

Elected Member Briefing 13 February Notes

Time and date:	13 February 2017
Venue:	Committee Room 1, Hamilton City Council
In Attendance:	Mayor King, Deputy Mayor Gallagher, Crs O'Leary, Pascoe, Tooman, Macpherson, Casson, Henry, Bunting, Southgate, Yeung, Mallett
Apology for Full Session:	Cr Taylor
Apology for Part Session	Mayor King, Deputy Mayor Gallagher, Councillors Macpherson, Southgate, O'Leary, and Bunting.

Discussion

The briefing session covered the following topics:

1. Draft Zoo Master Plan
2. Long Term Plan Roadmap
3. Asset Management
4. Integrated Growth Briefing
5. Access Hamilton Strategy

There were a number of key points arising from discussions.

1. Draft Zoo Master Plan

(presentation)

The draft Zoo Master Plan was put on hold following the tragedy of Sam Kudeweh's death and was to be re-activated this year.

The draft plan would be released publicly today. A number of requests under the Local Government Information and Meetings Act relating to the draft Zoo Master Plan had been received however was not Council's practice to release draft plans before they had been put before Elected Members.

Elected Members asked questions and provided feedback in relation to:

- The draft plan's alignment with Council's strategy for green spaces;
- the importance of the connection between the Zoo and Waiwhakareke ;
- the need for a timeline showing how these developments are inter-related; particularly timing of public access to Waiwhakareke;
- opportunities for external funding and to leverage the success of the Hamilton Gardens; and
- re-focusing the zoo to native species.

2. Long Term Plan Roadmap

(handout)

Elected Members were informed that Staff were currently working on the 2017/18 Annual Plan, work was to be starting on the 2018 – 2028 Long Term Plan (LTP) shortly.

Initial conversations with Elected Members would cover critical considerations such as the components of the financial strategy and revenue options available to Council, Hamilton's growth mix, levels of service, and asset management plans.

The cost of the programme of work for the LTP would come to Council through the Annual Plan.

3. Asset Management Update

(presentation)

Staff gave a general presentation on Council's approach to asset management as a platform for further discussions through the Long Term Plan process.

Elected Members' strategic contribution to this function was outlined and an overview of key was provided. These considerations included:

- Council's financial strategy;
- Setting levels of service and performance measures;
- Addressing growth;
- Decisions on plans and strategies; and
- Understanding the risks and consequences of decisions.

Staff reported briefly on the role of external audits and quality assurance processes in the asset management process and the competence of those agencies and experts involved.

4. Integrated Growth Briefing

(presentation and handout)

Staff presented on important considerations for Elected Members in relation to Council's response to the city's growth. Key discussion points included:

Growth demands:

- The opportunities and impacts of debt and borrowing to invest in growth;
- NPS targets, Hamilton's growth needs, and opportunities to encourage competition amongst developers; and
- Council's draft Housing Infrastructure Fund proposal

Futureproof, in particular:

- Council's desire to ensure flexibility around the timing and conditions for bringing land outside Hamilton's boundaries into the city; and
- recognising that Hamilton's communities of interest do not necessarily reside solely within the city's boundaries.

Strategic Infrastructure, noting:

- land supply, the work and investment underway on Integrated Catchment Management Plans (ICMPs), transport and waste water for the Rototuna, Rotokauri, Peacocke, and Ruakura growth cells; and
- increasing compliance standards and community expectations related to managing the effects of urbanisation.

6. Access Hamilton Strategy

(handouts)

The General Manager City Infrastructure led Elected Members through short brainstorming session to gather their views on current and future challenges for transport and access for the city. Staff will take Elected Members' feedback to the Access Hamilton Taskforce which is charged with reviewing the Access Hamilton Strategy. Staff aim to have the Access Hamilton Taskforce signed off as a strategic business case (utilising Government's Better Business Case and New Zealand Transport Association processes as best practice).

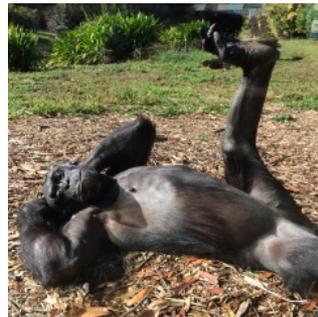
Draft Hamilton Zoo Master Plan

➔ Council briefing



What is a Zoo?

- Zoos, wildlife parks and aquariums care for wild animals so that people can have **memorable experiences with wildlife.**
- Good zoos focus on **Animal Welfare, Conservation, Education, Recreation and Research.**



What we do

➤ We are a recreational resource for Hamilton, working to conserve wildlife.

- 21 hectares of landscaped grounds with another 7 hectares available for future use.
- More than 600 exotic and native New Zealand animals.



What we do

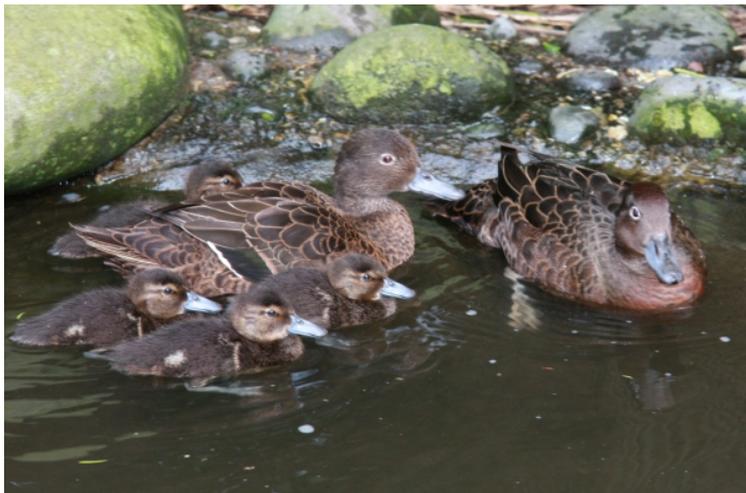
➤ We are a recreational resource for Hamilton, working to conserve wildlife.

- Over 120,000 people visit the Zoo each year (nearly 130,000 in 2015/16)
- 40% are Hamilton City residents and less than 10% are international tourists.



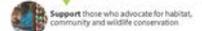
Why we do it

↘ The wild isn't safe for wild life anymore, we make a difference



Where we want to be:

AN URBAN GARDEN



How much do we cost?

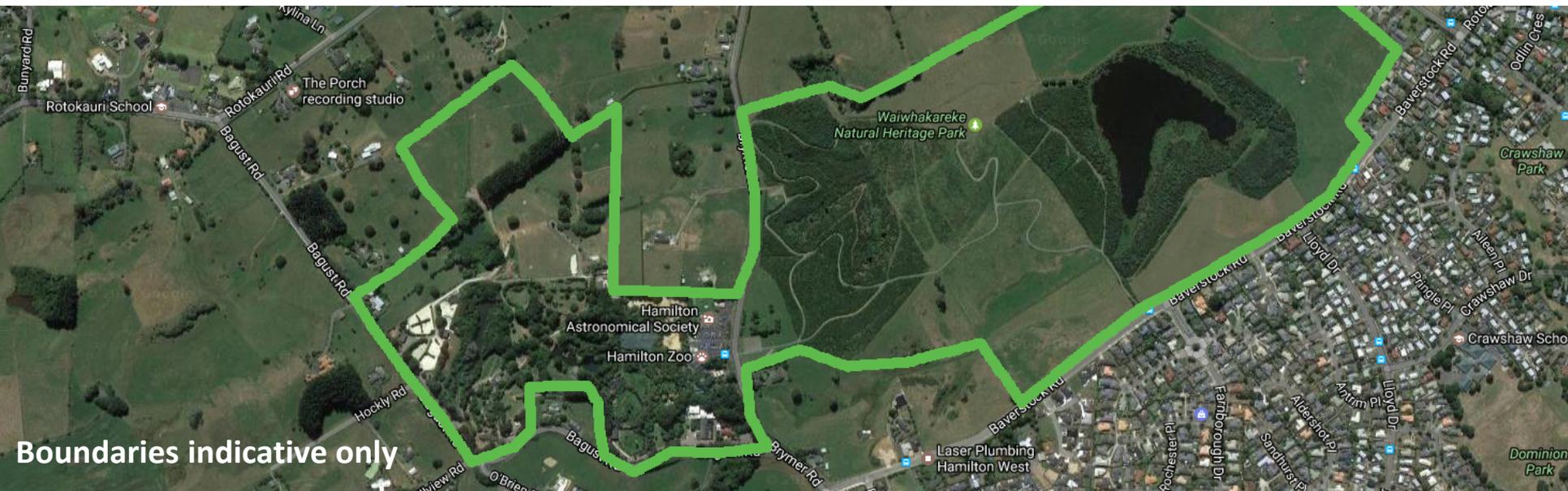
↘ ...and how are we funded?

- \$4.25 million, based on 2016/17 budget. (\$4.75 million in 2017/18)
- Offset by revenue of approx. \$1.65 million, primarily through Zoo admissions.
- 62% of the Zoo's annual operating cost this year will be funded by rates.

Draft Zoo Master Plan

↘ The journey to date

- Hamilton Zoo Development Plan: approved by Council in December 2008 but never funded.
- Strong links with Waiwhakareke Natural Heritage Park (WNHP) identified in both the Business Plan (2008) and Reserves Act Management Plan for the Park, adopted by Council in August 2011.



Hamilton Zoo Working Group

↘ Established by Council in July 2014

- **Elected members:** Cr O’Leary (Chair), Mayor Hardaker, Crs Gallagher, Yeung and Pascoe.
- **External members:** Bruce Clarkson (University of Waikato, Chair WNHP), Karen Fifield MNZM (CEO Wellington Zoo, ZAA President), Kiri Goulter (CEO HWT).
- **Staff:** Sean Murray, Stephen Standley, Jeremy Froger (Parks & Open Spaces), Jennie Lavis (executive support), Gareth Cartwright (Strategic Policy Analyst – Environment).
- **Studio Hanson Roberts:** Becca Hanson, David Roberts, Lindsey Gadbois. (contracted Seattle based international zoo architects)

Working Group Purpose

- Produce a plan that sets Council and community expectations, future direction and development goals for Hamilton Zoo.
- Incorporate current and ongoing management activities within the Zoo, including how it interacts with the WNHP.
- Cover future developments within the Zoo for the next 30 years.
- Shape a physical master plan.

Draft Plan strategic objectives

- **Vision:** All people value wildlife.
- **Purpose:** Creating unique experiences that inspire people to love and protect wildlife.

- **Outcomes**

Care – our animals have quality care.

Animal Welfare

Fun – people have fun and feel connected with wildlife.

Visitor Experience

Inspire – people are inspired to value wildlife.

Education

Protect – people take action to protect their local wildlife.

Conservation

Successful – Premier tourist attraction for the region.

Financial Sustainability

MASTER PLAN CONCEPT



- Public Gathering 
- Exhibits 
- Public Walkways 
- Public Use Buildings 
- Animal Buildings/Staff 
- Service Access 

ENTRY, RETAIL SHOP AND CAFE

Phase 1

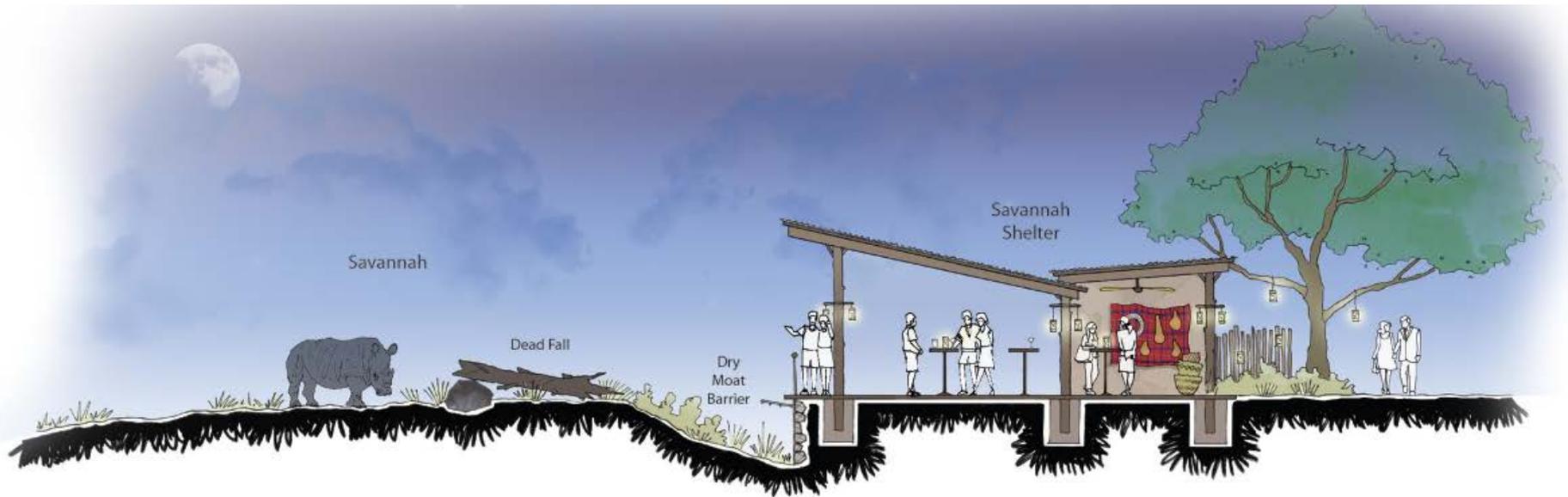
Concept image



Phase 2

SAVANNAH - RHINOS, GIRAFFES, ZEBRAS, MEERKATS

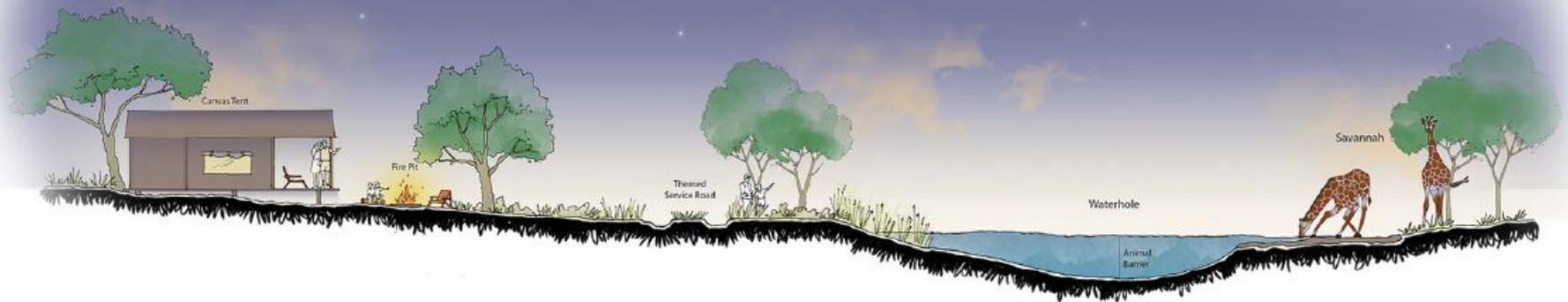
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SAVANNAH - WATERHOLE CAMP

Phase 3

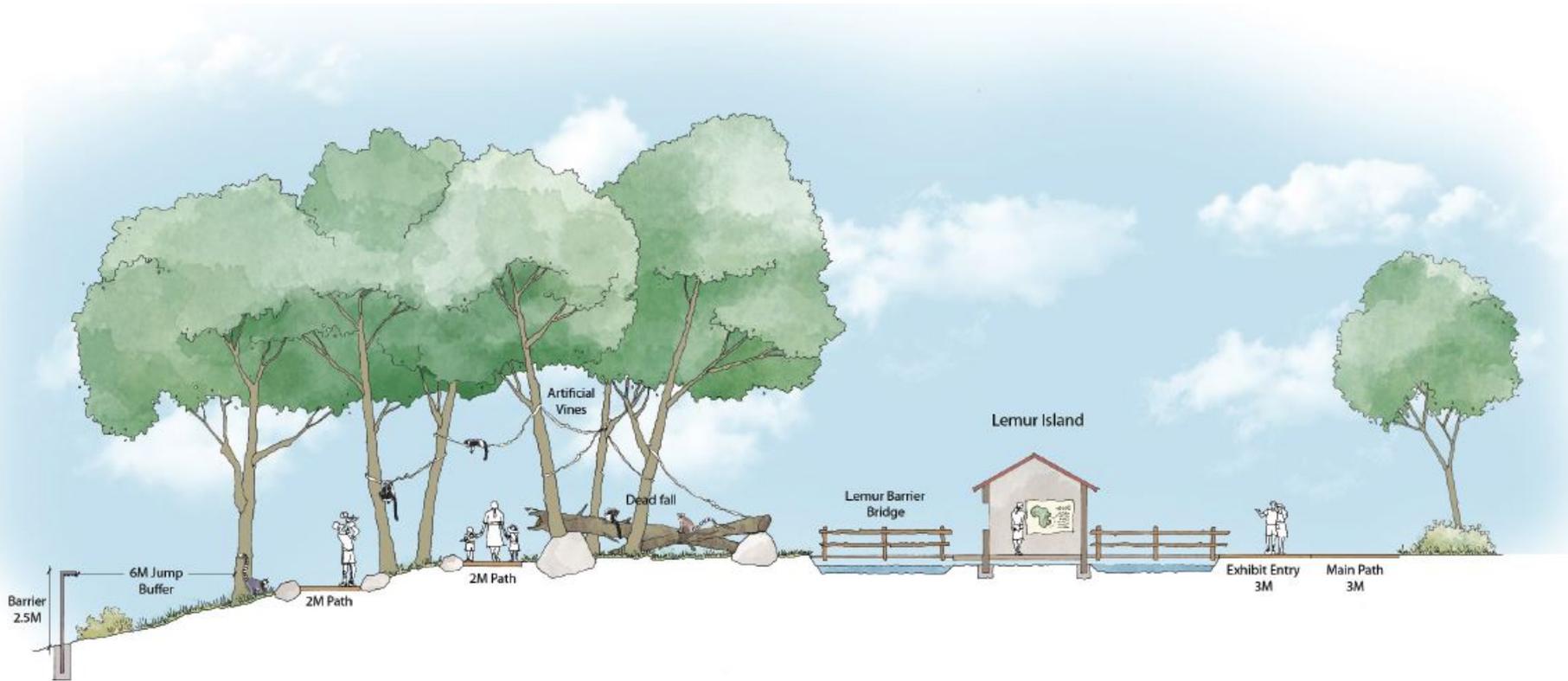
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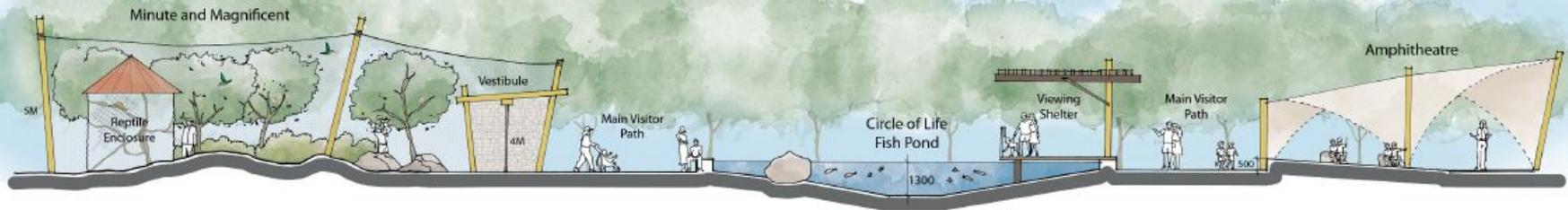
Phase 4

LEMUR WALK-THROUGH

Concept image

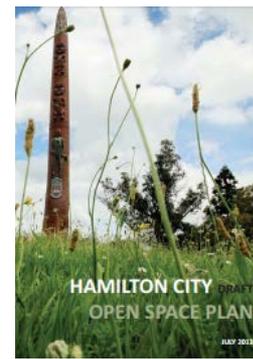
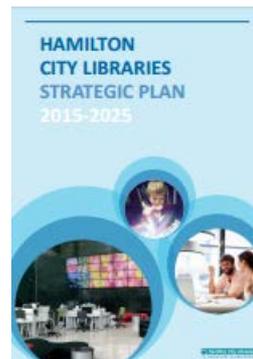


Concept image



Why do we need a plan?

- Sets the strategic direction for the Zoo.
- Formal endorsement for the strategic direction of Hamilton Zoo is recommended before the development of the 2018-28 10 Year Plan.



Next steps

Options:

1. Progress the Draft Hamilton Zoo Master Plan for consideration at Community and Services Committee.
2. Establish Taskforce Group to review / revisit direction of the Master Plan.
 - a) Tweak the draft plan, or
 - b) Relook at the whole strategic direction
3. Do nothing.



Questions?

ONE PLACE CAN MAKE A DIFFERENCE. FOUR CAN CHANGE THE WHOLE CONVERSATION.
HAMILTON ZOO + WAIWHAKAREKE NATURAL HERITAGE PARK
+ HAMILTON GARDENS + THE RIVER CORRIDOR:
UNITING THE WAIKATO'S GREEN ASPIRATIONS.

Asset Management

↘ Council Update



13 February 2017

Purpose of update

- Asset management concepts and structure
- Overview of elected member and staff roles
- Asset management in the context of 10-YP development
- Maturity: Where we've come from and future targets
- Improvement focus

Some necessary words

Asset

Service

Level of service



Activity

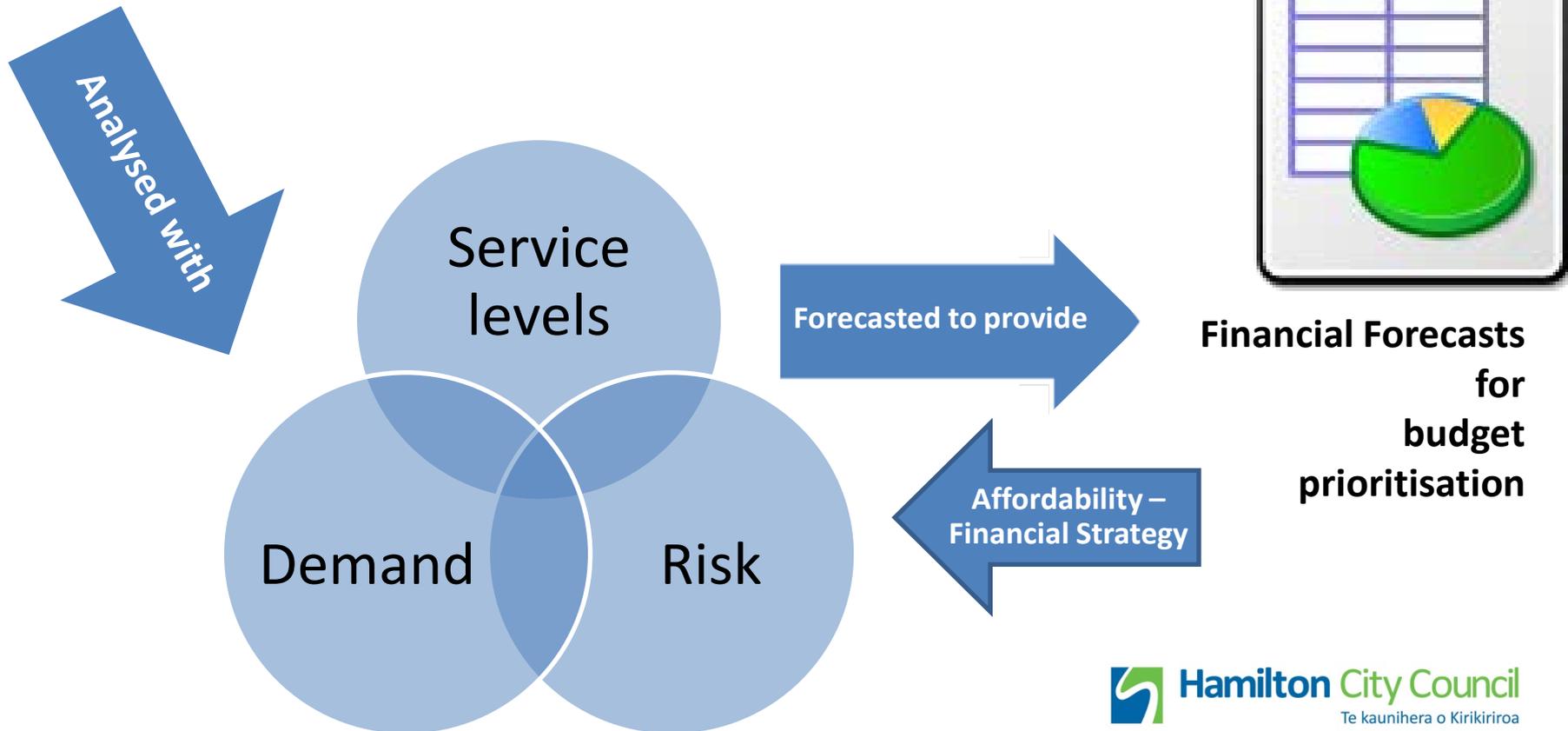
Groups of activities

**Asset Management
Plan**

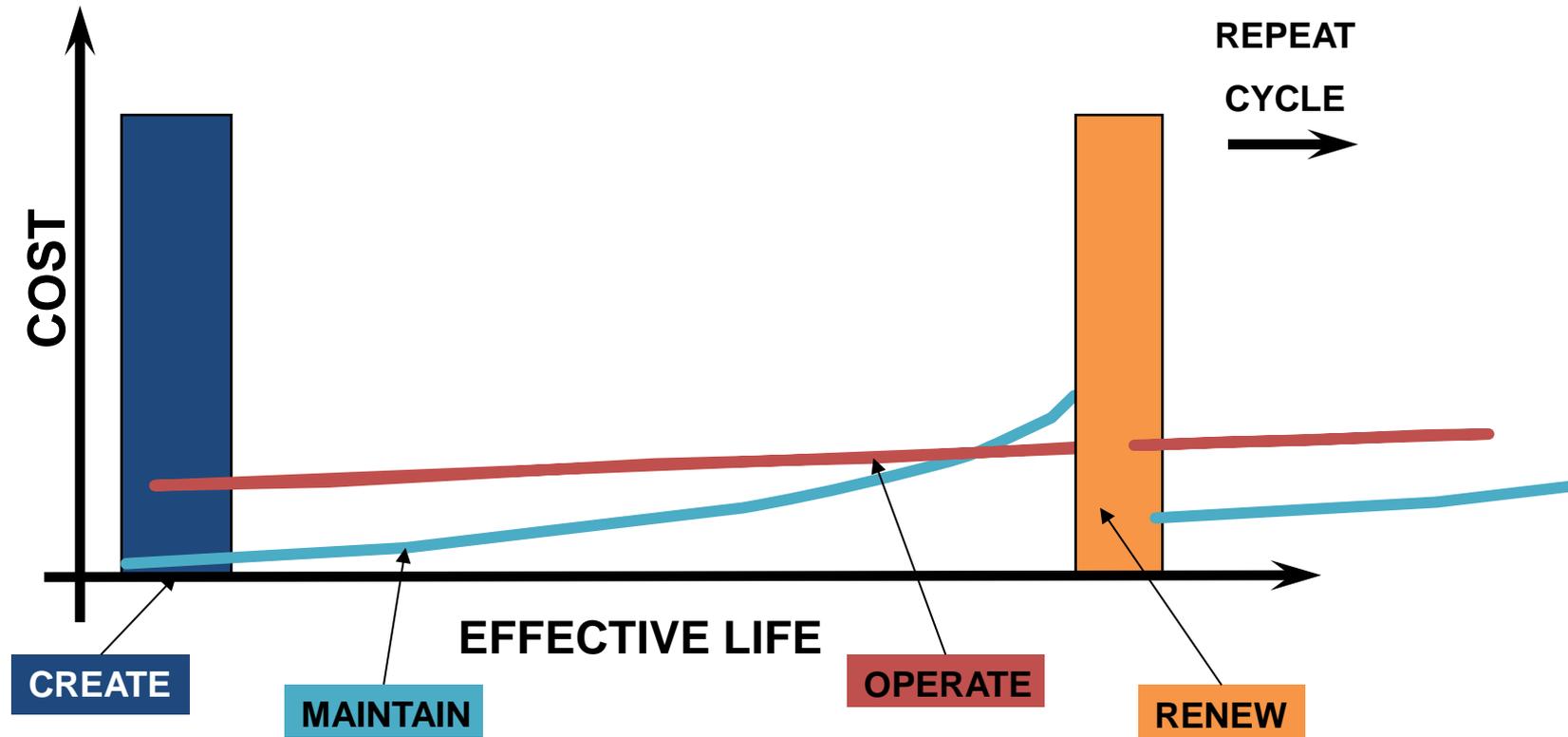
Activity Management Plan

What is Asset Management?

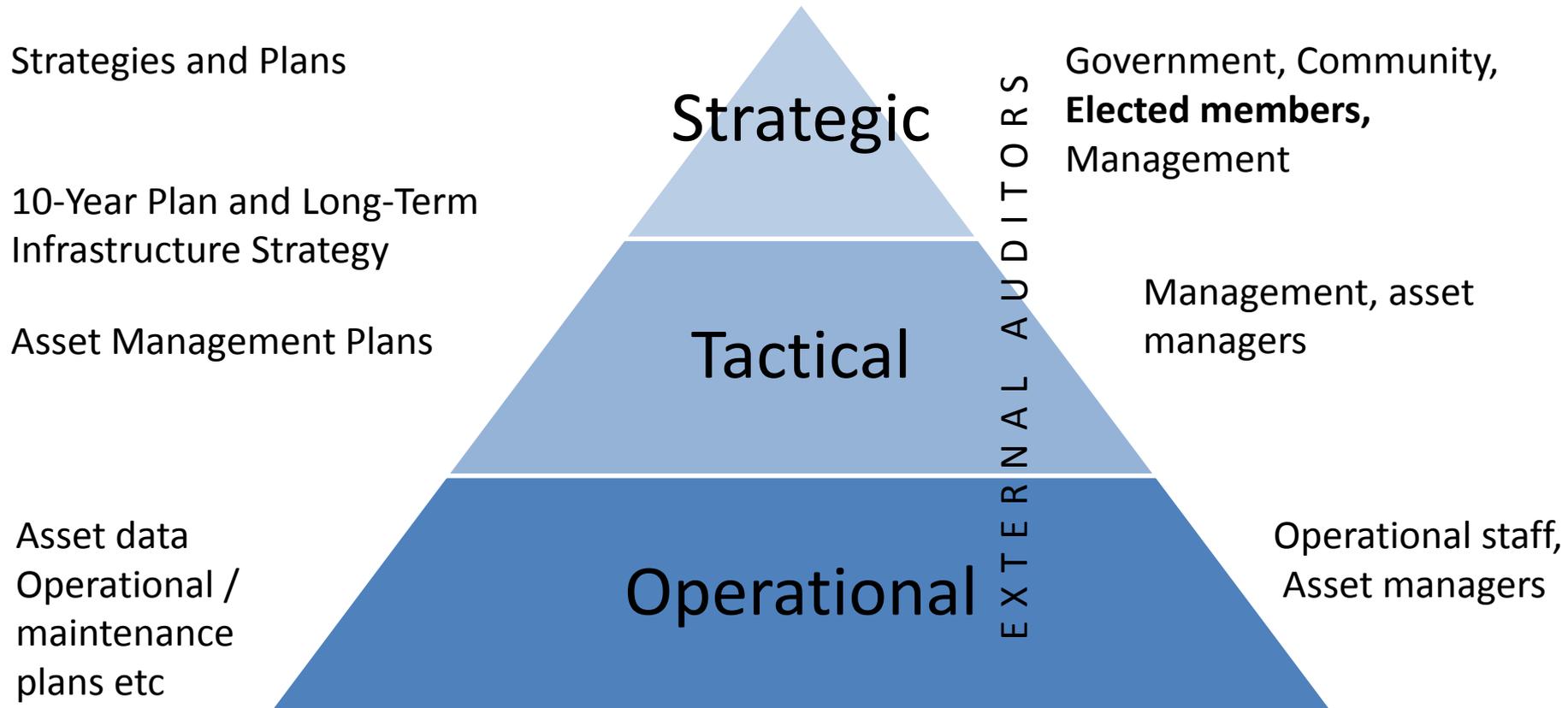
Asset data / information



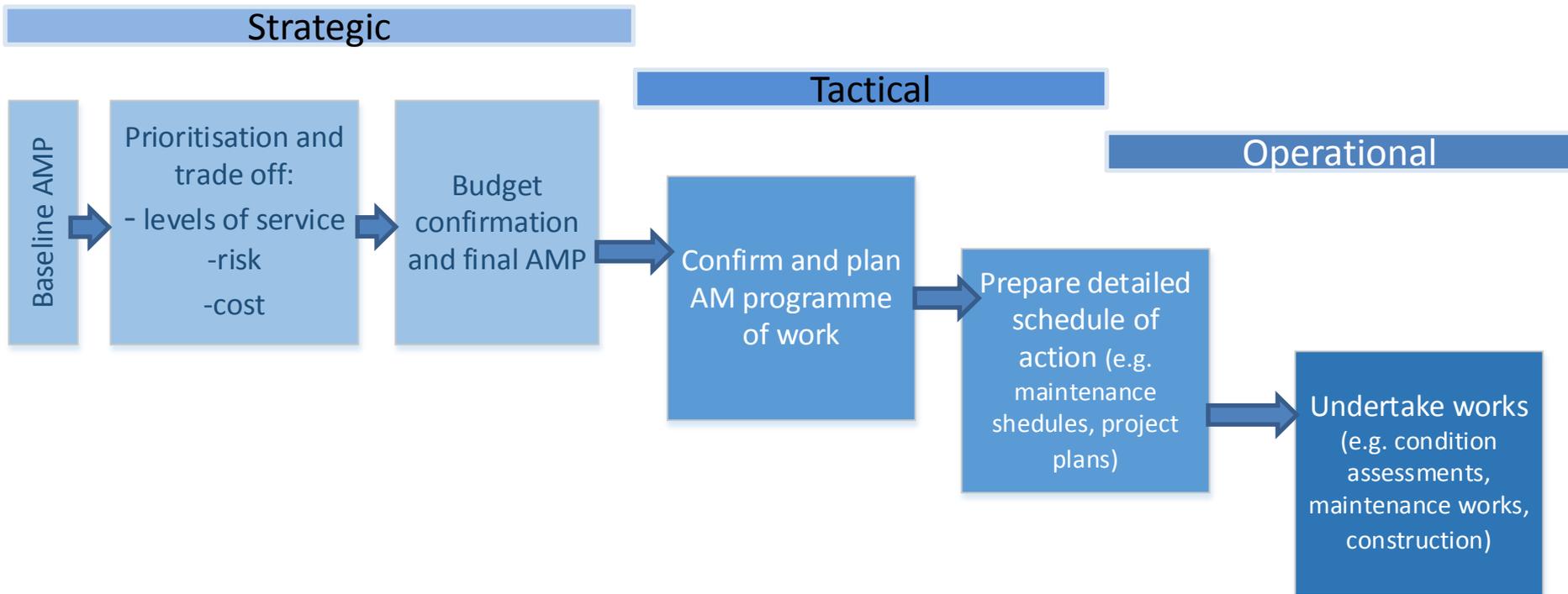
Life cycle approach



What's and Who's involved



AM – how we do it



Role of Elected members

- ❑ Decision making based on:
 - the **overall benefit** of the city
 - meeting the **current and future needs**
 - Delivering **good-quality local infrastructure** and local public **services**, in a way that is **most cost-effective** for households and businesses
- ❑ Accountable to community and ratepayers for exercising good stewardship over substantial assets

So what is an AMP?

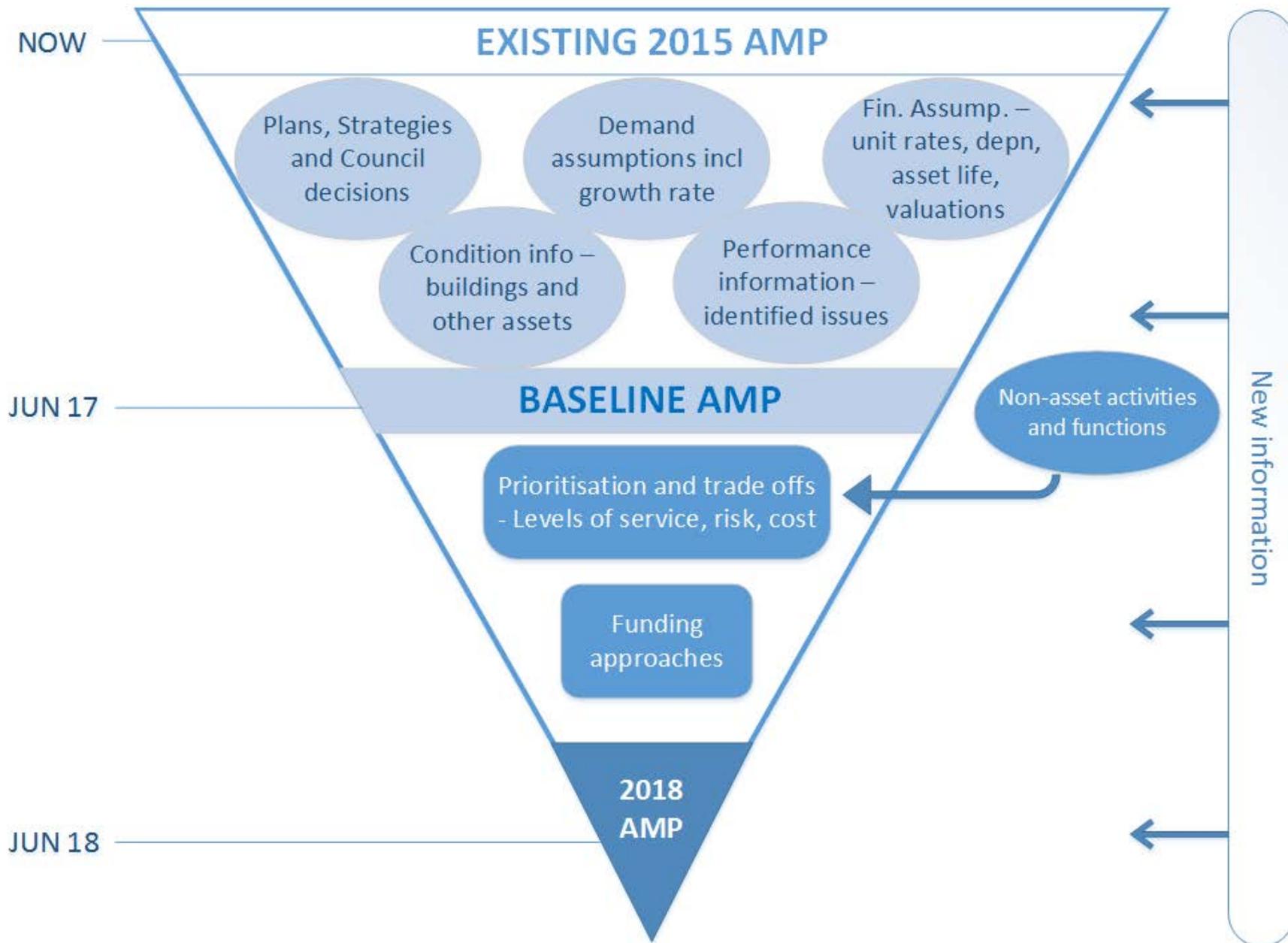


AM structure



AM structure





Our recent organisational investments

2009



- 10-Year Plan – trying to respond to last growth cycle

2012

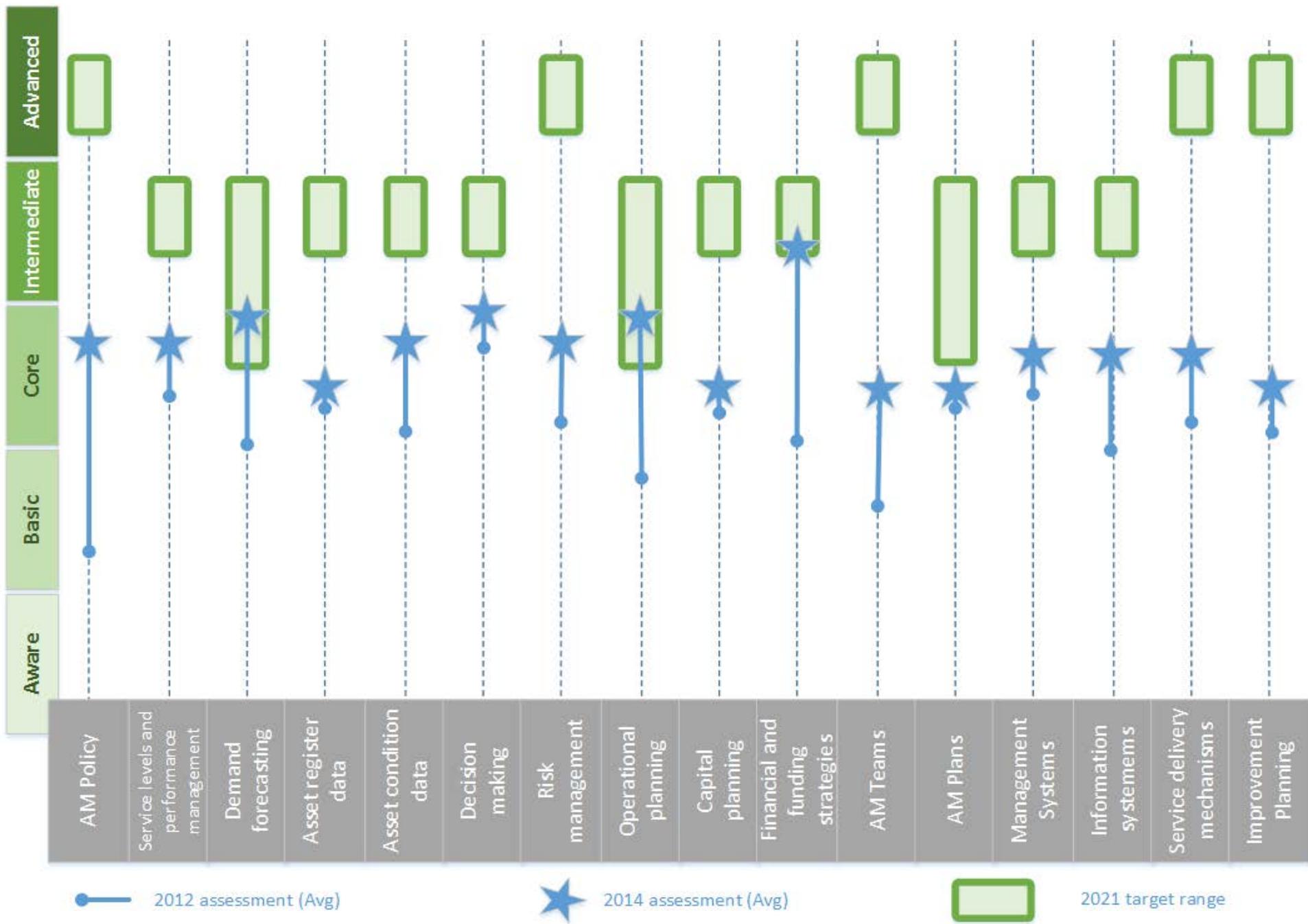


- 10-Year Plan – financial correction and response to GFC. Cost reduction and balance sheet focus. Reduction in services / funding
- Organisational improvement programme following 10-Year Plan Audit

2015



- 10-Year Plan – reinvestment in 2 waters.
- Maintaining the financial strategy / sustainability

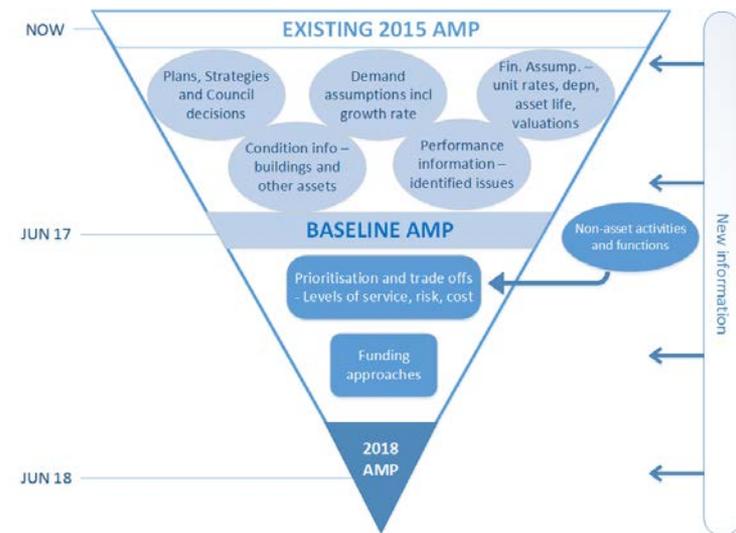


Our improvement programme focus areas

- Establishing the CoE approach to asset management
- Scoping and implementing asset data / information improvements
- Streamlining capitalisation of new assets
- Improving completeness / robustness of AMPs and Infrastructure strategy
- Improving information and systems for capital works planning
- Strengthening internal relationships and processes

Next steps

- Overview of assets
Finance committee – 28 Feb 17
- Baseline AMPs
mid-2017 updates



Growth Briefing



13 February 2017

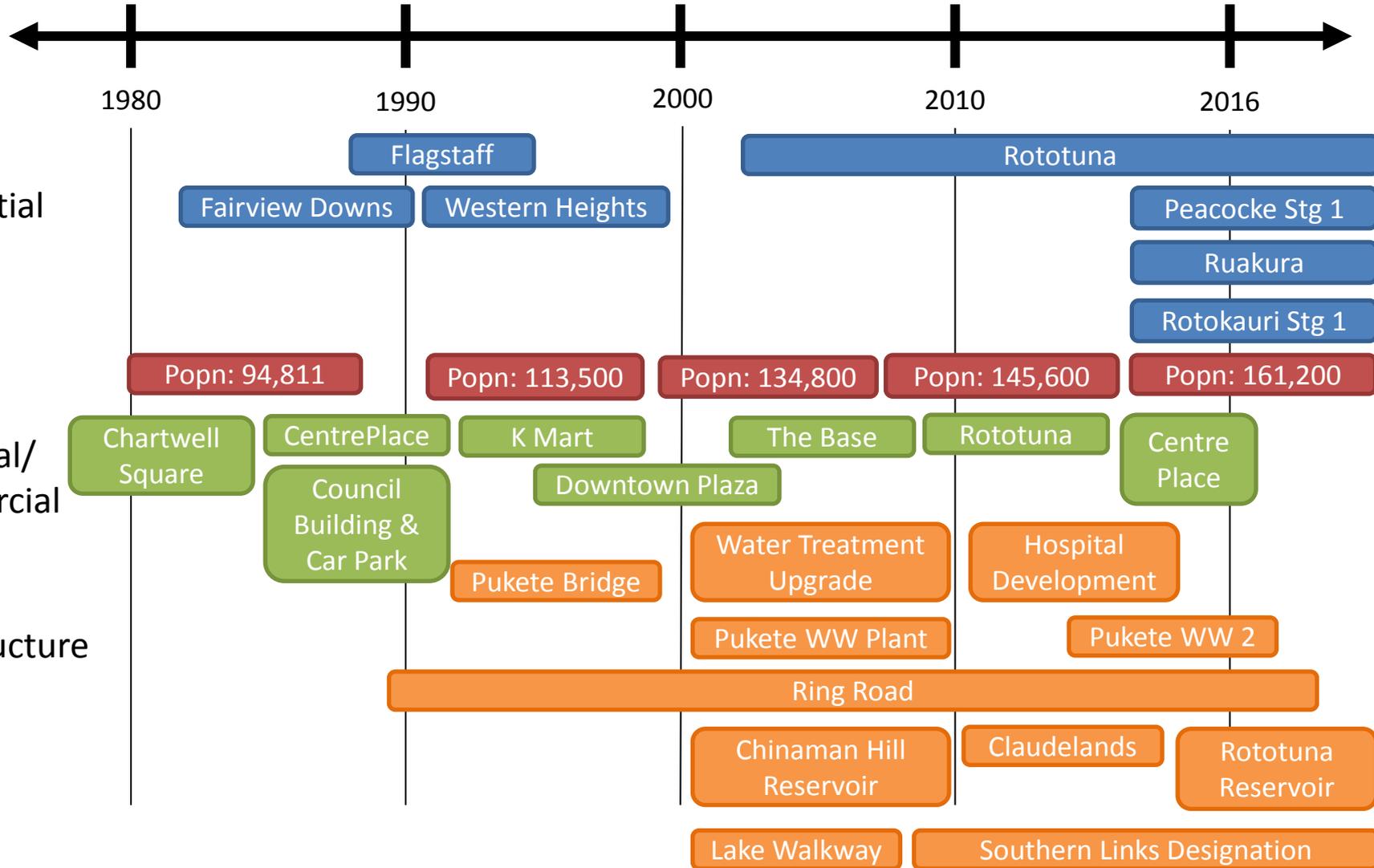
↘ Hamilton

competitive advantage

- Geographic location
- Availability of land relative to other growth centres
- Affordability of land relative to other growth centres
- Strong, diversified economy
- Competitive wage rates relative to major centres for both employees and employers
- Younger, highly qualified, workforce

- To maintain these advantages Council must open new growth cells which will require a significant strategic financial investment

↘ Growth over time

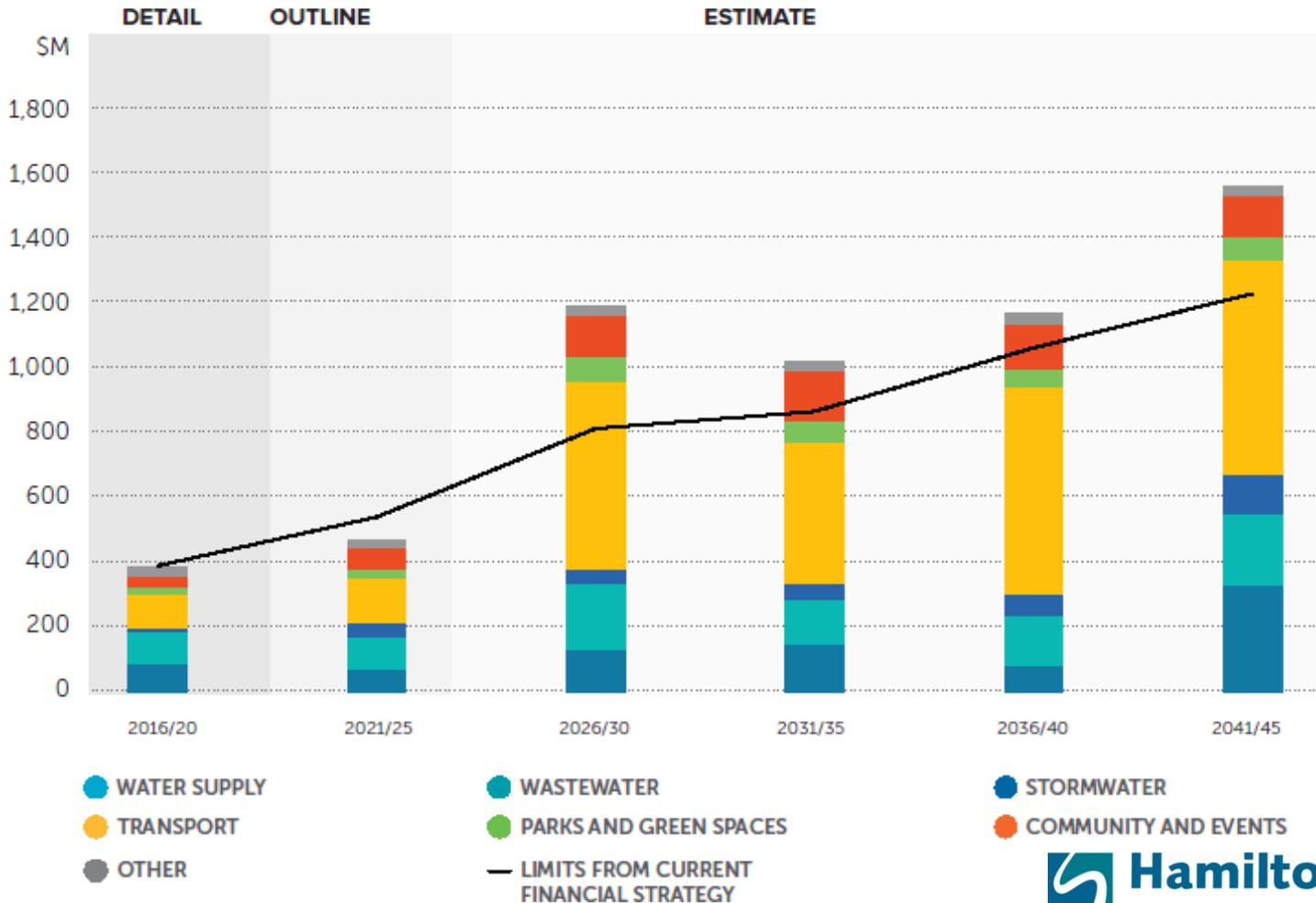


↘ Key messages

- Hamilton grown significantly since 1980s, majority of growth since 2000
- Accelerating since 2015.
- 2008 - Council determined growth to occur on a number of city wide fronts
- 2010 - Financial Strategy meant infrastructure implementation has been “just in time” or funds bought forward from within LTP to meet growth.
- The increasing rate of growth and introduction of the NPS necessitates the opening and funding of new growth cells is sooner than expected.
- To maintain Hamilton’s competitive advantages Council need to invest significantly to bring forward capacity for development.

Key messages

FIGURE 10: FORECASTED CAPITAL EXPENDITURE AND CURRENT FINANCIAL STRATEGY LIMITS, FIVE YEARLY PERIODS



↘ What has Changed?

- Changes to Legislation
 - National Policy Statement on Urban Development Capacity (NPS-UDC)
 - Special Housing Areas/ Accord
- New Growth Projections
 - Faster rate means growth cells come forward in LTP
- Auckland Halo Effect
- Housing Affordability
- Compliance – eg Healthy Rivers
- Housing Infrastructure fund

↘ Challenges

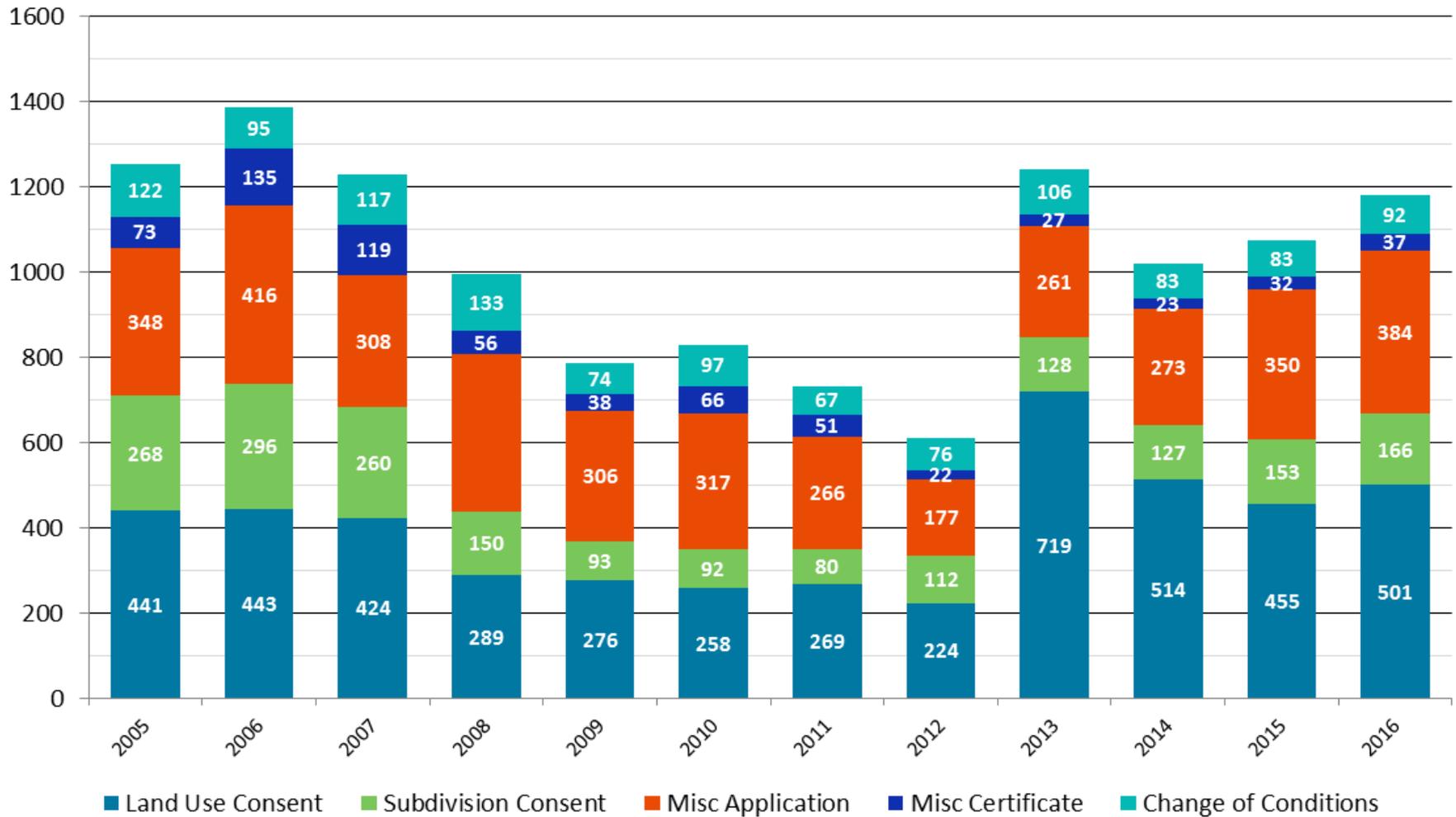
- Economy driven by external factors eg
 - access and cost of financing,
 - Migration-fueled population growth
- Changing household composition preferences
- Auckland housing affordability and its halo effect duration
- Debt to income levels - LGA Financial limits
- Limited construction capacity – materials and skills
- Increase in the cost of Growth
- Ability to fund growth AND amenity aspects with same revenue streams

External Influencing Factors

- Inflation and interest rates
- High net migration numbers -returning Kiwis and new migrants
- Increasing cost of growth relative to revenue
 - Materials, labour, skills shortage
 - Asset market and returns of NZ housing compared to other markets
- Inexpensive finance but access harder due to national debt levels on housing

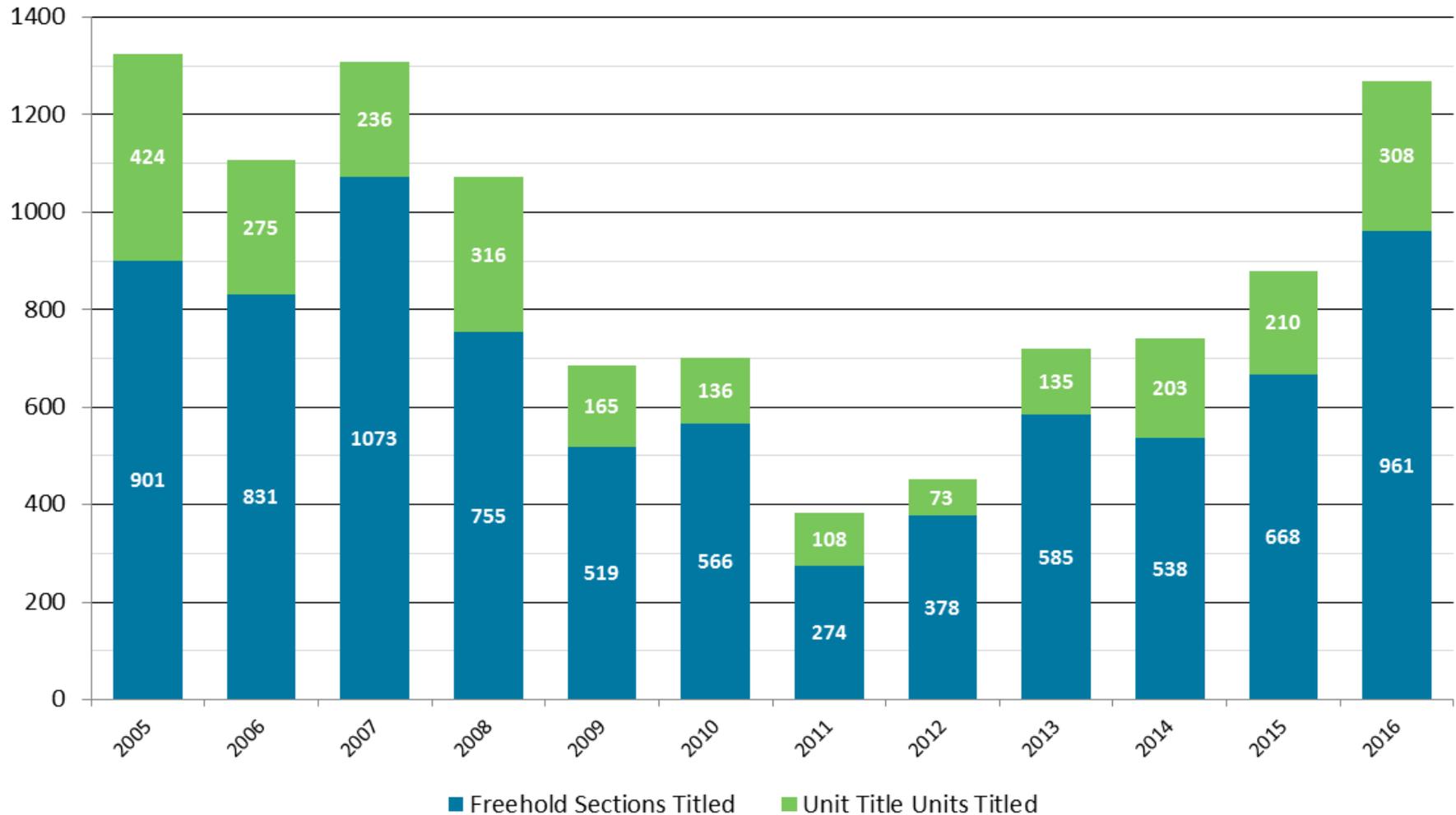
Resource Consents

Resource Consent Application Processed by Application Type



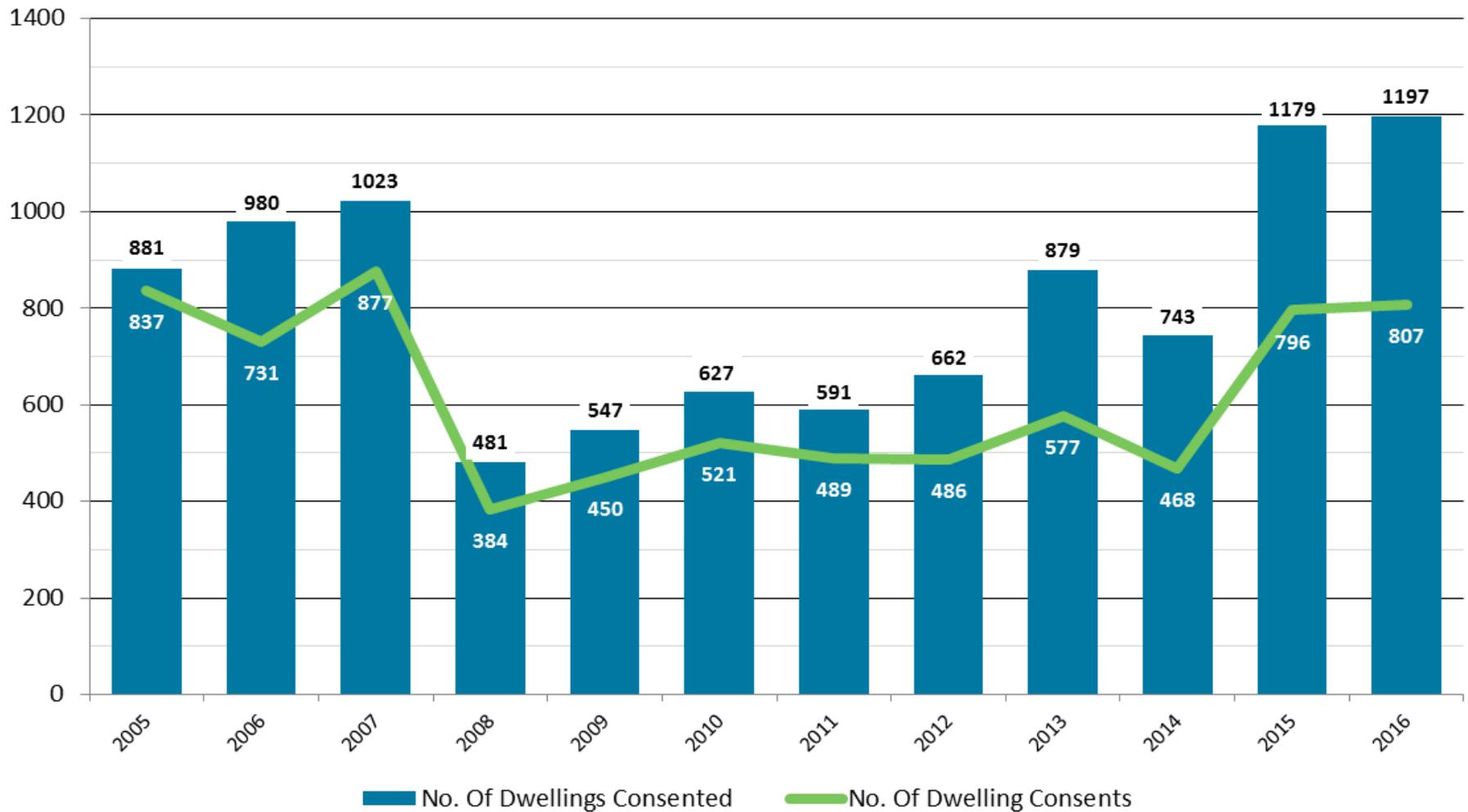
Freehold sections (224c)

Titled Residential Freehold Sections and Unit Title Units



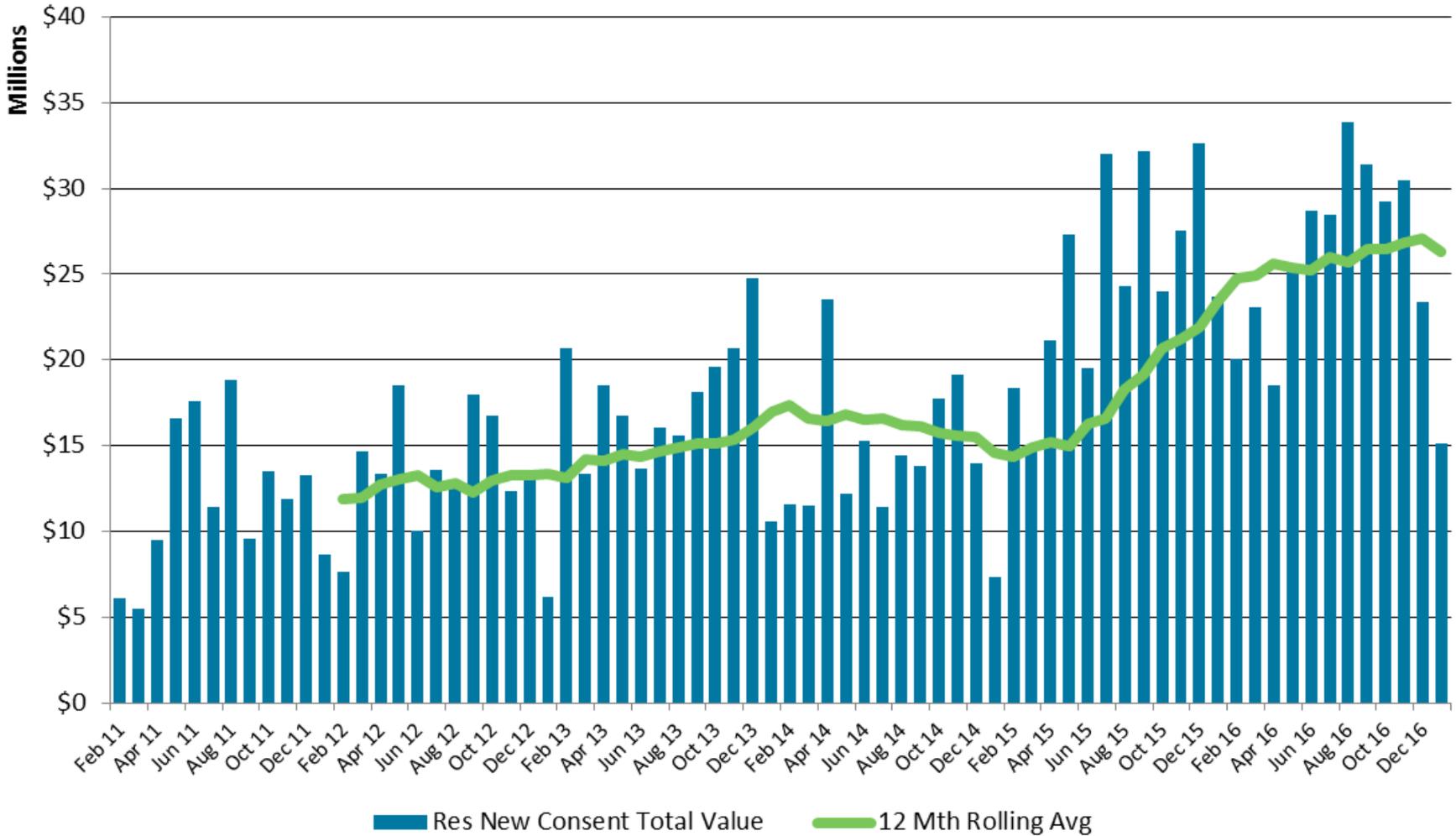
↘ Building consents

Residential New Dwellings Consented



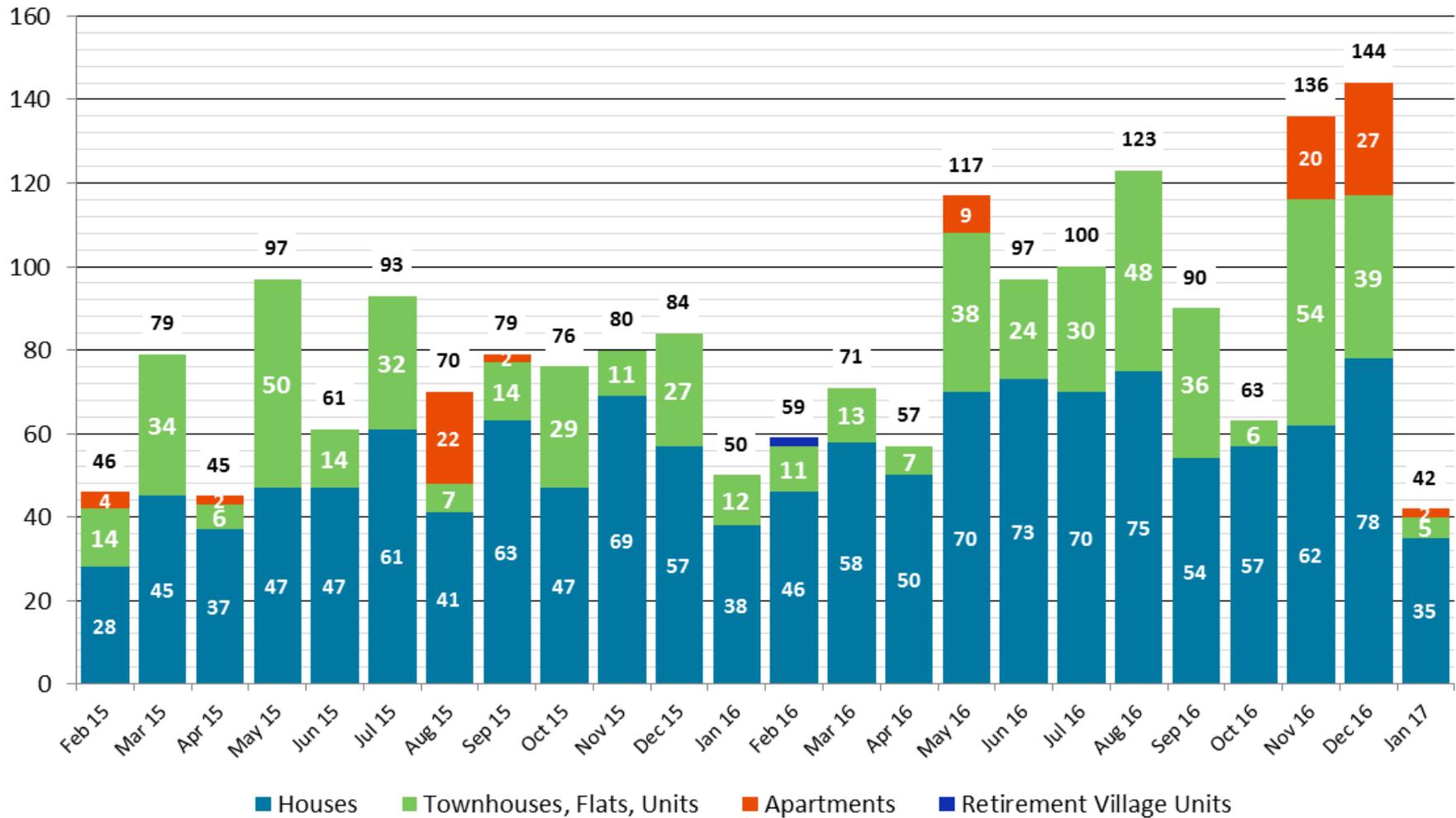
Building consents

Total Value Of Residential New Dwelling Consents Granted

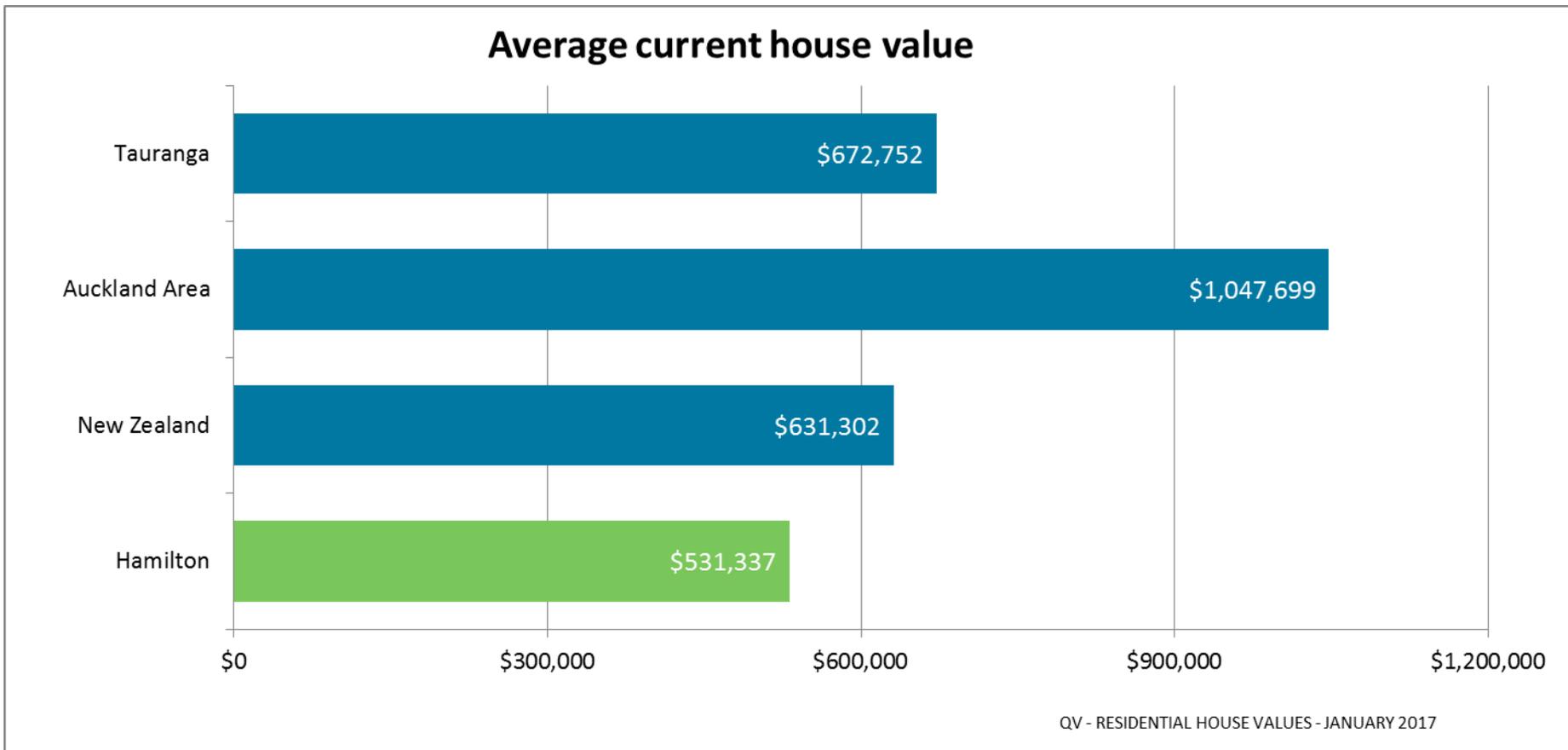


Composition of Certified Code Compliant

Residential New Dwellings Completed (CCC) by Building Type

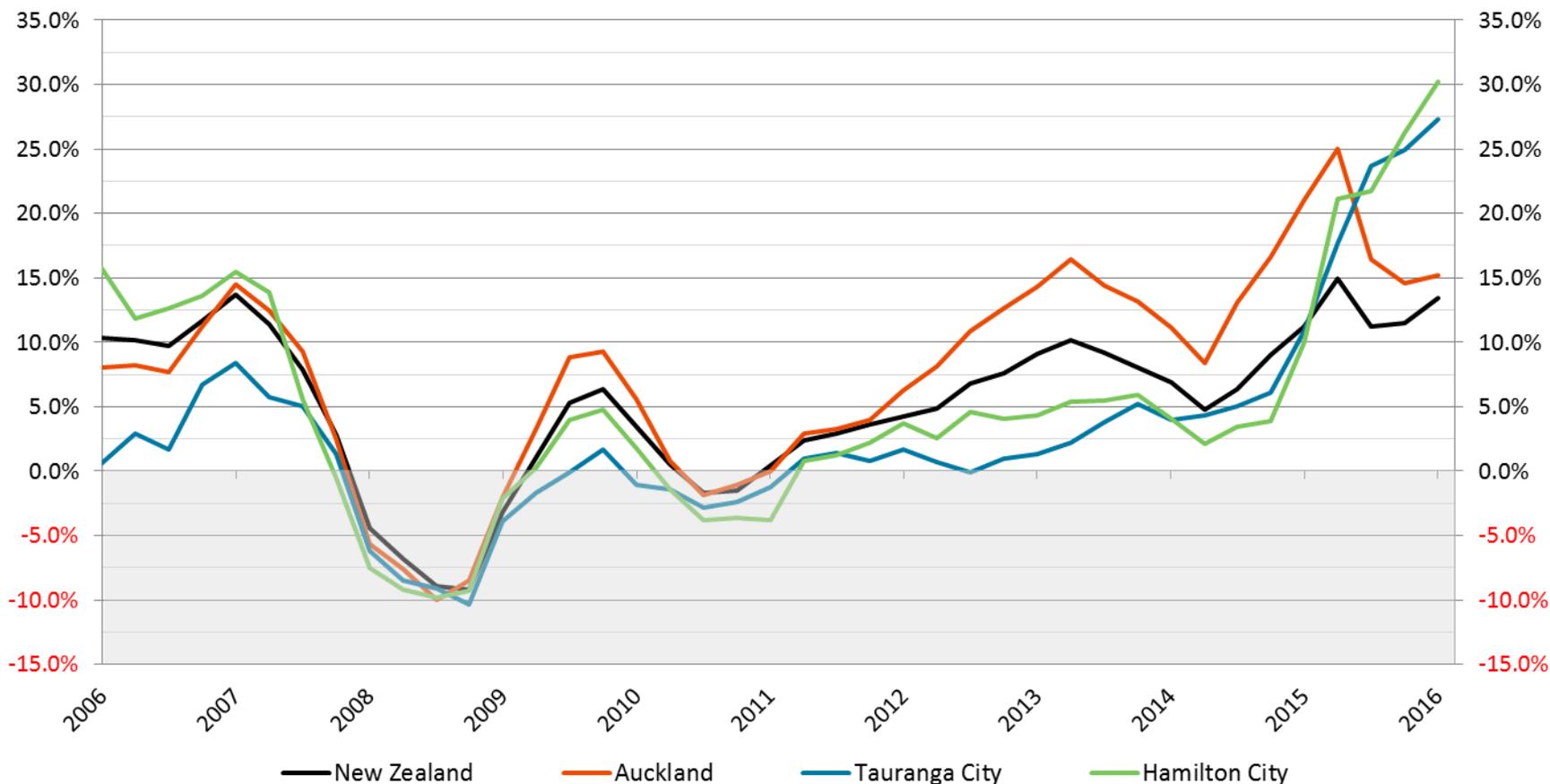


➔ Affordable Housing

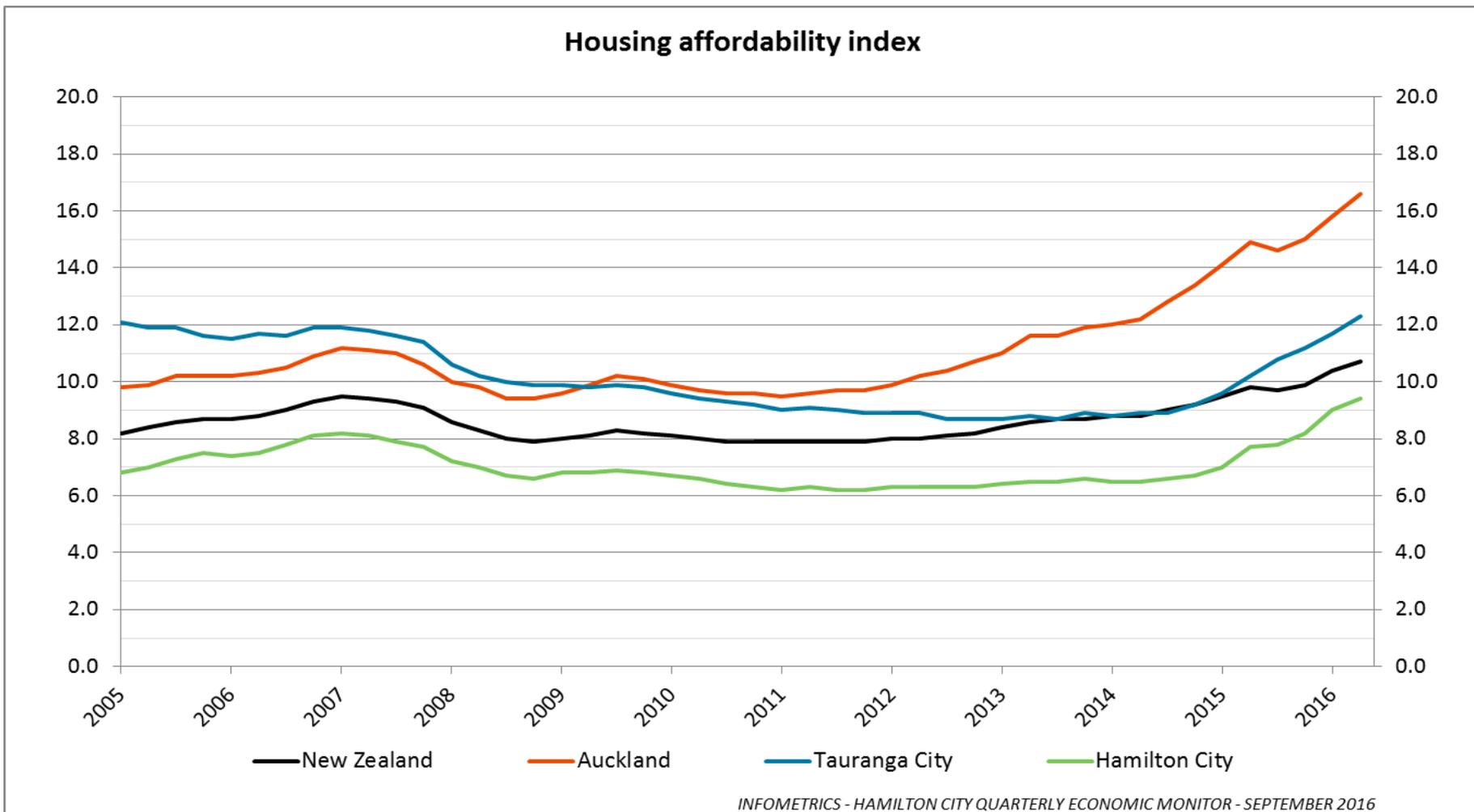


➔ Affordable Housing

House price change - rolling 12-month average to June 2016

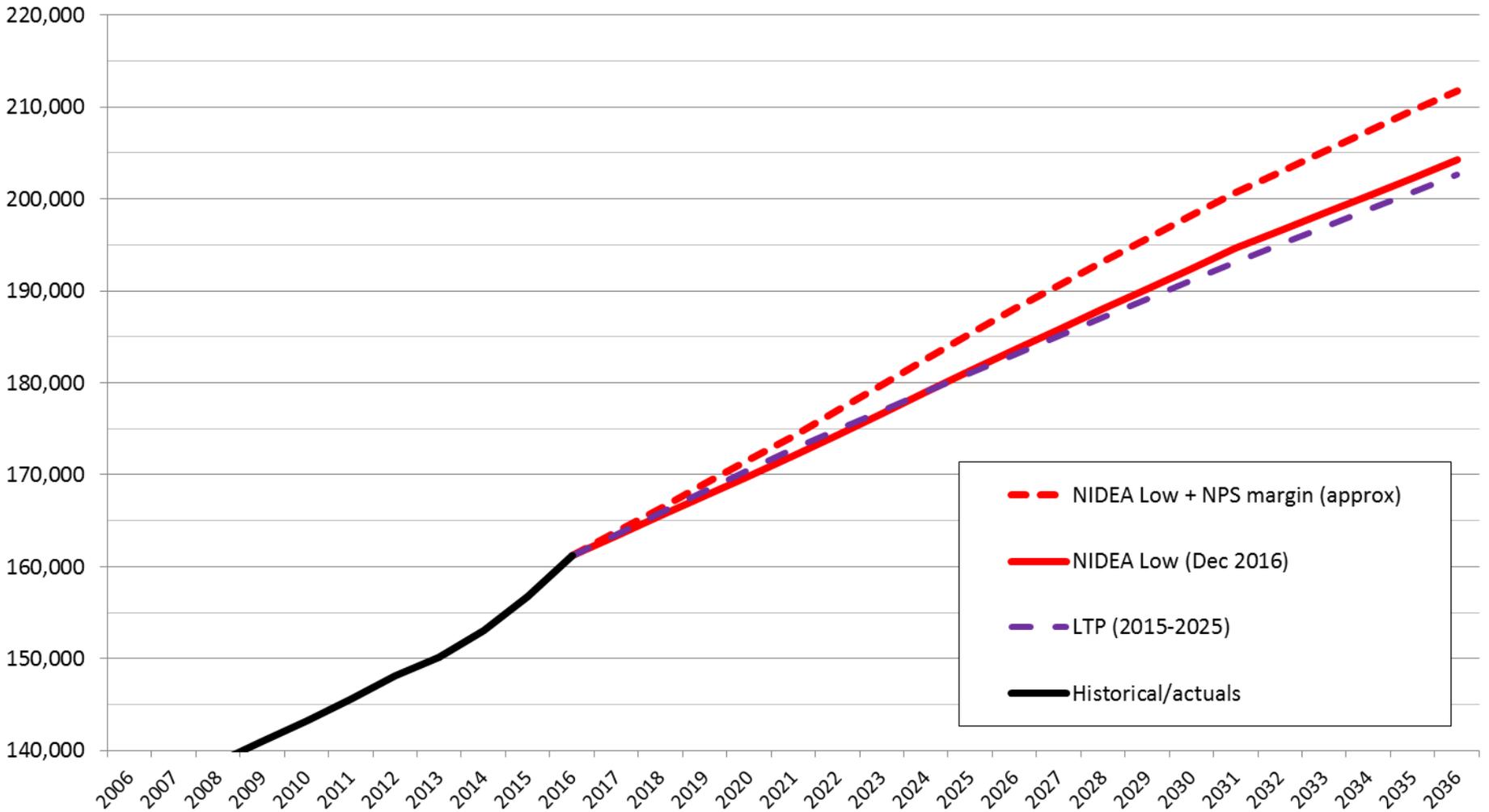


➤ Affordable Housing



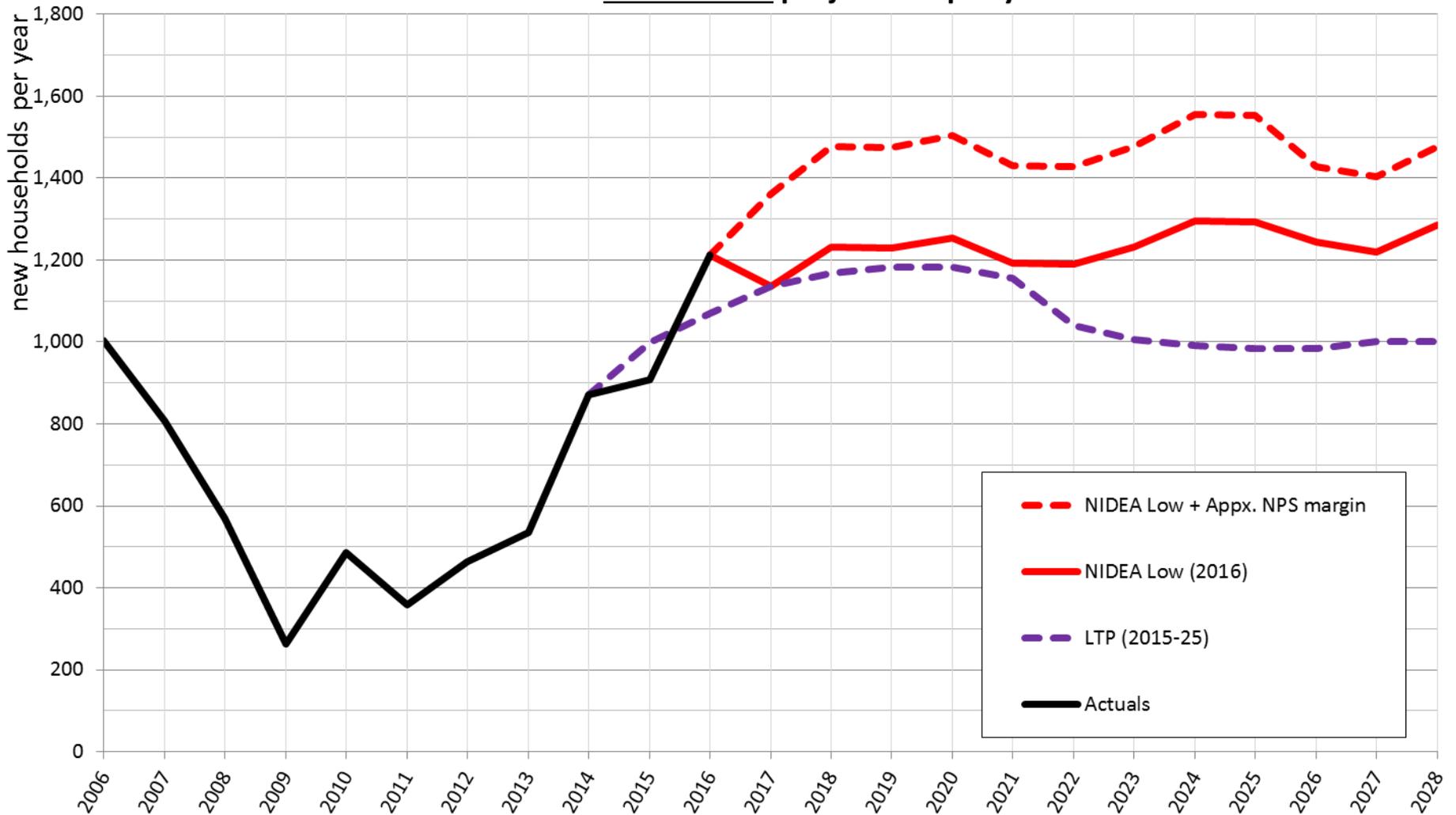
↘ Growth projections

Hamilton Population projections



➔ Growth projections

Hamilton Household projections per year



↘ What is required?

- The NPS requires HCC to provide an additional margin of feasible development capacity over and above projected demand of at least 20%.
- Council needs to provide feasible, zoned and serviced capacity with development infrastructure in the short (3 years) and medium term (3-10 years).
- The Hamilton Housing Accord has consent targets for building consents and subdivisions of
 - 1,300 dwellings and lots in 2017
 - 1,400 dwellings and lots in 2018
 - 1,500 dwellings and lots in 2019

↘ How do we respond?

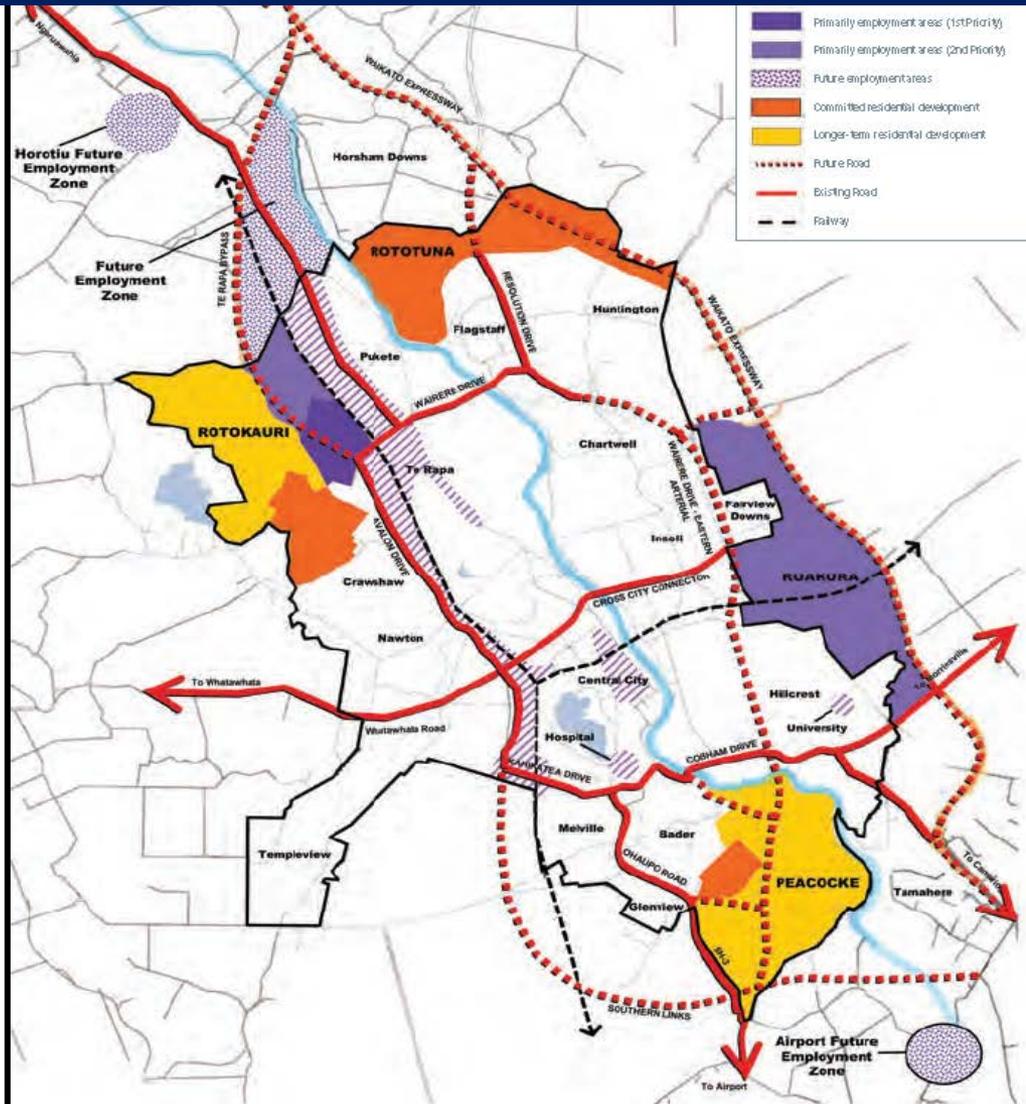
- HUGS
- Housing Infrastructure Fund application
- Housing Accord and Special Housing Areas
- Strategic Infrastructure
- Long Term Plan/30 year infrastructure strategy
 - Financial strategy
 - To be discussed in separate presentation today
- Future Proof update
- Future District Plan changes?

➔ HUGS Settlement pattern

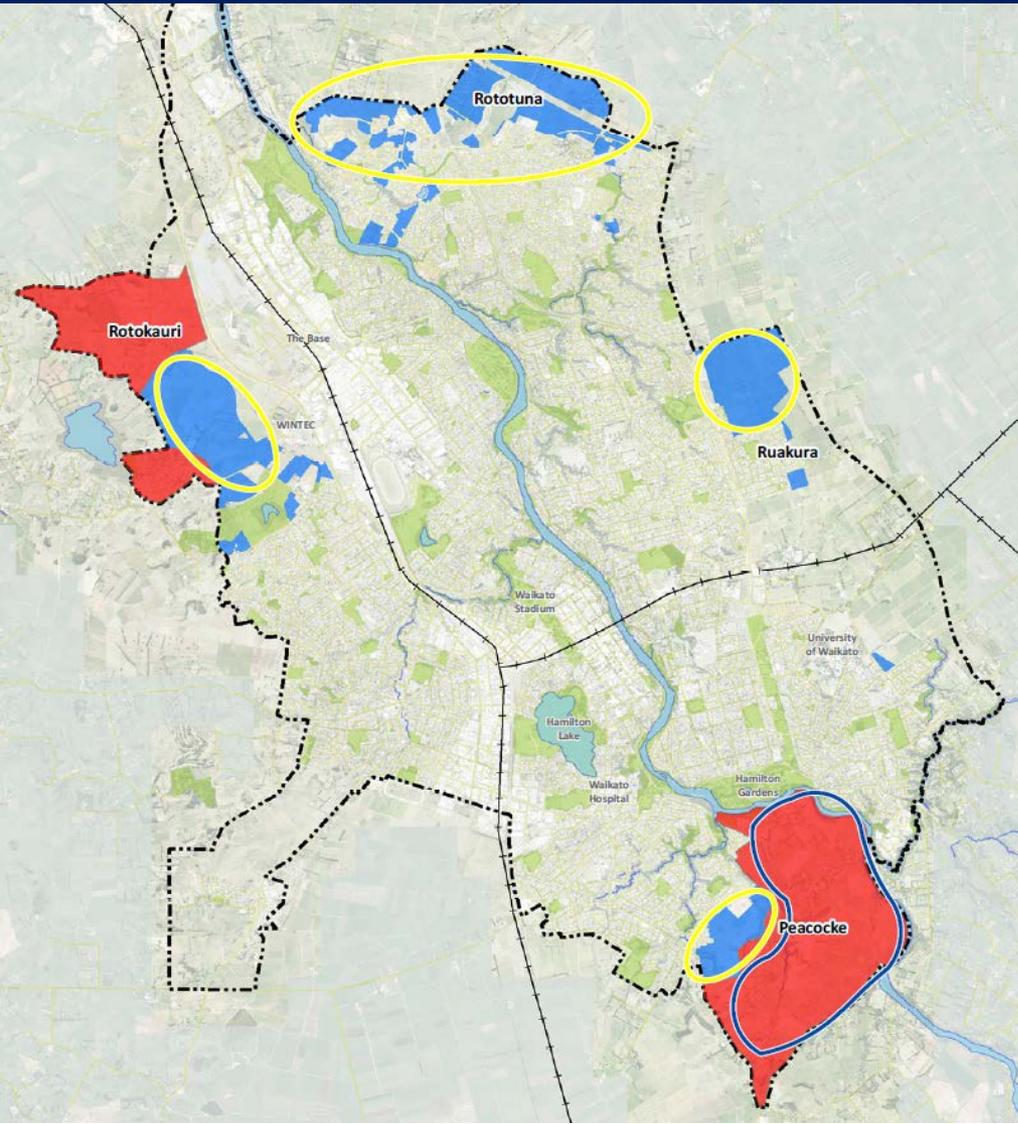
HUGS
settlement
pattern -
the 30 year
settlement
pattern for
the City

- HUGS sequencing
- Medium and High Growth scenarios
- Demand and Supply

➔ HUGS Settlement pattern



Greenfield Demand and Supply

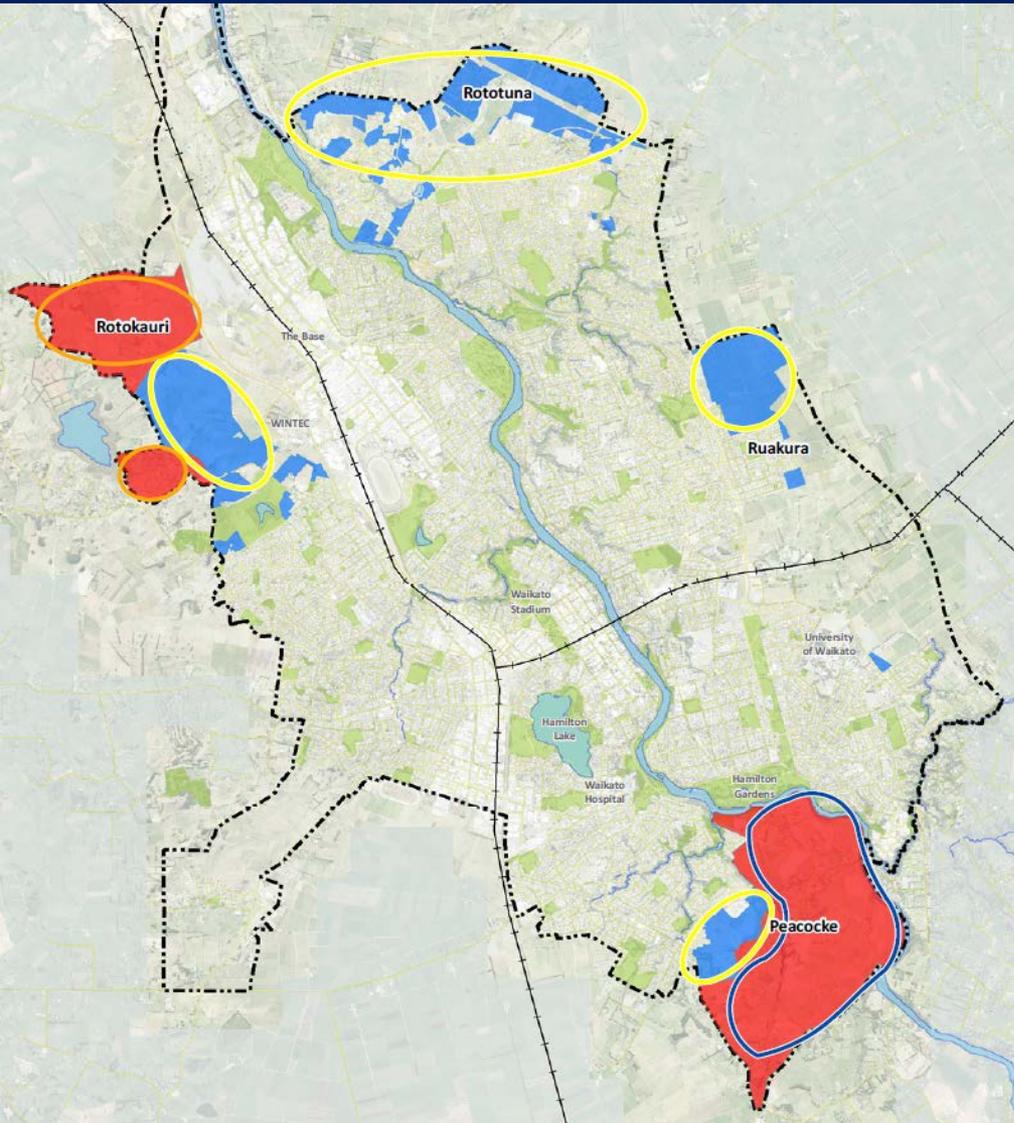


NIDEA Low

Decade 1: 2015- 2025 
(Existing cells — Rototuna,
Rotokauri, Peacocke 1, Ruakura)

Decades 2 and 3 : 2026-2045 
(Residual of existing cells, plus
Peacocke 2)

Greenfield Demand and Supply



NIDEA Medium

Decade 1: 2016- 2025

(Existing cells — Rototuna, Rotokauri, Peacocke 1, Ruakura)



Decade 2: 2026-2035

(Residual of existing cells, plus Peacocke 2)



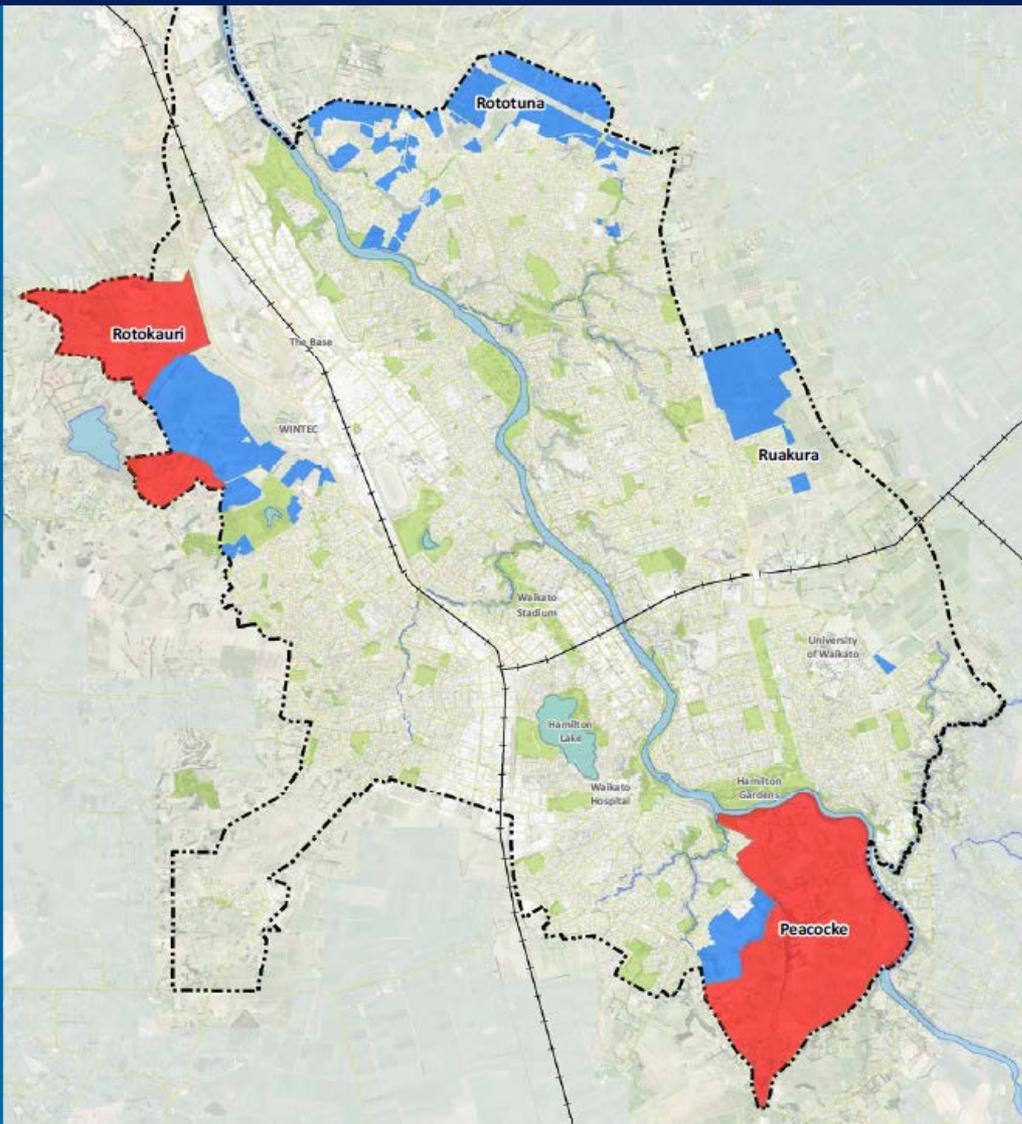
Decade 3: 2036-2045

(Rotokauri 2)



Under a high, sustained growth scenario, a further growth cell would be needed during the third decade.

Capacity Map



Growth Cell	Capacity	Sections Consented but untitled
Rototuna	3587	799
Peacocke	8500	252
Rotokauri	5690	199
Ruakura	2200	58

➔ Housing Infrastructure Fund

- The Housing Infrastructure Fund (HIF) is a \$1 billion government fund available to advance infrastructure projects important to increasing housing supply
- HCC's indicative application was for \$240m to advance Peacocke and Rotokauri
- Final proposals close on 31 March 2017 and decisions be end of June 2017

↘ HIF - Key messages

- This is no free lunch
- The HIF allocation (even without interest) will impact significantly on our current financial strategy, debt to income limits.
- The HIF allocation may impact Council's current Financial Strategy and Councils ability to fund other projects
- Staff are working urgently on this with Auckland and Tauranga councils and MBIE.
- Before the final HIF proposal is submitted to MBIE, staff will report on the full financial implications of the HIF proposal.

➤ Housing Accord and Special Housing Areas

- Hamilton's Housing Accord was signed on 22 December 2016
- The Hamilton Housing Accord has consent targets for building consents and subdivisions of
 - 1,300 dwellings and lots in 2017
 - 1,400 dwellings and lots in 2018
 - 1,500 dwellings and lots in 2019
- A Special Housing Area (SHA) Policy will be drafted and brought to Council - will contain criteria for identifying and selecting future SHA candidate sites.

↘ National Policy Statement Urban Development Capacity

- Legislative (RMA) requirement that local authorities ensure there is:
 - Sufficient land with feasible development capacity for housing and business land to meet projected demand over the short, medium and long term (3, 10, and 30 years)
- The NPS requires us to plan collaboratively over an area which is greater than just the existing HCC boundaries.

↘ National Policy Statement

Urban Development Capacity

- A joint housing and business land demand and capacity assessment with Future Proof Partners (every 3 years)
- Monitor supply and demand indicators – quarterly
- Provide for growth in Plans by:
 - Setting minimum targets for sufficient, feasible development in Regional Policy Statement and District Plan (by end 2018)
 - Developing a ‘Future Development strategy’ - (Future Proof/HUGS update)

Future Proof background

- A sub-regional growth strategy adopted in 2009
- A guide for the future development of the area for the next 50 years
- A voluntary collaboration
- Why Future Proof?
 - At the time - little collaboration and leadership in the management of growth across the territorial boundaries
 - Transit (now NZ Transport Agency) Board 2008 resolution: “Funding for Waikato Expressway contingent upon Hamilton, Waikato and Waipa councils developing an integrated transport and growth strategy...”
 - Cross boundary issues



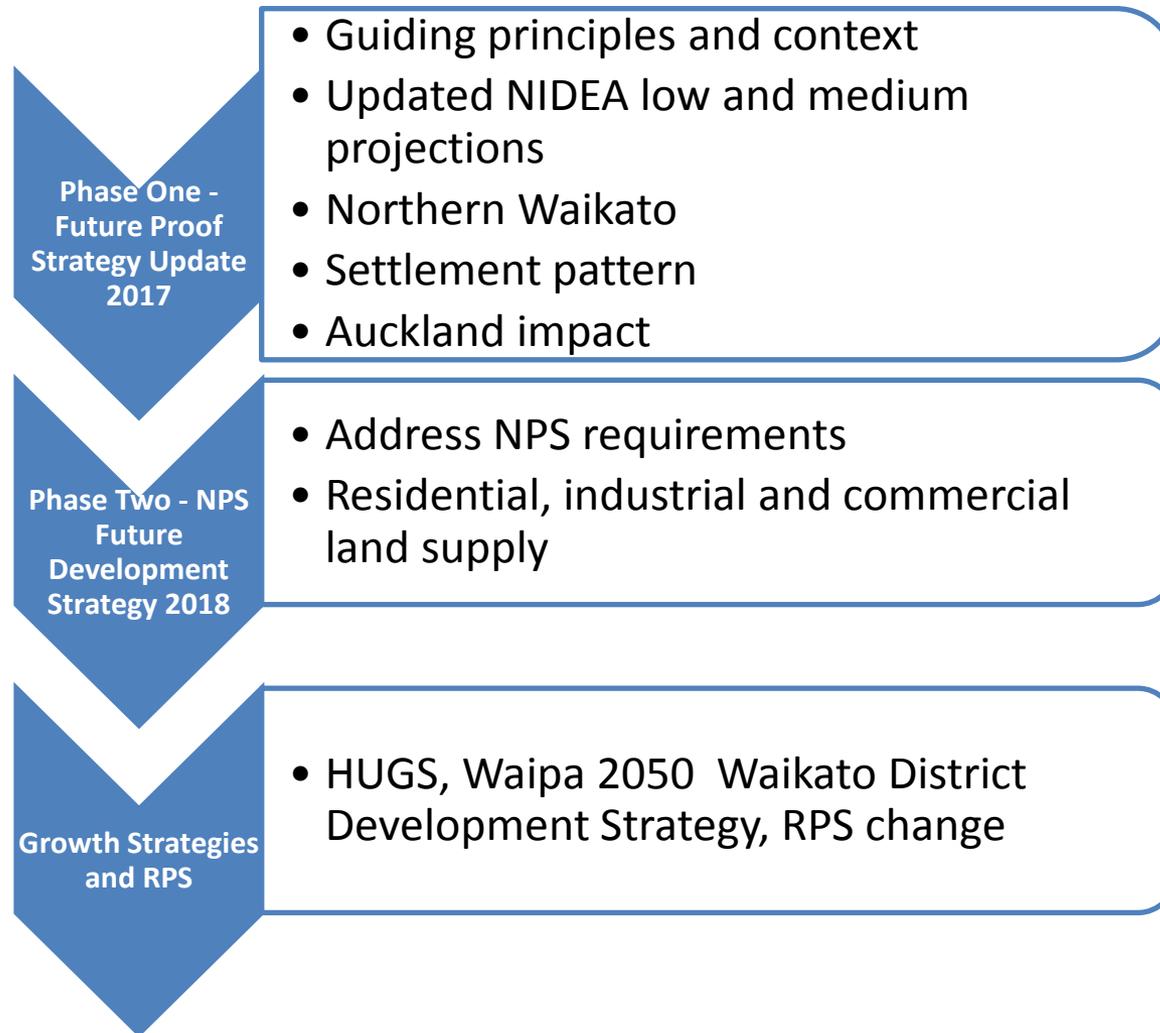
↘ Future Proof value proposition

- **Certainty for public and private sector investment**
- **Minimise surprises**
- **Confidence to take action** - one view on the significant issues
- Opportunity to provide **central government direction** for Future Proof area and wider Waikato region
- Under the NPS the 'Hamilton Urban Area' includes Hamilton and parts of Waikato and Waipa Districts
- Future Proof provides a mechanism to meet the requirements of the NPS – Central Government has **mandated planning across this area** and **recognised the value of Future Proof** as a best practice tool for implementing the NPS.
- The NPS now requires development of a Strategy and **Future Proof is already set up to do this.**

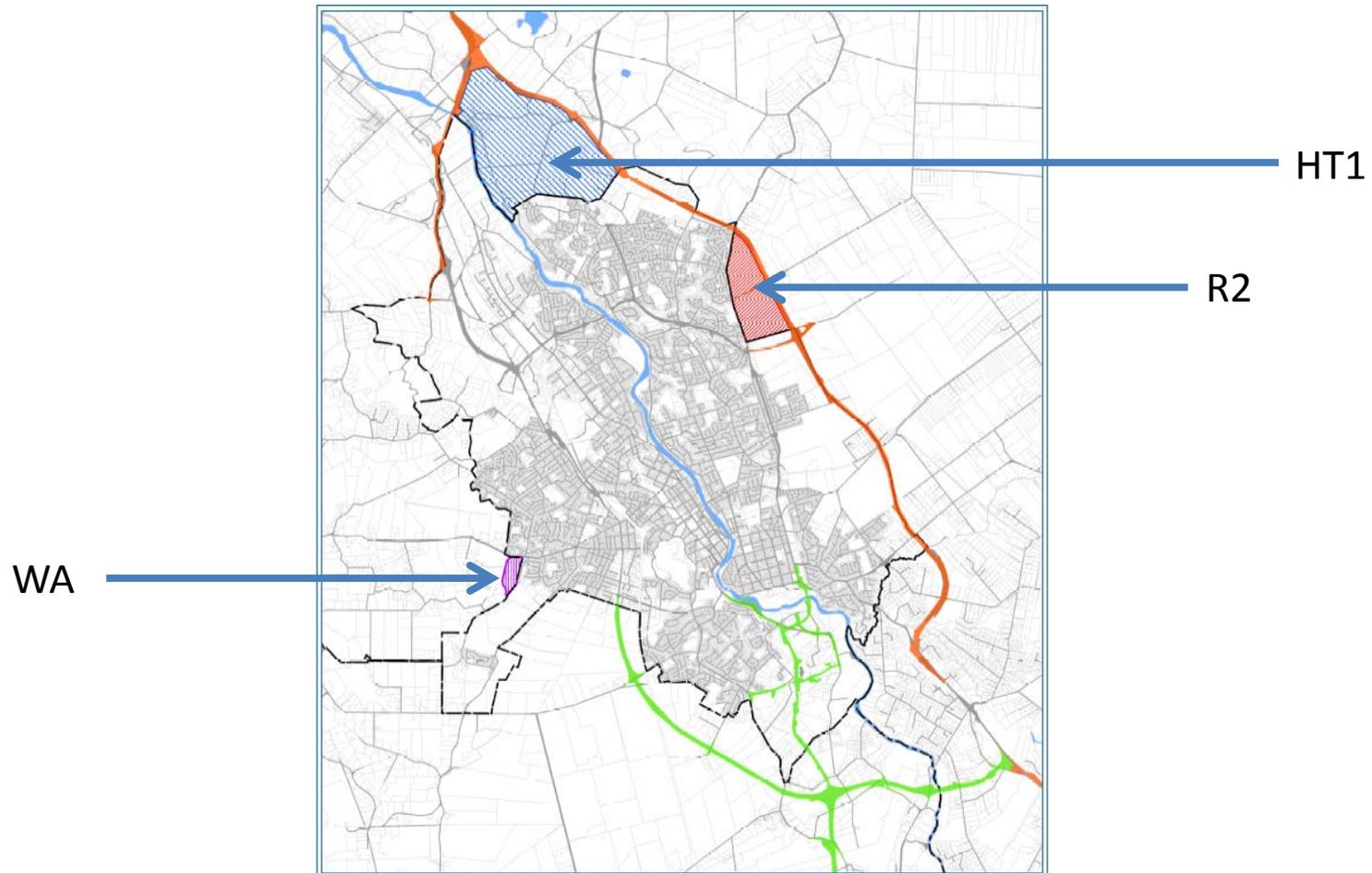
↘ Future Proof principles

- Effective Governance, Leadership, Integration, Implementation and Productive Partnerships
- Diverse and Vibrant Metropolitan Centre linked to Thriving Town and Rural Communities and Place of Choice – Live, Work, Invest and Visit
- Protection of Natural Environments, Landscapes and Heritage and Healthy Waikato River as Heart of Region's Identity
- Affordable and Sustainable Infrastructure
- Sustainable Resource Use
- Tāngata Whenua

Future Proof update



Future residential growth cells Strategic Agreement



↘ Strategic Agreement – Waikato District

Strategic Agreement with Waikato District

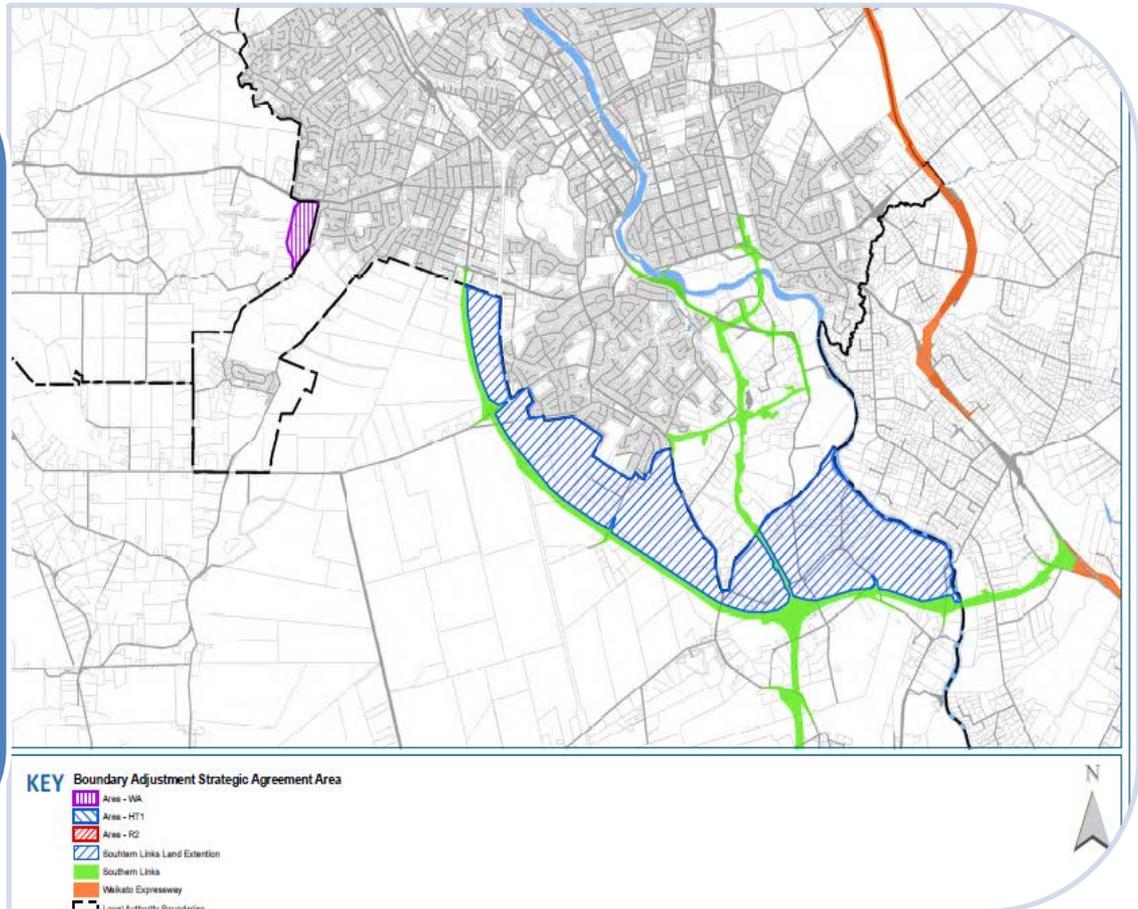
- R2, HT1, WA unlikely to be needed until towards the end of thirty year period.
- Preferred approach would be to keep the land within WDC in the interim but talk to WDC about re-assessing triggers - the ability to bring land into HCC earlier than 2039/45 if needed.
- Discuss pros and cons of this approach.

↘ Strategic Agreement – Waikato District (continued)

- No need to make changes to HUGS staging at this point.
- But prudent to ensure new growth cells are available in time should they be needed.
 - Risks if land comes into the City earlier than required.
 - Recommend: WA/R2/HT1 land remains within Waikato DC at this stage but seek to review the trigger points in the Strategic Agreement to allow review at each LTP and a 5-year transfer window.

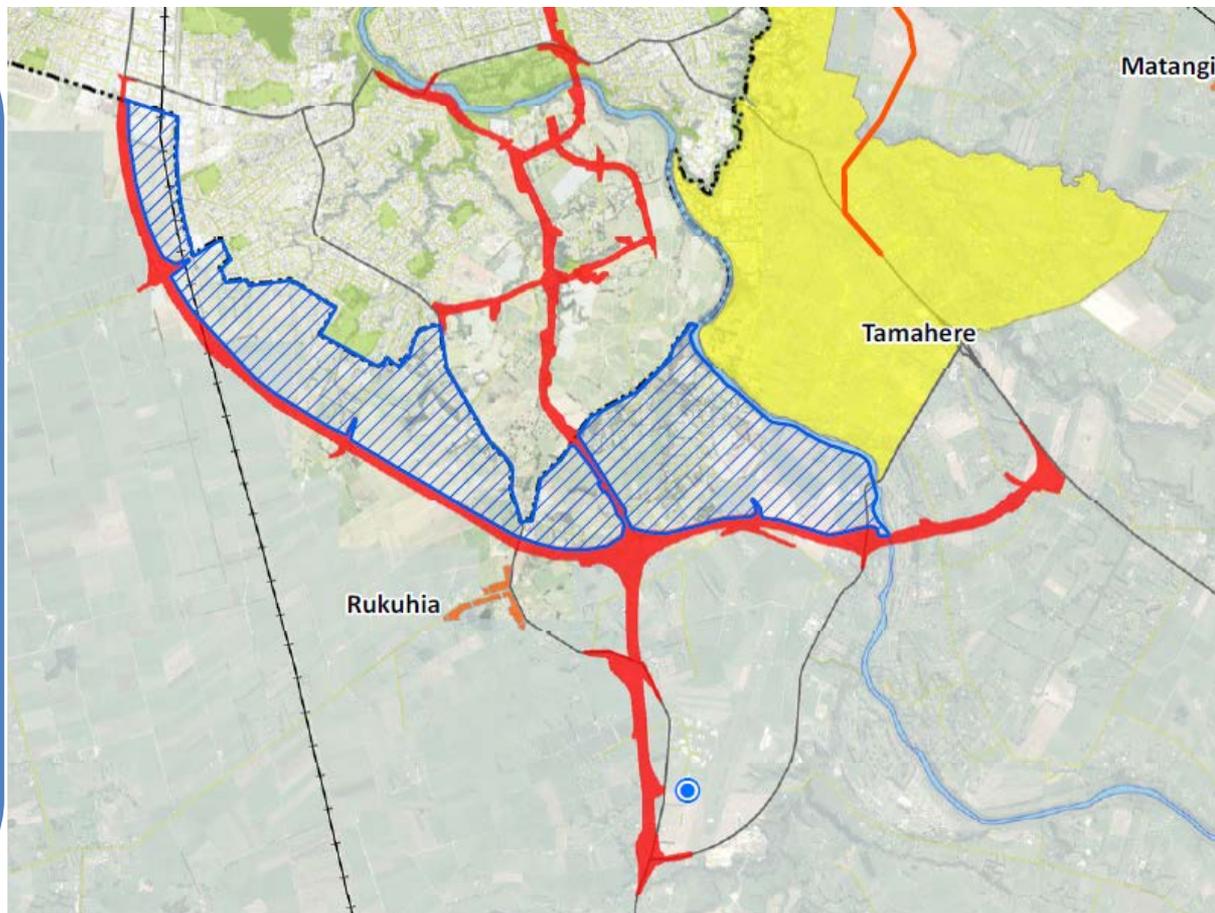
Future Strategic Agreement – Waipa

Potential for future strategic agreement with Waipa DC - Southern Links land (long-term land resource)



Future Strategic Agreement – Waikato

Waikato DC land –
Tamahere/Matangi

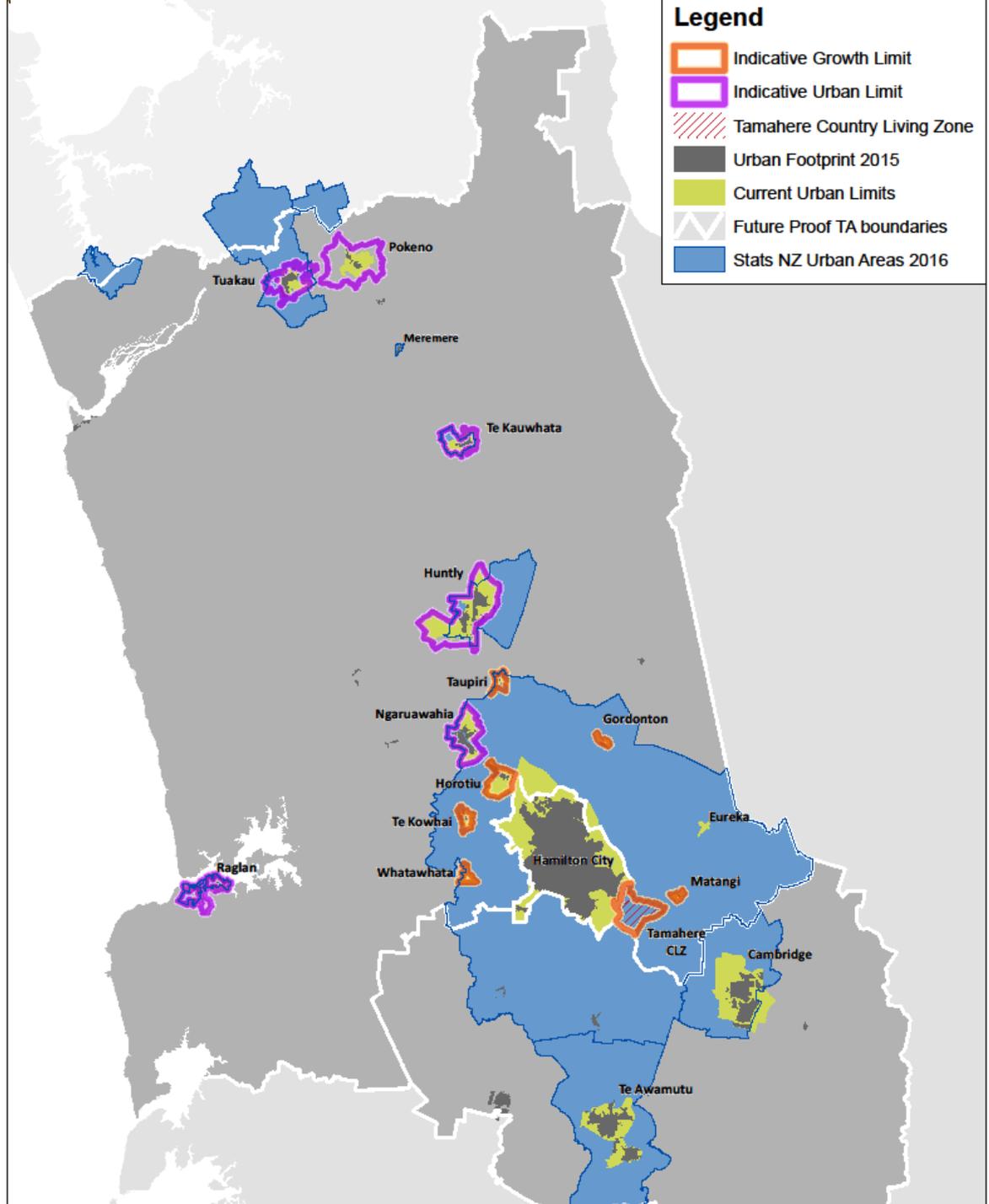


↘ Growth in Waikato and Waipa

Growth in
other
Waikato and
Waipa areas

- Tamahere
- Villages surrounding Hamilton
- Huntly
- Meremere
- Pokeno/Tuakau
- Hautapu
- Other

↘ Growth in Waikato and Waipa



↘ Strategic Infrastructure

What it means

Wastewater, Storm Water, Water

Plant	Reservoirs, Treatment Plants
Bulk	City-wide e.g. WW Interceptors, Ring Mains
Trunk	Services multiple areas
Local	Services individual properties

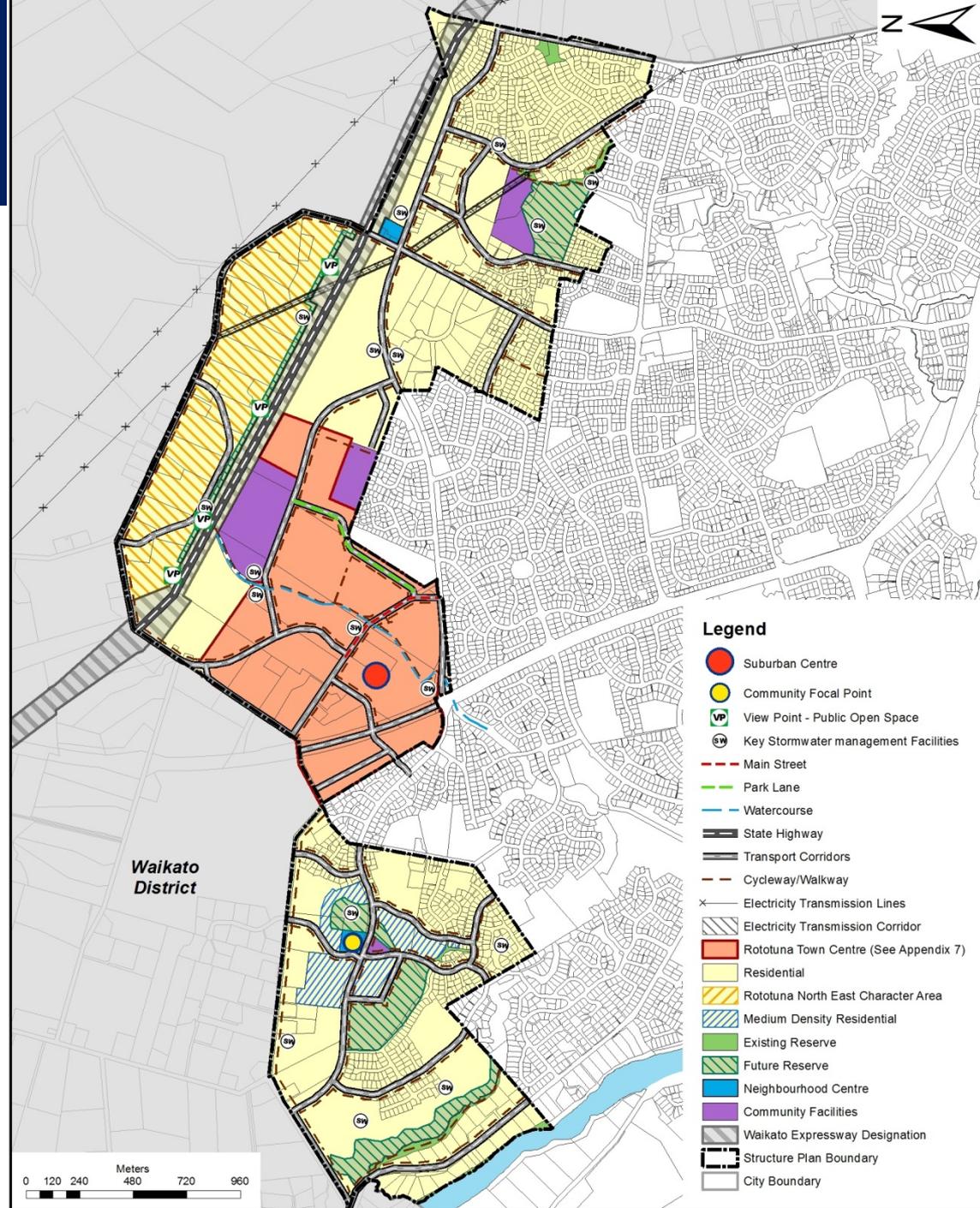


Roading

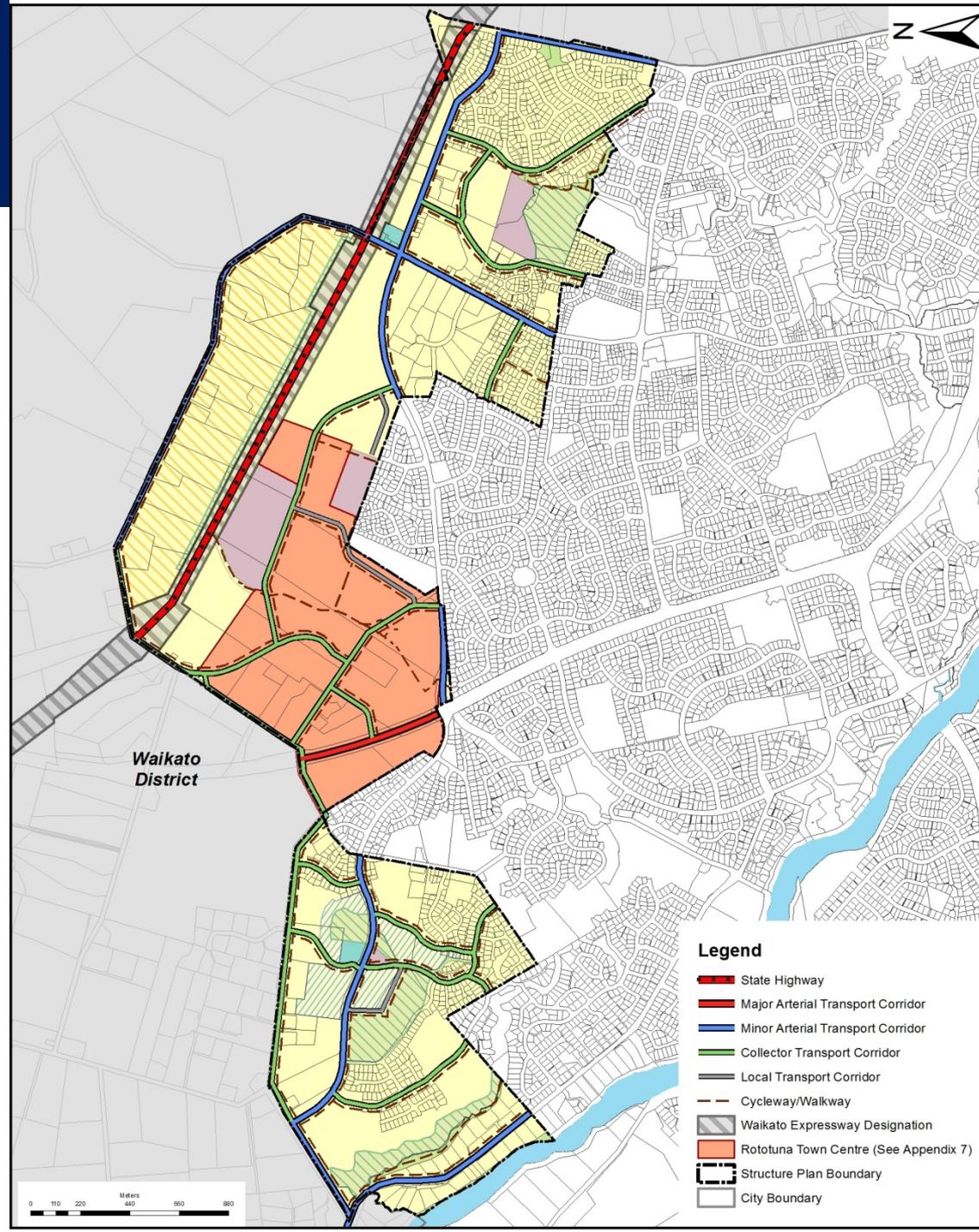
Major Arterial	Major roads e.g. Ring Road
Minor Arterial	e.g. Borman Road
Collector	e.g. Moonlight Drive
Local	Low volume/high access roads



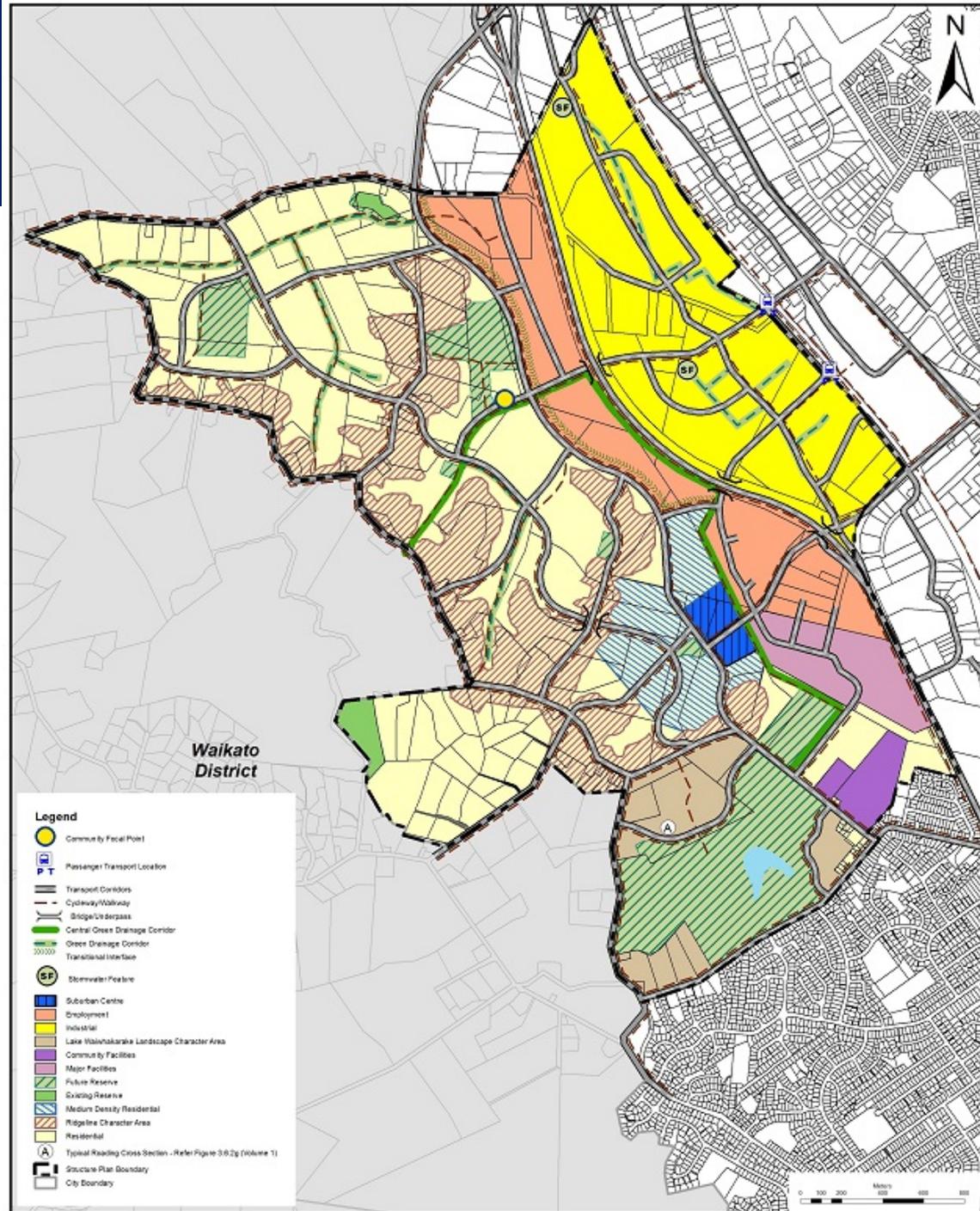
Rototuna Land Use



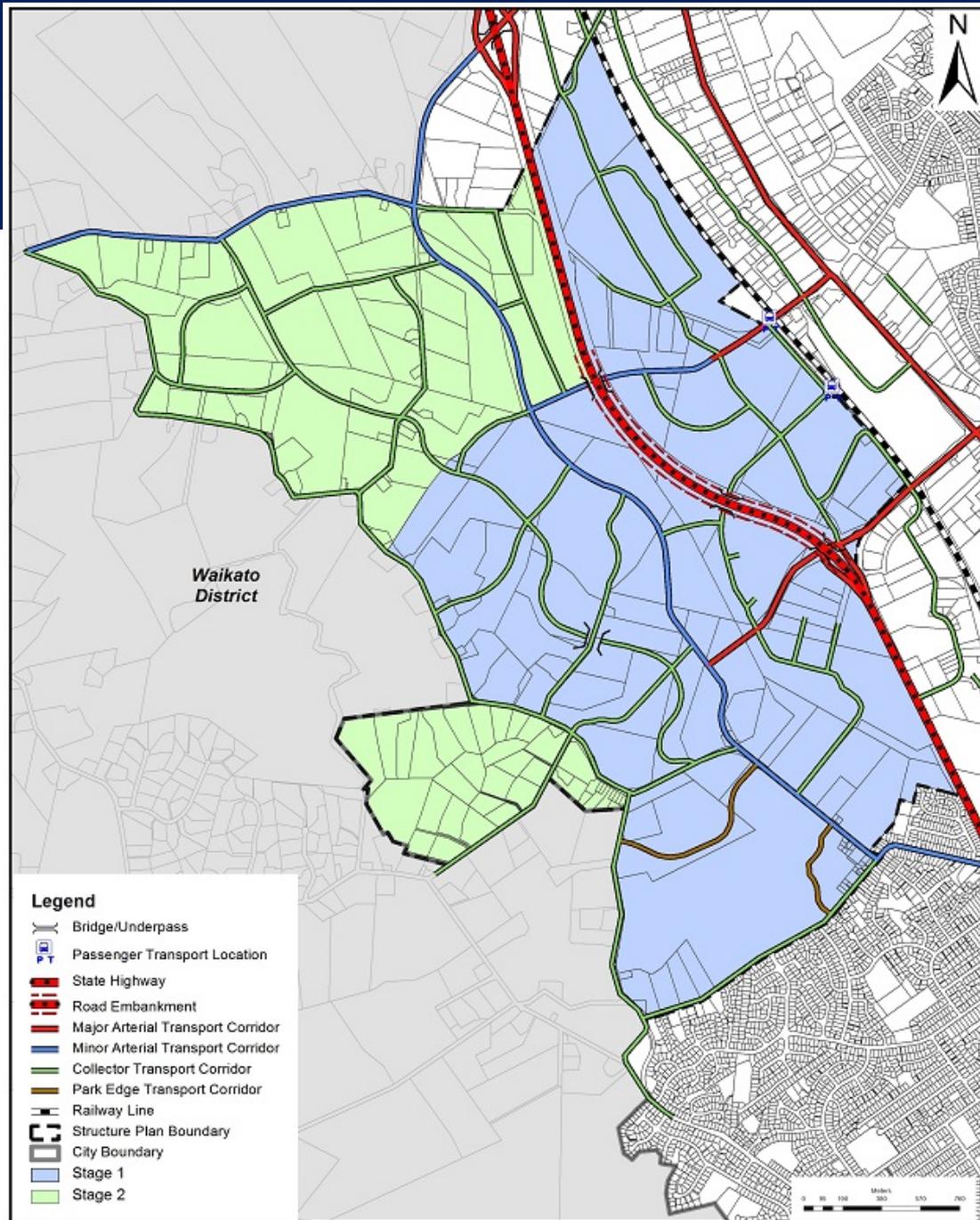
Rototuna Transport Network



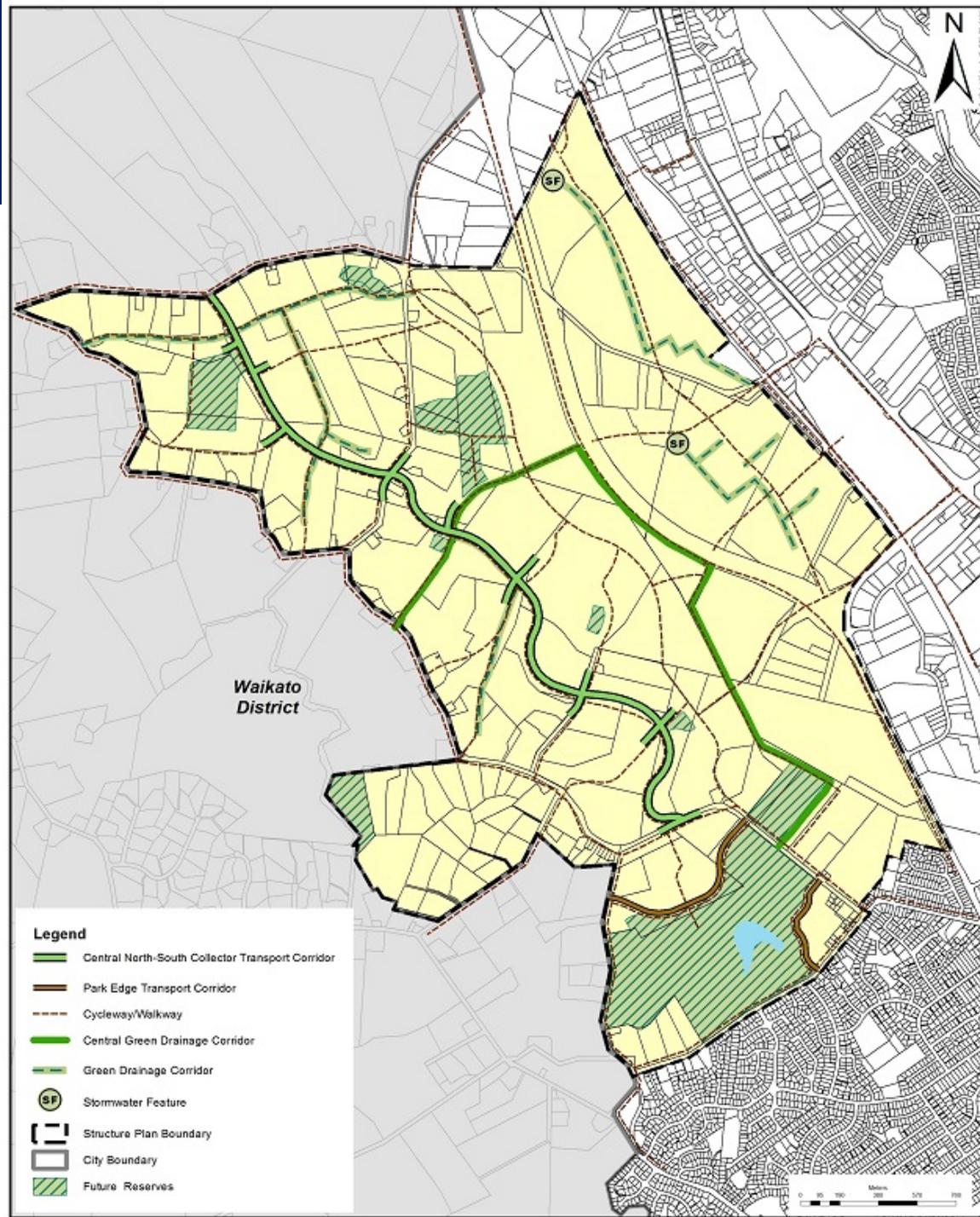
Rotokauri Land Use



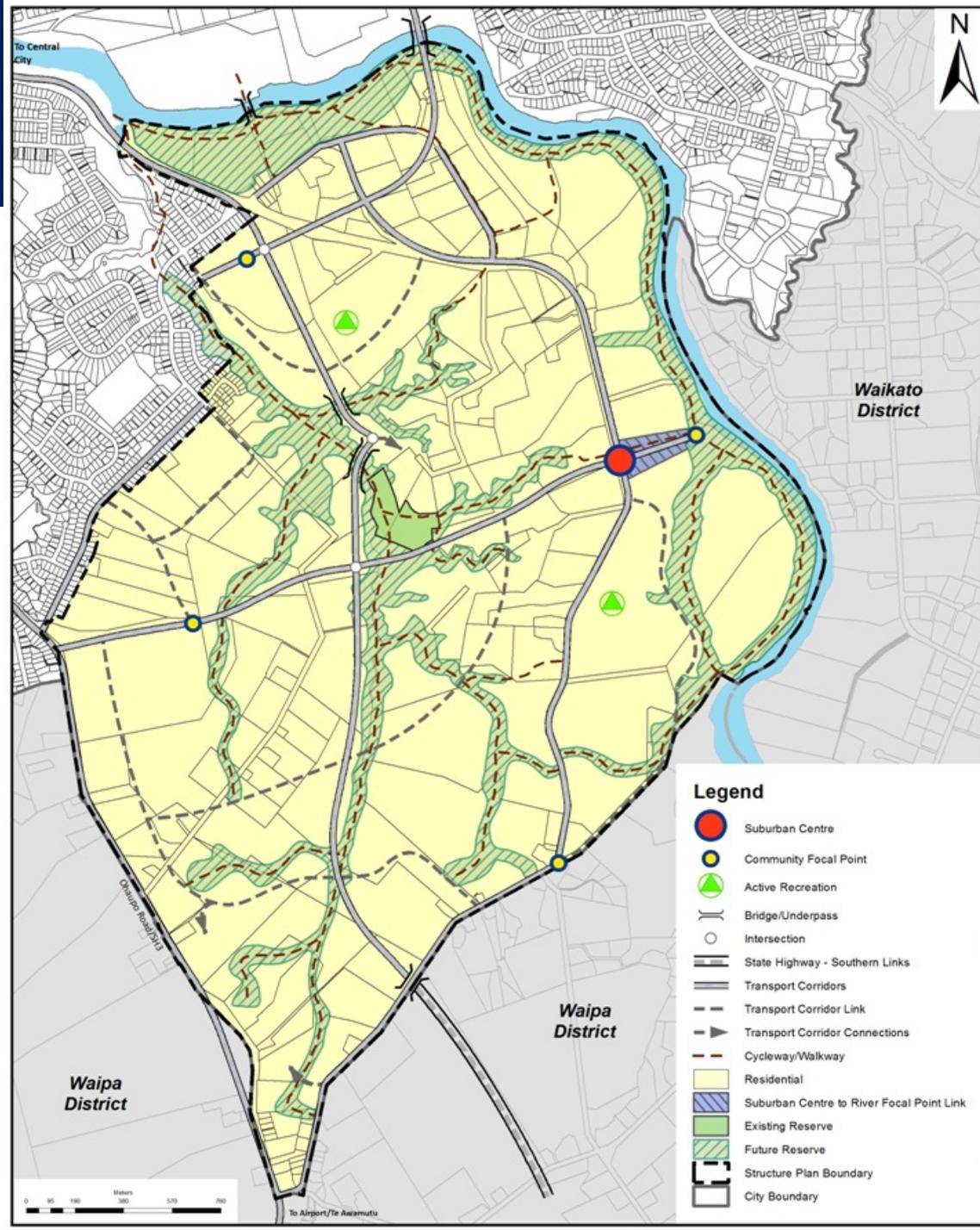
Rotokauri Transport and Staging Network



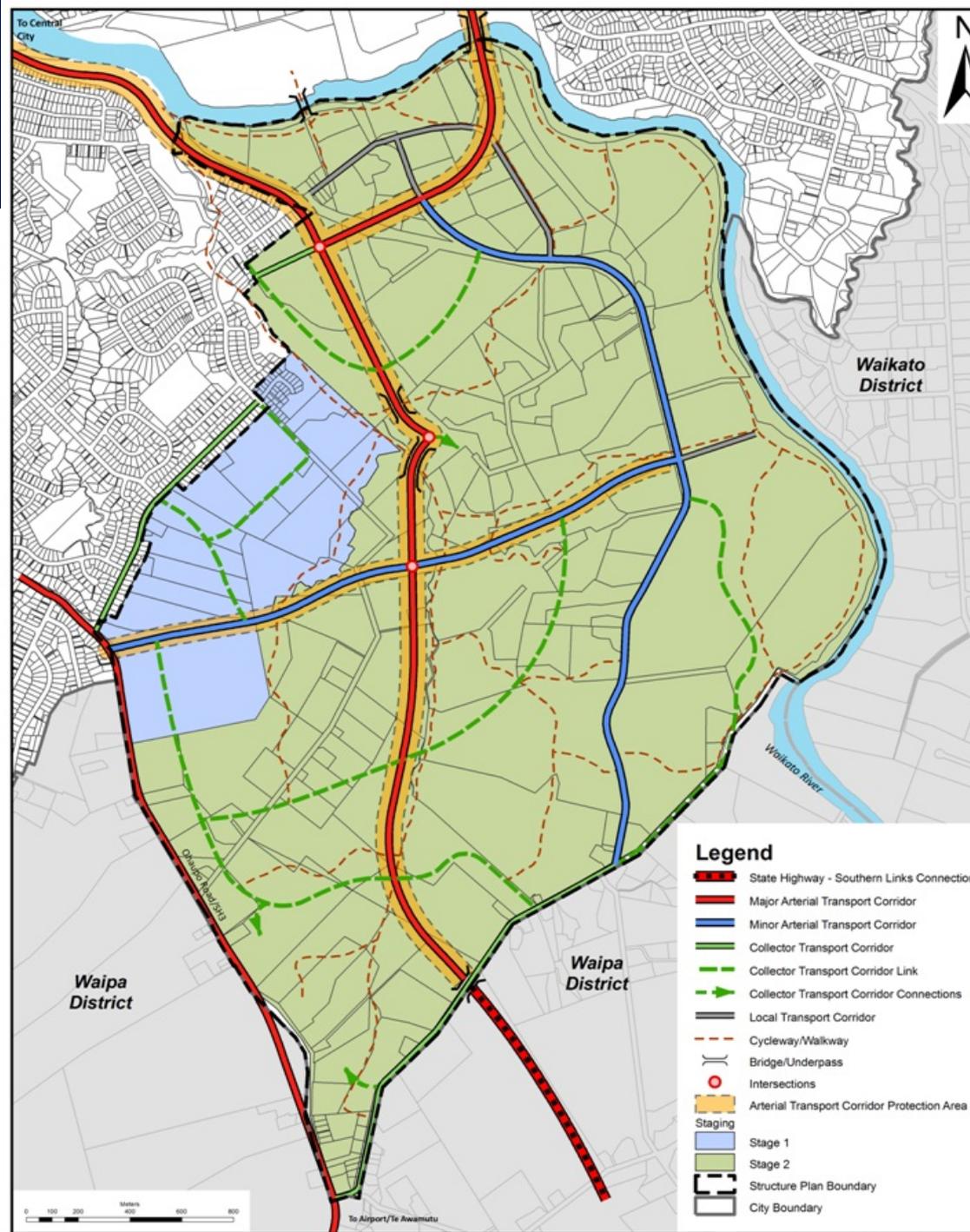
Rotokauri Open Plan Network



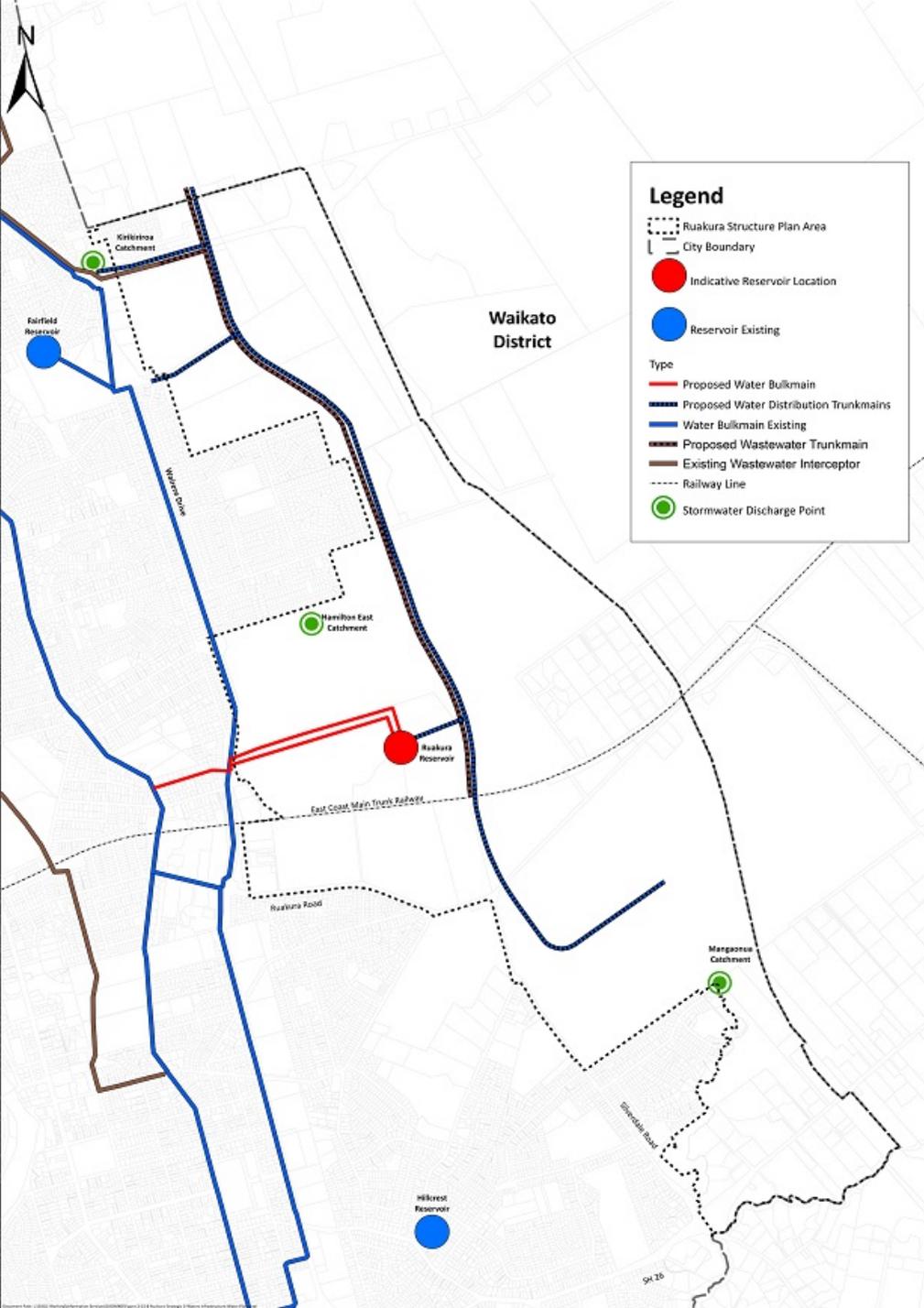
Peacockes Land Use



Peacockes Staging and Transport Network



Ruakura Strategic Infrastructure Three Waters



Comments?