: Undisclosed. Cost to University of Waikato to design and construct is: Undisclosed.
3. **Timeframe:** Initial feasibility is completed. Partial funding has been allocated. UoW's proposal to develop a sporting precinct on campus has been approved by their governance Board. UoW is ready to commence detailed planning and construction, depending on funding being available.

²⁹ Image courtesy of. Visitor Solutions & Chow Hill. University of Waikato Sports Precinct Master Plan

Summary: This site meets most of the requirements for a community facility and partnership with HCC. It is located in an area with an established population, good transport links and community access, and provides excellent hub opportunity, including accommodation for large events and sporting camps.

Waikato Institute of Technology (Wintec)

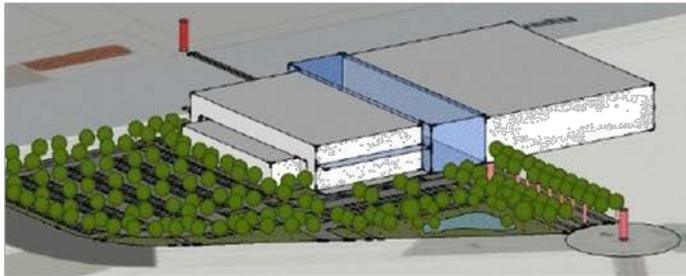


Figure 4: Plans for Indoor Recreation Centre at Wintec³⁰

Recommendation: It is recommended that HCC continues to develop a working relationship with the Wintec and works together on the development of a feasibility study and business case for a new four court community indoor recreation centre. Wintec met one of three key criteria as summarised below.

1. **Community Access:** 2 of the 4 courts will be available for community use at 100% of the Wintec day hours (8am till 4pm). All 4 courts will be available for community use outside of Wintec hours (after 4.30pm school days and 8am to 10pm at other times).
2. **Affordability:** Cost to HCC to design and construct: Undisclosed. Cost to Wintec to design and construct is: \$7.9M (2012 Estimate).
3. **Timeframe:** Initial feasibility and concept design is completed. Partial funding has been allocated (although amount undisclosed). Wintec is ready to commence detailed planning and construction, depending on funding being available.

Summary: The Wintec proposal would provide a high degree of community access to the facility. They have existing infrastructure in place, and are willing

³⁰ Image courtesy of: <http://www.infonews.co.nz/news/cfm?id=63031>
³¹ Hamilton city Council (2015) Infrastructure Strategy 2015-45

to consider opportunities to value-add and revenue generating activities (i.e. physiotherapy, childcare facilities, cafes, fitness centre). The Wintec site has existing facilities, however the development of the Rotokauri Town Centre and the wider development of sports and recreation facilities on site are 10 years away as noted in the HCC Infrastructure Strategy³¹.

Te Rapa Sports Drome



Figure 5: Te Rapa Sports Drome³²

Recommendation: It is recommended that HCC continues to maintain the Te Rapa Sports Drome as a community facility.

1. **Community Access:** 4 of the 4 courts will be available for community use).
2. **Affordability:** Cost to HCC to design and construct: Estimated \$7M.
3. **Timeframe:** No feasibility or concept design has been undertaken due to the state of the facility, and the restraints of the site.

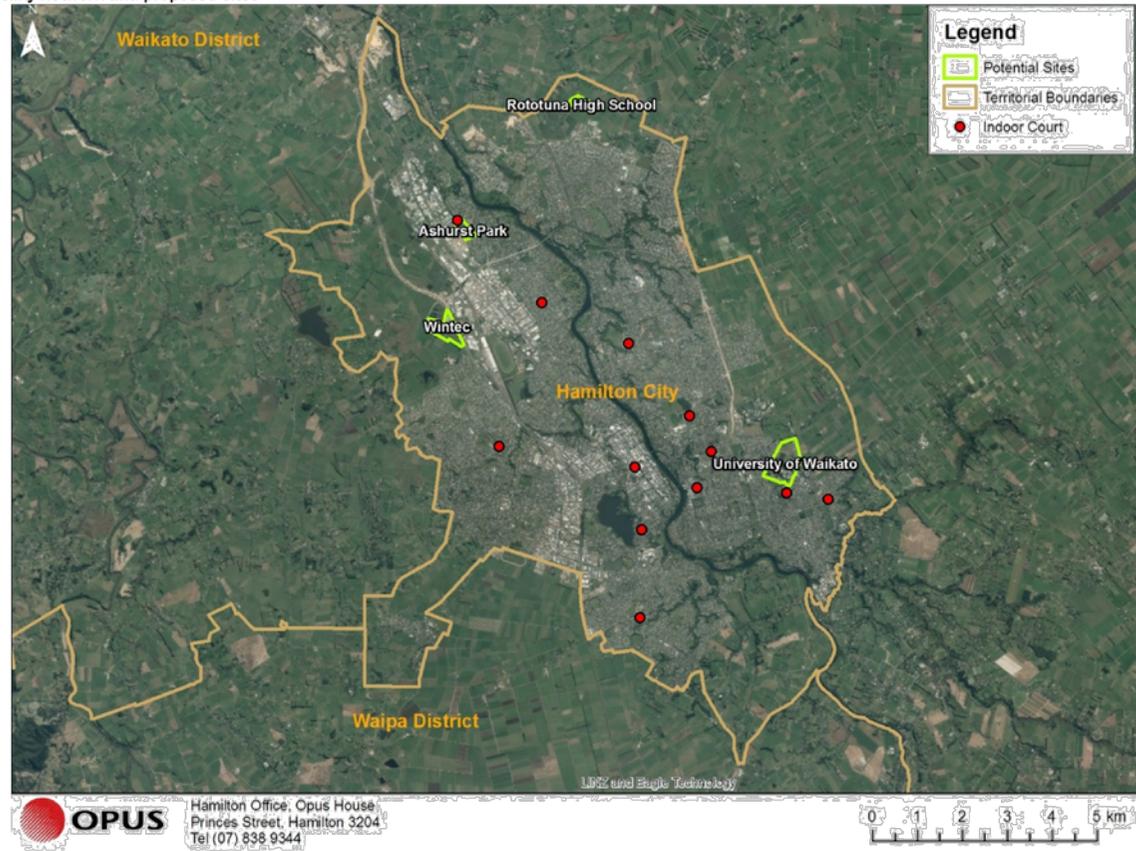
Summary: The Te Rapa Sports Drome is an aging facility in average condition. There is limited potential for commercial or other third party investment or partnership, and therefore the site was therefore excluded as a possible option. The Sports Drome is located in an area with limited or no growth projected. Te Rapa Sports Drome does not have any existing concept plans for the expansion, and further work is required before investment is needed.

³² Image courtesy of: Hamilton City Council.

APPENDICES

Appendix A – Indoor Recreation Facility Network

Figure 6: Indoor facility network and proposed sites



Appendix B – Public Transportation

Figure 7: Rototuna Bus Routes



Figure 8: Te Rapa Sports Drome Bus Routes



Figure 9: University of Waikato Bus Routes

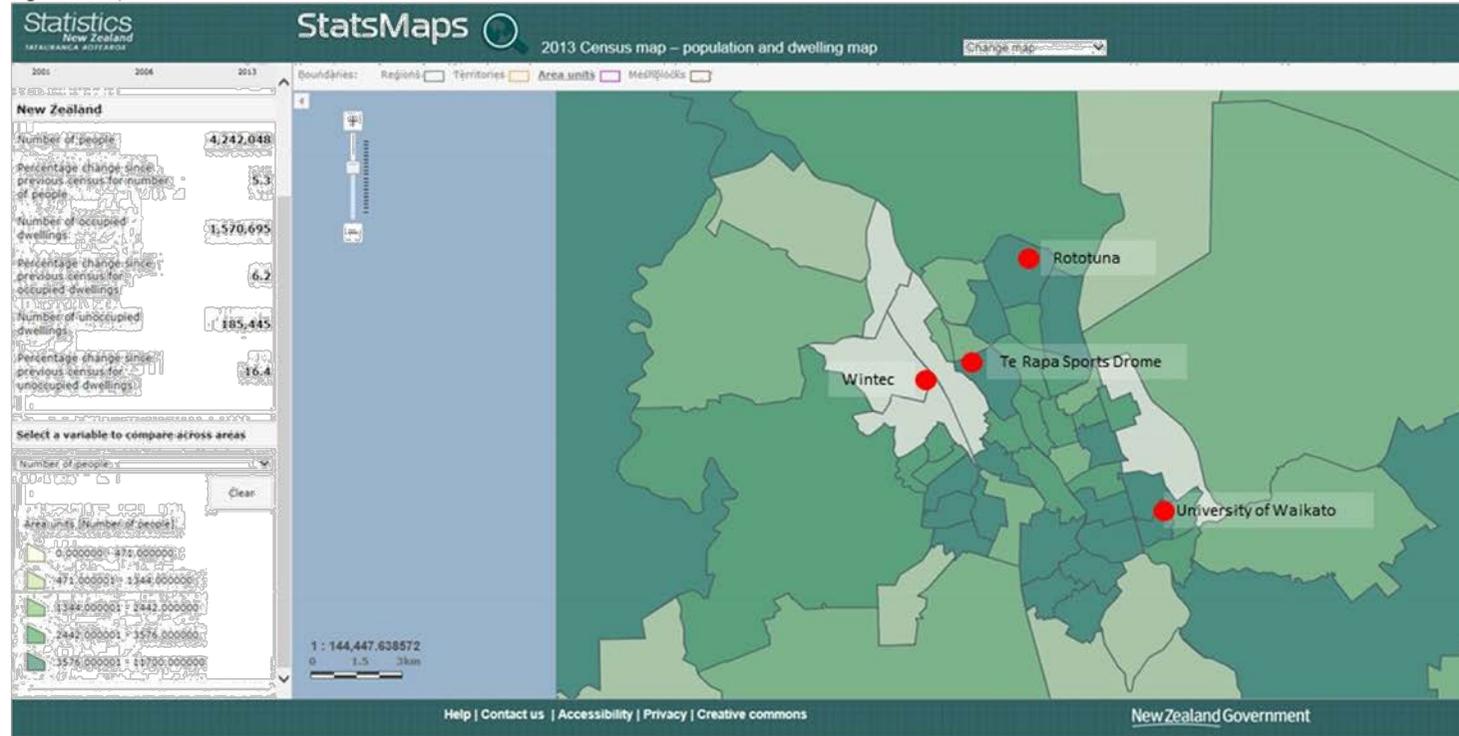


Figure 10: Wintec Rotokauri Bus Routes



Appendix C – 2013 Hamilton Population Density

Figure 11: Population densities Census 2013³³



³³ Statistics New Zealand StatsMaps <http://www.stats.govt.nz/StatsMaps/Home/Maps/2013-census-population-dwelling-map.aspx>

Appendix D – HCC Infrastructure Strategy Projected Growth Areas



Appendix E – Existing Infrastructure Network

Figure 12: Rototuna – Infrastructure network

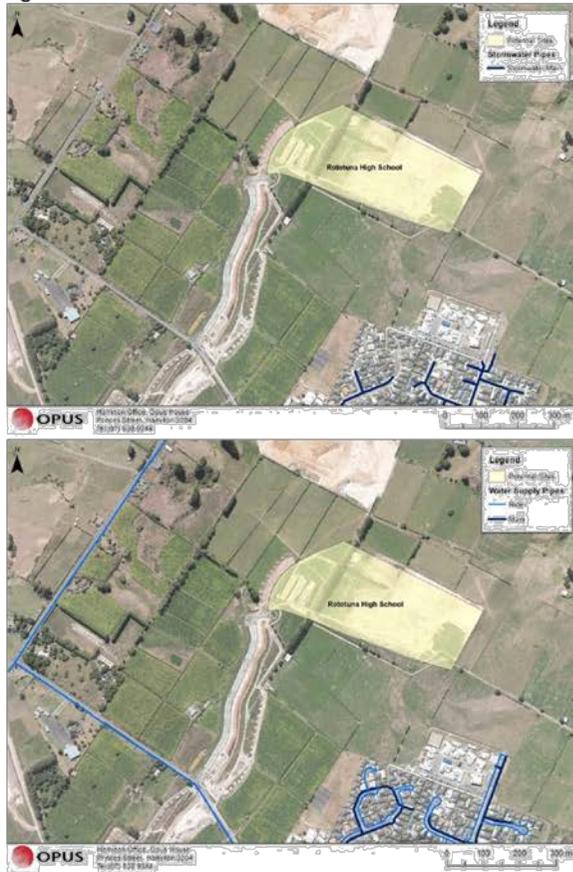


Figure 13: Te Rapa - Infrastructure network



Figure 14: UoW – Infrastructure network



Figure 15: Wintec Rotokauri – Infrastructure network



Appendix F – Visual Assessments

Visual receptors (within the site)	<ul style="list-style-type: none"> Difficult to assess potential visual receptors due to inability to access the Site (Site was under construction during the time this assessment took place). However, it can be assumed that any new recreational facility will be viewed by both the students and teachers of the new school.
Visual receptors (beyond the site)	<ul style="list-style-type: none"> Visual receptors beyond the Site can be broken into two groups: existing visual receptors who view the Site today and future visual receptors who will reside in the area once development is complete. Presently the Site is very open, however, this may change in time, given the extensive amount of development planned for the area. The surrounding roads (Kay Road and Horsham Downs Road) are elevated and provide broad sweeping views of the Site. Any new facility or addition to the existing facility, it would be viewed amongst the existing educational context of the Site so would not appear out of place.
CPTED	<ul style="list-style-type: none"> It is difficult to assess potential CPTED issues due to inability to access the Site (Site was under construction during the time this assessment took place). However, having a facility combined with a school premise should provide surveillance and security during school hours.
URBAN DESIGN ASSESSMENT CRITERIA	
Functional and iconic potential	<ul style="list-style-type: none"> This site has the potential to be of a premier status given the 'greenfields' type development. Future development will not be restricted by existing built form/recreational facilities.
Supporting community cohesion	<ul style="list-style-type: none"> Location requires more detailed investigation. However, would support with Rototuna High School (currently under construction) and Te Totara Primary School and Hamilton Christian School (both existing) being close neighbours. Likewise, would support the planned development for the new town centre, aquatic centre and Rototuna Sportsground.
Integrating all modes of movement	<ul style="list-style-type: none"> Anticipate pedestrian, cyclist and public transport facilities are being integrated into the proposed design for the wider area.
Maintaining local connectivity	<ul style="list-style-type: none"> Once the Hamilton Section of the Waikato Expressway is constructed, there will be easy access to the Site from the Resolution Drive Interchange.

TE RAPA SPORTS DROME	
Physical Address 41/73 Church Road, Pukete	
Legal Description/s Lot 1 DPS 38343	
District Plan Zoning Open Space Zone	
Area (m2) Existing facility 2,000m2 Potential to add another 1,500m2	
Aerial of site	
LANDSCAPE ASSESSMENT CRITERIA	
Landuse	<ul style="list-style-type: none"> The Site has four distinct zones – the entrance area, the parking and recreation centre, the sportsfields and the play area. The Park is home to a covered recreational facility (home to the Pukete Neighbourhood House), multiple volleyball courts, a cricket pitch, purpose built scooter track, flying fox, a small playground and a small community orchard. A recreational facility would be compatible with the existing landuse and could either be an extension of the existing facility or an additional facility within the wider Site.
Landcover	<ul style="list-style-type: none"> Dense vegetation on the north-west and southern perimeter of the Site would potentially have ecological significance. A range of treed areas with under-planting, amenity planting areas around the building and playground areas and hedging around the volleyball courts.
Landform	<ul style="list-style-type: none"> The majority of the Site is flat. However, it is situated at a much lower level than the steep entrance drive leading down from Church Road.

	<ul style="list-style-type: none"> The landform within the formal recreation area is primarily flat, requiring only limited earthworks to construct a suitable building platform.
VISUAL ASSESSMENT CRITERIA	
Visual receptors (within the site)	<ul style="list-style-type: none"> Both informal (e.g. sporadic play) and formal (e.g. organised group recreation activities) users of the Site.
Visual receptors (beyond the site)	<ul style="list-style-type: none"> The site is contained by the existing topography and dense vegetation immediately to the north-west and south of the Site, which reduces the viewing audience. Existing visual receptors beyond the Site include industrial warehouses to the south. Although this user would be able to clearly view any new facility or addition to the existing facility, it would be viewed amongst the existing context of the Site (existing built form, sportsfields, vegetation, parking etc.) so would not seem out of context. Neighbouring residential areas to the north-east of the Site would also view any change in the context of the existing recreational Site.
CPTED	<ul style="list-style-type: none"> Potential for CPTED issues around the existing building and car parking area given the Site is concealed and below road level. Limited visibility/surveillance from surrounding properties - except adjacent industrial businesses (however they may not share the same opening hours). Heavily vegetated pedestrian pathway leading into the Site – does not appear welcoming or overly safe and is not lit at night.
URBAN DESIGN ASSESSMENT CRITERIA	
Functional and iconic potential	<ul style="list-style-type: none"> The opportunity to extend the existing facility should be explored, however this needs to be carefully balanced with the idea that the park is unlikely to be a premier regional park due to its limited accessibility, size, location and existing facilities.
Supporting community cohesion	<ul style="list-style-type: none"> Location adjacent to Te Rapa Primary School and Ashurst Park Playcentre is a bonus. A short drive from the popular shopping hub of Te Rapa and The base. One of only a few recreational areas (apart from the Waikato River) in the area.
Integrating all modes of movement	<ul style="list-style-type: none"> Existing car park provision for approx. 78 carparks. Any extension would need to be carefully considered, as the layout in the south-west corner of the Site is restrictive. Bus stops on both sides of the road adjacent to the main entrance driveway. Separate paved pathway into the Site for both pedestrians and cyclists.
Maintaining local connectivity	<ul style="list-style-type: none"> One main vehicle access plus two pedestrian-only access points supported by a perimeter pathway. The eastern side of the park services the suburb of Pukete well, however the western side is disconnected from the surrounding community by industrial premises.

WAIKATO UNIVERSITY	
Physical Address 174 Knighton Road	
Legal Description/s Parcel ID: 4485196	
District Plan Zoning Knowledge Zone	
Area (m2) Total area 100ha, area for indoor facility up to 4ha	
Aerial of the Site	
LANDSCAPE ASSESSMENT CRITERIA	
Landuse	<ul style="list-style-type: none"> • The existing landuse of the Site is primarily educational, although there is some after-hours public use. The proposed facility would fit in well with the existing recreational purpose of the area. There is already an existing recreational centre on Site, accompanied by formal sportsfields and a swimming pool. • If the proposed facility goes ahead on this Site, the existing Recreation Centre could be re-purposed as another facility. • However, the layout, orientation and design of any additional built form on the Site needs to be carefully considered to understand the impacts of dividing up the existing open space. Once buildings are constructed the space may become less flexible, particularly for large scale events such as the Weetbix Triathlon or the Balloons over Waikato Night Glow (both of which currently happen at Waikato University on the sportsfields).
Landcover	<ul style="list-style-type: none"> • Landcover includes perimeter vegetation (single trees), amenity planting areas and clusters of trees with under-planting. There is a rather large area of vegetation in the middle of the Site.

	<ul style="list-style-type: none"> Any new facility could work in with this vegetation, using it to provide shade and to soften the effects of built form. However, potential CPTED concealment issues between the vegetated areas and the building would need to be understood.
Landform	<ul style="list-style-type: none"> The majority of the area proposed for development is flat and would require only limited earthworks to form a suitable building platform. The Site lies well to the sun (solar panel potential?), however may be quite exposed for people needing to walk the small distance from their car to the facility.
VISUAL ASSESSMENT CRITERIA	
Visual receptors (within the site)	<ul style="list-style-type: none"> Visual receptors within the Site vary greatly. The Site will be viewed from the formal sportsfields, passive recreation areas, surrounding high-rise accommodation blocks and some teaching areas. Raised mounds within the Site provide elevated views. Any new facility would be seen in the context of the existing built form of the university.
Visual receptors (beyond the site)	<ul style="list-style-type: none"> Visual receptors beyond the Site include users of Knighton, Ruakura and Silverdale Roads, who would view the facility in the distance. In addition, some of the residences along the western side of Knighton Road may also view the Site. The location of any new facility 'in the field' would want to be sympathetic to the Site architecturally.
CPTED	<ul style="list-style-type: none"> It is positive to have a new facility sited within an existing university campus as this will provide for surveillance and security. However, safety immediately around any new building and getting between the car parking areas and the facility (particularly at night) will need to be carefully considered.
URBAN DESIGN ASSESSMENT CRITERIA	
Functional and iconic potential	<ul style="list-style-type: none"> A new facility would complement the existing facilities already on Site. However, there is a danger that a new facility may be seen as being for university patrons only. However, good marketing could ensure it works in a similar situation to the pool, with public access promoted and encouraged. A new facility would work in well with the proposed artificial-turf development.
Supporting community cohesion	<ul style="list-style-type: none"> Great proximity to other university facilities. However, need to remember students are a very transient audience – university students move often.
Integrating all modes of movement	<ul style="list-style-type: none"> Good access by both pedestrians and cyclists. Private vehicles are catered for by both on-road parking and provision of separate car parking areas within the university campus. Public transport (buses) service the university frequently.
Maintaining local connectivity	<ul style="list-style-type: none"> Located almost on the existing eastern edge of town can be seen as a slight disadvantage. However, it would be hugely popular with students, some of whom don't own a vehicle. This is a good location to support the future development of the Inland Port within the adjacent Ruakura area. Once this is established, the University will not be on the edge of town.

WINTEC ROTOKAURI CAMPUS	
Physical Address <i>Akoranga Road</i>	
Legal Description/s Parcel ID <i>7460747</i>	
District Plan Zoning Major Facilities Zone	
Area (m2) <i>up to 2 ha available for Indoor recreation facility</i>	
Aerial of the Site	
LANDSCAPE ASSESSMENT CRITERIA	
Landuse	<ul style="list-style-type: none"> • Landuse in the existing area is primarily educational, with the wider Site being home to the Wintec Rotokauri Campus. There are multiple buildings of various sizes scattered across the Site, areas of amenity planting, two new pay-and-display asphalt carparks and multiple connections and linkages, to be expected of a large campus. • A recreational facility would generally be compatible with the surrounding educational landuse, although may have different hours of operation. The built form could mirror the architectural form of what is already on Site.
Landcover	<ul style="list-style-type: none"> • The Site proposed for a recreational facility is currently leased for dairy grazing and fenced off from the rest of the campus. • The Site is quite contained by vegetation, fencing, car parking and a series of smaller buildings. Large expansive pastoral areas lie beyond the Site to the south.

	<ul style="list-style-type: none"> There are at least two stands of mature trees (possibly Totara or Kahikatea with the occasional Eucalyptus) within the area proposed for the new recreational facility. Given these are on the perimeter, these not need be a hindrance, they could be factored into Site design.
Landform	<ul style="list-style-type: none"> The landform is primarily flat, requiring only limited earthworks to construct a suitable building platform. Stormwater treatment in the area is very obvious, with a large swale (currently a moat) treating the stormwater run-off from the carpark in the area between the carpark and the grassed field.
VISUAL ASSESSMENT CRITERIA	
Visual receptors (within the site)	<ul style="list-style-type: none"> Multiple visual receptors within the Site include people walking to and from classes and using the two new carparks. These viewers would view any new development in the context of the existing Site – e.g. it would be read as an extension of the existing environment.
Visual receptors (beyond the site)	<ul style="list-style-type: none"> Visual receptors beyond the Site are limited due to its remote location and the flat topography. Existing vegetation and built form provides a degree of screening. The main visual receptors include users travelling along the Site access road (Akoranga Road) and the farmer of the surrounding rural area.
CPTED	<ul style="list-style-type: none"> There is good visibility/surveillance during the day due to campus users. However, there is the potential for CPTED issues due to remote location of the Site and no provision for accommodation on Site. This means there is very little Site surveillance after hours.
URBAN DESIGN ASSESSMENT CRITERIA	
Functional and iconic potential	<ul style="list-style-type: none"> There seems to be plenty of land available to produce a facility in tandem with the Wintec Rotokauri Campus. Layout and orientation would not be restricted by the land available, which is positive.
Supporting community cohesion	<ul style="list-style-type: none"> The Site is disconnected from all public facilities and only connected to the polytech campus itself. There is one way in and one way out (for vehicles), which creates an issue of severance. The Site can also be difficult to get to if you haven't visited it before.
Integrating all modes of movement	<ul style="list-style-type: none"> The Site has limited pedestrian/cycle connectivity – although unlike vehicles, pedestrians/cyclists can access the Site directly from SH1/Avalon Drive. Public transport is limited to during campus hours. Car parking provision is greatly improved with the provision of two new pay-and-display carparks.
Maintaining local connectivity	<ul style="list-style-type: none"> The Site is particularly difficult to get to and at the present time is disconnected from the local community. You must cross or use SH1/Avalon Drive to get to the Site.



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Attachment 6: Event Sponsorship Fund PROPOSAL

Proposal

1. That the 2016/17 budget for Event Sponsorship Fund be increased by \$150,000.

Recommendation

- That the Council increase the 2016/17 Event Sponsorship Fund budget by \$150,000, to a total of \$373,000.

Background

2. The primary objective of the Event Sponsorship Fund is to sponsor events that deliver economic and/or community benefits to the city described as:
 - a. Major events of national and international significance
 - b. Events with longevity and an ability to grow that:
3. Deliver significant profile of Hamilton nationally and internationally which re-enforce the Hamilton proposition as a place to live visit and do business.
4. Provide significant new business opportunity for the city, notably through increased visitation (overnight) and the introduction of new money into the local economy.
5. The 10-year plan approved annual event sponsorship funding of \$223,000 (reduced from \$522,596 in 2014/15). Funding is allocated annually by the Event Sponsorship Subcommittee in accordance with the terms of reference.
6. In 2015/16, this budget was allocated primarily to three core events - Hamilton Gardens Arts Festival Balloons over Waikato and Hamilton Christmas activity, with smaller amounts contributed to to the UCI Track Cycling World Cup and the Gallagher Great Race.
7. Council also supported the FIFA Under-20 World Cup in Hamilton, with total funding of \$409,000 allocated from the three previous years' events sponsorship budgets.

Rationale for change

8. Major events are one of Hamilton's few saleable features to generate increased overnight visitation and spend into the city following significant past capital expenditure by Council in delivering venues and facilities that can target events business growth.
9. Since the 10-year plan budget was approved, staff have been approached about supporting a number of major events that they believe meet the objectives of the Event Sponsorship Fund, but which Council is currently unable to support due to the amount available in the budget. Opportunities could include international sporting events and nationally significant arts/cultural events that would attract new visitors to Hamilton and positively lift the profile of the city. The reality is that positive opportunities do arise and the council is no longer in a position to respond by providing support.
10. Also since the 10-year plan budget was approved, the public have become more aware of Hamilton's aspirations under the Hamilton Plan, specifically the River Plan and the Central City Transformation Plan. Staff believe that an increased Event Sponsorship budget would allow them to pursue events that supported these strategies.
11. In all cases, specific proposals would be brought to the Event Sponsorship Committee for approval.

12. Should the proposal for additional funding not be approved, Council will continue to support the three core events - Hamilton Gardens Arts Festival, Balloons over Waikato and Hamilton Christmas activity - but will be limited only to these.

Sponsorship Budgets for comparison:

Wellington	\$2.2m
Palmerston North	\$1.0m
Dunedin	\$840,000 (\$440,000 deployed by its venue management business)
New Plymouth	\$692,000 (excludes Venture Taranaki \$1.0m)
Tauranga	\$580,000
Porirua City	\$240,000
Hamilton	\$223,000 (current 10-year plan budget)

Financial Information

This proposal has been taken into account in the adjustments made to budget for 2016/17 and fits within the financial strategy.

10-Year Plan Budget

	\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue											
Operating Expenditure		(223)	(223)	(223)	(223)	(223)	(223)	(223)	(223)	(223)	(2,007)
Capital Expenditure											
Benefit/(Cost) to Council		(223)	(2,007)								

Budget adjustments

	\$000	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Revenue											
Operating Expenditure		(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(1,350)
Capital Expenditure											
Benefit/(Cost) to Council		(150)	(1,350)								

Attachment 7: Voluntary Targeted Rate for Sustainable Initiatives

REPORT

Author:	Julie Clausen Programme Manager Strategy	Authoriser:	Blair Bowcott Executive Director Special Projects
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1. Purpose of the report

- This report evaluates the introduction of an Energy Efficiency Voluntary Targeted Rate, as resolved at the Community Forum Sub-committee meeting on 19 August 2015.

3. Recommendations

- That Council does not introduce a Voluntary Targeted Rate due to the significant impact on its balance sheet debt over a 10-year period.

4. The Scheme

- A Voluntary Targeted Rate (VTR) is funding assistance that is permitted under the Local Government (Rating) Act 2002. Under the Act, a council provides a service and the cost of that service is progressively recovered from rates from the property that benefits from the service.
- The Energy Efficiency Voluntary Targeted Rate is a scheme where a council funds the up-front costs of installing energy efficient systems and products through borrowing, establishing a loan to the ratepayer that is recovered (with interest) through a VTR on the property over 10 years.
- Council usually determines the type of initiatives that will be funded and sets a list of preferred suppliers for each initiative. Criteria for the VTR are set by Council and applicants are assessed against the criteria.
- The rationale is that this type of scheme promotes energy efficiency benefits to the community by improving health outcomes for families at risk. The benefits for the home owner/occupier are a dryer, healthier home and the savings that arise from reduced energy and water bills.
- Hamilton City Council has considered this scheme previously and resolved not to implement it.
- In December 2015, staff conducted a survey of councils currently providing Energy Efficiency Schemes (Auckland Council, Bay of Plenty Regional Council, Dunedin City Council, Greater Wellington Regional Council, Hawkes Bay Regional Council, Marlborough District Council, New Plymouth District Council, South Taranaki District Council and South Waikato District Council). Based on the information provided by these councils we have determined the following:

Factor	Trend	Possible Impact for Hamilton
Number of ratepayers likely to sign onto a scheme	Across three years (2012 – 2015) there has been an average 0.8% uptake of the scheme per year.	In Hamilton, this would equate to an uptake of 391 dwellings each year.
Average value of loan	Varies depending on initiative: <ul style="list-style-type: none"> Clean heating - \$2,800 Insulation - \$2,000 Solar - \$6,600 Water - \$3,900 	Based on an average loan of \$3,000 and an uptake of 0.8%, the impact on the balance sheet would be an increase in debt of \$1.1 million each year .

Factor	Trend	Possible Impact for Hamilton
	Most councils set a cap of \$5,000.	Based on an upper cap of \$5,000 and an uptake of 0.8%, the impact on the balance sheet would be an increase in debt of \$1.9m each year .
10-year impact on debt	Based on loans being over a 10-year period.	At the end of year 10, based on an annual uptake of \$1.1m, the debt for the loan would be \$6m . At the end of year 10, based on an annual uptake of \$1.9m , the debt to for the loans would be \$14m .
Staff resources	Cost to administer - average 3 hours processing per application plus 3 hours to administer application and scheme giving a total 6 hours per application.	Based on 391 applications per year, this would require 1.5 FTE staff to resource the initiative.
Administration revenue	Most councils charge an administration fee of \$200.	Based on 391 applications per year, this would generate revenue of \$78,000 per annum.

11. Staff's assessment of the cost to administer this scheme are:

- Staff time to:
 - Consult on changes to the Revenue and Financing Policy (once only). This policy would need to be changed to include a VTR;
 - Select and manage the preferred suppliers for the various initiatives;
 - Assess applications; and
 - Manage the targeted rate.

This work would equate to an additional staff resources of 1.5 FTE.

- Annual debt increase between a range of \$1.1m to \$1.9m. Council would carry the loan on its balance sheet. After 10 years, the debt level to service the loans could be within a range of \$6m to \$14m, depending on uptake and on repayment plans agreed with applicants.
- Administration fee revenue of \$78,000 per annum would be collected to be offset against the cost of administering the scheme.

Attachment 8: Art Gallery Feasibility & Pool Space INFORMATION SHEET

Author:	Lance Vervoort – General Manager Community
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1. Art Gallery Feasibility Study

1.1. Purpose

- 1.2. To provide an update on the status of a feasibility study for an art gallery.

1.3. Background

- 1.4. The Arts Forum Advisory Panel provided a recommendation to the Strategy and Policy Committee in August 2015 that funding for an art gallery prefeasibility study is considered through the 2016/2017 annual plan process.
- 1.5. The resolution from the August Committee relating to the art gallery feasibility study is as follows:
- That staff liaise with the Arts Forum and Creative Waikato on pre-feasibility research for an art gallery, and report back on this matter before the 2016 Draft Annual Plan is adopted.*
- 1.6. Creative Waikato will facilitate the fundraising and commission of a feasibility study in liaison with Council and other interested parties Funds can be sourced from various funding sources. It is likely that all funding towards a feasibility study can be raised through external sources. Any contribution towards a feasibility study from Council is expected to be under \$15,000 and can be funded within Risks and Opportunities.

2. Pool Space

2.1. Purpose

- 2.2. To provide an update on short term pool space options.

2.3. Background

- 2.4. The resolution from the 25 February 2015 Council meeting is as follows:
- That staff report back prior to the development of the 2016/17 Annual Plan with options that include a response to short-term solutions relating to swimming capacity.*
- 2.5. Hamilton Boys High School has been added to the existing partner pool programme providing some additional community use hours over summer months.
- 2.6. As a result of the pipework renewal at Waterworld in 2016/17, the sides of the 50m pool will be raised and this will increase the water depth. This means the pool will be able to be used for a wider range of activities and sporting events.

Attachment 9: Financial Strategy

INFORMATION

Financial Strategy

1. The attached financial strategy graphs show the impact of the adjustments made to the 2016/17 budget.
2. The charts generally show an improvement of these key financial indicators over the 10-Year Plan forecasts.
3. Rates certainty is a key to the financial strategy. There have been no external factors that have changed that create a need to review this assumption.
4. The proposed 2016/17 budget changes fit within the financial strategy because of the following changes since the 2015-25 10-Year Plan:
 - 2015/16 financial performance has resulted in lower debt.
 - Higher than forecast growth in Hamilton is reflected in 2016/17 rates revenues \$0.5m higher than budgeted in the 10-year plan and 2016/17 Developer Contribution revenue \$2.0m higher than budgeted in the 10-year plan
 - 2016/17 Inflation is forecast to be lower than budgeted in the 10-year plan, resulting in savings of \$0.8m
5. Some proposals have multi-year budget implications and these have been taken into account in the financial model.
6. The adjustments fit within the financial strategy for 2016/17 and subsequent years.

Debt to Revenue %

7. The 10-Year Plan forecast the debt to revenue percentage at 203% for 2016/17.
8. Debt to Revenue is now forecast less at 198% for 2016/17.
9. The debt to revenue percentage has benefited by the overall reduction in debt from \$418 to \$402m and spending as a result of the adjustments made to the 2016/17 budget.

Balancing the Books

10. The 10-Year Plan forecast a Balancing the Books surplus of \$2m for 2016/17.
11. The Balancing the Books surplus is now forecast to be slightly greater at \$3m for 2016/17.
12. Given the size of Council's operating cashflows and the impacts of asset movements (additions, disposals and valuations) the surplus for the next three years are insubstantial.
13. The balancing the books surplus has benefited by the overall reduction in spending as a result of the adjustments made to the 2016/17 budget.

KEY INDICATORS - 2017 ANNUAL PLAN

SCENARIO Includes all recommendations

