

Notice of Meeting:

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

Date: Thursday 12 November 2020

Time: 9.30am

Meeting Room: Council Chamber and Audio Visual link

Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs Chief Executive

Strategic Growth Committee Komiti Rautaki OPEN AGENDA

Membership

Chairperson *Heamana*

Cr D Macpherson

Deputy Chairperson

Heamana Tuarua

Cr R Hamilton

Members Mayor P Southgate

Deputy Mayor G Taylor Cr S Thomson
Cr M Bunting Cr M van Oosten
Cr M Forsyth Cr E Wilson
Cr M Gallagher Maangai J Whetu
Cr K Naidoo-Rauf Maangai O Te Ua

Cr R Pascoe

Cr A O'Leary

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Becca Brooke Governance Manager Menetia Mana Whakahaere

5 November 2020

Telephone: 07 838 6727 Becca.Brooke@hcc.govt.nz www.hamilton.govt.nz

Purpose

The Strategic Growth Committee is responsible for:

- 1. Guiding sustainable physical development and growth of Hamilton to meet current and future needs, including oversight of strategic land-use planning, boundary alignment, and existing and alternative planning, funding and financing models for growth-related projects.
- 2. Driving collaboration with neighboring Councils, lwi, private sector and central government to meet Hamilton's growth ambitions.

In addition to the common delegations, the Strategic Growth Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

- To monitor and provide advice on the overall development and implementation of urban growth and development strategies, strategic land use, and spatial plans (e.g. Hamilton to Auckland Corridor and Hamilton-Waikato Metropolitan Spatial Plan), and long-term network infrastructure planning in line with national policy requirements.
- 2. To provide direction and monitor Council's approach to the levying and use of rates for growth, as well as development contributions.
- 3. To develop, and monitor the implementation of the infrastructure Activity Management Plans to inform the 2021-31 Long Term Plan to ensure that Council looks after its existing assets and provides agreed levels of service.
- 4. To provide direction on and assess proposals for seeking alternative funding models, such as special purpose vehicles and infrastructure funding and financing.
- 5. To provide direction on strategic priorities for network infrastructure aligned to city development, and oversight of strategic projects associated with those activities.
- 6. To provide advice on the development and implementation of the Long Term Infrastructure Strategy.
- 7. To assess proposals for Private Developer Agreements that exceed the Chief Executive's delegations for Unfunded Growth Projectsⁱ and, if appropriate for Unfunded Growth Projectsⁱ to recommend such agreements to the Council for approval.
- 8. To provide direction regarding Council's involvement in and with Urban Development Authorities, regional alliances, plans, initiatives and forums for spatial planning (for example, Future Proof, strategic boundary land use agreements and joint council growth related discussions).
- 9. To consider the impacts of land use and urban development on the environment.
- 10. 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.
- 11. 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.
- 12. To oversee the development of the City's Smart City Strategy.

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 and is in accordance with the Annual plan or Long Term Plan.

The Committee is delegated the following recommendatory powers:

- Adoption of the Long Term Infrastructure Strategy to the Council.
- Approval of additional borrowing to the Finance Committee.
- Approval of city boundary changes to the Council, including in respect of Strategic Boundary Land Use Agreements.
- Approval of infrastructure Activity Management Plans to inform the 2021-31 Long Term Plan to the Council.
- The Committee may make recommendations to Council and other Committees

Recommendatory Oversight of Policies and Bylaws:

- Development Contributions Policy
- Growth Funding Policy
- Hamilton Gateways Policy
- Sale and Disposal of Council Land Policy

¹ Unfunded Growth Projects are defined in the Growth Funding Policy as:

a) Not funded projects

b) Funded projects but which are proposed to commence earlier than the sequencing and timing established in the long term plan; and/or

c) Funded projects but which are now proposed to occur beyond the scale, scope and cost prescribed or anticipated for those projects in the long term plan.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies – Tono aroha	5
2	Confirmation of Agenda – Whakatau raarangi take	5
3	Conflict of Interest – Tauaakii whaipaanga	5
4	Public Forum – Aatea koorero	5
5	Confirmation of the Strategic Growth Committee Open Minutes - 1 October 2020	6
6	Chair's Report	12
7	Rotokauri Transport Corridor Designation	15
8	Borman Road East Extension Macroscope	31
9	Hamilton-Waikato Metro Wastewater Detailed Business case Project Update	49
10	Ruakura Road Urban Upgrade	62
11	Growth Projections for the 2021-31 LTP	69
12	Open Information only reports	84
13	Resolution to Exclude the Public	132

1 Apologies – Tono aroha

2 Confirmation of Agenda – Whakatau raarangi take

The Committee to confirm the agenda.

3 Declaration of Interest – Tauaakii whaipaanga

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

4 Public Forum – Aatea koorero

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 five 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 Committee Room 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 6727.

Council Report

Item 5

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Tyler Gaukrodger **Authoriser:** Becca Brooke

Position: Governance Advisor **Position:** Governance Manager

Report Name: Confirmation of the Strategic Growth Committee Open Minutes - 1

October 2020

Report Status	Open

Staff Recommendation - Tuutohu-aa-kaimahi

That the Strategic Growth Committee confirm the Open Minutes of the Strategic Growth Committee Meeting held on 1 October 2020 as a true and correct record.

Attachments - Ngaa taapirihanga

Attachment 1 - Strategic Growth Committee Unconfirmed Open Minutes - 1 October 2020



Strategic Growth Committee Komiti Rautaki OPEN MINUTES

Minutes of a meeting of the Strategic Growth Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio Visual link on Thursday 1 October 2020 at 9.32am.

PRESENT

Chairperson Cr D Macpherson

Heamana

Deputy Chairperson Cr R Hamilton

Heamana Tuarua

Members Mayor P Southgate

Deputy Mayor G Taylor

Cr M Bunting (via Audio Visual link) Cr M Forsyth (via Audio Visual link)

Cr M Gallagher

Cr K Naidoo-Rauf (via Audio Visual link)

Cr A O'Leary Cr R Pascoe

Cr S Thomson (via Audio Visual link)

Cr M van Oosten Cr E Wilson

Maangai Maaori J Whetu

Maangai Maaori O Te Ua (via Audio Visual link)

In Attendance: Jen Baird – General Manager City Growth

Chris Allen – General Manager Development Blair Bowcott – Executive Director Spec ial Projects

Luke O'Dwyer – City Planning Manager

Andrew Parsons - Strategic Development Manager Jackie Colliar - Strategic Manager – Infrastructure

Cliff Newton-Smith - Growth Team Leader Karen Saunders - Growth Programmes Manager

Governance Staff: Amy Viggers – Governance Team Leader

Tyler Gaukrodger and Narelle Waite - Governance Advisors

2. Confirmation of Agenda – Whakatau raarangi take

Resolved: (Cr Macpherson/Cr Pascoe)

That the agenda is confirmed noting that the late verbal report of Item 13 (Te Wetini Drive Extension) be accepted and taken after Item 4 (Public Forum).

1. Apologies – Tono aroha

Resolved: (Cr Macpherson/Cr van Oosten)

That the apologies for partial attendance for Mayor Southgate, Deputy Mayor Taylor and Cr Naidoo-Rauf were accepted.

3. Declarations of Interest – Tauaakii whaipaanga

No members of the Council declared a Conflict of Interest.

1. Public Forum – Aatea koorero

Pauline Anderson (Rotokauri Rise Residents Committee)

Ms Anderson outlined concerns raised by the Rotokauri Rise committee regarding the infrastructure linking the community to the rest of Hamilton. Sheoutlined previous development contribution payments and suggested additional infrastructure options.

Mayor Southgate joined the meeting (9:40am) during the above presentation.

Brian Croad and James McIlvar (Tainui Holdings Group)

Mr Croad and Mr McIlvar raised concerns of previous development contributions and the isolation of the current Rotokauri rise location due to infrastructure. They responded to questions from Members concerning costs of infrastructure, previous promises of development, delays in infrastructure development, expectations given to the public

Mayor Southgate joined the meeting (9:40am) during the above presentation.

Deputy Mayor Taylor joined the meeting (9:55am) during the above presentation.

13. Open Verbal Report - Te Wetini Drive Extension (Late Report)

The General Manager Development outlined the scope of the Te Tetini Drive extension noting that it had not been budgeted within the Long Term Plan. He outlined challenges witch the project, connectivity expectations for the public and the project timeline. He responded to questions from Members concerning project communication, infrastructure timelines, resource consents, infrastructure supporting city growth and other examples of growth.

Resolved: (Cr Macpherson/Cr Gallagher)

That the Strategic Growth Committee receives the report.

2. Confirmation of the Open Strategic Growth Committee Minutes - 20 August 2020

Resolved: (Cr Wilson/Cr Macpherson)

That the Committee confirm the Open Minutes of the Committee Meeting held on 20 August 2020 as a true and correct record.

3. Chair's Report

The Chair took the report as read.

Resolved: (Cr Macpherson/Cr Hamilton)

That the Strategic Growth Committee receives the report.

4. Memorandum of Understanding - Strategic Relationship with Auckland Council

The Executive Director Special Projects took report as read noting that staff would strongly advocate for the addition of 'climate change (opportunities to reduce emissions)' and 'housing affordability' as common areas of interest in the final Memorandum of Understanding. He responded the questions from Members concerning influence and communication with Auckland Council, Central Government involvement, cultural growth opportunities, consultation on the Memorandum of Understanding, ability to raise changes to the Memorandum of Understanding and input from Members.

Resolved: (Cr Macpherson/Cr van Oosten)

That the Strategic Growth Committee defers the matter to a future meeting of the Strategic Growth Committee or the Council, to be determined by Staff and Mayor Southgate.

Cr Hamilton Dissenting.

The meeting adjourned from 10:35am to 10:40am during the above item.

Cr Thomson left the meeting (11:05am) during the above item. She was not present when the matter was voted on.

Cr Forsyth left the meeting (11:09am) at the conclusion of the above item. She was present when the matter was voted on.

Deputy Mayor Taylor left the meeting (11:10am) at the conclusion of the above item. He was present when the matter was voted on.

5. Strategic Boundary Agreement between Hamilton City Council and Waikato District Council

The Executive Director Special Projects outlined the proposed agreement. He responded to questions from Members concerning the residential potential, future boundary agreements, financial considerations for the Council, changes to strategic boundary agreement timeline and future changes to the agreement.

Resolved: (Cr Macpherson/Cr Hamilton)

That the Strategic Growth Committee recommends that Council:

- a) approves the Strategic Boundary Agreement between Hamilton City Council and Waikato District Council;
- b) delegates the Chief Executive to finalise the Strategic Boundary Agreement subject to any feedback from this meeting and Waikato District Council;
- c) approves the Mayor and Chief Executive to sign the Strategic Boundary Agreement on behalf of Hamilton City Council.

Cr Thomson re-joined the meeting (11:20am) during the above item. She was present when the matter was voted on.

Cr Naidoo-Rauf joined the meeting (11:28am) during the above item. She was present when the matter was voted on.

The meeting adjourned from 11:57am to 12:06pm.

Deputy Mayor Taylor re-joined the meeting during the above adjournment.

6. Future Proof Update including Hamilton-Waikato Metropolitan Spatial Plan

The Executive Director Special Projects and the City Planning Manager outlined the report. They responded to questions from Members concerning building relationships, the Long Term Plan, COVID-19 impacts, public transport, obligations arising from the plan, the Waikato Regional Airport, mass transit plans, financial considerations, central government restrictions and the possibility of adding the mass transit plan part of the Metro Spatial Plan to the Long Term Plan.

Resolved: (Cr Macpherson/Cr Thomson)

That the Strategic Growth Committee:

- a) receives this report;
- b) notes the development of the Hamilton-Waikato Metropolitan Spatial Plan and stakeholder feedback outlined in the report;
- c) notes the need for matters arising from the mass transit plan part of the Metropolitan Spatial Plan are to be factored into the 2021-31 Long Term Plan; and
- d) notes the final Hamilton-Waikato Metropolitan Spatial Plan as approved by the Future Proof Implementation Committee on 10 September 2020.

The meeting adjourned from 1:09pm to 1:59pm

Cr Forsyth re-joined the meeting during the above adjournment.

7. Hamilton-Waikato Metro Wastewater Detailed Business Case Project Update

The Executive Director Special Projects and the Strategic Manager - Infrastructure outlined the report and noted that there was a critical need for additional wastewater treatment facilities in order to maintain growth. They responded to questions from Members concerning regional growth.

Resolved: (Cr Macpherson/Cr Hamilton)

That the Strategic Growth Committee:

- a) receives the report;
- b) notes the growth assumptions and wastewater treatment performance standards proposed for the long-list to preferred option assessment processes;
- c) notes the long list of wastewater servicing options;
- d) notes the long lists of commercial, funding and financing options; and
- e) notes that a project update will be provided to each Strategic Growth Committee until the completion of the Hamilton-Waikato Metro Area Wastewater Detailed Business Case Project.

8. Open Information only report

Resolved: (Cr Macpherson/Cr Gallagher)

That the Strategic Growth Committee receives the following information only reports:

- a) General Manager's Report; and
- b) Peacocke Programme Update

9. Resolution to Exclude the Public

Resolved: (Cr Macpherson/Cr Pascoe)

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 Reasons for passing this Ground(s) under section 48(1) matter to be considered resolution in relation to each for the passing of this resolution matter

```
C1.
       Confirmation of ) Good reason to withhold
                                                           Section 48(1)(a)
the
      Public
               Excluded ) information exists under
                 Growth ) Section 7 Local Government
Strategic
Committee Minutes - 20 ) Official Information and
August 2020
                          ) Meetings Act 1987
C2.
       Future
                   Proof
Implementation
Committee
                  Public
Excluded Minutes
```

C3. Te Wetini Drive

Extension

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	Section 7 (2) (j)
	information for improper gain or improper	
	advantage	
Item C2.	to enable Council to carry out commercial	Section 7 (2) (h)
	activities without disadvantage	Section 7 (2) (i)
	to enable Council to carry out negotiations	
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)

The meeting went to a Public Excluded session at 2:13pm.

The meeting was declared closed at 3:37pm.

Council Report

Item 6

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Tyler Gaukrodger **Authoriser:** Becca Brooke

Position: Governance Advisor **Position:** Governance Manager

Report Name: Chair's Report

Report Status	Open
---------------	------

Staff Recommendation - Tuutohu-aa-kaimahi

That the Strategic Growth Committee:

- a) receives the report;
- b) delegates the Chair of Strategic Growth Committee, Chair of Infrastructure Committee,
 Cr/Maangai XX and Cr/Maangai XX to work with staff to prepare a submission on the draft
 2021-24 Waka Kotahi Investment Programme; and
- requests the completed submission to the draft 2021-24 Waka Kotahi Investment
 Programme be circulated to all Members and be reported to the next available Council or relevant Committee meeting.

Attachments - Ngaa taapirihanga

Attachment 1 - Chair's Report



Chair's Report

Growth

The volume and pace of growth in and around the city is significantly greater than has been envisaged by our existing LTP, let alone the one before that. Even if we take the 'NIDEA Low' growth projections as accurate in the short term (which I think understates the case), the fact remains that we have an infrastructure deficit before we even get to the NIDEA Low starting base – we are still playing catch-up following the 2012 and 2015 LTPs, let alone providing for the 20% extra capacity the Government Policy Statement requires us to have in place.

Whether the growth is within HCC boundaries, or elsewhere in the Metro Spatial Plan area, the planning and infrastructure needs will still impact on HCC's coming LTP and its finances. Whether or not the growth is Infill or Greenfields, we will still face these impacts – in fact, given that the majority of our growth in the last few years has been infill, and that we are still struggling to bridge the infrastructure deficit, it can be seen that going higher with infill doesn't necessarily sort your problems out.

What we're seeing is the available new residential land – which we technically have a sufficient supply of – is essentially being land-banked by developers and major builders, who are not in a tearing rush to move it on to prospective new homeowners, especially as looking ahead Blind Freddy can see some decent capital gain coming up in the lift. Figures show that the urban areas of Waipa DC, for example, have in the last 10 years grown by half the amount of Hamilton, despite only holding quarter the population.

I asked staff to quickly check how many sections were on sale at the moment in Hamilton – in the whole city, there were only 20 last week; the rest of the residential land being help by developers & builders.

In my opinion, we need to work harder to unlock some of this growth potential in greenfields areas (even if it accounts for only 30% of our growth); essentially looking to set up more competition between the landholders and developers.

Some of the projects and reports coming to this Committee meeting relate to that unlocking, and I urge Councillors and Maangai Maori to be careful to follow a 'balanced' path, as one of our colleagues would say, rather than the 'all growth' or King Canute paths.

Waka Kotahi Investment Programme – HCC submission

Waka Kotahi/NZTA have just last week released their 'Investment Proposal', which sets out the programme of activities that they propose for inclusion in the 2021-24 National Land Transport Programme (NZTP), giving effect to the Govt Policy Statement 2021.

It outlines their investment approach for:

- a) State highway maintenance and improvements;
- b) Road safety; and
- c) Research, etc.

The following link is to the Waikato Region summary of activities proposed:

https://www.nzta.govt.nz/assets/planning-and-investment/docs/waka-kotahi-investment-proposal-2021-31-regional-summary-waikato.pdf

Feedback has been sought by 27 November 2020 by Waka Kotahi. The Regional Transport Committee are also keen to have any feedback to assist them pull together a regional NZTP submission. There is not enough time for staff to pull together a draft NZTP submission and report for either the Strategic Growth or Infrastructure Operations Committee.

It is therefore proposed to nominate a group of Elected Members to work with staff to pull together the Hamilton City Council submission, based on our Access Hamilton and Metro Spatial Plan directions.

Chair Recommendation:

That the Strategic Growth Committee:

- a) receives the report;
- b) delegates the Chair of Strategic Growth Committee, Chair of Infrastructure Committee, Cr/ Maangai XX and Cr/Maangai XX to work with staff to prepare a submission on the draft 2021- 24 Waka Kotahi Investment Programme; and
- requests the completed submission to the draft 2021-24 Waka Kotahi Investment
 Programme be circulated to all Members and be reported to the next available Council or relevant Committee meeting.

Cr Dave Macpherson Chair, Strategic Growth Committee Hamilton City Council

Council Report

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Lance Haycock **Authoriser:** Chris Allen

Position: Programme Manager **Position:** General Manager

Development

Report Name: Rotokauri Transport Corridor Designation

Report Status	Open

Purpose - Take

1. To seek approval from the Strategic Growth Committee of the macroscope extent and scope along with the project objectives for the Rotokauri Transport Corridor Designation project.

Staff Recommendation - Tuutohu-aa-kaimahi

- 2. That the Strategic Growth Committee:
 - a) receives the report;
 - b) approves the Rotokauri Transport Corridor Designation macroscope as set in paragraph 38 of the staff report;
 - c) approves the project objectives as set in paragraph 41 of the staff report; and
 - d) requests staff to workshop the Network Operating Framework with Strategic Growth Committee Members and key stakeholders prior to public engagement.

Executive Summary - Whakaraapopototanga matua

- 3. Rotokauri is a significant growth cell for Hamilton and a Structure Plan to guide the areas of development is included in the Operative District Plan.
- 4. Funding has been included in the 2018-28 10-Year Plan for infrastructure planning and more specifically land-use protection through the designation of strategic infrastructure corridors.
- 5. The significant Central Green Drainage Corridor identified in the Structure Plan has now been designated and this report relates to the designation of the strategic transport corridors.
- 6. The funding and provision of strategic infrastructure will be a matter for the 2021-31 and subsequent Long Term Plans but regardless of implementation it is important to protect these transport corridors through designation as envisioned in the 2018-28 10-Year Plan.
- 7. Designation of the corridors will protect them from inappropriate development and ensure that the strategic outcomes set out in the Rotokauri Structure Plan can be achieved.
- 8. Preliminary work is well advanced including discussions with the active developers in the growth cell to ensure alignment with their developments and the strategic transport network.
- 9. To protect the outcomes and give certainty to developers, completing some preliminary design work as well as the designation process to secure the footprint of the transport corridors is

- required. Providing the development community with the alignment, widths and levels enables all stakeholders to buy into one solution that meets the city needs and lays the foundations for a successful growth cell.
- 10. Prior to moving to the formal consultation phase of the designation process, it is necessary for the Committee to agree the macroscope of the designation project and to approve the project objectives.
- 11. Subsequent approval to lodge the designation will be sought from the Committee.
- 12. Staff consider the matters in this report as low significance and that the recommendations comply with the Council's legal requirements.

Background - Koorero whaimaarama

- 13. The Rotokauri area is approximately 1000ha and was brought into the City in 1989 and a Structure Plan was notified in September 2007 at a time when there was a serious shortfall in the City industrial land supply. A decision to incorporate the Structure Plan into the District Plan was publicly notified in December 2008.
- 14. The Hamilton Urban Growth Strategy (HUGS) has guided the prioritisation and sequencing of growth since 2008/2009. This strategy confirms a commitment to developing stage 1 of Rotokauri along with Peacocke Stage 1. HUGS prioritises the residential growth of Peacocke Stage 2 in the longer term over Rotokauri Stage 2.
- 15. The Operative District Plan has the following description for Rotokauri;
 - "The Rotokauri Structure Plan provides for urban growth with an eventual population of between 16,000 and 20,000 people. It also provides 280ha of industrial land, employment areas and a neighbourhood centre in stage 1 that will act as the principal community focal point based around a suburban shopping centre".
- 16. The Operative District Plan also includes the following vision which has guided the Rotokauri Structure Plan:
 - "The sustainable expansion of the City into Rotokauri, through a coherent, integrated and people-focused mixed-use development based on best practice urban design principles."
- 17. The Structure Plan (Attachment 1) considers the area in 2 Stages; Rotokauri Stage 1 and Rotokauri Stage 2. The staging can best be seen in Figure 2-9- Staging and Transport Network. Stage 1 consists of a significant portion of industrial and employment land that is largely now developed.
- 18. This employment land development has largely been aided by investments in the Te Rapa Bypass section of the Waikato Expressway, Arthur Porter Drive (by developers) and 3 waters servicing.
- 19. Further Development of Rotokauri Stage 1 will require investment in strategic infrastructure most notably:
 - a) Te Wetini Drive Extension Major Arterial Transport Arterial;
 - the Central Green Drainage Corridor (from Lake Waiwhakareke to Lake Rotokauri);
 - c) the Koura Drive/Onion Road realignment (in Te Rapa North);
 - d) the north-south Minor Arterial Transport Corridor;
 - e) the east-west (to Arthur Porter Drive) Minor Arterial Transport Corridor; and
 - f) the east-west (Arthur Porter Drive to Te Rapa) Major Arterial Transport Corridor.

- 20. The development of this infrastructure is likely to be in partnership with various developers as their developments progress, but in order to ensure that the Structure Plan vision can be achieved Council has elected to designate the strategic infrastructure corridors. This advance designation ensures that the strategic outcomes set out in the Structure Plan can be achieved and that the desirable corridors are not built out by inappropriate development.
- 21. The Rotokauri situation is similar to Peacocke where the significant transport corridors (both state highways and local arterials) were designated in advance of the decision to construct.
- 22. In developing it's 2018-28 10-Year Plan, Council noted as a key assumption that funding was included to continue industrial and limited residential growth but that funding for further works were deferred outside the 10-Year period except for some provisions to begin a stormwater swale in years 6-10. Funding for strategic infrastructure planning by way of designation was included in 2018-21, for both stormwater and transport.
- 23. The <u>Te Wetini Drive Extension</u> is the subject of a Private Development Agreement with Rotokauri Development Ltd, and is expected to be constructed this construction season.
- 24. The designation of the <u>Central Green Drainage Corridor</u> was included in the 2018-21 10-Year Plan and has been completed. The designation is appeal free and can be included in the Operative District Plan.
- 25. The next steps for this corridor are to obtain resource consents and complete the design. Funding for this next stage will be a matter for the 2021-31 Long Term Plan (noting that funding is currently included in 2024/25 of the current 2018-21 10-Year Plan).
- 26. The designation of the <u>Koura Drive/Onion Road realignment</u> was included in the 2018-21 10-Year Plan and has been completed. The designation is appeal free and can be included in the Operative District Plan.
- 27. The next steps for this realignment is to purchase the land, complete the design followed by construction. Funding for this next stage will be a matter of engagement with adjacent developers and for the 2021-31 Long Term Plan (noting that some funding is currently included in the current 2018-21 10-Year Plan).
- 28. The area of this realignment is in the Te Rapa North area and is relevant to the development of both that area and Rotokauri.
- 29. The report considers the macroscope of a Rotokauri transport designation package including the <u>north-south minor and the east-west major and minor arterial transport corridors.</u> It also includes a recommendation to include 2 sections of proposed collector roads to ensure that optimal transport outcomes are achieved which are unlikely without Council intervention.
- 30. A section of Arthur Porter Drive in the vicinity of Te Kowhai East Road is an offset collector road and will remain offset unless it is realigned by Council.
- 31. Chalmers Road is constructed to just east of the Te Rapa Bypass underbridge, and the designation includes extending this collector to connect with the north-south minor arterial given the complex interaction with the Central Green Drainage Corridor and the need to get the intersections working properly.
- 32. The section of the north-south arterial north of the east-west arterial borders the Rotokauri Stage 2 area and is relevant to the MADE development.
- 33. Hamilton City Council as the Requiring Authority is seeking to designate these key transport corridors for construction in the future to enable growth within the Rotokauri growth cell. The designation is to occur in a way that responds to the Rotokauri Structure Plan (RSP), meets the vision for Rotokauri, aligns with Hamilton City policy framework and achieves specific project objectives.

- 34. The Rotokauri Transport Corridor Designation project is well advanced with the majority of investigations and site constraints being understood to inform the alignment and cross section of the future road and to further discussions with elected members and stakeholders prior to formal public engagement.
- 35. Staff are progressing a business case for the project and looking to attract subsidy from Waka Kotahi NZ Transport Agency for the ongoing project development. To progress the business case it is necessary to agree the macroscope of the designation along with the project objectives.
- 36. The purpose of this report is to obtain agreement on the extent and scope of the designation project and on the project objectives.
- 37. The Network Operating Framework is introduced which will then be workshopped with elected members and key stakeholders prior to finalisation and community engagement.

Macroscope Extent and Scope

- 38. The proposed extent of the designation is as follows (Attachment 2):
 - a) proposed Minor Arterial (north-south) SH39 to Te Wetini Drive;
 - b) proposed Minor Arterial (east-west) to Arthur Porter Drive;
 - c) proposed Major Arterial (east-west) Te Rapa Road to Arthur Porter Drive;
 - d) proposed Collector Road- Arthur Porter Drive/Te Kowhai East Road realignment; and
 - e) proposed Collector Road- Chalmers Road extension to north-south arterial.

Intersection investigation and designs will be required at:

- a) SH39 Te Kowhai Road/Burbush Road;
- b) Arthur Porter Drive- 2 intersections);
- c) Te Kowhai Road (E)/NZ Main Trunk Railway Line;
- d) Te Kowhai Road (E)/Maahanga Drive;
- e) Te Kowhai Road (E)/Te Rapa Road; and
- f) Chalmers Rd underpass and connection.
- 39. The scope includes establishing permanent levels and cross sections with enough detail sufficient for lodgement of a Notice of Requirement to designate the land necessary to deliver the Rotokauri Arterials network. The civil design needs to integrate urban and landscape design aspects to achieve the above objectives.
- 40. The preliminary design process, together with other specialist inputs (including geotechnical, contaminated land, visual, ecological and archaeological assessments) will confirm the required minimum width and cross sections required to obtain a Notice of Requirement for the designation of the Rotokauri Arterials.

Project Objectives

- 41. The primary objectives of the Rotokauri Arterials Designation project are:
 - a) Network and Function
 - To provide a well-integrated multi modal transportation network that promotes a wide range of responsive, efficient and sustainable transport modes including walking, cycling and public transport and makes allowances for adaptive change in the future.
 - ii. The network should support improved accessibility and connectivity into Hamilton City that is consistent with the land use spatial framework, Rotokauri Structure Plan and achieves the strategic direction established by Access Hamilton.
 - b) Integration

- i. Through design of the network, enhance the accessibility for people and cohesion between the proposed and existing communities in a well-planned and legible way.
- ii. By applying urban design principles, the network should integrate to the future urban land use context and promote strong people-focussed connections to the street environment.

c) Character and Amenity

i. By applying urban design principles, the network should enhance the vitality of public spaces in a way that interacts with the multi modal transportation network; create a strong sense of community identity; incorporate, protect and enhance the habitat of the receiving environments; respond to the cultural identity of Rotokauri and the wider area; promote safe and enjoyable use of public space.

d) Infrastructure

- To support the sustainable future urban land use development of Rotokauri in accordance with the Structure Plan by requiring sufficient land through the designation process and manage the risk of spatial conflicts between land use and the provision of affordable, robust and efficient infrastructure.
- ii. The designation shall facilitate an integrated transport system including the coherent form of intersections, three waters infrastructure, the provision of key storm water and flood management infrastructure and secondary flow corridors in accordance with local catchments and associated Integrated Catchment Management Plans, as well as provision for other network utilities.

Network Operating Framework

- 42. A Network Operating Framework is being developed with key internal teams including the Transport team, the Strategic Development team, the Planning team and the Community team. External stakeholders including Waka Kotahi and Waikato Regional Council are also being included.
- 43. The Network Operating Framework will help drive the location and level of walking and cycling functionality, where amenity is focused as well as consideration to corridor widths to service vehicle types and balance walking and cycling aspirations.
- 44. The proposed layout and connections to the existing road network provide several opportunities to create gateways into the residential development area.

Strategic Alignment

- 45. Development of the Rotokauri Transport Corridor Designation project is aligned with Councils existing strategies and plans, particularly;
 - a) Rotokauri Stage 1 is identified in the Hamilton Urban Growth Strategy (2008) as a priority development area;
 - b) the project is consistent with the Rotokauri Structure Plan included in the Operative District Plan (2017);
 - the project is scheduled as the third priority package in the Regional Land Transport Plan (2018-21 version);
 - d) the designation project is included in Hamilton's 2018-28 10-Year Plan; and
 - e) the project is consistent with the Access Hamilton Strategy.

Financial Considerations - Whaiwhakaaro Puutea

46. The Rotokauri Transport Corridor Designation project is an existing funded project in the 2018-28 10-Year Plan with funding as follows for designation and establishment of preliminary design and permanent levels.

Type of Costs	2020/21	2021/22	Total
Capital Expenditure	\$493,203	\$2,672,330	\$3,165,533

47. Waka Kotahi NZ Transport Agency subsidy is being sought through the development of the project as a business case.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

48. Staff confirm that staff recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

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

Social

- 52. The protection of the future Rotokauri arterials provides significant social benefit to residents and visitors to the area through providing a safe and appropriate transportation network, which supports community development and liveability in the area.
- 53. By providing this connection, the pedestrian and cycle accessibility and safety for vulnerable users (to and from schools etc) is improved by separating vehicle movements and providing a high amenity, people focused transport corridor.

Economic

- 54. Delivery of works will draw on local resources providing employment and earning opportunities for both businesses and individuals.
- 55. This is one project of a programme of works to realise the wider Rotokauri growth cell, which will offer employment and growth for the area.

Environmental

- 56. The designation will encompass the footprint requirements of the road also places a high focus on the capture, treatment and storage of stormwater generated as part of the development.
- 57. An aggregated wetland design solution has been agreed on in the Rotokauri ICMP known as the Rotokauri Swale, to provide treatment and attenuation of stormwater in accordance with the ICMP conditions.

Cultural

- 58. Consultation and engagement is ongoing with the THaWK as part of the Rotokauri Arterial Designation process with regular meetings to maintain alignment and endorsements of direction for the programme of works.
- 59. A formal Cultural Impact Assessment for the Rotokauri Arterial roads has been developed by THaWK and currently is in draft status.

Risks - Tuuraru

- 60. A delay in lodging the designation and protecting the land footprint of the future arterial roads increases the risk profile of piecemeal development and sub optimal outcomes for the city.
- 61. Once successful in acquiring the designation, a condition of designation places an obligation on the Requiring Authority to purchase the land if the land owner is unduly restricted in the operation of their property. This becomes a financial risk to Council as a reactive land purchase situation.
- 62. The Waka Kotahi subsidy is not secured and cannot be relied upon.
- 63. The approved funding does not allow for any designation appeal or Environment Court action arising from the designation process.

Significance & Engagement Policy - Kaupapa here whakahira/anganui Significance

64. 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.

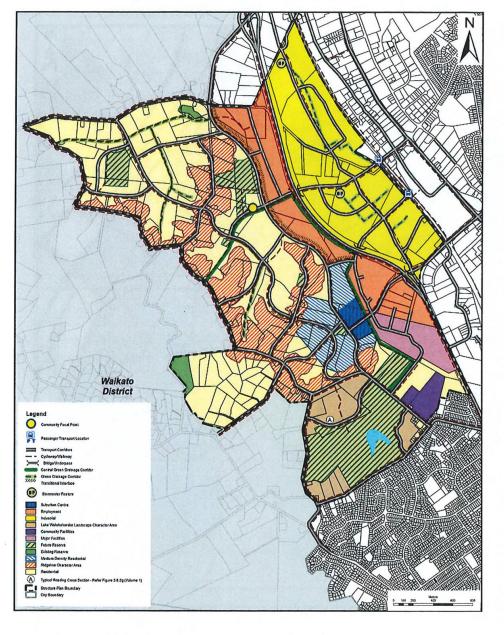
Engagement

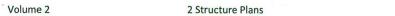
- 65. The designation process is outlined in the Resource Management Act and the engagement and consultation processes will be extensive.
- 66. There is a statutory requirement to consult as per legislation.

Attachments - Ngaa taapirihanga

Attachment 1 - Rotokauri Structure Plan

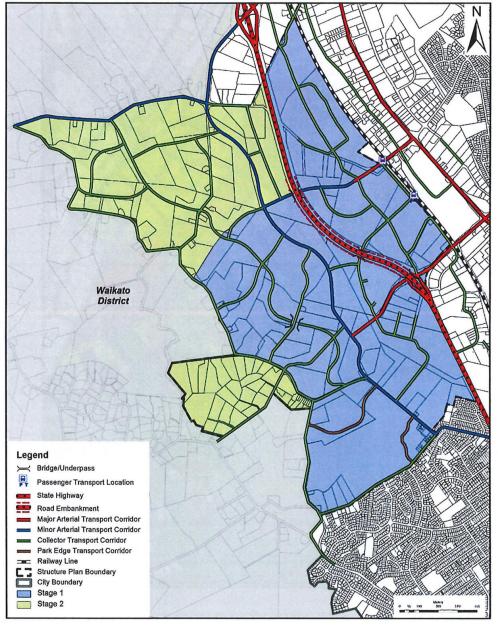
Attachment 2 - Rotokauri Arterial Designation Map





 $\textbf{Figure 2-9:} \ \textbf{Rotokauri Structure Plan-Staging and Transport Network}$

Hamilton City Council



Volume 2 2 Structure Plans Page 2-10

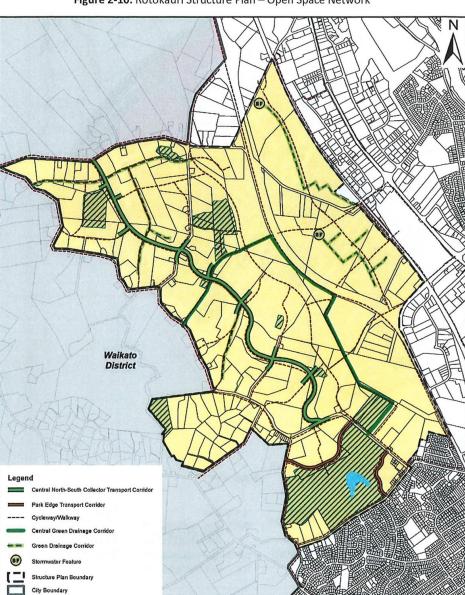


Figure 2-10: Rotokauri Structure Plan – Open Space Network

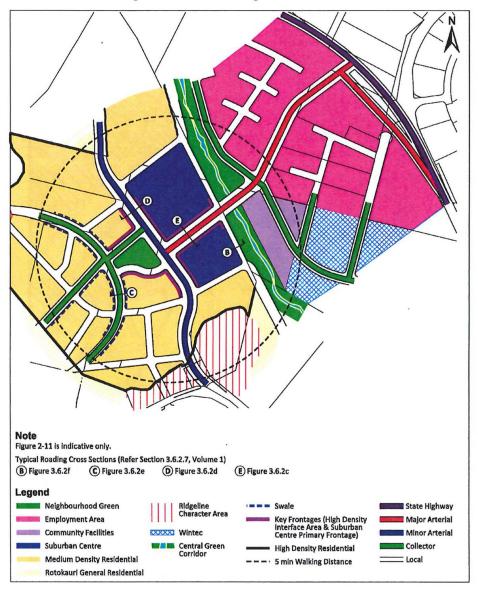
Volume 2

Futuro Rosorvos

2 Structure Plans

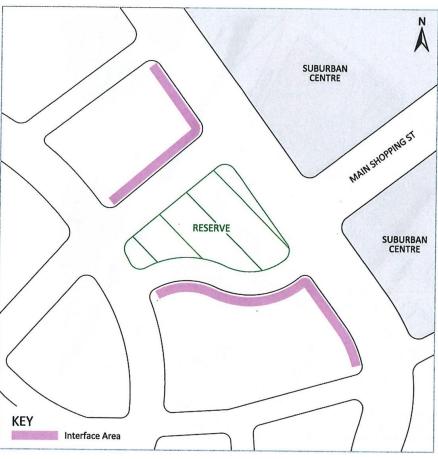
Figure 2-11: Rotokauri Neighbourhood Centre

Hamilton City Council



Volume 2 2 Structure Plans

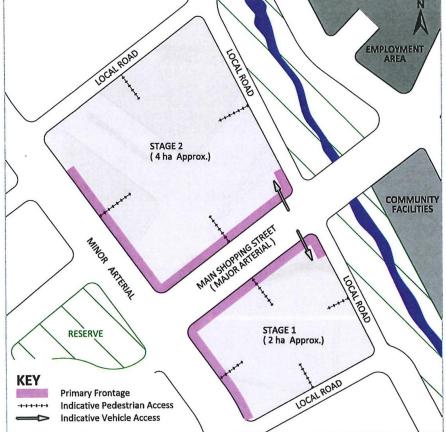
Figure 2-12: Rotokauri Interface Areas



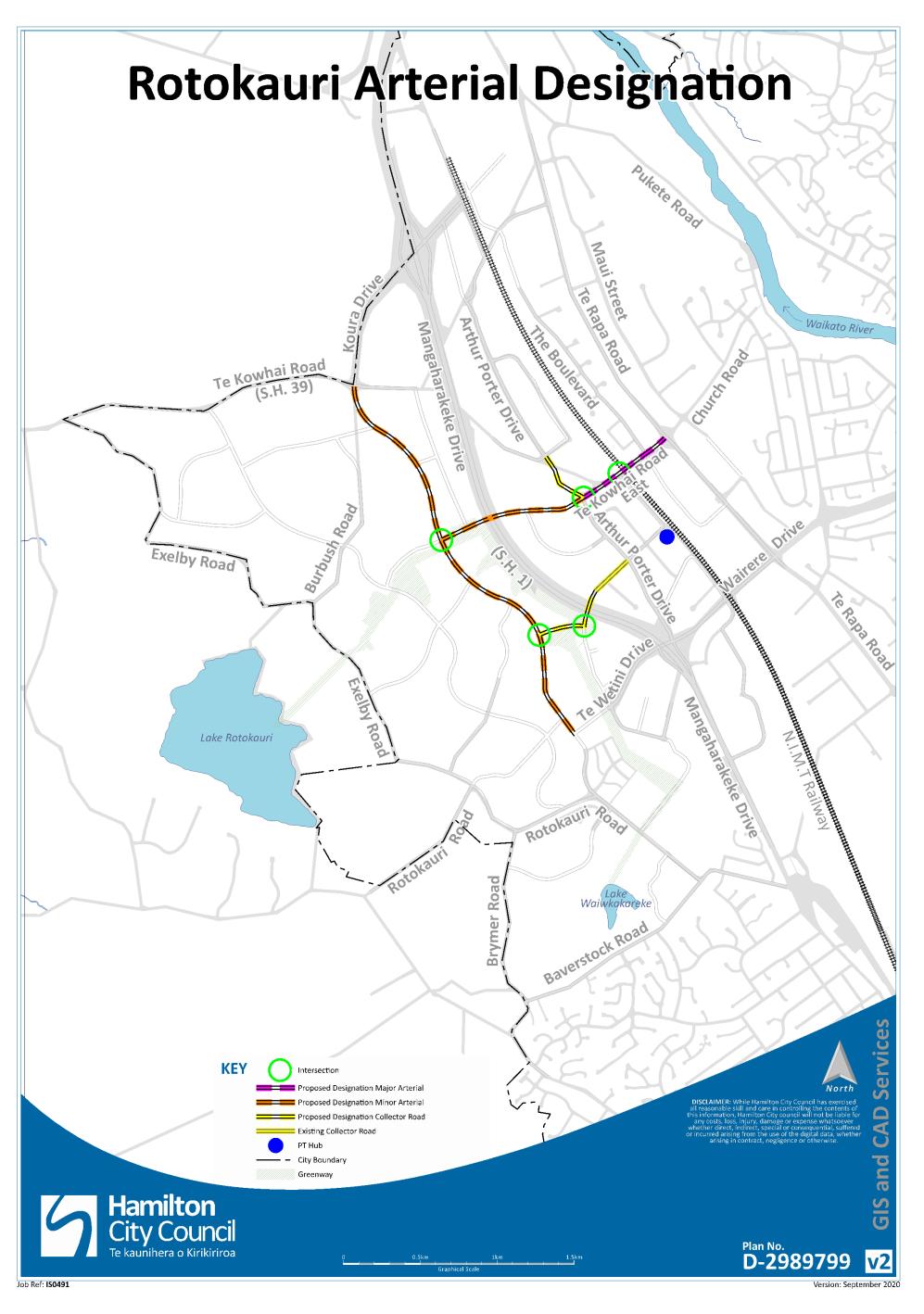
Volume 2

2 Structure Plans

Figure 2-13: Rotokauri Suburban Centre Primary Frontages



2 Structure Plans Page 2-14 Volume 2



Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Jonathon Brooke **Authoriser:** Chris Allen

Position: Project Engineer **Position:** General Manager

Development

Report Name: Borman Road East Extension Macroscope

Report Status	Open

Purpose - *Take*

To seek approval from the Strategic Growth Committee of the macroscope for the Borman Road East extension.

Staff Recommendation - Tuutohu-aa-kaimahi

- 2. That the Strategic Growth Committee:
 - a) receives the report;
 - b) approves the macroscope for Borman Road East extension as set out in the staff report and **Attachment 5 and 6**; and
 - c) requests staff to submit the Single Stage Business Case to Waka Kotahi NZ Transport Agency to seek project financial assistance.

Executive Summary - Whakaraapopototanga matua

- 3. Rototuna has been the primary residential growth cell in Hamilton for the past 30 years.
- 4. Council has worked with the development community over this time to deliver the planned transport network aligned with housing yield. The growth cell is almost complete, and a number of transport infrastructure projects now need to be completed by Hamilton City Council rather than by developers, or through partnerships with developers.
- 5. One such project is the Borman Road East extension to fill in the missing bit of Borman Road between Kimbrae Drive in the west and Horsham Downs Road in the east.
- 6. The transport corridor was designated in 2004 and the land was obtained as part of a Private Development Agreement in 2008/9.
- 7. During development of the 2018-28 10-Year Plan the project was scheduled to commence in year 7 (2024/25) with design funding retained in 2018-21.
- 8. In order to complete the design and to progress a single stage business case with Waka Kotahi NZ Transport Agency, it is necessary to have the Strategic Growth Committee agree the project macroscope.
- 9. The timing of construction will be considered as part of the 2021-31 Long Term Plan.
- 10. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - Koorero whaimaarama

- 11. Rototuna has been the primary Hamilton residential growth cell for almost 30 years. The structure plan area is approximately 490 hectares and was part of land brought into the city in 1989 to facilitate the City's expansion (refer Attachment 1 Rototuna Structure Plan).
- 12. The Structure Plan (Attachment 1) comprises of the following general areas for development:
 - a) Rototuna West;
 - b) Rototuna Town Centre;
 - c) Rototuna North East Character Zone; and
 - d) Rototuna East.
- 13. This report relates to the transportation components of the Rototuna East area.
- 14. **Rototuna West** is now largely developed with the Borman Road West extension to Kay Road being completed last financial year. Future infrastructure requirements for Rototuna West include:
 - a) urbanisation of Kay Road;
 - b) urbanisation of River Road including the intersection with Kay Road; and
 - c) River Road waste water and water extensions.
- 15. Rototuna Town Centre development is being reported separately through the Community Committee. Over the past few years Council has worked with the main developer in the area to extend Borman Road and to develop a transport network for vehicles and walking and biking to support the development of the School and the developing Town Centre.
- 16. Future infrastructure requirements for the Town Centre include:
 - a) Resolution Drive extension (under construction by Waka Kotahi as part of the Waikato Expressway due to open late 2021);
 - b) development of Community Facilities;
 - c) development of North City Road from Borman Road to Kay Road; and
 - d) development of collector and local road network west of the school to enhance connectivity and facilitate development.
- 17. A report is included in the public excluded section of this Committee meeting concerning a contract to construct Turakina Rise and Bourn Brook Avenue extensions to facilitate the next stage of the Town Centre Development.
- 18. The Rototuna North East Character Zone is separated by the Waikato Expressway and is well advanced in development. Service crossings for pedestrians and cyclists, stormwater and waste water have been provided to facilitate development. The pedestrian and cyclist crossing has now opened in advance of the Waikato Expressway and will add to the high percentage of active mode trips to the schools in the area.
- 19. Development to the east of the Character zone is being hampered by access to storm water and waste water connections which require land owner collaboration. Staff are working to secure this and to investigate interim servicing solutions if access arrangements can not be agreed in a timely manner.
- 20. Future infrastructure requirements for Rototuna North East Character Zone include:
 - a) urbanisation of Horsham Downs Road and Kay Road;
 - b) upsizes for storm water and waste water;

- c) upsizes of collector road network; and
- d) water services.

Rototuna East

- 21. This report is focused on completing the transport network in the Rototuna East area and in particular the Borman Road East extension and related road upgrades (refer **Attachment 2**).
- 22. Borman Road has been completed to Kimbrae Drive, some 600m short of Horsham Downs Road. Development in all local areas is progressing utilising other road connections meaning that this road connection is now more about safety, amenity and network connectivity, rather than primarily facilitating housing yield (approximately 70 lots directly unlocked via this project). Traffic is continuing to use Moonlight Drive as a "rat run" and safety particularly for active mode users is at risk.
- 23. As part of the 2018-28 10-Year Plan, design was programmed to be complete in 2020/21 but construction was delayed with commencement in 2024/25.
- 24. The extent of the current design consideration includes:
 - a) an approximate 600m extension of the minor arterial Borman Road with a raised signalised intersection with Horsham Downs Road and an intersection with the newly upgraded North Ridge Drive;
 - b) urbanisation of approximately 600m of existing Borman Road between Horsham Downs Road and Barrington Drive; and
 - c) urbanisation of approximately 450m of existing rural Horsham Downs Road south of the new intersection.
- 25. A designation for Borman Road was secured in 2004. This designation covers a majority of the existing constructed Borman Road. The designation also covers the works within the Borman Road extension portion and additional land that is required along the currently rural functioning portion of Borman Road.
- 26. Council previously entered into a Private Development Agreement (PDA) with Kirkdale Developments Ltd. which secured the land corridor for the extension from Kimbrae Drive to Horsham Downs Road. Over time Council has also secured the additional land required to upgrade the rural section of Borman Road east of Horsham Downs Road.
- 27. Design is progressing and will be complete by June 2021 ready for a construction commencement depending on when construction funding is allocated in the 2021-31 10-Year Plan.

Strategic Alignment

- 28. Development of the Borman Road East extension is aligned with Councils existing strategies and plans, particularly:
 - a) Rototuna is identified in the Hamilton Urban Growth Strategy (2008) as a priority development area;
 - b) the project is consistent with the Rototuna Structure Plan included in the Operative District Plan (2017);
 - the project is scheduled as the fourth priority package in the Regional Land Transport Plan (2018-21 version);
 - d) the project is included in Hamilton's 2018-28 10-Year Plan;
 - e) the project is consistent with the Access Hamilton strategy, the Hamilton Biking Plan (2015-45) and the emerging Biking and Micro Mobility Plan;

- f) this link supports the Regional Public Transport Plan, with WRC noting that the current missing Borman Road network connection impacts on public transport network efficiency and coverage and advising that they would likely utilising the urbanised Horsham Downs and Borman Road extension to improve network services; and
- g) the project is consistent with a Vision Zero approach to development and management of the transport network.
- 29. Work is about to commence on the Ruakura Eastern Transport Corridor. It is anticipated that this corridor will travel north from the University/Ruakura area up to Pardoa Avenue, through the future R2 growth area and connect with the network in the vicinity of Gordonton Road/New Borman Road. This is an established intersection and is independent of the Borman Road East extension project outlined in this report.

Discussion - Matapaki

- 30. Development pressures are currently occurring along the rural sections of Borman Road and Horsham Downs Road (refer **Attachment 3**). These roads have limited to no active or multimodal facilities including no footpaths, cycle lanes, public transport infrastructure or safe road crossing facilities. New residents and school children living in these newly built dwellings will favour undesired transport options due to the lack of alternative options.
- 31. Connectivity and a legible transportation network are important in creating an integrated multi-modal network. This project will significantly improve the ability for students at particularly Te Totara Primary School, Rototuna Junior High School, Rototuna Senior High School and Hamilton Christian School to safely utilise active mode transportation options to travel to/from school or for recreational activities.
- 32. Borman Road is currently built and functioning as intended from Kay Road in the west, all the way through to Kimbrae Drive, approximately 3,600m in length. The remaining 600m extension and 600m rural portion will fully realise the benefits of these previous investments made by HCC on this route.
- 33. The previously completed sections of Borman Road have the following cross section (refer **Attachment 4**):
 - a) 3.25m traffic lanes;
 - b) 1.8m footpaths; and
 - c) 1.5m on-road cycle lanes.
- 34. It is considered important that the cross section for the extension is consistent with the existing constructed sections.

Scope

- 35. The proposed macroscope of the project is shown in (Attachments 5 and 6) and includes;
 - a) 600m extension of the Borman Road minor arterial from Kimbrae Drive to Horsham Downs Road including:
 - i. new road pavement, kerbs, lighting and landscaping;
 - ii. 3m wide shared paths on both sides including raised safety platforms at crossings with side roads;
 - priority controlled T intersections with North Ridge Drive and 2 proposed new roads to service land development;
 - iv. carriageway (single lane each way) including 1.5m shoulders, 3.5m traffic lanes and 3m flush median;

- v. provision for bus stop infrastructure (extents and locations to be confirmed as part of design stage);
- vi. 2x 250mm diameter water main plus water service connections;
- vii. 300mm diameter strategic wastewater pipe plus additional 150mm diameter wastewater pipe for wastewater service connections; and
- viii. 1500mm diameter stormwater pipe to service land development plus additional 1500mm diameter stormwater pipe, discharging to the existing wetland.
- b) Urban upgrade of approximately 600m of existing Borman Road between Horsham Downs Road and Barrington Drive, including:
 - i. new road pavement, kerbs, lighting and landscaping;
 - ii. 3m wide shared paths on both sides;
 - iii. Priority controlled T intersections with Te Manatu Drive, Onukutara Place, Springside Court and Rocky Road;
 - iv. carriageway (single lane each way) including 1.5m shoulders, 3.5m traffic lanes and 2m flush median;
 - v. provision for bus stop infrastructure (extents and locations to be confirmed as part of design stage); and
 - vi. catch pits and stormwater pipes.
- c) Urban upgrade of approximately 450m of existing rural Horsham Downs Road between North Ridge Drive and the Waikato Expressway overbridge, including:
 - i. new road pavement, kerbs, lighting and landscaping;
 - ii. 3m wide shared paths on both sides;
 - iii. priority controlled T intersections with Jennian Avenue and Pragma Rise;
 - iv. carriageway (single lane each way) including 1.5m shoulders, 3.5m traffic lanes and 2m flush median;
 - v. provision for bus stop infrastructure (extents and locations to be confirmed as part of design stage); and
 - vi. catch pits and stormwater pipes.
- d) New signalised intersection of Horsham Downs Road and Borman Road, including:
 - i. raised intersection (to reduce speeds and improve safety); and
 - ii. pedestrian crossing phases on all legs.
- 36. Any work east of Barrington Drive is outside of scope.
- 37. Staff are working with Waka Kotahi to develop a Single Stage Business Case in order to see if the project qualifies for financial assistance. Approval is sought from the Strategic Growth Committee to lodge this Single Stage Business Case with Waka Kotahi based on the macroscope recommended in this report.

Financial Considerations - Whaiwhakaaro Puutea

38. The Borman Road East extension and related road upgrades project is currently funded in the 2018-28 10 Year Plan to a total value of \$17,982,000 (escalated) as shown below:

Phase	Previous FY's	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Land & Design	\$398k	\$1,784k								\$2,182k
Enabling Works			\$610k	\$971k	\$91k					\$1,672k
Construction						\$1,383k	\$7,128k	\$5,385k	\$232k	\$14,128k
									Total	\$17,982k

- 39. In accordance with the existing budgeted 2018-28 10 Year Plan funding allocations, substantive construction of this project is programmed to commence between 2025 and 2027.
- 40. In the current 2018-28 10 Year Plan funding allocations it is assumed and budgeted that Waka Kotahi NZTA will provide financial assistance to this project to a value of \$6,310,000.
- 41. A recent project cost estimate developed as part of the Business Case forecast a total project cost of \$18,900,000 (expected estimate) noting an associated 95th %ile estimate of \$24,600,000 including additional funding risk contingency.
- 42. In the draft 2021-31 Long Term Plan, this project will be included for consideration in accordance with the project expected estimate of \$18,900,000 (2020/21 costs).
- 43. A Waka Kotahi NZTA business case is currently being developed to seek project financial assistance from Waka Kotahi NZTA. To date Council has secured 51% Financial Assistance for the \$130,000 first phase to identify the preferred option and develop the project business case. With submission of the Single Stage Business Case Council are seeking to secure further funding assistance as the process progresses through design and eventually construction.
- 44. The financial implications of not submitting the Single Stage Business Case is eliminating potential funding assistance from Waka Kotahi for property, design and construction costs. There is no guarantee that subsidy will be available for this project.
- 45. The project has been included in successive Long Term Plans and has been attracting development contributions.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

46. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

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

Social

- 50. The roading connection will connect the community in this area, providing better access to the Rototuna High School, Korikori Sports Park, Hamilton Christian School and future Rototuna Town Centre.
- 51. This new route will remove traffic from Moonlight Drive as traffic will use the preferred arterial route. Putting the right traffic on the right routes will provide a better environment for the residents along Moonlight.
- 52. Urbanisation of current rural standard roads including lighting, paths and a safer transportation corridor in areas where adjacent land development is already well advanced will provide significant wellbeing benefit to the local community.
- 53. Implementation of proposed shared walking/cycling paths and footpaths along the existing rural roads will provide improved transport choice and significant safety benefits.
- 54. A signalised raised platform intersection at Borman/Horsham Downs will provide a safer and slower intersection for all users at this high risk site, which will help Council achieve our Vision Zero target.

Economic

- 55. During construction there are significant economic benefits to the local construction industry and supply chain through investment.
- 56. The economic wellbeing for Hamilton arising out of the development of Rototuna and in particular housing yield has largely been released through previous investments. This project is one of a number of projects that need to be completed by Council to look after the community across the 3 other wellbeing's.
- 57. Once the works are completed the new road layout will contribute to economic wellbeing by improving the liveability of Rototuna, particularly the surrounding area, and will have a direct impact of the economic wellbeing of Hamiltonians.
- 58. Completing the arterial network with also allow a better route for freight and other heavy vehicles in the area being able to directly access the shopping, retail centres and building sites they are servicing.

Environmental

- 59. Connecting Borman Road will provide a more efficient route, than the existing route, for vehicles reducing the overall carbon emissions.
- 60. Active mode and public transport use will be promoted on the new route and urbanised roads, this will lead to an increase in mode shift to these healthier travel options.
- 61. Much of the stormwater will be managed and treated in the newly constructed wetland near the western end of the Borman Road extension. The wetland has been collaboratively designed with adjacent developers to provide an integrated stormwater management solution for the area, and includes innovative features to encourage native wildlife habitats.

Cultural

- 62. Staff are engaging with Te Haa O Te Whenua O Kirikiriroa Trust (THaWK) via Te Ngaawhaa Whakatupu Ake committee to seek feedback and ongoing engagement on the works.
- 63. A site visit was undertaken with THaWK. The site visit found that the works are in close proximity to a known site of significance, Te Manatu Hills.
- 64. THaWK have provided a letter of support for this works, noting that engagement will be ongoing to appropriately integrate cultural considerations into design and construction.

Risks - Tuuraru

- 65. There is a significant risk that some or all budgeted Waka Kotahi NZ Transport Agency financial assistance towards this project will not be secured and approved.
- 66. Development in the area is currently rapidly progressing, which is continuing to increase demand and pressure for this project to be implemented. There is significant community dissatisfaction with the currently proposed construction completion in 2027 as per current 2018-28 10 Year Plan funding allocations.
- 67. The project is in early scoping phase, and significant cost risks remain subject to particularly detailed design and market pricing.

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

68. 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.

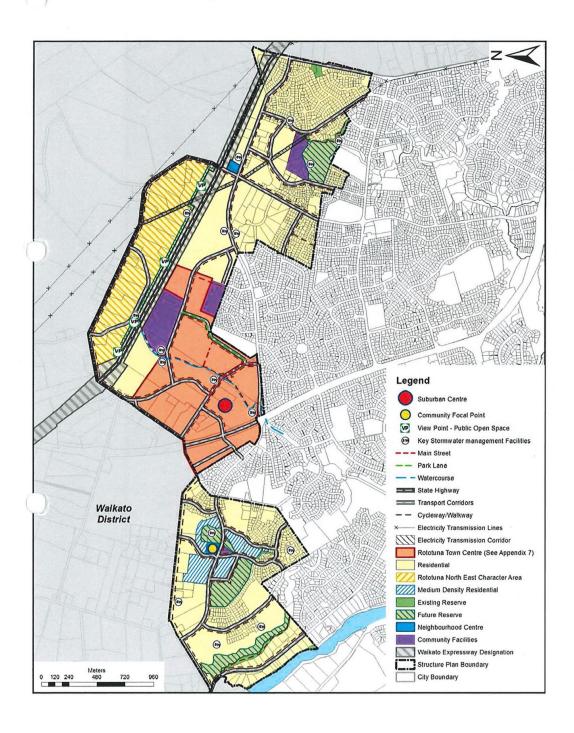
Engagement

- 69. Community views and preferences are already known to the Council through consulation as part of the 2018-28 10 Year Plan and the 2019 Rototuna 'Your Neighbourhood' event.
- 70. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - Ngaa taapirihanga

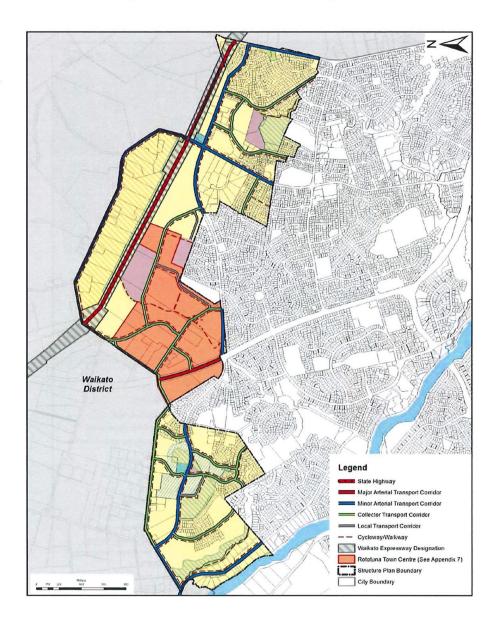
- Attachment 1 Rototuna Structure Plan
- Attachment 2 Borman/Horsham Upgrade Network Context
- Attachment 3 Borman/Horsham Upgrade Current & Planned Land Development
- Attachment 4 Existing Borman Road Cross Section Moonlight Drive to Kimbrae Drive
- Attachment 5 Borman/Horsham Upgrade Overview Plan
- Attachment 6 Borman/Horsham Upgrade Typical Cross Sections

Figure 2-4: Rototuna Structure Plan – Land Use



Volume 2 2 Structure Plans Page 2-5

Figure 2-5: Rototuna Structure Plan – Transport Network



Volume 2 2 Structure Plans Page 2-6

Attachment 1

Figure 2-6: Rototuna Cycling and Walking Network

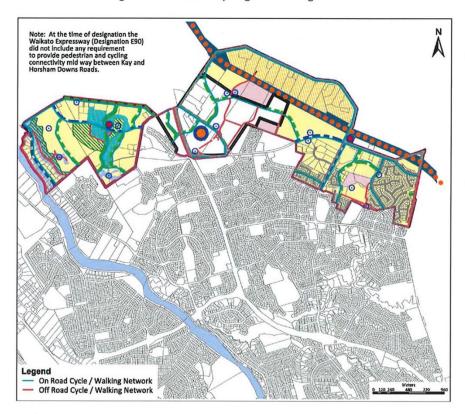
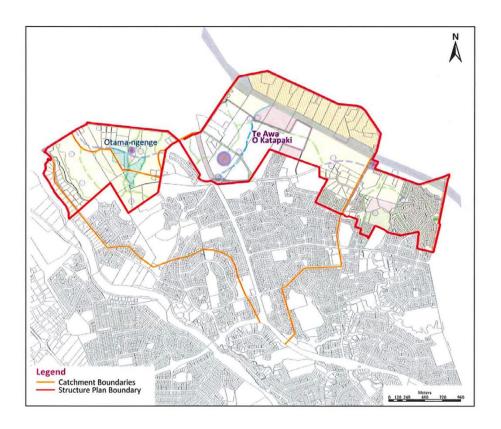


Figure 2-7: Rototuna Catchment Boundaries



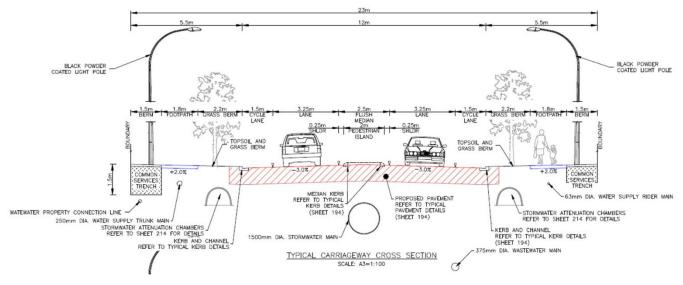
Volume 2 2 Structure Plans Page 2-8

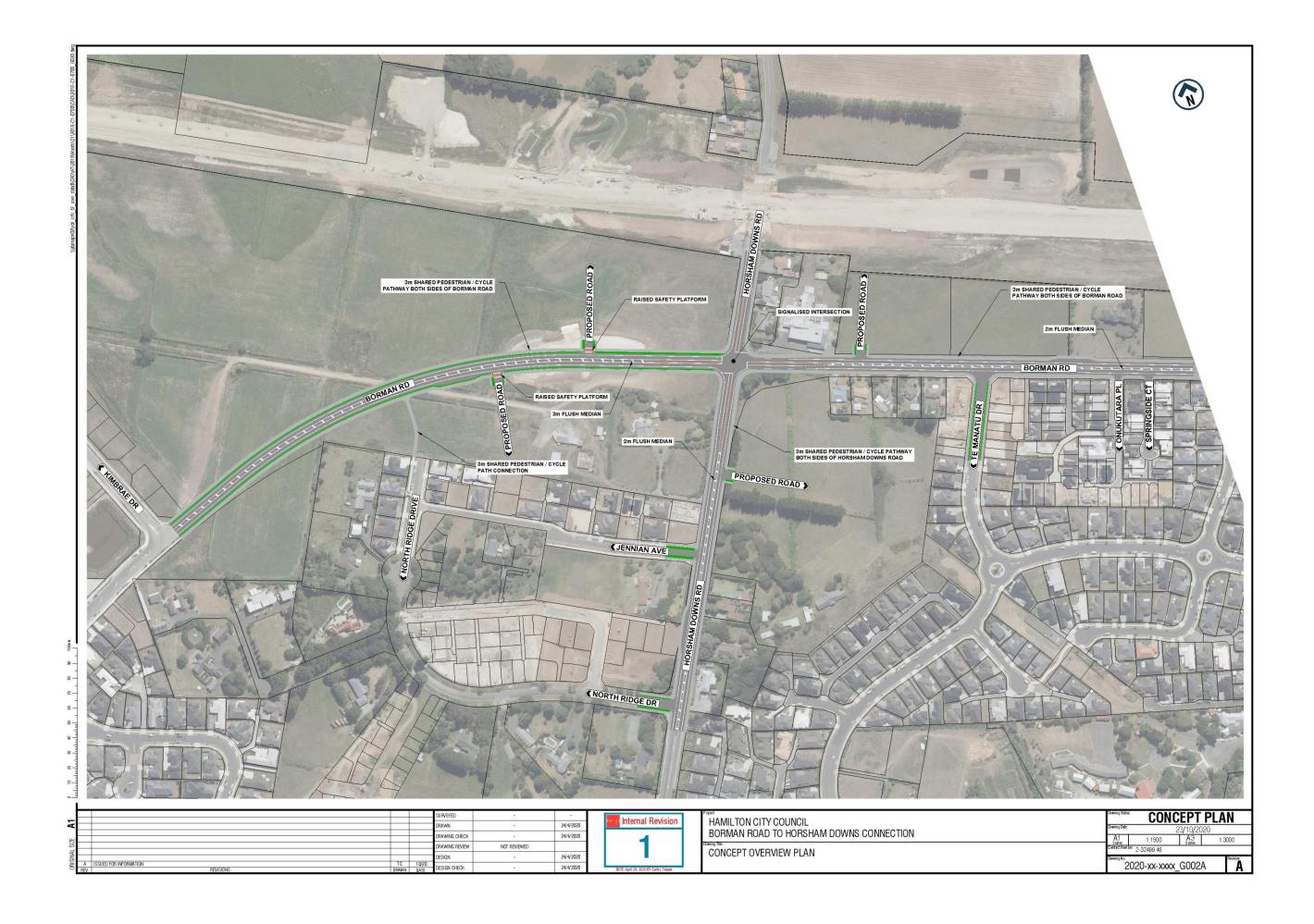


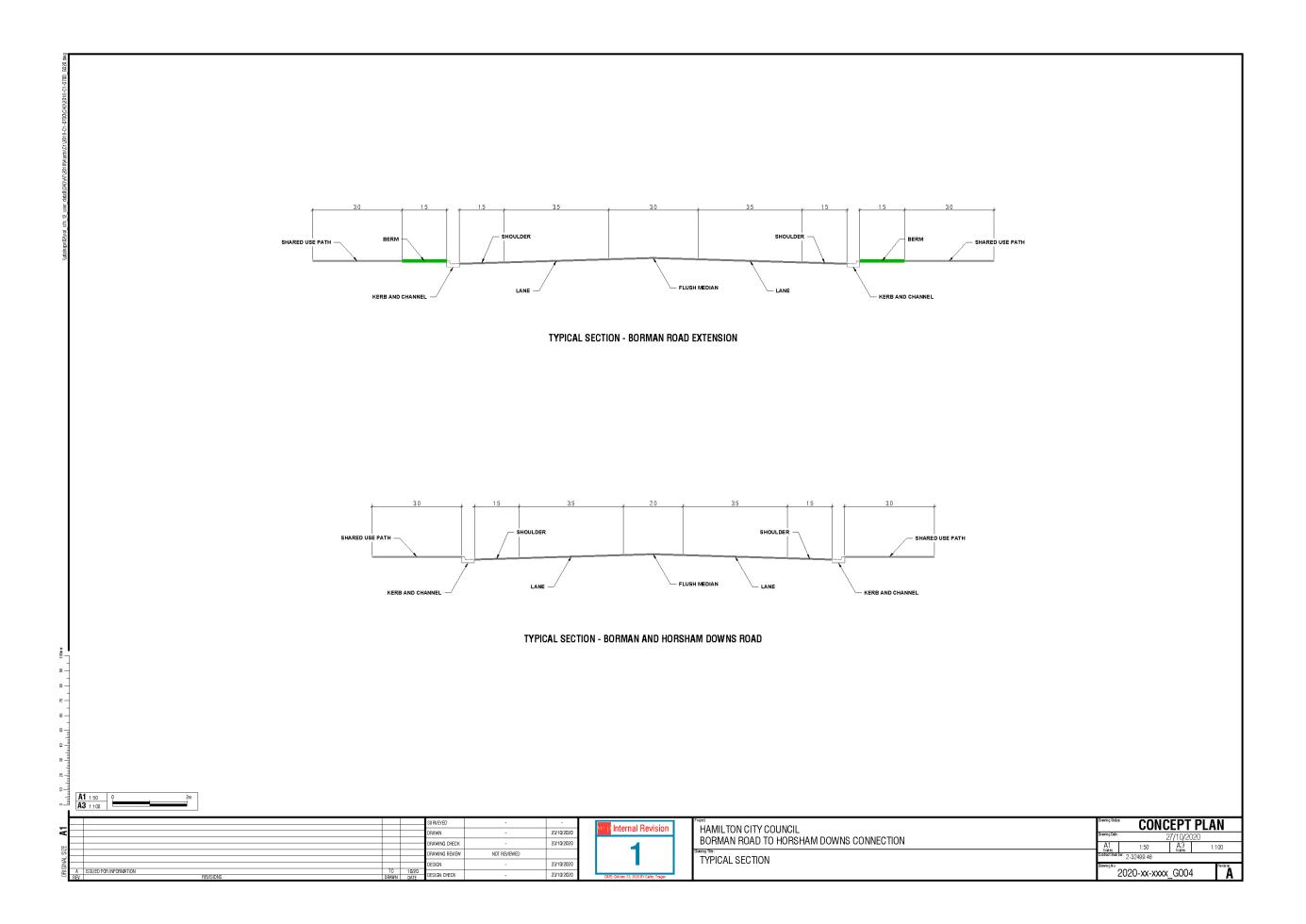
Strategic Growth Committee Agenda 12 November 2020- OPEN











Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Jackie Colliar Authoriser: Blair Bowcott

Position: Strategic Manager - **Position:** Executive Director Special

Infrastructure City Projects

Development

Report Name: Hamilton-Waikato Metro Wastewater Detailed Business case Project

Update

Report Status	Open

Purpose - Take

1. To update the Strategic Growth Committee on progress on the Hamilton-Waikato Metro Area Wastewater Detailed Business Case Project.

Staff Recommendation - Tuutohu-aa-kaimahi

- 2. That the Strategic Growth Committee:
 - a) receives the report;
 - b) notes the short-listed wastewater servicing options and process undertaken to determine the short-list; and
 - c) notes that staff are working with Waikato and Waipa District Council to align individual 2021-31 LTP funding requests to implement a new southern wastewater facility.

Executive Summary - Whakaraapopototanga matua

- The project is well underway and on track to identify the preferred Southern Metro
 Wastewater (WW) servicing solution by December 2020 and to deliver a detailed business case
 (DBC) for the Southern Metro area by May 2021.
- 4. Activities and decisions since the 1 October 2020 include:
 - a) Governance Group approval of the project investment objectives, key performance indicators (KPIs) and Multi Criteria Analysis (MCA) criteria (subject to minor amendments) for the DBC;
 - b) Governance Group endorsement of the wastewater treatment performance standards to be used for the long-list and short-listed options assessments;
 - c) assessment of the long-list of commercial, financial and funding options for feedback from stakeholders, Control Group and Governance Group;
 - d) completion of work to assess potential to service Fonterra Hautapu through a municipal wastewater system and the subsequent decision by Fonterra to withdraw from the project; and

e) Governance Group approval of the short-list of wastewater servicing options for the full Metro Area to take forward as part of the Southern Metro WW DBC:

Option 2A – Involving a northern (upgraded Pukete) and southern (at a new site) sub-regional plants; upgrades at Te Awamutu WWTP, and Fonterra Hautapu being serviced through a standalone system.

Option 4A – Involving treatment plant upgrades at Ngaruawahia, Pukete, Cambridge and Te Awamutu; new plant at Airport, and Fonterra Hautapu being serviced through a standalone system.

- 5. Several parallel workstreams are also in progress to support identification of preferred wastewater servicing and commercial options by December 2020, preferred funding and financing options by February 2021 and the delivery of the overall DBC. This work includes:
 - a) developing the short-list options further, developing details for a new southern wastewater facility (including potential site locations), refining costs and initial financial modelling; and
 - b) assessing the long-list of commercial options using the approved MCA in order to confirm a short-list and then a preferred option.
- 6. Staff from Hamilton, Waikato and Waipa District Council are working closely to align 2021-31 LTP requests across organisations so that funding is available to implement (at least the initial planning and land acquisition elements) a new sub-regional Southern Metro WW facility. This approach is proposed to preserve the opportunity if a new sub-regional Southern Metro WW facility it is identified as the preferred option through the DBC.
- 7. Staff consider the matters in this report has a low significance and that the recommendations comply with the Council's legal requirements.

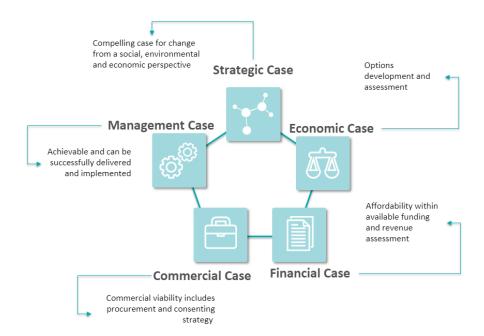
Background - Koorero whaimaarama

- 8. This is the second update report, covering the period from late September late October 2020. The previous report was presented to the Strategic Growth Committee on <u>1 October</u> 2020 for the from period late August late September 2020.
- 9. The Waikato Metro WW DBC Project is being delivered in partnership with Waikato District Council, Waipa District Council, Waikato-Tainui and Mana Whenua.
- 10. This project builds on the Waikato Sub-Regional Three Waters Strategic Case (2019), Waipa District Council Cambridge Wastewater Indicative Business Case (2019) and the High-Level Waikato Metro Wastewater Assessment (2020).
- 11. The project vision is:

Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri The river of life, each curve more beautiful than the last

Our vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come"

- 12. The overarching project objective is to deliver DBC(s) for the preferred WW servicing solutions for the northern and southern Hamilton-Waikato metropolitan area ("Metro area") that:
 - a) delivers "best for river" outcomes;
 - b) meets the requirements of the New Zealand Treasury Better Business Case Model;
 - c) are supported by the Project Governance Group;
 - d) are delivered on time for project partners and key stakeholders; and
 - e) can be implemented.
- 13. The Better Business Case Model adopted for this project involves five cases as outlined below:



- 14. As outlined in the terms of reference endorsed by the Committee and Council in May 2020, the project is being delivered in parallel and separate to the Future Proof structure overseeing the Waikato Sub-Regional Three Waters Study. A project specific governance group has been established for the project. The roles and responsibilities of the Governance Group include:
 - a) overseeing the delivery of DBCs for the Northern and Southern Metro Areas;
 - b) representing the views of their respective organisations,
 - c) endorsing the DBCs; and
 - d) recommended the DBCs to the individual partner organisations for approval, adoption and implementation.
- 15. The Hamilton City Council representatives are Mayor Paula Southgate and Councillor Dave Macpherson (Alternate).
- 16. The project seeks to confirm the preferred Southern Metro WW servicing solution by December 2020 and to deliver the Southern Metro WW DBC by May 2021. Project timeframes are being driven by Waipa District Council programme around Cambridge WWTP.
- 17. The Southern WW DBC has commenced using funding from Waipa DC and Hamilton City Council. All three councils have applied to use the local government water reforms stimulus grant to fund their respective contributions for the Southern and Northern WW DBC. A decision on the stimulus funding is expected by the end of October/early November 2020.
- 18. Delivery of the Northern Metro WW DBC is tentatively planned for later in 2021 but is subject to confirmation of the stimulus funding.

Discussion - Matapaki

Project Update

- 19. Considerable progress has been made since the project was initiated in July 2020 and since the 1 October report. The project is on track to identify the preferred Southern Metro WW servicing solution by December 2020 and to deliver a DBC for the Southern Metro area by May 2021. Progress against the key milestones detailed in the Project Terms of Reference is shown in Table 1 below.
- 20. The most recent Governance Group meeting was held of 28th October 2020. The full meeting agenda and briefing papers are available here (28 October 2020 Meeting Agenda).
 - Valuable feedback was provided by the Governance Group and a lot of the information presented will be refined and updated as the shortlisting project continues. Milestone decisions from the 28 October 2020 Governance meeting included:
 - a) approval of the project investment objectives, key performance indicators (KPIs) and MCA criteria (subject to minor amendments);
 - b) endorsement of the wastewater treatment performance standards to be used for the long-list and short-listed options assessments; and
 - c) approval of the short-list of wastewater servicing options to take forward as part of the DBC.
- 21. An outline of the wastewater servicing options short-listing process and progress on the overall economic case is provided from Paragraph 23 35.
- 22. Other key decisions and activities since the 1 October 2020 report include:
 - a) the potential to service Fonterra Hautapu through a municipal facility has been investigated. The findings of the assessment and several other factors (including cost impact to Fonterra and uncertainty of cost, commercial arrangements and delivery timelines) led to Fonterra deciding to withdraw from the project and not proceed to Stage Gate 3 received (16 October 2020);
 - b) Donald Turner (Waikato Tainui) and Jim Mylchreest (Waipa District Council) have been appointed as Governance Group co-chairs;
 - c) commercial (delivery, contracting and packaging) options have been assessed and proposed short-lists and combinations of options delivered to subject matter experts, control group and governance group members for feedback;
 - d) investigations to identify potential locations to site a new southern wastewater facility are underway;
 - e) engagement with project partners and Iwi/Mana Whenua is ongoing;
 - f) collateral for wider stakeholder communication and web material is under development;
 - g) market testing via discussions with third party commercial entities continues;
 - h) the draft strategic case is under review;
 - i) development of further detail on the recommended short-list of wastewater servicing, including refining cost estimates, discharge options, and initial financial modelling;
 - j) engagement initiated with Council finance teams to obtain input for initial financial modelling;
 - k) engagement initiated with Council Control Group members to develop draft funding allocation principles for consideration;
 - proposed approach to 2021–31 Long Term Plan Funding Requests across the partner councils to support implementation of a new sub-regional wastewater facility being developed; and
 - m) planning to initiate northern Wastewater Detailed Business Case Project activities underway.

Table 1: Project progress against milestones

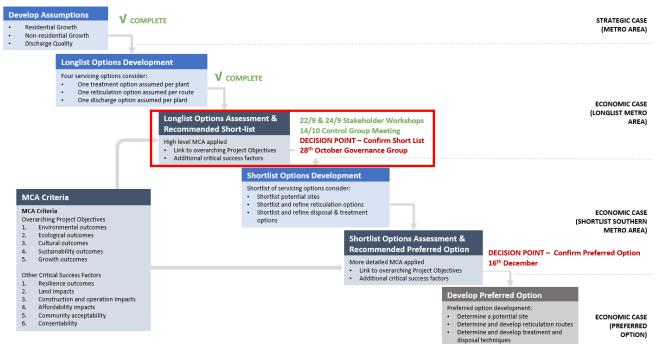
Milestone	Who	Status	Planned dates (TBC)
Project funding confirmed, Governance and Control Groups initiated, Terms of Reference approved.	Governance Group	COMPLETE	
Key assumptions confirmed: Population & Growth; Treatment Standards	Control Group	COMPLETE	
Fonterra Stage Gate 1 – Consentability Assessment and determination of Fonterra continuation in the project	Fonterra	COMPLETE	
Confirm investment objectives, overall MCA framework and criteria, long-list of Wastewater Servicing Options, long-list of commercial options, funding and financing options	Governance Group	COMPLETE	17 September 2020
Fonterra Stage Gate 2 –Whether Fonterra is included in the Short-listed options or not will determine their continuation in the project	Governance Group & Fonterra	COMPLETE	26 September 2020
Confirm short list of: metro wastewater servicing options, and southern metro option; commercial model options; funding and financing options.	Governance Group & Control Group	COMPLETE	28 [™] October 2020
Confirm preferred southern metro wastewater servicing options, commercial models (KEY DECISION)	Governance Group	ON TRACK	16 th December 2020
Confirm details of preferred wastewater servicing solution: including concept treatment, conveyance, eco-system re-entry methods; draft AEE, cost estimates. Confirm preferred funding and financial options models	Governance Group	ON TRACK	March 2021
Draft Economic, commercial, financial and management cases for review and approval:	Governance Group	ON TRACK	April 2021
Detailed business case for review and endorsement back to individual organisations	Governance Group	ON TRACK	May 2021
Deliver final detailed business case and implementation plan	Governance Group	ON TRACK	May 2021

Economic Case - Short-list of Wastewater Servicing Options

Options Development and Long list options assessment

- 23. The wastewater servicing options development and assessment process and key decision points to inform the economic case is outlined in Figure 1 below.
- 24. The assessment of the long-list of wastewater servicing options was completed through collaboration between the project team, partners and key stakeholders. The options development and assessment process, details of the MCA assessments, high level cost estimates and short-listing process are included in the 28 October 2020 Governance Group Meeting Package (28 October 2020 Meeting Agenda pages 10-35).
- 25. A summary of the key findings is summarised in this report.

Figure 1: Options development and assessment process



- 26. The options long-list were outlined in the 1 October report and comprised four options with two variations: Option "A" Fonterra Hautapu continues to be serviced via stand-along private system; Option "B" Fonterra Hautapu being serviced at the nearest municipal facility. As noted in October common growth projections and wastewater treatment standards were applied across all options to allow fair comparison of options. The options long list is:
 - Option 1a Full decentralisation Retain and upgrade existing treatment plants at Ngaruawahia, Te Kowhai, Pukete, Matangi, Tauwhare Pa, Cambridge, Te Awamutu. Construct 2 new plants at Ohaupo & Airport locations. Fonterra Hautapu would be serviced via standalone plant.
 - **Option 1b** As per Option 1a, but with Fonterra Hautapu serviced via Cambridge
 - **Option 2a** Centralisation Involving a northern (Pukete) and southern (at a new site) subregional plants and retaining and upgrading the Te Awamutu WWTP. Fonterra Hautapu would be serviced via standalone plant.

Flow from northern communities (Taupiri, Hopuhopu, Ngaruawahia, Te Kowhai) would be diverted to Pukete WWTP in Hamilton. Flows from a significant portion of Hamilton (extent to be determined) and southern metro communities (Cambridge, Matangi, Tauwhare, Ohaupo, Airport) would be serviced through a new southern facility.

- **Option 2b** As per Option 2a but with Fonterra Hautapu serviced via southern sub-regional facility
- **Option 3a** Centralisation As per Option 2 but with a new southern sub-regional plant constructed at the existing Cambridge WWTP site. Fonterra Hautapu would be serviced via standalone plant.
- **Option 3b** As per Option 3a but with Fonterra Hautapu serviced via southern (Cambridge) sub-regional facility

Option 4a – Partial Centralisation - Retain and upgrade Ngaruawahia, Pukete, Cambridge, Te Awamutu WWTPs. Construct a new plant south of Hamilton for the smaller local communities and airport area only. Fonterra Hautapu would be serviced via standalone plant.

Option 4b – As per Option 4a, but with Fonterra Hautapu serviced via Cambridge

- 27. High level "order of magnitude" cost estimates were developed to support the short-listing process. The high-level cost estimates indicate that the cost of all the options are in the range of \$400-600 million for CAPEX and around \$30 million per annum for OPEX. These cost estimates are for servicing the full Metro Area including upgrading Pukete WWTP, upgrading Te Awamutu WWTP, delivering a standalone solution for Fonterra Hautapu and strategic conveyance networks. The costs for Option 2a also include the cost for a new Southern WW facility.
- 28. The MCA and cost estimates were used to assess "cost effectiveness" and "value for money" of the different options. Several sensitivity assessments using a range of MCA criteria weightings were also completed. These results of these assessments were reviewed, sense checked, and a recommended short-list identified.

Short Listed Options

- 29. The short-list of wastewater servicing options recommended to and approved by the Governance Group to take forward as part of the DBC are:
 - **Option 2A (Emerging as the preferred solution)** Involving a northern (Pukete) and southern (at a new site) sub-regional plants, Te Awamutu WWTP, Fonterra Hautapu being serviced through a standalone system.
 - **Option 4A** Involving treatment plant upgrades at Ngaruawahia, Pukete, Cambridge and Te Awamutu; New plant at Airport, and Fonterra Hautapu being serviced through a standalone system.
- 30. The "order of magnitude" cost estimates for a new Southern wastewater facility and conveyance as part of Option 2A is in the order of \$240m (i.e. approx. \$140 million for the treatment facility and \$100 million for conveyance systems). Further work is underway as part of the DBC to refine the costs for the short-list and preferred options.
- 31. Option 2A was recommended for the short-list as it emerged as the most preferred option from the raw MCA assessment, the MCA sensitivity assessments, and the "value for money" assessment, despite having the second highest order of magnitude cost estimate. Some of the key advantages of Option 2A are:
 - this option takes an integrated catchment approach to wastewater servicing and has the
 potential to accelerate improved servicing outcomes across the Metro Area by making a
 step change in treatment performance and standards (e.g. liquid, solids, atmospheric
 emission) compared to the decentralised options^{1*};
 - b) large plants are typically better resourced than smaller facilities therefore improving the overall resilience of the centralised solutions compared to the decentralised solutions*;
 - c) this option provides the potential to "pool resources" to deliver greater benefits than individual communities could achieve 1*;
 - d) this is the only option that does not require further development of the Cambridge site which is constrained and has geotechnical challenges;
 - e) a new site can be master planned, future proofed and developed to deliver capacity "right on time" and adapt to change (including growth, performance standards, climate);

-

^{1 *} these advantages equally apply to Option 3A

- It can also be configured and developed to maximise energy efficiency, reduce carbon emissions and transition to more advanced technologies in the future;
- construction on a new site provides the ability to brand a new site as a 'resource recovery centre' allowing us to change perceptions and consent a new site and plant more easily;
- g) by reducing the number of plants in the metro area, this option creates an opportunity to rehabilitate significant portions of the existing Cambridge and Ngaruawahia WWTP sites. This could improve access to and interactions with the Waikato River;
- h) this option has the potential to reduce significant investment in strategic wastewater conveyance networks within Hamilton City by diverting significant flows away from the existing interceptor networks^{1*}. This potential benefit has not been quantified;
- i) a new southern facility can be strategically located to more deliberately support desired land use and development outcomes, such as wet industries; and
- a new southern facility can be strategically located to maximise the potential for water re-use and recycling, thereby supporting a closed cycle approach to water systems management.
- 32. Option 4A was recommended for the short-list for the following reasons:
 - a) for the northern metro area (spanning from North Hamilton region to Taupiri), servicing Te Kowhai via Pukete is likely to be more practicable than building a new plant at Te Kowhai;
 - b) for the southern metro area, a new plant (south of Hamilton) is proposed to meet the immediate needs of the airport and surrounding industrial area. The site would be master planned to allow for the inclusion of Tauwhare, Matangi, Tamahere and Ohaupo in the future. However, conveyance from these communities should only be considered when flows reach a more sustainable level. Within the short to medium term, Tauwhare, Matangi and Ohaupo would continue to operate as per BAU with Tauwhare and Matangi investing in short to medium term improvements to their standalone plants;
 - c) option 4a potentially allows for a transition to centralisation (i.e. Cambridge and Southern Hamilton to the southern facility, and Ngaruawahia/Taupiri to Pukete) in the future; and
 - d) while this option may be cheaper in the short term, it will not deliver the long term outcomes and growth capacity. There will be a need for future capacity via a new plant at some point in the future.
- 33. Option 3A was identified as the second most preferred option based on the MCA and value for money assessments, however it was not recommended for short-listing for the list largely due to complex site constraints. This recommendation was accepted by the Governance Group.

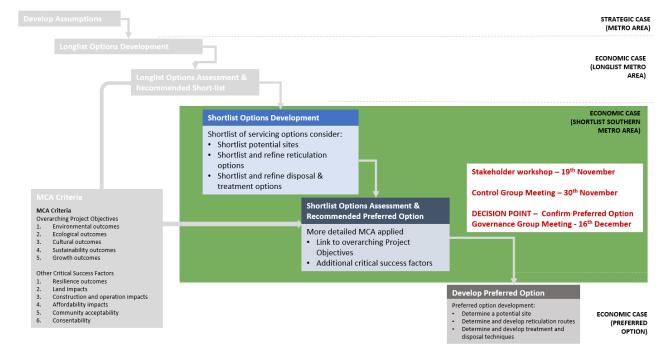
Fonterra

- 34. Option 2B was included in the short-list of options recommended to the Control Group (14 October 2020), if there was a desire to take a Fonterra option forward. In making this recommendation it was noted that the option including Fonterra was unlikely to emerge as the recommended preferred option as the benefits would be highly unlikely to outweigh the risk and costs of servicing Fonterra through a municipal facility.
- 35. On 16 October 2020, Fonterra advised of their decision to withdraw from the project. Fonterra noted that their decision was based on the output of the MCA assessment work, the significant cost associated with pursuing interim discharge consents, the uncertainty associated with delivering a sub-regional facility and the likely costs of a sub-regional facility being neutral at best for Fonterra. Further detail on the reasons behind the Fonterra decision is included in the 28 October 2020 Governance Group Meeting Package (28 October 2020 Meeting Agenda pages 19 20).

Economic Case - Next Steps

- 36. The next milestone for the economic case is confirmation of the preferred Southern Area WW servicing solution in December 2020. Key activities planned for November/ December to support identification of the preferred option include:
 - a) further development of short-listed options including refinement of cost estimates and consideration of discharge options;
 - b) engagement with council control group members to develop funding allocation principles and inputs to initial financial modelling assessments;
 - c) stakeholder workshop to consider options short list and identify preferred wastewater servicing option. Update on site selection investigation will also be provided;
 - d) control Group workshop to consider preferred wastewater servicing and commercial options: and
 - e) governance group confirmation of preferred wastewater and commercial options.
- 37. The preferred option will be developed further following the December decision.

Figure 2: Next Steps - Options development and assessment process



Commercial and Financial Case Long-List assessments

- 38. The commercial and financial case long list and multi criteria analysis (MCA) criteria were approved by the Project Director (as per the approval framework previously agreed with the Governance Group) on 22 September 2020 following engagement with council officials, third parties, mana whenua, review by the Control Group and consultation with the Governance Group.
- 39. The long lists have been assessed against the MCA criteria to identify options that should not be considered for shortlisting and to bring together the individual commercial short lists to form different combinations of options.
- 40. The assessments assume that the preferred solution will involve a centralised cross-jurisdictional treatment facility. In the event that the preferred solution retains the existing decentralised and separated wastewater management approaches, traditional commercial and financing options would likely be used.

- 41. A legal opinion has been sought to support the project. Specifically, to understand the potential, under current legislation, for local authorities to enter into arrangements for the delivery of waters services that involve private equity. The legal opinion has been used to support the long list assessment and confirmed that a new CCO with a private equity minority interest would be achievable (legally) and would minimise the restrictions applicable to water related infrastructure.
- 42. The approach to short-list the options, the assessment of the compatibility of different option combinations and the resulting recommendations were tested at a stakeholder workshop on 7 October 2020 and at the Control Group meeting on 14 October 2020 and updated to reflect the feedback received at these sessions. The assessment set out in the appended document "Long List to Short List Fatal Flaws Assessment" to the 28 October 2020 Governance Group Meeting Package (28 October 2020 Meeting Agenda pages 44 72) was presented to the Governance Group for feedback at the 28th October meeting. The information in the Governance Group Package provides:
 - a) a recap of the process being followed for the commercial and financial cases;
 - b) a recap of the previously agreed commercial and financial MCA and long list options;
 - c) the commercial fatal flaws assessment;
 - d) the compatibility of combined commercial options; and
 - e) the financial fatal flaws assessment.
- 43. The assessment and approach are currently being updated to reflect the considerable feedback and direction provided by the Governance group. Key feedback from the Governance Group included:
 - a) assessing the different contracting and packaging options for the strategic conveyance components and the wastewater treatment facility separately;
 - b) re-working the long list assessment to outline the pros and cons of each option as opposed; and
 - c) ensuring that any shortlisted options and commercial/funding models may be easily migrated into the reform programme should that proceed.

Off balance sheet structures

- 44. a key question posed by stakeholders in identifying potential commercial and financial cases has been centred around the opportunities to move debt off council balance sheet;
- 45. PWC have advised that both ratings agencies and accounting standards are more stringent in looking through structures which try to move debt off balance sheet or outside of council debt limits.
- 46. Of the commercial models and funding and financing options recommended in the short list only the IFF levy structure is certain not to be counted towards council debt limits as it was specifically designed for this purpose.
- 47. Debt raised by a new entity that is either fully or majority owned by the councils will not achieve the same outcome. Some initial work is being carried out to look at whether the Design, Build, Fund, Operate and Maintain (DBFOM) and private provision options may be able to deliver this outcome. However, precedent projects would suggest that this is unlikely

without a level of risk transfer and cost that is expected to be unacceptable to the market and councils respectively.

Commercial & Financial Case - Next Steps

- 48. The next milestone for the commercial case is confirmation of the preferred commercial delivery, contracting and packaging options in December 2020;
- 49. key activities to support identification of the preferred option include:
 - a) updating the long list assessment and approach to reflect Governance Group feedback;
 - b) confirmation of short list options (commercial and financial cases); and
 - c) further development and qualification of commercial case short list options utilising:
 - i. PwC research and internal experience / SMEs;
 - ii. project team and technical advisor experience;
 - iii. further discussions with council SMEs;
 - iv. targeted market sounding;
 - v. discussions with other parties e.g. Crown Infrastructure Partners, InfraCom;
 - vi. MCA assessment of commercial case short list to determine preferred option;
 - vii. testing preferred commercial case option at stakeholder workshop; and
 - viii. MCA assessment of commercial case short list to determine preferred option in December 2020.
- 50. MCA assessment of financial case short list to determine preferred option is planned to take place in February once the preferred wastewater treatment option has been determined.

Financial Considerations - Whaiwhakaaro Puutea

- 51. There are no financial implications in relation to this current report, however implementing the DBC recommendations is likely to have significant financial implications for the 2021–31 Long Term Plan if adopted by the partner Councils.
- 52. Staff from Hamilton, Waikato and Waipa District Council are working closely to align 2021-31 LTP requests across organisations so that funding is available to implement (at least the initial planning and land acquisition elements) a new sub-regional Southern Metro WW facility.
- 53. This approach is proposed to preserve the opportunity to commence delivery of a new subregional Southern Metro WW facility in line with Waipa District Council programme needs. As noted in the October 2020 report an upfront investment in land acquisition, designation, design and consenting processes will likely be required in Years 1 -3. Funding for construction of a new treatment facility and strategic conveyance systems could potentially be programmed to commence from Year 9 and extend beyond the 2021-31 LTP.
- 54. The sub-regional DBC will be presented to Council as a project opportunity, to be added into the baseline LTP. At a minimum, including a budget for the HCC share of strategic planning and land acquisition required for a new facility in Years 1-3 of the LTP preserves the opportunity to deliver the wastewater servicing solution for the Southern Metro Area.
- 55. Cost apportionment principles and opportunities to stage delivery of the sub-regional facility are still being worked through and will be presented as part of the LTP considerations.

 Because the DBC (and associated details) is still being developed several significant

assumptions will be necessary to develop a proposal for the 2021-31 LTP. The assumptions and inputs to the proposal will likely include:

- a) that the preferred wastewater servicing solution for the Southern Metro Area will involve a new wastewater treatment facility to the South of existing Hamilton city;
- the "order of magnitude" cost estimates will be used. They would ordinarily not be used for budgetary purposes, however are the best available information currently.
 The estimates are based on cost curves. No element or component level estimating has been completed at this stage. The potential site has not been identified;
- c) that there will be no third-party equity investment in the facility;
- d) the strategic planning and land acquisition required for a new facility must occur within Years 1 3 of the LTP;
- e) the physical construction of the treatment facility and conveyance systems will commence from year 9 of the LTP and extend beyond the 10-year plan;
- f) the HCC contribution will be 50% of the order of magnitude costs. This is based on current work completed as part of the long-list assessment. Not that the extent of HCC that could be serviced by a new southern facility currently being assessed; and
- g) the Governance Group acknowledge that due to the competing financial demands and parameters of the partner Councils Financial Strategy, the Government Three Waters Reform Programme and potentially a different structure for Three Waters ownership, may be a significant factor on the financial deliverability of the DBC.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

56. Staff confirm that this project complies with the Council's legal and policy requirements.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

- 57. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 58. The Metro WW DBC(s) will adopt the Treasury Better Business Case Programme Business Case model. The 4 wellbeing's are core considerations in delivering the business case in addition to Te Ture Whaimana o te Awa Waikato The Vision and Strategy for the Waikato River and relevant Iwi Management Plans.

Risks - Tuuraru

- 59. There are no known risks associated with the decisions sought in this report. However there are a series of significant risks associated with the successful delivery of the overall project. A project risk register and mitigation strategy has been prepared for the project. The significant risks relate to:
 - a) lack of alignment across partner organisations leading to conflicting aspirations, inconsistent messaging, partner disagreement at key decision points; and
 - b) funding and affordability challenges.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

Significance

60. Having considered the Significance and Engagement Policy, staff have assessed that the matters is this report has a low level of significance.

Attachments - Ngaa taapirihanga

There are no attachments for this report.

Council Report

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Christopher Barton **Authoriser:** Chris Allen

Position: Capital Projects Manager **Position:** General Manager

Development

Report Name: Ruakura Road Urban Upgrade

Report Status	Open

Purpose - Take

1. To seek delegated authority from the Strategic Growth Committee to award the contract for the planned and budgeted Ruakura Road Urban Upgrade Project.

Staff Recommendation - Tuutohu-aa-kaimahi

- 2. That the Strategic Growth Committee:
 - a) receives the report; and
 - b) delegates authority to the Chief Executive to award the contract for construction of the Ruakura Road Urban Upgrade, subject to the Approved Contract Sum not exceeding \$11,350,000 and subject to third party contributions set out in this report being confirmed.

Executive Summary - Whakaraapopototanga matua

- 3. The Ruakura Road Urban Upgrade project is a planned and funded project in the 2018-28 10 Year Plan and 2020-21 Annual Plan.
- 4. An upgrade of the existing Ruakura Road between Wairere Drive and Silverdale Road is required to align with expected completion of the Hamilton section of the Waikato Expressway and construction of the new Rukaura Spine Road connection between the Waikato Expressway Ruakura Interchange and existing Ruakura Road in late 2021.
- 5. Detailed design of the project is currently being completed, with construction procurement planned to commence in November 2020.
- 6. Due to the break of Council meetings over the December and January period, in order to expedite contract award following tendering and evaluation it is recommended that authority to award the construction contract is delegated to the Chief Executive.
- 7. Staff consider the decisions in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - Koorero whaimaarama

8. A project is included in the 2018-28 10-Year Plan to urbanise the existing Ruakura Road between Wairere Drive and Silverdale Road, where it will tie in with the future Ruakura Eastern Transport Corridor (previously called Spine Road).

- 9. As previously reported, Ruakura Road is currently constructed to a rural standard while urban development has progressed in the area and the road is no longer fit for purpose. It is planned to commence construction of the upgrade in the 2020/21 construction season prior to additional traffic loading from the Waikato Expressway Ruakura Road West link.
- 10. At the 6 August 2020 Council meeting, Council resolved to approve the Ruakura Road Urban Upgrade project macroscope (**Attachment 1**).
- 11. Detailed design of the upgrade has been progressing in parallel with Waka Kotahi NZTA funding application. It is currently anticipated that detailed design will be complete in November 2020, and confirmation of Waka Kotahi NZTA funding approval for the project at 51% financial assistance rate (FAR) is expected in early November.

Discussion - Matapaki

Contract Award

- 12. Following detailed design and project funding approval from Waka Kotahi NZTA, it is anticipated to commence construction procurement in November 2020, via a public Request for Tender process in accordance with HCC's Procurement Policy and Procedures Manual.
- 13. Tender evaluation is scheduled to be undertaken in late 2020 and early 2021, with a desire to rapidly mobilise to construction as quickly as possible to maximise works opportunities in the 2020-21 summer construction season and enable works completion prior to anticipated opening of the Hamilton section of the Waikato Expressway in late 2021, which is anticipated to increase traffic volumes on this corridor.
- 14. Due to the break of Council meetings over the December and January period, to expedite contract award following tendering and evaluation it is recommended that authority to award the construction contract is delegated to the Chief Executive, subject to tender pricing and contract values being in accordance with existing project budget allocations.

Construction Methodology

- 15. It is noted that to most effectively construct the Ruakura Road Urban Upgrade, it is proposed that a section of Ruakura Road between Wairere Drive and Knighton Road would be temporarily closed for a period of indicatively 3 months subject to detailed works programming.
- 16. A closure of this section of road will enable significant construction efficiencies (including anticipated time/cost savings) as well as reduced potential health and safety risk of constructing in a constrained corridor while also manging vehicle, pedestrian and cycle movements.
- 17. Timing, extents and details of a potential closure are subject to contractor tender methodology and programmes. Once understood a detailed communication and engagement plan will be further developed.

Financial Considerations - Whaiwhakaaro Puutea

18. The total forecast cost to complete this project is \$12,300,000, which is planned to be funded as follows:

Funding Source	Cost Share
Waka Kotahi NZTA (51% FAR)	\$6,273,000
Hamilton City Council	\$4,199,000
Crown Infrastructure Partners (part of \$40m Ruakura Inland Port stimulus package)	\$1,828,000
Total	\$12,300,000

19. The total project cost forecast is comprised of:

Item	Forecast Cost
Design, Consenting and Procurement	\$500,000
Civil Construction Contract	\$11,350,000
Construction Management (incl. project management, contract management and quality assurance)	\$450,000
Total	\$12,300,000

20. It is recommended to delegate authority to the Chief Executive to award the Ruakura Road Urban Upgrade Contract, subject to the Approved Contract Sum not exceeding the budgeted \$11,350,000 construction cost value, and the local share not exceeding the amount set out in Paragraph 19.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

21. Staff confirm that the matters and recommendations within this report comply with Council's legal and policy requirements.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

- 22. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 23. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
- 24. The recommendations set out in this report are consistent with that purpose.
- 25. When fully developed Ruakura will become New Zealand's largest integrated inland port operation and will serve to bring social, economic, environmental and cultural benefits to Waikato and New Zealand.

Social

- 26. The completion of the Ruakura transport network will help provide for a connected city allowing communities to access employment, education, health and other essential services as well as access to recreational and social opportunities.
- 27. The social impacts of transport were considered as part of the designation of the Ruakura Road Interchange undertaken by the Transport Agency in 2015 and through the Board of Inquiry for the inland port and the subsequent plan change to bring the broader Ruakura area into the District Plan.
- 28. The recommendation to reconsider the transport corridor more broadly and taking into account any direction from the Metro-Spatial Plan provides an opportunity to also reconsider social opportunities.

Economic

- 29. The completion of the Ruakura transport network will allow for economic wellbeing city-wide but particularly for Ruakura and its intended inland port and associated logistics and industrial land zoning.
- 30. Delivery of this project provides employment outcomes and is a form of economic stimulus into the local economy and supply chain.

Environmental

- 31. The macroscope of this project promotes multi-modal transportation options, particularly regarding improvements to walking and cycling facilities.
- 32. Completion of the Ruakura transport network is an important enabler of the Ruakura Inland Port which is intended to drive a mode shift from road to rail when fully developed.
- 33. Mode shift from road to rail has positive environmental impacts including a reduction in road crashes involving trucks and heavy vehicles and fewer carbon emissions from the burning of transport fuels.

Cultural

- 34. Completion of the Ruakura transport network will not only allow connection of the Expressway with the local transport network, it will also enable development of Ruakura and the commencement of the Ruakura Inland Port.
- 35. Ruakura is a critical platform for enabling Waikato Tainui economic development aspirations. Tainui advise it is intended to provide a long-term source of income to support the health, wellbeing and education of the future generations of Waikato-Tainui.
- 36. Engagement with tangata whenua is ongoing in regard to opportunities to incorporate appropriate cultural consideration and recognition into design and construction.

Risks - Tuuraru

- 37. This project is in the final design stage and is subject to key risks including cost estimate updates, confirmation of consents and associated conditions, tender pricing, conflicts with existing services, significant traffic management and unforeseen ground conditions.
- 38. The Ruakura Road urban upgrade is currently budgeted on the assumption of Waka Kotahi NZTA funding assistance at 51%.
- 39. There are still some agreements required with adjacent land owners (including Tainui Group Holdings) regarding land lease arrangements and provision for future access to the Ruakura development area. Contracts will not be let until this risk is managed.

40. Subject to works staging and timing, there is a risk that this project (a key connection from the city to the Hamilton section of the Waikato Expressway) will not be complete at the time the Expressway is opened.

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

41. 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.

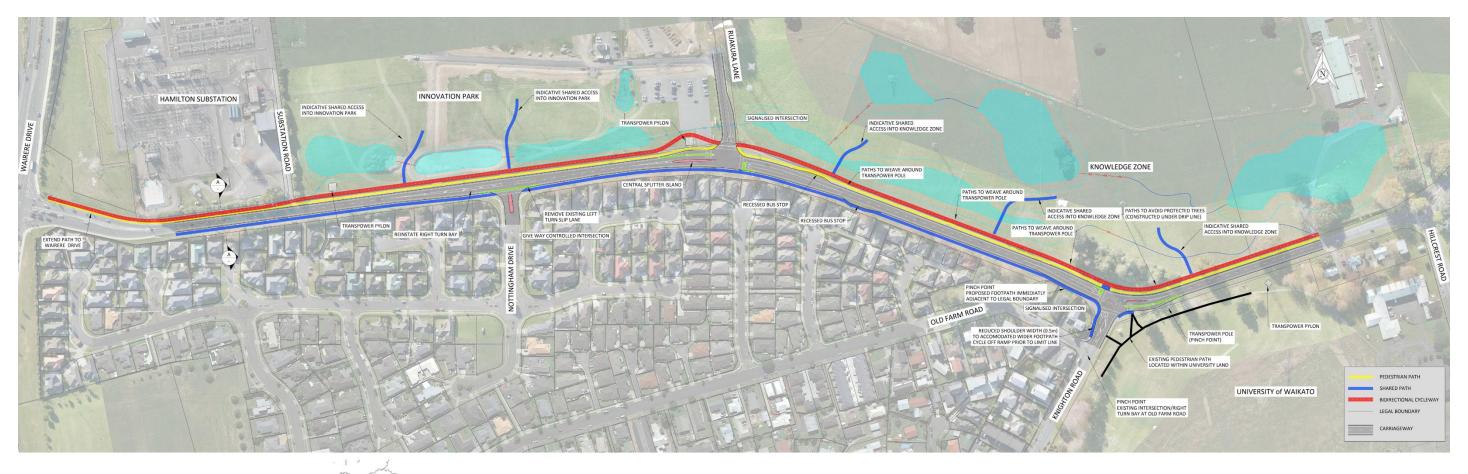
Engagement

- 42. Some community views and preferences are already known to the Council through engagement over the Waikato Expressway and the District Plan and the 2018-28 10 Year Plan.
- 43. There has been extensive engagement with project stakeholders throughout the design process including particularly adjacent land owners on the northern side of the corridor.
- 44. As construction planning is further defined, further project information and communication will be undertaken with project stakeholders and the general public.
- 45. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - Ngaa taapirihanga

Attachment 1 - Ruakura Road Urban Upgrade - Wairere Drive to Silverdale Road - General Arrangement Plan

Page 67 of 133



Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Nathan Dalgety **Authoriser:** Jen Baird

Position: Programme Manager – **Position:** General Manager City Growth

Analytics

Report Name: Growth Projections for the 2021-31 LTP

Report Status	Open
I -	·

Purpose - Take

1. To inform the Strategic Growth Committee of the growth projection series options and analysis.

2. To seek approval from the Strategic Growth Committee for the NIDEA 2020 Low growth scenario for Hamilton to be used in planning and development of the 2021-31 Long Term Plan (LTP).

Staff Recommendation - Tuutohu-aa-kaimahi

- 3. That the Strategic Growth Committee:
 - a) approves the use of the University of Waikato National Institute of Demographic and Economic Analysis (NIDEA) 2020 Low growth projections for the 2021-31 Long Term Plan;
 and
 - b) notes that updated NIDEA growth projections that are based on the 2018 Census will be available in March 2021 for the Strategic Growth Committee's consideration to inform changes through the 2022-23 Annual Plan and 2024-34 LTP.

Executive Summary - Whakaraapopototanga matua

- 4. Growth projections are a projection of the change in population over time and the demand for housing.
- 5. Growth projections are required to enable a local authority to prepare the Financial and Infrastructure strategies stated in sections 101(a) and 101(b) of the LGA and are produced using Census data and economic/demographic models, which output population and household projections for a given spatial area.
- Due to problems with the 2018 Census, key census data releases required the University of Waikato National Institute of Demographic and Economic Analysis (NIDEA) to update their population and household projections were significantly delayed and not made available in time to support the 2021-31 LTP.
- 7. The Council can update its underlying growth assumptions as part of the Annual Plan process. The new NIDEA Growth Projections that incorporate the 2018 Census data will be available to the Council at the 2022-23 Annual Plan.

- 8. The National Policy Statement Urban Development (NPS-UD) requires councils to understand their housing and business land capacity and demand for each, then plan to deliver a quantum of serviced land to not only meet demand but also to build capacity. The required margin is 20% in years 1-10 and 15% in years 10-30.
- 9. Staff assess that there are two reasonable options for the Council to consider adopting as their household growth projections: NIDEA Low and NIDEA Medium.
- 10. Household/dwelling growth drives Council growth planning and capital investment, yield/uptake analysis and revenue. NIDEA Low was used to inform the 2018-28 LTP.
- 11. The population increase historical average in Hamilton since 1997 has been 1.86%. However, the NIDEA Low and Medium population projections for the LTP period show an average increase of 1.21% and 1.5% respectively. This is due to the use of 2013 Census data.
- 12. NIDEA 2020 Low has projected 12,488 new households over 10-year period (2022-31). NIDEA 2020 Medium projects 14,789 new households over the same period, an increase of 2,301 dwellings (or 18%) above the NIDEA Low projection.
- 13. Since the construction boom that started in 2015, the number of dwellings completed has been slightly below the level that was projected by NIDEA Low.
- 14. To work toward meeting the NIDEA Low projections in the 2021-31 LTP, the Council will need to stay the course of the 2018-28 LTP investment. Delivery of homes in Te Rapa North (Te Awa Lakes) and Rotokauri Stage 2 (MADE Special Housing Area) will provide further capacity in the short to medium term. There is no funding in the 2018-28 capital programme for either of these areas. Additionally, Council will still need to deliver further infrastructure-serviced land to meet projected demand.
- 15. To meet the NIDEA Medium projections, several changes would need to be made to the current infrastructure investment strategy including bringing core citywide infrastructure forward and accelerating investment in growth cells.
- 16. Delivering the required amount of infrastructure-serviced land is challenging and Council works with a funding gap. Council continues to work with partners and Central Government to leverage the tools and funding opportunities being created to support high growth councils.
- 17. In conclusion, staff recommend the approval NIDEA 2020 Low growth scenario for Hamilton to be used in planning and development of the 2021-31 LTP.

Background - Koorero whaimaarama

- 18. Growth projections are required to enable a local authority to prepare the Financial and Infrastructure strategies stated in sections 101(a) and 101(b) of the LGA. Projections help councils to understand the scale, location and timing of investment to deliver to the needs of the community.
- 19. Growth projections are produced by expert demographers using Census data and economic/demographic models, which output population and household projections for a given spatial area.
- 20. There are two main organisations that produce growth projections for the Waikato: StatsNZ and the University of Waikato National Institute of Demographic and Economic Analysis (NIDEA).
- 21. Projections are not predictions and do not aim to predict the future. Projections are designed to meet short-term and long-term planning needs rather than be exact predictors of annual variations.

2018-28 LTP growth assumptions

- 22. The 2018-28 LTP growth assumptions used the 2016 NIDEA Low population and household projections, which were based off the 2013 Census.
- 23. Development of the 2016 NIDEA population and household projections was a collaboration between the Council, University of Waikato, Future Proof, NZTA and the Waikato Regional Council (Waikato Integrated Scenario Explorer). Each party provided input and strategic direction to the development of those growth projections.

2018 Census

- 24. The 2018 Census was the first predominantly online-based census in New Zealand's history. While it was a technological leap forward, the participation rate was far below historical rates, which has a direct bearing on the statistical robustness of the results. As a result, 89% of the total number of census records will come from 2018 Census forms and 11% will come from other government "administrative data".
- 25. Due to the 2018 Census participation rate issue, key census data releases required to update the NIDEA population and household projections were significantly delayed and not made available in time to support the 2021-31 LTP. As a result, the 2016 NIDEA Low projections remain predicated on the 2013 Census but were rebased to account for Hamilton's growth in population using Stats NZ 2018 Hamilton City Population Estimates. These projections are labelled NIDEA Low 2018.
- 26. The update to the NIDEA population and household projections to incorporate the 2018 Census is expected to be completed in March 2021, which is too late to be used in developing the 2021-31 LTP.
- 27. This year has also seen the social and economic impact of Covid-19. To account for this impact on our growth projections, staff engaged directly with the University of Waikato to update the NIDEA projections. The resulting new projection series is labelled NIDEA 2020.
- 28. The NIDEA 2020 projections also remain predicated on the 2013 Census but make an adjustment to the near-term projected net migration, which incorporates assumptions on the border closures associated with Covid-19. These projections show a short-term dip followed by a recovery towards normal levels of growth.
- 29. In late September 2020, Stats NZ released the first set of sub-national population estimates based on the 2018 Census. These new population estimates for Hamilton have been incorporated as the new base for the NIDEA 2020 projections, so the Council is using the most up-to-date population estimates currently possible.
- 30. Future Proof partners (and most other councils in New Zealand) have experienced similar issues in adopting growth projections, given the limitations and delays of the 2018 Census. Most have taken similar action when recommending a growth scenario for their respective 2021-31 LTPs updating the previously used series with the latest population estimates and the impact of Covd-19.
- 31. The Waikato Projections Working Group (which consists of staff representatives from Hamilton City Council, all the district councils in the Waikato and Waikato Regional Council plus representatives from Waikato District Health Board and Waka Kotahi NZTA) has recommended the use of NIDEA 2020 with a move to updated 2018-based projections when they become available in March 2021.
- 32. Elected Members have been briefed on the NIDEA growth projections, presented on 19 August 2020 by Associate Professor Michael Cameron from University of Waikato.

33. The Council can update its underlying growth assumptions as part of the Annual Plan process. The new NIDEA Growth Projections that incorporate the 2018 Census data will be available to the Council at the 2022-23 Annual Plan.

Use of the Council's growth projections

34. The current uses of the Council's growth projections in the 2018-28 LTP are shown in Table 1 below.

Table 1: Core uses of the Council's growth projections in the 2018-28 LTP

Owner	Name of model or planning process	Growth Series used	Primary growth input	Primary growth output
Hamilton City Council	2018-28 10-year Plan	NIDEA Low 2016	Population, households	10-year plan capital programme and financial implications
Hamilton City Council	3-Waters Model	NIDEA Low 2016	Population	Water consumption informing 3-waters capital programme
Hamilton City Council	Development Contributions (DC) Model	NIDEA Low 2016	Households converted to HUEs (Household Unit Equivalents)	DC charges, DC revenue
Hamilton City Council	Rates Model	NIDEA Low 2016	Households converted to SUIPs (Single Units or Inhabited Parts of a rating unit)	Rates charges, Rates revenue projections
Hamilton City Council	Asset Management Plans (AMPs)	NIDEA Low 2016	Population, households	Detailed asset management plans
LASS (Waikato TAs) and NZTA	Waikato Regional Transport Model (WRTM)	NIDEA 2016 (Combination of Low and Medium)	Population, households	Trip generation informing transport capital programme
Future Proof Partners	WISE Model, NPS-UD	NIDEA 2016 (Combination of Low and Medium)	Population, households	Households, land use, and a range of other policy outputs

Discussion - Matapaki

National Policy Statement – Urban Development

- 35. Central Government introduced The National Policy Statement Urban Development (NPS-UD) to help deliver on its goal to speed up and enable the delivery of more homes to meet the demand of a growing population by increasing supply.
- 36. The NPS-UD requires councils to understand their housing and business land capacity and demand for each, then plan to deliver a quantum of serviced land to not only meet demand but also to build capacity.
- 37. This means when the Council plans for growth, it is required to plan for the demand projection plus 20% in years 1-10 and the demand projection plus 15% in years 10-30.

38. If a land shortage is identified (i.e. demand is predicted to be higher than supply due to higher population projections), the NPS-UD requires the Council to increase the supply of serviced and zoned land.

Options Analysis: NIDEA 2020 Low vs NIDEA 2020 Medium

- 39. Staff have assessed that there are two reasonable and viable options for the Council to consider: NIDEA Low and NIDEA Medium. These are considered the most suitable projections available. The options are set out in the Table 2 below (see paragraph 43).
- 40. Household/dwelling growth drives Council growth planning and capital investment, yield/uptake analysis and revenue. NIDEA Low was used to inform the 2018-28 LTP. If NIDEA Medium projections are selected, then the Council will need to plan, accelerate and fund infrastructure to accommodate this new level of projected growth.
- 41. A detailed funding impact of NIDEA Medium has not been fully modelled and would need to be completed as part of developing the 2021-31 LTP. However, staff have approximated the impact of the need to increase delivery and this is detailed in paragraph 56.
- 42. Both the NIDEA Low and Medium scenarios project lower population growth than has historically occurred. However, the NIDEA Low projections from a household perspective have been historically more accurate compared to NIDEA Medium.
- 43. Adopting the NIDEA Medium growth projections would require the Council to provide for future residential dwelling growth at levels above what has been achieved in Hamilton (since the 1970s) and continue that level of growth throughout the 10-year LTP period.

Table 2: Growth Projection Options Assessment

Option name	Option 1: RECOMMENDED NIDEA 2020 Low	Option 2: NIDEA 2020 Medium
Description	Updated NIDEA Low projections that incorporate the latest Population Estimates and reflects the Covid-19 migration assumptions.	Updated NIDEA Medium projections that incorporate the latest Population Estimates and reflects the Covid-19 migration assumptions.
Historical accuracy? How have previous Hamilton projections compared to reality?	Population: Low Households: High	Population: Below average Households: Low
Broader implications for HCC	Broadly in line with the current LTP and infrastructure strategies, which form a basis of the 2021-31 LTP.	Potentially substantial increases in capital programme required to provide for higher growth projections, in combination with higher NPS-UD +20% requirement.
Suitability Suitability for the Council's core uses of growth projections?	Staff consider this to be the most suitable option, given the limitations regarding the 2018 Census.	Considers the Covid-19 crisis and associated border closures. Household projections are much higher than historic trends.
Suitability - Continued	Considers the Covid-19 crisis and associated border closures. Household projections continue	While population projections are lower than historical trends, it is the highest of the two options.

Stakeholder acceptability	the recent historical trends in dwelling growth. Medium	Medium
How well known, reputable, and generally accepted is the provider?	NIDEA is well known, widely used across the Waikato, and broadly respected.	NIDEA is well known, widely used across the Waikato, and broadly respected.
Transparency and interpretation Are the projections easy to interpret and is the underlying model transparent to stakeholders?	Medium Information is available through published academic articles and reports; however, regardless of the available demographic models are complex and specialised and experts need to be relied upon.	Medium Information is available through published academic articles and reports; however, regardless of the available demographic models are complex and specialised and experts need to be relied upon.
Internal Consistency Are the projections compatible with other Council users?	Yes	Yes

Population projections

- 44. The population increase historical average since 1997 has been 1.86%. However, the NIDEA Low and Medium population projections for the LTP period show an average increase of 1.21% and 1.5% respectively (see Figure 1 below).
- 45. Hamilton's growth in population is heavily driven by international migration. In the 2020 provisional population estimates, international net migration made up 74% of the growth in Hamilton's population. Furthermore, Hamilton also lost an estimated 280 people to the rest of the country and the natural increase of the population also decreased by 7% between 2019 and 2020 (see Figure 2 below).
- 46. The lower than historic nature of the NIDEA 2020 population projections is a direct result of the fact they remain predicated on the 2013 Census. This means they do not take account of the more recent population and household formation trends, and the increase in national net migration since 2013 (see Figure 3 below). The Stats 2017 Medium projection (not recommended in this report) provided by Stats NZ also show the same conservative numbers, due to the same 2013 Census-based assumptions.
- 47. The NIDEA 2020 projections make an adjustment to the near-term projected net migration, which include assumptions on the Covid-19 border closures. Note: the Stats 2017 Medium projection has not been updated to reflect the border closures.
- 48. The NIDEA projections that incorporate the 2018 Census data (available in March 2021) will provide more robust population projections for Hamilton and the wider region.

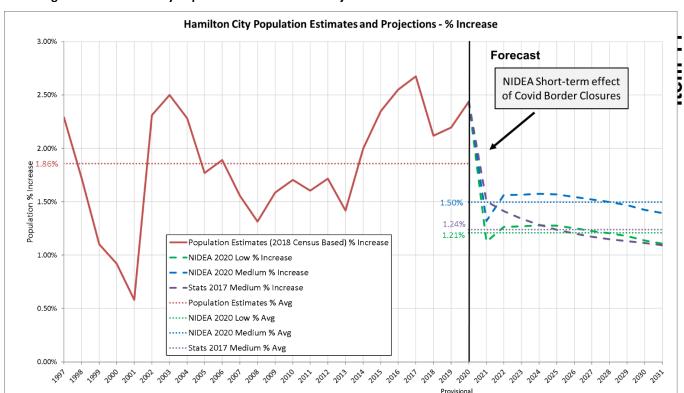
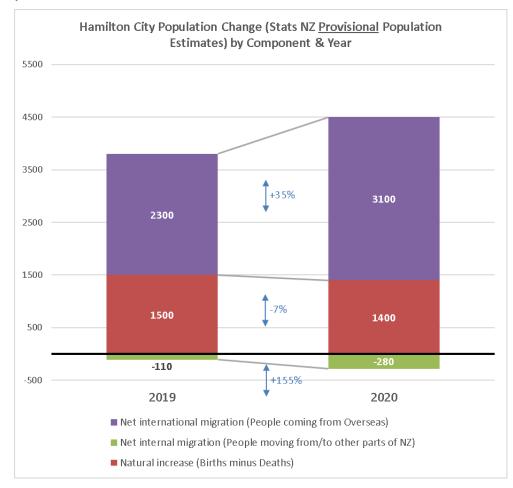


Figure 1 – Hamilton City Population Estimates and Projections - % Increase

Figure 2 – Hamilton City Population Change (Stats NZ Provisional Population Estimates) by Component & year



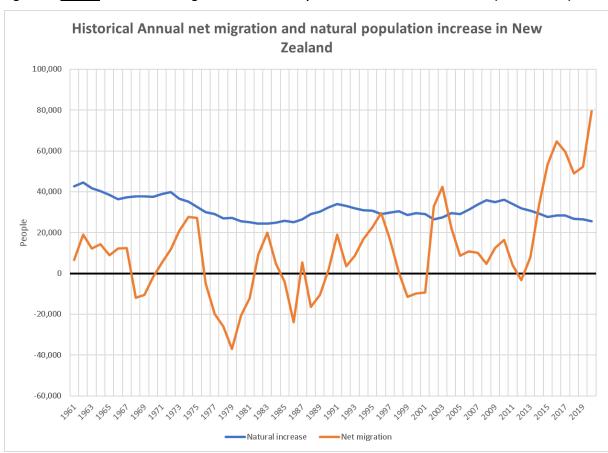
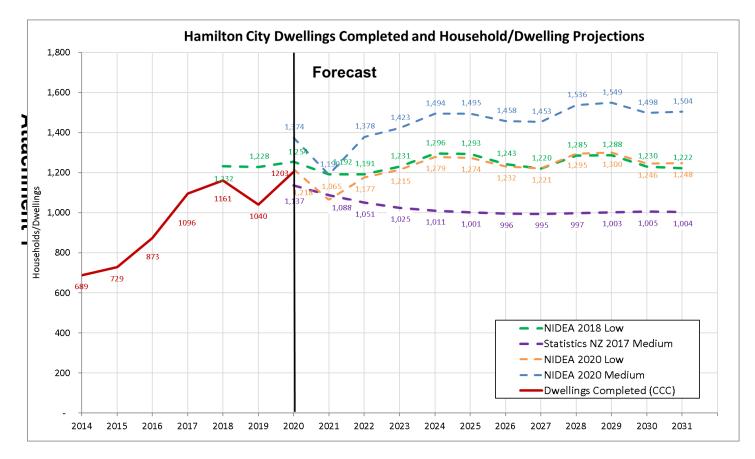


Figure 3 – Annual National Net Migration & Natural Population Increase in New Zealand (to June 2020)

Household and dwelling projections

- 49. Household/dwelling projections are a stronger determinant of the need for growth investment than population projections when planning a city's growth infrastructure. Therefore, the plausibility of the household projections is more critical in the development of an LTP than population projections, at least from a financial and infrastructure planning perspective.
- 50. Figure 4 below illustrates the NIDEA 2020 household projections (Low and Medium) compared to the original NIDEA Low 2018 household projections and the actual number of houses completed (CCCs issued). Figure 4 also includes the StatsNZ 2017 Medium projection for context, although it is not recommended as an option.
- 51. Since the construction boom that started in 2015, the rise in dwellings completed has been slightly below the level projected by NIDEA Low. The dip in the NIDEA 2020 household projections in 2021 closely follows the population projections and reflects the impact of Covid-19 border closures; however, it returns to normal levels afterwards.
- 52. NIDEA 2020 Low has projected 12,488 new households over 10-year period (2022-31). NIDEA 2020 Medium projects 14,789 new households over the same period, an increase of 2,301 dwellings (or 18%) above the NIDEA Low projection.

Figure 4 – Household/Dwelling projections and completed dwellings in Hamilton City



The 2018-28 LTP capital programme and 30-year Infrastructure Strategy - NIDEA Low

- 53. The current capital programme and infrastructure strategy as per the 2018-28 LTP was completed to align with the Hamilton Urban Growth Strategy and target delivery to NIDEA Low projections. At a high level this plan includes:
 - i. the current HUGS infill target of 50%;
 - ii. continued investment in the Rototuna growth cell;
 - iii. investment in the Peacocke Stage 2 growth cell as the next primary greenfield growth cell.
 - iv. Peacocke stage 1 growth cell continuing to provide approximately 300-400 dwellings in the short term;
 - v. Start Rotokauri Stage 1 investment (Year 7- 2024) for the floodway, transport and waters investment with development enabled approximately 2027;
 - vi. continued investment and delivery of homes in the Ruakura residential catchment (Greenhill) to deliver the required housing; and
 - vii. it does not include any investment to enable Rotokarui Stage 2, Te Rapa North, Temple View or areas outside the boundary including WA, R2 and HT1. These are, however, included in the 30-year infrastructure strategy.
- 54. Not all of the required infrastructure is fully funded in the capital programme. Council works with a funding gap and works with partners and Central Government to implement agreements and innovative solutions to meet Hamilton's growth demand. These approaches are detailed from paragraph 68 of this report.
- 55. To meet the NIDEA Low projections into the 2021-31 LTP, the Council will need to stay the course of the 2018-28 LTP investment in scale and timing. Delivery of homes in Te Rapa North (Te Awa Lakes) and Rotokauri Stage 2 (MADE Special Housing Area) will provide further supply in the short to medium term. There is no funding in the 2018-28 capital programme for either of these areas. Additionally, Council will still need to deliver further infrastructure-serviced land to meet projected demand.

2021-31 LTP capital programme and 30 year Infrastructure Strategy -NIDEA Medium

- 56. The draft 2021-31 LTP capital programme and 30-year infrastructure strategy, in its current state, would not require fundamental changes to provide for the NIDEA Medium scenario. However, investment in infrastructure would need to be brought forward to facilitate delivery at NIDEA Medium level.
- 57. To provide for the NIDEA Medium scenario, several changes would need to be made:
 - Citywide infrastructure investment including the treatment plants, wastewater storage programmes, the sub-regional water programme and development of the citywide multi-modal transport options would all need to be brought forward by approximately 2-3 years (for both greenfield and further intensification); and
 - ii. Rotokauri Stage 1 would need to be enabled earlier than is currently planned for in the 2018-28 LTP; or
 - iii. infrastructure investment in current primary greenfield growth cells (e.g. Peacocke) would need to be accelerated, with Rotokauri Stage 1 still being enabled under the timeframes set out in the 2018-28 LTP.
- 58. Detailed capital programme and finance modelling has not been completed under the draft 2021-31 LTP to enable NIDEA Medium. However, if NIDEA Medium were to be adopted, the draft 2021-31 LTP and associated capital programme and financial strategy would need to be updated to reflect the new growth scenario.
- 59. It is to be expected that under this scenario Council would continue to have a funding gap and would work with partners and Central Government to implement agreements and innovative solutions to meet Hamilton's growth demand. These approaches are detailed from paragraph 68 of this report.

Consequences of under-projecting growth

- 60. Under-projecting growth would occur if Hamilton grows more than we project.
- 61. If growth occurs quicker than it is projected:
 - i. less zoned and serviced land is available in Hamilton which, all things being equal, would facilitate a less competitive land market;
 - ii. the Council will receive higher than forecast development contributions (DC) revenue and new rates growth. The Council will be in a better financial position than anticipated; and
 - iii. higher than forecast DC revenue means quicker repayment of growth debt. As financing costs are recoverable through DCs, quicker repayment of growth debt means less interest is recovered through DCs and the DC charges would also drop.

Consequences of over-projecting growth

- 62. Over-projecting growth would occur if Hamilton grows less than we project. This means fewer additional people forming fewer new households. It is primarily the fewer households that drive the consequences of over-projecting growth.
- 63. If growth occurs more slowly than it is projected:
 - i. more zoned and serviced land is available in Hamilton which, all things being equal, would facilitate a more competitive land market;
 - ii. the Council will receive lower than forecast development contributions (DC) revenue and new rates growth. The Council will be in a worse financial position than anticipated; and

iii. lower than forecast DC revenue means slower repayment of growth debt. As financing costs are recoverable through DCs, slower repayment of growth debt means more interest is recovered through DCs and the DC charges would also rise.

Construction constraints

- 64. When considering which projection series to use, it is prudent to do a 'stand back' test to ensure the projections align with real world constraints such as the productive capacity of the construction industry.
- 65. New Zealand as a whole has been suffering from a shortage of construction workers for some time. Since 1975 there have been more construction workers leaving New Zealand than arriving, despite high levels of general net migration. There is no immediate shortage of work in any of the growth regions and as such it is unlikely that tradespeople will be lured to another region without incentives such as higher wages as was seen following the Christchurch earthquake.
- 66. <u>Key sector analysis</u> completed by the Upper North Island Strategic Alliance (the Council is a member of this group) found the following:
 - Discussions with industry suggest that there are indeed employment constraints. There is a general view that an insufficient number of people are being trained, that training is fragmented and that some training programmes do not provide the necessary level of quality.
- 67. The constraint on the construction sector can be seen in the number of Code Compliant Certificates that have been issued in Hamilton. Despite increasing numbers of consents granted, the number of dwellings completed has remained reasonably stable.
- 68. Since 2017, the industry in Hamilton has delivered around 1200 houses per year. This trend supports the acceptance of the NIDEA Low projections.

Council's constraints and opportunities to enable development and to service new land

- 69. Servicing zoned land requires significant investment. This Council is not alone in facing financial constraints all high growth councils are facing these same issues. The Government has provided councils with new tools and opportunities to help fund infrastructure. We have leveraged, and will continue to leverage, and take advantage of any opportunity in this space.
- 70. An example of where the Council has leveraged opportunities to deliver more infrastructure at lower cost include the Housing Infrastructure Fund (HIF), a 10-year interest free loan to fund Peacocke infrastructure saving ratepayers approximately \$65M.
- 71. Hamilton can and has successfully received funding through Government contestable funds like the Provincial Growth Fund and "shovel ready" investment. These Government opportunities work best when Hamilton opportunities are raised through multiple channels by Elected Members' advocacy, business community connections and staff support.

Infrastructure Funding and Financing (IFF)

72. The Council has been working with Central Government on the development of this legislation. This new infrastructure funding and financing tool could be used to enable new growth cells (Peacocke, Rotokauri) or to help fund enabling infrastructure. It also has the effect of dissuading land banking as the levy application is not contingent on the owner developing the land.

Private Developer Agreements (PDAs)

73. The Council works with the development community to deliver optimal outcomes for Hamilton. PDAs are our standard approach to infrastructure provision when we are working with large land holders. Council working with developers in this way leverages efficiencies for both parties.

Kāinga Ora

74. Kāinga Ora's urban development abilities have been greatly enhanced through the Urban Development Bill. If Kāinga Ora were to use its new powers in Hamilton, this would likely deliver higher levels of zoned and serviced land without the Council having to be the sole infrastructure provider and funder.

How the Council can respond if growth is significantly different to the projections

- 75. The Council measures and monitors land supply already. These processes have been refined and the importance of them raised through the NPS-UD.
- 76. The projections are used as a guide to enable planning for growth across Hamilton. The Council's Growth Funding & Analytics unit monitors growth in the city closely. It continually monitors the number of consents for both subdivisions and dwellings, as well as the types of dwellings and the number of Code of Compliance Certificates issued.
- 77. Resource consenting is also used as a lead indicator on the availability of residential land supply and future residential construction activity in Hamilton.
- 78. Statistics New Zealand update their population estimates every year. These are monitored, and any significant variances can be incorporated into the Council's growth projections.
- 79. If monitoring shows that growth is significantly different to the projections, Elected Members will be advised, and the following actions can be considered and undertaken to ensure that the capital programme remains appropriate:
 - i. the projections can be updated;
 - ii. the capital programme can be amended by the Finance Committee;
 - iii. changes can be made to the Annual Plan; and
 - iv. changes can be incorporated in the next Long Term Plan (2024-34).

Conclusion

80. In conclusion, the NIDEA 2020 Low growth projections are considered the most suitable projections for the 2021-31 LTP, given the data constraints relating to the 2018 Census, the continued trends in dwelling growth and the current constraints in the construction market.

Financial Considerations - Whaiwhakaaro Puutea

81. There are no direct financial considerations in relation to the recommendation in this report. However, there are broad financial implication in terms of infrastructure provision and funding if a higher growth projection series is adopted as compared to the lower recommended one.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

82. The National Policy Statement – Urban Development (NPS-UD) requires councils to assess their capacity for housing and business use in the short, medium and long term. This assessment includes analysis of demand, driven by household projections, compared with the amount of land enabled for these uses and supplied or planned with infrastructure. A 20% margin of supply above demand is required in years 1-10, 15% margin in years 10-30.

- 83. If a land shortage is identified (i.e. demand is predicted to be higher than supply), the NPS-UD requires the Council to increase development capacity through a plan change or other mechanisms to increase the supply of land. Therefore, the Council may be required to plan additional growth cells and provide infrastructure, or to bring forward the provision of infrastructure in existing growth cells to provide enough development capacity to meet demand plus a 20% buffer.
- 84. There are no legal considerations in relation to the recommendations in this report.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

- 85. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 86. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below. The recommendations set out in this report are consistent with that purpose.
- 87. Growth projections form the base of planning for our community.
- 88. Providing the right amount of infrastructure, particularly community infrastructure, is vital to the social, economic, environmental and cultural wellbeing of Hamiltonians. Providing too little can be detrimental, while providing too much could result in increased costs for residents in the form of rates and service charges.
- 89. Staff are confident that the NIDEA 2020 Low projection will be the most appropriate for planning in the 2021-31 LTP and will allow the Council to ensure that the four wellbeings are well supported.

Social

90. Growth projections are demographic projections, including age/sex and the makeup of households in Hamilton over time. Growth projections assist in planning infrastructure and services in anticipation of a growing and changing city.

Economic

91. The projections help the Council to plan appropriate services and development capacity for a growing and changing city. Appropriate services and development capacity help enable economic growth.

Cultural

92. Cultural wellbeing is enabled by planning for city infrastructure and services to acknowledge and support their local communities' shared cultural attributes.

Risks - Tuuraru

- 93. Adopting the NIDEA 2020 Low projection has the lower risk of the two options. The household projections have been in line with recent growth trends.
- 94. The NIDEA 2020 Medium projection has a higher degree of risk and potential cost to the Council. This projection will require funding for infrastructure sooner and in higher amounts. Historical and recent trends in house completion is well below what was projected by this scenario (see Table 2 above).

Significance & Engagement Policy - Kaupapa here whakahira/anganui

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

Attachments - Ngaa taapirihanga

There are no attachments for this report.

Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Tyler Gaukrodger **Authoriser:** Becca Brooke

Position: Governance Advisor **Position:** Governance Manager

Report Name: Open Information only reports

Report Status	Open
---------------	------

Purpose – Take

1. The following reports are for information purposes only:

- General Manager's report;
- Peacocke Programme Update;
- Housing Strategy Update;
- Future Proof Update; and
- Development Contributions Remission Quarter 1 2021.

Staff Recommendation - Tuutohu-aa-kaimahi

- 2. That the Strategic Growth Committee receives the following information only reports:
 - a) General Manager's report;
 - b) Peacocke Programme Update;
 - c) Housing Strategy Update;
 - d) Future Proof Update; and
 - e) Development Contributions Remission Quarter 1 2021.

Attachments - Ngaa taapirihanga

- Attachment 1 General Manager's Report
- Attachment 2 Peacocke Programme Update
- Attachment 3 Housing Strategy Update
- Attachment 4 Future Proof Update
- Attachment 5 Development Contributions Remission Quarter 1 2021

Council Report

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Jen Baird **Authoriser:** Jen Baird

Position: General Manager City Growth **Position:** General Manager City Growth

Report Name: General Manager's Report

Danast Ctatus	Onen	
Report Status	l Open	
	- -	

Purpose - Take

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

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Strategic Growth Committee receives the report.

Discussion - Matapaki

- 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:
 - i. Infrastructure Strategy
 - ii. Hamilton Urban Growth Strategy
 - iii. Access Hamilton
 - iv. Future Proof Growth Partnership
 - v. Waikato Plan
 - vi. Upper North Island Strategic Alliance
 - vii. Waikato Mayoral Forum
- 4. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

REEP Plan Change 6 – Appeals Resolution

- 5. Plan Change 6 REEP (PC6) was initiated by Council. It was publicly notified in July 2019, 30 submissions and four further submissions were received.
- 6. Independent commissioners heard submissions made on PC6 in May 2020 and released their <u>decisions</u> on those submissions in August 2020.
- 7. One <u>appeal</u> has been received to the Decision on PC6 from WEL Networks Limited (WEL). WEL support PC6 and the general intent of the proposed Rule, being the protection of network utilities from earthworks.

- 8. The relief sought relates specifically to Rule 25.2.4.1 (g) Earthworks in All Zones. The specific changes sought to the wording of this rule are technical in nature and seek greater specificity to protect utilities.
- 9. When an appeal is lodged with the Environment Court those that previously had made a submission as part of the plan change process, or parties that have an interest greater than the public generally can participate in the appeals process by lodging a s274 notice.
- 10. At the time of writing no section 274 notices had been received, the timeframe expires on the 30 October 2020.
- 11. The relief sought is considered to be a relatively insignificant amendment, and subject to no s274 parties joining the appeal, staff will look to settle the appeal.
- 12. The Chief Executive has delegated authority under the Delegations to Positions Policy to approve settlement and to submit a draft consent order to the Environment Court relating to an appeal on a Plan Change. The Chief Executive has held this delegation since the Policy was revised by Council at its meeting on <u>4 February 2020</u>, and subsequent revisions to the Policy have maintained the delegation. This allows staff to instruct legal counsel promptly and in line with deadlines issued by the Environment Court to enable settlement.
- 13. Staff and HCC legal counsel have had an initial discussion with the Appellants legal Counsel, where it was advised that HCC staff are generally accepting of the relief sought, subject to minor wording refinements.

Strategic Regional Collaboration (Executive Director Special Projects)

Mayoral Forum

14. A Mayoral Forum meeting is being held 9 November 2020. A verbal update will be given to this meeting.

Waikato Plan

15. The last Waikato Plan Leadership Committee was held on 14 September 2020. The unconfirmed minutes of that meeting can be viewed here. The next meeting is to be held on 16 November 2020.

Cross Boundary Council Discussion – Growth Matters

Waikato District Council

- 16. The minutes of the Governance Group meeting held on 1 September 2020 are at in the Public Excluded portion of this meeting. This is due to the sensitive nature of some of the discussion held at the Governance Group meeting.
- 17. The Strategic Boundary Agreement between WDC and HCC was approved by this Council on 22 October 2020.
- 18. WDC supported the agreement at its Strategy and Finance Committee on 13 October 2020 and it is expected to be approved at their Council meeting on 2 November 2020.
- 19. The next WDC/HCC Governance Group meeting is scheduled for 1 December 2020.

- 20. The next meeting of the Waipa/HCC Governance Group is scheduled for 11 December 2020. The focus for that meeting will be on a first draft of a Strategic Boundary Agreement, following earlier direction from the 19 June 2020 Waipa/HCC Governance Group meeting.
- 21. Council is represented at both of these Governance Groups by Mayor Southgate, Deputy Mayor Taylor, Councillors Macpherson and Hamilton, Richard Briggs and Blair Bowcott.

Rotokauri Detailed Business Case Update

- 22. A draft of the Rotokauri Detailed Business case was distributed to Members at the Strategic Growth Committee meeting on 1 October 2020. A key developer in the area, Hounsell Holding Ltd, presented to Council on a public closed briefing and on site at Rotokauri on 28 October 2020.
- 23. Discussions with Crown Infrastructure Partners (CIP) and key developers are currently paused and will recommence in early 2021 once there is more certainty of inclusions in the 2021-31 Long Term Plan budgets. Staff will report back with further information on Rotokauri Stage 1 as part of the 2021-31 Long Term Plan deliberations meetings in late 2020.

Three Waters Reform

- 24. Following the resolutions of Council and the Strategic Growth Committee, staff have lodged the Memorandum of Understanding (MoU), Funding Agreement and Delivery Plan with the Department of Internal Affairs (DIA). As previously advised, the MOU has been signed by government and the Funding Agreement and Delivery Plan are currently under review with final decisions or conditions expected from the DIA by 31 October 2020. A verbal update will be provided to the committee once the decisions are known.
- 25. The MoU that Council entered into included a commitment to "openly sharing information and analysis undertaken to date on the state of the system for delivering three waters services and the quality of the asset base". Three information requests have been received by Hamilton City Council in relation to the Three Waters Reform programme. These include the Water NZ national performance review request, the Society of Local Government Management (SOLGM) information request and the main DIA led request for Information. The purpose of all three information requests is to collect information required to undertake detailed analysis to support advice on the options for reform to the Steering Committee, local government Members and Ministers over the coming months.
- 26. The three requests have been integrated to ensure efficiency of response for local authorities however, the volume of data sought, particularly with the DIA request for information is very large and staff are seeking external assistance in order to achieve the 1 February 2021 return date. DIA and SOLGM have also made support available through guidance material, response templates, email helpdesk, webinars, and technical support to assist Local Authorities in completing the requests.

27. A summary of the major DIA information request is as follows:

Ref	Section	Purpose	Description
AA	Qualitative	Analysis of commercial and charging arrangements, including asset management, financing, and service delivery. Analysis of current arrangements for funding, managing, and delivering stormwater systems.	 Pricing Commercial contracts Financing Stormwater management Infrastructure strategy Land and asset valuations Consents
A	Base information	Analysis of factors that could affect operating costs and future growth investment.	 Properties and population served Water volumes and losses Wastewater and stormwater volumes and loads
В	Levels of service	Analysis of factors that impact on current levels of service and the scope for greater efficiency.	 Water availability Pressure and interruptions Wastewater flooding Customer contact Security of supply
С	Quality and environment outputs	Analysis of factors that impact on current levels of service and the scope for greater efficiency.	Water quality complianceWastewater compliance
E	Operating costs and efficiency	Analysis of factors that impact on cost effectiveness and the scope for greater efficiency.	 Activity based costing for the water, wastewater and stormwater Information on the drivers of operating costs
F	Current and forecast financial information	Analysis to enable economic and financial modelling, and to understand potential commercial positions of the new entities.	 Profit and loss Balance sheet Cash flow statement Analysis of revenue Analysis of borrowing
G	Investment plan	Analysis of current levels of investment the renewals backlog	Investment expenditureInvestment plan
J	Asset replacement	To test the estimates for economic depreciation.	Replacement cost by asset typeExpected asset lives by asset type

28. Given the significance of the Three Waters Reform programme, and the growing number of workstreams necessary to support HCC engagement and strategic influence across both the sector, with the Government and our stakeholders/customers and staff, a formal project

structure is being developed. This will include the appropriate mechanisms and structure for Member input and governance.

Financial Considerations - Whaiwhakaaro Puutea

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

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

30. This report is for information purposes only.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

- 31. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 32. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
- 33. The recommendations set out in this report are consistent with that purpose.
- 34. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - Tuuraru

35. There are no known risks associated with this matter.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

36. Having considered the Significance and Engagement Policy, staff have assessed that the report has a low significance.

Attachments - Ngaa taapirihanga

There are no attachments for this report.

Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Karen Saunders **Authoriser:** Jen Baird

Position: Growth Programmes Manager Position: General Manager City Growth

Report Name: Peacocke Programme Update

Report Status	Open
---------------	------

Purpose - Take

1. To inform the Strategic Growth Committee on progress of the Peacocke Programme of work for September – October 2020.

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Strategic Growth Committee receives the report.

Executive Summary - Whakaraapopototanga matua

- 3. Overall, the programme is currently still on time for delivery; however, this may change if we move between Covid-19 Alert levels in future months. Staff will continue to monitor and report on any impacts to the Strategic Growth Committee.
- 4. Activities and achievements since the previous report on <u>1 October 2020</u> include:
 - i. Contractors are establishing on site for transport and wastewater infrastructure packages and undertaking detailed construction planning.
 - ii. Construction on the SH3/Ohaupo Road Roundabout is progressing; construction is on track for completion in 2020. Seven thousand of a total of 17,000 plants have been planted on this site to date.
 - iii. The land acquisition process is on track. The Council has secured property rights for 32 of the 39 properties within the designation footprint. Mediation continues on the two s23 objections relating to the Shaw and Buchanan properties.
 - iv. Work is underway to implement the Ecological Monitoring and Management Plan (EMMP). This includes significant gully and stream restoration work (e.g. more than 10ha within the catchment), pest control, and bat roost protection and enhancement (e.g. providing artificial bat roosts).
 - v. The first set of baseline lizard surveys for this site were completed in September 2020; a second round will be completed in October after which gorse removal, pest and predator control will start. Wetland baseline surveys are underway and reporting is being prepared.
 - vi. The initial steering group meeting was held for the Regional Bat Management Plan and further work is underway to understand the scope of the plan. Staff will bring back further information to the relevant committee once more is known.

- vii. Several developers in the area have indicated that they would like to commence monitoring of bats on their land this monitoring season. In the absence of a bat management plan (which may take some time to prepare), staff are preparing monitoring methodology advice that landowners can use to support quality and consistent information across the area. It is envisaged that this methodology will eventually align with any methodology recommended under the Regional Bat Management Plan and the data will be shared across other monitoring activities in the city, for example the Project Echo annual survey and the Southern Links monitoring.
- viii. The Mangakootukutuku Integrated Catchment Management Plan is progressing towards public consultation.
- ix. Evaluation of key projects for the Greenstar Accreditation programme continues.
- x. Engagement with key stakeholder groups for the Plan Change project has continued, including briefing Members on 30 September 2020. Members have requested a further briefing in November 2020, which has pushed out the proposed plan change notification date till May 2021 (previously March 2021).
- xi. Staff have been continuing work to reach settlement of the Amberfield appeal matter for the Southern Sports park. It is now likely that there will be a single agreement to cover all property purchase including park and transport needs.
- xii. The Ministry of Education acquisition team is continuing with securing sites for two new schools in Peacocke.
- xiii. Waikato Kindergarten Association is actively looking for land for an early education facility in the area.
- xiv. Staff have also been preparing information and projects for the Programme for the 2021-31 Long Term Plan.
- xv. Misleading and misinformed television coverage and social media commentary around the East-West Road and the property marketed as Shaw's Bird Park required significant communications support. A small protest group claiming to represent mana whenua in the area established a protest site adjacent to the Shaw property and have been promoting the Shaw campaign. Some people associated with the group have claimed the route for the road crosses urupaa and paa sites. We have been advised by mandated mana whenua that this is incorrect. The route for the road was developed in conjunction with mana whenua and avoids known urupaa and paa sites and archaeological investigations so far confirm this.
- xvi. The Council is responding to complaints from members of the public about the protest site and vehicle movements in the area. Some individuals entered Council-owned property in the area and were removed by police; indications were that this was planned in conjunction with invitations to media.
- xvii. The Council has issued statements clarifying the facts around the issues and has been responding via social media channels and through the media. The Council has lodged formal complaints over a television show's coverage. A webpage collating the response information has been established at www.hamilton.govt.nz/shaw. Negotiations and discussions with the landowners via an Environment Court mediation process has continued.
- 5. A focus of the next few months will be looking at new ways to effectively engage our key stakeholders and the community because of Covid-19, particularly around the Peacocke Structure Plan and upcoming infrastructure projects.
- 6. Overall the programme is running to schedule, in particular:
 - i. The HIF network infrastructure project is on track.

- ii. Current pre-application discussions and consenting and construction activity total approximately 2,300 homes, which is approximately 60% of the projected 10-year developer uptake of 3,750 homes in Peacocke. However, it should be noted that the economic impacts of Covid-19 are likely to affect the timing of this uptake, particularly the timing of construction of housing. This will continue to be monitored over the coming months and staff will provide updates in future Peacocke reports to the Strategic Growth Committee.
- 7. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Background - Koorero whaimaarama

- 8. This is the tenth Peacocke Programme progress report, covering the period September October 2020. The previous Peacocke Programme update was presented to the Strategic Growth Committee on <u>1 October 2020</u> for the period August September 2020.
- 9. The Peacocke Programme financial report as at 31 August 2020 was included as part of the Capital Portfolio reporting presented to the Finance Committee meeting on 6 October 2020. The next report will be as at 31 October 2020. It will be presented to the Finance Committee on 2 December 2020.
- 10. The programme commenced in July 2018, following Council approval of the Housing Infrastructure Fund (HIF) detailed business case and subsequent adoption in the 2018-28 10-Year Plan. Since then, the Peacocke team has been working on delivery of physical works. In 2018, the Council commenced a programme of investigations, stakeholder engagement, elected member engagement, concept design development and land acquisition work for the projects. Activity during 2019 included continuing the 2018 activities plus commencing detailed design, continuing property acquisition, and enabling works including diversion of some utility services.

Peacocke Programme Vision and Objectives

- 11. The vision for the Peacocke Programme is to enable the development of an attractive and sustainable community in the Peacocke Growth Cell and surrounds. Ko te whakakitenga moo te whenua Peacocke Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke.
- 12. Over the next 10 years, the Peacocke Programme is projected to deliver a third of Hamilton's medium-term housing needs.
- 13. The Peacocke programme includes the delivery of the strategic network infrastructure, community facilities and infrastructure, resource consenting and building consenting activities, ecological protection and enhancement, funding, monitoring and reporting and commercial activities.
- 14. The Programme supports the delivery of the 2018-28 10-Year Plan and the following community outcomes:
 - i. **A city that embraces growth** we have the infrastructure that meets our current demands, supports growth and helps build a strong economy;
 - ii. **A great river city** we embrace our natural environment and have green spaces, features and community facilities that make Hamilton a great place to live, work, play and visit
 - iii. **A Council that is best in business** we are customer focused, financially sustainable and have the best people delivering the best outcomes for the city.

- 15. As per the HIF Detailed Business Case, the investment objectives of the Peacocke programme are to:
 - i. support Hamilton to be the third City Economy in New Zealand,
 - ii. increase the amount of developer-ready land to meet the National Policy Statement-Urban Development Capacity,
 - iii. support the provision of affordable housing
 - iv. build a vibrant community that integrates with Hamilton,
 - v. enable coordinated land use and strategic infrastructure,
 - vi. ensure financial sustainability for Hamilton City Council and the community.

Discussion - Matapaki

Commercial, planning and consenting activities

Pre-application discussions

- 16. Commercial infrastructure negotiations and planning consent pre-application discussions are underway with three major developers in Peacocke.
- 17. The initial focus for the infrastructure negotiations is to progress property acquisition and to integrate development proposals with the Council's programme of works to achieve better whole-of-life asset outcomes or create more efficient integrated assets such as joint stormwater treatment devices.

Development activity

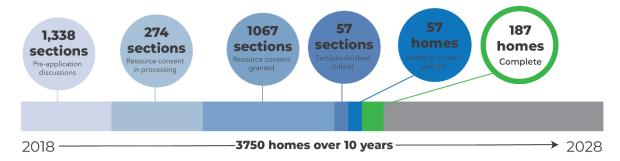
- 18. The Council's Covid-19 Economic Reporting Dashboard and the latest Covid-19 Economic Update are available on our website here.
- 19. The dashboard includes a range of indicators that will help users to understand the impact of Covid-19 on Hamilton. Some of these economic impacts may affect timing of developments in Peacocke, in particular timing of housing construction. The dashboard includes the latest Council data on consents, which will allow us to monitor the impact on the construction sector. The Growth Funding & Analytics team will continue to monitor the economic environment and provide monthly updates that will also be available on this page.
- 20. Growth projections have taken the effect of Covid-19 and border restrictions into consideration. These will be incorporated into long-term planning for an indication of the number of houses based on projected migration numbers.
- 21. There have been 164 house sales since 2015 in Peacocke Stage 1. The average sale price of those sales was \$655,000.
- 22. The majority of Peacocke Stage 1 has been consented or is seeking consent to subdivide.
- 23. A subdivision resource consent for 250 residential allotments along with 22 'super lots' at 3019 Ohaupo Road in Peacocke Stage 1 is currently being processed. The super lots will be the subject of future land use proposals for higher-density development such as duplexes and apartment units.
- 24. The Amberfield/Weston Lea Ltd subdivision consent application in Peacocke Stage 2 for 833 residential allotments was granted by independent hearing commissioners on 1 November 2019, subject to relevant consent conditions. The applicant and DOC have appealed the consent conditions relating to sports parks and ecological conditions. An Environment Court hearing was held from 31 August 2020 to 8 September 2020. The Environment Court Judge will issue an interim decision by early December 2020 at the earliest for guidance to the parties to finalise the ecological consent conditions. The appeal relating to the Sports Park is subject to

- mediation discussions between Weston Lea Ltd and the Council. If settlement is not reached, the matter will be set down for an Environment Court hearing for some time in 2021.
- 25. Amberfield is the first major subdivision consent application in Stage 2 and initially applied for 862 dwellings. Through the consenting process, this was reduced to 833 dwellings. Information relating to the consent and hearing is available for viewing on the Council website here.
- 26. Qestral Corporation has lodged two applications regarding their proposed retirement village in Peacocke. These include:
 - i. A land use consent for a retirement village at 37 Weston Lea Drive, which was lodged with the Council on 24 December 2019. The development includes establishing a 252-unit retirement village, a care centre, a manor, a pavilion and dementia facility, together with internal roading and landscaping. This application has been returned to the applicant to work on further information for the re-lodgement expected in November/December 2020.
 - ii. A land use consent for bulk earthworks at 55 Weston Lea Drive, which was lodged with the Council on 27 February 2020. The bulk earthworks comprise a total 5,000m³ of cuts and 40,000m³ of fills over 4ha land area. The bulk earthworks will enable some interim works with the aim of re-lodging a land use consent for establishing a retirement village over a 19-ha area by Qestral Corporation Ltd in due course. This application was granted on 1 September 2020.
- 27. A map showing the location of development activity in Peacocke can be seen in **Attachment 1**.

Progress towards the Housing Infrastructure Fund housing yield

- 28. As per the detailed business case, the HIF investment is to implement strategic infrastructure to enable the development of 3,750 homes over 10 years from 1 July 2018.
- 29. Current pre-application discussions and consenting and construction activity total approximately 2,300 homes, which is approximately 60% of the projected 10-year developer uptake of 3,750 homes in Peacocke (refer **Figure 1**). However, it should be noted that the economic impacts of Covid-19 are likely to affect the timing of this uptake, in particular the timing of construction of housing. This will continue to be monitored and staff will provide Peacocke specific updates to the Strategic Growth Committee as more is known.

Figure 1. Pipeline showing development activity since 1 January 2018 in the Peacocke HIF funded area (Peacocke Stage 2 and remaining capacity Stage 1), as at September 2020



30. Pending Covid-19 impacts, development is expected to accelerate once the bridge and the wastewater infrastructure solutions are in place from 2023/24.

Peacocke District Plan Change 5

31. Plan Change 5, which will refresh the Peacocke Structure Plan, is a public policy process where Elected Members have the final say. Only the Council can resolve to notify a plan change to formally initiate RMA processes that are essential for altering the planning provisions in Peacocke. Therefore, it is important that Members are briefed in a timely and detailed manner

to not only understand the key opportunities and risks associated with the project, but to feel a level of comfort and ownership with what is occurring, given their unique political role in the process.

- 32. The review of the Peacocke Structure Plan provides an opportunity to consider and address several key issues that will impact the outcomes of the Peacocke Structure Plan. To support the review, background studies are continuing to be prepared. Along with this work, several Council briefings will be held over the next six months on the plan change process.
- 33. To date staff have held two briefings with Members. The first was on 27 May 2020 and the second on 30 September 2020. The purpose of these briefings was to outline the progress to date on the plan change and provide the opportunity for Members to input into the plan change process. To develop a structure plan that meets best practice and the Council's strategic organisational objectives, staff sought Members' support on the following matters:
 - i. creating the opportunity to build a modern suburb with high ecological and transport outcomes
 - ii. increasing density to support public transport and a vibrant community, and
 - iii. protecting the natural environment and ensuring development is compatible with the natural environment.

On the request of Members, a third briefing will be held on 4 November 2020 to update Members on the transport components of the Peacocke Structure Plan.

34. Staff have now started the public engagement process and have undertaken the first round of stakeholder workshops which were held on 22 and 23 July 2020. The following key stakeholders were invited to participate in the two workshops:

Riverlea Environment Society	Ministry of Education
 Mangakootukutuku Stream Care 	 Te Awa Cycleway Trust
Project Echo	 Waka Kotahi NZ Transport
 Forest and Bird 	Cycle Action Waikato
Waikato Regional Council	CCS Disability Action
 Department of Conservation 	Waipa District Council
Common Ground	Waikato District Council
Waikato River Authority	Heritage NZ

- 35. Along with these workshops, one-on-one meetings and workshops are being undertaken with key developers. Developer and community co-design workshops/webinars were held in mid-August 2020 and 7-8 September 2020 respectively.
- 36. Wider community engagement is planned to commence following the briefing on 4 November 2020. This will include letters and information packages being sent out to all land owners within Peacocke as well as providing information to the wider Hamilton community through the Council's website and social media. Staff will continue to engage with key stakeholders during this time as well as hold a community open day in early December 2020 to provide the opportunity for the wider community to obtain further details on the plan change.

37. The current milestones for the Structure Plan are set out in **Table 1**:

Table 1. High level Plan Change 5 Project time frames

Milestone	Description	Planned date
Confirm proposed plan change methodology	Council briefing	27 May 2020 (completed)
Community and key stakeholder engagement	Workshops, open days, media etc	June – December 2020
Key stakeholder pre-notification engagement	Workshops, documentation circulation	January – February 2021
Final structure plan documents and District Plan provisions	Present to Council	March - April 2021
Final Iwi review prior to public notification	Sign-off by Waikato-Tainui	February 2021
Council resolution to notify plan change	Council Meeting	Early May 2021
Notify plan change (subject to interaction with current infrastructure, procurement and acquisition processes)		May 2021
Prepare s42A report		June – November 2021
Hearing of submissions	Hearing Commissioners	February 2022
Decisions released and appeal period	Commissioners/Environment Court	March 2022

Network Infrastructure

- 38. Overall, the network infrastructure programme is on track and progressing well. The current programme remains on track with contractors for both the strategic wastewater pipe and transport packages taking possession of site in October and beginning site establishment works.
- 39. Procurement of the wastewater transfer pump station, the next major construction package, will begin around Christmas 2020 with a contract award expected to be brought to this Committee in 2021.

Land acquisition

- 40. Acquiring the land needed for the network infrastructure is progressing in accordance with the property strategy. The Council has now secured the required property from 32 of the 39 affected landowners. The risk to the programme for construction is decreasing with only two small areas relevant to the current construction contracts outstanding.
- 41. The other outstanding properties are progressing through Public Works Act and Private Development Agreement processes and are on schedule for projects with a 2022 construction start.
- 42. Acquisition and settlement processes will continue for the outstanding properties as well as to resolve objections and valuation matters for properties we do have access to but do not have a full and final agreement in place. The acquisition process will transition over the next few months into the final phases to conclude property transactions.

43. The final conclusion phases where a full and final agreement is not yet in place continue the basic steps of the approved acquisition strategy of seeking agreement with PWA processes where needed:

Property process steps	Properties at each step
Negotiation in good faith to reach agreement. Full and final if possible, otherwise an advanced agreement to secure access.	26 secured by negotiation
Use the PWA and Proclamation process to secure access where agreement cannot be reached.	6 secured by Proclamation 7 still in progress
Mediation followed by Environment Court if required following objections	3 in or beginning the mediation process
Land Valuation Tribunal (LVT) to resolve compensation issues	3 owners considering moving to LVT soon
Final survey following construction completion	zero
Disposal of surplus considering	zero

- 44. The Land Valuation Tribunal processes can be protracted, and final settlements may take around two years. The proposed approach is to work first with a few key landowners to establish the basis for compensation.
- 45. Staff continue to explore opportunities to work with landowners and developers. This includes working on a Private Development Agreement with the owner of land required both for sports facilities and for the current network infrastructure projects, including land transactions and options for developer-led infrastructure construction.
- 46. Another innovative commercial approach being investigated is to procure interim use of a relocatable building sited on Council land. This could provide a flexible space for Council activities in Peacocke in part of the building in exchange for the provider being able to promote their brand in the remainder. Staff will develop the opportunity further through market engagement and implement if viable.
- 47. Disposal of surplus land will be considered as construction is completed. Where there are opportunities to work with neighbouring development to achieve efficiencies and mutual benefits, these will be considered subject to PWA disposal obligations.

Network Infrastructure physical works

- 48. Contractors for both the strategic wastewater pipes and transport packages are now establishing site presence and setting up site compounds and finalising construction planning.
- 49. Early activities will largely be focused on underground service identification and relocation as well as securing and preparing site.
- 50. Construction of the first two sections of the strategic wastewater pipes within parts of the East Town Belt are to commence in November 2020 specially in Flynn and Marist Parks.
- 51. Traffic management plans are being developed. Worth noting is the necessary works along Wairere Drive between Fifth Ave and Crosby Road which is along the route of the new strategic wastewater lines. Traffic management will be in place for service location works initially, then for the main installation works, and will result in lane reductions; short duration road closures may also be required during critical stages of the works.
- 52. Project newsletter type communications to stakeholders and community are being developed and will be used to communicate and inform on key construction activities.

SH3/Ohaupo Road Intersection

- 53. Dixon Road has been closed for key drainage and pavement works and re-opening has been delayed due to weather.
- 54. A milestone where traffic will be switched onto the new roundabout (under traffic management) will occur late November 2020 which will allow for final tie-ins to the existing Ohaupo Road to be completed, which will be the final works before the project is completed.
- 55. Covid-19 delays earlier in the year have pushed some of the landscaping work into the summer months, which is not ideal planting weather. A decision will be made whether to come back after summer for some final planting to maximise landscape survival rates.
- 56. Asbestos unexpectedly found in material imported to site has now been removed. Discussion on time and cost impacts are covered in a public excluded report to this Committee.

North South Arterial

- 57. Construction of the North South Arterial is not within the current scope of the Peacocke programme; however, some land acquisition is progressing to provide a corridor for services that are necessary to enable the balance of Peacocke Stage 1 to develop.
- 58. The cross section for the North South Arterial, when built, is anticipated to be similar to the Ring Road extension (and Waikato River Bridge). This includes four lanes with the outer two lanes flexible to allow for dedicated to PT options. As Plan Change 5 progresses, the design philosophy can be updated with any firmer transport objectives or outcomes that might be desirable.
- 59. Services, particularly wastewater, need to cross a large gully network ahead of the road being constructed. The preferred option to cross the gullies is likely going to be by installing "pipe bridges" small bridges with pipes slung underneath. Work is still needed to determine whether these minor bridges would be sacrificial when the road is built, or whether they can be located out of the road alignment and remain in place long term.
- 60. Constructing pipe bridges presents an opportunity to include a pedestrian function which could link (in general terms) Hall Road and Peacockes Lane to the near the Waikato River path network, although some other local path extensions could also be required.
- 61. Staff will continue progressing these options and seek to maximise pedestrian opportunities on this basis.

Waikato River Bridge and Ring Road Extension – Bus Lanes

- 62. The Ring Road extension and Waikato River Bridge macroscope includes provision for dedicated bus lanes on the outer two lanes, leaving one lane in each direction for cars and other general traffic.
- 63. The current scope of the construction contract is to have these bus lanes operational at day one when the road and bridge are opened.
- 64. As PT services into and around Peacocke are planned and key nodes identified, some additional marking or facilities may be required as a result to make full use of the new dedicated bus lanes.

Parks and Open Spaces

65. A Notice of Requirement for the approximately 14.5ha northern sports park has been lodged. The Notice of Requirement was limited notified to adjoining landowners, the Department of Conservation (DOC) and Tangata Whenua. Submissions closed on 10 August 2020. Four submissions were received from The Adare Company Ltd (landowner), Rex Hannam (landowner), Kevin and Kathy Sanders (adjoining landowner) and DOC. The hearing was to be

- held on 21-23 September 2020 but has now been postponed to allow enough time for further discussions with the submitters. The new hearing date will likely be in early to mid-2021.
- 66. The decision by the independent commissioners for Amberfield included the southern sports park and this has been appealed by the applicant. Staff are progressing work to assist with settlement of this appeal point. Negotiations for the purchase of the sports park are ongoing with an objective of acquiring this land within the 2020/2021 financial year.
- 67. Construction of a new neighbourhood playground at Te Inuwai Park has been completed. A community event to celebrate the opening of the playground will take place later in the year as weather improves.
- 68. The acquisition of neighbourhood parks and gully land where required will be undertaken as and new developments commence.

Wellbeing considerations - Whaiwhakaaro-aa-oranga tonutanga

- 50. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 51. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
- 52. The recommendations set out in this report are consistent with that purpose.
- 53. The Peacocke programme is underpinned by Sustainability Principle 1: Council includes environmental, economic, social, and cultural considerations in its decision-making criteria.

Social

54. The vision of the Peacocke programme is to enable the development of an attractive and sustainable community. This aligns closely with the definition of social wellbeing – the extent to which individuals feel a sense of belonging and social inclusion.

Education and community facilities

- 55. The Ministry of Education acquisition team is continuing with securing sites for two new schools in Peacocke.
- 56. The Ministry of Education growth team is also reviewing Melville High and Melville Intermediate schools. The Ministry of Education is leading the consultation, which has commenced. The Ministry of Education has allowed Council representation for the Consultation Board. The consultation includes several public meetings and is seeking feedback from the community on their preferences. The consultation is expected to be completed before Christmas 2020.
- 57. The Waikato Kindergarten Association is actively looking for land in Peacocke for an early education facility.

Economic

58. The key economic benefit the Peacocke HIF investment for strategic infrastructure will deliver is the bringing forward of residential development in Peacocke as outlined in economic case of the Housing Infrastructure Fund detailed business case.

Environmental

Peacocke-wide environmental activities

59. Environmental wellbeing – the extent that the sustainability of the environment is protected now and into the future – is a major consideration for the Peacocke programme.

- 60. Peacocke is not only our biggest investment into a new growth area, it's also our biggest-ever environmental investment.
- 61. Staff have engaged with THaWK regarding the Waikato Bat Plan initiative. THaWK supported the concept of the plan and have nominated a representative to be on a steering group which will establish the scope of the work, to understand potential costs involved in preparing the plan. The intent is for this to be a multi-agency/cross-Council plan that is led by Waikato Regional Council. The first steering group meeting for this plan has been held and further scoping work is underway. Staff will bring a proposal through to the relevant committee for consideration in the next six months once more is known.
- 62. Several developers in the area have indicated that they would like to commence monitoring of Long-Tail bats on their land this monitoring season. In the absence of a Bat Management Plan (which may take some time to prepare), staff are preparing monitoring methodology advice that landowners can use to support quality and consistent information across the area. It is envisaged that this methodology will eventually align with any methodology recommended under the Regional Bat Management Plan and the data will be shared across other monitoring activities in the city, for example the Project Echo annual survey and the Southern Links monitoring.

Southern Links and transport corridor-related environmental activities

- 63. Work is underway to implement the Ecological Monitoring and Management Plan (EMMP). This includes significant gully and stream restoration work (e.g. more than 10ha within the catchment), pest control, and bat roost protection and enhancement (e.g. providing artificial bat roosts).
- 64. Key current and upcoming activities include:
 - 80 artificial bat roosts (bat boxes) have been installed in the Peacocke area to date as part
 of implementing the Ecological Monitoring and Management Plan (EMMP). An additional
 20 bat boxes will be installed once access to various sites has been secured.
 - ii. Significant restoration work has started. Planting plans have been prepared for the first eight hectares of gully and lizard habitat restoration over the next 3-4 years. Detailed design and consenting work for the associated maintenance track is underway.
 - iii. Restoration work on the first 1.6ha lizard habitat restoration work has started with 5000 plants in the ground and another 6500 to be planted next season. The first set of baseline lizard surveys for this site were completed in September 2020, a second round will be completed in October after which gorse removal, pest and predator control will start.
 - iv. Wetland baseline surveys underway and reporting is being prepared.
- 65. Other ongoing monitoring required by the EMMP has been scheduled as follows:
 - i. Bird survey in November 2020
 - ii. Wetland baseline surveys in October/November 2020
 - iii. Acoustic bat monitoring and bat box monitoring surveys from January to March 2021.
- 66. All tree and vegetation removal for Southern Links-related projects to date have followed the protocols in the EMMP to protect bats, lizards and birds from harm.
- 67. The Ohaupo Rd/SH3 Roundabout project has 7,000 of a total of 17,000 plants to date, with the balance expected to be in the ground by the end of this planting season.

Mangakootukutuku Integrated Catchment Plan (ICMP)

68. The Mangakootukutuku Integrated Catchment Management Plan (ICMP) has been under development since 2017 and is nearing completion. The extent of the Mangakootukutuku

Catchment is shown in green in Figure 1 and includes most of the Peacocke Growth Cell. The Kairokiroki Sub-catchment (pink) is also included under the Mangakootukutuku ICMP.

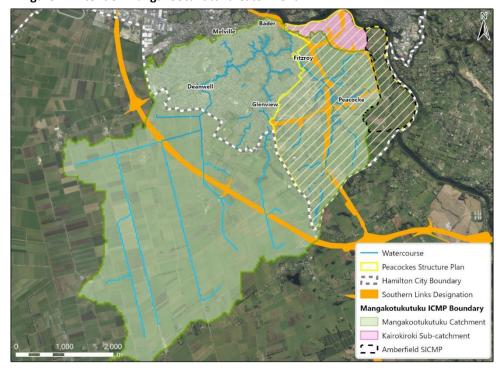


Figure 1. Extent of Mangakootukutuku Catchment

- 69. ICMPs are integrated strategies for stormwater, land-use and watercourse management, and also consider water and wastewater infrastructure. They are required to be produced under the Operative District Plan in order for development to occur. ICMPs influence all four local government wellbeings social, economic, environmental and cultural. The Mangakootukutuku ICMP references the Vision and Strategy for the Waikato River as providing key guidance on environmental management.
- 70. The Mangakootukutuku ICMP has been reviewed by Waikato Regional Council (WRC) in July/August 2020. Waikato Regional Council has asked that the ICMP include two phases of stormwater treatment for all roads in Peacocke to provide retention of stormwater. This would commonly mean installing both stormwater wetlands and raingardens. The ICMP team considers that the cost benefit of the second phase of treatment is extremely low (except for busy roads) and that other environmental interventions (such as additional restoration planting) are likely to be more impactful. The ICMP has been updated with two phase treatment for roads but allowing for alternatives to be agreed with Waikato Regional Council at a later date without updating the ICMP. This might include increasing the size of private onlot stormwater devices to offset the requirement for road raingardens.
- 71. The Mangakootukutuku Integrated Catchment Management Plan is scheduled to go to targeted consultation in the first half of November 2020, in co-ordination with the Peacocke Structure Plan Change. Parties to that targeted consultation will include iwi, landowners in Peacocke, landowners in the rest of the catchment that are affected, property developers, environmental groups, local and central government agencies, environmental groups, and others who have expressed interest during the project.
- 72. The matters likely to be of most interest through consultation are:
 - i. The ICMP proposes future stormwater devices on developable property in Peacocke. Some of these stormwater devices will serve multiple developers.

- ii. The ICMP has used flood models to produce flood maps. These maps show where flooding may occur in a once-in-one-hundred-year storm event. There is a legal requirement to put this information on LIMs once it is finalised. A councillor drop in session for the roll out of a publicly available flood viewer is scheduled for 4 November 2020.
- iii. Following targeted consultation, the ICMP will be sent to Waikato Regional Council for approval.

Cultural

- 73. Effective partnership with Iwi is integral to the success of many of the projects across the Peacocke programme. We respect the special status of Tangata Whenua, are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building manaenhancing partnerships.
- 74. Our Iwi partners, Waikato-Tainui, are engaged under the Joint Management Agreement (JMA), with a shared responsibility to achieve the vision and strategy for the Waikato River.
- 75. Staff place a high level of importance on the Vision and Strategy for the Waikato River when planning projects that impact the river and tributaries within the Peacocke catchment.
- 76. Staff recognise and consider relevant sections of the Waikato-Tainui and Ngaati Hauaa Environmental Plans when planning projects within the Peacocke catchment.
- 77. Maangai Maaori provide a political voice for Maaori within the decision-making of select Council committees.
- 78. Waikato-Tainui interests are represented on the Peacocke Governance board through Waikato-Tainui General Manager Rights and Interests.
- 79. The Council continues to meet its legislative responsibilities under the RMA by providing opportunities for lwi and hapuu to contribute to local government decision-making processes and exercise of kaitiakitanga over the natural and physical aspects within Peacocke.
- 80. Iwi and hapuu contributions in Peacocke have included the Southern Links road corridor projects; private plan changes; Integrated Catchment Management Plans; and processing of resource consents.
- 81. There is an agreement in place between the Council and Waikato-Tainui to resolve first rights of refusal for designated land that was originally derived from the Crown.
- 82. The programme team continues to engage with the Tangata Whenua Working Group (TWWG) to enable the construction of network infrastructure in Peacocke in partnership with local iwi. Cultural inductions and training have helped educate the wider team and contractors on the importance of keeping cultural considerations at the forefront of everything we do.
- 83. Cultural symbolism is woven into the scope of construction projects. Actual details are being developed through various stages of the design development and through working with HEB Construction, and in close partnership with the Tangata Whenua Working Group. A 'cultural blueprint' process will help ensure cultural opportunities within placemaking and wayfinding are identified focused and guided. This will include identifying scope, costs and funding opportunities where outcomes may not fit within the scope of existing identified budgets.
- 84. Kaiarahi and Kaitiaki contracts are now in place which include specific lwi representatives imbedded within the construction contracts to guide and provide cultural guardianship during construction works.
- 85. Iwi/Mana whenua have been engaged for the Peacocke Plan Change (Peacocke District Plan Change 5).

- 86. Iwi/Mana Whenua have completed and endorsed the cultural section of the Mangakootukutuku Integrated Management Plan.
- 87. Iwi/Mana Whenua support to Council in resolving the protest in Peacocke by Te Wakaminenga o Maniapoto and others is continuing. Iwi and Mana Whenua are clear that these protest groups have no mandate and advise Council to dismiss the protest claims of mana whenua made by the groups.
- 88. Amorangi Maaori continues to provide cultural advice and support to project management teams and works in Peacocke.
- 89. Reports on the Peacocke Programme is provided to both Iwi and Mana Whenua through the monthly Te Ngaawhaa Whakatupu Ake Council hui. The next report is due in December 2020.
- 90. As part of Council's commitment to the partnership with Waikato-Tainui, staff have progressed the public notification for the revocation of the Historic reserve status. Two submissions were received, one in support and one in opposition. The matter will now be referred to a Council hearing.

Communications and Engagement Activities

Engagement with the community

- 91. As part of the Peacocke engagement strategy, there has been a focus on engaging with the existing communities in south-west Hamilton, as well as wider Hamilton, to make sure we bring the whole community on the journey with us. A focus of the next few months will be engaging our key stakeholders and community around the Peacocke Structure Plan, ICMP and communication around the Strategic Wastewater and Transport project construction.
- 92. Staff are continuing to engage with environmental and cultural groups, key developers, Government agencies including Heritage New Zealand Pouhere Taonga and Department of Conservation, as well as our project partners through the Housing Infrastructure Fund including Waka Kotahi NZ Transport Agency.
- 93. The contract award for the Peacocke northern wastewater pipelines was announced on 23 September 2020. The announcement celebrated the environmental outcomes for the Waikato River and the wider city. It achieved coverage on Nzherald.co.nz and in the print edition of the Waikato Times.
 - i. Nzherald.co.nz article:
 https://www.nzherald.co.nz/waikato-news/news/hamilton-city-council-awards-285m-contract-for-peacocke-wastewater-connection/SWACTCB4BL5XDMRTDS5ENUSUQU/
 - ii. Our Hamilton:
 https://ourhamilton.co.nz/growing-hamilton/best-for-river-approach-to-development-in-peacocke/
- 94. Misleading and misinformed television coverage and social media commentary around the East-West Road and the property marketed as Shaw's Bird Park required significant communications support. A small protest group claiming to represent mana whenua in the area established a protest site adjacent to the Shaw property and have been promoting the Shaw campaign. Some people associated with the group have claimed the route for the road crosses urupaa and paa sites. We have been advised by mandated mana whenua that this is incorrect. The route for the road was developed in conjunction with mana whenua and avoids known urupaa and paa sites and archaeological investigations so far confirm this.
- 95. The Council is responding to complaints from members of the public about the protest site and vehicle movements in the area. Some individuals entered Council-owned property in the area

- and were removed by police; indications were that this was planned in conjunction with invitations to media.
- 96. The Council has issued statements clarifying the facts around the issues, which have been well received by the public, and has been responding via social media channels and through the media. The Council has lodged formal complaints over a television show's coverage. A webpage collating the response information has been established at www.hamilton.govt.nz/shaw. Negotiations and discussions with the landowners via an Environment Court mediation process has continued.
- 97. Communication with directly-affected residents for both the Peacocke wastewater and transport projects began in October 2020 as construction drew closer. Letters and newsletters focused on introducing the construction teams, enabling works (potholing for the wastewater pipeline) and site establishment.

Financial Considerations - Whaiwhakaaro Puutea

- 98. The approved overall budget for 2018-28 10YP Peacocke growth cell remains unchanged at \$413.5 million. The programme remains on track and on budget as per the business case. While overall this total remains unchanged, there is a need to forecast movements in annual amounts to re-phase budgets between years, allowing timing to be amended to reflect actual expenditure needs (not reflective of project progress).
- 99. The Peacocke growth cell is in part being funded by the New Zealand Government through the Housing Infrastructure Fund (HIF). The HIF relates to provision of essential infrastructure. The total value of these works is \$290.4M, funded by NZTA subsidy of \$110.1M and HIF of \$180.3M.
- 100. The 2020-21 approved capital expenditure budget for the total Peacocke growth cell is \$74.2M. The associated capital revenue from NZTA is \$14.0M. The following table identifies the HIF and Non-HIF elements:

2020-21	Expenditure	NZTA Subsidy	Total
HIF Related	\$42,831,620	\$12,502,103	\$30,329,517
Non HIF	\$31,416,404	\$1,461,493	\$29,954,911
Total	\$74,248,024	\$13,963,596	\$60,284,428

- 101. Total actual expenditure as at 30 September 2020 was \$8.0M. Revenue was \$2.2M.
- 102. To date there have been nine HIF funding drawdowns, totalling \$22.3M. Eight have been claimed. The final quarter for the previous financial year was waiting on verbal clearance from Audit New Zealand. This has now been received and the claim is due to be lodged by the end of October 2020.
- 103. The following summary table has the actual financial performance for the HIF, by financial year. Also included is the remaining value.

Financial Year	HIF Facility	NZTA Subsidy	Total
2017-18	\$176,000	\$91,000	\$267,000
2018-19	\$5,737,000	\$5,094,000	\$10,831,000
2019-20	\$16,346,000	\$9,878,000	\$26,224,000
Total	\$22,259,000	\$15,063,000	\$37,322,000
Remaining	\$158,041,000	\$95,037,000	\$253,078,000

104. The first drawdown for current financial year (2020-21) has an estimated value of \$4.1M.

Financial Year	HIF Facility	NZTA Subsidy	Total
2020-21*	\$4,122,478	\$1,789,780	\$5,912,258

^{*} this is an estimate, the actual drawdown is due to be finalised early November 2020.

Risks - Tuuraru

- 105. The Peacocke Programme has adopted the Council's risk management framework with further alignment with the Waka Kotahi NZ Transport Agency risk register format.
- 106. As part of the assurance framework implemented into the Peacocke Programme, the Council's Risk Manager provides quarterly support to the Peacocke Programme Manager.
- 107. Construction phase risk workshops are being scheduled with the successful contractors which will lead to updated risk registers.

Emerging risks

- 108. The rate of developer uptake is being closely monitored following some delays experienced with the first major resource consent application, Amberfield, largely due to biodiversity requirements. Staff will continue to monitor this as an emerging risk, noting that most consenting activity is largely dependent on the network infrastructure being in place (from 2023/24).
- 109. The PWA provides a process to resolve objections to the land being taken for the works and for determining the amount of compensation payable (if disputed). Land ownership versus compensation payment follows different timeframes, which allows physical works to commence while resolving compensation differences.
- 110. The PWA process will obligate the Council to purchase whole properties in a limited number of cases. The approved project budget is based on the cost of the land within the designated footprint only. This cost risk will be mitigated through the eventual sale of surplus land at market price and the proceeds recycled back into the relevant HIF budget for physical works.
- 111. Cost over- and under-runs are likely on individual project components; however, this risk will be mitigated within the overall funded network infrastructure budget for Peacocke.
- 112. In reviewing the Mangakootukutuku ICMP, Waikato Regional Council has asked that the ICMP include two phases of stormwater treatment for all roads in Peacocke to provide retention of stormwater. This would commonly mean installing both stormwater wetlands and raingardens. The ICMP team considers that the cost benefit of the second phase of treatment is extremely low (except for busy roads) and that other environmental interventions (such as additional restoration planting) are likely to be more impactful and more cost effective. Should Waikato Regional Council insist on two phases of stormwater treatment for all roads, this would increase costs and land requirements over what has been anticipated within existing planning and budgeting with Peacocke.

Covid-19 Risks

- 113. The Government's response to Covid-19 has resulted in reduced alert levels; however, there remains a risk going forward both locally and internationally as the likelihood and consequence of ongoing impacts remains difficult to predict. Movement within alert levels could disrupt the supply chain or workforce availability or result in increased time and cost for projects. Staff are monitoring the situation.
- 114. The economic impacts of Covid-19 may also affect the timing of developments in Peacocke, particularly the timing of housing construction. This may affect the timing of the projected developer uptake of 3,750 homes over 10 years. Staff will continue to monitor and report on

- the situation and will be seeking more ways to enable development in the area while ensuring wellbeing outcomes for the community.
- 115. Covid-19 may also impact planned community engagement activities, which may result in a delay to some projects or changes in the delivery of engagement. The project teams are actively monitoring the situation and will respond as more information arises.
- 116. Construction market volatility resulting from Covid-19 and the associated alert levels is currently an unknown risk, particularly in relation to international supply chains. Options for early procurement of some overseas items is being explored to help mitigate this risk, although some uncertainty will remain.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

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

The next six months: October 2020 - March 2021

- 118. The next six months will include high levels of engagement and consultation as several key projects in the programme progress. The focus will be on:
 - understanding and monitoring impacts of the various Covid-19 alert levels on the programme
 - b) planning for investment into Peacocke for the Long-Term Plan
 - c) progressing the Peacocke Structure Plan review (Plan Change 5)
 - d) continuing work on key infrastructure including the wastewater transfer pump station design
 - e) commencing construction for key infrastructure projects including the bridge and wastewater pipeline
 - f) finishing construction of the SH3/Ohaupo Road intersection
 - g) investigating ways to minimise impacts of construction traffic on local roads and coordinating with developers
 - h) progressing land acquisition
 - i) developing further the environmental workstream and implementation of the EMMP
 - j) continuing the consenting processes
 - k) progressing commercial negotiations with developers
 - I) looking for more ways to enable development
 - m) investigating active recreation reserves
 - n) commencing sports park acquisition
 - o) continuing to form partnerships
 - p) continuing stakeholder engagement.
 - q) Hearing to resolve the Historic Reserve reclassification appeal.

Attachments - Ngaa taapirihanga

Attachment 1 - Peacocke - Map - Peacocke Development Activity



Council Report

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Amy Trigg **Authoriser:** Jen Baird

Position: Senior Policy Analyst **Position:** General Manager City Growth

Report Name: Housing Strategy Update

Report Status	Open
---------------	------

Purpose - Take

1. To inform the Strategic Growth Committee of progress on developing the Council's Housing Strategy and Action Plan.

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Strategic Growth Committee receives the report.

Executive Summary - Whakaraapopototanga matua

- 3. The Strategic Growth Committee resolved to approve development of a housing strategy at its 20 August 2020 meeting. This report provides a summary of the progress to date on the development of the strategy and action plan.
- 4. The housing strategy working group, consisting of staff, Elected Members and Maangai Maaori, have held four workshops to date. Through these workshops, the group has developed a draft housing strategy on a page and a draft action list.
- 5. The working group agreed to align the strategy on a page with the strategy developed by the Waikato Regional Housing Initiative (RHI). The RHI strategy aligns well with the topics Elected Members identified as important to address in a housing strategy and is consistent and aligned with other New Zealand housing strategies.
- 6. Staff and Members have continued with targeted engagement during this development phase including presentations to the RHI and Te Ngaawhaa Whaktupu Ake.
- 7. Further targeted engagement is proposed as the strategy is progressed and the list of actions is developed into a full action plan.
- 8. Members can provide feedback and input on the draft strategy on a page and list of actions at a drop-in session on Friday 13 November 2020.
- 9. Following the drop-in session, the working group will continue to develop the strategy and action plan and undertake further targeted consultation with community groups, experts and other relevant stakeholders.
- 10. Staff will bring the near final draft of the housing strategy and action plan to an Elected Member Briefing in February 2021. The final strategy and action plan will be brought to the Strategic Growth Committee in early 2021 for adoption.

11. Staff consider the matters in this report have a low significance and that the recommendations comply with the Council's legal requirements.

Background - Koorero whaimaarama

- 12. An Elected Member Briefing on housing in May 2020 highlighted the Council's current tools in the housing discussion and sought feedback on the content of a future Council housing strategy.
- 13. At the 20 August 2020 Strategic Growth Committee meeting (<u>Agenda</u>, <u>Minutes</u>) Elected Members approved the development of a housing strategy and action plan.
- 14. The Committee delegated a working group consisting of Deputy Mayor Taylor, Cr Thomson, Cr van Oosten, Cr Wilson and Cr O'Leary to work with staff to develop the strategy. Maangai Te Ua self-nominated to be part of the working group.
- 15. The intent of the strategy is to provide a comprehensive vision, goals and outcomes for the city's housing, supported by an action plan to achieve these goals in the short, medium and long term.
- 16. Currently the Council has no overarching strategy for housing in Hamilton. Strategic planning documents such as the Hamilton Urban Growth Strategy (HUGS) and the Metropolitan Spatial Plan (MSP) reference the distribution of growth and urban form of housing across the city, but do not directly consider housing outcomes such as affordability, quality and accessibility.
- 17. The development of a housing strategy provides an opportunity to expand the Council's current consideration of housing issues and articulate a comprehensive vision for the city's housing in a single, cross-organisational document.
- 18. The strategy will provide guidance for future housing-related decisions. Projects can be assessed within the framework developed in the strategy and should support the achievement of its outcomes.
- 19. The action plan portion of the strategy will enable prioritisation and focus on existing and future housing workstreams.
- 20. The housing strategy will also provide an opportunity to specify the Council's role in the local and regional housing system, enabling the Council to work more effectively with other stakeholders.

Discussion - Matapaki

Working group workshops

21. To date, the working group has held four workshops. The following table summarises the timing, purpose and outcomes of each workshop.

Date	Purpose and Outcomes
11 September 2020	Purpose: Introduction and regional context Outcomes: Agreed to align the Council's housing strategy with the Waikato Regional Housing Initiative's (RHI) draft strategy Agreed to progress timeframes to align with LTP decision making
15 September 2020	Purpose: Review first draft of adapted RHI strategy on a page Outcome: First draft supported with minor amendments

2 October 2020	Purpose: Present regional evidence supporting goals and outcomes Outcomes: Evidence discussed Agreed that a draft list of actions be presented at the next working group meeting
16 October 2020	Purpose: Review draft list of actions Outcomes: Draft list of actions accepted for further refinement and consideration with minor amendments

Draft housing strategy on a page

- 22. During the first workshop, staff presented the Waikato Regional Housing Initiative's (RHI) draft strategy on a page (Attachment 1) to Elected Members and Maangai Maaori.
- 23. The RHI is a working group of regional stakeholders that work across the housing continuum. It was established in 2018 as a priority action under the Waikato Plan. The mission of the group is to lead, connect and facilitate the delivery of affordable, quality and accessible homes in the Waikato.
- 24. Staff and Elected Members attend regular RHI working group meetings. The Council is also part of the Waikato Plan; Mayor Paula Southgate is a member of the Waikato Plan Leadership Committee.
- 25. Since its establishment, the RHI has primarily operated as a facilitator within the Waikato housing system. The group is now planning to take a more active role, and development of their housing strategy is the first step in this process.
- 26. The working group agreed to align the Council's housing strategy with the RHI draft strategy, identifying the following benefits in the alignment:
 - The RHI strategy aligns well with the topics that Elected Members identified as important to address in a housing strategy.
 - The strategy is consistent with other housing strategies across New Zealand and covers the full housing continuum.
 - Having one regional vision and a similar strategy ensures key messaging is consistent and enables better collaboration between the RHI and the Council.
 - The working group can progress the strategy more quickly to focus on the role of the Council and the actions it can take to achieve the goals and outcomes of the strategy.
- 27. The draft Council housing strategy on a page is attached as Attachment 2.

Mission, Vision and Principles

- 28. The strategy's purpose is the Council's purpose: To improve the wellbeing of Hamiltonians.
- 29. The vision of the strategy is: Every person in Hamilton is well-housed, living in sustainable, flourishing and connected communities.
- 30. The term 'well-housed' commonly refers to the dimensions of the <u>UN human rights to</u> adequate housing, one of New Zealand's human rights obligations. Well-housed means timely access to housing that is accessible, affordable, habitable, culturally adequate, appropriately located and with security of tenure.
- 31. This vision therefore recognises that all Hamiltonians should have timely access to housing that meets these standards. It sets the scene for the goals, outcomes and actions of the strategy.

32. The six principles have been adopted from the RHI strategy. They frame the approach to the strategy and serve as a foundation to develop the action plan.

Goals and Outcomes

33. The strategy contains four goals, each of which addresses different aspects of the standards of well-housed.

Goal	What it addresses and outcomes
Goal 1: Hamilton has a well- functioning housing system	 How the Council enables housing development in the city. Outcomes identified: the Council is responsive to the housing need in Hamilton more availability and choice of housing and more affordable homes
Goal 2: Our homes are good quality and protect the health and wellbeing of our people	The habitability and sustainability of our housing stock. Outcomes identified: more homes are safe, secure and resilient more homes are warm, dry and energy efficient more homes are environmentally sustainable
Goal 3: Our homes meet the diverse needs of our communities	The types of housing opportunities that are provided and how these are culturally appropriate for Hamiltonians. Outcomes identified: more Hamiltonians can access and sustain a home more homes are universally designed more homes are culturally appropriate.
Goal 4: Our housing system and urban form supports sustainable, resilient and connected communities	 How our communities live and focuses on providing appropriately located houses that support our communities. Outcomes identified: housing supports connected communities and better placemaking housing is appropriately located and supports the wellbeing of our communities.

List of actions

- 34. Following the development of the strategy on a page, the working group has developed a draft list of actions to be developed into an action plan (Attachment 3).
- 35. The list of actions is structured under the roles the Council holds regarding housing. These have been identified as:
 - Leadership and advocacy
 - Regulator (District Plan)
 - Financial tools
 - Planning authority (Resource and Building Consents)
 - Community education
 - Placemaking and urban design
 - Data and information gathering.
- 36. The list of actions was developed through evaluation of literature and existing housing strategies, as well as discussions with Council staff associated with each of the roles.

- 37. The list provides a combination of actions that:
 - the Council is already progressing
 - are programmed or underway but could be enhanced or expanded
 - have been identified but require further investigation
 - have been identified but require significant further investigation.
- 38. Many of the actions that are underway or programmed have been established or advanced in parallel with the development of the housing strategy.
- 39. This includes developing the proposed approach to addressing the Council's obligations under the National Policy Statement Urban Development to notify an intensification plan change by August 2022.
- 40. It should be noted that this list of actions is in draft for consideration and no decisions have been made on their implementation. Further development of this list including timings will be undertaken to input into the final action plan.

Engagement

- 41. Staff and Members undertook several drop-in sessions and conversations with a range of relevant stakeholders, experts and peak bodies in the period from the initial May 2020 housing briefing to the 20 August 2020 report to the Strategic Growth Committee.
- 42. Further targeted engagement and feedback has been undertaken in parallel with developing the draft strategy on a page and action plan. This includes a presentation of the draft housing strategy on a page to the RHI on 23 September 2020.
- 43. Staff also met with Te Ngaawhaa Whakatupu Ake on 30 September 2020 to seek input from the group on the challenges and opportunities for Maaori housing, and to provide visibility that the Council had begun to develop the housing strategy and action plan. Staff will continue to engage with Te Ngaawhaa Whakatupu Ake as the strategy progresses.
- 44. Staff and the working group have determined that the appropriate level of further engagement on the housing strategy and action plan is through targeted stakeholder engagement with relevant community stakeholders and experts.
- 45. Community views and preferences on housing are already known to the Council through a range of avenues including the LTP engagement undertaken from 2019 to April 2020. Key findings from this engagement include:
 - Regarding economic wellbeing, 54% of respondents wish for Hamilton to be a city that is affordable to live in, the largest proportion of responses for this category, and the second largest proportion of responses overall.
 - "Safe", "sustainable", "healthy" and "easy to get around" were words / phrases included in more than 100 responses each.
 - People would like to see the Council plan and make available more affordable housing options.
 - People would also like to see the Council encouraging sustainable living / housing.
- 46. The Council's Quality of Life survey provides findings on key housing measures including affordability, suitability of home type, suitability of location, homes with damp and mould, and heating in homes.
- 47. The Council's Community Profiles also provide localised information regarding a range of housing and social outcomes.

Alignment with Long Term Plan Strategic Priorities

- 48. The draft strategy on a page and list of actions are consistent with the Council's *Vision for Hamilton Kirikiriroa*. The vision document references having a liveable, sustainable city with housing choice, good connections, diversity and strong communities.
- 49. Most notably the first Strategic Priority "Shaping a city that's easy to live in" includes a focus area to "encourage new development in Hamilton to include a mix of housing including affordable housing options."

Project Timeline and Next Steps

- 50. The working group has developed a project timeline with a plan to present the final housing strategy and action plan to the Strategic Growth Committee in March 2021.
- 51. The delivery of the strategy and action plan has been brought forward significantly from the timeframe proposed in the 20 August 2020 report to the Strategic Growth Committee, which indicated a final housing strategy and action plan would come to Strategic Growth Committee in June 2021.
- 52. This reflects the progress made to date by the working group and is largely due to the decision to align the Council's housing strategy with the RHI's housing strategy.

Estimated project timeline

Phase 1 – Working group workshops to establish vision, goals and outcomes of the strategy.	September 2020
Early targeted stakeholder engagement with Waikato Regional Housing Initiative and Te Ngaawhaa Whakatupu Ake Committee	September – October 2020
Begin developing evidence base to support strategy and examine actions. Draft list of actions developed.	October 2020
Update report to Strategic Growth Committee.	12 November 2020
Elected Member drop-in session to discuss draft strategy on a page and list of actions	13 November 2020
Phase 2 – Continue to develop action plan including targeted stakeholder engagement. Develop the strategy document (5-10 pages to support the strategy on a page).	November 2020 – February 2021
Elected Member briefing to provide comment on the draft housing strategy and action plan.	February 2021
Finalising draft strategy and final round of targeted stakeholder engagement.	February 2021 – March 2021
Final strategy and action plan to Strategic Growth Committee for adoption	March 2021

Financial Considerations - Whaiwhakaaro Puutea

53. There are no financial implications in relation to this report.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

54. Staff confirm that this matter complies with the Council's legal and policy requirements.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

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

Social

- 58. Housing is both an important determinant of the standard of living and a significant portion of household budgets. Specifically targeting the improvement of housing outcomes for Hamiltonians (such as reducing housing stress) will therefore improve the Council's ability to have a positive impact on the housing system when compared to an ad hoc approach. Individuals and families experiencing housing stress spend significant time addressing immediate needs, rather than investing their time and energy into the local community.
- 59. As well as being important for individuals, housing is an important component of communities and directly affects key aspects such as education, health, the strength of community networks, safety and connectedness.

Economic

- 60. Housing affordability is a significant issue in the Waikato, with Hamilton being the third least affordable housing market in New Zealand, behind Auckland and Tauranga. Housing costs are often a significant portion of household spending, with 30% of income spent on housing viewed as one threshold for affordability.
- 61. Addressing housing affordability in a housing strategy will improve the Council's ability to target this issue. Increasing the affordability of housing in Hamilton will have a significant positive effect on housing costs, which are a significant portion of household's budgets.

Environmental

62. Several of the Council-recommended objectives would encourage and facilitate an increase in sustainable housing in Hamilton, for example a specific focus on healthy sustainable homes. Intensification also typically enables walkability and encourages public transport use.

Cultural

63. It is acknowledged that Maaori are over-represented in negative social statistics. An example of this is that Maaori represent approximately 20% of the Waikato population, but 46% of MSD's social housing waiting list and approximately 60% of Hamilton Christian Night Shelter guests. Further, Maaori and Pacific peoples have lower household ownership relative to the general population.

- 64. Regarding the link between housing and health, the Waikato DHB notes in its 2019 Housing Position Statement:
 - "The high cost of housing is leading to household crowding, increased risk of infectious disease transmission, and increased rates of homelessness... In particular, we acknowledge the effects that pressures on housing can have on Māori and other groups at higher risk of poor and inequitable health outcomes. These groups are likely to have higher negative health impacts related to housing e.g. higher rates of rheumatic fever. This could be in part due to Māori being more commonly affected by issues related to housing insecurity and overcrowding."
- 65. A focus on enabling housing that is culturally appropriate is incorporated into the draft strategy on a page. The strategy will specifically consider what the Council can do to enable and facilitate the development of culturally appropriate housing in Hamilton including papakaainga housing.

Risks - Tuuraru

66. There are no known risks associated with this matter.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

67. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have a low level of significance and no engagement is required.

Attachments - Ngaa taapirihanga

- Attachment 1 Waikato Regional Housing Initiative Housing Strategy on a Page
- Attachment 2 Hamilton City Council Housing Strategy on a Page DRAFT
- Attachment 3 Housing Strategy Actions List DRAFT

WAIKATO REGIONAL HOUSING STRATEGY

Rautaki Kainga Hoko o Waikato

OUR VISION

Every person and every family in the Waikato is well-housed

OUR MISSION

Lead, connect and facilitate the delivery of affordable, quality and accessible houses in the Waikato.

OUR GOALS



The Waikato region has a wellfunctioning housing system



Homes in the region meet the diverse needs of Waikato people



Our housing system supports sustainable, resilient and connected communities



Waikato homes are good quality and protect the health and wellbeing of our people

PRIORITY AREAS (2020 - 2022)

- 1) Improve Policy, Regulation and Planning
- Enable the growth of the affordable housing pipeline
- Develop and maintain a housing development
- **5** Create a data lake to support decision making
- (3) Improve overall housing quality
- Develop a funding framework that enables and connects funding to priority projects

HOUSING IN THE WAIKATO TODAY *

7,500 housing shortfall

The region needs another 50,000 houses built by 2043 with the majority in affordable Home Ownership

43%

33%

vs 70% Europeans

only

15%

of Waikato families earn enough to buy a home

Housing Quality

23% damp

18% mould

*as at September 2018



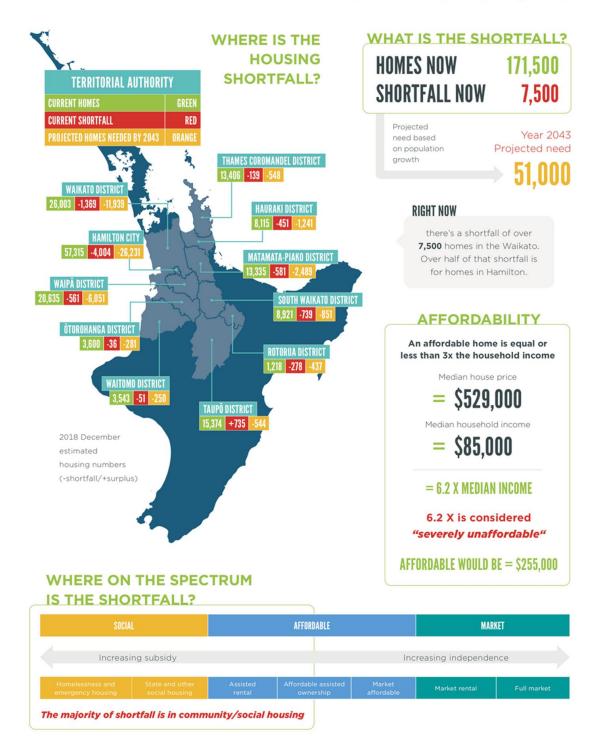
Priority 1: People

Implementation action: Planning for population change

Priority action: Waikato Region Housing Initiative Summary of report: Waikato Region Housing Initiative

- 2018 Housing Stocktake

Report link: waikatoplan.co.nz/housing-stocktake



Strategy on a Page - Draft

Our purpose: To improve the wellbeing of Hamiltonians

Our vision: Every person in Hamilton is well-housed, living in sustainable, flourishing and connected communities

Our principles:

- People first housing as a human right
- Leadership through partnership & advocacy
- A collective impact approach
- Honour Te Tiriti o Waitangi

- Evidence-based decisions
- Targeted, measurable goals
- Getting the job done mahia te mahi

Goal 1: Hamilton has a wellfunctioning housing system

how we develop our housing

- Council is responsive to the housing need in Hamilton
- More availability and choice of housing
- More affordable homes

Goal 2: Our homes are good quality and protect the health and wellbeing of our people

what our homes are like

- More homes are safe, secure and resilient
- More homes are warm, dry and energy efficient
- More homes are environmentally sustainable

Goal 3: Our homes meet the diverse needs of our communities

what housing opportunities are provided

- More Hamiltonians can
 access and sustain a home
- More homes are universally designed
- More homes are culturally appropriate

Goal 4: Our housing system and urban form supports sustainable, resilient and connected communities

how our communities live

- Housing supports connected communities and better placemaking
- Housing is appropriately located and supports the wellbeing of our communities

Underway / BAU
Work in progress / programmed
Action Identified - Requires further investigation

Action Identified - Complex - may require significant further investigation, separate advice and decision making

Focus Areas	Description	Action	Notes
		Continue to engage with LGNZ through working parties and the	
		remit process to support their housing programme	2
		Advocate for and support initiatives that align with the housing	
	The second secon	strategy and which improve the dimensions of well-housed; affordability, accessibility, habitability, security of tenure,	
	in a housing strategy.	culturally appropriate, appropriately located. May include central	
	in a nousing strategy.	government, local government or community group initiatives	
Leadership and		8	
Advocacy	_	Ongoing active involvement with the Waikato Regional Housing	
,,		Initiative leadership and working groups	
	Continuing to develop and foster	Increase engagement with other Councils to enhance strategic	
	strategic relationships with other	partnerships and knowledge sharing on housing matters	
	Councils, Community housing	Continue to enhance strategic partnership with Kainga Ora	
	groups and Central Government.		Is himder a could be had a manufalence of a file a country
		Enhance strategic partnership and investigate in-kind support of the Waikato Community Lands Trust	In-kind support could include provision of office space / staff support
	_	District Plan Change to meet requirements of NPS-UD. Provides for	Statutory requirement to notify a Plan Change by August
		intensification in the Central City, around centres and areas of	2022
		high accessibility and high demand	
		Within the District Plan Change - investigate the opportunity to	
	Making changes to our District	increase the emphasis on affordability in the District Plan	
Degulator (District	Plan to enable outcomes and	Within the District Plan Change - investigate the opportunity to	
Regulator (District Plan)	objectives identified in the	increase the incentives for sustainable housing solutions and	
, sarry	strategy.	universal design in the District Plan	
		Within the District Plan Change - review the existing Urban Design	
		section of the District Plan Within the District Plan Change - Examine opportunities to include	
		Enderley as a precinct plan area	
		Investigate the development of inclusionary zoning policies	
	_	Develop DC remissions for registered Community Housing	Development of policy option underway
		Providers	bevelopment of policy option underway
		Investigate rates remissions for social housing providers' dwellings	-
	Financial tools or economic incentives can be employed to encourage a variety of different housing related matters. Examples include rates remissions, DC Policy, fee reductions and waivers	when provided under rental or shared ownership arrangements,	
		and which are not receiving the income related rent subsidy	
Financial Tools		Investigate subsidies, waivers and other fee reductions to support	
		the outcomes of the Housing Strategy including universal design,	
		sustainability, affordability and culturally appropriate housing	
		Investigate the use of the Municipal Endowment Fund for housing	
		projects delivered in partnership with other public or private	
		entities	
		Continue with initiatives that make applying for consent easier	
	Chronoline and improve planning	and more efficient	la accessa Malana One la the allat factible mother
	Streamline and improve planning and consenting processes – or	Further develop a partnership approach with Community Housing Providers to develop and shape potential applications - for	In progress - Kainga Ora is the pilot for this method, which can be applied to other developments
Planning Authority	provide streamlined services for	example Kainga Ora	which can be applied to other developments
(Resource &	key groups, e.g. social housing	Investigate ways to support social housing providers and mana	
Building Consents)	providers, papakaainga	whenua / mataa waka to navigate the consenting process	
	developers.		
		Integration of certifications such as Lifemark and Homestar into	
		LIM Reports Smart Water and Fight The Land Fill programmes	
		Investigate existing community education programmes to	
Community	Council can take a lead role in	determine Council's role and where we can complement existing	
Education	providing community education on topics such as healthy homes.	activities	
	copies such as healthy hollies.	Develop a strategic relationship with Waikato DHB Whare Ora	
		programme	
	Use of good urban design, social	Continue to support our community approach to growth and urban regeneration	
Placemaking &	infrastructure and placemaking to	Continue to implement and promote use of Green Communities	
Urban Design	improve neighbourhoods and	framework in Peacocke	
	increase liveability	Strengthen and encourage use of the Urban Design Panel	
·		Ensure HCC and the Regional Housing Initiative effectively	
		collaborate and share data	
Data card	Council can continue to and	NPS-UD Housing and Business Capacity Assessment: Assessment	This assessment is required under the NPS-UD. Findings
Data and Information	expand upon the collection,	of Maaori housing demand	may include ways that Council can remove barriers to traditional housing options such as papakaainga
Gathering	interpretation and sharing of		and and an industrial options such as papakadiliga
	housing related data	Expand upon existing monitoring of housing information including	
		consents, to include relevant social housing indicators where	
		appropriate	
-	•		-

Council Report

Committee: Strategic Growth Committee **Date:** 12 November 2020

Author: Luke O'Dwyer **Authoriser:** Blair Bowcott

Position: City Planning Manager **Position:** Executive Director Special

Projects

Report Name: Future Proof Update

Report Status	Open

Purpose - Take

1. To inform the Strategic Growth Committee of recent Future Proof activities.

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Strategic Growth Committee receives the report.

Executive Summary - Whakaraapopototanga matua

- 3. The Future Proof Partnership is going through a period of change that is likely to see the emerging work program broadening its focus from policy and planning initiatives to include greater emphasis on infrastructure investment and implementation.
- 4. This broadened focus couples with the recent appointment of Peter Winder as the new Implementation Advisor. Furthermore, at the time of writing this report, Ministerial representation to the Future Proof Implementation Committee is yet to be determined post the recent New Zealand election.
- 5. Key recent actions since the last report to this Committee include the following
 - The development of a scope and draft project plan for the Future Proof Strategy update
 - The new Implementation Advisor holding three separate workshops to develop a revised Future Proof Work Programme up to 2024 and undertaking a broad review around the structures and focus of Future Proof.
- 6. In addition to the above, work progresses in the Three Waters business case area and a separate report providing a detailed update on this work stream is included in this agenda.
- 7. The Future Proof Partnership also continues to scope the next phase of work for the transport program as outlined in this report.
- 8. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Background - Koorero whaimaarama

9. The Future Proof Partnership was reconstituted on 15 August 2019 and includes new partner representatives from the Crown, Auckland Council, Franklin Local Board, and Auckland/Hauraki lwi to reflect the Crown's commitment to the Hamilton to Auckland Corridor Plan that was

- completed in 2019. At the time of writing this report, the Crown ministerial representatives for the Implementation Committee following the recent Government election are yet to be confirmed.
- 10. Since the reconstitution of that partnership, the focus of effort has been on implementing the Hamilton to Auckland Corridor Plan, with emphasis on developing a Hamilton Waikato-Metropolitan Spatial Plan (HW-MSP) and a Waikato Sub-Regional Three Waters Project.
- 11. The HW-MSP was approved by the Future Proof Implementation Committee on 10 September 2020 and reported to this committee on 1 October 2020. The completion of the HW-MSP was a major milestone for the Partnership and we are now moving in a different phase of the Partnership one which quickly updates the Future Proof Strategy in the first quarter of 2021 before focusing on implementing the HW-MSP through subsequent investment activities in the waters and transport areas.

Recent Future Proof Activities

Transition to a new Future Proof Work Programme

- 12. As part of the transition between Implementation Advisors it has been timely to reflect with each of the partner organisations where Future Proof has got to and to begin to shape/reshape the work programme over the next period. Recent work of the Implementation Advisor has been focused on the following areas:
 - Reconfirming the value and purpose of Future Proof
 - Shifting from strategy to action
 - Optimising the structure of Future Proof
 - Developing a revised work programme

Reconfirming the value and purpose of Future Proof

13. Future Proof's value lies in its partnership approach. Future Proof provides a vehicle for ongoing collaboration, a platform for advocacy, and enables joined up thinking across the partnership. Figure 1 shows the core elements of the partnership and its value.

Figure 1: The Future Proof partnership



- 14. Future Proof operates on a good-will and partner alignment basis. The partnership is voluntary and none of the parties have ceded their individual authority or decision-making rights and obligations to the partnership. The partnership has worked well in agreeing strategy, but even so has tended to include the aspirations of all partners rather than to necessarily make hard trade-offs. Future Proof is focused on a boundaryless approach as noted in Figure 1.
- 15. Ultimately the value in Future Proof will be realised by being able to translate joined up strategy into joined up action across all aspects of the partnership.

Shifting from strategy development to strategy implementation

- 16. With the completion of the HW-MSP and the Statement of Shared Spatial Intent for the corridor, Future Proof now needs to shift from having a prime focus on strategy development to a focus on implementing the strategy. This will require a different approach with more discipline around turning implementation actions into agreed, resourced, funded and well managed projects.
- 17. Not all partners will need to contribute to all implementation actions. Equally, not all initiatives have the same urgency or significance. Some need to be done sooner than others. The scope of the implementation work programme will need to be managed to fit within the resources that the partners are able to commit. These joint actions will compete for resources with the on-going work programmes of all of the partners.
- 18. Another significant challenge in the shift to implementation is to ensure that multiple, concurrent implementation actions do in fact give effect to the agreed strategy and vision.
- 19. The opportunity and/or need to reconsider the future work programme is also being driven by a number of other important events:
 - i. The completion and adoption of the Hamilton-Waikato Metro Spatial Plan (HW-MSP) and the Statement of Shared Spatial Intent for the Hamilton to Auckland Corridor.
 - ii. The completion of Waikato 2070 Growth Strategy and the Waikato District Plan Review.
 - iii. The existing commitment to complete the phase 2 update of the Future Proof Strategy to incorporate the HW-MSP, H2A work, and requirements of the National Policy Statement on Urban Development.
 - iv. The need to progress the transport elements of the HW-MSP.
 - v. The engagement of the Future Proof Councils in the government's Three Waters Reform.
 - vi. The commencement of work on the detailed business case for Southern Metro-Wastewater, to be followed by the detailed business case for Northern Metro-Wastewater.
 - vii. The need to advance business cases for transport investments.
 - viii. The known impact of the national planning standards and the need to update plans under the RMA.
 - ix. The potential impact of National Policy Statements for Productive Land and for Indigenous Biodiversity on the need for and nature of plan changes.
 - x. Exploring and applying innovative funding, financing and planning tools and processes to support implementation.
 - xi. The stated desire of the partners to move into effective implementation of the Future Proof strategy and priority development areas of the HW-MSP.
- 20. The product will be a proposed work programme and indicative scope for the period to 2024.

21. The work programme will need to be reviewed regularly and may need to flex if unplanned work arises and timeframes change. We need to retain our flexibility and adjust the work programme where and when necessary.

Optimising the Future Proof Structure

- 22. In considering the work programme it is also timely to consider the way in which Future Proof organises to implement the strategy. Future Proof currently has a range of groups, steering groups, technical groups, and working groups that sit under the Governance and Chief Executive groups. The Implementation Advisor is currently examining how to best optimise these structures to better align with the emerging work programme. This is likely to result in the emergence of working groups focused on the following areas:
 - i. Policy and plan changes
 - ii. Forecasting, information and modelling
 - iii. Three waters
 - iv. Transport (including rail)
 - v. Priority development areas (alignment, integration, exploring and applying innovative tools/processes)
- 23. There are also discussions on how to best incorporate housing initiatives (including the Regional Housing Initiative) and the Hamilton to Tauranga Corridor investigations/opportunities.

The Update of the Future Proof Strategy

- 24. The Future Proof Strategy is undergoing a two phased update. The first phase has been completed. The Future Proof Strategy: Planning for Growth was adopted by the Strategy partners in November 2017 and replaces the 2009 version of the Strategy. The Strategy underwent a full Special Consultative Procedure under the Local Government Act 2002.
- 25. The second phase of the Update began in 2018 and a draft Strategy, with gaps, was submitted to the Ministry for the Environment in December 2018 in order to meet the Future Development Strategy requirements of the then National Policy Statement (NPS) on Urban Development Capacity. The update has since been on hold to allow various projects to further progress such as the Hamilton to Auckland Corridor (H2A) initiative, the HW-MSP, and Waikato District Growth and Economic Development Strategy (Waikato 2070).
- 26. The Implementation Advisor has recommended that staff continue working on the Strategy this year and complete a second draft by early-2021. It is envisioned that the Strategy will bring all current works in progress together into one document, providing a good framework to feed into the Waikato Regional Policy Statement.
- 27. A draft project plan is being worked on and will be reported to the next Future Proof Implementation Committee meeting. Staff will hold subsequent briefings with HCC Elected Members on the scope and process for the Strategy Update in late 2020 and early 2021.

The Strategic Metro-Area Transport Programme

- 28. The development of a strategic transport programme for the Metro area is a key next step, drawing and building on the Regional Land Transport Plan. The proposed approach is currently being considered by the Implementation Advisor.
- 29. The strategic programme will provide the framework for the development of business cases, which can either be at a broad programme level (similar to the UFTI initiative in Smart Growth) or for specific elements e.g. for the proposed rapid and frequent transit network. This work will identify long term phasing, costs and how partners can implement the right solutions for the long-term transport needs of the metropolitan region.

30. A regular progress update report for this workstream will be presented at each Strategic Growth Committee meeting beginning 2021.

Next Steps

31. The next steps are to refine the work programme before the Implementation Advisor reports the revised programme and approach for both the Future Proof Update and the overall Future Proof programme to Chief Executives Advisory Group for consideration and then to the Future Proof Implementation Committee. This is planned to occur in November/December 2020.

Financial Considerations - Whaiwhakaaro Puutea

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

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

33. There are no legal or policy considerations in relation to this report.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

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

Risks - Tuuraru

37. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy – Kaupapa here wakahira/anganui

38. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this report have low significance and no engagement is required.

Attachments - Ngaa taapirihanga

There are no attachments for this report.

Council Report

Committee: Strategic Growth Committee Date: 12 November 2020

Author: Ashwini Pillay **Authoriser:** Jen Baird

Position: Development Contributions **Position:** General Manager City Growth

Analyst

Report Name: Development Contributions Remission Quarter 1 2021

Report Status	Open

Purpose - Take

1. To inform the Strategic Growth Committee on Development Contribution (DC) remissions during the period of 1 July 2020 to 30 September 2020 (Q1 2021).

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Strategic Growth Committee receives the report.

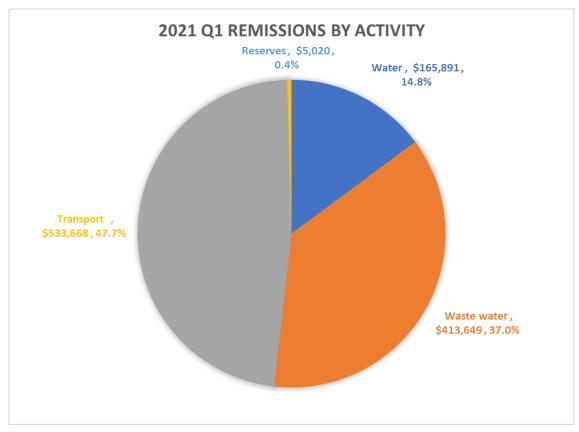
Background - Koorero whaimaarama

- 3. As its 20 June 2019 meeting, the Council approved the proposed Development Contributions Policy 2019/20 (DC Policy), with an operative date of 1 July 2019.
- 4. DC Policy allows for three types of remission:
 - a) Actual demand remissions;
 - b) Private Developer Agreement (PDA) remissions; and
 - c) CBD remissions.
- 5. The DC Policy includes a 66% remission that applies for developments located in the CBD until 30 June 2021.
- 6. Actual demand remissions and PDA remissions rely on the developer supplying appropriate evidence of reduction in the impact of actual demand as compared to modelled demand.
- 7. All remissions in this report have been determined in accordance with the DC Policy and delegated authority.
- 8. All DC amounts in this report are exclusive of GST.
- 9. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Summary of approved remissions

- 10. In Q1 2021, the Council approved six DC remissions with a total value of \$1,118,228.00 consisting of:
 - a) 3 x CBD remissions totalling \$980,155; and
 - b) 3 x actual demand remissions totalling \$138,073.

11. DC remissions are calculated by individual activity components. The graph below shows the percentage of the total remissions granted attributed to each DC activity.



Financial Considerations - Whaiwhakaaro Puutea

12. The financial implications of Council's DC Policy on remissions was considered during the last DC Policy review and accounted for in the Council's financial planning.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

- 13. The approved remissions presented in this report satisfy the requirements for a reduction in DCs payable as set out in the DC Policy.
- 14. The Council's DC Policy complies with relevant legislation.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

- 15. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 16. The remission in this report have been evaluated in relation to the 4 wellbeings as outlined below, noting that the decision themselves are directed by the Policy itself without staff discretion.

Social

17. No social considerations were identified in relation to the reported remissions.

Economic

18. Development contributions play an important part in the Council's overall funding and financial strategy. CBD remissions provided for through the DC Policy and set out in this report contribute to the Council's desire to support a vibrant CBD. Actual demand remissions

provided for through the DC Policy and set out in this report create a better match between the demand for services with the assessed DC charge, for developments of scale with applications supported by appropriate evidence.

Environmental

19. No environment considerations were identified in relation to reported remissions.

Cultural

20. No cultural considerations were identified in relation to the reported remissions.

Risks - Tuuraru

21. No specific risks have been identified in relation to the remissions in this report. However, remissions and how they are provided for in the DC Policy and applied are a subject of recent challenge by developers. This more general risk is being closely monitored and the Council will be kept informed of any new developments.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

Significance

22. Having considered the Significance and Engagement Policy, staff have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

23. Given the low level of significance and that the community views and preferences being known to Council, no engagement is required.

Attachments - Ngaa taapirihanga

Attachment 1 - 2020 Q1 Development Contributions Remission

Attachment 1: 2021 Q1 Remissions Report

Actual demand remission											Amo	ount remit	tted	(\$ excl. GST)				
Address	Developer	Development description & Development Contributions		Applicable		Original DO	2										Final DC	Remission
Address	Developer	Officer details/comments	Consent Number	polic	/	assessment	t	Water	· V	Vaste water	Ste	orm wate	er .	Transport	Reserves	s	assessment	granted
22 Hounsell Road	Downey Construction Limited	Proposed warehouse building with offices (industrial and commercial)	007.2020.00040979.001	2019/2020	\$	173,618	\$	-	\$	-	\$	-	\$	56,054	\$ -	\$	117,564	\$ 56,054
17 Brent Greig Lane	VH Property	Proposal for Vertical Horizonz private training facility	007.2020.00040586.001	2019/2020	\$	169,294	\$	-	\$	-	\$	-	\$	51,319	\$ -	\$	117,975	\$ 51,319
77 Hukanui Road	ST Paul's learning	New learning Hub	007.2019.00039877.001	2019/2020	\$	67,164	\$	-	\$	-	\$	-	\$	30,701	\$ -	\$	36,463	\$ 30,701
					\$	410,075	\$	-	\$		\$	-	\$	138,073	\$	\$	272,002	\$ 138,073
CBD remission											Amo	ount remit	tted	(\$ excl. GST)				
Address	Developer	Development description & Development Contributions		Applicable		Original DO	2										Final DC	Remission
	•	Officer details/comments	Consent Number	polic	,	assessment	t	Water	· v	Vaste water	Ste	orm wate	er	Transport	Reserves	s	assessment	granted
42 Ward Street	SA & I Construction Limited	Proposal for student accommodation fitout in levels 2-7 to existing building previously used as commercial offices. With 13 self-contained units.	010.2020.00011057.001	2020/2021	. \$	83,484	\$	15,464	\$	34,615	\$	-	\$	-	\$ 5,020	\$	28,385	\$ 55,099
29 Hood Street	Hamilton Developments	Proposal to construct a 5-storey mixed use building (retail, commercial, hotel rooms).	10.2020.00010908.001	2019/2020	\$	466,606	\$	50,994	\$	132,912	\$	-	\$	124,054	\$ -	\$	158,646	\$ 307,960
170 Victoria Street	Waikato Regional Theatre Governance Panel	Proposing to remove part of the existing hotel, residential apartments, retail shop on Victoria Street and proposing to construct new theatre, café/restaurant, public plaza.	010.2018.00010143.001	2018/2019	\$	934,994	\$	99,434	\$	246,122	\$	=	\$	271,541	\$ =	\$	317,898	\$ 617,096
					\$	1,485,084	\$	165,891	\$	413,649	\$	-	\$	395,595	\$ 5,020	\$	504,928	\$ 980,155
			Grand Total		\$	1,895,159	\$	165,891	\$	413,649	\$		\$	533,668	\$ 5,020	\$	776,930	\$ 1,118,228

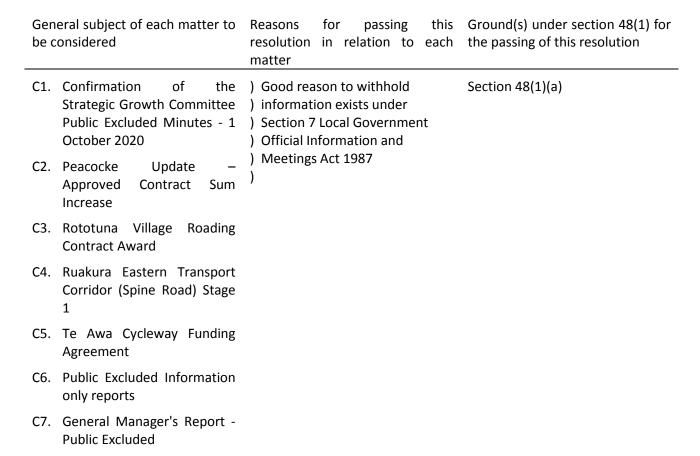
Resolution to Exclude the Public

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.



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 maintain legal professional privilege	Section 7 (2) (g)
	to enable Council to carry out commercial	Section 7 (2) (h)
	activities without disadvantage	Section 7 (2) (i)
	to enable Council to carry out negotiations	
Item C3.	to enable Council to carry out commercial	Section 7 (2) (h)
	activities without disadvantage	Section 7 (2) (i)
	to enable Council to carry out negotiations	

Item C4.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
	to enable Council to carry out negotiations	3ection 7 (2) (i)
	,	
Item C5.	to enable Council to carry out commercial	Section 7 (2) (h)
	activities without disadvantage	Section 7 (2) (i)
	to enable Council to carry out negotiations	
Item C6.	to prevent the disclosure or use of official	Section 7 (2) (j)
	information for improper gain or improper	
	advantage	
Item C7.	to prevent the disclosure or use of official	Section 7 (2) (j)
	information for improper gain or improper	(, 0,
	advantage	