

Future Active Reserves

DC No: 16

CONFIDENTIAL ATTACHMENT B

Reason for Confidentiality

To enable Council to carry out commercial activity without prejudice or disadvantage.

Transfer to Open

Attachment B can be transferred into the Open upon completion of discussions on options for future active reserves.

Purpose

1. To provide direction on land requirements for future sportsfield development.

Executive Summary

2. Over the past 10-15 years Council has purchased areas of land to set aside for future sportsfield development based on a level of service of 1.7 hectares of active reserve land per 1000 people.
3. This level of service was reviewed in 2012 and Council now assesses sportscode demand to help determine what sportsfield supply is required. The most recent sportscode demand analysis has identified that the land areas set aside, with the exception of Stage 1 and 2 of Parau Farms, are no longer required for sportsfield development primarily due to the location of these areas.
4. Land purchase for sportsfield development is required in the Te Tumu growth area to cater to demand from 2028 onwards. A \$4.5 million land purchase project is recommended for inclusion in 2018/19 of the draft LTP 2015-25. The associated development project is not needed until 2028/29.
5. Further evaluation is required on options for the remaining areas of land being Smiths Farm (Bethlehem), Merricks Farm (Pyes Pa), Ohauti Reserve (Ohauti) and the lower part of Parau Farms (Bethlehem). A provisional asset realisation sum is recommended for inclusion in the draft LTP 2015-25 to recognise the option of potential sale of these areas of land.

Recommendations

That the Council:

- (a) Agree that based on Council's Active Reserve Level of Service Policy the following areas of land purchased by Council are no longer required for sportsfield development: Smiths Farm (Bethlehem), Merricks Farm (Pyes Pa), Ohauti Reserve (Ohauti) and the lower part or Stage 3 of Parau Farms (Bethlehem).

- (b) Agree to evaluate options for the future of these areas of land.
- (c) Include a provisional sum of \$10 million for asset realisation of these areas of land in Year 4 onwards of the draft LTP 2015-25.
- (d) Include a \$4.5 million project in 2018/19 to purchase land in the Te Tumu growth area for future active reserve in the draft LTP 2015-25.
- (e) Include a \$10 million project in 2028/29 of Council's budget system for development of a future active reserve in the Te Tumu growth area.

Discussion

Sportsfield Level of Service

6. Prior to 2012 Council's level of service for active reserves was 1.7 hectares active reserve land per 1000 people.
7. Approximately 140 hectares of land was purchased under this level of service and set aside for future sportsfield development. This land was purchased in Bethlehem, Pyes Pa and Ohauti and is referred to as "Future Active Reserves". Land had originally been identified for purchase in Wairakei however under the new level of service in 2012, Council resolved to no longer pursue this due to demand information and proximity of this land to Gordon Spratt Reserve. The designation has been lifted and Proposed Plan Change 2 seeks to rezone the recreation zone to employment land.
8. Projects were included in Council's budget system for development of these reserves and development contributions were collected for this purpose. These contributions have and are scheduled to be utilised for the purchase and development of Parau Farms.
9. The level of service was reviewed in 2012 and replaced with the Active Reserve Level of Service Policy. This policy shifts away from a ha/1000 approach to one that is based on actual demand from sportscodes for sportsfields and the corresponding supply requirements using a field hours per week measure.
10. Sportscodes demand is reviewed on a three yearly basis to help determine what quantity of supply is required in Council's LTP period.
11. Supply can be achieved by maximising use of existing sportsfields through projects such as floodlighting, and development of new sportsfields.

Demand and Supply

12. In December 2014 Council confirmed that Stage 1 and 2 of the Parau Farms sportsfield development be included in the draft LTP 2015-25. This was supported by sportscodes demand analysis and will largely be funded from development contributions collected for development of future active reserves.
13. Council's approach to delivering a programme of capacity increasing projects on existing active reserves and development of new sportsfields at Parau Farms means that there will be reasonable supply of sportsfields until at least 2028 when further supply interventions will be required. Refer graph in [Attachment A](#).
14. The location of additional sportsfields from 2028 onwards needs to ensure that there is a reasonably accessible distribution of active reserves across the city. To this

extent, Smith Farm, Merricks Farm and Ohauti Reserve are not ideal locations due to the close proximity of other existing sportsfields and the majority of future growth occurring to the east of the city over the next 15-20 years.

15. Confidential Attachment B provides further information on each of the future active reserves, including Stage 3 of Parau Farms (as requested by elected members).

Te Tumu Land Purchase

16. The purchase of land in the Te Tumu area for sportsfields will ensure that Council is both responding to future sportsfield demand from 2028 onwards and providing good accessibility to the active reserves network across the city.
17. This aligns well with the November 2014 SmartGrowth Committee decision to 'fast track' the planning and zoning process for Te Tumu due to the requirement for additional residential and business land within the next ten years. This provides certainty for Council's active reserve requirements during the initial planning phases for Te Tumu and prior to the formal RMA process.
18. Based on the 2013 demand analysis, 15-20 hectares of land would be required to enable development of approximately five sportsfields which would yield around 70 additional field hours per week. Property desktop assessment has estimated a land value of \$220,000 per hectare with the project cost for land purchase estimated at \$4.5 million. This is recommended for inclusion in 2018/19 of the draft LTP 2015-25. The funding source for this will be 50% rate funded loan and 50% development contributions. This is because approximately 50% of the sportscode demand can be attributed to population growth.
19. The development project is estimated at \$10 million and can occur outside of the LTP timeframe as demand will not exceed supply until 2028. The funding source for this will be 50% rate funded loan and 50% development contributions.

Financials

20. The table below identifies whether projects considered in this report are included in the draft financial information elected members have received, and any additional funding requirements that need direction for inclusion in the draft LTP.

Description	Amount	Year	Funding included in current draft	Additional Funding	Funding Proposed	DC ref
Te Tumu active reserve land purchase	\$4.5m	2018/19	\$0	\$4.5 m	Rate funded loan and development contributions	n/a
Te Tumu active reserve land development	\$10.0m	2028/29	\$0	\$10.0m (outside of LTP)	Rate funded loan and development contributions	n/a

Description	Amount	Year	Funding included in current draft	Additional Funding	Funding Proposed	DC ref
Asset realisation of land no longer required for sportsfield development	\$10.0m (provisional revenue)	2018/19	\$0	\$10.0m (provisional revenue)	Sale of land	n/a

21. Evaluation of options for the future of Stage 3 of Parau Farms, Smiths Farm, Merricks Farm and Ohauti Reserve will refine the actual revenue or funding required for the LTP.

Options

22. There are two key issues requiring Council direction:

Issue	Recommendation	Pros	Cons	Risks
1. Use of future active reserves for sportsfield development.	Smiths Farm, Merricks Farm, Ohauti Reserve and Stage 3 of Parau Farms are no longer required for sportsfield development purposes. Evaluate options for the future use of these areas.	Ensures a reasonable distribution of active reserves across the city. Provides opportunity for other options to be considered for future of these land areas.	Community perception re change of use for large areas of land originally set aside for reserve purposes.	Low risk of demand projections requiring this land in the distant future as majority of growth occurring in Papamoa East area, and others areas already well serviced.
2. Provision of additional land for future active reserve in the Te Tumu area.	Include a project in 18/19 for purchase of approx 15-20 ha of land for future development of sportsfields in the Te Tumu area. Land purchase project cost est \$4.5m with 50% development contribution funding. Land development project cost est \$10.0m with 50% development contribution funding.	Proactive approach to ensure sportfield demand does not exceed supply in the future. Achieves good accessibility to the active reserve. Certainty of requirement for this land is timely given recent SmartGrowth	Additional funding requirement for the LTP.	Land values could exceed budget however this will be reviewed on an annual basis as part of the Development Contributions Policy review.

Issue	Recommendation	Pros	Cons	Risks
	Include in 2028/29.	decision on bringing forward Te Tumu planning and zoning.		

Consideration

Strategic Context

23. Sportsfield development has a strong link to Council's community outcomes of *A City of great spaces, places and environments* through the provision of recreational and amenity areas, and *A City with heart and soul* through providing opportunities for people to participate in both active and passive sport and recreation.
24. Options for future active reserves could present opportunities that may also align with the community outcomes.

Significance and Engagement

25. Under the [Significance and Engagement Policy 2014](#), the provision of land in Te Tumu for an active reserve and future active reserves no longer being required for sportsfield purposes is of medium significance. This is because it is likely to affect a subgroup of the community and be of moderate public interest.
26. The Te Tumu land purchase will be included in the financial information available as part of the draft 2015-25 LTP consultation process. Consultation processes for future active reserves will be determined as part of the evaluation of future options for these areas.

Implementation

27. The Te Tumu active reserve land project will be included in the draft LTP 2015-25.
28. Council staff will report back on the evaluation of options for future active reserves. Timeframes for this will be dependent on the scope provided.

Attachments

No.	Title
A	Winter Code Demand and Supply Graph – Active Reserves Network 2010-2045
B	CONFIDENTIAL - Future Active Reserves Information <i>Objective ID: A6052622</i>

Signatories


Authors	Cheryl Steiner: Team Leader Strategic and Corporate Planning
Authorisers	Christine Jones: General Manager Strategy 

Figure 2 - Winter Code Demand and Supply: Active Reserves Network 2010 - 2045

