

Notice of Meeting:

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

Date: Tuesday 28 November 2023
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council Kaunihera OPEN AGENDA

Membership

Chairperson Mayor Paula Southgate
Heamana

Deputy Chairperson Deputy Mayor Angela O'Leary
Heamana Tuarua

Members	Cr Maxine van Oosten	Cr Geoff Taylor
	Cr Moko Tauariki	Cr Sarah Thomson
	Cr Ewan Wilson	Cr Emma Pike
	Cr Mark Donovan	Cr Melaina Huaki
	Cr Louise Hutt	Cr Anna Casey-Cox
	Cr Andrew Bydder	Cr Kesh Naidoo-Rauf
	Vacancy	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance Lead

20 November 2023

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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 Council¹:
 - 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.
 - 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 does 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 1991.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

¹ [Clause 32, Schedule 7, Local Government Act 2002](#)

- 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 or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

Oversight of Strategies, Plans and Reports:

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipaaanga*

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 – *Aatea koorero*

No applicable (section 16)

Council Report

Committee: Council

Date: 28 November 2023

Author: Amy Viggers

Authoriser: Amy Viggers

Position: Governance Lead

Position: Governance Lead

Report Name: Chair's Report

Report Status	<i>Open</i>
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Chair's Recommendation - *Tuutohu*

That the Council receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report



Chair's Report

28 November 2023

This Council faces one of its toughest ever draft budgets, and some of the toughest decisions many of us may ever face in our political careers.

Council's costs have increased on all fronts. These are not dissimilar to the increased costs businesses, developers, community groups and indeed households are experiencing. Councils up and down the country are facing the same challenges.

Interest, inflation and depreciation are the main drivers - costing this Council around \$58 million extra per year. Then there are the huge costs imposed on us from unfunded mandates that the Government has been passing down at pace.

Put simply, we need more revenue to pay for the increased costs to run the city. And it is significant. Council derives 72 percent of its revenue from ratepayers, 13 percent from fees and services, and 3 percent from development contributions.

As Mayor, I asked staff to bring a budget to Council that represents the "base" or minimum work we need to do to run our city while meeting basic community expectations.

It has not been an easy process to get to this point. Councilors have carefully scrutinised spending and proposals. I have listened to feedback and investigated ideas.

I took comments on board and worked with staff to balance affordability against the need to keep the city in good shape and set us up for success. **I also asked staff to find significant savings from the capital budget – and further savings from the operating budget. These are all outlined clearly in the staff report.**

I thank the Chief Executive and his team for responding to my concerns and reflecting the feedback of myself and my colleagues in the budget proposed today.

This proposed draft budget represents a good starting point for discussion. It aligns with priorities we have heard from Hamiltonians – and the five priorities they identified for our city back in 2020 and confirmed as our Community Outcomes on 3 August 2023.

From all of these discussions, my priorities are clear.

Council's core services are vital. We have heard councils up and down the country consider closing libraries, pools, parks - or not fixing potholes in roads. I strongly believe that these services are core to Council's work - and what Hamiltonians value. I will not propose a significant reduction in the levels of services this Council provides that make our city a great place to live. **The proposed budget delivers core services of Council, underway and contracted essential works but very little else.**

We must look after what we have. I have always said we cannot run our city into the ground. I stand by that. We cannot be relying on ageing infrastructure (water pipes, roads, libraries, community spaces). **Capital projects in this budget will ensure that Hamilton's critical infrastructure is in good working order and that we build resilience to adverse weather.**

We must also continue to invest in priority capital growth. Hamilton is a growing city. We need to continue to provide the infrastructure - water and roads - that enable and attract businesses and affordable homes to our city. But there are some capital projects that I am proposing we cut – including, for example, **significant reductions (more than 40 percent) to non-urgent transport upgrades**. In proposing these savings I have tried to maintain a careful balance to have enough funding to respond to safety issues which arise every day on a busy metro transport network.

There are also things we won't be able to do. There are groups we won't be able to fund at the current levels. **The proposal recommends reductions to grants and funds to external groups.** These groups do fantastic work – and I know many will struggle, but we just cannot afford everything at this time. Targeted rates could fund some projects, but only if there is community support. **This is up to the community.**

Elected Members will also see a list of “change requests” and a list of “further reductions” for consideration. These have come from Elected Members, portfolio holders, or have been recommended by staff for consideration. Change requests would add costs but could offer good outcomes for the city. Reductions could decrease costs but would affect levels of service.

We have discussed many ideas to bring down debt and reduce the impact on ratepayers. This includes the sale of assets, and revenue collecting options. Unfortunately, the cupboards are bare - with previous Councils having sold most of what could be sold and there is little left. We also considered selling a portion of our airport shares, but this is not wise at this time, although **we have pursued dividends.**

Elected members also asked for the return of parking charges in the CBD. We have a thriving CBD, and free parking has done its job. I think it's now time to bring back a demand-driven charge for a user pays car-parking charge to encourage high turnover in shoppers.

Other revenue options explored – and that **I propose we keep on watch** - include leasing vacant areas of the Council building, rating AirBnBs commercially, and pressing the Government for the legislative change required to rate undeveloped land more fairly -- particularly land where Council has invested infrastructure – encouraging landowners to develop land at pace.

I have also highlighted many times the significant impact that Government unfunded mandates have had on our work. In short, we have been having to respond to more with no more income. For example, higher water standards, the introduction of new National Policy Statements and greater expectations - including emission reduction targets - to name just a few. This cannot continue.

The current ad hoc funding models, in which councils compete for one-off funding, have failed to provide long-term targeted investment nor ongoing funding models for operating costs.

There are some Government sources of revenue that we have and will continue to explore because I am clear that we cannot build the future we need without strong funded government partnership. These are a portion of GST on rates returned, rating of Government owned properties, and City Deals.

But a significant rates rise is still required. This is extremely disappointing. No Mayor nor Councillor wants to propose large rates increases. What we all do want is a functional, thriving city not just today but for future generations. We simply have no choice.

The question becomes - how quickly do we balance the books? I personally am of the view we cannot do this in the first year. It would mean a massive rate increase (more than 30 percent- or around \$19 per week for the median ratepayer)- at a time when Hamiltonians are already struggling to pay for everyday expenses.

Instead, I propose a moderate approach and **will seek the community's view on balancing the books across three years**. This will mean three consecutive rates increases. It's realistic, and it's more affordable. People won't love it. But we need to be honest and transparent.

Public engagement remains a key consideration for me. Formal consultation will begin in March, once we have worked with Audit NZ on the consultation document. Elected members, senior staff and I are keen to meet with community groups and other organisations to talk through proposals and get feedback. It is important that the community has a say on the issues that affect them.

Today marks the start of the process. Over the coming months we will continue to work through the numbers and hear views from the community.

Chair's Recommendation

That the Council receives the report.

Paula Southgate
Mayor of Hamilton

Council Report

Committee: Council **Date:** 28 November 2023
Author: James Clarke **Authoriser:** Lance Vervoort
Position: Unit Manager Strategy and Planning **Position:** Chief Executive
Report Name: Draft 2024-2034 Long-Term Plan Budget

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council's approval of the draft 2024-34 Long-Term Plan budget.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) notes that this budget has been formed in line with the direction set by the Mayor in consultation with Councillors for the 2024-34 Long-Term Plan in her Chair's report;
 - c) notes that Council's five priorities were reaffirmed as the Community Outcomes for the 2024-34 Long-Term Plan at the Council meeting of 3 August 2023, and inform the direction for the next 10 years;
 - d) notes Maaori partners' priorities for the 2024-34 Long-Term Plan as set out in paragraph 71;
 - e) notes the assumptions that have been used in developing the proposed budget, as covered in paragraphs 44-47 and set out in full in the Significant Forecasting Assumptions report being considered at this meeting – in particular that Council will deliver water services for the first two years (only) of the 2024-34 Long-Term Plan;
 - f) notes that staff have developed an alternative 'Scenario B' budget, for the scenario in which Council continues to deliver water services in all 10 years of the 2024-34 Long-Term Plan, but that this scenario is for Elected Members' reference only and will not form part of the draft 2024-34 Long-Term Plan, which must be based on the law as it currently stands;
 - g) notes the Development Contributions Policy reports being considered at this meeting;
 - h) notes that the **Development Contributions revenue** assumed in the proposed 2024-34 Long-Term Plan is \$248 million over the 10 years, and that the total Development Contributions revenue may change once final levies are determined through the Development Contributions policy at the 14 March 2024 Council meeting;

- i) notes, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget, the balancing the books, debt to revenue and net debt position, assuming annual rates rises of 4.9% as per the 2021-31 Long-Term Plan, as set out in the following table:

	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000
BTB	-75	-85	-77	-86	-98	-97	-108	-111	-106	-102
DtR	311%	332%	279%	318%	358%	386%	393%	417%	455%	466%
Net Debt	1248	1460	986	1141	1329	1482	1657	1852	2050	2235

- j) notes, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget, the average rates rises that would be required to balance the books in one, three and five years in Table 5 of this report;
- k) approves, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget, the 'base' capital programme shown in Attachment 2 of this report, with the exception of any changes made during this meeting;
- l) notes that the 'base' capital programme includes overall \$129.6 million savings over the first three years and \$100.6 million over the full 10 years compared to the first base capital programme presented to Elected Members at the 11 October 2023 workshop, following further direction from the Mayor and Chief Executive;
- m) notes that the 'base' operating budget includes \$332,000 savings compared to the budget presented to Elected Members at the 11 October workshop, following direction from the Mayor and Chief Executive;

PRIORITY ONE – A city that's easy to live in:

- n) approves, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget:
- the proposed base capital programme in Attachment 7 of this report, with a total budget of \$628.8 million over the 10 years;
 - the additional capital projects to consider in Attachment 11 of this report;
 - the proposed operating budget in Table 9 of this report;

PRIORITY TWO – A city where our people thrive:

- o) approves, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget:
- the proposed base capital programme in Attachment 7 of this report, with a total budget of \$100.7 million over the 10 years;
 - the additional capital projects to consider in Attachment 11 of this report;
 - the proposed operating budget in Table 15 of this report;

PRIORITY THREE – A central city where people love to be:

- p) notes that no specific group of activities has been allocated to priority three – a central city where people love to be – as it is recognised that the activation of the central city is contributed to by all parts of Council activity and by key capital projects, including those funded by the Infrastructure Acceleration Fund grant that Council has received from central government;

PRIORITY FOUR: A fun city with lots to do:

- q) approves, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget:
- the proposed base capital programme in Attachment 7 of this report, with a total budget of \$90.8 million over the 10 years;

- ii. the additional capital projects to consider in Attachment 11 of this report;
- iii. the proposed operating budget in Table 21 of this report;

PRIORITY FIVE: A green city

- r) approves, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget:
 - i. the proposed base capital programme in Attachment 7 of this report, with a total budget of \$179.2 million over the 10 years, noting that this only includes the first two years of the three waters activity;
 - ii. the additional capital projects to consider in Attachment 11 of this report;
 - iii. the proposed operating budget in Table 27 of this report;

Matters not included in the Base Budget

- s) notes, for the purposes of preparing the proposed 2024-34 Long-Term Plan budget:
 - i. the operating expenditure Change Requests not currently included in the base budget in Tables 13, 18, 24, and 28 of this report;
 - ii. the additional service level reductions to consider in Tables 14, 19, 25, and 29 of this report;

Renewals and Compliance

- t) notes, for the purpose of preparing the proposed 2024-34 Long-Term Plan budget:
 - (i) the proposed base renewals and compliance capital programme in Attachment 7 of this report with a total budget of \$938.5 million over the 10 years, including \$305.7 million over the first three-year period 2024-27;
 - (ii) an additional \$27.5 million of renewals and compliance funding to consider as in paragraph 111 of this report;

Matters to be reported to a future meeting

- u) requests staff to continue work considering asset sales, and to provide an update to the Long-Term Plan Council Deliberations meeting in May 2024;
- v) requests staff to continue work considering the lease of vacant areas of the Municipal Building complex to corporate or community groups, and to provide an update to the Long-Term Plan Council Deliberations meeting in May 2024;
- w) approves that the capital programme is managed as a three-year programme, consistent with how renewals and compliance are currently undertaken;

Parking

- x) approves that demand-responsive pricing has been included the proposed 2024-34 Long Term Plan for:
 - i. short-term parking, for which staff have proposed for consideration a starting price point of \$3 per hour for the first two hours (and \$6 per hour thereafter) where parking spaces generally have greater than 85% occupancy, and \$1 per hour for the first two hours (and \$6 per hour thereafter) where parking spaces generally have less than 85% occupancy;
 - ii. all day paid parking, enabling prices to be set between \$6 and \$12 to achieve 85% occupancy, together with increased parking enforcement activity, in accordance with the Hamilton Parking Policy;

- y) notes that the introduction of demand-responsive pricing would mean that the two hours free parking trial in the central city, and the central city rate, end on 30 June 2024;
- z) notes the additional parking capital improvements including license plate recognition, vehicle camera equipment and installations, and the additional parking operating and maintenance, and resourcing operating expenditure change requests (including consequential operating expenditure) are included in the 'base' capital programme;
- aa) notes that staff are currently preparing a Parking Pricing Policy as outlined in the Hamilton Parking Policy for consideration of the Infrastructure and Transport Committee in early 2024;

Hamilton Central Business Association (HCBA)

- bb) approves, for the purposes of preparing the draft 2024-34 Long-Term Plan budget:
 - i. the HCBA Change Request to increase the Business Improvement District (BID) targeted rate each year by the same amount as the approved general rate increase, capped at 5%, effective from 1 July 2024;
 - ii. the HCBA Change Request to extend the BID Boundary to include the proposed Hamilton East area as outlined in Attachment 15, and accordingly charge the BID targeted rate to this area, effective from 1 July 2024, subject to the results of the BID Poll;
 - iii. to increase rates for commercial properties in the Central City BID Boundary from 95% of Commercial rates to 100%, transitioned over three years;

Targeted Rates

- cc) notes that staff will provide further advice on which costs can be paid for from the Government compliance targeted rate;
- dd) approves, for the purposes of preparing the draft 2024-34 Long-Term Plan budget, the introduction of a swimming pool safety inspection targeted rate;

Financial Strategy

- ee) approves the creation of an additional financial principle, specifying that 'Rates increases will consider inflation and interest cost levels to ensure a prudent financial position is maintained';
- ff) approves the amendment of the existing financial principle 'Rates certainty will be a key consideration' to 'Rates certainty will be considered', for consistency with the language of the other financial principles;
- gg) approves, for the purposes of preparing the draft 2024-34 Long-Term Plan budget, to balance the books over three years, with the average rates increases over the 10 years as set out in Table 5;
- hh) agrees, for the purposes of preparing the proposed draft 2024-34 Long-Term Plan, to not seek to balance the books using the alternative government measure in Year 1; and

Consultation document

- ii) approves the Chief Executive to prepare a draft Consultation Document (for approval at the 14 March 2024 Long-Term Plan Council meeting) on the basis of the approved draft 2024-34 Long-Term Plan budget, in consultation with the Mayor Southgate, Deputy Mayor O'Leary and Crs van Oosten, Wilson and Tauariki that includes:
 - i. the option of introducing a Community Infrastructure targeted rate, the proposed details of which will be decided at this meeting;

- ii. the option of introducing a Community Resilience and Extreme Weather targeted rate, the proposed details of which will be decided at this meeting; and
- iii. questions concerning the period over which Council should balance the books, and whether to add additional targeted rates as set out in resolutions ii) i and ii, as well as any other key issues identified at this meeting.

Executive Summary - *Whakaraapopototanga matua*

3. This is a staff report on the draft 2024-34 Long-Term Plan, responding to the direction that has been set by the Mayor in consultation with other Elected Members. There are separate reports on Significant Forecasting Assumptions underpinning the 2024-34 Long-Term Plan, and the Development Contributions Policy review, which will be consulted on alongside the draft Long-Term Plan.
4. Earlier this year Council reaffirmed the five priorities it developed ahead of the 2021-31 Long-Term Plan as the Community Outcomes that will drive the 2024-34 Long-Term Plan. These are:
 - i. a city that's easy to live in;
 - ii. a city where our people thrive;
 - iii. a central city where people love to be;
 - iv. a fun city with lots to do; and
 - v. a green city.
5. Over the last two years, Council finances have been significantly impacted by factors outside its control. There are three key drivers increasing Council costs: the international effects of record inflation and interest rate levels, and the national challenges of increased compliance demands imposed by central government. Councils across the country are facing the same challenges – these are not unique to Hamilton or how we operate. Basically, the business of local government is costing more to deliver.
6. The final driver that has led to Council's forecast balancing the books position is a revenue issue. Hamilton's average annual rates increases have not kept pace with the increase in costs outlined above – in part given the desire to ease pressure on households during the COVID-19 pandemic.
7. Working with Elected Members, staff have worked hard to reduce our operating and capital expenditure across the 2024-34 Long-Term Plan – particularly over the first few years where the pressures are most acute.
8. However, this report outlines that, **based on the planned 4.9% annual rates rise set out in the 2021-31 Long-Term Plan, we will have a \$75 million deficit in 2024-25, which would increase over subsequent years. We would also significantly breach our debt to revenue limits in nine of the 10 years of the Long-Term Plan.**
9. This report outlines some areas in which Council may wish to consider reducing spending or increasing revenue, as well as other projects Council may wish to add to the budget. However, these further options are unlikely to have a significant effect on the balancing the books deficit.
10. We will therefore require significant rates rises to balance the books. **One of the key questions for Council is how quickly it wishes to balance the books, and therefore how high the rates rises are, and for how long the higher rates rises are applied.**

11. The key options presented in this report are to balance the books in one, three or five years. The impact of this is as shown on the following tables:

Table 1: Key options to balance the books

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
BTB Year 1										
Weekly \$ Increase*	\$19	\$3	(\$13)	\$3	\$3	\$3	\$3	\$3	\$3	\$3
% Increase	35.0%	6.0%	(24.6%)	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%
BTB Year 3										
Weekly \$ Increase*	\$9	\$9	(\$8)	\$3	\$3	\$3	\$3	\$3	\$3	\$3
% Increase	16.3%	16.3%	(14.4%)	5.7%	5.7%	5.0%	5.0%	5.0%	5.0%	5.0%
BTB Year 5										
Weekly \$ Increase*	\$8	\$7	(\$11)	\$6	\$6	\$3	\$3	\$3	\$3	\$3
% Increase	15.5%	12.9%	(19.9%)	10.8%	10.8%	5.0%	5.0%	5.0%	5.0%	5.0%

* for median residential property

◆ A 30.63% rates decrease relating to waters exit has been applied prior to applying an increase to the remaining rates base.

12. Some Elected Members have also expressed interest in balancing the books under a separate, government-recognised measure in the first year as a stepping stone towards balancing the books under our own measure. The impact of doing so, whilst balancing the books under our own measure in three years, is as set out below.

Table 2: Balancing the books using the government measure

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Govt BTB Year 1										
Weekly \$ Increase*	\$13	\$7	(\$12)	\$4	\$4	\$3	\$3	\$3	\$3	\$3
% Increase	24.7%	13.3%	(22.1%)	6.4%	6.4%	5.0%	5.0%	5.0%	5.0%	5.0%

* for median residential property

◆ A 30.63% rates decrease relating to waters exit has been applied prior to applying an increase to the remaining rates base.

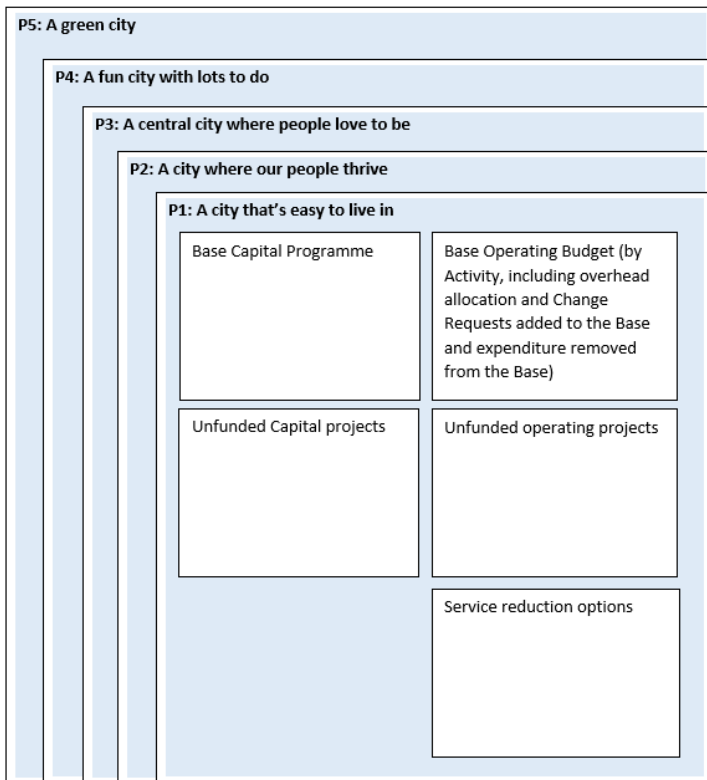
13. **Staff's recommendation is to balance the books under our own measure over three years, and not seek to balance the books under the government measure in the first year. Full information and advice on this is provided in Section 2.**
14. Council also has the option of introducing various targeted rates that would provide funding for particular projects not included within the base budget – for example around providing community infrastructure and responding to extreme weather. **Deciding which targeted rates it wishes to consult the community on, and what each one would comprise of, is a further key area of consideration for Council at this meeting.**
15. The decisions taken by Council in relation to the draft 2024-34 Long-Term Plan budget will form the basis for the Consultation Document that will be prepared for the formal consultation. This will run from mid-March to mid-April 2024. **Providing direction on which issues Council would like staff to work with the Elected Member working group on for potential inclusion in the Consultation Document is a key area of consideration for Council at this meeting.**

16. As a result of the significant impact the various reforms legislated by the previous government would have on the local government sector (in particular, the removal of water services from Year 3 of the 2024-34 Long-Term Plan), and the uncertainty following the election, **there remains an unparalleled level of uncertainty regarding various elements of this Long-Term Plan.**
17. However, given the time involved in consulting on a Long-Term Plan (including the requirement for the Consultation Document and underlying information to be approved by Audit NZ), **we must agree a draft Long-Term Plan at this meeting.** We have therefore made assumptions, as outlined in the Significant Forecasting Assumptions report and summarised in Section 1 of this report. For reference, we have also created an illustrative 'Scenario B' for the scenario in which Council remains responsible for administering water services throughout the 10 years covered in the Long-Term Plan. The costs in this scenario would be likely to be subject to significant upwards pressure were this scenario to become reality.
18. We are likely to know more about how the proposed government reforms will impact Council when Council meets to deliberate the final Long-Term Plan following community feedback in May 2024, and will be able to make changes to the Long-Term Plan at that stage.
19. Staff consider the decisions in relation to this report to be of high significance and that the recommendations comply with Council's legal requirements.

SECTION 1: Background and context

Report structure

20. This report has been structured into six sections:
 - i. Section 1: Background and context
 - ii. Section 2: Financial Strategy and financial position
 - iii. Section 3: Capital and operating budgets by priority
 - iv. Section 4: Funding and revenue options
 - v. Section 5: Rates
 - vi. Section 6: Communications and engagement
21. **Section 1** outlines the background for the development of the 2024-34 Long-Term Plan and the key issues that have shaped the proposed budget.
22. **Section 2** discusses our Financial Strategy and financial principles, and sets out our financial position.
23. **Section 3** outlines the proposed 2024-34 Long-Term Plan capital and operating budgets under each of the priorities and outlines some key options for Council to consider under each priority. The structure under each priority is as shown in Figure 1.

Figure 1: Section 3 structure

25. **Section 4** outlines options for increasing revenue, for example through parking charges and other fees and charges. Specific consideration is given in this section to the impact of Long-Term Plan decisions on businesses in the central city, given the range of issue potentially impacting them in this Long-Term Plan.
26. **Section 5** looks at factors to consider in determining the rates, as well as options for introducing targeted rates to improve operational efficiency and provide additional services to the community in specific areas, subject to community support.
27. **Section 6** outlines the development of the Consultation Document and engagement with the community – and with central government.

Long-Term Plan process and timeline

28. The Local Government Act 2002 requires local authorities to adopt a long-term plan every three years. Each long-term plan must cover the following 10 years with a particular focus on the next three years. The overlapping nature of these timescales mean a long-term plan is never entirely 'new' but builds on the existing one.
29. Council's current Long-Term Plan, adopted in June 2021, covers the period 2021-31. Council is now required to approve a long-term plan for the period 2024-34 by 30 June 2024.

Process to date

30. Over the last year, staff have reviewed Asset Management Plans, capital programmes and operating budgets. Elected Members have received information and provided direction on a comprehensive range of issues and topics that feed into the development of the 2024-34 Long-Term Plan.

31. On 3 August 2023, Council reaffirmed its existing five priorities as Community Outcomes for the 2024-34 Long-Term Plan. The five priorities are:
 - i. a city that's easy to live in;
 - ii. a city where our people thrive;
 - iii. a central city where people love to be;
 - iv. a fun city with lots to do; and
 - v. a green city.
32. Everything included in the 2024-34 Long-Term Plan will drive one or more of these priorities, and every group of activities within the Long-Term Plan will be formally allocated to one of these Community Outcomes.²
33. Over recent months, Councillors and staff have had preliminary discussions around the base budget; opportunities for increasing services or reducing expenditure; and means of reducing the forecast balancing the books deficit.
34. In line with the requirement in the Local Government Act 2002 for the Mayor to lead the development of the Long-Term Plan, Council staff have taken direction from the Mayor in the formation of the proposed draft budget. The Mayoral direction has in turn been informed by consultation with other Elected Members and Maangai Maaori.
35. In particular, staff presented a draft 2024-34 Long-Term Plan proposal at the workshop of 11 and 12 October 2023 and, based on Elected Member feedback, presented a revised and overall reduced Long-Term Plan proposal to the 7 and 8 November 2023 information session. The Long-Term Plan proposal as presented in this report has been further reduced in accordance with direction from the Mayor and Councillors.
36. The purpose of this meeting is to agree a draft Long-Term Plan for community consultation, and to agree the broad themes on which we consult the community.

Process following this meeting

37. At the Strategic Risk and Audit Committee workshop on 7 December 2023, Members will consider the approach Council has taken towards the assumptions that underpin this Long-Term Plan.
38. At the Council meeting on 14 December 2023, Council will be presented with an updated draft Significance and Engagement Policy. The key updates to the Policy will be to provide an assessment of significance in relation to climate change, and to align Council's engagement approach with the International Association of Public Participation (IAP2) spectrum of community engagement.
39. At the same meeting Council will also receive a report on the 2024-54 Infrastructure Strategy that is currently being reviewed and updated in alignment with the Long-Term Plan, and will be consulted on in parallel to the Long-Term Plan. This report will seek approval of the approach and broad direction of the Infrastructure Strategy.

² No specific group of activities has been allocated to 'a central city where people love to be', as it is recognised that the activation of the central city is contributed to by all parts of Council activity and by key capital projects, including those funded by the Infrastructure Acceleration Fund grant that Council has received.

40. At the 14 March 2024 Council meeting, Council will be provided with:
 - i. the draft Development Contributions Policy including the proposed levies (for approval for consultation alongside the draft Long-Term Plan);
 - ii. the draft Revenue and Financing Policy (for approval for consultation alongside the draft Long-Term Plan);
 - iii. the draft rates remission policy (for approval for consultation alongside the draft Long-Term Plan);
 - iv. the draft Investment and Liability Policy for approval; and
 - v. the proposed list of fees and charges for approval.
41. At the 27 June 2024 Council meeting, the Council will be provided with a final rates policy, based on the decisions made during the development of the Long-Term Plan.
42. In January 2024, Council staff will begin formal engagement with Audit NZ on the Consultation Document and the underlying assumptions. This will culminate in a 'hot review' by the Office of the Auditor General in early March 2024.
43. The Council will meet on 14 March 2024 to formally adopt the Long-Term Plan Consultation Document, as well as the draft Infrastructure Strategy and draft policies as set out above for consultation. The consultation period will run from mid-March to mid-April 2024. Council will hear verbal submissions from the community on 8-10 May 2024, and will deliberate the final Long-Term Plan on 28-30 May 2024. Council will then meet to formally adopt the Long-Term Plan on 27 June 2024, once it has received final approval from Audit NZ.

Ongoing uncertainty

44. This is the most complex and least certain long-term plan that Council has ever had to develop, and significant uncertainty remains at the time of writing.
45. The Significant Forecasting Assumptions report, also to be considered at this meeting, outlines the core assumptions Council staff have made in developing the proposed budget. Most significantly, in line with current legislation, we are assuming that Council delivers water services in the first two years (only).
46. For Elected Members' reference, we have modelled a separate 'Scenario B' in which Council remains responsible for administering water services throughout the 10 years covered in the Long-Term Plan. This scenario is for illustrative purposes, and is not the scenario on which Council has developed its proposed draft budget, or on which we propose consulting the community. This must legally be the situation according to legislation, i.e. with waters removed after Year 2. Should Council be required, via legislative change, to continue to deliver water services beyond Year 2, the cost of these services would need to be revisited to reflect the likely increased cost of future compliance requirements.
47. Depending on what decisions the new government makes, in particular on the provision of water services, there are a number of ways in which it may also adjust requirements for this Long-Term Plan. For now, we are assuming requirements remain as per current legislation and previous process (i.e., that a full, audited, Long-Term Plan must be adopted by 30 June 2024). If this changes, we can revisit plans at future Council meetings. However, under any scenario, at the absolute minimum we will be required to develop an Annual Plan for 2024-25, in which we would have to start to make progress addressing the issues identified in this report. Staff's strong recommendation is therefore to proceed as planned with the development of the 2024-34 Long-Term Plan.

Climate resilience

48. The changing climate brings another level of uncertainty to Council decision-making, and the need to fund resilience and emissions reduction through this Long-Term Plan.
49. Early 2023 brought devastating flooding events across Aotearoa New Zealand, with 11 Councils declaring a state of emergency during Cyclone Gabrielle and this event reported as being the costliest tropical cyclone on record in the Southern Hemisphere. 2023 is also set to be the hottest since global records began, and recent research indicates that the climate is changing faster than scientists predicted. The effects of extreme weather are already impacting our communities, environment, and infrastructure; and it is no longer a question of 'if' but 'when' Hamilton will experience the full force of these extreme weather events.
50. While the National Party has committed to the existing national target of net zero emissions (excluding biogenic methane) by 2050, its policies, combined with the campaigns of its expected coalition partners, suggest that the approach to achieving this target will change. This includes major changes in transport activities and emissions trading scheme funding, which will have an impact on Council's ability to reduce our own emissions and build city-wide and community resilience to extreme weather. As we hear more policy updates, we will be updating our emission trajectory (which models how our city-wide emissions are expected to change based on national, regional and local commitments).
51. As outlined at the 12 October 2023 Council meeting, several key actions have been delivered that lay the groundwork for delivering Council's climate change strategy, *Our Climate Future: Te Pae Tawhiti o Kirikiriroa*. However, further action and urgency is needed to ensure that we meet the outcomes of the strategy, including the emissions reduction targets that it sets and ensuring that our community and city are prepared for Hamilton's climate.
52. Operating and capital proposals with a climate change impact have been identified in the attachments to this report.

Hamilton's growth

53. Hamilton continues to be one of New Zealand's fastest growing cities, and our growth trajectory is unlikely to change. Our population growth is not a tap we can simply turn off. A thriving economy, relative housing affordability (compared to other metros) and quality lifestyle offering will continue to attract people who want to live here, and businesses that want to invest here.
54. To ensure we retain these qualities, there is a need to balance our financial situation with investing to grow our city well. As the proposed budget has been prepared, staff have provided information regarding the risks and consequences of slowing investment and the implications of these decisions.
55. Along with the increasing costs of doing business and meeting increasing environmental standards, there is also the need to recognise what continued investment does for the city – addressing infrastructure capacity, enabling jobs and industry, enabling housing, and delivering community facilities that make our city a great place to live.
56. We are facing some very acute challenges in the short-term that have been the focus of many Long-Term Plan discussions to date. However, it is important to note that Council has a legislative obligation to deliver for the future of the city, not just the now. We need to ensure there is a pipeline of land supply that is both zoned and serviced.
57. We need to find a balance between addressing our short-term challenges, and enabling the city to develop in the way we want for our future communities – whilst considering affordability for ratepayers. Growth will continue but become more market-led if we fail to provide for it. This has the consequences of Council needing to reactively provide infrastructure, and development occurring in unintended locations.

58. We plan for the future through a number of strategies, including working with our Future Proof partners on our sub-regional growth strategy, and our Hamilton Urban Growth Strategy. These documents set out how we want to grow into the future and should direct investment decisions in strategic growth infrastructure.
59. A key challenge we face in translating these strategies into reality is rooted in historical underinvestment, notably in water infrastructure. This historic shortfall has led to substantial constraints within the existing city boundary making brownfield/infill development more challenging in a number of areas.
60. Taking these constraints into account, the latest Housing and Business Capacity Assessment (required under the NPS-UD), shows that Hamilton has a shortfall of industrial land over the short-, medium- and long-term.
61. Potentially, Hamilton may see more development moving away from brownfield locations to greenfield areas due to these factors making infill development less feasible and more expensive.
62. The proposed budget attempts to strike a balance between financial prudence and strategic investment in growth, however Council must acknowledge that it does not provide the level of investment for the levels of growth the city is likely to experience. We need long-term, funded high trust partnership with central government to fully address the challenges we face.

Government reform

63. During the development of this proposed budget, Council has reiterated the need to urgently lobby central government for significant changes to how local government is funded if it is to deliver what communities need into the future.
64. Council consistently provided central government (and opposition parties) with clear and directive feedback through numerous submissions over the last triennium regarding legislative changes that are needed.
65. The ever-increasing list of unfunded mandates, coupled with continual legislative change, has resulted in an unsustainable operating environment for local government across the country. Many other councils have shared similar opinions in recent times, as did the Review into the Future for Local Government.
66. As a priority, councils need enduring funding partnerships between central and local government (and the private sector) to deliver strategic infrastructure. Many of the investments required exceed the amount for any one council to deliver alone and need central government to pay its fair share. Council has advocated for 'city deals' as a solution to this quantum of investment, based on shared outcomes and funding certainty beyond political cycles.
67. We have also proposed other changes including councils getting a portion of GST back on rates, the ability to tax vacant land, alignment of planning and funding cycles across central and local government, legislation that specifically addresses the challenges faced by growth councils, and a better range of funding and financing options including more headroom for councils to borrow for intergenerational infrastructure.
68. These wider institutional and legislative changes are needed if the local government funding system is to be fixed.
69. The Mayor will be engaging with the new government over the coming weeks and months – working with the relevant Chairs of Committees as appropriate – to make the above arguments and ensure both the challenges, and the need for working in partnership to address them, are understood.

Three waters

70. To date, central Government has met Council's costs to participate and engage in its three waters reform programme. However, there is likely to be a change in the form and nature of three waters reform along with a repeal of legislation following the formation of the new government. The nature of the change in direction and the detailed change in legislation is unknown at the time of writing. Therefore, the proposed Long-Term Plan has been prepared without any provision for water services from Year 3, and does not include any provision for participation with government or the transition cost to any new waters entity. Significantly, there is also no provision for development and preparation of a new Long-Term Plan ahead of the next planned three-yearly Long-Term Plan process should the legislation be amended to require councils to continue with three waters from Year 3.

Engagement with Maaori partners

71. Staff, led by the Amorangi Maaori team and supported by Kirikiriroa Maaori Ward Councillors and Maangai Maaori, have engaged collaboratively with iwi, hapuu, and maataawaka to understand their priorities for the 2024-34 Long-Term Plan. Our goal is to leverage Council and mana whenua strengths and agree on the key strategic things the parties need to work on together, informed by the mana whenua strategic documents and *He Pou Manawa Ora*.
72. **The agreed priorities that have emerged from these initial discussions are as below. Council should consider these carefully when considering Section 3 of this report which details the capital and operating budgets by priority, including options for adding additional projects to the budget – some of which would help to meet these priorities.**
- i. **Tiriti partnership:**
 - i. Continue to deliver the He Pou Manawa Ora outcomes.
 - ii. Strengthened Tiriti relationship recognition.
 - ii. **Climate change:** Respond to climate change and look after the whenua and awa (Te mana o te awa (Mana whakahaere, upholding Te Ture Whaimana, green spaces).
 - iii. **Rangatahi**
 - i. Include rangatahi in decision-making (resource for youth support and leadership programmes).
 - ii. Invest in community sport and waka ama.
 - iv. **Safety:** Strengthen safety in the central city (City Safe).
 - v. **Community:** Support Maaori initiatives (funding for community projects).
 - vi. **Transport:** Make public transport more affordable (accessibility to different transport options, improve transport network while being cognisant of climate change).
 - vii. **Housing:** Provide infrastructure to support affordable housing (infrastructure, processes and policies).
 - viii. **Tourism and events:** Support Maaori initiatives (Maaori tourism entrepreneurship and kaupapa Maaori events).
73. We will have further meetings with Maaori partners once Council has agreed a draft Budget and agreed the key issues for consultation (see Section 6).

SECTION 2: Financial strategy and financial position

Balancing the Books requirement and measures

74. Section 100 of the Local Government Act 2002 provides a general requirement for Council to balance its books each year. However, it also allows councils to budget for a deficit in particular years where this is prudent, providing various considerations have been made.
75. Council has used a bespoke balancing the books measure for the last two long-term plans. The differences between that measure and the measure recognised by the government are demonstrated in Table 3.

Table 3: Comparison of balancing the books measures

Measure	Government Measure	HCC Measure	Rationale
Capital revenue	✓	✗	Is received to pay for assets
Development Contributions	✗	✗	Is received to pay for assets
Interest portion of Development Contributions	✗	✓	Pays for interest on debt generated by assets created for growth
Vested Asset Revenue	✗	✗	Asset receipts, no cash
Gains/Losses on Derivatives	✗	✗	Non-cash
Gains/Losses on Property Plant and Equipment	✓	✗	Government measure includes as gains/losses are an error of depreciation estimates
Fair Value Gains/Losses on Investment property	✓	✗	Non-cash gain and related to capital
Gains/Losses from Associates	✓	✗	Not related to the organisational operations, not directly controllable and dependable.

76. The material value difference between the Council measure and the government measure is the Council's exclusion of capital revenue from the equation. This is based on the reasoning that capital revenue is received to pay for capital expenditure, not to spend on everyday operational expenditure.
77. The outcomes of the two measures on Council's 2024-25 draft financial position are summarised in Table 4.

Table 4: Council's 2024-25 draft financial position against balancing the books measures

Item	HCC Measure (\$)	Government Measure (\$)
Surplus/(Deficit)	28,551	28,551
Vested Asset Revenue	(36,750)	(36,750)
Capital Subsidies & Contributions	(35,410)	-
Development Contributions	(37,906)	(37,906)
Interest on DCs	13,267	-

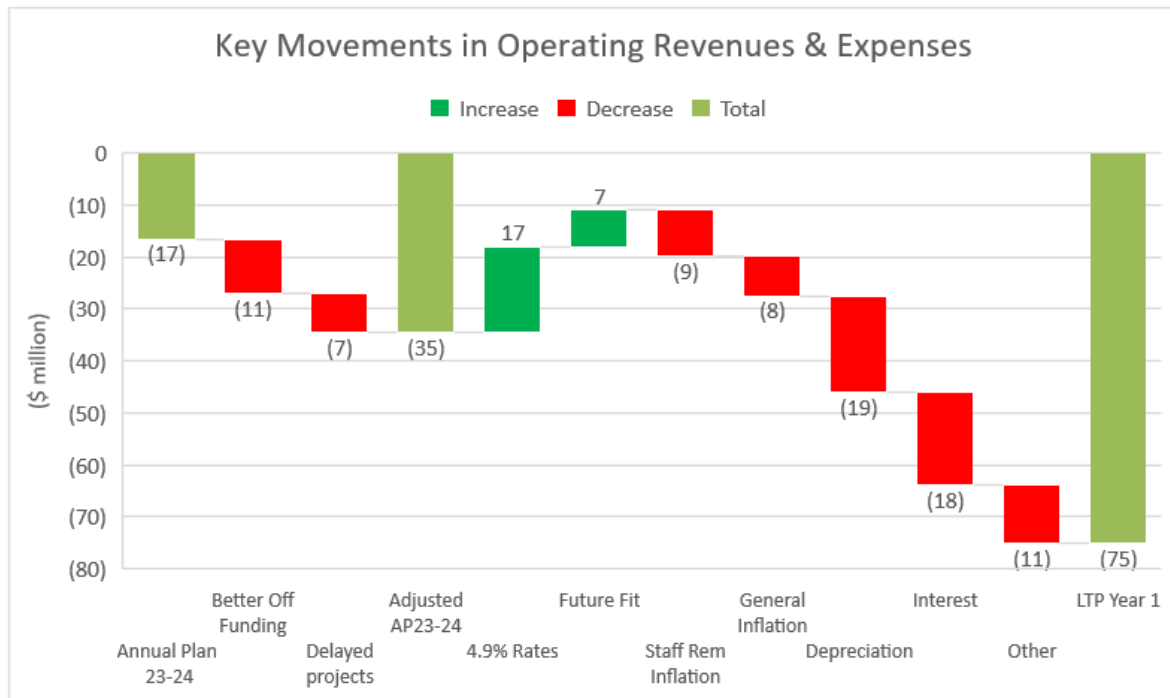
Fair value Gains/Losses on Investment Property	(915)	-
Fair Value on HIF Loan	(5,996)	-
Balancing the Books Surplus/(Deficit)	(75,159)	(46,105)

78. **The long-standing view of Council has been that Council's balancing the books measure provides a more genuine reflection on whether we are running a balanced budget. This is because it removes asset-related funds and gains and losses that should be used to pay down the city's debt, and not used to pay for the everyday costs of running the city. The everyday costs of running the city should be paid for by the everyday revenue Council receives. Staff therefore recommend we maintain our own measure as our primary means of assessing our balancing the books position.**

Financial position

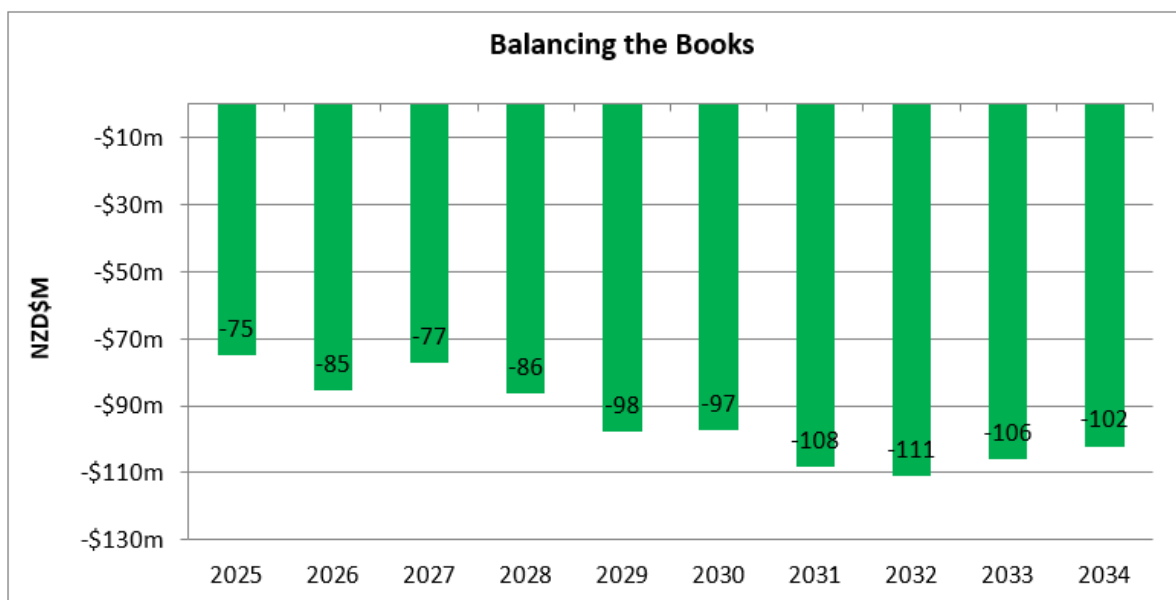
79. Over the last two years, Council finances have been significantly impacted by factors outside its control. There are three key drivers increasing Council costs: the international effects of record inflation, high interest rate levels, and the national challenges of increased compliance demands imposed by central government. All councils and most businesses across the country are facing the same challenges – these are not unique to Hamilton or how we operate. Basically, the business of local government is costing more to deliver.
80. The final driver that has led to Council's forecast balancing the books position is a revenue issue. Hamilton's average annual rates increases have not kept pace with the increase in costs outlined above – in part given the desire to ease pressure on households during the COVID-19 pandemic.
81. In September 2023 S&P Global revised their long-term credit rating for Hamilton City Council from stable to negative outlook due to:
- operating surpluses being roughly half of previous forecasts due to the impact of inflation and interest rates; and
 - delivery of a large capital expenditure programme that is resulting in substantial after-capital account deficits and rapidly rising debt.
82. This action by S&P Global was not limited to our Council. A number of other councils were either also put on negative watch or had their credit rating downgraded.
83. Key elements to improving Council's credit rating outlook would be revenue growth, debt repayment and managing Council's capital investment programme to ensure a material reduction in after-capital account deficits.
84. The following graph (Graph 1) demonstrates the deterioration in Council's financial position from 2023-24 (the current year) to 2024-25 (Year 1 of the 2024-34 Long-Term Plan) once one-off savings and funding are removed, and inflation, depreciation and interest costs are applied.

Graph 1: Council's financial position with one-off savings and funding removed, with inflation, depreciation and interest costs applied

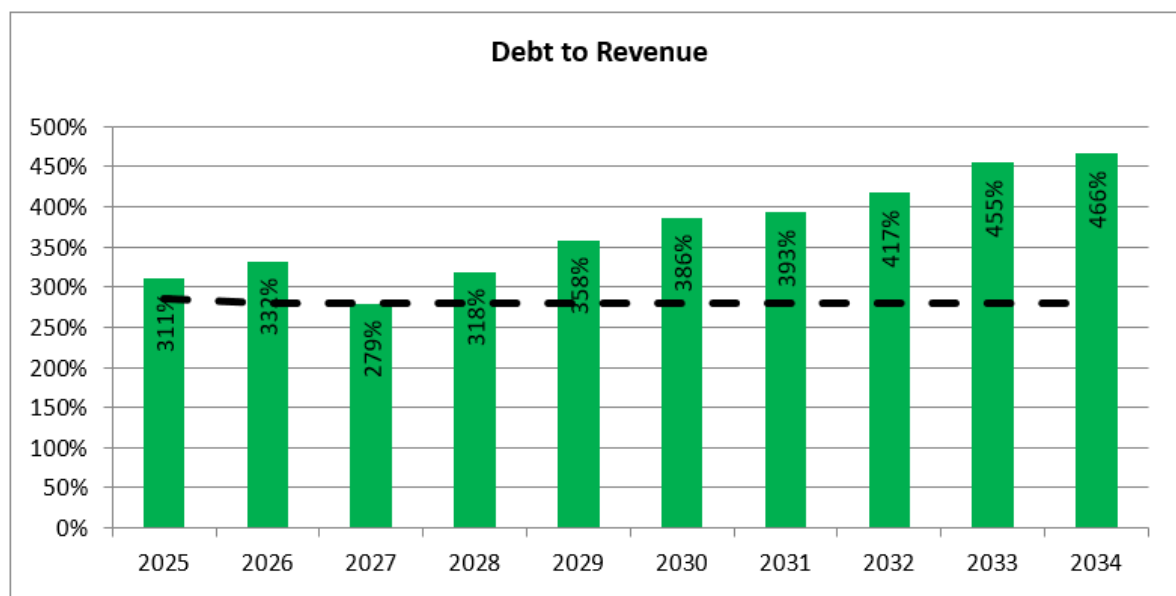


85. The following graphs (Graph 2, Graph 3 and Graph 4) show our performance against our three key Financial Strategy measures, assuming the 4.9% annual rates increase provided for in the 2021-31 Long-Term Plan.

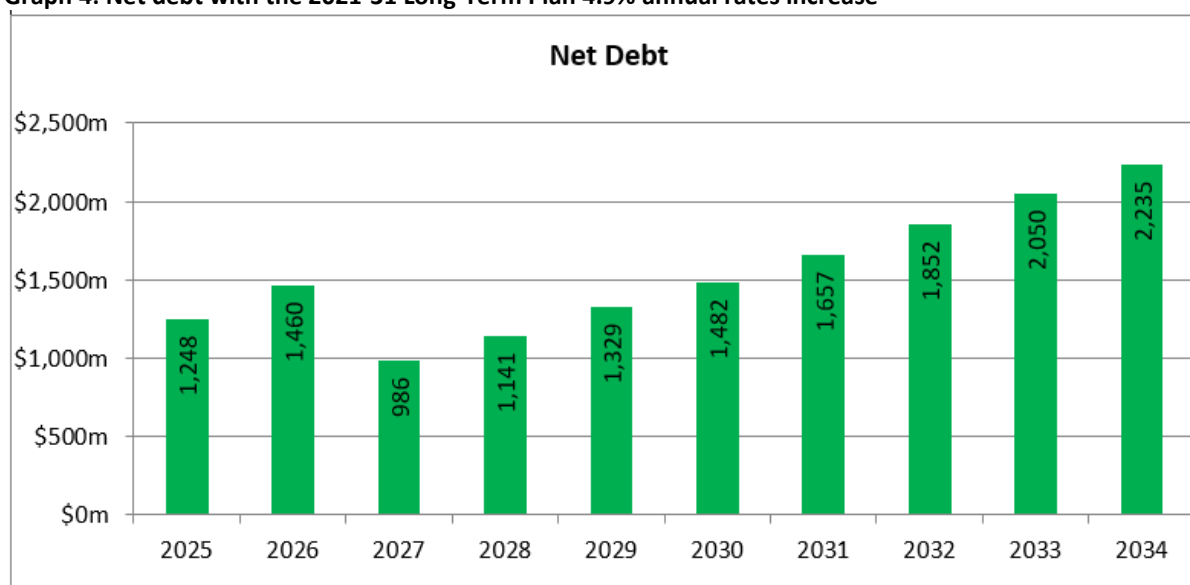
Graph 2: Balancing the books with the 2021-31 Long-Term Plan 4.9% annual rates increase



Graph 3: Debt to revenue with the 2021-31 Long-Term Plan 4.9% annual rates increase



Graph 4: Net debt with the 2021-31 Long-Term Plan 4.9% annual rates increase



86. The following table (Table 5) demonstrates the rates rises that would be required to balance the books under Council's balancing the books measure in one year, three years and five years, whilst also remaining within Council's debt to revenue limit³. We are deliberately focusing on the weekly impact on median ratepayers as much as the percentage rates rise, as this feels more relevant to ratepayers' lived experience.
87. The rates rise that is necessary in Year 1 to ensure that Council stays within its debt to revenue limit is slightly higher than suggested to Elected Members previously. This is because of the need to advance the timing of infrastructure-related capital expenditure into the current financial year, as resolved at the 9 November 2023 Infrastructure and Transport Committee. This increases our consequential operating expenditure and interests costs in the 2024-25 year.

³ Council's debt to revenue limit, set by the Local Government Funding Agency, is 285% in Year 1 and 280% in all subsequent years.

Table 5: Rates rise required to balancing the books in one, two and three years

Scenario 1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
BTB Year 1										
Weekly \$ Increase*	\$19	\$3	(\$13)	\$3	\$3	\$3	\$3	\$3	\$3	\$3
% Increase	35.0%	6.0%	(24.6%)	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%
HCC BTB	\$2m	\$17m	\$5m	\$5m	\$2m	\$10m	\$6m	\$11m	\$24m	\$37m
Govt BTB	\$29m	\$53m	\$26m	\$26m	\$20m	\$16m	\$27m	\$32m	\$29m	\$43m
Debt to Revenue	245%	237%	167%	176%	187%	189%	184%	188%	195%	190%

Scenario 2	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
BTB Year 3										
Weekly \$ Increase*	\$9	\$9	(\$8)	\$3	\$3	\$3	\$3	\$3	\$3	\$3
% Increase	16.3%	16.3%	(14.4%)	5.7%	5.7%	5.0%	5.0%	5.0%	5.0%	5.0%
HCC BTB	(\$46m)	(\$20m)	\$2m	\$6m	\$2m	\$10m	\$6m	\$11m	\$24m	\$37m
Govt BTB	(\$19m)	\$16m	\$23m	\$27m	\$20m	\$16m	\$27m	\$32m	\$29m	\$43m
Debt to Revenue	283%	271%	189%	195%	205%	207%	201%	203%	209%	204%

Scenario 3	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
BTB Year 5										
Weekly \$ Increase*	\$8	\$7	(\$11)	\$6	\$6	\$3	\$3	\$3	\$3	\$3
% Increase	15.5%	12.9%	(19.9%)	10.8%	10.8%	5.0%	5.0%	5.0%	5.0%	5.0%
HCC BTB	(\$48m)	(\$31m)	(\$20m)	(\$9m)	\$2m	\$13m	\$9m	\$15m	\$28m	\$41m
Govt BTB	(\$21m)	\$5m	\$m	\$12m	\$20m	\$19m	\$30m	\$35m	\$33m	\$48m
Debt to Revenue	285%	280%	207%	213%	216%	215%	208%	209%	214%	208%

* For median residential property

◆ A 30.63% rates decrease relating to waters exit has been applied prior to applying an increase to the remaining rates base

88. The following table (Table 6) shows the rates rises required to balance the books under Council's measure in three years while meeting the government measure in Year 1.

Table 6: Rates rise required to balancing the books in three years using the government measure

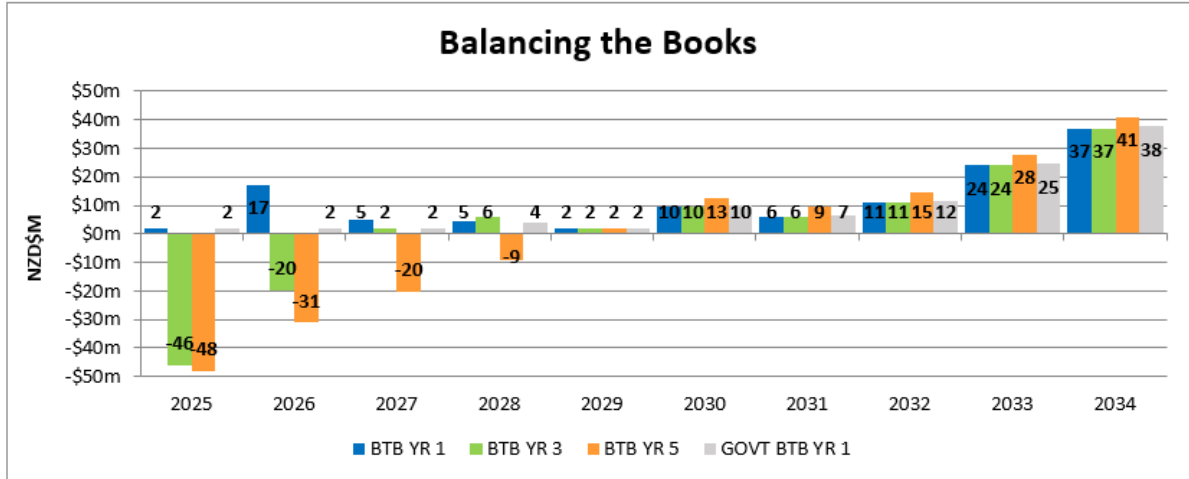
Scenario 4	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Govt BTB Year 1										
Weekly \$ Increase*	\$13	\$7	(\$12)	\$4	\$4	\$3	\$3	\$3	\$3	\$3
% Increase	24.7%	13.3%	(22.1%)	6.4%	6.4%	5.0%	5.0%	5.0%	5.0%	5.0%
HCC BTB	(\$25m)	\$2m	\$2m	\$4m	\$2m	\$10m	\$7m	\$12m	\$25m	\$38m
Govt BTB	\$2m	\$38m	\$23m	\$25m	\$20m	\$17m	\$27m	\$32m	\$30m	\$44m
Debt to Revenue	265%	252%	179%	187%	197%	198%	193%	195%	202%	197%

* For median residential property

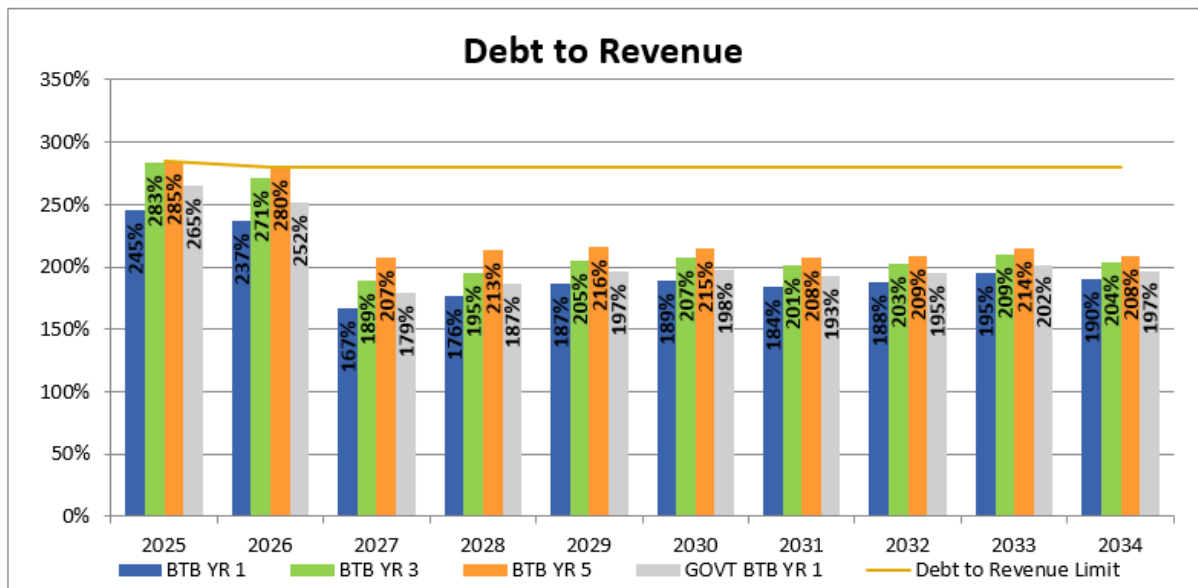
◆ A 30.63% rates decrease relating to waters exit has been applied prior to applying an increase to the remaining rates base.

89. The following graphs (**Graphs 5,6 and 7**) show the impact against our three key Financial Strategy measures for four scenarios; Balancing the Books under our measure in one, three and five years and in the Government measure in year 1. It also shows the impact of these under the Government measure in Year 1.

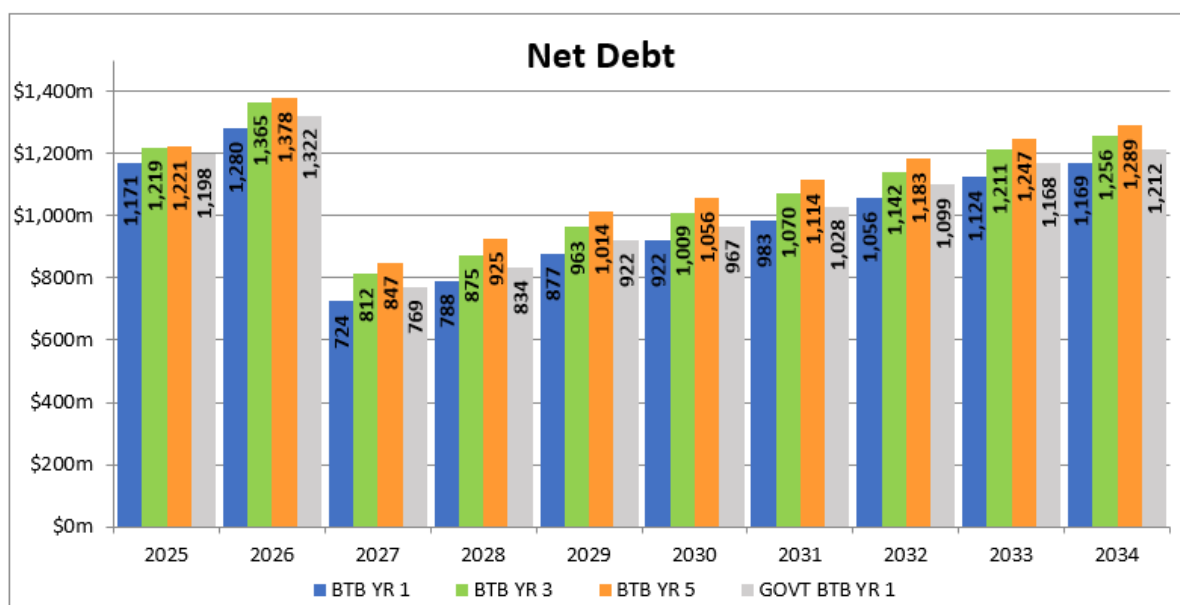
Graph 5: Balancing the books four scenarios



Graph 6: Debt to revenue four scenarios



Graph 7: Net debt four scenarios



90. For all of the information covered in the above tables and graphs, the 'Scenario B' model, providing the same information for the situation in which Council continues to be responsible for delivering water services in all 10 years of the 2024-34 Long-Term Plan, is provided in **Attachment 1**.

Rates rise

91. The speed at which to Balance the Books is at the Council discretion. The Council will need to consider the benefits of balancing the books as soon as possible (i.e., accruing less debt on which interest is payable) with the affordability to ratepayers of steep, potentially unexpected rates rises.
92. **On balance, staff recommend seeking to balance the books on Council's measure in three years. Because of the complexity and potential confusion of introducing a separate measure, and the increased rates rise that would be required in Year 1, staff do not recommend seeking to balance the books on the government measure in Year 1.**

Financial principles

93. Council currently has 12 financial principles that guide our decision making. They are:
- Council will adopt a prudent Financial Strategy which supports its current credit rating.
 - The everyday costs of running the city will be met from everyday revenues.
 - Council will fund maintenance and renewals as per approved Asset Management Plans.
 - Growth cells will be completed to an approved level of service.
 - Council should explore external funding options for new discretionary projects whenever possible.
 - When a private benefit can be identified, and it is efficient to collect the revenue user charges will be considered.
 - Growth will pay for growth.
 - Asset sale proceeds will be used to pay down debt.
 - The main source of our everyday revenue will be general rates.

- x. Targeted rates could be used to fund the council portion of new projects where the costs of these activities can be easily identified.
 - xi. Rates certainty will be a key consideration.
 - xii. Affordability of rates will be considered.
94. To seek to mitigate the risk of further situations in which rates increases do not keep pace with Council's rising costs, and to flag to the community that changes to planned rates increases may sometimes be necessary, staff propose adding an additional principle:
- i. Rates increases will consider inflation and interest cost levels to ensure a prudent financial position is maintained.
95. Our financial strategy acknowledges that there will inevitably be a tension between some of these principles at different points in time – for example, 'rates certainty', 'affordability' and our proposed additional principle considering 'inflation and interest cost levels to ensure a prudent financial position'. We recommend a small tweak to say that rates certainty will be 'considered' (rather than 'a key consideration'), to avoid giving the impression that this somehow a higher priority than the other principles.

Rules of thumb

96. Elected Members may find the following rules of thumb helpful when considering options in this report. These refer to the impact on residential properties. Please note these are approximate. Staff will perform live modelling during the meeting to enable Council to see the potential impact of any changes to the budget before final decisions are made.

Revenue:

- i. A 1% increase in rates generates \$2.4 million of additional revenue in Year 1.
- ii. A 1% increase in rates has a \$29 annual impact on median residential rates (incl. GST) in Year 1.
- iii. Median residential rates in 2023-24 are \$2,838 (incl. GST).
- iv. A 1% increase in rates in Year 1 compounds to \$30 million over 10 years.
- v. A 1% increase in rates in Year 6 compounds to \$14 million over five years.

Table 7: Increase to ratepayers in Year One

Increase to ratepayer in Year 1 (\$)				
Rate increase	Revenue (\$m)	25 th Quartile residential	Median residential	75 th Quartile residential
1%	2.4	25	29	34
5%	12.0	125	145	170
10%	24.0	250	290	340
20%	48.0	500	580	680
25%	60.0	625	725	850
30%	72.0	750	870	1,020

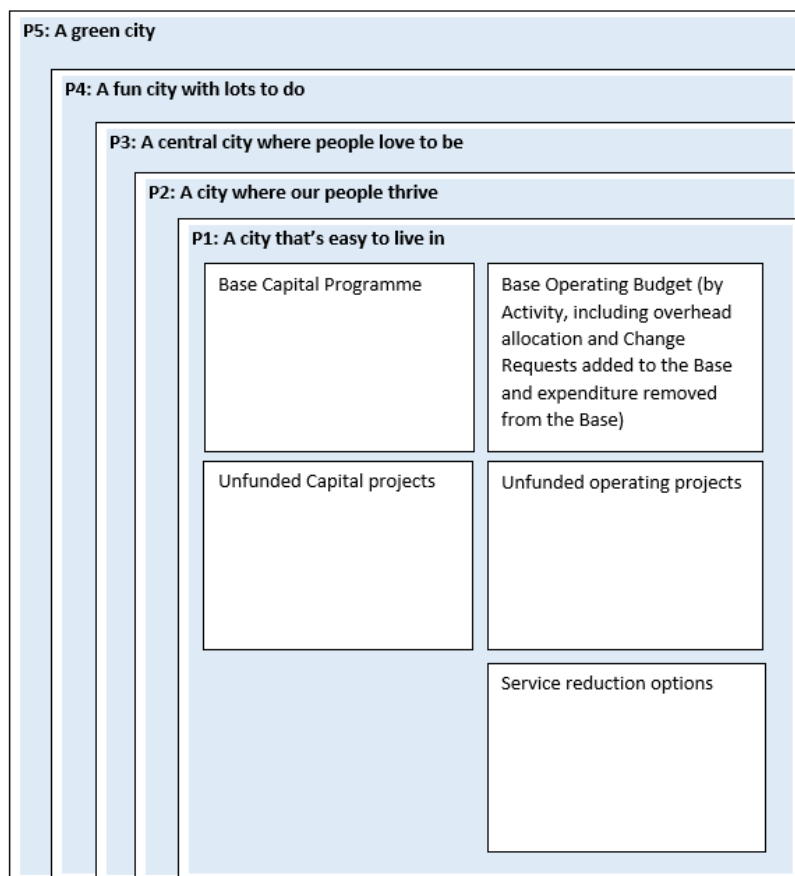
Costs: A \$10 million increase in debt has an annual \$0.47 million increase in interest repayments.

Debt: A \$10 million increase in debt = approximately 3% increase in net debt to revenue ratio (no change in revenue).

Section 3: Capital and operating budgets by priority

97. Based on strong community engagement in the last triennium, Council has set the vision for the city through 'Our vision for Hamilton Kirikiriroa' focused on five priorities. Staff have developed a proposed budget that focuses on capital projects and operational activities that will deliver to these priorities.
98. The development of the draft 2024-34 Long-Term Plan budget has been on a basis of the continuation of the activities and facilities currently provided by Council. It has been assumed the level of service for activities are at the same level as currently delivered within the 2021-2031 Long-Term Plan unless otherwise disclosed within each priority section.
99. Within each priority the structure is:

Figure 2: Section 3 structure



Future Fit

100. Future Fit is the programme that will help drive the change Council needs to become the leading community-focused council.
101. The Future Fit programme was established at the end of 2022 to assist the organisation in making the changes required. In response to financial pressures the organisation is facing and to be financially sustainable, we recognise we need to change how we do business. Through Phase One and Phase Two, \$7 million per annum in personnel costs to Council will be saved in 2024-25, with an additional \$1 million per annum ongoing in cost savings from 2025-26 assumed as a result of the programme.
102. It is recognised that many capital projects and operational activities contribute to more than one priority. For the purpose of the Long-Term Plan the capital projects and the grouped operational activities have each been assigned to one priority.

103. In keeping with our assumption (see section 1) the capital programmes referenced in this report are based on two years only of the three waters activity being included.
104. All costs indicated in this report are 2023 based costs and all costs will be escalated within the financial model in accordance with agreed escalation assumptions.

Capital overview

105. The proposed 10-year base Capital Programme (gross, inclusive of external capital revenue) with only the first two years of the three waters activities included is \$1,937.975 million at 2023 costs yet to be escalated (**Attachment 2**).
106. The proposed 10-year base Capital Programme (gross, inclusive of external capital revenue) with the full 10 years of the three waters activities included (Scenario B) is \$3,642.942 million at 2023 costs yet to be escalated (**Attachment 3**).
107. The Capital Portfolio was developed considering the following programmes of projects (refer to **Attachment 4** for a full description of each project in each programme)
- i. Renewals and Compliance
 - ii. Greenfield East – Ruakura
 - iii. Greenfield North East – Rototuna
 - iv. Greenfield North West – Rotokauri and Te Rapa
 - v. Greenfield South – Peacocke
 - vi. Central City
 - vii. City Wide Community
 - viii. City Wide Transport
 - ix. City Wide Infrastructure
 - x. City Wide Waters

Renewals and Compliance

108. Council has indicated a commitment to 'looking after what we have' (ensuring that, at the very least, the city remains in its current condition and does not move backwards) and the proposed budget provides for an increase in the Renewals and Compliance budget. Our management of assets is focused on renewing our assets to deliver quality service and to improve the amenity of the city. This matches community expectations that our assets are of a modern standard. As a city with an asset base that is growing rapidly, matched with aging infrastructure, this means that our investment in renewals is proposed to increase significantly.
109. The initial financial forecasts through preparing baseline Asset Management Plans and applying standard definitions and criteria to ensure a robust, consistent renewal methodology across all activity groups resulted in a forecast need of \$378.6 million for the three-year period of 2024-27 (noting that Year 3 excludes three water activities).
110. Funding at this level would represent a 30% increase from the 2021-24 forecast of \$290 million.
111. The Renewals and Compliance proposed base funding for the 2024-27 period is \$305.7 million. in accordance with the approach agreed for 2021-24 the requested funding has been reduced to ensure that there is tension over the three-year period for ongoing testing of the actual renewal needs resulting in optimal spend. This will require careful and proactive management with an increased focus on critical assets and identifying potential assets to retire. There will be limited ability to build back better from this base funded programme without funding assistance from elsewhere in the programme. This is a high-risk strategy.

112. Staff have developed funding options that reduce this high risk, and request that Elected Members consider a medium risk option which is to fund a further \$27.5 million over the first three year period 2024-27, making the three year Renewals and Compliance programme \$333.2 million.
113. The lowest risk strategy would be to fund all the forecasted needs of \$378.6 million over the three years which would be an increase of \$72.9 million.
114. A more comprehensive description of the Renewals and Compliance needs and options is included in **Attachment 5**.

Greenfield and Central City Growth Areas

115. Council has a number of zoned priority areas for growth which have been considered in the Capital Programme as four Greenfield Growth Programmes, and the Central City (stage 1) programme, which has being prioritised for intensification over other brownfield areas (refer to **Attachment 6**).
116. All of these growth programmes rely on city wide investment, particularly the City Wide waters programme, as well as their own specific area investment needs.
117. Given Council's fiscal situation, the approach that has been taken in the four Greenfield Growth areas is to complete contractual commitments from the 2021-31 Long-Term Plan, and to keep progressing projects also identified in the 2021-31 Long-Term Plan, but wherever possible to defer the timing of those projects. Generally, this proposed 2024-34 Long-Term Plan does not propose starting any new major projects at this time.
118. The Central City stage 1 area has been identified as a priority intensification area and is the subject of a \$150.6 million Infrastructure Acceleration Fund (IAF) grant. As a result, the capital programme in the Central City area has increased significantly but with most of the projects offset by grant revenue.
119. The IAF contract commits Council to delivering a yield of up to 4,140 dwellings by 2035, which will require a more significant amount of investment, particularly in three waters, which is not in the base programme. The IAF grant includes significant funding for master planning of the water, wastewater, stormwater and transport needs to support this growth. This master planning will be completed over the next three years, ready to inform the 2027-37 Long-Term Plan or any new entity which may be established to manage three waters.

City Wide Programmes

120. The City Wide Programmes are discussed more fully as part of the five priorities. These are:
 - i. a city that's easy to live in;
 - ii. a city where our people thrive;
 - iii. a central city where people love to be;
 - iv. a fun city with lots to do; and
 - v. a green city.

Priority One: a city that's easy to live in

121. Priority One is about creating a city that's easy to live in, explore and connect.
122. The five key focus areas for Priority One are:
 - i. We'll prioritise building connected and safe walkways and cycleways that allow us to move around our city quickly and easily bring neighbourhoods together.
 - ii. We'll revitalise our existing neighbourhoods and invest in the creation of our new neighbourhoods to make sure we have a liveable, sustainable city.
 - iii. We'll encourage new developments in Hamilton to include a mix of housing, including affordable housing options.

- iv. We'll enable and support strong public transport connections which help Hamiltonians get easy access to essential services such as education, health centres and supermarkets.
- v. We'll put more focus on our neighbourhoods having a community identity and supporting community spaces across our city.

Items recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan Budget

Capital programme:

123. The proposed capital programme aligned to delivering on Priority One is \$628.8 million over the 10 years, with a net contribution by Council of \$425.2 million.
124. The majority of the capital projects that align with Priority One are transport projects.
125. There are a number of transport projects to support the ongoing growth in the Greenfield areas of Ruakura, Rototuna, Rotokauri, Te Rapa North and Peacocke. Many of these projects in the early years of the Long-Term Plan are contractual commitments or a continuation of expectations arising from the 2021-31 Long-Term Plan. Any new projects are generally programmed to commence in the later years of the Long-Term Plan.
126. There are also two transport IAF funded projects in the Central City alongside Council's commitment to working with the Regional Theatre developers to upgrade Embassy Park and Sapper Moore Jones Place.
127. To deliver a safe, efficient and sustainable transport network as well as being in a position to respond to the needs of our communities on a dynamic transport network, Council has six continuous programmes of capital improvement works across the 10 years of the Long-Term Plan.
128. These continuous programmes align with Waka Kotahi activities and if the individual projects within these programmes qualify with criteria set by Waka Kotahi, they will be subsidised with 51% of funding from the National Land Transport Programme (NLTP). The programmes with examples of the types of projects undertaken are:
 - i. Low Cost/Low Risk- Local Roads (e.g., guardrail improvements, stormwater management, minor bridge improvements, street lighting)
 - ii. Low Cost/Low Risk- Walking (e.g., improved accessibility outside high pedestrian areas such as shops and schools)
 - iii. Low Cost/Low Risk- Public Transport Improvements –amenity (e.g., bus shelters, accessibility at bus stops)
 - iv. Low Cost/Low Risk Public Transport Improvements-strategic routes (e.g., infrastructure to support high frequency bus routes e.g., Comet and Meteor)
 - v. Low Cost/Low Risk Road to Zero (e.g., safety interventions agreed by both Waka Kotahi and Council to reduce the trauma and harm from crash risk based on objective crash data)
 - vi. Biking and Micromobility (to deliver strategic biking and micromobility projects on strategic biking routes as per the Council approved Biking and Micromobility Business Case).
129. The significant feature of all of these programmes is that Council is not required to define individual projects at the time of deciding its Long-Term Plan or for securing funding assistance from Waka Kotahi. Council's practice has been for it to approve every project at the start of each year so it can be sure it is meeting the needs of the community interacting with Hamilton's large dynamic metropolitan network.

130. The funding for each programme is normally well over-subscribed with candidate projects either requested by the community or additionally, particularly for the Road to Zero programme, responding to objective crash data to help achieve Council's Vision Zero position.
131. The proposed base funding for the six programmes is less than previously funded and this will require careful prioritisation through Council to get the optimum outcomes for the funding available.
132. In addition to these six continuous programmes, there are also individual capital projects to work with developers to grow the city and to manage the impacts of growth.
133. Staff presented an initial draft capital programme to Elected Members at a workshop on 11 and 12 October 2023. The feedback received at this workshop was to consider the transport programme and to make reductions in the six continuous programmes and to also consider a reduction or delay in the Eastern Pathways Project (School Link and CBD to University Link).
134. A revised capital programme was presented to Elected Members on 7 and 8 November 2023. The revised capital programme had:
- removed the Eastern Pathways CBD to University Link project (\$39.7 million) except for \$6.6 million (unsubsidised) to provide appropriate connections to the new Active Modes River Crossing being progressed using the Infrastructure Acceleration Fund (IAF) grant.
 - reduced the continuous programmes by 36% over three years to a level that matches 2021-31 Long-Term Plan funding for these programmes, despite the increased focus over the past three years placed on mode shift and emission reduction. The revised programme was a 27% reduction over 10 years.
 - retained the Eastern Pathways School Link project on Te Aroha Street, Ruakura Road and Peachgrove Road at \$36.5 million over the first three years (assuming a 51% Waka Kotahi subsidy).
135. There was further feedback at the 7 and 8 November 2023 information session with some Elected Members wanting further reductions.
136. The below table sets out the changes that have been made since the 7 and 8 November 2023 Workshop, following further direction from the Mayor and Chief Executive:

Table 8: Changes in Base (Funded) Portfolio from 7 – 8 November 2023 information session

Changes in Base (Funded) Portfolio		
Programme/Project	Change Description	Impact
Eastern Pathways-School Link (reduction)	Complete stage 1 of School Link only, which is to complete the Link from Claudelands Bridge, along Te Aroha Street and Ruakura Road to the new facilities at Ruakura built as part of the Inland Port works. Defer the stage 2 Peachgrove Road section for consideration as part of the 2027-37 Long-Term Plan or if other government funding opportunities arise.	Reduces the cost from \$36.5 million to \$27.4 million over first three years, noting assumption is 51% Waka Kotahi subsidy.
Continuous Programmes (further reductions)	Reduce Biking and Micromobility and Low Cost/Low Risk Public Transport Improvements (Strategic Routes) to \$4.0 million per year for each programme.	Reduces the continuous programmes by a further 10% (\$5.3 million) over three years and 14% (\$24.8 million) over 10 years

Item 6

	Low Cost/Low Risk Road to Zero is intended to reduce the trauma and harm from crash risk based on objective crash data and is already funded at levels below the current Long-Term Plan funding and so no reductions were considered for this programme.	
Bus Rapid Transit Business Case (re-programming)	Spread out the business case work to consider our future public Transport network over eight years and not three as previously proposed and to target the route of most interest (BRT North and East)	Reduces the proposed three year spend from \$8.0 million to \$3.5 million including an assumption of \$2.7 million external revenue from Waka Kotahi and other transport partners including Waikato Regional Council
Parking Management (addition)	Capital investment (including number plate recognition equipment) to enable changes proposed under Operational for parking management	\$0.7 million over 10 years
Central City Transport Proactive Upgrades (addition)	The Central City Stage 1 area is identified for priority intensification with IAF funding being used to deliver a water reservoir, an Active Mode River Crossing and strategic planning for future water, wastewater, stormwater and transport needs. Funding is required to be able to work with individual developers to achieve strategic outcomes	\$2.25 million in first 3 years (\$7.5 million over 10 years)
Transport Network Upgrades associated with development (Addition)	This is the equivalent upsize fund to work with developers in the brownfield areas of the city outside Central City Stage 1.	\$2.04 million first three years (\$6.38 million over 10 years)

137. The summary of this proposed structure by programme and project is outlined in **Attachment 7** (Funded – Base Capital Programme).

138. More detailed information on the projects is outlined in **Attachment 4** (Capital Portfolio Summary Sheets).

Operating programme

139. As well as considering investment in new projects, the proposed draft 2024-34 Long-Term Plan budget recognises that we are already undertaking significant operational activities to deliver on this priority for the community.

140. The following groups of activities, and the associated budgets, have been identified as primarily delivering to this priority. The proposed budget assumes Council will continue to deliver these activities to current levels of service (except where otherwise stated and noting that some of the sub-activities within each group of activity also support other priorities).

Community Services

Aquatic Facilities

141. The aquatic facilities activity is responsible for managing Waterworld and Gallagher Aquatic Centre. These facilities offer many recreational programmes and activities for the community, including lane and leisure swimming, aqua education, a health and fitness centre.

142. Council also works in partnership with other pool providers.

Libraries

143. Hamilton City Libraries promotes literacy and lifelong learning through a network of six libraries and the online eBook collection.

144. Services and programmes include provision of books and other materials in a range of formats, literacy-based community programmes and events and the collection and preservation of the documentary heritage of the city.

145. The libraries also provide spaces for people to meet and participate in meaningful social activities.

Customer Services

146. The Customer Services activity provides customers and the community of Hamilton with the ability to engage, interact and transact with Council through a range of service channels.

147. This activity compiles and delivers LIM reports and property file information.

148. Customer Services manages and reports on complaints, compliments and feedback for Council.

Transport

Transport network

149. The transport activity is responsible for maintaining and managing a safe, efficient and sustainable transport network for the city which integrates freight, private vehicles, public transport, walking and cycling and emerging shared ownership assets (Lime scooter, Loop vehicles, Uber etc.). This requires:

- i. Implementing capital improvements to support growth of the city;
- ii. Maintenance and renewals of existing road assets, including provisions for asset growth from development and retrofitting of improved stormwater management features;
- iii. Transport safety and access improvements; and
- iv. Works and education/promotion to encourage mode shift away from single occupant combustion engine private vehicles to sustainable transport options.

Parking management

150. The parking activity manages on-street and off-street parking activities within the city.

Support Services

151. The following activities of Council have been grouped into Support Services, a new group of activities for this 2024-24 Long-Term Plan, and are primarily aligned to this Priority One: a city that's easy to live in:

- i. Business Services Management
- ii. Finance
- iii. Fleet Management
- iv. Governance Support Services
- v. Information Services
- vi. Risk & Legal
- vii. Chief Executive Office
- viii. Asset Strategy
- ix. Facilities Management
- x. People, Performance and Culture Management
- xi. People, Safety and Wellness
- xii. Transformation

- xiii. Strategic Property
- xiv. Strategy & Planning

152. The levels of service associated to these activities are assumed to be at the same level as currently delivered within the 2021-31 Long-Term Plan, except as where otherwise indicated. The proposed operating budget (excluding allocation of general rate revenue) for the activities that have been associated to this priority is outlined below in Table 9.

Table 9: Operating budget aligned to Priority One: a city that's easy to live in.

LTP ACTIVITY: ('000)	YR 1 24/25	YR 2 25/26	YR 3 26/27	YR 4 27/28	YR 5 28/29	YR 6 29/30	YR 7 30/31	YR 8 31/32	YR 9 32/33	YR 10 33/34
Community Services										
INCOME	(\$25,296)	(\$26,952)	(\$28,325)	(\$30,166)	(\$32,250)	(\$34,297)	(\$36,448)	(\$38,509)	(\$40,782)	(\$43,347)
EXPENSES	\$26,968	\$27,859	\$29,076	\$30,333	\$32,127	\$36,221	\$36,697	\$38,113	\$38,511	\$39,433
(Surplus)/Deficit	\$1,672	\$907	\$750	\$167	(\$123)	\$1,924	\$249	(\$395)	(\$2,271)	(\$3,914)
Support Services										
INCOME	(\$2,715)	(\$2,293)	(\$11,971)	(\$2,216)	(\$2,415)	(\$2,493)	(\$2,576)	(\$2,652)	(\$2,239)	(\$2,800)
EXPENSES	\$59,382	\$66,982	\$73,153	\$79,365	\$86,189	\$90,033	\$97,647	\$99,925	\$104,283	\$110,492
(Surplus)/Deficit	\$56,667	\$64,689	\$61,182	\$77,169	\$83,774	\$87,540	\$95,071	\$97,273	\$102,045	\$107,692
Transport										
INCOME	(\$110,072)	(\$120,019)	(\$126,560)	(\$129,325)	(\$137,487)	(\$146,845)	(\$158,381)	(\$167,113)	(\$175,684)	(\$186,771)
EXPENSES	\$105,085	\$110,184	\$110,877	\$120,156	\$128,870	\$136,247	\$149,903	\$159,578	\$166,184	\$172,185
(Surplus)/Deficit	(\$4,987)	(\$9,835)	(\$15,683)	(\$9,169)	(\$8,617)	(\$10,598)	(\$8,477)	(\$7,534)	(\$9,500)	(\$14,586)
Total	\$53,352	\$55,761	\$46,250	\$68,167	\$75,033	\$78,865	\$86,842	\$89,343	\$90,275	\$89,191

153. The Transport and Community Services budgets includes the additional consequential operating costs arising from the proposed capital programme over the 10 years. This is key driver for the increase in depreciation, finance costs and operating and maintenance expenditure.

New operating expenditure added to the Base Budget

154. Change Requests for new operating expenditure aligned to this Priority One have been added to the Base Budget, as outlined in Table 10: Priority One Change Requests in Base Budget. Details are in **Attachment 8: Change Request Schedule – Base Budget**

Table 10: Priority One Change Requests in Base Budget

Ref	Change Request added to Base Budget	Net opex 10 years uninflated	Gross opex 10 years uninflated
TRANSPORT			
1.1	Additional parking resourcing	\$0	\$794,824
1.2	Parking kiosk operations and maintenance	\$0	\$820,000
1.3	Parking compliance: additional resourcing	\$0	\$1,880,480
SUPPORT SERVICES			
1.4	IS cyber maturity uplift	\$7,098,099	\$7,098,099
1.5	Driving productivity through AI	\$2,150,000	\$2,150,000
1.9	Strategic Property legal and consultants	\$700,000	\$1,300,000

Operating expenditure removed from the Base Budget

155. Operating expenditure reductions aligned to the Priority One have been removed from the Base Budget, as outlined in Table 11: Priority One operating expenditure removed from Base Budget. Details are in **Attachment 9: Operating expenditure reductions – Base Budget**.

Table 11: Priority One operating expenditure removed from Base Budget

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated
3.7	Workplace Travel Planning*	\$97,690 (net excluding Waka Kotahi subsidy \$53,310).
<p>*Opportunity to reallocate costs for this programme:</p> <p><u>Assessment Component</u> \$75,000: cost recoverable through fees and charges for the workplace travel plan assessment requirements as part of District Plan Change 12.</p> <p><u>Education Component</u> \$37,500: Waka Kotahi Subsidy** \$37,500: Rates funded (cost to Council).</p> <p>**Waka Kotahi subsidy could only be claimed against the education component of this activity and requires the same percentage of local share, not funded by fees and charges.</p>		

Items not recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget

Capital projects

156. The capital projects not included in the proposed draft 2024-34 Long-Term Plan budget are outlined **Attachment 11: Unfunded Capital Programme**.
157. The below table sets out the changes that have been made since the 7 and 8 November 2023 Workshop, following further direction from the Mayor and Chief Executive:

Table 12: Changes arising from 7 – 8 November 2023 information session

Options not in Base (funded)		
Programme/Project	Change Description	Impact
Sump Filter Stormwater Compliance Programme	For the installation of filter pods in existing road catchpits to improve cleaning of road runoff prior to entering water courses - one measure to achieve compliance with comprehensive stormwater consent.	\$0.8 million in first three years (\$3.8 million over 10 years)

Operating programme

158. The operational proposals not included in the draft 2024-34 Long-Term Plan budget are outlined below in Table 13. The full details of the projects are in **Attachment 12: Operating Expenditure Reductions – For Consideration**.

Table 13: Unfunded operating programme aligned to Priority One: a city that's easy to live in.

Ref	Change Request – unfunded	Net opex 10 years uninflated	Gross opex 10 years uninflated
COMMUNITY SERVICES			
2.3	Waikato River water safety improvements	\$350,000	\$350,000
2.9	Partner Pool Programme increased compliance costs	\$760,000	\$760,000
TRANSPORT			
2.11	Bridge and handrail painting programme*	\$4,899,600	\$4,899,600
2.12	Pavement surface maintenance – Citywide*	\$6,500,000	\$10,000,000
2.13	Catchpit cleaning*	\$5,540,000	\$5,540,000
2.14	Stormwater treatment device maintenance	\$275,000	\$375,000
2.15	Cycle lane marking*	\$2,500,000	\$2,500,000
2.16	Increased data collection	\$2,292,000	\$2,292,000
2.17	Road and cycleway sweeping	\$5,152,000	\$5,152,000
2.18	Landscape and verge maintenance*	\$27,314,740	\$27,314,740
2.19	Upgrade of road planting to more resilient species	\$3,250,000	\$3,250,000
2.20	Pre-reseal repairs programme - Citywide	\$8,125,000	\$12,500,000
2.21	School travel planning	\$767,400	\$1,566,120

*The additional funding requested for these items would need to be included in the operating programme to meet the 2021-31 Level of Service.

Reduction in service level to the community

159. Council could choose to alter the level of service delivered to the community and as a consequence reduce net operating cost. Staff have identified service level reduction projects that could be implemented within this Long-Term Plan in Table 14. The reduction in the service level has not been included in the proposed draft 2024-34 Long-Term Plan budget. If the change in service level is significant, Council will need to disclose the change in service level in the Consultation Document.

Table 14: Potential reductions in service levels – Priority One: a city that's easy to live in.

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated
COMMUNITY SERVICES		
4.4	Partner Pools Programme* <i>*Note: If this item is approved for inclusion, the Change Request 'Partner Pool Programme increased compliance costs' should not be approved for inclusion in the 2024-34 Long-Term Plan.</i>	\$125,000
4.5	Aqua Education Programme	\$64,111
4.6	Library Auaha Makerspace	\$127,400
4.15	Reduce Customer Service Centre opening hours	\$150,000
4.17	Closure of a small library	\$430,560
TRANSPORT		
4.11	Road safety education	\$530,431

Affordable Housing

160. A Change Request to establish an Affordable Housing Fund has been included following discussions with Elected Members, reference 2.29 as contained in **Attachment 10**.
161. There are multiple levers that Council may utilise and is utilising to assist with the delivery of affordable housing. These include:
- i. Development Contributions (see separate report being considered at this meeting). , i.e. introducing a differential (lower) Development Contribution for projects providing affordable housing outcomes as agreed with Council through the rezoning or consenting process. Where affordable housing outcomes are not provided within a project, there could be a financial or land contribution made by the developer which in turn would then be directed by Council to eligible parties to deliver affordable housing outcomes;
 - ii. the Emerging Areas Change Request (noting that while it is primary targeting industrial land supply, there are impacts for residential supply);
 - iii. and infrastructure to support affordable housing (upsizing waters in the CBD) as well as infrastructure to support development, including potential affordable housing outcomes.
162. A more comprehensive summary of levers and options for affordable housing has been provided as **Attachment 19**.

Priority Two: a city where our people thrive

163. Priority Two is about actively creating opportunities for our people to thrive in their jobs, careers, and lives so they can leverage the wonderful lifestyle and opportunities our city has to offer.
164. The five key focus areas for Priority Two are:
- i. We'll work with partners like central government and other councils to deliver fast and efficient transport connections to connect Hamilton Kirikiriroa quickly to places like Auckland Taamaki-Makaurau and Tauranga.
 - ii. We'll look beyond our borders and work with our regional partners to maximise the opportunities from Hamilton Kirikiriroa being the hub of the Waikato region.
 - iii. We'll make sure our economic strength is further leveraged and that Hamilton Kirikiriroa is known as a great place to work and do business.
 - iv. We'll empower and enable our diverse communities to share their voice, and shape their city.
 - v. We'll invest in the right infrastructure to make sure Hamilton Kirikiriroa is an attractive place for business to succeed.

Items recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget Capital programme

165. The proposed capital programme aligned to delivering on Priority Two: a city where our people thrive is \$100.7 million over the 10 years, with a net contribution by Council of \$100.7 million.
166. The summary of this proposed Priority structure by programme and project is outlined in **Attachment 7** (Capital Programme Breakdown by Priority – Priority One)
167. More detailed information on the projects is outlined in **Attachment 4** (Capital Portfolio Summary Sheets).

168. The significant project which has been moved into the base capital programme following Elected Member feedback on 11 and 12 October 2023 is a project to allow Council to acquire strategic land over the 10 years. The project allows \$10 million per annum, or \$100 million over 10 years. There have been no other changes to this Priority since 7 and 8 November 2023.
169. In recognition of this project being added, a number of land acquisition projects that were in the previous base have been removed to recommended (unfunded). These include:
- i. Rotokauri – Arthur Porter Drive realignment (\$15.0 million in years one and two);
 - ii. City Wide Community – Hamilton Park Cemetery Land (\$5.5 million in year 10);
 - iii. City Wide Community – Te Kaaroro (\$2.0 million in year one); and
 - iv. Rototuna Neighbourhood Park (\$6.0 million in year three)
170. There are also other projects in the previous and current unfunded programme that would be a candidate for strategic land purchase, including:
- i. Peacocke Stage 2 Natural Areas and Neighbourhood Parks (\$27.6 million over 10 years).

Operating programme

171. As well as considering investment in new projects, the proposed draft 2024-34 Long-Term Plan budget recognises that we are already undertaking significant operational activities to deliver on this priority for the community.
172. The following groups of activities, and the associated budgets, have been identified as primarily delivering to this priority. The proposed budget assumes Council will continue to deliver these activities to current levels of service (except where otherwise stated and noting that some of the sub-activities within each group of activity also support other priorities).

Governance

173. The governance activity enables the provision of open and effective governance and opportunities for people to be involved in shaping our city by:
- i. enabling, promoting and supporting local democracy decision making by providing governance advice and democratic services to Elected Members, Maangai Maaori, Appointed Members, staff and our community.
 - ii. effectively managing the triennial local government elections, by-elections, Council and Committee meetings, petitions, referenda, polls, and representation reviews.
 - iii. fostering opportunities for Maaori to be involved in Council decision-making through relationships, service contracts, the Co-governance Forum with Waikato Tainui, and Maangai Maaori arrangements.
 - iv. providing induction, training and administration support to the city's decision makers.

Partnership, Communication and Maaori Amorangi Maaori

174. Our partnerships with Iwi, Mana Whenua, and Maataa Waka organisations assist us in ensuring Hamilton is a city where people from different cultures work together and respect each other's views, heritage, culture and strengths.
175. Our Amorangi Maaori (Maaori Relationship Manager) provides support and advice on issues related to Maaori, particularly building stronger relationships.

City Investment Programme

176. This activity generates revenue through growing and brokering relationships, partnerships and outcomes needed to enable Hamilton's key community infrastructure projects.

Communication and Engagement

177. The Communication and Engagement activity connects the community and Council, through timely communication on projects, crises, issues and Council decisions.

Community and Social Development

178. This activity supports the wellbeing on Hamiltonians by enabling local organisations and private providers to deliver a variety of services and activities to meet the needs of local communities.

Growth

City Planning

179. The city planning activity is responsible for managing the urban environment of Hamilton by using the mechanisms of the Operative District Plan and land use planning obligations under the relevant legislation.
180. Council must also plan for sufficient supply of residential and employment land as directed by the NPS-UD.
181. The activity is also responsible for implementing the Heritage Plan and the Heritage Fund and provided advice on urban design and administering the Urban Design Panel.

Planning Guidance

182. The planning guidance activity is responsible for enabling sustainable development by approving land use and subdivision resource consent applications for residential and commercial development, road naming application and licencing and easements, and monitoring and enforcement of conditions of resource consents.
183. The activity also provides advice and information to customers and the community in relation to the District Plan and resource consent process.

Regulatory and Safety

Animal education and control

184. The animal education and control activity reduces the risk of danger and nuisance from dogs by registering and controlling dogs within the city, and investigates offences under the Dog Control Act 1996.
185. The activity also provides education to schools, businesses and community groups about safety around dogs.

Public safety

186. The city safe operations activity provides a monitored CCTV camera network, the removal of graffiti by Tagbusters, the central city safety team and the suburban response team.

Building control

187. The building control activity provides advisory, education, compliance and enforcement roles to ensure that building are constructed to meet the requirements of the New Zealand Building Act 2004 and Building Code, and achieve acceptable standards for the health and safety of building users.

Civil Defence

188. Through the emergency management activity, Council helps the community be resilient and ready to deal with an emergency.
189. We support the Waikato Region Civil Defence and Emergency Management Group to meet legal requirements, minimise potential effects of emergencies, prepare our people to respond to emergencies, and recover as quickly as possible after an emergency.

Environmental Health Control and Alcohol Licencing

190. The environmental health activity monitors the standards of food safety and suitability in Hamilton food businesses and other regulated businesses.
191. The activity also manages the effects of noise from land use activity in residential areas, manages the effects of contaminants in soil and hazardous facilities and responds to complaints under the Health Act 1956.
192. The alcohol licencing activity regulates the sale and supply of alcohol through licencing.
193. The levels of service associated to these activities are assumed to be at the same level as currently delivered within the 2021-31 Long-Term Plan, except as where otherwise indicated.
194. The proposed operating budget (excluding allocation of general rate revenue) for the activities that have been associated to this priority is outlined below in Table 15.

Table 15: Operating budget aligned to Priority Two: a city where our people thrive.

LTP ACTIVITY: ('000)	YR 1 24/25	YR 2 25/26	YR 3 26/27	YR 4 27/28	YR 5 28/29	YR 6 29/30	YR 7 30/31	YR 8 31/32	YR 9 32/33	YR 10 33/34
Governance										
INCOME	(\$2,744)	(\$3,103)	(\$3,063)	(\$3,260)	(\$3,673)	(\$3,696)	(\$3,934)	(\$4,412)	(\$4,456)	(\$4,744)
EXPENSES	\$2,862	\$3,609	\$3,176	\$3,392	\$4,189	\$3,566	\$3,899	\$4,785	\$4,233	\$4,466
(Surplus)/Deficit	\$118	\$505	\$113	\$132	\$517	(\$130)	(\$35)	\$373	(\$224)	(\$278)
Growth										
INCOME	(\$14,702)	(\$15,860)	(\$16,871)	(\$18,021)	(\$15,560)	(\$16,847)	(\$17,591)	(\$18,706)	(\$19,937)	(\$20,957)
EXPENSES	\$16,235	\$16,804	\$18,065	\$17,353	\$17,912	\$17,395	\$17,704	\$18,323	\$19,114	\$19,129
(Surplus)/Deficit	\$1,533	\$945	\$1,194	(\$668)	\$2,352	\$548	\$113	(\$382)	(\$823)	(\$1,828)
Partnerships, Communication & Maaori										
INCOME	(\$4,323)	(\$4,642)	(\$4,906)	(\$5,253)	(\$5,623)	(\$6,013)	(\$6,424)	(\$6,859)	(\$7,264)	(\$7,699)
EXPENSES	\$9,414	\$9,832	\$10,192	\$10,565	\$10,906	\$11,225	\$11,550	\$11,871	\$12,190	\$12,532
(Surplus)/Deficit	\$5,091	\$5,190	\$5,286	\$5,312	\$5,283	\$5,212	\$5,126	\$5,012	\$4,926	\$4,833
Regulatory & Safety										
INCOME	(\$15,124)	(\$16,305)	(\$18,171)	(\$19,652)	(\$19,553)	(\$21,653)	(\$21,983)	(\$23,031)	(\$24,053)	(\$25,132)
EXPENSES	\$15,811	\$16,634	\$18,146	\$18,265	\$18,769	\$19,496	\$20,046	\$20,759	\$21,270	\$21,890
(Surplus)/Deficit	\$686	\$329	(\$25)	(\$1,388)	(\$784)	(\$2,157)	(\$1,938)	(\$2,271)	(\$2,782)	(\$3,242)
Total	\$7,428	\$6,969	\$6,568	\$3,389	\$7,367	\$3,473	\$3,266	\$2,732	\$1,097	(\$515)

New operating expenditure added to the Base Budget

195. Change Requests for new operating expenditure aligned to this Priority Two have been added to the Base Budget, as outlined in Table 16: Priority Two Change Requests in Base Budget. Details are in **Attachment 8: Change Request Schedule – Base Budget**.

Table 16: Priority Two Change Requests in Base Budget

Ref	Change Request added to Base Budget	Net opex 10 years uninflated	Gross opex 10 years uninflated
REGULATORY AND SAFETY			
1.6	Hamilton Alcohol Fees Bylaw	(\$871,000)*	\$29,000
GROWTH			
1.7	Business Improvement District (BID) boundary extension **	\$0	\$250,000
1.8	Business Improvement District (BID) funding increase **	\$0	\$500,000

*Net Revenue, resulting in overall reduction in operating costs

** See **Attachment 14** and **Attachment 15** for further information and BID Commercial Rate and cumulative impact on Central City Business in section 4.

Operating expenditure removed from the Base Budget

196. Operating expenditure reductions aligned to the Priority Two have been removed from the Base Budget, as outlined in Table 17 Priority Two operating expenditure removed from Base Budget. Details are in **Attachment 9: Operating Expenditure Reductions – Base Budget**.

Table 17: Priority Two operating expenditure removed from Base Budget

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated
GROWTH		
3.1	Te Waka	\$70,000
3.2	Economic Development Sponsorship	\$20,000
3.3	Hamilton & Waikato Tourism Limited funding	\$357,945
3.10	Hamilton Central Business Association Activation Fund	\$20,000
REGULATORY AND SAFETY		
3.4	Cat desexing	\$100,000
PARTNERSHIPS, COMMUNICATION AND MAAORI		
3.6	Community grants	\$106,680

Items not recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget

Capital projects

197. The capital projects not included in the proposed draft 2024-34 Long-Term Plan budget are outlined in **Attachment 11: Unfunded – Capital Programme**.

Operating programme

198. The operational proposals not included in the draft 2024-34 Long-Term Plan budget are outlined below in Table 18. The full details of the projects are in **Attachment 12: Operational Expenditure reduction – For Consideration**.

Table 18: Unfunded operating programme aligned to Priority Two: a city where our people thrive.

Ref	Change Request – unfunded	Net opex 10 years uninflated	Gross opex 10 years uninflated
GOVERNANCE			
2.1	Sister Cities/International Relations	\$500,000	\$500,000
REGULATORY AND SAFETY			
2.6	CDEM Community Readiness Project	\$285,000	\$285,000
2.7	CDEM Hazard Research	\$295,000	\$295,000
2.8	City Safe support	\$5,433,750	\$5,433,750
2.10	Local Alcohol Policy	\$50,000	\$50,000
PARTNERSHIPS, COMMUNICATION AND MAAORI			
2.23	Mana Whenua engagement	\$750,000	\$750,000
2.24	Tiriti events funding	\$1,007,500	\$1,007,500
GROWTH			
2.25	Community and business climate change partnerships	\$1,350,000	\$1,350,000
2.26	Climate change risk assessment	\$580,000	\$580,000
2.27	Emerging areas – industrial land supply	\$994,000	\$994,000
2.29	Affordable Housing Fund	\$10,000,000	\$10,000,000

Reduction in service level to the community

199. Council could choose to alter the level of service delivered to the community and as a consequence reduce net operating cost. Staff have identified service level reduction projects that could be implemented within this Long-Term Plan in Table 19. The reduction in the service level has not been included in the proposed draft 2024-34 Long-Term Plan budget. If the change in service level is significant, Council will need to disclose the change in service level in the Consultation Document.

Table 19: Potential reductions in service levels – Priority Two: a city where our people thrive.

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated
REGULATORY AND SAFETY		
4.12	City Safe patrol reduction	\$499,000

Priority Three: a central city where people love to be

200. Priority Three is about our central city being the beating heart of Hamilton which always has something going on for our diverse communities to come together and enjoy.

201. The five key focus areas for Priority Three are:

- i. We'll strengthen the connection and access between the city centre and the Waikato River.
- ii. We'll promote daytime and evening activity.
- iii. We'll create performance spaces such as the new regional theatre and leverage existing central city spaces to support arts and culture initiatives which offer something unique to our city.

- iv. We'll support mixed inner-city living options in Hamilton Kirikiriroa which encourage people to live in the central city alongside vibrant retail, hospitality, and entertainment sectors.
 - v. We'll make it easy to get into and around the city through a range of alternative travel options.
202. No specific group of activities has been allocated to this priority, as it is recognised that the activation of the central city is contributed to by all parts of Council activity and by key capital projects, including those funded by the Infrastructure Acceleration Fund grant that Council has received from central government.

Priority Four: a fun city with lots to do

203. Priority Four is about wanting Hamilton to be an even better place for everyone to play, with things to do or see around every corner.
204. The five key focus areas for Priority Four are:
- i. We'll develop open community spaces like Korikori Park in Rototuna and Minogue Park in Forest Lake that are accessible to everyone to enjoy.
 - ii. We'll invest in and enhance the Waikato Museum, Hamilton Gardens and Waiwhakareke Natural Heritage Park to create new and unique experiences for our people and visitors.
 - iii. We'll host and celebrate city events like the Hamilton Gardens Arts Festival and Balloons over Waikato.
 - iv. We'll actively celebrate and promote a city where residents have the opportunity to have fun with their friends and family.
 - v. We'll support local sport events by investing in play spaces and we'll work hard to attract national and international sport events to our city.

Items recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget

Capital programme

205. The proposed capital programme aligned to delivering on Priority Four: a fun city with lots to do is \$90.8 million over the 10 years, with a net contribution by Council of \$86.9 million.
206. Staff presented an initial draft capital programme to Elected Members at a Workshop on 11 October 2023. The feedback at this Workshop was to defer a number of projects and reduce the funding for other programmes of work.
207. A revised capital programme was presented to Elected Members on 7 and 8 November 2023. The revised capital programme had:
- i. deferred the Community Library Hub by two years, to years four and five;
 - ii. reduced the Nature in the City funding by \$4.1 million in the first three years;
 - iii. reduced the Sports Park Improvements by \$1.8 million in the first three years;
 - iv. reduced funding for Waiwhakareke by \$2.0 million in the first three years;
 - v. removed the \$8.6 million Waikato Museum Entrance and Profile projects from base to unfunded; and
 - vi. deferred the Hamilton Gardens improvement programme by five years.

208. The below table (Table 20) sets out the changes that have been made since the 7 and 8 November 2023 Workshop, following further direction from the Mayor and Chief Executive:

Table 20: Changes in Base (Funded) Portfolio from 7 – 8 November 2023 information session

Changes in Base (Funded) Portfolio		
Programme/Project	Change Description	Impact
Hamilton Gardens: Amenity, Safety, Access and Visitor Experience Initiative	Add funding in years one to three to deliver the Medieval Garden to align with the Community Investment Programme	\$2.7 million over three years with \$1.7 million of external revenue

209. The summary of this proposed Priority structure by programme and project is outlined in **Attachment 7** (Capital Programme Breakdown by Priority – Priority Four).
210. More detailed information on the projects is outlined in **Attachment 4** (Capital Portfolio Summary Sheets).

Operating programme

211. As well as considering investment in new projects, the proposed draft 2024-34 Long-Term Plan budget recognises that we are already undertaking significant operational activities to deliver on this priority for the community.
212. The following groups of activities, and the associated budgets, have been identified as primarily delivering to this priority. The proposed budget assumes Council will continue to deliver these activities to current levels of service (except where otherwise stated and noting that some of the sub-activities within each group of activity also support other priorities).

Venues, Tourism and Major Events

Claudlands, FMG Stadium Waikato, Seddon Park

213. The Venues, Tourism and Major Events activities showcase and leverage Hamilton's event venues and visitor attractions to support local business opportunities, stimulate our economy and promote our city.
214. Council manages the three venues of Claudlands, FMG Stadium Waikato and Seddon Park which offer space for live entertainment, business meetings, functions, large sports events and other major events.

Tourism and events funding

215. Council provides funding for event sponsorship and annual funding to the regional tourism organisation, Hamilton and Waikato Tourism Ltd.

Theatres

216. We invest with a range of partners through the Momentum Waikato Community Foundation in the delivery of the new international-standard performing arts theatre (The Waikato Regional Theatre) for the Waikato region, being built in Hamilton.

Visitor Destinations

217. Hamilton Gardens, Waikato Museum, i-SITE, Hamilton Zoo, and Te Kaaroro (Hamilton Zoo and Waiwhakareke Natural Heritage Park).
218. The visitor attractions activities provide unique experiences for residents and visitors.
219. The spaces provide community recreational space and a variety of settings and venues that can be used for events.
220. Recreational and educational programmes are provided through the attractions.

221. The Waikato Museum cares for, preserves and shares stories about the objects and taonga of the Waikato region and the Hamilton Zoo and Waiwhakareke also works towards conserving wildlife and natural habitats.

Parks and Recreation

Parks, including community parks, natural areas, streetscapes, sports parks and playgrounds

222. Council provides, operates and maintains 196 parks and across more than 1142 hectares in the city.
223. These spaces provide places for informal recreation and play and include community amenities such as public toilets and seating.
224. Council conserves and restores the natural environment by working with the community to maintain a substantial gully system throughout the city.
225. We also maintain the riverbank reserve system, wetland and lake margins, and the support assets such as seating, signs, bridges, walkways and cycleways) within natural area reserves.
226. Keeping the city beautiful is an important part of this activity and we do this through our gardens and street plantings.
227. Our sports parks and indoor recreation activities are responsible for managing Hamilton's sports park network and working with multiple clubs and codes to provide field surfaces and facilities that meet the needs of user groups.
228. The playgrounds activity is responsible for providing and managing more than 80 playgrounds on parks in Hamilton, including local neighbourhood playgrounds and destination playgrounds.

Cemeteries and crematorium

229. The cemeteries and crematorium activity is responsible for providing burial and cremation services at Hamilton Park Cemetery in Newstead and managing two closed cemeteries – Hamilton East Cemetery (near Hamilton Gardens) and Hamilton West Cemetery (next to FMG Stadium Waikato).

Indoor recreation

230. Council supports indoor recreation through the provision of the Te Rapa Sportsdrome, and partners with external agencies to support the building of new facilities, such as the Rototuna Indoor Recreation Centre (The Peak).

Community facilities

231. We provide community facilities throughout the city that offer places and spaces for community organisations and private providers to deliver a variety of services and activities to meet the needs of local communities. The facilities are a collection of centres, halls and heritage buildings providing a mix of bookable spaces and leased facilities. Council also leases buildings to community groups including sheds/storage and changing rooms.
232. The levels of service associated to these activities are assumed to be at the same level as currently delivered within the 2021-31 Long-Term Plan, except as where otherwise indicated.
233. The proposed operating budget (excluding allocation of general rate revenue) for the activities that have been associated to this priority is outlined below in Table 21.

Table 21: Operating budget aligned to Priority Four: a fun city with lots to do

LTP ACTIVITY: ('000)	YR 1 24/25	YR 2 25/26	YR 3 26/27	YR 4 27/28	YR 5 28/29	YR 6 29/30	YR 7 30/31	YR 8 31/32	YR 9 32/33	YR 10 33/34
Parks & Recreation										
INCOME	(\$35,321)	(\$37,737)	(\$39,640)	(\$42,027)	(\$44,486)	(\$47,152)	(\$50,106)	(\$53,023)	(\$56,093)	(\$59,542)
EXPENSES	\$41,047	\$43,766	\$45,975	\$47,216	\$49,448	\$53,544	\$58,302	\$61,106	\$63,121	\$65,322
(Surplus)/Deficit	\$5,726	\$6,029	\$6,335	\$5,189	\$4,963	\$6,392	\$8,196	\$8,083	\$7,028	\$5,780
Venues, Tourism and Major Events										
INCOME	(\$31,243)	(\$33,021)	(\$34,461)	(\$36,414)	(\$38,554)	(\$40,770)	(\$43,157)	(\$45,624)	(\$48,250)	(\$51,021)
EXPENSES	\$31,266	\$33,610	\$33,313	\$32,929	\$35,338	\$36,161	\$38,125	\$40,011	\$41,463	\$42,943
(Surplus)/Deficit	\$23	\$590	(\$1,149)	(\$3,485)	(\$3,216)	(\$4,609)	(\$5,032)	(\$5,613)	(\$6,788)	(\$8,077)
Visitor Destinations										
INCOME	(\$23,872)	(\$25,805)	(\$27,256)	(\$28,980)	(\$30,991)	(\$32,988)	(\$35,264)	(\$37,407)	(\$39,669)	(\$42,078)
EXPENSES	\$25,569	\$28,031	\$29,136	\$30,676	\$32,632	\$34,387	\$36,339	\$37,947	\$38,678	\$40,096
(Surplus)/Deficit	\$1,697	\$2,225	\$1,880	\$1,695	\$1,641	\$1,399	\$1,075	\$540	(\$991)	(\$1,982)
Total	\$7,446	\$8,845	\$7,066	\$3,399	\$3,387	\$3,182	\$4,239	\$3,010	(\$750)	(\$4,279)

New operating expenditure added to the Base Budget

234. No Change Requests for new operating expenditure aligned to this Priority Four have been added to the Base Budget.

Operating expenditure removed from the Base Budget

235. Operating expenditure reductions aligned to the Priority Four have been removed from the Base Budget, as outlined in Table 22: Priority Four operating expenditure removed from Base Budget. Details are in **Attachment 9: Operating Expenditure Reductions – Base Budget**.

Table 22: Priority Four operating expenditure removed from Base Budget

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated (\$)
PARKS AND RECREATION		
3.8	Nature in the City marketing/collaboration	\$75,000
3.5	Indoor Recreation Centre grant	\$2,500,000
3.9	FMG Stadium Waikato painting	\$500,000
3.10	Hamilton Central Business Association Activation Fund	\$20,000
3.11	Event Sponsorship Fund	\$100,000

Items not recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget

Capital projects

236. Staff made a number of other priority recommendations, and the Mayor has elected to identify these as options for Elected Members' consideration, as opposed to asking for them to be included in the Base:

Table 23: Changes arising from 7 – 8 November 2023 information session

Options not in Base (funded)		
Programme/Project	Change Description	Impact
Public Toilet Improvements	Making sure that public toilets around the city are safe, accessible and strategically located to meet the needs of the public	\$2.1 million over first 3 years (\$5.3 million over 10 years)
Claudlands Power Resilience	Deliver appropriate power resilience to meet the needs of Claudlands in the event of power failure. Particularly important given the role that Claudlands plays in the event of a Civil Defence emergency	\$0.6 million over first 2 years

237. The capital projects not included in the proposed draft 2024-34 Long-Term Plan budget are outlined in **Attachment 11: Unfunded Capital Programme**.

Operating programme

238. The operational proposals not included in the draft 2024-34 Long-Term Plan budget are outlined below in Table 24. The full details of the projects are in **Attachment 12: Operational Expenditure Reduction – For Consideration**.

Table 24: Unfunded operating programme aligned to Priority Four: a fun city with lots to do

Ref	Change Request – unfunded	Net opex 10 years uninflated	Gross opex 10 years uninflated (\$)
PARKS AND RECREATION			
2.2	Taitua Arboretum Development Plan – operational projects	\$501,000	\$501,000
2.4	Community Group pre-project opex	\$2,500,000	\$2,500,000
2.5	Arboriculture maintenance	\$11,060,470	\$11,060,470
2.28	New indoor facility developments	\$31,500,000	\$31,500,000

Reduction in service level to the community

239. Council could choose to alter the level of service delivered to the community and as a consequence reduce net operating cost. Staff have identified service level reduction projects that could be implemented within this Long-Term Plan in Table 25. The reduction in the service level has not been included in the proposed draft 2024-34 Long-Term Plan budget. If the change in service level is significant, Council will need to disclose the change in service level in the Consultation Document.

Table 25: Potential reductions in service levels – Priority Four: a fun city with lots to do

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated (\$)
VENUES, TOURISM AND MAJOR EVENTS		
4.1	Waikato Regional Theatre Operating Grant (new)	\$250,000
4.3	Major Event Acquisition and Activation	\$226,000
VISITOR DESTINATIONS		
4.22	Hamilton Gardens consequential opex	\$100,000
PARKS AND RECREATION		
4.13	Turn off fountains	\$50,000
4.14	Reduce garden Level of Service in CBD	\$150,000
4.16	Reduce garden maintenance Level of Service	\$115,000
4.18	Reduce mowing Level of Service	\$110,000
4.19	Stop tree replacements Level of Service	\$130,000
4.20	Nature in the City reduced maintenance	\$110,000
4.21	Reduce planting in Amenity and Neighbourhood reserves	\$150,000

Priority Five: a green city

240. Priority Five is about wanting to make it greener together, so our city will get better by day and we can leave a legacy we can all be proud of.

241. The five key focus areas for Priority Five are:

- i. We'll protect and restore our natural gully network and the biodiversity of Hamilton Kirikiriroa to increase how green our city is, making it healthier and stronger.
- ii. We'll reduce the carbon footprint of Hamilton Kirikiriroa and build a city that is resilient to the effects of climate change.
- iii. We'll mitigate the impact of the city on the health and wellbeing of the Waikato River and Lake Rotorua (Hamilton Lake).
- iv. We'll encourage and enable alternative ways to move safely and quickly around our city.
- v. We'll plan our future as a sustainable city – balancing the natural and built environments so they can live in harmony.

Items recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget

Capital programme

242. The proposed capital programme aligned to delivering on Priority Five is \$179.2 million over the 10 years, with a net contribution by Council of \$161.8 million (noting that only the first two years of three waters activities is included).

243. The majority of Projects that align with Priority Five are three waters projects (water supply, wastewater, and stormwater).

244. There has been a significant step change in three waters investment required across the 10 years to meet the compliance challenges and to accommodate and facilitate growth across a mixture of greenfield growth areas and intensification of existing parts of the city.

245. In particular, Council has over the past three years completed a business case for the development of a new southern wastewater plant and a business case for the upgrade of the existing Pukete Waste Water Treatment Plant, which needs to be re-consented by 2027.

246. The business case for the Pukete Plant has identified a significant step increase in investment required to meet increased environmental standards, with investment of \$46.2 million over the next 2 years (\$471.2 million required over the 10-year period).
247. In addition to upgrades to the treatment plant, the wastewater network is nearing capacity in substantive parts of the city and is resulting in wastewater overflows from the system into the environment, which is a consenting risk that needs to be managed.
248. One of the management interventions to increase our resilience to wet weather events, which is when most overflows occur, is to install large wastewater bulk storage facilities in strategic locations of the network which will help manage the compliance issues and also help with accommodating growth with investment of \$141.2 million required in the 10-year period.
249. One of the other strategic investments required in the short to medium term is the development of a new southern wastewater treatment plant near the airport, which would allow the diversion of some of the city wastewater, freeing up capacity within the city network to accommodate growth. Making progress on securing the site and associated consents is critical to Hamilton's future.
250. The 10-year stormwater programme also includes new investment in brownfield areas of the city to improve the quality of stormwater being discharged into the water ways and to manage catchment erosion, all required to meet compliance with the City Comprehensive Stormwater consent.
251. The investment levels over the next two years, which Council is required to include in its 2024-34 Long-Term Plan, are very similar to that identified in the current 2021-31 Long-Term Plan, but as project investigations and designs are completed, the construction of the required interventions result in large increases in investment from year three onwards. Council will need to carefully consider its options for management of three waters into the future.
252. As part of the Plan Change 12 work and also the work on the Hamilton Urban Growth Strategy, Council has decided to target intensification around the central city in an area known as stage 1.
253. Council has secured a \$150.6 million IAF grant to build a new water reservoir and an active mode bridge across the river. Part of the IAF grant also allows us to undertake detailed master planning (water, wastewater, stormwater and transport) to identify the infrastructure needs to support up to 4140 new dwellings in the central city.
254. This master planning work will be complete in time for the 2027-37 Long-Term Plan to identify what infrastructure will be required to support this growth. The cost of this infrastructure will be substantial depending on growth uptake, and it is not included in the current Long-Term Plan.
255. During the 2024-34 Long-Term Plan workshops and information sessions in October and November 2023, there was various feedback relating to how growth could be enabled or incentivised in the meantime, with one answer being that some infrastructure funding would be required to work with developers and that the new southern wastewater treatment plant needed to be progressed.

256. The below table sets out the changes that have been made since the 7 and 8 November 2023 Workshop, following further direction from the Mayor and Chief Executive:

Table 26: Changes in Base (Funded) Portfolio from 7 – 8 November 2023 information session

Changes in Base (Funded) Portfolio		
Programme/Project	Change Description	Impact
Sub Regional Wastewater Treatment Plant	Delivery of a new sub-regional wastewater treatment plant to meet the current and future needs of areas south of Hamilton and the southern parts of Hamilton City. Funding in first years is to reconfirm site location and apply for consents.	\$7.0 million over the first two years of the programme, noting that only two years of three waters is allowed to be included in the 2024-34 Long-Term Plan.
Wastewater Network-Proactive upgrades for Intensification (addition)	The Central City Stage 1 area is identified for priority intensification with IAF funding being used to deliver a water reservoir, an Active Mode River Crossing and strategic planning for future water, wastewater, stormwater and transport needs. Funding is required to be able to work with individual developers to achieve strategic outcomes.	\$8.1 million over first two years of the programme, noting that only two years of three waters is allowed to be included in the 2024-34 Long-Term Plan.
Water Network-Proactive upgrades for Intensification (addition)	The Central City Stage 1 area is identified for priority intensification with IAF funding being used to deliver a water reservoir, an Active Mode River Crossing and strategic planning for future water, wastewater, stormwater and transport needs. Funding is required to be able to work with individual developers to achieve strategic outcomes.	\$1.5 million over first two years of the programme, noting that only two years of three waters is allowed to be included in the 2024-34 Long-Term Plan.

257. The summary of this proposed Priority structure by programme and project is outlined in **Attachment 7** (Capital Programme Breakdown by Priority – Priority Five).

258. The detail of this proposed programme structure by programme and project is outlined in **Attachment 4** (Capital Portfolio Summary Sheets).

Operating programme

259. As well as considering investment in new projects, the proposed draft 2024-34 Long-Term Plan budget recognises that we are already undertaking significant operational activities to deliver on this priority for the community.
260. The following groups of activities, and the associated budgets, have been identified as primarily delivering to this priority. The proposed budget assumes Council will continue to deliver these activities to current levels of service (except where otherwise stated and noting that some of the sub-activities within each group of activity also support other priorities).

Water supply

261. Water treatment and storage and water distribution: The water supply activity is responsible for the provision of safe, high quality, reliable and sustainable water supply to Hamilton's residents and businesses by abstracting, treating, storing, distributing and managing Hamilton's water supply and through demand management initiatives to ensure wise and efficient use of water.

Wastewater

262. Wastewater collection:
- i. The wastewater activity manages the collection of wastewater from drains from showers, baths, sinks, washing machines, dishwashers and toilets, and collects and transfers the wastewater through a network of pipes and pump stations to the wastewater treatment plant at Pukete.
 - ii. Wastewater from commercial and industrial premises also feeds into this network.
263. Wastewater treatment and disposal: The wastewater treatment and disposal activities manages the plant where the wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is also treated on-site and then vermi-composted for reuse.

Stormwater

264. Stormwater network: The stormwater activity is responsible managing the stormwater network which consists of pipes, ponds, wetlands and open watercourses to collect and release rainwater into the city's streams, lakes and the Waikato River to protecting people and properties from flood damage, and to minimise the pollution of waterways.

Rubbish and recycling

265. Refuse collection and waste minimisation: Our waste minimisation and recycling activity is responsible for the provision of reliable and sustainable service to Hamilton's residents and businesses by providing kerbside rubbish and recycling collection services, rubbish and recycling facilities and promoting and encouraging waste minimisation.
266. Landfill site management: The landfill management activity is responsible for the provision of safe, reliable and sustainable closed landfill sites to Hamilton's residents and businesses by extracting, monitoring and treatment of the by-products from the landfills (i.e., biogas and leachate).
267. The levels of service associated to these activities are assumed to be at the same level as currently delivered within the 2021-31 Long-Term Plan, except as where otherwise indicated.
268. The proposed operating budget (excluding allocation of general rate revenue) for the activities that have been associated to this priority is outlined below in Table 27.

Table 27: Operating budget aligned to Priority Five: a green city

LTP ACTIVITY: ('000)	YR 1 24/25	YR 2 25/26	YR 3 26/27	YR 4 27/28	YR 5 28/29	YR 6 29/30	YR 7 30/31	YR 8 31/32	YR 9 32/33	YR 10 33/34
Rubbish & Recycling										
INCOME	(\$14,155)	(\$14,967)	(\$15,612)	(\$16,508)	(\$17,473)	(\$18,497)	(\$19,584)	(\$20,742)	(\$21,962)	(\$23,271)
EXPENSES	\$13,329	\$14,213	\$14,217	\$15,416	\$16,239	\$16,245	\$18,429	\$20,440	\$21,322	\$23,630
(Surplus)/Deficit	(\$825)	(\$754)	(\$1,395)	(\$1,092)	(\$1,234)	(\$2,252)	(\$1,155)	(\$302)	(\$640)	\$360
Stormwater										
INCOME	(\$18,304)	(\$19,211)	(\$773)	(\$781)	(\$794)	(\$802)	(\$814)	(\$830)	(\$853)	(\$869)
EXPENSES	\$18,907	\$21,457	\$3,342	\$2,569	\$2,655	\$2,811	\$2,978	\$3,152	\$3,056	\$3,193
(Surplus)/Deficit	\$602	\$2,246	\$2,569	\$1,788	\$1,862	\$2,009	\$2,164	\$2,322	\$2,203	\$2,323
Wastewater										
INCOME	(\$47,573)	(\$50,601)	(\$1,325)	(\$1,339)	(\$1,360)	(\$1,375)	(\$1,395)	(\$1,423)	(\$1,461)	(\$1,490)
EXPENSES	\$52,101	\$58,990	\$13,823	\$11,040	\$11,392	\$12,010	\$12,692	\$13,371	\$12,821	\$13,323
(Surplus)/Deficit	\$4,528	\$8,389	\$12,498	\$9,701	\$10,032	\$10,635	\$11,297	\$11,947	\$11,360	\$11,833
Water Supply										
INCOME	(\$30,111)	(\$31,804)	(\$1,104)	(\$1,116)	(\$1,134)	(\$1,146)	(\$1,162)	(\$1,186)	(\$1,218)	(\$1,242)
EXPENSES	\$32,338	\$35,209	\$4,409	\$1,713	\$1,843	\$2,060	\$2,313	\$2,716	\$3,204	\$3,675
(Surplus)/Deficit	\$2,227	\$3,404	\$3,305	\$597	\$710	\$914	\$1,151	\$1,530	\$1,986	\$2,434
Total	\$6,531	\$13,286	\$16,977	\$10,995	\$11,369	\$11,306	\$13,457	\$15,497	\$14,909	\$16,949

New operating expenditure added to the Base Budget

269. No Change Requests for new operating expenditure aligned to this Priority Five have been added to the Base Budget.

Operating expenditure removed from the Base Budget

270. No operating expenditure reductions aligned to Priority Five have been removed from the Base Budget.

Items not recommended for inclusion in the Proposed Draft 2024-34 Long-Term Plan budget**Capital projects**

271. The capital projects not included in the proposed draft 2024-34 Long-Term Plan budget are outlined in **Attachment 11: Unfunded – Capital Programme**.

Operating programme

272. The operational proposals not included in the draft 2024-34 Long-Term Plan budget are outlined below in Table 28. The full details of the projects are in **Attachment 12: Operational Expenditure reduction – For Consideration**.

Table 28: Unfunded operating programme aligned to Priority Five: a green city

Ref	Change Request – unfunded	Net opex 10 years uninflated	Gross opex 10 years uninflated
RUBBISH AND RECYCLING			
2.22	Sustainable Resource Recovery	\$2,640,853	\$6,225,203

Reduction in service level to the community

273. Council could choose to alter the level of service delivered to the community and as a consequence reduce net operating cost. Staff have identified service level reduction projects that could be implemented within this Long-Term Plan in Table 29. The reduction in the service level has not been included in the proposed draft 2024-34 Long-Term Plan budget. If the change in service level is significant, Council will need to disclose the change in service level in the Consultation Document.

Table 29: Potential reductions in service levels – Priority Five: a green city

Ref	Expenditure reduction	Annual operating expenditure reduction uninflated
WATER SUPPLY		
4.8	Water demand management: leak detection	\$50,000
4.9	Water demand management: demand management initiatives	\$19,616
WASTEWATER		
4.10	Building Information Model (BIM) Programme	\$73,831

Section 4: Funding and Revenue

274. Rates are responsible for nearly three quarters of Council funding, and are considered in the next section. This section considers means through which Council can increase funding and revenue aside from through rates.

Fees and charges

275. Fees and charges make up 13% of total revenue. Staff have undertaken a comprehensive review of revenue opportunities informed by earlier discussions with Elected Members. Fees and charges have been optimised where possible, considering cost recovery, benchmarking with other local authorities, market prices and affordability where applicable. The full list of fees and charges will be reported to the 14 March 2024 Long-Term Plan Council meeting.

Parking

Background

276. In October 2017, Council introduced a trial of two hours free parking in the central city. The trial has been extended several times since 2017, and remains in operation.
277. In addition to increasing the vibrancy of the central city, one of the objectives of the trial, and the broader strategy of which it was part, was to target 85% utilisation of parking spaces. This is widely recognised at the optimum rate: if fewer spaces are used, this negatively impacts the vibrancy of the area. If more spaces are used, it becomes too difficult to find a parking space, reducing turnover and potentially putting people off even trying to find a space.
278. When the two hours free parking trial was introduced, a central city rate was introduced to meet a portion of the foregone revenue of the trial. The central city rate currently generates \$145,000 annually; the trial has foregone estimated revenue of up to \$700,000 annually.
279. Separately, in the 2020-21 Annual Plan, Council introduced paid all-day car parking in areas of the central city where utilisation was consistently below 85%, and in the 2021-31 Long-Term Plan, Council approved the introduction of central city fringe parking, which began in operation earlier this year. All day parking in the central city and central city fringe parking are both currently charged at \$6 per day.
280. When the two hours free parking trial was introduced, parking space utilisation in the central city was below 85%, which negatively impacted the vibrancy of the central city. In significant parts of the central city the current two-hour free parking and all day paid parking are now generating more than 85% occupancy (see Graph 8 and Figure 3 below). This is having the following effects:
- not enabling efficient or effective parking management to ensure turnover;
 - not optimally supporting business productivity with parking turnover; and
 - not meeting the public expectation of being easily able to find a parking space.

281. An alternative parking payment system, geared towards achieving the desired 85% occupancy rate, is known as demand-responsive pricing. This entails setting parking fees at levels that can increase and/or decrease so that the ideal 85% parking occupancy is always achieved. Managing parking to achieve 85% occupancy promotes turnover in high-demand areas, helping support business productivity; leads to improved parking availability for the public, helping to reduce congestion; and supports the broader strategic goals of creating a more liveable and sustainable urban environment.

Graph 8: Central City All Day Bay Occupancy by month

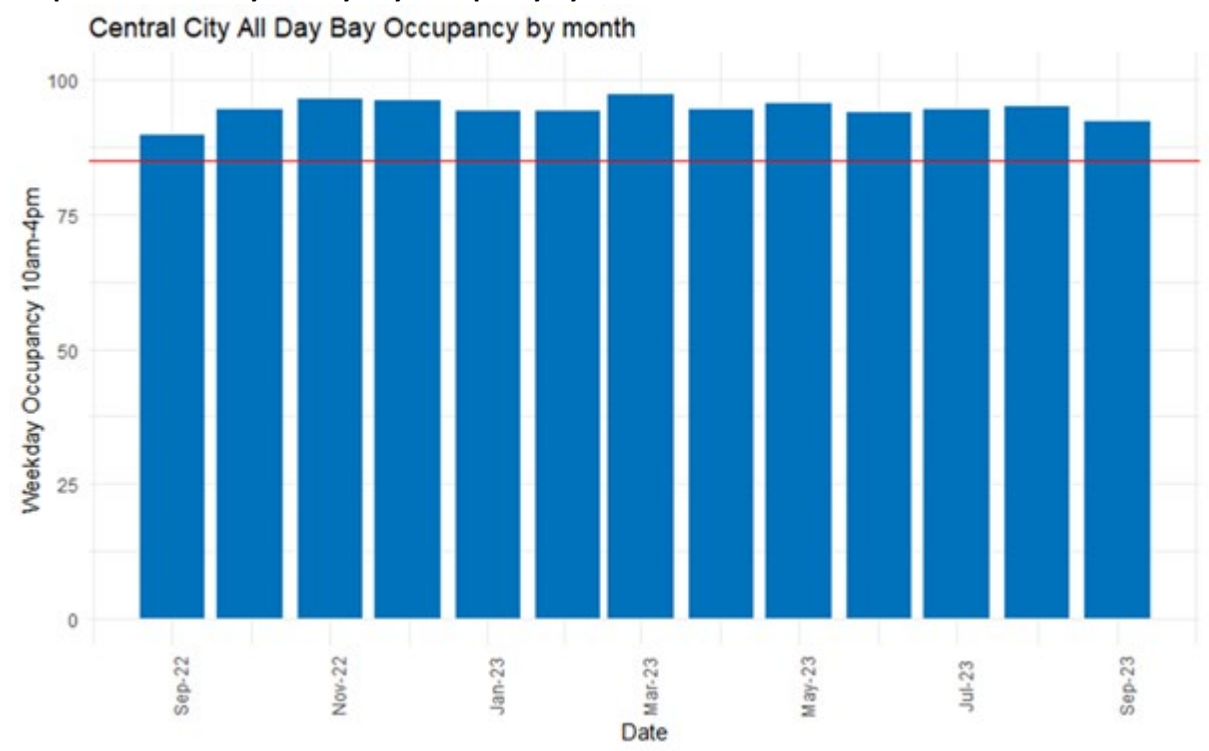
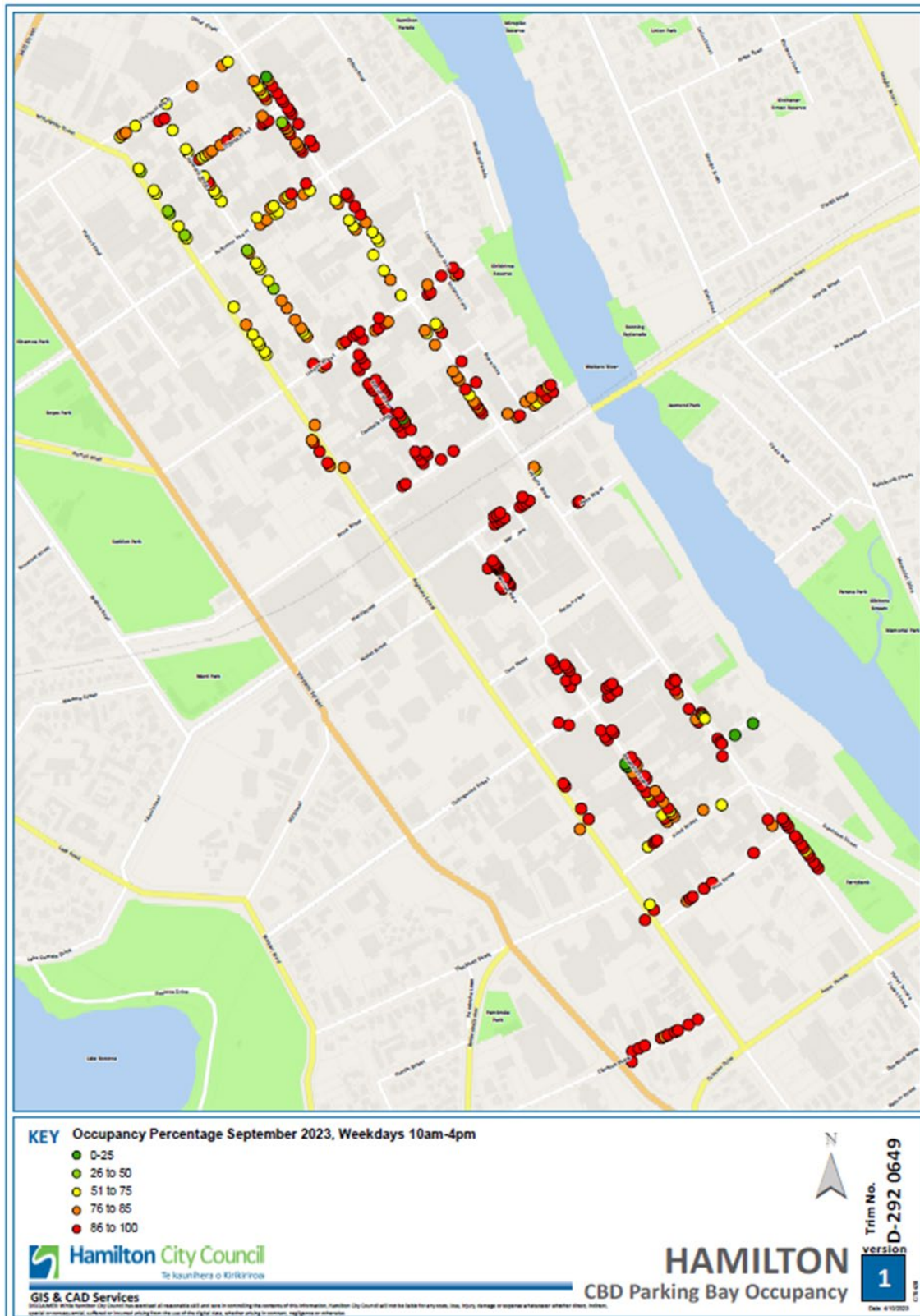


Figure 3: Occupancy Percentage September 2023



Item 6

282. **The proposed draft budget includes:**

- ii. **removing the two hours free parking trial, and replacing it with demand-responsive pricing, based on the starting points below:**
 - A. **\$3 per hour for the first two hours (and \$6 per hour thereafter) where parking spaces generally have greater than 85% occupancy; and**
 - B. **\$1 per hour for the first two hours (and \$6 per hour thereafter) where parking spaces generally have less than 85% occupancy.**
- iii. **removing the central city rate when the two-hour free parking trial ends;**
- iv. **introducing demand responsive pricing for all day paid parking enabling increasing prices from \$6 to \$12 to achieve 85% occupancy.**

283. Staff are preparing a Parking Pricing Policy as outlined in the approved Hamilton Parking Policy for consideration by the Infrastructure and Transport Committee in early 2024. The Parking Pricing Policy will apply to the central city and also other areas of the city where demand-responsive pricing is required to achieve more optimal utilisation of parking spaces.

284. **The Parking Pricing Policy will:**

- i. **set demand-responsive pricing ranges that staff can manage parking within to achieve the desired 85% occupancy for effective shopper and commuter parking management, including pricing increase and decrease mechanisms and revision periods;**
- ii. **enable parking management for after-hours hospitality and event activities;**
- iii. **ensure pricing alignment between on-street parking and Council's off-street parking facilities; and**
- iv. **provide further detail as to the potential for the ringfencing of funds for parking management and public transport cost recovery and investment and amenity upgrades.**

Revenue

285. By definition, parking fees set under demand-responsive pricing are dynamic and change, both up and down, to achieve the ideal 85% occupancy. It is not known at this point what specific demand-responsive pricing price points would be required to manage occupancy in high parking demand areas back to 85%. The fees would ideally vary around the central city acknowledging that around two thirds of on-street parking spaces currently have less than 85% occupancy.

286. **Revenue estimates for short-term parking are based on the following assumptions:**

- i. **fee changes that are clear and understandable to the public, with the starting points set out above;**
- ii. **revenue assumptions only take into account revenue received 10am and 4pm, 22 days a month (Monday to Saturday) – note actual charging would include the standard 8am to 6pm times;**
- iii. **conservative 60% occupancy (notwithstanding the goal will be to achieve 85% occupancy);**
- iv. **91% of parkers occupy for two hours or less, so revenue calculations have focused on the first two hours only; and**
- v. **staff are able to implement flexible demand-responsive pricing parameters following approval by Council to allow adjustments if occupancy drops below the ideal 85%.**

287. Revenue estimates for all day paid parking assume agility for new all day paid parking areas to be regularly approved by the appropriate Council Committee and introduced promptly into the network.
288. The parking revenue analysis also assumes:
- i. compliance and enforcement management using new parking kiosk and licence plate recognition technologies, as now included in the base budget;
 - ii. required new parking management technology and assets are funded and resourcing requirements approved, as now included in the base budget;
 - iii. the focus for enforcement remains on achieving Access Hamilton outcomes;
 - iv. integrated, multi-modal (parking management) plans are funded and developed for the Frankton, Hamilton East and other City areas as required (e.g. the Hospital and University) in Year 2 and Year 3 of the 2024-34 Long-Term Plan; and
 - v. as noted to Councillors previously, there will be a decrease in revenue for all day paid parking (all day city fringe parking) from \$1,054,725 to \$840,000 in the first year as it is not possible to simultaneously introduce demand-responsive pricing and deliver all proposed all day city fringe parking sites. All day city fringe parking sites will instead be rolled out incrementally over the next few years.
289. As shown in **Attachment 13 (Parking Revenue and Resourcing Analysis)**, based on all of the assumptions set out above, the total revenue from on street parking in Year 1 of the draft 2024-34 Long-Term Plan is \$5.14 million.

Enforcement

290. Net enforcement revenue specifically for the above change to paid central city parking has been estimated at \$375,000 per annum. Improving the general availability of parking, monitored through the combination of new electronic kiosks and licence plate recognition technology, is expected to improve parking compliance rather than unduly increasing enforcement revenue from the central city.
291. Enforcement revenue from the rest of the city is expected to increase as parking enforcement staff will be freed up from monitoring compliance of free parking in the central city and return to addressing non-compliance issues of concern to the community elsewhere in the city, such as parking on footpaths and other safety related matters. The additional net enforcement revenue associated with this change is also estimated at \$375,000 per annum.

Alternative options for pricing for parking

292. Two alternative options have been considered for pricing for parking:
- i. **Option One:** Introduce demand-responsive pricing at a starting price point of **\$2 per hour** for the first two hours (and \$6 per hour thereafter) where parking spaces generally have greater than 85% occupancy, and **\$1 per hour** for the first two hours (and \$6 per hour thereafter) where parking spaces generally have less than 85% occupancy and increased enforcement for parking;
 - ii. **Option Two:** retain the status quo **2 hour free/\$6 per hour thereafter** parking arrangements and all-day fixed fee **commuter** parking, and retaining the central city rate, noting this offering will be reviewed annually in line with the approved Parking Pricing Policy.

293. Table 30 below summarises revenue comparisons for the options:

Table 30: Proposed 2024-34 Long Term Plan- Revenue Comparison Summary Table Year 1 (2024-25)

Parking Revenue	Included in proposed draft budget \$3 per hour	Option 1 \$2 per hour	Option 2 Status Quo (2hrs free)
On Street Parking Revenue	\$2.14 million	\$1.74 million	\$1.59 million
Infringement (PINS & Tins & doubtful debt)	\$3 million	\$3 million	\$2.3 million
Targeted Rate – CBD Parking	Nil	nil	\$145,000*
On Street Parking Total Revenue (\$)	\$5.14 million	\$4.74 million	\$4.04 million

294. A further option would be to keep two hours free parking and increase the contribution towards its cost from the central city rate. However, this would not address the high occupancy/low turnover issues we are seeing in the central city. We should also be mindful of the various impacts of the draft Long-Term Plan on central city businesses – see below.

295. Staff recommend introducing demand-responsive pricing, as included the proposed draft 2024-34 Long-Term Plan base budget, at a starting price point of \$3 per hour for the first two hours (and \$6 per hour after that) where parking spaces generally have greater than 85% occupancy, and introducing demand responsive parking for all day paid parking enabling increasing prices from \$6 to \$12 to achieve 85% occupancy, and \$1 per hour for the first two hours (and \$6 per hour after that) where parking spaces generally have less than 85% occupancy, and increased enforcement for parking, because it will:

- i. reflect the Hamilton Parking Policy;
- ii. benefit the 2024-34 Long Term Plan by an additional \$1,100,000 in Year 1 compared to the status quo;
- iii. enable effective parking management to address areas in the city exceeding 85% parking occupancy;
- iv. enable Council to manage the available on street parking efficiently in these areas in line with the expectation of the Hamilton Parking Policy and associated Committee resolutions;
- v. optimally support business productivity;
- vi. better meet the public expectation for easily finding a parking space, reducing congestion; and
- vii. be consistent with the national Emissions Reduction Plan, Access Hamilton and Our Climate Future strategy climate change outcomes.

Parking resourcing

296. Additional resourcing is required to provide technology and system support to manage and maintain the new parking kiosks. Maintenance and high-risk cash collection from the current parking meters is done manually by the parking team. The new kiosks require a maintenance contract with the kiosk provider, and electronic fee collection requires new information technology support.

297. Additional resourcing is also required from Year 3 of the 2024-34 Long-Term Plan to support the practical implementation of parking management across the city in line with the Hamilton Parking Plan, including:
- i. communication/engagement in support of effective parking management;
 - ii. parking management delivery (including bylaw review and changes) to achieve Access Hamilton and Hamilton Parking Plan outcomes;
 - iii. improving parking compliance related capability including license plate recognition vehicle camera equipment and installations; and
 - iv. associated additional adjudicator/warrant officer positions, noting the budget will increase every two years for additional staff to accommodate increasing compliance and enforcement activities, for example compliance for parking in bike and bus lanes associated with Access Hamilton implementation.
298. This additional parking resourcing has been included in the proposed draft 2024-34 Long-Term Plan budget and will have a net zero effect with revenue being collected through additional compliance and enforcement activity. The cost and revenue breakdown is shown in **Attachment 13 (Parking Revenue and Resourcing Analysis)**.

Business Improvement District (BID) commercial rate

299. Council charges a lower General Rate and Government Compliance Rate to commercial properties within the BID Boundary in the central city. The 'BID Commercial' differential is set at 95% of the 'Commercial' differential.
300. This rates differential was introduced when the BID area was expanded in 2012 (in recognition of the fact that central city businesses also pay the BID rate) but is not directly affected by the BID rate.
301. At the 14 September 2023 Economic Development Committee, Elected Members requested that staff investigate the approximate financial impact of the 95% BID Commercial rate differential on Council and provide the option to remove it.
302. Removing the 95% BID Commercial rate, without collecting additional rates revenue, would mean a small decrease for commercial properties outside the central city, to offset the rates rise for commercial businesses in the BID area. This maintains total rates revenue from the whole commercial sector.
303. This would result in:
- i. an average rates decrease of 0.9% to Commercial properties outside the BID area, plus the annual rates increase; and
 - ii. an average rates increase of 3.9% to BID Commercial properties (3% if the central city rate is also removed, as covered in the parking section), plus the annual rates increase.
304. Alternatively, Council could remove the current Commercial Rate differential and add the increase in the BID Commercial Rate differential as additional revenue to the base budget. This would increase the base rates revenue by around \$780,000 plus any addition to the base rates revenue, the timing of the impact being dependent on which option is preferred.

Options (Note: These options assume there is no change to the overall rates income paid by all commercial ratepayers.)

305. **Option 1:** Maintain the status quo and continue to charge commercially rated properties in the central city BID boundary at 95% of the Commercial rate.

306. **Option 2:** Take a transition approach to removing the 95% BID Commercial rate, increasing the rate to 96% in Year 1, 98% in Year 2, and 100% in Year 3.

307. There are two sub-options here:

Option 2A Table 31: Small offsetting reduction in rates for commercial ratepayers outside the BID area (i.e. the change is cost neutral overall)

	Year 1	Year 2	Year 3
BID Commercial rate as % of Commercial rate	96%	98%	100%
BID Commercial rates change (excluding annual rates increase)	1.3%	1.3%	1.3%
Commercial rates change (excluding annual rates increase)	-0.3%	-0.3%	-0.3%

Option 2B Table 32: Add the additional revenue to the base

	Year 1	Year 2	Year 3
BID Commercial rate as % of Commercial rate	96%	98%	100.00%
Additional revenue (excluding annual rates increases)	\$260,870	\$530,086	\$583,929

308. **Option 3:** Remove the 95% BID Commercial rate from 1 July 2024, increasing the rates for properties in the central city BID Boundary to 100%

309. There are two sub-options here:

Option 3A Table 33: Small offsetting reduction in rates for commercial ratepayers outside the BID area (i.e. the change is cost neutral overall)

	Year 1
BID Commercial rate as % of Commercial rate	100%
BID Commercial rates change (excluding annual rates increase)	3.9%
Commercial rates change (excluding annual rates increase)	-0.9%

Option 3B Table 34: Add the additional revenue to the base

	Year 1
BID Commercial rate as % of Commercial rate	100%
Additional revenue (excluding annual rates increases)	782,591

310. **Staff recommend Option 2 as it allows central city businesses to adjust gradually to the change. The base budget assumes Option 2A, but if Elected Members want to increase overall revenue from this change, they should consider Option 2B.**

Cumulative impact on central city businesses

311. In Section 3 and 4 of this report, Councillors have been presented with a series of decisions that, while largely independent of each other, may combine to have a significant effect on central city businesses. They are:

- HCBA's change request to expand the BID area into Hamilton East (no direct impact on businesses already in the BID area);
- HCBA's change request to increase the BID rate for businesses in the BID area by the average rates rise each year, capped at 5%;
- removing the 95% rates differential from which businesses in the BID area currently benefit (ie just over a 5% rate increase) – potentially staggered over three years;

- iv. replacing the two hours free parking trial with demand-responsive pricing. This is aimed at increasing the turnover of parking in the central city, but from initial discussions we expect business will be reluctant to see the loss of two hours free parking; and
 - v. removing the central city rate that generates \$145,000 annually to partially offsets the forgone revenue of two hours free parking, which would represent a 0.9% rates decrease to central city commercial properties.
312. These decisions are all in addition to a potentially significant rates rise for all residential and commercial ratepayers to balance the books. Councillors should also note that under our existing Development Contributions policy, DC remissions in the central city are due to be phased out by 30 June 2024.
313. Councillors should consider these decisions, and their cumulative impact, in the round, and in the context of the central city revitalisation given our priority for central city via the Hamilton Urban Growth Strategy and Central City Transformation Plan.

Rotokauri Stage 1 Private Development Agreement opportunity

314. At the 19 May 2022 the Strategic Growth Committee meeting, the Committee approved entering into a **design Private Development Agreement** for the arterial roads and greenway. At the same meeting, the Committee also requested staff to explore opportunities for **construction private development agreement** that takes a partnership approach to funding and constructing strategic infrastructure. Construction- and property-related private development agreements are under development.
315. Since then, staff have been in discussions with a major developer in the Rotokauri Stage 1 area to explore opportunities to deliver the greenway, arterial transport corridor and the associated strategic water and wastewater services required to unlock development and at substantially lower cost by taking advantage of earth works efficiencies on their own land, that Council could otherwise not achieve.
316. The opportunity aligns with the current zoning and strategic plans including the Hamilton Urban Growth Strategy and would enable new housing supply of 3500 homes and unlock 115 hectares of employment land and associated new jobs. The opportunity also addresses the ongoing issue of development occurring before the infrastructure is delivered using sub-optimal interim stormwater solutions, and allow the Council to realise the substantial investment in lead infrastructure already delivered to the edge of Rotokauri Stage 1.
317. The proposed 2024-34 Long-Term Plan has been prepared based on construction and property Private Development Agreements being entered into including estimates for likely costs. Staff will report the construction Private Development Agreements separately to Council for consideration and approval in late 2023 or early 2024, noting that the estimated costs included in the base budget may require an update once the final Private Development Agreements are in place.
318. Alternatively, if the agreements are not entered into, an amendment will be required to the draft 2024-34 Long-Term Plan, the 2024-54 Infrastructure Strategy and the Development Contribution Policy to reflect a business-as-usual approach to Council's delivery of the infrastructure. This amendment would reflect the substantially higher cost of Council delivery compared to Private Development Agreement approach, but which generally aligns with the 2021-31 Long-Term Plan funding provisions but with amended timing.

Infrastructure Funding & Financing (IFF) opportunity

- 319. An IFF facility/levy is a funding and financing mechanism that enables loans/debt associated with infrastructure to be held by a separate entity from the Council that benefits from the infrastructure. This debt remains “off balance sheet” from Council and therefore doesn’t affect the Council’s debt ratios. The entity charges an annual levy (like a targeted rate) to fund the loan/debt facility to each property that benefits from the infrastructure.
- 320. Based on direction from the Council, staff have been investigating an IFF opportunity for Hamilton, and have reported progress to the Strategic Growth and District Plan Committee over the last 18 months. Recent direction provided by Elected Members is to not pursue that opportunity alongside the 2024-34 Long-Term Plan largely due to affordability considerations relating to the IFF levy, a lack of appetite to increase the Council’s total borrowing, and concerns about the current cost of borrowing fixed across a 30-year term. As such no recommendation is made in this report regarding pursuing the IFF opportunity at this time.
- 321. Staff have advised *Crown Infrastructure Partners’* (CIP) of this likely outcome, with the proviso that a formal decision to this effect has not been made and Council could still take the opposite approach and resolve to proceed with an IFF at this meeting.
- 322. If the Council does not proceed now, the IFF remains an opportunity for the future to, for example, support the funding of three waters infrastructure once the new government clarifies how it intends to proceed with that, or to support a future city deal. Re-starting an IFF investigation in the future would be subject to CIP having the resource to re-engage with Hamilton at that time.

Development Contribution (DC) Policy review

- 323. Resolutions are sought in a separate report at this meeting relating to the DC policy provisions for a draft Development Contributions Policy 2024-25. Based on these resolutions staff will prepare the draft Policy that will be presented to Council in March 2024 for approval to go for community consultation alongside the draft 2024-34 Long-Term Plan.
- 324. There is also a separate Public Excluded report included in the agenda for this meeting, which addresses a specific matter, and which should be considered prior to the Council making resolution on the main DC Policy report.

Growth Funding Policy

- 325. The Growth Funding Policy was first adopted in 2013 to provide the Council a policy instrument to inform and support its response to requests from large developers to support or enable substantial developments that are not funded in Council’s Long-Term Plan, are out of sequence, or are outside the scope of current planning provisions. These projects are considered ‘unfunded growth projects’. The Policy sets out the criteria for allowing unfunded growth projects to occur.
- 326. The Policy is reviewed every three years as per best practice. It was last reviewed in 2021 and is therefore scheduled for review alongside the 2024-34 Long-Term Plan. This review could include rolling the existing policy over without amendment.
- 327. Staff are of the view that the policy should be reviewed to ensure the rapidly changing landscape of infrastructure funding is taken into account.

Purpose of the Growth Funding Policy

328. The stated purpose of the Growth Funding Policy is to:

- i. direct Council decision-making in respect to growth projects and associated infrastructure where those projects are not aligned with Council's Long-Term Plan, in a manner that has no adverse impact on its Long-Term Plan and long-term financial sustainability; and
- ii. align Council decision making with the purpose of local government as defined in 10(1)b of the Local Government Act 2002: to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

329. The Policy applies to projects that are:

- i. not funded in the Council's Long-Term Plan (i.e. unfunded growth projects);
- ii. funded projects that will start earlier than planned; or
- iii. funded projects that are beyond the planned scale, scope and/or cost anticipated in the Long-Term Plan.

330. The Policy sets out the criteria for allowing unfunded growth projects to occur.

Background

331. The proposed amendments to the Growth Funding Policy in 2021 were to:

- i. make it clear that Council is open to discussing potential IFF proposals before they go to the Government;
- ii. include reference to the NPS-UD and related unfunded growth projects;
- iii. address changes to the purpose of local government (the four wellbeings);
- iv. refer to the Operative District Plan, Future Proof and the Hamilton Urban Growth Strategy;
- v. leverage strategic planning including the Hamilton-Waikato Metro Spatial Plan; and
- vi. align strategically to the draft 2021-31 Long-Term Plan Growth Principles, the draft Financial Strategy and the draft Development Contributions Policy.

Financial Considerations

332. While there are no direct financial considerations for this report, the Policy directs Council's decision-making in respect to unfunded growth projects. These decisions can have material financial implications for the Council. However, the delivery of these projects through the Policy often generates efficiencies that make the growth infrastructure less expensive for the Council than if it were to be provided by the Council alone.

Asset sales

333. A further area that staff and Elected Members have considered for reducing debt is to sell some of our assets. Following earlier sales by previous administrations there are very few 'surplus' assets remaining on our books. The remaining property assets we hold are generally:

- i. development sites intended to achieve strategic purposes;
- ii. assets that are too expensive or too complex to sell, or else simply not worth selling; or
- iii. assets Council has previously decided not to sell.

334. Council staff will continue to explore opportunities in this area, and will report back to the Long-Term Plan deliberations meeting on 28-30 May 2024 with any updates. In the meantime, a list of potential assets is provided at **Attachment 16**.

Municipal Building

335. Council staff and Elected Members have also considered whether it may be possible to lease vacant areas of the Municipal Building complex to corporate or community groups. Work is continuing on this review. Staff will provide an update to the Long-Term Plan deliberations meeting of 28-30 May 2024.

Section 5: Rates

336. This section of the report considers factors to consider in determining the rates beyond the balancing the books decision covered in Section 2, and whether to introduce certain targeted rates to either increase operational efficiency or to provide funding for additional services, subject to community support.

Overview of current situation

337. The local government taxation powers effectively collect 72% of Council's funding. Hamilton's approach to rating is founded in the 2014 review that established capital value as the general rate and the methodology for setting the differentials.
338. The capital value-based general rate is split 41% to commercial, 57% to residential, and 2% to other. The differential is adjusted annually for growth.
339. A portion of the general rates is collected as a fixed rate (the UAGC - Uniform Annual General Charge). This is collected on a SUIP (separately used or inhabited part of a rating unit) basis.
340. Council has eight targeted rates, two of which are substantive and the others for technical compliances. The substantive rates are:
- i. Government Compliance rate –\$11 million 2023-24.
 - ii. Metered Waters rate - \$10 million 2023-24
341. The simplicity of the general rates means that, when Council sets the rates increase at 4.9%, residential ratepayers actually get the 4.9% rates increase on their rates invoice. This is unique and one form of rates certainty, which our financial principles aim to deliver.
342. Overall, the current rating system is simple, flexible and effective with few detractors. Modifying these rates carries risk.

Median residential rates, compared to others

343. The following table (Table 35) sets out how Hamilton's median residential rates compare to other metro councils, as well as our neighbours. As Councillors will have seen from media reports, and as we have heard from colleagues across the sector, many councils are expecting significant double-digit rates increases as part of their 2024-34 Long-Term Plan to address the same issues that Hamilton is facing.

Table 35

City / Town	Median residential rates 2023/24 (\$)
Auckland *	3,584
Wellington	4,168
Waikato District (Ngaruawahia)	4,244
Tauranga	3,744
Christchurch	2,881
Hamilton	2,838
Dunedin	2,932
Waipaa District (Cambridge)	3,842

Includes an estimate for water by meter rates where applicable.

** Estimate for Regional Council equivalent rates removed from Auckland.*

Government Compliance rate

344. The Government Compliance rate was established in 2021-22 to fund the increasing unfunded mandates being imposed by the government and its agencies.

- 345. This year, 2023-24, the rate collects \$11 million and funds part of the budgets for wastewater treatment and disposal, wastewater collection, water treatment and storage, water distribution, stormwater network, and city planning.
- 346. The compliance requirements from central government are ever growing, and we have identified further Council budgets that could reasonably be paid for from the Government Compliance rate.
- 347. We will present to Council separately a proposal for how the total rates increase required to balance the books and stay within our debt to revenue limits can be split between the general rate and the government compliance rate.

Uniform Annual General Charge (UAGC)

- 348. Elected Members have expressed an interest in looking again at the UAGC. This is the fixed portion of the general rate paid by each SUIP. The higher the UAGC, the greater the share of rates that is split equally across all rating units, as opposed to focused on those with the greatest capital value.
- 349. In 2018, as the move to capital accelerated, Council become aware that rates for the higher and lower value properties were not comparable to other cities. Modelling showed that introducing a UAGC improved comparability. At \$500 in 2018-19, Hamilton's low value properties increased to a little more than Christchurch and less than all other comparators. The higher value properties paid more than the metros but less than some neighbouring provincial councils.
- 350. Council's policy has been to increase the UAGC at the same percentage as the general rate each year. In 2023-24 the UAGC is \$643 per SUIP.
- 351. The 2018 consultation comparison is provided at **Attachment 17**, and heatmaps showing the impact of removing the UAGC are attached at **Attachment 18**.
- 352. Staff provide the below advice on the option to reduce or remove the UAGC:

Advantages:

- i. Reduces rates for low value residential and commercial properties.
- ii. Reduces or removes the regressive nature of fixed rates and better aligns to ability to pay considerations for lower value properties.

Disadvantages:

- i. Increases high value residential and commercial rates.
- ii. Significantly reduces rates for rest home and similar high-density properties.
- iii. Reduces rates for multi-tenanted residential properties (e.g. 'studio apartments') where multiple SUIPs have been allocated.
- iv. Doesn't improve the balancing the books or debt to revenue positions.

Risks:

- i. Reputational risk from making changes.
- ii. If any of the potential new rates covered in this report are adopted as fixed rates (which is not the staff recommendation), this may require a further adjustment after consultation as the amount of fixed rates (regressive to income) would have increased.
- iii. The changes would mean that the rates increase for many properties is above the publicised average rates increase in 2024-25.

Staff advice: It is reasonably practicable for Council to consider the appropriateness of the UAGC value.

353. We have not included a recommendation in relation to changing the UAGC. Council may choose to make at change once all other rating decisions have been taken.

Targeted Rates

354. Staff have also considered, and discussed with Elected Members, whether it may be prudent to consider additional targeted rates, to achieve one of two purposes:

- i. to more efficiently fund the services it already delivers; or
- ii. to provide options to fund additional activities, subject to community support.

355. The following new rates are proposed for consideration:

Table 36: Targeted rates for consideration

Rate	Proposed change
Targeted rates to improve efficiency	
Swimming pool safety inspections rate	To replace and existing process of invoicing for private swimming pool triennial safety inspections to a rate.
Options for targeted Rates to fund additional activities, subject to community support	
Community Infrastructure rate	UNBUDGETED A new rate to provide funding for more community infrastructure than funded in the base budget.
Community Resilience and Extreme Weather rate	UNBUDGETED A new rate to provide funding for shade and respite from heat, flooding, and civil defence projects not funded in the base budget.

Targeted rates to improve efficiency

Swimming Pool Safety Inspection Rate

356. A proposal to collect the cost of triennial inspection of registered private swimming pools.

357. The following options exist:

- i. Status Quo – collect every three years by fees and charges invoice.
- ii. Implement a fixed rate to all swimming pool owners – set at a third of the triennial inspection cost.

Background

358. The current (2023-24) price is \$223 per inspection. This would become an annual rate of approximately \$75. There are about 2,850 pools to inspect.

359. Current practice is to invoice a property before the inspection every three years. The inspection continues whether paid or not. Council has a legal requirement to undertake the inspection. Collection can be difficult, especially in the case of an inspection failure.

360. A targeted rate to registered private swimming pools owners is administratively efficient for the triennial inspection. There would be a small direct cost saving in not printing and posting debtor invoices and statements. A failed inspection would result in a re-inspection which would still be separately invoiced.

361. Swimming pool data needs to be added to the rating information database. This has been confirmed as compatible for rating purposes.

Advantages:

- i. It would represent more efficient revenue collection.
- ii. The owner wouldn't get a separate invoice and need to make a separate payment.
- iii. A small cost paid annually is likely to be easier to budget for pool owners.

- iv. There is more flexibility in how and when to pay rates.

Disadvantages:

- i. Swimming pool owners' rates would increase.
- ii. Doesn't improve the balancing the books or debt to revenue positions.

Risks: No significant risks identified.

Staff advice: It is reasonably practicable for Council to consider.

362. Staff have included a recommendation to establish this swimming pool targeted rate.

Options for targeted rates to fund additional activities, subject to community support

363. Two new unbudgeted rates could be included in the Consultation Document as optional additional rates that could be introduced to fund additional services beyond those in the 'base' budget, subject to community support.
364. These rates create funding for the documented purposes. The funding could be spent fully or partially each year. Council might support a partial allocation where funding can be over a period of years for a larger future project. Rates, unlike Development Contributions, have more flexibility as to what is funded and when.
365. It is proposed these rates are enduring over the 10 years of the Long-Term Plan. Council would have the opportunity annually, in setting the rates, to modify the amount collected.
366. Should, after consultation, the community support one or both of the new rates Council would:
- i. Add the rates to the final Long-Term Plan budget.
 - ii. Decide whether to add specific projects to the budget or leave the funding fully or partially unallocated (i.e. for future flexibility).
 - iii. Reflect the new rates in the Funding Needs Analysis and the Revenue and Financing Policy. Note, this policy change would be reflected in draft documents required to be consulted on, so as to avoid a second consultation on a policy change.
367. Communication will be essential to getting community understanding for these proposals. To this end the naming of the rate and information on what the funding would be used for is essential in the Consultation Document and supporting engagement. This report has calculations for the weekly value of the rates options and the annual revenue that raises. Staff are working on the wording, including examples of the projects the community would get for the draft Consultation Document.

Funding calculations

368. Both potential new rates are proposed to have three options for weekly rates amounts for the community to consider their support for the rate.
369. Revenue generated by the rates will also provide additional debt capacity under Council's debt-to-revenue ratio limit. Effectively every \$1 of external revenue attracted creates \$2.80 of debt capacity.
370. The following table (Table 37) provides a summary of the value of the options and includes:
- i. A range of additional rates per week from \$0.10 to \$1.
 - ii. Options for capital value, rating units or SUIP rating. For a capital value rate option, the median is based on the cents per week and the lower and higher quartile adjusted cents per week.
 - iii. For each rate the annual revenue that would be collected in Year 1.

- iv. The sum of 10 years (this is predicated on balancing the books in three years – See Section 2).

Table 37: Summary of the value of the options

Cents per week	Capital value			Annual revenue (\$m)			10 year revenue (\$m)		
	Res. Low	Res. Med	Res. High						
	5th per.	50th per.	95th per.						
	CV \$500k	CV \$830k	CV \$1.44m						
	Cost per week \$			CV	RU	SUIP	CV	RU	SUIP
10	0.06	0.10	0.17	0.52	0.29	0.33	8.71	4.91	5.58
20	0.12	0.20	0.35	1.03	0.58	0.66	17.43	9.81	11.15
30	0.18	0.30	0.52	1.55	0.87	0.99	26.14	14.72	16.73
40	0.24	0.40	0.69	2.06	1.16	1.32	34.85	19.63	22.31
50	0.30	0.50	0.87	2.58	1.45	1.65	43.57	24.54	27.88
60	0.36	0.60	1.04	3.09	1.74	1.98	52.28	29.44	33.46
70	0.42	0.70	1.21	3.61	2.03	2.31	60.99	34.35	39.04
80	0.48	0.80	1.39	4.12	2.32	2.64	69.71	39.26	44.61
90	0.54	0.90	1.56	4.64	2.61	2.97	78.42	44.16	50.19
100	0.60	1.00	1.73	5.15	2.90	3.30	87.13	49.07	55.77

371. Note, the rule of thumb that 1% of rates equals \$2.4 million applies to the annual revenue columns.
372. The reason for the differences in the revenue generated by each rating option is that there are more SUIPs than rating units in the city and that capital value accounts for the investment on the land.

Community Infrastructure rate

Description of change

373. A proposal to introduce a new rate to collect funding for rates to be allocated to community infrastructure projects anywhere in the city.

Purpose of rate

374. Community infrastructure investment is challenging to prioritise over essential services in a constrained financial environment. Introducing a new rate dedicates funding to help get these projects started sooner.

Why do we need a rate for community infrastructure investment?

375. The proposed 2024-34 Long-Term Plan budget has a reduced capital programme compared to what was in 10 years of the 2021-31 Long-Term Plan.
376. This rate would fund projects that help to promote social wellbeing and physical and mental health; deliver on Council's priority to shape a fun city with lots to do; and support Council's Play Strategy, Open Spaces Strategy and Aquatics Strategy.
377. Two recent reports inform where there are current and predicted shortfalls in community amenity in Hamilton. The Waikato Artificial Turf Study reported increased demand for playing fields and identified the need for three artificial turfs in Hamilton (at Marist Park, Gower Park and Korikori Park) as well as enhancements to existing fields. The Hamilton Indoor Court and Aquatic Provision Report identified current deficits of eight indoor courts, and 1769m² of year-round pool space.

378. Community groups have made it clear that there is a desire for more fit-for-purpose community spaces for the community to meet, create and connect.
379. The rate would help to improve the comparable level of community amenity delivered by Council across successive Long-Term Plan work programmes and provide parity for future residents and generations. An equity filter would also be applied to how the rate funds are spent across existing and newer suburbs.

What will this targeted rate deliver for the community?

380. Additional funding for some projects not included in the base budget could be provided by the introduction of Community Infrastructure Rate. Specifically, funding would be ringfenced for projects that provide opportunities for people to be active, engage in play, and connect with others.
381. Examples include:
- i. sports park improvements (e.g. drainage, lighting, artificial turf);
 - ii. community building upgrades (e.g. accessibility at neighbourhood centres, halls); and
 - iii. playground development
382. The rate would not fund capital projects at Hamilton's visitor destinations (Waikato Museum, Hamilton Gardens, Te Kaaroro Nature Precinct) or H3 venues (Claudelands, FMG Stadium Waiakto, Seddon Park).
383. Rates are not expected to be the only funding source. The projects chosen to be funded by the targeted rate would also be assessed for the potential of attracting external revenue through external grants and funding. Projects with a higher likelihood would be prioritised for targeted rate funding. This means there would be a mix of Council and community/philanthropic investment into the additional amenity provided through the targeted rate. It also means that the amount of funding received through the targeted rate will leverage additional value by attracting external revenue.

Rating Options

384. Staff have identified the following options:
- i. Status Quo – do nothing.
 - ii. Propose and budget for the new rate as part of the rates increase.
 - iii. Propose an unbudgeted new rate which would be additional to the proposed rates increase (recommended).

Options ii and iii basis of rating:

- i. a fixed rate (on SUIP or Rating Unit) with funding options per ratepayer of \$0.40, \$0.60 or \$0.80* per week for all ratepayers (undifferentiated) to be proposed in the Consultation Document; or
 - ii. a capital value rate (based on the general rate differential calculation methodology) with funding for the median ratepayer of \$0.40, \$0.60 or \$0.80* per week to be proposed on the Consultation Document (recommended).
- * see Funding Calculations section above for options and impacts
385. There has been discussion on a suitable name for this rate. Possible options include: Active City Rate, Recreational Activity Rate, Active Communities Rate, Play and Connect Rate, Community Amenity Rate, or keeping the name as the Community Infrastructure Rate.
386. The below advantages, disadvantages and risks have been identified by staff:

Advantages

- i. New income to fund new investment.
- ii. New income to fund investment not fully funded from other sources.

- iii. Funds capital investment and some operating expenditure (pre-investment costs) that struggles for funding priority.
- iv. Transparent to ratepayers.
- v. Increased rates revenue leading to improved balancing the books in Year 1 (assuming limited additions to base opex) and improved debt to revenue debt capacity (depending on additional capital spend).

Disadvantages

- i. Potentially doesn't improve the balancing the books in Year 2 onwards arising from consequential opex or opex projects. This is project dependent.
- ii. A target rate requires the activities to be identified that the funding is used for – removing some flexibility on the whole-of-council funding.

Risks

- i. The risk assessment is considered Medium/High at this time due to the constraints on financial strategy limits on the current budget.
- ii. Mechanically this rate is low risk.

Staff advice:

- i. It is reasonably practicable for Council to consider the option of a capital value Community Infrastructure rate in the Consultation Document.

Community Resilience and Extreme Weather rate

Purpose of rate

387. This rate will fund projects that enable council and the community to respond effectively during extreme weather events and to reduce the risk to the community from flooding, heatwaves and storm events.

Why do we need a rate for extreme weather?

388. Extreme weather events such as increased rainfall, strong winds, heatwaves and drought are becoming more frequent and more intense. These events can occur with little notice and pose risks to the wellbeing of people, property, infrastructure and the environment.
389. Preparing our community for what to do if these should occur is critical to building our community resilience. Knowing what to do, who needs support and how to get help can save lives during an extreme weather event. This, along with ensuring our infrastructure can withstand these extremes, will help us all to be prepared.

What will this targeted rate deliver for the community?

390. There are some clear projects that can be delivered now that will help to reduce risks during extreme weather events, provide community with safe and cool spaces for play and social connection and improve community resilience. There is also a need to better understand the risks posed by extreme weather events and to develop community readiness plans.

391. The following types of projects could be funded through this targeted rate:

1: Understanding the risks and developing our community readiness

392. The focus of this work would be to communicate and educate the community on current climate change-related risks and work with the community to understand existing levels of readiness for extreme events, and then to develop and implement community readiness projects to improve our resilience.

393. This targeted rate could fund the following operational change requests:

- i. CDEM Community readiness project;
- ii. CDEM Hazard research;
- iii. Climate change risk assessment and resourcing; and
- iv. Community and Business Climate Change Partnerships.

2: Additional flood protection and preparation

394. Extreme rainfall events have resulted in flooding, erosion, landslides and tree loss, putting people and property in danger. The targeted rate could fund additional projects that help us prepare or respond to the risks of flooding in extreme rainfall events. For example, unfunded erosion and flood risk mitigation, reactive stormwater device maintenance, and reactive vegetation clearance and maintenance.

3: Additional respite from heat and drought

395. Extreme heat and drought has led to water supply challenges and can affect our community's ability to use community spaces such as parks or playgrounds. Projects could include planting trees, providing shade or installing leak detection in key infrastructure and smart water usage measures to reduce pressure on water demand, deployment of low flow water intake. Providing more shading in our playgrounds will mean children and families can enjoy them throughout the heat of summer, shading keeps play equipment cooler and reduces exposure to the sun.

Rating Options:

396. Staff have identified the following options:

- i. Status Quo – do nothing.
- ii. Propose and budget for the new rate as part of the rates increase.
- iii. Propose an unbudgeted new rate which would be additional to the proposed rates increase.

Options ii and iii basis of rating

397. A fixed rate (on SUIP or Rating Unit) with funding options of \$0.10, \$0.20 or \$0.30* per week for all ratepayers (undifferentiated) to be proposed on the Long-Term Plan Consultation Document.
398. A capital value rate (based on the general rate differential calculation) with funding options for the median ratepayer would pay \$0.10, \$0.20 or \$0.30* per week to be proposed on the Long-Term Plan Consultation Document.

* see Funding Calculations section above for options and impacts

399. The below advantages, disadvantages and risks have been identified by staff:

Advantages

- i. New income to fund new investment.
- ii. Supports direction of Emissions Reduction Plan and National Adaptation Plan.
- iii. Supports delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, especially Outcome 3 – Our City is ready for Hamilton's climate.
- iv. As a citywide community resilience approach develops the rate would likely increase.
- v. Supports Council's district plan requirements, natural hazard and civil defence risks.
- vi. Potential debt to revenue marginal improvement. The balancing the books position would be subject to the specific projects.
- vii. Increased rates revenue leading to improved balancing the books in Year 1 (assuming limited additions to base operating expenditure) and improved debt to revenue debt capacity (depending on additional capital spend).

Disadvantages

- i. Until the Climate Change Risk Assessment is complete some projects are unknown.
- ii. Potentially doesn't improve the balancing the books position beyond Year 1 due to consequential operating expenditure.

Risks

- i. The risk assessment is considered medium at this time due to the constraints on financial strategy limits on the current budget.

Staff advice:

400. It is reasonably practicable for Council to consider the option of a capital value Community Resilience and Extreme Weather rate to the Consultation Document.

Other rating options

401. The following options were considered by staff and considered not reasonably appropriate at this time.

Table 38: Other rating options not reasonable practicable

Rate	Reason it's not reasonably practicable at this time
Three Waters Rate	Uncertainty of waters reform direction of new government
Rubbish and Recycling Rate	A regressive rate to lower value hopes with no added benefit to Financial Strategy targets.
Building Warrant of Fitness Rate	Similar to the swimming pool rate for commercial building regularly inspected which did not have a sufficient data correlation to achieve the efficiency benefit.
Online Accommodation Rate	Technically complex and labour intensive without strong district plan support. Rating powers were developed before the virtual economy was established and does not the tools to give effect to good community outcomes.
Developer Ready Land rate	Further investigation work to be undertaken to test rating powers and impacts of such a rate, which if successful could allow for further consideration at an annual plan. Rating powers do not support successive governments push for more housing and would be part of Councils engagement with government. (See Engagement with Government Section 6 below)

Section 6: Communication and Engagement Consultation

402. Council is required to consult with the community on its draft Long-Term Plan. This is a crucial way of ensuring Council is delivering on the community's aspirations. This is scheduled to take place between mid-March and mid-April 2024.
403. Under the Local Government Act 2002, proposals put to the community in the Consultation Document must include options for addressing an issue Council is facing; Council's preferred option; and the likely impacts for each option on Council's rates, debt, and levels of service.
404. In addition to the formal proposals included in the Consultation Document, an opportunity will be provided for submitters to provide feedback on any aspect of the draft 2024-34 Long-Term Plan budget.
405. The proposals put forward in the Consultation Document should be guided by Council's Significance and Engagement Policy. In general, proposals to be consulted on should be of a medium or higher level of significance, and where views of the community will be given due consideration by Council to inform decision-making.
406. The proposals included in the Consultation Document will be informed by the outcome of this meeting. Based on discussions to date, staff would advise that the Consultation Document seeks specific feedback on:
 - i. the rate at which we balance the books – i.e. do we seek to have a small budget surplus in year one of the Long-Term Plan, or a later point?
 - ii. whether to introduce targeted rates to provide for additional services for the community.
407. Staff expect the consultation to be run through Council's Have Your Say platform, with other opportunities for feedback to be provided including hardcopy forms, social media, email, and verbal submissions.
408. Having discussed with the Mayor, staff recommend the formation of a working party consisting of Mayor Southgate, Deputy Mayor O'Leary and Councillors van Oosten, Wilson and Tauariki to provide Elected Member oversight of the Consultation Document as it is developed, including for audit review.
409. The draft Consultation Document will be presented to Council for adoption on 14 March 2024.

Engagement with Government

410. As noted in Section 1, the Mayor will also use the coming weeks and months – working with the relevant Chairs of Committees as appropriate – to impress upon the new Government the challenges Hamilton is facing, and some of the ways in which central Government can improve the situation for Councils like ours.
411. Separately, as discussed with Councillors during the Long-Term Plan process, staff are engaging with the Local Government Funding Agency, along with partners from across the sector, seeking an increase to our debt limits to increase financial flexibility.

Financial Considerations - Whaiwhakaaro Puutea

412. The costs to complete the development of the 2024-34 Long-Term Plan is within existing budgets.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

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

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

414. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four wellbeings').

415. The recommendations set out in this report are consistent with that purpose.

Risks - Tuuraru

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

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

417. It is important that Council is aware of, and understands, these risks so that it can prioritise its budget decisions.

418. By adopting the recommendations in this report, there are also likely to be reputational risks for Hamilton City Council, particularly as increasing rates is likely to be unpopular. A communication plan is in place to ensure the public are well-informed of the rationale for the proposed rates increases and to help them understand what they get for their money.

419. The engagement process is also the opportunity for the community to have their say; encouraging broad participation in the public debate and input to the Long-Term Plan should help foster a shared sense of ownership between Council and the community.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

Significance

420. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of the matter(s) in this report.

Engagement

421. There is a statutory requirement to consult, as set out in Section 6.

Attachments - Ngaa taapirihanga

Attachment 1 - Scenario B tables and graphs

Attachment 2 - Base Capital Programme (2 Years Water In, Capex Gross)

Attachment 3 - Base Capital Programme (10 Years Water In, Capex Gross)

Attachment 4 - Capital Portfolio Summary Sheets

Attachment 5 - Renewals and Compliance

Attachment 6 - Growth Programme Summary Sheets

Attachment 7 – Funded – Base Capital Programme

Attachment 8 – Change Request Schedule – Base Budget

Attachment 9 – Operating Expenditure Reduction – Base Budget

Attachment 10 – Change request Schedule – For Consideration

Item 6

- Attachment 11 - Unfunded – Capital Programme
- Attachment 12 – Operating Expenditure Reduction – For Consideration
- Attachment 13 – Parking revenue and resourcing Analysis
- Attachment 14 - BID Revenue Increase
- Attachment 15 – BID Boundary Extension
- Attachment 16 – Potential Assets Sales
- Attachment 17 – 2018 UAGC Consultation Comparison
- Attachment 18 – UAGC Heat Maps
- Attachment 19 – Council Levers and Options for Affordable Housing

Scenario B: Three waters in for ten years

The Government has legislated the transition of Water, Wastewater and Stormwater Services (Three Waters Services) from Council to a new Water Services Entity via the Water Services Entities Act 2023. Council is required to plan for the continued delivery of three waters services for only the first two years of the 2024-34 Long-Term Plan.

To enable financial modelling, a conservative baseline budget for the continued provision of Three Water Services by Council in years three to ten has been prepared using the same assumptions as the 2024-34 Long-Term Plan. Changes in levels of service and any significant increase to future compliance requirements, which would have been otherwise planned for by the new Water Services Entity, are not yet confirmed and have not been included in the shadow baseline budget figures.

Should Council be required, via legislative change, to continue to deliver three waters services beyond Year two of the 2024-34 Long-Term Plan, the cost of these services would need to be revisited to reflect the likely increased cost of future compliance requirements.

The following tables show the rate rises required to balance the books under the Council's measure in three years, and meeting the government measure in year one.

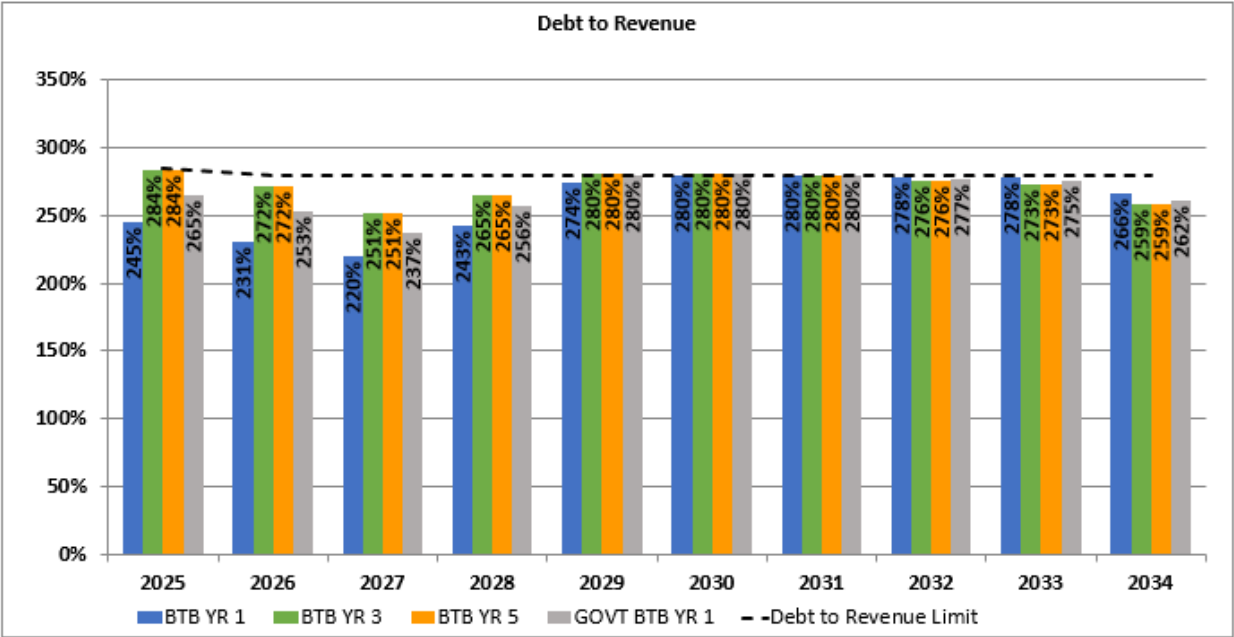
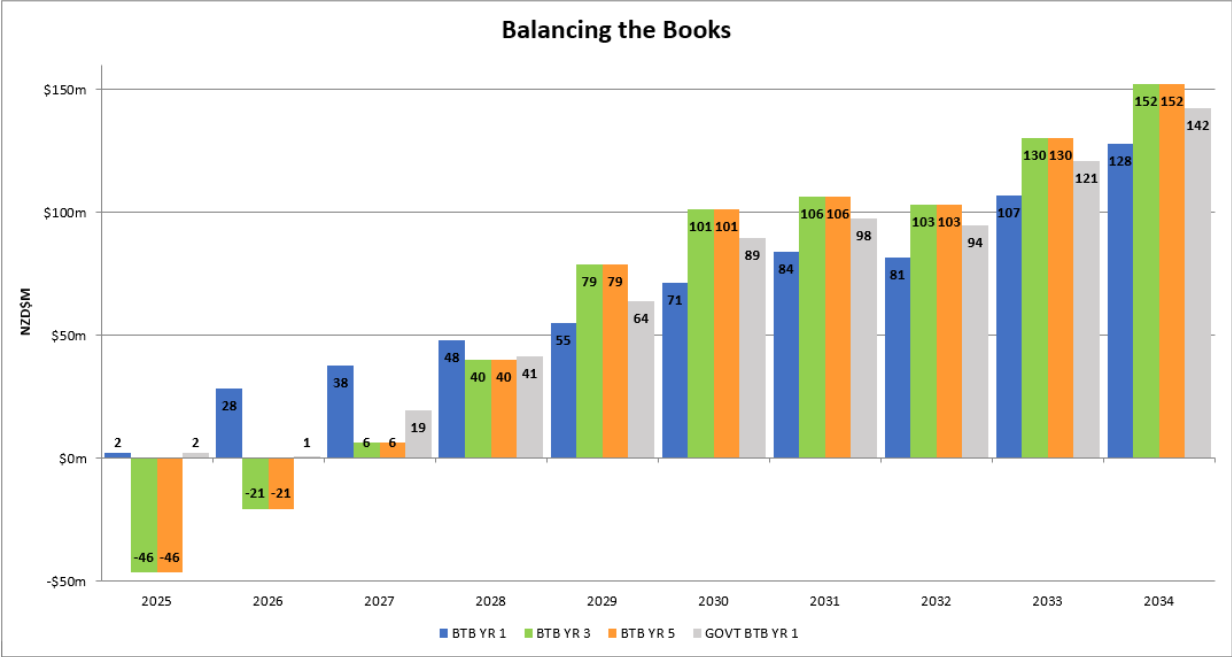
Scenario 1 BTB Year 1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Weekly \$ Increase*	\$19	\$5	\$5	\$5	\$5	\$5	\$4	\$3	\$3	\$3
% Increase	35.1%	9.6%	9.6%	9.6%	9.6%	9.6%	7.7%	5.0%	5.0%	5.0%
HCC BTB	\$2m	\$28m	\$38m	\$48m	\$55m	\$71m	\$84m	\$81m	\$107m	\$128m
Govt BTB	\$29m	\$64m	\$119m	\$104m	\$63m	\$67m	\$91m	\$88m	\$97m	\$118m
Debt to Revenue	245%	231%	220%	243%	274%	280%	280%	278%	278%	266%

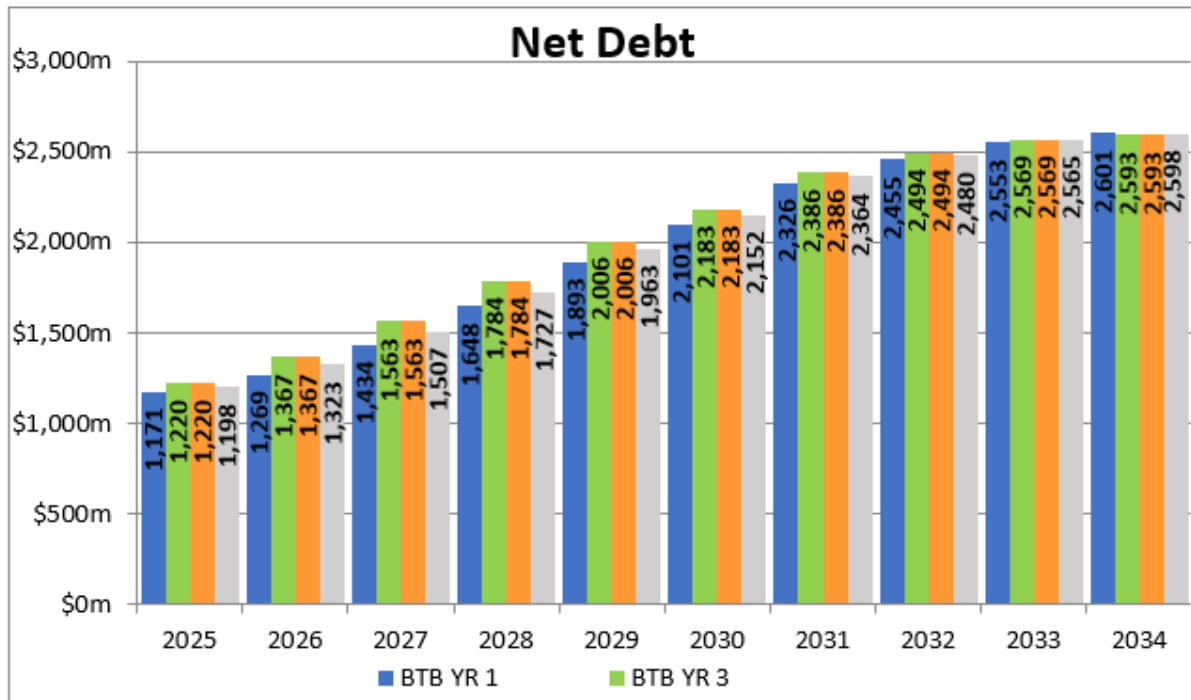
Scenario 2 BTB Year 3	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Weekly \$ Increase*	\$9	\$9	\$9	\$9	\$9	\$5	\$3	\$3	\$3	\$3
% Increase	16.1%	16.1%	16.1%	16.1%	16.1%	9.0%	6.0%	5.0%	5.0%	5.0%
HCC BTB	(\$46m)	(\$21m)	\$6m	\$40m	\$79m	\$101m	\$106m	\$103m	\$130m	\$152m
Govt BTB	(\$20m)	\$15m	\$88m	\$96m	\$86m	\$97m	\$113m	\$109m	\$120m	\$143m
Debt to Revenue	284%	272%	251%	265%	280%	280%	280%	276%	273%	259%

Scenario 5 BTB Year 5	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Weekly \$ Increase*	\$9	\$9	\$9	\$9	\$9	\$5	\$3	\$3	\$3	\$3
% Increase	16.1%	16.1%	16.1%	16.1%	16.1%	9.0%	6.0%	5.0%	5.0%	5.0%
HCC BTB	(\$46m)	(\$21m)	\$6m	\$40m	\$79m	\$101m	\$106m	\$103m	\$130m	\$152m
Govt BTB	(\$20m)	\$15m	\$88m	\$96m	\$86m	\$97m	\$113m	\$109m	\$120m	\$143m
Debt to Revenue	284%	272%	251%	265%	280%	280%	280%	276%	273%	259%

Scenario 4	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
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Govt BTB Year 1										
Weekly \$ Increase*	\$13	\$7	\$7	\$7	\$7	\$6	\$3	\$3	\$3	\$3
% Increase	24.7%	12.8%	12.8%	12.8%	12.8%	10.6%	6.4%	5.0%	5.0%	5.0%
HCC BTB	(\$25m)	\$1m	\$19m	\$41m	\$64m	\$89m	\$98m	\$94m	\$121m	\$142m
Govt BTB	\$2m	\$37m	\$101m	\$98m	\$72m	\$85m	\$104m	\$101m	\$111m	\$133m
Debt to Revenue	265%	253%	237%	256%	280%	280%	280%	277%	275%	262%





\$s in 10?	(All)
Project State	(Multiple Items)

Capital Portfolio 4 - Gross
2 Years Water FINAL

Capex											
Row Labels	Sum of 2024/25	Sum of 2025/26	Sum of 2026/27	Sum of 2027/28	Sum of 2028/29	Sum of 2029/30	Sum of 2030/31	Sum of 2031/32	Sum of 2032/33	Sum of 2033/34	Sum of 10 year total
Base	\$333,580,627	\$301,161,908	\$155,863,968	\$171,407,885	\$180,856,853	\$141,543,886	\$162,942,102	\$171,724,738	\$164,375,320	\$154,517,960	\$1,937,975,247
Renewals & Compliance Programme	\$110,000,000	\$110,000,000	\$85,725,908	\$82,778,108	\$93,034,119	\$85,940,286	\$93,198,910	\$92,759,193	\$86,209,721	\$98,892,388	\$938,538,633
Ruakura Programme	\$2,000,400	\$0	\$234,000	\$1,346,800	\$24,372,600	\$2,524,300	\$22,454,400	\$22,454,400	\$66,000	\$0	\$75,452,900
Rototuna Programme	\$5,360,500	\$4,849,100	\$4,343,400	\$2,292,000	\$2,181,600	\$1,935,800	\$2,922,000	\$5,408,400	\$4,189,200	\$4,537,600	\$38,019,600
Rotokauri Programme	\$7,750,000	\$3,849,600	\$3,835,200	\$7,848,900	\$1,707,000	\$8,229,600	\$108,000	\$4,830,600	\$9,513,345	\$9,715,200	\$57,387,445
Te Rapa North Programme	\$299,000	\$0	\$4,028,700	\$5,560,100	\$9,061,000	\$141,700	\$0	\$0	\$0	\$0	\$19,090,500
Peacocke Programme	\$77,642,527	\$43,998,780	\$3,031,108	\$4,708,897	\$6,053,408	\$1,146,400	\$3,929,441	\$5,079,770	\$27,411,255	\$7,700,647	\$180,702,234
Central City Programme	\$17,025,029	\$24,986,784	\$14,719,978	\$25,761,781	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$86,993,571
City Wide Infrastructure Programme	\$14,000,000	\$13,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$107,000,000
City Wide Community Programme	\$14,979,100	\$6,737,300	\$4,664,100	\$8,198,300	\$15,571,300	\$8,671,200	\$8,367,700	\$11,689,300	\$7,434,300	\$5,383,300	\$91,695,900
City Wide Transport Programme	\$38,603,500	\$36,320,080	\$25,281,575	\$22,913,000	\$18,125,825	\$22,204,600	\$21,211,650	\$18,753,075	\$18,801,500	\$17,538,825	\$239,753,630
City Wide Waters Programme	\$45,920,572	\$57,420,263									\$103,340,835
Recommended	\$25,272,791	\$63,118,900	\$95,311,700	\$35,141,700	\$12,659,280	\$39,100,175	\$14,769,649	\$15,832,758	\$79,768,532	\$41,356,320	\$422,331,804
Rototuna Programme	\$0	\$3,000,000	\$23,500,000	\$880,100	\$0	\$0	\$0	\$0	\$0	\$0	\$27,380,100
Rotokauri Programme	\$5,580,000	\$10,025,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,141,400	\$12,857,000	\$29,603,400
Te Rapa North Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Peacocke Programme	\$1,608,003	\$470,500	\$20,424,600	\$307,000	\$1,737,100	\$10,583,275	\$7,908,149	\$2,606,458	\$6,257,332	\$16,026,020	\$67,928,436
Central City Programme	\$0	\$714,000									\$714,000
City Wide Infrastructure Programme	\$100,000	\$5,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,600,000
City Wide Community Programme	\$9,977,800	\$23,281,700	\$27,300,100	\$9,974,300	\$4,741,880	\$22,336,600	\$681,200	\$7,046,000	\$66,189,500	\$6,293,000	\$177,822,080
City Wide Transport Programme	\$6,280,000	\$17,525,000	\$24,087,000	\$23,980,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$108,954,100
City Wide Waters Programme	\$1,726,988	\$2,602,700									\$4,329,688
Consider	\$28,214,870	\$57,341,319	\$53,263,800	\$53,198,200	\$53,922,700	\$74,271,600	\$70,382,400	\$41,987,500	\$56,590,999	\$30,494,900	\$519,668,287
Ruakura Programme	\$0	\$0	\$0	\$0	\$632,800	\$3,081,700	\$420,000	\$5,750,400	\$0	\$0	\$9,884,900
Rotokauri Programme	\$0	\$0	\$0	\$496,800	\$4,014,000	\$2,642,400	\$9,345,600	\$826,800	\$6,891,599	\$309,600	\$24,526,799
Peacocke Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$566,400	\$876,000	\$1,442,400
Central City Programme	\$9,610,000	\$9,075,869	\$2,000,000	\$8,211,400	\$4,368,600	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$43,265,869
City Wide Infrastructure Programme	\$2,205,000	\$18,440,000	\$18,508,000	\$1,928,000	\$350,000	\$10,350,000	\$2,005,000	\$755,000	\$10,440,000	\$150,000	\$65,131,000
City Wide Community Programme	\$6,656,870	\$7,850,450	\$11,593,300	\$9,967,000	\$8,472,300	\$15,755,000	\$12,171,800	\$6,912,300	\$6,226,000	\$13,559,300	\$99,164,320
City Wide Transport Programme	\$9,743,000	\$21,975,000	\$21,162,500	\$32,595,000	\$36,085,000	\$40,442,500	\$44,440,000	\$25,743,000	\$30,467,000	\$13,600,000	\$276,253,000
Unfunded	\$16,500,367	\$87,523,262	\$123,183,487	\$160,589,526	\$210,098,692	\$215,821,853	\$240,492,209	\$254,679,514	\$286,389,821	\$276,693,457	\$1,871,972,188
Renewals & Compliance Programme	\$3,093,289	\$5,303,006	\$3,153,967	\$1,770,788	\$3,224,255	\$2,015,425	\$2,049,021	\$1,912,813	\$1,847,816	\$2,690,949	\$27,061,328
Ruakura Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,780,000	\$240,000	\$1,200,000	\$5,220,000
Rototuna Programme	\$0	\$0	\$0	\$0	\$0	\$13,000,000	\$44,680,800	\$200,000	\$500,000	\$8,600,000	\$66,980,800
Rotokauri Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$3,636,000	\$50,000	\$875,000	\$6,061,000
Te Rapa North Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Peacocke Programme	\$0	\$0	\$292,800	\$367,200	\$0	\$0	\$306,000	\$1,629,600	\$2,188,800	\$54,000	\$4,838,400
Central City Programme	\$5,915,678	\$40,469,531	\$44,195,401	\$33,950,000	\$23,752,000	\$19,100,000	\$32,950,000	\$21,650,000	\$23,000,000	\$20,500,000	\$265,482,610
City Wide Infrastructure Programme	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
City Wide Community Programme	\$451,500	\$1,809,600	\$387,400	\$4,057,500	\$3,600,000	\$0	\$0	\$0	\$4,875,000	\$14,625,000	\$29,806,000
City Wide Transport Programme	\$7,039,900	\$37,604,925	\$75,153,919	\$120,443,038	\$179,522,438	\$181,706,428	\$159,006,389	\$221,871,101	\$253,688,205	\$228,148,508	\$1,464,184,849
City Wide Waters Programme	\$0	\$2,336,200									\$2,336,200
Templeview Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$403,568,655	\$509,145,389	\$427,622,955	\$420,337,311	\$457,537,525	\$470,737,513	\$488,586,360	\$484,224,510	\$587,124,672	\$503,062,637	\$4,751,947,527

\$s in 10?	(All)
Project State	(Multiple Items)

Capital Portfolio 4 - Gross
All Years Water FINAL

Capex											
Row Labels	Sum of 2024/25	Sum of 2025/26	Sum of 2026/27	Sum of 2027/28	Sum of 2028/29	Sum of 2029/30	Sum of 2030/31	Sum of 2031/32	Sum of 2032/33	Sum of 2033/34	Sum of 10 year total
Base	\$333,580,627	\$301,161,908	\$407,701,933	\$431,585,519	\$414,732,380	\$385,434,867	\$414,377,697	\$340,472,205	\$319,581,101	\$294,313,849	\$3,642,942,085
Renewals & Compliance Programme	\$110,000,000	\$110,000,000	\$110,000,000	\$115,000,000	\$115,000,000	\$115,000,000	\$120,000,000	\$120,000,000	\$120,000,000	\$125,000,000	\$1,160,000,000
Ruakura Programme	\$2,000,400	\$0	\$234,000	\$1,346,800	\$24,372,600	\$2,524,300	\$22,454,400	\$22,454,400	\$66,000	\$0	\$75,452,900
Rototuna Programme	\$5,360,500	\$4,849,100	\$7,117,953	\$2,548,341	\$3,877,941	\$3,314,550	\$5,159,500	\$5,408,400	\$4,189,200	\$4,537,600	\$46,363,085
Rotokauri Programme	\$7,750,000	\$3,849,600	\$5,388,950	\$14,406,892	\$15,055,500	\$24,779,804	\$18,880,750	\$7,552,100	\$12,790,095	\$11,568,950	\$122,022,640
Te Rapa North Programme	\$299,000	\$0	\$4,262,700	\$5,560,100	\$9,061,000	\$141,700	\$0	\$0	\$0	\$0	\$19,324,500
Peacocke Programme	\$77,642,527	\$43,998,780	\$5,890,294	\$7,587,985	\$7,737,008	\$3,360,613	\$6,689,454	\$13,568,820	\$30,668,993	\$8,135,234	\$205,279,708
Central City Programme	\$17,025,029	\$24,986,784	\$91,851,496	\$100,478,097	\$37,550,000	\$28,050,000	\$19,550,000	\$19,550,000	\$19,550,000	\$19,550,000	\$378,141,406
City Wide Infrastructure Programme	\$14,000,000	\$13,000,000	\$16,000,000	\$20,900,000	\$18,000,000	\$10,000,000	\$34,750,000	\$34,750,000	\$10,000,000	\$10,000,000	\$181,400,000
City Wide Community Programme	\$14,979,100	\$6,737,300	\$4,664,100	\$8,198,300	\$15,571,300	\$8,671,200	\$8,367,700	\$11,689,300	\$7,434,300	\$5,383,300	\$91,695,900
City Wide Transport Programme	\$38,603,500	\$36,320,080	\$25,281,575	\$22,913,000	\$18,125,825	\$22,204,600	\$21,211,650	\$18,753,075	\$18,801,500	\$17,538,825	\$239,753,630
City Wide Waters Programme	\$45,920,572	\$57,420,263	\$137,010,865	\$132,646,005	\$150,381,206	\$167,388,101	\$157,314,243	\$86,746,110	\$96,081,014	\$92,599,939	\$1,123,508,317
Recommended	\$25,272,791	\$63,118,900	\$110,913,580	\$62,516,282	\$42,524,250	\$73,020,093	\$56,618,383	\$86,597,422	\$116,040,998	\$81,812,349	\$718,435,048
Rototuna Programme	\$0	\$3,000,000	\$23,500,000	\$880,100	\$730,800	\$1,754,400	\$546,000	\$0	\$0	\$0	\$30,411,300
Rotokauri Programme	\$5,580,000	\$10,025,000	\$91,000	\$2,670,600	\$7,955,750	\$9,907,101	\$16,709,053	\$3,824,750	\$12,711,450	\$26,887,900	\$96,362,604
Te Rapa North Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Peacocke Programme	\$1,608,003	\$470,500	\$20,424,600	\$1,549,765	\$2,870,863	\$11,858,716	\$8,989,053	\$3,535,895	\$8,976,771	\$22,288,473	\$82,572,639
Central City Programme	\$0	\$714,000	\$5,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,814,000
City Wide Infrastructure Programme	\$100,000	\$5,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,600,000
City Wide Community Programme	\$9,977,800	\$23,281,700	\$27,300,100	\$9,974,300	\$4,741,880	\$22,336,600	\$681,200	\$7,046,000	\$66,189,500	\$6,293,000	\$177,822,080
City Wide Transport Programme	\$6,280,000	\$17,525,000	\$24,087,000	\$23,980,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$6,180,300	\$108,954,100
City Wide Waters Programme	\$1,726,988	\$2,602,700	\$10,410,880	\$23,461,217	\$20,044,657	\$20,982,977	\$23,512,777	\$66,010,477	\$21,982,977	\$20,162,677	\$210,898,326
Consider	\$28,214,870	\$57,341,319	\$60,180,810	\$71,915,206	\$64,511,446	\$84,816,596	\$80,927,396	\$41,987,500	\$56,656,036	\$30,653,213	\$577,204,393
Ruakura Programme	\$0	\$0	\$0	\$0	\$632,800	\$3,081,700	\$420,000	\$5,750,400	\$0	\$0	\$9,884,900
Rotokauri Programme	\$0	\$0	\$0	\$496,800	\$4,014,000	\$2,642,400	\$9,345,600	\$826,800	\$6,891,599	\$369,600	\$24,586,799
Peacocke Programme	\$0	\$0	\$116,250	\$1,371,250	\$43,750	\$0	\$0	\$0	\$631,438	\$974,313	\$3,137,000
Central City Programme	\$9,610,000	\$9,075,869	\$8,800,760	\$25,557,156	\$14,913,596	\$12,544,996	\$12,544,996	\$2,000,000	\$2,000,000	\$2,000,000	\$99,047,374
City Wide Infrastructure Programme	\$2,205,000	\$18,440,000	\$18,508,000	\$1,928,000	\$350,000	\$10,350,000	\$2,005,000	\$755,000	\$10,440,000	\$150,000	\$65,131,000
City Wide Community Programme	\$6,656,870	\$7,850,450	\$11,593,300	\$9,967,000	\$8,472,300	\$15,755,000	\$12,171,800	\$6,912,300	\$6,226,000	\$13,559,300	\$99,164,320
City Wide Transport Programme	\$9,743,000	\$21,975,000	\$21,162,500	\$32,595,000	\$36,085,000	\$40,442,500	\$44,440,000	\$25,743,000	\$30,467,000	\$13,600,000	\$276,253,000
Unfunded	\$16,500,367	\$87,523,262	\$147,319,292	\$218,481,672	\$261,588,403	\$246,285,064	\$240,918,421	\$264,179,725	\$328,978,033	\$329,380,668	\$2,141,154,907
Renewals & Compliance Programme	\$3,093,289	\$5,303,006	\$4,334,561	\$9,065,723	\$3,484,255	\$2,052,425	\$2,249,021	\$2,254,813	\$2,189,816	\$3,032,949	\$37,059,857
Ruakura Programme	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000	\$0	\$3,780,000	\$240,000	\$1,200,000	\$29,220,000
Rototuna Programme	\$0	\$0	\$0	\$0	\$0	\$13,000,000	\$44,680,800	\$200,000	\$500,000	\$8,600,000	\$66,980,800
Rotokauri Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$3,636,000	\$50,000	\$875,000	\$6,061,000
Te Rapa North Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Peacocke Programme	\$0	\$0	\$292,800	\$367,200	\$0	\$0	\$306,000	\$1,629,600	\$2,188,800	\$54,000	\$4,838,400
Central City Programme	\$5,915,678	\$40,469,531	\$44,195,401	\$33,950,000	\$23,752,000	\$19,100,000	\$32,950,000	\$24,782,000	\$40,020,000	\$42,100,000	\$307,234,610
City Wide Infrastructure Programme	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
City Wide Community Programme	\$451,500	\$1,809,600	\$387,400	\$4,057,500	\$3,600,000	\$0	\$0	\$0	\$4,875,000	\$14,625,000	\$29,806,000
City Wide Transport Programme	\$7,039,900	\$37,604,925	\$75,153,919	\$120,443,038	\$179,522,438	\$181,706,428	\$159,006,389	\$221,871,101	\$253,688,205	\$228,148,508	\$1,464,184,849
City Wide Waters Programme	\$0	\$2,336,200	\$18,955,211	\$46,597,211	\$47,229,711	\$18,426,211	\$226,211	\$6,026,211	\$25,226,211	\$30,226,211	\$195,249,390
Templeview Programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$519,000	\$519,000
Grand Total	\$403,568,655	\$509,145,389	\$726,115,615	\$784,498,679	\$783,356,479	\$789,556,621	\$792,841,897	\$733,236,852	\$821,256,168	\$736,160,078	\$7,079,736,433

2024-34 LONG-TERM PLAN – GREENFIELD EAST – RUAKURA - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Climate Change Impact*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description	Assumed revenue (%)	Opex**
Included in proposed budget										
Ruakura Eastern Transport Corridor New Build	A city that's easy to live in	-	\$2,000,400	\$0	\$0	\$73,218,500	\$75,218,900	• Arterial transport connection from the intersection with Ruakura/Silverdale Road up to and including the Fifth Avenue Extension. Funding is for an upsize contribution only to a two-lane corridor to achieve four lanes and multi-modal facilities.	51	\$380,000
Ruakura Road Transpower Land Purchase	A city that's easy to live in	N/A	\$0	\$0	\$234,000	\$0	\$234,000	• Purchase Transpower land where the footpath has been installed and remove the existing easement.	0	\$0
Not included in proposed budget - Consider										
Ruakura Arterial upsize	A city that's easy to live in	-	\$0	\$0	\$0	\$9,884,900	\$9,884,900	• Upgrades to the Ruakura Arterial network including 4-laning Pardoia Boulevard and upsizing Webb Drive.	0	\$232,000
Not included in proposed budget - Unfunded										
Ruakura Railway Hub	A city that's easy to live in	Outcome 1 – Emissions reduction	\$0	\$0	\$0	\$5,220,000	\$5,220,000	• Development of a passenger railway hub at Ruakura in accordance with strategic planning.	0	\$0

*Legend for Link to Our Climate Future
Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
“-” -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

- Changes
- 1. Ruakura West Road project - removed
 - 2. Ruakura Road Transpower Land Purchase - moved to year 3



2024-34 LONG-TERM PLAN – GREENFIELD NORTH EAST - ROTOTUNA PROGRAMME - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Borman Horsham Urban Upgrade and Extension	A city that's easy to live in	-	\$4,860,000	\$60,000	\$0	\$0	\$4,920,000	<ul style="list-style-type: none">Contractual commitments required to complete the current project in progress to extend Borman Road and urbanise Borman Road east and Horsham Downs Road.	0	\$135,000
North City Road Upgrade - Bourn Brook to Kay	A city that's easy to live in	-	\$0	\$0	\$3,381,000	\$4,410,000	\$7,791,000	<ul style="list-style-type: none">The extension of Turakina Rise to Bourn Brook has been impacted by the National Policy Statement on Fresh Water.Council is working with the developer to revise the structure plan which may result in a different road layout.Funding to extend Turakina Drive as intended is allocated in Year 3 but pending the structure plan work.The balance of this project is to work with developers north of Bourn Brook as land develops.	0	\$105,000
Rototuna Parks - Linear Reserve Development	A fun city with lots to do	Outcome 2 – Low-carbon neighbourhoods	\$0	\$0	\$0	\$314,600	\$314,600	<ul style="list-style-type: none">A linear reserve will be provided by developers in Rototuna at no cost to Council provided it will be mitigating the effects of their developments. This budget is to develop the reserve to a stage that it can be used by the community. The timing is subject to the developers.	0	\$20,000
Rototuna Stormwater Upsize Programme	A green city	Outcome 3 – Resilience	\$500,500	\$4,789,100	\$0	\$0	\$5,289,600	<ul style="list-style-type: none">This programme establishes overland flow paths, upsize elements for stormwater management devices, and improvements for Lake Magellan.	0	\$15,000
Rototuna Transport Upsize Programme	A city that's easy to live in	-	\$0	\$0	\$962,400	\$0	\$962,400	<ul style="list-style-type: none">This is budget set aside to contribute to developer-led projects to ensure infrastructure built by developers is the most appropriate for the community now and into the future. These projects are all built by developers and the budget is only used when the developers are ready to build the infrastructure.Budget to work with developer north of the Town Centre as this land develops.	0	\$28,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
River Road Upgrade- Te Huia to Kay Road	A city that's easy to live in	-	\$0	\$0	\$0	\$7,540,800	\$7,540,800	<ul style="list-style-type: none">Budget for upgrade of River Road north of Te Huia Drive.	0	\$14,000
Rototuna Transport Urbanisation Programme	A city that's easy to live in	-	\$0	\$0	\$0	\$11,201,200	\$11,201,200	<ul style="list-style-type: none">Budget for urbanisation of perimeter roads to growth cell including Kay Road, Ennion Rise and Horsham Downs Road.Urbanisation means to upgrade to a safe standard which includes lighting, kerbing, footpaths etc.Development contributions have been collected and decisions on timing are required.	0	\$0
Not included in proposed budget - Recommended										
Rototuna Neighbourhood Park	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$0	\$0	\$6,500,000	\$880,100	\$7,380,100	<ul style="list-style-type: none">Neighbourhood reserves are now relatively well provided for throughout the Rototuna growth cell. One additional neighbourhood reserve is required in order to meet the 500m walking distance requirements of the Open Space Provision Policy. Acquisition is dependent on suitable, affordable land. This budget is to purchase the land.	0	\$56,000
Rototuna Pool	A city that's easy to live in	Outcome 3 - Resilience	\$0	\$3,000,000	\$17,000,000	\$0	\$20,000,000	<ul style="list-style-type: none">This proposal is in line with the proposal in the previous LTP where Council will build a pool once an operator is on board to buy the built pool from Council.This is a smaller scale pool than recommended in the recent aquatic and indoor recreation needs analysis.	0	\$3,500,000
Not included in proposed budget - Unfunded										
Rototuna North West Pool	A city that's easy to live in	Outcome 3 - Resilience	\$0	\$0	\$0	\$55,530,800	\$55,530,800	<ul style="list-style-type: none">This proposal seeks to deliver a Council owned and operated pool complex based on the needs analysis. This is a larger pool and more comprehensive offering than the previous proposal. It includes a hydrotherapy pool and other services to meet changing community needs.	0	\$5,300,000
RototunaTransport Hub	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$11,450,000	\$11,450,000	<ul style="list-style-type: none">Development of a bus-based transport hub in Rototuna aligned with the Metro Spatial Plan.Part of North City Road Bourne Brook to Kay (Turakina Rise bypass) is to create a bus layby area.	51	\$0

*Legend for Link to Our Climate Future
Outcome 1/2/3 – the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
“-” -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A – The project doesn’t have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
** The total consequential operating costs from 2023/24 to 2033/34
Change - North City Road Upgrade Bourn Brook to Kay – year one funding removed.



2024-34 LONG-TERM PLAN – GREENFIELD NORTH WEST – ROTOKAURI AND TE RAPA PROGRAMME - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Arterial Designations and Permanent Levels	A city that's easy to live in	-	\$2,500,000	\$0	\$0	\$0	\$2,500,000	• Contractual commitments required to complete transport arterial designation project.	0	\$0
Arthur Porter Drive Realignment	A city that's easy to live in	-	\$0	\$0	\$0	\$13,261,545	\$13,261,545	• Budget of \$15m likely requirement for year 1 and 2 land acquisition responding to designation obligations. This has been removed to a Recommended project and will become a priority call on new Strategic Property budget. • Budget for realignment work programmed to commence year 8. • Part of Rotokauri west-east arterial network required for employment zone.	18	\$7,000
Brymer Road Urbanisation	A city that's easy to live in	-	\$0	\$0	\$0	\$6,490,800	\$6,490,800	• Budget for urbanisation of Brymer Road between the Zoo and Rotokauri Road. • Urbanisation means to upgrade to a safe standard which includes lighting, kerbing, footpaths etc. • Development contributions have been collected and decisions on timing are required.	0	\$20,000
Onion Road Realignment	A city that's easy to live in	-	\$299,000	\$0	\$4,028,700	\$14,762,800	\$19,090,500	• Following the designation of the new road, the project is to undertake detailed design and construction which will support the network connecting the Waikato Expressway to the Te Rapa North growth cell.	0	\$121,000
Rotokauri Park Development	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$0	\$202,800	\$2,024,100	\$2,226,900	• Development of parks and open space in Rotokauri is needed to ensure HCC has an adequate provision of green space required to accommodate future growth, both in the western parts of the city as well as collectively across Hamilton. • As the community grows, there will be an increasing need for open space, and increased pressure on the existing network of sports parks in the rest of the city. Council already owns undeveloped sports and community park in Rotokauri which will be developed to cater to the growing community in the area.	0	\$42,000
Rotokauri Road Urbanisation	A city that's easy to live in	-	\$0	\$0	\$0	\$4,994,400	\$4,994,400	• Budget for urbanisation of Rotokauri Road north of Rotokauri Rise development. • Urbanisation means to upgrade to a safe standard which includes lighting, kerbing, footpaths etc.	0	\$0

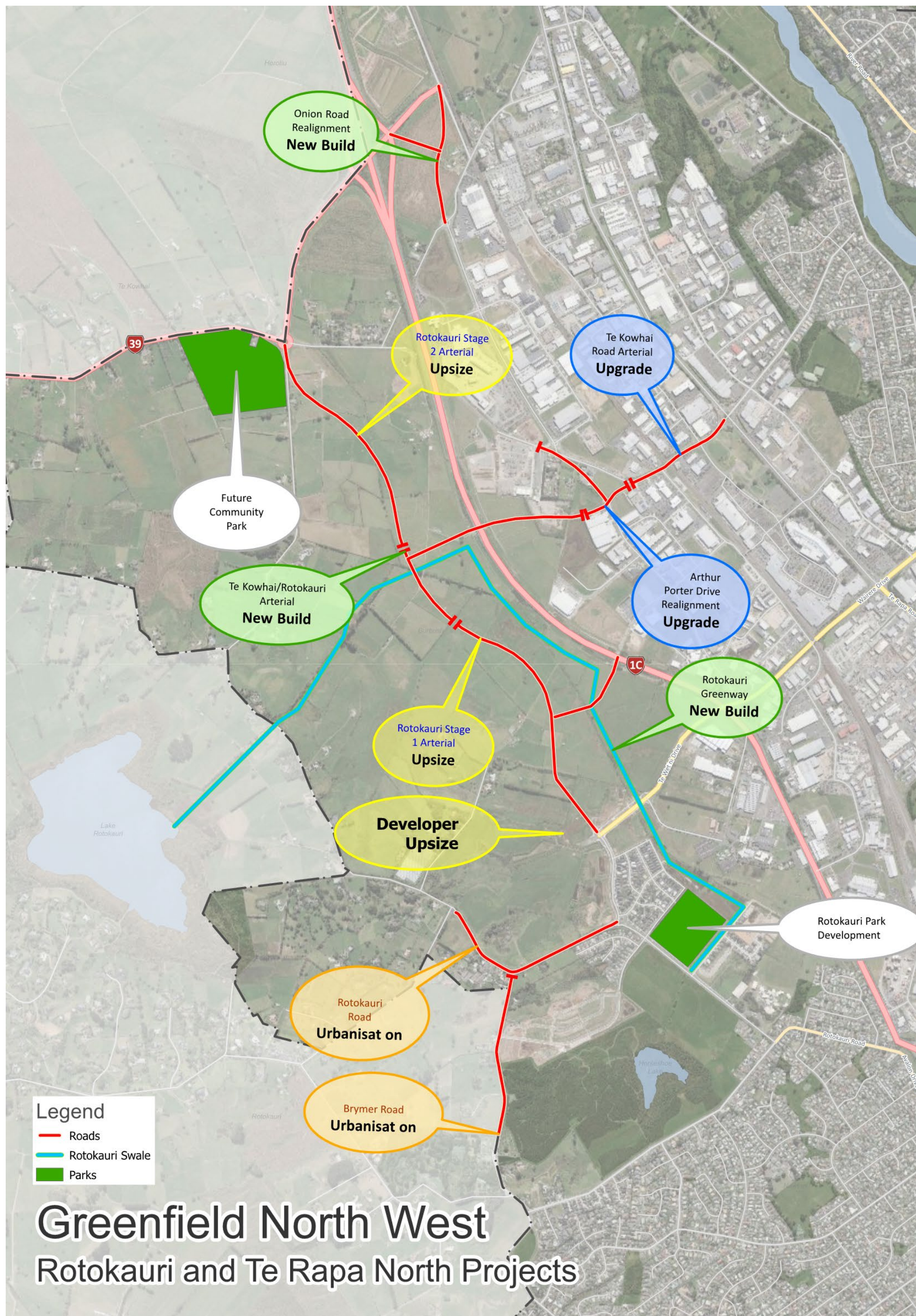
Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">Development Contributions have been collected and decisions on timing are required.		
Rotokauri Stage 1 Arterial Upsize	A city that's easy to live in	-	\$0	\$1,599,600	\$2,196,000	\$6,107,400	\$9,903,000	<ul style="list-style-type: none">Budget required to work with Developer to upsize north-south transport arterial from Te Wetini Drive to south of Te Kowhai Road, including east-west collector, under Expressway to Chalmers Road.Year 1 funding is for upsizing land purchase, years 2 and 3 for Arterial Upsize, and Year 4 Collector Swale crossing.	0	\$168,000
Rotokauri Stage 1 Arterial Upsize	A green city	-	\$1,000,000	\$0	\$0	\$0	\$1,000,000	<ul style="list-style-type: none">Budget required to work with Developer to upsize north-south transport arterial from Te Wetini Drive to south of Te Kowhai Road, including east-west collector, under Expressway to Chalmers Road.Year 1 funding is for upsizing land purchase, years 2 and 3 for Arterial Upsize, and Year 4 Collector Swale crossing.	0	\$0
Rotokauri Wastewater Upsize Programme	A green city	Outcome 3 - Resilience	\$0	\$1,500,000	\$0	\$0	\$1,500,000	<ul style="list-style-type: none">Funding allowance for a wastewater pump upsize in year two to work with developer.	0	\$0
Rotokauri Water Upsize Programme	A green city	Outcome 3 - Resilience	\$500,000	\$500,000	\$0	\$0	\$1,000,000	<ul style="list-style-type: none">Budget to work with developers to upsize the water network to ensure it is adequately sized for the wider network. Mostly located along the North-South arterial roading network.	0	\$0
Rotokauri Greenway	A green city	Outcome 3 - Resilience	\$250,000	\$250,000	\$0	\$0	\$500,000	<ul style="list-style-type: none">Budget which replicates 2021/31 Greenway budget in anticipation of entering into a Development Agreement for the delivery of the Greenway as an integrated package, with the necessary transport arterials north of Te Wetini Drive and land use development.Linked to funding of Rotokauri Arterial Stage 1 upsizing programme.Includes 2 years of budget at \$250,000/year for HCC costs to engage in Greenway project.	0	\$0
Rotokauri Greenway Consent and Design	A green city	Outcome 3 - Resilience	\$3,500,000	\$0	\$0	\$0	\$3,500,000	<ul style="list-style-type: none">Contractual commitments required to complete resource consents and design of Greenway.	0	\$0
Rotokauri Stage 1 Collector Upsize	A city that's easy to live in	-	\$0	\$0	\$1,436,400	\$9,074,400	\$10,510,800	<ul style="list-style-type: none">Budget to work with developers to upsize local roads to collectors mostly in the southern areas around Rotokauri Road, west of Te Wetini Drive.	0	\$324,000
Not included in proposed budget - Recommended										
Arthur Porter Drive Realignment	A city that's easy to live in	-	\$5,000,000	\$10,000,000	\$0	\$0	\$15,000,000	<ul style="list-style-type: none">Budget of \$15m likely requirement for year 1 and 2 land acquisition responding to designation obligations.This has been removed to a Recommended project and will become a priority call on new Strategic Property budget.	0	\$250,000
Rotokauri Park Development	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$0	\$0	\$13,998,400	\$13,998,400	<ul style="list-style-type: none">Development of parks and open space in Rotokauri is needed to ensure HCC has an adequate provision of green space required to accommodate future growth, both in the western parts of the city as well as collectively across Hamilton.As the community grows, there will be an increasing need for open space, and increased	0	\$42,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								pressure on the existing network of sports parks in the rest of the city. Council already owns undeveloped sports and community park in Rotokauri which will be developed to cater to the growing community in the area.		
Rotokauri Water Upsize Programme	A green city	Outcome 3 - Resilience	\$580,000	\$25,000	\$0	\$0	\$605,000	<ul style="list-style-type: none">Budget to work with developers to upsize the water network to ensure it is adequately sized for the wider network. Mostly located along the North-South arterial roading network.	0	\$0
Not included in proposed budget - Consider										
Te Kowhai/Rotokauri Arterial New Build	A city that's easy to live in	-	\$0	\$0	\$0	\$24,526,799	\$24,526,799	<ul style="list-style-type: none">Budget to work with developers (if possible) to build the remaining section of north-south arterial from the Hounsell property boundary to the designated east west arterial, and to build the eastern section of the east west arterial to connect with the Arthur Porter Drive project.	0	\$20,000
Not included in proposed budget - Unfunded										
Rotokauri Community Park Acquisition	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$0	\$0	\$925,000	\$925,000	<ul style="list-style-type: none">Development of parks and open space in Rotokauri is needed to ensure HCC has an adequate provision of green space required to accommodate future growth both in the western parts of the city as well as collectively across Hamilton.As the community grows, there will be an increasing need for open space, and increased pressure on the existing network of sports parks in the rest of the city. Council already owns undeveloped sports and community park in Rotokauri which will be developed to cater to the growing community in the area.There will be increasing demand for local neighbourhood parks as the city grows. To continue to meet Council's target of 76% of the population being within 500m walking distance of a park (Open Space Provision policy), investment is needed in smaller parks as well as sports parks to meet a more localised need.	0	\$1,000
Rotokauri Transport Upsize Programme	A city that's easy to live in	-	\$0	\$0	\$0	\$1,500,000	\$1,500,000	<ul style="list-style-type: none">Budget to upsize local roads to collectors. This budget is for Crawford Street and extension of The Boulevard.	0	\$0
Rotokauri Stage 1 Collector Upsize	A city that's easy to live in	-	\$0	\$0	\$0	\$3,636,000	\$3,636,000	<ul style="list-style-type: none">Budget to work with developers to upsize local roads to collectors mostly in the southern areas around Rotokauri Road, west of Te Wetini Drive.	0	\$28,000

*Legend for Link to Our Climate Future
Outcome 1/2/3 – the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
“-” -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A – The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes
1. Rotokauri Stage 1 Arterial Upsize – budget changed
2. Rotokauri Water Upsize Programme – split into two projects in Recommend and Base



2024-34 LONG-TERM PLAN – GREENFIELD SOUTH - PEACOCKE PROGRAMME - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Hall Road Urban Upgrade	A city that's easy to live in	-	\$0	\$547,200	\$829,908	\$2,047,705	\$3,424,813	<ul style="list-style-type: none">Hall Road is already subject to current and planned development pressure. An urban upgrade will support a safe connection to Whatukooruru Drive for all modes.The northern connection is necessary to allow for safety improvements or the closure of the dangerous Hall Road intersection with Ohaupo Road SH3 (part of recommended programme).Not contractually committed.	0	\$56,000
North-South Arterial from Cobham Drive to Wairere Drive Extension Road	A city that's easy to live in	-	\$0	\$0	\$0	\$4,999,200	\$4,999,200	<ul style="list-style-type: none">As Peacocke develops, there will be increasing problems with the Bader Street/Lorne Street corridor as demand for access to and from the town centre increases.Investigation for the connection from Peacockes Road to Cobham Drive is necessary to support financial and consent planning needed to enable construction at the right time.Not contractually committed – pushed to back end of LTP.	0	\$5,000
North-South Arterial from East-West Arterial to Peacocke Road	A city that's easy to live in	-	\$0	\$0	\$0	\$17,839,200	\$17,839,200	<ul style="list-style-type: none">Development in the vicinity of Hall Road – investigation and land to enable wastewater.Not contractually committed – pushed to back end of LTP.	0	\$5,000
Peacocke Developer Upsize Programme	A city that's easy to live in	-	\$97,200	\$432,000	\$421,200	\$9,508,089	\$10,458,489	<ul style="list-style-type: none">There will be a need for budgets to enable efficient provision for making roads and pipes the right size for wider development as subdivision progresses. In the first few years, the current minor arterial projects provide for most developer connections. The proposal includes a low level of funding initially, increasing once development progresses to the areas not directly serviced after HIF projects are complete.	0	\$390,000
Peacocke Developer Upsize Programme	A green city	-	\$0	\$90,750	\$0	\$0	\$90,750	<ul style="list-style-type: none">There will be a need for budgets to enable efficient provision for making roads and pipes the right size for wider development as subdivision progresses. In the first few years, the current minor arterial projects provide for most developer connections. The proposal includes a low level of funding initially,	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								increasing once development progresses to the areas not directly serviced after HIF projects are complete.		
Peacocke Road Minor Arterial Upgrade	A city that's easy to live in	-	\$0	\$0	\$0	\$9,425,425	\$9,425,425	<ul style="list-style-type: none">Investigation and land acquisition as development takes place south of the new neighbourhood centre.	0	\$0
Peacocke Stage 1 Natural Areas and Neighbourhood Parks	A fun city with lots to do	Outcome 2 – Low-carbon neighbourhoods Outcome 3 – Resilience	\$314,600	\$0	\$0	\$0	\$314,600	<ul style="list-style-type: none">Development of parks and open space in Peacocke is needed to ensure HCC has an adequate provision of green space required to accommodate future growth both in the southern parts of the city as well as collectively across Hamilton.As the community grows, there will be an increasing need for open space, and increased pressure on the existing network of sports parks in the rest of the city.There will be increasing demand for local neighbourhood parks as the city grows. In order to continue to meet Council's target of 76% of the population being within 500m walking distance of a park (Open Space Provision Policy), investment is needed in these smaller parks as well as sports parks to meet a more localised need.	0	\$40,000
Southern Links Designation Provisions	A city that's easy to live in	-	\$1,920,000	\$1,246,000	\$986,000	\$3,044,000	\$7,196,000	<ul style="list-style-type: none">Continuing investment in community and landowner liaison, environmental management and monitoring including gully restoration required as part of designation conditions.	0	\$40,000
Peacocke Private Developer Agreement Upsize Contribution (HIF)	A city that's easy to live in	-	\$0	\$7,400,000	\$0	\$0	\$7,400,000	<ul style="list-style-type: none">Budget to match revenue from developers for works committed in Private Developer Agreements and as part of current construction (nett zero cost activity for budget and revenue).Works are contractually committed.	100	\$0
E - East/West Rooding Arterial	A city that's easy to live in	-	\$28,734,000	\$27,038,000	\$300,000	\$1,300,000	\$57,372,000	<ul style="list-style-type: none">Completion of HIF East West arterial project to support water and wastewater connections enabling development to the south.	0	\$304,000
E - East/West Rooding Arterial	A green city	-	\$6,334,225	\$2,103,654	\$0	\$0	\$8,437,879	<ul style="list-style-type: none">Completion of HIF East West arterial project to support water and wastewater connections enabling development to the south.	0	\$0
C - Extension of Wairere Drive and Bridge	A city that's easy to live in	-	\$9,120,000	\$312,000	\$300,000	\$600,000	\$10,332,000	<ul style="list-style-type: none">Completion of the Waikato River Bridge and strategic connections – construction under way.	0	\$84,000
C - Extension of Wairere Drive and Bridge	A green city	-	\$488,000	\$23,000	\$0	\$0	\$511,000	<ul style="list-style-type: none">Completion of the Waikato River Bridge and strategic connections – construction under way.	0	\$0
Peacocke Land Acquisition Programme	A city that's easy to live in	-	\$4,604,000	\$0	\$0	\$0	\$4,604,000	<ul style="list-style-type: none">Final elements of land acquisition. Land is secured for current construction but compensation is not yet agreed and may take into 2024/2025 for Land Valuation Tribunal.	0	\$84,000
Bader Street Urbanisation	A city that's easy to live in	-	\$0	\$0	\$0	\$1,281,600	\$1,281,600	<ul style="list-style-type: none">Transport project to address safety and amenity impacts from increasing traffic in corridor.	0	\$24,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
D - Peacocke Road Urban Upgrade	A city that's easy to live in	-	\$7,482,000	\$100,000	\$100,000	\$300,000	\$7,982,000	<ul style="list-style-type: none">Completion of Peacockes Road to proposed neighbourhood centre and Whatukooruru Drive (East-West Arterial) - construction underway.	0	\$21,000
C1 - Wastewater Strategic Pumpstation Storage and Pressure Main	A city that's easy to live in	Outcome 1 - Emissions reduction Outcome 3 - Resilience	\$1,850,400	\$0	\$0	\$0	\$1,850,400	<ul style="list-style-type: none">Links to complete Peacocke bikes on pipes - to enable direct off-road active mode access from the existing network to central and south Peacocke, support safe access, mode shift, emissions reduction and healthy communities.	0	\$333,000
C1 - Wastewater Strategic Pumpstation Storage and Pressure Main	A green city	Outcome 1 - Emissions reduction Outcome 3 - Resilience	\$15,698,102	\$4,645,177	\$0	\$0	\$20,343,279	<ul style="list-style-type: none">Defects period for main transfer pump station N4 and completion of the north-south wastewater pipeline and <i>bikes on pipes</i> - necessary wastewater connection to enable development in central and south Peacocke.	0	\$55,000
Peacockes Lane Urban Upgrade	A city that's easy to live in	-	\$0	\$0	\$0	\$5,337,600	\$5,337,600	<ul style="list-style-type: none">Fragmented ownership in central Peacocke is likely to deter development unless this narrow rural road is upsized by Council.	0	\$30,000
B - SH3 Ohaupo Road	A city that's easy to live in	-	\$1,000,000	\$61,000	\$94,000	\$347,000	\$1,502,000	<ul style="list-style-type: none">Final completion of roundabout defects period.	0	\$48,000
Not included in proposed budget - Recommended										
Hall Road Urban Upgrade	A city that's easy to live in	-	\$0	\$0	\$0	\$6,446,413	\$6,446,413	<ul style="list-style-type: none">To support safe connection from development to Whatukooruru Drive and opportunity to close/manage the dangerous Hall Road intersection.	0	\$36,000
North-South Arterial from East-West Arterial to Peacocke Road	A city that's easy to live in	-	\$0	\$0	\$0	\$5,253,600	\$5,253,600	<ul style="list-style-type: none">Investigation for the connection from Whatukooruru Drive is recommended to support financial and consent planning needed to enable construction at the right time.	0	\$13,000
Peacocke Developer Upsize Programme	A city that's easy to live in	-	\$0	\$0	\$0	\$3,853,620	\$3,853,620	<ul style="list-style-type: none">Funding desirable to support appropriate development in a timely way.	0	\$30,000
Peacocke Developer Upsize Programme	A green city	-	\$1,478,003	\$0	\$0	\$0	\$1,478,003	<ul style="list-style-type: none">Funding desirable to support appropriate development in a timely way.	0	\$0
Peacocke Stage 2 Natural Areas and Neighbourhood parks	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$130,000	\$470,500	\$20,424,600	\$29,871,700	\$50,896,800	<ul style="list-style-type: none">Development of parks and open space in Peacocke is needed to ensure HCC has the adequate provision of green space required to accommodate future growth both in the southern parts of the city as well as collectively across Hamilton.As the community grows, there will be an increasing need for open space, and increased pressure on the existing network of sports parks in the rest of the cityThere will be increasing demand for local neighbourhood parks as the city grows. In order to continue to meet Council's target of 76% of the population being within 500m walking distance of a park (Open Space Provision policy), investment is needed in these smaller parks as well as sports parks to meet a more localised need	0	\$1,726,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">Development of the parks and open spaces will include related network infrastructure over time such as toilets and cycleways.		
Not included in proposed budget - Consider										
Ohaupo Road Urbanisation	A city that's easy to live in	-	\$0	\$0	\$0	\$1,442,400	\$1,442,400	<ul style="list-style-type: none">As development progresses south of the new roundabout, there will be an increasing need for urban road connectivity to support walking and cycling safely. The key driver for this activity is for gravity wastewater connections.The timing of transport need depends on the Southern Links state highway implementation. In the short/medium term, transport may be provided for through the local network in the current Peacocke subdivisions but wastewater is likely to be required earlier.	0	\$0
Not included in proposed budget - Unfunded										
Peacocke Developer Upsize Programme	A city that's easy to live in	-	\$0	\$0	\$292,800	\$4,545,600	\$4,838,400	<ul style="list-style-type: none">Funding to support appropriate development in a timely manner.	0	\$140,000

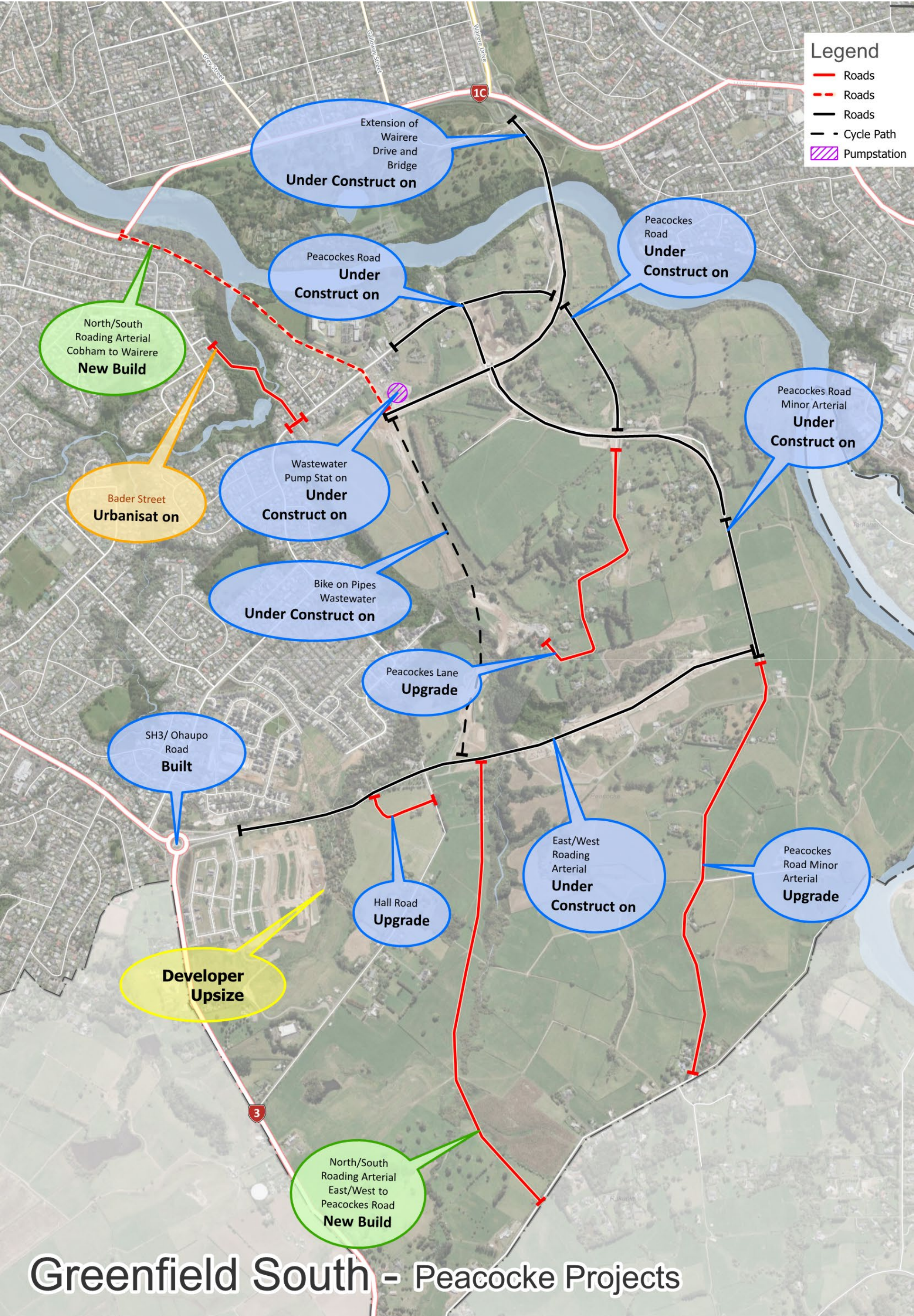
*Legend for Link to Our Climate Future

Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

"-" -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.

N/A - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa. **The total consequential operating costs from 2023/24 to 2033/34

Changes - split out projects which were meeting more than one Priority.



2024-34 LONG-TERM PLAN – CENTRAL CITY PROGRAMME – only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
IAF - Active Modes River Crossing	A city that's easy to live in	Outcome 1 - Emissions reduction	\$211,988	\$2,900,000	\$13,338,200	\$25,011,781	\$41,461,969	<ul style="list-style-type: none">Committed through the IAF Funding Agreement.Council required to fund \$10.3 million.Necessary to unlock 4000 central city homes by 2035.	75	\$720,000
IAF - Anglesea Street Investigation and Protection	A city that's easy to live in	-	\$606,778	\$606,778	\$631,778	\$0	\$1,845,333	<ul style="list-style-type: none">Committed through the IAF Funding Agreement.Develops approach to protect Anglesea Street to meet long term infrastructure needs.	100	\$0
IAF - Central City Integrated Catchment Management Plan	A green city	Outcome 3 - Resilience	\$684,592	\$684,592	\$0	\$0	\$1,369,185	<ul style="list-style-type: none">Committed through the IAF Funding Agreement.Understanding what changes may be needed to the stormwater system to unlock 4000 central city homes by 2035.Necessary to enable development while remaining compliant with the bulk water take consent.	100	\$0
IAF - Ruakiwi 30ML Reservoir and Pump Station - 2029	A green city	Outcome 3 - Resilience	\$2,916,261	\$9,590,000	\$0	\$0	\$12,506,261	<ul style="list-style-type: none">Project to construct a new reservoir and pump station to service the central city area.Committed through the IAF Funding Agreement.Necessary to unlock 4000 central city homes by 2035 and meet levels of service including firefighting.	100	\$0
IAF - Wastewater Investigation	A green city	Outcome 3 - Resilience	\$857,200	\$857,200	\$0	\$0	\$1,714,400	<ul style="list-style-type: none">Project to complete design investigations and wastewater network blueprints, needed to service growth and meet levels of service for planned development densities.Committed through the IAF Funding Agreement.Necessary to inform a proposed wastewater investment programme needed to unlock 4000 central city homes by 2035 and the Stage 1 development area.Committed through the IAF Funding Agreement.Understanding what changes may be needed to the wastewater network to unlock 4000 central city homes by 2035 and enable development in the broader Stage 1 area out to 2061.	100	\$0
IAF - Water Investigation	A green city	Outcome 3 - Resilience	\$747,614	\$747,614	\$0	\$0	\$1,495,228	<ul style="list-style-type: none">Project to create water supply network blueprints to service growth and meet levels of service (pressure, flow, head-loss and firefighting) for planned development densities.Committed through the IAF Funding Agreement.Necessary to inform a proposed proactive and reactive investment programme needed to unlock 4000 central city homes by 2035, and enable	100	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								development in the broader Stage 1 area out to 2061.		
Water Supply Proactive intensification (Central City)	A green city	Outcome 3 - Resilience	\$500,000	\$1,000,000	\$0	\$0	\$1,500,000	<ul style="list-style-type: none">Project to establish and implement a long-term programme to proactively upgrade local water supply network throughout the Central City/Stage 1 development area.Programme is to support planned and prioritised intensification and comply with relevant standards and meet agreed levels of service.	0	\$0
Transport Network - Proactive Upgrades for Intensification	A city that's easy to live in	Outcome 1 - Emissions reduction Outcome 2 - Low-carbon neighbourhoods	\$500,000	\$1,000,000	\$750,000	\$5,250,000	\$7,500,000	<ul style="list-style-type: none">To enable transport network upgrades in the Central City to support the implementation of Plan Change 12 - working with developers	0	\$44,000
Waikato Museum - Internal Environment Upgrade	A fun city with lots to do	-	\$3,850,600	\$0	\$0	\$0	\$3,850,600	<ul style="list-style-type: none">This project continues the work to provide an industry-standard museum building environment. Combined with renewals funding it will ensure the critical climate control is modernised.The taonga are at risk from the out-dated building elements which puts a strain on the climate control systems.	0	\$604,000
Embassy Park (South end precinct)	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$4,750,000	\$0	\$0	\$0	\$4,750,000	<ul style="list-style-type: none">Improvements necessary to support change in urban infrastructure in the vicinity of Embassy Park arising from the Theatre development.	0	\$270,000
Sapper Moore Jones - Theatre Access and Pedestrian Environment	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$900,000	\$0	\$0	\$0	\$900,000	<ul style="list-style-type: none">Improvements necessary to support change in urban infrastructure in the vicinity of Sapper Moore Jones Place and Victoria Street arising from the Theatre development.	0	\$90,000
Wastewater Network - Proactive Upgrades for Intensification (Central City)	A green city	Outcome 3 - Resilience	\$499,996	\$7,600,600	\$0	\$0	\$8,100,596	<ul style="list-style-type: none">Project to establish and implement a long-term programme to proactively upgrade local wastewater network throughout the Central City/Stage 1 development area.Programme is to support planned and prioritised intensification and comply with relevant standards and meet agreed levels of service.	0	\$0
Not included in proposed budget – Recommended										
Seddon Wastewater Pump station diversion to Western Interceptor	A green city	Outcome 3 - Resilience	\$0	\$714,000	\$0	\$0	\$714,000	<ul style="list-style-type: none">Project to upgrade and divert Seddon Wastewater Pump station to available capacity at the Western Interceptor.This is a medium-term solution to relieve pressure on the existing central interceptor and provide capacity for intensification in the Central City/Stage 1 development area.Council has prioritised funding the strategic network investments to service intensification of the Stage 1 area through Plan Change 12 and the proposed connection approval process.This investment is needed to provide for prioritised growth and to support regulatory compliance (including with Te Ture Whaimana), reduce risks of enforcement action, and improve system resiliency.	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">Investigations and detailed design have commenced and are being delivered through IAF - Wastewater Investigations project.Year 2 is to complete planning and procurement with construction commencing in Year 3.		
Not included in proposed budget - Consider										
Alexandra Street Upgrade A	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$6,000,000	\$0	\$0	\$0	\$6,000,000	<ul style="list-style-type: none">This will see first 120 metres of Alexandra Street from Hood Street beautified to complement the Union Square development.Could be the first streetscape to include the Central City Design Guides.Safe crossing point outside Union Square laneway.	0	\$77,997
Caro St Upgrade	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$500,000	\$5,250,000	\$0	\$0	\$5,750,000	<ul style="list-style-type: none">Same look and feel as upgrade of Alexandra Street.Caro Street repurposed to provide additional car parks that will be lost along Alexandra Street as a result of planting and pedestrian improvements.Pavement in this area needing renewal (mill & fill of asphalt included, with deeper pavement rehab excluded).	0	\$69,426
Footpath Renewal - Central City Enhanced	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$2,000,000	\$2,000,000	\$2,000,000	\$14,000,000	\$20,000,000	<ul style="list-style-type: none">Additional funding to improve streetscape to the Central City Design Guide standards in conjunction with planned footpath renewals.	0	\$55,000
Strategic Stormwater Network Upgrades - Tristram Street Pipe Upgrade	A green city	Outcome 3 - Resilience	\$1,110,000	\$1,110,000	\$0	\$0	\$2,220,000	<ul style="list-style-type: none">Project to address multiple stormwater network issues (including inundation of private priority and lifeline roading corridors (Anglesea and Tristram St) in the southern CBD area.First two years is design and investigation.Construction should be programmed to align with transport programme.	0	\$0
Strategic Stormwater Network Upgrades - Victoria Street Trunk Pipe Upgrade	A green city	Outcome 3 - Resilience	\$0	\$715,869	\$0	\$0	\$715,869	<ul style="list-style-type: none">Project to address stormwater network issues in the vicinity of Victoria Street and Abbotsford Street.First 2 years is design and investigation.Construction should be programmed to align with transport programme.	0	\$0
Waikato Museum - Entrance and Profile	A fun city with lots to do	-	0	0	0	\$8,580,000	\$8,580,000	<ul style="list-style-type: none">This project would provide a modernised museum entrance enhancing the profile of the destination within the centre of the city.	0	\$0
Not included in proposed budget - Unfunded										
Alexandra Street Upgrade B	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$3,300,000	\$11,750,000	\$0	\$0	\$15,050,000	<ul style="list-style-type: none">Continuation of the beautification from Union Square carpark through to the roundabout with Caro Street and Worley Place with same look and feel as previous section to reflect the Central City Design Guide standardsSafe crossing with pedestrian priority and safety table at roundabout.Amenity planting along corridor.	0	\$77,997
Central City Transport Improvements	A city that's easy to live in	-	\$1,300,000	\$16,150,000	\$34,700,000	\$172,250,000	\$224,400,000	<ul style="list-style-type: none">Upgrade central city road network to reflect the Central City Design Guide standards	0	\$2,336,375
Collingwood Street Upgrade (Alexandra to Victoria)	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$600,000	\$6,000,000	\$0	\$0	\$6,600,000	<ul style="list-style-type: none">Increasing the width of footpaths to provide outside dining opportunities.	0	\$69,426

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">Same look and feel as upgrade of Alexandra Street.		
Road 623.1 - Norton Road	A city that's easy to live in	Outcome 1 – Emissions reduction Outcome 2 – Low-carbon neighbourhoods	\$312,578	\$398,662	\$5,090,400	\$0	\$5,801,640	<ul style="list-style-type: none">Closing off Norton Rd between Seddon roundabout and Tristram Street, and redirecting traffic down Rostrevor Street.Enables safety improvements at Norton/Tristram to address the cycle fatality there a year ago.Reflects the West Town Belt Master Plan proposal for decreased traffic crossing the 'green belt' and links to the redevelopment of Boyes Park.	0	\$21,000
Road 803.1 - Rostrevor Street	A city that's easy to live in	Outcome 1 – Emissions reduction Outcome 2 – Low-carbon neighbourhoods	\$342,000	\$505,470	\$4,405,001	\$0	\$5,252,470	<ul style="list-style-type: none">Upgrade of Tristram/Rostrevor intersection to enable closing off Norton Road between Seddon roundabout and Tristram Street and redirecting traffic down Rostrevor StreetEnables safety improvements at Norton/Tristram to address the cycle fatality there a year ago.Reflects the West Town Belt Master Plan proposal for decreased traffic crossing the 'green belt' and links to the redevelopment of Boyes Park.	0	\$21,000
Waikato Museum - Manaakitanga and kaitiakitanga improvements - Beale Cottage	A fun city with lots to do	-	\$61,100	\$205,400	\$0	\$0	\$266,500	<ul style="list-style-type: none">This work continues to improve the Beale Cottage site building on the restoration work completed in LTP21-31.	0	\$256,000
Waikato Museum - Profile and Connections to Waikato Awa	A fun city with lots to do	-	\$0	\$1,365,000	\$0	\$2,652,000	\$4,017,000	<ul style="list-style-type: none">This project enhances the connections between Waikato Museum and the Waikato Awa through paths and signage.There may be interdependencies with other HCC infrastructure projects.	0	\$0
Waikato Museum - Visitor Experience Manaakitanga	A fun city with lots to do	-	\$0	\$4,095,000	\$0	\$0	\$4,095,000	<ul style="list-style-type: none">Investment to enable new exhibitions and related infrastructure as well as opportunities for revenue generation.	0	\$520,000

*Legend for Link to Our Climate Future
Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
"-" -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes
Stage 1 Proactive Water Supply project removed (from Recommend)
1. Water Supply Proactive Intensification (Central City), 2. Transport Network – Proactive Upgrades for Intensification, and 3. Wastewater network – Proactive Upgrades for Intensification – all moved from Recommend to Base

2024-34 LONG-TERM PLAN – CITY WIDE COMMUNITY PROGRAMME - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Animal Control - Kennel Block Extension	A city where our people thrive	-	\$390,000	\$260,000	\$0	\$0	\$650,000	<ul style="list-style-type: none">To build additional kennels to meet growth in dog numbers and reduce co-housing of dogs.This will maintain the current level of service in the face of growing dog numbers.	0	\$484,500
Community-Wide Security Risk Assessment Responses	A city where our people thrive	N/A	\$13,000	\$39,000	\$0	\$0	\$52,000	<ul style="list-style-type: none">This will help address outstanding security risk recommendations made for Customer and Community Group sites.	0	\$0
Hamilton Park Cemetery Burial and Ash Lawn Development Programme	A fun city with lots to do	-	\$1,293,000	\$1,305,600	\$179,200	\$3,097,600	\$5,875,400	<ul style="list-style-type: none">Continued development of Hamilton Park Cemetery to meet legislative requirements.This includes roading access, interment, and lawn developments.	0	\$0
Nature in the City Portfolio Programme - Delivery Projects	A fun city with lots to do	Outcome 3 - Resilience	\$1,440,400	\$1,040,000	\$1,700,400	\$23,540,400	\$27,721,200	<ul style="list-style-type: none">This slowed programme will enable ecological restoration and path/access track development at priority sites/habitats within Hamilton City. Priority sites include Mangaiti Gully, Kirikiriroa Gully, Mangaonua Gully, Minogue Park (Lake Rotokaeo).The objective of this programme is to contribute to achieving the minimum 10% native vegetation cover required in the city to ensure that ecosystems are sustainable over time.	0	\$4,125,000
Play Spaces Programme	A fun city with lots to do	Outcome 3 - Resilience	\$1,601,600	\$2,837,900	\$1,129,700	\$10,611,900	\$16,181,100	<ul style="list-style-type: none">Continued development of play spaces in line with strategies.Allowance for retro-fitting additional shade structures aligned with renewals programme (renewals programme does not include this service level increase).	0	\$1,363,000
Public Art Support Fund	A fun city with lots to do	N/A	\$34,100	\$34,100	\$34,100	\$238,700	\$341,000	<ul style="list-style-type: none">This is an ongoing fund to support the development of public art. This fund ensures that the public art provided by external parties is at an appropriate standard for the community.	0	\$170,000
Sports Parks Improvements Programme A	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$700,700	\$700,700	\$700,700	\$9,100,000	\$11,202,100	<ul style="list-style-type: none">This reduced programme would require prioritisation of the wider programme to identify deliverable priority projects.The evolving trends in sport and recreation needs, and increasing user expectations require investment to meet the communities' needs and expectations.	0	\$2,990,000
Te Kaaroro Futureproofing and Revenue Generation Programme - Part A	A fun city with lots to do	-	\$0	\$0	\$0	\$2,200,800	\$2,200,800	<ul style="list-style-type: none">Budget of \$2m in Recommended programme for land acquisition which will be a candidate acquisition for new Strategic Property budget.	0	\$441,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">This budget is to develop the land for carparking and to secure the perimeter of the zoo to provide a variety of revenue and animal welfare services.		
Visitor Destinations - Connected web presence and online customer channels	A fun city with lots to do	N/A	\$416,000	\$0	\$0	\$0	\$416,000	<ul style="list-style-type: none">Development of a cohesive, fit-for-purpose modern website that will enable the Visitor Destinations to take online payments to maximise bookings and simplify revenue generation.	0	\$0
Waiwhakareke Nature Conservation Development Programme	A fun city with lots to do	Outcome 3 - Resilience	\$2,200,000	\$0	\$660,000	\$0	\$2,860,000	<ul style="list-style-type: none">Continued development of the Waiwhakareke Natural Heritage Park.Year 1 includes the development of the predator proof fence (offset by external revenue). Year 2 develops soft-release aviaries and habitat needs required to introduce native species to the park. Year 3 includes site development including path networks.	77	\$1,811,000
Hamilton Gardens - Amenity, Access, and Visitor Experience Initiatives	A fun city with lots to do	-	\$1,960,000	\$520,000	\$260,000	\$4,826,000	\$7,566,000	<ul style="list-style-type: none">Ongoing development of the Hamilton Gardens.Initial focus on amenities to meet the needs of visitor numbers at present such as toilets for visitors as well as garden development.Continued site and enclosed garden development in later years.	22	\$590,000
Community Library Hub (Hillcrest) - Programme A	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$0	\$0	\$11,700,000	\$11,700,000	<ul style="list-style-type: none">The overall programme implements the Libraries Strategy through transition to hub operational models like Te Kete Aronui.This is the development of Hillcrest Library into a Community Hub model using the existing block of shops adjacent.This will support the growing southern communities with traditional library access as well as modern community needs including hireable community rooms and makerspace.	0	\$3,191,000
Community Facilities Improvements - Pukete Neighbourhood House	A fun city with lots to do	Outcome 3 - Resilience	\$3,030,300	\$0	\$0	\$0	\$3,030,300	<ul style="list-style-type: none">Construction of fit for purpose community facility to serve north west via Pukete Neighbourhood House.	0	\$333,000
Lake Domain Water Quality Improvements Infrastructure	A fun city with lots to do	Outcome 3 - Resilience	\$600,000	\$0	\$0	\$0	\$600,000	<ul style="list-style-type: none">Installation of monitoring equipment to enable water quality improvements programme	0	\$270,000
West Town Belt Implementation - Boyes Park Redevelopment	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$1,300,000	\$0	\$0	\$0	\$1,300,000	<ul style="list-style-type: none">Phase 1 of the redevelopment of Boyes Park.	0	\$36,000
Not included in proposed budget - Recommended										
Community Facilities Improvements - Glenview Community Hub (Centre + Library)	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$0	\$0	\$23,400,000	\$23,400,000	<ul style="list-style-type: none">This project provides a community hub and community centre in Glenview based on the hub model of Te Kete Aronui. This will contribute towards strategic outcomes and support the growing southern communities.A location is not yet identified and there are various options to be explored in relation to the existing Glenview Library site.	0	\$2,050,000
Community Facilities Improvements	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$2,730,000	\$12,129,000	\$15,598,700	\$72,280,000	\$102,737,700	<ul style="list-style-type: none">Improve the provision and quality of community facilities with a focus on a network of community centres across the City to enhance community wellbeing.Having a network of modern fit-for-purpose community centres is critical infrastructure to build healthier, resilient communities. The aim is	0	\$723,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								to achieve spaces where our people feel welcome, valued and proud. <ul style="list-style-type: none">Key projects are Enderley / Te Papanui, as well as Celebrating Age Centre, Flagstaff Club and Porritt Stadium.		
Community Library Hub Development Programme B	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$0	\$650,000	\$5,200,000	\$0	\$5,850,000	<ul style="list-style-type: none">Continuation of the strategic community library hub model transition programme.This project focuses on the Central library and aligns with the façade renewals work (weather-tightness) to increase the community hub elements available to the existing footprint through efficiencies.	0	\$70,000
Destination Park Improvements Programme - West Town Belt	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$2,068,300	\$2,655,900	\$2,410,200	\$1,411,800	\$8,546,200	<ul style="list-style-type: none">This programme continues bringing to life the West Town Belt Masterplan.Continuation of development of the West Town Belt started in the current LTP, including subsequent redevelopment phases for Boyes and Hinemoa Parks.	0	\$826,000
Hamilton Gardens - Improving and Future-proofing Visitor Access, Traffic Management, and Parking Capacity - Part A	A fun city with lots to do	-	\$518,700	\$1,570,400	\$205,400	\$0	\$2,294,500	<ul style="list-style-type: none">Critical to a world class destination, Hamilton Gardens' traffic management infrastructure requires investment.This portion of the comprehensive programme addresses the immediate solutions available by optimising existing carpark footprints.	0	\$53,000
Hamilton Park Cemetery Land Acquisition	A fun city with lots to do	N/A	\$0	\$0	\$0	\$5,500,000	\$5,500,000	<ul style="list-style-type: none">Funding to enable acquisition of land for future development in line with legislative requirements.Will be considered as part of Strategic Land Purchase.	0	\$0
Parks Waste Management Improvements	A fun city with lots to do	Outcome 1 - Reducing emissions	\$89,000	\$182,000	\$225,000	\$665,000	\$1,161,000	<ul style="list-style-type: none">This programme aims to deliver on sustainability outcomes from Our Climate Future and the Open Spaces Strategy.By improving the management of waste across the city's parks litter and landfill contributions could be reduced as well as improving water quality. This will assist in achieving environmental sustainability goals and efficiencies for waste management.	0	\$233,000
Public Toilet Improvements	A fun city with lots to do	-	\$915,200	\$358,800	\$847,600	\$3,150,680	\$5,272,280	<ul style="list-style-type: none">Making sure that the public toilets around Hamilton are safe, accessible, and strategically located to meet the needs of the public. The programme will make improvements to the network to provide fit-for-purpose, modern public facilities that met the expectations of our communities.	0	\$1,081,000
Sports Parks Improvements Programme B	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$1,656,200	\$5,735,600	\$2,813,200	\$10,855,000	\$21,060,000	<ul style="list-style-type: none">This comprehensive programme to improve sports park facilities across the city. Improvements will address access/provision network, quality, and capacity to meet population growth needs.The evolving trends in sport and recreation needs, and increasing user expectations require investment to meet the communities' needs and expectations.Works would include continuation of existing programmes such as field drainage, floodlighting	0	\$4,527,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								and changing room modernisation. Also included is sand capping, artificial turfs, and carpark and security upgrades.		
Te Kaaroro Futureproofing and Revenue Generation Programme - Part A	A fun city with lots to do	-	\$2,000,400	\$0	\$0	\$0	\$2,000,400	• This project is for land purchase but should be considered as part of the Strategic Land Purchase Programme.	0	\$567,000
Not included in proposed budget - Consider										
Aquatics - Visitor Experience Improvements	A city that's easy to live in	Outcome 3 - Resilience	\$0	\$0	\$0	\$21,429,200	\$21,429,200	• Programme of works focused on delivering Aquatics Strategy by improving the visitor experience at Waterworld and Gallagher Aquatic Centre. • The outcomes aim to achieve inclusivity and accessibility of the sites through projects which improve reach to sectors of community, enable more visitors to access features, and encourage and educate about safe water play.	0	\$760,000
Destination Park Improvements Programme	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$2,263,300	\$448,500	\$4,091,100	\$2,099,500	\$8,902,400	• Continued implementation of the Play Strategy outcomes by increasing the level of service at five of our destination parks (Taitua Arboretum, Hamilton Lake Domain, Minogue Park, Claudelands, Memorial Park) through a range of improvements. The proposed improvements will help enhance our destination parks as premium attractions for residents, visitors and tourists.	0	\$818,000
Enclosed Gardens Visitor Safety and Security Infrastructure	A fun city with lots to do	N/A	\$1,352,000	\$1,300,000	\$0	\$0	\$2,652,000	• Programme of works vital to safeguarding staff and public within the enclosed gardens. The projects implement independent Security Risk Assessment recommendations - CCTV, PA, and Emergency Exits. A WorkSafe investigation is likely if an incident occurred.	0	\$1,277,000
Hamilton Gardens - Improving and Future-proofing Visitor Access, Traffic Management, and Parking Capacity - Part B	A fun city with lots to do	-	\$0	\$0	\$2,574,000	\$19,310,200	\$21,884,200	• Phased implementation of longer term car parking and visitor connections solutions to improve traffic management and access in line with a world class destination.	0	\$146,000
Hamilton Gardens - Integrated Audio Visual Solution in the Pavilion	A fun city with lots to do	N/A	\$650,000	\$0	\$0	\$0	\$650,000	• This project would enable the updated Pavilion to deliver on revenue potential as a modern hireable venue.	0	\$60,000
Hamilton Zoo Maintaining Levels of Service for Increased Visitation	A fun city with lots to do	-	\$1,200,000	\$2,400,000	\$3,600,000	\$15,600,000	\$22,800,000	• This programme is key to the revitalisation of the Zoo. It looks to complete necessary Zoo improvements that will meet and maintain level of service in light of visitor growth. These improvements would include animal exhibits, visitor hubs and amenities, site assets and infrastructure. • Early years focus on visitor experience fundamentals such as toilets and visitor safety.	0	\$2,205,000
Land to Park Development	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods Outcome 3 - Resilience	\$504,000	\$866,000	\$912,200	\$0	\$2,282,200	• Developing purchased land into usable parks, so we can contribute to decreasing the shortfall hours there are for demand vs capacity for sports parks. Also increasing our capacity of all other types of parks. We are proposing to develop four land areas into bookable sports park spaces.	0	\$1,775,000
Neighbourhood Parks Improvement Programme	A fun city with lots to do	Outcome 2 - Low-carbon neighbourhoods	\$72,800	\$65,000	\$416,000	\$1,424,800	\$1,978,600	• Programme of improvements to several neighbourhood parks by developing new and improved footpaths to enable increased	0	\$227,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								movement across the city through sustainable transport options. This programme also provides for new signage aligned with other works that will provide better information and education around activities on Council's parks.		
Te Kaaroro Futureproofing and Revenue Generation Programme - Part B	A fun city with lots to do	-	\$0	\$0	\$0	\$13,200,000	\$13,200,000	<ul style="list-style-type: none">This programme looks at future proofing Te Kaaroro Nature Precinct, enhancing its visitor experience and creating revenue generating opportunities.Part B focuses on additional land purchases surrounding the perimeter and development to enable complementary visitor offerings, conservation programmes (animal breeding facilities), compliance (quarantine) and animal welfare.	0	\$2,270,000
Verandah Cafe Building Improvements	A fun city with lots to do	-	\$182,000	\$1,820,000	\$0	\$0	\$2,002,000	<ul style="list-style-type: none">Redevelopment of the current building to ensure that it is fit for purpose by providing additional storage capacity, office space, staff facilities (including toilet, shower and staff room) along with improved safety and security measures.	0	\$43,000
Water Safety Infrastructure Improvements	A fun city with lots to do	Outcome 3 - Resilience	\$432,770	\$950,950	\$0	\$0	\$1,383,720	<ul style="list-style-type: none">This builds on the recent pilot project to improve water safety for recreational activities along the Waikato River.This will include improving hazard and safety signage to meet NZ standards, improvements to water bound infrastructure to ensure it is safe to use.	0	\$137,500
Not included in proposed budget - Unfunded										
Aquatics - Future Network Provision of Pools	A city that's easy to live in	Outcome 3 - Resilience	\$0	\$0	\$0	\$19,500,000	\$19,500,000	<ul style="list-style-type: none">This programme seeks to deliver on the strategic direction and recent needs assessment.Works include additional pools at Waterworld (25m and training zone) and Gallagher Aquatic Centre (leisure, hydrotherapy, spa/sauna, and gym).	0	\$0
Hamilton Gardens - Amenity, Safety, Access, and Visitor Experience Initiatives - Part C	A fun city with lots to do	N/A	\$0	\$0	\$185,900	\$0	\$185,900	<ul style="list-style-type: none">This phase of the programme seeks to improve access to the Mansfield Garden tennis court which could have revenue generation benefits for the booking potential of the Summer House and Court.	0	\$0
iSite Capacity & Location	A fun city with lots to do	N/A	\$250,000	\$0	\$0	\$0	\$250,000	<ul style="list-style-type: none">This funding would preserve the opportunity to create an Enhanced iSITE location as part of the Visitor Network's (VIN) Future Network Strategy and/or fund the relocation of iSITE.	0	\$314,000
Libraries - Inclusivity & Equitable Offering Programme	A city that's easy to live in	Outcome 2 - Low-carbon neighbourhoods	\$143,000	\$1,144,000	\$201,500	\$97,500	\$1,586,000	<ul style="list-style-type: none">This programme implements the strategic direction including reflecting our communities and extending the reach of library services.Works include community outreach network to enable library access in suburbs between libraries, e.g. Enderley, technology for library information and education, and accessibility elements.	0	\$446,500
Station Master's House - Conservation Work	A fun city with lots to do	-	\$58,500	\$561,600	\$0	\$0	\$620,100	<ul style="list-style-type: none">This funding would build on the renewal funding to undertake conservation work for the Station Master's House. Risk of losing a historic building if the condition drops to a level that makes salvaging the building impossible.	0	\$25,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">It does not include funding for relocation of the building.		
Te Kaaroro - Nature Precinct - Stage 3 Function centre	A fun city with lots to do	-	\$0	\$0	\$0	\$7,560,000	\$7,560,000	<ul style="list-style-type: none">Build a new function and education centre with toilets, outdoor space, providing for overnight education stays, kitchen/staff area complete with landscaping.The overall programme outcome is to enhance the biodiversity and green infrastructure of the Te Kaaroro. Offers an attractive hub to the community and visitors to gather and enjoy. It enables further business opportunities through new experiences and events, enhances education offerings and contributes to the city's tourism portfolio and broader economic growth.	0	\$720,000
Visitor Destinations - Branding Strategy	A fun city with lots to do.	N/A	\$0	\$104,000	\$0	\$0	\$104,000	<ul style="list-style-type: none">A cohesive rebranding of Waikato Museum to update and appeal to a wider range of communities.	0	\$0

*Legend for Link to Our Climate Future
Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
"- " -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes
1. Waiwhakareke Nature Conservation Development Programme and 2. Hamilton Gardens – Amenity, Safety, Access and Visitor Experience – budget changes, rephased and revenue shown (as percentage)

2024-34 LONG-TERM PLAN – CITY WIDE TRANSPORT PROGRAMME - only includes first two years of Three Waters funding

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The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Hamilton Transport model	A city that's easy to live in	Outcome 1 – Emissions reduction	\$600,000	\$0	\$0	\$600,000	\$1,200,000	<ul style="list-style-type: none">The HTM is a meso transport model of the Hamilton city extents supported by the Waikato Regional Transport Model (WRTM) business case. The HTM is a jointly funded model with a multi-party funding agreement (MPFA) with HCC, Waka Kotahi and Waikato regional council. HCC is the lead funder with cost share being recovered by partners and attracts a subsidy. These funds are to build the model.	51	\$500,000
Northern River Crossing Designation	A city that's easy to live in	-	\$0	\$0	\$0	\$4,686,000	\$4,686,000	<ul style="list-style-type: none">This designation will provide the footprint for a future strategic transport and utilities connection between Koura Drive to Resolution drive linking the Te Rapa growth cell through the HT1 growth cell to Rototuna.With growth in Rototuna and the Waikato Expressway connections, Wairere Drive and the Pukete Bridge will reach capacity. This future corridor will provide additional capacity.	51	\$0
Parking Management	A city that's easy to live in	Outcome 1 – Emissions reduction	\$190,500	\$138,750	\$85,575	\$297,975	\$712,800	<ul style="list-style-type: none">To improve parking compliance related capability as improvements such as bus and transit lanes are rolled out.Includes license plate recognition cameras.	0	\$426,560
Transport Network Upgrade associated with Development	A city that's easy to live in	-	\$262,500	\$262,500	\$1,512,500	\$4,337,500	\$6,375,000	<ul style="list-style-type: none">Funding to address gaps in the network adjacent to new developments e.g. extension of footpaths, kerb and channel, or street lighting.	0	\$75,000
Waikato Regional Traffic Model (WRTM)	A city that's easy to live in	Outcome 1 – Emissions reduction	\$168,000	\$336,000	\$0	\$60,000	\$564,000	<ul style="list-style-type: none">The WRTM is a strategic transport model that encompasses the wider Waikato Region. It is necessary to reflect the growth and network changes for all TLAs so we can assess the effects on the transport network when changes such as new developments and upgrades to the existing transport network are made.This funding is the HCC share to rebuild and update the model onto a new platform.HCC is a partner in a multi-party funding agreement (MPFA) with a consortium of TLAs with model managed by CoLab.	0	\$500,000
Morrinsville Road Revocation – Fit for Purpose Improvements	A city that's easy to live in	-	\$8,000,000	\$3,200,000	\$0	\$0	\$11,200,000	<ul style="list-style-type: none">To deliver a programme of fit for purpose work resulting from the revocation of the state highway status of Morrisville Road. 100% of the funding for the work is from Waka Kotahi.	100	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Bus Rapid Transit Business Cases	A city that's easy to live in	Outcome 1 – Emissions reduction	\$1,132,500	\$1,132,500	\$1,283,500	\$4,967,000	\$8,515,500	<ul style="list-style-type: none">Continuation of business case investigations (indicative / detailed design) into core bus rapid transit corridors (north, east, south).This project will be jointly funded with Council’s share approximately 20% of cost.	76	\$4,000
452 Eastern Pathways - CBD to Uni (Clyde St to CBD)	A city that's easy to live in	Outcome 1 – Emissions reduction	\$0	\$0	\$2,750,000	\$3,850,000	\$6,600,000	<ul style="list-style-type: none">To deliver an improved transport corridor for active modes and public transport as per the Central City to Uni Link Business Case for the first stage of the route between Clyde Street and the CBD primarily new active modes bridge connections.To deliver improved walking connectionsTo deliver a strategic biking and micromobility route as per the Biking and Micromobility Business Case.	0	\$90,000
Low Cost Low Risk - Local Roads – Programme A	A city that's easy to live in	Outcome 1 – Emissions reduction	\$1,500,000	\$1,500,000	\$1,500,000	\$10,500,000	\$15,000,000	<ul style="list-style-type: none">To deliver a programme of low-cost projects to improve the levels of service for existing local roads. including ITS advanced traffic management systems, stormwater management, guardrail improvements, street lighting improvements, minor improvements in conjunction with kerb and channel renewals, minor bridge improvements and a cycle bridge at Kirikiriroa Stream.	51	\$845,628
Low Cost Low Risk - Public Transport Improvements – Programme A	A city that's easy to live in	Outcome 1 – Emissions reduction	\$750,000	\$750,000	\$750,000	\$5,250,000	\$7,500,000	<ul style="list-style-type: none">To deliver minor bus stop infrastructure improvements such as accessible kerbs and concrete pads for bus patrons to stand on when waiting for a bus.To deliver new bus shelters across the city in high demand areas.	51	\$420,573
Low Cost Low Risk - Road to Zero – Programme A	A city that's easy to live in	Outcome 1 – Emissions reduction	\$5,000,000	\$5,000,000	\$5,000,000	\$35,000,000	\$50,000,000	<ul style="list-style-type: none">To deliver a programme of safety intervention projects across the city to reduce the trauma and harm from road crashes. Sites have been agreed with Waka Kotahi NZ Transport Agency based on crash risk.	51	\$3,861,540
Low Cost Low Risk - Walking – Programme A	A city that's easy to live in	Outcome 1 – Emissions reduction	\$2,000,000	\$2,000,000	\$2,000,000	\$14,000,000	\$20,000,000	<ul style="list-style-type: none">To deliver a programme of projects across the city to support walking, safe crossings especially outside schools and shops to improve connectivity and accessibility.	51	\$1,121,528
452 Eastern Pathways - School Link (Te Aroha St, Ruakura Rd)	A city that's easy to live in	Outcome 1 – Emissions reduction	\$11,000,000	\$14,000,330	\$2,400,000	\$0	\$27,400,330	<ul style="list-style-type: none">To deliver an improved transport corridor for active modes and public transport as per the School Link Business Case.To deliver public transport infrastructure to support public transport services as per the Regional Public Transport Plan.To deliver improved walking connections.To deliver a strategic biking and micromobility route as per the Biking and Micromobility Business Case.To deliver safety improvements along the corridor and at intersections.	51	\$512,329
452 Biking and Micromobility Strategic Routes – Programme A	A city that's easy to live in	Outcome 1 – Emissions reduction	\$4,000,000	\$4,000,000	\$4,000,000	\$28,000,000	\$40,000,000	<ul style="list-style-type: none">To deliver strategic biking and micromobility projects on strategic biking routes as per the Biking and Micromobility Business Case.	51	\$231,653

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
LCLR - PT Improvements - High Frequency Routes - Strategic	A city that's easy to live in	Outcome 1 - Emissions reduction	\$4,000,000	\$4,000,000	\$4,000,000	\$28,000,000	\$40,000,000	<ul style="list-style-type: none">To deliver public transport infrastructure projects to support high frequency public transport services (Comet, Meteor, Rototuna & Hospital) as per the Regional Public Transport Plan.	51	\$648,000
Not included in proposed budget - Recommended										
Sump Filter Stormwater Compliance Programme	A city that's easy to live in	Outcome 3 - Resilience	\$250,000	\$250,000	\$250,000	\$3,012,100	\$3,762,100	<ul style="list-style-type: none">For the installation of filter pods in existing catchpits (sumps) to improve cleaning of stormwater prior to it entering water courses and the river. Required to ensure we met our water discharge consent requirements.	0	\$1,780,000
452 Eastern Pathways - CBD to Uni (Clyde St to CBD) B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$5,300,000	\$10,000,000	\$17,800,000	\$33,100,000	<ul style="list-style-type: none">To deliver an improved transport corridor for active modes and public transport as per the Central City to Uni Link Business Case.To deliver public transport infrastructure to support high frequency public transport services as per the Regional Public Transport Plan.To deliver improved walking connectionsTo deliver a strategic biking and micromobility route as per the Biking and Micromobility Business Case.To deliver safety improvements along the corridor and at intersections.	51	\$315,000
Low Cost Low Risk - Local Roads - Programme B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$500,000	\$500,000	\$500,000	\$3,500,000	\$5,000,000	<ul style="list-style-type: none">To deliver a programme of low-cost projects to improve the levels of service for existing local roads.Subject to funding including Waka Kotahi subsidy.	51	\$282,128
LCLR - Public Transport Improvements - Programme B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$250,000	\$250,000	\$250,000	\$1,750,000	\$2,500,000	<ul style="list-style-type: none">To deliver minor bus stop infrastructure improvements such as accessible kerbs and concrete pads for bus patrons to stand on when waiting for a bus. .To deliver new bus shelters across the city in high demand areas.Subject to funding including Waka Kotahi subsidy.	51	\$140,191
Low Cost Low Risk - Road to Zero - Programme B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$2,320,000	\$2,225,000	\$5,387,000	\$21,000,000	\$30,932,000	<ul style="list-style-type: none">To deliver a programme of safety intervention projects across the city to reduce the trauma and harm from road crashes.Subject to funding including Waka Kotahi subsidy. Sites have been agreed with Waka Kotahi NZ Transport Agency based on crash risk.	51	\$2,134,740
Low Cost Low Risk - Walking - Programme B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$2,960,000	\$2,700,000	\$2,000,000	\$14,000,000	\$21,660,000	<ul style="list-style-type: none">To deliver a programme of projects across the city to support walking, safe crossings especially outside schools and shops to improve connectivity and accessibility.Subject to funding including Waka Kotahi subsidy.	51	\$1,282,007
Biking and Micromobility Strategic Routes - Programme B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$6,300,000	\$5,700,000	\$0	\$12,000,000	<ul style="list-style-type: none">To deliver strategic biking and micromobility projects on strategic biking routes as per the Biking and Micromobility Business Case.Subject to funding including Waka Kotahi subsidy	51	\$102,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Not included in proposed budget - Consider										
Bridge Improvements	A city that's easy to live in	-	\$3,000,000	\$3,000,000	\$3,000,000	\$6,000,000	\$15,000,000	• Seismic improvements to various bridges as identified in bridge structural inspections.	51	\$43,750
Low Cost Low Risk - Walking and Cycling - Biking End of Trip Facilities	A city that's easy to live in	Outcome 1 - Emissions reduction	\$1,140,000	\$625,000	\$362,500	\$1,662,500	\$3,790,000	• To deliver end of trip secure parking facilities for biking and scootering as per the Biking & Micromobility Business Case.	51	\$21,858
Major Intersection Improvements	A city that's easy to live in	Outcome 1 - Emissions reduction	\$700,000	\$6,300,000	\$7,100,000	\$57,050,000	\$71,150,000	• To deliver a programme of major of intersection upgrades (beyond the \$2m threshold of the Low Cost Low Risk programme) to improve safety, walking and cycling connections, and reduce the trauma and harm from road crashes.	51	\$1,002,000
Morrinsville Road 7003.0 Arterial Upgrade Designation	A city that's easy to live in	-	\$750,000	\$750,000	\$0	\$0	\$1,500,000	• Morrinsville Road (SH26) will soon have its State Highway status was revoked and subsequently be vested to HCC by Waka Kotahi in 2024. • This project includes the designation of the road to plan and protect for the arterial function of the road.	0	\$0
RT1 - Comet B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$74,080,000	\$74,080,000	• Work to enable increased frequency of bus services along strategic routes. Leads into full Bus Rapid Transit implementation.	51	\$1,066,234
RT2 - Meteor B	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$49,580,000	\$49,580,000	• Work to enable increased frequency of bus services along strategic routes. Leads into full Bus Rapid Transit implementation.	51	\$3,355,466
Low Cost Low Risk - Cycling - Biking and Micromobility Strategic Routes	A city that's easy to live in	Outcome 1 - Emissions reduction	\$4,153,000	\$11,300,000	\$10,700,000	\$35,000,000	\$61,153,000	• This is a programme of works to improve biking and micromobility infrastructure connections across the city valued at less than \$2m per site. • Projects include new cycling infrastructure to fill gaps in the network, pedestrian/cycle crossing upgrades, bike parks, and bike wayfinding signage as per the Biking and Micromobility Business Case. • The projects will be agreed with Council on an annual basis.	51	\$2,403,535
Not included in proposed budget - Unfunded										
Active Modes River Crossing - St. Andrews	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$350,000	\$101,000,000	\$101,350,000	• To deliver a new standalone active modes bridge as per the Biking and Micromobility Business Case.	0	\$24,000
Cross city connector - mid Whitiara to Heaphy	A city that's easy to live in	-	\$0	\$0	\$0	\$36,895,200	\$36,895,200	• For land purchase, design and construction of the cross-city corridor, post designation, Boundary Road section, from east of Whitiara bridge to Heaphy Terrace	0	\$0
Cross city connector - Ulster to Greenwood	A city that's easy to live in	-	\$0	\$0	\$0	\$5,594,400	\$5,594,400	• For design and construction of the cross-city corridor, Mill Street and Hall street sections, from Ulster Street to Greenwood Street. • This is part of program of an improvement program providing safer access for alternative modes.	0	\$0
Cross city connector - Whitiara Bridge	A city that's easy to live in	-	\$0	\$0	\$0	\$21,921,000	\$21,921,000	• For land purchase, design and construction of the cross-city corridor, post designation, Boundary Road section, from Ulster Street to the eastern side of the Whitiara Bridge	0	\$0
Cross City Connector Designation - Ulster to Wairere	A city that's easy to live in	-	\$0	\$0	\$0	\$2,250,000	\$2,250,000	• Designation for the Ulster Street to Wairere drive component of the Cross City Connector Corridor to provide the strategic transport and	51	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								utilities connection for a East-West across the city.		
Morrinsville Road 7003.1 Arterial Urban Upgrade	A city that's easy to live in	-	\$0	\$0	\$0	\$8,977,200	\$8,977,200	<ul style="list-style-type: none">This project is for land purchase, design and construction, post designation to upgrade of a portion of the Morrinsville road corridor to urban standards.	0	\$5,000
Morrinsville Road 7003.2 Arterial Urban Upgrade	A city that's easy to live in	-	\$0	\$0	\$0	\$9,456,000	\$9,456,000	<ul style="list-style-type: none">This project is for land purchase, design and construction, post designation to upgrade of a portion of the Morrinsville road corridor to urban standards.	0	\$5,000
Nature in the City - Transport Network	A city that's easy to live in	Outcome 3 - Resilience	\$400,000	\$400,000	\$400,000	\$2,800,000	\$4,000,000	<ul style="list-style-type: none">To replace trees which are removed because they have caused footpath damage. More appropriate species are planted following the footpath replacement work completion. This aligns with the intention of the Nature in the City programme.	0	\$0
Northern River crossing stage 1	A city that's easy to live in	-	\$0	\$0	\$0	\$54,786,000	\$54,786,000	<ul style="list-style-type: none">Post the designation of the Northern River crossing between Koura Drive to Resolution driveThis is the first stage of land purchase, design and construction the extents between Koura Drive to Te Rapa road within the Te Rapa growth cell	51	\$40,000
Northern River crossing stage 2	A city that's easy to live in	-	\$0	\$0	\$0	\$63,477,600	\$63,477,600	<ul style="list-style-type: none">Post the designation of the Northern River crossing between Koura Drive to Resolution driveThis is the second stage of land purchase, design and construction the extents between Te Rapa road and new Waikato river crossing to River Road.	51	\$0
Orbiter Improvements	A city that's easy to live in	Outcome 1 - Emissions reduction	\$490,000	\$2,600,000	\$2,300,000	\$21,135,000	\$26,525,000	<ul style="list-style-type: none">To deliver public transport infrastructure projects to support the high frequency Orbiter service as per the Regional Public Transport Plan.	51	\$1,301,625
PT Hub Improvements	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$2,200,000	\$6,600,000	\$8,800,000	<ul style="list-style-type: none">To deliver public transport hub improvements to support public transport services as per the Regional Public Transport Plan.Hubs to include bus charging and driver rest facilities.	51	\$370,000
Te Rapa Urban Upgrade + 4 Laning Road 6000.1	A city that's easy to live in	-	\$0	\$0	\$0	\$8,836,800	\$8,836,800	<ul style="list-style-type: none">This project is to urbanise the extents of Te Rapa Road from Church Road to Ruffell Road including 4 laning the corridor.This is to provide capacity, safety and network improvements to support growth in Te Rapa.	0	\$0
Te Rapa Urban Upgrade + 4 Laning Road 6000.2	A city that's easy to live in	-	\$0	\$0	\$0	\$556,800	\$556,800	<ul style="list-style-type: none">This project is to urbanise the extents of Te Rapa Road from Ruffell Road to Hutchinson Road including 4 laning the corridor.This is to provide capacity, safety and network improvements to support growth in Te Rapa.	0	\$0
Transport Centre Improvements	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$22,000,000	\$22,000,000	<ul style="list-style-type: none">To deliver improvements to support public transport services at the Hamilton Transport Centre.	51	\$1,597,050
Wairere Dr 4 Laning - Arthur Porter to Te Rapa	A city that's easy to live in	-	\$0	\$0	\$0	\$14,758,800	\$14,758,800	<ul style="list-style-type: none">4 laning of the section of Wairere Drive from Arthur Porter Drive to Te Rapa Road.Project includes design and construction improvement of the rail overbridge, adding	0	\$20,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								additional lanes to the current corridor providing capacity and opportunities for T2/bus lanes and improving walking and cycling.		
Wairere Dr 4 Laning - Hukanui to Gordonton	A city that's easy to live in	-	\$0	\$0	\$0	\$16,593,600	\$16,593,600	<ul style="list-style-type: none">4 laning of the section of Wairere Drive from Hukanui Road to Gordonton Road.Project includes Land, design and construction improvement to intersections, adding additional lanes to the current corridor providing capacity and opportunities for T2/bus lanes.	0	\$0
Wairere Dr 4 Laning - Resolution to Hukanui	A city that's easy to live in	-	\$0	\$0	\$0	\$15,640,800	\$15,640,800	<ul style="list-style-type: none">4 laning of the section of Wairere Drive from Resolution Drive to Hukanui Road.Project includes Land design and construction improvement to intersections, adding additional lanes to the current corridor providing capacity and opportunities for T2/bus lanes.	0	\$58,000
Wairere Dr 4 Laning - Ruakura to Cambridge	A city that's easy to live in	-	\$0	\$0	\$0	\$12,994,200	\$12,994,200	<ul style="list-style-type: none">4 laning of the section of Wairere Drive from Ruakura Road to Cambridge Drive.Project includes Land design and construction improvement to intersections, adding additional lanes to the current corridor providing capacity and opportunities for T2/bus lanes.	0	\$0
452 Eastern Pathways - CBD to Uni Link (Clyde to University section)	A city that's easy to live in	Outcome 1 – Emissions reduction	\$150,000	\$10,105,025	\$12,500,000	\$50,150,000	\$72,905,025	<ul style="list-style-type: none">To deliver an improved transport corridor for active modes and public transport as per the Central City to Uni Link Business Case.To deliver public transport infrastructure to support high frequency PT services as per the Regional Public Transport Plan.To deliver improved walking connectionsTo deliver a strategic biking and micromobility route as per the Biking & Micromobility Business Case.To deliver safety improvements along the corridor and at intersections.	51	\$576,269
452 Eastern Pathways - School Link - Hukanui Road & Peachgrove stage 2	A city that's easy to live in	Outcome 1 – Emissions reduction	\$999,900	\$999,900	\$20,854,900	\$136,368,980	\$159,223,680	<ul style="list-style-type: none">To deliver an improved transport corridor for active modes and public transport as per the School Link Business Case.To deliver public transport infrastructure to support PT services as per the Regional Public Transport Plan.To deliver improved walking connections.To deliver a strategic biking and micromobility route as per the Biking & Micromobility Business Case.To deliver safety improvements along the corridor and at intersections.	51	\$1,201,259
452 Biking and Micromobility Projects Citywide – Community Links	A city that's easy to live in	Outcome 1 – Emissions reduction	\$5,000,000	\$23,500,000	\$10,000,000	\$71,250,000	\$109,750,000	<ul style="list-style-type: none">To deliver community link biking and micromobility routes/projects as per the Biking and Micromobility Business Case.	51	\$795,431
Public Transport Interchanges	A city that's easy to live in	Outcome 1 – Emissions reduction	\$0	\$0	\$1,850,000	\$54,900,000	\$56,750,000	<ul style="list-style-type: none">To deliver public transport interchanges to support public transport services as per the Regional Public Transport Plan.Interchanges to include bus charging and driver rest facilities along with space for 6+ bus parking and waiting facilities for passengers.	51	\$2,677,350

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
MSP Bus Rapid Transit CBD - East	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$183,293,195	\$183,293,195	• Bus rapid transit infrastructure and land/property purchase (city centre to Ruakura).	51	\$0
MSP Bus Rapid Transit CBD - North - Anglesea to Vardon	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$24,699,019	\$163,193,920	\$187,892,939	• Bus rapid transit infrastructure and land/property purchase (city centre to Vardon).	51	\$80,000
MSP Bus Rapid Transit CBD - North - Vardon to Te Awa Lakes	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$192,622,103	\$192,622,103	• Bus rapid transit infrastructure and land/property purchase (Vardon northbound).	51	\$40,000
MSP Bus Rapid Transit CBD - South	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$66,334,508	\$66,334,508	• Bus rapid transit infrastructure and land/property purchase (city centre to airport).	51	\$0

*Legend for Link to Our Climate Future

- Outcome 1/2/3** - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
- "-"** -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
- N/A** - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes

- 1. Parking Management - moved from Recommend to Base
- 2. Transport Network Upgrade associated with Development - moved from Recommend to Base
- 3. 452 Eastern Pathways - School Link (Te Aroha St, Ruakura Rd) - budget change
- 4. Biking and Micromobility Strategic Routes - Programme A - budget change
- 5. LCLR - PT Improvements - High Frequency Routes Strategic - budget change
- 6. Transport Centre Rejuvenation Safety project removed

2024-34 LONG-TERM PLAN – CITY WIDE INFRASTRUCTURE PROGRAMME - only includes first two years of Three Waters funding

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Climate Change Impact*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Strategic Land Acquisition Fund (SLAF)	A city where our people thrive	Outcome 3 – Resilience	\$10,000,000	\$10,000,000	\$10,000,000	\$70,000,000	\$100,000,000	<ul style="list-style-type: none">Consolidated fund to undertake proactive land purchase across all activities.Needs to be considered in respect of other land purchase funding requests such as \$15,000,000 in the Rotokauri Programme to respond to designation obligations.Additional land for the cemetery.The fund could also purchase land within the city and hinterland to offset canopy and biodiversity loss resulting from urban intensification. Reports from the Parliamentary Commission for the Environment and in support of Plan Change 12 identify the current canopy deficit across the city between 12.5% (existing cover) and 30% (target cover).The fund will also need the Council to move swiftly to take advantage of existing market conditions. The land can then be developed at a profit in following years.	0	\$1,640,000
Subregional Wastewater Treatment Plant - Implementation	A green city	Outcome 3 – Resilience	\$4000,000	\$3,000,000	\$0	\$0	\$7,000,000	<ul style="list-style-type: none">The project is to deliver a new sub-regional Wastewater Treatment Plant to meet the current and future needs of areas south of Hamilton, and the southern parts of Hamilton city.Site selection investigations have commenced.This project, alongside the Pukete Wastewater Treatment Plant upgrade, is critical to the medium and long-term wastewater servicing of the Metro area.The southern plant is a key element of the approved Southern Metro Wastewater detailed business case, developed in partnership with Waikato District Council, Waipa District Council, Iwi and Manawhenua.Year 1 and 2 is to complete planning and design. A provision is included to secure land required for the Wastewater Treatment Plant or discharge.Year 3 – 5 to construct Stage 1 of the Waste Water Treatment Plant, the discharge, and to undertake environmental restoration works.Years 7 -8 to construct Stage 2 of the Wastewater Treatment Plant.	0	\$0

Project	Priority	Climate Change Impact*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Not included in proposed budget - Recommended										
Claudeland's Power Resilience	A city that's easy to live in	Outcome 3 - Resilience	\$100,000	\$500,000	\$0	\$0	\$600,000	<ul style="list-style-type: none">Project is to deliver appropriate power resilience to meet the needs of Claudeland's Event Centre in the event of a power failure.Some enabling solutions have been put in place, however a full venue review of critical use will determine the scope of work.This project forms part of resilience building for our business continuity planning, and is particularly important given the role Claudeland's plays in the event of a Civil Defence emergency.	0	\$0
Subregional Wastewater Treatment Plant - Land	A green city	Outcome 3 - Resilience	\$0	\$5,000,000	\$0	\$0	\$5,000,000	<ul style="list-style-type: none">The project is to deliver a new sub-regional Wastewater Treatment Plant to meet the current and future needs of areas south of Hamilton, and the southern parts of Hamilton city.Site selection investigations have commenced.This project, alongside the Puketā Wastewater Treatment Plant upgrade, is critical to the medium and long-term wastewater servicing of the Metro area.The southern plant is a key element of the approved Southern Metro Wastewater detailed business case, developed in partnership with Waikato District Council, Waipa District Council, Iwi and Manawhenua.Year 1 and 2 is to complete planning and design. A provision is included to secure land required for the Wastewater Treatment Plant or discharge.Year 3 - 5 to construct Stage 1 of the Waste Water Treatment Plant, the discharge, and to undertake environmental restoration works.Years 7 -8 to construct Stage 2 of the Wastewater Treatment Plant.	0	\$0
Not included in proposed budget - Consider										
Fleet EV Infrastructure	A city that's easy to live in	Outcome 1 - Emissions reduction	\$300,000	\$350,000	\$550,000	\$1,850,000	\$3,050,000	<ul style="list-style-type: none">This project is to install EV infrastructure for Council's fleet at Council facilities to support the High Level Roadmap emission reduction target of 44% by 2030.The addition of EV charging stations across our sites will support a transition away from internal combustion engines.It is not to install public EV infrastructure.	0	\$0
Fleet Growth	A city that's easy to live in	-	\$1,755,000	\$490,000	\$290,000	\$2,550,000	\$5,085,000	<ul style="list-style-type: none">Budget to reflect requests from the organisation to expand the fleet.To be balanced against the emissions reduction target.	0	\$3,568,250
Reconfiguration of Refuse Transfer Station	A green city	Outcome 1 - Emissions reduction	\$0	\$0	\$168,000	\$1,578,000	\$1,746,000	<ul style="list-style-type: none">The existing Lincoln Street transfer station needs to be reconfigured to optimise productivity and reduce health and safety issues.This will enable additional waste products to be separated and recovered as opposed to going	0	\$0

Project	Priority	Climate Change Impact*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								straight to landfill e.g. construction & demolition waste. <ul style="list-style-type: none">Will ensure consistency with the outcomes of the Waste Management and Minimisation Strategy, and the NZ Waste Strategy.		
Resource Recovery Park	A green city	Outcome 1 – Emissions reduction	\$150,000	\$7,600,000	\$7,500,000	\$0	\$15,250,000	<ul style="list-style-type: none">Council has obligations under its Waste Minimisation Plan to facilitate resource recovery and this project would be to either address a new site in the north of the city or a complete reconfiguration of the current Wickham Street Organic Centre to allow for a full construction and demolition material recovery.	0	\$657,000
Strategic Infrastructure Fund	A city that’s easy to live in	-	\$0	\$10,000,000	\$10,000,000	\$20,000,000	\$40,000,000	<ul style="list-style-type: none">This is a budget proposed by elected members to facilitate the delivery of affordable housing though incentivising infrastructure delivery cost which would normally be the responsibility of the developer.	0	\$100,000
Not included in proposed budget - Unfunded										
Municipal Building Options	A city that's easy to live in	-	\$0	\$0	\$0	\$1,000	\$1,000	<ul style="list-style-type: none">Holding to provide for possible LTP implications for the Municipal Building arising from the options investigation. The 2 primary outcomes are either (1) remain in the building or (2) exit the building. There are various sub-options under both outcomes - the most extreme being that HCC exits the whole building, disposes of the complex (possibly including the underground carpark) and buys or leases new premises in the CBD.The Municipal Building Options Analysis work is progressing. The outcome of this investigation will inform the LTP.	0	\$0

*Legend for Link to Our Climate Future
Outcome 1/2/3 – the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
“-” -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A – The project doesn’t have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes
Subregional Wastewater Treatment Plant split into two projects in Recommended – one for Implementation and one for Land. Both are HCC’s share of the project.

2024-34 LONG-TERM PLAN – CITY WIDE WATERS PROGRAMME - only includes first two years of Three Waters funding

Portfolio 4 19 November 2023

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget – Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Note that Council has only to consider 2024/25 and 2025/26 in this LTP based on current legislation.

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Stormwater										
Brownfield Stormwater Management - Residual Programme	A green city	Outcome 3 - Resilience	\$0	\$249,600	\$0	\$0	\$249,600	<ul style="list-style-type: none">Programme to deliver high priority brownfield stormwater quality improvements across the city.Supports compliance with Council's comprehensive stormwater discharge consent and Te Ture Whaimana.Programme assumes that catch-pit inserts (which are an important element in complying with our stormwater discharge consent obligations) will be funded through the Transport Programme.Years 1 and 2 are to resource and develop a delivery programme for implementation.	0	\$0
Chartwell - Catchment Erosion control	A green city	Outcome 3 - Resilience	\$249,600	\$0	\$0	\$0	\$249,600	<ul style="list-style-type: none">Programme to deliver localised stream erosion control works in the Chartwell catchment.Supports Te Ture Whaimana and compliance with Council's comprehensive stormwater discharge consent which requires erosion control.	0	\$0
Citywide Erosion Control Programme - Residual Programme	A green city	Outcome 3 - Resilience	\$560,300	\$617,500	\$0	\$0	\$1,177,800	<ul style="list-style-type: none">Programme to deliver prioritised stream erosion control works city-wide.Supports Te Ture Whaimana and compliance with Council's comprehensive stormwater discharge consent which requires erosion control.Years 1 - 4 include completing programme of works in the Mangakotukutuku Stream catchment.It is important to strike development contributions in intensification and infill areas.	0	\$0
Kirikiroa - Catchment Erosion control	A green city	Outcome 3 - Resilience	\$754,000	\$923,000	\$0	\$0	\$1,677,000	<ul style="list-style-type: none">Supports Te Ture Whaimana and compliance with Council's comprehensive stormwater discharge consent which requires erosion control.Design of erosion control works is underway with construction activities programmed to commence by 2024/25.Currently collecting developer contributions on this programme so need to deliver it.	0	\$0
Stormwater customer connections to network	A green city	Outcome 3 - Resilience	\$25,000	\$25,000	\$0	\$0	\$50,000	<ul style="list-style-type: none">Developer funded connections to the network, driven by growth	100	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Stormwater Network Upgrade - Growth	A green city	Outcome 3 - Resilience	\$847,917	\$847,917	\$0	\$0	\$1,695,833	<ul style="list-style-type: none">Funding to support network upsizing opportunities, including those associated with development, renewals, and in priority growth areas.	0	\$0
Waitawhiriwhiri Catchment - Flood Management	A green city	Outcome 3 - Resilience	\$500,000	\$2,065,247	\$0	\$0	\$2,565,247	<ul style="list-style-type: none">Investment to monitor critical culverts at Lincoln, Seddon and Ulster St, improve responsiveness to critical culvert block events and initiate projects to reduce culvert block impacts.This programme is to improve the overall resilience of high-risk catchments in the event of extreme weather events.	0	\$0
Waitawhiriwhiri - Catchment Erosion control	A green city	Outcome 3 - Resilience	\$358,500	\$836,500	\$0	\$0	\$1,195,000	<ul style="list-style-type: none">Waitawhiriwhiri Stream is the most highly erodible stream in Hamilton. Erosion control is required as part of consent conditions with Waikato Regional Council. Stream bank erosion in this catchment is impacting on some private property.First three years is to continue existing works, complete some smaller scale works and to commence investigation, design and planning for ongoing programme.	0	\$0
Brownfield Stormwater Management – Waitawhiriwhiri / Frankton Treatment	A green city	Outcome 3 - Resilience	\$500,500	\$4,252,300	\$0	\$0	\$4,752,800	<ul style="list-style-type: none">Project to retrofit stormwater management devices in the Waitawhiriwhiri (Frankton) catchment, the highest risk catchment in the city.Supports Te Ture Whaimana and compliance with Council's comprehensive stormwater discharge consent which requires HCC to retrofit stormwater quality measures in high-risk catchments.This will be the first tangible brownfield stormwater quality investment in Hamilton and will improve access to the Waitawhiriwhiri Stream in the central city area.Years 1 and 2 are to secure land, complete design investigations, and contract documentation for construction.	0	\$0
Stormwater Integrated Catchment Management Plan (ICMP) program	A green city	Outcome 3 - Resilience	\$1,676,740	\$1,536,893	\$0	\$0	\$3,213,633	<ul style="list-style-type: none">This budget includes for completion of Integrated Catchment Management Plans across the city, reviewing and updating key technical work required to manage stormwater including the stormwater master plan, flood modelling, stream walkovers and stormwater practice notes.Preparation of Integrated Catchment Management Plans are a requirement of Council's comprehensive stormwater discharge consent.This programme funds the strategic planning and development of key stormwater programmes, including erosion, flood management, environmental restoration programmes.	0	\$0
Wastewater										
Ranfurly Gully Wastewater Pipe realignment	A green city	Outcome 3 - Resilience	\$5,400,000	\$3,100,000	\$0	\$0	\$8,500,000	<ul style="list-style-type: none">Critical upgrade needed to provide sustainable, long-term solution to ongoing network overflows and address abatement notices for wastewater overflows in Ranfurly Gully.	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<ul style="list-style-type: none">The Ranfurly Gully is a Significant Natural Area with very challenging ground conditions for locating wastewater infrastructure.This project is to construct a new public wastewater pump station outside the gully, relocate the piped network and provide several private pump stations for the properties that are located lower in the gully.		
Upper Western Wastewater Network (Kahikatea/Greenwood) – Capacity Increases	A green city	Outcome 3 - Resilience	\$200,200	\$299,600	\$0	\$0	\$499,800	<ul style="list-style-type: none">This project is to evaluate and confirm the preferred solution to resolve existing capacity constraints in the upper western network (Kahikatea/Greenwood) and to form part of the network to divert areas of Hamilton to the new Southern Wastewater Treatment Plant in the future.This project is part of a wider improvement programme on the western network. The effectiveness of this project is reliant on the full programme being delivered.Years 1 - 3 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 4.	0	\$0
Upper Western Wastewater Network (Lorne/Normandy) – Capacity Increases	A green city	Outcome 3 - Resilience	\$200,200	\$299,600	\$0	\$0	\$499,800	<ul style="list-style-type: none">This project is to confirm the preferred solution to resolve existing capacity constraints in the upper western network (Lorne/Normandy) and to form part of the network to divert areas of Hamilton to the new Southern Wastewater Treatment Plant in the future.This project is part of a wider improvement programme on the western network. The effectiveness of this project is reliant on the full programme being delivered.Years 1 - 3 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 4.	0	\$0
Upper Western Network - New Storage, Pre-Treatment and Controlled Discharge (Lorne/Normandy)	A green city	Outcome 3 - Resilience	\$499,800	\$3,501,400	\$0	\$0	\$4,001,200	<ul style="list-style-type: none">New wet weather storage, pre-treatment and controlled discharge in the vicinity of Lorne Street wastewater pump station. Includes receiving environment restoration works.This project is to reduce the frequency of, and manage the impacts of, wet weather overflows in the upper western network.Investigations are currently underway, with resource consent applications programmed for lodgement in FY 23/24.Year 1 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 2.	0	\$0
Wastewater Customer Connections	A green city	Outcome 3 - Resilience	\$110,000	\$109,808	\$0	\$0	\$219,808	<ul style="list-style-type: none">Developer funded connections to the network, driven by growth.	100	\$0
Wastewater Network Upgrade - Growth	A green city	Outcome 3 - Resilience	\$850,000	\$850,000	\$0	\$0	\$1,700,000	<ul style="list-style-type: none">Funding to support network upsizing opportunities, including those associated with development, renewals, and in priority growth areas.	0	\$0
Wastewater Network Master Plan	A green city	Outcome 3 - Resilience	\$146,410	\$146,410	\$0	\$0	\$292,820	<ul style="list-style-type: none">To continue developing a holistic plan for the wastewater network which caters for growth and	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								<div>compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure.</div> <div><div>• Essential to determine the investment needed to respond to changing growth projections, levels of service and regulatory obligations.</div></div>		
Flynn Wastewater Pump Station Diversion	A green city	Outcome 3 - Resilience	\$0	\$198,000	\$0	\$0	\$198,000	<div>• Wastewater pump station and rising main diversion to resolve existing network performance issues and provide for future growth.</div>	0	\$0
Wastewater Bulk Storage - Eastern Interceptor Upper- Section (Stage 1)	A green city	Outcome 3 - Resilience	\$1,000,000	\$5,819,800	\$0	\$0	\$6,819,800	<div>• Project to construct large underground wastewater storage facilities, and pipelines and pump stations to connect to existing network.</div> <div>• This project is to improve network performance under wet weather conditions, reduce network overflows, support regulatory compliance (including with Te Ture Whaimana), reduce risks of enforcement action, and improve system resiliency.</div> <div>• This is a critical investment to support development in the central city priority development area alongside other investments.</div> <div>• Council does not have approval to discharge untreated wastewater to the environment, including from our network under wet weather flow conditions.</div> <div>• Year 1 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 2.</div>	0	\$0
Te Anau/Split Wastewater Pump Station Upgrades & Diversion	A green city	Outcome 3 - Resilience	\$4,400,200	\$2,601,200	\$0	\$0	\$7,001,400	<div>• Wastewater pump station and rising main diversion to resolve existing network performance issues and provide for growth in currently constrained area.</div> <div>• Year 1 and 2 is to complete project construction and has been agreed by Council resolution.</div>	0	\$0
Wastewater Bulk Storage - Collins Rd Pump Station (Stage 1)	A green city	Outcome 3 - Resilience	\$68,600	\$0	\$0	\$0	\$68,600	<div>• Project to complete construction and commissioning of the Collins Road Wastewater Storage Facility.</div> <div>• This project is to improve network performance under wet weather conditions, reduce network overflows, support regulatory compliance (including with Te Ture Whaimana), reduce risks of enforcement action, and improve system resiliency.</div> <div>• Council does not have approval to discharge untreated wastewater to the environment, including from our network under wet weather flow conditions.</div> <div>• The contract for this project will be awarded in 2023/24.</div>	0	\$0
Wastewater Treatment Plant Master Plan	A green city	Outcome 3 - Resilience	\$0	\$100,000	\$0	\$0	\$100,000	<div>• To continue developing a holistic plan for the treatment plant which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure.</div>	0	\$280,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Upgrade Pukete Wastewater Treatment Plant	A green city	Outcome 3 - Resilience	\$21,291,155	\$24,931,639	\$0	\$0	\$46,222,794	<ul style="list-style-type: none">Pukete Wastewater Treatment Plant upgrades to maintain compliance with existing wastewater discharge consent, provide for growth and deliver appropriate levels of resiliency.Future plant and facility upgrades include relocating the administration building, preparing site for major upgrades needed to meet higher performance standards expected as part of renewing the discharge consents (as agreed through the Memorandum of Understanding entered into as part of the Metro Wastewater Detailed Business Case).Timing is driven by site constraints and the need to manage upgrades around an operational plant and maintain compliance with existing consent conditions.Years 1 and 2 include completing contractual commitments (e.g. inlet works), continuing bioreactor conversion, upgrading UV disinfection system and commencing design and investigation works for further plant upgrades.Years 3 – 10 include major plant and outfall upgrades.	0	\$200,000
Water supply										
Hillcrest Water Supply Zone Implementation	A green city	Outcome 3 - Resilience	\$250,000	\$1,000,000	\$0	\$0	\$1,250,000	<ul style="list-style-type: none">Project is to construct a bulk filling main, reservoir, pump station, and creation of a demand management zone.Project is to address existing level of service (pressure and flow) issues in the Hillcrest area.This project will improve overall system resiliency by increasing the maximum shut-down period to 24 hours. Current maximum shut-down period is 8 hours.This project will complete the city-wide water supply zoning needed to fully implement the city-wide demand management strategy.Years 1 and 2 is to complete design, investigations, planning, and procurement.Construction programmed to commence from Year 3. Construction sequencing will be informed through discussions with current tenants.	0	\$0
Waiora 3 - Compliance/Resilience	A green city	Outcome 3 - Resilience	\$1,000,000	\$1,000,000	\$0	\$0	\$2,000,000	<ul style="list-style-type: none">Water Treatment Plant emergency storage to maintain levels of service and to ensure resiliency in the water supply activity.	0	\$0
Water Customer Connections	A green city	Outcome 3 - Resilience	\$50,000	\$50,000	\$0	\$0	\$100,000	<ul style="list-style-type: none">Developer-funded connections to the network, driven by growth.	100	\$0
Water Network Upgrade - Growth	A green city	Outcome 3 - Resilience	\$731,250	\$731,250	\$0	\$0	\$1,462,500	<ul style="list-style-type: none">Funding to support network upsizing opportunities, including those associated with development, renewals, and in priority growth areas.	0	\$0
Waiora 2 Water Treatment Plant Upgrade	A green city	Outcome 3 - Resilience	\$2,900,000	\$0	\$0	\$0	\$2,900,000	<ul style="list-style-type: none">Additional treatment capacity to cater for growth, increased compliance and resilience.Funding is required to finish the installation of a parallel treatment stream, and associated infrastructure.	0	\$280,000

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Eastern Reservoirs Bulk Water Supply Ring Mains – 2 x 750 mm (Peacocke)	A green city	Outcome 3 - Resilience	\$0	\$200,200	\$0	\$0	\$200,200	<ul style="list-style-type: none">Project to support growth by connecting the bulk water mains installed through the Peacocke’s development area to the Waiora Water Treatment Plant via two 750 mm diameter bulkmains.Project will permit continuing Peacocke watermains to be fully operational. Note that continuing the Peacocke area is not reliant on this.Years 1 and 2 are to complete the design, investigations, planning, procurement phases.	0	\$0
Fairfield Water Supply Pump Station Upgrade	A green city	Outcome 3 - Resilience	\$0	\$500,000	\$0	\$0	\$500,000	<ul style="list-style-type: none">Project to add a second pump and improve the pump building to meet today’s minimum standards, and improve resiliency of water supply network.Year 2 is to complete design, investigations, planning, and procurement.	0	\$0
Upgrade Maeroa Water Supply Reservoir Pump Station	A green city	Outcome 3 - Resilience	\$200,200	\$400,400	\$0	\$0	\$600,600	<ul style="list-style-type: none">Project to add a second pump and improve the pump building to meet today’s minimum standards and improve resiliency of water supply network.Year 1 is to complete design, investigations, planning and procurement. Year 2 is construction.	0	\$0
Water Supply Network Master Plan	A green city	Outcome 3 - Resilience	\$150,000	\$127,000	\$0	\$0	\$277,000	<ul style="list-style-type: none">To continue developing a holistic plan for the water supply network which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure.Essential to determine the investment needed to respond to changing growth projections, levels of service, and regulatory obligations.	0	\$0
Water Treatment Plant Master Plan	A green city	Outcome 3 - Resilience	\$0	\$100,000	\$0	\$0	\$100,000	<ul style="list-style-type: none">To continue developing a holistic plan for the treatment plant which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure.	0	\$0
Strategic Water Line	A green city	Outcome 3 - Resilience	\$1,000,000	\$0	\$0	\$0	\$1,000,000	<ul style="list-style-type: none">This project includes installation of a 450mmm Bulk pressure main as part of the Strategic water network in Peacockes Growth Cell forming part of the Hamilton South water demand zone.The main is part of the strategic supply distributing water to key parts of the demand zone via a new main along Peacocke Rd, Norrie Street and Bader Street area. These works were recommended for the 2021-31 LTP but were unfunded.This strategic network supply main will ensure existing and future growth demands in Peacockes and Hamilton south demand zone have the appropriate level of service.	0	\$0
Not included in proposed budget - Recommended										
Stormwater										
Mangaonua - Catchment Erosion control	A green city	Outcome 3 - Resilience	\$500,500	\$0	\$0	\$0	\$500,500	<ul style="list-style-type: none">Erosion control is a requirement of Council’s comprehensive stormwater discharge consent.This funding will support localised erosion control works in the Mangaonua catchment.	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Safer Stormwater Networks CAPEX Programme	A green city	Outcome 3 - Resilience	\$476,488	\$492,700	\$0	\$0	\$969,188	<ul style="list-style-type: none">Programme to install “real-time” network monitoring across the stormwater network to identify contamination events early, improve responses and reduce downstream environmental impacts.Aligns with transport operational budget for resourcing, sampling etc.	0	\$0
Wastewater										
Enderley / 5th Ave -Wastewater Trunk Main Diversion	A green city	Outcome 3 - Resilience	\$0	\$110,000	\$0	\$0	\$110,000	<ul style="list-style-type: none">Trunk wastewater network diversion to resolve existing network performance issues, support regulatory compliance (including with Te Ture Whaimana), and provide for future growth.	0	\$0
Water supply										
Automation of Strategic Bulk Ring Main Valves	A green city	Outcome 3 - Resilience	\$0	\$500,000	\$0	\$0	\$500,000	<ul style="list-style-type: none">Programme to commence automation of key isolation valves on the bulk ring main network. Includes motorised valves that can be monitored and operated remotely.Will vastly improve ability to respond to water supply network breaks and emergencies, and reduce time needed for critical works to be completed.	0	\$0
Brownfield watermain upsizing to meet infill growth	A green city	Outcome 3 - Resilience	\$500,000	\$1,000,000	\$0	\$0	\$1,500,000	<ul style="list-style-type: none">Budget to fund reactive local infrastructure upgrades outside of the Stage 1 priority development area.Programme is to provide a dedicated programme of work that will attract appropriately skilled and resourced contractors to be available to upgrade local infrastructure to comply with our design standards and enable growth.This programme will require a clear procurement and delivery strategy involving multiple certified and approved contractors.Years 1 and 2 is to investigate and establish the overall programme, procurement and delivery model.Implementation is from Year 3.	0	\$7,692
Water Demand Management - Universal Meters	A green city	Outcome 3 - Resilience	\$250,000	\$500,000	\$0	\$0	\$750,000	<ul style="list-style-type: none">Universal water metering program to retrofit all existing residential water services with meters. Allowing significant ability to track and manage total demands and water losses in both the public and private reticulation, ensuring the city is not being wasteful with its water allocation, whilst providing a resilient and cost-effective service.Needed to demonstrate efficient use of resources for compliance purposes and offset renewal investments and further major investments in plants and reservoirs.Delivery of this programme should occur alongside the SMART metering programme for existing metered non-residential connections (recommended in the Renewals and Compliance Programme).	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Not included in proposed budget - Unfunded										
Stormwater										
R2 Stormwater Infrastructure	A green city	Outcome 3 - Resilience	\$0	\$226,200	\$0	\$0	\$226,200	<ul style="list-style-type: none">Funding to contribute toward upsizing stormwater infrastructure at the time of the R2 greenfield development.Timing dependent on development.	0	\$0
Wastewater										
Ranfurly Wastewater Pump Station / Pipe Upgrades	A green city	Outcome 3 - Resilience	\$0	\$10,000	\$0	\$0	\$10,000	<ul style="list-style-type: none">May not be required if Ranfurly Gully Wastewater Pipe realignment is funded.	0	\$0
R2 Wastewater Infrastructure	A green city	Outcome 3 - Resilience	\$0	\$1,000,000	\$0	\$0	\$1,000,000	<ul style="list-style-type: none">Funding to contribute toward upsizing wastewater interceptor extension at the time of the R2 greenfield development.Timing dependent on development.	0	\$0
Water Supply										
Matangi/Morrinsville - Matangi/Newstead Reservoir Zone	A green city	Outcome 3 - Resilience	\$0	\$300,000	\$0	\$0	\$300,000	<ul style="list-style-type: none">This project is to deliver dedicated bulk ring main and filling lines to new reservoirs to be delivered by Waikato District Council.This project benefits HCC by reducing Waikato District Council's demand on HCC local networks which currently impacts levels of service (pressure and flow) to HCC customers.This project reduces operational costs.This project supports sub-regional servicing by improving overall efficiency of water network investment (e.g., avoiding duplicating storage requirements across territorial boundaries).Year 2 is investigation and design moving into procurement and construction from Year 3.	0	\$0
Cambridge Tamahere Water Supply Reservoir Zone	A green city	Outcome 3 - Resilience	\$0	\$300,000	\$0	\$0	\$300,000	<ul style="list-style-type: none">This project is to deliver dedicated bulk ring main and filling lines to new reservoirs, to be delivered by Waikato District Council.This project benefits HCC by reducing Waikato District Council demand on HCC's local networks which currently impacts levels of service (pressure and flow) to HCC customers.This project reduces operational costs.Supports sub-regional servicing by improving overall efficiency of water network investment (e.g. avoiding duplicating storage requirements across territorial boundaries).Year 2 is investigation and design, moving into procurement and construction from Year 3.	0	\$0
Greenhill/R2 Gordonton Water Supply Reservoir Zone	A green city	Outcome 3 - Resilience	\$0	\$500,000	\$0	\$0	\$500,000	<ul style="list-style-type: none">This project is to deliver dedicated bulk ring main and filling lines, and a new reservoir and pump station.Project is to service proposed R2 growth cell and Waikato District council out-of-district supply.This project supports sub-regional servicing by improving overall efficiency of water network	0	\$0

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
								investment (e.g. avoiding duplicating storage requirements across territorial boundaries). <ul style="list-style-type: none">Year 2 is investigation and design moving into procurement and construction from Year 3.		

*Legend for Link to Our Climate Future
Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
"-" -There is not a clear alignment to the delivery of Our Climate Future: Te Pae Tawhiti o Kirikiriroa, but through the scoping of the project there is opportunity for this to be considered.
N/A - The project doesn't have a link to implementing Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

**The total consequential operating costs from 2023/24 to 2033/34

Changes
1. Wastewater Bulk Storage - Collins Rd Pump Station (Stage 1) - budget reduced

2024 Long Term Plan – Renewal and Compliance Programme

1. Proposed Renewals and Compliance programme

- 1.1. Three options have been developed and are presented for Council to consider for the Renewals and compliance programme.

	year 1 (\$m)	year 2 (\$m)	year 3 (\$m)	total 1-3 (\$m)
Base option	110	110	85.7	305.7
Option 2a (preferred)or	120	120	93.2	333.2
Option 2b (all in yr 3)	110	110	113.2	
Option 3	129.5	147.3	101.8	378.6

- 1.2. The programme that is presented in the base funded programme (at a total gross value of \$305.7m over years 1-3) is the option in the above table that has the highest level of risk of the three options presented. The base option has been included in the budget recognising the significant financial challenge being faced by Council in preparing this Long-Term plan budget.
- 1.3. Staff would like Elected members to consider option 2a for inclusion in the budget. This would require an additional \$27.5m over three years (additional \$10m funding in years 1-2 and \$7.5m in year 3-recognising 3 waters are not included). The additional funding could be loaded as an additional provision in year 3 only (Option 2b).
- 1.4. This option would assist in mitigating the risks outlined below with funding at the base option level.

2. Background

- 2.1. The Renewals and Compliance Programme exists to ensure that we are looking after the assets that we already have, continue to provide appropriate levels of service to the community through these assets, and remain compliant with various legislative and regulatory requirements.
- 2.2. Through the 2021 Long Term Plan, approximately \$240 million was funded for the three-year period, 2021-24. This followed a process of smoothing and squeezing an original forecast for this period provided by the organisation of approximately \$290 million.
- 2.3. Depreciation is a good indicator of the long-term funding that is required for renewals. Annual depreciation over the last three years has averaged approximately \$80 million which aligns well with the \$240 million total budget.
- 2.4. The final programme was managed by prioritising projects according to criticality and those representing the greatest value to the community. The three-year programme approach provided the organisation with limited flexibility to move renewal and compliance budgets between financial years and activities. This has

been key to enable management to react to emerging priorities and appropriately manage risks.

- 2.5. Current forecasts suggest \$220 million of the programme will be delivered. This corresponds to over 90% of the funded programme, despite significant delivery impacts following the Covid-19 pandemic.

3. Three-year forecast 2024-27

- 3.1. The organisation has provided initial financial forecasts through preparing baseline AMPs (Activity management plans). These forecasts were reviewed and used to develop a baseline Renewals and compliance programme forecast. Applying standard definitions and criteria to ensure a robust, consistent renewal methodology was used across all activity groups.
- 3.2. This resulted in a forecast of \$378 million required to fully meet the renewals and compliance needs for our asset portfolio for the three-year period of 2024-27 (only including 3 waters for years 1 and 2). This represents a 30% increase from the 2021-24 forecast of \$290 million.
- 3.3. The forecast was analysed to determine the main causes of this increase, leading to several common factors being identified as detailed below:
 - Portfolio of higher value – The total asset value across the organisation has had an increase of 39% from \$4.7 billion to \$6.5 billion. This has been identified through asset revaluations that have taken place across our main asset classes over this period. This is in line with the percentage increase forecast for the programme.
 - Market forces – Materials and construction costs have escalated significantly due to inflation and the impact of the Covid-19 Pandemic. This price inflation varies depending on the activity but is typically in the order of 20% from 2021 costs.
 - Catch up works – Smoothing and squeezing through the 2021 LTP has resulted in some projects not being delivered and are now required in the new three-year programme. There were also some projects that could not be delivered, partly due to Covid disruptions that have been included in this forecast
 - Asset Management maturity – Continual development in asset management practises across the organisation has provided a higher level of confidence in the renewal forecast data and methodology. This has improved the recommended scope, timing and estimated cost of projects and ensures that renewals of critical assets and compliance work are all accounted for. Some renewals have been brought forward while others have been able to be delayed.
 - Level of service changes – When replacing assets that have reached end of life, every effort is made to build back to modern standards or make minor changes that provide improved outcomes for the community.
 - Climate change response – The renewals programme aims to deliver the Climate Change Strategy by incorporating climate change mitigation improvements where possible. For example, pine bark binder could be used to replace the

bitumen in asphalt which would reduce the carbon emissions associated with resurfacing works.

- 1.2. Annual depreciation on the current asset base is forecast to be on average around \$110 million over the next three years. However, in addition there will also be at least \$360 million assets that will be added to the portfolio over the coming year alone which will have an impact on future depreciation forecasts.

2. Programme Options

- 2.1. The base renewals and compliance budget presented to Council has already been through a prioritisation exercise.
- 2.2. Asset managers have assessed the renewals and compliance budget and only high priority renewals have been included in the base programme. Asset managers have also provided commentary on what risks are associated with the prioritised programme and individual renewal budgets.
- 2.3. This analysis has resulted in the three options for Council to consider for funding of the renewals and compliance portfolio. These options are presented in the attached table for consideration. All three options include \$30 million (over 3 years) dedicated to compliance works which the organisation has recommended not to be reduced under any of the options.

3. Associated Risks

- 3.1. There are inherent risks with any renewals and compliance budget provision. These increase in likelihood (and at times severity) with lower funding.
- 3.2. The highest risks relate to public and staff safety. Under each of the funding options, staff would prioritise renewals so that any impact on public health and safety would be minimised.
- 3.3. The risks that accompany the lowest proposed funding option are provided below following consultation with asset managers:

Compromises to levels of service

- Failure to keep up with renewals of our wastewater assets (particularly critical assets) will likely result in increased wastewater overflows to the environment resulting in poor environmental, public health, and safety impacts as well as the potential reputational and financial impact associated with damage to private infrastructure or increased regulatory enforcement action and fines.
- Water supply levels of service could be impacted – for example increased frequency of pipe bursts & unplanned outages, leading to increased overall expenditure and disruption to the community. Increased failure of water assets also increases the risk to compromising water quality.
- The stormwater network will have reduced network resilience to unexpected failures and potential compliance impacts. Failure of the most critical assets

could result in local flooding, gully erosion and slope instability, formation of sinkholes and riverbed degradation.

- Transport network assets are likely to deteriorate beyond current levels resulting in reduction in lower quality roads and surfaces. For example, cheaper chipseal surfacing would be used in place of asphalt in some areas – this has a shorter lifespan and faster deterioration rate. Customer complaints are already received from the use of chip seal on residential streets due to noise and loose chip.
- Possible reduction in footpath condition if footpath budgets were reduced. We are also likely to receive more customer complaints about the use of standard street light poles instead of modern versions, with the comparison being visibly obvious.
- The modernisation of community facilities and services would be slowed risking lower utilisation levels and a reduction in associated revenue at facilities such as Hamilton Gardens and Waterworld.
- Physical condition of facilities likely to deteriorate beyond current levels leading to lower levels of service. Over time, this could risk losing to other centres large revenue generating events at H3 venues and under-utilisation of venues such as Hamilton Gardens and Waikato Museum.
- For community assets, there is a link between renewals programme and increasing current levels of service. If decision is made to not create new community hubs for example, then we will need to spend more on renewing the assets we have.
- Reducing budgets for facilities that the community currently uses, and allowing them to deteriorate beyond current levels, could risk Hamilton's reputation of being a fantastic city to live in.
- Delaying renewal of council technology beyond recommended life risks obsolescence. This could result in organisational inefficiencies and the reduction of services and value provided to the community.

3.4. Unplanned Costs

- If assets are not renewed at their optimal time it is likely that there will be increased operational budgets required to maintain and reactively repair ageing assets that are more likely to fail.
- There will be a reduction in the resilience of the programme as a whole and its ability to reprioritise to deal with unexpected failures. This is likely to result in increased need for staff to come back to Council for additional funding to deal with such incidents.
- Delaying renewal of some types of assets can result in increased deterioration and increased cost when the asset is renewed. Over time inflation means there are increased costs associated with deferring planned renewals. There is also

generally an increase in costs of doing a bespoke reactive renewal versus a planned renewal as part of a wider programme. Related assets components are damaged through delays to renewals. For example, delaying renewal of some building assets can result in costly structural and internal damage to the building.

- By pushing renewals to later years, we risk further cost escalation – like that we have seen in recent years. This would make long-term financial sustainability more difficult to achieve.

3.5. Unforeseen compliance issues

- Renewals and compliance are often intrinsically connected so reducing the renewals budget can have unforeseen consequences on compliance. For example, renewal programmes at the treatment plants and Zoo help to ensure operational compliance even if the isolated works are not considered compliance projects themselves.

3.6. Reduced Climate Change Response

- The original, un-squeezed forecast provided support to the Climate Change Strategy by incorporating improvements that would reduce Council's carbon footprint. For example, the programme planned to reduce the use of carbon heavy materials such as bitumen in asphalt and concrete in buildings by switching to sustainable alternatives such as pine bark binder and timber. These improvements would be reduced with any reduced budget option as funds would be directed to the most critical projects.
- A lower funded programme would have a lower degree of resilience to be flexible and reactive with funds to absorb shocks caused by potential weather or seismic events.
- Climate change exposes streams to higher flows and more frequent storm events along with consequent greater erosion damage. Delays to stormwater renewal work may result in increased erosion damage and remediation costs, and potential impact on public safety and/ or damage to private property.

Option	1: \$305.7 million over three-years	2 (a and b): \$333.2 million over three-years	3: \$378.6 million over three-years
Description	This is the lowest level of funding that could provide a programme that allows council to look after the assets we have to a basic standard. The programme would require strict prioritisation to ensure critical works are delivered and many assets would be pushed beyond their recommended life cycle.	This provides in-built resilience of \$27.5 million to the programme and would be adequate to look after the assets we have to an appropriate standard. The \$27.5 million could be spread across the three-year cycle or held in year 3 to ensure flexibility remains throughout the duration. The programme would still require prioritisation and some assets would be pushed beyond their recommended life cycle.	This provides funding to deliver all work forecast by the organisation in the desired timeframe. Most assets would be renewed by the end of their recommended life cycle and able to 'build back better' as an appropriate modern standard equivalent asset. The programme would allow extra resilience to absorb shocks with minimal impact to the overall programme.
Levels of Service	This is a minimum funding provision to maintain current levels of service. There is minimal allowance for level of service changes that often accompany renewal projects and climate mitigation improvements will need to be scaled back or removed altogether. If the programme needed to flex due to unexpected events, some projects will need to be reduced or removed, potentially resulting in lower levels of service.	This provides adequate funding to maintain current levels of service for the community. Level of service changes and climate mitigation improvements will be prioritised to deliver the maximum value possible to the community. The programme has some in-built resilience to be agile through unexpected events, without severely compromising current levels of service.	This provides the funding required in the timeframe to achieve targeted levels of service for the community. Some asset types will allow for minor levels of service improvements being incorporated into the programme by providing modern standard facilities and services. Climate mitigation improvements will also be included to support our Climate Response Strategy. The programme has in-built resilience to be agile through unexpected events, whilst delivering appropriate levels of service.
Risk Profile	High Risk – Likely that this programme would not be sufficient to absorb unexpected shocks such as a major weather event or unexpected failure of a significant asset. In these situations, additional funding would be requested from Council. There is a high probability that some risks as outlined in section 4 will materialise.	Medium Risk – Some in-built resilience is provided to absorb unexpected shocks and allows agility within the programme to re-prioritise works appropriately. Some mitigation is provided to risks detailed in section 4. However, some risks are still likely to materialise.	Low Risk – Resilience provision is included in the programme to allow flexibility to absorb unexpected shocks without significantly affecting delivery of the base programme. This provides the highest mitigation to the risks detailed in section 4, with a much smaller probability of risk exposure and increased ability for the programme to be prioritised to respond.

Unmodified Renewals and Compliance Request Breakdown by Priority

R&C Funding Options

	Year 1 (\$m)	Year 2 (\$m)	Year 3 (\$m)	Total 1-3 (\$m)
Base option (Funded)	\$110	\$110	\$86	\$306
Option 2 (Consider)	\$120	\$120	\$93	\$333
Option 3	\$130	\$148	\$102	\$379

Unmodified 3 year Renewals and Compliance Summary

	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A city that's easy to live in	\$156,585	\$200,846	\$507,637	\$673,891
A city where our people thrive	\$879	\$879	\$4,428	\$4,428
A fun city with lots to do	\$99,892	\$99,892	\$285,062	\$285,062
A green city	\$76,943	\$76,943	\$85,568	\$85,568
Total	\$334,298	\$378,559	\$882,695	\$1,048,949

Note: Renewals and Compliance budgets are still under review to meet funding cap

	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
Base Funded	\$261,465	\$305,700	\$772,285	\$938,539

Unmodified Requests	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A city that's easy to live in	\$156,585	\$200,846	\$507,637	\$673,891
Community Services	\$22,429	\$22,429	\$67,285	\$67,285
Aquatics Renewals Programme	\$5,297	\$5,297	\$13,552	\$13,552
Libraries Collections Renewals Programme	\$5,055	\$5,055	\$16,850	\$16,850
Libraries Renewals Programme	\$927	\$927	\$4,352	\$4,352
Aquatics Building Renewals	\$5,895	\$5,895	\$23,273	\$23,273
Libraries- Building Asset Renewal	\$5,256	\$5,256	\$9,258	\$9,258
Overhead and support units	\$64,618	\$64,618	\$178,979	\$178,979
Corporate Building Renewals	\$15,625	\$15,625	\$27,482	\$27,482
Strategic Property Renewals	\$2,785	\$2,785	\$6,529	\$6,529
Fleet Replacement Program 2024-34	\$11,388	\$11,388	\$40,868	\$40,868
Assure Technology Service Delivery (ATSD)	\$755	\$755	\$2,295	\$2,295
Assure Technology Stability and Reliability (ATSR)	\$14,521	\$14,521	\$46,246	\$46,246
Assure Technology Stability and Reliability (ATSR) - PPC	\$225	\$225	\$750	\$750
Enable Core Business Process (ECBP)	\$1,825	\$1,825	\$5,500	\$5,500
Ensure Technology Core Capability (ETCC)	\$6,659	\$6,659	\$20,274	\$20,274
Ensure Technology Core Capability (ETCC) - PPC	\$10,835	\$10,835	\$29,035	\$29,035
Transportation	\$69,538	\$113,799	\$261,373	\$427,627
Transport Building Renewals	\$2,528	\$2,528	\$8,552	\$8,552
212 Chip Sealing	\$3,700	\$6,272	\$15,576	\$26,400
212 Thin Asphaltic Surfacing	\$9,847	\$16,689	\$41,848	\$70,929
213 Catchpit and Lead Renewals	\$711	\$1,206	\$2,619	\$4,439
213 Drainage Renewals	\$199	\$337	\$422	\$715
213 Kerb and Channel Renewal	\$1,085	\$1,839	\$4,880	\$8,272
214 Granular Pavement Rehab	\$7,725	\$13,094	\$16,223	\$27,497
214 Structural AC Rehab	\$18,574	\$31,481	\$89,686	\$152,010
215 Bridge Component Renewal	\$266	\$450	\$904	\$1,533
215 Retaining Wall Component Renewal	\$64	\$109	\$214	\$363
215 Safety Barrier Component Renewals	\$142	\$240	\$472	\$800
216 Guardrail Renewals	\$43	\$73	\$121	\$204
216 Retaining Wall Renewals	\$500	\$848	\$3,091	\$5,240
221 Environmental Renewals	\$2	\$3	\$16	\$28
222 Electronic Sign Renewal	\$83	\$141	\$1,248	\$2,116
222 Street Lighting Renewal	\$5,013	\$8,496	\$14,714	\$24,939
222 Traffic Services Design	\$75	\$75	\$250	\$250
222 Traffic Sign Renewal	\$842	\$1,427	\$3,129	\$5,303
222 Traffic Signal Renewal	\$501	\$850	\$1,839	\$3,117
225 Footpath Renewal	\$14,396	\$24,400	\$42,239	\$71,592
341 Traffic Camera's	\$75	\$75	\$250	\$250
Amenity Lighting Renewal	\$60	\$60	\$200	\$200
Climate mitigation response – alternate Asphalt materials	\$2,640	\$2,640	\$11,220	\$11,220
Non-subsidised Pavement Rehab	\$60	\$60	\$200	\$200
Off-Street Carpark Resurfacing	\$75	\$75	\$250	\$250
Street Furniture Renewal	\$332	\$332	\$1,208	\$1,208

Unmodified Requests	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A city where our people thrive	\$879	\$879	\$4,428	\$4,428
Safety	\$879	\$879	\$4,428	\$4,428
Animal Control	\$64	\$64	\$128	\$128
City Safe Operations	\$731	\$731	\$3,582	\$3,582
Civil Defence Emergency Management	\$25	\$25	\$83	\$83
Environmental Health Control	\$13	\$13	\$27	\$27
Animal Control Building	\$45	\$45	\$608	\$608

Unmodified Requests	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A fun city with lots to do	\$99,892	\$99,892	\$285,062	\$285,062
Parks & Recreation	\$49,197	\$49,197	\$113,546	\$113,546
Cemeteries & Crematorium Renewals Programme	\$358	\$358	\$1,587	\$1,587
Nursery Renewals Programme	\$302	\$302	\$456	\$456
Parks Renewals Programme	\$24,534	\$24,534	\$72,574	\$72,574
Cemeteries - Cemeteries Buildings Renewals	\$75	\$75	\$2,909	\$2,909
Community Facilities Building Renewals	\$12,066	\$12,066	\$15,717	\$15,717
Nursery Building Renewals	\$760	\$760	\$1,423	\$1,423
Parks and Open Spaces - Parks Building Renewals	\$11,102	\$11,102	\$18,880	\$18,880
Venues Tourism and Major events	\$28,112	\$28,112	\$93,793	\$93,793
Claudlands Building Renewals	\$5,200	\$5,200	\$28,590	\$28,590
FMG Waikato Stadium Building Renewals	\$7,669	\$7,669	\$18,115	\$18,115
Seddon Building Renewals	\$2,835	\$2,835	\$4,325	\$4,325
Theatre Building Renewals	\$30	\$30	\$30	\$30
Business Administration Plant & Equipment	\$117	\$117	\$398	\$398
Claudlands - Plant & Equipment Renewals	\$2,411	\$2,411	\$11,766	\$11,766
Claudlands - Property Renewals	\$850	\$850	\$1,571	\$1,571
Claudlands - Venue Technology	\$1,095	\$1,095	\$4,549	\$4,549
FMG Stadium Waikato - Plant & Equipment Renewals	\$684	\$684	\$3,375	\$3,375
FMG Stadium Waikato - Property Renewals	\$774	\$774	\$3,439	\$3,439
FMG Stadium Waikato - Venue Technology	\$1,658	\$1,658	\$5,376	\$5,376
Seddon Park - Plant & Equipment Renewals	\$82	\$82	\$442	\$442
Seddon Park - Property Renewals	\$705	\$705	\$1,465	\$1,465
Seddon Park - Venue Technology	\$43	\$43	\$568	\$568
Technical Services - Equipment Renewals	\$967	\$967	\$3,322	\$3,322
Turf Services Plant & Equipment Renewals	\$725	\$725	\$2,034	\$2,034
VTME - Security Programme	\$1,740	\$1,740	\$3,425	\$3,425
VTME - Sustainability Programme	\$526	\$526	\$1,003	\$1,003
Visitor Destinations	\$22,583	\$22,583	\$77,723	\$77,723
Hamilton Gardens Renewals Programme	\$1,403	\$1,403	\$5,226	\$5,226
Museum Collection Fund	\$165	\$165	\$550	\$550
Museum Renewals Programme	\$823	\$823	\$2,905	\$2,905
Te Kaaroro Renewals Programme	\$5,524	\$5,524	\$29,106	\$29,106
Zoo Safety and Compliance Requirements Programme	\$1,515	\$1,515	\$6,462	\$6,462
Hamilton Gardens Building Renewals	\$3,900	\$3,900	\$4,799	\$4,799
Museum Building Renewals	\$3,753	\$3,753	\$13,484	\$13,484
Zoo Building Renewals	\$5,501	\$5,501	\$15,192	\$15,192

Unmodified Requests	Net Capex 3 Year \$000 uninflated	Gross Capex 3 Year \$000 uninflated	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A green city	\$76,943	\$76,943	\$85,568	\$85,568
Rubbish and Recycling	\$7,865	\$7,865	\$16,490	\$16,490
Replacement of RTS and HOC Facilities	\$3,566	\$3,566	\$5,000	\$5,000
Closed Landfill Management	\$143	\$143	\$622	\$622
Recycling Drop off points	\$1,350	\$1,350	\$2,700	\$2,700
Replacement of Closed Landfill assets	\$2,806	\$2,806	\$6,247	\$6,247
Replacement of Closed Landfill Resource Consents	\$0	\$0	\$1,921	\$1,921
Storm Water	\$7,160	\$7,160	\$7,160	\$7,160
Existing Brownfield Device Upgrades	\$292	\$292	\$292	\$292
Comprehensive Stormwater Consent Implementation	\$374	\$374	\$374	\$374
Erosion Control Works	\$642	\$642	\$642	\$642
Replacement of Stormwater Assets	\$4,907	\$4,907	\$4,907	\$4,907
Replacement of Stormwater Resource Consents	\$10	\$10	\$10	\$10
Stormwater asset renewals - Outlets to streams	\$428	\$428	\$428	\$428
Stormwater asset renewals - Outlets to Waikato River	\$25	\$25	\$25	\$25
Stormwater asset renewals Channel lining	\$268	\$268	\$268	\$268
Stormwater asset renewals Treatment devices renewals	\$214	\$214	\$214	\$214
Waste Water	\$39,502	\$39,502	\$39,502	\$39,502
Increase Capacity of Wastewater Pump Stations	\$6,420	\$6,420	\$6,420	\$6,420
Minor WW Network Improvements	\$1,133	\$1,133	\$1,133	\$1,133
Model Platform Transfer	\$100	\$100	\$100	\$100
Replacement of Wastewater Assets	\$12,079	\$12,079	\$12,079	\$12,079
Replacement of Wastewater Pump Station Assets	\$1,800	\$1,800	\$1,800	\$1,800
Replacement of Wastewater Treatment Plant Assets	\$6,981	\$6,981	\$6,981	\$6,981
Replacement of Wastewater Treatment Plant Resource Consents	\$4,738	\$4,738	\$4,738	\$4,738
Replacement of Wastewater Treatment Plant Systems	\$214	\$214	\$214	\$214
Seismic Strengthening - Waste Water	\$200	\$200	\$200	\$200
Upgrade of Wastewater Treatment Plant Systems	\$88	\$88	\$88	\$88
Wastewater Model	\$340	\$340	\$340	\$340
Wastewater Network Discharge Consent	\$849	\$849	\$849	\$849
Wastewater Treatment Plant Compliance	\$4,102	\$4,102	\$4,102	\$4,102
WWTP Climate Change Actions	\$200	\$200	\$200	\$200
Replacement of Wastewater Treatment Plant Facilities	\$258	\$258	\$258	\$258
Water Supply	\$22,416	\$22,416	\$22,416	\$22,416
Minor Water Network Improvements	\$652	\$652	\$652	\$652
Replacement of Valves Meters and Hydrants	\$1,707	\$1,707	\$1,707	\$1,707
Replacement of Water Treatment Plant and Reservoir Assets	\$2,889	\$2,889	\$2,889	\$2,889
Replacement of Water Treatment Plant Resource Consents	\$210	\$210	\$210	\$210
Replacement of Watermains	\$11,600	\$11,600	\$11,600	\$11,600
Seismic Strengthening - Reservoir & Treatment Plant	\$200	\$200	\$200	\$200
Smart Metering	\$461	\$461	\$461	\$461
Water Model	\$340	\$340	\$340	\$340
Water Treatment Plant Compliance - Minor Upgrades	\$4,097	\$4,097	\$4,097	\$4,097
Replacement of Water Treatment Plant Facilities	\$260	\$260	\$260	\$260

Central City

Strategic land use approach

- Future Proof Priority Development Area
- HUGS outcome one to 'grow up and out from the central city'
- Higher density enabled through Plan Change 12 and 'Stage 1' Central City District Plan area
- Heritage protected through Plan Change 9
- Central City Transformation Plan, West Town Belt Master Plan and River Plan are key in prioritising and attracting investment to support a range of housing & employment options

Strategic infrastructure approach

- Some Infrastructure required to enable homes is funded and being delivered through the \$150.6 million IAF grant and Council funding.
- More investment is required. Council proposes to include upsize funding to respond and work with developers over the next 10 years

Climate action and sustainability

- Sustainable urban intensification ensuring homes, workplaces and shops are built with emissions and adaptation in mind
- Responding to urban heat island effects
- Improving the accessibility of waste reduction options in the central city
- Supporting community sharing networks and embedding circular economy principles
- Promoting investment that protects and restores the Waikato River and delivers on our obligations under Te Ture Whaimana o Te Awa o Waikato

Housing outcomes

- Planning for 4,000 homes for 10,000 people by 2035
- 50-200 houses per ha, consistent with NPS-UD, and an 800m walkable catchment providing medium to high density
- Compact, liveable, mixed-use, and residential neighbourhoods
- Mix of housing typology for affordable options



Employment outcomes

- Economic heart of the subregion
- Attraction of businesses through enabling development of office space
- IAF enables 300,000m² commercial and retail space & over \$2b private investment

Central City Transformation Plan Place-shaping Outcomes

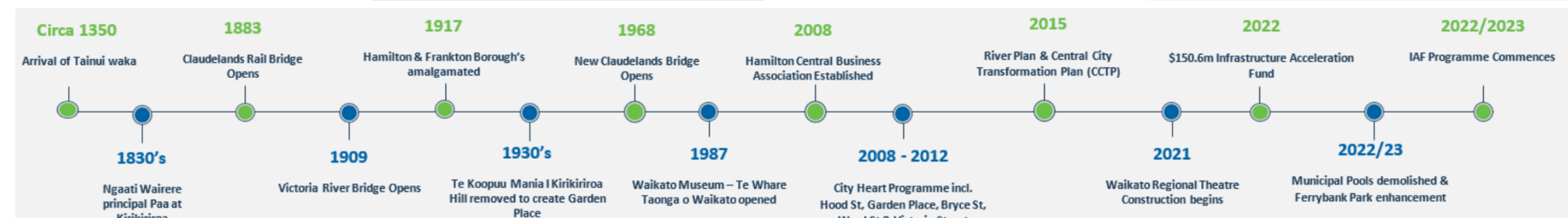
- **HAMILTON KIRIKIRIROA** Maaori identity and built heritage is highlighted, present and celebrated in the central city
- **A PLACE TO CALL HOME** Compact, liveable, mixed-use and residential neighbourhoods increasing the number of people living in the central city
- **A PLAYFUL CITY** Implementing play as a driver for central city projects to increase participation of children and families in the central city
- **A HOME FOR DIVERSITY** Central city caters to all accessibility needs and provides a platform for multicultural identity and events
- **A WELL-CONNECTED CENTRAL CITY** Multimodal choices across public transport, micro-mobility and walking and cycling leading to more pedestrian friendly environments
- **A BLUE-GREEN CENTRAL CITY** A network of streets and spaces in the central city implementing water sensitive urban design and indigenous biodiversity
- **PROSPEROUS ECONOMY** A central city that supports and attracts businesses to establish and thrive

HUGS Outcome 1 Grow up and out from central city

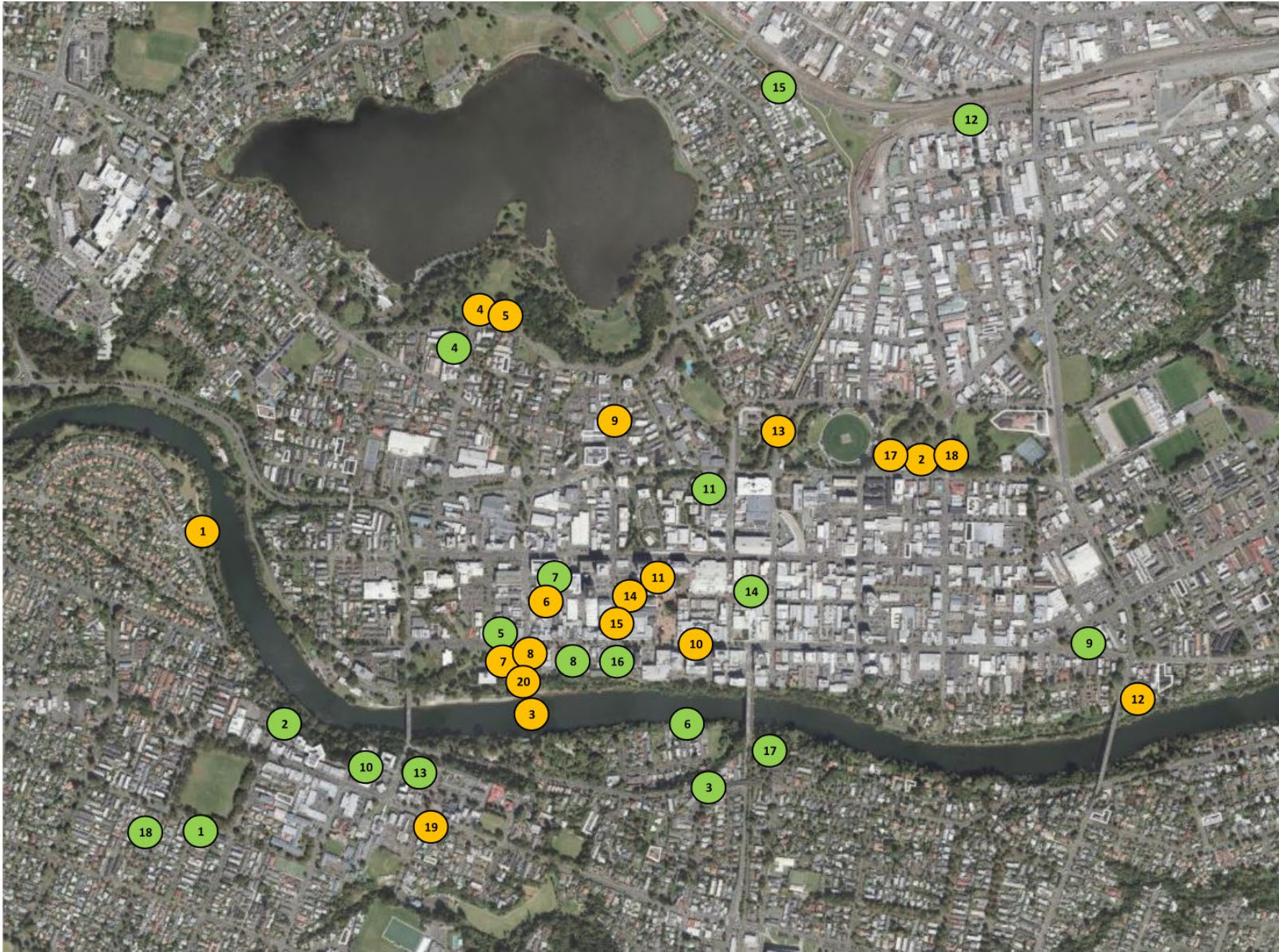


Opportunities and barriers

- \$150.6 million IAF grant and Housing Outcome Agreements plus other external funding such as CERF, City deals
- Experienced developers planning quality mixed use and residential developments
- Iwi/mana whenua engagement to leverage outcomes
- Car parking and accessibility
- Hotel development interest and the Municipal Endowment Fund
- A need to maintain a strong policy focus on promoting business and residential activities to locate into the central city
- Climate response investment
- Infrastructure capacity and funding
- Internal organisational alignment
- Market conditions that may affect development timing
- Disruption caused by delivering and renewing infrastructure



Central City - Developments & Potential LTP Capital Projects



KEY

Developments – refer to table (this excludes any confidential future developments)

Capital Projects – refer to table (this includes base, unfunded and recommended)

Shaping a Central City where people love to be
Ahuahungia te pokapuu o teetehi taaone e arohaina ai e te tangata

CITY WIDE COMMUNITY			
1	River Plan – Wellington Street Beach		CCTP
2	Destination Park Improvements Programme – West Town Belt		CCTP
CENTRAL CITY PROGRAMME			
3	IAF – Active Modes River Crossing		CCTP
	IAF – Anglesea Street Investigation & Protection		
	IAF – Central City Integrated Catchment Management Plan		
4	IAF – Ruakiwi 30ML Reservoir & PS – 2029		
	IAF – Stormwater Network Upsizing & Improvements		
	IAF – Wastewater Investigation		
	IAF – Wastewater Network Upsizing & Improvements		
	IAF – Water Investigation		
	IAF – Water Network Upsizing & Improvements		
5	IAF – Water Supply – Bulk Mains from new Reservoir to Central City		
6	Alexandra Street Upgrade A		CCTP
7	Waikato Museum – Ensuring Modern Museum Standards – Entrance & Profile		CCTP
8	Waikato Museum – Ensuring Modern Museum Standards – Environment Upgrade		CCTP
9	Strategic Stormwater Network Upgrades – Tristram Street Trunk Pipe Upgrade		
10	Strategic Stormwater Network Upgrades – Victoria Street Trunk Pipe Upgrade		
	Wastewater Network – Proactive Upgrades for Intensification (Central City)		
	Water Supply Proactive Intensification (Central City)		
	Transport Network – Proactive Upgrades for Intensification		
11	Caro St Upgrade		CCTP
	Footpath Renewal – Central City Enhanced		CCTP
	Anglesea Wastewater Interceptor Upper		
	CBD Wastewater Side Trunks		
	Central City Transport Improvements		
12	Gwynne Wastewater Pump Station new		
13	Seddon Wastewater Pump station diversion to Western Interceptor		
14	Alexandra Street Upgrade B		CCTP
15	Collingwood Street Upgrade (Alexandra to Victoria)		CCTP
16	Road 623.1 – Norton Road		
17	Road 803.1 – Rostrevor Street		
18	Waikato Museum – Ensuring Modern Museum Standards – Manaakitanga – Improvements		CCTP
19	Waikato Museum – Manaakitanga & Kaitiakitanga Improvements – Beale Cottage		CCTP
20	Waikato Museum – Profile & Connections to Waikato Awa		CCTP
DEVELOPMENTS UNDERWAY			
1	Residential 14 public homes	Construction	2024
2	Mixed use / 9 apartments	Consenting process	TBC
3	Residential 30 apartments	Consenting process	TBC
4	Residential 9 apartments	Consenting Process	TBC
5	Mixed use / 2 apartments	Consenting process	2028
6	Residential 23 apartments	Consenting process	TBC
7	Commercial / retail 24,000 GFA	Construction	2027
8	Waikato Regional Theatre	Construction	2024
9	Mixed use / 27 apartments	Consenting process	TBC
10	Mixed use / 42 apartments	Construction	TBC
11	Mixed use / residential	Consenting process	TBC
12	Mixed use / 93 apartments	Consenting process	TBC
13	Residential 23 apartments	Construction	TBC
14	Mixed use / 100 apartments	Planning	TBC
15	Residential 10 iwi homes	Construction	2024
16	Mixed use / apartments	Planning	TBC
17	Development option TBC	Planning	TBC
18	Residential 21 homes	Construction	TBC

Greenfield Northwest

Strategic land use approach

Includes Rotokauri, Te Rapa North & Te Awa Lakes

- Future Proof Priority Development Areas
- HUGS committed Greenfield growth areas
- Provides a mix of residential and employment / industrial land
- Majority of land is zoned, however significant investment is required to unlock stage 1 for homes
- Industrial land supply options for Te Rapa North
- Future development of Te Awa Lakes and further development of Horotiu to the north including the Ports of Auckland in-land port

Strategic infrastructure approach

- Rotokauri 2 (Edin Park) and Te Awa Lakes are being developed by private development and HCC has not programmed any catchment funding to assist, with the focus being on progressing Rotokauri stage 1.
- The key infrastructure required to support the Rotokauri stage 1 area is the Greenway Corridor to manage stormwater. Delivery of this strategic infrastructure is being considered through an agreement with private development.
- Onion Rd realignment is complete. Rotokauri north-south and east-west arterial transport designations are in progress with strategy to respond to land acquisition requests and work with developers as opportunities arise.
- Council is co-funding design and consenting in the first two years of the LTP only as the Water Entities Enabling Act does not allow HCC to include any funding from year 3 onwards.
- Council proposes to include upsize funding to allow it to work with developers over the next 10 years.

Housing outcomes

- 8,500 homes for up to 21,000 people in next 50 years
- Developer ready land for 209 homes



Employment and economic outcomes

- 14.5ha industrial/employment land
- Employment opportunities for approximately 660 new businesses and over 10,000 new jobs within Te Rapa North
- Up to 21,500 jobs in the Te Rapa Spine and 300 in the Horotiu Freight Hub when complete (HW-MSP, 2020)

Wellbeing outcomes

- Access to quality amenity e.g. Te Kaararo Nature Precinct
- Access to open space and parks including two sports parks
- Access to education including two schools and Wintec
- Protection and restoration of existing wetlands and delivery of Te Ture Whaimana o Waikato Te Awa outcomes
- Protection of biodiversity e.g. mudfish in accordance with the Mudfish Strategy

Opportunities and barriers

- Private Developer Agreements with motivated developers and innovative funding tools, i.e. IFF
- Challenges to unlock more employment opportunities due to the Northern River Crossing corridor and ICMP requirements
- Climate response investment e.g. Rotokauri Transport Centre, Greenway Corridor, Waiwhakareke Heritage Park
- Water allocation and wet industry consideration
- Existing industrial node including Fonterra dairy factory and surrounds. Ability to create agglomeration at scale of dairy related and light manufacturing businesses
- Close proximity to The Base, a sub-regional centre

HUGS Outcome 3

Support the development of quality greenfield neighbourhoods



Climate action and sustainability

- Rotokauri Stage 1 Greenway corridor is a key opportunity to provide a lower-carbon, nature-based infrastructure solution to help build resilience to climate impacts and deliver on Te Ture Whaimana o te Waikato Awa outcomes
- Multimodal choices across public transport, micro-mobility and walking and cycling leading to more pedestrian-friendly environments
- Rotokauri Transport Hub to provide easy access to central city, Hamilton, and other cities in low carbon ways (for example, Te Huia to Auckland)
- Low carbon businesses and operations in industrial areas



Greenfield Northeast

Strategic land use approach

Includes Rototuna and Horotiu 1 (HT1)

- Rototuna a committed greenfield growth area in HUGS. It has been our primary growth area over the last decade
- Land is zoned and is mostly developed with some pockets of land remaining
- The focus is on community amenity and facilities
- A need to update planning for the town centre to respond to environmental constraints
- HT1 identified as future part of Hamilton with a Strategic Land Agreement in place with Waikato District Council

Strategic infrastructure approach

- With extension of Borman Road to Horsham Downs Road is Rototuna is nearing completion.
- The main investment activity over the next 10 years is to work in partnership with developers to complete the collector road network, including continued investment into stormwater improvements.
- The collector road joining the town centre with Resolution Drive and the outer roads which need upgrading from rural standard roads to urban roads for safety reasons are projects that HCC must lead. These works have been in successive LTP's and are recommended to remain in this LTP to collect development contributions.
- Future aquatic facilities including the proposal previously considered for the Rototuna Town Centre should be considered.
- There is no infrastructure allowance made for infrastructure provision for the out of Boundary area HT1. Developers will need to meet Council's out-of-boundary principles including provision of infrastructure to ensure any new development areas contribute positively to achieving the city's vision.

Housing outcomes

- Already well established, Rototuna has 11,300 homes with capacity and developable land for 2,000 homes for up to 5,000 people

Employment and economic outcomes

- Significant opportunities within the town centre precinct to service the local community



Wellbeing outcomes

- Access to open space through neighbourhood and sports parks
- Access to quality community facilities e.g. new library and shared facilities Peak and Rototuna High School
- Access to nature through gullies
- Cultural storytelling celebrating the rich heritage

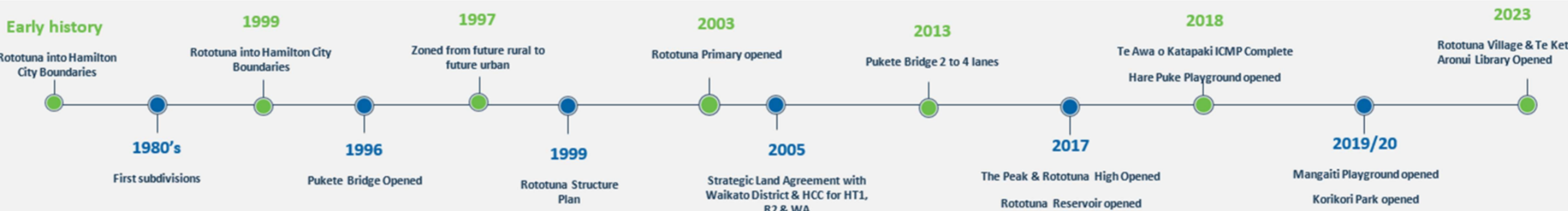
Opportunities and barriers

- Industrial Land Supply outside of Hamilton's current boundaries in HT1, if any
- Value Capture through boundary changes
- Some developers may be land banking
- Protecting land for Northern River Crossing which connects Te Rapa North in the east to the west side of the river and is foundational for further development in the north-east
- Climate response investment for adaptation and mitigation (emissions reduction)
- Opportunity to investigate sites for affordable housing
- Lack of nearby employment opportunities

HUGS Outcome 3
Support the development of quality greenfield neighbourhoods

Climate action and sustainability

- Micromobility, walking and cycling facilities to support transport choices. Currently upgrading North City Road to make it more pedestrian and cycling-friendly near the new community facilities.
- Strategic public transport for low-carbon commute options in the future – RT3 (bus route) outlined in MSP Programme Business Case would link Rototuna to city centre in 10 mins.
- 'Living locally' will reduce unnecessary travel, with multiple schools, Te Kete Aronui Rototuna library, shops at Rototuna Village, and four large neighbourhood parks available for residents.
- Lake Magellan upgraded for stormwater quality and management.
- Resilience to climate impacts through delivery of Te Ture Whaimana o te Waikato Awa outcomes.



Greenfield East

HUGS Outcome 3

Support the development of quality greenfield neighbourhoods

Item 6

Strategic land use approach

- Ruakura
 - a Future Proof Priority Development Area
 - Committed greenfield growth area in HUGS
- Ruakura 2 (R2)
 - Future Proof long term area
 - 2005 Strategic Land Agreement with Waikato District Council
- Ruakura East
 - Future Proof long term area
 - Private Plan Change 15 (Tuumata) – seeking to change industrial land for residential
- Land use pressure to develop east of Waikato Expressway

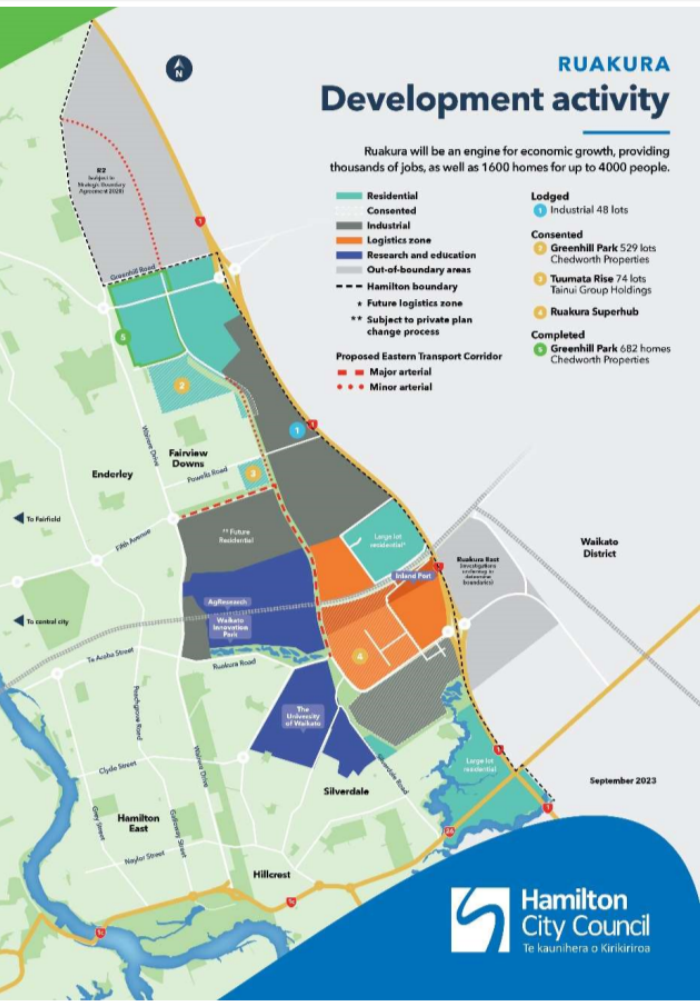
Greenfield infrastructure approach and assumptions

- Significant investment over the past three years to complete main transport, water, wastewater and stormwater servicing to match the Operative District Plan.
- Significant infrastructure missing is Ruakura Eastern Transport Corridor (ETC) including a Fifth Avenue extension and connecting the north-south arterial between Powells Road in the north to Silverdale Road in the south.
- Assumption to work with developers who have the primary responsibility to build the ETC to two lanes and to make an allowance for upgrading the arterial from two lanes to four lanes.
- No programmed funding for upsizing any existing arterial such as Pardo Avenue and Webb Drive. Opportunity to work with R2 developers to complete the ETC through to Thomas Road in the north.
- No infrastructure allowance has been made for potential impacts from Plan Change 12 and 15, nor allocation or infrastructure provision for out-of-boundary areas such as R2 and Ruakura East or beyond.
- Developers will need to meet Council’s out-of-boundary principles including provision of infrastructure to ensure any new development areas contribute positively to achieving the city’s vision.

Housing outcomes

Ruakura: 1600 more homes for up to 4000 people in the next 40 years
Developer ready land for 576 homes
Tuumata (PC15) 1100-1300 more homes
Greenhill Park higher density

Ruakura 2: Capacity 2000-4000 homes (subject to review of industrial land supply)



Employment and economic outcomes

- Up to 11,000 jobs in the Ruakura Inland Port & Logistics hub when complete (HW-MSP, 2020)
- 344ha GFA industrial/logistics
- \$1B p/a productivity gains in Waikato
- \$5.4B economic benefit from Inland Port
- 77ha for research & innovation
- Balance employment to the east
- Waikato-Tainui top economic priority for tribal aspirations

Wellbeing outcomes

- 1 million native trees planned for Stage 1 Ruakura
- 10ha wetland for stormwater treatment
- Restoration of Maangoanua gully
- Kura Kaupapa Maaori schooling (MOE)
- Ensuring community amenity is provided to create compact, connected, and healthy neighbourhoods

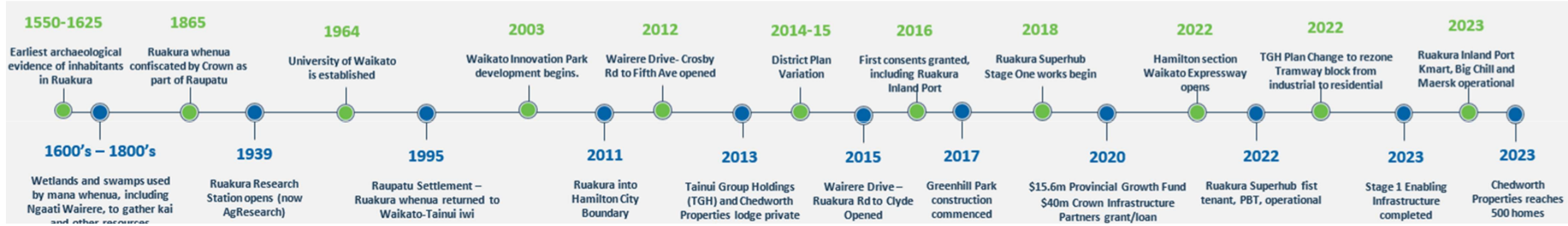
Opportunities and barriers

- ETC construction to unlock full benefits of inland port and radical transport shift
- Superhub a project of National Significance and New Zealand’s largest integrated development
- Iwi engagement to leverage long term outcomes
- Industrial Land Supply outside of Hamilton’s current boundaries to the east of Waikato Expressway (long-term)
- Value capture through boundary changes
- No water or wastewater allocations for R2 or Ruakura East
- New neighbourhood centres being proposed through the area
- Future build-out of Waikato Innovation Park
- On-going development of the University of Waikato campus



Climate action & sustainability

- Significant mode shift from freight to rail and rapid public transport options
- Remove 65,000 truck movements per year, reduce CO2 emissions by 13,100 tonnes per year
- Tainui aspirations > most environmentally sustainable port in southern hemisphere through rail, solar and ecological protection. Example of Council supporting low-carbon infrastructure and opportunities for renewable energy solutions
- Wetland stormwater solution an example of green infrastructure
- Support research and innovation for climate change response
- Climate response investments for adaptation and mitigation (emissions reduction)



Attachment 6

Greenfield South

HUGS Outcome 3

Support the development of quality greenfield neighbourhoods

Strategic land use approach

Includes Peacocke, Templeview and emerging areas of Southern Links 1 & 2 (SL1 & SL2)

- Peacocke & Southern Links are Future Proof Priority Development Areas
- Peacocke is a committed greenfield area in HUGS and will become the primary greenfield growth area
- Peacocke Structure Plan (PC5)
- A strategic land agreement is in place with Waipa District Council for SL1 & SL2 which are identified as long-term future growth areas in HUGS
- The Airport area, in close proximity, is also a Future Proof Priority Development Area with significant industrial expansion planned in the short-term

Strategic infrastructure approach

- The \$290.4m HIF (including \$110.1m from Waka Kotahi NZTA) has been critical in unlocking Peacocke for development
- Further long-term investment is required in Peacocke for the north-south arterial and strategic connections where there is fragmented land ownership
- There is no infrastructure allowance made for infrastructure provision for the out-of-boundary areas SL1 and SL2
- Developers will need to meet Council’s out-of-boundary principles including provision of new strategic and local infrastructure to ensure any new development areas contribute positively to achieving the city’s vision
- The potential to leverage wider development opportunities to fund key enabling infrastructure if coordination can be achieved with the Airport Company (WRAL, SL1 Consortium etc.)

Housing outcomes

- 7,400 homes for up to 20,000 people in next 40 years
- Developer ready land for 168 homes
- Mix of housing typology for affordable options alongside higher end homes



Employment outcomes

- 7.8ha town centre generating jobs
- Thousands of jobs arising from construction of homes

Wellbeing outcomes

- Largest ever environmental investment into a growth area
- Access to open space and parks, including one sports park
- Access to nature with over 100ha of protected gullies
- Access to education including at least two schools
- Protection of biodiversity with bat corridors and artificial roosts, predator control, lizard habitat restoration, stream restoration and over 200,000 plants
- Rich cultural history reflected in infrastructure and the community

Opportunities and barriers

- Active developers in the Peacocke area
- Climate response investments e.g. Greenstar, wetlands, green corridor protection and restoration and transport connections that support low carbon transport choices
- Residential and industrial land supply and value capture outside of Hamilton’s current boundaries to leverage the construction of Southern Links and the Southern Wastewater Treatment Plant
- Waka Kotahi NZTA Funding and development of Southern Links transport network
- Piecemeal development in emerging areas that is not coordinated or integrated with the whole area



Climate action and sustainability

- Peacocke will be a climate-ready neighbourhood
- A well-designed urban development with well-planned transport connections to the rest of the city will enable low-carbon living in Peacocke
- ‘Living locally’ will reduce unnecessary travel, with wider footpaths, separated cycle lanes, and a strategic public transport network allowing for active travel and a low-carbon commute options
- 30 stormwater wetlands are planned, which will regenerate the natural environment and improve resilience to climate impacts and deliver on Te Ture Whaimana o te Waikato Awa outcomes
- A climate change risk assessment and community resilience booklet has been completed as part of Green Star Community application. This will help the Peacocke community (and the natural and built environments) to deal with effects of climate change



Funded - Base Capital Portfolio
Capital Programmes Breakdown by Priority

Priority	Funded Capital Programme	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
1	A city that's easy to live in	\$425,230	\$628,785
2	A city where our people thrive	\$100,702	\$100,702
3	A central city where people love to be*	\$0	\$0
4	A fun city with lots to do	\$86,851	\$90,751
5	A green city	\$161,753	\$179,199
	Renewals & Compliance Programme	\$772,285	\$938,539
	Total	\$1,546,821	\$1,937,975

*No specific group of activities has been allocated to this priority as it is recognised that the activation of the central city is contributed to by all parts of Council activity and by key capital projects

Priority 1: A city that's easy to live in

Priority	Funded Capital Programme	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
1	A city that's easy to live in	\$425,230	\$628,785
1.1	Ruakura Programme	\$38,111	\$75,453
1.1.1	Ruakura Eastern Transport Corridor New Build	\$37,877	\$75,219
1.1.2	Ruakura Road Transpower Land Purchase	\$234	\$234
1.2	Rototuna Programme	\$32,415	\$32,415
1.2.1	Borman Horsham Urban Upgrade and Extension	\$4,920	\$4,920
1.2.2	North City Road Upgrade - Bourn Brook to Kay	\$7,791	\$7,791
1.2.3	River Road Upgrade- Te Huia to Kay Road	\$7,541	\$7,541
1.2.4	Rototuna Transport Upsize Programme	\$962	\$962
1.2.5	Rototuna Transport Urbanisation Programme	\$11,201	\$11,201
1.3	Rotokauri Programme	\$44,491	\$47,661
1.3.1	Arterial Designations and Permanent Levels	\$2,500	\$2,500
1.3.2	Arthur Porter Drive Realignment	\$10,092	\$13,262
1.3.3	Brymer Road Urbanisation	\$6,491	\$6,491
1.3.4	Rotokauri Road Urbanisation	\$4,994	\$4,994
1.3.5	Rotokauri Stage 1 Arterial Upsize	\$9,903	\$9,903
1.3.6	Rotokauri Stage 1 Collector Upsize	\$10,511	\$10,511
1.4	Te Rapa North Programme	\$19,091	\$19,091
1.4.1	Onion Road Realignment	\$19,091	\$19,091
1.5	Peacocke Programme	\$143,605	\$151,005
1.5.1	B - SH3 Ohaupo Road (HIF)	\$1,502	\$1,502
1.5.2	Bader Street Urbanisation	\$1,282	\$1,282
1.5.3	C - Extension of Wairere Drive and Bridge (HIF)	\$10,332	\$10,332
1.5.4	C1 - Wastewater Strategic Pumpstation Storage and Pressure Main (HIF)	\$1,850	\$1,850
1.5.5	D - Peacocke Road Urban Upgrade (HIF)	\$7,982	\$7,982
1.5.6	E - East/West Roding Arterial (HIF)	\$57,372	\$57,372
1.5.7	Hall Road Urban Upgrade	\$3,425	\$3,425
1.5.8	North-South Arterial	\$4,999	\$4,999
1.5.9	North-South Arterial from East-West Arterial to Peacocke Road	\$17,839	\$17,839
1.5.10	Peacocke Developer Upsize Programme	\$10,458	\$10,458
1.5.11	Peacocke Land Acquisition Programme (HIF)	\$4,604	\$4,604
1.5.12	Peacocke PDA Upsize Contribution (HIF)	\$0	\$7,400
1.5.13	Peacocke Road Minor Arterial Upgrade	\$9,425	\$9,425
1.5.14	Peacockes Lane Urban Upgrade	\$5,338	\$5,338
1.5.15	Southern Links Designation Provisions	\$7,196	\$7,196
1.6	Central City Programme	\$18,699	\$51,707
1.6.1	Sapper Moore Jones - Theatre Access & Pedestrian Environment	\$900	\$900
1.6.2	IAF - Active Modes River Crossing	\$10,300	\$41,462
1.6.3	IAF - Anglesea Street Investigation and Protection	-\$1	\$1,845
1.6.4	Transport Network - Proactive Upgrades for Intensification	\$7,500	\$7,500
1.7	City Wide Community Programme	\$11,700	\$11,700
1.7.1	Community Library Hub (Hillcrest) Programme A	\$11,700	\$11,700
1.8	City Wide Transport Programme	\$117,118	\$239,754
1.8.1	LCLR - Local Roads Programme A	\$7,350	\$15,000
1.8.2	LCLR - Public Transport Improvements Programme A	\$3,675	\$7,500
1.8.3	LCLR - Road to Zero Programme A	\$24,500	\$50,000
1.8.4	LCLR - Walking Programme A	\$9,800	\$20,000
1.8.5	Morrinsville Road Revocation - Fit for Purpose Improvements	\$0	\$11,200
1.8.6	452 Eastern Pathways - CBD to Uni (Clyde St to CBD)	\$6,600	\$6,600
1.8.7	452 Eastern Pathways - School Link (Te Aroha St, Ruakura Rd)	\$13,426	\$27,400
1.8.8	452 Biking and Micromobility Strategic Routes Programme A	\$19,600	\$40,000
1.8.9	LCLR - PT Improvements - High Frequency Routes - Strategic	\$19,600	\$40,000
1.8.10	Parking Management	\$713	\$713
1.8.11	Hamilton Transport model	\$588	\$1,200
1.8.12	Bus Rapid Transit Business Cases	\$2,031	\$8,516
1.8.13	Northern River Crossing Designation	\$2,296	\$4,686
1.8.14	Transport Network Upgrade associated with Development	\$6,375	\$6,375
1.8.15	Waikato Regional Traffic Model	\$564	\$564

Priority 2: A city where our people thrive

Priority	Funded Capital Programme	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
2	A city where our people thrive	\$100,702	\$100,702
2.1	City Wide Infrastructure Programme	\$100,000	\$100,000
2.1.1	Strategic Land Acquisition Fund (SLAF)	\$100,000	\$100,000
2.2	City Wide Community Programme	\$702	\$702
2.2.1	Animal Control - Kennel Block Extension	\$650	\$650
2.2.2	Community-Wide Security Risk Assessment Responses	\$52	\$52

Priority 4: A fun city with lots to do

Priority	Funded Capital Programme	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
4	A fun city with lots to do	\$86,851	\$90,751
4.1	Rototuna Programme	\$315	\$315
4.1.1	Rototuna Parks - Linear Reserve Development	\$315	\$315
4.2	Rotokauri Programme	\$2,227	\$2,227
4.2.1	Rotokauri Park Development	\$2,227	\$2,227
4.3	Peacocke Programme	\$315	\$315
4.3.1	Peacocke Stage 1 Natural Areas and Neighbourhood Parks	\$315	\$315
4.4	Central City Programme	\$8,601	\$8,601
4.4.1	Waikato Museum - Internal Environment Upgrade	\$3,851	\$3,851
4.4.2	Embassy Park (South End Precinct)	\$4,750	\$4,750
4.5	City Wide Community Programme	\$75,394	\$79,294
4.5.1	Hamilton Park Cemetery Burial and Ash Lawn Development Programme	\$5,875	\$5,875
4.5.2	Community Facilities Improvements - Pukete Neighbourhood House	\$3,030	\$3,030
4.5.3	Lake Domain Water Quality Improvements Infrastructure	\$600	\$600
4.5.4	Nature in the City Portfolio Programme - Delivery Projects	\$27,721	\$27,721
4.5.5	Play Spaces Programme	\$16,181	\$16,181
4.5.6	Sports Parks Improvements Programme A	\$11,202	\$11,202
4.5.7	West Town Belt Implementation - Boyes Park Redevelopment	\$1,300	\$1,300
4.5.8	Hamilton Gardens - Amenity, Safety, Access, and Visitor Experience Initiatives	\$5,866	\$7,566
4.5.9	Public Art Support Fund	\$341	\$341
4.5.10	Te Kaaroro Futureproofing and Revenue Generation Programme - Part A	\$2,201	\$2,201
4.5.11	Waiwhakareke Nature Conservation Development Programme	\$660	\$2,860
4.5.12	Visitor Destinations - Connected web presence and online customer channels	\$416	\$416

Priority 5: A green city

Priority	Funded Capital Programme	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
5	A green city	\$161,753	\$179,199
5.1	Rototuna Programme	\$5,290	\$5,290
5.1.1	Rototuna Stormwater Upsize Programme	\$5,290	\$5,290
5.2	Rotokauri Programme	\$7,500	\$7,500
5.2.1	Rotokauri Greenway	\$500	\$500
5.2.2	Rotokauri Greenway Consent and Design	\$3,500	\$3,500
5.2.3	Rotokauri Stage 1 Arterial Upsize	\$1,000	\$1,000
5.2.4	Rotokauri Wastewater Upsize Programme	\$1,500	\$1,500
5.2.5	Rotokauri Water Upsize Programme	\$1,000	\$1,000
5.3	Peacocke Programme	\$29,383	\$29,383
5.3.1	C - Extension of Wairere Drive and Bridge (HIF)	\$511	\$511
5.3.2	C1 - Wastewater Strategic Pumpstation Storage and Pressure Main (HIF)	\$20,343	\$20,343
5.3.3	E - East/West Rooding Arterial (HIF)	\$8,438	\$8,438
5.3.4	Peacocke Developer Upsize Programme	\$91	\$91
5.4	Central City Programme	\$9,600	\$26,686
5.4.1	IAF - Central City Integrated Catchment Management Plan	-\$1	\$1,369
5.4.2	IAF - Wastewater Investigation	\$0	\$1,714
5.4.3	Wastewater Network - Proactive Upgrades for Intensification	\$8,101	\$8,101
5.4.4	IAF - Ruakiwi 30ML Reservoir and PS - 2029	\$0	\$12,506
5.4.5	IAF - Water Investigation	-\$1	\$1,495
5.4.6	Water Supply Proactive intensification (Central City)	\$1,500	\$1,500
5.5	City Wide Infrastructure Programme	\$7,000	\$7,000
5.5.1	Subregional Wastewater Treatment Plant-HCC Share-Implementation	\$7,000	\$7,000
5.6	City Wide Waters Programme	\$102,981	\$103,341
5.6.1	Brownfield Stormwater Management - Residual Programme	\$250	\$250
5.6.2	Brownfield Stormwater Management - Waitawhiriwhiri / Frankton Treatment	\$4,753	\$4,753
5.6.3	Chartwell - Catchment Erosion control	\$250	\$250
5.6.4	Citywide Erosion Control Programme - Residual Programme	\$1,178	\$1,178
5.6.5	Kirikiri - Catchment Erosion control	\$1,677	\$1,677
5.6.6	Waitawhiriwhiri - Catchment Erosion control	\$1,195	\$1,195
5.6.7	Waitawhiriwhiri Catchment - Flood Management	\$2,565	\$2,565
5.6.8	Stormwater customer connections to network	\$0	\$50
5.6.9	Stormwater Integrated Catchment Management Plan (ICMP) program	\$3,214	\$3,214
5.6.10	Stormwater network upgrade - growth	\$1,696	\$1,696
5.6.11	Strategic Water Line	\$1,000	\$1,000
5.6.12	Ranfurly Gully Wastewater Pipe realignment	\$8,500	\$8,500
5.6.13	Wastewater Customer Connections	\$10	\$220
5.6.14	Flynn Wastewater Pump Station Diversion	\$198	\$198
5.6.15	Wastewater Storage - Eastern Interceptor Upper Section (Stage 1)	\$6,820	\$6,820
5.6.16	Te Anau/Split Wastewater Pumpstation Upgrade & Diversion	\$7,001	\$7,001
5.6.17	Upper Western Network - Kahikatea/Greenwood All Weather PS and Rising Mains	\$500	\$500
5.6.18	Upper Western Network: New All Weather PS and Rising Mains (Lorne/Normandy)	\$500	\$500
5.6.19	Upper Western Network: New Storage, Pre-Treatment and Controlled Discharge (Lorne/Normandy)	\$4,001	\$4,001
5.6.20	Wastewater Bulk Storage - Collins Rd Pump Station (Stage 1)	\$69	\$69
5.6.21	Wastewater Network Master Plan	\$293	\$293
5.6.22	Wastewater network upgrade - growth	\$1,700	\$1,700
5.6.23	Wastewater Treatment Plant Master Plan	\$100	\$100
5.6.24	Upgrade Pukete Wastewater Treatment Plant	\$46,223	\$46,223
5.6.25	Waioara 2 Water Treatment Plant Upgrade	\$2,900	\$2,900
5.6.26	Waioara 3 - Compliance/Resilience	\$2,000	\$2,000
5.6.27	Water customer connections	\$0	\$100
5.6.28	Eastern Reservoirs Bulk Water Supply Ring Mains	\$200	\$200
5.6.29	Fairfield Water Supply Pump Station Upgrade	\$500	\$500
5.6.30	Hillcrest Zone Implementation	\$1,250	\$1,250
5.6.31	Upgrade Maeroa Reservoir Pumpstation	\$601	\$601
5.6.32	Water Supply Network Master Plan	\$277	\$277
5.6.33	Water Network Upgrade - Growth	\$1,463	\$1,463
5.6.34	Water Treatment Plant Master Plan	\$100	\$100

Ref	Project name	Project description	Expenditure type	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	TOTAL 10
1.1	Additional parking resourcing	Additional resourcing required in year three to support the citywide parking plan implementation, communication/engagement, and delivery (including bylaw review and changes). Currently there is no resourcing in place to deliver the plan which is currently being developed.	Opex	0	0	99,353	99,353	99,353	99,353	99,353	99,353	99,353	99,353	794,824.00
			Oprev	0	0	(99,353)	(99,353)	(99,353)	(99,353)	(99,353)	(99,353)	(99,353)	(99,353)	(794,824)
			RESULT	0	0	0	0	0	0	0	0	0	0	0
1.2	Parking kiosk operations and maintenance	Provision of technology and system support to manage and maintain the new kiosks required due to growth of the city. Currently maintenance and collection of funds from the parking meters are done manually by the parking team and is a high-risk task due the cash transactions. Finding replacement parts for these obsolete meters is difficult. The cash collected from these obsolete machines is now no-longer being recorded and thus fall outside appropriate cash handling practices.	Opex	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	820,000
			Oprev	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(820,000)
			RESULT	0	0	0	0	0	0	0	0	0	0	0
1.3	Parking compliance: additional resourcing	To support additional resources for the parking activity, including an additional Licence Plate Recognition Vehicle and an Adjudicator position from year three, noting the budget will increase every two years for additional staff to accommodate increasing compliance and enforcement activities required i.e. compliance for bike and bus lanes associated with Access Hamilton implementation. This will also support compliance needed for the CERF projects and will assist with encouraging alternative modes of transport. This change request will have a net zero effect with revenue being collected through additional compliance and enforcement activity.	Opex	0	0	134,320	134,320	201,480	201,480	268,640	268,640	335,800	335,800	1,880,480.00
			Oprev	0	0	(134,320)	(134,320)	(201,480)	(201,480)	(268,640)	(268,640)	(335,800)	(335,800)	(1,880,480.00)
			RESULT	0	0	0	0	0	0	0	0	0	0	0
1.4	IS cyber maturity uplift	Council currently has a cyber maturity of Cybersecurity Maturity Model Certification (CMM) 0, with an aim to shift to CMM 3. This requires the delivery of significant technical and people change to occur over the life of the Long-Term Plan. The primary objective is the move to CMM 3 and addressing the 29 critical gaps that have been identified through external audit. B	Opex	430,000	545,000	583,500	625,850	672,435	723,679	780,046	842,051	910,256	985,282	7,098,099
1.5	Driving productivity through AI	To leverage Artificial Intelligence (AI) to increase the productivity of the organisation, starting with writing documents and reports, and in time expanding into strategy, planning and development.	Opex	75,000	175,000	150,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,150,000.00
1.6	Hamilton Alcohol Fees Bylaw	Funding to develop a bylaw. Alcohol Licensing Fees were determined by legislation at the time that the Sale and Supply of Alcohol Act was enacted in 2012. A provision exists within the legislation that permits territorial authorities to set their own alcohol structure for fees payable under the legislation. However, the territorial authority is required to create a bylaw in order to do so (section 405 Sale and Supply of Alcohol Act 2012). To increase revenue in alcohol licensing, Council is required to adopt a bylaw. It should be noted that there has been no change in fees for the past 10 years, and fees are not keeping pace with costs impacted by inflation.	Opex	29,000	0	0	0	0	0	0	0	0	0	29,000
			Oprev	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(900,000)
			RESULT	(61,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(871,000)
1.7	Business Improvement District (BID) Boundary Change	External request from Hamilton Central Business Association (HCBA) to extend the current BID boundary to include Hamilton East Village (south of ANZAC Parade bridge to Wellington Street). This area is located within Stage 1 under Plan Change 12 and within the 800 metre walkable catchment. HCBA are specifically requesting it to enable a co-ordinated approach to supporting and promoting the central city and Hamilton East to capitalise on storytelling and designing experiences for locals and visitors to make the most of the connections between the two areas. HCBA see Hamilton East as competition to central city and so want to combine to capitalise on Central Hamilton attraction and story telling. This change needs to be made in accordance with Council's BID Policy which, in addition to requiring Council approval, includes a polling process of potential members, as well as approval from the BID Executive Committee to proceed. If the changes are not approved, the BID will continue to function with existing funding and within existing boundaries.	Opex	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
			Oprev	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(250,000)
			RESULT	0	0	0	0	0	0	0	0	0	0	0
1.8	Business Improvement District (BID) funding increase	External request from Hamilton Central Business Association (HCBA) to increase funding to the BID organisation as they have not had an increase to the BID rate since 2012. Funding is made up of a SUIP rate and a CV rate. This request is to increase both the SUIP rate and CV rate by the same percentage that rates increase per year, capped at 5%. This request is to support HCBA delivering their work programmes to contribute to the ongoing vibrancy and economic growth in the central city. A BID organisation works on behalf of its members to improve a defined commercial area (in this case, the central city), and is funded by a levy charged on all business rate payers in the area. With central city transformation happening at pace and scale, HCBA want to better position themselves to take advantage of all of the opportunities this growth unlocks, and bring vibrancy to central public spaces for everyone to enjoy, through an increase in funding. HCBA is the only BID organisation in operation in Hamilton. The total BID budget comprises two separated targeted rates: - An SUIP rate: a charge of \$204 excl. GST (\$240 incl. GST) per business that Separately Uses or Inhabits Part (SUIP) of a property. The SUIP rate does not change year on year (however the number of businesses that pay this SUIP rate changes slightly each year) - A Capital Value (CV) rate based on the CV of the property. This increases by inflation each year. For 2022-23 this calculation was CV x 0.00002482 For 2023-24 this calculation was CV x 0.00003248	Opex	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
			Oprev	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(500,000)
			RESULT	0	0	0	0	0	0	0	0	0	0	0
1.9	Strategic Property legal and consultants	Budget for consultants (legal and subject matter experts) for Municipal Endowment Fund funded and non-Municipal Endowment Fund projects. These projects will deliver urban regeneration and growth.	Opex	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,300,000
			Oprev	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(600,000)
			RESULT	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	700,000

Ref	Title	Description	Proposal	Risks & Consequences	Recurring/One-Off	LTP24-25	LTP24-25 proposed saving
3.1	Te Waka - Waikato Economic Development Agency Funding	Te Waka is the regional economic development agency whose mandate is to improve economic wellbeing. The funding enables Te Waka, through a direct financial funding contribution, to promote and enable economic development in the Waikato. The current three-year funding agreement expires at 30 June 2024.	Reduce the budget by 50%, and review for the 2027-37 Long-Term Plan. Suggest Te Waka has greater collaboration with Hamilton and Waikato Tourism and other regional advocacy organisations.	There is a risk of potential relationship harm between Te Waka and Council and/or other contribution councils. Council withdrawing funding may also lead to other councils reducing or withdrawing funding. There is also a risk that Te Waka delivers less economic wellbeing uplift with reduced funding, and that Te Waka may become unsustainable with the loss of Council funding.	Annual recurring	140,000	70,000
3.2	Economic Development Sponsorship	Sponsorship budget of \$20,000 allocated mainly: Kudos Science Trust Awards (\$15,000 per annum). The Kudos Science Trust (Hamilton Science Awards Trust) was established in 2007 to recognise the achievements of the region's top scientists, excite young people about science and its career opportunities, and raise the profile of science within the community. Council has been a sponsor for many years, usually to \$15,000. Rise Up (\$1,000 per annum). Created by SODA Inc in 2021 to encourage more women to consider entrepreneurship as a viable career, to lift the capability of female founders, and champion female entrepreneurship in Aotearoa. Other small sponsorships considered on case by case basis.	Remove budget, and review for the 2027-37 Long-Term Plan.	The risk of not providing funding to events such as Rise Up and Kudos Science Awards is that Council is not seen to be involved in the community, and also that those organisations will need to find alternative sponsorship for their events.	Annual recurring	20,000	20,000
3.3	Hamilton and Waikato Tourism Limited Funding	Council has a long-standing three-year purchase agreement for visitor industry promotions and campaigning to sell Hamilton and the Waikato as a compelling visitor destination. It directly supports economic and social benefit to our community and drives visitation to Hamilton's destinations, including the H3 suite of event venues, Hamilton Gardens, Waikato Museum, and Te Kaaroro (Hamilton Zoo and Waiwhakareke precinct).	Reduce the budget by 50%, and review for the 2027-37 Long-Term Plan. Suggest Hamilton and Waikato Tourism has greater collaboration with Te Waka and other regional advocacy organisations.	This is co-funded with other surrounding councils in the immediate region, and private sector interests. A loss of this service would diminish Hamilton's competitiveness and profile across the tourism sector. The withdrawal of Council's regional tourism organisation (RTO) funding would likely cause Hamilton and Waikato Tourism to cease to exist.	Annual recurring	715,890	375,945
3.4	Cat Desexing Contestable Fund	This annual grant is to organisations to help fund the costs related to the actual desexing of stray, abandoned and feral cats within the Hamilton city boundaries that are to be rehomed (i.e. not for desexing cats and releasing them back into the community). In the 2021-31 LTP the grant budget of \$100,000 was approved by Elected Members. This was reduced during 2023-24 Annual Plan to \$50,000, as a one-off saving. During the development of the 2024-34 Long-Term Plan, the \$100,000 fund has been included in base budgets. However, this has been identified as an option for Elected Member consideration (as savings).	Remove budget, and review for the 2027-37 Long-Term Plan.	Uncontrolled growth of the unclaimed cat population, and subsequent impact on wildlife.	Annual recurring	100,000	100,000
3.5	New indoor recreation centre - capital grant	Capital grant towards new indoor recreation centre, approved in the 2021-31 Long-Term Plan. \$5 million is split, with \$2.5 million in 2023-24 (current year budget), and \$2.5 million in 2024-25 (which is included in the draft 2024-34 Long-Term Plan base budget).	Remove budget.	The commitment is planned to be made during 2023-24. The significant shortfall in provision of indoor recreation facilities has been identified in a recent Indoor Recreation and Aquatics Report.	One-Off	2,500,000	2,500,000
3.6	Community Grant funding	The grants in question are: •Community Service Grants (single year grants \$308,400) •Community Initiatives Grants (community event fund 2023/24 \$100,000) •Creative Community Scheme (Creative Partnership Fund \$50,000) •Welcoming Plan Fund (\$75,000)	Reduce budget by 20%, and review for the 2027-37 Long-Term Plan.	These grants enable community organisations and community groups to deliver wellbeing outcomes to specific sectors or areas of our community. The reduction in the grants will reduce the ability for community organisations to be effective and support the needs of the community.	Annual recurring	533,400	106,680
3.7	Workplace Travel Planning	The purpose of the Workplace Travel team is to support the reduction of vehicle kilometres travelled (VKT) and National Policy Statement (NPS) in regards to parking provision. The team: •Works towards the delivery and implementation of Council's own workplace travel plan. •Works with businesses in the city to assist with workplace travel planning i.e. ACC, Waikato Hospital, Waikato Regional Council, •Besses workplace travel plans as required by some resource consents (there will be increased requirement for this with District Plan Change 12 in 2024), •Runs events that promote alternative modes of transport options, •Facilitates initiatives such as the subsidised e-bike programme for staff, •Supports the close working relationship with the Waikato Regional Council regarding public transport. Workplace travel plans are currently a requirement of some resource consents, but with District Plan Change 12 coming into effect in 2024, more businesses will be required to have a work place travel plan. This activity currently receives a 51% waka kotahi subsidy - the cost to Council is \$97,693 (net) with Waka Kotahi subsidy/revenue of \$53,310.	Remove budget*. *Opportunity to reallocate costs for this programme: Assessment Component \$75,000: cost recoverable through fees and charges for the workplace travel plan assessment requirements as part of District Plan Change 12. Education Component \$37,500: Waka Kotahi Subsidy** \$37,500: Rates funded (cost to Council). **Waka Kotahi subsidy could only be claimed against the education component of this activity and requires the same percentage of local share, not funded by fees and charges.	•Inability to deliver Access Hamilton Strategy outcomes and VKT reduction goals. •Inability to deliver some Parking Policy principles and outcomes. •Inability to process and approve workplace travel plans as a requirement of District Plan Change 12. •Loss of reputation with community and key partners e.g. Waka Kotahi, large businesses, and business associations. •Loss of Waka Kotahi subsidy/revenue. •Would result in one FTE role being disestablished.	Annual recurring	97,690*	97,690
3.8	Nature in the City marketing/collaboration	Funding to maintain a web presence and the Nature in the City app, and to maintain community awareness of the programme.	Remove budget, and review for the 2027-37 Long-Term Plan.	Risk of diminished usage of the NITC mobile app as there wouldn't be funding to improve user experience and increase downloads and usage. The newly developed app is a key entry portal for our community to experience and value our urban natural areas and for Council to grow community engagement and volunteers. Risk of lower number of volunteers as there would be no budget to promote events and maintain web presence and community awareness of the programme.	Annual recurring	75,000	75,000
3.9	FMG Stadium Waikato painting	A significant amount of the painting work incorporated into Year One of the Long-Term Plan budget is already underway this 2023-24 financial year, and as a result it is unlikely to be needed to 2024-25. A nominal amount remains for smaller activities.	Remove budget for one year only.	There is minimal consequence to the savings of these costs.	One-Off	500,000	500,000
3.10	Hamilton Central Business Association Activation Fund	This is a type of grant to Hamilton Central Business Association (HCBA) to promote central city activities and includes activities such as bands in Garden Place, and assistance with the erection of the Christmas Tree etc.	Reduce by 20%, and review for the 2027-37 Long-Term Plan	Central city events could decrease and not be as vibrant as it has been in the past.	Annual recurring	100,000	20,000
3.11	Event Sponsorship Fund	A contestable fund for sponsorship funding of major events within Hamilton that aims to generate economic and social benefits for the city, primarily through the attraction of visitors to the city and by delivering wider exposure of Hamilton.	Reduce by 20%, and review for the 2027-37 Long-Term Plan	Without this fund, a number of the larger events would cease to operate such as the Hamilton Arts Festival and possibly Balloons Over Waikato. Hamilton would become less compelling as a destination for any new event opportunities that require local funding i.e. annual national championship sporting events that utilise a number of Council's existing facilities (athletics, swimming, hockey, kapa haka).	Annual recurring	500,000	100,000

Ref	Project name	Project description	Expenditure type	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	TOTAL 10
2.1	Sister Cities / International Relations	For the development and reconnection with our international partners such as our sister cities, friendship cities, and others of significance. These may be of cultural or economic relevance, including attracting new business opportunities for Hamilton. It would also help us to acknowledge and celebrate our diverse demographic, which includes Hamilton being home to over 150 different cultures.	Opex	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000.00
2.2	Taitua Arboretum Development Plan - operational projects	A range of one-off operational projects to develop and improve Taitua Arboretum, as outlined in the Taitua Arboretum Development Plan. The projects range from tree health and safety compliance (including tree removal, general maintenance and sightline improvements), through to replanting gardens, transitioning from reactive to proactive maintenance. Trees and gardens have a limited lifespan before they require renewing or replacing. These projects will improve the amenity, safety, and overall experience of visitors.	Opex	109,000	94,000	84,000	60,000	45,000	0	30,000	19,000	30,000	30,000	501,000
2.3	Waikato River water safety improvements	This project will deliver a combination of one-off research reports to enhance understanding around behaviours of recreational swimmers, and ongoing operational activities that will support provision of safer swimming locations along the Waikato River. This will include annual dive inspections by qualified divers, removal of any hazardous submerged objects, and removal of any vegetation / debris that could pose an entanglement risk. This work is not covered by the Waikato River Authority.	Opex	80,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	350,000
2.4	Community Group pre-project opex	Funds to enable feasibility studies, geotechnical assessments, business cases to initiate capital projects across Community Group, and may also enable the removal of non-fit for purpose structures.	Opex	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
2.5	Arboriculture maintenance	Climate change consideration: changes in extreme weather, drought, and temperatures as a result of climate change mean we need to be actively maintaining our trees for their survival. An increase for the operational budget for park tree maintenance to meet safety and compliance needs, to ensure the well-being of trees in our parks. Through routine inspections and maintenance, this project focuses on identifying and addressing potential hazards, and promoting a safe and enjoyable environment for park visitors. Tree maintenance is currently prioritised with a health and safety focus (reactive). This increase will see arboriculture maintenance transition to proactive.	Opex	693,047	693,047	693,047	1,283,047	1,283,047	1,283,047	1,283,047	1,283,047	1,283,047	1,283,047	11,060,470.00
2.6	CDEM Community Readiness project	Climate change consideration: extreme weather events are one of the civil defence emergencies that the community needs to be prepared for. With more extreme events likely to occur this work will help to build community readiness. Funding for baseline data surveys to help determine levels of Hamilton community readiness to be able to effectively respond to adverse events and Civil Defence emergencies, the design of a sustained campaign to positively impact levels of community readiness, and the implementation of a sustained readiness programme. A dedicated and sustained focus on improving the readiness capability of the community has been identified as an area of improvement for Council in the last two external capability assessments. The current Service Level Agreement with Waikato Regional Council is not sufficient to address this additional, yet necessary, work.	Opex	95,000	95,000	95,000	0	0	0	0	0	0	0	285,000.00
2.7	CDEM Hazard Research	Climate change consideration: extreme weather events are one of the civil defence emergencies that we need to be better prepared for. This research will enable us to prepare better for these events when they occur. A hazard research programme to reframe and better understand the city's exposure to potential CDEM hazards, risks, and disruptions, including manmade hazards. The requirement to undertake new and further hazard research has been identified as a development opportunity in each of the last two CDEM external capability assessments. The Auckland Flood Review Report 2023 found there was a need for specific research and standard operating procedures for high priority hazards, such as floods and superstorms.	Opex	170,000	75,000	50,000	0	0	0	0	0	0	0	295,000.00
2.8	City Safe support	A dedicated City Safe team of seven staff who provide a range of services across the city including the delivery of patrols along the river walkways, engaging with users of the river and the pathways, intervening in instances of at risk behaviours and to deescalate situations that develop. The team will also deliver enhanced safety and security coverage at our three high risk sites: Waterworld, Hamilton Gardens and Hamilton Zoo, via mobile operations. This will involve high visibility presence to manage the resulting pressure on security, traffic management, people access points, wayfinding, and general assistance for visitors. This is an emerging issue that necessitates an agile response from Council to protect the public and staff and ensure our sites are safe, family friendly destinations. The same staff will also support delivery of City Safe services through high visibility deployments in central city to enhance safety outcomes for users of our public spaces.	Opex	543,375	543,375	543,375	543,375	543,375	543,375	543,375	543,375	543,375	543,375	5,433,750.00
2.9	Partner Pool Programme increased compliance costs	Council currently funds four schools and the University of Waikato to operate over the summer for community use. The operating costs and the resources required to meet health and safety compliance are increasing annually for providers. The current funding model provides a fee per entry, to a capped amount. Less patronage (e.g., weather dependencies) means less funding, making managing costs difficult. This request seeks additional guaranteed funding at the commencement of the season to ensure that their set costs are covered.	Opex	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	760,000
2.10	Local Alcohol Policy	The development of a Local Alcohol Policy, as requested by Elected Members during the previous triennium. A local alcohol policy is a set of decisions made by a local authority in consultation with its community regarding the sale and supply of alcohol in its geographical area. The purpose of the policy is to: reduce alcohol related harm by balancing the reasonable needs of the community regarding the sale, supply and consumption of alcohol; establish a clear framework for issuing licences; and to provide guidance to applicants.	Opex		50,000									50,000.00
2.11	Bridge and handrail painting programme	WOULD NEED TO BE INCLUDED IN THE OPERATING PROGRAMME TO MEET THE 2021-31 LONG-TERM PLAN LEVEL OF SERVICE The scheduled clean, paint and maintenance of full bridges and handrails to maintain a water-proof coating for maximising bridge lifespan and improved visual amenity. Bridges are Council's most critical assets. Bridges provide connectivity and are very expensive to replace. For this reason, on-going appropriate maintenance is important to manage the life of these assets. Bridges are inspected two yearly through the CoLab arrangement. This work is undertaken by a qualified external consultant. Following the inspection, a programme of maintenance is provided to Council to action. Staff have included this project in the Waka Kotahi funding bid; however, funding may not be available or guaranteed due to regional and national funding limitations.	Opex	1,500,000	310,000	1,016,400	0	0	0	873,200	470,000	390,000	340,000	4,899,600.00
2.12	Pavement surface maintenance - Citywide	WOULD NEED TO BE INCLUDED IN THE OPERATING PROGRAMME TO MEET THE 2021-31 LONG-TERM PLAN LEVEL OF SERVICE This change request is to fund proactive pavement maintenance across the network. On-going proactive surface maintenance provides an opportunity to extend the life of the pavement smoothening capital expenditure. Current network pavement modelling has highlighted the lack of renewal investment. It is likely this activity will be partially funded by Waka Kotahi subsidy.	Opex	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000.00
			Oprev	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(3,500,000.00)
2.13	Catchpit cleaning	Climate change consideration: catchpit cleaning will help to minimise flooding during high frequency intense rainfall events. WOULD NEED TO BE INCLUDED IN THE OPERATING PROGRAMME TO MEET THE 2021-31 LONG-TERM PLAN LEVEL OF SERVICE Additional cleaning of catchpits is recommended to address high frequency intense rain fall events. The funding request will also support increased catchpit cleaning at flooding hotspot locations around the city. These known spots require on going inspections pre, post and during the event to minimise road and property flooding. This activity also relates to the Council Stormwater Network Management Plan Whakahiare Mahere (2022) which sets out compliance requirements from Waikato Regional Council as part of the comprehensive stormwater discharge consent for the city. With the increasing number of hotspots the existing (baseline) spend on catchpit cleaning and road channel sweeping is starting to fail to meet the KPI of percentage of catchpits which are observed to be 100% full at the time of cleaning = 0% and make allowance for additional targeted cleaning and sweeping to a new calculated programme based on risk and road catchment size and some recent cleaning volumes data.	Opex	554,000	554,000	554,000	554,000	554,000	554,000	554,000	554,000	554,000	554,000	5,540,000
2.14	Stormwater treatment device maintenance	Climate change consideration: If we fail to maintain these stormwater treatment devices, they will not operate effectively in the significant weather events. To support compliance and stormwater treatment device maintenance needs and preparedness for increasing significant weather events. Stormwater treatment devices allow for treatment of stormwater and collection of grit. It is important to have these devices cleaned regularly to ensure appropriate function. The funding will provide for a biannual cleaning of the large stormwater 360 grit and litter collector on Waiere Drive. Traffic management costs will be a large portion of this cost. Costs are based on the value for what was completed in 2021-22. Budget for this activity has not previously been separated out/provided for.	Opex		75,000		75,000		75,000		75,000		75,000	375,000
			Oprev		(20,000)		(20,000)		(20,000)		(20,000)		(20,000)	(100,000)

			RESULT	0	55,000	0	55,000	0	55,000	0	55,000	0	55,000	275,000
2.15	Cycle lane marking	<p>WOULD NEED TO BE INCLUDED IN THE OPERATING PROGRAMME TO MEET THE 2021-31 LONG-TERM PLAN LEVEL OF SERVICE</p> <p>A total of 116km of the cycle network has been marked in green to highlight the cycle lanes which supports the Access Hamilton desired outcome for increased uptake of a safe alternate mode active transport for all users. These marked lanes now require a remarking. Funding for re-marking the green cycle ways was not fully included as an ongoing cost in previous budgets as part of the Low-Cost Low Risk programme (safety programme) or through CERF. Due to growth of the city, remarking hasn't been able to be completed to level of service requirements.</p>	Opex	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
2.16	Increased data collection	<p>Scrim Testing: Commencement of testing of the road surface using the Sideways force Coefficient Routine Investigation Machine (SCRIM) to identify roads needing treatment to provide a safe driving surface with appropriate levels of friction. As part of this, a Policy will need to be developed. Testing will be based on a risk analysis and is likely to initially be on Transit Corridors and Urban connectors to establish need. The data will provide evidence of treatment of the network needs. Particularly for road safety.</p> <p>Traffic Counting: Additional traffic counting is needed to inform improved pavement modelling and the VKT (Vehicle Kilometres Travelled) reduction plan which needs to be developed (Waka Kotahi requirement). Consultant services are needed to generate a network counting programme and new site selection, and staff training to use the upgraded RAMM module, and staff time to manage the data and programme. Traffic counting supports on-going traffic modelling and will be used to report against VKT reduction, and help in development of the Traffic model.</p> <p>Staff have included this project in the Long-Term Plan Waka Kotahi funding bid, however funding may not be available or guaranteed due to regional and national funding limitations. This is because the strategic priorities for the Government Statement Policy (GPS) 2024 have changed to give priority to maintenance and operations, and system resilience over emissions and safety i.e. look after what we already have before building new infrastructure.</p>	Opex	247,000	365,000	160,000	260,000	160,000	260,000	160,000	260,000	160,000	260,000	2,292,000
2.17	Road and cycleway sweeping	<p>To support increased compliance and network maintenance needs (road and cycleway sweeping brought about by Resource Consent compliance requirements and preparedness for increasing significant weather events). Increasing sweeping frequency to elevate the Level of Service from monthly to fortnightly to all cycle lanes to improve safety and attractiveness for cycling use by removing loose stones and glass following the increased number of service requests received by Council. This increased level of service will support the Access Hamilton desired outcome for increased uptake of a safe alternate mode active transport for all users.</p>	Opex	515,200	515,200	515,200	515,200	515,200	515,200	515,200	515,200	515,200	515,200	5,152,000
2.18	Landscape and verge maintenance	<p>Climate change consideration: changes in weather patterns means we need to plan more resilient species so that they survive extremes in weather.</p> <p>WOULD NEED TO BE INCLUDED IN THE OPERATING PROGRAMME TO MEET THE 2021-31 LONG-TERM PLAN LEVEL OF SERVICE</p> <p>An increase in funding for the subsidised "centre of the road" and unsubsidised side of the road management of the landscaped areas within the transport corridor. Vested assets are coming onboard with more amenity costs such landscaping having to be maintained at a higher level than the rest of the city. In the last 3 years, we have had 1 million sqm of new landscaping created in the city. In recent years the published level of service for landscape and verge maintenance has not been delivered due to budget restraints and increasing costs such as temporary traffic management for works.</p>	Opex	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	2,731,474	27,314,740
2.19	Upgrade of road planting to more resilient species	<p>Responding to a resolution from the Infrastructure & Operation Committee resolution for further information around replacement of existing inappropriate road plantings with more resilient species to reduce the need for care and maintenance and prepare for likely changes in weather patterns.</p>	Opex	650,000	650,000	650,000	650,000	650,000	0	0	0	0	0	3,250,000
2.20	Pre-reseal repairs programme - Citywide	<p>To fund early pre-reseal repairs across the network and to cover a general increase in costs for pre-seal repairs. Pre-reseal repairs are repairs that are undertaken on the seal prior to applying a new seal. Completion of pre-reseal repairs 12 months before the resurfacing reduces maintenance holding costs and improved life of the road. The early repairs also provide flexibility around the reseal programme and allows for an early start weather permitting which ensure an early completion with reduced disruption.</p> <p>It is likely this activity will be partially funded by Waka Kotahi subsidy.</p>	Opex	2,000,000	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,500,000
			Oprev	(700,000)	(875,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(4,375,000)
			RESULT	1,300,000	1,625,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	8,125,000
2.21	School travel planning	<p>As part of the 2021-22 Annual Plan, Council approved a two year pilot for School Travel Planning. This pilot has proved to be successful in terms of uptake and education. Staff are recommending that the programme is delivered across the rest of the city. Staff are currently focusing on nine schools during the two year pilot and have had great outcomes so far such as an increase in kids using alternative modes of transport, specifically and uptake in biking to school which has reduced car usage. It should be noted that the pilot is only one year in and quantitative data for increase in active mode uptake hasn't yet been formally measured as more time is needed for education and behaviour changes to set in.</p>	Opex	156,612	156,612	156,612	156,612	156,612	156,612	156,612	156,612	156,612	156,612	1,566,120.00
2.22	Sustainable Resource Recovery roles	<p>Unfunded growth roles: These roles are to support the increase in compliance and contract management due to population growth. The roles also support additional asset waste project management and asset management.</p> <p>Partially funded level of service roles x 5: Five additional staff to support proposed legislation changes to the Building Act 2004 that will require all building consents (including Kāinga Ora consents) to have managed waste plans. The current timeframe for these changes is February 2025.</p>	Opex	215,155	602,397	602,397	602,397	602,397	720,092	720,092	720,092	720,092	720,092	6,225,203
			Oprev	(188,650)	(377,300)	(377,300)	(377,300)	(377,300)	(377,300)	(377,300)	(377,300)	(377,300)	(377,300)	(3,584,350)
			RESULT	26,505	225,097	225,097	225,097	225,097	342,792	342,792	342,792	342,792	342,792	2,640,853
2.23	Mana Whenua engagement	<p>This proposal is for an additional \$250,000 per annum for a three-year trial for the Service Level Agreement between Council and Iwi/Mana Whenua to deliver quality and timely engagement. This includes attending meetings with Council and the community, providing quality advice and direction, supporting and providing input into the development of Council policies, plans and strategies, and to assess and provide Mana Whenua endorsement on projects. The current budget is \$140,000 per annum with five hapuu and Waikato-Tainui (who meet their own engagement costs). The increased funding is to support Council to meet its responsibility as a Tiriti partner to engage with Mana Whenua on Council policies, plans, projects and strategies. The funding is based on five hapuu receiving equitable funding to deliver a high level of service to Council that either supports, mitigates or provides options that support the political and operational outcomes across Council.</p>	Opex	250,000	250,000	250,000	0	0	0	0	0	0	0	750,000.00
2.24	Tiriti events funding	<p>The Tiriti events funding is targeted toward building a city that celebrates its bi-cultural history and relationship. It provides unique recognition of iwi Maaori as tangata whenua and its historical relationship and bi-cultural responsibility to nationhood. Waitangi Day is our national celebration of nationhood. Matariki is a celebration of our indigenous New Year, and Raa Maumahara recognises our colonised history. It is proposed that Waitangi Day, Matariki, and Raa Maumahara are funded \$50,000, \$20,000, and \$30,000 respectively.</p>	Opex	100,750	100,750	100,750	100,750	100,750	100,750	100,750	100,750	100,750	100,750	1,007,500.00

2.25	Community and business climate change partnerships	<p>This project will build on the one year community and business climate change programme funded through the Better Off Funding for 2023-24. We cannot deliver Our Climate Future: Te Pae Tawhiti o Kirikiriroa by ourselves. It is going to require action from business, other government organisations and community groups. By developing effective partnerships with these stakeholders, we will be able to accelerate climate action, identify projects that we can deliver together, and also connect stakeholders with similar needs. There are organisations in Hamilton that are already taking action on climate change and have signaled they would like to work closer with Council. To support this, we will continue to deliver the Climate Accord as a leadership group for climate action in Hamilton and as a mechanism for collaborating on projects. This project will provide ongoing delivery and expansion of the programme started through the Better off Funding. The project includes 1 x FTE, a climate change partnerships role that will be responsible for building partnerships with business, industry and community organisations on climate action and administering the Climate Accord, and also a small administration budget to support the programme delivery.</p>	Opex	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	1,350,000.00	
2.26	Climate change risk assessment	<p>Climate change consideration: a comprehensive climate change risk assessment for the city will help to identify and prioritise adaptation action. Without this assessment we will not have the required information for our adaptation planning and to build our community resilience.</p> <p>Climate change will impact our city in many ways, for example droughts, floods as well as economic and social impacts. To understand and prepare for the potential impacts we need to conduct a Citywide climate change risk assessment. Through the risk assessment we will identify and asses the level of risk that the physical changes in climate and the transition to a low carbon future may present for Hamilton and our community. The risk assessment will look at multiple future scenarios of how the physical climate will change and how quickly emissions will reduce globally, this will help us to understand how the risks and the investment we need to make to keep our communities safe.</p> <p>The risk assessment will be completed in collaboration with key stakeholders and our Maaori partners. We will also use our Maatauranga Maaori Model (to be completed by June 2024) to integrate maatauranga Maaori into the risk assessment. Following the risk assessment, we will be able to prioritise adaptation action across the city. A simplified version of a climate change risk assessment was conducted for Peacocke as part of the Green Star accreditation, this citywide assessment will draw on the findings from the Peacocke risk assessment in building the citywide assessment as well as the regional risk identification project led by Waikato Regional Council. We will conduct the risk assessment every six years in line with the National Climate Change Risk Assessment requirements.</p> <p>Following the climate change risk assessment process we propose developing a climate change risk assessment module in EcoPortal (SHIELD) to support the ongoing assessment of climate change risk and to ensure that climate change risk is managed alongside our business and strategic risks. The risk assessment will be completed in collaboration with key stakeholders and our Maaori partners. We will also use our Maatauranga Maaori Model (to be completed by June 2024) to integrate maatauranga Maaori into the risk assessment. Following the risk assessment, we will be able to prioritise adaptation action across the city. A simplified version of a climate change risk assessment was conducted for Peacocke as part of the Green Star accreditation, this citywide assessment will draw on the findings from the Peacocke risk assessment in building the citywide assessment as well as the regional risk identification project led by Waikato Regional Council. We will conduct the risk assessment every six years in line with the National Climate Change Risk Assessment requirements. Following the climate change risk assessment process we propose developing a climate change risk assessment module in EcoPortal (SHIELD) to support the ongoing assessment of climate change risk and to ensure that climate change risk is managed alongside our business and strategic risks.</p>	Opex	100,000	150,000	80,000	0	0	100,000	150,000	0	0	0	580,000	
2.27	Emerging areas industrial land supply	<p>The Emerging Areas programme is focused on growing Hamilton to enable primarily additional industrial land to support job growth and economic development. With the incoming coalition government lead by National, there is a significant focus on increasing the GDP and growing our country's economy to create the necessary multiplier effect that will help fund other initiatives. The incoming government has also signalled a strong desire to pursue City Deal arrangements with a focus on enabling greater industrial and business growth. These new areas will enable existing businesses to grow and expand while remaining in Hamilton and the Waikato, and provide opportunities for businesses from elsewhere nationally to locate here. Allowing for jobs close to where people live will help deliver a compact city form and will reduce sub-regional traffic movements.</p> <p>This work will also ensure Council meets its requirements for enabling sufficient industrial land supply (and residential if required) to meet demand to accommodate forecast growth as required by Central Government under the NPS:UD. The supply has been getting progressively worse over the past six years. Planning to enable more land through to that land being available to the market can take in excess of ten years.</p>	Opex	222,000	222,000	260,000	170,000	120,000	0	0	0	0	0 \$	994,000.00	
2.28	New indoor facility developments	<p>This project will provide grant funding as part of the Council/External partnership approach for the development of three new indoor recreation facilities across Hamilton. Provisionally, these three new facilities will be located at Melville Hamilton South, Hamilton Central, and Hamilton North. This project could be an opportunity for Infrastructure Fund Funding (IFF).</p>	Opex	0	5,000,000	5,000,000	150,000	150,000	5,150,000	5,150,000	300,000	5,300,000	5,300,000	31,500,000	
2.29	Affordable Housing Fund	<p>Central government, through Kainga Ora, is primarily responsible for addressing national housing needs by operating in the social space. However, a significant opportunity for the Waikato is in the affordable housing area, where little is being done to address the increasing level of home unaffordability. In 2019, the Waikato Housing Initiative undertook a Regional Housing Stocktake based upon December 20218 statistical information, which highlighted a regional shortfall of 7,500 homes and a projected need for a further 51,000 homes by 2043. The Stocktake identified that the median house price was 6.2 times the median household income, considered then to be extremely unaffordable. The Waikato region median house price, calculated by Infometrics in 2023, is now 7.4 times the median household income.</p> <p>Council could support the delivery of affordable housing by establishing an affordable housing fund. This fund could provide the finance required to initiate or unlock, manage and complete multiple housing projects that deliver community and economic benefits. The focus for this fund would be for affordable housing, with the view that it could be utilised by any credible organisation with a valid proposal that produces recognised affordable housing outcomes. The scope of the fund could be geographically confined to Hamilton City Council or could contribute to a regional fund.</p> <p>There is no active fund of this nature in Hamilton currently. Achieving a fund of at least \$30 million should enable 3 to 4 housing projects per annum, that will deliver approximately 60 to 80 new houses that have an 'affordable' profile. Potential sources to contribute financially to establish this fund include: Waikato Regional Council, aligned councils in the Waikato region, planning policy mechanisms such as Inclusionary Zoning (delivering cash, land or houses from a developer's project), regional trusts e.g., Trust Waikato and WEL Energy trust, philanthropic organisations and investors e.g., Momentum Waikato and Tindall Foundation, and housing and wellbeing-focused government agencies.</p> <p>Other key features of this fund could include:</p> <p>i. flexibility to review a range of prospective housing projects and provide financial support where they meet the criteria established by the Governance group of the fund. Revenue resulting from a completed project will be recycled back into the Fund to pay investor dividends and deliver ongoing fund growth. It is important to note that from the feedback received, investors acknowledge that returns would be at a concessionary rate of 3-5%, which is intended to reflect the philanthropic and social outcome objectives of the fund and to ensure that affordability can be achieved; and</p> <p>ii. fund administration could be undertaken by an organisation such as Momentum Waikato, who have been established to provide professional administration of Waikato-related funds, trusts and bequests. It utilises recognised industry fund managers such as Craigs Investment Partners and JBWere for investment management.</p>	Opex	It is proposed that \$10 million is allocated, but timing is at Elected Member discretion should this Change Request be approved.											

Unfunded - Capital Portfolio
Recommended, Consider and Unfunded Programmes Breakdown by Priority

	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
Recommended	\$348,684	\$422,332
A city that's easy to live in	\$92,310	\$165,958
A fun city with lots to do	\$244,247	\$244,247
A green city	\$12,127	\$12,127
Consider	\$371,919	\$519,668
A city that's easy to live in	\$273,297	\$413,421
A fun city with lots to do	\$86,315	\$86,315
A green city	\$12,307	\$19,932
Unfunded	\$1,100,192	\$1,844,911
A city that's easy to live in	\$1,079,832	\$1,824,551
A fun city with lots to do	\$18,024	\$18,024
A green city	\$2,336	\$2,336
Total	\$1,820,795	\$2,786,911

	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A city that's easy to live in	\$1,445,439	\$2,403,930
Recommended	\$92,310	\$165,958
Rototuna Programme	\$0	\$20,000
Rototuna Pool	\$0	\$20,000
Rotokauri Programme	\$15,000	\$15,000
Arthur Porter Drive Realignment	\$15,000	\$15,000
Peacocke Programme	\$15,554	\$15,554
Hall Road Urban Upgrade	\$6,446	\$6,446
North-South Arterial from East-West Arterial to Peacocke Road	\$5,254	\$5,254
Peacocke Developer Upsize Programme	\$3,854	\$3,854
City Wide Infrastructure Programme	\$600	\$600
Claudlands Power Resilience	\$600	\$600
City Wide Community Programme	\$5,850	\$5,850
Community Library Hub Development Programme B	\$5,850	\$5,850
City Wide Transport Programme	\$55,306	\$108,954
LCLR - Local Roads Programme B	\$2,450	\$5,000
LCLR - Public Transport Improvements Programme B	\$1,225	\$2,500
LCLR - Road to Zero Programme B	\$15,157	\$30,932
LCLR - Walking Programme B	\$10,613	\$21,660
452 Eastern Pathways - CBD to Uni (Clyde St to CBD) B	\$6,219	\$33,100
452 Biking and Micromobility Strategic Routes Programme B	\$5,880	\$12,000
Sump Filter Stormwater Compliance Programme	\$3,762	\$3,762
Consider	\$273,297	\$413,421
Ruakura Programme	\$9,885	\$9,885
Ruakura Arterial Upsize	\$9,885	\$9,885
Rotokauri Programme	\$24,527	\$24,527
Te Kowhai/Rotokauri Arterial New Build	\$24,527	\$24,527
Peacocke Programme	\$1,442	\$1,442
Ohaupo Road Urbanisation	\$1,442	\$1,442
Central City Programme	\$31,750	\$31,750
Alexandra Street Upgrade A	\$6,000	\$6,000
Caro St Upgrade	\$5,750	\$5,750
Footpath Renewal - Central City Enhanced	\$20,000	\$20,000
City Wide Infrastructure Programme	\$48,135	\$48,135
Fleet EV Infrastructure	\$3,050	\$3,050
Fleet Growth	\$5,085	\$5,085
Strategic Infrastructure Fund	\$40,000	\$40,000
City Wide Community Programme	\$21,429	\$21,429
Aquatics - Visitor Experience Improvements	\$21,429	\$21,429
City Wide Transport Programme	\$136,129	\$276,253
Bridge Improvements	\$7,350	\$15,000
LCLR - Cycling - Biking and MM Strategic Routes	\$29,965	\$61,153
Major Intersection Improvements	\$34,864	\$71,150
LCLR - Walking and Cycling - Biking End of Trip Facilities	\$1,857	\$3,790
RT1 - Comet B	\$36,299	\$74,080
RT2 - Meteor B	\$24,294	\$49,580
Morrinsville Road 7003.0 Arterial Upgrade Designation	\$1,500	\$1,500
Unfunded	\$1,079,832	\$1,824,551
Ruakura Programme	\$5,220	\$5,220
Ruakura Railway Hub	\$5,220	\$5,220
Rototuna Programme	\$61,141	\$66,981
Rototuna North West Pool	\$55,531	\$55,531
Rototuna Transport Hub	\$5,611	\$11,450
Rotokauri Programme	\$5,136	\$5,136
Rotokauri Stage 1 Collector Upsize	\$3,636	\$3,636
Rotokauri Transport Upsize Programme	\$1,500	\$1,500
Peacocke Programme	\$4,838	\$4,838
Peacocke Developer Upsize Programme	\$4,838	\$4,838
Central City Programme	\$257,104	\$257,104
Alexandra Street Upgrade B	\$15,050	\$15,050
Central City Transport Improvements	\$224,400	\$224,400
Collingwood Street Upgrade (Alexandra to Victoria)	\$6,600	\$6,600
Road 623.1 - Norton Road	\$5,802	\$5,802
Road 803.1 - Rostrevor Street	\$5,252	\$5,252
City Wide Infrastructure Programme	\$1	\$1
Municipal Building Options	\$1	\$1
City Wide Community Programme	\$21,086	\$21,086
Aquatics - Future Network Provision of Pools	\$19,500	\$19,500
Libraries - Inclusivity & Equitable Offering Programme	\$1,586	\$1,586

A city that's easy to live in		
Unfunded (Continued)	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
City Wide Transport Programme	\$725,305	\$1,464,185
Nature in the City - Transport Network	\$4,000	\$4,000
452 Eastern Pathways - CBD to Uni Link (Clyde to University)	\$35,723	\$72,905
452 Eastern Pathways - School Link - Hukanui Road & Peachgrove stg 2	\$78,020	\$159,224
452 Biking and Micromobility Projects Citywide - Community Links	\$53,778	\$109,750
Orbiter Improvements	\$12,997	\$26,525
PT Hub Improvements	\$4,312	\$8,800
PT Interchanges	\$27,808	\$56,750
Transport Centre Improvements	\$10,780	\$22,000
Active Modes River Crossing - St. Andrews	\$101,350	\$101,350
cross city connector - mid whitiara to heapthy	\$36,895	\$36,895
cross city connector - ulster to greenwood	\$5,594	\$5,594
cross city connector - whitiara bridge	\$21,921	\$21,921
Cross City Connector Designation - Ulster to Wairere	\$1,103	\$2,250
MSP Bus Rapid Transit CBD - East	\$53,888	\$183,293
MSP Bus Rapid Transit CBD - North - Anglesea to Vardon	\$55,241	\$187,893
MSP Bus Rapid Transit CBD - North - Vardon to Te Awa Lakes	\$56,631	\$192,622
MSP Bus Rapid Transit CBD - South	\$19,502	\$66,335
Morrinsville Road 7003.1 Arterial Urban Upgrade	\$8,977	\$8,977
Morrinsville Road 7003.2 Arterial Urban Upgrade	\$9,456	\$9,456
Northern River crossing stage 1	\$26,845	\$54,786
Northern River crossing stage 2	\$31,104	\$63,478
Wairere Dr 4 Laning - Arthur Porter to Te Rapa	\$14,759	\$14,759
Wairere Dr 4 Laning - Hukanui to Gordonton	\$16,594	\$16,594
Wairere Dr 4 Laning - Resolution to Hukanui	\$15,641	\$15,641
Wairere Dr 4 Laning - Ruakura to Cambridge	\$12,994	\$12,994
Te Rapa Urban Upgrade + 4 Laning Road 6000.1	\$8,837	\$8,837
Te Rapa Urban Upgrade + 4 Laning Road 6000.2	\$557	\$557

Item 6

Attachment 11

	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A fun city with lots to do	\$348,586	\$348,586
Recommended	\$244,247	\$244,247
Rototuna Programme	\$7,380	\$7,380
Rototuna Neighbourhood Park	\$7,380	\$7,380
Rotokauri Programme	\$13,998	\$13,998
Rotokauri Park Development	\$13,998	\$13,998
Peacocke Programme	\$50,897	\$50,897
Peacocke Stage 2 Natural Areas and Neighbourhood Parks	\$50,897	\$50,897
City Wide Community Programme	\$171,972	\$171,972
Hamilton Park Cemetery Land Acquisition	\$5,500	\$5,500
Community Facilities - Glenview Community Hub (Centre + Library)	\$23,400	\$23,400
Community Facilities Improvements	\$102,738	\$102,738
Destination Park Improvements Programme - West Town Belt	\$8,546	\$8,546
Parks Waste Management Improvements	\$1,161	\$1,161
Public Toilet Improvements	\$5,272	\$5,272
Sports Parks Improvements Programme B	\$21,060	\$21,060
Hamilton Gardens - Improving and Future-proofing Visitor Access, Traffic Management, and Parking Capacity - Part A	\$2,295	\$2,295
Te Kaaroro Futureproofing and Revenue Generation Programme - Part A-1	\$2,000	\$2,000
Consider	\$86,315	\$86,315
Central City Programme	\$8,580	\$8,580
Waikato Museum - Entrance and Profile	\$8,580	\$8,580
City Wide Community Programme	\$77,735	\$77,735
Destination Park Improvements Programme	\$8,902	\$8,902
Land to Park Development	\$2,282	\$2,282
Neighbourhood Parks Improvement Programme	\$1,979	\$1,979
Verandah Cafe Building Improvements	\$2,002	\$2,002
Water Safety Infrastructure Improvements	\$1,384	\$1,384
Enclosed Gardens Visitor Safety and Security Infrastructure	\$2,652	\$2,652
Hamilton Gardens - Improving and Future-proofing Visitor Access, Traffic Management, and Parking Capacity - Part B	\$21,884	\$21,884
Hamilton Gardens - Integrated Audio Visual Solution in the Pavilion	\$650	\$650
Hamilton Zoo Maintaining Levels of Service for Increased Visitation	\$22,800	\$22,800
Te Kaaroro Futureproofing and Revenue Generation Programme - Part B	\$13,200	\$13,200
Unfunded	\$18,024	\$18,024
Rotokauri Programme	\$925	\$925
Rotokauri Community Park Acquisition	\$925	\$925
Central City Programme	\$8,379	\$8,379
Waikato Museum - Manaakitanga and kaitiakitanga improvements - Beale Cottage	\$267	\$267
Waikato Museum - Profile and Connections to Waikato Awa	\$4,017	\$4,017
Waikato Museum - Visitor Experience Manaakitanga	\$4,095	\$4,095
City Wide Community Programme	\$8,720	\$8,720
Hamilton Gardens - Amenity, Safety, Access, and Visitor Experience Initiatives - Part C	\$186	\$186
Station Masters House - Conservation Work	\$620	\$620
Te Kaaroro - Nature Precinct - Stage 3 Function centre	\$7,560	\$7,560
iSite Capacity & Location	\$250	\$250
Visitor Destinations - Branding Strategy	\$104	\$104

	Net Capex 10 Year \$000 uninflated	Gross Capex 10 Year \$000 uninflated
A green city	\$26,770	\$34,395
Recommended	\$12,127	\$12,127
Rotokauri Programme	\$605	\$605
Rotokauri Water Upsize Programme	\$605	\$605
Peacocke Programme	\$1,478	\$1,478
Peacocke Developer Upsize Programme	\$1,478	\$1,478
Central City Programme	\$714	\$714
Seddon Wastewater Pump Station diversion to Western Interceptor	\$714	\$714
City Wide Infrastructure Programme	\$5,000	\$5,000
Subregional Wastewater Treatment Plant-HCC Share-Land	\$5,000	\$5,000
City Wide Waters Programme	\$4,330	\$4,330
Mangaonua - Catchment Erosion control	\$501	\$501
Safer Networks CAPEX Programme	\$969	\$969
Enderley/5th Ave Wastewater Trunk Main Diversion	\$110	\$110
Automation of Strategic Bulk Ring Main Valves	\$500	\$500
Brownfield watermain upsizing to meet infill growth	\$1,500	\$1,500
water demand management - universal meters	\$750	\$750
Consider	\$12,307	\$19,932
Central City Programme	\$2,936	\$2,936
Strategic Network Upgrades - Tristram Street Pipe Upgrade	\$2,220	\$2,220
Strategic Network Upgrades - Victoria Street Trunk Pipe Upgrade	\$716	\$716
City Wide Infrastructure Programme	\$9,371	\$16,996
Reconfiguration of Refuse Transfer Station	\$1,746	\$1,746
Resource Recovery Park	\$7,625	\$15,250
Unfunded	\$2,336	\$2,336
City Wide Waters Programme	\$2,336	\$2,336
R2 Stormwater Infrastructure	\$226	\$226
Ranfurly Wastewater Pumpstation/ Pipe Upgrades	\$10	\$10
R2 Wastewater Infrastructure	\$1,000	\$1,000
Cambridge Tamahere Water Supply Reservoir Zone	\$300	\$300
Greenhill/R2_Gordonton Water Supply Reservoir Zone	\$500	\$500
Matangi/Morrinsville_Matangi\Newstead Zone	\$300	\$300

Ref	Title	Description	Proposal	Risks & Consequences	Recurring/One-Off	LTP24-25	LTP24-25 proposed saving
4.1	Waikato Regional Theatre Operating Grant (new)	This is a new operating grant for three years, commencing 1 July 2024, to support the day-to-day start up and ongoing operating costs of the new theatre. Matching contribution is anticipated from both Trust Waikato and WEL Energy Trust, contingent upon each party confirming this funding.	Remove the three years of funding	The Waikato Regional Theatre is a major private trust driven public arts (performing) project for Hamilton and the Waikato region. Start-up operating costs are high ahead of more stable revenue generation. Failure at operating level would put the \$80 million plus core theatre investment at risk.	Annual recurring	250,000	250,000
4.3	Major Event Acquisition and Activation	These funds are deployed for the city "pitch/tendering" activity for national/global scale events such as an All Blacks match, Cricket World Cup, FIFA World Cup etc. Funding includes cost of business case to support Hamilton as an event destination, co-ordination of city hosting requirements, leveraging media exposure, post event evaluation.	Remove budget, and review for the 2027-37 Long-Term Plan	Hamilton would be challenged to present a credible and competitive case for Hamilton to host events of national and international prominence.	Annual recurring	226,000	226,000
4.4	Partner Pools Programme	Hamilton City Council funds four schools and Waikato University through the Partner Pools Programme, to operate over the summer for community use. Note - the figure included is the current grant, and there is additional spend requested through a recommended Change Request.	Remove budget, and review for the 2027-37 Long-Term Plan	If Council doesn't provide the funding, the pools currently funded by the Partner Pools programme may not be able to open. If the pools cannot open, the community may look for alternative places to swim, such as the Waikato River.	Annual recurring	125,000	125,000
4.5	Aqua Education Programme	Bringing water education to schools that don't have a pool onsite, giving young people water confidence and experience with water safety. NOTE: the figure included is the spend net of revenue received	Remove budget, and review for the 2027-37 Long-Term Plan	If we don't run our Aqua Education Programme we run the risk that our youth won't have basic knowledge and water safety skills, so if they were to get in a sticky situation they won't have the basic messaging or experience.	Other	64,511	64,511
4.6	Library Auaha Makerspace	Auaha Makerspace at Central and Te Kete Aronui libraries.	Remove budget, and review for the 2027-37 Long-Term Plan	This is a popular part of the libraries service which is becoming part of our core offering of the Hubs. The community would no longer be able to learn about and use technologies that are not readily accessible to everyone i.e. 3D printers and virtual reality.	Annual recurring	127,400	127,400
4.8	Water demand management: leak detection	This budget is used to manage the demand for water by undertaking a leak detection programme on our water network. Leak detection can identify areas where higher than anticipated water usage or leakage is occurring. Early intervention can minimise the risk of critical asset failure, minimise the additional cost of treating lost water and protect public health. A 50% reduction of this programme significantly scales back the work undertaken to the minimum required to demonstrate compliance with our Water Conservation and Demand Management Plan, required pursuant to our Water Abstraction Water Consent.	Remove budget, and review for the 2027-37 Long-Term Plan	The deferral of water demand management initiatives has been put forward as an option for Elected Member consideration, as there is some choice in the timing of this intervention. However, this comes with associated risks. Undetected water leakage contributes to higher levels of water loss, increased reactive maintenance, increased operational costs and asset failure. This may lead to increased customer identified water leaks that need to be repaired reactively, and reputational issues from increasing levels of visible water leaks. The Water Services Act 2021 requires all parties with obligations under the Act to give effect to Te Mana o Te Wai. Minimising water loss is one of the ways we are working towards meeting this obligation.	One-Off	55,000	55,000
4.9	Water demand management: demand management initiatives	This budget is used to manage the demand for water, and includes planning for and delivering small scale demand management projects with the purpose of progressively reducing the future demand for water. This budget supports demand management projects of SmartWater programme. There are existing water demand management initiatives which will continue to be delivered through SmartWater programme, including year-round educational campaigns.	Remove budget, and review for the 2027-37 Long-Term Plan	The deferral of water demand management initiatives has been put forward as an option for Elected Member consideration, as there is some choice in the timing of this intervention. However, this comes with associated risks. There is a compliance risk that we will not be able to show sufficient progress with meeting objectives within our Water Conservation and Demand Management Plan (required pursuant to our Water Abstraction Consent) and a risk that Council will be perceived as not using the current allocation in a sustainable way. The Water Services Act 2021 requires all parties with obligations under the Act to give effect to Te Mana o Te Wai. Encouraging efficient use of water is one of the ways we are working towards meeting this obligation.	One-Off	19,616	19,616
4.10	Building Information Model (BIM) Programme	This budget provides for an ongoing programme of works to produce 3D models of treatment plant assets and to increase the quality and accuracy of asset information associated with critical plants. This programme could be paused, however this would increase the risk of critical asset failure and delayed benefits. This programme supports Council's response to the emphasis of matters regarding "Uncertainty over infrastructure asset condition information", raised by Audit New Zealand in response to the 2021-31 Long-Term Plan.	Remove budget, and review for the 2027-37 Long-Term Plan	Deferral of the BIM Programme for a two-year period has been put forward as an option for Elected Member consideration, as there is some choice in the timing of this intervention. However, this comes with associated risks. There is a compliance risk associated with not responding to the aforementioned emphasis of matters raised by Audit New Zealand. BIM can also improve health and safety outcomes by better identification and elimination of hazards during design.	One-Off	73,831	73,831
4.11	Road safety education	Road safety education programme for the following activities: •Recidivist Driver Programme (repeat offenders right track training in partnership with Ministry of Justice and Police) •Cycling Promotion (bike skills and training, includes bike helmet competition) •Driver Distraction Campaign •Young Driver Licensing (support programme in partnership with Waikato and Waipa District Council) •Driver Licensing for Maori (support programme) •Older Driver Education (supporting older drivers transitioning to mobility scooters or re-sitting driver licencing) •Drug Education (providing education around the dangers of drug use while driving) •Intersection Safety (safe use of roundabouts, traffic signals) •Micromobility Education (safe scooter use and shared paths) •Motorcycle Education (partnership with Waikato and Waipa District Councils) •Education for Child Restraint Use •Speed Education (includes deployment of speed trailers as needed and engagement around speed limit changes) •Pedestrian Education •Road Safety Programme (supporting SADD and other initiatives in schools). This activity currently receives a 51% Waka Kotahi subsidy - cost to Council is \$530,431 (net) with Waka Kotahi subsidy/revenue of \$286,500.	Remove budget, and review for the 2027-37 Long-Term Plan	•Not responding to the increasing number of deaths and serious injury on the network. •Loss of reputation with community and key partners e.g. Waka Kotahi, Ministry of Justice, NZ Police, Schools, Iwi, Community Groups. •Loss of Waka Kotahi subsidy/revenue. •It is an expectation of Waka Kotahi to undertake the road safety programme as part of commitment to vision zero. Removing the programme could jeopardise Capital road to zero programme such as safety projects around schools, high risk intersections, pedestrian crossings, and other low cost low risk programmes in terms of subsidy/revenue. •Increase in 'social cost' to the community as a result of increased crashes (social cost accounts for cost to community in dealing with the aftermath of injury crashes, including economic costs e.g. people being absent from work as a result of crashes). •Inability to deliver key outcomes of Access Hamilton Strategy, in particular vision zero. •Would result in one FTE role being disestablished and two other FTE roles being impacted (reduction of responsibilities).	Annual recurring	530,431* *Waka Kotahi subsidy of \$286,500 excluded from figure.	530,431
4.12	City Safe patrol reduction	Reduce City Safety officer patrols to Transport Centre, Garden Place and Central Library (at existing hours per week).	Remove budget, and review for the 2027-37 Long-Term Plan	Significant impact on the public perception of safety. Lack of visibility/engagement by Safety Officers. Potential increase in incidents. Potential retention impact due to limited variety within each patrol as they would become semi-security roles. This reduction would trigger redundancy costs, which have not been included in these calculations.	Annual recurring	499,000	499,000
4.13	Turn off fountains	Turn off the city fountains, being Civic Plaza (outside Reception Lounge), Frankton, Tongue of the Dog and Museum fountains. This would leave only Parana Park and Garden Place in operation, as they provide play.	Remove budget, and review for the 2027-37 Long-Term Plan	Loss of amenity as fountain structures remain in situ, unmaintained and empty. Potential deterioration of underground infrastructure resulting in possible future investment to turn back on. Reputational risk with the Tongue of the Dog Fountain.	Annual recurring	50,000	50,000
4.14	Reduce garden Level of Service in the CBD	Remove annual bedding from Victoria St, Courthouse, Norton Rd, and replace perennials in Central City to plantings requiring less maintenance.	Remove from Year Two (2025-26) and review for the 2027-37 Long-Term Plan	Reduction in the frequency of visits to central city gardens. Loss of visual amenity, with a high cost to re-visit this decision. Impacts 2 FTE roles. Possible costs include redundancy. Savings would be realised in Year Two (2025-26) as Year One (2024-25) budgets would be used to implement planting changes to permanent surfaces or grass.	Annual recurring	0* \$150,000 from Year Two	0* \$150,000 from Year Two
4.15	Reduce Customer Service Centre opening hours	Reduce service centre hours by closing for one day per week (currently open five days) and reducing staff numbers on the other days per week. The resulting reduction in staff hours (and opening hours) could be spread across the week in different patterns, but would result in the similar dollar savings.	Remove budget, and review for the 2027-37 Long-Term Plan	Would have to consider security for external visitors and we would need a visitor management solution. Negative public perception and we need to consider whether this gives members of the public enough access to pay their rates. Would result in redundancies and contract revisions for staff, which have not been included in the calculations.	Annual recurring	150,000	150,000
4.16	Reduce garden maintenance Level of Service	Reduce one Garden Maintenance Team	Remove budget, and review for the 2027-37 Long-Term Plan	Affects 2 FTE roles, and adjusted schedules to increase time between gardener visits to parks. Impacts include loss of amenity value, with the potential for areas to look unkempt with more weeds particularly in wet/warm weather, perceived loss of city pride, and higher volumes of complaints, with no capacity to respond.	Annual recurring	115,000	115,000

4.17	Closure of a small library	Close one of the smaller community libraries e.g., Glenview, Dinsdale, St Andrews, or Hillcrest.	Remove budget, and review for the 2027-37 Long-Term Plan	Loss of presence and value in community. Reputational impact both locally and nationally. Loss of future opportunity. Would result in redundancies which have not been included in the calculations.	Annual recurring	430,560	430,560
4.18	Reduce mowing Level of Service	Decrease mowing frequencies (excluding sports areas)	Remove budget, and review for the 2027-37 Long-Term Plan	Remove one boundary mowing team reducing 2 FTE roles. Monthly mowing frequency resulting in scruffy appearance, long grass and more complaints. Mowing longer grass takes longer, is harder on equipment so impacts city wide. Capacity reduces as growth areas come on line.	Annual recurring	110,000	110,000
4.19	Stop tree replacements Level of Service	Trees that are removed for safety reasons are not replaced.	Remove budget, and review for the 2027-37 Long-Term Plan	Trees that are removed for safety reasons are not replaced. This could be ongoing or for a defined period. Impacts could be whole streets or individual specimens, inability to catch up resulting in a net loss of street trees. Possible impacts on Nursery staffing if this option is taken with reduced Amenity Planting.	Annual recurring	130,000	130,000
4.20	Nature in the City reduced maintenance	Remove one team and the remaining work schedules to have time between visits increased.	Remove budget, and review for the 2027-37 Long-Term Plan	Reputational risk and potential community perception of Council not caring about our natural areas. Capacity reduction of 25% from reduction of 2 FTE. Would result in redundancies which have not been included in these calculations.	Annual recurring	110,000	110,000
4.21	Reduce planting in Amenity and Neighbourhood Reserves	Reduced programme of replanting in Amenity and Neighbourhood reserves, meaning plants are not replaced when at end of life.	Remove budget, and review for the 2027-37 Long-Term Plan	Reduced visual amenity appearance. Some bare areas within gardens if this option is taken for more than two years. Possible impacts on Nursery staff numbers, particularly if this option is ongoing or taken with other reduced planting options.	Annual recurring	150,000	150,000
4.22	Hamilton Gardens consequential opex	Consequential opex was developed up as part of the Gardens visitor precinct project business case. At the time there was a different model of delivery in the previous group, and the value of the consequential opex has been revised.	Remove budget for 2024-25, and 2025-26.	The impact is modest and can be absorbed effectively because of the potential restructure involving the addition of the Visitor Services team to Hamilton Gardens, and the ultimate flexibility of casual staff. The building will be new, so repair and maintenance costs should be minimal. This can be managed for one to two years but will need revisiting after that.	Annual recurring	100,000	100,000

Parking Revenue and Resourcing Analysis Attachment

Included the draft 2024-34 Long Term Plan base budget:

Demand Responsive Pricing at a starting price point of \$3/hr for the first two hours (and \$6/hr after that) where parking spaces generally have greater than 85% occupancy, and **\$1/hr** for the first two hours (and \$6/hr after that) where parking spaces generally have less than 85% occupancy, and increased enforcement for parking

***On Street Revenue assuming \$3/hr first 2hr & \$6 thereafter Central City starting price point (recommended starting point)**

On Street Parking Revenue	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
<ul style="list-style-type: none"> All Day Paid Parking – City Fringe Short Term Meter hood permits 	\$1.05m	\$1.27m	\$1.42m	\$1.58m	\$1.56m	\$1.65m	\$1.58m	\$1.60m	\$1.60m	\$1.59m
	\$1.08m	\$1.28m	\$1.72m	\$1.82m	\$1.88m	\$1.88m	\$1.95m	\$1.95m	\$2.02m	\$2.02m
	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Net Infringement (PINS & Tins & doubtful debt) (\$)	\$3m	\$3.5m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m
Targeted Rate (remove)	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total On Street Parking Revenue (\$)	\$5.14m	\$6.06m	\$6.15m	\$6.41m	\$6.45m	\$6.54m	\$6.54m	\$6.56m	\$6.63m	\$6.620m
Operating Expenses (\$)	\$5.91m	\$6.37m	\$6.76m	\$6.95m	\$7.22m	\$7.29m	\$7.60m	\$7.65m	\$7.29m	\$8.11m

Alternative Options:

Option 1 – Demand Responsive Pricing at a starting price point of **\$2/hr** for the first two hours (and \$6/hr after that) where parking spaces generally have greater than 85% occupancy, and **\$1/hr** for the first two hours (and \$6/hr after that) where parking spaces generally have less than 85% occupancy, and increased enforcement for parking (as included the draft 2024-34 Long Term Plan base budget)

On Street Revenue assuming \$2/hr first 2hr & \$6 thereafter Central City starting price point (comparison)

On Street Parking Revenue	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
• All Day Paid Parking – City	\$1.05m	\$1.27m	\$1.42m	\$1.58m	\$1.56m	\$1.65m	\$1.58m	\$1.60m	\$1.60m	\$1.590m
• Fringe	\$680,000	\$880,000	\$1.32m	\$1.42m	\$1.48m	\$1.48m	\$1.55m	\$1.55m	\$1.62m	\$1.62m
• Short Term Parking	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
• Meter hood permits										
• Net Infringement (PINS & Tins & doubtful debt) (\$)	\$3m	\$3.5m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m
• Targeted Rate (remove)	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
On Street Parking Revenue (\$)	\$4.74m	\$5.66m	\$5.74m	\$6.00m	\$6.06m	\$6,14m	\$5.61m	\$6.14m	\$6,23m	\$5.22m
Administrative Expenses (\$)	\$5.91m	\$6.37m	\$6.76m	\$6.95m	\$7.22m	\$7.29m	\$7.60m	\$7.65m	\$7.29m	\$8.11m

Option 2 – Status Quo – 2 hours free parking in the CBD and all-day fixed fee commuter parking.

On Street Revenue assuming 2hr free parking for the first 2 hrs and all day fixed fee commuter parking Central City starting price point (comparison)

On Street Parking Revenue	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
<ul style="list-style-type: none"> All Day Paid Parking - City 	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m	\$1.26m
<ul style="list-style-type: none"> Fringe 	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000
<ul style="list-style-type: none"> Short Term Parking -2hr 	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<ul style="list-style-type: none"> free 										
<ul style="list-style-type: none"> Meter hood permits 										
<ul style="list-style-type: none"> Net Infringement (PINS & Tins & doubtful debt) (\$) 	\$2.3m	\$2.45m	\$2.6m	\$2.75m	\$2.9m	\$3m	\$3.1m	\$3.2m	\$3.3m	\$3.4m
<ul style="list-style-type: none"> Targeted Rate - CBD Parking 	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000
On Street Parking Revenue (\$)	\$4.04m	\$4.20m	\$4.34m	\$4.49m	\$4.64m	\$4.54m	\$4.64m	\$4.74m	\$4.84m	\$4.94m
Operating Expenses (\$)	\$5.57m	\$5.87m	\$6.16m	\$6.33m	\$6.54m	\$6.63m	\$6.85m	\$6.91m	\$7.11m	\$7.30m

Summary of Additional Parking Resourcing Costs (included in the draft 24-34 LTP):

Additional Parking Resourcing	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
Opex (\$) - electronic kiosk operations and maintenance	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000	\$82,000
- Parking Plan implementation (x1 FTE)			\$99,353	\$99,353	\$99,353	\$99,353	\$99,353	\$99,353	\$99,353	\$99,353
- Additional adjudicator/warrant officer positions			\$134,320	\$134,320	\$201,480	\$201,480	\$268,640	\$268,640	\$335,800	\$335,800
*** already included in base (net zero effect) ***										
Total Opex (\$)	\$82,000	\$82,000	\$315,673	\$315,673	\$382,833	\$382,833	\$499,993	\$499,993	\$517,153	\$517,153
Capex (\$) - improve parking compliance related capability including LPR vehicle camera equipment and installations	\$190,500	\$138,750	\$85,575	\$40,500	\$24,825	\$102,000	\$24,750	\$40,575	\$39,000	\$26,325

Business Improvement District (BID) Revenue Increase

As reported to the 14 September 2023 Economic Development Committee meeting, Hamilton Central Business Association (HCBA) has raised an External Change Request to increase funding to the Business Improvement District (BID) organisation through increasing the BID targeted rate in line with the rates increase each year, capped at 5%.

BID targeted rate

HCBA is the only BID organisation in operation in Hamilton. The total BID targeted rate comprises two separate targeted rates:

- i. **SUIP rate:** A charge of \$240 (incl. GST) per business that Separately Uses or Inhabits Part (SUIP) of a commercial property. The SUIP rate does not change year-on-year (however, the number of businesses that pay the SUIP rate changes slightly each year).
- ii. **Capital Value (CV) rate:** Based on the CV of a property, this increases by inflation each year.

The full **BID targeted rate** is collected by HCC and is passed onto HCBA in quarterly instalments. Over time, HCBA's budget has increased through:

- i. An increase in the number of businesses (SUIPs) operating in the BID area, and
- ii. The CV rate increasing with inflation.

In FY 21-22, HCBA received \$362,250 (incl. GST), and FY 22-23 \$366,867 (incl. GST). HCC's rates team has budgeted \$388,079 (incl. GST) for FY23-24.

The SUIP rate makes up approximately 85% of HCBA's budget, with the remaining 15% being collected from the CV rate. However, the SUIP rate has not increased since inception in 2008.

HCBA has proposed an increase to both the SUIP rate and CV rate each year by the same amount as the approved general rate increase, capped at 5%

Potential BID revenue increase

At the 14 September 2023 Economic Development Committee, Elected Members resolved that *the Economic Development Committee recommends, in principle, that the Council considers, as part of the Long-Term Plan 2024-2034, the Hamilton Central Business Association's proposal to seek **an increase in revenue** to support Business Improvement District (BID) operations.*

HCBA's rationale for increasing BID revenue was outlined in the report to the 14 September 2023 Economic Development Committee. Increasing the revenue would allow HCBA to continue to deliver the work programme and provide continued support and advocacy for businesses in the central city BID Boundary.

An increase to the BID targeted rate would mean that HCBA members will pay a higher membership rate. There would be no financial impact to Council as the BID targeted rate is collected by Council and then passed on to HCBA.

The tables below provide an example of BID funding growth during the first three years of the 2024-2034 Long-Term Plan.

It is important to note that the calculations included in these tables are *indicative* figures only, to provide an example of BID funding growth year on year.

Please also note that:

- i. Rates increases above 5% have been assumed for financial years 2024/25, 2025/26, and 2026/27, so the proposed cap of 5% has been applied.
- ii. No change to the number of SUIPs operating in the BID area;
- iii. No change in capital value has been calculated, and;
- iv. All calculations include GST.

			2023/24	2024/25	2025/26	2026/27
			Current Calculation: Increase CV rate only by inflation	Increase BID targeted rate by rates increase, capped at 5%	Increase BID targeted rate by rates increase, capped at 5%	Increase BID targeted rate by rates increase, capped at 5%
BID Rate Percentage Increase (capped at 5%)			7% (CV rate only)	5%	5%	5%
Per SUIP rate			\$240	\$252	\$265	\$278
Capital Value rate			0.00003248	0.00003410	0.00003581	0.00003760
Area	SUIPs	Capital Value	BID income	Increase on previous year	Increase on previous year	Increase on previous year
Central City	1,319	\$2,226,763,000	\$388,879	\$19,442	\$20,954	\$21,133
TOTAL BID BUDGET			\$388,879	\$408,321	\$429,275	\$450,408
Total Annual BID Rate per SUIP			\$295	\$310	\$325	\$342
BID Rate per week per SUIP			\$5.67	\$5.96	\$6.25	\$6.58

Options

Option 1 - Status Quo: Make no change to calculating BID revenue, i.e., continue increasing the CV rate by inflation.

Option 2: Approve HCBA's Change Request to increase the BID targeted rate each year by the same amount as the approved general rate increase, capped at 5%, effective from 1 July 2024.

Staff recommend Council approve Option 2 as it will enable HCBA to continue to deliver their work programme, advocacy and support for the central city businesses.

Business Improvement District (BID) Boundary Extension

As reported to the 14 September 2023 Economic Development Committee meeting, Hamilton Central Business Association (HCBA) has raised an External Change Request to extend the Business Improvement District (BID) boundary to include a portion of Hamilton East (see the Proposed Hamilton East BID Area map below).

Elected Members resolved that *the Economic Development Committee recommends, in principle, that the Council considers, as part of the Long-Term Plan 2024-2034, the Hamilton Central Business Association's proposal to seek an **increase in boundaries** to include a portion of Hamilton East.*

Staff have calculated there are a total of 107 businesses that separately use or inhabit part of a commercial property, across 66 commercial rating units within the proposed Hamilton East BID extension area.

The total BID targeted rate collection from this area, using the 2023-24 calculations, would have been \$29,215 including GST, per year which would be utilised by the HCBA. This would be an average cost of \$273 per SUIP (BID rate payer) per annum or \$5.25 per week.

Note that if Council approves HCBA's separate change request to increase BID revenue, this increase would also apply to the proposed Hamilton East BID area.

To extend the BID boundary, businesses and/or property owners in the proposed extension area must be polled. The BID Poll must achieve a minimum return of 35% of eligible voters with the majority in favour of extending the boundaries.

There are a total of 82 eligible voters, comprised of a mixture of business and property owners.

The BID Poll has been conducted over a three-week voting period from Monday 6 November 2023 until 12 noon, Friday 24 November 2023.

Staff will provide a verbal update on the outcome of the BID Poll to Elected Members at this meeting.

HCBA's rationale for increasing the BID boundary, as well as the feedback it has received from its members and the Hamilton East business community, were outlined in the 14 September 2023 report.

Under Council's BID Policy, the final decision about whether to extend the BID boundary is made by the Council, and in making this decision, the Council will take into account, but will not be bound by, the BID Poll result.

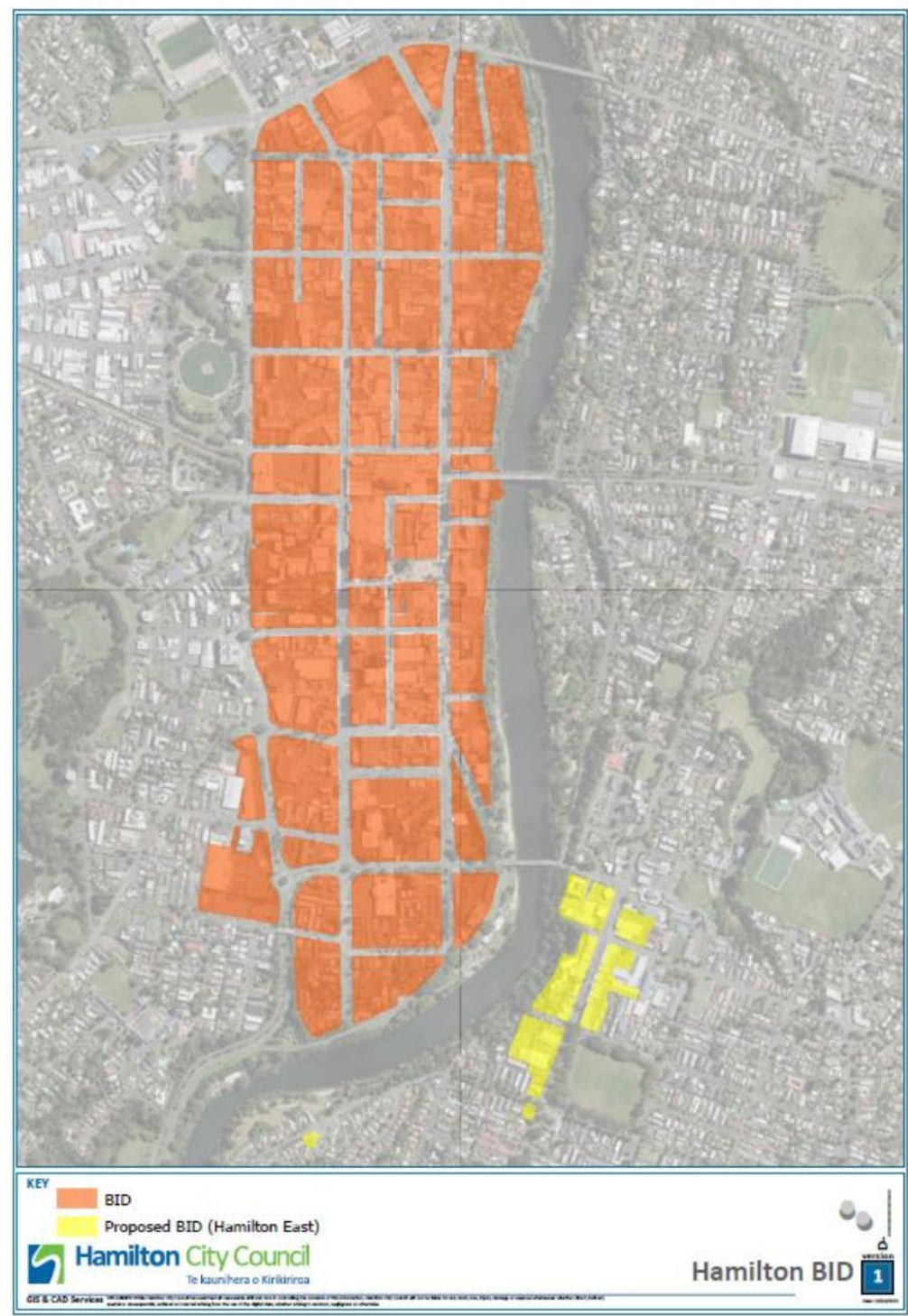
Options:

Option 1 Status Quo – Decline HCBA's request to extend the BID Boundaries to include Hamilton East area as outlined in the Proposed Hamilton East BID Area map below.

Option 2 – Approve HCBA's request to extend the BID Boundaries to include the Hamilton East Area as outlined in the Proposed Hamilton East BID Area map below.

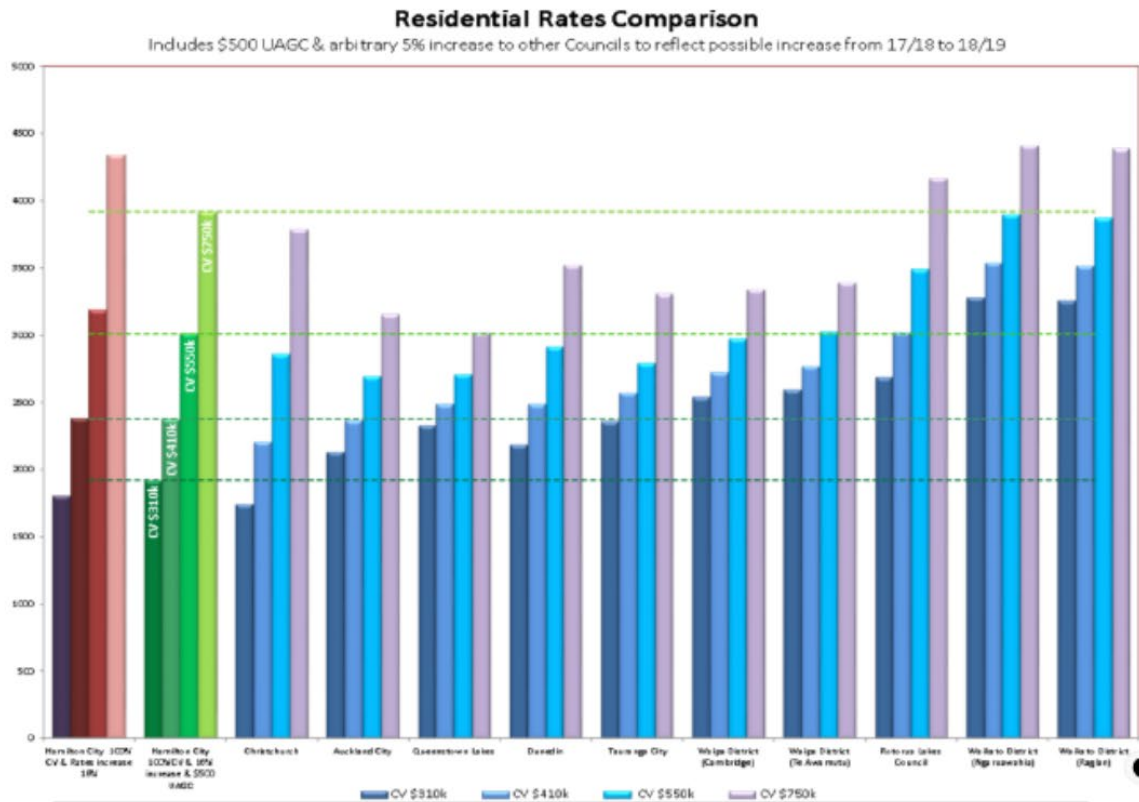
Subject to the results of the BID Poll, staff recommend Option 2 that Council approves the extension of the BID Boundary to include Hamilton East, as outlined in the Proposed Hamilton East BID Area map below.

Proposed Hamilton East BID Area



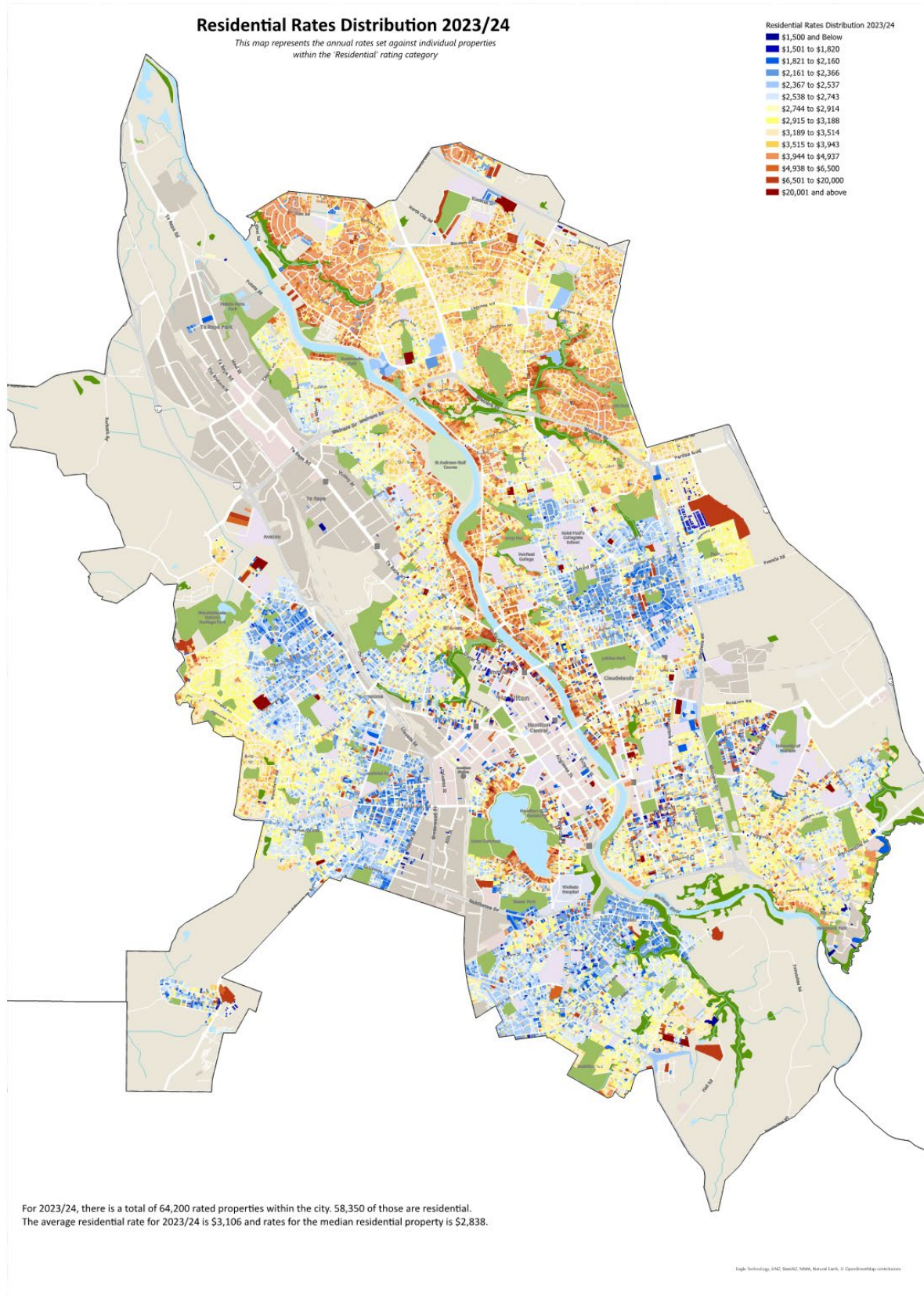
DRAFT - Potential Asset Sales October 2023													D-4996323	6.11.2023	
Category	Name	Where	What	Why	Current Use	Land Area (sqm)	EMV (\$)	CV - HCC Rating Valuation 1st Sept 2021	HCC Book Value (\$)	Legal Description	Financial Effect of Sale (\$)	Comment	Use of Sale Proceeds		
A	Opoia Paa Carpark	157 River Road	Land	Development Site	Public Carpark	9,760	\$6,900,000	\$2,930,000	\$2,930,000	Lot 2 DPS 31617, Allot 465 Kiriakiroa Parish	TBC	Commercial development - affordable housing - open space/amenity enhancement	MEF		
A	Artpost Carpark	120 Victoria Street	Land	Development Site	Public Carpark	4,046	\$6,069,000	\$2,566,000	\$943,000	Land is part of Allot 55 Town of Hamilton West	TBC	Commercial development - hotel. Possible pedestrian bridge landing/construction depot - CV based on land only does not include Arts post building.	MEF		
A	Heaphy/Brooklyn	2 Brooklyn Road	Land and Buildings	Development Site	Commercial business	5,224	\$5,700,000	\$2,410,000	\$4,497,717	Lots 1 & 2 DPS 63028, Section 2 SO 564388	TBC	Commercial development - hotel and hospitality	MEF		
A	Area Q	Korikori Green	Land	Development Site	Vacant land	8,470	\$5,000,000	\$2,176,000	\$4,180,000	Section 10 SO 488972	TBC	Residential development - high density/affordable TBC	Debt reduction		
A	Municipal Building	260 Anglesea Street	Land and Buildings	Strategic	HCC HQ	6,315	\$14,000,000	\$18,510,000	\$32,593,798	Lot 1 DPS 64212	TBC	Options Analysis in progress	MEF		
A	Underground Garden Place Carpark	262 Anglesea Street	Land and Buildings	Strategic	Public and HCC Carpark	TBC	\$10,000,000	\$14,350,000	\$12,493,688	DPS 66160, Units 2B, AU 2A, 2C & 2D	TBC	In conjunction with Municipal Building Options Analysis in progress	Debt reduction		
A	VOTR Block	242 - 266 Victoria Street	Land and Buildings	Development Site	Commercial business	2,017	\$4,185,000	\$7,400,000	\$4,185,000	Lot 1 - 3, 9 DP 19882, Part Allot 51 Town of Hamilton West & Lot 1	TBC	Commercial development - under contract	MEF		
A	Peacocke Surplus Land	Peacocke	Land	Road construction	Road construction	TBC	\$10,500,000	TBC	TBC	DPS 4128	TBC	Already Budgeted - small areas of Road severance	Project Offset		
A	Baynes Road/Faiping (Waipa District Council)	Baynes Road	Land and Buildings	Strategic	Farm and dwelling	356,187	\$7,000,000	\$7,015,000	\$6,367,978	Lot 5 & 6 DP 91837, Lot 2 DP 425950	TBC	(CV as at 2019 - both properties) - Strategic land acquisition	Debt reduction		
B	Refuse Transfer Station	Lincoln Street	Land and Buildings	Provision of Service	Refuse Transfer Station	21,268	\$7,250,000	\$8,990,000	\$10,206,237	Part Section 1 SO 55928	TBC	Service contracts and lease in place	Debt reduction		
B	Hamilton Organic Recycling Centre (Waipa District Council)	Wickham Street	Land and Buildings	Provision of Service	Organic Waste Transfer	40,020	\$8,000,000	\$1,040,000	\$1,618,812	Lot 1 DPS 59491	TBC	(CV as at 2019) Service contracts and lease in place	Debt reduction		
B	Horotiu Landfill site (Waikato District Council)	River Road	Land & Buildings	City Waters	leased - landfill site	229,610	\$2,296,100	\$1,840,000	\$35,322,474	Allot 361 Komakorau Parish SO 51838, Lot 2 DPS 28939 & Part Lot 2 DPS 26212	TBC	(Waikato District Council CV as at 1st Oct 2020) - Easement for Te Awa Cycleway - EMV based on \$10 as per a 2023 registered valuation for sale of 492sqm. Book Value includes monitoring assets. Possible 2 Lot subdivision.	Debt reduction		
C	2 Ruakura Road	2 Ruakura Road	Land	Transport	Grassed area	514	\$300,000	\$320,000	\$186,397	Section 6 SO 468541	TBC	Grassed area with 2 protected trees - access from Emmdale Lane	Debt reduction		
D	Rotokauri Transport Hub	Winders Road, Rotokauri	Land	Rail Hub Expansion	Vacant land	10,834	\$5,417,000	\$4,830,000	\$2,731,545	Lot 29 & 30 DP 533245	TBC	Future expansion for Rail Hub carparking - currently in grass	Debt reduction		
D	Duke Street Depot	48 Duke Street & 5 Peregrine Place	Land and Buildings	Strategic	HCC works depot	17,777	\$7,080,000	\$7,000,000	\$6,037,416	Lot 1 & 3 DP 317324	TBC	City Delivery (Waters), Service Delivery (Parks) and Tag Busters - machinery etc.	Debt reduction		
D	Central Library	9 Garden Place	Land and Buildings	Provision of Service	Library	1,937	\$5,000,000	\$8,870,000	\$13,310,756	Lot 1 DPS 62775	TBC	Used for Central Library, records and archives storage.	Debt reduction		
D	Kent Street Carpark	20 Kent Street, Frankton	Land	Provision of Service	Public Carpark	2,179	\$1,300,000	\$1,495,000	\$1,691,200 (3)	Lots 7 & 8 Deeds C 45, Part Lot 1 Deeds 191	TBC	Possible residential development	Debt reduction		
D	237 Pukete Road	237 Pukete Road	Land	Transport	Grassed area	560	\$400,000	\$40,000	\$412,100	Section 1 SO 386893	TBC	Stopped road land	Debt reduction		
D	80 Bryce Street	80 Bryce Street	Transport Centre	Transport	Central Bus Depot	12,309	\$15,000,000	\$15,785,000	\$2,532,780	Lot 1 - 5 DP 13449, Lot 2 - 4 DPS 4850, Lot 1 - 2 DPS 79102 & Lot 2 DP 60265	TBC	Transportation Centre in Central City	Debt reduction		
D	11 Ellicott Rd	11 Ellicott Rd	Land	Transport	Grassed area	1,197	\$800,000	\$1,050,000	\$420,000	Part Lot 2 DP 34347	TBC	Grassed land area adjacent to reserve land	Debt reduction		
D	Adjacent 67 Clyde Stret	Adjacent 1 67 Clyde Street	Road land	Leased carpark	carpark for school	2,483	\$850,000	\$1,050,000	\$943,000	Allot 448 Town of Hamilton East	TBC	Leased to Roman Catholic Diocese of Hamilton School	Debt reduction		
D	St Peters Hall	55 Victoria Street	Land and Buildings	Building leased	Citizen's Advice Bureau & a dance group	708	\$1,000,000	\$1,250,000	\$1,690,762	Allot 449 & 450 Town of Hamilton West	TBC	Leased to Citizens Advice & a dance group	Debt reduction		
							\$124,047,100	\$110,917,000	\$145,294,659						
A	Development sites intended to achieve Council's strategic goals - Previously approved for sale														
B	Assets that are too complex or expensive to sell or would provide little return to the Ratepayer														
C	Assets Council has previously considered and decided not to sell - can be reconsidered														
D	Assets Council has previously considered - Decision deferred - can be reconsidered.														

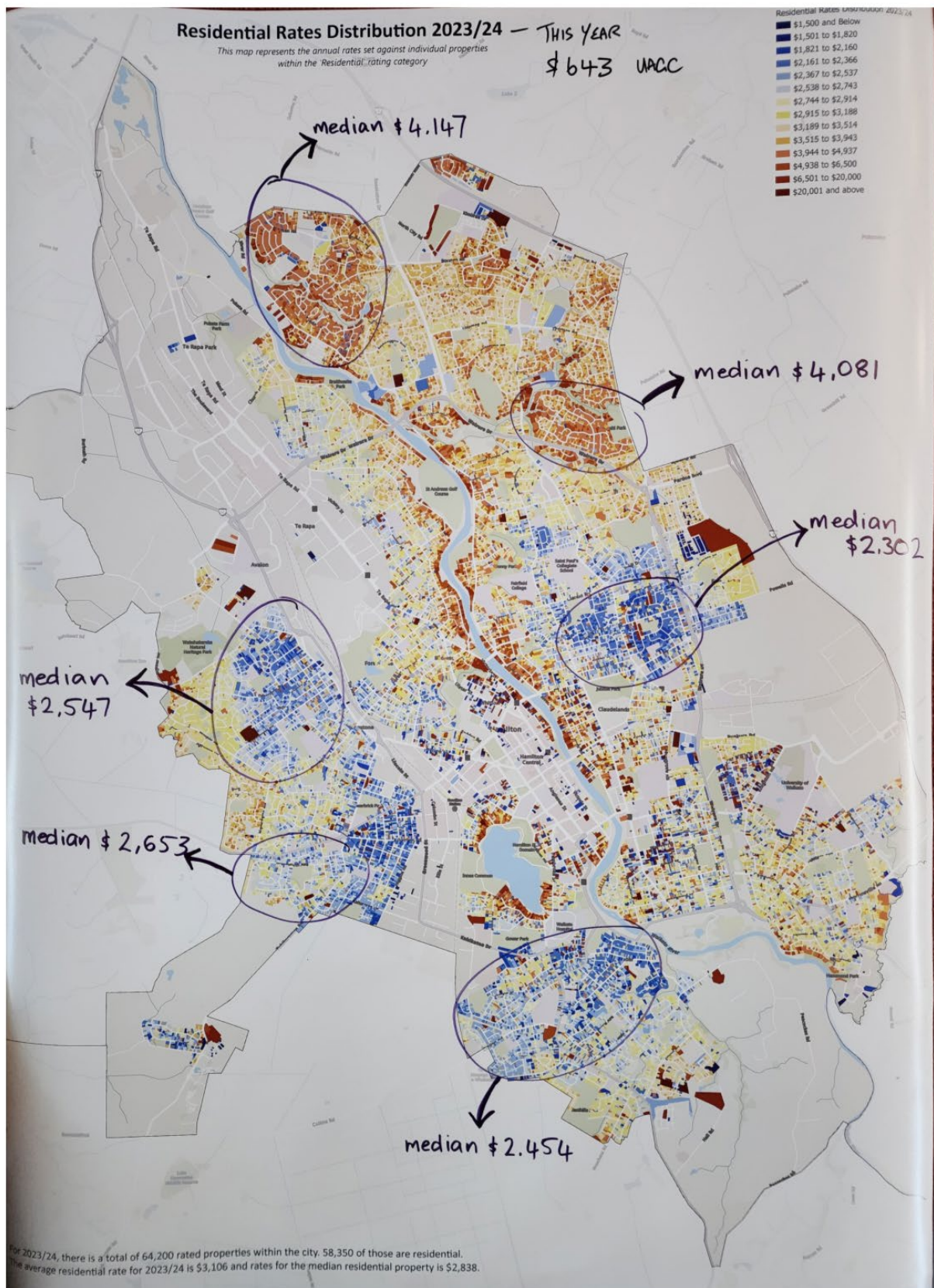
UAGC Comparison



Item 6

Attachment 17

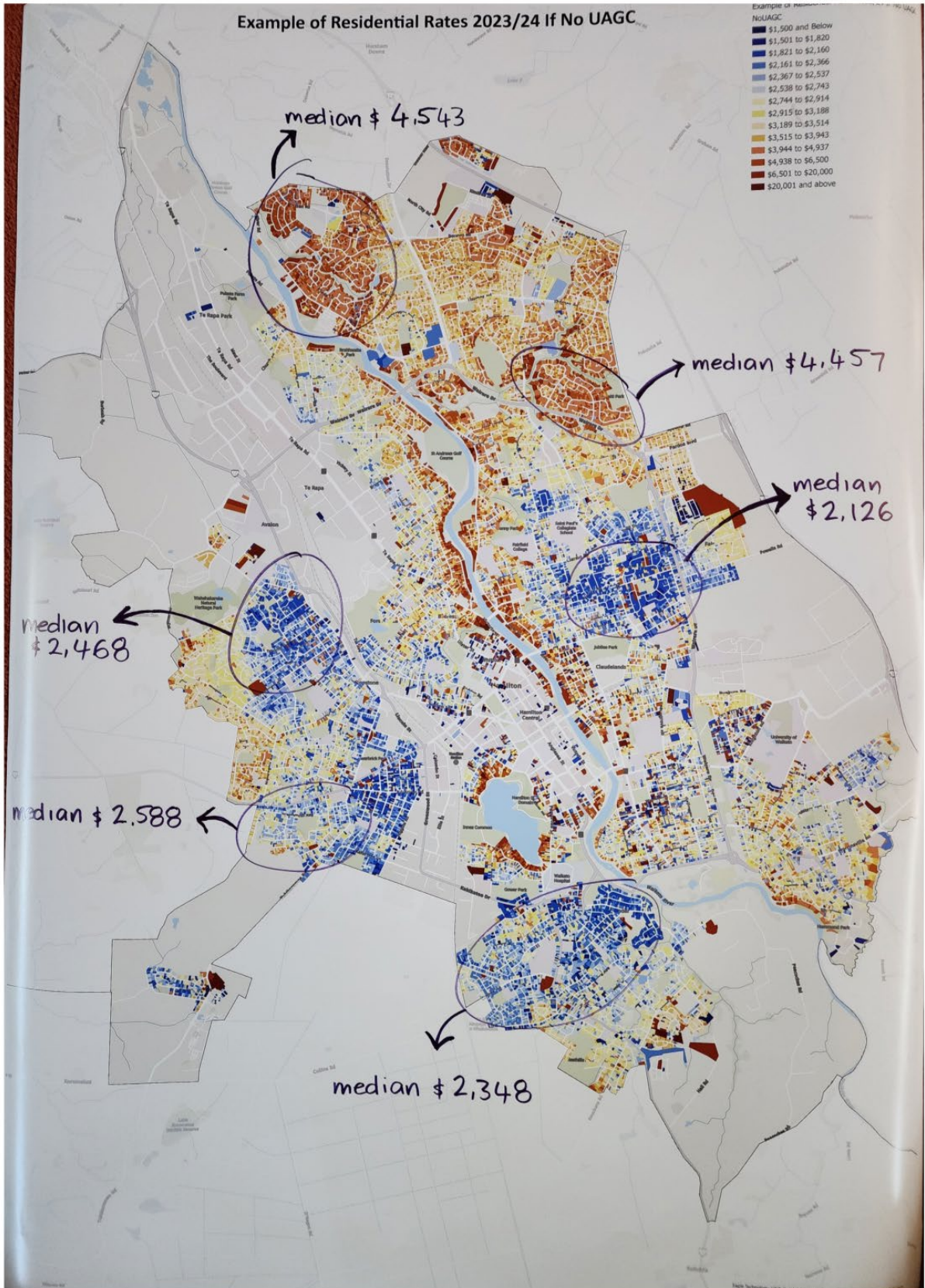




Item 6

Attachment 18





Item 6

Attachment 18

Council levers or options for enabling affordable housing

1. Regulatory tools and levers

- Inclusionary Zoning: using the planning system to create affordable housing and foster social inclusion by capturing resources created through the marketplace. Inclusionary Zoning refers to a programme, regulation, or law that requires or provides incentives to private developers to incorporate affordable housing as part of market driven developments. This can be achieved either by incorporating the affordable housing into the same development, building it elsewhere, or contributing money or land to produce affordable housing in lieu of construction.
- Development bonuses: allowing additional development potential but only if the development includes an affordable housing contribution. The rationale for this type of incentive is that additional density might be acceptable in specific circumstances but is not unilaterally desired for all areas or for all developments within a neighbourhood.
- District Plans rules and development controls: reviewing current District Plan rules and development controls (e.g., minimum lot size, site coverage, Height in Relation to Boundary Rules, height etc) to ensure that they are not inadvertently restricting the ability of developers to deliver both an absolute increase in numbers of dwellings developed but also more affordable home typologies. Arguably the District Plan rules should incentivise or direct further affordable housing outcomes.
- Consenting processes: providing 'fast-track' consenting and approvals processes and case management for projects meeting affordable housing objectives and criteria. This could act as part of a suite of incentives to developers to provide for affordable housing within developments. Additionally, consider improving any processes or policies that may delay, impede, or add cost to housing projects.
- A sub-regional response: developing a common and consistent approach to Inclusionary Zoning (and to a lesser degree development bonuses) at a sub-regional level, e.g., with Waipaa, Waikato and Matamata-Piako District Councils. This would provide certainty of application for developers within the sub-region and limit opportunities for 'cherry picking' new greenfield development opportunities to avoid any specific Council affordable housing requirements by moving their development activities to adjoining council areas. It would also make for more efficient assessment and delivery of such projects over time.

2. Financial tools and levers

- Infrastructure Investment: linked with Inclusionary Zoning provisions, the enablement and provision of infrastructure to new development areas is a key consideration in development viability and certainty. This provision, or enablement of infrastructure is a key leverage point for Council, especially when linked to voluntary affordable housing agreements for new greenfield rezonings or amendments to the City boundary to bring in land currently outside the city boundary.
- Development Contributions: introducing a differential (lower) Development Contribution for projects providing affordable housing outcomes as agreed with Council through the rezoning or consenting process. Where affordable housing outcomes are not provided within a project, there could be a financial or land contribution made by the developer which

in turn would then be directed by Council to eligible parties to deliver affordable housing outcomes.

- Rating tools: providing an effective, and existing, mechanism by which Council can collect funding to provide for targeted outcomes, an affordable housing targeted rate could be introduced as a means to fund affordable housing outcomes. The extent of application of such a rate could be applied to all ratepayers with the Hamilton City Council area or could be restricted to new developments only, and perhaps those where affordable housing outcomes are not otherwise provided for by the developer.
- An Affordable Housing Fund: establishing a contestable Affordable Housing Fund, funded through Development Contributions, Inclusionary Zoning contributions and other mechanisms which in turn could then invest in, or provide funding to, affordable housing projects being undertaken by or in partnership with a panel of accredited Community Housing Providers. Potentially the fund could also be open to market developers where they are providing a significant component of affordable housing within agreed criteria.

3. 'Direct' action

- Exemplar projects: setting up a number of exemplar, flagship or catalyst affordable housing projects to demonstrate that good affordable housing outcomes are both achievable and viable and to create momentum and build understanding and confidence, both within Council but also in the wider developer sector that affordable housing outcomes can be achieved without sacrificing project viability given the implicit subsidy that affordable housing outcomes typically require.
- City Centre revitalisation/ Infrastructure Acceleration Fund: the City Centre presents a significant opportunity for Council to implement a revitalisation approach and to partner with private sector developers and investors to achieve mutually beneficial outcomes. In particular the establishment of the \$150 million IAF grant funding for enabling infrastructure to support the delivery of 4,000 dwellings in and around the city centre between now and 2034 can potentially reshape how people perceive and live, work and play within the city centre (with the aim of also delivering affordable housing outcomes).
- Strategic land acquisitions: strategically acquiring land for affordable housing purposes could provide Council the ability to acquire key landholdings with a medium to long term view for such land to be developed, rezoned, or up zoned for housing purposes (which have an affordable housing component).
- Effective partnerships: creating effective partnerships between Council and partner organisations focused on delivering affordable housing outcomes will assist in growing the capability and capacity for affordable housing delivery over the medium to long term. Effective partners, by way of example, could be aligned landowners (churches); those with knowledge, capability and resources in this sector (Community Housing Providers / developers); funders and financiers (charitable trusts, philanthropy, trading banks), Iwi, and Crown (Kāinga Ora, Ministry of Housing and Urban Development).
- Grow Council capability in development: growing Council's knowledge and experience in the dynamics of development to assist it in better understanding the opportunities that may present themselves in the affordable housing sector as well as the challenges that developers and Community Housing Providers face in delivering in this space. From this, better and more effective measures could be fine-tuned by Council over time to achieve its broader and affordable housing objectives.

4. Fairfield-Enderley Regeneration Project:

- Fairfield-Enderley Regeneration Project: this Kaainga Ora-led project is one of the most significant housing projects being undertaken in Hamilton and is its largest social and affordable renewal and regeneration programme. A managed partnering approach should lead to a mixed-tenure regeneration programme providing a range of housing choices both in form and tenure options that will contribute to the delivery of more affordable housing.

Council Report

Item 7

Committee: Council

Date: 28 November 2023

Author: James Clarke

Authoriser: Blair Bowcott

Position: Unit Manager Strategy and Planning

Position: General Manager Strategy, Growth and Planning

Report Name: 2024-34 Long-Term Plan Significant Forecasting Assumptions

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Council on the significant forecasting assumptions underpinning the 2024-34 Long-Term Plan (LTP).
2. To seek approval from the Council to use these assumptions for the purposes of developing the draft 2024-34 LTP budget and consultation document.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Council:
 - a) receives the report; and
 - b) approves the use of the significant forecasting assumptions outlined in **Attachment 1** to develop the draft 2024-34 LTP budget and consultation document.

Executive Summary - *Whakaraapopototanga matua*

4. The report details the significant forecasting assumptions underpinning the 2024-34 LTP.
5. These assumptions support the draft 2024-34 LTP budget being presented at this meeting. The assumptions will be updated to reflect decisions made at this meeting.
6. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

7. Legislation requires Council to disclose all significant forecasting assumptions that inform the Long-Term Plan (LTP). These assumptions must reflect the best knowledge that Council has at the time the plan is prepared, and will be subject to audit.
8. The assumptions presented here are the initial assumptions and will continue to evolve as the LTP develops and is finalised. The evolution will include ongoing review of the impact of the 2023 general election (specifically, key legislation), and more detailed analysis of the level of uncertainty associated with each of the assumptions and quantification of the potential effect of that uncertainty on the financial estimates.

9. The assumptions will be presented at the Strategic Risk and Audit Committee workshop on 7 December 2023 to review the process we have followed, the assumptions themselves, and the associated risks.

Assumptions

10. Please refer to **Attachment 1: 2024-34 Long-Term Plan Significant Forecasting Assumptions**.

Financial Considerations - *Whaiwhakaaro Puutea*

11. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

12. Staff confirm that this matter complies with the Council's legal and policy requirements and the requirements of the Local Government Act 2002.

Climate Change Impact Statement

13. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

14. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
15. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
16. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

17. If significant forecasting assumptions are not approved for use in the development of the draft 2024-34 LTP budget and consultation document there is a risk that critical milestones will not be met, resulting in the late adoption of the LTP.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

18. 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

19. Engagement for the LTP is detailed in the communication and engagement plan. The assumptions will form part of the underlying information for the consultation document.

Attachments - *Ngaa taapirihanga*

Attachment 1 - 2024-34 Long-Term Plan Significant Forecasting Assumptions.

2024-34 Long-Term Plan

DRAFT significant forecasting assumptions



Macro Assumptions

Three waters reform

This LTP assumes that the three waters reforms will proceed according to the Government's intended plan. The Water Services Entities Act 2022 received royal assent on 14 December 2022 and has been amended by the Water Services Legislation Act 2023 and the Water Services Entities Amendment Act 2023. The law requires that councils budget for two years of waters at a service level not less than the 2021-31 LTP. The law also provides for Development Contributions to be collected on future waters growth investment.

Resource Management Act 1991 reform

Our assumption is that the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 will remain in place until otherwise indicated. The two Acts were given Royal Assent on 23 August 2023, and form two of the three pieces of legislation that will direct resource management in New Zealand. There is a lengthy transition period to move into the new system over the next decade, with two councils (Tasman/Nelson and Taranaki) being identified as tranche one to develop spatial plans and natural and built environment plans. Hamilton will continue to operate under the Resource Management Act 1991 (with some minor exceptions) until directed to transition.

Future for Local Government

No substantive policy decisions about the future structure, roles, functions, or funding of the local government sector were made pursuant to the Future for Local Government review prior to the 2023 general election. Our assumption is that no changes will be introduced as a result of the review prior to the adoption of the LTP.

Climate change

The climate in Hamilton Kirikiriroa is already changing, including longer summers, warmer temperatures, extreme rainfall and drought conditions. Waikato Regional Council's *Waikato Regional Climate Impacts Report* uses the latest climate modelling data to model the potential future climate for the region. It shows that over the next few decades we will likely experience:

- increase in rainfall intensity
- rising temperatures
- longer hot summer season
- increase in the number of hot nights
- increase in the number of hot days
- changes in wind directions
- increase in tropical cyclones

This future climate state was used in understanding the risks for our assets and services and the risks that were identified to be high or very high now

or in 2050 have been included and adaptation responses integrated into the Long-Term Plan and Infrastructure Strategy.

In relation to emissions reduction, we have assumed that the current emissions target of net zero by 2050 (excluding biogenic emissions) and emissions budgets set by the government will remain for the duration of this Long-Term Plan.

Population growth

Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. On 14 June 2023 through the Strategic Growth Committee, Council adopted the NIDEA high projection (2021) to prepare this LTP.

Population projections from this projection series have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.

Total population at 30 June is projected to be:

2025	188,604
2026	191,538
2027	194,495
2028	197,471
2029	200,454
2030	203,441
2031	206,431
2032	209,491
2033	212,404
2034	215,379

New households at 30 June are projected to be:

2025	1,183
2026	1,183
2027	1,159
2028	1,248
2029	1,235
2030	1,250
2031	1,270

2032	1,244
2033	1,303
2034	1,284

Growth infrastructure investment

It is anticipated that all growth cells will be developed by us in partnership with those providing privately funded infrastructure.

As our current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer-provided infrastructure and the use of private development agreements (PDAs). Council will continue to explore the use of new funding and financing tools such as off balance sheet structures provided by the Infrastructure Funding and Financing Act.

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

Settlement pattern | Where we're growing

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

Key considerations as we grow include putting people at the heart, the health and wellbeing of the Waikato River, our environment, improved transport choices, climate change and working with our neighbouring councils.

Central city

The central city is the economic heart of the subregion. As well as providing a place for commercial, cultural and economic growth, the central city will be our primary growth area for residential intensification. To support this growth, Council has received an Infrastructure Acceleration Fund grant of \$150.6 million to deliver some of the \$334 million infrastructure investment required to support more homes in the central city.

Citywide intensification

Over time, we'll take a staged approach to enabling intensification in the other nearby centres and suburbs close to the central city. This means redevelopment to promote higher density growth with a range of housing choices, easy access to jobs, services, education, health, parks and open spaces and community facilities, using a range of transport choices.

Intensification will focus in, and around, key nodes as identified in the ODP, areas of high accessibility and within walkable catchments of the central city specifically in parts of Whitiara, Te Rapa and Hamilton East, major centres and planned rapid and frequent transport in accordance with the National Policy Statement for Urban Development. The programme of infrastructure investment focuses on investment

at a strategic level including treatment plant headworks and bulk reticulation to support both greenfield and urban infill growth. Future public and private investment will be required locally within these areas to support individual development sites.

Greenfield northeast

Rototuna strategic infrastructure is nearing completion and residential development is expected to be completed within this 10-year period.

Greenfield south

Peacocke Stage 1 residential development will continue and is expected to be completed within this 10-year period, with no further strategic infrastructure investment required. Peacocke Stage 2 will become the city's primary greenfield growth area for residential development following completion of the Housing Infrastructure Fund key strategic transport and wastewater infrastructure in the northern part of the growth area during 2024 and 2025.

No substantial growth is forecast in Templeview due to limitations associated with infrastructure capacity.

Greenfield northwest

Residential growth in Rotokauri Stage 1 is currently limited by the need to invest in strategic stormwater and transport infrastructure. Work is under way with land developers to explore innovative infrastructure funding, financing and delivery options.

Rotokauri Stage 2 (Edin Park) and Te Awa Lakes have been zoned through Private Plan Changes and consents for residential development are in place. These areas are being developed by private developers.

Te Rapa North Council is working with major landowners on the potential of progressing a plan change for Te Rapa North area to enable the release of deferred industrial land. No substantial growth is forecast until investment is made in the necessary new strategic three waters and transport infrastructure.

Greenfield east

The Ruakura growth area in the precinct around the Ruakura Superhub Development has been enabled through private, Hamilton City Council and central Government funding through the Provincial Growth Unit and Crown Infrastructure Partners. As well as providing the Ruakura Superhub, one of New Zealand's largest multi-use developments, the area will continue to provide residential homes.

Emerging areas

Hamilton City Council and Waikato District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of HT1 (Horsham Downs), R2 (Ruakura North) and WA (Wallace Road) when required by the City.

Hamilton City Council and Waipa District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of SL1 and SL2 (Southern Links 1 and 2).

There is no infrastructure allowance made for infrastructure provision for emerging areas. Developers will need to meet Council's HUGS out-of-boundary principles

including provision of infrastructure and the associated treatment plants and stormwater upgrades and their new consents to ensure any out of boundary emerging areas contribute positively to achieving the city's vision.

Any boundary change will require decisions of both Hamilton City Council and the neighbouring district council, a Local Government Commission process, with any environmental and financial considerations reported in a future Annual Plan or LTP.

Infrastructure for Prioritised Development Areas

Development of a revised connections policy in response to Plan Change 12 and funding constraints has assumed that Council will prioritise investment in strategic waters infrastructure needed to unlock priority development areas such as the Stage 1 development area.

Infrastructure to support new greenfield developments, emerging development area and priority development areas

Infrastructure costs associated with unlocking future greenfield development areas and priority development areas within the city (i.e., Enderley/Fairfield, R2) are unfunded in the "base" LTP.

Revenue

Ratepayer growth

Ratepayer growth considers the annual increases to the number of rating units, Separately Used or Inhabited Parts (SUIPs), land value, and capital value resulting primarily from subdivision and building works.

The ratepayer growth achieved from previous years is compared to the number of completed new dwellings and is projected using the number of total households forecast by NIDEA high.

Building and development activities are highly influenced by the economic climate, building industry, and housing market. Ratepayer growth is not linear from year to year and some variance from forecasts is expected.

	Percentage increase	Additional revenue (\$000)
2024-25	1.53%	3,924
2025-26	1.52%	4,160
2026-27	1.45%	3,160
2027-28	1.40%	3,246
2028-29	1.49%	3,665
2029-30	1.45%	3,805
2030-31	1.45%	4,039
2031-32	1.45%	4,307
2032-33	1.40%	4,423
2033-34	1.44%	4,863

Development contributions

Future revenue has been projected using the Development Contributions (DC) Model and is based on the projects included in the funded infrastructure programme.

The DC revenue assumption considers projected growth from Hamilton City Council's Growth Model, assumed market response to high DC charges, the difference between forecast growth and growth that pays DCs, current and historical payment patterns, DC remissions, capping and phasing of DC charges, and takes consideration of growth modelling error margins.

Should Hamilton grow more quickly than expected, then DC revenue is likely to exceed these expectations. However, the increase in revenue will be offset over

time by a need to accelerate growth-related core network infrastructure. Conversely, if growth is slower than expected DC revenue will be lower offset by new infrastructure that may be deferred until needed. In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will be recouped as the demand (and DCs) is realised. The DC Model and its revenue projections is updated every LTP to account for what has happened in the past three years.

(This is the first draft of DC revenue. Draft DC levies will be set in February 2024. Pursuant to current legislation, this draft excludes three waters from year three of the LTP. The revenue estimate from year three will increase, should legislation change to include three waters).

	Revenue estimate (\$000)
2024-25	37,906
2025-26	40,611
2026-27	18,119
2027-28	20,322
2028-29	19,904
2029-30	20,475
2030-31	21,518
2031-32	22,250
2032-33	23,006
2033-34	23,788

City Investment Programme

External revenue projections are based on forecast maximum available funding in the market from corporates, trusts and individuals (through Service Level Agreement with Momentum Waikato). Targets assume approved priority projects aligned with donor and funder aspirations with at least 30% Council funding.

Central government partnerships

Council continues to advocate for a partnership funding deal with central government to deliver strategic infrastructure priorities (across the metro area). There is no deal currently in place, but key metro priorities have been identified that should be included in any funding deal that is developed.

Expenditure

Cost of growth

As Hamilton grows, costs increase for some services. We have assumed increases for contract escalations relating to the growing number of households as forecast by NIDEA high. This occurs only where the supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause. Further consequential cost of growth will be included in relevant activity budgets to reflect the cost of maintenance and operating new assets that are created.

Inflation treatment

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

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide information for the period of this LTP. These forecasts are related to the types of costs that the local government sector is likely to incur. Council also utilised it's in-house economics team to finalise the inflation projections, reflecting local data and insights.

Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

	Operating inflation
2024-25	6.0%
2025-26	3.5%
2026-27	3.5%
2027-28	3.6%
2028-29	3.7%
2029-30	3.7%
2030-31	3.7%
2031-32	3.2%
2032-33	3.2%
2033-34	3.2%

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

	Capital inflation
2024-25	5.0%
2025-26	4.0%
2026-27	3.8%
2027-28	4.0%
2028-29	4.0%
2029-30	4.0%
2030-31	3.8%
2031-32	3.4%
2032-33	3.4%
2033-34	3.4%

Personnel inflation used in financial modelling is:

	Personnel inflation
2024-25	5.6%
2025-26	5.5%
2026-27	4.0%
2027-28	4.0%
2028-29	2.5%
2029-30	2.5%
2030-31	2.5%
2031-32	2.5%
2032-33	2.5%
2033-34	2.5%

Future Fit Programme

It is assumed that \$1 million per annum will continue to be saved from Council's Future Fit Programme.

Capital expenditure forecasts

The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous LTPs, and results in budget provisions which assume a risk management approach to actual costs.

The confidence levels in the cost estimates for different projects varies based on the level of investigations that have been undertaken to date. Capital cost estimates for three waters and transport infrastructure are based on P50 cost estimates (the estimate of costs such that there is a 50 per cent probability of the project being delivered within that cost estimate). This approach is consistent with previous LTP's and is appropriate for programmes of works which allow an 'overs and unders' approach to cost management.

Availability of resources to deliver service levels and to complete the capital programme

Council has assumed that the market has the capacity to not only deliver the capital programme but also there exists sufficient confidence that the pricing is in line with the capital expenditure forecasts which have been developed using recent tender price information.

Interest rates

The interest rate applying to cash investments is 5.5%. It is estimated that an average cash balance of \$50 million will earn approximately \$2.75 million in interest per annum.

PwC provide these projections based on Council's projected debt portfolio, as part of their ongoing treasury advisory function.

	Interest rate
2024-25	4.69%
2025-26	4.61%
2026-27	4.61%
2027-28	4.75%
2028-29	4.86%
2029-30	5.05%
2030-31	5.25%
2031-32	5.37%
2032-33	4.87%
2033-34	4.87%

Property investment

Expect return on investment in property is based on the objective of maximising financial return. This is realised by operating property assets to achieve the market

or better than market rates of return through maximum rental income, high levels of building occupancy and quality tenants. Rents have been set in line with prevailing market conditions.

Asset sales

The forecast financial statements include transactions to complete existing contracted asset sales. There are no other asset sales assumed. No financial impact is assumed from minor asset sales (e.g., disposal of surplus operational assets).

Revaluation of non-current assets

Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the Statement of Financial Position. This includes an inflation allowance calculated based on Local Government Cost Index (LGCI) as listed in the Local Government Adjustor Factor Forecasts 2023 Update from BERL.

Useful lives of significant assets

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These are disclosed in the depreciation note within the Statement of accounting policies, included in the Prospective financial statements.

Acquisition of significant assets

Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months' depreciation for renewal projects in the year the renewals are first budgeted. For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.

Seismic rating of Council buildings

A programme of prioritised seismic assessments on Council buildings has been carried out over recent years on. Where a Detailed Seismic Assessment (DSA) has already been done on a building, this assessment is used to determine if a seismic upgrade is required. Asset Management Plans (AMPs) have included any known seismic upgrades needed to meet minimum legislative requirements. Where a DSA has not been undertaken, no provision has been made for seismic upgrade.

Investment properties

We revalue investment properties on an annual basis and an annual gain on investment property values of 2.5% has been assumed in each year of this LTP.

Vested assets

The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness.

Infrastructure asset condition information

Some of our asset data is not as complete as we would ideally like. As we use this information to do our planning, there is a risk that we have not correctly identified some assets that may need replacing. Only having one water treatment plant and one wastewater treatment plant means if either was unable to operate, this would have a significant impact on the community. We lessen this risk by continuing to update our asset information, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise our replacement and preventative maintenance on our assets, and to ensure we manage the risk of failure for the most-critical infrastructure. Hamilton is a relatively young city and its assets are newer and made from more modern materials than those of most other large cities. Because of this, we are confident our water network is in good health and unlikely to experience significant disruption. To ensure this, Council is committed to looking after these assets by investing more in this Long-Term Plan. We are also spending more on understanding the state of our assets as this helps us make better planning and budget decisions. We are working to improve what we know about our assets, including their age, how well they're performing, and their condition.

Activity specific assumptions

City planning and growth

Building control and planning guidance

Expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

Transport

Third party funding

We have assumed that operating and capital expenditure programmes which have in the past received Waka Kotahi NZ Transport Agency subsidies and/or satisfy the criteria required for subsidy, will continue to receive subsidy funding over the course of this LTP.

The Waka Kotahi subsidy rates that have generally been applied have been at the subsidy rate of 51%.

Waka Kotahi provides confirmation of the programmes of work which will receive funding as part of its three yearly National Land Transport Programme (NLTP). Funding advice has not been received for the 2024-27 period and this will be subject to the priorities of the new incoming government. Funding beyond 2026-27 will not be known until the NLTP is released around that time. We have assumed that Waka Kotahi funding in years 4 - 10 will be provided on activities/programmes and some projects which have in the past received subsidies and/or satisfy the criteria for subsidy.

There is a risk that Waka Kotahi could make changes to the available subsidy and/or funding criteria which could result in more or less revenue than forecast. Alternatively, if funding from Waka Kotahi is lower than we've assumed, we would need to review our planned programme of work or fund any subsidy shortfall. Work that would otherwise receive subsidy may be reassessed and the approved programme may be adjusted of future Annual Plans or Finance Committee meetings.

Three waters

Water safety plan

The Hamilton Drinking Water Safety Plan was submitted to Taumata Arowai as required in November 2022. This plan identifies potential risks associated with a water supply and details the controls in place to manage those risks.

It is assumed, for the first two years of the LTP, that the current controls identified will continue to be appropriate to manage drinking water safety risks.

Drinking Water Standards

Taumata Arowai, the Water Services Regulator, released new quality assurance rules, drinking water standards, and aesthetic guidelines which came into effect

from November 2022. Reporting against the new rules has been required since 1 January 2023.

The new water supply regulatory regime is in its infancy, there is a risk that as Taumata Arowai strengthen its monitoring and auditing functions further actions to strengthen water safety across the country may be identified.

Hamilton already has a high level of compliance with the Drinking Water Quality Assurance Rules and standards. It is assumed, for the first two years of the LTP, that the current water supply infrastructure and operational methodologies will continue to meet compliance.

Freshwater quality standards

Freshwater quality standards are changing. Te Ture Whaimana o te Awa o Waikato is the primary direction setting document for activities in the Waikato River Catchment, and compels council to act in a manner that restores and protects the Waikato River.

In addition, the Water Services Act 2023 requires water, wastewater and Stormwater service providers to give effect to Te Mana O Te Wai. The National Policy Statement for Freshwater 2020 sets targets for freshwater quality and Waikato Regional Council is progressing significant changes to the Regional Plan to reflect the changing community expectations around freshwater management.

These changes are increasing emphasis on current Resource Consent compliance. It is assumed, for the first two years of the LTP, that the planned operational interventions will meet the regulators compliance expectations.

The existing wastewater discharge consent expires in 2027. It is assumed that securing a new discharge consent will require significant improvements in water quality in line with agreements made through the Metro Wastewater Detailed Business Case Memorandum of Understanding (2022). The LTP includes the initial phases of the projects needed to achieve improved performance outcomes. It has been assumed that current resource consent conditions will continue for the remaining life of discharge resource consents. Resource consent conditions determine the level of infrastructure investment required. There is a medium level of uncertainty with this assumption.

Project Watershed

Waikato Regional Council financially contribute to the maintenance and remediation of erosion in natural waterways within the City under the Project Watershed Service Level Agreement. It is assumed, for the first two years of the LTP, that financial contributions will continue to be received from Waikato Regional Council. These contributions are sourced from a Waikato Regional Council targeted rate for Project Watershed. We will apply these funds to projects meeting the criteria set out in the Project Watershed agreement between us and the Waikato Regional Council.

Mandatory performance measures

Under the Water Services Act 2021, Taumata Arowai is phasing in new mandatory requirements to monitor and report on the environmental performance of drinking water, wastewater, stormwater and Te Mana O Te Wai. It is assumed that reporting on new measures will utilise existing data and will not require additional investment.

The Water Services Economic Efficiency and Consumer Protection Act 2023 provides for the regulation of the price and quality of water infrastructure services and consumer protection for water infrastructure services. It is assumed, for the first two years of the LTP, that the current water supply infrastructure and operational methodologies for customer charging, investment and communication and response to customers, will meet any initial requirements of this legislation that might come into effect in the next two years.

Asset management interventions

The delivery of three waters services requires balanced investment between operational and capital interventions. Investment in capital interventions can decrease operational and maintenance demand, whilst investment in operational interventions such as condition assessment is required to ensure efficient capital investment, the two must be balanced to optimise investment.

It is assumed, for the first two years of the LTP, that any unfunded or rephased capital projects will not result in additional operational expenditure.

Compliance penalties

The regulation and associated penalties for non-compliance of three waters services are increasing. The Natural and Built Environment Act 2023 (NBA), which will eventually replace the Resource Management Act 1991, increases the maximum penalty for non-compliance from \$1 million to \$10 million. It is assumed that the current interventions are sufficient to meet compliance.

Demand for services

The extent to which council provides three waters services is largely dependent on demand factors such as weather. It is assumed, for the first two years of the LTP, that average weather conditions will be experienced.

Emergency management

Three waters activities are based on the day to day needs of service provision. In the first two years of the LTP, it is assumed that large scale incidents such as low river levels, critical asset failure, biosecurity responses or supply chain disruption or emergency events such as repeat major wet weather events, or natural disasters will not occur.

Skilled workforce

Under the Water Services Entities Act 2023, Council is required to continue to deliver of three waters services for the first two years of the LTP, after which services will transition to new Water Services Entities. It is assumed, for the first two years of the LTP, that Council will continue to retain and attract appropriately skilled and experienced staff to deliver three waters services.

Rubbish and Recycling

Emissions Trade Scheme and Waste Levy

The government sets the reserve price for the Emission Trade Scheme (ETS) and Waste Levy payable of waste disposed of nationally. The central government Waste Levy Scheme continues to be increased, and scope expanded (all classes of landfills to be included). There is also a proposal to review the Waste Minimisation Act. Any review may have an impact on the allocation of waste levy fund

contributions. Current assumptions are that waste levy contributions will continue at levels set by the Ministry for the Environment (including increases related to growth), over the full term of the LTP. The funds will be used to deliver on actions from the Waste Management and Minimisation Strategy.

Item 7

Attachment 1

Other specific assumptions

Infrastructure Funding and Financing Act

The Infrastructure Funding and Financing Act (IFF) enables Council to access a new off balance sheet funding mechanism to support the delivery of infrastructure projects. The structural elements (assumptions) of the funding are being determined with Crown Infrastructure Partners (CIP) and Mafic Partners Limited. These early assumptions include a 30-year finance term with a rate, approximately 1-2% above LGFA rates. Citywide projects and levy, at circa \$100 per rating unit (is a levy not a rate) following public consultation. The 'base' LTP budget does not include an Infrastructure Funding Fund, however it remains an opportunity for use in the LTP period, subject to Council direction.

Unquantified legal claims

This LTP does not assume any provision for legal claims which are currently in progress.

Future legislative change

The details of future legislative changes are unable to be anticipated with any level of certainty. The information that has been made available through various policy announcements to date suggests the potential risks to materially impact this LTP are moderate in scale. However, given the lack of detail available on future legislative changes and their timing, our projects have been planned based on the current legislative regime.

Changes to other legislation, regulations or rules that affect how we operate (usually though requiring compliance with new and higher standards) cannot be anticipated at this point. As a result, this LTP has been developed based on current legislation, regulations, rules and policy.

Resource consents

The legislative framework under which Resource Consents are managed is changing with the introduction of the Natural and Built Environment Act 2023 (NBA). It has been broadly assumed, for the first two years of the LTP, that the current resource consents and conditions required to provide three waters services will remain in place.

The following key consents are planned for renewal:

- Wastewater Treatment Plant discharge - 2027
- Comprehensive stormwater consent - 2036
- Water Treatment Plant abstraction - 2044

It is likely that the conditions of consent will differ from the current consenting requirements including requirements for infrastructure upgrades. Some allowance has been made for increased discharge standards, however there is a high degree of uncertainty around this assumption.

These projects and associated funding needs have been identified, but have not been prioritised in the base LTP. If these projects are not prioritised, growth in the Stage 1 area will need to be constrained to meet our statutory obligations.

Flood Hazard Risk

Programmes and projects identified as critical to reduce and manage known flood hazard risks in areas of the city (in particular as a result of culvert blocks in the Waitawhiriwhiri catchment, and as a result of constrained overland flow paths and piped networks) have been identified, but have not been prioritised in the base LTP.

Sensitivity analysis

Inflation and interest

[Sensitivity analysis on interest and inflation will be updated once base data is finalised, post-approval of the 2024-34 Long-Term Plan budget in March 2024].

Growth assumptions

In making these forecasting assumptions we have to be mindful the future may not unfold as expected. Many of our assumptions are based on the NIDEA High growth projections and the spatial distribution of this growth around the city via Council's Growth Model. As such, we need to prepare for variations to these projections. Our current growth assumptions show sustained growth over the next ten years. This matter has the greatest impact on our LTP. It results in more expenditure to run the city, more capital expenditure earlier to provide for the growing city and more revenue to pay for it. Growth affects most of our assumptions and it affects our resilience to manage certain types of assumptions, for example climate change. To be prepared for the possibility of growth happening other than planned, analysis has been done on the effects of a 15% change in growth.

15% higher than forecast growth

[to come once base data finalised, post-approval of the 2024-34 Long-Term Plan budget in March 2024]

15% lower than forecast growth

[to come once base data finalised, post-approval of the 2024-34 Long-Term Plan budget in March 2024]

Council Report

Item 8

Committee: Council
Author: Greg Carstens
Position: Growth, Funding & Analytics Unit Manager
Report Name: 2024/25 Development Contributions Policy Review - options and recommendations

Date: 28 November 2023
Authoriser: Blair Bowcott
Position: General Manager Strategy, Growth and Planning

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council's approval on options to develop a Proposed Development Contributions Policy 2024/25 for approval at the 14 March 2024 Council meeting, prior to public consultation.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves, for the purpose of preparing a Proposed Development Contributions Policy 2024/25 (Proposed Policy), to:
 - i. extend the CBD remission for a further three years to 30 June 2027 but reduce the percentage remission from 50% to 33.3%;
 - ii. extend the 100% CBD high-rise remission for a further three years to 30 June 2027;
 - iii. phase development contribution charges over three years;
 - iv. amend the non-residential capped charges provisions to narrow their scope to include only commercial and retail neighbourhood centres as zoned in the District Plan;
 - v. introduce actual demand charging criteria for developments that use higher than the assumed demand in principle, subject to further legal review;
 - vi. amend the calculation basis for stormwater development contribution charges for all residential dwellings to be 1 Household Unit Equivalent (HUE);
 - vii. amend the social housing remission criteria to ensure that developments receiving the remission will remain social housing in perpetuity;
 - viii. index development contribution charges to reflect the diminishing purchasing power of money over time; and
 - ix. make other technical or minor changes as necessary;

- c) notes that a Proposed Development Contributions Policy 2024/25, which will include the levies, will be reported to the 14 March Council meeting seeking approval to go out for consultation alongside the 2024/2034 Long-Term Plan:
 - i. a staff recommendation regarding supporting the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 in accordance with Section 102(3A) of the LGA 2002, to allow staff to consult further with Iwi and legal advisors;
 - ii. an option to introduce provisions into the Proposed Development Contributions Policy 2024/25 to incentivise affordable housing is deferred until feedback is received from the Affordable Housing Working Group, then the Development Contributions Working Group;
 - iii. other matters recommended by the Development Contributions Working Group;
- d) notes a recommendation to support community organisations developing new spaces with public benefit through a community remission or grant has not been included due to feedback from the Development Contributions Working Group given the current financial circumstances; and
- e) notes that the approved 2024/25 Development Contributions Policy will be operative from 1 July 2024 and that none of the recommendations in this report will immediately be operative in the Development Contributions Policy.

Executive Summary - *Whakaraapopototanga matua*

3. Council's Development Contributions (DC) Policy sets out the costs to provide infrastructure to enable new development and growth in the city and how those costs are shared between the beneficiaries of those services.
4. The Council, like other high growth councils in New Zealand, faces significant challenges in providing and funding infrastructure to service growth. Collecting DCs is one of the principal funding tools available to the Council to fund that infrastructure.
5. The Local Government Act 2002 (LGA) requires councils to review their DC Policy at least once every three years consistent with the Long-Term Plan (LTP) cycle.
6. The changes, options and recommendations in this report follow engagement with Elected Members through the Development Contributions Working Group (DC Working Group) established for this policy review and which met on the 8 August 2023 and 22 September 2023. Staff have also provided information and taken direction from Elected Members through briefings and other engagements.
7. The matters raised in the public excluded report titled "*2024/25 Development Contributions Policy – DC Charges*" should be considered by the Council before making decisions on the recommendations in this report.
8. Decisions from this meeting will direct the development of a draft Proposed DC Policy 2024/25, which will come back to the Council meeting of 14 March 2024.
9. Staff estimate the cumulative impact of the recommended remissions and discounted charges outlined in this report to be \$14M across years 1-3 of the LTP, and – if extrapolated across the full LTP period – the total foregone DC revenue would equate to \$48M. These estimates are based on historical activity and the current DC charges. If DC charges were higher, the financial impact relating to the options below would be proportionally higher, and vice versa.
10. The options for Elected Members and staff recommendations for the proposed DC Policy are summarised below (staff recommendations are shaded):

Policy Provision		Options	Staff recommendation	Paragraph ref
Change 1: CBD remission ends 30 June 2024.	a)	Extend the CBD remission for a further three years to 30 June 2027 but reducing the percentage remission from 50% to 33.3%.	Recommend 1a)	33-58
	b)	Do not extend the CBD remission and allow it to expire on 30 June 2024.	Not recommended	33-58
Change 2: High rise remission ends 30 June 2024.	a)	Extend the 100% CBD High Rise Remission for a further three years to 30 June 2027.	Recommend 2a)	33-58
	b)	Do not extend the high-rise remission and allow to expire on 30 June 2024.	Not recommended	33-58
Change 3: Phased residential charges ends 30 June 2024.	a)	Phase all development contribution charges over three years.	Recommend 3a)	59-69
	b)	Extend the phased transition of development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura catchments.	Not recommended	59-69
	c)	Extend phased charges as in 3a) above but also include the CBD catchment.	Not recommended	59-69
	d)	Status quo, end phased charges on the 30 June 2024.	Not recommended	59-69
Change 4: Non-residential capped charges provision refined.	a)	Amend non-residential capped charges criteria with a narrowed scope to include only commercial and retail neighbourhood centres as zoned in the district plan.	Recommend 4a)	70-84
	b)	Status quo, retain capped charges provision.	Not recommended	70-84
	c)	Remove non-residential capped charges provision.	Not recommended	70-84
Change 5: Charging developments that use higher than the assumed demand.	a)	Introduce actual demand charging criteria for developments that use higher than the assumed demand.	Recommend 5a)	85-96
	b)	Status quo, do not introduce an actual demand assessment charging criteria for developments that use higher than the assumed demand.	Not recommended	85-96
Change 6: Calculation basis for residential stormwater DC charges.	a)	Amend the calculation basis for stormwater development contribution charges for all residential dwellings to be 1 Household Unit Equivalent ("HUE").	Recommend 6a)	97-105
	b)	Status quo, do not amend residential stormwater charging basis.	Not recommended	97-105
Change 7: Social housing remission.	a)	Amend the social housing remission criteria to ensure that developments receiving the remission will remain social housing in perpetuity.	Recommend 7a)	106-115
	b)	Status quo, do not amend the social housing remission criteria.	Not recommended	106-115
Change 8: Indexing DC charges	a)	Index development contribution charges to reflect the diminishing purchasing power of money over time.	Recommended 8a)	116-126
	b)	Do not index DC charges.	Not recommended	116-126

11. Draft DC charges are not provided in this report as they are still being developed and will be provided in the next DC working group prior to the 14 March 2024 Council meeting, which will adopt the Proposed Policy for public consultation. Given the importance of DC charges to Council and the community the matters raised in the public excluded report in this meeting titled “2024/25 Development Contributions Policy – DC Charges” should be considered by the Council before making decisions on the recommendations in this report.
12. In accordance with an amendment made to the LGA [Section 102 \(3A\)](#), Council’s DC policy must support the principles set out in the [Preamble](#) to the Te Ture Whenua Maaori Act 1993. Staff will bring recommendations to the council meeting of 14 March 2024 in order to allow time to consult with iwi and legal advisors.
13. This report does not contain a recommendation for supporting affordable housing. An option to introduce provisions into the Proposed Development Contributions Policy 2024/25 to incentivise affordable housing is deferred until feedback is received from the Affordable Housing Working Group. Feedback from that Working Group will be considered by staff and brought back to the DC working group and used to inform a recommendation for the Proposed Development Contributions Policy 2024/25 presented to the Council meeting of 14 March 2024 prior to public consultation.
14. A recommendation for a community remission or grant scheme for community developments with public amenity has not been included in this report, following discussions with the DC Working Group. The current budget constraints make creating a new remission or grant difficult; however, some discussion on the options has been included in this report.
15. Other technical and minor changes to the Proposed DC Policy are also anticipated, such as updating definitions, references, and sentence structures. These will be included in the Proposed Policy 2024/25 presented at the 14 March 2024 Council meeting for approval.
16. Staff consider the decisions in this report have medium significance and that the recommendations comply with the Council’s legal requirements.

Background - *Koorero whaimaarama*

17. The purpose of DCs under the LGA is to enable territorial authorities to recover from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
18. The principle that ‘growth should pay for growth’ guided the Council’s decision-making during the development of the current and past policies. This principle was not absolute and there was a recognition that not all growth-related capital expenditure must or can legally be met by the development community.
19. The LGA requires councils to review their DC Policy at least once every three years. At the [19 September 2019](#) Council meeting, the Council resolved its strategic considerations for DC policy reviews, and the key principle of reviewing its DC policy once every three years with the Long-Term Plan, unless there are sound reasons to do otherwise.
20. The Council adopted amendments to its current 2023/24 DC Policy at the [30 June 2022](#) Council meeting, implementing changes that were made at Judge Gault’s direction from the AGPAC v HCC Judicial Review Decision in 2021. Targeted community consultation was undertaken with key stakeholders.
21. Prior to this, an in-depth Policy review last occurred in 2020/2021 alongside the development of the Long-Term Plan, with the Policy adopted at the [24 June 2021](#) Council meeting. The review involved widespread public consultation, engagement with a wide range of key stakeholders and independent professional review of the models and methodologies.

DC remissions

22. Remissions are a reduction in a DC charge when a development meets certain policy criteria. They are not a legal requirement and are included in the DC Policy at the discretion of Council.
23. Hamilton City Council's DC Policy currently has five remission provisions that have been introduced over time. The Council's remissions related to the demand that development places on Council services, and direct developer investment in infrastructure that the Council would otherwise have funded are:
 - i. **Actual demand remission:** applied for by applicants that meet criteria and where actual demand is significantly lower than modelled demand.
 - ii. **Private Developer Agreements:** where a developer funds infrastructure that the Council would otherwise have funded, and/or where there are unique circumstances that warrant a remission and are set out in a private developer agreement (PDA).
24. The remissions that are political and strategic decisions are:
 - i. **CBD remission and high-rise remission:** 50% or 100% reduction respectively in the CBD zone if certain criteria are met.
 - ii. **Social Housing Remission:** remission of up to 100% for social housing developments that meet criteria.
 - iii. **State Integrated Schools Remission:** partial remission for state integrated school developments that provide access to the developed land and facilities to the general public.
25. The CBD and high-rise remissions are due to expire on 30 June 2024 and are the subject of Changes 1 and 2 discussed in this report.

Development Contributions Working Group (DC Working Group)

26. Staff engaged with Elected Members on the DC policy review process in Elected Member briefings on 3 May 2023 and 31 May 2023. At the 31 May 2023 briefing, Mayor Paula Southgate directed staff to establish a DC Working Group with Cr Sarah Thomson, Cr Maxine van Oosten, Cr Anna Casey-Cox, Deputy Mayor Angela O'Leary and Cr Mark Donovan.
27. On the 8 August 2023 and the 22 September 2023, staff met with the DC Working Group to develop the options discussed in this report (see **Attachments 1 and 2** for the minutes).
28. The options and recommendations in this report will not immediately become operative in the DC Policy. They will be used to develop a Proposed Development Contributions Policy 2024/25, which will be presented to the Council at its 14 March 2024 meeting for approval to go out for community consultation in March/April 2024.
29. An approved DC Policy 2024/25 will be operative from 1 July 2024.

Discussion - *Matapaki*

30. The following section examines each of the eight policy provisions / options in the following format:
 - i. Background
 - ii. Benefits and considerations
 - iii. Financial impact
 - iv. Change – options and recommendation.

31. It also covers affordable housing, an LGA amendment regarding the Preamble to the Te Ture Whenua Māori Act 1993, supporting community organisations to develop new spaces with public benefit or amenity, and other minor changes.

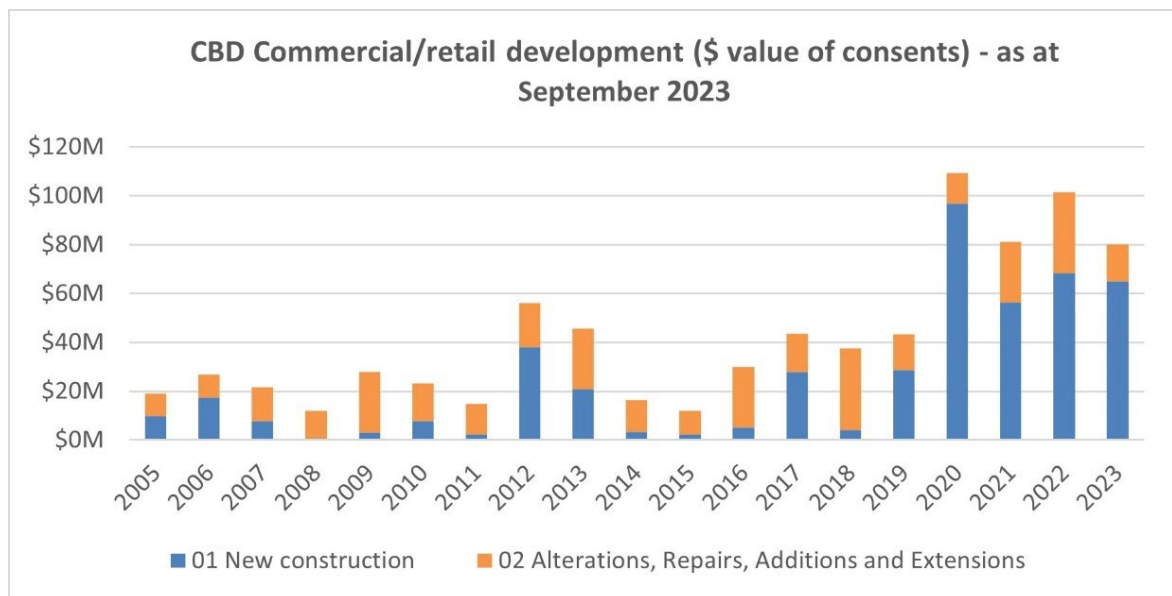
Changes 1 and 2: Extend CBD remissions

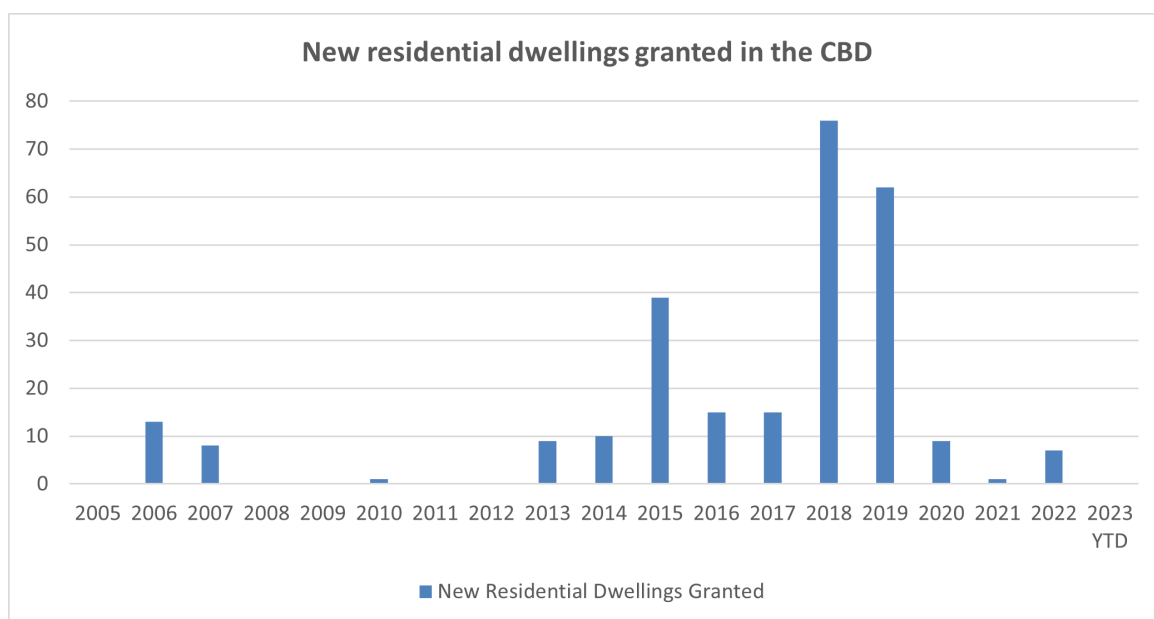
Background

32. The current version of the CBD remission and high-rise remission and associated criteria have been included in the DC Policy since 1 July 2021, and are set to expire on the 30 June 2024.
33. When considering whether to extend or introduce remissions, or other financial incentives within the DC Policy, Council should consider the cumulative financial impact and whether the clause:
- i. aligns to the statutory purpose and function of a DC Policy;
 - ii. will have a sharp influence on desired strategic outcomes;
 - iii. is financially justified, noting that the ratepayer funds the foregone revenue from all remissions;
 - iv. that the financial benefits accrue to the intended groups, and do not accrue to private interests via e.g. market forces.
34. Through DC Working Group sessions on 8 August and 22 September 2023, staff received feedback for developing the remission related changes and options to the DC Policy outlined above.
35. The current CBD remission provision in the DC Policy allows for a 50% remission in the CBD Business Improvement District (BID) area for developments less than six storeys, subject to engagement with the Urban Design Advisory Panel and final Lifemark 4-star certification for the residential component of the development. Similarly, with the High-Rise remission, a 100% DC remission applies to developments if they meet the criteria of the CBD remission and have six or more storeys.
36. The CBD remission was first introduced to the 2013/2014 DC Policy. The original CBD remission effectively meant that no DCs were payable in the CBD. This clause was continued subject to criteria in the 2016/17 DC policy.
37. Through the 10-Year Plan 2018-28, Council decided to phase this remission out over three years. This meant a 66% remission in the 2018/19 Policy, reducing to 33% in 2020/21, and had resolved to removed altogether from 1 July 2021. However, through the 2021/22 DC Policy review process, Council resolved to retain the CBD remission and introduce a high-rise remission with new criteria at the [24 June 2021](#) Council meeting.
38. The CBD remission was first introduced to incentivise and aid redevelopment in the CBD and to help transform Hamilton's central city, following a period of movement out of the CBD by businesses with the growth of retail at The Base and, to a lesser extent, commercial development outside the CBD.
39. Given that the revised CBD remission and high-rise remission criteria have only been in effect since 2021, consideration should be given to how an extension of these criteria would allow prospective developers to incorporate this into the planning stages of their development and provide greater certainty (in an increasingly uncertain development environment).
40. Hamilton's CBD has seen a significant revitalisation over the past decade. Council has made transforming the CBD a priority and the CBD remission has been one way to incentivise new development. It can be difficult to demonstrate a direct correlation between the CBD

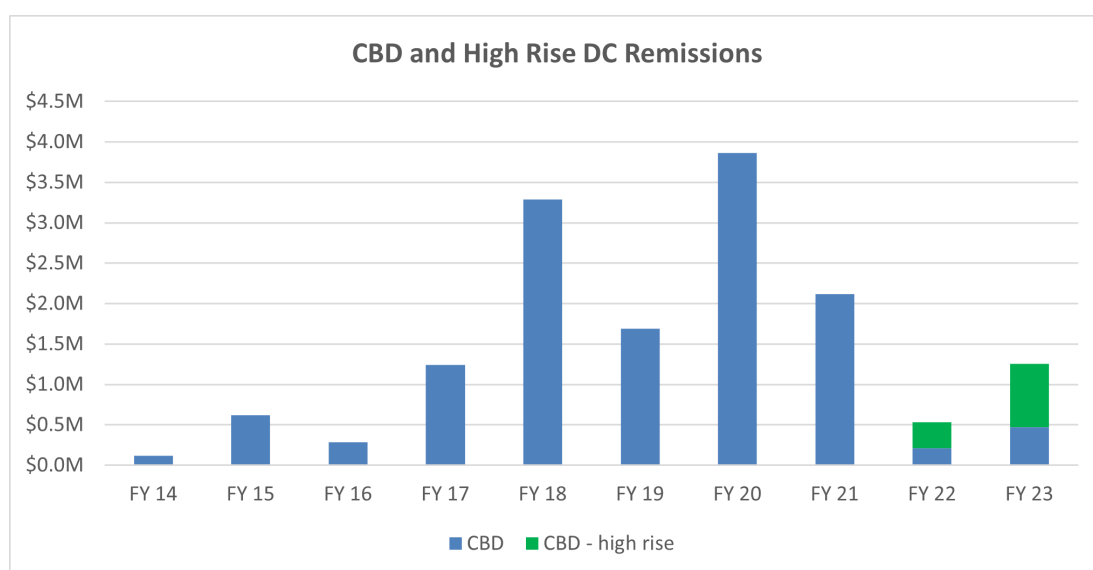
remission alone and increased development because of this broader strategic focus on the area.

41. Developers have a vested interest in the remission staying in place. But it is apparent through many years of engagements with Central City developers that the remission does impact decision making by improving the feasibility and in some cases being a deciding factor for some projects.
42. Ultimately, staff consider that the CBD remissions have had, and will continue to have, a positive effect on inner city development, which remains an important initiative and goal for the city.
43. The following graphs show the value of non-residential consents in the CBD since 2005 through new construction and alterations, repairs additions and extensions; and the number of new dwellings granted.
44. The value of new construction in the CBD peaked in 2020 at \$97M and dropped in comparison between 2021 and 2023. Residential consenting peaked in 2018 with 76 new dwellings. There have been 243 new dwellings consented since 2013.





45. The CBD DC remission is funded by rates and has resulted in \$15M DCs being remitted since its introduction in the 2013/14 DC Policy. Since the CBD remission criteria was updated in 2021, Council has remitted \$2.8M DCs to date. The high-rise remission has resulted in DCs of \$1.1M for two developments being remitted since its introduction in 2021.



46. CBD remission provisions introduce the risk that if, for example, one or two large developments are consented, they could result in significantly higher remission costs for Council. For example, a large six-storey hotel of 6,600m² could result in a \$1M DC remission under the current policy rates.
47. It is also worth noting that existing buildings on a site will generate credit that offsets some of the DC charge for a development.
48. Elected Members should also consider Council's overarching strategies, plans and direction when looking at remissions. The Hamilton Urban Growth Strategy (HUGs), for example, guides where, when, and how our city will grow over the next 50 years. Council's Plan Change 12, another example, also provides for residential intensification that will enable unlimited heights across all areas of the Central City Zone.

49. In November 2022, Council was successful in securing a non-repayable grant of \$150.6M for infrastructure to support housing outcomes in the central city. Nine developers have signed Infrastructure Acceleration Fund (IAF) Incentive Side Agreements, which confirms their commitment to delivering a substantial number of new homes in the Central City, with Council committing to specific DC remission agreements.

Benefits and considerations

The table below highlights the benefits and considerations of the CBD remission (including the high-rise remission).

Benefits	Considerations
<ul style="list-style-type: none"> i. Improves development feasibility in the CBD. ii. Incentivises development in the CBD. iii. Broader benefits to the wider city from supporting density and aligning with the vision of a vibrant CBD. iv. Generally, developers and the public have supported the continuation of the CBD remission in the past. v. Since the introduction of the CBD remission, the CBD has seen significant development activity. vi. Aligns with Council's strategies – HUGs, Housing Strategy, Central City Transformation Plan. 	<ul style="list-style-type: none"> i. One or two large developments can result in significantly higher levels of foregone DC revenue - costs that are transferred to the rate payer. ii. Creates inequity between developers in the CBD and those developing in other parts of the city. iii. DCs in the CBD are already relatively cheaper than greenfield growth cells (e.g. Rotokauri, Ruakura and Peacocke). iv. Council's existing IAF agreements with developers commit to DC remissions in the central city and the walkable catchment, and will likely already increase housing supply in the area. v. Is the incentivisation provided by the CBD remissions still delivering on the Council's priorities, or has the CBD now got sufficient momentum? vi. Some developers believe that there should not be any remissions, including the CBD remission, as this advantages some developers over others.

51. The CBD remission remains well aligned with Council's strategic focus on the CBD. As such, staff recommend renewing the CBD remission and the high-rise remission for a further three years until the 30 June 2027.
52. Through discussions with the DC Working Group, staff also recommend reducing the CBD remission for development under six-storeys from 50% to 33.3% in recognition of the development momentum in the CBD and in line with the previous intentions of Council.

Financial impact

53. Staff estimate the financial impact of extending the CBD remission to be approximately \$3.3M and the high-rise remission to be approximately \$2M over the three years to June 2027. Taking no action and allowing the CBD remission and high-rise remission to expire will have a \$0 financial impact on DC revenue.
54. Forecasting CBD remissions year-by-year has a high margin of error due to the variable nature of development in the relatively small area of the CBD. The nature of a development will significantly impact the level of DC charges and the subsequent remission. One large development like a large hotel could by itself cause significant deviations from the estimated financial costs supplied. The certainty of the level of CBD remissions is not comparable to the certainty of, for example, a rates remission.

Staff Recommendation

55. The options and staff recommendation for Council to consider for the **CBD remission** are:

Staff recommendation	Options	Estimated 3YR financial impact or for period of clause
Recommended	1a) Extend the CBD remission for a further three years to 30 June 2027 and reduce the percentage from 50% to 33.3%.	(\$3.3M)
Not recommended	1b) Do not extend the CBD remission and allow to expire on 30 June 2024.	\$0

56. The options and staff recommendation for Council to consider for the **high-rise remission** are:

Staff recommendation	Options	Estimated 3YR financial impact or for period of clause
Recommended	2a) Extend the 100% CBD High Rise Remission for a further three years to 30 June 2027.	(\$2M)
Not recommended	2b) Do not renew the high-rise remission and allow to expire 30 June 2024.	\$0

57. These estimates are based on historical activity and the current DC charges. If DC charges were higher, the financial impact relating to the options below would be proportionally higher, and vice versa.

Change 3: Phased residential charges ends 30 June 2024**Background**

58. As part of the 2021/2022 DC Policy review Council resolved to phase DC charges for residential development in Peacocke 1 and 2, Rotokauri, Rototuna and Ruakura due to the level of increase in the charges between policies. Charges were increased by one third each year with full charges in place for year 3 (from 1 July 2023).
59. The purpose of phasing charges was to increase developer certainty and to avoid abrupt and large increases in Council-imposed developer costs. Large and unanticipated increases in costs can disrupt and slow development.
60. New DC charges are still unknown and therefore the recommendation on phasing DC charges in is more general (all DC charges) than in the current DC Policy (greenfield residential only). The Council may wish to narrow what charges are phased in its proposed DC Policy once the draft charges are known.
61. At the 22 September 2023 DC Working Group, staff were asked to include an option to extend the phasing beyond greenfield catchments to the Stage 1 Area too (as defined in Plan Change 12).

Benefits and considerations

62. The below table highlights the benefits and considerations of phasing charges.

Benefits	Considerations
<ul style="list-style-type: none"> i. Lowers the initial impact on developers of higher charges in a new DC Policy. ii. Provides greater certainty for developers. iii. Gives developers time to factor in increased charges into what they pay for land. iv. Improves development feasibility in the greenfield areas 	<ul style="list-style-type: none"> i. Foregone DC revenue is funded by the rate payer. ii. Risk that not phasing charges that have increased significantly could negatively impact on development. iii. If growth is slowed due to high DC charges the Council will not achieve the desired economic and community return on its investment. iv. With three waters legislation Council may require DIA approval to reintroduce.

63. The Council's approach to growth funding is that those who contribute to the need for or benefit most from the Council's growth investment make a proportional contribution to the costs of growth. However, external economic advice commissioned by Council is that very high charge levels can negatively affect development activity.
64. Council can provide certainty to developers by providing a gradual increase in charges that will allow them to adjust to the higher charges. Council can also provide certainty by keeping the same DC charges in place throughout the long-term plan cycle; however, significant increases in charges could impact feasibility and mean development slows in the short-term.
65. Staff recommend phasing all DC charges over three years, noting that the Council may wish to narrow what charges are phased in its proposed DC Policy once the draft charges are known.

Financial impact

66. It is difficult to estimate the financial impact of phasing without knowing what the draft DC charges and DC revenue is. Once these are known a better estimate will be provided to the DC Working Group ahead of public consultation. However, based on current DC Policy settings, it was estimated phasing residential charges over three years could cost approximately \$5.6M. Renewing the phased charges provision until the 30 June 2027 and including the PC12 Stage 1 catchment has been estimated at \$6M.
67. These estimates are based on historical activity and the current DC charges. If DC charges were higher the financial impact relating to the options below would be proportionally higher, and vice versa.

Staff recommendation

68. The following outlines the options for Council to consider for renewing phased residential charges for selected greenfield growth cells.

Staff recommendation	Options	Estimated 3YR financial impact or for period of clause
Recommended	3a) Phase all development contribution charges over three years.	TBC
Not recommended	3b) Extend the phased transition of development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura catchments	(\$5.6M)
Not recommended	3c) Extend phased charges as in 3a) above but also include the CBD catchment.	(\$6M)
Not recommended	3d) Status quo, end phased charges on the 30 June 2024.	\$0

Change 4: Non-residential capped charges provision refined**Background**

69. In the 2019/2020 DC Policy, capped charges were first introduced for non-residential developments in Rotokauri as the charges were significantly higher than in comparable areas within Hamilton and in other major centres.
70. At the [24 June 2021](#) Council meeting, it was resolved as part of the 2020/2021 DC Policy review to extend the capped charges provision to all catchments in the city; however, greenfield areas are the only ones where charges exceed the nominated thresholds. The intention of the amendment was to prevent high DC charges curtailing development, particularly of neighborhood centres in new greenfield growth cells.
71. DC charges for industrial, commercial, or retail development (or part of a development) currently pay no more than \$20,000, \$30,000, or \$40,000 (exclusive of GST) per 100m² of gross floor area for the total of water, wastewater and transport activities, and correspondingly for stormwater on a site area basis.
72. Capped charges can be used as a method of promoting economic development, insure against DCs pricing out development in key district plan zones, and maintaining a degree of competitiveness between Hamilton and other areas. The provision was amended in 2021 to support the development of amenities such as town centres in new growth cells like Peacocke and Rotokauri. Town centres and community hubs are important for the social, cultural and economic wellbeing of a community.
73. The current non-residential caps provision does not have an expiry date. However, staff brought this clause to the attention of the DC Working Group to test if Elected Members were satisfied the provision was achieving its purpose and to outline the cost.
74. While the primary intention of the provision was to support new neighbourhood centres in greenfield growth cells, a wider range of developments over and above just neighbourhood centres are able to benefit from this discount, including large-scale industrial and commercial developments in Rotokauri.

75. As discussed at the 8 August and 22 September 2023 DC Working Group meetings, Elected Members proposed refocusing the non-residential capped charges provision by narrowing the scope to primarily target retail and commercial areas within neighbourhood centres as zoned in the District Plan, noting that large scale retail developments such as supermarkets would be excluded.
76. The level at which the capped charge thresholds are set cannot be determined until the draft DC charges become available. Staff will make recommendations, if required, to Council meeting of 14 March 2024.

Benefits and considerations

77. The below table highlights the benefits and considerations of a refined non-residential capped provision.

Benefits	Considerations
<ul style="list-style-type: none"> i. Capped charges can support development and increase economic activity in new neighbourhood centres in new growth cells. ii. Ensures that neighbourhood centres are not disincentivised and are more likely to be developed alongside the growing community in the area. iii. Large developments have significantly impacted how much DC revenue was forgone under the current DC Policy; a refined provision will help prevent this. iv. In the last three years, 95% of developments that were capped were in Rotokauri and 5% were in Rototuna under the current provision so a refined provision will prevent the large proportion of consents that are not neighbourhood centres from being eligible. 	<ul style="list-style-type: none"> i. Creates significant complexities in the DC software when developments are mixed use. ii. There are likely to be very few neighbourhood centres that arise in the next three years. iii. Foregone revenue from capping is funded through rates. iv. Uncapped charges are likely to see a significant increase in some areas (upwards of \$20,000 per 100m²)

78. Staff recommend amending the non-residential capped provision to only include commercial and retail development in neighbourhood centres as zoned in the district plan. Industrial developments have been excluded because neighbourhood centres do not have industrial zones within them.

Financial impact

79. The financial impact of capping non-residential charges since 1 July 2021 is approximately \$8.1M. However, one large development made up 74% of this and is not a neighbourhood centre, which reinforces the recommendation in this report to narrow the provision's scope.
80. Staff estimate the financial impact of retaining the current non-residential capped charges provision could be approximately \$10M over three years; however, narrowing the scope to neighbourhood centres would cost an estimated \$1.4M.
81. These estimates are based on historical activity and the current DC charges. If DC charges were higher the financial impact relating to the options below would be proportionally higher, and vice versa.

Staff recommendation

82. The following outlines the options for Council to consider for the capped charges provision.

Staff recommendation	Options	Estimated 3YR financial impact
Recommended	4a) Amend non-residential capped charges criteria to only include commercial and retail neighbourhood centres as zoned in the District Plan.	(\$1.4M)
Not recommended	4b) Status quo, retain capped charges provisions	(\$10M)
Not recommended	4c) Remove non-residential capped charges entirely	\$0

83. These estimates are based on historical activity and historical charges. If DC charges were substantially higher the financial impact relating to the options below would be comparably higher.

Change 5: Charging developments that use higher than the assumed demand**Background**

84. The DC Policy currently provides for actual demand remissions, where if a large development proves that they use substantially less demand (greater than 5 HUE) than the average demand assumed in the DC Policy, and that reduced demand has a material impact on Council's network, then they may be able to receive a reduction in their DC charge.
85. Of all the remissions in Council's DC Policy, an actual demand remission has the strongest alignment to the DC regime and is used in different forms by most councils in New Zealand.
86. Over the last five years, HCC has provided remissions of \$10M for lower demand remissions.
87. The DC Policy currently does not have a provision to be able to charge developments that use substantially more services than assumed for general developments such as supermarkets (other than wet industry assessments, which are treated separately and pay more than the average demand).
88. Staff propose to add an actual demand assessment provision to allow Council to be able to charge high use developments including but not limited to wet industries.
89. Examples of developments that could potentially be impacted by an actual demand high use assessment for the transport activity as they generally create more vehicle trips the assumed average in the DC policy are:
- Building improvement centres (e.g Bunnings, Mitre 10)
 - Drive-through services (e.g. fast food)
 - Supermarkets
 - Education – primary school, secondary schools, tertiary institutes, and private training facilities
 - Medical centres
 - Hospitals
90. Examples of developments that could potentially be impacted by an actual demand high use assessment for the waters activities and that are likely to use more litres per day than the average in the DC policy range include:
- Education providers
 - Healthcare providers

- iii. Restaurants
 - iv. Accommodation providers, i.e., hotels
 - v. Retail/shopping complexes
 - vi. Sport/leisure facilities
 - vii. Industrial users, i.e., construction, manufacturing
 - viii. Agricultural/horticultural.
91. Preliminary legal advice sought on this matter supports the proposed addition to address developments have actual demand that is significantly higher than modelled demand, but further investigation is required before a final recommendation is made for a Proposed Policy to go out for public consultation.

Benefits and considerations

92. The below table highlights the benefits and considerations to adding this provision.

Benefits	Considerations
<ul style="list-style-type: none"> i. Would recover DCs consistent with actual demand placed on Councils network, in line with the principle of 'growth pays for growth'. ii. The revenue generated would offset some of the foregone revenue from the actual demand remission for developments with lower demand. iii. The scale of this increased revenue is uncertain and difficult to estimate, but could be in the order of at least a million dollars, potentially more. 	<ul style="list-style-type: none"> i. Council would need to pay for a consultant to assess demand – approx. \$6k per assessment. ii. Would require an actual demand high use assessment to be projected, which comes with technical challenges. iii. Likely to be unpopular with developers. iv. Further investigation and legal review needed

93. Staff recommend introducing an actual demand assessment for developments that use higher than the assumed demand in the Proposed 2024/2024 DC Policy, subject to the further investigation and legal advice.

Financial impact

94. The financial impact of charging for higher than the assumed demand requires further technical and legal review before it can be estimated, and will be provided to the Council prior to a Proposed Policy going out to public consultation.

Staff recommendation

95. The following outlines the options for Council to consider introducing an actual demand assessment for developments that generate significantly higher than the assumed average demand.

Staff recommendation	Options	Estimated 3YR financial impact
Recommended	5a) Introduce actual demand charging criteria for developments that use higher than the assumed demand;	TBC
Not recommended	5b) Do not introduce an actual demand assessment charging criteria for developments that use higher than the assumed demand.	Nil

Change 6: Calculation basis for residential stormwater DC charges

Background

96. Prior to 2018, the DC Policy charged a uniform 1 HUE of stormwater demand for a residential development, regardless of its size. The 2018/19 DC Policy introduced a HUE demand that was greater for large dwellings and less for smaller ones (shown in Table 1 below). The Policy did not distinguish between one-storey or multi-storey dwellings.
97. In the case AGPAC Limited & others vs HCC heard in the High Court on 20-22 April 2021, the case for judicial review was dismissed, finding in favour of Council in all of the 17 claims that the applicants took forward to trial. However, Justice Gault's decision commented that Council should review its approach to charging stormwater DCs for multi-level dwellings:
- [120] I expect HCC, as part of its annual review of its development contributions policy, will consider how best to address the prospect of greater anomalies in future as multi-level dwellings become more prevalent with higher density developments.*
98. For more details on the Judicial review, refer to the Council report from the [2 December 2021](#) Strategic Growth Committee meeting.
99. In the 2022/2023 DC Policy review, to address Justice Gault's comments, an interim amendment was made to the DC Policy to remove the anomaly in multi-level dwellings by lowering the stormwater DCs charged from 1.29 HUE to 1 HUE for dwellings with more than one level and four or more bedrooms.
100. As the above change was only an interim amendment to give effect to the judicial review decision in its entirety, staff propose to standardise the stormwater charge for all residential dwellings (multi-level and single level) to 1 HUE.

Table 1

Type	DC Account	Existing Factor	Proposed Factor
One bedroom	Stormwater	0.477 HUE	1 HUE
Two bedroom	Stormwater	0.689 HUE	1 HUE
Standard residential	Stormwater	1 HUE	1 HUE (no change)
Large residential	Stormwater	1.290 HUE	1 HUE

Benefits and considerations

101. The below table highlights the benefits and considerations to standardise the stormwater charge for all residential dwellings to 1 HUE.

Benefits	Considerations
<ul style="list-style-type: none"> i. Consistent and fair approach to charging stormwater. ii. Gives effect to Justice Gault's comments in the 2020/2021 judicial review in regard to stormwater and addressing higher density development (multi-level and single). iii. Simplicity. 	<ul style="list-style-type: none"> i. The stormwater HUEs for one bedroom and two-bedroom dwellings will increase to 1 HUE. ii. Likely to be unpopular with some people due to increase in one- and two-bedroom dwellings stormwater charges, and conversely those building four or more-bedroom dwellings will likely support.

102. Given these considerations, it is recommended that the stormwater charge for all residential dwellings be 1 HUE.

Financial impact

103. Staff estimate the financial impact to be non-material.

Staff recommendation

104. The following outlines the options for Council to consider in the proposal to amend the calculation basis for all stormwater charge for all residential dwellings to 1 HUE.

Staff recommendation	Options	Estimated 3YR financial impact
Recommended	6a) Amend the calculation basis for stormwater development contribution charges for all residential dwellings to be 1 Household Unit Equivalent ("HUE")	Non-material
Not recommended	6b) Status quo, leave residential stormwater charges as.	\$0

Change 7: Social housing remission**Background**

105. At the [24 June 2021](#) meeting, the Council resolved to include a Social Housing Remission in the DC Policy. The Social Housing Remission provides a 100% remission on residential development for registered social housing providers and charitable trusts providing social housing.
106. The number of remissions received since 1 July 2021 has been low, with Council approving one remission under this provision for \$505K. Staff have been advised that the remission was a deciding factor as to whether the development proceeded. There are also two potential remissions in the pipeline. Although the number of remissions processed to date has been minimal, staff believe the social housing remission has made a positive impact on development and will continue to do so.
107. However, staff propose a minor update to add "in perpetuity" to the criteria. This change will refine the criteria and ensure that the benefits of the remission lead to a long-term increase in the social housing stock in Hamilton.
108. Staff also considered whether to add that the land must be owned by the Community Housing Regulatory Authority but considered that adding "in perpetuity" to clause 18.23(c) would be adequate.

Benefits and considerations

109. The below table highlights the benefits and considerations of having a social housing remission:

Benefits	Considerations
<ul style="list-style-type: none"> i. Supports provision of additional social housing in Hamilton. ii. May enable some providers to build additional dwellings. 	<ul style="list-style-type: none"> i. Financial cost to Council - \$505K since introduction in 2021. ii. Social housing providers may buy a prebuilt house from a third party so will not get a remission.

110. Although the number of remissions approved under the Social Housing Remission is expected to be low, the benefits received by retaining the strategic objectives of the remission have a positive impact.
111. Refining the criteria as described above is recommended, and considered important to ensure targeted developments benefit from the provision.

Financial impact

112. The financial impact on Council to date has been \$505K since its introduction in 2021. Staff estimate approximately \$2M of forgone revenue for the next three years by keeping the social housing remission with the amended criteria.
113. These estimates are based on historical activity and the current DC charges. If DC charges were higher the financial impact relating to the options below would be proportionally higher, and vice versa.

Staff recommendation

114. The following outlines the options for Council to consider on the social housing remission:

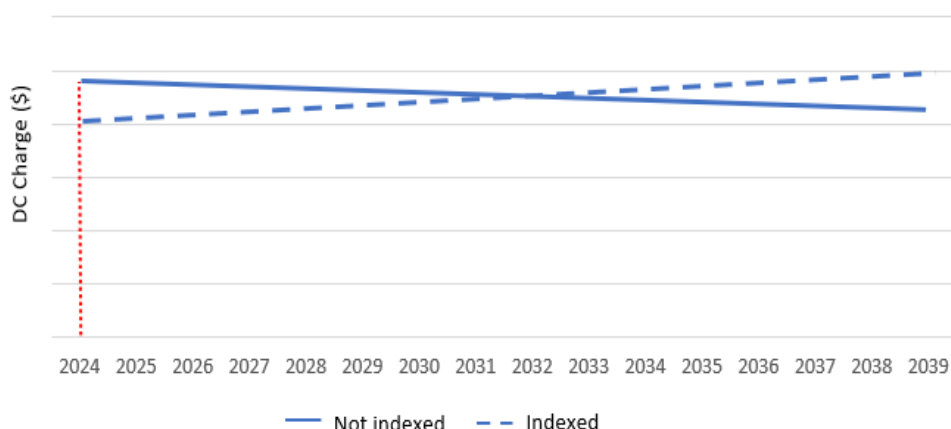
Staff recommendation	Options	Estimated 3YR financial impact
Recommended	7a) Amend the social housing remission criteria to ensure that developments receiving the remission will remain social housing in perpetuity.	(\$2M)
Not recommended	7b) Status quo, do not amend the social housing remission criteria.	(\$2M)

Change 8: Indexing DC charges

Background

115. Indexing is an adjustment to the charges to take account of the diminishing purchasing power of money over time. It seeks to allocate a higher share of growth-related costs to developments that occur in the distant future relative to those today, because more distant developments incur greater financing costs for Council.
116. Indexing ensures that DCs remain relatively constant in inflation-adjusted terms, just like the prices of most other goods and services and construction costs. The theory is that indexing provides a better match between the costs of infrastructure and the ability of people to pay (which generally increases over time).
117. The effect of indexing is to reduce current year charges and increase charges in future years. Modelled charges in earlier years are lower in an indexed model compared to an un-indexed model, and vice versa for later years. The total DCs recovered over the life of the model are therefore marginally higher in the indexed model due to the lower level of DCs collected in the earlier years incurring more debt financing costs.
118. The following is a basic representation of the effect of indexing. Charges in the policy are set at year 1, shown as the red dotted line, and when indexed calculates an initially lower charge compared to a non-indexed model.

Indexing a DC charge - Illustration



119. Economic advice received in the past is that indexing provides better equity between different generations of development by spreading costs in a way that better reflects the present value of revenues received. This aligns with the purpose of development contributions set out in the LGA.
120. The Council may choose to index its DC charges to take into account that a dollar of DCs paid today, represents a higher real cost than a dollar of DCs paid in ten years' time.
121. In 2018, Council considered indexing DC charges; however, submitter feedback from several large developers was strongly against indexation, disagreeing with the staff opinion that it was beneficial to the developer. Their views were that it was inequitable for developers in the future.
122. The opposition to introducing indexing was difficult to understand, particularly given that the effect is that charges in Year 1 of the policy are lower than the ordinarily modelled base charges, which creates an advantage for developers who wish to develop in the immediate future.

Benefits and considerations

123. The below table highlights the benefits and considerations of indexing DC charges.

Benefits	Considerations
<ul style="list-style-type: none"> i. Method aligns with economic advice in providing better equity between different generations of development. ii. Spreads costs in a way that better reflects the present value of revenues received. iii. Reduces the upfront charge to developers with gradual increase. iv. Aligns with purpose of DCs set out in LGA. 	<ul style="list-style-type: none"> i. Foregone revenue in the short-term. ii. Indexing DC charges was proposed in the 2018/19 DC policy review but submissions disagreed with the proposal. iii. Developers view is that indexing increases charges over time that will inequitably impact developers who will develop further in the future, and increases will have compounding effects. iv. Whether indexing adequately addresses the impact of increases.

Financial impact

124. As described above, staff are still yet to confirm draft DC charges; therefore the exact financial impact is unable to be determined at this time.

Staff recommendation

125. The following outlines the options for Council to consider on indexing DC charges:

Staff recommendation	Options	Estimated 10YR financial impact
Recommended	8a) Index DC charges	TBC
Not recommended	8b) Do not index DC charges.	TBC

Affordable housing**Background**

126. Achieving more affordable housing remains a significant challenge for councils around the country, and a high priority for Hamilton City Council.
127. At the 8 August and 22 September DC Working Group sessions, Elected Members discussed with staff appropriate ways that development contributions could be used as a lever to support affordable housing.
128. There are several challenges and considerations to consider for a DC remission to have the desired effect of creating more affordable housing in perpetuity, and in a way that is effective use of rate payer funds. Developing a definition of affordable housing would be required in the first instance.

Benefits and considerations

129. The below table highlights the benefits and considerations of using DC remissions for affordable housing remission.

Benefits	Considerations
<ul style="list-style-type: none"> i. May support the provision of affordable housing in Hamilton. ii. May enable some providers to build additional dwellings. 	<ul style="list-style-type: none"> i. A remission is forgone revenue ultimately paid by rate payers. ii. Developers will absorb a remission as profit wherever they can, and housing is mostly delivered by private developers. iii. Requires a definition of affordable housing and enforcement. iv. Work is currently underway on an affordable housing strategy which will look at all levers available to Council. v. Financial benefits of a remission should exist in perpetuity, and any mechanism used to do this needs to be robust and safe from gaming. vi. How the benefits can be passed onto the people who most need this support.

130. Staff recommend that using the DC Policy as a lever for affordable housing should be considered alongside all other levers identified in the broader work on affordable housing. This would allow Elected Members to consider the strategy as a whole, understand which levers provide the most benefit and how these levers can work in unison to provide the best outcomes for affordable housing and the rate payer.
131. If Council wishes to develop an affordable housing remission now, staff recommend that the provision be targeted at not-for-profit providers that have a history of delivering affordable housing, lock in affordability in perpetuity and who ensure that buyers are the target population.

Financial impact

132. The financial impact will be estimated following the feedback from the Affordable Housing Working Group. However, if DC remissions are to be used as a financial lever for more affordable housing, the financial impact could be substantial if the criteria are not tightly defined, including the definition of affordable housing.

Staff recommendation

133. This report does not contain a recommendation for supporting affordable housing. The option to introduce provisions into the Proposed Development Contributions Policy 2024/25 to incentivise affordable housing is deferred until feedback is received from the Affordable Housing Working Group. Feedback from that Working Group will be considered by staff and brought back to the DC working group and used to inform a recommendation for the Proposed Development Contributions Policy 2024/25 presented to the Council meeting of 14 March 2024.

LGA provision: Te Ture Whenua Maori Act 1993

134. An amendment was made to the Local Government Act 2002 in July 2021 which added a provision to [Section 102\(3A\)](#) of the LGA 2002, stating Council's DC policies must support the principles set out in the [Preamble](#) to the Te Ture Whenua Maori Act 1993.
135. This LGA amendment also applies to two other important Council financing policies being the Revenue and Financing Policy, and the Rates Remission Policy. It is recommended that Council aligns the treatment of the DC Policy to these other Council policies.
136. Staff have taken legal advice on the interpretation of the amendment, concluding that the nature of Council's support for the principles of Te Ture Whenua Maori Act 1993 can be fulfilled in different ways and levels, directly or indirectly.
137. Status of land is defined in [Part 6 Section 129](#) of the Te Ture Whenua Maori Act 1993 and support is likely to be considered in relation to Maaori customary land and Maaori freehold. Relief in relation to general land is likely to be challenging to identify, and administer, but will be investigated further.
138. There are currently two properties in Hamilton designated as Maaori freehold land, having a combined area of approximately 2.01ha and a capital value of \$8.3M.
139. A staff recommendation regarding supporting the principles set out in the Preamble to Te Ture Whenua Maori Act 1993 in accordance with Section 102(3A)(a) of the LGA 2002, will be provided to the Council at its meeting in March 2024 to allow staff to consult further with iwi and legal advisors and to align with the treatment recommended for other Council policies.

Supporting community organisations

Background

140. When the DC policy was undergoing review in 2022, Elected Members requested staff to investigate a remission for community organisations. At the 3 June 2022 Council Meeting, staff provided an analysis of this.
141. The potential scope for a remission for community organisations is large and would require Council to be able to define what types of organisations and developments would be eligible for the remission. This is complex and will inevitably lead to some organisations feeling unfairly treated.
142. Only one other council in the country exempts not-for-profit organisations from paying DCs; however, they are still assessed on a case-by-case basis.
143. At the 8 August 2023 DC Working Group meeting, staff proposed that instead of a community remission, Council consider a DC grant scheme. At the 22 September DC Working Group meeting, Elected Members discussed the options of expanding the general grant fund or creating a capital grant fund instead of a specific DC grant.
144. Further feedback from Elected Members in the DC Working Group considered the budget pressures on Council meant that bringing in a new grant scheme at this time was not feasible. As such, this staff report does not recommend that a community grant or community DC remission is introduced into the Proposed Policy.

Benefits and considerations

145. The below table highlights the benefits and considerations of introducing a DC grant scheme for community organisations.

Benefits	Considerations
<ol style="list-style-type: none"> i. Elected Members can use their discretion to support projects that most benefit the community. ii. Decisions on applications are managed through an established process, minimising out of process disputes raised through Elected Members. iii. Funding is allocated through the LTP which gives certainty about cost and limits exposure. iv. Existing grant processes can be used and would ensure transparency. Council can approve a criteria schedule that would be included in the Community Assistance Policy. 	<ol style="list-style-type: none"> i. Staff recommend DCs are paid prior to application for a grant to ensure developments are not delayed by the grant process. ii. Council will need to allocate funding for the grant in the LTP (remissions are included as foregone revenue in the DC revenue calculations). iii. Council needs to consider how grants are allocated if more money is requested than is in the fund. iv. Increased workload for the community grants team.

Financial Impact

146. Not providing for a community grant or remission has no financial impact on DC revenue as compared to the current policy (it is status quo).
147. However, if the Council did elect to have a provision for a community grant, the quantum (be it a DC grant, an extension of the general grant or a new capital grant) is completely determined by Council. To provide material support for DC payments, staff suggest the fund would need to be in the range of \$150,000 to \$300,000 per year.

148. A community development remission creates substantial financial exposure for Council. Based on previous consenting activity by community organisations, staff estimate that a community remission could cost \$4M over the first three years of the LTP.
149. These estimates are based on historical activity and the current DC charges. If DC charges were higher the financial impact relating to the options below would be proportionally higher, and vice versa.

Staff recommendation

150. The following outlines the options for Council to consider in the introduction of a DC grants scheme for community projects, versus a capital grant fund.

Staff recommendation	Options	Estimated financial impact
Recommended	Do not introduce a community grant or community DC remission	\$0
Not recommended	To create a DC grant scheme that offers remissions to community-based not-for-profit organisations who develop community facilities.	Annual cost completely at the discretion of council
Not recommended	To increase the general grant funding.	Annual cost completely at the discretion of council
Not recommended	To create a capital grant fund to be managed by community team and outside the DC policy.	Annual cost completely at the discretion of council
Not recommended	Create a remission for community organisations	(\$5M)

Technical and minor changes

151. Transition provisions within the Water Services Entities Act mean that the Proposed Policy will need to address any upcoming changes. Council would no longer be able to collect DCs for water, wastewater, and stormwater when the three waters entity takes over, which will be no later than the 1 July 2026. With the recent General Election, however, there remains significant uncertainty with councils and three waters.
152. Staff also propose updates to the bedroom and gross floor area definition to avoid ambiguity.
153. Other changes to the draft Proposed DC include updating information, dates and grammar as well as technical changes as the modelling progresses.

Financial Considerations - *Whaiwhakaaro Puutea*

154. The financial impact assessments for each option provided in this report are broad and indicative estimates to aid decision making only and should not be relied on for financial reporting. More certainty on the financial implications will be known as the Proposed Policy develops in alignment with the Long-Term Plan. Note that an inflation factor has also been added into all estimates.

155. Staff estimate the cumulative impact of the recommended remissions and discounted charges outlined in the following table to be **\$14M** across years 1-3 of the LTP, and if extrapolated across the full LTP period the total foregone DC revenue would equate to **\$48M**. These estimates are based on historical activity and the current DC charges. If DC charges were higher the financial impact relating to the options below would be proportionally higher, and vice versa.

Proposed change	Staff recommendation	Estimated 3YR financial impact
Change 1: CBD remission and high rise remission ends 30 June 2024.	1a) Extend the CBD remission for a further three years to 30 June 2027 but reducing the percentage remission from 50% to 33.3%.	(\$3.3M)
Change 2: High rise remission ends 30 June 2024.	2a) Extend the 100% CBD High Rise Remission for a further three years to 30 June 2027.	(\$2M)
Change 3: Phased residential charges ends 30 June 2024	3a) Phase all development contribution charges over three years.	TBC but > \$5M
Change 4: Non-residential capped charges provision refined.	4a) Amend non-residential capped charges criteria with a narrowed scope to only include commercial and retail neighbourhood centres as zoned in the district plan.	(\$1.4M)
Change 5: Charging developments that use higher than the assumed demand.	5a) Introduce actual demand charging criteria for developments that use higher than the assumed demand;	TBC
Change 6: Calculation basis for residential stormwater DC charges	6a) Amend the calculation basis for stormwater development contribution charges for all residential dwellings to be 1 Household Unit Equivalent ("HUE").	Non-material
Change 7: Social housing remission	7a) Amend the social housing remission criteria to ensure that developments receiving the remission will remain social housing in perpetuity.	(\$2M)
Change 8: Indexing DC charges	8a) index DC charges	TBC
FORGONE LTP REVENUE IN YEARS 1-3		(\$14M)
TOTAL PROJECTED FORGONE LTP REVENUE		(\$48M)

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

156. The LGA provides the legal and statutory framework for preparing and adopting a DC policy. All decision making must adhere to this framework.

157. This report and the options in this report have been developed with consideration given to this legal and statutory framework.
158. Staff will seek further legal advice in developing the Proposed DC Policy and in relation to the consultation document to confirm that the recommendations from this report, if approved by the Council, are lawful and appropriate for consultation.

Climate Change Impact Statement

159. Staff have assessed changes and options against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.
160. However, the staff recommendations on the CBD remission and capping charges support Council's aspirations to become a city of compact, connected, and healthy neighbourhoods. Continuing to support development in the CBD (changes 1a and 2a in regard to CBD and high-rise remissions) will help develop a more compact city and enable growth in an area that can be easily accessed by active and public transport modes. Recommendation 4a (non-residential capping for neighbour centres) will support our communities to 'live locally' by supporting neighbourhood centres.
161. These recommendations support Our Climate Future: Te Pae Tawhiti o Kirikiriroa Outcome 1 'By acting together, our emissions are reducing' and Outcome 2 'Our neighbourhoods enable low-carbon living' as it means more people will live closer to the things they need and to multi-modal transport options.
162. The recommendations also align with the Hamilton Urban Growth Strategy (HUGS) Outcome 1 'Grow up and out from the central city', Outcome 2 'Grow along transport corridors' (in the central city) and Outcome 3 'Support the development of quality greenfield neighbourhoods' (by providing amenity options in the right place that are easily accessed and creating vibrant local centres).

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

163. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
164. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below. The recommendations set out in this report are consistent with that purpose.
165. Both those undertaking developments and the general community benefit from growth in Hamilton. The cost of growth needs to be balanced fairly, given the limited sources of funding available to the Council. The overall impact of requiring DCs on the current and future social, economic, environment and cultural wellbeing of the community needs to be considered.
166. If DCs were not to be required from developments, the Council would not be able to provide the necessary infrastructure to meet the new demand in a community, and more revenue would need to come from general rates. The latter scenario means that existing ratepayers meet the cost for new development. Both outcomes negatively impact on all aspects of wellbeing for the communities involved.

Social

167. DCs help to fund city infrastructure such as roads and reserves, which help to link whanau and communities and provide places for them to connect.

Economic

168. DCs support investment in critical infrastructure for both residential and non-residential development activity. Once a growth cell, or existing areas in the city, are enabled through infrastructure, economic benefits can be realised. New development creates jobs and wealth both now and, in the future, supporting our communities' economic wellbeing.

Environmental

169. DCs help to fund reserves as well as certain environmentally friendly infrastructure, particularly stormwater and wastewater. These help to protect our waterways and ecosystems, while also providing spaces where people can enjoy their local environment.

Cultural

170. Cultural wellbeing is enabled by projects that acknowledge and support their local communities' shared cultural attributes. DCs also help to fund projects such as those that enhance the wellbeing of the Waikato River and support Te Ture Whaimana o Te Awa o Waikato.
171. As part of this DC Policy review, the amendment to the LGA provision to support the principles in the preamble of The Te Ture Whenua Maori Act 1993 will be incorporated into Council's DC Policy.
172. Staff have arranged to meet with Maangai Maaori at the time of writing, and will report back to Council at this meeting.
173. Staff will continue to actively engage with iwi as well as interested parties such as Tainui Group Holdings up to and over the consultation period in March/April 2024.

Risks - *Tuuraru*

174. There are no material risks associated with the recommendations in this report, which only direct staff in terms of developing a Proposed Policy. Staff have taken legal advice in the development of the recommendations in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

175. 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 medium level of significance.

Engagement

176. There is no requirement to consult the public on the recommendations in this report to develop a Proposed Policy, given that no policy document is being presented to the Council for approval. However, the Council will consult on a draft DC Policy document when adopted for public consultation.
177. Consultation on a draft DC Policy is alongside the 2024-34 Long-Term Plan public consultation which is a statutory requirement, and is scheduled March/April 2024 prior to adoption of a DC Policy that will become operative 1 July 2024.
178. Staff will actively engage with key stakeholders prior to consultation to offer the opportunity to discuss the proposals and to provide any support to understand the DC Policy and proposed changes, as well as advising when the consultation will run.

179. Note that a staff recommendation regarding supporting the principles of Te Ture Whenua Maori Act 1993 in accordance with Section 102(3A)(a) will be provided to the Council at the next council meeting of 14 March 2024 to allow staff to consult further with iwi and legal advisors.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Minutes - DC Elected Member Working Group - 8 August 2023

Attachment 2 - Minutes - DC Elected Member Working Group - 22 Sept 2023

Minutes

Minutes of a meeting of the Development Contributions Elected Member Working Group

Time and date:	3:00pm, 08 August 2023
Venue:	Lvl 1 Committee Room, Hamilton City Council
In Attendance:	<p>Elected Members : Deputy Mayor Angela O'Leary, Cr Sarah Thomson, Cr Maxine van Oosten, Cr Mark Donovan, Cr Anna Casey-Cox, Cr Moko Tauariki.</p> <p>HCC Staff: Greg Carstens, Tiki Mossop, Sherena Lad, Leah Pavitt, Sandra Larsen</p>
Apology:	Blair Bowcott
Leave of Absence:	Cr Ryan Hamilton

Meeting opened at 3:00pm

1) Introduction

- Greg Carstens welcomed Elected Members and explained that the DC policy Working Group was established as requested by Mayor Paula at a 31 May 2023 Elected Member briefing.
- The purpose is so that staff can work through potential policy changes with Elected Members and receive further direction for the 2024/25 DC Policy review.
- Staff have previously briefed Elected Members on the Policy and DC remissions. This Working Group is to go into more detail with Elected Members regarding the direction and preferences for the DC policy.
- The next Working Group will be held on the 22 September 2023. At the 7 November 2023 Council Meeting Elected Members will be asked to approve options for the purposes of preparing a draft DC policy for staff consultation.
- Greg explained that the sooner direction can be received from the Working Group regarding policy direction, the more time staff will have to investigate options and deliver robust advice of the implications of those policy options.

2) Capped and phased charges

- Greg explained to Elected Members that depending on the level of charges, they can intervene with DC policy charges by making decisions on capping charges (setting a maximum) for specified catchment(s) and land use activities and phasing charges (increasing gradually over a specified time frame).
- As part of the 2021/2022 DC policy review, charges were increased incrementally over three years.
- **Elected Member direction:** There was no further direction given by Elected Members on phasing charges for this policy review, so it will be included as a priority agenda item for the next Working Group.

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Item 8

- DC charges for non-residential developments in certain greenfield growth cells are capped (have a set maximum payable).
- The benefits and downsides of capping were explained by Greg, with the benefits including increasing economic activity and preventing pricing out developers causing unwanted or perverse outcomes. Downsides for capping include reducing future DC revenue (where the shortfall is ultimately funded through rates) and the significantly increased complexities with software update costs, administering and assessing DCs, and testing.
- The financial impact being foregone DC revenue from capping charges since 1 July 2021 is estimated by staff to be substantial and initial modelling indicates at least \$5M foregone, particularly in the Rotokauri catchment by several large developments.
- Staff recommended that caps, if applied again, should be more directive/narrow, and that the introduction of caps had foregone more DC revenue than anticipated, which highlights a risk of policy interventions such as this, that development activity is inherently hard to predict and estimates of foregone revenue can vary materially as compared to estimated impact.
- **Elected Member Direction:** Elected Members preferred options to remove caps completely or narrow down the current scope/criteria of capping, for example only being applied for commercial/retail activity where staff agreed this could be an option to investigate for the next Working Group.

3) Remissions

- Greg provided an overview of the types of remissions in Councils DC policy and added that the law doesn't require Councils to have remissions in their policy.
- Greg explained that the HCC DC Policy includes an actual demand and PDA remission which are based on actual usage and demand.
- Greg explained the other remissions within the policy that are outside the natural scope of a DC Policy (i.e. not related to third party funding or significantly lower demand for Council services) include the CBD remission, Social housing remission and State integrated schools remission.
- The existing criteria for each of our remissions were discussed.

4) CBD remission

- Elected Members discussed that the CBD remission and criteria needs to be revaluated with clear justification for the next long term plan, for example taking into account Council's current position and IAF remissions. Staff agreed and added the current provision is set to expire 30 June 2024.
- Greg said that a full analysis on the effectiveness of having CBD remissions will form part of November 2023 DC Policy options Council report.
- **Elected Member direction:** proceed with a CBD remission as an option in the November 2023 Council report, with updated analysis/justification.

Attachment 1

Minutes

5) Affordable Housing

- Several Elected Members raised the topic of affordable housing and expressed interest in how DCs could be used to support affordable housing.
- Staff explained the difficulty in using DCs as a lever for affordable housing, without a set definition of affordable housing. Challenges include how to ensure the right end-users would benefit from such a remission in a way that firstly led to lower house prices and secondly would remain in perpetuity, rather than by other parties.
- Greg explained that the primary issue with an affordable housing remission was with lack of effectiveness in terms of delivering the desired outcomes as compared to expected foregone DC revenue.
- Tiki Mossop suggested that when Council's overall strategy to address affordable housing is confirmed then Elected Members could start to consider all options including whether DCs are the most appropriate lever.
- Staff explained they will keep an open mind and do some thinking in this space with some pros and cons to incorporate this within the policy.
- **Elected Member direction:** Elected Members acknowledged the challenges involved, but were keen for staff to further investigate.

6) Grant scheme for social remissions

- Tiki explained an alternative preferred option to remissions relating to social outcomes being a grant scheme, instead of writing remission criteria into policy.
- Benefits of a grant scheme were covered, including certainty of spending (noting that it is hard to predict how much foregone DC revenue there will be for a criteria based Policy remission), decisions are in the discretion of Elected Members, and that the community team has the expertise in this space, whereas the DC team do not.
- Staff recommended bundling remissions including the social housing and state integrated schools remissions, and any new community based remissions (refer next section), into a grant fund.
- Elected Members discussed the option to keep the remissions that have a clear set of criteria, such as the social housing remission within the DC policy separate from the grant scheme.
- **Elected Member direction:** Elected Members were overall supportive of the grant fund and asked for staff to proceed with developing this concept further to draft policy provisions.

7) Community remission

- Tiki provided an overview of community remissions which was first raised in 2022 as a result of consultation on the Policy where Elected Members had asked staff to further investigate this option. Tiki explained that overall, no other Councils have a similar type of remission, but some have the discretion to make such decisions.
- A community remission is broadly speaking (and dependent on criteria), a reduction in DCs for community based or not for profit organisations such as community centres.

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- Tiki walked through some of the considerations of having a community remission – such as eligibility and how staff would choose who was able to get a remission. The financial impact is also considerably more or less than anticipated depending on how the remission is structured.
- Tiki summarised staff's preferred option of a grant scheme instead of a community remission, which would allow Elected Members to set the level of funding associated.
- A grant scheme allows Council to align projects depending on the direction and individual value of a particular development and minimise Council's risk.
- Elected Members would need criteria for the grant fund including the value, which would be implemented by the Community Team.
- **Elected Member direction:** As above, Elected Members were overall supportive of the grant fund and asked for staff to proceed with developing this concept further to draft policy provisions.

8) Plan change 12 'stage 1' remission

- Tiki explained that the stage 1 remission was suggested as an option to incentivise intensification. The idea is broadly in line with what Council want to achieve. She explained that the financial impact from having a remission in this area is substantial.
- Greg explained that the constraints have been taken off already in the area with the plan change and our capacity constraints may channel people into area. Greg explained that Elected Members should think about whether it's a good option for the outcomes we want or whether they will be achieved regardless.
- Elected Members raised the IAF yield of 4,000 dwellings projected to be built in the CBD.
- Staff overall did not recommend this as a strong option to go forward with but were happy to investigate if Elected Members wanted to.
- **Elected Member direction:** Elected Members did not express further interest in this option, therefore will not be further be investigated as part of this policy review.

Actions for staff to report back to the next Working Group on the 22 September are:

- a) Capping non-residential charges provision - suggestions for how the scope can be narrowed down.
- b) Providing further detail on our existing types of remissions such as pros and cons of the social housing and state integrated schools' remissions.
- c) Provide further analysis on whether there are effective and appropriate ways that DCs could be a lever to support affordable housing.
- d) Work through further suggestions of criteria for a grants scheme, and options for Elected Members to consider regarding bundling other community-related remissions.

The meeting closed at 4:15pm.

Minutes

Minutes of a meeting of the

Development Contributions Elected Member Working Group

Time and date:	9.30am-11.00 am 22 September 2023
Venue:	Lvl 1 Committee Room, Hamilton City Council
In Attendance:	<i>Elected Members :</i> Cr Sarah Thomson, Cr Maxine van Oosten, Cr Anna Casey-Cox, Cr Moko Tauariki. <i>HCC Staff:</i> Greg Carstens, Tiki Mossop, Sherena Lad, Leah Pavitt, Sandra Larsen
Apology:	Deputy Mayor Angela O'Leary, Cr Mark Donovan, Blair Bowcott
Leave of Absence:	Cr Ryan Hamilton

Meeting opened at 9.37 am

1) Confirm 8 August working group minutes

- Greg asked Elected Members (EMs) to confirm the minutes from the last working group (8 August 23) previously emailed through and loaded in diligent – EMs confirmed.

2) Purpose/Timeline/Recap

- Greg went through purpose of the working group, being for staff to work through options with, and get some firm direction heading into Council meetings. Staff are aware the working group can't make decisions on behalf of all EMs not present. Greg explained staff will not go through items that were previously agreed in the minutes from the last working group.
- Greg went through the timeline, explained that in the Council meeting on the 7 Nov, staff will bring a report with proposals around provisions and options for policy changes that EMs can choose to include in the draft DC Policy for consultation.
- Greg explained the other piece of the DC policy review is generating DC charges, running the growth/DC model which generates the DC revenue that feeds into the December 2023 Council meeting. Tiki explained that staff are waiting on DC charges/waters programme so the Draft DC policy for consultation and consultation doc will be brought to Council in February 2024.
- Greg went over all the topics up for discussion and a brief explanation of EM direction and where stronger direction from the working group was needed – phasing charges, CBD remissions, grant scheme, and affordable housing.

3) Phased charges

- Greg went through the three options for EMs to consider being to keep or remove phased charges.
- Greg explained that phased charges mitigate any sharp increase in DCs by providing some accommodation for developers. The downside is that rate payers fund the difference/the gap of phasing the charges.
- Greg explained the benefits of phased charges – they're good in terms of creating certainty for developers, which they value. For example, if developers are buying land and later on developing, large increase in DCs could impact the project feasibility significantly.
- The cost of phased charges is estimated to have been \$4.7M since it was introduced in 2021.
- Cr Sarah asked whether thought had been given to phasing charges in certain areas where we're prioritising development, with particular interest in the central city area given Council's focus in strategies like HUGs.
- Greg's response was that staff haven't presented it as an option and noted that phased charges only apply currently

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to residential development in Peacocks 1 and 2, Ruakura, Rotokauri and Rototuna and not to Infill.

- Cr Sarah added she sees the benefit of providing smoother transition into higher charges. The challenge is the cost.
- Cr Sarah wanted to know the level of risk involved in removing phased charges, such as developers pulling back on development and questioned how much of a difference it is really making.
- Greg believes phasing makes a difference in terms of timing as developers will have a general business plan and if they've got certainty about DCs and there's a step up, then it could influence their decisions.

- **Phasing charges EM direction:** EMs supported phased charges and staff will add as an option to the next council report for the 7 November Council meeting, with also an option to apply to Stage One of Plan change 12 area (which includes central city). The decision would be subject to draft DC charges and would need to be decided on prior to public consultation.

4) Capped charges

- Greg explained that in the previous working group it was clear from EM feedback that the current arrangement of capped charges was too broad and too expensive and there was direction from EMs to narrow the scope, and staff are wanting some direction on this.
- Greg suggested that the narrowed scope should just include new neighbourhood centres in greenfield to incentivise development and prevent perverse outcomes due to higher DCs in these areas.
- Staff confirmed proposed capping only applies to commercial/retail element of mixed-use developments and excludes residential.
- Cr Sarah raised whether staff could make the criteria narrow enough to make sure DCs were not being given away for unintended purposes, for example, large retail supermarkets.
- Staff agreed this could be done and emphasised this is just targeted just at neighbourhood centres.

- **Capped charges EM direction:** EMs agreed with a narrowed capped charges approach and for staff to put up options in the next Council report for the 7 November Council meeting for capped retail/commercial activity DCs in neighbourhood centres only, with large scale retail developments such as supermarkets and service stations excluded.

5) CBD Remission

- Greg explained that there was plenty of discussion around CBD remissions in the last working group, however explained that we need EMs to narrow down direction. He explained that CBD remission amount has changed over time, from 100%, to 66%, to 34% and back up to 50%.
- Cr Sarah said that a phased down option would be good – down to maybe 30% for general development.
- Greg supported the CBD remission and explained it had fulfilled its purpose to incentivise development in the CBD. Success is the development of commercial and retail space – eg union square development.
- Greg explained that the CBD remission does have an effect on developers' choices in where they develop and that a \$1.14 million reduction in revenue in the last three years from CBD remissions is quite low.
- Cr Sarah questioned staff on whether they thought the high-rise remission was a good idea. They explained it was hard to tell given Covid slowing down development. Tiki explained EMs need to think about the strategic vision for the CBD and whether EMs want to incentivise high rise buildings.
- When it comes to the criteria, staff explained that for a number of developments the cost outweighs the remission amount of meeting the lifemark criteria and there had not been any developments that met the criteria, however, time will tell. Cr Sarah mentioned the benefits of keeping the criteria to provide consistency and may encourage and give more time to meet the criteria.

- **CBD remission EM direction:** staff to put up options in the next Council report for the 7 November Council meeting to extend the CBD remission but at 33.3% or keep as status quo (end remission as in the current policy) and let EMs decide in the chamber the level of the remission percentage by resolution.

Minutes

6) Social housing remission/state integrated schools' remission

- Tiki recapped the Social Housing remission criteria currently in the policy as previously covered in previous working groups/briefings. She explained that EMs could either keep it in the policy as is or add to the grant scheme previously discussed.
 - Tiki explained the cost so far to Council of the Social housing remission is \$505K through one remission, where the clause made a significant difference and the consent met objectives the clause was intended to make.
 - Staff explained the state integrated school remission currently in the policy had not been used, and that the criteria is specifically worded so that the development benefits the public. When introduced in 2022, staff had put significant time into creating the cause, although it was acknowledged opportunities to use the remission is limited.
- **Social housing/State Integrated Schools remissions EM direction:** EMs agreed to keep the social housing remission in the policy as is. EMs also agreed for the state integrated schools' remission to remain in the policy as is.

7) Grant Scheme

- Tiki walked through the options of what EMs need to consider in the grant scheme space to provide support for community organisations undertaking development.
 - Tiki explained the options are either to introduce a grant scheme for community organisations and bundle in the existing social housing and state integrated schools' remission removing them from the policy or leave the social housing remission in the policy and create a grants scheme around community organisations and state integrated schools.
 - Tiki explained staff would like to narrow down the scheme details in preparation for the upcoming Council meeting, confirming details such as how much money do we want to allocate? What proportion of DC's could people apply for? Is there a cap or a maximum amount they can apply for? If the organisation getting other funding from Council, do we want to support that?
 - Staff covered some of the most recent examples of developments that could benefit from this scheme and the level of their DC charge which range from \$50K from upwards of \$100K. EMs would need to think about the criteria and whether a maximum should be applied and how much the grant fund will be. Tiki explained that a clear set of criteria is necessary so the grants team know who was and was not eligible.
 - Tiki explained staff would recommend developments pay their DC's up front to be eligible, and then this essentially refunds it, to prevent holding up a development. She also recommended EMs criteria is limited to not-for-profit and charitable trusts but also explained that the criteria shouldn't be too tight because you don't want to eliminate potentially what EMs were intending to fund.
 - Sandra mentioned that buildings are often started not necessarily having raised 100% of the funding, and they hope that along the way funding will come so a grant scheme like this would have would really support developments.
 - Option of increasing the overall operation grant fund was discussed as opposed to creating a new grant scheme specifically for DCs.
 - Increasing the general grants fund had wider scope to be used by a broader range of organisations and can fund other areas such as fitouts that do not collect DCs so is more flexible and could contribute towards more of a range of purposes.
 - Staff explained there is no support that currently given to community groups for new capital projects.
 - A capital grant scheme was discussed as an alternative
- **Grants scheme EM direction*:** EMs agreed they needed more time to consider the introduction of a DC grants scheme versus a capital grant fund or increasing the budget of the general grant fund, and agreed to respond to staff on further direction through email correspondence.

8) LGA provision: Te Ture Whenua Maori Act 1993

- Greg briefly went over that the LGA has added a clause in relation to adhering to principles in the preamble of the Te Ture Whenua Maori Act.
- Staff are currently waiting on legal advice which is needed in order to proceed.
- Cr Moko agreed we need to have more discussion on this.

Minutes

Item 8

- **LGA provision: Te Ture Whenua Maori Act EM direction*:** EM's agreed with staff getting legal advice on the matter and further discussions needed. Staff will provide more information to EMs to seek further direction prior to put in the Council report for the 7 November Council meeting.

9) Affordable housing

- This topic was not covered in detail due to time constraints, however Cr Anna mentioned that she talked to Waikato Housing Initiatives about this conversation, and explained their suggestion to ensure housing is in perpetuity, we could so legally through a convenance.
- Tiki explained that affordable housing goes hand in hand with all the work planning team is doing in the housing space and Council's overall approach and strategy towards affordable housing. The DC policy lever should be considered as part of this broader work programme.
- **Affordable housing EM direction*:** due to time constraints, limited direction was received. However, staff will look into the further information Cr Anna received and will provide more information to EMs to seek further direction prior to put in the Council report for the 7 November Council meeting.

10) Charging DCs based on actual demand for high demand developments

- Greg introduced a new proposal to add a higher demand assessment for developments that use higher than average demand of Council services, such as supermarkets and petrol stations.
- **Charging DCs based on actual demand on high demand developments EM direction*:** due to time constraints, no firm direction was received – although an initial positive indication was received. Staff will provide more information to EMs to seek further direction prior to put in the Council report for the 7 November Council meeting.

***further direction required by EMs**

Actions

- a) Staff to provide further detail on the topics where direction was not received due to time constraints
 - Affordable housing
 - LGA provision: Te Ture Whenua Maori Act 1993
 - Charging DCs based on actual demand for high demand developments
- b) Elected members to provide further direction for staff on the above matters and on the grants scheme that was discussed but no direction received.
- c) Staff to prepare a Council report for EMs to consider options through direction received in this working group for the upcoming 7 November Council meeting.

The meeting closed at 11:05am

Attachment 2

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. 2024/25 Development Contributions Policy - DC charges) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)

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)
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