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## Strategic Growth Committee

### *Komiti Rautaki*

### OPEN MINUTES

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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 31 March 2022 at 9.31am.

#### PRESENT

<b>Chairperson</b> <i>Heamana</i>	Cr D Macpherson
<b>Deputy Chairperson</b> <i>Heamana Tuarua</i>	Cr R Hamilton (exclusively via Audio Visual link)
<b>Members</b>	Mayor P Southgate (exclusively via Audio Visual link) Deputy Mayor G Taylor (exclusively via Audio Visual link) Cr M Bunting (exclusively 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 Cr M van Oosten (exclusively via Audio Visual link) Cr E Wilson Cr M Donovan Maangai J Whetu (exclusively via Audio Visual link)

<b>In Attendance</b>	Blair Bowcott – General Manager Growth Chris Allen – General Manager Development Jackie Colliar - Strategic Manager Infrastructure Phil Haizelden - Transport Strategy Principal Keith Hornby - Programme Manager Special Projects Karen Saunders - Growth Programmes Manager Stafford Hodgson - Project Manager Robert Brodnax - Future Proof Transport Project Director
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<b>Governance Team</b>	Amy Viggers- Governance Lead Carmen Fookes – Senior Governance Advisor Tyler Gaukrodger – Governance Advisor
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#### 1. Apologies – *Tono aroha*

**Resolved:** (Cr Gallagher/Cr Wilson)

That the apologies for absence for Maangai Te Ua and for partial attendance from Cr O'Leary are accepted.

**2. Confirmation of Agenda – *Whakatau raarangi take***

**Resolved:** (Cr Macpherson/Cr Pascoe)

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***

No members of the public wished to speak.

**5. Confirmation of the Strategic Growth Committee Open Minutes of 15 February 2022**

**Resolved:** (Cr Wilson/Cr Macpherson)

That the Committee confirm the Open Minutes of the Strategic Growth Committee Meeting held on 15 February 2022 as a true and correct record.

**6. Chair's Report**

The Chair took the report as read, noting the report was circulated to members after the agenda and the decision making timeline.

**Resolved:** (Cr Macpherson/Cr Hamilton)

That the Strategic Growth Committee receives the report.

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

The Strategic Manager Infrastructure introduced the report, noting the business case timeline. Staff responded to questions from Members concerning wastewater plant funding, Waipa and Waikato District Council infrastructure funding, Council asset value, Entity B impact on the project, long term investment needed in southern plants, Fonterra wastewater, infrastructure requirements of growth areas, growth assumptions, wastewater capacity, collaboration with other councils, and alignment with District Plan.

**Resolved:** (Cr Macpherson/Cr Thomson)

That the Strategic Growth Committee:

- a) receives the report; and
- b) notes that:
  - i. the Southern Metro Wastewater Detailed Business Case document will be presented to the Project Governance Group on 29 April 2022;
  - ii. the draft Memorandum of Understanding for the project will be presented to the Project Governance Group on 29 April 2022;
  - iii. the above documents will be presented to the Strategic Growth Committee at the 19 May 2022 meeting;
  - iv. planning and investigations to support the delivery of the new Southern Wastewater Treatment Plant have commenced using allocated funding in the 2021-2031 Long Term Plan.

*Cr O'Leary left the meeting (10.39am) during the above item. She was not present when the matter was voted on.*

**The meeting was adjourned from 11.28am to 11.35am.**

*Cr O'Leary re-joined the meeting during the above adjournment.*

**8. Metro Spatial Plan (MSP) Transport Programme Business Case**

The Transport Strategy Principal introduced Robert Brodnax (Future Proof Transport Project Director) and spoke to the report, noting progress made to date, alignment with other programmes, alternative travel and micro-mobility routes, and land use.

**Resolved:** (Cr Macpherson/Cr Wilson)

That the Strategic Growth Committee receives the report.

**9. Draft Future Proof Strategy – Update on Deliberations**

The Programme Manager Special Projects introduced the report, noting the timeline of the Future Proof hearings, work taken to date, and guidance for Hamilton City Council representatives regarding Future Proof hearings.

**Resolved:** (Cr Macpherson/Cr Donovan)

That the Strategic Growth Committee:

- a) receives the report; and
- b) notes the process and timeline for deliberations on the draft Future Proof Strategy (paragraph 54 of the staff report).

**10. General Manager's Report**

The General Manager Growth took the report as read, noting progress on the Infrastructure Acceleration Fund work. He responded to questions from Members concerning collaboration with Central Government.

**Resolved:** (Cr Macpherson/Cr Gallagher)

That the Strategic Growth Committee:

- a) receives the report; and
- b) notes that Conflict of interest declarations dated 24 March 2021 for the General Manager Development and the General Manager Growth have been updated to reflect that Jen Baird, who was previously General Manager City Growth and who has left Council, has been replaced by Lance Vervoort, Chief Executive, as project sponsor of Hamilton Urban Growth Strategy (HUGS) (refer to **Attachment 2** and **Attachment 3** of this staff report).

**11. Open Information Only Reports**

The Growth Programmes Manager took the Growth Programmes Update report as read. The Project Manager spoke to the HUGS Review –March 2022 update report, noting the central city and corridor work being undertaken.

**Resolved:** (Cr Macpherson/Cr Thomson)

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

- i. Growth Programmes Update; and
- ii. HUGS Review –March 2022 update.

## 12. 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 15 February 2022	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Position on Future Proof	)	
C3. General Manager's Report		

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 to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (i) Section 7 (2) (j)
Item C3.	to enable Council to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (i) Section 7 (2) (j)

**The meeting went into a Public Excluded session at 12.04pm.**

**The meeting was declared closed at 12.56pm.**

### **Minute Note 17/08/2022:**

*On 17/08/2022 the following report and resolutions were determined to be released to the public via these minutes and the quarterly update. The report is attached as **Appendix 1** of these minutes.*

***Position on Future Proof***

***Resolved:***

*That the Strategic Growth Committee:*

- a) receives the report;*
- b) notes the content of submissions on the draft Future Proof Strategy relating to areas for future urban development;*
- c) notes that this report documents emerging thinking on outcomes Hamilton City Council seeks from the Future Proof Strategy (changes it seeks from submissions);*
- d) notes that staff will report back to the Strategic Growth Committee on 19 May 2022 with the final Hamilton City Council position to take into Future Proof Strategy submission deliberations;*
- e) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

# Council Report

Item C2

**Committee:** Strategic Growth Committee      **Date:** 31 March 2022  
**Author:** Mark Davey      **Authoriser:** Blair Bowcott  
**Position:** City Planning Manager      **Position:** General Manager Growth  
**Report Name:** Position on Future Proof

<b>Report Status</b>	<i>This report is taken as a publicly excluded item to enable Council to carry out negotiations; AND to prevent the disclosure or use of official information for improper gain or improper advantage.</i>
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## Purpose - Take

1. To inform the Strategic Growth Committee of the proposed position of Hamilton City Council on the 'unanticipated' and 'out-of-sequence' growth areas identified through submissions to the draft Future Proof Strategy (the Strategy) relating to areas adjacent to the Hamilton City boundary or within the wider Hamilton area of interest.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth Committee:
  - a) receives the report;
  - b) notes the content of submissions on the draft Future Proof Strategy relating to areas for future urban development;
  - c) notes that this report documents emerging thinking on outcomes Hamilton City Council seeks from the Future Proof Strategy (changes it seeks from submissions);
  - d) notes that staff will report back to the Strategic Growth Committee on 19 May 2022 with the final Hamilton City Council position to take into Future Proof Strategy submission deliberations; and
  - e) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

## Executive Summary - *Whakaraapopototanga matua*

3. This report provides guidance on how the Council might, through Future Proof, approach 'unanticipated' and 'out-of-sequence' or 'emerging' growth areas identified through submissions to the draft Future Proof Strategy. A number of these areas are outside of the Hamilton City Council territorial boundary but adjacent to the urban edge of Hamilton. Some have been signalled in earlier Future Proof strategies and are subject to boundary agreements with neighbouring councils. The map in **Attachment 3** shows these emerging areas.

## APPENDIX 1:

## Item C2

4. This is an initial discussion report to share thinking and gather Elected Members' input as staff consider submissions to the draft Future Proof Strategy. This report will help develop a Hamilton City Council position with respect to the draft Future Proof Strategy for Councillor Macpherson to take forward as the Hamilton City Council representative on the Future Proof Submissions Panel. Staff will develop a final position based on feedback from this discussion to bring back to the 19 May 2022 Strategic Growth Committee meeting.
5. This report is in the public excluded part of the agenda so that the Committee may hold internal discussion on strategic land use decisions prior to the public Future Proof Strategy deliberations.
6. This report covers matters concerning the areas WA and HT1. The General Manager Development and the General Manager Growth note that they have followed the relevant conflict of interest protocols regarding these areas.
7. The draft Future Proof strategy identifies HT1 and R2 in the 'beyond 30-year development' timeframe. Few 'short-term development' greenfield development areas are identified other than those already within the boundary of Hamilton City, such as Peacocke and Ruakura. Rotokauri is identified as a 'long-term development' along with the southern portion of Peacocke and Temple View.
8. There has been significant development interest around the boundary of the Hamilton City. This has been highlighted through submissions to the draft Future Proof Strategy seeking to have areas such as SL1, Te Kowhai East, and Brymer identified for future urban expansion.
9. The submitter requests for Te Kowhai East and Brymer to be identified in the strategy follow the property boundaries aligned to the ownership of the submitters. As a result, they do not reflect good planning and would not lead to a coherent urban form in future. SL1, R2 and HT1 are exceptions to this in so far as they have a logical urban edge in the form of WEX and Southern Links, and create a contiguous urban area with the existing urban form of Hamilton.
10. Specific identification of individual submitters' properties in Future Proof starts to confer additional value uplift to these properties and gives them a 'foot on the legislative ladder' towards urbanisation. Furthermore, it creates an organisational commitment on the part of the Council to bring these areas into the city. Each step in recognising an area for urbanisation is an opportunity lost if the Council has not already commenced negotiations with these landowners to achieve win-win outcomes.
11. A less definitive indication of areas for expansion would be more beneficial for the Council where natural boundaries do not already exist, e.g. Te Kowhai East, Brymer and WA. This approach provides Council the opportunity to negotiate up-front with landowners before areas are specifically defined and before boundary transfers with neighbouring councils commence. This approach would provide greatest leverage to Council and would help ensure integrated urban planning outcomes are delivered that benefit the city.
12. Submissions on the draft Future Proof strategy have closed and the hearing panel deliberations have commenced. The strategy has followed the Special Consultative Process (SCP) under the Local Government Act (2002). This process limits the scope of decision-making to the submissions received. Changes to the strategy can only be made within the scope of the submissions received. Any new or additional changes to the strategy beyond the scope of submissions will have to be addressed in the upcoming Future Development Strategy (FDS) planning process.
13. The FDS process will update the Strategy. This update needs to be undertaken prior to 2024 to meet the National Policy Statement on Urban Development (NPS-UD) requirements. The update will involve further work regarding infrastructure and will be informed by the programme business case work underway to identify three waters and transport infrastructure and service requirements.

## APPENDIX 1:

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

### Background - *Koorero whaimaarama*

15. The draft Future Proof Strategy was approved for public consultation at the Future Proof Implementation Committee meeting on 16 September 2021. Public consultation began on 4 October 2021 and closed on 12 November 2021. The draft Strategy and summary document are available on the Future Proof website.
16. Hamilton City Council chose not to make a submission on the draft Strategy, as the draft Strategy represented the collective view of the Future Proof Partners at the time of its development and reflected the input of Hamilton City Council into the development of the draft Strategy.
17. A total of 52 submissions were received, containing approximately 330 submission points. Approximately 64% of submission points were supportive/supportive in part. Approximately 30% were opposed or opposed in part, with the remaining 6% being neutral.
18. In total, 21 submissions across the Future Proof sub-region seek out-of-sequence or unanticipated development as part of their submission either proposing that either additional land to be included in the urban or village enablement areas, or propose a change in the strategic timing in the development of a growth area currently identified in the Strategy.
19. Of particular significance to Hamilton are the 11 submissions relating to areas adjacent to the Hamilton City boundary or within the wider Hamilton area of interest, that seek change to the settlement pattern component of the Strategy (outlined in the tables below). These submitters primarily seek change to the two key future growth area maps within the Draft Future Proof Strategy, namely:
- Map 7: Current and future urban areas (see **Attachment 1**), and
- Map 8: Possible future enablement areas for further investigation (see **Attachment 2**).
20. For ease of reference and orientation, the geographic location of these 'emerging areas' is broadly identified in the attached Growth Programmes 'Emerging Areas' map (see **Attachment 3**).
21. Five submitters seek change to the indicative development timing of an area beyond that which is currently identified in the Strategy (out-of-sequence).

Out-of-Sequence Proposal Location	Submitter Name	Current development timing/recognition in Draft Future Proof Strategy
R2 Growth Cell (East of Hamilton)	CDL Land NZ Ltd	Development timing: Beyond 30 years
WA Growth Cell (West of Hamilton)	Andrew King/ Lloyd Seeney	Development timing: Beyond 30 years
SL1 Growth Cell (South-West of Hamilton)	Saxby's (SL1)	Identified as 'Possible future urban enablement area for further investigation'
Landholding within wider SL1 area	Findlay Family Trust	Identified as 'Possible future urban enablement area for further investigation'
Hamilton Airport (South of Hamilton)	Waikato Regional Airport Ltd	Development timing: Beyond 30 years



## APPENDIX 1:

22. Six submitters have proposed that additional land to be included within the urban enablement area (unanticipated developments).

Unanticipated Proposal Location	Submitter Name
Rukuhia (South West of Airport)	Western Developments Ltd
Near Burbush (West of Hamilton)	Brymer Farms Ltd (referred to as Brymer)
Te Kowhai East (North West of Hamilton)	Bluehaven/Hounsell
Horotiu (North of Hamilton)	AFFCO New Zealand Limited
R3 Growth Cell (East of the Waikato Expressway)	Puketaha Urban Development (Moeraki Farm Limited and Burton Trust)
East of R2- adjacent to Waikato Expressway	Callum Brae Trust

Item C2

### Discussion - *Matapaki*

#### Emerging Hamilton position

23. Hamilton City Council elected members have been clear that the boundaryless approach to planning for growth across the sub-region needs to be recognised and given effect to through the Future Proof Strategy. As the Draft Strategy stands, there is a degree of inflexibility, which is counter to a 'boundaryless approach'.
24. Fixed timings ascribed to certain areas of land around the periphery of Hamilton in the Future Proof strategy have two key impacts on Hamilton:
- First, they lead to a lack of flexibility and responsiveness on the part of the Hamilton City to either bring forward and push-out the inclusion of additional areas into the city when required based on market factors;
  - Second, fixed timings create expectations on the part of the landowners and fellow Future Proof partners, including central government agencies, as to when areas will be urbanised. Once times are fixed, any deviation to these timings by Hamilton City Council can lead to tension and push-back from both the developers and Future Proof partners.
25. The Future Proof strategy, once it has been settled, will be reflected in part in the new Regional Policy Statement (RPS). This will have the effect of elevating the weight given to these areas of land identified in the strategy in a RMA context. This is a key reason for submitters seeking identification of their properties in the Future Proof Strategy.
26. Overall, we suggest a revised Future Proof Strategy should:
- identify broad geographic areas as opposed to fixed landowner parcels;
  - provide broader flexibility within the strategy to work with opportunities based on principles/criteria;
  - recognise the area of influence/communities of interest around the city (the Metro Spatial Plan boundaryless approach to planning).
27. Alongside this, there is a need for Hamilton City Council to enter into strategic land agreements with Waikato and Waipa District Council to enable future transfer of land into Hamilton City Council.

### Timing and sequencing through Future Proof

28. Previously, the Future Proof Strategy had not identified a timeframe and/or a development sequence for growth areas within the urban enablement areas identified in the policy. It has been limited to identification of geographical areas.
29. The NPS-UD requires that Hamilton provide enough development capacity for anticipated growth over the short, medium and long term. Additionally, the NPS-UD requires responsiveness to 'unanticipated' or 'out-of-sequence' plan change opportunities that would add significantly to development capacity and contribute to well-functioning urban environments, should they arise. The NPS-UD requires that the Strategy must identify the broad locations in which development capacity will be provided over the long term.
30. The proposed timeframes for growth areas in the draft Future Proof Strategy update was, in part, an attempt to address this requirement. However, concerns have been raised politically that this level of detail and specificity being included in the draft Strategy will potentially limit the decision-making ability of Council to progress 'unanticipated' or 'out-of-sequence' growth opportunities in a well-considered and comprehensive way. We believe having more broadly identified areas with a clear set of principles will lead to better outcomes.
31. It is also important that the strategy avoid identifying individual submitters' properties and instead allow a more holistic view with respect to urban expansion on the periphery of Hamilton. Specific identification and recognition of land to be brought into the city creates immediate value uplift due to the level of certainty this conveys in terms of these areas being urbanised. This reduces Hamilton City Council's ability to negotiate win-win outcomes for the city when bringing in new areas of land if the strategy has already strongly indicated that these areas will be brought in.
32. Discussions have been held around the appropriate level of flexibility that Council wishes to maintain when determining the long-term growth of the wider metro Hamilton area. A more 'principles-based' approach should be sought to not limit potential future opportunities.

### Metro Spatial Plan Approach

33. One of the driving factors behind the update of the Future Proof Strategy (alongside giving effect to the NPS-UD) was to embed the Metro Spatial Plan (MSP) outputs into the document, so that it would then inform a variation to the Regional Policy Statement. The MSP work took a 'boundary-less' approach to planning.
34. The MSP was developed recognising that the metro area is one urban system where development and resources are connected and are not limited by local government boundaries. MSP thinking and outputs could be reflected in the document to a greater degree.
35. There is a political desire to maintain a more 'principles-based' approach to determining when and/or where growth should occur rather than fixed time periods or specific land holdings, within appropriate environmental limits and taking into consideration other relevant factors.
36. A principles-based approach to growth means focusing on opportunities which can deliver greater wellbeing outcomes through negotiated deals with landowners. The HUGS review through the Strategic Growth Committee has approved draft principles for out-of-boundary development. These principles are included as attachment 1 of the HUGS Update to the 31 March 2022 Committee (a separate report on this agenda) could provide a useful starting point for revised principles/criteria to be used in the Future Proof strategy.

### What does Hamilton want to achieve through in the final Future Proof strategy?

37. It would be advantageous if the Council could achieve the following outcomes in the Future Proof Strategy:
- i. To provide greater flexibility: removal of timing on current maps in draft strategy related to specific growth areas (HT1, R2, WA, SL1, R3) but with the addition of more specific criteria/bottom-lines regarding what Hamilton City Council would require from these developments before advancing to boundary transfer processes;
  - ii. High-level acknowledgement of Ruakura East, not confined solely to one landowner/submitter and noted as an 'area of interest' or area for 'future investigation' (subject specific criteria and principles), for example as part of R3;
  - iii. High-level acknowledgement of an 'area of interest' or area for 'future investigation' along the western boundary of the city (subject specific criteria and principles);
  - iv. the inclusion of existing MSP maps that more accurately show the metro area and the bio-physical constraints surrounding the city; and
  - v. removal of the map 7 and map 8 processes in favour or a more simplified approach.

### Links to other processes – what it means for HUGS and MSP transport

38. Consideration of the settlement and growth pattern in Future Proof needs to consider alignment with other processes currently underway. These will have significant growth management implications for Hamilton's future urban form. These include:
- i. the current Future Proof assessment of the existing capacity for housing and business development (HBA) over the next 30 years;
  - ii. the review of the Hamilton Urban Growth Strategy (HUGS);
  - iii. Hamilton District Plan Change Programme (addressing the intensification requirements of the NPS-UD and Resource Management (Enabling Housing Supply and Other Matters) Amendment Act), specifically Plan Change 12;
  - iv. the land use implications of the Transport Programme Business Case for the Hamilton-Waikato Metro Spatial Area, which is also testing the likely future land use implications of the Emissions Reduction Pathway.
39. The upcoming FDS work will provide an opportunity to further investigate particular growth areas. It will be important for Hamilton City Council to have commenced investigation in advance into potential growth areas in order to inform the FDS.

### Growth projections and existing capacity

40. Growth projections and existing capacity is a key consideration in the context of potential urban expansion and intensification. Under the NPS-UD Councils are required to complete a Housing and Business Capacity Assessment (HBA), to determine whether they have enough land available to accommodate projected growth (demand plus 20%). This was initially intended as a compliance exercise to ensure local government was not unduly constraining land supply.
41. The most recent HBA prepared under the NPS-UD identifies that Hamilton City has enough capacity over the short, medium and long term when taking into consideration our existing green-field growth cells, as well as the capacity to intensify within existing brownfield areas.

42. The HBA is a helpful guide to understand supply and demand factors over the short, medium and long term. It is important to recognise that there are a range of assumptions which inform an HBA assessment. The HBA reporting has become a key informant of strategies such as Future Proof and used as a key evidential basis to promote or dissuade plan changes which are seeking to unlock further supply of land for development. What we have observed is that real-world, on-the-ground market conditions and factors can often be very different to what the HBA forecasts and projects.
43. We know that there is a significant gap between what is plan-enabled/zoned and what is delivered and the rate and timing of delivery. We also know that the timeline for bringing new greenfield areas into the city and the delivery of housing can be 10+ years notwithstanding developer appetite and infrastructure hurdles (for example Peacocke and Rotokauri). Full build-out can take an additional 10-15+ years (for example Rototuna).
44. From experience, regardless of the scale of greenfield areas, developers will not generally flood the market with stock. Even if it made commercial sense to do so, developers would be constrained by regulatory processes, infrastructure delivery and supply chain resourcing. This results in a situation whereby new greenfield areas will only see a small percentage of total net yield being brought to market in any given year. A limited number of greenfield areas are also likely to encourage land banking leading to excessive price inflation.
45. In a brownfield context, recent amendments to the Resource Management Act (Medium Density Residential Standards) require Tier 1 councils to intensify over and above the current District Plan settings. These Resource Management Act amendments will result in a more permissive regulatory framework that will deliver additional plan-enabled capacity over and above what has already been enabled and deemed as sufficient by the Ministry for the Environment.
46. Infrastructure capacity and funding constraints to upgrade existing networks are likely to alter the ability to deliver the full amount of theoretical brownfield capacity that the current HBA assumes. The current Hamilton infrastructure investigations will be used to re-model the HBA findings. The addition of infrastructure constraints is an important real-world improvement over the current HBA.
47. On this basis, Council must take a strategic view with respect to growth, commence urbanisation processes sooner rather than later, knowing the lead times for bringing land to market and the risk that not all of this land will make it to market.
48. We must continue to monitor the housing market and developer up-take and ensure there is a sufficient pipeline of brownfield and greenfield land being introduced to the market. This includes understanding 'out-of-boundary' opportunities and, where appropriate, negotiating win-win outcomes to advance their inclusion in the city for urban development

### Potential implications

49. It is important to note that the best opportunity for council to 'capture value' from land through additional development rights (up-zoning) is before these properties have been identified in any planning maps, RMA or Future Proof. Acknowledgment of additional areas of land in the Future Proof Strategy will have the effect of driving up the value of that land, potentially before any Private Developer Agreements (PDAs) are negotiated.
50. A private plan change can be lodged irrespective of if the land is within or outside HCC boundary. However, the likelihood of success is very low, the plan change itself might not be accepted in the first instance. Two key reasons for this include:
  - i. Urbanisation on the Hamilton urban boundary but outside of Hamilton City Council territorial area will be reliant on Hamilton City Council services (which Hamilton City can control);

- ii. A plan change of this nature will be contrary to the Regional Policy Statement objectives and policies including the Waikato and Waipa district plan policy frameworks.
51. Once land is transferred into the city the above hurdles fall away, and it is far more likely the private plan change will succeed. Therefore, Council needs to be mindful that once a boundary change has been initiated a key bargaining tool with the owners/developers of that land would have been lost to Council unless prior contractual agreements have been made.
  52. A boundary change into the city will generate significant value uplift for the landowners. An approach to value capture needs to be finalised prior to any boundary change progression should Council wish to secure a portion of this value uplift for the benefit of the wider community and to fund infrastructure.
  53. Council must develop a position on future growth areas taking into account the points above to deliver the best outcomes for the city.

#### **Current and planned new growth inside the city**

54. It is important to acknowledge that there is a large amount of work currently underway or planned for new growth areas inside the city. For example, if we exclude the new homes that will be enabled in the infill areas by the current District Plan Change work, our planned and committed new growth areas such as Rototuna, Peacocke, Rotokauri-Northwest, Ruakura and Central City will enable homes in the short-medium term for over 60,000 people at full build out.
55. Concurrent work underway through the Metro Wastewater North and South Business Case projects, and the Metro Spatial Plan Transport Business Case project, rely on certain land use scenarios to eventuate in order to make them viable.
56. There is the potential that deviating from the land use patterns identified in these pieces of work will impact on their feasibility, timing, and overall ability to achieve the broader outcomes which they're seeking to achieve, for example rapid and mass transit solutions.
57. Any change to the future land use pattern will also need to take into account the Government's emissions reduction targets.
58. Staff are also currently delivering the capital programme for our new planned growth areas that was approved in the 2021-31 LTP.

#### **Resourcing challenges**

59. Council needs to continually monitor the housing market and developer up-take to ensure there is sufficient pipeline of brownfield and greenfield land being brought to the market. This includes understanding 'out-of-boundary' opportunities and, where appropriate, negotiating win-win outcomes to advance their inclusion in the city for urban development.
60. In recent years staff have been responding to new growth-related opportunities (and challenges) within the city boundaries which often require private developer agreements and, in some cases, alternative funding and financing mechanisms. Recent and current examples of this include Rotokauri Stage 1, Rotokauri North Fast Track Consent, Te Awa Lakes and the Ruakura Tramway Block. These various deals and arrangements are resource intensive and require significant upfront investment stretching across a range of disciplines and teams within Council.
61. It's important to note that new 'out-of-boundary' opportunities as well as the opportunities outlined above are in addition to our existing planned and funded growth programmes. While these opportunities are increasing, our capacity to achieve these has not.

### **Financial Considerations - *Whaiwhakaaro Puutea***

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

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

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

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

64. 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').

65. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

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

67. There are no specific social, economic, environmental or cultural considerations associated with the matters covered in this report.

68. 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***

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

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

#### **Significance**

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

#### **Engagement**

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

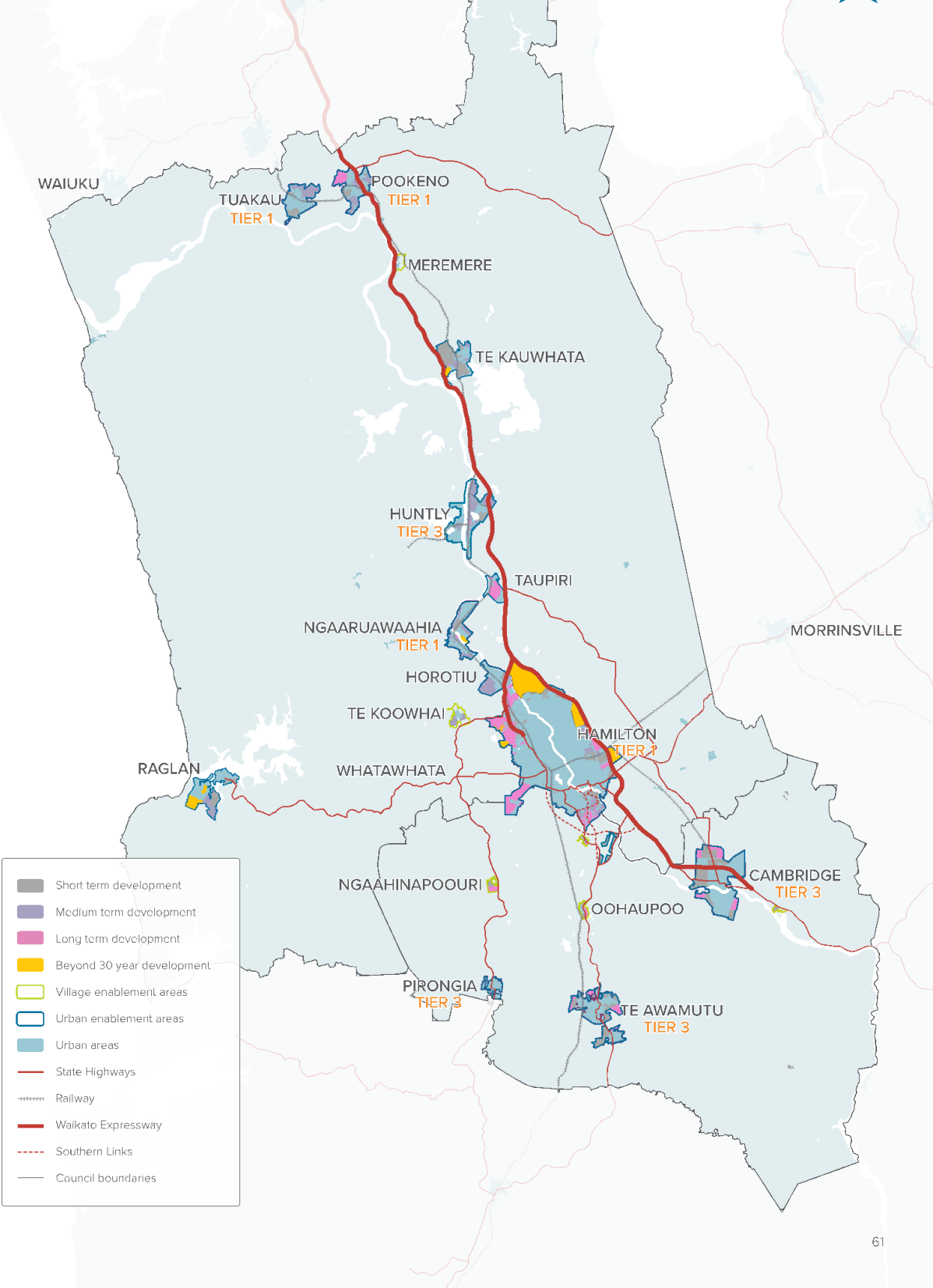
### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Draft FP Strategy - Map 7 - Current and future urban areas

Attachment 2 - Draft Future Proof Strategy - Map 8 - Possible future urban enablement areas for further investigation

Attachment 3 - Hamilton City Council Emerging Areas Map – March 2022

Map 7: Current and future urban areas



Map 8: Possible future urban enablement areas for further investigation

