

# Council

## Open Agenda



Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

**Date:** Wednesday 13 September 2017  
**Time:** 9:15am  
**Venue:** Council Chambers  
35 Kenrick Street  
TE AROHA

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### Membership

#### Mayor

Jan Barnes, JP

#### Councillors

Donna Arnold  
Teena Cornes  
Paul Cronin  
Neil Goodger  
Brian Hunter  
Peter Jager

James Sainsbury  
Ash Tanner  
Kevin Tappin  
James Thomas, JP  
Adrienne Wilcock

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**C2    Morrinsville River Walk Land Swap Proposal - Osborne Property**

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**1 Meeting Opening**

**2 Apologies**

At the close of the agenda no apologies had been received.

**3 Leave of absence**

At the close of the agenda no requests for leave of absence had been received.

**4 Urgent Additional Business**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

**5 Declaration of interest**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

**6 Confirmation of minutes**

Minutes, as circulated, of the Ordinary Meeting of Matamata-Piako District Council, held on 9 August and 23 August 2017

**7 Matters Arising**

**8      Announcements**

**9      Notices of Motion**

# Civic Assurance - Annual General Meeting and Potential Sale of Civic Assurance House

Trim No.: 1905315

Item 10.1

## Executive Summary

This report seeks feedback from Council on the proposal from Civic Assurance to sell Civic Assurance House in Wellington.

The purpose of this report is to seek a resolution on the appointment of a Proxy and Alternate to attend the Special Meeting of Civic Assurance Shareholders on Council's behalf and seek to instructions on how Council wishes to vote at the meeting.

## Recommendation

That:

1. The report be received; and
2. Council appoint a proxy (Ian Brown – Chief Executive of Civic Assurance) to attend the Annual General Meeting of Civic Assurance on its behalf, to vote in accordance with the resolution reached by Council below; and
3. Council resolve whether to vote for or against the resolution that has been proposed by the directors of Civic Assurance in the attached Special Meeting, as follows:
  - Sale of Civic Assurance House

## Content

### Background

The New Zealand Local Government Insurance Corporation Limited (Civic Assurance) has issued a notice of Special Meeting on 5 October 2015 in Wellington, to its shareholders.

### Issues

The purpose of the meeting as laid out in the Notice of Meeting is to decide on the future of Civic Assurance House. Council is entitled to send a representative to attend the meeting and vote on Council's behalf.

## Analysis

### Options considered

In relation to the meeting attendance Council may:

- Appoint a proxy and alternate to attend the Special Meeting on its behalf
- Choose not to attend the meeting

If Council chooses to be represented at the meeting Council may vote for or against the resolution that has been proposed.

### Analysis of preferred option

It is recommended that Council appoint a representative to attend the meeting on behalf of Council.

### Legal and statutory requirements

Civic Assurance is required to hold a Special Meeting on this matter under Companies Act 1993 and its constitution.

### Impact on policy and bylaws

There are no policy or bylaw issues

### Consistency with the Long Term Plan / Annual Plan

This matter is not relevant to the Long Term Plan/Annual Plan.

### Impact on Significance and Engagement Policy

This matter is not considered significant.

### Communication, consultation and decision making processes

Council's decision will be conveyed to Civic Assurance.

### Consent issues

There are no consent issues.

### Timeframes

Proxy forms must be received by Civic Assurance by 11.30am 4 October 2017.

### Attachments

- A. Sale of Civic Assurance House
- B. Notice of meeting and proxy voting forms

### Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
Approved by	Don McLeod <b>Chief Executive Officer</b>	



# Debenture Trust Deed - Letter of Engagement

Trim No.: 1926097

## Executive Summary

This report seeks to provide the Council with the letter of engagement for the limited independent assurance report of the Debenture Trust Deed to be undertaken by the Council's auditors.

### Recommendation

That:

1. The information be received;
2. Council authorise the Mayor to sign the letter of engagement for the Debenture Trust Deed audit.

## Content

### Background

Several years ago, Council restructured its security arrangements for debt using a debenture trust deed. This deed alters how security is given for debt and allows Council more flexibility in structuring its debt than previous mechanisms.

As part of Council's annual audit of accounts and performance, our auditors undertake an audit of the trust deed arrangements in accordance with the requirements of the Trust Deed.

### Issues

Attached to this report is a copy of the engagement letter for the limited independent assurance report to be undertaken by our auditors. The letter sets out the scope of the audit, the Council's and the Trustee's responsibilities.

Previous audits were undertaken on behalf of Council only, the current letter of engagement is now a tripartite agreement with the Trustees.

The outcomes of the Debenture Trust Deed Audit will be available from our Auditors in October.

## Attachments

- A. Debenture Trust Deed

## Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Larnia Weir <b>Deputy Finance Manager</b>	

Approved by	Don McLeod	
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Item 10.2

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	<b>Chief Executive Officer</b>	
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# Financial & Infrastructure Strategy - Key drivers and responses

Trim No.: 1926113

## Executive Summary

At a workshop on 30 August 2017 Council discussed the key drivers and responses for the Financial and Infrastructure Strategies and indicated it was comfortable with a proposed concept developed by staff. The purpose of this report is to seek endorsement of the key drivers and responses for the Long-Term Plan 2018-2028 (LTP) financial and infrastructure strategies so Council staff can build this into the strategies.

## Recommendation

That:

- 1. Council endorse the key drivers, challenges, and responses concept for the Long-Term Plan 2018-28 financial and infrastructure strategies**
- 2. Staff develop the concept further to link to the community outcomes, strategic priorities, vision and the non-asset activities of Council.**
- 3. Council confirms its preferred approach to water, stormwater, wastewater, roading, Parks and facilities issues and options as outlined in the report.**

## Content

### Background

Council discussed the key drivers and responses at a workshop on 30 August 2017 and indicated it was comfortable with an illustrative concept showing the key drivers and responses which can be built into LTP 2018-2028 financial and infrastructure strategies.

### Issues

#### Strategic Framework

Council identified its strategic goals or direction at the early stage of the LTP process. Council developed a vision to make Matamata-Piako 'the place of choice', this vision will provide guidance and inspiration as to what we are focused on achieving in the next ten years, and beyond. In making this vision a reality Council sees itself as enabling the community in five key areas, and has identified twelve specific outcomes under each of these themes that it wants to achieve.

Council has previously reviewed its community outcomes which are the outcomes Council seeks for its community. The new vision, outcome themes, outcomes and strategic priorities are outlined in the table below.

<b>Matamata-Piako – The Place of Choice Lifestyle. Opportunities. Home.</b>				
<b>Enabling...</b>				
<b>Connected Infrastructure</b>	<b>Economic Opportunities</b>	<b>Healthy Communities</b>	<b>Environmental Sustainability</b>	<b>Vibrant Cultural Values</b>
<b>Infrastructure and services are fit for purpose and affordable, now and in the future.</b>	We are a business friendly Council.	Our community is safe, healthy and connected.	We support environmentally friendly practices and technologies.	We promote and protect our arts, culture, historic, and natural resources.
<b>Quality infrastructure is provided to support community wellbeing.</b>	Our future planning enables sustainable growth in our district	We encourage the use and development of our facilities.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We value and encourage strong relationships with iwi and other cultures, recognising waahi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.
<b>We have positive partnerships with external providers of infrastructure to our communities.</b>	We provide leadership and advocacy to enable our communities to grow.	We encourage community engagement and provide sound and visionary decision making.	We engage with our regional and national partners to ensure positive environmental outcomes for our community.	Tangata Whenua with Manawhenua status (those with authority over the land under Maaori lore) have meaningful involvement in decision making.
<b>Strategic Priorities – What’s most important?</b>				
<p><b><i>We have identified some strategic priorities for Council to focus on first; these will be reviewed each year:</i></b></p> <ul style="list-style-type: none"> <li><b><i>Planning for and providing affordable infrastructure that is not a limiting factor in our district’s growth.</i></b></li> <li><b><i>Developing and implementing an economic strategy that encourages and supports economic growth in our district.</i></b></li> <li><b><i>Reviewing the provision and suitability of sporting and recreational facilities in the district.</i></b></li> <li><b><i>Supporting environmentally friendly practices and technologies.</i></b></li> <li><b><i>Building relationships with Iwi and other groups within our community that represent our cultural diversity.</i></b></li> <li><b><i>Advocating for services on behalf of our communities.</i></b></li> </ul>				

It is now a question of how Council wishes to realise this vision and the outcomes identified through the Financial and Infrastructure Strategy.

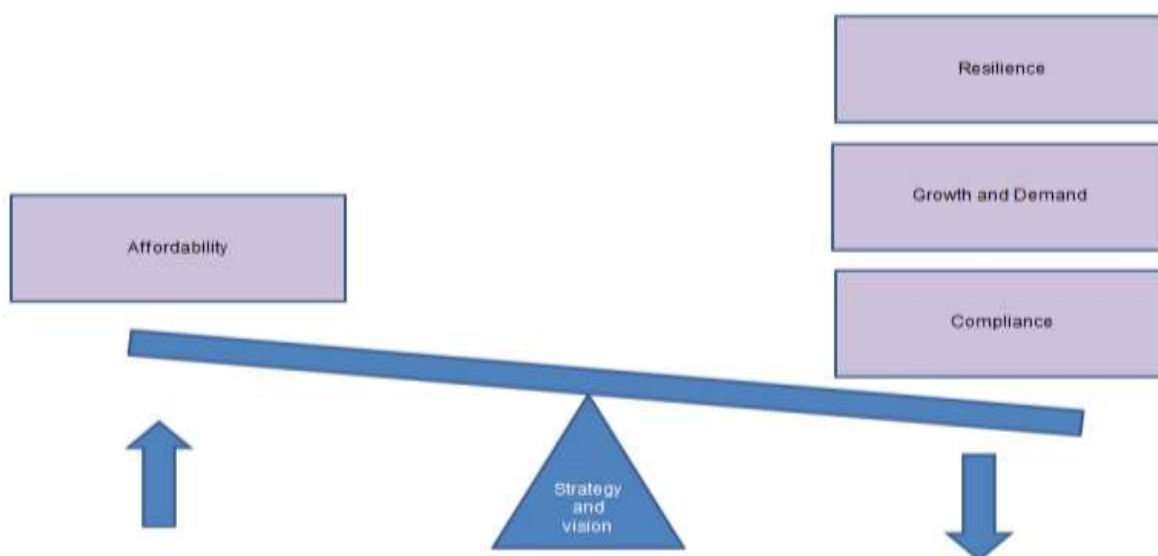
At this juncture Council may wish to review the strategic priorities to ensure they reflect Councils intentions.

### Drivers for the Financial and Infrastructure strategies

Council has identified several factors that are the long-term drivers of demand for, and effective delivery of, services to the public or the ratepayer. There are several important drivers of long-term financial sustainability, and their trends should be taken into account in planning.

Section 101A of the Act recognises this, stating that financial strategies in the LTP should include a statement on “*factors ... expected to have a significant impact ... during the ... years covered by the strategy*”. These factors include expected changes in population and land use, expected capital expenditure, and “other significant factors” affecting Councils ability to maintain existing levels of service and to meet additional demands for services. It is considered that resilience, growth and demand, and compliance are key drivers and need to be balanced against affordability constraints.

During the various LTP workshops Council have indicated a number of key drivers that cut across both the Financial and Infrastructure Strategies. It is therefore proposed to use the concept below to inform and ‘frame’ the presentation of the Financial and Infrastructure Strategies in the LTP:



### **It's all about balance....**

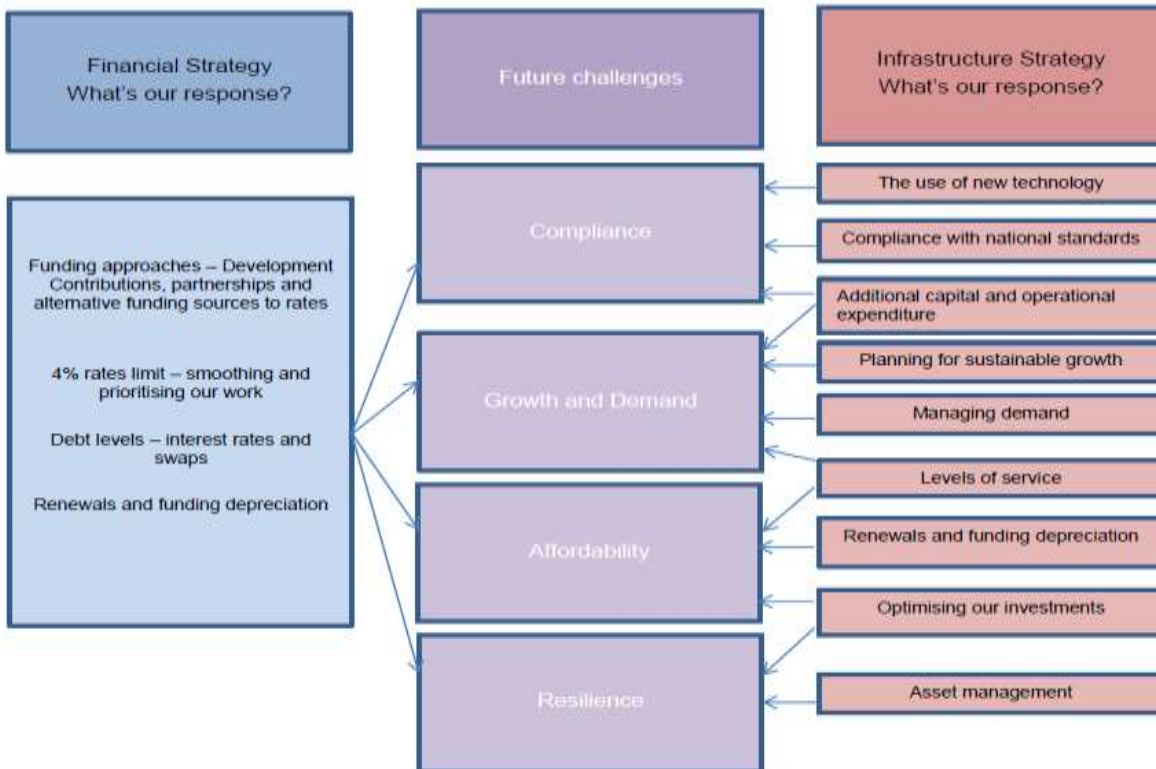
As a community we face a range of external factors that can influence our decision making. As part of the LTP Council has identified four challenges that have an impact across all of our activities as shown in the diagram –

- Affordability – our communities are aging, which means more people on fixed incomes, there is also a limit as to what our community in general can afford to pay for. This means that with all of the decisions we make as part of this long term plan, we have to ask can we afford to pay for this?
- Resilience – events such as the Christchurch and Kaikoura earthquakes, and the Edgumbe flooding event are natural disasters which have tested the strength and resilience of the affected communities. The global financial crisis in 2008, and the recent dairy downturn are examples of economic conditions that have also challenged communities across New Zealand. We need to make sure that as an organisation we are in the best position we reasonably can be in case the worst does happen.
- Growth and demand – Although our population is aging, we are also experiencing steady population growth in our urban areas, while rural areas remain static or will decline over time. We also experience demand from industries that want to locate themselves in our district. Our communities also have different priorities which we need to balance.

- Compliance – we face increasing pressure in the need to comply with increasing environmental, health and other standards. How we meet those standards and the cost of doing so is a challenge that we have to manage.

**The road ahead – how are going to get there?**

While Council has various approaches through our activities to future challenges, two of our key strategies detail our strategic response in two key areas – they are the Financial Strategy and Infrastructure Strategy. It’s also important that Councils strategic responses align with our vision, our priorities and what we are trying to achieve for our community. The diagram below shows the relationship between our key strategies, how we will respond to them.



If Council endorses the framework above Council staff will work to embed this into the Financial and Infrastructure Strategies and the non-asset activity plans so there is a consistent message across the LTP.

Financial Strategy

Bruce Robertson from Morrison Low & Associates facilitated the first workshop on the Financial Strategy and Revenue and Financing Policy on Wednesday 29 March 2017. The workshop provided an overview of what a Financial Strategy is and its purpose and legislative requirements. Elected members discussed their financial aspirations for council for the next ten years and priority work required to achieve this. This was followed by a second workshop 5 April, when elected members agreed on the strategic direction for the draft Financial Strategy 2018-28.

Elected members agreed, for the purposes of initiating discussion on its fiscal limits, on the following strategic statements for the financial strategy:

- We will aim to improve our current levels of service
- We will smooth out costs over time – prioritising our work and providing certainty to ratepayers
- We will invest in new assets – civic, cultural and recreational
- We will borrow for new assets

- Debt will not control us – keeping ‘head room’ for unforeseen circumstances
- We will leverage alternative/external funding opportunities to maximise return to our ratepayers and community.

For the purposes of framing the Long Term Plan discussion the draft rates increase will be no more than 4%, including inflation (set as the Local Government Cost Index) currently forecast at 2.5%. Council has indicated it may revisit the limit on rates when the new inflation figures become available.

At the workshop on 30 August 2017 Council indicated it was comfortable with the following funding approaches:

- Smoothing costs (where possible) – operating and capital expenditure and renewals can vary widely from year to year. The objective of smoothing is to give ratepayers more certainty from year to year; effectively collecting funding in advance/arrears of when costs incurred – there is a risk that timing/costs may not align.
- Development Contributions Cs will pay for growth
- Continue to partner with industry for example Greenlea, Fonterra, Inghams etc.
- Seek alternative funding – for example national cycleway funds
- Exacerbaters pay – such as using water meters for large industrial users, pan charges, trade waste agreements etc.

Council indicated its approach to renewals and funding depreciation would be to fully fund depreciation on assets Council will renew in the future through depreciation collected via rates to fund replacement of the assets. Roading funding is reduced by the expected NZTA subsidy. Councillors indicated the current approach of not fully funding depreciation on assets that are self-funding (e.g. Elderly Person Housing and Own your own housing), or where the expectation is that community will need to fundraise (rural halls) to replace facilities should be continued.

At the workshop on 30 August 2017 Council discussed its return on investments. Currently \$5.4m cash investment is held (formerly the Power NZ Fund) as self-insurance. A range of strategic investments are also held such as Waikato Regional Airport Limited where there is no return target specified.

### Infrastructure Strategy

At the workshop on 30 August 2017 Councillors discussed a number of key decisions relating to the Infrastructure Strategy including:

#### Water, Wastewater, Stormwater, Roading

- Additional infrastructure due to growth
  - District Plan Change 47 and Growth figures adopted. Provide required infrastructure to service the identified growth and newly zoned areas.
- Planning & funding renewals
  - Continue to renew our assets as per renewal profile

#### Water

- Water Quality
  - Increased requirements and security for our supplies
- Water Conservation
  - Status quo – leak detection, education
  - Water meters
  - Enhanced status quo – water loss strategy, leak detection increase. education, business case analysis of water meters.



- Water Projects
  - Morrinsville 17km main trunk line – options:
    1. Replace pipe
    2. reline pipe and new bore in town
    3. Abandon pipe and reservoir and new bores in town

Council has indicated its preferred option is to reline the pipe and provide a new bore in town (option 2).

#### Wastewater

- Consent renewals
  - Increased environmental and security requirements for our existing and new supplies
- Discharge to land – options:
  1. Status quo – main discharge to stream
  2. Investigate discharge to land for Consent renewals

Council has indicated its preferred option is to investigate discharge to land for consent renewals (option 2).

#### Stormwater

- Urban Watercourses level of service options
  1. Status quo – not maintain private drains
  2. Improved LOS – take over private drains
  3. Status quo but minor enhancements - will consider individual circumstances

Council has indicated its preferred option is the status quo with minor enhancements and consideration of individual circumstances (option 2).

#### Stormwater issues

- Network capacity
  - Focus on soakage solutions instead of increasing current pipes in the ground

#### Roading

Morrinsville and Matamata Town Bypasses – options:

1. Let designation laps
2. Plan for capital works
3. Plan for some minor capital and fund

Council has indicated its preferred approach is an investigation study prior to laps of designation.

One Network Road Classification

- Level of service to reflect One Network Road Classification performance measures.

Council also indicated it wished to continue with safety improvements and asked staff to consider customer survey questions regarding roading where state highway issues are often noted although these are outside Council control.

Cycleway extension – options:

1. Continue Hauraki Rail trail to Pairere
2. Concentrate on off-shoots of existing route
3. Plan for 1 and 2 above



4. Increase structural capacity of bridges
5. Plan for one upgrade of bridge per annum
6. Plan for no upgrade works and retain network as is

Council has indicated its preferred approach is to plan for options 1 and 2 above.

#### Parks and facilities

Streetscape options:

1. Major redevelopment of streetscapes
2. Renew assets like for like as required

Council has indicated its preferred approach is a major redevelopment of streetscapes (option 1). The timing of this could potentially align with the rollout of Fibre broadband in the CBD.

Open Spaces Strategy options

1. Plan for reserve acquisitions and development as per strategy
2. Acquire identified land for reserves only when triggered through subdivision

Council has indicated its preferred approach is acquiring identified land for reserves when triggered through subdivision. It is noted that Council will not be able to charge financial contributions through the District Plan/RMA process after 5 years after legislation changed (April 2022).

Investment into Matamata sports Facility

- Plan for \$150k to complete feasibility on options and allow for \$2m in budget for proposed capital expenditure

Asbestos and Earthquake upgrades to council buildings

1. Complete assessment and develop strategy
2. Complete assessment and prioritise based on strategic need & utilisation

Council indicated at the workshop a desire to complete assessments of the above and develop strategy around these issues.

Renewal of non-council owned buildings on council land

1. Renew all assets on council land and allow for appropriate budget
2. Only renew if strategic need and in use, otherwise dispose of building

Council has indicated its preferred approach is to only renew non-council owned buildings on council land if there is strategic need and in use, otherwise the building should be disposed of.

## **Analysis**

### **Options considered**

Council may wish to amend the concepts shown and identify any other issues in believes are relevant to the strategies.

### **Analysis of preferred option**

There is no preferred option. Council staff are seeking direction from Council on the key drivers, challenges and responses as part of preparing the Financial and Infrastructure Strategies.

## Legal and statutory requirements

### Financial Strategy

The requirement for a financial strategy was introduced for the Long Term Plan 2012-2022 (Section 101A of the Local Government Act 2002). The new provision was intended to:

- make it easier to understand a local authority's financial intentions.
- make a clear link to Council's service delivery intentions.

The financial strategy is to facilitate:

- prudent financial management by providing a guide to consider proposals for funding and expenditure against; and
- consultation on the proposals for funding and expenditure by making transparent the overall effects of those proposals on services, rates, debt, and investments.

The financial strategy must include:

- the factors expected to be significant during the period of the LTP;
- expected changes in population and the use of land, and the capital and operating costs that any changes would require;
- the expected capital expenditure on infrastructure required to maintain current levels of service; and
- Other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for service.

The financial strategy must also include some specific statements on:

- the limits on rates, rate increases, and borrowing; and
- the ability to maintain existing levels of service and to meet additional demands within the rates and borrowing limits.

Council must also state:

- its policy on providing security for its borrowing,
- its objectives for holding and managing investments and equity securities,
- Quantified targets for returns on investments and equity securities.

### Infrastructure Strategy

Amendments to the Local Government Act 2002 in 2014 introduced the requirement for local authorities to prepare an infrastructure strategy as part of their LTP. The purpose of the infrastructure strategy is to identify:

- significant infrastructure issues for the Council over the period covered by the strategy; and
- The principal options for managing those issues and the implications of those options.

Councils hold significant infrastructure assets. Infrastructure operations and works make up most Councils spending. An infrastructure strategy providing, at a minimum, a 30-year view, offers the opportunity for Council to present a strategic picture of its infrastructure portfolio.

The infrastructure strategy must describe how Council intends to manage its infrastructure assets, and associated expenditure needs, over the period of the strategy, taking into account a range of factors that impact on the nature and cost of infrastructure provision.

The strategy must identify the scenario Council considers is most likely to occur in respect of these factors, and show indicative estimates of the capital and operating expenditure required to manage infrastructure assets in that scenario. Expenditure estimates must be on an annual basis for the first ten years, but may be in five-year blocks for the subsequent 20 years. This better reflects the long-life nature of local infrastructure assets, such as pipe networks and water supply infrastructure.

The strategy must also estimate the timing and cost of significant capital expenditure decisions the Council expects to need to make under the scenario, and the options it will need to consider. The strategy must also identify major assumptions on which the scenario is based.

Note that the strategy is only required for assets used for any of the following groups of activities: water supply; sewerage and the treatment and disposal of sewage; stormwater drainage; flood protection and control works; and the provision of roads and footpaths. Other assets may be included at Councils discretion. Council has previously discussed the inclusion of some community facilities assets into the Infrastructure Strategy. It is considered this will provide a more complete picture of Councils asset portfolio to the community.

### **Impact on policy and bylaws**

The financial and Infrastructure strategy will set policy direction for Council. This may have long-term and significant implications.

### **Consistency with the Long Term Plan / Annual Plan**

The financial and infrastructure strategies must be included in the Long-Term Plan 2018-28, and will need to be consistent with the remainder of the LTP.

### **Impact on significance policy**

The financial and infrastructure strategies are key parts of the LTP and is a significant issue and can have major consequences for the Council and community.

### **Communication, consultation and decision making processes**

The strategies and the key issues and options to funding, rates, debt, asset priorities spending intentions, and risks will form a key part of the community consultation process for the LTP in early 2018.

### **Consent issues**

There are no consent issues.

### **Contribution to Community Outcomes**

The financial and infrastructure strategy provides the financial and asset framework for Council to contribute to many of the community outcomes.

## **Financial Impact**

### **i. Cost**

The costs of reviewing the strategy are staff time and consultation costs.

### **ii. Funding Source**

The funding sources are to be determined by Council as part of its strategy reviews.

## **Attachments**

There are no attachments for this report.

## **Signatories**

Author(s)	Niall Baker <b>Acting Senior Policy Planner</b>	
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Approved by	Michelle Staines-Hawthorne	
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Item 10.3

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	<b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	

## Presentation - Rod Carpinter

Trim No.: 1919239

Item 10.4

### Executive Summary

10.10am Rod Carpinter will be present to receive a presentation from Matamata Piako District council.

### Recommendation

That:

1. The information be received.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Caroline Hubbard <b>Committee Secretary</b>	
Approved by	Don McLeod <b>Chief Executive Officer</b>	



## Presentation Hamilton and Waikato Tourism

Trim No.: 1861698

Item 10.5

### Executive Summary

10.40am Jason Dawson, CEO Hamilton and Waikato Tourism will be in attendance to discuss the attached 2016-2017 Annual Report and Schedule of Services for 2017-18.

### Recommendation

That:

1. The information be received.

### Attachments

- A. Hamilton & Waikato Tourism 2016-2017 Annual Report
- B. Hamilton & Waikato Tourism Schedule of Services for Local Government 2017-18

### Signatories

Author(s)	Vicky Oosthoek <b>Corporate Strategy Administration Officer</b>	
Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	





## Morrinsville Pedestrian Lights

Trim No.: 1913943

### Executive Summary

Council resolved on the 14 June meeting to proceed with the Pedestrian light option and white lines across the existing speed hump outside Noel Leemings building, Thames Street, Morrinsville.

Preliminary Designs for the pedestrian lights and estimated costs have been completed by the appointed Project Manager.

Originally a cost of \$20,000 was reported to Council for pedestrian lights. This cost was based on existing electronic signage used in the district. A more detailed engineering estimate established that the cost involved will be much greater.

The total physical work for the lights and streetscape amendments is estimated to be \$105,000 with a further \$20,000 for the project management. This includes design, supervision and any identified consultation.

In comparison the physical works for a formalised pedestrian (zebra) crossing is estimated to be \$40,000.

The existing subsidised Minor Improvement Budget can be used to fund \$105,000 of the cost for the pedestrian light.

A decision is sought from Council whether it wishes to proceed with the pedestrian light or the formalised pedestrian (zebra) crossing.

Council is also requested to determine whether it wants to simply notify the changes proposed or complete targeted consultation.

### Recommendation

That:

1. Council receives the report;
2. Council determines whether it wishes to install a formal pedestrian (zebra) crossing or pedestrian lights on Thames Street, Morrinsville;
3. Council determines whether it wishes to notify or consult on the chosen option;

### Content

#### Background

Council discussed options to provide a safe crossing point in Thames Street, Morrinsville for visually or mobility impaired people on the 14 June.



The options discussed were:

- Formal Pedestrian Crossing
- Pedestrian lights
- Providing an engineering solution
- Do nothing and monitor

The resolution was that Council proceed with the Pedestrian light option and white lines across the existing speed hump outside Noel Leemings building, Thames Street, Morrinsville and report back to Council.

Council staff have no experience with the installation or ongoing operation of traffic lights. A Project Manager was engaged after Council made its initial decision on 14 June. A preliminary design and estimated cost have been developed for the pedestrian lights.

#### Preliminary Design

The concept design is based on signalling the existing angled courtesy crossing on Thames Street. This approach minimises the civil works required (footpath, pavement and road drainage) but does result in the removal of two on-street car parks.

If the car parks need to be retained additional work is required to reconstruct the crossing to be perpendicular to the footpaths. This will increase construction cost.

The preliminary design for traffic signals has been reviewed by Hamilton City Council staff as they manage and monitor all traffic signals in the Waikato region. They support the proposed traffic signal layout.

In comparison, a formalised pedestrian (zebra) crossing will also require the removal of two on-street car parks as the limit line must be shifted further away from the edge of the crossing.

### Cost Estimate

Quotes for the supply and installation of the signal equipment is \$63,000. The quote allows for thrusting the carriageway duct instead of trenching.

The civil works (including traffic management and reinstatement) is estimated to be an additional \$40,000. This estimate will depend on the methodology, duration and extent of works.

The total construction cost is therefore likely to be approximately \$105,000. There will be on-going operating costs of approximately \$5,000 per year. This includes costs for power supply, communication, annual site inspections, fault repairs and maintenance.

The construction cost of a formal pedestrian (zebra) crossing would be approximately \$40,000. A detailed estimate has not been completed for this, but would require similar work on the existing streetscape to achieve the required sight visibility and power to the belisha beacons.

In addition to the physical works there are project management and design costs estimated to be \$20,000.

### **Issues**

#### Safety

The main issue is around safety of our road users. This includes the pedestrians traversing the CBD and the vehicles travelling through there.

Council must consider the trade-offs. An effective solution for the safety of pedestrians can potentially have a consequential impact on the traffic along Thames Street. For example, vehicle travel and congestion along Thames Street may increase when the crossing is being used.

However, the proposed signalised crossing should provide a much safer crossing for pedestrians by clearly indicating to drivers when pedestrians have priority.

#### Standards for formalised crossing points

It was re-confirmed by the traffic expert that you cannot have both, a pedestrian light and a formal pedestrian (zebra) crossing operating at the same time. Pedestrians can use a formal pedestrian (zebra) crossing at will. Pedestrians at a pedestrian light must wait until the signal to cross. You either have a formal pedestrian (zebra) crossing or a pedestrian light.

#### Funding

The original estimate reported to Council was \$20,000.

As noted earlier staff have no experience with the installation of traffic lights. The initial costs were based on the supply and installation of electronic signage.

The investigation and design process has high-lighted that this amount was insufficient.

For a compliant crossing point, NZ Transport Agency subsidised funding can be used for work on the actual carriageway and lights. The existing 2017/18 Minor Improvement fund can be used for this work.

The likely cost that can be claimed under the existing programme subsidised by NZ Transport Agency is approximately \$105,000. This will include the signal supply and installation, work on the existing kerb and channel, traffic management and also the design and supervision costs.

The net additional cost that Council would need to fund is \$20,000.

## Consultation

The Project Manager has recommended a project process based on prior experience and includes consultation.

Two options have been identified:

### Option 1: Notification

- Present to Council
- Present to Business Association
- Letter to other stakeholders – emergency services, walking and cycling advocates, CCS Disability action etc
- Letter drop to all businesses on Thames Street (Studholme St to Moorhouse St) notifying of the work

Under this option, there is very little opportunity for public feedback to be provided on the form of the proposed crossing. The purpose of the letter drop would be to inform the community of Council's decision to proceed with the works.

### Option 2: Contact potentially affected businesses seeking feedback

- Present to Council
- Present to Chamber of Commerce
- Letter to other stakeholders – emergency services, walking and cycling advocates, CCS Disability action etc
- Letter drop to all businesses on Thames Street (Studholme St to Moorhouse St) seeking feedback
- Individual meetings with approx. 12 businesses – walk street and go into each business to get feedback

This option allows for consultation with the affected businesses and landowner. The design and layout of the crossing would be reviewed to consider feedback from these affected parties.

Council has received strong submissions from Grey Power on its preferred option.

It is possible that other stakeholders and/or the public may have strong views on the proposal, especially as parking will be reduced.

As noted above vehicle travel and congestion along Thames Street may increase when the crossing is being used. Council may receive negative feed-back if this were to occur.

A consultative process may ensure more buy-in to the changes from the community and stakeholders.

Consultation will add further time to the project. Option 1 will be the most expedient approach although may not be considered to be true consultation.

A consultative process would typically be recommended for either a pedestrian crossing or a pedestrian light.

## **Analysis**

### **Options considered**

Option 1 Pedestrian Light

Option 2 Formal Pedestrian (zebra) Crossing

### **Analysis of preferred option**

Option 1 is considered the most appropriate as it achieves Council's objective in terms of pedestrian safety.

Council is requested consider how it wishes to consult on this matter irrespective of the option selected.

### **Legal and statutory requirements**

The NZ Transport Agency provides guidelines for the installation of formalised pedestrian (zebra) crossing. The guide-lines have informed the design process.

These guide-lines are effectively best practice and the objective of this project is to improve safety. It is considered prudent that Council follows the guide-lines.

The option of funding any works through the subsidised programme would not be possible if the guide-lines are not followed.

### **Impact on policy and bylaws**

No impacts on policies or bylaws

### **Consistency with the Long Term Plan / Annual Plan**

Council's objective is to provide a safe and efficient roading network. It also recognises that the population within the district is aging.

### **Impact on Significance and Engagement Policy**

Does not affect the Significance or Engagement Policy

### **Communication, consultation and decision making processes**

Council is asked to consider how it wishes to consult on the matter.

### **Consent issues**

No consent issues.

### **Timeframes**

This will depend on the option Council chooses. Once Council has made a decision, formal procurement would commence. Installation will then be subject to the availability of contractors. We understand there may be only two suitable suppliers that could install the lights. The civil works would be procured separately. We clearly want to avoid peak CBD usage.

## Contribution to Community Outcomes

### Financial Impact

#### i. Cost

The costs are discussed in the main part of the report.

#### ii. Funding Source

The subsidised Minor improvement fund can be utilised to fund the pavement, kerb and channel and traffic light work. Reserve funding will be required to fund the balance of the project.

Maintenance costs of the signals will also be included in Council's subsidised Traffic Services Maintenance budget.

### Attachments

A. Preliminary design

### Signatories

Author(s)	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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# Avenue Road Morrinsville Stormwater

Trim No.: 1917369

## Executive Summary

Council proposed a stormwater solution to service approximately 100,000 square metres of industrial land in the vicinity of Avenue Road, Morrinsville.

Avenue Industrial Park Ltd (AIP) is one of the property owners and has advised that it considers the cost of Council's proposals are not viable. The owner will address stormwater disposal independent of Council.

The land area to be serviced without Avenue Industrial Park Limited is 30,000 square metres.

Staff have been asked to assess the costs and risks of installing pipes sufficient to service this area or to install a larger pipe to cater for possible future demand.

## Recommendation

That:

1. **The report be received**
2. **That Council proceed with Option**
3. **That the contribution from property owners for Stage 1 be determined at the greater of \$XX or the approved development contribution.**

## Content

### Background

This report considers the options to provide stormwater services for the land lying west of Avenue Road and north of SH 26 in Morrinsville.

MPDC modelling has confirmed that the Morrinsville Stream is already overloaded and some buildings including two houses will flood in significant storms. As a result disposal of additional runoff is not an option above Allen Street.

There are also limitations in the culverts under two private properties between Avenue Road and the stream which further limits the ability to handle runoff from this land.

Council has undertaken extensive investigations and concluded that most of the land zoned industrial could be drained to the Morrinsville Stream below Allen St provided retention was used to limit the runoff to existing levels.

### Issues

The proposals were in two parts:

- 1 The land already subdivided in the vicinity of Avenue Road North and SH 26 comprising about 30,000 m<sup>2</sup>. This land could be drained through a 1050 mm dia. pipe from the intersection to Charleston St and when the capacity of the existing 450 mm dia. pipe is exceeded it would well up and flow down Charleston St and into an existing open drain alongside the railway. The existing culvert under the railway yard entrance would limit the flow to present levels and



the balance would be retained along the existing open drain - which may require some enlargement.

A 900 mm diameter pipe would be laid along SH 26 to the boundary on the lots facing the SH and a 450 dia. pipe along Avenue Road North to the boundary between the last two subdivided lots, as below.



This option is estimated to cost about \$610,000 or about \$20 per m<sup>2</sup> for the land serviced. However this estimate is subject to finalising the plans but is not likely to exceed \$25 per m<sup>2</sup>. The landowners concerned appear to accept this proposal but developer agreements have not been signed.

Although estimates are based on the best information available, there is a large grey area over risk of dewatering being required in particular and also effect of an overabundance of work at present. We believe that the \$25 per square metre should cover the additional cost.

- 2 The balance area is not subdivided and drainage of this land would require a 1600 mm pipe to be laid along Avenue Road and under the railway to a retention pond then back under the railway to the Morrinsville Stream. The cost of this is estimated at an additional \$3.2 million or \$45 per m<sup>2</sup>.

We are currently looking at an option of acquiring land near Allen Street and constructing a larger pond there which might make the need to cross under the railway unnecessary. It is possible such a retention pond could cater for the future development of the stockyard land.

Currently the owners of the balance Avenue Road land have indicated that the cost is not viable and that they propose to address stormwater disposal independent of council. They also advise they do not intend to enter into developer agreements with council and intend to leave the provision of stormwater to the new owners.

- 3 Developers want certainty but there is a real risk that actual tender prices will vary from developer agreements either up or down.

We can manage risk to some extent through the design and specification process but in the end it is market forces that tend to fix tender prices.



Council is likely to have to accept some risk in order to see development proceed. At this stage Council has secured a developer agreement for Westend Developments at a price of \$20 per square metre. This was based on the best available information at the time. The design process has progressed and staff are flagging that the per square metre rate may increase. Staff would like direction on how Council wishes to manage the price risk.

## Analysis

### Options considered

This land was originally zoned industrial at the request of the owners and on the basis of their consultant's report that the land could be serviced with stormwater. Subsequently this was found to be an over simplification especially when modelling of the Morrinsville Stream revealed it is already over capacity.

The various options have been thoroughly investigated by council and the proposal adopted was that in 1 & 2 above.

A proposal for part of the AIP land prepared by a consultant for the owner has not been submitted for approval to the Regional Council and MPDC staff have concerns about some aspects. However the decision is one for the WRC.

The options that Council is now considering:

A Install stormwater infrastructure to service 30,000 square metres as per the original stage (ie a 1050 mm pipe)

B Install stormwater infrastructure as per Stage 1 but allowing for a 1600mm pipe to cater for future growth. There two sub-options:

- Install the 1600mm pipe from Charleston Street to the northern side of the state highway. This would add an additional \$200,000-\$250,000 to the project. The total project cost would be about \$860,000.
- Install the 1600mm pipe for the whole length (ie from Charleston street to just north of Anderson Street). This will add a further \$300,000 - \$350,000 to the project. The total project cost would be about \$1,210,000.

### Analysis of preferred option

The only purpose in laying a larger pipe now is if the land owner along Avenue Road North finds his alternative proposals are not approved by the Regional Council. The land owner's sale options would also appear to be diminished as a potential purchaser will need to undertake their own investigations and get them approved.

There does not appear to be any benefit to this council in providing a larger pipe against the vague possibility it may be required in the future. It is suggested that in deciding that Council's proposal is not viable, AIP has accepted the risk that alternative proposals will prove impractical or unacceptable to the Regional Council.

The option of installing the larger pipe only as far as under the SH has some merit and it could possibly be available for other developments along Avenue Road South and/or the SH. However lack of fall could be a problem to extend very far along the SH. The additional cost would be approximately \$250,000 and is still a significant sum without an assurance of utilisation.

It is suggested council should enter into developer agreements with the remaining property owners in proposal 1 above on the basis of the lesser of the actual cost or a maximum of \$25 per square metre (excluding GST).

It is further suggested that council consider laying the larger pipe as far as the north side of the SH. This cost of \$250,000 might be considered an acceptable risk because there are other potential uses of this section of pipe. As an indication of the risk, the \$250,000 would increase to \$388,000 over 10 years at an interest rate of 4.5% if the capacity is not utilised.

A further issue is at what point of time do we make the capacity available to other potential developments (ie any other properties in the vicinity). In the absence of any agreement we would allow properties to connect as we are approached (ie first come, first serviced).

### **Legal and statutory requirements**

The land has been rezoned industrial which might be assumed to give some expectation of a stormwater service. However it was rezoned on the basis of a report on behalf of the land owner which has subsequently proved to be over optimistic.

Council has proposed a scheme to service the land with stormwater which has been declined by one land owner.

### **Impact on policy and bylaws**

As above

### **Consistency with the Long Term Plan / Annual Plan**

The proposed infrastructure was signalled in the 2015 long term plan.

### **Impact on Significance and Engagement Policy**

Council should consider whether investing in this infrastructure that may never be used is a matter of significance.

The expenditure on infrastructure for growth without any legal basis for recovering the additional cost would be a significant departure from current policy ie development is paid for from development contributions or developer agreements

If Council decides to proceed with a larger pipe at this stage, it is recommended that the additional expenditure is included in the Development Contribution policy.

### **Communication, consultation and decision making processes**

N/A

### **Consent issues**

N/A

### **Timeframes**

To meet commitments to others the pipeline needs to be laid this coming summer

### **Contribution to Community Outcomes**

## Financial Impact

### i. Cost

A budget of \$2 million was included in the 2015 long term plan to provide for the stormwater infrastructure to service the areas identified in this report. The cost of delivering the full solution (described as Stages 1 and 2) is now estimated to be significantly greater (\$3.8 million).

The full extent proposed in this report is within the \$2 million allocation.

### ii. Funding Source

It is proposed to fund the capital from development contributions or developer agreements. Council could fund some of this expenditure from stormwater reserves if it wishes to reduce the financial risk.

## Attachments

There are no attachments for this report.

## Signatories

Author(s)	Graham Robertson <b>Senior Utilities Engineer</b>	
Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	



# Request for Special Assessment For Longlands Land Holdings Ltd consents, Matamata

Trim No.: 1929465

Item 11.3

## Executive Summary

Development contributions are a charge imposed on a developer by a council to recover some of the capital costs incurred by a council when providing infrastructure services for the development. This report seeks a decision from Council whether it wishes to enter into a special assessment process with the applicant, Longlands Land Holdings Ltd, to waive or reduce the amount of Development Contributions payable on the construction of a lifestyle village.

Under the 2015-25 policy Council can make the decision as to whether a special assessment be undertaken for specific developments or whether the DC be upheld and the applicant can proceed with a reconsideration and/or objection process.

The applicant requests that the Water, Wastewater and Rooding Development contribution be reduced by 25% due to the lower occupancy of the dwellings.

## Recommendation

That:

1. Council receive the report; and
2. Council determine whether to enter into a special assessment with Longlands Land Holdings Ltd to reduce the Development Contributions for Water, Wastewater and Rooding for the proposal to construct a lifestyle village off Burwood Road in Matamata.
3. Council

## Content

### Background

Longlands Land Holdings Ltd have obtained a land use consent for the construction of a lifestyle village with 222 units off Burwood Road in Matamata.

As the Lifestyle Village has a maximum occupancy of 2 persons per unit. Based on similar villages the developer has established in other districts, the developer has advised the average occupancy of 1.6 is realistic.

A Lifestyle Village aims to provide 'affordable' and quality units for the over 50 age group. An existing village with the same principles is already set up in Papamoa and one currently under construction in Cambridge.

The proposed lifestyle village concept is not a traditional subdivision or unit title development. IT does however retain elements of those land tenure types while achieving efficiencies. The lifestyle village concept is based on retaining unit "ownership" capital gains by the owners with an occupancy fee on the building site. The infrastructure on the site is managed by the land owner.

The purpose of development contributions is to recover the costs of growth related capital expenditures (e.g. roads, water, wastewater etc) from participants in the property development process, rather than from general rates or any other indirect funding source. In accordance with Council's Development Contributions Policy (Policy) the land use consent application for the Development has triggered an assessment for development contributions (DC). Water, Waste and Roding DCs for the Development have been assessed as following (inclusive of GST).

<b>Development Contributions – LTP 2015-25</b>					
Activity	Total HEU's	Credit HEU's	Extra HEU's	Value	Total incl. GST
Water	222	1	221	3,762.92	831,605.32
Wastewater	222	1	221	5,178.01	1,144,340.21
Stormwater	222	NA	NA	NA	NA
Roding	222	1	221	2,252.99	497,910.79
<b>Development Contribution - District Plan</b>					
Parks / Reserves	222	1	221	\$1,246.21	275,412.41
<b>Total to be paid</b>			<b>GST inclusive</b>	<b><u>2,749,268.73</u></b>	

### Issues

The current policy allows for a reconsideration and objection process for Development Contributions but it is requested that Council consider this development as a special assessment under 7.6.2 under the policy. The reason for this being that it has the potential to lie outside the standard Household Equivalent unit (HEU) development requirement. This is also based on previous Council decisions for objections before the policy changed and made this an independent process.

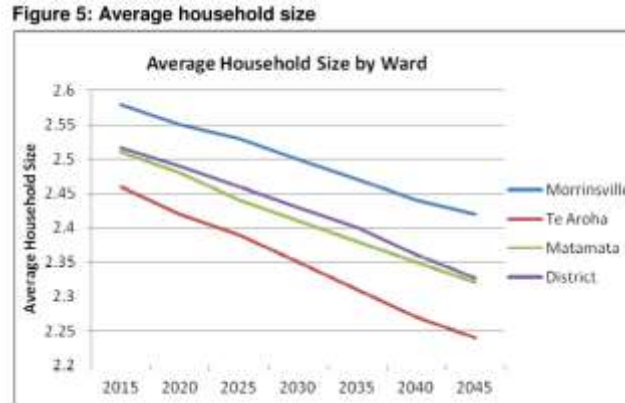
#### *Rule 7.6.2*

#### Special assessment

*Our policy on development contributions is based on the average infrastructure demands of a wide range of residential and non-residential developments. However, there may be instances where a development does not readily fit within the specified development categories, or where the infrastructure demands created by the development differ significantly from the averages upon which the policy is based. In these circumstances, we may undertake a special assessment at our sole discretion.*

*A decision on whether a special assessment will be undertaken will be made by Council at the application stage, once details of the development are known. Applicant will be expected to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater associated with the development. This information will be used to calculate the number of Household Equivalent Units for each activity for which the development will be liable.*

**Household Equivalent Unit (HEU)** means an average residential dwelling occupied by a household of average size.



#### Water, Wastewater and Rooding Contributions

Under the Policy, Council may require DCs at the time of resource consent, building consent or at the time of a service connection request to one of our networks (clause 7.3.3 of the Policy).

The assessment for DCs for water, wastewater and roading was based on the number of units created through the land use consent. Each unit equalling one HEU.

The site is located off Burwood Road in Matamata. A function centre is currently on part of the site which the units are proposed to be built on.

The assessment for roading is undertaken on a ward basis and assumes that a residential property (the basis for a Household Equivalent Unit) will generate 10 vehicle movements per day.

Rooding DCs are not effects based in the same way that an assessment of roading effects for a resource consent would be assessed. Rooding DC's take a network wide approach. Rooding DC's are calculated with network-wide supply and demand issues in mind.

*Both the Harrison Transportation and peer review assessment reflect the lower traffic generation associated with retirement units and the lower occupation rate.*

*The applicant has used the argument that based on assessments completed on other sites the waste generated, water usage and traffic generated (which all affect the infrastructure capacity requirement) would be roughly equivalent across the village as a whole as residential development across the same area. Due to the lower density of residential dwellings the standard residential development would have a lower number of sites to apply contributions to but would place at least the same demand on services.*

*As the retirement village has a maximum occupancy of 2 persons per unit there is no question that the average occupancy will be less than 2, and the average from the prior village of 1.6 would be a reasonable figure to use.*

*The basis for contributions on the other sites has been:*

*Average occupancy per retirement unit (1.6 persons)    X standard contribution  
= approximately 64% standard contribution*

*“Dwelling Unit Equivalent” occupancy used for contribution or capacity calculation (generally around 2.5 per dwelling)*

A summary of the relevant applications for which a reduction has been applied for in the past are attached to this document.

## Analysis

### Options considered

1. Apply a special assessment to the development under Rule 7.6.2 in the policy which waivers or reduces the development contributions required on the development; or
2. Uphold the Development contributions and advise the applicant they can proceed with the reconsideration or objection process if they wish to pursue this matter further.

With respect to option 2, people who have concerns about the development contributions they are being charged have two avenues through which they can seek to have their concerns addressed:

- a) a *reconsideration process* whereby the person can formally request Council to reassess a development contribution because the person believes an error has been made or information that needed to be considered was incomplete; and
- b) a *development contribution objection process* whereby a person, regardless of whether or not they had sought a reconsideration, can formally object to a development contribution charge and have their objection considered by a commissioner selected from a register of independent commissioners appointed by the Minister of Local Government. The commissioners will have the power to make binding recommendations that the development contribution be quashed or amended, or may dismiss the objection.



## Previous Decisions

The applicant has provided the following comments with regards to DC in other districts:

*The retirement or lifestyle villages we have been involved in over the past 5 years ,including 3 sites in Papamoa (Tauranga City Council) ,Hamurana Road Village in Omokoroa (Western Bay of Plenty), and other proposed village sites have been assessed on a “dwelling unit equivalent” basis.*

### Water and Wastewater

From the special assessments listed above, there has been a consistent approach. For a building that will be provided with a service connection, the DC's apply. For a building that will not require a service connection, the DC's payable have been delayed until such a connection is requested from Council. Irrespective of how much water or waste they will use and produce.

These are however all based on being industrial or commercial properties.

The occupancy of these units are likely to be less than the average and this will be reflected in the water and wastewater consumption. The policy has defined the HEU as the average residential dwelling occupied by a household of average size which has been based on our growth and demographic projections. It is an average used across the 3 wards, there have been no previous special assessment completed for lifestyle or retirement villages.

Up until now any dwelling or units have been charged one standard HEU. This includes the following applications of land use or subdivisional consents:

- Tasman Village, Morrinsville – 2 bedroom dwellings. Developed and subdivided over a number of years, latest in 2016.
  - o 1 HEU per unit was charged
- Kenwyn Home, Te Aroha – 2 bedroom dwellings. 2006.
  - o 1 HEU per unit was charged.

### Roading

Development contributions have tended to be waived where the applicant has submitted that the development will improve the adjoining roading network. This could be as a result of improvements made or by the re-configuration of the site. DCs have generally been upheld where additional traffic is created or the building has the potential to increase traffic in the future as a complying activity or there will be no trigger for a future DC.

Again, these are all based on being industrial or commercial properties.

The occupancy of these units are likely to be less than the average and this will be reflected in the roading use. The policy has defined the HEU as the average residential dwelling occupied by a household of average size which has been based on our growth and demographic projections. It is an average used across the 3 wards, there have been no previous special assessment completed for lifestyle or retirement villages.

Up until now any dwelling or units have been charged one HEU. This includes the following applications of land use or subdivisional consents:

- Tasman Village, Morrinsville – 2 bedroom dwellings. Developed and subdivided over a number of years, latest in 2016.
  - o 1 HEU per unit was charged

- Kenwyn Home, Te Aroha – 2 bedroom dwellings. 2006.
  - o 1 HEU per unit was charged.

### **Analysis of preferred option**

Council should only collect income from DCs where the development has a growth related component; however it should also be mindful that a failure to consistently apply the Policy to growth related costs may result in lower income for growth related projects which will need to be funded by the ratepayer.

It is often difficult to accurately identify growth and the need for new infrastructure when considering individual projects. The demand for new infrastructure is usually the result of the cumulative effects of development. The Policy uses Household Equivalent Units (HEU's), gross floor area and impervious surface area as an indicator of the demand likely to be caused from a development, and refines this through the identification of different uses (residential, commercial etc.). The use of this indicator allows Council to estimate the demand potential of a development regardless of its current use.

There is currently no special use identified for lifestyle or retirement villages in the policy.

### Water and Wastewater

The following assessment can be made:

- There is a connection required to service the units.
- The units do not have the potential to change without a land use or building consent being triggered and a re-assessment of DC's required.

### Roading

The following assessment can be made:

- There is an increase in traffic as a result of the development.
- There is some minor improvement to the adjoining roading network as part of the subdivision consents. A small section of new footpath is required on Burwood Road.
- The units do not have the potential to change without a land use or building consent being triggered and a re-assessment of DC's required.

### **Legal and statutory requirements**

Council should make a decision that is consistent with the purpose of the Policy and follow the principles of natural justice. Should the Council consider that it requires a hearing to consider the views of Longlands Holdings Land Ltd more fully it should resolve to do so by upholding the DC's and advising the developer that they have the right to a reconsideration process or objection to an independent commissioner.

### **Impact on policy and bylaws**

Council's decision should be consistent with its Development Contributions Policy at the time of building consent. The Policy has been reviewed as part of the 2015-2025 LTP.

## Impact on Significance and Engagement Policy

If Council makes a decision in accordance with the Development Contributions Policy this matter is not considered significant in terms of Council's significance policy.

Background information provided with this report is intended to provide an indication of the potential impact of a decision to waive contributions as part of a special assessment. A decision to waive contributions that brings in to question the basis of past and future assessments may be considered significant.

## Communication, consultation and decision making processes

The Developer will be advised of Council's decision as per the policy.

## Timeframes

In accordance with the Policy, once Council makes the decision on the special assessment and whether any DC's are reduced or waived, the applicant will be advised and issued the DC assessment accordingly.

If Council determines that no special assessment is completed for this development and the DC's are upheld, the applicant will be advised that they can request a reconsideration and/or objection. Once the final DC's are issued, the applicant has 10 working days to request a reconsideration and Council has 15 days to get back to them. For an objection this goes through the independent commissioner process and the applicant is required to lodge this within 15 days.

## Attachments

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## Signatories

Author(s)	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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# Request To Build Over A Public Sewer For The Mitre 10 Building Extension, Matamata

Trim No.: 1926125

Item 12.1

## Executive Summary

The Matamata Club has applied for a Land Use Consent and a Building Consent to extend the commercial building on their land off Waharoa East Road Matamata. The proposed extension will extend over the clubs bowling green behind the existing building and over two trunk sewers that are beneath the bowling green.

Both trunk sewers are near the end of their life and do not have 50 years residual life left and replacing these under the proposed building, whilst not impossible, would cause disruption to the business as the manhole located inside the building would need to be accessed for the work to proceed. The Trunk sewer is some 5.5m deep and there will be little impact from the building foundations onto the pipe.

Council has previously approved the location of a building in the vicinity over the 375mm diameter trunk sewer on the basis that the pipe was replaced with new materials. (COC 28 March 2007 9.2)

For the proposed extension to proceed Council resolutions are needed to approve the building being built over the two trunk sewers. It also needs to determine what apportion of cost is attributable to the developer for the replacement or relining of the pipe. The only feasible option is to renew the pipe prior to the building works commencing.

## Recommendation

That:

1. That Council receive the report
2. That Council approve the extension of the Mitre 10 building over the trunk sewers
3. Council determine whether it wishes to contribute to any of the costs associated with the replacement or relining of the sewer pipes

## Content

### Background

In 2007 The Matamata Club leased part of their property at 9 Waharoa East Road for the construction of a commercial building and retail business. The location of the building is above the 375mm trunk main. At the time the Wastewater bylaw 2008, clause 3.6.2.1 prevented buildings being built over trunk mains and clause 3.6.2.2 had conditions for building over other non-trunk sewers. Council considered the matter (COC 28 March 2007 9.2) and gave approval to erect the building with the condition that the trunk sewer be replaced with new pipe. Swap Contractors carried out the work to replace the sewer.

Earlier this year Mitre 10 made an application for a Land Use Consent (2017.11392) to extend the existing building over the bowling green and the two trunk sewers located under there. This was granted on the 25 July 2017 (copy attached) with conditions relating to vehicle movement with review clauses on site and an advice note not being able to build over trunk sewers and stormwater disposal shall be on site.

### Issues

On the 8 August 2017 the Matamata Club Incorporated, applied for a Building Consent (2017.5820) with their agent being Stanley Construction Ltd. They have been issued with "Restrictions on commencing Building Work" under the Resource Management Act 1991 Pursuant to Section 37, Building Act 2004, prevents work proceeding until the issues around the trunk sewers are resolved to Council's satisfaction.

### Pipe conditions

The main problem around building over a sewer, especially a main trunk sewer, is that it makes replacement of the pipe impossible without major disruption to the building on the pipe. The 375mm and 225mm trunk sewers do not have a residual life of 50 years left. Where the new building will have a 50 year life under the Building Act 2004.

The concrete 375mm trunk sewer was installed in 1937 making it 80 years old and has a poor rating. The concrete 225mm trunk sewer was installed in 1946 making it 71 years old and in average condition. Concrete sewer pipes have a life of 80 years in Council's Asset Management Plans, therefore the 375mm pipe is at the end of its book life and the 225mm pipe has 9 years life before replacement is due. The pipes should both be replaced or renewed within the proposed building foot print before the building construction commences.

The Matamata trunk sewer runs more or less parallel with Broadway and is some 5.5m deep. Most of the pipe has been relined with the only section in its original material being the section between Arawa Street and the manhole behind Mitre 10. The Matamata Borough Council allowed dwellings and other buildings to be built over the sewer with the only case of a pipe collapse occurring in the section between Vosper Street and Hohaia Street. The trunk sewer crosses Tower Road and is generally located behind the dwellings.

### Bylaw and Local Government Act requirements

The bylaw generally says that no building shall be built over a public sewer and it be diverted. Where this is impracticable, conditions have been set to comply with, and approval from Council may be granted.

#### *4.4 Protection of Public Sewer*

##### *Building over public sewer*

- a. *No building shall be built over a public sewer and no building shall be built closer than the greater of:*
  - i. *1.5 metres from the centreline of any public sewerage drain; or*

- ii. the total of the depth below ground of the centreline of the public drain, plus the diameter of the drain, plus 0.2 metres measured from the centre of that drain.*
- b. Subject to Approval, a building developer shall meet the cost of diverting the public sewerage drain (including any manholes) in accordance with Council standards and satisfy the requirements imposed by Council under section 451 of the Local Government Act 1974.*
- c. Where a), b) or c) above are found to be impracticable and the building cannot be sited elsewhere on the property or modified to conform to the above conditions, and it is essential for the proposed building to be built of that part of the property, Approval may be granted subject to the building developer:*
  - i. providing engineering plans for the protection of the public sewerage drain from a Chartered Professional Engineer for consideration, condition and Approval by an Authorised Officer; and*
  - ii. protecting the public sewerage drain and trench from any loading as per the Approved design; and*
  - iii. providing physical access to the public sewerage drain for maintenance and replacement without structural effect on the building; and*
  - iv. registering an Encumbrance on the property title for the public sewerage drain for the purpose of maintenance and access; and*
  - v. indemnifying Council for any loss, damage or other liabilities as a result of a building being built over the public sewerage drain; and*
  - vi. all works are undertaken to Approved Council standards.*

The only option of diverting would be a major re-route of the pipe from Waharoa Road East Road and would still be having to go under the car park of this site. Tunnelling could be an option but would be much more expensive and it would mean existing pipe will be replaced that have only recently been installed.

The bylaw does not specifically ask for the renewal of pipes but mainly ensures mechanisms are in place to provide adequate physical and legal access to the pipe for maintenance and renewals to be completed and that the building is specifically designed to have no impact on the pipe.

Unfortunately the manhole where the two trunk sewers come together will be located within the proposed building in the new inwards goods area. Council access to the manhole will disrupt deliveries but will not affect the retail business. This will minimise the disruption when maintenance is required on the pipe, but for major renewal work the impact to the operation would be significant. The preference therefore is for the pipes to be replaced before the new building is constructed.

### Pipe replacement

There are a number of different options to extend the life of the pipes to that of the new building.

Council has asked three suppliers to provide an indicative cost to either replace with open cut methods, replace by bursting methods or to reline the pipes in-situ, while none of this is Council's obligation, they have been requested to enable an analysis of the options available. I.e. replace with open cut, burst and replace or reline with cure in place resin.

All of these methodologies will achieve the same outcome and increase the life over 50 years.

The cost of the replacement by open cut is approximately \$200,000 of the pipes in question. The relining of the pipe is likely to be much less. From evaluation figures this may be as low as \$50,000.

With the earlier stage of the commercial building build Council approved (COC 28 March 2007 9.2), the location of the building over the sewer line subject to the following:

- a) Suitable protection of the sewer line from building loads and if determined by Council Engineers, appropriate cost share for the rehabilitation of the line.
- b) Access to the sewer line must be provided by the developer for future maintenance.
- c) An emergency contingency plan be put in place during the construction phase.

In 2007 Council contributed \$20,000 towards the replacement works as an appropriate cost share of the rehabilitation of the line.

## **Analysis**

### **Options considered**

Where it is not practical to divert the pipe or avoid building over the sewer pipe, approval for the building to go over the sewer pipes should be given.

Council needs to make a decision on what apportion of the renewal cost it wishes to attribute to the developer for the replacement or relining of the pipe.

### **Analysis of preferred option**

The preferred option in terms of soil disturbance is to reline both pipes in-situ or to pipe burst and replace. In any of the renewal options considered continuous over pumping with a portable diesel pump will be required to allow the work to be carried out.

Council made a contribution to the renewal of the pipe in 2007 and may wish to make a contribution to the pipe renewal based on the fact that the pipes are at the end of their lives or close to it and will require renewal in the next ten years.



Council currently does not have a policy on when and how it contributes to the early renewal of pipes due to impacts of buildings built over them. Council would be paying for the renewal of the pipes in a few years' time when due for renewal.

Council should consider what the financial implications are for bringing the works forward and what additional long term financial implications there are for having the building placed over these sewer pipes.

The financial contribution from the developer should be at least the 9 years residual value of the 225mm pipe and possible a contribution to the 375mm main because we are bringing forward the replacement. It should also include a calculation of the additional "maintenance costs" we will incur as the man-hole is going to be inside the building e.g. say maintenance every 10 years X (additional onsite costs to manage the project)

The financial implications

### Legal and statutory requirements

Provision of the Local Government Act 200 (1974 s451 taken into the 2000 Act) states the following:

#### **451 Diversion, etc, of drainage works**

- (1) If any person proposes to erect any building or to carry out any work in such a location and at such levels that the diversion, alteration, protection, or replacement of any of the drainage works of the council appears to be essential to the erection of the building or carrying on of the work,—
  - (a) that person shall notify the council of his proposals; and
  - (b) if the council is satisfied that it is practicable for its drainage works to be diverted, altered, protected, or replaced without material interference with the services for which it is responsible and that it is reasonable that this be done, it may enter into an agreement with that person as to the manner in which the drainage works shall be diverted, altered, protected, or replaced.
- (2) The cost of so diverting, altering, protecting, or replacing the drainage works of the council shall be borne by that person, and all other costs which the council may incur in any way incidental thereto shall be paid to the council by that person.
- (3) If that person fails to comply with any condition specified in any such agreement, he commits an offence against this Act.

### Impact on policy and bylaws

Council needs to be cautious about setting a precedent for future cases.

### Impact on Significance and Engagement Policy

No impact on Significance and Engagement Policy.

### Communication, consultation and decision making processes

The developer has verbally requested that council pay for the replacement of the pipe, but no formal request for contribution has been received.

### Consent issues

Currently a land use and building consent have been lodged with Council for the extension of the building. There are no consents required from other parties. Contractors will need to notify Work Safe NZ if excavating deeper than 1.5m

### Timeframes

The applicant has indicated that they would like to have the extensions completed before the Christmas buying period or the end of November

The work is urgent to allow the building extensions to proceed.

### Financial Impact

#### i. Cost

The total cost of the pipe replacement is approximately \$189,000. This is only very high level estimate. The relining of the pipe is likely to be much less but estimates have not been received at this time.

#### ii. Funding Source

Council has an annual renewal fund for wastewater reticulation of \$681,000.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Robert Utting <b>Urban Consent Engineer</b>	
Approved by	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	

## Meetings Attended By Elected Members

Trim No.: 1914068

### Executive Summary

The Mayor and elected members represent Matamata Piako District on various committees.

Minutes from Waihou-Piako Catchment Committee, Hauraki Gulf Forum, Regional Transport Committee, Waikato Civil Defence Emergency Management Joint Committee and Thames Valley CDEM meetings have been circulated separately.

### Recommendation

That:

1. The information be received.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Caroline Hubbard <b>Committee Secretary</b>	
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Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	



## Mayoral Diary For August 2017

Trim No.: 1927829

The Mayoral Diary for the period 1 August to 31 August 2017 is attached.

### Recommendation

That the report be received.

### Attachments

A. Mayoral Diary for August 2017

### Signatories

Author(s)	Jan Barnes <b>Mayor</b>	
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Approved by	Don McLeod <b>Chief Executive Officer</b>	
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## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

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

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

### C1 Piako Park Reserve Acquisition

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. . s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). .	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

### C2 Morrinsville River Walk Land Swap Proposal - Osborne Property

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. .	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.