

Notice of Meeting:

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

Date: Tuesday 26 July 2022
Time: 9.30am
Meeting Room: Council Chamber and Audio Visual link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Strategic Growth Committee

Komiti Rautaki

OPEN AGENDA

Membership

Chairperson Cr D Macpherson
Heamana

Deputy Chairperson Cr R Hamilton
Heamana Tuarua

Members	Mayor P Southgate	Cr S Thomson
	Deputy Mayor G Taylor	Cr M van Oosten
	Cr M Bunting	Cr E Wilson
	Cr M Gallagher	Cr M Donovan
	Cr K Naidoo-Rauf	Maangai J Whetu
	Cr A O'Leary	Maangai O Te Ua
	Cr R Pascoe	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Amy Viggers
Mana Whakahaere
Governance

15 July 2022

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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, Iwi, 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:

1. 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*

ⁱ 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.

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

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: 26 July 2022

Author: Amy Viggers

Authoriser: Michelle Hawthorne

Position: Governance

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Strategic Growth Committee Open Minutes for 19 May 2022

Report Status	Open
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Growth Committee confirm the Open Minutes of the Strategic Growth Committee Meeting held on 19 May 2022 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Growth Committee Unconfirmed Open Minutes 19 May 2022

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 via Audio Visual link on Thursday 19 May 2022 at 9.31am.

PRESENT

Chairperson	Cr D Macpherson
<i>Heamana</i>	
Deputy Chairperson	Cr R Hamilton
<i>Heamana Tuarua</i>	
Members	Mayor P Southgate
	Deputy Mayor G Taylor (partially via Audio Visual link)
	Cr M Bunting (partially via Audio Visual link)
	Cr M Gallagher
	Cr K Naidoo-Rauf (exclusively via Audio Visual link)
	Cr A O'Leary (exclusively via Audio Visual link)
	Cr R Pascoe
	Cr S Thomson (partially via Audio Visual link)
	Cr M van Oosten
	Cr E Wilson
	Maangai J Whetu (exclusively via Audio Visual link)
	Maangai O Te Ua
In Attendance	Blair Bowcott – General Manager Growth
	Chris Allen – General Manager Development
	Andrew Parsons - Executive Director - Strategic Infrastructure
	Jackie Colliar - Strategic Manager Infrastructure
	Phil Haizelden - Transport Strategy Principal
	Peter Winder – Consultant
	Robert Brodnax - Future Proof Transport Project Director
	James Tinnion - Morgan - Aurecon Technical Lead
Governance Team	Amy Viggers- Governance Lead
	Narelle Waite and Tyler Gaukrodger – Governance Advisors

- Apologies – Tono aroha**
Resolved: (Cr Macpherson/Cr Hamilton)
 That the apologies for absence from Cr Donovan, and for partial attendance from Mayor Southgate, Crs Thomson and Naidoo-Rauf are accepted.
- Confirmation of Agenda – Whakatau raarangi take**
Resolved: (Cr Macpherson/Cr van Oosten)
 That the agenda is confirmed noting that the late item 6 (Chair's Report) is accepted. The report

was circulated under separate cover to enable the most up to date information to be included.

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea koorero*

A written submission from Peter H Bos was circulated to Elected Members prior to the meeting and attached to the minutes as **Appendix 1**.

5. Confirmation of the Strategic Growth Committee Open Minutes of 31 March 2022

Resolved: (Cr Macpherson/Cr Hamilton)

That the Committee confirm the Open Minutes of the Strategic Growth Committee Meeting held on 31 March 2022 as a true and correct record.

6. Chair's Report

The Chair took the report as read, noting additional meeting dates, and the Future Proof discussion regarding the proposed industrial area in Ruakura. Along with staff, he responded to questions from Members concerning land acquisition south of Hamilton from Waipa District Council, previous land acquisitions, future city expansion locations, Future Proof's position on Southern Links 1 (SL1), SL1 development topography and cost challenges, and developing infrastructure in growth areas.

Resolved: (Deputy Mayor Taylor/Cr Hamilton)

That the Strategic Growth Committee:

- a) receives the report;
- b) approves in principle the signing of a Strategic Land Agreement with Waipa District Council that encompasses the entirety of the SL1 area contiguous with the south-west of the current city boundary, noting:
 - i. that our delegates to the Joint HCC/Waipa DC Committee are authorised to progress this matter;
 - ii. that staff report to the 26 July Strategic Growth Committee meeting on the outcome of discussions on that matter held at the meeting of the two Councils on 10 June 2022, and any other discussions with Waipa DC on this matter; and
 - iii. that final wording of the Agreement will be presented to either Council or the Strategic Growth Committee for approval prior to the end of the term of the current Council.

Mayor Southgate joined the meeting (9.44am) during the above item. She was present when the matter was voted on.

The meeting was adjourned from 10.28am to 10.44am during the discussion of the above item.

7. Metro Spatial Plan (MSP) Transport Programme Business Case

The Transport Strategy Principal, Peter Winder (Consultant) and Robert Brodnax (Future Proof Transport Project Director) spoke to the report, noting the business case will be discussed further at an upcoming Future Proof workshop and that there was indication of a need to invest in infrastructure to facilitate intensification. They responded to questions from Members concerning public transport use, funding, the timeline, engagement with the public, future technologies increasing public transport use, climate change initiatives, relationship to the Hamilton Urban Growth Strategy, risks to the Council, and long term transport planning examples.

Resolved: (Cr Macpherson/Cr O'Leary)

That the Strategic Growth Committee:

- a) receives the report;
- b) supports in principle the key recommendations in the Hamilton-Waikato Metro Spatial Plan Transport Programme Business Case, which include:
 - i. direction around corridor protection for future bus rapid transit;
 - ii. direction about mode choice for future rapid transit and the role of heavy rail in the future;
 - iii. land use requirements and the need for increased densities in planned greenfield developments;
 - iv. early focus on an acceleration and completion of bus priority and walking & cycling networks;
 - v. investigations into rural access and new river connections;
 - vi. focus on demand management measures and reallocation of roadscape as part of future investigations;
 - vii. the staged and sequenced approach required to implement these measures;
- c) notes the matter is to be reported to the Future Proof Implementation Committee on 16 June 2022 for wider Future Proof partner agreement; and
- d) notes that future transport modes and solutions are likely to be impacted by technological advancements over the period covered by the business case.

Deputy Mayor Taylor Dissenting.

The meeting was adjourned from 12.13pm to 12.20pm.

Cr Naidoo-Rauf left the meeting during the above adjournment.

8. Hamilton-Waikato Metro Wastewater Detailed Business Case Update

The Strategic Manager Infrastructure and Peter Winder (Consultant) introduced the report, noting the business case progress made to date, collaboration with other local authorities, the timeline to adopt the document, development of the document, performance standards, governance structures, the northern business case, comparative cost estimates, Pukete investment considerations, and the timeline to reach a memorandum of understanding. They responded to questions from Members concerning Hamilton City Council taking leadership of the project, revenue generation from the use of Hamilton infrastructure by other Councils, financial contributions to projects by local councils, Long Term Plan funding, the speed of implementation, consenting timeline and requirements, Co-Management requirements, representation and expertise in the governance structure, remuneration for governance members, risk mitigation, and collaboration with Mana Whenua.

Resolved: (Mayor Southgate/Cr Macpherson)

That the Strategic Growth Committee:

- a) receives the report;
- b) approves the final Southern Metro Wastewater Detailed Business Case (SM DBC);
- e) delegates authority to the Chief Executive to commence negotiation on multi-party funding agreements for relevant wastewater projects (including the Southern Sub-Regional Wastewater Project); and

- f) notes that:
- i. a supplementary assessment will be completed to evaluate the impacts of accelerated development of the Southern Sub-Regional Waste Water Treatment Plant (SS WWTP) (i.e. more capacity earlier than assumed for the Southern WW DBC and MoU). The assessment will be completed in parallel with the Northern WW DBC.
 - ii. on completion of the Northern DBC the relevant Councils will need to integrate the findings of the Northern and Southern WW DBCs, including further consideration of WW system investment timing and triggers, and development and implementation of the sub-regional WW consenting strategy.
 - iii. planning and investigations to support the delivery of the SS WWTP have commenced using allocated funding in the 2021-2031 Long Term Plan.

Resolved: (Mayor Southgate/Cr Macpherson)

That the Strategic Growth Committee:

- c) approves the draft Memorandum of Understanding (MoU) in respect of Hamilton-Waikato-Waipā Metro Area Wastewater Projects; and
- d) subject to approval of the above resolution, delegates authority to the Chief Executive to finalise the MoU with other parties (including agreeing any minor changes requested by other parties that are consistent with the overall direction of the DBC and MoU);

Deputy Mayor Taylor, Crs Wilson and Pascoe Dissenting.

9. Rotokauri Arterial Designation and Infrastructure Delivery

The General Manager Development and Executive Director Strategic Infrastructure introduced the report, noting the emerging opportunity to work with the development community to develop the Central Green Drainage Corridor and the increase in housing yield. They responded to questions from Members concerning cost increases caused by market demand.

Resolved: (Cr Hamilton/Mayor Southgate)

That the Strategic Growth Committee:

- a) receives the report;
- b) approves the submission of the Detailed Business Case for the Rotokauri Arterial Network Designation to Waka Kotahi for endorsement (**Attachment 4** of the staff report);
- c) approves the lodgement of the Notice of Requirement for the Rotokauri Arterial Network, based on the project objectives and macro-scope approvals provided by Committee at its 12 November 2020 meeting and subsequent engagement outcomes set out in Attachment 3 of this report;
- d) notes that the General Manager of Development has delegated approval to lodge the Notice of Requirement which will include minor drafting edits and staging to match expected delivery timeframes;
- e) notes that there is funding in the 2021-31 Long Term Plan to complete the design of the Central Green Drainage Corridor in 2022-2024;
- f) notes that there will potentially be significant cost and time efficiency if the design of the Central Green Drainage Corridor can be integrated with the development process of adjacent land and affected sections of the Rotokauri north-south arterial network;

- g) delegates the Chief Executive, in consultation with the Chair and Deputy Chair of the Strategic Growth Committee, to negotiate and enter into a design Private Development Agreement with interested landowners and developers in the Rotokauri Stage 1 area that secures a partnership approach to an integrated design and consenting package within existing Chief Executive's financial delegations for any Council contribution; and
- h) notes that entering into a design Private Development Agreement will not obligate Council to commit to any aspects of construction but requests staff to explore the opportunities during the design phase Private Development Agreement for a further construction phase Private Development Agreement (or Agreements) that takes a partnership approach to funding and constructing strategic infrastructure, for future full consideration by the Strategic Growth Committee and/or Council.

10. Open Information Only Reports

The Chair took the report as read.

Resolved: (Cr Macpherson/Cr Hamilton)

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

- i. General Manager's Report;
- ii. Growth Programmes Update;
- iii. HUGS Review –May 2022 update; and
- iv. Development Contributions Remissions Quarter 3 2021/22.

11. 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 matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Growth Committee Public Excluded Minutes of 31 March 2022) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Draft Future Proof Strategy – Hearings Deliberation Report) Official Information and Meetings Act 1987	
C3. Waikato Community Lands Trust Implementation Plan)	

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

- | | | |
|----------|---|------------------------|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to enable Council to carry out negotiations | Section 7 (2) (i) |
| Item C3. | to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest | Section 7 (2) (c) (ii) |
| | to enable Council to carry out negotiations | Section 7 (2) (i) |
| | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |

The meeting went into a Public Excluded session at 1.29pm.

The meeting was declared Closed at 4.12pm.

Appendix 1:

Peter Bos Written Submission:

Item 7 (page 11) Metro Spatial Plan (MSP) Transport Programme Business Case

I support this report/plan – I do ask that the Metro Spatial Plan include

- 1.) Increase frequency in years 1-3 for Te Huia service between ... Huntly – Rotokauri - Frankton, and plan for future Hamilton central and Ruakura stations in years 10-20
- 2.) In years 6-10 Grade separation of Grey St & Peachgrove rail crossing – Note: once the inland port is at full capacity the barrier arms will be down for at least ~8 minutes every hour (for ~48 trains per day) making it impossible to have a high frequent bus route along Peachgrove Rd without grade separation.

Note: existing Rotokauri - Frankton travel time is 8 minutes which is faster than any of the planned travel times on page 19.

Regards

Peter H Bos

Item 5

Attachment 1

Council Report

Item 6

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Tyler Gaukrodger **Authoriser:** Amy Viggers
Position: Governance Advisor **Position:** Governance
Report Name: Chair's Report

Report Status

<i>Open</i>

Recommendation - *Tuutohu*

That the Strategic Growth Committee receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report (*Under Separate Cover*)

Council Report

Item 7

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Jackie Colliar **Authoriser:** Blair Bowcott
Position: Strategic Manager - Infrastructure City Development **Position:** General Manager Growth
Report Name: Hamilton-Waikato Metro Wastewater Detailed Business Case Update

Report Status	Open
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Purpose - *Take*

1. To update the Strategic Growth Committee on progress on the Hamilton-Waikato Metropolitan (Metro) Wastewater (WW) Detailed Business Case (DBC) project.
2. To seek the Strategic Growth Committee's approval of the preferred option (Option A – centralisation of WW treatment at the Pukete Wastewater Treatment Plant (WWTP)) for further refinement and completion of the Northern Hamilton-Waikato (Northern) Metro WW DBC.

Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Growth Committee:

- a) receives the report;
- b) approves Option A (centralisation of wastewater treatment at the Pukete Wastewater Treatment Plant) as the preferred option for further refinement and completion of the Northern Metro WW DBC;
- c) notes that Option A was presented at the 19 May 2022 Strategic Growth Committee meeting as the preferred option; and
- d) notes that Option A was subsequently endorsed by the Project Governance Group on 30 May 2022 and by Waikato District Council on 30 June 2022.

Executive Summary - *Whakaraapopototanga matua*

3. The Strategic Growth Committee approved the Southern Metro WW DBC and associated Memorandum of Understanding (MOU) at the 19 May 2022 meeting. Waipā DC and Waikato DC subsequently approved these documents on 21 June 2022 and 30 June 2022 respectively. Waikato-Tainui Executive Committee will consider these documents in July 2022.
4. Details of the preferred option for the Northern Metro WW DBC and the key considerations to identify the preferred option were presented at the 19 May 2022 Strategic Growth Committee meeting. As noted at that meeting, staged transition will be required to provide time to

upgrade Pukete to meet the higher treatment standards, and to cater for growth (including flows from the Waikato DC communities). Committee approval of the preferred option was not sought at that time as the recommendation had not been considered by the Project Governance Group (PGG).

5. On 30 May 2022, the PGG endorsed Option A (centralisation of WW treatment at the Pukete WWTP) as the preferred option for further refinement and completion of the Northern Metro WW DBC. HCC approval to take Option A forward as the preferred option to complete of the Northern Metro WW DBC is now being sought. Waikato DC endorsed Option A as the preferred option on 30 June 2022.
6. The PGG is made up of elected representatives from the partner organisations. Council's representative on the PGG is Mayor Southgate; the alternate member is Councillor Macpherson.
7. Consideration of the impacts of accelerating the development of the Southern Subregional WWTP (SS WWTP) will be undertaken in parallel with completing the Northern Metro WW DBC.
8. As noted in the approved MOU HCC will be the lead council for the SS WWTP. Key roles of the lead Council include driving delivery and financing of the project. HCC has some funding in the 2021-2031 Long Term Plan (LTP) for the land acquisition and planning phases for the SS WWTP. Funding agreements will also be required with Waikato District Council, and Waipā District Council, particularly in relation to servicing the Waikato Regional Airport and environs.
9. Due diligence investigations to support the pre-implementation phases of the SS WWTP continue, alongside consideration of potential property acquisition opportunities. Property acquisition matters are discussed further in the public excluded portion of the meeting.
10. Development of the Multi-Party Funding Agreement (MPFA) between HCC, Waipa DC and Waikato DC for the SS WWTP is underway. Both Waipa DC and Waikato DC have indicated that they will be seeking a proportion of the ownership of physical assets (e.g. land). The implications and practicalities of this request are being worked through and the MPFA will be presented to Committee for consideration at the September 2022 meeting.
11. HCC's funding for the SS WWTP in the 2021-2031 LTP was based on approximately 40% portion of the estimated land acquisition and planning costs (e.g. consenting, designations). The 40% funding portion was based on the assumed proportion of flow to the SS WWTP generated from HCC communities at 2061.
12. As noted in previous Strategic Growth Committee Reports the proportion of flow to the SS WWTP generated from HCC communities is likely to be a significantly higher than assumed for the 2021-2031 LTP and therefore require a significantly higher proportion of funding from HCC. Based on current flow assumptions, the HCC contribution to the land acquisition and planning phase is likely to be approximately 80%.
13. A request for additional funding may be required through annual plan and long-term planning processes from 2023/24 on to complete the Pre-Implementation Phase. New funding will be required to finance construction of the plant with timing expected to be beyond 2024/25.
14. Staff consider the decisions in this report have low significance and the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

15. This is the tenth project update report to the SG Committee. This report covers the period of mid-May 2022 to early July 2022. Previous reports to the SG Committee were provided at the 1 October 2020, 12 November 2020, 30 March 2021, 20 May 2021, 29 July 2021, 7 September 2021, 2 December 2021, 31 March 2022, 19 May 2022 meetings. Further updates have been

provided through the General Manager's reports at the 19 October 2021, 15 February 2022 and 31 March 2022 meetings.

16. The project is being delivered in partnership with mana whenua, Waikato-Tainui, Waikato DC and Waipa DC. A project governance group (PGG) made up of governance representatives of each member of the partnership has overseen and guided the delivery of the project since 2020. Council's representative on the PGG is Mayor Southgate; the alternate member is Councillor Macpherson.
17. Endorsement of all key project recommendations is sought from the PGG ahead of those recommendations being made to each individual partner organisation.
18. At the 19 May 2022 meeting, the Strategic Growth Committee approved the Southern Metro Wastewater Detailed Business case, and the associated Memorandum of Understanding (see [Agenda](#) and [Minutes](#)).
19. The Strategic Growth Committee also delegated authority to the Chief Executive to commence negotiation on a multi-party funding agreement for relevant wastewater projects. The Strategic Growth Committee also noted that a supplementary assessment to evaluate the impact of accelerated delivery of the new Southern Sub-regional WWTP would be completed in parallel with completing the Northern DBC. This work is currently underway.
20. The Northern Metro WW DBC project is building on the Southern Metro WW DBC work, including the project vision and objectives, the communities included in the investigations, minimum treatment performance standards and the two short-listed options identified for the northern metropolitan area.
21. An update on the Northern Metro WW DBC was provided at the 19 May 2022 meeting. The update noted that the PGG approved key project assumptions for the Northern DBC at its 29 April 2022 meeting including:
 - i. Investment objectives, Key Performance Indicators (KPIs) and the multi-criteria assessment (MCA) criteria;
 - ii. Population and treatment assumptions and sensitivity test scenarios.
22. The update included details of the short-listed options and noted the emerging preferred option (Option A – to divert flows from the northern communities (Taupiri, Hopuhopu, Ngaruawahia, Te Kowhai, Horotiu) to the Pukete WWTP). Capital and operating cost estimates for the short-listed options and key elements of the options assessment were included. The report noted that implementing Option A would require a staged transition to provide time to upgrade Pukete to meet the higher treatment standards, and to cater for growth (including flows from the Waikato DC communities).
23. Approval of the preferred option for the Northern Metro WW DBC was not sought at the 19 May 2022 meeting as it had not been endorsed by the PGG at that time.



Discussion - *Matapaki*



Northern Metro WW DBC – Preferred Option

24. The Northern Metro Area communities being considered as part of the project are Taupiri, Hopuhopu, Ngaruawahia, Horotiu, Te Kowhai and Hamilton. Whatawhata and major industrial facilities with their own water services (i.e., Open Country Dairy/AFFCO and Fonterra Te Rapa) are not included in the scope of the project.
25. The short-listed options considered for the Northern Metro WW DBC are:
 - **Option A:** One WWTP - All wastewater flow to the Pukete WWTP.

- **Option B1:** Two WWTP –Te Kowhai, Horotiu, Hopuhopu, Taupiri and Ngaaruawaahia to an upgraded Ngaaruawaahia WWTP; Pukete continuing to service Hamilton.
- **Option B2:** Two WWTP –Hopuhopu, Taupiri and Ngaaruawaahia to an upgraded Ngaaruawaahia WWTP; Te Kowhai, Horotiu to Pukete WWTP; Pukete continuing to service Hamilton.
- **Option C:** Do Minimum – Retain existing plants and servicing

26. These options are described further below:

	Option A	Option B1
Option name	Pukete	Pukete and Ngaaruawaahia
Outcome	Best for River	Best for River
Conveyance	All WDC conveyed to Pukete 	Te Kowhai, Horotiu and Taupiri conveyed to Ngaaruawaahia 
Treatment standard	Total N: 4g/m ³ Total P: < 0.5 g/m ³	Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)
Treatment type	MBR	MBR
Reuse and recovery	Maximise reuse and energy recovery opportunities (including digester and mini-hydro on outfall)	No/minimal reuse or recovery at Ngaaruawaahia Able to achieve ~90% of Option A
Footprint	Reduction in total footprint with option to provide remediation of Ngaaruawaahia site. New pump stations at several sites.	Maintain existing footprint (at both Pukete and Ngaaruawaahia)
Discharge points	Two (near Pukete)	Three (two at Pukete, one at Ngaaruawaahia)
Biosolids	Able to be reused subject to market Advanced treatment options	Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)
Staging	Dual pipelines could be used for some of the routes e.g. Horotiu to Pukete WWTP. Existing Taupiri pump stations and rising mains can be used until reach capacity.	Install 2 reactors at Ngaaruawaahia WWTP to start with and then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.
Delivery	Single operator	Single operator or multiple operators

Option B2	Do minimum
Pukete and Ngaaruawaahia	Do minimum
Best for River	Consentable minimum
Te Kowhai and Horotiu conveyed to Pukete Taupiri conveyed to Ngaaruawaahia	Te Kowhai conveyed to Ngaaruawaahia (subject to funding)
	
Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)	Total N: 7-8g/m ³ (Pukete), 4g/m ³ (Nga) Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)
MBR	Conventional activated sludge (with optimisation) for Pukete. MBR for Ngaaruawaahia
No/minimal reuse or recovery at Ngaaruawaahia Able to achieve ~90% of Option A	No reuse No energy recovery (flaring only)
Maintain existing footprint (at both Pukete and Ngaaruawaahia)	Increased footprint at both sites (Pukete and Ngaaruawaahia)
Three (two at Pukete, one at Ngaaruawaahia)	Three (two at Pukete, one at Ngaaruawaahia)
Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)	Risk biosolids not able to be reused No advanced treatment options Vermicomposting only
Install 2 reactors at Ngaaruawaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.	At Pukete, reactors and clarifiers can be staged to respond to growth (need approx. double the reactor capacity compared to MBR). Install 2 reactors at Ngaaruawaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.
Single operator or multiple operators	Multiple operators

27. Further details of the short-listed options are included in the 19 May 2022 report and in Attachment 1.
28. On 30 May 2022, the PGG considered and endorsed the recommended preferred option (Option A) to take forward as part of the Northern Metro WW DBC. The paper presented to the PGG is included in **Attachment 1**.

29. **Option A** is recommended as the preferred option to take forward for refinement as part of the DBC. The recommendation is primarily made on the following rationale:
- I. **Option A** and **Option B2** score similarly through the MCA process.
 - i. They both score well on discharge quality and related factors – they have the same effective level of treatment and therefore the same discharge quality and level of expected effect on algal biomass and river ecosystems.
 - ii. Provide opportunities for energy and carbon reduction.
 - iii. Can be designed to meet future treatment capacity requirements based on population growth assumptions.
 - iv. Are expected to give effect to Te Ture Whaimana to the extent that it is possible for a wastewater discharge to the Waikato River to give effect to Te Ture Whaimana.
 - II. **Option A** scores better than **Option B2** against criteria influenced by the number and size of treatment plants (and therefore number of discharge points):
 - i. Lower WWTP operational requirements - lower staffing, less overall monitoring, and compliance requirements.
 - ii. Greater flexibility in day-to-day treatment - more levers to pull to meet treatment standards at Pukete than at Ngaaruawaahia.
 - iii. Greater ability for treatment to respond to growth - more capacity to absorb growth without a need for short-term treatment plant upgrades.
 - iv. More opportunity for energy recovery, and resource recovery - which are generally more feasible at Pukete and would benefit from greater flows through Pukete.
 - v. Greater risk associated with conveyance network failure – can be mitigated to some extent by building-in resilience.
 - vi. Opportunity for development and/or restoration at Ngaaruawaahia WWTP site - removal of WWTP, pond, and associated buffer.
 - vii. Opportunity for development of Waikato-Tainui land at Hopuhopu resulting from reduction/removal of the buffer around the Ngaaruawaahia WWTP.
 - viii. Removal of Ngaaruawaahia WWTP may improve relationship with Waikato-Tainui at their Hopuhopu properties (including the Endowed College) and the awa.
 - III. While **Option B2** scores higher against criteria influenced by the conveyance network, the project consultant team opinion is that the identified risks and complexities can be adequately mitigated and managed.
 - IV. **Option A** is preferred from a maatauranga Maaori perspective - noting that **Option B2** could be a reasonable step towards achieving **Option A** by continuing to operate the Ngaaruawaahia WWTP until such time as it can be decommissioned.
 - V. There is little difference between the costs associated with **Options A** and **B2** either in the short term or looking out to 2061.
30. On 30 June 2022, Waikato District Council endorsed the preferred option (**Option A**) for further refinement and completion of the Northern Metro WW DBC Case.

Northern Metro WW DBC – Update

31. Key activities underway for the Northern Metro WW DBC include:
- i. Refinement of the preferred option, including potential staging (refer to Attachment 2 for further information).

- ii. Review of draft DBC documentation
 - iii. Peer review of cost estimates (this is to provide a further level of assurance to the project).
- 32. The PGG and Committee has also requested a supplementary assessment evaluating the impacts of accelerated development of the SS WWTP (i.e. more capacity earlier than assumed for the Southern WW DBC and MoU) which will be completed in parallel with the Northern WW DBC.
- 33. Implementing the recommendations of the Southern Metro WW DBC will be closely linked to implementation of the Northern Metro WW DBC. Integration of each of the DBCs will be necessary to deliver and implement a cohesive sub-regional investment plan. This integration will need to include closer examination of investment timing and triggers (e.g. what are the likely triggers for initiating the diversion of Hamilton South (and/or other areas) to the new SS WWTP) and finalising and implementing a sub-regional WW consenting strategy.
- 34. A suitable date for the PGG meeting is being sought to present the draft Northern Metro WW DBC document for endorsement before the end of August 2022. The intention is to present the Northern Metro WW DBC to the Committee for approval at the September 2022 meeting. The outcomes of the supplementary assessment will also be presented.

Southern Metro WW DBC Update

- 35. Since the 19 May 2022 meeting, both Waipa District Council (21 June 2022) and Waikato District Council (30 June 2022) have approved the Southern Metro Wastewater Detailed Business Case and associated Memorandum of Understanding.
- 36. Consideration of these documents by Waikato-Tainui is planned for later in July 2022.
- 37. While approvals are being sought for these documents, the following activities associated with the Southern Metro are continuing:
 - i. Updating the DBC and MoU documents to reflect minor amendments sought from the partners.
 - ii. Graphic design of the DBC document to complete the project.

Southern Sub-Regional (SS) WWTP Project

- 38. HCC is the lead council for the SS WWTP. As outlined in the approved MOU key roles of the lead Council include driving delivery and financing of the project.
- 39. HCC has some funding in the 2021-2031 LTP for the pre-implementation phases of the SS WWTP project. The scope of the pre-implementation phases for the SS WWTP includes:
 - i. Land acquisition for wastewater activities
 - ii. Site designation and consenting activities including associated investigations and engagement.
- 40. Several project implementation activities are occurring to progress delivery of the SS WWTP Project, including:
 - i. the SS WWTP Project Management Plan is being drafted and roles and responsibilities worked through. A key area of focus is the overall project governance and delivery structure, given the multiple local authorities with interests in the project, and importance of ensuring that appropriate provision is made for Iwi/Mana Whenua representation and participation in the project.
 - ii. continuing due diligence investigations on potential land to support SS WWTP project.

41. Proposals are currently being sought from selected consultants to complete due diligence investigations on several potential sites to support future consenting and designation processes. Evaluation of these proposals will occur in late July. The intention is to engage the preferred consultant upon completion of the evaluation. There is adequate LTP funding available in FY2022/23 for this work.
42. While HCC is currently funding the pre-implementation phases of the work, funding agreements are required with Waikato District Council, and Waipā District Council.

Multi Party Funding Agreement (MPFA)

43. At the 19 May 2022 meeting, the Committee delegated authority to the CEO to start negotiating a multi-party funding agreement with Waipa and Waikato DC to fund the pre-implementation phases for the SS WWTP.
44. The MPFA is being drafted to reflect project funding and cost allocation, for the pre-implementation phase of SS WWTP and decision making (pre-implementation activities, land purchase and consenting) project management, cost escalation and payment.
45. Parties to the Agreement will be HCC, Waipā DC and Waikato DC. The agreement is an early draft and confirmation of this approach is yet to be agreed by the partner councils at this stage. The draft MPFA is informed by the principles in the MOU.
46. The Ownership Principle in the MOU is on the basis that joint ownership of the Plant is not preferred, and that ownership will likely reflect financing and control. In the case of the SS WWTP, Waipa and Waikato DC staff has requested a joint-ownership model be considered, in particular for land acquired for WW management purposes. This presents a number of complexities that need to be worked through.
47. The rationale from Waikato and Waikato DC staff is that Waipā and Waikato District Council's do not have LTP funding for the Plant and in order for Waipā and Waikato District Councils to financially contribute to the cost of the Plant (including Phase One costs), they will need joint ownership to capitalise these costs against an owned asset.
48. If an MPFA cannot be agreed, an alternative is for HCC to fund the Phase one costs and recoup these later through connection charges as users come on-line. However, the areas being serviced in the Waikato District are small and not growth priority areas for their Council. It could be decades before they come on-line and repayment is made to HCC.
49. A draft MPFA will be presented for consideration at the September 2022 Strategic Growth Committee meeting.

Financial Considerations - *Whaiwhakaaro Puutea*

50. Implementing the Southern Metro WW DBC recommendations is likely to have significant financial implications for the 2021–31 LTP. HCC has included a funding provision of \$9.6M (inflated) to secure a site and consents for a new WWTP in years 1 – 3 of the 2021 – 31 LTP.
51. As noted in previous reports, Waikato DC has not allowed for any costs associated with the Southern WWTP in its LTP but has noted an unbudgeted provisional sum of \$4M towards upfront investment in land acquisition, designation, and consenting processes to signal a commitment to delivering sub-regional solutions. Waipā DC has not included or noted any funded or unfunded provision to contribute toward the new Southern WWTP in its 2021-2031 LTP.
52. Further funding from HCC will be required to construct the Southern WWTP and realise the servicing benefits that it will provide to Hamilton and the wider Metro area. A full breakdown of potential costs for the new Southern WWTP is presented in the final DBC and summarised in the Summary document and MoU.

53. A significant amount of technical work has been completed to inform the short-listed options assessment for the Northern Metro WW DBC. This work includes updated cost estimates to upgrade Pukete Wastewater treatment plant to meet improved treatment standards and accommodate future growth. The cost estimates for the Pukete WWTP upgrades are significantly higher than the previous high-level estimates completed in 2020 to support the current LTP.

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

54. Staff confirm that this project and the matters in this report comply with 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. Both the Southern and Northern Metro Area WW DBCs adopt the Treasury Better Business Case Programme Business Case model. The 4 well-beings 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*

57. 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:
- i. lack of alignment across partner organisations leading to conflicting aspirations, inconsistent messaging, partner disagreement at key decision points;
 - ii. funding and affordability challenges to implement the Southern Metro WW DBC recommendations and the investment needed in at Pukete WWTP over time; and
 - iii. timing constraints arising for Cambridge Wastewater short-term consent conditions.
58. Risk management plans will be developed as part of completing the DBCs and included in subsequent project management plans.

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

Significance

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

Engagement

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

61. This project is a partnership delivered through collaboration of the project partners: HCC, Waikato DC, Waipā DC, Waikato-Tainui and mana whenua.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Metro Area WW DBC - Preferred Option Report - 2022-05-30

Attachment 2 - Metro Area WW DBC - Preferred Option Refinement Activities - 2022-05-30



TO: Waikato Metro Area Wastewater Governance Group

DATE: 30 May 2022

SUBJECT: Northern Metro Wastewater Detailed Business Case – Preferred Option

RECOMMENDATIONS

That the Waikato Metro Wastewater Project Governance Group:

1. **Receive this report.**
2. **Approve the recommendation that Option A be taken forward as the preferred option for further refinement and completion of the Northern Metro Wastewater Detailed Business Case.**

EXECUTIVE SUMMARY

The shortlist of wastewater servicing options for the Northern Metro DBC are:

- **Option A – Centralisation at Pukete:** Pukete WWTP upgraded to MBR; Taupiri/Hopuhopu/Ngaruawahia/Horotiu/Te Kowhai conveyed to Pukete WWTP; Ngaruawahia WWTP disestablished and site remediated; significant improvement in discharge quality; opportunities for reuse and recovery.
- **Option B1 – Retain Pukete and Ngaruawahia:** Pukete and Ngaruawahia WWTPs upgraded to MBR; Te Kowhai and Horotiu conveyed to Ngaruawahia; significant improvement in discharge quality; opportunities for reuse and recovery (but lower than Option A).
- **Option B2 – Retain Pukete and Ngaruawahia:** Pukete and Ngaruawahia WWTPs upgraded to MBR; Te Kowhai and Horotiu conveyed to Pukete WWTP; Taupiri conveyed to Ngaruawahia WWTP; significant improvement in discharge quality; opportunities for reuse and recovery (but lower than Option A).
- **Option C – Do minimum:** Pukete WWTP capacity increased (remain conventional activated sludge with optimisation); Ngaruawahia WWTP upgraded to MBR; improvement in discharge quality (as necessary to meet consentable minimum but not as significant as Options A, B1 & B2)

The technical short-list assessment completed in February and March 2022 identified Option A as the emerging preferred option. This is based on Option A scoring marginally higher than Option B2 in the multi-criteria assessment (MCA). Option A and Option B2 score the same on the majority of criteria. Where there is variance, Option A scores higher on cultural and treatment flexibility criteria while Option B scores higher on conveyance flexibility. Option C scores very poorly and should not be progressed further. Option B1 does not provide any benefits over Option B2 and is therefore not considered further.

Following the technical assessment workshops, further work was undertaken to refine and developed the options, including:

- Revision to the conveyance layouts to avoid The Point at Ngaruawahia and minimise flows to Waikato Esplanade pump station

- Incorporation of risk mitigation measures for conveyance risk (including twin pipelines, allowance for septicity dosing, including of isolation valves)
- Consideration of staging of conveyance pipelines, pumps, and emergency storage
- Inclusion of emergency storage and additional resilience measures (such as corrosion management measures)

Ultimately, which option is preferred from a technical standpoint depends on the weighting given to the higher risks of conveyance versus the greater treatment flexibility and opportunities identified for Option A. There are risk mitigations that will be built into the design of the Option A conveyance to reduce the conveyance risk. These mitigations have been included in the costs for Option A and include construction of twin mains, use of isolation valves, emergency storage, and allowance for dosing to manage septicity in longer pipe sections.

The *Northern Metro Detailed Business Case: Mana Whenua Statement and Engagement Report* (Te Huia Consultants, 2022) concludes that Option A is emerging preferred option but notes that Option B2 also has benefits in sharing the risk, or load, to the Waikato River. Option B2 could be a reasonable step towards achieving Option A by continuing to operate the Ngaaruwaahia WWTP until such time as it can be decommissioned. The report makes it clear that Option B2 should be progressed only as a stage towards achieving the benefits of Option A.

The CAPEX and OPEX costs for Option A and Option B2 are similar and there is little difference in whole of life cost; therefore, cost is not a differentiator in this case.

Option A is therefore recommended as the preferred option to be taken forward for further refinement.

1. PURPOSE

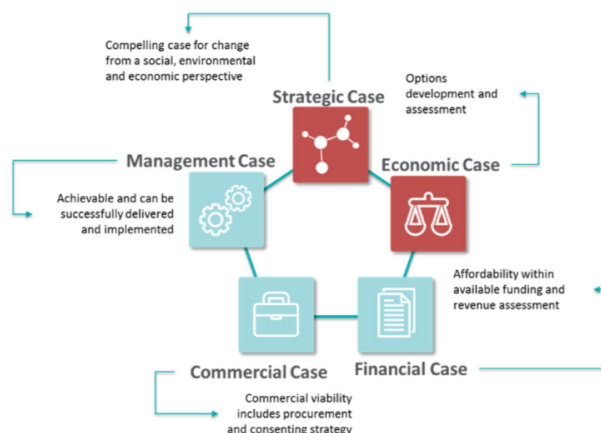
The purpose of this report is to:

- Outline the shortlist of wastewater servicing options identified for the Northern Metro DBC
- Outline the process undertaken to identify a preferred option
- Seek endorsement from the Governance Group of the preferred option to take forward for further refinement and development and to inform completion of the Northern Metro DBC.

2. BUSINESS CASE SECTION

Identifying the preferred wastewater servicing option forms part of the economic case.

Economic case: Set sets out the preferred wastewater servicing solution including preferred option assessments and concept details for the preferred option. The MCA used to assess the wastewater servicing options considered a range of factors including the performance of the option against the project objectives, cultural, environmental and social factors.



3. SHORTLIST OPTIONS DEVELOPMENT

Building on the work undertaken for the Southern Metro DBC, two broad shortlisted options were identified for the Northern Metro area: conveying all wastewater to a centralised wastewater treatment plant (WWTP) at Pukete (Option A) and retaining both the Ngaaruawaahia and Pukete WWTPs (Option B). Option B has been broken into two conveyancing sub-options Option B1 with Te Kowhai, Horotiu and Taupiri conveyed to Ngaaruawaahia) and Option B2 with Te Kowhai and Horotiu conveyed to Pukete and Taupiri conveyed to Ngaaruawaahia). A do minimum Option C was also developed to provide a baseline against which the benefits of the other options can be compared.





The shortlist options were developed using the residential and non-residential growth assumptions and discharge quality assumptions developed and approved as part of the Southern Metro WW DBC development and confirmed by the Governance Group 29 April 2022.

The shortlist options were developed in consultation with key stakeholders. Inputs included:

- Preferences for siting of pump stations and pipeline routes
- Inclusion of adequate system resilience provisions, including back-up generators for pump stations and emergency storage
- Use of twin mains where possible to reduce septicity of sewage and provide resilience
- Consideration of conveyance projects already committed in Ngaaruawaahia
- Facilitation of resource recovery including energy, phosphorus, and treated wastewater re-use at Pukete
- Pukete layout to incorporate site constraints and operational requirements

A description of the options is provided in Table 1 below with further detail available in the Short List Technical Report.

Table 1: Shortlist option description

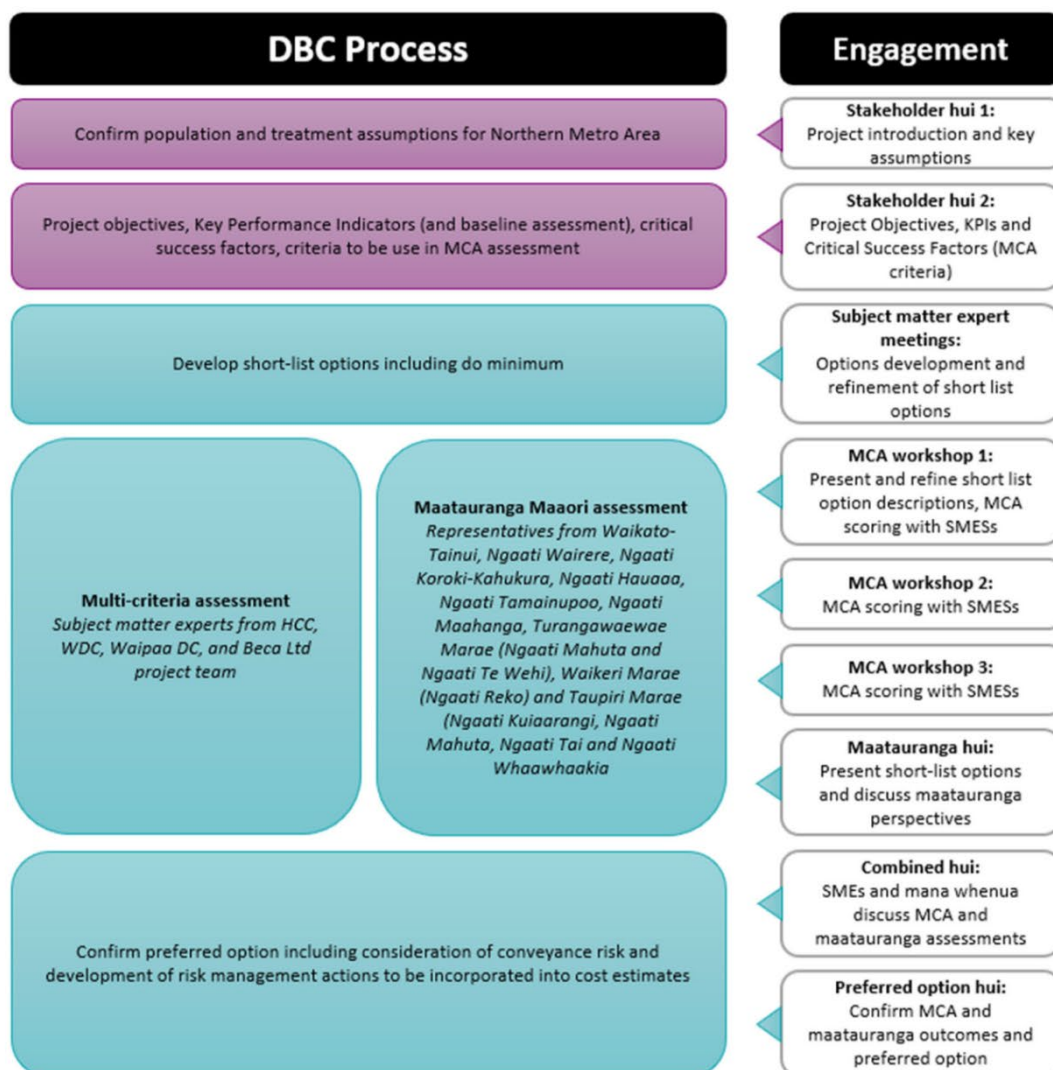
	Option A	Option B1	Option B2	Do minimum
Option name	Pukete	Pukete and Ngaaruwaahia	Pukete and Ngaaruwaahia	Do minimum
Outcome	Best for River	Best for River	Best for River	Consentable minimum
Conveyance	All WDC conveyed to Pukete 	Te Kowhai, Horotiu and Taupiri conveyed to Ngaaruwaahia 	Te Kowhai and Horotiu conveyed to Pukete Taupiri conveyed to Ngaaruwaahia 	Te Kowhai conveyed to Ngaaruwaahia (subject to funding) 
Treatment standard	Total N: 4g/m ³ Total P: < 0.5 g/m ³	Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)	Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)	Total N: 7-8g/m ³ (Pukete), 4g/m ³ (Nga) Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)
Treatment type	MBR	MBR	MBR	Conventional activated sludge (with optimisation) for Pukete. MBR for Ngaaruwaahia
Reuse and recovery	Maximise reuse and energy recovery opportunities (including digester and mini-hydro on outfall)	No/minimal reuse or recovery at Ngaaruwaahia Able to achieve ~90% of Option A	No/minimal reuse or recovery at Ngaaruwaahia Able to achieve ~90% of Option A	No reuse No energy recovery (flaring only)
Footprint	Reduction in total footprint with option to provide remediation of Ngaaruwaahia site. New pump stations at several sites.	Maintain existing footprint (at both Pukete and Ngaaruwaahia)	Maintain existing footprint (at both Pukete and Ngaaruwaahia)	Increased footprint at both sites (Pukete and Ngaaruwaahia)
Discharge points	Two (near Pukete)	Three (two at Pukete, one at Ngaaruwaahia)	Three (two at Pukete, one at Ngaaruwaahia)	Three (two at Pukete, one at Ngaaruwaahia)
Biosolids	Able to be reused subject to market Advanced treatment options	Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)	Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)	Risk biosolids not able to be reused No advanced treatment options Vermicomposting only
Staging	Dual pipelines could be used for some of the routes e.g. Horotiu to Pukete WWTP. Existing Taupiri pump stations and rising mains can be used until reach capacity.	Install 2 reactors at Ngaaruwaahia WWTP to start with and then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.	Install 2 reactors at Ngaaruwaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.	At Pukete, reactors and clarifiers can be staged to respond to growth (need approx. double the reactor capacity compared to MBR). Install 2 reactors at Ngaaruwaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.
Delivery	Single operator	Single operator or multiple operators	Single operator or multiple operators	Multiple operators



4. SHORTLIST OPTIONS ASSESSMENT

4.1 Shortlist assessment process

The shortlist options assessment was undertaken through two workstreams: a technical multi criteria analysis (MCA) assessment and a maatauranga assessment.



A multi criteria analysis (MCA) has been used to assess the shortlist of options for the Northern metro DBC. All options assessment processes are part of the Economic Case. The MCA tool was identified as the preferred tool to determine the most beneficial and cost-effective wastewater solution for the metro area as it goes beyond just assessing monetised or quantifiable benefits. The MCA process allows for a more subjective assessment of a wider range of environmental and social benefits.

The MCA uses a scoring system to assess each option against the range of criteria.

Weightings can be applied to the criteria. Sensitivities can also be applied to weightings if necessary.

The MCA developed for the Southern Metro DBC have been largely adopted for the Northern DBC. Where necessary amendments were made to clarify key components of the evaluation or simplify the assessment process where the factors were unlikely to assist in developing a preferred option because the options are likely to score the same. The MCA criteria have been informed by the investment objectives and relate to environmental, ecological, cultural, sustainability and growth outcomes. The critical success factors included in the MCA relate to construction and operation impacts and the risk that the option will not give effect to Te Ture Whaimana or Te Mana o Te Awa.

The MCA criteria were confirmed by the Governance Group 29 April 2022.

4.1 Shortlist options assessment – technical MCA

The technical MCA was held over three online workshops:

- 25 January 2022 at 1:00pm
- 28 January 2022 at 11:00am
- 11 February 2022 at 10:00am

The workshops were attended by representatives and SMEs from Waikato DC, Waipā DC, and Hamilton CC. The outcomes of the technical MCA are presented in the *Multi-Criteria Assessment Workshop Record* (included as **Attachment 1**). In summary:

- Option C (the do minimum) scores very poorly, does not support a best for river approach, and should not be progressed further.
- Option B1 scores lower than Option B2, does not provide any benefits over Option B2, and is therefore not considered further.
- Options A and B2 both score well, with Option A scoring marginally higher than Option B2 when all criteria are weighted equally.

A weighting exercise was undertaken, focussing on areas of differentiation between A and B2.

We tested three weighting scenarios:

- Conveyance flexibility is twice as important as other factors (ie flexibility – conveyance, construction impacts – conveyance, and operational implications – conveyance)
- Treatment flexibility is twice as important as other factors (ie sustainable growth – treatment, construction impacts – treatment, and operational implications – treatment)
- Factors related to the cultural wellbeing investment object are twice as important as other factors (ie discharge point, cultural relationship, and access to river and land)

Option A and Option B2 score the same on the majority of criteria. Option A scores higher on cultural and treatment flexibility criteria while Option B scores higher on conveyance flexibility.

From a conveyance perspective, Option A is higher risk than Option B2. The longer conveyancing required for Option A has the potential to result in greater consequences in the event of a failure of the pipeline or pump stations. Many of these risks are able to be partially mitigated; however, there wasn't consensus between Watercare Waikato and the Beca technical assessors on the degree to which those risks should impact the scoring of Option A.

Where conveyance flexibility is given more importance, Option B2 scores highest, in all other scenarios Option A scores higher.

Table 2: Weighting scenarios

Scenario	Weighted average score			
	A	B1	B2	C
Equal weighting	1.00	0.53	0.89	-1.47
Conveyance flexibility twice as important	0.68	0.50	0.95	-1.32
Treatment flexibility twice as important	1.05	0.45	0.82	-1.55
Cultural factors twice as important	1.09	0.32	0.73	-1.50

4.2 Shortlist options assessment – Maatauranga Maaori considerations

Maatauranga Maaori considerations, provided by and in consultation with mana whenua, have equal importance to the MCA assessment. The *Northern Metro Detailed Business Case: Mana Whenua Statement and Engagement Report* sets out those considerations in detail.

Matters of significance in considering the preferred option include:

- Te Awa o Waikato: the preferred option should demonstrate several improvements, or forms of betterment, for the Waikato River. This includes environmental, cultural, physical and spiritual benefits
- Water quality: Mana whenua are supportive of setting minimum discharge standards that will improve water quality for the Waikato River
- Wastewater discharge: The proposed improvement in discharge standards and MBR treatment will improve water quality. Spiritual and cultural purification and ultimately the removal of mortuary waste would help ease the mamae (pain) but until such time that this happens, an expression or cultural and spiritual form of purification could be applied to the emerging preferred option
- Discharge structures: There should be minimal structures in the bed and banks of the Waikato River
- Taupiri Maunga: Option A provides numerous positive outcomes for Taupiri Maunga and its confluence with the Mangawhara and Waikato Rivers
- Tribal assets: Option A enables the aspirations of the Iwi to utilise treaty settlement-based assets for their intended purpose and provide for the development and growth of the Iwi
- Conveyance: Option A and B1 require additional infrastructure to pump wastewater from Taupiri, Ngaaruawaahia and Te Kowhai to the Pukete WWTP. Mana Whenua have noted that any new conveyance systems should avoid Maaori owned land (if any), sites of significance and marae owned assets

The *Northern Metro Detailed Business Case: Mana Whenua Statement and Engagement Report* concludes that Option A is emerging preferred option but notes that Option B2 also has benefits in sharing the risk, or load, to the Waikato River. Option B2 could be a reasonable step towards achieving Option A by continuing to operate the Ngaaruawaahia WWTP until such time as it can be decommissioned. The report makes it clear that Option B2 should be progressed only as a stage towards achieving the benefits of Option A.

5. COSTS AND VALUE FOR MONEY

High level “order of magnitude” cost estimates have been developed to support the options short-listing process. The cost estimates use rates from projects in New Zealand and include allowances for cost escalation seen recently due covid and construction market constraints.

Comparative P50 capital cost estimates for Options A, B1 and B2 are provided below. Please refer to the Short List Summary Report for a more detailed cost breakdown. These are draft and subject to review. Draft P95 cost estimates have also been prepared.

Table 3: P50 Capital cost estimates (\$2022)

Area	Conveyance Cost (\$ M) to 2061	WWTP name	WWTP Capital Cost (\$ M) to 2061	Total (\$ M)
OPTION A				
Taupiri	\$103M	Pukete	\$771M	\$874M
Ngaaruawaahia/Hopuhopu				
Horotiu				
Te Kowhai				
Hamilton				
OPTION B1				
Taupiri	\$55M	Ngaaruawaahia	\$77M	\$903M
Ngaaruawaahia/Hopuhopu				
Horotiu				
Te Kowhai				
Hamilton	-	Pukete	\$771M	
OPTION B2				
Taupiri	\$16M	Ngaaruawaahia	\$66M	\$878M
Ngaaruawaahia/Hopuhopu				
Horotiu	\$25M	Pukete	\$771M	
Te Kowhai				
Hamilton				

The following items have been included in the comparative capital costs:

- Operations and maintenance facilities
- Process items and structures
- Mechanical and electrical installation
- Balance of plant – providing interconnection between unit process systems
- Instrumentation and control
- Site civil works (platform preparation, roading, drainage, fencing etc.)
- Allowances for moderate foundation improvements
- Project costs (Preliminary + General, contractor margins, forex risk)
- Consultant fees (Investigation/Design/Engineering)
- Risk/contingency allowances – 20-30%
- Client management/overhead costs @8%
- Consenting costs based on current budgets and costs of similar applications in the Waikato Region
- Procurement costs @ 2%

The following items have been excluded from the comparative capital costs:

- Legal fees
- Client insurances
- Escalation after 2nd quarter 2022
- Site decommissioning and restoration
- Goods and Services Tax

A conceptual design of the preferred option will need to be prepared to confirm the estimated capital and operating costs. An estimating tolerance has been included to account for general unknowns in the design and for any discrepancies in the design information prepared to date. These estimates are Class 5 estimates as per the AACE Cost estimate Classification System and have an expected range of -30% / +50%.

The draft P50 capital cost estimate for the Pukete WWTP upgrades out to 2061 is \$771M (in \$2022). The draft P95 capital cost estimate for Pukete WWTP is approx. \$1.3B (in \$2022). Updated cost estimates which also include provision for investments that may be required to achieve an adequate level of system performance through the transition period from the current to future state will be included in the estimates for the preferred option.

An assessment of the breakdown between Renewals, Levels of Service and Growth related capital expenditure for Pukete WWTP has been undertaken. Many of the upgrades provide a mixture of the different categories. Renewals makes up approximately 15% of the upgrade cost to 2061, improving levels of service 30% of cost and growth approximately 55% of cost.

Comparative operational costs were developed for each option for 2031, 2041, 2051 and the 2061 flows. Over time the total operational costs increase as flows and plant loading increase. Pukete WWTP has significantly lower costs per ML than the new Ngaaruwaahia WWTP due to energy recovery potential and reduced biosolids volumes for disposal. The operational cost estimates are included below:

Table 4: P50 Operating Cost estimates (\$2022)

Area	WWTP Operational Cost 2031 (\$ M)	WWTP Operational Cost 2041 (\$ M)	WWTP Operational Cost 2051 (\$ M)	WWTP Operational Cost 2061 (\$ M)
OPTION A				
Ngaaruwaahia WWTP	-	-	-	-
Pukete WWTP	\$19M	\$22M	\$25M	\$24M
Conveyance	\$0.41M	\$0.49M	\$0.55M	\$0.67M
OPTION B1				
Ngaaruwaahia WWTP	\$1.9M	\$2.9M	\$3.4M	\$3.6M
Pukete WWTP	\$18M	\$21M	\$23M	\$22M
Conveyance	\$0.16M	\$0.22M	\$0.23M	\$0.28M
OPTION B2				
Ngaaruwaahia WWTP	\$1.4M	\$1.9M	\$2.3M	\$2.5M
Pukete WWTP	\$18M	\$21M	\$24M	\$23M
Conveyance	\$0.14M	\$0.19M	\$0.23M	\$0.25M

The components included for WWTP operational costs were:

- Electricity (50% recovery assumed for Pukete WWTP)
- Chemicals (CIP, alum, caustic, polyelectrolyte)
- Operators
- General maintenance including membrane replacement
- UV lamp replacement
- Biosolids and screenings disposal (landfill disposal assumed)
- Compliance and operational test requirements (monitoring, sampling, testing, data management, reporting and management of same)

The components included for conveyance operational costs were:

- Electricity (based on pump size and annual flows)
- Septicity dosing for long lines only
- Maintenance provisions

Renewals expenditure is excluded from the operational costs.

6. RISKS AND OPPORTUNITIES

The management case will outline key project risks and opportunities associated with the preferred option. At a high level, risks are likely to include:

- **Funding:** Preferred option unable to be funded leading to the project being delayed, not proceeding or lower standards being adopted, as a result of competing priorities, financial constraints, capital cost increases and/or, poor integration, coordination and planning
- **Affordability:** Costs to implement preferred option are significantly higher than estimates further impacting on affordability and leading to the project being delayed, not proceeding, or lower standards being adopted as a result of increased market (resources and materials) costs due to demand, supply chain issues, or poor risk allocation in construction contracts.
- **Operational cost:** Operational costs are higher than expected due to increased market (resources and materials) costs, supply chain issues, changes in carbon levies or taxes related to energy, biosolids, or emissions.
- **Iwi support:** The preferred option does not meet the iwi / mana whenua expectations which may impact ability to implement the recommendations, consentability, and adversely impact relationships as a result of poor engagement, iwi / mana whenua views not reflected in decision making, and project not delivering on 'best for river' outcomes
- **Consentability:** Resource consents for the preferred option cannot be secured or the costs to deliver a consentable solution are prohibitive as a result of the need for a continued discharge to the Waikato River, other WWTPs consent renewal timeframes do not align, or legislative change of the Vision and Strategy
- **Water reform:** Reform of the Three Waters sector impacts the ability or commitment to implement the preferred option as a result of potential deferral and delays to decision making, changes to key 'actors' involved in delivery may change prioritisation and delivery, and principles and obligations agreed in the MoU are not carried over to the new water entity
- **Integrated delivery:** Inability for councils to move to an integrated delivery programme results in uncoordinated delivery of the overall programme results in uncoordinated delivery of the overall programme results in misalignment of objectives and 'Best for River' principles.
- **Population and growth assumptions:** Population growth and/or industrial demand increases faster than expected or in different locations to that expected and as a result investment is required earlier than expected impacting on affordability.
- **Treatment assumptions:** Changes in wastewater composition result in a lack or excess of WWTP capacity limiting growth, requiring investment earlier than expected, or resulting in underutilised assets. Sequencing and staging will be considered in the Management Case

Opportunities may include:

- **Significant improvement in treated wastewater quality:** The proposed upgrades represent a significant step change improvement in treated wastewater quality when compared to the existing discharges. The proposed discharge quality is equal to (or better than) the most state of the art treatment plant in NZ currently (the Pukekohe WWTP).
- **Improved water quality and ecology outcomes for the Waikato River:** Given the scale of the improvements in treated wastewater quality, improvements are anticipated in the water quality and ecology of the Waikato River as a result. This is considered to contribute positively towards the protection and restoration of the health and wellbeing of the Waikato River in line with the vision and objectives of Te Ture Whaimana The Vision and Strategy for the Waikato River.
- **Beginning of a journey towards resource recovery and wastewater resource:** The proposed upgrades begin the journey towards viewing wastewater as a resource rather than a waste to be disposed of. A treated wastewater reuse plant has been allowed for which could be used for beneficial reuse. Reuse and recovery options of biosolids will be maximised where possible.
- **Pre-treatment at Ngaaruawaahia:** During development of Option A, an opportunity was identified to provide pre-treatment at Ngaaruawaahia. Pre-treatment is not included in the

current scope of Option A; however, sufficient space should be maintained at Ngaaruawaahia site to implement pre-treatment in the future.

Though the technical MCA process, a number of participants highlighted the conveyance risks associated with the longer conveyance required for Option A:

- Greater residence time resulting in a higher risk of septicity and odour
- Greater impact in the event of equipment breakdown/malfunction or pipe failure (third party damage or earthquake events)

There are mitigation activities that can be undertaken to reduce the conveyance risks:

- Use of twin mains to reduce septicity risk and increase resilience
- Provision of backup generators/pumps
- Isolation valves
- Calamity storage
- Material selection

These mitigations have been factored into the short-listed options development and costings.

7. RECOMMENDED PREFERRED OPTION FOR REFINEMENT

The project team has recommended Option A as the preferred option to take forward for refinement as part of the DBC. The recommendation is primarily made on the following rationale:

- Option A and Option B2 score similarly through the MCA process. In particular, they both
 - Score well on discharge quality and related factors – they have the same effective level of treatment and therefore the same discharge quality and level of expected effect on algal biomass and river ecosystems
 - Provide opportunities for energy and carbon reduction
 - Can be designed to meet future treatment capacity requirements based on population growth assumptions
 - Are expected to give effect to Te Ture Whaimana (to the extent that it is possible for a wastewater discharge to the Waikato River to give effect to Te Ture Whaimana)
- Option A scores better than Option B2 against criteria influenced by the number and size of treatment plants (and therefore number of discharge points):
 - Lower WWTP operational requirements (lower staffing, less overall monitoring and compliance requirements)
 - Greater flexibility in day-to-day treatment (more levers to pull to meet treatment standards at Pukete than at Ngaaruawaahia)
 - Greater ability for treatment to respond to growth (more capacity to absorb growth without a need for short-term treatment plant upgrades)
 - More opportunity energy recovery, and resource recovery (which are generally more feasible at Pukete and would benefit from greater flows through Pukete)
 - Greater risk associated with conveyance network failure – can be mitigated to some extent by building-in resilience
 - Opportunity for development and/or restoration at Ngaaruawaahia WWTP site (removal of WWTP, pond, and associated buffer)
 - Opportunity for development of Waikato-Tainui land at Hopuhopu resulting from reduction/removal of the buffer around the Ngaaruawaahia WWTP
 - Removal of Ngaaruawaahia WWTP may improve relationship between Waikato Tainui at their Hopuhopu properties (including the Endowed College) and the awa
- While Option B2 scores higher against criteria influenced by the conveyance network, it is the opinion of the project consultant team that the identified risks and complexities can be adequately mitigated and managed.

- Option A is preferred from a Maatauranga Maaori perspective (noting that Option B2 could be a reasonable step towards achieving Option A by continuing to operate the Ngaaruawaahia WWTP until such time as it can be decommissioned)
- There is little difference between the costs associated with Options A and B2 either in the short term or looking out to 2061

8. RECOMMENDATIONS

That the Waikato Metro Area Wastewater Governance Group:

1. *Receive this report.*
2. *Approve the recommendation that Option A be taken forward as the preferred option for further refinement and completion of the Northern Metro Wastewater Detailed Business Case.*

Multi-Criteria Assessment Workshop Record

Waikato Northern Metro Wastewater Treatment DBC

Prepared for Hamilton City Council

Prepared by Beca Limited

[Publish Date]



Creative people together transforming our world

Revision History

Revision N°	Prepared By	Description	Date
	Click here to enter text.		

Document Acceptance

Action	Name	Signed	Date
Prepared by	Click here to enter text.		
Reviewed by			
Approved by			
on behalf of	Beca Limited		

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Appendices

Appendix A – Short-list options drawings

Appendix B – Ngaaruawaahia pipe break damage report

Appendix C – Multi-criteria assessment table

Appendix D – Stakeholder Hui 29 September 2021 Presentation

Appendix E – Stakeholder Hui 13 December 2021 Presentation

Appendix F – Maatauranga Hui 2 February 2022 Presentation

Appendix G – MCA wrap-up hui 24 February 2022 Presentation

1 Introduction

The purpose of this report is to document the outcomes for the Northern Metro DBC. It collates the meeting records, technical MCA spreadsheet and weighting exercise, and a consideration of maatauranga values.

2 Short-list options

2.1 Short-list options development

Summary of options development process:

[Flow diagram to be added]

2.1.1 Stakeholder hui 29 September 2021

A stakeholder hui was held on 29 September 2021 to:

- Recap Metro Wastewater Project drives and findings to date
- Provide an overview of the work programme for the Northern Metro
- Present early short-listed options for the Northern Metro area (being retaining and upgrade both Pukete and Ngaaruawaahia or retain and upgrade only Pukete)
- Discuss and seek input on key assumptions (population and growth), key performance indicators and cultural values, effects assessment, and discharge options

Present:	Sonny Karena (THAWK Chair, Ngāti Hauā)	Carole Nutt (Waikato DC)
	Rangiuia Riki (THAWK, Ngāti Mahanga)	Robin Walker (Waipā DC)
	Raiha Grey (THAWK, Ngāti Mahanga)	Parvarti Patel (HCC)
	Atutahi Riki (THAWK, Ngāti Mahanga)	Rae Simpson (HCC)
	Piripi Matika (THAWK, Ngāti Wairere)	Evan Vaughters (HCC)
	Poto Davies (Ngāti Korokī Kahukura)	Sven Erikson (HCC)
	Donald Turnder (NKK, Taupiri Marae, WT)	Jackie Colliar (HCC)
	Sonny Matenga (THAWK, Ngāti Tamainupo)	Peter Winder – Director
	Sheryle Matenga (THAWK, Ngāti Tamainupo)	Robert Brodnax – Beca
	Harry Wilson (NKK)	Garrett Hall - Beca
	Harry Wislon (NKK)	John Crawford – Beca
	Manaaki Nepia	David Grace – Beca
	Keith Martin (Waikato DC Water Services Manager)	Mhairi Rademaker - Beca
	Richard Puller (Waikato Watercare)	Julian Williams

Apologies: None

Minutes

Introductions

Northern Metro Detailed Business Case Stakeholder Workshop presentation

- Presentation attached as **Appendix D**.

Notes of discussions and actions:

- How will the project address growing population at eg Ngaaruawaahia?
Purpose of work to address issues how do we cater for growing population while meeting obligations to protect/restore the health and wellbeing of the river.
Whether one plant or two, there will be changes to configuration and treatment processes to meet improved discharge standards
- Liquid stream treatment
Example of carbon sink - native trees (long term) or radiata being used for construction of buildings
Pukete build-out
Query: Noted there is land available outside current designation and the admin/education centre is proposed to be built across the road. Did we consider expanding any other way or potentially re-aligning Pukete Road to give more space?
Still working through but those options are on the table. But trying to avoid expanding treatment to the east to retain a good buffer to residential properties.
Query: How much septage has been taken into consideration? If taking WW from NGA presumably would also be open to taking septage.
Assumption that we are not accepting anything beyond domestic septage (no commercial or industrial). But would/could include further residential septage
- Re-use
Query "Currently Fonterra won't allow WWTP sludges used on Dairy Farms. Has any work been done with Fonterra on using reclaimed nitrogen and phosphorus from WWTP on dairy farms?"
Fonterra concerns related to health - proposed liquid stream is expected to achieve the standards required by Fonterra and should therefore be able to be discharged to dairy farms.
Action: Confirm the statement above (and check what New Plymouth DC are doing)
- Greenhouse Gas KPI
Support use of GHG rather than carbon. Recommend we not only think about comparing option to each other in terms of capital carbon but also GHG emission impacts of processes being adopted - work towards whole of life carbon accounting.
- Update from Julian:
There will be separate workstream to work through Maatauranga Maaori
Actions: organise date to undertake site visit with technical team.

2.1.2 Stakeholder hui 13 December 2021

A second stakeholder hui was held on 13 December 2021 to:

- Provide an update on technical assessments
- Seek initial input on options descriptions, conveyance overview, WWTP layouts, and discharge options
- Seek input on MCA criteria

Minutes

Introductions

Northern Metro Detailed Business Case Stakeholder Workshop presentation

- Presentation attached as **Appendix E**.

Notes of discussions and actions:

- Beneficial reuse and recycling:
Query: the option to retain both Pukete and Ngā plants appears to have less opportunity for beneficial reuse and recycling, retention of P removal etc. Would it be fair to say that while there is more ability to harness and consolidate with a one plant scenario, the Ngaaruawaahia plant generates more biosolids and more product to dispose of?

Response: Unlikely to be “more” P (Pukete may also employ P trimming using Alum) but there is likely to be additional operational costs for Ngaaruawaahia (eg trucking biosolids to Pukete) if seeking to avoid additional processing cost at Ngaaruawaahia

- Discharge quality
Query: Can we factor in a better quality discharge to the river?
Response: We have agreed minimum standards (largely equivalent to Pukekohe standards) which are a massive improvement from current discharge. The do minimum option would also be better quality than existing, but not to the same extent. The standards would apply at both Pukete and Ngaaruawaahia
- Independent review
Query: Who is the independent “judge” of all this? And do we consider the 100 year flood or 1000 year flood?
Response: The SSBC will be subject to independent peer review, consents will be required (and therefore subject to that process). We are seeking best for river outcomes which has significant financial implications. Flows will be a key matter for consideration during consent processes (ie 100 yr vs 100 yr) – including options to reduce the frequency of overflows and reduce the effects of overflows when they do occur.
- Monitoring:
Query: How do we measure or monitor the quality of flows across the three councils? How does it connect back to the vision for the awa? What will ongoing monitoring look like and cost, is there appetite to support this by the councils, and how will it inform technical design and thinking? What opportunities are there for mana whenua in that space?
Response: Jackie to take as an action for a separate korero.
- Maatauranga assessment:
Query: Who will undertake the assessment against Te Ture Whaimana and Te Mana o Te Awa?
Response: Julian W will hold the pen on the discussions, but input will be sought from stakeholders/tangata whenua.

2.1.3 Technical options development sessions





A series of technical sessions were held with WDC and HCC to develop and refine the short-list options. These occurred in parallel with the options assessment discussed in the following sections of this report.

[Brief outline of technical sessions to be included – date, parties, purpose, key outcomes]

2.2 Final short-list options

The short-list consists of three options plus a do minimum as described in Table 1. For more detail, please refer to the Northern Metro DBC Short List Technical Report.

Table 1: Summary of short-list options

	Option A	Option B1	Option B2	Do minimum
Option name	Pukete	Pukete and Ngaaruawaahia	Pukete and Ngaaruawaahia	Do minimum
Outcome	Best for River	Best for River	Best for River	Consentable minimum
Conveyance	<p>All WDC conveyed to Pukete 3 new and 4 upgraded pump stations 48km of new pipe</p> 	<p>Te Kowhai, Horotiu and Taupiri conveyed to Ngaaruawaahia 3 new and 2 upgraded pump stations 33km of new pipe</p> 	<p>Te Kowhai and Horotiu conveyed to Pukete Taupiri conveyed to Ngaaruawaahia 3 new and 2 upgraded pump stations 26km of new pipe</p> 	<p>No change from existing Te Kowhai to be conveyed to Ngaaruawaahia</p> 
Treatment standard	Total N: 4g/m ³ Total P: < 0.5 g/m ³	Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)	Total N: 4g/m ³ Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)	Total N: 7-8g/m ³ (Pukete), 4g/m ³ (Nga) Total P: < 0.5 g/m ³ (Pukete), < 0.2 g/m ³ (Nga)
Treatment type	MBR	MBR	MBR	Conventional activated sludge (with optimisation) for Pukete. MBR for Ngaaruawaahia
Reuse and recovery	Maximise reuse and energy recovery opportunities (including digester and mini-hydro on outfall)	No/minimal reuse or recovery at Ngaaruawaahia Able to achieve ~90% of Option A	No/minimal reuse or recovery at Ngaaruawaahia Able to achieve ~90% of Option A	No reuse No energy recovery (flaring only)
Footprint	Reduction in total footprint with option to provide remediation of Ngaaruawaahia site. New pump stations at several sites.	Maintain existing footprint (at both Pukete and Ngaaruawaahia)	Maintain existing footprint (at both Pukete and Ngaaruawaahia)	Increased footprint at both sites (Pukete and Ngaaruawaahia)
Discharge points	Two (near Pukete)	Three (two at Pukete, one at Ngaaruawaahia)	Three (two at Pukete, one at Ngaaruawaahia)	Three (two at Pukete, one at Ngaaruawaahia)
Biosolids	Able to be reused subject to market Advanced treatment options	Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)	Able to be reused subject to market Advanced treatment options at Pukete only (eg further control of emerging contaminants, thermal drying to allow wider applications)	Risk biosolids not able to be reused No advanced treatment options Vermicomposting only
Staging	Dual pipelines could be used for some of the routes e.g. Horotiu to Pukete WWTP. Existing Taupiri pump stations and rising mains can be used until reach capacity.	Install 2 reactors at Ngaaruawaahia WWTP to start with and then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.	Install 2 reactors at Ngaaruawaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.	At Pukete, reactors and clarifiers can be staged to respond to growth (need approx. double the reactor capacity compared to MBR). Install 2 reactors at Ngaaruawaahia initially, then 3 rd when flows projected to increase beyond capacity. Existing Taupiri pump stations and rising mains can be used until reach capacity.
Delivery	Single operator	Single operator or multiple operators	Single operator or multiple operators	Multiple operators

A number of figures and plans relating to the short list options were shared at the MCA discussions. These are copied below for reference. Detail is provided in the Northern Metro DBC Short List Technical Report

Pukete upgrade layouts



Figure 1: Concept layout for Pukete upgrades with MBR plant (left, Options A, B1 & B2) and conventional plant (right, Option C)

Ngaaruawaahia upgrade



Figure 2: Concept layout for Ngaaruawaahia upgrades (MBR plant, all options)

Pukete discharge location

The Pukete WWTP currently discharges via an in-river diffuser located as shown on Figure 3 below.



Figure 3: Pukete discharge location

Ngaaruawaahia discharge location

The Ngaaruawaahia WWTP currently discharges via a diffuser located in the Waikato River as shown on Figure 4 below.

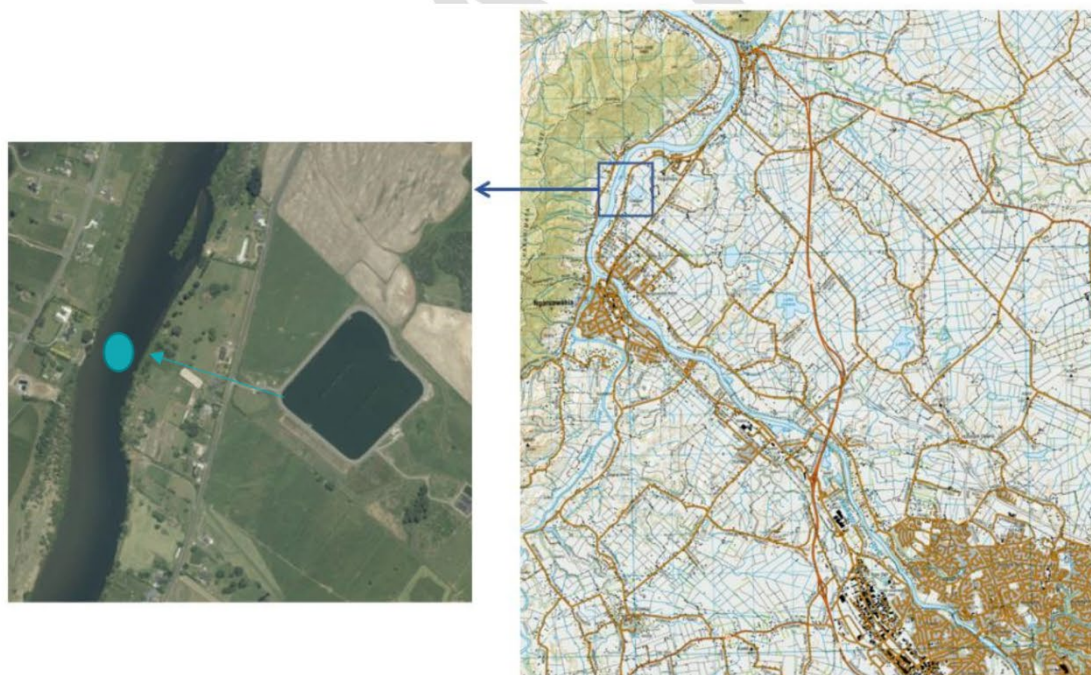


Figure 4: Ngaaruawaahia discharge location

Conveyance concept schematics

(Refer Appendix A for larger versions of these schematics)

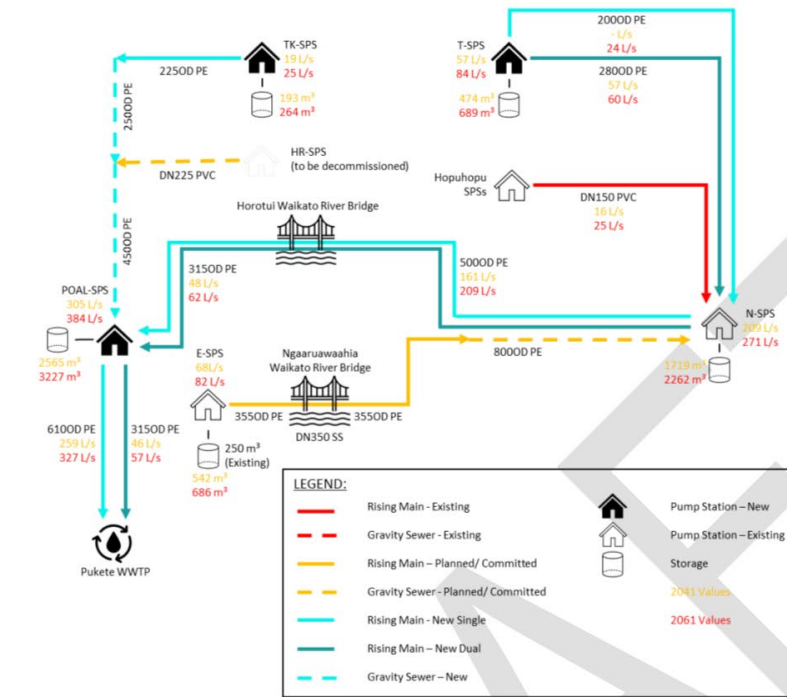


Figure 5: Option A conveyance schematic

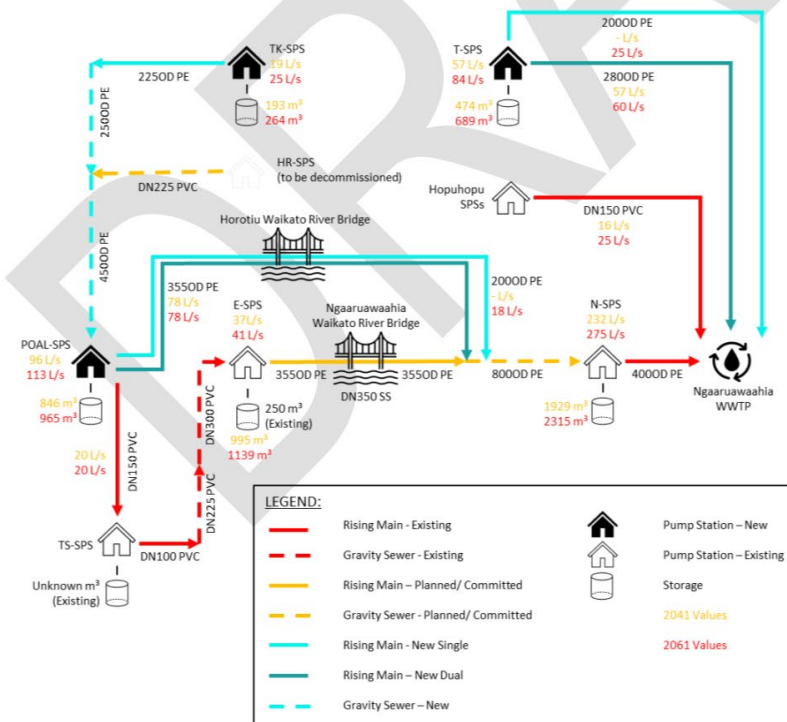


Figure 6: Option B1 conveyance schematic

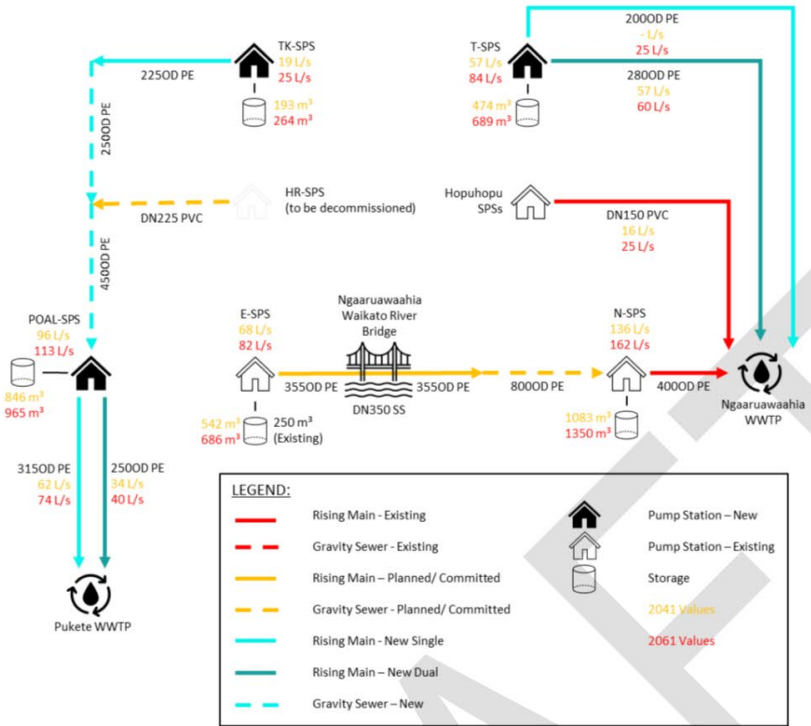


Figure 7: Option B2 conveyance schematic

3 Technical MCA

This section records a summary of discussions at the technical MCA workshops.

The technical MCA was held over three online workshops:

- 25 January 2022 at 1:00pm
- 28 January 2022 at 11:00am
- 11 February 2022 at 10:00am

Attendance at the technical MCA workshops varied between the dates – not all attendees were present for all sessions or for the full duration of each session. Attendees include:

- Jackie Colliar (HCC)
- Rae Simpson (HCC)
- Parvati Patel (HCC)
- Sven Erikson (HCC)
- Evan Vaughters (HCC)
- Keith Martin (Waikato DC)
- Zinab Al-Khalefa (Waikato DC)
- Vishal Ramduny (Waikato DC)
- Richard Pullar (Waikato Watercare)
- Peter Crabb (Waikato Watercare)
- Robin Walker (Waipā DC)
- Robert Brodnax – Beca
- Garrett Hall – Beca
- John Crawford – Beca
- David Grace – Beca
- Mhairi Rademaker – Beca
- Claire Scrimgeour – Beca
- Brigitte Priestley - Beca
- Julian Williams
- Tipene Wilson

3.1 Options discussion

At several points during the workshops, it was necessary to further clarify the detail of the short list options.

Table 2: Options discussion points

Discussion point	Response
<i>What is the do minimum at Ngaaruawaahia?</i>	During the options discussions, Waikato Watercare confirmed that replacement of the Ngaaruawaahia WWTP with a new MBR plant is accounted for in the Waikato DC Long Term Plan and, therefore, the do minimum (Option C) should include an MBR at Ngaaruawaahia.
<i>Why is there a difference between the treatment standard for TP (total phosphorus) at Pukete and Ngaaruawaahia?</i>	The existing discharge at Ngaaruawaahia has very low TP, therefore, if Ngaaruawaahia is consented 'standalone' an additional reduction is expected to be needed to demonstrate an improvement in the discharge quality. Because Ngaaruawaahia represents a very low proportion of the total discharge volume, this lower treatment standard will have little impact on the overall mass load of TP to the river.
<i>For Option A, could screenings be captured before being sent to Pukete to reduce conveyance?</i>	Yes – could be some modified version of existing screening or new set up. Noted that such a facility at Ngaaruawaahia could not capture all WDC area screenings as there are additional injection points further south in the conveyance system.
<i>Is there an option to treat/pre-treat at Ngaaruawaahia then send on to Pukete? (As part of Option A)</i>	As an option this could get many of the benefits of option A with only a small package MBR at Ngaaruawaahia. The risk consequence of a rising main failure would decrease with treated effluent, lowering overall operational risk. On the other hand, this would result in lower incoming readily available carbon at Pukete (which would end up with all the Ngaaruawaahia

	nitrogen and not much of the carbon). Operationally, more acetic acid would be required at Pukete increasing operational cost. This is not included as an option in the MCA but could be considered further if Option A emerges as the preferred option.
<i>What is the difference between B1 and B2, in terms of flow and sizing of the Ngaaruawaahia plant?</i>	There isn't much difference in initial sizing (2 reactors to start). As a significant amount of the growth being allowed for is Horotiu, B2 wouldn't need 3 rd reactor until a much later date so there would be a difference in staging.
<i>Is there an option to send Taupiri to Pukete (but retain Ngaaruawaahia)? (As part of Option B1 or B2)</i>	<p>This is unlikely to be an option in the short-term: current flows from Taupiri are very low initially and a long, large (future-proofed) rising main to Pukete would have notable septicity issues.</p> <p>However, in the longer term, flows from Taupiri are anticipated to increase significantly. Noted that the clean industry zoning might grow and there is a risk of additional wastewater flows. Future diversion of Taupiri flows to Pukete (via new conveyancing along SH1) could be included as a capability.</p> <p>This is not included as an option in the MCA, but importantly, none of the options would preclude this in the future.</p>
<i>For options with no reuse or recovery at Ngaaruawaahia (B1, B2 & C), could this be retrofitted?</i>	Yes – can be done at any scale, but cost efficiency gets lower.
<i>For the do minimum (Option C), what is the increase in footprint at Pukete and over what timeframe?</i>	<p>The footprint increases to allow more reactors and clarifiers to maintain required treatment standard.</p> <p>Refer Section 2 for figure showing the estimated increase in footprint at Pukete under the do minimum.</p>
<i>Under Option C, would Te Kowhai be conveyed to Ngaaruawaahia or Pukete?</i>	Currently we are showing Te Kowhai being conveyed to Ngaaruawaahia on the assumption that is an easier conveyance option than taking it to Pukete. Noted that there is no funding for Te Kowhai servicing in Waikato DC's LTP.
<i>Does the do minimum (Option C) maintain or reduce nutrient loading?</i>	It includes a reduction, but a lesser reduction in N loading than the other options.
<i>Is Option C consentable?</i>	Options C is intended to represent the minimum standard that could be consented (in tandem with BAU upgrades). It remains uncertain whether Option C is truly consentable – at a minimum it would be strongly opposed and require considerable additional offsetting (which has not been quantified in the option at this stage – we are running nutrient projections for Option C to give a high-level quantitative assessment of the nutrient implications of this option and therefore offsetting need)

3.2 MCA criteria scoring

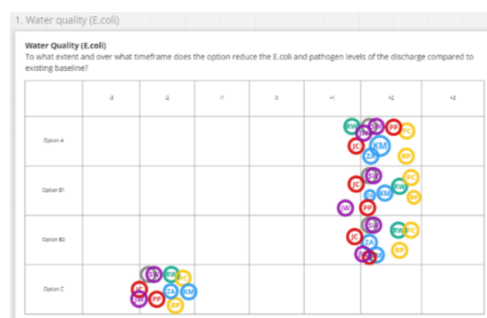
MCA scoring was undertaken using an online "Miro" board. All participants had the opportunity to exercise their professional judgement to indicate how each criterion should be scored. Screen shots from that process are included below along with key discussion points and differences in scoring.

Some actions from the workshops were not completed until after all three workshops were complete. Where additional information has been added that was not discussed at the workshop, this is shown in purple.

Table 3: Technical MCA scoring discussion points

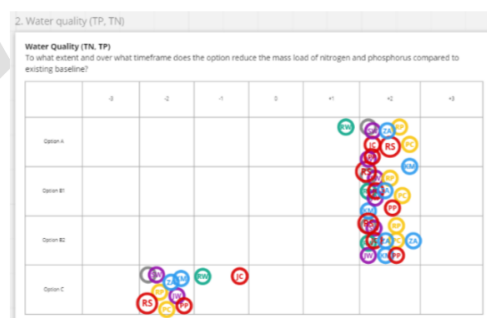
Water quality (E.coli)

- E.coli: Options A, B1 & B2 will have the same treatment standard (<14 CFU). The Do Minimum will be similar to existing (126 CFU). At <14 CFU, E.coli levels are lower than the background level in the river. Background E.coli sources are avian and bovine (birds and animals) rather than from human waste).
- Pathogens: Pathogen removal will be around 5 log (ie discharge concentrations will be pushing towards undetectable levels). The only option to further reduce pathogen levels would be Super Chlorination which has carcinogenic by-products and is not suitable in this instance.
- For all options the discharge is cleaner than the river (or at least than the river is now) but recognising that this is still a discharge to the river.
- Scoring A, B1 & B2 as +2 may be a push on the basis that there is a continued discharge to the river.
- *Option A puts all discharge in the river at Pukete, B1 & B2 puts some at Ngaaruawaahia, would that result in lower E.coli/pathogens in the river between the two discharges?*
Pathogen removal is at log scale therefore the plant with 90% of flow would always significantly outweigh the 10% plant. While there is a theoretical difference it would be close to negligible.
- *Is there a resilience benefit to two plants?*
Each plant has multiple treatment 'lanes/trains' – Pukete would have 6-7 trains, Ngaaruawaahia 2-3 trains. It would take a catastrophic event to knock out all trains. One plant feels less resilient than two, but perceived benefit rather than actual.
- Consideration of discharge near Taupiri maunga considered under separate criteria.



Water quality (TN, TP)

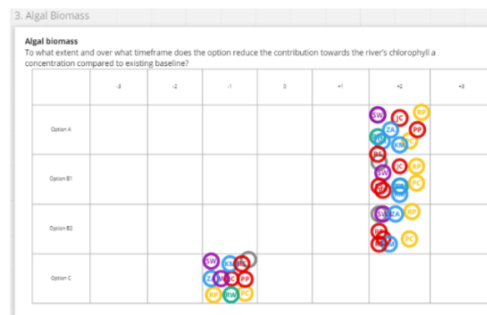
- Options A, B1 & B2 will have the same treatment standard (4 mg/L TN, <0.5 mg/L TP) with the standard for P at Ngaaruawaahia being slightly higher at 0.2 mg/L TP).
- The Do Minimum will be better than existing but to a lesser degree (7-8TN, <0.5 mg/L TP).
- The main impact of nutrient loading (algal growth) occurs further downstream at Mercer. The travel time between discharge points is only 3-4 hours and any difference is likely to be negligible from a water quality perspective. For nutrients, this is essentially the same body of water and effects on nutrient loading would be greatest at Mercer and downstream from that point, once there has been enough time for algae to take up any nutrients discharged (ie there is little difference between Options A, B1 & B2 in that respect).
- *Is there a difference in water quality downstream of Pukete with all load brought to Pukete (Option A)?*
There is a theoretical difference but unlikely to be measurable effect (the real effect associated with nutrient discharges is algal growth downstream from Meremere)
- *Does the difference in treatment standard for P at Ngaaruawaahia make a difference in mass loading?*
The higher P treatment standard at Ngaaruawaahia would give a slight difference in mass loading for P under B1 & B2. However there is unlikely to be a measurable difference in effect.



- Option C discharge would be measurably better than the existing discharges (to be able to form an argument around improvement for consenting) but not to the very high quality we are achieving at Pukekohe/Meremere. There is perhaps an argument to score this as a -1.

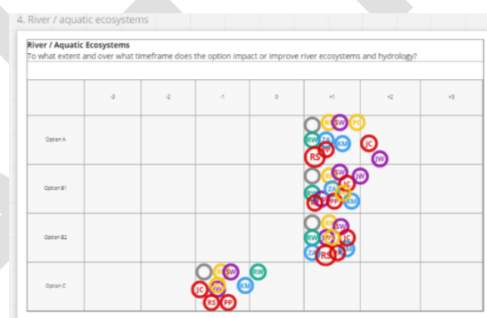
Algal biomass

- This criterion is scored based on impacts at Port Waikato end of the river (where there is an algal growth issue)
- In relation to Option C, the difference between a TN load of 4 vs 7-8 does not have a notable difference in contribution to chlorophyll a levels.
- The Do Minimum is assumed to have a similar level of phosphorus removal to options A/B1/B2.
- Action:** Create a graphic showing path to port showing impact as you go with travel times & sites of significance



River / aquatic ecosystems

- The WWTP discharges have limited impact on river ecosystems and hydrology especially in comparison to other activities in the catchment - this is a low sensitivity indicator.
- Would any options encourage pest fish to move further upstream?*
None of the options are considered to impact on pest fish (such as koi carp). Pest species are generally impacted by physical structures. Noted that koi carp prefer turbid waters so have migrated further up the Waipaa than the Waikato.
- Option C has an improvement to discharge quality which would contribute to improved water quality -> improve macrophyte habitat -> better fish habitat. However, noted that doing the bare minimum is, in effect, a step backwards from the current direction to where we are looking for a step change.
- Improvements at Ngaaruawaahia could happen sooner than at Pukete so a portion of the benefits of this option would be realised sooner under Options B1 & B2 than under Option A.
- Discharge structure: Pukete has a diffuser across the full river bed, Ngaaruawaahia has a mid flow diffuser (smaller than Pukete). All options will require a 2nd Pukete discharge point (and potential replacement of the existing diffuser). The design of the discharge hasn't been looked into at any detail yet – A great opportunity to work with iwi on co-design – but we think it is unlikely that it would be another diffuser.
- There is a difference between A and B in relation to the number of discharge points. We have insufficient information to determine whether this is enough to differentiate the scoring - considerations might include giving other spaces time to rest/recover, impacts associated with the energy of discharge/scour, a single discharge point may allow compensation / remediate efforts to be better focussed. This may or may not be enough to differentiate scoring but points to consider:
 - Would one discharge point give other natural spaces a rest/time to recover?
 - Are there any issues with the energy of discharge at current Ngaruawahia WWTP diffuser?
 - Are there any scour effects associated with the discharges that might result in an overall lower effect if only one discharge point?
 - Would a combined discharge with a single discharge point allow us to focus compensation/remediation efforts?



Terrestrial ecosystems

- The WWTP discharges have limited impact on terrestrial ecosystems and limited opportunities to improve terrestrial ecosystems. The opportunities here largely (riparian and wetland planning) relate to offsetting and mitigation actions which could be applied to any option with some differentiation as noted.
- Do any of the options allow for reduced/increased footprint for planting?*
Under Option A, there may be opportunity for planting at Ngaaruawaahia through the site remediation. Option B1 and B2 would also release some land at Ngaaruawaahia (existing pond area). Agreed to score A as +1, Bs as 0 due to larger area available under A.
- Assumption that Options A and B are similar in terms of opportunities and impacts on conveyance corridors. Conveyance is mostly on road with few stream crossings. A has bigger pipes but not considered to change level of effect or opportunity.
- There would be a loss of buffer area around Pukete under Option C (refer figure in Section 2) which could have an adverse effect on terrestrial ecosystems or at least represent a lost opportunity to improve terrestrial ecosystems (eg bike park area). Option C would also not create the opportunity to do more at the Ngaaruawaahia site. Feeling that this should score -1 or -2.



Discharge point

- This criterion focusses on the number and location of discharges and the associated cultural/social effects. Assumed that diversion of some or all of the flow to a land-based discharge could occur under any option.
- All options assume that any new discharge points are co-designed.
- Option A reduces the number of discharge points and number of discharge structures in the awa – similar to the principle of seeking single span bridges to minimise 'cuts' and 'bruising' of the Awa. It would also remove a discharge point from Ngaaruawaahia, which is close to Taupiri Maunga. Can't score as a 3 because we are still relying on the river to dispose of wastewater.
- Taupiri maunga is a place of considerable significance to iwi. The Ngaaruawaahia discharge point is close to the maunga. Even if the discharge is "fully mixed" in the scientific sense, it may not be fully mixed in a spiritual sense.
- Options B1, B2 & C have the same discharge points as now. Option B1 would take more load to Ngaaruawaahia than the other options so could be scored lower.



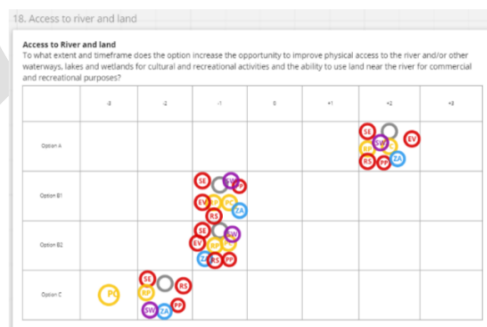
Cultural relationship

- All options see an improvement in water quality. However, the mauri of the awa continues to be impacted including by the inclusion of mortuary waste.
- The ultimate aspiration is that there are no wastewater discharges to the Waikato River or any waterbody. Wastewater includes human waste which carries the *ira*, or essence, of a person. This should be culturally purified, or treated, through papatuaanuku before being discharged to the receiving water. The form of that treatment is still to be determined.
- Based on discussions with iwi partners, the balance appears to be based around the number of discharge points but it is unclear to the technical reviewers whether a single discharge location is preferable from a cultural perspective. Considerations include:
 - Retaining a discharge at Ngaaruawaahia would decrease the load on the river between Pukete and Ngaaruawaahia and therefore the load past Turangawaewae Marae, which might be a better outcome. So perhaps B1 or B2 are better than A.
 - Moving the Ngaaruawaahia flows to Pukete would remove a discharge in proximity to a number of sensitive sites and allow some regeneration of the river between Ngaaruawaahia and Taupiri. Connection of the college in Hopuhopu to the awa – At the moment the views are to the WWTP before the awa – the cultural connectivity to the river from a place of learning is diminished. It would remove a discharge right next to tribal owned land at Hopuhopu, which iwi want to see used and developed by iwi – the WWTP puts constraints on that development. So perhaps A scores better than B1 & B2
 - If Option 'A' is preferred, there are some conveyance risks that iwi would like to be appropriately addressed.
- **Consider further input from our iwi partners on this criterion**



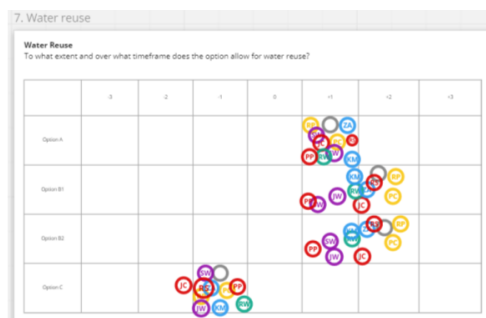
Access to river and land

- Current position is that some buffer would be retained at Ngaaruawaahia – on the WWTP and wet weather storage. Noted that buffer zones of 0m can be designed around small, well contained processes such as pump stations (not open ponds) if that was set as a design objective (cf Peacocke N4 pump station, designed with safety and odour management facilities such that the public are actually encouraged to get up close and personal and interact with the structures)
- The existing 300m buffer at Hopuhopu, measured out from the Ngaaruawaahia site boundary, impacts ability to utilise both Waikato Tainui land and private land on the other side.
- All options see an improvement in water quality and subsequent benefit to the relationship with and usability of the river (but less significant for Option C) which improves swimmability and contact recreation values.
- **Action:** Prepare map showing the existing Ngaaruawaahia buffer and land unable to be developed



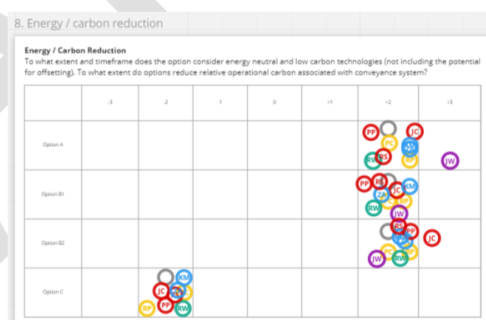
Water reuse

- Assumes Class A treatment is required and therefore MBR required as pre-treatment for most re-use options. Re-use under Option C would require additional infrastructure to achieve the required quality and such investment would not form part of a do minimum.
- The volume of water able to be reused under options A, B1 & B2 is the same – it is less than 90% of the total flow (ie. it is not fully utilised in any option and whether 100% or 90% of flow passes through Pukete will not make a difference to the volume re-used).
- Would having a plant at Ngaaruawaahia provide additional opportunity for reuse?*
Ngaaruawaahia has additional irrigation opportunities, probably not industrial. There is a real (known) re-use opportunity to re-use at the nursery. This demonstrated demand perhaps outscores a forecast demand in Hamilton (there is a known industrial need/demand but further investigation is required into how that could be satisfied). The B options would certainly allow re-use in a shorter timeframe.
- What is the opportunity for sewer mining?*
Small MBR type plants could be introduced at centralised points within the network to provide treated wastewater where there is a demand for non-potable water. Each site would require benefit vs cost comparison but generally very small MBR plants are not cost effective. Solids and reject streams would be re-injected back into the 'mined' sewer for treatment at the main receiving plant.



Energy / carbon reduction

- Energy recovery is included in current costings but there are a range of operations including digestion with co recovery, pure thermal options without digestion.
- There is a need to balance carbon used for N and P removal vs carbon used for energy recovery. The modelling undertaken for Pukete and Cambridge shows the ability to undertake recovery and maintain carbon balance has a high dependency on the amount of carbon coming into the plant. The additional flows under Option A would make a difference to feasibility of energy recovery at Pukete with the 10% additional flow making a significant difference in feasibility due to added flexibility in the carbon balance on that site.
- The additional flows under Option A would make a difference to feasibility of energy recovery at Pukete with the 10% additional flow making a notable difference in feasibility due to added flexibility in the carbon balance.
- Options B1 and B2 would have sludge trucked to Pukete as WAS. WAS has lower calorific value/lower energy density than primary sludge therefore Option A (with conveyance to Pukete) would have a greater energy recovery opportunity. However, the difference in scoring will depend in the energy balance (ie balancing transportation carbon, conveyance carbon, and recoverability).
- B2 takes some of the Ngaaruawaahia load to Pukete, delivering some carbon benefits to Pukete with less pumping/conveyance carbon than A or B1. An argument to score B2 higher than B1. Unclear where A sits relative to B2.
- What about methane emissions associated with ponds?*
Will be part of operational carbon calculation (see action below). Noted that the published emissions factors available for methane generation in pipelines vary by orders of magnitude – hard to know which emissions factor to choose / believe.



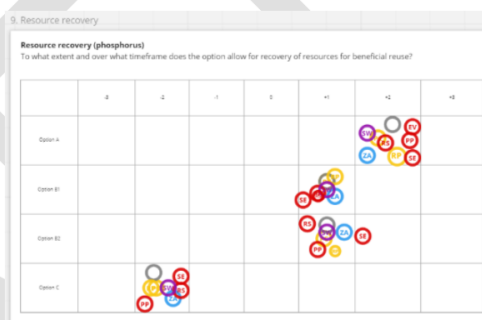
- Option C – noted that the Councils have made a commitment to reducing energy and carbon. While solutions haven't been decided at this point and the current focus is transport, expect more of a focus on three waters activities in future. Therefore scored as -2.
- Action:** More information required on conveyance carbon and the whole-of-life carbon costs to accurately rank the options. Reconsider scoring once information available – consider +3 for A and B2 depending on outcome.

Mortuary waste (not a criterion)

- Brief discussion on mortuary waste. Treatment of mortuary waste and inclusion of mortuary waste in discharge has significant cultural implications
- All options will require consideration of trade waste controls for inputs that could impact the treatment process or are particularly important to iwi. This does not impact option selection but should be part of considerations moving forward.

Resource recovery

- Decision to focus on phosphorus recovery – struvite, etc
- Option C assumes minimal resource recovery beyond that required to meet HCC commitments to climate change action.
- Assume that recovery requires scale – so more likely to occur and more efficient at Pukete. Discussion that small plants are potentially more nimble, easier to upgrade and therefore arguable that recovery is more likely to occur at a small plant. However, consensus that the cost effectiveness is better at Pukete and there are more options (eg struvite recovery could occur at Pukete but unlikely at Ngaaruawaahia).
- The extra flow to Pukete under Option A is big enough to make a material difference – more levers to pull to optimise recovery (and balance with energy recovery). So ranking would be A – B2 – B1 (since there is less flow to Pukete in B1 compared to B2).
- Note that the national emissions reduction plan mentions using other sources of C for energy recovery - Breweries/distilleries near WWTPs are a good option to get the extra carbon
- Action:** Are there any other resources that would be let go/wasted at Ngaaruawaahia? Document what the different resource are from each option. This will be covered off in the Short List Technical Report.



Flexibility (conveyance)

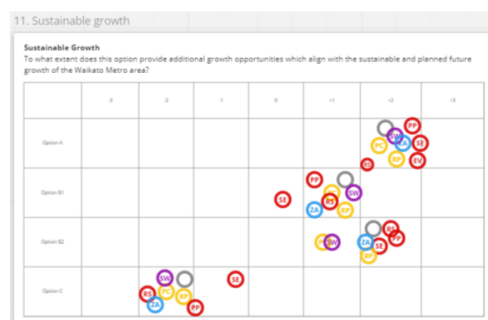
- Decision to focus this criterion on **conveyance** as flexibility in conveyance is more important to adapting to growth and land use change.
- Gravity mains are easier to upscale (in terms of flow capacity) than rising mains. So, options B1 & B2 with more gravity mains may be more flexible in this respect. (Although note that the Peacocks v Western interceptor experience has shown that a large rising main can be much easier and less disruptive to build than an equivalent gravity sewer).
- The conveyancing schematics in **Appendix A** show, at a high level, the rising main and gravity main conveyancing required for each option.
- The bulk of the costs are in the rising main (rather than pump stations).



- **Option A:** Long rising main – this may be the key difference between the options as rising mains are harder to upscale so are less flexible to change.
Experience that when long rising mains getting damaged it takes a longer time (than for smaller pipes) to stabilise flows and get a repair in place. Risk of significant pollution event. Refer Ngaaruawaahia pumping main damage incident report in **Appendix B**.
Because A has a 'daisy chain' of pump stations and the biggest uncertainty is at the top (Taupiri) which would have the potential to impact the entire catchment.
Current development pressure at Taupiri (very northern extent) – district plan has re-zoned some land for clean industries and expecting appeal to re-zone more land. Pokeno experience says we should anticipate worst case scenario. Wet industry development in Taupiri would have a large impact on network - double rising main, double pump stations etc. Noted that Taupiri is a long way from anywhere and would probably have a large impact on any option but relatively larger on A when it would impact the full conveyance route.
Although if it got to a point where Taupiri was having a significant impact on the network, alternative solutions would probably be investigated – direct conveyance from Taupiri to Pukete (along SH corridor), new WWTP in Taupiri. Locating industrial development close to a small treatment plant would require treatment plant upgrades but not network upgrades. And vice versa.
Action: Beca to review with network focus – definitely a difference between A and B1. Option A has been revised down to 0.
- **Option B1:** Slightly more flexible than A
- **Option B2:** More flexible than A and more flexible than B1
Shorter pumped mains in this option. Potentially preferable from a resilience perspective.
Does this option include any main between Horotiu and Ngaaruawaahia – No current rising main would be abandoned
- *Do the options allow for greater intensification in northern area and north Hamilton?*
We are using same base population assumptions as southern DBC (with most updated projections) but will undertake sensitivity testing (including on the need to upsize or augment rising mains over time). Allowed for industrial areas at Te Rapa, Taupiri, Horotiu, Ngaaruawaahia.
- *The range of flows you can put through a rising main is different to a gravity main – what is going in the ground on day 1?*
This is yet to be confirmed but noted that this would apply to all options to different scales
- **From a conveyance perspective, Option A is higher risk than Options B1 & B2. Many of these risks are able to be partially mitigated. Watercare remains concerned that the risks have not been fully considered and are not adequately reflected in the overall scoring [TBC – confirm Watercare position following the further development and discussions]. Conveyance risks and mitigations are discussed in the Short List Technical Report**
- **Action:** Technical team to document what the rising main upgrades would look like (eg similar to how staging of Pukete can be described and the consequences like that described under the treatment flexibility discussion above) and how they can be staged. This will be covered off in the Short List Technical Report.

Sustainable growth

- Flexibility of **treatment** to respond to change:
Roughly equal for Options A, B1 & B2.
- Both Pukete and Ngaaruawaahia can be modularised quite easily. There is a lot of flexibility in staging of upgrades at Pukete. Ngaaruawaahia would be more expensive (relatively) to scale. Note that it is easier to get developers to pay for pump stations than plant upgrades.
- For example: If there was a major change to expected growth at Taupiri or Te Kowhai, Option A could manage in the short term (by consuming a bit

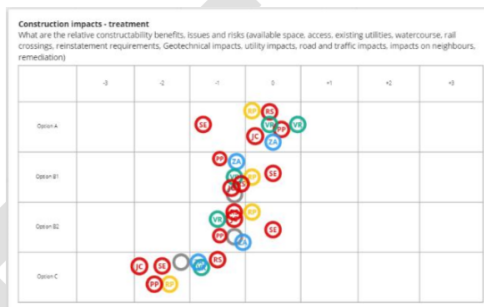


more capacity in a large reactor system) with additional membrane modules added sooner than expected. A similar change at Ngaaruwaahia would require short-term upgrades to add another train (if already nearing capacity). So, Option A allows some additional short-term flexibility/ability to defer upgrades and resilience to change.

- Option C provides less opportunity to adapt to growth (particularly at Pukete, the planned replacement Ngaaruwaahia WWTP would have similar flexibility under all options). Option C can provide for growth but at the further expense of buffer zones

Construction impacts - treatment

- Works required at Pukete under all options. There is a space issue and a need to re-arrange the front end layout, most of the new works (eg membrane tanks) are greenfield. This applies to A, B1 & B2 so does not differentiate those options.
- Options B1 & B2 also include construction at Ngaaruwaahia.
- Options A, B1 & B2 all include remediation of most or all of the Ngaaruwaahia oxidation pond. Under A, the treatment plant at Ngaaruwaahia can be decommissioned before the pond itself is decommissioned, leading to a slightly less complex (and lower odour risk) construction staging than B1 & B2.
- Not building a new plant at Ngaaruwaahia would have an embodied carbon benefit (ie less overall concrete usage etc)
- Option C presents significant constructability challenges at Pukete - increased footprint, loss of mountain bike park areas, proximity to neighbours and challenges with plant layout (treatment is already in a bow, adding more will turn it into a double knot. From a site operations perspective, it is pushing towards a fatal flaw.



Construction impacts - conveyance

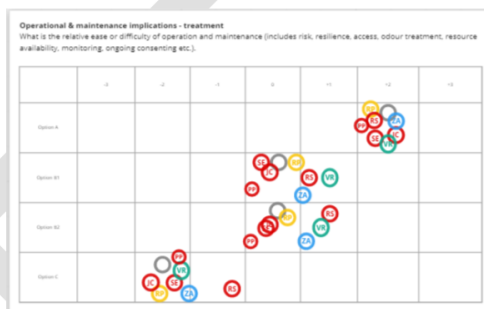
- From a constructability perspective all options involve relatively easy routes - down main roads and looks like existing river crossing can be reused in the short-medium term. The old SH corridor has more space than would get with a local road so no notable construction issues expected. Options can be differentiated based on the scope of works (length of new or upgraded pipelines, size of new pipelines, number of new or upgraded pumpstations).
- While all options include similar types of upgrades, Option A has up to 600 mm dia pipes – much bigger, more complex. Options B1 and B2 have generally smaller components. (Note that the Peacocks v Western interceptor experience has shown that a large rising main can be much easier and less disruptive to build than an equivalent gravity sewer)
- Option C represents what is already planned and budgeted for – logical to give a neutral score.
- Taupiri to Ngaaruwaahia section has potentially the most uncertainty in growth (extent and timing) - this is consistent across all options, but the impact is greater for Option A (more pipe affected).
- Option B2 splits the flows and has the smallest amount of new line (the section to Te Awa Lakes is expected to be constructed within the next 2 years). This would appear to be the least complex option.
- Options B1 and C have essentially the same conveyance route – logically they should score the same.



- *Any concerns with operational risks during construction – impact on day-to-day operations?*
Changes to the bridge crossing at Ngaaruawaahia will be the most complex stage, most of the rest of the new or upgraded conveyance is either duplicate main or can be built offline. Unlikely to provide a differentiator between options.
- Noted that this assessment may be difficult to make given lack of understanding of staging – is it construct one main now, a second later? Are we putting in future max sizing now? Twin maining? However, also noted that this applies across all options.

Operational impacts - treatment

- Operational staff requirements (excluding maintenance) are higher for B1 and B2 than A:
 - Ngaaruawaahia would require minimum 1 FTE for operation plus at least 0.5 to cover sickness and leave (for all options) (WDC confirms that Option C would include an MBR at Ngaaruawaahia under BAU – it is currently in the LTP for 2027/28), plus additional maintenance resource.
 - Pukete would require at least 3 additional FTEs (for A, B1 & B2) for operation, plus additional maintenance resource.
 - Option C at Pukete is effectively BAU treatment with more units. The skill level required would be similar to present.
- Options B1, B2 and C retain a similar set up to the status quo with two WWTP teams operating under HCC, WDC, and Watercare (assuming status quo rather than Entity B)
- There are less levers to pull at Ngaaruawaahia to maintain compliance – trickier to operate than Pukete in that sense (a small change to discharge at Pukete has a bigger impact on the river).
- Consenting Ngaaruawaahia as standalone would be more complex - would need to offset (on the basis that Ngaaruawaahia is already low load therefore don't get the "proportionate improvement" with just the treatment improvements
- Two plants are not considered to add resilience benefits in this instance – there is no ability to divert flows in the event of a failure).
- A single plant would have significantly lower monitoring and consenting costs. Compliance sampling and analysis is a high expense – the monitoring / compliance / reporting regime at Ngaaruawaahia isn't that different to a larger plant.
- Option C is likely to have even higher monitoring and compliance costs – there is a higher monitoring burden when the option is "riding the line" on minimum treatment standards and there is a higher likelihood of additional offset requirements with associated monitoring and maintenance requirements.
- Preference from HCC Maintenance and Operations would be a single plant (referencing less monitoring and compliance) and notes that Option C will be very difficult to operate (at Pukete)
- There are other small WWTPs in the northern metro area, so can't score -1 for B1 & B2.



Operational impacts - conveyance

- Option A is the most complicated – lots of pumping and daisy chaining of pump stations so higher risk of blockages, bigger flows in the event of a failure.
- B1, B2 and C are all about the same and similar to what is there now. B2 likely to have a slight advantage through better energy density and a change of philosophy taking Horotiu and Te Kowhai to Pukete (shorter conveyance distance)
- What is included in terms of costing for back-up/emergency provision (Eg back up generators, large storage)?

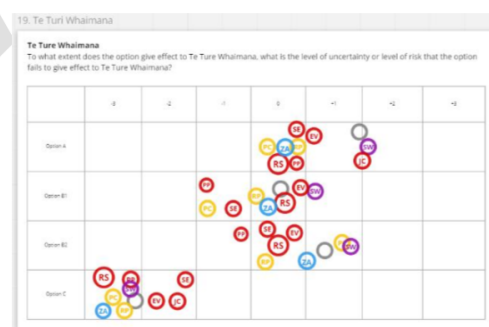
Currently only what is required under the current RITS (including 9 hours storage, septicity dosing for some of the larger items). Emergency generators should be added into costing. Further detail on risk mitigation assumptions is included in the Short List Technical Report.

- Action:** Need to be clear on assumptions for Option A. Scoring could be bumped up if a gold standard is assumed and costed. Should draw on existing examples of venting and dosing.
- What sections are pumped vs gravity?
The conveyance schematics in **Appendix A** show, at a high level, the rising main and gravity main conveyancing required for each option.
- What assumptions are made for dual rising mains?
Taupiri section – no (but can use existing). Horotiu to Pukete – yes. Ngaaruawaahia to Pukete – could be twinned but depends on actual growth in Taupiri. Not all Option A pipework would be constructed on Day 1 but would be linked to growth, new rising main might not be required until 2040.
- From a conveyance perspective, Option A is higher risk than Options B1 & B2. Many of these risks are able to be partially mitigated. Watercare remains concerned that the risks have not been fully considered and are not adequately reflected in the overall scoring [TBC – confirm Watercare position following the further development and discussions]. Conveyance risks and mitigations are discussed in the Short List Technical Report.**



Te Ture Whaimana

- Recommended basis of scoring: 0 or positive if the option will give effect to Te Ture Whaimana, negative if there is a risk the option will not give effect to Te Ture Whaimana
- Considerations include:
- There is little difference between A, B1 & B2 discharges at the catchment level.
- Option A:
 - One discharge, structure at one site and a single mixing zone is likely to be more consistent with Te Ture Whaimana (but need feedback from our iwi partners)
 - discharges further from Taupiri and Turangawaewae allowing for more mixing en route
 - removal of the diffuser at Ngaaruawaahia (noting that structures can cause as much offense as discharges)
 - Moving wastewater from one community to another
- Option B1 & B2: Retaining the Ngaaruawaahia WWTP and buffer zones in Ngaaruawaahia may impact development opportunities impacting on economic wellbeing
- Option B2 has the lowest risk of failure (least conveyance) in terms of likelihood of failure and subsequent impact. But the risk of failure already exists in local and trunk networks. The conveyance



systems under all options are based on assumptions of appropriate levels of back-up resilience commensurate with the criticality of the infrastructure.

- Option C has a higher risk of not giving effect to Te Ture Whaimana and is inconsistent with the step change sought.
- Options A and B2 have pros and cons – difficult to differentiate.

Te Mana o Te Awa

- Discussion: Te Ture Whaimana still outweighs Te Mana o Te Wai as it applies though the FPSFM (on the basis that the RPS/WRP haven't yet been updated to give effect to the NPSFM). Te Ture Whaimana remains more specific and sits above the NPSFM in the hierarchy.
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3.3 Final technical MCA scoring

The full MCA scoring spreadsheet is attached as **Appendix C** and the scores are shown in Table 4

Table 4: Technical MCA scoring summary

Investment Objective / Critical success factor	Relevant KPI	Measure/considerations	Option A Pukete only	Option B1 Pukete and Ngaaruawaahia with Horotiu and Te Kowhai to Ngaaruawaahia	Option B2 Pukete and Ngaaruawaahia with Horotiu and Te Kowhai to Pukete	Option C Do minimum
Before 2050 municipal wastewater discharges are no longer impacting on the ability of people to swim and collect Kai from the river and connected waterways thereby contributing to the restoration and protection of the health and wellbeing of the river	KPI 1.1: Public health risks caused by the concentration of E.coli and pathogens within the WWTP discharges	Water Quality (E.coli) To what extent and over what timeframe does the option reduce the E.coli and pathogen levels of the discharge compared to existing baseline?	2	2	2	-2
	KPI 1.2 Total nitrogen load impacting the river and connected waterways from WWTPs	Water Quality (TN, TP) To what extent and over what timeframe does the option reduce the mass load of nitrogen and phosphorus compared to existing baseline?	2	2	2	-2
	KPI 1.3: Total phosphorous load impacting the river and connected waterways from WWTPs					
	KPI 1.4: Proportion of plants which are compliant against discharge quality consent conditions					
The quality and extent of aquatic and terrestrial habitat and biodiversity in and around water bodies is enhanced through the reduction of wastewater treatment and discharge impacts before 2050	KPI 2.1: Amount of algal biomass in the Waikato River as measured by chlorophyll a concentration attributable to treated wastewater discharges	Algal biomass To what extent and over what timeframe does the option reduce the contribution towards the river's chlorophyll a concentration compared to existing baseline?	2	2	2	-1
	KPI 2.2: Health and abundance of mahinga kai species	River / Aquatic Ecosystems To what extent and over what timeframe does the option impact or improve river ecosystems and hydrology?	1	1	1	-1
	KPI 2.3: Number and variety of terrestrial species at specific locations within the metro area	Terrestrial Ecosystems To what extent and over what timeframe does the option provide the ability to improve vegetation coverage around river bed and terrestrial ecosystems?	1	0	0	-2
	KPI 2.4: Area coverage of native riparian and wetland vegetation surrounding water bodies and within the catchment area					
Wastewater treatment solutions contribute to restoring and enhancing cultural connectivity with the river so that before 2050 Marae, Hapuu and Iwi access to the river and other sites of significance for cultural and customary practice within the metro spatial area are no longer impeded by waste water treatment solutions	KPI 3.1: Maatauranga Maaori Cultural Health Index / Cultural impact assessment	Discharge point What potential is there for land discharge vs water discharge? How many discharge points / locations are required? What are the direct cultural impacts of the discharge points? (including as a result of location and design)	2	-1	0	-1
	KPI 3.2: Ability to physically and culturally connect to the river including number and quality of access points, quality of cultural and	Cultural relationship To what extent does the opportunity enhance and restore cultural relationship & experience with the river?	1	-1	0	-2

	recreational access and opportunities, and ability to use land (including Maaori-owned land) for commercial and residential purposes	Access to River and land To what extent and timeframe does the option increase the opportunity to improve physical access to the river and/or other waterways, lakes and wetlands for cultural and recreational activities and the ability to use land near the river for commercial and recreational purposes?	2	-1	-1	-2
Maximise efficient use of resources and resource recovery to contribute to net zero greenhouse gas related emissions from wastewater treatment systems before 2050	KPI 4.1: Volume of wastewater reuse as a percentage of discharge volume	Water Reuse To what extent and over what timeframe does the option allow for water reuse?	1	2	2	-1
	KPI 4.2: Decreasing greenhouse gas footprint (capital and operational) / energy requirements of plant and plant systems (i.e., pumps) as a proportion of wastewater treated	Energy / Carbon Reduction To what extent and timeframe does the option consider energy neutral and low carbon technologies (not including the potential for offsetting). To what extent do options reduce relative operational carbon associated with treatment and conveyance systems?	2	2	2	-2
	KPI 4.3: Proportion of resources that are able to be recovered for beneficial reuse	Resource recovery To what extent and over what timeframe does the option allow for recovery of resources for beneficial reuse?	2	1	1	-2
The wastewater solution provides sufficient capacity to ensure sustainable growth in the metro spatial area in accordance with growth projection assumptions for the next 100 years	KPI 5.1: Flexibility and adaptability of solution to be staged / developed over time to meet the needs of the community	Flexibility To what extent does the option provide flexibility to adapt to growth and land use changes?	0	1	2	-1
	KPI 5.2: Proportion of Industrial areas which are serviced by municipal plants sustainably	Sustainable Growth To what extent does this option provide additional growth opportunities which align with the sustainable and planned future growth of the Waikato Metro area?	2	1	2	-2
	KPI: 5.3 Proportion of residents in the metro area serviced by municipal treatment plants sustainably					
Constructability - treatment	Construction impacts What are the relative constructability benefits, issues and risks (available space, access, existing utilities, watercourse, rail crossings, reinstatement requirements, Geotechnical impacts, utility impacts, road and traffic impacts, impacts on neighbours, remediation)		0	-1	-1	-2
Constructability - conveyance			-2	0	1	0
Maintenance and operations - treatment	Operational implications What is the relative ease or difficulty of operation and maintenance (includes risk, resilience, access, odour treatment, resource availability, monitoring, ongoing consenting etc.).		2	0	0	-2
Maintenance and operations - conveyance			-2	0	1	0
Te Ture Whaimana	Te Ture Whaimana To what extent does the option give effect to Te Ture Whaimana, what is the level of uncertainty or level of risk that the option fails to give effect to Te Ture Whaimana?		1	0	1	-3
Te Mana o Te Awa	Te Mana o Te Awa To what extent does the option give effect to Te Mana o Te Awa (achieve the objectives of Te Mana o te Wai), what is the level of uncertainty or level of risk that the option fails to give effect to Te Mana o Te Awa?					
TOTAL (unweighted)			19	10	17	-28

3.4 Summary of technical MCA outcomes

Options A and B2 score the highest. Option C scores very poorly and should not be progressed further. Option B1 does not provide any benefits over Option B2 and is therefore not considered further.

Options A and B2 both score well, and it is important to consider the relative merits and disbenefits of the options.

Option A and B2 both:

- Score well on discharge quality and related factors – they have the same effective level of treatment and therefore the same level of expected effect on algal biomass and river ecosystems
- Provide opportunities for energy and carbon reduction
- Can be designed to meet future treatment capacity requirements
- Are expected to give effect to Te Ture Whaimana (to the extent that it is possible for a wastewater discharge to the Waikato River to give effect to Te Ture Whaimana)

Option A (with a single WWTP) scores better against criteria influenced by the number and size of treatment plants:

- Lower WWTP operational requirements (lower staffing, less overall monitoring and compliance requirements)
- Greater flexibility in day-to-day treatment (more levers to pull to meet treatment standards at Pukete than at Ngaaruawaahia)
- Greater ability for treatment to respond to growth (more capacity to absorb growth without a need for short-term treatment plant upgrades)
- More opportunity for water reuse, energy recovery, and resource recovery (which are generally more feasible at Pukete and would benefit from greater flows through Pukete)
- Greater risk associated with conveyance network failure – can be mitigated to some extent by building-in resilience
- More opportunity for development and/or restoration at Ngaaruawaahia (removal of WWTP, pond, and associated buffer)
- Removal of Ngaaruawaahia WWTP may improve relationship between college at Hopuhopu and the awa

Option B2 scores better against criteria influenced by the conveyance network:

- Lower operational risk associated with failure of the conveyance network
- Conveyance network is less complex to design, build, and operate (shorter mains, more gravity/less rising main)
- Lower impact in the event of significant growth at Taupiri
- Some opportunity for development and/or restoration at Ngaaruawaahia (removal of oxidation pond and reduction of the associated buffer)
- More immediate opportunity for water reuse (nursery)

Ultimately, which option is preferred from a technical standpoint depends on the weighting given to the higher risks of conveyance versus the greater treatment flexibility and opportunities identified for Option A. A briefing weighting assessment is undertaken in [Section 3.5](#) which confirms that Option B2 scores higher where a higher weighting is ascribed to those criteria related to conveyance, in all other tested scenarios Option A scores higher.

We also identified positives associated with both a single and dual discharge:

- A single discharge location at Pukete:
 - Fewer discharge structures
 - Removal of discharge close to Taupiri Maunga and other sensitive sites

- Discharges at Pukete and Ngaaruawaahia:
 - Slightly lower load to the river between the two sites (including past Turangawaewae)

Which of these represents a better outcome is influenced by the maatauranga considerations discussed in Sections 4-5.

The technical MCA group was unable to reach a clear consensus on the preferred option being split on whether the identified conveyance risks can be appropriately managed. As outlined in the meeting record above, Watercare remains concerned that conveyance risks are not adequately reflected in the scoring outcomes [TBC – confirm whether this has been fully/partially resolved]. The other workshop participants were satisfied that the risks could be adequately mitigated. The Beca technical team has proposed resilience and risk management actions to mitigate the risks identified by Watercare. These are discussed in the Short List Technical Report.

The preferred option is likely to turn on the maatauranga considerations – in particular whether a single discharge at Pukete or two discharges is preferred from a cultural perspective.

3.5 MCA weighting

Options A and B2 score similarly; a weighting exercise is useful to demonstrate how the relative score change if different factors are considered more or less important.

The raw MCA scores are summarised in Table 5. The criteria where there is a difference in scoring between Option A and B2 are highlighted. This weighting exercise focuses on area of differentiation between A and B2.

With equal weighting, Option A (1.00) scores better than Option B2 (0.89).¹

Table 5: MCA raw scores

MCA criteria	Raw scores			
	A	B1	B2	C
Water Quality (E.coli/pathogens)	2	2	2	-2
Water Quality (TN, TP)	2	2	2	-2
Algal biomass	2	2	2	-1
River / Aquatic Ecosystems	1	1	1	-1
Terrestrial Ecosystems	1	0	0	-2
Discharge point	2	-1	0	-1
Cultural relationship	1	-1	0	-2
Access to River and land	2	-1	-1	-2
Water Reuse	1	2	2	-1
Energy / Carbon Reduction	2	2	2	-2
Resource recovery	2	1	1	-2
Flexibility (conveyance)	0	1	2	-1
Sustainable Growth (treatment)	2	1	2	-2
Construction impacts - treatment	0	-1	-1	-2
Construction impacts - conveyance	-2	0	1	0
Operational implications - treatment	2	0	0	-2
Operational implications - conveyance	-2	0	1	0
Te Ture Whaimana	1	0	1	-3
Te Mana o Te Awa	0	0	0	0

¹ Based on a possible range of -3 to +3

Raw score average	1.00	0.53	0.89	-1.47
Rank	1	3	2	4

We have tested three weighting scenarios:

- Conveyance flexibility is twice as important as other factors (ie flexibility – conveyance, construction impacts – conveyance, and operational implications – conveyance)
- Treatment flexibility is twice as important as other factors (ie sustainable growth – treatment, construction impacts – treatment, and operational implications – treatment)
- Factors related to the cultural wellbeing investment object are twice as important as other factors (ie discharge point, cultural relationship, and access to river and land)

For each weighting scenario, the three identified criteria are given a weighting of 0.09 and the remaining 16 criteria are given a weighting of 0.045 (to give a total of 1.0).

The outcome is shown in Table 6. Where conveyance flexibility is given more importance, Option B2 scores highest, in all other scenarios Option A scores higher.

Table 6: Weighting scenarios

Scenario	Weighted average score			
	A	B1	B2	C
Equal weighting	1.00	0.53	0.89	-1.47
Conveyance flexibility twice as important	0.68	0.50	0.95	-1.32
Treatment flexibility twice as important	1.05	0.45	0.82	-1.55
Cultural factors twice as important	1.09	0.32	0.73	-1.50

4 Maatauranga considerations

4.1 First options consideration hui

An initial options hui was held online on 2 February 2022 at 10:00am.

Present:	Alana Mako – Waikato-Tainui	Jackie Colliar – HCC
	Julian Svadlenak – Waikato-Tainui	Muna Wharawhara - HCC
	Sam Toka – Waikato District Council	Tipene Wilson – Ngāti Korokī Kahukura (Facilitator)
	Rangatira Simon – Tūrangawaewae Marae	Julian Williams – Ngāti Makirangi (Advisor)
	<u>Te Haa o te Whenua o Kirikiriroa</u>	Rae Simpson – HCC
	Atutahi & Rangiuia Riki – Ngāti Māhanga	Sven Ericksen – HCC
	Raiha Grey – Ngāti Māhanga	Robert Brodnax – Beca
	Hone Thompson – Ngāti Hauā	Garrett Hall - Beca
	Mape Matika – Ngāti Wairere	John Crawford – Beca
	Rawiri Bidois – General Manager	Claire Scrimgeour - Beca
	Sonny Matenga – Ngāti Tamainupō	Mhairi Rademaker – Beca
	Sheryl Matenga – Ngāti Tamainupō	Brigette Priestley – Beca
	Sonny Karena – Ngāti Hauā (Chairperson)	
	Ngapine Karena – Ngāti Hauā	
	Derek Burns - Advisor	
Apologies:	Milton Ngaruhe – Ngāti Mahanga	
	Piripi Matika – Ngāti Wairere	
	Harry Wilson – Ngāti Korokī Kahukura	

Minutes

Introductions

Presentation from technical team

- Presentation attached as **Appendix F**.

Which option do you see as the best option for the river? Spiritually, culturally, best for improving relationship with the river

Discussion in response to the question “which option do you see as the best option for the river – spiritually, culturally, best for improving relationship with the river?”

- Waikato-Tainui – Would Pukete WWTP have the ability to receive more waste given its current issues with overflow and spillages?
This is a very good question and is one of the matters we will be discussing to resolve.
- THaWK - At the moment, 100% of Ngaaruawaahia flows go to Ngaaruawaahia and 100% of Kirikiriroa flows go to Pukete. The WWTP upgrade will make Pukete bigger and better. The marked improvement is quality is an advancement. In terms of impact on cultural aspirations (eg use of water, swimming), the project is trying to make the “stuff” that ends up in the water better than today.

- THaWK - If it's not the quality of the water that impacts on cultural aspirations, then what is it? We need to identify those things so that we can deal with them.
- Jackie – Regardless of which option is pursued, Pukete will carry the load. There will be increase in flow, but the quality of discharge will definitely improve.
- Julian - If we are happy with the improvement in discharge quality (and increase in quantity), what else do we need to do to satisfy tikanga? That could include the form of the discharge (how and where we discharge the treated wastewater).
- Query: THaWK - *What will be the ultimate decision criteria and who is the ultimate decision maker? What is the relative cost of the options – if the preferred option is the most expensive, would that rule it out?*

The SMART objectives (developed by the Project Partners) inform the criteria that we are using the select the preferred option (we being the technical team and project partners – those people invited to the technical MCA and maatauranga hui). We put our recommendations to the Project Control Group and Project Governance Group. Recommendations then go to the council (HCC and WDC) governance committees, and they may the ultimate funding decisions.

The Councils know that there is a massive bow wave of investment in treatment and conveyance. It is expected. It is up to us as the wider project team to put forward a solid argument for our preferred option and why that option is the preferred option for giving effect to Te Ture Whaimana. During the Southern Metro process, Waipā DC accepted a higher treatment standard than was initially proposed resulting in a significantly higher cost – so there is recognition that higher investment is needed to give effect to Te Ture Whaimana.

- Tipene - The discharge quality appears to be the same across the options. The consideration then seems to be the number of discharge points. There might be a case to be made that retaining a discharge at Ngaaruawaahia would decrease the load on the river between Pukete and Ngaaruawaahia and therefore the load past Turangawaewae, which might be a better outcome. So perhaps B1 or B2 are better than A.
- THaWK - Regarding discharge points, clearly there are going to be sites along the river we don't want to be endangered by a wastewater discharge - swimming sites, places used for ceremonies, waka clubs etc.
- Julian - Considering discharge points, there may also be an argument that having fewer discharge points is better (ie A would be better than B1 or B2):
 - Moving the Ngaaruawaahia flows to Pukete would remove a discharge in proximity to a number of sensitive sites and allow some regeneration of the river between Ngaaruawaahia and Taupiri.
 - Connection of the college in Hopuhopu to the awa – At the moment the views are to the WWTP before the awa – the cultural connectivity to the river from a place of learning is diminished.
 - Jackie - It would remove a discharge right next to tribal owned land at Hopuhopu, which iwi want to see used and developed by iwi – the WWTP puts constraints on that development
- Julian - Taking the Te Kowhai flows to Pukete (or Ngaaruawaahia) rather than a big pit/loading to the whenua is a good thing.
- Query: *Would it be fair to assume that, from a financial costing perspective, B2 is the most cost effective and would free up more funds to re-direct to improving the WWTP in both Pukete and Ngaaruawaahia? Agree that none of the option completely eliminate the cultural impacts but B2 seems to be the best option on the proviso that the funds are re-directed to improve discharge quality?*

Jackie: Both options improve the quality of the discharge to the same level. The costs of conveyance are high but the offset to that with Option A is that you don't need to build a new plant at Ngaaruawaahia. Option B would still require conveyance upgrades from the likes of Horotiu.

Next steps

Action: Julian to pull together thoughts on options and some pros and cons to share with the team to get feedback

4.2 Subsequent hui/koorero

In recognition that the Ngaaruawaahia WWTP is located near Turangawaewae Marae and Taupiri Marae, a hui was held with representatives to consider their preferred option.

The hui was held online on 11 February at 10am.

Present: Donald Turner - Taupiri Marae
Hinerangi Raumati Tu'ua - Turangawaewae Marae
Rangatira Simon – Turangawaewae Marae
Jackie Colliar – HCC
Julian Williams – Te Huia Ltd (Consultant)

Minutes

Introductions

Presentation from Jackie and Julian

- Presentation is the same as provided to taangata whenua on 2 February. It was shared to Marae representatives prior to the hui.

Opening Comments

- Julian informed representatives that we wanted to hold a separate hui with mana whenua of the Ngaaruawaahia to Taupiri section of the options presented. The reason being that their position on the continued operation, or decommissioning, of the Ngaaruawaahia WWTP based at Hopuhopu, would be significant in the final decision. It was envisioned that the preference of both marae would be shared at the combined hui to be held on 24 February. This would help to shape the multi criteria analysis and further investigations required for the detailed business case.

Comments provided

- The Marae representatives noted their respect for the decisions that mana whenua in Kirikiriroa would have to make, that would fulfil their responsibilities as kaitiaki for that area.
- The representatives confirmed that Option 'A' is their preference.
- They understand that the decisions are still to be made, and further research required for each option. However, all else being equal, in that water quality would be vastly improved, Option 'A' would be their preference.
- Option 'A' would better improve their responsibilities as Kaitiaki to the Waikato River and Taupiri Maunga. It would also improve their cultural and social relationship with the Awa recognising that multiple activities that occur near on the Awa to support and acknowledge the Kiingitanga, Regatta tribal events and many visitors to Taupiri Maunga.
- The representatives recognised that Option 'A' has benefits of scale, provides for centralisation of wastewater activities, would have a more sophisticated system, operations and greater resources. It also has the potential to reduce impediments on Hopuhopu development currently in place due to the 300m buffer around the Hopuhopu WWTP. They support decommissioning this discharge provided that:
 - Conveyance Risks are appropriately addressed;
 - Growth aspirations of Waikato-Tainui and marae, including Turangawaewae land holdings are not constrained as a result; and
 - Marae and mana whenua continue to be engaged as a key partner in the implementation phase given the location of the Pukete WWTP upstream.
- The position of both Marae were subsequently shared, with their permission, to mana whenua of Kirikiriroa, prior to the combined hui.

5 Combined hui

Following the technical MCA workshops and various hui with iwi partners, a combined hui was held to present the outcomes of those workshops/hui and seek to determine an emerging preferred option.

The combined hui was held online on 24 February 2022 at 9:30am.

Attendance at the technical MCA workshops varied between the dates – not all attendees were present for all sessions or for the full duration of each session. Attendees include:

Present:	<u>Te Haa o te Whenua o Kirikiriroa</u>	Julian Svadlenak – Waikato-Tainui
	Milton Ngaruhe – Ngāti Mahanga	Jackie Colliar – HCC
	Mape Matika – Ngāti Wairere	Tipene Wilson – Ngāti Korokī Kahukura (Facilitator)
	Rawiri Bidois – General Manager	Julian Williams – Ngāti Makirangi (Advisor)
	Sonny Matenga – Ngāti Tamainupō	Evan Vaughters – HCC
	Sheryl Matenga – Ngāti Tamainupō	Parvati Patel – HCC
	Sonny Karena – Ngāti Hauā (Chairperson)	Robert Brodnax – Beca
	<u>Waikato District Council/Waikato Watercare</u>	Garrett Hall – Beca
	Peter Crabb – Watercare	John Crawford – Beca
	Richard Puller - Watercare	Mhairi Rademaker – Beca
	Vishal Ramduny – WDC	Claire Scrimgeour – Beca
	Zinab Al-Khaleefa - WDC	

Minutes

Introductions

Presentation from technical team

- Presentation attached as **Appendix G**.

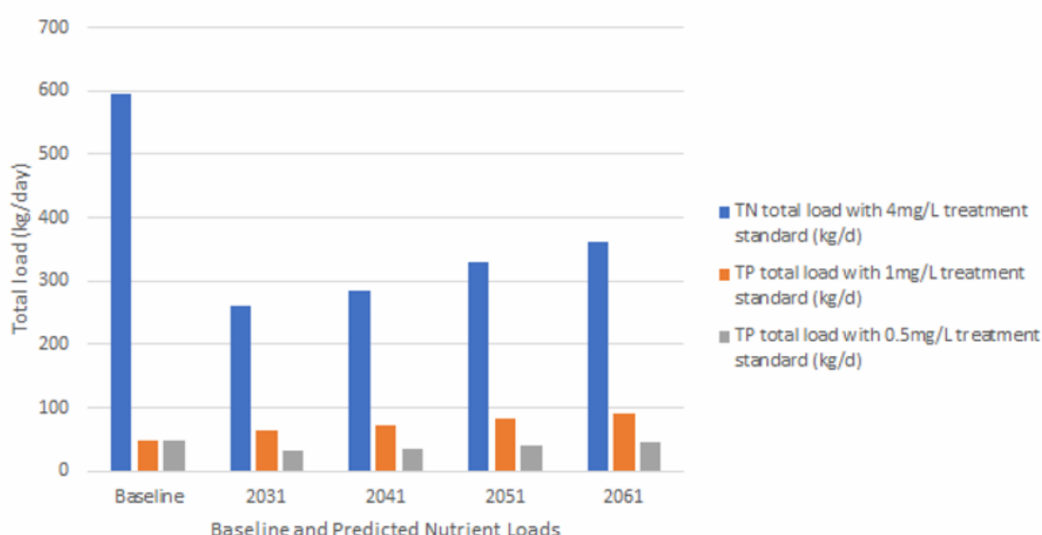
Further work undertaken: River travel times (refer presentation slide 9)

- Do the nutrients get degraded over distance/time as they travel down river?*
Yes. Both N and P get taken up biologically (algae and macrophytes) and in riverbed sediments. However, when we are undertaking assessments, we assume that those nutrients will be released or become resuspended over time so conservatively assume that all nutrients are bioavailable.
- The discharge is continuous, so while the travel time is interesting it's not like a "slug" or pulse of contaminant that will clear as it passes a site.*
Correct, the discharge is continuous. There is a very high level of dilution but the nutrients and anything else in the discharge doesn't disappear. As part of any future consent applications, we will need to look at how the discharge mixes with the river (ie when does it become indistinguishable from a physical science perspective) using modelling. Of note, we anticipate that the combination of greater treatment and biological/sediment uptake will result in acceptable physical water quality without relying on dilution.
- Are there differences between Option A and B2 from a pest fish or algal growth perspective?*
No. We expect to see improvements in algal growth resulting from the improved treatment standard

under both options. Pest fish spread is more closely linked to habitat availability – PC1 looked at koi carp in detail and their spread is not known to be linked to algae.

- *How do nutrients from these discharges interact with other nutrient contributions (coming from tributaries, farming practices etc)?*
Cumulative effects are very important: we see a build-up of nutrients as you get further down the river. Any future consent applications will look at the effect of the WWTP discharges as they relate to the existing environment (so on top of other existing nutrient contributions). Of note, other discharges are also improving as consents come up for renewal, as farming practices improve, and particularly in response to PC1 (sediment, nutrient, and e.coli contributions from farmin in particular). Both option A and B2 see a significant improvement in nutrient loading and reduction in contaminants. Our reduction in nutrient load will contribute to the overall restoration of water quality.
- *Would Option A result in the nutrient load improvement reaching further up the river?*
The discharge quality improvement is so significant that we will see a notable improvement. However, the contribution from Ngaaruwaahia is insignificant in relation to Pukete so there is unlikely to be a measurable difference between the two options.
- The following graphic was shared to demonstrate the level of improvement in nutrient loading – even with ongoing population growth:

Pukete Northern Sub-Regional WWTP



Further work undertaken: Ngaaruwaahia buffer (refer presentation slide 10)

- Note: The existing buffer is 300m from the edge of the site, not the pond.
- Impact on Hopuhopu highlighted. The current buffer has a significant impact on use of that whenua and any opportunity to remove or reduce would be seen favourably.
- *If Option A is preferred and only a pump station is required at Ngaaruwaahia, would the rest of the land be subject to right of first refusal?*
Only if deemed surplus to requirements. Site would still have a strategic water/wastewater use so would be surprising if it was seen as surplus.

Technical MCA summary

- Refer presentation slides 11-14

Conveyance: Risk and mitigation discussion

- Waikato Water highlighted that the Option A conveyance network will be difficult to construct, operate, and manage. Put forward that some of the discussion from the technical workshops was not adequately captured in the presentation nor is the risk of a discharge of raw sewerage to the river. Noted that flows in rising mains can only be doubled at best.
- The technical team recognise that the conveyance risks for Option A are much higher. Risks include septicity and odour, equipment failure or malfunction, pipe and structure failure during earthquakes and other natural events, and damage to pipes by third parties. The costing for Option A (and other options) therefore must include appropriate mitigation actions. These include twin mains (in road corridor where possible), appropriate material selection, use of isolation vales at appropriate intervals, back-up and standby equipment (eg standby pumps, emergency generation capacity, emergency storage), and calamity storage at Ngaaruawaahia. [Note: Proposed risk management and mitigation measures are covered in the Short List Technical Report]
- *Are we confident that Option A would not restrict the future growth aspirations of Waikato-Tainui at Hopuhopu or Ngaaruawaahia?*
Option A can be designed to provide for growth over time. Assessments undertaken during the next phase will need to confirm that systems developed will provide for growth.
- **Ultimately, the decision whether A or B2 is preferred from a technical perspective depends on whether we accept that we can manage the risk of longer conveyance (with appropriate risk minimisation and mitigation actions in place) or we decide that the risk is so high that we accept the downsides of tow treatment plants and two discharge points.** In either event, the risk of failure and subsequent response should be documented in the business case reporting.
- *How would emergency response be managed in the event of a failure? Where would failure response funding come from? Is there an agreement/understanding in place that these costs would be met?*
We are working through high level cost estimates as part of the DBC – we are talking significant investment in the 100s of millions. It is going to be challenging to fund and finance this project no matter the preferred option, noting that the Three Waters Reforms may come with new tools to manage financing. While the DBC will be based on a status quo assumption (in terms of management), we do assume that Three Waters Reform will go ahead. In that case, the DBC will be providing information to the new entity on what they might invest in.
We acknowledge that failures do and will occur – pipes break or get broken, pump stations fail, human error. We need to make sure that we have adequate systems and processes in place to respond – noting that large infrastructure like this is more likely to have appropriate resilience and back-up measures in place than local infrastructure.
Ownership and operation of the infrastructure (including conveyance) will be covered in the DBC – including consideration of how the management structure would respond to failure events. This would be based on BAU but could be somewhat moot if Three Waters Reform progresses.

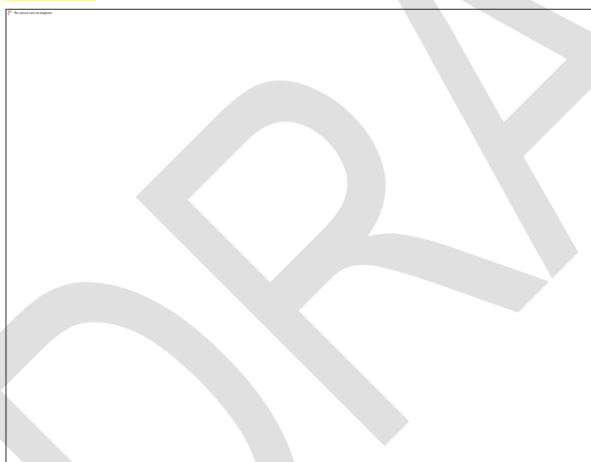
Maatauranga korero

- Clear that Option C is a non-starter.
- *Is there a potential for the Ngaaruawaahia WWTP to act as a Centre of Excellence/training hub, particularly for rangatahi?*
Using a smaller scale, high-quality WWTP as a Centre of Excellence/training hub is a good whakaaro. Removing Ngaaruawaahia would not remove this opportunity – there are other small plants in the area (eg Te Kauwhata). While Pukete is of a different scale, there have been thoughts about setting Pukete up as a Centre of Excellence – it is probably the largest discharge to freshwater in New Zealand. HCC has a longer-term plan to bring more rangatahi into the industry, irrespective of the preferred option.
- Summary of Julian korero (refer presentation slides 16-17):

Option	Positives	Concerns (actual / perceived)	Alignment with Te Ture Whaimana
A	<ul style="list-style-type: none"> • Reduce impact on Taupiri Maunga / Urupa • Improved opportunity for Hopuhopu 	<ul style="list-style-type: none"> • Capability of Pukete WWTP to take extra load 	<p>Improve: B, D, E, I, K, M</p> <p>Neutral: A, C, G, H, J, L</p> <p>Worsen: F</p>

	<ul style="list-style-type: none"> Reduced discharge points Improved treatment Creation of allocable space (nutrient / take)? Improved relationship with Awa 	<ul style="list-style-type: none"> Increased impact on Awa at point of discharge Impact of conveyance on Marae growth 	
B2	<ul style="list-style-type: none"> Improved treatment Lower conveyance risk 	<ul style="list-style-type: none"> Capability of Pukete to take extra load from Te Kowhai Impact on Awa at point of discharge Impact on Taupiri Maunga (increased load from growth 	Improve: D, G, Neutral: A, B, C, E, F, H, I, J, L, M

- Should some of the neutral actually be positives based on water quality improvements? Could be other considerations at play – Julian to share his spreadsheet that outlines his thoughts and the things he's heard from iwi partners.
- Is there a real concern with the ability of Pukete to take extra load from Te Kowhai and/or Ngaaruawaahia?
The Te Kowhai and Ngaaruawaahia loads are insignificant compared to Pukete. The diagram below has been created following the hui – Pukete flows are shown in green and Ngaaruawaahia in yellow [Note this is conceptual only – we are preparing a version with actual numbers].



- On balance, if maatauranga were our only consideration, which option would be preferred? (Put to Julian W)
Julian W: Heart and mind is leaning towards Option A. (Also confirmed that Option A is an improvement on the current situation)

Further koorero

- Option A is a one way door – once you commit to sending flows to Pukete, you can't go back. Option B2 is reversible (ie you can construct pipelines for B2 and move to Option A at a later date). Is there a sub-option where you would improve Ngaaruawaahia (as per B2) then move to Option A at a later date? Why do we have to commit to an Option A now?
Both Pukete and Ngaaruawaahia consents expire this decade. We know we can't reconsent either WWTP at their current discharge standards and significant investment is required to meet new discharge standards. If you invest in Ngaaruawaahia (in the order of \$50-60M), that effectively locks in

Ngaaruawaahia for another 30 years. The purpose of this DBC is to demonstrate the value of the investment – and where it is best to invest.

- Clarification regarding improvement: There was a comment to the effect that the options would improve performance 70-80% of the time – the discharge quality improvement will be all the time (under both Option A and B2). There is a risk of failure under both options (as there is for all wastewater conveyancing) – the unmitigated risk higher for Option A but a failure in a large pipeline resulting in a discharge to the river is still a rare event. It was also noted that smaller pump station and pipeline failures occur within the existing networks (including local networks) so this is not a ne risk.
- Clarification regarding ability of Pukete to accept extra loads from Te Kowahi/Ngaaruawaahia: The starting point is that Pukete does not currently have the capacity to accept these loads (or the increased loads expected from the Hamilton catchment). Under all options, Pukete will undergo significant redevelopment/reconfiguration to allow it to accept the expected loads.
- *Is there population data that will inform development and the contribution of that population if Ngaaruawaahia were to remain? (ie what is the rating impact of the options)*
The Southern DBC developed a set of principles (and MOU) outlining how costs should be shared and who would own assets (based on status quo rather than Three Water Reform). Those principles are intended to be applied to Northern. The cost allocation discussions for Southern suggest: any land purchase costs would be split based on population and the benefit received. Conveyancing costs would be met by the community serviced.
There are existing examples of cost arrangements – e.g. parts of Waikato District serviced from HCC water supply.
There is also a need to balance contributions between existing communities and future growth – we use growth assumptions for population and industrial development to calculate the share that should be attributed to existing communities and to future growth.
The WWTP upgrade at Ngaaruawaahia and associated pipelines are already included in the WDC LTP. The HCC LTP also includes provision of some upgrades at Pukete (recognising that the consent is due to expire and therefore performance needs to improve). Question whether enough has been allocated.
- *Could the conveyancing with associated with option A be partially mitigated through pre-treatment at Ngaaruawaahia?*
Pre-treatment is an option. It is not included in current costings but will be built-in to considerations around future use of the Ngaaruawaahia site.
- *If the Three Waters Reform progresses, is there an option to retain Ngaaruawaahia?*
The intent is that this DBC will provide an investment pathway for whoever is responsible for future investment.

Summary and actions

- The emerging preferred option is Option A with additional changes to manage conveyance resilience risks
 - This is subject to costs.
 - Actions:
 - MCA assessment write up and recommendations (including weighting) to be written up and shared
 - Julian W's write up to be shared
 - Cost estimates to be completed and shared
-

A

Appendix A – Short-list options drawings

CONVEYANCE SCHEMATICS: OPTION A



Figure 8: Option A summary

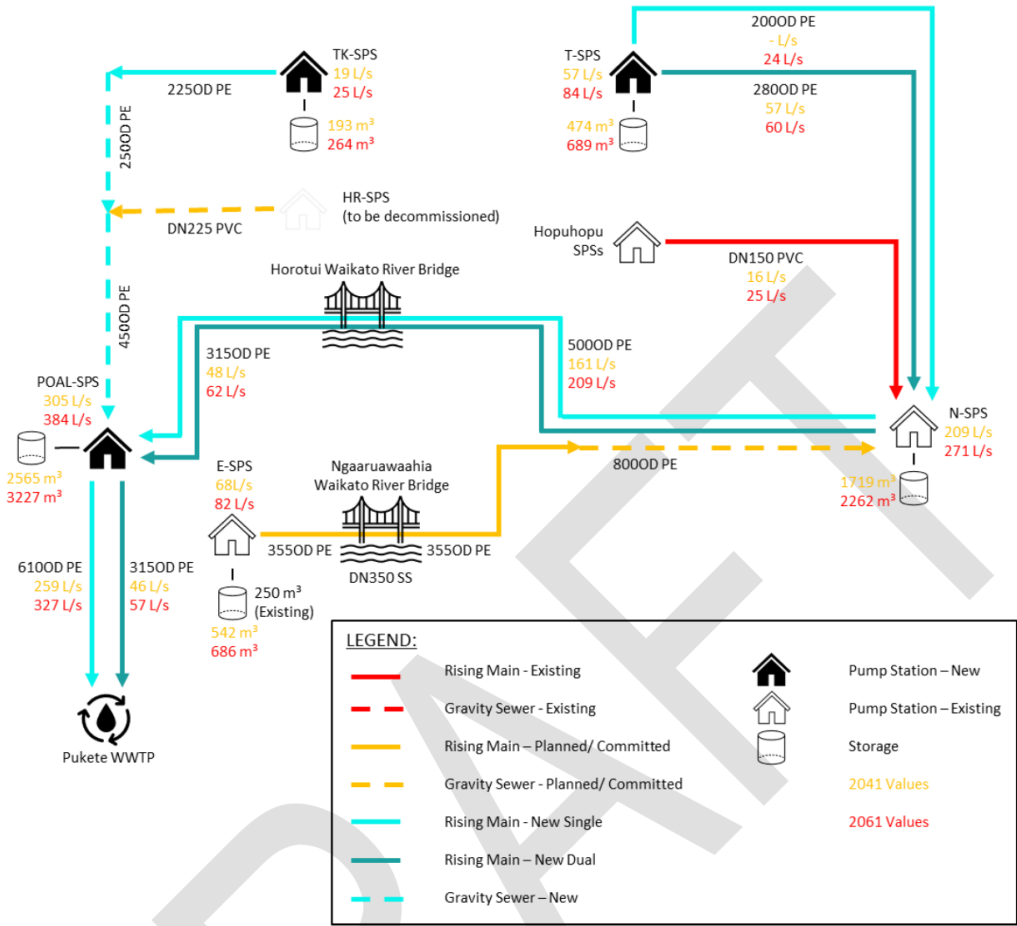


Figure 9: Option A conveyance schematic

CONVEYANCE SCHEMATICS: OPTION B1



Figure 10: Option B1 summary

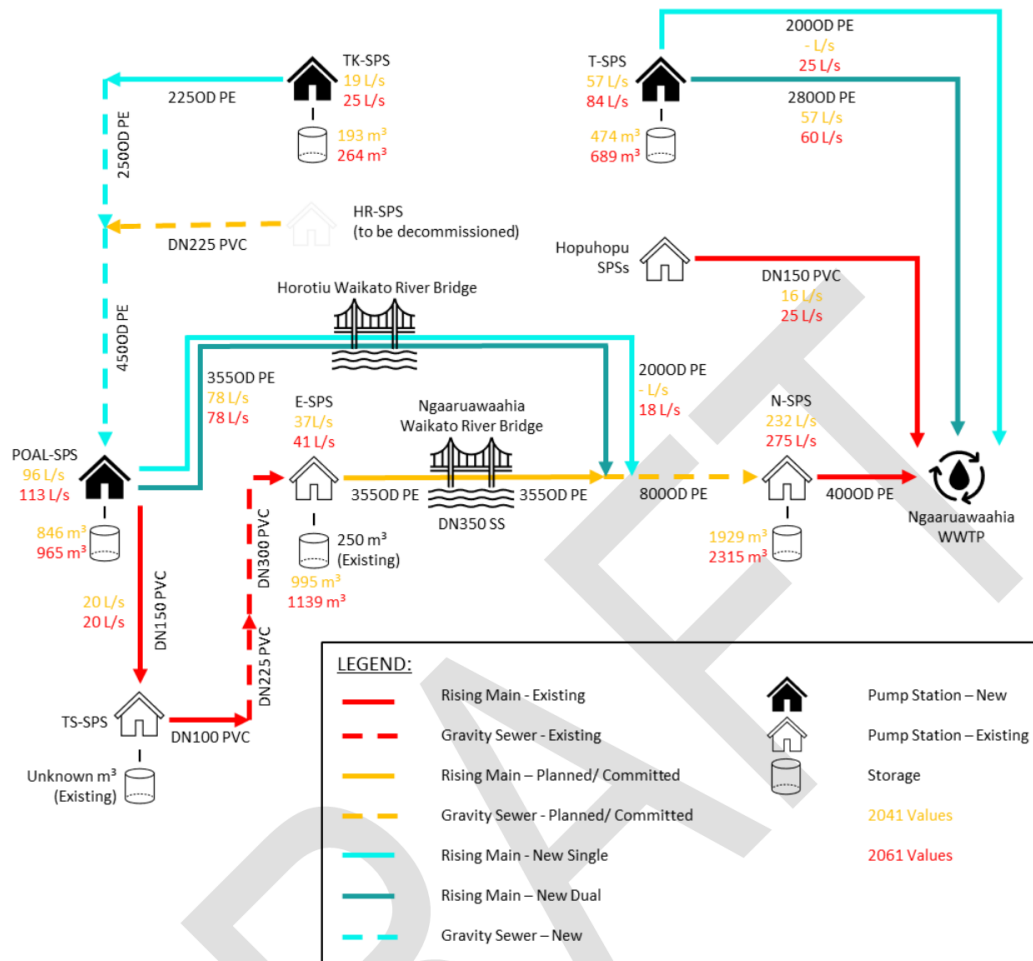


Figure 11: Option B1 conveyance schematic

CONVEYANCE SCHEMATICS: OPTION B2



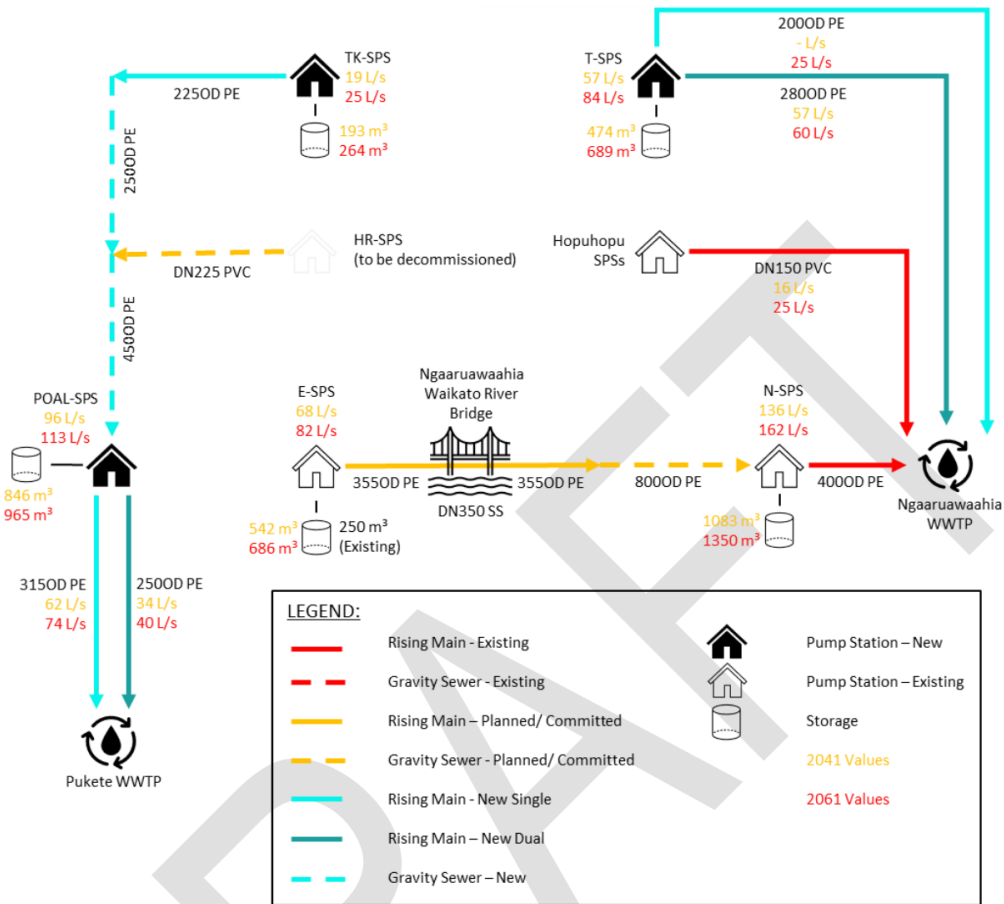


Figure 13: Option B2 conveyance schematic

B

Appendix B – Ngaaruawaahia pipe break damage report



D

Appendix D – Stakeholder Hui 29 September 2021 Presentation

E

Appendix E – Stakeholder Hui 13 December 2021 Presentation

F

Appendix F – Maatauranga Hui 2 February 2022 Presentation

G

Appendix G – MCA wrap-up hui 24 February 2022 Presentation



TO: Waikato Metro Area Wastewater Governance Group

DATE: 30 May 2022

SUBJECT: Waikato Northern Metro Wastewater DBC – Preferred option refinement activities

RECOMMENDATIONS

That the Waikato Metro Wastewater Project Governance Group:

1. ***Receive this report.***
2. ***Note the proposed refinement activities being undertaken for the Preferred Option for the Northern Metro Wastewater Detailed Business Case.***

EXECUTIVE SUMMARY

The recommended preferred wastewater servicing option for the Northern Metro DBC is:

- **Option A – Centralisation at Pukete:** Pukete WWTP upgraded to MBR; Taupiri/Hopuhopu/Ngaaruawaahia/Horotiu/Te Kowhai conveyed to Pukete WWTP; Ngaaruawaahia WWTP disestablished and site remediated; significant improvement in discharge quality; opportunities for reuse and recovery.

Further work is proposed to refine the preferred option. This will include:

- Staging of transition to Option A 10 yr vs 20 yr
- Sensitivity testing related to growth and water use
- Consideration of sustainability – energy and material recovery, biosolids management
- Develop implementation plan
- Review project risks
- Consideration of procurement and consenting strategy
- Financial modelling for preferred option

1. PURPOSE

The purpose of this report is to:

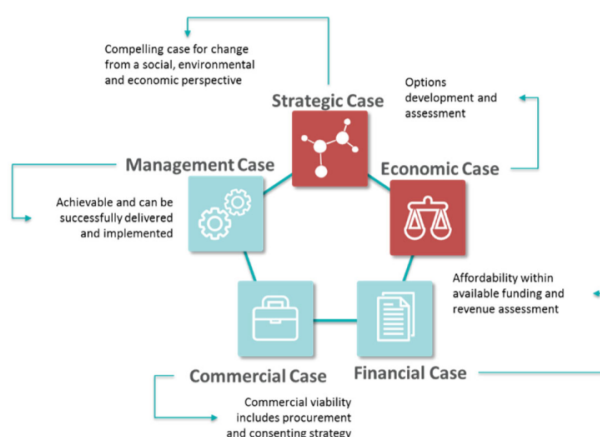
- Outline the activities planned to be undertaken for refinement of the preferred option to inform the drafting of the business case.

2. BUSINESS CASE SECTION

Describing the preferred wastewater servicing option forms part of the economic case.

The sensitivity testing and implementation plan for the preferred option feeds into the Management case assessment of project risks and opportunities.

The preferred procurement and consenting strategy will inform the Commercial case.



3. PREFERRED OPTION DEVELOPMENT

3.1 Staging options

Building on the work undertaken for the short list, the staging of the diversion of flows from the north to Pukete WWTP and upgrades at Pukete WWTP could be undertaken in a fast track approach with some upgrades being commenced in advance of the Pukete WWTP resource consent decision with full implementation 5-7 years post consent decision, or an alternative approach where upgrades are implemented when needed to service growth and to implement the MBR quality 10-15 year post consent decision.

This work will consider what elements of the Pukete WWTP upgrade can be deferred until after the consent is renewed and the implications for project objectives, financial considerations and risks.

WDC is also considering potential upgrades at the Ngaaruwaahia WWTP to meet the current resource consent conditions which will need to be factored into the preferred option.

We will also develop the do minimum capital cost and a conceptual layout to compare with the preferred option. Ngaaruwaahia WWTP remediation requirements will be outlined.

3.2 Sensitivity testing

To recognise the potential for growth exceeding the current projections, sensitivity testing will be undertaken to test assumptions around the location and timing of population growth and types of industry and water use per person.

The following scenarios are proposed to as the basis to define sensitivity testing:

- Faster growth and more growth across Hamilton City to reflect that density changes anticipated by the National Policy Statement for Urban Development. This will be based on the current dwelling projections being developed by HCC with people/household from NIDEA.
- More residential growth north of Hamilton (Te Rapa/Horotiu/Te Kowhai/Taupiri/Hopuhopu). Quantum still to be confirmed.
- Additional wet industry in Horotiu/Te Rapa (from that already included 1,400 m³/day) – allowance of 3,000 m³/day (similar to a large food producer).
- Inclusion of additional unplanned development areas - allowance and timing still to be determined.
- Water use decreasing to 150 l/p/d (consequence of urban form changes and water demand management interventions)

The sensitivity testing will assess the impact of the change on the key conveyance and treatment assets size/capacity and timing.

3.3 Sustainability

Key assumptions around resource/energy recovery will be reviewed to understand further potential opportunities and benefits that could be realised.

3.4 Implementation plan and risk review

An implementation plan through to 2061 will be developed and the project risks reviewed.

3.5 Consenting and procurement

The consenting strategy developed for the Southern DBC covered the whole metro area. This will be reviewed to update any new information and to incorporate to northern specific Iwi input.

The procurement strategy will focus on the pipeline installation and MBR conversion at Pukete WWTP. This will build on the long list developed for the southern DBC.

3.6 Financial modelling

PWC will undertake the financial modelling for the preferred option to outline implication for Council's O&M budget and balance sheet. and consider any implications related to water reform.

4. RECOMMENDATIONS

That the Waikato Metro Area Wastewater Governance Group:

- 1. Receive this report.*
- 2. Note the proposed refinement activities being undertaken for the Preferred Option for the Northern Metro Wastewater Detailed Business Case.*

Council Report

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Karen Saunders **Authoriser:** Blair Bowcott
Position: Growth Programmes Manager **Position:** General Manager Growth
Report Name: Next steps R2, WA & SL1

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

1. To inform the Strategic Growth Committee on the next steps for R2, WA and SL1 growth areas, as requested by the Committee on 19 May 2021.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Committee:
 - a) receives the report;
 - b) notes the Emerging Strategic Areas Process which, along with the Out-of-Boundary Principles, guides the steps required to effectively bring new areas into the city boundaries; and
 - c) notes that staff will commence scoping studies for R2, WA and SL1 and that this work will be carried out with existing resources and budgets and completed in early 2023; and
 - d) notes that the outcomes of the scoping studies will be reported to the 2022-25 Council along with any next steps and associated resourcing and funding requirements, in accordance with the Emerging Strategic Areas Process; and
 - e) notes that alongside the adoption of the Future Proof Strategy, the Future Proof Implementation Committee resolved that the potential for greenfield development in SL1 and other areas is to be investigated as part of the Future Development Strategy.

Executive Summary - *Whakaraapopototanga matua*

3. At the Strategic Growth Committee meeting on 19 May 2022, it was resolved that staff provide Members with information on the next steps, proposed timeframes, risks and any immediate resource requirements for land use planning, commercial negotiations, and associated boundary transfers for R2, WA and SL1.
4. The Emerging Strategic Areas process outlining key steps and timeframes for bringing land into the city boundaries is detailed in paragraphs 25-30 and a high-level diagram is in **Attachment 2**.
5. In line with the Emerging Strategic Areas process, staff recommend that the next step for WA, R2 and SL1 is to undertake desktop scoping studies and other associated work identified. This work is expected to take six months and can be completed within existing budgets.
6. The scoping studies for these areas will inform the Future Development Strategy (FDS), which is being undertaken through Future Proof and is required to be completed by 2023.

7. Staff will continue work on finalising the SLA between Hamilton City Council and Waipa District Council in relation to SL1. The SLA also covers the area to the east of SL1 referred to as SL2.
8. The Hamilton Urban Growth Strategy (HUGS) is currently being reviewed. A separate report outlining the key strategy outcomes is in this agenda.
9. Council's resources are at capacity with several major projects, reforms and strategies underway or planned, alongside planning for the next 2024-34 Long Term Plan. Any progression of more detailed investigations will likely require additional funding for resources.
10. Staff will report back to the new Council with the findings of the scoping studies and any associated funding requirements for the next steps.

Background - *Koorero whaimaarama*

11. In 2020 and 2021, staff and Elected Members received an unprecedented number of proposals and requests from developers and landowners seeking recognition in the Future Proof Strategy and development rights in out-of-boundary areas adjacent to the city. Some of these requests were within areas recognised for longer-term future urban growth, such as R2, WA and SL1, and some were in newer areas which had not been investigated for future growth (see **Attachment 1** map showing Emerging Areas developer proposals).
12. At the time, the requests placed pressure on key staff to respond with technical land use and strategic infrastructure advice. These resources were already committed to key funded growth projects and initiatives such as District Plan Review and planning, and delivery of committed greenfield areas and the increased density expected in infill areas.
13. To help alleviate the pressure on key staff, an Emerging Areas Programme Manager was appointed. The Programme Manager has worked with the developers, acting as the key point of contact, managing requests and has developed a process to help clarify key steps, timing and expectations.
14. In May 2021, the Out-of-Boundary Principles were approved by the Strategic Growth Committee. The development of principles to guide decision-making on out-of-sequence and out-of-boundary growth was identified as an early deliverable of the HUGS due to increasing interest from landowners around the city boundaries. The out-of-boundary developers and landowners will need to demonstrate how they intend to meet the principles, which are:

Any out-of-boundary development must enhance the overall wellbeing of Hamiltonians and create quality communities by:

Delivering:

- i. Neighbourhoods where key services are close by and easily accessible
- ii. compact and accessible developments
- iii. affordable housing choices
- iv. sustainable and integrated infrastructure solutions
- v. a significant portion of land value uplift for the benefit of the wider community
- vi. places to work, or quality connections to places of work
- vii. places for recreation

Enhancing Hamilton's economy

Protecting and recognising cultural heritage

Responding to climate change

Growing green areas and biodiversity

Meeting the costs of all infrastructure

Not compromising planned investment.

15. In addition to the Out-of-Boundary Principles, several key strategies and projects have progressed which have helped provide direction for emerging area proposals. These include the Future Proof Strategy, HUGS Review, the District Plan Review (Plan Change 12), and the Metro Spatial Plan Business Cases (wastewater and transport).
16. In late 2021, several out-of-boundary developers, including developers from R2, WA and SL1, Brymer Road and Te Kowhai East, presented their proposals to Elected Members as part of seeking feedback for their submissions to the Future Proof Strategy.
17. The Future Proof Strategy was adopted in June 2022 by the Future Proof Implementation Committee (FPIC). The revised strategy has recognised R2, WA, HT1 and Ruakura East as Future Enablement Areas which can be triggered subject to the Strategic Land Agreement (SLA) with Waikato District Council. The Future Proof Strategy does not recognise other areas. However, as a requirement to prepare the FDS, FPIC has resolved to specifically investigate the SL1 area and other areas around the periphery of Hamilton, as agreed by parties.
18. The HUGS is currently under review and due for consultation in October/November 2022. The strategy will articulate a preferred urban form to help guide decision making to support growth over the next 50 years. The strategy prioritises Central City growth, key transport corridors and committed greenfield growth areas. Where new greenfield growth areas are proposed, they must meet the out-of-boundary principles.
19. A separate report on HUGS is being taken to this meeting, seeking approval of the key outcomes.
20. Staff have provided updates to the Strategic Growth Committee on the Emerging Areas proposals as part of the Growth Programmes Updates since July 2021.
21. At the Strategic Growth Committee meeting on 19 May 2022, the committee resolved for staff to provide the committee with information on the next steps, proposed timeframes, risks and any immediate resource requirements for land use planning, commercial negotiations, and associated boundary transfers for R2, WA and SL1. This report outlines the next steps for those areas.

Discussion - *Matapaki*

22. The timeframes for transforming a piece of land from rural farmland outside the city boundaries into an urban new community with homes and amenity can take decades.
23. Once a new area is inside the city boundary, strategic land use planning and zoning occurs, followed by strategic infrastructure planning, designations, funding, design and construction (roads, pipes, parks and amenity). Once the land has been enabled for development, the subdivision resource consenting and building consenting can occur, development can be realised and new homes and communities can be delivered.
24. The most recent transfer of land into the Hamilton City Council boundaries was Ruakura in 2011. The table below summarises key land use milestones.

<i>Growth Cells</i>	Peacocke	Rotokauri	Rototuna	Ruakura
<i>Transferred into HCC</i>	1989	1989	1989	2011
<i>Structure plan</i>	2007	2009	1999	2015
<i>First homes constructed</i>	2008	2014	1980s and ongoing	2015
<i>Expected completion</i>	2048	2052	2033	2032

Emerging Strategic Areas Process

25. An 'Emerging Strategic Areas Process' has been created, which outlines the steps required to bring new areas of land into the Hamilton City boundary. A diagram showing high level steps is in **Attachment 2**. The process was presented to Elected Members at an information session on 28 June 2022.
26. The Emerging Strategic Areas Process begins with strategic recognition of land outside the city and ends once the land has been brought into the city boundaries.
27. Key steps (as outlined in **Attachment 2**) include strategic recognition, scoping study, land use and infrastructure assessments, commercial negotiations and the Local Government Commission boundary change process.
28. Recently, developers proposing out-of-boundary developments have requested 'plug and play' infrastructure solutions. Before Council determining if that land use is appropriate for the areas, the developers have requested infrastructure assessments in advance of strategic land use assessments being undertaken.
29. It is important that the process is land use led to ensure any new growth areas align with national and subregional policies and outcomes versus individual parcels of land that are progressed on an ad-hoc basis by developers.
30. The following table provides further detail on some of the key steps in the Emerging Strategic Areas process:

Emerging Strategic Area Step	What it is and why it's important
Strategic Recognition	Recognition of the areas in key land use strategies or through agreements, such as Strategic Land Agreements, helps to ensure alignment at a sub-regional level to support good growth and land use outcomes.
Scoping Study	Undertake a Council led scoping study to collate existing knowledge and information on the areas and understand where the gaps are. The study covers high level land use and infrastructure matters and helps Council and developers understand constraints and opportunities, identify areas for further investigation and helps us understand the work and resources required.
Land use and infrastructure assessments	<p>These assessments are undertaken to understand the strategic land use planning and transport, three waters and community infrastructure requirements. Land use and infrastructure assessments consider the impact on the existing city network alongside other key strategic land use and infrastructure that is planned for the future.</p> <p>During this stage, Council may enter into a Memorandum of Understanding with the developers to agree the process for working together and appropriate funding streams. An indicative wellbeing business case may also be undertaken to understand the benefits, full investment needed and delivery model to</p>

Emerging Strategic Area Step	What it is and why it's important
	<p>support decision making.</p> <p>It is anticipated, in alignment with the out-of-boundary principles that the developers will fund the necessary technical studies required that benefit their developments.</p>
Commercial negotiations	<p>This is one of the biggest opportunities to capture value and secure land for future amenity or infrastructure purposes.</p> <p>Land value increases significantly once it is changed from rural land to urban land, as the valuation is based on the potential number of homes that can be built on that land.</p> <p>Working the with landowners or developers to negotiate commercial outcomes and secure land for amenity, parks or infrastructure prior to boundary changes occurring could result in saving Council millions of dollars in the future.</p>
Boundary change	<p>Boundary Changes can be actioned upon approval by the Local Government Commission and a strategic land agreement with the neighbouring Council.</p> <p>Boundary Change processes are largely administrative but complex and require public consultation. A high-level process chart showing steps of the boundary change process is in Attachment 3.</p> <p>Boundary change processes require a project manager and a project team which includes members from the relevant Councils involved.</p>

31. Council understands the need to remain flexible and not limit or prevent opportunities for future development within or outside of the existing Hamilton City boundary; similarly, the necessity for Council to be flexible when considering development proposals is embedded within the provisions of the National Policy Statement on Urban Development (NPS-UD). The Emerging Strategic Areas process helps ensure that we are doing the appropriate level of investigations in the right order, at the right time, to ensure the best long-term outcomes for the future communities.
32. The Emerging Strategic Areas process is a pathway to change the city boundaries based on the need for additional land needed to accommodate projected growth of our city. When considering new strategic growth areas, it is important to determine what we need in terms of land, and when we are likely to need it, based on the best evidence that we have available.
33. There could be other reasons to consider change the city boundary. Some examples could include:
 - i. by request from a community,
 - ii. to align with geographical catchments,
 - iii. amalgamation of areas to achieve efficiency gains,
 - iv. to better reflect communities of interest,
 - v. to rationalise administrative anomalies,
 - vi. to align with infrastructure network areas,
 - vii. Iwi interests, or
 - viii. as part of a wider reform of local government.

34. If Elected Members wished to advance a boundary change driven by a reason other than the need for additional land to accommodate projected growth of our city, it is more appropriately carried out through other processes. Such a process would need to be politically supported by all impacted councils involved as well as the community of interest.
35. The current reform programmes being carried out by central government, specifically the Future for Local Government Review, may be the more appropriate forum in which to discuss the appropriate future size and scale of a Hamilton local authority beyond specific discussions about future urban areas on the periphery of the city.

Next steps and timeframes for R2, WA and SL1

36. The next steps for R2, WA and SL1 are for Council to undertake desktop scoping studies and report back to the new Council with findings, resourcing and funding requirements.
37. Then, subject to findings from the scoping studies and resources and funding:
 - i. enter an MOU with key landowners and commence the more detailed land use assessments and infrastructure assessments required for a boundary change;
 - ii. undertake commercial negotiations;
 - iii. fund and set up a project team to action the Boundary Change Process.
38. Council's growth resources are at capacity with several major projects, reforms and strategies underway or planned alongside planning for the next 2024-34 Long Term Plan. Any progression of more detailed investigations will require additional funding for resources. Consideration of impact on existing work programmes should be taken into account prior to commencing the boundary change process.

Scoping Studies

39. The scoping studies can be completed by Council staff within the City Planning team and the City Development team and are expected to take six months. This scoping study work will contribute to the FDS, which is being led by Future Proof and is required to be completed by mid-2023.
40. Scoping studies are also being undertaken for Ruakura East and HT1 areas as part of the work required for the FDS.
41. The scoping studies will collate existing knowledge and information on the areas and understand where the gaps are. The studies will help Council and developers to understand constraints and opportunities, identify areas for further investigation and help Council understand the work and resources required. Examples of information that will be explored in the scoping studies includes:
 - i. land use opportunities and constraints;
 - ii. high-level infrastructure requirements (three waters, transport and ICMP requirements);
 - iii. assessing whether the areas meet the HUGS out-of-boundary principles and the out-of-sequence and unanticipated development criteria in the revised Future Proof Strategy.
42. Alongside scoping studies, a refreshed assessment of our industrial capacity will be undertaken to help identify and understand industrial land needs.

Strategic Land Agreements

43. The 2005 SLA between Waikato District Council and Hamilton City Council in relation to R2, WA and HT1 was amended in 2020. The agreement allows Chief Executives to agree when to commence the boundary change process. Staff will work with Waikato District Council staff to plan for next steps in relation to these areas.
44. The development of a draft SLA has been ongoing between Hamilton City Council and Waipa District Council regarding SL1. The SLA also covers the area to the east of SL1 referred to as SL2. An update is included in the General Managers report.
45. Staff will report back to the new Council on the outcomes of the scoping study and recommended next steps for the areas.

Financial Considerations - *Whaiwhakaaro Puutea*

46. There are no financial implications, as the desk top scoping studies for R2, WA and SL1 will be undertaken by existing staff within existing budgets.
47. It should be noted that there is no funding in the 2021-31 Long Term Plan to undertake more detailed assessments or to fund any advancement of these areas. It is anticipated that developers will fund technical studies required to support the progression of development of their land.
48. Any advancement of new areas of land, particularly zoning, can result in significant long term financial commitments for future councils. Therefore, it is important that infrastructure funding and financing, and commercial negotiations for value capture are considered early in the process.
49. Staff will report back to the new Council with the findings of the scoping studies and any associated funding requirements for the next steps.

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

50. Staff will engage legal advice prior to completing the Strategic Land Agreement with Waipa District Council.
51. Staff will engage legal advice as required throughout the Emerging Strategic Areas process for matters including MOU, commercial negotiations and the Boundary Change process.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

52. 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').
53. The Emerging Strategic Areas process has been evaluated in terms of the 4 wellbeing's during the process of developing this report.
54. The recommendations set out in this report are consistent with that purpose.

Social

55. The out-of-boundary principles guide to social wellbeing outcomes by ensuring that good community outcomes are planned from the start. Early engagement with key agencies including Ministry of Education ensures that the right social infrastructure will be in place and funded as the community grows.

Economic

56. Progressing the next steps for R2, WA and SL1 contributes to economic wellbeing outcomes by ensuring that there is a long-term pipeline of growth for homes and jobs. The out-of-boundary principles guide good economic outcomes by ensuring a significant portion of land value uplift is captured for the benefit of the wider community.
57. Constraining land supply has been found to drive up property value which led to poor economic and social outcomes. Maintaining sufficient supply of land for houses and jobs is critical.

Environmental

58. Progressing scoping studies for R2, WA and SL1 can contribute towards environmental wellbeing outcomes by ensuring these new growth areas respond and align to climate change policies, actions and targets as well as ensuring the out-of-boundary principles are at the forefront of any decisions going forward.
59. As the city grows, it's important that a sub-regional approach is taken to protect and invest in blue-green corridors and protect and restore the Waikato River. Early scoping study work can identify these areas and relevant work required to achieve these outcomes.

Cultural

60. Effective partnership with Iwi is integral to the success of the Emerging Strategic Areas process and any other land that is brought into the City.
61. We respect the special status of Tangata Whenua and are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building and maintaining mana-enhancing partnerships.

Risks - *Tuuraru*

62. There is a risk that Council may not have sufficient resource capacity to undertake the steps outlined in the Emerging Strategic Areas process, which may result in delays, missed opportunities and/or staff burnout. This can be mitigated through ensuring the resources are in place and funded, and assessing the existing work programme prior to commencing the processes.
63. There is an opportunity to capture value from the proposed areas and to use that value to reinvest in the amenity and infrastructure needed to support the delivery of a new community. The Emerging Strategic Areas process helps to ensure that this opportunity is realised.
64. There is a risk that once land is inside the city boundaries, the developers or landowners lodge a private plan change to progress development of the area, which may impact on existing staff resources and the committed growth programme. This can be mitigated by ensuring the appropriate investigations as outlined in the Emerging Strategic Areas process are undertaken to support decision making regarding boundary changes.

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

Significance

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

Engagement

66. Regular engagement with developers, iwi, our neighbouring Councils and Future Proof Partners, Ministry of Education and Department of Conservation have helped us shape the Emerging Strategic Areas process and the next steps for the emerging areas.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Emerging Strategic Areas Process - July 2022

Attachment 2 - Local Government Commission process

Attachment 3 - Emerging Strategic Areas Developer Proposal map

Emerging Strategic Areas Process

Steps to bring land into the city

Outside the city
boundaries

Strategic Recognition 1-6 years

- Future Proof
- Future Development Strategy
- Strategic Land Agreements
- High level land use investigations

Land \$\$ ↑

Scoping Study Up to 1 year

- Understand constraints and opportunities
- Identify areas for further investigation
- Identify resources and high level funding required

Land Use & Infrastructure Assessments 1 - 5 years

- Land use assessments and early structure planning work
- Assessments and investigations for transport, three waters and community infrastructure
- MOU/terms sheet with developer(s)
- Indicative wellbeing business case

Commercial Negotiations 6 – 12 Months

- Private Developer Agreements (who does what, who pays for what and when)
- Biggest opportunity for Value Capture

Boundary Change 1-2 years

- LGC Application
- Holding pattern zoning e.g., future residential (within 2 years of boundary change)

Land \$\$ ↑↑

Process
ends here

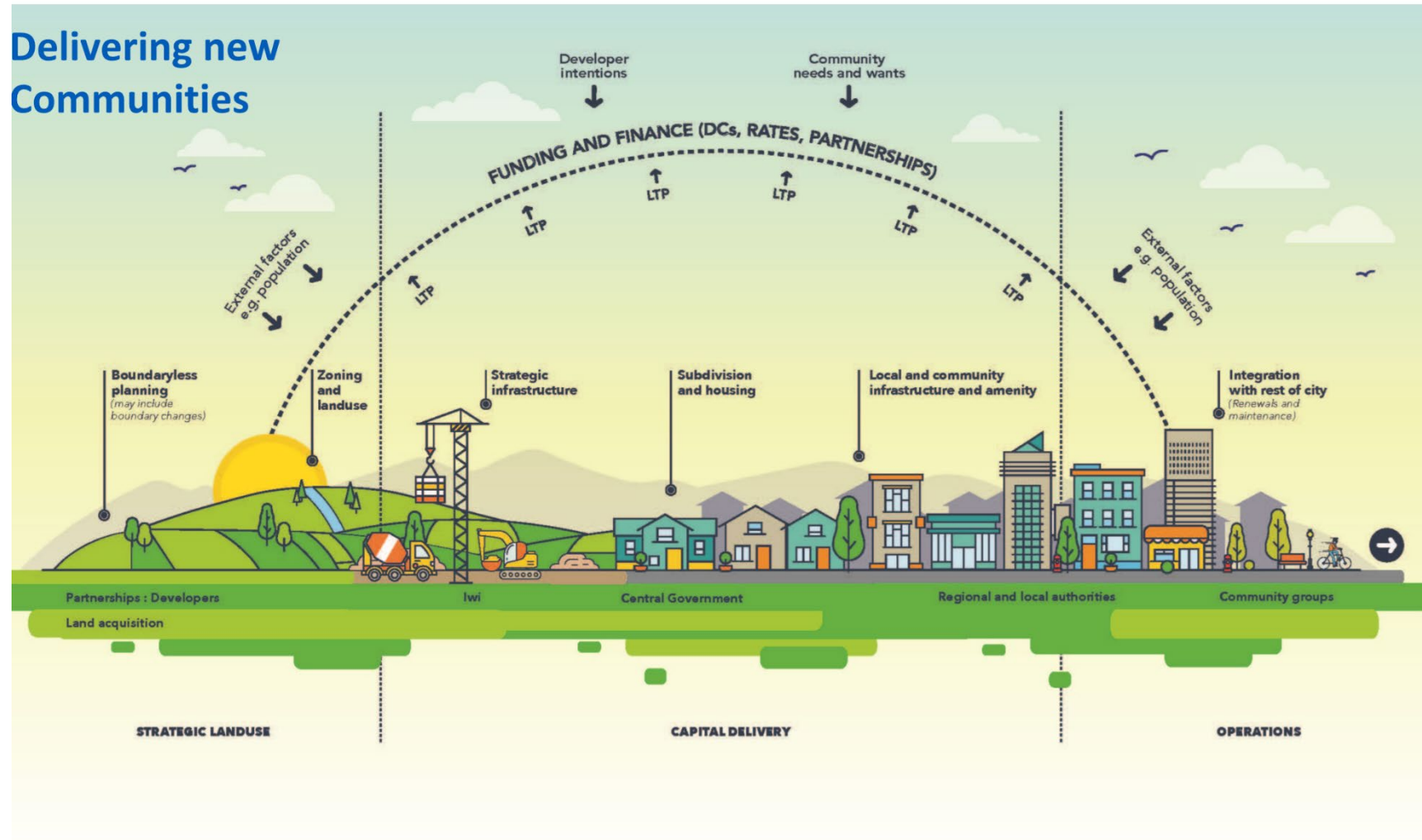
Inside the city
boundaries

Enabling for development 5-10+ years

- Detailed business case
- Structure Planning
- Infrastructure Planning
- Designations
- Infrastructure Funding & Financing
- Infrastructure Consenting, Design, Construction

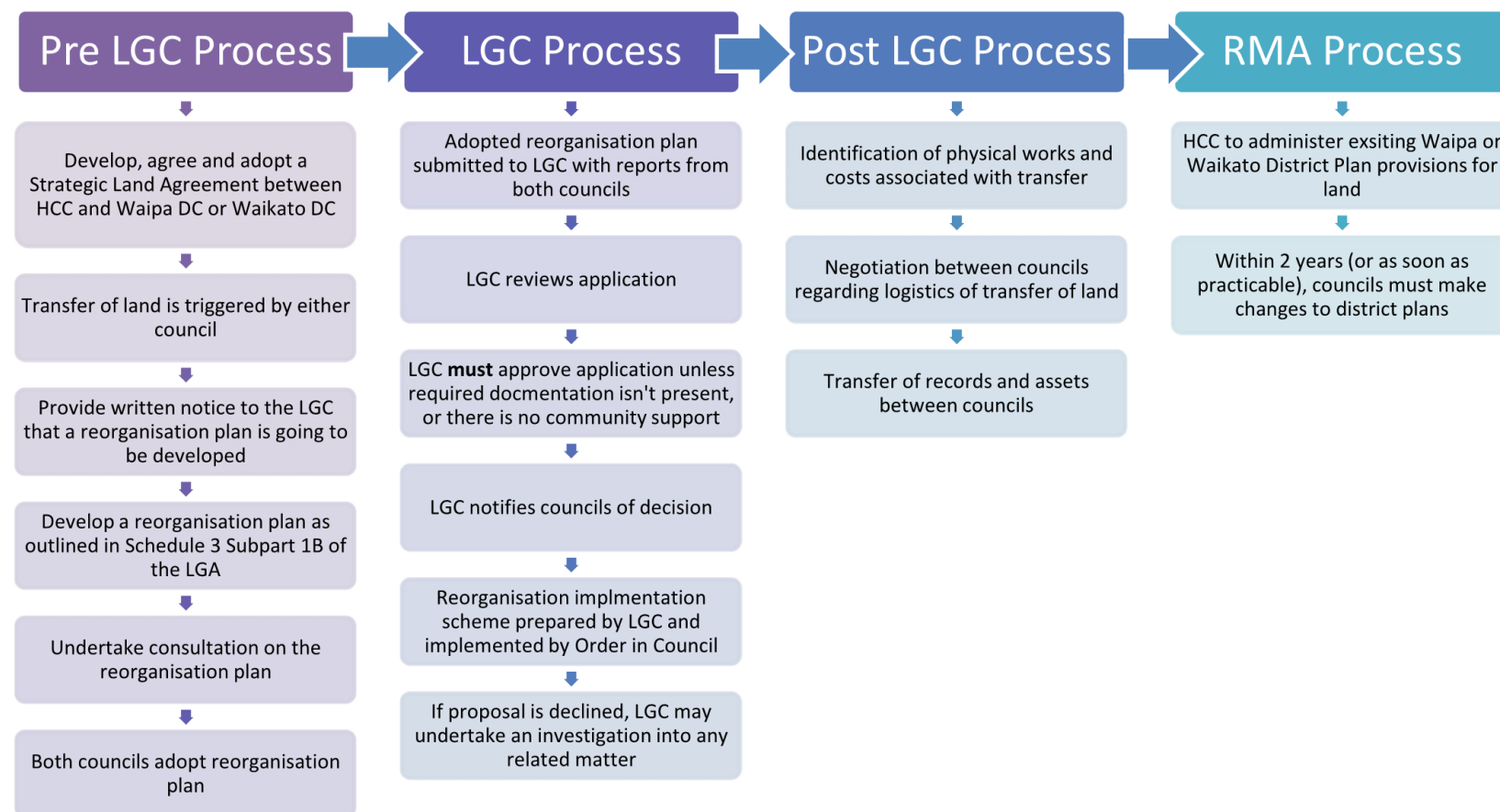
Land \$\$ ↑↑↑

*Some elements can be done concurrently, but as a general rule the process should be *land use led*



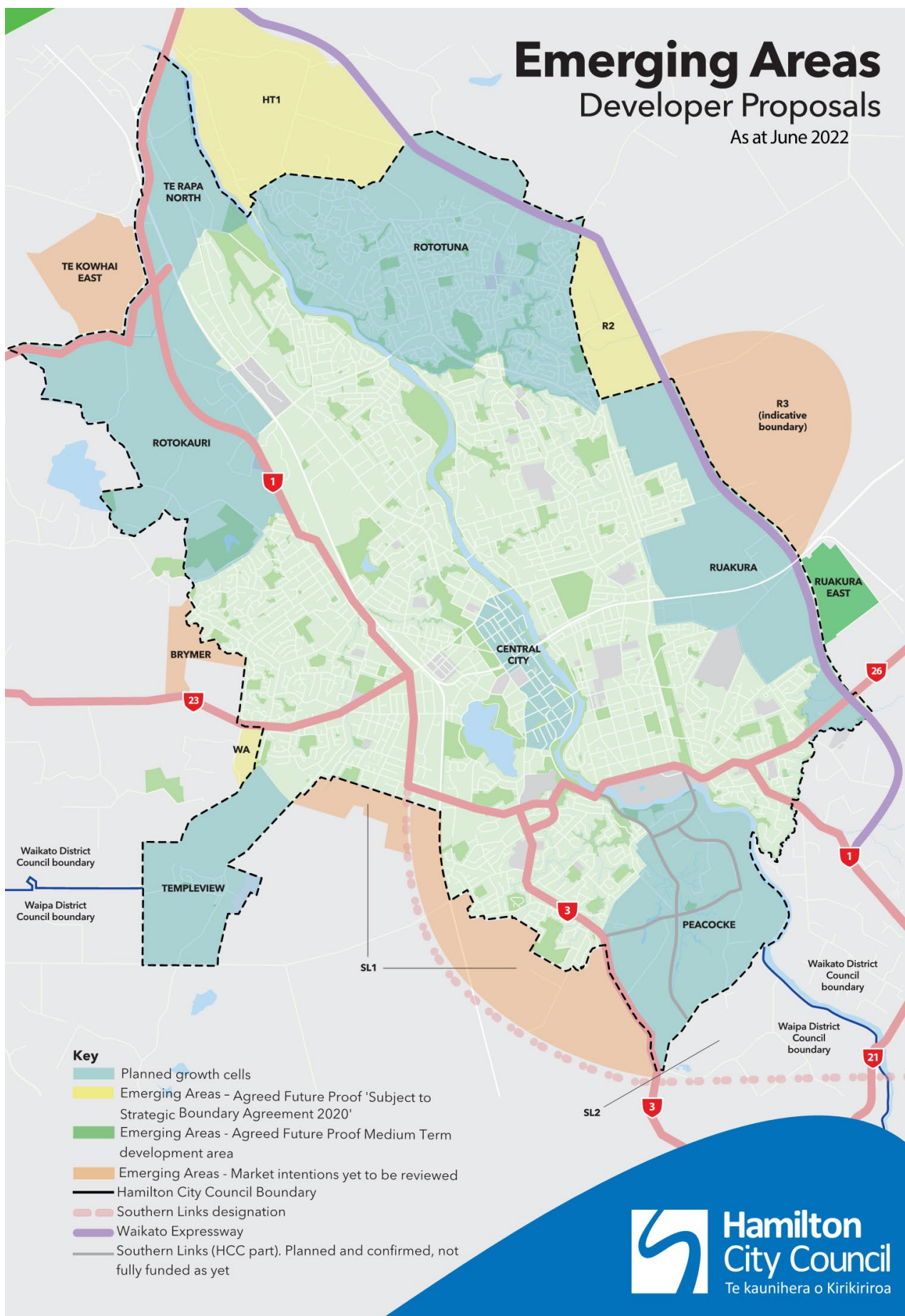
Process for transferring land from Waipa DC or Waikato DC to Hamilton CC

Local Government Act 2002, Schedule 3, Subpart 1B – Local Authority-led reorganisation applications (as at 2019)



Emerging Areas Developer Proposals

As at June 2022



Council Report

Item 9

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Stafford Hodgson **Authoriser:** Blair Bowcott
Position: Project Manager - Growth Programmes Unit **Position:** General Manager Growth
Report Name: HUGS review - approval of outcomes

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

1. To seek approval from the Strategic Growth Committee on the Hamilton Urban Growth Strategy (HUGS) outcomes.
2. To seek delegation from the Strategic Growth Committee for the General Manager Growth and Chair and Deputy Chair of the Strategic Growth Committee to approve a draft HUGS for public consultation through a Special Consultative Procedure (SCP).

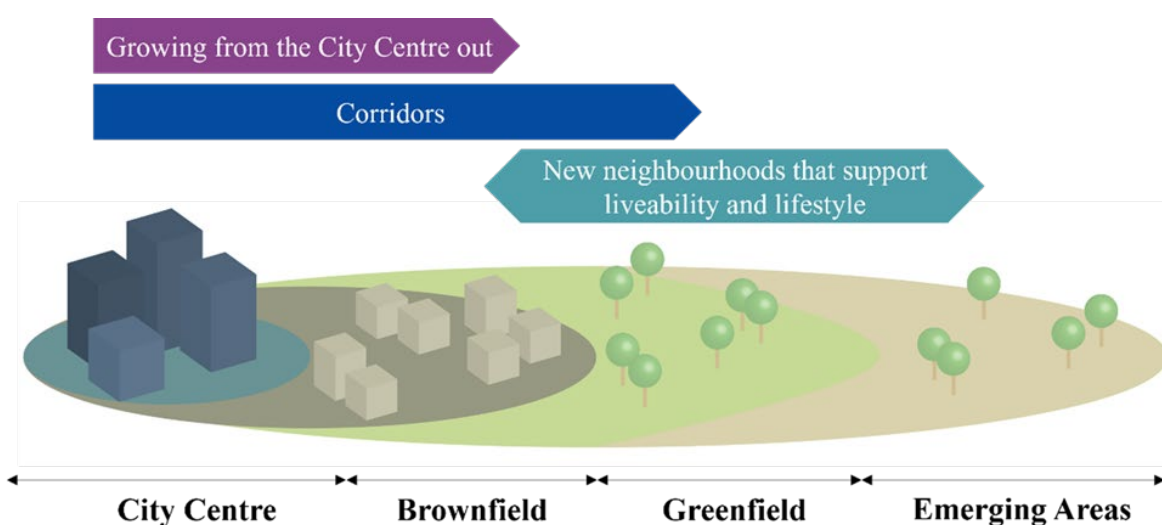
Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Strategic Growth Committee:
 - a) receives the report;
 - b) approves the outcomes of the revised draft Hamilton Urban Growth Strategy as:
 - i. "Grow up and out from the central city",
 - ii. "Focus investment, growth and density along transport corridors", and
 - iii. "Support the development of new neighbourhoods that promote liveability";
 - c) delegates authority to the General Manager Growth and Chair and Deputy Chair of the Strategic Growth Committee to finalise and approve the draft Hamilton Urban Growth Strategy and its Statement of Proposal for consultation;
 - d) notes that the General Manager Growth will work with the Hamilton Urban Growth Strategy Reference Group on the content of the draft Hamilton Urban Growth Strategy and Statement of Proposal; and
 - e) notes that consultation will occur in October/November 2022.

Executive Summary - *Whakaraapopototanga matua*

4. Hamilton is a growing city. Over the last ten years we have been experiencing massive growth of about 33,000 people, 11,000 homes and 3,000 businesses. Hamilton currently has around 60,000 homes for around 180,000 people. Over the coming 50 years this is projected to approximately double to around 120,000 homes for about 310,000 people (the number of people projected per dwelling is anticipated to reduce over time).

5. HUGS is about how we accommodate both residential and non-residential growth in the city, homes, and jobs. It is a strategy that combines spatial planning and infrastructure investment prioritisation to chart a course for Hamilton's growth.
6. There are important and interrelated concurrent workstreams addressing the growth challenges we face as a city. The draft HUGS must reflect these workstreams, so our collective efforts are aligned and drive Hamilton toward shared wellbeings-focused outcomes.
7. The strategic direction for HUGS is informed by the vision, outcomes, and priorities adopted and evolved from existing planning and policy direction. HUGS aligns with the vision and priorities set out in the Long-Term Plan.
8. The health and wellbeing of the Waikato River, our environment, climate change, accessibility and working with our neighbours are all driving the future for Hamilton Kirikiriroa through the review of HUGS.
9. A criteria assessment process was used to assess the suitability of the different areas for growth, which was based on information and evidence obtained through a desktop analysis. This broadly found that the best opportunities for Hamilton Kirikiriroa's growth are both:
 - i. the redevelopment of centrally located areas of the city, and
 - ii. the development of well-connected and planned for greenfield areas.
10. The HUGS outcomes align with other Council strategies and workstreams, reflect Hamilton Kirikiriroa's vision and five priorities, what's driving the future of Hamilton Kirikiriroa and are informed by the criteria assessment. They are detailed in paragraphs 56 to 67 and illustrated below.



11. Staff seek delegation from the Strategic Growth Committee to the General Manager Growth and Chair and Deputy Chair of the Strategic Growth Committee to finalise and adopt the draft HUGS and its Statement of Proposal for consultation. Staff will work with and take direction from the HUGS Reference Group while drafting further content and in the design of the draft HUGS.
12. Staff will finalise the draft HUGS and associated consultation materials in early September 2022. Consultation will begin following the October 2022 elections and conclude in November 2022. This timing will avoid undue confusion with District Plan Changes 9 and 12 and enable HUGS to be formally approved in early 2023.

13. The current HUGS is over 10 years old. Going forward, HUGS is anticipated to be reviewed every three years or as required, as the evidence basis that informs HUGS is constantly changing.
14. Staff have and will continue to engage legal advice in preparing and carrying out the Special Consultative Procedure.
15. Given the requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of the matter(s) in this report.

Background - *Koorero whaimaarama*

16. The current HUGS is over 10 years old. It focused the city into four growth approaches. These old approaches, which are currently being reviewed, are outlined below:
 - i. **Growth Approach 1:** Over the next 10-20 years, approximately 50% of Hamilton's new dwellings will be increasingly provided through regeneration of existing parts of the city. It is recognised that this will not be appropriate for all areas. Therefore, this regeneration will focus in and around key nodes including the CityHeart, transport hubs, suburban centres and areas of high public amenity such as parks and the river.
 - ii. **Growth Approach 2:** The commitments to developing the remainder of Rototuna and Stage 1 of both Peacocke and Rotokauri remain. The development of Rototuna and Stage 1 of both Peacocke and Rotokauri will include greater choice in living environments, for instance, more compact type developments in key areas such as town centres or around parks and open spaces.
 - iii. **Growth Approach 3:** To prioritise the residential growth area of Peacocke in the longer term.
 - iv. **Growth Approach 4:** To enable the development of a high technology, innovation precinct in Ruakura – beginning development within the decade in the area around the existing innovation Park and subsequently releasing additional land for more general employment needs.
17. At previous Strategic Growth Committee meetings (18 February 2021, 30 March 2021 and 20 May 2021), the Committee resolved to review HUGS, approved the scope of the HUGS review and budget, and approved the draft out-of-boundary development principles (see **Attachment 1**).
18. The HUGS review includes the following pieces of work:
 - i. Developing a set of principles that guide decision making on opening out-of-sequence or out-of-boundary areas for development;
 - ii. Reviewing the Urban Growth Strategy for land within Hamilton city boundaries and future urban land near the boundaries, for up to 50 years, with a focus on the four wellbeings;
 - iii. Modelling, research and analysis;
 - iv. Engagement, including a Special Consultative Process; and
 - v. Developing a high-level roadmap of actions.
19. The following pieces of work are out of scope of the HUGS review:
 - i. Changes to other existing strategies, policies and plans;
 - ii. Preparation of detailed infrastructure funding plans and costs;
 - iii. A full and detailed implementation plan;
 - iv. Implementation of the strategy;
 - v. Land use planning and structure planning; and

- vi. Visualisation and interactive GIS platforms and associated technology.
20. The draft out-of-boundary development principles were delivered in May 2021 and have been sent to developers and/or landowners as part of the ongoing discussions with these parties about their respective emerging area opportunities. It is worth noting that there are other considerations for these opportunities such as the Future Proof out-of-sequence and unanticipated developments criteria (page 65 of the [Future Proof Strategy](#)).
 21. To inform the long-term vision for Hamilton's growth, the evidence basis of the HUGS review draws on existing:
 - i. planning (local, regional, Government);
 - ii. infrastructure (capacity, availability);
 - iii. funding/financing, growth modelling (supply/demand, uptake, feasibility); and
 - iv. wellbeing information.
 22. Council needs to balance these core factors in HUGS. This evidence basis is constantly evolving, and HUGS needs to reflect this. Going forward, HUGS is anticipated to be reviewed every three years or as required as the evidence basis changes.
 23. The first of the Elected Member HUGS Reference Groups was held on 4 August 2021 and provided valuable direction for the strategy and for the technical stakeholder workshops. Cllrs Macpherson, Hamilton, van Oosten, Thomson, Pascoe, Gallagher and Maangai Whetu have comprised the HUGS Reference Group, which has guided the formation of this strategy.
 24. The HUGS work was paused during early September 2021 to allow staff to better understand dependencies and align the HUGS project with other programmes of work including the District Plan Change Programme, Metro Spatial Plan Transport Programme Business Case, Future Proof Review, Access Hamilton Refresh and the Government Reform Agenda. The 22 September 2021 HUGS Reference Group was cancelled to allow time for staff to better understand these dependencies.
 25. As part of the HUGS modelling, research and analysis work, staff have completed area assessments (otherwise known as a Multi Criteria Analysis or MCA). This assessment considered important factors such as:
 - i. climate change,
 - ii. protecting valuable land and resources,
 - iii. implementability,
 - iv. improved liveability,
 - v. improved access, and
 - vi. serviced land and infrastructure capacity.
 26. The results of this work contributed toward the HUGS outcomes (detailed in paragraphs 56 to 67 below).
 27. A comprehensive update was reported to the [31 March 2022 Strategic Growth Committee meeting](#) (see Item 11 - Open Information Only Reports).
 28. Staff presented the 'Hamilton Growth Story' to Elected Members at a 4 May 2022 information session to enable the decisions coming to the Strategic Growth Committee to be considered holistically rather than in isolation.

29. A HUGS/District Plan Elected Member bus tour was held on 20 June 2022. The purpose of the tour was to visit some areas inside the city to view them from an urban design and streetscape perspective. This site visit was requested by Councillor Gallagher and supports the HUGS work as well as District Plan Change work. Those present gained a good understanding of the challenges and opportunities arising from intensification and what we as a Council can influence.
30. A HUGS information session on 28 June 2022, provided an opportunity to inform all Elected Members ahead of making a decision on the HUGS outcomes contained in this report.

Discussion - *Matapaki*

31. Hamilton is a growing city. Over the last ten years we've been experiencing massive growth of about 33,000 people, 11,000 homes and 3,000 businesses. Hamilton currently has around 60,000 homes for around 180,000 people. Over the coming 50 years this is projected to approximately double to around 120,000 homes for about 310,000 people (the number of people projected per dwelling is anticipated to reduce over time).
32. HUGS is about how we accommodate both residential and non-residential growth in the city, homes and jobs. It is a strategy that combines spatial planning and infrastructure investment prioritisation to chart a course for Hamilton's growth.
33. The reviewed HUGS will articulate a preferred urban form and provide clear direction for long-term investment decisions on how our city will achieve wellbeing outcomes in its response to growth. It's the vision for how our city will grow homes and jobs. The revised HUGS will inform growth modelling, infrastructure master planning, 30-Year Infrastructure Strategy, LTP development, asset management planning, and engagement/prioritization discussions with external infrastructure partners (e.g Waka Kotahi and the proposed new Waters Entity if it is established).
34. The long-term and strategic nature of this work means HUGS is not constrained by current infrastructure or funding deficits. HUGS informs the decisions we have yet to make, while incorporating the decisions we have already made to chart a pathway from the present state of Hamilton to a desired future state.

HUGS alignment with other Council strategies and workstreams

35. There are important and interrelated concurrent workstreams addressing the growth challenges we face as a city. HUGS must reflect these workstreams, so our collective efforts are aligned and drive Hamilton toward shared wellbeings-focused outcomes. These include:
 - i. Growth modelling
 - ii. District Plan Change Programme
 - iii. Other key council strategies listed below (see paragraph 39)
 - iv. Other key strategic planning work under way
 - v. Future Proof Strategy Review.
36. The Metro Spatial Plan (MSP) is now embedded into the Futureproof Strategy; HUGs is aligned to MSP and reflects the boundary-less approach to considering Hamilton's long term growth. Hamilton doesn't exist in isolation and our long-term growth planning needs to align and reflect that.
37. HUGS is a long-term strategy looking out to 50 years in the future. In the short term, HUGS is an assessment of where we are today. This is a reflection of the latest planning knowledge and the current infrastructure constraints. HUGS in the short term will reflect the District Plan Change work.

38. HUGS will build on the assessment of where we are today by setting the city's growth direction based on the technical evidence and Elected Member direction. This growth direction established through HUGS will inform future infrastructure prioritisation and Council's growth modelling. The modelling forecasts the 'where' and 'when' of growth. This growth modelling needs to show that Hamilton has set the right growth direction to accommodate both residential and non-residential growth of the city, homes and jobs.
39. The revised HUGS will deliver against wellbeing outcomes and priorities identified in 'Our vision for Hamilton Kirikiriroa', 'He Pou Manawa Ora – Pillars of Wellbeing' and has received governance direction from the HUGS Reference Group and the Strategic growth Committee.
40. Like other key Council strategies including the Open Spaces Plan/Strategy (under review), Climate Change Strategy (under development), Access Hamilton (under review), Community and Social development strategy (under development), and Nature in the City strategy, HUGS is aligned to Council's vision of "Hamiltonians enjoy a connected, vibrant, attractive and prosperous city" and also supports Council's purpose of "Improving the wellbeing of Hamiltonians".
41. These strategies have and will set the direction in their respective areas. To be successful, HUGS must align with these while focusing on the future urban growth of the city.

Hamilton Kirikiriroa's vision and five priorities

42. The strategic direction for HUGS is informed by the vision, outcomes, and priorities adopted and evolved from existing planning and policy direction. HUGS aligns with the vision and priorities set out in The Long-Term Plan. This vision is centred around five pillars of priority:
 - i. A city that's easy to live in
 - ii. A city where people thrive
 - iii. A central city where people love to be
 - iv. A fun city with lots to do
 - v. A green city.
43. HUGS will need to shape growth to help achieve these five priorities. Future growth needs to support Hamilton to become a city with transport choice and convenient connections to social, civic and economic opportunities with a vibrant urban core while maintaining and integrating nature into the city's urban fabric.
44. Hamilton needs to be a city that is easy to live in, explore, and move around. It is small enough to enjoy a strong sense of community, but big enough to be vibrant and interesting. HUGS will need to shape growth so that urban living is compact and accessible.
45. Hamilton must continue to grow and create opportunities to allow residents to thrive in their jobs and lives. Hamilton is increasingly attracting both residents and businesses. This provides opportunities for an attractive lifestyle, based on a vibrant city that's easy to live in, which means more and more people will want to be here.
46. The central city will continue to be the vibrant heart of the cosmopolitan and diverse city. The central area of the city should be accessible via different modes of transport and provide easy access to the Waikato River. HUGS should guide growth and investment to enable more opportunities for people to live and work in the central city.
47. A key priority for the city is to provide opportunities for all people to play and have fun. Hamilton should become a better place for everyone to play, with a diversity of things to do and see.
48. To respond to future generational needs and environmental impacts of climate change, Hamilton must become a more sustainable city by challenging the way the city grows.

What's driving the future of Hamilton Kirikiriroa?

49. The Waikato River is at the heart of Hamilton Kirikiriroa. It has supported life throughout the city and region, it is central to our culture and has shaped the form of our city. As we continue to grow we must put the restoration and protection of the river at the heart of everything we do. As our city grows, this means:
 - i. Driving investment that protects and restores the Waikato River and delivers on our obligations under Te Ture Whaimana o Te Awa o Waikato
 - ii. Enabling water-wise communities through a radical shift in urban water planning, ensuring urban water management is sensitive to natural hydrological and ecological processes;
 - iii. targeting growth in areas serviced by, or planned to be serviced by, high quality three waters infrastructure.
50. Nature plays an essential role in economic, environmental, cultural and social wellbeing, and the more vibrant and healthy nature is, the more these benefits are multiplied. Hamilton is rich with gully networks that flow to the Waikato River and is home to native birds and other species such as the critically endangered native pekapeka rou toa (long-tail bat). As we grow it's important that we balance the need for urban growth alongside the need to protect and enhance our biodiversity. It's also important that we make the best use of limited natural resources such as water. As our city grows, this means:
 - i. protect and restore our existing open spaces and gullies
 - ii. protecting and creating multi-purpose green spaces that improve water quality, resilience (heat and flooding), biodiversity and amenity
 - iii. enabling the city to grow up to reduce the need for new greenfield growth areas
 - iv. working with our neighbouring Councils and partners to ensure that areas of ecological and conservation value are identified and protected in the future
51. Climate change is one of the greatest challenges of our time. The impacts of climate change are already being felt in our city and without immediate action, they will intensify – affecting the wellbeing of both current and future Hamiltonians. Climate change will continue to impact the livelihoods of our community and the urban living experience in our city. For Hamilton, this means more extreme weather events, higher frequency of drought events for longer and heavier periods of rainfall. Our approach to growth therefore needs to enable our city to reduce emissions while adapting to the changing climate to improve our resilience. As our city grows, this means:
 - i. shaping growth that is compact;
 - ii. making decisions that support a low carbon future in line with our emissions reduction targets;
 - iii. enabling growth of homes and jobs in areas that can easily access public and/or active transport modes;
 - iv. guiding growth that builds our resilience to climate change impacts, such as avoiding areas where flooding and other natural hazards are present.
52. Hamilton Kirikiriroa aspires to be a “20-minute city” that allows people to live locally by meeting most of their daily needs by walking from their home, in pleasant surroundings, and with safe easy access to other parts of the city by cycling, using micro-mobility or public transport. As our city grows, this means:
 - i. targeting growth in areas where more of people's daily needs already exist;
 - ii. ensuring new communities deliver 20-minute city outcomes from establishment.

53. Hamilton Kirikiriroa is at the heart of the subregion, it serves as an important employment hub with people travelling into the city each day for work and other services. Many of the people living in nearby settlements and towns such as Cambridge, Te Awamutu, Morrinsville and Ngaruawahia access the services or work within Hamilton Kirikiriroa. Collaborating with our key Future Proof partners including our neighbouring Councils, iwi and government agencies is fundamental to unlocking the potential of the region.

Criteria assessment

54. A criteria assessment process was used to assess the suitability of the different areas for growth, which was based on information and evidence obtained through a desktop analysis. High scoring areas were largely driven by their location and access to employment, transport, education and services. The output of the assessment reflected that growth in the central city areas will enable communities to live, work and play and is closely aligned with the strategic direction outlined in the MSP.
55. The Central City, the Central City walkable catchment, Maeroa, Whitiara, Chartwell, Enderley-Fairfield, Ruakura, Five-Crossroads, Claudelands, Hamilton-East and Peacocke all scored highly in the criteria assessment.

Outcomes

56. The following HUGS outcomes align with other Council strategies and workstreams, reflect Hamilton Kirikiriroa's vision and five priorities, what's driving the future of Hamilton Kirikiriroa and are informed by the criteria assessment.

Grow up and out from the central city

57. Over the past decade the city has seen significant increases in the level of intensification through the city. To the point that currently, about half of the city's growth occurs in infill areas. This demonstrates the coming of age of Hamilton as a metro centre with new and existing residents appreciating the benefits of compact city living. In the long term, the goal is to support 70% of growth through intensification of existing urban areas.
58. To move towards this goal, we're prioritising investment that enables and promotes a central city focus to growth. This will see us renewing and redeveloping areas throughout our central city promoting high density growth with a range of housing choices, high amenity environments, excellent access to jobs and services, schooling and education, parks and open spaces and community facilities. Over time the city will take a staged approach to enabling intensification in other nearby centres and suburbs close to the central city.
59. What we will do:
- i. Prioritise growth investment to enable development in the central city;
 - ii. Support achieving 70% intensification over the long term;
 - iii. Collaborate with public and private sector partners to unlock opportunities for a range of housing options in the central city;
 - iv. Prepare our communities for growth by working with them and our partners, like Kāinga Ora, to help shape redevelopment that delivers well-housed, flourishing and connected communities.

Focus investment, growth and density along transport corridors

60. As we grow it's important that we ensure that it's easy to get around. Outside of the central city, we will promote investment and economic development on our key transport corridors.
61. Growth and density along the key corridors defined in the Hamilton-Waikato Metro Spatial Plan will increase housing and employment provision, improve travel choices, promote public and active transport usage, and reduce dependency on cars.

62. For transport corridors to provide good public transport options and work really well, they need more people living close to them and more jobs at key points along them. As more people start to live in the newer areas of the city such as Peacocke and Rotokauri, we need to ensure that our existing networks and key transport corridors are able to offer the choice of travel by all modes of transport.
63. What we will do:
- i. Enable and encourage intensification and mixed-use development at key transport nodes, centres such as Chartwell, and along corridors;
 - ii. Take advantage of transport corridor upgrades to enhance three waters networks;
 - iii. Require greenfield developments are to be integrated with the rapid transit network.

Support the development of new neighbourhoods that promote liveability

64. Hamilton Kirikiriroa is fortunate to have a good pipeline of greenfield growth areas which will one day be home for thousands of future Hamiltonians. Our committed greenfield growth areas include Rototuna, Peacocke, Rotokauri-Northwest and Ruakura. Greenfield growth areas, while requiring significant investment to unlock, offer an opportunity to deliver great communities from the start.
65. Good growth outcomes for new greenfield communities include:
- i. increased diversity of housing typologies and employment opportunities;
 - ii. higher density live, work, play neighbourhoods that are supported by reliable and efficient high-quality transport options;
 - iii. support emissions reduction by providing a range of travel choices including networks of cycling and micromobility infrastructure and appropriate public transport along key corridors to ensure connectivity with the wider city;
 - iv. ample greenspace to increase biodiversity and protect the natural environment and the areas we value;
 - v. high quality integrated land use that delivers environmental and water quality improvement, resilient communities and avoids natural hazards;
 - vi. the right amount of amenity, play and recreation options that are in the right place and highly accessible;
 - vii. have vibrant local centres that provide opportunities for employment and services for the community.
66. What we will do:
- i. Follow through on existing development commitments. Finish Rototuna, continue our work in partnership to enable the greenfield areas of Ruakura, Peacocke and Rotokauri-Northwest;
 - ii. Accelerate delivery through partnerships and innovative infrastructure funding and financing mechanisms;
 - iii. Continue to work with our Future Proof partners to plan collaboratively for long term growth outside the city boundaries;
 - iv. Investigate peripheral areas identified in strategic land agreements to ensure a long term pipe line for growth that is aligned with the out-of-boundary principles.
67. For more information about how we will inform decisions on areas around Hamilton's boundaries, see the separate report in this agenda.

Engagement and next steps

68. Staff seek delegation from the Strategic Growth Committee to the General Manager Growth and Chair and Deputy Chair of the Strategic Growth Committee to finalise and adopt the draft HUGS and its Statement of Proposal for consultation. Staff will work with and take direction from the HUGS Reference Group while drafting further content and in the design of the draft HUGS.
69. Staff have begun pre-engagement with our partners, planning for engagement and preparing the draft HUGS documentation, maps and collateral. Pre-engagement has led to our partners sharing their priorities with staff so these can, where appropriate, be reflected within our document.
70. Staff will finalise the draft HUGS for consultation and associated consultation materials in early September 2022. Consultation will begin following the October 2022 elections and conclude in November 2022. This timing will avoid undue confusion with District Plan Changes 9 and 12 and enable HUGS to be formally approved in early 2023.
71. Key Elected Member touchpoints for the HUGS Review include:

Elected Member Touchpoints	Status	By when
Scope approved	Complete	March 2021
Draft Out-of-Boundary Principles approved	Complete	May 2021
HUGS Reference Group	Complete	4 August 2021
HUGS Reference Group	Cancelled	22 September 2021
Strategic Growth Committee Meeting	Complete	19 October 2021
HUGS Reference Group	Complete	5 November 2021
Strategic Growth Committee Meeting	Complete	2 December 2021
Strategic Growth Committee Meeting	Complete	15 February 2022
HUGS Reference Group	Complete	28 February 2022
Strategic Growth Committee Meeting	Complete	31 March 2022
Strategic Growth Committee Meeting	Complete	19 May 2022
HUGS Reference Group	Complete	30 May 2022
Bus tour	Complete	20 June 2022
Council information session	Complete	28 June 2022
Strategic Growth Committee Meeting		26 July 2022
HUGS Reference Group		15 August 2022
Consultation events		November 2022
Adoption		Early 2023

Future HUGS reviews

72. The current HUGS is over 10 years old. Going forward, HUGS will be reviewed more regularly. The HUGS review is based on the best information available now. This information will change over the coming months and years. We need to review HUGS pragmatically and with a view to being regularly refreshed every three years with the latest information. This approach ensures HUGS can be reviewed now even though changes will likely be required in three years due to the uncertainty and rapidly changing environment local government finds itself in.

73. The next iteration of HUGS (the 2024 review) will have more certainty around the intensification enabled through the District Plan Changes, the outcome of Government Infrastructure Acceleration Funding grants, resource management reform, 3 waters reform and the future for local government. It may also include emerging areas, as agreements on how these areas will deliver on Council's principles for out-of-boundary development are negotiated.

Financial Considerations - Whaiwhakaaro Puutea

74. The revised HUGS will guide future growth investment. In the past, this investment has been more focused on greenfield growth areas. The revised strategy will guide more investment into the central city and within infill areas alongside continued greenfield investment. As with greenfield infrastructure, the funding required for infrastructure to support and enable growth in the central city will be significant.
75. Alongside the significant investment required to support intensification inside the city, it is becoming increasingly challenging to fund infrastructure required to unlock new areas for growth. This means that a partnership approach to funding new areas is required where those who benefit from growth pay for growth. Increasingly, we need to be looking for alternative and innovative ways of funding and delivering strategic infrastructure. This may include central government grants, Special Purpose Vehicles and Private Developer Agreements.

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

76. Staff have and will continue to engage legal advice in preparing and carrying out the Special Consultative Procedure.

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

77. 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').
78. 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.
79. The recommendations set out in this report are consistent with that purpose.

Cultural

80. Effective partnership with Iwi is integral to the success of the HUGS review. We respect the special status of Tangata Whenua, are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building mana-enhancing partnerships.
81. A revised HUGS will deliver against wellbeing outcomes and priorities identified in 'He Pou Manawa Ora – Pillars of Wellbeing'.
82. The HUGS review places a high level of importance on the Vision and Strategy for the Waikato River when prioritising growth outcomes.

Social

83. The reviewed HUGS may contribute towards social wellbeing outcomes by:
- i. providing a strategic direction and framework that will contribute towards delivery of competitive land markets to address housing affordability;
 - ii. enabling funding and delivery of community amenity at the right time to support new and existing communities, for example schools, parks, playgrounds and community facilities; and

- iii. assisting with increased community understanding and support for new models of living, for example intensification.

Economic

84. The reviewed HUGS may contribute towards economic wellbeing outcomes by:
- i. enabling better long-term investment decisions on how and where our city will grow;
 - ii. reducing the time between zoning of land and funding and delivery of strategic infrastructure;
 - iii. improving flexibility to respond to or decline out-of-sequence growth opportunities;
 - iv. planning and enabling land for jobs; and
 - v. increased innovative external funding of infrastructure through partnerships, private developer agreements or alternative infrastructure funding and financing solutions.

Environmental

85. The reviewed HUGS may contribute towards economic wellbeing outcomes by:
- i. providing a preferred urban form and growth strategy that responds and aligns to climate change policy, actions and targets; and
 - ii. providing a preferred urban form and growth strategy that reflects existing internal and external environmental strategies, for example Nature in the City, Te Ture Whaimana o Te Awa o Waikato, Waikato-Tainui Environmental Plan.

Risks - *Tuururu*

86. While there are no known risks associated with the recommendation in this report, the HUGS review is dependent on the outcome of other workstreams especially the District Plan Change Programme. Further changes to these dependent workstreams would detrimentally affect the HUGS review. Staff are progressing with the best information available and will keep Elected Members apprised of any changes.
87. The local government elections later this year introduce the risk that HUGS work done in this triennium is revisited by a new Council. HUGS will be approved in draft for consultation by the current Council, with consultation and adoption being completed by the next Council. This risk is mitigated through the robust process of a Special Consultative Procedure. The new Council will test the draft HUGS against what it hears through the submission process and refine the draft HUGS to reflect information presented through this process. It is not about starting HUGS anew.
88. The reviewed HUGS can help Council mitigate the growth risks outlined from page 51 in the [Strategic Risk and Assurance Committee](#) 9 June 2022 agenda.

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

Significance

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

Engagement

90. Staff are continuing engagement with key partners and stakeholders including Waka Kotahi, our neighbouring Councils, Waikato Regional Council, Kainga Ora, District Health Board, Department of Conservation and Iwi.
91. The scope of HUGS includes full formal consultation through a Special Consultative Procedure. This will be finalised through delegation to the General Manager Growth and Chair and Deputy Chair of the Strategic Growth Committee in accordance with legal advice.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Principles for out-of-boundary development

Item 9

Principles for Out-of-boundary Development

Any out-of-boundary development must enhance the overall wellbeing of current and future Hamiltonians and create quality communities by:

Delivering:

- i. neighbourhoods where key services are close by and easily accessible
- ii. compact and accessible developments
- iii. affordable housing choices
- iv. sustainable and integrated infrastructure solutions
- v. significant land value uplift for the benefit of the wider community
- vi. places to work, or quality connections to places of work
- vii. places for recreation

Enhancing Hamilton's economy

Protecting and recognising cultural heritage

Responding to climate change

Growing green areas and biodiversity

Meeting the costs of all infrastructure

Not compromising planned investment

APPROVED DRAFT AT 31 MAY 2021

Council Report

Item 10

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Keith Hornby **Authoriser:** Blair Bowcott
Position: Programme Manager - Special Projects **Position:** General Manager Growth Projects
Report Name: Revised Future Proof Strategy for Adoption

Report Status	Open
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Purpose - *Take*

1. To seek the Strategic Growth Committee's adopts of the final Future Proof Strategy, as adopted by the Future Proof partners at the Future Proof Implementation Committee (FPIC) meeting on 16 June 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee:
 - a) receives the report;
 - b) adopts the revised [Future Proof Strategy 2022](#); and
 - c) notes the resolutions made by the Future Proof Implementation Committee (FPIC) when adopting the Strategy regarding the scope of the work to develop the Future Development Strategy, as set out in paragraph 27 of the staff report.

Executive Summary - *Whakaraapopototanga matua*

3. The Future Proof Strategy (the Strategy) was reviewed to give effect to the Hamilton to Auckland Corridor Plan (H2A), the Hamilton-Waikato Metropolitan Spatial Plan (HW-MSP) and the National Policy Statement on Urban Development (NPS-UD).
4. The draft Future Proof Strategy was approved for public consultation at the Future Proof Implementation Committee (FPIC) meeting on 16 September 2021 with hearings and deliberations on submissions taking place between September 2021 and June 2022.
5. The revised Strategy was adopted by Future Proof partners at the FPIC meeting on 16 June 2022 where the committee resolved to recommend the Strategy to each partner for adoption.
6. The adopted Strategy reflects the position of the Strategic Growth Committee (as resolved at the 19 May 2022 meeting) on the future urban growth area proposals made by submitters to the Draft Future Proof Strategy.
7. The Strategy and summary document are available on the Future Proof website at <https://futureproof.org.nz/the-strategy/>.

8. The key growth elements of the Strategy will now form the content of a plan change to the Waikato Regional Policy Statement (to be notified before the end the 2022), which will give the settlement pattern and associated growth policy and targets weight under the Resource Management Act.
9. Over the next 18 months the Strategy will be further updated to meet the Future Development Strategy (FDS) requirements of the National Policy Statement: Urban Development 2020 (NPS-UD). The FDS revision to the Strategy must be prepared in time to inform, or at the same as, the preparation of the 2024 Long Term Plan.
10. Further public consultation on this update to the Strategy will occur in the second half of 2023.
11. When adopting the revised Strategy, the FPIC resolved (in addition to the requirements of the FDS that are set out in the NPS-UD) to include in the scope of work to develop the FDS:
 - i. the incorporation of the recommendations of the Future Proof Hamilton-Waikato Transport Metro Spatial Plan (HW-MSP) Programme Business Case and the recommendations of the Northern and Southern Northern and Southern Wastewater Detailed Business Cases;
 - ii. further alignment with emerging central government policy; and to
 - iii. specifically investigate the potential for greenfield development to the south of Hamilton including the proposed SL1 area and other areas as nominated and agreed by partners.
12. Staff consider the matters in this report have a medium significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

13. The Future Proof Strategy (the Strategy) is a 30-year growth management and implementation plan for the Hamilton, Waipa and Waikato sub-region. The Strategy provides the framework to manage growth in a collaborative way.
14. The Strategy was reviewed to give effect to the Hamilton to Auckland Corridor Plan (H2A), the Hamilton-Waikato Metropolitan Spatial Plan (HW-MSP) and the National Policy Statement on Urban Development (NPS-UD).
15. The growth management directives of the Strategy include support for the development of compact urban form and an increase in densities that supports the further integration of land use and infrastructure.
16. Future Proof partners include tangata whenua, the Crown, Waikato Regional Council, Hamilton City Council, Waipa District Council, Waikato District Council, Matamata-Piako District Council, Waikato-Tainui, Tainui Waka Alliance, Taamaki Makaurā iwi, Mana Whenua Kaitiaki Forum and Auckland Council.
17. The key growth elements of the Strategy will form the content of a plan change to the Waikato Regional Policy Statement (to be notified before the end of 2022), which will give the settlement pattern and associated growth policy and targets weight under the Resource Management Act.
18. The Future Proof Strategy review and update has been completed to:
 - i. translate the Hamilton to Auckland Corridor Plan (H2A) and the Hamilton-Waikato Metropolitan Spatial Plan (MSP) into the wider Future Proof Strategy;
 - ii. reflect the results of the Housing and Business Development Capacity Assessments (HBA) in the Future Proof Strategy;

- iii. reflect National Policy Statement on Urban Development (NPS-UD) requirements, and in particular the requirements for flexibility and responsiveness;
 - iv. provide the framework for changes to the Waikato Regional Policy Statement and district plans to implement the NPS-UD; and
 - v. give statutory weight to the Future Proof Strategy (under the LGA) by consulting the public on the draft strategy using the Local Government Special Consultative Procedure.
19. The Draft Strategy was approved for public consultation at the Future Proof Implementation Committee meeting on 16 September 2021.
 20. The scope of submission on the draft Strategy and a detailed timeline of the consultation, hearings and deliberations process (which took place between September 2021 and June 2022) was reported to the 31 March 2022 and the 19 May 2022 Strategic Growth Committees.
 21. The Strategic Growth Committee, at the 19 May 2022 meeting, resolved that the Council's representative at the Future Proof Implementation Committee (FPIC) put forward, on behalf of the Council, the Council position on the future urban growth area proposals made by submitters to the Draft Future Proof Strategy.
 22. The revised Strategy was adopted by Future Proof partners at the FPIC meeting on 16 June 2022 where the Committee also resolved to recommend the Strategy to each partner for adoption.
 23. The revised Strategy and summary document are available on the Future Proof website at <https://futureproof.org.nz/the-strategy/>.

Future Development Strategy Review of the Future Proof Strategy

24. A further update to the Strategy will be undertaken prior to 2024 to meet the NPS-UD requirement to develop a Future Development Strategy (FDS). This will involve additional work regarding infrastructure and will be informed by the programme business case work underway to identify transformational three waters and transport infrastructure and service requirements.
25. This update will involve further alignment with emerging central government policy, a further update to the evidence base and the integration of work regarding infrastructure. It will be informed by the programme business case work underway to identify three waters and transport infrastructure and service requirements.
26. The FDS update to the Strategy will also need to include all of the Matamata-Piako District, which recently re-joined the Future Proof Partnership.
27. When the FPIC adopted the Strategy, it also resolved:

That FPIC resolve, in addition to the requirements of the Future Development Strategy that are set out in the NPS-UD, to include in the scope of the work to develop the Future Development Strategy the following:

- a. *Rebase and revise population and employment projections and specifically include scenarios which test more rapid growth, and more rapid outwards migration from Auckland than has previously been considered.*
- b. *Update and refine the HBA to reflect the revised population and employment scenarios and the re-zoning proposed through the introduction of the Medium Density Residential Standards (MDRS).*
- c. *Incorporate the recommendations of the Transport PBC, emissions reduction pathway and GPS on Transport with respect to expected areas of intensification and development and the sequencing and timing of public investment.*

- d. *Incorporate the recommendations of the Northern and Southern Wastewater DBCs with respect to expected areas of intensification and development and the sequencing and timing of public investment.*
- e. *Incorporate any response that is necessary to reflect an NPS on Highly Productive Land.*
- f. *Specifically investigate the potential for greenfields development to the south of Hamilton including the proposed SL1 area, with key inputs being the revised growth scenarios, the Wastewater DBCs, the Transport PBC and the Southern Links form and function review and the matters required to be addressed by the criteria for considering future growth areas in the Strategy, and in particular Te Ture Whaimana.*
- b) g. *Specifically investigate other areas (as may be nominated and agreed by parties) around the edge of Hamilton (and possibly other areas) for potential greenfields development with key inputs being the revised growth scenarios, the Wastewater DBCs, the Transport PBC and the matters required to be addressed by the criteria for considering future growth areas in the Strategy, and in particular Te Ture Whaimana.*

28. In terms of next steps, HCC is now developing a work programme that responds the FPIC resolutions alongside the specific FDS requirements of the NPS-UD. Broadly, this work programme will be broadly structured as follows:

July 2022 – March 2023	<ul style="list-style-type: none"> • Scoping studies of areas for investigation and other associated work identified • Update population and employment projections • Undertake reassessment of Housing and Business Capacity (HBA)
April 2023 - June 2023	<ul style="list-style-type: none"> • HCC input on the development of the revised draft of Future Proof Strategy
July 2023 – December 2023	<ul style="list-style-type: none"> • Likely period of public consultation on draft Strategy followed by hearings and deliberations

29. HCC will lead these components of the Future Proof FDS work programme.
30. Some further detail on next steps is also outlined in the accompanying report in this agenda, *Next Steps R2, WA and SL1*, which responds specifically to the 19 May 2022 resolution by this Committee to provide the committee with information on the next steps, proposed timeframes, risks and any immediate resource requirements for land use planning, commercial negotiations, and associated boundary transfers for R2, WA and SL1.

Financial Considerations - *Whaiwhakaaro Puutea*

31. There are no financial considerations in relation to this report.

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

32. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

33. 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').
34. 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.
35. The recommendations set out in this report are consistent with that purpose.

Social

36. The intent of the Future Proof Strategy is to contribute towards social wellbeing outcomes by 'providing a strategic direction and framework that will contribute towards delivery of competitive land markets to address housing affordability'.

Economic

37. The reviewed Future Proof Strategy may contribute towards economic wellbeing outcomes by:
 - i. enabling better long-term investment decisions on how and where our city will grow;
 - ii. improving flexibility to respond to unanticipated and/or out-of-sequence growth opportunities; and
 - iii. planning and enabling land for jobs.

Environmental

38. The reviewed Future Proof Strategy may contribute towards economic wellbeing outcomes by:
 - i. providing a preferred urban form and growth strategy that responds and aligns to climate change policy, actions and targets;
 - ii. providing a preferred urban form and growth strategy that reflects existing internal and external environmental strategies, for example Nature in the City, Te Ture Whaimana o Te Awa o Waikato, Waikato-Tainui Environmental Plan.

Cultural

39. The reviewed Future Proof Strategy may contribute towards cultural wellbeing outcomes by reflecting the aspirations of iwi Maaori partners.

Risks - *Tuuraru*

40. There are no known risk associated with this matter.

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 matter(s) in this report has/have a medium level of significance.

Engagement

42. Community views and preferences are already known to Future Proof Partners through consultation undertaken between 4 October 2021 and 12 November 2021.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Strategic Growth Committee

Date: 26 July 2022

Author: Tyler Gaukrodger

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Open Information Only Reports

Report Status
Open

1. The following reports to the Strategic Growth Committee are for information only purposes only:
 - i. General Manager's Report;
 - ii. Growth Programmes Update; and
 - iii. Development Contributions Remissions Quarter 4 2021/22

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee receives the following information only report:
 - i. General Manager's Report;
 - ii. Growth Programmes Update; and
 - iii. Development Contributions Remissions Quarter 4 2021/22

Attachments - *Ngaa taapirihanga*

Attachment 1 - General Manager's Report

Attachment 2 - Growth Programmes Update

Attachment 3 - Development Contributions Remissions Quarter 4 2021/22

Item 11

Council Report

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Hannah Windle **Authoriser:** Blair Bowcott
Position: Special Projects Manager **Position:** General Manager Growth
Report Name: General Manager's Report

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

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

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report provides updates to Strategic Growth Committee Members on activities, actions or projects for which this Committee and the relevant General Managers have responsibility, and for which significant progress has been made, including but not limited to:

Topic/Forum	Last Meeting	Next Meeting
Waikato Mayoral Forum	11 July 2022	29 August 2022
Future Proof Implementation Committee	10 June 2022	2 September 2022
Waikato Plan	5 July 2022 (Symposium)	15 August 2022
Upper North Island Strategic Alliance (UNISA)	1 July 2022 (cancelled)	25 November 2022
Cross-boundary discussions:		
- Waikato District Council	20 May 2022	19 August 2022
- Waipa District Council	10 June 2022	30 September 2022
- Waikato Regional Council	17 June 2022	24 August 2022
Zone 2	27 May 2022	22 July 2022
Metro Sector	13 May 2022	26 August 2022
Southern Links Working Group	17 June 2022	TBC

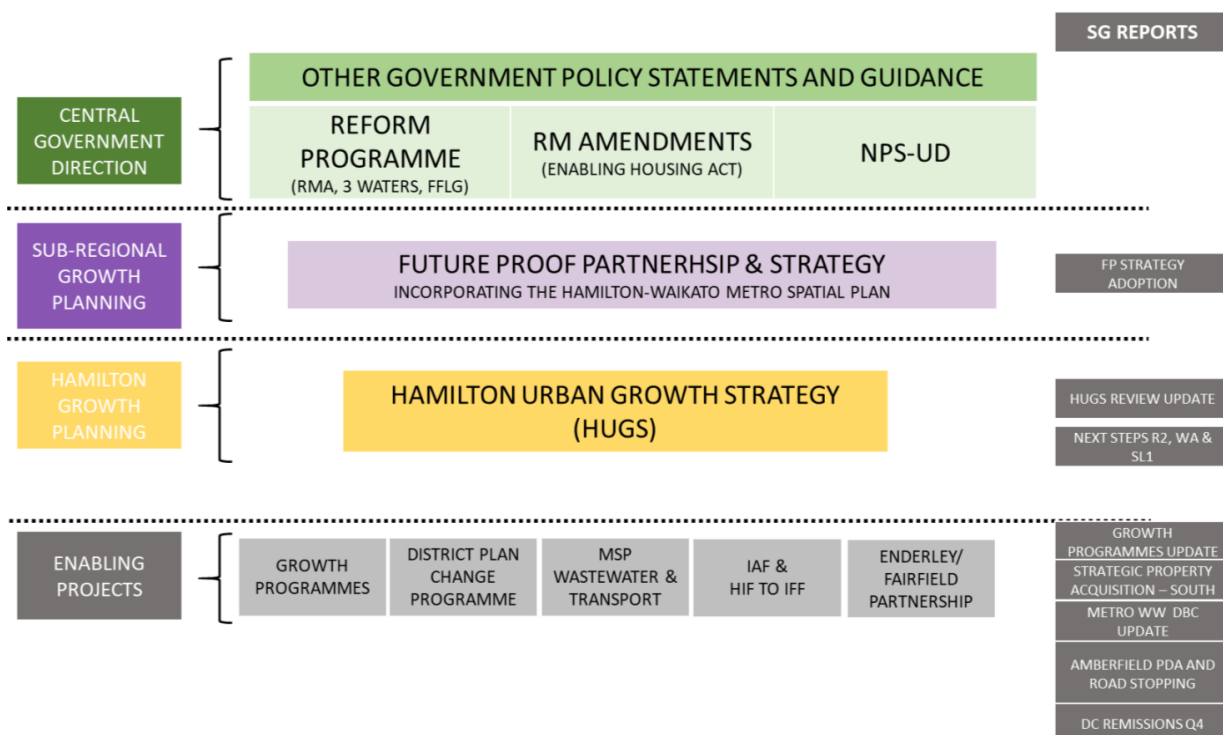
4. This report also contains updates on:
 - i. Waikato Wellbeing Project
 - ii. Waikato Community Lands Trust
 - iii. Applications to the Infrastructure Acceleration Fund (IAF)

- iv. Infrastructure Funding and Financing ('HIF' to 'IFF')
 - v. Strategic Development Forum
 - vi. the District Plan Change Programme
 - vii. Metro Spatial Plan Transport Business Case
 - viii. Development Contributions interest rate refund.
5. It also includes brief updates on Development Contributions (in response to a staff action from the 9 June 2022 Strategic Risk & Assurance Committee meeting), the Intercity Rapid Rail Business Case, Southern Links, and the Everton Judicial Review.
 6. Staff consider the decisions in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Interrelated workstreams

7. Today's agenda covers several different growth projects that are currently underway both within Council and in collaboration with others.
8. The institutional architecture is outlined in the diagram below, showing the wider system in which growth planning occurs and where each report fits.
9. This starts with new and emerging Central Government direction delivered through Government Policy Statements, legislative change and reform programmes, flowing down to regional and sub-regional planning initiatives, Hamilton-specific growth planning, and a number of enabling projects.



Strategic Regional Collaboration

Waikato Mayoral Forum

10. The last Waikato Mayoral Forum was held on 11 July 2022.
11. Items on the agenda for discussion included the Future of the Waikato Plan, water security in the region, and a presentation by the Ministry for the Environment on the Local Government Steering Group on Resource Management Reform.

Future Proof

12. The Future Proof Strategy (the Strategy) has been reviewed to give effect to the Hamilton to Auckland Corridor Plan (H2A), the Hamilton-Waikato Metropolitan Spatial Plan (HW-MSP) and the National Policy Statement on Urban Development (NPS-UD).
13. The final Future Proof Strategy, endorsed by the Future Proof Implementation Committee, is the subject of a separate report seeking council adoption.

Waikato Plan

14. The Waikato Plan symposium was held on 5 July 2022.
15. The day was well attended by representatives from central and local government, the community and philanthropic sectors, and youth and climate representatives.
16. Topics for discussion included climate change action, youth training and employment, strategic collaboration, and the Waikato Housing Initiative.
17. There were also several panel discussions regarding the future of the Waikato Region, and the role that the Waikato Plan can play in addressing opportunities and challenges into the future.
18. A recurring theme throughout the day was the unique collaboration that the Waikato Plan offers, bringing together disparate groups that do not often meet but have a shared interest, and the potential for the group to act as a conduit to the Waikato's communities in the face of reform.
19. The future form and function of the Waikato Plan will be considered by the incoming Mayoral Forum post-local government elections in October.
20. The next Waikato Plan Leadership Committee meeting is scheduled for 15 August 2022.

UNISA

21. The 1 July 2022 meeting was cancelled due to high workloads and limited availability.
22. The remaining date for the 2022 Mayors/Chairs UNISA meeting is confirmed as 25 November 2022.

Cross-boundary Council discussions

Waikato District Council

23. The last Governance meeting between Hamilton City Council/Waikato District Council for 2022 was held on 20 May 2022.
24. Key points of discussion included:
 - i. Next steps to progress work on actioning the Strategic Land Agreement between the councils
 - ii. Central Government Reform,
 - iii. Growth work programmes underway at each council
 - iv. Ruakura and Te Awa Lakes updates

25. The next meeting between the two councils is scheduled for 19 August 2022.

Waipā District Council

26. The last Governance meeting between Hamilton City Council/Waipā District Council for 2022 was held on 10 June 2022.
27. Key points of discussion included:
- i. the draft Strategic Land Agreement (SLA) between the two councils for land within and adjacent to the Southern Links Designation,
 - ii. Central Government Reform and the move towards a more regional way of operating,
 - iii. the adoption of the final Future Proof Strategy Update,
 - iv. progress on the Southern Wastewater Treatment Plant,
 - v. Ahu Ake, the Waipā Community Spatial Plan,
 - vi. Hamilton Urban Growth Strategy review, and
 - vii. the Southern Links Working Group.
28. Both councils are largely agreed on the content of the draft Strategic Land Agreement, with the last outstanding point being the scope of the geographical area identified for transfer. Both councils agree on the majority of land identified, with one block of approximately 44ha in size yet to be agreed.
29. The area in question is a large site immediately adjacent to the existing Hamilton urban area and territorial boundary, is strategically located in close proximity to existing residential and industrial areas and is able to be integrated with existing and planned urban areas.
30. Following the last Governance Group meeting, a request for further information on the land in question was made by the CEO of Waipā District Council. The additional information provided by HCC staff is attached as Appendix 1 and outlines the planning rationale and justification for the land's inclusion in the SLA.
31. Waipā Elected Members are having a discussion on the SLA and the land referred to above in August; Hamilton City Elected Members will also have a briefing to discuss this in August. We intend to bring the SLA to the September Strategic Growth Meeting following both councils' briefings with the aim for it to be agreed and finalised.
32. The next meeting between the two councils is scheduled for 30 September 2022.
33. Hamilton City Council is represented at these Governance Groups by Mayor Southgate, Deputy Mayor Taylor, Councillors Macpherson and Hamilton, the Chief Executive and General Manager Growth.

Waikato Regional Council

34. The meeting scheduled for 17 June 2022 was cancelled due to limited availability of attendees.
35. The rescheduled meeting between the two councils was held on 15th July 2022 and a verbal update will be provided at the meeting.

Zone 2 and Metro Sector

36. The last Zone 2 meeting was held on 27 May 2022.
37. Key topics of discussion included:
- i. an overview of the Waikato Wellbeing Project
 - ii. a National Council and LGNZ update
 - iii. an update from Dr Chris Daughney, Tu Uru Kaihika's Chief Science Advisor
 - iv. an update from LGNZL CEO Susan Freeman-Green

- v. a presentation about the Health Sector Reforms and Health Localities, and
 - vi. a presentation on the role of the Regional Public Service Commissioners.
38. The last Metro Sector Meeting was held on 13 May 2022 and a verbal update was provided at the last Strategic Growth Committee meeting.
39. The next Metro Sector Meeting is scheduled for 26 August 2022.

Waikato Wellbeing Project

40. The Waikato Wellbeing Project is a regional initiative to achieve a more environmentally sustainable, prosperous and inclusive Waikato region by 2030
41. Key attributes:
- i. Community led – global alignment
 - ii. Bottom-up building connections
 - iii. Supporting communities to achieve their own aspirations
 - iv. Leveraging the community's resources for collective impact
 - v. Best practice/innovative approach to change.
42. The project utilises the globally recognised Sustainable Development Goals Framework.
43. A current key focus is the Waikato Rangatahi Opportunity – which aims to increase the number of young people (with a focus on Maori and Pasifika) who are actively engaged in meaningful employment, education or training from 87.4% (2019) to no less than 95% by 2030.
44. Another focus is developing the Waikato Wellbeing Knowledge: Centre of Excellence – an easily accessed digital 'one stop shop' for wellbeing data in the Waikato Region, with an overall dashboard of key indicators that people can then drill into for more detail.

Waikato Community Lands Trust – Variation to Contract Agreement

45. As per the recommendation of the Strategic Growth Committee meeting on 19 May 2022 and as resolved by Council on 30 June 2022, Council and the Waikato Community Lands Trust have agreed to vary an existing funding agreement to:
- i. clarify the intended use of the Funding from the Council; and
 - ii. enable the Funding to be used by the Trust to achieve its purpose through the purchase and development or redevelopment of property within the wider Hamilton metro area.
46. This change enables the Trust to utilise their funding to purchase property or land over a wider geographical area, and to also purchase land that may have existing buildings on it, both of which were limited under the previous wording.
47. Noting the changes to the funding agreement, the Trust have now been able to broaden their conversations on potential opportunities for investment.

Infrastructure Acceleration Fund (IAF)

48. On 2 May 2022, Kaainga Ora advised Council that its \$151M Central City IAF funding bid was successful, subject to funding and housing agreements to be negotiated, and the successful deployment of the 'HIF to IFF' in Peacocke. The total infrastructure package is \$201M with balance of \$50M to come from a HIF to IFF.
49. Staff are currently in the early stages of negotiations, having met with Kaainga Ora on 10 July 2022 and who are about to begin their due diligence of Council's Proposal. A site visit was

confirmed for Wednesday 13 July would include an opportunity to meet Elected Members at 9am that morning, visits to the pedestrian bridge site and the proposed Central City reservoir site, in addition to meeting key developers.

50. Staff have identified and requested to Kaainga Ora that several factors – which, in the opinion of Staff, are critical to success – are included in the agreements. The factors include:
 - i. efficient navigation of Central and Local Government governance processes;
 - ii. funding \$9.4M for design and consenting while the IFF is established;
 - iii. establishing a collaborative working group to deliver the IFF, consisting of government agencies and HCC staff, to ensure that process is completed in a timely way and does not compromise the programme delivery;
 - iv. a funding agreement structured in such a way that the delivery team can manage the risks of delay across projects. We suggest that a way to successfully achieve this may be to establish a Programme Steering Group that includes representatives from HCC and Kaainga Ora;
 - v. as discussed at previous meetings and in our Proposal, a housing agreement that recognises the nature of Central City development, and the incentives specific developers have to make fixed development commitments.
51. Staff have asked that the substantive housing and funding agreements be provided and were told will be provided following Kaainga Ora's due diligence – noting that Council needs to do its own due diligence on those detailed documents prior to making any recommendations to the Council.
52. A report to Council on 14 September 2022 for approval of the agreements has been tentatively suggested. Achieving this date is subject to the negotiations, central government approval processes, and due diligence of the agreements being completed in time.
53. Given the potential for these processes to extend beyond that Council meeting, staff may need to seek appropriate delegation at a staff level to finalise the agreements and ensure timely execution, noting that the overall IAF bid relies on the Kaainga Ora and Crown Infrastructure Partner assessment teams being satisfied that the proposed HIF to IFF transaction (refer next section) meets their requirements.
54. Staff will continue to report progress to the Council as the negotiations progress.

HIF to IFF

55. On 30 March 2022, the Housing and Finance Ministers gave in-principle support to Hamilton City Council to further investigate using the Infrastructure Funding and Financing Act 2020 in Peacocke (the 'HIF to IFF'), which could provide around \$100M in balance sheet headroom.
56. The engagement with government agencies is scheduled to begin in September 2022, but staff are seeking to accelerate that.
57. Direction to Crown agencies by Ministers to engage with HCC puts the HIF to IFF proposal on the Crown Infrastructure Partners (CIP) work programme and formally in front of MHUD.
58. This development ties in closely with the Council's \$151M IAF proposal, which was approved on 2 May 2022, subject to funding and housing agreements, and a \$50M IFF funding contribution from the HIF to IFF.
59. Early discussions with Kaainga Ora and CIP assessment teams indicate that a risk averse approach is favoured, meaning that the Council will be required to provide a high degree of comfort to Kaainga Ora and CIP that the HIF to IFF has a high certainty of succeeding.

- 60. The balance of the funding headroom created, by successfully deploying the HIF to IFF, will need to be directed to infrastructure investment to support new housing, with the most prudent recipient being the Rotokauri Stage 1 growth area.
- 61. Both the IAF proposal and the HIF to IFF still require further work and central government approval, but significant progress has been made in both over recent weeks.

Strategic Development Forum

- 62. A Strategic Development Forum has been established to support productive and sustainable commercial and industrial growth in Hamilton. Developers have been experiencing multiple challenges, including rising land costs, that have created barriers to unlocking and developing industrial and commercial land.
- 63. These barriers subsequently impact on our ability to attract new businesses into Hamilton and the sub-region. There is opportunity to work collaboratively with some key, experienced developers to bridge the strategic gap between developers and Elected Members. The forum will provide a mechanism for developers to provide a collective voice of feedback to Council to help inform policy direction and remove some of the barriers to development.
- 64. The latest Strategic Development Forum was held on 11 April 2022. One of the agreed actions was for the developers to host the Elected Members to outline the size and scale of Strategic Development Forum Projects in the pipeline for the next 12-24 months. A meeting scheduled for late June 2022 was, however, cancelled due to many attendees needing to isolate. The next Strategic Developer Forum meeting is currently scheduled for early September 2022.
- 65. Another key action was for staff to investigate an all-of-council early engagement process for major commercial projects. This is so all staff at all levels understand the size, scale and scope of projects from day one.
- 66. This would be similar to a pre-application process but would include strategic representation given the scale of these projects, the intent being to identify issues and solutions early on in the process (rather than surprise roadblocks late in the piece). This will help developers to understand, in advance, any potential impacts and make decisions on whether to proceed, alter or focus on other opportunities.
- 67. Staff are in the process of identifying major projects to which this could be applied.

District Plan Programme

- 68. At its meeting on 16 June 2022, the District Plan Committee recommended Council approval to notify Plan Change 9 (focused on protecting the environment and heritage) and endorsed the approach for Plan Change 12, Hamilton City Council's response to the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (2021).
- 69. On 29 June 2022, Council approved the notification of Plan Change 9; staff are aiming to notify this plan change on 25 July 2022.
- 70. The District Plan Committee supported the approach to Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (2021) put forward by staff, which is based around balancing the requirements to intensify as set out in the Act alongside the requirements to restore and enhance the Waikato River.
- 71. Staff confirmed that they are on track to seek recommendations from the District Plan Committee at their meeting on 4 August 2022 to notify Plan Change 12 on 19 August 2022, (subject to Council approval on the 18 August).
- 72. Public engagement is ongoing and throughout July and August, with public drop-in sessions, webinars and attendance at community events.

- 73. Plan Changes 9 and 12 are both scheduled to commence hearings in quarter 1 of 2023 calendar year.
- 74. Plan Change 5 (Peacocke) will commence hearings on 26 Sept 2022; these are set down to run for two weeks.

Intercity Rapid Rail Business Case

- 75. The Ministry of Transport in the period 2018-21 completed an *interim* Indicative Business Case (IBC) for Intercity Rapid Rail to obtain a high-level understanding of potential options and costs and to identify the value of doing further work. The decision was made to complete a *full* IBC and this work is ongoing
- 76. MoT representatives provided an update on the business case work to the final Te Huia Project Governance Working Group meeting on 11 April 2022. They also provided an update to Councils representatives on the Te Huia Sub-Committee (Crs Wilson and Macpherson) on 21 June 2022.
- 77. The IBC is about taking a long-term view on the potential value of faster rail and how it could influence urban development in the Hamilton to Auckland corridor. It assumes that Te Huia (or other public transport options) will continue to run as a service for stops along the route outside the Hamilton and Auckland urban areas. It will consider when a service should commence based on reaching defined population points.
- 78. Consideration is being given to rail alignment options associated with service speeds and potential limited stops in the urban areas of Hamilton (that will be aligned with the MSP Transport Programme Business case work) and Auckland South.
- 79. MoT are using WSP to complete the IBC, supported by Beca for land use and integration and Market Economics looking at Land Value Uplift. The work will be peer reviewed by Aurecon.
- 80. They are engaging with a number of stakeholders including KiwiRail, Waka Kotahi, MHuD, Kainga Ora, Treasury the local government FutureProof partners and Mana Whenua.
- 81. The draft Indicative business case will be completed by the end of July 2022 with the land value uplift work being completed by the end of August 2022.
- 82. Mot were asked to carefully consider the growth forecasts being used and to ensure they aligned with the approach being used by FutureProof.
- 83. The IBC will be reported through to Future Proof Implementation Committee (FPIC).

Southern Links

- 84. The Committee previously resolved to set up a Southern Links Working Group to work with staff and external parties on matters relating to the promotion of the Southern Links transport network and related growth and economic development issues. This followed an [update on the Southern Links project](#) at the Strategic Growth Committee meeting on 7 September 2021.
- 85. The Committee were also advised that Waka Kotahi were undertaking a Form and Function review of Southern Links.
- 86. Waka Kotahi have set up a project team to progress the review and have also established a staff steering group with representatives of Waka Kotahi, Hamilton City Council, Waipa District Council and Tangata Whenua. The Review outcomes will be reported through FutureProof and the HCC set up Working Group will be a significant engagement party.
- 87. The Steering Group met with the Southern Links Working Group on 17 June 2022. The Working Group decided not to invite external parties to this meeting until there was further clarity on Waka Kotahi's work programme. The purpose of this meeting was to allow members to

provide the Steering Group with their insights and their expectations of what the form and function review should consider.

88. Some of the insights included:
 - i. the Southern Links designation was part of a city shaping transport system (in the shape of a rugby ball) that sought to define a balance of growth to the north and south of the Hamilton centre
 - ii. growth to the south (in Peacocke and SL1) would be close to the central city and support its viability along with revitalising the Melville/Glenview areas of the city
 - iii. an understanding that the location and timing of land use (SL1 in particular) was an important input to the form and function review
 - iv. not to underestimate the growth that is likely to occur in the sub-region and the impact of major developments such as the Ruakura Super Hub- a need to engage with Tainui Group Holdings was noted
 - v. consideration was required for freight routes particularly those serving the western Employment belt and Taranaki with a focus on ensuring freight was separated as much as possible on routes that supported residential development- it was noted that the MSP had considered freight routes but more visibility of this work was requested
 - vi. the criticality of protecting and maintaining the protection of routes. In this context mention was made in regard to future rail connections (both freight and passenger) to the Airport precinct
 - vii. a need to consider staging with the eastern connection (Expressway to Narrows Bridge) and Kahikatea Drive being likely candidates
 - viii. the need to include external parties including SL1 landowner representatives, the Airport, major developers in the southwest, Kahikatea Drive business representatives, Chamber of Commerce, Road Transport Association
89. The Steering Group met on 6 July 2022. Chris Allen and Phil Haizelden are representing Hamilton, with Tony Denton and others providing input at a technical level.
90. July through August 2022 sees various transport modelling scenarios being run to inform the study. August through September will see consideration of the evidence from the modelling and other sources.
91. It is proposed to convene another Working Group meeting in early September noting that the full technical assessment will not be complete but there will be emerging themes to consider.

Metro Spatial Plan Transport Business Case

92. On [19 May 2022](#), the Strategic Growth Committee was presented with recommendations to inform Council's direction on the Hamilton-Waikato Metro Spatial Plan Transport Programme Business Case.
93. Council received the report and supported in principle the key recommendations in the report.
94. These recommendations, with some minor amendments, were used as the basis for the paper presented to the Future Proof Implementation Committee (FPIC) on 16 June 2022. These recommendations, which were moved by Cr D Macpherson and seconded by Cr A Strange, are recorded on the [Future Proof website](#).
95. The paper recommended that the Future Proof partner organisations begin planning for early delivery of the key programme elements including, in the next 3-5 years:
 - i. completing micro mobility networks;

- ii. bus priority implementation;
 - iii. reviewing design standards; and
 - iv. investigations around new/different river crossings and significant corridor protection.
- 96. The recommendations were endorsed unanimously by FPIC.
- 97. Given the direction from all the Future Proof partners to progress, staff from each agency are developing a work programme focused around implementing and actioning priority recommendations and endeavouring to maintain momentum on the project. Broadly, this work programme will, subject to confirmation, be presented to the September 2022 Strategic Growth Committee as a work in progress. Tasks will include:
 - i. Refining project costs for 2024 LTP Planning, including cost breakdowns per partner;
 - ii. Developing Point of Entry documentation to secure funding subsidy for the next major business cases consistent with the early phases of the recommended programme. Current thinking suggests these are 3 business cases for each of the RT1 (north, south and east) sections and an “optimisation” focused business case that will focus on the economics, modelling, system design and quick wins side of the project.
 - iii. Management Case tasks:
 - a. Reviewing working arrangements across the partners to facilitate this new phase of work, including resourcing
 - b. Develop reporting framework for monitoring purposes
 - c. Prepare new Terms of References for potential new governance and Committee structures to assist in project delivery
 - d. Commercial Case tasks –
 - Procurement approach for next business cases
 - Scoping next business cases
 - e. Develop new version of multi-party funding agreement
 - f. Explore Alternative Funding sources – CERF, Regional Council, WK, other govt funds, IFF, etc.

Development Contributions interest rate refund

- 98. On 10 August 2020, Council was served with judicial review proceedings in respect of its Development Contributions regime – the case being AGPAC Limited & others vs HCC – which was heard in the High Court on 20-22 April 2021.
- 99. Judge Ian Gault announced in his decision on 27 August 2021 that the case for judicial review was dismissed, finding in favour of Council in all of the 17 claims that the applicants took forward to trial. The Judge provided no relief to the applicants in relation to their claims.
- 100. However, Council acknowledged as part of its pleaded case an administrative error in interest rates for three historical years (2016, 2017, 2018) input into the development contributions model, which in turn calculates development contribution charges. The only DC Policies affected by these erroneous interest rates were the 2018/19 and 2019/20 Policies.
- 101. Growth Funding and Analytics Unit staff, in collaboration with the Finance Unit, have undertaken detailed work to calculate the extent of the interest rate error, and how much and to whom refunds should apply. Based on advice from PWC and the Finance Unit – and as reported previously to the Council – staff updated the interest rates input into the development contributions model and updated the schedule of charges within the calculation tool effective 24 January 2022, such that the DC Policy and any DC assessment since that point in time no longer carried the error. Staff provided an update on the interest rate refunds to the

Strategic Growth Committee on [2 December 2021](#), where it was resolved that that the refunds would be executed under staff delegations.

102. There are a total 888 individual refunds, across 626 debtor accounts, totalling an estimated \$376,170. This is in line with estimates previously provided to Elected Members. Based on advice from the Finance Unit, use of money interest will also be provided on all refunds, calculated using published 90-day bank rates applicable at 30 June for each of the years that the refunds apply. The total use of money interest payable is currently estimated at \$3,029.
103. Refunds will be processed in two tranches. The first tranche is the top 20 debtors by total refund owing, in addition to any judicial review applicants not captured in this top 20 list. The estimated refund value of tranche 1 is \$168,559. Staff have now contacted all of tranche 1 debtors and at 30 June 2021 had refunded \$69,288.99.
104. The second tranche comprises the 601 remaining debtors totalling an estimated refund value of \$207,611. Staff aim to process the second tranche by 31 October 2022. The third and final piece of work is finalising the individuals who were under-charged due to the error. The treatment of these under-payments will be noted in a future report to Strategic Growth Committee.
105. The refund process and methodology has been reviewed by the Council's barrister.
106. Staff will provide further updates in due course as the refund process progresses.

Development Contributions – response to staff action

107. At the Strategic Risk & Assurance Committee meeting of 9 June 2022, the following staff action was noted:

***Item C3: Legal Risk** Staff undertook to consider legal advice received on Development Contributions and report back to the appropriate Council or Committee meeting with information on outcomes and actions to be taken."*
108. The question put to Council's barrister focused on a risk related to developments that lodged consents early and the legal requirement to charge DCs based on the rates when applications are received. Councillor Macpherson questioned whether Council would be better suited to regularly increase DC rates instead of one-off large changes.
109. The Council has placed a focus in its current DC policy of providing developer certainty by setting gradually increasing DCs over the 3-year life of the Policy. These are referred to as phased charges.
110. However, the Council's Long Term Plan is the source of the DC capital programme, which simply incorporates the Long Term Plan programme into its schedule of assets, which ultimately determines the DC charges. If, as has been the case in recent years, the Long Term Plan has big step changes in growth investment, based on broader Council considerations, this will cause correspondingly step change increases in DC charges.
111. Feedback from the Council's Barrister is that the while the Council's Long Term Plan is determined by matters outside of DCs, smoother increased in the overall programme is better for developer planning and certainty, and that sudden changes need to be understood in terms of unintended consequences.
112. To try to mitigate this effect, the Council could, for example, review its DC Policy annually, but to do so would introduce substantial additional work, including public consultation and Policy revision. That course of action would likely not mitigate the effect in any case, because the step changes usually occur at the Long Term Plan stage. At its meeting of 17 September 2019, the Council resolved, for these and other reasons, to – as a general rule – review its DC Policy only at Long Term Plan time:

That the Council:

...

- b) approves the key principle of reviewing its Development Contributions policy once every three years with the 10-Year Plan, unless there are sound reasons to do otherwise; ...*

113. There is a statutory restriction which is that Council can only charge the DC model calculated charge or less. So, it cannot smooth charges by raising early charges and reducing later charges. In terms of developers with granted consents for large subdivisions who do not develop for a number of years, the LGA specifically locks in the DC charge at the time of lodgement, which becomes a requirement to pay under the policy in force at the time of lodgement, if that consent is granted.
114. Overall, while staff share with Elected Members the goal of having DC charges that have a moderation and regularity to their increases over time, it is the Council's Long Term Plan capital programme that drives DCs; as such, the DC Policy does not have mechanisms to influence the large increases in a strong way.

Everton Judicial Review update

115. Everton Heights Ltd (Everton) filed a judicial review on 2 October 2020 of a decision of the Council relating to how development contributions should be assessed on the latter stages of Everton's Rotokauri development. The case was heard in the High Court on 26 October 2021.
116. A decision is pending, but at the time of writing there have been no further updates from the Court as to when a decision can be expected. Staff understanding is that this unusually long time between hearing and decision is largely due to Covid and a backlog in the courts. Staff will inform the Council when a decision or any other update is received.

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***

118. Staff confirm that this matter complies with Council's legal and policy requirements.
119. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

120. 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').
121. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.
122. There are no specific social, economic, environmental or cultural considerations associated with the matters covered in this report.
123. However, the Strategic Growth Committee supports the wider organisation in delivering key objectives that enhance the 4 wellbeings by being responsible for:
 - i. 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; and

- ii. driving collaboration with neighbouring Councils, Iwi, private sector and central government to meet Hamilton's growth ambitions.

Risks - *Tuuraru*

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

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

125. Having considered the Significance and Engagement Policy, staff have assessed that the report has a low significance, and no engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Waipa-HCC Strategic Land Agreement- Addition of land to Priority Area 1- 2022-06-22

Land to be included within Strategic Land Agreement between HCC and Waipa DC

Following the governance meeting held between Waipa District Council and Hamilton City Council on Monday 20th June, there was discussion between both parties regarding the addition of the Rogerson land (identified in Attachment 1) to the area referred to as Priority 1 in the draft Strategic Land Agreement.

Waipa District Council has sought additional planning justification for this land to be included as part of the agreement.

The potential consideration of the Rogerson site for inclusion in the wider SL1 area supports sustainable resource use in that it is a large site immediately adjacent to the existing urban area, strategically located and able to be integrated with the existing and planned adjacent urban areas.

Hamilton City Council agrees that no further parcels of land will be sought for identification or inclusion in the Strategic Land Agreement at this stage, and that if any land is identified for transfer in the future, it will need to have been identified and mutually agreed through Future Proof or other strategic planning processes.

Current land use

The Rogerson land is situated at 183 Tuhikaramea Road and abuts the territorial boundary with Hamilton City to the north. Land ownership parcels are identified on the map attached (Attachment 1). The area is approximately 44 ha in size.

The northern most part of the land (23ha) is currently occupied by a racehorse training facility. The southern half of the site (21ha) is currently bare rural land.

It is our understanding that the owner is in discussions to relocate the racehorse training facility to land within Waipa District, close to Te Awamutu.

Location benefits

The Rogerson land is contiguous with the existing Hamilton urban environment, in close proximity to existing residential and industrial areas.

Several key roading connections are available to access the site, including SH3, Collins Road, Tuhikaramea Road, Higgins Road, Saxbys Road, Hutchins Road and McDonald Road.

It is close to the central city (approx. 4.5km), as well as key employment nodes including the Waikato Hospital (3.5km via SH1) and has easy access to Hamilton Airport via SH3.

There is a need to further investigate industrial land availability across the sub-region as part of the development of the Future Development Strategy, and the Rogerson land should be included as part of this investigation given its proximity to existing industrial land uses, the high demand for industrial land, and the existing commercial nature of part of the site.

The figure below identifies the site in relation to estimated 2020 job numbers per the 2018 Census SA2 unit boundaries.

The site sits immediately adjacent to the Frankton SA2 Unit which comprises the largest area of employment in the region alongside Hamilton City Centre and Te Rapa.



The Southern Links Designation is to the east of the Rogerson site, and the North Island Main Trunk Railway Line runs through the centre of the wider SL1 area.

Land attributes

The site and adjacent land are currently comprised of lots in pasture, rural lifestyle, equine industry and peri-industrial use, zoned predominantly rural.

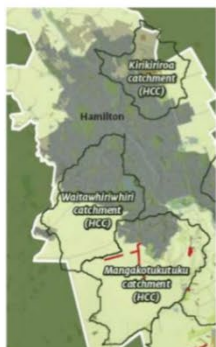
Soils within the subject site can generally be classified as peat. The peatlands have been progressively drained for farming.



Areas of peat may limit the construction of tall buildings; however detailed geotechnical investigation will be undertaken as part of the next steps as the Future Development Strategy is progressed.

Hamilton City Council does not necessarily see the entire area as being appropriate for urban development until further detailed investigation is carried out.

The site is situated in the Waitawhiriwhiri catchment, which also covers a significant portion of the west of the existing city. This development of an Integrated Catchment Management Plan is the next ICMP due to be developed.



Amenity

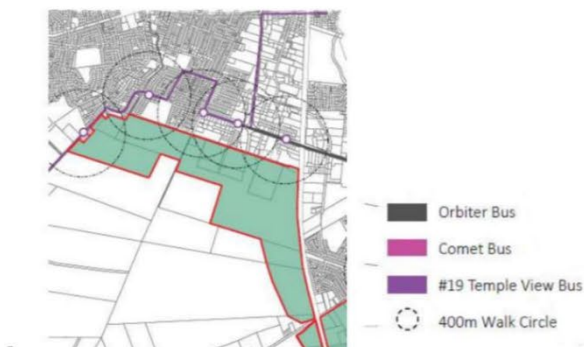
Large existing parks (Resthills Park and Kahikatea Park) are located immediately adjacent to the site which provide the opportunity for a high level of amenity and outlook should any urban development be deemed appropriate.

In general, the site is well located in terms of proximity to supporting amenities.



Public Transport

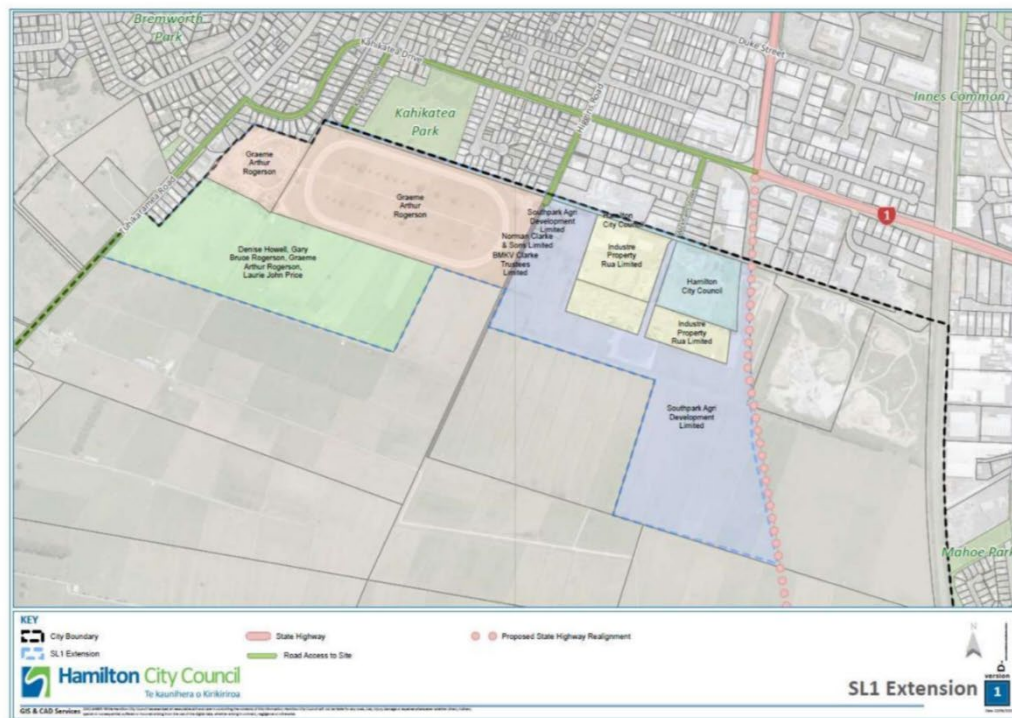
Several key public transport routes currently run along the periphery of the site.

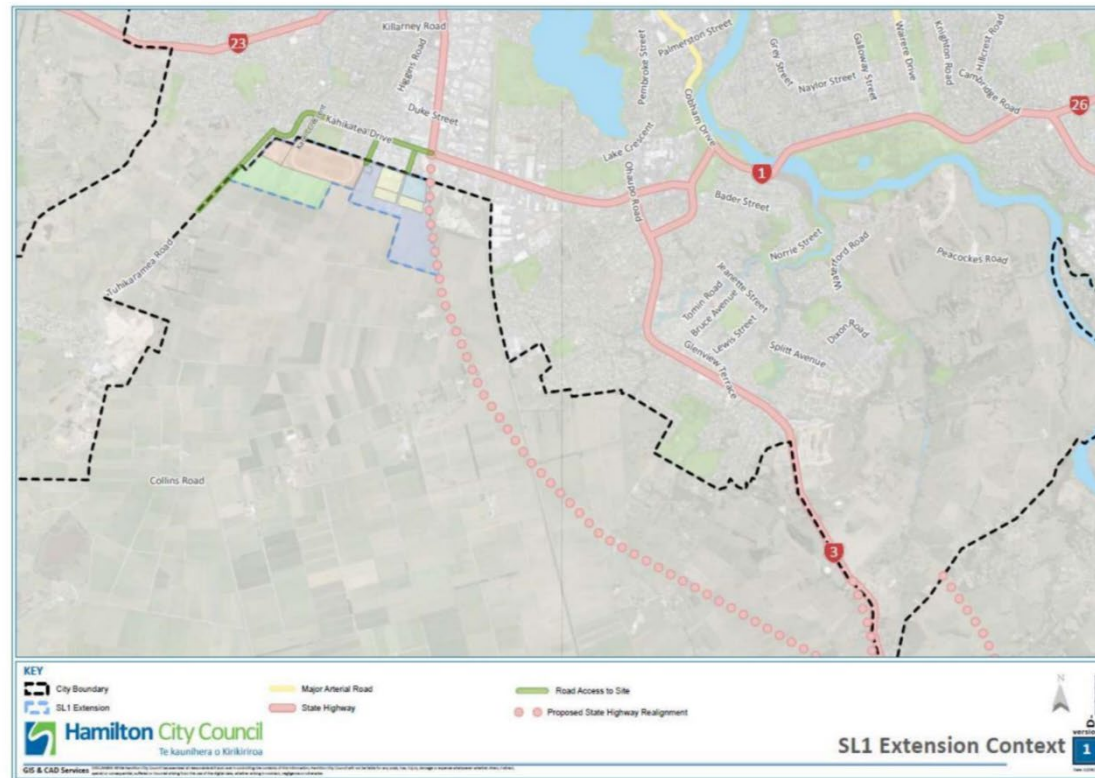


Proposed Next Steps:

- Inclusion of the Rogerson Land within the Priority 1 area identified in the Strategic Land Agreement between Hamilton City Council and Waipa District Council.
- Adoption of the Strategic Land Agreement by both Hamilton City Council and Waipa District Council prior to local body elections in October 2022.
- Initiation of a Scoping Study for the entire SL1 area to inform the development of the Future Development Strategy under Future Proof, including investigation of the suitability of the SL1 area for urban development, including (but not limited to) geotechnical analysis, servicing, potential capacity, alignment with out-of-boundary principles etc.
- Negotiation and agreement of 'value capture' with landowners within the SL1 land area.
- Initiation of boundary change process subsequent to steps above being completed.

Attachment 1: Land holdings





Council Report

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: Karen Saunders **Authoriser:** Blair Bowcott
Position: Growth Programmes Manager **Position:** General Manager Growth
Report Name: Growth Programmes Update

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

1. To inform the Strategic Growth Committee on the status of the Growth Programmes including Central City, Peacocke, Ruakura and Rotokauri-Northwest.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report provides an overall update on the growth programmes including:
 - i. Central City,
 - ii. Peacocke,
 - iii. Ruakura, and
 - iv. Rotokauri-Northwest.
4. The updates for each of the growth programmes can be found in **Attachments 1-4**.
5. As noted in the Ruakura Programme Update (**Attachment 2**), staff will report to the 4 August 2022 District Plan Committee meeting on the Tramway Block Private Plan Change, noting that the application will be progressed through CE delegation, in line with Council's delegations policy, provided it satisfies necessary requirements.
6. Staff will also brief Elected Members on the Tramway Block Private Plan Change and the Ruakura Private Development Agreement (PDA) at an information session on 31 August 2022.
7. Staff will also look to provide a report to the Strategic Growth Committee at a meeting in September 2022, to ensure the Private Plan Change and PDA can be progressed during the local government election period.
8. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

9. The purpose of the Growth Programmes Team is to deliver communities that improve the wellbeing of Hamiltonians. Programme Managers weave together people and projects to deliver long term outcomes in Peacocke, Rotokauri-Northwest, Ruakura and Central City.

10. The previous Growth Programmes and HUGS Review Updates were reported to the Strategic Growth Committee on [19 May 2022](#) (see Open Information Only Reports).
11. This report provides an overall update on the growth programmes in **Attachments 1-4** including:
 - i. Central City,
 - ii. Peacocke,
 - iii. Ruakura, and
 - iv. Rotokauri-Northwest.
12. A comprehensive report on Emerging Areas has been provided as a separate report to this Committee, outlining next steps for R2, WA and SL1.
13. The Growth Programmes team is working on developing a set of information about each of the growth areas to support Elected Member inductions.
14. The team is also working on further simplifying the reporting to track key benefits and outcomes with a focus on homes, jobs and people. The new reports will be ready for the committee meetings in the new triennium.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

15. 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').
16. 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.
17. The recommendations set out in this report are consistent with that purpose.

Social

18. Planning and development of community infrastructure and parks and open spaces is an integral part of each of the growth programmes, as is alignment with strategies that support wellbeing such as the Play Strategy. Community amenity is critical to support social wellbeing in new and existing communities.
19. Staff have been working closely with the Ministry of Education as they look to secure land in Peacocke and Rotokauri. Staff also work with the Ministry of Education growth team to collaboratively plan for education needs that meet the needs of future Hamiltonians.

Economic

20. Strategic land use planning and investment into strategic infrastructure to enable land for development of new homes and jobs will bring significant economic benefits. For example, the business case for the Peacocke Housing Infrastructure Funded Infrastructure Fund estimates that \$6b of economic benefit will result from the infrastructure investment.

Environmental

21. Across the growth programmes there is significant investment into environmental initiatives. Some of these initiatives are required to be delivered by Council as consent conditions for designations and infrastructure construction and some are required to be delivered by developers as part of their housing developments.
22. There are also some citywide initiatives that have been funded in the latest 2021-31 Long Term Plan to drive environmental outcomes, for example the Nature in the City Strategy.

23. Staff continue to work at a strategic and operational level with the Department of Conservation, particularly in relation to the Peacocke programme and protection of the long-tailed bat and mudfish in the Rotokauri-Northwest area.
24. As the programmes mature, the levels of environmental activities and benefits will become clearer, and staff will report on these as part of the programme reporting.

Cultural

25. Effective partnership with Iwi is integral to the success of the growth programmes. We respect the special status of Tangata Whenua, are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building mana-enhancing partnerships.
26. Staff embed the principles of the four pillars of He Pou Manawa Ora into the Growth Programmes approach which is reflected in the planning and delivery of projects and the close engagement and involvement of Maaori as our key partners.
27. 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. Under this agreement, Council engage early with Waikato-Tainui on key consents and development activity.
28. Staff place a high level of importance on the Vision and Strategy for the Waikato River when planning for growth and when delivering projects that impact the river and tributaries within the growth programmes areas.
29. Staff recognise and consider relevant sections of the Waikato-Tainui Environmental Plans when planning projects within the growth programmes catchments.
30. Staff have sought direction and engaged with Te Ngawhaa Whakatupu Ake on key projects and matters including naming of new growth areas.
31. Staff have ensured that iwi and mana whenua representatives play key roles in the planning and delivery of key growth projects. For example, the Southern Links Tangata Whenua working group are integrated into the delivery of the Peacocke Strategic Network Infrastructure projects. This mana whenua group provides cultural advice, decides on the Southern Links Road names and act as kaitiaki on site.
32. Staff work to ensure that the cultural history of the growth areas is reflected and accessible for the new community. An example of this is the Cultural Blueprint which is currently in development for the Peacocke area. This blueprint will help ensure the right cultural story is given the right prominence in the right place, for example artworks, sculptures, etc.
33. Staff have been working in partnership with Tainui-Group Holdings (TGH), the commercial arm of Waikato-Tainui to help support the long-term economic aspirations of Waikato-Tainui in the Ruakura and Central City growth areas.
34. Maangai Maaori provide a political voice for Maaori within the decision-making of select Council committees.
35. The Council continues to meet its legislative responsibilities under the RMA by providing opportunities for Iwi and hapuu to contribute to local government decision-making processes and exercise of kaitiakitanga over the natural and physical aspects within the growth programme areas.

Financial Considerations - *Whaiwhakaaro Puutea*

36. The financial reporting for the programmes is reported to the Finance Committee via the Capital Portfolio Reports.

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

37. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Risks - *Tuuraru*

38. Risks are currently tracked at project and programme level. The programmes utilise the Council's risk management framework with further alignment with the Waka Kotahi NZ Transport Agency risk register format for specific projects as required. Risks to achieving the programme outcomes are reported for each growth area in **Attachments 1-4**.

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

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

Engagement

40. Staff continue to engage with environmental and cultural groups, key developers and landowners, and Government agencies including Kāinga Ora, Ministry of Education and Department of Conservation and Waka Kotahi NZ Transport Agency.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Central Programme - July 2022

Attachment 2 - Ruakura Programme - July 2022

Attachment 3 - Peacocke Programme - July 2022

Attachment 4 - Rotokauri Programme - July 2022 .



PROGRAMME VISION

"Shaping a central city where people love to be - Ahuahungia te pokapuu o teetehi taaonee arohaina ai e te taangata".

Through delivering the Central City programme, we are investing in our central city, opening it up to the Waikato River, encouraging people to live and work here, and making it easy to access and move around in. The outcome will be a central city that is more inclusive, vibrant, and prosperous.

www.hamilton.govt.nz/centralcity

CENTRAL CITY PROGRAMME

JUNE 2022

GENERAL PROGRAMME UPDATE

The central city has seen a significant come back of vibrancy, with pedestrian counts rising, night life opening up and events under way.

CONSENTING AND DEVELOPMENT ACTIVITY

Over the next 10 years the central city is going to be a place for 10,800 people to call home. There is 1640 people living in the central city, and the current growth of the central city is much faster than Hamilton overall. Several exciting large developments are under way that will support the increase of people living and working in the central city. These mixed inner-city living options alongside a vibrant retail, hospitality and entertainment sector will support the activation of the central city.

Resource Consent:

- 'Resource consent has been received for the construction of a new building on the corner of Ward and Victoria Streets from Tainui Group Holdings. The proposed six storied building will contain 9,602m² GFA of office space and 1,019m² GFA of ground floor retail. The proposal includes 229 parking spaces.

Building Consent:

- **42 Ward Street:** Building consent for structural strengthening as a pre-ambly to development of the upper floors for accommodation.
- **Union Square:** Building E building consent has been released and construction started.
- **One Cook Street:** Eight story commercial/residential building is ready to release building consent.

Refer to the Central City Development Activity Map attached to this update for residential and commercial consent, and construction activity.

PARTNER PROJECTS

The Waikato Regional Theatre development is a key transformational project within the central city, celebrating art, culture and tourism in the heart of Hamilton and is on track for completion May-June 2024. Recent achievements onsite include:

- Internal soft-strip of former Hotel continued.
- Demolition of Hotel's Queen Suite, first floor and roof.
- Wastewater redirection works got underway.
- Façade retention pile caps installation continued.
- Acoustic fence at 240 Victoria Street installed.

TRANSPORT

Over the coming years, Hamiltonians will see the central city evolve into a city that's easy to live in, explore and connect. A place to play and meet, one that prioritises active travel and public transport and is safe for people of all ages and abilities. Transport updates include:

TRANSPORT CENTRE REJUVENATION

The process to secure consultancy design services for the detailed design of the new look Transport Centre has been completed. Staff are continuing to work with Waikato Regional Council regarding proposed temporary bus stop locations while the work on the Transport Centre is undertaken.

WARD STREET/TRISTRAM STREET

Concept designs are being developed for the Ward Street/Tristram Street intersection. This project is in Council's Low-Cost Low-Risk Road to Zero programme.





The project links to the on-going work for the Collingwood Street/Tristram Street intersection.

COLLINGWOOD STREET/TRISTRAM STREET INTERSECTION

At the Infrastructure Operations Committee on 31 May 2022, Elected Members approved the road layout changes for the Collingwood Street/Tristram Street Intersection.

BRYCE STREET

Route assessment work for Bryce Street, between the Western Rail Trail and Claudelands Bridge, has been completed. The assessment report sets out scenarios to improve safety, walking, and cycling along Bryce Street. In due course, this work will be presented to CCRP and the Infrastructure Operations Committee, along with an Elected Member briefing.

TRISTRAM STREET/ANZAC PARADE INTERSECTION

Consultation on a preferred option to reduce injury crashes, manage vehicle speeds, and provide better connectivity for people walking and cycling at the intersection has been completed. The improvements form part of Council's Low-Cost/Low-Risk Road to Zero Programme.

PARKS AND OPEN SPACES

VICTORIA ON THE RIVER - SOUTHERN EDGE ACTIVATION PROJECT

The Victoria on the River Southern Edge Activation Project comprises comprehensive redevelopment of the Council-owned land and buildings at 242-266 Victoria Street. Council is seeking a joint venture partner to redevelop the property as a minimum five-storey mixed use (retail, commercial, residential) development that preserves and enhances heritage façades and features, activates the southern edge of the Victoria of the River Plaza, and gives practical effect to the aspirations of the Council's Central City Transformation Plan.

Three development proposals have been received and the proposals are currently being evaluated. When the evaluation process is complete, a staff report recommending a preferred development partner will be considered by the Economic Development Committee on 11 August 2022 for recommendation to the Council on 18 August 2022 for approval.

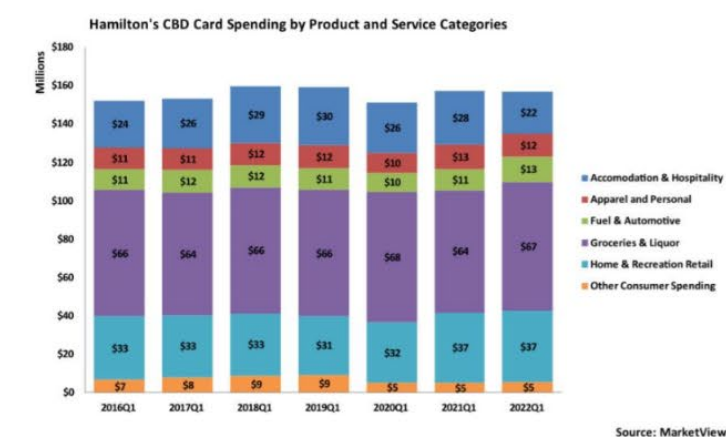
CELEBRATING AGE CENTRE

The Celebrating Age Centre building is on Municipal Endowment land at the southern end of Victoria Street and requires significant capital investment. On 12 May 2022, Council considered a staff report with high-level options for the building and the activities currently taking place on the site. The existing tenants have been relocated while options for the future of the building are evaluated and considered.

A staff project team has been established to investigate options. The project team engaged with consultants during the last week of May 2022 to discuss required outcomes, timelines and request a proposal for the completion of a Business Case. At a high level, this work will assess and analyse options specific to the user groups of the Celebrating Age Centre, in a broader central city community use context and complete a property analysis of best use for the Celebrating Age Centre site.

Regular updates will be provided to future meetings of the Community Committee and Economic Development Committee.

ECONOMIC ACTIVITY



The total card spending in Hamilton central city during 2022 Q1 remained strong, but slightly lower than the pre-COVID-19 2019 Q1. Of the total central city spend, 63% was from Hamilton Local, followed by



the Rest of Waikato (25%) and Outside Waikato (13%). Compared with 2021 Q1, Groceries and Liquor saw a 5.08% increase and Fuel and Automotive surged significantly by about 22%. However, Accommodation and Hospitality fell by 21%. Increased spending on essential goods consumption, like food and fuel, could be due to rising inflation. While people would need to pay more for essential goods consumption, they might reduce consumption of other goods and services, e.g., Accommodation and Hospitality and Apparel and Personal.

HAMILTON CENTRAL BUSINESS ASSOCIATION (HCBA) UPDATE

The Love the Centre campaign has gained traction around the city with promotion on Glo Box billboards, bus backs and throughout the media. The campaign has included special events and activities that have been created to encourage the public to show their love to the city centre.

June saw the launch of the Matariki Ki Waikato Festival 2022 which brought together a variety of organisations across the Waikato region to raise awareness for the celebration of Matariki and the return of the Boon After Dark with two lighting installations in Garden Place and Victoria on the River. The Boon After Dark festival runs through to 31 July 2022.

PARKS AND OPEN SPACES

PUBLIC REALM DESIGN GUIDELINES

The Public Realm Design Guidelines project will ensure our public spaces and streets across the central city are well designed, attractive, safer, well maintained, accessible, and inclusive to support central city transformation. Part A of the document, which is the strategic alignment section of the document has been approved. Work on Part B, which is the technical manual that prescribes design features such as the pavement finishes, street furniture, etc. is under way.

FERRYBANK PARK ENHANCEMENT

The conversion of the Ferrybank Park site into park space will reconnect the community to the river, enhance our green space, and provide more space for play and recreation within the central city. Demolition works of the Municipal Pool are well under way with all structures and concrete scheduled to be completely removed by mid-July. Earthworks will be carried out July-August 2022 with the construction of a retaining wall to bring the new park up level with Victoria Street. Several hui have been held with

lwi to work through the stories they would like to be told on the interpretative signs. Weather dependant, works will be completed early October 2022.

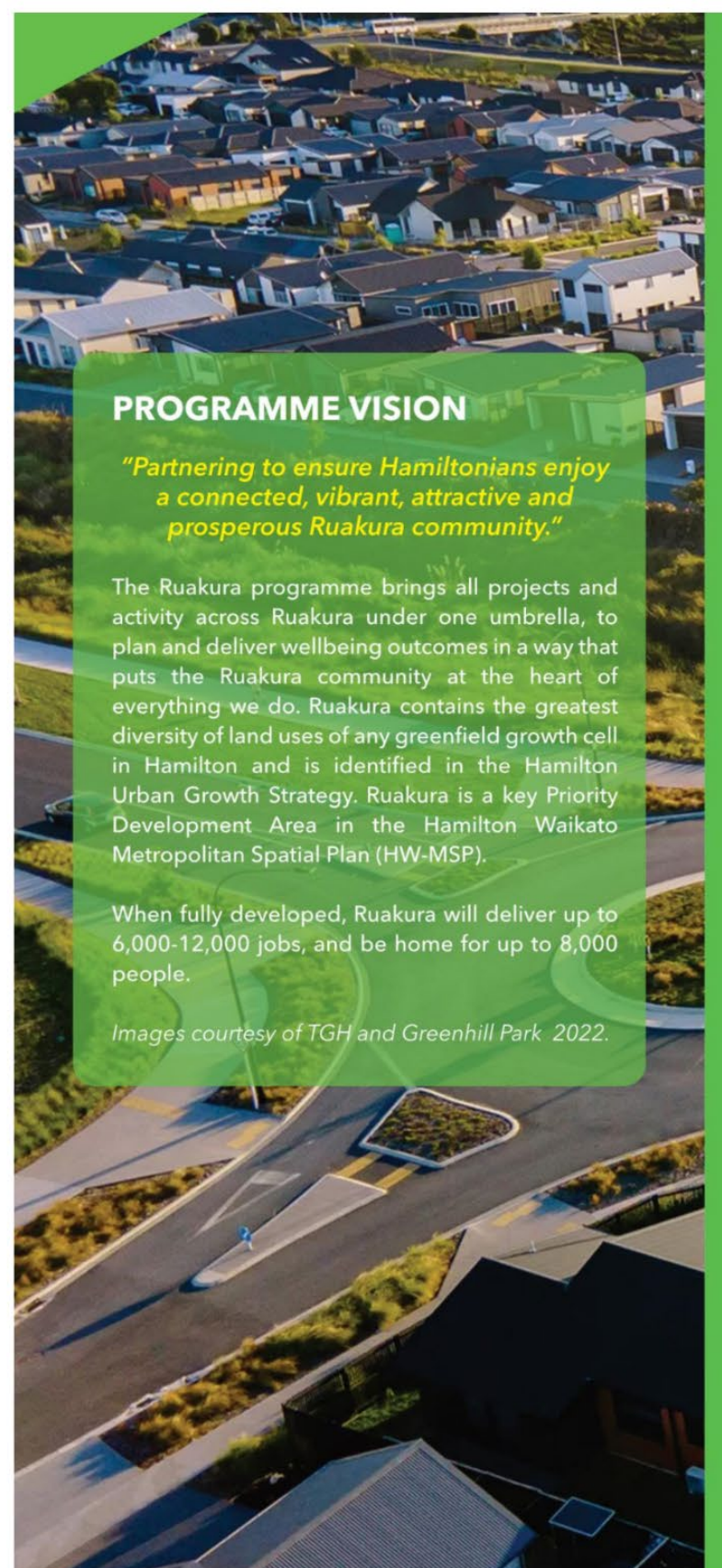
RISKS

There is a risk that if the central city fails to manage all stakeholders in a joined-up way, it could result in poor outcomes and lost opportunities. If there is a lack of programme management, scheduling, and interdependency management, it could result in disjointed delivery of related projects, causing poor outcomes for the community.

If there is insufficient resourcing across the programme combined with several significant growth projects that rely on key resources, it may impact on delivery of some key projects which may affect the wider programme outcomes.

There is a risk that archaeological or cultural items may be discovered during construction or investigation phases of the projects within the programme, which may impact overall cost, timing and/or delivery of long-term central outcomes.





1

RUAKURA PROGRAMME

JUNE 2022

GENERAL PROGRAMME UPDATE

Council is partnering to ensure a connected, vibrant, attractive and prosperous Ruakura community. Hamilton Kirikiriroa is one of the fastest growing cities in the country, and Council recognises the role Ruakura plays in enabling and sustaining that growth, through establishing communities, creating jobs and building connections to the wider city and region.

Tainui Group Holdings (TGH) and Council staff have worked closely to further refine the Tramway Block Private Plan Change, and further technical analysis on waters infrastructure and roading capacity is being progressed. TGH is looking to lodge this Private Plan Change application with Council in the second half of 2022.

Meanwhile, Greenhill Park continues to grow, with over 700 sites now built by Chedworth Properties. A neighbourhood centre is currently in the planning and design phase, and this is expected to include a day-care, café/restaurant, a small supermarket, offices and retail for the Greenhill Park and wider Hamilton communities.



CONSENTING AND DEVELOPMENT ACTIVITY

The Ruakura growth cell currently has capacity for up to 2,000 homes for approximately 8,000 people.

Major consenting and development activity includes:

- A range of works and design clearance consents received across the Greenhill Park and Inland Port areas.
- A consent granted for a cool store warehouse, the details of which will be shared in due course.



INFRASTRUCTURE PROJECTS

- **Mangaonua Stream Erosion Control:** Council land acquisition for the left bank of the Mangaonua Stream is expected to be completed in the coming months.
- **Water Supply:** Water pipe extensions are planned along the Eastern Transport Corridor alignment, from the completed Ruakura Water Reservoir.
- **Far Eastern Interceptor:** The second stage of the wastewater pipe is currently being installed by TGH along the Eastern Transport Corridor.
- **Ruakura Road Urban Upgrade and Key Connections:** Remaining works are due to be completed by the end of July 2022.



PARKS AND OPEN SPACES

Tainui has recently indicated a preference to retain ownership of the 10ha BS1 Wetland area, for public use with some form of co-management agreement with Council. However, the current Private Developer Agreement (PDA) between Council and TGH requires this land to be vested at no cost to Council.

Council staff are working through the Planning and PDA processes to look at the possibility of re-negotiating the vesting of this land. This presents a good opportunity to further strengthen the partnership between Council and Iwi, and a revised PDA will likely be brought to the September Strategic Growth Committee meeting.



RISKS

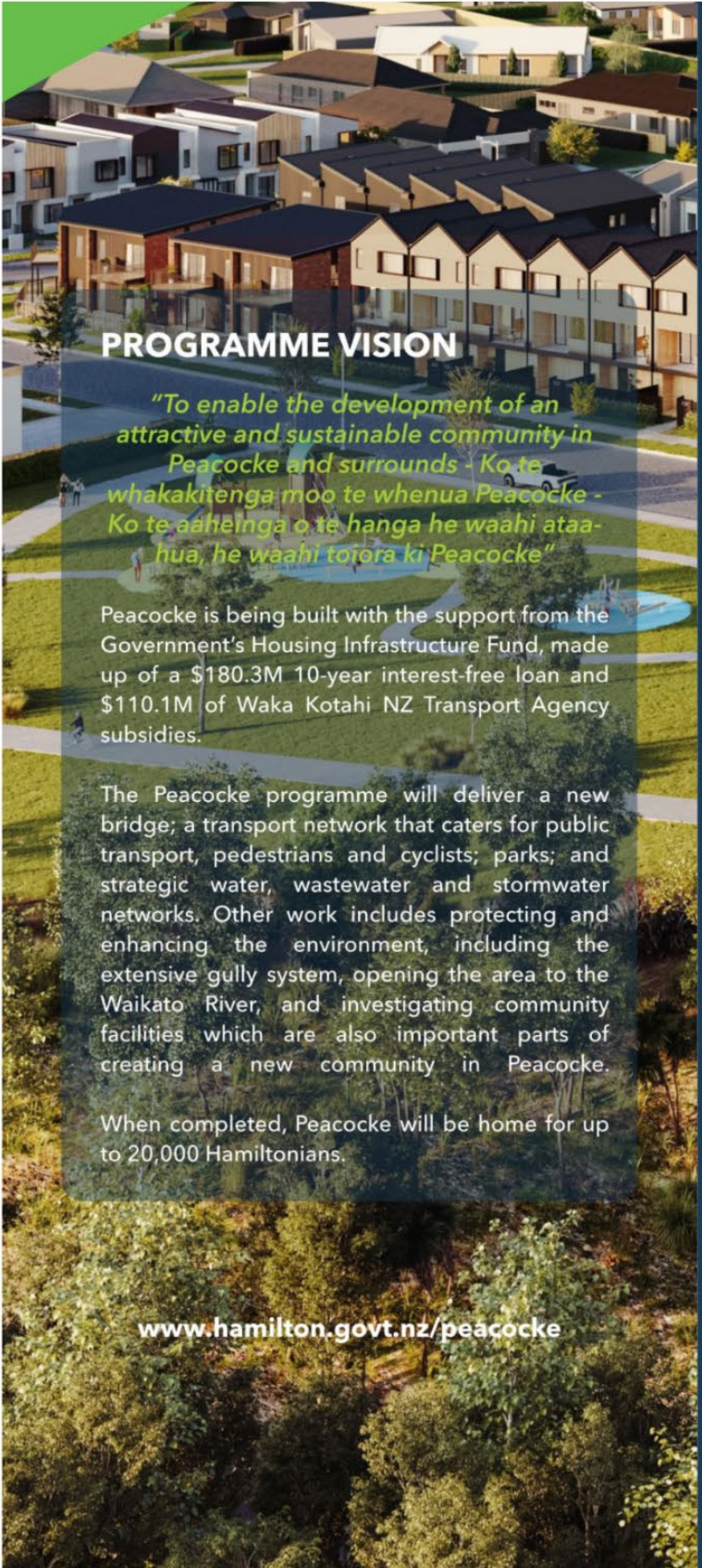
If there is a lack of programme management, scheduling and interdependency management, it could result in disjointed delivery of related projects, causing poor outcomes for the community.

If there is insufficient resourcing across the programme combined with several significant growth projects that rely on key resources, it may impact on delivery of some key projects which may affect the wider programme outcome.

COMMUNICATION AND ENGAGEMENT

Staff continue to meet with key Ruakura partners to ensure the alignment of key messages and milestone dates and are looking to provide support to our partners for the public opening events of the Waikato Expressway and the Ruakura Inland Port, currently scheduled for mid-July and September 2022 respectively.





PROGRAMME VISION

"To enable the development of an attractive and sustainable community in Peacocke and surrounds - Ko te whakakitenga moo te whenua Peacocke - Ko te aahinga o te hanga he waahi ataa-hua, he waahi tojora ki Peacocke"

Peacocke is being built with the support from the Government's Housing Infrastructure Fund, made up of a \$180.3M 10-year interest-free loan and \$110.1M of Waka Kotahi NZ Transport Agency subsidies.

The Peacocke programme will deliver a new bridge; a transport network that caters for public transport, pedestrians and cyclists; parks; and strategic water, wastewater and stormwater networks. Other work includes protecting and enhancing the environment, including the extensive gully system, opening the area to the Waikato River, and investigating community facilities which are also important parts of creating a new community in Peacocke.

When completed, Peacocke will be home for up to 20,000 Hamiltonians.

www.hamilton.govt.nz/peacocke

PEACOCKE PROGRAMME

JUNE 2022

CONSENTING AND DEVELOPMENT ACTIVITY

Developer activity and interest in the Peacocke area continues. Currently pre-application discussions, consenting and construction activity totals approximately 3,000 homes (approx. 80% of the projected 10-year developer uptake of 3,750 homes in Peacocke). Refer to the attached Development Activity Map.



Notable development and consent applications include:

- **QESTRAL:** A land use consent for a 230-unit retirement village at 55 Weston Lea Drive was lodged in February 2021. This application has been on hold requiring further information. This information was recently submitted and is being reviewed to determine if processing of the application is able to continue.
- **AURORA:** A subdivision consent was granted for Aurora (North-view) in December. In May 2022 title certificates were issued enabling building of new homes to commence. The subdivision website is here: <https://www.liveaurora.co.nz/about/>

STRATEGIC INFRASTRUCTURE

The strategic infrastructure and HIF programme is currently on schedule, using continuity planning for a total of and proactive scheduling to minimise the programme impacts of COVID-19 and its consequential effects on materials and the local workforce.

Two of the remaining projects within the Peacocke Network Infrastructure programme, Peacockes Road Urban Upgrade and Whatukooruru Drive (East-West Arterial Stage 2), are currently in the procurement stage and close on 30 June 2022. Award decisions, along with a comprehensive financial update, will be brought back to Council in the coming months, depending on tender evaluation progress. The final section of Whatukooruru Drive from Hall Road to the new roundabout connection at SH3 / Ohaupo Road is in the detailed design for procurement in 2023.

The Bikes on Pipes project is an innovative addition to an important wastewater network extension in Peacocke. The North-South pipeline is an identified and approved part of the HIF and Peacocke Network Infrastructure programme. Staff are exploring innovative ways deliver the Bikes on Pipes project and have proposed working directly with suppliers who recently delivered projects. Staff will report back with procurement recommendations in the coming months.

Whatukooruru Drive, the new stub off the Ohaupo Road roundabout is open and in use accessing the first new subdivision, Aurora, delivered under the HIF programme.

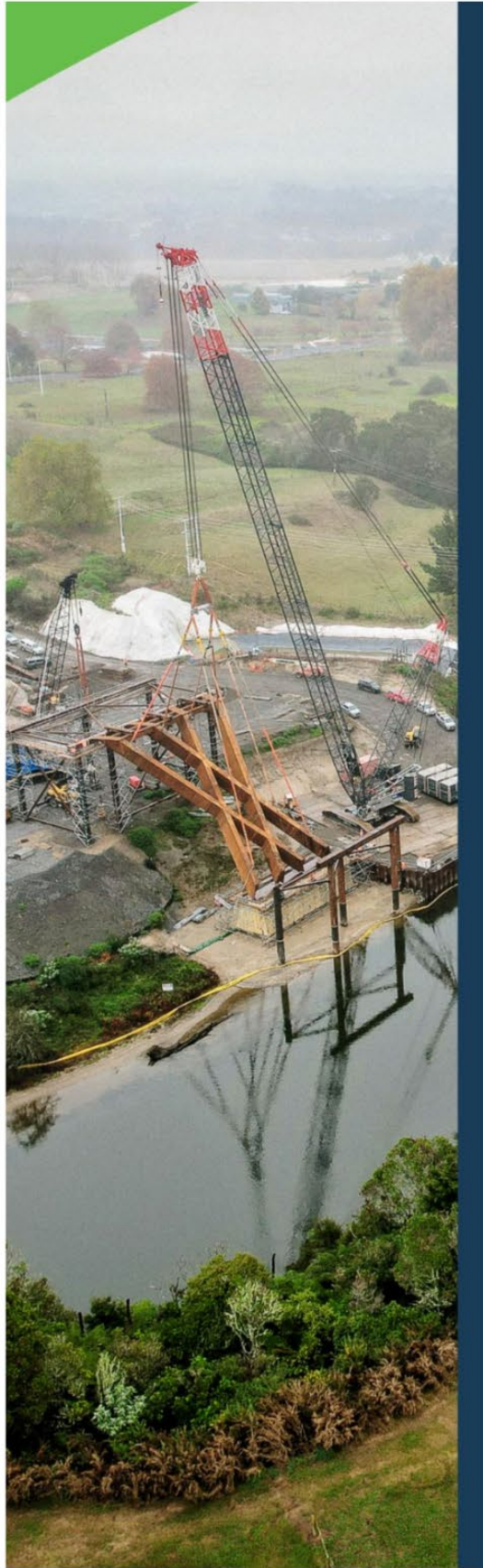
Preparation for the first Land Valuation Tribunal (awaiting a fixture date from the court) continues, while also seeking agreement by negotiation. Land Valuation Tribunal processes are being initiated for other landowners where the differences in assessed compensation are significant and negotiations have stalled.

There is a plan in place to remove protester-established road frontage structures on Hall Road. Local residents have been notified that the structures must be removed by 30 June 2022, otherwise Council will take enforcement action.

PEACOCKE STRUCTURE PLAN - PLAN CHANGE 5

Now that the submission process is complete, staff are reviewing all submissions and preparing for a hearing which has been provisionally set for September 2022.

After reviewing the submissions, it has been determined that there is sufficient scope within the submissions to align PCS with the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill and ensure the plan complies with the requirements of the new Act without



having to undertake a variation to the plan. Information relating to the plan change is available online at hamilton.govt.nz/PlanChange5

ENVIRONMENTAL WELLBEING

- **Southern Links Designation:** Work continues to implement the Ecological Monitoring and Management Plan (EMMP). Work on restoring a 1ha gully site will be completed this year. Restoration of a 2ha stream site has been included within the Whatukooruru Drive construction project. Weed control is underway on a 5ha gully site to prepare it for restoration planting after the completion of a maintenance track, which will be under way this summer.
- **Bat Monitoring survey:** Acoustic Bat Monitor and Bat box monitoring reporting is nearly completed. Bat box results have been cross validated with University of Waikato work and eDNA results revealing bat activity in 33 of the 80 Southern Links installed boxes.

CULTURAL WELLBEING

Council has embedded opportunities to support and reflect te ao Maaori, in our construction contracts through procurement processes, site inductions and management plans. This work includes tangata whenua representatives managing kaiaarahi and kaitiaki roles on site, including cultural inputs and education at toolbox meetings, ecological quality assurance and karakia.

Cultural recognition is also through our landscaping, urban design and wayfinding. Tangata whenua had key roles setting fundamental design requirements such as not having bridge piers in the Waikato River, and in the stunning sculptural features.

The HIF programme team continues to engage with the Tangata Whenua Working (TWWG) to enable construction of network infrastructure in Peacocke in partnership with local iwi,

Mana whenua and iwi are currently engaged in various sections of the District Plan Change Programme alongside staff.

SOCIAL WELLBEING

While addressing one of New Zealand's key social issues - housing availability - the Peacocke programme is providing a framework to support the strength of community networks, safety, and connectedness - to the environment, the Waikato River and each other.

The Waikato River Bridge has been designed to leverage social benefits by including accessible design, and facilities such as stepping-stone logs and balance beams to encourage play on the way while supporting inclusion

and health. Stormwater treatment and detention areas are laid out to be multi-functional, being accessible and supporting biodiversity as well as their primary functions.

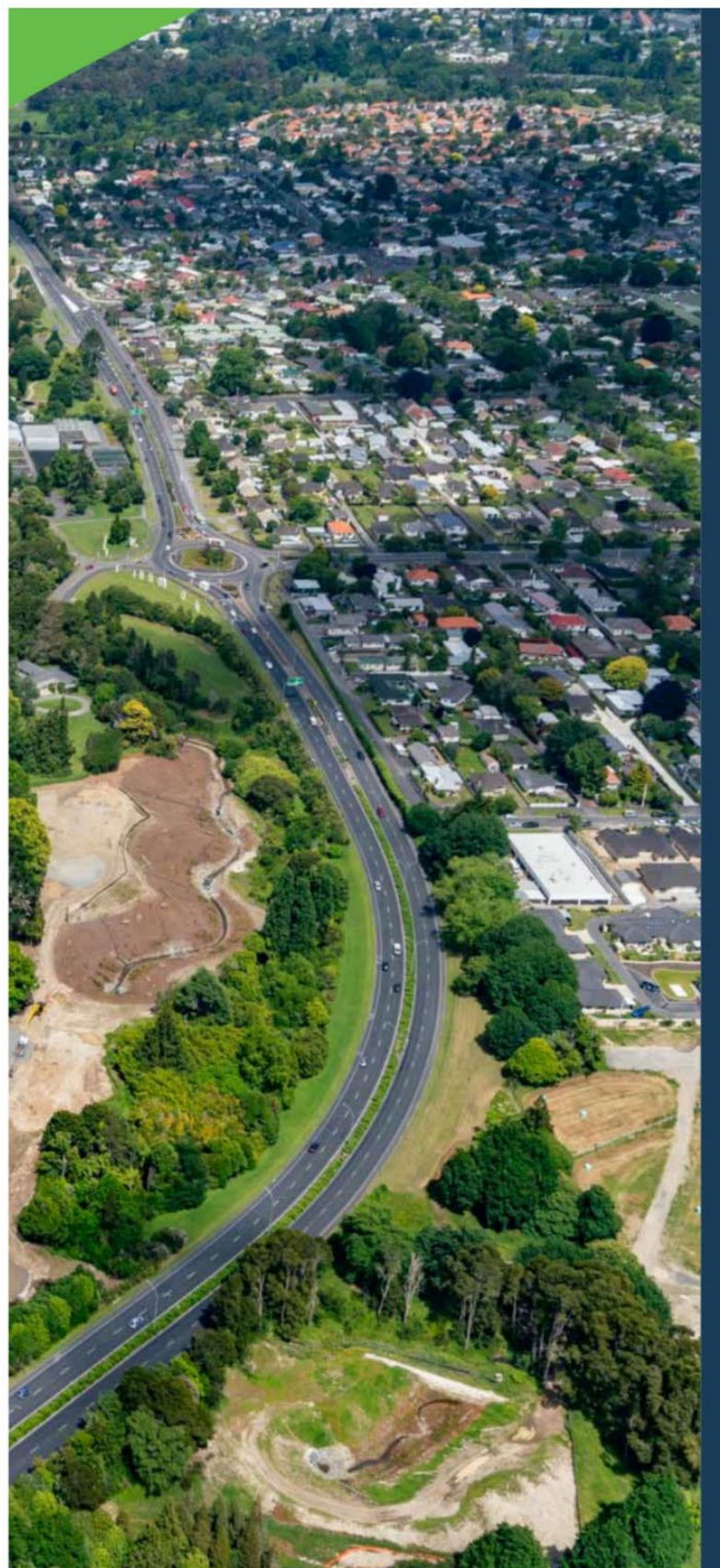
These investments complement social activities from other Peacocke projects, such as the northern transfer main, where a playground for a local primary school was built.

The Ministry of Education (MOE) acquisition team is continuing with securing sites for two new schools in and Peacocke. In addition to this, the education minister, has confirmed that Melville High School and Melville Intermediate will merge and reopen as a new school in January 2024.



ECONOMIC WELLBEING

Staff have been working with Treasury and MHuD officials to explore opportunities to help manage the financial implication of the additional cost escalation associated with the HIF funded programme of works on Council's financial strategy. The result of those discussions has been positive with Ministerial approval of a proposal to defer some of the early fixed HIF loan repayments to dates outside of the 2021-31 LTP period.



The basis of the Ministerial approval to restructure the repayment schedule is that the benefits are ringfenced to help deal with cost escalation impacts on the Peacocke Network Infrastructure programme.

PARKS AND OPEN SPACES

- **Sports Park:** Designation for the sports park has been confirmed and negotiations for the purchase of the Adare land are currently underway. Negotiations for the Koppens land have not started.
- **Aurora Development:** Neighbourhood Park to be acquired within the development's site and negotiations under way.

RISKS

The country remains in a period of very high economic uncertainty which continues to affect supply chains and labour markets, in New Zealand and abroad. This is resulting in cost escalations continuing to increase at above expected levels and, although no immediate change to cost escalation forecasts is suggested at this stage, close monitoring and exploration of methods to increase cost certainty is necessary. Cost escalation and the resulting pricing uncertainty affects current contractually committed works as well as works yet-to-be-started where the base direct costs have increased. The 2022/23 Annual Plan now includes additional funding to cover cost escalations of some projects – increasing the next two years' allowance by 4% per annum (from 3% to 7% p.a.).

As far as practicable within the Peacocke programme and contract frameworks, staff continue to manage risks such as effects on staffing, materials pricing and availability, with steel and fuel being particularly sensitive.

An update of key Peacocke programme risks will be provided to the September 2022 Strategic Growth Committee, along with a financial update. Risk from protester activity reigniting when the Hall Road illegal structures are removed.

COMMUNICATIONS AND ENGAGEMENT

Successful local media engagement resulted in a Waikato Times front page article and further follow up articles for the Waikato River bridge project and the exciting milestones reached in May and June 2022. Social media posts with photos and videos showcased the milestones for the wider community. Residents nearby the Peacocke wastewater transfer station and surround pipeline works were delivered a project update newsletter in early June.

News and media stories:

- [New bridge to Peacocke marks exciting milestone](#) / Council News, 18 May
- [Mighty crane lift marks milestone moment for Hamilton's new river bridge](#) / Waikato Times, 18 May
- [Scale of Hamilton's new Waikato River bridge revealed](#) / Waikato Times, 26 May
- [Waikato River bridge project shifts focus to girder lifts](#) / Waikato Times, 17 June



**Hamilton
City Council**
Te kaunihera o Kirikiriroa





ROKKAURI-NORTHWEST

PROGRAMME

JUNE 2022

GENERAL PROGRAMME UPDATE

Rotokauri-Northwest is a key growth area for development in the city because of its proximity to employment, education, retail, transport connections and community amenities such as Waiwhakareke Natural Heritage Park. Overall, programme activity across Rotokauri continues to focus on enabling development through progressing key projects such as Zoo/Waiwhakareke Shared Entry Precinct. Work continues to progress in relation to the designation and design of key strategic waters and transport infrastructure.

CONSENTING AND DEVELOPMENT ACTIVITY

Rotokauri-Northwest has a total capacity of up to 6,500 homes for up to 17,000 people.

To date, the majority of consenting activity has occurred in Rotokauri Stage 1 with a total of 224 new homes granted building consents since 2015 and 200 homes have been completed (CCC issued).

As at June 2022, there were a total of 477 residential lots still in the pipeline for Rotokauri Stage 1.



Notable consenting activities:

- Te Awa Lakes: The latest subdivision consent granted in Rotokauri NW was for a 10 lot subdivision by Te Awa Lakes Joint Venture in May 2022.
- Everton Heights: In April 2022 consent was granted in Rotokauri Stage 1 for a 114 lot subdivision by Everton Heights Limited.

Rotokauri North COVID-19 Fast Track Consenting Activity:

Rotokauri North Holding Ltd (company under the MADE/Charles Ma umbrella) gained approval in February 2022 from the Minister

for the Environment for the referral of Rotokauri North Development (first stage) to an expert consenting panel for consideration under the COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA). In May 2022, an application under the FTCA was accepted by the Environmental Protection Authority and an expert Panel are now in the process of assessing the application. A decision is expected in August 2022.

For more information on the application and development please refer to the following website <https://environment.govt.nz/what-government-is-doing/areas-of-work/fast-track-consenting/rotokauri-north-stage-1/>

Industrial Consenting Activity:

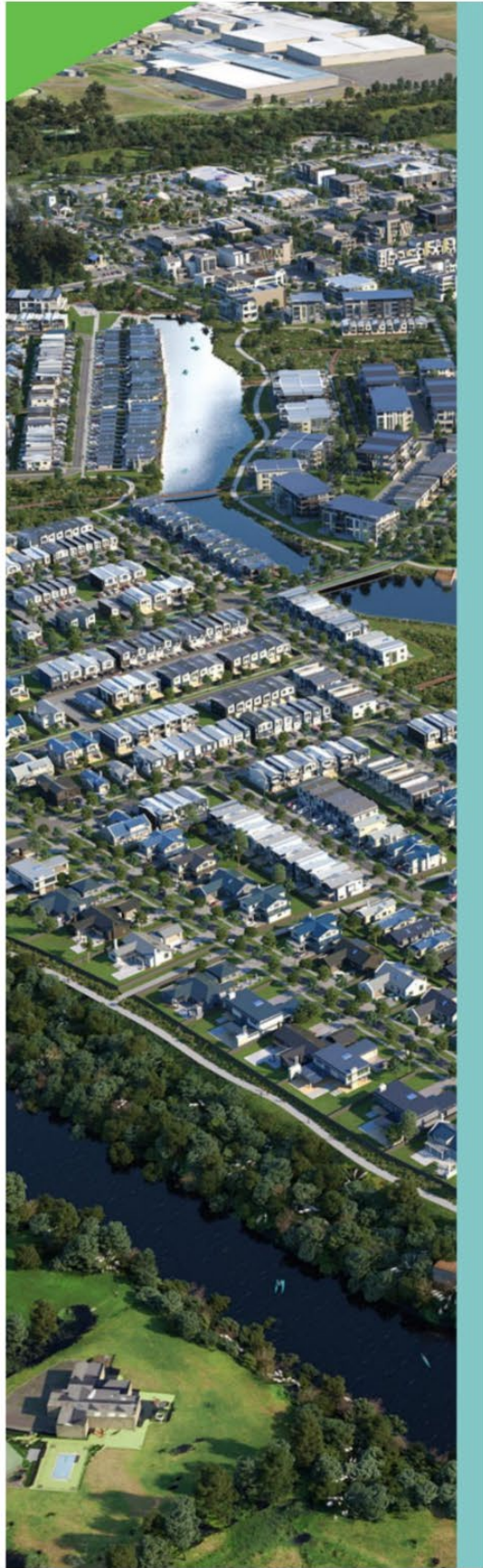
In June 2022, a consent application for an 8 lot industrial subdivision by Te Wetini Developments was received and is currently being assessed and processed.

The Empire Ltd resource consent in Te Rapa North is still being processed and construction with the Te Rapa North continues within the Porters and Te Rapa Gateway Ltd consented industrial area.

Refer to the Development Activity Map attached to this report for residential and industrial consenting activity.

NETWORK INFRASTRUCTURE

- Rotokauri Arterial Designation: On 31 May, Council endorsed the submission of the Waka Kotahi Detailed Business Case and the lodgement of the Arterial Designation to commence the formal hearing process.
- Rotokauri Greenway Corridor: On 31 May Council endorsed the recommendation to actively engage with interested



developers in Rotokauri to advance the timing of the greenway project. Information gathering to inform consenting requirements is progressing well, made possible by funding from the Water Stimulus process.

PARKS AND OPEN SPACES

Rotokauri Sports Park (Whakapakari Park):

On 14 June the Community Committee provided approval to officially name the 6ha Rotokauri Sport Park, Whakapakari Park.

MADE Group:

MADE Group have provided for approximately three neighbourhood parks in a developed state as part of their development. One of the neighbourhood parks forms part of the fast-track consent currently being processed.

Funding to purchase a 7ha community park within the MADE site has been approved through the 22/23 Annual Plan. Negotiations have not commenced.

Rotokauri Development Limited (RDL):

The RDL development is almost complete with the final stage of development including the provision of a developed neighbourhood park. Park expected to be vested in 2022.

STRATEGIC LANDUSE PLANNING

Rotokauri North Private - Plan Change 7:

Council approved to make Plan Change 7 operative on 30 June and marks the final step in the plan change process.

Te Rapa North Deferred Industrial - Plan Change 7:

The purpose of Plan Change 10 is to bring more land to market for industrial growth in Hamilton. There is 191ha of land within the deferred zone, and it is this land, or part of it, that is being explored for rezoning through a potential plan change.

An integrated Catchment Management Plan (ICMP) is being prepared for the Te Rapa catchment, which will inform the plan change. Technical investigations are currently underway to inform structure plan development. Staff will bring a Plan Change 10 item to Council through the District Plan Committee in the coming months to provide a detailed update and seek input on key matters.

RISKS

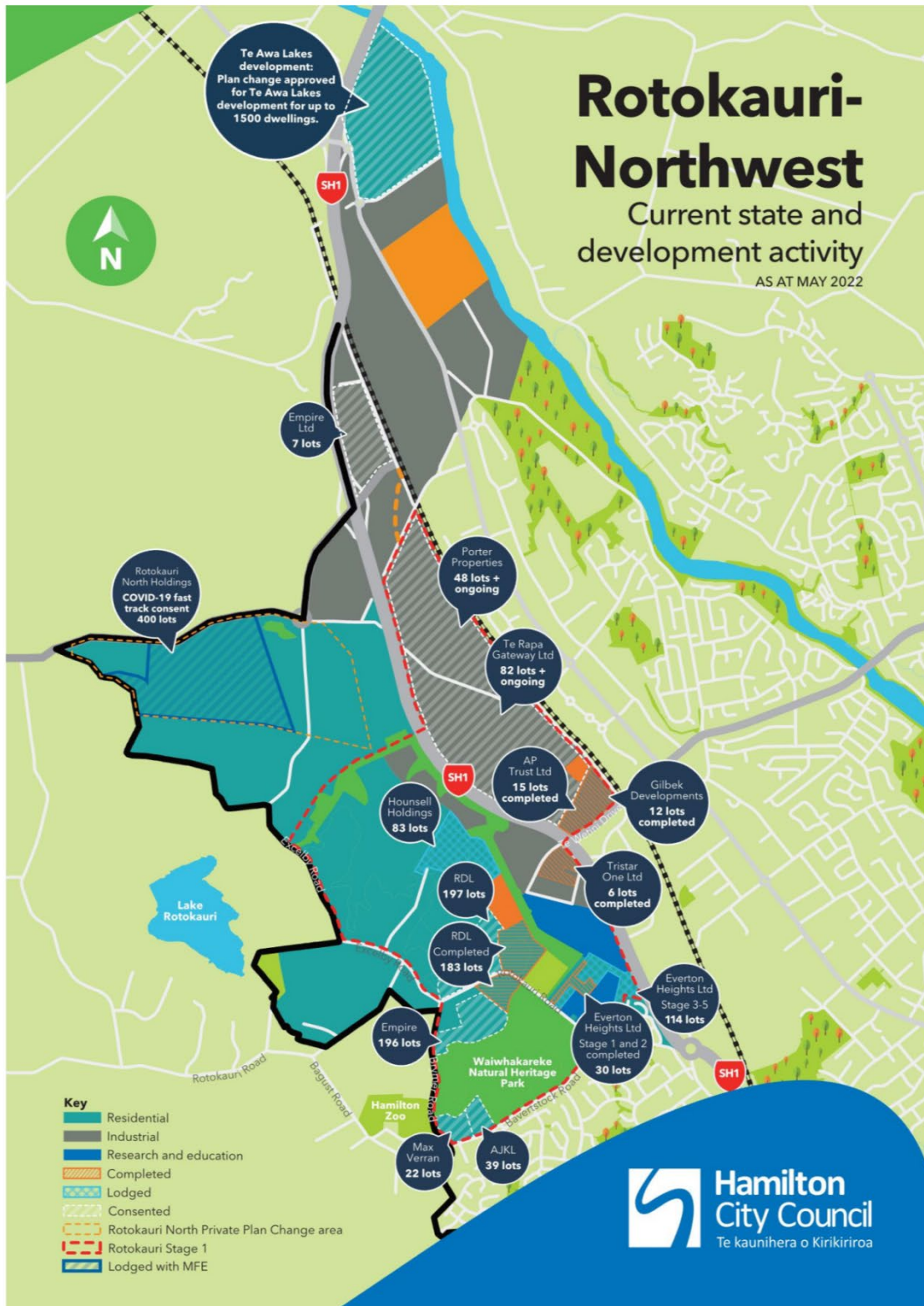
- Developers seeking to progress their developments through the resource consenting process prior to the strategic infrastructure being in place, which may result in lost opportunities, efficiencies, and poor wellbeing outcomes for the future community. Staff are actively working with developers and landowners to explore innovative infrastructure finance and funding to unlock development and community outcomes.
- There is a risk that misalignment between Government departments or local government organisations could incur additional costs or affect the outcomes of the programme that the community are expecting. For example, protection of wetlands, and mudfish requiring protection may impact on urban development of the area. This is being mitigated through strategic land use planning governance reporting and sub-regional collaboration through the Future Proof workstreams.

COMMUNICATION AND ENGAGEMENT

Following on from the committee meeting in May, an update on the Rotokauri greenway design and transport designation project was published to inform our community and stakeholders. Following this update, the Rotokauri Arterial Designation (RAD) team provided an update on the project to impacted landowners via email and then all landowners in the Rotokauri area near the proposed corridors via letters. These groups were invited to the recent Your Neighbourhood in Dinsdale, Saturday 18 June. The RAD stand at the event was visited by interested residents and landowners, some of which received the letter. Enquires at the event were focused on surrounding road upgrades, zoning and nearby residential developments. Engagement was high and resulted in quality discussions with interested residents in the Rotokauri area.

News and media stories:

- One step closer to roading network in Rotokauri / Council, 23 May



Council Report

Committee: Strategic Growth Committee **Date:** 26 July 2022
Author: James McCarthy **Authoriser:** Blair Bowcott
Position: Development Contribution Assessment Officer **Position:** General Manager Growth
Report Name: Development Contributions Remissions Quarter 4 2021/22

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

1. To inform the Strategic Growth Committee on Development Contribution remissions and refunds during the period 1 April 2022 to 30 June 2022 (Q4 2021/22).

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. The current Development Contribution Policy (DC Policy), operative from 1 July 2022, allows for five types of remission:
 - i. Actual demand remissions;
 - ii. CBD remissions;
 - iii. Social housing remissions;
 - iv. State Integrated schools' remission; and
 - v. Private Developer Agreement (PDA) remissions.
4. In Q4 2021/22, Council approved three Development Contribution (DC) remissions with a total value of \$368,736 consisting of:
 - i. 1 x actual demand remission totalling \$244,768.
 - ii. 2 x PDA remissions totalling \$123,968.
5. No refunds were approved in Q4 2021/22 under section 19 of the DC Policy.
6. There is a separate item in the GM (open) report to update the Committee on the status of interest rate refunds following the DC judicial review decision.
7. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

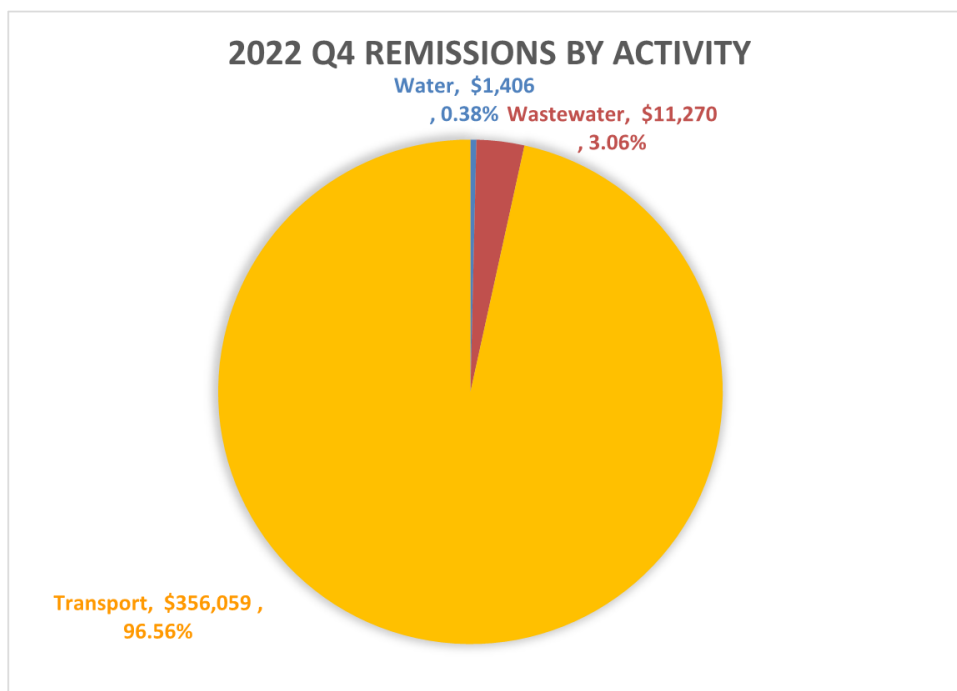
Background - *Koorero whaimaarama*

8. At its 30 June 2022 meeting, the Council approved the DC Policy 2022/2023, with an operative date of 1 July 2022.

9. The DC Policy allows for five types of remission:
 - i. Actual demand remissions;
 - ii. CBD remissions;
 - iii. Social housing remissions;
 - iv. State Integrated schools' remission; and
 - v. Private Developer Agreement (PDA) remissions.
10. Actual demand remissions and PDA remissions rely on developers supplying appropriate evidence of reduction in the impact of actual demand as compared to modelled demand.
11. All remissions in this report have been determined in accordance with the DC Policy and delegated authority.
12. All DC amounts in this report are exclusive of GST.

Discussion - *Matapaki* Remissions

13. In Q4 2021/22, Council approved three DC remissions with a total value of \$368,736, consisting of:
 - i. 1 x actual demand remission totalling \$244,768.
 - ii. 2 x PDA remissions totalling \$123,968.
14. DC remissions are calculated by individual activity components. The graph below shows the percentage of the total remissions granted attributed to each DC activity.



Refunds

15. Council did not approve any refunds under section 19 in Q4 2021/22.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

17. The approved remissions presented in this report satisfy the requirements for a reduction in DCs payable as set out in the DC Policy.
18. Council's DC Policy complies with relevant legislation.
19. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

20. 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').
21. The remissions in this report have been evaluated in relation to the 4 wellbeings, noting that the decisions themselves are directed by the DC Policy itself without staff discretion.
22. No social, cultural, or environmental considerations were identified in relation to the reported remissions.

Economic

23. Development contributions play an important part in the Council's overall funding and financial strategy.
24. 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.
25. 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.

Risks - *Tuuraru*

26. No specific risks have been identified in relation to the remissions in this report.

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

Significance

Having considered the Significance and Engagement Policy, staff have assessed that the recommendation in this report has a low level of significance. **Engagement**

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - 2022 Q4 Remissions Report .

Attachment 1: 2022 Q4 Remissions Report

CBD remission Address	Developer	Development description & Development Contributions Officer details/comments	Consent Number	Applicable policy	Original DC assessment	Amount remitted (\$ excl. GST)						Final DC assessment	Remission granted
						Water	Waste water	Storm water	Transport	Reserves			
310 Ruakura Road	Tainui Group Holdings Ltd	Proposal to construct a McDonalds restaurant at as part of the Ruakura Service Hub.	007.2022.00044444.001	2021/22	\$ 172,523	\$ 863	\$ 6,916	\$ -	\$ 68,291	\$ -	\$	\$ 96,454	\$ 76,070
310 Ruakura Road	Tainui Group Holdings Ltd	Proposal to construct a KFC restaurant at as part of the Ruakura Service Hub.	007.2022.00044473.001	2021/22	\$ 111,541	\$ 543	\$ 4,354	\$ -	\$ 43,000	\$ -	\$	\$ 63,644	\$ 47,898
310 Ruakura Road	Waikato Innovation Park Limited	Proposing to construct an indoor controlled environment farm, with ancillary offices at Waikato Innovation Park.	007.2021.00043611.002	2020/2021	\$ 278,400	\$ -	\$ -	\$ -	\$ 244,768	\$ -	\$	\$ 33,632	\$ 244,768
						\$ 172,523	\$ 1,406	\$ 11,270	\$ 356,059	\$ -	\$	\$ 96,454	\$ 368,735

Item 11

Attachment 3

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Growth Committee Public Excluded Minutes 19 May 2022) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. Amberfield PDA Agreement and Road Stopping		
C3. Southern Wastewater Treatment Plant Land Acquisition		

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

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