



Issue 155 April 2021

Message from the Mayor



Council has had a busy start to the year focusing on the development of the Draft Long Term Plan. Following adoption of the Long Term Plan Consultation Document, Council is now in the consultation phase, which this edition of the

Mayor Bernie Wanden

Topic

One

Community Connection is focused on.

The Long Term Plan is one of Council's key strategic documents. The Long Term Plan Consultation Document 'Growing our Future Together 2021-2041' sets out our priorities for the next 20 years, including what we will do, how much it will cost and how we will fund it.

This includes services, facilities and projects for wastewater, water supply, rubbish and recycling and roading, as well as our aquatic centres, community centres, and parks and reserves. It also includes the work we do to plan for future growth areas, and supporting community capacity building and grants. Every three years as part of the Long Term Plan (LTP) process, Council has the opportunity to ask you, our community, about the key decisions we are facing, what projects, ideas and plans you would like Council to embark on over the next 20 years, and how you would like to fund these initiatives and services. With our population forecast to reach over 62,000 by 2041, the next 20 years will transform Horowhenua. Change brings both opportunities and challenges. How Council plans for change, and responds to it, will shape the future of the District.

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We're proposing considerable investment in the core infrastructure of our District, whether that is building it new, upgrading, or improving the maintenance of what we already have, to be able to cope with the increased demand. The big question we're faced with is how do we fund growth?

Council is facing a challenging environment and must respond to these challenges whilst trying to reach a balance between loan and rate funding. In year one of the 20-year plan, the average rates increase after growth for the District is proposed to be 6.7%. We are aware that affordability is an issue for many in our district, we continue to work hard to keep any rates increase as low as possible, and as a result, we are proposing a number of funding options including the possibility of reintroducing Development Contributions.

Planning for our District's future is a responsibility we all share, and in a period of transformation, the more of you we hear from, the stronger and more representative of our community our Long Term Plan will be.

Take a look through the information we've provided and tell us which options you support for the key challenges we've identified. You can have your say by completing the submission form provided, or go onto our website for more information or to make an online submission. www.horowhenua.govt.nz/ GrowingOurFutureTogether.

I'll be looking forward to hearing from you all.

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Foxton Pool

The Foxton Pool is an important facility for the growing communities of Foxton and Foxton Beach and is a significant contributor to community wellbeing.

While the Foxton Pool is only 13 years old, it was originally constructed to cover an unheated pool. In 2012 the pool was heated and as a result the facility suffers from significant condensation issues which have major implications including:

A high level of moisture in the building structure, which has compromised the structural integrity of the building.

Excessive rusting of plant and equipment, increasing maintenance and replacement costs.

An unpleasant internal environment for customers and staff, extremely hot in summer



and with internal dripping from the structure.

Foxton Pool requires redevelopment as the building is not fit for purpose. Challenges include, the building structure which requires replacement and increasing the use and appeal of the pool which is mostly used for structured activities such as learn to swim, aquacise and lane-swimming.

We recently completed an Aquatic Facilities Strategy to provide a blueprint for the future of Aquatic Facilities. To provide additional information, feasibility studies are in progress for Foxton Pool, Levin Aquatic Centre and Jubilee Park splashpad. While the feasibility studies are site specific, there is a strong relationship between the three facilities and what happens at Foxton will have implications for the other facilities, particularly Levin Aquatic Centre. As part of the Foxton Pool feasibility study, in November 2020 we asked aquatic stakeholders and the wider community for feedback on three options for the redevelopment of the facility. Over 650 community members provided feedback, with strong support for a redevelopment that included both indoor and outdoor aquatic provision. Based on community feedback received, we have refined the options.

The options range from a major redevelopment of the Foxton Pool through to its closure. All build costs including pool closure costs will be initially funded by debt.

'Do nothing' is not an option as the structure of the Foxton Pool building needs to be addressed for health and safety reasons.

Option 1

Indoor and Outdoor Leisure Pool

Building Changes

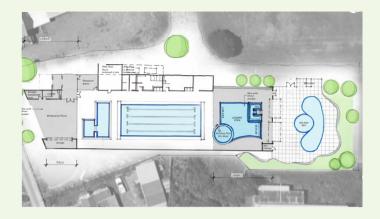
- Demolish and rebuild building.
- Extend building at front for multi-purpose room.
- Extend building at rear to include new leisure pool.
- No change to existing pools.
- Add indoor leisure pool.
- Add splashpad and landscaping at rear.
- Upgrade change rooms.

Operational Changes

- 12 month operation.
- Increase in operating hours: 6am-7pm weekdays and 8am-6pm weekends.
- Expected to increase use of the pool by residents and visitors to Foxton.

Build cost: \$9.4 million

- S across the first three years of the LTP (2021 2024).
- Rates Impact: \$44.53 per year from 2024/25



Option 2

Basic All-year Pool

Building Changes

- Demolish and rebuild building.
- No change to pools.
- Upgrade change rooms.
- Restore abandoned outdoor area to grass

Operational Changes

12 month operation. Increase operating hours:

6am-7pm weekdays and 8am-6pm weekends. Not expected to change level of use.

S Build cost: \$2.6 million across the first two years of the LTP (2021 – 2023).

Rates Impact: \$26.61 9 per year from 2024/25



Option 3 Seasonal Outdoor Leisure Pool

Building Changes

- · Demolish existing building.
- Rebuild change room and admin building.
- Upgrade change rooms.
- Existing pools become outdoor heated pools.
- Add outdoor leisure pool.
- Add outdoor splashpad.

landscaped space.

Cover over the teaching/toddler pool.Abandoned outdoor area becomes

Operational Changes

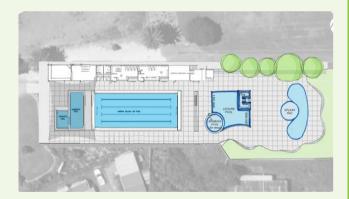
• 5 months operation (mid October - March)

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- 10am-7pm opening hours (slightly longer).
- Forecast to increase the number of visits.
- 1 term learn to swim.
- 1 holiday learn to swim. Reduce aquacise.

Build cost: \$4.4 million

- S across the first three years of the LTP (2021 – 2024).
 - Rates Impact: \$22.00 per year from 2024/25



Option 4 Seasonal Outdoor Basic Pool

Building Changes

- Demolish existing building.
- Rebuild change room and admin building.
- Upgrade change rooms.
- Existing pools become outdoor heated pools.
- Cover over the teaching/toddler pool.
- Restore abandoned outdoor area to grass.

Operational Changes

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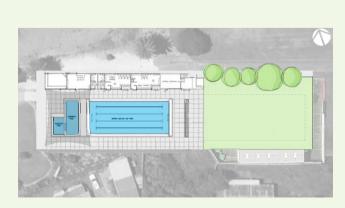
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- 5 months operation (mid October March).
- 10am-7pm opening hours (slightly longer).
- Forecast to decrease the number of visits.
- 1 term learn to swim.
- 1 holiday learn to swim.
- Reduce aquacise.

S Build cost: \$1.9 million across the first three years of the LTP (2021 – 2024).





Option 5 Permanently Close Facility		Option 1 All-Year Leisure	Option 2 All-Year Basic	Option 3 Seasonal Leisure	Option 4 Seasonal Basic	Option 5 Close the pool
Building Changes	Indoor provision – All-year	\checkmark	\checkmark			
 Remove indoor pool building and pools. Remove outdoor pool. Restore to grass. 	Outdoor provision – Seasonal			\checkmark	\checkmark	
	25m Pool	\checkmark	\checkmark	\checkmark	\checkmark	
	Leisure Pool	\checkmark		\checkmark		
	Teacher/Toddler Pools	\checkmark	\checkmark	\checkmark	\checkmark	
Cease current operations.	Splashpad	\checkmark		\checkmark		
 Likely to increase use of Levin Aquatic Centre. Closure cost: \$350,000 in 2021. Rates Impact: saving of \$12.49 per year from 2021/22 	Upgrade change rooms	\checkmark	\checkmark	\checkmark	\checkmark	
	Cover over Teaching/Toddler Pools	\checkmark		\checkmark	\checkmark	
	Outdoor landscaping/BBQ area	\checkmark		\checkmark		
	Multi-purpose room	\checkmark				
	Rates impact	\$44.53	\$26.61	\$22.00	\$16.02	-\$12.49

Our proposed option

We are proposing option 2 Basic All-Year pool.

This option makes no changes to the existing pools, but replaces the building covering the pools, upgrades the change rooms and restores the outdoor area to grass. The operating period would be extended to 12 months. This option ensures an indoor Aquatic Facility

to be provided in Foxton for the local community. The new building will provide a safer and more pleasant environment for anyone using the facility as it will feature systems to reduce condensation, and control humidity and temperature. The outdoor area will be an open grass area for the community to use.



Topic Two

Infrastructure Funding: Development Contributions

You'll have seen a lot of development occurring in our District recently. Much of this development relies on supporting infrastructure. The big challenge is to fund the infrastructure necessary for growth and to see planned projects implemented, such as upgrades to our wastewater treatment plants. Our strategic response is to improve our existing infrastructure and provide new infrastructure to service development. If we don't meet the challenge, there is a risk that we will not keep up with the growth occurring and the district will suffer. New developments may not get the services they need at the right time resulting in more pressure on our existing networks. Developments may be delayed slowing down how quickly houses can be built for our growing community. If we try to make do with our existing infrastructure, levels of service may start to drop. Providing infrastructure for growth comes at significant cost and we need to figure out who should pay for what and when.

How do we fund that infrastructure?

Council has various sources of development funding available to it. The two sources most often used by local authorities are:

- development contributions; and
- financial contributions.

We are required to have a policy on these two sources but we could choose to minimise their use and rely on other sources of funding. Targeted rates and SPV's (special purpose vehicles) are potential methods that can be used in conjunction with contributions. Development agreements are useful too. These are where Council and developers come to a voluntary arrangement to jointly fund key infrastructure. Council will usually reduce the development contributions payable to recognise the costs met by the developer.

We can also use subsidies, grants, user charges and asset sales. Another possibility is to loan fund growth infrastructure and pay this back over time using rates.

As you can see it is not a case of using one or another source, but getting the combination of funding methods right.

Development contributions:

can be required under the Local Government Act 2002. They can require a contribution by a developer or landowner towards the costs of capital expenditure required to service projects required for growth. This could include, water, wastewater, stormwater, parks and reserves and roading. Council does not currently charge development contributions.



Option 1

Using development contributions as the key source of funding for growth infrastructure, in combination with other sources

This option reintroduces development contributions as a key source of funding proposed growth infrastructure. Development contributions are paid by the developer or landowner when sites are subdivided or new houses built.

Development contributions can be seen as a barrier to development if they are too high. We'll ensure that developers only pay a fair share of costs.

We are also proposing to use other sources of funding like grants, SPV's, asset sales and subsidies where we can.

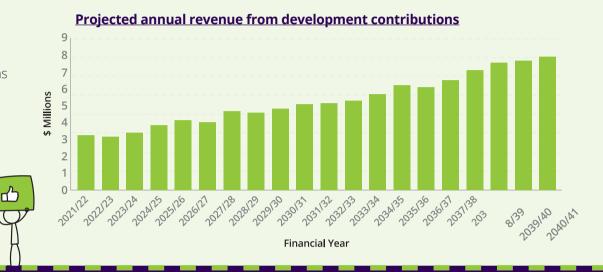
The chart shows how important contributions are. If our District grows as we expect it to, contributions could bring in over \$3 million per annum, rising to over \$7 million in the second decade. This means that the developer or landowner are paying for the cost of growth (not ratepayers).

Other sources that may be used

Subsidies and **grants** are a good source of funding. We have been successful in securing a grant to support development of the lead infrastructure necessary to enable growth for for Tara-Ika in North East Levin.

Special purpose vehicles (SPV's) are

a way of collecting funding from home owners for a specific development. They may be very useful in big developments and, where they can be used to fund key infrastructure we will pursue them as an option. When we use them, costs will be recovered over time through levies charged in the area concerned (much like a targeted rate).



Option 2

Not using development contributions for funding growth infrastructure, and increasing rates instead.

If development contributions are not implemented there are other sources of funding we would seek to use in the first instance to fund our growth infrastructure in the first instance. This would include Special Purpose Vehicles, development agreements and grants . However, none of these sources are guaranteed as Special Purpose Vehicles are designed for large scale projects, development agreements are voluntary and grants are decided on a case by case basis. Because these other methods may not be available, Council has assumed that we would need to increase rates to fund the proposed growth capital programme to ensure our borrowing limits would not be breached. This means that ratepayers would be funding the infrastructure required for growth. If Council had to increase rates to fund our growth infrastructure, average rates (after growth) would increase by a further 7.3% in Year 1. This would result in an average rates increase (after growth) in Year 1 of 14%.

Impact on rates increases (after growth) if growth infrastructure is funded by rates



This graph shows if Council did not reintroduce development contributions in 2021/22 the rates increase would be 14% rather than 7.3%. While the % rates increases per year after that are similar to if Council reintroduced development contributions, the overall \$ ratepayers would be paying is higher due to the significant increase in year one.

Our proposed option

We are proposing option 1, using development contributions as a significant way of funding growth alongside other options such as grants and SPV's. This option ensures growth pays for growth regardless of the scale of development. Development contributions have the potential to provide income of over \$3 million per year in the first 10 years.



Concurrent Consultation

Draft Development Contributions Policy

The topic above asks the community if Council should reintroduce development contributions as a way of funding infrastructure required for growth. The draft Development Contributions Policy sets out the detail of how a policy would be implemented if Development Contributions are reintroduced. The draft Policy outlines which Council activities are covered, how much would need to be paid and when payment would need to be made.

We want to know your thoughts on the draft policy.

To view the Draft Development Contributions Policy please go to www.horowhenua.govt.nz/GrowingOurFutureTogether



Topic Three

Changes to the Land Transport Targeted Rate

Currently the Land Transport Targeted Rate has a differential set up based on capital value where:

- Businesses (e.g. commercial, farms, industrial, utility companies) pay 35% of the rates collected.
- District Wide Other properties pay 65% of the rates collected.

At the time the differential was set up businesses made up 38% of the capital value in the district. The differential of 35% was set up to decrease the share of rates businesses paid to act as an economic incentive for them to establish and remain in the district. In 2019, properties throughout the district were revalued. Businesses did not experience the same increase in capital values compared with the District Wide Other properties. Businesses now only make up 30% of the capital values, but are still paying 35% of the rates. This means that businesses are now paying more than their fair share and the intention of the differential, which was to provide them with

an advantage, is now having the opposite effect.

Options and impact

Option 1

Remove Differential

The Land Transport Targeted Rate will be paid for by all ratepayers based on capital value.

Businesses will pay 30% of the rates, because they hold 30% of the capital values throughout the district.



Option 2

Status Quo

Retain the differential for Land Transport Targeted Rate based on capital values as follows:

- Businesses (e.g. commercial, farms, industrial, utility companies) pay 35% of the rates collected.
- District Wide Other properties pay 65% of the rates collected.

Impact*

Rates distribution change for Option 1:

- **Businesses** (commercial, farms, industrial, utility companies): Would pay \$200,663 less (when using the 2020/21 rate). This would be spread over 1,988 rating units.
- District Wide Other: Would pay \$200,663 more (when using the 2020/21 rate). This would be spread over 15,817 rating units.

What is 'Rate in the Dollar'?

It is the amount you pay for every dollar of land value. For example if the rate in the dollar is \$0.0005 and your property is worth \$100,000 you would pay \$50 (\$0.0005 x \$100,000).

* Neither option will increase costs, but change the distribution of who pays.

Rate in the dollar:

Note:This comparison is based on the rating valuations from 2020/21.

	Option 1: Remove differential	Option 2: Status Quo
Businesses (commercial, farms, industrial, utility companies):	\$0.00045109	\$0.0005238
District wide (other):	\$0.000 13 103	\$0.00041971



We are proposing option 1, removing the differential. The differential was set up to act as an incentive for businesses to establish in the district. However, as a result of the changes in property rating values that occurred in 2019, it is now having the opposite effect. Removing the differential will provide the fairest method of charging for the Land Transport Targeted Rate for everyone in the district.



The general rate pays for Council services where there are benefits to the district as a whole or a public benefit for the wider community.

Currently the General Rate is set based on Land Value where:

- Rural properties (including all businesses in the rural zone) pay 25% of the General Rate rates income.
- District Wide (excluding rural) pay 75% of the General Rate rates income.

This differential was set up because rural properties have a high land value which would mean an unfair amount of rates being paid by rural agricultural properties.

However, the current differential requiring rural properties to pay 25% of the rates income means that rural properties are not evenly benefiting from the increased growth in the district. Current growth is focused in the residential areas which is increasing the number of residential properties to share the district wide portion of the rating load (75%) and decreasing the number of rural properties to split up their share (25%).

With urban land values increasing significantly compared with rural land values (through the 2019 rating revaluations), the amount individual district wide ratepayers pay for the general rate is decreasing, while individual rural ratepayers have been paying more.

Additionally, rural differential treated nonfarming properties the same as farms even though they do not have the same large footprint and land value, giving them an advantage over urban based businesses.

Options and impact

Option 1 Creating a Farming differential

For this option there would be a differential that only applies to Farming properties. The Farming differential has been proposed because the higher farming land value would mean an unfair level of rates being attributed to rural agricultural rating units.

The way the differential would be calculated would be on a dollar value, for every \$1 the District Wide ratepayers pay, the Farming properties would pay 50c.

Category General Rate	Differential Factor
Farming Categories	0.5
District Wide (Excluding farming)	1

Option 2

Status Quo

Rural properties (including all businesses in the rural zone) pay 25% of the General Rate rates income.

District Wide (excluding rural) pay 75% of the General Rate rates income.

Category General Rate	Differential Factor
Rural	25%
District Wide (Excluding Rural)	75%

Impact*

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Rates distribution change for Option 1:

- **Farming** rating units: Would pay **\$24,365 less** (when using the 2020/21 rate). This would be spread over 1,102 rating units.
- Rural Commercial units: Would pay \$59,653 more (when using the 2020/21 rate). This would be spread over 897 rating units.
- **District Wide** rating units: Would pay **\$35,288 less** (when using the 2020/21 rate). This would be spread over 15,904 rating units.

* Neither option will increase costs, but change the distribution of who pays.

<u>Rate in the dollar:</u>

Note: This comparison is based on the rating valuations from 2020/21.

	Option 1: Create Farming differential	Option 2: Status Quo
Farming	\$0.00152218	
Rating units previously in the Rural differential e.g. Rural Commercial.	\$0.00304436	\$0.001535
District Wide		\$0.00305643

Option 1 will have the biggest impact on Rural Commercial properties who will pay more as they would no longer receive the benefit of the Rural differential.

Our proposed option

We are proposing option 1, changing the way the General Rate is funded by creating a Farming differential and modifying how it is calculated. This approach provides a method of calculating the general rate which is fair, applies only where there would otherwise be an unreasonable rating burden (farming properties with a high land area) and is future proofed for growth.

The change in the differential from a percent to a differential factor means that the whole district benefits from the increase in number of ratepayers resulting from growth.

Key Dates Events We want to hear from you. Monday 29 March 2021 -This document outlines the topics and 3:00pm - Development Contribution Discussion options we want your feedback on 4:30pm - Changes to the Land Transport and General Rates Differentials including: 5:30pm - Development Contribution Discussion 6:30pm - Changes to the Land Transport and General Rates Differentials The future of Foxton Pool To ensure Covid-19 guidelines are adhered to, please register your interest by Infrastructure Funding emailing: LTP@horowhenua.govt.nz **Development Contributions** Changes to the Land Transport **Tuesday 30 March 2021 – Targeted Rate** 3:00pm - Development Contribution Discussion Changes to the General Rate 4:30pm - Changes to the Land Transport and General Rates Differentials 5:30pm - Development Contribution Discussion 6:30pm - Changes to the Land Transport and General Rates Differentials **Open for feedback** To ensure Covid-19 guidelines are adhered to, please register your interest by emailing: LTP@horowhenua.govt.nz 18 March 2021 – **19 April 2021** Friday 26 March 2021 – Foxton Po **Have Your Say events** 3:30pm to 6:30pm Friday 9 April 2021 – Foxton Poo Hearings 3:30pm to 6:30pm 11, 12, 13 May 2021 **Drop in Sessions** Adoption Friday 26 March - 12pm to 2pm - Levin Mall June 2021 Come Tuesday 6 April - 4pm to 7pm - Te Takere Main Space Wednesday 7 April - 3pm to 6pm - Te Awahou Main Space Monday 12 April - 4pm to 6pm - Te Whare Oranga, Shannon Note: All engagement events could be subject to change due to changes in Covid-19 alert levels. All changes will be publicly notified.

Have your Say

Kōrero Mai



lt's easy to share your thoughts with us Have your say to grow our future together – Kōrero mai

In person

events

Speak to one of our Council officers

on 06 366 0999 or Elected Members

(Elected Member contact details are on

Face to Face at one of the following

page 57 of this document).

Please see page 6

Online

Visit our website:

www.horowhenua.govt.nz/ GrowingOurFutureTogether

Social Media:

Post comments or suggestions on Council's Facebook page.

(Comments and suggestions are considered, discussed and form part of the decision making. However receipt of comments and suggestions provided via social media cannot be acknowledged).

Email us: at ltp@horowhenua.govt.nz

Submissions close 19 April 2021

Note: All engagement events could be subject to change due to changes in Covid-19 alert levels. All changes will be publicly notified

On paper

Subn

Submissions can be delivered to:

- Horowhenua District Council Offices 126 Oxford Street, Levin
- Te Takeretanga o Kura-hau-pō Bath Street, Levin
- Te Awahou Nieuwe Stroom 92 Main Street, Foxton

Posted to: Horowhenua District Council Private Bag 4002 Levin 5540

what's happening

Event details are correct at the time of publication, but are subject to change. Please check horowhenua.govt.nz/Events or contact event organisers for updates and more events.

To have your local event included in this listing, please register your event for free at horowhenua.govt.nz/Events

Until Sunday 18 April Puaki – Ta Moko Exhibition Te Awahou Nieuwe Stroom Facility opening hours.

From Saturday 24 April until July Leon van den Eijkel Retrospective: A Colourful Nation – Kleur Bekennen Te Awahou Nieuwe Stroom

Until Friday 16 April #CaptureYourHorowhenua - Photography Competition Online, visit the <u>www.horowhenua.govt.nz/</u> **Events**

Every Monday Toddler Time 2pm – 2.30pm at Te Takeretanga o Kura-hau-pō Free

Every Wednesday Quiz Night 7pm – 9pm at Te Takeretanga o Kura-hau-pō \$5 entry.

Thursday 1 April 1 Lego Fun Hour - Levin 3.30pm – 4.30pm at Te Takeretanga o Kura-hau-pō Free.

Sunday 4 April 4 Foxton Easter Sunday Fair 9am – 3pm at Easton Park, Foxton

Tuesday 6 April 6 Long Term Plan **Drop In Sessions - Levin**

12pm – 2pm at Te Takeretanga o Kura-hau-pō



Wednesday 7 April 7 Long Term Plan **Drop In Sessions - Foxton**

3pm – 6pm at Te Awahou Nieuwe Stroom

Thursday 8 April 8

Lego Fun Hour - Shannon 3.30pm – 4.30pm at Shannon Library Free.



3.30pm – 6.30pm at Foxton Pool

Sunday April 11 [11] Waikanae Beach Market

10am – 1pm at Waikanae Beach **Community Hall** Free.

Monday 12 April 21 Long Term Plan **Drop In Sessions - Shannon**

4pm – 6pm at Te Whare Oranga, Venn Street, Shannon

Thursday 15 April 15 Lego Fun Hour - Foxton

3.30pm – 4.30pm at Te Awahou Nieuwe Stroom Free.

Friday 16 April [16] Age on the Go

10am – 3pm at Horowhenua Events Centre Free.

Saturday 24 April 24 Big Dutch Day Out 10am – 2pm at Te Awahou Riverside

Cultural Park

Saturday 24 April 24 **Giant Art Mural Reveal**

11am – 12pm at Te Awahou Riverside **Cultural Park**

Friday 30 April 30 Aquathon – Foxton Pool 10.15am – 12.15pm at Foxton Pool \$5 entry.

16 Friday 16 April 2021

10am - 3pm

Horowhenua Events Centre, Victoria Street, Levin

Council Meetings

Finance, Audit & Risk Committee

Wednesday 31 March, 4pm 31 Council Chambers, 126 Oxford Street, Levin. All welcome.

Extraordinary Meeting of Council



Wednesday 31 March, 6pm Council Chambers, 126 Oxford Street, Levin. All welcome.

Council

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Wednesday 14 April, 6pm Council Chambers, 126 Oxford Street, Levin. All welcome.

Foxton Community Board

Monday 19 April, 6pm

Te Awahou Nieuwe Stroom,

92 Main Street Foxton. All welcome

Finance, Audit & Risk Committee



Wednesday 28 April, 4pm Council Chambers, 126 Oxford Street, Levin. All welcome.

Horowhenua District Councillors



Bernie Wanden Jo Mason (Mayor) (Deputy Mayor)

David Allan



vWayne Bishop

Todd Isaacs



Brannigan

Sam Jennings Victoria **Kave-Simmons** **Robert Ketu**



Mitchell Tukapua

Foxton Community Board



David Roache **Tricia Metcalf** (Chair) (Deputy Chair)

Trevor Chambers



Newland

Horowhenua 🔀

@ customerservices@horowhenua.govt.nz 🔇 www.horowhenua.govt.nz f HorowhenuaDC 🔇 06 366 0999 Private Bag 4002, Levin 5540 🙆 126 Oxford St, Levin 5510 Customer service hours: Monday - Friday 8.00am - 5.00pm

\$2 entry.