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OPEN Briefing on the Long Term Plan

Date of Briefing: 11/11/2020 – 5pm-6.30pm

Attendees

Elected Members: Mayor Barry, Deputy Mayor Lewis, Cr Bassett, Cr Briggs, Cr Brown, Cr Dyer, Cr Edwards, Cr Hislop, Cr Mitchell, Cr Rasheed, Cr Shaw, Cr Sutton and Ms Hanna

Staff: Ms J Miller, Chief Executive, Mr M Boggs, Director Strategy and Engagement, Director, Ms H Oram, Director Environment and Sustainability, Ms A Blackshaw, Director Neighbourhoods and Communities, Mr K Puketapu-Dentice, Director Economy and Development, Ms A Welanyk, Director Transformation and Resources, Ms Jenny Livschitz, Chief Financial Officer, Ms Wendy Moore, Head of Strategy and Planning, Mr D Simmons, Traffic Asset Manager, Ms J Randall, Lead Programme, Planning and Reporting and Mrs H Clegg, Minute Taker.

Attendees: Mr Dwayne Fletcher, via Zoom. Representatives from Tonkin Taylor via Zoom

Apologies

Elected Member Apologies: Cr Milne

Key Objectives of the Briefly

The purpose of the briefing was to update members on: requests for further monies for transport projects; the Development Contributions Policy review; progress on meeting the Carbon Zero target; DogTag for Life; Automatic Licence Plate Recognition technology and Silverstream Landfill.

Discussion

Officers were requesting further monies for transport projects already listed in the Long Term Plan (LTP). The construction costs were currently increasing 1% per month in NZ, and that Waka Kotahi would be contributing 51% to the projects. The Traffic Asset Manager elaborated on:

- Eastern Hutt Road:
  - Old crib retaining wall did not meet seismic code.
  - The road was regarded as an important part of the resilience transport network.
  - Cost estimates in the LTP were based on 2014 data.
  - Recent investigations re: river protection and updating retaining wall put costings at $2.95M.

- Cuba Street Overbridge:
  - Required corrosion protection and seismic strengthening.
  - Scope of work remained the same, cost estimate increased from $820,000 to $1.3M.

The Chief Financial Officer advised that detailed reports would be reported to 30 November meeting.

In response to questions from members, the Traffic Asset Manager advised:

- UHCC could not contribute to the Eastern Hutt Road project, as the project was within HCC boundaries.
- Officers could talk with UHCC regarding the Silverstream roundabout layout.
- The Cuba Street Overbridge project was urgent and could not wait for details of the Cross Valley project to be finalised.

Mr Dwayne Fletcher (via Zoom) updated members on the progress of the review of the Development Contributions Policy (see Appendix 1). He explained:

- A more user-friendly policy structure was proposed, and all figures quoted were estimates at this stage. They were the amounts a developer would pay in development contributions.
- Charges proposed were based on assumptions of areas of growth (10, 20 and 30 year intervals) and allocations of costs, including administrative costs.
- New funding model needed to have capacity for many years – initially 10 years.
- Cost allocations were difficult to analyse and work with infrastructure providers enabled costs to be altered to better reflect actual costs of development eg Naenae Reservoir costs have increased, expansion of growth funded transport projects (cycleways are a response to growth, so development contributions can help fund these), and better understanding of 3Waters costs.
- Flat charge proposed initially, which would change over time as more information became available.
- Charge Changes – two areas would have significant increases in development contributions – Valley Floor and Wainuiomata. Eastbourne charges would drop, as there were lower rates of development there, and no new reservoir was required. eg Wainuiomata developer would be paying $30,000 per section, whereas Stokes Valley developer would be paying $9,000 per section.
- Differences in charges were due to different needs of each catchment area and were comparable to other areas in NZ. Comparison slide notes that Hamilton charges did not include stormwater charges.

- Option A – Do Nothing approach was risky and may increase the costs of development. LTP 2024 would have better information concerning likely growth rates and demands in other areas of the city.
- Option B – eg Developers contribute 50% with Council paying the balance. This approach could work for Wainuiomata where significant increases were proposed but would result in a general rate increase.
- Option C – Reduced the number of catchment areas, which meant the contributions charges were for a larger area. This approach was also risky and difficult to monitor.
- Option D – could break up to micro-catchments, with a risk of over investment from Council.

Members raised several questions, which Mr Fletcher responded to:

- No growth in business area was expected, rather intensification of existing business areas would occur. Also changes in types of business (manufacturing to more technologically based industries).
- Development Contributions applied to a resident subdividing their property into two or more lots. Construction of a Granny Flat without subdivision would incur half the development contribution charge. (Same as the current rule.)
- Different development contributions were currently applicable to different areas of the city.
- Local Government Act (LGA) discouraged having one catchment for the city, as that approach did not take into account the distinct requirements of different areas within a city. HCC already administered several development contributions catchment areas.
- Acknowledged the many reforms currently underway (NPS-UD, RMA etc), and that targeting development contributions to local catchment needs was not over-bureaucratising. The Chief Financial Officer added that the proposed approach made it easier to track investment in

infrastructure for each area, and that overall, the amount of debt and borrowing levels would reduce, as the contributions would fund specific requirements in specific growth areas.
- Existing residents also pay for proposed new infrastructure in their area (through rates), and charging future beneficiaries was the default approach.
- The proposed policy would allow for deferred payments (eg by adding the amount to rates of each lot in a new subdivision) but only where the development contribution was more than $50,000 per lot.
- Legislation did not provide clear guidelines for refunding in the situation when contributions were taken for infrastructure (eg construction of a new reservoir), and that infrastructure was not constructed.
- The policy is required to be reviewed every three years and would be linked to the LTP cycle.
- In the short term, the policy may discourage affordable housing developments, but in the long term it was allowing for more land to be developed, taking into account true costs.

Mr Fletcher continued with his presentation.

- The proposed policy would tidy up administrative processes with formatting changes making the policy easier to understand.
- There was a correlation between the number of bedrooms and demands on infrastructure, so a scale of charges was proposed.
- Special assessments would still be able to be made, based on specific circumstances for possible reductions in the amount of development contributions payable, but the aim was to reduce the occurrence of these.
- The reconsideration process would be reviewed to be clearer, with fees being stipulated.
- The Definitions section would be updated.

In response to a question from a member, the Head of Strategy and Planning advised that a detailed report would be reported to the 30 November meeting including options for implementation of the proposed policy, and that Mr Fletcher would be in attendance.

Carbon Zero Emissions Target

The Director Environment and Sustainability explained that:

- Replacing the gas boiler at The Dowse with a chiller heat pump would cost $600,000, with significant energy savings realised over time, and a reduction of 127tonnes of carbon per year. Payback estimated at between 12 to 25 years. The unit would have a life span of approximately 13years, with maintenance costs at approximately $6000 per year.
- Installing gas heating units at the pools (Eastbourne, Huia and Stokes Valley) would cost approximately $2M over seven years, with a reduction of approximately 520tonnes of carbon per year.
- Charging for the use of EV stations in the city would be rolled out.
- Need to charge for EV stations, as the demand was rising, and more stations would be required.
- Aiming to encourage more EV use, with 20 more charging stations (a mix of slow and fast chargers) proposed in 10 locations throughout the city. It was hoped there would be 50% funding received from the government. Payback was expected in 10 years (calculated on capex, opex and maintenance costs).
- Up to 1000 chargers would be required this decade, to keep up with EV ownership.
- Location of the charging stations was important, and it was preferable to have them close to public facilities.
- Partnerships with private enterprise may be investigated, dependent on government funding rules.

DogTag for Life

The Director Environment and Sustainability advised the dogtag for life would reduce the use of plastics, reduce administrative costs and save on postage fees. She added partnering with WCC would induce economies of scale savings, with an expected expenditure of between $100,000 and $129,000 (payback in seven-eight years).

Automatic Licence Plate Recognition

The Director Environment and Sustainability explained that such technology could assess:

- parking times (with tickets posted rather than a parking warden writing one);
- vehicle registrations;
- data around the usage of parks and parking areas;
- help users to find an available park via an app;
- target certain areas eg parking outside of schools.

In response to questions from members, the Director Environment and Sustainability advised there would be no reduction in staff numbers for that department, with an upfront cost of $58,000. Payback was expected within six months. She agreed careful marketing would be required if the scheme was implemented as the public may view it as a revenue-making scheme. She added Councils were mandated to monitor carparks.

Silverstream Landfill

The Director Environment and Sustainability with assistance from two engineers from Tonkin Taylor, (via Zoom) explained the objectives of the landfill were to reduce the amount of solid waste entering the landfill, to find ways to extend the life of the landfill and to ensure the Health and Safety of all at the landfill. Under investigation were:

- transfer station charges;
- flare;
- social impacts of the landfill;
- new cell for asbestos disposal (running out of space in the current cell). Is an important regional disposal area. Cost of approximately $13M over 40 years to expand the area will return $136M;
- deferring capex by opening a new area for public waste disposal, rather than developing another cell elsewhere. This would defer $4.7M of capex until 2030/31.

In response to questions from members, the Tonkin Taylor engineers advised other local authorities were also investigating ways to extend the life of landfills in their areas, but that many were limited due to space and classification issues (Silverstream was a Class A landfill and had some space). The Chief Executive added that it was important waste from outside the city was charged appropriately, and that local residents were not subsidising externally generated waste.

The Chief Executive explained that to date, the focus of the landfill had been to make money and that now that focus was shifting to look at the bigger picture of waste disposal and waste minimisation.

Next Steps

Officers to prepare detailed papers for additional LTP 30 November meeting.
Officers to organise a Briefing session for members on the Silverstream Landfill.

Briefing Materials

Attachment 1 – Development Contributions Presentation