

Notice is hereby given that an ordinary meeting of the Horowhenua District Council Strategy Committee will be held on:

Date: Wednesday 15 August 2018
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Strategy Committee

OPEN AGENDA

MEMBERSHIP

Mayor	Mr Michael Feyen	
Deputy Chair	Mrs Victoria Kaye-Simmons	
Councillors	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Ross Campbell	
	Mr Neville Gimblett	
	Mr Barry Judd	
	Mrs Jo Mason	
	Mrs Christine Mitchell	
	Ms Piri-Hira Tukapua	
	Mr Bernie Wanden	
Reporting Officer	Mr David Clapperton	(Chief Executive)
Meeting Secretary	Mrs Karen Corkill	

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Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

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1 Apologies

2 Public Participation

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

See over the page for further information on Public Participation.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declarations 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.

5 Confirmation of Minutes

5.1 Meeting minutes Open & In Committee Strategy Committee - 4 April 2018

6 Announcements

Public Participation (further information):

The ability to speak at Council and Community Board meetings provides the opportunity for members of the public to express their opinions/views to Elected Members as they relate to the agenda item to be considered by the meeting.

Speakers may (within the time allotted and through the Chairperson) ask Elected Members questions as they relate to the agenda item to be considered by the meeting, however that right does not naturally extend to question Council Officers or to take the opportunity to address the public audience be that in the gallery itself or via the livestreaming. Council Officers are available to offer advice too and answer questions from Elected Members when the meeting is formally considering the agenda item i.e. on completion of Public Participation.

Meeting protocols

1. All speakers shall address the Chair and Elected Members, not other members of the public be that in the gallery itself or via livestreaming.
2. A meeting is not a forum for complaints about Council staff or Council contractors. Those issues should be addressed direct to the CEO and not at a Council, Community Board or Committee meeting.
3. Elected members may address the speaker with questions or for clarification on an item, but when the topic is discussed Members shall address the Chair.
4. All persons present must show respect and courtesy to those who are speaking and not interrupt nor speak out of turn.
5. Any person asked more than once to be quiet will be asked to leave the meeting.

Development Contributions and Financial Contributions - Discussion Paper

File No.: 17/636

1. Purpose

To provide Council with background information on Development Contributions and Financial Contributions.

2. Recommendation

- 2.1 That Report 17/636 on Development Contributions and Financial Contributions - Discussion Paper be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

At the 27 November 2017 Extraordinary Council meeting, a resolution was passed for consideration to be given to the reintroduction of Development and/or Financial Contributions.

4. Issues for Consideration

As outlined in the **attached** Discussion Paper.

Attachments



No.	Title	Page
A	Discussion Paper - Development Contributions and Financial Contributions - Background Information	8

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

DISCUSSION PAPER

DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS

Background Information

1. What are Development Contributions (DCs)?

DCs are provided for under the provisions of the Local Government Act (LGA 2002). Their intended purpose as set out under the Local Government Amendment Act is as follows:

“To enable territorial authorities to recover from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.”

A developer has a wide meaning in this context and would include individuals as well as corporate developers.

Example When a development takes place (subdivision or building, for example) a developer will develop the services required within the development to service it. The additional demand those services create on the Council's infrastructure means that the Council will eventually have to upgrade its services to maintain the existing level of service to the community. Each “Unit of Demand” in the development (e.g. a house or new lot) triggers a development contribution. Those development contributions are then used to fund the necessary upgrade of external service infrastructure (e.g. the water treatment plant) caused by the new demand.

Whilst individual developments are generally small they create incremental demands on our infrastructure upgrades, the upgrades of which are needed to maintain the current level of service. Thus an upgrade to a water treatment plant will be partially funded by DCs consistent with the increased capacity needed to meet the new demand.

Each Council must have a DC policy (even if it does not require any development contributions). The policy need not be in the LTP but must be reviewed every three years. Council has decided to review the requirement for DCs in 2018/19, post the completion of Council's 30 year Infrastructure Strategy and 20 year 2018-2038 LTP.

2. What are Financial Contributions?

Financial Contributions are not the same as Development Contributions. Financial Contributions are provided for under the Resource Management Act. They are set out in the District Plan and would normally be required as a condition of a resource consent. They are intended to be used to mitigate adverse environmental effects arising from consented activities. HDC has not collected Financial Contributions since 2011 under Plan Change 23, at the same time DCs were introduced.

3. How are DC's calculated?

The methodology is set out in Schedule 13 of the Local Government Act 2002. In simple terms it requires:

- The identification of capital expenditure that is expected to be incurred to meet increased infrastructure demand arising from growth.
- Assessment of the number of units of demand from new growth (using growth projections). That will be serviced by the planned capital expenditure.
- Calculate the individual development contributions needed.

Example: a \$5m upgrade to a water treatment plant in the LTP includes proposed additional capacity to service 250 new lots over and above the 750 it already services (i.e.: growth is 25% of total planned capacity of 1000 units)

Assume 25% of the cost (\$1.25m) will go to creating capacity for the 250 new lots.

Divide the growth cost by the actual growth to calculate the development contribution. That is, $\$1.25\text{m}/250 = \$5,000$ per new lot (each lot being one Unit of Demand).

Notes:

1. DCs can only be collected if the Council projects growth that will create the demand for additional services. Growth projections are critical to the process and are reviewed at least every three years.
 2. DCs are calculated in a schedule to the policy for each item (or programme) of capex in the LTP for which DC's may be collected.
 3. DC calculations are usually distinguished between those that apply on a catchment basis (e.g. reticulated services) and those applied uniformly across the district (e.g. roads).
 4. DCs not used for the purpose for which they are collected must be refunded.
 5. In many cases the upgrade takes place advance of the full demand being created. This means that the Council has to fund a portion of the upgrade and recover those DC's over time.
3. What was included in the DC Policy before 2015?

The Council's Development Contributions Policy is set out in the 2012 LTP (pages 174 – 218).

The main features include:

- Key assumptions. The policy assumes a growth of 135 Units of Demand per annum over the ten year period of the policy.
- The Council required DCs for the following activities.
 - Water (catchment based)
 - Wastewater (catchment based)
 - Roading and Stormwater (uniform across the District).
 - Reserves (uniform across the District).
 - Community Infrastructure (uniform across the District).

- The District was broken down into seventeen different areas each with separately calculated DCs for any Units of Demand created in those areas. Actual DCs varied from \$5,465 in rural areas (no water or wastewater contributions) to \$18,294 in Levin Development Area No. 2. (the area bounded by Arapaepae/Gladstone/Tararua roads and Queen Street East).
- The policy included a sliding scale of exemptions from DCs for dwellings built on new lots created before the introduction of the policy in 2006. That ranged from 20% for lots created between 1 July 2004 and 1 July 2006 to a 100% exemption for lots created prior to 1 July 2001 (ref page 183 of the LTP).
- The policy included a generic requirement for DCs for non-residential uses (except for farm buildings). That was based on floor area but did not include a reserves or community infrastructure contribution (330m2 of new floor area equals one unit of demand). The policy included specific provision for review on a case by case basis (those provisions were never used).

DCs were triggered by:

:

- a subdivision consent being granted for the creation of new lots.
 - the granting of a building consent
 - the authorisation of a new service connection.
- The policy included review provisions authority which were delegated jointly to the Chair of the Hearings Committee and the Chief Executive.

4. What changes occurred in the legislation?

In 2013 The Ministry of Internal Affairs instigated a review of DCs which resulted in changes to the LGA 2002. Of particular note, the review concluded that DCs can be an appropriate method of funding infrastructure except for public amenities, e.g. civic buildings and museums. It was also concluded that it was widely accepted that improvements should be made to both the legislation and the way DCs are applied across New Zealand. These improvements have been included in the Local Government Act 2002 Amendments Bill No 3. An extract from the explanatory note to that Bill stated:

“A 2013 government review of Development Contributions identified difficulties associated with the current legislative framework and how it is being implemented by Councils. For example, Development Contributions are being used to fund types of infrastructure that may be better funded from general revenue sources, and the degree of transparency in apportionment of the costs and benefits of infrastructure is variable. There are also limited mechanisms for resolving challenges to Development Contribution charges and opportunities to encourage greater private provision of infrastructure.”

“The Bill provides a new purpose for Development Contributions and principles to direct and guide how they are used by Councils. Secondly, there are provisions that clarify and narrow the range of infrastructure that can be financed by DCs. Thirdly, the Bill introduced a DC objection process, with the decisions made by independent commissioners. In addition, the Bill encourages greater private provision of infrastructure through the use of Development agreements and includes provisions to improve the transparency of Councils’ Development Contribution policies.”

5. Development Contributions in the Horowhenua District – Discussion on effective funding and implications on growth

HDC adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviewed the DC charges every three years, with reviews undertaken in 2009 and 2012.

The 2006 Development Contribution Policy did not include charges for commercial development. This was introduced by Council in 2009.

Council collected DCs to support the following activities:

Network Infrastructure	Community Infrastructure
Roading	Reserves
Water Supply	Public and civic amenities
Wastewater	
Stormwater	

Under each of these activities were a number of specific projects included in the Development Contribution Policy which was formally adopted as part of the Long Term Plan.

The Development Contribution amount triggered by a development was calculated by using units of demand on infrastructure.

For residential development each allotment in addition to the original allotment was assessed as one unit of demand. For residential development on existing sites, any additional residential dwelling (as defined in the District Plan) over and above that on the site was assessed as one unit of demand.

Non-residential developments were assessed on the demand that they created. The number of units of demand generated by the development was determined by using a conversion function based on gross floor area of the development.

DCs were charged over a 15-20 year period to cover the incremental growth of increased demand on Council's infrastructure over time. This lengthy period was intended to achieve a situation where the costs were apportioned between the community and the developer.

Whether a development attracted a DC depended on the type of activity and use, and DCs could be charged for developments of all types and scales. For instance, a one into two lot subdivision, an extension to an industrial workshop and a comprehensive commercial development would commonly attract a DC.

Accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone would not be liable for a DC unless a new connection to the Council water, wastewater or stormwater infrastructure was imposed as a condition of the Resource or Building Consent or was requested by the applicant.

Essentially, any development or change of land use that would generate more demand on infrastructure than current use of the land would attract a DC.

With regard to keeping scale and type of development in mind, it is important to outline that 'developers' and developments relate to a range of people and scales. The point is that

'development' in general is the holistic growth of the district and the accumulation of both small and large developments. DCs are charges to the developer, but ultimately the cost would be passed on to businesses and tenants or capitalised in the price of the development.

6. Review of DCs in 2015

In the Horowhenua District context in 2015, HDC received feedback about DCs being a disincentive to business development and new residential development. In the then current low population growth, average economic growth, below average employment growth environment in Horowhenua, the issues surrounding DCs were amplified in particular where the application of a DC to a Brownfield or even Greenfield type development could be the tipping point between investment or not. This was of particular relevance when the property market was fairly flat as the risk of over-capitalisation was a very real risk when investments were considered in relation to other markets with increasing property prices.

There were two major schools of thought with regard to DCs. The proponents stated that the LGA funding principles supported that the developer as exacerbator and beneficiary of costs, incurred by Council to support growth, should pay for a portion of those costs as the people causing and or benefitting from that expenditure. The logic flow looked something like:

- (i) Council provided infrastructure and community facilities for the community;
- (ii) Those services had restrictions around capacity to service a constrained number of users;
- (iii) New developments used up existing service capacity and required the Council to increase the scale of the service to cope with increased users;
- (iv) New developments picked up a benefit from being able to use the existing service which had been funded by existing properties;
- (v) Therefore, a logical extension was that new developments should contribute to the additional costs that growth would impose on the Council and other ratepayers.

The opponents took a slightly different view. They typically did not refute that growth imposed costs. Their logic flow looked something like this:

- (i) There was no growth in the Horowhenua District;
- (ii) As there was no growth in the district, the new developments were not using up existing infrastructure capacity;
- (iii) Council was keen to see growth in the community as more ratepayers shared a largely fixed cost of service;
- (iv) New ratepayers who came into the community, even if they did pick up a share of the unutilised capacity, lowered the average cost for all ratepayers;
- (v) New ratepayers also picked up a proportionate share of existing debt which was often incurred on capital items that were not designed to meet growth requirements. In doing so they lowered the average cost for existing ratepayers;
- (vi) Development Contributions are an uncertain mechanism for recovery and attributing costs, and this uncertainty impacted on decisions by developers;
- (vii) Development Contributions were an obstacle to development.

DCs are an important part of the Local Government funding toolkit. However, they are a tool to be selected with some care. In reality, there is a strong logic for both charging and not charging DCs. So there is no right or wrong stance to take.

There is a perception that the imposition of DCs restricts development. This has not been clearly established to be true or false.

7. Analysis

The analysis of DCs should be undertaken from the viewpoint not of the tool but of the circumstances for the community. In this type of analysis, important elements to consider are:

- Understanding the actual costs of growth, whether these costs are necessary for growth or drivers by growth;
- Identifying the reality of growth in the context of the services and assets;
- Understanding the revenue and funding impacts and the costs of the alternatives.

Analysis of the Long Term Plan capital programme and projected revenue from DCs reveals:

- The 10 year costs of growth for capital are \$27.477m of a total capital budget of \$172.355m;
- Development Contributions revenue is budgeted at \$15.965m.

For the last three years Council's Annual Reports show the following breakdowns of growth capital expenditure against budget:

<u>(\$000)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
2011/12	1,738	537	(1,020)
2012/13	1,759	1,745	(14)
2013/14	1,714	1,040	(674)
Total	5,211	3,322	(1,889)

The following table shows actual Development Contributions revenue against budget:

<u>(\$000)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
2012/13	1,366	784	(582)
2013/14	1,366	463	(903)
Budget 2014/15	1,461	646	(815)
Total	4,191	1893	6,084

Two major things stand out with regard to the above:

Firstly, the level of growth related expenditure is 36% below forecasted expenditure, indicating a deferral of growth related capital expenditure.

The second item is that the revenue from DCs is significantly below budget. The revenue from this source accounts for 1.2% of actual total revenue. As such, the DC Policy and its management are not strong contributors to the revenue or the indebtedness of Council.

Another consideration with regard to DCs is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83k per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating DCs, debtors and debt recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration sits as an operational cost and is funded from operational

revenue. However, the revenue from DCs sits as a capital funding source which reduced operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104k over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.

There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, DCs do not evaluate well as a tax system. It is expensive to administer relative to revenue, it impacts on the behaviours of the payers, and it does not have a broad base. The financial arguments for keeping it as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.

8. Key Questions for Council to Consider

- Does Horowhenua District Council require Development Contributions to fund the costs of new or additional assets or assets of additional capacity required as a result of growth?
- Would Horowhenua District Council's Development Contribution Policy be robust enough to meet the scrutiny of independent commissioners?
- Does Horowhenua District Council have sufficient infrastructure capacity in the short, medium and long term to service new development in the district for:
 - Water
 - Wastewater
 - Roading
 - Stormwater?
- Should Council utilise alternate funding mechanisms to fund infrastructure for specific growth areas?
- Shortcomings of existing Policy and need for strengthening.
- Development Contributions as part of a funding 'tool kit' available to Council:
 - Rates
 - Debt
 - Connection Fees
 - Developer Agreements
 - Public/Private Sector Partnerships
 - Capital Contributions
 - Rating System (Capital vs Land Value)
 - Financial Contributions
 - etc.
- Need to finalise the potential use of a mix of the above funding tools in the context of:
 - Future Projected Growth
 - Growth-related Capex.

Horowhenua 2040 Strategy Update

File No.: 18/473

1. Purpose

To present the Strategy Committee with an update on the Horowhenua 2040 Strategy.

2. Recommendation

- 2.1 That Report 18/473 Horowhenua 2040 Strategy Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

- 3.1 As part of Horowhenua District Council's coordinated response to growth in 2016, Horowhenua 2030 Strategy was developed. Horowhenua 2030 was developed to identify projects which had a strong strategic fit within New Zealand's future direction and any subsequent Central Government policy and/or investment decisions which were consistent with the Strategy.

With Council undertaking a 20 year long term plan, the work previously undertaken within Horowhenua 2030 has been refreshed and aligned under Horowhenua 2040 (H2040).

4. Issues for Consideration

Nicki Brady (Group Manager Customer and Regulatory Services) will provide a presentation to the Strategy Committee.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Nicki Brady Group Manager - Customer & Regulatory Services	
Approved by	David Clapperton Chief Executive	

Growth Response Projects Update

File No.: 18/430

1. Purpose

To provide a status update on the Growth Response work programme with a focus on providing up to date information on current key projects and planning.

2. Recommendation

- 2.1 That Report 18/430 Growth Response Projects Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

Ōtaki to North Levin (O2NL) Expressway

NZTA undertook public engagement on a short-list of corridor options in February/March 2018. The options are all east of the existing Levin and Manakau townships – three north of the Ohau River and three south, providing a combined total of nine options for consideration. The next step was for NZTA to finalise an Indicative Business Case with announcement of a preferred corridor expected in June 2018.

This process has been delayed as a result of the Government Policy Statement on Land Transport (GPS) resulting in a considerable reduction in the available budget for State Highway projects. This has been managed by NZTA through the Transport Agency Investment Proposal (TAIP) released in May 2018 indicating that the O2NL project is to be re-evaluated to confirm the alignment of the project objectives with those of the GPS.

Council believes the O2NL project is the only available option that will deliver the GPS objectives in Horowhenua. The O2NL project will not only respond to the existing safety, efficiency, social and environmental issues caused by the existing State Highway but will enable a transformational change for the region through the delivery of significant socio-economic benefits.

The impact of continued delays with the project re-evaluation and uncertainty is impacting on the lives of those affected in the community and Council's future planning. The predicted growth is set to occur regardless of when this section of the Wellington Northern Corridor is completed and for those landowners currently affected certainty about the project is vital.

Council is committed to taking full advantage of growth as it will help ensure our economy is more robust in the future and help prevent future population decline and ensure our children can live, work, play and raise a family here. Over the past two years growth in Horowhenua has been even higher than that predicted. Our schools, roads and towns are becoming busier, and the housing market is under pressure. Independent experts estimate that 244 additional dwellings will be required every year over the next 20 years to meet future population demand. Proactive planning is already underway on a number of projects set to act as catalysts for further investment in the Horowhenua. This planning is being impacted to varying degrees by O2NL and the associated uncertainty, as such Council has formally requested NZTA to provide it with direction on the O2NL Transport Agency Investment Proposal re-evaluation process and its implications across planning for the growth being experienced in the Horowhenua. Timing for re-evaluation is yet to be confirmed; however there will be an opportunity for Council and the community to provide feedback on proposed project options.

Transforming Taitoko / Levin Town Centre

Public engagement on the Draft Strategy commenced at the end of April, with the opening of the 'pop-up' container in the Te Takeretanga o Kura-hau-pō carpark. The pop-up was open for one month, six days a week and attracted over 600 visitors, 550 'post it' notes ideas and over 70 feedback forms.

A summary of public feedback is below and has been organised under the six key topics that the Draft Strategy sought feedback on:

Town Centre Activity

- Support for a more compact, consolidated, and pedestrian-friendly town centre, while retaining or replacing existing carparks.
- Greater variety of shops, eateries, and activities, including markets and concerts.
- Support for a multi-purpose hall or indoor space with an associated open space.
- Support for a dedicated space for events, as long as it is multi-use and designed to avoid anti-social behaviors.
- Support for a more diverse range of commercial, social, and recreational activities. Countered by business owners wanting the centre reserved for commercial and retail purposes.

Spatial Orientation

- Support for a more centralised shopping and dining area focused around a central point and a central green space that links with Te Takeretanga o Kura-hau-pō and/or the Levin Memorial Hall.
- Supportive of East-West development.
- Improve connectivity and pedestrian experience, including weather protection in new commercial areas.
- A small number of submitters either preferred a 'do nothing' approach, or to focus efforts solely on enhancing Oxford Street.

Earthquake Prone Buildings

- Opinions varied from demolish and rebuild to achieve a different image, through to retain and strengthen to preserve existing character.
- Opinions on Council's role were unclear. However, some respondents felt building owners needed to respond on their own, subject to legislative requirements.
- Suggestions for how to use potential gaps resulting from demolition works included identifying strategic links and developing these as laneways or green spaces with seating areas and information boards telling the history of Levin. There was also support for using gaps for carparking or temporary activities such as pop-up shops or markets.
- General support for seeing the Levin Memorial Hall repurposed or redeveloped to allow a greater variety of use.

State Highway 1 Bypass

- Support for State Highway 1 to bypass Levin – benefits identified include reducing traffic numbers, especially heavy vehicles, and creating a more pedestrian- and cycle-friendly town centre. However, some felt that a bypass would be detrimental to shops/business.
- Accessible and attractive town entry points will be important.
- Opinions were mixed on whether a ring road would be beneficial.
- Support for angle carparks on Oxford Street to be removed and replaced – many feel unsafe using these parks due to high traffic volumes on State Highway 1.

Transport Options

- General support for improved public transport services and/or a transport hub – in particular, more train services to Wellington and Palmerston North. However, a few people questioned the viability and cost of more services.
- Current carparking provision to be retained or increased, and if a transport hub is developed it will need a 'park and ride' facility.
- Support for improved walking and cycling shared pathways, although a few people voiced concerns about low patronage numbers.

Town Centre Identity

- General acceptance that our unique natural environment, good climate, and history should feed into our town centre's identity.
- Improving Lake Horowhenua would assist with building and marketing a positive identity, as would a cleaner and better maintained town centre.
- Te Takeretanga o Kura-hau-pō is unique and important and should be recognised.
- Opinions on the use of Taitoko and displaying our bicultural heritage in the town centre drew mixed responses in written feedback. However, face-to-face interactions were generally very supportive.

Prior to the public engagement, Council staff carried out targeted engagement with business and building owners. This included presenting at 'Business after 5' and Council staff visiting over 250 commercial zoned properties to invite them to a series of 'business owner meetings' held at various business premises in town. The Draft Strategy was mailed to commercial building owners, with advice that the Draft Strategy was open for consultation.

Following the conclusion of the public engagement, a business owner meeting was held by Council officers, Mayor Feyen and Cr Wanden, in order to reach any business owners who were interested in the Strategy but had been unable to attend the previous engagement sessions. The format of this meeting included a presentation by officers and series of mini-workshops where attendees worked in small groups to provide feedback on the Draft Strategy. Business owners at this meeting provided mixed feedback, with different businesses having different perspectives on the Strategy.

Business owner feedback included a preference to see town centre improvements focus on Oxford Street, improved connectivity, and creating a destination that people want to visit.

At the most recent business owner meeting, establishing a 'commercial focus group' to provide input and advice to Council from a business perspective as the Strategy is implemented was suggested. There was clear support for this idea, with several business owners interested in being involved.

Officers also presented to the Access and Inclusion group, Levin and Districts Friendship Club, and will be meeting with Muaūpoko Tribal Authority in early August to understand their cultural connection and history of Taitoko/Levin and how this could be represented or reflected in the future development of the town centre.

Horowhenua Growth Strategy 2040

The District is growing faster than at any other time in the past quarter of a century. Because of growth pressures, combined with projected population increase, Council Officers have been reviewing the Horowhenua Development Plan 2008 and preparing a Growth Strategy that looks out to 2040. The Growth Strategy identifies how the district can accommodate the projected population increase and new businesses. The Strategy will signal where the future growth areas are likely to be and ultimately how the District will change and grow. The Strategy is to be adopted by Council following public engagement. The adoption of the Strategy won't change the zoning of the land identified for growth. It will set the direction, which can then be implemented through a public District Plan change process that will set the

zoning and outline the land use and subdivision rules that will apply. Timing and engagement on a plan change will commence in late-2018, it has potential to take up to 12 months to complete the RMA prescribed public notification, submission and hearing process.

A challenge for this work has been maintaining an appropriate level of momentum with delays on the Otaki to North Levin expressway project. While there is uncertainty over the project re-evaluation and potential corridor and interchange options it maintains a level of uncertainty for the settlements with potential growth areas in the expressway project area.

In late 2017, letters and maps of the potential future growth areas were sent out to potentially affected landowners across the District. A subsequent drop-in session and ongoing individual meetings and phone calls provided valuable insight to improve the understanding of the sites and the alignment of landowner's future aspirations with Council's proposals. Some landowners were positive about the idea, while others said they didn't want to change the way they were using their land. The landowner feedback resulted in some further refinement to the identified growth areas.

In conjunction with the Long Term Plan (which included a consultation topic about the provision of reticulated services to existing settlements and future growth areas), the community was consulted on the potential future growth areas. This public engagement commenced on 23 February 2018 and closed on 26 March 2018. Feedback will be taken into account during confirmation of final areas for inclusion in the Growth Strategy for Council to adopt (anticipated October 2018).

While the landowner engagement was occurring, technical work has continued with the development of the Growth Strategy assumptions, Liquefaction Risk and Flood Hazard Assessments for the potential growth areas. This testing is currently underway with an expected completion in August 2018 with results to be available September 2018.

Gladstone Green Master Plan

The area to the East of Levin and State Highway 57 known as Gladstone Green (Bordered by Queen Street to the north and Tararua Road to the south) provides a significant and attractive opportunity to accommodate the additional growth forecast for the Levin area. The area has previously been identified as a future growth area for rural-residential development. Plans are already coming forward for the development of Gladstone Green, a number of landowners have already developed subdivision scheme plans. In response to this, Council has identified the opportunity to develop a Master Plan that creates a dynamic long-term planning document providing a conceptual layout to guide future development in the Gladstone Green growth area. The development of a Master Plan for the Gladstone Green site of approximately 278 hectares for Residential and Mixed Use (residential, parks and suburban shops) development.

The Master Plan would establish a framework to guide the development of the area by defining the future land use patterns (e.g. housing density), areas of open space, the layout and nature of infrastructure (including transportation links), and other key features and constraints that influence how the effects of development are to be managed. This process allows the effects of large-scale development of land owned by a number of different people to be better understood and managed, while still allowing flexibility for developers/landowners to design their developments according to their own style and preferred design outcomes. The Master Planning process would include analysis, recommendations and proposals for population, economy, housing, transport, community facilities and land use. It would also need to address non-physical aspects such as funding, scheduling and phasing, so these costs can be shared fairly amongst the developers involved in the process. Council is striving for an optimal community outcome for this area by utilising best practice urban design principles and addressing connectivity within the development and integration with the existing Levin Township.

Council is committed to working alongside landowners and key stakeholders to develop the Master Plan and associated outputs. By taking this approach, Council hopes to achieve optimal outcomes for all parties.

Benefits from Collaborative Master Planning:

- A successfully developed Master Plan can bring confidence for future investment in the District from industry, business and Central Government
- Avoids situations where stakeholders contribute late in the piece usually through the formal submission process and miss the opportunity to inform the outcomes at an early stage
- Help ensure a fair and equitable sharing of future costs across the development
- Achieving optimal outcomes for an entire area rather than a series of individual developments that aren't well connected or integrated and so that more innovative and efficient solutions can be considered
- The outcomes are well informed by the stakeholders and therefore can work and deliver across social, cultural, environmental and economic dimensions
- Getting the planning correct at the outset where the long-term picture is well understood can ensure the development is future proofed and avoids legacy issues (e.g. additional land needing to be taken post development to connect roads or pipes needing to be upgraded).

Work undertaken to date on what will be a transformative project for our community has included:

- Formation of a collaborative cross-council project team and governance group
- Appointment of lead landscape and urban design planners to develop the master-plan
- Specialist advise on Housing and Development Economics
- Scoping of input for RMA planning, Environmental Engineering (Specifically 3 Waters design), Geotech, Transportation and Traffic Engineering
- Development of a draft vision that is focused on achieving an integrated neighbourhood, which is well connected to Levin. It recognises key view shafts and natural features, provides opportunity for social interaction, business and innovation, and responds to technological change.
- Project team launch and induction day
- Site visits, context and market analysis
- Comparable neighbourhood analysis
- Development of stakeholder engagement plan
- Desktop liquefaction hazard risk assessment.

4. Issues for Consideration

Ōtaki to North Levin (O2NL) Expressway

As mentioned above Council has formally requested NZTA provide direction on the Transport Agency Investment Proposal re-evaluation process for O2NL and its implications across planning for the growth being experienced in the Horowhenua. Expect further clarification and response to this by mid-August.

Commitment from NZTA to continue with the project will allow more detailed work to continue on:

- Input into the development of an interchange strategy and design to meet the needs of the existing community and future growth areas
- Confirmation of methods and level of input into a preferred alignment developed design process, prior to the formal consenting phase
- Audit of District Plan to consider rules that exclude certain activities to ensure appropriate development and consider the provision of new opportunities resulting from the new expressway corridor.

- Development of a multi-modal Horowhenua 2040 transport strategy that provides improvements to the existing transport system and incorporates changes in the Levin Town Centre and impacts of future growth areas and an O2NL expressway
- Investigation of a strategy for revocation of any redundant State Highway including key considerations for the Levin Town Centre.

Transforming Taitoko / Levin Town Centre

Officers are working to update the Strategy based on the feedback, ready for the Strategy to be adopted by Council (anticipated to be October 2018). Officers are also working to establish a commercial focus group referenced above.

Officers are also working on a project plan identifying actions covered in the Strategy to be undertaken in the short, medium and longer term. A number of actions can occur prior to NZTA making a decision on the by-pass and could include:

- Prepare a Placemaking Strategy and deliver Placemaking initiatives
- Prepare a non-statutory Development Plan which will act as an interactive, 'living plan' for the Town Centre, which can be updated as the Strategy is implemented
- Undertake an options assessment for possible West side development, including laneway connections from Oxford Street and options for Memorial Hall
- Investigate options to improve the appearance and amenity of Oxford Street.

Horowhenua Growth Strategy 2040

To support the preparation of the final Growth Strategy work will also continue on:

- Technical assessment of proposed growth areas including site specific onsite testing to inform liquefaction hazard assessments
- Ongoing discussions with landowners
- Meetings with key stakeholders – including NZTA planners
- Exploring opportunities for collaborative 'Master planning' of growth areas to ensure optimal community outcomes are provided by developments eg. Gladstone Green
- Preparation of Structure Plans for future growth areas including the feedback received from public and landowner engagement.

Following the analysis of the public engagement feedback and completion of technical reports the Growth Strategy will be prepared for adoption by Council. The adopted Growth Strategy will form the basis for the development of a plan change to the District Plan to implement the Strategy through rezoning land for future development. An initial hold point prior to proceeding with a plan change was to understand how NZTA had progressed with identifying a preferred corridor and interchange options and the impact on any proposed future growth areas. The expressway corridor options identified have potential to impact the future development of Levin, Ohau and Manakau. Due to further delays with the re-evaluation process, Council can no longer keep waiting and will have to proceed without knowledge of the future O2NL preferred corridor.

Opportunities to collaborate with stakeholders on the future growth planning will continue to be sought throughout the process to better inform planning, decisions and outcomes.

Gladstone Green Master-Plan

Over the next month the focus will shift to:

- Opportunities and constraints mapping
- Implementation of engagement plan

- Refinement and testing of vision
- Onsite geophysical testing to confirm liquefaction hazard risks
- Onsite testing of permeability and ground water monitoring to inform options for stormwater treatment
- Options development to deliver best for community outcomes from the Gladstone Green project

The impending risk with the Gladstone Green and O2NL projects is that work is continued on option development for the Master Plan that doesn't eventually align with the O2NL recommended/preferred corridor. There is also a risk that any new development in the Gladstone Green area has an adverse impact on the existing highway. Current growth pressures mean that Council can't afford to delay the master planning processes any longer.

The Gladstone Green area is to be addressed in the District Plan with a specific plan change that runs separately to the Growth Strategy Plan Change.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

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