

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Growth and Infrastructure Committee will be held on:

Date: Thursday 6 December 2018
Time: 9.30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Growth and Infrastructure Committee OPEN AGENDA

Membership

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

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Lee-Ann Jordan
Governance Manager

30 November 2018

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www.hamilton.govt.nz

Purpose

The Growth and Infrastructure Committee is responsible for:

1. Guiding sustainable physical development and growth of Hamilton to meet current and future needs, through oversight of land-use planning, and aligned provision of fit-for-purpose network infrastructure.
2. Governance of efficient, safe and sustainable roading and transport, three waters, and waste management that enables Hamilton's economy and adds to the liveability of the city.
3. Governance of Hamilton's economic agenda and investment development opportunities consistent with Council's vision for the city.

In addition to the common delegations on page 9, the Growth and Infrastructure Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To monitor and provide advice on the development and implementation of urban growth and development strategies, land use, and spatial plans in line with national policy requirements.
2. To provide direction on strategic priorities for core city infrastructure aligned to city development, and oversight of strategic projects associated with those activities.
3. To provide direction and monitor Council's approach to development contributions.
4. To assess proposals for Private Developer Agreements that exceed the Chief Executive's delegations for Unfunded Growth Projects² and, if appropriate for Unfunded Growth Projects, to recommend such agreements to the Council for approval.
5. To provide advice on the development and implementation of the 30 Year Infrastructure Plan.
6. To provide direction regarding Council's involvement in regional alliances, plans, initiatives and forums for spatial planning, joint infrastructure and shared services (for example, Future Proof, Regional Transport Committee).
7. To consider the impacts of land use and urban development on the environment.
8. To enhance Hamilton's economic position by promoting Hamilton as a business-friendly and business-enabled city and providing advice on strategic initiatives, plans, projects and potential major developments relating to economic and business development.
9. To provide clear direction on Council's strategic priorities to organisations and groups, for which Council facilitates funding, aligned with these Terms of Reference, and to oversee those funding arrangements and receive their strategic and business plans and annual performance reports.
10. To monitor and oversee the delivery of Council's non-financial performance and non-financial key projects, against the Long Term Plan, excluding key performance indicator reporting which is the responsibility of the Finance Committee.

The Committee is delegated the following powers to act:

- Approval of purchase or disposal of land for network infrastructure, or parks and reserves for works and other purposes within this Committee's area of responsibility that exceeds the Chief Executive's delegation.
- Approval of any proposal to stop any road, including hearing and considering any written objections on such matters.
- Approval of funding for Business Improvement District(s) and Hamilton and Waikato Tourism.

The Committee is delegated the following recommendatory powers:

- Adoption of the 30 Year Infrastructure Plan to Council.
- Approval of additional borrowing to Finance Committee.
- Approval of city boundary changes to Council.
- The Committee may make recommendations to Council and other Committees

Oversight of Policies

- *Business Improvement District (BID) Policy*
- *Connections and Charging Policy for Three Waters Policy*
- *Development Contributions Policy*
- *Earthquake-Prone, Dangerous & Insanitary Buildings Policy*
- *Growth Funding Policy*
- *Hamilton Gateways Policy*
- *Sale and Disposal of Council Land Policy*
- *Speed Management Policy*
- *Streetscape Beautification and Verge Maintenance Policy*

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1 Apologies

2 Confirmation of Agenda

The Committee to confirm the agenda.

3 Declaration of Interest

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

4 Public Forum

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

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

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

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

Council Report

Item 5

Committee: Growth and Infrastructure Committee
Date: 06 December 2018
Author: Amy Viggers
Authoriser: Becca Brooke
Position: Committee Advisor
Position: Governance Team Leader
Report Name: Confirmation of the Growth and Infrastructure Open Minutes - 23 October 2018

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

Staff Recommendation

That the Committee confirm the Open Minutes of the Growth and Infrastructure Meeting held on 23 October 2018 as a true and correct record.

Attachments

Attachment 1 - Growth and Infrastructure Open Unconfirmed Minutes - 23 October 2018

Growth and Infrastructure Committee

OPEN MINUTES

Minutes of a meeting of the Growth and Infrastructure Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 23 October 2018 at 9.32am.

PRESENT

| | |
|--------------------|--------------------------|
| Chairperson | Cr D Macpherson |
| Deputy Chairperson | Cr G Taylor |
| Members | Deputy Mayor M Gallagher |
| | Cr M Bunting |
| | Cr J R Casson |
| | Cr S Henry |
| | Cr G Mallett |
| | Cr R Pascoe |
| | Cr P Southgate |
| | Cr L Tooman |
| | Cr R Hamilton |
| | Maangai Norm Hill |

In Attendance:

- Jen Baird – General Manager City Growth
- Eeva-Liisa – General Manager Infrastructure Operations
- Chris Allen – General Manager Development
- Blair Bowcott – Executive Director Special Projects
- Maire Porter – City Waters Manager
- Robyn Denton – Unit Manager City Transportation
- Chris Barton – Project Development Manager
- Trent Fowlers – Compliance Manager
- Nicolas Wells – Strategic Property Manager
- Vaughan Henry - Key Accounts Manager
- Andrew Parsons – Strategic Development Manager
- Greg Carstens – Unit Manager Growth and Planning
- Muna Wharawhara – Amorangi Maaori
- Paula Brown – Water Compliance Manager
- Stafford Hodgson – Senior Strategic Policy Analyst
- Keith Hornby – Strategic Policy Analyst
- Kirsty Quickfall – Waste Minimisation Advisor
- Tracy Buckland – Communication Advisor
- Leah Pavitt – Development Contribution Officer
- Chris Barton – Capital Projects Manager
- Lance Haycock – Project Engineer

Governance Staff:

- Lee-Ann Jordan – Governance Manager
- Amy Viggers and Rebecca Watson – Committee Advisors

1. Apologies

Resolved: (Crs Macpherson/Taylor)

That the apologies from Deputy Mayor Gallagher and Southgate for lateness, and Mayor King and Crs O'Leary for absence are accepted.

2. Confirmation of Agenda

Resolved: (Crs Macpherson/Taylor)

That the agenda is confirmed.

Deputy Mayor Gallagher joined the meeting (9.36am) during discussion of the above item. He was present when the matter was voted on.

3. Declarations of Interest

Cr Henry declared a conflict of interest in relation to item 9 (Development Contributions Remission Quarter 1 2019) as a shareholder of Ryman health. She chose not to take part in the debate or vote of this item.

Deputy Mayor Gallagher declared an interest in relation to item 7 (Encroachment Licence – 2 Anglesea Street, Hamilton) as he lived in the area and used to have a financial interest in 2 Anglesea Street. He would participate in the debate and vote on the item as he noted he was not conflicted.

4. Public Forum

No members of public wished to speak.

5. Confirmation of the Growth and Infrastructure Committee Open Minutes - 4 September 2018

Resolved: (Crs Macpherson/Taylor)

That the Committee confirm the Open Minutes of the Growth and Infrastructure Meeting held on 4 September 2018 as a true and correct record.

Cr Southgate joined the meeting (9.58am) during discussion of the above item. She was present when the matter was voted on.

6. Chair's Report

The Chair took the report as read and provided a verbal report on the recent Local Government New Zealand (LGNZ) Zone Two meeting. He responded to questions from Committee Members concerning Waikato District Council's speed limit changes on the fringe of Hamilton City Council Boundary, and topics from the Zone Two meeting which included Three Waters and tyres recycling.

Action: Staff undertook to provide the Golden Bay Tyres presentation from LGNZ Zone Two meeting.

Resolved: (Crs Macpherson/Hamilton)

That the Growth and Infrastructure Committee receives the report.

7. Encroachment Licence - 2 Anglesea Street, Hamilton

The Unit Manager City Transport introduced the report, noting that staff had been in consultation with the residents in the area and had added clauses into the agreement based on their feedback. Staff responded to questions from Committee Members concerning future encroachment licence issues such as cumulative creep, and future change in ownership which would be resolved through the licence agreement. It was confirmed that all future encroachment licence applications would be presented to Committee Members for approval.

Action: Staff undertook to consider a policy for future encroachment licences and provide Committee Members with an overview of previously approved encroachment licences.

Resolved: (Crs Macpherson/Southgate)

That the Growth and Infrastructure Committee:

- a) approves an encroachment licence occupying legal road adjacent to 2 Anglesea Street in accordance with the requirements set out in Option 1 of this report subject to confirmation from the City Solicitor that Van Woedern Iling Commercial Limited is the appropriate party to enter into an arrangement regarding the ownership of 2 Anglesea Street now and ongoing;
- b) requests staff report back to the Growth and Infrastructure Committee on an Encroachment Policy by March 2019; and
- c) delegates the Chief Executive to give effect to this resolution.

8. General Managers' Report

The Chair took the reports in parts as noted below.

Auckland to Hamilton Corridor and Greater Hamilton Growth Strategy

The General Manager City Growth introduced the report noting, that Governance Group meeting on 26 October 2018 was no longer required as the business case had progressed faster than expected.

Te Waka

The General Manager City Growth spoke to the report noting, that Te Waka would be launching an action plan in November 2018. Staff responded to questions from Committee Members concerning the development of Te Waka's Strategic Plan and what Committee Members could expect to be included in the 6 monthly update reports.

Action: Staff undertook to organise an Elected Member Briefing to discuss Te Waka's Strategic Plan and priorities with key members of Te Waka.

The meeting adjourned 11.00am to 11.16am.

Strategic Regional Collaboration

The Executive Director Special Projects took the report as read and responded to questions from Committee Members concerning the Regional Funding Framework, which was adopted by Hamilton Council but not Waikato Regional Council. Staff also provided an update from the Mayoral Forum concerning the water assets management project. Hamilton chose to be an observer of this project rather than participant at this time.

Gordonton Road Corridor

The Unit Manager City Transportation took the report as read and noted that since the 60km per hour signage had been installed on Gordonton Road, members of the public reported there had been a decrease in speed on that area of the road. She responded to questions from Committee Members concerning the progress of the permanent solution for the corridor.

Access Hamilton

The Chair of Access Hamilton spoke to the report. Staff responded to questions from Committee Members concerning funding of free concession fares for youth and disabled users, and the possible scope and cost of a commuter parking initiatives business case.

Cr Taylor spoke to the September Parking activity report noting that although the revenue from parking meters was below budget the overall revenue was higher than originally budgeted. Staff responded to questions from Committee Members concerning the revenue from the parking trial. Staff confirmed that clarification of the reasons for infringements and other relevant data would be available prior to the end of the parking trial in April 2019.

Action: Staff undertook to confirm the cost to Hamilton City Council for lodging infringement notice through the court.

Maangai Hill left the meeting (12.34pm) during the discussion of the above section of the report.

The meeting adjourned 12.42 to 1.22pm.

Deputy Mayor Gallagher left the meeting during the above adjournment.

Submission on draft Regional Public Transport Plan

The Unit Manager City Transportation introduced the report noting that the Hamilton City Council submission had been developed in conjunction with Cr Macpherson and Cr Tooman as members of the Hamilton Public Transport Joint Committee. She responded to questions from Committee Members concerning the objectives for public transport in the region, the definition of public transport, which in this case was buses, and the current Nightrider service.

Action: Staff undertook to provide Committee Members with an update on Waikato Regional Council's bus advertising wrapping policy.

Maangai Hill re-joined the meeting (1.24pm) during the discussion of the above section of the report.

Deputy Mayor Gallagher re-joined the meeting (1.35pm) during the discussion of the above section of the report.

Vision Zero

The Unit Manager City Transportation took this section of report as read. She responded to questions from Committee Members concerning the increased number of road deaths this year which was being reviewed by a national Working Group which included the Unit Manager City Transportation.

Action: Staff undertook to provide a full report on Vision Zero and the work that was being done to achieve the target within 10 years.

Caro Street Off-Street Carpark

The General Manager Infrastructure Operations advised Committee Members on the process followed by staff when the 6 carparks in the Caro Street Carpark were reallocated. She noted that more engagement should have been undertaken with Committee Members, staff and members of the public. Committee Members provided feedback concerning future usage of the 6 carparks.

Progress update on Schedule of Reports

This section of the report was taken as read.

Waste Taskforce Update

The Compliance Manager took this section of the report as read.

Annual Drinking Water Compliance

The Compliance Manager took this section of the report as read.

Waikato District Council Water Supply Agreement

The City Waters Manager took this section of the report as read. She responded to questions from Committee Members concerning the process to invoice Waikato District Council for water used and the status of a new Water Supply Agreement with Waikato District Council.

Out of District Wastewater Discharge – Tamahere Eventide Home Trust

The General Manager Infrastructure Operations spoke to this section of the report. Staff responded to questions from Committee Members concerning the previous agreement which included a the Tamahere Eventide Home Trust population. Staff explained that the change in the agreement was to remove a population limit while leaving the discharge quantity at the same figure of 60KL per day.

Resolved: (Crs Macpherson/Taylor)

That the Growth and Infrastructure Committee receives the report.

Resolved: (Crs Macpherson/Taylor)

That the Growth and Infrastructure Committee requests the Waikato Regional Council Finance Committee to consider funding a Business Case for the implementation of a Free Youth (<18 years) Concession fare for bus services in Hamilton City.

Crs Mallett and Casson Dissenting.

Resolved: (Deputy Mayor Gallagher/Cr Macpherson)

That the Growth and Infrastructure Committee requests the CE and Mayor communicate to the Waikato Regional Councillors this Committee's concern about Waikato Regional Council's decision not to support the regional facilities funding process and report back to the next Growth and Infrastructure meeting.

Resolved: (Crs Hamilton/Bunting)

That the Growth and Infrastructure Committee requests staff prepare principles for a Hamilton City Parking Management Plan to be presented to Growth and Infrastructure Committee by April 2019, noting the following:

- ii. that it will provide a cohesive whole of city approach to parking which would include CBD fringe and key non-CBD area parking;

- ii. that the CBD fringe revenue could be used to subsidise a Free Youth (<18 years) Concession fare for bus services in Hamilton City;
- iii. progress will be reported back to the Growth and Infrastructure Committee as a part of the Access Hamilton Update; and
- iv. that recommendations from the Hamilton City Parking Management Plan will be considered as part of the 2019/20 Annual Plan.

Cr Mallett Dissenting.

Resolved: (Crs Macpherson/Hamilton)

That the Growth and Infrastructure Committee:

- a) notes that Council has received a request from Tamahere Eventide Home Trust;
- b) notes that the Tamahere Eventide Home Trust site has an existing wastewater connection that meets the Council's connections and charges policy for three waters policy (Attachment 5); and
- c) approves the request from Tamahere Eventide Home Trust to increase the resident population of the site provided that quality of wastewater discharged to the city's reticulated system remains within the approved 60KL/day limit and the discharge quality and quantity meets the requirements of Council's Wastewater and Tradewaste Bylaw 2016.

The meeting was adjourned 3.40pm to 3.50pm.

Cr Henry declared a conflict of interest in relation to the following item 9 (Development Contributions Remission Quarter 1 2019). She did not take part in the discussion or vote on the Item.

8. Development Contributions Remissions Quarter 1 2019

The Senior Strategic Policy Analyst introduced the report noting that staff were seeking approval of a Development Contribution remission application. Staff responded to questions from Committee Members concerning how remission application costs were to be recovered and the technical calculation process. Staff confirmed that there was no financial effect on Council's debt to revenue ratio if the Development Contribution remission application from Ryman Healthcare Ltd was to be approved.

Resolved: (Crs Macpherson/Taylor)

That the Growth and Infrastructure Committee:

- a) receives the report; and
- b) approves the remission of \$4,369,982 (excluding GST) for Ryman Healthcare Ltd.

9. NPS-UDC Quarterly Market Indicator Monitoring - June 2018

The report was taken as read. Staff responded to questions from Committee Members concerning the availability of industrial land within Hamilton City's boundaries.

Resolved: (Crs Macpherson/Pascoe)

That the Growth and Infrastructure Committee receives the report.

11. Resolution to Exclude the Public

Resolved: (Crs Macpherson/Taylor)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

| General subject of each matter to be considered | Reasons for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|--|--|--|
| C1. Confirmation of the Growth and Infrastructure Public Excluded Minutes - 4 September 2018 |) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |
| C2. Western Wastewater Interceptor Contract Award |) | |
| C3. Carshare Proposal | | |
| C4. Bridge Street Wastewater Discharge - Legal Proceedings | | |

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

| | | |
|----------|--|-------------------|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) |
| Item C3. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) |
| Item C4. | to maintain legal professional privilege | Section 7 (2) (g) |

The meeting went into a public excluded session at 4.15pm.

The meeting was declared closed at 5.52pm.

Council Report

Item 6

Committee: Growth and Infrastructure Committee
Date: 06 December 2018
Author: Amy Viggers
Authoriser: Becca Brooke
Position: Committee Advisor
Position: Governance Team Leader
Report Name: Chair's Report

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

Staff Recommendation

That the Growth and Infrastructure Committee receives the report.

Attachments

Attachment 1 - Chair's Report



Chair's Report

Since my return a couple of weeks ago, I've been involved in a couple of issues – the bus drivers' lockout resolution, and further development of the Hamilton-Auckland Growth Corridor and the business case for the Hamilton-Auckland rail link. Both of these feature in specific reports to this meeting, so I won't comment further here.

I've also included in this report, sections from both Cr Geoff Taylor and Cr Siggie Henry, regarding conferences they've attended (along with others). Thanks to both of them for dropping everything to get those pieces written.

2018 Trafinz Conference

Five elected members and a number of staff attended the recent Trafinz conference in Wellington.

There was a very strong concern about the road toll at the conference and an extremely strong endorsement from most speakers of the need for a Vision Zero approach to managing our roads, in other words a belief that no road fatality is acceptable. Many speakers emphasised the fact that people will make mistakes on the road but the system needs to be built in such a way to minimise the impact of those mistakes.

Road design and lowering speed limits were key factors in this. Examples were given of countries such as Switzerland where a mixture of low speed limits and massive use of speed cameras – many of them covert – have been successful in reducing road crashes. By contrast states in the US which have taken a more liberal approach to speed limits have gone backwards.

Lime scooters were there and a popular topic of discussion with Christchurch council in particular describing the media hype about the accidents as just that.

Tauranga's very successful e-bike staff scheme was the subject of a presentation by council staffer Martin Park and an emergency doctor from the Wellington DHB who reinforced the discussion that active transport not only has economic and infrastructure benefits but should be seen as a health and wellbeing initiative as well.

There were also presentations on various designs of city spaces in Wellington and in other countries to reinforce a "people first", shared space approach to some of our roads.

It was also announced that Hamilton will be hosting this conference in October next year.

Cr Geoff Taylor

Wasteminz Conference

I really appreciated to be able to attend the Wasteminz conference in Christchurch in November. The theme was around circular economy. No more make, take, dispose linear economy model. It is all about behaviour change and how we as a council can implement that.

Some of that will happen when we get our new kerbside collection happening in 2020. Waste is a moving target and we have to stay very nimble. By the time we have our G & I meeting the Kiwi Bottle Drive group will have gone to Parliament to present a petition with thousands

of signatures to have a bottle deposit scheme here in NZ. There are some wonderful initiatives all around the country happening and we just need to keep our antenna's up so we can integrate them into our systems. And what I have also found is that we have some wonderful and passionate staff working on waste minimisation, that I had the privilege to share this fabulous conference with.

Cr Siggie Henry

Bus Governance issues

Over the last two years, we've developed a very good working relationship with Regional Council staff and Councillors who hold the bus (PT) governance and management portfolios – this has enabled us to productively work through a number of PT concerns and developments. However, in my opinion there is a governance problem that occurs at the Regional Passenger Transport Committee meetings, where the smaller Councils with very little skin in the PT game have the ability to outvote and outspoke HCC reps and their concerns, despite Hamilton city covering 90% of the region's PT operations.

A specific example of this was the most recent such meeting where there was an attempt to overturn a previous decision to support the 100% discount for disabled people, one that HCC had overwhelmingly supported. We only managed to stop this through a process complaint. Such a discount has negligible effect on any of the other Council's areas, and would not involve a cost increase for any of them – only in Hamilton would there be a potential (very small) increase in rates to cover this discount – yet Waipa and Waikato District reps in particular spoke against the proposed discount.

HCC reps consistently support any PT initiatives that the other Councils come up with (which are not that frequent), but I cannot say the same in return. Hamilton ratepayers already pay 50% of the subsidies used to cover PT services coming into Hamilton from outside Council areas, although there are no reciprocal contributions. Outside Councils do not seem to me to understand the need to be supportive of Hamilton's PT needs and initiatives.

In previous trienniums, the PT governance committee has been a joint committee just between HCC and WRC, with non-Hamilton services handled by WRC negotiating directly with the affected Councils. I believe it would be better if we returned to that arrangement.

Development Contributions

There have been a small flurry of recent complaints by parts of the development sector about HCC's current DC policy – while we don't hear the sector openly opposing the philosophy of 'growth paying for growth', the nett effect of their public opposition to the quantum of DCs under our current policy is to basically say that current ratepayers should be paying for some of that growth. While the sector's concerns are perfectly understandable – we are charging them more, after all – it could have the effect of calling our DC policy into question, which is not what I believe the great majority of our ratepayers and residents want. I do think we need a stronger comms response on this issue, to make sure the public clearly understand both the potential effect of the sort of changes developers are arguing for, and the reasons for our current policy – and also to explore the claim that developers will go elsewhere if HCC doesn't lower its DCs.

PT in Patagonia



150kms from any town, they still had bus shelters.

Councillor Dave Macpherson
Chair, Growth & Infrastructure Committee
Hamilton City Council
+64 21 477 388
dave.macpherson@hcc.govt.nz

Council Report

Item 7

Committee: Growth and Infrastructure Committee
Date: 06 December 2018
Author: Jen Baird
Authoriser: Jen Baird
Position: General Manager City Growth
Position: General Manager City Growth
Report Name: Hamilton Central Business Association - Year End report to 30 June 2018

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

Purpose

1. To inform the Growth and Infrastructure Committee of the Hamilton Central Business Association's (HCBA) year-end report to 30 June 2018.

Executive Summary

2. The report is provided in line with the Business Improvement District (BID) policy reporting requirements for annual reports from HCBA.
3. A set of audited financial statements will be available for distribution to the Growth and Infrastructure Committee when complete (anticipated to be February 2019).
4. Vanessa Williams (General Manager) and Mike Neale (HCBA Executive Committee member) will attend the meeting and will speak to this report.

Staff Recommendation

5. That the Growth and Infrastructure Committee receives the report.

Attachments

Attachment 1 - HCBA Financial Year End Report 2017/18



Performance Report

Hamilton Central Business Association
For the year ended 30 June 2018

Prepared by Slater Chartered Accountants



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Compilation Report

Hamilton Central Business Association

For the year ended 30 June 2018

Compilation Report to the Executive Committee of Hamilton Central Business Association

1. Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Hamilton Central Business Association for the year ended 30 June 2018.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

2. Responsibilities

The Executive Committee is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

3. No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

4. Independence

We have no involvement with Hamilton Central Business Association other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

5. Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

Slater Chartered Accountants

Hamilton

Dated: 5 September 2018



Directory

Hamilton Central Business Association For the year ended 30 June 2018

Nature of Business

Promotion and development of business in the Hamilton CBD

IRD Number

104-245-730

Date of Incorporation

24th November 2008

Chartered Accountant

Slater Chartered Accountants

Hamilton

Bankers

ASB Bank

Hamilton



Approval of Financial Report

Hamilton Central Business Association For the year ended 30 June 2018

The Executive Committee is pleased to present the approved financial report including the historical financial statements of Hamilton Central Business Association for year ended 30 June 2018.

APPROVED

For and on behalf of the Executive Committee

Chairperson

Date 10-9-2018

Executive Committee Member

Date 7/9/2018



Entity Information

Hamilton Central Business Association For the year ended 30 June 2018 Cash Basis

Legal Name of Entity

Hamilton Central Business Association

Entity Type and Legal Basis

Incorporated society

Entity's Purpose or Mission

To provide advocacy, support and promotional opportunities for the business and property owners located within the Hamilton Central Business Improvement District (Hamilton, New Zealand).

Entity Structure

Executive committee led by a chairperson, with all members carrying voting rights for major events and transactions of the association.

Main Sources of Entity's Cash and Resources

- Funds received from ratepayers in the Hamilton CBD
- Funds raised from special projects focused on businesses in the Hamilton CBD

Main Methods Used by Entity to Raise Funds

- Funding from Hamilton City Council (Rates from members and funding for special projects)
- Fees and other income received from members for participation and recognition in special projects hosted by the association

Entity's Reliance on Volunteers and Donated Goods or Services

Minimal, as current expenditure is covered by income and funds received by the association.

Physical Address

341 Victoria Street, Hamilton Central, Hamilton, New Zealand, 3204

Postal Address

341 Victoria Street, Hamilton Central, Hamilton, New Zealand, 3204

Statement of Service Performance

Hamilton Central Business Association For the year ended 30 June 2018 Cash Basis

Description of Entity's Outcomes

Organisation:

- Collaborative relationships
- CBD Celebration Awards
- Executive Board Committee representation
- Income stream development
- Board governance and contributor: Zeal, People's Project, Embassy Park, Safe Zone, Safety Action Team, Boon Festival
- Utilisation of interns to support the education sector
- Secondary School Employment Programme coaching and support

Marketing and Promotions:

- CCTP revitalisation activities
- Retail campaign development
- Major event promotion
- Hospitality support and promotion
- Hamilton Host Programme
- Sponsorship activities
- Social Media strategy development

Landscape & Design:

- Garden Place redevelopment
- Parking taskforce and technology development
- CCTP plans and development
- Smart City initiatives
- Accessibility development and support

Environment and Heritage:

- Town audit
- Seismic building review support
- Support the arts - activation of empty shops for the creative community

Business Improvement:

Statement of Service Performance



- Advocating on behalf of members
- Safety in the city
- CBD economic development profile
- Collaboration on networking opportunities in the city
- BID conference engagement

2018

Quantification of the Entity's Outputs

| | |
|---|-----------------|
| Garden Place | |
| Funding | 2,870 |
| Spending | (5,088) |
| Total Garden Place | (2,219) |
| Ambassador Programme | |
| Spending | (1,500) |
| Total Ambassador Programme | (1,500) |
| Neat Places | |
| Funding | 10,000 |
| Spending | (7,850) |
| Total Neat Places | 2,150 |
| Screen Promotions | |
| Funding | 5,672 |
| Total Screen Promotions | 5,672 |
| Safe Zone | |
| Funding | 9,000 |
| Spending | (7,959) |
| Total Safe Zone | 1,041 |
| Business Awards | |
| Funding | 9,000 |
| Spending | (22,990) |
| Total Business Awards | (13,990) |
| Other Project Spending | |
| Special Projects - Christmas Activities & Events | (1,472) |
| Special Projects - Sevens Promotion | (1,406) |
| Special Projects - Advantage Club | (370) |
| Special Projects - Economic Development | (6,350) |
| Special Projects - Corporate Identity/PR | (2,595) |
| Total Other Project Spending | (12,192) |
| Total Quantification of the Entity's Outputs | (21,037) |

Statement of Financial Performance

Hamilton Central Business Association For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------|----------------|
| Revenue | | |
| Rates from Members | 293,241 | 286,524 |
| Grants & Special Projects | | |
| Business Awards - Sales & Sponsorships | 9,000 | 1,230 |
| Garden Place Live Music | 2,870 | - |
| Grants - Safe Zone | 9,000 | 9,248 |
| Neat Places | 10,000 | 24,323 |
| Screen Promotions | 5,672 | 3,300 |
| Total Grants & Special Projects | 36,542 | 38,101 |
| Total Revenue | 329,783 | 324,625 |
| Other Income | | |
| Interest Received | 77 | 202 |
| Other Income | 6,789 | 2,668 |
| Total Other Income | 6,865 | 2,870 |
| Total Revenue and Other Income | 336,648 | 327,495 |
| Expenses | | |
| ACC Levies | 370 | 155 |
| Accountancy Fees | 3,030 | 3,035 |
| Advertising | 2,535 | 11,253 |
| Audit Fees | 3,625 | 3,415 |
| Bank Fees | 116 | 48 |
| Carparks | 4,440 | - |
| Computer Expenses | 293 | 664 |
| Contractors | - | 42,132 |
| Depreciation | 4,834 | 2,734 |
| Insurance | 522 | 1,859 |
| Market Research | 3,007 | - |
| Marketing | 6,831 | 6,034 |
| Meeting Costs - AGM | 417 | 795 |
| Meeting Costs inc Social Business | 1,534 | 3,167 |
| Office Cleaning | 1,548 | - |
| Office Expenses | 3,956 | 3,361 |
| Postage | 166 | 123 |
| Power | 1,510 | 1,498 |
| Printing & Stationery | 948 | 1,823 |
| Rates | - | 329 |
| Rent | 9,135 | 17,914 |
| Seminars & Conferences | 2,839 | 1,148 |
| Special Projects | - | 2,637 |

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Performance



| | 2018 | 2017 |
|--|----------------|----------------|
| Special Projects - Advantage Club | 370 | - |
| Special Projects - Ambassador | 1,500 | - |
| Special Projects - Business Awards | 22,990 | 17,869 |
| Special Projects - Christmas Activities & Events | 1,472 | 1,826 |
| Special Projects - Corporate Identity/PR | 2,595 | - |
| Special Projects - Economic Development | 6,350 | - |
| Special Projects - Embassy Park | - | 189 |
| Special Projects - Garden Place | 5,088 | 1,739 |
| Special Projects - Member Workshop & Events | - | 26 |
| Special Projects - Neat Places | 7,850 | 29,000 |
| Special Projects - Pedestrian Cameras | - | 83 |
| Special Projects - Safe Zone | 7,959 | 7,917 |
| Special Projects - Sevens Promotion | 1,406 | - |
| Sponsorship | 11,500 | 11,000 |
| Staff Expenses | 96 | 506 |
| Staff Training & Welfare | - | 1,655 |
| Subscriptions | 1,653 | 1,674 |
| Telephone & Tolls | 3,530 | 3,606 |
| Travelling Expenses | 767 | 393 |
| Wages | 190,076 | 144,338 |
| Website Maintenance | 2,890 | 4,948 |
| Total Expenses | 319,746 | 330,893 |
| Net Surplus (Deficit) Before Adjustments | 16,902 | (3,398) |
| Income Tax and Adjustments | | |
| Income Tax and Adjustments | | |
| Entertainment (non-deductible) | 1,217 | - |
| Total Income Tax and Adjustments | 1,217 | - |
| Total Income Tax and Adjustments | 1,217 | - |
| Net Surplus (Deficit) for the Year | 15,685 | (3,398) |

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



Statement of Movements in Funds

Hamilton Central Business Association
For the year ended 30 June 2018

| | 2018 | 2017 |
|---------------------------|--------|---------|
| Movements in Funds | | |
| Opening Balance | 57,598 | - |
| Opening Balance of Funds | - | 60,996 |
| Increases | | |
| Surplus for the Period | 15,685 | (3,398) |
| Total Increases | 15,685 | (3,398) |
| Closing Balance of Funds | 73,283 | 57,598 |

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



Statement of Financial Position

Hamilton Central Business Association
As at 30 June 2018

| | NOTES | 30 JUN 2018 | 30 JUN 2017 |
|----------------------------------|-------|---------------|---------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Bank | | | |
| ASB - 00 | | 3,645 | 7,321 |
| ASB - 01 | | 10,459 | 4,703 |
| ASB - 50 | | 73,948 | 60,422 |
| Total Cash and Bank | | 88,052 | 72,445 |
| Trade and Other Receivables | | 140 | 283 |
| GST Receivable | | - | 732 |
| Total Current Assets | | 88,192 | 73,460 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 14 | 11,259 | 4,867 |
| Total Non-Current Assets | | 11,259 | 4,867 |
| Total Assets | | 99,451 | 78,327 |
| Liabilities | | | |
| Current Liabilities | | | |
| Bank | | | |
| ASB Credit Card XX-4043 | | 1,183 | - |
| Total Bank | | 1,183 | - |
| Trade and Other Payables | 15 | 8,234 | 20,729 |
| GST Payable | 16 | 16,752 | - |
| Total Current Liabilities | | 26,168 | 20,729 |
| Total Liabilities | | 26,168 | 20,729 |
| Net Assets | | 73,283 | 57,598 |
| Equity | | | |
| Retained Earnings | | 73,283 | 57,598 |
| Total Equity | | 73,283 | 57,598 |

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Depreciation Schedule

Hamilton Central Business Association For the year ended 30 June 2018

| NAME | COST | OPENING VALUE | PURCHASES | DISPOSALS | DEPRECIATION | CLOSING VALUE | PRIVATE USE AMOUNT |
|------------------------------------|---------------|---------------|---------------|-----------|--------------|---------------|--------------------|
| Office Equipment | | | | | | | |
| 2x Laptops May 2012 | 3,462 | 99 | - | - | 50 | 50 | - |
| AOC 23.9" Monitor | 248 | - | - | - | - | - | - |
| Asus Laptop 15" | 584 | 317 | - | - | 159 | 159 | - |
| Canon Eos 18-55MM Camera Kit | 393 | 52 | - | - | 35 | 17 | - |
| Fridge | 652 | 185 | - | - | 46 | 139 | - |
| Heat Pumps | 3,043 | 1,226 | - | - | 245 | 981 | - |
| Laptop | 1,878 | 274 | - | - | 137 | 137 | - |
| MS Office Professional 2007 | 258 | - | - | - | - | - | - |
| Office Desks | 726 | 679 | - | - | 88 | 591 | - |
| Office Furniture | 1,891 | 567 | - | - | 91 | 476 | - |
| Printer | 684 | 6 | - | - | 2 | 4 | - |
| Surface Pro 256GB i5 8GB w/ Cover | 4,346 | - | 4,346 | - | 728 | 3,618 | - |
| Website | 5,391 | 1,462 | - | - | 731 | 731 | - |
| Total Office Equipment | 23,556 | 4,867 | 4,346 | - | 2,312 | 6,901 | - |
| Plant & Equipment | | | | | | | |
| Samsung 55" PHF Signage Panel | 6,880 | - | 6,880 | - | 2,523 | 4,357 | - |
| Total Plant & Equipment | 6,880 | - | 6,880 | - | 2,523 | 4,357 | - |
| Total | 30,436 | 4,867 | 11,226 | - | 4,834 | 11,259 | - |

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



Notes to the Financial Statements

Hamilton Central Business Association For the year ended 30 June 2018

1. Reporting Entity

Hamilton Central Business Association is an incorporated society incorporated under the Incorporated Societies Act 1908. The financial statements of Hamilton Central Business Association are special purpose financial statements. These financial statements have been prepared for internal purposes and may not be suitable for any other purpose.

2. Basis of Preparation

These financial statements have been prepared in accordance with taxation principles contained within the Income Tax Act 2007 and disclosure requirements contained within the Tax Administration (Financial Statements) Order 2014.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a tax value basis are followed by an incorporated society, unless otherwise stated in the specific accounting policies.

3. Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

4. Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

5. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised on receipt gross of refundable tax credits.

Dividends received are recognised on receipt gross of refundable tax credits.

6. Accounts Receivable

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

7. Foreign Currency Transactions

Transactions in foreign currencies are converted at the new Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the statement of profit and loss.

8. Property, plant and equipment and investment property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

9. Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

10. Internally generated intangibles - Research and development

Research cost are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the entity can demonstrate; the technical feasibility of completing so it will be available for use or sale; the intention to complete and its ability to use or sell the asset; how the asset will generate future economic benefits; availability of resources to complete the asset; and the ability to reliably measure expenditure during development.

Intangible assets are amortised on a systematic basis over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the method for an intangible asset is reviewed at each financial year-end. Changes in the expected useful life are accounted for by changing the amortisation period for the current and future reporting years. Where no reliable estimate can be determined, the intangible asset will be amortised over 10 years.

The following estimated amortisation rates/useful lives have been used.

- Software
- Patents
- Customer contracts

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

11. Goodwill

Goodwill is an intangible asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is measured at cost less any accumulated impairment losses. Cost is the excess of consideration paid over the acquirer's interest in the net fair value of identifiable of the acquired business at the date of acquisition. Goodwill is assessed for impairment at least annually.

12. Provisions

Provisions are recognised when the company has an obligation which can be reliably measured at balance date as a result of past event and it is probable that the company will be required to settle the obligation.

Where the company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

13. Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

| | 2018 | 2017 |
|--|---------------|--------------|
| 14. Property, Plant and Equipment | | |
| Plant and Equipment | | |
| Plant and machinery owned | 6,880 | - |
| Accumulated depreciation - plant and machinery owned | (2,523) | - |
| Total Plant and Equipment | 4,357 | - |
| Office Equipment | | |
| Office Equipment owned | 23,556 | 19,210 |
| Accumulated depreciation - Office Equipment owned | (16,655) | (14,343) |
| Total Office Equipment | 6,901 | 4,867 |
| Total Property, Plant and Equipment | 11,259 | 4,867 |
| | 2018 | 2017 |

15. Trade and Other Payables

| | 2018 | 2017 |
|---------------------------------------|--------------|---------------|
| Creditors | 3,769 | 20,729 |
| Wages & PAYE Payable | 4,465 | - |
| Total Trade and Other Payables | 8,234 | 20,729 |
| | 2018 | 2017 |

16. GST

| | 2018 | 2017 |
|------------------------|---------------|--------------|
| GST | 13,957 | (732) |
| GST Adjustments - 2017 | 1,219 | - |
| GST Adjustments - 2018 | 1,576 | - |
| Total GST | 16,752 | (732) |

17. Contingent Liabilities

The incorporated society had no contingent liabilities and no guarantees as at 30 June 2018 (2017: Nil/Nil).

18. Capital and Lease Commitments

The incorporated society had no capital or operating lease commitments as at 30 June 2018 (2017: Nil).

| | 2018 | 2017 |
|------------------------------|---------|---------|
| 19. Related Parties | | |
| Hamilton City Council | | |
| Rates from Members | 293,241 | 286,524 |

Council Report

Item 8

| | | | |
|---------------------|--|---------------------|--|
| Committee: | Growth and Infrastructure Committee | Date: | 06 December 2018 |
| Authors: | Chris Allen, Eeva-Liisa Wright and Jen Baird | Authorisers: | Chris Allen, Eeva-Liisa Wright and Jen Baird |
| Positions: | General Manager Development, General Manager Infrastructure Operations and General Manager City Growth | Positions: | General Manager Development, General Manager Infrastructure Operations and General Manager City Growth |
| Report Name: | General Managers' Report | | |

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

Purpose

1. To inform the Growth and Infrastructure Committee of topical issues, areas of concern and items which need to be brought to the Committee's attention but which do not necessitate a separate report.

Staff Recommendation

2. That the Growth and Infrastructure Committee receives the report.

Discussion

3. This report provides updates to Committee Members on activities, actions or projects contained within the following plans or strategies for which this Committee and the relevant General Managers have responsibility over and for which significant progress has been made:
 - Economic Development Agenda
 - Access Hamilton

Growth Indicator Report (GM City Growth)

4. The quarterly growth indicator reports dated November 2018, "Hamilton's Housing Market and Economy" (Attachment 1) and "Hamilton's Business Economy" (Attachment 2) are attached.
5. The next update will be provided to the Committee at its March 2019 meeting.

Healthy Rivers Update (GM City Growth)

6. The Healthy Rivers Plan Change (PPC1) is a proposed change to the Operative Waikato Regional Plan. It aims to manage discharges of phosphorus, nitrogen, sediment and pathogens to restore and protect water quality in the Waikato and Waipa Rivers and their tributaries. The Waikato Regional Council has proposed the Plan Change to give effect to the National

Policy Statement for Freshwater Management and the Vision and Strategy for the Waikato River.

7. Council made a submission on the Healthy Rivers Plan Change in March 2017 and further submissions in September 2018. Waikato Regional Council has appointed an independent panel to hear all submissions. The hearings are likely to begin in late February 2019. The Hearings Panel has arranged an Information Forum for submitters to be held on 21 and 22 November; Council staff will attend. The Forum will focus on the science and economic models that underpin the Plan Change and alternative models proposed by some submitters. Expert caucusing will follow on 10 and 11 December 2018 and in late January 2019 if necessary. Council's experts will attend the caucusing when appropriate.
8. As noted in the 11 September 2018 Executive Update, in addition to lodging its own further submissions, Council was a party to further submissions prepared by the Waikato Region Territorial Authorities Group (**WARTA**). This group comprises 10 Councils - Hamilton City Council and Waikato, Thames-Coromandel, Hauraki, Matamata-Piako, Waipa, South Waikato, Waitomo, Otorohanga and Taupo District Councils. WARTA experts will attend the Information Forum and caucusing.
9. Council staff will attend a WARTA workshop in early December 2018 to review the Forum outcomes and to plan WARTA's next steps.

Regional Community Facilities Funding Framework (GM City Growth)

10. Following the resolution from the 23 October 2018 Growth and Infrastructure Committee meeting, a letter has been sent to the Chair of Waikato Regional Council from Mayor King and the Chief Executive noting Council's concern and disappointment that Waikato Regional Council has chosen not to adopt the Framework.
11. This letter was circulated by the Governance team to all Committee Members on 1 November 2018 and is attached (Attachment 3).

Access Hamilton Taskforce Update (GM Infrastructure Operations)

12. The Access Hamilton Taskforce has met once since the last Growth and Infrastructure Committee meeting on 22 November 2018.
13. Key topics covered included:
 - Cambridge Road – Waikato Expressway (WEX) to Hillcrest update
 - School Link Engagement
 - Policy Review Update -
 - Gateways
 - Streetscape Beautification and Verge Maintenance
 - Municipal building parking
 - Trafinz Conference debrief
 - Thomas/Gordonton Road Intersection
 - Cycle separators
 - Biking Connections Programme development
 - Regional cycle trails

Parking Activity

14. The Access Hamilton Taskforce agreed on 22 November 2018 to defer the Parking Activity monthly report and CBD trial update to a future Access Hamilton Taskforce meeting scheduled in December 2018.

Parking Management Plan

15. On 23 October 2018 the Growth and Infrastructure Committee requested that staff prepare principles of a Hamilton City Parking Management Plan to be presented to Growth and Infrastructure Committee by April 2019.
16. Over the past couple of months, requests have been received from residents in various locations expressing concern about the impact of recent developments on the parking availability and safety in their streets. Recent examples include Cotton Street and surrounds with IRD moving into Home Straight and infill housing into Mc Nicol Street and surrounds.
17. Infill housing and commercial development adjacent to residential areas (and vice versa) does create stress on the transport network including additional traffic volumes and parking demand.
18. Currently there is a limit to what Council can do in response other than install additional parking restrictions (e.g. No Stopping or time restrictions) and then enforce these. Due to the growth in the city and the increase in the concerns being raised, the enforcement team is currently not resourced sufficiently to be as responsive as some residents desire.
19. Travel plans are currently requested to encourage commercial developments to help staff with alternative modes of travel to get to and from work.
20. Opportunities will be investigated to review requirements to ensure that the parking businesses provide is available to be used by staff and not subsequently charged for.
21. The development of a Parking Management Plan will provide the opportunity for this type of review and thinking through the Access Hamilton taskforce meetings.
22. In regard to the specific issues raised in Cotton Street (and surrounding streets) the following is being undertaken:
 - staff are working with residents to address specific safety issues and have completed a letter drop in the area (Forsyth, Glasgow, Bowen, Mahana and Cotton) discussing their concerns and options for addressing them.
 - staff are also working with IRD and have asked them to work with their staff and remind them of and encourage alternative options for travel that don't involve cars.
 - the Planning team are working with IRD to ensure they have the correct parking provisions on their site.
 - parking enforcement activities in the area are continuing as resources allow.
23. We will be continuing this work with residents and IRD and will look to have any additional no stopping requirements considered in the March 2019 meeting of the Regulatory and Hearings Committee.
24. Work is also continuing on the development and implementation of the new City Connector bus service that will run between the hospital and The Base via the city. Waikato Regional Council is leading this project which is expected to be operational in April 2019 and will provide a good public transport option for workers in this area.

Vision Zero Update (GM Infrastructure Operations)

25. Hamilton City Council has adopted Vision Zero as the philosophy for road safety in the city.
26. The following is a summary of the road deaths that have occurred within Hamilton City this calendar year that are included in the Crash Analysis System (CAS):

| Date | Location | Description | Age | Ethnicity |
|---------|-------------------------------|--|-----|-----------|
| 4.4.18 | Tuhikaramea Rd | Car west bound on Tuhikaramea Rd crossed the centreline of the road and hit an oncoming light truck. The driver of the car as died. | 72 | unknown |
| 16.6.18 | Grandview Rd | Car west bound on Grandview Rd hit a pedestrian crossing the road at Grange Ave intersection | 62 | European |
| 26.6.18 | Tasman Rd | Car southbound on Tasman Rd hit pedestrian who was walking along the road | 68 | European |
| 20.7.18 | Thomas/Gordonton intersection | Car turning right into Thomas Rd from Gordonton Rd was hit by north bound car on Gordonton Rd. Front seat passenger in turning car was killed. | 23 | unknown |
| 3.8.18 | Tawa St, Private Car Park | Car in carpark rolled backwards and ran over the driver who was trying to stop it rolling. | 50 | unknown |

27. The information included in CAS is based upon the Traffic Crash Report (TCR) that is completed by the NZ Police officers and subsequently entered into the system by NZ Transport Agency or via an online tool.
28. Currently there are also the following events that were still to be confirmed into CAS for this year:

| Date | Location | Description | Age | Ethnicity |
|----------|---|---|----------------|-------------------------------|
| 29.09.18 | Charlemont St | A passenger was standing in the passenger side door well when the vehicle moved off picking up pace. They held on for a short time then fell onto the road. | 24 | unknown |
| 11.11.18 | Mangaharakeke Drive (State Highway 1) between Norton Rd and Crawford St | A southbound 4x4 has crossed the centreline and hit a northbound Holden head on. Three of the four persons in the Holden were deceased at the scene. | 16 44 47 | Unknown Unknown Unknown |

29. Staff continue to work closely with NZ Police to better understand the opportunities for changes to the road environment or education campaigns because of the crashes which are resulting in ongoing deaths and serious injuries.
30. A full report on Vision Zero and the work that is being undertaken to achieve this will be provided to the Growth and Infrastructure Committee in early 2019.

Operation of Electric Bikes and Scooters in Hamilton City (GM Infrastructure Operations)

31. Electric bikes and scooters are increasing in numbers following the boom in major cities around the world. They are common place in both Wellington, Auckland and Christchurch. Hamilton is receiving increasing requests for information to enable suppliers to be active here in the city.
32. Staff are working with other councils to understand the policies they have in place to regulate these activities – in particular the use of public footpath space for parking the scooters and bikes when not in use.
33. Staff are also working with the service providers to understand their requirements to develop a policy that meets the needs of all parties. The policy will be discussed and developed with Committee Members via the Access Hamilton Task Force.
34. A full report will be presented to the Growth and Infrastructure Committee in February 2019.

Waikato District Council Speed Limit Submission (GM Infrastructure Operations)

35. Waikato District Council (WDC) is in its second year of a three-year programme of speed limit changes throughout the district.
36. The focus this year has been on high risk rural roads and roads affected by rapid growth.
37. The consultation period for the proposed WDC speed limit changes ran from 9 October 2018 to 9 November 2018 and staff developed a submission on the proposal on behalf of Hamilton City. This proposal was circulated to Committee Members on 29 October 2018 for feedback.
38. The focus of the submission was in support of the proposed speed limit changes on the rural roads adjoining the city boundary. A request for additional sites to be considered in next years programme was also included.
39. A copy of the submission is included in this report as Attachment 4 for information.
40. Hearings are planned for 12 December 2018 and we have indicated that we wish to be heard in support of our submission. It is intended to have both staff and an Elected Member(s) attend and present at the hearings. Guidance on which Elected Member(s) will attend and present at the hearings is sought.

Progress update on Schedule of reports (GM Infrastructure Operations)

41. At the 20 February 2018 meeting of the Growth and Infrastructure Committee the Chair's Report noted a schedule of reports for 2018 that were expected to be presented at future Growth and Infrastructure Committee meetings. The following is an update on those reports which were scheduled for the 6 December 2018 meeting, but which have not been progressed sufficiently for inclusion in this agenda.

| Report | Progress Update |
|--------------------------|--|
| Speed Management Policy | The development of the Speed Management Plan will supersede this Policy. It is expected that the Speed Management Plan will be presented to the Growth and Infrastructure committee in early 2019 and the Policy will be deleted at this time. |
| Hamilton Gateways Policy | It has been identified via the Access Hamilton Taskforce that there are opportunities for alignment with the NZ Transport Agency with entrances into the city being created with the |

| | |
|--|---|
| | <p>Hamilton Section of the Waikato Expressway.</p> <p>These will be presented to the Access Hamilton Taskforce to provide input prior to the updated policy document being presented to the Growth and Infrastructure committee in early 2019.</p> |
| <p>Streetscape beautification and verge maintenance policy</p> | <p>This policy review will be aligned with the review of the Gateways Policy to understand the opportunities and ongoing impacts on operations and maintenance budgets.</p> <p>These will be presented to the Access Hamilton Taskforce to provide input prior to the updated policy document being presented to the Growth and Infrastructure committee in early 2019.</p> |

Public Transport Operations (GM Infrastructure Operations)

- 42. The provision of high quality and reliable bus services for Hamilton is integral to providing attractive alternative transport modes to help manage growing congestion on the city’s transport network and the key connecting routes to our neighbouring satellite towns.
- 43. Recently there have been disruptions to city bus services as a result of a breakdown in bargaining between bus drivers and Go Bus Limited. Go Bus Limited are contracted by the Waikato Regional Council (WRC) to provide bus services both within the city and the wider Waikato Region.
- 44. Building on the existing partnership approach for public transport in the city, a meeting was facilitated between our Council and WRC by the Chair of Growth and Infrastructure to explore how we can support WRC to work through the issues and to avoid further disruptions to city bus services.
- 45. It has been acknowledged that any ongoing disruption is likely to have a negative impact on public transport use in the city, at a time when we are starting to see increased patronage.
- 46. WRC are currently working on a proposal to address the concerns raised by First Union on behalf of the bus drivers, noting that WRC are also requesting the New Zealand Transport Agency (NZTA) to part-fund the additional costs through a subsidy provision.
- 47. WRC has asked our Chief Executive to consider making a contribution towards resolving the issues to the value of the WRC rental of bus operations offices in the Transport Centre from 1 January 2019 until 30 June 2021. The contribution from Council to WRC is estimated to be \$138,000 for the total period proposed (28k 18/19, 55k 19/20 and 55k 20/21).
- 48. If Council wishes to support WRC’s request for a contribution, staff advise that this could be offset through cost savings of capital works within the Transport Centre site with no adverse impact on approved budgets and projects.
- 49. In addition to a Council contribution, WRC propose an additional 2.5% bus fare increase on top of the two existing 2.5% bus fare increases already planned and budgeted for by WRC. This would result in a bus fare increase of 5% on 1 April 2019 and 5% in January 2020. Please note Council’s approval is not required for the bus fare increases, but WRC has requested Council’s support for the 5% increases.

50. Should the Growth and Infrastructure Committee wish to provide support to WRC in order to provide high quality and reliable bus services and to avoid further disruption, a recommendation from the Growth and Infrastructure Committee to Council could be to:
- support a bus fare increase of 5% in April 2019 and 5% in January 2020 by Waikato Regional Council; and
 - provide a contribution in kind to Waikato Regional Council to the value of their rental of bus operations offices in the Transport Centre from 1 January 2019 to 30 June 2021.

Gordonton Road Corridor (GM Development)

51. Works are progressing at the Thomas/Gordonton intersection to address the significant safety concerns at this site by upgrading the intersection and installing traffic lights. Site service relocations are now substantially complete, however have taken longer than originally anticipated which has delayed the commencement of road reshaping and traffic island installation. Works are scheduled to be complete in early 2019 - currently anticipate completion in March.
52. In conjunction with the intersection upgrade the Gordonton Road speed limit was lowered from 80km/h to 60km/h from the Gordonton/Wairere roundabout to north of the Thomas Road intersection in October.
53. During construction at the Thomas/Gordonton intersection however, a temporary 30km/h speed limit is in place through the worksite during the hours people are working on site. Compliance of motorists with temporary speed limits through the worksite continues to be a problem which is putting construction teams and vehicles at risk.
54. Staff are working with Police to support with managing speeds through additional monitoring of the site, and also continuing to reinforce temporary traffic management measures.
55. The Thomas/Gordonton intersection upgrade also includes installation of raised safety platforms on intersection approaches to help manage vehicle speeds. Staff are working closely with NZTA regarding the design and implementation of these, as this will be a demonstration site for further planned implementation at other locations across the country.
56. Over the Christmas period (from Friday 21 December to Monday 7 January) works on site will close down. During this period traffic management measures will remain in place and the site will be made safe.
57. Further investigation is currently progressing regarding the rest of the Gordonton Road corridor with NZTA via a Business Case approach, including looking at options for addressing issues at the Puketaha Road/Gordonton Road intersection, walking/cycling improvements and other corridor treatments. It is anticipated that a preferred option from this business case will be identified in early 2019.

Financial Considerations

58. There are no financial implications in relation to the information provided in this report.

Legal and Policy Considerations

59. Not applicable. This report is for information purposes only.

Cultural Considerations

60. Not applicable. This report is for information purposes only.

Sustainability Considerations

61. Not applicable. This report is for information purposes only.

Risks

62. There are no known risks associated with these matters.

Item 8

Significance & Engagement Policy

Significance

63. Not applicable. This report is for information purposes only.

Engagement

64. Not applicable. This report is for information purposes only.

Attachments

Attachment 1 - Hamilton's Housing Market and Economy

Attachment 2 - Hamilton's Business Economy

Attachment 3 - Letter to Waikato Regional Council re Regional Community Facilities Funding Framework

Attachment 4 - Submission to Waikato District Council on proposed speed limit changes



HAMILTON'S HOUSING MARKET & ECONOMY

GROWTH INDICATOR REPORT

NOVEMBER 2018

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INTRODUCTION

This report presents the latest summary information about Hamilton's housing market and economy including consenting and development activity. It primarily uses Hamilton City Council (HCC) data and provides analysis of recent and historical trends. The data in this report is informed by the most up to date information available. Often there can be significant delays between the recording and the reporting of data sets due to processing and quality control measures.

KEY FINDINGS

- The extrapolated number of residential dwellings consented in 2018 for Hamilton is 1434, representing an increase of 310 dwellings compared to last year.
- 1195 new dwellings were approved for building through 699 consents in the first 10 months of 2018. This represents an increase of 23% in number of dwellings compared to the same period in 2017.
- Most new dwellings approved this year were flats, units and townhouses (538), or houses (487). Retirement units (127) comprised 11% of the total, being a significant increase from previous years.
- In the first 10 months of 2018, a total of 920 residential freehold sections and 167 units were titled. Compared to the same period of 2017, there has been an increase of 37 freehold sections and a decrease of 111 unit titled units.
- Due to the large number of sections consented over the past three years, and the 12 to 60 month delay between consent and 224(c) (getting the title), the supply of sections is expected to remain strong.
- A total of 830 new residential dwellings received Code Compliance Certificates (CCC) in the 10 months to October 2018. Compared to the same period in 2017, there is a decrease of 173 dwellings or 17%.
- The average house value in Hamilton increased by 4.7% in September 2018 compared to 2017. The increase for the same period was 3.3% for Tauranga, 0.8% for the Auckland area, and 4.6% for New Zealand.
- The average house value in Hamilton as at June 2018 was \$572k; compared to Tauranga \$709k and Auckland \$1.047M.
- Housing affordability in Hamilton has declined with the rise in house prices, however it is still more affordable compared to Tauranga and Auckland.
- Hamilton's net migration numbers have been steadily increasing since 2014. The main driver for this is the high number of people arriving on work visas. This trend has contributed to the increased demand for housing in Hamilton and across New Zealand's main centres.

KEY FACTS

POPULATION ESTIMATE (June 2018)

169,300

HOMES UNDER CONSTRUCTION (as at 2 November 2018)

773

AVERAGE HOUSE VALUE (September 2018)

\$572,169

GDP (June 2018)

\$8.15B

NUMBER OF EMPLOYEES (June 2017)

89,873

NUMBER OF BUSINESSES (June 2017)

14,955

CITY AREA

11,093HA

SOURCE: STATISTICS NEW ZEALAND MOST RECENT ANNUAL ESTIMATES BASED ON HOUSEHOLD SURVEY RESULTS AND THE 2013 CENSUS AND INFOMETRICS. HCC DATA, PARTLY OPERATIVE DISTRICT PLAN 2016. MARKETVIEW AND PAYMARK.

NEW RESIDENTIAL BUILDING CONSENTS

In the first 10 months of 2018, 1195 dwellings valued at \$304M were approved for construction in Hamilton. These dwellings were processed within 699 consents - some consents contain more than one dwelling. This is an increase of 23% in number of dwellings compared to the same period in 2017.

Consented dwellings reached 10-year highs in 2015 and again in 2016 with 1179 and 1198 dwellings consented respectively. The 12-month extrapolation of this year projects 1434 dwellings will be consented or approximately 600 more than the Hamilton's 10-year average of 800. This full year extrapolation is not a forecast.

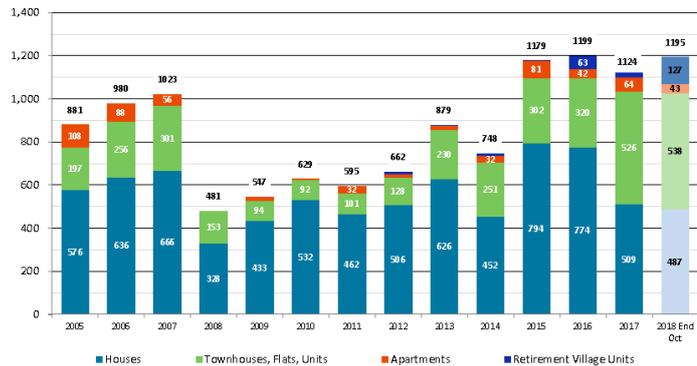
For the first 10 months of 2018, there were 487 new detached houses consented, representing 41% of the total dwellings consented. 538 or 45% of the new consented dwellings were Townhouses, Flats or Units. Compared to 2015 and 2016, the market share of attached dwellings has doubled, while the consenting of detached houses has continued to decline. There were 127 retirement village units consented to date in the 2018 year, 11% of the total. There are more unbuilt retirement villages with resource consent; it is anticipated that the subsequent construction of these villages will see this increasing trend of retirement village construction continue.

The monthly new dwelling consented graph shows an increase to around 100 dwellings consented per month from 2016 onwards. This compares to a longer run average between 2013 to 2015 of 60 to 70. A rolling average is used to remove some of the highs, lows and seasonality of monthly data and enable better trend analysis.

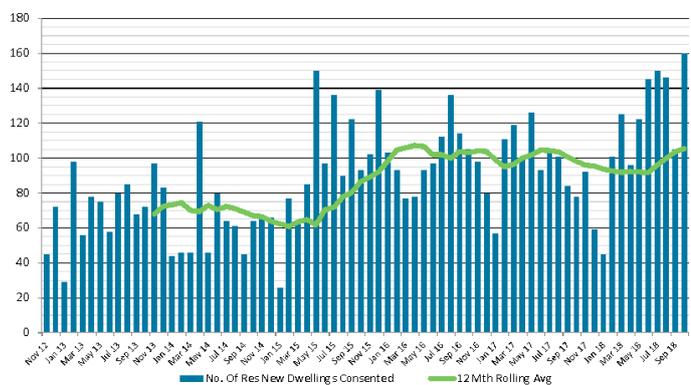
New residential dwellings consented
2005 to October 2018



New residential dwellings consented by building type
2005 to October 2018



Number of residential new dwellings consented
November 2012 to October 2018

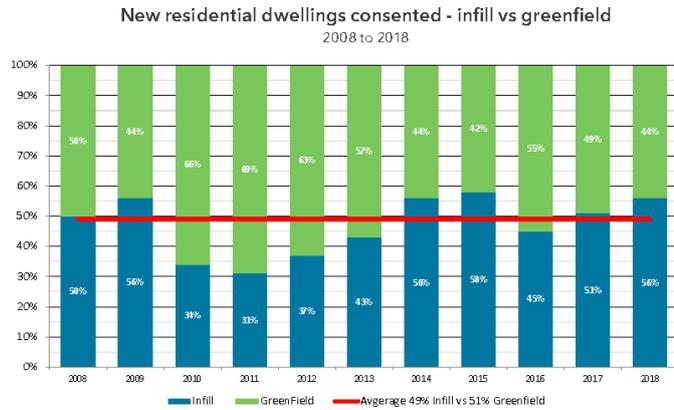


INFILL VS GREENFIELD DEVELOPMENT

Infill is when a new dwelling is built in an existing suburb. Greenfield is when a dwelling is built on a new section normally on the city periphery.

For the 12-months ending in June 2018, the development ratio is 56% Infill and 44% Greenfield. The ratio aligns with the recent trend of an increase in Townhouses, Flats and Units. Townhouses, Flats and Units are typically built in Infill zones.

The long run average for Hamilton is 49% to 51% in favour of Greenfield. The data displayed in the chart (right) compares Infill and Greenfield new dwellings consented and is sourced from Statistics NZ's quarterly residential dwelling numbers by Census Area Unit.



RESIDENTIAL DWELLINGS UNDER CONSTRUCTION

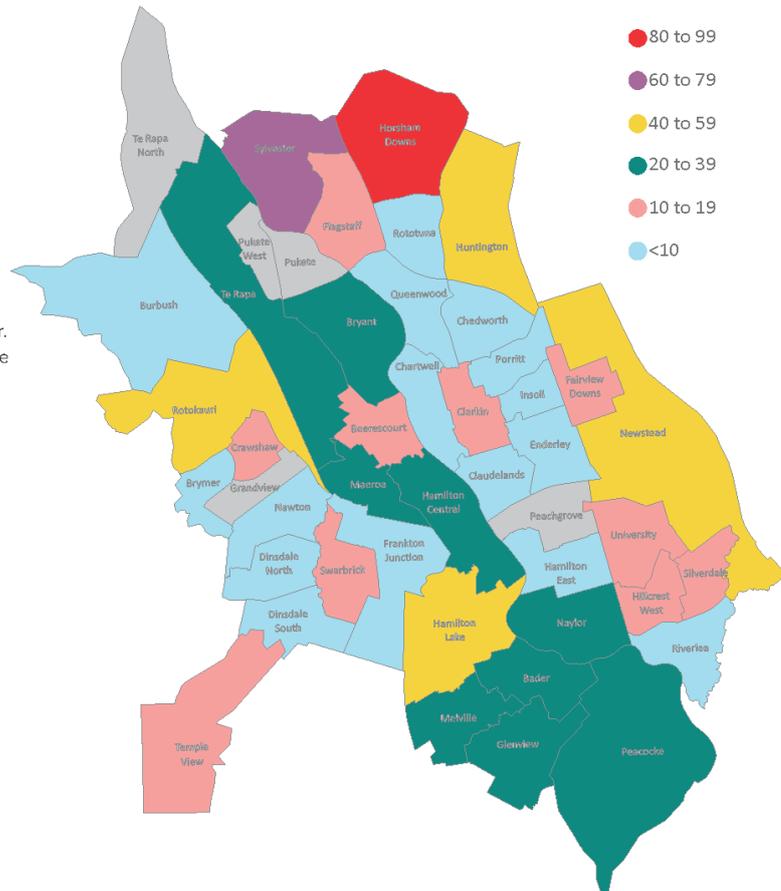
A dwelling is considered "under construction" in this measure if it has:

- a granted current building consent (eg not withdrawn or lapsed)
- at least one inspection completed
- no Code Compliance Certificate issued; and
- no decision to not issue Code Compliance Certification has occurred.

As at 2 November 2018 there were 773 dwellings under construction in Hamilton. Construction is at a similar level to last month. There were 82 CCCs issued in September compared to 78 the month prior. Sylvester and Horsham Downs are still the most active suburbs for residential construction, there were 79 and 84 residential dwellings being built in those two new greenfield areas respectively.

There were 219 dwellings in total under construction in the area broadly known as Rototuna (Horsham Downs, Huntington, Flagstaff, Rototuna and Sylvester). Ruakura (Newstead) is becoming a more active growth cell with 47 dwellings under construction, followed by the other new growth cell Rotokauri with 40 dwellings being built.

Established areas to the west of the river broadly show consistent re-development. Hamilton Lake (53) has the strongest Infill construction. Most of the mature suburbs are less active than suburbs with Greenfield lots. Pockets of redevelopment exist throughout the city where lower capital value properties offer good development feasibility.



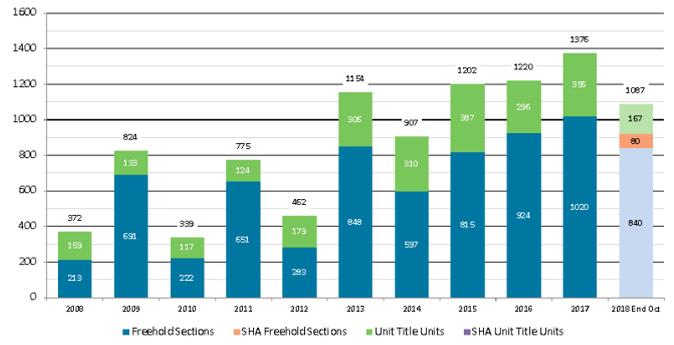
RESIDENTIAL SECTIONS AND UNITS IN SUBDIVISION CONSENTS

Building consents are the most common way to track new residential development activity, but there are other important growth indicators too.

In the 10 months to October 2018, there were 920 sections and 167 units consented in subdivision consents. The first Special Housing Area subdivision consent (Housing NZ and Waikato Tainui's Te Karearea development) in July contributed to 80 of the freehold sections granted.

Compared to the same period of 2017, there has been an increase of 37 freehold sections and a decrease of 111 unit titled units. The total number of freehold sections and unit title units consented in the 2017 calendar year was the highest since 2007.

Consented residential freehold sections and unit title units
2008 to October 2018

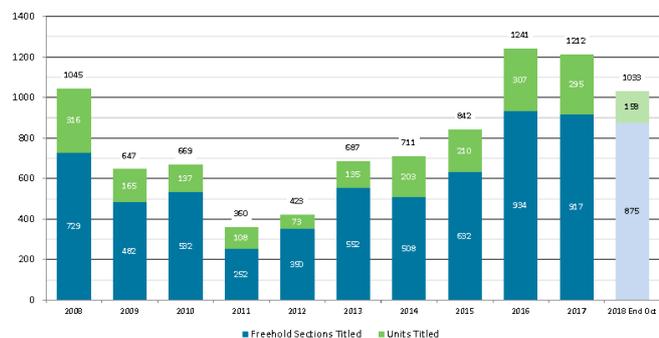


NEW RESIDENTIAL SECTIONS AND UNIT TITLES (224C)

Between January and October 2018 there were 875 sections and 158 units which received title. Compared to the same period in 2017, there was an increase of 173 sections and a decrease of 69 units. The 2018 year total is projected to be similar to the previous two years.

A separate title (a 224c certificate) will usually be obtained before building work is completed. In conjunction with the consent data presented, the graphs on this page help describe this "development cycle". Time lags prevent direct comparisons between building consents, title, and Code Compliance Certificates (CCC) for any given year. The supply of titled sections increased significantly in 2016 and 2017.

Titled residential freehold sections and unit title units
2008 to October 2018



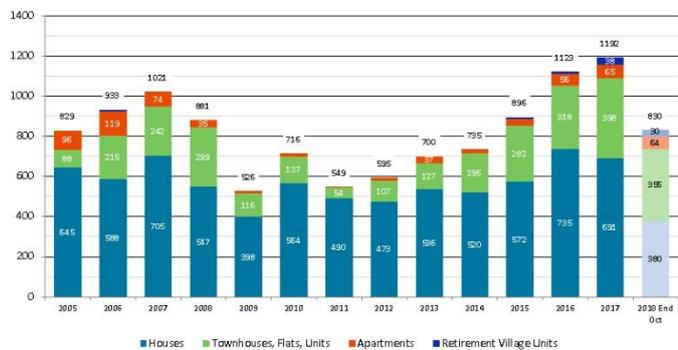


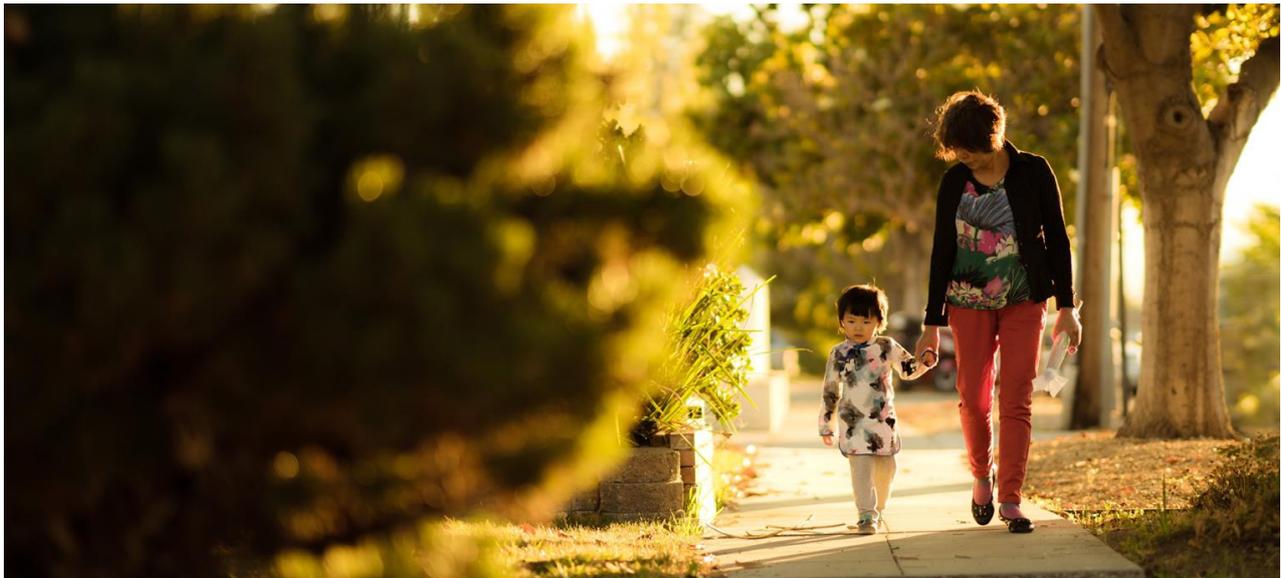
NEW COMPLETED DWELLINGS (CCC)

A total of 830 new residential dwellings received Code Compliance Certificates (CCC) in the 10 months to October 2018. Compared to the same period in 2017, there is a decrease of 173 dwellings or 17%.

The lag between the granting of building consent and issuing of CCC typically varies from five to 24 months. The diverging trends of dwellings granted, and dwellings completed is stark. There have been ongoing anecdotal discussions as to the cause of this divergence. Construction capacity issues (both material and labour), the changing dwelling typology mix and Council resourcing constraints appear to play a part.

New residential dwellings completed (CCC) by building type
2005 to October 2018



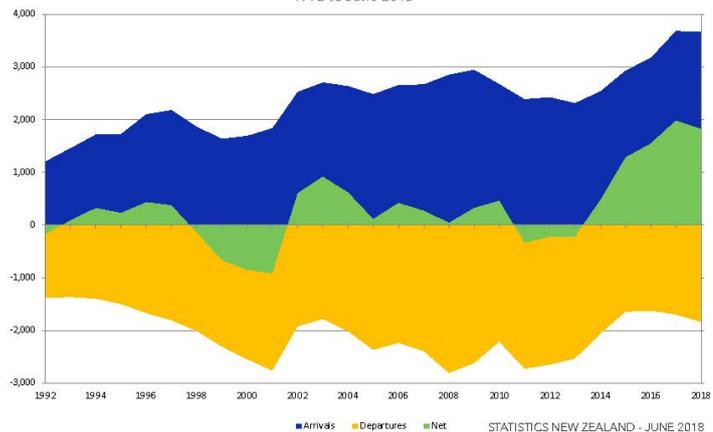


MIGRATION INTO HAMILTON

Hamilton’s net migration has been positive since 2014. The city has experienced unprecedentedly high migration for the past four years. Hamilton had a net increase of around 1800 international migrants in the year to June 2018, a similar number of arrivals compared to the year before, but an increased number of departures. This has led to a lower (but still high) increase in population due to migration this year.

Hamilton’s migration is consistent with the overall migration trends for New Zealand. The biggest driver of New Zealand net migration during the past year was the continued increase in work visas arrivals while student visas have continued to decline from their 2016 peak. Migration is difficult to track accurately. This data is derived from international visitor arrival cards only - data on inter-regional migration is even more difficult to source.

Hamilton international migration
1992 to June 2018



POPULATION ESTIMATES

Hamilton’s population, at 30 June 2018, is estimated by Statistics NZ to be 169,300. This is an increase of 3900 people (2.4%) since 30 June 2017. This population growth is made up of natural increase (births less deaths) of 1400 and net migration of 2500. Net international migration (not internal migration) for the year to June 2017 accounted for 1800 of the 3900 new Hamiltonians.

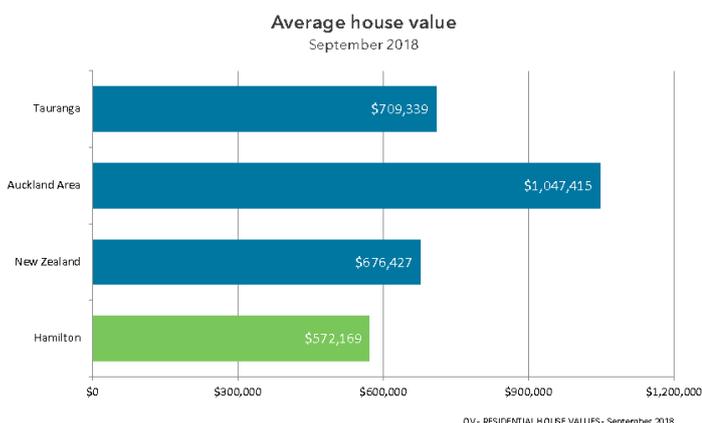
An important input into population estimates is Census data. Statistics NZ has revised the date for first release of Census information from October 2018 to March 2019.

HOUSING MARKET

The average house value in Hamilton at September 2018 increased by 4.7% compared to September 2017. Comparatively, the value increase for the same period was 3.3% for Tauranga, 0.8% for Auckland and 4.6% for New Zealand (NZ). Average house values remain lower in Hamilton compared with Tauranga, Auckland and NZ.

The slowdown of residential building work, post the Global Financial Crisis (GFC), coupled with strong population growth had tightened supply. Lowering of interest rates had enabled buyers to service more debt facilitating increased house prices throughout 2015 to 2017.

While the demand from a growing population remains; residential building has bounced strongly back from its post GFC low and interest rates have not had any significant movement. This has resulted in more stable house prices.

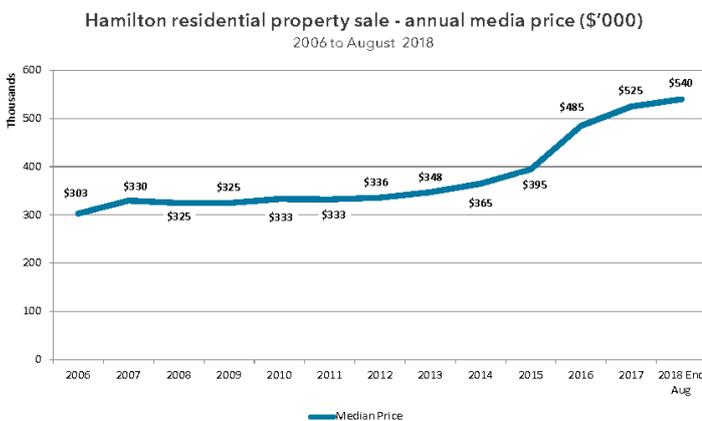


HOUSE SALE PRICES AND VOLUMES

The 2017 calendar year saw the median sale price in Hamilton rise by \$40,000. The median sale price has continued to increase but at a curbed rate compared with the 2016 boom. The number of annual residential property sales has also fallen off from 5178 in 2016 to 3740 in 2017 and a projected 3918 in 2018. While housing sales have slowed they have not dropped to a level comparable to post GFC sales.

The Reserve Bank implementation of the national 'loan to valuation ratio' (LVR) restrictions (announced in July 2016 given effect to in October 2016) coincides with the reduced volume of dwellings sold in Hamilton. The first full year after LVRs were introduced saw house sales fall by one third from their peak midway through 2016. While LVRs were expected to have a dampening effect on sales to what extent the change in market conditions was caused by other factors is unknown. The Reserve Bank eased LVR restrictions in January 2018 (investor loans requiring 35% deposit down from 40%).

The five year bright-line test has come in, a tax for financial gains on property, which applies to any property with sale and purchase agreement signed after 29 March 2018. The intention of this amendment is to further reduce the speculating behaviour in the housing market. In addition, the Government is progressing its plans to 'ring-fence' investors' losses on residential properties. The IRD proposes this change to be implemented in the next tax year (2019/20).



FURTHER INFORMATION

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HAMILTON'S **BUSINESS ECONOMY**

GROWTH INDICATOR REPORT

NOVEMBER 2018



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KEY FINDINGS

- Hamilton's Gross Domestic Product (GDP) in the year to June 2018 was \$8.15B up 2.1% compared to a year earlier. This growth was slightly lower than in New Zealand (2.8%).
- Employment in Hamilton grew 2.9% in 2017, faster than Hamilton's estimated population growth rate of 2.6%.
- Employment in the construction industry grew 9.3% in 2017, contributing approximately a quarter of Hamilton's employment growth for the year.
- The annual average unemployment rate in Hamilton was 5.3% in June 2018 down from 6.0% a year earlier.
- Commercial and industrial building consents for new construction processed in the 10 months to October 2018 was lower in value and floor area than the previous year. Regardless, this year's consenting activity is historically strong.
- The total value of commercial consents in the 10 months to October 2018 was \$145M.
- The value of industrial consents for the first 10 months of 2018 was \$73M. This is on the back of \$58M in new construction.
- The total amount spent electronically (EFTPOS) in Hamilton over the first nine months of 2018 increased by \$64M or 5% compared to 2017.
- Spending in-person using a card (EFTPOS or credit) in Hamilton has increased from \$1.3B in 2009 to \$1.8B in 2017. Compared to 2016, the spending increased by \$37M or 2.1%. The majority of electronic spend is concentrated in the central city and the sub regional centres.
- People who live in Waikato, but not in Hamilton, accounted for 28% or \$384M of electronic spending in the city. Compared to the same period in 2017, this represents an increase of \$39M or 12%.
- Online shopping by Hamiltonians has grown rapidly year on year to \$218M in 2017.

KEY FACTS

POPULATION ESTIMATE (June 2018)

169,300

GDP (June 2018)

\$8.15B

RETAIL SALES (year to September 2018)

\$1.34B

NUMBER OF EMPLOYEES (June 2017)

89,873

NUMBER OF BUSINESSES (June 2017)

14,955

CITY AREA

11,093HA

TOTAL INDUSTRIAL ZONED AREA

1635HA

SOURCE: STATISTICS NEW ZEALAND MOST RECENT ANNUAL ESTIMATES BASED ON HOUSEHOLD SURVEY RESULTS AND THE 2013 CENSUS AND INFOMETRICS. HCC DATA, PARTLY OPERATIVE DISTRICT PLAN 2016. MARKETVIEW AND PAYMARK.



GROWTH DOMESTIC PRODUCT

Hamilton’s Gross Domestic Product (GDP) for the 12 months ending June 2018 is estimated to be \$8.15B compared to \$7.98B for the year before (an increase of 2.1%).

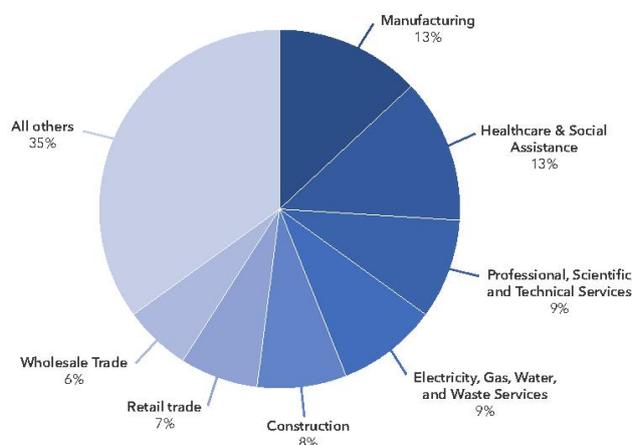
Comparatively, New Zealand’s GDP increased by 2.8% for the same period. National business sentiment has been less positive with the likes of NZIER’s Quarterly Survey of Business Opinion results showing a transition from optimistic business confidence last year to pessimistic. This shift has been attributed to the 2017 general elections.

A key driver of growth, both in Hamilton and New Zealand, has been a migration-fuelled population increase. This has pushed up consumer demand and is forcing higher levels of construction activity. Although central Government policy on immigration is tightening, in absolute terms the migration numbers are still at a historically high level. More information on migration and population can be found in Hamilton’s Housing Market and Economy Growth Indicator Report.

Tourism has grown strongly in New Zealand with guest nights up by 2.4% in the year to June 2018. Guest night growth in Hamilton, for the same period, was down 2.7% following a 11% rise the previous year. Hamilton guest nights have broadly been trending up since 2011, last year guest nights were 19.5% higher than the 10-year average.

Hamilton’s four main sectors are Manufacturing, Health Care, (both contributing just under \$900M) Professional, scientific and technical; and Electricity, gas and water (both around \$600M). The Construction industry is showing strong growth at 13.6% for the year ended March 2017.

Hamilton GDP by sector
as at March 2017





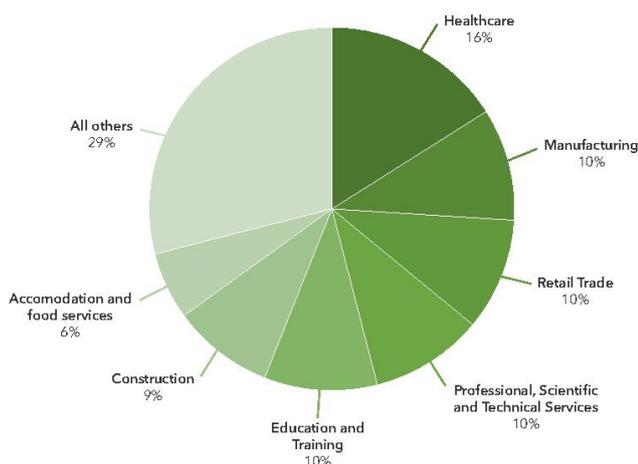
EMPLOYMENT

Hamilton employment grew 2.9% (2528 jobs) in 2017 which was faster than Hamilton’s estimated population growth rate of 2.6%. This trend was consistent with the national employment growth (2.4%) outpacing population growth (2.1%).

Employment in the construction industry grew 9.3% in 2017; contributing approximately a quarter of Hamilton’s employment growth for the year. Health Care & Social Assistance; Education & Training; Accommodation & Food services; and Professional, Scientific & Technical Services contributed significantly to Hamilton’s employment growth.

Hamilton has a strong Health Care sector which has seen positive employment growth in 14 of the past 15 years. Hamilton’s proportion of employment in Health Care (16%) is a higher portion than any other city in New Zealand.

Hamilton employment by sector
as at June 2017



UNEMPLOYMENT

The annual average unemployment rate in Hamilton was 5.3% in June 2018, down from 6% a year earlier.

While Hamilton’s unemployment rate remains higher than New Zealand (4.5%), Auckland (4.4%), and Tauranga (4.1%), it has been trending downwards from its peak in 2012 at 8.5%.

Unemployment is dropping despite strong population growth driven by high migration. This is due to strong, sustained employment growth.

NEW COMMERCIAL AND INDUSTRIAL BUILDING CONSENTS

New commercial and industrial development in Hamilton, for the first 10 months of 2018, included 88,000sqm of floor space at a total value of \$118M. Of this total, industrial development accounted for 44,000sqm and \$58M, and commercial development 44,000sqm and \$60M. Compared to the same period in 2017, there was 19,610sqm less floor space and \$23M lower in value.

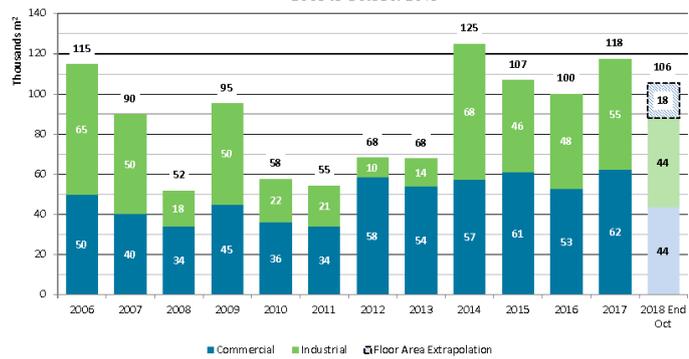
Commercial and industrial development has sustained strong new construction over the past four years. The full year extrapolation of 2018 shows 106,000sqm in floor area and \$132M in value. Although the floor area projection shows a decrease of 11,586sqm compared with the prior year, this full year total is continuing the step change in consented activity since 2014. The total value projected for the 12-month period is the second highest year since 2009 GFC.

The 2017 value of commercial and industrial development is significantly higher than the previous years' total. The value increase in 2017 was mainly from the commercial sector, this trend has not continued into 2018.

The total value of new commercial building consented in 2017 increased sharply by \$81M or 128% compared to 2016. For the first 10 months of 2018, the total value of new commercial building was \$60M which represents a decrease of \$34M or 37% compared to the same period of 2017.

Since 2014, shops and retail were the largest category of new commercial building type with almost \$135M in consents granted in total. Health Care was the next biggest category with \$104M in new facilities consented to be built over the period to support the continued growing demand in health care. School building consents valued at \$56M were the next largest category followed by Office and Administration buildings valued at \$53M. The remaining \$59M in other consents was comprised of new hospices/retirement homes, supermarkets, food and beverage, pre-schools and health facilities.

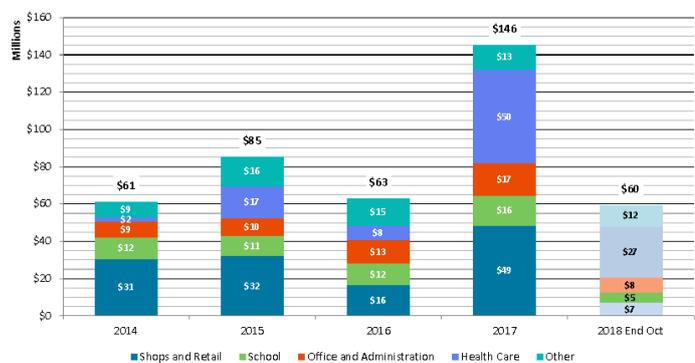
New Building Consent Floor Area (sqm) Commercial and Industrial
2006 to October 2018



New Building Consent Value Granted (\$M) Commercial and Industrial
2006 to October 2018



New Commercial Building Value (\$M) by Building Type
2014 to October 2018



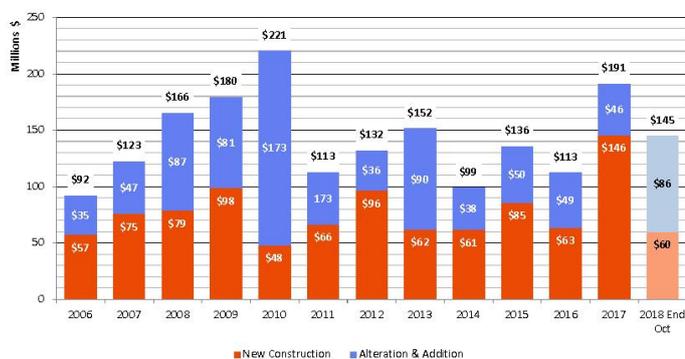


The total value of commercial consents (including retail) for the first 10 months of 2018 was \$145M, this represents an increase of \$14M or 11% compared to the same period in 2017.

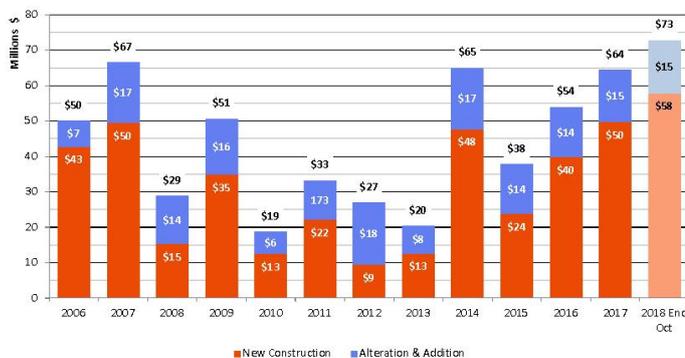
Industrial consents were mostly new construction in 2018 (to October worth \$58M). There was \$15M worth of alterations and additions consented in the same period.

The value of new industrial construction historically represents a higher proportion than alterations and additions when compared to commercial development.

Commercial (\$M) New Construction vs Alteration & Addition
2006 to October 2018



Industrial (\$M) New Construction vs Alteration & Addition
2006 to October 2018



ELECTRONIC SPENDING

Electronic spending is when someone pays for goods or services using a card in-person. The total amount of electronic spending in the first nine months of 2018 was \$1.3B, an increase of \$64M or 5% compared to 2017. Electronic spending in Hamilton has increased from \$1.3B in 2009 to \$1.78B in 2017. Compared to 2016, electronic spending increased by \$37M or 2.1%.

The majority of electronic spending within the city (40%) is in the Food and Liquor category (including supermarkets). Other Retail - including car retailing, watch and jewellery, antique and used goods, travel agency - is the next biggest category valued at \$209M. However, there are three product and service categories which experienced a decrease in the spending value, these being Furniture and Appliances, Apparel, and Hardware and Homeware. The positive movement in the market share came from Hospitality which increased by \$8M, Food and Liquor which grew \$30M. There was also a \$13M increase for Other Business which includes dentist, veterinarians and lottery shops.

The total electronic spending in September 2018 quarter was \$451M which shows a significant increase of \$17M or 3.9% compared to the same quarter in 2017.

Hamiltonians accounted for 52% of the electronic spending in the first nine months of 2018. People who live in Waikato, but not in Hamilton, accounted for 28% or \$384M. Compared to the same period of 2017 this represents an increase of \$39M or 12%. However, spending from people residing outside the Waikato (including people from overseas) decreased by \$9M or 3.4% to \$264M for the first nine months of 2018 compared to 2017. This has been mirrored in the reduced guest nights.

Within Hamilton, the highest portion of spending was from the people who live in northern suburbs typically referred to as Rotoruna. For the first nine months of 2018, spending made by the residents who live in this area was \$244M which accounts for approximately 18% of total spending in Hamilton.

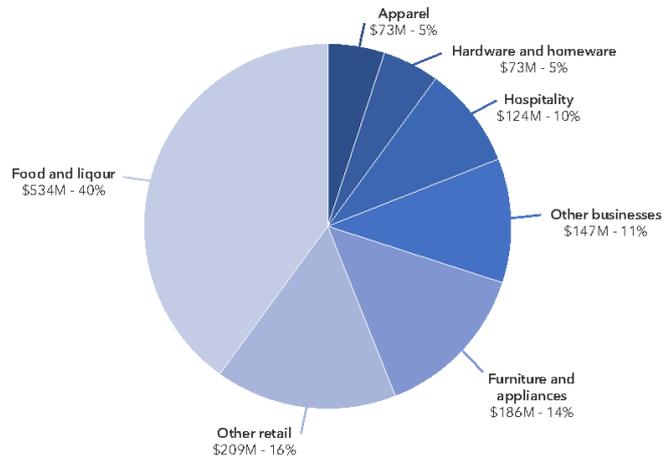
Note on data: Retail spend data was sourced from Marketview and is compiled from EFTPOS data, supplemented by transactional banking data. It is estimated Marketview data encompasses 75% of EFTPOS data and 20% of all retail bank transactions. In addition to transaction data, retail bank transaction data provides location information about account holders. Card transactions account for about 70% of total sales. Cash and hire purchase transactions are not included in the data.

The combination of these data sets provides a statistically significant representation of all retail transactions in Hamilton.

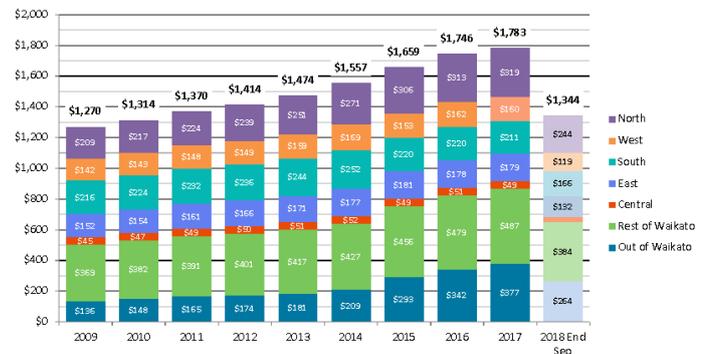
Hamilton electronic spending (\$M) by quarter
2009 to September 2018



Hamilton electronic spending by product and service activity
January to September 2018



Hamilton retail spending (\$M) by home address
2009 to September 2018





ONLINE SHOPPING BY HAMILTONIANS

Online shopping by Hamiltonians (buying items online using a credit card) on domestic and international goods and services has been growing rapidly. For the first nine months of 2018, there were \$170M worth of purchases made online which was split \$84M to domestic and \$86M to international.

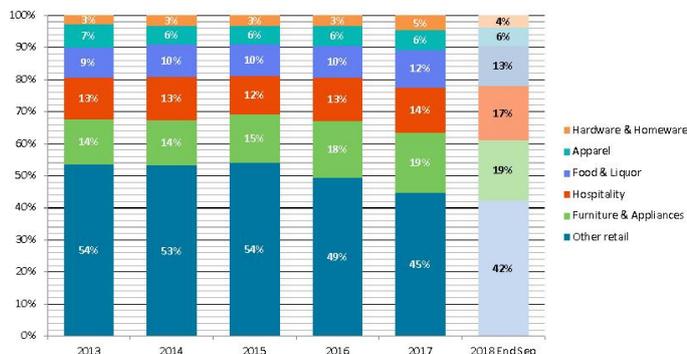
Over the past five years, the average annual spend increased by \$27M every year being a compound annual growth rate of 19%.

The fastest growing category of online spending made by Hamiltonians was Hardware and Homeware which increased from \$3M in 2013 to \$10M in 2017, an increase of 228%. The next biggest increase was in the Furniture and Appliance category which increased by \$26M or 169% over the same period. Other Retail had the largest total spend online at \$72M in the first nine months of 2018, although its market share has slipped from 54% in 2013 down to 42% in 2018. This category includes a broad variety of businesses such as laundering and dry-cleaning, toy and game, travel agency and entertainment media.

Hamilton online spending (\$M) by location
2013 to September 2018



Hamiltonian online spending (%) by product and service
2013 to September 2018





WHERE PEOPLE ARE SPENDING

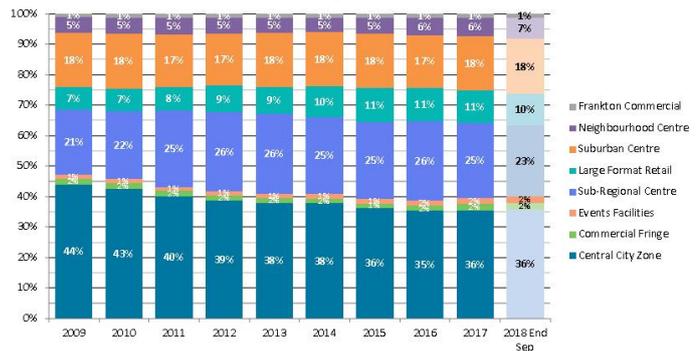
The District Plan sets out a business centre hierarchy that defines the business zones across Hamilton. The central city is the dominant commercial, civic and social centre for the city and region, and provides for the majority of the city's workforce.

The Base and Chartwell Shopping Centre are identified as being two sub-regional centres. They are principally retail centres with limited office, community and other services.

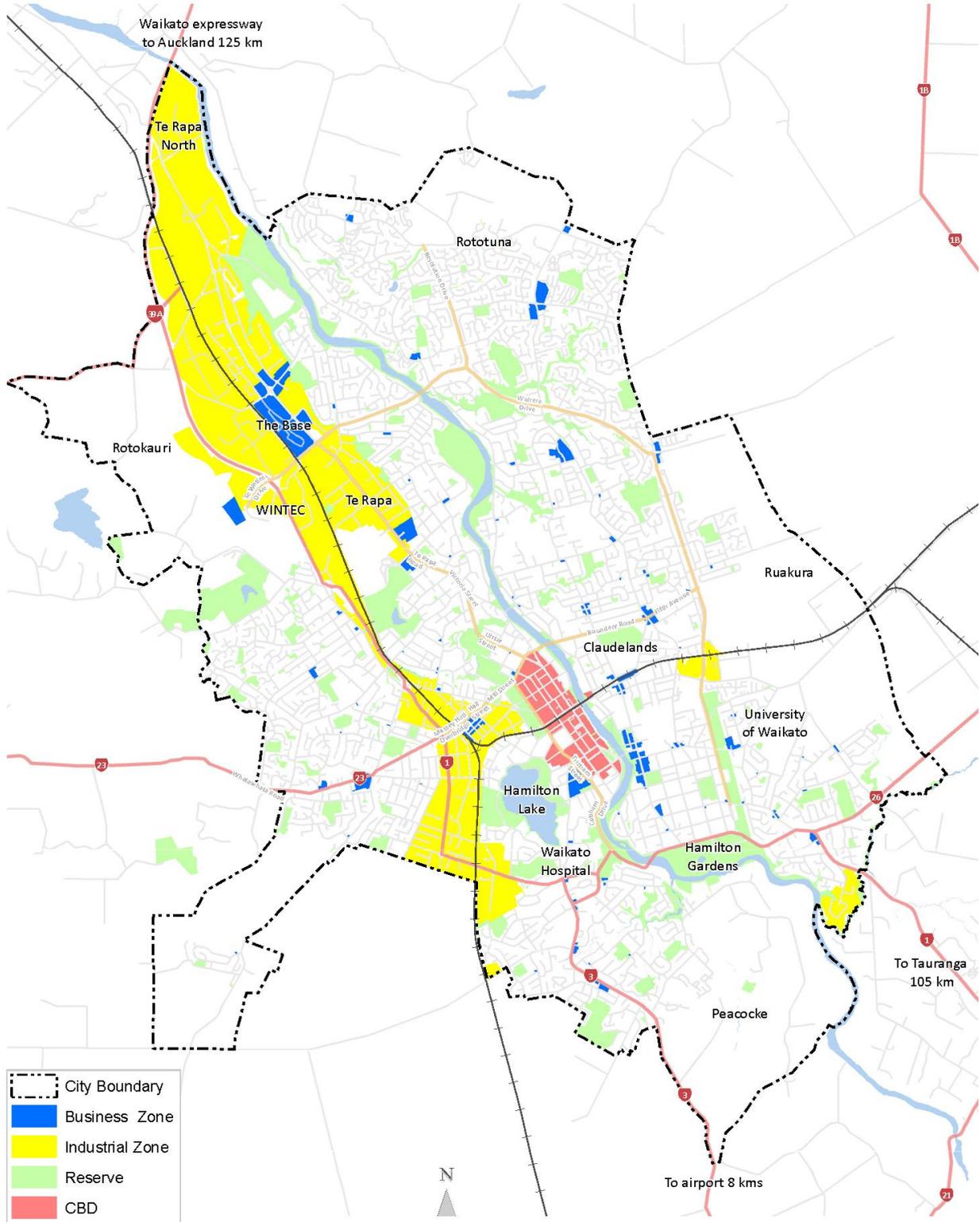
The majority of electronic spending is concentrated in the central city and the sub-regional centres. The total spending in Chartwell and The Base has increased from \$270M in 2009 to \$437M in 2017. Although the market share of retail spending in central city has been gradually taken by the sub-regional centres, the total spending in central city is still growing year on year. The central city market share increased by 1% in 2017 while sub-regional centres experienced a 2% decline.

The zone called 'Large Format Retail' allows moderate to low intensity commercial usage and large format retail (eg Big Save Furniture and Repco). The other category in the graph comprises smaller commercial fringe areas which include places like the Frankton commercial area. The percentage of spending at the large format retail zone has grown from 7% in 2009 to 11% in 2017, and the value has doubled from \$95M to \$191M.

Hamiltonian online spending (%) by District Plan zone
2009 to September 2018



HAMILTON'S INDUSTRIAL AND COMMERCIAL ZONES



FURTHER INFORMATION

Growth Funding and Analytics
Hamilton City Council
Garden Place, Private Bag 3010, Hamilton

 investment@hcc.govt.nz

 07 838 6699 (24-7)

 hamiltoninvest.co.nz

 [/hamiltoncitycouncil](https://www.facebook.com/hamiltoncitycouncil)

31 October 2018

Alan Livingston
Chair
Waikato Regional Council
Private Bag 3038
Hamilton 3240

Dear Chair Alan

REGIONAL COMMUNITY FACILITIES FUNDING FRAMEWORK

It is noted that Waikato Regional Council (WRC) on 28 May 2018 voted not to adopt the Regional Community Facilities Funding Framework. This is despite the WRC being actively involved in the development of the Framework from the beginning, reflecting on the learnings from previous initiatives such as the Velodrome located in Cambridge.

Hamilton City Council adopted the Regional Community Facilities Funding Framework on 7 June 2018. The adoption of the Framework has been widely supported by the Waikato Mayoral Forum and other regional bodies including Sport Waikato.

At its Growth and Infrastructure Committee on 23 October 2018, Hamilton City Council expressed concern and disappointment at WRC's decision not to adopt the Framework. Our Council believe the Framework is a useful tool that enables cross boundary discussions to be held in a formalised and systematic manner. It does not commit councils to any particular solution or outcome. The support of the WRC would show that the Framework has regional support and is the agreed basis for progressing regional community facility development opportunities. WRC are a key partner in discussing and pursuing these opportunities.

Our Council requests that WRC reconsider its previous decision and confirms its support for the Regional Community Facilities Funding Framework.

Yours faithfully


Richard Briggs
Chief Executive


Andrew King
Mayor Hamilton City

Copy to:
Hamilton Constituency Councillors

- Jane Hennebry
- Bob Simcock
- Barry Quayle
- Russ Rimmington

Nga Hau e Wha Maaori Constituency

- Tipa Mahuta

D-2815661

Submission by

Hamilton City Council

2018 AMENDMENTS TO THE WAIKATO DISTRICT COUNCIL SPEED LIMITS BYLAW 2011

9 November 2018

1.0 INTRODUCTION

- 1.1 Hamilton City Council (HCC) welcomes the opportunity to make a submission to the 2018 Amendments to the Waikato District Council Speed Limits Bylaw 2011.
- 1.2 HCC is supportive of the approach being taken by Waikato District Council in reviewing its speed limits in accordance with the New Zealand Transport Agency Speed Management Guide over a three-year period.
- 1.3 It is recognised that Waikato District Council has had significant growth in many urban and country living zones.
- 1.4 HCC is keen to see reviews of speed limits in these areas alongside the top 10 percent high-risk routes and intersections being implemented in order to reduce the deaths and serious injuries being currently suffered on the Waikato and Hamilton networks.
- 1.5 **Please note that this submission is to be formally approved by HCC at the 6 December 2018 Growth and Infrastructure Committee meeting. We will advise Waikato District Council if there are any changes to this submission as a result of that meeting.**

2.0 SPEED LIMITS BEING REVIEWED ON THE OUTSKIRTS OF HAMILTON CITY

- 2.1 HCC has received a lot of expressions of concern by the residents in the Rototuna roads that sit in the vicinity of the boundary between HCC and Waikato District.
- 2.2 HCC is therefore very pleased to support the proposed changes to speed limits in this area, including:
 - Horsham Downs Road – Kay Road to Lake Road – reduced from 100km/h to 80km/h.
 - Kay Road – River Road to Osborne Road – reduced from 100km/h to 60km/h.
 - Kay Road – Osborne Road to Resolution Drive – reduced from 80km/h to 60km/h.
 - Osborne Road – Kay Road to 450m west of Horsham Downs Road – reduced from 100km/h to 80km/h.
 - Reynolds Road – Osborne Road to end – reduced from 100km/h to 80km/h.
 - River Road – Kay Road to 150m west of Speed Road – reduced from 100km/h to 80km/h.

3.0 REQUEST FOR CONSIDERATION OF FURTHER ROADS IN NEXT REVIEW

- 3.1 While the proposed speed limit reviews being considered this year are fully supported, HCC would also request that the following roads be considered in the next round of reviews:
 - Gordonton Road – request a reduction to 80km/h.

- Onion Road – request a reduction to 80km/h.
- Ruakura Road – request a reduction to 80km/h.

4.0 FURTHER INFORMATION AND HEARINGS

- 4.1. Should Waikato District Council require clarification of the above, or additional information, please contact Robyn Denton (City Transportation Manager) on 07 838 6910, email robyn.denton@hcc.govt.nz in the first instance.
- 4.2. HCC **does wish to speak** at the Waikato District Council hearing scheduled for 12 December 2018 in support of its written submission.

Yours faithfully



Richard Briggs
CHIEF EXECUTIVE

Council Report

Committee: Growth and Infrastructure Committee **Date:** 06 December 2018

Author: Chris Allen **Authoriser:** Chris Allen

Position: General Manager Development **Position:** General Manager Development

Report Name: Passenger Rail Final Business Case

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

Purpose

1. To seek endorsement of the Single Stage Business Case for the Hamilton to Auckland Start-up Passenger Rail Service for submission to the New Zealand Transport Agency and to confirm funding allocated in the 2018-28 10-Year Plan for the development of the Rail Platform and the Park and Ride facilities in Rotokauri.

Staff Recommendation (*Recommendation to Council*)

2. That the Growth and Infrastructure Committee recommends Council:
 - a) receives the report;
 - b) endorses the Single Stage Business Case for the Hamilton to Auckland Start-up Passenger Rail Service for submission to the New Zealand Transport Agency for decision;
 - c) notes that funding is allocated in the 2018-28 10-Year Plan to develop the Rail Station and Park and Ride at Rotokauri subject to;
 - i. the New Zealand Transport Agency approving the Single Stage Business Case and confirming the release of funding for the start-up passenger rail service at their meeting on 14 December 2018; and
 - ii. the New Zealand Transport Agency providing an enhanced Financial Assistance Rate of 75.5% for the public transport infrastructure and 100% for the Transitional Rail activities;
 - d) requests staff report back prior to June 2019 on the appropriate political and technical governance structure to support the implementation of the start-up service, including their terms of reference and delegations.

Executive Summary

3. Work is underway by Waikato stakeholders with Central Government to develop a Hamilton to Auckland Corridor Plan to better support growth and increased connectivity within the corridor in a way that realises its social, economic, cultural and environmental potential. This is the subject of a separate report to this Committee.

4. One of the 5 key focus areas of the Plan is to have stronger corridor connections to improve transport, green open-space and recreational networks along the entire corridor. The proposed transformational initiatives include developing a mass transit plan and developing an intercity rail service.
5. Government has established policy and funding pathways to promote inter-regional rail and specifically start-up trial services.
6. Hamilton City Council has submitted to various policy documents and funding plans since 2017 supporting this rail policy and requesting that a start-up service be established.
7. Government officials from the Ministry of Transport led a multi-agency working party to oversee the development of a business case for the start-up service and that business case has now been completed.
8. The start-up service requires a substantial amount of government funding and will need to be approved by the New Zealand Transport Agency for this funding to be released. The Agency will consider the business case on 14 December 2018.
9. The start-up service will be managed by Waikato Regional Council who have the responsibility for the operation of public transport services, supported by Hamilton City Council and Waikato District Council who have responsibilities for some of the infrastructure required at rail stations.
10. All three Councils have consulted on the service as part of their 2018-28 Long Term Plans and have allocated funding to meet their commitments. The completed business case confirms that the costs attributed to the Councils will fall within the allocations each has made.
11. The proposed start-up service is a connecting service to Papakura where passengers will transfer to the Auckland metro rail to get into the central business district and other Auckland locations. The business case sets out a medium-term goal to enhance the service, as improvements are made to the Auckland Rail network, and establish a direct through service from Hamilton into the Auckland CBD.
12. The long-term goal, in accordance with government policy is to establish rapid regional rail in New Zealand.
13. Prior to the NZ Transport Agency considering the business case they are seeking endorsement and commitment to the contributions to the service required from each of the local authority partners.
14. Staff consider the decisions in this report have medium significance and that the recommendations comply with the Council's legal requirements.

Background

15. Hamilton City Council has been a strong supporter of the governments regional rail policy and in particular the commencement of a Hamilton to Auckland passenger rail service.
16. Council has submitted support for the passenger rail start-up service to various recent policy documents including;
 - Draft Government Policy Statement on Land Transport 2018/19-2027/28
 - Draft Investment Assessment Framework for the 2018-21 NLTP
 - Draft Waikato 2018 Regional Land Transport Plan
 - Draft Waikato Regional Public Transport Plan 2018-2028

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17. Council consulted on the passenger rail service as part of its 2018-28 10-Year Plan. The consultation document advised that Council was supportive of the Government's plan to provide daily rail services between Hamilton and Auckland and acknowledged that Waikato Regional Council who are responsible for public transport services in Hamilton were consulting on a proposal to support the start-up service through a targeted rate charged to Hamilton ratepayers.
18. Council formally submitted to the Waikato Regional Councils draft 2018-28 Long Term Plan supporting government policy relating to interim passenger rail and endorsing their proposal to part fund the project through a targeted rate charged to Hamilton ratepayers.
19. Council also formally submitted to the Waikato District Councils draft 2018-28 Long Term Plan supporting the inclusion of funding it had included for rail station work in North Waikato to support the service.
20. In making their decisions, all three Councils included funding provision to support the passenger rail service.
21. Council agreed in June 2017 to undertake in partnership with Waikato Regional Council and the NZ Transport Agency a Strategic Business Case (SBC) for Hamilton to Auckland strategic connections. The SBC was completed through a working party including additional representatives from Waikato District Council, Auckland Council, Auckland Transport and KiwiRail supported by officials from the Ministry of Transport and Treasury. The working party was chaired by Cr Hugh Vercoe, Chair of the Waikato Regional Transport Committee.
22. In October 2017 Council agreed to purchase 2.1ha of land on Tasman Road to future proof the opportunity to develop a park and ride facility in close proximity to the future public transport and rail facility and agreed to develop concept plans for the facility.
23. In making this decision Council requested the Chief Executive to report back to Council with options to on-sell the land purchased if funding was not confirmed in the 2018-28 10-Year Plan. Funding was confirmed however along with funding to develop the park and ride, the roads in the vicinity and the rail facility. Regular reports were provided to the Growth and Infrastructure Committee from this time through to finalisation of the 2018-28 10-Year Plan.
24. The SBC indicated that there was a case to improve transport connections between Hamilton and Auckland and that a Single Stage Business Case (SSBC) was required to consider the options and to dimension a start-up service.
25. During this period the government also firmed up its policy on rail and;
 - directed his officials through the Ministry of Transport to take a lead role in working with the stakeholders to develop the SSBC
 - created a new funding class in the Government Policy Statement called Transitional Rail to support a number of rail initiatives including start-up/trial inter-regional passenger rail services.
 - Announced the commencement of a broader discussion with key Waikato stakeholders to advance development of a Hamilton to Auckland Corridor Plan as part of a wider regional growth initiative.
26. The Councils involved in the start-up service all indicated at an early stage that they would support a start-up service only if the government remains the significant funding contributor.

27. The Councils respective roles and financial contributions to the service are:
- Waikato Regional Council - Operator of the service (proposed to be contracted out to Auckland Transport) required to set and collect fares and provide a rating contribution for operational costs
 - Hamilton City Council - responsible for platform infrastructure at Rotokauri (Frankton requires no substantive work) with any works assumed to receive Transport Agency subsidy
 - Waikato District Council - responsible for platform infrastructure at Huntly with any works assumed to receive Transport Agency subsidy
28. For the purposes of setting funding provisions in the respective long-term plans Waikato Regional Council assumed that the Transport Agency would provide a financial assistance rate of no less than 75% for operational expenditure and 100% for capital expenditure (rolling stock). HCC assumed a normal 51% subsidy for the work it would be responsible for.
29. The SSBC has now been finalised (you can see a copy [here](#)) and the following endorsement/approval process is being followed;
- Endorsement by Waikato Regional Council on 21 November 2018- Endorsed
 - Endorsement by Waikato District Council on 28 November 2018- verbal update will be provided
 - Endorsement by Hamilton City Council on 6 December 2018- This report
 - Approval and release of funding by NZ Transport Agency- 14 December 2018

Discussion

30. An emerging focus area of the Hamilton to Auckland Corridor Plan is Stronger Corridor Connections with a focus on transport connections. A long-term goal is emerging to achieve quality metro rail services and rapid regional rail between Hamilton and Auckland, commencing with a service to Papakura in the short term.
31. The SSBC describes passenger rail in three stages in the context of the Hamilton to Auckland Corridor;
- Short-term (0-5 years); Start-up connecting service to Papakura then transfer to Auckland Metro
 - Medium term (5-10 years); Hamilton through service to Auckland (The Strand)
 - Long Term (>10 years); Rapid Regional Rail.

Strategic Issues

32. The context that sits behind the rail service is the rapid growth in demand for both housing and therefore commuting from north Waikato and Hamilton City to Auckland. It is largely acknowledged that this is directly related to the housing market in Auckland which is also driven by the rapid growth of the population in the city, a situation that is expected to continue.
33. Additionally, it has been identified that Auckland offers an array of employment opportunities across labour markets that attract WDC, HCC and Waipa District resident to commute to Auckland. The main employment areas to which Waikato residents are currently commuting to are Franklin (Pukekohe and surrounding townships), Mangere/Otahuhu and Waitemata (Auckland central).

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34. Current and forecasted population growth in Auckland is exacerbating the vehicle pressure on the State Highway 1 Corridor between Hamilton and Auckland. More than 1.66 million people live in Auckland already. Over the next 30 years this could increase by another 720,000 people to reach 2.4 million. This could mean another 313,000 dwellings and 263,000 jobs are required over this period.
35. The Annual Average Daily Traffic Count at Bombay has increased from 37,282 to 44,312 going northbound between 2014 and 2017. This exponential growth in inter-regional light vehicle traffic is making journeys between Hamilton and Auckland unreliable, lengthy in terms of travel time and economically inefficient.
36. On this basis having a passenger rail link will perform an essential role in protecting the Waikato Expressway and Southern Motorway road investments, both through offering mode choice but by also creating robust reason for directing growth in the towns rather than at locations near SH1 junctions.
37. The business case indicates that the current mean travel time for road-based vehicles from Frankton to Britomart is 2 hours 30 minutes (2018). The 85th percentile time is 3 hours and 4 minutes indicating the travel time unreliability, this is expected to get worse over time. The current journey time for the passenger rail service is 2 hours 30 minutes.
38. Additionally, a rail service has the potential to become a mass transit option that over time takes large numbers of vehicles off the road, decongesting the road corridor and positively improving freight journeys and overall commuting times for road users.
39. The passenger rail service has the potential over time to reduce car journeys by up to 63,579 in 2019/2020 and up to 113,635 in 2023/2024. This will alleviate some of the pressure on SH1, reduce vehicle emissions, and improve network reliability and overall productivity for the corridor. These assumptions are based on all passengers that are switching from road to rail being single occupant vehicle users.
40. In summary, the potential benefits that could be generated from introducing a passenger rail service between two of the biggest cities in New Zealand are:
 - Improved accessibility to goods, services, employment and amenities to enhance interregional productivity
 - Improved resilience, safety, quality of life and environmental outcomes for communities with a greater range of travel choices
 - Creating a credible alternate mode of travel for people
 - Start momentum towards developing long term growth goals
 - Show strong desire for a mass transit mode
 - Transit oriented development along the corridor
 - Reduce environmental impact
 - Ability for townships to grow and support local communities
 - Auckland decongestion effects
 - Optimised performance of transport service levels across the existing road and rail network
 - Potential to reduce journey times for travel between Auckland and Hamilton

Level of Service

41. The start-up service design is described in Attachment 1.
42. The business case work has been very thorough, and the proposed start-up service differs from that previously described in reports to Council as follows;
 - Start date of service revised from October 2019 to March 2020
 - The Tuakau rail station has been deferred for a later decision once more work is done through the Hamilton to Auckland Corridor Plan to understand the optimum location. Through this work a station at Te Kauwhata will also be considered.
 - The weekend services have been scaled back to just one return service on Saturday (and not Sunday and public holidays) for at least the next 3 years due to advice that the tracks will not be accessible during these times because of the rail work happening in Auckland- operating savings are also a factor
 - Purchase of 13 Carriages instead of 10 originally proposed (with budget allowing for 11 to be refurbished)

Demand

43. As part of the SSBC significant work was put into estimating projected demand including a review of the formal passenger demand survey that was previously undertaken and which has been reported to Council. The agreed projected demand for the first three years of the service is described in Attachment 2.
44. The projected demand in 2021/22 is 196 passengers per week day across 2 services. The carriage capacity will be 150 seated passengers from the start with the ability to increase this to 200 with the carriages purchased.

Costs

45. There are capital costs and operational costs associated with the start-up service. The capital costs are one off costs (until such time as more rolling stock or other expansion is required).
46. The capital costs are \$49.56M made up as follows;
 - Locomotives; \$7.04M
 - Rolling stock; \$18.87 M
 - Stations; \$23.65M
47. The majority of these capital costs will be funded from Transitional rail at 100%. The financial considerations specifically for HCC are dealt with further in this report.
48. The annual operational cost to run the service (in a full year of operations) is \$6.07M. The split of operational costs is shown in Attachment 3.

Implications for Waikato Regional Council

49. As operator of the service Waikato Regional Council are the lead agency. As part of their previous decision to proceed with the business case they required a number of issues to be resolved to their satisfaction including;
 - Procurement and ownership of rolling stock
 - Rail network access in Auckland and appropriate timetabling
 - Policy alignment
 - Ticketing

- Confirmation of significant government funding
50. All of these issues have been resolved to WRC's satisfaction and on 21 November 2018 they endorsed the SSBC subject to a number of conditions. The resolutions of this meeting follow;
1. *That the report "Hamilton to Auckland Start-Up Passenger Rail Service Single Stage Business Case" (Doc #13380708 dated 14 November 2018) be received.*
 2. *That Council note that the conditions made at the Long Terms Plan deliberations relating to the start-up passenger rail service have been substantively resolved.*
 3. *That Council receive and endorse the Single Stage Business Case for the Hamilton to Auckland Start-Up Passenger Rail Service (included as Attachment 1) for submission to NZTA.*
 4. *That Council confirm funding allocated in the 2018-2028 Long Term Plan (LTP) for the Hamilton to Auckland start-up passenger rail service operations that will likely commence in March 2020 subject to:*
 - a. *Hamilton City Council and Waikato District Council endorsing the SSBC and confirming capital funding for the railway stations.*
 - b. *NZTA's Board approving the SSBC and confirming the release of funding for the start-up rail service at their meeting on 14 December 2018.*
 - c. *NZTA providing an enhanced Financial Assistance Rate of 75.5% for public transport operations and infrastructure and of 100% for transitional rail activities for the period of the current (2018-2021) National Land Transport Programme.*
 - d. *An open book price audit of KiwiRail costs being carried out by a suitably qualified and experienced person to the satisfaction of the Chief Executive.*
 - e. *Finalisation of Client Contract Management arrangements with Auckland Transport to the satisfaction of the Chief Executive.*
 - f. *Final resolution of the preferred ticketing option and its costs.*
 - g. *A review of the project implementation phasing is undertaken and reported back to Council by March 2019.*
 - h. *A purchase sales agreement being signed between WRC, NZTA and KiwiRail to protect the rolling stock investment for future Public Transport usage.*
 5. *That Council approve the immediate appointment of a programme manager to oversee the implementation of this project subject to:*
 - a. *Approval of the SSBC by NZTA,*
 - b. **And** *that NZTA funds 75.5% of the total project management costs*
 - c. **And** *the WRC share has to be included in the 2019/20 Annual Plan budget*

6. *Staff report back on the appropriate political and technical governance structure to support the implementation of the start-up service, including their terms of reference and delegations.*
 7. *That Waikato Regional Council, Hamilton City Council, Waikato District Council and NZTA will jointly undertake a review of the service prior to the 2021 Long Term Plan and 2021 NLTP to reconfirm their ongoing funding requirements for the service and that the Waikato Regional Council service contract agreement with Kiwirail has the appropriate contractual terms to allow for this review.*
51. Of particular significance is that the SSBC proposes that government fund 100% of all of the rolling stock costs and 75.5% of the operational costs. Funding subsidy at this level means that the costs described in the SSBC attributable to WRC are less than the funding provision they have made in their LTP.
 52. It is likely under the existing funding policy that the NZ Transport Agency can only commit to these funding levels for the 2018-21 National Land Transport programme period which is why a review clause as resolution 7 is included. Continuation of high levels of subsidy will depend on the development of ongoing rail policy.

Implications for Waikato District Council

53. WDC are responsible for some of the costs to bring the Huntly rail station up to an acceptable service level.
54. Through the development of the SSBC it was determined that transitional rail could meet 100% of the cost of all rail infrastructure works at the Huntly station including modifications to the platform, and this is promoted in the SSBC.
55. WDC would be responsible for the “above track” works including provision of shelters, lighting CCTV cameras and parking facilities.
56. If the NZ Transport Agency approves the SSBC at the subsidy levels proposed then WDC have set aside sufficient funding to meet their share of costs.

Implications for Hamilton City Council

57. HCC are responsible for some of the costs to develop the Rotokauri (Base) rail station and associated Park and Ride (Attachment 4).
58. Through the development of the SSBC it was determined that transitional rail could meet 100% of the cost of all rail infrastructure works at the Rotokauri station including building a rail platform, and this is promoted in the SSBC.
59. HCC would be responsible for the “above track” works including provision of shelters, lighting CCTV cameras in relation to the rail platform.
60. In conjunction with the development of a rail facility, HCC proposes to develop Park and Ride and public transport transfer (bus) facilities on the land it has previously purchased. As part of the passenger rail service only part of the park and ride site will be developed (as per Attachment 4).
61. If the NZ Transport Agency approves the SSBC, even at normal subsidy levels, HCC has set aside sufficient funding to meet its share of costs.

Financial Considerations for HCC Works

62. The following works are the responsibility of HCC and are included in the SSBC;
- purchase of land- (public transport infrastructure)
 - roading improvements associated with the development of Park and Ride and Rail
 - above track work including partial development of Park and Ride- (public transport infrastructure)
 - consequential operational costs

Allocated Funding

63. The table below shows the CE project number and the programme allocation that appears in the 10-Year Plan. The shaded rows indicate the funding within the programme allocated to this project.

| Project | Description | Funding Provision (\$000- inflated) | | | |
|--------------|--|-------------------------------------|--------------|--------------|---------------|
| | | 2018/19 | 2019/20 | 2020/21 | TOTAL |
| CE19038 | Rotokauri Rail Platform | 750 | 1,301 | nil | 2,051 |
| | (funding for Above Track- rail related) | 750 | 1,301 | nil | 2,051 |
| CE19058 | Mass Transit | 6,750 | 3,123 | 5,415 | 15,288 |
| | (funding for Land Purchase, concept design and Above Track- park and ride related) | 6,150 | 1,500 | 2,000 | 9,650 |
| CE15090 | Rotokauri Roding | 8,247 | 12,564 | 745 | 21,556 |
| | (funding for New Collector Road) | 500 | 2,082 | nil | 2,582 |
| | (funding for Tasman Road upgrade) | 620 | 1,871 | 58 | 2,549 |
| Total | <i>Total funding for this project</i> | 8,020 | 6,754 | 2,058 | 16,832 |

64. The 2018-28 10-Year Plan has assumed we would receive a NZ Transport Agency subsidy of 51% for these projects including the land (retrospective subsidy).

Project Costs

65. The following are the project capital component estimates included in the SSBC. Additional to the SSBC costs are the concept design costs of \$432k which have already and independently been approved as qualifying for subsidy.

| Project | Description | Project Estimates (\$000) | | |
|--------------|--|---------------------------|--------------|----------------|
| | | 2018/19 | 2019/20 | TOTAL |
| CE19058 | Land purchase* | 5,718 | nil | 5,718* |
| | Park and Ride development- Above Ground Facilities | 600 | 845 | 1,445 |
| CE19038 | Rotokauri Rail Platform- Above Ground facilities | 290 | 340 | 630 |
| CE15090 | Rotokauri Roding (collector and Tasman) | 1,866 | 2,489 | 4,355 |
| Total | <i>Total Estimated Capital Cost for this project</i> | 8,474 | 3,674 | 12,148* |

* Provision of \$5,718k is for balance of land cost which together with the initial cost incurred in 2017/18 of \$682k totals \$6,400k which is included in SSBC and for which retrospective subsidy is being sought; including these 2017/18 costs means that the total HCC capital cost in the SSBC is \$12,830k.

66. The 2018-28 10-Year Plan assumed a 51% subsidy for the projects scheduled in the above table. This indicates that of the total \$12,830k Cost, HCC could have expected its cost share to be \$6,287k.
67. The SSBC has promoted funding of the projects at a subsidy rate of 75.5% to take maximum advantage of the Transport Agency policy on enhanced financial assistance rates. While not all components of the project may receive this enhanced rate, if it was achieved through approval of the SSBC then the HCC local share would reduce from \$6,287k to \$3,143k.
68. The estimated costs are within the allocated funding provisions and this together with the increased revenue opportunity indicates that approval of the project will have no negative impact on the financial strategy.
69. In addition to the HCC costs at the Rotokauri Rail station there are also costs to shift the rail lines to build a platform which will be a KiwiRail asset. These costs total \$8,580k and are proposed to be funded 100% through the transitional rail class. As KiwiRail is not an Approved Organisation for the allocation of funds from the National Land Transport Fund, HCC will need to apply and distribute these funds.

Legal and Policy Considerations

70. Staff are not aware of any unresolved legal considerations.
71. Staff have entered into a binding contract for the purchase of the land required for Park and Ride and this is yet to settle. Title is expected sometime soon after December 2018.

Cultural Considerations

72. The Hamilton to Auckland Corridor Plan is a government initiative, supported by Cabinet to progress the government urban growth agenda, being delivered in partnership with local government and iwi. It is overseen by a steering group which comprises senior officials from Waikato-Tainui, Auckland Council, Waikato regional council, Hamilton City council, Waikato District Council, the NZ Transport Agency, Ministry of Transport, Treasury and the new Ministry of Housing and Urban Development.

73. Hamilton's contribution to this service is to establish a new rail and park and ride facility at Rotokauri. The location of the facility was consulted on in the Development of Hamilton's District Plan and through this consultation strong submissions were received from Tainui Group Holdings to establish the facility in its current location.
74. It is proposed to consult with mana whenua as the station and park and ride facility is established.

Sustainability Considerations

75. The start-up passenger rail service contributes to a number of Hamilton City Councils sustainability principles, including;
 - Principle 1- HCC includes environmental, economic, social and cultural considerations in its decision making (taking a business case approach).
 - Principle 4- HCC works with central government to deliver on national greenhouse gas emission reduction targets and supports resilience to climate change in our communities (encouraging use of public transport).
 - Principle 5- HCC promotes walking, cycling, public transport and other low carbon transport options.

Risks

76. The business case includes a comprehensive risk analysis which were developed through risk workshops with the working group representatives (section 6.4 of Business case).
77. There are a number of programme and cost risks associated with delivery of the project which are being mitigated by the inclusion of contingency in the estimates and by the establishment of a programme delivery structure to oversee successful delivery of all of the different component projects.
78. Demand is listed as a key risk noting that this will be uncertain until the services starts. This creates a risk that the available capacity is not fit for purpose (too high or too low). An impact of this risk is that the revenue and benefits may not be as great as assumed if demand does not meet expected projections which could lead to service viability concerns.
79. This risk has been mitigated by the commission of a demand survey and a peer review of the information available. Additional carriages are being purchased which will allow them to be refurbished if demand exceeds supply. If the demand is significantly different than supply the formal review proposed prior to the 2021 Long Term Plans provides an opportunity to reassess the proposal.
80. In regard to the Rotokauri rail station where Council has some funding responsibility, there is low risk to Council if the service should be abandoned. The rail work and platform are Kiwirail assets paid for by government and they will remain in place for a future date. The majority of investment proposed to purchase land and establish park and ride is part of a bus based Public Transport facility in this location independent of rail.

Significance & Engagement Policy

Significance

81. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have medium significance.

Engagement

82. Community views and preferences are already known to the Council through consultation on the District Plan where the location of the new rail station in Rotokauri was determined and through consultation on the 2018-28 10-Year Plan where the start-up service was discussed, and funding was approved to enable the Rotokauri station to be established.
83. Further to the consultation carried out by Hamilton city Council the Waikato residents including Hamilton residents were consulted through the development of the Waikato Regional Council 2018-28 Long Term Plan.

Attachments

Attachment 1 - Level of Service

Attachment 2 - Projected Demand

Attachment 3 - Funding for the Operations

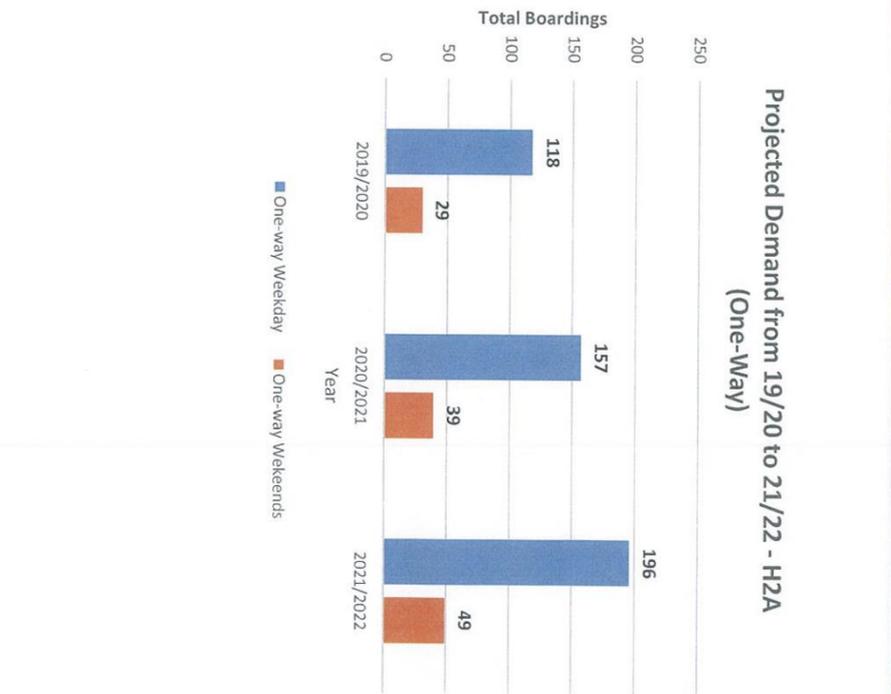
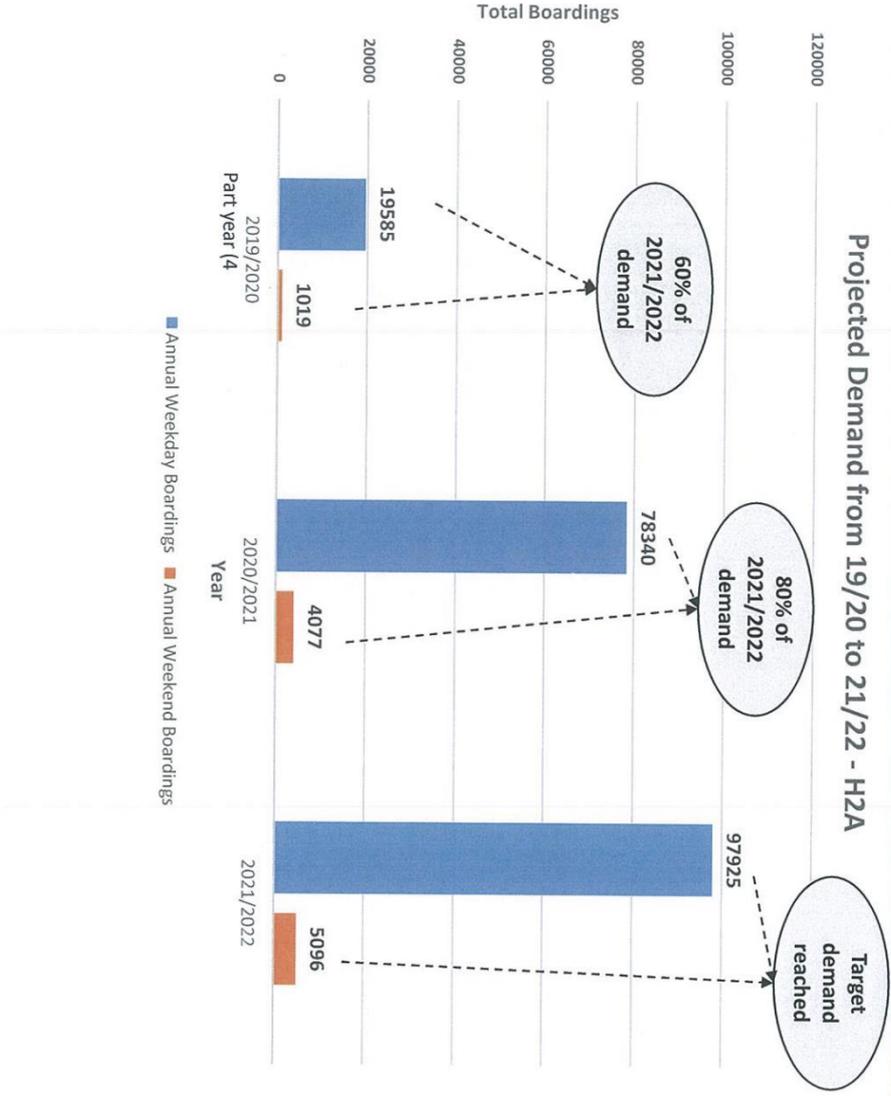
Attachment 4 - Park and Ride Site Plan

The following table provides a summary of the level of service:

| Hamilton to Auckland Passenger Rail Connections - Proposed start-up service proposal | |
|--|--|
| | |
| Service description (Stops) | <p>A start-up passenger rail service between Hamilton (Frankton Station) and Auckland (Papakura station), where passengers would be able to transfer onto the Auckland Metro rail network. The four proposed train stops are:</p> <ol style="list-style-type: none"> 1. Frankton 2. The Base 3. Huntly 4. Papakura |
| Service level | <p>Two daily return commuter services on weekdays A single return service on Saturdays (first three years) and Sunday/Public Holidays (late 2023)</p> |
| Rolling Stock | <ul style="list-style-type: none"> • 3 refurbished Suburban Driving (SD) units • 8 refurbished Suburban Auckland (SA) units • 2 non-refurbished SA carriages • 3 DFb locomotives |
| Total seating capacity | <p>150 seated passengers with a 4-cars service 200 seated passengers with a 5-cars service</p> |
| Estimated Journey time | <p><u>Frankton to The Base:</u> 8 min <u>The Base to Huntly:</u> 23 min <u>Huntly to Papakura:</u> 57 mins Total journey time of 88 minutes to Papakura and 2 hours and 30 minutes to Britomart (2.22 hrs from The Base). – AM services (all station transfer/dwell times included)</p> |
| Future Stops | <p>Potential stops that could become operational 5-15 years from now are:</p> <ul style="list-style-type: none"> • Ngaruawahia • Te Kauwhata • Tuakau • Pokeno • Hamilton City Central • Ruakura |

| | | | | | |
|---|---|---|--------------------------|--------------------------|--------------------------|
| <p>On-board features</p> |  | | | | |
| <p>Ticketing and Fares</p> | <p>The three ticketing options included in the SSBC are:</p> <ul style="list-style-type: none"> • Paper Based • Waikato Integrated Ticketing Solution (Former Busit card) • AT HOP <p>WRC's Staff and the SSBC preferred option is the WITS. As such, the WRC zonal fare rules, policies and values were followed to identify the one-way fare values to Papakura.</p> | | | | |
| <p>One-way Fares based on AT and WRC zonal fare system</p> | <p>Origin/Destination Fare Matrix</p> | <p>Hamilton (Frankton and The Base)</p> | <p>Huntly</p> | <p>Papakura</p> | <p>Britomart</p> |
| | <p>Hamilton (Frankton and The Base)</p> | | <p>\$4.00 (3 zones)</p> | <p>\$12.20 (7 zones)</p> | <p>\$18.40 (9 zones)</p> |
| | <p>Huntly</p> | <p>\$4.00 (3 zones)</p> | | <p>\$7.80 (5 zones)</p> | <p>\$14.00 (7 zones)</p> |
| | <p>Papakura</p> | <p>\$12.20 (7 zones)</p> | <p>\$7.80 (5 zones)</p> | | <p>\$6.20 (3 zones)</p> |
| | <p>Britomart</p> | <p>\$18.40 (9 zones)</p> | <p>\$14.00 (7 zones)</p> | <p>\$6.20 (3 zones)</p> | |

Start-up passenger rail: Projected Demand

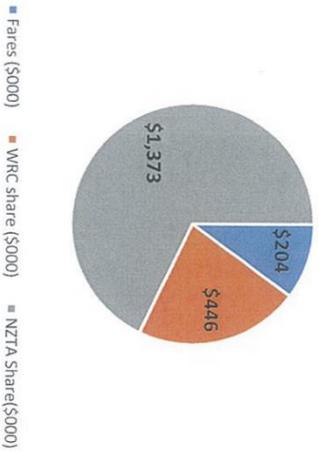


Funding for the Operations

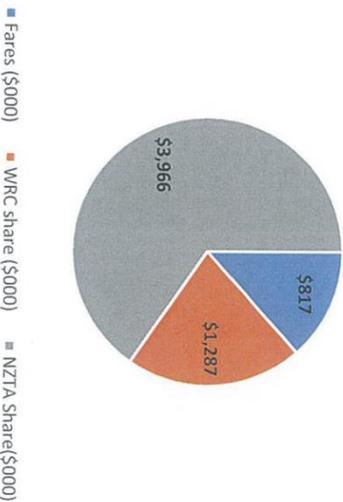
Assumptions made:

- Demand is assumed as presented in the November Council Report.
- FAR received is of 75.5% and WRC will fund the shortfall at 24.5%.
- Total OPEX is as presented in the Council report with an additional \$250,000 for additional costs (as presented in Appendix 2 of Council report).

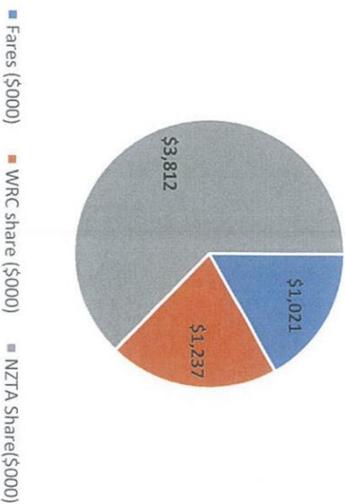
2019/2020 (part year) Funding Shares (Annual \$'000)



2020/2021 Funding Shares (Annual \$'000)



2021/2022 Funding Shares (Annual \$'000)



Council Report

Committee: Growth and Infrastructure Committee
Date: 06 December 2018

Author: Hannah Windle
Authoriser: Blair Bowcott

Position: Programme Manager - Special Projects
Position: Executive Director Special Projects

Report Name: Hamilton to Auckland Corridor Plan Update

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

Purpose

- To inform the Growth and Infrastructure Committee on the development of the Hamilton to Auckland Corridor Plan (Corridor Plan).

Staff Recommendation

- That the Growth and Infrastructure Committee:
 - receives the report;
 - notes that the direction of the Hamilton to Auckland Corridor Plan is supportive of the resolutions of the [11 October 2018](#) Council Meeting regarding the Greater Hamilton Growth Strategy;
 - notes that the Hamilton to Auckland Corridor Plan will be considered by the Governance Group of Ministers, Mayors and Chairs on 14 December 2018, with Hamilton City Council represented by the Mayor and Councillor Macpherson; and
 - notes that the Hamilton to Auckland Corridor Plan key findings and key recommendations, including associated implications for the Futureproof Growth Partnership, will be reported for consideration and approval to the Growth and Infrastructure Committee on 12 February 2019 (subject to Governance Group endorsement on 14 December 2018).

Executive Summary

- The Hamilton to Auckland Corridor Plan development has been progressing consistently with the presentation to Members at the 4 October 2018 Elected Member Briefing.
- The Corridor Plan recognises the importance of the Hamilton-Waikato metropolitan area and its links to the Auckland metropolitan area.
- The Corridor Plan will outline a series of initiatives to pursue in 2019 that are closely aligned with the intent of the Greater Hamilton Growth Strategy Council report of 11 October 2018.

6. The latest summary of the Corridor Plan is not available at the time of completing this report as the steering group are still finalising content. The Growth and Infrastructure Committee will be provided with an updated summary of the project, including key findings and key recommendations on 6 December 2018.
7. A Governance Group meeting will be held on 14 December 2018 to endorse the draft Corridor Plan and make a series of recommendations to each Council to consider and for the Minister of Housing and Urban Development, and Transport to report to Cabinet.
8. Partnerships and collaboration are critical success elements for the future delivery of the Corridor Plan. Repurposing existing structures is also key to making fast progress. With this in mind, the Futureproof Growth Partnership is proposed to be updated with a new governance and executive/technical structure to become the primary delivery mechanism for the Corridor Plan from 2019. The proposal that will be considered is that Futureproof is expanded with an invitation to include Central Government representation (Government Ministers) and Auckland Council at both Governance and executive/technical levels. The current resourcing would be reviewed in due course to ensure it is appropriate to deliver on the relevant key transformational initiatives.
9. The Futureproof Implementation Committee will consider the proposed changes to its structure on 5 December 2018, ahead of the Corridor Plan Governance Group meeting on 14 December 2018.
10. The key findings and recommendations from the Governance Group meeting and Futureproof Implementation Committee will be reported to the Growth and Infrastructure Committee on 12 February 2019 for consideration and approval.
11. Staff consider the matters in this report have medium significance and that the recommendations comply with the Council's legal requirements.

Background

12. As part of the Government's Urban Growth Agenda and focus on spatial planning, the Hamilton to Auckland Corridor Plan is currently under development through a partnership between Central Government, Local Government and Iwi.
13. The Corridor Plan is a transformational piece of work to plan for growth over the long term. The Plan aims to better support growth and increase connectivity within the Hamilton to Auckland corridor while improving housing affordability and choices, improving access to employment, services and amenities, and creating new employment opportunities. The Corridor Plan builds on the thinking and planning of Futureproof, Hamilton Urban Growth Strategy, Auckland Development Strategy, Government Urban Growth Agenda and other Crown-local authority partnerships and programmes.

14. Its purpose is to develop an integrated spatial plan, and to establish ongoing growth management partnerships for the transport corridor between Hamilton and Auckland, by:
 - Identifying and accelerating transformational opportunities;
 - Outlining key housing, employment, social, environmental and network infrastructure priorities for the corridor over the long term to successfully accommodate growth and address levels of service, remedial or renewal needs;
 - Identifying planning, development, infrastructure, mitigation and restoration works required, and funding and legislative projects partners may take over the short, medium and long-term.
15. The Greater Hamilton Growth Strategy report to Council on [11 October 2018](#) provided an outline of the Corridor Plan and its progress, and Councillors were given an opportunity to workshop the key themes of the Corridor Plan on 4 October 2018.
16. The project's Governance Group, attended by Mayor King and Councillor Macpherson, has held meetings in February and June of this year, with an additional meeting held with the Minister of Housing and Urban Development, and Transport (Hon Phil Twyford) on 1 October 2018.
17. The draft Corridor Plan is being presented to the Governance Group for endorsement on 14 December 2018, along with recommendations for an ongoing partnership model and priority projects.
18. Following Governance Group endorsement, each Council will need to consider the Corridor Plan and associated key findings and recommendations.
19. The Minister will also need to update Cabinet to seek ongoing support post the Governance Group meeting. We are not expecting any difficulties, but this is an important consideration for all stakeholders. Cabinet have been appraised to date of the Corridor Plan.
20. A copy of the draft Corridor Plan material will be circulated to councillors for information as soon as it is available for the Governance Group meeting.

Corridor Plan Development and Content

21. HCC staff have been closely involved in the development of the Plan, through membership on the Project Steering Group, participation in workshops, and at a technical level in writing content.
22. At a high level, the Corridor Plan reinforces the importance of the two growing metropolitan areas of Auckland and Hamilton (and their surrounds) at each end of the Corridor, and opportunities for targeted growth and regeneration in the townships in between.

23. A high level executive summary of the draft Corridor Plan is outlined below:

| | |
|---|---|
| The corridor is a key asset for its people and the region... | 1. The corridor is a key natural, social, economic, cultural and physical infrastructure asset for the Upper North Island and indeed New Zealand, where rural and urban communities are braided together by significant natural, transport, marae and recreational networks. |
| ...with significant long-term development potential ... | 2. There is significant housing and employment growth potential in the <i>Drury-Paerata-Pukekohe-Tuakau-Pokeno</i> cluster in the north, and in the larger Hamilton area that stretches from Ngaruawahia in the north to Cambridge and Hamilton airport in the south. |
| ... but also enduring limits to growth and with immediate needs . | 3. Some of the 'river communities' have more limited population growth potential due to enduring natural constraints; however, all of them have potential and imperatives for revitalisation and more limited targeted development. |
| Successful development will require investment ... | 4. The full realisation of development potential will require supporting investments in social and network infrastructure and services of which water, wastewater, flood, drainage and a range of new regional, metro and intercity public transport services improvements will be key. |
| ... as well as new tools, partnerships and approaches . | 5. There is opportunity for increased scale and/or pace of housing and employment development in several key locations, but new planning approaches, partnerships and delivery tools will be required to realise such potential and need. |

24. The project is moving at pace, with changes being made leading up to finalising the content for the 14 December 2018 Governance Group Meeting. This report has been written utilising information at a point in time and a recent presentation is attached in Appendix 1 outlining the Corridor Plan key elements. The Committee will be provided with an updated summary of the project, including key findings and key recommendations on 6 December 2018, as the material in Appendix 1 is not what will be considered by the Governance Group.

25. At this point in time, the Plan has identified three distinct spatial areas all with different opportunities and challenges - *the Papakura-Pokeno Corridor* in the north, *the river communities*, and *the Hamilton-Waikato Metro area*.

26. These are supported by two overarching themes of *Stronger Corridor Connections*, and *New tools and options* to unlock the potential of the corridor.

27. Across these, a series of transformational initiatives have been identified that will deliver on the Plan's purpose. These initiatives cannot be delivered by business as usual and will require enhanced partnerships to deliver them.

28. The transformational initiatives most relevant to Hamilton are the development of:

- A joint Council-Crown-Iwi Metropolitan Spatial Plan for Hamilton and the surrounding area**

This is an opportunity for alignment and to create a mechanism to give greater certainty to investors (both public and private) about the likely shape of future development for the Hamilton-Waikato Metropolitan Area and agree the type, scale, timing or location of investment decisions. A spatial plan of this type would provide a high level, forward looking metropolitan scale direction to other planning and investment initiatives and to better co-ordinate activities that are critical for delivering an agreed strategic direction.

The Metro Plan will articulate a long-term vision for Metropolitan Hamilton and its role within the Upper North Island and provide a road map for future detailed planning and investment. This is aligned to the development of the Greater Hamilton Growth Strategy which Council has approved.

- **A Mass Transit Plan**

There is an opportunity to develop a Mass Transit Plan for the Hamilton Waikato Metro Area that supports the wider Metro Spatial Plan. A Mass Transit Plan will set the framework for a future mass transit-based transport system. The plan will identify the corridors and development nodes or interchanges that they connect. The mass transit routes will support a significant step-change in the pace and potential density of activity that can occur at these nodes, and so alignment with spatial planning for where development density is desired is critical. Once this long-term vision and key corridors are set, the rest of the transport system, particularly the public transport and active modes networks, can be re-aligned in support. In the short term, new options for funding and delivering protection of future corridors for the mass transit network will be required.

- **A Water and Wastewater sub-regional study,**

This initiative will provide critical technical information to underpin 3-Waters infrastructure investment decisions across the sub-region. The parties involved in the Corridor Plan recognise that addressing 3-Waters Infrastructure challenges is key to supporting our existing communities and unlocking the growth potential of the Corridor (and the Metro area) in a sustainable and integrated way that delivers greater environmental outcomes, community benefits and overall efficiencies. The investigations will have a focus on water and wastewater systems and will inform critical infrastructure investment decisions needed over the next 24 months and beyond. The investigations will identify candidate projects to showcase and pilot tools that emerge from the Governments 3-Waters Review that can be implemented immediately.

- **An Intercity rail service with staged improvements over time**

The Corridor Plan has identified a phased approach to re-introducing inter-regional rail between Hamilton and Auckland, and work completed to date on the Corridor Plan has identified a start-up inter-regional rail service as a key enabler for the Corridor's envisaged transformation. In addition, planning for growth over the long term that will support inter regional rail (particularly in the vicinity of rail stops) is a core consideration of the Corridor Plan. Consideration of this service is also on today's agenda.

29. Material decisions in relation to these transformational initiatives will come back to council for consideration as each initiative progresses.

Partnerships

30. Strong and enduring partnerships for managing growth are essential to successfully deliver on the Corridor Plan.

31. The Futureproof Implementation Committee and the Governance Group will consider changes to the Futureproof partnership to incorporate the Corridor Plan. The changes are intended to refocus and refresh Futureproof and expand its membership. This is an outcome that Hamilton has advocated for.
32. The expanded Future Proof partnership has emerged from the recognition that the Corridor Plan requires a collaborative and enduring framework, and that it is easier to repurpose and build on an existing partnership than start again, especially with the extensive and highly valued Iwi relationships that are part of the Futureproof structure.
33. The proposal that will be considered is that Futureproof is expanded with an invitation to include Central Government representation (Government Ministers) and Auckland Council at both Governance and executive/technical levels. The current resourcing would be reviewed in due course to ensure it is appropriate to deliver on the relevant key transformational initiatives.
34. There would be no change to the Hamilton representation on the Future Proof Implementation Committee.
35. The changes to incorporate the primary focus of delivering the Corridor Plan will be discussed at the Future Proof Implementation Committee meeting on 5th December 2018 and the Governance Group on 14 December 2018. Any recommendations relating to the Partnerships for the Corridor Plan, including proposed changes to Futureproof will come back to the Growth and Infrastructure Committee on 12 February 2019 for approval.

Financial Considerations

36. The total budget for the Corridor Plan development for the current year is \$70,000, funded by Central and Local Government, of which \$30,000 was contributed by Futureproof on behalf of the four councils and Tainui. The remaining \$40,000 was contributed by NZTA, MBIE and Auckland Council along with extensive specialist staff support from NZTA and MBIE.
37. HCC's commitment to date has been through staff time and via the Futureproof contribution.
38. Any future funding and resourcing for implementation of the Plan will need to be brought back to council for consideration, however it is the intention to utilise existing budgets and staff resources wherever possible to progress this opportunity.

Legal and Policy Considerations

39. There are not considered to be any legal or policy implications at this stage.

Cultural Considerations

40. Iwi are project partners and are represented on both the Governance and Steering Groups. This includes Waikato Tainui and other Iwi with an interest in the North Waikato and South Auckland area.

Sustainability Considerations

41. The Corridor Plan is underpinned by a number of principles which relate to sustainability, including, that future urban development should;
- contribute to the restoration and protection of the Waikato and Waipa Rivers and indigenous biodiversity within the corridor;
 - recognise resource management issues that are of national significance;
 - protect high quality soils for growing food;
 - anticipate the transition to a low-carbon future, build climate resilience, and avoid increasing the impacts and residual risks of natural hazards;
 - be more transit and public transport-oriented.

Risks

42. The Corridor Plan has benefited from strong Minister and Government agency support to date. Maintaining that support and commitment through the enduring partnership model (proposed as the repurposed Futureproof) is important, especially as the initiatives from the Corridor Plan are pursued in 2019. This support is also critical as we pilot and seek to utilise new planning, funding and financing tools to advance high quality, urban development.
43. Resourcing for implementation is anticipated to be through existing budgets and staff, however there are still unknowns as to what will be required and by whom.
44. The implementation of the Corridor Plan is reliant on new planning, funding and financing tools becoming available.
45. The Corridor Plan is a non-statutory document and requires the alignment of multiple parties to deliver on its outcomes. Consultation may occur in 2019 on elements of the Corridor Plan which will give it a higher level of weighting. Consideration will also need to be given as to whether initiatives are referenced in existing statutory planning documents.
46. The potential for a change in Government in 2020 means that the Corridor Plan and the long-term growth initiatives it outlines needs to be enduring.

Significance & Engagement Policy

Significance

47. Having considered the Significance and Engagement Policy, staff have assessed that the matters in the report have medium significance, however the implementation of the Corridor Plan key initiatives may have a higher significance should they progress.

Engagement

48. Community views and preferences are already known to the Council through existing planning documents and processes, and this has been fed into the development of the Corridor Plan.
49. It is likely that there will be specific consultation and engagement undertaken on a project-by-project basis as the key initiatives are implemented.

Attachments

Attachment 1 - Hamilton to Auckland Corridor Plan - Presentation to Property Council - 27 November 2018

The Hamilton-Auckland corridor plan and partnership

Special briefing to Property Council members, 27 November 2018

Presentation objective

To share and seek feedback on the emerging direction of the Hamilton-Auckland corridor plan

Contents

1. Background concerns
2. Introduction to this project
3. Emerging direction, for feedback
4. A joint spatial plan for the Hamilton-Waikato metropolitan area



1. Background

ACROSS NZ WE ARE STRUGGLING TO DELIVER AT THE REQUIRED PACE AND SCALE

The reasons are (of course) complex but it seems to boil down to 7 key factors:

1. High input costs (land, labour, supplies, materials).
2. Low productivity, especially in the housing sector.
3. Low financial/equity/funding capacity in the local government, housing construction and residential developer sectors, while central government funding systems have a conservative bias that leads to under-investment.
4. Lack of collaboration and integration between many key delivery agencies, including sharing of innovative solutions and proven practices
5. A misallocation of risks and rewards between the Crown, Council and private sector entities.
6. A capability and capacity shortage across many agencies and firms at planning, commissioning, project management and construction stages.
7. Market-led versus plan-led residential development which is forcing infrastructure investment to be spread too thinly across region.

INCREASING PACE AND SCALE REQUIRES SOME FUNDAMENTAL CHANGES...

1. Establishing consensus around the shared **spatial plan and shared priorities** e.g. *the corridor partnership and priorities* (refer below)
2. Significantly **better integration and coordination** of planning, programming (the pipeline of work), procurement and delivery e.g. *the corridor programme*
3. Increased **funding and financial** tools and certainty to agencies and developers - to help unlock development potential (refer below)
4. Urgently **scaling up** in many key areas: land, labour, materials, organisational capacities (refer below)
5. A much higher degree of **standardisation** of key processes (including business case development), procurement, programme management – and the actual housing or infrastructure solutions
6. Shifting some **risk and liability** from Council to the Crown and private sector, to better match returns from growth
7. **Organisational strategies and cultures** that incentivise, support and drive towards delivery at pace and scale
8. **More streamlined decision-making** e.g. address slow internal decision-making due to risk aversion and centralisation (low level of delegation) and ‘gatekeeper’ or ‘sweat the detail’ personalities , and ‘daisy chain’ decision-making processes



2. Introduction/overview to this initiative

Why? *What is the objective?*

To better support growth and increase connectivity in a way that realises its social, economic, cultural and environmental potential by...

1. Improving housing affordability and choices
2. Enhancing the quality of the natural and built environments and the vitality communities
3. Improving access to employment, public services and amenities.
4. Creating employment opportunities.

28/11/2018

1

What are some of the particular strategic drivers?

Growth management that is more agile and responsive to demand ,yet clear and firm in its long term intentions to protect key corridors, public open spaces and sensitive locations

More transit-orientated and connected land use and travel patterns

More responsive and timely provision of infrastructure so that growth and development does not result in a reduction of services

Increased pace and scale in the realisation of transformational opportunities through the application of innovative new tools, thinking and approaches.

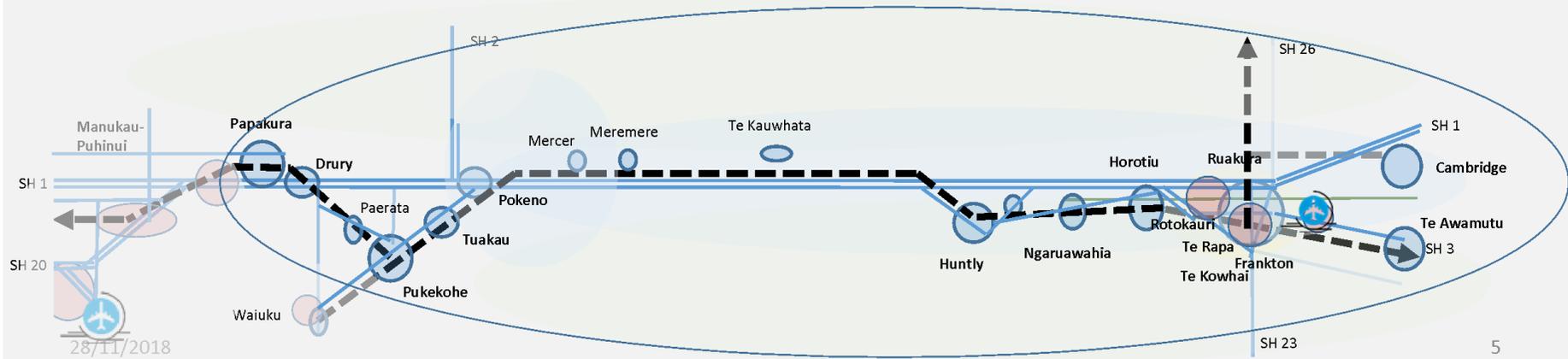
Where? *Why focus on the Papakura to Cambridge/Te Awamutu corridor?*

Its significant: In terms of size, volume and value, this is New Zealand's most significant transport and river corridor

Its unique: The location of more than 17 communities between Papakura and Cambridge (most with growth potential) along two parallel 'trunk' road and rail networks between is unique in a NZ and Australian context

Its dynamic: The corridor connects two of New Zealand's fastest growing urban areas through area of high natural and cultural importance and value.

It has the right leadership culture: Councils and mana whenua along the corridor have a history of being willing to collaborate on land use and infrastructure planning.



Why now? *What are some of the key antecedents and opportunities to influence?*

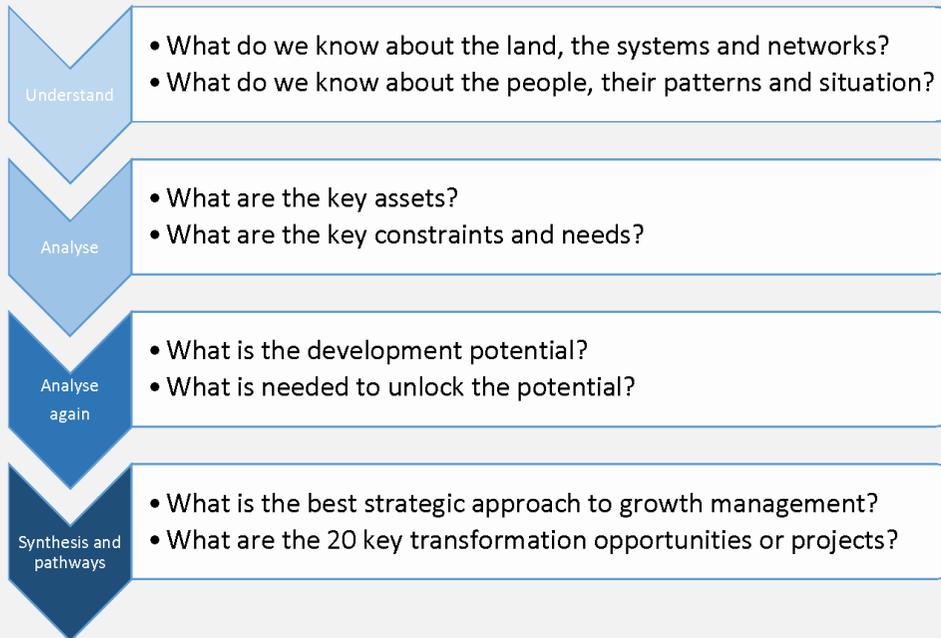
Attachment 1

Item 10

| | | | |
|--|--|--|--|
| NEW Government's Urban Growth Agenda | | | |
| IN DEVELOPMENT/NEW: Tools and opportunities to accelerate pace and scale, including KiwiBuild, Urban Development Agenda, and funding & financing of infrastructure | | | |
| IN DEVELOPMENT: national policies to increase protection of highly productive soils; promote urban intensification; more transit orientated development; transition to low carbon economy; greater access to employment, services | | | |
| NEARING COMPLETION Southern Motorway widening and Waikato Expressway NEW focus on rail freight and rail passenger services and infrastructure; interim rail business case | | | |
| COMPLETED: Auckland Development Strategy | | UNDER REVIEW: Waikato FutureProof Development Strategy <i>BEING COMPLETED:</i> Capacity Assessment under the National Policy Statement on Urban Development Capacity | |
| IN PROGRESS: Supporting Growth transport planning in southern part of Auckland | | NEW: Hamilton-Waikato metro area mass transit plan | |
| IN PROGRESS: Structure planning for Drury-Opaheke, Paerata-Papakura | | IN PROGRESS: Blueprints and Plan reviews for Tuakau Pokeno, Meremere, Huntly, Ngaruawahia | IN PROGRESS: Hamilton growth strategy |
| | | TO BE REVIEWED: Cambridge west planning | |
| | | NEW: Three waters solutions review | |
| | | KEY INFLUENCE: River restoration strategies | |
| COMING SOON: location of new regional hospital | | | |



How? *What are the key questions to answer?*



What are the key principles being applied?

- Create a platform for the future that will change lives
- Make efficient use of existing infrastructure and future infrastructure funding, design and delivery.
- Protect high quality soils for growing food
- Contribute to the restoration and protection of the Waikato and Waipā Rivers and indigenous biodiversity within the corridor
- Anticipate the transition to a low-carbon future, build climate resilience, and avoid increasing the impacts and residual risks of natural hazards.

7



What? *What will be delivered?*

The spatial planning pillar of the Government’s Urban Growth Agenda aims to establish more effective growth management systems for targeted geographic areas through.....

STRONG, ENDURING PARTNERSHIPS

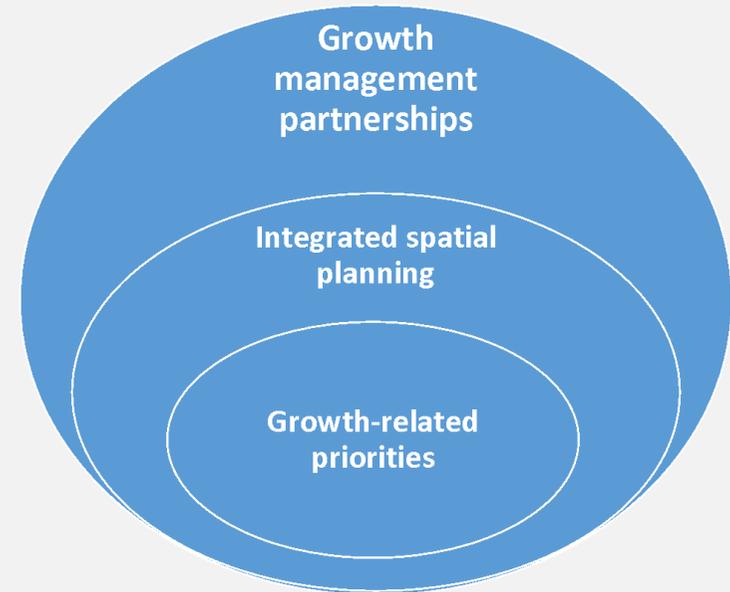
New growth management partnerships that integrate and coordinate forecasting, planning, programming and delivery to successfully support growth at pace and scale.

JOINT SPATIAL PLANNING

Joint central-local government and iwi spatial planning that facilitates the market to deliver on desired outcomes through more competitive land markets as well as other means.

TRANSFORMATIVE PROJECTS

Shared priority projects at scale that use the strong and enduring partnerships to realise transformational opportunities - in line with the joint spatial planning.





When? *What are the key dates?*

- May 2018: Cabinet agrees to the project
- June 2018: Initial terms of reference agreed
- August 2018: Officials from 29 agencies hold workshop in Tuakau to develop first concepts
- September 2018: Wider introduction of the initiative; feedback on first concepts; further analysis
- **By December 2018:** Report back to Minister, Mayors and Chairs
- **2019 onwards:** Recommendations being implemented

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9



With whom?

The proposal being developed is for a strong, enduring partnership between...

- **Local government** (Waikato Regional Council, Waipa District Council, Hamilton City Council, Waikato District Council and Auckland Council)
- **Mana whenua** (Waikato Tainui, Pare Hauraki, Te Ahiwaru, Te Kawarau ā Maki, Ngai Tai ki Tamaki, Ngati Te Ata, Te Akitai Waiohua, Ngati Tamatera, Ngati Whanaunga and Ngati Maru)
- **Crown**, represented in the first instance by the Ministry of Housing and Urban Development, NZ Transport Agency, Ministry of Transport, Ministry for the Environment and NZ Treasury.

There are also other key agencies (refer box on right) and stakeholders that will be closely involved, including large land owners, local boards etc.

SOME OF THE OTHER AGENCIES PARTICIPATING

| |
|-----------------------------------|
| ATEED |
| Auckland Transport |
| Auckland Regional Public Health |
| Counties-Manukau DHB |
| Department of Internal Affairs |
| Department of Conservation |
| Housing NZ |
| Kiwirail |
| MBIE |
| Mercury |
| Ministry of Education |
| Ministry of Social Development |
| Northern Regional Health Alliance |
| Panuku Development Auckland |
| Te Puni Kokiri |
| Te Waka |
| Transpower |
| Waikato DHB |
| Watercare |
| Waikato Electricity (WEL) |



3. Emerging direction

| | |
|---|--|
| <p>The corridor is a key asset for its people and the region...</p> | <p>1. The corridor is a key natural, social, economic, cultural and physical infrastructure asset for the Upper North Island and indeed New Zealand, where rural and urban communities are braided together by significant natural, transport, marae and recreational networks.</p> |
| <p>...with significant long term development potential...</p> | <p>2. There is significant housing and employment growth potential in the <i>Drury-Paerata-Pukekohe-Tuakau-Pokeno</i> cluster in the north, and in the larger Hamilton that stretches from Ngaruawahia in the north to Cambridge and Hamilton airport in the south.</p> |
| <p>... but also enduring limits to growth and with immediate needs.</p> | <p>3. Some of the ‘river towns’ have more limited population growth potential due to enduring natural constraints; however, all of them have potential and imperatives for revitalisation and more limited targeted development.</p> |
| <p>Successful development will require investment...</p> | <p>4. The full realisation of development potential will require supporting investments in social and network infrastructure and services of which water, wastewater, flood, drainage and a range of new regional, metro and intercity public transport services improvements will be key.</p> |
| <p>... as well as new tools, partnerships and approaches.</p> | <p>5. There is opportunity for increased scale and/or pace of housing and employment development in several key locations but new planning approaches, partnerships and delivery tools will be required to realise such potential and need.</p> |

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11

Item 10

Attachment 1



The corridor is a **key asset** for its people and the region...

A growing metropolitan centre with many tertiary institutions and facilities

High frequency EMU public transport services to Papakura

Growing employment and residential areas

Regional parks and good access to the Coromandel

Beautiful hills and water catchment areas

A four lane motorway and expressway, nearing completion

Two mighty rivers as sources of water and receptacles of rural and urban discharges

Highly productive farmlands

Sites of very high cultural and spiritual significance

A large network of Marae

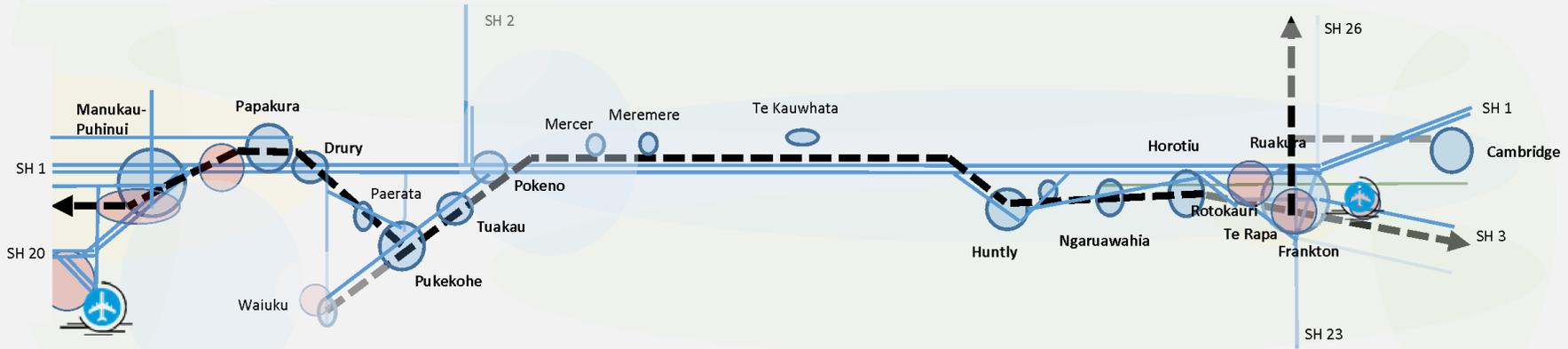
A well-developed roading network in Hamilton

Major tertiary health and education institutions and facilities

Eastern trunk line to Tauranga

Significant regional cycle ways

Good road and rail connections to Rotorua, Tauranga and Taupo and beyond



NZ's international gateway airport

A beautiful and significant harbour

Highly productive and nationally significant soils

The (near) double track Main Trunk Line

River delta and river lands with internationally significant wetlands and lakes

Major recreational facilities

A long and rich history

Good access to energy and telecommunication networks

A growing logistics hubs in Te Rapa, Horotiu and Ruakura

Well established business and industrial areas

A regional airport with business park

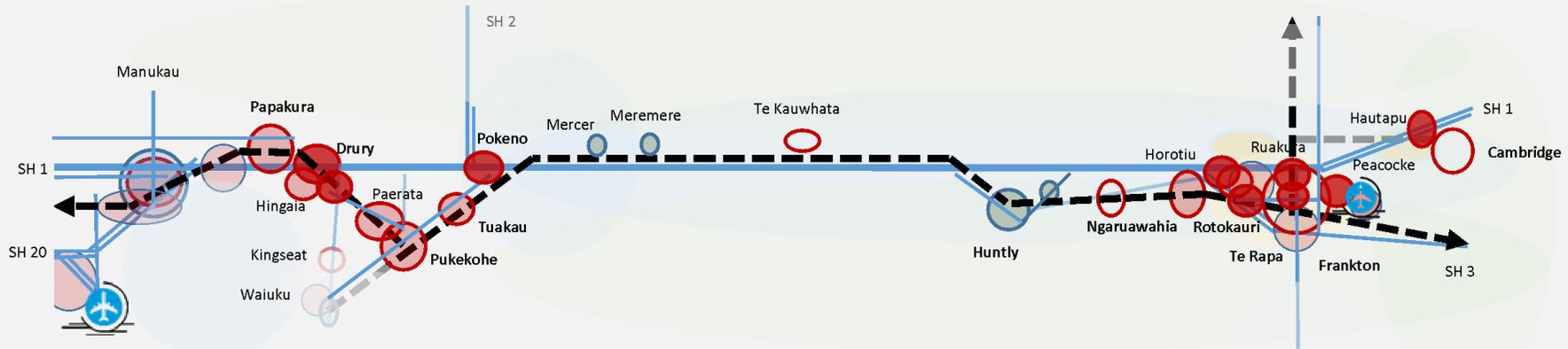
Access to beautiful western beaches

Good connections to Te Awamutu and beyond to Taranaki



...with significant long term **development potential**...

- Significant feasible housing and/or employment development potential
- Sizeable feasible development potential
- Potential to increase pace and scale of development beyond current planning or market expectations
- Strong social and economic imperatives and some opportunity for revitalisation and targeted development
- Current rural zoned land with likely strong future development demand



The Papakura-Pokeno string of rail facing towns has feasible development capacity in next 20 years in the range of 40-50k that could be potentially accelerated in areas such as Drury West, Drury East and Pokeno. Some of the short, medium and longer term potential is subject to the natural constraints and infrastructure capacity issues being addressed.

The River Towns all have potential and key opportunities for community-led revitalisation and targeted growth subject to various natural constraints and infrastructure capacity issues being addressed.

The emerging metropolitan area from Ngaruawahia to Cambridge and Hamilton airport has significant feasible development capacity (still being calculated) that could potentially be accelerated in areas such as Rotokauri, Ruakura, Peacocke, Hamilton South and Hamilton CBD. Some of the longer term potential is subject to infrastructure capacity issues being addressed e.g. Hamilton south, and north west/north east Hamilton.

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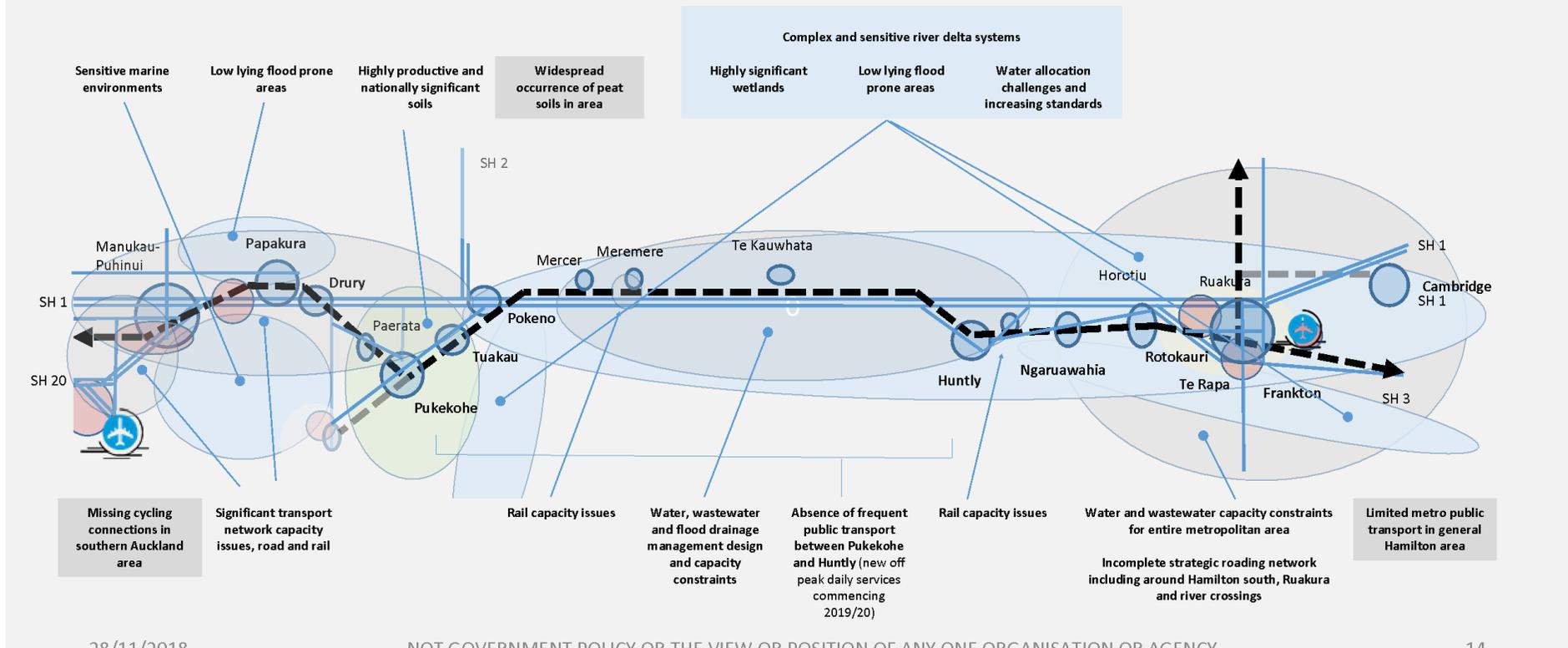
13



... but also enduring **limits to growth** and with **immediate needs**.

Attachment 1

Item 10



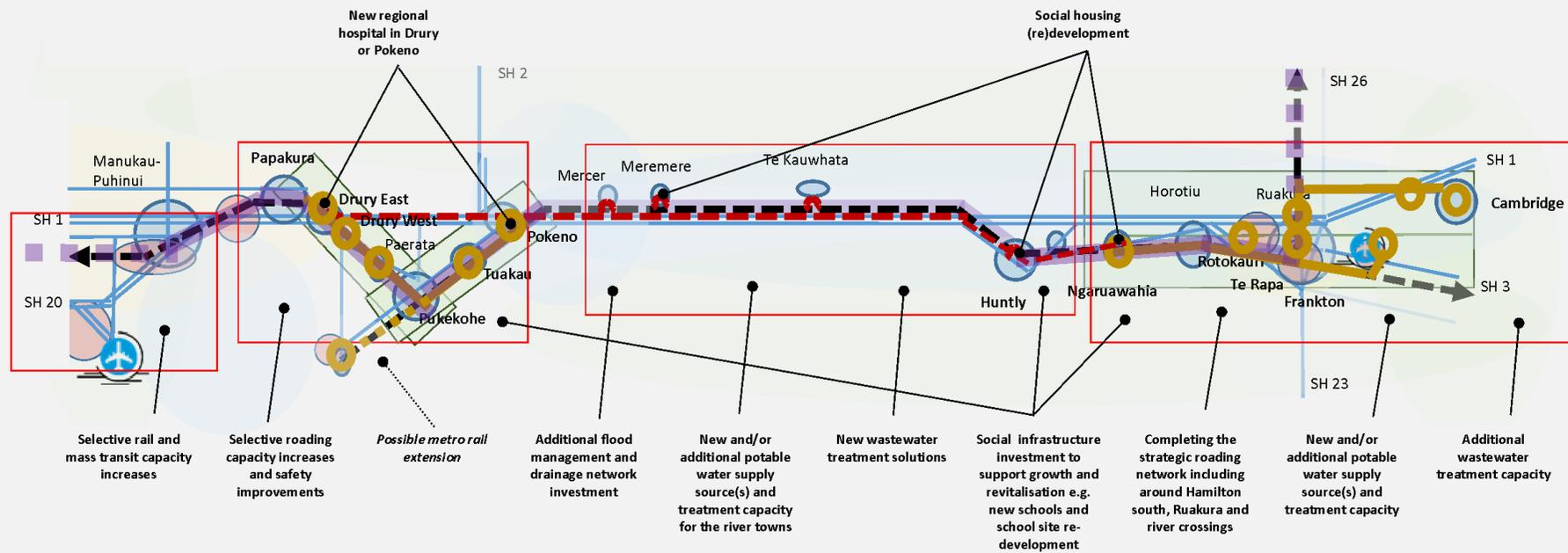
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14



Successful development will require **investment...**



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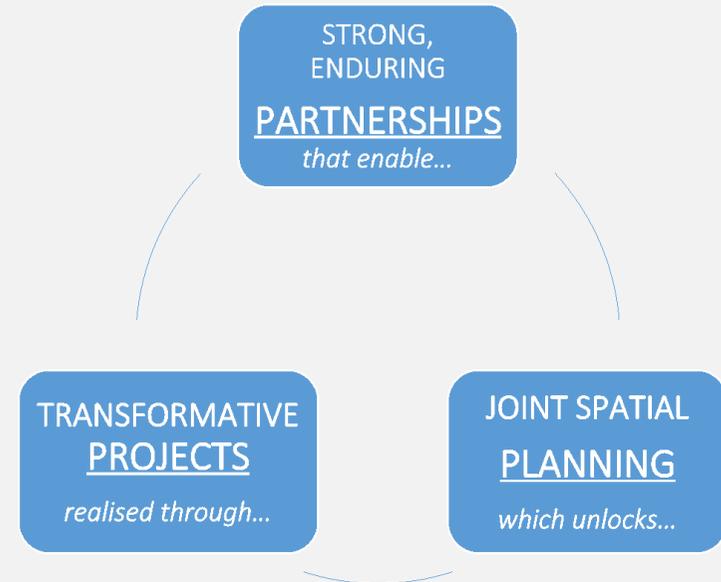
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15



... as well as **new tools, partnerships and approaches.**

- New funding and financing tools for developers and councils through the Urban Growth Agenda
- Increased Crown involvement to support pace and scale, including KiwiBuild, Urban Development Agency, Three Waters review
- Using the corridor spatial planning and partnerships to support, unlock and guide planned Crown investment in social housing, health and education facilities
- Linking the corridor planning and partnership to the plans and initiatives of Te Waka and exploring opportunities for attracting investment from the Provincial Growth Fund
- Applying new approaches to planning and land use regulation as these become available from the Urban Growth Agenda



Possible new funding financing tools: the challenge

Current system



- ▶ Most infrastructure is provided by local authorities
- ▶ Local authorities:
 - ▶ **finance** infrastructure by borrowing against their balance sheets (including infrastructure assets), and
 - ▶ **fund** infrastructure (repay the borrowings) using revenue such as general and targeted rates, development contributions, fuel taxes and service charges

Adverse outcomes



- ▶ Some councils are close to their maximum debt levels, creating a financial barrier to delivering new projects
- ▶ As a consequence of the existing funding and financing approach to local infrastructure, there are limited opportunities for private capital providers to invest in these infrastructure projects
- ▶ There are a long list of “unfunded” but economically positive projects that cannot proceed

Barriers to change



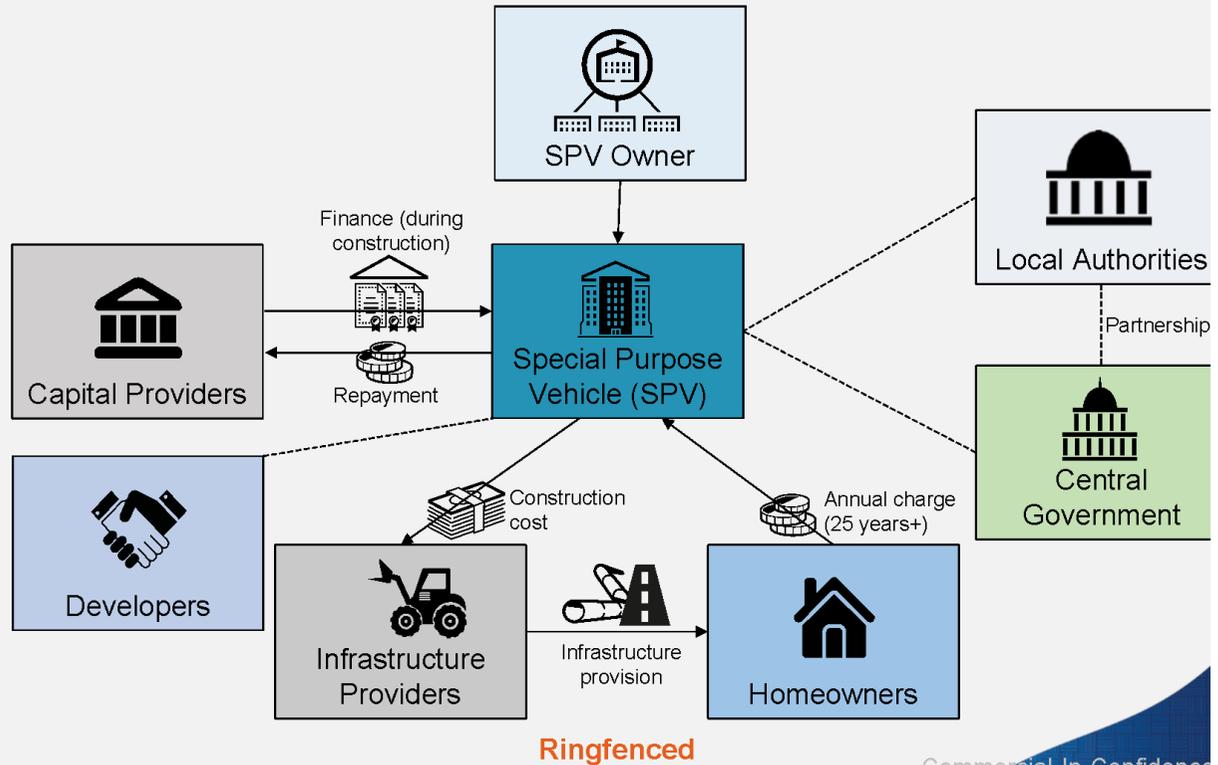
To discuss

- What are the major barriers to projects coming through or acceleration of projects
- What are the major barriers to changing the current system?
 - Technical barriers
 - Behavioural barriers

Commercial-In-Confidence
For Discussion Purposes

What alternative could financing look like...

-  A separate entity (the SPV) will borrow from capital providers to finance the cost of the infrastructure
-  Capital providers provide finance, with recourse limited to the project assets or the cash flows of the project
-  Finance during construction will be used to pay infrastructure providers (e.g. Watercare, local council, NZTA)
-  The SPV will impose an annual charge payable by the homeowner for the infrastructure provided over the life of the debt (25 years+)*
-  Local authorities will be involved in project planning and execution, but will not play a major role in funding the project
-  Developers are able to put forward projects for consideration. Developers take construction and funding risk.
-  Central Government may provide a Government Support Package to cover tail risks typically held by the public sector (e.g. last resort insurance)

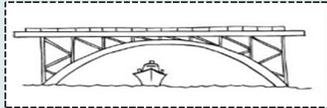


Ringfenced

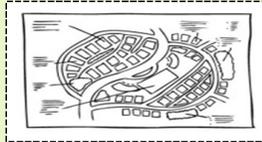
Commercial-In-Confidence
For Discussion Purposes

The new urban development agency: the challenges it addresses

Limited coordination



Fragmented land ownership in existing urban areas



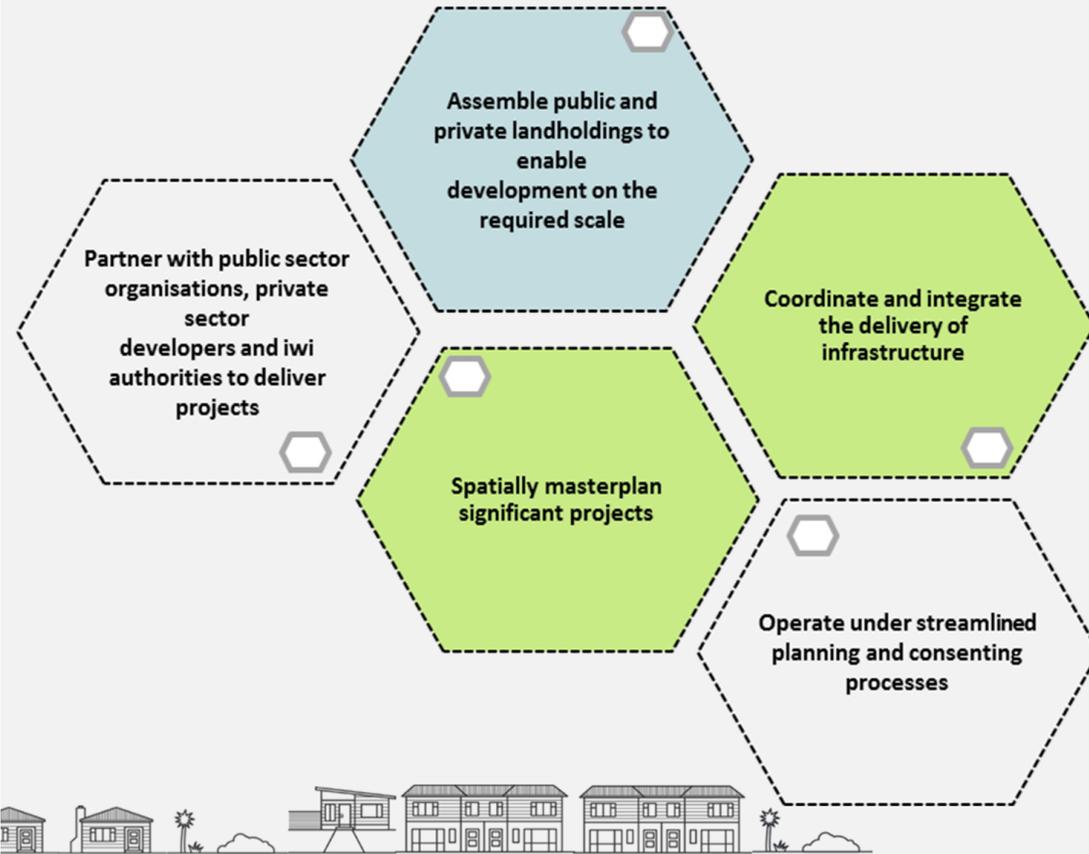
Limited ability for central government to take action in important projects



One size fits all development system



What will the UDA do?



Functions

The UDA will:

- Carry out a programme of large-scale, complex urban development in selected geographic areas
- Identify, prioritise and coordinate the various development projects required to deliver KiwiBuild and other Government commitments.

Powers

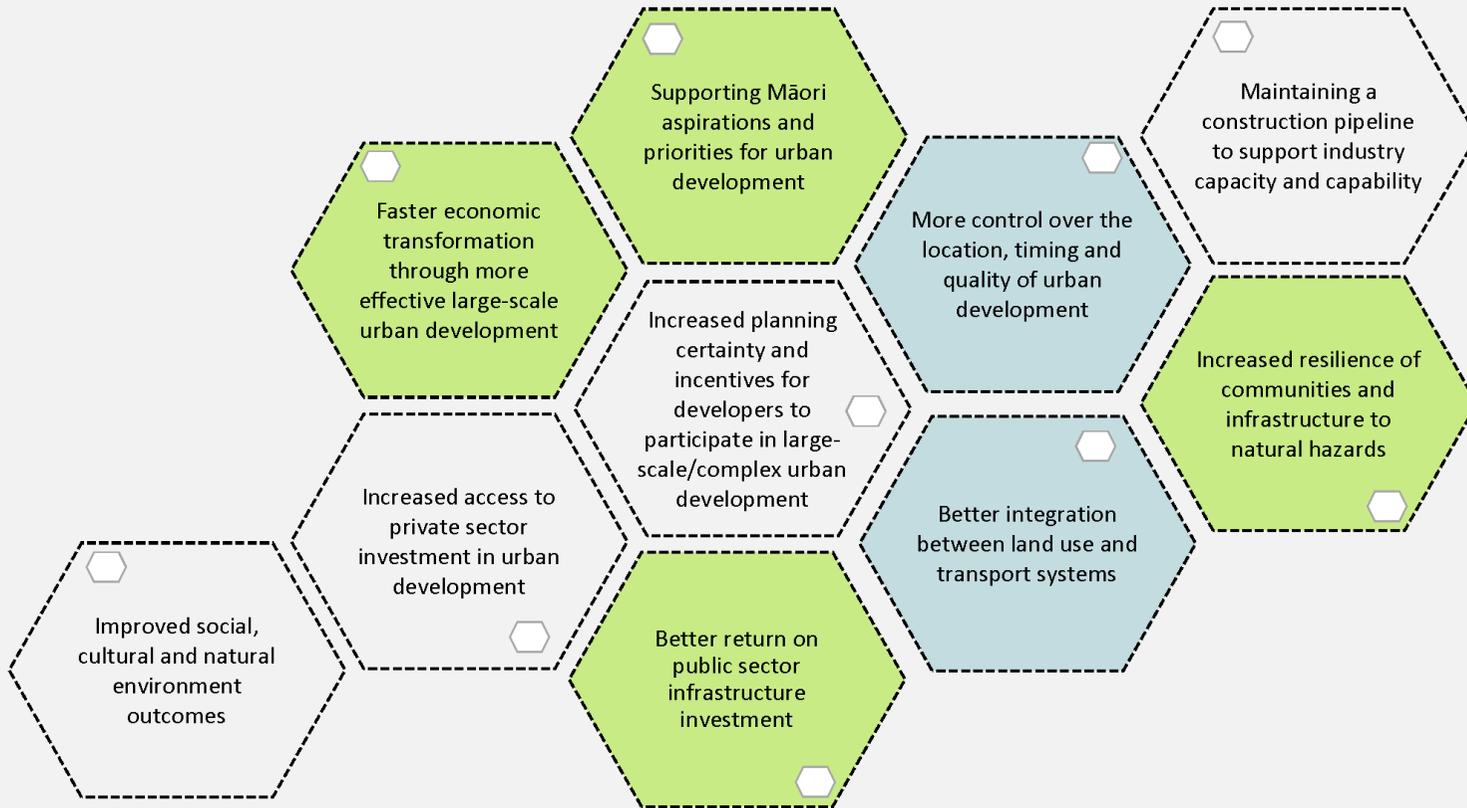
Land assembly

Planning and consenting

Infrastructure

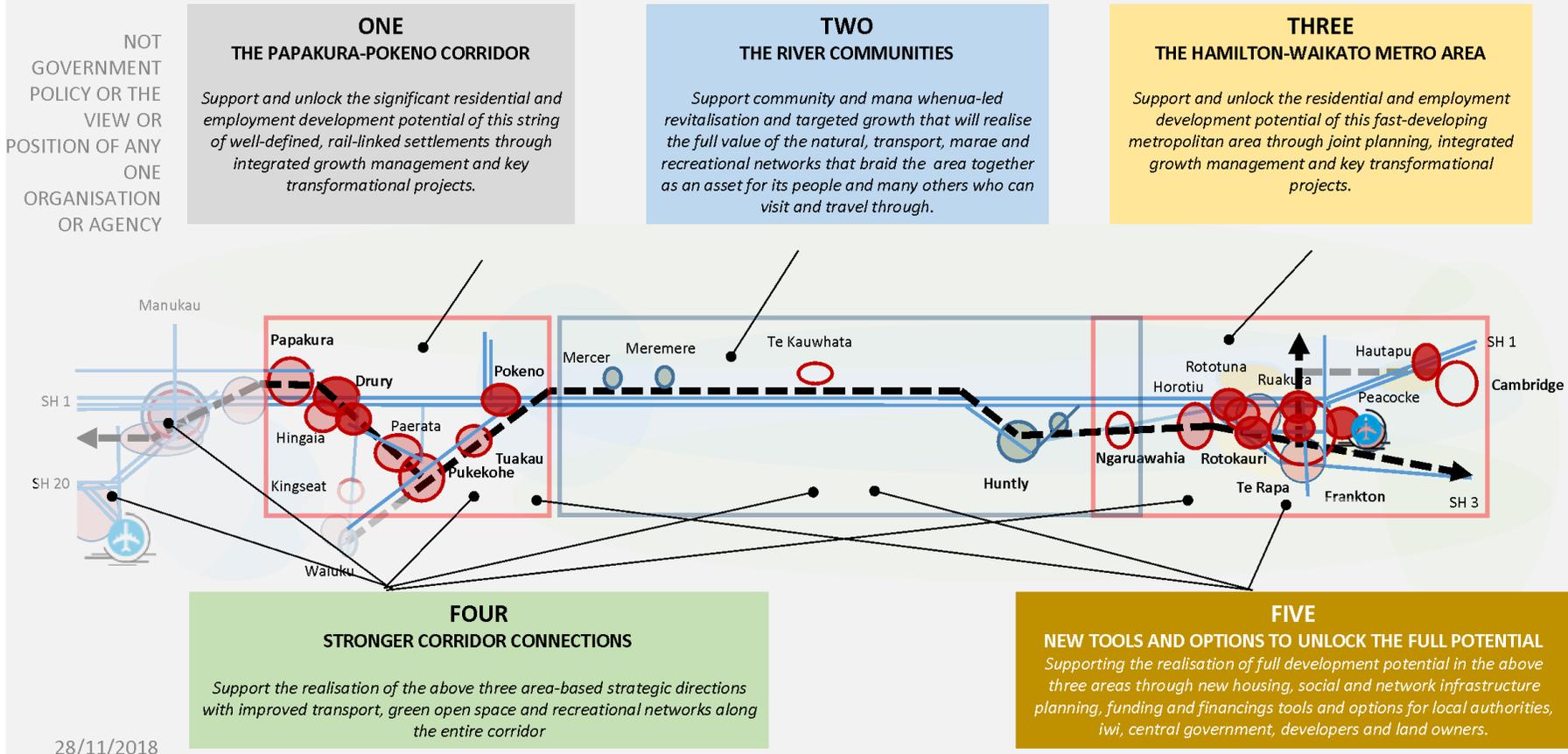
Funding

What will the UDA achieve?



The emerging five-part corridor development strategy

An analysis of the corridor's assets, constraints, opportunities, needs and requirements generate five possible focus areas





4. Proposed Initiative:

A joint spatial plan for the Hamilton-Waikato metropolitan area

What is the intent?

To develop a joint 'short & sharp' Council-Crown-Iwi spatial plan for the emerging metropolitan area that includes Ngaruawahia, Horotiu, Te Kowhai, Hamilton and surrounding villages, Hautapu, Cambridge, the airport precinct – and if analysis supports it, possibly also Te Awamutu. It would supplement the overall corridor plan as well as the spatial planning done by councils.



The possible area in scope



What would be the value add?

The area in the proposed scope is growing fast, and has considerable further growth potential.

And its not just Hamilton City that has high growth potential: Cambridge is expected to grow by almost 50% in the next 10 years from approximately 16,000 residents in 2018 to 24,000 by 2028, and Ngaruawahia plus surrounding areas could grow by an additional 4,500 people. The result could be an emerging metropolitan area that like Wellington sits across local government boundaries.

The plan would resolve (through in a enhanced partnership model that now includes the Crown) the long term desired overall urban form and the key development, infrastructure and service investment priorities. This will in turn support the delivery housing, network and social infrastructure at the required pace and scale.



What could be included in the metro plan?

1. 'No go' areas and areas for mitigating development impacts or restoring environmental qualities
2. Key future residential and/or commercial development areas
3. Key sites for new facilities and sites of metropolitan/regional significance
4. The desired future metropolitan transport networks, including a plan for mass transit (high frequency public transport travelling on a right of way)
5. The required water, wastewater, drainage and flood protection networks to support growth
6. Other strategically significant priorities for the region or corridor
7. Priority areas for investment including key transformational projects.

When could it be done by?

If agreed to, the actual metro plan could be drafted in 2019 to ensure its completed in time to pilot, apply and harness new funding, financing and urban development tools that should be available from start of 2020.

Would we have to start afresh?

No, a very substantial amount of land use planning has been undertaken by the Councils, and all that information (plus the information database developed for the corridor plan) would be drawn together.

Examples of such recent or current land use and infrastructure planning include:

- Current Long Terms Plans and Infrastructure strategies.
- The *FutureProof* strategy
 - *Future Proof* partners are now completing a Capacity Assessment under the National Policy Statement on Urban Development Capacity in 2018
 - The *Future Proof* partnership has also begun an exercise which focuses on the future three waters infrastructure needs and the land use configurations which will help these be delivered in a more efficient manner.
- Heads of Agreement and subsequent MOU for the south-western side of Hamilton City – between Peacocke’s and the Airport. The 2007 structure plan for the airport is being revised to better cater for both industrial development and expansion of airport related activities.
- The Waipa District Growth Strategy was refreshed in 2017 to cater for rapid growth. Its recognises, protects and enhances features that make the district a special place; sets a pattern for the future growth of settlements; and integrates growth with infrastructure provision for a more cost effective approach to development.
- The *Peacocke* and the *Ngaruawahia and Surrounds* structure plans are further examples of important local land use planning.

Council Report

Item 11

Committee: Growth and Infrastructure Committee

Date: 06 December 2018

Author: Tahl Lawrence

Authoriser: Chris Allen

Position: Projects Engineer

Position: General Manager Development

Report Name: Peacocke Strategic Transport

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

Purpose

1. To seek approval from the Growth and Infrastructure Committee to adopt a design option development and evaluation process that will be implemented by staff to confirm the design of the future Waikato River Bridge.

Staff Recommendation

2. That the Growth and Infrastructure Committee:
 - a) receives the report;
 - b) approves the process outlined in Attachment 1 of this report;
 - c) notes that the proposed process was presented for discussion at the Elected Member Briefing on 29 November 2018, and that feedback has been considered and incorporated in this report; and
 - d) notes that updates on the matter will be presented at future Elected Member Briefings as the process progresses.

Executive Summary

3. The strategic infrastructure necessary to open the Peacocke growth cell is beginning to be designed. A key part of this is a new bridge across the Waikato River near the Hamilton Gardens (the Bridge).
4. The macroscope was approved and most critical consents were put in place during the Southern Links designation from 2011-2016.
5. A range of stakeholder views and opinions result in expectations for an aesthetically pleasing bridge
6. Cultural, engineering, ecological, financial and constructability constraints exist that will have an influence on the aesthetic outcome and affordability of the new bridge.
7. To consider these views as well as deliver on time and within the budgets set within the Housing Infrastructure Fund (HIF) Loan Agreement, a robust process is necessary to capture and consider the inputs and properly evaluated them to arrive at a preferred option.

8. The project team developed a process and brought it to the Elected Member Briefing on 29 November 2018 for discussion and feedback.
9. Feedback received from Elected Member Briefing is summarised below:

Feedback on the presentation

- A process that integrates all the issues and that includes relevant expert assessment is essential.
- Councillors preferred a governance role and to be advised on progress via regular updates at Elected Member briefings as the process is progressed.
- Functional aspects such as deck space allocation and walking and cycling connectivity is to be brought through Access Hamilton Task Force at the right point in time.
- The next touch point to include a timeline clearly identifying milestones on the critical path.
- The preferred option will be presented to the Growth and Infrastructure Committee for approval.

Other feedback received

- Connectivity between Te Awa River Ride, Hamilton Gardens and the East Town Belt reserve are important to consider through the process, including coordination with the River Plan team.
 - Environmental and Ecological matters such as bats and the significant earthworks near the Waikato River etc) must be kept front of mind and early engagement with the relevant authorities such as Waikato Regional Council is encouraged.
 - Recognised the significant challenges associated with the project scale, complexity and site location. Acknowledged that the process being led by technical experts is essential to minimise risk of redesign that would have considerable time and cost implications.
10. Staff now seek approval to implement the process to arrive at a preferred bridge option by June 2019, which is the critical path date necessary to ensure the bridge is open in mid-2023 as per the HIF Loan Agreement.

Background

11. The Waikato River Bridge is a critical component of the Southern Links network. The network has been designated by Council which defined and agreed the macroscope for the bridge and approach roads including a four lane corridor with walking and cycling facilities. At the same time as the designation, resource consents were also obtained for the bridge setting a location and spatial envelope above the river and some construction requirements, as well as setting a range of other conditions that need to be complied with throughout project delivery.
12. The bridge was subsequently included in the successful Housing Infrastructure Fund (HIF) bid and is part of the Peacocke Strategic Transport package which will be some of the first strategic infrastructure to be built in the Peacocke growth cell.
13. There are a wide range of other demands on the project which will impact on the aesthetics which must be considered. A key issue emerging from current investigations is mitigating requirements of the ecological impacts of this new corridor through highly sensitive and valuable habitat. Specifically, this could restrict lighting (light spillage, limits on under lighting, etc.) and vertical features, all of which can have an impact on New Zealand long tail bats which are present here and classified as Threatened – Nationally Critical. Council has committed to developing a range of mitigations throughout Peacocke, and the river is understood to be particularly important.

14. The route of the bridge crosses through areas of significant importance to Iwi. Documented historic data as well as evidence that can be seen on site mean that very close involvement with Waikato Tainui and the Southern Links Tangata Whenua Working Group (TWWG) has existed throughout the project to date and will continue through detailed design and construction. Mitigations will be further understood as investigations and design continues and is expected to feature in the overall narrative and project response.
15. The HIF also sets the budget for this bridge and the timeframe within which it must be open and operational. Failure to work within these prescribed constraints could lead to defaulting on the HIF Loan Agreement, significant budget overrun and delay development in Peacocke. These important constraints place real limits or boundaries within which the bridge, and in fact the whole of the Peacocke Infrastructure must be designed and built within.
16. The work completed to date and described in the above paragraphs identify the wide and diverse range of views, constraints and inputs and mean that a robust process is needed to appropriately capture, consider and evaluate them in a fair and transparent way.
17. The process to develop options and evaluate to get a preferred option ready for the designers to proceed with, needs to be completed by June 2019 to be able to meet HIF delivery timeframes.
18. No design work has begun yet. The first steps of the process will begin early 2019 and will include workshops with a wide range of stakeholders including Councillors.

Project Design and Procurement

19. The preferred option for the aesthetics of the bridge needs to be confirmed by June 2019 so that it can proceed to detailed design and procurement.
20. A range of procurement methods exist for a project of this magnitude. Preliminary procurement assessment suggests a traditional design and tender approach remains the most appropriate. This will continue to be thoroughly tested at each project stage to ensure the risks are understood and any potential benefits of contractor input are not precluded.

Financial Considerations

21. There are no financial implications as a result of this report. The project is budgeted, and the design is contractually committed. This report is only establishing a process for design and evaluation.

22. Legal and Policy Considerations

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

Cultural Considerations

24. *Ko te whakakitenga moo te whenua Peacocke Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke*

The Peacocke Programme vision is to enable the development of an attractive and sustainable community in the Peacocke Growth Cell

25. Construction of the Waikato River Bridge involves many matters with cultural significance including:
 - Identify and give effect to relevant sections of legislation where Maori have opportunity to participate in decision making and to practice kaitiakitanga
 - Consideration the relevant sections of the Waikato Tainui Environmental Plan
 - Consideration of the Vision and Strategy for the Waikato River

26. A Southern Links Tangata Whenua Working Group is working closely with the project team to provide advice and oversight of these cultural matters and inputs.

Risks

27. The primary risks associated with this aspect of the project is ending up with a bridge solution which sets aesthetic expectations that cannot be delivered either within the fixed HIF funding allowance, or within the timeframes committed within the HIF Loan Agreement.

Significance & Engagement Policy

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

Engagement

29. Community views and preferences are already known to the Council through the designation and consenting processes already completed, however ongoing engagement with the community is required for other components of the Peacocke Programme, and updates to the bridge design process will be included as and when appropriate.

Attachments

Attachment 1 - Peacocke Bridge Presentation

Bridge Form and Aesthetics - Decision Making Process

Peacocke Programme

Design Development & Evaluation

Council Briefing 29 Nov 2018

Item 11

Attachment 1

Peacocke Programme

To enable the development of an attractive and sustainable community in the Peacocke Growth Cell

Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke

Capital Delivery
Workstream

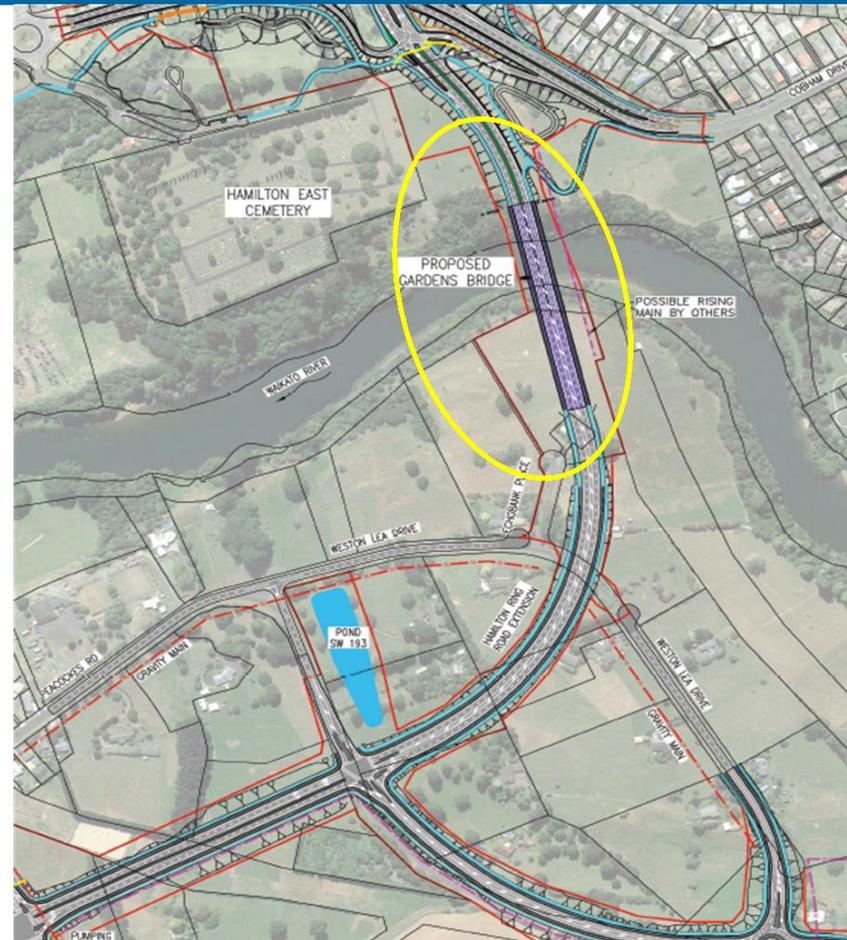
Commercial &
Partnerships
Workstream

Planning & Consenting
Workstream

Monitoring & Reporting

Communications & Community Engagement

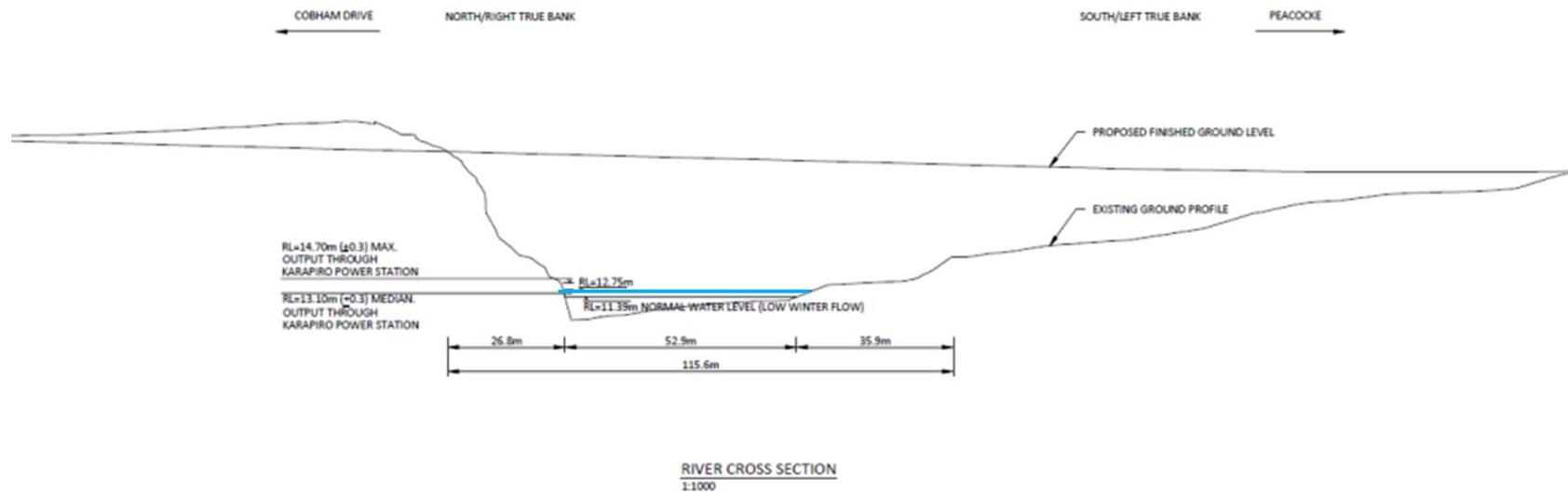
Approved Designation



Site Cross Section

Attachment 1

Item 11



Bridge Location

From Peacocke side towards Gardens side



Bridge Location

From gardens side towards Peacocke



Bridge Location

From Peacocke towards Gardens showing
Wairere/Cobham Interchange



Background

- The majority of RMA consents already approved for the bridge (as part of Southern Links designation 2011-16).
- Complex environmental and physical site challenges
- Tight timeframes – (HIF programme)
- Fixed budget and funding (HIF Loan Agreement)
- Expectations of an aesthetically pleasing bridge

Option Development & Evaluation Process – Key Points

We are required to:

- Consider & evaluate the wide range of competing demands fairly and transparently
- Include the inputs required by conditions of designation – Iwi, ecological, technical
- Enable HCC to consider to a range of procurement options
- Arrive at an option that can be built within time and budget

Option Development & Evaluation Process – Key Points

Proposal:

- Multi stage approach – hear from wide range of interested parties to begin with
- Use a range of technical experts to listen and rationalise inputs into list of bridge options
- Evaluate list of options using set criteria as well as existing project constraints
- Seek Council endorsement / approval at each stage
- Feed back to stakeholders on each stage.

Timeframes

- Early 2019 - Begin process
 - Commence first councillor and stakeholder “Bluesky” thinking sessions
 - Options evaluation and technical aspects
 - Options reporting back to Council
- June 2019 - Preferred Option confirmed
- Late 2020 - Construction underway
- **Mid 2023 - Bridge (and roading) complete and open for use as required by HIF**

These are tight but currently achievable timeframes

Next steps

- Finalise process incorporating feedback from this briefing
- Confirm desire for Councillor representation in reference group in process
- Growth & Infrastructure Committee approval (of this process) December 2018
- Begin process – Commence first “Bluesky” thinking sessions early 2019

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

| General subject of each matter to be considered | Reasons for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|--|--|
| C1. Confirmation of the Growth and Infrastructure Public Excluded Minutes - 23 October 2018 |) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |
| C2. Ruakura Reservoir Contract Award |) | |
| C3. Transport Network Improvements Contract Award | | |

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

| | | |
|----------|--|--|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) Section 7 (2) (i) |
| Item C3. | to enable Council to carry out negotiations | Section 7 (2) (h) Section 7 (2) (i) |