Notice of Meeting:

I hereby give notice that a Public Excluded Meeting of the Council will be held on:

Date:	**Wednesday 6 December 2017**
Time:	**9.30am**
Meeting Room:	**Council Chamber**
Venue:	**Municipal Building, Garden Place, Hamilton**

Richard Briggs
Chief Executive

Council
OPEN AGENDA - 2/3
2018-28 10-Year Plan

Membership

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Vacancy

Quorum:	**A majority of members (including vacancies)**
Meeting Frequency:	**Monthly – or as required**

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Mayor's introduction

Introduction:

As Mayor of Hamilton, I have the opportunity and the responsibility to lead the 10-Year Plan process for Hamilton City Council. This report sets out my priorities for the next decade and proposes a draft budget to achieve those.

Through 10-Year Plan briefings and Council meetings over the past nine months, the Chief Executive and his team have made very clear the opportunities and challenges we face as a city and a Council.

This draft budget is my response to those opportunities and challenges. I have put a stake in the ground and encourage my Elected Member colleagues and the community to help shape this budget into what will become *our* plan for the next 10 years.

I fully expect that the draft budget we agree on at the end of this meeting will be different to that which I have proposed as a starting point. That is as it should be; that is democracy in action.

However, the one thing we cannot do is to make no decision at all. Rates rises are unpopular; limiting spending is unpopular; living off debt is unsustainable. Something has to give and it would be irresponsible to simply vote *against* everything.

I encourage other Elected Members to identify options to limit rates increases, provided they identify the corresponding reduction in spending. I welcome proposals for further investment, provided the impact on rates and debt is also acknowledged.

As leaders of this city, we have been granted the tremendous privilege of making decisions that will shape Hamilton for generations to come. We should be very humbled by this, but not overwhelmed. We need to approve a *draft* budget so that we can move to the next stage of the 10-Year Plan so that staff can prepare (and get audited) the consultation information that will enable us to consult the public on what they think. We will of course have plenty of opportunity for further debate after that, before we confirm our final plan.

In preparing for this budget I have remained focused on a number of key principles:

- That Council must meet its day to day costs from day to day revenues – that is not paying to run the city from debt.
- That Council should not abdicate its responsibility to sort its problems out today by leaving it to future Elected Members and future communities
- That we will strive to bring down debt
- That we will look after what we have
- That growth will pay for growth
- That we will enable the city to meet the challenges of growth

These principles are reflected in my key focus areas, which I have outlined below:

Key focus areas:

1. Embracing growth

Growth provides great economic, social and cultural benefit to the city. Hamilton has experienced unprecedented levels of growth in recent years and is forecast to continue that trend in the years ahead. More people want to live, work, visit and do business here; we have to embrace that for the long-term prosperity of Hamiltonians.

We have a historic opportunity to work with Central Government to unlock Peacocke and I want us to do everything we can to take advantage of that.

We have to provide strategic infrastructure for growth and that the Peacocke growth scenario is the most feasible and affordable option for us to meet the challenges of growth - there is nothing 'gold-plated' in this proposal.

The option put forward in this draft budget is the optimal investment required to meet the challenges of growth. Supply increases from Special Housing Areas have been factored in, and help us meet the short to medium term growth pressures. The minimum investment in Peacocke, as included in this draft budget, provides for the medium to long-term demand and enables us to meet Government expectations set through the National Policy Statement on Urban Growth.

It will also help to mitigate the negative impacts of not meeting growth demand; unmanaged growth will increase costs in the long term, lead to economic issues, social issues and reduce overall levels of service.

Regardless of whether the City grows through Greenfield or Infill development the core citywide networks carry a significant share of growth investment. The entire city must respond to growth - it is real and can't be avoided.

We want to ensure that developers, and those that benefit from growth, pay their fair share of growth costs. That means looking at options including:
- A faster transition to Capital Value rates
- Removing Development Contribution (DC) caps
- Removing DC remissions
- Including longer-term capital projects in DC calculations.
- Increasing rural rates to recognize Council's investment in planning for the future city
- Asking central government to allow Community Infrastructure to be eligible for Development Contributions

Growth is inevitable; growth is good for the city. If we do not invest wisely in growth now, it is going to cost us more later.

2. Creating a sustainable financial legacy

The Chief Executive told us in March this year that our everyday revenue was not covering our everyday costs of running the city. PwC advised that the gap this year is $12m; next year it will be bigger if we don't make the bold call to act now.

Don't be distracted by the various 'balancing our books' measures; whatever measure we choose to use, the real underlying issue is that we are using debt to fund day to day operations. If we continue to do that, we are sacrificing the ability to use debt to fund growth and community infrastructure now and in the future. We are also placing an interest burden on future years – currently estimated at a little over $3m per year. We also limit our ability to pay for the replacement of existing assets and reduce our resilience to respond to unforeseen events.

The first place I have looked to address this is limiting our expenditure. Those that know me well know that I am extremely cost-conscious; I have been through every aspect of this budget to understand the costs and to identify realistic opportunities for savings. Councillors also had the opportunity to consider further cost reductions through the business we are in briefings.

As part of this budget, the Chief Executive has committed to finding $5m savings per year and this is loaded into the budget. I have also challenged the Chief Executive, with Elected Member support, to deliver a further $5m in Year 2 and a further $5m in Year 3. This will result in a total enduring savings from Year 3 of $15m per annum (at least).

We have to face reality; there is huge upward pressure on our costs, as laid out in the attached report, and we simply can't avoid this. I know there will be consternation from some Elected Members that we have not gone hard enough on costs but I believe that the draft budget being considered today, is as lean as we can get it without making substantial service cuts.

Our rates are simply too low for a city of our size, and have been for many years, growing as fast as we are. Our rates are $400 - $950 per year lower than other growth councils and neighbouring councils.

Our average rates are $2,191. This is only slightly more than the average New Zealand household power bill which was $2,029 this year. Yet paying the power bill covers just electricity. Rates cover bringing water to the home, wastewater collection and treatment, rubbish collection, roads, streetlights, parks, libraries, community halls, playgrounds and more.

Our average general rates need to be approximately 15.5% higher than they are now to provide enough revenue to cover everyday costs, i.e. we will stop using debt to run the day to day operations of the city. If we want rates lower than that, then we will have to cut services or accept that debt keeps paying for everyday costs – cutting growth will not mean a lower rates increase.

Sometimes as city leaders we need to make unpopular calls that we know are right and I think this is one of those calls, we need to tackle our challenges head on and to increase rates, balance our books, and use debt for the right reasons from Year 1.

3. Looking after what we've got

We need to look after our existing assets. That means maintaining them properly, fixing them when they break and replacing them when they need replacing.

We need to prioritise our core infrastructure – our water and transport networks. These are the base necessities for the city to continue to prosper. In recent years, we have done a good job of investing in our water assets. We need to keep that up, and probably step that up, to ensure we continue to meet the demands of our community and regulators.

As we better understand seismic risk and asset condition, we may need to invest more in our existing assets to bring them up to an acceptable standard. We also need to catch up on the things we have let slide in the last three years.

The renewals and maintenance programmes included in this plan are a step up from previous years, as we commit to better looking after what we've got.

4. <u>Improving 'liveability'</u>

It is important that we have things that make the city a great place to live, work, play and visit and the community has high expectations in this regard. We also need to balance this with what is affordable and to take advantage of the opportunities we have to work with other partners and stakeholders in Hamilton.

I have listened to what our community has said and what Elected Members have said about improving liveability and the one constant is that no two views are the same!

I have a vision for a city everyone can enjoy – people with all manner of interests, of all ages, cultures and physical abilities. I have put forward a number of investment proposals that I believe will make the most difference to the most people. They include:

- The Waikato Regional Theatre
- Hamilton Gardens development
- Rototuna Public Square and Community Facilities Hub
- Garden Place development
- River Plan extension – Central City Park
- Playground development programme
- Pooches and Parks projects

I am also asking staff, when scoping such initiatives, to consider how concepts of 'universal design' can be used to ensure facilities are accessible to all and contribute to an 'age-friendly Hamilton'.

We also need to increase our investment in transport – to improve safety, provide better choice of transport options and to underpin our economic development; there is a significant programme of work proposed in the draft budget to address all these areas.

I have also asked staff to begin looking at, and experimenting with, alternatives to weed spraying.

5. <u>Reimagining Local Government</u>

There is always pressure on local government to keep costs down and we are no different. I have heard loud and clear that Elected Members and our community want us to keep costs down but not reduce our service levels.

The obvious target is for us to be more efficient with how we deliver services. But to make fundamental changes for how we can sustainably deliver our services, we need to think differently. Included in the draft budget is a proposal from the Chief Executive to 're-imagine' local government – to adopt innovative ways of doing business that transform the performance of the organisation.

That will require us to invest some money upfront to get sustainable benefits over time. The savings from this initiative will be used to pay down debt.

Additional items

Since the budget was closed for preparation of the attached report, I have asked staff to add or amend additional items to be considered at this meeting. These changes are not reflected in the draft budget in the report. These items are:

- A new proposal to sell St Peters Hall
- An updated option for the kerbside rubbish and recycling proposal
- A revision to the ArtsPost revenue proposal to limit the reduced commission rate to Hamilton artists only
- A revision to the Hamilton Gardens proposal to make entry free to Friends of the Garden.

Summary

Our city is growing, and how we manage this will define our future. This draft budget proposes the biggest-ever investment in our city - in new infrastructure, in safer and better roads, in community facilities and in the people that make these possible.

I think I have got the balance right but I stress that this is just the starting point. This now becomes *our* plan and *our* opportunity to shape a great river city.

Love Hamilton.

Andrew King
Mayor – Hamilton City Council

Section 1
Covering Report

SECTION 1

Covering Report

Committee:	Council	Date:	6 December 2017
Authors:	Sean Hickey and David Bryant	Authoriser:	Richard Briggs
Position:	General Manager Strategy & Communications; General Manager Corporate	Position:	Chief Executive

Report status:	*Open*

Purpose

1. To recommend to Council a draft 2018-28 budget.

Mayor's Recommendations

That the Council:

a) receives the report;

b) approves, for the purposes of developing the Consultation Document, the significant forecasting assumptions used in the development of the draft 2018-28 10-Year Plan set out in Section 1: Attachment 2;

c) approves the following financial strategy measures for the 2018-28 10- Year Plan:

   i. Debt to revenue ratio (calculated as described in this report);

   ii. Balancing the books (calculated as described in this report);

   iii. Rates increase limit (expressed as the percentage increase to existing ratepayers); and

   iv. Rates limit (expressed as a maximum portion of the rateable capital value of the city).

d) approves a maximum debt to revenue ratio target of 230% for the 2018-28 10-Year Plan;

OPERATING BUDGET

e) approves the Fees and Charges Schedule in Section 2, Attachment 12 of this report;

f) approves the draft operating budget for the 2018-28 10-year Plan, excluding consequences of other decisions at this meeting that have an operating budget impact.

RENEWALS AND COMPLIANCE/BUSINESS IMPROVEMENT CAPITAL PROGRAMME

g) approves funding provision in the draft 2018-28 10-Year Plan of $495.035m capital expenditure for Renewals.

h) approves funding provision in the draft 2018-28 10-Year Plan of $78.79m capital expenditure for Compliance and Business Improvement and $9.29m capital expenditure for community infrastructure not subject to a proposal.

GROWTH PROGRAMME

i) approves the Peacocke Scenario 4 as the preferred growth scenario and the basis for preparing the draft 2018-28 10-Year Plan and 2018-2048 30-Year Infrastructure Strategy;

j) approves capital expenditure of $813.3m over the 10 year period of the draft 2018-28 10-Year Plan (including inflation and net of subsidies) for provision of growth infrastructure;

k) notes that consequential operating expenditure to deliver the Peacocke Scenario 4 has been provided for in the draft 2018-28 10-Year Plan; and

l) notes that work will continue with Central Government on alternative financial interventions to fund strategic growth infrastructure in addition to the Housing Infrastructure Fund.

TRANSPORT IMPROVEMENT PROGRAMME

m) approves the funding provision in the draft 2018-28 10-Year Plan of $220m (gross) over the 10-year period for the Prioritised Transport Improvement Programme included in Section 3c, Attachment 1.

PROPOSALS

n) approves the following proposals to be included in the draft 2018-28 10-Year Plan budget:

1. Re-imagining Local Government

That the Council approves funding provision in the draft 2018-28 10-Year Plan of $3m over years 1, 2 and 3 (2018/19, 2019/20 and 2020/21) for the ‘Re-imagining Local Government’ programme.

2. Council Minimum Wage

That the Council approves a minimum wage equivalent to an hourly rate of $20.00 for all staff directly employed by Hamilton City Council, effective 1 July 2018.

3. ArtsPost Revenue

That the Council approves a reduction in the commission for ArtsPost shop and gallery sales from 46% to 25% for Hamilton-based artists producing unique artworks, effective 1 July 2018.

4. Digitise City News

That the Council approves the digitisation of City News and ceases publication of the hardcopy newspaper in July 2018.

5. Closure of i-SITE

That the Council:

a) approves the closure of Hamilton i-SITE, ceasing delivery of the service, effective 1 July 2018; and

b) notes that all associated costs (primarily staff redundancy) will be met in the 2018/19 financial year.

6. **Rubbish and Recycling**

That the Council:

a) approves a rubbish and recycling service, with a net estimated expenditure of $28.5m over the 10-Year Plan period, that is part funded through a user pays charge of $5 to put out 1, 2 or 3 bins and that the service delivered includes:

   i. wheeled bins for rubbish, recycling and food waste; and

   ii. weekly collection of all containers; and

b) notes that further work is required to confirm user pays costs and risks.

7. **Waikato Regional Theatre**

That the Council approves funding provision in the draft 2018-28 10-Year Plan as follows:

i. operating expenditure of $20m spread over Years 1,2 and 3 (2018/19, 2019/20, 2020/21) for a grant towards the construction of the Waikato Regional Theatre; and

ii. an annual ownership grant (for ongoing renewals and upgrades funding) for Momentum Waikato of $1.1m per annum for 20 years to commence following the opening of the Waikato Regional Theatre in July 2021 (Year 4).

8. **Pooches and Parks**

That the Council approves funding provision in the draft 2018-28 10-Year Plan for one new fenced dog exercise area and associated facilities as follows:

i. capital expenditure of $177,000 in the first year (2018/19); and

ii. consequential operating expenditure of $13,000 per annum from year two (2019/20) onwards to maintain the new facilities.

9. **Playgrounds**

That the Council approve a revised approach to playgrounds development and approve the provision in the 2018-28 10-Year Plan of $3m capital expenditure and $1.27m operational expenditure to deliver new or upgraded playgrounds over 10 years.

10. **Rototuna Town Centre – Community Facilities**

That the Council approves provision in the draft 2018-28 10-Year Plan to fund construction of a Community Hub/Library and Public Square and select a private partner to construct and operate a swimming facility as follows:

i. funding of $20m over Years 1,2 and 3 (2019/20, 2020/21, and 2021/22) of the 10-Year Plan to plan and build a Community Hub (with a library and community meeting space), carparks and public square in the Rototuna Town Centre; and

ii. preparation of a procedure for the selection of a private partner to construct and operate an aquatic facility including at a minimum a Learn to Swim facility on the designated aquatics site.

11. Hamilton Gardens Development

That the Council:

a) approves funding provision in the draft 2018-28 10-Year Plan of $18.273m (net capital and operating expenditure) for the development of 13 new gardens and associated infrastructure at Hamilton Gardens; and

b) approves an entry fee to the enclosed sector of Hamilton Gardens of $25 for non-Hamilton residents over the age of 18, beginning in 2018/19 with an exemption for members of the Friends of the Garden.

12. Garden Place Upgrade

That the Council approves funding provision in the draft 2018-28 10-Year Plan for a community led upgrade of Garden Place as follows:

i. capital expenditure of $3.95m over the first two years (2018/19 and 2019/20); and

ii. consequential operating expenditure of $44,500 per annum from year three (2020/21) in addition to the existing Garden Place operating and maintenance costs, to maintain the new assets following completion of the project.

13. River Plan Extension – Central City Park

That the Council:

a) approves funding provisions in the draft 2018-28 10-Year Plan for the development of a central city park between Victoria on the River and Embassy Park as follows:

   i. total capital expenditure of $20m in the first five years of the 10-Year Plan (2018/19 to 2023/24);

   ii. operating expenditure of $300,000 in Year 1 (2018/19) for development of a master plan for the urban park;

   iii. operating expenditure of $3m in Year 2 (2019/20) and $7m in Year 3 (2020/21) for removal of the buildings;

   iv. an allowance to write-off building assets of $4.55m in Year 2 (2019/20) and $8.45m in Year 3 (2020/21); and

   v. consequential operating expenditure of $55,000 per annum from Year 4 (2021/22) to maintain the new assets following completion of the project.

b) requests staff to report back to Council with a business case on the central city park development for consideration and approval;

c) approves an operating expenditure of $300,000 per annum for implementation of the Vegetation Management Plan; and

d) approves an operating expenditure of $300,000 in Year 1 (2018/19) for a feasibility study of a swimming area at Hayes Paddock and to further develop the City of Bridges plan.

14. Sale of Endowment Fund Property

That the Council approves the sale of two Municipal Endowment Fund investment properties physically located at 378 Wairere Drive and 49 Foreman Road, Hamilton, and legally described in the Schedule.

SCHEDULE:

First An estate in fee simple comprising all that land contained in Certificate of Title SA72C/595 South Auckland Land Registry legally described as Lot 4 Deposited Plan South Auckland 91882 comprising 7,655 square metres more or less and physically located at **378 Wairere Drive**, Hamilton (tenanted by **Online Security**).

Second An estate in fee simple comprising all that land contained in Certificate of Title SA70A/286 South Auckland Land Registry legally described as Lot 2 Deposited Plan South Auckland 88522 comprising 1.7112 hectares more or less and physically located at **49 Foreman Road**, Hamilton (tenanted by **Asaleo**).

15. Sale of Old St Peters Hall

That the Council approves the sale of Old St Peters Hall.

16. Immediate Transition to Capital Value Rating

That the Council, for the purposes of preparing a draft policy, approves:

a) changing to 100% capital value rating from Year-1 of the 10-Year Plan (2018/19); and

b) the introduction of a $500 uniform annual general charge per separately used or inhabited part of a rating unit (SUIP) from Year-1 of the 10-Year Plan (2018/19).

17. Targeted Rate for Development Ready Land

That the Council:

a) approves renaming the rural differential as “other”; and

b) approves changing the general rate other differential to be less than the residential rate by the estimated appropriate allocation of the water and wastewater portion of the general rate.

18. Development Contributions

That the Council, for the purposes of preparing a draft Development Contributions Policy, approves:

a) the removal of the CBD remission provision;

b) the removal of caps on development contributions charges; and

c) the introduction of development contributions charges for selected capital projects that have costs programmed outside the 10-Year Plan period.

FINANCIAL STRATEGY

o) approves the draft 2018-28 10-Year Plan budget including:

1. Total debt of ($m):

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
466	588	674	726	747	729	705	682	664	646

2. Debt to revenue ratio of:

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
166%	188%	214%	209%	208%	203%	192%	174%	160%	150%

3. Balancing the books result of ($m):

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
0.3	2.4	(3.7)	14.4	23.0	32.0	40.0	50.0	59.2	64.6

4. Average rates increase to existing ratepayers of:

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
15.5%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%

OTHER RECOMMENDATIONS

p) notes that staff will report back to the Council as part of the confirmation of the 2018-28 10-Year Plan on the changes to processes, delegations and reporting that would assist in the efficient delivery of the 2018-28 10-Year Plan capital programme. Changes would include but may not be limited to:

   i. implementing a 3-year portfolio approach and timeframe for the delivery of capital projects; and

   ii. managing and reporting the capital programme in categories that are under HCC control and capital expenditure that is dependent on a third party.

q) approves the addition of pre-formal engagement activity via the engagement approach outlined in paragraphs 133-138 of this report;

r) approves the proposed consultation period of 29 March 2018 to 30 April 2018;

s) requests the Chief Executive to prepare a draft Consultation Document on the basis of the approved draft 2018-28 10-Year Plan, noting that further budget adjustments will be made to reflect relevant Council decisions made prior to 27 March 2018 (including decisions on Founders Theatre, Shared Water Services and Aquatic Services to be considered on 12 December 2017);

t) notes that the Chief Executive will include in the draft Consultation Document for the 2018-28 10-Year Plan, alternative options for addressing the issues discussed in this report, including:

   i. an option to increase rates by 9% in Year 1, 6% in Year 2 and 3.8% thereafter and to continue using debt to help fund ‘everyday costs’ until Year 4 of the 10-Year Plan; and

   ii. an option to increase rates by 12% in Year 1 and 3.8% thereafter and to continue using debt to help fund ‘everyday costs’ until Year 4 of the 10-Year Plan.

Executive Summary

2. This report contains the draft 2018-28 10-Year Plan budget for consideration by Council. Following the adoption of a draft budget, staff will prepare a Consultation Document and underlying information by February to allow for auditing a head of formal consultation on the budget from March 2018.

3. The draft 10-Year Plan budget presented in this report has been developed based on discussions and feedback from elected members over recent months on:

   - Guiding financial principles for the 10-Year Plan
   - Financial Strategy and metrics review
   - Revenue and rating options analyses
   - Key forecasting assumptions including growth rates and greenfield sequencing.

4. There are four key issues identified as central of the development of this 10-Year Plan. Through the confirmation of a draft 10-Year Plan budget, Council will need to determine the response to these issues. Options to address each of these issues are available and presented in this report. The four issues identified are:

   - Council's everyday revenue is not enough to cover its everyday costs
   - Meeting Hamilton's unprecedented growth requires significant investment
   - Improving the liveability of Hamilton requires significant investment
   - New funding options are required to better allocate the cost of growth to the beneficiaries of growth.

5. Due to the interconnected nature of these matters, decisions on one issue may impact the options available for other issues. Therefore, elected members will need to balance the decisions that are made and should do so with an awareness of the impact on the 10-Year Plan budget as a whole.

6. The budget presented in this report has been prepared to balance responses to these key issues. The budget includes a 15.5% average rates increase to existing ratepayers to ensure the everyday costs of running the city are no longer part funded by debt. Council could decide to have a lower rates increase than this, however without a matching reduction in operating expenses, this will mean that operating deficits will need to be funded through debt for a period of time.

7. The above issues, and the approaches taken by Council on addressing them in the confirmed draft 10-Year Plan budget, will form the basis the Consultation Document that will be prepared for the formal consultation period from March 2018.

8. Staff consider the matters and decisions in this report to have high significance and that the recommendations comply with the Council's legal requirements.

Process to Develop the 10-Year Plan

9. Over the past nine months elected members have received information and provided direction on a comprehensive range of issues and topics that feed into the development of the 2018-28 10-Year Plan. A summary of the material covered with Council and decisions made by Council to date is included in Section 1: Attachment 1.

10. This process began at the 7 March 2017 Council meeting, where the Chief Executive presented a strategic financial outlook. This presentation informed Council of the key financial challenges ahead, in preparation for the 2018-28 10-Year Plan discussions.

11. Since then, through Council briefings, meetings and taskforces; elected members have provided

feedback and direction that has helped to shape the proposals presented in this report.

12. This report presents Council with a draft budget for consideration, which has been prepared under the Mayor’s direction.

13. The decisions from this meeting will provide the basis for staff to prepare the Consultation Document and supporting information, which will be subject to a four-week audit process beginning 19 February 2018.

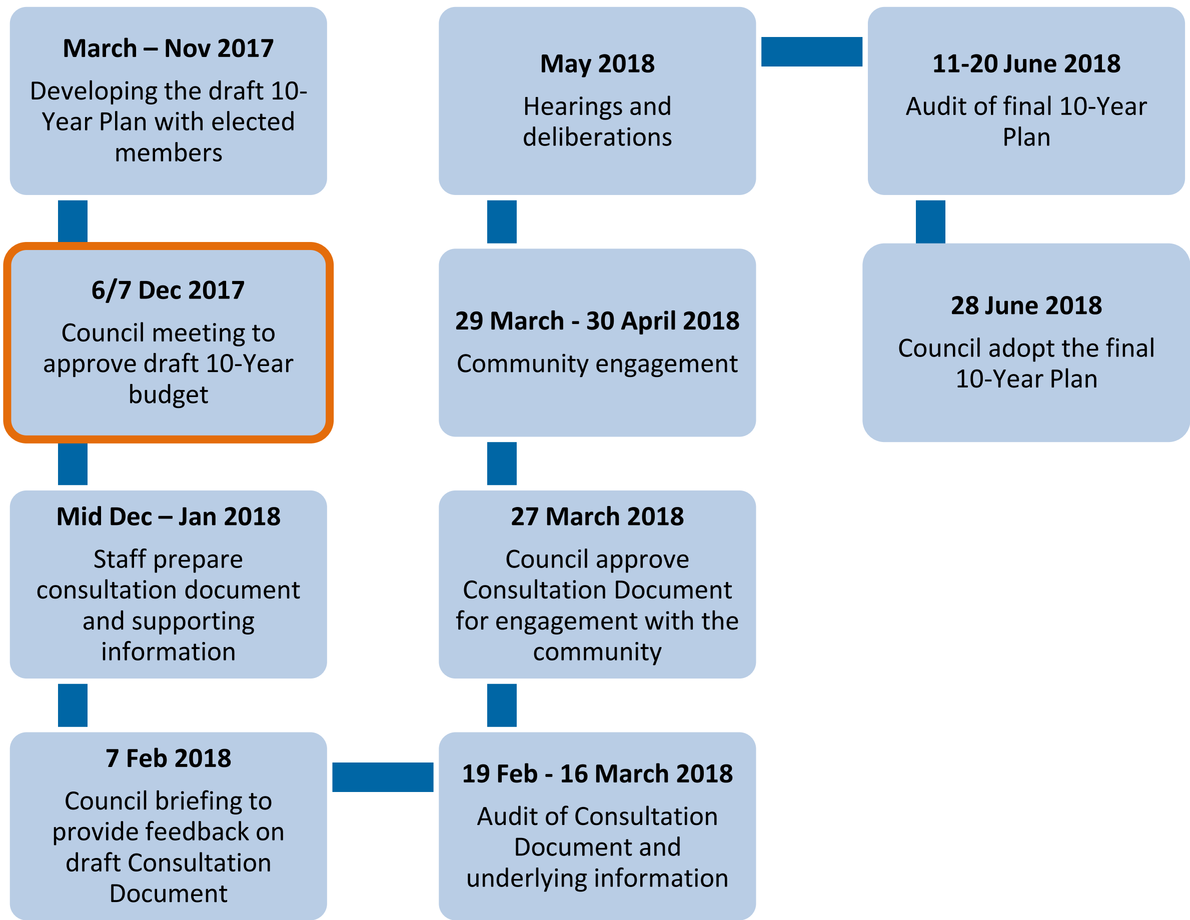
14. Following the audit process, Council is required to adopt the Consultation Document for a one month engagement process with the community. This will be followed by hearings, deliberations and a further audit of the final 10-Year Plan. The 10-Year Plan process concludes with Council adopting the final 10-Year Plan at the end of June 2018, as per the statutory requirement.

15. For Council to meet all the statutory steps in the process, it is critical that a draft budget is confirmed prior to the end of December 2017. This will allow the required time for staff to prepare the Consultation Document and other information necessary for consultation and the audit process. Being a high growth city with significant decisions to be made as part of the 10-Year Plan, Council will be subject to a rigorous audit process and it is important that the required time is allowed for this process, and the steps that follow it.

16. Council is also making decisions that will amend Development Contributions and Rating Policies that require separate consultations from the 10-Year Plan Consultation Document consultation. These will come to Council for approval on 27 March 2018 before consultation.

17. Figure 1 below shows how the decisions from this meeting fit into the 10-Year Plan critical path.

Figure 1: 10-Year Plan Critical Path



Financial Strategy Review

18. In 2012, Council was facing a serious financial situation. A financial strategy was put in place, focused on balancing the books over time, creating debt capacity to fund future growth and providing certainty to ratepayers. Some difficult decisions were made to improve Council's financial position, including cuts to services, fee increases and a significantly reduced capital programme.

19. The most recent financial strategy targets, adopted as part of the 2015-25 10-Year Plan are:

    - Total rates rises of 3.8 per cent per annum for existing ratepayers.
    - Balancing the books from 2017 onwards.
    - A debt-to-revenue ratio of 200 per cent or below by 2020.

20. By adopting and working to this strategy, Council has improved its financial position significantly.

21. However, at the Council meeting on 7 March 2017, the Chief Executive provided elected members with a presentation on the financial outlook which indicated that the current financial strategy was no longer sustainable.

22. In that presentation he highlighted that, while Council's existing financial strategy was fit for purpose for both the 2012 and 2015 10-Year Plan periods, he was concerned that recent growth and revised projections for future growth of the city presented new and significant funding challenges for Council.

23. At the 7 March Council meeting it was resolved that:

    - Council review the current Council approved financial strategy in preparation for the 2018-28 10-Year Plan and report back with recommendations for changes, if any, to this financial strategy; and
    - The review is to include looking at revenue stream options including changes to the present rating structure and/or calculation of rates, targeted rates being suggested, and give consideration to all and any other options for rating and revenue gathering; and
    - A report come back to the 24 August Council Meeting.

24. Subsequently the Financial Strategy and Revenue Taskforce was established, with a terms of reference giving effect to this resolution.

25. PwC were engaged to verify the information presented by the Chief Executive on 7 March and provide further analysis relating to the funding challenges highlighted. They were also asked to assess the appropriateness of the current financial strategy in light of these challenges.

26. The key findings of PwC's report were:

    - The financial strategies used in the development of Council's 2012-22 and 2015-25 10-year Plans were appropriate for their time. In that time Council reduced debt and reduced deficits.
    - Council has not been collecting enough in everyday revenue (i.e. rates and fees and charges) to fully fund the everyday costs of running the city. Operating costs are being part-funded through debt. At the time, the size of this gap was calculated to be approximately $12m.
    - Actual growth is higher than was projected during the development of the 2015-25 10-year Plan and forecast capital works would need to be bought forward to meet growth.
    - This, combined with high capital expenditure in years 11, 12 and 13 of the 2015-45 Infrastructure Strategy and unfunded strategies and plans, results in a significant funding gap.

Financial Strategy Measures

27. At the 24 August 2017 Council meeting, Council received a report back from the Financial Strategy and Revenue Taskforce and approved a set of working financial strategy measures, to be refined as the draft budget was developed.

28. These measures are described below and require adoption as part of this budget.

29. Debt to revenue ratio

30. The debt to revenue measure has been a core part of the Financial Strategy for 6 years and is an important guide used in decision-making. It is proposed to change the debt to revenue calculation to the Local Government Funding Agency (LGFA) method as this is the measure that governs what Council's financiers will lend us.

31. The calculation for this measure is:

Debt to Revenue Ratio = (Net Debt / Adjusted Revenue)
Net Debt:
External borrowings
Less Cash investments and deposits
Adjusted Revenue:
Total operating revenue (excluding gains)
Less Vested assets
Less Development and financial contributions

32. Prior to considering the draft budget, Council also need to set an upper limit on debt to revenue. The maximum ratio allowed by LGFA is 250%. Exceeding 250% would result in LGFA recalling all their loans to Hamilton City Council.

33. The proposed financial strategy limit is a maximum of 230%.

34. This preserves some debt capacity in the case of emergency or other unbudgeted borrowing. Maintaining our credit rating is a Guiding Financial Principle for developing the 10-Year Plan budget and Council has been advised by LGFA that a ratio beyond 230% would be a trigger for Council going on a credit watch.

35. Balancing the books

36. This is a revised measure from that used by Council for the past 6 years and is designed to better reflect the balance of true 'everyday costs' and 'everyday revenue'. The calculation for this measure is:

Operating Result - Surplus/(Deficit)
Remove Capital Revenue:
Vested assets
Part of development and financial contributions *
Capital subsidy (excluding subsidy on transport renewals) **
Other capital contributions
Other items not considered normal operating revenue
Remove Losses/(Gains):
All losses/(gains)
Remove Other Expenses:
Other items not considered normal operating expense
* development contributions contain an element of funding for interest costs that are part of

everyday expenses. An adjustment is made to match the revenue with the expense. The budget has assumed interest costs funded from DCs represent 35% of DC revenue. *** Subsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.*

37. Rates Increase

38. This measure sets the limit for rates increases to existing ratepayers. It is expressed as total rates increase percentage to existing ratepayers.

39. Total rates limit

40. This is a statutory measure expressed as a maximum portion of the rateable capital value of the city.

Forecasting Assumptions

41. Legally Council must disclose the significant forecasting assumptions that sit behind the 10-Year Plan. These need to be established for the consultation document and included in the final 10-Year Plan. The assumptions reflect the best knowledge available to Council during the development of the plan and are subject to audit.

42. Audit NZ request that the significant forecasting assumptions be agreed by Council prior to carrying out the audit. For this purpose, the significant forecasting assumptions are included in Attachment 2 to this section.

43. The significant forecasting assumptions reflect the current assumptions and best knowledge available to staff used in to develop the draft 10-Year Plan and will be added to as the plan is finalised.

Guiding Financial Principles

44. The taskforce agreed a set of guiding financial principles to help staff in preparing the 2018-28 10-Year Plan draft budget. Those principles are:

- Growth cells will be completed to an approved level of service.
- Growth will pay for growth.
- Asset sale proceeds will be used to pay down debt.
- Council will fund maintenance and renewals as per approved Asset Management Plans
- Council should explore external funding options for new discretionary projects whenever possible.
- The everyday costs of running the city will be met from everyday revenues.
- The main source of our everyday revenue will be general rates
- Targeted rates could be used to fund the council portion of new projects where the costs of these activities can be easily identified
- When a private benefit can be identified and it is efficient to collect the revenue user charges will be considered
- Rates certainty will be a key consideration
- Affordability of rates will be considered
- Council will adopt a prudent Financial Strategy which supports its current credit rating.

The Key Issues for this 10-Year Plan

45. The findings of the PwC report and further analysis by staff have defined the four key issues that the 2018-28 10-Year Plan needs to address:

- Issue 1: Council's everyday revenue is not enough to cover its everyday costs
- Issue 2: Hamilton's unprecedented growth requires significant investment
- Issue 3: Improving the liveability of Hamilton requires significant investment
- Issue 4: New funding options are required to better allocate the cost of growth to the beneficiaries of growth

46. Council has received information and analysis on these issues during the course of the 10-Year Plan briefings, which are outlined as follows.

Issue 1: Council's everyday revenue is not enough to cover its everyday costs

Key points:

- The Council is currently borrowing to fund a portion of the everyday costs of running the city. This is estimated to cost $3.2m per annum in interest.
- The underlying reasons for this are:
  - The impact of past growth on operating budgets
  - The impact of deferred renewals and maintenance
  - The increase in compliance and other 'unavoidable' costs
  - The impact of previous efficiency measures
- Given these combined cost pressures, staff do not believe that the issue of funding everyday costs through borrowing is one which can be addressed through reducing overall costs (although savings have been identified in a number of specific areas).
- The key question for Council to consider in respect of this issue is how quickly it wants to move to a position where everyday revenue pays for everyday costs and what is it prepared to do (or not do) to enable that.

47. The impact of past growth on operating budgets

48. There has been a significant increase in operational activities as the city has continued to grow over recent years.

49. Since 2012, Hamilton has increased in population, dwellings and area of urban development. This has led to an increase in the assets required and increases in operational costs to provide services to more residents. Some examples of how growth has increased the need for operational expenditure on assets and services include:

- new traffic signals in recently developed areas and on the existing network to manage increased traffic volumes;
- refuse collection expansion to include new residential areas;
- new roads, paths in growth areas;
- street trees in growth areas;
- stormwater devices (ponds / swales / wetlands) in growth areas.

50. While growth was anticipated, the faster pace of growth has meant that, in many cases, the budgets

relating to the operating and management of these assets and services has not kept pace with the growth in the service or the volume of assets.

51. These additional costs cannot be absorbed and need to be catered for in the 2018-28 10-Year Plan budget.

52. The impact of deferred renewals and maintenance

53. Since the introduction of the existing Financial Strategy in 2012, Council has been operating within a constrained funding environment. This has been the context for the development and delivery of all maintenance and renewal programmes over this period.

54. This approach has been able to be accommodated for a period of time but as a result, some maintenance or renewal activities have been deferred or not undertaken at the optimal time.

55. The 2012 10-Year Plan process reduced or held steady, many maintenance and renewal budgets, despite the growth of the city. In many cases, the specific effect of these reductions was considered by the Council at the time. This included advice that, while the reductions were achievable over the short term, budgets may need to be reinstated at a later point to ensure ongoing delivery of service.

56. Staff have identified areas where there is a need to increase budgets to ensure that maintenance expenditure is adequate to sustainably manage its assets. Key areas where there are budget increases required in maintenance include:

- Tree maintenance
- Vegetation management
- Litter control
- Community facility buildings and structures
- Various painting.

57. Over recent years staff have increasingly managed the risks associated with maintenance budgets through undertaking less planned maintenance and increasing reactive maintenance. Over time this has the effect of increasing long-term costs and decreasing service levels, as asset failures become more likely and potentially severe.

58. The increase in compliance and other 'unavoidable' costs

59. In general, Council budgets for cost increases by applying inflation assumptions in years beyond the first year of the 10-Year Plan.

60. Business and Economic Research Ltd (BERL) have been contracted on behalf of the local government sector to provide inflation forecasts for the period of the 10-Year Plan. 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. BERL published the latest cost adjustors in October 2017. Further to this, BERL have identified that for the next 4 years inflation in the Waikato is forecast to be about double the New Zealand average due to significant infrastructure investment occurring in the region. These have been applied to the financial forecasts making up this draft budget.

61. While Council applies an appropriate inflation assumption with the LGCI, this is inadequate for capturing some cost increases. This is particularly relevant where the standards for compliance are increasing. There are both capital and operating impacts from increasing compliance. Recent experience and future forecasts indicate that costs associated with complying with required standards are sizeable and significantly more than inflation. This is particularly the case in relation to:

- Stormwater and wastewater compliance through Healthy Rivers

- Drinking water standards
- Health and Safety
- Seismic performance.

62. The impact of previous efficiency measures

63. Management continually look for opportunities to save costs for Council. Since 2012 there have been whole of Council initiatives that have been implemented to drive and capture efficiencies across the organisation. Some of the more significant initiatives have included corporate efficiency savings as part of the 2012-22 10-Year Plan and a thorough support service review in 2014/15 led by the Chief Executive.

64. These successive initiatives have meant that there are no obvious opportunities for cost savings remaining in the organisation. Future cost savings (budgeted at $5m) will come as a result of innovation and redesigning business processes, the impact of technology and identifying and taking opportunities to do things differently.

65. Implication of debt funding everyday costs

66. Continuing to debt fund deficits in operating is not recommended.

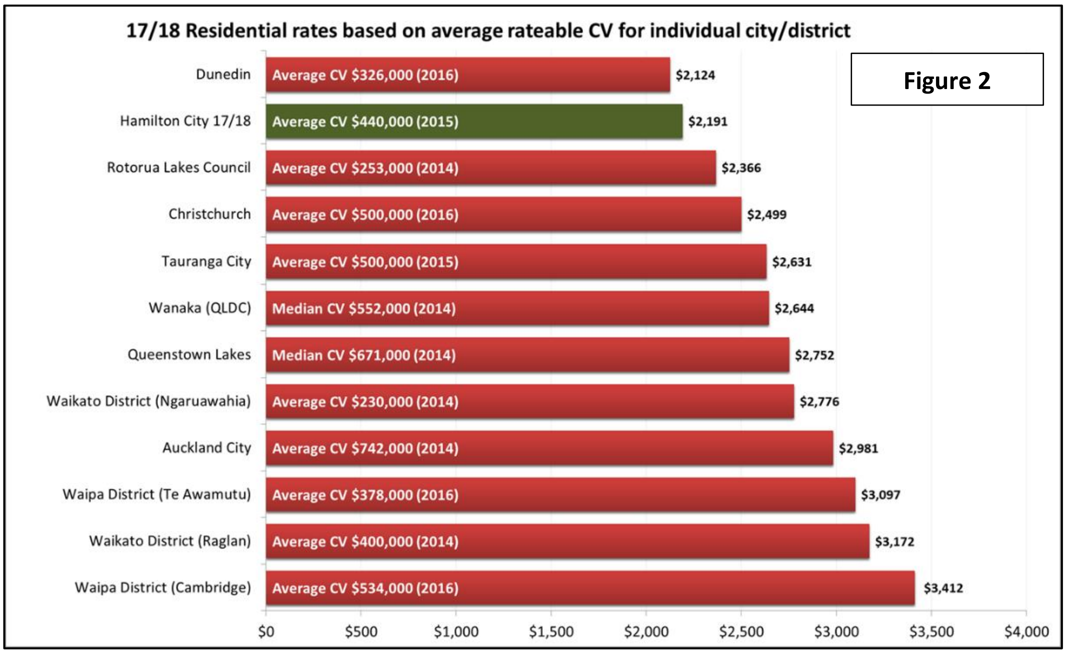
67. Over time it has the effect of limiting the community's options as debt capacity and rates is being used to fund everyday costs not paid for by previous residents. Over the last 5 years this is estimated at $64m (being the sum of the operating deficits) of lost debt capacity and estimated to be approximately $3m of interest cost added to rates.

68. Hamilton City Council rates are relatively low

69. As outlined to elected members through various briefings and Council meetings, Hamilton City Council's rates are relatively low compared to other growth cities and neighbouring districts.

70. Annual rates for an average house in Hamilton are $2,191. This compares to rates for an average house in Tauranga of $2,631, Queenstown $2,752 and Auckland of $2,981.

71. This is shown in Figure 2 below.



Issue 2: Meeting Hamilton's unprecedented growth requires significant investment

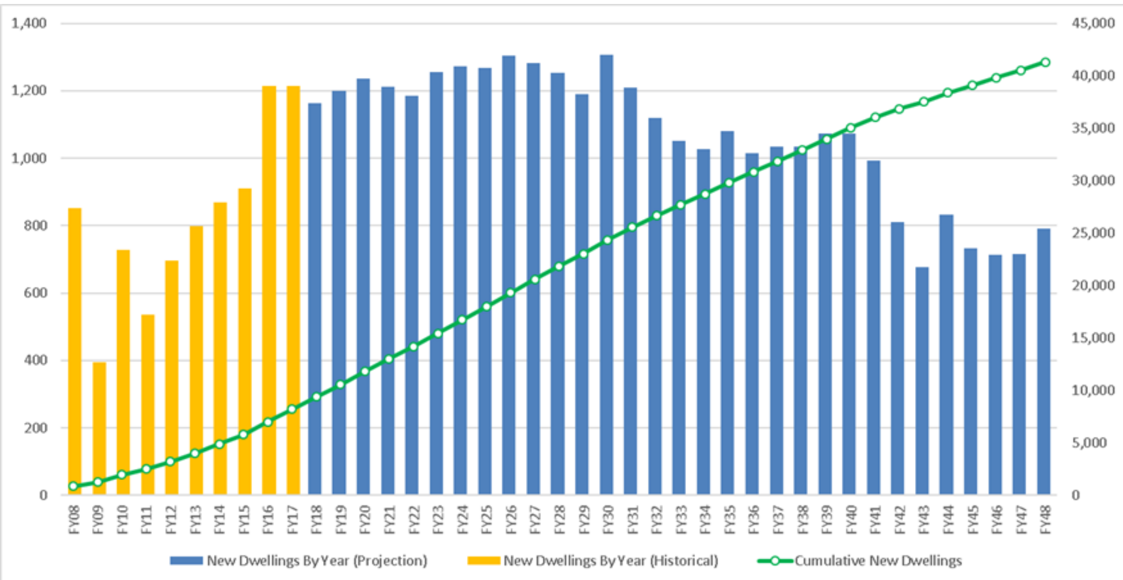
Key points:

- Growth pressures are greater than previously anticipated and this requires to Council to respond earlier than planned to ensure this growth occurs in a controlled fashion and is cost optimised for the city.
- Council has some options for how, when and where it meets its growth obligations but, under any viable growth scenario, the investment required is at least $870m (gross, uninflated) over the next 10 years.
- To deliver and support an infrastructure programme of this size, the organisation would also need to significantly increase its operational capacity.
- How Council responds to this growth challenge is a key issue for the 2018-28 10-Year Plan.

72. Growth rates were relatively flat from 2008 – 2012 following the global financial crisis (GFC). However, since 2012 growth has accelerated much faster than anticipated by Council in its last two 10-Year Plans.

73. This level of growth is expected to continue and, on 27 July 2017, Council adopted the University of Waikato's National Institute of Demographic and Economic Analysis (NIDEA) low forecast of growth as its growth assumption for the 2018-28 10-Year Plan. Based on this assumption, the city would need to provide approximately 12,500 new homes over the next 10 years to meet demand (Figure 3).

Figure 3: Forecasted new Dwellings – NIDEA Low



74. The National Policy Statement on Urban Growth requires a margin above projected demand (NIDEA Low) of 20% in the short term and 15% in the longer term. This is intended to keep supply ahead of demand to maintain housing affordability.

75. Council's role is to provide 'strategic infrastructure' to enable this growth. This includes treatment plants, water reservoirs, large waste water pipes and arterial roads (for which it then charges development contributions to individual developers).

76. Provision of this strategic infrastructure can be considered across four broad categories:

- City-wide infrastructure – required to respond to, and enable, growth across the city and not related to a specific growth cell e.g. upgrading water treatment plant

- Contractually-committed developments – infrastructure Council must provide because it has already committed to do so e.g. via a Private Developer Agreement
- Completing existing greenfield areas e.g. Rototuna.
- Enabling new greenfield areas to develop e.g. Peacocke

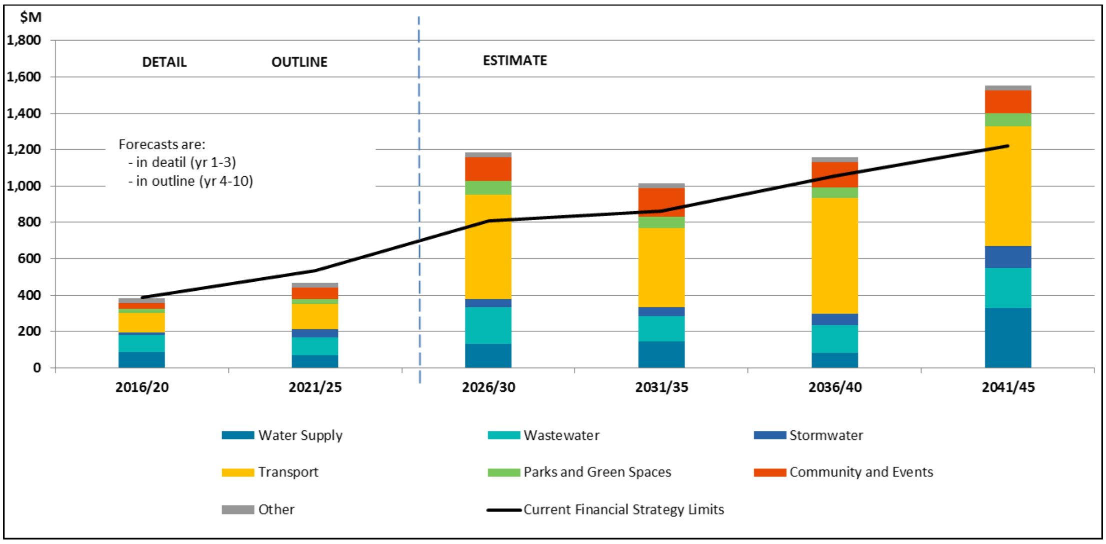
77. In order for Council to meet demand, Council needs to invest in all four categories.

78. Consideration has been given to the sensitivity of the key growth assumptions of sequence and timing of growth. This is discussed in detail in Growth proposal (Section 3b) of the report. Even under the most conservative scenario for the required capital over 10 years (net of subsidies) is forecast at $612m.

79. In the 2012-22 10-Year Plan, Council deferred some of the biggest strategic infrastructure investments (such as the bridge to Peacocke) to beyond the 10-Year Plan horizon. In the 2015-25 10-Year Plan, Council considered bringing those investments back into the plan but determined that they were unaffordable.

80. Figure 4 (reproduced from the 2015-25 10-Year Plan - Long-Term Infrastructure Strategy), shows the significant increase in costs expected from 2026 onwards. Much of the 2026-2030 forecast expenditure now falls within the 10-Year timeframe of the 2018-28 10-Year Plan.

Figure 4: Infrastructure requirements from 2015-45 Long-term Infrastructure Strategy



81. This cost profile is not unusual in developing a 10-Year Plan, but the acceleration of growth means that it is no longer feasible to continue deferring these projects.

82. It is also not feasible for Council to 'opt out' of investing in infrastructure for growth. All areas inside the city (except Templeview) are already zoned for growth and have structure plans in place, meaning development can occur in accordance with the District Plan. If Council does not provide strategic infrastructure, individual developers can put in place infrastructure to suit only their respective developments. This has a number of potential negative consequences for Council and the city, including:

- Making further development more expensive, and possibly preventing adjacent land from being developed.
- Increased operating costs to Council to maintain a network of 'sub-optimal' vested assets.

- Decreased levels of service (e.g. traffic congestion) caused by the cumulative effects of individual developments.
- Legal challenges where developers consider Council's lack of investment unreasonable.
- Inhibition of growth where no individual developer can reasonably fund significant infrastructure on their own (e.g. a bridge to Peacocke or the Rotokauri floodway).

Issue 3: Improving the liveability of Hamilton requires significant investment

Key points:

- To deliver all potential projects considered under the banners of transport improvement and community infrastructure is not feasible – either from an affordability perspective or a deliverability perspective; doing everything is not a realistic option.
- Conversely, doing nothing will see a deterioration in 'liveability' as population growth outstrips amenity investment and staff do not see this as a feasible option either.
- The key 'liveability' issue for Council to consider in the 2018-28 10-Year Plan is to determine the appropriate level of investment in transport improvement and community infrastructure (balanced with the community's willingness to pay).

83. Council has a number of strategic plans, many of which set out a vision for improving aspects of liveability in the city. The Mayor and Councillors have also, in this term of Council, identified other priorities and projects designed to do the same.

84. The issue of improved liveability has been segmented into two broad areas:

- Transport improvement
- Community infrastructure

85. Transport improvement

86. The Access Hamilton Taskforce identified key transport issues affecting Hamilton including increased levels of congestion, a decrease in the levels of safety and need for more choice in modes of transport.

87. As the city grows, more demand will be placed on the transport network. Without intervention, the current investment approach is expected to result in increased travel times, greater congestion, a decline in safety performance and higher future transport costs.

88. Community infrastructure

89. Community infrastructure is a term used in this document to refer to include:

- Libraries
- Museum and Art Facilities
- Theatres
- Sport and recreation facilities (indoor and outdoor)
- Aquatic facilities
- Community centres
- Passive open spaces, playgrounds and playscapes
- Cycleways and recreational walking paths

- Ecological spaces and corridors
- Shared public spaces

90. Community infrastructure plays an important role in supporting economic growth and building socially connected and resilient cities. Whist Hamilton is generally well-served in most of the areas listed above, there is always community demand for more and better community infrastructure.

91. Staff have identified a number of priority areas for investment:

    - Attractive and usable open spaces.
    - A strong network of indoor, outdoor and aquatic facilities based on need.
    - Fit for purpose community facilities that are well used and relevant to build social connectivity.
    - Leveraging the city's successful visitor attractions to enhance reputation and economic benefit to the city.
    - Revitalisation of the central city through river connectivity and a vibrant CBD.

92. Funding challenge

93. Whilst investment in community infrastructure and transport improvement is seen as adding to the liveability of the city, it is often treated as discretionary cost.

94. Due to the financial constraints commencing from the 2012-22 10-Year Plan, there has been limited investment in both community infrastructure across the city and transport infrastructure in existing parts of the city

95. The 2015-25 plan prioritised investment in core three waters infrastructure ahead of community and transport infrastructure.

96. The choice now is how much, and in what areas, should Council invest in community infrastructure and transport improvements to deliver on community expectations. The level of investment is constrained by debt capacity. Debt capacity changes depending on revenue decisions.

Issue 4: New funding options are required to better allocate the cost of growth to the beneficiaries of growth

Key points:

- Council, through the Financial Strategy and Revenue Taskforce developed, as one of its financial principles 'growth will pay for growth'
- The intent of this is to achieve a better contribution to the costs of growth from those contributing to, or benefiting from, Council's growth investment.

97. Council primarily uses debt to fund growth infrastructure and recovers the growth component of that through development contributions.

98. To limit the debt burden on Council, and ultimately the ratepayer, new funding options are required to better allocate the costs of growth.

99. The growth funding challenge faced by Hamilton City Council is similar to that faced by other growth councils, many of which have high existing debt to revenue levels and increasing demands for funding city wide growth and new greenfield growth. There is growing recognition at central government level that equal ownership of the issue, risk and solutions will be required for future delivery.

100. Council continues to work collaboratively with central government and other growth councils on potential long-term solutions for funding growth; options may include public private partnerships, greater regional collaboration, special purpose vehicles, or alternative government funding models.

101. In the short to medium-term, Council also needs to focus on funding mechanisms within its direct control. This relates primarily to considering how changes to Rates and Development Contribution policies might enable better targeting of growth costs to those that benefit from growth.

The Draft Budget

102. Responding to the issues

103. Staff, with direction from the Mayor, have developed a draft budget that responds to the issues outlined above.

104. The draft budget includes an operational programme that accounts for a bigger city, reinstates maintenance and renewals budgets to sustainable levels and meets the demands of increased compliance costs. This has increased operating costs (relative to the current financial year) by $21m including a depreciation increase of $5.9m.

105. It also includes a renewals programme of $495m (gross, uninflated) that meets the management recommendations included in Asset Management Plan. This ensures there is adequate provision for replacing core network infrastructure, community infrastructure and other assets.

106. An average rates increase of 15.5% to existing ratepayers is required to ensure the everyday costs of running the city are no longer part-funded by debt – i.e. everyday revenue is sufficient to cover everyday costs.

107. This would increase the rates on the average house by approximately $340 a year to $2,530; this would still be compare favourably to other growth councils and neighbouring districts based on their current rates (and these are expected to rise).

108. Some changes to user fees and charges are also included to better reflect the actual costs of providing those services. Significant changes are highlighted in Fees and Charges Overview.

109. The draft budget also includes the lowest-possible-cost growth programme to meet projected growth demand. This growth programme, referred to as 'Peacocke Scenario 4' requires a total capital spend (net of subsidies) of $813m over ten years. This also takes advantage of the interest-free Housing Infrastructure Fund (HIF) loan which contributes approximately $70m in avoided interest costs.

110. A $220m Transport Improvement programme ($108m funded by Council and $112m funded by NZTA subsidies) and a $95m ($80m of which is capital) Community Infrastructure programme address the desire for greater liveability.

111. The Transport Improvement Programme, as recommended by the Access Hamilton taskforce, aims to improve the balance between road safety, public transport, cycling and walking.

112. The Community Infrastructure programme includes proposals for new community infrastructure, including:

- The Waikato Regional Theatre
- Hamilton Gardens development
- Rototuna Public Square and Community Facilities Hub
- Garden Place development
- River Plan extension

- Playground development programme
- Pooches and Parks projects

113. A number of rating and development contribution changes have been proposed in the draft budget to address the issue of 'growth paying for growth'. Collectively, these rating policy changes are forecast to contribute an additional $65m revenue over 10 years – which is not collected from existing commercial or residential ratepayers.

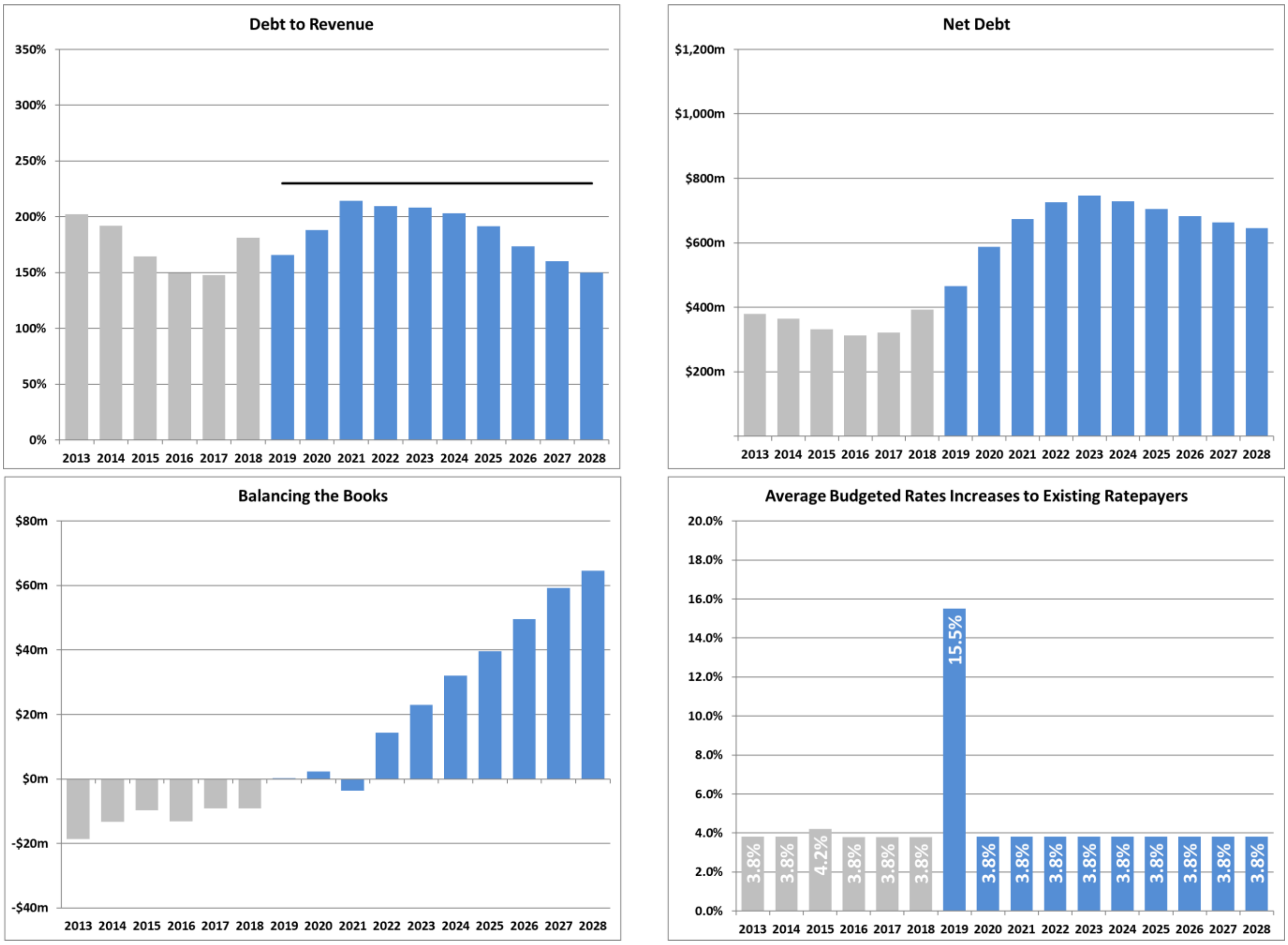
114. Impact on financial strategy

115. The impact of the draft budget on the financial strategy is shown in Figure 5 below.

Draft budget - key points:

- Average rates increases to existing ratepayers are 15.5% in Year 1 and 3.8% per year thereafter
- Debt to revenue ratio peaks at 214% in Year 3, reducing to 150% by Year 10
- Net Debt peaks at approximately $750m in Year 5, reducing to $650m by Year 10
- Everyday revenue pays for everyday costs from Year 1 (with a small deficit in Year 3) with surpluses increasing every year thereafter

Figure 5: Draft budget – Financial Impacts



Alternative options

116. The Mayor has been very clear with staff that, whilst he has led the development of the draft budget so far, he sees this very much as a starting point for debate by Elected Members and for engagement with the Community.

117. Staff have developed two alternative options for addressing the issues noted in this report.

118. Alternative option 1 (Figure 6) responds to Elected Member discussion about phasing in the initial rates increase over Years 1 and 2 (9% and 6% respectively).

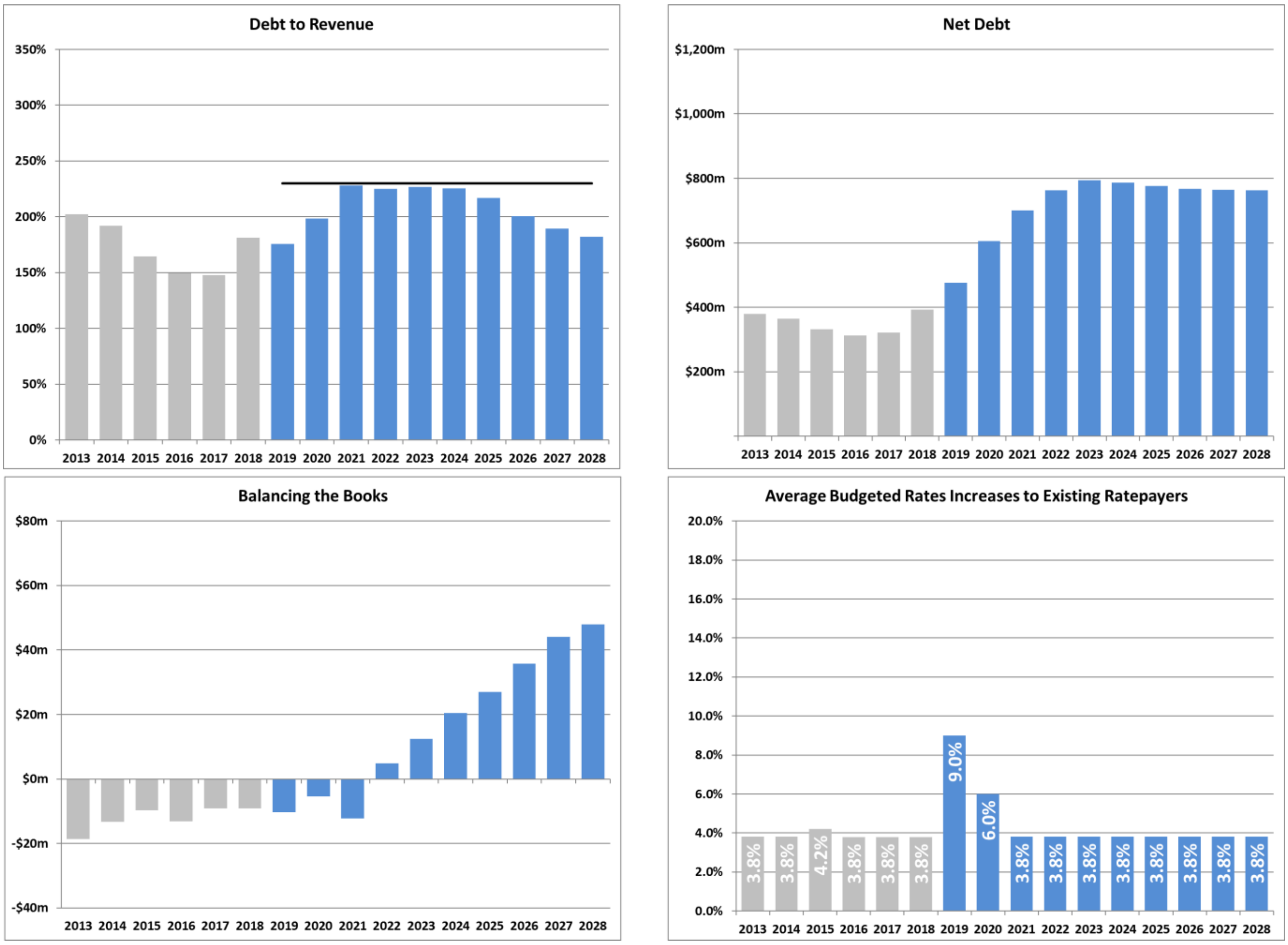
119. Alternative option 2 (Figure 7) responds to discussion in March 2017 where a 12% rates increase was proposed in the current financial year.

120. Each option has been summarised below:

Alternative option 1 - key points:

- Average rates increases to existing ratepayers are 9% in Year 1, 6% in Year 2 and 3.8% per year thereafter
- Debt to revenue ratio reaches 228% in Year 3, reducing to 182% by Year 10
- Net Debt increases to approximately $795m by Year 5 and reduces to $765m by Year 10
- Everyday revenue pays for everyday costs from Year 4 with surpluses increasing every year thereafter

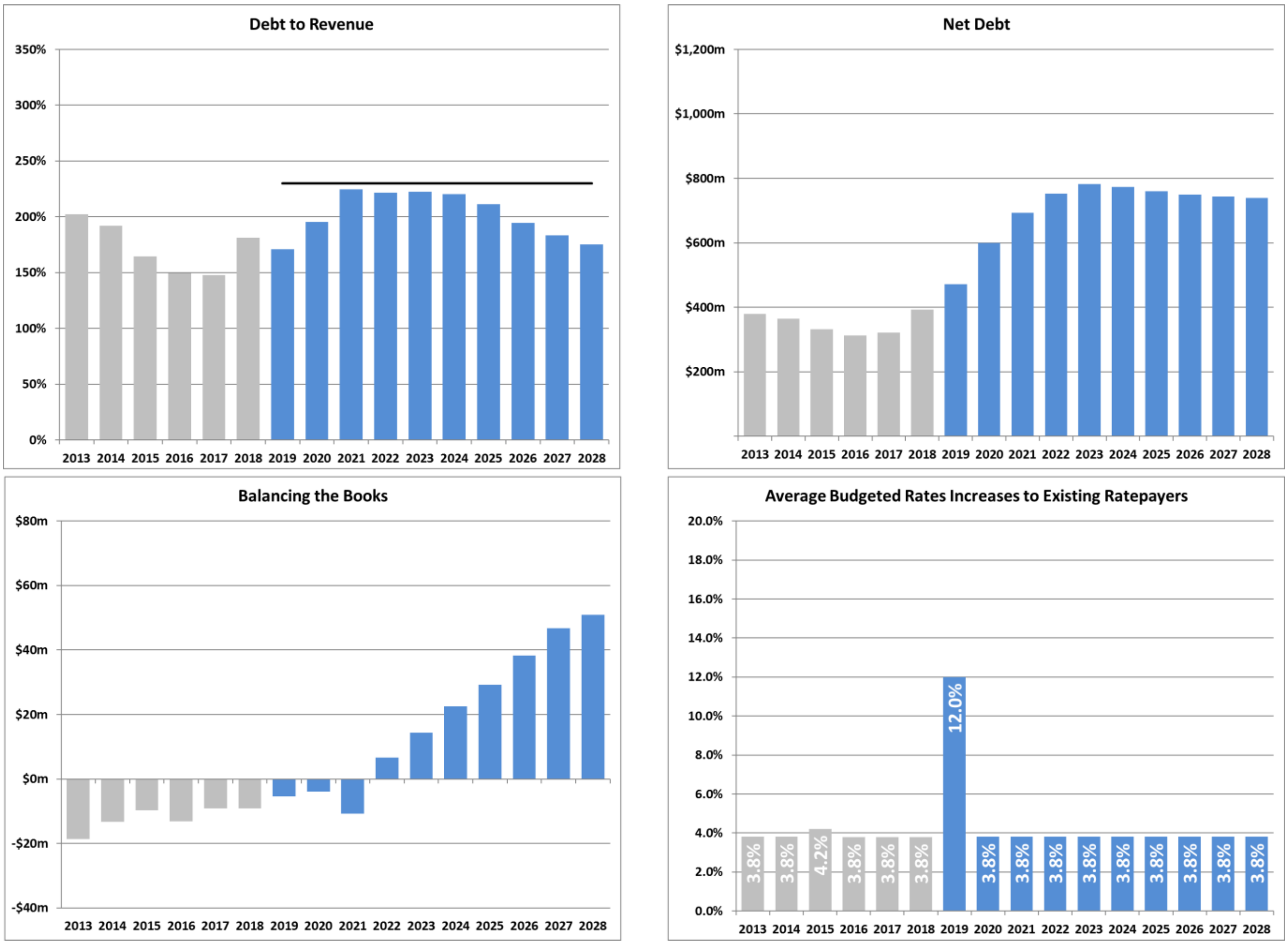
Figure 6: Alternative option 1 – Financial Impacts



Alternative option 2 - key points:

- Average rates increases to existing ratepayers are 12% in Year 1 and 3.8% per year thereafter
- Debt to revenue ratio reaches 225% in Year 3, reducing to 175% by Year 10
- Net Debt increases to approximately $780m by Year 5 and reduces to $740m by Year 10
- Everyday revenue pays for everyday costs from Year 4 with surpluses increasing every year thereafter

Figure 7: Alternative option 2 – Financial Impacts



121. Under both alternative options, debt would continue to part-fund everyday costs until Year 4.

122. Other variations on these alternatives that consider lower initial rates increases, require cuts to the proposed capital programme (of non-subsidised, non-revenue generating projects) and would need debt to continue funding everyday costs until at least Year 4 of the plan.

123. For this reason, the alternative options are not considered financially prudent.

Community Engagement

124. **Introduction**

125. The 10-Year Plan consultation document will be put to Council for approval on 27 March and go out directly thereafter to the community. The consultation document provides the community an outline of the issues facing Council and how Council is proposing to address the issues.

126. Communication and engagement activity is focused on empowering our communities to provide submissions to the 10-Year Plan on the issues that are important to them.

127. **Key engagement points**

128. There are four key engagement points during the 10-Year Plan process:

- Pre-draft budget communication;
- Pre-formal consultation;
- Consultation and verbal submissions; and
- Adoption of the consultation.

129. **Pre-draft budget communication**

130. This has been occurring and will continue to up to the 6 December 2017 10-Year Plan Council meeting.

131. The purpose of this engagement is to raise awareness of what the 10-Year Plan is and the process and to ensure clear information is available following open briefings on the plan.

132. **Pre-formal consultation**

133. To gain an understanding from across the community of whether the 10-Year Plan addresses their needs or not, we want to actively empower sectors, communities and stakeholders to provide effective submissions during the formal consultation period.

134. It is proposed through February and March 2018, we ask community groups, organisations, and interest group clusters to host meetings where we can raise awareness of the 10-Year Plan and provide a toolkit they can use to prepare robust and well-informed submissions.

135. The aim of these sessions is to empower the community to become involved once the consultation period commences. Councillors will play a key role in explaining how to make an effective submission.

136. A list of the meetings, the sector/host details and a note of the key areas of interest raised will be provided to Council alongside the formal consultation submissions.

137. There is a risk that the community could see these sessions as an opportunity to influence the development of the consultation document (and budget) prior to its release for consultation. However, this is not the case as the consultation document must be developed based on the draft 10-Year Plan approved in December and undergo a thorough audit process prior to being made available for the consultation period. We will need to carefully manage expectations to ensure that the meetings are not specific lobbying sessions with a view to changing the consultation document before it goes out for consultation.

138. **Consultation and verbal submissions**

139. The formal consultation period will run from 29 March 2018 to 30 April 2018 with verbal submissions scheduled for 15 and 16 May 2018

140. This provides the community and stakeholders with a formal process to provide their views to Council.

141. The promotion of the 10-Year Plan through the pre-formal consultation period along with face-to-face activity in the community to encourage participation, should ensure a wide cross section of views are presented to Council.

142. It is proposed the structure of the verbal submissions presented to all of Council is grouped by interest clusters and topics to allow the Councillors to hear all the views on the key issues together. There will be flexibility to allow the for submissions that address a range of issues.

143. Adoption of the consultation document

144. Following the adoption of the 10-Year Plan, it is critical to communicate back to the community what has been agreed. This communication will focus on bringing the plan to life for the community and outline the key projects and changes they can expect Council to deliver. It will help the community understand the outcomes they as ratepayers are contributing towards.

Legal and Policy Implications

145. The initial draft budget presented to Council in this report is consistent with Section 41A of the Local Government Act which states that "it is the role of a mayor to lead the development of the territorial authority's plans (including the long-term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority".

146. Staff confirm that the recommendations in this report comply with the Council's other legal and policy requirements.

Risks

147. There are a number of risks inherent in the budget items presented and these are outlined in the relevant sections of this report. Many of these risks pertain to the consequences of not funding particular proposals, for example:

- Risk of asset failure if renewals are not adequately funded
- Risk of negative community reaction if expected services or projects are not delivered
- Risk of unmanaged growth if growth infrastructure is not funded
- Risk of growth not occurring at the rate anticipated in this plan.

148. It is important that Council is aware of, and understands, these risks so that it can prioritise its budget decisions. Specific risks are highlighted and discussed in the various sections of the report and should be considered as decisions are made on each section.

149. The unfunded capital programme (Section 3: Attachment 2) includes commentary at an individual project level of not funding specific projects.

150. By adopting the recommendations in this report, there are also likely to be reputational risks for Hamilton City Council, particularly as increasing rates is likely to be unpopular.

151. Council has signalled to the public for some time that its financial strategy is no longer sustainable and that a rates rise in the 2018-28 10-Year Plan is highly likely. The message that Hamilton City Council rates are significantly lower than those of similar local authorities has also been well publicised.

152. A communication plan is in place to ensure the public are well-informed of the rationale for the proposed rates increases and to help them understand what they get for their money.

153. The engagement process is also the opportunity for the community to have their say; encouraging broad participation in the public debate and input to the 10-Year Plan should help foster a shared

sense of ownership between Council and the community.

154. There is also a risk that staff engagement will be negatively affected by adopting the recommendations in this report. Some specific services, such as I-Site, have been mooted for closure while a number of others are unlikely to receive funding for projects that are included in existing plans and strategies.

155. General Managers have spoken to staff that are potentially affected by such proposals and will continue to do so through the 10-Year Plan process.

156. An internal communications plan is also in place to ensure staff are well informed of the issues and opportunities discussed in the 10-Year Plan and the options Council has to respond to those.

Cultural Considerations

157. The development of the 10-Year Plan has considered cultural issues at a number of different levels.

158. Waikato-Tainui have presented to 10-Year Plan briefings on their Strategy for the region - Waikato Tainui Whakatupuranga 2050 – Ngaa Tohu. This plan includes 3-5 Year Strategic priorities for the Iwi and its partnerships.

159. Council has also met with Waikato-Tainui through the Co-governance forum and discussed issues of mutual interest.

160. Through the engagement and consultation period of the plan, Maaori groups and organisations (including Iwi) will be directly engaged with on the draft 10-Year Plan.

161. Many of the individual projects and programmes of work contained in the draft 10-Year Plan budget will consider cultural matters and involve relevant stakeholders in their delivery.

Environmental Considerations

162. The approach Council takes in responding to growth pressures has a direct link to sustainability of Hamilton. Section 3b of the report discusses the costs and benefits of the different options Council has to address growth.

163. A number of initiatives have been included in the budget in part due to the environmental benefits that the projects and programmes provide.

164. Individual projects and programmes have considered environmental and more broadly sustainability impacts. All projects will be subject to meeting the controls imposed through legislation and regulations.

SECTION 1: ATTACHMENT 1
Informing the Draft 2018-28 10-Year Plan Budget

Purpose

1. This overview summarises the information and opportunities for direction that have been provided to elected members in developing the 2018-28 Draft 10-Year Plan budget.

Information provided

2. All dates below were 10-Year Plan briefings unless otherwise stated as a Council meeting or taskforce.

Date	Topic / Information provided
13 February	**Growth:** Provided an introduction to the growth environment in Hamilton, implications of growth, relevant policies and the Housing Infrastructure Fund.
7 March	**Council meeting - Financial challenges**: Introduction to key financial terms and approaches, past challenges including growth and deferred expenditure.
7 March	**Council meeting - Mayor's report:** Identified Mayor's preferences for targeted rates for amenity, new rates and changes to development contributions to fund growth and no service level cuts. Proposals for investigation to achieve this included: • Changes in the transitional rates 'rural residential' differential. • Changes to rural rating in the general rate and transitional rate. • Continuation of the Hamilton Gardens targeted rate policy. • New rubbish and recycling targeted rate to fund wheelie bin purchases. • New targeted rates to fund amenities. • New targeted rate to encourage development. • Increases in development contributions. • Remove the CBD remission from the Development Contributions Policy. • New charges at Hamilton Gardens. • CBD Parking Revenue. • Financial reporting (review current 'balancing the books' measures).
9 March	**Growth:** Five scenarios were modelled showing rate increase options and the impact of these on balancing the books, debt/revenue ratio, overall total debt and average household rates.
30 March	**Chief Executive overview:** Key points included: • Introduction to financial strategy and metrics. • Appropriateness of the Balancing the Books measure is diminishing in the face of growth. • Cost of running the city is not covered by operational revenue. • 3.8% rate increase likely to limit Council's ability to respond to challenges.
30 March	**Peter Windor November session revisited:** Identified areas of concern and interest to elected members for consideration in 10-Year Plan.
7 April	**Tony Alexander: Context setting and key trends overview.**
10 May	**Introduction to the 2018-28 10-Year Plan process**: Covered the purpose of the 10-Year Plan, clarification of roles and involvement expectations as well as key items for consideration.
10 May	**Community Outcomes:** Overview and direction sought on whether to review or retain existing.
23 May	**Balancing the Books**: PwC presented their assessment of Council's position against the 2015-25 10-Year Plan and recommendations.
23 May Taskforce	**Revenue and Financial Strategy Taskforce** initial meeting held.
16 June Taskforce	**Revenue and Financial Strategy Taskforce** held on Financial Principles.

Date	Topic / Information provided
21 June	**Revenue and Financial Strategy Taskforce report back on Financial Principles.** These are: • Growth cells will be completed to an approved level of service. • Growth will pay for growth. • Asset sale proceeds will be used to pay down debt. • Council will fund maintenance and renewals as per approved Asset Management Plans. • Council should explore external funding options for new discretionary projects whenever possible. • The everyday costs of running the city will be met from everyday revenue. • The main source of our everyday revenue will be general rates. • Targeted rates could be used to fund the council portion of new projects where the costs of these projects can be easily identified. • When a private benefit can be identified and it is efficient to collect the revenue user charges will be considered. • Rates certainty will be a key consideration. • Affordability of rates will be considered. • Council will adopt a prudent Financial Strategy which supports its current credit rating.
21 June	**Growth:** Detailed overview of the growth environment, drivers of growth, base growth assumptions and projections (including NIDEA Low), possible growth cell sequencing and timing.
19 July Taskforce	**Revenue and Financial Strategy Taskforce** held on considerations from Mayor's March 7 report.
12 July	**Growth:** Potential enabling works to facilitate the opening of the Peacocke cell following the announcement that this was the HIF scenario preferred by Government.
12 July	**Financial Strategy:** PwC report back on their assessment of Council's current Financial Strategy.
12 July	**Development Contributions (DCs):** Introduction and initial options for changes to use.
18/19 July	**Business We Are In:** The purpose was to provide a high-level overview of each activity and: • The what, why and how of delivering the service as well as the cost. • Highlighted any known issues. • Stated current service levels. • Elected members were asked about continuing to deliver each activity and any suggested changes to levels of service. • Opportunity for elected members to identify areas where they would like more information or options presented. Services covered were: • Economic Growth and Planning. • Planning Guidance and Compliance. • Building Control. • Environmental Health and Alcohol Licensing. • Animal Education and Control. • City Safety. • Strategic Property. • City Governance. • Libraries. • Community Development. • Cemeteries and Crematorium. • Parks and Open Spaces.
26 July	**Business We Are In:** Second tranche of activities. Included: • Water Supply. • Wastewater. • Stormwater. • Transport. • Rubbish and Recycling. • H3 and Events. • Pools and Indoor Recreation. • Hamilton Zoo. • Museum. • Hamilton Gardens.
28 July Taskforce	**Revenue and Financial Strategy Taskforce** held on Financial Strategy overview and options.

14 August	**Community infrastructure:** Overview and options analysis of projects covering: • Central library. • Suburban libraries. • Future pool development. • Indoor recreation. • Sports parks. • Rubbish bins in parks. • Trees. • Glyphosate herbicide use. • Playgrounds. • Public toilets. • Pooches and parks.
15 August	**Revenue and Financial Strategy Taskforce report back briefing on Financial Strategy:** • Financial Strategy metrics. • Revenue options considering items from the Mayor's report 7 March.
15 August Taskforce / Briefing	**Revenue and Financial Strategy Taskforce held (open to all elected members) covered:** • Development contributions: Revenue options including: - Remove 100% CBD remission - Remove or amend 'caps' on certain DCs. - Recover DCs for capex beyond the 10-Year Plan period. • Hamilton Gardens: Different possible arrangements for revenue collection presented.
22 August	**Strategic plans:** Overview of current planned timing, expected costs and implications of strategic plans over 30 years and potential alternative approach. Plans covered were: • Waikato Museum Strategic Plan. • Hamilton Arts Agenda. • Central City Transformation Plan. • Frankton Neighbourhood Plan. • Hamilton Zoo Master Plan. • Waiwhakareke. • Hamilton Gardens Strategic Plan.
8 September	**Community Outcomes:** Revisited following 27 July Council meeting. Alternative Community Outcomes proposed based on the organisation's strategic imperatives.
8 September	**Building the draft budget**. Outlined the organisation's planned approach to building the budget and introduced the concept of building blocks being used to develop the budget.
8 September	**Capital renewals programme:** Overview of the 'first cut' figures, planned approach and expectations for moderation of this programme for the 10-Year Plan.
22 September	**Waikato Tainui:** Shared their vision, activities and potential areas for collaborative joint projects.
22 September	**River Plan:** Taskforce report back on recommendations for the River Plan.
24 September	**Council meeting: Revenue and Financial Strategy Taskforce** report back (see section 3).
28 September	**Rates discussion:** • Overview of debt and debt capacity. • Comparative analysis and affordability discussion. • Modelling options for moving to CV based rates. • Options for remissions to support transitions. • Targeted rates for community infrastructure and transport improvements.
29 September	**Growth:** Five scenarios to service growth were presented following detailed analysis and identified a staff-recommended option for inclusion in the draft 10-Year Plan.
3 October	**Community Infrastructure:** Remaining items not yet covered included: • Zoo options. • Community development advisory services. • Community grants. • Richmond Park School. • Artspost seismic strengthening. • Cemeteries.
3 October	**Consultation and pre-engagement:** Overview of planned engagement approach.
3 October	**Overheads and support services:** Overview of what these are and how they are allocated, an explanation of key variances and overview of findings from the recent support services review.

13 November	**10-Year Plan Review and Options:** • Revisited the financial context to budget challenges including debt capacity and comparative analysis. • High level review of work to date to develop the draft budget. • High level overview of key features of the draft budget including capital and operating budgets. • Three strategic revenue options - why the proposed solution lies more with revenue and debt than with cutting costs. • CE stretch response and re-imagining local government. • Rating options (100% capital value, Uniform Annual General Charge, Developer ready land).

13 November	**Rototuna Town Centre Comprehensive Development Plan and Proposed Community Facilities:**
	• Provide a background and overview of the Rototuna Town Centre Comprehensive Development Plan (CDP) – Area A.
	• High level outline of options for Community Facilities:
	  o Public Square and Library.
	  o Aquatic Facility – learn to swim or larger facility.
	  o Alternative uses require investigation.

13 November	**Rubbish and Recycling:** The presentation provided an overview of: • Outlined the process to date in considering the rubbish and recycling service from 2015 through to now. • Options put out for tender and the companies who responded. • Cost and funding options for each option. • Outline of potential issues and next steps in the process.
21 November	**Update on Indoor courts:** Council received an update on discussions held with the University of Waikato, Sport Waikato and Waikato Institute of Technology to investigate a potential partnership option for sport and recreation facilities. Overview of proposals, considerations for these and recommendations were presented.
21 November	**Garden Place:** Presentation on the proposed development by The Garden Place Collective.
21 November	**Community Infrastructure and City Improvements:** • Overview of the strategic context for provision of Community Infrastructure - the 'why'. • Highlighted key infrastructure issues and priorities. • Provided information on proposed funded and unfunded community projects to be given consideration in the 10-Year Plan.
21 November	**Access Hamilton:** Overview of the Access Hamilton programme being included in the draft 10-Year Plan budget on the recommendation of the Access Hamilton Taskforce.
28 November	**Fees and Charges:** Discussion on the fees and charges schedule and any significant changes.
28 November	**Engagement approach:** Overview of the proposed engagement approach for the 10-Year Plan and Consultation Document.
28 November	**2018-28 10-Year Plan Process Overview:** how the draft 2018-28 10-Year Plan debate facilitation will proceed.

Resolutions relating to the 2018-28 10-Year Plan

3. The table below shows resolutions Council has made as part of the 2018-28 10-Year Plan process in relation to the plan and process itself. It does not include resolutions relating to specific activities.

Date	Resolution
7 March	In relation to the Mayors report, Council resolved that: *a) the report be received;* *b) Council review the current Council approved Financial Strategy in preparation for the 2018-28 10 Year Plan and report back with recommendations for changes, if any, to this Financial Strategy; and*

	c) *the review is to include looking at revenue stream options including changes to the present rating structure and/or calculation of rates, targeted rates being suggested, and give consideration to all and any other options for rating and revenue gathering; and* d) *a report comes back to the 24 August 2017 Council Meeting.*
4 May	In relation to establishing the Financial Strategy / revenue taskforce, Council resolved that: a) *the report is received;* b) *the draft terms of reference for the Financial Strategy/Revenue taskforce are approved;* c) *the taskforce is chaired by Councillor Rob Pascoe with the Mayor, Councillors Mallett and O'Leary and the Chief Executive appointed as members; and* d) *the taskforce is delegated the responsibility to appoint the remaining two independent members of the taskforce themselves.*
27 July	Approved the *NIDEA Low series population and household growth projections to be used for the development of the 10-Year Plan.*
27 July	In relation to approving the 10 priorities from the Hamilton Plan as Council's Community Outcomes, Council resolved that the item: *be adjourned to be discussed as part of the next available 10-Year Plan Elected Member Briefing.*
24 August	It was resolved that Council: *a) Approved the following working Financial Strategy Measures:* *(i) Debt to Revenue (LGFA calculation).* *(ii) Balancing the Books (new calculation).* *(iii) Rates increase limit (expressed as the percentage increase to existing ratepayers).* *(iv) Rates limit (expressed as a maximum portion of the rateable capital value of the city).* *b) notes that the limits and targets associated with the Financial Strategy measures will be determined through the 10 Year plan Process; and* *c) requests the Chief Executive to obtain detailed financial modelling of the following potential revenue options for consideration to include in the 10-Year Plan:* *(i) Moving to full capital value rating sooner.* *(ii) Introducing a targeted rate to fund community infrastructure.* *(iii) Introducing a targeted rate on developer ready land.* *(iv) Removing CBD remissions in the Development Contribution Policy.* *(v) Removing Caps in the Development Contributions Policy.* *(vi) Adding projects beyond the 10-Year Plan to the Development Contributions Policy.* *(vii) Introducing an entry fee for non-residents at the Enclosed Gardens at Hamilton Gardens.* *(viii) Introducing a targeted rate to fund transportation initiatives.*
24 August	It was resolved: *That the Council adopts the draft Significance and Engagement policy.*
18 October	Council resolved: *That the Council approves the following as the Hamilton City Council's Community Outcomes:* *a) A great river city –* *Our city embraces its natural environment and has green spaces, features and community facilities that make it a great place to live, work, play and visit.* *b) A city that embraces growth –* *Our city has infrastructure that meets our current demands, supports growth and helps build a strong economy.* *c) A council that is best in business –* *Our council is customer focussed, financially sustainable and has the best people delivering the best outcomes for the city.*

SECTION 1: ATTACHMENT 2

Significant Forecasting Assumptions

Author:	Stephen Halliwell	Authoriser:	David Bryant
Position:	10-Year Plan Financial Advisor	Position:	General Manager, Corporate

Purpose

1. To outline the significant forecasting assumptions that inform the draft 2018-28 10-Year Plan budget.

Recommendations

It is recommended that the Council for the purposes of developing the consultation document:

a) Approve the significant forecasting assumptions used in the development of the draft 2018-28 10-Year Plan set out in this attachment.

Introduction

2. Legislation requires Council to disclose all significant forecasting assumptions that inform the 10-Year Plan in both the Consultation Document and the final 10-Year Plan. These assumptions must reflect the best knowledge that the Council has at the time the plan is prepared and will be subject to audit.

3. The assumptions presented here are the initial assumptions and will continue to evolve as the 10-Year Plan develops and is finalised. This evolution will include more detailed analysis of the level of uncertainty associated with each of the assumptions and quantification of the potential effect of that uncertainty on the financial estimates. Growth and demand assumptions are included as will be the strategies in place to deal with these.

Assumptions

4. **GROWTH**

5. **Settlement pattern**

6. Hamilton Urban Growth Strategy (HUGS), Future Proof Growth Strategy and the Operative Waikato Regional Policy Statement outline the existing long-term settlement pattern for the city. The 10-Year Plan budget has been developed based on the following land use assumptions.

7. There is a risk that central government may intervene and require the Council to release more land for development. Only the following areas have been considered for Council provision of growth infrastructure.

8. *Citywide development*

9. Investment in infrastructure to service the existing city will be ongoing over the life of the 10-Year Plan 2018-2028. These ongoing investments will support infill and intensification as well as supporting continued greenfield growth.

10. Infill development within the existing city will be progressed in parallel with greenfield areas to accommodate approximately 50 per cent of Hamilton's new dwellings. This regeneration will focus in and around key nodes as identified in the Operative District Plan (ODP).

11. *Stage 1 Residential Greenfields*

12. Rototuna to remain the city's primary growth cell with investment prioritised on completing core strategic infrastructure.

13. Residential development in Stage 1 Peacocke continue in parallel with Rototuna. Works in Stage 1 Rotokauri (boundary as per Operative District Plan) industrial and limited residential growth is included, but further works are deferred outside the 10 year period excpet for some provision to begin a stormwater swale in years 6-10.

14. *Stage 2 Residential Greenfields*

15. Peacockes Stage 2 Residential to be the focus for the city following the development of Stage 1 Residential Greenfields described above, with key strategic infrastructure being progressed in line with Council's Housing Infrastructure Fund detailed business case. This includes an arterial transport network in the northern part of the cell, including the Wairere Drive/Cobham Drive interchange and bridge over the Waikato river into Peacocke, elements of the Southern Links network, strategic wastewater to link Peacocke to the existing wastewater network, distribution water mains and local transport, wastewater, water and stormwater to service the northern part of the cell.

16. The balance of Rotokauri Stage 1, Peacocke Stage 2 and Rotokauri Stage 2 residential to be the focus for the city following the northern part of Peacockes Stage 2 residential, with infrastructure investment sitting outside of the 10-Year Plan 2018-2028.

17. *Ruakura Growth Cell*

18. Council's role is limited to previous investments in strategic wastewater and transport infrastructure with private investment largely enabling development in this cell. Limited funding isallocated to work with the developer.

19. *Temple View and Te Rapa North*

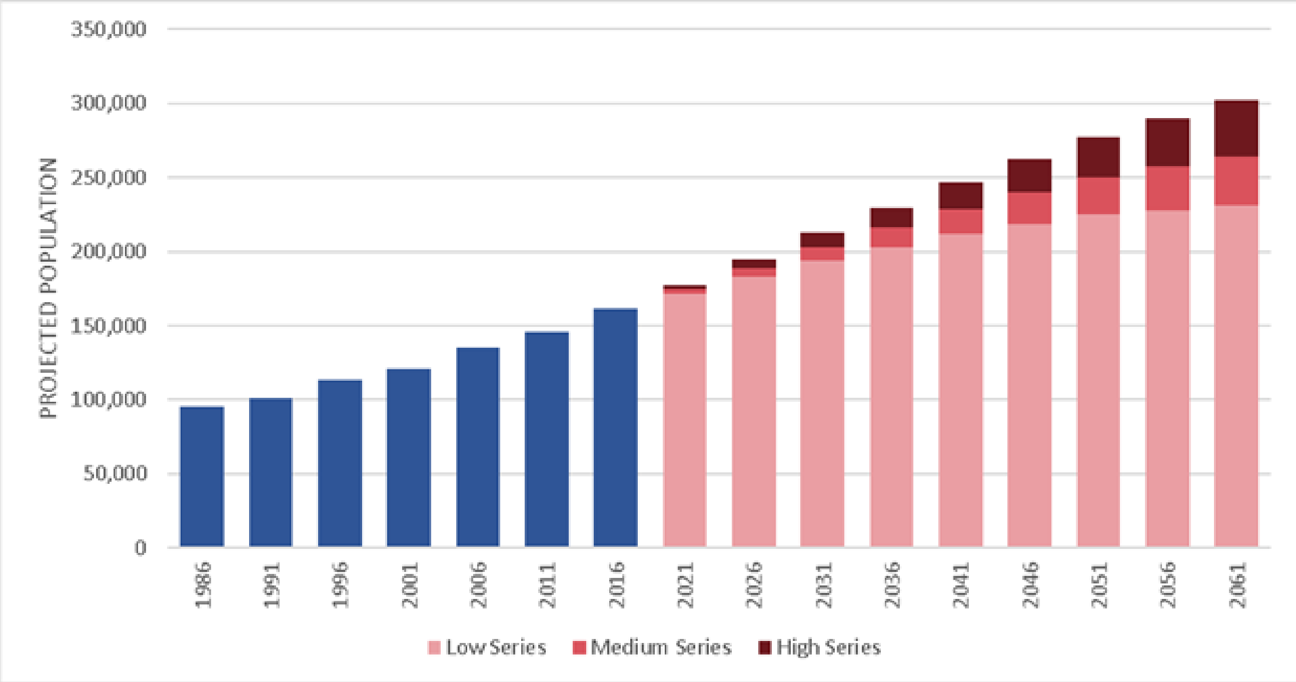
20. There is no Council investment programmed to service Temple View or Te Rapa North in the 10- Year Plan 2018-2028.

21. **Population Growth**

22. Total population at 30 June is projected to be:

2021	2026	2031
171,606	182,899	194,186

23. Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (University of Waikato) - NIDEA. High, medium and low projections have been produced based on different fertility, mortality and migration and are shown in the table below. The NIDEA Low projection (2017) has been used by the Council to prepare this budget.



24. Population projections have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy and the related capital expenditure programme for the 10-Year Plan has been prioritised from this base.

25. **Ageing population**

26. People aged 60 years and above constitute Hamilton's fastest growing age group. This has been factored into the dwelling and population projections upon which Hamilton City's growth projections are based.

27. **Growth Infrastructure Investment**

28. It is anticipated that all growth cells will be developed in a partnership between Council and privately funded infrastructure.

29. As Council's current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer provided infrastructure and the use of private development agreements (PDAs).

30. Limited funding has been assumed in the budget for the partnering with the development community. This funding for 'upsizing' is required to ensure that infrastructure is adequately sized to provide an efficient network and able to be used by downstream developments.

31. It has been assumed that Council will generally make upsizing contributions to developers on an incremental marginal cost basis where these are required.

32. **REVENUE**

33. **Development Contributions**

34. Future revenue has been projected using the Development Contributions (DC) Model. The DC revenue assumption also considers current payment patterns, leakage due to approved remissions and to account for growth modelling error margins.

35. Development contribution revenue (including the impact of Mayoral recommendation impacts) is estimated to be ($000):

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 Years $000
Revenue estimate	17,156	24,417	28,654	31,011	31,139	31,147	30,878	29,754	30,796	30,616	285,567

36. Should Hamilton grow more quickly than expected, then development contribution revenue is likely to exceed these expectations. However, the increase in revenue will be offset over time by a need to accelerate growth related core network infrastructure. Conversely, if growth is slower than expected new infrastructure may be deferred until needed and over time this will offset the loss of projected revenue. In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will need to be recouped as the demand (and development contributions) is realised.

37. **Ratepayer Growth**

38. Ratepayer growth has been calculated based on the growth assumptions on growth in the number of households and growth and square meters of commercial space. The relationship between ratepayer growth and the forecast growth metrics is complex. One household does not represent a one to one relationship with one rating unit. Ratepayer growth has been calculated based on the historic trends in the relationship between these forecasts and actual rating unit growth over the previous 4 years.

39. There is a considerable amount of uncertainty around these forecasts. The percentage increases represent the expected increase in general rate revenue provided by growth in the rating base.

	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28
Ratepayer Growth	2.62%	2.64%	2.62%	2.57%	2.48%	2.43%	2.37%	2.32%	2.27%	2.23%

40. **EXPENDITURE**

41. **Cost of growth**

42. As Hamilton grows costs increase on some services. This 10-Year Plan allows for increases for contract escalations relating to the growing number of households. This occurs only where the supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause.

43. Further consequential cost of growth has been included in relevant activity budgets, reflecting the cost of maintenance and operating new assets as a result of new growth assets being created.

44. **Inflation treatment**

45. Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost.

46. Business and Economic Research Ltd (BERL) have been contracted on behalf of the local government sector to provide inflation forecasts for the period of this 10-Year Plan. 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.

47. The major cost components of the LGCI include:

- The general goods and services index
- The transport capex index
- The water services capex index
- Materials
- Fuels & Electricity
- Transport and communication
- Commission and contract services
- Business services
- Insurance premiums.

48. Operating expenditure and revenue (activities, DCs and Opex subsidies) inflation used in financial modelling is:

	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28
Operating inflation	2.00%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%

49. Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28
Capital inflation	4.00%	4.10%	4.00%	2.50%	2.30%	2.40%	2.50%	2.50%	2.60%	2.70%

50. The capital inflation figures in Years 1-3 have been increased from the national LGCI rates. This has been based on subsequent advice from BERL to reflect unique cost pressures in the Waikato.

51. DEBT AND INTEREST

52. Interest Rates

53. Council uses PWC Treasury Division for the provision of advice for all aspects of Council's treasury management. Council has in place policies that provide direction in the management of risks associated with its debt portfolio.

54. Council's interest rate risk, the risk of adverse interest rate movements, is mitigated by requiring at least 50 per cent (but no more than 95 per cent) of Council's debt to be at fixed rates with greater than 12 months to maturity. Council's Liquidity and Funding Risk, the risk that Council may not be able to access funds at the time that we need or at a cost no greater than the existing terms, is mitigated in two ways: firstly, by spreading the due dates of our debt per the policy; and, secondly, by ensuring we have access to additional undrawn funds.

55. The policy also outlines the financial institutions from whom Council can borrow and includes borrowing caps for all but Local Government Funding Agency (LGFA) and the New Zealand Government.

56. Being credit rated as AA- by Fitch Credit Ratings has provided the opportunity to access cheaper sources of debt. On average, the margin benefit is 20 to 30 basis points, for example if the market is 5.1 per cent then Council can borrow at 4.8 per cent.

57. Interest rates applying to debt are estimated based on current fixed rate contracts, forward looking market rates and expected credit margins.

58. The interest rate applying to cash investments is 3.0 per cent. It is estimated that the average cash balance of $55m will earn approximately $1.65m interest per annum.

59. The interest rates on borrowing used in this 10-Year Plan are:

	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28
Interest rates	5.05%	4.90%	4.85%	4.80%	4.80%	4.75%	4.70%	4.70%	4.70%	4.70%

60. These rates reflect the current Fitch Credit Rating being maintained throughout the 10-Year Plan. A change in rating up or down could be expected to impact on interest costs by approximately 0.05 per cent or 5 basis points.

61. Interest expense is calculated using projected debt and then making adjustments for the timing of capital expenditure (a lag in spending and debt drawdown).

62. **ASSETS**

63. **Property Investment**

64. Return on investment in property is based on the objective to maximize the financial return by operating these property assets to achieve the market or better than the market rates of return through maximum rental income, high levels of building occupancy and with quality tenants. Rents have been set in line with prevailing market conditions.

65. **Asset sales**

66. To be determined depending on outcome of debate and decisions made at 6 December meeting.

67. **Revaluation of non-current assets**

68. Revaluations have only been calculated on Property, Plant and Equipment as they are Council's largest area of non-current assets. The revaluation has been calculated on the preceding years balance as disclosed in the Statement of Financial Position with an inflation allowance calculated based on LGCI as listed in the Forecasts of Price Levels Change Adjustors 2017 Update.

69. **Useful lives of significant assets**

70. Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. The Council has made a number of assumptions about the useful lives of its assets. These are disclosed in the depreciation note within the Statement of Accounting Policies included in the Prospective Financial Statements.

71. **Financial derivatives**

72. Due to the volatility of its nature, Council has not budgeted for financial derivatives gains and losses.

73. **Seismic rating of Council buildings**

74. A programme of prioritised seismic assessments is being undertaken over the next few years on Council's building portfolio.

75. Where a Detailed Seismic assessment has already been done on a Council building, this assessment is used to determine if a seismic upgrade is required. AMPs have included any known seismic upgrades required to meet legislative minimum requirements. Where a Detail Seismic assessment has not been done, no provision has been made for seismic upgrade.

76. **Investment properties**

77. Council revalues investment properties on an annual basis but has not budgeted for any gains/losses

over the period of this 10-Year Plan.

78. Sources of funds for replacement of significant assets

79. Capital expenditure to replace assets (renewals) is primarily funded from rates, and capital expenditure to improve levels of service and growth is funded by loans. Some capital expenditure is also funded by subsidies, DCs and grants.

80. ACTIVITY SPECIFIC ASSUMPTIONS

81. Strategic plans and Implementation plans

82. Council has developed a number of plans and strategies to support the delivery of the vision of the Hamilton Plan. Many of the plans and strategies were developed after the 2015-2025 10-Year Plan and therefore the actions were not included as projects in the previous 10-Year Plan. Since the adoption of the Plans and Strategies, many projects have been completed or incorporated into the work programmes.

83. Council has approved a number of strategic plans. These are:

- Access Hamilton
- Biking Plan
- Central City Transformation Plan
- Central City Safety Plan
- Disability Action Plan
- Economic Development Agenda
- Frankton Neighbourhood Plan
- Hamilton Arts Agenda and Public Art Plan
- Hamilton East Neighbourhood Plan
- Hamilton Libraries Strategic Plan
- Hamilton Urban Growth Strategy
- Heritage Plan
- Open Spaces Plan
- Playgrounds of the Future Plan
- Pooches and Parks Plan
- River Plan
- Waikato Museum Strategic Plan
- Youth Action Plan

84. These plans will require funding for implementation. The identification of key projects over the next 10 years and the priority of these projects will be gained through the 10-Year Plan process.

85. Founders Theatre

86. What to do with Founders Theatre is under consultation at the time of writing this report. Until the process is complete, this draft budget represents the Mayor’s preference to demolish the theatre at a

cost of $802,100. The draft 10-Year Plan budget will reflect the result of further Council deliberations following a report back on the results of the consultation and a recommended option for the future of Founders Theatre at the meeting on 12 December 2017.

87. **Building control and planning guidance**

88. Funding for this activity and expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

89. **Transport**

90. The Access Hamilton Taskforce provided direction in the development of this plan that has informed additional capital and operation requirements. This aims to address services in relation to safety and congestion. The current number of sites where levels of service at peak times are at level D or above will be maintained.

91. **Parking**

92. The free 2 hours on street parking trial implemented within the Central Business District as resolved by Council in June 2017 will continue following the trial completion and Council review prior to 30 June 2018. The free 2 hours will continue to be a cumulative total between the hours of 8.00am and 8.00pm Monday to Saturday and $6 per hour thereafter. Sundays and public holidays are free

93. **OTHER SPECIFIC ASSUMPTIONS**

94. **Third party funding**

95. Council has assumed that operating and capital expenditure programmes which have in the past received NZTA subsidies and/or satisfy the criteria that NZTA require in order to provide subsidy will continue to receive subsidy funding over the course of the 10-Year Plan. The subsidy rates that have generally been applied have been at the subsidy rate of 51 per cent.

96. Council has assumed that levy contributions from central government under the relevant provisions of the Waste Minimisation Act 2008 will still be received over the full term of 10-Year Plan and at the current levels. Council will apply these funds to projects to deliver on the Waste Management and Minimisation Plan.

97. Over the full term of 10-Year Plan Council has assumed that contributions will still be received from Waikato Regional Council for project Watershed projects. These contributions are sourced from the Waikato Regional Council targeted rate for Project Watershed. Council will apply these funds to projects that meet the criteria set out in the Project Watershed agreement between Council and Waikato Regional Council.

98. Over the years Hamilton Gardens staff and supporters have been very successful in securing sponsorship for the development of the theme gardens. The totals raised vary from year to year and from garden to garden with increasing competition from other Council activities. If garden development continues then the organisations supporting Hamilton Gardens should be able to secure further significant funding.

99. **Climate change**

100. The Climate Change Adaptation Technical Working Group was established as a business unit within the Ministry for the Environment in 2016. The group is responsible for leading the development, coordination and implementation of whole-of-government climate change policy that can adapt to the impacts of climate change whilst continuing to grow the economy.

101. Climate trends are monitored by the Technical Working Group, which has predicted impacts of a range of climate change scenarios for the Waikato, including changes in average temperature, sea level rise and rainfall patterns. In general, Waikato, like much of the west coast of the New Zealand, is likely to

become warmer and wetter.

102. There is variation with different predictions of likely changes to climate from different agencies and organisations. However the impact on Council's infrastructure is considered acceptable when compared with the currently used design standards for new infrastructure if predicted impacts are generally accurate for:

- 0.6 – 3.3°C average temperature increase (from 1995 to 2090)
- Winter rainfall in the Hamilton area is expected to rise by 4 to 8 percent by 2090, whereas spring rainfall is projected to decrease by 6 percent. The variability could lead to more extreme weather event such as drought and flooding.[1]

103. The topography and relatively low natural hazard risk in Hamilton is considered to be an advantage in comparison with other parts of the country (such as coastal communities) which will be more directly impacted by changes to climate. However, emerging trends in natural hazard risk will be monitored by HCC and WRC.

104. **Shared Services**

105. The Council is currently part of a shared services review for water services with Waikato District Council and Waipa District Council. No decision has been made to change the way water services are provided. This draft 10-Year Plan has been developed based on Council continuing to provide water services.

106. **Future legislative change**

107. The details of future legislative changes are unable to be anticipated with any level of certainty.

108. The information that has been made available through various policy announcements to date suggests that the potential risks to materially impact this 10-Year Plan are moderate in scale. However, given the lack of detail available on future legislative changes and their timing, the projects contained in this 10-Year Plan have been planned based on the current legislative regime.

109. Changes to other legislation affecting the operation of Council cannot be anticipated at this point and therefore this 10-Year Plan has been developed based on current legislation and policy.

110. **Resource consents**

111. It has been broadly assumed that the necessary consents will be able to be obtained and funding provision and time has been made within the relevant capital project budget and programme plan to facilitate obtaining the necessary planning permissions. The provision made has been determined by the relevant asset / budget manager based on previous experience and expert knowledge of the contemporary planning framework and legislation.

- The following key consents are planned for renewal:
- Wastewater Treatment Plant discharge – 2027
- Water Treatment Plant abstraction - 2044
- Hamilton Gardens water abstraction - 2019
- Comprehensive stormwater consent - 2036
- Crematorium emission consent - 2040

[1] http://www.mfe.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/waikato

Section 2

Operating Budget

Operating Budget

Author:	Stephen Halliwell	Authoriser:	David Bryant
Position:	10-Year Plan Financial Advisor	Position:	General Manager Corporate

Purpose

1. To get approval for the 2018/19 operating budget, which forms the base on which the 10-Year Plan is built.
2. The operating budget for the purpose of the development of the 10-Year Plan includes the costs and revenues of each activity of Council including depreciation and interest.
3. To adopt the fees and charges schedule.

Recommendations

That the Council:

a) approves the Fees and Charges Schedule in section 2, attachment 12 of this report;

b) approves the operating budget for the 2018-28 10-year Plan, excluding the consequences of other decisions at this meeting that have an operating budget impact.

Executive Summary

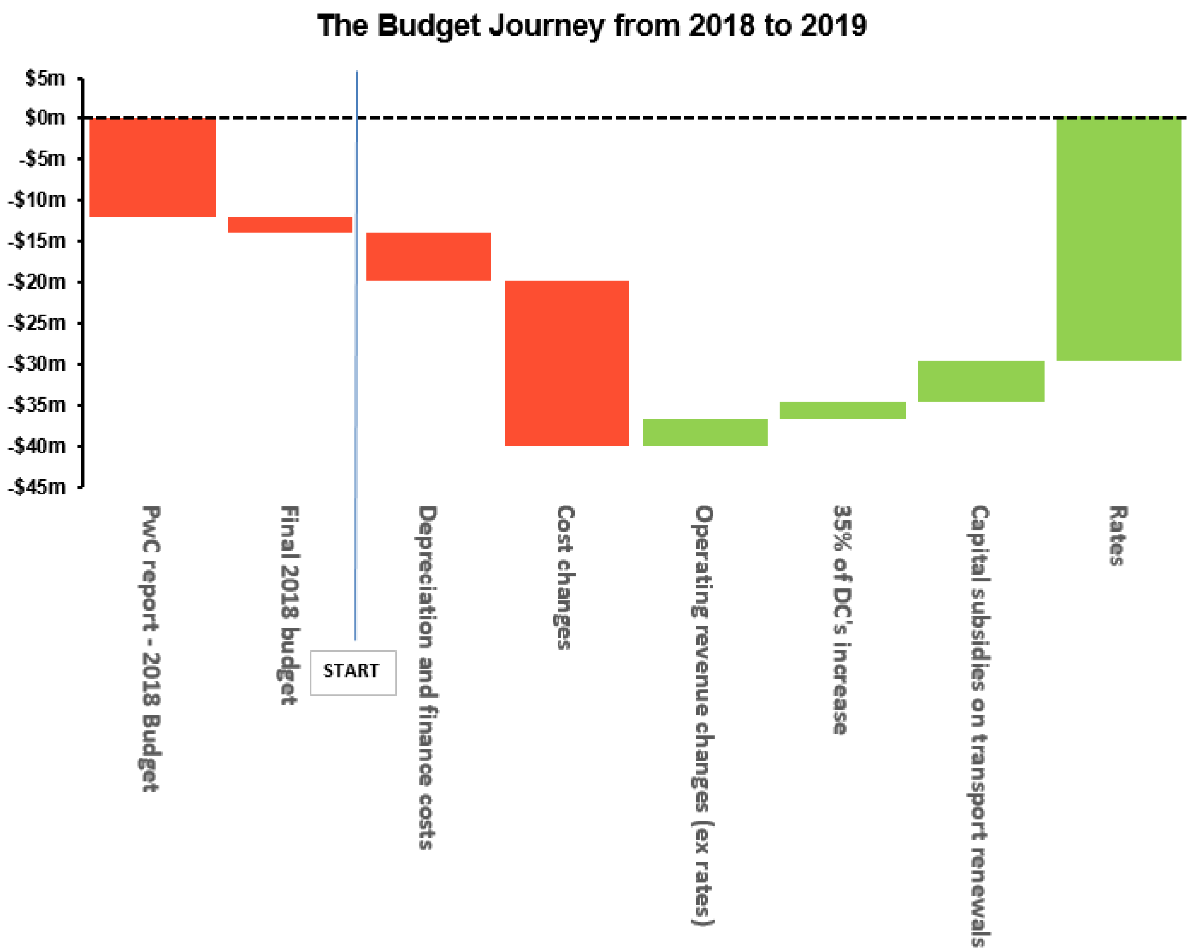
4. The operating budget for Year 1 of the 10-Year Plan (2018/19) shows a positive variance of $66m over the Annual Plan 2017-18, due to the rates increase set at 15.5% plus 4.5% rates uplift from growth to balance the books.
5. After adjusting for everyday revenues and costs the budget increase is $14.8m excluding depreciation.
6. The operating budget has been built on the principle of "sustainably providing existing service levels cost effectively".
7. There were significant budget reductions from 2012 responding to Council's deteriorating financial performance, contributed to by the Global Financial Crisis (GFC). Six years of austerity budgets has seen a decline in service levels in some areas. In some cases, the costs of dealing with the consequences of service level reductions is costlier than appropriately funding service levels to be maintained.
8. In leading the budget development, the Mayor has inquired as to the justification of changes and accepted the staff explanations. So that the budgets remain lean, and thereby ensure cost effectiveness, a $5m efficiency saving has been included.
9. The operating budget contains few service level increases or reductions. All changes in service levels are identified within this report.

Budget Development

10. Budgets have been developed on the basis of sustainably delivering current service levels cost effectively.
11. To develop the 10-Year operating budgets, staff have focussed primarily on Year 1 of the 10-Year Plan (2018/19) with variances in later years by exception.
12. To assist with transparency, the 2018/19 budget is described in terms of variation to the current 2017/18 Annual Plan budget.
13. Elected member briefings began mid-year and consideration was given to each activity, their service levels and risks and opportunities.
14. The Mayor has worked with staff across all budgets taking account of feedback from elected members to finalise this operating budget on 28 November 2017.

Operating Budget 2018/19

15. Section 2: Attachment 1: Draft Operating Budget Summary Forecast Operating Result shows the 10-year operating revenues and expenses.
16. The journey of the budget from the $12 m deficit identified in the PwC Report, was increased to $13.9m by decisions in the adoption of the Annual Plan for 2017/18.
17. Changes impacting Year 1 2018/19 are, an increase in depreciation of $5.9 m, an increase in operating costs less operating revenues plus the DC contribution to operating costs of $14.8m and an increase in capital subsidy of $5.1m.
18. From this position, a rate increase of $29.8m is required to ensure everyday costs are paid for by everyday revenues. Total rates revenue increases by 20% including 15.5% to existing ratepayers and the balance from growth including increases from new rating proposals.



The Budget Journey from 2018 to 2019
$5m
$0m
-$5m
-$10m
-$15m
-$20m
-$25m
-$30m
-$35m
-$40m
-$45m
PwC report - 2018 Budget
Final 2018 budget
START
Depreciation and finance costs
Cost changes
Operating revenue changes (ex rates)
35% of DC's increase
Capital subsidies on transport renewals
Rates

19. The following table summarises the comparison with 2017/18 and the reasons for these budget changes.

SUMMARY FORECAST OPERATING RESULT $(000)

	2018 Budget	2019 Year 1	Variance Fav/(Unfav)	Variance %	Notes
Revenue					
Rates	153,072	192,929	29,857	20%	1
Water rates	7,693	7,646	(47)	(1%)	X
Revenue from activities	39,867	41,054	1,187	3%	2
Subsidies and grants	5,692	7,327	1,635	29%	3
Development and financial contributions	11,141	17,156	6,015	54%	4
Interest revenue	2,000	2,475	475	24%	5
Other revenue (including Vested)	9,770	31,216	21,446	220%	6
Capital revenue	6,702	38,538	31,836	475%	7
	235,937	**328,342**	**92,405**		
Expenses					
Personnel costs	73,884	80,348	(6,464)	9%	8
Depreciation and amortisation	63,870	67,780	(3,910)	6%	9
Interest expense	21,819	23,857	(2,038)	9%	10
Operating and maintenance costs	38,518	48,538	(10,020)	26%	11
Professional costs	7,907	10,038	(3,131)	40%	12
Property costs	11,808	12,259	(451)	4%	X
Administrative costs	9,550	9,660	(110)	1%	X
	227,356	**253,480**	**(26,124)**		
Operating surplus	**8,581**	**74,862**	**66,281**		

20. EXPLANATION OF VARIANCES

21. Section 2: Attachment 2: Operating Budget Variance Analysis provides the same summary by Management Group and the reasons for the budget changes in their areas of responsibility.

22. An overview of those variances follows:

Note 1: Rates - variance $30m or 20%

- Until resolved otherwise, it is assumed the average rates increase is 15.5% to existing ratepayers.
- The balance of the rates increase represents additional rates collected from growth, including the changes in rating policy identified in section 4. These policy changes are:
  - Moving to 100% capital value in Year 1 with a $500 uniform annual general charge (UAGC).
  - Changing the rural differential on the general rate.
- If these items are not supported then the rates uplift will be lower and rates would need to increase by 17.9% to continue to balance the books. All of the rates uplift is necessary to

ensure that everyday revenues fund everyday costs. None of this rates uplift is driven by the capital programme.

- Growth uplift is made up as follows:

Item	**$m**
Growth in rating base (assume 100% CV)	4.6
Change to 100% CV	7.1
Increased rural rate differential 77.2%	1.0
Less increase in remissions due to CV	(6.7)
Total	**$6.0**

Note 2: Revenue from activities - variance $1.2m or 3%

- Section 2: Attachment 12 is the Fees and Charges Schedule for confirmation at this meeting.
- Increases are due to a mix of price changes (see fees and charges schedule) and volume changes. Further explanation is in the variance analysis attachment.
- The following revenue increases that are included in these budgets are:
    - Artspost commission reduction
    - Aquatics admission pricing increases
    - Cemetery fees increases
    - Zoo entry fees increases
- The Hamilton Gardens fee increases, also included in the operating budget, are included as part of the capital proposal in the capital section of this report.

Note 3: Subsidies and Grants - variance $1.6m or 29%

- The bulk of this increase is due to higher NZTA operating and maintenance subsidies on maintaining our network. See variance analysis attachment - Infrastructure group.

Note 4: Development and Financial Contributions - variance $6.0m or 54%

- There are three factors increasing DC revenue:
    - Firstly, as signalled by PwC, some previous budgets had not fully incorporated the forecast growth assumption;
    - Secondly, the budget includes a proposal to remove remissions from the DC policy; and
    - Finally, the budget has increased due to the increased projected capital programme.
- These changes have been driven by the guiding financial principle that ‘growth will pay for growth’. A consequence of this approach is that income and debt are much more sensitive to changes in the rate of development. Council will need to respond more quickly to fluctuations in growth.
- Full information on the changes to the DC policy are outlined in Section 4 of this report.

Note 5: Interest revenue - variance $0.5m or 24%

- Interest revenue has increased due to a higher forecast average cash balance of $10 m to cover liquidity and cashflow requirements arising from projected higher debt levels.

Note 6: Other Revenue (including vested assets) - variance $21.4m or 220%

- With unprecedented growth comes a higher volume and value of vested assets.
- The vested asset increase has been calculated on historic trends and assumes a similar mix of assets will be vested in Council. This mix shows that nearly 45% of the vested assets are land, with the majority being land under roads.
- In addition to recognising the revenue from vested assets, the budget includes the costs of depreciating, maintaining and operating these new assets.

Note 7: Capital Revenue - variance $31.8m or 475%

- Capital revenue is significantly increased in line with the increase in the capital programme. NZTA is the main source of capital revenue.
- Capital revenue is also being budgeted for in Project Watershed and Hamilton Gardens and some lesser amounts as shown in proposals.

Note 8: Personnel Costs - variance $(6.5m) or (9%)

- Detailed analysis is included in the variance analysis attachment.
- This increase includes general cost of living adjustment of $1.5m and the proposed Council minimum wage (see proposal) $500,000k.
- The balance of $4.5m largely represents the additional personnel costs for sustainably delivering the current service levels as well as additional resources to support the delivery of the much larger capital investment programme.

Note 9: Depreciation and amortisation - variance ($3.9m) or (6%)

- Depreciation has increased as a result of the larger asset base arising from the 2017/18 capital programme ($136m capex), 2017/18 vested asset (currently $10m pf which $5m is depreciable and $5m is land), the revaluation of property assets as at 30 June 2017 and the partial depreciation of 2018/19 new assets.

Note 10: Interest expense - variance $(2.0m) or (9%)

- Interest expense has increased arising from two factors:
    - Increase of $983,000 due to higher debt.
    - Increase of $1.5m due to a lower discount rate for the present-day value of future obligations to maintain close landfills. This is offset by an increase in the landfill provision. See variance analysis attachment - Infrastructure group.

- The above increases are partially offset by a saving of $394,000 due to the interest free nature of the HIF loan.
- Interest rates for the 2018-28 10-Year Plan are included in the Significant Forecasting Assumptions of this report. These rates start at 5.05% dropping to 4.7% over the 10 years and reflect Council's costs based on actual fixed rate contracts.

Note 11: Operating and Maintenance - variance $(10.0m) or (26%)

- This budget has increased significantly as a result of budgeting for the "sustainable delivery of current service levels cost effectively".
- Council has operated under constrained financial budgets which have stressed service levels across the organisation. Increasingly, examples of unplanned costs due to restrained budgets are evidence that not undertaking planned maintenance is less cost effective than proactively maintaining assets. Examples that have been discussed in briefings are:
    - Water value checking. Prior to 2012 City Delivery undertook programmed maintenance on valves, checking they operated properly. This included turning the valves off and on to ensure they worked freely. This programme stopped in 2012 and 5 years on valves are now seized - increasing costs and risks.
    - Building gutter cleaning. From 2012 the Facilities budgets were reduced, and programmed gutter maintenance was replaced with reactive cleaning. This has resulted in blockages going unnoticed and consequential repair bills resulting from water damage.
    - Tree Maintenance (see proposal)
- The budget in Year 1 has been reduced by the Chief Executive's $4m efficiency savings for the purposes of budgeting and ensures cost effective solutions are achieved. This saving has not been identified to any specific activity or expenditure category. A further $1m of efficiency saving is budgeted in Year 2 to recognise that some efficiency savings will be achieved part way through the year. In total $5m of permanent efficiency savings have been budgeted.
- Detailed analysis is included in the variance analysis attachment.

Note 12: Professional Costs (variance $(3.1m) or (40%))

- Professional costs are increasing for three main reasons:
    - Responding to more activity in consenting and planning $0.5m
    - Meeting compliance costs as building owners $0.7m and as regulators $0.3m
    - System upgrades and change in the way some licenses are accounted for $1.0m
- These bigger increases along with smaller increases in other groups are detailed in the variance analysis attachment.

Further Information and Proposals

23. OPERATING BUDGET POLICY CHANGES – INCREASES TO OPERATING BUDGETS

24. The following changes are included in the operating budgets that reflect a different way of doing business from that of previous budgets. Full details are included in the relevant group attachment.

25. The list shows the 10-year investment (uninflated).

• Re-imagining Local Government (Section 2: Attachment 3)	$1.0m
• Council minimum wage (Section 2: Attachment 4)	$5.0m
• Kerbside Rubbish and Recycling proposal (Section 2: Attachment 8)	see proposal

See variance analysis attachment for the following:

• Increased tree maintenance	$4.7m
• Digitising library archives	$1.0m
• Regulatory Effectiveness and Efficiency Programme (REEP)	$1.4m
• ePlanning	$0.3m

26. OPERATING BUDGET POLICY CHANGES – REDUCTIONS IN OPERATING BUDGETS

27. The following changes have been made to the operating budgets that reflect a different way of doing business from that of previous budgets. Full details are included in the relevant group attachment.

28. The following list shows the 10-year saving (uninflated).

• Artspost Revenue (Section 2: Attachment 5)	$0.4m
• Digitising City News (Section 2: Attachment 6)	$0.7m
• Close I-site (Section 2: Attachment 7)	$5.5m

See variance analysis attachment for the following:

• Do not renew grant to Gallagher Performing Arts.	$1.5m
• Efficiency savings (un-specified)	$5.0m

Years 2 to 10 Lumpy Operating revenues and Expenditure

29. Largely the operating budgets from Year 2 onwards increase by either inflation or maintaining service levels for a bigger city (i.e. more rubbish collection, more roads to maintain, more parks to mow etc). In addition to these there are some other items that are either new or one-off.

30. PROPOSALS

31. Throughout this report are items that are proposed that will have a consequential operating budget impact. These impacts are identified in each proposal. The draft operating budget includes those recommended proposals. Large items include:

- Reduction of rental income due to the sale of property in the Endowment Fund (refer proposal Section 3d, Attachment 8).

- Kerbside Rubbish and Recycling proposal - user pays revenue (Attachment 8).
- Capital revenue mainly relates to NZTA subsidy received on transport capital projects and renewals.
- Waikato Regional Theatre grant and ongoing operating expenditure (Attachment 9).
- River Plan Extension – Central City Park $10m grants years 2 and 3 (refer proposal Section 3d, Attachment 7).

32. UNFUNDED PROPOSALS

- Increase Community Assistance Funding (Attachment 10)
- New Indoor Recreation Facility (Attachment 11)
- Digitisation of archives – refer to paragraph in Community section above.
- ePlanning – refer to paragraph in City Growth section above.

33. CAPITAL PROGRAMME

- Consequential and project operating costs related to capital programme – refer to Section 3.

34. PAINTING OF BUILDINGS

• Claudelands	$1.45m in year 7 2024/25
• FMG Stadium	$0.87m in year 8 2025/26
• Fairfield bridge	$1.0m year 8 2025/26
• Claudelands bridge	$0.8m year 10 2027/28
• Corporate buildings	$1.4m in year 10 2027/28
• Museum	$0.8m in year 10 2027/28
• Toilets	$0.4m in year 10 2027/28

35. 3 YEARLY CYCLE

- Additional audit fee of approximately $160,000 every 3 years to reflect the cost to audit the 10-Year Plan.
- Additional election consultant costs of approximately $500,000 every 3 years.

36. PERSONNEL COSTS

37. New positions have been allowed for over the 10-year period to reflect staffing requirements for a growing city. Examples include:

City Infrastructure

- Two City Delivery service positions
- Four new development engineers
- Two new Infrastructure Alliance positions
- Advanced traffic management operator/analyst

- Project Delivery Engineer and Manager
- Two apprentice operators (treatment plants)
- Contracts manager
- Modelling coordinator
- Electrical maintenance technician
- Operations engineer

City Growth

- Two Building Inspector positions
- Two Building Review Officer positions
- Two Animal Control officers
- Nine Planning Guidance positions

Community

- 4 City Parks positions
- Two library positions

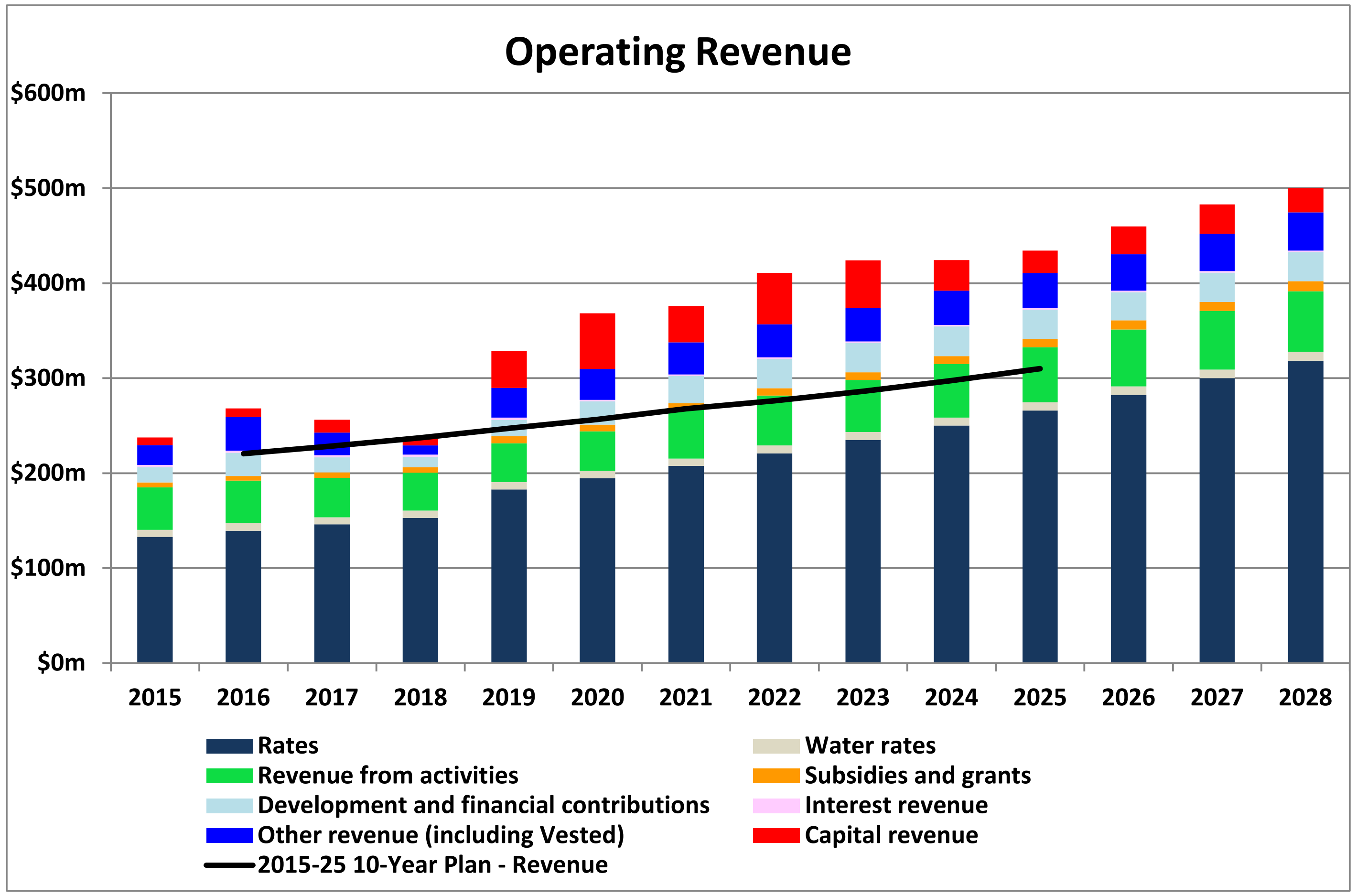
Support Services

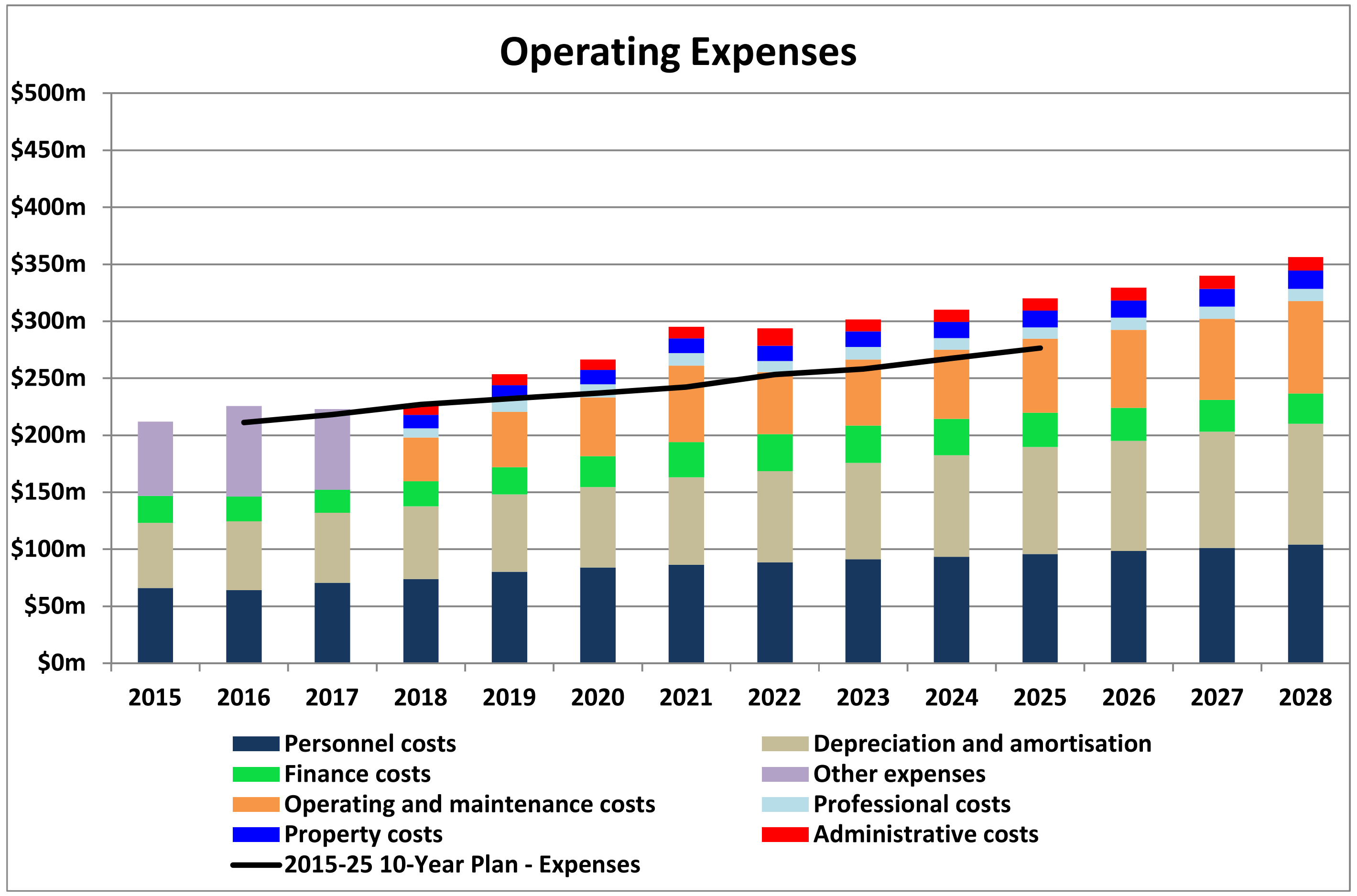
- Two facilities maintenance officers
- Press secretary
- Policy and community liaison.

SUMMARY FORECAST OPERATING RESULT

$000's

	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Year 1	Variance Fav/(Unfav)	Variance %	2020 Year 2	2021 Year 3	2022 Year 4	2023 Year 5	2024 Year 6	2025 Year 7	2026 Year 8	2027 Year 9	2028 Year 10
Revenue																
Rates	133,045	139,339	146,232	153,072	182,929	29,857	20%	194,758	207,521	221,014	235,177	250,108	265,851	282,441	299,918	318,355
Water rates	7,330	7,955	7,464	7,693	7,646	(47)	-1%	7,813	7,984	8,160	8,346	8,538	8,741	8,960	9,182	9,421
Revenue from activities	44,626	44,858	41,362	39,867	41,054	1,187	3%	41,545	50,946	52,623	54,578	56,348	57,988	59,827	61,755	63,779
Subsidies and grants	5,182	5,025	5,803	5,692	7,327	1,635	29%	7,098	7,235	7,529	7,953	8,222	8,643	9,675	9,530	10,487
Development and financial contributions	16,069	24,239	15,797	11,141	17,156	6,015	54%	24,417	28,654	31,011	31,139	31,147	30,878	29,754	30,796	30,616
Interest revenue	2,319	2,369	2,124	2,000	2,475	475	24%	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Other revenue (including Vested)	20,906	35,382	23,902	9,770	31,216	21,446	220%	32,472	33,749	34,589	35,384	36,232	37,137	38,065	39,053	40,106
Capital revenue	8,004	9,007	13,496	6,702	38,538	31,836	475%	58,590	38,165	54,216	49,792	32,226	23,512	29,257	31,168	25,743
	237,481	**268,174**	**256,180**	**235,937**	**328,342**	**92,405**		**368,344**	**375,904**	**410,791**	**424,020**	**424,472**	**434,400**	**459,628**	**483,053**	**500,157**
Expenses																
Personnel costs	65,943	64,042	70,672	73,884	80,348	(6,464)	9%	83,922	86,396	88,654	91,112	93,300	95,757	98,468	101,103	104,048
Depreciation and amortisation	57,278	60,416	61,306	63,870	67,780	(3,910)	6%	70,643	76,863	79,937	84,543	89,264	93,808	96,695	102,066	105,972
Finance costs	23,591	21,713	20,114	21,819	23,857	(2,038)	9%	27,112	30,599	32,348	32,911	31,922	30,309	29,000	27,787	26,682
Other expenses	65,151	79,357	70,817	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating and maintenance costs	-	-	-	38,518	48,538	(10,020)	26%	51,434	67,099	54,381	57,839	60,610	64,759	68,303	71,061	81,095
Professional costs	-	-	-	7,907	11,038	(3,131)	40%	11,680	11,105	9,846	10,941	10,085	10,043	10,780	10,800	10,614
Property costs	-	-	-	11,808	12,259	(451)	4%	12,623	12,998	13,377	13,775	14,184	14,619	15,082	15,559	16,068
Administrative costs	-	-	-	9,550	9,660	(110)	1%	9,122	10,017	15,321	10,557	10,697	10,869	11,232	11,553	11,916
	211,963	**225,528**	**222,909**	**227,356**	**253,480**	**(26,124)**		**266,537**	**295,077**	**293,865**	**301,679**	**310,063**	**320,164**	**329,560**	**339,929**	**356,396**
Operating surplus	**25,518**	**42,646**	**33,271**	**8,581**	**74,862**	**66,281**		**101,807**	**80,827**	**116,926**	**122,341**	**114,409**	**114,236**	**130,069**	**143,124**	**143,761**





SECTION 2: ATTACHMENT 2

Operating Budget Variance Analysis

Author:	Stephen Halliwell	**Authoriser:**	David Bryant
Position:	10-Year Plan Financial Advisor	**Position:**	General Manager Corporate

Purpose

1. This document shows the operating budget variance analysis for each Council group – City Growth, City Infrastructure, Community, Venues Tourism and Major Events, Support Services.

Council Operating Statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)
Revenue			
Rates	153,072	182,929	29,857
Water Rates	7,692	7,646	(46)
Revenue from Activities	39,867	41,054	1,187
Subsidies and Grants	5,692	7,327	1,635
Development and Financial Contributions	11,141	17,156	6,015
Interest Revenue	2,000	2,475	475
Other Revenue (including Vested)	9,771	31,216	21,445
Capital Revenue	6,702	38,538	31,836
Total Revenue	**235,938**	**328,341**	**92,403**
Expenses			
Personnel Costs	73,884	80,348	(6,464)
Depreciation and Amortisation	63,870	67,780	(3,910)
Finance Costs	21,820	23,857	(2,037)
Operating and Maintenance Costs	38,518	48,538	(10,020)
Professional Costs	7,907	11,038	(3,131)
Property Costs	11,808	12,259	(451)
Administrative Costs	9,550	9,660	(110)
Total Expenses	**227,357**	**253,480**	**(26,123)**
Operating Surplus/(Deficit)	**8,581**	**74,861**	**66,280**

Unfunded operating items

2. The operating budget has not made allowance for the following items.

3. **Customer Relationship Management (CRM)**

4. CRM systems are used to identify customers and track interactions with customers. Council currently has no CRM. Implementation of a CRM System and associated processes was identified as a priority project in the 'Authority Roadmap'. A CRM and the associated data would form the basis for a number of other initiatives that would improve productivity and make it easier to do business with Council. Funding of $500k in year 1 and $250k in year 2 was removed from the budget by staff.

5. **Digital Transformation Funding**

6. An annual fund of $150k each year across 10 years for City Growth was originally included in the budget to go towards improving Digital Services and general customer experience. This was intended to be a more flexible funding arrangement than traditional 'per project funding' to enable a quicker response to the increasing speed of changes in technology and customer requirements. This funding was removed from the budget by staff, however funding for e-planning has been included for years 1 and 2 and an annual funding allocation has been included for Smart Hamilton Initiatives.

7. **Safety Officers**

8. Safety Officers were in the original budget to cover extended areas of the CBD (Victoria on the River and Ferry Bank), and Hamilton East (as per the Hamilton East Neighbourhood Plan). These were removed from the budget by staff pending the outcome of the Safety Taskforce.

9. **Sustainability strategy**

10. No allowance has been made for additional resource to manage sustainability strategy or performance monitoring.

11. **City reputation**

12. No allowance has been made for additional Strategy and Communication budget to manage perceived risks around city reputation.

13. **Amorangi Maaori**

14. No allowance has been made for additional resource to support Amorangi Maaori.

15. **Engagement**

16. No additional budget has been allowed for community engagement. Any new methods of engagement will need to be cost-neutral.

Unfunded operating proposals

17. Community Assistance Funding.

18. Indoor Recreation.

City Growth

City Growth Admin; Planning Guidance; Economic Growth and Planning; Strategic Property; Building Control; Civil Defence and Emergency; City Safety; Customer Services

City Growth operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	0	0	0	**Council**
Water Rates	0	0	0	**N/A**
Revenue from Activities	14,142	14,632	490	**Note 1**
Subsidies and Grants	0	0	0	**N/A**
Development and Financial Contributions	0	0	0	**Council**
Interest Revenue	0	0	0	**Council**
Other Revenue (including Vested)	0	0	0	**Council**
Capital Revenue	0	0	0	**Council**
Total Revenue	**14,142**	**14,632**	**490**	
Expenses				
Personnel Costs	13,886	14,126	(240)	**Note 2**
Depreciation and Amortisation	0	0	0	**Council**
Finance Costs	0	0	0	**Council**
Operating and Maintenance Costs	1,852	2,186	(334)	**Note 3**
Professional Costs	1,995	2,928	(933)	**Note 4**
Property Costs	235	217	18	**N/A**
Administrative Costs	1,887	1,887	(0)	**N/A**
Total Expenses	**19,855**	**21,344**	**(1,489)**	
Operating Surplus/(Deficit)	**(5,713)**	**(6,712)**	**(999)**	

City Growth variance summary

19. City Growth's draft 2018/19 operating budget is $0.999m more than 2017/18 Annual Plan (expenditure has increased $1.489m and revenue increased $0.490m).

20. Over the past 6 years, the number of new houses per year in Hamilton has increased from 600 to 1,300 but we only had the staff capacity to process 400. Therefore, this budget increase is required to process a bigger city. A bigger support staff is also required to manage more frontline staff. Some of this additional expenditure is offset by additional revenue.

City Growth proposals

21. Sale of Endowment Fund property.

City Growth information paragraphs

22. **Regulatory Effectiveness and Efficiency Programme (REEP)**
23. Staff have been directed to include funding in the 10-Year Plan for the continuation of the Regulatory Effectiveness and Efficiency Programme (REEP). This recognises the good progress made to date by the REEP and aims to continue the momentum of the programme.
24. As a result of findings to date, some activities have been recommended by the REEP Taskforce and are funded in this draft budget. The recommended activities include initiatives designed to better support applicants through the consent process and minimise processing inefficiencies created by incomplete or inaccurate applications.
25. The following activities are funded in this draft budget for both resource and building consents:
    - Develop communication/education plan for applicants.
    - Prepare District Plan information sheets.
    - Develop workshop content on how to prepare basic resource consent applications and deliver monthly workshops.
    - Develop educational videos on how to prepare resource consent applications.
26. This draft budget provides for $700k in Years 2 and 3 for the continuation of the REEP. To give effect to recommendations arising from the REEP $150k in Year 1 and $50k per annum over Years 2 – 10 is also included. This is new funding and represents an additional $1.3m over 10 years.
27. **ePlanning**
28. ePlanning refers to moving all planning functions, services and processes to an online format. For example, lodging submissions and resource consent applications online, tracking processing of consents, completing monitoring obligations online. Council is legislatively required under the RMA to have a mature e-delivery standard in place as part of the National Planning Standards within the next 3-5 years.
29. As a result, this draft budget includes $150k in Year 2 and $150k in year 3 to facilitate a transition to E-planning with an initial focus on getting the District Plan online and the intention to provide for an online resource consent applications process in future years. This is new funding and represents an additional $300k to the 2017/18 Annual Plan.

City Growth variance analysis

Note 1 Revenue from Activities	
Increased Planning Guidance revenue due to increased resource consents.	154
New Economic Growth and Planning revenue as we can now recover costs incurred as a result of District Plan changes.	243
Increased Building Control revenue due to increased building consents.	167
Reduced LIM revenue due to declining LIM applications.	(161)
Transport Centre rental now budgeted in Transportation - offsets against favourable variance in City Infrastructure.	(77)
Organic Centre lease income now budgeted in Refuse - offset against favourable variance in City Infrastructure.	(90)
Future Proof external recoveries to offset Future Proof remuneration.	60
Other immaterial variances.	194
Revenue from Activities variance explained	**490**

Note 2 Personnel Costs	
Project coordinator role required to support business improvement and Strategic City Growth projects.	(60)
Future Proof costs, which are offset by external recoveries identified above.	(60)
Externally contracted Building Inspectors required to meet the demand of a growing city.	(161)
One new Food Safety position required due to National Programme Verification, covered within existing revenue.	(77)
Two Tagbusters positions removed as a result of a restructure and the loss of a commercial contract.	134
Other immaterial variances.	(16)
Personnel Costs variance explained	**(240)**

Note 3 Operating and Maintenance Costs	
One-off cost in 2017/18 to relocate City Safe Operations team from the Transport Centre to the Genesis Building.	149
PROPOSAL Costs associated with the sale of properties in the Endowment Fund (note these costs can be offset by sale proceeds).	(244)
Consequential and project related opex in 2018/19 related to the proposed City Growth 2018-28 10-Year Plan capital programme (Smart Hamilton operating costs).	(200)
Other immaterial variances.	(39)
Operating and Maintenance Costs variance explained	**(334)**

Note 4 Professional Costs	
<u>**INFO PARAGRAPH**</u> Regulatory efficiency and effectiveness programme (REEP) consultants are $445k in 2018/19 compared to $325k in 2017/18, which reflects the $770k programme approved by Council. Also refer to the paragraph above about the continuation of $700k into years 2 and 3.	(120)
Economic Growth and Planning consultants and legal services cost increases related to Special Housing Area, National Policy Statement, growth scenarios (related to Peacockes), District Plan changes. Approximately 50% of these costs are recoverable through additional revenue identified above.	(451)
Building Control fire safety requirements, peer reviews, leaky homes, policy changes related to legislative changes, etc.	(331)
Other immaterial variances.	(31)
Professional Costs variance explained	**(933)**

City Infrastructure

City Infrastructure Unit; City Delivery; City Development; City Transportation Unit; Transportation Network; Transport Centre; Parking; City Waters Unit; Water Supply; Wastewater; Stormwater; Refuse; Shared Services

City Infrastructure operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	0	0	0	**Council**
Water Rates	7,692	7,646	(46)	**N/A**
Revenue from Activities	9,879	9,283	(596)	**Note 1**
Subsidies and Grants	5,485	7,026	1,541	**Note 2**
Development and Financial Contributions	0	0	0	**Council**
Interest Revenue	0	0	0	**Council**
Other Revenue (including Vested)	0	0	0	**Council**
Capital Revenue	0	0	0	**Council**
Total Revenue	**23,056**	**23,955**	**899**	
Expenses				
Personnel Costs	16,170	18,623	(2,453)	**Note 3**
Depreciation and Amortisation	0	0	0	**Council**
Finance Costs	0	0	0	**Council**
Operating and Maintenance Costs	25,175	29,031	(3,856)	**Note 4**
Professional Costs	2,123	2,430	(307)	**Note 5**
Property Costs	6,553	6,765	(212)	**Note 6**
Administrative Costs	(3,709)	(5,179)	1,470	**Note 7**
Total Expenses	**46,312**	**51,670**	**(5,358)**	
Operating Surplus/(Deficit)	**(23,256)**	**(27,715)**	**(4,459)**	

City Infrastructure variance summary

30. City Infrastructures draft 2018/19 operating budget is $4.459m more than 2017/18 Annual Plan (expenditure has increased $5.358m and revenue increased $0.899m).

31. Over the last 6 years growth in Hamilton has been significantly higher than was anticipated in previous 10-Year Plans. This additional growth has expanded and continues to expand our core infrastructure networks which have increased the cost to operate and maintain activities at sustainable levels of service. In addition, there are increasing requirements in relation to compliance with legislation and national/regional policies and guidelines that all impact and further increase operational and maintenance costs of core infrastructure.

32. With a growing city population and growing infrastructure network being delivered by Council

approved capital growth programmes and private developers (via vesting of assets), a greater investment is required to maintain and operate the growing number of assets, provide improved asset data capture tools (including condition assessments) as required by Asset Management Plans and deliver optimised delivery solutions.

33. **Drivers of significant revenue variances include:**

34. It has been assumed that the June 2017 Council resolution to introduce 2 hours free parking within the CBD will continue and has resulted in a further estimated decrease of expected parking revenue of $366k to allow for 12 months of revenue reduction (2017/18 Annual Plan parking revenue was reduced only over a period of 9 months during the operation of the trial). The CBD targeted rate revenue of $135k is assumed to continue and partially offset this reduction.

35. Subsidies and grants will increase by $1.541m as a result of increased subsidy received for transport operating, maintenance and public transport expenditure costs partially offsetting the increased expenditure.

36. **Drivers of significant expenditure variances include:**

37. Over the last three years we have seen a 15% traffic growth on main routes, Hamilton is now the “busiest“ Council traffic network in the country (based on VKT/km). An increasing transport network means that there are more roads, footpaths and cycleways requiring landscaping for amenity and stormwater treatment, litter control, traffic signal operation and more bridge, retaining wall and public transport structures requiring maintenance. There is also increasing congestion and expectations of safe and convenient alternate modes, which require proactive forward monitoring and planning to cater for a changing transport environment both within the city and its linkages to the wider region such as people commuting into and out of the city for work.

38. An increasing 3 waters network means that there is more demand for water and wastewater resulting in an increase in operational and maintenance costs such as legislative and regulatory compliance, consumables and energy within the reticulation and treatment plants, more rubbish and recycling to collect and dispose of, catchment management planning as a result of increasing stormwater runoff and erosion and increasing impacts resulting from environmental weather extremes.

39. $1.4m of the increase is related to a change in service delivery by City Delivery, who will now be focused on being a specialist 3 Waters connections and maintenance provider as a result of increasing 3 waters asset connections and maintenance requirements, increased legislative and regulatory compliance requirements and the impact of the extreme weather conditions experienced in 2017. This optimised delivery will ensure that we continue to maintain the current level of service for the customer (response and resolution times).

40. An improved service for rubbish and recycling is being considered as part of the 2018-28 10-Year Plan.

City Infrastructure proposals

41. Rubbish and Recycling.

City Infrastructure variance analysis

Note 1 Revenue from Activities	
Reduced parking revenue and parking infringements as a result of 12 months free parking.	(366)
Internal trade waste revenue accounted for as internal revenue instead of external revenue (this offsets against administrative costs below).	(473)
Transport Centre rental previously budgeted in Strategic Property - offsets against unfavourable variance in City Growth.	77
Organic Centre lease income previously budgeted in Strategic Property - offsets against unfavourable variance in City Growth.	90
Increased Adshel contribution.	67
Other immaterial variances.	9
Revenue from Activities variance explained	**(596)**

Note 2 Subsidies and Grants	
Increased NZTA operating subsidy received due to increased subsidised transport operating and maintenance costs.	1,247
Increased public transport infrastructure subsidy received due to increased bus stop expenditure.	277
Other immaterial variances.	17
Subsidies and Grants variance explained	**1,541**

Note 3 Personnel Costs	
Increased personnel costs due to budgeting for gap-x increases.	(267)
Eleven new positions required to deliver the City Infrastructure capital programme. These roles are capitalised and are therefore offset by capital timecost recoveries in administrative costs below.	(987)
Two new positions required to manage the increased development activity and engagement relating to resource consents.	(200)
Six new transport positions resulting from rapid growth of the network and increasing asset base.	(420)
Two new positions required to manage the Access Hamilton capital programme.	(200)
Three new positions required to manage increased compliance relating to stormwater (healthy rivers), asset management and trade waste compliance requirements.	(275)
Two new positions required to administer the increased City Waters maintenance programme.	(104)
Personnel Costs variance explained	**(2,453)**

Note 4 Operating and Maintenance Costs	
Lumpy items	
Cost of painting Victoria Bridge in 2018/19 (this was approved in year 4 of the 2015-25 10-Year Plan) and other bridge maintenance work. This work receives a 51% subsidy ($612k) from NZTA.	(1,200)
Transport growth	
Increased landscaping, litter control, street cleaning and footpath maintenance. These services were reduced in 2012 and there have been complaints over the past 6 years about cleanliness. There is also the changing nature of vegetation control, e.g. swales, which come with increased maintenance costs. One third of this work is subsidised by NZTA ($160k subsidy).	(925)
Increased expenditure related to transport network safety, asset control, traffic management, and Traffic Operations Centre to optimise transport network. This work receives a 51% subsidy ($162k) from NZTA.	(318)
Streetlighting LED savings.	200
Waters growth	
Increased materials, chemicals, consumables, biosolids disposal costs as a result of a bigger city.	(176)
Increased refuse and recycling collection contract costs as a result of a bigger city and more households to collect rubbish and recycling from.	(105)
City Delivery	
Reduced City Delivery costs resulting from a refocus to solely providing connections and maintenance tasks. Cost of materials, sub-contractors, etc that were previously purchased for capital works will now be met directly from capital programmes. City Delivery will now be focussed on being a specialist 3 Waters connections and maintenance provider. This cost saving offsets against additional administrative costs identified below.	747
Asset management	
Water and wastewater asset data capture costs and condition assessments due to the improvement in asset knowledge across the business, particularly in water and wastewater treatment plants.	(516)
Consequential opex	
Consequential and project related opex in 2018/19 related to the proposed City Infrastructure 2018-28 10-Year Plan capital programme. Examples include:	
Wastewater network and treatment plant upgrades and seismic strengthening $870k.	
Water Treatment Plan compliance and upgrades $530k.	
Stormwater comprehensive consent implementation $100k.	(1,563)
Operating and Maintenance Costs variance explained	**(3,856)**

Note 5 Professional Costs	
Increased transport consultants related to the mass transit plan $205k, commercial zone management plan $100k, freight management plan $110k.	(415)
Other immaterial variances.	108
Professional Costs variance explained	**(307)**

Note 6 Property Costs	
Increased property costs, such as electricity, gas, cleaning, insurance due to increased consumption and increased prices.	(212)
Property Costs variance explained	**(212)**

Note 7 Administrative Costs	
Positive offsets	
Landfill aftercare provision expense budgeted in 2018/19 but was not budgeted in 2017/18 (this is as a result of improving our budgeting for provision movements). This offsets against the interest on landfill provision to give a net favourable movement to Council of $700k.	2,266
City Development capital timecost recoveries to offset additional capital salaries. The recovery is more than salaries to allow for overheads and other administrative costs to be recovered.	1,602
Internal trade waste revenue accounted for as internal revenue instead of external revenue (this offsets against revenue from activities above).	473
City Delivery	
City Delivery staff numbers have remained static over 10 years, a rapidly growing city, increased stream and stormwater maintenance, meeting KPI response times, meeting new compliance expectations, proactive maintenance (e.g. exercising valves) all require an increase in City Delivery resources to undertake the waters maintenance programme. The cost increase of $2.14m is partially offset by the $747k reduction in costs identified above in operating and maintenance costs so the net cost increase to Council is $1.4m.	(1,393)
City Delivery cost of sales savings to offset increased waters maintenance programme.	(747)
Other	
Impact of no longer capitalising water, wastewater and stormwater planning works.	(553)
Increased road safety advertising.	(70)
Other immaterial variances.	(108)
Administrative Costs variance explained	**1,470**

Community

Community Admin; City Parks; Pools; Community Support; Libraries; Hamilton Gardens; Museum; Parks and Open Spaces; Hamilton Zoo

Community operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	0	0	0	**Council**
Water Rates	0	0	0	**N/A**
Revenue from Activities	9,658	11,477	1,819	**Note 1**
Subsidies and Grants	207	301	94	**Note 2**
Development and Financial Contributions	0	0	0	**Council**
Interest Revenue	0	0	0	**Council**
Other Revenue (including Vested)	0	0	0	**Council**
Capital Revenue	0	0	0	**Council**
Total Revenue	**9,865**	**11,778**	**1,913**	
Expenses				
Personnel Costs	23,713	24,422	(709)	**Note 3**
Depreciation and Amortisation	0	0	0	**Council**
Finance Costs	0	0	0	**Council**
Operating and Maintenance Costs	6,797	10,851	(4,054)	**Note 4**
Professional Costs	628	735	(107)	**Note 5**
Property Costs	2,807	3,006	(199)	**Note 6**
Administrative Costs	5,316	5,845	(529)	**Note 7**
Total Expenses	**39,261**	**44,859**	**(5,598)**	
Operating Surplus/(Deficit)	**(29,396)**	**(33,081)**	**(3,685)**	

Community variance summary

42. Community's draft 2018/19 operating budget is $3.685m more than 2017/18 Annual Plan (expenditure has increased $5.598m and revenue increased $1.913m). The increase reflects the sustainable delivery of current service levels to a growing city in relation to community infrastructure and a significant open space network which covers 11% of the city's area.

43. A key focus is looking after what we have already got. Maintenance budgets have been constrained over the past 6 years and increased budgets are now required to adequately maintain aging assets (predominantly buildings, structures, paths, trees, gardens and natural areas) in line with our Asset Management Plans, as well as an increased amount of newer community infrastructure that service the needs of the city (e.g. street trees, playgrounds, gardens at Hamilton Gardens).

44. There is also further focus on legislative compliance matters, especially the health and safety of the

public and staff (e.g. at the zoo; in parks, public spaces and buildings).

45. There are increases in consequential operational expenditure and revenue related to particular capital proposals (e.g. Hamilton Gardens development, Central City park, River Plan implementation, Pooches in Parks roll out and Garden Place development) as well as increases in associated personnel costs.

46. Another $1m of the increase in expenditure relates to the demolition of the Municipal Pool.

47. $0.945m of the increase relates to operational costs related to the Central City Park and Garden Place proposals.

48. In an operational group that has 43% of HCC's staff, there are personnel cost increases of $0.708m. This is related to new positions for the proposed Hamilton Gardens development and charged entry proposal, the input open space planners have in the growing number of consents being processed, meeting health and safety requirements at the zoo, and an externally funded position at the Museum. Salary grading issues have also been addressed.

Community Proposals

49. ArtsPost Revenue.

50. River Plan Extension, including Central City Park.

51. Garden Place Development.

52. Hamilton Gardens Development (including entrance fee).

53. Playgrounds.

54. Rototuna Town Centre and Community Facilities Hub.

55. Pooches in Parks.

56. Sale of Old St Peters Hall.

Community Information Paragraphs

57. **Tree maintenance**

58. In the 2012-22 10-Year Plan, level of service reductions of $320k annually were made within the street and park tree maintenance programmes through introduction of a reactive maintenance approach. Reactive work is generated through customer requests, complaints, and storm events or urgent works. Reactive works are prioritised, meaning planned maintenance is deferred.

59. At the time, it was identified that the impact of reducing regular tree maintenance was unlikely to be visible immediately. However, over time there would be a decline in condition and appearance. This would result in larger investment in the future to bring the programme back to previous standards. Given the need for fiscal restraint at that time, the levels of service reductions were considered a prudent and affordable option.

60. Of the options presented to Elected Members in the 'Business We Are In' sessions, staff were directed to include in the draft budget the option that would increase levels of service within park and street tree maintenance programmes. This option will bring park trees back to scheduled effective maintenance, increase street tree maintenance to allow removal and replacement of grade 5 footpath trip hazards, allow for provision of growth and allow for street tree renewal programme. It is the option incorporated in this budget. This does not cover the Vegetation Management Plan which is a River Plan Project.

61. This approach will reduce health and safety and liability risk as maintenance is undertaken on a scheduled cycle. The program of works will allow infrastructure repair, inappropriate species removal and replacement before adverse incidents or injury can occur.

62. The table below shows the expected cost of this programme per annum for 10 years. This represents an average variance of $470k per annum on the 2017/18 budget.

Proposed street and park tree maintenance programme (Operating and Maintenance Costs)									
2018/19 $000	2019/20 $000	2020/21 $000	2021/22 $000	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000
650	400	400	600	400	400	400	600	400	400

63. **Alternative weed control methods**

64. Included in the draft 10-Year Plan is $50,000 in 2018/19 for investigating options for weed control methods that would reduce the use of herbicides ($30,000 operating expenditure). This includes trialling a hot steam weed control system around playground areas in our parks ($20,000 capital expenditure for purchase of equipment for our City Parks team to use).

65. The completion of an investigation report on the feasibility and cost of alternative weed control methods and the implications of possibly introducing any viable, cost effective options can then be considered by Council for the next Annual Plan.

66. **Community Advisors model of delivery**

67. Council is interested to review how Community Advisory services are currently delivered by Council to ensure they are both cost effective and meeting the needs of the Hamilton community.

68. An independent consultant has been commissioned to undertake a review of the service delivery model for community in early 2018. The aim of the review is to identify a model that delivers on quality community outcomes within the existing budget. Staff will report back to Council in March 2018. There is no budget impact in the 2018-28 draft budget.

69. **Digitisation of archives**

70. The proposed budget includes an additional $250,000 per year, over four years from year 2, for the digitisation of the Libraries Archive Collection. This will increase the rate of digitisation from 1% - to 4% of the total collection per annum. Enhancing this programme of work will improve preservation of the collection for the future and increase its digital accessibility for both the community and the organisation.

71. **Remove grant for Gallagher Performing Arts**

72. In November 1998 Council entered a 20-year agreement with the University of Waikato. In this contract, the University granted the use rights of the Academy of Performing Arts facilities to the wider Hamilton community in exchange for an annual contribution from Council covering 25% of the operation costs of the Academy.

73. To date $1,966,321 has been paid by Council to the Academy. Final payments are scheduled to be paid in line with the current contract and $330,000 has been budgeted to cover these final payments over the remaining financial year and the next. Over the previous four financial years the annual contribution has ranged from $119,397 - $142,416.

74. The 2018-28 10-Year Plan draft budget recognises the expiry of the contract and no further funding has been included for this item.

75. **Pool operating model / budget**

76. Following a Service Delivery Review of Aquatic Services, Council resolved to investigate an alternative model of service delivery: full service contract out. To get more accurate pricing to determine whether this would be more cost effective than the current service run in-house, a Request for Proposal process was initiated and tenders to run the service have been received.

77. The business case comparing an enhanced status quo and the full-service contract out will be presented to 12 Dec 2018 Council meeting with staff recommendations on the future management of this service.

78. **Future Pool capacity**

79. There is currently 74.5 people per square meter of indoor pool space provided by Hamilton City Council for the city during the winter months. Sport NZ recommend 60 people per m2 for metro areas. Covering the Lido Pool will address the capacity shortfall during the winter period. There is a report going to Council in February 2018 to request funding in 2017/18 for this purpose.

80. It is also proposed to enable provision of a Learn to Swim (external owner/operator) facility on the Council owned land in the Rototuna Town Centre area which will further increase pool space. Hamilton has a lack of pool leisure space comparative to other metro cities – leisure experience can be enhanced within the existing pool network though an increased focus on play activation utilising inflatables, programmes and events.

81. **Zoo management arrangements**

82. Council staff and Regional Facilities Auckland (RFA) are in the process of considering possible alternative management arrangements for the Hamilton Zoo. At the time of writing, talks are underway to commission PwC to undertake an options analysis and develop a business case to be presented to Council for consideration by May 2018.

83. Should Council wish to act on the business case, public consultation will be required and likely run through June/July 2018 with further Council deliberations to follow. If the business case recommendations result in changes to the management of Hamilton Zoo being approved by Council, they would form an amendment to the 10-Year Plan (via the Annual Plan process).

84. In the meantime, this draft budget does not include significant change to business as usual activity. Funded projects are included that focus on maintaining but not increasing levels of service, compliance with legislation and health and safety requirements and necessary renewals.

85. **Increase cemetery fees**

86. As a part of setting operational budgets staff were asked to review fees and charges and look for opportunities where we could increase revenue to offset costs. We benchmarked Cemetery & Crematorium fees and charges against others providing similar services and identified small increases that would generate additional income without making services unaffordable for end users. This increase is anticipated to result in $214k revenue per annum.

87. **Pool fees ($7.50 for adults and $4 for children over 5)**

88. Staff were asked to investigate options for increasing pool admission fees in order to increase revenue to offset some of the operational costs of providing aquatic facilities.

89. The following increases have been incorporated into the draft budget:

	Current fee	Proposed fee
Casual adult lane swim	$6	$7
Adult concession swim	10 for $54	10 for $64
Casual adult for leisure swim	$6	$7
Adult hydrotherapy	$6.50	$7.50
Sauna and Steam	$7.50	$8.50
Family concession	$20	$25

90. This option will result in an estimated additional revenue of $120,000 per annum.

91. Small increases in revenue will be achieved across all of the categories that have been proposed. As with all fee increases, it is expected there will be some customer dissatisfaction. However, the increase has been kept to a minimum to avoid a large price hike and loss of customers at this level of increase is predicted to be very low.

92. **Remove targeted rate for Hamilton Gardens**

93. There has been a $10 targeted rate in place under the 2015-25 10-Year Plan to contribute to funding the development of the Hamilton Gardens. This targeted rate was intended as temporary and the 2018-28 10-Year Plan does not continue it.

94. Future funding for the Hamilton Gardens development is included in the draft budget funded through general rates.

Community variance analysis

Note 1 Revenue from Activities	
Increased pools revenue due to the 2017/18 budget being reduced for the expected closure of Waterworld for maintenance works.	284
External funding to cover an outreach role at the Museum.	90
Increased Hamilton Gardens revenue to help offset Hamilton Gardens administrative costs.	80
INFO PARAGRAPH Increased pools revenue due to proposed increased fees and charges.	120
INFO PARAGRAPH Increased cemeteries and crematorium revenue due to increased demand and increased fees and charges.	214
PROPOSAL Increased Hamilton Gardens revenue due to proposed $25 entrance fee for non-residents over 18 years old.	878
Increased Hamilton Zoo revenue due to increased fees and charges.	195
PROPOSAL Decreased revenue due to proposed change to ArtsPost revenue.	(45)
Other immaterial variances.	3
Revenue from Activities variance explained	**1,819**

Note 2 Subsidies and Grants	
Increased pools creche subsidy due to the 2017/18 budget being reduced for the expected closure of Waterworld for maintenance works.	90
Other immaterial variances.	4
Subsidies and Grants variance explained	**94**

Note 3 Personnel Costs	
Increased personnel costs due to budgeting for gap-x increases and a number of roles being resized upwards.	(139)
New roles required at Hamilton Gardens to maintain additional gardens to the required standard. This includes an additional labourer and on-site maintenance role to ensure assets and facilities are well maintained in a responsive and timely manner.	(80)
PROPOSAL 2.5 FTE required due to proposed Hamilton Gardens entrance fee and new staff required due to proposed Hamilton Gardens development.	(160)
Parks planner required due to increased consents workload.	(80)
Additional Hamilton Zoo staff and firearms training required to meet Health and Safety requirements.	(160)
Museum outreach role (externally funded role offset by Museum revenue above). Note this position is in year 1 2018/19 only.	(90)
Personnel Costs variance explained	**(709)**

Note 4 Operating and Maintenance Costs	
Increased pools maintenance required as identified by the Aquatic Asset Management Plan.	(210)
Increased Waterworld learn to swim contract costs due to pools plan. This is offset by increased pools revenue identified above.	(48)
Increased Community Support buildings maintenance as identified by the Community Support Asset Management Plan.	(130)
Repair leaky roof at the Museum and paint the Museum building.	(223)
Increased playgrounds maintenance due to the increased number of playgrounds and increased maintenance required due to safety standards.	(110)
Increased sports parks maintenance required as a result of drier summer and wetter winters.	(170)
Increased toilets maintenance due to the age of the public toilet portfolio and building maintenance required as identified by the Parks and Open Spaces Asset Management Plan.	(206)
Increased Zoo operating and maintenance costs due to increased veterinary contract and increased feed bill.	(87)
Costs to demolish the Municipal Pool.	(1,000)
INFO PARAGRAPH Increased tree maintenance costs to maintain increased tree numbers.	(650)
Consequential and project related opex in 2018/19 related to the proposed Community 2018-28 10-Year Plan capital programme.	(206)
PROPOSAL Increased operating and maintenance costs due to proposed Hamilton Gardens development.	(160)
PROPOSAL Increased operating and maintenance costs due to proposed Hamilton Gardens entrance fee. Costs include marketing, contracts management, security, ID assessment at gate, cleaning, etc.	(100)
PROPOSAL Increased operating and maintenance costs due to proposed Garden Place development.	(45)
PROPOSAL Increased operating and maintenance costs due to proposed Central City Park.	(900)
PROPOSAL Increased operating and maintenance costs due to proposed Pooches in Parks.	(5)
INFO PARAGRAPH Alternative weed control method investigation.	(30)
INFO PARAGRAPH Remove Gallagher Performing Arts Centre grant.	165
Other immaterial variances.	61
Operating and Maintenance Costs variance explained	**(4,054)**

Note 6 Property Costs	
Increased property costs, such as electricity, gas, cleaning, insurance due to increased consumption and increased prices.	(199)
Property Costs variance explained	**(199)**

Note 7 Administrative Costs	
Cemeteries Gen1 technology upgrade. The current database is nearly at maximum capacity and is no longer supported. It is a legal requirement to maintain this database. This is a one-off cost in year 1 2018/19.	(256)
Increased advertising and marketing at Community facilities, including Hamilton Gardens, Pools, Museum, Libraries.	(85)
Increased Hamilton Gardens administrative expenses, which are offset by additional Hamilton Gardens revenue identified above.	(80)
Other immaterial variances.	(108)
Administrative Costs variance explained	**(529)**

Venues, Tourism and Major Events

Venues, Tourism and Major Events Admin; iSITE; H3; Tourism and Events

Venues, Tourism and Major Events operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	0	0	0	**Council**
Water Rates	0	0	0	**N/A**
Revenue from Activities	5,879	5,537	(342)	**Note 1**
Subsidies and Grants	0	0	0	**N/A**
Development and Financial Contributions	0	0	0	**Council**
Interest Revenue	0	0	0	**Council**
Other Revenue (including Vested)	0	0	0	**Council**
Capital Revenue	0	0	0	**Council**
Total Revenue	**5,879**	**5,537**	**(342)**	
Expenses				
Personnel Costs	5,902	5,605	297	**Note 2**
Depreciation and Amortisation	0	0	0	**Council**
Finance Costs	0	0	0	**Council**
Operating and Maintenance Costs	3,101	4,541	(1,440)	**Note 3**
Professional Costs	194	328	(134)	**Note 4**
Property Costs	1,476	1,555	(79)	**Note 5**
Administrative Costs	2,051	2,153	(102)	**Note 6**
Total Expenses	**12,724**	**14,182**	**(1,458)**	
Operating Surplus/(Deficit)	**(6,845)**	**(8,645)**	**(1,800)**	

Venues, Tourism and Major Events variance summary

95. Venues, Tourism and Major Events' draft 2018/19 operating budget is $1.800m more than 2017/18 Annual Plan (expenditure has increased $1.458m and revenue has decreased $0.342m). Revenue will decrease $0.130m as a result of the proposed closure of the Hamilton iSITE. H3 revenue has reduced due to a mix of Theatre closure, anticipated reduction in impact events and commission reductions. The largest single expenditure item is $0.802m for the proposed demolition of the Founders Theatre.

96. The overall revenue budget takes into account expectation of future market conditions for venue utilisation and commission earnings including major impact events which can vary wildly from year to year; international rugby is a good example. The impact of the loss of Theatre (Founders) based events has also had a material event on revenue projections continued depletion of roll-over activity following the closure of Founders Theatre.

97. Whilst expenditure increases from the 2017/18 financial into year one of the new 10-Year Plan these relate largely to maintenance costs that were already anticipated in the previous 10-Year Plan for both

FMG Stadium Waikato and Seddon Park.

Venues, Tourism and Major Events proposals

98. Closure of iSITE

99. Waikato Regional Theatre

Venues, Tourism and Major Events variance analysis

Note 1 Revenue from Activities	
Reduced H3 revenue due to a mix of Theatre closure and commission losses.	(239)
PROPOSAL Loss of revenue due to the proposed closure of iSITE.	(103)
Revenue from Activities variance explained	**(342)**

Note 2 Personnel Costs	
PROPOSAL Reduced personnel costs net of redundancy costs in year 1 as a result of the proposed iSITE closure.	269
Other immaterial variances.	28
Personnel Costs variance explained	**297**

Note 3 Operating and Maintenance Costs	
Increased H3 cost of sales due to more accurate categorisation of recoverable cost of sales and increased costs to hold Founders events at Claudelands.	(320)
Increased stadia and Claudelands maintenance due to the age of assets. Requirements identified in the Asset Management Plan and 2015-25 10-Year Plan include FMG Stadium and Seddon Park light fittings and incremental painting at FMG Stadium and Claudelands.	(520)
Costs to demolish Founders Theatre.	(802)
PROPOSAL Reduced operating and maintenance costs as a result of the proposed iSITE closure.	206
Other immaterial variances.	(4)
Operating and Maintenance Costs variance explained	**(1,440)**

Note 4 Professional Costs	
Programmed resource management plan for Claudelands and FMG Stadium as per 2015-25 10-Year Plan.	(134)
Professional Costs variance explained	**(134)**

Note 5 Property Costs	
Increased property costs, such as electricity, gas, cleaning, insurance due to increased consumption and increased prices.	(79)
Property Costs variance explained	**(79)**

Note 6 Administrative Costs	
Event Sponsorship increase due to one-off adjustment in 2017/18 budget.	(102)
Administrative Costs variance explained	**(102)**

Support Services

Chief Executive

Chief Executive's Office; ED Special Projects; Mayoral Support Services

Corporate

Corporate Group Admin; Information Services; PMO; Risk and Emergency Management; Governance; Finance; Facilities; People, Safety and Wellness

Strategy and Communications

Strategy and Communications Admin; Planning; Communications; Partnership with Maori

Support Services operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	0	0	0	**Council**
Water Rates	0	0	0	**N/A**
Revenue from Activities	309	125	(184)	**Note 1**
Subsidies and Grants	0	0	0	**N/A**
Development and Financial Contributions	0	0	0	**Council**
Interest Revenue	0	0	0	**Council**
Other Revenue (including Vested)	0	0	0	**Council**
Capital Revenue	0	0	0	**Council**
Total Revenue	**309**	**125**	**(184)**	
Expenses				
Personnel Costs	14,213	17,572	(3,359)	**Note 2**
Depreciation and Amortisation	0	0	0	**Council**
Finance Costs	0	0	0	**Council**
Operating and Maintenance Costs	1,593	1,929	(336)	**Note 3**
Professional Costs	2,967	4,617	(1,650)	**Note 4**
Property Costs	737	716	21	**N/A**
Administrative Costs	4,005	4,954	(949)	**Note 5**
Total Expenses	**23,515**	**29,788**	**(6,273)**	
Operating Surplus/(Deficit)	**(23,206)**	**(29,663)**	**(6,457)**	

Support Services variance summary

100. Support Services' draft 2018/19 operating budget is $6.457m more than 2017/18 Annual Plan (expenditure has increased $6.273m and revenue decreased $0.184m).

101. This budget increase reflects supporting the demands of a growing organisation and an investment in sustainable service levels of a growing city. It also includes some one-off costs relating to regulatory compliance and other proposed initiatives.

102. A key component of the budget increase relates to **personnel costs**. These costs have increased $3.4m with over 60% of this increase driven by a 2% market remuneration increase on total Council remuneration costs and addressing staff salary gaps compared to market. Other items include a proposal to implement a Council minimum wage hourly rate and the addition of six new roles. Two of these new roles are required to support increased regulatory compliance faced by Council, another two are offset by cost savings in maintenance and fleet services, and the final two new roles are incorporated in the costs to deliver capital projects.

103. Another key component of the Support Services budget increase relates to **professional costs**. Items include increased regulatory compliance costs such as seismic condition assessments and other building related compliance projects, software support costs (which have previously been capitalised but are now charged as an operating cost), and city revaluation costs which are incurred on a three-yearly cycle.

104. **Administrative costs** have also increased largely attributable to increased information system support and licensing costs.

105. Incorporated in the Support Services budget increase are two key cost saving initiatives aimed at identifying and driving cost efficiencies in the way Council operates. These are:

- An efficiency challenge to the organisation to permanently save $4m in year one of the 10-Year plan and permanently save a further $1m in year two.
- A project focused on “re-imagining local government” and includes another challenge to the organisation to save at least $1m each year of the 10-Year plan period. The cost of this project is $3m ($1m per year over three years) with savings of $1m identified from year two onwards.

Support Services proposals

106. Re-imagining local government.

107. Living wage in HCC.

108. Digitise City News.

Support Services variance analysis

Note 1 Revenue from Activities	
Caro Street rental revenue (building not leased).	(147)
Other immaterial variances.	(37)
Revenue from Activities variance explained	**(184)**

Note 2 Personnel Costs	
Council wide 2% market remuneration increase for 2018/19.	(1,576)
Council vacancy factor 2017/18.	(3,000)
Efficiency savings challenge in 2018/19 (an additional $1m efficiency savings challenge is included in Operating and Maintenance costs below).	3,000
PROPOSAL Total increase related to Council minimum wage.	(500)
Increased personnel costs due to budgeting for gap-x increases and a number of roles being resized upwards.	(622)
Two new Information Services staff required to meet planned capital programme. These roles are capitalised.	(187)
Elective representation review.	(62)
Two new positions required to support seismic and condition assessment work and additional work required to comply with health and safety obligations.	(164)
Tradesman and Fleet Manager required to manage significant renewals programme and drive efficiency initiatives. Fleet Manager cost is offset by fleet vehicle savings identified below in Administrative costs.	(147)
Other immaterial variances.	(101)
Personnel Costs variance explained	**(3,359)**

Note 3 Operating and Maintenance Costs	
Facilities maintenance savings - largely offsets the increased Facilities charges in Administrative costs below.	415
Consequential and project related opex in 2018/19 related to the proposed Support Services 2018-28 10-Year Plan capital programme.	(788)
PROPOSAL Re-imagining local government.	(1,000)
PROPOSAL Digitise City News.	58
Efficiency saving challenge in 2018/19 (an additional $3m efficiency savings challenge is included in Personnel Costs above.	1,000
Other immaterial variances.	(21)
Operating and Maintenance Costs variance explained	**(336)**

Note 4 Professional Costs	
Charging by external parties for some Council software has transitioned to "software as a service" meaning these costs are now charged to operating costs whereas this was previously charged to capital.	(450)
Various Information Services support system and network security upgrades.	(535)
Rating revaluations of the city (3 yearly cycle).	(147)
Seismic condition assessments ($450k); asbestos project ($200k); asset revaluations ($85k).	(735)
10-Year Plan consultants' costs in 2017/18.	310
Other immaterial variances.	(93)
Professional Costs variance explained	**(1,650)**

Note 5 Administrative Costs	
Increased support and licensing costs due to increased number of system users.	(480)
Increased capital recoveries to offset Information Services capital roles.	187
Fleet vehicle cost savings - offsets Fleet Manager role.	84
Increased civic functions and city events.	(75)
Increased Facilities charges - largely offset by savings in Operating and Maintenance costs above.	(533)
Increased bank fees due to increased transactions.	(52)
Other immaterial variances.	(80)
Administrative Costs variance explained	**(949)**

General

General operating statement

	Approved Annual Plan 2017/18	10-YP Year 1 2018/19	Variance 17/18AP vs 18/19 10-YP Fav/(Unfav)	Variance Explanation
Revenue				
Rates	153,072	182,929	29,857	**Section 2**
Water Rates			0	
Revenue from Activities			0	
Subsidies and Grants			0	
Development and Financial Contributions	11,141	17,156	6,015	**Section 2**
Interest Revenue	2,000	2,475	475	**Section 2**
Other Revenue (including Vested)	9,771	31,216	21,445	**Section 2**
Capital Revenue	6,702	38,538	31,836	**Section 2**
Total Revenue	**182,686**	**272,314**	**89,628**	
Expenses				
Personnel Costs			0	
Depreciation and Amortisation	63,870	67,780	(3,910)	**Section 2**
Finance Costs	21,820	23,857	(2,037)	**Section 2**
Operating and Maintenance Costs			0	
Professional Costs			0	
Property Costs			0	
Administrative Costs			0	
Total Expenses	**85,689**	**91,637**	**(5,948)**	
Operating Surplus/(Deficit)	**96,997**	**180,677**	**83,680**	

General variance analysis

109. Variance explanations for general items identified above are included in Section 2 Operating Budget.

SECTION 2: ATTACHMENT 3

Re-imagining Local Government

MAYORAL PROPOSAL

Author:	David Bryant	**Authoriser:**	Richard Briggs
Position:	General Manager Corporate	**Position:**	Chief Executive

Proposal

1. This proposal is a response to the financial challenges faced by Council and recommends the Chief Executive initiate a programme to seek more cost-effective ways to deliver services to our community.

Mayor's Recommendation

That the Council approves funding provision in the draft 2018-28 10-Year Plan of $3m over years 1, 2 and 3 (2018/19, 2019/20 and 2020/21) for the 'Re-imagining Local Government' programme.

Re-imagining Local Government

2. Description

3. Council is experiencing significant financial challenges. It is currently running a deficit under the new balance the books measure which reflects a portion of the everyday costs of running the city is being subsidised from debt. Additionally, the city is experiencing a period of rapid population growth and housing demand. This is resulting in further significant financial pressures for Council as it seeks to fund leading infrastructure to control housing development in a way that benefits the community.

4. There is little opportunity to finding savings by cutting existing operational budgets to ease this financial pressure. Significant cuts have already been made over the last six years to support very tight 10-year plan budgets. A Support Services review conducted in late 2015 compared the size and cost of Hamilton City Council's support services against other similar sized New Zealand councils. This report found our Council's support services to be lean in comparison with some areas identified as too lean.

5. Despite the above Council continues to look for ways to innovate and work hard to deliver the agreed levels of service. However, further significant cost savings will now only come from transforming how we operate.

6. Accordingly, the Mayor has challenged the organisation to deliver further significant cost savings to ensure the rates increase is as low as practical.

7. An opportunity exists to initiate a programme to critically review and redefine how Council delivers its services. A key part of capturing cost savings will be to challenge Council's current support model and service delivery methods. It will include fresh thinking and adopting new and innovative ways to maintain current levels of service but at a significant reduced cost.

8. The catalyst for fresh thinking will come from engaging with an external delivery partner who specialises in supporting businesses to transform and modernise their operations whilst realising significant cost savings.

9. This initiative will be led by senior Council staff and will include significant collaboration with all stakeholders to ensure all outcomes are well understood and supported. It is envisaged that the programme will include several phases with the first step being a diagnostic phase, the output of which

will be a benefits roadmap. This roadmap will include options for new service and support models, an operating model blueprint and specific operating and procurement savings and quick wins.

10. The magnitude of savings to be realised will only be known once this first step has been completed and approved.

11. Advantages and Disadvantages

Advantages	Disadvantages
• Provides an opportunity to enhance service delivery outcomes to the community. • Provides an opportunity to realise significant ongoing cost savings for Council. • Provides an opportunity for Council to drive a culture of fresh thinking and new skills across Council.	• Requires an upfront investment when potential cost savings are yet to be defined.

12. Financial Implications

13. It is assumed that that the proposal will cost $1m per year for three years (from Year 1) with ongoing annual savings of at least $1m (from Year 2).

14. The annual costs are assumed to be $850,000 for consultants to identify and implement savings and $150,000 for a Project Manager to oversee the work.

	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue											
Total Operating Expenses	1,000	0	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Total Capital Expenses											

SECTION 2: ATTACHMENT 4

Council Minimum Wage

CHIEF EXECUTIVE PROPOSAL

Author:	Dan Finn	**Authoriser:**	David Bryant
Position:	People, Safety and Wellness Manager	**Position:**	General Manager Corporate

Proposal

1. This proposal is to implement a minimum wage above the statutory minimum, for all staff directly employed by Hamilton City Council.

Chief Executive's Recommendation

That the Council approve a minimum wage equivalent to an hourly rate of $20.00 for all staff directly employed by Hamilton City Council, effective 1 July 2018.

Context

2. The new Labour-Led Government has announced an intention to move the NZ Minimum Wage to $20.00 by 2020/21, with the first increase being to $16.50 in April 2018.

3. As part of the draft 2015-25 10-Year Plan, Council considered and rejected a proposal to implement the Living Wage for Council staff. The Living Wage is defined by the Living Wage Movement Aotearoa as *"the income necessary to provide workers and their families with the basic necessities of life"*. Currently (effective July 2017) the Living Wage is $20.00 per hour.

4. Some councils are looking to implement, or have implemented, a higher minimum wage for their staff e.g. Auckland Council and Wellington City Council.

5. The Mayor would like to revisit setting a minimum hourly rate of $20.00 for all staff directly employed by Hamilton City Council, but prefers to do this as an independent Council minimum wage. Contractors to Council are not included in this proposal.

6. The cost to implement the recommended option is $500,000 per annum from year 1 of the 10-Year Plan. If a Council minimum wage is approved, further analysis on the cost impacts of retaining role relativity will be required.

7. This paper presents three options:

   - Option 1: (Mayor's recommendation) – Full implementation of a Council minimum wage in Year 1 of the 10-Year Plan.
   - Option 2: Staged implementation of a Council minimum wage.
   - Option 3: Status quo.

Option 1: Full implementation of Council minimum wage in Year 1 of the 10-Year Plan (Mayor's recommendation)

8. Description

9. This option is for all staff directly employed by Hamilton City Council (including permanent, fixed term

and casual staff), to be paid a minimum wage of $20.00 per hour from 1 July 2018. Contractors to Council are not included in this proposal.

10. There would be no further change to this rate until overtaken by the statutory minimum wage.

11. Advantages and Disadvantages

Advantages	Disadvantages
• All staff will be paid at rate higher than the NZ Minimum Wage. This may result in reduced turnover within some roles (e.g. lifeguards and other pool staff). Hamilton City Council will be paying significantly more, in some role types, than others within the local labour market. • This is the easiest option to implement as no further interventions would be required until the statutory minimum wage is increased beyond $20.00.	• Setting a minimum hourly rate above the government's minimum hourly rate would create relativity concerns between staff salaries across levels (e.g. supervisory positions and other more highly graded roles). • The cost of addressing any relativity concerns is unknown.

12. Financial Implications

13. Costings are based on current staff numbers, hours worked, and salaries. Costs do not include any increase to allowances, or any extra costs for Kiwisaver (or other ancillary staff costs). We have assumed no increase to salaries for these employees until the NZ Minimum Wage is increased beyond $20.00.

14. Costings do not include any adjustments to staff paid above $20.00 who may be affected by relativity. Understanding this cost would require significant work at an individual level to identify those supervisory and equivalent roles impacted and assess the level of adjustment required.

Option 1											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	500	500	500	500	500	500	500	500	500	500	**5,000**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	-

Option 2: Staged implementation of Council minimum wage

15. Description

16. This option is for all staff directly employed by Hamilton City Council (including permanent, fixed term and casual staff), to be paid a minimum wage of $20.00 per hour, with a four-year implementation:

- 1 April 2018 – move to minimum $17.00 per hour
- 1 April 2019 – move to minimum $18.00 per hour
- 1 April 2020 – move to minimum $19.00 per hour
- 1 April 2021 – move to minimum $20.00 per hour

17. As with Option 1, this excludes Council contractors and there would be no further change to the $20.00

rate until overtaken by the statutory minimum wage.

18. Advantages and Disadvantages

Advantages	Disadvantages
• While not included in costings, we can assume some general movements in salaries for all staff over the impacted years which will reduce the additional burden on budgets of moving our Council minimum wage. • There will be significantly less impact on relativity to other roles within the organisation with implementation over several years.	• Staff currently paid the statutory minimum wage will have to wait four years before being paid the hourly rate of $20.00 as proposed in Option 1.

19. Financial Implications

20. Costings are based on current staff numbers, hours worked, and salaries. Costs do not include any increase to allowances, or any extra costs for Kiwisaver (or other ancillary staff costs). We have assumed no additional increase to salaries for these employees.

21. As with Option 1, the costings below do not include any adjustments to staff paid above $20.00 who may be affected by relativity.

Option 2											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	21	96	232	500	500	500	500	500	500	500	**3,849**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	-

Option 3: Status quo

22. Description

23. This option retains the status quo with no move to increase the minimum wage beyond the statutory minimum.

24. Advantages and Disadvantages

Advantages	Disadvantages
• No additional staff costs for those employees currently being paid the statutory minimum wage.	• Any significant increase in the statutory minimum hourly wage rate above 2% would be an unbudgeted cost in the 2018-28 10-Year Plan.

25. Financial Implications

26. There are no known financial implications if the status quo is retained.

SECTION 2: ATTACHMENT 5

Reduction in ArtsPost Sales Commission

MAYORAL PROPOSAL

Author:	Cherie Meecham	**Authoriser:**	Lance Vervoort
Position:	Museum Director	**Position:**	General Manager Community

Proposal

1. This proposal is to reduce Council's commission on ArtsPost shop and gallery sales from 46% to 25% for Hamilton-based artists producing unique artworks, to achieve a greater financial benefit to these artists.

Mayor's Recommendation

That the Council approve a reduction in the commission for ArtsPost shop and gallery sales from 46% to 25% for Hamilton-based artists producing unique artworks, effective 1 July 2018.

Executive Summary

2. ArtsPost Galleries and Shop is operated by the Waikato Museum. The Museum acts as an agent for local and national artists to display and sell their artworks. There are currently over 200 suppliers to the shop and the exhibition calendar is currently booked with exhibitions up to June 2018 (due to proposed seismic works pending decision). The galleries are usually booked up to a year in advance.
3. ArtsPost sells a variety of artworks on behalf of artists, including paintings, ceramics, jewellery, prints and textiles as well as cards and books. The artworks remain the property of the artist until sold.
4. This paper presents two options:
   - Option 1 (Mayor's recommendation): Commission of 25% on all ArtsPost shop and gallery sales for Hamilton-based artists producing unique artworks.
   - Option 2: Status quo – commission of 46% on all ArtsPost shop and gallery sales.

Current Commission

5. ArtsPost currently receives a commission of 40% on all works sold plus 15% GST on the 40% commission = 46% total commission.
6. Currently the artist supplies a price (AP) which is the price they wish to receive for their artwork, to which the commission is added to calculate the sale price (SP) using the formula AP$ ÷ 0.54 = SP$.
7. Some suppliers and exhibitors have commented that the commission is too high as they have to lower their artist price in order to sell the item at a realistic market price. They have also complained the calculation is complex with the GST added to the original commission.
8. Income from commission has increased over the last two years after a steady period.

Total ArtsPost Revenue (Sales Commission and Gallery Hire)				
2012/13	2013/14	2014/15	2015/16	2016/17
$90,712	$90,722	$90,673	$97,806	$101,059

9. Benchmarking completed in 2016 compared the ArtsPost commission rate with other museums or galleries offering a retail service include Toitu Otago Settlers Museum in Dunedin, Wallace Gallery in Morrinsville, Te Manawa in Palmerston North, Pataka in Porirua, Canterbury Museum in Christchurch, Govett-Brewster Art Gallery in New Plymouth, Rotorua Museum, Dunedin Public Art Gallery and MTG Hawkes Bay in Napier.

10. Operating models and commission rates vary depending on the retail offering.

Name	Commission rate
Waikato Museum & ArtsPost	46%
Other* Museum and Gallery 2	35%
Other Museum and Gallery 3	25%
Commercial Gallery 1	50%
Commercial Gallery 2	50%
Commercial Gallery 3	40%

**Note: The terms 'Other Museum and Gallery' and 'Commercial Gallery' have been used to retain the anonymity of the galleries surveyed.*

Option 1: Commission reduced to 25% for Hamilton artists selling unique artworks (Mayor's recommendation)

11. Description

12. Commission of 25% (including GST) for all shop and gallery sales from unique artworks created by Hamilton artists.

13. 46% commission applies on all ArtsPost shop and gallery sales for artists from outside Hamilton.

14. Advantages and Disadvantages

Advantages	Disadvantages
• Hamilton artists would receive a greater portion of the current sale price. • Current shop suppliers would benefit from a lower commission, and it would be expected that there would be an increase in potential new exhibitors and shop suppliers. • Could result in increased support and advocacy of ArtsPost from the arts community in Hamilton.	• It is assumed a reduction in commission will result in a reduction in revenue which is estimated – further analysis is required to understand financial implications. • Administration work will be required to update existing supplier contracts, define what is considered 'unique', verify artist origin and make changes to prices in the Point of Sale system. • Shop sales and exhibitor bookings may drop off in the lead up to the decrease as some artists anticipate a lesser commission rate resulting in a drop off in revenue in 2017/18.

15. Financial Implications

16. This option may see a reduction in revenue. The extent of this potential reduction will need further investigation.

Option 2: Status Quo – 46% commission

17. Description

18. Commission remains at 46% (including GST) for all shop and gallery sales.

19. Advantages and Disadvantages

Advantages	Disadvantages
• ArtsPost aligns with other commissionable galleries nationally and also other similar businesses in the Hamilton CBD. • Single fee system providing ease of interpretation and administration	• Applications from some artists for exhibitions may be limited, due to current commission in addition to paying a gallery hire fee.

20. Financial Implications

Option 2											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	100	100	100	100	103	105	107	109	111	115	**1,050**

SECTION 2: ATTACHMENT 6

Digitise City News

MAYORAL PROPOSAL

Author:	Jen Baird	Authoriser:	Sean Hickey
Position:	Unit Manager Communications and Marketing	Position:	General Manager Strategy and Communications

Proposal

1. This proposal recommends a move to electronic distribution of the stories, information and notices currently carried in the City News newspaper.

Mayor's Recommendation

That the Council approve the digitisation of City News and cease publication of the hardcopy newspaper in July 2018.

Executive Summary

2. City News is currently printed and delivered to all homes in Hamilton each month.
3. Replacing the printed paper with an email solution would reduce the creative time and distribution costs.
4. The saving from moving to an email solution is $685,000 over ten years.
5. This paper presents two options:
    - Option 1: Email - create an email newsletter that effectively digitises City News and encourage people to sign up to receive it. (Mayor's recommendation)
    - Option 2: Status quo - print - continue to produce and distribute a monthly newspaper.

Current Level of Service

6. City News is an eight page newspaper that is written and designed each month by the Council's Communications Unit. Fifty eight thousand copies are printed and distributed to letterboxes, libraries and Council facilities every month at a cost of 17 cents per unit.
7. Research completed by Versus Research in February 2015[1] showed high levels of engagement, with 75% of respondents regular or occasional readers of the publication.
8. Respondents over 45 years of age and ratepayers are significantly more likely to read the publication than younger people and non-rate paying residents – 90% readership for over 45, 76% under 45; 92% for rate payers, just 51% for non-ratepayers. However, the number of respondents who never read the publication had grown from 11% in 2012 to 26% in 2015. Given consumer trends this is likely to have increased further.

[1] *Versus Research, n=300 representative of Hamilton demographic, margin of error +/-5.7% at 95% confidence.*

Option 1: Email (Mayor's Recommendation)

9. Description

10. This option is for an email version of City News, delivered monthly to people who sign up to receive it.
11. This option would see Council move to a modern, low cost communication channel for our own stories.
12. The digitised version of City News would be available in a print friendly version and able printed free at libraries on request.
13. Email gives us the opportunity for attractive and accessible piece of communication that delivers data that clearly shows what people are interested in and what they are not.
14. We would need to build up a database of recipients and this option allows budget to do that over the long term.
15. The key risk is in reach – City News is widely received and read. Moving to email delivery we start from zero recipients and will ask people to opt-in to receive this piece of communication.

16. Advantages and Disadvantages

Advantages	Disadvantages
• Significant reduction in production and distribution costs. • Uses email marketing techniques to show Council as a modern organisation and reaches people wherever they are. • The stories in an emailed City News would link through to hamilton.govt.nz. This is likely to increase website traffic.	• People will need to opt-in to receive the email. • We will start from scratch to build a database to send this new communication to. This will require ongoing promotion. • Financially, this option is cheaper per unit at scale (would need 27,000+ recipients to be cheaper per unit sent) • There will be an increase in costs for public notices, promoting public consultations and council run/supported events (these are currently run at no charge to the business). • Hamilton.govt.nz is currently slow and has poor navigation and user experience. This may lead to people either not going through to read articles and/or not continuing their journey once on site.

17. Financial Implications

18. Moving to an email solution has a favourable impact on our budget, reducing spend by $685,000 over 10 years (status quo minus new product cost).

Option 1											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	52	47	42	37	42	37	42	37	42	37	**415**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	-

Option 2: Status Quo - Print

19. Description

20. This option retains the current level of service, described in this paper.

21. This option assumes that print will continue to be the right medium for communication delivery for the next decade. The Communications Unit will monitor the changing patterns of consumption and advise on the need to change City News over time to ensure Council continues to reach its audience in an effective way.

22. Advantages and Disadvantages

Advantages	Disadvantages
• All Hamilton households receive a copy. • Currently high levels of readership. • Can share stories and information that may not achieve coverage via commercial media channels.	• City News is more labour intensive than an email option due to the number of stories, notices and design requirements for each issue. • Compared to email distribution, print is a more expensive option. • Print media is slowly losing its audience.

23. Financial Implications

24. The status quo cost for City News is $1.1m over 10 years.

Option 2											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	110	110	110	110	110	110	110	110	110	110	**1,100**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	-

SECTION 2: ATTACHMENT 7

Closure of Hamilton i-SITE

MAYORAL PROPOSAL

Author/Authoriser:	Sean Murray
Position:	General Manager Venues, Tourism and Major Events

Proposal

1. This proposal recommends closing Hamilton i-SITE and ceasing delivery of the service effective 1 July 2018.

Mayor's Recommendation

That the Council:

i. Approve the closure of Hamilton i-SITE, ceasing delivery of the service, effective 1 July 2018; and

ii. Note that all associated costs (primarily staff redundancy) will be met in the 2018/19 financial year.

Executive Summary

2. This proposal looks at the closure of the Hamilton i-SITE and providing a reduced level of visitor information through already existing front counter staff in the municipal building.
3. This proposal aims to move away from provision of physical information and a site for face to face traveller advice to an online service. This is based on a perception of increasing amount of ticket sales and accommodation bookings being conducted online. The trend information on i-SITE utilisation in New Zealand is noted in paragraph 24 of this proposal.
4. It is intended that limited visitor information be made available via brochure stands at the municipal building and also at the transport centre and the Hamilton Gardens in order to best utilise existing council resources. However, it should be noted the service able to be offered without incurring additional cost for systems and training would be limited to quick local questions and not substitute the same level of service as an i-SITE facility.
5. The saving if Council decide to close the i-SITE and cease delivering the service is $5.6m over 10 years.
6. This paper includes two options:
   - Option 1: Cease providing the i-SITE service (Mayor's recommendation).
   - Option 2: Status quo – continue providing the i-SITE service.

Background

7. The i-SITE network is co-ordinated nationally by Tourism New Zealand as part of a NZ Inc. initiative. According to Tourism New Zealand research, over 60% of travellers are aware of i-SITE services and 50% of travellers use their services.
8. The concept is founded on each i-SITE (while locally funded) supporting the service provision not only for their territory, but also neighbouring destinations and beyond. Each i-SITE in the network supports the other and ensures coverage on their behalf by the wider network. The intention is that Hamilton is seen as a welcoming city to its visitors and easy to do business with.

Current Level of Service

9. Council operates the Hamilton i-SITE Visitor Information Centre in Garden Place. There are 80 i-SITEs nationwide including Cambridge, Te Awamutu, Tirau, Matamata, Te Aroha, Morrinsville, Huntly and Raglan.

10. Hamilton i-SITE provides the following services:

    - Visitor Information: Providing general advice, information and booking services for transport, attractions and accommodation. Hamilton i-SITE provides international visitors, domestic travellers and Hamiltonians with comprehensive, up-to-date information and a NZ-wide booking service for activities, attractions, accommodation, event ticketing and transport.
    - City Events: Provides a central city service centre and base for local, regional and national event activity as required including the provision of “pop up” i-SITE services at major event venues.
    - HLIVE: Provides a location for major event and entertainment activity taking place in the city and region, delivering information and ticketing services.

11. The primary customer contact is through in-person visits, email and telephone. The Hamilton i-SITE operates 364 days a year, with a rostered staff of nine (equivalent of 6.55 FTE).

12. In 2016/17, the Hamilton i-SITE provided advice to over 43,000 customers, made 710 accommodation bookings and sold over $360,000 worth of event tickets.

13. Acting as an event ticketing agency provides i-SITE the ability to earn some extra revenue to offset the costs of the primary purpose of the i-SITE. Hamilton currently has two agents for in person bookings & enquiries for Ticketek. The i-SITE is a walk up/phone-in retail site for multiple ticketing agencies whereas the other agency is for Ticketek only.

Option 1: Cease Providing the i-SITE Service (Mayor’s Recommendation)

14. Description

15. This option proposes closing the Hamilton i-SITE and ceasing delivery of the service effective 1 July 2018.

16. Council is not bound in any way to continue to operate the Hamilton i-SITE service.

17. Hamilton and Waikato Tourism Limited (Hamilton’s Regional Tourism Organisation, funded by Hamilton City Council and other partner councils) is not financed or resourced to provide visitor information services. However it does support and co-ordinate with i-SITE through its promotional work.

18. Advantages and Disadvantages

Advantages	Disadvantages
• The primary advantage of closing the Hamilton i-SITE is the cost saving.	• Hamilton would be the only major centre in New Zealand without an i-SITE service. • There would be no central ‘go to place’ for information and advice on what to do and see in Hamilton, for visitors planning to visit or who have already arrived. • Closure of Hamilton i-SITE and removal of the service may signal to Central Government, Tourism New Zealand, the visitor industry at large, our neighbours and our residents that Hamilton does not place value in the visitor industry or our visitors.

19. Financial Implications

20. The saving over 10 years is $5.6m.

21. Expenditure required from year one includes staff redundancy costs ($101k), office lease obligation ($68k) and a make good office provision ($5k).

22. The office space currently housing the Hamilton i-SITE operation is in year two of a three-year lease.

Option 1 - Cease Providing the i-SITE Service (Mayor's Recommendation)											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	174	0	0	0	0	0	0	0	0	0	**174**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	-

Option 2: Status Quo - Continue Providing i-SITE Service

23. Description

24. This option is to retain the services of the Hamilton i-SITE. While there are increasing amounts of ticket sales and accommodation bookings being conducted online as well as event promotion on social media, usage of the i-SITE network nationwide has increased by 12% each year. Booking transactions have increased 6.6% and according to the International Visitor survey (IVS), 25% of visitors are influenced in their choices by i-SITE staff. This option supports a continuation of the role i-SITE currently plays.

25. Advantages and Disadvantages

Advantages	Disadvantages
• Hamilton would retain its central i-SITE Visitor information Centre, offering the current level of service described in this proposal.	• Providing this service to visitors and city residents does come at a cost.

26. Financial Implications

Option 2 Status Quo - Continue Providing I-SITE Service											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Operating Revenue	103	103	103	103	103	103	103	103	103	103	**1,030**
Total Operating Expenses	649	660	670	673	677	678	682	683	686	686	**6,744**
Depreciation	6	6	6	6	6	6	6	6	6	6	**60**

SECTION 2: ATTACHMENT 8

Kerbside Rubbish & Recycling Services

MAYORAL PROPOSAL

Author:	Emily Botje	**Authoriser:**	Chris Allen
Position:	Facilities Unit Manager	**Position:**	General Manager City Infrastructure

Proposal

1. This proposal is for wheeled bins for rubbish, recycling and food waste, partly funded by user charges.

Mayor's Recommendation

That the Council:

a) approves a rubbish and recycling service, with a net estimated expenditure of $28.5m over the 10-Year Plan period, that is part funded through a user pays charge of $5 to put out 1, 2 or 3 bins and that the service delivered includes:

   i. wheeled bins for rubbish, recycling and food waste; and

   ii. weekly collection of all containers; and

b) notes that further work is required to confirm user pays costs and risks.

Executive Summary

2. Council has adopted a business case approach to looking at options for a new rubbish and recycling service.

3. Consultation was undertaken on a wheeled bin service including food collection verses retention of a black bag service.

4. Council is in the middle of a tendering process where combinations of a wheeled bin service have been priced together with the retention of a bag service.

5. Very recently options for user pays have also been considered. More work will be required to verify some of the costings and risks given the relatively late addition of these for consideration.

6. This proposal includes:

   - wheeled bin for rubbish, recycling and food waste
   - frequency of collection can be either weekly or fortnightly for rubbish and recycling. Food should always be collected weekly
   - user pays or rate funded service.

Service Review Process To-date

7. Rubbish and recycling services are a core activity of Council. The current service of two black bags, a crate for recycling and paper bundled separately has been provided to the community since 2002.

8. The current long-term contracts for these services expire on 30 June 2019. Extension to this contract will be required for a further of 12 months to 30 June 2020 when a new service is proposed to commence.

An extension request will be brought to Growth and Infrastructure Committee on 5 December 2017.

9. Staff commenced engagement with Council in 2014 on a replacement service. At the 19 November 2015 Finance Committee a Waste Working Party was established consisting of Councillors Forsyth, Gallagher, King and Macpherson.

10. At the 20 September 2016 Finance Committee meeting staff presented a draft business case for rubbish and recycling service change that considered 28 different options.

11. At this meeting Committee approved the draft business case for the purposes of undertaking community engagement and indicated a preferred service consisting of:

    - wheeled bin for rubbish collected weekly
    - wheeled bin for recycling collected fortnightly
    - crate for glass collected fortnightly
    - food collection collected weekly.

12. Consultation material was developed with the Waste Working Party and engagement was undertaken during October and November 2016. Through this the community expressed a strong preference for a change to wheeled bins and more recycling options (refer paragraphs 40-44).

13. At the 28 March 2017 Growth and Infrastructure Committee meeting, Committee received the results of the public engagement, and approved a proposed service for the purpose only of undertaking a Request for Proposals. The proposed service included:

    - Rubbish in a 120L wheeled bin collected weekly.
    - Recycling in a 240L wheeled bin collected weekly (with a sub-option to consider a fortnightly collection).
    - Glass to be collected separately in a crate (with a sub-option to instead place glass in the 240L wheeled recycling bin).
    - Food collection service collected weekly and processing.
    - Management of the refuse transfer station and organic centre.

14. At this meeting, a Waste Taskforce was also established to continue the work from the Waste Working Group. The Taskforce consists of Councillors Bunting (as Chair), Henry, Southgate and Gallagher.

15. The wheeled bin service is preferred over the status quo service of two black bags and a crate due to:

    - The diversion rate of rubbish from landfill will increase from 33% (maximum possible from the current service) to approximately 50%.
    - Reduction in financial risk. The disposal cost of rubbish has three components. A gate fee set by the contractor (tendered price), the Emissions Trading Scheme charge set by international markets and the Waste Levy set by Central Government. Indication nationally is that both the Emission Trading Scheme charges and Waste Levy will increase (*A Wasted Opportunity Report 2017)*. The current service provides the greatest financial risk to Council as it has a greater amount of rubbish going to landfill.
    - Health and safety concerns associated with manual handling of rubbish bags are eliminated from the Council provided service.
    - Amenity issues associated with the current service are addressed. All recycling is contained. The food container is animal proofed.

16. The tender process is now at a point where staff can advise on actual market costs for some of the options. Further work is required to confirm user pays costs, which were not part of the community

consultation nor the tender considerations.

17. It was found during the tender process that a comingled recycling service (glass in the recycling bin with all other recyclables) was the most cost-effective option when compared to a separate glass collection in a crate. Therefore, a separate glass service is not considered as part of this proposal. Placing the glass in the same container as the other dry recyclables will increase contamination of the final recyclable products. This may lead to issues for the contractor in the future to secure recycling markets.

Proposed Service

18. The proposed service nominated by the Mayor is based on a partly user pays service consisting of wheeled bin for rubbish, a wheeled bin for recycling and a food collection service, all collected weekly, with the bins purchased by the contractor. The following sub options are also costed for information:

    - rubbish and recycling collected fortnightly
    - fully Rate funded service
    - bins purchased by Council.

19. Advantages/Disadvantages of Proposed Service

Advantages	Disadvantages
• Waste diversion through increased engagement and food collection could increase from the current 28% to approximately 50% • Collection of plastics will be increased to grades 1 to 7, and will exclude polystyrene and film. • User pays shifts some of the cost of the collection from Council onto the householder and the revenue generated reduces the net cost of the service to Council. The householder pays for what they use. • Alternative bin sizes can be provided. It is recommended that an opt out service is promoted, with households requesting a change from a default service if required.	• Up to three bins per household will be placed on the kerb per week. Approximately 1.9% of all households will require bespoke services as they have limited kerb space to place the bins (which is not unusual). • Elderly or people with disabilities may find it difficult to manoeuvre the wheeled bins to the kerb. It is common nationally to provide an assisted collection service to help these people. An assisted collection service is included in the financials below. This service may not be available from private operators. • The roll out of containers will need to be managed carefully under a user pays system, as Council should not pay for containers to be collected by private operators. • The addition of other service providers may create additional amenity issues associated with bins being presented on different days on the same street. • Under a user pays system the diversion target of 50% will be harder to achieve as Council no longer controls the collection services for the city.

20. Financial Implications

21. The following table (figure 1) sets out a financial summary of the proposed service together with the sub-options available. The Mayor has nominated a $5 (including GST) user pays charge for the proposed service with the contractor purchasing the bins.

22. <u>Collection frequency</u>

23. The most common frequency for collection in New Zealand is for a weekly rubbish service combined with a fortnightly recycling collection. Auckland, Christchurch, Wellington, Dunedin, New Plymouth, and Invercargill all provide fortnightly collections. This potentially provides confusion for households, however this can be mitigated through education and engagement. The proposal includes the development of a rubbish and recycling App and other traditional forms of engagement such as annual fridge magnet collection calendars.

24. Fortnightly rubbish and recycling collections (with rubbish and recycling being presented on alternative weeks to reduce kerbside congestion) is common internationally. The reduction in frequencies provides a financial benefit to Council. The potential confusion for households can be mitigated through education and engagement.

25. It is recommended that the food collection remains weekly due food perishing and omitting odour during the summer months.

26. <u>User Pays/Rate funded</u>

27. Introducing user pays opens the market up to competition. If Council was to charge a higher rate or a lesser service than that provided by a private company it will lose market share. For comparison purposes the following table shows two alternative financial outcomes for a charge of $3 or $4 instead of $5, together with assumptions on loss of market share. Further investigation and financial modelling is required to confirm the market share at a price point of $5.

28. A single charge is proposed for the suite of services. A household will pay $5 to put out one, two or all three containers A bylaw provision will need to be explored to require private operators to also provide the same service as Council in order for Council to maintain an appropriate market share.

29. A single charge for the suite of services has the following issues and risks that staff will need to work through to make this proposed service a success.

    - The user pay tag will cover the set out of up to three bins per property. Whilst the bins will have RFID tags, it will be difficult to determine who has paid for what. Technology is the solution, however where it is used internationally it is still unreliable.
    - Recycling as the preferred choice for disposal is not promoted.
    - Reliance on a bylaw clause that is subject to public consultation, which has not been tested nationally and may prove to be unfavourable with the community.
    - This methodology is new to New Zealand and remains untested. It is not known if the community will accept this change.

30. Under user pays, households who opt for larger or smaller bins can be charged accordingly.

31. An sub-option would be to only charge for rubbish collection, which common practice throughout New Zealand. City Councils who use user pays system for rubbish include: Auckland (parts only), Wellington, Dunedin, Tauranga, Hutt City, Palmerston North, New Plymouth, Hastings, Porirua, Nelson, and Upper Hutt City.

32. The other sub-option set out in the table for information purposes is a fully rates funded service.

33. <u>Purchase of bins</u>

34. It is common in New Zealand for the contractor to purchase the bins and then on-charge to purchase cost and borrowings to the Council during the term of the contract. The table below provides the financial implications for both options. Should the contractor purchase, ownership of the bins will be transferred to the next contractor upon completion of the contract term.

35. All bins will be RFID tagged to enable data collection and manage theft.

Figure 1

Rate Funded Service- Costs for 10 Year Period 1 July 2018 to 30 June 2028 ($M)							
Service: • **Rubbish in a 140 L wheeled bin** • **Recycling in a 240 L wheeled bin** • **Food in a 23 L bin** • **With the following sub options**	**Estimated Market Share**	**User Pays per unit (incl. GST)**	**Total operating cost (excl. GST)**	**Expected revenue (excl. GST)**	**Total net operating cost (excl. GST)**	**Additional cost for Contractor supplied bins (yrs 3-10) (excl. GST)**	**Adjusted Net Operating Cost (excl. GST)**
Weekly collection for rubbish, recycling and food	100%	N/A	89.576	4.499	85.077	3.715	88.219
Rubbish and recycling collected fortnightly, food weekly	100%	N/A	82.488	4.499	77.989	3.715	81.122
Rubbish and food collected weekly, recycling collected fortnightly (most common frequency in NZ)	100%	N/A	86.300	4.499	81.801	3.715	84.934
User Pays Service- Costs for 10 Year Period 1 July 2018 to 30 June 2028 ($M)							
Weekly collections available for rubbish, recycling and food.	80%	3.00	98.202	59.443	38.759	2.972	41.731
Weekly collections available for rubbish, recycling and food.	65%	4.00	92.827	64.021	28.806	2.415	31.221
<u>NOMINATED OPTION</u> ***Weekly collections available for rubbish, recycling and food.***	**50%**	**5.00**	**88.370**	**61.732**	**26.638**	**1.858**	**28.496**

36. For comparison purposes, the current rate funded service of two black bags and a crate will have a net operating cost of $75.617 million over the 10-Year Plan.

37. Financial Considerations

38. The financials contained in this proposal include:

- Provision of the current service provided by the incumbent service provider for the first two years of the plan.
- New service provider will commence services on 1 July 2020.
- Growth as per NIDEA Low projection (number of households).
- Funding requirements from 2020/21 (Y3) is based on tendered rates received during the recent tender process.
- Funding requirements to develop a user pays system are still estimated at the time of writing this proposal.

39. There are several financial risks associated with the financials presented in this proposal, including:

- The containers are to be procured from overseas manufactures, therefore the exchange rate will influence their final cost in 2019/20.
- The international market for plastic's 3 to 7 is volatile. Markets or increased costs to ensure a cleaner product may have an effect on the long-term financials.
- The financial modelling of the services has been based on the community participating in and utilising the recycling services. A successful food collection will require 60% community participation. All options have funding provided to engage with the community to obtain the required participation; it cannot be guaranteed that the community will engage.
- User pays introduces competition to the suite of services offered. Council will need to retain a certain market share in order to provide the services in a cost-efficient manner. Further financial modelling is required to determine the risk.
- Further work is also required to confirm the contractors pricing on the user pays system as this did not form part of the Request for Proposals.

39. The following table indicates the annual costs of the proposed service over the 10 years.

Wheeled bin for rubbish, recycling and food. User pays charge of $5 (incl GST). Contractor purchases the bins.											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	450	450	7,110	7,251	7,391	7,532	7,673	7,815	7,958	8,102	**61,732**
Total Operating Expenses	6,312	7,233	8,958	9,024	9,241	9,457	9,676	9,895	10,117	10,316	**90,228**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	**-**

Community Engagement

40. During October and November 2016 engagement with the community was carried out using a special consultation process. Over the six week public engagement period 2973 submissions were received.

41. The following table provides a summary of the results.

Preferred Option	**Number**	**%**
Retain current service of black bags and limited recycling option	419	15%
Change to wheeled bins and more recycling options	2349	84%
Not answered	25	1%
How often respondents want their recycling collected:	**Number**	**%**
Weekly	860	31%
Fortnightly	1862	67%
Not answered	71	3%
Glass - how many respondents would like	**Number**	**%**
Separate crate for glass	1784	64%
Recycle the glass in the recycling bin	928	33%
Not answered	81	3%
Food Waste - how many respondents would like	**Number**	**%**
A food waste service	2114	76%
No food waste service	610	22%
Not answered	69	2%

42. Full details of the submission process and results can be found here: http://www.hamilton.govt.nz/AgendasAndMinutes/Regulatory%20and%20Hearings%20Committee%20Open%20Minutes%2016%20February%202017%20Confirmed.pdf

43. In October 2017, Council received a petition signed by 578 people requesting that Council commit to collection all plastics 1 to 7, as part of the kerbside recycling service.

44. Community engagement did not include user pays.

SECTION 2: ATTACHMENT 9

Waikato Regional Theatre

MAYORAL PROPOSAL

Proposal

1. The proposal is to provide $20m to Momentum Waikato as an operational grant to support the building of a new performing arts theatre in Hamilton (Waikato Regional Theatre).

2. It is also proposed that Council provides Momentum Waikato with an annual ownership grant of $1.1m per annum for 20 years from the opening date of the new theatre in 2021/2022.

Mayor's Recommendation

That the Council approves funding provision in the draft 2018-28 10-Year Plan as follows:

i. operating expenditure of $20m spread over Years 1,2 and 3 (2018/19, 2019/20, 2020/21) for a grant towards the construction of the Waikato Regional Theatre; and

ii. an annual ownership grant (for ongoing renewals and upgrades funding) for Momentum Waikato of $1.1m per annum for 20 years to commence following the opening of the Waikato Regional Theatre in July 2021 (Year 4).

Executive Summary

3. This proposal follows the agreement of Council to contribute a maximum of $30m towards the build of a new performing arts theatre in Hamilton, with a total estimated cost of $75m. The Waikato Regional Theatre (WRT) project is led by Momentum Waikato.

4. The Mayor's Recommendation is to contribute $20m to the project. This figure incorporates revenue from the sale of assets, third party funding and the balance from rates.

5. The proposed $20m building grant for the theatre is less than the maximum amount previously approved by Council for this project.

Waikato Regional Theatre – Background and Next Steps

6. Council resolved on 28 July 2016 (linked here) to contribute a maximum of $30m towards the build of the WRT.

7. The most recent report to Council on 21 September 2017 contains further information on the overall project (linked here). A timeline of key actions and decisions relating to the WRT project is summarised in Appendix 1.

8. On Wednesday 13 December 2017, the Waikato Regional Council will decide whether to include within its working papers provision for funds to be allocated within their draft 10-Year Plan under their "Community Facilities Funding Framework" to the WRT. If this occurs the funding would become subject to the Regional Council's broader 10-Year Plan discussion and consultation in 2018.

9. Concurrently and as approved by Council on 21 September 2017, Waikato Regional Theatre Governance Panel are pressing ahead with the Phase Two Detailed Design. It is proposed that this phase will be completed by 23 February 2018 and reported back to Council as soon as possible thereafter. In the meantime, a brief project update will be provided at the Ordinary Council meeting on 14 December 2017

Financial Implications

10. The funding proposal is:

- To provide $20m to Momentum Waikato as an operational grant to support the building of a new performing arts theatre in Hamilton.
- An annual ownership grant (for ongoing renewals and upgrades) of $1.1M per annum for 20 years from Council from the opening date of the new theatre in 2021/2022.
- The $20m funding to be put forward by Council includes revenue from the sale of assets of $6m and assumes a contribution of $7m from third party funding that has been signalled.
- The proposed $20m building grant for the theatre is less than the maximum amount approved by Council for this project. Momentum Waikato (with Hamilton City Council support) are working with the Waikato Regional Council on a possible contribution towards the theatre through their Community Facilities Funding Framework.
- Third party funding to cover the balance of the build is expected to come from the fundraising efforts of Momentum Waikato.

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses											27,700
- ***Build Grant***	5,000	6,000	9,000	0	0	0	0	0	0	0	20,000
- ***Ownership Grant***	0	0	0	1,100	1,100	1,100	1,100	1,100	1,100	1,100	7,700
Total Capital Expenses	0	0	0	0	0	0	0	0	0	0	0

Appendix 1: Key actions and decisions relating to the Waikato Regional Theatre

Date	Item and Decision
March – July 2016	Founders Theatre was closed due to safety concerns with the flying system in March 2016. In July 2016, Council also received independent confirmation that Founders Theatre was an earthquake prone building. Founders Theatre has remained closed to date.
July 2016	Public consultation on the future of Founders concluded with a total of 2,279 written and electronic submissions received. Feedback through the public engagement process clearly indicated that Hamilton and Waikato residents valued the need for a new performing arts theatre and saw a facility as vitally important community infrastructure. It was during this time that Momentum Waikato approached Council with an offer to work on a 'Waikato Regional Theatre' (WRT) project.
28 July 2016	Council resolved to accept the proposal by Momentum Waikato to support building of a new performing arts theatre in Hamilton and signalled in principle, a maximum of $30m plus GST towards the new build. Council also committed $100,000 to match Momentum's contribution towards the costs of developing a concept design, identification of a preferred location and business case and ongoing operating model for a new theatre.
August 2016	An independent Governance Panel was selected to oversee development of the plan and Charcoal Blue, an internationally renowned theatre development consultancy firm, was appointed by the panel to develop the concept plan. The members of the Governance Panel are: • Dr Julian Elder (Chair) – Independent • Margi Moore – Creative Waikato • Glenn Holmes – Property Institute • Graeme Ward – Wintec • Sean Murray - HCC
4 April 2017	Council received a progress report from Momentum Waikato.
July 2017	Momentum Waikato publicly released its proposal for a preferred location for the new theatre on the site of the former Hamilton Hotel, which takes up a block between Victoria Street and the Waikato River in Hamilton's CBD.
24 August 2017	Representatives from Momentum Waikato Community Foundation provided a presentation to the Council on their proposed concept design and business case for the development of a new WRT. Council resolved to receive the report, noting that management were to report back to a later meeting with response to concept design and financial implications.
21 September 2017	Council receives Momentum Waikato's new WRT concept design and location masterplan and their proposed ongoing ownership and operating model. Council reserved the right to offer further feedback and conditional advice on the function and capability of the theatre as more detailed public feedback is received and as the detailed design process evolves. Council also approved unbudgeted funding of $250,000 in the 2017/18 financial year to contribute towards work on the next stage of the design development for the WRT. Council agreed in principal that Council will seek to raise funds to the $30m (plus GST) level proposed by Momentum Waikato's proposal subject to the outcome of the following: i) the completion of public engagement activity in October – November 2017 post the presentation of the first draft budget on 19 October 2017 which will include the new Waikato Theatre proposal funding option and will be reported back to Council at its meeting on 14 December 2017; ii) the completion of public consultation in early 2018 specifically regarding the draft 2018-2028 10-Year Plan including full financial disclosure and the impact of the new Waikato Theatre proposal within Council's broader financial strategy and funding priorities.

SECTION 2: ATTACHMENT 10

Increase Community Assistance Funding

PROPOSAL UNFUNDED

Proposal

1. This proposal outlines options for increasing Community Grants administered through the Community Assistance Policy.

Staff Advice

2. If Council chose to fund this proposal, staff advice is:

   - That the Council approves an increase in Community Assistance Funding to $7.19 per resident (current baseline).

Summary

3. Community organisations make a significant contribution to the wellbeing of Hamilton and the people who live here. Targeted grant funding provides an opportunity for community-led initiatives, improves community connectivity, promotes and builds the volunteer sector and enables a wide and diverse range of activities to occur.
4. Community Grants are a cost-effective way for Council to significantly contribute to community wellbeing, while entrusting delivery to those with the best expertise to achieve these outcomes.
5. The Community and Services Committee, at the 31 October 2017 meeting, requested that staff provide a range of options for increasing the amount of funding for Community grants per resident for consideration through the 10-Year Plan process.
6. The current 10-Year Plan budget to be allocated via the Community Assistance Policy is set at $1,160,000 per annum.
7. Four options are presented for Council to consider:
   - Option A - Status quo
   - Option B - $7.19 per resident (current baseline)
   - Option C - $8.23 per resident (2012 baseline)
   - Option D –Set a new baseline
8. All philanthropic funders with Hamilton, including the Council, experience over subscription to their funds. Any additional funds made available to the community would be utilised to strengthen participation across diverse communities and build the capability of organisations across the city.

Option 1: Status quo

9. Option description

10. This option involves no change to the current 10-Year Plan budgets outlined in the Community Assistance Policy.

Year	*Population projection*	*Community Assistance Funds (rounded to nearest $10,000)*	*Community grants provided per resident*
2018	*165,746*	*$1,160,000*	*$7.00*
2019	*167,909*	*$1,160,000*	*$6.91*
2020	*169,890*	*$1,160,000*	*$6.83*
2021	*171,606*	*$1,160,000*	*$6.76*
2022	*173,437*	*$1,160,000*	*$6.69*
2023	*175,686*	*$1,160,000*	*$6.60*
2024	*178,149*	*$1,160,000*	*$6.51*
2025	*180,621*	*$1,160,000*	*$6.42*
2026	*182,899*	*$1,160,000*	*$6.34*
2027	*185,120*	*$1,160,000*	*$6.27*

11. Advantages and disadvantages

Advantages	**Disadvantages**
• No additional costs are incurred in this 10-Year Plan budget.	• Additional costs are incurred in this 10-Year Plan budget. The amount of financial support the Council gives to the community continues to decrease in relation to the growing population.

12. Financial considerations

13. This option has no financial impact in terms of additional costs.

Option 2 - $7.19 per resident (current baseline)

14. Option description

15. Use the current baseline of $7.19 per resident to increase the amount distributed via the Community Assistance Policy in line with population growth. The NIDEA Low population projections for the next 10 years and pro-rata Community Assistance Fund provisions are below.

Year	*Population projection*	*Community Assistance Funds (rounded to nearest $10,000)*
2018	*165,746*	*$1,190,000*
2019	*167,909*	*$1,210,000*
2020	*169,890*	*$1,220,000*
2021	*171,606*	*$1,230,000*
2022	*173,437*	*$1,250,000*
2023	*175,686*	*$1,260,000*
2024	*178,149*	*$1,280,000*
2025	*180,621*	*$1,300,000*
2026	*182,899*	*$1,320,000*
2027	*185,120*	*$1,330,000*

16. Advantages and disadvantages

Advantages	Disadvantages
• The amount of financial support the Council gives to the community will match the population growth of the city.	• Additional costs are incurred in this 10-Year Plan budget.

17. Financial considerations

18. The following additional costs will be added to the 10-Year Plan budget.

Option 2: $7.19 per resident (current baseline)											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											**0**
Total Operating Expenses	**30**	**50**	**60**	**70**	**90**	**100**	**120**	**140**	**160**	**170**	**990**
Total Capital Expenses											**0**

Option 3 - $8.23 per resident (2012 baseline)

19. Option description

20. This option is to increase the amount distributed via the Community Assistance Policy to $8.23 per resident. $8.23 per resident was the funding to population ratio following the level of service reduction of funding adopted in 2012. The NIDEA Low population projections for the next 10 years are below:

Year	*Population projection*	*Community Assistance Funds (rounded to nearest $10,000)*
2018	*165,746*	*$1,360,000*
2019	*167,909*	*$1,380,000*
2020	*169,890*	*$1,400,000*
2021	*171,606*	*$1,410,000*
2022	*173,437*	*$1,430,000*
2023	*175,686*	*$1,450,000*
2024	*178,149*	*$1,470,000*
2025	*180,621*	*$1,490,000*
2026	*182,899*	*$1,510,000*
2027	*185,120*	*$1,520,000*

21. Advantages and disadvantages

Advantages	**Disadvantages**
• The amount of financial support the Council gives to the community will be reinstated to the ratio of funding to population in 2012 and will match the population growth of the city. • The funding given by the Council to community organisations in the city is leveraged successfully by them to provide significant outcomes. In the 2016/17 year, $1 of Council funding was leveraged to $14.63 of project outcomes ($16,975,520).	• Additional costs are incurred in this 10-Year Plan budget.

22. Financial considerations

23. The following additional costs will be added to the 10-Year Plan budget.

Option 3: $8.23 per resident (2012 baseline)											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											0
Total Operating Expenses	200	220	240	250	270	290	310	330	350	360	2,820
Total Capital Expenses											0

Option 4 –Set A New Baseline

24. Option description

25. Increase the amount distributed via the Community Assistance Policy to a chosen figure per resident. Since 2004 the per resident equivalent has ranged from the current $7.19 through to $10.11 in 2007. Three examples are provided within this range to show the impact an increase would have on the 10 Year-Plan budget. The NIDEA Low population projections for the next 10 years are below:

Year	*Population projection*	*Community Assistance Funds (rounded to nearest $10,000)*		
		D1 $7.50 per resident	*D2 $8.50 per resident*	*D3 $9.50 per resident*
2018	*165,746*	*$1,240,000*	*$1,410,000*	*$1,570,000*
2019	*167,909*	*$1,260,000*	*$1,430,000*	*$1,600,000*
2020	*169,890*	*$1,270,000*	*$1,440,000*	*$1,610,000*
2021	*171,606*	*$1,290,000*	*$1,460,000*	*$1,630,000*
2022	*173,437*	*$1,300,000*	*$1,470,000*	*$1,650,000*
2023	*175,686*	*$1,320,000*	*$1,490,000*	*$1,670,000*
2024	*178,149*	*$1,340,000*	*$1,510,000*	*$1,700,000*
2025	*180,621*	*$1,350,000*	*$1,540,000*	*$1,720,000*
2026	*182,899*	*$1,370,000*	*$1,550,000*	*$1,740,000*
2027	*185,120*	*$1,390,000*	*$1,570,000*	*$1,760,000*

26. Advantages and disadvantages

Advantages	Disadvantages
• The amount of financial support the Council gives to the community will match the population growth of the city. • The funding given by the Council to community organisations in the city is leveraged successfully by them to provide significant outcomes. In the 2016/17 year, $1 of Council funding was leveraged to $14.63 of project outcomes ($16,975,520). • More not-for-profit organisations that deliver services, programmes and activities that benefit the social, cultural, arts and environmental wellbeing of communities in Hamilton would receive assistance and support from the Council.	• Additional costs are incurred in this 10-Year Plan budget.

27. Financial considerations

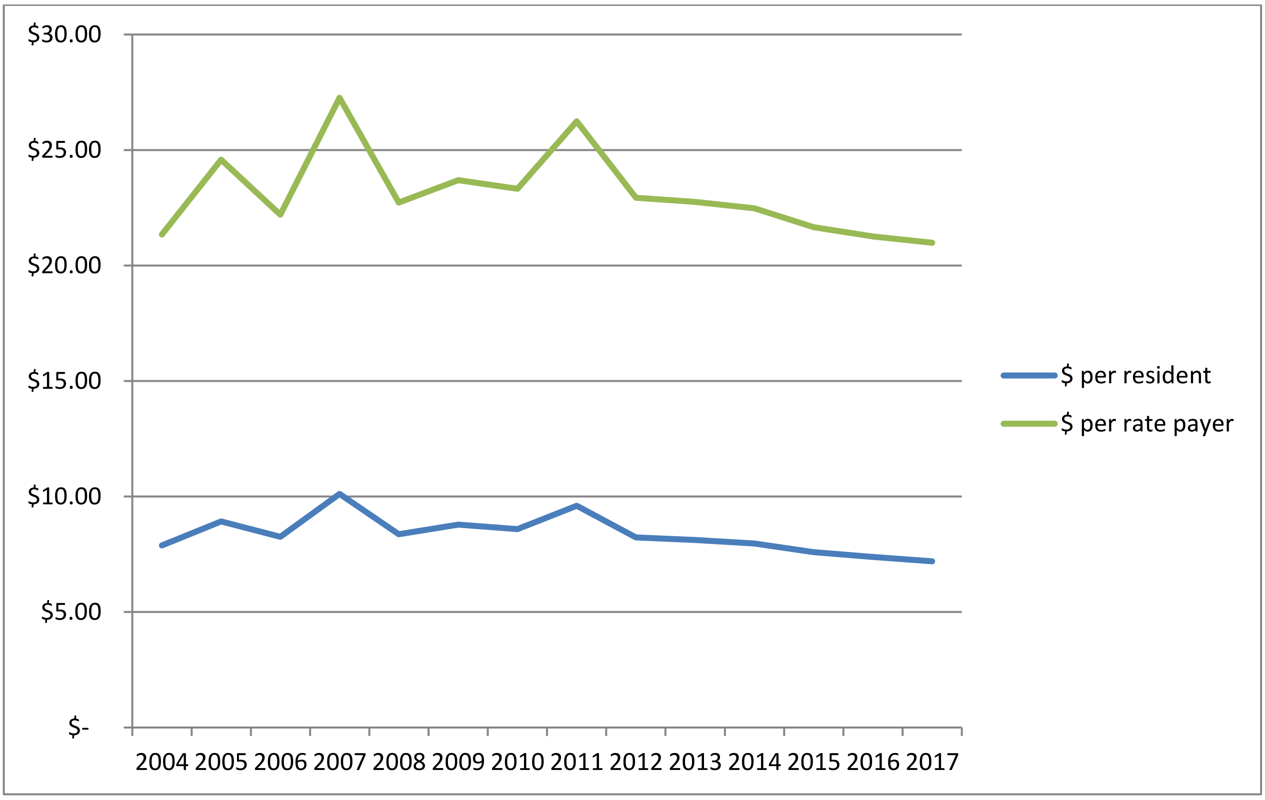
28. The following additional costs will be added to the 10-Year Plan budget.

Option 4: Set A New Baseline											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											0
Total Operating Expenses (D1)	80	100	110	130	140	160	180	190	210	230	1,530
Total Operating Expenses (D2)	250	270	280	300	310	330	350	380	390	410	3,270
Total Operating Expenses (D3)	410	440	450	470	490	510	540	560	580	600	5,050
Total Capital Expenses											0

Historical Benchmarking

29. The following information provides figures for historical grants matched to population and rateable properties

Year	Hamilton City (population estimate)	rateable properties (all excluding not-rated) annual report	Community Grants including SLA with Community Houses	$ per resident	$ per rateable property
2004	130,000	48,002	$ 1,024,377	$ 7.88	$ 21.34
2005	132,300	48,002	$ 1,180,107	$ 8.92	$ 24.58
2006	134,800	50,167	$ 1,113,942	$ 8.26	$ 22.20
2007	136,900	50,789	$ 1,384,562	$ 10.11	$ 27.26
2008	138,700	51,120	$ 1,161,496	$ 8.37	$ 22.72
2009	140,900	52,228	$ 1,237,496	$ 8.78	$ 23.69
2010	143,300	52,749	$ 1,230,496	$ 8.59	$ 23.33
2011	145,600	53,287	$ 1,398,494	$ 9.61	$ 26.24
2012	148,100	53,145	$ 1,218,615	$ 8.23	$ 22.93
2013	150,200	53,563	$ 1,218,615	$ 8.11	$ 22.75
2014	153,000	54,228	$ 1,218,615	$ 7.96	$ 22.47
2015	156,800	54,943	$ 1,190,000	$ 7.59	$ 21.66
2016	161,200	55,995	$ 1,190,000	$ 7.38	$ 21.25
2017	165,400	56,706	$ 1,190,000	$ 7.19	$ 20.99



SECTION 2: ATTACHMENT 11

New Indoor Recreation Facility

Unfunded Proposal

Author:	Nick Chester	**Authoriser:**	Lance Vervoort
Position:	Team Leader Policy and Planning, Community Group	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.
2. The proposal is to pursue a partnership arrangement with The University of Waikato to enable the construction of a new indoor recreation facility.

Staff Advice

3. If Council chose to fund this proposal, staff advice is:

   - That the Council:

     a) approves staff to enter into further discussions with the University of Waikato to develop a comprehensive business case for a partnership arrangement to enable the construction of a new indoor recreation facility;

     b) approves $5m operating expenditure to be included in year 4 (2021/22) of the draft 2018-28 10-Year Plan for a grant towards the construction of a new indoor recreation centre;

     c) approves $120,000 operating expenditure to be included in the draft 2018-28 10-Year Plan from year 5 (2022/23) onwards for an annual operating grant; and

     d) notes that staff will report back to Council on the business case and final partnership arrangement for consideration and approval.

Current Level of Service

4. The draft budget reflects provision for the following, which will maintain Council's current level of service for indoor recreation facilities.
5. Council currently owns one Indoor Recreation facility, Te Rapa Sportsdrome on Ashurst Park, which is suitable for volleyball, badminton, netball, gymnastics and other medium sized sports events.
6. Council's annual maintenance budget for this facility is $25,000. The draft budget includes renewal of the floor in the main gym at Te Rapa Sportsdrome in 2021/22, which will ensure the current level of service for this facility can continue.
7. Council has also contributed funding to the development of the Rototuna Indoor Recreation Centre, in partnership with the Ministry of Education and Rototuna High School. This facility, now named The Peak, opened in July 2017. The Peak provides indoor court space for competitive and community sports such as netball, basketball, volleyball and the fast-growing indoor football code futsal.
8. An annual operating grant of $120,000 is paid to The Peak.

Demand for Indoor Recreation Facilities

9. A report by Opus in 2016 stated that there is a high demand for indoor court space from netball, basketball and volleyball in Hamilton. A lack of space is inhibiting the growth of indoor sports, and growth is likely to exacerbate the issue[1].

10. The development of The Peak has addressed demand issues to a degree, especially for the North East of the city. However, further facilities are required to keep up with growth and continue to meet increasing demand.

11. The Waikato Regional Sports Facilities Plan (September 2014) recommends two 4-5 court multipurpose facilities in Hamilton by 2024. The Peak is the first – a second is still required to meet this target.

12. Partnership models for the delivery of facilities is recommended in the Plan.

13. A number of other indoor recreation facilities exist in the city, which are privately owned. These contribute to overall capacity but may not address demand due to factors such as size and location.

Partnership with The University of Waikato

14. Description

15. This proposal is to develop partnership opportunity with The University of Waikato to invest in the development of a new indoor recreation facility.

16. The Rototuna Indoor Recreation Centre was the first partnership development of additional indoor recreation space in alignment with the Waikato Regional Sports Facilities Plan. Council and Sport Waikato recently formed a Feasibility Assessment Panel to review and analyse the potential partnership options for another Indoor Recreation Facility at the University of Waikato's Hillcrest campus or the Waikato Institute of Technology's Rotokauri campus.

17. The Panel considered both proposals suitable for a funding partnership with Council and other adjoining local authorities, but found the University option superior.

18. The Feasibility Assessment Panel recommended that Council and other sub-regional local authorities enter into a non-binding Heads of Agreement with the University of Waikato for the development of a detailed business case for an Indoor Recreation Facility. They also recommend that funding is allocated in Year 2 and/or Year 3 of Council's 2018-28 10-Year Plan to enable this partnership to proceed if adequately supported by the business case.

19. The partnership would work under the same model as Rototuna Indoor Recreation Centre – with community use of the facility being guaranteed in return for Council funding. The University are seeking $6m local government funding towards the construction costs plus ongoing operational support.

20. Council could choose to construct an indoor recreation facility alone. However, this would come with a significant capital cost ($10m minimum), and ongoing operational costs for maintenance ($450,000 annually).

21. Advantages and Disadvantages

Advantages	Disadvantages
• This option would help meet the need for additional indoor recreation space driven by population growth. Working in partnership with the University of Waikato allows for a	• The option requires investment from council to be completed. • A lack of flexibility to build a centre in the most appropriate destination that would

[1] Opus, *Partnership Options Analysis; Hamilton Indoor Recreation Facility*, February 2016

similar approach to the Rototuna Indoor Recreation Centre model, by sharing construction and ongoing operational and maintenance costs. • It is likely that any new facility developed by the University will at least partially be used for high performance sport, so there is the potential for wider economic benefits.	ensure even distribution.

22. Financial Implications

23. It is assumed that a similar model would be used by Council as the Rototuna Indoor Recreation Centre. This would require Council to contribute towards construction costs, and then provide an ongoing operational grant, whilst the University of Waikato owned the asset and were responsible for the day to day running of the facility.

Option 1											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	**0**
Total Operating Expenses	-	-	-	5,000	123	123	123	123	123	123	**5,738**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	**-**

SECTION 2: ATTACHMENT 12

Fees and Charges (incl GST) proposed for Year 1 2018/19 of the 2018-28 10-Year Plan

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
ANIMAL EDUCATION AND CONTROL					
Dog registration fees up to 30 June					
Category 1		$75.00	$80.00	6.7%	
Category 2		$143.00	$150.00	4.9%	
Dog registration fees after 30 June					
Category 1		$90.00	$95.00	5.6%	
Category 2		$158.00	$165.00	4.4%	
50% Penalty - Applies to registrations after 31 July.					
Category 1		$135.00	$142.00	5.2%	
Category 2		$237.00	$247.00	4.2%	
Miscellaneous Fees Dogs					
First impoundment		$79.00	$84.00	6.3%	
Second impoundment		$143.00	$153.00	7.0%	
Third impoundment		$235.00	$245.00	4.3%	
Sustenance	per day	$19.00	$19.00	0.0%	
Collars	actual cost			0.00%	
Tag replacement		$5.00	$5.00	0.0%	
Dog sign over		$62.00	$65.00	4.8%	
Puppy parvo vaccination	actual cost			0.00%	
Dog Adoption		$225.00	$225.00	0.0%	
Seizure	per seizure per dog	$85.00	$90.00	5.9%	
Second seizure	per dog	$155.00	$165.00	6.5%	
Third seizure	per dog	$250.00	$260.00	4.0%	
Dog micro chipping		$25.00	$25.00	0.0%	
De-sexing					
Males	actual cost			0.00%	
Females	actual cost			0.00%	
Cat Trap Hireage	per week	$13.00	$15.00	15.4%	
Inspection Fee for Keeping More than 2 Dogs					
First application fee		$79.00	$85.00	7.6%	
Annual renewal fee		$39.00	$40.00	2.6%	
Stock Impounding Related Fees					
Cattle		$46.50	$48.00	3.2%	
Pig		$32.50	$33.00	1.5%	
Weaners		$13.50	$14.00	3.7%	
Horse, mule & deer		$27.50	$48.00	74.5%	
Sheep, goats		$13.50	$14.00	3.7%	
Sustenance	per stock/day	$10.00	$15.00	50.0%	
Stock-driving and rangers charge stock	per hour	$70.00	$80.00	14.3%	
BUILDING CONTROL					
Building fees and charges are based upon the Hamilton City Council's actual and reasonable costs of the associated work.					
Project Information Memorandum					
Residential					
Minor Works		$50.00	$50.00	0.0%	
Spa Pools		$150.00	$150.00	0.0%	
Swimming Pools		$150.00	$150.00	0.0%	
Garages		$255.00	$255.00	0.0%	
Small Building Works		$255.00	$255.00	0.0%	
Outbuilding Habitable		$255.00	$255.00	0.0%	
Alterations and Additions		$255.00	$255.00	0.0%	
All Dwellings		$255.00	$255.00	0.0%	
Demolition Residential		$130.00	$130.00	0.0%	
Commercial					
Commercial Demolition		$150.00	$150.00	0.0%	
Commercial Minor Works		$150.00	$150.00	0.0%	
Internal Fit out		$150.00	$150.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Up to 2 Storeys		$255.00	$255.00	0.0%	
For all Other Commercial Projects		$400.00	$400.00	0.0%	
Building Consents					
Building Consent fees are excluding document management fees.					
Additional fees may also apply - see additional building consent related fees.					
Residential					
Solar			Free	New fee	New fee. To ensure our customers know that this is a free service.
Minor Works (including install window or door, demolish a wall, erect a pergola, install a garden shed, install kitchen fittings)		$350.00	$360.00	2.9%	
Spa pools		$1,180.00	$1,180.00	0.0%	
Swimming Pools		$1,180.00	$1,200.00	1.7%	
Garages		$1,200.00	$1,220.00	1.7%	
Small Building Works (including but not limited to minor additions or alterations up to 3m2)		$1,200.00	$1,220.00	1.7%	
Outbuilding Habitable		$2,100.00	$2,200.00	4.8%	
Alterations and Additions		$2,350.00	$2,400.00	2.1%	
Dwelling Single Storey		$4,550.00	$4,650.00	2.2%	
Dwelling 2 Storey		$6,100.00	$6,250.00	2.5%	
Dwelling 3 Storey or More		$9,500.00	$9,700.00	2.1%	
Attached Group of Residential Units		$4,550.00	$4,650.00	2.2%	
plus per unit charge after 1st unit	per unit	$2,250.00	$2,300.00	2.2%	
Demolition Residential		$1,000.00	$1,000.00	0.0%	
Commercial					
Demolition Commercial		$1,250.00	$1,250.00	0.0%	
Commercial Minor Works (including but not limited to installing a steel beam, installation of a sink, installation of a door)		$500.00	$600.00	20.0%	
Small Commercial building works		$2,000.00	$2,060.00	3.0%	
Internal Fit out < $150,000		$4,215.00	$4,300.00	2.0%	
Up to 2 Storey <= $1,000,000		$7,685.00	$7,900.00	2.8%	
More than 2 storeys and/or > $1,000,000 (Large Commercial)		$10,550.00	$10,800.00	2.4%	
plus additional hourly rate where applicable	hourly rate	$240.00	$240.00	0.0%	
Request for Further Information during processing - minimum of 1 hour charged	hourly rate		$240.00	New fee	New fee. Due to the extra time spent when rework is required on a consent.
Document Management (Digitisation) for conversion of paper consents to digital					
A4	per page	$2.00	$2.50	25.0%	
A3	per page	$3.00	$3.50	16.7%	
A2	per page	$3.00	$3.50	16.7%	
A0	per page	$3.00	$3.50	16.7%	
Electronic Data Management				New fee	New fee. For the ongoing maintenance and support of our electronic data
Residential			$130.00	New fee	
Commercial			$260.00	New fee	
Additional Building Consent Related Fees					
Building Accreditation Levy 20 cents per $1,000 of building value	per $1000	$0.20	$0.50	150.0%	
BRANZ Levy $1.00 per $1,000 on projects $20,000 and over	per $1000	$1.00	$1.00	0.0%	
DBH Levy $2.01 per $1,000 on projects $20,000 and over	per $1000	$2.01	$2.01	0.0%	
Street Crossing Application		$240.00	$260.00	8.3%	
Structural Audit Fee		$120.00	$150.00	25.0%	
External consultancy fees Including but not limited to: Fire Service, Acoustic Testing	actual cost				
Water, Stormwater and Waste Services charges Including but not limited to: Service Connections/Disconnections, CCTV Surveys, Tradewaste	Refer Wastewater, Stormwater and Water fees and charges				

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Additional Inspections	hourly rate	$240.00	$260.00	8.3%	
Inspection of Building to be Shifted in to Hamilton City		$250.00	$260.00	4.0%	
plus Mileage Outside of City	per km	$0.72	$0.73	1.4%	
plus Time for Inspector to Travel Outside of City	hourly rate	$240.00	$260.00	8.3%	
Inspection of Amusement Devices		$11.50	$11.50	0.0%	
Amendments to a Building Consent Application	hourly rate	$240.00	$240.00	0.0%	
Application to Extend Time For Which a Building Consent is Valid		$130.00	$100.00	-23.1%	
Urgent Code Compliance Certificate (CCC) - within 24 hours		$200.00	$250.00	25.0%	
Code Compliance Certificate (Over 5 years old from issue)			$360.00	New fee	New fee. To cover resourcing involved in ensuring older buildings are safe and compliant.
Copy of Code Compliance Certificate		$60.00	$50.00	-16.7%	
Building Warrant of Fitness and Compliance Schedule					
Building Warrant of Fitness		$60.00	$60.00	0.0%	
Issue of a Compliance Schedule		$60.00	$60.00	0.0%	
plus charge per system or feature	per system or feature	$60.00	$60.00	0.0%	
Replacement Compliance Schedule and Warrant of Fitness Statement		$60.00	$60.00	0.0%	
Inspection of Compliance Schedule Maintenance and Reporting Procedures		$200.00	$250.00	25.0%	
Compliance Schedule Re-inspection	hourly rate	$240.00	$250.00	4.2%	
Compliance Schedule Amendment		$60.00	$60.00	0.0%	
Swimming Pool & Fencing Compliance					
3 yearly pool audit - first visit			Free	New fee	New fee. To show the first inspection is free.
additional audit visits	hourly rate	$240.00	$250.00	4.2%	
Pre-purchase/sale Pool Inspection	hourly rate		$250.00	New fee	New fee. To clarify the pool inspection fee structure.
Other Applications					
Application for Waiver or Modification to the Building Code. Additional inspection charges may also apply.		$550.00	$550.00	0.0%	
Request for exemption from building consent		$240.00	$240.00	0.0%	
Certificate of Acceptance Application (COA) Relevant Building Consent fee will also apply.		$500.00	$515.00	3.0%	
Change of Use Application		$350.00	$360.00	2.9%	
Certificate of Public Use (CPU)		$600.00	$600.00	0.0%	
Liquor Licence - Compliance with Building Code Certificate Additional Inspection charges may apply		$200.00	$200.00	0.0%	
Application for acceptance as an Independent Qualified Person (IQP)		$650.00	$650.00	0.0%	
IQP annual renewal		$150.00	$150.00	0.0%	
Application for Producer Statement Author approval		$350.00	$450.00	28.6%	
Producer Statement Author annual renewal		$65.00	$100.00	53.8%	
Eco Workshops (corporate workshops)	hour		$250.00	New fee	New fee. To cover the cost of workshops facilitated to corporate organisations.
Eco Home Consultations			Free	New fee	New fee. To differentiate that private Hamilton home consultations will remain free.
Section 77-83 - Building Act 2004			$650.00	New fee	New fee.
Section 73-74 Fee			$650.00	New fee	New fee.
Certificate of Title			$30.00	New fee	New fee. Covering the cost of requesting the certificate on behalf of the customer.
Building Control Hourly Rates					
Technical Support Officer	hour		$100.00	New fee	New fee. Reference only.
Building Review Officer	hour		$240.00	New fee	New fee. Reference only.
Building Inspector	hour		$260.00	New fee	New fee. Reference only.
Compliance and Monitoring Officer	hour		$250.00	New fee	New fee. Reference only.
Eco Design Advisor	hour		$250.00	New fee	New fee. Reference only.

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Building consent fees Building consent fees will be required to be paid in full upon application. No processing will commence until these fees are paid.					
BYLAWS					
Fee for new applications in relation to any of:- **- signs on footpaths** **- merchandise display** **- tables and chairs on footpaths** **- mobile shops** The stated administration fee plus the applicable annual fee portioned on a monthly basis		$85.00	$85.00	0.0%	
Signs on Footpaths					
a. Central zone-		$110.00	$110.00	0.0%	
Central core	annual fee				
Hamilton East	annual fee				
Commercial large suburban	annual fee				
Commercial Hamilton East Office	annual fee				
b. All other zones	annual fee	$110.00	$110.00	0.0%	
Merchandise Display	annual fee	$110.00	$110.00	0.0%	
FEE FOR USE OF GARDEN PLACE					
Commercial Stalls	Weekly	$245.00	$245.00	0.0%	
Seized Signs Release Fee (excluding seized election signs)		$47.00	$47.00	0.0%	
Seized Skateboard Release Fee		$22.00	$22.00	0.0%	
Newspaper Boxes and Similar	annual fee	$110.00	$110.00	0.0%	
Tables & Chairs on Footpath	per table - annual fee	$25.00	$25.00	0.0%	
Other use of Footpaths	per event	$20.00	$20.00	0.0%	
Mobile Shops					
Food vendors (food safety fees & charges also apply)	annual fee	$125.00	$125.00	0.0%	
Vendors not requiring food license	annual fee	$125.00	$125.00	0.0%	
Hawkers	annual permit	$100.00	$100.00	0.0%	
Markets					
Small (up to 15 4x4 stalls)	annual license	$155.00	$155.00	0.0%	
Large (15 4x4 stalls or more)	annual license	$370.00	$370.00	0.0%	
Admin Fees					
Re-issue of permit on request of holder.		$34.00		Discontinue fee	Discontinue fee.
CEMETERIES AND CREMATORIUM					
BURIAL LAWNS					
Kowhai plot - Garden Berm Area					
Plot purchase including plaque		$215.00	$215.00	0.0%	
Digging fee		$100.00	$100.00	0.0%	
Total		**$315.00**	**$315.00**	0.0%	
Kowhai Plot - Lawn Area					
Plot purchase - does not include a plaque		$110.00	$110.00	0.0%	
Digging fee		$100.00	$110.00	10.0%	
Total		**$210.00**	**$220.00**	4.8%	
Totara Services Lawn					
Maintenance in Perpetuity		$760.00	$760.00	0.0%	
Digging fee		$690.00	$720.00	4.3%	
Total		**$1,450.00**	**$1,480.00**	2.1%	

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Adult - Oak, Olive, Chestnut or Forest Grove				
Plot purchase	$3,655.00	$3,705.00	1.4%	
Digging fee	$690.00	$720.00	4.3%	
Total	**$4,345.00**	**$4,425.00**	1.8%	
Child - Apple Blossom (child only - I ash urn)				
Plot purchase - ashes	$985.00	$985.00	0.0%	
Internment fee - ashes	$120.00	$120.00	0.0%	
Total	**$1,105.00**	**$1,105.00**	0.0%	
Child - Oak, Olive, Chestnut, Forest Grove or Apple Blossom				
Plot purchase	$1,980.00	$1,980.00	0.0%	
Digging fee	$320.00	$320.00	0.0%	
Total	**$2,300.00**	**$2,300.00**	0.0%	
Second Casket Burial				
Digging fee	$690.00	$720.00	4.3%	
Total	**$690.00**	**$720.00**	4.3%	
Ash Interment				
Ash Interment	$120.00	$150.00	25.0%	
Total	**$120.00**	**$150.00**	25.0%	
Casket Disinterment				
Digging fee	$4,285.00	$4,285.00	0.0%	
Total	**$4,285.00**	**$4,285.00**	0.0%	
ASH INTERMENT AREAS				
Web of Memories (4 sets)				
Plot purchase	$1,030.00	$1,030.00	0.0%	
Interment	$120.00	$150.00	25.0%	
Total	**$1,150.00**	**$1,180.00**	2.6%	
Sunken Garden 2 (180mm x 150mm plaque only, no ashes)				Discontinue fee. Area sold out, no plots available.
Berm purchase	$250.00		Discontinue fee	
Total	**$250.00**		Discontinue fee	
Sunken Garden 2 ext (250mm x 150mm plaque only, no ashes)				
Berm purchase	$290.00		Discontinue fee	Discontinue fee. Area sold out, no plots available.
Total	**$290.00**		Discontinue fee	
Sunken Garden 3 (250mm x 150mm plaque only, no ashes)				
Berm purchase	$290.00	$290.00	0.0%	
Total	**$290.00**	**$290.00**	0.0%	
RSA Berm (2 sets)				
Maintenance in Perpetuity	$120.00	$120.00	0.0%	
Interment	$120.00	$150.00	25.0%	
Total	**$240.00**	**$270.00**	12.5%	
Garden of Memories Tree (1 set, no plaque)				
Plot purchase	$140.00	$140.00	0.0%	
Interment	$120.00	$150.00	25.0%	
Total	**$260.00**	**$290.00**	11.5%	
Garden of Remembrance - Tui, Bellbird, Kea & Fantail gardens (2 ash urns per plot)				
Plot purchase	$995.00	$995.00	0.0%	
Interment	$120.00	$150.00	25.0%	
Total	**$1,115.00**	**$1,145.00**	2.7%	
Granite Wall (1 ash urn per plot)				
Plot purchase	$785.00	$785.00	0.0%	
Interment	$82.00	$82.00	0.0%	
Total	**$867.00**	**$867.00**	0.0%	
Ash Spread only				
Interment	$52.00	$55.00	5.8%	
Total	**$52.00**	**$55.00**	5.8%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Disinterment of ashes					
Ash disinterment		$120.00	$150.00	25.0%	
Total		**$120.00**	**$150.00**	25.0%	
MEMORIAL ONLY**					
Outdoor Book plaque		$57.00	$57.00	0.0%	
Book of Remembrance Inscription		$86.00	$95.00	10.5%	
**** supplier fees may increase from time to time - contact cemetery for current price**					
MEMORIAL INSTALLATION PERMIT		$110.00	$110.00	0.0%	
Kowhai Berm & Pedestal Permit Fee		$51.00	$51.00	0.0%	
CREMATIONS					
Adult		$620.00	$645.00	4.0%	
Child under 15 years		$305.00	$305.00	0.0%	
Stillborn or under 1 year		$125.00	$125.00	0.0%	
SERVICE FACILITIES					
Chapel or Lounge - 1 hour service		$190.00	$220.00	15.8%	
Chapel or Lounge - 1/2 hour service		$97.00	$110.00	13.4%	
Chapel or Lounge - 15 minute service		$47.00	$55.00	17.0%	
Service DVD/CD		$56.00	$56.00	0.0%	
Viewing		$165.00	$175.00	6.1%	
Miscellaneous administration costs		$110.00	$110.00	0.0%	
Courier Fees		$36.00	$50.00	38.9%	
AFTER HOURS (applicable when staff are required to work outside normal working hours)					
Burials: Monday - Friday after 4:00 pm; all day Saturday		$260.00	$320.00	23.1%	
Cremations & Ash Burials: Monday to Saturday after 4:30 pm		$260.00	$300.00	15.4%	
PUBLIC HOLIDAYS/SUNDAYS					
Burials or ash interments on Sundays and public holidays		$510.00	$550.00	7.8%	
ECONOMIC GROWTH AND PLANNING					Name has changed from City Planning to Economic Growth and Planning to allow us to charge for District Plan changes.
DISTRICT PLAN					
District Plan Change Request					
1st deposit; consider request	non-refundable deposit	$10,940.00	$11,269.00	3.0%	
2nd deposit (processing charge)	non-refundable deposit	$10,940.00	$11,269.00	3.0%	
and balance at cost, invoiced monthly					
District Plan Requirement/Heritage Order	non-refundable deposit	$8,075.00	$8,318.00	3.0%	
Consideration and processing of notice and balance at cost, invoiced monthly					
Alteration of Designation	non-refundable deposit	$2,315.00	$2,385.00	3.0%	
Consideration and processing of notice and balance at cost, invoiced monthly					
Removal of designation	non-refundable deposit	$575.00	$593.00	3.1%	
Consideration and processing of notice and balance at cost, invoiced monthly					
DOCUMENT SALES					
District Plan					
Operative Plan - hard copy plan, text & maps (CD also included)		$220.00	$227.00	3.2%	
Proposed Plan - hard copy plan, text & maps (CD also included)		$265.00	$273.00	3.0%	
CD only (includes text & maps)		$16.00	$16.50	3.1%	
CD & hard copy of maps		$70.00	$72.00	2.9%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Updates					
CD & hard copy maps	annually	$115.00	$117.00	1.7%	
Email notification	annually	$5.40	$5.50	1.9%	
Postage					
Post hard copy		$10.50	$11.00	4.8%	
Post CD and hard copy maps		$7.60	$8.50	11.8%	
Post CD		$1.98	$2.50	26.3%	
ADDITIONAL CHARGES for SHAs and Plan Changes and designations					
Staff time - Administration	per hour	$85.50	$88.00	2.9%	
Staff time - Planner	per hour	$179.00	$185.00	3.4%	
Staff time - Senior Planner	per hour	$194.00	$200.00	3.1%	
staff time - team leader	per hour	$209.00	$216.00	3.3%	
Staff time - Manager	per hour	$220.00	$227.00	3.2%	
Photocopying and printing					
A4	per page	$1.10	$1.15	4.5%	
A3	per page	$2.20	$2.40	9.1%	

CITY SAFETY

Request for CCTV Camera Footage		$27.00	$27.00	0.0%	
Litter Infringement Notices					
Depositing non-dangerous litter of less than 1 litre by volume other than on or in a Council park or reserve. Examples: a takeaway container, cigarette butt or drink can.		$100.00	$100.00	0.0%	
Depositing non-dangerous litter from 1 to 20 litres in volume other than on or in a Council park or reserve. Examples: 1.5 litre plastic container, a single disposable nappy, or placing household rubbish bags or accumulated car waste into public litter bins, soft drink bottle.		$200.00	$200.00	0.0%	
Depositing non-dangerous litter from 20 to 120 litres in volume other than on or in a Council park or reserve. Examples: roadside dumping of small volumes of household or green waste, fridge, mattress, sofa, or of any pest plant material, or depositing any waste in a park.		$300.00	$300.00	0.0%	
Depositing non-dangerous litter of up to 120 litres in volume on or in a Council park or reserve. Examples: roadside dumping of small volumes of household or green waste, fridge, mattress, sofa, or of any pest plant material, or depositing any waste in a park.		$300.00	$300.00	0.0%	
Depositing non-dangerous litter of more than 120 litres by volume in any place. Example: truck load of dirt/building waste.		$400.00	$400.00	0.0%	
Depositing dangerous litter of any quantity in any place. Examples: dumping commercial waste, multiple disposable nappies, car parts or glass, e-waste or animal remains.		$400.00	$400.00	0.0%	
LIQUOR LICENSING					
(Set by Statute)					
1. Application Fees for On Licence, Off Licence, Club Licence and Renewals					
Risk Factor Band:					
Very Low		$368.00	$368.00	0.0%	
Low		$609.50	$609.50	0.0%	
Medium		$816.50	$816.50	0.0%	
High		$1,023.50	$1,023.50	0.0%	
Very High		$1,207.50	$1,207.50	0.0%	
2. Application for Special Licences					
Risk Factor Band:					
Class 3		$63.25	$63.25	0.0%	
Class 2		$207.00	$207.00	0.0%	
Class 1		$575.00	$575.00	0.0%	
3. Application Fee for Manager's Certificate and Renewal		$316.25	$316.25	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
4. Application for Temporary Authority		$296.70	$296.70	0.0%	
5. Annual Fee (for licensed premises)					
Risk Factor Band:					
Very Low		$161.00	$161.00	0.0%	
Low		$391.00	$391.00	0.0%	
Medium		$632.50	$632.50	0.0%	
High		$1,035.00	$1,035.00	0.0%	
Very High		$1,437.50	$1,437.50	0.0%	
6. Admin Fee - Publish Public Notices On Line		$85.00	$85.00	0.0%	

COMMUNITY FACILITIES

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
CELEBRATING AGE CENTRE					
Bond - Community & Commercial Use		$150.00		Discontinue fee	
Bond - Private Functions		$305.00		Discontinue fee	
All private functions and one-off bookings must be paid in advance.					
Private functions (evenings and weekends only)					
5 hour minimum charge for private functions - costs as per commercial rate.					
Lounge, River Lounge, Dining-Room, Board Room (per each room)					
Community rate	per hour (or part thereof)	$10.00		Discontinue fee	
Commercial rate	per hour (or part thereof)	$21.00		Discontinue fee	
Main Hall					
Community rate	per hour (or part thereof)	$15.00		Discontinue fee	
Commercial rate	per hour (or part thereof)	$39.00		Discontinue fee	
Main Hall, Dining-Room, & Kitchen hired as one venue					
Community rate	per hour (or part thereof)	$28.50		Discontinue fee	
Commercial rate	per hour (or part thereof)	$62.00		Discontinue fee	
ENDERLEY PARK					
Conference Room					
Community rate	per hour (or part thereof)	$6.60		Discontinue fee	
Commercial rate	per hour (or part thereof)	$13.50		Discontinue fee	
Dining Room					Expect to discontinue all Community Facilities fees from 1 July 2018. The intention is that all the community halls will have a community occupancy lease in place from 1 July 2018.
Community rate	per hour (or part thereof)	$6.50		Discontinue fee	
Commercial rate	per hour (or part thereof)	$13.50		Discontinue fee	
Main Hall					
Community rate	per hour (or part thereof)	$7.40		Discontinue fee	
Commercial rate	per hour (or part thereof)	$21.00		Discontinue fee	
Hall, Dining Room & Kitchen, hired as one venue					
Community rate	per hour (or part thereof)	$20.50		Discontinue fee	
Commercial rate	per hour (or part thereof)	$51.00		Discontinue fee	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Main Kitchen					
Community rate	per hour (or part thereof)	$7.40		Discontinue fee	
Commercial rate	per hour (or part thereof)	$20.00		Discontinue fee	
Private Functions main lounge & kitchen	(per 4 hours or part thereof)	$260.00		Discontinue fee	
	plus bond	$305.00		Discontinue fee	
Fairfield Hall					
Community	per hour (or part thereof)	$7.40		Discontinue fee	
Commercial	per hour (or part thereof)	$21.00		Discontinue fee	
Bond		$150.00		Discontinue fee	
Te Rapa Sportsdrome					
Lounge/Club House per hour (evening only)	per hour (or part thereof)	$15.00		Discontinue fee	
Sports Hall - Full	per hour (or part thereof)	$51.00		Discontinue fee	
Sports Hall - Half	per hour (or part thereof)	$25.50		Discontinue fee	
10% discount for customers who have weekly block bookings (minimum 30 weeks per year)					
GOVERNANCE					
Reception Lounge Hire - Maximum 180 people					
There is no charge to use the venue for Hamilton City Council or other local government organisations. There is also no charge for Registered Community Groups.					
For bookings that fall outside of these groups, venue costs are:					
Per hour		$66.50	$66.50	0.0%	
Max per day		$380.00	$380.00	0.0%	
Use of the foyer is charged separately as follows:					
Per hour		$25.00	$25.00	0.0%	
Max per day		$150.00	$150.00	0.0%	
ENVIRONMENTAL HEALTH					
Registration of a Food Control Plan [under Section 56 of the Food Act 2014]					
1. Processing an application for registration of a food control plan in relation to a new food business.		$560.00	$560.00	0.0%	
2. Processing an application for registration of a food control plan in relation to an existing food business transitioning from the Food Hygiene Regulations 1974.		$460.00	$460.00	0.0%	
3. Processing an application for registration of a food control plan in relation to an existing food business currently operating under a MPI registered risk management programme.			$370.00	New fee	New fee. This includes food safety programmes and risk management programmes under the former Food Act 1981.
4. Processing an application for registration of an amended food control plan due to a significant amendment (section 45(3)).		$185.00	$185.00	0.0%	
5. Processing a notification of a significant change in circumstances (section 51) or a not-significant amendment (section 45(2)) in relation to a food control plan.			$90.00	New fee	New fee. This is to cover administration costs associated with processing the notification. This fee also applies to change of operator.

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
6. Renewal of registration of a food control plan in accordance with Part 2 of Schedule 4 of the Food Act 2014 before the expiry of the current registration.	$87.00	$90.00	3.4%	
7. Processing an application for a new registration of a food control plan in relation to an existing food business that failed to renew a now expired registration.	$370.00	$370.00	0.0%	
Registration of Food Businesses subject to a National Programme [under Section 86(b) of the Food Act 2014]				
1. Processing an application for, assessment of, and registration of a new food business subject to a national programme.	$138.00	$138.00	0.0%	
2. Processing an application for, assessment of, and registration of an existing food business subject to a national programme transitioning from the Food Hygiene Regulations 1974.	$138.00	$138.00	0.0%	
3. Renewal of registration of a food business subject to a national programme in accordance with Part 2 of Schedule 4 of the Food Act 2014 before the expiry of the current registration.	$87.00	$90.00	3.4%	
4. Processing an application for a new registration of an existing food business subject to a national programme that failed to renew a now expired registration.	$275.00	$138.00	-49.8%	
5. Processing a notification of a significant change in circumstances (section 51) in relation to a food business subject to a national programme.		$90.00	New fee	New fee. This is to cover administration costs associated with processing the notification. This fee also applies to change of operator.
Verification (including site visit, reporting and general administration)				
1. Scheduled verification (including reporting)	$184.00	$198.00	7.6%	
2. Follow-up visits (including reporting)	$184.00	$198.00	7.6%	
3. Unscheduled verification (including reporting)	$184.00	$198.00	7.6%	
4. Cancelling a verification within 24hrs of the scheduled date and time, or key personnel not available for the verification	$102.00	$102.00	0.0%	
Compliance Monitoring				
1. Exercising any power referenced by and for the purposes expressed in Section 298 of the Act (except for Sections 302 and 303), which results in a sanction(s) being imposed by the Food Safety Officer or some form of corrective action being required of the operator.	$184.00	$198.00	7.6%	
2. Issue of improvement notice in accordance with Section 302 of the Act, including development of the notice.	$184.00	$198.00	7.6%	
3. Application for review of issue of improvement notice under Section 303 of the Act.	$184.00	$198.00	7.6%	
4. Compliance monitoring activity associated with a market.	$153.00	$198.00	29.4%	
Other Fees				
1. Providing mentoring services in relation to preparing and implementing a food control plan (over and above that provided for in other fees).	$153.00		Discontinue fee	Discontinue fee.
Premises Registration Fees (Food Hygiene Regulations 1974)				

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
1. Upon renewal of registration or approval				
If paid by 30 June:-				
Risk Factor Band				
1.0 - 3.9	$310.00	$310.00	0.0%	
4.0 - 5.3	$625.00	$625.00	0.0%	
5.4 - 10.0	$935.00	$935.00	0.0%	
10.1 - 15.0	$1,255.00	$1,255.00	0.0%	
15.1 - 20.0	$1,880.00	$1,880.00	0.0%	
20.1 - 25.0	$3,760.00	$3,760.00	0.0%	
Late payment penalty (for applications made after 30 June):-	add 20%	add 20%	0.0%	
The renewal registration fees are to be modified in accordance with the following factors:-				
(i) Where the sale of food is ancillary to the main line of business; or where the business is a bottle store; or where the business operates on a part time or seasonal basis; or is a vending machine:-	0.5 factor	0.5 factor	0.0%	
(ii) Standard (one food processing/ handling operation) -	1.0 factor	1.0 factor	0.0%	
(iii) Multiple and separate food processing / handling areas/ units.	1.5 factor	1.5 factor	0.0%	
2. Upon noting of certificate after any change in occupation of the premises	$35.00	$35.00	0.0%	
Other Food Related Fees				
1. Re-inspection of food premises following a primary inspection.	$154.00	$154.00	0.0%	
2. Re-issue of registration and approval certificates on request of holder.	$35.00	$35.00	0.0%	
REGULATED BUSINESSES				
[hairdressers, offensive trades, camping-grounds, mortuaries]				
Premises Registration Fees				
(a) New registrations:-				
July to December	$154.00	$154.00	0.0%	
January to June	$75.00	$75.00	0.0%	
(b) Upon renewal of registration-	$154.00	$154.00	0.0%	
Late payment penalty in relation to hairdressing shops only (for applications made after 30 June):-	add 20%	add 20%	0.0%	
(c) Upon noting of certificate after any change in occupation of the premises	$35.00	$35.00	0.0%	
FUNERAL DIRECTORS (with no mortuary)				
Registration Fees				
a) Upon application for new registration	$35.00	$35.00	0.0%	
b) Upon renewal of registration	$35.00	$35.00	0.0%	
RESOURCE MANAGEMENT ACT				
Actual and reasonable costs associated with processing applications for consent and for the monitoring of conditions of consent in relation to:- - Noise emissions - Hazardous contaminants in soil - Hazardous facility screening procedure - Radio frequency radiation	$169.00	$169.00	0.0%	

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
BUILDING ACT				
Actual and reasonable costs associated with processing application for consents, which may include but not be limited to:- -noise emission -hazardous contaminants in soil; -hazardous substances.	$165.00	$165.00	0.0%	
INFORMATION REQUESTS				
On application for an extract from any record or register (per application)	$62.00	$62.00	0.0%	
Photocopying and printing				
A4	$1.10	$1.10	0.0%	
A3	$2.20	$2.20	0.0%	
Where staff time exceeds 30-mins this additional charge shall apply. Chargeable in 15 minute units.	$100.00	$100.00	0.0%	
NOISE CONTROL				
a) Recovery of seized property	$245.00	$245.00	0.0%	
b) Recovery of costs for disabling building and car alarms:-	as invoiced	as invoiced	0.0%	

HAMILTON GARDENS

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Meeting room				
Commercial Use (Saturday, Sunday and Public Holidays; 10% conditional commercial discount available on other days)				
7:30 am-noon	$145.00	$130.00	-10.3%	
noon-5:30 pm	$160.00	$140.00	-12.5%	
5:30 pm-midnight	$185.00	$150.00	-18.9%	
7:30 am-midnight	$410.00	$425.00	3.7%	
Community Use (66% of commercial charges)				
Refundable bond	$100.00	$100.00	0.0%	
Cleaning charge	$33.00	$35.00	6.1%	
Plus Kitchen (see below)				
Chart well Square Room				
Commercial Use (Saturday, Sunday and Public Holidays; 10% conditional commercial discount available on other days)				
7:30 am-noon	$160.00	$165.00	3.1%	
noon-5:30 pm	$200.00	$205.00	2.5%	
5:30 pm-midnight	$225.00	$230.00	2.2%	
7:30 am-midnight	$515.00	$520.00	1.0%	
Community Use (66% of commercial charges)				
Refundable bond	$215.00	$220.00	2.3%	
Cleaning charge	$49.00	$55.00	12.2%	
Plus Kitchen (see below)				
Kitchen (Sole Use)				
7:30 am-noon	$66.00	$68.00	3.0%	
noon-5:30 pm	$66.00	$68.00	3.0%	
5:30 pm-midnight	$66.00	$68.00	3.0%	
7:30 am-midnight	$195.00	$200.00	2.6%	
Kitchen (66% discount if shared for community groups)				
7:30 am-noon	$33.00	$35.00	6.1%	
noon-5:30 pm	$33.00	$35.00	6.1%	
5:30 pm-midnight	$33.00	$35.00	6.1%	
7:30 am-midnight	$99.00	$100.00	1.0%	
Exhibition Hall				
Commercial Use (Saturday, Sunday and Public Holidays; 10% conditional commercial discount available on other days)				
7:30 am-noon	$160.00	$165.00	3.1%	
noon-5:30 pm	$185.00	$190.00	2.7%	
5:30 pm-midnight	$220.00	$225.00	2.3%	
7:30 am-midnight	$490.00	$500.00	2.0%	
Community Use (66% of commercial charges)				
Refundable bond	$265.00	$270.00	1.9%	
Cleaning charge	$72.00	$75.00	4.2%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Central Court					
Commercial Use (Saturday, Sunday and Public Holidays; 10% conditional commercial discount available on other days)					
7:30 am-noon		$220.00	$225.00	2.3%	
noon-5:30 pm		$250.00	$255.00	2.0%	
5:30 pm-midnight		$295.00	$300.00	1.7%	
7:30 am-midnight		$685.00	$700.00	2.2%	
Community Use (66% of commercial charges)					
Refundable bond		$315.00	$320.00	1.6%	
Cleaning charge		$120.00	$125.00	4.2%	
Victorian Flower Garden Greenhouse					
Hireage (maximum 1 1/4hrs)		$120.00	$250.00	108.3%	
Refundable bond		$215.00	$220.00	2.3%	
Miscellaneous Fees/Conditions					
Schedule of equipment rates is available on request.					
Set up and Pack down rates (per 1/2 hour)		$22.50	$25.00	11.1%	
Additional Cleaning (carpet clean) per hour		$34.50	$35.00	1.4%	
Additional Cleaning (carpet clean including carpet shampoo) per hour		$89.00	$90.00	1.1%	
Wedding in Gardens		$215.00	$250.00	16.3%	

HAMILTON CITY LIBRARIES

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Rental Collection					
Best sellers	first week	$5.00	$5.00	0.0%	
Pay magazines	first week	$2.10	$2.20	4.8%	
CDs	first week	$2.50	$2.50	0.0%	
DVDs	first week	$2.70	$2.70	0.0%	
Kitset collections	14 days	$1.00	$2.00	100.0%	
Daily Overdue Charges					
Adult Collections:					
Books	per day	$0.50	$0.50	0.0%	
Talking Books	per day	$0.50	$0.50	0.0%	
Pay Magazines	per day	$0.50	$0.50	0.0%	
Free Magazines	per day	$0.50	$0.50	0.0%	
Pay CDs	per day	$0.50	$0.50	0.0%	
Free CDs	per day	$0.50	$0.50	0.0%	
DVDs	per day	$0.50	$0.50	0.0%	
Best sellers	per day	$1.00	$1.00	0.0%	
Children and Young Adult Collections:	per day	$0.10	$0.10	0.0%	
Books	per day	$0.10	$0.10	0.0%	
Talking Books	per day	$0.10	$0.10	0.0%	
Magazines	per day	$0.10	$0.10	0.0%	
CDs	per day	$0.10	$0.10	0.0%	
DVDs	per day	$0.10	$0.10	0.0%	
Kitset collections	per day	$0.50	$0.50	0.0%	
Subscriptions (non-residents only)					
Group Subscription	per annum	$175.00	$180.00	2.9%	
Individual Subscription (4 item loan limit)	per annum	$80.00	$80.00	0.0%	
Replacement Card		$3.70	$3.80	2.7%	
Photocopying & Printing					
A4 (b&w)	per side	$0.20	$0.20	0.0%	
A4 (colour)	per side	$1.00	$1.00	0.0%	
A3 (b&w)	per side	$0.40	$0.40	0.0%	
A3 (colour)	per side	$2.10	$2.20	4.8%	
Photocopying card		$2.50	$3.00	20.0%	
Heritage Collection Reproduction and use fees (supply within 10 working days)					
Corporate - High resolution	Per image	$90.00	$95.00	5.6%	
Corporate - Low resolution	Per image	$40.00	$45.00	12.5%	
Local Business / Not for profit organisation - High resolution	Per image	$45.00	$45.00	0.0%	
Local Business / Not for profit organisation - low resolution	Per image	$25.00	$25.00	0.0%	
Personal Use- High resolution	Per image	$25.00	$25.00	0.0%	
Personal Use- low use resolution	Per image	$10.00	$10.00	0.0%	
Promotional use	per image	$100.00	$100.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Image print- standard paper	per image, reproduction up to A4	$2.00	$2.00	0.0%	
	per image, reproduction A3	$4.00	$4.00	0.0%	
Image print - photo quality paper	per image, reproduction up to A4	$5.00	$5.00	0.0%	
Fee for urgent delivery (3-5 day delivery)	per order	$40.00	$50.00	25.0%	
Calendar Sales	per item	$6.00	$6.00	0.0%	
Reservations / Same Day Holds		$1.50	$1.50	0.0%	
e-resources reservations		$1.00	$1.00	0.0%	
Contract Research	per half hour	$35.00	$37.00	5.7%	
Interloans					
Standard interloan fee		$10.00	$10.00	0.0%	
Urgent NZ interloan		$40.00	$40.00	0.0%	
Standard international interloan		$35.00	$40.00	14.3%	
Urgent standard international interloan		$55.00	$60.00	9.1%	
Library Facility Hire					
Branch Community Rooms (not-for-profit organisation)	flat fee	$17.00	$18.00	5.9%	
Branch Community Rooms (for profit organisation)	flat fee	$55.00	$60.00	9.1%	
HAMILTON ZOO					
Adult		$23.00	$26.00	13.0%	
Child (3-15)		$11.00	$12.00	9.1%	
Senior citizen		$17.00	$19.00	11.8%	
Beneficiary, student		$17.00	$19.00	11.8%	
Group concession (adult)		$16.50	$19.00	15.2%	
Group concession (child)		$8.00	$9.00	12.5%	
Group concession; senior citizen, beneficiary, student.		$12.50	$14.00	12.0%	
Family (2 adults & up to 4 children)		$66.00	$71.00	7.6%	
Education Rate (adult or child)		$6.50		Discontinue fee	Discontinue fee.
Zoo Annual Membership Fees					
Annual Member: adult (unlimited day-time visits)		$88.00	$78.00	-11.4%	
Annual Member: child (unlimited day-time visits)		$43.00	$36.00	-16.3%	
Annual Member: senior citizen, beneficiary, student (unlimited d/t visits)		$64.00	$57.00	-10.9%	
Annual Member: child flexipass (unlimited d/t visits - named child + any adult)		$128.00	$114.00	-10.9%	
Annual Member: family (unlimited day-time visits)		$250.00	$213.00	-14.8%	
Friends of Hamilton Zoo Members					
Adult		$11.50	$13.00	13.0%	
Child		$5.50	$6.00	9.1%	
Family (2 adults & 4 children)		$33.00	$35.00	6.1%	
Zoo Encounters					
Face2Face (per person)		$20.00	$25.00	25.0%	
Animal Encounter (up to 5 persons)		$100.00	$125.00	25.0%	
Premier Tour		$500.00	$500.00	0.0%	
School Sleepover (per person)		$46.00	$46.00	0.0%	
Education Encounter		$5.00	$5.00	0.0%	
Hire					
Day-time function: reserved area		$40.00	$40.00	0.0%	
After hours function: venue hire		$165.00	$180.00	9.1%	
Mobility scooter		$13.00	$15.00	15.4%	
BBQ		$13.00	$15.00	15.4%	
Education room		$40.00	$40.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
MUSEUM					
Hire Charges					
Museum Foyer					
Floor hire	per 3 hours	$305.00	$330.00	8.2%	
additional hour		$60.00	$60.00	0.0%	
Lecture Theatre					
Floor hire	per 3 hours	$305.00	$330.00	8.2%	
additional hour		$60.00	$60.00	0.0%	
Gallery 13					
Floor hire	per 3 hours	$305.00	$330.00	8.2%	
additional hour		$60.00	$60.00	0.0%	
ArtsPost					
Floor hire	per 3 hour	$305.00	$330.00	8.2%	
additional hour		$60.00	$60.00	0.0%	
ArtsPost					
Gallery hire					
Commission on sales will be charged in addition to gallery hire					
Chartwell Gallery	per week	$175.00	$175.00	0.0%	
Ida Carey Gallery	per week	$65.00	$65.00	0.0%	
Margot Philips Gallery	per week	$65.00	$65.00	0.0%	
Admission Fees for Special Exhibitions					
Fees for special exhibitions will vary depending on the cost of presenting the exhibition.					
Admission fees for beneficiaries, students and senior citizens will be adult fees discounted by approximately 15%					
Science Galleries (change effective from after July 2018 School Holidays)					
Adult		$5.00	$6.00	20.0%	
Children - Fee is for 3-14 / 0-2 yr olds free (change from previous 4-14 year olds, 0-3 yr olds free)		$8.00	$9.00	12.5%	
Concession (Concession applies to students, Friends of Waikato Museum, senior citizens and Community Services Card holders – ID is required.)		$4.00	$5.00	25.0%	
Small Family (1 adult and 2 children)		$18.00	$20.00	11.1%	
Large family - (2 adults and up to 4 children)		$35.00	$40.00	14.3%	
Education Classes					
School Student	one class (change class to programme)	$6.00	$6.00	0.0%	
	two classes	$8.00	$8.00	0.0%	
	three classes	$10.00	$10.00	0.0%	
Public Programme					
Full day school holiday programme minus booking fee (previously $38 plus booking fees)		$38.00	$45.00	18.4%	
Museum Collection Reproduction Fees					
Digital imaging					
High Res RGB Digital File		$61.00	$61.00	0.0%	
Low Res JPEG Emailed		$25.50	$25.50	0.0%	
Photography and filming in gallery which requires staff supervision	per hour	$315.00	$315.00	0.0%	
Photocopying	per sheet	$0.20	$0.20	0.0%	
Research Fee	per 15 minutes	$15.00	$15.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Publication Fee (per collection image)					
Books, periodicals, magazines, e-books	New Zealand rights: per image: 1 - 2 images	$56.00	$56.00	0.0%	
Books, periodicals, magazines, e-books	New Zealand rights: per image: 3 - 5 images	$46.00	$46.00	0.0%	
Books, periodicals, magazines, e-books	New Zealand rights: per image: 6+2 images	$41.00	$41.00	0.0%	
Book covers/jackets	New Zealand rights: per image	$255.00	$255.00	0.0%	
Decoration and display in public areas	New Zealand rights: per image	$145.00	$145.00	0.0%	
Television and commercial motion pictures	New Zealand rights: per image	$285.00	$285.00	0.0%	
Calendars and prints	New Zealand rights: per image	$285.00	$285.00	0.0%	
Postcards, greeting cards, Christmas cards	New Zealand rights: per image	$145.00	$145.00	0.0%	
Advertising and decoration (includes CD covers, labels, packaging, posters, television advertisements)	New Zealand rights: per image	$570.00	$570.00	0.0%	
Corporate (annual reports, in-house publications etc)	New Zealand rights: per image	$285.00	$285.00	0.0%	
Internet use (low-res files only)	New Zealand rights: per image	$25.50	$25.50	0.0%	
Books, periodicals, magazines, e-books	World rights: per image: 1 - 2 images	$255.00	$255.00	0.0%	
Books, periodicals, magazines, e-books	World rights: per image: 3 - 5 images	$205.00	$205.00	0.0%	
Books, periodicals, magazines, e-books	World rights: per image: 6+ images	$155.00	$155.00	0.0%	
Book covers/jackets	World rights: per image	$510.00	$510.00	0.0%	
Decoration and display in public areas	World rights: per image	$255.00	$255.00	0.0%	
Television and commercial motion pictures	World rights: per image	$570.00	$570.00	0.0%	
Calendars and prints	World rights: per image	$715.00	$715.00	0.0%	
Postcards, greeting cards, Christmas cards	World rights: per image	$305.00	$305.00	0.0%	
Advertising and decoration (includes CD covers, labels, packaging, posters, television advertisements)	World rights: per image	$1,140.00	$1,140.00	0.0%	
Corporate (annual reports, in-house publications etc)	World rights: per image	$1,140.00	$1,140.00	0.0%	
Internet use (low-res files only)	World rights: per image	$41.00	$41.00	0.0%	
Presentation/lecture use (low-res files only)	Up to 9 images	$41.00	$41.00	0.0%	
Private Use or Study Reproduction Fee	first image	$15.50	$15.50	0.0%	
Private Use or Study Reproduction Fee	additional images	$5.10	$5.10	0.0%	

PARKING

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Off Street Car Park Facilities	Fees set and adjusted to reflect market demand. Current fees and conditions displayed at each facility and shown on Council website - Parking page .				
Founders Theatre Car					
Meteor Theatre Car Park					
Museum Car Park					
Caro Street Car Park					
Riverbank Car Park					Remove Riverbank Car Park.
Sonning Car Park					
Garden Place Car Park Building					
On Street Meter Parking	In accordance with time specified by signage	$2.00		Discontinue fee	Discontinue fee. Remove this category and replace with two new categories below.
On Street Meter Parking - First 2 Hours			Free	New fee	New fees. To recognise first 2 hours free parking.
On Street Meter Parking - After first 2 hours	per hour		$6.00	New fee	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Parking Meter Hoods (Short-term reservation)		$27.50	$36.00	30.9%	Increase to recognise first 2 hours free parking and $6 per hour for a total of 8 hours per day
Parking Meter Hoods (Reservation period > 2 weeks)	per day negotiated rate				

PARKS AND OPEN SPACES ADMINISTRATION

Hire of Parks by a Commercial Interest for an Event Any other sporting or non-sporting activity hosted on a park by a commercial interest.					
- Events Using Over 500m2 (per day)		$260.00	$260.00	0.0%	
- Events using under 500m2 (per day) ($5.00 per booking discount will be given for advance booking payments of 10 or more bookings for an area of 500m2 or less).		$46.00	$46.00	0.0%	
Hire of Parks for a Charge Event Any sporting and non-sporting activity hosted on a park where an entry fee is charged at the gate. The fee for use of a park for a charge event is the greater of the HCC published fee or 15% of the gross gate takings		$655.00	$655.00	0.0%	
Community Hire of Parks Up to one hectare for non-sporting event					
Half Day (up to 5 hours)		$34.00	$34.00	0.0%	
Full Day (over 5 hours)		$51.00	$51.00	0.0%	
Wedding		$215.00	$215.00	0.0%	
Mobile Trader					
Administration fee for new applications in relation to mobile traders		$85.00	$85.00	0.0%	
The stated administration fee plus the applicable annual fee below, portioned on a monthly basis ($10 per month)					
Mobile traders (food safety fee's & charges also apply if applicable)	annual fee	$125.00	$125.00	0.0%	
Dog Obedience Lawns (Melville & Bristol Parks) Per Day of the Week					
1 year		$285.00	$285.00	0.0%	
Bonds (refundable if no damage occurs) Park Use/Event					
Dependent on scale and nature of the Activity. Park Manager's discretion to set bond		$100 - $5,000	$100-$5,000	0.0%	
Key Deposit		$30.00	$30.00	0.0%	
Pest Trap		$20.00	$20.00	0.0%	

PLANNING GUIDANCE

Planning Guidance fees and charges are based upon actual and reasonable costs incurred by the Council in staff time and overheads to provide the service.

Council may require payment of additional charges when these fees and charges are in any particular case inadequate to enable the Council to recover its actual and reasonable costs in respect of the matter concerned.

These fees and charges also apply to all applications processed under the Housing Accords and Special Housing Act 2013

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
LAND USE				
Land use resource consent applications, land use certificates and other land use-related applications are subject to minimum non-refundable deposits unless stated otherwise. Land use resource consent application deposits include a fixed monitoring fee of $310.00 and a fixed scanning fee of $15.00. Any assessment and administration time spent beyond that covered by those deposits will be charged at the relevant hourly rates. In cases where applications are withdrawn before a decision is reached, Council will refund any application deposit balance remaining less processing costs incurred.				
These deposits do not include engineering assessment and processing fees. Land use resource consent applications which require engineering assessment and processing will be charged a minimum non-refundable deposit of $800.00 for up to 4hrs work. Any additional engineering time spent beyond that covered by this deposit will be charged at the engineer hourly rate. Land use certificate applications and other land-use related applications which require engineering assessment and processing will be charged at the engineer hourly rate. Where engineering assessment and processing is outsourced to a consultant or specialist the fee will be actual cost.	$780.00	$800.00	2.6%	
Other additional fees may also apply. See Additional Planning Related Charges below.				
Notified Land Use Consent Applications	$7,300.00	$13,000.00	78.1%	
Limited Notified Land Use Applications		$7,000.00	New fee	New fee. Limited and notified were combined and they are now separated out.
Non-Notified Land Use Consent Applications				
Controlled Activity (Fast Track 10 Day) s87AAC & 87AAD	$2,320.00	$1,500.00	-35.3%	
Restricted Discretionary	$2,320.00	$2,350.00	1.3%	
Discretionary Activity	$3,000.00	$3,000.00	0.0%	
Non-Complying Activity	$3,615.00	$3,615.00	0.0%	
Fast Tracked Consents and Minor Non-notified Land Use Consent Applications				
Refer Additional Planning Related Charges Section.				
Land Use Certificates				
Certificate of Compliance	$885.00	$885.00	0.0%	
Existing Use Right	$1,950.00	$1,950.00	0.0%	
Planning Verification (fixed fee)	$330.00	$330.00	0.0%	
Outline Plan	$1,275.00	$1,275.00	0.0%	
Other Land-Use Related Applications				
Extension of Time Limit	$1,080.00	$1,080.00	0.0%	
Change or Cancellation of Consent Condition	$1,150.00	$1,200.00	4.3%	
Surrender of Consent (whole or part)	$900.00	$900.00	0.0%	
Deemed Permitted Boundary Activities		$250.00	New fee	New fee. As per RMA Amendments.
Deemed Permitted Marginal or Temporary Activities		$800.00	New fee	New fee. As per RMA Amendments.
SUBDIVISION				
Subdivision resource consent applications, subdivision related applications, and subdivision certificate applications are subject to minimum non-refundable deposits unless stated otherwise. Any assessment and administration time spent beyond that covered by those deposits will be charged at the relevant hourly rates. In cases where applications are withdrawn before a decision is reached, Council will refund any application deposit balance remaining less processing costs incurred.				

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
These deposits do not include engineering assessment and processing fees. Subdivision resource consent applications which require engineering assessment and processing will be charged a minimum non-refundable deposit of $800.00 for up to 4 hrs work. Any additional engineering time spent beyond that covered by this deposit will be charged at the engineer hourly rate. Subdivision-related approval applications, other subdivision-related applications, and subdivision certificate applications which require engineering assessment and processing will be charged at the engineer hourly rate. Where engineering assessment and processing is outsourced to a consultant or specialist the fee will be actual cost.		$780.00	$800.00	2.6%	
Other additional fees may also apply. See Additional Planning Related Charges below.					
Notified and Limited Notified Subdivision Consent Applications		$5,880.00	$6,000.00	2.0%	
Non-Notified Subdivision Consent Applications					
Includes subdivision related works for earthworks, roads, retaining walls and 3 waters infrastructure e.g. pump stations.					
Discretionary Activity, Restricted Discretionary Activity, Non-Complying Activity		$3,800.00	$3,000.00	-21.1%	
Restricted Discretionary Activity (Fee simple)			$2,350.00	New fee	New fee. Time recovery stats indicate less time is taken to complete RD/D subdivisions when compared to equivalent LUC types. Need to align fees.
Restricted Discretionary Activity (Unit Title)			$2,000.00	New fee	New fee. Unit Title applications take less time to complete than fee simple applications.
Restricted Discretionary subdivision application in the Residential Zone for < 4 lots/ units where no roads/reserves are proposed		$2,000.00	$2,000.00	0.0%	
plus per lot/unit/flat charge					
3-50 lots	per lot/unit/flat	$64.00	$64.00	0.0%	
51-100 lots	per lot/unit/flat	$22.00	$22.00	0.0%	
101 lots and greater	per lot/unit/flat	$11.00	$11.00	0.0%	
Joint subdivision consent application (i.e. where a land use and subdivision on the same site are lodged concurrently). Note land use application is charged as per land use fees.		$2,000.00	$2,000.00	0.0%	
plus per lot/unit/flat charge					
3-50 lots	per lot/unit/flat	$64.00	$64.00	0.0%	
51-100 lots	per lot/unit/flat	$22.00	$22.00	0.0%	
101 lots and greater	per lot/unit/flat	$11.00	$11.00	0.0%	
Permitted Activity - Certificate of Compliance, Amendment to Flats Plans, Boundary Adjustments		$900.00	$900.00	0.0%	
Fast Tracked Consents					
Refer Additional Planning Related Charges Section.					
Subdivision Related Approval Applications					
Section 75-83 - Building Act 1994		$625.00	$625.00	0.0%	
Proposed Unit Development Plan		$790.00	$790.00	0.0%	
Revocation of Building Line Restriction (charge include E-Dealing)		$995.00	$1,000.00	0.5%	
Right of Way Approval (section 348 LGA)		$790.00	$800.00	1.3%	
Revocation of Easement (section 243 RMA)		$475.00	$475.00	0.0%	
Road Naming		$885.00	$885.00	0.0%	
Amend or Delete Consent Notice (section 221 RMA)		$1,130.00	$1,130.00	0.0%	
Other Subdivision Related Applications					
Extension of Time Limit		$1,080.00	$1,080.00	0.0%	
Change or Cancellation of Consent Condition		$1,150.00	$1,200.00	4.3%	
Surrender of Consent (whole or part)		$900.00	$900.00	0.0%	
Subdivision Certificates					

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
s.223 RMA		$475.00	$475.00	0.0%	
s.224c RMA		$475.00	$475.00	0.0%	
s.224(f) RMA (fixed fee)		$100.00	$100.00	0.0%	
32 (2)A Unit Title Act (fixed fee)		$100.00	$100.00	0.0%	
s.221 RMA		$595.00	$600.00	0.8%	
s.226 RMA		$920.00	$920.00	0.0%	
Re-issue of Certificate and Other Certificates		$475.00	$475.00	0.0%	
Other Subdivision Certificates		$475.00	$475.00	0.0%	
Re-issue of Subdivision Certificate		$475.00	$475.00	0.0%	
ADDITIONAL PLANNING RELATED CHARGES					
Minimum Non-Refundable Engineering Deposit		$780.00	$800.00	2.6%	
Engineer hourly charge	per hour	$195.00	$200.00	2.6%	
Water and Wastewater network capacity screening assessment (see Wastewater, Stormwater and Water)					New fee. See Wastewater, Stormwater and Water.
Engineering construction Inspection as required by the HCC infrastructure technical specification and scheduled with developer. Inspections taking more than the allocated 2 hrs including travel will be charged at the engineer hourly rate for all participants Repeated Engineering construction inspection due to non-compliance will be charged at Engineer hourly rate for all participants	per site visit	$390.00	$400.00	2.6%	
Engineering Works completion inspection/approval as scheduled with developer Inspections taking more than the allocated 2 hrs including travel will be charged at the engineer hourly rate for all participants Repeated Works completion inspection/approval due to non-compliance will be charged at Engineer hourly rate for all participants	per site visit	$795.00	$800.00	0.6%	
Planner hourly charge	per hour	$175.00	$175.00	0.0%	
Principal/Senior Planner hourly charge	per hour	$190.00	$190.00	0.0%	
Planning Team Leader hourly rate	per hour	$205.00	$205.00	0.0%	
Planning Manager Hourly rate	per hour	$220.00	$220.00	0.0%	
Administration hourly charge	per hour	$86.00	$86.00	0.0%	
Subdivision Officer	per hour	$175.00	$175.00	0.0%	
Additional Monitoring	per hour	$165.00	$165.00	0.0%	
Consultant and specialist fees including but not limited to: Expert evidence/advice, external consultants, provision of external legal advice, external peer reviews	actual cost				
		$1,975.00	$0.00	Discontinue fee	Discontinue fee. This is covered in hearing deposit plus hourly rate below.
Independent Hearing Commissioner actual cost (estimated $150 - $175 per hour)	per hour	$175.00	$175.00	0.0%	
Fast Tracked Consents					
Non-notified consents only - issued within 10 working days (conditions apply, and applications will only be accepted on a case-by-case basis at the Planning Guidance Unit Manager's discretion.	twice normal fee				
Minor non-notified land use consent applications					
Minor non-notified land use consent applications for listed permitted activities failing no more than two standards in the Proposed District Plan (10 working day target)		$1,200.00	$1,200.00	0.0%	
Earthworks and creation of new roads as part of a subdivision application		$1,200.00		Discontinue fee	Discontinue fee.
INFORMATION REQUESTS					
Staff Search Time Cost	Per half hour or part thereof	$39.50	$39.50	0.0%	
Property Enquiry		$54.00	$54.00	0.0%	
Plus hourly rate after 1 hour	per hour	$179.00	$179.00	0.0%	
Photocopying and printing					
A4	per page up to 20 pages	$1.10	$1.10	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
A4	per page in excess of 20 pages	$0.20	$0.20	0.0%	
A3	per page	$2.20	$2.20	0.0%	
Document Management - Digitisation					
A4	per page	$2.00	$2.00	0.0%	
A3	per page	$3.00	$3.00	0.0%	
A2	per page	$3.00	$3.00	0.0%	
A0	per page	$3.00	$3.00	0.0%	
SPORTS AREAS					
SPORTS AREA - SUMMER					
PORRITT STADIUM					
Casual Use (Entire Complex)					
Half Day (up to 5 hours)		$180.00	$180.00	0.0%	
Full Day (over 5 hours)		$330.00	$330.00	0.0%	
Seasonal Use (Entire Complex) Per Half Day of the week (up to 5 hours)					
3 months		$1,230.00	$1,230.00	0.0%	
6 months		$2,445.00	$2,445.00	0.0%	
Seasonal Use (Entire Complex) Per Full Day of the week (over 5 hours)					
3 months		$2,445.00	$2,445.00	0.0%	
6 months		$4,890.00	$4,890.00	0.0%	
CRICKET					
Senior Grass					
Casual Use (per wicket)					
Half Day (up to 5 hours)		$46.00	$46.00	0.0%	
Full Day (over 5 hours)		$85.00	$85.00	0.0%	
Seasonal Use (per wicket, per day of the week)					
3 months		$655.00	$655.00	0.0%	
6 months		$1,305.00	$1,305.00	0.0%	
Senior Artificial					
Casual Use (per wicket)					
Half Day (up to 5 hours)		$25.00	$25.00	0.0%	
Full Day (over 5 hours)		$36.00	$36.00	0.0%	
Seasonal Use (per wicket, per day of the week)					
3 months		$330.00	$330.00	0.0%	
6 months		$655.00	$655.00	0.0%	
Junior Grass					
Casual Use (per wicket)					
Half Day (up to 5 hours)		$25.00	$25.00	0.0%	
Full Day (over 5 hours)		$36.00	$36.00	0.0%	
Seasonal Use (per wicket, per day of the week)					
3 months		$170.00	$170.00	0.0%	
6 months		$330.00	$330.00	0.0%	
Junior Artificial					
Casual Use (per wicket)					
Half Day (up to 5 hours)		$25.00	$25.00	0.0%	
Full Day (over 5 hours)		$36.00	$36.00	0.0%	
Seasonal Use (per wicket, per day of the week)					
3 months		$85.00	$85.00	0.0%	
6 months		$170.00	$170.00	0.0%	
SOFTBALL					
Senior Grass					
Casual Use (per diamond)					
Half Day (up to 5 hours)		$46.00	$46.00	0.0%	
Full Day (over 5 hours)		$69.00	$69.00	0.0%	

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Seasonal Use (per diamond, per day of the week)				
3 months	$330.00	$330.00	0.0%	
6 months	$655.00	$655.00	0.0%	
Senior Skin				
Casual Use (per diamond)				
Half Day (up to 5 hours)	$25.00	$25.00	0.0%	
Full Day (over 5 hours)	$36.00	$36.00	0.0%	
Seasonal Use (per diamond, per day of the week)				
3 months	$170.00	$170.00	0.0%	
6 months	$330.00	$330.00	0.0%	
Junior Grass				
Casual Use (per diamond)				
Half Day (up to 5 hours)	$25.00	$25.00	0.0%	
Full Day (over 5 hours)	$36.00	$36.00	0.0%	
Seasonal Use (per diamond, per day of the week)				
3 months	$85.00	$85.00	0.0%	
6 months	$170.00	$170.00	0.0%	
Junior Skin				
Casual Use (per diamond)				
Half Day (up to 5 hours)	$25.00	$25.00	0.0%	
Full Day (over 5 hours)	$36.00	$36.00	0.0%	
Seasonal Use (per diamond, per day of the week)				
3 months	$46.00	$46.00	0.0%	
6 months	$85.00	$85.00	0.0%	
CYCLING				
Hillcrest Velodrome				
Casual Use				
Half Day (up to 5 hours)	$34.00	$34.00	0.0%	
Full Day (over 5 hours)	$51.00	$51.00	0.0%	
Seasonal Use				
3 months	$330.00	$330.00	0.0%	
6 months	$655.00	$655.00	0.0%	
SUMMER SPORTS				
TOUCH, 6 ASIDE SOCCER) CODES USING EQUIVALENT OF WINTER SPORTS FIELD SIZE				
Casual (per equivalent field size)				
Half Day (up to 5 hours)	$34.00	$34.00	0.0%	
Full Day (over 5 hours)	$51.00	$51.00	0.0%	
Seasonal Use (per equivalent field size, per day of the week)				
3 months	$330.00	$330.00	0.0%	
6 months	$655.00	$655.00	0.0%	
WINTER SPORTS				
RUGBY UNION, LEAGUE & FOOTBALL (SOCCER)				
Senior Use				
Casual Use (per field)				
Half Day (up to 5 hours)	$80.00	$80.00	0.0%	
Full Day (over 5 hours)	$140.00	$140.00	0.0%	
Training Use (per week, per day of the week)				
3 months	$330.00	$330.00	0.0%	
6 months	$655.00	$655.00	0.0%	
Competition Use (per field, per day of the week)				
3 months	$660.00	$660.00	0.0%	
6 months	$1,305.00	$1,305.00	0.0%	
Junior Use				
Casual Use (per field)				
Half Day (up to 5 hours)	$40.00	$40.00	0.0%	
Full Day (over 5 hours)	$69.00	$69.00	0.0%	
Training Use (per week, per day of the week)				

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
3 months		$85.00	$85.00	0.0%	
6 months		$170.00	$170.00	0.0%	
Competition Use (per field, per day of the week)					
3 months		$170.00	$170.00	0.0%	
6 months		$330.00	$330.00	0.0%	
NETBALL					
Minogue Park					
Seasonal (entire netball complex)					
3 months		$8,595.00	$8,595.00	0.0%	
6 months		$17,200.00	$17,200.00	0.0%	
Sports Field Damage Fee					
Per field per event for unauthorised line marking			$575.00	New fee	New fee. To enable cost recovery for any damage created by clubs as a result of line marking.

SWIMMING FACILITIES

From the 1 July 2014 entry into the Swimming facilities for children under 5 years of age will be free

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Entry Fees					
Adult		$6.00	$7.50	25.0%	
Child		$3.00	$4.00	33.3%	
Spectator		$2.00	$2.00	0.0%	
Senior citizen		$3.00	$4.00	33.3%	
Disabled		$3.00	$4.00	33.3%	
Hydrotherapy	1 hour	$6.50	$7.50	15.4%	
School concession		$2.50	$2.50	0.0%	
Family day concession		$20.00	$25.00	25.0%	
Super Family One Day Pass Includes Hydroslides	Per visit	$40.00	$40.00	0.0%	
Swim Concession Cards					
Adult					
10 Swims		$54.00	$67.00	24.1%	
Child					
10 Swims		$28.00	$36.00	28.6%	
Senior					
10 Swims		$28.00	$36.00	28.6%	
Disabled					
10 Swims		$28.00	$36.00	28.6%	
20 Swims		$49.00	$49.00	0.0%	
30 Swims		$71.00	$71.00	0.0%	
Hydrotherapy					
10 Swims		$60.00	$67.50	12.5%	
Swim Memberships					
Main Pools - 1 Month		$85.00	$85.00	0.0%	
Main Pools - 3 Months		$240.00	$240.00	0.0%	
Main Pools - 6 Months		$440.00	$440.00	0.0%	
Main Pools - 12 Months		$650.00	$650.00	0.0%	
Hydrotherapy Pool - 1 Month		$85.00	$85.00	0.0%	
Hydrotherapy Pool - 3 Months		$240.00	$240.00	0.0%	
Hydrotherapy Pool - 6 Months		$440.00	$440.00	0.0%	
Hydrotherapy Pool - 12 Months		$650.00	$650.00	0.0%	
Hydro slide					
Single	1 hour	$5.00	$5.00	0.0%	
Day Pass (Sat & Sun/School Holidays) 10 -5	All Day	$8.00	$8.00	0.0%	
BBQ	($10.00 deposit)	$15.00	$15.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Learn to Swim (effective from 1 January 2017 to 31 December 2017)	per 10 week term				
Babies		$150.00	$150.00	0.0%	
Pre-schoolers		$150.00	$150.00	0.0%	
School children		$150.00	$150.00	0.0%	
Adults		$150.00	$150.00	0.0%	
Private lessons	25 minutes	$45.00	$45.00	0.0%	
Waterworld Gym					
Joining fee		$44.00	$44.00	0.0%	
Platinum Fit Membership					
One Month On-going	weekly	$20.00	$20.00	0.0%	
Six Months	weekly	$19.00	$19.00	0.0%	
Twelve Months	weekly	$18.00	$18.00	0.0%	
Gym only membership	weekly	$13.50	$13.50	0.0%	
Six Month Membership Cancellation Fee		$150.00	$150.00	0.0%	
Twelve Month Membership Cancellation Fee		$150.00	$150.00	0.0%	
Off Peak Fit					
One Month On-going	weekly	$18.00	$18.00	0.0%	
Six Months	weekly	$17.00	$17.00	0.0%	
Twelve Months	weekly	$13.50	$13.50	0.0%	
Community Fit					
One Month on-going	*weekly*	$19.00	$19.00	0.0%	
Six Months	*weekly*	$18.00	$18.00	0.0%	
Twelve Months	*weekly*	$15.50	$15.50	0.0%	
Casual Gym					
Per session		$17.50	$17.50	0.0%	
10 card concession		$165.00	$165.00	0.0%	
Casual Aqua Fit					
Per class		$9.50	$9.50	0.0%	
10 card concession		$85.00	$85.00	0.0%	
Casual 60's Forward Fit					
Per class		$7.50	$7.50	0.0%	
10 card concession		$67.50	$67.50	0.0%	
Personal Training Weekly Rental	per week	$150.00	$150.00	0.0%	
Small Group Training session	per session	$12.00	$12.00	0.0%	
Sauna and Steam Room					
Single		$7.50	$8.50	13.3%	
Concession (10 sessions)		$67.50	$73.00	8.1%	
Water world Educare					
Joining fee		$12.00	$12.00	0.0%	
Hourly Fee (on and off site)	per hour	$5.00	$5.00	0.0%	
Drop in Fee (no booking)	Per hour	$7.00	$7.00	0.0%	
Holding Fee	Per hour	$2.50	$2.50	0.0%	
Clubs Lane Hire Charge					
25m Off Peak	per hour	$10.00	$12.00	20.0%	
25m Peak	per hour	$12.00	$14.00	16.7%	
50m Off Peak	per hour	$19.00	$19.00	0.0%	
50m Peak	per hour	$23.00	$23.00	0.0%	
Hireage of 6 lanes at Gallagher Pools	per hour	$80.00	$80.00	0.0%	
Full Facility Hire	per hour (Min 2 hrs)	$145.00	$145.00	0.0%	
Dive Pool Charges					
Clubs Diving Boards (Spring boards 5m and 7m) - Off peak	per hour	$14.00	$14.00	0.0%	
Clubs Diving Boards (Spring boards 5m and 7m) - Peak	per hour	$23.50	$23.50	0.0%	
Clubs Diving Boards (10m tower or Whole Pool) - Off peak	per hour	$34.00	$34.00	0.0%	
Clubs Diving Boards (Spring boards 5m and 7m) - Peak	per hour	$45.50	$45.50	0.0%	
Dive Pool Meets (swim, water polo, diving	per hour (half)	$60.00	$60.00	0.0%	
Dive Pool Meets (swim, water polo, diving	per hour (whole)	$100.00	$100.00	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Facility Hire					
Bulkhead shift (one off payment when hiring 50m pool)	per hour	$215.00	$215.00	0.0%	
25m pool hire (includes grandstand and control room)	per hour	$110.00	$110.00	0.0%	
50m pool hire (includes grandstand and control room)	per hour	$220.00	$220.00	0.0%	
Dive pool hire (includes grandstand and control rooms)	per hour	$95.00	$95.00	0.0%	
Refundable bond		$220.00	$220.00	0.0%	
Kitchen and Studio 2 Hire	per hour	$30.00	$30.00	0.0%	
TRANSPORTATION					
Corridor Access Requests (CAR)					
Access to carry out any work within road corridor - Refer to Utility Code of Practice for definitions					
Application fee - Project	Lump sum per application. Negotiated rate for multiple applications may apply for CARs	$940.00	$940.00	0.0%	
Application fee - Major	Lump sum per application. Negotiated rate for multiple applications may apply for CARs	$600.00	$600.00	0.0%	
Application fee - Minor	Lump sum per application. Negotiated rate for multiple applications may apply for CARs	$300.00	$300.00	0.0%	
Non Notification Penalty Fee (in addition to application fee)	per hour	$120.00	$120.00	0.0%	
Site Inspections (for inspections in addition to the minimum set with the application)	per hour	$120.00	$120.00	0.0%	
Traffic Management Plan only (i.e. event or non excavation)		nil	nil	0.0%	
WASTEWATER, STORMWATER AND WATER					
Water and Wastewater network capacity screening assessment. Where engineering assessment and processing is outsourced to a consultant or specialist the fee will be actual cost.	per hour		$200.00	New fee	New fee. To recover the actual and reasonable costs incurred by council in responding to engineering assessment requests.
WASTEWATER, STORMWATER AND WATER CONNECTIONS					
Wastewater, Stormwater and Water Connection application fee		$225.00	$225.00	0.0%	
Please note, connections that require access to the Transport Corridor will require a Corridor Access Request (CAR) and applicable fee to be completed - detailed under Transportation					
Reinstatement Fees					
Reinstatement of sealed roadways, footways and light vehicle entrances:					
a) less than 3 Sq.m		$156.00	$307.50	97.1%	
b) over 3 Sq.m	per Sq/m	$51.50	$91.00	76.7%	
Reinstatement of concrete footways and light vehicle entrances	per Sq/m	$151.00	$349.00	131.1%	
Removal and reinstatement of cobbles	per Sq/m	$57.50	$165.00	187.0%	
Reinstatement of kerb and channel	per Lin/m	$135.00	Quote		
Damage to services. All internal and external costs associated with locating, repairing and reinstatement of water, wastewater and stormwater assets will be recovered from the parties responsible for the damage.	Actual costs recovered including but not limited to plumbers, consultant or legal fees				
100mm Diameter Connections					

	2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Stormwater and Wastewater on Private Property				
Establishment fee		$1,671.00	New fee	New fee.
a) Main already exposed	$1,035.00		Discontinue fee	Discontinue fee.
b) 0-2m deep				
Establishment fee (lump sum)	$1,172.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$171.00	$204.50	19.6%	
c) 2-3m deep				
Establishment fee (lump sum)	$1,170.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$187.00	$288.50	54.3%	
100mm Diameter Connections				
Stormwater and Wastewater in the Transport Corridor				
Establishment fee		$2,631.00	New fee	New fee.
a) 0-2m deep				
Establishment fee (lump sum)	$2,858.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$250.00	$298.00	19.2%	
c) 2-3m deep				
Establishment fee (lump sum)	$2,858.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$300.00	$479.50	59.8%	
150mm Diameter Connections				
Stormwater and Wastewater on Private Property				
Establishment fee		$1,730.50	New fee	New fee.
a) Main already exposed	$1,140.00		Discontinue fee	Discontinue fee.
b) 0-2m deep				
Establishment fee (lump sum)	$1,170.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$270.00	$208.00	-23.0%	
c) 2-3m deep				
Establishment fee (lump sum)	$1,197.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$326.00	$299.50	-8.1%	
150mm Diameter Connections				
Stormwater and Wastewater in the Transport Corridor				
Establishment fee		$2,563.00	New fee	New fee.
a) 0-2m deep				
Establishment fee (lump sum)	$2,925.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$331.00	$309.00	-6.6%	
c) 2-3m deep				
Establishment fee (lump sum)	$2,925.00		Discontinue fee	Discontinue fee.
plus cost per metre length of connection	$463.00	$489.00	5.6%	
Water connections				
Single service connection, 20mm		$986.00	New fee	New fee.
Single service connection, 20 mm (not installed in vehicle access way)	$586.00		Discontinue fee	Discontinue fee.
Single service connection, 20 mm (installed in vehicle access way)	$788.00		Discontinue fee	Discontinue fee.
Single service connection, 25mm		$1,076.00	New fee	New fee.
Single service connection, 25 mm (not installed in vehicle access way)	$606.00		Discontinue fee	Discontinue fee.
Single service connection, 25 mm (installed in vehicle access way)	$977.00		Discontinue fee	Discontinue fee.
Service connection , 50mm (multi unit residential only)	$1,192.00	$1,595.00	33.8%	
Single metered, 20 mm	$963.00	$1,196.50	24.2%	
Single metered, 25 mm	$1,100.00	$1,261.00	14.6%	
Single metered, 50 mm	$2,563.00	$2,973.00	16.0%	
Multi, 2*20 mm	$933.00	$1,251.50	34.1%	
Multi, 2*20 mm - Installed in vehicle access way	$1,257.00		Discontinue fee	Discontinue fee.
Multi, 3*20 mm	$1,610.00	$3,070.00	90.7%	
Multi, 3*20 mm - Installed in vehicle access way	$2,468.00		Discontinue fee	Discontinue fee.
Multi, 4*20 mm	$1,672.00	$3,170.00	89.6%	
Multi, 4*20 mm - Installed in vehicle access way	$2,554.00		Discontinue fee	Discontinue fee.
Water connections 50mm or greater - additional charges				
Bacteria testing	$362.00	$365.00	0.8%	
Pressure testing	$295.00	$300.00	1.7%	
Stormwater Bubble Up Connections	Quote	Quote	0.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Catch pit connections					
a) 300 diameter		Quote	Quote	0.0%	
b) full size catch pit for 2 or more properties		Quote	Quote	0.0%	
Larger Diameter Connections (>150mm)		Quote	Quote	0.0%	
Manhole Installation Required		Quote	Quote	0.0%	
Closed Circuit TV Inspection		Quote	Quote	0.0%	
On site pipe location		$394.00	$400.00	1.5%	
Stormwater Pipes to Kerb and Channel (domestic only)					
1 pipe in trench $/m	$/m	$265.00	$250.00	-5.7%	
Consent to Enter					
Basic processing of consent to enter		$290.00	$300.00	3.4%	
Work effort required beyond initial written request to affected parties, charged for on a time cost recovery basis	per hour	$92.00	$95.00	3.3%	
Wastewater and Water					
WASTEWATER, STORMWATER AND WATER DISCONNECTIONS					
Wastewater Disconnection					
Disconnection		$907.00	$1,011.00	11.5%	
Water service Disconnection					
20 - 50 mm diameter		$208.00	$450.50	116.6%	
Above 50 mm diameter		Quote	Quote	0.0%	
Fire mains		Quote	Quote	0.0%	
TRADE WASTE					
Trade waste Application Fees					
Permitted/Controlled Discharge (including final inspection)		$170.00	$195.50	15.0%	
Conditional Consent (covering 5 hours work including final inspection, including tanker disposal)		$315.00	$362.50	15.1%	
Hourly rate for applications	per hour	$89.50	$103.00	15.1%	
Temporary Discharge (including final inspection)		$170.00	$195.50	15.0%	
Renewal Fee for permitted or conditional Trade Waste Consents (plus additional hourly rate for more than 30 minute time noting that site inspection charges may also apply)		$83.50	$96.00	15.0%	
Variation / Change of Details Request for permitted or conditional consents (plus additional hourly rate for more than 30 minute time noting that site inspection charges may also apply)		$45.00	$52.00	15.6%	
Special tradewaste agreements, variations or renewals. Actual costs recovered including but not limited to consultant or legal fees					
Site Inspection Fees					
Permitted/Controlled Discharge - Final Inspection (Approval to Discharge) - additional inspection		$120.00	$138.00	15.0%	
Conditional Consent - Final Inspection (Approval to Discharge) - additional inspection		$190.00	$218.50	15.0%	
Temporary Discharge - Final Inspection (Approval to Discharge) - additional inspection		$190.00	$218.50	15.0%	
Site Inspection - Non Compliance		$190.00	$218.50	15.0%	
Quantity charge rates for Conditional Consent Holders					
a) Flow Volume	$/m3	$1.20	$1.23	2.5%	
b) Suspended solids	$/kg	$0.70	$0.72	2.9%	
c) $cBOD^5$ (Organic loading)	$/kg	$1.08	$1.11	2.8%	
d) Total Kjeldahl Nitrogen	$/kg	$1.68	$1.72	2.4%	
e) Total Phosphorous	$/kg	$4.73	$4.83	2.1%	
f) Arsenic	$/kg	$216.00	$221.00	2.3%	
Annual Charge					
Permitted/Controlled/Special/Tankered Discharge	annual fee	$170.00	$195.50	15.0%	
Conditional/Special/Tankered Discharge - Risk Class 3	annual fee	$1,330.00	$1,529.50	15.0%	
Conditional/Special/Tankered Discharge - Risk Class 2		$760.00	$874.00	15.0%	
Any temporary Discharge		$170.00	$195.50	15.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
Tankered Waste Disposal					
Tankered Waste disposal to Wastewater Treatment Plant or reticulation in accordance with Tradewaste Bylaw schedule 1A and 1B	$/m3	$68.00	$70.00	2.9%	
Note: 1) Tankered waste may not be accepted at the City Waters Manager's sole discretion and, 2) Tankered Waste disposal to Wastewater Treatment Plant or reticulation not in accordance with Tradewaste Bylaw schedule 1A and 1B will require a conditional or special agreement in accordance with the Tradewaste Bylaw, 3) For addresses in Hamilton City associated with an existing tradewaste consent, the consent's charging provisions will supersede the tankered waste volumetric rate.					
Solid Waste Management					
Licensing of waste facilities, collectors and transporters operating within the City		$194.00	$223.00	14.9%	
WATER SUPPLY					
Backflow					
Backflow prevention device registration		$85.00	$85.00	0.0%	
Water Drawn from Water Take Points					
a) Permit to draw from a water take point (mandatory)		$110.00	$112.00	1.8%	
b) per kilolitre		$4.24	$4.38	3.3%	
c) additional key		$10.00	$15.00	50.0%	
Special Meter Readings		$48.50	$50.00	3.1%	
Add water meter to existing connection					
Install 20mm meter on existing service line		Quote	Quote	0.0%	
Install 25mm meter on existing service line		Quote	Quote	0.0%	
Testing Meters					
As per prices provided by certified independent service provider		Quote	Quote	0.0%	
Non-Domestic Water Supply Charges					
Individual High User Water supply agreement application fee	per application	$665.00	$933.00	40.3%	
Rateable city	$/m3	$1.82	$1.88	3.3%	
6 monthly minimum charge (based on 120 m3)		$220.00	$226.00	2.7%	
3 monthly minimum charge (based on 60 m3)		$110.00	$113.00	2.7%	
Non-rateable city	$/m3	$1.82	$1.88	3.3%	
6 monthly minimum charge (based on 120 m3)		$220.00	$226.00	2.7%	
3 monthly minimum charge (based on 60 m3)		$110.00	$113.00	2.7%	
Outside city	$/m3	$1.82	$1.88	3.3%	
6 monthly minimum charge (based on 120 m3)		$220.00	$226.00	2.7%	
3 monthly minimum charge (based on 60 m3)		$110.00	$113.00	2.7%	
Rural restricted supply city	per kilolitre	$1.34	$1.46	9.0%	
6 monthly minimum charge (based on 120 m3)		$160.00	$176.00	10.0%	
3 monthly minimum charge (based on 60 m3)		$80.00	$88.00	10.0%	

		2017/18	Proposed charge 2018/19	% increase/ decrease 2017/18 to 2018/19	Comments
CUSTOMER SERVICES					
Photocopying and printing					
A4	per page	$1.10	$1.10	0.0%	
A3	per page	$2.20	$2.20	0.0%	
Information Requests					
Property Information Search Request					
Including but not limited to: Microfilm, Service Logs, Property Search, Aerials, Scanned Images		$15.50	$15.50	0.0%	
Additional photocopying and printing charges will apply where applicable					
Where staff search time exceeds 15 minutes, additional hourly rates will apply and be charged per 15 minutes.	per hour	$84.00	$72.00	-14.3%	
Property Discs	per disc	$87.50	$87.50	0.0%	
Where the time for the preparation of this disc exceeds over an hour then this additional charge will apply	per hour	$72.00	$72.00	0.0%	
Courier Fee	per courier	$10.00	$10.00	0.0%	
Land Information Memorandum					
Residential		$370.00	$370.00	0.0%	
Commercial		$535.00	$535.00	0.0%	
plus additional hourly rate where over 3 hours	per hour	$84.00	$84.00	0.0%	
Express LIM - residential only (within 3 days)		$485.00	$485.00	0.0%	

Section 3

Capital Budget

Capital Budget Introduction

Author:	Paul Gower	Authoriser:	Sean Hickey
Position:	Programme Manager – Assets Strategy	Position:	General Manager Strategy and Communications

Overview of this Section

1. This section of the report covers the five components of the capital budget:

    - **Renewals**

      The capital requirements recommended as necessary for the sustainable delivery of current services.

    - **Compliance and Business Improvement**

      These are priority level of service projects or programmes for which there is little discretion for Council. In many cases this is due to projects being compliance in nature or to meet an existing contractual commitment. There are some projects / programmes that deliver significant business improvements and are recommended by management as necessary for efficient running of the city.

    - **Growth Programme**

      Prioritised infrastructure projects and programmes required to deliver the recommended growth scenario.

    - **Transport Improvement Programme**

      Prioritised transport improvement programme recommended by the Access Hamilton Taskforce.

    - **Community Infrastructure**

      Investments in new community assets

2. It provides the information necessary for the adoption of the capital budget, including:

    - How the draft capital programme (and its parts) has been developed,
    - Overview of what projects are included / not included in the draft budget and outlines any implications of not funding specific projects,
    - Discussion on changes that are proposed to processes to assist delivery of capital programme.

Summary of Capital Budget Recommendations

That the Council notes that staff will report back to Council as part of the confirmation of the 10-Year Plan on the changes to processes, delegations and reporting that would assist in the efficient delivery of the 10-Year Plan capital programme. Changes would include but may not be limited to:

i. implementing a 3-year portfolio approach and timeframe for the delivery of capital projects

ii. managing and reporting the capital programme in categories that are under Council control and capital expenditure that is dependent on a third party.

Executive Summary

3. A draft capital programme has been prepared for consideration by elected members based on advice from management and direction received from the Mayor.

4. The proposed draft capital budget is significantly larger than previous capital budgets for this Council. If all the projects are progressed, this will require a step change in how the delivery of capital projects are resourced and reported. To assist in the successful delivery of a significantly larger capital programme, staff are considering a range of changes to programming, resourcing and reporting. A report on any changes that may affect reporting to Governance will be presented based on decisions of this meeting.

5. Adoption of a draft capital programme is required at this meeting for the preparation of underlying information, auditing and drafting a Consultation Document for consultation with the community.

6. Full schedules of projects and programmes that are proposed to be funded and unfunded in the draft 2018-28 10-Year Plan budget are provided in Attachments 1 and 2 to this section. Implications of not funding the 'unfunded' projects is included on this schedule for each project.

Types of capital projects and proposals

7. Staff have prepared proposed capital budgets for all of Council's activities. Each capital project has been classified as either relating to:

    - Renewals
    - Compliance and Business Improvement
    - Growth
    - Community Infrastructure
    - Transport Improvements

8. The capital programme has been developed using these categories as the classifications have different drivers, funding options or benefits. These categories have been used through the various workshops and meetings Council has had on the development of the draft 10-Year Plan.

9. While this section of the report provides a general overview of all Capital projects and programmes, more detailed discussion, analysis and options are provided attached proposals for:

    - Renewals Programme – Section 3a: Attachment 1
    - Compliance and Business Improvement Programme – Section 3a: Attachment 2
    - Growth programme - Section 3b: Attachments 1 and 2
    - Transport Improvements - Section 3c: Attachment 1
    - Community Infrastructure - Section 3d: Attachments 1 to 17

10. There are options and, to varying degrees, discretion for Council on projects in the attachments to these sections. There are various proposals and discussions on options for Council regarding the capital investments.

Investment by type of activity

11. While the draft budget is presented in this report using the categories outlined in paragraph 7 above, the budget can also be analysed based on the spend by type of activity.

12. An activity based analysis shows that the total capital investment in community facilities and park assets is over $267m for the 10-year period. The relatively high renewal forecasts reflect the size of the existing asset base for these activities and the comparatively short lifecycle of some of these assets (compared to core network infrastructure).

13.

	Core network Infrastructure (e.g. Transport, 3 waters)	Community Facilities and Parks (e.g. H3, all community assets, parks)	Other (e.g. fleet, corporate buildings, strategic property, safety, rubbish)	Total
Renewals	$311m	$123m	$61m	$495m
Compliance and Business Improvement	$63m	$12m	$3m	$78m
Growth infrastructure	$827m	$52m	-	$879m
Community Infrastructure	-	$80m*	-	$80m*
Transport Improvements	$220m	-	-	$220m
Total	**$1,421m**	**$267m**	**$64m**	**$1,752m**

*NOTE investment in new Waikato Regional Theatre is not included as contributions are operational rather than capital.

Proposed funded programme

14. The following key drivers have influenced the prioritisation decisions, and funding priorities for the overall capital programme:

- Renewals – there has been a clear focus on the need to look after the assets that we have. This has resulted in the funding of renewals largely at the level identified through the asset management planning process.
- Investment in seismic performance – the recent adoption of Council's Seismic performance of buildings policy has been given effect to. Increased investment has also been put into understanding the likely seismic performance of Council assets.
- Increasing compliance requirements – those requirements that can be anticipated have been planned for. It is possible that further compliance requirements may be needed in future years that have not been included. Compliance activities have been given priority and included in the Compliance and Business Improvement capital category.
- City wide investments in growth have been included and prioritised within the growth programme. There is a need to ensure that growth anywhere in the city can be supported by critical citywide growth investments such as in the treatment plants and strategic bulk infrastructure.
- Recognising contractual commitments – where there are contractual commitments already in place, priority has been given to these projects. This is particularly the case in the inclusion of some growth projects where commitments have been made through Private Developer Agreements.
- New Greenfield development has been in prioritised in Peacocke. The proposed growth

scenario utilises the opportunity for funding of particular growth projects as part of the Housing Infrastructure Fund.

- Investment in transport improvements – a funding allocation of $220m over 10 years has been used to ensure that there is a focussed reinvestment in transport improvements across a range of modes and outcomes. The priorities for this programme have been developed through the Access Hamilton Taskforce.
- Investment in Community Infrastructure– a funding allocation of approx. $80m capital over 10 years has been made to ensure there is ongoing investment in new community infrastructure and improvements to the city. In many cases, priority has been given to projects where there are opportunities for co-funding with the private sector or other parties.

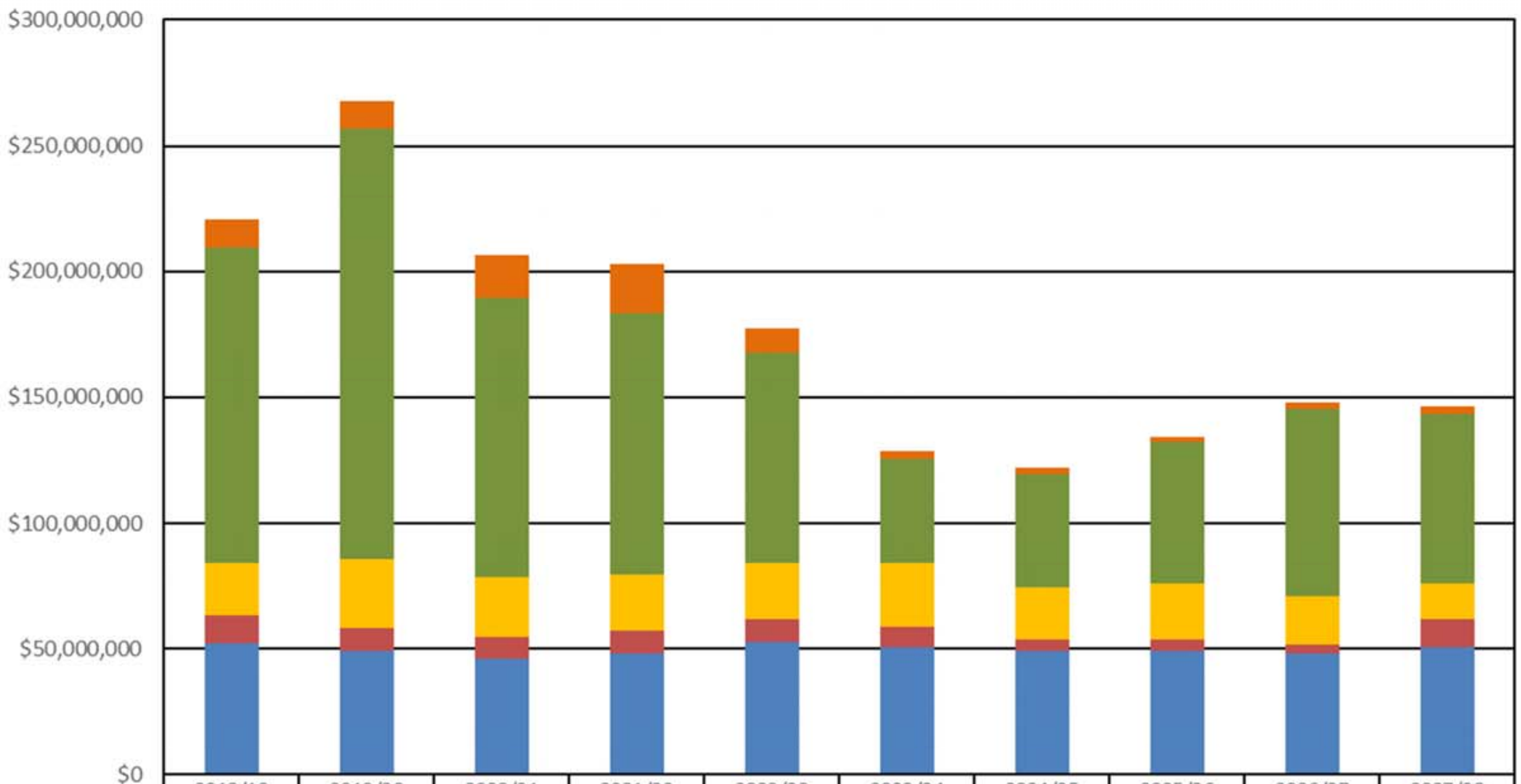
15. Staff undertook an initial prioritisation of the capital programme by identifying projects based on a range of initial prioritisation factors. Those projects that were initially prioritised met one or more of the following criteria:

    - A statutory requirement
    - Contractually committed
    - Eliminates / reduces health and safety risk to public or staff
    - Remedies an existing level of service deficiency
    - Addresses failure or highly likely failure of critical asset
    - A deferred renewal of a non-critical asset
    - A renewal of a critical asset
    - Transportation or waters projects to enable intensification within the city to meet projected demand
    - Transportation or waters project to support development in Hamilton Urban Growth Strategy growth cells to meet projected demand
    - Parks and community assets to support completion of development in Rototuna
    - Essential to meet mandatory codes or standards
    - Asset renewals professionally recommended as stewards of assets to deliver agreed levels of service

16. Following the initial budget preparation by staff, the proposed capital budget has been updated to reflect the direction from the Mayor. This has included removing some projects and adding others.

17. The overall proposed draft capital budget is presented by capital classification in the graph below.

Funded Capital Programme
Proposed Draft 2018-28 10-Year Plan



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Community Infrastructure	$11,054,000	$10,488,000	$16,744,000	$19,120,000	$9,729,000	$2,899,000	$2,600,000	$2,276,000	$2,676,000	$2,926,000	
Growth	$125,400,480	$171,426,330	$111,188,020	$104,012,800	$83,619,000	$41,319,000	$44,779,000	$55,884,700	$74,387,700	$67,257,000	
Transport Improvement	$21,160,000	$27,510,000	$23,650,000	$22,400,000	$22,610,000	$25,400,000	$21,150,000	$22,500,000	$19,350,000	$14,225,000	
Compliance & Business Improvement	$10,781,750	$9,297,250	$8,676,800	$9,270,250	$8,919,580	$7,989,000	$4,303,000	$4,573,000	$3,589,000	$11,370,000	
Renewals	$52,318,013	$48,799,643	$46,003,870	$48,053,943	$52,667,817	$50,693,072	$49,199,163	$48,982,508	$47,887,638	$50,354,436	
TOTAL	$220,714,243	$267,521,223	$206,262,690	$202,856,993	$177,545,397	$128,300,072	$122,031,163	$134,216,208	$147,890,338	$146,132,436	$1,753,470,763

Delivering the capital programme

18. Analysis on the proposed capital programme shows that a significant proportion (44% in year 1 of the 10-Year Plan) is significantly dependant on decisions of a third party. These decisions by parties other than Council may be in relation to:

    - Purchase of land required
    - Timing dependant on developer commercial options
    - Project has a significant other funder for which funding is not yet clear or secured
    - Requires consent or approval to proceed from another party.

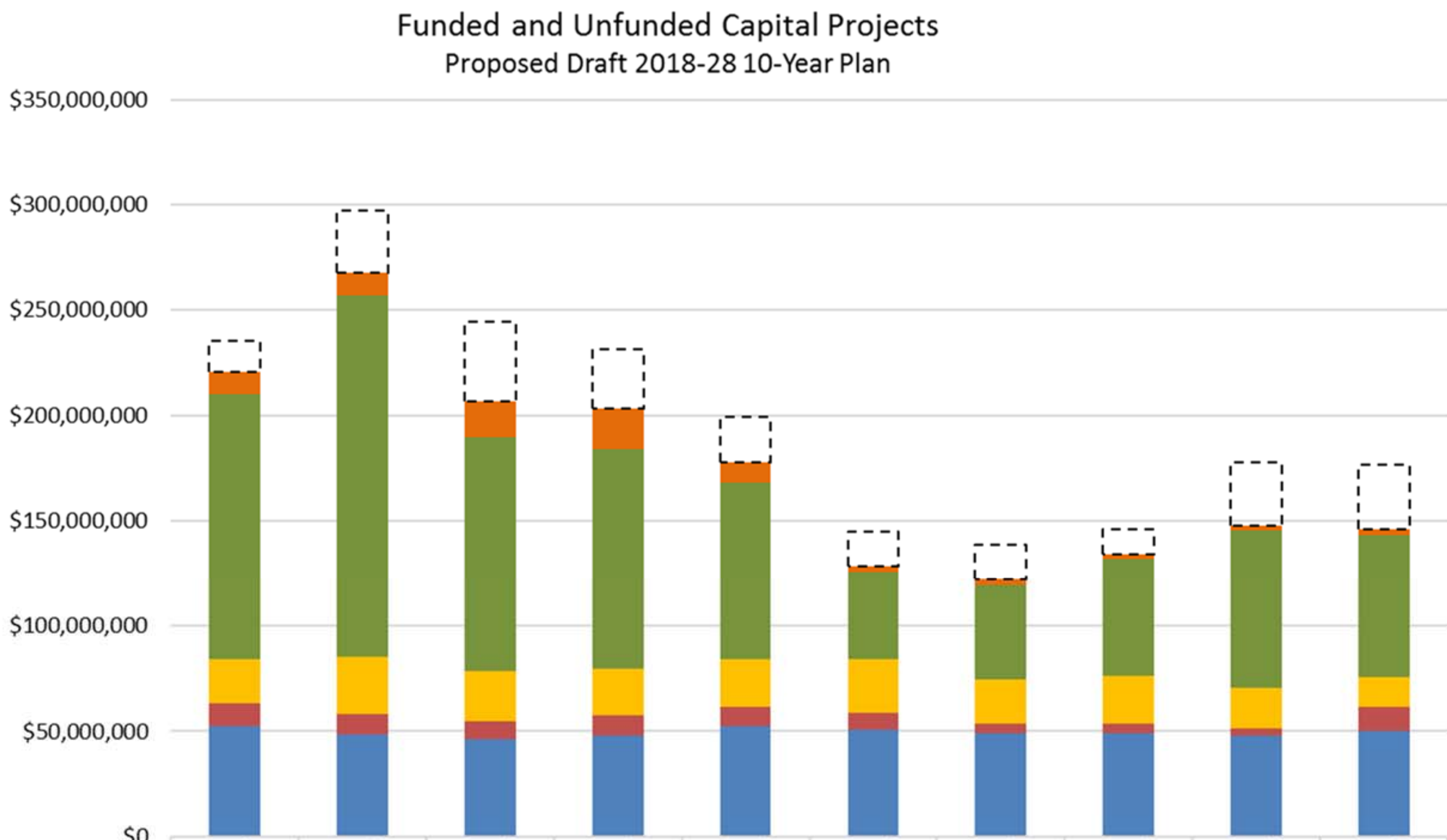
19. While these projects need to remain in the funded capital programme to ensure that funding is available for the project to proceed, there is a greater possibility that the full amount of budgeted capital will not be expended in the year in which it is budgeted due to the third-party dependencies outside the control of Council.

20. Therefore, it is suggested that the delivery of Council's capital programme should be reported in the future in a more segmented manner - using at least the following categories of projects in the capital programme:

    - Dependant of third party
    - Council controlled.

    This will allow for elected members to have a better understanding on the drivers for delivery of specific projects and programmes in the capital budget. If there is any non-delivery against budget within a period, the reasons for this will be clearer and able to be categorised as being under the control of Council or due to a third party dependency. Elected members should have an expectation that Council controlled projects are delivered as planned and budgeted for.

21. The graph below shows the proportion of each capital programme type and whether the programmes are fully controlled by Council or dependant on a third party.



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Unfunded	$14,878,500	$29,306,500	$38,162,000	$28,288,500	$21,575,000	$16,713,000	$16,305,000	$11,888,000	$29,826,000	$30,271,000
Community	$11,034,000	$10,488,000	$16,744,000	$19,120,000	$9,729,000	$2,899,000	$2,600,000	$2,276,000	$2,676,000	$2,926,000
Growth	$125,400,480	$171,426,330	$111,188,020	$104,012,800	$83,619,000	$41,319,000	$44,779,000	$55,884,700	$74,387,700	$67,257,000
Access Hamilton	$21,160,000	$27,510,000	$23,650,000	$22,400,000	$22,610,000	$25,400,000	$21,150,000	$22,500,000	$19,350,000	$14,225,000
Compliance & Business Improvement	$10,781,750	$9,297,250	$8,676,800	$9,270,250	$8,919,580	$7,989,000	$4,303,000	$4,573,000	$3,589,000	$11,370,000
Renewal	$52,318,013	$48,799,643	$46,003,870	$48,053,943	$52,667,817	$50,693,072	$49,199,163	$48,982,508	$47,887,638	$50,354,436

Total Funded	$220,694,243	$267,521,223	$206,262,690	$202,856,993	$177,545,397	$128,300,072	$122,031,163	$134,216,208	$147,890,338	$146,132,436	$1,753,450,763
Total Unfunded	$14,878,500	$29,306,500	$38,162,000	$28,288,500	$21,575,000	$16,713,000	$16,305,000	$11,888,000	$29,826,000	$30,271,000	$237,213,500

22. Staff have been considering what is required to help deliver this large capital programme. In preparation for delivery of a significantly increased capital programme include:

    - Identifying projects that if funded would need some enabling funding to be brought forward into the current year.
    - Bringing forward programme planning and internal business case work as much as possible to allow works to be undertaken from 1 July 2018.
    - Additional staff being recruited where there is confidence in funding of programmes
    - Additional staff included in the draft 2018-28 10-Year Plan from 1 July 2018 for project / programme management

23. Delivery of the programme will also be dependent on the capacity of the contracting sector to respond to Council's programme in combination with other projects being undertaken in the region. Finding efficiencies in bundling and procurement of works is being explored.

24. The use of a multi-year portfolio approach for the entire capital programme is recommended. This would mean that there is great flexibility provided to the timing spending on capital. The ability for contractors to deliver an outcome over a less specific timeframe would mean that works could be juggled to meet resource availability and delivery risks reduced. Implementing a portfolio approach would require changes to Council processes, delegations and reporting. A report on how this approach would operate will be provided to Council as part of the confirmation of the final 10-Year Plan.

Consequential operating costs from proposed funded capital programme

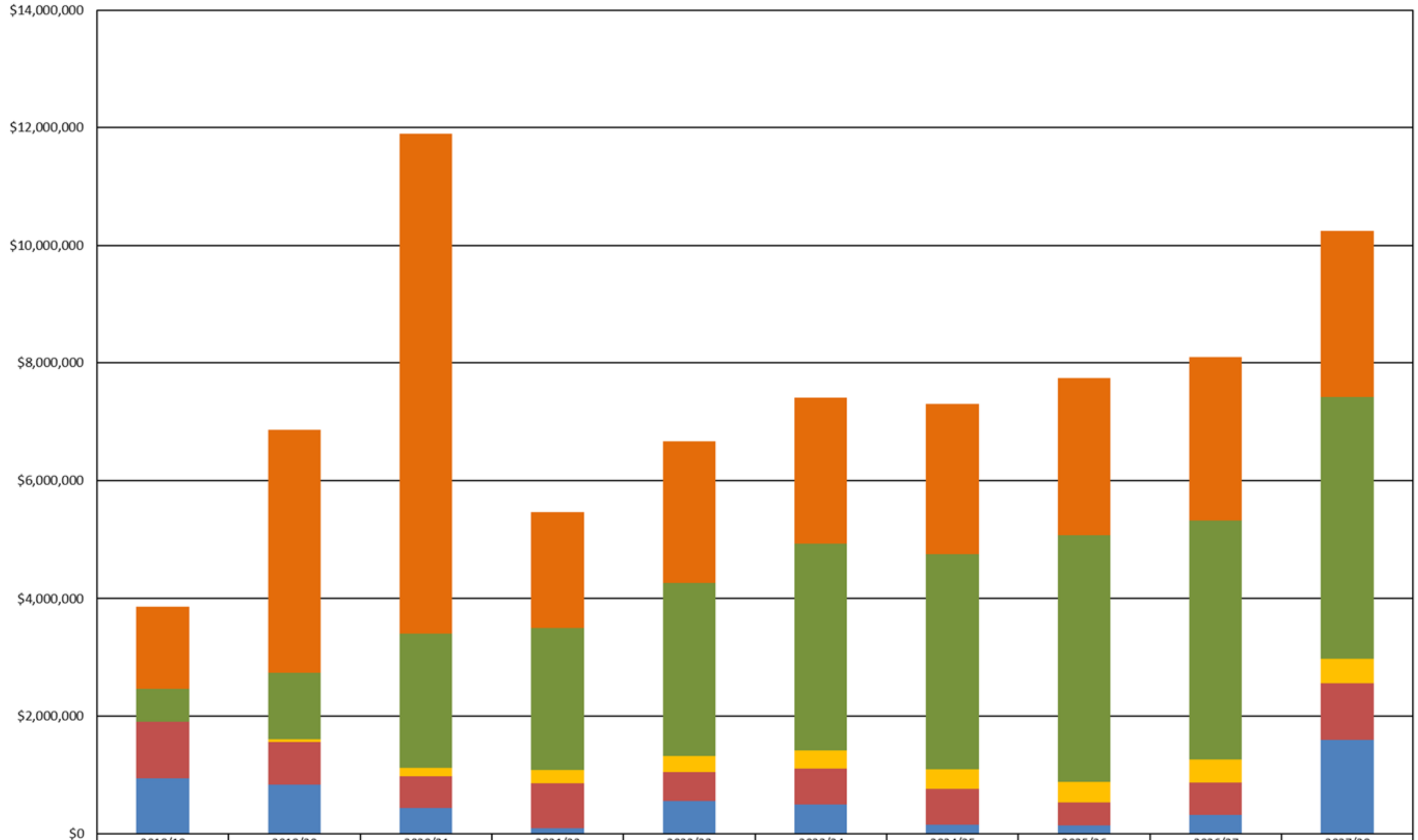
25. The consequential operational costs associated with the capital programme will alter depending on what projects are funded. The graph on the following page shows the consequential operational costs that have been included in the budget as a result of the funded capital programme.

26. The costs on the graph do not include depreciation or interest costs associated with the funded programme.

27. Consequential operational costs may include:

    - Feasibility studies
    - Ongoing maintenance or operating costs such as energy, staff costs, painting, cleaning, security etc

Consequential operating Costs for Proposed Capital Programme
(excl. Depeciation and Interest costs)



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Community	$1,403,000	$4,127,000	$8,501,000	$1,971,000	$2,395,000	$2,487,000	$2,548,000	$2,676,000	$2,774,000	$2,829,000
Growth	$558,000	$1,126,200	$2,270,700	$2,417,500	$2,937,500	$3,510,500	$3,657,500	$4,182,500	$4,063,500	$4,442,500
Transport Improvement Programme	$0	$53,000	$143,000	$224,250	$278,750	$301,000	$331,750	$351,000	$392,500	$417,250
Compliance & Business Improvement	$955,000	$724,000	$554,000	$767,000	$497,000	$627,000	$612,000	$400,000	$560,000	$956,000
Renewal	$946,600	$835,600	$430,000	$90,200	$550,700	$486,700	$153,700	$133,700	$311,700	$1,601,700

Unfunded programme

28. Section 3: Attachment 2 provides a full schedule of projects / programmes by capital classification that are not funded in the proposed draft 2018-28 10-Year Plan. These projects were identified from various sources including:

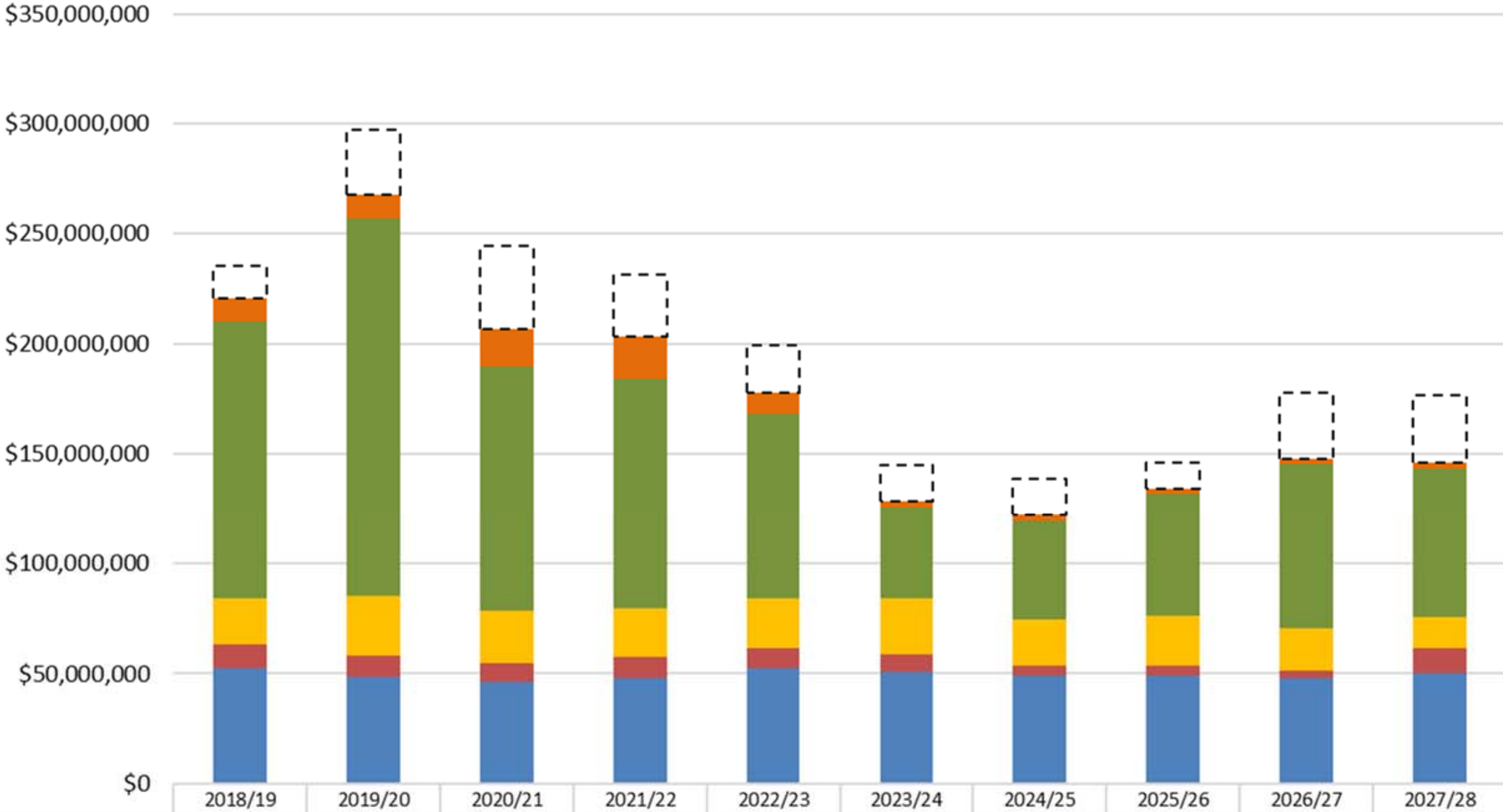
    - through the Asset Management Plans - by analysing demand and anticipated service requirements
    - direction from Council Plans and Strategies.

29. The implication of not funding each project or programme is noted in the schedule of unfunded projects in Section 3: Attachment 2 entitled 'Unfunded Capital Projects'.

30. Section 3b of the report includes a full discussion on the implications of the selected growth scenario and the related projects and programmes. Under each of the growth scenarios there are growth projects that are not funded. The schedules in Section 3: Attachments 1 and 2 are based on the proposed scenario based on enabling growth in Peacocke.

31. A graph of the proposed capital programme showing both funding and unfunded projects is provided below. Unfunded Growth capital appears relatively small as significant amounts of the non-critical growth expenditure has been rephrased to beyond the 10-Years. This still remains as being required to deal with growth pressures in the future but is not shown in unfunded projects within the 10-Years.

Funded and Unfunded Capital Projects
Proposed Draft 2018-28 10-Year Plan



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Unfunded	$14,878,500	$29,306,500	$38,162,000	$28,288,500	$21,575,000	$16,713,000	$16,305,000	$11,888,000	$29,826,000	$30,271,000
Community	$11,034,000	$10,488,000	$16,744,000	$19,120,000	$9,729,000	$2,899,000	$2,600,000	$2,276,000	$2,676,000	$2,926,000
Growth	$125,400,480	$171,426,330	$111,188,020	$104,012,800	$83,619,000	$41,319,000	$44,779,000	$55,884,700	$74,387,700	$67,257,000
Access Hamilton	$21,160,000	$27,510,000	$23,650,000	$22,400,000	$22,610,000	$25,400,000	$21,150,000	$22,500,000	$19,350,000	$14,225,000
Compliance & Business Improvement	$10,781,750	$9,297,250	$8,676,800	$9,270,250	$8,919,580	$7,989,000	$4,303,000	$4,573,000	$3,589,000	$11,370,000
Renewal	$52,318,013	$48,799,643	$46,003,870	$48,053,943	$52,667,817	$50,693,072	$49,199,163	$48,982,508	$47,887,638	$50,354,436

Total Funded	$220,694,243	$267,521,223	$206,262,690	$202,856,993	$177,545,397	$128,300,072	$122,031,163	$134,216,208	$147,890,338	$146,132,436	$1,753,450,763
Total Unfunded	$14,878,500	$29,306,500	$38,162,000	$28,288,500	$21,575,000	$16,713,000	$16,305,000	$11,888,000	$29,826,000	$30,271,000	$237,213,500

Renewals capital programme

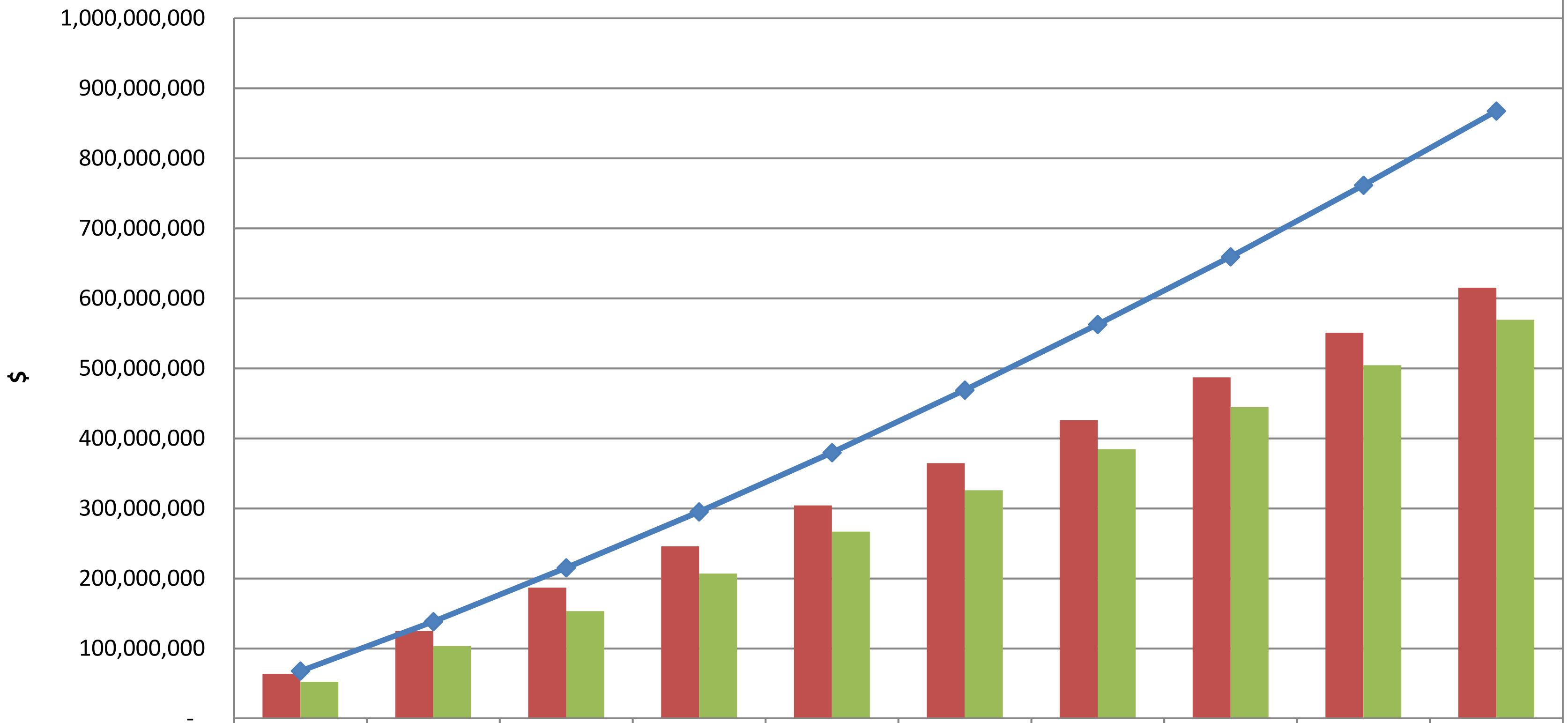
32. The Renewals programme comprises capital expenditure forecasts for replacing assets that have reached the end of their useful life. Renewals are prioritised based on the condition and performance of assets. Renewal requirements for each activity are outlined in appropriate Asset Management Plans.
33. Section 3a: Attachment 1 is a proposal for the renewal programme of the proposed Draft 10-Year Plan budget. The specific renewal programmes are shown in the funded projects schedule – Section 3: Attachment 1.
34. The renewals programme outlined in Section 3a: Attachment 1 is recommended by management and is consistent with the discussions that staff had with elected members on renewal requirements in briefings as part of the 10-Year Plan.
35. A recommendation for the renewals programme is included in Section 3a: Attachment 1.

36. ADEQUACY OF FORECAST RENEWALS

37. A key matter to consider in the development of the 10-Year Plan is whether or not the necessary investments are being made in Councils existing assets to ensure that they are able to deliver service into the future. The investment in existing assets is a mixture of renewal (capital) and maintenance (operating) expenditure.
38. The green bars of the graph on the following page show the cumulative forecasted renewals in the Draft 10-Year Plan. The renewal forecasts shown are inflated so they can be compared easily with depreciation forecasts.
39. Over the 10-Years of the plan the forecasted cumulative depreciation is over $835m. This is made up of cumulative depreciation for:
    - Existing assets ($615m)
    - Assets that will be created between 2018 and 2028 ($252m).
40. The cumulative depreciation forecasted on existing assets for the 10-years is similar to the renewals that have been forecasted for these assets based on the latest asset condition and performance assessments. This is a plausible scenario and reflects that there has been a significant lift in the forecasted renewals for the draft 2018-28 10-Year Plan from that in the 2015-25 10-Year Plan.
41. There is a broad assumption that there is not likely to be many renewals required within the 10-Year Plan for assets that will be created between 2018-28. If new assets are excluded, the renewals budget of $495m ($569m inflated) for the draft 10-Year Plan is very similar (or 92%) of the depreciation forecasted ($615m) for these assets over the same period.

Cumulative Depreciation and Renewal Analysis

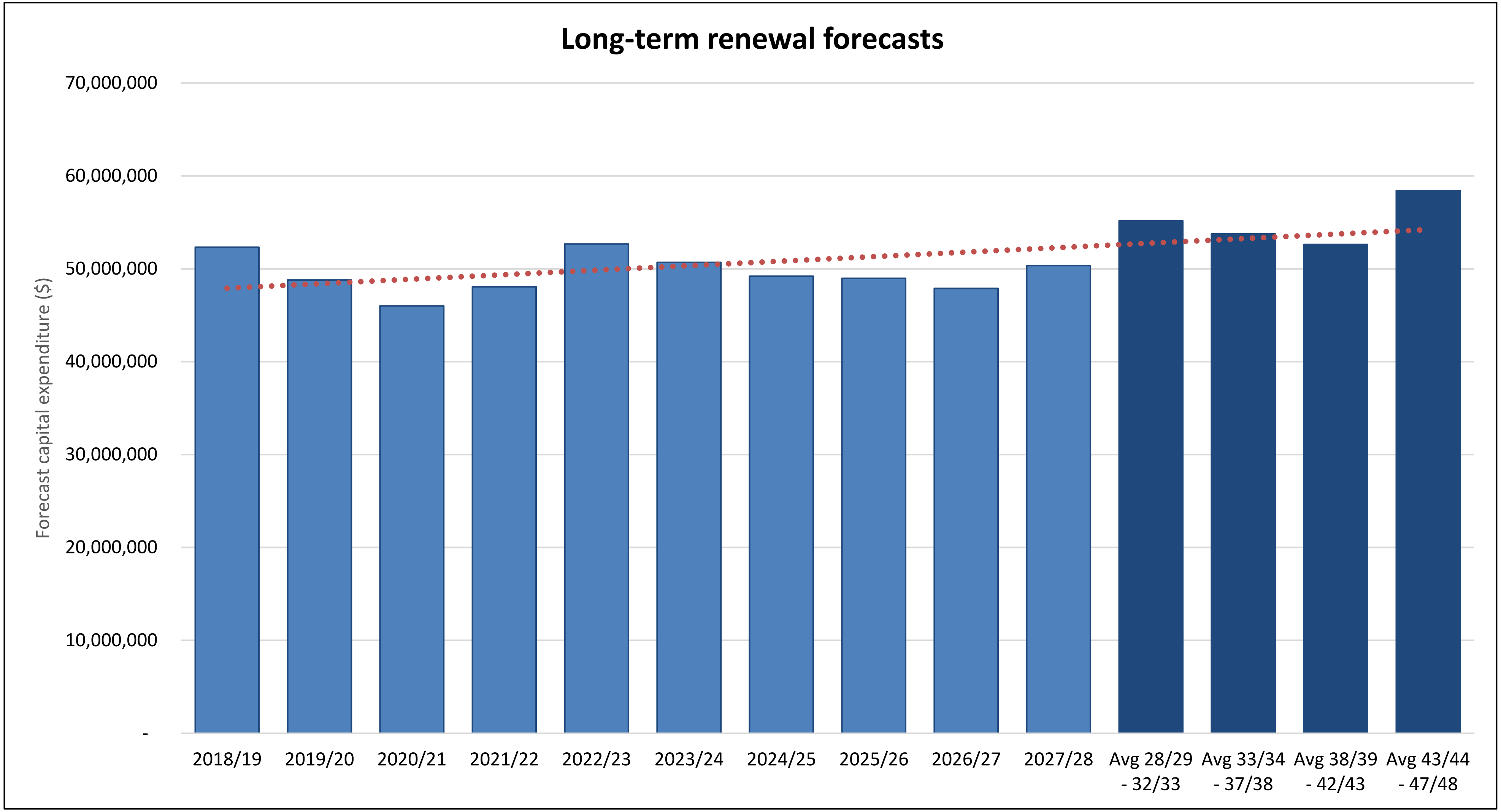
Proposed Draft 2018-28 10-Year Plan Budget



	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Cumulative depreciation on assets that currently exist	63,668,089	124,842,902	186,787,322	245,789,310	304,270,990	364,613,539	425,994,427	487,126,544	550,792,904	615,129,873
Cumulative Renewals Forecast 2018-28	52,400,000	103,300,000	153,200,000	206,900,000	266,800,000	325,800,000	384,500,000	444,400,000	504,500,000	569,400,000
Total Cumulative Depreciation from 1 Jul 2018	67,780,036	138,423,321	215,285,933	295,223,415	379,766,917	469,031,025	562,839,508	659,534,674	761,601,074	867,573,293

42. Each of the Asset Management Plans prepared for the 10-Year Plan have forecasted the renewal requirements for the next 30-years. Analysing these longer-term renewal requirements show that, at a whole of Council level, there is a modest increase in renewal requirements over the next two decades. The graph below shows the long-term uninflated renewal forecasts. The long-term trend is shown with a dotted red linear trendline. The data for year beyond year 10 is presented as average annual forecasted requirements over 5 year periods

43. This analysis would indicate that while the renewals over the 10-Year Plan do not meet the total depreciation forecasts over this period, there is not a significant bow-wave of renewals currently forecasted within the next 30 years. The level of reinvestment in renewals for the Council's assets is currently forecasted to be relatively stable over this period. Based on this data it would suggest that the proposed funding level for renewals is appropriate and not causing a bow-wave through deferring important works or requiring significant increases to match the life-cycles of Council's current asset base.


Long-term renewal forecasts
Forecast capital expenditure ($)
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28
Avg 28/29 - 32/33
Avg 33/34 - 37/38
Avg 38/39 - 42/43
Avg 43/44 - 47/48

Compliance and Business Improvement capital programme

44. The Compliance and Business Improvement Programme comprises capital expenditure forecasts for priority investments that are level of service projects or programmes for which there is little discretion for Council. In many cases this is due to projects being compliance in nature or to meet an existing contractual commitment. There are some projects / programmes that deliver significant business improvements and are recommended by management as necessary for efficient running of the city.

45. Section 3a: Attachment 2 is a proposal for the Compliance and Business Improvement Programme of the proposed Draft 10-Year Plan budget. The projects that comprise the Compliance and Business Improvement Programme are shown in the funded projects schedule – Section 3: Attachment 1.

46. The Compliance and Business Improvement programme outlined in Section 3a: Attachment 2 is recommended by management as the highest priority projects that fall into this classification of capital.

47. A recommendation for the Compliance and Business Improvement programme is included in Section 3a: Attachment 2.

Growth capital programme

48. The growth capital programme is discussed in Attachment 3.5. The growth scenario that has been included in the proposed draft 2018-28 10-Year Plan budget is based on a prioritising of Peacocke and utilising the funding opportunity provided by the Government's Housing Infrastructure Fund.

49. Section 3b outlines options that Council has regarding the funding of growth and implications of taking different approaches.

50. Recommendations for the Growth programme are included in Section 3b: Attachment 1.

Transport Improvement capital programme

51. The Transport Improvement capital programme is discussed in Section 3c. The proposal outlines how the programme has been developed and gives detail of the specific projects that have been included.

52. The proposed programme optimises opportunities for achieving Access Hamilton outcomes and targets and has forecast gross expenditure of $220m over the 10-year period.

53. A recommendation for the Transport Improvement programme is included in Section 3c: Attachment 1.

Community Infrastructure programme

54. The Community Infrastructure capital programme includes investments in new community infrastructure for the city. The Community Infrastructure capital programme promoted by the Mayor is $80m of capital expenditure over the 10 years. The Community Infrastructure capital programme proposed in the draft 2018-28 10-Year Plan is provided in the funded capital schedule in Section 3: Attachment 1.

55. There are additional investments (beyond the $80m (uninflated) capital expenditure) in community activities (i.e. non-core network infrastructure) as part of the renewals, compliance and business improvement, and growth capital programmes. Paragraph 13 outlines that there is $267m (uninflated) of capital expenditure in total forecasted for expenditure on community assets. In addition to the capital investment proposed, there is operation funding for support of the new Waikato Regional Theatre. This is not regarded as a capital cost in this budget and is included in the operational budget section.

Plans and Strategies analysis

56. To assist in understanding the extent of investment and expenditure on community infrastructure and services, a summary of how the draft 2018-28 10-Year Plan delivers on the specific actions and objectives of various Council Plans and Strategies has been undertaken. This analysis is provided in Section 3d: Attachment 1.and includes summary of both operating and capital components of the proposed draft 2018-28 10-Year Plan budget.

57. The Plans and Strategy analysis is for information only and is provided to assist elected members in understanding what is included and not included in the proposed draft 2018-28 10-Year Plan budget.

Proposals – funded and unfunded

58. Through the development of the 10-Year Plan in briefings and various meetings, elected members have indicated interest and/or support for a wide range of new initiatives and projects. Some of these have been included in the proposed draft 2018-28 10-Year Plan budget while others have not.

59. While a full list of funded and unfunded capital projects is provided in Section 3: Attachments 1 and 2, specific proposals have been prepared for new projects that have a significant financial consequence or have high public / elected member interest. While the list of proposals is not exhaustive, they have been prepared to give elected members the necessary information to make decisions on funding provision for the 10-Year Plan draft budget. Proposals provide an overview of other options for the projects - where these exist.

60. The following funded proposals are attached with recommendations included in each attachment:

    - Pooches in Parks (Section 3d: Attachment 2)
    - Playgrounds (Section 3d: Attachment 3)
    - Rototuna Town Centre and community facilities hub (Section 3d: Attachment 4)
    - Hamilton Gardens Development (including entrance and fee) (Section 3d: Attachment 5)
    - Garden Place Development (Section 3d: Attachment 6)
    - River Plan Extension – Central City Park (Section 3d: Attachment 7)
    - Sale of Endowment Fund Property (Section 3d: Attachment 8)
    - Sale of Old St Peters Hall (Section 3d: Attachment 9)

61. The following unfunded proposals (i.e. not currently included in the proposed draft 2018-28 10-Year Plan budget) are attached:

    - River Slips (Section 3d: Attachment 10)
    - Rototuna Sports Part – Artificial Turf (Section 3d: Attachment 11)
    - Sports Park Drainage Improvements (Section 3d: Attachment 12)
    - Skate Park (Section 3d: Attachment 13)
    - The Library network (Hillcrest, Chartwell, and Central) (Section 3d: Attachment 14)
    - Implement the Zoo Master Plan (Section 3d: Attachment 15)
    - Waiwhakareke Natural Heritage Park (Section 3d: Attachment 16)
    - River Plan Task Force Priority Projects and Ferrybank (Section 3d: Attachment 17).

Funded Capital Programme - Draft 2018-28 10-Year Plan Budget

Activity	Project Title	Description	10 Year Capital Total	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
			RENEWALS										
Aquatic Facilities	Waterworld Operational Asset Renewals	Renewal budgets for operational Assets	**$4,091,000**	$734,000	$545,000	$338,000	$337,000	$134,000	$262,000	$415,000	$643,000	$408,000	$275,000
Aquatic Facilities	Waterworld Building Renewals	Renewal budgets for building Assets	**$6,802,000**	$284,000	$68,000	$8,000	$342,000	$378,000	$135,000	$413,000	$565,000	$911,000	$3,698,000
Aquatic Facilities	Gallaghers Aquatic Centre Operational Asset Renewals	Renewal budgets for operational Assets	**$1,938,000**	$185,000	$43,000	$11,000	$170,000	$392,000	$151,000	$505,000	$109,000	$200,000	$172,000
Aquatic Facilities	Gallaghers Aquatic Centre Building Renewals	Renewal budgets for building Assets	**$833,000**	$158,000	$13,000	$11,000	$23,000	$78,000	$38,000	$39,000	$109,000	$195,000	$169,000
Aquatic Facilities	Waterworld boilers	Renewal of boilers at Waterworld	**$440,000**	$0	$0	$0	$0	$0	$0	$0	$220,000	$0	$220,000
Cemeteries and Crematorium	Cemeteries - Cemeteries Buildings Renewals	Renewal of assets to ensure they are fit for purpose and meet agreed levels of service	**$1,778,000**	$1,679,000	$5,000	$0	$0	$33,000	$12,000	$32,000	$12,000	$5,000	$0
Cemeteries and Crematorium	Cemeteries Renewals	Renewal of assets based on useful life, condition and fit for purpose	**$809,000**	$53,000	$68,000	$40,000	$25,000	$63,000	$56,000	$378,000	$58,000	$47,000	$21,000
Cemeteries and Crematorium	Cemeteries - Crematorium Renewals	Renewal programme for crematorium assets based on useful life, condition assessments and fit for purpose	**$510,000**	$21,000	$121,000	$126,000	$0	$16,000	$189,000	$0	$0	$16,000	$21,000
Claudelands and Stadia	Stadia Building Renewals	Renewal budgets for building Assets	**$10,767,000**	$3,070,000	$711,000	$313,000	$1,467,000	$1,712,000	$331,000	$220,000	$1,959,000	$125,000	$859,000
Claudelands and Stadia	Claudelands Building Renewals	Renewal budgets for building Assets	**$8,642,000**	$431,000	$992,000	$587,000	$440,000	$356,000	$557,000	$556,000	$1,115,000	$3,162,000	$446,000
Claudelands and Stadia	Claudelands - Plant & Equipment Renewals	Renewal budgets for operational Assets	**$3,156,000**	$214,000	$130,000	$464,000	$185,000	$672,000	$214,000	$519,500	$379,500	$191,000	$187,000
Claudelands and Stadia	FMG Stadium Waikato - Plant & Equipment Renewals	Renewal budgets for operational Assets	**$1,132,000**	$70,000	$73,000	$27,000	$295,000	$313,000	$43,000	$23,000	$95,000	$132,000	$61,000
Claudelands and Stadia	Seddon Park - Property Renewals	Renewal of assets to ensure they are fit for purpose	**$1,030,000**	$60,000	$17,000	$290,000	$216,000	$25,000	$125,000	$120,000	$117,000	$0	$60,000
Claudelands and Stadia	Turf Services Plant & Equipment Renewals	Renewal budgets for operational Assets	**$484,000**	$52,000	$72,000	$50,000	$83,000	$68,000	$20,000	$31,000	$47,000	$22,000	$39,000
Claudelands and Stadia	FMG Stadium Waikato - Property Renewals	Renewal of assets to ensure they are fit for purpose	**$4,708,000**	$33,000	$1,597,000	$465,000	$245,000	$38,000	$334,000	$39,000	$119,000	$553,000	$1,285,000
Claudelands and Stadia	Seddon Park - Plant & Equipment Renewals	Renewal budgets for operational Assets	**$76,000**	$2,000	$33,000	$0	$8,000	$5,000	$3,000	$0	$0	$25,000	$0
Claudelands and Stadia	Business Administration Plant & Equipment	Renewal budgets for operational Assets	**$365,000**	$0	$50,000	$30,000	$50,000	$175,000	$0	$30,000	$0	$0	$30,000
Claudelands and Stadia	ISite Project	Renewal of assets to ensure they are fit for purpose	**$100,000**	$0	$0	$50,000	$0	$0	$0	$0	$50,000	$0	$0
Community Support	Community Facilities Building Renewals	Renewals for Community Halls and Centres.	**$772,000**	$75,000	$27,000	$118,000	$17,000	$234,000	$54,000	$68,000	$42,000	$71,000	$66,000
Corporate Buildings	Fleet Replacement Program 2018-28	Fleet Replacement program to keep the fleet efficient and economic and fit for purpose.	**$21,339,000**	$3,040,000	$3,019,000	$1,741,000	$1,412,000	$1,940,000	$1,472,000	$2,881,000	$1,920,000	$1,059,000	$2,855,000
Corporate Buildings	Facilities Renewals Program	Municipal and Duke street renewals projects.	**$6,588,192**	$1,651,000	$662,191	$619,222	$1,770,252	$590,500	$313,300	$104,218	$113,316	$473,873	$290,320
Corporate Buildings	Civic Square Upgrade Project	Replace pavers and planter. Fountain and reconfigure entry to Council building.	**$500,000**	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0
Corporate Buildings	BMS Council Upgrade Project	Complete a review of all Building Management Systems in facilities. Upgrade all Building Management Systems that are obsolete. Centralize back to Facilities unit so data can be analyzed.	**$2,200,000**	$0	$0	$0	$0	$200,000	$1,000,000	$1,000,000	$0	$0	$0
Corporate Buildings	Duke Street Workshop Replacement	This project is to replace the workshops at duke street due to the subsidence of the floor and the structure. The roof is also in need of replacement. The gutters are unable to cope with the water run off the roof so it will need to be redesigned. A structural report is to be completed in the 2017-18 year to confirm the status of the block wall to the rear of the building and if it can be used to support a new structure.	**$500,000**	$0	$0	$0	$0	$0	$500,000	$0	$0	$0	$0
Hamilton Gardens	Hamilton Gardens Structural Renewals	Renewals of garden structures.	**$2,462,835**	$209,693	$94,617	$155,412	$303,927	$235,023	$191,055	$208,138	$226,111	$385,725	$453,134
Hamilton Gardens	Hamilton Gardens Building Renewals	Renewals of Building Assets and Components	**$579,000**	$50,000	$77,000	$11,000	$176,000	$28,000	$52,000	$36,000	$63,000	$29,000	$57,000
Hamilton Zoo	Water Reticulation - Zoo	Replacement of zoo water reticulation system for town and bore supplies, as most of current system is near end of life, ensuring that the configuration is future-proofed to enable implementation of Zoo Master Plan.	**$751,202**	$751,202	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hamilton Zoo	Zoo structures & animal enclosure renewals	Renewal of Zoo structures and animal enclosures	**$3,235,625**	$387,500	$562,500	$481,250	$375,000	$602,500	$187,500	$190,000	$125,000	$193,750	$130,625
Hamilton Zoo	Zoo Animal Replacement	Acquisition of zoo animals based on Hamilton Zoo Animal Collection Plan and requirements of cooperative zoo breeding programmes.	**$600,000**	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000	$60,000

Hamilton Zoo	Zoo Building Renewals	Renewal budget for Zoo residential, operational and enclosure building assets	**$289,202**	$48,637	$41,138	$16,775	$3,135	$8,170	$32,134	$46,166	$17,833	$51,076	$24,138
Hamilton Zoo	Zoo plant and equipment renewals	Renewal of Zoo operational plant and equipment assets	**$372,800**	$33,400	$23,500	$11,500	$25,000	$30,000	$72,000	$38,200	$43,000	$57,000	$39,200
Information Services	Lease Funding of Equipment Renewal	Leased IT Equipment refresh	**$8,582,000**	$1,287,000	$50,000	$1,241,000	$1,136,000	$668,000	$1,536,000	$920,000	$758,000	$529,000	$457,000
Information Services	Network and Infrastructure renewal	Network and Infrastructure Renewals	**$6,498,000**	$968,000	$680,000	$810,000	$830,000	$445,000	$425,000	$725,000	$650,000	$405,000	$560,000
Information Services	Core Business Applications Renewal	Core Business Application Renewals	**$5,925,000**	$775,000	$370,000	$720,000	$805,000	$60,000	$1,095,000	$460,000	$405,000	$725,000	$510,000
Information Services	Mobility and eServices Renewal	Mobility and eServices Renewal	**$2,390,000**	$355,000	$370,000	$85,000	$280,000	$85,000	$0	$745,000	$85,000	$0	$385,000
Information Services	Minor Applications Renewals	Minor application renewals	**$770,000**	$25,000	$125,000	$45,000	$90,000	$110,000	$75,000	$25,000	$175,000	$45,000	$55,000
Information Services	Major Upgrades (M) - Information Services	Major Upgrades (Must)	**$1,200,000**	$0	$800,000	$400,000	$0	$0	$0	$0	$0	$0	$0
Libraries	Libraries-Collection Renewal	Renewal of the Libraries' collection asset.	**$11,350,000**	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000
Libraries	Libraries- Building Asset Renewal	Renewal programme for the Libraries building assets	**$2,733,500**	$343,000	$519,000	$685,500	$527,000	$219,000	$53,000	$70,500	$58,000	$133,000	$125,500
Libraries	Libraries- Operational asset renewal	Renewal of Libraries operational assets	**$1,227,000**	$115,000	$130,000	$130,000	$132,000	$135,000	$138,000	$118,000	$107,000	$107,000	$115,000
Libraries	Libraries- Rebranding/ signage all libraries	Renewal of all signage (interior and exterior). New signage to reflect the outcomes of the Libraries' Strategic and Facilities plans	**$30,000**	$6,000	$6,000	$6,000	$6,000	$6,000	$0	$0	$0	$0	$0
Museum	Museum Building Renewals	Museum Building Renewals	**$2,724,805**	$589,151	$227,009	$301,120	$19,643	$351,644	$394,727	$374,668	$130,637	$222,666	$113,540
Museum	Museum Asset Renewals	Renewal of Asset - Lighting, Shelving, AV, Workshop	**$856,007**	$109,600	$72,500	$48,400	$122,047	$15,200	$192,300	$46,000	$147,460	$23,400	$79,100
Museum	Collection Acquisition Fund	New acquisition for Museum Collection	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Museum	Public Art	Funding for future art investment and existing renewals.	**$300,000**	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000	$30,000
Parks	Destination Park Renewals	Renewals of existing destination park assets e.g. bins, seats, paths, retaining walls etc.	**$10,632,300**	$976,500	$1,524,600	$1,114,050	$1,837,500	$971,250	$871,500	$619,500	$1,706,250	$557,550	$453,600
Parks	Playground Renewals	Renewal of existing playground assets.	**$7,917,000**	$577,500	$577,500	$840,000	$840,000	$840,000	$840,000	$840,000	$840,000	$882,000	$840,000
Parks	Parks and Open Spaces - Natural Environment Renewals	Renewal of natural assets including gullys.	**$6,535,725**	$451,500	$472,500	$378,000	$175,350	$1,029,000	$156,450	$614,250	$446,250	$932,400	$1,880,025
Parks	Neighbourhood Park Renewals	Renewal of neighbourhood park assets e.g. bins, seats, paths, retaining walls.	**$2,625,000**	$262,500	$262,500	$262,500	$262,500	$262,500	$262,500	$262,500	$262,500	$262,500	$262,500
Parks	Toilet and Changing Room Renewal	Renewal of existing toilets and changing rooms.	**$1,260,000**	$104,000	$122,000	$79,000	$26,000	$32,000	$52,000	$187,000	$470,000	$106,000	$82,000
Parks	Building Renewals	Renewal of buildings within parks e.g. Stadium bowling club etc.	**$1,543,000**	$83,000	$72,000	$114,000	$214,000	$79,000	$114,000	$71,000	$121,000	$295,000	$380,000
Parks	Parks and Open Spaces - Streetscape Renewals	Renewal of parks and open spaces assets to ensure they are fit for purpose and meet agreed levels of service	**$560,700**	$57,330	$28,665	$168,000	$57,330	$57,330	$57,330	$57,330	$20,002	$36,383	$21,000
Recreation	Te Rapa Sportsdrome Building Renewals	Renewal of spring floor at Te Rapa Sportsdrome	**$111,000**	$0	$0	$0	$111,000	$0	$0	$0	$0	$0	$0
Rubbish and Recycling	Replacement of Closed Landfill assets	Replacement of critical assets in order to maintain level of service as well as meet legislative compliance.	**$2,416,000**	$519,000	$613,000	$165,000	$294,000	$99,000	$95,000	$160,000	$149,000	$167,000	$155,000
Rubbish and Recycling	Replacement of Refuse Transfer Station and Hamilton Organic Centre Facilities	Critical works to maintain level of service as well as meet health and safety requirements.	**$877,000**	$324,000	$81,000	$28,000	$92,000	$143,000	$113,000	$39,000	$33,000	$15,000	$9,000
Rubbish and Recycling	Replacement of Refuse Transfer Station and Hamilton Organic Centre Assets	Renewal of critical assets to ensure continued level of service provision and compliance.	**$580,625**	$18,000	$180,000	$1,042	$10,423	$0	$2,000	$0	$25,560	$263,600	$80,000
Rubbish and Recycling	Replacement of Closed Landfill Resource Consents	Renewal of critical assets to ensure continued level of service provision and compliance.	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Safety	CCTV Renewals	CCTV renewals for central city.	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Sports Parks	Sport Fields Renewal	Drainage and irrigation renewals.	**$2,722,650**	$289,800	$232,050	$232,050	$173,250	$232,050	$405,300	$463,050	$289,800	$289,800	$115,500
Sports Parks	Sport Parks Renewals	Renewal of sports park assets e.g. bins, signage, paths etc.	**$9,261,000**	$198,450	$708,750	$1,312,500	$914,550	$990,150	$1,740,900	$1,386,000	$341,250	$1,182,300	$486,150
Storm Water	Replacement of Stormwater Assets	Renewal of critical assets in maintain level of service, meet legislative compliance, and flood mitigation.	**$5,757,000**	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$680,000	$680,000	$680,000	$717,000
Storm Water	Replacement of Stormwater Resource Consents	Renewal of critical assets to ensure continued level of service provision and compliance.	**$93,560**	$16,000	$61,560	$0	$16,000	$0	$0	$0	$0	$0	$0
Theatres	Technical Services - Equipment Renewals	Renewal of assets to ensure they are fit for purpose	**$3,130,000**	$386,000	$348,000	$325,000	$246,000	$418,000	$251,000	$126,000	$331,000	$361,000	$338,000
Transport	Thin Asphaltic Surfacings	Carriageway resurfacing with Thin Asphaltic Concrete	**$35,854,300**	$3,350,000	$3,400,300	$3,451,300	$3,503,000	$3,555,600	$3,608,900	$3,663,000	$3,718,000	$3,773,800	$3,830,400
Transport	Footpath Renewal - Core	Replacement of footpaths	**$26,756,800**	$2,500,000	$2,537,500	$2,575,600	$2,614,200	$2,653,400	$2,693,200	$2,733,600	$2,774,600	$2,816,200	$2,858,500

Transport	Footpath Renewal - Enhanced	Replacement of footpaths	**$16,058,000**	$1,990,000	$2,019,900	$2,050,100	$1,814,300	$1,841,500	$1,869,100	$1,093,400	$1,109,800	$1,126,500	$1,143,400
Transport	Chip Sealing	Carriageway resurfacing with chip seal	**$17,402,700**	$1,626,000	$1,650,400	$1,675,100	$1,700,300	$1,725,800	$1,751,700	$1,777,900	$1,804,600	$1,831,700	$1,859,200
Transport	Kerb and Channel	Renewal programme for existing drainage infrastructure (kerb and channel and catchpits)	**$14,224,000**	$1,329,000	$1,348,900	$1,369,200	$1,389,700	$1,410,600	$1,431,700	$1,453,200	$1,475,000	$1,497,100	$1,519,600
Transport	Bridge Renewal	Renewal programme for replacement of structures (incl bridge components, and culverts of diameter greater than 2m)	**$5,360,000**	$1,190,000	$1,770,000	$200,000	$1,100,000	$100,000	$400,000	$100,000	$100,000	$100,000	$300,000
Transport	Granular Pavement Rehab	Renewal programme for carriageway granular pavements.	**$10,842,000**	$1,013,000	$1,028,200	$1,043,600	$1,059,300	$1,075,200	$1,091,300	$1,107,700	$1,124,300	$1,141,100	$1,158,300
Transport	Street Lighting Renewal - Accelerated	2017/18 to complete a large proportion (13,000) of luminaire replacement with LED's under the special 85% FAR. This budget would then complete the	**$4,155,000**	$570,000	$2,167,000	$707,000	$257,000	$257,000	$257,000	-$15,000	-$15,000	-$15,000	-$15,000
Transport	Parking Building Renewal	Renewal programme for parking buildings (ie Garden Place)	**$1,020,154**	$407,750	$8,663	$55,649	$77,436	$0	$26,276	$54,255	$3,905	$385,020	$1,200
Transport	Buildings Renewal - Transportation	Renewal programme for the transportation building assets e.g. Transport Centre, buildings on Transport owned land, etc	**$579,315**	$252,300	$4,900	$12,400	$51,800	$15,200	$61,800	$25,954	$80,200	$44,961	$29,800
Transport	Traffic Signal Renewal	Renewal programme for traffic signals at intersections and signalised pedestrian crossings	**$2,973,300**	$250,000	$269,000	$273,000	$277,100	$305,700	$310,300	$314,900	$319,600	$324,400	$329,300
Transport	Parking Equipment Renewal	Renewal programme for parking enforcement equipment e.g. hand held devices, parking meters	**$905,000**	$188,000	$151,000	$105,000	$192,500	$43,000	$55,500	$47,000	$37,500	$42,500	$43,000
Transport	Structural AC Rehab	Replacement of carriageway pavement with structural asphaltic concrete.	**$1,808,800**	$169,000	$171,500	$174,100	$176,700	$179,400	$182,100	$184,800	$187,600	$190,400	$193,200
Transport	Street Lighting Renewal - Core	Renewal programme for street lighting	**$1,444,900**	$135,000	$137,000	$139,100	$141,200	$143,300	$145,400	$147,600	$149,800	$152,100	$154,400
Transport	Culvert Renewals	Renewal programme for existing drainage infrastructure (culverts up to 2.0m diameter)	**$1,139,900**	$106,500	$108,100	$109,700	$111,400	$113,000	$114,700	$116,500	$118,200	$120,000	$121,800
Transport	Environmental Renewals	Renewal programme for replacement of environmental controls related to stormwater quality e.g. enviro pods	**$2,055,000**	$90,000	$91,400	$92,700	$188,200	$191,000	$193,900	$295,200	$299,700	$304,200	$308,700
Transport	Street Furniture Renewal	Replacement of street furniture (seating, cycle facilities, rubbish bins, drinking fountains, pedestrian safety barriers, etc).	**$659,800**	$61,700	$62,600	$63,500	$64,500	$65,400	$66,400	$67,400	$68,400	$69,400	$70,500
Transport	Traffic Services Design	Design services relating to the renewal programme for traffic services	**$482,000**	$45,000	$45,700	$46,600	$47,100	$47,800	$48,500	$49,200	$49,900	$50,700	$51,500
Transport	Safety Barrier Renewals	Renewal programme for replacement of traffic safety barriers	**$428,100**	$40,000	$40,600	$41,200	$41,800	$42,500	$43,100	$43,700	$44,400	$45,100	$45,700
Transport	Amenity Lighting Renewal - Core	Renewal programme for replacement of non-subsidised amenity lighting (under-verandah, walkways, etc)	**$321,100**	$30,000	$30,500	$30,900	$31,400	$31,800	$32,300	$32,800	$33,300	$33,800	$34,300
Transport	Traffic Sign Renewal	Renewal programme for street signage	**$321,100**	$30,000	$30,500	$30,900	$31,400	$31,800	$32,300	$32,800	$33,300	$33,800	$34,300
Transport	Off-street Carpark Resurfacing	Resurfacing programme for Council-owned off-street carparks	**$276,000**	$25,000	$63,000	$51,000	$0	$89,000	$23,000	$0	$0	$25,000	$0
Transport	Traffic Services Technology	Replacing traffic technology	**$459,200**	$25,000	$25,400	$25,800	$52,300	$53,100	$53,900	$54,700	$55,500	$56,300	$57,200
Transport	Electronic Sign Renewal	Renewal programme for electronic street signs	**$236,000**	$15,000	$15,200	$25,800	$33,500	$34,000	$34,500	$27,300	$16,600	$16,900	$17,200
Transport	Non-subsidised pavement rehabilitation	Pavement rehabilitation (area wide treatment) in service lanes, parking lanes etc that do not qualify for NZTA subsidy.	**$107,100**	$10,000	$10,200	$10,300	$10,500	$10,600	$10,800	$10,900	$11,100	$11,300	$11,400
Transport	Non-subsidised Resurfacing	Resurfacing of service lanes, parking lanes, etc, that do not qualify for NZTA subsidy.	**$107,100**	$10,000	$10,200	$10,300	$10,500	$10,600	$10,800	$10,900	$11,100	$11,300	$11,400
Transport	Retaining Wall Renewal	Renewal programme for replacement of roadside retaining walls	**$107,100**	$10,000	$10,200	$10,300	$10,500	$10,600	$10,800	$10,900	$11,100	$11,300	$11,400
Transport	Non-subsidised Drainage	Renewal programme for existing drainage infrastructure (eg culverts, kerb and channel) in verge or parking lane/lot (ie does not qualify for NZTA subsidy)	**$53,500**	$5,000	$5,100	$5,200	$5,200	$5,300	$5,400	$5,500	$5,500	$5,600	$5,700
Transport	Non-subsidised Structures Renewal	Renewal programme for replacement of non-subsidised structures (eg pedestrian footbridges, fences, etc)	**$53,500**	$5,000	$5,100	$5,200	$5,200	$5,300	$5,400	$5,500	$5,500	$5,600	$5,700
Transport	Amenity Lighting Renewal - Accelerated	lighting (under-verandah, walkways, etc). By bringing forward the replacement of all amenity luminaires and installing LED, substantial savings can be made	**$380,000**	$0	$0	$450,000	-$10,000	-$10,000	-$10,000	-$10,000	-$10,000	-$10,000	-$10,000
Waste Water	Replacement of Wastewater Assets	Renewal of critical assets to maintain level of service, sustainability and growth enablement.	**$45,279,470**	$3,036,000	$3,124,000	$4,128,000	$3,213,000	$6,299,000	$6,758,000	$4,851,000	$4,946,000	$4,470,000	$4,454,470
Waste Water	Replacement of Wastewater Treatment Plant Assets	Renewal of critical assets to maintain level of service, sustainability, growth and continued compliance.	**$17,372,000**	$2,122,000	$1,699,000	$1,544,000	$1,575,000	$3,967,000	$1,357,000	$1,222,000	$1,466,000	$1,121,000	$1,299,000
Waste Water	Replacement of Wastewater Pump Station Assets	Renewasl of critical assets to promote growth and maintain level of service and compliance.	**$8,944,000**	$1,058,000	$918,000	$628,000	$997,000	$942,000	$763,000	$831,000	$952,000	$968,000	$887,000
Waste Water	Replacement of Wastewater Treatment Plant Resource Consents	Renewal of consents in order to maintain level of service and ensure legislative compliance (RMA).	**$4,000,000**	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$1,000,000	$1,000,000	$250,000	$250,000
Waste Water	Replacement of Wastewater Treatment Plant Systems	Renewal of critical assets in order to maintain level of service and maintain legislative compliance.	**$1,763,000**	$205,000	$133,000	$97,000	$214,000	$251,000	$164,000	$220,000	$203,000	$151,000	$125,000
Waste Water	Wastewater Model	Continued review of waste water model in order to ensure currency. Required to promote/cater for growth.	**$2,051,000**	$70,000	$101,000	$575,000	$793,000	$70,000	$131,000	$101,000	$70,000	$70,000	$70,000
Waste Water	Replacement of Wastewater Treatment Plant Facilities	Renewal of critical assets to ensure continued level of service provision and compliance.	**$872,000**	$55,000	$24,000	$69,000	$61,000	$83,000	$336,000	$79,000	$39,000	$65,000	$61,000
Water Supply	Replacement of Watermains	Renewal of critical assets to maintain level of service, sustainability and growth enablement.	**$45,798,536**	$2,744,000	$2,720,000	$2,578,000	$2,527,000	$6,055,000	$6,055,000	$5,702,934	$5,805,534	$5,805,534	$5,805,534
Water Supply	Replacement of Water Treatment Plant and Reservoir Assets	Renewal of critical assets to maintain level of service, sustainability, growth, continued compliance and Drinking Water Standards NZ.	**$18,230,000**	$2,093,000	$1,818,000	$1,762,000	$2,488,000	$1,966,000	$1,897,000	$1,928,000	$1,855,000	$1,547,000	$876,000

Water Supply	Replacement of Valves Meters and Hydrants	Replaement of critical assets to enable water sustainability practices and meet Health and Safety requirements (fire fighting).	**$11,350,000**	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000	$1,135,000
Water Supply	Water Model	Continued review of water model in order to ensure currency. Required to promote/cater for growth.	**$2,136,000**	$60,000	$94,000	$540,000	$688,000	$112,000	$153,000	$112,000	$112,000	$153,000	$112,000
Water Supply	Tools of Trade Renewals	Renewal of trade tools for City Delivery.	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Water Supply	Replacement of Water Treatment Plant Facilities	Renewal of critical assets to ensure continued level of service provision and compliance.	**$519,000**	$8,000	$0	$27,000	$64,000	$51,000	$45,000	$216,000	$21,000	$43,000	$44,000
Water Supply	Replacement of Water Treatment Plant Resource Consents	Renewal of critical assets to ensure continued level of service provision and compliance.	**$114,600**	$0	$12,000	$0	$0	$0	$0	$102,600	$0	$0	$0
Renewals - TOTAL			**$494,960,103**	**$52,318,013**	**$48,799,643**	**$46,003,870**	**$48,053,943**	**$52,667,817**	**$50,693,072**	**$49,199,163**	**$48,982,508**	**$47,887,638**	**$50,354,436**
Activity	**Project Title**	**Description**	**10 Year Capital Total**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
COMPLIANCE & BUSINESS IMPROVEMENT													
Cemeteries and Crematorium	Cemeteries - Hamilton Park Cemetery Accessible Toilet Block	most often visit. our current toilets are not accessible friendly they need to be moved to a more appropriate location and accessible	**$497,000**	$497,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
City Growth	Smart Hamilton Initiatives	To implement Smart Hamilton initiatives.	**$2,500,000**	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Claudelands and Stadia	Seddon Park - Plant & Equipment Upgrade - Priority	Upgrade of assets to ensure they are fit for purpose	**$830,000**	$830,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Claudelands and Stadia	FMG Stadium Waikato - Plant & Equipment Upgrade - Priority	Upgrade of assets to ensure they are fit for purpose	**$615,000**	$230,000	$290,000	$30,000	$65,000	$0	$0	$0	$0	$0	$0
Claudelands and Stadia	Claudelands - Plant & Equipment Upgrade - Priority	Upgrade of assets to ensure they are fit for purpose	**$340,000**	$100,000	$160,000	$45,000	$35,000	$0	$0	$0	$0	$0	$0
Claudelands and Stadia	Turf Services - Plant & Equipment Upgrade - Priority	Upgrade of assets to ensure they are fit for purpose	**$70,000**	$70,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Corporate Buildings	Key Control Project	To install a automated key cabinets for fleet and facilities keys using key watcher which will be integrated with the cardex security system and Smart link vehicle booking system. This is to replace the current situation of keys for building and fleet cars being accessed by unauthorized persons.	**$44,000**	$44,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hamilton Zoo	Zoo safety improvement	Zoo safety improvements resulting from PwC external review	**$2,138,500**	$1,709,500	$429,000	$0	$0	$0	$0	$0	$0	$0	$0
Hamilton Zoo	Zoo Stormwater Improvements	Zoo stormwater and run-off from animal yards and manure storage area drains into a sequence of ponds and then flows via ditches across neighbouring properties to Lake Rotokauri. Work is required on these systems in Year 1 and Year 2 of 10-Year Plan to ensure compliance with the Operative Regional Plan. This system also needs improvement in order for the Zoo to meet the Healthy Rivers requirements by 2026 and two artificial wetlands outlined in the Zoo Master Plan need to be constructed to address this.	**$603,330**	$94,250	$94,250	$41,600	$224,250	$148,980	$0	$0	$0	$0	$0
Hamilton Zoo	Hamilton Zoo Improvement Programme	Improvement programme for Hamilton Zoo	**$750,000**	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000
Libraries	Libraries- Safety improvements	Projects to reduce antisocial behavior and improve staff and customer safety within Libraries.	**$80,000**	$80,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Libraries	Libraries- Radio Frequency Identification	Implementation of Radio Frequency Identification - full self service checkout, return and book tracking systems at all libraries	**$1,087,000**	$0	$1,087,000	$0	$0	$0	$0	$0	$0	$0	$0
Museum	Museum - Loading Bay	Secure area for loading and unloading artworks,objects and taonga	**$68,000**	$0	$0	$0	$0	$68,000	$0	$0	$0	$0	$0
Museum	ArtsPost Seismic Upgrade	To increase the seismic rating of the ArtsPost building, ensuring compliance with legislation and maintenance of heritage integrity, by 1 June 2019	**$4,800,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,800,000
Parks	Days' Park Erosion Remediation	Days Park-Covers area from St Pauls Rowing Club to end of the 'beach 'area to the north. Area is currently disappearing due the river encroachment/erosion.	**$262,000**	$262,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rubbish and Recycling	Closed Landfill Management	Upgrade of assets to ensure compliance.	**$565,000**	$90,000	$75,000	$25,000	$75,000	$25,000	$75,000	$25,000	$75,000	$25,000	$75,000
Rubbish and Recycling	Refuse Drop off points	Continued level of service as the city grows.	**$200,000**	$0	$0	$40,000	$40,000	$40,000	$40,000	$40,000	$0	$0	$0
Rubbish and Recycling	Resource Recovery Park	New assets to maximise waste recovery.	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Storm Water	Te Awa O Katapaki - Lower Catchment Erosion control	Mitigation of adverse effects to ensure compliance.	**$2,600,000**	$1,000,000	$1,600,000	$0	$0	$0	$0	$0	$0	$0	$0
Storm Water	Erosion Control Works	Mitigation of adverse effects to ensure compliance.	**$1,500,000**	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
Storm Water	Comprehensive Stormwater Consent Implementation	Upgrade of assets to ensure compliance.	**$2,340,000**	$30,000	$50,000	$50,000	$230,000	$200,000	$0	$800,000	$180,000	$0	$800,000
Storm Water	Flood Risk Mitigation	Mitigation of adverse effects to ensure compliance.	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Claudelands Bridge Embankment - Seismic Stabilisation	The improvement of slope stability of eastern embankment to address seismic risk to Claudelands Bridge.	**$500,000**	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0

Transport	Victoria Bridge Lighting and CCTV	Installation of CCTV and upgrading of lighting to meet current standards on Victoria Bridge.	**$130,000**	$130,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Northern River Bridges Lighting and CCTV	Installation of CCTV and upgrading of lighting to meet current standards on Pukete and Braithwaite Park pedestrian bridge.	**$150,000**	$0	$150,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Whitiora Bridge Barrier Replacement	requirements of TL-4 standard to improve safety and provide adequate protection for cyclists and pedestrians.	**$3,100,000**	$0	$100,000	$3,000,000	$0	$0	$0	$0	$0	$0	$0
Transport	Victoria Bridge Seismic Strengthening	Seismic and other improvements to ensure structural resilience.	**$900,000**	$0	$100,000	$800,000	$0	$0	$0	$0	$0	$0	$0
Transport	Fairfield Bridge Lighting and CCTV	Installation of the CCTV and upgrading of lighting to meet current standards on Fairfield Bridge.	**$80,000**	$0	$80,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Claudelands Bridge Lighting and CCTV	Installation of the CCTV and upgrading of lighting to meet current standards on Claudelands Bridge.	**$65,000**	$0	$65,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Whitiora Bridge Lighting and CCTV	Installation of the CCTV and upgrading of lighting to meet current standards on Whitiora Bridge.	**$65,000**	$0	$65,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Claudelands Bridge Seismic Strengthening	Retrofit works to Claudelands Bridge to strengthen structural elements to increase seismic resistance.	**$620,000**	$0	$20,000	$600,000	$0	$0	$0	$0	$0	$0	$0
Transport	Victoria Bridge Barrier Replacement	The upgrading of the Victoria Bridge barriers to meet structural requirements of TL-4 standard and provide adequate protection for cyclists and pedestrians.	**$4,100,000**	$0	$0	$100,000	$4,000,000	$0	$0	$0	$0	$0	$0
Transport	Claudelands Bridge Barrier Replacement	The upgrading of the Claudelands Bridge barriers to meet structural requirements of TL-4 standard and provide adequate protection for cyclists and pedestrians.	**$3,600,000**	$0	$0	$0	$0	$100,000	$3,500,000	$0	$0	$0	$0
Transport	Fairfield Bridge Embankment - Seismic Stabilisation	Seismic and other improvements to ensure structural resilience.	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Waste Water	Wastewater Treatment Plant Compliance	Upgrade of critical assets to ensure continued levels of service provision, resilience and compliance.	**$12,368,000**	$1,372,000	$1,035,000	$1,599,000	$1,558,000	$2,744,000	$432,000	$619,000	$631,000	$502,000	$1,876,000
Waste Water	Seismic Strengthening - Waste Water	Upgrade of critical assets to ensure continued levels of service provision, resilience and compliance.	**$6,000,000**	$550,000	$150,000	$100,000	$100,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Waste Water	Increase Capacity of Wastewater Pump Stations	Install new assets to ensure compliance.	**$7,710,800**	$323,000	$1,386,000	$844,200	$1,378,000	$1,315,600	$695,000	$285,000	$739,000	$478,000	$267,000
Waste Water	Upgrade of Wastewater Treatment Plant Systems	Upgrade critical assets to improve resilience, compliance and risk management.	**$4,248,000**	$285,000	$200,000	$205,000	$390,000	$345,000	$425,000	$440,000	$810,000	$564,000	$584,000
Water Supply	Water Treatment Plant Compliance - Minor Upgrades	Upgrade of critical asset to ensure continued levels of service provision, resilience and compliance.	**$6,263,000**	$940,000	$1,266,000	$622,000	$600,000	$408,000	$497,000	$269,000	$313,000	$195,000	$1,153,000
Water Supply	Seismic Strengthening - Reservoir & Treatment Plant	Upgrade of critical assets to ensure continued levels of service provision, resilience and compliance.	**$6,480,000**	$670,000	$420,000	$100,000	$100,000	$2,200,000	$1,000,000	$500,000	$500,000	$500,000	$490,000
Water Supply	Water Demand Management - Network Water Loss	Upgrade of critical assets to ensure sustainable level of service and enable growth.	**$500,000**	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Compliance & Business Improvement - TOTAL			**$78,769,630**	**$10,781,750**	**$9,297,250**	**$8,676,800**	**$9,270,250**	**$8,919,580**	**$7,989,000**	**$4,303,000**	**$4,573,000**	**$3,589,000**	**$11,370,000**
Activity	**Project Title**	**Description**	**10 Year Capital Total**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
			GROWTH										
Cemeteries and Crematorium	Cemeteries - Hamilton Park Cemetery Burial and Ash Lawn	Expansion of the current burial lawns to ensure there is ability to meet LOS and customer demand	**$2,530,000**	$75,000	$119,000	$0	$63,000	$491,000	$125,000	$50,000	$613,000	$281,000	$713,000
Cemeteries and Crematorium	Cemeteries - Hamilton Park Cemetery Land Acquisition	Legislation requires that HCC provides cemetery - additional land will be required to cope with the expected future demand	**$1,500,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,500,000
Parks	Peacocke Parks and Open Spaces Network stage one	Parks and open spaces network land acquisition, development and consequential operational budgets for Peacockes Structure Plan	**$2,189,000**	$1,500,000	$215,000	$474,000	$0	$0	$0	$0	$0	$0	$0
Parks	Peacocke Parks and Open Spaces Network stage two	Parks and open spaces network land acquisition, development and consequential operational budgets for Peacockes Structure Plan stage two	**$35,607,000**	$0	$0	$7,500,000	$1,625,000	$2,273,000	$1,500,000	$2,850,000	$1,500,000	$2,359,000	$16,000,000
Parks	Rotokauri Parks and Open Spaces Network stage one	Parks and open spaces network land acquisition, development and consequential operational budgets for Rotokauri Structure Plan stage one	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Rotokauri Parks and Open Spaces Network stage two	Parks and open spaces network land acquisition, development and consequential operational budgets for Rotokauri Structure Plan stage two	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Rototuna Parks and Open Spaces Network	Parks and open spaces network land acquisition, development and consequential operational budgets for Rotokauri Structure Plan	**$2,833,000**	$1,094,000	$1,309,000	$430,000	$0	$0	$0	$0	$0	$0	$0
Sports Parks	Rotokauri Sports Park Development	The staged development of Rotokauri Sports Park	**$1,259,000**	$0	$0	$0	$0	$0	$0	$0	$0	$74,000	$1,185,000
Sports Parks	Rototuna Sports Park Development	The development of Rototuna Sport Park to meet LOS and future sport field demand	**$5,999,000**	$3,882,000	$2,117,000	$0	$0	$0	$0	$0	$0	$0	$0
Storm Water	Erosion Control Works	Citywide erosion works in streams/gullies in partnership with Waikato Regional Council - Project Watershed.	**$28,450,000**	$156,000	$1,828,000	$3,160,000	$7,781,000	$2,090,000	$1,489,000	$1,211,000	$1,994,000	$7,213,000	$1,528,000
Storm Water	Integrated catchment management plans	Program to complete the cities Integrated Catchment management plans in accordance with the cities comprehensive discharge consent	**$8,120,000**	$920,000	$800,000	$850,000	$750,000	$800,000	$850,000	$750,000	$800,000	$850,000	$750,000
Storm Water	Peacocke stormwater infrastructure stage 1	Peacockes stage 1 stormwater provisions to enable partnerships with developers for stormwater management for urban development	**$2,242,000**	$998,000	$1,184,000	$30,000	$30,000	$0	$0	$0	$0	$0	$0
Storm Water	Peacocke stormwater infrastructure stage 2	Peacockes stage 2 stormwater provisions to enable partnerships with developers for stormwater management for urban development	**$23,149,000**	$2,334,000	$5,435,000	$3,258,000	$2,271,000	$2,494,000	$3,217,000	$4,020,000	$60,000	$60,000	$0
Storm Water	Rotokauri stormwater infrastructure stage 1	Provisions for stormwater to enable industrial development, contractual commitments in residential zone and partial provisions for Rotokauri floodway in partnership with developers	**$33,624,000**	$900,000	$221,000	$4,443,000	$30,000	$30,000	$0	$7,000,000	$7,000,000	$7,000,000	$7,000,000

Storm Water	Stormwater customer connections to network	New customer stormwater connections to existing network - cost recoverable	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Storm Water	Stormwater network upgrade - growth	Provisions to enable partnerships with developers for stormwater management for intensification and infill	**$1,500,000**	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
Storm Water	Stormwater network upgrade to allow new Development	Minor Network upgrades/improvements associated with new urban development	**$1,050,000**	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000
Storm Water	Upgrade/new stormwater Rototuna	Rototuna stormwater provisions to enable partnerships with developers for stormwater management for urban development	**$9,758,000**	$3,509,000	$3,781,000	$2,468,000	$0	$0	$0	$0	$0	$0	$0
Transport	Hamilton Transport model	support transport projects and operational improvements - e.g. NZTA subsidy and integrated transport assessments.	**$2,300,000**	$50,000	$500,000	$1,500,000	$0	$0	$250,000	$0	$0	$0	$0
Transport	Northern River crossing designation	Strategic protection of the future transport network - Northern River crossing connecting Rototuna to Rotokauri.	**$3,905,000**	$0	$0	$0	$0	$0	$0	$0	$0	$2,343,000	$1,562,000
Transport	Ring Road	Completion of Ring Road to Cobham Drive including HIF Component	**$31,750,000**	$12,000,000	$18,000,000	$1,750,000	$0	$0	$0	$0	$0	$0	$0
Transport	Roading upgrades & development in Ruakura	Provision for urban upgrade of Ruakura Road and Potential contribution to Ruakura spine road.	**$40,690,000**	$325,000	$435,000	$4,620,000	$60,000	$0	$500,000	$2,000,000	$12,250,000	$10,250,000	$10,250,000
Transport	Roading upgrades & development- Rotokauri stage 1	Provisions for transport to enable industrial development and contractual commitments in residential zone.	**$48,758,000**	$8,247,000	$12,069,000	$688,000	$2,628,000	$5,387,000	$5,312,000	$3,509,000	$6,084,000	$2,943,000	$1,891,000
Transport	Roading upgrades and development in Rototuna	Provisions for transport to enable residential development and contractual commitments in residential zone. - Resolutions Drive and Borman Road	**$50,851,000**	$10,584,000	$12,654,000	$7,027,000	$4,673,000	$2,082,000	$809,000	$3,490,000	$2,012,000	$3,449,000	$4,071,000
Transport	Roading upgrades & development in Peacocke stage 1	Program includes HIF transport components, southern links designation obligations and provisions for partnership with developers for urban development	**$13,143,000**	$3,773,000	$5,617,000	$3,687,000	$66,000	$0	$0	$0	$0	$0	$0
Transport	Roading upgrades and development Peacockes stage 2	Program includes HIF transport components, southern links designation obligations and provisions for partnership with developers for urban development	**$204,526,000**	$19,946,000	$35,132,000	$17,932,000	$47,701,000	$50,473,000	$14,161,000	$7,155,000	$6,165,000	$3,830,000	$2,031,000
Transport	Transport Network Upgrade associated with Development	Minor Network upgrades/improvements associated with new urban development	**$1,750,000**	$175,000	$175,000	$175,000	$175,000	$175,000	$175,000	$175,000	$175,000	$175,000	$175,000
Waste Water	Increase Capacity Network-Peacocke S2	Program includes HIF wastewater components and provisions for partnership with developers for urban development	**$25,475,000**	$4,061,000	$3,959,000	$6,038,000	$3,932,000	$3,335,000	$2,304,000	$550,000	$770,000	$526,000	$0
Waste Water	Increase capacity of network in Peacocke stage 1	Program includes HIF wastewater components and provisions for partnership with developers for urban development	**$2,350,000**	$189,000	$1,531,000	$484,000	$25,000	$121,000	$0	$0	$0	$0	$0
Waste Water	Increase capacity of network in Rotokauri stage 1	Provisions for wastewater to enable industrial development and contractual commitments in residential zone.	**$5,369,000**	$890,000	$305,000	$1,861,000	$568,000	$355,000	$1,003,000	$58,000	$44,000	$231,000	$54,000
Waste Water	Increase Capacity Waste Water Central Network	Critical strategic Network improvements to enable growth and manage compliance risks. e.g. Hillsborough Pumpstation improvements	**$4,665,000**	$3,664,000	$937,000	$64,000	$0	$0	$0	$0	$0	$0	$0
Waste Water	Increase Capacity Waste Water East Network	Critical strategic Network improvements to enable growth and manage compliance risks. e.g. Bulk storage and various pumpstation improvements	**$26,714,000**	$250,000	$1,855,000	$1,015,000	$380,000	$0	$0	$275,000	$2,939,000	$16,943,000	$3,057,000
Waste Water	Increase Capacity Waste Water Far East Network	Program for strategic HIF wastewater components to link Peacockes to the city strategic wastewater network	**$16,159,000**	$2,000,000	$2,500,000	$1,000,000	$0	$0	$282,000	$564,000	$2,859,000	$6,841,000	$113,000
Waste Water	Increase Capacity Waste Water South Network	Critical strategic Network improvements to enable growth and manage compliance risks. e.g. Bulk storage and various pumpstation improvements	**$44,190,400**	$3,173,000	$12,671,000	$15,869,000	$4,979,000	$850,000	$1,122,000	$118,000	$2,644,700	$2,644,700	$119,000
Waste Water	Increase Capacity Waste Water West Network	compliance risks. e.g. Western pipe duplication to Dinsdale and pumpstation upgrade, storage tanks and various pumpstation improvements	**$44,087,000**	$6,963,000	$19,590,000	$4,216,000	$477,000	$2,668,000	$2,746,000	$78,000	$0	$61,000	$7,288,000
Waste Water	Upgrade Wastewater treatment plant - Pukete	Program of capacity and compliance improvements at the Pukete plant	**$25,635,000**	$13,600,000	$5,035,000	$0	$1,000,000	$2,000,000	$2,000,000	$0	$0	$500,000	$1,500,000
Waste Water	Upgrade/New wastewater network in Rototuna	Provisions to enable partnerships with developers for wastewater management for urban development	**$8,581,000**	$312,000	$573,000	$979,000	$286,000	$855,000	$114,000	$567,000	$635,000	$3,198,000	$1,062,000
Waste Water	wastewater customer connections	Customer wastewater connections to existing network - cost recovered	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Waste Water	Wastewater master plan	Wastewater master plan updates	**$1,600,000**	$150,000	$200,000	$150,000	$100,000	$100,000	$300,000	$100,000	$100,000	$300,000	$100,000
Waste Water	Wastewater network upgrade - growth	Provisions to enable partnerships with developers for wastewater management for intensification/infill urban development	**$13,634,000**	$300,000	$300,000	$300,000	$5,617,000	$1,363,000	$300,000	$300,000	$900,000	$460,000	$3,794,000
Waste Water	Wastewater network upgrade to allow development	Minor Network upgrades/improvements associated with new urban development	**$800,000**	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000
Water Supply	Ruakura Reservoir & Associated Bulk Mains	Program for strategic water supply located in Ruakura including contractual commitments	**$30,389,300**	$9,698,300	$9,981,000	$40,000	$0	$0	$250,000	$6,200,000	$4,200,000	$20,000	$0
Water Supply	Upgrade Water Treatment Plant	Program for capacity and compliance improvements at Treatment plant	**$26,900,000**	$1,900,000	$1,300,000	$8,450,000	$13,250,000	$2,000,000	$0	$0	$0	$0	$0
Water Supply	Upgrade/build new water mains in Ruakura	Provisions to enable partnerships with developers for water supply for urban development	**$1,300,000**	$500,000	$0	$200,000	$0	$200,000	$0	$200,000	$0	$200,000	$0
Water Supply	Upgrade/build new watermains in Peacocke stage 1	Program includes HIF water supply components and provisions for partnerships with developers for urban development	**$860,600**	$81,600	$183,800	$576,400	$18,800	$0	$0	$0	$0	$0	$0
Water Supply	Upgrade/Build new watermains in Rotokauri stage 1	Provisions for water supply to enable industrial development and contractual commitments in residential zone.	**$1,732,000**	$576,000	$0	$0	$162,000	$49,000	$256,000	$13,000	$0	$196,000	$480,000
Water Supply	Upgrade/Build new watermains Peacockes stage 2	Program includes HIF water supply components and provisions for partnerships with developers for urban development	**$6,597,000**	$885,000	$694,000	$308,000	$848,000	$1,375,000	$633,000	$1,147,000	$141,000	$547,000	$19,000
Water Supply	Upgrade/Build new watermains Rototuna	Provisions to enable partnerships with developers for water supply for urban development	**$15,084,000**	$2,907,000	$2,017,000	$3,157,000	$3,452,000	$1,155,000	$756,000	$1,324,000	$298,000	$18,000	$0
Water Supply	Water customer connections	Customer water supply connections to existing network - cost recovered	**$500,000**	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Water Supply	City Water Demand Management	Program of implementing/creation of water demand zones to enable growth and provide resilience for the network and treatment plant	**$13,669,730**	$1,817,580	$5,305,530	$5,623,620	$50,000	$0	$0	$60,000	$803,000	$10,000	$0

Water Supply	Water master plan	Water master plan updates	**$699,000**	$150,000	$33,000	$0	$150,000	$33,000	$0	$150,000	$33,000	$0	$150,000
Water Supply	Water network upgrade to allow new development	Minor Network upgrades/improvements associated with new urban development	**$800,000**	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000
Water Supply	Water pipe upgrade-growth	Provisions to enable partnerships with developers for water supply for intensification/infill urban development	**$3,000,000**	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
Growth - TOTAL			**$879,274,030**	**$125,400,480**	**$171,426,330**	**$111,188,020**	**$104,012,800**	**$83,619,000**	**$41,319,000**	**$44,779,000**	**$55,884,700**	**$74,387,700**	**$67,257,000**

Activity	Project Title	Description	10 Year Capital Total	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
TRANSPORT IMPROVEMENT PROGRAMME													
Transport	Rotokauri Park and Ride	Purchase of land and construction of parking area for Park and Ride interchange for buses and/or trains.	**$9,650,000**	$6,150,000	$500,000	$3,000,000	$0	$0	$0	$0	$0	$0	$0
Transport	Gordonton Road roundabouts - Thomas/Puketaha & ped/cycle path	pedestrian/cyclepath	**$11,700,000**	$4,700,000	$2,000,000	$4,000,000	$1,000,000	$0	$0	$0	$0	$0	$0
Transport	Biking Plan School Link PT and Cycleway	9,500 students) along Hukanui / Peachgrove Roads (between Wairere Drive and Clyde Street) and provide PT priority improvements.	**$20,000,000**	$2,000,000	$6,000,000	$6,000,000	$6,000,000	$0	$0	$0	$0	$0	$0
Transport	Minor Improvements to transport network	Programme of minor (less than $1,000,000k) capital transportation-related improvements	**$20,000,000**	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Transport	Integrated Transport Modes	Funding to progress integrated transport including public transport priority, small walking and cycling improvements and other initiatives that promote multi modal transport.	**$15,000,000**	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Transport	Biking Plan Biking Connectivity Projects	communities and the strategic arterial cycle network; thereby optimising accessibility and use.	**$15,500,000**	$1,000,000	$2,000,000	$2,000,000	$3,000,000	$3,000,000	$0	$1,000,000	$1,500,000	$1,000,000	$1,000,000
Transport	Bus Maintenance Shed Upgrade	The Transport Centre bus maintenance shed lacks adequate staff facilities (toilet, shower and kitchen), roof is made of asbestos and an ISA gives it an NBS score of 30% (TRIM ref D-2391603). Needs to be upgraded to support the joint operation (with WRC) of the city's PT services.	**$800,000**	$800,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Rotokauri Rail Platform	Rotokauri rail siding and platform	**$2,000,000**	$750,000	$0	$0	$1,250,000	$0	$0	$0	$0	$0	$0
Transport	Bus Stop Infrastructure	Programme of new and capital improvements for bus shelters and accessible kerbs at bus stops.	**$6,500,000**	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Transport	Biking Plan Citywide Biking Signage	Installation of citywide biking signage to promote increased use and provide guidance.	**$300,000**	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Mass Transit Intersection Priority	Provision of intersection priority measures for buses	**$10,700,000**	$200,000	$1,500,000	$1,500,000	$500,000	$3,500,000	$1,500,000	$1,000,000	$1,000,000	$0	$0
Transport	Mass Transit Corridor Priority	mopeds, cycles, and/or motor vehicles carrying a specified minimum number of persons (T2 or T3 lanes).	**$21,000,000**	$200,000	$0	$1,500,000	$2,500,000	$2,500,000	$5,250,000	$3,000,000	$0	$3,250,000	$2,800,000
Transport	Mass Transit Interchanges	Development and provision of interchange facilities for PT, rail, etc.	**$4,300,000**	$200,000	$0	$0	$0	$100,000	$2,000,000	$2,000,000	$0	$0	$0
Transport	Transport Centre Rejuvenation	Redevelopment of Transport Centre building and bus access layout to improve operational efficiency, safety for customers and facilitate growth in use.	**$5,480,000**	$150,000	$5,330,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Wairere/Huntington Safety Upgrade	Upgrade to improve safety at Wairere/Huntingdon intersection.	**$5,750,000**	$150,000	$0	$0	$0	$5,100,000	$500,000	$0	$0	$0	$0
Transport	Biking Plan University Route	Continuation of the cycleway from the central city to the Waikato University, parallel to the ECMT railway line.	**$7,650,000**	$150,000	$0	$0	$0	$0	$0	$4,000,000	$3,500,000	$0	$0
Transport	Biking Plan Central City	Provision of cycleways to connect to and through the central city.	**$3,100,000**	$100,000	$0	$0	$0	$0	$0	$0	$3,000,000	$0	$0
Transport	Anglesea/Bryce Safety Upgrade	Programme to improve safety at city intersections.	**$1,550,000**	$50,000	$1,500,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Grey/Cook Safety Upgrade	Programme to improve safety at city intersections.	**$2,040,000**	$40,000	$0	$0	$0	$2,000,000	$0	$0	$0	$0	$0
Transport	Grey/Wellington Safety Upgrade	Programme to improve safety at city intersections.	**$2,040,000**	$40,000	$0	$0	$0	$2,000,000	$0	$0	$0	$0	$0
Transport	Grey/Beale Safety Upgrade	Programme to improve safety at city intersections.	**$1,530,000**	$30,000	$0	$1,500,000	$0	$0	$0	$0	$0	$0	$0
Transport	Te Awa South River Ride	of the city, thereby providing both a key tourist attraction and a safe and functional route for commuter cyclists.	**$4,000,000**	$0	$4,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Tristram/Collingwood Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$5,100,000**	$0	$100,000	$0	$0	$0	$5,000,000	$0	$0	$0	$0
Transport	Grey/Te Aroha Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$5,100,000**	$0	$100,000	$0	$0	$0	$0	$0	$5,000,000	$0	$0
Transport	Peachgrove/Clyde Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$4,080,000**	$0	$80,000	$0	$4,000,000	$0	$0	$0	$0	$0	$0
Transport	Pembroke/Selwyn Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$4,080,000**	$0	$80,000	$0	$0	$0	$0	$0	$4,000,000	$0	$0
Transport	Horsham/Thomas Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$3,570,000**	$0	$70,000	$0	$0	$0	$0	$0	$0	$3,500,000	$0
Transport	Fairfield Br/River Rd Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$3,060,000**	$0	$60,000	$0	$0	$0	$0	$0	$0	$3,000,000	$0
Transport	Pembroke/Ohaupo Intersection Capacity Upgrade	Intersection capacity upgrade programme to facilitate growth in the city by increasing capacity at intersections.	**$2,040,000**	$0	$40,000	$0	$0	$0	$0	$0	$0	$2,000,000	$0

Transport	Pembroke/Ruakiwi/Palmerston Safety Upgrade	Programme to improve safety at city intersections.	**$6,120,000**	$0	$0	$0	$0	$120,000	$0	$6,000,000	$0	$0	$0
Transport	Tristram/Rostrevor Safety Upgrade	Programme to improve safety at city intersections.	**$4,080,000**	$0	$0	$0	$0	$80,000	$4,000,000	$0	$0	$0	$0
Transport	Lake/King Safety Upgrade	Programme to improve safety at city intersections.	**$3,060,000**	$0	$0	$0	$0	$60,000	$3,000,000	$0	$0	$0	$0
Transport	Cross City Connector - Heaphy Terrace Signals	capacity constraint and improve safety including provision of crossing phase for walking and cycling.	**$4,875,000**	$0	$0	$0	$0	$0	$0	$0	$350,000	$2,250,000	$2,275,000
Transport	Kirikiriroa Bridge Widening	Improvement projects to maintain capacity and LOS on city bridges, primarily for pedestrians and cyclists. Footpaths on Kirikiriroa Bridge are of a substandard width and provide pedestrians no spatial protection from passing vehicles. The bridge is also a significant pinchpoint for cyclists on the carriageway. The addition of clip-on shared paths on both sides would facilitate an additional northbound lane to provide greater lane stacking for the Wairere Drive intersection.	**$3,100,000**	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$3,000,000
Transport	Whitiora Bridge Shared Footpath	Improvement projects to maintain capacity and LOS on city bridges, primarily for pedestrians and cyclists. Shared footpath and cycleway on north side of Whitiora Bridge.	**$1,100,000**	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$1,000,000
Transport Improvement Programme - TOTAL			**$219,955,000**	**$21,160,000**	**$27,510,000**	**$23,650,000**	**$22,400,000**	**$22,610,000**	**$25,400,000**	**$21,150,000**	**$22,500,000**	**$19,350,000**	**$14,225,000**
Activity	**Project Title**	**Description**	**10 Year Capital Total**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
COMMUNITY INFRASTRUCTURE													
Hamilton Gardens	Hamilton Gardens Development	Continued development of Hamilton Gardens.	**$23,200,000**	$1,500,000	$1,800,000	$2,600,000	$2,900,000	$2,900,000	$2,600,000	$2,300,000	$2,200,000	$2,200,000	$2,200,000
Hamilton Gardens	Hamilton Gardens Entrance Fee	Hamilton Gardens entrance fee set up costs, revenue and consequential opex.	**$400,000**	$400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Libraries	Rototuna Community Facilities	Community hub and public square. Private provision of Learn to Swim.	**$20,500,000**	$500,000	$1,350,000	$10,000,000	$8,650,000	$0	$0	$0	$0	$0	$0
Parks	River Plan Extension/Central City Park	Delivery of the River Plan key projects, including Ferrybank Development Plan	**$20,000,000**	$5,000,000	$2,000,000	$0	$6,500,000	$6,500,000	$0	$0	$0	$0	$0
Parks	Garden Place Development	The redevelopment of Garden Place.	**$3,950,000**	$1,750,000	$2,200,000	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Playground Development Programme	14 neighbourhood playground upgrades.	**$3,000,000**	$600,000	$520,000	$600,000	$420,000	$320,000	$180,000	$300,000	$20,000	$20,000	$20,000
Parks	Pooches and Parks - One Fenced Dog Exercise Area	This option provides for one fenced Dog exercise area (1ha in size), signage, rubbish bun, bag dispenser and drinking fountain.	**$177,000**	$177,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Te Manatu Park Development	Development of Te Manatu Park for basic amenity.	**$371,000**	$0	$0	$371,000	$0	$0	$0	$0	$0	$0	$0
Parks	Alternative Weed Control	Investigation and trailling of alternative weed control methods. Includes the purchase of a hot steam weed control system.	**$20,000**	$20,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sports Parks	Toilet and Changing room Development Programme	Increasing the level of service to meet community needs through new facilities.	**$5,150,000**	$869,000	$1,707,000	$706,000	$650,000	$0	$0	$0	$56,000	$456,000	$706,000
Sports Parks	Toilet and Changing Room Upgrade Programme	Improvements to current facilities	**$1,722,000**	$238,000	$331,000	$1,025,000	$0	$9,000	$119,000	$0	$0	$0	$0
Sports Parks	Mangaiti Sports Park Development	Development of Mangaiti Park for basic amenity.	**$511,000**	$0	$511,000	$0	$0	$0	$0	$0	$0	$0	$0
Sports Parks	Hare Puke Sports Park Development	Development of Hare Puke as a sports park.	**$1,511,000**	$0	$69,000	$1,442,000	$0	$0	$0	$0	$0	$0	$0
Community - TOTAL			**$80,512,000**	**$11,054,000**	**$10,488,000**	**$16,744,000**	**$19,120,000**	**$9,729,000**	**$2,899,000**	**$2,600,000**	**$2,276,000**	**$2,676,000**	**$2,926,000**
GRAND TOTAL			**$1,753,470,763**	**$220,714,243**	**$267,521,223**	**$206,262,690**	**$202,856,993**	**$177,545,397**	**$128,300,072**	**$122,031,163**	**$134,216,208**	**$147,890,338**	**$146,132,436**

SECTION 3: ATTACHMENT 2

Unfunded Capital Programme - Draft 2018-28 10-Year Plan Budget

Activity	Project Title	Description	Implications	10 Year Capital Total	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
RENEWALS														
Cemeteries and Crematorium	Cemeteries - ReGenOne Cemetery Technology upgrade	installation/upgrade of Cemeteries management system software	Current system failure immanent - no longer able to upgrade or repair, public burial & Cremation records will be lost	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Information Services	Major Upgrades (S) - Information Services	Major Upgrades (Should)	Not staying at current version -1 would impact on end user, increase service desk costs, put other projects at risk of failure.	**$7,500,000**	$0	$800,000	$2,900,000	$200,000	$800,000	$2,000,000	$0	$0	$0	$800,000
Strategic Property	Tenancy Inducement Renewals	Induce tenants into council owned buildings.	A loss of revenue through lack of tenants	**$975,000**	$75,000	$75,000	$75,000	$300,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000
Renewals - TOTAL				**$8,475,000**	**$75,000**	**$875,000**	**$2,975,000**	**$500,000**	**$875,000**	**$2,075,000**	**$75,000**	**$75,000**	**$75,000**	**$875,000**
COMPLIANCE & BUSINESS IMPROVEMENT														
Cemeteries and Crematorium	Cemeteries - Upgrade of Morrinsville Road Entrance	An upgraded entrance into Hamilton Park Cemetery would reflect the importance of the site and improve after hours security	the current entrance is hard to secure and does not promote the importance of the site.	**$169,000**	$0	$169,000	$0	$0	$0	$0	$0	$0	$0	$0
Cemeteries and Crematorium	Cemeteries - Addition of New Cremators	Add new cremator to cope with increased capacity and demand for cremation	Demand would need to be managed through changing operating model or through provision of the service by private providers.	**$625,000**	$0	$0	$0	$75,000	$550,000	$0	$0	$0	$0	$0
Cemeteries and Crematorium	Cemeteries - Workshop Depot Development	Creating a designated space for maintenance, and a wash down area for work vehicles. The depot would also be moved to a more central location and away	The current workshop/depot is not fit for purpose and would continue to be in an area that is accessed frequently by the public.	**$538,000**	$0	$0	$0	$0	$0	$538,000	$0	$0	$0	$0
Claudelands and Stadia	FMG Stadium Waikato - Technology Enablement	This project is to allow for new technology to be available for event attendees that lets them access replays and other information on their mobile devices.	Customers will continue to be limited in what they can do on their mobile devices during events.	**$1,400,000**	$1,000,000	$400,000	$0	$0	$0	$0	$0	$0	$0	$0
Claudelands and Stadia	Claudelands - Plant & Equipment Upgrade	These are the medium priority upgrade works for Claudelands. In the first four years the following projects are included; Staff facilities, barn improvements, additional storage, WiFi, Oval carparking improvements, loading dock canopies and extending the staging.	Only the high priority upgrade works for Claudelands will be undertaken and these medium priority improvements will not be made.	**$3,461,000**	$150,000	$225,000	$150,000	$850,000	$385,000	$450,000	$320,000	$221,000	$510,000	$200,000
Claudelands and Stadia	FMG Stadium Waikato - Plant & Equipment Upgrade	These are the medium priority upgrade works for FMG Waikato Stadium. In the first four years the following projects are included; WEL Stand roof signage, Gate	Only the high priority upgrade works for FMG Stadium Waikato will be undertaken and these medium priority improvements will not be made.	**$2,685,000**	$150,000	$0	$500,000	$185,000	$670,000	$0	$0	$500,000	$680,000	$0
Claudelands and Stadia	Turf Services - Plant & Equipment Upgrade	The purchase of a graden and clay processor machine for managing the turf at FMG Waikato Stadium and	This equipment is not available or needs to be hired.	**$120,000**	$0	$20,000	$100,000	$0	$0	$0	$0	$0	$0	$0
Claudelands and Stadia	FMG Stadium Waikato - All Venues - Turf	The purchase of materials to protect the turf when the turf areas at the venues are used for concerts etc.	Without the turf protection there an increased cost of repairing the turf after some events.	**$60,000**	$0	$0	$30,000	$0	$0	$0	$30,000	$0	$0	$0
Claudelands and Stadia	Seddon Park - Plant & Equipment Upgrade	These are the medium priority upgrade works for Seddon Park which includes the Gate Precincts Revitalisation Project in Y4 and upgrade of the Data Network in Y5.	Only the high priority upgrade works for Seddon Park will be undertaken and these medium priority improvements will not be made.	**$1,100,000**	$0	$0	$0	$350,000	$500,000	$100,000	$0	$0	$0	$150,000
Claudelands and Stadia	FMG Stadium Waikato - Additional Turf	To cater for demand from local sports clubs and increase the utilisation of the FMG Stadium Waikato Precinct it is proposed that artificial turf be laid at Willoughy Park and Fred Jones Park. Existing facilities including car parking, changing rooms, fencing and	There would be no increase in sports field capacity in Hamilton as an artificial turf can be used significantly more than a grass turf.	**$5,000,000**	$0	$0	$0	$200,000	$2,400,000	$2,400,000	$0	$0	$0	$0
Corporate	Health and Safety Strategy	Building a Health and Safety Strategy for Hamilton City Council focusing on safety improvements. As per Richard Briggs 18 July 2017 $500k pa for first two years, with $250k for the following three years. (5 years in total commencing year 1 2018/28 10 Year Plan.	Business Units would be responsible for funding their health and safety initiatives out of current budgets. This may drive an inability to implement health and safety requirements.	**$1,750,000**	$500,000	$500,000	$250,000	$250,000	$250,000	$0	$0	$0	$0	$0
Corporate Buildings	Contractor on Site Control H&S system	Install senors to all council facilities that monitor contractors and staff entry to and exit from these facilities. Giving council the ability to check on staff and contractors who are on site as required by H&S.	Would require a continuation of using a manual sign in and out system to manage contractors	**$250,000**	$0	$250,000	$0	$0	$0	$0	$0	$0	$0	$0

Corporate Buildings	Municipal Building Occupancy Project	Initiate recommendations from the Building Occupancy Study carried out in 2017. Upgrade offices to fully utilise space available and purchase furnishings and equipment to setup all spaces as required.	The Municipal Building will continue to be unable to be fully utilised.	**$3,000,000**	$0	$0	$3,000,000	$0	$0	$0	$0	$0	$0	$0
Hamilton Gardens	Hamilton Gardens Improvement Projects	The construction of a footpath from the newly constructed underpass to the existing Hamilton Gardens footpath. The other improvement is providing additional café space and more functional serving areas to help with managing demand.	Without the footpath the patrons will need to cycle or walk across grass to access the Hamilton Gardens. Without the additional café space the number of customers that can use the café will be limited.	**$170,000**	$115,000	$55,000	$0	$0	$0	$0	$0	$0	$0	$0
Hamilton Zoo	Large Animal Quarantine	Zoo to accommodate a range of species such as antelopes, chimpanzees, tigers, white rhinos and zebra (it may be possible to work with other NZ zoos so that each zoo can have a quarantine suitable for certain	rhinos, etc.	**$650,000**	$0	$650,000	$0	$0	$0	$0	$0	$0	$0	$0
Information Services	Technology Platform Transformation	Technology Platform Transformation	Includes WiFi Mesh for CBD, An aligned Events digital Media platform, meeting room booking technology and Audio visual hardware, ibeacons for Smart City and AI.	**$1,805,000**	$575,000	$115,000	$155,000	$120,000	$155,000	$135,000	$160,000	$115,000	$155,000	$120,000
Information Services	IM Data Services and Record Renewals	IM Data Services and Records Renewals	Includes developing additional functionality in applications (TRIM workflow, managing IM compliance)	**$475,000**	$260,000	$145,000	$0	$0	$35,000	$0	$0	$0	$35,000	$0
Parks	Parks and Open Spaces - Network Signage	Implementation of new signage family across the parks and open spaces network	Failure to convey key messages on parks and user information. Open spaces poorly design and not dinstinctly	**$1,913,000**	$373,000	$326,000	$313,000	$313,000	$263,000	$325,000	$0	$0	$0	$0
Parks	Hamilton Lake Domain Management Plan	Implementation of the Hamilton Lake Domain Management Plan actions including accessibility audit, fitness equipment, signage, a heritage assessment, and pest management.	Failure to deliver Hamilton Lake Domain Management Plan, Failure to meet community expectations	**$564,000**	$208,000	$78,000	$51,000	$59,000	$84,000	$84,000	$0	$0	$0	$0
Parks	Parks and Open Spaces - Information Services	Purchase two data counters to install at POS sites to enable us to monitor usage. These would be temporary	Without accurate data we are unable to report on usage of our assets. Also with out comparison data we are unable to	**$55,000**	$55,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Alternative Weed Control	would reduce the use of herbicides ($30,000 operating expenditure) and trialling a hot steam weed control system around playground areas in our parks ($20,000 capital for purchase of equipment for our City Parks	A lack of understanding of viable alternatives to using herbicides.	**$20,000**	$20,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Safety	Animal Control Building	Additional animal control building in North West Hamilton. Feasibility study and building costs.	Less efficient for Animal Control officers to travel across the city with animals and carry out general operations.	**$420,000**	$0	$20,000	$0	$0	$400,000	$0	$0	$0	$0	$0
Sports Parks	Sports Fields Improvement Programme	Implementation of sports field improvement programme (field drainage and irrigation upgrades) to improve playing surface quality and increase sports field	Sports field quality is substandard and failing to meet the expectations of users	**$10,700,000**	$1,259,000	$1,162,000	$1,058,000	$1,375,000	$776,000	$1,374,000	$776,000	$1,144,000	$1,166,000	$610,000
Transport	Environmental Sustainability Programme	Infrastructure Operations Rating scheme. Over 2018/19 and 2019/20, funding will be required to carry out improvements relating to environmental and social outcomes - areas such as recycling resources;	Poor understanding of our environmental impacts. Unprepared for external regulatory requirements to improve our practices.	**$1,000,000**	$500,000	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
Compliance & Business Improvement - TOTAL				**$37,930,000**	**$5,165,000**	**$4,615,000**	**$5,607,000**	**$3,777,000**	**$6,468,000**	**$5,406,000**	**$1,286,000**	**$1,980,000**	**$2,546,000**	**$1,080,000**
GROWTH														
Parks	Parks and Open Spaces - Rototuna Town Centre Planning	Planning for Rototuna Town Centre Development,	Poor quality Rototuna Town Centre, failure to meet developer and community expectations, failure to deliver outcomes of Rototuna Structure Plan	**$6,000,000**	$0	$0	$0	$0	$0	$0	$0	$0	$6,000,000	$0
Storm Water	Stormwater to facilitate intensification	stormwater program to facilitate intensification - rough estimate assuming growth area every four years, intensification study and ICMP related	Restricts growth timing.	**$3,050,000**	$0	$0	$0	$250,000	$250,000	$250,000	$2,000,000	$50,000	$0	$250,000
Transport	4 laning resolution to hukanui	4 laning resolution to hukanui including bridge strengthening and widening	Restricts growth timing.	**$21,814,000**	$0	$0	$0	$0	$0	$0	$0	$778,000	$1,036,000	$20,000,000
Waste Water	Waste Water Storage - Howell & Morris (Stage 1)	Local pump station storage (Stage 1) at Howell & Morris Pump stations to improve network resilience and reduce storage required at Steele Park. Model predictions to be verified as part of separate project	Restricts growth timing.	**$222,000**	$0	$0	$148,000	$74,000	$0	$0	$0	$0	$0	$0

Waste Water	Western Interceptor - Upper Network	Depends on Peacockes and other trunk upgrades. Project provides for storage upstream of western interceptor, optimise controlled overflows, construct pre-treatment (screening, sedimentation, disinfection) prior to controlled overflow. High level concept requiring development	Restricts growth timing Restricts ability to reduce overflow frequency in catchment	$10,679,000	$0	$0	$0	$0	$0	$462,000	$855,000	$3,685,000	$5,403,000	$274,000
Waste Water	Te Anau / Split Pump Station Upgrade & Diversion	Dependant on Peacockes. Upgrade Fitzroy PS and install new rising main to divert flow from western catchment to Peacockes Transfer System. Relieve capacity constraints on western local network, western interceptor, and maximise use of Peacockes transfer system	Restricts growth timing Public and environmental health risks associated with overflows	$3,868,000	$0	$0	$0	$0	$0	$0	$200,000	$167,000	$2,779,000	$722,000
Waste Water	Fitzroy Pump Station Upgrade and Diversion	Dependant on Peacockes. Upgrade Fitzroy PS and install new rising main to divert flow from western	Restricts growth timing Public and environmental health risks associated with	$2,509,000	$0	$0	$0	$0	$0	$0	$165,000	$165,000	$1,730,000	$449,000
Waste Water	Upgrade/New wastewater in Te Rapa North	Upgrade/Build new wastewater network in Te Rapa North	Restricts growth timing.	$482,000	$0	$0	$0	$0	$0	$0	$49,000	$65,000	$344,000	$24,000
Waste Water	Flynn Pump Station Diversion to Pump Station2 Transfer Main	New RM from Flynn PS to new transfer main from Peacockes PS	Restricts growth timing High Risk Overflow due to receiving environment sensitivity	$1,069,000	$0	$0	$0	$0	$0	$0	$0	$89,000	$935,000	$45,000
Waste Water	Ranfurly Pump Station / Pipe Upgrades	Upgrade 100m of DN300 pipe to remove predicted high risk overflows on receiving pipeline downstream of Ranfurly PS RM.	Restricts growth timing High Risk Overflow due to receiving environment sensitivity	$442,000	$0	$0	$0	$0	$0	$0	$0	$51,000	$34,000	$357,000
Water Supply	Upgrade/build new water mains in Templeview	Upgrade/build new water mains for templeview growth cell	Restricts growth timing.	$50,000	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Water Supply	Upgrade/Build new watermains Te Rapa North	Upgrade/Build new watermains Te Rapa North growth cell	Restricts growth timing.	$2,032,000	$0	$0	$0	$0	$214,000	$286,000	$1,514,000	$18,000	$0	$0
Growth - TOTAL				**$52,217,000**	**$50,000**	**$0**	**$148,000**	**$324,000**	**$464,000**	**$998,000**	**$4,783,000**	**$5,068,000**	**$18,261,000**	**$22,121,000**
TRANSPORT IMPROVEMENT PROGRAMME														
Transport	City Directional Signage Upgrade	Provide high level directional signage information on major arterial road network to primary destinations. Incorporate WEX/Ring Road additions. Provide minor arterial network guidance to secondary destinations.	No improvement to current signage that is in poor condition, haphazard (many significant intersections not signed), inconsistent (destinations start, disappear reappear and then go nowhere), incorporates outdated destinations and no longer aligns with desired traffic patterns..	$800,000	$500,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Frankton Neighbourhood Plan Wayfinding Signs	Install signs to promote gateway entry to Frankton and the Frankton Village.	No gateway signage for Frankton Village and the Frankton Neighbourhood Plan projects are not completed.	$250,000	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Frankton Neighbourhood Plan Frankton Bike Loop	Develop a bike friendly circuit from the Western Rail Trail into Frankton Village that is attractive and includes history storyboards.	No additional bike loop and signage and Frankton Neighbourhood Plan projects are not completed.	$2,200,000	$200,000	$2,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Frankton Neighbourhood Plan Signage Connections	Identify, sign post and enhance the pedestrian routes to connect Frankton	No additional signage for Frankton Village and the Frankton Neighbourhood Plan projects are not completed.	$200,000	$200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Biking Plan Biking Facilities	Installation of Cycle Facilities (eg cycle signage, fix it stations, bike racks/stands, etc) to facilitate increased use.	No benefit realisation such as increased active mode use through provision of convenient facilities, reduced traffic demand on network and health benefits for users.	$1,800,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000
Transport	Central City Transformation Plan Bike Racks	Installation of street bike racks	No additional bike racks provided in the CBD and the CCTP is not fully implemented.	$100,000	$100,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Central City Transformation Plan Shared Zones - Alexandra Street	Create a shared zone in Alexandra Street	Shared zone is not extended and the CCTP is not fully implemented.	$12,500,000	$0	$500,000	$12,000,000	$0	$0	$0	$0	$0	$0	$0
Transport	Central City Transformation Plan Demonstration Laneways Project - Alexandra Street	Install a redesigned laneway in Alexandra Street to increase pedestrian and cycle connectivity	The laneway remains undeveloped and the CCTP is not fully implemented.	$1,560,000	$0	$30,000	$0	$0	$0	$0	$0	$30,000	$1,500,000	$0
Transport	Central City Transformation Plan Reroute Free Bus	Works to revise the route of the central city free bus in conjunction with WRC.	No benefits realisation such as improved pedestrian movement around the central city, connecting shoppers with public transport network and more remote parking.	$30,000	$0	$30,000	$0	$0	$0	$0	$0	$0	$0	$0
Transport	Anglesea/Anzac Public Transport Upgrade	Major upgrade of Anglesea/Anzac intersection to better cater for PT, pedestrians and cyclists and to reduce congestion.	This intersection currently suffers from high levels of congestion and does not cater well for buses, cyclists or pedestrians. The intersection does have a high crash rate, but low severity.	$4,125,000	$0	$25,000	$100,000	$3,500,000	$500,000	$0	$0	$0	$0	$0
Transport	Peacocke Park and Ride	Purchase of land and construction of parking area for Park and Ride interchange for buses.	No benefit realisation such as increased PT use and reduced car use within city, thereby reducing costs of increasing capacity on existing transport network	$10,000,000	$0	$0	$0	$8,000,000	$0	$2,000,000	$0	$0	$0	$0
Transport	Biking Plan Minogue Park Bridge	Provision of a pedestrian/ bike bridge across SH1 and the NIMT railway line providing a safe connection to the future destination playground.	No benefit realisation such as an increase in active mode use through provision of safe access to destinations, reduced traffic demand on network and health benefits for users.	$7,200,000	$0	$0	$0	$0	$0	$0	$0	$200,000	$4,000,000	$3,000,000
Transport	Central City Transformation Plan Laneways Redevelopment Plan	Redevelopment of a plan for the HCC owned laneways in the CBD.	The laneways remains undeveloped and the CCTP is not fully implemented.	$200,000	$0	$0	$0	$0	$0	$0	$0	$0	$200,000	$0
Transport Improvement Programme - TOTAL				**$40,965,000**	**$1,430,000**	**$3,065,000**	**$12,280,000**	**$11,680,000**	**$680,000**	**$2,180,000**	**$180,000**	**$410,000**	**$5,880,000**	**$3,180,000**
COMMUNITY														
Aquatic Facilities	Car Park Extension - Waterworld	Increase in available parking at the facility and a renewal of storm-water main underneath car park	Growth of pools complex surpasses available parking areas	$418,000	$0	$0	$418,000	$0	$0	$0	$0	$0	$0	$0
Cemeteries and Crematorium	Cemeteries - Cemetery Reception Facility and Administration Building	Building of a combined reception and administration block would: offer an on site venue for families and	The current administration facility does not allow for growth and limited in its space. The facilities with in the cemetery	$2,569,000	$0	$0	$80,000	$226,000	$680,000	$1,583,000	$0	$0	$0	$0

Cemeteries and Crematorium	Cemeteries - Hamilton Park Family Facilities	for the use of visitors to the Cemetery and to increase the level of use. Building a shelter to allow customers to gather in wet weather for committal services and other such events.	Customer expectations not being meet and space/usage of cemetery grounds not utilized for passive recreation	**$658,000**	$0	$0	$0	$0	$0	$0	$457,000	$0	$0	$201,000
Economnic Growth & City Planning	VOTR - Mayoral Update			**$7,500,000**	$3,500,000	$0	$0	$0	$0	$0	$4,000,000	$0	$0	$0
Hamilton Zoo	Zoo - Savannah Exhibit, Waterhole Camp & New Entrance Precinct	Complete Savannah exhibit improvements and Waterhole Camp (glamping) and complete Zoo/Waiwhakareke entrance precinct.		**$11,553,000**	$0	$570,000	$1,905,000	$2,161,000	$1,743,000	$450,000	$2,362,000	$2,362,000	$0	$0
Hamilton Zoo	Zoo & Waiwhakareke Entrance Precinct	Replacement and upgrade of Zoo entrance facility, including café and shop, and shared car park and destination arrival theming with Waiwhakareke Natural Heritage Park	Waiwhakareke NHP is reliant on this project in order to be opened for public use and current facilities restricts potential patronage and revenue growth for the Zoo, e.g. insufficient car parks for busy days, insufficient retail area in shop.	**$5,174,000**	$0	$0	$450,000	$2,362,000	$2,362,000	$0	$0	$0	$0	$0
Libraries	Libraries- Heritage Technology Suite	Provision of a suite of technologies to support the delivery of the Heritage service	Not achieving Libraries Strategic outcomes around heritage and technology. Increased impacts on physical collections , space and storage within the Libraries	**$48,000**	$48,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Libraries	Libraries- Technology for programme delivery	libraries, to provide access the children's electronic collections, resources etc and the provision of devices for staff and public use during the delivery of	Not achieving the desired strategic outcomes around digital literacy and technology.	**$20,500**	$20,500	$0	$0	$0	$0	$0	$0	$0	$0	$0
Libraries	Libraries- Installation of WIFI furniture - all community libraries	Installation of fit for purpose furniture for technology use at all sites	Not achieving strategic outcomes around digital literacy and technology. Customer dissatisfaction with library spaces	**$48,000**	$15,000	$9,500	$14,000	$9,500	$0	$0	$0	$0	$0	$0
Libraries	Libraries- Central Library makerspace	Creation of a maker space within the Central Library that has a suite of technology to support community engagement in, and the development of, digital literacy and STEAM skills. Also supports HCC smart city goals.	Not achieving Libraries Strategic Plan outcomes around digital literacy and technology.	**$60,000**	$0	$60,000	$0	$0	$0	$0	$0	$0	$0	$0
Libraries	Libraries - Upgrade to Central Library Interior	Upgrades to improve functionality of Central Library including safety, community hub and engagement with Garden Place	Council will not achieve the desired outcomes from the Libraries Strategic and Facilities Plans. Issues relating to the safety of staff and customers remain.	**$1,720,000**	$0	$0	$160,000	$1,560,000	$0	$0	$0	$0	$0	$0
Libraries	Libraries- Mobile makerspace	The creation of a mobile maker space which will be used by staff in programme delivery to support the development of digital literacy and STEAM skills.	Not achieving the desired strategic outcomes around digital literacy and technology.	**$51,000**	$0	$0	$15,000	$21,000	$15,000	$0	$0	$0	$0	$0
Libraries	Libraries- Hillcrest Library Innovation Hub	Expansion of Hillcrest Library into the adjacent shops and the transition into a community hub with a technology and innovation space	Not achieving strategic outcomes around integrated community hubs and the provision of a modern library service	**$1,099,000**	$0	$0	$0	$0	$355,000	$744,000	$0	$0	$0	$0
Libraries	Book Bus	Book bus service to address growth in the short term and improve flexibility of service provision and outreach.	Inability to provide library services to areas of growth	**$350,000**	$0	$0	$0	$0	$350,000	$0	$0	$0	$0	$0
Libraries	Libraries- Chartwell Garden Library	Creation of Chartwell Library Reading Garden in unused Library courtyard	Council would not achieve the desired outcomes from the Libraries Strategic and Facilities Plans	**$70,000**	$0	$0	$0	$0	$70,000	$0	$0	$0	$0	$0
Museum	Museum River Entrance	Opening up entrance from River	Continued lack of connection to Waikato River	**$3,300,000**	$300,000	$3,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Museum	Climbing Frame - Museum	The construction of a climbing frame which is exploratory linking the upper and lower floor of the Museum	No climbing wall available that links the upper and lower floors of the Museum	**$300,000**	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Museum	Waikato Te Awa - Museum	Construction of exhibits and modification to the Museum building to make the river the key focal point of the Waikato Museum visitor experience.	The Museum link to the river and cultural stories is not able to be delivered.	**$5,200,000**	$200,000	$5,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Museum	Museum Facade	Update Museum entrance starting from Tongue of the Dog to front doors as part of the Museum experience of Waikato Te Awa	Continued poor visibility and connection to Victoria Street could negatively impact visitors to the Museum	**$2,000,000**	$0	$0	$500,000	$1,500,000	$0	$0	$0	$0	$0	$0

Parks	River Plan	Delivery of the River Plan key projects, including Ferrybank Development Plan	Failure to deliver The River Plan and failure to meet community expectations	**$12,500,000**	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000
Parks	Waiwhakareke Natural Heritage Park Development	The development of Waiwhakareke natural heritage park to enable to the public to enjoy it. Stage one would be to open basic loop track and Stage two would link in with Zoo 10 Year Plan projects starting in year 4.	This natural heritage area would continue to be closed to the public and we have residents asking why it is not open.	**$6,756,000**	$704,000	$106,000	$137,000	$917,000	$2,067,000	$795,000	$495,000	$555,000	$490,000	$490,000
Parks	Gully Development Plan	Development of six gully areas (A.J Seeley, Kirikiriroa, Waitawhiriwhiri, Manganoa) in accordance with the Gully Management Plan and the development of a restoration plan	Our gully systems are currently not maintained or developed for public assess. without development they would remain under used by residents.	**$8,735,000**	$438,000	$0	$1,268,000	$1,144,000	$1,150,000	$1,232,000	$1,167,000	$188,000	$1,074,000	$1,074,000
Parks	Beale Cottage Heritage Garden Refurbishment	Develop Beale Cottage Heritage Garden Design and upgrade landscape specifications and maintenance recommendations	Public view that the garden is not receiving the attention a historic site warrants	**$188,000**	$188,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parks	Taitua Arboretum Development	Implementation of the Taitua Development Plan which includes new toilets, upgrades to carparking, signage	Failure to implement Taitua Development Plan, failure to meet community expectations	**$2,313,000**	$181,000	$429,000	$374,000	$644,000	$185,000	$0	$250,000	$0	$250,000	$0
Parks	Pooches in Parks - Bins Only	Changed to Bins Only. Capital items and subsequent opex required to implement the Pooches in Parks Plan approved by	Inability to enforce bylaw, lack of clarity	**$22,000**	$14,000	$2,000	$6,000	$0	$0	$0	$0	$0	$0	$0
Parks	Neighourhood Park Development	installation of park furniture to ensure parks stay fit for purpose as set out in the Neighbourhood and Amenity Parks Plan	Resident dissatisfaction with the neigbourhood parks.	**$375,000**	$0	$225,000	$75,000	$75,000	$0	$0	$0	$0	$0	$0
Safety	Ferrybank - Bridge	A pedestrian and cycle bridge	There would be less cameras avaialble to monitor safety and unable to meet outcomes in central city safety plan	**$20,000,000**	$1,000,000	$10,000,000	$9,000,000	$0	$0	$0	$0	$0	$0	$0
Sports Parks	Central City Skate Space Development	The development of a central city skate space to address a gap in LOS and a resident satisfaction issue.	Community expectations not meet - regular feedback received unhappy with current skate provision. Failure to deliver on strategic plans.	**$1,600,000**	$0	$100,000	$1,500,000	$0	$0	$0	$0	$0	$0	$0
Sports Parks	Rototuna Sports Park - Artificial Turf	Artificial turf for Rototuna Sports Park	Shortfall of sports fields not met by 2021 as identified in Momentum Research report	**$2,999,000**	$0	$0	$0	$138,000	$2,861,000	$0	$0	$0	$0	$0
Community - TOTAL				**$97,626,500**	**$8,158,500**	**$20,751,500**	**$17,152,000**	**$12,007,500**	**$13,088,000**	**$6,054,000**	**$9,981,000**	**$4,355,000**	**$3,064,000**	**$3,015,000**

SECTION 3a: ATTACHMENT 1

Capital Renewal Programme

PROPOSAL

Proposal

1. This proposal is for a capital renewals programme to ensure there is the ability to replace existing assets when they get to the end of their useful life.

Recommendations

That the Council approve funding provision in the draft 2018-28 10-Year Plan of $495.035m capital expenditure for Renewals.

Executive Summary

2. Asset management practice has been improving over the last few years. This is producing more accurate renewal forecasts.

3. The initial renewal forecasts for the 10-Year Plan were presented to Council at a briefing on 8 September 2017.

4. Since this presentation the initial forecasts have been optimised to produce a programme that is deliverable within an average of $50m per annum of the 10-Year Plan. Some of the initial renewal forecasts were trimmed, while others were re-phased to limit spikes in financial requirements and to ensure delivery of renewals can be achieved. The programme presented in this proposal is considered by management an appropriate programme.

5. Staff propose the delivery of the renewal programme can be further optimised and should be managed at a whole of Council level. A pooled approach for renewals could create increased resilience to deal with unforeseen issues that may arise. An approach for the management and reporting of the whole of Council renewal portfolio will be brought to Council for consideration before adoption of the Final 10-Year Plan.

Background

6. Asset management has been an organisational focus for improvement. The establishment of the Asset Management Centre of Excellence in 2015 is increasing the knowledge of assets and capability in asset management practice across the organisation.

7. Asset Management Plans (AMPs) have been prepared for the Council activities that have significant asset requirements. AMPs have been reviewed internally and by independent external reviewers.

8. In February 2017, a 'State of Assets' report was provided to the then newly-elected Council through the Finance Committee. This report outlined issues that had been identified and were being considered as part of the asset planning that was taking place for the 10-Year Plan

9. **10-Year Plan process to date**

10. At the briefing on 8 September 2017, Council received an overview of how the initial renewal forecasts had been prepared and information on the major differences between the 2015-25 10-Year Plan renewals and the proposed programme for the 2018-28 10-Year Plan.

11. The briefing was based on the initial renewal forecasts developed from the extensive bottom-up planning and budgeting process that is captured in the Asset Management Plans.

12. The initial renewal forecasts presented at the 8 September briefing were different for each year and ranged from just over $60m in 2018/19 to less than $45m in 2026/27. This is because individual assets are programmed for renewal based on their individual performance and condition and without reference to other forecast renewal requirements in that year.

13. To aid in limiting spikes in financial requirements and to ensure delivery of renewals can be achieved, it was noted that the programme would be 'smoothed' over the 10 years to an average of $50m per annum. Any risks and implications of this smoothing would be reported to Council as part of the consideration of the Draft 10-Year Plan budget. This report provides that information.

14. **Looking after what we've got**

15. Council has previously noted in various planning documents that it places a priority on looking after its existing assets. A lot of attention has been put on understanding what the reasonable requirements are for asset renewals over the coming years. There are primarily two budget allocations for each asset to ensure they are in an adequate condition to deliver the services required:

    - Maintenance – spending on assets to make sure they remain operational and able to provide service over their full useful (or design) life. Maintenance can be both planned/proactive (e.g. programmed exercising of valves in a pipe network) and unplanned/reactive (e.g. work to fix a water pipe leak). Maintenance is an operating expense.

    - Renewal – the full replacement of an asset/component that has reached the end of its useful life. Renewal is a capital expense.

16. There is a relationship between maintenance and renewal budget requirements. If there is not enough or inappropriate maintenance performed on assets then the asset is unlikely to reach the end of its planned useful life and a renewal may be required ahead of when forecasted.

17. There are also some increases to maintenance budgets for assets recommended as part of the Draft 10-Year Plan budget.

18. **When to renew?**

19. Determining the optimal time that assets should be renewed is complex. Some assets are visible and can be observed daily by staff and or contractors. Other assets may be underground it may be difficult to forecast when they may fail. Council can limit unplanned failure of assets by renewing assets earlier, but for many assets this is not necessary or prudent. Renewing some assets after they fail can be very expensive and is not regarded as good practice in many cases, as an unplanned failure may have a significant impact on the end user.

20. A more appropriate approach is to understand which assets are the most critical for the delivery of the service or pose the greatest risk through an unplanned failure and having specific renewal strategies for these assets. Staff have prepared the renewal forecasts with critical assets in mind.

21. Despite best efforts and appropriate forecasting, there are times when assets fail that are not planned for renewal fail. In these cases, there may be a need to reprioritise renewals to address this unplanned need for replacement. This is expected over a large portfolio of assets and therefore managing the renewal budgets on a pooled approach over 3 years is proposed to assist in managing unanticipated failures.

22. Staff are assessing options for more efficient and responsive management models to help deal with these circumstances. A portfolio approach to renewals across the organisation is being proposed and staff will report to Council as part of the 10-Year Plan on how a portfolio approach could be used for the more effective optimisation, delivery and reporting of the renewal programme.

23. **Forecast confidence**

24. In general, the confidence of the renewal forecasts are higher for earlier years than later years in the 10-Year Plan and beyond. This is consistent with the requirement in the Local Government Act that the financial forecasts in the 10-Year Plan are:

- *In detail* – for years 1-3.
- *In outline* – for years 4-10.
- *An indicative estimate* – for years 11 and beyond (in relation to the 30-Year Infrastructure Strategy).

25. The requirement for asset renewals has been based on condition assessments. Depending on the nature of the assets these assessments have been undertaken by either staff, maintenance contractors or specialised consultants.

26. Where it is not possible or feasible to undertake visual assessment, condition information is modelled from asset data such as age and material of asset and maintenance history. Where relevant, industry and research information is used to inform assumptions made of the useful lives of assets. For example, over recent years there has been new information from the wider New Zealand sector on the performance of a particular type of PVC pipe installed a number of decades ago. These pipes in other areas are requiring replacement earlier than originally planned. This information has been used by our asset managers to amend our assumptions on the likely useful lives of similar assets in Hamilton.

27. Council also routinely undertakes re-valuations on its various asset classes. While in many cases this is reported as a financial effect on asset values and depreciation costs, these financial effects are simply a result of an assessment of an asset's remaining useful life and cost to replace.

28. The revaluation exercise provides a structured approach to the review of key asset assumptions that are used for the preparation of asset forecasts. It also provides a check on asset information that is used for formal financial reporting to accounting standards.

29. Data on individual assets that is used to prepare renewal forecasts is also updated as maintenance activities are performed on assets. For example, if an asset has a maintenance activity performed on it, data is captured against the asset to assist in planning for when a renewal may be required. This relies on having assets captured in Council's asset management information system at an appropriate level of detail, using the appropriate information tools, processes and training. While improvements have been made on this over recent years, more investment is planned and required to improve this system across the organisation.

Drivers for cost increases

30. There are three overall drivers that have impacted the renewal forecasts as a whole. These are consistent with other themes discussed in the material prepared for the consideration of the Draft 10-Year Plan budget.

31. **Asset information improvements**

32. As more focus is being placed on asset management within the organisation, the asset data that is being used for forecasting is improving. In some cases, this means assets or components of assets not previously included in asset registers are being added. This has meant that there are more assets we are planning renewals and maintenance for.

33. As greater understanding of assets is achieved, there are also more nuanced renewal strategies developed for different assets, e.g. critical assets. In some cases, this has increased what would be considered a reasonable requirement for the renewal of the asset.

34. The increasing maturity of Council's asset information and management strategies means the renewal forecasts are becoming more complete and robust.

35. **Constraints from the existing Financial Strategy**

36. Over recent years the organisation has been in a period of operating with a financial strategy that has limited the available funding for operating activities and capital investment.

37. The effect of this strategy for Council's assets is that the renewal programmes have been prepared with clear limits for expenditure. For some activities, renewals have been deferred that under other circumstances may have been carried out.

38. While a reduction in spending on assets (both maintenance or renewal) is a legitimate strategy for a short period of time to help deal with financial constraints, it is often not able to be sustained for the long-term as asset condition and performance drops.

39. **Cost increases**

40. The costs associated with renewing Council assets have increased significantly since 2015.

41. As part of the renewal forecasting process, staff review the base costs for the renewal of assets. These base rate changes are informed by the latest contracts that Council has entered into and industry knowledge and advice.

42. Council has revalued all its major asset classes over the recent years:
    - 3 Waters assets.
    - Transport assets.
    - Parks assets.
    - Building assets.

43. Revaluations are a high level indication of the replacement cost of assets. A basic analysis of recent revaluations has been done in order to understand the additional costs associated with higher asset values. Through the major revaluations in the last three years, the value of the assets assessed increased by around 15 percent which led to a $6.7m per annum increase to depreciation. These increases were higher than what was estimated in the 2015-25 10-Year Plan for increases in the value of Council assets. While the subsequent increase in depreciation is not necessarily a direct comparison to forecast renewal requirements, it provides evidence of a significant increase in the likely cost of looking after and replacing existing Council assets.

Notable changes for specific activities

44. In developing the initial forecasts, there are four areas where there has been a notable change from the forecasted renewal requirements in the 2015-25 10-Year Plan. These areas are:
    - Parks and open spaces renewals.
    - Water reticulation renewals.
    - Footpath renewals.
    - Streetlight renewals.

45. **Parks and open spaces renewals**

46. The condition of the parks and open space assets as a whole network have been deteriorating.

47. The asset condition work undertaken for the 2018-28 10-Year Plan and modelling indicates that there is around $12m of park assets that ideally would have been replaced by now. This has not been achievable with the current funding allocated for this purpose. The effect of these deferred renewals is that some park assets have remained in a state of being broken or in a very poor state and have not be renewed. This impacts the customer experience of the park/open space.

48. In addition to having an existing list of assets that haven't already been replaced, if the current level of funding was to continue for the next 10-Year Plan then the list would continue to grow. In effect, this would mean that the park asset base would not be held at the current condition and would continue to deteriorate.

49. A need for increased maintenance expenditure for some parks functions has also been discussed with elected members through the development of this Draft 10-Year Plan.

50. **Water reticulation renewals**

51. 'Water reticulation' includes water supply pipes, values, hydrants, etc.

52. Asset management improvements have meant that these forecasts have been developed with more detailed analysis.

53. There has been new knowledge gained on the performance of some pipe types and this has resulted in the reduction of the expected useful lives of some assets. Other parts of New Zealand have seen an increased failure of some of these assets at certain ages. The initial renewal forecasts were prepared taking into consideration this information and planning for the earlier renewal of these assets.

54. Over recent years there have also been a number of highly publicised failures in water supplies across New Zealand. Given the critical nature of the service water assets provide, there is a lower tolerance for their failure. This has informed the renewal planning and forecasts for water supply.

55. The initial renewal forecast indicated approximately a $20m increase over the 2018-28 10-Year Plan for renewal of water reticulation assets.

56. **Footpath renewals**

57. The overall condition of the footpath network is deteriorating over time with the current renewal funding level.

58. There will be more footpaths with cracks, breaks and trip hazards if renewal investments are not increased from current levels. This will lead to less attractive streetscapes and increased risk of injury. Maintenance costs will increase to manage footpath hazards.

59. The footpath renewals forecasts include an increase from approximately $2m per year to $4.5m per year for the first six years of the 2018-28 10-Year Plan to improve the footpath network condition.

60. **Streetlight renewals**

61. Council recently approved undertaking increased streetlighting renewals in 2017/18 to take advantage of an increased Financial Assistance Rate (FAR) from NZTA for replacement of streetlight luminaires with LED technology.

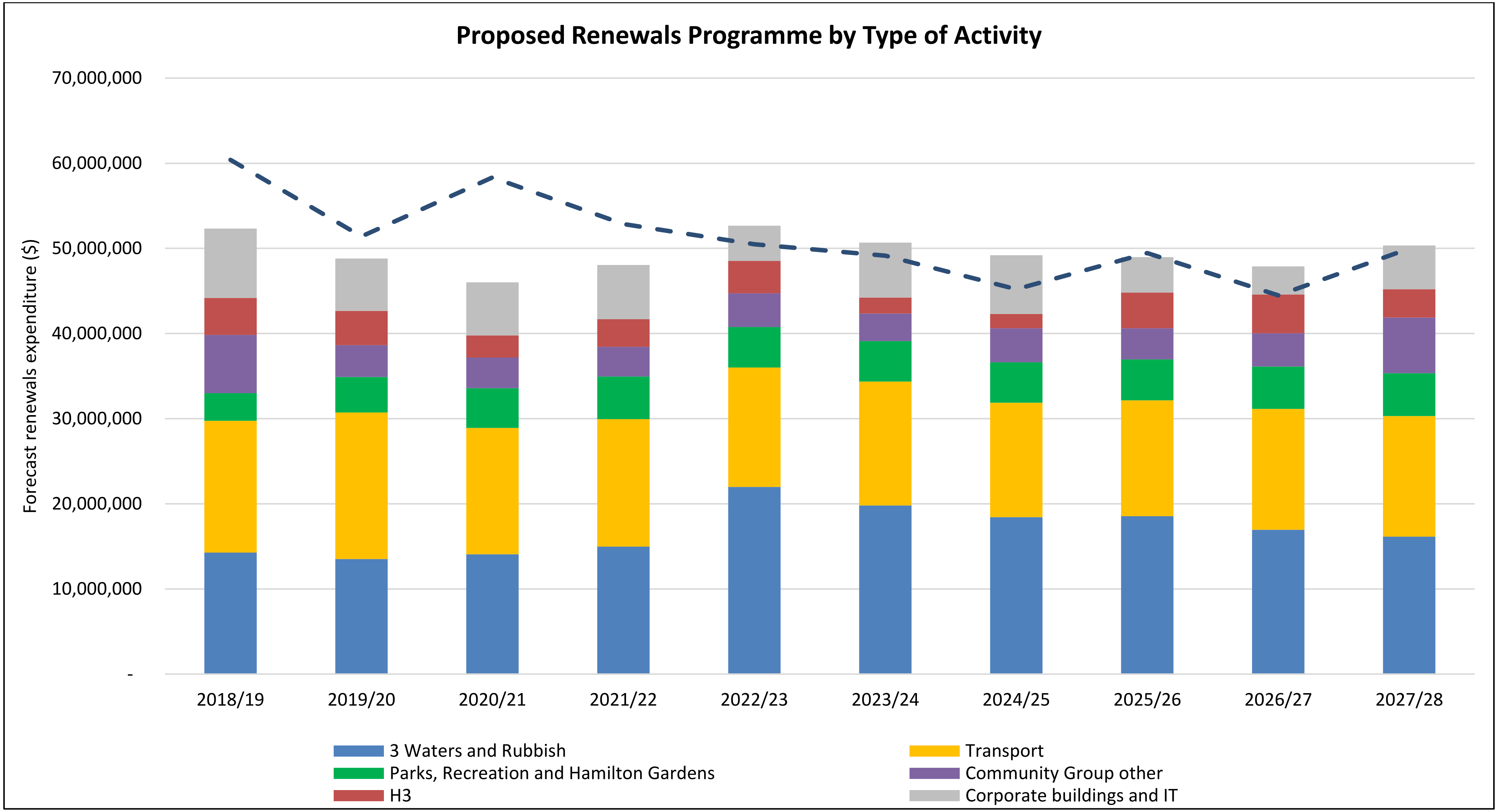
62. LED lighting is now the industry standard and delivers significant energy and maintenance savings.

63. The forecasted renewals include an increase to streetlighting renewals to take advantage of the increased FAR opportunity over the next one to two years and complete LED luminaire replacements over the first six years of the 2018-28 10-Year Plan.

64. Over the 2018-28 10-Year Plan period the forecasted programme is $3.5m more than that approved in the 2015-25 10-Year Plan. This would allow the renewal of the majority of the city's lighting to LED, with significant projected operational savings.

The smoothed forecast

65. Following the 8 September 2017 briefing, the 10 year renewal forecasts were analysed, smoothed and trimmed to ensure that the proposed renewals were more closely matched to a portfolio value of approximately $50m gross expenditure each year (uninflated).


Proposed Renewals Programme by Type of Activity
Forecast renewals expenditure ($)
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28
3 Waters and Rubbish
Transport
Parks, Recreation and Hamilton Gardens
Community Group other
H3
Corporate buildings and IT

66. The graph on the preceding page shows the effect of the smoothing of the initial forecasts and achieves a renewal programme that can be delivered for $50m average per annum (uninflated)

67. To achieve this programme the following adjustments of note were made. Some of these adjustments come with an increase in risk or impact on service. Staff advise that the impacts on service or risk are considered appropriate for Council to accept.

Change made to initial renewal programme	Description and impact on risk or service
Removing provision for potential major IT system replacements beyond year 3.	• Provision has been removed for major IT system replacements beyond year 3. The initial forecast included significant provisions anticipating that there may be major IT system changes. These reviews were timed to be after 10 years for each major system. • However, the provisions were removed as they are highly uncertain and the new approach is to forecast these more accurately each 10-Year Plan for the first 3 years. • Risk is considered low as there was high uncertainty with the initial renewal forecast.
Step increase to Parks and Open Spaces renewals and reduction from initial forecast.	• The initial renewals forecast suggested a 10-year renewal programme totalling $47.4m to address deferred renewals and arrest deterioration of asset condition. This forecast has been smoothed over the 10-year period as well as trimmed (to an uninflated total of $43m over 10 years). • This is regarded as appropriate as it will allow for a stepped increase in renewal funding over the next 3 years to help ensure the programme is deliverable. • Existing parks assets that are in poor condition will be able to be replaced with this level of funding for the renewal programme.
Timing of water supply and wastewater renewal increases.	• To reduce the renewal funding requirements in the early years of the 10-Year Plan, the water and wastewater renewal budgets are being maintained at levels similar to those in 2017/18. • Initial forecasts indicated that additional funding may be required to address the need for increased asset renewals due to updated modelling. However, it is proposed that the performance of these assets is monitored over the next few years rather than increasing renewals at this point. If asset performance shows a deterioration over this time then the level of renewal funding in years 1-3 may need to be revisited. • To minimise any risk with this approach the increased renewal funding is retained in the 10-Year Plan programme but budgeted in years 4-10. This will help to ensure that long-term provision is still made for this work but that the timing of this work is optimised based on asset performance.
Timing changes for some corporate building and fleet renewals.	• Some lower priority renewals forecasted for the Municipal Building and Council fleet have been timed differently to help smooth the overall programme requirements. • These changes are considered to be low risk and will result in renewals occurring later than originally planned.

Change made to initial renewal programme	Description and impact on risk or service
	• Some older vehicles in the fleet will not be able to be replaced as quickly as first planned.

68. All of the changes proposed above are considered to be appropriate and are recommended by staff as part of the approval of the renewals provision for the Draft 2018-28 10-Year Plan.

SECTION 3a: ATTACHMENT 2

Compliance and Business Improvement Capital Programme

PROPOSAL

Proposal

1. This proposal is for a Compliance and Business Improvement capital programme to ensure there is provision made for priority capital that is required for the safe, compliant and continued delivery of services.

Recommendations

That the Council approve funding provision in the draft 2018-28 10-Year Plan of $78.790m capital expenditure for Compliance and Business Improvement and $9.29m capital expenditure for community infrastructure not subject to a proposal.

Executive Summary

2. Compliance and Business Improvement capital is required in addition to renewals to ensure that services continue to be delivered safely and in a compliant way and capital investments are made in key business improvements. This proposal relates to the Compliance and Business Improvement capital category.

3. Identifying these types of capital requirements over the long term is difficult as it requires accurate forecasting of changes to compliance requirements and what operational and service issues may arise that will require a capital response.

4. Planning for this type of expenditure for the Draft 10-Year Plan has been based on the updating of Asset Management Plans and through direction gained from Council on specific projects and priorities.

5. Staff have developed the list of capital projects and prioritised those projects based on addressing the highest levels of risk. Having reviewed the full list of projects, the projects that have been selected given other budget pressures and considerations.

Draft Base Compliance and Business Improvement capital programme

6. The Compliance and Business Improvement capital category of projects are those that:

- Do not meet the criteria for a renewal.
- Are not related to growth.
- Do not meet the definition for level of service improvement projects included in the Community Infrastructure or Transport Improvement capital categories.

7. Criteria for funded projects / programmes

8. In total, approximately $45m of possible projects over the first three years were identified as Compliance and Business Improvement capital Programme requirements. Many of these projects are regarded as critical for ongoing service delivery and are therefore similar in priority to renewal expenditure. However, they do not meet the definition of a renewal as they relate to the creation of new assets rather than the replacement of existing ones.

9. The highest priority projects were those that provided for:

- Health and safety of staff or public.
- Compliance with mandatory standards, agreements or consents.
- Compliance with seismic standards (either legislation or Council's internal policy).
- Addressing some known gaps with current service levels.

10. The nature of this expenditure is that it is often hard to identify beyond a couple of years. It is often capital expenditure that is required to react to or comply with a new requirement or issue that has arisen. As a result, the preferred timeframe for much of this capital is in the early years of the 10-Year Plan period. The graph on the following page shows the profile of the current draft Compliance and Business Improvement capital programme and budget.

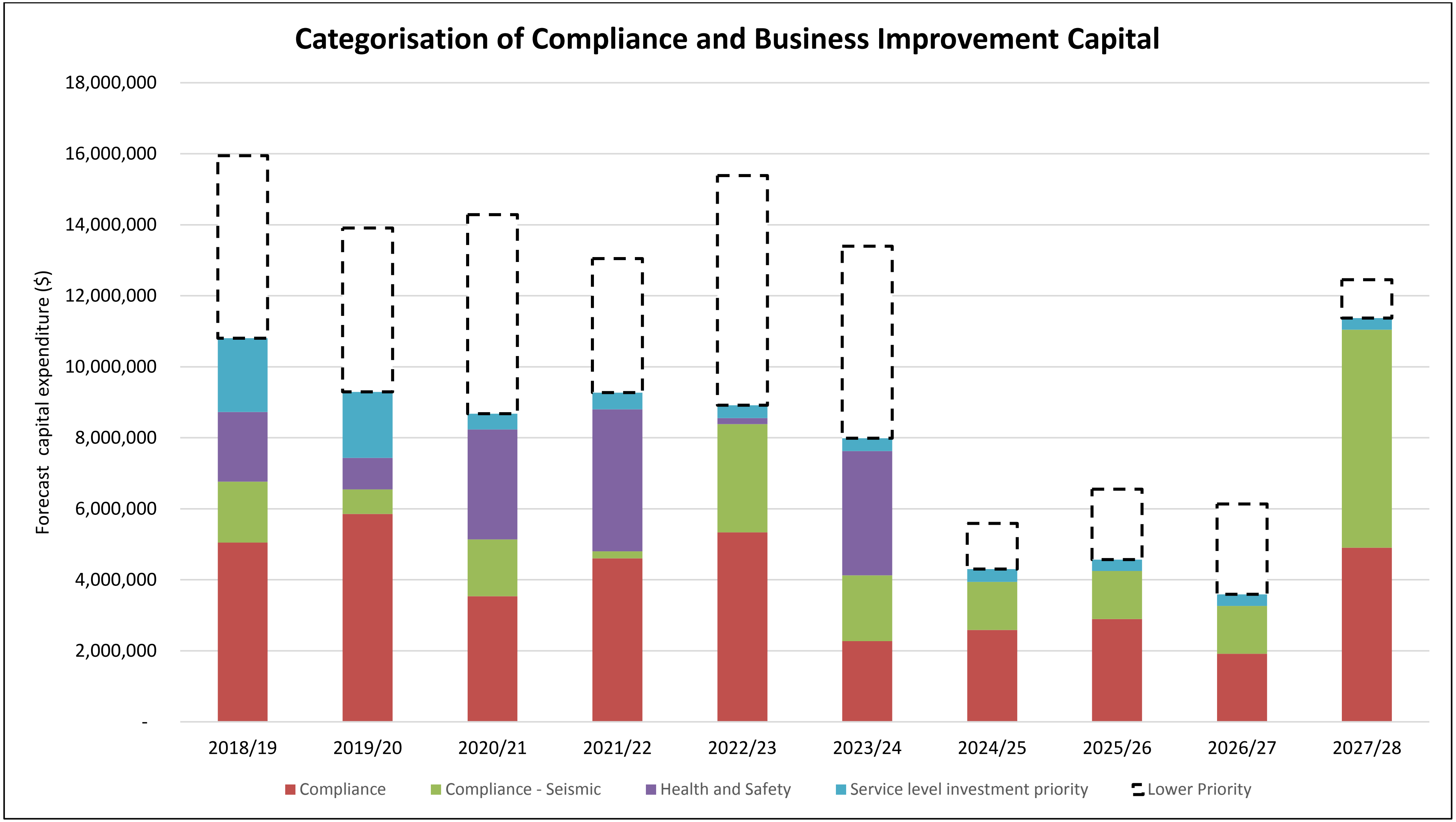
11. Section 3 Attachments 1 and 2 contain a list on Compliance and Business Improvement Capital projects that are funded and not funded in the proposed draft 2018-28 10-Year Plan budget. Lower priority projects from the graph on the next page are unfunded in these schedules,

12. The implications of not funding specific projects is noted in Section 3: Attachment 2 in the unfunded schedule.

13. Staff have developed a full list and recommended those that have the highest priority. The expenditure amount shown as 'lower priority' is broadly made up of two types of projects:

- Improvements to business tools, technology and 'back of house' type investments.
- Improvements that would directly enhance services provided to users / community.

14. The expenditure shown as coloured boxes in the graph is regarded as the highest priority of the Compliance and Business Improvement capital programme. The projects have been grouped into themes and a schedule of these projects is provided below for information.


Categorisation of Compliance and Business Improvement Capital
Forecast capital expenditure ($)
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
2024/25
2025/26
2026/27
2027/28
Compliance
Compliance - Seismic
Health and Safety
Service level investment priority
Lower Priority

SECTION 3b: ATTACHMENT 1

Growth Programme

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Position:	Consultant Planner	**Position:**	Director Special Projects

Purpose

1. To analyse potential growth scenarios for the 2018-2028 10-Year Plan;
2. To understand the benefits of the Housing Infrastructure Loan (HIF);
3. To seek a decision from Council as to a preferred growth scenario on which to prepare the 2018-2028 10-Year Plan and the 2018-2048 30-year infrastructure strategy;
4. To outline the need for a proactive approach to growth management.

Recommendation

That the Council:

a) approves the Peacocke Scenario 4 as the preferred growth scenario and the basis for preparing the draft 2018-28 10-Year Plan and 2018-2048 30-Year Infrastructure Strategy;

b) approves capital expenditure of $813.3m over the 10 year period of the draft 2018-28 10-Year Plan (including inflation and net of subsidies) for provision of growth infrastructure;

c) notes that consequential operating expenditure to deliver the Peacocke Scenario 4 has been provided for in the draft 2018-28 10-Year Plan; and

d) notes that work will continue with Central Government on alternative financial interventions to fund strategic growth infrastructure in addition to the Housing Infrastructure Fund.

Executive Summary

5. To meet projected growth demands, the city must fund strategic infrastructure for another greenfield growth cell within the 10-year plan timeframe. Currently both Peacocke (Stage 2) and Rotokauri (Stage 1) are zoned for residential development but significant infrastructure investment is required to enable development. Council has a role, as set out in the Local Government Act, to provide strategic infrastructure and cannot rely on the development community to provide growth infrastructure to the level required. This presents a significant challenge for Council, one that is not unique to Hamilton – other growth councils such as Auckland, Waikato, Waipa, Tauranga and Queenstown all face similar challenges.

6. To model how Council could plan to meet projected growth demands, six scenarios were created. Every scenario provides for:

    - **City-wide infrastructure projects** – those projects which are required regardless of which growth scenario is chosen to support both greenfield and infill growth and meet increasing compliance standards.

    - **Contractually-committed developments** – infrastructure we must provide because we have already committed to do so e.g. via a Private Developer Agreement.

- **Completing existing greenfield areas** e.g. Rototuna.

7. Each of the scenarios then examines options around new greenfield growth cells being Peacocke or Rotokauri.

8. The six scenarios are summarised in the table below:

Number	Scenario	Description	Total Capex over 10 years (net of subsidies) *
0	Status Quo (HUGS deferred)	A financially-constrained growth scenario, in which the existing greenfield growth cells of Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue but no new greenfield cell is enabled with strategic infrastructure within the 10-year plan timeframe. PDA commitments continue.	$612m
1	Peacocke Full	Accelerate Peacocke Growth Cell first, by doing all lead infrastructure, and delay other new growth cells (incorporates the HIF bid for the Peacocke cell). Existing greenfield growth cells of Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue. PDA commitments continue.	$959m
2	HUGS Status Quo (Peacocke Slow)	Rotokauri Growth Cell (Stage One) first ahead of Peacocke Stage Two taking a 'just in time' approach with partial lead infrastructure for Peacocke. Existing greenfield growth cells of Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue. PDA commitments continue.	$958m
3	HUGS Accelerated Rotokauri 1 and 2 (Peacocke Delayed)	Accelerated Rotokauri Stages One and Two with Peacocke delayed. Existing greenfield growth cells of Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue. PDA commitments continue.	$854m
4	Peacocke	Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue More limited release of land in Peacocke Stage 2 in the 10 year period. Incorporates HIF bid for Peacocke cell. Other new greenfield growth cells deferred outside of the 10 year period Assumes that some private developments will occur – degree of reliance on this. PDA commitments continue. Rotokauri Stage 1 - industrial and limited residential (PDA committed) in Stage 1. Further works are deferred outside the 10 year period except for some provision to begin the stormwater swale in years 6-10.	$813m
5	Rotokauri	Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue Rotokauri Stage 1 in the 10 year period Other new greenfield growth cells deferred outside of the 10 year period Assumes that some private developments will occur – degree of reliance on this. PDA commitments continue. Limited works to open Peacocke Stage 2 – upsize provision for limited release of residential land, lead infrastructure such as land procurement and design for bridge and arterial networks to begin from year 6.	$734m

* Note: financial information includes inflation

9. The financially-constrained growth scenario known as Status Quo (HUGS deferred) – Scenario 0 in which the existing greenfield growth cells continue but no new greenfield cell is enabled with strategic infrastructure within the 10-year plan timeframe, was modelled. This scenario shows that infrastructure enabled land supply would not meet the projected growth demands. Such an approach to growth is not recommended. It would not enable housing and business land development, which would erode our competitive and comparative advantage as a city in terms of relatively affordable and available land. Growth in greenfield areas would be lead by developers (not Council) in an ad hoc and fragmented manner. Fragmented growth would lead to inefficiencies in infrastructure provision, potential duplication of infrastructure and retrofitting by council. This is a costlier approach to growth.

10. Growth is occurring and proactively managing growth is a more effective and efficient approach than just allowing it to happen to us. Council is faced with the next step change in investment to open another greenfield growth cell within the early years of the 10-year plan timeframe. As such, the Status Quo (HUGS deferred – Scenario 0) approach to growth **is not recommended**.

11. Three initial growth scenarios – Scenarios 1, 2 and 3 - were modelled to show how Council could meet projected growth demands. Council was briefed on the modelled scenarios on 29 September 2017, and a presentation containing detailed information (updated to December 2017) is in Attachment 2 to this report. All growth scenarios are located within the City boundaries. There are significant areas of zoned land within the city, sufficient for at least the 30-year period. There are no easy or inexpensive opportunities for growth in areas outside the City. The focus is on providing infrastructure to areas within the City first, in alignment with Council's urban growth strategy and the Future Proof Sub-Regional Growth Strategy.

12. Based on the modelling, all of the three initial scenarios are beyond Council's ability to fund within existing financial parameters. Council staff therefore created two new scenarios based on the original scenarios. These scenarios – known as Peacocke (Scenario 4) and Rotokauri (Scenario 5) - defer key capital projects from the original scenarios, delay projects (e.g. rural road urbanisation) and assume higher levels of developer-provided infrastructure (through mechanisms such as private developer agreements) to create more affordable options for Council over the first 10 years.

13. All of the identified growth funding scenarios contain a substantial infrastructure investment commitment, however the cost of the new Peacocke Scenario 4 and Rotokauri Scenario 5 scenarios are noticeably lower than the three original scenarios. Both of these scenarios represent a viable growth scenario for Council for the 10 year period. The capex spend profile of Peacocke Scenario 4 is larger and earlier than in Rotokauri Scenario 5 but the interest free loan available through the Housing Infrastructure Fund (HIF) bid and the significant subsidy available from the New Zealand Transport Agency (NZTA) would mitigate the costs of this infrastructure delivery. Rotokauri Scenario 5 capex spend profile occurs slightly later in the 10-year period but peaks slightly higher, creating a slightly greater financial impact.

14. Once the HIF loan and NZTA subsidies are taken into account, both scenarios have a very similar net cost to Council. The Peacocke Scenario 4 also has the other non-financial advantages such as enabling significantly more dwellings than the Rotokauri Scenario 5 over a longer period of time (20+ years) and therefore delaying the need for further large investments to unlock another growth cell area in the following ten-year period. The Peacocke Scenario 4 also brings a number of strategic advantages to the city with its location close to the CDB, Frankton industrial/hospital/university and Ruakura, the strategic roading network for the south of the city and the ability to leverage off and regenerate the southern parts of the city.

15. Over the 30 years, the two scenarios are broadly similar, with Rotokauri Scenario 5 having a marginally higher capex spend than the Peacocke Scenario 4 over that period.

16. The Peacocke Scenario 4 also offers a unique risk mitigation opportunity for Council through the HIF in the event that the residential property market either slows or accelerates relative to Councils growth forecast. The HIF interest free period effectively buffers Council from a property market downturn within the next 10 years. Conversely, the HIF funding for the strategic infrastructure means that, once completed, the Peacocke area will be able to meet accelerated growth through future incremental pipe and road extensions as required.

17. A detailed list of the programmes of work contained in Peacocke Scenario 4 is contained in a separate report as part of this draft 10-Year Plan budget.

18. **Peacocke Scenario 4 is recommended as the preferred option** given its strategic alignment with the wider growth goals of the council, the benefits associated with the construction start on the Southern Links network, and the greater dwelling yield it unlocks relative to other growth options. It achieves balanced growth across the City, supports the CBD, provides access to the western employment belt, the hospital and University and the area has current capacity within existing school rolls. It fulfils the city's ambitions to grow in a planned way and provides for a range of different densities and ensures more balanced movement of traffic than continuing the traffic flows from and to the north east. However, to make this achievable would require a combination of the following, which have been reflected in the draft 10-Year Plan budget presented to Council:

    - Significant rates increases from year 1 (both Peacocke Scenario 4 and Rotokauri Scenario 5 would require average total rates to be comparable with other high growth councils from year 1);
    - Increased debt capacity (from higher revenue) to fund growth capex;
    - Increased debt levels;
    - Only "must" (essential) growth capex funded;
    - Debt capacity prioritised for growth capex;
    - Government approval of the HIF application;
    - NZTA approval of the subsidy elements associated with HIF.

19. There are significant lifts in capital expenditure currently indicated from year 11 in any scenario. The capex deferred outside of the 10 year period, particularly in years 11-20, which is necessary to open new growth cells beyond year 10 significantly exceeds financially prudent limits. Debt capacity starts to appear in the latter years of the 10-year Plan but will be required in future 10-Year Plans to support ongoing new growth cell investment. This issue further supports the Peacocke Scenario 4 recommendation as it builds on the long-term yield potential of one growth cell rather than having to provide another large capital investment to open a second growth cell in the subsequent 10-year period.

20. If the Peacocke growth cell infrastructure is not funded to the level in Peacocke Scenario 4, the added value of the growth cell in bringing forward components of the wider Southern Links transport network will be lost and there would be wider consequences 1) for housing affordability, 2) for Hamilton's competitive advantage in relatively affordable housing across a wide price bracket market. There is no certainty of an interest-free loan offer in the future (as provided under the HIF), and any NZTA subsidy for Peacocke would be contestable against other regional projects, unlike the HIF which has a much higher level of subsidy certainty.

21. Given the significant financial burden that growth councils are facing, it is also recommended that Council continue to work with Central Government on alternative interventions over the next 12-24 months to input into the 2021 10 Year Plan. This may include a HIF extended pay-back period, Housing Infrastructure Bonds, Special Purpose Vehicles, Public Private Partnerships and other revenue generators such as Fuel Tax and additional rating tools, all of which provide opportunities

to further release the financial pressures over time. Working in a positive partnership with Central Government will be the key to unlocking these potential financial opportunities along with the opportunities to underwrite new housing development through the Kiwi Build housing scheme.

22. The current HIF opportunity is an important foundation for this partnership approach and we've been working collaboratively with Government on this for over 12 months now. There is a high level of understanding, trust and commitment from both sides that has been built around the HIF application process and strong expectation from the Government and NZTA that Council will continue to support the HIF application process.

23. It is important to note that in partnering with Central Government, an Independent Panel, the Ministry of Business, Employment and Innovation and NZTA have all reviewed and accepted (or are in the process of formally considering) the Peacocke HIF business case (which is incorporated into Peacocke Scenario 4) as the most efficient long term investment to which they are partner funders.

Background

24. Council has been experiencing very high growth, and this, along with the mandatory requirements under the National Policy Statement for Urban Development Capacity, places a heavy burden on the city to fund key infrastructure to meet housing demand.

25. Previous council decisions opened large areas of residential land over the years, such as Chartwell, Western Heights and more recently Rototuna, which the city has relied upon for many years. Rototuna, our current main residential growth cell, is nearly full with remaining supply of circa 4-5 years. To meet projected demand, and to ensure supply is ready, given the lead-in time to implement infrastructure, Council is faced with the next step change in investment to open another greenfield growth cell within the 10-year plan timeframe.

26. Industrial growth is also projected, and to continue to ensure there is sufficient industrial land available, Council is also faced with decisions around infrastructure provision in industrial areas.

27. To model how Council could plan to meet these growth demands, three macro scenarios were created, which were further refined into two growth scenarios – the Peacocke Scenario 4 and the Rotokauri Scenario 5. Council was briefed on all modelled scenarios on 29 September 2017. The briefing material is in Attachment 2 to this report, updated to December 2017. Please note that all maps in the briefing material are indicative only, and indicate possible spatial capacity enabled by council infrastructure over 10 and 30 years. This report provides a summary of the work undertaken to date in relation to the growth scenarios, with further analysis available in the briefing material.

Projected growth

28. Council has adopted the University of Waikato's National Institute of Demographic and Economic Analysis (NIDEA) Low population projection series as the basis for developing the 10-Year Plan. Under the NIDEA Low projection, Council is facing the need to supply 12,500 dwellings over the next 10 years, and 32,000 dwellings over the next 30 years. Currently there are approximately 58,000 dwellings in Hamilton. Council previously utilised Statistics New Zealand data which forecast slower growth rates. It is interesting to note that Statistics NZ have this year reissued their forecast to be of a higher order projection. This upward swing in the base data utilised for our forecast on housing accounts for the increases in supply requirements and the subsequent decrease in available serviced land.

29. The Future Proof strategy considers the allocation of growth across the sub-region. Future Proof is recognised by government as a robust, well-founded and mature model for managing sub-regional

growth and is recognised by the Ministry for Business, Innovation and Employment in the National Policy Statement on Urban Development capacity. Future Proof identifies the sub-regional response to growth. Waipa and Waikato districts are facing similar issues to Hamilton.

30. External factors, including new policy approaches implemented by the new government, may impact upon the levels of growth that have been projected. Latest information (Infometrics Building Forecasts - October 2017) indicates that growth will remain strong at least in the short term. There has been a modest downward revision to net migration and population growth forecasts nationwide, and this had had a small effect on estimated underlying demand for new dwellings. Possible tightening of immigration policies as well as potential difficulties in firms sourcing the necessary numbers of construction workers could see further tightening. However, at this stage, strong growth is still forecast for Hamilton at least in the short term. Over the longer term, if growth was to slow, this could present risks to Council, and this is discussed further later in the report. It is also important to note that the HIF interest-free period provides better mitigation of financial holding costs if the market did slow. Additionally, all scenarios are based on NIDEA Low which is a conservative growth projection when compared with the medium projection.

Growth Context

31. Inside the City:
The 10-Year Plan growth scenarios and 30-year infrastructure strategy focus on growth (residential and/or industrial) within the city. Growth cells within the City provide sufficient capacity for the 30-year period.

32. Temple View:
Beyond some infill growth in the existing village, none of the scenarios contemplate development in Temple View. Significant infrastructure provision would be required. None of the scenarios provide for this. The only focus for the first ten years is on completion of a structure plan. This would help Council to further understand the infrastructure requirements of the cell to assist in future planning for the area.

33. Outside the City:
Other cells outside of the City can provide for growth beyond the 30-year period, but are not required for the foreseeable future. Any move to zone these areas will put further pressure on Council to provide infrastructure and services to these areas. The presentation at Attachment 2 to this report provides more detail on cells outside of the City, including HT1, R2, WA, Southern Links and Tamahere.

34. There are no easy or inexpensive opportunities for growth in areas outside the City. Any of these areas would require a city boundary adjustment, a process which would take around 18 months – 2 years. Structure Plans and Integrated Catchment Management Plans would be required once the land was inside the City, after which infrastructure delivery could begin. Based on the knowledge we have at this point, any of the growth cell options outside the City would be similarly expensive to those inside the city – that is, there are no ‘easy-wins’. Additionally, the City is faced with large areas of existing zoned land within the City, where there are expectations that infrastructure will be provided. If new cells outside the City were to be opened up, this would not reduce the expectations of developers of existing land within the City.

35. R2:
Recently there has been interest in the R2 growth cell. This cell is approximately 213 ha in size and would have a yield of around 2,500-3,500 dwellings depending on density assumptions. Most strategic infrastructure services are at or near the edge of the cell but further substantial investment is required. Development would not be strategically aligned with HUGS. If transfer to the city was

initiated, it would be at least 5-7 years away from being able to be brought into the City, structure planned and serviced. An earlier transfer than the current date of 2039 could result in Council being required to make a rates payback to Waikato District Council. This would be subject to negotiations at the time.

36. The R2 growth cell would, like any other growth cell, have strategic infrastructure costs to Council which would need to be funded. Given the relative low yield of housing available within R2, the supply would be exhausted within the ten year period and another cell would have to be opened to meet the demand figures above. As such, it is not a recommended option at this time. However, we are in negotiations with Waikato District Council to amend the strategic boundaries agreement to insert triggers rather than a fixed date for R2 transferring to the city. This provides flexibility to Council to initiate an earlier transfer, if for example, a group of developers prosed funding the infrastructure themselves to open the growth cell. Council staff maintain contact with major property owners in the R2 area to ensure that such opportunities are able to be explored.

Planning for Growth

37. Council has a strong history of strategic planning for growth. The Hamilton Urban Growth Strategy sets out Council's approach to growth, including the sequencing of new greenfield growth cells. The Strategy also aims to manage growth by establishing an increasingly compact city where land and infrastructure can be provided and used efficiently whilst ensuring a good quality of environment and urban form. Council's District Plan also promotes an increasingly sustainable urban form for Hamilton to accommodate the expected growth over the next 30-40 years. Structure Plans and Master Plans are tools to ensure growth provides a diverse range of living choices to accommodate Hamilton's growing population, and this is planned for in a way that delivers quality outcomes.

38. The Future Proof strategy sets out the sequencing and timing proposed for residential and industrial growth in the sub-region. The sequencing and timing of infrastructure has been thought through extensively. Each of the Future Proof partners plays a role in meeting the projected demands in the sub-region. If Hamilton does not accommodate its share of the growth, this could lead to additional unplanned growth outside of the City boundaries. There are concerns from infrastructure providers that development inconsistent with Future Proof surrounding Hamilton City could have efficiency and effectiveness impacts on the region's strategic infrastructure including the Waikato Expressway.

39. All of the growth scenarios that are discussed below are aligned to the City's strategic growth position and supported by the Future Proof strategy.

Risks of not funding Strategic Growth Infrastructure (in Zoned Growth Areas)

40. For many years Council has focused on land use planning and the growth areas inside the city are zoned for growth and have structure plans in place (except for Temple View). This means that development can occur in accordance with the District Plan provided the developers can avoid, remedy or mitigate their effects, including through the provision of infrastructure to service their development needs.

41. Council has a role to provide strategic infrastructure because of the large lead costs involved, that are generally well beyond the financial means of any developer to provide, and the wider public benefit. This includes infrastructure such as treatment plants, water reservoirs, large waste-water pipes, large water pipes and arterial roads. It is unreasonable and unaffordable for developers to provide this strategic infrastructure and so Council normally does this and collects money from the developers as a fair share of costs through development contributions.

42. If Council does not fund strategic infrastructure in zoned growth areas then there are a number of implications:
    - Potential for sub-optimal infrastructure that is self-serving for one developer but makes it more difficult and more expensive (or prohibitive) for adjacent land-owners to develop their land;
    - It could be deemed unreasonable to have zoned land without any intent of providing strategic infrastructure, particularly where development can only be mitigated by significant infrastructure (e.g. a Waikato River bridge) that is beyond the capacity of any one developer to provide;
    - There are significant operational costs or compliance risks involved in maintaining individual servicing solutions, which can potentially lead to prohibitively expensive costs to council into the future;
    - Cumulative effects from multiple developments which individual developers on their own may not address. Examples are the Thomas/Gordonton intersection, the recently approved major bulk water main extension to Rotokauri, increasing urban traffic on rural roads, and major wastewater pump station upgrades;
    - New housing and business land development would not be enabled, which would erode our competitive and comparative advantage as a city in terms of relatively affordable and available land.
    - Fragmented growth (i.e. developer-led on multiple fronts) leads to inefficiencies in infrastructure provision with, for example, land being unable to be unlocked due to constraints by infrastructure sized only for individual developments, retrofitting infrastructure by Council to allow greater capacity, and/or duplicating infrastructure across the city. This is a costlier approach to growth.

    In summary, growth is occurring and proactively managing growth is a more effective and efficient approach than just allowing it to happen in a fragmented and ad hoc manner.

Four aspects of growth to consider

43. There are four aspects to consider when thinking about the Councils growth response:

    - **City-wide infrastructure projects** – those projects which are required regardless of which growth scenario is chosen to support both greenfield and infill growth and meet increasing compliance standards.

    - **Contractually-committed developments** – infrastructure we must provide because we have already committed to do so e.g. via a Private Developer Agreement.

    - **Completing existing greenfield areas** e.g. Rototuna.

    - **New Greenfield** - several scenarios have been tested and these are discussed below.

44. Each of these aspects is discussed below.

City-Wide infrastructure projects

45. The largest proportion of growth funding across the 10-year period is in city-wide strategic infrastructure requirements which will be required in every case to cater for increased growth. These projects cater for forecast capacity to support growth, maintaining levels of service, regulatory or legislative compliance. Under all growth scenarios, the 10-year capital expenditure for citywide infrastructure projects is proposed to be approximately $290m (inflation adjusted).

46. The city-wide infrastructure projects have been assessed to ensure that only "must-do" projects are included. This means that there are several projects which would not be funded in the current 10-Year Plan. The deferral of these projects will result in deteriorating levels of service; for example, increased congestion on the Ring Road and environmental and health risks associated with wastewater overflows.

Growth cell - City-Wide Works required to support growth irrespective of which, if any, new growth cells are opened.
Parks and Open Spaces – N/A **Strategic wastewater, water, stormwater and transport infrastructure** Included in the 10-Year Plan years 1- 10: - Wastewater treatment plant capacity upgrade and improvements for growth, compliance and resilience. - Water treatment plant capacity upgrade and network improvements for growth, compliance and resilience. - Stormwater ICMP programme and network improvements - Northern River crossing designation in years 9 and 10 - Ring road completion (Cobham Drive intersection) Not currently included in the 10-Year Plan – should and could projects for years 1-10: - 4-Laning any part of Wairere Drive – e.g. from Resolution Drive to Gordonton Road or Ruakura Road to Cambridge Road. - Western wastewater interceptor and pump station capacity improvement south of the Dinsdale pump station - Eastern wastewater interceptor storage – capacity for growth. - Stormwater funding to facilitate residential intensification - Various minor wastewater pump station capacity improvements around the city - New watermains or wastewater trunks for Te Rapa North area - Upgrade/New wastewater in Te Rapa North

47. "Must-do" indicates generally there will be compliance risks if there is no investment in the three-waters. All growth is reliant on investment in the two treatment plants to keep pace with capacity growth and to meet ever increasing compliance standards.

48. Over time, growth has consumed capacity in the existing waste-water piped network and this increases the occurrences of wet weather waste overflows. Council has funded significant master planning and investigation over the past 3-5 years and the 2018-28 10-Year Plan includes funding for implementation of solutions to manage risk. Of particular note is duplication of the western Interceptor and commencement of large waste water storage devices.

49. Also over time, growth has put significant pressure on our water treatment plant to the point where risks are high in relation to resilience if the plant incurs problems. Council has funded significant master planning and investigation over the past 3-5 years and implementation on creating water demand management areas and increased reservoir storage has commenced and will continue into the 2018-28 10-Year Plan period.

50. Stormwater compliance is an increasing issue for New Zealand and particularly in the Waikato with the river treaty settlement outcomes and the Healthy Rivers Plan Change. Council has once again funded significant master planning work and Integrated Catchment Management plans over the past 3-5 years and new programmes for erosion management as a result of urbanisation have been developed and need implementation to ensure compliance with the City Comprehensive Stormwater Discharge Consent.

51. In the previous two 10-Year Plans three-waters investment was prioritised over transport investment and as a result there are now deficiencies showing up in terms of safety and congestion on the existing transport network that serves the existing city. Elsewhere in this 10-year Plan is a

programme of Transport improvement investments for consideration to start addressing some of these deficiencies.

52. Similarly, elsewhere in this 10-Year Plan is a programme of Community Infrastructure investments to start addressing deficiencies in the growth areas.

53. Infill growth is not a cheap option – Council responds to infill developments on a case-by-case basis as it is almost impossible to know exactly where and at what rate infill development will occur around the existing city. There are also identified areas of intensification around the city.

54. There are currently no existing or proposed budgets to provide capacity upgrades within future identified or targeted intensification areas. However, the proposed city-wide growth projects will strategically support infill and intensification development without necessarily reaching out to where the development is occurring.

55. It is important to recognise that the cost to install trunk services in an older built environment can be significantly higher than the cost to put truck services in a greenfield area. The increased cost occurs due to the need for traffic management, often the need to dig up and reinstate exiting roads or berms, or the requirement to work around exiting constraints such as existing services.

Contractually-committed developments

56. Council regularly works with developers to deliver the best growth solutions and enters in agreements to upsize or to partner in delivering infrastructure. Agreements with developers are known as Private Developer Agreements (PDAs). These are developed in accordance with Council's Growth Funding Policy. The PDAs allow us to deliver infrastructure in partnership with developers in a manner that is integrated with their development while meeting Council's strategic needs to service a broader area beyond the individual developer's land ownership.

57. All of the growth scenarios developed for the 10-Year Plan provide for incremental development in accordance with existing or committed PDAs. Examples include the agreement with Chedworth Property Ltd and Tainui Group Holdings relating to development in Ruakura, and an agreement being finalised in Rotokauri. There is some limited funding allocated in the programme to enable upsizing of some infrastructure components to allow for negotiating future PDAs.

58. The PDAs represent contractual commitments for Council and upsize funding is essential to be able to work with individual developers to get strategic and integrated infrastructure solutions.

Completing existing greenfield areas

59. The Rototuna growth cell has been Council's primary residential greenfield growth cell for a number of years. The lead infrastructure has already been provided for the cell, and it now requires incremental infrastructure to complete the last of this cell. It is one of Council's growth principles that a growth cell is to be completed. It is cost-effective to finish this cell versus opening a new cell because the main lead infrastructure has already been provided and the incremental growth projects to be delivered will continue to enable growth in the cell.

60. All of the growth scenarios include the majority of projects required within the Rototuna growth cell as set out below at a cost of approximately $90m over the 10-Year Plan period. Urban upgrades or roads around the edge are generally not funded. The provision for the Rototuna town centre community hub is discussed elsewhere in the 10-Year Plan report and is not repeated here.

Growth Cell – Rototuna – inclusions in 10-Year Plan Years 1-10	
Parks and Open Spaces	**Strategic wastewater, water, stormwater and transport infrastructure**

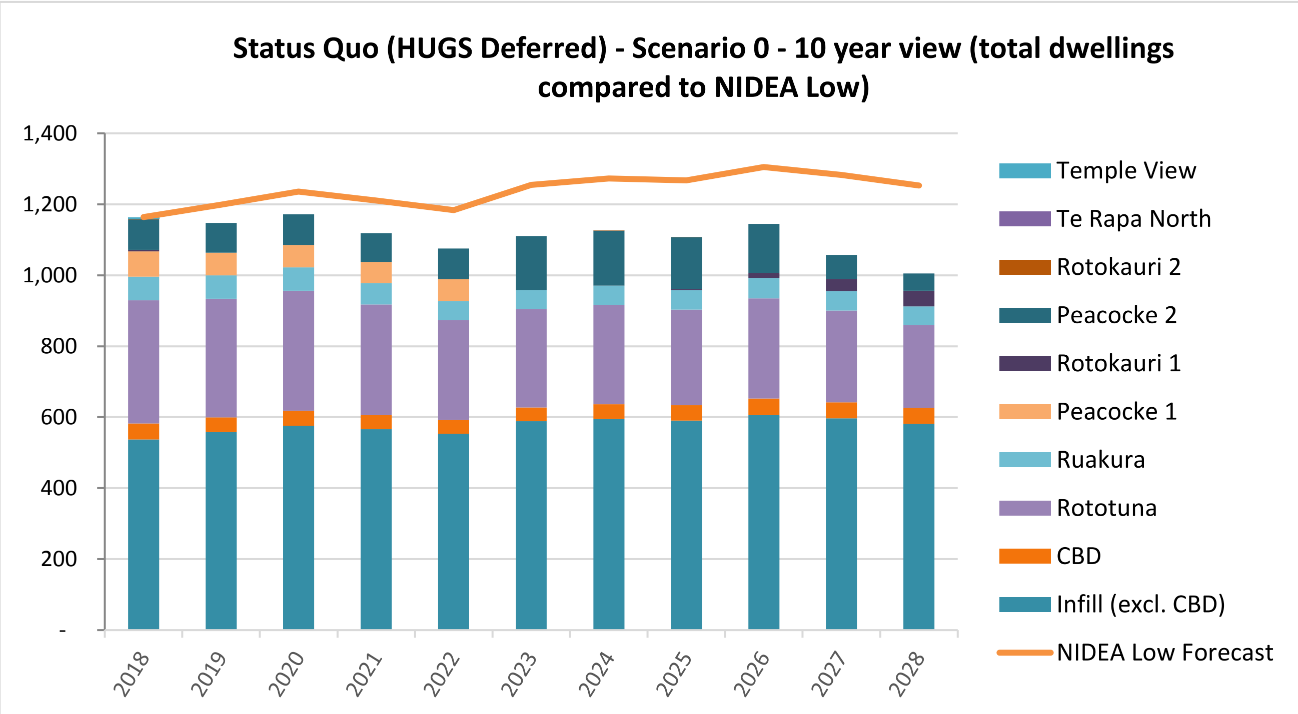
Included in 10-Year Plan years 1-10: - Land purchase and development of two neighbourhood parks – located to ensure good access across the growth cell - Development of a linear park along the Waikato Expressway; - Basic development of undeveloped park land at Hare Puke, Te Manatu and Mangaiti to allow for informal recreation. Not developed as completed sports parks. - Rototuna sports park development	Included in 10-Year Plan years 1-10: Works to finish off the growth cell including: - Upgrade/new stormwater facilities - Upgrade/Build new trunk watermains - Upgrade/Build new wastewater truckmains - Transport upgrades and extensions e.g Thomas/Gordonton intersection, Borman Road extensions etc. Not currently included in the 10-Year Plan years 1-10: - Most urban road upgrades e.g. upgrading existing rural roads to urban standard (a "should" project).

Status Quo (Deferred HUGS) Scenario 0 – not funding new greenfield growth

61. Staff tested a scenario which contemplated continuing to fund growth infrastructure within the existing growth cells but not funding strategic growth infrastructure for any new greenfield cell within the first 10 years.

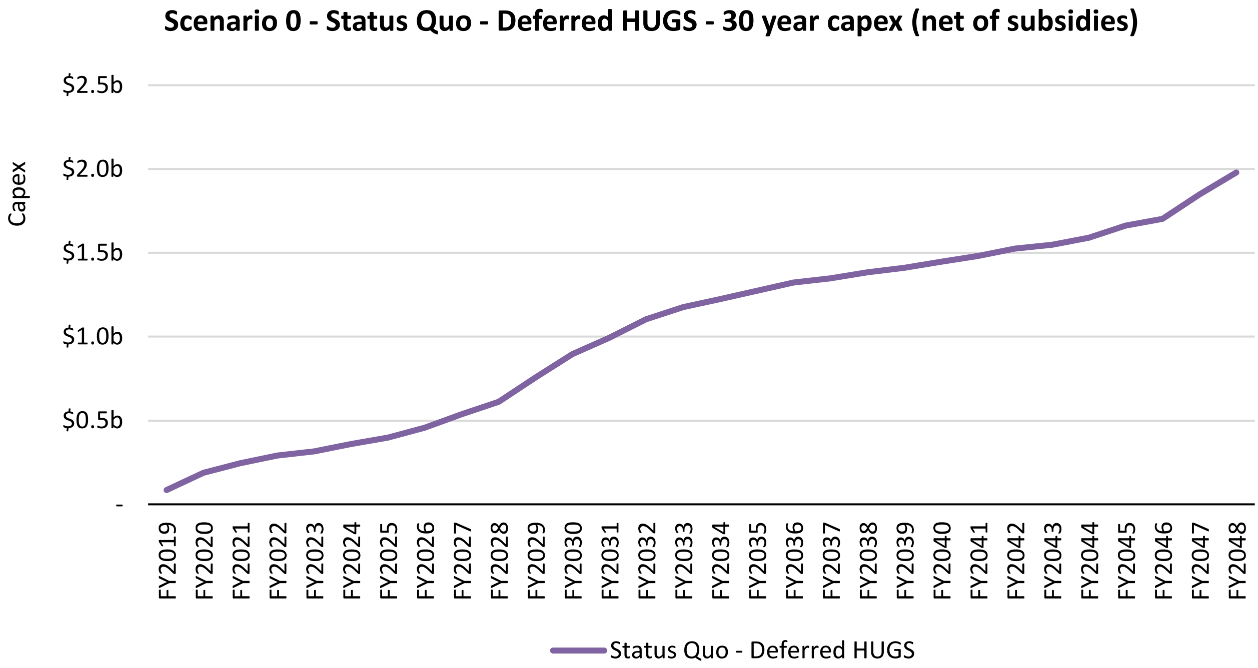
62. This scenario would see the existing cells of Rototuna, Ruakura and Peacocke Stage 1 continue, with some limited development in Rotokauri 1 where there are existing commitments and some limited development in Peacocke 2 under potential PDA arrangements (yet to be negotiated or agreed). Infill and CBD growth would also continue.

63. Under this scenario, there would be insufficient residential supply to meet the projected NIDEA Low demands, as shown in the graph below. The orange line is the NIDEA Low projection of how many households would be needed per year. The scenario would not provide sufficient residential capacity to meet the projected demands and as a result Council would be highly unlikely to meet the requirements under the National Policy Statement on Urban Development Capacity. Planning and provision of infrastructure in new greenfield growth cells would be deferred to beyond year 10, resulting in a sharp fall in the availability of residential land supply over the 10 year planning period and beyond. The graph below shows the growing gap over time between yield requirements and estimated yield. Essentially this shows that we would be relying substantially on the remainder of the Rototuna growth cell and infill to meet our growth requirements.



64. The supply of infrastructure for industrial land would continue in Ruakura and Rotokauri Stage 1 under this scenario.

65. This scenario would have an overall capex spend over the 10-Year Plan period of $727.3m, reducing to $612.0 m when NZTA FAR subsidies are assumed. Over the 30 year period the capex is $2.39b (gross), and $1.97b (net of NZTA subsidies).



66. <u>Financial considerations for Status Quo – Deferred HUGS – Scenario 0:</u>

	Total Capex over 10 years (net of subsidies)	Total Capex over 10 years (gross)	Total Capex over 30 years (gross)*
Scenario 0	$612.0m	$727.3m	$2,391.0m

*Note: financial information includes inflation

	10 Year Capex (net of subsidies)	
Growth Area	**$**	**%**
Citywide	$289.7m	47%
Peacocke	$85.6m	14%
Rotokauri	$111.5m	18%
Rototuna	$90.1m	15%
Ruakura	$35.1m	6%
Total	**$612.0m**	**100%**

67. <u>Summary:</u>
Under this scenario, planning and provision of infrastructure in new greenfield growth cells would be deferred to beyond year 10, resulting in a sharp fall in the availability of residential land supply over the 10 year planning period and beyond. The ability to forward plan for the next growth cell would also be delayed beyond the 10 year period, leading to further delay before any new growth cell could then be available. This would lead to an increasing backlog of expenditure required unless it is possible to unlock other innovative methods for alternative funding. It is not possible to avoid the

need to invest in a new growth cell after year 10. There are significant risks associated with not funding new greenfield growth and these are explored below. For these reasons, Scenario 0 is not a recommended option.

Risks of not funding new greenfield growth

68. The consequences of not funding strategic infrastructure in zoned growth areas are discussed earlier in this report. The wider consequences of not funding for growth (both greenfield and city-wide infrastructure) and ensuring advance residential capacity (both in greenfield and infill) will lead to some or all of the following impacts:

- New housing land development would not be enabled, which could erode Hamilton's competitive and comparative advantage as a city. If the city is to retain its competitive advantage in residential supply capacity ahead of future growth trends it must make provision for a new growth cell within the first 1-2 years of the 10 year period. It has been this historic available capacity, largely in Rototuna and through infill housing, that has retained Hamilton as an affordable growth city, relative to other growth areas. The city's current medium house price is $535,000, with a spread in the housing market from one-bedroom units at approximately $150,000 to prices in excess of $2 million;
- Residential affordability could decrease as prices rise as a function of reduced supply and limited developer competition, yet in the face of ongoing strong growth demand;
- Rent prices could rise as a result of a lack of new residential housing supply and the subsequent issues of overcrowding, high demand for affordable and social housing and related social issues;
- The inability to invest in growth areas could result the lack of overall quality management of growth and lead to unintended consequence of increased congestion, decreased road and pedestrian safety, decreased network resilience in the event of an incident or failure, increased risk of waste water and sewage overtopping from stressed assets during high rain events
- The need to open a new growth cell has been bought forward into this ten-year plan by the upward trend in population growth. To defer the opening of a new growth cell a further three years could see construction costs increase at a conservative inflation rate of 5.4% per annum (current construction inflation higher than usual inflation rates). The need however will not dissipate. Any supply capacity lost will require significant investment to recover;
- A lack of infrastructure provision in cells that are already zoned could lead to adversarial relationships with developers and may result in resource consent applications ultimately being decided in the Environment Court.
- The opportunity to establish a city residential supply which would provide for decades worth of growth through one aligned and strategic investment would be lost;
- The decision to forgo the Housing Infrastructure Fund would forgo the interest-free component of the loan which is worth approximately $70 million dollars in interest savings;
- The city would not meet, in the long term, its growth projections for housing or the National Policy Statement on Urban Development Capacity targets;
- The largest proportion of growth funding across the 10-year period is in city-wide strategic infrastructure requirements which will be required in any case to cater for increased growth. This caters for regulatory and legislative compliance for example in terms of water quality, waste water discharge, traffic safety and traffic decongestion, urbanisation of roads, storm water capacity.

69. Conclusion: Growth goes in cycles, but doing nothing and therefore not funding new greenfield strategic growth infrastructure is not a recommended option. Council cannot rely solely on the development community to provide growth infrastructure to the level required. Council is faced with the next step change in investment to open another greenfield growth cell within the 10-year plan timeframe. As a result **Scenario 0 Status Quo (HUGS deferred) is not recommended.**

New Greenfield Scenarios

70. To meet the projected growth demands, the Council will need to open up a new greenfield growth cell within the 10-year period. It takes at least 3-5 years from initial capex spend on infrastructure to when developments can occur, so capital investment is required from year 1. We have estimated supply capacity for the next 4-5 years but thereafter need the new greenfield cell supply to come on stream. The City's current supply is as a result of capacity that was enabled by previous infrastructure investments, but that supply continues to be eroded and new investment is needed. Any delay in new greenfield capex from year 1 is difficult to recover in terms of supply.

71. To model how Council could plan to meet these growth demands, three macro scenarios were created, which were further refined into two growth scenarios – the Peacocke scenario and the Rotokauri scenario.

72. These scenarios are explored below.

Greenfield growth - three initial scenarios

73. Having discounted the 'Status Quo' (HUGS Deferred) Scenario 0 where no new growth cell infrastructure is funded, three initial growth scenarios were tested. These were:

Number	Scenario	Description
1	Peacocke Full	Accelerate Peacocke Growth Cell first, by doing all lead infrastructure, and delay other new growth cells (incorporates the HIF bid for the Peacocke cell)
2	HUGS Status Quo (Peacocke Slow)	Rotokauri Growth Cell (Stage One) first ahead of Peacocke Stage Two taking a 'just in time' approach with partial lead infrastructure for Peacocke
3	HUGS Accelerated Rotokauri 1 and 2 (Peacocke Delayed)	Accelerated Rotokauri Stages One and Two with Peacocke delayed

74. All of the three scenarios would deliver the NIDEA Low yield and would reflect the recommended infrastructure requirements to meet the standards required by the Infrastructure Technical Specifications.

Comparing Scenarios 1, 2 and 3

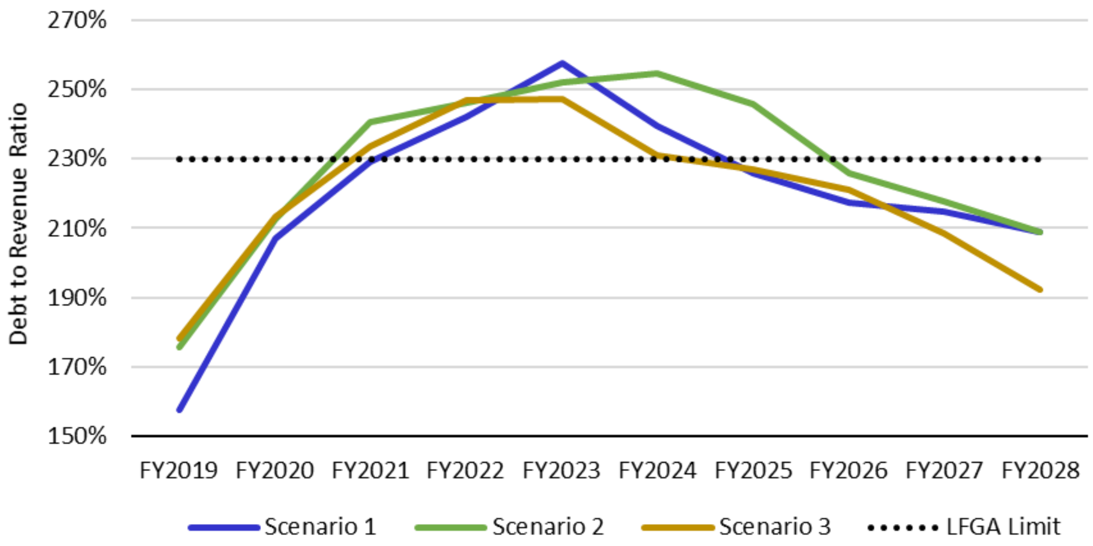
75. All of the three scenarios have a similar total growth capital expenditure (capex) spend, with slightly different timing profiles. Scenario 3 (HUGS Accelerated – Rotokauri 1 and 2, with Peacocke delayed) has a noticeably lower gross capex spend over the next 10 years compared to the other two scenarios, although this difference halves when the NZTA funding assistance rate (FAR) is taken into account. Scenarios 1 (Peacocke Full) and 2 (HUGS Status Quo with Peacocke slowed) have more projects for which the NZTA FAR could be available.

76. Citywide capex is consistently high regardless of which scenario is analysed, making up around 60% of growth capex as discussed above.

77. Based on the modelling assumptions outlined in the presentation in Attachment 2, all three scenarios result in the debt to revenue limit being significantly breached as shown in the graph below. Note that the debt to revenue ratio shows a relative comparison between the scenarios. The overall financial model should be referred to for the latest financial position.

78. The three scenarios all follow a similar profile, with a peak debt for the middle years of the 10-Year Plan, making all of the scenarios unaffordable.

Debt to Revenue ratio – Scenarios 1, 2 and 3 (10-year view – all capex):



79. Financial considerations – Scenarios 1, 2 and 3

80. A summary of the financial implications of the three scenarios is provided below. For a fuller analysis, please refer to the growth presentation in Attachment 2.

	Total Capex over 10 years (net of subsidies)	Total Capex over 10 years (gross)	Total Capex over 30 years (gross)*
Scenario 1	$959.2m	$1,201.5m	$3,294.0m
Scenario 2	$958.5m	$1,163.7m	$3,373.3m
Scenario 3	$854.9m	$978.1m	$3,427.2m

*Note: financial information includes inflation

81. Conclusion:

82. Based on the modelling outlined above, all of the three scenarios are beyond Council's ability to fund. **None of these three scenarios are recommended**. Council staff therefore refined the original Scenarios 1 and 3, to defer key capex to assist in closing the funding gap and to identify a growth scenario which is financially viable whilst achieving the growth outcomes and supply of infrastructure to meet demand.

New Growth Scenarios – Peacocke (Scenario 4) and Rotokauri (Scenario 5)

83. Original Scenarios 1 and 3 were amended to defer key capex to beyond year 10. The costs in these scenarios have been refined to a point where capex expenditure is considered to be the bare minimum and the scenarios on their own do not meet the NIDEA Low yield. There is an assumption that some yield may be provided via private developments although there is limited money set aside to enable upsize of private infrastructure. This comes with risks which are explored further below.

84. Under each scenario, existing cells in Rototuna, Ruakura and city-wide/infill continue to be enabled. The key difference between the scenarios is that in the Peacocke scenario, infrastructure for Peacocke Stage 2 is enabled in order to release around 3,750 dwellings in the first ten years, in alignment with the HIF bid. In the Rotokauri scenario, Rotokauri Stage 1 infrastructure is funded in the first 10 years. In both scenarios, further growth in new growth cells is deferred outside of the 10-year period.

	Scenario	Description
Scenario 4	Peacocke	• Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue • More limited release of land in Peacocke Stage 2 in the 10 year period • Incorporates HIF bid for Peacocke cell • Other new greenfield growth cells deferred outside of the 10 year period • Assumes that some private developments will occur – degree of reliance on this. • PDA commitments continue • Rotokauri Stage 1 - industrial and limited residential (PDA committed) in Stage 1. Further works are deferred outside the 10 year period except for some provision to begin the stormwater swale in years 6-10.
Scenario 5	Rotokauri	• Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue • Rotokauri Stage 1 in the 10 year period • Other new greenfield growth cells deferred outside of the 10 year period • Assumes that some private developments will occur – degree of reliance on this. PDA commitments continue. • Limited works to open Peacoke Stage 2 – upsize provision for limited release of residential land, lead infrastructure such as land procurement and design for bridge and arterial networks to begin from year 6.

85. The 30-year view is impractical regardless of which scenario is chosen due to the significant capital expenditure and assumptions beyond year 10. Therefore, the analysis was narrowed to look only at the 10-year position and at capex designated as "must" do projects. This means that capex projects that have been identified as "could" or "should" do projects are excluded. This is explored further below. Further work to refine the 30-year view is required once a preferred growth scenario is chosen.

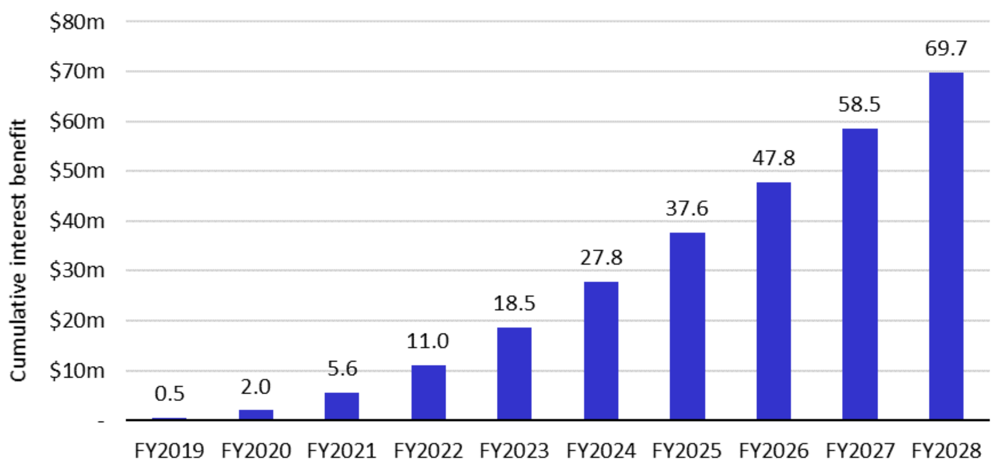
Exploring Peacocke Scenario 4

86. The Peacocke Scenario 4 which prioritises growth infrastructure for the Peacocke growth cell, is aligned with Council's strategic growth planning. The Peacocke area is located close to the CBD, hospital, University and existing communities and provides an opportunity to build and strengthen existing communities and connections, for example utilising capacity within existing school rolls. Growth to the south of the City would provide a mix of market choices, by providing for development in the south of the city. The Peacocke Structure Plan, along with the requirement for master planning, would ensure that outcomes were aligned with the Council's strategic growth planning for higher density, good quality residential growth. It would provide an opportunity to develop an open space network along the Waikato River.

87. The Peacocke Scenario 4 incorporates and aligns with the indicative HIF business case approved by the Ministry for Business, Innovation and Employment and is consistent with the Council report of 4 July 2017 where council approved the preparation of a detailed business case.

88. The HIF provides substantial financial benefit to the Peacocke Scenario 4, comprising interest savings totalling approximately $70m (on HIF debt) over the 10 years as illustrated below:

HIF Interest Savings - Peacocke Scenario 4 – 10-year view



89. A further report on the detailed business case for the HIF bid is the subject of a separate report on this agenda.

90. The Peacocke Scenario 4 would provide lead infrastructure to the northern part of the Peacocke cell, including a bridge over the Waikato River, in accordance with the HIF bid. Major infrastructure for the remainder of the Peacocke cell occurs outside of the 10-year period. City-wide infrastructure, as well as infrastructure for Rototuna and Ruakura would be provided as outlined above. Only "must" do projects are included in the 10-Year Plan for years 1-10. Some Rotokauri works would continue, in order to enable industrial growth in Rotokauri and to complete works required for committed development in the residential area. Further Rotokauri works for Stage 1 and 2 are deferred outside the 10 year period except for some provision to begin the stormwater swale in years 6-10.

91. The table below provides a summary of projects in Peacocke and Rotokauri growth cells that are included in Scenario 4. There is further analysis elsewhere on the agenda relating to funded and unfunded projects, including substantial community and transport-related initiatives which are categorised as growth projects because they can attract DC funding, but they are not included in the growth section of the report.

Peacocke Scenario 4 – Summary of projects in Peacocke and Rotokauri cells which are included and excluded from 10-Year Plan years 1-10:

Growth Cell - Peacocke

Works to finish Stage 1. Lead infrastructure for Stage 2 in accordance with the HIF bid. The infrastructure for the remainder of the cell occurs outside of the 10 year period.

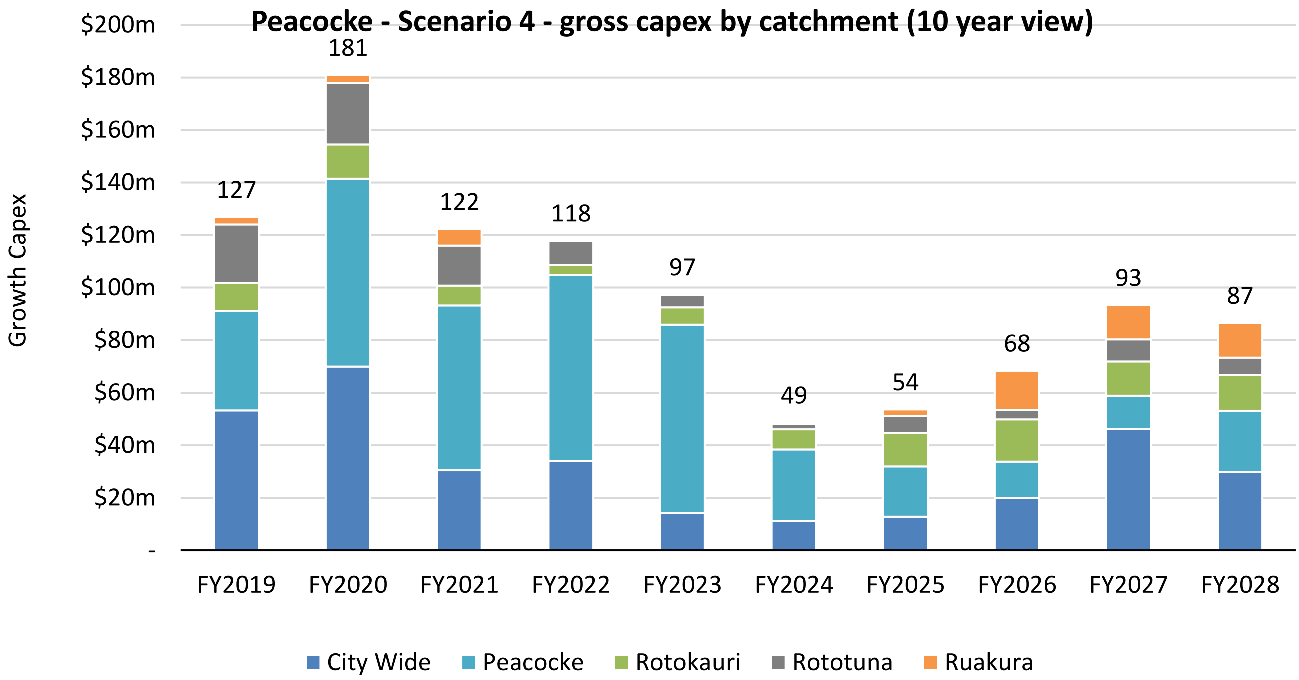
Parks and Open Spaces	**Strategic wastewater, water, stormwater and transport infrastructure**
Included in the 10-Year Plan years 1- 10: - Stage 1 Land purchase and development of one neighbourhood park and part of gully network - Part Stage 2: Parks and open spaces network land acquisition, development and consequential operational budgets including: - -Neighbourhood parks - Sports park 1 land purchase, basic development, and field development - Two neighbourhood playground, and toilets - Gully network and walkway development Not currently included in the 10-Year Plan years 1-10 (Scheduled for years 11-30): - Remaining Stage 2: Parks and open spaces network land acquisition, development and consequential operational budgets Including: - Neighbourhood parks - Sports park 2 land purchase, basic development, and field development - Whatukoruru pa restoration - Gully network and walkway development	Included in 10-Year Plan years 1-10: HIF Bid includes: - Arterial transport network in the northern part of the cell, including Wairere/Cobham interchange and bridge over the Waikato into Peacocke and elements of the Southern Links network - Strategic Wastewater that links Peacockes to existing wastewater network - Internal strategic wastewater network - Distribution water mains within growth cell - Balance of program includes: - Local Transport, wastewater, water and stormwater to service the northern part of the cell. Not currently included in 10-Year Plan years 1-10 (scheduled for years 11-30): - Roading, wastewater, water and stormwater networks to enable further development in the balance of Stage 2.

Growth Cell - Rotokauri

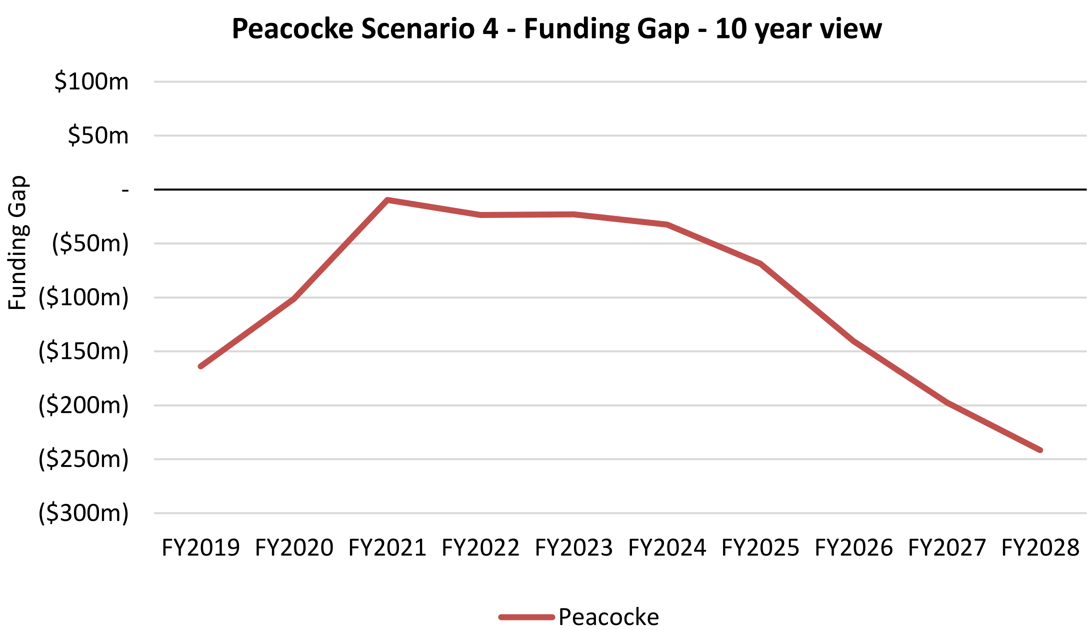
Works to Stage 1 industrial and limited residential (PDA committed) in Stage 1. Further works are deferred outside the 10 year period except for some provision to begin the stormwater swale in years 6-10.

Parks and Open Spaces	**Strategic wastewater, water, stormwater and transport infrastructure**
Included in the 10-Year Plan years 1-10: - Development of existing sports park in the southern area of the cell to a basic level to allow for informal recreation (Y10). Not currently included in the 10-Year Plan years 1-10: - Land purchase and development of six neighbourhood parks, located to ensure good access across the growth cell. - Two neighbourhood playgrounds and toilets. - Land purchase and development of two large sports/community parks.	**Included in 10-Year Plan years 1-10:** - Stormwater, wastewater, water and roading works to facilitate Rotokauri industrial growth in Stage 1, and to meet PDA requirements for limited residential development in Stage 1. - Part-funding ($28m) of Rotokauri stormwater swale in years 6-10 similar to the 2015 10-Year Plan. Not currently included in the 10-Year Plan years 1-10: - Further works to complete the balance of Rotokauri industrial and residential in Stage 1. - Upgrading of peripheral rural roads for Stage 1 residential. - Stage 2 industrial and residential infrastructure

92. The total gross capex spend in the Peacocke Scenario 4, broken down by growth cell, is shown below:



93. The Peacocke Scenario 4 creates a prospect which, subject to revenue and debt assumptions, could be achievable within the first 10-year period, as summarised in the graph below:



94. <u>Financial considerations – Peacocke Scenario 4</u>

95. A summary of the financial considerations for Peacocke Scenario 4 is provided below:

	Total Capex over 10 years (net of subsidies)	Total Capex over 10 years (gross)	Total Capex over 30 years (gross)*
Scenario 4	$813.3m	$995.8m	$2,253.7m

*Note: financial information includes inflation

	10 Year Capex (net of subsidies)	
Growth Area	**$**	**%**
Citywide	$290.1m	36%
Peacocke	$295.2m	36%
Rotokauri	$102.8m	13%
Rototuna	$90.1m	11%
Ruakura	$35.1m	4%
Total	**$813.3m**	**100%**

Exploring Rotokauri Scenario 5

96. The Rotokauri Scenario 5 would provide lead infrastructure for Rotokauri Stage 1 including the stormwater swale. Infrastructure for the remainder of the Rotokauri cell occurs outside of the 10-year period. City-wide infrastructure, as well as infrastructure for Rototuna and Ruakura, would be provided as outlined above. Only “must” do projects are included in the 10-Year Plan for years 1-10. Because the yield in this scenario is less than in the Peacocke Scenario 4, some lead infrastructure to begin the opening up of Peacocke Stage 2 is still needed towards the end of the 10-year period in this scenario.

97. The Rotokauri Stage 1 area is in an area where investments in infrastructure have already been made, which enables the opportunity to leverage these investments. Growth in Rotokauri Stage 1 is aligned with Council’s existing strategic growth planning. However, the HIF benefits would not be available in this scenario, and the wider benefits of bringing forward the Southern Links roading network would be missed in this scenario. The HIF interest-free period provides better protection if the market did slow as in the Rotokauri Scenario 5 we will have interest payments regardless of development pace and development contributions income.

98. The table below provides a summary of projects in Rotokauri and Peacocke that are included in this scenario. There is further analysis elsewhere on the agenda relating to funded and unfunded projects, including substantial community and transport-related initiatives which are categorised as growth projects because they can attract DC funding, but they are not included in the growth section of the report.

<table>
<tr><th colspan="2">Rotokauri Scenario 5 – Summary of projects in Peacocke and Rotokauri cells which are included and excluded from 10-Year Plan years 1-10:</th></tr>
<tr><td colspan="2">Growth Cell - Rotokauri
Works to finish Stage 1. The infrastructure for the remainder of the cell occurs outside of the 10 year period.</td></tr>
<tr><td>Parks and Open Spaces</td><td>Strategic wastewater, water, stormwater and transport infrastructure</td></tr>
<tr><td>Included in the 10-Year Plan years 1-10:
- Rotokauri sports park development (land already owned).
- Parks and open spaces network land acquisition, development and consequential operational budgets for Rotokauri Structure Plan Stage 1.

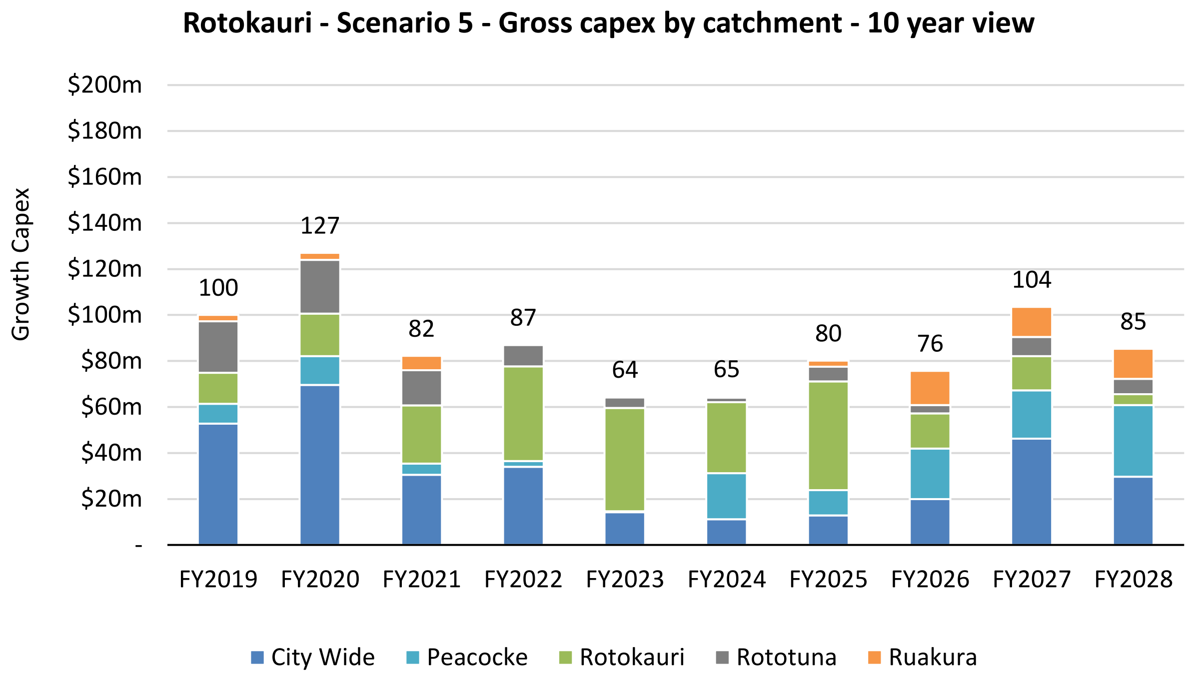
Not currently included in the 10-Year Plan years 1-10:
- Parks and open spaces network land acquisition, development and consequential operational budgets for Rotokauri Structure Plan Stage 2.</td><td>Included in 10-Year Plan years 1-10:
- Stormwater, wastewater, water and roading works to facilitate Rotokauri industrial and residential growth in Stage 1, including Rotokauri stormwater swale.
- Upgrade/new wastewater network in Rotokauri Stage 1.
- Limited transport and wastewater provision in Rotokauri Stage 2.

Not currently included in the 10-Year Plan years 1-10 (scheduled for years 11-30):
- The majority of infrastructure for Rotokauri Stage 2.</td></tr>
<tr><td colspan="2">Growth Cell – Peacocke
Works to finish Stage 1. Works to open Peacocke Stage 2 are limited to upsize provision for limited release of residential land, with lead infrastructure such as land procurement and design for the Peacocke bridge works and arterial networks scheduled to begin from year 6.</td></tr>
<tr><td>Parks and Open Spaces</td><td>Strategic wastewater, water, stormwater and transport infrastructure</td></tr>
<tr><td>Included in the 10-Year Plan years 1- 10:
- Stage 1 Land purchase and development of one neighbourhood park and part of gully network.
- Sports Park 1 land purchase and basic development (Y5).

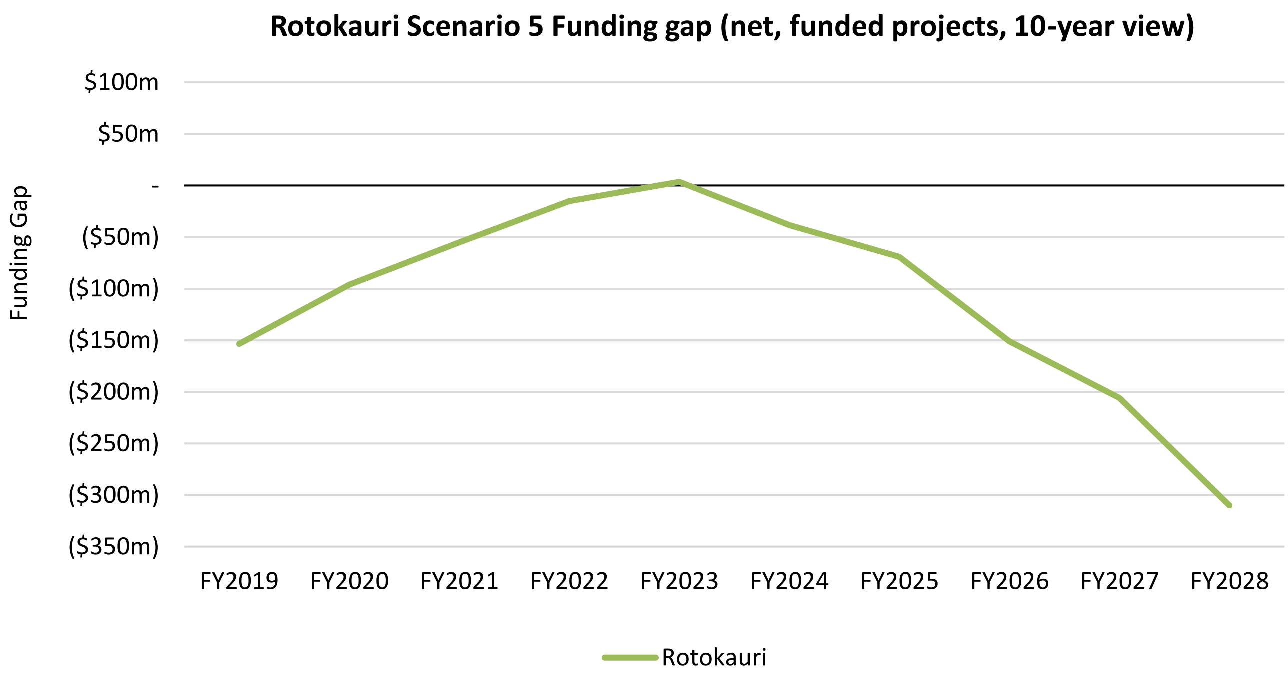
Not currently included in the 10-Year Plan years 1-10 (Scheduled for years 11-30):
- Stage 2: Parks and open spaces network land acquisition, development and consequential operational budgets for stage 2, including:-
- Neighbourhood parks.
- Sports park 1 field development (Y15).
- Two neighbourhood playgrounds and toilets.
- Gully network and walkway development
- Sports park 2 land purchase, basic development and field development
- Whatukoruru pa restoration</td><td>Included in 10-Year Plan years 1-10:
- Roading upgrades, stormwater and water infrastructure for Peacocke Stage 1.
- Some allowance for lead or interim works into Stage 2 for water, stormwater and wastewater.
- Works to begin transport network for Stage 2, including land procurement and design for the Peacocke arterials with bridge construction outside the 10 year period.

Not currently included in 10-Year Plan years 1-10 (scheduled for years 11-30):
- New strategic wastewater solution including pump station and rising mains.
- Construction of Peacocke arterials and Peacockes bridge.</td></tr>
</table>

99. The total gross capex spend in the Rotokauri Scenario 5, broken down by growth cell, is shown below:



100. The Rotokauri Scenario 5 with only "must-do" capex could be achievable within the first 10-year period, as summarised in the graph below:



101. <u>Financial considerations – Scenario 5:</u>

102. A summary of the financial considerations for Scenario 5 is provided below:

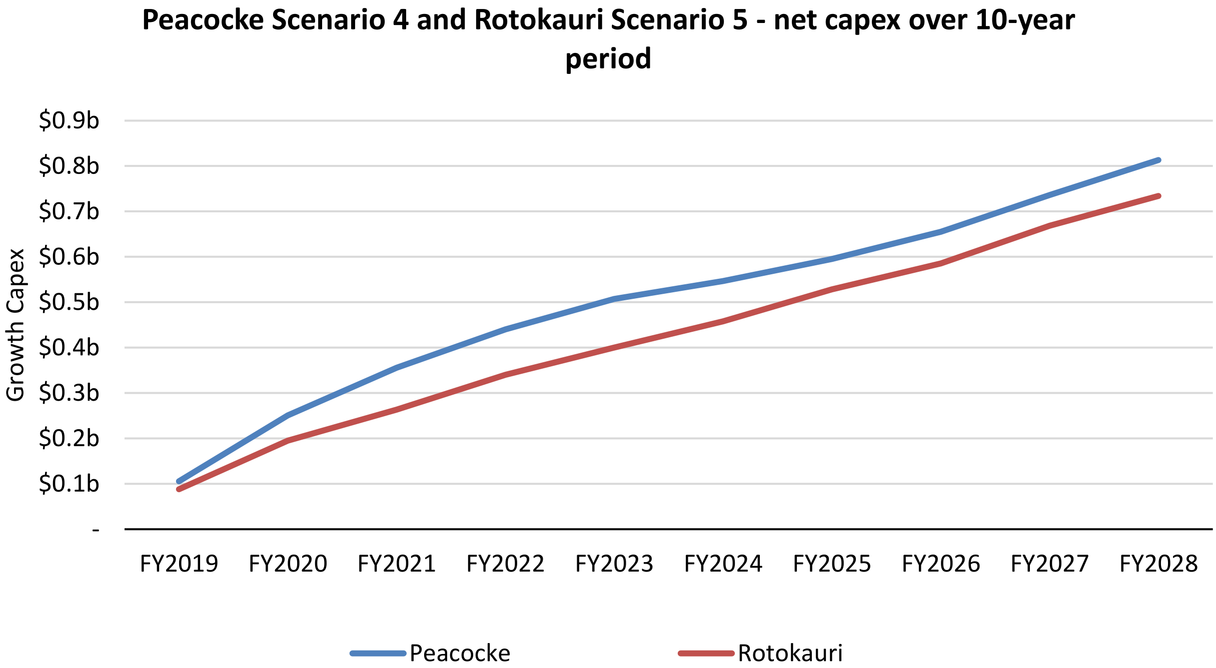
	Total Capex over 10 years (net of subsidies)	Total Capex over 10 years (gross)	Total Capex over 30 years (gross)*
Scenario 5	$734.1m	$870.3m	2,365.1m

*Note: financial information includes inflation

	10 Year Capex (net of subsidies)	
Growth Area	**$**	**%**
Citywide	$289.7m	39%
Peacocke	$85.6m	12%
Rotokauri	$233.6m	32%
Rototuna	$90.1m	12%
Ruakura	$35.1m	5%
Total	**$734.1m**	**100%**

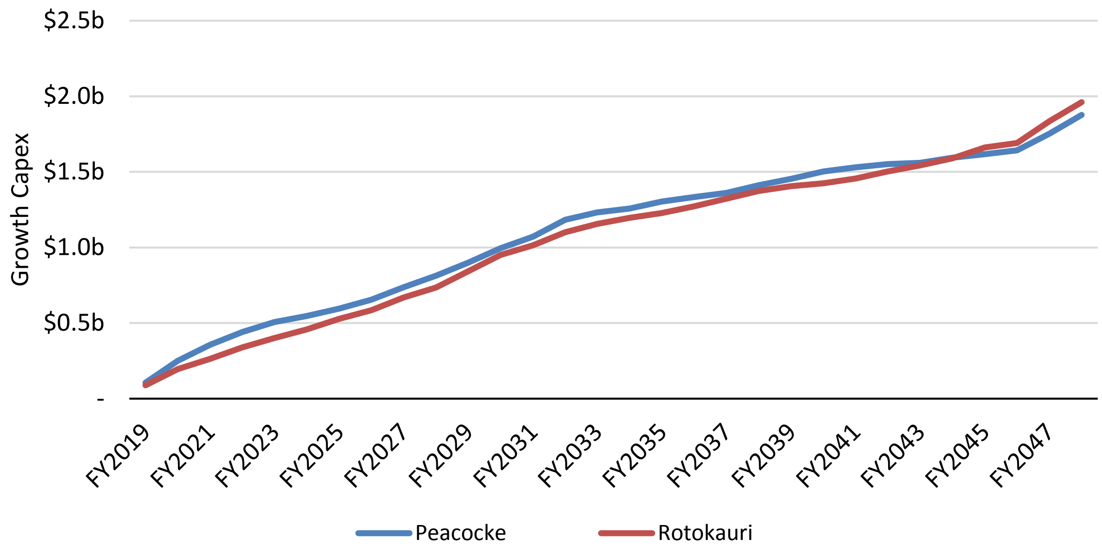
Comparing Peacocke Scenario 4 and Rotokauri Scenario 5

103. The net costs (taking into account subsidies) of the Peacocke Scenario 4 and Rotokauri Scenario 5 are noticeably lower than the three original scenarios, with the Peacocke Scenario 4 expenditure profile being higher in years 1 – 5 as illustrated below:



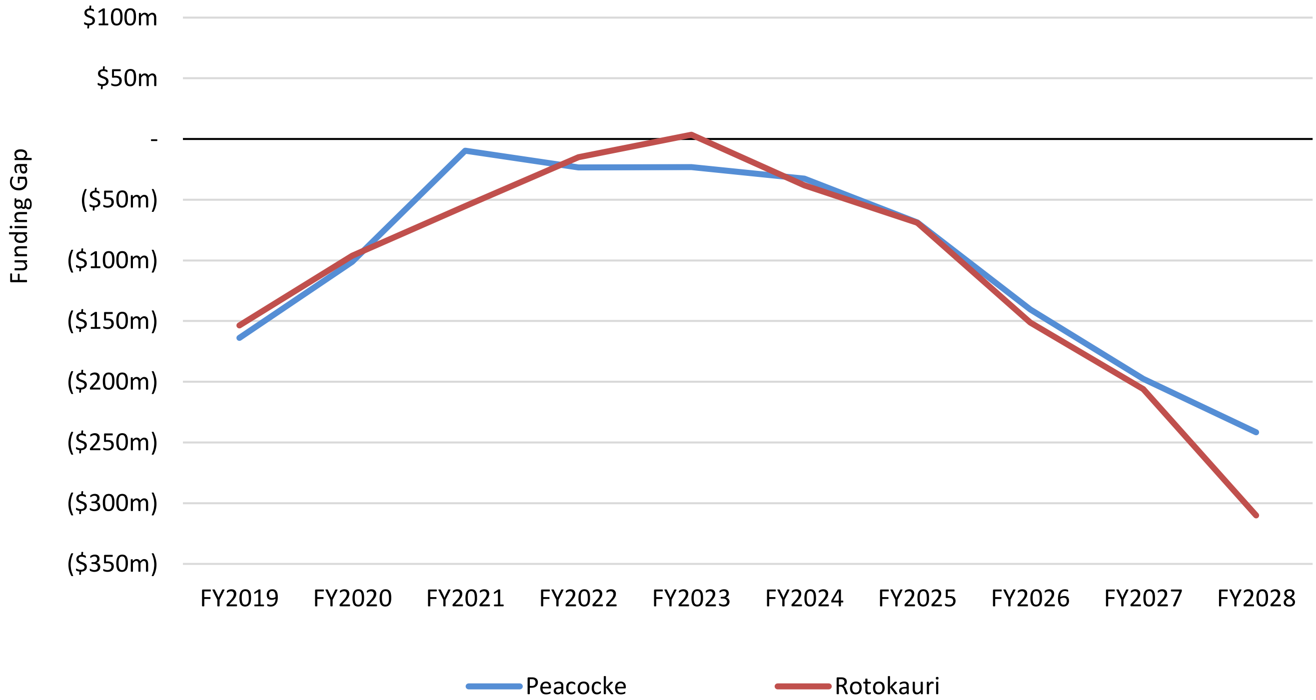
104. Over the 30 year view the two scenarios are broadly similar, with Rotokauri Scenario 5 having a slightly higher capex spend as shown below:

Peacocke Scenario 4 and Rotokauri Scenario 5 - net capex spend – 30-year view



105. Taking into account the "must-do" capex, and the potential HIF savings, the funding gap for the Peacocke Scenario 4 and Rotokauri Scenario 5 is illustrated below. Rotokauri Scenario 5 has a later spend but marginally breaches the debt capacity around 2023, whereas Peacocke Scenario 4 does not breach debt capacity.

Funding Gap - 10 year view - Peacocke Scenario 4 and Rotokauri Scenario 5



106. The key differences between the scenarios are summarised below. An analysis of risks is included further below.

Key differences between Scenarios 4 and 5		
	Peacocke Scenario 4	**Rotokauri Scenario 5**
Yield	**Opens up lead infrastructure for a larger cell – higher potential yield.** Aligns with Council's HIF bid provision of 3,753 dwellings over 10 years. Future proofs residential land supply by opening up the lead infrastructure for a large cell. The remainder of the Peacocke growth cell has remaining capacity for around 8,200 dwellings.	**Opens up a smaller growth cell than in Peacocke.** The overall capacity of this Rotokauri scenario is lower than in the Peacocke scenario. This growth scenario would open up Rotokauri Stage 1 with capacity for 3,193 dwellings. The remainder of Rotokauri growth cell has remaining capacity for around 2,300 dwellings.
Gross capex – 10 years	$995.8m	$870.3m
Net capex - 10 years	$813.3m	$734.1m
Financial	**The Peacocke scenario can leverage the HIF loan benefits.** Also benefits from $119m in NZTA subsidies on the HIF components. More NZTA FAR projects than the other scenarios and therefore benefits from additional revenue and debt capacity in this respect (through a greater level of subsidies). The Peacocke scenario also offers a unique risk mitigation opportunity for Council through the HIF in the event that the residential property market either slows or accelerates relative to Councils growth forecast. The HIF interest-free period effectively buffers Council from a property market downturn within the next 10 years.	**No HIF loan benefit. Has a lower upfront commitment to infrastructure spend. Breaches the debt capacity limit at 2023. Financial impact peaks slightly higher than in Peacocke.** The Rotokauri scenario has the advantage of having individual capital projects of a lesser scale and a lower up-front commitment than in Peacocke, meaning that the infrastructure programme could be slowed down more easily. However, the Rotokauri scenario does not benefit from the HIF loan interest free period.
Strategic benefits	**This scenario has wider strategic benefits as a result of opening up the larger Peacockes cell and the Southern Links corridor (as proven by the HIF business case).** Future proofs residential land supply by opening up the lead infrastructure for a large cell. Opens up the regionally significant Southern Links corridor. The Peacocke growth cell is close to the CBD and connected to existing communities (e.g. Melville, Glenview). Growth would integrate into existing southern communities and provide the opportunity to build and strengthen these existing communities, and take advantage of existing facilities. Opportunity to develop an open space network along the Waikato River. Other non-financial advantages such as enabling significantly more dwellings than the Rotokauri scenario, over a longer period of time (20+ years)	**This scenario has lower strategic benefits than the Peacocke scenario.** This scenario would provide for residential growth nearby to support adjoining Rotokauri industrial/employment land development.

	and therefore delaying the need for further large investments to unlock another growth area in the following ten-year period. The HIF funding for the strategic infrastructure means that, once completed, the Peacocke area will be able to meet accelerated growth through future incremental pipe and road extensions as required. Further development beyond the 10 year period can accomodated via pipe and road extensions as and when required, similar to the approach in Rototuna over the last 10 years.	
Deliverability	**The detailed business case for the HIF outlines how the Peacocke lead infrastructure for this scenario could be delivered.**	**The single biggest commitment in this scenario would be the stormwater swale, which could be more easily delivered than the Peacocke infrastructure.**

107. Providing strategic infrastructure for Peacocke and Rotokauri scenarios comes with a number of potential risks which are set out below. Many of these risks would apply regardless of which scenario is chosen. However, the Peacocke scenario offers a unique risk mitigation opportunity for Council through the HIF in the event that the residential property market either slows or accelerates relative to Councils growth forecast. The HIF interest free period effectively buffers Council from a property market downturn within the next 10 years. Conversely, the HIF funding for the strategic infrastructure means that, once completed, the Peacocke area will be able to meet accelerated growth through future incremental pipe and road extensions as required.

Key risks associated with Scenarios 4 and 5	
Financial	Without substantial rates increases (HCC rates to be comparable to other growth councils), both scenarios are unaffordable. Growth assumptions may increase or reduce, but Council's ability to change growth capex is driven by the projects being undertaken. From year 11, Council's financial capacity to open new growth cells is significantly reduced due to financial capacity being committed to years 1-10 growth. Council's current financial strategy does not allow for provision of all growth infrastructure in areas zoned for development. Rotokauri Scenario 5 has the ability to stage capex projects which lowers the financial risk. However, Peacocke scenario offers a unique risk mitigation opportunity for Council through the HIF in the event that the residential property market either slows or accelerates relative to Councils growth forecast. The HIF interest free period effectively buffers Council from a property market downturn within the next 10 years. New government policy interventions, including KiwiBuild, Regional Development Fund, Regional Fuel Tax, Special Purpose Vehicles, and Infrastructure bonds, may provide different financial opportunities or risks to Council which are presently unknown. The current position is to lobby the Government for additional tools to assist in mitigating Council's financial risk.
Capacity	These scenarios assume that some greenfield infrastructure will be provided by developers. Without a commitment to staging and timing by the developers there is no guarantee of when developments will be brought to the market. There is some risk that developers in other areas (e.g. Stage One Rotokauri, Stage Two Peacocke) may wish to develop earlier and may push ahead regardless of the scenario chosen. This may reduce demand in the cell that is enabled. In the first ten years, if private developments were to come forward at a high rate, there is a possible risk of flooding the market with supply. The capacity beyond 10 years would fall away unless major infrastructure investment was provided for. Growth projections proving to be incorrect, with growth either significantly higher or lower than anticipated resulting in council either over-or under-investing in infrastructure.

Infrastructure	There is limited money set aside for council to 'upsize' infrastructure for private developers which may lead to sub-optimal infrastructure outcomes. Infrastructure provided by private developers (as required to mitigate their effects on the environment) may limit Council's ability to provide strategic solutions, or provide sub-optimal outcomes. Long planning and funding periods locking in current infrastructure solutions that may be subsequently superseded by more cost effective options. Council's ability to enter into cost-sharing arrangements through Private Developer Agreements to fairly apportion the costs of growth infrastructure that sits outside of Council's sequencing and timing, or for projects not currently included in DC's levied. Council must include projects in its programme in order to collect DCs. If projects are not included, Council will need to fund the full cost. Central Government intervention in the legislative or environmental areas may impact on the existing infrastructure, compliance requirements or RMA requirements for new/renewed consents.
Parks/Community Facilities	There is limited money set aside for greenfield land acquisition for parks/reserves. Relying on negotiations with developers or designation of land means there is a risk that the parks/reserves may not be delivered. If council does not make provision for community facilities through the 10-Year Plan budget there is a risk that new growth cells may not have adequate access to community facilities.
"Should" and "Could" projects excluded	The core infrastructure "should" and "could" projects have been moved outside the 2018-2028 10-Year Plan because they are largely projects that must happen but the risk is lower for them being required in the 10 Year period. The deferral of these projects will result in deteriorating levels of service; for example increased congestion on the Ring Road and environmental and health risks associated with wastewater overflows.

108. <u>In summary</u>, over the 10 year view, the Peacocke Scenario 4 and Rotokauri Scenario 5 have similar capex cost to Council, once subsidies and the HIF loan benefit is taken into account. Both have a similar funding profile to Council, with Rotokauri having a slightly higher overall financial impact whereby it breaches debt capacity whereas the Peacocke Scenario 4 does not.

109. A key difference between the scenarios is that the Peacocke Scenario 4 has the advantage of opening up the lead infrastructure for a large residential cell (Peacocke), thereby enabling more significantly more dwellings than the Rotokauri Scenario 5. This also decreases the need to open a second growth cell, a future large investment in the second ten-year period, to meet demand. Additionally, the Peacocke Scenario 4 will open up the wider regional benefits associated with the Southern Links corridor and the master planning aspects as mentioned previously. As a result, the Peacocke Scenario 4 is preferred over the Rotokauri Scenario 5.

110. The Peacocke Scenario 4 incorporates and aligns with the indicative HIF business case and has passed the review and analysis of an Independent government panel, NZTA and MBIE as we partner with Government in managing growth. Ongoing discussions are occurring with government to seek additional interventions to further release the financial pressures related to growth funding and this would further shorten the cost gap between the Peacocke Scenario 4 and Rotokauri Scenario 5.

111. For information, the following table identifies the top 25 projects for Peacocke Scenario 4, Rotokauri Scenario 5 and Status Quo (Deferred HUGS) Scenario 0. This allows Council to see the primary differences in programme expenditure between the scenarios (highlighted in yellow).

		10 Year Capex ($m)		
		Scenario 4	Scenario 5	Scenario 0 Status Quo
Project	Catchment	Peacocke	Rotokauri	Def. HUGS
Roading upgrades and development Peacockes stage 2A	Peacocke 2	195.5	68.5	68.5
Roading upgrades and development Rototuna m	Rototuna	40.7	40.7	40.7
Peacockes Transfer PS & RM (Stage 1)	Peacocke 2	37.4	-	-
Peacocke Parks and Open Spaces Network stage two	Peacocke 2	35.6	8.9	8.9
Spine road - fifth to ruakura incl rail overbridge	Ruakura	35.3	35.3	35.3
Ring Road cobham int	City Wide	31.8	31.8	31.8
Upgrade/New Stormwater Rotokauri stage 1	Rotokauri 1	28.9	93.7	28.9
Upgrade Water Treatment Plant	City Wide	26.9	26.9	26.9
Upgrade/new wastewater in Peacockes stage 2A	Peacocke 2	25.5	-	-
Roading upgrades and development Rotokauri industrial	Rotokauri 1	25.4	25.4	25.4
Peacockes stormwater stage 2A	Peacocke 2	23.1	-	-
Western Interceptor Duplication - Mid Section	City Wide	21.2	21.2	21.2
Upgrade WW Treatment Plant (Pukete 3) a	City Wide	18.6	18.6	18.6
Roading upgrades and development Rotokauri stage 1 m	Rotokauri 1	15.5	70.8	15.5
Upgrade/Build new watermains Rototuna	Rototuna	15.1	15.1	15.1
Storage - Upper (Steele Park) (Stage 1)	City Wide	13.6	13.6	13.6
Roading upgrades and development Peacockes stage 1B	Peacocke 1	10.8	10.9	10.9
Ruakura 12ML Reservoir online in 2020	City Wide	10.7	10.7	10.7
Ruakura 12ML Reservoir online in 2026	City Wide	10.7	10.7	10.7
FE2 Storage - Stage 1	City Wide	10.7	10.7	10.7
Increase network capacity for intensification	City Wide	10.6	10.6	10.6
Roading upgrades and development Rototuna-s	Rototuna	10.2	10.2	10.2
Upgrade/new stormwater Rototuna	Rototuna	9.8	9.8	9.8
Dinsdale PS Upgrade	City Wide	9.2	9.2	9.2
Other		323.2	317.4	294.3
Total Capex		**995.8**	**870.3**	**727.3**
Less: NZTA Subsidies		(182.5)	(136.2)	(115.2)
Total Capex (Net of Subsidies)		**813.3**	**734.1**	**612.0**

Note: financial information includes inflation

Conclusions and Recommended Growth Scenario

112. Most greenfield cells are zoned for growth and Council has obligations to provide strategic growth infrastructure. Relying on existing cells and infill development will not be sufficient to meet projected demand. Not opening up a new greenfield growth cell inside the City within the 10-Year Plan period is not a recommended option.

113. Any growth capex investment at levels below the Peacocke 4 or Rotokauri 5 scenarios present significant risks to Council and would introduce significant new longer-term costs to the council.

114. The work undertaken shows the Peacocke 4 Scenario is the preferred growth scenario available if the city is to retain its competitive advantage in residential supply capacity ahead of future growth trends. If the Peacocke growth cell infrastructure is not funded, the ability to access the HIF loan, and the added value of the growth cell in bringing forward the wider Southern Links transport network, will be lost. There is no certainty of an interest-free loan offer in the future, and any NZTA subsidy for Peacocke would be contestable against other regional projects, unlike the HIF which has a much higher level of subsidy certainty.

115. On the basis of the analysis undertaken, **staff recommend that Council adopt Peacocke Scenario 4**, as the preferred growth scenario.

116. The staff recommended response is a mixture of continuing infill and existing greenfield cells along with opening up the next stage of the Peacocke growth cell, enabled by HIF and proven by the HIF detailed business case. A separate report on the HIF detailed business case is included elsewhere on the agenda.

117. Funding infrastructure to deliver NIDEA Low growth through the Peacocke Scenario 4 requires a combination of the following:
   - Significant rates increases from year 1 (both the Peacocke Scenario 4 and Rotokauri Scenario 5 requires average total rates to be comparable with other high growth councils from Year 1);
   - Increased debt capacity (from higher revenue) to fund growth capex;
   - Increased debt levels;
   - Only “must” (essential) growth capex funded;
   - Debt capacity prioritised for growth capex;
   - Government approval of the HIF application;
   - NZTA approval of the subsidy elements associated with HIF.

118. The longer term view in all scenarios shows significant funding gap issues over the 30 years in all scenarios.

119. Given the significant financial burden that growth councils are facing, it is also recommended that Council continue to work with Central Government on alternative interventions for the next 3 years such as:
   - Fuel tax
   - Infrastructure Bonds
   - Special Purpose Vehicles
   - Additional rating tools
   - Public/Private Partnerships opportunities (PPP’s)
   - KiwiBuild housing scheme
   - Extension of HIF interest free loan repayment period beyond 10 years

Development Contributions

120. All growth scenarios reflect modelled development contributions revenue. A separate report elsewhere on the agenda discusses the DC policy review and revenue assumptions included in the draft 10-Year Plan, reflecting the Peacocke Scenario 4 growth option.

Community Infrastructure

121. In the draft 2018-2028 10-Year Plan community infrastructure is being considered outside of the 'growth' budget and isn't included in the growth scenario costings. Community infrastructure is discussed elsewhere on this agenda. This includes:

- Libraries
- Aquatic facilities
- Indoor recreation

122. The growth scenario that is selected will have a bearing on the location and type of provision of community infrastructure. This is because the location of community infrastructure throughout the City means that if more growth occurs further to the south there will be different demands, compared with a growth scenario which focuses growth to the north.

Sensitivity testing

123. At this time, long term growth projections for the City remain strong, but what would happen if growth was higher or lower than projected?

124. If growth is higher than projected, provision of infrastructure can flex by bringing forward projects from later in the programme. The ability to bring forward infrastructure would be limited by the capacity of the organisation and of the construction industry. This may mean insufficient greenfield growth cells enabled with infrastructure. If serviced land could not keep up with growth demands, there is a risk that land prices may increase and impact upon affordability and Hamilton's competitive advantage. However, there is currently around 4-5 years of developer-ready land available in the City which forms a buffer and could allow time to bring forward projects should they be needed sooner. Land brought forward by private developers through mechanisms such as private developer agreements may also provide additional supply to further mitigate the risks associated with insufficient serviced supply of land.

125. If growth was lower than projected, the provision of infrastructure can flex by moving more slowly than the projected programme. However, once an infrastructure project is committed, it must be completed, and this may mean that infrastructure is available prior to it being needed. Because growth moves in cycles, the infrastructure would then be available for the next growth cycle. The Peacocke scenario has the advantage of leveraging the HIF loan, meaning that the holding interest rates would be nil. As such, if growth didn't materialise at the rates projected, the HIF loan 10-year-interest-free period for funding strategic infrastructure significantly reduces the overall holding cost of providing growth infrastructure earlier than needed. This has the effect of reducing the costs associated with a slow-down of growth when compared with other scenarios. The Rotokauri scenario has the advantage of having a lower up-front commitment than in Peacocke, meaning that the infrastructure programme could be slowed down more easily.

126. Additionally, the Annual Plan provides opportunities each year to re-test the pace of growth and make budget adjustments as required whether growth is higher or lower than anticipated.

LTP 2018-2028 GROWTH SCENARIOS

(Updated to December 2017)

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Purpose

- Analyse potential growth scenarios for 2018 LTP
- Identify preferred growth scenario for inclusion in first draft of 2018 LTP
- Understand the benefits of the Housing Infrastructure Loan (HIF)
- To outline the need for a proactive approach to growth management.

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Why fund strategic growth infrastructure?

- Land use planning – greenfield cells zoned and structure plans created
- Development can occur provided developers mitigate their effects
- Council has role to provide strategic infrastructure and fund via DC's
  - Treatment plants, reservoirs, pipes (interceptors/bulk/trunk), arterial roads
- Council may collaborate with developers and pay upsize
- Implications if Council doesn't fund strategic infrastructure e.g:
  - Sub optimal solutions and ongoing costs
  - Late Council intervention required
  - Council positon deemed unreasonable
  - Cumulative demand impacts

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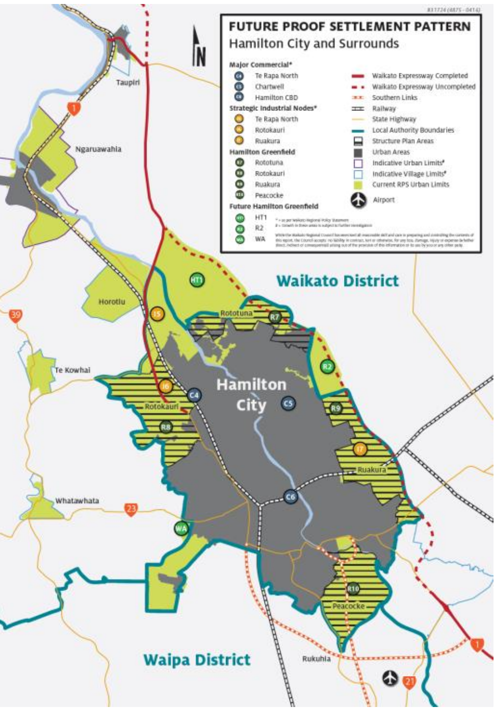
Growth context

- Growth areas inside the City
  - Rototuna
  - Rotokauri
  - Ruakura
  - Peacocke
  - Infill/CBD
  - Te Rapa North
  - Temple View (future)
- Growth areas outside the City
  - HT1
  - R2
  - WA
  - Future growth areas



Growth areas outside the City - HT1

- **Key facts:**
  - Located north of Rototuna
  - 806 ha
  - Date to come into the City: 2045 (to be replaced by a series of triggers)
  - Dwelling capacity approximately 11,000
- Significant delay to open
- No less expensive than other greenfield cells (similar to Peacocke)
- This cell does not present a viable option at this time

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Growth areas outside the City - R2

- **Key facts:**
  - North of Ruakura
  - 213 ha
  - Date to come into the City: 2039 (to be replaced by a series of triggers)
  - Dwellings capacity around 2,200-3,400

- If transfer is initiated now, 5-7 years away from being able to be brought into the City and structure planned (as per Ruakura)
- Strategic infrastructure services are at edge of cell but would require further substantial investment
- Development would not be strategically aligned with HUGS

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Growth areas outside the City - WA

- **Key facts:**
  - Located on the western edge of the City
  - 28 ha
  - Date to come into the City: Uncertain
  - Dwelling capacity approximately 300

- Limited capacity
- Timing is linked the Temple View structure plan
- Overall costs are unknown

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Other areas outside the city

- Areas to the south of the city (Southern Links) and in the Tamahere area subject to future negotiations
- Strategic boundary agreement being prepared for discussion with Waipa (Southern Links land)
- May form future growth areas for the city – not required for foreseeable future, are instead long term options
- Currently do not form growth cell options for the LTP or 30-year infrastructure strategy.
- Any move to zone these areas will put further pressure on Council

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Within the City - Temple View

- **Key facts:**
  - 467.8 ha (including WA)
  - Dwelling capacity approximately 5,800

- A structure plan is proposed to be prepared for this area (for consideration as 2018 LTP project)
- Potential additional supply in the long-term
- Existing greenfield areas with structure plans and zoning in place are prioritised over Temple View
- Would require significant infrastructure – not included in proposed 2018 LTP

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LTP growth areas

- At this time, areas outside of the city do not form growth cell options for the LTP or 30-year infrastructure strategy

- The LTP growth scenarios and 30-year infrastructure strategy focus on:

Rototuna	Rotokauri
Ruakura	Peacocke
Infill/CBD	Te Rapa North

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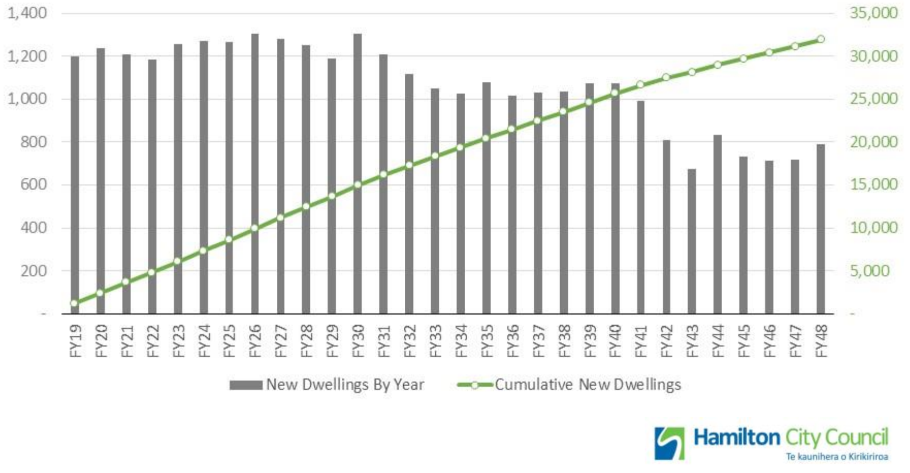
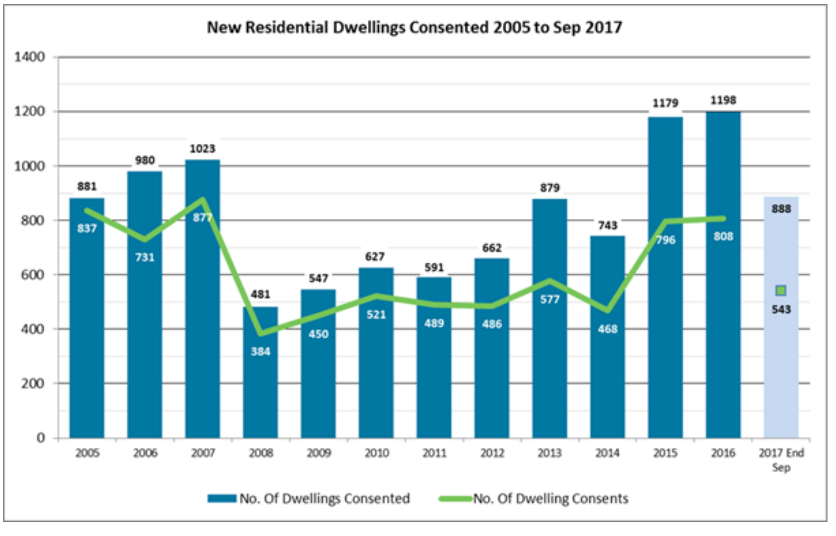
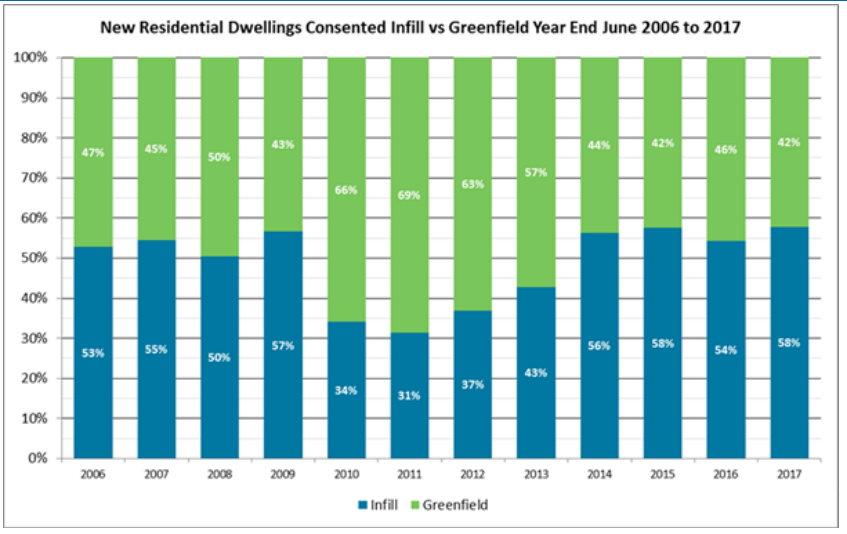
Growth Projections – NIDEA Low



Residential Growth (Actual)



Infill: Greenfield Growth



Residual Residential capacity

Growth Cell	2017/18 Model remaining cell capacity (residential)
Rotokauri 2	2,249
Peacocke 2	8,179
Rotokauri 1	3,193
Peacocke 1	322
Ruakura	1,969
Rototuna	3,816
CBD	2,988
Infill	14,017
Temple View	5,852

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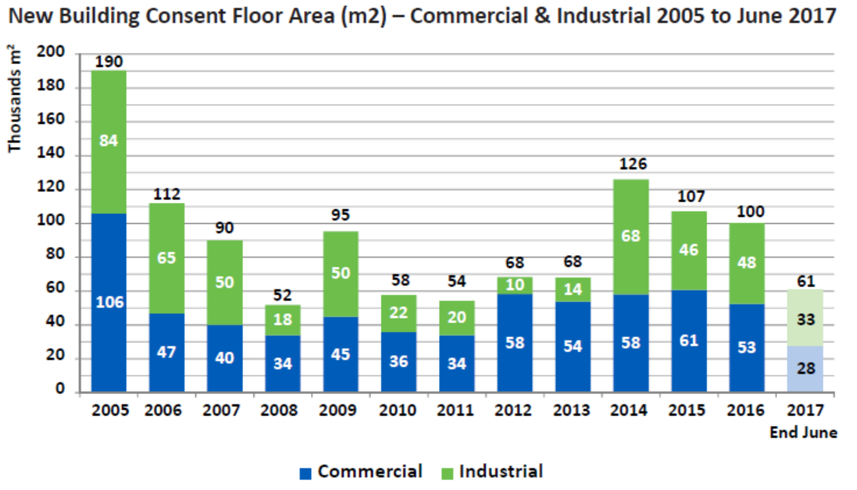
Industrial growth (Actual)



Industrial capacity

Supply			
	Total RPS Allocation 2010-2061	**Currently Zoned**	**Vacant (2017)**
Rotokauri	265ha	220ha (Stage 1)	157ha
Ruakura	405ha	80ha	80ha
Te Rapa North	85ha	14ha	7ha

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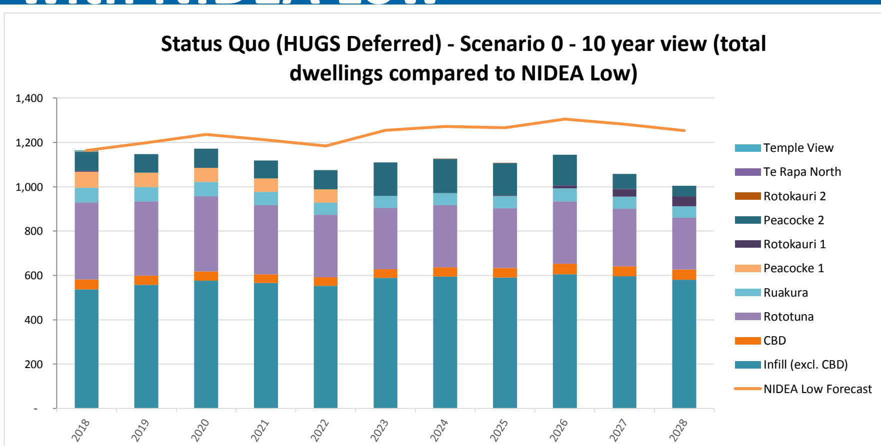
Status Quo (Deferred HUGS) Scenario 0

- This scenario would see the existing cells of Rototuna, Ruakura and Peacocke Stage 1 continue, with some further development in Rotokauri 1 where there are existing commitments. Infill and CBD growth would also continue.
- No new greenfield in Peacocke or Rotokauri

Status Quo Deferred HUGS

Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

Yield of Status Quo (Deferred HUGS) Scenario 0 compared with NIDEA Low



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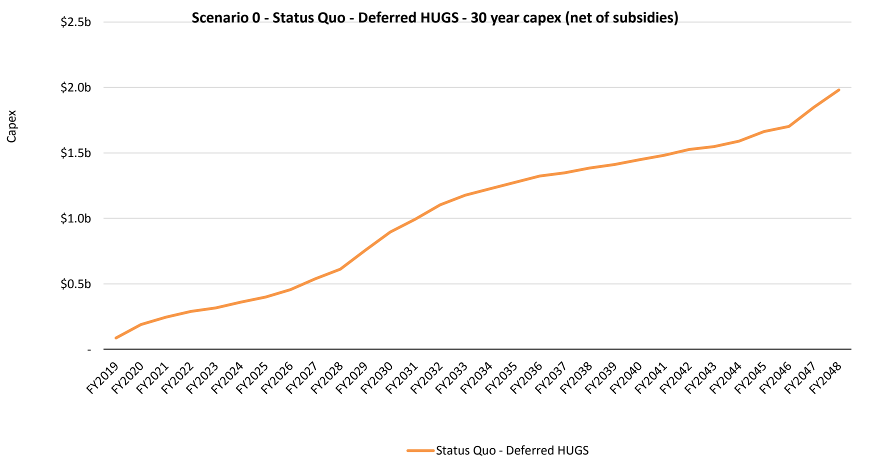
Status Quo (Deferred HUGS) – Scenario 0 - 30 year capex



Status Quo (Deferred HUGS) Scenario 0 - implications

- Council cannot rely solely on the development community to provide growth infrastructure to the level required.
- Council is faced with the next step change in investment to open another greenfield growth cell within the 10-year plan timeframe.

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Three growth scenarios

	Scenario	Description
1	Peacocke Full	Accelerate Peacocke Growth Cell first, by doing all lead infrastructure, and delay other new growth cells (incorporates HIF bid for Peacocke cell)
2	HUGS Status Quo (Peacocke Slow)	Rotokauri Growth Cell (Stage One) first ahead of Peacocke Stage Two taking a 'just in time' approach with partial lead infrastructure for Peacocke
3	HUGS Accelerated Rotokauri 1 and 2 (Peacocke Delayed)	Accelerated Rotokauri Stages One and Two with Peacocke delayed

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Assumptions

- Working to NIDEA Low, assuming 5 years' supply of developer-ready land
- Rototuna remains the primary greenfield cell under every scenario
- Ruakura and Rotokauri PDA commitments met under every scenario
- Infill/CBD continues to provide a substantial level of dwelling supply
- Growth capex cost includes "core services" for which DCs can be charged e.g. waters and transport infrastructure, reserves, recreational and community amenities infrastructure (but excludes sports clubs, destination playgrounds, swimming pools, libraries, indoor recreation centres etc).

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Assumptions continued

- The operating result is fully funding the balancing the books – no deficit or surplus
- Substantial increase in rates revenue is used generate debt capacity to fund any growth capex scenario
- The funding gap measure is based on a limit of 230% of revenue (LGFA covenant)
- Increased DC levies (per dwelling) have been assumed
- All rates and revenue assumptions are subject to separate council discussion – but provide a basis for growth scenarios modelling

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Assumptions continued

- Council is only leading strategic infrastructure and Developers need to provide infrastructure to mitigate their effects
- Serviced means that strategic services are within reach of a development and not necessarily to the door- developers need to collaborate and co-ordinate at time over their services
- Developers will put pressure on to develop land which is zoned but not serviced
- A number of projects such as urbanisation are pushed out beyond 10 years

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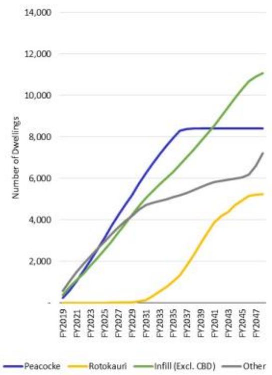
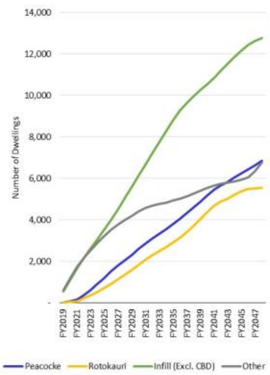
3 Initial Scenarios – 30 year view

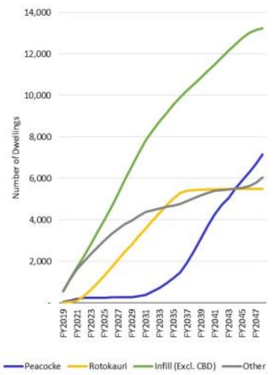
1. FULL PEACOCKE



2. HUGS STATUS QUO



3. ACCELERATED ROTOKAURI



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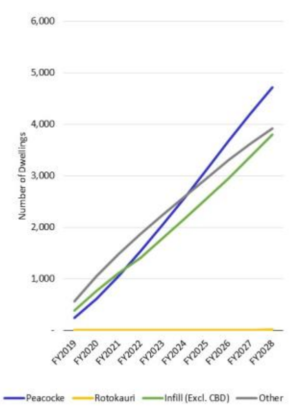
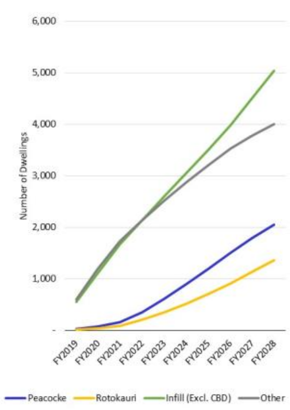
3 Initial Scenarios – 10 year view

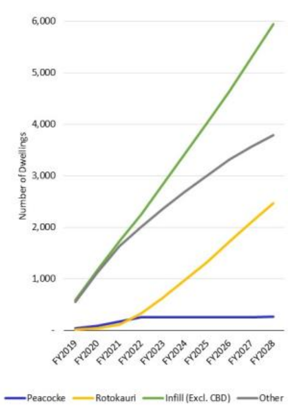
1. FULL PEACOCKE



2. HUGS STATUS QUO

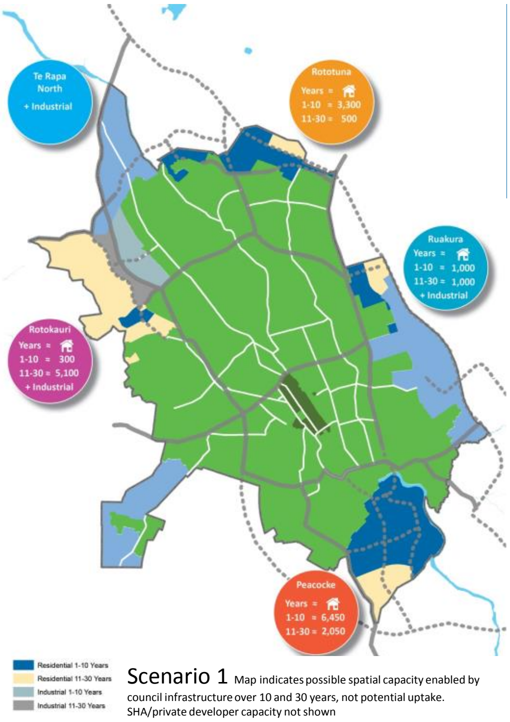


3. ACCELERATED ROTOKAURI



3 initial scenarios – #1 (Peacocke Full)

- Shows capacity released in years 1-10 and 11-30 under Scenario 1
- Peacocke 1, Rototuna and Ruakura continue to provide capacity, along with infill and the CBD
- Peacocke 2 is prioritised above Rotokauri 1 and 2
- Incorporates HIF bid for Peacocke cell



Scenario 1 Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

3 initial scenarios #2 (HUGS/ Peacocke Slow)

- Shows capacity released in years 1-10 and 11-30 under Scenario 2
- Peacocke 1, Rototuna and Ruakura continue to provide capacity, along with infill and the CBD
- Peacocke 2 is partially enabled in the first decade (overbridge, bridge and wastewater to bridge)
- Rotokauri 1 is also enabled in the first decade

Scenario 2 Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

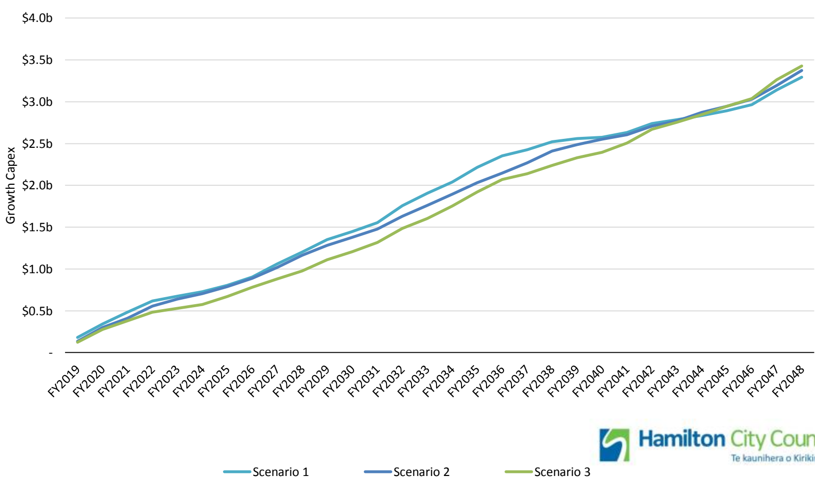
3 initial scenarios – #3 (HUGS/ Rotokauri/ Peacocke Delayed)

- Shows capacity released in years 1-10 and 11-30 under Scenario 3
- Peacocke 1, Rototuna and Ruakura continue to provide capacity, along with infill and the CBD
- Rotokauri 1 and 2 are both enabled in the first decade
- Peacocke 2 is enabled from 2029

Scenario 3 Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

Growth Scenarios 1- 3

30 year growth capex spend (Gross $)



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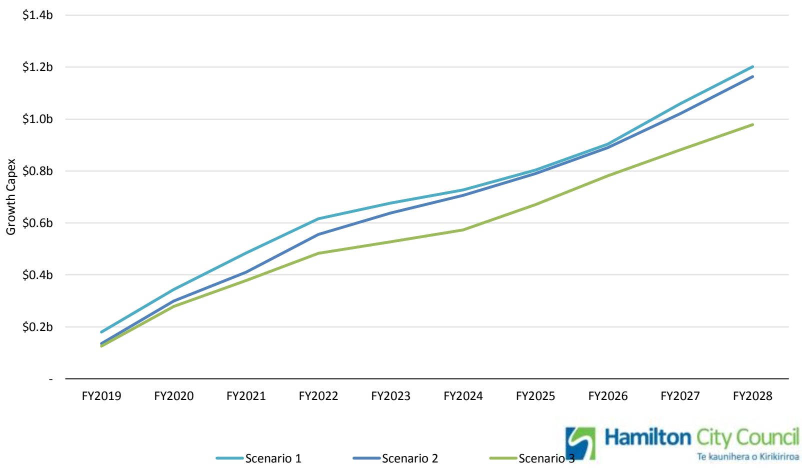
Growth Scenarios 1- 3

10 year growth capex spend (Gross $)



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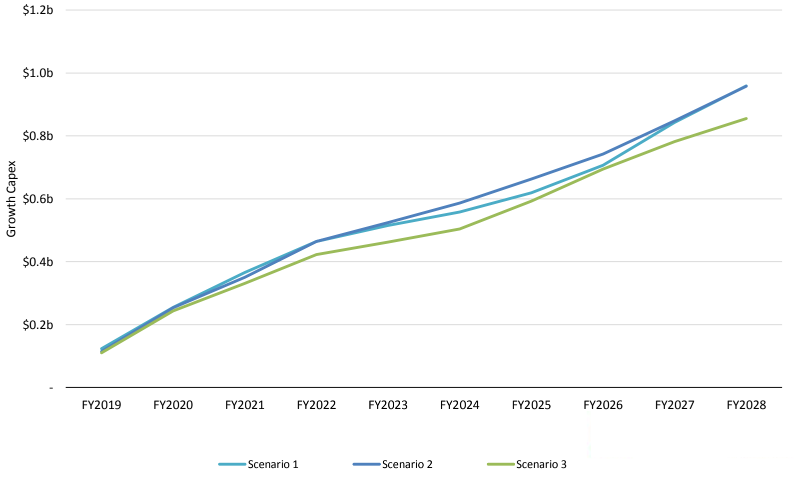
3 initial scenarios –

10 year growth spend by catchment (including net of FAR subsidies)

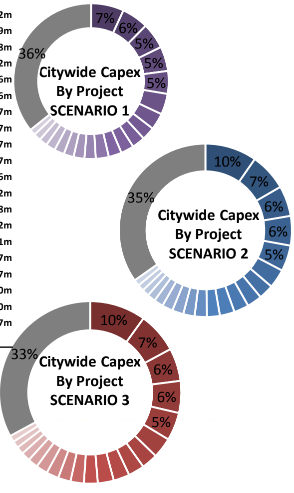


Growth Scenarios 1- 3

Breaking down citywide capex

RANK	PROJECT	SCEN 1	SCEN 2	SCEN 3	TOTAL
1	Ring Road Cobham Intersection	✓	✓	✓	$37.2m
2	Upgrade Water Treatment Plant	✓	✓	✓	$26.9m
3	4-laning Resolution to Hukanui	✓	✓	✓	$21.8m
4	Western Interceptor Duplication - Mid Section	✓	✓	✓	$21.2m
5	Storage - Upper (Stage 1) (1)	✓	✓	✓	$18.6m
6	Storage - Upper (Stage 1) (2)	✓	✓	✓	$13.6m
7	12ML Reservoir online in 2020	✓	✓	✓	$10.7m
8	Western Interceptor - Upper Network	✓	✓	✓	$10.7m
9	12ML Reservoir online in 2026	✓	✓	✓	$10.7m
10	FE2 Storage - Stage 1	✓	×	×	$10.7m
11	Increase network capacity for intensification	✓	✓	✓	$10.6m
12	Dinsdale PS Upgrade	✓	✓	✓	$9.2m
13	Kirikiriroa -Catchment Erosion control	✓	✓	✓	$8.8m
14	Storage - Mid Section (Stage 1)	✓	✓	✓	$8.2m
15	Stormwater ICMP Programme	✓	✓	✓	$8.1m
16	Storage - Stage 1	✓	✓	✓	$7.7m
17	Mangatukutuku -Catchment Erosion control	✓	✓	✓	$6.7m
18	Collins Rd PS Storage - Stage 1	✓	✓	✓	$6.0m
19	Upgrade WW Treatment Plant (Pukete 4) a	✓	✓	✓	$5.0m
20	Hillsborough PS Upgrade	✓	✓	✓	$4.7m

DRAFT

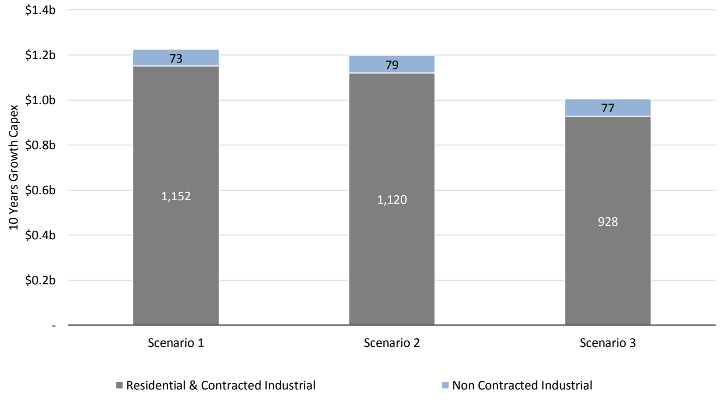


LARGEST CITYWIDE PROJECTS AS % OF TOTAL

	SCEN 1	SCEN 2	SCEN 3
Top 5	28%	33%	34%
Top 10	44%	47%	49%
Top 20	64%	65%	67%

Growth scenarios 1-3

Discretionary Industrial Capex



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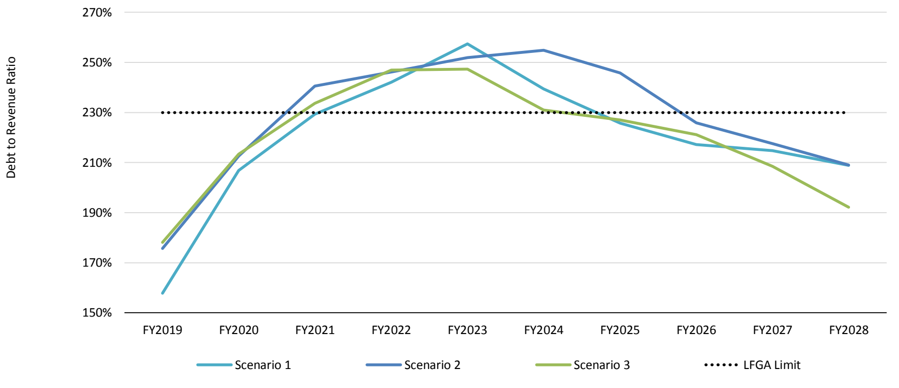
Growth scenarios 1-3
Debt to revenue ratio (10 years)



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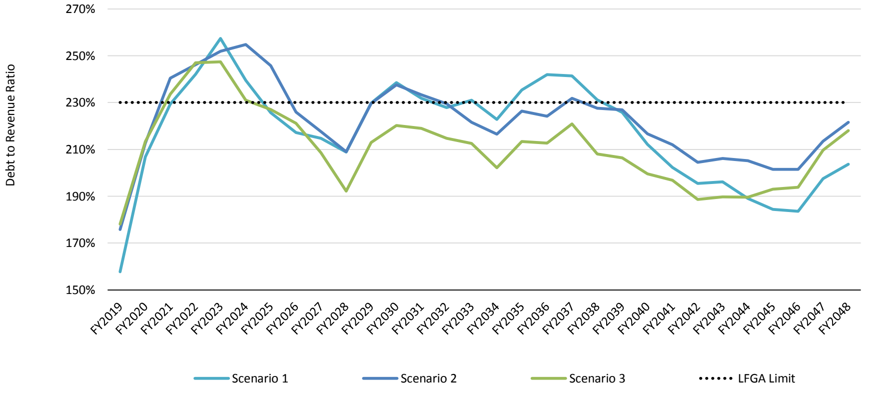
Growth scenarios 1-3
Debt to revenue ratio (30 years)



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Growth scenarios 1-3
Funding gaps

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New growth scenarios

Peacocke – Scenario 4

- Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue
- More limited release of land in Peacocke Stage 2 in the 10 year period
- Other new greenfield growth cells deferred outside of the 10 year period
- Assumes that some private developments will occur – degree of reliance on this.
- Incorporates HIF bid for Peacocke cell. PDA commitments continue.
- Rotokauri Stage 1 - industrial and limited residential (PDA committed) in Stage 1. Further works are deferred outside the 10 year period except for some provision to begin the stormwater swale in years 6-10.

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New growth scenarios

Rotokauri – Scenario 5

- Rototuna, Ruakura, City-wide/Infill and Peacocke 1 continue
- Rotokauri Stage 1 in the 10 year period
- Other new greenfield growth cells deferred outside of the 10 year period
- Assumes that some private developments will occur – degree of reliance on this. PDA commitments continue.
- Limited works to open Peacocke Stage 2 – upsize provision for limited release of residential land, lead infrastructure such as land procurement and design for bridge and arterial networks to begin from year 6.

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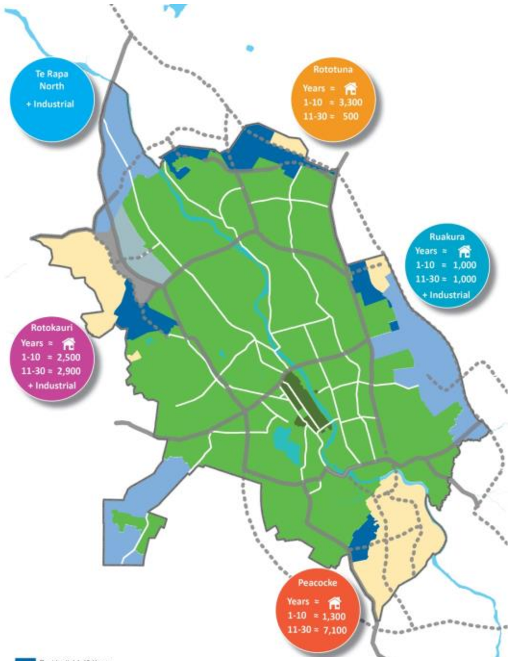
Peacocke Scenario 4

- This is the capacity that would be released in years 1-10 and 11-30 under this scenario
- Peacocke 2 is only part-enabled in the first 10 years, sufficient to meet the HIF infrastructure bid yield of 3,753 dwellings.
- Balance of Peacocke 2, along with Rotokauri 1 and 2, is outside the first 10-years
- Assumes some capacity is provided by SHA/private developers

Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

Rotokauri Scenario 5

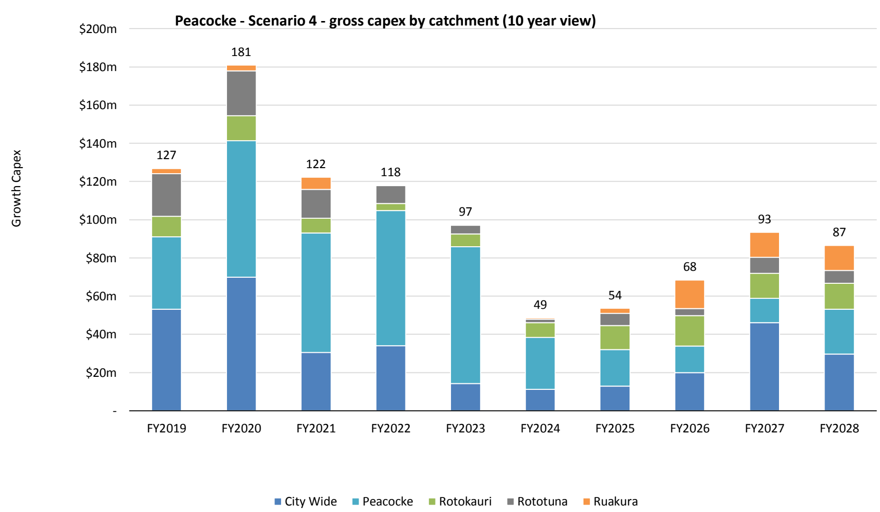
- This is the capacity that would be released in years 1-10 and 11-30 under Scenario 4
- Rotokauri 1 is enabled for industrial and residential.
- Limited infrastructure is provided for the beginnings of Stage 2 Peacocke in first 10 years.
- Stage 2 Rotokauri and the full Stage 2 Peacocke are enabled beyond year 10
- Assumes some capacity is provided by SHA/private developers



Map indicates possible spatial capacity enabled by council infrastructure over 10 and 30 years, not potential uptake. SHA/private developer capacity not shown

Peacocke Scenario 4

10-year growth capex by growth cell

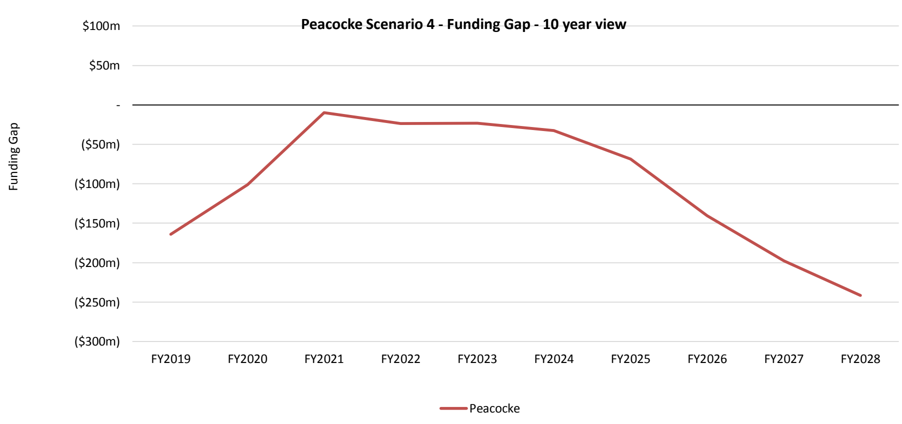


Peacocke Scenario 4

Projects breakdown – “Must” capex

RANK	PROJECT	CATEGORY	CATCHMENT	TOTAL ($m)	%
1	Roading upgrades and development Peacockes stage 2 HIF elements	Transport	Peacocke 2	175.8	20%
2	Roading upgrades and development Rototuna m	Transport	Rototuna	40.7	5%
3	Peacockes Transfer PS & RM (Stage 1) HIF	Waste Water	Peacocke 2	37.4	4%
4	Parks and Open Spaces Peacocke Parks and Open Spaces Network stage two	Parks	Peacocke 2	35.6	4%
5	Spine road - fifth to ruakura incl rail overbridge	Transport	Ruakura	35.3	4%
6	Upgrade/New Stormwater Rotokauri stage 1	Storm Water	Rotokauri 1	28.9	3%
7	Upgrade Water Treatment Plant	Water Supply	City Wide	26.9	3%
8	Roading upgrades and development Rotokauri industrial	Transport	Rotokauri 1	25.4	3%
9	Peacockes stormwater stage 2A	Storm Water	Peacocke 2	23.1	3%
10	Western Interceptor Duplication - Mid Section	Waste Water	City Wide	21.2	2%
11	Ring Road cobham int HIF	Transport	City Wide	20.0	2%
12	Roading upgrades and development Peacockes stage 2A	Transport	Peacocke 2	19.8	2%
13	Upgrade WW Treatment Plant (Pukete 3) a	Waste Water	City Wide	18.6	2%
14	Roading upgrades and development Rotokauri stage 1 m	Transport	Rotokauri 1	15.5	2%
15	Upgrade/new wastewater in Peacockes stage 2 HIF	Waste Water	Peacocke 2	15.4	2%
16	Upgrade/Build new watermains Rototuna	Water Supply	Rototuna	15.1	2%
17	Storage - Upper (Steele Park) (Stage 1)	Waste Water	City Wide	13.6	2%
18	Ring Road cobham int	Transport	City Wide	11.8	1%
19	Roading upgrades and development Peacockes stage 1B HIF elements	Transport	Peacocke 1	10.8	1%
20	Ruakura 12ML Reservoir online in 2020	Water Supply	City Wide	10.7	1%
Other				277.8	32%
Total				**879.3**	**100%**

Peacocke Scenario 4 - ‘Must’ capex – Funding Gap



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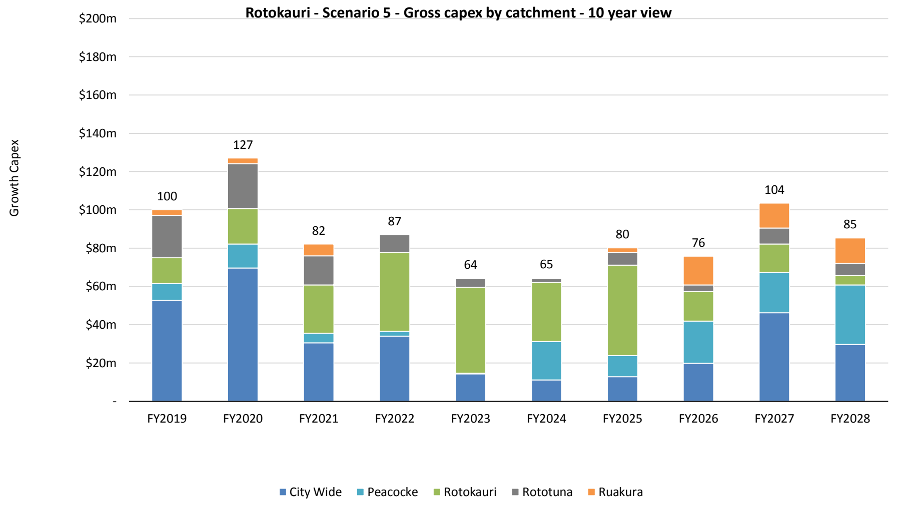
Rotokauri Scenario 5

10-year growth capex by growth cell

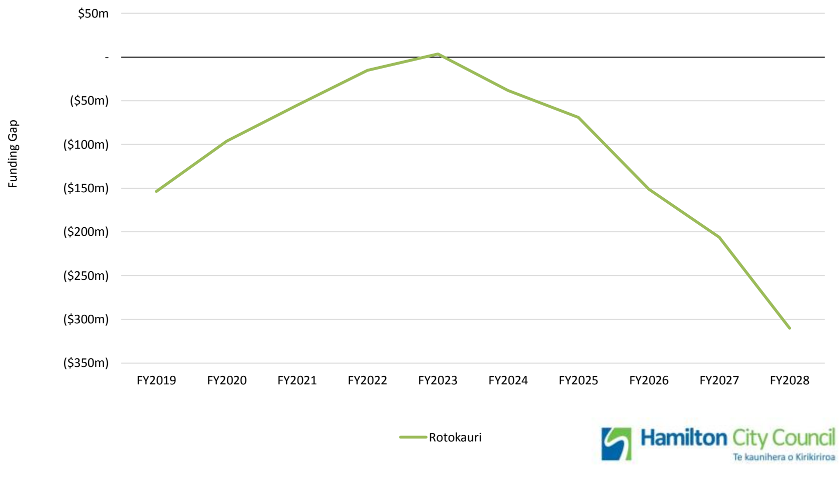


Rotokauri Scenario 5

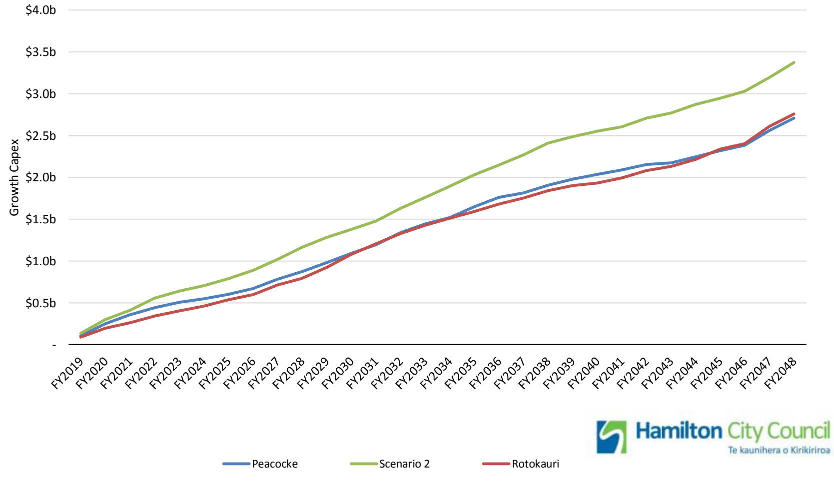
Projects breakdown – "Must" capex

RANK	PROJECT	CATEGORY	CATCHMENT	TOTAL ($m)	%
1	Upgrade/New Stormwater Rotokauri stage 1	Storm Water	Rotokauri 1	93.7	12%
2	Roading upgrades and development Rotokauri stage 1 m	Transport	Rotokauri 1	70.8	9%
3	Roading upgrades and development Peacockes stage 2A	Transport	Peacocke 2	68.5	9%
4	Roading upgrades and development Rototuna m	Transport	Rototuna	40.7	5%
5	Spine road - fifth to ruakura incl rail overbridge	Transport	Ruakura	35.3	5%
6	Ring Road cobham int	Transport	City Wide	31.8	4%
7	Upgrade Water Treatment Plant	Water Supply	City Wide	26.9	4%
8	Roading upgrades and development Rotokauri industrial	Transport	Rotokauri 1	25.4	3%
9	Western Interceptor Duplication - Mid Section	Waste Water	City Wide	21.2	3%
10	Upgrade WW Treatment Plant (Pukete 3) a	Waste Water	City Wide	18.6	2%
11	Upgrade/Build new watermains Rototuna	Water Supply	Rototuna	15.1	2%
12	Storage - Upper (Steele Park) (Stage 1)	Waste Water	City Wide	13.6	2%
13	Roading upgrades and development Peacockes stage 1B	Transport	Peacocke 1	10.9	1%
14	Ruakura 12ML Reservoir online in 2020	Water Supply	City Wide	10.7	1%
15	Ruakura 12ML Reservoir online in 2026	Water Supply	City Wide	10.7	1%
16	FE2 Storage - Stage 1	Waste Water	City Wide	10.7	1%
17	Increase network capacity for intensification	Waste Water	City Wide	10.6	1%
18	Roading upgrades and development Rototuna-s	Transport	Rototuna	10.2	1%
19	Upgrade/new stormwater Rototuna	Storm Water	Rototuna	9.8	1%
20	Dinsdale PS Upgrade	Waste Water	City Wide	9.2	1%
Other				223.1	29%
Total				**767.2**	**100%**

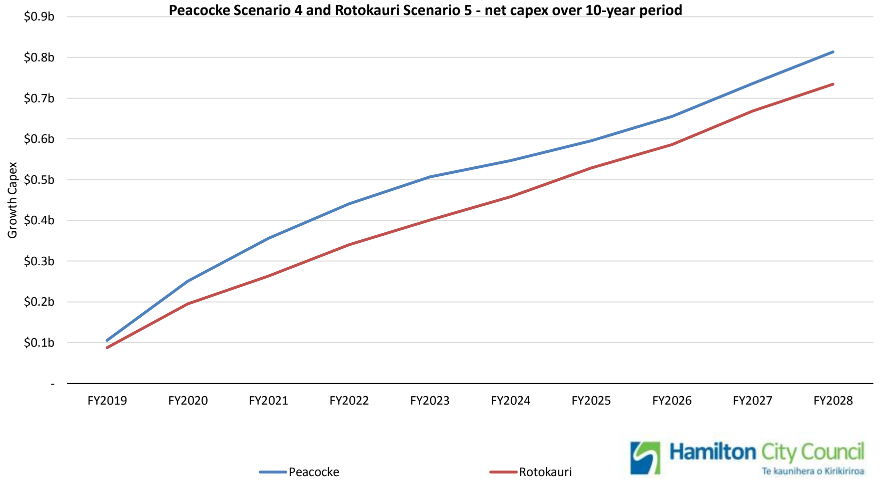
Rotokauri Scenario 5
'Must' capex – Funding Gap



Peacocke (4) and Rotokauri (5) Scenarios 30 year capex comparison when compared against original scenario 2 (HUGS) (gross, all projects)



Peacocke (4) and Rotokauri (5) Scenarios - 10 year capex comparison with subsidies



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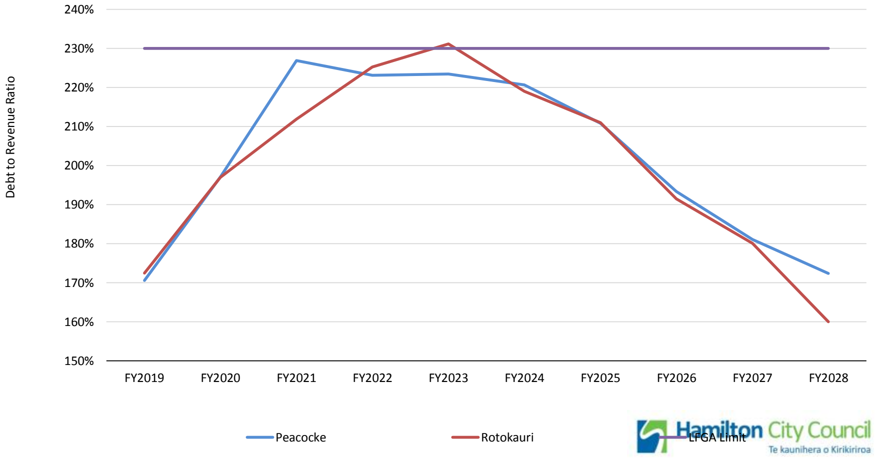
Peacocke (4) and Rotokauri (5) Scenarios – Debt to Revenue



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Summary – comparison of Peacocke (4) and Rotokauri (5)

- The Peacocke and Rotokauri scenarios are similar in terms of cost over the 10 year view taking into account subsidies and HIF loan benefit. Rotokauri Scenario 5 peaks slightly above debt capacity which Peacocke Scenario 4 does not.
- Peacocke Scenario 4 has the advantage of opening up the lead infrastructure for a large residential cell (Peacocke), thereby enabling more dwellings than Rotokauri
- Peacocke is subject to the review and analysis of an independent government panel, NZTA and MBIE.
- Peacocke Scenario 4 is the recommended growth scenario.

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Conclusions

- Most greenfield cells are zoned for growth and "active"
- Council has clear legal obligations to provide strategic growth infrastructure
- Funding infrastructure to deliver NIDEA Low growth through the Peacocke Scenario 4 requires a combination of the following:
  - Significant rates increases from year 1 (requires average total rates to be comparable with other high growth councils from Year 1)
  - Increased debt capacity (from higher revenue) to fund growth capex
  - Increased debt levels
  - Only "must" (essential) growth capex funded
  - Debt capacity prioritised for growth capex
  - Government approval of the HIF application
  - NZTA approval of the subsidy elements associated with HIF

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Conclusions continued

- Without substantial rates increase in rates the Peacocke Scenario 4 is unaffordable
- Despite the modelling indicating a bare-bones infrastructure spending approach is getting close to meeting demand in the next 10 year within debt funding limits, the longer term view shows a significant funding gap at 30 years under all scenarios.
- Any growth capex investment at levels below the Peacocke Scenario 4 presents significant risks to Council and introduces significant new longer term costs to the council

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Community Infrastructure

- In the draft 2018-2048 LTP discretionary community infrastructure is being considered outside of the 'growth' budget and isn't included in the costs here today
- The growth scenario that is selected will have a bearing on the location, type and timing of community infrastructure required

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National Policy Statement – Urban Development Capacity

- NPS-UDC requires a margin above projected demand (NIDEA Low) of:
  - 20% in the short (3 year) and medium term
  - 15% in the longer term
- Current estimate is 4-5 years of greenfield supply along with infill/CBD capacity of around 17,000 dwellings
- Report by end of 2017 will confirm if HCC meets the targets
- A Future Development Strategy (due end of 2018) will outline any steps needed to meet the target such as:
  - Changes to an annual plan or a subsequent LTP
  - Identifying other ways to manage any short fall of capacity
- MBIE has confirmed that the 2018 LTP not required to address the NPS requirements

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Special Purpose Vehicles

- The previous Government announced a special purpose vehicle for infrastructure funding in Auckland, via a crown company, 'Crown Infrastructure Partnership'.
- At this stage the new Government is testing the concept in Auckland.
- The details from Government are only high level so it's not possible yet to model an SPV scenario for the LTP 2018 at this time.
- The concept of a SPV would require Council to procure the construction of lead infrastructure by a third party and effectively pay for its use annually.
- The SPV assets must be held off balance sheet, which may be challenging under accounting standards, or be excluded by the LGFA under the classification of debt.

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SECTION 3c: ATTACHMENT 1

Transport Improvement Programme

Proposal

Author:	Katherine Johns	Authoriser:	Chris Allen
Position:	Strategic Transport Planner	Position:	General Manager City Infrastructure

Proposal

1. This proposal recommends a Prioritised Transport Improvement Programme to deliver the transport outcomes and targets for Hamilton, as defined in the Access Hamilton Programme Business Case previously approved by Council.

Access Hamilton Taskforce Recommendation

That the Council approves funding provision in the draft 2018-28 10-Year Plan of $220m (gross) over the 10-year period for the Prioritised Transport Improvement Programme included in section 3c, attachment 1 attachment 1 of section 3c.

Executive Summary

2. The Access Hamilton Programme Business Case (PBC) was approved by the Growth and Infrastructure Committee at its 24 October 2017 meeting. The committee also endorsed a full programme of works as a basis for the Access Hamilton Taskforce to prioritise a draft transport improvement programme to be considered by Council for inclusion in the 2018-28 10-Year Plan. The report to the committee, including the full programme of works, can be found on page 29 of the Growth and Infrastructure Committee agenda.
3. The purpose of the PBC was to confirm the need for investment in transport and to present a case for change.
4. The PBC confirmed 3 problem statements for Hamilton's transport system
   - Growth and economic development is happening faster than anticipated leading to congestion and demand for transport investment earlier than planned
   - System failures from network characteristics, user behaviour and increasing demand are resulting in deaths and serious injuries.
   - Our transport system has focused on cars resulting in low use of other modes and higher future cost for transport.
5. The transport network is experiencing increased levels of congestion and a decrease in the levels of safety. Hamilton has extremely high volumes of single occupancy car trips and as growth continues, more vehicles will be using the network.
6. Without intervention, the current investment approach will result in increased travel times, greater congestion, a decline in safety performance with further increases in the number of people killed or seriously injured and higher future transport costs. It is essential to encourage the uptake of passenger transport services and walking and cycling to provide alternative transport choices.

7. The transport improvement programme optimises funding to deliver a balanced approach to achieving the adopted transport targets and outcomes.

8. Three outcome areas and investment objectives have been approved through the PBC:

- Access for growth and economic development – We will enable business and residential growth while reducing the cost of access.
- Safety – We will reduce deaths and serious injuries.
- Transport choice – We will enable access to essential services, employment and recreation by providing transport choice for all users.

9. To achieve these outcomes the following measures and targets have been developed, in collaboration with our funding partners (NZ Transport Agency and Waikato Regional Council).

		Current	10 Year Target	30 Year Target
Measure 1:	Land accessible for development Targets based on NPS Urban Development Capacity	4,000 dwellings	11,638 dwellings	33,000 dwellings
Measure 2:	Intersections where demand exceeds capacity Measures based on holding our own in the face of extra traffic	27	<=27	<=27
Measure 1:	Deaths	5	0	0
Measure 2:	Serious injuries	45	34	17
Measure 3:	Serious injuries involving vulnerable users Current based on 6 yr average 2011-2016. Injury targets based on Regional Road Safety Strategy.	16	12	6
Measure 1	Single occupancy vehicles Targets based on increasing mode share. Measures from Journeys to Work (JTW) surveys.	80%	70%	TBC
Measure 2:	Mode share for alternatives (trips) Targets based on increasing mode share. Measures fron Hamilton Census JTW data and MOT transport indicators (short trips (trips by foot))	3% bus	7% bus	TBC
		11% walking/cycling	22% walking/cycling	TBC
		26% of trips <2km by foot	50% of trips <2km by foot	TBC
Measure 3:	Public transport is easy to get to	80% agree	85% agree	TBC

10. This proposal presents two options:

- Option 1 (Mayor's Recommendation): Prioritised Transport Improvement Programme.
- Option 2: Business as usual (BAU) – 2015-25 10-Year Plan.

11. The transport improvement programme does not include transport projects that are being considered separately by Council as part of the growth programme.

Option 1: Prioritised Transport Improvement Programme (Recommendation)

12. Description

13. This option identifies a Prioritised Transport Improvement Programme which optimises opportunities for achieving Access Hamilton outcomes and targets.

14. The prioritised transport improvement programme represents a balanced investment across economic

development, safety and transport choice and has been informed by evidence based assessment of congestion and safety, together with analysis of where transport demand is likely to be in the future.

15. Hamilton City Council has been working with its transport partners and other stakeholders over the past 3 years developing a One Network approach to the Hamilton Network and has produced a Network Operating Framework looking at all sectors of the network, at differing times and has identified the network operating gaps which largely inform the prioritised transport improvement programme and the partner Council programmes

16. This prioritised programme (attached) has been developed on the basis that it will substantially allow the targets to be met if corresponding work programmes from NZ Transport Agency and Waikato Regional Council are also funded and delivered.

17. The prioritised transport improvement programme has the assumption that each project will attract an NZ Transport Agency subsidy of 51%. The prioritised transport improvement programme is $220m (gross) over 10 Years.

18. This prioritised transport improvement programme will need to be adjusted if NZ Transport Agency subsidy is not approved, noting that individual project subsidy can only be fully confirmed at a time immediately prior to commencement of the project and is subject to national availability of funds.

19. The individual projects were selected to be on the prioritised transport improvement programme by the Taskforce based on their ability to deliver maximum benefits, in particular those that deliver on multiple outcome areas.

20. The rail projects included in the programme are either based on the need to future proof land for passenger rail opportunities regardless of timing, and/or to anticipate emerging government policy.

21. Advantages and Disadvantages

Advantages	**Disadvantages**
• This prioritised programme is fully aligned with the adopted Access Hamilton outcomes and contributes to the 10 year targets • This prioritised programme delivers a balanced approach to transport • Funding partners (Waikato Regional Council (WRC) and NZTA) have been partner to the development of the programme • This prioritised programme has the potential to receive NZTA subsidy at 51% for the entire programme • This prioritised transport improvement programme has strong alignment with draft Government and Regional transport policies • This prioritised transport improvement programme optimises investment.	• The prioritised transport improvement programme is a step up from the current level of transport improvement and to deliver it requires an increase in staff resourcing which has been allowed for in the base budgets. • The targets will need reviewing following final approval of this programme and the 2 partner programmes • Funding partners have to follow their respective funding approval processes.

22. Financial Implications

23. It is assumed the entire programme will attract NZTA subsidy at 51%.

Option 1											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	10,792	14,030	12,061	11,424	11,531	12,954	10,787	11,475	9,868	7,255	**112,177**
Total Operating Expenses	-	53	143	224	272	301	332	351	392	417	**2,485**
Total Capital Expenses	21,160	27,510	23,650	22,400	22,610	25,400	21,150	22,500	19,350	14,225	**219,955**

Option 2: Business as usual (BAU) – 2015-25 10-Year Plan

24. Description

25. The 2015-25 10-Year Plan outlines the programme of work currently approved to deliver transport for Hamilton. This programme was developed prior to the adoption of the Access Hamilton PBC outcomes and targets.

26. The 2015-25 10-Year Plan focused on transport growth investment being delivered at the point that demands on the network would exceed supply, with minimal investment in economic development (congestion), safety and transport choice.

27. The transport improvement projects (excluding growth) currently in the 2015-25 10-Year Plan from Year 3 (2018/19) include:

- Minor Improvements to the transport network.
- Bus stop infrastructure.
- Integrated transport initiatives.
- Cross City Connector (Boundary/Heaphy Intersection upgrade).

28. Advantages and Disadvantages

Advantages	Disadvantages
• This option minimises investment.	• This programme does not align with, and is not achieving, the recently approved Access Hamilton outcomes and targets. Nor is it considered by staff to be meeting the expectations of the community. • This programme will not be able to hold increasing levels of congestion and the increasing likelihood of more people being killed or seriously injured on the network. • This programme, together with the 2015-25 growth investment programme, do not address the requirements of the National Policy Statement on Urban Development Capacity (NPS-UDC).

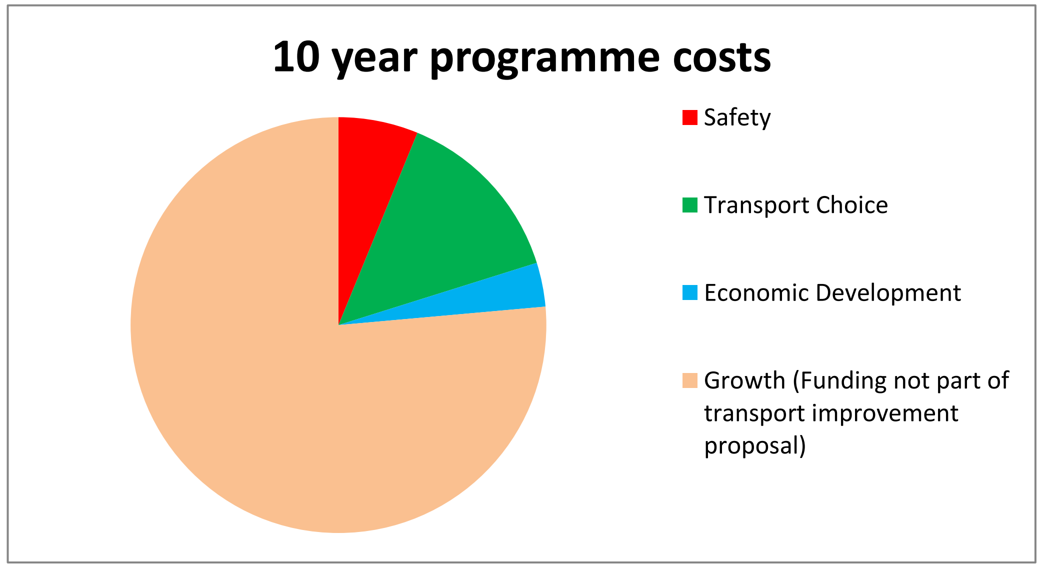
29. Financial Implications

30. NZTA subsidy assumed at 51% for bus stop infrastructure, minor improvements and Cross City Connector.
31. Activities delivered within the Integrated Transport Initiative's fund is individually assessed for NZTA subsidy – this is not guaranteed and therefore not assumed in the figures below
32. The programme for years 8, 9 and 10 have been assumed based on the previous approved 7 years.

Option 2											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	414	624	1,926	1,686	475	482	500	518	538	558	**4,792**
Total Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenses	1,785	2,223	4,807	4,367	2,029	2,081	2,158	2,223	2,290	2,359	**20,576**

AHS Outcome	Project	Total	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Safety	341 Minor Improvements	$20,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Safety	Gordonton Road roundabouts -Thomas/Puketaha & ped/cycle path	$11,700,000	$4,700,000	$2,000,000	$4,000,000	$1,000,000	$0	$0	$0	$0	$0	$0
Safety	324 Grey/Cook Safety Upgrade	$2,040,000	$40,000	$0	$0	$0	$2,000,000	$0	$0	$0	$0	$0
Safety	324 Grey/Beale Safety Upgrade	$1,530,000	$30,000	$0	$1,500,000	$0	$0	$0	$0	$0	$0	$0
Safety	324 Grey/Wellington Safety Upgrade	$2,040,000	$40,000	$0	$0	$0	$2,000,000	$0	$0	$0	$0	$0
Safety	324 Tristram/Rostrevor Safety Upgrade	$4,080,000	$0	$0	$0	$0	$80,000	$4,000,000	$0	$0	$0	$0
Safety	324 Lake/King Safety Upgrade	$3,060,000	$0	$0	$0	$0	$60,000	$3,000,000	$0	$0	$0	$0
Safety	324 Pembroke/Ruakiwi/Palmerston Safety Upgrade	$6,120,000	$0	$0	$0	$0	$120,000	$0	$6,000,000	$0	$0	$0
Safety	324 Anglesea/Bryce Safety Upgrade	$1,550,000	$50,000	$1,500,000	$0	$0	$0	$0	$0	$0	$0	$0
Safety	Wairere/Huntington	$5,750,000	$150,000	$0	$0	$0	$5,100,000	$500,000	$0	$0	$0	$0
Choice	Bus Stop Infrastructure	$6,500,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Choice	Integrated Transport Modes	$15,000,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Choice	Mass Transit Corridor Priority	$21,000,000	$200,000	$0	$1,500,000	$2,500,000	$2,500,000	$5,250,000	$3,000,000	$0	$3,250,000	$2,800,000
Choice	531 Mass Transit Interchanges	$4,300,000	$200,000	$0	$0	$0	$100,000	$2,000,000	$2,000,000	$0	$0	$0
Choice	531 Mass Transit Intersection Priority	$10,700,000	$200,000	$1,500,000	$1,500,000	$500,000	$3,500,000	$1,500,000	$1,000,000	$1,000,000	$0	$0
Choice	531 Rotokauri Park and Ride	$9,650,000	$6,150,000	$500,000	$3,000,000	$0	$0	$0	$0	$0	$0	$0
Choice	Rotokauri Rail Platform	$2,000,000	$750,000	$0	$0	$1,250,000	$0	$0	$0	$0	$0	$0
Choice	Transport Centre Rejuvenation	$5,480,000	$150,000	$5,330,000	$0	$0	$0	$0	$0	$0	$0	$0
Choice	Bus Maintenance Shed Upgrade	$800,000	$800,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Choice	452 BP Biking Connectivity Projects	$15,500,000	$1,000,000	$2,000,000	$2,000,000	$3,000,000	$3,000,000	$0	$1,000,000	$1,500,000	$1,000,000	$1,000,000
Choice	452 BP School Link PT and Cycleway	$20,000,000	$2,000,000	$6,000,000	$6,000,000	$6,000,000	$0	$0	$0	$0	$0	$0
Choice	452 Te Awa South River Ride	$4,000,000	$0	$4,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Choice	452 BP Central City	$3,100,000	$100,000	$0	$0	$0	$0	$0	$0	$3,000,000	$0	$0
Choice	452 BP Citywide Biking Signage	$300,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Choice	452 BP University Route	$7,650,000	$150,000	$0	$0	$0	$0	$0	$4,000,000	$3,500,000	$0	$0
Choice	Whitiora Bridge Shared Footpath	$1,100,000	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$1,000,000
Choice	Kirikiriroa Bridge Widening	$3,100,000	$0	$0	$0	$0	$0	$0	$0	$0	$100,000	$3,000,000
Economic Development	cross city connector - Heaphy terrace signals	$4,875,000	$0	$0	$0	$0	$0	$0	$0	$350,000	$2,250,000	$2,275,000
Economic Development	324 Pembroke/Selwyn Capacity Upgrade	$4,080,000	$0	$80,000	$0	$0	$0	$0	$0	$4,000,000	$0	$0
Economic Development	324 Tristram/Collingwood Capacity Upgrade	$5,100,000	$0	$100,000	$0	$0	$0	$5,000,000	$0	$0	$0	$0
Economic Development	324 Peachgrove/Clyde Capacity Upgrade	$4,080,000	$0	$80,000	$0	$4,000,000	$0	$0	$0	$0	$0	$0
Economic Development	324 Fairfield Br/River Rd Capacity Upgrade	$3,060,000	$0	$60,000	$0	$0	$0	$0	$0	$0	$3,000,000	$0
Economic Development	324 Horsham/Thomas Capacity Upgrade	$3,570,000	$0	$70,000	$0	$0	$0	$0	$0	$0	$3,500,000	$0
Economic Development	324 Grey/Te Aroha Capacity Upgrade	$5,100,000	$0	$100,000	$0	$0	$0	$0	$0	$5,000,000	$0	$0
Economic Development	324 Pembroke/Ohaupo Capacity Upgrade	$2,040,000	$0	$40,000	$0	$0	$0	$0	$0	$0	$2,000,000	$0
		$219,955,000	$21,160,000	$27,510,000	$23,650,000	$22,400,000	$22,610,000	$25,400,000	$21,150,000	$22,500,000	$19,350,000	$14,225,000

Total Programme Target	$ 220,000,000
Expected Revenue	-$112,177,050
Gross Cost (Excl. Opex)	$219,955,000



SECTION 3d: ATTACHMENT 1

Strategies and Plans

FUNDED AND UNFUNDED

Plans and Strategies

The purpose of this attachment is to provide context of how the Plans and Strategies projects are addressed in the proposed draft budget.

This attachment provides an update of the projects from the various Plans and Strategies, categorising the projects as either:

- Projects incorporated into ongoing work programmes
- Projects Completed
- Projects included in another Initiatives, Plan or Strategy
- Projects either externally funded or on hold
- Projects Planned and Funded in 2017/18
- 10-Year Plan Funded Projects.
- Strategic Plan Unfunded Capex Projects

For each project amounts are provided for:

- Capital expenditure (capex),
- Consequential operational expenditure (conseq opex),
- Operating expenditure (operating) and
- Revenue.

In addition, capex projects are also categorised as:

- P (Compliance and business improvement)
- R (Renewals)
- C (Community Infrastructure)
- G (Growth)
- T (Transport Improvements).

Central City Transformation Plan

Projects incorporated into ongoing work programmes
Sonning car park options
Bylaw and policy review to align with CCTP
30 Year traffic model
CBD marketing for retail & hospitality
District plan review – building rules/precinct
CBD Rules and consent booklet

Projects Completed
Stability work VOTR
Maple Grove
Embassy Park
Pedestrian Routes to Venues
Upgrade of Garden Place umbrellas, tables and chairs
Lick of paint HCBA
Bollards & Barriers
Business Hub Feasibility
Invest Hamilton website
Quarterly economic report
Retail mix customer survey and analysis
Greenspace Naming
Beautification Policy
BID Policy Review
Urban Design Panel review
Garden Place transfer to HCBA – not feasibility as public space
Retail & hospitality performance reporting

Projects included in another Initiatives, Plan or Strategy
Fountain upgrade Civic Square - included in Reception Lounge project
Victoria Pocket Plan – managed through Open Space Plan
News screen, Fairy lights, Feature Gardens –Garden Place proposal
Parking Strategy and parking reporting review – Parking Taskforce
Entry to Central Library Alexandra/Collingwood Lane – laneway project

Projects either externally funded or on hold
Caro Street clock – externally funded
Future Investment Fund (Hamilton Properties)
Retail clusters – externally funded
Avenue of Trees (Victoria Street) – beyond 10-Year Plan timeframe
Pedestrian Victoria Street – London to Liverpool – beyond 10-Year Plan timeframe
Free Wi-Fi
Caro Street one way link to shared zone – other options being considered
Common opening and closing times – HCBA lead
Events for retail & hospitality – HCBA lead
International education strategy
CBD marketing & branding campaign – HCBA
Claudelands Connectivity Plan – beyond the 10-Year Plan timeframe

Projects Planned and Funded in 2017/18
Central City Safety Plan review by taskforce
Parking Zone Technology Central City implementation
Central City Building Rules & Consent booklet
VOTR construction

10-Year Plan Funded Projects		
Garden Place Proposal	C	$3,950,000 capex $2,304,000 conseq opex $800,000 revenue
Civic Square paving 2020/21	R	$500,000 capex

Strategic Plan Unfunded Capex Projects		
Shared zones Alexandra Street	T	$12,500,000 capex $175,000 conseq opex
Bike Racks	T	$100,000 capex $27,000 conseq opex
Laneway Redevelopment Plan	T	$200,000 capex
Demonstration Laneways Project - Alexandra Street	T	$1,560,000 capex $40,000 conseq opex
Reroute free bus	T	$30,000 capex
City skate park	C	$1,600,000 capex $547,000 conseq opex
VTOR	C	$7,500,00 capex $60,000 conseq opex

Strategic Plan Unfunded Opex Projects	
Business & investment attraction plan	$20,000
Victoria Precinct Structure Plan scoping study	$250,000
District Plan review to support laneway transformation	$2,000
Precinct Gateway Plan	$100,000
Greenframe Amenity Plan	$100,000
CBD planting guidelines	$100,000
Street furniture guidelines	$15,000
Footpath guidelines	$15,000

Frankton Neighbourhood Plan

Projects incorporated into ongoing work programmes
Parking plan
Events Programme
Upgrade street furniture Commerce Street
Footpath renewals in Commerce Street
Encourage key development sites
Reduce red tape via Better Business Services Plan

Strategic Plan Unfunded Projects		
Frankton Bike Loop	T	$2,200,000 capex $40,000 conseq opex
Wayfinding signs	T	$250,000 capex $4,500 conseq opex
Signage Connections	T	$200,000 capex $4,500 conseq opex

Projects Completed
Western Rail Trail - Biking Plan/Access Hamilton
Communication post Forlong's closure
District Plan appeals

Strategic Plan Unfunded Opex	
Character Overlay	$75,000
Design guide for investors and property owners	$20,000
Frankton Railway Cottage Area Conservation Plan	$75,000
Heritage Trail	$100,000
Waitawhiriwhiri Gully restoration plan	$50,000
Establish BID	$20,000

Projects included in another Initiatives, Plan or Strategy
Frankton Bike Loop–option to consider as part of transport improvements
Wayfinding signs – option to consider as part of transport improvements
Signage connections for major facilities – option to consider as part of transport improvements
Kent Street pocket park – management through Open Spaces Plan
Frankton Hall – review of role and function of hall – Community Facilities
Swarbrick Playground upgrade – part of playgrounds programme
Upgrade of Massey Hall overbridge (safety component) - option to consider as part of transport improvements
Angle parking provision on High Street, Somerset Street and Commerce Street - – option to consider as part of transport improvements

Projects either externally funded or on hold
Upgrade if Melia Trees
Museum in Frankton Village and pop up Museum– externally funded project
Frankton Rail Station to Frankton Village Connection – beyond 10-Year Plan timeframe
Market the business and retail opportunities

Projects Planned and Funded in 2017/18
Commerce Street Historical Building design palette
Maori Site Plan, map and restoration programme
Story Boards and tour guide – Maaori sites

Hamilton East Neighbourhood Plan

Projects Incorporated into ongoing work programmes
Footpath treatments – renewals programme

Projects Completed
Upgrade of Rotary Clock Tower
Investigate the undergrounding of Grey Street powerlines
Steele Park playground
Hamilton East Business Association
Sillary Street undpass
Austroads review project

Projects included in another Initiatives, Plan or Strategy
River Access Cook Street– River Plan and Parks and Opens spaces renewals
Hamilton East Safety Project – safety aspects incorporated into other projects and City Safe programme
Austroads Safety Systems and Gateways– incorporated into Access Hamilton
Parking Plan – Parking Taskforce
Dawson Park – pocket park access – Open Spaces Plan
Memorial Parks Signage – Open Spaces Plan
Upgrade Steele Park toilets –included in the toilet upgrade programme
Upgrade Pavilion in Steele Park – incorporated in the changing room upgrade programme

Projects either externally funded or on hold
Upgrade of Steele Park BBQ and seating areas – externally funded
WEL networks substation makeover – externally funded
Avenue of Cherry Trees – deferred to beyond 10-Year Plan timeframe
Medical cluster – signage and branding – incorporated into business as usual signage

Projects Planned and Funded in 2017/18
None

Strategic Plan Unfunded Opex Projects	
Hamilton East Village Branding Plan	$60,000
Safety Patrols Hamilton East	$200,000
Gateways Hamilton East	$100,000
Hamilton East Heritage Plan and Trail	$50,000

River Plan

Projects incorporated into going work programmes
Relationship building with landowners
Vegetation management

Projects Completed
Ferrybank Development Plan
Hamilton East Neighbourhood Plan
Kirikirioa Reserve Signage

Projects Planned and Funded in 2017/18
Vegetation management plan
Development of a Cultural Precinct Concept to develop a consistent furniture and materials palette for signage/ wayfinding signs and furniture
Upper Promenade – from the Museum to the Embassy Park site
Ferrybank Development Plan – a shared path connection from Museum to Grantham Street
Upgrades to the existing **jetty** below Sapper Moore Jones to allow immediate and temporary use

10-Year Plan Funded Projects		
River Plan extension/Central City Park	C	$20,000,000 capex $385,000 conseq opex $13,600,000 opex
Parks and Open Spaces - Days' Park Erosion Remediation – 2018/19	P	$262,000 capex $117,000 conseq opex

The status of all River Plan projects are listed below.

Ferrybank Partnership Projects		
Ferry bank Development Plan - Stage One	City Terrace playground	No action
	Ferrybank Ecological Terrace	Unfunded proposal 10-Year Plan
	Pontoons	Unfunded proposal 10-Year Plan
	Riverside playground	No action
	Roose Wharf	No action
	Waikato River Centre Building	No action
Ferry bank Development Plan - Stage Two	Boat ramps	No action
	Celebrating Age Community Centre building	No action
	Landing Terraces	No action
	River Building #1	No action
	Roose Commerce Park Ecological Terraces	No action
Ferry bank Development Plan - Stage Three	Bridge landscaping	No action
	Event Lawn	No action
	Pedestrian / cycle bridge	Feasibility study – opex funded
	Victoria Bridge clip on	No action
	New crossing to Anzac Parade	No action

BAU -Days Park and Swarbricks Landing	Enhance planting & riverbank treatment	No action
BAU -Opoia & Jesmond Park	Improve connections to Hamilton East, City and Sonning carpark	No action
Arstpost & Waikato Museum	Arts themed hotel feasibility study	No action
Braithwaite Park/ Pukete Pa	Carparking - additional	No action
	Jetty improvements	No action
	Signage and wayfinding	Included in signage plan 17/18
	Toilets & facilities	No action
	Pukete pedestrian garden bridge	Feasibility study completed – project on hold
Claudelands Bridge to Fairfield Bridge	Boardwalks and pathways at river level	No action
	Improved access from adjoining properties to paths and boardwalks	No action
	Places for access to river	No action
	Provide directional signage	Included in signage plan 17/18
Days Park and Swarbricks Landing	Improve access from park to beach	No action
	Rowing Facilities & parking	No action
	Signage and wayfinding	Included in signage plan 17/18
	Days Park pedestrian link across river to St Andrews golf course	No action
Hamilton East	Von Tempskey Street connection to river	No action
Hamilton Gardens	Garden Venues develop for events and festivals	Included in Gardens Plan
	Hamilton Gardens Masterplan	
	Improve linkage with river	
	Increase connectivity with Peacocke	
	Sculpture - enhance river paths	

Hayes Paddock	Exercise equipment	No action
	Install night lighting	No action
	Jetty for river boats	No action
	Signage on park significance & history	Included in signage plan 17/18
	Upgrade riverbank for safe access & seating	Unfunded proposal 10-Year Plan
	Upgrade toilet facilities	No action
	Wellington Street beach	No action
Medium and Long-Term projects	City of Bridges Plan	No action
	Drinking fountain location map	No action
	Jetty review	No action
	Memorandum of understand with Waikato Regional Council	No action
	Street furniture plan	Opex project 17/18
	Toilet facility location map	No action
Memorial Park & Parana Park	Access to Rangiriri	No action
	Upgrade landscaping	No action
	Conversion of buildings to cafes	No action
Opoia & Jesmond Park	Improve connection to Claudelands Bridge	No action
	Promenade style river walkway	No action
Short term projects	Lighting improvements	No action
St Andrews Golf Course	Golf Club multi-purpose facility	No action
Victoria Bridge to Claudelands Bridge	Claudelands Bridge pedestrian & cycle access	No action
	Promenade walkway on upper river level	No action
	Provide directional signage	Included is signage plan 17/18

Biking Plan

Projects Completed
Western Rail Trail
State Highway 3

10-Year Plan Funded Projects		
School Link – Access Hamilton transport improvement programme	T	$20,000,000 capex $45,000 conseq opex $10,200,000 revenue
Resolution Drive – will be delivered as part of the Waikato Expressway		
University Route – Access Hamilton transport improvement programme	T	$7,650,000 capex $10,000 conseq opex $3,901,500 revenue
Central City – Access Hamilton transport improvement programme	T	$3,100,000 capex $10,000 conseq opex $1,1581,000 revenue
Biking Connection Projects	T	$15,000,000 capex $7,905,000 revenue
Citywide Biking Signage	T	$300,000 capex $153,000 revenue
Te Awa River Ride South – Access Hamilton transport improvement programme		
Wairere Drive – Included in 4 laning project for Wairere Drive		
Te Awa River Ride, Hamilton section – Included in Parks renewal programme		

Strategic Plan Unfunded Projects		
Minogue Park Bridge	T	$7,200,000 capex $3,672,000 revenue
Biking Facilities	T	$1,800,000 capex $918,000 revenue

Hamilton Gardens

Projects Planned and Funded in 2017/18
Hamilton Gardens Development Programme $2,655,810 This includes work on Surrealist, Mansfield and Picturesque Gardens, the office and information centre and jetty project.

10-Year Plan Funded Projects		
Hamilton Gardens Entrance Fee	C	$400,000 capex $1,107,000 conseq opex $12,406,000 revenue
Hamilton Gardens Development	C	$23,000,000 capex $4,163,000 conseq opex $1,107,000 opex $3,400,000 revenue

Pooches & Parks

Projects Completed
Dog etiquette campaign

Projects included in another Initiatives, Plan or Strategy
Dog parks in new growth areas – Peacocke, Rotokauri, Rototuna included in Parks and Opens Space plans for those areas

10-Year Plan Funded Projects		
Provision of one fenced dog exercise area	C	$177,000 capex $117,000 conseq opex

Strategic Plan Unfunded Projects		
Provision of bins and bag dispensers at Beetham Park, Braithwaite Park, Bristol Park, Claudelands Park, Days Park, Innes Common, Melville Park, Minogue Park, Porritt Stadium, Pukete Farm Park, Resthills Park, Tauhara Park, Till's Lookout, Crawshaw Park Enhance services of: • Braithwaite Park – drinking fountain, agility equipment • Claudelands Park – drinking fountain • Days Park – drinking fountain, agility equipment, dog wash station • Innes Common – fenced area • Melville Park – fenced area • Porritt Stadium – drinking fountain • Pukete Farm Park – seat • Till's Lookout – drinking fountain Proposed facilities of bins, signage and bag dispensers at Aberfoyle Park, Chelmsford Park, Te Kooti Park, Templeview Park, Waiwherowhero Park Proposed facilities of signage, bag dispenser and drinking fountains at Lake Domain, Te Manatu Park	C	Not funded

Playgrounds

Projects Completed
Destination playgrounds at Dominion Park, Minogue Park, Hamilton Gardens

Projects either externally funded or on hold
Zoo Master Plan – Savannah, Waterhole Camp, Lemur Walkthrough, Growing Wild – beyond the 10-Year Plan timeframe

Projects Planned and Funded in 2017/18
Destination Hare Puke including Toilet and CCTV $1,006,000
Neighbourhood Playground Te Huia $150,000

10-Year Plan Funded Projects		
Playgrounds development programme	C	$3,000,000 capex $1,274,000 conseq opex

Strategic Plan Unfunded Projects		
Full delivery on Playgrounds of the Future Plan at Ashurst Park Bremworth Park Glenview Park Hillcrest Park Moonlight Drive Reserve Porritt Stadium Te Huia Reserve Te Manatu Park	C	Not funded

Zoo Master Plan

Projects Planned and Funded in 2017/18
None – the Master Plan was adopted in June 2017

10-Year Plan Funded Projects		
Zoo safety improvements	P	$2,138,500 capex
Zoo Improvement Programme	P	$750,000 capex
Stormwater Improvements	P	$603,330 capex

Strategic Plan Unfunded Projects		
Large Animal Quarantine	P	$650,000 capex $60,000 conseq opex
Zoo & Waiwhakareke Entrance Precinct	C	$5,175,000 capex $337,500 conseq opex $517,000 revenuw

Waikato Museum Strategic Plan

Projects incorporated into ongoing work programmes
Closer coordination with Hamilton and Waikato Tourism
Establishment of Tainui Advisory Group
Expand and develop merchandising
Funding plan and partnerships with sponsors
Exhibitions plan with a focus on themes promoting Waikato identity
Form an expert inter-disciplinary group

Projects Completed
Concept plan for Waikato Te Awa

Projects either externally funded or on hold
Re-brand Plan with Hamilton & Waikato Tourism (part partially funded)

Projects Planned and Funded in 2017/18
No projects from the Waikato Museum Strategic Plan have been allocated funding in the 2017/18 year

10-Year Plan Funded Projects
No projects from the Waikato Museum Strategic Plan have been allocated funding

Strategic Plan Unfunded Projects		
Waikato Te Awa - Museum	C	$5,200,000 capex $130,000 conseq opex $3,300,000 revenue
Museum River Entrance	C	$3,300,000 capex
Museum Facade	C	$2,200,000 capex
Climbing frame	C	$300,000 capex $250,000 ext revenue

Hamilton Arts Agenda and Theatres

Projects incorporated into ongoing work programmes
Advocate for art-themed hotel in central city
Advocate for increased government and corporate support
Continue Councils investment in arts sector
Support art incubation projects & emerging artists
Use multi-year community grant to support creative sector development
Work with Hamilton & Waikato Tourism on art promotional opportunities
Facilitate collaboration between arts organisations & funders
Complete survey of engagement in arts
Continue councils programme of events and activities
Support projects and initiatives that encourage participation
Support community projects & events in neighbourhoods
Support events that celebrate Hamilton's multicultural communities
Establish annual reporting scorecard on Arts Agenda
Support art projects that promote city, suburb & neighbourhood
Communication & marketing plan
Encourage use of spaces not usually seen as art spaces
Reduce red tape
Support public art and urban design
Support Maaori art festivals and events
Support projects that celebrate Waikato-Tanui history
Support projects /initiatives that grow Maaori art practices & audiences

10-Year Plan Funded Opex Projects		
Hamilton City's contribution to the Waikato Regional Theatre. The opex grant of $30 million plus GST will be reduced by a contribution from Waikato Regional Council and other neighbouring local authorities towards the new build. The funding to be put forward by Hamilton City Council includes revenue from the sale of Waikato Innovation Park Limited and assumes a contribution from Vibrant Hamilton that has been signalled.	C	$30,000,000 opex grant $11,000,000 conseq opex

Projects Completed
Embassy Park redevelopment
Multi-year community grant to support creative sector development
Prioritise Maaori art as part of Museum Review

Projects either externally funded or on hold
Establish a regional art award event - $50,000 externally funded
Update Hamilton Public Art catalogue - $20,000 externally funded
Support art gallery pre-feasibility study - $50,000 externally funded
Regional pop up venues – on hold
Art education and employment promotion – no action
Creative Sector Business Attraction Strategy -no action

Projects Planned and Funded in 2017/18
No specific projects from the Hamilton Arts Agenda have been allocated funding in the 2017/18 year

Libraries Strategic Plan

Projects Incorporated into ongoing work programmes
Build the number of eTitles and boast eContent
Provide collections that reflect our diverse community
Develop & implement marketing plan for central library
Implement plan for community hubs at suburban libraries
Develop benchmarking tool and value measurements for libraries
Explore opportunities for revenue generation
Increase the uptake in activities and technologies that simulate imagination and literacy-based learning
Provide and utilise technologies that support literacy development
Increase opportunity for community participation in literacy programmes
Digital and online strategies
Continue to digitise Heritage collection

Projects Completed
Investigate and Implement new library management system

Projects included in another Initiatives, Plan or Strategy
Continue to digitise the heritage collection
Expand library functions to include other Council services at libraries – part of community hub actions
Central Library - access from Alexandra laneway (CCTP Plan)

Projects either externally funded or on hold
Community Hub Plan implementation – Peacockes – beyond the 10-Year Plan timeframe
Community Hub Plan implementation – Rotokauri – beyond the 10-Year Plan timeframe
Long-term storage of Heritage collection – on hold

Projects Planned and Funded in 2017/18
Central Library Seismic upgrade

10-Year Plan Funded Projects		
Libraries- Safety improvements	P	$80,000 capex
Libraries- RFID (Full-self-service and return systems)	P	$1,087,000 capex $36,000 conseq opex $50,000 opex

Strategic Plan Unfunded Projects		
Technology for programme delivery	C	$20,500 capex
Mobile makerspace	C	$51,000 capex $45,500 conseq opex
Central Library makerspace	C	$60,000 capex $45,000 conseq opex
Upgrade to Central Library Interior (Central Library redesign)	C	$1,720,000 capex $197,000 conseq opex $60,000 revenue
Heritage Technology Suite	C	$48,000 capex $9,000 conseq opex
Installation of WIFI furniture - all community libraries	C	$48,000 capex
Chartwell Garden Library	C	$70,000 capex $145,000 conseq opex $25,000 revenue
Hillcrest Library expansion (Community Hub Plan implementation – Hillcrest)	C	$1,099,000 capex $185,000 conseq opex $280,000 revenue
North East Library (Community Hub Plan implementation – Rototuna)	C	$20,500,000 capex $950,000 conseq opex $600,000 revenue
Book Bus	C	$350,000 capex $210,000 conseq opex $210,000 revenue

Open Spaces Plan

Projects Incorporated into ongoing work programmes
Community gardens guidelines
Accessibility audit
Develop an annual events calendar
Establish community partnership agreements with key community groups
Establish form partnership with DOC
Establish joint use agreements with other open space providers
Work with neighbour councils
Work with volunteer grounds on community planting
Align gully reserves management plans priorities to 10-Year Plan
Continue to acquire riparian areas
Habitat assessment and restoration plan for Mangakotuku Gully (part of Southern Links Roading Project)
Complete annual national industry benchmark
Submit nominations for industry awards
promote and manage parks & open spaces as smoke-free environment
Network Utilities Guidelines
Review Parks, Domain & Reserves Bylaw
Increase capacity of sports field network for current and future demand
Open space acquisition & disposal plan
Biodiversity Strategy
Improve promotion of the value of parks and open spaces
Significant tree maintenance & replacement programme
Commercial activities policy
Develop interpretation strategy
Education & engagement project
Establish friend groups for appropriate parks
Climate change
Green Flag accreditation

Projects Completed
Concept plans Te Manatu Park, Mangaiti Park
Sponsorship Policy for open space
Review species list for planting in public open spaces
Identify priority planting areas to sustain & enhance ecological health
Assess recommendations from Waikato Regional Sports Facility Plan and Winter Sports Field Demand study
Review approach to Reserves Act Management planning
Review service level agreements for maintenance of parks and open spaces
Strategy for open space market research & visitor monitoring

Projects Planned and Funded in 2017/18
Rototuna Park Development Programme $745,000
Future Reserves Land Purchase Programme $727,551
Open Spaces Plan
Develop Stake Park Plan
Community gardens guidelines
Open space network plan
Design guidelines for parks & open spaces
Homes of sport project

10-Year Plan Funded Projects		
Hare Puke Sports Park Development	C	$1,511,000 capex $1,061,000 opex
Te Manatu Park Development	C	$371,000 capex $308,000 opex
Mangaiti Sports Park Development	C	$511,000 capex $288,000 opex
Rototuna Sports Park Development	G	$5,999,000 capex $2,876,000 opex
Rotokauri Sport Park Development	G	$1,259,000 capex $54,000 conseq opex
Toilet and Changing Room Development Programme	C	$5,150,000 capex $207,000 opex
Toilet and Changing Room Upgrade Programme	C	$1,722,000 capex
Rototuna Parks and Open Spaces Network	G	$2,833,000 capex $170,000 conseq opex
Peacocks Parks and Open Spaces Network – stage one	G	$2,189,000 capex $347,000 conseq opex
Peacocks Parks and Open Spaces Network – stage two	G	$35,607,000 capex $617,000 conseq opex

Strategic Plan Unfunded Projects		
Network Signage (Signage implementation programme	P	$1,913,000 capex $911,000 conseq opex
Rototuna Sports Park - Artificial Turf	C	$2,999,000 capex $215,000 conseq opex
Sports Fields Improvement Programme	P	$10,700,000 capex $2,259,000 conseq opex
Neighbourhood Park Development	C	$375,000 capex $356,000 conseq opex

Reserve Management Plan

Projects Incorporated into ongoing work programmes
Lake Domain - Promote Domain as venue for outdoor community events
Lake Domain - Work with water based sport groups for efficient use of area around Yacht Club
Lake Domain - Work with groups towards a purpose-built water sports hub on Innes Common
Lake Domain - Work with Waikato Hockey to investigate expansion of turf area
Lake Domain - Pest Control programme

Projects Completed
Lake Domain - Public toilets – Innes Common

Projects included in another Initiatives, Plan or Strategy
Upgrade Innes Common playground (playgrounds programme)
Upgrade existing Innes Common toilet (Toilet upgrade programme)

Projects Planned and Funded in 2017/18
No specific projects

Strategic Plan Unfunded Projects		
Taitua Arboretum Development	C	$2,313,000 capex $741,000 conseq opex
Waiwhakareke Natural Heritage Park Development	C	$6,756,000 capex $1,895,000 conseq opex
Gully Development Plan	C	$8,735,000 capex $265,000 conseq opex
Lake Domain Management Plan including: Assessment options for former golf area, Accessibility audit, Assessment of bus & car parking, Path Lighting on main entrance & exit, Pedestrian & cycle connections to hospital, Ruakiwi Rd, Western Rail Trail, Lake Edge & Margin Planting, Lake Water Quality (base now, measures and improvement strategy), Interpretive Signage, develop new picnic areas and add park furniture to high use areas, Outdoor exercise stations	C	$564,000 capex $34,000 conseq opex
Beale Cottage Garden Refurbishment	C	$188,000 capex $342,000 conseq opex

Cemeteries Plan

Projects Incorporated into ongoing work programmes
Consider scheduling Ham East & West cemeteries as significant archaeological, historic & culture sites in District Plan
Incorporate eco-friendly construction methods, energy-efficient technologies & water harvesting
Consider financial viability of denominational groups
Identify external funding sources for specific conservation projects
Foster participation in conservation activities
Implement assessment criteria for cultural & denominational groups
Respect Maaori tikanga and guardianship
Support Maaori descendant to exhume remains & set aside in original place
Offer range of burial & ash internment & memorialisation options
Review of opening hours

Projects Completed
Update of contracts and service level agreements

Projects either externally funded or on hold
Hamilton East Cemetery outdoor meeting area
Gully planting on gully adjacent to Hamilton Park Cemetery – on hold
Develop design guidelines for Hamilton East & West cemeteries
Develop maintenance plan for conservation & carry out works in line with plan
Identify locations of human remains - Ham East & West cemeteries
Establish Friends of cemeteries group
Establish Heritage Cemeteries advisory group
Business model review
Create outdoor meeting room
Improve interpretation signage & maps
Smart phone technology
Implement concept plan - children's burial area
Space efficient & intensification burial options
Implement concept plan - outdoor committal shelter
Online access to services & information
Implement concept plan - children's play area

Projects Planned and Funded in 2017/18
Burial and Ash Lawn expansion (granite walls) $57,000

10-Year Plan Funded Projects		
Hamilton Park Cemetery Land Acquisition	G	$1,500,000 capex
Burial and Ash Lawn	G	$2,530,000 capex $57,000 conseq opex
Accessible Toilet Block	B	$497,000 capex $216,000 opex

Strategic Plan Unfunded Projects		
New cremator	P	$625,000 capex $25,000 conseq opex
Hamilton Park Family Facilities	C	$658,000 capex $5,000 conseq opex $64,000 revenue
Upgrade of Morrinsville Road Entrance	P	$169,000 capex
Cemetery Reception Facility and Administration Building	C	$2,569,000 capex $56,000 conseq opex
Workshop Deport Development	P	$538,000 capex $4,000 conseq opex

Heritage Plan

Projects Incorporated into ongoing work programmes
Take into account objectives and policies of Waikato-Tainui Environment Plan when dealing with discovery and identification of sites
Complete digitisation of documents
establish relationships with key stakeholders and specialist groups
recognise owners of heritage places and those who contribute to conservation of heritage
Follow principles set out in guidelines of Heritage NZ, The River Authority and Conservation of Places of Cultural Heritage
Provide advice
Update District Plan with heritage overlays
develop and monitor implementation of conservation plans for buildings
Follow best practice for collection, storage and protection of heritage
Develop staff training programme
Benchmark council nationally and internationally

Projects Completed
Develop process for identification and assessment of heritage
Develop statutory and non-statutory incentives to encourage use of heritage space
Secure funding to support promotion, protection and management of heritage
Identification and scoping of spatial & thematic Heritage
Design guidelines & information sheets
give heritage more prominence on council website
Establish heritage specialist list

Projects Planned and Funded in 2017/18 and 18/19
Establish working group for central city heritage
Update heritage inventory lists
Heritage trials in key heritage areas
Plaques & interpretive signage
establish criteria for use of encumbrances, heritage orders, covenants and vesting of reserves and esplanade strips
Central city heritage overlay
Establish acquisition fund for heritage under threat

Disability Action Plan

Projects Incorporated into ongoing work programmes
All the actions in the plan are incorporated within ongoing work programmes

Youth Action Plan

Projects Incorporated into ongoing work programmes
All the actions in the plan are incorporated within ongoing work programmes

SECTION 3d: ATTACHMENT 2

Pooches and Parks

MAYORAL PROPOSAL

Author:	Maria Barrie	**Authoriser:**	Lance Vervoort
Position:	Parks & Recreation Manager	**Position:**	General Manager Community

Proposal

1. This proposal is for increased provision of rubbish bins in parks and fencing of one dog exercise area (site to be determined following targeted consultation).

Mayor's Recommendation

That the Council approves funding provision in the draft 2018-28 10-Year Plan for one new fenced dog exercise area and associated facilities as follows:

i. Capital expenditure of $177,000 in the first year (2018/19); and

ii. Consequential operating expenditure of $13,000 per annum from year two (2019/20) onwards to maintain the new facilities.

Executive Summary

2. During preparation of the Mayoral budget proposals, the Mayor requested staff prepare a lower cost option for partial delivery of the Pooches and Parks plan that would deliver one fenced area and associated facilities

3. This paper presents three options:

    - Option 1: Provide one fenced dog exercise area and associated facilities (Mayor's recommendation).
    - Option 2: Provide additional bins only in dog exercise areas.
    - Option 3: Full delivery of the Pooches and Parks Plan.

Current Level of Service

4. Hamilton has approximately 11,700 registered dogs. Dog exercise areas enable owners to exercise their pets off-lead in an environment where they are unlikely to cause a nuisance.

5. The current level of service is:

    - 22 off-lead dog exercise areas across the city's parks.
    - 5 dog exclusion areas.
    - The provision of rubbish bins as part of the parks network.
    - Dog bag dispensers at two parks.

The Pooches and Parks Plan

6. In 2014, Council approved the Pooches and Parks Plan which proposed:
   - Changes to boundaries of existing off-lead areas and introduction of new areas
   - New signage clearly delineating boundaries between on and off-lead areas to make understanding and enforcement straightforward
   - Rubbish bins and dog bag dispensers at 22 off-lead areas
   - Facilities such as seats, dog drinking fountains and wash stations at some off-lead areas and agility equipment at two parks
   - The development of two fenced off-lead areas.
7. In 2015, Council adopted the Hamilton Dog Control Bylaw and Policy. This formally changed the boundaries of the 15 dog exercise areas existing at that time and introduced seven new off-lead areas to implement the Pooches and Parks Plan.
8. The absence of updated signage clearly delineating the split between on-lead and off-lead areas makes understanding and enforcement problematic.
9. A key driver for development of the Plan was the significant level of public feedback received through the Annual Plan and LTP planning processes showing a high level of public dissatisfaction with the lack of dog facilities in Hamilton.
10. Public consultation undertaken as part of development of the Plan included two online surveys, which received 1,520 respondents. Responses indicated that people want:
    - better signage in dog exercise areas and the re-alignment of off-lead boundaries
    - more dog exercise areas close to their homes
    - more bins, waste disposal bags and drinking water
    - a fenced area for dogs to exercise
    - a large destination dog park
    - better dog etiquette awareness.

Option 1: One fenced dog exercise area and associated facilities (Mayor's recommendation)

11. Description

12. This option provides for one fenced dog exercise area (1ha in size), signage, rubbish bin, bag dispenser and drinking fountain.
13. Fenced dog parks fulfil a community desire for a safe area for dogs to be exercised and contained away from traffic. An effective fenced dog exercise area needs to be large enough to allow dogs space to socialise and reduce the likelihood of aggression and dog fights.
14. The location of park is to be identified following consultation with the community and interested parties.

15. Advantages and Disadvantages

Advantages	Disadvantages
• One fenced dog exercise area and associated facilities is available.	• No provision across the city. • No provision waste disposal bags, rubbish bins and drinking water in other dog exercise areas.

Advantages	Disadvantages
	• Does not provide a separate space for small dogs and large dogs.

16. Financial Implications

17. This option will cost $177,000 in capital over the 10 years and $117,000 in operating expenses to maintain.

Option 1											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	-	13	13	13	13	13	13	13	13	13	**117**
Total Capital Expenses	177	-	-	-	-	-	-	-	-	-	**177**

Option 2: Provide additional bins in dog exercise areas

18. Description

19. This option provides for additional rubbish bins to be provided in dog exercise areas.

20. Advantages and Disadvantages

Advantages	Disadvantages
• Rubbish bins in Dog exercise areas are more accessible for owners.	• Signage remains unclear and enforcement of the bylaw continues to be problematic. • No provision of fenced areas, waste disposal bags and drinking water. • Does not take into consideration or address bin provision in the wider parks network.

21. Financial Implications

22. This option will cost $22,000 in Capital over the 10 years and $75,000 in operating expenses to maintain.

Option 2											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	5	6	8	8	8	8	8	8	8	8	**75**
Total Capital Expenses	14	2	6	-	-	-	-	-	-	-	**22**

Option 3: Full delivery of the Pooches and Parks Plan

23. Description

24. This option delivers on the Pooches and Parks Plan by prioritising provision of one fenced areas in year one (2018/19), then the remaining fenced area, improved signage, drinking water, bins and waste disposal bags phased over eight years.

25. Advantages and Disadvantages

Advantages	Disadvantages
• Fully delivers on Pooches and Parks Plan. • Delivers on public expectations. • Enables access to one safe off-lead exercise areas for dog owners. • Clear signage enabling effective enforcement of the Hamilton Dog Control Bylaw and Policy.	• Full delivery of the Pooches and Parks Plan requires a greater level of investment from Council.

26. Financial Implications

27. This option will cost $486,000 in Capital over the 10 years and $527,000 in operating expenses to maintain.

Option 3											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	3	15	27	38	51	63	65	87	89	89	**527**
Total Capital Expenses	63	48	47	39	40	39	165	45	-	-	**486**

SECTION 3d: ATTACHMENT 3

Playgrounds

MAYORAL PROPOSAL

Author:	Maria Barrie	**Authoriser:**	Lance Vervoort
Position:	Parks & Recreation Manager	**Position:**	General Manager Community

Proposal

1. This proposal recommends a revised approach to playgrounds development to deliver new or upgraded playgrounds over 10 years.

Mayor's Recommendation

That the Council approve a revised approach to playgrounds development and approve the provision in the 2018-28 10-Year Plan of $3m capital expenditure and $1.27m operational expenditure to deliver new or upgraded playgrounds over 10 years.

Executive Summary

2. Council currently provides 82 playgrounds across the city - seven destination and 75 neighbourhood playgrounds.
3. In 2014, Council adopted the Playgrounds of the Future Plan, which sets out the priorities for delivery of playgrounds. The plan aims to deliver a well-distributed network of high-quality playgrounds across the city and address gaps in play provision by focusing resources into a smaller number of playgrounds. The Plan relies on funding partnerships to reduce the impact on the ratepayer.
4. During 10-Year Plan briefing sessions staff were asked to identify alternative options for playground provision in Hamilton.
5. This paper presents three options:
    - Option 1: (Mayor's recommendation) – New or upgraded playgrounds.
    - Option 2: Full delivery of the Playgrounds of the Future Plan.
    - Option 3: Reduced delivery of the Playgrounds of the Future Plan.

Current Level of Service

6. Council currently provides 82 playgrounds across the city - seven destination and 75 neighbourhood playgrounds.

Playground Type	Characteristics	Example
Neighbourhood (General cost $150,000 - $200,000)	• Services local neighbourhood. • Small with limited play equipment. • Limited or no supporting facilities, e.g. toilets, car parking, shade, drinking fountains.	
Destination (General cost $1.2m)	• Services wider area. • Playground equipment for all ages and abilities. • Supporting facilities, e.g. toilets, car parking, shade, drinking fountains, CCTV. • Located on or near public transport routes. • Development 1/3 externally funded. • Unique design reflecting the local area. • Community involvement in design.	

Playgrounds of the Future Plan

7. In 2014, Council adopted the Playgrounds of the Future Plan, which sets out the priorities for delivery of playgrounds. The plan aims to deliver a well-distributed network of high-quality playgrounds across the city and address gaps in play provision by focusing resources into a smaller number of playgrounds. The Plan relies on funding partnerships to reduce the impact on the ratepayer.

8. At the time of adoption, the city had 86 playgrounds; four destination playgrounds and 82 neighbourhood playgrounds. The plan committed to reducing the number of playgrounds in the city to 60 (16 destination playgrounds and 44 neighbourhood playgrounds) through:

    - The disposal of 29 existing neighbourhood playgrounds
    - The upgrade or renewal of 44 existing neighbourhood playgrounds
    - A policy of no new development of neighbourhood playgrounds, unless they are developed with funding partnerships
    - The upgrade of four existing destination playgrounds
    - The development of seven new destination playgrounds
    - Planning for five new destination playgrounds in greenfield growth areas

9. The programme for implementation of the plan was adopted as part of the 2015-25 10-Year Plan and included delivery of nine new destination playgrounds, plus upgrades to two existing neighbourhood playground over the 10-Year Plan period.

10. To date, the following has been achieved:

    - Upgrade of Hamilton Lake Domain destination playground.
    - Development of three new destination playgrounds (Minogue Park, Dominion Park and Hamilton Gardens).
    - Disposal of four existing neighbourhood playgrounds.

- Development of partnership playground at Deanwell Park in partnership with Deanwell School and Downer Civil.
- Upgrade of Steele Park neighbourhood playground.
- Renewal of six existing neighbourhood playgrounds.
- Developer Agreement for new neighbourhood playground at Mangaiti Park, to be developed in 2018.
- Secured $1.24M of external funding towards delivering the programme.

Option 1: New or Upgraded Playgrounds (Mayor's Recommendation)

11. Description

12. This option will provide an opportunity to assess the future needs for destination playgrounds whilst upgrading playgrounds that already exist. It is intended that the local communities have an opportunity to be involved in determining their needs in relation to the playgrounds they use. A clear set of criteria to determine priorities and affordability will be required as part of the public consultation to ensure community expectations are appropriately managed.
13. This option would deliver new or upgraded playgrounds over 10 years at a cost of $3m capital expenditure.
14. The upgrades would include transforming existing playgrounds which currently include very basic play equipment such as swings and slides into more of a 'mini destination' type playground, much like the new playground at Steele Park in Hamilton East. The upgrades will still meet some of the key elements outlined in the Playgrounds of the Future Plan with a focus on unique themes, interactive play and accessibility.
15. While budget is not included for additional features such as toilets, car parking, shades and drinking fountains, there is an opportunity to review which playgrounds are identified for upgrades, in consultation with the community. Some existing playgrounds may have toilet facilities on the park or nearby, making them an ideal site for an upgrade. Features such as shades, drinking fountains and barbecue areas can potentially be sponsored or fundraised for with support from the community.
16. Staff would identify sites for upgrades and select those where existing park assets such as toilets and carparks can be utilised to complement the playground development.
17. Unique play spaces can be achieved through using renewal and upgrade funding. Renewal of existing playgrounds would continue.
18. An example of a playground upgrade is Steele Park where the playground was upgraded in 2017. Previously, the popular sports park had a basic playground of swings and a seesaw.
19. $100k new capital was allocated to upgrade the playground and $100k of renewal funding.
20. The playground was relocated to the Cook/Grey Street corner to be near existing park toilet facilities and nearby shops and cafes. This created the opportunity to upgrade the park entranceway as part of the playground development.
21. The community were involved in design of the playground, particularly members of the Hamilton East Community Trust.
22. The design reflected the historic nature of Steele Park with reference to the significant oak trees and Hamilton East's link to the Waikato River.

23. Advantages and Disadvantages

Advantages	Disadvantages
• Addresses some gaps in play provision across the city. • Gives flexibility for final locations within the community to consider private/public infrastructure nearby. • Wider involvement in determining the playgrounds they want to access. • Playgrounds could be designed for staged development. • Lowest cost to deliver and operate.	• Community expectation that full destination playground programme will continue to be delivered is not met. • There is no clear direction for the community on priorities and proposed sites until consultation is complete and assessed. • Operational budget does not enable maintenance and renewal of large playgrounds • May result in removal of some neighbourhood playgrounds • Resource will be required to undertake wider community consultation – it is proposed that community Advisors would play a key role in this area.

24. Financial Implications

25. Operating expenses and depreciation do not enable maintenance and renewal of large playgrounds.

26. There is a risk that requirements around community will mean implementation may not be possible until Year 2.

Option 1: New or Upgraded Playgrounds (Mayor's Recommendation)											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	15	39	73	112	140	160	172	192	192	194	**1,274**
Depreciation	0	15	28	43	54	62	66	74	74	75	**491**
Finance Costs	15	43	71	97	115	128	140	148	149	150	**1,056**
Total Capital Expenses	600	520	600	420	320	180	300	20	20	20	**3,000**

Option 2: Full Delivery of the Playgrounds of the Future Plan

27. Description

28. This option fully delivers on the Playgrounds of the Future Plan at a cost of $6.6m capital expenditure (excluding 1/3 external funding), including:

- Five destination playgrounds and toilets over 10 years in the following areas: Hillcrest, Glenview, Bremworth, Te Manatu, and Porritt.

- Five neighbourhood playground upgrades at Innes Common, Hayes Paddock, Gower Park, Hammond Park and Ranfurly Park and one new neighbourhood playground at Mangaiti Park. Neighbourhood upgrades identified are to upgrade from a basic swing and seesaw to modular unit playground.

29. Advantages and Disadvantages

Advantages	Disadvantages
• Aligns with the Playgrounds of the Future Plan and delivers on community expectations. • Provides a range of quality and uniquely themed playgrounds across the city. • Fulfils the goal of Hamilton being an attractive city for families and provides an experience for visitors to Hamilton. • Delivers five new destination playgrounds, one new neighbourhood playground and six neighbourhood playground upgrades.	• Additional funding of $3.1 million over the 10 years is required to what was identified in the 2015-25 LTP. • Retirement of neighbourhood playgrounds continues. • There is a risk of external funding not being secured due to regularity of destination playground construction, limited funder options and funding fatigue, particularly with a number of competing projects in the city/region. • Highest cost to deliver and operate.

30. Financial Implications

31. The figures assume a 1/3 external funding component.

Option 2: Full Delivery of the Playgrounds of the Future Plan											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	380	-	380	-	380	-	380	-	380	**1,900**
Total Operating Expenses	10	46	91	118	167	197	246	262	318	399	**1,854**
Depreciation	0	7	35	39	67	70	101	101	137	137	**674**
Finance Costs	7	42	74	106	137	171	202	238	274	302	**1,553**
Total Capital Expenses	275	1,115	175	1,115	125	1,215	25	1,415	25	1,095	**6,580**

Option 3: Reduced Delivery of the Playgrounds of the Future Plan

32. Description

33. This option is for a reduced delivery of the Playgrounds of the Future Plan at a cost of $3.4m capital expenditure (excluding 1/3 external funding), and includes:

- Three destination playgrounds over 10 years in the following areas: Hillcrest, Glenview and Bremworth.
- Two neighbourhood playground upgrades at Innes Common and Hayes Paddock and one new neighbourhood playground at Mangaiti Park. These have been prioritised due to community expectation.

34. Advantages and Disadvantages

Advantages	Disadvantages
• This option aligns with Playgrounds of the Future Plan. • Delivers on community expectations and fills	• Retirement of neighbourhood playgrounds continue. • There is a risk of external funding not being

Advantages	Disadvantages
existing play gaps in the city. • Provides a range of quality and uniquely themed playgrounds across the city • Fulfils the goal of Hamilton being an attractive city for families and provides an experience for visitors to Hamilton. • Delivers 3 destination playgrounds, one new neighbourhood playground and two neighbourhood playground upgrades.	secured due to limited funder options and funding fatigue, particularly with a number of competing projects in the city/region. • Does not fully deliver on the Playgrounds of the Future Plan which could lead to complaints from the community.

35. Financial Implications

36. The figures assume a 1/3 external funding component.

Option 3: Reduced Delivery of the Playgrounds of the Future Plan											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	250	-	250	-	250	-	-	-	-	**750**
Total Operating Expenses	10	38	85	109	150	170	212	212	212	212	**1,410**
Depreciation	0	5	31	34	60	60	86	86	86	86	**534**
Finance Costs	5	36	65	94	119	145	171	171	171	171	**1,148**
Total Capital Expenses	200	1,043	100	1,043	-	1,043	-	-	-	-	**3,429**

SECTION 3d: ATTACHMENT 4

Rototuna Town Centre – Community Facilities

MAYORAL PROPOSAL

Proposal

1. This proposal is to fund the provision of community facilities, specifically a Community Hub (including a library and community meeting space), carparks and public square in the North East of the city.
2. It is also proposed to lease the aquatic facility site, at a discounted rate, to an external provider to build and operate a learn to swim pool on Council land.

Mayor's Recommendations

That the Council approves the provision in the draft 2018-28 10-Year Plan to fund construction of a Community Hub/Library and Public Square and select a private partner to construct and operate a swimming facility as follows:

i. funding of $20m over Years 1,2 and 3 (2019/20, 2020/21, and 2021/22) of the 10-Year Plan to plan and build a Community Hub (with a library and community meeting space), carparks and public square in the Rototuna Town Centre; and

ii. preparation of a procedure for the selection of a private partner to construct and operate an aquatic facility including at a minimum a Learn to Swim facility on the designated aquatics site.

Executive Summary

3. Capital projects for a pool and library for the Rototuna community have been planned and included in one way or another in Council's 10-Year Plans since 2006. Land has been acquired for the purpose of providing community infrastructure in Rototuna and thorough planning undertaken towards its delivery. There is a sense of expectation in the community that this infrastructure will be provided.
4. There is a growing need for services in the North East in relation to library services and community spaces and across Hamilton in relation to indoor pool space and the accessibility of Learn to Swim facilities in local communities. The proposal for these facilities in Rototuna seeks to address that need.
5. The recommended option seeks to fund construction of a Community Hub / library and public square. It also seeks to select a Private Partner to construct and operate a swimming facility including a Learn to Swim service.

Background

6. In 2008 Council entered into agreements to acquire parcels of land from Kirkdale Investments Limited (Kirkdale) and Kimbrae Farms Limited. The bulk of the land was acquired for the establishment of a sports field and community infrastructure in the area, including land for a library, public square, aquatic centre and for an extension to Borman Road. Payment was made for the land at the time of the agreements were entered into.
7. A Comprehensive Development Plan (CDP) for the Rototuna Town Centre has been completed. This has been a joint partnership between Hamilton City Council and Kirkdale. The intention is that the

Rototuna Town Centre will provide for the everyday needs of the existing and emerging local community. It is planned to include a central area where shopping and community facilities are located immediately adjacent to the sports park and surrounded by mixed density housing, schools and commercial activity.

8. The CDP has been designed to fulfil key District Plan objectives, principally:

    - The Town Centre becomes a focal point for the Rototuna area by providing for the local community's retail, employment, service, entertainment, and recreation needs and a range of residential living opportunities.
    - Develop the Town Centre in a comprehensive manner to ensure there are integrated approaches to land development and provision of infrastructure, the efficient use of the land resource and the management of adverse effects.
    - Ensure development incorporates quality urban design to achieve a functional, attractive, safe and vibrant Town Centre.

9. Council included capital projects for the Rototuna Pool and Library within the 2006-16 10-Year Plan and the 2009-19 10-Year Plan. Council did not include these projects in the 2012-22 10-Year Plan; although they were noted as unfunded projects. Between 2008 and 2012, prior to legislation changes that preclude the collection of development contributions for this type of community infrastructure, approximately $2.4m was collected in development contributions against the pool and library. Should Council decide not to fund the pool and library, this amount would need to be refunded.

10. While extensive engagement has not yet been undertaken with the Rototuna Community, anecdotally there is an expectation that the library and pool will be established as part of the overall Town Centre development. While there are a number of churches and schools in the area, there is generally a lack of localised community space and services, often provided through a wider network of facilities that includes libraries, halls, and sports facilities prevalent in other parts of the city.

11. **Current service considerations**

12. The Rototuna High School provides some shared facilities including the Rototuna Indoor Recreation facility (The Peak), to which Council made a grant in 2014 of $4.5m for construction and an annual operational grant of $120,000 per annum. As well as Rototuna High School there are a number of other schools in the area including Te Totara Primary and the Hamilton Christian School, all bordering the Town Centre and Sports Park.

13. There is currently 74.5 people per square meter of indoor pool space provided by Hamilton City Council for the city during the winter months. Sport NZ recommend 60 people per m2 for metro areas. There is a shortage of pool space during winter and during peak periods there is competition between the various users at the facilities. Surveys show that people are willing to travel for a leisure swimming experience but prefer Learn to Swim facilities be available in their local communities.

14. Hamilton City has a number of community spaces, including libraries across the city. Libraries are a highly used service, with over 70,000 active members and accommodating close to one million visits per year. Community Hub libraries provide services that build literacy and play a key role in supporting strong and diverse communities promoting social connection, education, family centred activities, and access to technology and information.

15. Chartwell library is currently servicing the fast growing North-East population catchment and is facing significant space and capacity issues, creating pressure on collections, services and staff. A community hub located in Rototuna would ease the pressure on the Chartwell library and provide a gathering / meeting place for residents.

16. **Options**

17. The following options are presented in this proposal:

- Option 1 – fund construction of a Community Hub / library and public square and seek a private partner to construct and operate a swimming facility (Mayor's recommendation);
- Option 2 – status quo – retain a library and pool in Rototuna as unfunded projects in the 10-Year Plan; and
- Option 3 – decision not to fund the community facilities (remove Rototuna library and pool projects from the 10-Year Plan unfunded programme).

Option 1: Community Hub/Library, Public Square and Private Partner Pool

18. This proposal involves the construction of community facilities and associated infrastructure as follows:

- New fit for purpose, 1500 m^2 Community Hub offering a range of services to the Rototuna community including community meeting rooms and a library.
- An aquatic facility with at a minimum, the provision of a Learn to Swim pool, to be constructed and operated by a private partner.
- Public square and carparks.

19. There is an opportunity to investigate a partnership with another developer for a larger Community Hub/retail or office complex – this will be undertaken in Year 1 (2018/19) of the 2018-28 10-Year Plan.

20. This is the recommended option because it would enable Council to meet its obligations to develop facilities in the Rototuna Town Centre as planned. This would provide much needed community space in Rototuna, establish a focal point for the town centre and ensure integration with retail and housing as development occurs. It also addresses a shortfall in library space that is seeing increased pressure on Chartwell library and secures the provision of a swimming facility to service the local area.

21. Further work is to be undertaken to determine the specific criteria for a private partnership aquatic facility but a Learn to Swim function would be required as a minimum. The building would need to be of sufficient quality and design to integrate with the public square (e.g. glass frontage) and town centre. It is envisaged that Council will provide a discounted lease of the land. Benefits to an operator include the pool being located in an area:

- with limited swimming facilities;
- in close proximity to a number of schools;
- with an increasing population with a high number of families with children; and
- on a high profile site close to the sports park, library, supermarket and retail.

22. The image below shows the Town Centre as laid out in the Comprehensive Development Plan. Both the library and aquatics centre site are supported by car parks that provide a parking function for the facilities as well as the Town Square.

23. As there will eventually be a range of employment, residential development, and having the High School located nearby, it is proposed that a parking fee structure is implemented that includes a component of free parking time, similar to the current scheme operating in the central city (free 2 hour parking).

24. **Advantages and disadvantages**

Advantages	Disadvantages
• Reduces the current pressures on the Chartwell Library. • Provides space for community use. • Provides a Learn to Swim pool – close to schools and easily accessible to Rototuna residents. • A civic space is created in the Town Square which people can use for relaxation or some form of activation e.g. market days. • Obligations are met regarding Rototuna Town Centre, including the use of development contributions that have been collected. • It is a cost effective option having a small library and Private Partner pool. • Opportunities may exist to seek a partnership with another developer for a larger building construction that allows for a combination of a Community Hub and retail or office space.	• An appropriate Private Partner may not be found to build the pool – this will need to be mitigated through a sound selection process and effective contract management.

25. **Financial considerations**

26. Capital costs include consents, design and construction. Funding is required in Year 1 (2018/19) for a detailed business case for development in Rototuna as well as preparation for the selection of a Private Partner for the aquatic facility.

27. All fit out costs are included in the project. The Rototuna Community Hub/library will draw hard copy books and other resources from the existing book collection and no additional collections budget is required.

28. Partner requirements will be clearly established and risks identified and mitigated prior to finalising a Private Partner selection.

29. The Community Hub construction is planned for Year 3 (2020/21) to ensure a short-term outcome for Rototuna residents, and the public square is planned for Year 4 (2021/22). However, more detailed planning is required to ensure achievability and to identify a staged approach that is aligned with road and any other development that is likely to occur over the next five years.

30. Operating expenses include:

- Depreciation of $500,000 per annum for Community Hub, Public Square and carparks;
- $350,000 in operating costs for the library; and
- Maintenance of $150,000 per annum across the assets.

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue				**100**	**100**	**100**	**100**	**100**	**100**	**100**	**700**
Total Operating Expenses	**500**		**250**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**7,750**
Total Capital Expenses		**1,350**	**10,000**	**8,650**							**20,000**

Option 2 – Status Quo

31. This proposal involves retaining the status of community facilities in Rototuna as unfunded projects in the 2018-28 10-Year Plan.

32. **Advantages and disadvantages**

Advantages	Disadvantages
• No financial impact.	• Not meeting community or developer expectations.

33. **Financial considerations**

34. No financial impact.

Option 3: Remove Community Projects

35. This proposal involves making a decision to not fund community projects in Rototuna and not to include them in the 2018-28 10-Year Plan as unfunded projects.

36. **Advantages and disadvantages**

Advantages	Disadvantages
• Lower cost than constructing facilities.	• Reputational impact. • Limited provision of Community facilities in Rototuna. • Legal implications.

37. **Financial considerations**

38. A requirement to refund approximately $2.4m in Developer Contributions.

39. Legal costs related to plan changes are uncertain.

SECTION 3d: ATTACHMENT 5

Hamilton Gardens Development

MAYORAL PROPOSAL

Authoriser:	Lance Vervoort
Position:	General Manager Community

Proposal

1. This proposal is for the development of 13 new gardens and associated infrastructure at Hamilton Gardens over 10 years.

2. it is proposed this is paid for by introducing a $25 entry fee to the enclosed sector of the Gardens for non-residents over the age of 18 with an exemption for members of the Friends of the Garden..

Mayor's Recommendation

That the Council:

a) approves funding provision in the draft 2018-28 10-Year Plan of $18.273m (net capital and operating expenditure) for the development of 13 new gardens and associated infrastructure at Hamilton Gardens; and

b) approves an entry fee to the enclosed sector of Hamilton Gardens of $25 for non-Hamilton residents over the age of 18, beginning in 2018/19 with an exemption for members of the Friends of the Garden.

Executive Summary

3. The objective of this proposal is to initiate developments that would enhance the visitor experience of the Hamilton Gardens, while providing an increased opportunity to support the Gardens' commercial goal of a sustainable business operating model. This proposal outlines four options spanning the next ten years with a focus on infrastructure to support increased visitor numbers, and a varying number of gardens depending on Council's ability to fund.

4. Economic analysis for this proposal has been provided through a report by Horwath HTL. The analysis for options has been undertaken with the assumption that a minimum of six new gardens, a new visitor centre, and car parking and roading improvements will be developed.

5. Analysis was modelled using three scenarios, including 'higher' and 'lower' and 'medium' (referred to in the report as 'baseline') sensitivity scenarios. While the recommended option (Option 1) proposes the development of thirteen new gardens, it is appropriate that the revenue modelling is based on a lesser amount as not all the gardens will be open to the public within the 10 years (due to staging and plant growth).

6. Prior to this proposal Horwath HTL undertook a cost benefit analysis for charging a lower entry fee ($5 and $10) at the Gardens (general and themed gardens) which was reviewed by an independent economist. The conclusion of the report was that a lower entry fee was unlikely to generate a substantial net revenue (after considering the cost of collecting entry fees), and would have a high negative impact on resident and visitor numbers, reputation and on tour groups (because tour operators have stated that they would not pay an entry fee).

7. It is proposed that free entry would be given to Friends of Hamilton Gardens members who are not Hamilton residents, however this assumption has not been included in the analysis. Membership is a one off annual cost of $30 per year and would allow for unlimited entry. If there was a significant membership uptake from non-Hamilton residents it could impact on the stated revenue.

8. This proposal outlines four development options over the next ten years with a focus on infrastructure to support increased visitor numbers, and a varying number of gardens depending on Council's ability to fund.

   - Option 1 (Mayor's recommendation): The development of 13 gardens and associated infrastructure over 10 years and an entry fee of $25 for non-residents over the age of 18 with an exemption for members of the Friends of the Garden.
   - Option 2: The development of 13 gardens and associated infrastructure over 10 years and continue free entry.
   - Option 3: The development of 7 new gardens and associated infrastructure over 10 years along with an entry fee of $25 for non-residents over the age of 18 with an exemption for members of the Friends of the Garden.
   - Option 4: The development of 7 new gardens and associated infrastructure over 10 years and continue free entry.

Background

9. Hamilton Gardens is a world-class garden complex that enhances the city's identity, prosperity and quality of life. The Hamilton Gardens is made up of 46.5 hectares of recreational park and outstanding gardens and receives an estimated 1.1 million visitors per year. In 2016 there were 435,000 visitors to the enclosed section of the gardens.

10. The Hamilton Gardens is the only design concept garden of its kind in New Zealand and has received numerous awards, including International Garden of the Year in 2014. Hamilton Gardens is consistently ranked with high satisfaction scores in customer surveys, social media and the TripAdvisor website. Waikato Tourism includes the Gardens in tourism promotions and packages and it is the only attraction in Hamilton where tourist buses stop.

11. Hamilton Gardens provide an important social and recreational asset for city residents and adds to the city's cultural capital. It is a popular venue for weddings, conferences and other community events, including the nationally recognised Hamilton Gardens Arts Festival.

12. Development at the Gardens has been achieved with strong community support. Over the last thirty years it has been funded through a mix of rates, debt, sponsorship, work schemes and a strong volunteer programme. In 2014 Council approved funding for the current development programme due for completion in December 2018. This project included the development of five new gardens, a children's garden playground, and upgrade to entrance and extension of the Turtle Lake car park. The gardens included in the current development programme are:

    - The Tudor Garden – (complete – opened in 2015)
    - The Mansfield Garden (in progress - due to open in 2018)
    - The Concept Garden (in progress - due to open in 2018)
    - The Picturesque Garden (in progress - due to open in 2019)
    - The Surrealist Garden (in progress – due to open in 2019)

4.2 The current development programme is being funded through external funding ($4.8m) and through a targeted rate of $10 per rateable unit over four years; contributing a total of over $2.4m (just over

$600,000 per annum) towards a $7.23m programme of works. The final year of the targeted rate is 2017/18 and is not planned to continue thereafter.

13. Community Consultation

14. Any decision to significantly develop the Gardens or alter conditions of entry would be a matter of high public interest, and would be included in the 10-Year Plan Consultation Document for community feedback.

15. In addition, the Council would consult separately with local iwi on any changes to the fee structure of the gardens, especially given the waahi tapu status of the Te Parapara garden and the importance of access to the riverbank to Maaori.

16. Legal Considerations

17. The Gardens are vested in Council as Recreation Reserve. Charging an entry fee is not specifically provided for within the Reserves Act 1977 (the Act), nor is it prohibited.

18. Independent legal advice has been provided in regards to charging a fee on reserve land. There are a number of policy mechanisms that could be explored in order to implement an entry fee to the Enclosed Gardens.

19. Funding

20. The Hamilton Gardens Trust and the Friends of the Hamilton Garden are committed to raising $300,000 per annum over the 10 years towards further development, a total $3m contribution. Increasing the external funding component beyond this amount could be difficult, particularly if there is a fundraising campaign established to support the construction of the proposed Waikato Regional Theatre.

21. In addition to the development of gardens, this proposal includes the development of a larger information centre and shop, designed to accommodate entry charging and donations (from non-paying customers) and encourages visitors to walk through a significantly larger shop area. These improvements would support greater opportunities for revenue options as product sales and events would offset operating costs.

22. A full sales and marketing plan (separate from entry charging) for the larger shop is still to be developed and will inform the business case required prior to development.

Option 1: Develop 13 new gardens and introduce a $25 non-resident entry fee (Mayor's recommendation)

23. Description

24. It is proposed to establish an entry fee to the enclosed sector of the Gardens for non-residents over the age of 18, and that revenue generated from the entry fee would be used to fund new capital development, including thirteen additional gardens. This option proposes a $25 admission charge to the Enclosed Gardens applicable to adults who are not Hamilton residents. Seniors (65+) would be charged $15 and Children (0-17) would be free. Hamilton residents and members of the Friends of the Garden would not be required to pay admission.

25. This option includes the development of the following gardens (images of the proposed gardens are included in Appendix 1 to this proposal):

- The Medieval Garden
- The Ancient Egyptian
- The Pacifica Garden
- The Byzantium Garden
- The Victorian Flower Garden
- The Hortus Botanicus

- The English Landscape
- The Roman Portic Garden
- The Baroque Garden
- The Vedic Garden
- The Bee Meadow
- The Farm Garden
- The Roof Garden

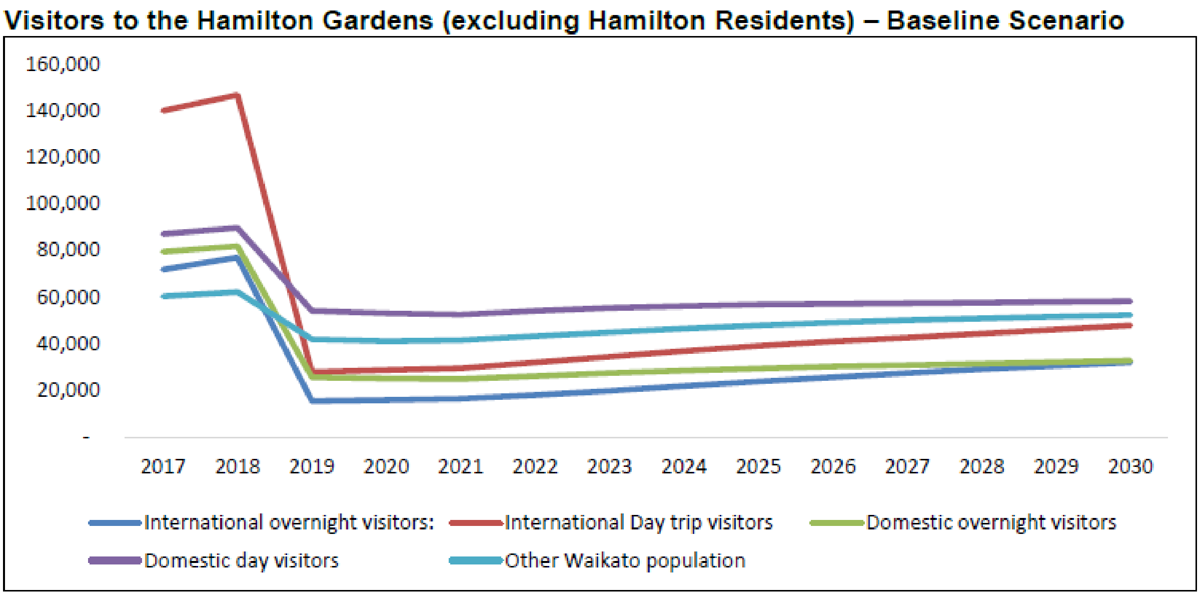
26. Infrastructure developments include:

- a new toilet block in the enclosed sector gardens;
- an extended Information Centre and shop for patrons to exit through when leaving the enclosed sector gardens;
- two entry courts and a covered bridge;
- a new carpark on the existing Rhododendron Lawn[1] ;
- a courtyard and linking path;
- new security fences and services.

27. A cycleway connection east of Gate 1 is proposed as part of the Wairere Drive intersection development. Other routes exist (or are part of the proposed carpark development) for cyclists who are specifically going to the gardens (Appendix 2).

28. Figure 1 (below) shows projected visitor numbers modelled using the medium (referred to as 'baseline') scenario. This shows a significant decrease in estimated visitor numbers from non-Hamilton residents in 2019 when the proposed fee is introduced, with a slight recovery over 10 years.

Figure 1:



29. Advantages

30. The main advantages of this option include:

- Using medium projections, this option is estimated to generate approximately $878,000 worth of admissions revenue in year 1; net profit for year 1 is estimated at $301,000 after capital costs, increasing to $783,000 in year 2 and $833,000 in year 3.

- Hamilton residents and visitors under 18 would continue to have free access to the Enclosed

[1] The proposed Governors Lawn will provide a lawn space for community events etc.

Gardens.

- This option is projected to result in the lower overall number of visitors to the enclosed gardens, therefore limiting the wear and tear of facilities and reducing the amount of waste generated.

31. Disadvantages

32. The main disadvantages of this option as outlined in the Horwath HTL report include the following:

    - This option is likely to result in a significant reduction in the numbers of visitors to the Gardens, which would result in negative economic impacts to the city. Under the medium scenario the economic impact of imposing the $25 visitor entry charge to non-Hamilton residents in 2019 is estimated to reduce by $4.6 million (a 41% reduction of the estimated economic impact of the Gardens in 2018).
    - As visitor numbers to the Gardens recover the economic impact to Hamilton City is projected to increase incrementally; the economic impact in 2030 is projected to be $7.5 million per annum, however this is still a substantial decrease on current estimated economic impacts associated with the Gardens.
    - This option carries the risk of long-term damage to the Hamilton international visitor industry, as a $25 entry fee is likely to generate a high level of expectation and may result in lower ratings on social media and services such as TripAdvisor.
    - This option is likely to result in opposition from local businesses who currently benefit from the Gardens, resulting in reputational risk to the Council and the Gardens.
    - May result in a decrease in the number of events at the gardens (such as wedding ceremonies or events in the Pavilion) as participants would not have the ability to wander freely through the central gardens.
    - May result in a reduction in income for commercial operators (the café and Waikato Explorer) due to lower visitor numbers.
    - Would risk the loss of public goodwill towards the Council and the Gardens, and volunteers may choose to withdraw their services.
    - Hamilton residents who wish to enter the Enclosed Gardens would be required to produce proof of address (library card, rates or electricity bill etc.) at the entry point. This may be met with resistance by some people.
    - Customer survey data shows that many non-local visitors to the Enclosed Gardens are accompanied by Hamilton residents – so it is likely that visits by Hamilton residents to the Enclosed Gardens may reduce as a result of not wanting to impose a charge on their visitors and instead choosing free or lower cost activities.
    - There is a risk that the projected revenue would not be achieved, resulting in a budget shortfall over future years.

33. There are some risks associated with the ability to attract quality contractors in a timely manner for an extended programme of works in a high growth environment.

34. Financial Implications

35. The table below shows the net profit from entry charges for year 1 is estimated at $271,000 after capital costs, increasing to $751,000 in year 2 and $798,000 in year 3 – a total of $9,739,000 over 10 years.

Option 1 – Additional Revenue and Expenditure from $25 entry free only

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	878	964	1,018	1,128	1,403	1,403	1,403	1,403	1,403	1,403	**12,406**
Total Operating Expenses	108	213	220	229	233	233	233	233	233	233	**2,240**
Total Capital Expenses	400	-	-	-	-	-	-	-	-	-	**400**

36. The following table shows the full cost of development and includes the revenue from entry charges and fundraising from the table above. Revenue also includes the $300,000 fundraising commitment.

37. The capital investment made in year 1 includes payment infrastructure (turnstiles, fencing, cash handling equipment) and construction of gardens and associated infrastructure. Operating expenses include administration, staffing costs, contract management, marketing, maintenance and depreciation.

Option 1 – Additional Revenue and Expenditure from Entry Fee and Development											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	1,228	1,339	1,443	1,603	1,928	1,928	1,928	1,928	1,928	1,928	**17,181**
Total Operating Expenses	245	503	753	940	1,202	1,361	1,486	1,668	1,789	1,911	**11,854**
Total Capital Expenses	1,900	1,800	2,600	2,900	2,900	2,600	2,300	2,200	2,200	2,200	**23,600**

38. The net cost to Council of Option 1 over 10 years including operating and capital costs is $18,273,000 over 10 years.

Option 2: Develop 13 new gardens and continue free entry

39. Description

40. Option 2 includes the same development programme as in Option 1 but excludes the implementation of an entry fee for non-residents; i.e. entry to the gardens would remain free for all visitors.

41. Advantages

42. The main advantages of this option include:

- All visitors would continue to have free access to the Enclosed Gardens.
- The Gardens would deliver more attractions for the wider community, New Zealand domestic tourists and international tourists, resulting in an increase in visitor numbers and more time spent at the Gardens. This would mean that tourists are more likely to stay longer in the city, including overnight stays, which would offer increased benefits to the local economy and further develop the reputation of the Gardens.
- This option is likely to receive greater support from local businesses and commercial operators who currently benefit from the Gardens, as there is likely to be positive effects to their businesses from the projected increase in visitors.

43. Disadvantages

44. This is the highest cost option with an extensive development programme and a more limited revenue stream.

45. There are some risks associated with the ability to attract quality contractors in a timely manner for an extended programme of works in a high growth environment.

46. Financial Implications

47. The table below show the full cost of development and excludes revenue from entry charges. Revenue includes the $300,000 fundraising commitment.

48. The capital investment made in year 1 includes construction of gardens and associated infrastructure. Operating expenses include administration, staffing costs, contract management, marketing, maintenance and depreciation.

Option 2 – Additional Revenue and Expenditure											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	300	300	300	300	300	300	300	300	300	300	**3,000**
Total Operating Expenses	140	355	577	736	970	1,129	1,254	1,436	1,607	1,729	**9,933**
Total Capital Expenses	1,500	1,800	2,600	2,900	2,900	2,600	2,300	2,200	2,200	2,200	**23,200**

49. The net cost to Council of Option 2 over 10 years including operating and capital costs is $30,133,000.

Option 3: Develop 7 new gardens and introduce a $25 non-resident entry fee

50. Description

51. Option 3 comprises the non-garden infrastructure included in options A and B and seven new gardens as follows:

- A new toilet block in the enclosed sector gardens.
- An extended Information Centre and shop for patrons to exit through when leaving the enclosed sector gardens.
- Two entry courts and a covered bridge.
- A new carpark on the existing Rhododendron Lawn, and replace the Rhododendron Lawn with a similar space on the Governors Lawn.
- A courtyard and linking path.
- New security fences and services.

52. Seven additional gardens:

- The Medieval Garden
- The Ancient Egyptian
- The Pacifica Garden

- The English Landscape
- The Roman Portico Garden
- The Baroque Garden
- The Hortus Botanicus Garden (stage 1)

53. This option proposes the admission charge as outlined in Option 1.

54. Advantages

55. Includes the advantages from Option 1 relating to charging an admission fee.

56. This option generates the same revenue as in Option 1 but with less development cost, resulting in a lower financial impact to the Council and ratepayers.

57. Disadvantages

58. Includes the disadvantages from Option 1 relating to charging an admission fee.

59. Would result in fewer gardens delivered within 10 years than Options 1 and 2.

60. Financial Implications

61. The table below show the full cost of development and includes the revenue from entry charges and fundraising from the table above. Revenue also includes the $300,000 fundraising commitment.

62. The capital investment made in year 1 includes payment infrastructure (turnstiles, fencing, cash handling equipment) and construction of gardens and associated infrastructure. Operating expenses include administration, staffing costs, contract management, marketing, maintenance and depreciation.

Option 3 – Additional Revenue and Expenditure from Entry Fee and Development of 7 Gardens and Associated Infrastructure

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	1,178	1,264	1,318	1,428	1,703	1,703	1,703	1,703	1,703	1,703	**15,406**
Total Operating Expenses	220	441	609	694	802	887	1,030	1,113	1,198	1,262	**8,256**
Total Capital Expenses	1,600	1,800	1,380	1,710	1,710	1,300	1,300	1,300	1,300	1,000	**14,400**

63. The net cost to Council of Option 3, over 10 years, (including operating and capital costs) is $7,250,000.

Option 4: Develop 7 new gardens and continue free entry

64. Description

65. Option 4 comprises the same development programme as in Option 3 but excludes the implementation of an entry fee for non-residents; i.e. entry to the gardens would remain free for all visitors.

66. Advantages

67. Development of the Hamilton Gardens is continued in a manageable and staged way.

68. The developments would result in an increase in visitor numbers and more time spent at the Gardens, offering increased benefits to the local economy and further develop the reputation of the Gardens.

69. Disadvantages

70. This option does not include revenue from an admission charge to offset the cost of development putting the burden of development costs onto ratepayers.

71. Financial Implications

72. The table below show the full cost of development and excludes revenue from entry charges. Revenue includes the $300,000 fundraising commitment.

73. The capital investment made in year 1 includes construction of gardens and associated infrastructure. Operating expenses include administration, staffing costs, contract management, marketing, maintenance and depreciation.

Option 4 –Additional Revenue and Expenditure from Entry Fee and Development of 7 Gardens and Associated Infrastructure											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	300	300	300	300	300	300	300	300	300	300	**3,000**
Total Operating Expenses	140	345	486	598	706	790	925	1,008	1,092	1,157	**7,247**
Total Capital Expenses	1,200	1,800	1,380	1,710	1,710	1,300	1,300	1,300	1,300	1,000	**14,000**

74. The net cost to Council of Option 4 over 10 years, including operating and capital costs, is $18,247,000.

Appendix 1: Images of Proposed Gardens Developments

HAMILTON GARDENS DEVELOPMENT

HAMILTON GARDENS

Baroque Theatre Garden

Medieval Courtyard Garden

Ancient Egyptian Garden

Pacifica Garden

Bird Lady Court

Vedic Garden

Roman Portico Garden

Byzantium Forecourt


Hortus Botanicus


Victorian Flower Garden


English Landscape Garden


Farm Garden

Bee Meadow


WAIKATO RIVER

Appendix 2: Pathways and Cycleways

SECTION 3d: ATTACHMENT 6

Garden Place Upgrade

MAYORAL PROPOSAL

Author:	Karen Saunders	**Authoriser:**	Kelvyn Eglinton
Position:	Group Business Manager – City Growth	**Position:**	General Manager City Growth

Proposal

1. This proposal is for a community-led upgrade of Garden Place.

Mayor's Recommendation

That the Council approve funding provision in the draft 2018-28 10-Year Plan for a community led upgrade of Garden Place as follows:

i. capital expenditure of $3.95m over the first two years (2018/19 and 2019/20); and

ii. consequential operating expenditure of $44,500 per annum from year three (2020/21) in addition to the existing Garden Place operating and maintenance costs, to maintain the new assets following completion of the project.

Executive Summary

2. Garden Place Upgrade was identified as an action in the Central City Transformation Plan (CCTP). The project included installing feature gardens, fairy lights, a shared space and other aspects such as the reception lounge doors and installing a news screen.

3. Three members of the central business district community have proposed to lead an alternative Garden Place upgrade. A concept of this proposal was presented to Council in September 2017 and further details were provided to Councillors at a briefing on 13 November 2017.

4. This paper includes three options:
   - Option 1: A community led Garden Place upgrade. (Mayor's recommendation)
   - Option 2: Status quo.
   - Option 3: A Council led CCTP Garden Place upgrade.

Option 1: Community Led Garden Place Upgrade (Mayor's Recommendation)

5. Description

6. For the purposes of this proposal, the community group proposing the upgrade is named the Garden Place Collective.

7. The Garden Place Collective will lead the delivery of the project including external fundraising, detailed design, procurement, construction and project management. A memorandum of understanding would be required between the Garden Place Collective and Council, similar to the Embassy Park project.

8. Council will fund the upgrade. Some external funding and in-kind services are also expected.
9. Council's role will be to ensure quality and safety of the upgrade at all stages of the project, with an oversight of design.
10. Ongoing operating and maintenance of Garden Place would be Council's responsibility following completion of the upgrade.

11. Advantages and Disadvantages

Advantages	Disadvantages
• Opportunity to work collaboratively with the community to deliver an upgrade to Garden Place. • Value for money due to Garden Place Collective procurement and delivery. • Timing of Garden Place upgrade aligns with completion of other key projects including Victoria on the River, which contributes towards a vibrant city centre attracting more people to the city and building economic growth.	• Reputational risks associated with public perception of Council upgrading Garden Place. This could be mitigated through Council communications highlighting it is a community led upgrade.

12. Financial Implications

13. This proposal would require a combination of funding from Council, third party funding (donations) and in-kind services.
14. The total cost of this option as estimated by the Garden Place Collective is $3.95m. The Garden Place Collective estimate that approximately $800k of funding could be acquired from 3rd party funding. Therefore, depending on level of 3rd party funding and in-kind services acquired, Council's contribution could be up to $3.95m.
15. Costs for this option are based on concept and will be confirmed following detailed design and prior to construction.
16. Detailed design will be led by the Garden Place Collective and funded by Council ($250k is included for detailed design within the $3.95m budget).
17. Consequential operating costs following completion of the project to maintain the gardens, shared spaces, any lighting, stormwater, parking sensors and parking management is an estimated additional $44.5k per year on top of existing Garden Place operating and maintenance costs (approximately $103k per year), bringing the total operating and maintenance costs to $148k per year excluding depreciation.
18. Note, that the Garden Place Collective would like to commence detailed design 2017/18 financial year, as well as the consultation process required to change the pedestrian status of Garden Place. For the purposes of this proposal, the costs have been included to commence from Year 1 of the 10 Year Plan.

Option 1											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	800	-	-	-	-	-	-	-	-	-	**800**
Total Operating	83	83	148	148	148	148	148	148	148	148	**1,350**

Expenses											
Depreciation	-	50	113	113	113	113	113	113	113	113	**954**
Finance Costs	88	143	198	198	198	198	198	198	198	198	**1,815**
Total Capital Expenses	1,750	2,200	-	-	-	-	-	-	-	-	**3,950**

Option 2: Status Quo

19. Description

20. This option is to maintain the status quo and keep Garden Place as it is.

21. Advantages and Disadvantages

Advantages	Disadvantages
• No expenses incurred to upgrade Garden Place.	• Lost opportunity for community led development. • Reputational risks to Council as a result of Council not proceeding with a community led project which has central business support. • Lost opportunity to contribute towards a vibrant city centre alongside recently completed, current and upcoming projects. For example, Western Rail Trail and Victoria on the River.

22. Financial Implications

23. There would be no financial impact to current budgets.

24. There will be a requirement to upgrade or renew the assets in the area at some point in the future. If this option was chosen, then it would likely be fully at Council's cost in the future.

25. Existing operating and maintenance costs for Garden Place are approximately $103k per annum (excluding depreciation) and covers garden maintenance, litter collection and cleaning, repair to signs, street furniture and cobles and streetlights.

Option 2											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	103	103	103	103	103	103	103	103	103	103	**1,030**
Depreciation	72	72	72	72	72	72	72	72	72	72	**715**

Option 3: Council Led CCTP Garden Place Upgrade

26. Description

27. This option is for Council to complete a Garden Place Upgrade as per the Central City Transformation Plan (CCTP).

28. This upgrade option includes installing a new screen, fairy lights, feature gardens and a shared zone in Garden Place North as outlined in the CCTP.

29. Advantages and Disadvantages

Advantages	Disadvantages
• Garden Place upgraded which contributes towards a vibrant central city.	• Lost opportunity for community led upgrade which could deliver the same outcome for better value. • Reputational risks to Council as a result of Council not proceeding with a community led project which has central business support. • Reputational risk associated with Council 'meddling' with Garden Place.

30. Financial Implications

31. Ongoing operating and maintenance costs are expected to be the same as Option 1 ($148k per year), with higher depreciation costs.

Option 3											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	103	103	83	148	148	148	148	148	148	148	**1,325**
Depreciation	-	14	32	346	346	346	346	346	346	346	**2,468**
Finance Costs	13	40	331	606	606	606	606	606	606	606	**4,626**
Total Capital Expenses	500	610	11,000	-	-	-	-	-	-	-	**12,110**

SECTION 3d: ATTACHMENT 7

River Plan Extension – Central City Park

MAYORAL PROPOSAL

Author:	Natasha Ryan	Authoriser:	Lance Vervoort
Position:	Key Projects Programme Manager	Position:	General Manager Community

Proposal

1. This proposal is to develop a central city park from Embassy Park through to Victoria on the River, adjacent to the proposed Waikato Regional Theatre.

Mayor's Recommendation

That the Council:

a) approves funding provisions in the draft 2018-28 10-Year Plan for the development of a central city park between Victoria on the River and Embassy Park as follows:

  i. total capital expenditure of $20m in the first five years of the 10-Year Plan (2018/19 to 2023/24);

  ii. operating expenditure of $300,000 in Year 1 (2018/19) for development of a master plan for the urban park;

  iii. operating expenditure of $3m in Year 2 (2019/20) and $7m in Year 3 (2020/21) for removal of the buildings;

  iv. an allowance to write-off building assets of $4.55m in Year 2 (2019/20) and $8.45m in Year 3 (2020/21); and

  v. consequential operating expenditure of $55,000 per annum from Year 4 (2021/22) to maintain the new assets following completion of the project.

b) requests staff to report back to Council with a business case on the central city park development for consideration and approval;

c) approves an operating expenditure of $300,000 per annum for implementation of the Vegetation Management Plan; and

d) approves an operating expenditure of $300,000 in Year 1 (2018/19) for a feasibility study of a swimming area at Hayes Paddock and to further develop the City of Bridges plan.

Executive Summary

2. This proposal builds on the intent of the *Hamilton City River Plan* vision that the "Waikato River will be the defining heart of Hamilton". The proposal is to purchase properties between the Victoria on the River (VOTR) site and Embassy Park, remove the buildings and develop an urban park. Some funding has also been allocated for two River Plan Task Force recommended priority projects; Vegetation Management Plan and swimming at Wellington Street Beach, Hayes Paddock.

3. The park is intended to extend the benefits generated by Victoria on the River by providing greater connection between Victoria Street and the Waikato River. The location of the park also aims to enhance the experience of visitors to the Waikato Regional Theatre and could allow the theatre to

extend events into the area.

4. There are aspects to be considered in terms of the heritage status of a number of the buildings in the area identified for development. Some regulatory requirements and processes would have to be met to proceed with the proposal.

Proposal Description

5. This proposal is for properties to be purchased between the Victoria on the River site and Embassy Park so that the buildings may be removed to develop an urban space that connects VOTR and its surrounds

6. This proposal was put to Council in reports during the publicly excluded sections of the 18 October and 16 November 2017 Council Meetings. During the latter meeting it was resolved that that Council:

   - “approves $50,000 for the development of concept designs by Edwards White Architects for an extended Victoria on the River precinct; and”
   - “notes that a project proposal for an extended Victoria on the River precinct will be considered at the 6 December 2017 10-Year Plan Council Meeting”.
   - Further detail and design costings are required to fully describe this proposal. Any concept designs for this project will include flexibility for owners to retain their property should they wish them to be incorporated into the development. No compulsion will be applied to owners to sell property.

7. Two of the River Plan Task Force recommended priority projects are also included in this proposal. These projects are also recommended in the unfunded proposal “River Plan – Task Force priority projects and Ferrybank bridge. The projects are summarised below:

   - It is proposed that $3m operational expenditure is provided for activities to implement the Vegetation Management Plan. This plan sets out overall vegetation management requirements along the Waikato River in Hamilton, it identifies areas in need of tree thinning and vegetation removal and protects viewing places; and
   - $300k is recommended for a feasibility study on a swimming area at Wellington Street Beach, Hayes Paddock.

8. **Heritage considerations**

9. This proposal has a heritage consideration in that the area impacted by the proposal contains a unique connection with the commercial history of Hamilton. This is recognised in the Heritage Plan and the associated deliverables which identify buildings on both sides of the street as essential for retaining the special character of Victoria Street, from Hood Street to Garden Place. The Heritage Plan identifies specific projects to further enhance this character.

10. Also of note is that any demolition or land modifications on pre-1900 sites would require an authority from Heritage NZ to be obtained. The entire area of Victoria Street, from Ferrybank to Garden Place falls into that category. Numbers 260 and 254 Victoria Street are also identified as listed heritage items in the Operative District Plan and would require resource consent to alter or demolish. This would likely be publicly notified.

11. There may be advantages, besides heritage value, in retaining visually interesting buildings and using them as eateries or boutique retail, enhancing the experience of visitors to the Waikato Regional Theatre and the cultural precinct.

12. **Advantages and disadvantages**

Advantages	Disadvantages
• The park is intended to extend the benefits generated by Victoria on the River by providing greater connection between Victoria Street and the Waikato River, in doing so it will: - reinforce the relationship between Hamilton and the Waikato River to visitors to the area, notably the Waikato Regional Theatre and cultural precinct. - provide a park setting suitable for inner city workers and residents to rest and enjoy the views. • The park location is intended to enhance the experience of visitors to the Waikato Regional Theatre and cultural precinct. It may provide an opportunity for the theatre to extend events into the open space. Subject to decisions on parking and theatre exits, it may also assist with crowd dispersal. • The removal of buildings near the proposed Waikato Regional Theatre may facilitate construction of the theatre, which is complicated both by the heritage status of the building on the theatre site and the physical constraints of the site.	• It should be noted that, due to height differences, a visual connection between Victoria Street and the water of the Waikato River is unlikely without significant changes to the river bank. These changes would require substantial funding and are not allowed for in this proposal. • The removal of part of Hamilton's built heritage.

Financial Implications

13. This option has a total proposed operating expenditure of $13.99m for building removal, park development and maintenance, capital expenditure of $20m for property purchase and $13m for write-off of the demolished buildings.

14. The financial overview of the option is covered by the cost and potential funding sources in the following table. The figures shown in the following table assume:

    - The works would occur as late as possible to allow completion of the park to coincide with the Waikato Regional Theatre opening.
    - The total cost of property purchase is $20m. This includes holding costs and assumes maintenance costs and rents will remain with the business community until demolition commences.
    - The buildings will be written-off as they are demolished, noting that the buildings are assumed to be 65% of the property value.

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	900	3,300	7,300	355	355	355	355	355	355	355	**13,985**
Buildings Write-off	-	4,550	8,450	-	-	-	-	-	-	-	**13,000**
Total Capital Expenses	5,000	2,000	-	6,500	6,500	-	-	-	-	-	**20,000**

15. Opportunities may exist for external funding in particular if the scope of the proposal is extended to include elements that external funds are interested in. For example, work related to enhancing the river through ecological terracing; or retaining or altering the heritage buildings entirely or in part. Further work will be required to better understand these additional elements of the option and how they may meet external funding requirements.

16. This proposal may not meet the criteria required to unlock the $1m funding pledged by the Donny Charitable Trust towards the River Plan projects. For this reason, this potential revenue has not been included at this point. Staff will have discussions through Momentum around the Donny Charitable Trust funding and will update Council verbally on this at the 6 December 2018 Council meeting.

SECTION 3d: ATTACHMENT 8

Sell Property in Endowment Fund

FUNDED PROPOSAL

1. Proposal

1.1. This proposal outlines options to sell two remaining investment properties in the Municipal Endowment Fund.

2. Recommendations

That the Council approves the sale of two Municipal Endowment Fund investment properties physically located at 378 Wairere Drive and 49 Foreman Road, Hamilton, and legally described in the Schedule.

SCHEDULE

First An estate in fee simple comprising all that land contained in Certificate of Title SA72C/595 South Auckland Land Registry legally described as Lot 4 Deposited Plan South Auckland 91882 comprising 7,655 square metres more or less and physically located at **378 Wairere Drive**, Hamilton (tenanted by **Online Security**).

Second An estate in fee simple comprising all that land contained in Certificate of Title SA70A/286 South Auckland Land Registry legally described as Lot 2 Deposited Plan South Auckland 88522 comprising 1.7112 hectares more or less and physically located at **49 Foreman Road**, Hamilton (tenanted by **Asaleo**).

3. Summary

3.1 The Endowment Fund property consists of:

- Three Municipal Endowment Fund (MEF) investment properties
- Six Municipal Endowment Fund (MEF) ground leases
- Seven Domain Endowment Fund (DEF) ground leases

3.2 The MEF and DEF ground leases must be sold to the leaseholder first, in accordance with Council's Freeholding Policy. Council cannot force the leaseholders to buy the freehold.

3.3 Council could choose to revoke the freeholding policy and sell the 17 ground leases on the open market. An open market sale of the ground leases would typically discount the freehold market value of the properties by approximately 25%. It is recommended that the ground leases are retained and sold to the leaseholders in the future.

3.4 The three MEF investment properties are:

- Online Security Building, 378 Wairere Drive. Estimated Current Market Value $3.65M.
- Asaleo Building, 49 Forman Road. Estimated Current Market Value $7.90M.

- Masters Avenue Shops. Estimated Current Market Value $1.1M.

3.5 The Masters Avenue Shops were purchased to accommodate the Masters Avenue library, and to provide for future expansion of the library. It is recommended that the Masters Avenue shops are retained until the library expansion is completed, or not required.

3.6 The two remaining MEF investment properties were purchased to provide income. It is recommended that these two properties are sold.

3.7 The two options under consideration are:

- Option A: – Status Quo
- Option B: – Sell Property in the Endowment Fund

3.8 It is recommended that the MEF investment properties described in the schedule are sold.

3.9 The balance of the Endowment Funds (approximately 64% of the total value) is used to offset debt.

4. Option A – Status Quo

4.1 Option Description

4.1.1 Retain the investment properties and continue to manage them to maximise financial returns. Income generated is used to offset Council's operating costs.

4.2 Advantages

- The properties generate an annual gross return of $1.0M (nominal 8.6% return)
- The properties will experience rental income growth over the remaining lease terms
- Passive property ownership with low risk and strong investment profile

4.3 Disadvantages

- The properties will diminish in value as their current lease terms expire
- Reinvestment (capital or tenancy inducements) may be required to secure renewals, and retain or attract tenants on expiry of lease
- Potential period of vacancy at expiry of lease with consequent loss of revenue
- Changes to market conditions over time might adversely affect risk profile
- No opportunity to utilise capital from sale for alternative purposes

4.4 Financial considerations

4.4.1 The two properties return annual income of $1.004M at a nominal operating cost of $212K (noting that total Capex allocation provides some contingency which may not be fully expended in each financial year). The net income contributes to offsetting Council's operating costs. The financial overview of this option is covered by the table below.

Option A = Status Quo											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	10,040
Total Operating Expenses	137	131	137	131	127	127	137	144	127	141	1,339
Total Capital Expenses	75	75	104	409	77	99	92	79	98	154	1,262

5. Option B

5.1 Option Description

5.1.1 Sell the properties by competitive open-market process during the later part of the 2018/19 year. Estimated gross sales proceeds of $11.55M will be credited to the MEF reserve. The MEF reserve is currently used to offset debt at a nominal 5.5%.

5.2 Advantages

- Currently strong rental growth and keen interest in industrial property market with good chance of attracting competition from buyers
- Liberate capital to utilise for alternative investment opportunities
- Eliminates exposure to potential future adverse market conditions
- Property sales to be timed to maximise sale price

5.3 Disadvantages

- A nominal reduction in percentage return from the capital
- No opportunity to benefit from future capital growth
- Some up-front costs possible in order to maximise sale proceeds

5.4 Financial considerations

5.4.1 Selling the properties results in a loss of annual income of $1.004M with a corresponding nominal cost saving of $212K (noting that total Capex allocation provides some contingency which may not be fully expended in each financial year). Net sale proceeds would initially be used to offset debt (at a nominal 5.5% = $635K). The financial overview of this option is covered by the table below.

Option B = Sell Property in the Endowment Fund

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	**1,004**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,004**
Total Operating Expenses	**381**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**381**
Total Capital Expenses	**75**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**75**
Total Asset Sales	**11,550**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,550**

SECTION 3d: ATTACHMENT 9

Sale of Old St Peters Hall

MAYORAL PROPOSAL

Author:	Helen Paki	**Authoriser:**	Lance Vervoort
Position:	Business and Planning Manager, Community	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.
2. The proposal recommends the sale of Old St Peters Hall.

Mayor's Recommendation

That the Council approve the sale of Old St Peters Hall.

Context

3. Old St Peter's Hall was built in 1893, and is situated on Victoria Street. The Hall along with adjoining Citizens' Advice Bureau building were purchased by the Council from St Peter's Cathedral in 1990. Anchor tenants are Waikato Dance Performance Trust (Drury Lane Dance School) and Citizens Advice Bureau.
4. These buildings are registered Category 2 heritage buildings with Heritage New Zealand.
5. The current Capital Value for this property is $590,000.

Current Level of Service

6. Council currently owns Old St Peters Hall and the adjacent building. The building is on a 708m^2 Fee Simple title.
7. Old St Peters Hall is leased by Waikato Dance Performance Trust (operating as Drury Lane Dance Studio). The adjacent building is leased by Citizen's Advice Bureau (CAB). Both are not-for-profit entities under the Charities Act. Current leases run until 30 June 2018, both organisations have expressed interest to renew leases for a longer term, and both have expressed an interest in leasing the entire premises (hall and adjacent building currently occupied by CAB).

Capacity and Demand

8. The Hall is well utilised by Drury Lane in the afternoon and evenings. However, greater use during the day would optimise the value of the hall as a community space.
9. Citizens Advice Bureau is a well utilised office and interview space by the community.

Option: Sell Old St Peter's Hall

10. Advantages and Disadvantages

Advantages	Disadvantages
• Revenue and reduction in renewal and maintenance cost for Council.	• Potential loss of levels of service if tenants were moved out. • Potential reputation risk for the Council in retreating from providing a community space.

11. Financial Implications

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	740	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	**713**
Total Operating Expenses	(48)	(48)		(1)	(1)			(11)	(1)	(47)	**(157)**
Total Capital Expenses	(26)	(12)						(4)	(21)		**(63)**

12. Properties within Hamilton city are currently selling for approximately 25% over Capital Value. This property is rated at $590,000, giving an estimated price of $740,000.

13. The above table shows planned renewals and maintenance of the building and highlights current income from lease agreements as $3,000 per annum.

SECTION 3d: ATTACHMENT 10

Riverbank Slips Contingency Funding

UNFUNDED PROPOSAL

Author:	Maria Barrie	**Authoriser:**	Lance Vervoort
Position:	Parks and Recreation Manager	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.

2. The proposal is to provide operational funding to cover professional fees associated with legal and engineering investigations following a river slip or suspected instability and to continue to fund riverbank remediation from risks and opportunities as required.

Staff Advice

3. If the Council chose to fund this proposal, staff advice is:

   - That the Council:

     a) approves operating expenditure of $50,000 to be included in each year of the draft 2018-28 10-Year Plan to assist with riverbank investigations following slips or suspected instability; and

     b) approves the continued funding of any future remediation works as required through Risks and Opportunities.

Executive Summary

4. Council currently owns approximately 29km of Esplanade Reserve along the river.

5. Historically, we have responded to one to two slips per year on a case-by-case basis. Last winter the parks team responded to nine slips on riverside esplanade and reserve land.

6. Remediation options for seven sites are still being worked through with affected parties and/or engineers, so costs can be spread over financial years.

7. Cost estimates are as follows:

   - Engineering investigations to determine cause range from $5,000 - $20,000 per site.
   - Engineering reports to determine repair options range from $5,000 - $30,000 per site.
   - Legal costs range from $1,000 - $5,000+ per site.
   - Remedial options range from $500,000 - $5m+ per site.

8. There is no funding set aside for slips response or ongoing management. Costs are absorbed into operating budgets where possible and/or identified as an overspend through Risks & Opportunities.

9. Current response practice is:

   - Assess if the slip is on private or public land.
   - If it is on private land, the Building Control Unit work with the land owner.

- If it is on public land, engineering advice is sought and remediation works are undertaken. Costs are identified through Risk & Opportunities.
- If a neighbouring land owner is involved, engineering advice is sought and assessment of liability is discussed with Tompkins Wake. The engineer's report is then shared and an attempt to reach an agreement on remediation is made with the land owner. Council will not fund remediation where there is no liability and the main benefactor of remediation is the private land owner.

10. This proposal presents two options:

- Option 1: Contingency funding for operational costs. This would see operating expenditure included in the 10-Year Plan to fund costs associated with managing slips.
- Option 2: Contingency funding for operational costs plus reserve fund for repairs. In addition to Option 1, this would also see a reserve fund set up to enable repair works.

Option 1: Contingency funding for operational costs

11. Description

12. This option includes a funding allocation for operational expenses to cover legal and engineering advice following an event where there is a river slip or suspected instability. Due to the uncertainty of riverbank slips occurring, remediation works would remain unbudgeted and funded on risks and opportunities as required.

13. Advantages and Disadvantages

Advantages	Disadvantages
• Slip investigations can be managed without a reported overspend. • Budget is approved as required through Risks and Opportunities and does not result in an underspend when there are no slips in any given year.	• As slips are a naturally occurring event it is difficult to predict what level of funding may be required in any year resulting in unbudgeted expenditure when slips do occur.

14. Financial Implications

15. This option funds operational costs only and assumes $50,000 per year would cover costs in most years.

Option 1											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	50	50	50	50	50	50	50	50	50	50	**500**
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-	**-**

Option 2: Contingency funding for operational costs plus reserve fund for repairs

16. Description

17. This option includes a funding allocation for operational expenses associated with managing slips and sets up a reserve fund to enable repair works.

18. The reserve fund would be carried over each year to enable it to build up to a point where it is required to fund repairs.

19. Advantages and Disadvantages

Advantages	Disadvantages
• Slip investigations can be managed without a reported overspend. • The reserve fund would enable repairs to be carried out without delay, providing the cost did not exceed budget.	• As slips are a naturally occurring event it is difficult to predict what level of funding may be required in any year. • In the case of a weather event causing significant riverbank damage, the slip fund may be insufficient to cover the cost of remediation and incur unbudgeted expenditure as in Option 1.

20. Financial Implications

21. This option assumes $50,000 operational funding and $500,000 capital funding, with the capital fund carrying over if unspent in any given year.

Option 2											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	50	50	50	50	50	50	50	50	50	50	**500**
Total Capital Expenses	500	500	500	500	500	500	500	500	500	500	**5,000**

SECTION 3d: ATTACHMENT 11

Rototuna Sports Park – Artificial Turf

UNFUNDED PROPOSAL

Proposal

1. This proposal is not included in the draft budget.
2. This proposal outlines an option to build an Artificial Turf Field at Rototuna Sports Park as a separate item to the main development.

Staff Advice

3. If Council chose to fund this proposal, staff advice is:

   - That the Council approve $3m capital expenditure in Years 4 and 5 (2021/22 and 2022/23) and $1.73m operational expenditure from Years 5 - 10 (2022/23 to 2027/28) for an Artificial Turf Field to be constructed at Rototuna Sports Park, including the provision of lights.

Background

4. The provision of one Artificial Turf Field including provision of lighting to allow for maximum use was included in the concept plan for Rototuna Sports Park Development.
5. The provision of an Artificial Turf Field would enable the Park to have an all-weather option for use.
6. A facility that could be used in all weather, for prolonged periods without wear and tear that occurs on traditional sports fields would be well utilised by the community. There are numerous schools near the proposed site and it would be well utilised by children and young people.
7. The artificial turf has the capacity to accommodate prolonged use in all weather conditions. This ensures less cancellations, higher usage throughout the year and less day to day maintenance and management compared to traditional grass surfaces.

Capacity

8. There is a forecast shortfall in capacity by 2021. The development of Rototuna Sports Park will go some way to alleviating this shortfall. The inclusion of an artificial turf will be able to accommodate more hours of use compared to a turf based field.
9. The lack of artificial turf currently limits levels of service, due to frequent cancellations in winter months and increased demand for existing sports parks. Auckland Council has invested in artificial turfs for this reason. Hamilton is also limited in the ability to host inter-regional competitions as the city is unable to provide adequate facilities to do so. An artificial turf would help alleviate this issue.
10. Whilst artificial turfs have a higher capital outlay and maintenance cost compared to traditional sports fields, they have higher hours of use and therefore significantly increase overall capacity[1].

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[1] Sport New Zealand: Guidance Document for Sport Field Development (prepared by Opus). October 2013 http://www.sportcanterbury.org.nz/content/library/SportNZSportsFieldSurfacesGuidanceDocumentFINAL1.pdf

Artificial Turf Field to be constructed at Rototuna Sports Park including the provision of lights.

11. **Proposal Description**

12. Under this option there would be an Artificial Turf Field developed at Rototuna Sports Park. This work would include provision of lights to enable extended winter availability hours.

13. **Advantages and disadvantages**

Advantages	Disadvantages
• Provides an all-weather option for up to 45hrs per week of game/training time. • Extends training time in the winter months with the provision of lighting.	• Higher maintenance input and renewal cost than soil based fields.

14. **Financial considerations**

15. This option requires additional capital funding of $3m over the 10-year period and additional ongoing operational expenditure to maintain the turf.

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											**0**
Total Operating Expenses					**14**	**375**	**335**	**335**	**335**	**335**	**1,729**
Total Capital Expenses				**138**	**2,862**						**3,000**

Option 2: Status Quo - Rototuna Sports Park development excludes provision of an Artificial Turf Field.

16. **Option Description**

17. Under this option the Rototuna Sports Park development would not include provision of an Artificial Turf Field.

18. Advantages and disadvantages

Advantages	Disadvantages
• No additional cost • Can be developed at any time • Can be used for informal recreation until fully developed	• Potential for the developed fields to be overused therefore reducing the capacity of the Park.

19. **Financial considerations**

20. This option has no financial impact.

SECTION 3d: ATTACHMENT 12

Sports Parks Drainage Improvements

UNFUNDED PROPOSAL

Author:	Maria Barrie	**Authoriser:**	Lance Vervoort
Position:	Parks and Recreation Manager	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.

2. The proposal recommends a programme of works to improve sports parks field drainage, to increase the number of hours existing fields are available for use.

Staff Advice

3. If the Council chose to fund this proposal, staff advice is:

   - That the Council approve high priority drainage improvements on seven prioritised parks (option 2 below) which requires funding provision in the draft 2018-28 10-Year Plan as follows:

     i. capital expenditure of $3.479m in years 1 - 3; and

     ii. operating expenditure of $1.187m across the 10-year period.

Executive Summary

4. There are current and projected sports field deficiencies in Hamilton to meet hours of use for both training and competition games.

5. This is mainly due to the reduced quality/condition of the fields caused by ageing and inadequate drainage and irrigation which limits the number of hours a field can be used before it becomes unusable and unsafe.

6. It is anticipated that the demand for 'playable' sports fields is expected to grow as the population increases in Hamilton.

7. Based on current growth projections, Hamilton will not have sufficient capacity for the winter sports codes by 2021/22.

8. The current fields will continue to deteriorate over time without investment in drainage.

9. This paper presents two options:

   - Option 1: A 10-year sports field drainage improvement plan to offset some of the anticipated shortfall in capacity.

   - Option 2: High priority drainage improvements scheduled for the first three years of the 10-Year Plan to offset some of the anticipated shortfall in capacity.

10. If Council chose to fund this proposal, staff advice is that Council approve Option 2.

Current Level of Service

11. Council currently provides 112 sports fields across 39 parks. The fields are used by a variety of sports codes such as football, rugby, touch rugby, rugby league, cricket and softball. Emerging sports such as lacrosse, baseball, ultimate frisbee, futsal and American football are looking to grow and develop in Hamilton.

12. Council currently provides 21,350 playable hours on sports fields over a 25-week winter season.

13. Current field drainage systems are ageing and very few fields have secondary drainage.

14. Hamilton's climate makes management of sports fields difficult, experiencing droughts in summer and high rainfall with low temperatures in winter. Many of Hamilton's sports fields are located on peat base soil resulting in poor surface levels and drainage difficulties. These factors all result in reduced number of playable hours on Council's sports fields. A field with basic field drainage would typically be able to provide 8 hours of play per week.

15. There have been at least five significant Council imposed restrictions resulting from poor weather conditions in the past two winter seasons, the postponement of significant tournaments in 2017, isolated closures for particularly poorly performing fields, and club imposed restrictions for week day trainings.

16. Mid-week training sessions are often cancelled to preserve the fields for competition play on the weekends.

17. Regular complaints are received from clubs and governing bodies regarding field quality and the ability to undertake a basic level of play.

Capacity and Demand

18. There are current and projected sports field deficiencies in Hamilton with insufficient sports field hours available to meet training and competition play demand. This is mainly due to the reduced quality/condition of the fields caused by ageing and inadequate drainage and irrigation which limits the number of hours a field can be used before it becomes unusable and unsafe. This has been identified through:

    - A capacity and demand report by Momentum Research.
    - Waikato Sports Facility Plan.
    - Sports Field and Facilities Review by Opus Consultants.

19. A Capacity and Demand Report by Momentum Research[1] (2013) identified sports field capacity issues as:

    - Demand for 'playable' sports fields is expected to grow as the population increases in Hamilton.
    - Based on current growth projections, Hamilton will not have sufficient capacity for the winter sports codes by 2021.
    - Deficits are mainly related to training hours and particularly affect rugby union and rugby league with a current combined deficit of 3,692 training hours per season.

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[1] Momentum Research (2013) *Hamilton Winter Sports Field: Capacity and Demand*

- East and West Wards have a forecast deficit of 5,122 training hours per season by 2021. The North-East particularly will come under increased pressure with urban development.
- Limited hours of play on fields is due to low quality, resulting from minimal facilities on parks, lack of irrigation and drainage and substandard maintenance (mowing frequencies and grass type).
- The Sports Park Management Plan recommends an average of 16 hours of play per field. Current quality of fields is resulting in an average of 8 hours per week.
- Increasing demand from growing minority sports such as lacrosse which is likely to impact future field capacity.
- The Waikato Sports Facility Plan recommends development of Sports fields in Rototuna based on the findings above.

20. A detailed report by Opus Consultants[2] (2014) identifies potential options to increase field capacity including the development of additional sports parks, with a focus on the North-East where provision is currently low. The report makes two recommendations:

    i. Develop the Rototuna Sports Park to accommodate five new fields by 2021.

    ii. Improve existing field quality and facilities.

Option 1: 10-year sports field drainage improvement plan

21. Description

22. This option would deliver sports field drainage improvements on 42 fields across 17 parks over the 10-year period, increasing capacity by 48 hours per week, however there would still be a shortfall of 156 hours per week by 2021/22.

23. The new sports fields at Rototuna, which are currently included in the draft budget as part of the proposed growth programme would contribute an additional 52 hours capacity per week (excluding artificial turf). When coupled with the sports field improvements, the total capacity would increase to 100 hours. There would still be a shortfall of 104 hours per week by 2021/22.

24. Advantages and Disadvantages

Advantages	Disadvantages
• There will be less risk of weekend cancellations. Junior teams are most commonly affected now in preference for senior competitions being played. With this option being progressed the likelihood of this happening would decrease. • The quality of our sports fields would meet community expectation. • Field use capacity across 17 Parks would be increased by 48 hrs by 2021/22.	• Requires funding and greater level of investment than Option 2 across 10 years.

25. Financial Implications

Option 1: 10-year sports field drainage improvement plan

[2] Opus (2014) *Hamilton City Council Sports Field and Facility Review*

	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											**0**
Total Operating Expenses	40	162	252	372	465	544	636	708	789	864	**4,832**
Total Capital Expenses	1,259	1,162	1,058	1,127	1,024	1,374	776	1,144	1,179	597	**10,700**

Option 2: High priority drainage improvements

26. Description

27. This option would deliver priority sports field drainage improvements on 13 fields across 7 parks in the first three years of the LTP, increasing capacity by 40 hours per week by 2020/21. There would be no further improvement in capacity within the remaining seven years of the 10-Year Plan.

28. The new sports fields at Rototuna, which are currently included in the draft budget as part of the proposed growth programme, would contribute an additional 52 hours capacity (excluding artificial turf). When coupled with the sports field improvements, this would increase the total capacity to 92 hours. There would still be a 112 hour shortfall by 2021/22.

29. Advantages and Disadvantages

Advantages	Disadvantages
• There will be less risk of weekend cancellations. Junior teams are most commonly affected now in preference for senior competitions being played. With this option being progressed the likelihood of this happening would decrease. • The quality of our sports fields would meet community expectation. • Field use capacity across 7 Parks would be increased by 40 hours by 2021/22. • Provides the opportunity to review capacity need and demand to inform future decision making.	• Considers immediate priorities in the first three years of the 10-Year Plan, but improvements across the full 10-year period are not considered.

30. Financial Implications

Option 2											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue											
Total Operating Expenses	40	99	131	131	131	131	131	131	131	131	**1,187**

Total Capital Expenses	1,259	1,162	1,058								**3,479**

SECTION 3d: ATTACHMENT 13

New Skate Park

UNFUNDED PROPOSAL

Author:	Maria Barrie	Authoriser:	Lance Vervoort
Position:	Manager, Parks and Recreation	Position:	General Manager Community

Proposal

1. This proposal is not included in the draft budget.
2. This proposal is for the development of a new Skate Park in a central city location.

Staff Advice

3. If Council chose to fund this proposal, staff advice is:
   - That the Council approve funding provision in the draft 2018-28 10-Year Plan for a new Skate Park development as follows:
     i. capital expenditure of $1.6m over Year 2 and Year 3 (2019/20 and 2020/21); and
     ii. total consequential operating expenditure of $173,000 over 10 years.

Executive Summary

4. This proposal focuses on a central city location to align with the strategic direction provided in Council's plans. The central city is the preferred location for Hamilton's premier destination skatepark due to skate community preference, high visibility, accessibility, proximity to the city, amenities and facilities, strategic geographical fit with skate network and to help activate the central city. The costs could be applied to other locations.
5. This paper includes two options:
   - Option 1: Develop a high-spec new skate park in a central city location.
   - Option 2: Develop a basic-spec new skate park in a central city location.

About Skate Parks

6. Skating and skate spaces/parks are a popular activity for young people. Skate spaces help fill a gap in low-cost, social, informal and unstructured active recreation activities that have positive health and well-being benefits. Skate spaces activate open spaces, enliven parks and promote healthy lifestyles.
7. Children and youth make up 39% of Hamilton's population, with levels of activity declining and obesity rates increasing. Informal, flexible and convenient recreation activities are increasing in popularity and research shows that 97% of youth prefer to be involved in informal recreation.
8. Youth are seeking inspiring, social, rewarding, creative and self-focused experiences (Active New Zealand Young People's Survey 2011).

Current Level of Service

9. Currently there are skate spaces provided at Melville Park, Fairfield Park, and Elliott Park.

10. Feedback received from an online survey indicated that the skate community wants improved quality and provision of skate spaces in Hamilton. 65% are either unsatisfied or very unsatisfied with Hamilton's skate parks. The two standout preferred locations for a new skate space were the central city (199/731) and Rototuna - Hamilton's North East (158/731).

11. Hamilton's skate parks are ageing, designs outdated and not very visually appealing or well landscaped. An audit of Hamilton's three existing concrete skate parks in 2016, concluded that skate value, surface and structural quality are poor for Melville Park, Fairfield Park and average for Elliot 'Nawton' Park.

12. The design of Hamilton skate parks is dated (having been built between 1980 and 2005) and concrete surfaces require smoothing. Renewal value rated high for Melville and Nawton and good for Fairfield. The skate parks also lack supporting amenities, visual appeal and are in need of renewal and maintenance or upgrade.

13. Benchmarking shows Hamilton is being left behind other cities in New Zealand with many new high-quality skate parks being constructed by other councils around New Zealand. Comparing provision of skate spaces to population size, Hamilton is low by comparison.

14. In 2011, 23% of Waikato's 11-18 year olds skateboard regularly and it is ranked 19 in activities that young boys would really like to do more of (Active New Zealand Young People's Survey 2011).

15. A snapshot of participant numbers at Hamilton's skate parks was taken in March 2017 over a three-week period. Capacity on our skate parks at any one time would be approximately 8-15 users, the larger the space the larger the capacity. The average number of users in March on a weekday evening was 14 and on weekends in the afternoon was 17 users. The range was between 5-35 users at any one time

Option 1: Develop a high-spec new skate park in a central city location

16. Description

17. This option is full provision of a high-spec new skate park which would provide 2,500m2 of skate space in a central city location plus landscaping, amenities and path linkages.

18. The figures assume a 1/3 external funding component.

19. Location options and partnership funding opportunities are still to be fully investigated. Location options and partnership funding opportunities are still to be fully investigated. It is important to note that external funding could be difficult to source if there are a number of competing projects in the city/region.

20. Advantages and Disadvantages

Advantages	Disadvantages
• Opportunity to provide an active recreation open space on the green frame • Close proximity to public transport • High public visibility/surveillance • Close to existing amenities e.g. shops, carpark	• Higher cost of implementation

21. Financial Implications

22. This project would be phased over two years to allow for project planning, design and consultation in one year, followed by delivery in the next year.

23. Partnership funding opportunities are still to be fully investigated although there is strong community interest and support from Htown Skate Project and interest from funders.

24. The figures assume a 1/3 external funding component. If external funding was not available at year 1 and 2 the project could be deferred.

Option 1: Develop a high-spec new skate park in a central city location											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Total Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	19	24	141	141	141	141	141	141	141	141	**312**
Total Capital Expenses	-	150	3,500	-	-	-	-	-	-	-	**3,650**

Option 2: Develop a basic-spec new skate park in a central city location

25. Description

26. This option is for a basic skate park in the central city covering 1,500m2 of skate park, basic landscaping, amenities and path links.

27. Location options and partnership funding opportunities are still to be fully investigated. It is important to note that external funding could be difficult to source if there are a number of competing projects in the city/region.

28. Advantages and Disadvantages

Advantages	Disadvantages
• Opportunity to provide an active recreation open space on the green frame • Close proximity to public transport • High public visibility/surveillance • Close to existing amenities e.g. shops, carpark • Could be added to as funds allow	• Size will be limited by funds (a regional level facility should be 1,500m^2 minimum) • Fewer supporting amenities/facilities • Lower quality and fewer design features • Landscaping and linkages to the park may be limited

29. Financial Implications

30. The project is phased over two years to allow for project planning, design and consultation in year one followed by delivery in the next year.

31. The figures assume a 1/3 external funding component. If funding was not achieved the skatepark could be scaled back to an even smaller option and/or deferred.

32. Partnership funding opportunities are still to be fully investigated although there is strong community

interest and support from Htown Skate Project and interest from funders.

33. The table below provides a financial overview for this option.

Option 2: Develop a basic-spec new skate park in a central city location											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	-	-	-	-	-	-	**-**
Total Operating Expenses	12	15	65	65	65	65	65	65	65	65	**173**
Total Capital Expenses	-	100	1,500	-	-	-	-	-	-	-	**1,600**

SECTION 3d: ATTACHMENT 14

Library Network – Capacity and Optimisation

UNFUNDED PROPOSAL

Author:	Rebecca Whitehead	**Authoriser:**	Lance Vervoort
Position:	Libraries Director	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.
2. The proposal is for projects that optimise existing library facilities, to address capacity issues across the Hamilton library network.

Staff Advice

3. If the Council chose to fund this proposal, staff advice is:
   - That the Council approves funding provisions in the draft 2018-28 10-Year Plan as follows:
     i. capital and operating expenditure of $1.48m over Years 3 – 10 for an extension of the Hillcrest Library;
     ii. capital and operating expenditure of $270,000 over Years 3 – 10 for an outdoor reading room at the Chartwell Library; and
     iii. capital and operating expenditure of $2.1m over the 10-year period for improvements to the Central Library in Garden Place.
4. The option of a book bus is also presented in this proposal should Council wish to fund it. However, this is not included in the staff advice as staff are of the view that the upgrades to existing libraries, along with a new library in Rototuna, address the capacity issues.

Current Level of Service

5. Council provides a network of six public libraries and the libraries website. The Central library has a comprehensive collection and a wide range of programmes and events. The community libraries offer smaller collections and localised library services close to their communities.
6. Hamilton's public library services are valued by the community and very well used. Each year libraries receive more than 900,000 visits from people accessing the range of services libraries provide.
7. Current library services include:
   - **Collection services:** The provision of books and other resources to meet the learning, literacy and recreation needs of the community.
   - **Programmes and events:** Programmes and events that encourage literacy-based learning.
   - **The heritage collection:** Collecting, organising and preserving the unique documentary heritage of the city in the form of community historical records and the Council's archive materials.
   - **Community outreach services:** Limited outreach services including home bound services and community based programming (e.g. programmes and activities at the Western Community

Centre).

8. Community benefits of the Hamilton's public library service include:
   - Equitable access to information and opportunities to increase education, literacy and learning.
   - The provision of a social gathering place and the provision of leisure and recreational activities.
   - The enhancement of community identity through the preservation of local documentary heritage for future generations.

Demand for Library Services

9. Although traditional library activities are still popular there has been an increasing demand for non-traditional, space intensive library services (such as literacy and technology based programming and events). In addition, library visitors are staying longer; adding to space constraints. Projected growth in the city means that issues with space constraints are likely to compound in the future.

10. Currently Chartwell and Hillcrest libraries are facing significant space and capacity issues, creating pressure on collections, services and staff. In addition to serving the Chartwell/Fairfield catchments, Chartwell library is currently servicing the fast-growing North-East population catchment, and despite Hillcrest library being one of the smallest libraries it is one of the busiest.

11. Issues identified in the Hamilton Libraries Strategic Plan include the need for community hubs - flexible spaces where the community can create, collaborate and socialise alongside the more traditional information and recreation services currently offered.

12. The table below shows the size and number of visits for each of the community libraries during 2015/16.

Location and Size (2015/16)	**Central 6420m^2**	**Chartwell 753m^2**	**Dinsdale 484m^2**	**Glenview 325m^2**	**Hillcrest 351m^2**	**St Andrews 360m^2**
Number of Issues	248,374	440,683	156,820	108,642	202,582	138,005
Physical Visits	279,193	233,765	114,504	84,017	117,755	92,141

Network Capacity and Optimisation Improvements

13. This proposal involves a series of improvement projects to address priority issues in the library network. These include:
    - An extension to the Hillcrest Library.
    - The creation of an outdoor reading room at the Chartwell Library.
    - Improvements to the Central Library in Garden Place.
    - The introduction of a book bus service.

14. HILLCREST LIBRARY EXTENSION

15. Description

16. The Hillcrest Library is located in one section of a Council-owned building. The other sections of the building are currently being leased to private businesses as retail space.

17. By extending the library into the adjoining space the Council would have the opportunity to address current overcrowding and to develop an innovation hub promoting literacy, learning and technology innovation.

18. Advantages and Disadvantages

Advantages	Disadvantages
• The creation of multi-use flexible space for programme delivery. • An improvement in amenity and increased overall capacity. • Potential for the delivery of reader development, digital and technology literacy programming in collaboration with local schools, government departments, tertiary students and research institutions and to co-locate with other services e.g. community advisors. • Potential safety improvements for Hillcrest park through improved lines of sight/visibility.	• Loss of revenue from tenancies (the current tenancies for adjacent shops end in April 2021).

19. Financial Implications

20. The following table outlines the estimated additional costs associated with this project.

21. Capital costs include consents, design and construction. Operating costs include consumables for programme delivery, maintenance and cleaning.

Hillcrest Library Extension											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	(56)	(56)	(56)	(56)	(56)	(56)	(56)	**(392)**
Total Operating Expenses	-	-	-	37	44	59	59	59	59	59	**376**
Total Capital Expenses	-	-	355	744	-	-	-	-	-	-	**1,099**

22. CHARTWELL LIBRARY – OUTDOOR READING ROOM

23. Description

24. The creation of an outdoor reading room using the existing 200m^2 walled courtyards of the Chartwell Library would maximise renewals to create an enhanced community space.

25. Chartwell has significant capacity issues; the library receives approximately 240,000 physical visits a year.

26. The development of reading room garden would be a low cost option for the redevelopment and beautification of an unutilised space. The courtyard is currently paved, with seating and some attractive specimen planting, however the area has been unused for a number of years and requires maintenance. There is funding budgeted for renewals of the area ($60,000) in 2020/21.

27. Note: This project does not fully address capacity issues at Chartwell library. Capacity issues stemming from the North-East population catchment would be resolved through the provision of a public library service in Rototuna (refer to proposal: Rototuna Community Hub / Library and Pool – Section 3d: Attachment 7).

28. Advantages and Disadvantages

Advantages	Disadvantages
• Create additional capacity, improving the overall functionality of the library. • Improving amenity and natural light. • Creating flexible and novel spaces for community use. • Opportunities for external funding support.	• This project would create an increased maintenance and renewal requirement into the future.

29. Financial Implications

30. The table below details the additional capital and operating costs associated with this project. Operating costs include ongoing maintenance costs. Capital costs include design, consents and construction. The revenue figure identifies potential funding support.

Chartwell Library – Outdoor Reading Room											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	25	-	-	-	-	-	-	-	**25**
Total Operating Expenses	-	-	20	25	25	25	25	25	25	25	**195**
Total Capital Expenses	-	-	70	-	-	-	-	-	-	-	**70**

31. IMPROVEMENTS TO THE CENTRAL LIBRARY

32. Description

33. Central libraries are a focal point for most cities in New Zealand and the world, and well designed, functional libraries are recognised for their role in activating CBDs.

34. The Hamilton Central Library occupies a 6420m² premises in Garden Place and receives approximately 300,000 visitors per year. The Central Library is the flagship of the city's library service is the administrative hub of the network, housing the majority of the collections, including the Heritage, Archive and other specialist collections, specialist staff, and it is also the location for the majority of the networks literacy based programming and events.

35. The Library has been temporarily closed since November 2016 when a seismic assessment of the building identified it as earthquake prone (15% NBS). In September 2017, the Council approved funding to improve the buildings seismic performance to 34% NBS. HCC is currently in the process of tendering for this work.

36. Library facilities have very specific requirements in regard to load bearing and use of space. The Central Library building was originally designed and built as a department store; and because it was not purpose

built there have been ongoing issues that impact on its performance as a library. Work has been undertaken over the years to accommodate library services; however the current configuration of the building means that large portions of the library are not usable for collections, community or staff areas. The minimum usable floor space required for a Central City Library service offering the current level of service would be 4,500 m².

37. Performance issues with the Central Library building include:

- Large areas of unusable space due to uneven floors/sub levels and poorly configured office space.
- The ground floor has poor sightlines and little natural light, resulting in an unpleasant “closed in” environment.
- Limited egress from the upper floors, which constrains use and creates a barrier to accessibility.
- Lack of accessible parking.

38. Building improvements to the Central Library would lift the functionality, safety and amenity of the building. These improvements would include:

- Relocating offices from the front of ground floor to improve natural light and visibility to and from Garden Place.
- Safety improvements to customer service areas.
- Improving accessibility and security at entrance.
- Reconfiguring top floors to improve space efficiency.
- Improving accessibility of toilet and parent room facilities.
- The creation of shared community spaces.

39. Advantages and Disadvantages

Advantages	Disadvantages
• Improved security and safety for staff and customers through design improvements and increased space activation. • Better use of space through co-location with HCC services and community/business hubs. • Improved interface with Garden Place and central city. • Improved amenity and accessibility. • An increase in useable space for programmes and events.	• Requires financial investment.

41. Financial Implications

42. The following table outlines the estimated additional costs associated with improvements. Capital costs include consents, design and construction. Operating costs include consumables for programme delivery, maintenance and cleaning.

Improvements to the Central Library											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	-	-	-	10	10	10	10	10	10	**60**
Total Operating Expenses	-	1	1	18	62	62	62	62	62	62	**392**
Total Capital Expenses	48	-	160	1,560	-	-	-	-	-	-	**1,768**

43. BOOK BUS SERVICE

44. Description

45. A book bus service would extend library outreach services to suburbs and communities that do not have a physical library. The book bus would service growth areas until a physical library could be constructed.

46. Advantages and Disadvantages

Advantages	Disadvantages
• Extend opportunities for the outreach of library services and service provision to areas that currently do not have access to a local library service. • Enable a flexible service delivery model that can respond to the needs of the community.	• This project would create an increased maintenance and renewal requirement into the future.

47. Financial Implications

48. The table below details the estimated additional costs associated with the book bus. Some operational efficiency could be possible if the facility was shared by other services or groups, however these costs are not included.

Book Bus Service											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	-	35	35	35	35	35	35	35	35	35	**315**
Total Operating Expenses	-	85	120	120	120	120	120	120	120	120	**1,045**
Total Capital Expenses	-	350	-	-	-	-	-	-	-	-	**350**

Other Options

49. Works in this proposal would address priority issues such as capacity and safety. Other higher cost options that have been investigated for the future delivery of a central city library include relocation of the library to the municipal building, relocation to another CBD location and an upgrade to the library façade and laneway.

50. The financial implications of relocating the Central library into the Council's reception lounge (using offsite storage) are as follows:

    - Total Revenue: $-70,000
    - Total Operating Expenses: $11,991,000
    - Total Capital Expenses: $5,650,000
    - (Figures are total over 10 years)

51. The financial implications of providing a library in the governance wing of the municipal building (with storage of the heritage collections across all three floors of the Caro building) are as follows.

    - Total Revenue: $-1,200,000
    - Total Operating Expenses: $2,532,000
    - Total Capital Expenses: $7,000,000
    - (Figures are total over 10 years)

52. The relocation of the Central Library service to a new (lease or build) CBD location of 4000-4500 m^2. This could involve a lease or build scenario.

53. The financial implications of leasing in a CBD Location over 10 years are as follows:

    - Total revenue: $70,000
    - Total Operating Expenses $11,212,000
    - Total Capital Expenses: $5,750,000
    - (Total figure of 10 years)

54. The financial implications of relocating into a new build in a CBD location over 10 years are as follows:

    - Total Revenue: $70,000
    - Total Operating Expenses: $2,806,000
    - Total Capital Expenses: $23,000,000
    - (Total figure over 10 years)

55. The financial implications of upgrading the Central Library as per the proposal, upgrading the library façade, and a constructing a new entrance off the Alexandra Laneway are as follows:

    - Total Revenue: $60,000
    - Total Operating Expenses: $195,000
    - Total Capital Expenses: $3,110,000
    - (Total figure over 10 years)

SECTION 3d: ATTACHMENT 15
Hamilton Zoo Master Plan
UNFUNDED PROPOSAL

Author:	Stephen Standley	**Authoriser:**	Lance Vervoort
Position:	Executive Projects Manager	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.
2. This proposal is to complete Savannah exhibit improvements and Waterhole Camp (glamping) project including exploring private partnerships opportunities followed by the completion of the Zoo / Waiwhakareke entrance precinct.

Staff Advice

3. If Council chooses to fund this proposal, staff advice is:
   - That the Council:
     a) approves $6,379m capital expenditure for an enhanced Savannah exhibit and Waterhole Camp from Year 2-8 (2019/20-2025/26);
     b) approves $5.174m capital expenditure for a new Zoo / Waiwhakareke entrance precinct from Year 2-8 (2019/20-2025/26) and;
     c) approves operational expenditure for these projects from Years 5-10 (2022/23-2027/28).

     OR

4. If Council prefers to fund a lesser option, staff advice is:
   - That the Council approves the completion of the entrance precinct and defer the uncompleted Master Plan projects.

Executive Summary

5. Hamilton Zoo is one of the key visitor attractions in Hamilton, offering both a recreational and educational experience to residents and visitors. Visitor numbers hit a record high last year and the opportunities to expand and enhance that visitor experience (and with it patronage and revenue) are available but do require additional investment to realise potential.
6. The Zoo Master Plan developed in consultation with the community, sets out a clear direction and range of projects designed to revitalise the Hamilton Zoo. This proposal outlines two potential options for delivering on the plan to varying degrees.
7. The first and recommended option involves more financial investment but delivers three new and/or enhanced experiences with the potential for third party funding and or private partner involvement. The proposed projects in Option 1 are an improved Savannah exhibit, overnight glamping at the Waterhole Camp and the opening up and linking Waiwhakareke Natural Heritage Park with the Zoo entrance.

8. The second option provides a scaled back version of this, delivering only the opening of Waiwhakareke Natural Heritage Park and the linking of this via an entrance precinct to the Zoo.

Background

9. Hamilton Zoo provides both a recreational resource for visitors and has an important role working to conserve wildlife. Around 125,000 people visit the Zoo each year for recreation and for educational purposes and about 40 per cent of these are Hamilton City residents.

10. The Zoo consists of 21 hectares of landscaped grounds with another seven hectares available for future use. It is home to approximately 600 exotic and native New Zealand animals.

11. Hamilton Zoo is adjacent to Waiwhakareke Natural Heritage Park, a 60ha site containing a small Waikato peat lake. As well as important conservation and visitor destinations, these two sites provide unique opportunities for research and education.

12. The Hamilton Zoo Master Plan was adopted by Council on 27 June 2017 following consultation with the community.

13. It sets a clear vision for the future direction and development of Hamilton Zoo and provides a framework for Zoo projects being considered in Council's current and future10-Year Plans. The Zoo Master Plan also provides context for applications for external funding or for attracting funding partnership.

14. **Capacity and Demand**

15. Entry to Hamilton Zoo is by paid admission and it had 132,805 visitors in 2016/17, which was the highest patronage it has ever had (up from 121,856 in 2010/11 – an increase of 9% over five years). The Zoo has a consistent annual patronage growth rate of 1.7 per cent, which is substantially driven by population growth in the region.

16. Changes to the population and age structure of Hamilton City and the wider region will inevitably impact on the potential number of visitors to Hamilton Zoo. However, as the Zoo competes for a share of the leisure market it is driven more by changes in customer expectations due to experiences with other recreational opportunities and by trends within the national and international zoo industry.

17. Repeat visits are driven by novelty, such as new animals or exhibits, the quality of the visitor experience and the effectiveness of marketing initiatives. Delay in implementing the Hamilton Zoo Master Plan is highly likely to limit the potential for patronage and revenue growth and may lead to patronage and revenue decline.

18. This proposal presents two options:

    Option 1: Complete Savannah exhibit improvements and Waterhole Camp (glamping); then complete Zoo/Waiwhakareke entrance precinct.

    Option 2: Complete Zoo/Waiwhakareke entrance precinct and delay further implementation of Hamilton Zoo Master Plan.

Option 1: Complete the Savannah exhibit, Waterhole Camp and entrance precinct

19. **Description**

20. This option is to complete Savannah exhibit improvements and Waterhole Camp (glamping); then complete Zoo/Waiwhakareke entrance precinct.

21. The Savannah exhibit and Waterhole Camp are proposed as a package as the Camp is proposed to be a safari-style experience, located on the hillslope overlooking the Savannah's waterhole where giraffes and zebra would gather in the morning and early evening. The enhanced Savannah is an expansion and redevelopment of the Zoo's existing exhibit to provide easier management of larger herds of animals, more expansive enclosures, and an exhibit layout that works with the existing ecology and landscape character. The Savannah animals would include rhino, giraffe, zebra, ostrich and waterbuck.

22. This option proposes to complete the Savannah and Waterhole Camp earlier in the Ten-Year Plan to enable potential opportunities for Council to enter into partnership with a private investor to develop luxury accommodation.

23. A new entrance precinct, linking the Hamilton Zoo provides the infrastructure to support increased visitation and customer service, increased parking and improved access, an enhanced education programme, and an improved café experience and revenue opportunity i.e. the café becomes a destination in itself and would also cater to visitors to Waiwhakareke.

24. **Advantages and Disadvantages**

Advantages	Disadvantages
• Improved experience for Zoo visitors. • A major new experience (enhanced Savannah exhibit) would open December 2021, creating a fresh reason to visit. • Creates a new tourist destination and overnight stay option as the Waterhole Camp utilises current downtime at the Zoo and is separate from the daytime experience. • Completion of the Savannah exhibit provides an opportunity for Council to enter into partnership with a private investor to develop luxury accommodation. • Enables more revenue through increased patronage and new revenue streams. • Supports the visitor experience of Waiwhakareke Natural Heritage Park	• Requires ongoing operational maintenance and capital renewal funding.

25. **Financial Implications**

26. A breakdown of the cost of the individual components of the options are as follows:

- Enhanced Savannah exhibit and Waterhole Camp at a capital cost of $6.38m
- New entrance precinct, $5.17m
- The revenue assumes a target of 30% external funding for Savannah and Waterhole and 10% external funding for the new entrance precinct.
- No increase in fees and charges revenue has been included at this stage as analysis has not yet been completed. This would be undertaken as part of the business case if this proposal was approved.

27. An overview of the high-level cost of Option 1 is provided in the table that follows.

Option 1: Complete the Savannah exhibit, Waterhole Camp and entrance precinct											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	0	171	572	697	621	198	389	389	221	221	**3,479**
Total Operating Expenses	**0**	**0**	**0**	**0**	**196**	**463**	**463**	**463**	**639**	**639**	**2,863**
Total Capital Expenses	0	570	1,905	2,161	1,743	450	2,362	2,362	0	0	**11,553**

Option 2: Complete Zoo/Waiwhakareke entrance precinct and delay further implementation of Hamilton Zoo Master Plan

28. **Description**

29. This option would deliver the new entrance precinct only, which would allow for continued patronage growth through new visitor attractions and experiences and to support the opening of Waiwhakareke Natural Heritage Park to the public.

30. **Advantages and disadvantages**

Advantages	**Disadvantages**
• Improved arrival experience for Zoo visitors. • Enables increased revenue through gradually increasing patronage, larger souvenir shop and increased café use. • Enables Waiwhakareke Natural Heritage Park to fully open in December 2023.	• Requires funding. • Does not create fresh reasons to visit the Zoo. • Does not provide an opportunity for Council to enter into partnership with a private investor to develop luxury accommodation.

31. **Financial Implications**

32. An overview of the cost and timing for completing the Zoo/Waiwhakareke entrance precinct only is provided in the following table.

Option 2 Complete Zoo/Waiwhakareke entrance precinct and delay further implementation the Master Plan											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	0	0	45	236	236	68	68	68	68	68	**857**
Total Operating Expenses	0	0	0	0	0	176	176	176	176	176	**880**
Total Capital Expenses	0	0	450	2,362	2,362	0	0	0	0	0	**5,174**

SECTION 3d: ATTACHMENT 16

Waiwhakareke Natural Heritage Park

UNFUNDED PROPOSAL

Author:	Maria Barrie	**Authoriser:**	Lance Vervoort
Position:	Parks and Recreation Manager	**Position:**	General Manager Community

Proposal

1. This proposal is not included in the draft budget.

2. The proposal is to pursue a programme of works to develop Waiwhakareke to allow opening to the public.

Staff Advice

3. If Council chose to fund this proposal, staff advice is:

   - That the Council approves the completion of the following short-term projects to open Waiwhakareke Natural Heritage Park to the public: completion of a loop track, the installation of viewing platforms at the lake edge, toilet installation and basic signage, fencing, bridges and consents.

Executive Summary

4. Waiwhakareke Natural Heritage Park is a 60ha site containing a small Waikato peat lake (Waiwhakareke, also known as Horseshoe Lake). The land is adjacent to Hamilton Zoo and provides unique opportunities for research and education.

5. Established in 2004, the long-term aim of Waiwhakareke is to reconstruct the natural forest, wetland and lake ecosystems present in pre-European times. Intensive predator control will allow vulnerable species to flourish in an urban environment and spill over to other parts of the city. This will provide residents and visitors with enhanced recreation and tourism opportunities.

6. The Waiwhakareke Natural Heritage Park Operative Management Plan was adopted in 2011.

7. The park has been developed with significant input from volunteers such as Tui 2000, external funders and scientific research provided by the University of Waikato and Wintec. Strong partnerships have been developed between University of Waikato, Wintec, Tui 2000 and Hamilton City Council. Waiwhakareke is managed by the Council's Parks and Recreation Unit.

8. The development of Waiwhakareke is in its 13th year of restoration plantings. This has largely been funded by external grants secured by Tui 2000 and results in approximately half of the area being planted. Council has funded the development of maintenance tracks, fencing, pest control and planting maintenance.

Capacity and Demand

9. Currently Waikwhakareke is largely closed to the public whilst restorative efforts continue. There is demand from local groups to further develop the area to the point where it could be open to the public.

10. Short term projects required to open the park to the public include completion of a loop track, the installation of viewing platforms at the lake edge, toilet installation and basic signage, fencing, bridges and consents.

11. Further improvements would enhance the area further but are not necessary to open the park. These include car parking, further boardwalks and paths, greater amounts of fencing, signage and furniture and a main entrance building.

12. Tui 2000 have secured funding, through external grants of $442,000 over the next 4 years to cover the cost of planting on site. This funding cannot be used for infrastructure development. In addition, Tui 2000 have secured $10,000 that can be used for interpretation panel signage.

13. Please note that there is an option for a joint Zoo and Waiwhakareke arrival area precinct as part of the Hamilton Zoo proposal.

14. This proposal presents two options:

Option 1: Completion of short term projects to open Waiwhakareke to the public.

Option 2: Full programme implementation of Waiwhakareke.

Option 1: Completion of short term projects to open Waiwhakareke to the public

15. Description

16. This option would deliver the completion of a loop track, the installation of viewing platforms at the lake edge, toilet installation and basic signage, fencing, bridges and consents.

17. Advantages and disadvantages

18. Waiwhakareke represents an excellent example of organisations and community working together for a common goal and making positive steps towards environmental restoration and conservation.

19. Opening this area to the public would pay tribute to that work by sharing it as a recreational and educational space for residents and visitors. It adds a different kind of attraction to those already in Hamilton and is well placed to leverage off the nearby Zoo. However, to realise this requires investment.

Advantages	Disadvantages
• Waiwhakareke can be opened to the public. • Creates a new location for recreation in Hamilton. • Potentially creates a new tourist destination or an additional attraction given its proximity to Hamilton Zoo	• Requires funding.

20. Financial Implications

21. An overview of the initial and ongoing cost of this option is provided in the table below.

Option 1: Completion of short term projects to open Waiwhakareke to the public											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue											**0**
Total Operating Expenses		225	225	225	225	225	225	225	225	225	**2025**
Total Capital Expenses	760										**760**

Option 2: Full programme implementation of Waiwhakareke

22. Description

23. Full delivery of the programme would include all components of Option 1, as well as further areas of development. Additional developments that would further enhance Waiwhakareke as a recreational and educational attraction include car parking, further boardwalks and paths, greater amounts of fencing, signage and furniture and a main entrance building.

24. Advantages and disadvantages

25. A greater degree of development provides an enhanced visitor experience and better use of the park.

Advantages	**Disadvantages**
• Waiwhakareke can be opened to the public and provide an optimal visitor experience. • Creates a new premium location for recreation in Hamilton. • Potentially creates a new tourist destination or an additional attraction given its proximity to Hamilton Zoo.	• Requires funding

26. Financial Implications

27. An overview of the initial and ongoing cost of this option is provided in the table below.

Option 2: Full programme implementation of Waiwhakareke											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue											
Total Operating Expenses	150	230	259	267	316	401	447	468	491	510	**3,539**
Total Capital Expenses	754	106	200	1,204	2,130	1,020	545	555	490	490	**7,494**

SECTION 3d: ATTACHMENT 17

River Plan – Task Force Priority Projects and Ferrybank Bridge

UNFUNDED PROPOSAL

Proposal

1. This proposal is not included in the draft budget.
2. This proposal presents two options that aim to continue to deliver the Hamilton City River Plan. The following options are proposed, with Option 1 being the preferred option:
   - Option 1 – River Plan Task Force Proposal
   - Option 2 – Pedestrian and Cycling Bridge

Staff Advice

3. If Council choose to fund this proposal, staff advice is:
   - That the Council:

     a) approves $1.25m per annum capital expenditure to be included in the draft 2018-28 10-Year Plan to be put towards the implementation of the Hamilton City River Plan, including:

     i. an accessible connection from the river to the museum;
     ii. an upper promenade from the museum to the Embassy Park site;
     iii. construction of ecological terraces and upgrade of the riverside promenade on the river bank below Grantham Street to below Embassy Park; and
     iv. construction of a pontoon and new jetty adjacent to the ecological terraces to allow boat services to continue to stop near the central city.

     b) approves $200k per annum consequential operating expenditure to be included in the draft 2018-28 10-Year Plan for ongoing maintenance resulting from the above projects;

     c) approves $300k operating expenditure to be included in year 1 (2018/19) of the draft 2018-28 10-Year Plan for feasibility study of swimming at Hayes Paddock and to commence development of the City of Bridges plan; and

     d) approves $300k per annum operating expenditure to be included in the draft 2018-28 10-Year Plan for implementation of the Vegetation Management Plan.

Summary

4. The Hamilton City River Plan was approved by Council in 2014 and has the vision that the "Waikato River will be the defining heart of Hamilton". It sets out a number of projects with associated timeframes.
5. Projects within the River Plan that have been completed are:
   - The Ferrybank and Roose Commerce Park Development Master Plan

- Hamilton East Neighbourhood Vision Plan

6. The following projects are funded and underway as part of the FY17/18 River Plan Project:

    - Shared path connection from Victoria on the River to Embassy Park which is subject to consultation with the affected residents; this project is temporarily on hold following a request for further information for the Building Consent and pending confirmation of the options set out in this proposal.

    - Ferrybank Development Plan – Phase One/Stage One being:

        - a shared path connection from the Museum to Grantham St;
        - ongoing implementation of the Vegetation Management Plan;
        - upgrades to the existing jetty below Sapper Moore Jones to allow immediate and temporary use;
        - Development of a Cultural Precinct Concept to develop a consistent furniture and materials palette

    - Initial riverside path wayfinding signage at Kirikiriroa Reserve

7. In order to continue to deliver the *Hamilton City River Plan* the following options are proposed, with Option 1 being recommended.

    - Option 1 – River Plan Task Force Priority Projects

    - Option 2 – Landmark Pedestrian and Cycling Bridge

8. Two of the River Plan Task Force recommended priority projects are also included in this in the Mayoral proposal “River Plan Extension”. These are the implementation of the Vegetation Management Plan and to undertake a feasibility study of swimming at Haye’s Paddock.

Option 1: River Plan Task Force Priority Projects

9. Description

10. By resolution of the Community and Services Committee meeting (16 May 2017), a River Plan Task Force (the Task Force) was established. The Task Force comprised the Mayor, Deputy Mayor, Councillors Taylor, Southgate, O’Leary, General Manager Community and the Special Projects Manager.

11. The Terms of Reference for the Task Force sets out the purpose of the group as “Reporting to Community and Services Committee, the taskforce will recommend projects to the 2017/18 Annual Plan, including the relative priorities of the projects, and provide direction for 10-Year Plan projects to secure Momentum Waikato and other external funding.”

12. In an elected members’ briefing (22 September 2017) the Task Force proposed $1.25m per annum in the 10-Year Plan to deliver the River Plan with a priority on the following projects:

    - An accessible connection from the river to the museum.

    - An upper promenade from the museum to the Embassy Park. It will pass the proposed theatre and will need to integrate with that option. When completed, along with the 2017/18 projects, it will connect Grantham St to Victoria on the River.

    - Construction of ecological terraces and upgrade of the riverside promenade on the river bank below Grantham Street to below Embassy Park. These will raise the height of the riverside promenade to reduce inundation while supporting access to the jetty and pontoon.

- Construction of a pontoon and new jetty adjacent to the ecological terraces to allow boat services to continue to stop near the central city.

13. Also included in the Task Force Priority Projects were OPEX activities including:

    – $300k per annum for implementation of the Vegetation Management Plan; and
    – $300k for a feasibility study of swimming at Hayes Paddock and to commence development of the City of Bridges plan.

14. Option 1 is to make provision in the 2018-28 10-Year Plan to deliver the River Plan projects prioritised by the Task Force listed above.

15. Advantages

- This option delivers in part on community expectations created during through the consultation and development of the Hamilton City River Plan and supports the six key themes:
    – Access: Improving access to, along and across the river;
    – Recreation: Promoting the enjoyment of the river;
    – Development: Promoting development that embraces the river;
    – Natural Environment: Protecting and enhancing the natural environment along the river;
    – Arts and Culture: Celebrating arts and culture along the river;
    – Tourism: Promoting and developing tourism along the river.
- This option enhances connections with the river through multiple paths and provides better access, notably for people with impaired mobility, pushchairs and cycles. It also improves connections along the river, with the proposed permanent jetty connecting, by boat, the tourist destination of Hamilton Gardens with the central city.
- This option also provides the opportunity to recognise the historic elements of Ferrybank being the original main landing for Kirikiriroa Paa at Ferrybank and the first European settler houses below Grantham Street.
- Proceeding with this option supports the following interdependent projects:
    – Enhancing the experience of visitors to the future Waikato Regional Theatre;
    – Those outlined in the Waikato Museum Strategic Plan, notably to open up the riverside of the museum;
    – Te Awa - The Great NZ River Ride; and
    – Matariki Interactive Waka Project, Stage 2 of which was approved by the 19 September 2017 Community and Services Committee meeting.

16. Disadvantages

17. There are a number of projects outlined within the River Plan and Ferrybank Development Plan which would not go ahead within the 10 Year Plan period. These are summarised in Appendix 1.

18. Financial considerations

19. This option has a total proposed operating expenditure of $5.3m, capital expenditure of $12.5m, $2.8m depreciation and includes $1m of external revenue.

20. The figures shown in the table below assume that there is potential for external revenue sources to support the programme. However, this option is likely to compete with other related projects in the vicinity (including the theatre). It does meet the criteria required to unlock the $1m funding pledged

by Donny Trust towards delivery of the River Plan projects.

21. The financial overview of the option is expressed in the following table.

Option 1: River Plan Task Force Priority Projects											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue	1,000										**1,000**
Total Operating Expenses	800	500	500	500	500	500	500	500	500	500	**5,300**
Depreciation	0	63	125	188	250	313	375	438	500	563	**2,815**
Total Capital Expenses	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	**12,500**

Option 2: Landmark Pedestrian and Cycling Bridge

22. Option Description

23. The Ferrybank Development Plan proposed a pedestrian and cycle bridge below Hood Street (mid embankment height) which connects to the middle of Memorial Park. The intention was to provide a landmark bridge, respecting the mana of the river, to create a vital and safe link to connect pedestrians and cyclists between both sides of the city.

24. There is sufficient allowance in this proposal to create a new icon for the city of Hamilton, connecting both sides of the city and enhancing the cultural precinct of the Hamilton Central Business District.

25. Advantages

26. It is considered that building the proposed pedestrian and cycle bridge would:

- Be responsive to parking demands and associated traffic movements resulting from the future Waikato Regional Theatre project.
- The bridge location was identified to maximise the benefit of connection to the Waikato Museum and Hood Street, and now would also serve better access to the Waikato Regional Theatre. It would provide for a recreational circuit between Ferrybank and Memorial Park.
- The proposed bridge provides a safer cycle option than Victoria Bridge and Claudelands Bridge.
- This option would meet criteria to unlock the $1m funding pledged towards the River Plan projects in that it is explicitly mentioned in the pledge document.

27. Disadvantages

28. The capital expenditure for this option is estimated at $12.5 million with another $5.3m in operating expenditure.

29. It is important that the bridge is well designed to ensure safety and use.

30. Financial considerations

31. This option has a total proposed operating expenditure of $1m, capital expenditure of $20m, depreciation of $2.8m, with $1m external funding from Donny Trust. A financial overview is provided

in the following tables.

32. Further external funding is not anticipated because of a number of other similar projects which will impact potential sources during the same time.

33. The following should be noted in relation to these figures shown in the table below:

- Funding is timed to allow the completion of the bridge to coincide with the Waikato Regional Theatre opening;
- The $1m contribution from Donny Trust is included as revenue as this project fits with the intent of the pledge. It is likely further external funding could be achieved through leveraging the Council and Donny Trust financial commitment, particularly once fundraising for the theatre has been completed; and
- The figures are very much preliminary as initial work has not been undertaken to sufficiently determine the scope.

Option 2: Landmark Pedestrian and Cycling Bridge											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Total Revenue			1,000								**1,000**
Total Operating Expenses	300	100	200	55	55	55	55	55	55	55	**985**
Depreciation				400	400	400	400	400	400	400	**2,800**
Total Capital Expenses	1,000	10,000	9,000								**20,000**

Appendix 1 – River Plan Projects

The Hamilton River Plan set out the following projects and timeframes:

Projects to Commence Immediately

- Ferrybank and Roose Commerce Park Development Master Plan.
  Complete.
- Hayes Paddock
  - Create the city's best beach and swimming feature.
    Supported by Option 1
  - Upgrade the toilet facilities.
    Supported by Option 1
  - Upgrade the riverbank for safe access and seating.
    Supported by Option 1
  - Provide a safe jetty for the river boats.
    Not at this location in the options within this proposal.
  - Install night lighting along pathway.
  - Continue to improve the link between the central city and Hamilton Gardens.
  - Provide signs to describe the significance and history of the park.
  - Upgrade exercise equipment and family recreation space.
- Hamilton Gardens development
  Addressed separately in the 2018-28 10-Year Plan process.
  - Support the master plan for Hamilton Gardens.
  - Improve links along river for boats/cycling/pedestrians
    Works have commenced on the temporary jetty in the central city and the permanent jetty is proposed as part of Option 1.
  - Continue to develop the venues at Hamilton Gardens.
  - Increase connectivity with Peacocke.
- Braithwaite Park and Pukete Paa
  - Transform the Pukete pedestrian bridge into a planted 'garden bridge'.
    A draft design has commenced, but is now on hold due to a change in priorities from elected members.
  - Improve the jetty for future transport use.
    Not at this location in the options within this proposal.
  - Provide additional car parking.
  - Provide public facilities such as toilets.
  - Provide signs for way finding and telling the river's stories.
  - Commemorate Pukete Paa as outlined in the Maaori Landmarks on Riverside Reserves Management Plan.

Projects that can start in the next 1-3 years

- Vegetation Management Plan to guide and identify tree thinning and vegetation removal areas, future planting strategy and protection of viewing places and overall vegetation management

along the length of the river.
Vegetation Management Plan is underway. Supported by Option 1.

- Cycleway Plan to improve and expand existing walkways and cycleways along the length of the river and connections to Te Awa River Ride
  Underway. Addressed separately in the 2018-28 10-Year Plan.
- Develop a consistent design for street furniture and litter bins, a location map for placement and installation timeline.
  Underway.
- Support the Riff Raff / Embassy Park project.
  Complete.
- Lighting, Design Implementation and Timeline Plan to improve lighting at specific sits along the river.
- Signage plan for innovative sign design and map for location of street directional and local wayfinding signs and place names.
  Underway.
- Update the Public Art Plan to include riverside public art locations and the sculpture walkway.
- Complete the Hamilton East Neighbourhood Plan.
- Implement Nga Tapuwae O Hotumauea the 2003 Maaori Landmarks on Riverside Reserve Management Plans.
  Being reviewed to ensure all parties are represented.

Medium and Long-Term Projects

- Develop a plan to become a “City of Bridges”.
- Develop riverside promenade style boardwalks in the central city and Opoia Road area.
- Complete construction of the promenade walkway on the upper riverbank level linking to the central city. This is supported by Option 1.
- Encourage building artwork to enhance the backs of river-facing buildings in the central city.
- Develop plan for a sculpture walk on the central city river walkway.
- Develop toilet facility location map and timeline for construction of public toilet facilities on the river walkway.
- Develop a drinking fountains location map and timeline for installation of public drinking fountains on the river walkway.
- Explore the future northern opportunity on the river city’s boundary to connect with the river.
- Upgrade the Waikato Museum building to provide access from the river walkway.
- Undertake a jetty review to understand the current state of them, options for enhancement, location, timeline for improvement or enhancement.
- Launch RiverConnect – a series of off-river route connection loops around and over the river (for walking, running and cycling).

- Convert Council owned houses in Memorial Park for hospitality/retail use.
- Develop detailed plan for Memorial Park.
- Develop a detailed plan for Memorial Park to include the use of Council-owned houses, parking for oversized vehicles and hospitality.
- Open up the gunboat to greater public access.
- Construct a pedestrian and cycleway link across Claudelands Bridge.
- Investigate a pedestrian link from Swarbricks Landing and Days’ Park to land around St Andrews Gold Course.
- Investigate a pedestrian link over the river into Peacocke.

Section 4

Rating and Development Contributions Policies

SECTION 4

Rating and Development Contributions Policies

Author:	Stephen Halliwell	Authoriser:	David Bryant
Position:	10-Year Plan Financial Advisor	Position:	General Manager Corporate

Purpose

1. To get approval for strategic changes to rating and development contributions policies and their budget impacts.
2. These resolutions are necessary so that the Funding Needs Analysis, Revenue and Financing Policy, Rating Policy, Rates Remission and Postponement Policy and Development Contributions Policy can be updated for separate consultation alongside the 10-Year Plan consultation.

Executive Summary

3. Council faces unprecedented growth and is considering ways to lessen the cost of growth on existing ratepayers. Council has established a financial principle of growth funding growth.
4. The Financial Strategy and Revenue Taskforce reviewed options that would assist in a better contribution to the costs of growth from those contributing or benefiting most from Council's growth investment.
5. The recommendations above represent strategic changes to rating and development contributions policies that achieve a significant uplift in revenue from growth.
6. Overall, the combination of rating policies proposed creates an additional $65 million of rates over 10-years that is not collected from existing commercial and residential ratepayers.
7. The Development Contributions Policy changes increase development contributions fees by removing remissions designed to encourage growth in certain circumstances.
8. Both the rating and development contributions policies are required to separately consulted from the 10-Year Plan. It is proposed that the consultations will be done at the same time as the 10-YearPlan with the consideration of any matters raised in the consultation to be done at the same time as the 10-year Plan processes. The policy changes are integral to the financial outcomes of the 10-Year Plan.

Background

9. The Taskforce considered a number of rating options, including those that were identified by Mayor Andrew on 9 March 2017. They received advice and detailed presentations from modelling of these options. Council has been briefed on all elements of the taskforce work.
10. Council resolved on 24 August 2017:

    "That the Council:

    …

    c) requests the Chief Executive to obtain detailed financial modelling of the following potential *revenue options for consideration to include in the 10-year Plan:*

(i) Moving to full capital value rating sooner.

(ii) Introducing a targeted rate to fund community infrastructure.

(iii) Introducing a targeted rate on developer ready land.

(iv) Removing CBD remissions in the Development Contribution Policy.

(v) Removing Caps in the Development Contributions Policy.

(vi) Adding projects beyond the 10-year Plan to the Development Contributions Policy.

(vii) Introducing an entry fee for non-residents at the Enclosed Gardens at Hamilton Gardens."

11. Items (i) to (vi) are addressed in this section of this report. Item vii is addressed alongside capital expenditure for Hamilton Gardens development in section 3d.

12. Since the 24 August 2017 resolution, staff have briefed Council on the detailed options and consequences of these options on the community. These briefings were public and have been placed on Council's website.

Rating Options Overview

13. Rating law is complex and there are many technical matters that will need to be addressed. The main consideration for elected members is whether, having regard to all the information staff have provided and their knowledge of the community, the resulting rates and rationale for setting those rates is appropriate.

14. Having regard to appropriateness, Council should be aware that some factors have changed since considering and adopting the rating polices in 2015. Amongst others these include, a change in elected members, growth being greater than forecast and a proposed rate increase of 15.5%.

15. The rating changes have the benefit of increasing the contribution to Council's growth investment from those who benefit most from growth. Rating systems however are a blunt tool. As such, there are impacts on existing ratepayers, benefiting some and adversely affecting others.

16. The advantages and disadvantages are outlined in the attached proposals.

17. Transition to Capital Value Rating Proposal - see Section 4: Attachment 1

18. The proposal includes information on the recommended option – moving sooner to 100% capital value in Year 1 of the 10-Year Plan (2018/19), and alternative options to use a transition remission for existing ratepayers and the status quo.

19. Also as a consequence of moving to capital value rating the higher than forecast rates increase has created the need to consider a UAGC. This will still occur, just later, as the transition to capital value continues. Modelling identified that high values homes would pay more and lower value homes would pay less rates than equivalent value properties in some comparable councils. Like the current 10-year transition, the UAGC benefits high value properties.

20. A UAGC could be used as an alternative way to mitigate the potential impacts of an immediate move to capital value, rather than a transition remission. It is administratively much simpler, but has no end date that the transition has. It is proposed the UAGC be charged on each separately used or inhabited part of a rating unit (SUIP).

21. Under this proposal the transitional rate stops and there is no longer a need for the separate Access Hamilton rate. The Hamilton Gardens rate finishes as planned. The BID and parking rates continue without change.

22. The recommended proposal increases rates from new rating units as $2.6 million benefit in Year-1 or 1% of the rates increase and an overall $49 million benefit over 10 years.

23. Development ready land rate proposal see Section 4: Attachment 2

24. This was proposed as a targeted rate to discourage land banking. It was intended to encourage the development of houses supporting the Council's and Government's response to the housing crisis.

25. It is estimated $8 million to $10 million per annum of operating expenses are spent on planning for a bigger city. These costs cannot be recovered from development contributions.

26. Three options were considered:

    - A targeted rate on those properties that have Council supplied services effectively at the gate and are ready to go.
    - A targeted rate on those areas where Council is budgeting to build infrastructure in the 10-Year Plan
    - A change in the way we rate properties currently categorised as rural in the rating system

27. It has been concluded that the best option is to reclassify the rural rate as "other" and charge the equivalent of the residential rate less the portion of water and wastewater services.

28. This recognises that the underlying property classification for all land in the boundary is for future city development. The increase in the rating differential from 50% to 72% in part recognises the benefit properties that are not rated commercial and residential get from Council's investment in planning for the future city. This increases the rates on all properties currently in the rural differential.

29. The recommended proposal increases rates from new rating units as $13.8 million over 10-years.

30. Targeted Rate for Community Infrastructure

31. A targeted rate for community infrastructure and Access Hamilton transport projects were considered. The rates modelling of these options was undertaken and presented at a Council Briefing.

32. Following modelling of these options on the financial strategy it was identified that the targeted rates were adversely affecting debt to revenue ratios and increasing rates. The implications the proposal to have a separate target rate has been rejected as not reasonably practicably for Hamilton at this time. Funding these projects in the usual way from debt has resulted in better overall financial outcomes.

33. Rates Sample A (Appendix 1) shows the impact of all of the Mayor's recommendations together, on all rating categories for a variety of values.

Development Contributions Options Overview

34. Section 4: Attachment 3 provides the full Development Contributions Proposal.

35. The Council faces significant challenges in providing and funding infrastructure to service growth. Development Contributions are the principal non-rates funding tool available to it. The Council's present Development Contributions Policy provides for a number of automatic remissions or reduced charges, which were originally adopted in 2013. These remissions were targeted to areas Council sought to encourage growth.

36. The recommended changes increase growth funding growth revenue by $40m or 16% over 10-years.

37. In addition to these strategic changes to the policy the policy will be updated and amended to continue to comply with the law, meet best practice and update for changes to the 10-Year Plan budgets. The updated policy will be considered by Council in March / April 2018.

Appendix 1: Rates Sample A: Mayor's Recommendation

- **100 % capital value**
- **$500 UAGC**
- **Rural differential changed to 72%**
- **Rates increase 15.5%**

CV and $500 UAGC with Rural at 72.11% of Residential plus 15.5% increase

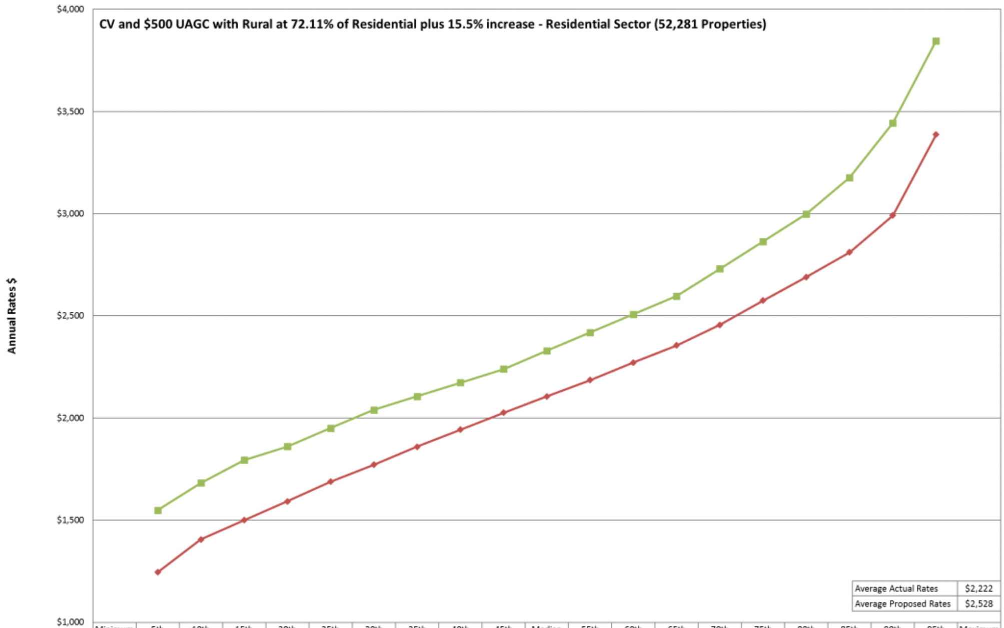
Net Rates After Remissions

					2017/18 Actual	Proposed		
Description	**Category**	**SUIPs**	**Land Value**	**Capital Value**	**Net Rates**	**Net Rates**	**Rates Change $**	**Rates Change %**
RESIDENTIAL SECTOR								
Median Residential Sector	Residential	1	210,000	405,000	2,099	2,307	208	9.89%
1 Dwelling - 10th Percentile by CV	Residential	1	148,000	270,000	1,458	1,705	247	16.92%
1 Dwelling - 25th Percentile by CV	Residential	1	175,000	325,000	1,731	1,950	219	12.65%
1 Dwelling - Median CV	Residential	1	215,000	405,000	2,133	2,307	173	8.13%
1 Dwelling - 75th Percentile by CV	Residential	1	240,000	520,000	2,490	2,820	330	13.24%
1 Dwelling - 90th Percentile by CV	Residential	1	270,000	640,000	2,889	3,355	466	16.13%
Median Vacant	Residential	1	245,000	245,000	2,078	1,593	-485	-23.35%
1 Dwelling - 10th Percentile by LV	Residential	1	133,000	340,000	1,469	2,017	548	37.27%
1 Dwelling - 25th Percentile by LV	Residential	1	165,000	325,000	1,663	1,950	287	17.26%
1 Dwelling - Median LV	Residential	1	210,000	420,000	2,124	2,374	250	11.78%
1 Dwelling - 75th Percentile by LV	Residential	1	250,000	540,000	2,591	2,909	318	12.29%
1 Dwelling - 90th Percentile by LV	Residential	1	280,000	570,000	2,844	3,043	199	7.00%
Frankton	Residential	1	240,000	290,000	2,117	1,794	-323	-15.27%
Maeroa	Residential	1	250,000	385,000	2,339	2,218	-122	-5.21%
Beerescourt	Residential	1	300,000	510,000	2,883	2,775	-108	-3.73%
Fairfield	Residential	1	155,000	305,000	1,562	1,861	298	19.10%
Rototuna	Residential	1	290,000	680,000	3,090	3,534	443	14.34%
Hamilton East	Residential	1	117,000	450,000	1,539	2,508	969	62.97%
Huntington	Residential	1	285,000	1,250,000	3,981	6,077	2,096	52.64%
Lake	Residential	1	1,900,000	15,000,000	37,289	67,419	30,130	80.80%
Rototuna Attached Granny Flat	Residential	2	290,000	720,000	3,167	4,212	1,045	33.01%
Median Inner City	Residential	1	100,000	235,000	915	1,353	438	47.84%
Central City	Residential	1	235,000	490,000	2,287	2,548	261	11.44%
Median Multi Unit	Multi Unit Residential	6	295,000	770,000	4,324	6,435	2,111	48.81%
Maeroa	Multi Unit Residential	4	280,000	540,000	3,775	4,409	634	16.78%
Hamilton East	Multi Unit Residential	10	295,000	1,020,000	4,776	9,551	4,775	99.97%
Whitoria	Multi Unit Residential	4	490,000	670,000	6,126	4,989	-1,137	-18.56%
Median Rural Residential	Rural Residential	1	450,000	1,050,000	3,458	5,184	1,727	49.94%
Flagstaff North	Rural Residential	1	750,000	1,350,000	5,106	6,523	1,417	27.74%
Rotokauri	Rural Residential	1	995,000	1,135,000	5,706	5,564	-143	-2.50%
RURAL SECTOR								
Median Rural Small	Rural Small	1	370,000	690,000	1,673	2,720	1,047	62.58%
Rural Small Vacant	Rural Small	1	335,000	335,000	1,262	1,578	316	25.06%
Rotokauri	Rural Small	1	1,030,000	1,460,000	4,232	5,197	965	22.79%
Ruakura	Rural Small	1	195,000	400,000	919	1,787	868	94.43%
Median Rural Large	Rural Large	1	2,050,000	2,085,000	4,256	7,208	2,951	69.34%
Rural Large Vacant	Rural Large	1	1,850,000	1,850,000	3,814	6,452	2,637	69.13%
Rotokauri	Rural Large	1	2,800,000	3,260,000	6,171	10,988	4,817	78.06%
Peacockes	Rural Large	4	12,500,000	13,410,000	26,540	45,140	18,601	70.09%

CV and $500 UAGC with Rural at 72.11% of Residential plus 15.5% increase

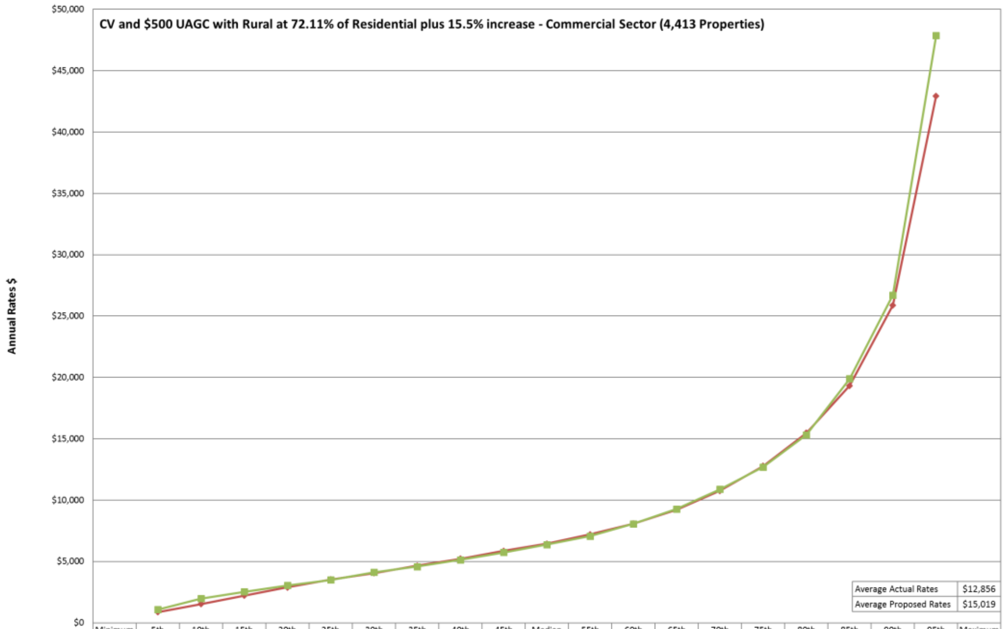
Net Rates After Remissions

Description	Category	SUIPs	Land Value	Capital Value	2017/18 Actual Net Rates	Proposed Net Rates	Rates Change $	Rates Change %
COMMERCIAL SECTOR								
The Base / Te Awa	Commercial	173	33,000,000	239,300,000	1,347,064	2,792,751	1,445,687	107.32%
Mitre10 Mega etc.	Commercial	10	16,700,000	23,800,000	406,237	274,155	-132,082	-32.51%
Vacant Strip	Commercial	1	106,000	106,000	2,462	1,699	-763	-31.00%
The Base All		**183**	**49,700,000**	**263,100,000**	**1,753,301**	**3,066,906**	**1,313,605**	**74.92%**
Centreplace North	CBD Commercial	69	9,200,000	76,200,000	409,288	882,111	472,823	115.52%
Ward Street Entrance Building	CBD Commercial	6	840,000	3,860,000	27,803	45,748	17,944	64.54%
Ward Street Entrance Building	CBD Commercial	7	170,000	420,000	6,895	10,698	3,803	55.15%
Ward Street Entrance Building	CBD Commercial	7	760,000	3,660,000	27,095	45,618	18,523	68.37%
Bryce Street Carpark	CBD Commercial	1	920,000	10,600,000	46,959	115,128	68,169	145.17%
Centreplace North All		**90**	**11,890,000**	**94,740,000**	**518,040**	**1,099,303**	**581,263**	**112.20%**
Centreplace South	CBD Commercial	24	3,500,000	20,100,000	130,705	237,795	107,090	81.93%
Farmers	CBD Commercial	1	2,400,000	15,100,000	87,751	163,629	75,878	86.47%
Centreplace South All		**25**	**5,900,000**	**35,200,000**	**218,457**	**401,424**	**182,968**	**83.75%**
KiwiRail	Commercial	1	1,245,000	72,690,000	230,402	822,553	592,151	257.01%
Fonterra Dairy Factory	Commercial	1	12,100,000	99,900,000	527,510	1,130,272	602,762	114.27%
Westfield Chartwell	Commercial	121	12,500,000	135,000,000	636,056	1,587,219	951,163	149.54%
Westpac Building	CBD Commercial	10	2,160,000	17,900,000	93,929	201,742	107,813	114.78%
Anglesea Medical	CBD Commercial	37	8,250,000	36,700,000	272,095	428,170	156,076	57.36%
Old Farmers (Bottom 2 Floors)	CBD Commercial	9	1,800,000	8,350,000	60,627	97,930	37,303	61.53%
Median Commercial General	Commercial	1	240,000	500,000	6,294	6,155	-139	-2.21%
Frankton Vacant	Commercial	1	205,000	205,000	4,751	2,818	-1,933	-40.68%
Te Rapa Vacant	Commercial	1	520,000	520,000	12,033	6,381	-5,653	-46.97%
Te Rapa	Commercial	2	650,000	2,010,000	18,888	23,731	4,843	25.64%
Frankton	Commercial	3	1,510,000	2,250,000	37,032	26,945	-10,087	-27.24%
Boundary Fringe	Commercial	1	1,760,000	5,850,000	52,242	66,658	14,416	27.59%
Whitiora	Commercial	2	1,630,000	3,490,000	42,956	40,469	-2,487	-5.79%
Hamilton East	Commercial	1	2,440,000	10,400,000	78,884	118,114	39,230	49.73%
Te Rapa	Commercial	1	5,600,000	17,300,000	162,493	196,146	33,653	20.71%
Median CBD Commercial	CBD Commercial	1	265,000	600,000	7,537	7,788	251	3.33%
Central City	CBD Commercial	1	120,000	305,000	3,938	4,609	671	17.04%
Central City	CBD Commercial	0	290,000	650,000	7,340	6,983	-357	-4.86%
Central City	CBD Commercial	1	450,000	850,000	11,345	10,043	-1,302	-11.48%
Central City	CBD Commercial	1	1,060,000	8,750,000	44,621	95,189	50,568	113.33%
Central City	CBD Commercial	10	2,160,000	17,900,000	93,929	201,742	107,813	114.78%
Central City	CBD Commercial	7	3,990,000	17,100,000	125,977	190,475	64,498	51.20%
UTILITIES								
Chorus New Zealand Ltd	Utility	1	0	24,106,000	68,035	273,115	205,080	301.43%
NGC New Zealand Ltd	Utility	1	0	31,975,000	90,240	362,106	271,866	301.27%
Vodafone New Zealand Limited	Utility	1	0	3,270,000	9,239	37,481	28,242	305.68%
WEL Networks Ltd	Utility	1	0	80,155,000	226,198	906,975	680,778	300.97%
Transpower NZ Ltd	Utility	1	0	2,143,000	6,059	24,735	18,677	308.26%
NZ Post Properties	Utility	1	0	250,000	717	3,327	2,610	364.07%
Ultrafast Fibre Limited	Utility	1	0	21,857,000	61,689	247,681	185,993	301.50%



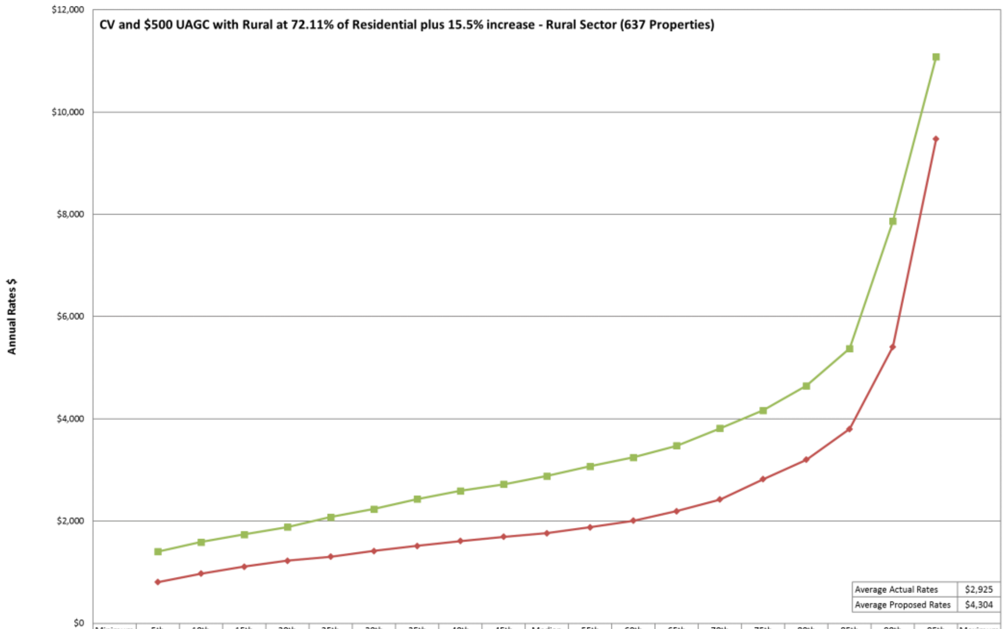
	Minimum	5th	10th	15th	20th	25th	30th	35th	40th	45th	Median	55th	60th	65th	70th	75th	80th	85th	90th	95th	Maximum
Actual Rates	$21	$1,245	$1,406	$1,500	$1,592	$1,689	$1,772	$1,859	$1,944	$2,026	$2,106	$2,185	$2,271	$2,356	$2,456	$2,575	$2,690	$2,811	$2,991	$3,387	$117,725
Proposed Rates	$11	$1,548	$1,682	$1,794	$1,861	$1,950	$2,039	$2,106	$2,173	$2,240	$2,329	$2,418	$2,508	$2,597	$2,731	$2,864	$2,998	$3,177	$3,444	$3,846	$238,944

Rates Distribution by Percentile



	Minimum	5th	10th	15th	20th	25th	30th	35th	40th	45th	Median	55th	60th	65th	70th	75th	80th	85th	90th	95th	Maximum
Actual Rates	$46	$877	$1,537	$2,226	$2,885	$3,523	$4,045	$4,655	$5,222	$5,868	$6,457	$7,205	$8,089	$9,228	$10,761	$12,788	$15,480	$19,332	$25,882	$42,937	$1,347,06
Proposed Rates	$23	$1,074	$1,970	$2,536	$3,045	$3,499	$4,118	$4,593	$5,137	$5,746	$6,381	$7,066	$8,077	$9,288	$10,887	$12,697	$15,330	$19,898	$26,708	$47,870	$2,792,75

Rates Distribution by Percentile



	Minimum	5th	10th	15th	20th	25th	30th	35th	40th	45th	Median	55th	60th	65th	70th	75th	80th	85th	90th	95th	Maximum
Actual Rates	$51	$806	$973	$1,107	$1,224	$1,305	$1,415	$1,513	$1,609	$1,693	$1,762	$1,879	$2,007	$2,195	$2,422	$2,819	$3,200	$3,803	$5,409	$9,476	$36,369
Proposed Rates	$52	$1,403	$1,589	$1,739	$1,883	$2,076	$2,234	$2,430	$2,591	$2,720	$2,881	$3,074	$3,245	$3,473	$3,814	$4,167	$4,647	$5,375	$7,867	$11,081	$57,860

Rates Distribution by Percentile

SECTION 4: ATTACHMENT 1

Transition to Capital Value Rating

MAYORAL PROPOSAL

Author:	Stephen Halliwell	Authoriser:	David Bryant
Position:	10-Year Plan Financial Advisor	Position:	General Manager Corporate

Proposal

1. This proposal recommends Council move to 100% capital value (CV) rating sooner.
2. This has the effect of ending the land value (LV) based transition, which would be at 40% CV and 60% LV in Year 1 of the 10-Year Plan (2018/19).
3. The proposal also recommends the introduction of a uniform annual general charge (UAGC). This recommendation comes as a consequence of a higher than forecast rates increase, the 100% capital value proposal and the resulting distribution of rates within the sectors.

Mayor's Recommendation

That the Council, for the purposes of preparing a draft policy, approves:

i. Changing to 100% capital value rating from Year-1 of the 10-Year Plan (2018/19); and

ii. The introduction of a $500 uniform annual general charge per separately used or inhabited part of a rating unit (SUIP) from Year-1 of the 10-Year Plan (2018/19).

Executive Summary

4. A general introduction and background to the process in which this proposal was developed and considered by the Mayor and elected members is outlined in Section 4 of this draft budget report.
5. Moving to 100% capital value sooner was identified as the best method of maximising rates revenue from new ratepayers to fund the additional costs of servicing a bigger city.
6. The recommended proposal increases rates from new rating units as $2.6 million benefit in Year 1 and an overall $49 million benefit over 10 years.
7. This paper presents three options:
   - Option 1a: 100% capital value sooner (Mayor's recommendation)
   - Option 1b: Introduce a $500 UAGC (Mayor's recommendation)
   - Option 2: Move to 100% capital value and introduce a transition remission to existing ratepayers over three years
   - Option 3: Status Quo.

Option 1a: 100% capital value sooner (Mayor's Recommendation)

8. Description

9. This option proposes that Council stops the transition, Hamilton Gardens and Access Hamilton rates and collects all rates from capital value from Year-1 2018/19, except for targeted rates for the Business Improvement District (BID) and the Central City rate.

10. Moving to 100% capital value sooner does not change the amount of rates collected from all existing ratepayers. It is distributed differently. This distribution is roughly the same as advised in consultation documents in 2014. 50% of residential go up and 50% go down. 25% of commercial go up and 75% go down.

11. With this change in policy there will also be a change in the way rates are calculated. As growth has occurred, staff have observed leakage in the capturing of growth due to the constraints of the differential funding allocations. In 2016/17 there was more growth in the commercial sector than the residential sector. The differential constraints meant that growth resulted in a lower rates increase to commercial ratepayers rather than resulting in rates uplift to fund the bigger commercial sector costs incurred by Council. The change will mean that all ratepayers will get the rates increase Council states and not a modified allocation of that.

12. This option provides rates uplift by increasing the size of the rating pool by bringing in 100% of the value of utility companies. Utility companies do not pay rates on the value of their networks under the land value transition rate.

13. Significant annual rates uplift is provided from the approximate 1,200 new households each year (NIDEA low growth projection). It is assumed these represent an above average house value. This adds $49 million of rates over 10 years and contributes a significant contribution to the costs of service to a bigger city. Without this policy change the costs funded by this $49 million would be meet from existing ratepayers.

14. Council have been briefed on these impacts. The trends and impacts shown in the briefing have not significantly changed. [Link to 13 Nov Briefing Presentation on Council Website]

15. Advantages and Disadvantages

Advantages	Disadvantages
• 50% of residential and 75% of commercial properties forecast to get a benefit from moving to capital value receive that benefit sooner. • Captures additional rates revenue from newly developed/improved properties. • Certainty for ratepayers with a uniform increase applied annually. • Simple rating system. • Capital intensive properties contribute a higher proportion of rates. • The lowest value residential properties could pay less than similar value properties elsewhere.	• 50% of residential ratepayers and 25% of commercial ratepayers forecast to pay more will do so sooner. • The top 90% of residential properties could be paying some of the highest rates for properties of that value. • Ratepayers may have planned for staged increases

Option 1b: Introduce $500 UAGC (Mayor's recommendation)

16. Description

17. As a result of the proposal to move to capital value sooner, combined with higher rates increases than

forecast in 2014, there has been a change in the outcome of moving to capital value not foreseen in 2014.

18. The highest value rated properties are paying some of the higher rates when compared with Hamilton's neighbours and some other cities. Conversely the lowest values residential ratepayers are paying less than other comparator councils except Christchurch City.
19. These extremes prompted consideration of a UAGC. Like the transition rate, the UAGC will mitigate the impact of the change to 100% capital value for those high-value homes by redistributing the rates.
20. A UAGC is a general rate that can be charged to each rating unit or 'Separately Used or Inhabited part of a Rating Unit' (SUIP), in the same way the Hamilton Gardens rate was. A SUIP is defined by Council in each Annual Plan Funding Impact Statement.
21. The UAGC can be set at any value Council determines so long as (put simply) it does not exceed 30% of the rates. The proposal at $500 is 15% of the proposed rates.
22. The greater the UAGC the smaller the contribution to rates from utility companies and new properties.
23. Council have been briefed on these impacts. The trends and impacts shown in the briefing have not significantly changed. Link to 13 Nov 2017 Briefing Presentation on Council Website

24. Advantages and Disadvantages

Advantages	Disadvantages
• Somewhat mitigates the increases when moving to capital value rating. • May negate the need for complex transition remission (adheres the principle of maintaining a simple rating system). • Recognises that there is uniformity in the availability of some Council services. • UAGC is widely used by other councils. • UAGC amount can be determined annually and used as tool to moderate changes across the rating base if required. • Minimises impacts of revaluation.	• Lower value properties pay more rates. • Maintaining a count of SUIPs in the database (currently only Hamilton Gardens rate based on SUIP). • Reduces rating revenue growth.

Option 2: 100% capital value with transition remission to existing ratepayers over three years

25. Description

26. The reason for revisiting the Rating Policy was to seek opportunities to better capture growth in the rating database so as to get a better contribution to the costs of growth from growth. Going to capital value sooner achieves this. However, as stated, some existing ratepayers are adversely affected and may desire more time to adjust to the change.
27. As an alternative to the current transition rate, a transition remission has been explored.
28. A transmission remission allows Council to target the benefit of the existing 10-year transition to existing ratepayers, while still achieving the rates uplift from new properties.
29. A transmission remission is administratively challenging, but achievable. It requires a good definition to identify existing properties and monitoring the change in all existing properties over the term of the

transition. It is best the transition is set in bands and calculated once for each of the remaining years and set at that amount, unchanging from year to year.

30. The application of a transition remission means that a higher rates collection is required to offset the total remission amount needed. An outcome of this is that those properties not otherwise affected will then contribute to the remission by paying more rates.

31. Council have been briefed on these impacts. The trends and impacts shown in the briefing have not significantly changed. Relevant pages start at page 40 of the link. Link to 20 September Briefing Presentation on Council Website

32. Advantages and Disadvantages

Advantages	Disadvantages
• Somewhat mitigates the increases when moving to capital value rating. • Takes full advantage of revenue uplift as a result of value growth.	• Not an exact representation of changes from LV to CV. • Total rates budget increases to accommodate remission (increase redistributed amongst all ratepayers). • Administratively complex.

Option 3: Status Quo

33. Description

34. The only change to rating is that the Hamilton Gardens rate is scheduled to cease. This would have an $11.50 benefit to ratepayers.

35. The transition rate would continue for a further 7 years moving from 70:30 LV:CV in 2017/18 to 60:40 in Year 1 2018/19.

36. This option would result in the current proposed rates increase increasing to 16.5% (to balance the books in Year 1 and all other things unchanged) to cover the lost growth from moving to 100% capital value. Council would have additional debt of $22 million representing costs not contributed to by a bigger city that are in the 100% capital value scenario.

37. Advantages and Disadvantages

Advantages	Disadvantages
• Known and agreed with ratepayers. • Less short-term impact to ratepayers	• Ratepayers' rates increases won't be similar to Council's stated rates increase. • Reduces rating revenue growth. • Increases debt. • Complexity within rating system continuing the transition and adjusting for growth and valuation changes over the remaining years of the transition.

SECTION 4: ATTACHMENT 2

Targeted Rate for Development Ready Land

MAYORAL PROPOSAL

Author:	Stephen Halliwell	**Authoriser:**	David Bryant
Position:	10-Year Plan Financial Advisor	**Position:**	General Manager Corporate

Proposal

1. This proposal recommends a change to the rating of land currently rated as rural land under the general rate differential.

2. Two changes are proposed:

   - Renaming the rural rates differential to "other". This recognises that Council has no underlying District Plan zoning within the boundaries that is rural as Council has decided through the District Plan, all land will be a commercial, industrial or residential use. Land that is rated "other" will not meet the definition of commercial or residential uses as defined in rating policies.

   - Land rated under the "other" differential will have the differential calculated based on the residential rate less the value of water and wastewater services allocated within the general rate.

Mayor's Recommendation

That the Council:

a) approves renaming the rural differential as "other".

b) approves changing the general rate other differential to be less than the residential rate by the estimated appropriate allocation of the water and wastewater portion of the general rate.

Executive Summary

3. The Guiding Financial Principle that "growth should fund growth" resulted in consideration of who was paying for Council's annual investment in planning for the future city.

4. Initially it was proposed as a targeted rate to discourage land banking. It was intended to support the development of homes which supports the Council's and Government's response to a housing shortage.

5. It is estimated $8m to $10m per annum of operating expenses are spent on planning for a bigger city. These costs cannot be recovered from development contributions.

1. Following investigation of three options were considered:

   - A targeted rate on those properties that have Council supplied services, effectively at the gate and are ready to go.

   - A targeted rate on those areas where Council is budgeting to build infrastructure in the 10-Year Plan

   - A change in the way we rate properties currently categorised as rural in the rating system

2. It has been concluded that the best option is to reclassify the rural rate as "other" and charge the residential rate less the portion of water and wastewater services allocated to the rural general rate.

3. This recognises that the underlying property classification for all land in the boundary is for future residential or commercial/industrial use.

4. This paper presents 3 options:

   - Option 1: Change the existing rural rates differential (Mayor's recommendation)
   - Option 2: Status Quo
   - Option 3: New targeted rate on 'ready now' development land (not reasonably practicable)
   - Option 4: New targeted rate on future city rural land (not reasonably practicable).

Option 1: Change existing rural rates differential (Mayor's Recommendation)

5. Description

6. Council currently rates land based on its use. Council has defined three uses in its rating policy – residential, commercial and rural. There is no national standard definition for these uses nor is there a requirement to define differentials this way.

7. Council's District Plan has no land permanently designated as rural within the city boundaries. All land has an underlying future city use.

8. Rural rates currently are set at approximately 50% of residential rate under capital value. Under the transitional rate there are two categories of rural rating (rural large paying 17% of the residential rate and rural small - 41%).

9. For the transitional rate and general rate, the current rural sector contribution is 1% of the total over all sectors.

10. Continuing to consider non-developed land as rural land seems inappropriate in the high growth environment that the city is responding to. In addition to the obvious infrastructure investment, Council is investing $8 to $10 million p.a. in planning for the future city.

11. Given the external demands on councils to increase supply of developable land it is appropriate that a greater portion of the costs of Council are charged to undeveloped land.

12. Rates differentials are expressed as a portion of residential rates.

13. It is proposed that a new differential called "other" replace the current rural differential and that the differential would be calculated at the residential rate less the portion of water and waste water services in the general rate.

14. Other changes to the way rates are calculated (discussed in Section 4: Attachment 1) will result in a more dynamic adjustment to the rural rate as the city absorbs undeveloped land.

15. The rates impact on this change is attached as Section 4: Attachment 1 Rates Sample A - Mayor's Recommendation. An additional $1m of revenue is raised from properties currently in the rural rates differential category.

16. Advantages and Disadvantages

Advantages	Disadvantages
• Increase in rates revenue. • Recognises that Hamilton is an urban city.	• All properties currently rated for rural use will receive a rates increase (not just those in the

Advantages	Disadvantages
• Creates differential based on non-provision of core services only. • Less complex than other options.	immediate growth areas).

Option 2: Status Quo

17. Description

18. Continuing with the existing rating of rural rates is an option.

19. By choosing this option $1m of additional revenue is removed from the proposed rates scenario. This would increase the rates increase to balance the books from 15.5% to 16.2%.

20. Advantages and Disadvantages

Advantages	Disadvantages
• Known to ratepayers	• No increase in rates revenue • Rural 'use' can be easily changed to suit

Option 3: Targeted Developer Ready Land (not reasonably practicable)

21. Description

22. Council has maintained a map showing land that is development ready. This serves as a useful tool for understanding how Council's investment is opening up opportunities for growing the City and meeting the demand for land.

23. Investigating the opportunity to use this map as the basis for a targeted rate on development ready identified that there was a degree of subjectivity around the connectability of services to individual parcels that does not meet the tests of certainty that is required to rate these properties.

24. On this basis, this approach was considered not a reasonably practicable option.

25. Advantages and Disadvantages

Advantages	Disadvantages
• Increase in rates revenue • Specifically targeted to those that are identified to receive benefit	• Smaller number of properties and decreasing as city grows. • Land under development already at higher rate • Complex to administer. • Identified land vs actual developable may vary • Risk associated with untested rate.

Option 4: Targeted rate on Future City rural land (not reasonably practicable)

26. Description

27. Similar to option 3, a map was developed to identify undeveloped residentially zoned land that did not meet the minimum residential density requirements of the District Plan. The map excluded mixed use and commercial uses.

28. After identifying the land (with difficulty) and then applying a $1.7m rates uplift, the consequence was to more than treble the rates. A lesser increase did not justify the effort to establish the new rate and the risks associated with a new targeted rate.

29. These outcomes were considered not reasonably practicable.

30. Advantages and Disadvantages

Advantages	Disadvantages
• Increase in rates revenue • Specifically targeted to those that are identified to receive benefit	• Smaller number of properties and decreasing as city grows. • Very difficult to identify / administer (may only affect small part of large property). • Development timeline may change from current plans (i.e. rates may be charged on current plans but potential that land may still be unable to be developed after a specified period as future decisions may change timing of investment in infrastructure). • Risk associated with untested rate.

SECTION 4: ATTACHMENT 3

Development Contributions Policy

MAYORAL PROPOSAL

Author:	Greg Carstens	**Authoriser:**	Kelvyn Eglinton
Position:	Team Leader Growth Funding and Analytics	**Position:**	General Manager City Growth

Proposal

1. This proposal presents options for amendments to the Council's Development Contributions (DC) Policy to be developed as part the 2018/19 DC Policy review, and provides estimates of the impact on DC revenue of each option over the 2018-28 10-Year Plan period.

Mayor's Recommendation

2. Note: These recommendations will not immediately become operative in the DC Policy. They will be developed and tested by staff through the Council's 2018/19 DC policy review process ("policy review"), including impact assessments. A draft DC policy will be presented to Council for adoption for public consultation in March/April 2018. The revised DC policy will be operative from 1 July 2018.

That the Council, for the purposes of preparing a draft Development Contributions Policy, approves:

a) The removal of the CBD remission provision; and

b) The removal of caps on development contributions charges; and

c) The introduction of development contributions charges for selected capital projects that have costs programmed outside the 10-Year Plan period.

Executive Summary

3. This Mayoral proposal presents three DC policy options for Council to consider:

Option	Description	Status
Option 1	• Remove the CBD Remission • Retain the CBD Remission	Recommended Status quo
Option 2	• Remove caps on DC charges • Retain caps on DC charges	Recommended Status quo
Option 3	• Begin charging DCs against selected capital projects whose costs are programmed outside the 10-Year Plan period. • Recover DCs against capital projects funded in the 10-Year Plan only	Recommended Status quo

4. The Council faces significant challenges in providing and funding infrastructure to service growth. DCs are one of the principal funding tools available to it. The Council's DC Policy provides for a number of automatic remissions or reduced charges which were originally adopted in 2013, and it is appropriate that Council review these provisions as part of its policy review.

5. Option 1 refers to the CBD Remission (section 18.9 current DC Policy), which provides developers in the CBD a full remission of DCs subject to them meeting one of several broad planning criteria.

6. Option 2 refers to capped charges (section 9 current DC Policy). Certain types or categories of development are ‘capped’ under the current policy, which means the Council has chosen not to levy the maximum charge as calculated by its DC Model. These caps apply to:

   - non-residential developments (commercial, industrial, retail) which are capped at the 2012/13 policy rate,
   - High density developments in infill Residential Intensification Zones (RIZ), which are reduced by a half.
   - greenfield developments in comprehensive development plan or master plan areas, which are also reduced by a third.

7. Option 3 (not in the current Policy) refers to recovery of DCs against qualifying capital projects programmed outside the 10-Year Plan period i.e. 2028/29 or later. This is explicitly provided for in the Local Government Act 2002 (LGA). Currently the Council recovers DCs against historical capital expenditure, and planned capital expenditure but only if it is funded in its 10-Year Plan.

8. If adopted, these options will be developed and included in the draft DC policy seeking adoption for public consultation in March/April 2018. Inclusion of these options in full or in part is subject to technical and legal review, and impact assessments.

9. The Council will have opportunities to consider further staff recommended policy amendments during this policy review which will be based, for example, on updated technical information, REEP recommendations, feedback from stakeholders, legal advice, and enhancing the usability of the policy.

10. The estimated combined impact on DC revenue is shown below:

Combined Impact											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Base DC Revenue	16,092	21,096	24,265	26,473	26,737	26,795	26,583	25,642	25,872	25,554	**245,108**
Est. revenue all options	17,156	24,417	28,654	31,011	31,139	31,147	30,878	29,754	30,796	30,616	**285,567**
Variance	1,063	3,321	4,389	4,538	4,402	4,352	4,296	4,112	4,924	5,062	**40,459**

11. Note: The ‘combined impact’ figures above are arrived at by adding the financial impacts of Option 2 to Option 3 only. Option 1 is already part of Option 2 because the CBD Remission is in effect a 100% charge cap.

12. New information to come and analysis yet to be undertaken means DC revenue forecasts in this report may materially differ from those in the draft DC policy when presented to the Council for adoption ahead of public consultation in March/April 2018.

Background

13. In June 2013, the Council adopted a reviewed DC policy that included reduced DC charges for nominated categories of development including a full remission of DCs in the CBD, reduced charges for certain high density residential developments, and the capping of non-residential charges at the 2012/13 policy rates. These policy provisions remain in the current DC policy.

Modelling Assumptions

14. DC revenue has been calculated for each of the three scenarios and set out in the tables below. Certain assumptions have been made because all the information for modelling is not available yet, and full technical and legal reviews have not been carried out.

15. Key assumptions and limitations of the revenue figures presented in this report include:

    - The use of 2015/16 growth projection data, except for some limited updates to residential projections. This means NIDEA Low has been used, but the distribution of that growth has not been updated.
    - That the full 2018-28 10-Year Plan capital programme will be delivered.
    - Existing allocation of capital costs have been applied at a high level to the new programme of works.
    - That budgeted capex between 2015 and 2018 has been assumed as actual.
    - A 50% allowance for the economic and development impacts of removing charge caps has been made against raw DC Model outputs.
    - A 30% allowance for operational under-recovery has been made against raw DC Model outputs.
    - Additional modelled revenue generated by including additional capex programmed outside the 10-Year Plan is been moderated by 33%.

16. DC revenue direct from the DC Model is calculated on the basis that every new forecast Household Unit Equivalent (HUE) of growth returns full DCs. In practice, there are a number of reasons why this does not occur:

    - policy remissions provided and credits (which are driven by statutory requirements rather than Council subsidisation),
    - private developer agreements, and
    - old consents that have locked in lower charges from a previous policy.

17. Based on these factors, represented in historical data, a 30% allowance has been made. 'Base' DC revenue shown in the tables in this report reflects this.

18. This allowance, in part, considers that development paying DCs in the early years of the 2018-28 10-Year Plan may be paying old DC rates from previous policies; the effect of provisions in the LGA 2002. New DC charges more than likely will be significantly higher than current charges, and therefore Council won't collect as much as it might expect. This effect regresses over time. This is why the DC revenue forecasts in the tables below start lower, rise, then flatten out.

Option 1: Remove CBD Remission

19. Description

20. Remove the CBD Remission, which currently provides developers in the CBD a full remission of DCs.

21. Advantages and Disadvantages

Advantages	Disadvantages
• Council would retain DCs collected in the CBD. • Ratepayers would no longer subsidise CBD development. CBD remissions are ultimately	• The disadvantage of removing the CBD Remission is foregoing the benefits that would have accrued if the Council kept the

Advantages	Disadvantages
rates funded because foregone DC revenue cannot be transferred to development elsewhere in the city.	CBD Remission, which include the revitalisation and enhancement of the CBD. • However, it is difficult to quantify these benefits. There is anecdotal evidence that development is encouraged by the provision, and developers say that in some cases it is the determining factor in whether a development goes ahead or it doesn't. • Since its introduction in 2013, the total value of new building consents in the CBD has increased from \$19M to \$44M. While the CBD Remission is not the sole cause of this increase, the timing corresponds and it would have played a part in that rise.

22. Stakeholder Feedback

23. Staff held DC stakeholder workshop on 6 November 2017 to receive feedback on potential policy changes, including Option 1. Whilst there was strong support for retaining the CBD Remission, particularly from CBD developers, there were also some developers and stakeholders who believed better alternatives existed in other Council plans and policies, or were concerned about the discount cycle creating problems in the future.

24. Financial Implications

25. It is difficult to forecast the level of DC revenue in the CBD. The CBD is a comparatively small area and there are many drivers of development there, a number of which are unpredictable or unknown, for example the development decisions of third parties and their feasibility analysis, and economic and market conditions. In addition the existence or otherwise of a CBD Remission itself plays a part.

26. The table below shows CBD remissions approved by year since its introduction on 1 July 2013.

June Year	Total remissions
2014	$ 55,144
2015	$ 618,331
2016	$ 280,833
2017	$ 1,163,863
2018*	$ 1,675,780
Grand Total	**$ 3,793,951**
*as at 1/11/17	

27. A simple method has been used in this paper to estimate the financial benefit to Council of removing the CBD Remission and collecting those DCs instead. An average of years 2015-2017 is used as a base. 2018 has been extrapolated to a full year based on anticipated development, but an allowance has been made for the fact that several large developments have been accelerated in the knowledge that Council is likely to remove the CBD. 2014 is ignored, being the first year of the CBD Remission when developers largely did not take advantage of it. This method calculates a $1.2m per year benefit to Council if it were removed.

Option 1 – Remove CBD Remission											
	Year 1 18/19 $000	Year 2 19/20 $000	Year 3 20/21 $000	Year 4 21/22 $000	Year 5 22/23 $000	Year 6 23/24 $000	Year 7 24/25 $000	Year 8 25/26 $000	Year 9 26/27 $000	Year 10 27/28 $000	Total over 10 years $000
Base DC revenue	16,092	21,096	24,265	26,473	26,737	26,795	26,583	25,642	25,872	25,554	**245,108**
Revenue estimate with Option 1	17,292	22,296	25,465	27,673	27,937	27,995	27,783	26,842	27,072	26,754	**257,108**
Variance	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	**12,000**

Option 2: Remove DC Charge Caps

28. Description

29. Remove caps on DC charges.

30. Some types of residential development, for example ancillary dwellings and some high density dwellings, pay less than the standard residential charge of one HUE. A lower charge applies to these dwelling types for LGA compliance reasons, which is not a charge cap. These developments are deemed to generate lower demand because on average fewer people live in them. It is not recommended that these provisions be amended.

31. Council may want to consider exceptions to blanket removal of charge caps for certain geographical areas or development types to avoid perverse or unwanted outcomes, after a full set of uncapped charges and associated impact assessments have been modelled and presented to the Council in a draft DC policy ahead of public consultation in March/April 2018.

32. Charge caps were introduced in an economic climate with more uncertainty and lower growth than observed today.

33. Advantages and Disadvantages

Advantages	Disadvantages
• The rate payer would no longer subsidise developments where DC charges are currently capped. • Removing DC caps would reduce complexity. DC charges would be an unmodified output of the DC model if there were no charge caps, removing some complexity around remissions and removing the need for a second schedule in the Policy.	• Removing DC caps may have adverse consequences in terms of reduced levels of non-residential growth and economic activity, with flow-on effects to residential growth, employment, and ultimately DC revenue. • Charge caps were originally introduced to encourage economic activity in the city, mitigate the risk of pricing new development out of Hamilton, mitigate the risk of ‘stranded infrastructure’, and to provide incentives aligned with District Plan objectives. If charge caps were removed some or all of these objectives may be compromised. • ‘Stranded infrastructure’ refers to a situation where Council has made substantial investment in new infrastructure in a growth area, but then prices out development with high DCs and cannot recover all the costs of that investment.

34. Stakeholder Feedback

35. At the stakeholder workshop on 6 November 2017, there was mixed feedback on capped charges. Developers expressed a need for the city to remain affordable and competitive however concerns were raised around potential problems in the future arising from capping charges today, e.g. intergenerational equity.

36. Risks

37. The impact on development of removing charge caps could be significant. It is generally believed that development is quite inelastic to increases in DCs, i.e. development will continue in a similar way whether or not DCs rise. However, there will be a limit to that assumption.

38. The removal of charge caps from a DC policy underpinned by a significantly larger capital program will lead to sharp increases in DCs for some development types, and would be likely to impact development decisions negatively. It would also leave Council significantly out of step with neighboring councils in areas where those sharp increases occurred.

39. For example, a 100m^2 commercial development in Rototuna currently pays \$12K in DCs. The same development pays \$11K in Manukau South, \$17K in Tamahere, or \$8K in Pyes Pa in Tauranga. Under Option 2, based on the current information, the uncapped DC on the same development in Hamilton would be \$41K.

40. Staff have engaged an economic expert to deliver a report investigating the impacts on development of:

- significantly increased DC charges, including potential for flight of development due to price variance with alternative development land in other territorial authorities,
- the extent to which development feasibility might be impacted, and
- changes in developer behaviour including land banking.

41. The findings will be provided to the Council to support its decision making prior to adopting a draft DC policy for public consultation in March/April 2018.

42. This report is not expected until February. New DC charges and detailed growth modelling, which will form the basis of the analysis, are not confirmed yet.

43. Financial Implications

44. In lieu of the report referred in the section above, and following a discussion with the General Manager Corporate, a discount of 50% has been applied to the forecast DC revenue to reflect this revenue risk and uncertainty, and to approximate a level of reduced development on account of higher uncapped DCs.

Option 2 – Remove DC Charge Caps											
	Year 1 18/19 \$000	**Year 2 19/20 \$000**	**Year 3 20/21 \$000**	**Year 4 21/22 \$000**	**Year 5 22/23 \$000**	**Year 6 23/24 \$000**	**Year 7 24/25 \$000**	**Year 8 25/26 \$000**	**Year 9 26/27 \$000**	**Year 10 27/28 \$000**	**Total over 10 years \$000**
Base DC revenue	16,092	21,096	24,265	26,473	26,737	26,795	26,583	25,642	25,872	25,554	**245,108**
Revenue estimate with Option 2	16,998	23,757	27,744	29,960	30,072	30,074	29,804	28,702	29,132	28,812	**275,056**
Variance	906	2,661	3,479	3,486	3,335	3,279	3,222	3,061	3,260	3,259	**29,948**

Option 3: Recover Capex Outside the 10-Year Plan

45. Description

46. To recover DCs against qualifying capital projects programmed outside the 10-Year Plan period i.e. 2028/29 or later.

47. Currently the Council recovers DCs against historical capital expenditure, and planned capital expenditure but only if it is funded in its 10-Year Plan.

48. This option should be applied to selected projects only. The Council must be compliant with the purpose and principles in the LGA and be able to demonstrate for each capital project, that development today has created the need for the future infrastructure (this is referred to as the 'causal nexus' test), and will benefit from it too.

49. Strong candidates include infrastructure programmed outside the 10-Year Plan that benefit a new growth cell only, and would not have been needed if there were no growth. Some large citywide assets may also be appropriate if they provide substantial capacity to cater for growth, and that capacity will benefit development for many years.

50. Advantages and Disadvantages

Advantages	Disadvantages
• Option 3 allows Council to fair and equitably recover from developers the costs of future capital expenditure, thereby apportioning costs to those who benefit from and cause the need for new infrastructure even if it is programmed outside the 10-Year Plan period, preserving intergenerational equity.	• Option 3 is untested and may introduce legal risk to the Council.

51. Risks

52. Significant legal risk could be introduced to the Council if projects outside the 10-Year Plan are included in its DC policy are not appropriate for DC recovery. Vigilance and prudence is also recommended because this method is untested by the Council, and because the further away infrastructure will be built, the more diluted the cause/benefit links will naturally become.

53. Financial Implications

54. The table below shows the modelled increase in DC revenue when selected capital expenditure from outside the draft 2018-28 10-Year Plan are included in the DC recovery calculation. The projects include major Peacockes and Rotokauri transport infrastructure, citywide sports parks, and the Rotokauri stormwater swale. These projects are considered to have the appropriate cause and benefit characteristics described above to be included.

55. For conservatism, no capital expenditure programmed outside year 15 (2033) has been included in the calculation below. This assumption reflects the legislative requirement on the Council to demonstrate that development today created the requirement for the future assets included in this calculation.

56. In addition, modelled new revenue from including additional capex programmed outside the 10-Year Plan is been moderated by 33%. This is a qualitative adjustment to reflect the uncertainty and risk around implementing this option, noting that implementation is subject to technical analysis and legal review, which will be completed and reported to Council prior to adoption of a draft DC policy for public consultation in March/April 2018.

57. The selected projects and recovery horizon will be reviewed as more detailed information becomes available, and through legal review.

Option 3 – Recover Capex Outside the 10-Year Plan											
	Year 1 18/19 $000	**Year 2 19/20 $000**	**Year 3 20/21 $000**	**Year 4 21/22 $000**	**Year 5 22/23 $000**	**Year 6 23/24 $000**	**Year 7 24/25 $000**	**Year 8 25/26 $000**	**Year 9 26/27 $000**	**Year 10 27/28 $000**	**Total over 10 years $000**
Base DC revenue	16,092	21,096	24,265	26,473	26,737	26,795	26,583	25,642	25,872	25,554	**245,108**
Revenue estimate with Option 3	16,327	22,081	25,624	28,042	28,329	28,396	28,186	27,211	28,355	28,245	**260,796**
Variance	235	985	1,359	1,569	1,592	1,601	1,603	1,569	2,483	2,692	**15,688**