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This Annual Plan is the first of the new Council – elected in October 2007. Over 4000 submissions were received to the draft Annual Plan and consideration was given to a wide range of projects requested by the community.

This section of the Annual Plan highlights the major projects coming up in 2008/09, those projects that were amended as a result of the submission process and those that will require ongoing consultation or discussion before a final decision is made.

This Annual Plan also contains amendments to the Ten Year Plan 2006-16 in section 4.

At the end of this section is a table highlighting the key projects that were asked for as a result of the draft Annual Plan consultation – and their subsequent status following deliberations.

➤ RATES REQUIREMENT

The average annual general rates increase per property for 2008/09 will be 4.6%.

To get the average general rates revenue requirement for a particular year, the total amount needed to fund the Council's activities, and not charged via other means, is divided across all properties in that year. Because of Tauranga's rapid growth, the Council knows that there will be more properties across which to divide the total rates requirement. This is called the 'growth figure'. In 2008/09 there are going to be 2.5% more properties to rate than in the previous year.

The budgeted increase in expenditure for 2008/09 is \$6.5 million.

The overall rates revenue increase required to achieve this is: 7.1% - minus 2.5% for growth = 4.6%. This figure includes inflation.

Thirty per cent of the total rate revenue requirement (the maximum allowed by law) is charged as a Uniform Annual General Charge (UAGC) which is a standard charge to all residential properties. In Tauranga City this is \$525.00.

In addition to the general rates increase there are increases to water and wastewater fees as follows:

- water up 5 cents to \$1.35 per cubic meter
- wastewater up \$20 to \$255 per year.

KEY PROJECTS AND ACTIVITIES

➤ THE SOUTHERN PIPELINE

The Southern Pipeline is needed to take wastewater from the growth areas at Pyes Pa, Tauriko (plus other areas south of Tauranga) and through the Te Papa peninsula (central city). Modelling predicts that various parts of the existing wastewater network that service these areas will reach capacity in one to five years. The new pipeline will provide for an additional 37,000 dwellings in the southern areas of Tauranga and will be built to provide for the next 50 years.

The pipeline services new growth as well as benefiting existing residents. For this reason the funding is proposed

to be split 75% from Development Contributions (see next item) and 25% rates funded through the Wastewater Uniform Annual Charge (see item above).

The budget to progress the pipeline project this financial year is \$9 million and the wastewater uniform annual charge is helping to fund this.

Following consultation the Council agreed to amend the timeframe for completion of the Southern Pipeline to 2013 instead of 2011 and allocated an increased budget of \$106.1 million (in 2009 dollars) up from \$85 million (in 2006 dollars). These two changes to the project are significant amendments to the Ten Year Plan and as such are described in detail in section 4.

As at June 2008 the Council is waiting to hear on resource consent applications regarding a proposed route for the pipeline. They are also reviewing feedback from a peer review report that proposed some alternative options be considered for this project. This work will be ongoing.

➤ DEVELOPMENT CONTRIBUTIONS

Development Contributions is the name given to those fees paid by a developer towards the costs of infrastructure and reserves required for the people coming to live in those areas being developed. In Tauranga City they are split between SIFs (Subdivision Impact Fees) and BIFs (Building Impact Fees).

Development Contributions contribute 12% to the Council's overall income or \$18 million per annum. The

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detailed Development Contributions Policy can be found in Part B of this Plan. This is less than was previously forecast due to impacts from the economic downturn which is seeing fewer developments occurring than predicted.

Retirement villages have previously submitted to the Council to be given a reduction in fees for their developments because their residents do not use the same level of infrastructure as 'typical' homes. This is because residents in these villages are deemed to use the roads less, have fewer recreational needs and even to use less water (pipes) and sewage infrastructure than other household units. Therefore they requested to be considered differently to other developments/subdivisions for contributions towards development fees.

After consideration of this the Council is proposing reducing the contribution for low demand dwellings (all one and two bedroom dwellings), which include retirement village units, by 50% for one bedroom dwellings and 35% for two bedroom dwellings. For consistency the Council suggests that this reduction would also apply to single and two-bedroom dwelling developments outside retirement villages eg for granny flats and apartment blocks. However, to maintain the overall contribution levels required to future fund infrastructure requirements for developments, the balance of the fees will need to be shared out among the three, four, five etc bedroom dwellings.

This proposal is an amendment to the Ten Year Plan 2006-16 and therefore requires a special consultative procedure. This is going out for further consultation in July.

From 1 July 2008, the transitional policy provisions have been removed from the Development Contributions Policy. This means that developers are no longer able to secure the previous financial years fees in cases where their developments are completed in the subsequent financial year. This results in a no dollar impact to the fee schedule and ensures that the growth related costs are borne by the development community which aligns with Council's policy of growth pays for growth.

Please note to support this change, the transitional payment provisions in Council's 2007/08 Development Contributions Policy are not affected by the removal of these provisions from the 2008/09 Policy.

The Council agreed that from 1 July 2008 inflation will be added to the Development Contributions collected – except for those for reserves or community infrastructure contributions. This is because the Council is reviewing the level of service they will provide for reserves and community infrastructure and things may change. The community will be asked for their thoughts on levels of service for these areas when the project gets underway this year. It is intended to add inflation on these from 2009/10.

MUSEUM

The Council have removed the waterfront museum building project from the Ten Year Plan 2006-16. (The formal amendment to the Ten Year Plan 2006-16 is described in section 4 of this document.) This decision removed all capital expenditure, capital funding and operational expenditure for a museum facility.

They have added an additional project that will facilitate planning for a new community-led Museum proposal. Funding of \$150,000, over two years (2008/09 and 2009/10), has been allocated to enable this project to proceed. The project will have a steering group that consists of five elected representatives and five community members.

The Council also agreed that the 30,000 item collection currently stored at a building in Mount Maunganui will continue to meet the requirements of the NZ Protected Objects Act 2006. However the collection is to be scaled down – removing anything that has already been deemed 'surplus to requirements'. There will be no further cataloguing of the existing collection. Any discussions already begun on repatriation items may continue, and relationships maintained with museums holding items of importance to Tauranga. There will be restricted public access and a very limited schools programme.

The decision by the Council not to proceed with the Museum building means the \$876,000 of expenditure already spent (which previously was to be loan funded as

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part of the capital expenditure) now needs to be funded by rates revenue. The Council will seek to fund this over two years (2007/08 and 2008/09).

THE SPORT AND EXHIBITION CENTRE

The Council is moving ahead with plans to construct a Sport and Exhibition Centre at Baypark. Following submissions regarding alternatives to the existing design and plan the Council has requested that detailed tenders be invited and encouraged to come up with alternatives that they deem feasible to meet the agreed scope of the project. The aim of this is to ensure that all potential cost savings are explored.

Ratepayer contribution to the construction cost is capped at a \$25 million rates funded loan. Other funding for the proposed [current] total cost of \$41 million will be \$9 million from external funding (through the City Investment Programme) and \$7 million from Development Contributions.

A key issue that this Council is considering is not just the capital cost but also the increase in ongoing operational funding for this facility which will require an increase in existing rates contributions and significant increases in user fees.

Under the current proposal there is an anticipated rating requirement of approximately \$50 per year (from its opening date) per property to support the ongoing operational requirements of this facility. Other revenue opportunities, to off-set the rating requirement, are

being considered as the business-case for the facility is developed.

The discussion about user fees is a separate one being undertaken this year and is critical to the ongoing viability of this project. It is expected that 24% of the operational costs, excluding depreciation and loan interest, will be met by new user fees.

MOUNT GREENS SPORTS

The Mount Greens Sports Project will see croquet, men's and women's bowls and Cosmopolitan Club bowls combining in a new facility, on a new site, in Totara Street. This new facility is being built by the Mount Maunganui Cosmopolitan Club. The Council is providing \$4.7 million towards its construction and \$300,000 is to be raised externally by the Mount Greens Sports. The Council's contributions will be split; \$2.9 million for the development of the playing surfaces and site works and \$1.8 million towards the new clubrooms. The Council does not have to fund ongoing depreciation for the new facilities because these will be met by the Cosmopolitan Club.

Part of this proposal includes the purchase of land from the Cosmopolitan Club to secure future development options for Blake Park. In addition, a key piece of land currently leased to the Cosmopolitan Club (for bowls), will be released back into the general Blake Park land pool. The proposal is consistent with the Active Reserve Management Plan for Blake Park.

The Council will lease the land under the new facility to the Mount Maunganui Cosmopolitan Club in line with Council policy on leasing land for community and non-community facilities.

The new facility will accommodate the combined greens based sports (Mount Greens Sports). Sound governance arrangements will be put in place to ensure that the Mount Greens Sports operates in a sustainable manner and the Council is to seek a presence on the Governance Board for the Cosmopolitan Club.

The \$6.3 million required to pay for the Cosmopolitan land and buildings, including one residential property, will come from the Council's property reserves in the 2009/10 year. This means that there is no cost to ratepayers for this part of the project for 2008/09.

Once the various greens sports have moved to the new facility their occupancy of other reserves will cease and the land will be freed up for general public access. This will be the case at Coronation Park and Blake Park, where significant green space will be added to the existing parks.

The Council is reviewing the future of the May Street Reserve as a consequence of the proposed exit by the Croquet Club. The decision on the future of May Street Reserve has not been made as part of this Annual Plan, however, the Council has been open with the community (especially adjoining neighbours) that this land may eventually be sold if the Council proceeds towards reserve revocation. A full public submission and independent

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hearing process must be completed before Council can seek revocation of the reserve status from the Minister of Conservation. The revocation process could take between two and three years to complete.

GREERTON LIBRARY AND COMMUNITY CENTRE

The Council is proceeding with an extension of the Greerton Library and construction of a community centre adjacent. The total cost of this project (including the purchase of land for \$1.73 million) will be \$11.35 million - \$1.6 million of which will be in the 2008/09 year.

Once the community centre is constructed, Council will assess the future of the existing Greerton Hall and site, given that many of the uses of the hall are planned to relocate to the new Centre.

WELCOME BAY ROUNDABOUT

The Council agreed with submitters that waiting until 2021 for the long term solution to the whole central corridor is too long to wait.

The Council will therefore be advocating very strongly with central Government and the new NZ Transport Agency to speed up implementation of the planned improvements to the central corridor (Welcome Bay/ Hairini, Turret Road to Cameron Road).

This year the Council is backing the short term improvements that have been identified for the corridor including the signalisation of the roundabout

and widening of 15th Avenue for buses, cycles and pedestrians to move through this area safely. The Council is also commissioning work on longer term improvements such as a park and ride development, grade separation/underpass of the Hairini roundabout, or an alternative exit from Welcome Bay through Poike Road to SH 29, and widening of the Turret Road bridge and 15th Avenue.

HOT POOLS DEVELOPMENT

This is a project to completely redevelop the existing Mount Hot Pools by developing a spa complex and interpretation centre and creating a division of space for users eg: families and leisure seekers. It is anticipated that the entire costs of the redevelopment would be met by user fees and charges.

The Council will not proceed with anything on this project until thorough public consultation has been undertaken this year. There will be opportunities to review and comment on issues like the design and layout as the project progresses. More information can be found on our website: www.tauranga.govt.nz.

DISTRICT PLAN REVIEW

The District Plan Review is likely to provide different rules and regulations about how individual properties and communities can be developed. As such it will affect every property owner, developer, resident and business-person in Tauranga.

The proposed changes need to be "notified" by August 2009 which is the period of formal consultation. However before then there will be significant opportunity for people to get involved and community meetings and hui are already underway to get people's concerns, feedback and ideas for the revised Plan.

USER FEES AND CHARGES REVIEW

User fees and charges make up 31% of the Council's revenue - 9% from water and 22% from other sources.

A review is underway covering all existing (and some proposed 'new') user fees and charges with the exception of the following.

1. Water charges and wastewater charges which will be considered as a separate project.
2. Solid waste charges which will be considered as part of the review of the Waste Management Plan.
3. Parking charges which will be considered as part of a wider project looking at parking supply and demand.

The user fees and charges review will include significant public consultation in late 2008 and again through the Ten Year Plan 2009-19 process in early 2009.

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TEN YEAR PLAN 2009-19

From July 2008 the Council are reviewing years 4 -10 of the programme outlined in the Ten Year Plan 2006-16.

This will take the Council through to March 2009 when the draft Ten Year Plan 2009-19 must be prepared and will go out for public consultation.

The process entails the following:

- listening to you, the community, to hear what your priorities are for the future of your city
- drafting up options for consideration by the elected representatives, taking your priorities into account
- workshops that will enable the Council to provide direction to staff so they can develop draft proposals
- funding options are factored into the draft proposals and priorities are balanced from the immediate to the longer term
- eventually it all gets pulled together into a draft for your further consideration.

SUMMARY OF ANNUAL PLAN 2008/09 DECISIONS - PROJECTS AND COMMUNITY REQUESTS

THE PROJECTS AND COMMUNITY REQUESTS COUNCIL AGREED TO INCLUDE IN THE ANNUAL PLAN 2008/09 BUDGET.

The reasons were they were either a priority for Council expenditure or consistent with Council current policy or adopted strategy.

Project/Community Request	Decision	2008/09 Financial Commitment	
		Operational Expenditure	Capital Expenditure
Graffiti Enforcement	Additional funding of \$100,000 p.a. for up to 3 years with more focus on enforcement	\$100,000	n/a
Building/Resource Consent fees for solar heating	Partial reduction of building/resource consent fees for residential purposes only – internal staff costs to be waived	\$6,000	n/a
Mount Beach Holiday Park	Proceed with the project	n/a	n/a
BOP Sailing Centre	Proceed with the project	\$50,471	\$600,000
Greerton Library and Community Centre	Develop the Greerton Library and Community Centre	n/a	\$1,600,000
Sport and Exhibition Centre	Proceed with the project	n/a	\$6,316,174
Bethlehem Campus (Indoor space)	Undertake a progressive evaluation of all potential options (including a Community Share option) as proposed in the Draft Our Community Places Strategy	n/a	n/a
BOP Badminton Association (request for land)	Evaluate potential sites for the development of a badminton facility subject to the BOP Badminton Association demonstrating their ability to financially fund the project	n/a	n/a
Papamoa Surf Life Saving Facility	Council to assist with feasibility study 2008/09	n/a	n/a
Gordon Spratt Reserve – Bowling Club and Tennis Club Facilities	Make provision for locating two new additional clubrooms by revising the Reserve's existing concept plans. The development of the clubrooms is to be fully funded by the clubs. No council funding to be provided	n/a	n/a
Welcome Bay Tennis Courts Resurfacing	Council to fund the resurfacing of courts to a maximum of \$18,375 conditional on a new lease arrangement being agreed to	\$18,375	n/a
Surf Lifesaving	Two additional guards at Tay Street and Papamoa East	\$16,000	n/a
Millennium Track – storage shed	Bring forward the existing budget of \$27,830 to 2008/09 year to provide partial funding	\$983	\$27,830

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Project/Community Request	Decision	2008/09 Financial Commitment	
		Operational Expenditure	Capital Expenditure
Links Ave Reserve – upgrade current facility	Bring the funding forward to undertake the current planned extension in 2009 - 2011	\$1,413	\$40,131
Hibiscus Ave Reserve – Playground Improvements	Bring forward to 2008/09	\$1,767	\$50,000
Sister Cities - Delivery of Education Objectives	Fund from existing budget for years one and two and make provision for additional funding of \$8,000 in year three when visits occur	n/a	n/a
City Centre Parking Pricing	Continue with the parking increases as consulted on in the User Fees and Charges section	Refer to section 9 - User Fees and Charges	
Central Parade Upgrade	Bring forward design work	n/a	\$75,000
City Waterfront Design	Proceed with project, with reduced capital expenditure	n/a	\$250,000

THE PROJECTS AND COMMUNITY REQUESTS COUNCIL DECIDED NOT TO INCLUDE IN THE ANNUAL PLAN 2008/09 BUDGET.

The main reasons given were they were not a priority for Council expenditure, were not consistent with Council current policy or adopted strategy or were considered to be central government/other organisation responsibility.

Project/Community Request	Decision
Stormwater – Shelley St	Refer request to the Stormwater Programme Review
Dump Stations	Decline proposal
CCTV - Greerton	The request for funding be declined but advice and support to be provided if required
BOP Polytechnic Sport & Wellness Centre	Decline proposal
Mt Primary School Playground	Decline proposal
Links Ave Reserve – upgrade current facility	Decline extension of the project scope
Tauranga Squash Club	Decline proposal
Riding for Disabled	Decline proposal
Bethlehem Primary School	Decline proposal

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Project/Community Request	Decision
Migrant Resource Centre	Decline proposal and provide an option for accommodation at the Historic Village when one becomes available
Environment Centre Funding	Decline proposal
Tay Street - storage shed	Decline proposal
The Lakes - Toilets	Decline proposal
Bennett St Reserve – Fencing	Decline proposal
Blake Park Facilities	Decline proposal
City Centre Strategy Implementation Project Manager	Decline proposal
Population Ageing Technical Advisory Group (PATAG) Funding	Decline proposal
Creative Tauranga - SmartArts Implementation	Decline proposal
Art Collection/City Branding	Decline proposal
Regional Orchestra Funding	Decline proposal
Tangata Whenua Collective Project Funding	Decline Proposal

