

# HAMILTON CITY COUNCIL'S PROPOSED 2009-19 LTCCP

## Summary of the Main Issues Raised in Submissions

## INTRODUCTION

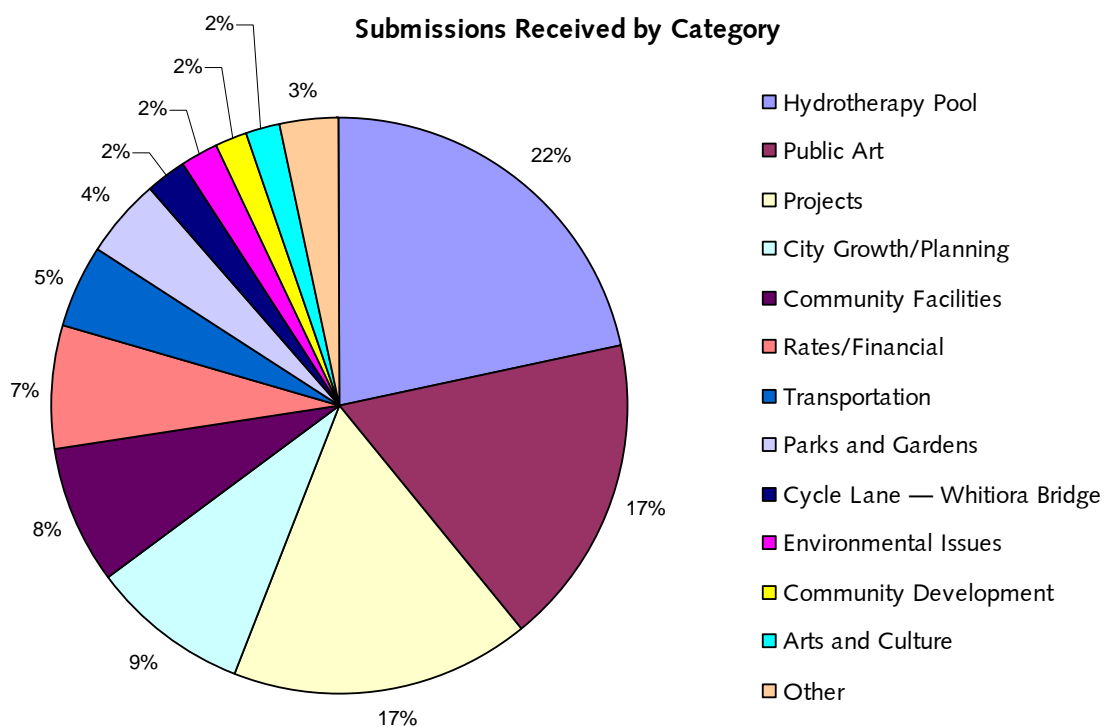
Between 21 March and 21 April 2009 the community was invited to make submissions on Council's Proposed 2009-19 LTCCP. A total of 384 submissions were received, with 127 submitters requesting to be heard in support of their written submission.

### Number and Type of Submissions

Submissions have been themed according to 13 overall categories (shown in Table 1 below). Submissions are themed according to the category that they primarily relate to, although they may also raise a number of other issues relating to other categories.

**Table 1: Submissions Received by Category**

Submission Category	Number	Percentage
Hydrotherapy Pool	83	22%
Public Art	67	17%
Projects	64	17%
City Growth/Planning	34	9%
Community Facilities	30	8%
Rates/Financial	27	7%
Transportation	18	5%
Parks and Gardens	17	4%
Cycle Lane — Whitiora Bridge	9	2%
Environmental Issues	8	2%
Community Development	7	2%
Arts and Culture	7	2%
Other	13	3%
<b>Total</b>	<b>384</b>	<b>100%</b>



The proposed LTCCP is underpinned by four key responses, and for each of these responses community feedback was specifically sought through four corresponding questions:

- Response 1: Prioritising Projects  
*Is there a general level of comfort from the community with the balance of proposed funded and unfunded projects?*
- Response 2: Managing Growth Costs  
*Is the community happy with Council deferring projects within its growth programme, which is now based on a 'just in time' approach, to reflect the slower growth environment?*
- Response 3: Maintaining Existing Service Levels and Operating Costs  
*Is the community happy for the existing levels of service that Council provides to be maintained over the first few years of the plan?*
- Response 4: Keeping Rates Affordable.  
*Does the community find the proposed rates increase reasonable for the services that are provided by Council?*

This key issues summary is structured according to the four consultation questions and reports on the issues raised in submissions in relation to each question.

## RESPONSE 1: PRIORITISING PROJECTS

### *Is there a general level of comfort from the community with the balance of proposed funded and unfunded projects?*

Of the 384 submissions received, 250 commented on the projects included in Council's proposed LTCCP. A large portion of these were in response to the funded and unfunded projects listed in the LTCCP Summary document.

A count of the submissions received in response to each of these projects is shown in the following table. Due to the number of submissions received regarding the hydrotherapy pool, this project has also been included. The growth-related projects<sup>1</sup> are discussed in Response 2: Managing Growth Costs.

<b>Funded Projects</b>	<b>Submissions Received</b>
Contribution toward Construction of a Hydrotherapy Pool at Waterworld	90
Redevelopment of Claudelands Events Centre	58
Construction of Cycleways throughout the City	33
Construction of an Indoor Recreation Centre	26
Event Sponsorship Fund	25
City Heart Project: Pedestrian Link from the City Heart to Claudelands	18
City Heart Project: Garden Place/Civic Square Upgrades	17
Upgrade of the Water Treatment Station	13
Upgrade of the Wastewater Treatment Plant	10
Contribution to NZTA for Northern Growth Corridor Rooding Projects	5
<b>Unfunded Projects</b>	
Public Art Funding	84
Development of Waiwhakareke Park in Rotokauri	27
Upgrade of the Cross-City Connector Transport Corridor (Including the Whitiara Bridge Cycle Lane Clip-on)	22
Redevelopment of the Meteor Theatre — Stage 2	9
Alternative Biosolids Disposal Option for the Wastewater Treatment Plant	6
Avalon Drive Access: Minogue Park	5

For projects that have received more than 20 submissions, the following information provides further analysis of the submissions and background information on the project.

<sup>1</sup> Infrastructure to Support Development of Rotokauri Growth Cell Stage 1, Wastewater Infrastructure to Support Development of Peacocke Growth Cell Stage 1, North-east Sector Library and Swimming Pool.

## **CONTRIBUTION TOWARD CONSTRUCTION OF A HYDROTHERAPY POOL AT WATERWORLD**

### **Submissions**

(Submission numbers: 11, 12, 17, 18, 20, 21, 22, 27, 28, 29, 31, 35, 38, 40, 43, 56, 58, 59, 60, 68, 71, 74, 77, 80, 91, 95, 96, 99, 111, 114, 115, 117, 119, 120, 122, 123, 126, 128, 129, 130, 131, 132, 135, 136, 137, 139, 140, 141, 142, 144, 147, 152, 154, 155, 156, 163, 164, 165, 170, 173, 180, 185, 197, 199, 202, 212, 223, 225, 230, 231, 232, 234, 247 (Hamilton Hydrotherapy Pool Charitable Trust), 251, 252, 253, 256, 258, 261, 262, 263, 264, 267, 270, 292, 293, 297, 331, 332, 372).

**90 submissions** were received in support of the Hydrotherapy Pool project. Of these submissions, the majority are requesting that Council bring its contribution towards construction of the pool forward from 2010/11 to 2009/10.

The submission from the Hamilton Hydrotherapy Pool Charitable Trust (submission no. 247) discusses the fundraising achieved by the Trust to date and outlines the proposal to bring the construction date forward.

### **Background Information**

On 5 July 2006 Council approved funding for the design of a Hydrotherapy Pool based on public submissions made to the proposed 2006-2016 LTCCP. The resolution stated that:

- Funding provision of \$180,000 be made in 2006/07 for the design of a hydrotherapy pool.
- Council contribute up to 33% (\$590,000) of capital funding required to construct a hydrotherapy pool in 2011/12, conditional on the Waikato District Health Board (DHB) at least matching the Council contribution with the balance to be raised from other community sources, and
- Council request a financial contribution from the Waikato District Health Board towards the ongoing cost of the operation and maintenance of the hydrotherapy pool.

In 2006 the Hamilton Hydrotherapy Trust (the Trust) was formed independent of Council, with a specific purpose of fundraising capital for the construction of a hydrotherapy pool in Hamilton. The Trust, with the assistance of Lifestyle Unlimited Incorporated, has been fundraising over the last three years.

In May 2008 Council engaged Interpool Pacific Limited to work with the Trust and key community stakeholders to develop concept drawings for the hydrotherapy pool. The purpose of this was to ensure that the concept was agreed by users, practitioners and those who would be involved in utilising the facility. Interpool Pacific Limited have 30 years experience in designing pools, and have designed and built a number of hydrotherapy pools in New Zealand, the latest pool being built in Whangarei in 2007.

The concept design was completed in October 2008 and estimated the cost of the pool at \$2.2m.

The designs are ready for application for consent. Staff have not submitted the designs for consent, as the full funding for the construction of the project is not yet secured.

Council has taken the position of funding the total design, funding one-third of the capital cost and funding the ongoing operational cost of the pool. This position is reflected in the updated figures outlined in the proposed 2009-19 LTCCP (Strategic Action Plan (SAP) # 714 — inflation adjusted):

Year	\$000s	
	Capital Cost	Operating Impact
2009/10		
2010/11	755.0	
2011/12		280.9
2012/13		288.3
2013/14		296.0
2014/15		304.0
2015/16		312.2
2016/17		320.9
2017/18		329.9
2018/19		338.9
<b>Total</b>	<b>755.0*</b>	<b>2471.1</b>

\* One third of the total capital cost required to build the pool (inflation adjusted) .

Excluding Council's contribution, the balance of construction funds required is \$1.456 million. The Trust have been fund-raising the balance of the money required to construct the facility. Repeated efforts have been made by the Trust to gain the District Health Board's (DHB) assistance in funding the construction of the pool. The DHB rejected any funding proposals stating that it's existing hospital pool meets the needs of patients.

The last reported update of fundraising for the Hydrotherapy Trust was approximately \$800,000 (February 2009). The Trust has also received offers of work and construction to be completed 'in-kind' by various construction organisations. The submission from the Hamilton Hydrotherapy Pool Charitable Trust confirms that over \$800,000 has been fundraised to date.

## **PUBLIC ART (UNFUNDED)**

### **Submissions:**

(Submission numbers: 4, 8, 9, 10, 15, 23, 44, 46, 47, 48, 50, 64, 65, 73, 75, 82, 83, 84, 92, 94, 98, 100, 101, 102, 104, 113, 115, 117, 124, 125, 138, 148, 150, 161, 166, 171, 174, 181, 182, 192, 194, 200, 201, 202, 208, 212, 221, 238, 239, 240, 243, 265, 275, 276, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 325, 333, 339, 342, 362, 363, 364, 365, 368).

**84 submissions** comment on public art funding. 80 of these submissions are in support of Council funding public art, with the majority requesting that Council include a ten year funding commitment in its LTCCP. A number of these submissions are presented on a standardised submission form, which includes the following wording:

*"Please include Public Art Funding in funded projects in Council's Long Term Plan 2009-19.*

*A commitment over ten years for a programme of public art which will enable the installation of outstanding work by local artists and artists of significant national reputation at a number of key city sites, celebrating our creativity and identity.*

*(Total cost: \$1.1m plus Operating & Maintenance: \$.5m)."*

3 submissions oppose public art funding, and other further submission refers to the project but does not indicate support or opposition.

### **Background Information**

The Creativity and Identity Strategy identifies public art as playing a key role in inspiring and engaging people and as a vehicle to communicate something of the city, its history and its aspirations in the future. Similarly, the Art in Public Places Policy recognises how public art can contribute to creating a sense of place and fostering Hamilton's unique identity.

Evidence from other cities suggests that whilst there is potential to attract both private and public funding for public art other councils benchmarked (Auckland, Wellington, Christchurch) do provide regular funding. They also have council and city processes that ensure that provision for public art is integrated into future infrastructure projects and initiatives.

Council has also committed funding provision of \$200,000 for the 'Anglesea Street Wall' as part of the CityHeart project. This project will be undertaken in 2009/10.

Unfunded SAP # 935 includes the following funding provision (inflation adjusted):

Year	\$000s	
	Capital Cost	Operating Impact
2009/10	200.0	15.0
2010/11		15.5
2011/12	213.0	31.8
2012/13		32.6
2013/14	226.6	50.3
2014/15		51.6
2015/16	241.2	70.7
2016/17		72.7
2017/18	257.4	93.4
2018/19		95.9
<b>Total</b>	<b>1138.2</b>	<b>529.4</b>

### **REDEVELOPMENT OF CLAUDELANDS EVENTS CENTRE**

#### **Submissions**

(Submission numbers: 2, 4, 6, 30, 42, 52, 67, 70, 80, 88, 97, 103, 110, 112, 118, 127, 134, 138, 145, 148, 157, 160, 162, 165, 205, 207, 208, 215, 216, 217, 222, 225, 226, 227, 235, 241, 246, 254, 265, 266, 271, 280, 289, 297, 299, 312, 324, 326, 334, 339, 342, 350, 362, 363, 370, 377, 378, 379).

**58 submissions** contain comments on the redevelopment of Claudelands Events Centre:

<b>Support</b> 12 submissions are in support of the project.	Submission numbers: 52, 88, 97, 215, 222, 226, 265, 266, 271, 299, 379, 241.
<b>Defer or Scale Back</b> 23 submissions request Council to defer or scale back the project.	Submission numbers: 2, 4, 30, 42, 67, 70, 80, 103, 127, 134, 148, 162, 205, 217, 225, 227, 235, 297, 326, 334, 339, 377, 378.
<b>Oppose</b> 12 submissions oppose the project.	Submission numbers: 6, 110, 118, 145, 160, 165, 207, 254, 312, 342, 362, 363.
<b>Other Comments</b> 11 submissions comment on the project, but do not support or oppose it.	Submission numbers: 112, 138, 157, 208, 216, 246, 280, 289, 324, 350, 370.

### **Background Information**

The proposed Claudelands Events Centre redevelopment, confirmed in the 2006-16 LTCCP, is a mix of the refurbishment of existing buildings and 'new build' facilities which includes three distinct components. These being the Indoor Arena with a seating capacity of 5,000, conference facilities which are able to accommodate up to 1,500 delegates and indoor/outdoor exhibition spaces with improved external amenities. The integrated design will enable the venue to be used as a whole or by multiple hirers at the same time and can cater to events ranging from music and live performance, international sport, conferences, banquets and functions to exhibitions and outdoor events.

The architectural design has been progressing over the past year with the Arena now at a critical detailed design stage and the building consent has been lodged. A preferred tenderer for the construction of the Arena portion has been nominated and construction is due to commence as from August 2009, subject to the LTCCP approval by Council in June. The conference and exhibition build is expected to commence from November 2009.

The redevelopment is an integrated design and business plan. While each component can be let in separate contracts, all aspects of the redevelopment are required to be delivered in order to achieve the outcomes of the integrated plan.

In April 2009 the publically notified Resource Consent was approved by an independent commissioner and if all progresses smoothly the venue is expected to be completed by early 2011.

Approximately \$9 million has been spent on the project to date. If the project was not to proceed, a yet to be finalised funding commitment would still be required to upgrade the existing facilities to continue to provide a viable event space. An upgrade would likely need to include all of the indoor event spaces, external works and building services, i.e. ventilation and heating and upgrade of power capacity.

Council's Property Management Unit has produced a high-line estimated cost of \$4.6m to undertake urgently required earthquake strengthening, asbestos removal and basic maintenance that has been deferred. This work is of a scope to ensure basic compliance with legislation and health and safety. The East Wing has been assessed by Council's Building Control Unit and has advised that this building only has a maximum remaining life of 5 years and will need to be either upgraded or replaced.

### **DEVELOPMENT OF WAIWHAKAREKE PARK IN ROTOKAURI (UNFUNDED)**

#### **Submissions:**

(Submission numbers: 41, 66, 148, 149, 165, 202, 208, 212, 227, 233, 242, 254, 255, 266, 268, 275, 289, 325, 327, 330, 339, 348, 362, 363, 367, 369, 377).

**27 submissions** comment on the funding of Waiwhakareke Natural Heritage Park. 26 of these submissions are in support of Council moving this project from the unfunded to the funded programme. Submission number 254 includes a petition with 207 signatures in support of this request. One submission opposes funding the project.

Submission number 255 is from the Waiwhakareke Advisory Group. In terms of funding, the group requests minimum funding of \$10,000 per annum from 2010 — 2015, to be used as seed funding to leverage more substantial funding from other sources. From 2016 — 2019, annual funding of \$180,000 is requested.

### **Background Information**

The Waiwhakareke Natural Heritage Park (WNHP) project was established in 2003 to:

- Create a 60 hectare park to reconstruct native wetland lowland ecosystems characteristic of pre-human Waikato.
- Establish a city-regional visitor attraction complementing Hamilton Zoo.
- Encourage the involvement of communities of interest in protection and conservation of indigenous biodiversity.

The Park was launched in 2004 through an inaugural planting held on site. In 2006 Council signed an agreement with WINTEC, the University of Waikato and Tui 2000 to work together to develop and manage the park. The Waiwhakareke Advisory Group was set up representing the partners to provide support for the development and management of WNHP.

In 2008 the WNHP Business Plan was developed in line with the approved concept plans for the area. It sets out how the park will develop over the next 20 years, including timelines for plantings and building of infrastructure. In January 2009 WNHP was named as a flagship project in the city wide Environmental Sustainability Strategy. To formalise the park's status, Council is currently completing the process of classifying it as reserve under the Reserves Act 1977.

Since the first plantings in 2004, 8.1 hectares of the site have been planted in native plants. Weeding and maintenance of the area currently planted is covered by the Parks and Gardens operations and maintenance budget. This existing budget does not extend to any additional planting of the area. All new planting is budgeted for in the unfunded SAP (SAP 609).

Unfunded SAP 609, WNHP Development Programme (inflation adjusted), includes provision for all planting on the site over the next ten years as well as infrastructure the park will need, such as a car park, footpaths, entrances and furniture:

Year	\$000s	
	Capital Cost	Operating Impact
2009/10	259.0	44.6
2010/11	216.3	85.5
2011/12	328.0	139.2
2012/13	504.4	192.1
2013/14	378.4	258.4
2014/15	219.8	284.2
2015/16	406.4	324.1
2016/17	416.2	358.1
2017/18	222.7	364.0
2018/19	310.8	379.4
<b>Total</b>	<b>3261.9</b>	<b>2429.5</b>

## CONSTRUCTION OF CYCLEWAYS THROUGHOUT THE CITY

### **Submissions**

(Submission numbers: 4, 41, 42, 55, 67, 82, 85, 86, 89, 90, 93, 104, 110, 116, 151, 160, 165, 176, 179, 202, 215, 226, 227, 245, 246, 254, 291, 293, 298, 337, 338, 342, 353).

**33 submissions** contain comments on the cycleways construction programme:

<b>Support</b>	Submission numbers: 4, 41, 55, 82, 85, 86, 89,
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28 submissions are in support of the programme.	90, 93, 104, 110, 116, 151, 165, 176, 179, 226, 227, 245, 246, 254, 291, 293, 298, 337, 338, 342, 353.
<b>Oppose or Request Deferral</b> 4 submissions oppose funding for the cycleways programme and 1 submission requests that Council defer funding.	Submission numbers: 42, 67, 160, 202, 215.

### **Background Information:**

The ten year programme for construction of a cycle network across the city began in 2005/06 and continues through until 2015/16. The programme provides for a combination of both on and off road routes, shared paths through parks, and includes localised improvements for pedestrians and other road users where possible. Routes are retrofitted into existing roads, as well construction of routes at the same time as new roads/paths are built within growth areas.

The project provides funding for an agreed ongoing programme with NZTA (2005 - 2015) and nominal costs are provided for the last three years of the LTCCP to address remaining issues on the primary cycle network. The programme endeavours to obtain 55% NZTA subsidy on all schemes. The following funding is included in the proposed 2009-19 LTCCP (SAP # 545 — inflation adjusted):

### **Capital Cost (\$m):**

<b>2009/10</b>	2093.1
<b>2010/11</b>	1327.7
<b>2011/12</b>	2462.6
<b>2012/13</b>	1367.9
<b>2013/14</b>	1558.1
<b>2014/15</b>	837.6
<b>2015/16</b>	633.0
<b>2016/17</b>	112.1
<b>2017/18</b>	115.8
<b>2018/19</b>	119.5
<b>Total</b>	<b>10627.5</b>

## **CONSTRUCTION OF AN INDOOR RECREATION CENTRE**

### **Submissions**

(Submission numbers: 52, 55, 67, 70, 113, 118, 133, 138, 145, 157, 160, 162, 165, 202, 205, 206, 215, 217, 226, 227, 246, 260, 288, 293, 325, 326).

**26 submissions** contain comments on the Indoor Recreation Centre:

<b>Support</b> 10 submissions are in support of the project.	Submission numbers: 52, 55, 165, 206, 226, 227, 260, 288, 293, 326.
<b>Defer or Scale Back</b> 7 submissions request Council to defer or scale back the project.	Submission numbers: 67, 70, 113, 162, 205, 217, 325.
<b>Oppose</b> 6 submissions oppose the project.	Submission numbers: 118, 133, 145, 160, 202, 215.
<b>Other Comments</b> 3 submissions make other comments	Submission numbers: 138, 157, 246.

on the project.	
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### **Background Information**

A needs analysis report was completed in September 2007 and concluded that Hamilton has a serious shortage of appropriate indoor recreation space for Hamilton sporting groups. The sports organisations that were evaluated advised that they were continually forced to change venues and look further afield for facilities at Te Awamutu, Morrinsville, Rotorua and Taupo. The key Hamilton facility is the Hamilton Leisure Centre on Pembroke Street, which is outdated and unsuitable for the required need.

Council commissioned a feasibility study after the needs analysis, which was completed in October 2008. This study included researching the preferred size of such a facility, the possible location and operating options. A concept design was completed which estimated the cost for construction at \$19 million.

To preferred option is to construct an eight court indoor sports facility in partnership with other funders.

HCC has been in extensive discussions with various sporting and educational institutions during the feasibility and concept design process. The project assumes community funding of \$6.6m with \$10m funded from rate loans and \$2.4m from sale of the Hamilton Leisure Centre.

Formal agreements about the location of the facility, operators, or funding partners have not been established yet. The initial research has been completed and the following funding is included in the proposed 2009-19 LTCCP (SAP # 921 — inflation adjusted):

Year	\$000s	
	Capital Cost	Operating Impact
2009/10		
2010/11		
2011/12		
2012/13		
2013/14	2232.0	
2014/15		
2015/16	14244.0	
2016/17	6135.0	635.6
2017/18		671.8
2018/19		708.6
<b>Total</b>	<b>22611.0</b>	<b>2016.0</b>

### **EVENT SPONSORSHIP FUND**

#### **Submissions:**

(Submission numbers: 4, 30, 32, 42, 72, 103, 108, 113, 134, 158, 160, 165, 208, 212, 215, 217, 227, 265, 289, 325, 329, 334, 341, 362, 363).

**25 submissions** contain comments on the Event Sponsorship Fund:

<b>Support</b> 2 submissions are in support of Council funding events.	Submission numbers: 265, 341.
<b>Defer or Scale Back</b> 12 submissions request that Council	Submission numbers: 4, 30, 42, 72, 113, 134, 165, 212, 215, 217, 325, 329.

either defer funding or scale back the amount allocated to events funding.	
<b>Oppose</b> 7 submissions oppose the funding for events.	Submission numbers: 108, 160, 227, 289, 334, 362, 363.
<b>Other Comments</b> 4 submissions make other comments on events funding.	Submission numbers: 32, 103, 158, 208.

**Background Information:**

As part of the development of the proposed 2009-19 LTCCP, funding provision for the Event Sponsorship Fund has already been reduced by \$1 million. This change was made prior to the LTCCP going out for public submission and was based on Council's desire to be prudent and to prioritise expenditure. The proposed SAP includes no growth in the funding provision after year 4 (2002/13).

At the same time, Council wishes to provide a level of funding for events in the city that promotes the city as a great place to visit and live, and meets existing commitments. Council also takes into account the economic benefit to the city of staging events in Hamilton (e.g. an independent economic impact assessment showed that the first year of the Hamilton 400 V8 event saw \$28.3 million of new money spent in the city).

The event sponsorship funding goes to a wide range of events including Hallmark events approved direct by full Council, such as Hamilton Gardens Summer Festival, The Fuel Festival of Performing Arts, Balloons over Waikato, The Great Race rowing regatta on the Waikato River as well as V8 Supercars. The balance of the fund is allocated by the Events Sponsorship Subcommittee and provides a specific allocation for smaller community events.

SAP # 614 includes the following funding provision (inflation adjusted):

**Capital Cost (\$m):**

2009/10	2628.0
2010/11	2966.4
2011/12	2782.7
2012/13	3047.8
2013/14	3047.8
2014/15	3047.8
2015/16	3047.8
2016/17	3047.8
2017/18	3047.8
2018/19	3047.8
<b>Total</b>	<b>29711.9</b>

**UPGRADE OF THE CROSS-CITY CONNECTOR TRANSPORT CORRIDOR (UNFUNDED)**

**Submissions**

(Submission numbers: 55, 82, 85, 86, 89, 90, 93, 112, 116, 138, 151, 162, 176, 202, 208, 217, 238, 245, 275, 291, 298, 361).

**22 submissions** comment on the upgrade of the Cross-City Connector Transport Corridor. Five submissions are in support of Council moving this whole project into the funded programme. Two further submissions comment on the project, including submission number 361 from the New Zealand Transport Agency.

15 of the 22 submissions are in relation to the Whitiora Bridge cycle lane clip-on, which is part of the Cross-City Connector Transport Corridor SAP (SAP # 803). These submissions request that Council include funding in its LTCCP for the cycle lane clip-on. (Submission numbers 82, 85, 86, 90, 93, 116, 151, 176, 208, 238, 245, 275, 291, 298).

### **Background Information**

Whitiora Bridge experienced significant congestion in both directions at peak times. Investigation showed that removal of road shoulders and introduction of three vehicle lanes would significantly improve traffic flow. Traffic flows are in the region of 22,600 vehicles per day split roughly equally in each direction. There has been a significant improvement in travel times since the work was completed in June 2006 at minimal cost. There appear to be no operational problems from a vehicle point of view.

Funding to undertake the work was originally provided from the 'CBD Trials' SAP. The project was reported to Council as an interim arrangement while funding was identified and made available for either a clip-on to provide a shared cycle and footpath within a three-lane environment, or widening of the bridge for four traffic lanes and a shared cycle and footpath.

Changing to three lanes has made it more difficult for cyclists. Since the changes were made there has been ongoing concern and opposition from cyclists and pedestrians which has resulted in a number of letters to HCC and articles in the local media. Since completion, there has been one serious injury crash involving a cyclist at the intersection of Boundary Road and Victoria Street, which does not appear to be connected to the 3-laning project. Critics of the current situation state that the lack of recorded crash data is due to no cyclists or pedestrians using the bridge but in reality the 2008 cycle cordon count included 200 cyclists on the bridge in one day.

This project is unfunded in the proposed 2009-19 LTCCP. Staff are currently considering what options are available to reallocate some of the existing road space for cyclists but these options are limited.

For the bridge aspect of the Cross City Connections SAP (SAP # 803), investigation was programmed to begin in Year 3 (2011/12) with construction in Years 7 and 8 (2015/16 and 2016/17). To this point, only feasibility investigation has taken place and no decision to move into a formal design phase has been made. A clip-on appears feasible but there are a series of medium term complications (e.g. impact on the structure of additional weight), which need to be considered before work can begin. The anticipated cost of a clip on structure, if feasible, with associated road improvements on either approach to the bridge was estimated to be in the order of \$14 million.

If the project were to go ahead within the 2009-19 LTCCP it is anticipated that every attempt would be made to secure NZTA subsidy funding. However, due to both the currently unfunded nature of the project, and the timing the bridge element, it does not currently appear in the 2009-2012 Regional Land Transport Programme.

## RESPONSE 2: MANAGING GROWTH COSTS

*Is the community happy with Council deferring projects within its growth programme, which is now based on a 'just in time' approach, to reflect the slower growth environment?*

Of the 384 submissions received, 67 commented on growth issues (specifically the Council's treatment of key growth projects and their associate costs) outlined in the Proposed 2009-19 LTCCP.

Submission numbers: 4, 6, 13, 14, 16, 24, 25, 37, 55, 62, 67, 81, 104, 108, 112, 113, 137, 138, 157, 158, 160, 162, 165, 167, 187, 188, 189, 190, 196, 202, 215, 216, 217, 226, 227, 228, 235, 236, 241, 242, 246, 254, 265, 266, 274, 278, 287, 289, 293, 294, 325, 326, 329, 334, 335, 339, 341, 342, 345, 350, 353, 355, 361, 371, 378, 379

In response to the specific consultation question - "what do you think of the option of deferring parts of the city growth programme to a more 'just in time' approach?" - 14 submitters agreed that growth projects should be deferred to minimise impacts on rates. In addition there were 5 other submissions that specifically supported the proposed 'just in time approach' or explicitly agreed with the philosophy to ensure that developers pay for the full costs for developing new areas of the city. There was very limited opposition to this view in the submissions.

There were a small number of submissions that raised urban growth issues that are outside the scope of the LTCCP and relate either to the Hamilton Urban Growth Strategy (adopted in December 2008) or individual structure plans. However of particular note was submission 254 which included a petition with 71 signatures requesting support for Rotokauri to be reprioritised over Peacocke as the next significant greenfield residential growth cell for the city after Rototuna.

The north-east sector pool and library were key high profile growth projects that received a number of submissions relating to the proposed deferment. In total, there were 28 submissions that made specific reference to the deferred construction of either the north-east sector swimming pool and / or library. While some of the submissions raised this issue in the context of balancing Council's funded and unfunded programme of works the majority of responses discussed the proposed deferments in relation to the deferment of these growth projects as a key mechanism to manage Council's exposure to development funded debt.

While there was a mix of views expressed in the submissions, there were slightly more submissions that either supported the proposed deferment or the complete removal of these projects than submissions requesting the reinstating of the timeframe as proposed in Council's 2006-16 LTCCP (both the swimming pool and library received 7 submissions specifically requesting that the previous timeframe be reinstated).

### Supporting Information

Council's proposed 2009-19 LTCCP outlines a deferred programme for the community facilities that are planned for the north-east sector of the city. The table below compares the proposed construction dates contained in Council's Final 2006-16 LTCCP and proposed 2009-19 LTCCP for the new swimming pool and library.

	Construction Start		Construction Completed	
	2006-16 LTCCP	2009-19 LTCCP	2006-16 LTCCP	2009-19 LTCCP
<b>Library</b>	2012/13	2012/13	2014/15	2014/15
<b>Swimming Pool</b>	2010/11	2013/14	2011/12	2014/15

In developing Council's 2009-19 LTCCP, work was undertaken to assess the existing stock of residential sections that could be serviced from existing infrastructure. This assessment (which included consideration of the market downturn during 2008), determined that there was not likely to be sufficient market demand for a number of years for the Council provided growth infrastructure (water and roading) in the area surrounding the pool and library. Therefore in order to accelerate the construction of the pool and library, Council would need to also fund associated growth infrastructure (water and roading) projects ahead of when demand for these projects could be justified from surrounding residential development.

The decision to defer the timing of the north-east sector community facility programme was part of the wider financial strategy to slow down growth related capital expenditure in order to ensure Council's overall debt levels remain sustainable. If Council was to advance funding of these projects (including associated growth infrastructure), this would lead to the situation where financing costs on growth projects would be unable to be serviced by projected development contribution revenue.

The current assumptions regarding the timing of delivery for the north east community infrastructure projects are part of ongoing discussions and are aligned with the views of the landowner.

## RESPONSE 3: MAINTAINING EXISTING SERVICE LEVELS AND OPERATING COSTS

*Is the community happy for the existing levels of service that Council provides to be maintained over the first few years of the plan?*

Of the 384 submissions received, only 36 comments on the Council's proposal to maintain existing levels of service.

(Submission numbers: 24, 25, 32, 55, 62, 103, 105, 108, 113, 127, 133, 157, 158, 162, 165, 198, 202, 208, 226, 235, 241, 242, 266, 279, 289, 293, 325, 326, 328, 334, 336, 339, 342, 350, 378, 379).

In response to the specific consultation question - *"how do you feel about the option of not increasing service levels for the first few years of the plan?"* - 14 submitters agreed that service levels should be maintained at existing levels.

(Submission numbers 25, 32, 55, 105, 108, 113, 133, 162, 335, 242, 289, 325, 326, 342).

A number of the submissions also focused on the four examples included in the LTCCP Summary document:

- A. Acceleration of the playground programme.
- B. More diversity in traffic island and street amenity planting.
- C. Increased provision of bus stops and shelters.
- D. Acceleration of library collection improvements.

Increases to these services were considered by Council, but when assessed alongside Council's overall budget priorities were considered largely unaffordable, particularly in the first three years of the 2009-19 LTCCP.

Of the four examples, the acceleration of the playground programme and increased provision for bus shelters and bus stops received the most comments.

## **RESPONSE 4: KEEPING RATES AFFORDABLE**

*Does the community find the proposed rates increases reasonable for the services that are provided by Council?*

Of the 384 submissions received, 47 comment on rates.

(Submission numbers: 2, 3, 24, 26, 32, 52, 55, 57, 62, 105, 108, 113, 133, 138, 158, 162, 167, 193, 204, 205, 211, 213, 217, 224, 235, 241, 242, 245, 254, 259, 280, 284, 289, 312, 324, 326, 328, 329, 338, 342, 343, 347, 350, 371, 378, 379, 382).

### **Proposed Rates Increases**

26 submissions oppose the proposed rates increases. The majority of these submissions state that the proposed increases are unaffordable and request that Council reconsider rates increases. A number of the submissions note that rates increases are particularly difficult for ratepayers on fixed incomes.

(Submission numbers: 2, 24, 26, 32, 57, 62, 105, 108, 133, 138, 158, 162, 205, 211, 213, 235, 280, 284, 312, 328, 329, 342, 343, 371, 378, 379).

### **Proposed Rates Increases above CPI / Inflation**

11 submissions comment that Council's proposed rates increases are above projected CPI/inflation levels. The majority of these submissions request that Council's rate increases are kept within these levels.

(Submission numbers: 26, 32, 57, 158, 213, 280, 312, 328, 343, 371, 379).

### **Increased Fees and Charges**

The LTCCP Summary document includes a specific consultation question on Council's proposal to increase fees and charges for some services to assist in minimising rates increases:

*"What do you think of the option of minimising rates increases by offsetting them with increased fees and charges?"*

11 submissions responded specifically to this question, with 9 submissions in support of increasing fees and charges and 2 submissions in opposition.

(Submission numbers - support: 62, 113, 133, 241, 254, 289, 326, 342, 378).

(Submission numbers - oppose: 26, 32).

### **Background Information**

#### **Background figures and comparisons**

After allowing for forecast growth in the number of ratepayers, the average annual percentage increase in rates in Council's proposed 2009-19 LTCCP is 4.5%. The average projected increase in rates is higher than the likely average increase in consumer price inflation by about 2.5% pa. (The Reserve Bank targets a range of 1% - 3% for average consumer price inflation). Changes in operating costs are at or below the projected inflation rate for 2009/10. Council also faces a lag where a number of major projects are adjusted annually by CPI. Even though historically CPI has been at a level higher than that currently experienced, these cost increases are real and have needed to be expressed in Council's proposed budgets.

However, the cost increases impacting the local government sector are expected to run at a level that is higher than expected consumer price inflation.

While unfortunately we do not have any reliable data on projected average rates increases across the local government sector we believe we are likely to be in the middle of the pack. However it is interesting to note the average rating increases of two of our close neighbours in Tauranga City Council (TCC) and Manukau City Council (MCC). Before adjusting for growth, TCC have a projected average percentage rate increase of 7.7% in its proposed 2009-19 LTCCP. The comparable figure for MCC is 3.1% (although it should be noted that this does not include any costs in association with provision of water or wastewater services).

#### **Key reasons why rates increases are greater than inflation**

Significant provision has been made to ensure Council builds up additional reserves to fund expected increases in asset renewal budgets in line with continued asset growth (referred to as depreciation). Funding provision for depreciation accounts for approximately 1.5% of Council's total rates increase of 4.9% in year 1 (2009/10) of the proposed LTCCP.

A significant portion of Council's capital expenditure on network and community infrastructure is funded from debt which is budgeted to be serviced from general operating revenue, including rates. Debt servicing costs are forecast to increase quite significantly during the 10 year period of the LTCCP.

Council has also experienced significant revenue loss through the economic downturn. Examples include the forecast \$250,000 reduction in building consent revenue in 2009/10 as well as the forecast reduction of approximately \$600,000 of rates revenue from new ratepayers in both 2010/11 and 2011/12.

#### **Budget cuts made and other budget disciplines introduced to control rate increases**

In developing the proposed 2009-19 LTCCP, staff have been very disciplined with all areas of the budget and made cuts to previous funding levels where at all possible to offset significant inflationary and growth pressures and the effect of reductions in revenue from key activities.

Difficult choices have also been made, with previously approved projects recommended for deletion. Staff have been conscious to spread the impact of these unfavorable trends across all parts of the organisation and LTCCP. This includes reductions to operational budgets and staffing levels, deferment of SAPs and a number of projects not being funded. A thorough review of all operational budgets has also been undertaken. Proposed reductions to operational budgets include:

- Event Sponsorship Fund has been reduced by \$1m over the 10 years.
- CityNews publishing reduced by \$90k each year, anticipating savings from a change to the document format or size.
- Staff numbers — a management FTE cap has been in place since January 2008 and remains in place until at least July 2010.
- Staff numbers — despite the FTE cap increasing by 14.5 staff positions due to Council resolutions, the budgeted increase in FTE is only 4.3 to 30 June 2010, due to a number of existing positions being disestablished and hence removed from the budget to try to accommodate Council driven growth in FTEs.
- Consultant and legal costs have been cut or held at the same level despite pressures from actual costs in 2008/09.
- Further staff savings (approximately \$7m over 10 years) from positions yet to be identified. These savings will be achieved either through a reassessment of staff positions when existing staff leave, the service delivery review or targeted reductions in certain areas of the organisation.
- Minimal or no growth in the fleet operating and capital budget, acknowledging that we anticipate efficiencies to be identified from a fleet utilisation review.
- A variety of administrative expenses from travel to photocopying being reduced

where practical.

A number of other operating budgets have been held at current levels despite increased pressures from actual expenditure. Strict management controls have been introduced to manage the budget and ensure that any discretionary expenditure is challenged before being committed to.

#### **Impacts on low income groups**

Council and Central Government have concerns about the impacts of rates increases for low income groups and other sectors of the community in the current economic environment. The sustainability and affordability of rates on the community were the major factors leading to the establishment of the Central Government Rates Inquiry Report. The previous Government introduced significant changes to the rates rebate scheme from 1 July 2006 which has resulted in approximately 2,000 ratepayers qualifying for a rates rebate of up to \$530 per year (total of \$1.04 million for the 2008/09 rating year).

Council also established a Hardship Remission Policy in July 2000 which has recently been reviewed with the income threshold being raised to allow more ratepayers to be eligible. The maximum hardship remission is \$342 per year and in the current rating year 625 ratepayers have qualified (total remission \$201,000 for 2008/09 rating year).

Both of these schemes were established to assist low and fixed income ratepayers with increasing rates levels and together offer a maximum of \$872 rates relief per annum. Council also has a Rates Postponement due to Financial Hardship Policy which may assist those who do not qualify for the above remissions but wish to postpone some of the rates per year against the title of the property.

## Requests for Funding for External Organisations

Table 2 includes the 14 submissions that have requested funding provision from Council for various projects and programmes.

**Table 2: Organisations Requesting Funding for Projects/Programmes**

Sub. No.	Organisation	Amount Requested	Project/Programme
09/0051	Hamilton Roller Skating Club	\$150,000.	Requests a contribution to assist with the building of a fully enclosed skating facility.
09/0091	Age Concern	\$30,000 per annum	Requests an increase in Council's Service Level Agreement to provide social care and welfare services to tenants of Council's social housing.
09/0106	Tennis Waikato-Bays	\$85,000 per annum.	Requests an annual grant for the administration and ongoing maintenance of the ASB Tennis Centre facility.
09/0107	Opus Orchestra Trust	2009/10: \$15,000 2010/11: \$25,000 2011/12: \$40,000	Requests funding to contribute towards a regional orchestra.
09/0146	Pukete Neighbourhood House	Not specified in the submission.	Requests that Council increase the funding provided to community houses.
09/0183	Surf Life Saving Bay of Plenty	Not specified in the submission.	Requests that Council increase its annual funding so that a higher level of service can be provided on Coromandel Beaches over the summer period.
09/0209	Surf Life Saving Northern Region	\$25,000 + GST for 2009/10.	Requests an increase in financial support for 2009/10. Also seeks the opportunity to discuss with Council the possibility of securing a 3-year funding agreement to enable better planning and resourcing on an ongoing basis.
09/0229	Waikato/Bay of Plenty Football	Not specified in the submission.	Requests support from Council to establish a regional base 'home of football' in Hamilton.
09/0286	Mason Lepor — Police	\$21,828.40.	Requests partial funding towards a hard court to be situated on Enderley Park.

<b>Sub. No.</b>	<b>Organisation</b>	<b>Amount Requested</b>	<b>Project/Programme</b>
09/0300	Hamilton Operatic Society	Not specified in the submission.	Requests a medium to long term commitment for direct annual funding to enable Hamilton Operatic Society to become a professional theatre.
09/0301	Hamilton Community Arts Council	\$38,000 funding increase.	Requests an increase in the salaries grant from \$82,000 to \$120,000 to support the short-fall in funding for staff.
09/0323	Arts Waikato	\$2 million.	Request that Council allocate the land behind ArtsPost to a Trust for development and promotion, and that \$2 million be allocated to the trust to run a limited design competition and to assist in raising funds for the completed development.
09/0345	Ocean Earth	\$500,000.	Requests that Council support a trial of "Global Feed" (ecological news feed).
09/0350	Te Runanga o Kirikiriroa, Nga Mana Toopu o Kirikiriroa, Te K'aute Pasifika	Not specified in the submission.	Request that Council list the Waitangi Day Celebrations as an 'icon event' for the city and continue contributions and support.