

Notice of Meeting:

I hereby give notice that an extraordinary Meeting of the Council will be held on:

Date: Thursday 16 August 2018
Time: 9.30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Council OPEN AGENDA

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
	Cr R Hamilton

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Lee-Ann Jordan
Governance Manager

10 August 2018

Telephone: 07 838 6727
Lee-Ann.Jordan@hcc.govt.nz
www.hamilton.govt.nz

Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the 30-Year Infrastructure Strategy.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's Delegations to Positions Policy.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act.
 - d) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
 - e) Approval of the Triennial Agreement.

- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval of all Council and Committee taskforces and their terms of reference.

Oversight of Policies:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	5
2	Confirmation of Agenda	5
3	Declarations of Interest	5
4	Public Forum	5
5	Confirmation Council Open Minutes - 2 August 2018	6
6	Chair's Report - 16 August 2018	18
15	Representation review 2017/18 <i>(Under Separate Cover)</i>	
7	Rubbish and Recycling Services Business Case	20
8	CBD Activation Plan 2018-21 Service Level Agreement Hamilton Central Business Association	54
9	Hamilton Central City Safety Strategy 2018/19 Action List	68
10	Te Hikuwai Slip	73
11	River Plan - Path between VOTR and Embassy Park	90
12	Waikato Museum and Exscite Trust Memorandum of Understanding	102
13	Waikato Regional Theatre Funding from Vibrant Hamilton Trust	109
14	Resolution to Exclude the Public	112

1 Apologies

2 Confirmation of Agenda

The Council to confirm the agenda.

3 Declaration of Interest

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

4 Public Forum

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

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

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

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6439.

Council Report

Committee: Council **Date:** 16 August 2018
Author: Amy Viggers **Authoriser:** Becca Brooke
Position: Committee Advisor **Position:** Governance Team Leader
Report Name: Confirmation Council Open Minutes - 2 August 2018

Report Status	<i>Open</i>
----------------------	-------------

Staff Recommendation

That the Council confirm the Open Minutes of the Council Meeting held on 2 August 2018 as a true and correct record.

Attachments

Attachment 1 - Council Minutes Open Unconfirmed - 2 August 2018

Council

OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 2 August 2018 at 9.38am.

PRESENT

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr R Hamilton

In Attendance:

- Richard Briggs – Chief Executive
- Lance Vervoort – General Manager Community
- David Bryant – General Manager Corporate
- Jen Baird - General Manager City Growth
- Chris Allen – General Manager Capital Development
- Eeva-Liisa Wright – General Manager City Infrastructure Operations
- Sean Hickey - General Manager Strategy and Communication
- Sean Murray – General Manager Venues, Tourism and Major Events
- Alice Morris - City Planning Policy Team Leader
- Trent Fowles – Compliance Manager
- Phil Saunders – Principal Building Advisor
- Riki Manarangi – Corporate Policy Specialist
- Nicolas Wells – Strategic Property Unit Manager
- Claire Foster – Property Officer
- Natalie Swart – Project Manager
- Emily Acraman – Research Assistant
- Muna Wharawhara – Amorangi Maaori
- Natasha Ryan - Key Projects Programme Manager
- Maria Barrie – Park and Recreation Manager
- Virginie Maene – Leadership Team Assistant
- Nigel Ward - Communications Team Leader
- Tracey Wood – City Events Manager
- Maire Porter – City Waters Manager
- Cory Lang – Building Control Manager

Governance Staff: Lee-Ann Jordan - Governance Manager
Becca Brooke – Governance Team Leader
Amy Viggers and Rebecca Watson - Committee Advisors

Tame Pokaia carried out a blessing and the Reverend Stephen Black carried out a reading to open the Council Meeting.

1. Apologies

Resolved: (Crs Mallett/Bunting)
That the apologies for Crs Casson, Henry, and Pascoe are accepted.

2. Confirmation of Agenda

Resolved: (Mayor King/Deputy Mayor Gallagher)
That the agenda is confirmed noting the following:

- a) that the debate will be 2 minutes with an extension of 1 minute if required; and
- b) that there is to be flexibility to the order of the agenda, specifically Item 20 (Maaori Representation Review Proposal) which is to be taken pending the arrival of the external presenters.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

Shaun Brooker (Principal – Hamilton Christian School) – Spoke to Item C3 (Rototuna Town Centre Area Q Park Lane) and requested that the school remained informed regarding Area Q Park Lane development.

Warwick Michie - Spoke to Item 20 (Maaori Representation Review Proposal). He spoke against the staff recommendation.

Piri Kaio – Spoke to Item 20 (Maaori Representation Review Proposal). She acknowledged the history that there was previously a Nga Hui Haumi Committee and the courageous step council was taking regarding Maaori participation.

Margaret Evans - Spoke to Item 20 (Maaori Representation Review Proposal). She noted that the report provided 3 options Councillors needed to consider. She suggested a transparent nomination process occur to select Maaori representatives to existing Council committees.

Rawiri Bidois (Te Haa o te Whenua o Kirikiriroa) – Spoke to Item 20 (Maaori Representation Review Proposal) and the process that had had been followed by staff and representatives to reach today's recommendation. He noted his support of the recommendation because it had been reached through consultation between staff and Maaori.

Sonny Matenga (Ngaati Tamainupoo) – Spoke in support of the staff recommendation in Item 20 (Maaori Representation Review Proposal).

Andrea Elliot (Te Runanga o Kirikiriroa) – Spoke in support of the staff recommendation in Item 20 (Maaori Representation Review Proposal) and noted that would provide for genuine Maaori involvement.

Tame Pokaia (Representing Waikato Tainui) – He read a statement in support of the proposal in Item 20 (Maaori Representation Review Proposal) and noted Waikato Tainui apologies for not being able to attend due to a Iwi Chairs forum.

Item 8 (Audit New Zealand Report: Proposed Central City Park) was taken after Item 4 (Public Forum) to accommodate external presenters.

8. **Audit New Zealand Report: Proposed Central City Park**

The General Manager Corporate introduced Jared Williams and Lyn Daken, representatives from Audit New Zealand, and took the report as read. They responded to questions from Elected Members concerning findings noted within the Audit New Zealand report.

Resolved: (Cr O’Leary/Mayor King)

That the Council receives the report.

Resolved: (Cr O’Leary/Mayor King)

That the Council:

- a) notes the need for compliance with the report template for written reports requiring a decision from the Council; and
- b) notes that in the event of a verbal report, any proposal requiring a Council decision is compliant with the decision making requirements under the Local Government Act 2002.

Those for the Motion: Mayor King, Deputy Mayor Gallagher, Councillors Tooman, O’Leary, Macpherson and Southgate.

Those against the Amendment: Councillors Mallett, Bunting, Taylor and Hamilton.

The Motion was declared carried.

5. **Confirmation Council Open Minutes - 26 June 2018**

Resolved: (Mayor King/ Deputy Mayor Gallagher)

That the Council confirm the Open Minutes of the Council Meeting held on 26 June 2018 as a true and correct record.

6. **Confirmation Council Open Minutes - 28 June 2018**

Resolved: (Mayor King/ Deputy Mayor Gallagher)

That the Council confirm the Open Minutes of the Council Meeting held on 28 June 2018 as a true and correct record.

Item 11 (Refuse Transfer Station & Hamilton Organic Centre – Proposed Increase of Gate Fees 2018/19) was taken after item 6 (Confirmation Council Open Minutes 28 June 2018).

11. Refuse Transfer Station & Hamilton Organic Centre - Proposed Increase of Gate Fees 2018/19

The General Manager of City Infrastructure Operations introduced the report. Staff responded to questions from Elected Members concerning the gate fee increases over the last few years, waste minimisation education and current terms of the lease agreement.

Action: Staff undertook to provide a dollar value in future reports to demonstrate the cost for general public to use the Refuse Transfer Station and Organic Centre.

Resolved: (Crs Tooman/Bunting)

That the Council:

- a) receives the report;
- b) notes the increase in Refuse Transfer Station gate fees proposed by Waste Management to be implemented 13 September 2018 and declines the opportunity to offer a Council funded subsidy of these gate fees; and
- c) approves the increase in Hamilton Organic Centre gate fees proposed by Waste Management to be implemented 3 August 2018 and declines the opportunity to offer a Council funded subsidy of these gate fees.

The meeting adjourned 10.58am - 11.17am during the discussion of the above item.

20. Maaori Representation Review Proposal

Mayor King introduced the report. The Governance Manager introduced Tame Pokaia (Council's Kaumatua), Muna Wharawhara (Amorangi Maaori), and Paul Beverley (Consultant). Mr Beverley spoke to the following points:

- Current approaches to Maaori Representation across local councils;
- The Local Government Act requirement for Council to facilitate and partner with Maaori regarding decision making; and
- The successful collaboration that had occurred between Maaori stakeholders and Council staff, resulting in a strong proposal.

The presenters responded to questions from Elected Members concerning the legislative requirements, perceived benefits of Maaori Representation, appointment approach and implementation considerations of the proposed approach.

Resolved: (Mayor King/Cr O'Leary)

That the Council:

- a) approves the appointment of Maaori representatives to existing Council committees (Option 2 in the report) as follows:
 - i. Finance Committee – one seat for Iwi representative;
 - ii. Growth & Infrastructure Committee – one seat for Iwi representative;
 - iii. Community & Services Committee – one seat for Iwi representative and one seat for Maataawaka representative (i.e. two seats in total); and
 - iv. Regulatory & Hearings Committee – one seat for Iwi representative,

such appointments to have full voting and speaking rights under the Council's Standing Orders.

- b) delegates the Chief Executive to complete negotiations and the execution of the following documentation:
- i. The principal kawenata (overarching formal agreement) in relation to Maori representation between the Council, Te Runanga o Kirikiriroa ('TROK'), Waikato Tainui; and
 - ii. Individual kawenata (agreement) between the Council and individual external appointees to Council committees,
- noting that the content of the final version of the principal kawenata is to be substantially the same as the draft in Attachment 1 to this report.
- c) notes the estimated funding for the proposed appointments above as follows:
- i. Total remuneration costs of between \$53,920 and \$67,400 per year;
 - ii. One-off technology costs of \$12,000
- d) notes that the inaugural candidates nominated for appointment to the above Council committees are expected to be presented for approval by the Council before the end of September 2018.

The motion was put.

Those for the Motion:

Mayor King, Councillors O'Leary, Macpherson, Southgate, Taylor and Hamilton.

Those against the Motion:

Deputy Mayor Gallagher, Mallett, Councillors Tooman and Bunting.

The motion was declared carried.

The meeting adjourned 12.48pm – 1.40pm.

10. Heritage and Character Management - Proposed Plan Change

Procedural Motion

Resolved:

(Mayor King/Cr O'Leary)

That the Heritage and Character Management - Proposed Plan Change report (item 10) lie on the table until a briefing on 13 September 2018 held on the interrelationship of this item and the Central City Park, and Waikato Regional Theatre matters.

Deputy Mayor Gallagher and Cr Southgate Dissenting.

Cr Tooman left the meeting (1.48pm) during the discussion of the above item. He was not present when the matter was voted on.

9. Online Voting Trial Update

The Governance Manager introduced the report, and noted a change to the staff recommendation to recommend that the Council participate in the online voting trial. Staff responded to questions from Elected Members concerning the status of the legislation which would enable online voting, voter subsets, the Waikato District Health Board's view on the trial, the costs, timing and stages of the trial.

Resolved: (Crs O’Leary/Bunting)

That the Council:

- a) approves, in principle, the Council participating in an online voting trial in the 2019 local authority elections for a subset of electors, subject to the following conditions:
 - i. the Local Electoral Matters Bill and subsequent regulations being passed in time to procure and implement an online voting solution;
 - ii. all risks, including security risks, being appropriately managed to the satisfaction of the Council;
 - iii. agreement with the Waikato Regional Council and Waikato District Health Board on the participation and allocation of costs for an online voting trial;
 - iv. the costs of an online voting trial being acceptable to the Council;
 - v. appointment of a provider to undertake the trial on behalf of the Council; and
 - vi. the Council giving final approval for a trial to proceed.
- b) delegates the Chief Executive:
 - i. to enter into an agreement with other participating territorial authorities to work together to select a provider and run an online voting trial for the 2019 local authority elections (subject to the conditions in paragraph 3(a) above);
 - ii. to propose a subset of electors, in consultation with Elected Members, for the purpose of an online voting trial; and
- c) notes that paragraphs 3(a) and (b) above do NOT commit the Council to participating in a trial for online voting at the 2019 local authority elections.

Cr Tooman re-joined the meeting (1.52pm) during the discussion of the above item. He was present when the matter was voted on.

Cr Mallett left the meeting (2.05pm) during the discussion of the above item. He was not present when the matter was voted on.

Prior to voting on the above Item 9, Items 12 and 13 were taken to allow staff time to access information to respond to questions in relation to the above matter.

12. Proposed Priority Vehicular and Pedestrian Thoroughfares and Transport Routes of Strategic Importance

The Senior Building Advisor took the report as read. Staff responded to questions from Elected Members concerning clarification on the purpose of priority vehicular and pedestrian thoroughfares.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves the proposed priority vehicular and pedestrian thoroughfares and transport routes of strategic importance (as per Attachments 1-4).

13. Open Air Burning Bylaw - Adoption of Revised Bylaw

The report was taken as read. Staff responded to questions from Elected Members concerning the change in legislation to the Fire and Emergency New Zealand Act 2017.

It was noted that there was a figure that needed to be corrected on page 132 of the agenda regarding authorised officer section – should refer to clause 6 of the Bylaw instead of clause 7. Staff would correct this in the Bylaw following the meeting.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves the adoption of the revised Open Air Burning Bylaw (Attachment 2).

7. Chair's Report - 02 August 2018

The Chair's report was taken as read. Staff responded to questions from Elected Members concerning clarification of section 80 of the Local Government Act 2002 and the Public Places Policy.

The General Manager Community and the Leadership Team Assistant gave a verbal report about the recent trip to Ieper and the functions they and the Mayor took part in as part of the relationship between Hamilton City and Ieper. The Mayor thanked Peter Bos for his contribution to the relationship with Ieper. He also thanked the General Manager Community and Leadership Team Assistant, Virginie Maenaë, for their contribution to making the trip successful.

The General Manager Capital Development provided an update on Hamilton to Auckland Rail progress. He responded to questions from Elected Members concerning the interim passenger rail business case.

Resolved: (Mayor King/Cr O'Leary)

That the Council approves the use section 80 of the Local Government Act 2002 to not enforce clause 68 of the Public Place Policy to allow mobile shops to operate as a part of a council permitted event in the Central City.

Crs Tooman and Mallett Dissenting.

Resolved: (Mayor King/ Deputy Mayor Gallagher)

That the Council receives the report.

Cr Mallett re-joined the meeting (2.50pm) during the discussion of the above item. He was present when the matter was voted on.

14. Governance Structure 2016-19 – Mid-Term Review

The Governance Manager introduced the report. Staff responded to questions from Elected Members concerning the changes to the establishment of taskforces and appointments to committees.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) approves the changes to the 2016-19 Governance Structure recommended by staff, as set out in attachment 1 of the report;
- b) approves the recommendation of the Audit and Risk Committee to its terms of reference, as set out in attachment 1 of the report;
- c) notes that the 2016-19 Governance Structure will be updated in light of the decision taken on the Maaori Representation Review report at the 2 August 2018 Council meeting;

- d) disestablish the REEP Taskforce, noting it will become a business as usual function; and
- e) notes there may be minor changes to Committee Memberships to be reported back for approval to the 16 August 2018 Council meeting.

15. **Municipal Endowment - Sale of Land - 79 Norton Road**

The Strategic Property Unit Manager took the report as read. Staff responded to questions from Elected Members concerning the process for identifying land for sale.

Motion: (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) approves selling the land described in the schedule by a competitive, transparent, open-market process (option 1 of this report);
- b) authorises the Chief Executive to give effect to this resolution; and
- c) notes that the net proceeds of sale will be credited to the Municipal Endowment Fund Reserve.

SCHEDULE

First All that land described as an Estate in Fee Simple comprising Lot 3 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1420 of 794 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Second All that land described as an Estate in Fee Simple comprising Lot 4 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1421 of 61 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Third All that land described as an Estate in Fee Simple comprising Lot 5 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1422 of 615 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Fourth All that land described as an Estate in Fee Simple comprising Lot 6 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1423 of 814 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Amendment: (Crs Macpherson/Southgate)

That the sale of 39 Norton Road is put on hold for 3 months while staff consider options for leasing the land.

The Amendment was put.

Those for the Amendment: Deputy Mayor Gallagher, O'Leary,
Councillors Macpherson, Bunting and Southgate.

Those against the Amendment: Mayor King, Councillors Mallett, Tooman,
Taylor and Hamilton.

The Amendment was declared equal.

Mayor King exercised his casting vote as Chair and the Amendment was declared lost.

The Motion was then put.

Those for the Motion: Mayor King, Councillors Mallett, Tooman, Taylor and Hamilton.

Those against the Motion: Deputy Mayor Gallagher, Councillors O'Leary, Macpherson, Bunting and Southgate.

The Motion was declared equal.

Mayor King exercised his casting vote as Chair and the Motion was declared carried.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) approves selling the land described in the schedule by a competitive, transparent, open-market process (option 1 of this report);
- b) authorises the Chief Executive to give effect to this resolution; and
- c) notes that the net proceeds of sale will be credited to the Municipal Endowment Fund Reserve.

SCHEDULE

First All that land described as an Estate in Fee Simple comprising Lot 3 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1420 of 794 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Second All that land described as an Estate in Fee Simple comprising Lot 4 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1421 of 61 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Third All that land described as an Estate in Fee Simple comprising Lot 5 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1422 of 615 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

Fourth All that land described as an Estate in Fee Simple comprising Lot 6 Deposited Plan South Auckland 8955 contained in Computer Freehold Register Identifier SA9D/1423 of 814 square metres more or less and physically located at 79 Norton Road, Hamilton (shown bordered in red on Attachment 1).

16. Hamilton Gardens - Wintec - New Lease

The Strategic Property Manager introduced the report and responded to questions from Elected Members concerning specifics of the lease.

Resolved: (Cr Mallett/Deputy Mayor Gallagher)

That the Council:

- a) approves a new lease for Wintec at the Hamilton Gardens based on the following:
 - i. Term – 9 years, 3 months commencing 1 September 2018 (final expiry 31 December 2027)
 - ii. Rental – \$50,000 inclusive GST per annum

- iii. Rent reviews – annually, CPI adjusted
 - iv. Surrender of lease commenced 1 April 2013 (expiry 31 March 2023)
- b) delegates the Chief Executive to give effect to this resolution.

Cr O'Leary left the meeting 4.15pm during the discussion of the above item. She was not present when the matter was voted on.

17. Beetham Park - Golf Waikato (2009) Limited - New Lease

The Strategic Property Manager introduced the report. He responded to questions from Elected Members concerning the lease.

Resolved: (Crs Southgate/Hamilton)

That the Council:

- a) approves a new ground lease for Golf Waikato (2009) Limited located at Beetham Park, Ulster Street, Hamilton based on the following:
 - i. Term – 5 years, commencing 1 November 2018;
 - ii. Renewals – 2 x 5 years, (1 November 2023 and 1 November 2028);
 - iii. Rental – market rent at commencement date;
 - iv. Rent reviews – market review 3 yearly (2021, 2024, 2027 and 2030);
 - v. Variation to lease dated 27 January 2007 – remove last right of renewal – lease to fully expire 31 October 2018; and
- b) delegates the Chief Executive to give effect to this resolution.

Cr O'Leary re-joined the meeting (4.20pm) during the discussion of the above item. She was present when the matter was voted on.

18. Crosby Road (adjacent to Porritt Stadium) - Vodafone New Zealand Limited - New Lease

The Strategic Property Manager took the report as read.

Resolved: (Crs Mallett/Taylor)

That the Council:

- a) approves a new lease for Vodafone New Zealand Limited located at Crosby Road, adjacent to Porritt Stadium, Chartwell, Hamilton (next to reservoir) based on the following:
 - i. Term – 6 years, commencing 1 May 2018;
 - ii. Renewals – 2 x 6 years, (1 May 2024 and 1 May 2030);
 - iii. Rental – \$8,500 plus GST per annum;
 - iv. Rent reviews – market review on renewal; and
- b) delegates the Chief Executive to give effect to this resolution.

19. Resolution to Exclude the Public

Resolved: (Mayor King/Deputy Mayor Gallagher)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation Council Public Excluded Minutes - 26 June 2018) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Board Chair Appointment - Waikato Regional Airport Limited)	
C3. Rototuna Town Centre - Area Q Park Lane		
C4. Update from the CEO Review Committee		
C5. Purchase of Land and Buildings - Central City Park		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C5.	to enable Council to carry out negotiations	Section 7 (2) (i)

The meeting went into a public excluded session at 4.22pm.

The meeting was declared closed at 7.15pm.

Council Report

Item 6

Committee: Council

Date: 16 August 2018

Author: Amy Viggers

Authoriser: Becca Brooke

Position: Committee Advisor

Position: Governance Team Leader

Report Name: Chair's Report - 16 August 2018

Report Status	<i>Open</i>
----------------------	-------------

Staff Recommendation

That the Council approves deferring the Waikato Plan Review Report to the 11 October 2018 Council meeting.

Attachments

Attachment 1 - Chair's Report - 16 August 2018



Chair's Report

Waikato Plan Review

The Executive Director Special Projects has advised that the arrangements for delivering the Waikato Plan in accordance with the recommendations of the 28 June 2018 Council meeting are being progressed, including the transition to new support structures under Waikato Regional Council and the revised terms of reference for the Waikato Plan Leadership Group. The Council had requested an update on the negotiations with the other Waikato Plan stakeholders and the amended terms of reference by the 30 September 2018. Due to the timing of this meeting and the concurrent discussions between the Mayoral Forum, Waikato Plan Leadership Group, Waikato Regional Council and Chief Executive Advisory Group, the final details on these matters will need to be reported to 11 October 2018 Council meeting.

Recommendation

That the Council approves deferring the Waikato Plan Review Report to the 11 October 2018 Council meeting.

Andrew King
Mayor - Hamilton City Council
Love Hamilton

Council Report

Committee: Council **Date:** 16 August 2018
Author: Charlotte Catmur **Authoriser:** Chris Allen
Position: Waste Minimisation Advisor **Position:** General Manager City Infrastructure
Report Name: Rubbish and Recycling Services Business Case

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To seek approval of the Final Rubbish and Recycling Service Changes Business Case.
2. To inform the Council of the risks associated with the service changes and the risk mitigation measures.

Staff Recommendation

3. That the Council approves the Rubbish and Recycling Service Changes Business Case.

Executive Summary

4. This report to approve the Rubbish and Recycling Services Change Business Case is the culmination of a three year project to decide on a new level of service for the kerbside rubbish and recycling collection. The key decision steps included:
 - Agreeing scope of the business case
 - Identifying 24 options for the kerbside collection service
 - Narrowing to 5 options for the kerbside collection service
 - Identification of the preferred kerbside collection service.
5. The preferred kerbside collection service is:
 - 120 litre rubbish wheeled bin, collected fortnightly,
 - 240 litre recycling wheeled bin, collected fortnightly,
 - 45 litre Crate, collected fortnightly, and
 - 20-30 litre Food bin, collected weekly.
6. The 2018-2028 10-Year Plan includes the budget for the preferred service for the 2 years of transition and then 8 years of the service delivery. The business case outlines the total budget required (\$115,588,000) and specifically the additional budget required for 2028- 2030 (\$27,299,000). All figures in this report include inflation.
7. In addition to the kerbside collection service this business case covers the following services:
 - Illegal dumping collection
 - Collection from Council facilities
 - Management of the Lincoln Street Transfer Station and Hamilton Organic Centre

8. The approach and services outlined in the business case will enable the Council to deliver on commitments and targets contained in the 2018-2024 Waste Management and Minimisation Plan and provides resilience in an environment where the costs of disposal to landfill are very likely to increase over time and where there is uncertainty in recyclable markets.
9. Staff consider the matters in this report have medium significance and that the recommendations comply with the Council's legal requirements.

Background

10. The Waste Minimisation Act 2008 states that territorial authorities must promote effective and efficient waste management and minimisation within their districts. Through the draft business case and subsequent Council and Committee meetings the Council has decided to meet this requirement through the provision of a rates funded service kerbside rubbish and recycling collection. The following points highlight the process and key decisions made to date.
11. The development of the draft business case was overseen by the Waste Working Group and commenced in October 2015. The Working Group adopted the following key outcomes to assess a long list of options:
 - To provide an efficient and effective service for the customer
 - To obtain the best long-term value for money for the community
 - To maximise waste diversion
12. On 20 September 2016, the draft business case for the rubbish and recycling service change was presented to the Finance Committee (in the last triennium). You can find the draft business case [here](#). A rate funded wheelie bin option was approved as the preferred option, out of a list of 24 options, for the purposes of public consultation.
13. A comprehensive six-week community engagement process was undertaken resulting in a record 2793 submissions with submitters showing a strong preference for a change from bags to wheelie bins and for the provision of increased recycling options.
14. In March 2017, the Growth and Infrastructure Committee approved the commencement of tendering for a new wheeled bin service. Following a tender process and detailed negotiations a preferred contractor has been selected and a separate report to the public excluded section of this meeting is provided seeking to award a contract for this new service. The Waste Taskforce have overseen the tender process and the development of the final business case.
15. The service will comprise of four containers that look similar to those shown in the photo below.



Discussion

16. The final business case is provided in Attachment 1. The business case is presented in 4 sections;
- Strategic Case
 - Options Analysis (Economic Case)
 - Commercial and Financial Case
 - Implementation (Management Case)

This report highlights the key elements of the business case.

Strategic Case

17. The timing of the service change has provided a unique opportunity to look at the infrastructure and service needs of Hamilton's growing community and to develop an integrated approach to waste management and minimisation. When the current kerbside service was introduced in 2002 Hamilton was leading the way in New Zealand. Over the years Hamilton has been overtaken by many other councils. The approach taken with this service change and the associated business case will position Hamilton as a leader again.
18. Many factors have led to an increase in the community expectation around waste minimisation over recent years. Locally the Bags or Bins consultation campaign raised the profile of waste in Hamilton and then nationally and internationally there has been an increase in media articles on waste, especially on the impact of China's Green Sword Policy.
19. The 2018-2024 Waste Management and Minimisation Plan (Waste Plan) includes four targets for the next six years as well as 33 actions. The four targets are:
- 10 per cent reduction in the per capita amount of rubbish to landfill
 - 10 per cent increase in the per capita amount of material diverted from landfill
 - 25 per cent decrease in the per capita amount of kerbside rubbish to landfill
 - 50 per cent increase in the per capita amount of kerbside recycling
20. These targets were informed by the level of service outlined in this business case. The targets were approved with the caveat that they will be reviewed following decisions on the business case and the 2018-2028 10- Year Plan.
21. As well as supporting the delivery of the Waste Plan this services change will support delivery of the Council's sustainability principles and the objectives related to solid waste in the Operative District Plan 2017.
22. The service changes outlined in the business case provide many benefits to the community. The use of wheelie bins will result in:
- Cleaner streets from a reduction in the litter from the kerbside collection services
 - Reduced health and safety risks to the contractor and staff
23. The collection of more recycling and food scraps will:
- Reduce rubbish to landfill and increase the diversion of recycling and food.
 - Meet the community's expectation around recycling services

24. The scope of this project was developed by the Waste Working Group in 2015. The key decisions on scope included:
- Continuing to exclude the CBD from the kerbside collection
 - Including illegal dumping in the collection contract
 - Including the management of the Council's waste assets
 - Excluding the collection of green waste.
25. This project includes a number of risks that even with mitigation measures may impact on the long term budget for this project. The greatest financial risks are outlined in the next few points.
- The cost of disposal is made up of three costs, the operational cost of the landfill, the waste levy and emissions trading units. The operational cost can be set through the tender process however the waste levy is set by central government and could increase at an unknown rate over the 10 year contract and the emissions trading units are dependent on the carbon price. Based on international examples, low, medium and high cost scenarios were modelled for this business case. A medium scenario has been used for the waste disposal levy and the emissions trading units over the term of the contract.
 - The rate and type of growth could impact on the cost of the service, as many of the rates are based on a per household rate. The business case has modelled the growth of the service needs on the National Institute of Demographic and Economic Analysis (NIDEA) low figures. These will be reviewed in line with any decisions made in future 10-Year Plan's.
26. On 1 January 2018 China's Green Sword Policy came into effect. The policy has had a global impact on the recycling market. New Zealand has been one of the least impacted countries due to the high quality of recycling material currently collected at the kerbside. The quality is maintained largely because of the collection methodologies at the kerbside.
27. In March 2018 China's Customs Authority announced Blue Sky 2018 which will run from 1 March 2018 to 31 December 2018. They will focus on identifying waste that doesn't meet the new standards established through the Green Sword Policy and is being smuggled in to China.
28. The Green Sword Policy, also known as National Sword, is just the start of a change in China's industry policy around recycling and manufacturing. On 11 July 2018, the Chinese Government released a proposal to completely ban imports of waste by 2020. Although this has not been announced as formal policy yet, it is widely anticipated it will be realised. The driver is understood to be that China wants to create internal recycling systems.
29. Since 1 January 2018, new markets both on-shore and off-shore have opened. Where previously China was paying the best commodity price, other markets are now accepting the material. The change in the demand for the recyclables has resulted in significant reductions in value to some commodities.
30. As is normal with commodities markets, prices vary over time and are impacted by shocks like Green Sword and economic down turns. The approach taken with this business case has been to minimise the Council's exposure to this risk.

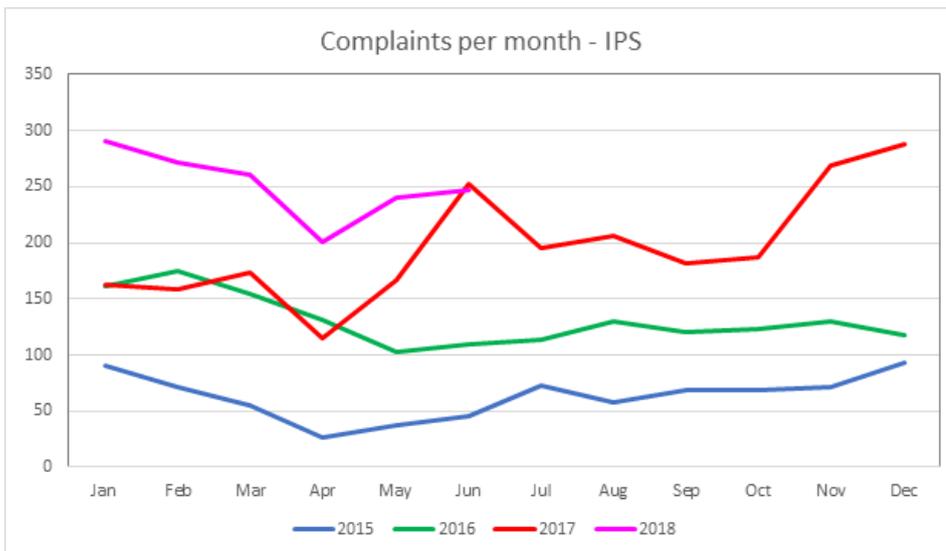
Options Analysis (Economic Case)

31. The draft business case started with 24 options for the kerbside collection. Over the past three years these options have been narrowed down through community consultation, tendering and Council decision making. The option presented in this business case is the result of this three year process. The key considerations around the final option are described below.

Item 7

32. The wheelie bin sizes have been selected based on waste audit data from 2013 and 2017. The composition and volume of the rubbish bag audits have remained fairly constant over this time, with the average household putting out 8.45 kilograms per week of rubbish in 2017. With the proposed changes to the recycling collection and the introduction of the food scrap collection this could be reduced to 4.2 kilograms per week.
33. The size and frequency of collection of the four collection containers will meet the needs of most Hamilton households. The service may not meet a small number of households needs because:
 - Large household or multiple families living in one rateable property
 - No one in the household is physically able to manoeuvre the containers to the kerb
 - There is a lack of space for the safe collection or storage of bins on the property
34. The business case has assumed that the number of households requesting larger bins will be minimised through targeted education and support.
35. Through the consultation we heard that a small number of the community were worried about being able to physical manoeuvre the containers to the kerbside. The business case has assumed that 0.5 per cent of households will access the assisted collection service. This has been informed by the level of uptake in other cities that offer this service. A process will be established for households to apply for this service prior to the commencement on 1 July 2020.
36. A desktop study has identified that currently about 1 per cent of households and multi-unit developments don't have adequate storage and/or collection space and/or are on a private roadway with no turning space. These elements combined mean that the standard service model would provide health and safety risks to the contractor or ratepayer and therefore a modified service is required. Three scenarios have been identified (Attachment 2).
37. The food scrap collection provides the greatest opportunity for diversion from landfill at the kerbside. Food currently makes up on average 37 per cent of the average rubbish bag in Hamilton.
38. Decisions through the Waste Working Group and Waste Taskforce was to include radio-frequency identification (RFID) tags for the two wheelie bins and food bin. The RFID tags will be used when bins are lost or stolen as the tag will be associated with a specific address. The tags will also be read when the bins are collected, this will provide the Council with data on the participation and set out rates of the services. This data will be valuable in understanding the behaviours across different areas of Hamilton and will enable the Council to target education and communications to specific areas. This will reduce the cost of our education campaigns while achieving better results.
39. The recyclables collected at the kerbside will be the property of the contractor and the responsibility for selling the materials will be the contractors responsibility. The approach taken in the business case is for a fixed collection and processing cost, this minimises the Councils exposure to the fluctuating commodities markets.
40. The Transfer Station and Hamilton Organic Centre (HOC) assets provide the Council with the opportunity to influence the diversion from landfill of the 87 per cent of waste that is not collected through the kerbside service whilst also ensuring the community has access to affordable disposal services.
41. As Hamilton grows the total volume of waste generated will increase, especially the construction and demolition waste streams associated with the housing developments. The transfer station and HOC will be key to diverting resources back into the community instead of to landfill.

- 42. The introduction of the new kerbside service provides the opportunity for economies of scale in relation to collection from the Councils facilities, including the events centres. The business case has included assumptions surrounding the collection of rubbish and recycling from the Councils facilities.
- 43. As well as diverting waste from landfill and reducing disposal costs over the longer term, good services at the Council’s events and public sites will provide a good opportunity for education, especially when the services align to the kerbside collection service.
- 44. The prompt collection of illegal dumping is important to keep the streets clean. The reporting of illegal dumping by the community has increased over the last few years, as have the number of fines issued. The graphic below shows the number of complaints Council has received in relation to rubbish and recycling from 2015.

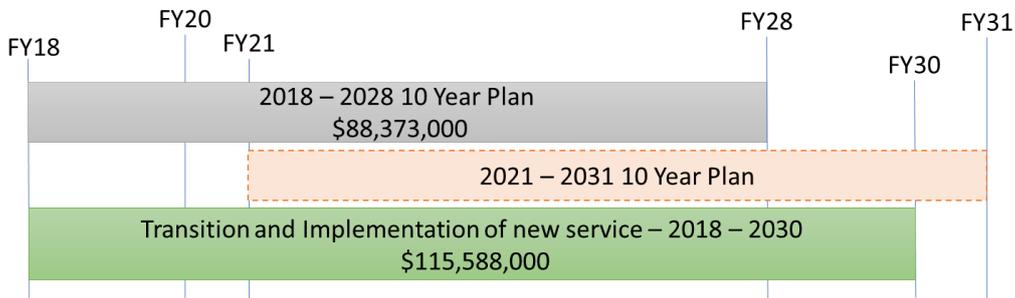


- 45. The business case has made an assumption that illegal dumping of household furniture and commercial waste will not change significantly as a response to the change in kerbside service. It is anticipated that the introduction of wheelie bins should minimise the dumping of black bags in the long term.
- 46. The current practice is to fine individuals that are identified as having dumped the waste. There has been no recovery of the cost of disposal. A change to this approach will be recommended in the next Annual Plan to minimise the cost of clean up to the ratepayer.

Commercial and Financial Case

- 47. The decision was made for the collection and operational services to be provided by external contractors, two request for proposal processes were conducted to obtain a preferred contractor.
- 48. The tendering process was overseen by a probity auditor and was supported by independent experts. The costs of the tendering process were funded from the waste levy.
- 49. The costs outlined in the business case are based on the preferred contractors tendered pricing.

50. The 2018-2028 10-Year Plan includes budget for the two year transition period and then eight years of the 10 year contract delivery. This business case outlines the additional funding required for the two years (2028-2030) of the service delivery. The total for this two year period is \$26,928,000.



51. As part of the budget in the 2018-2028 10-Year Plan key roles for the implementation team were identified and funded. The Transition Project Manager will lead the programme of work required to ensure a smooth transition to wheelie bins, whilst the Contract Manager will be responsible for the ongoing management of the contract.

Implementation (Management Case)

52. A project team is being established to ensure the smooth transition from bags to bins. The key themes of work will include, project management, relationship management, education and community engagement and internal processes. Throughout the transition planning the Waste Taskforce and the Growth and Infrastructure Committee will be updated on progress and reports provided for decision making.
53. Following contract award staff will work with the contractor to develop a detailed transition plan for the project.
54. Ongoing communication and engagement with the community will be important to support the smooth transition. Although there is general support for the service change, some members of the community have raised some concerns. The key concerns and how they have been addressed are identified in the table below. Staff will continue to update the community on these issues and others that may be of interest.

Issue	Key concern	Response
Fortnightly collection of rubbish	Odour from putrescible waste	The use of the food scrap bin should minimise the putrescible waste in the rubbish bin. Nappies are likely to be the main concern. Evidence from other councils with fortnightly rubbish is that, if sealed in a plastic bag, nappies do not present a significant odour issue.
	Capacity for the rubbish	For the majority of households the use of the food scrap bin and by putting the paper and cardboard and plastics 3-7 in the recycling wheelie bin this will reduce the rubbish volume by over 50 per cent. In special circumstances, a larger size rubbish bin will be considered.
Food scrap collection service	The household is already home composting	The Council still supports home composting but recommends that the food scrap bin is used for items that aren't suitable for a home composting bin like meat and bones.

Collection issues	Lack of storage on the property or on the kerbside	The Contract Manager will work with all properties where there are storage or collection issues to identify an appropriate solution.
	Ability to manoeuvre the containers to the kerbside.	The Council will offer assisted/back door collection services to households who can demonstrate a need.
1 July 2020 start date	A desire to recycle more now.	A transition of this size requires a minimum of 18 months lead in time as significant planning and investment is required for the kerbside services and associated infrastructure.

Options

55. If the recommendation is not approved then the contract for the Rubbish and Recycling Services cannot be awarded. If the contract is not awarded prior to 31 August 2018 the Council will no longer have a tendered price for the rubbish and recycling services post 1 July 2020.

Financial Considerations

56. The total costs of the change in service and associated contract is \$115.588 million (including inflation), of which the first 10 years are funded through the 2018-2028 10-Year Plan. The table below shows the additional funding required.

Type of Costs	2018-2030		
	Approved budget	Costs incurred	Additional funding required for 2028-2030
Operating Expenditure			
Depreciation and amortisation	\$1,801,000	\$2,310,000	\$509,000
Finance Costs	\$735,000	\$869,000	\$134,000
Operating and maintenance Costs	\$73,580,000	\$97,244,000	\$23,664,000
Property Costs	\$48,000	\$62,000	\$14,000
Administrative Costs	\$12,124,000	\$15,103,000	\$2,979,000
Total Opex	\$88,289,000	\$115,588,000	\$27,299,000

57. The Business Case (Attachment 1) sets out a more detailed analysis of the relevant financial considerations.

Legal and Policy Considerations

58. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements. It delivers on the Council's obligations under the Local Government Act 2002 and Waste Minimisation Act 2008.

Cultural Considerations

59. There are no known cultural considerations.

Sustainability Considerations

60. The methodology for the kerbside collection and the management of the transfer station and Hamilton Organic Centre will increase diversion from landfill in Hamilton, supporting the delivery of the Council's 2018-2024 Waste Management and Minimisation Plan.
61. The change in service will directly support the Council in delivering Sustainability Principle 10 - Council works with its communities to minimise the production of waste and maximise opportunities to recycle.

Risks

62. A number of the risks associated with the recommendation have been highlighted in the discussion section, the key risks are summarised here and the full risk assessment is included in the Rubbish and Recycling Service Change Business Case (Attachment 1).
63. There are two types of risks associated with the recommendation, internal risks based on the assumptions that are made in the modelling for the 10-Year contract and external risks that the Council doesn't have control over.
64. The key external risks for the budget association with this service change are:
 - Waste levy and Emissions Trading Unit increases – there is no certainty on the waste levy and emissions trading unit rates over the term of the contract.
 - Changes to waste policy and laws – for example the introduction of a container deposit scheme may impact on the collection methodology and resource requirements for the kerbside service eg. Glass and plastic bottles.
 - Changes to other laws that impact on cost of service – for example changes to road user charges that significantly increase the cost of collection and transport.
 - Global market changes - onshore and offshore markets are influenced by global policy changes and the national and international economic situation.
65. The key internal risks for the budget association with this service change are:
 - Growth projections for Hamilton – the rate and type of growth in Hamilton will influence the cost of collection over the 10-Year contract period, especially the number of bespoke collections required.
 - Variations to the contract – this service is proposed to run until at least 30 June 2030, the likelihood of variations to the contract are high, the nature of these variations is unknown. Contingency is built into the budget for small variations, any substantial variations will require Council approval.
 - Disposal volumes – as well as changes in the external disposal rates, the business case includes assumptions on the household kerbside rubbish volumes. These assumptions are based on the uptake of the food and recycling services, the current volumes of rubbish to landfill from the kerbside and household growth.
66. These risks have been mitigated to the greatest extent possible through the modelling, the request for proposal and contract process and through appropriate funding for the roll out and education. The business case (Attachment 1) includes further information on the specific mitigation measures.

Significance & Engagement Policy

Significance

67. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a medium level of significance.

Engagement

68. Community views and preferences are already known to the Council through the consultation completed over 6 weeks in October and November 2016 and the engagement with the community on the Draft 2018-2028 10-Year Plan. In addition, the Council received a petition on the expansion of the plastics recycling in December 2017, highlighting the community desire for increased recycling.
69. Given the medium level of significance determined, the engagement level is medium. No engagement is required.

Attachments

Attachment 1 - Rubbish and Recycling Services Change Business Case

Attachment 2 - Bespoke services scenarios

Hamilton City Council Business Case (Final)

Business Case name: Rubbish and Recycling Service Changes

Trim document number: D-2676311



Hamilton City Council

Te kaunihera o Kirikiriroa

Contents

Page

1.0	Summary	3
1.1	Executive Summary	3
2.0	Strategic Case	5
2.1	Current Position	5
2.2	Objectives	5
2.3	Alignment to Strategy	5
2.4	Benefits	6
2.5	Scope	7
2.6	Risks	7
2.7	Constraints	8
2.8	Dependencies	8
2.9	Assumptions	8
3.0	Options Analysis (Economic Case)	9
3.1	Requirements	9
3.2	Options Analysis	9
4.0	Preferred Option (Commercial and Financial Case)	13
4.1	Resource Requirements	13
4.2	Procurement Strategy	13
4.3	Financial Analysis	14
4.4	Contingency	16
4.5	Funding Sources	16
4.6	Affordability	16
5.0	Implementation (Management Case)	
5.1	Stakeholder Engagement	17
5.1.1	Engagement with key stakeholders to date	17
5.1.2	Planned Engagement with key stakeholders	17
5.2	Project Structure	17
5.3	Implementation Plan	18
5.3.1	Key Project Milestones	18
5.3.2	Project Deliverables	18
6.0	Appendices	
A	Cost of Disposal	19
B	Risk Assessment	20

Item 7

Attachment 1

1.0 Summary

Business Case Name: Rubbish and Recycling Service Changes

Risk Rating: High

1.1 Executive Summary

The purpose of this business case is primarily to seek approval for changes to the following rubbish and recycling services:

- kerbside residential rubbish and recycling collection and processing service
- the collection of rubbish and recycling from Council facilities
- the management of the Lincoln Street Transfer Station and Hamilton Organics Centre
- transport and disposal of rubbish to landfill
- the collection of illegal dumping

The current rubbish and recycling services in Hamilton were established in 2002. There have been significant changes to the management of waste across New Zealand and overseas since 2002. The current service provision in Hamilton is no longer meeting the expectations of our residents and is not in line with the vision of the 2018-2024 Waste Management and Minimisation Plan.

To date the Council has made a number of decisions in relation to the level of service at the kerbside:

- 20 September 2016 – approved the draft business case, including a four container collection service for the purpose of consultation.
- 28 March 2017 – approved a four container collection service for the purpose of undertaking a request for proposal
- December 2017 – approved the Draft 2018-2028 10 Year Plan, which included a budget for rubbish and recycling based on a three container collection service, for the purpose of consultation on the Draft 10 Year Plan.
- 28 June 2018 – approved the 2018-2028 10 Year Plan which included a budget for a four collection container service (three containers fortnightly, one container weekly)

In 2016 the community were consulted on what the kerbside rubbish and recycling service should include. A total of 2793 submissions were received, with 84 per cent indicating they wanted to transition to wheelie bins with more recycling options and 76 per cent indicating they would like a food scrap collection to be provided.

An Expression of Interest and then two Request for Proposal processes were run by the Council in 2017. A single preferred contractor has been selected for both the rubbish and recycling service contract and the solid waste disposal contract. These contracts have been amalgamated and the contract will be awarded following approval of this business case.

A full increase in the level of service to a four collection container service using wheelie bins, crate and food scrap bin is recommended as it meets the approved budget and provides Hamilton with a rubbish and recycling service that maximises diversion whilst providing the greatest value to ratepayers.

The benefits that will result are;

- **reputational:** opportunity to provide a service that is leading nationally
- **environmental:** opportunity to maximise waste diversion
- **health and safety:** opportunity to minimise risks and hazards for those who collect and manage waste
- **economic:** opportunity to reduce the long-term cost of rubbish and recycling services for the community
- **financial:** opportunity to reduce the financial risk to Council and to provide cost-effective services to other areas of Council
- **infrastructure investment:** opportunity to maximise the use of existing assets
- **amenity:** opportunity to reduce the amount of litter and to keep the streets of Hamilton clean.

This business case is seeking approval to invest the following (noting that the 2018-2028 10 Year Plan has approved the funding until 2028, however this service is proposed to run for 10 years from 1 July 2020):

The business case seeks approval to invest the following:

Year	Opex
Year 1 - 2018/19	\$774,000
Year 2 - 2019/20	\$977,000
Year 3 - 2020/21	\$9,560,000
Year 4 - 2021/22	\$9,433,000
Year 5 - 2022/23	\$9,908,000
Year 6 - 2023/24	\$10,424,000
Year 7 - 2024/25	\$10,986,000
Year 8 - 2025/26	\$11,580,000
Year 9 - 2026/27	\$12,189,000
Year 10 - 2027/28	\$12,829,000
Year 11 - 2028/29	\$13,116,000
Year 12 - 2029/30	\$13,813,000

*All figures include inflation.

Review / Approval Summary	
Reviewed By Business Owner _____ (Name / Signature of individual)	Date <u>9/8/18</u>
Reviewed By PMO _____ (Name / Signature of individual)	Date <u>10/8/18</u>
Reviewed By SLT _____ (Name / Signature of individual)	Date <u>10/8/18</u>
SLT Decision (choose from list) Refer to Council	
<input checked="" type="radio"/> Council / <input type="radio"/> Committee Meeting (circle one) Extraordinary	Date <u>16/8/18</u>
Resolution (adopted following Council/Committee consideration)	

2.0 Strategic Case

2.1 Current Position

The current rubbish and recycling services in Hamilton were established in 2002. Since then there have been significant advancements in the methodologies for kerbside rubbish and recycling collection services. In addition, the waste streams managed through the transfer station have also changed, including an increase in construction and demolition waste.

The current methodology for the kerbside service has limited diversion potential, this means that items that could be viably recovered and recycled are currently being disposed of in landfill. The service is also contributing to litter on the streets of Hamilton, through windblown material from the crate, loose paper and cardboard and animal strike on rubbish bags. The collection of rubbish bags and the kerbside sorting of the recycling crate are health and safety risks for the contractor.

There has also been a shift in the community expectations around the rubbish and recycling services provided by the Council. This is evident by the number of submissions to the Council that were in favour of changing the kerbside service and in the number of requests received by staff around increasing recycling for different materials in Hamilton. In December 2017, the Council received a petition from the community to increase the plastics collected to 1-7.

The 2018-2024 Waste Management and Minimisation Plan (Waste Plan) sets goals for managing waste in Hamilton. The two goals most relevant to this business case are:

- Goal 1 - Reduce quantity of all material entering the waste stream, and increase resource recovery.
- Goal 4 - Waste and resource recovery infrastructure meets Hamilton's growing needs.

This business case will support the Council in meeting these goals and the targets set in the Waste Plan.

2.2 Objectives

The objectives of this project are to:

- To provide an efficient and effective service for the customer
- To obtain the best long-term value for money for the community
- To maximise waste diversion.

2.3 Strategy Alignment

What strategy does the project align to?	Describe how the initiative aligns to each of the indicated strategies.
2018-2024 Waste Management and Minimisation Plan	This project supports the Council in meeting the vision, goals, objectives and targets of the Waste Plan by expanding the kerbside collection service and improving services at the Council transfer stations.
Council's sustainability principles	Of the 11 sustainability principles, one relates directly to rubbish and recycling: "Council works with its communities to minimise the production of waste and maximise opportunities to recycle" This project assists Council in meeting this principle by maximising kerbside recycling and increasing opportunities for diversion at the transfer stations

District Plan	<p>The district plan has several objectives and rules relating to rubbish:</p> <ul style="list-style-type: none"> Objective 25.12.2.1 – Reduce the amount of solid waste generated and ultimately entering landfills Objective 25.12.2.2 – Solid waste activities and facilities are managed in a way that addresses adverse effects from the storage and disposal of solid waste Rules 25.12.3.1 - All activities shall provide appropriate, on-site storage areas for recycling and litter bins with convenient access for waste collection <p>This project provides:</p> <ul style="list-style-type: none"> increased domestic recycling options thereby reducing the amount of rubbish to landfill containers at the kerb to address the adverse effects from placing rubbish and recycling at the kerb including animal strikes and windblown litter review of development processes to ensure that there is sufficient space provided within the private and kerbside areas to store bins
Hamilton's 2018-2028 10-Year Plan	<p>The 10 Year Plan outlines how the rubbish and recycling collection service will help us deliver a city that embraces growth.</p> <p>“Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service, and promoting waste minimisation and resource recovery.”</p>
Council's significance policy	<p>The Council received legal advice from Tompkins Wake that the requirement to consult (section 97 of the Local Government Act) was not triggered. Tompkins Wake recommended that the Council undertake consultation as a matter of best practice. This was completed in 2016.</p>

2.4 Benefits

Quantitative Benefits	KPI/Target/Frequency	Business Area Owner
<p>Environmental: The amount of rubbish disposed to landfill is reduced through an increase in recycling.</p>	<p>KPI – waste diversion from kerbside collection Target – 50% increase in diversion from the kerbside within three years of the service being introduced Frequency – monthly</p>	City Waters
<p>Financial: Minimising the future financial risk of rubbish and recycling services.</p>	<p>KPI – waste diversion from kerbside collection Target –25% reduction in waste to landfill per capita within three years of the service being introduced. Frequency - monthly</p>	City Waters
<p>Customer: Increase in customer satisfaction with the kerbside service.</p>	<p>KPI – number of complaints received on the kerbside service Target – Complaints reduced by 20% by end of year 1 Frequency – monthly</p>	City Waters
<p>Health and Safety: Injuries to the contractors are reduced from the kerbside collection service and the management of the sites.</p>	<p>KPI – loss time injury rate Target – 50% reduction in LTI from the current methodology (manual collection) Frequency – annual</p>	City Waters

Qualitative Benefits	Indicator of Success	Business Area Owner
Reputational: Implementing the Councils Waste Plan and meeting community expectation for rubbish and recycling services.	The services provided are of high quality and provide Hamiltonians with access to a best practice kerbside collection service for the life of the contract.	City Waters
Services: Residents in Hamilton (excluding the CBD for kerbside services) receive an increased level of service that meets their needs.	The services are provided in line with the contract.	City Waters
Amenity: Reduction of windblown litter and animal strikes.	The contractor manages the collection of the rubbish and recycling in line with the contract. Reduction of complaints regarding litter from the kerbside collection.	City Waters
Disadvantages/Dis-benefits	Impact on the Business	Business Area Owner
Increased cost to ratepayers	An increase of 20% in the overall cost of the service from the current service over 12 years.	City Waters

2.5 Scope

In Scope:	Out of Scope:
<ul style="list-style-type: none"> Lincoln Street Transfer Station operation. Hamilton Organic Centre operation. Kerbside rubbish and recycling service for residential properties (excluding CBD). Assisted collections. Transport of rubbish from Hamilton to a designated point of disposal. Disposal of rubbish in a designated point of disposal. Illegal dumping collection Education associated with services covered in this scope. Council administrative oversight. 	<ul style="list-style-type: none"> Private sector waste minimisation activities. Closed landfill activities. Litter collection not associated with the rubbish and recycling kerbside service. Solid waste contracts for the wastewater treatment plant including: sludge transportation and disposal via vermicomposting (worm farms) and transport and landfill disposal of screenings. Solid Waste Bylaw review. CBD rubbish and recycling collection. Inorganic waste household collection.

2.6 Risks

Risk Description	Mitigation	Owner
Disposal costs increase above the medium trajectory due to an increase in the waste levy, further information on this is provided in Appendix A.	The service is designed to minimise the rubbish to landfill and the ongoing education will support the diversion from landfill. Ongoing communications with the Ministry for the Environment around potential changes to the levy.	City Waters
Growth projections for Hamilton are not realised, resulting in inaccurate budget estimates for revenue and expenses.	The budget includes assumptions around the growth in Hamilton. These assumptions will need to be reviewed on an annual basis.	City Waters

Variations to the contract result in unbudgeted increase overall costs of the service.	Contingency has been built into the budget for small variations any larger variations will require Council approval	City Waters
Roll out of the service does not meet the communities expectations.	The recruitment of a Transition Project Manager to own the project delivery and ensure that all areas of Council and the contractor meet the required timelines for a smooth transition.	City Waters

The full risk register is attached in Appendix B.

2.7 Constraints

The constraints associated with this project are:

- the funding approved in the 2018-2028 10 Year Plan is \$88.3 million and covers years 1-8 of the proposed new service and contract.
- Legislative requirements, specifically the Waste Minimisation Act 2008, local Government Act 2002 and Health and Safety at Work Act 2015.

2.8 Dependencies

Name of other project/work	Dependencies
2018-2028 10 Year Plan	The 2018-2028 10 Year Plan includes budget for the proposed service for years 1-8 of the contract.

2.9 Assumptions

The project estimates and plans are based on the following assumptions;

- Growth estimates for households requiring the kerbside service and based on the National Institute of Demographic and Economic Analysis (NIDEA) Low projections.
- Residents across Hamilton participate in all of the new services, different assumptions have been used for the uptake of the food scrap service, recycling service and rubbish service.
- Commodity prices provide a financial return to the contractor.
- Volumes in rubbish to landfill from the kerbside do not change substantially over time.
- Waste levy and Emissions Trading Units increase at a steady rate in line with the medium projections.
- Variations to the contract are minimised.

3.0 Options Analysis (Economic Case)

3.1 Requirements

The following requirements were identified by stakeholders at the facilitated options workshop;

Core Requirements:

Promote effective and efficient waste management and minimisation within our district (Waste Minimisation Act 2008, Section 42). Promotion can be achieved through:

- education; and/or
- provision of services and infrastructure.

Protect health by eliminating or minimising risks to our community, our staff and our contractors (Health Act 1956, Section 25 and Health and Safety at Work Act 2015, Section 30). Protection can be achieved through:

- work methods; and/or
- provision of protective clothing; and/or
- equipment; and/or
- elimination of the hazards.

Reduce the amount of solid waste generated and ultimately entering landfills. (Hamilton City Council District Plan, Objective 25.12.2.1.) This is achieved by:

- education; and
- new service provision to maximise waste diversion.

Desirable Requirements:

Maximise waste diversion (Waste Management and Minimisation Plan 2018-2024, Goal 1 -Reduce quantity of all material entering the waste stream, and increase resource recovery).

Minimise environmental impact by keeping Hamilton's streets clean and free of litter from the kerbside collection.

Increase the recycling level of service provided both at the kerbside and at the transfer station (Waste Management and Minimisation Plan 2018-2024, Goal 4 – Waste and resource recovery infrastructure meets Hamilton's growing needs).

Ensure synergies between this activity and other Council activities including litter collections, road sweeping, diversion of green waste and the purchase of mulch and compost are maximised (Waste Management and Minimisation Plan 2018-2024, Objective 4 – Hamilton City Council is a leader by example in minimising waste).

3.2 Options Analysis

The process for deciding on the level of kerbside service commenced in 2015. In September 2016, the draft business case was presented to the Finance Committee. The draft business case included 24 options for the kerbside rubbish and recycling service. The Committee resolved that the preferred option for the purposes of community consultation was option 24:

- Rubbish wheeled bin, collected weekly,
- Recycling wheeled bin, collected fortnightly,
- Crate, collected fortnightly, and
- Food, collected weekly.

A six week community consultation process was run in October and November 2017. During this period 2793 submissions were received, of these:

- 84 per cent indicated that they wish to change to wheeled bins and more recycling options
- 67 per cent prefer to have their recycling collected fortnightly
- 64 per cent prefer to have their glass collected separately from the other recyclables
- 76 per cent would like to see a kerb food scrap collection service provided.

The community feedback informed the decisions made in March 2017 at the Growth and Infrastructure Committee meeting. The Committee, for the purpose of undertaking a request for proposal, further specified the level of service by including bin sizes:

- Rubbish in a 120 L wheeled bin collected weekly
- Recycling in a 240 L wheeled bin collected weekly (with an option to consider a fortnightly collection)
- Glass to be collected separately in a crate (with an option to instead place glass in the 240 L recycling bin), and
- Food collection service collected weekly and processing.

Through the tender process 5 different options were included for the purposes of pricing. These included the current service, and then four variations on the approved service.

On 28 June 2018, the Council approved the 2018-2028 10 Year Plan which included a budget of \$88.3 million for the change to the Rubbish and Recycling service. This budget was based on the following service coming into effect from 1 July 2020:

- 120 L rubbish wheeled bin, collected fortnightly,
- 240 L recycling wheeled bin, collected fortnightly,
- 45 L Crate, collected fortnightly, and
- Food, collected weekly.

Given the decisions made to date and the information provided in the draft business case, this final business case recommends the service that 2018-28 10 Year Plan budget is based on. This option will achieve the objectives of this project to minimise waste to landfill and provide the greatest value for ratepayers. Food scraps represent about 37% (by weight) of the rubbish thrown out by the average house each week. The introduction of a food scrap collection provides the biggest opportunity to divert household waste from landfill.

This table provides a comparison of the current service to the service that informed the 10 Year Plan budget.

	Current service	Increase in level of service (Service included in 2018-2028 10 Year Plan)
Scale, scope and location In relation to the proposal how big/small could this be? E.g. by levels of functionality, unit/group/org wide.	<p>Continue to provide the same level of kerbside service:</p> <ul style="list-style-type: none"> - Maximum 2 rubbish bags collected weekly - Maximum 2 crates for recycling (plastics 1 and 2, glass, tin and cans) collected weekly. - Paper and cardboard tied separately collected weekly. <p>Ownership of the transfer station and organic centre would remain with Council, and the sites would be operated by contractors under a lease agreement.</p> <p>This would require the Council to reset the targets in the Waste Management and Minimisation Plan 2018-2024, as the targets cannot be met with the current service.</p>	<p>A full increase of the level of service would include:</p> <ul style="list-style-type: none"> • Wheelie bin for rubbish collected fortnightly • Wheelie bin for recycling (paper, card, plastics 1 – 7, tins and cans) collected fortnightly • Crate for glass collected fortnightly • Small bin for food scraps collected weekly. <p>This service would maximise diversion from landfill as food scraps make up about 37% of the average household kerbside rubbish.</p> <p>Ownership of the transfer station and organic centre would remain with Council, and the sites would be operated by contractors under a lease agreement.</p>
Service Solution How can services be provided? E.g. potential solutions and answers, use of technologies	<p>The services would be provided by a contractor with administrative oversight by the Council.</p> <p>The rubbish collection trucks would require manual collection of the bags and placement in the truck.</p> <p>The recycling would be sorted at the kerbside by the driver/runner of the truck.</p>	<p>The services would be provided by a contractor with administrative oversight by the Council.</p> <p>The rubbish and recycling wheelie bin would both be collected by a mechanical process from the rubbish and recycling trucks.</p> <p>The glass would be manually sorted in to colours at the kerbside.</p> <p>The food scraps collection would require the driver/runner to manually place the contents of the food scrap bin in the collection truck.</p>
Service Delivery Who can deliver the services? E.g. in-house, out sourced, alternative procurement strategies	<p>Project Management and Contract Management: Council</p> <p>Service Delivery: Procurement of an external contractor to deliver the service.</p>	<p>Project Management and Contract Management: Council</p> <p>Service Delivery: Procurement of an external contractor to deliver the service.</p>

<p>Implementation When can the services be delivered? E.g. timing and staging, big bang, phased, modular</p>	<p>New contract would commence 1 July 2020</p> <p>A new tender process for the status quo would need to be undertaken to provide 12 months lead in.</p>	<p>Transition planning and roll out would commence following contract award. New service would commence 1 July 2020.</p> <p>A minimum of 18 months lead in is required for the transition to wheelie bins.</p>
<p>Funding How can it be funded? E.g. Capital, operating, external, joint funding</p>	<p>Funding is sourced from the general rates and the lease of the transfer station and organic centre. Operating funding for 2018-2028 as per the 2018-2028 10 Year Plan and funding for 2028-2030 as outlined in this business case.</p>	<p>Funding is sourced from the general rates and the lease of the transfer station and organic centre. Operating funding for 2018-2028 as per the 2018-2028 10 Year Plan and funding for 2028-2030 as outlined in this business case.</p>

4.0 Preferred Option (Commercial & Financial Case)

The draft business case provided modelled financial information. An Expression of Interest and two Request for Proposals were undertaken in 2017. This provided real financial information and an understanding of the resources required. The data included in this business case is taken from the preferred contractors tender and includes all the Council administrative and operating costs.

4.1 Resource Requirements

Internal Resources

Roles allocated to the project transition and the ongoing implementation of the contract.

Resources Required (Position Name)	Period Required	FTE Required
Contract Manager	FY18/19 – FY29/30	1 FTE budgeted for in 2018-2028 10 Year Plan
Project Manager	FY18/19 – FY20/21	1 FTE fixed term for 3 years budgeted for in 2018-2028 10 Year Plan
Communications Advisor	FY18/19 – FY20/21	0.5 FTE fixed term for 3 years budgeted for in 2018-2028 10 Year Plan
Waste Minimisation Advisor	FY18/19 – FY29/30	0.5 FTE ongoing – existing resource
Compliance Officers	FY20/21 – FY29/30	1 FTE ongoing – existing resource
Compliance Manager	FY18/19 – FY29/FY30	0.1 FTE ongoing – existing resource
Total resources required		1.5 FTE fixed term 2.6 FTE ongoing

External Resources

Work Package	Year and duration	Type of Resource Required	Estimated Value of Work
Support for contract development, negotiation and implementation.	2018 6 months	Consultant	\$50,000
Communications and education material for transition and on-going service delivery	2019-2020 1 year	Consultant	\$100,000
Contracts for the collection, processing and disposal of rubbish and recycling.	2020-2030 10 years	Contractor	\$97,000,000

4.2 Procurement Strategy

Procurement has already been undertaken for this business case based on the draft Business Case and was in line with previous Council decisions.

Work Package	Procurement Process e.g. tender, LASS, RFP, RFQ etc
Support for contract development, negotiation and implementation.	RFQ and direct appointment

<p>Contracts for:</p> <ul style="list-style-type: none"> • Collection of the kerbside rubbish and recycling • Transport of rubbish to disposal location • Disposal of rubbish • Processing of recycling • Processing of food scraps 	<p>Expression of interest for contract 16234 – rubbish and recycling service</p> <p>Request for Proposal for contract 16234 – rubbish and recycling service</p> <p>Request for Proposal for contract 17045 – solid waste disposal</p>
--	---

4.3 Financial Analysis

Based on current estimates, the anticipated cash flows for the investment proposal over its intended life span are set out in the table below.

The following assumptions have been made in determining these estimates:

- Emissions trading units will increase on a medium trajectory
- Waste disposal levy will increase on a medium trajectory
- Variations to the contract are minimal
- Services charged on day rates remain constant, including illegal dumping and assisted collections
- The number of households requiring special services are mitigated into the future.

Financial analysis for new service requirements, including inflation¹.

Projected budget (\$000s)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Total revenue from the contract (lease of assets) ²	0	0	455	455	455	456	456	456	455	455	455	455	4,554
Depreciation and amortisation	0	0	199	204	207	224	229	236	251	252	254	255	2,310
Finance Costs including an allocation of the cost of Council borrowing	0	0	95	100	101	102	95	89	79	74	69	65	869
Operating and maintenance Costs including all contract costs	0	173	7,841	7,830	8,318	8,822	9,364	9,941	10,544	11,118	11,336	11,958	96,874
Property Costs including insurance	0	0	6	6	6	6	6	6	6	7	7	7	61
Administrative Costs including staff times	774	805	1,420	1,294	1,277	1,270	1,292	1,308	1,309	1,378	1,451	1,525	15,103
Total Operating expenditure	774	977	9,560	9,433	9,908	10,424	10,986	11,580	12,189	12,829	13,116	13,813	115,588
2018-2028 10 Year Plan Approved operating expenditure	774	977	9,189	9,433	9,908	10,424	10,986	11,580	12,189	12,829			88,289
Additional operating expenditure sought for business case			370								13,116	13,813	27,299

¹ The information in this table includes all revenue and costs directly associated with the implementation and ongoing delivery of the new rubbish and recycling services and not the current service.

² General rates are used to fund the remaining operational budget.

4.4 Contingency

The business owner and project sponsor have allowed a contingency inside the current stipulated budget for the contract of 10% that could be used in the event a risk requires mitigation or converts to an issue.

4.5 Funding Sources

The 2018-2028 10 Year Plan has approved the budget of \$88,289,000 (including inflation) for the delivery of the new service until 30 June 2028. It is proposed that the additional funding required for the remaining two years until 2030 is sought from the following sources:

Funding Source	Amount
General rates	\$26,388,000

4.6 Affordability

The proposed whole of life cost of the project is \$115,588,000 over the 12 years (2018-2030), including 2 years prior to the contract starts.

The Council has signified their agreement to the level of funding required for the first 10 years through their agreement to the 2018-2028 10 Year Plan.

5.0 Implementation (Management Case)

The management case addresses the achievability of the proposal and planning arrangements required to both ensure successful delivery and to manage project risks.

5.1 Stakeholder Engagement

5.1.1 Engagement with key stakeholders to date

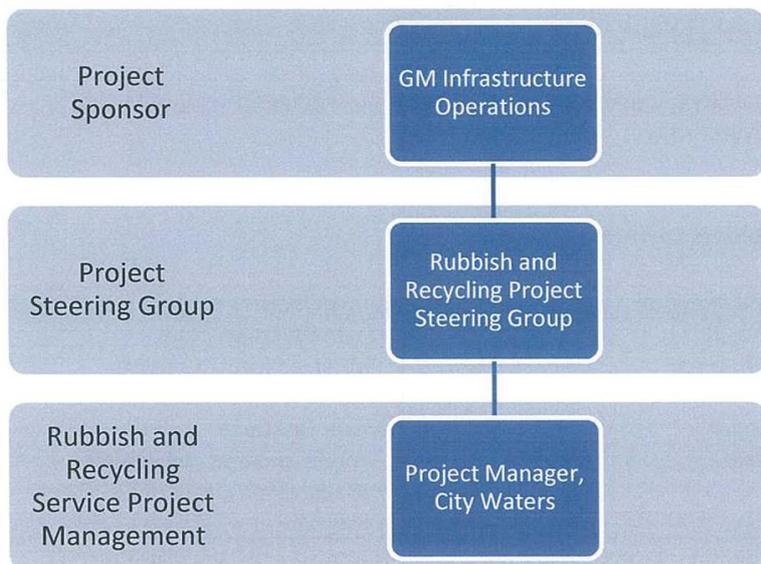
Stakeholder	Evidence of Collaboration	Agreed Outcome
Elected Members	2013-2016 Council Waste Working Group 2016-2019 Council Waste Taskforce	Waste Working Group - Preferred level of service Waste Taskforce - Tender process and agreed proposal for the 2018-28 10 Year Plan
Community	6-week consultation October – November 2016	A total of 2793 submissions were received, with 84 per cent indicating they wanted to transition to wheelie bins with more recycling options and 76 per cent indicating they would like a food scrap collection to be provided.

5.1.2 Planned Engagement with key stakeholders

Stakeholder	Project Interest	Stakeholder Approach – Engage, Partner, Monitor, Inform
Elected Members	Successfully delivery of the transition and new service	Engage through the Waste Taskforce
Households (excluding the CBD)	End users of the kerbside service.	Inform
Hamilton residents	End users of the transfer stations.	Inform
Hamilton businesses	End users of the transfer stations.	Inform
Project delivery contractors	Responsible for the roll out and successfully delivery of the services.	Partner

5.2 Project Structure

The project structure outlines how the transition project to 30 June 2021 will report.



5.3 Implementation Plan

5.3.1 Key Project Milestones

Proposed Key Milestones	Estimated Timing
Contract award	August 2018
Transition plan approved - Including timing of delivery of Health and Safety Plan, Traffic Management Plan and Contract Management Plan.	December 2018
Bespoke services developed and agreed	December 2018
Education and Communications Plan approved	June 2019
Education campaign commences	January 2020
Roll out containers	Commence April 2020
Introduction of new service	1 July 2020

5.3.2 Project Deliverables

The project deliverables are:

- An easy to use kerbside rubbish and recycling collection service for residential properties in Hamilton (excluding CBD) that maximises diversion.
- Waste transfer stations that maximise diversion from household and commercial sources.
- Streets are kept clean of illegal dumping.

Appendices

Appendix A - Cost of disposal

The Waste Minimisation Act 2008 (WMA) enables the central government to impose a levy on waste disposed to landfill to “raise revenue for promoting and achieving waste minimisation; and, increase the cost of waste disposal to recognise that disposal imposes costs on the environment, society and the economy”. Since it came into effect this levy has been set at \$10 per tonne of waste disposed of at a disposal facility as defined by the WMA.

A recent report by Eunomia Consulting identified that “the following changes are possible under Section 41 of the WMA:

- Changes to the class of facilities that the Levy is applied to
- The ability to apply the Levy to different classes of waste
- Changes to the rate of the Levy and their application to different disposal facilities, classes of disposal facility or types of waste.”³

The Eunomia Consulting review identified 4 different options for increasing and expanding the waste levy. The table below shows the 4 modelled rates that Eunomia used to demonstrate the potential impact on disposal to landfill and recycling rates. The four scenarios are based on overseas waste levy rates and different diversion pathways.

Table 4-2: Modelled Levy Rates (\$ per tonne)

#	Tax band	2017 ¹	2018	2019	2020	2021	2022	2023	2024 ²
1	Standard	\$10	\$11.67	\$13.33	\$15.00	\$16.25	\$17.50	\$18.75	\$20.00
	Inert	\$0	\$0.33	\$0.67	\$1.00	\$1.25	\$1.50	\$1.75	\$2.00
2	Standard	\$10	\$13.33	\$16.67	\$20.00	\$37.50	\$55.00	\$72.50	\$90.00
	Inert	\$0	\$0.67	\$1.33	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00
3 & 4	Standard	\$10	\$15.42	\$20.83	\$26.25	\$54.69	\$83.13	\$111.56	\$140.00
	Inert	\$0	\$1.00	\$2.00	\$3.00	\$6.00	\$9.00	\$12.00	\$15.00

At this stage the current government has signalled that they are reviewing the outcomes of the 2017 Waste Levy review by the Ministry for the Environment.⁴ The 2017 review made three recommendations, which included expanding the levy to include different classes of landfills.

The modelling included in the budget assumptions for the rubbish and recycling service change is based on a medium scenario that sits between model 1 and model 2 in the latest Eunomia analysis. Based on the modelled tonnes to landfill over the life of the contract the costs for the waste levy alone could vary from:

- Low waste levy scenario – \$1.8 million
- Medium waste levy scenario – \$7.1 million
- High waste levy scenario - \$20.5 million

³ <http://eunomia.co.nz/wp-content/uploads/2017/06/WDL-Final-Report-30-05-17.pdf>

⁴ <http://www.mfe.govt.nz/waste/waste-disposal-levy/reviewing-waste-disposal-levy>

Appendix B - Full risk assessment

A risk assessment process was completed with internal and external stakeholders. Short, medium and long-term risks were identified.

This table includes all the risks identified during the workshop.

Risk Description	Controls	Residual Risk Score	Owner
A reduction in operational waste minimisation funding to support actions of this business case.	Regular engagement with the Ministry for the Environment on any potential changes to the waste disposal levy and the mechanism to distribute to Territorial Authorities	Medium	City Waters
The Waste Disposal Levy and Emission Trading Scheme costs increase on the disposal of waste	Business case and associated budget includes modelled increases to the waste disposal levy and the emissions trading scheme units	Medium	City Waters
The timeframes set out in the business case cannot be met and there are issues with the project delivery.	Procure services with a long lead in time to ensure resources are secured. Appropriately resource the service transition internally.	Low	City Waters
Implementation timelines are not met and the service doesn't roll out as required.	Procure services with a long lead in time to ensure resources are secured. Internal project management is clear and effective.	Medium	City Waters
Level of the current service decreases prior to roll out. Number of complaints by residents increases	Maintain relationships through operational and governance meetings. Ensuring issues are raised promptly.	Medium	City Waters
Number of complaints received increases and there is no increase in waste diverted. The Council loses control of the messaging around the service change	Communications plan is developed and is properly resourced and links to contractors plan. Service is designed for ease of use. Changes to days of collection are minimised.	Low	City Waters
The contractor is unable to provide the service at the tendered price and requests variations.	Prior to contract award, ensure full due diligence is completed by Council. During contract ensure regular contract meetings to manage risks and issues as they arise	Medium	City Waters
Households receive the standard model of service resulting in difficulties for collection and storage.	List of bespoke services identified by Council. Negotiate for due diligence to be required by the contractor on the list provided.	Medium	City Waters
The recycling ends up in landfill, damaging the communities' confidence in the service and the Council.	Ensure the contract includes sufficient clauses for stopping recyclables going to landfill. Education plan is well developed and delivered to minimise contamination. Ongoing work to support/advocate for onshore processing.	Very High	City Waters
Contract has to be amended prior to awarding or the service requires retendering.	The Waste Taskforce is briefed prior to any major decisions taken to the Council. SLT kept informed of potential risks.	Medium	City Waters
The Council can't determine if the service is being successfully delivered.	Ensure the contract includes KPIs and reporting requirements that are clear and measurable. Contractor to input and agree to KPIs. Internal resourcing provided to	Low	City Waters

	proactively monitor and audit the contract		
There are delays to the service delivery and an increase in complaints to the Council about rubbish and recycling.	The information provided to the contractor is up to date. The Council undertakes due diligence in assessing the tender. Ensure KPIs are configured to capture time failures and missed collections to drive / sustain performance. Ensure fatigue management processes are in place to mitigate chance for incidents and captured in H&S KPIs	Medium	City Waters
The service cannot commence in parts or across the whole city. Complaints to Council around the roll out and service will increase	<ul style="list-style-type: none"> Timeframes set (with contingency) Regular updates provided (and agreed) Housing stock data accurate and implement a process around growth Ongoing Communications to Community on stock delivery Ensuring our requirements with Contractor are back to back with subcontractors 	Low	City Waters
The diversion rates from landfill are not realised and the cost of the disposal is higher than budgeted for	The service is clear and easy to use and there are ongoing communications around the food scrap service.	Low	City Waters
The diversion rates from landfill are not realised and the targets set in our Waste Plan are not met	Ensure the contract includes KPIs and reporting requirements that are clear and measurable. Contractor to input and agree to KPIs. Internal resourcing provided to proactively monitor and audit the contract	Low	City Waters
There are service failures leading to complaints by the community and injury of contractor staff	Ensure the contract includes KPIs and reporting requirements that are clear and measurable. Internal resourcing provided to proactively monitor and audit the contract	Low	City Waters
The growth projections included in the modelling are exceeded and there isn't sufficient infrastructure (bins and trucks) to provide the service.	Review growth projections annually to ensure enough bins are procured for the service for the year ahead and that any changes to the growth assumptions are communicated in advance to the contractor.	Medium	City Waters
The growth projections included in the modelling are not realised leading to lower rates revenue.	Review growth projections annually.	Low	City Waters

Bespoke services

Three scenarios have been identified.

Scenario 1

Key features:

- Multiple Dwellings on a narrow road with no turning space.
- No thorough fare
- Quiet residential area
- Limited kerbside space



Scenario 2

Key features:

- Multiple Dwellings on a narrow road with no turning space
- Narrow road leads to a main arterial route/commuter route
- Limited kerbside space



Massey Street



Queens Avenue, Frankton

Scenario 3

Key features:

- Multiple occupancy buildings and studio apartments
- Limited on-site storage for multiple wheelie bins
- Limited space for kerbside collection
- Busy roads, predominantly in the student areas eg. Hillcrest



Hogan/Greensborough Street



Council Report

Committee: Council **Date:** 16 August 2018
Author: Andy Mannering **Authoriser:** Lance Vervoort
Position: Social Development Manager **Position:** General Manager Community
Report Name: CBD Activation Plan 2018-21 Service Level Agreement Hamilton Central Business Association

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To present to the Council the draft 2018-21 Service Level Agreement with Hamilton Central Business Association to support their CBD Activation Plan.
2. The draft Agreement pertaining to the CBD Activation Plan is attached to this report.

Staff Recommendation

3. That the Council:
 - a) receives the report; and
 - b) delegates the Chief Executive to sign the Service Level Agreement between Hamilton Central Business Association and Hamilton City Council, for the delivery of the 2018-21 CBD Activation Plan.

Background

4. Hamilton Central Business Association (HCBA) has developed a CBD Activation Plan for a range of events and activities to occur in four central city spaces over a period of 3-years (July 2018 – June 2021).
5. HCBA [submitted](#) to the Council for funding to implement the plan as part of the 2018-28 10-Year Plan deliberations ([Minutes](#)). The Council approved \$100,000 per year for years 1-3.
6. The Council requested that a draft Service Level Agreement between HCBA and the Council be reported back to the 16 August 2018 Council meeting.

Discussion

7. The Draft Service Level Agreement identifies the agreed objectives and outcomes sought by the Council in relation to the implementation of HCBA's Activation Plan.

8. The objectives outlined by the HCBA include:
 - growing the number of people who experience the central city outside of traditional business needs: residents, workers, students and visitors; and
 - creating more economic opportunities for businesses in the central city.
9. The outcomes expected to be delivered include:
 - a cohesive programme of activity which will provide vibrancy, experiences, economic benefits and create a safer environment in the central city; and
 - a focused activation programme which will allow for business to business networking opportunities, business collaboration initiatives and increased business engagement.
10. As part of the draft Agreement, HCBA will submit a proposed budget and Activation Plan for each financial year (2018/19, 2019/20 and 2020/21) prior to 20th September of that year (point 2.1 of the agreement, see attachment 1).
11. Council staff will work closely with HCBA to ensure that the budget and Activation Plan is acceptable to both parties. A strong working relationship between the Council and HCBA underpins the agreement, so the formal disputes resolution outlined in the draft Agreement (6.1 and 6.2) would only be enacted as a last resort.
12. Council staff will release to HCBA the funding for the 2018/19 financial year upon acceptance of the budget and activation plan.
13. It is proposed that the Council release to HCBA in annual instalments the full amount to enable HCBA to leverage the fund in the most efficient and effective manner to deliver the agreed outcomes.
14. The success of activation projects completed by HCBA will be monitored through HCBA's current 6-monthly report to the Council through the Growth and Infrastructure Committee.

Attachments

Attachment 1 - Contract 18000 - CBD Activation Plan Service Level Agreement

Attachment 2 - Contract 18000 - CBD Activation Plan Sponsorship - Hamilton Central Business Association PROPOSED ACTIVATION PLAN

CENTRAL CITY ACTIVATION PLAN SERVICE LEVEL AGREEMENT

BACKGROUND

- A. Hamilton Central Business Association (“HCBA”) is a non-political organisation driven by a voluntary executive committee contributing to the revitalisation, support and promotion of Hamilton CBD. The Executive Committee is made up of eight members from different organisations based in Hamilton’s CBD.
- B. HCBA provides advocacy, support and promotional opportunities for the business and property owners located within the Hamilton Central Business Improvement District (BID).
- C. HCBA have developed a CBD Activation Plan for various events in four central city spaces over a period of three years (2018-21).
1. Civic Square
 2. Garden Place
 3. Victoria on the River
 4. Embassy Park
- D. Objectives outlined by HCBA within the Activation Plan include growing the number of people who experience the central city outside of traditional business needs: residents, workers, students and visitors; and to create more economic opportunities for businesses in the central city.
- E. Outcomes expected to be delivered include a cohesive programme of activity which will provide vibrancy, experiences, economic benefits and create a safer environment in the central city; and a focused activation programme which will allow for business to business networking opportunities, business collaboration initiatives and increased business engagement.
- F. Hamilton City Council have agreed to contribute \$100,000 per annum for three years to develop and implement an activities plan.
- G. Both parties desire to record the terms of the provision of Sponsorship and the Benefits in this Agreement.

REFERENCE SCHEDULE

Parties	Hamilton City Council:	HAMILTON CITY COUNCIL (“HCC”) At Private Bag 3091 Hamilton 3240 New Zealand
	The Recipient:	HAMILTON CENTRAL BUSINESS ASSOCIATION (“HCBA”) 341 Victoria Street Corner Victoria Street and Garden Place At Hamilton, Waikato New Zealand

BJP-348176-2566-1-V1:am

HCC Procurement Policies and Procedures Manual
Sponsorship Agreement

1

Term of Agreement	Commencement Date:	1 July 2018
	End Date:	30 June 2021
Benefits	See proposed Activation Plan (attached).	
Sponsorship Value	\$100,000 per annum plus GST to be paid by HCC to HCBA.	
Reporting	6-Monthly as per proposed Activation Plan (attached).	

SIGNED by **HAMILTON CITY COUNCIL**

by its authorised signatory:

SIGNED by **HAMILTON CENTRAL BUSINESS ASSOCIATION**

by its authorised signatory:

Date:

Date:

Print Full Name & Title:

Print Full Name & Title:

The parties acknowledge that the Sponsorship is to be provided pursuant to this Reference Schedule will be subject to the Sponsorship Agreement Terms.

KEY CONTACT INFORMATION

1. Hamilton City Council

Key Contact Person	Name: Andy Mannering Title: Community and Social Development Manager Phone: 027 220 3723 Email: andy.mannering@hcc.govt.nz
--------------------	---

2. Hamilton Central Business Association

Key Contact Person	Name: Vanessa Williams Title: General Manager Phone: 022 4140 780 Email: vanessa.williams@hamiltoncentral.co.nz
--------------------	--

SPONSORSHIP AGREEMENT TERMS**1. SPONSORSHIP**

- 1.1. HCC agrees to be a sponsor of the HCBA Proposed Activation Plan on the terms and conditions in this Agreement.
- 1.2. In consideration for HCC providing the Sponsorship Value, HCBA shall provide to HCC the Benefits as set out in the proposed Activation Plan.
- 1.3. Subject to clause 1.4, HCC must pay the Sponsorship Value to HCBA on the 20th of the month following receipt of a valid tax invoice from HCBA.
- 1.4. HCBA is not permitted to issue a tax invoice for the Sponsorship Value (and HCC will be under no obligation to pay the Sponsorship Value) until an annual budget and Activation Plan for the year to which the Sponsorship Value relates, has been agreed between the parties in accordance with clause 2.1.

2. COVENANTS

- 2.1. HCBA must submit an annual budget and Activation Plan to HCC for approval by 20th September each year. HCC will as soon as practicable following receipt of the budget and Activation Plan advise HCBA whether they agree to the same.
- 2.2. HCBA will provide the Benefits to HCC in a prompt and efficient manner.
- 2.3. HCBA shall inform HCC of any funding it receives from any other source in relation to the Activation Plan.
- 2.4. HCBA shall at all times comply with all applicable laws in carrying out the Activation Plan and will keep good records that comply with generally accepted accounting practice (GAAP).
- 2.5. HCBA must only use the Sponsorship Value to support activations in the Hamilton central city as set out in the agreed budget and the Activation Plan, and must upon notice from HCC provide evidence of how the Sponsorship Value has been expended.
- 2.6. HCC will provide staff support for set-up and pack down of equipment requirements for specified events as set out in the Activation Plan.
- 2.7. HCC will continue to maintain and support the existing infrastructure and equipment of the spaces in the central city.
- 2.8. HCC will work with HCBA to audit existing spaces to ensure fit-for-purpose activation with the upgrade of fixtures and fittings as required.

3. HEALTH AND SAFETY

- 3.1. HCBA is responsible for health and safety issues relating to their services provided under this Activation Plan. This responsibility includes, but is not limited to, all aspects covered by New Zealand Health and Safety Legislation and approved codes of practise.
- 3.2. HCBA shall ensure that all its employees and volunteers understand and comply with Health and Safety Legislation, and are inducted into HCBA's health and safety policy and procedures.
- 3.3. HCBA will ensure every group, event and activation has their own Health and safety plan that HCBA will sign and send as part of HCC event permitting conditions.

4. MARKETING AND PUBLIC RELATIONS

- 4.1. HCBA and HCC will act in good faith and use their best endeavours in cooperation with each other to:
- maximise the positive public relations component of the sponsorship arrangements provided for under this Agreement;
 - strengthen the reputation of HCC; and
 - generate goodwill and public support for and awareness of Hamilton City.

5. LIMITATION OF LIABILITY

- 5.1. **Exclusion of Liability:** Notwithstanding anything in this Agreement to the contrary, neither party may have any claim against the other at law, contract, tort or otherwise, for indirect or consequential loss or damage of any kind howsoever arising (including indirect or consequential damages arising under the Fair Trading Act 1986).
- 5.2. **Limitation of Liability:** In any event, any claim by HCBA against HCC in connection with this Agreement will be limited in the aggregate to the value of the sponsorship actually provided or paid by HCC to HCBA under this Agreement and any claim by HCC against HBCA will be limited to the value to of the sponsorship to be provided or paid by HCC to HCBA under this Agreement.

6. DISPUTE RESOLUTION

- 6.1. If a party considers that a dispute has arisen between the parties in relation to this Agreement, it must give a notice to the other party, setting out in reasonable detail the dispute ("Dispute Notice"). On receiving a Dispute Notice, each party must promptly commence discussions to attempt in good faith to resolve the dispute.
- 6.2. If the dispute has not been resolved within 14 days (or other period agreed in writing by the parties), after the receipt of the Dispute Notice, the parties will try to resolve the dispute by mediation conducted by a single mediator.

7. TERMINATION

- 7.1. This Agreement may only be amended by the written agreement of both parties.
- 7.2. The Agreement may be terminated by mutual agreement between the parties. Where termination by mutual agreement occurs, one month's written notice will be given. HCC reserves the right to immediately terminate this Agreement if it reasonably considers:
- 7.2.1. HCBA does not comply with this Agreement;
 - 7.2.2. HCBA does not deliver the Benefits set out in the Activation Plan;
 - 7.2.3. HCBA becomes insolvent, is wound up, or ceases to exist;
 - 7.2.4. There has been inappropriate use of funds supplied to HCBA by HCC or any other party; or
 - 7.2.5. HCC does not agree to the draft budget and Activation Plan in accordance with clause 2.1.

8. EXECUTION OF COUNTERPARTS

- 8.1. This Agreement may be executed by the parties in one or more counterparts (including facsimile and PDF copies) which together are deemed to form one and the same document.



Proposed CBD Activation

AIM

To bring vibrancy to public spaces in the CBD through activation, events and people.

CURRENT STATUS

Hamilton’s CBD is experiencing a resurgence with commercial activity, inner city living developments and increased tourism numbers. This is currently well supported by the thriving café and restaurant culture and less so by experience led activities in the CBD.

Statistical analysis of Hamilton’s CBD continues to show favourable results with central city spend steadily increasing over the past few years. Vacancy rates continue to be at their lowest since 2005 and the central city is considered the dominant commercial, civic and social centre for Hamilton and provides for the majority of the city’s workforce.

There are some extremely positive visual aspects to the city with construction sites on key areas; redevelopment of earthquake prone older buildings and construction on new developments to fulfill the needs of the CBD both commercially and residentially.

With an approximate CBD workforce of 22,000 people and a city population of 160,000 and growing, Hamilton needs to provide a calendar of activities that supports the social needs of these people and those choosing to visit and stay in Hamilton. The numbers of events currently being held in the CBD is not reflective of the expectations of a growing liveable city.

Melbourne has been identified for the seventh year as the worlds most liveable city via the Economic Intelligence Unit annual global liveability ranking which ranks 140 cities for their urban quality of life based on assessments of stability, healthcare, culture and environment, education and infrastructure. It is interesting to note that The Economist identified a correlation between the types of cities that sit at the very top of the ranking, “Those that score best tend to be mid-sized cities in wealthier countries with a relatively low population density. These can foster a range of recreational activities without leading to high crime levels or overburdened infrastructure.” (The Economist Intelligence Unit Limited 2017). Auckland currently sits at number nine on the ranking.

FOUR CBD SPACES

01**Civic Square**

A traditional concrete space utilised for Civic events. Slightly off the beaten track with weight bearing issues but a blank canvas. Capacity is in the hundreds and primarily used for Civic events.

02**Garden Place**

A large concrete/grass mixed space able to hold a maximum of 4,000 people with the ability to manipulate space to accommodate a range of activities. There is the potential to further enhance this space by creating a colourful and functional ambience through lighting, seating, umbrellas and planter boxes.

03**Victoria on the River**

A recently renovated large multi-tiered space with an outlook over the river. A level space at the top allowing for performers and around 500 people and the potential to utilise the amphitheatre infrastructure.

04**Embassy Park**

A smaller space with a Rocky Horror vibe including a statue, a themed toilet and a tiered walkway down to the river. Currently used to cater for smaller, alternative activities with the potential for it to be an entrance of choice to the new proposed regional theatre.

PROPOSED STRATEGIC FRAMEWORK: PEOPLE & BUSINESS

HCBA proposes to leverage individuals, community groups, businesses, associations and existing events to bring a wide range of experiences and activities in to the CBD. A co-ordinated approach to the central cities entertainment will positively enhance Hamilton’s reputation, increase foot traffic, contribute to societal needs and provide benefit to local businesses.

People

Current Problem

-

It is perceived that experiences and events in the CBD are largely ad-hoc resulting in sporadic engagement from locals. Many experiences and events are tainted with infrastructure criticisms around parking and resourcing.

Objective

-

Grow the number of people who experience the CBD outside of traditional business needs: residents, workers, students and visitors.

Outcome

-

A cohesive programme of activity in the CBD increasing activation of the four key spaces, will provide vibrancy, experiences, economic benefits and create a safer environment in the central city.

Business

Current Problem

-

There is a general apathy in the business community to capitalising on experiences and activities in the CBD and seeing the opportunities to local business that activations can provide.

Objective

-

Create more economic opportunities for businesses in the CBD.

Outcome

-

A focused activation programme will allow for business to business networking opportunities, business collaboration initiatives and increased business engagement.

WHAT WE WILL DO

Collateral

1. Develop an online event promotion platform for the four CBD spaces
2. Create an event plan and calendar for each space
3. Develop a promotional profile for each space
4. Develop positive PR opportunities around experiences in the CBD

Promote

1. Create a marketing, promotion and communication plan for each space utilising HCBA facebook (28000 followers), twitter (1500 followers), Instagram (1200 followers), website and including collaborating with key service providers in the CBD e.g. Hamilton Waikato Tourism, H3, Zeal, Seed, Chamber of Commerce, Hamilton City Council and local businesses
2. Promote individual activities and events using key communication channels of HCBA and collaborative partners
3. Promote CBD activities and support opportunities to the business network

Collaborate

1. Maximise activation opportunities via major tourism attractions in the Waikato region e.g. Waitomo, Hobbiton, Hamilton Gardens
2. Maximise major, existing and former event happenings in Hamilton and Waikato e.g. Fieldays, Hamilton Garden Arts Festival, Chinese Lantern Festival.
3. Collaborate with educational institutions to replicate activities in the CBD e.g. Wintec, University of Waikato
4. Provide community groups opportunities to activate public spaces e.g. Book Nook, Tai Chi
5. Utilise the soon to be established CBD Advantage Club/Ambassador Programme.
6. Maximise financial and in-kind assistance from grants, sponsorships, partnerships and local businesses

PROPOSED FUNDING & RESOURCES

- 01** \$100,000 budget from HCC per annum for three years to develop and implement an activities plan. This budget will be utilised to support activations in the CBD and resources for events when appropriate.
- Indicative Budget**
- \$50,000 activity resources including signage, materials, storage
 - \$25,000 contributory event funding
 - \$20,000 promotional material and activities
 - \$5,000 dedicated booking software and website
-
- 02** A dedicated staff member responsible for set-up and pack down of equipment requirements of spaces (existing HCC resource).
-
- 03** HCC to continue the issuing of permits and offering appropriate resources e.g. waste management, to support of activities being held in the CBD.
-
- 04** HCC to continue to maintain and support the existing infrastructure and equipment of the spaces in the CBD.
-
- 05** An audit of existing spaces to ensure fit-for-purpose activation with the upgrade of fixtures and fittings as required e.g. umbrellas, tables, performance stage.
-
- 06** HCC reporting via HCBA six monthly report with a proposed start date of 1 July 2018

Brought to you by
HAMILTON
BUSINESS ASSOCIATION
CENTRAL

Contact

Vanessa Williams

Hamilton Central
Business Association



Council Report

Committee: Council **Date:** 16 August 2018
Author: Andy Mannering **Authoriser:** Lance Vervoort
Position: Social Development Manager **Position:** General Manager Community
Report Name: Hamilton Central City Safety Strategy 2018/19 Action List

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To inform the Council on the 2018/19 Action list to progress the Hamilton Central City Safety Strategy.

Staff Recommendation

2. That the Council receives the report.

Executive Summary

3. At the 15 March 2018 Council meeting ([Minutes](#)) the [Hamilton Central City Safety Strategy](#) (the Strategy) 2018-21 was approved with the request that staff report back with a 12-month action list at the 2 August 2018 Council meeting.
4. Attached is the 2018/19 Action List identifying 23 actions to be completed in the 2018/19 financial year (attachment 1).
5. Staff will report to the Council in August 2019 on the measures within the plan, outcomes from the 2018/19 actions (including any additional added) and proposed 2019/20 Action lists.
6. Staff consider the matters in this report to have low significance and that the recommendation complies with the Council's legal requirements.

Background

7. The Hamilton Central City Safety Strategy was presented to the 27 February 2018 Community and Services Committee ([Agenda](#), [Minutes](#)) and approved by the Council on 15 March 2018 ([Minutes](#)).
8. The Council requested staff report back with a 12-month action list at the August 2018 Council meeting.

Discussion

9. Safety of people within Hamilton's central city is consistently identified as a high priority by residents, user and local businesses.
10. The Strategy demonstrates Council's commitment to continued resourcing of this issue.

11. The Strategy will continue to build on the successes achieved through the 2014-17 Central City Safety Plan by using the same approach that has worked to manage issues in the past, but aims to be better utilised and applied by staff across the organisation.
12. The 3-year strategy allows staff to be flexible and responsive to issues as they arise. It allows new projects to be added at any point and requires that Council units take the strategic priority of central city safety into account when implementing planning or projects that could have an impact.
13. The Strategy is designed to direct the work of the organisation and articulates three goals to be progressed.
 - We all work together to improve safety: The Council, partner organisations and the community.
 - The central city is designed to be a vibrant, welcoming and safe public place.
 - Council policies and bylaws enable community safety in the central city.
14. Actions that progress each of these goals will be determined annually and developed with each relevant business unit. An annual action list will be submitted to Council at the beginning of each financial year. Actions will continue to be monitored and reported on annually.
15. The action list attached is iterative. As issues and opportunities arise that are relevant to the central city, these will be added and reported on at the end of the 12-month period.
16. Actions are listed as discrete items; however, this only tells part of the story. A key aspect of the action plan which will have a big impact is the development of a programme management approach to the central city. All the Council Units involved in delivering actions for the central city will report to one programme manager.
17. This programme management approach will ensure:
 - Individual projects are aligned to the key goals of the Strategy;
 - There is a collaborative approach and individual project managers are made aware of how the programme of projects contribute to the broader goals for the central city;
 - There is robust and integrated planning for future annual plans and LTP's.
18. Capital renewal projects have been listed within the Action Plan. While it has not been stated within each action, it is assumed that these projects will employ the design principles mentioned in goal 2: *All redesign of central city spaces uses best practice urban design and the principles of Crime Prevention Through Environmental Design.*

Financial Considerations

19. Unless otherwise stated all the actions identified are funded within existing budgets.

Legal and Policy Considerations

20. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.

Sustainability Considerations

21. The Strategy and 2018/19 Action list supports sustainability principles 1 and 5.

Significance & Engagement Policy

Significance

22. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Engagement

23. Community views and preferences are already known to the Council through ongoing public commentary and targeted annual surveying.
24. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

Attachment 1 - 2018-19 Central City Safety Actions - August 2018

Draft 2018/19 Central City Safety Action list

Item 9

Goal 1. We all work together to improve safety: The Council, partner organisations and the community.			
	Activity/Action	Council Unit Responsible	
1.1	Review City Safe levels of service. Develop an options proposal for extended service to other areas of the city for Council consideration during the 2019/20 Annual Plan.	City Safe	Dec 2018
1.2	Implement a permanent City Safe presence in Garden Place Library and Garden Place to increase customer engagement and reduce unsafe incidents.	City Safe	Sept 2018
1.3	Tagbusters team develop an engagement and education plan to increase public awareness of tagging.	City Safe	Ongoing
1.4	Implement installation of murals in highly tagged areas.	City Safe	June 2019
1.5	Expand the Network Transport Operations Centre (A full wall screen with real time monitoring of 110 Cameras, CCTV crime prevention cameras and traffic cameras).	City Safe Transportation	Ongoing
1.6	Your Help May Harm, anti-begging campaign. Education of business owners and public awareness campaign underway and will continue to seek opportunities to further publicise the message.	Community and Social Development City Safe	Ongoing
1.7	Work with Waikato Regional Council to identify improvements to public transport services, including routes within Hamilton CBD.	Transportation	June 2019
1.8	Develop a communications plan to promote a positive brand for Hamilton's CBD. Develop a unified communications approach for the central city with key stakeholders. Review and develop a plan for central city signage.	Communication	June 2019
1.9	Provide leadership and work collaboratively with key agencies and organisations on central city issues.	Community and Social Development City Safe	Ongoing

Attachment 1

Goal 2. The central city is designed to be a vibrant, welcoming and safe public space.			
	Activity/Action	Council Unit Responsible	
2.1	Fund Hamilton Central Business Association (HCBA) to activate Civic Square, Garden Place, Embassy Park and Victoria on the River. - \$100,000 pa 2018/19-2020/21	Community and Social Development	June 2021
2.2	Support HCBA events and other activation in the CBD with consents, equipment, and access to relevant Council assets.	Community and Social Development City Events Communication	Ongoing
2.3	Coordinate Council wide work and projects that focus on or have an impact on Hamilton's central city to ensure a coordinated and collaborative approach.	Community and Social Development Parks and Recreation Transportation City Growth City Events Hamilton City Libraries	Ongoing
2.4	Implement Smart City initiatives - Locate an example of a smart street within the CBD	City Growth	June 2019

	<ul style="list-style-type: none"> - Locate a smart city office in the CBD - Investigate use of CCTV data for analytics 		
2.5	Improve lighting and install CCTV cameras on Victoria Bridge (Anzac Parade).	Transportation City Safe	June 2019
2.6	Investigate footpath upgrades and new pedestrian crossings on Alexandra Street.	Transportation	June 2019
2.7	Renew footpath paving: <ul style="list-style-type: none"> - London Street (Victoria – Barton) - Alexandra Street 	Transportation	June 2019
2.8	Design Transportation Centre Refurbishment and Upgrade	Transportation	June 2019
2.9	Develop the River Plan Cultural Precinct Master Plan: <ul style="list-style-type: none"> - Jetty - Walkway connection between Victoria on the River and the Regional Theatre site 	Community Business and Planning	June 2019
2.10	Continue daily Lunchtime Litter collection (London-Hood)	Transportation	Ongoing
2.11	Continue the 2-Hour Free Parking Trial	Transportation	June 2019
2.12	Continue to work with developers on major commercial and industrial developments occurring within the Central City	City Growth	Ongoing
2.13	Under Verandah LED lighting project in the CBD	Transportation	Feb 2019
2.14	Scope a lighting design and plan to improve visibility in Garden Place and Civic Square (unfunded)	Transportation	June 2019

Goal 3. Council policies and bylaws enable community safety in the central city.

	Activity/Action	Council Unit Responsible	
3.1	Review Smokefree Policy and signage	Strategy Community Group	June 2019

Projects scheduled between 2019/20 and 2022

Upgrade to LED lighting in Garden Place (Dec 2019)	Regional Theatre building (2021)
Investigate Rubbish/Recycling options in Public Space	
CBD Bike connections and facilities	River Plan Cultural Precinct Implementation – dependant on third party funding
Respond to Commuter Rail	Civic Square paving renewal (2020/21)
Speed Management review	LED lighting – Filling in Gaps project (Walkways)
Complete Transportation Centre Refurbishment and Upgrade (2019-21)	Create a street furniture plan for the central city (rubbish bins) - Unfunded in 10-year plan
Improve lighting and install CCTV cameras on Claudelands, Whitiara, Fairfield and Pukete Bridges (2019/20)	Transit Plan (Pre-Plan)

Council Report

Item 10

Committee: Council
Author: Zeke Fiske
Position: Team Leader Urban Landscapes
Report Name: Te Hikuwai Slip

Date: 16 August 2018
Authoriser: Lance Vervoort
Position: General Manager Community

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To inform the Council on options for remedial work at Te Hikuwai Reserve Slip.

Staff Recommendation

2. That the Council receives the report.

Executive Summary

3. The site has a history of slips, with the most recent occurring in April 2017. The river path section located in the reserve has been closed since then.
4. The Council engaged Tonkin and Taylor to undertake an assessment of land stability after the April 2017 landslip to better understand risk of further deterioration, and any required actions.
5. Staff have considered the options identified in the Landslip Assessment, and recommend option 3, as set out in this report.
6. Staff consider the decision low significance and that the recommendations comply with the Council's legal requirements.

Background

7. Te Hikuwai reserve located adjacent to the Waikato River in the North East of the city, and contains Te Owhangao Pa.
8. Over recent years, three slips have occurred blocking the river path below the reserve. The two most recent slips occurred in April 2017.
9. Slip remediation works were undertaken in 2013 and 2014 as summarised in the Landslip Assessment (Attachment 1).
10. The river path through this area has remained closed since April 2017. Staff have received a number of complaints and queries about this closure.
11. There is a private residential property, 11 River Elm, in close proximity to the landslip location.

Discussion

12. Council engaged Tonkin and Taylor to undertake an assessment of land stability after the April 2017 landslip to better understand risk of further deterioration, and any required actions (Attachment 1).
13. The Landslip Assessment identified 5 options Council staff to consider (Attachment 1, p.4).

Options

14. Staff have considered the five potential remediation options identified in the Landslip Assessment.
 - Option 1 – Do Nothing. This option would require the river path to remain closed and risk further regression of the slip. No financial cost.
 - Option 2 – Erosion control (matting and planting) and surface drainage. The option would allow for the river path to be re-opened, and reduce the likelihood of further regression of the slip. Least cost excluding do nothing.
 - Option 3 – Erosion control (matting and planting) and surface and in-ground drainage. The option would allow for the river path to be re-opened, and reduce the likelihood of further regression of the slip. The additional subsurface drainage would provide additional relief to pressures within the slope and reduce risk of instability from groundwater seepage. Cost effective.
 - Option 4 – Engineered soil nails. The option would allow for the river path to be re-opened, and significantly reduce the likelihood of further regression of the slip. Significant financial cost.
 - Option 5 – Engineered soil nails and retaining wall. The option would allow for the river path to be re-opened, and significantly reduce the likelihood of further regression of the slip. Significant financial cost.
15. Option 3 is recommended by staff for the following reasons:
 - This option adequately mitigates against imminent risk of further regression
 - Cost effective option
 - This is a consistent approach to how Council have remediated other sites.
 - Option 1 is considered inappropriate due to the likelihood of the landslip regressing towards adjacent Te Owhangao Pa site and private residential property.
 - Option 2 does not address the potential of groundwater seepage which would increase the likelihood of further regression.
 - Option 4 and 5 although provide greater certainty than other options that further regression will occur, are considered to have a disproportionate cost to the additional benefit.

Financial Considerations

16. Remediation of river slips remain unfunded in the 2018-28 10 Year Plan due to the unpredictable nature of slip frequency, repair options and costs.
17. Investigation reports have been completed using \$20,000 operational funds from the 2017-18 financial year.

18. The \$180,000 cost of this repair is within CE delegation. This work will be funded from existing reactive maintenance budgets, however, further unpredicted events may need to be identified on the operational risk and opportunities register.
19. This includes the physical remediation works and consents required to undertake the works.

Legal and Policy Considerations

20. Staff confirm that recommended option 3 complies with the Council's legal and policy requirements.

Cultural Considerations

21. We have engaged and consulted with our iwi partners to date. We would continue to do so prior to work commencing, and where required through associated consent processes.

Risks

22. The result of not funding the recommended landslip remediation work: River path will remain closed, and the associated organisation High likelihood of landslip is regressing towards the Pa site and private property.

Significance & Engagement Policy

Significance

23. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

24. Community views and preferences are already known to the Council through previous consultation with iwi and adjacent residents at 11 River Elm.
25. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

Attachment 1 - Tonkin and Taylor



Job No: 61732.1100
9 June 2017

Hamilton City Council
Private Bag 3010
Hamilton 3240
New Zealand

Attention: Leigh Cornes

Dear Leigh

Te Hikuwai Third Slip, 11 River Elm, Hamilton Assessment of April 2017 Landslip

1 Introduction

In accordance with the Professional Services Panel contract (PSP No. 14221) and variation VO3¹ between Tonkin & Taylor Ltd (T+T) and Hamilton City Council (HCC), we have undertaken two site inspections of a landslip which occurred in April 2017, affecting Te Hikuwai path adjacent to 11 River Elm, Flagstaff, Hamilton.

T+T's scope of works included:

- A site visit by a Geotechnical Engineer to assess the size of the landslip, measure dimensions of slip, and assess damage to existing 2013 erosion protection works on the adjacent slope.
- Additional site visit once river water levels at the toe had receded to observe extent of landslip.
- Provide this letter report including the following:
 - What was the likely failure mechanism of the landslip.
- What is the likely imminent risk of regression of the landslip headscarp and inundation of land onto the walkway (if any).
 - Comment on potential remedial works.
 - Provide annotated sketches of the current landslip (cross section and site plan) using the previous sketches from our 11 February 2015 report (T+T Ref: 61732.1000).

2 Background

Three landslip events have occurred within HCC land between 11 River Elm and Te Hikuwai footpath in early 2013, November 2014 and April 2017. A summary of the work T+T have undertaken to date is detailed below.

The 2013 landslip was addressed by a practitioners' solution (i.e. a low cost/medium risk solution which increases the stability of the slope, but not to an engineering standard) in mid 2013 by pinning

¹ HCC Variation VO#3. PSP 14221 Te Hikuwai Slip. Dated 12 April 2017.

Exceptional thinking together

www.tonkintaylor.co.nz

Tonkin & Taylor Ltd

9 June 2017

Tonkin & Taylor Ltd | Norris Ward McKinnon House, Level 5, 711 Victoria Street, Hamilton 3240, New Zealand
PO Box 9544, Hamilton 3240 | P +64-7-834 7320 F +64-9-307 0265 E ham@tonkintaylor.co.nz

erosion matting to the slope and including surface drainage to direct overland flow away from the crest of the slope. Further details on this landslip repair is discussed in our March 2013 report².

T+T provided a practitioners' solution to address the November 2014 landslip in a similar way to the 2013 remedial works with the addition of horizontal drains to relieve a perched water table. Further details on this landslip repair are discussed in our February 2015 report³. These remedial works were not completed.

Subsequent to the November 2014 landslip, T+T performed a geomorphological assessment of the slopes local to the Riverside Walkway between Te Owhangao Pa and the Alandale Retirement Village to assess the river bank stability. Further details on this assessment are discussed in our May 2015 report⁴.

In November 2016 T+T provided HCC with an assessment of the November 2014 landslips current state to highlight the risks associated with not performing the suggested remedial works of horizontal drains, erosion matting and revegetation. Further details on this assessment is discussed in our November 2016 report⁵.

The April 2017 landslip is discussed in Section 3 below.

3 Site Description

Te Hikuwai path is located along the eastern (true right) bank of the Waikato River. The area concerned is situated on HCC land below private property at 11 River Elm and below Te Owhangao Pa. The slope is steep, densely vegetated and terminates at the river edge below. There is a public walkway (Te Hikuwai walkway) situated near the bottom of the slope.

A series of two joining landslips are believed to have occurred between 4 April 2017 and 26 April 2017 following Cyclone Debbie (4 April 2017) and Cyclone Cook (13 April 2017).

M. Triggs from T+T met L. Cornes from HCC on 6 April 2017 to inspect the damage caused from the landslip. Access was only available from the top of the slope due to the river level being above the walkway. The landslip during the site inspection was approximately 26m wide. Following the first site inspection, M. Triggs revisited the site on 26 April 2017 to assess the landslip once the water level had receded. The landslip was observed to have had further evacuation to the east and had increased to approximately 41m wide.

The landslip was relatively shallow seated with the surficial material and vegetation evacuating from the upper half of the slope and inundating the walkway below. The western extent of the landslip is directly adjacent to the 2013 the coir matting works. No land was observed to have evacuated under the coir, however, a tension crack was noted on the upper eastern side of the coir. A 1.2m high timber retaining wall was observed under the inundation. No damage was observed to this retaining wall in the locations where it was exposed. The landslip headscarp ranged from approximately 1.5m to 3m in height at an angle ranging from 70° to 90°. A perched water table was observed two thirds up the slope and water seepage along with scour was noted directly above the perched water table.

The landslip is believed to have occurred as a result of a combination of the heavy rainfall events in early April 2017, the perched water table and the slope being over steep.

² T+T Report (15 March 2013). *Assessment of Landslip Damage Solution for Te Hikuwai Slip, 11 River Elm, Hamilton*. T+T Ref: 61732.

³ T+T Report (11 February 2015). *Practitioner's solution for Te Hikuwai second slip, 11 River Elm, Hamilton*. T+T Ref: 61732.1000.

⁴ T+T Report (13 May 2015). *Geotechnical assessment - Te Hikuwai River Bank Stability*. T+T Ref: 61732.2000.

⁵ T+T Report (7 November 2016). *Te Hikuwai Second Slip, 11 River Elm, Hamilton Assessment of landslips current state*. T+T Ref: 61732.1000.

The published geology of the area⁶ indicates that the site is underlain by Walton Subgroup alluvium which comprises pumiceous mud, silt, sand and gravel with muddy peat beds; rhyolite pumice, including non-welded ignimbrite, tephra and alluvial pumice deposits.

The location of the landslip and the extent of the damage are shown on the attached sketches and photographs. The conclusions and recommendations in this report are based on a visual assessment of the site only. It must be appreciated that subsurface conditions may vary from those inferred in this report.

4 Damage to HCC land assets

The damage to the HCC land and assets consists of a 41m wide landslip along above Te Hikuwai walkway which has resulted in:

- Evacuation of land.
- Scour of land directly above the perched water table.
- Inundation onto Te Hikuwai walkway and into the Waikato River.
- Inundation over a 1.2m high timber retaining wall (although no damage was observed to the retaining wall).
- Tension cracking under the coir which HCC had installed in 2013.

5 Imminent Risk

Within the following 12 months (under normal annual rainfall conditions) and as a direct result of the landslip that has occurred there is an imminent risk of regression of the landslip headscarp resulting in:

- Evacuation of land extending into the 11 River Elm property and Te Owhangao Pa site.
- Evacuation of land under the coir causing ripping of the coir.
- Further scour of land above the perched water table and along the slope face.
- New inundation and reinundation to Te Hikuwai walkway and into the Waikato River.

There may be a risk of landslips on adjacent slopes due to future large storm or earthquake events⁴. However, this risk is not considered imminent within the next 12 months as a direct result of the landslip that has occurred.

6 Potential remedial works

There are a number of remedial options to protect HCC land on the top of the slope, private property at 11 River Elm and Te Owhangao Pa site. These are summarised in Table 1 below.

⁶ Edbrooke, S.W. (compiler) 2005: Geology of the Waikato area. Institute of Geological & Nuclear Sciences 1:250,000 geological map 4. 1 sheet + 68 p. Lower Hutt, New Zealand. Institute of Geological & Nuclear Sciences Limited.

Table 1: Potential remedial options for Te Hikuwai landslip

Solution	Addressed hazards	Hazards not addressed	Benefits	Negative effects
1. Do Nothing	None.	Seepage. Earthquake induced failures. Global failures. Surficial failures	No cost.	Public can't access walkway. Landslip likely to regress towards 11 River Elm and Te Owhangao Pa site. Proportion of existing coir from 2013 fix likely to fail.
2. Trim back headscarp/tension crack and pin erosion control matting to the ground. Control surface drainage.	Reduces the likelihood of landslipping behind the existing landslip. Repairs damage to the 2013 fix	Seepage. Earthquake induced failures. Global failures.	Encourages plant growth to mitigate future scour and landslipping. Use of manual labour and light machinery. Least cost excluding do nothing.	Trimming may extend onto Te Owhangao Pa site. This is regarded as a practitioner's approach, it has a higher risk of failure than a fully engineered solution, no guarantees can be made to the performance or longevity of the solution.
3. As per Option two with installation of horizontal drainage.	Further reduces the likelihood of landslipping behind the existing landslip.	Earthquake induced failures. Global failures.	Encourages plant growth to mitigate future scour and landslipping. Relieves porewater pressures within the slope to reduce risk of instability from groundwater seepage. Cost effective.	Trimming may extend onto Te Owhangao Pa site. This is regarded as a practitioner's approach, it has a higher risk of failure than a fully engineered solution, no guarantees can be made to the performance or longevity of the solution.
4. Soil nails on upper bank.	Significantly reduces the likelihood of landslipping behind the existing landslip.	Nil.	Engineered solution to increase the stability of the slope.	Soil nails would extend into 11 River Elm property which would require approval of the landowner. Soil nails would also extend under Te Owhangao Pa site. Would have a higher construction costs than options 2 and 3
5. Engineered Anchored Palisade Wall at crest of slope.	Significantly reduces the likelihood of landslip regressing to 11 River Elm and Te Owhangao Pa site.	Landslipping still susceptible below retaining wall on HCC land and Te Hikuwai path.	Engineered solution to protect the land behind the retaining wall.	Anchors would extend onto 11 River Elm which would require approval of the landowner. Soil nails would also extend under Te Owhangao Pa site. Large machinery required to access 11 River Elm and Te Owhangao Pa site. Highest construction cost.

7 Summary

We suggest that HCC consider one of the options presented in Table 1 in Section 6 to address the landslip and allow Te Hikuwai walkway to reopen. Depending on HCC's budget, a low cost solution to mitigate against further landslipping would be Option 3, to trim the headscarp, control the perched water table and overland flow and revegetate the slope. An example of this solution was presented in our February 2015 report⁵ and attached at the end of this document for reference. If horizontal drainage is allowed to extend below 11 River Elm property and Te Owhangao pa site, then additional horizontal drainage could be considered to intercept the perched water further into the slope.

8 Applicability

This report has been prepared for the exclusive use of our client Hamilton City Council, with respect to the particular brief given to us and it may not be relied upon in other contexts or for any other purpose, or by any person other than our client, without our prior written agreement.

Tonkin & Taylor Ltd

Environmental and Engineering Consultants

Report prepared by:

Authorised for Tonkin & Taylor Ltd by:



.....

Michael Triggs

Geotechnical Engineer



.....

Glen Nicholson

Project Director

Technical review by Andrew Langbein, Senior Geotechnical Engineer.

MJTT

\\ttgroup.local\corporate\hamilton\projects\61732\61732.1100\issueddocuments\20170609.mjtt te hikuwai slip 3 v3.docx

Attachments: Photographs 1 to 6
 Sketches 1 and 2
 Potential remedial solution from the February 2015 report

Appendix A: Photos



Photograph 1: View of the landslip Headscarp. Te Owhangao Pa site to the left.



Photograph 2: Landslip inundation onto Te Hikuwai walkway.



Photograph 3: Inundation above Te Hikuwai walkway and a timber retaining wall.



Photograph 4: Panoramic view of the landslip from Te Hikuwai walkway.

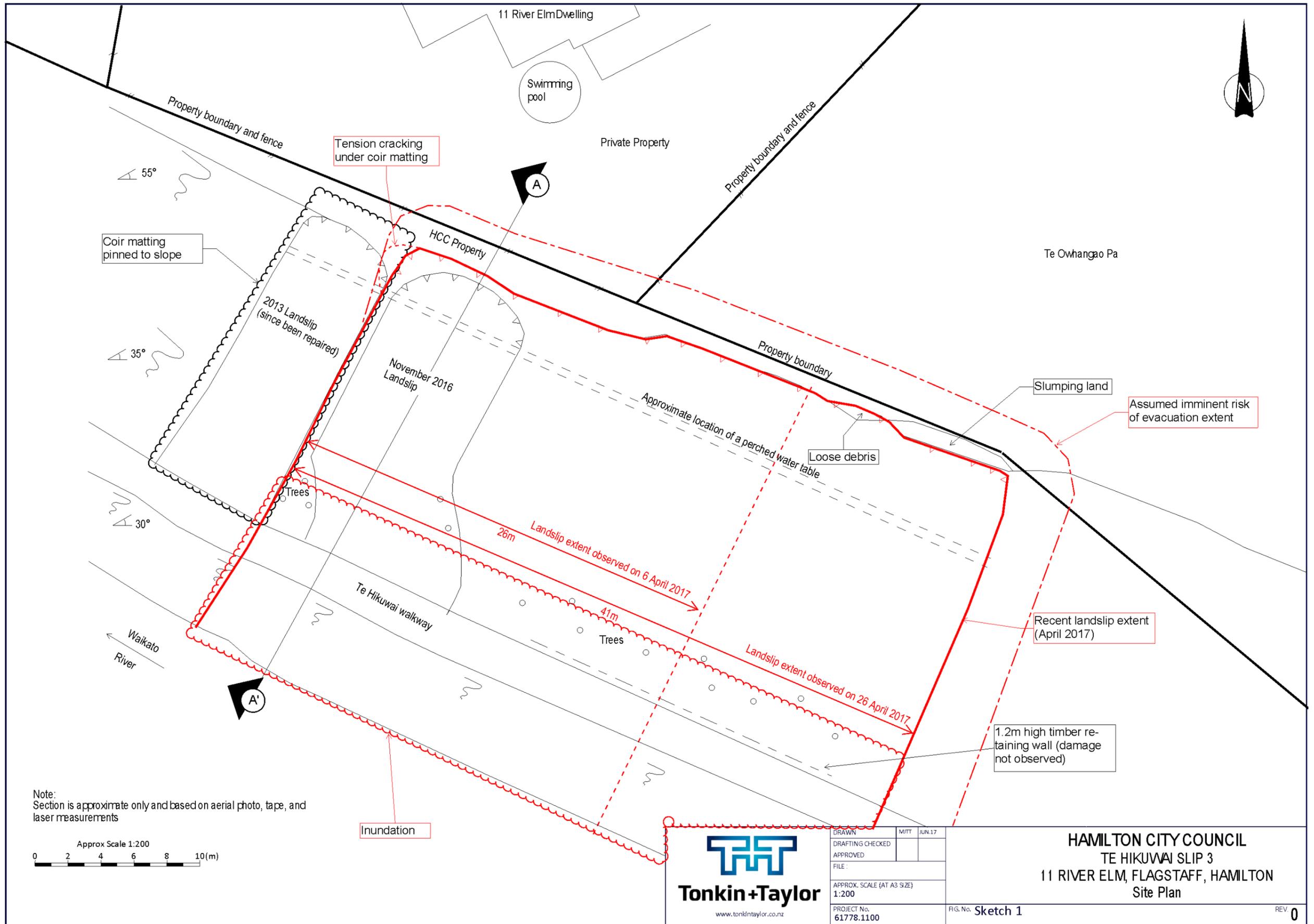


Photograph 5: View of the landslide headscarp from the slope face.

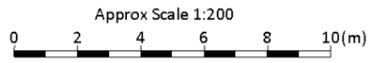


Photograph 6: View of the western side of the landslide. The 2013 coir works is to the left. Note the scour above the perched water table two thirds up the slope.

Appendix B: Sketches 1 and 2



Note:
Section is approximate only and based on aerial photo, tape, and laser measurements



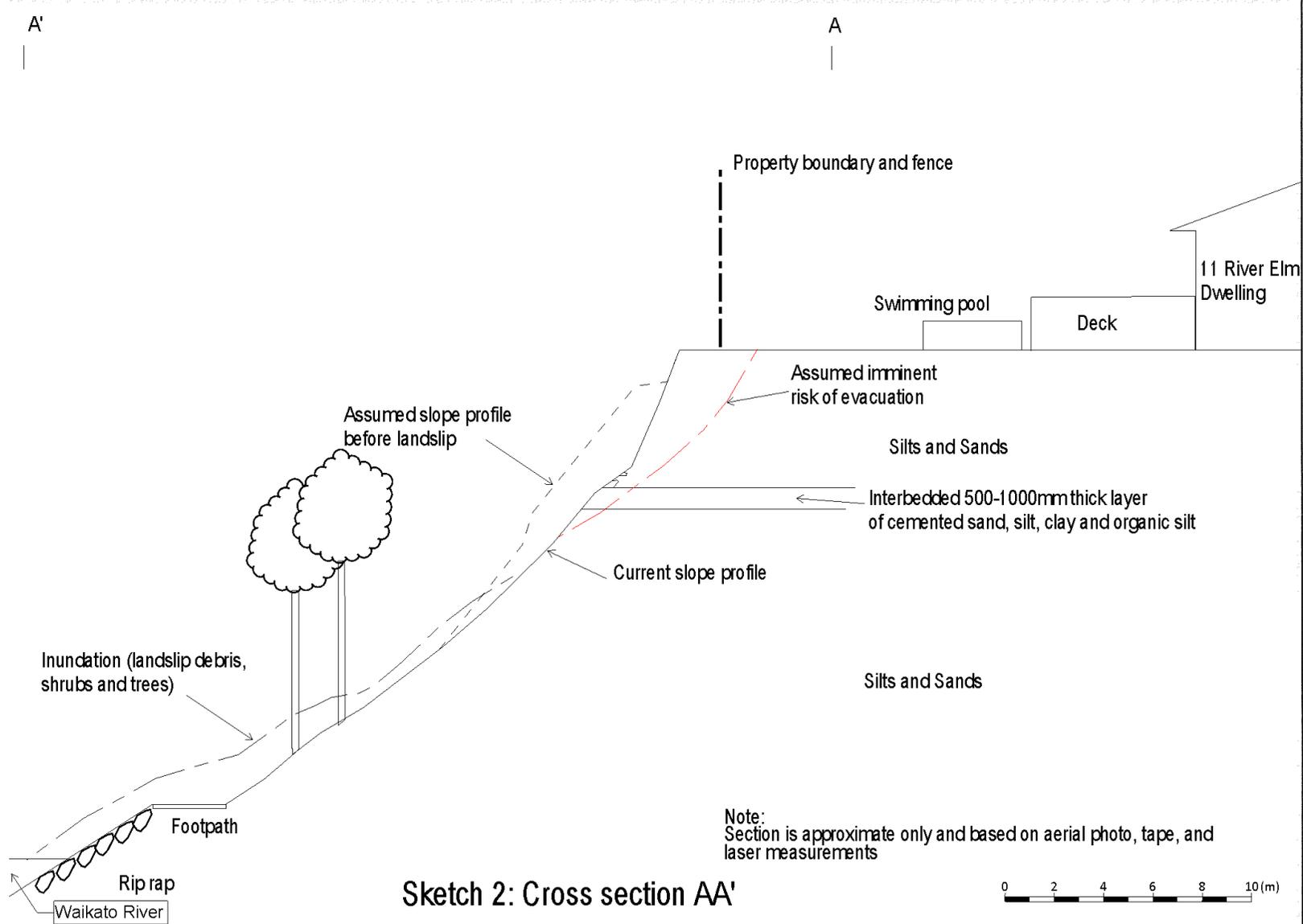
Tonkin+Taylor
www.tonkintaylor.co.nz

DRAWN	MITT	JUN 17
DRAFTING CHECKED		
APPROVED		
FILE :		
APPROX. SCALE (AT A3 SIZE)	1:200	
PROJECT No.	61778.1100	

HAMILTON CITY COUNCIL
TE HIKUWAI SLIP 3
11 RIVER ELM, FLAGSTAFF, HAMILTON
Site Plan

FIG. No. Sketch 1

REV. 0



Sketch 2: Cross section AA'

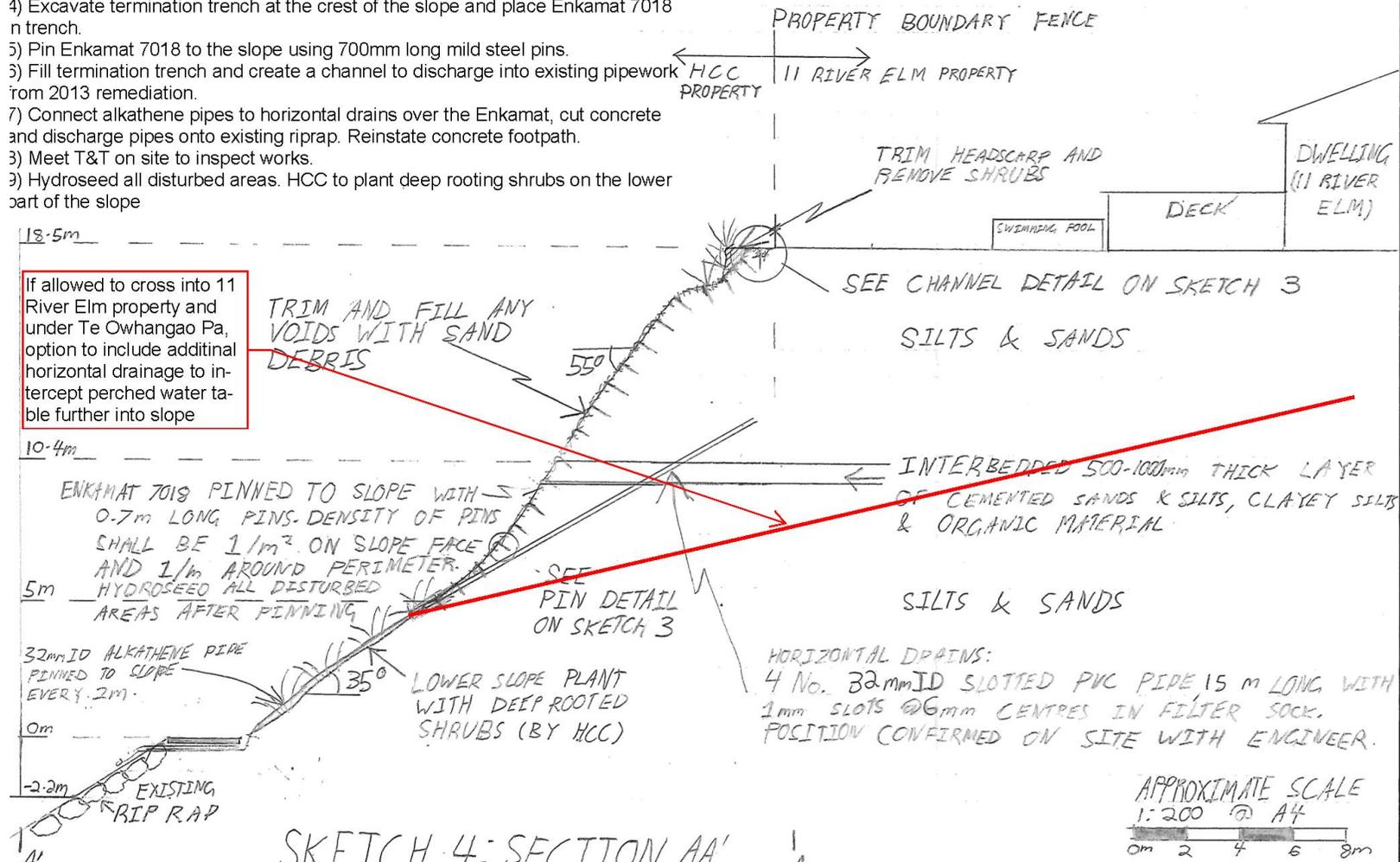
		Project: Te Hikuwai Slip 3	
Description: Cross section AA'		Checked: 20	Checked: 20
		Revised: 20	Checked: 20
		Checked: 20	Checked: 20
		File:	Job No: 61732.1100
		Sheet No: 2 of 2	Date:

Appendix C: Potential remedial solution

Construction Sequence

- 1) Meet T&T on site to confirm set out
- 2) Trim the slope, remove vegetation and loose debris.
- 3) Meet T&T on site to confirm position of horizontal drains. Install horizontal drains from the base of the slope to intercept the perched water table.
- 4) Excavate termination trench at the crest of the slope and place Enkamat 7018 in trench.
- 5) Pin Enkamat 7018 to the slope using 700mm long mild steel pins.
- 6) Fill termination trench and create a channel to discharge into existing pipework from 2013 remediation.
- 7) Connect alkathene pipes to horizontal drains over the Enkamat, cut concrete and discharge pipes onto existing riprap. Reinststate concrete footpath.
- 8) Meet T&T on site to inspect works.
- 9) Hydroseed all disturbed areas. HCC to plant deep rooting shrubs on the lower part of the slope

EXAMPLE ONLY



If allowed to cross into 11 River Elm property and under Te Owhangao Pa, option to include additional horizontal drainage to intercept perched water table further into slope

Description: SKETCH 4: SECTION AA
 Checked: BMO
 Revised: 20
 Checked: 20
 File: 61732.100
 Date: 11/21/2015
 Job No: 61732.100
 Scale: 1:200 @ A4
 Sheet No: 20

Council Report

Committee:	Council	Date:	16 August 2018
Author:	Natasha Ryan	Authoriser:	Lance Vervoort
Position:	Key Projects Programme Manager	Position:	General Manager Community Manager
Report Name:	River Plan - Path between VOTR and Embassy Park		

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To inform the Council about the River Plan path between Victoria on the River (VOTR) and the Embassy Park.
2. To seek approval to defer the design and investigation for the path from VOTR to the Waikato Regional Theatre until the theatre levels are confirmed.
3. To inform the Council regarding the status of the River Plan projects (refer Attachment 1).

Staff Recommendation

4. That the Council:
 - a) receives the report; and
 - b) approves option 2 of this report namely:
 - i) defers further investment into the development of a path between VOTR and Embassy Park at this stage;
 - ii) requests staff arrange a briefing to prioritise the River Plan Master Plan projects; and
 - iii) allocates \$25,000 of the River Plan – VOTR to Embassy Park budget to developing staging options for the River Plan Master Plan

Executive Summary

5. Following the Council's decision (19 April 2018) the proposed River Plan path between VOTR and the Embassy Park has funding of \$400,000 allocated from the River Plan budget (deferred from 2017/18).
6. The design of the path has been reviewed to connect with the Waikato Regional Theatre at a level advised by the architects for that project. Estimates for that portion of path are significantly higher than anticipated (\$2.4M).

7. Staff recommend that: work on the path stops until the floor levels of the Waikato Regional Theatre are more certain; and in the meantime, a review is undertaken of the relative merits of the River Plan projects and potential funding partners. This has the potential to return greater benefits in the short term while unlocking the Donny Trust Funds. Up to \$25,000 of the \$400,000 allocated towards the path would be required to obtain external advice regarding staging requirements and review of costs for each stage.
8. Staff consider the decisions in this report have a low significance and that the recommendations comply with the Council's legal requirements.

Background

9. During the 2017/18 Financial Year, the River Plan had a capital expenditure allocation of \$1,250,000. Of that \$750,000 was earmarked by the River Plan Task Force towards a path connecting VOTR to Embassy Park, and \$200,000 towards the central city jetty.
10. On 19 April 2018, the Council resolved to design and construct a 'better level of service' central city jetty. This was funded using a reallocation of \$350,000 from the path budget, leaving \$400,000 remaining for the path.
11. In late 2017, staff became aware that the design for the Waikato Regional Theatre allowed for a boardwalk to adjoin and connect with the theatre at an undetermined height. In order to integrate the path with the theatre, Council resolved (19 April 2018) to defer *'construction of the upper level connection between Victoria on the River and Embassy Park until staff report back to Council in August 2018 on revised costs and other matters.'*

Discussion

12. The Cultural Precinct Master Plan was developed to include a connection between VOTR and the theatre and cost estimates were prepared on that basis. Initial estimates were much higher than anticipated and were reviewed to identify savings. These indicate that the costs for the same section of path would be approximately \$2.4M, excluding any mitigation.
13. The primary factors in the cost increase, are more expensive structural elements to respond to the height including retaining structures, and a more generous contingency to allow for geotechnical uncertainties.
14. Despite initial re-confirmation of the connection height for the path with the theatre, the architects for the theatre project advised in July 2018 that the connection point will be half a metre higher than allowed for in the master plan. As a result, it is likely that the costs will be even higher than the \$2.4M estimated.

Recommendation

15. There is a significant gap in funding to complete the path between Victoria on the River and the theatre. Two options are considered, with Option 2 being preferred:
16. Option 1
17. That the Council:
 - Continues with design and investigation for a path from VOTR to the Waikato Regional Theatre drawing on the \$400,000 allocated;
 - Does not proceed with construction of the path until funds are secured.

18. Option 2
19. That the Council:
 - Defers further investment into the development of a path between VOTR and Embassy Park until there is certainty regarding the floor levels of the Waikato Regional Theatre;
 - Reviews the Master Plan projects considering the benefits generated, staging, associated costs and potential funding partners to be reported back to Council in a briefing.

Risks and Benefits

20. The following table summarises the benefits, risks and issues for the two options.

	Option 1 Design VOTR to Theatre	Option 2 Defer Path Design
Benefits	<p>A unique opportunity to provide the best connection between the river paths and the Waikato Regional Theatre: maximises long term success of the central city water front.</p> <p>Potential savings from designing and/or constructing the river path concurrent with the theatre.</p>	<p>Has the potential to return more benefits in the short term: e.g. connection to jetty increases economic return for local business; or theatre to Ferrybank Bridge connection enables benefits from both</p> <p>Can unlock the Donny Trust Funds to greater benefit</p> <p>Opportunity to work with partners to create greater benefits.</p>
Risks/Issues	<p>If sufficient funds are not obtained to construct the path in time with the theatre construction, there may be risk of further costs of redesign for any portion attached to the theatre.</p>	<p>Misses the opportunity to maximise benefits and cost savings by coordinating the design for the path with the theatre design.</p>

Financial Considerations

21. The total budget for the path between VOTR and Embassy Park is \$400,000 capital expenditure, of which approximately \$115,000 has already been committed.
22. Two elements of work may be required to robustly review the River Plan projects to develop a recommended priority. These are:
 - Obtain engineering advice to confirm the required staging to ensure individual projects can be constructed. The estimated cost for this is \$10,000 capital expenditure.
 - A value engineering exercise to identify design changes that may result in substantial savings and therefore a more robust platform for discussions with external parties. The estimated cost for this is \$15,000 capital expenditure.
23. Beyond paying for the above, the unspent funds will not be used until the Council has resolved to proceed with a River Plan project.

Legal and Policy Considerations

24. Staff confirm that the options comply with the Council's legal and policy requirements.

Cultural Considerations

25. Te Haa o te Whenua o Kirikiriroa (THaWK) have been consulted and have not raised any specific considerations. It is noted that there is a risk of delay associated with discovering kooiwi (human remains) in this area, which will be managed using the usual protocols.

Sustainability Considerations

26. This project is consistent with Council Sustainability Principles because walking and cycling are promoted.

Significance & Engagement Policy

Significance

27. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

28. Community views were obtained during development of the River Plan:
- For decades Hamiltonians have wanted to see the river become the heart of our city and to have a plan to achieve this
 - The river is an integral part of Hamilton's identity and history
 - To realise the river as an asset for everyone to use and enjoy, it needs to be made available and accessible
 - The river has huge untapped potential for visitor and tourism opportunities
 - Embracing the river marks our coming of age as a city
29. Property owners for the Terrace Apartments have stated they would prefer that the path does not proceed due to their concerns regarding the path on the river side of their properties, or that mitigating factors are put in place.
30. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

Attachment 1 - River Plan - Progress Update as at July 2018

River Plan Progress Update

July 2018

Background

1. The key outcomes for the River Plan reflect public feedback and are articulated in the following 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
2. This report provides an update on the current and recent River Plan projects, as at July 2018.

Master Plan — Ferrybank to Victoria on the River

3. Purpose: a plan showing connections between Ferrybank and Victoria on the River, intended to ensure that community infrastructure, which may be constructed independently, comes together into a cohesive asset for the city.
4. The master plan was presented to Councillors in a briefing 12 April 2018. Subsequent cost estimates were higher than considered feasible. The key factors are topography, geotechnical and quality. The design has been reviewed to make cost savings and the estimate is currently being peer reviewed. Work on developing the master plan is expected to be complete in August 2018.
5. According to Ministry of Business, Innovation and Employment advice, the Tourism Infrastructure Fund is expected to be announced in the last week of July 2018. At the time of writing this has not been announced.
6. The elements described within the master plan are largely unfunded with the exception of the jetty and, in part, the connection between Victoria on the River and the Waikato Theatre. Potential funding partners will be sought once the funding plan for priority projects is determined (these priority projects are those that the 10 Year Plan identifies for external funding).

Museum to Grantham Street Accessible Path

7. Purpose: Construct an accessible connection between the existing path from Grantham Street to the river side front of the Waikato Museum. This is part of the jigsaw that, when complete will provide an accessible connection alongside the river between the Council's cultural assets from Grantham Street to Victoria on the River.
8. The physical works are largely complete with limited archaeological finds to hold up progress. Technical issues with one construction element has been delaying completion. The Contractor advises that they will be complete by the end of July at which time planting by Parks can commence. The site is shown in **Figure 1**.

D-2724202

Figure 1 Museum to Grantham Street Accessible Path (left)



Victoria on the River to Theatre Promenade

9. Purpose: Support development of a great river city by creating a connection which is accessible for all, between Victoria on the River and Embassy Park and/or the Waikato Regional Theatre, and in doing so, support the following River Plan themes: access; recreation; development; arts and culture; tourism.

Building Consent Issues

10. Feedback on the building consent application was that there was insufficient information in some areas. This issue arose from an inability to test and insufficient rationale regarding assumptions made and approaches proposed. The project engineers have advised that the topography prevents testing sufficient to provide certainty regarding the geotechnical design; two options are being considered, with the first being progressed at present:
- Undertake testing that is possible without construction, proceed with refining the design, peer review and if favourable pursue consent.
 - Construct a retaining wall and platform to permit testing prior to seeking consent, with risk that the findings may not be favourable

Levels

11. Despite indicating that the theatre floor levels were set in May 2018, the architects for the Waikato Regional Theatre, reported in July 2018 that the connection point with the path will be approximately half a metre above previous advice. The consequences and the resulting actions of this are outlined in **Table 1**, subject to the Council's decision to continue with the path:

Table 1 Consequences of higher floor levels at the Waikato Regional Theatre and the intended action

Consequence	Action underway
Reduced confidence regarding no subsequent changes to levels.	Investigate the feasibility of engaging the theatre architects to redesign the path (also improves opportunities to integrate the design and construction).
Further impact on neighbours or redesign is required, with an impact on cost	Assess alternative route options

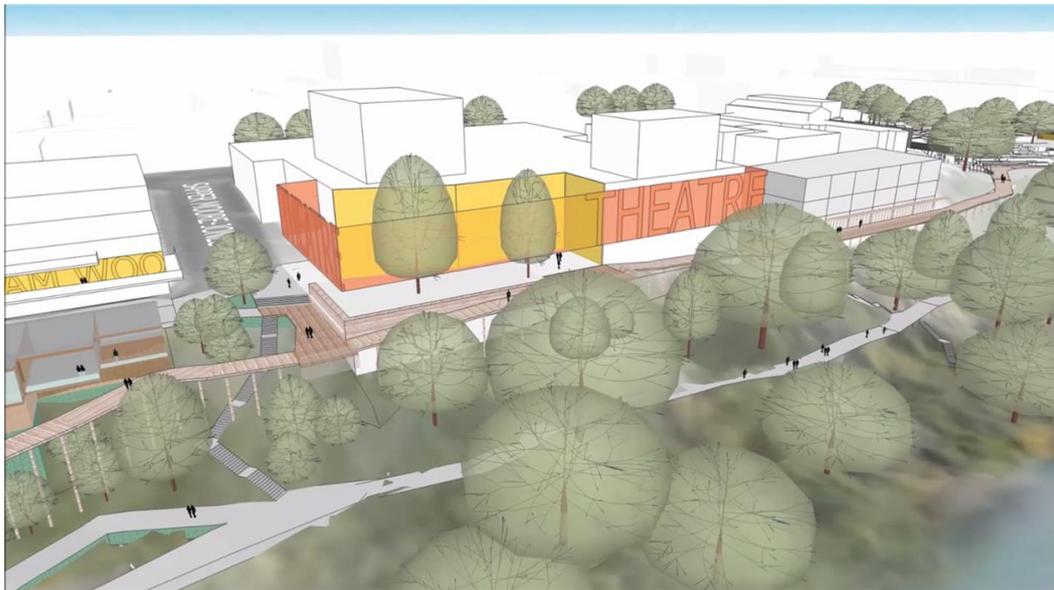
12. A preliminary assessment of alternative route options has been undertaken with two shortlisted options:
- Option 1: Minimal height: Using the consented alignment in front of the apartments to connect to the museum, with stairs or a ramp up to the theatre. Refer **Figure 2** for an indicative layout.
 - Option 2: High level connection at the centre of the theatre. Refer **Figure 3** for an indicative layout.

Figure 2: Option 1: Lower level connection between VOTR and museum with ramp to theatre



* Details such as trees and balconies are not shown, and what appears as solid faces may be different – for example, piled structures.

Figure 3: Option 2: High level connection at the centre of the theatre



Mitigation

13. The Terrace Apartment owners have identified a number of concerns regarding the path and proposed potentially acceptable mitigations. These have been assessed with Table 2 summarising the cost impact of recommended options.

Table 2 Summary of Mitigation costs to address neighbours' concerns¹

Option	Potentially Necessary
Option B High Level Connection	\$380,000 ²
Options C/D Minimal Height Connection	\$0

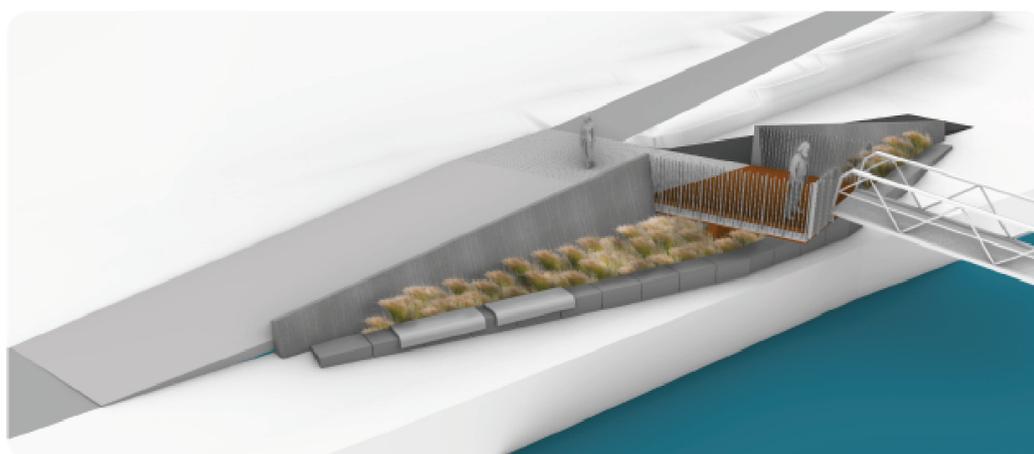
¹ Further work is required to confirm cost estimates which have been provided by JewkesBoyd Cost Management, based on very basic design information.

² \$350,000 is subject to acoustic engineer advice confirming necessity

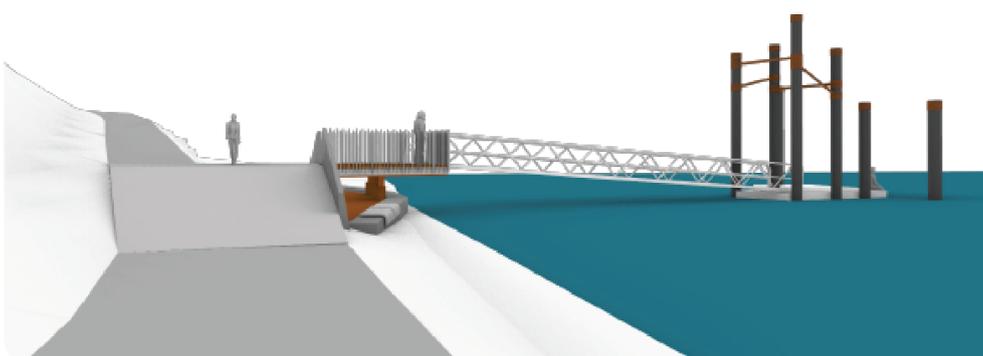
Central City Jetty

14. Purpose: Support development of a great river city by replacing the existing central city jetty with a permanent jetty, gangway and pontoon to support the following River Plan themes:
 - improve access to and along the river
 - promote enjoyment of the river
 - promoting and developing tourism along the river
15. The design has been developed sufficient to consult. River users have been asked to provide feedback on the design and the appropriate tangata whenua representatives have been asked to provide a statement of support required for the Resource Consent applications, which are planned for lodgement in August 2018. Te Haa o te whenua o Kirikiriroa have provided a statement of support subject to Waikato-Tainui doing likewise.
16. Impressions of the jetty are shown in **Figure 4**. These are created for the purpose of discussing aesthetic options and not 100% accurate.

Figure 4 Central City Jetty Impressions



PLANTING BEHIND GABION WALL



13.9M RIVER LEVEL (95TH PERCENTILE)

Victoria on the River

17. Purpose: Create a public space connecting the city centre from Victoria Street with the river corridor.
18. The main physical works contract is now in the defects liability period. The remaining elements of work, separate to that contract are:
 - Shade umbrellas have been installed ready for use.
 - MESH Public Art work: The project is being led by MESH who report they are finalising design, meeting with potential fabricators and developing a detailed budget for the implementation and fundraising. At present they do not have a target date for going to Stage 3 of the Council's Public Art Process.
19. This project is now closed, with the MESH public art being managed and reported through the Council's Public Art process.

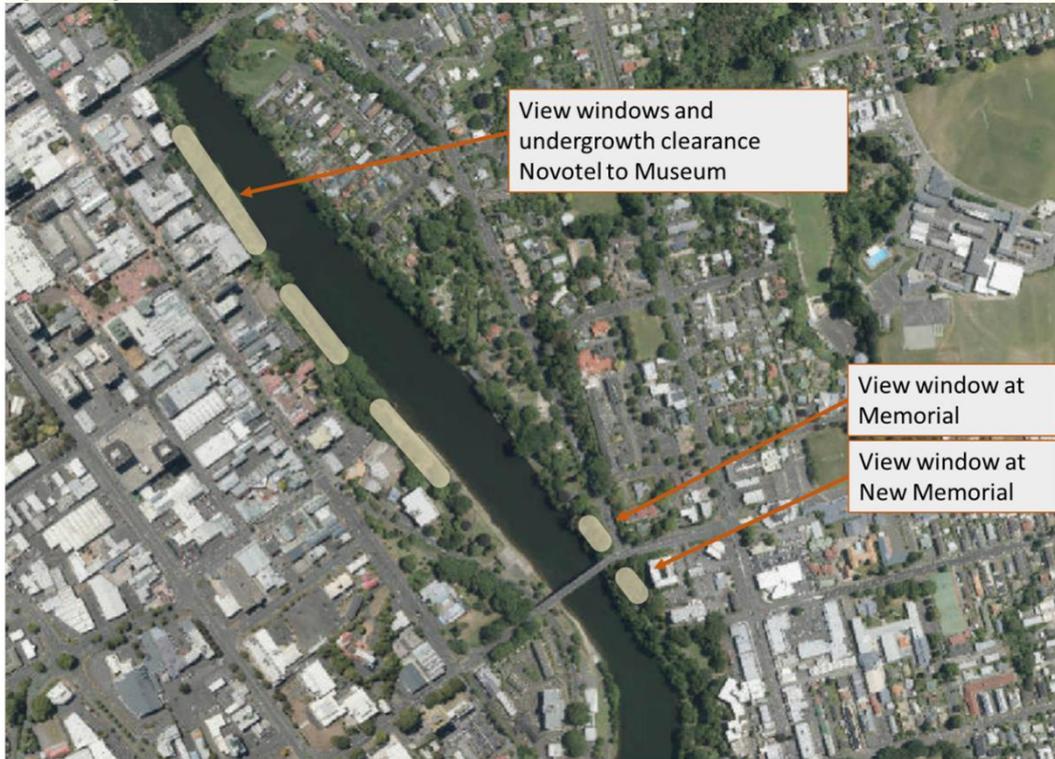
River Plan Furniture and Materials Palette

20. Purpose: Set a framework for future projects to ensure a consistent look and feel (in terms of furniture and materials) along the extent of the river path.
21. The document has been drafted and feedback provided. Some elements are being refined using the Waikato Museum to Grantham Street Accessible Path project.

Vegetation Management Plan

- 22. Purpose: allow better visual engagement with the river throughout the city.
- 23. Thinning, lifting or topping of vegetation has been undertaken to create view windows to the river at the locations shown in **Figure 5**.

Figure 5 Vegetation Clearance



- 24. This project is now closed. Any further vegetation works will be managed through Parks and Open Spaces

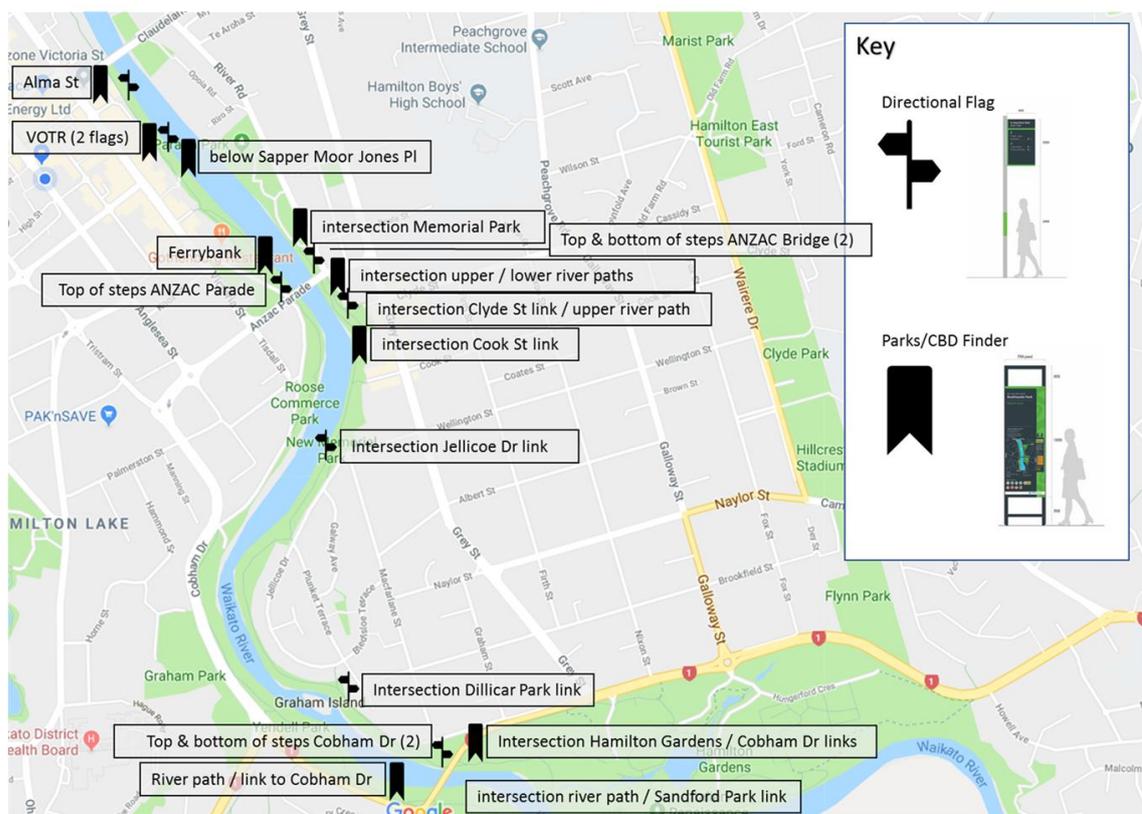
River Plan Wayfinding Strategy

25. Purpose: to allow people to explore the River Path with confidence. Funding has been allocated for developing a document outlining the signage family, consistent with the Council brand and identifies appropriate signs in the following locations:

- West bank: between Cobham Drive Bridge and London Street
- East bank: between Hamilton Gardens and Anzac Parade

26. Cost savings and collaborative procurement across projects has enabled a larger number of signs to be installed. These are being constructed and are expected to be installed by September 2018. The proposed locations are shown **Figure 6**.

Figure 6 Wayfinding Signs



Council Report

Committee: Council **Date:** 16 August 2018
Author: Cherie Meecham **Authoriser:** Lance Vervoort
Position: Museum Director **Position:** General Manager Community
Report Name: Waikato Museum and Exscite Trust Memorandum of Understanding

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To recommend Council approve the draft Memorandum of Understanding (MoU) between Waikato Museum and the Exscite Trust.

Staff Recommendation

2. That the Council approves the 2018 Memorandum of Understanding between Waikato Museum and the Exscite Trust.

Executive Summary

3. The previous operational agreement between Waikato Museum and the Exscite Trust expired in July 2015. In June 2017, Elected Members opted to enter into a new agreement and opposed dissolving the partnership.
4. This report seeks approval to commence a new MoU as agreed to by both parties.
5. Staff recommend option 1 – approve the MoU, as detailed in paragraph 9 below.
6. Staff consider the MoU has low significance and that the recommendations comply with the Council’s legal requirements.

Background

7. The first operational agreement between The Exscite Trust and the HCC was entered into in 1997. Under an Agreement for Operational Merger entered into between Exscite Trust and HCC in 2006, the facility was then transferred to HCC as provided for in that agreement.
8. The 2006 Agreement expired on 17 July 2015 and is of no further force or effect. In June 2017, Council opted to enter a new agreement, rather than renew the 2006 Agreement or dissolve the partnership. Negotiations to form a new MoU have been ongoing since that decision, and have now been resolved.
9. The purpose and statement of the MoU sets out the shared goals of both parties, the roles of the parties in pursuing those shared goals, and to provide a framework for constructive engagement between the parties. It also acknowledges the history and origins of Exscite and its contribution to the city of Hamilton.
10. The MoU is a non-legally binding record of the parties’ commitment to pursue their shared goals by working together and is not intended to create legal obligations.

11. The shared goals of the parties are to:
 - Increase community's interest and understanding of science matters through interactive exhibitions and programmes at the Waikato Museum.
 - Increase numbers of visitors to the Waikato Museum (relating to science exhibitions and associated programmes).
 - Provide NZ curriculum based education programmes on science that schools actively seek.

Discussion

Options

12. Staff have assessed that there are two reasonable and viable options for the Council to consider. This assessment reflects the level of significance (see paragraph 5) and the desire indicated by councillors for the Museum to maintain the relationship with the Trust. The options are set out below.
13. Option 1 – approve and commence the MoU.
14. Option 2 – do not enter the MoU and invite the Excite Trust to have one member on an advisory panel.
15. Staff recommend option 1 because it was supported by Council in June 2017 and avoids the potential of legal action proposed by the Excite Trust and any adverse publicity.

Financial Considerations

16. Not applicable.

Legal and Policy Considerations

17. Staff confirm that option 1 complies with the Council's legal and policy requirements.

Risks

18. In consideration for the parties entering into this MoU, the Excite Trust acknowledges that the 2006 Agreement has expired and that HCC has no further obligations in relation to that agreement. The Excite Trust withdraws its notice of dispute under the 2006 Agreement and releases HCC from the Excite Trust claims made under the term of the 2006 Agreement.

Significance & Engagement Policy

Significance

19. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

20. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

Attachment 1 - Draft Excite Trust MOU 2018

MEMORANDUM OF UNDERSTANDING

between

HAMILTON CITY COUNCIL

and

EXSCITE TRUST

Attachment 1

Item 12

PARTIES

- (1) **HAMILTON CITY COUNCIL** ("HCC")
- (2) **EXSCITE TRUST** ("Exscite Trust")

BACKGROUND

- A. Exscite Trust was established in 1991 and with funding from The Lotteries Board, HCC, WEL Energy Trust, and local support established the Exscite facility at the Museum in 1996.
- B. The first operational agreement between The Exscite Trust and the HCC was entered into in 1997. In this agreement it was agreed that “to ensure the continuation of its mission, the Exscite operation is to be maintained as a distinctive and identifiable institution.” This agreement is attached as Annex 1.
- C. Under an Agreement for Operational Merger entered into between Exscite Trust and HCC in 2006 (‘the 2006 Agreement’) the facility was transferred to HCC as provided for in that agreement. This agreement is attached as Annex 2.
- D. The 2006 Agreement expired on 17 July 2015 and is of no further force or effect.
- E. The Exscite Trust has raised a dispute under the 2006 Agreement and has alleged that HCC breached its obligations under the 2006 Agreement during its term (‘the Exscite claims’).
- F. HCC and the Exscite Trust have similar goals in relation to promoting an understanding and awareness of science related matters and wish to work collaboratively to advance these aims. They wish to resolve the Exscite Trust claims by entering into this memorandum of understanding (‘MOU’) which sets out the way in which the parties will endeavour to work together in future to advance their shared goals.
- G. History of the Exscite Trust and its contribution to the Waikato Museum is attached as Annex 3.

THE PARTIES AGREE:

Resolution of Exscite claims

- 1. In consideration for the parties entering into this MOU, the Exscite Trust acknowledges that the 2006 Agreement has expired and that HCC has no further obligations in relation to that agreement. The Exscite trust withdraws its notice of dispute under the 2006 Agreement and releases HCC from the Exscite Trust claims made under the terms of the 2006 agreement.

Purpose and Status of MOU

2. The purpose of this MOU is to set out the shared goals of the parties, the roles of the parties in pursuing those shared goals, and to provide a framework for constructive engagement between the parties in relation to the shared goals, acknowledging the history and origins of Exscite and its contribution to the city of Hamilton.
3. This MOU is a non-legally binding record of the parties' commitment to pursue their shared goals by working together and is not intended to create legal obligations.

Shared Goals

4. The shared goals of the parties are to:
 - (a) Increase community's interest and understanding of science matters through interactive exhibitions and programmes at the Waikato Museum.
 - (b) Increase numbers of visitors to the Waikato Museum (related to science exhibitions and associated programmes).
 - (c) Provide NZ curriculum based education programmes on science that schools actively seek.
5. The parties will work together in good faith to pursue their shared goals.

Exscite Trust's role

6. The Exscite Trust will help to pursue the shared goals by:
 - (a) Providing advocacy in the community for attendance and support for science exhibitions and their associated education and outreach programmes produced/exhibited at the Waikato Museum.
 - (b) Providing ideas, advice and guidance to the Waikato Museum in relation to science exhibitions and programmes.
 - (c) Facilitating relationships between Waikato Museum staff and the science community to help enhance science exhibitions and associated programmes held at Waikato Museum.
 - (d) Seeking to provide funding and other resources for science exhibitions and associated programs at the Waikato Museum (that contribute to achievement of the Trust's mission).
 - (e) Allowing HCC to use the Exscite brand, provided HCC continue to be aligned with the shared goals of the parties.
 - (f) Providing and/or advocating for people to become volunteers in the science exhibitions and programmes.

HCC's role

7. HCC will help to pursue the shared goals by:

- (a) Providing science related exhibitions and associated education and outreach programs (which may be part of multi subject education programmed outcomes).
 - (b) Actively promoting, and pursuing Exscite's mission "to promote and popularize science and technology through the medium of interactive displays and programmes".
 - (c) Utilising the established Exscite brand through communications and marketing initiatives/tools.
 - (d) Committing to continue to provide science and education related exhibitions and programmes as part of the Museum's mandate as required by the Waikato Museum Strategic Plan, in an area or areas that will have substantially similar footprint as Exscite has at the date this MOU was entered into, whether in the same place or elsewhere. Any move from the current site, which was fundraised for and gifted to HCC by Exscite, will be the subject of consultation with Exscite.
 - (e) Seeking to enhance the quantity, quality, variety and frequency of science focused, interactive exhibitions and programmes at the Waikato Museum in consultation with the community and in particular with schools to align with their curriculum (primary and secondary). Within these resources it is anticipated that skills in science and education will be available. These resources will be made available by Council, the Exscite Trust and from other sources.
 - (f) Seeking ideas, advice and guidance from Exscite Trust on exhibitions and programs and include this in the forward planning
 - (g) Supporting efforts of Exscite Trust to seek resources from sources not available to Council.
 - (h) Publicly acknowledging support provided by Exscite Trust through the Museum website, in marketing and communications initiatives and on site.
 - (i) Providing one position to Exscite Trust on the Waikato Museum Advisory Group (as proposed in the draft Waikato Museum strategic plan) or such other substitute HCC group, or in the event of there being no such group, to ensure regular communication with Deputy Chief Executive / GM Community (currently Lance Vervoort) or the GM Community's appointed representative.
 - (j) Making best efforts to increase numbers to science related exhibitions and programmes at Waikato Museum within available resources.
 - (k) Informing Exscite Trust on any significant changes to the operation of the Museum in advance of any such changes being made, with reasonable notice.
8. It is acknowledged that HCC has the ultimate responsibility and right to plan/formulate, decide upon and implement science related exhibitions and associated programmes at the Waikato Museum.

Reporting and communication

- 9. Both parties will report quarterly (i.e. every third month) on their activities linked to the shared goals and have a face to face meeting no less than twice a year.
- 10. HCC’s input to pursuing the shared goals will be coordinated through the General Manager Community or nominee.
- 11. The Exscite Trust input to pursuing the shared goals will be coordinated through the Trust Chairman and the Exscite Trust appointee on the Waikato Museum Advisory Group or nominee.

Term

- 12. There is no fixed term for the MOU but the parties agree that it is appropriate to review the terms of the MOU every two years.

Conflict Resolution

- 13. Both parties agree that any dispute or difference that arises under this MOU will be resolved by reference to the parties’ representatives as identified in clauses 10 and 11 above. If these representatives cannot resolve the issue, then any dispute or difference will be referred to the Chief Executive of HCC and the Chairperson of the Exscite Trust. The parties will endeavour to resolve any disputes or differences constructively and in good faith.

SIGNED by HAMILTON CITY COUNCIL)
by an authorised signatory:)

.....
Name
Authorised signatory

SIGNED by EXSCITE TRUST by an)
authorised signatory:)

.....
Name
Authorised signatory

Council Report

Item 13

Committee: Council **Date:** 16 August 2018
Author: Lance Vervoort **Authoriser:** Lance Vervoort
Position: General Manager Community **Position:** General Manager Community
Report Name: Waikato Regional Theatre Funding from Vibrant Hamilton Trust

Report Status	<i>Open</i>
----------------------	-------------

Purpose

1. To inform the Council of the Vibrant Hamilton Trust's actions that bring effect to the Council's 6 December 2018 resolution relating to funding of the Waikato Regional Theatre project.

Staff Recommendation

2. That the Council:
 - a) receives the report; and
 - b) notes the actions being taken by Vibrant Hamilton Trust to bring effect to the instruction given by the Council for the Trust to make a \$6 million grant to the Waikato Regional Theatre project.

Background

3. At the Council meeting held 6 and 7 December 2017, where the Draft 10 Year Plan was considered, the following was resolved in relation to the funding of the Waikato Regional Theatre:

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

- a) operating grant of up to \$25m (after an uncommitted \$5m contribution from Waikato Regional Council) spread over Years 1,2 and 3 (2018/19, 2019/20, 2020/21) for a grant towards the construction of the Waikato Regional Theatre;*
- b) Council's funding will be met from:*
 - i) a grant from VHT with Council instructing the board of VHT that Council wishes a \$6m grant is made to the theatre on Councils behalf;*
 - ii) net proceeds from the sale of Waikato Innovation Park Ltd of an estimated \$6m;*
 - iii) the remaining balance will be met from debt.*
- c) an annual operating 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); and*
- d) Council requests the CE to continue to work with the Regional Council to levy a Regional Council Target Rate to collect up to \$10m. (approximately 50% to be met by Hamilton ratepayers).*

4. The Council has subsequently included the funding for the Waikato Regional Theatre, as outlined in the above resolution, in the final 10 Year Plan which was approved in June 2018.
5. The Waikato Regional Council has also included in its 2018-28 10-Year Plan a \$5 million contribution for this project, but has not funded any ongoing annual operational grants for the theatre.

Vibrant Hamilton Trust

6. At its meetings held on 5 March 2018, 7 May 2018 and 6 August 2018 the Vibrant Hamilton Trust (a Council Controlled Organisation of HCC) has explored how it would give effect to Council's resolution in relation to the Trust making a \$6 million grant to the Waikato Regional Theatre project as part of Council's \$25 million commitment. At its meeting on the 6 August 2018 the Vibrant Hamilton Trust resolved:
 - a) *to pay its entire trust fund to Momentum Waikato;*
 - b) *that \$6 million of the trust fund is to be used for the Regional Theatre Project;*
 - c) *that any leftover funds are to be used for other city projects that align with VHT's purposes; and*
 - d) *that such further legal and other advice and documentation as is necessary to give effect to this decision to follow expeditiously.*
7. Currently the Trust has assets of approximately \$6.4 million.
8. The Vibrant Hamilton Trust has concluded that the most pragmatic and prudent course of action would be to make a grant of its assets, which are currently invested through the Kiwi Wealth Growth Fund, to Momentum Waikato and then to wind up the Trust.
9. The Waikato Regional Theatre project requires funds in advance, to pay for cost incurred for work required to meet milestones as agreed between the partners and as identified in the project fees schedule. This ensures the project can proceed with the next stage of the project – detailed design. Future funds will be released as tenders and contracts are let as part of a formal funding agreement, which is in formation at this time. The Vibrant Hamilton Trust funds are the most immediately available funds to Momentum Waikato and the use of some of these would ensure the project does not stall at a critical stage.
10. Legal advice sought by the Vibrant Hamilton Trust has provided detail on the necessary steps to achieve the aims of the Council resolution. Part of this is a Deed of Gift which can include a condition that would see any funds from the Vibrant Hamilton Trust not used in the theatre project being applied to other city projects by Momentum Waikato.

Options

11. The Vibrant Hamilton Trust not only considered the grant and winding up option but also whether the Trust could be taken over by Momentum Waikato in its entirety. Legal advice shows that this provides a certain level of complexity and lengthening of the time in which Council's instruction can be brought to effect.

Financial Considerations

12. The actions outlined in this paper are congruent with Council's financial strategy, the 10-Year Plan and the resolution from the meeting held on 6 and 7 December 2017.

Significance & Engagement Policy

13. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Attachments

There are no attachments for this report.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation Council Open Minutes - 2 August 2018) Good reason to withhold information exists under	Section 48(1)(a)
C2. Contract 16234 - Rubbish, Recycling and Disposal Services) Section 7 Local Government Official Information and Meetings Act 1987	
C3. Purchase of Land and Buildings - Central City Park)	
C4. Board Chair Appointment - Waikato Regional Airport Limited		
C5. Update from the CEO Review Committee		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)