



Date:	Wednesday, 7 June 2017 (to be continued at 9.30am Thursday 15 June 2017)
Time:	9.30am
Location:	Council Chamber 72 Lake Terrace Taupo

SUPPLEMENTARY AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas

Deputy Chairperson Cr Rosie Harvey

Members

- Cr John Boddy
- Cr Zane Cozens
- Cr Barry Hickling
- Cr Rosanne Jollands
- Cr Tangonui Kingi
- Cr Anna Park
- Cr Christine Rankin
- Cr Kirsty Trueman
- Cr John Williamson

Quorum 6

Gareth Green
Chief Executive Officer

Order Of Business

4 Policy and Decision Making

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4.2 2017/18 ANNUAL PLAN DELIBERATIONS REPORT

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PURPOSE

This report summarises feedback on the consultation document for the Annual Plan 2017/18, and provides advice to assist Council’s decision-making.

EXECUTIVE SUMMARY

Council consulted the community on two elements of the Annual Plan 2017/18:

1. A preference to provide additional funding to Go Tongariro
2. A preference to provide funding for a project to construct a new civic administration building on the existing site at 72 Lake Terrace

In response the community signalled that there was a reasonable level of support (60%) for the proposed funding for Go Tongariro. Despite this there were still concerns from some submitters about the long term financial sustainability of Go Tongariro and whether this was the right model to deliver the economic development initiatives for the southern part of the district. Officers recognise that providing the funding would enable Go Tongariro to continue to operate over the coming financial year providing time for wider ranging discussions.

There was a high level of support (74%) from the community for Council to construct a new civic administration building rather than undertake some form of refurbishment of the existing building. On the matter of where that building should be, many submitters voiced a preference that the existing site should be sold and that council locate elsewhere. Town Centre Taupō, the Taupō Chamber of Commerce and many other submitters suggested that Council’s administration activity should be in the town centre with the other significant office activities.

Council has a reasonably high level of understanding about the development potential of 72 Lake Terrace, however there is significantly less certainty about other potential sites. A number of those sites may necessitate other processes under the Public Works Act or the Reserves Act. Similarly, there could be impacts on the management of the general pool of car parking in the town centre, or specific resource consent approval may be required. Officers recommend that Council gain a better understanding of these matters before making a final site selection.

The other matter that Council needs to consider is whether to further investigate the potential to come to some sort of arrangement with a private landowner. Submissions have highlighted the potential for Council to enter into purchase or lease arrangements on private land as a way of achieving a new civic administration building. If Council wishes to further investigate such arrangements officers recommend that an open process is used in accordance with Council’s procurement policy.

RECOMMENDATIONS

That Council:

1. Confirms funding of a total amount of \$20,000 for Go Tongariro in the Annual Plan 2017/18.
2. Confirms that it will not proceed with a minor, partial or full refurbishment of the Council building at 72 Lake Terrace.
3. Confirms a preference for a new civic administration building to be built.
4. Directs officers to investigate the following Council controlled sites for the new civic administration building:
 - a.
 - b.
 - c.

With consideration to include:

- d. Opportunities for colocation with other parties
- e. Opportunities for creating wider community benefits
- f. Options for managing fleet and visitor car parking
- g. Opportunities to achieve efficiencies in Council operations
- h. Other process requirements
- i.

AND/OR

- 5. Directs officers to seek expressions of interest for land to purchase, or a building to lease, or a combination thereof for a new civic administration building. The consideration of options should also include those matters identified in part 4 of this resolution.
- 6. Approves the responses to the out of scope submissions (attached).

BACKGROUND

Two new matters of significance were identified during the preparation of the Annual Plan 2017/18; proposed funding for Go Tongariro and a proposed new civic administration building. As neither matter was identified as part of the 2015-25 Long-term Plan Council has sought the views of the community.

The consultation document explaining these two matters was publicly available between 1 and 26 May 2017. There were also a range of community engagement opportunities where people could discuss the proposals with elected members and officers:

Saturday 6 May	Taupō Markets
Tuesday 9 May	Turangi Library
Thursday 11 May	Kinloch Community Hall
Tuesday 16 May	Taupō Office (72 Lake Terrace)
Thursday 18 May	Mangakino Office (Rangatira Drive)
Tuesday 23 May	Taupō Office (72 Lake Terrace)
Thursday 25 May	Business after 5 (Lake Terrace)

Council received 258 submissions and two late submissions at the meeting on 7 June 2017.

There are three decision points for Council to consider:

- 1. Proposed funding for Go Tongariro
- 2. Proposed civic administration building
- 3. A range of matters that are beyond the scope of the consultation document

This report steps through each of these decision points, explaining the views that have been provided by interested people and assessing the options.

DECISION 1 - FUNDING FOR GO TONGARIRO

Council signalled, through the consultation document, a preference to provide additional funding of \$13,000 to Go Tongariro for the 2017/18 year. On review of the earlier resolution [TDC201703/01] relating to this matter it is noted that additional funding of \$20,000 was proposed. However, Council noted at the hearing that their intention had been for a total of \$20,000 to be committed. Although the desired amount is more than that included in the consultation document, the amount is relatively minor. Of more consequence is the fact that Council has consulted the community on the principle of providing additional funding. As such, the difference is not considered significant and no further consultation is recommended.

The Long-term Plan had signalled that funding for Go Tongariro would be progressively reduced over the life of the Long-term Plan. This reflected the intention that Go Tongariro would become financially self-supporting. Go Tongariro have not been able to achieve this and are therefore seeking this additional funding.

Of those that commented on this issue, the majority (60%) were largely supportive of Council providing additional funding.

The main matters raised by submitters were:

- a. Providing continued support for the Turangi community
- b. The structure of the current economic development model and consideration of other options

When making a decision Council should take into consideration the following additional matters:

- a. Likely effects on Go Tongariro's ability to continue to provide the desired services if funding was not committed
- b. The longer term financial sustainability of Go Tongariro in the coming years
- c. The outcomes of the section 17A review process. At this point no decisions have been made regarding the future delivery of economic development in Turangi, and in the event that changes are made they would be unlikely to apply before the end of the 2017/18 year.

The previous advice of officers was that Council should not provide the additional funding. This was because Go Tongariro had not demonstrated progress toward becoming financially sustainable and providing additional funding was unlikely to help the situation. The consultation has demonstrated a reasonable level of community support for funding to be provided in the 2017/18 year.

DECISION 2 - CIVIC ADMINISTRATION BUILDING

Council has proposed to build a new civic administration building and suggested in the Consultation Document that the preferred site is at 72 Lake Terrace. There were two elements to the consultation, with the first around whether Council should build a new building or refurbish the existing one, and secondly whether a new building should be on the existing site or somewhere else.

Refurbishment or a new building?

A substantial majority of the submitters (74%), which commented on this matter, have supported the concept of Council building a new civic administration building rather than undertaking some form of refurbishment. The reasoning of submitters has largely mirrored that of Council, with an acknowledgement that investing in a refurbishment of the existing building would mean investing in infrastructure that will still need to be replaced in the medium term.

Those who were opposed to this and preferred to see a refurbishment of the existing building, raised concern with the proposed cost of a new building, questioned the severity of the asbestos issue, and suggested the need for further option analysis.

It is still the view of officers that the most prudent approach for Council is to construct a new building rather than undertake some form of refurbishment. This reflects the balance between construction costs and the longevity of a new building.

Which site?

Assuming that a new civic administration building will be constructed, submitters expressed a high level of support (75%) for Council to vacate the existing site at 72 Lake Terrace. There was also a level of support (43%) for placing a new civic administration building in the Taupō town centre, with the balance of submitters divided over location. This support for the town centre location was based on:

- a. A desire to realise the value of the current site at 72 Lake Terrace and use that value to help fund the construction.
- b. A view that Council has consistently promoted the importance of the Taupō town centre, and should continue to support the town centre by moving the civic administration activity there. These comments referenced the Taupō Urban Commercial and Industrial Structure Plan (2011) and the District Plan. Both documents reinforce Council's strategy of consolidating office activity in the town centre.

- c. An acknowledgement that having council office workers in the town centre generates a need for car parking, but that Council can continue to manage that as part of the general car parking pool just like any other office activity.

There were also a number of submitters encouraging Council to be brave in their decision-making, to look to the future and to make sure that this investment provides wider community benefits.

When making a decision about where to build Council should take into consideration the following additional matters:

- a. Whether there is sufficient information to be able to select a preferred site at this time. Some preliminary work was undertaken to understand whether there are suitable sites in the Taupō town centre. That work formed part of the supporting information for the Consultation Document, and assisted people to consider whether they philosophically supported the Lake Terrace site, or an alternative in the town centre. It was not intended to be a detailed analysis of each site.
- b. Uncertainty around costs. There is uncertainty around the final costs of the various options as no substantive design work has been undertaken. The costs that have been provided to date have been the best available at the time and have enabled a relative comparison between the different options. If Council chose to build on a site other than 72 Lake Terrace there would be a decreased level of certainty associated with the costs until further investigation is completed. This reflects the lack of information associated with other sites, the potential need to link in with other buildings, the potential to look at co-location opportunities, and the creation of wider public benefits, as well as the need for specialist architectural advice.
- c. Whether there are specific sites that are clearly inappropriate and can be excluded from further analysis. There may be some sites that Council wishes to exclude from further investigation. For example, the provisions of the District Plan make it very difficult to create substantial office space outside of the Taupō town centre. On that basis, officers would recommend that sites outside the town centre, other than 72 Lake Terrace, be discounted from further investigations.
- d. There are limitations to rebuilding on the 72 Lake Terrace site. The current administration building has been enabled through resource consents, with any redevelopment constrained by the nature of those consents. In practice, this means constructing a new building within the existing building envelope for the same purposes. It may also make it challenging to co-locate with other parties given the direction in the District Plan.
- e. Opportunities to create wider community benefits, for example through the provision of community meeting space or activation of public open space.
- f. The construction of a new civic administration building also enables Council to provide a quality work environment that meets the current and future needs of the organisation. Different sites may provide opportunities for Council to rationalise operational costs.
- g. The potential for additional processes to affect the timing of construction of a new civic administration building. Different sites may have different processes that have to be completed before construction could proceed.

Council currently has a higher level of understanding about the development potential of the current site at 72 Lake Terrace. In comparison, there are more uncertainties for potential sites in the Taupō town centre. If Council is going to build within the Taupō town centre it is recommended that further investigation is undertaken. This will provide greater clarity around the potential costs, as well as the risks and opportunities associated with the sites.

The following table identifies a range of sites that Council either considered as part of the supporting documentation for Consultation Document, or submitters have raised. It is recommended that Council select the sites that for further investigation. Limiting the number of sites will assist in reducing costs and speeding up the selection process.

Site	Site Status	District Plan	Site Specific Considerations
72 Lake Terrace	✓ TDC Owned	x Residential (High Density)	Existing scale and building footprint Resource consent for changing scale/scope, limits on co-location
Library Area	✓ Local Purpose - Community Buildings	✓ Town Centre	Reserve Management Plan seeks to group civic buildings, need to consider Reserves Act requirements for gazettal

Taniwha carpark	St	✓ TDC Owned	✓ Town Centre	Freehold, will remove car-parking from the general pool but this is the smallest off street car park
Gascoigne Reserve		✓ Local Purpose - Municipal Building	✓ Town Centre	In the vicinity of the early settlers cemetery Used by community as a reserve
Rickett St		✓ Stopped Road	- Rural	Resource Consent for office activity although not expected to be challenging
Heuheu Carpark	St	✓ TDC Owned	✓ Town Centre	Public Works Act process may be influenced by scope of use Would need further investment to replace/add to the pool of carparks
Tuwharetoa St Carpark		✓ TDC Owned	✓ Town Centre	Public Works Act process may be influenced by scope of use Would need further investment to replace/add to the pool of carparks
Tongariro North Domain		x Recreation Reserve	✓ Town Centre	Consideration of Reserves Act requirements likely to necessitate a public process.
County Ave		- Local Purpose - Community Buildings	- Rural	Cost of extending services
Miro Area		✓ Freehold Land	x Industrial	Cost of extending services
East Lands Campus	Urban	✓ Freehold land	x Residential	Enabling resource consent Cost of extending services Distance from town centre Timing of development
Other Reserves		x Recreation Reserve	x Residential (High Density)	Alignment with reserve purposes
Private Land		✓ Freehold land	✓ Town Centre?	Process of acquisition/ costs/evaluation

While officers are able to undertake the majority of any such investigation work it is anticipated the specialist architectural expertise would also be required. This is a significant project requiring a good understanding of site utilisation and office development.

Alternative options on private land

Submitter 3 provided Council with a proposal whereby the submitter would work jointly with the Council to build a new building at 67 Horomatangi Street. Council would have the option to rent the building from the developers on a long-term basis, or to purchase a 'turn key' property or 'ready for fit out' property. This submission is similar to alternative option five as outlined in the Consultation Document for the Annual Plan 2017/18.

The offer presented to Council illustrates that purchasing private land or leasing may be viable within the Taupō town centre. If Council wishes to explore this option, officers recommend that Council call for expressions of interest. This would provide an opportunity for other parties to provide proposals and for Council to assess all proposals against a set of criteria. This would be done in accordance with Council's procurement policy.

DECISION 3 - MATTERS BEYOND THE SCOPE OF THE CONSULTATION DOCUMENT

There are a range of matters that have been raised by submitters that were not part of the consultation document. Under the provisions of the Local Government Act 2002 Council is not able to incorporate any such changes into the Annual Plan. However, most of these matters are operational in nature and can be addressed by officers. Those matters, which are more substantial, will need to be dealt with through the upcoming long-term plan process. The proposed responses to the out of scope matters are attached.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

The consideration of the additional funding for Go Tongariro and the potential new civic administration building are both highly significant decisions for Council.

ENGAGEMENT

Given the high level of significance of these proposals, Council has engaged with the community through the Consultation Document for the Annual Plan 2017/18. There have also been additional opportunities for people to engage in person with elected members through the consultation period.

COMMUNICATION/MEDIA

It is recommended that Council staff be advised of the decision around the new civic administration building as soon as practicable. Similarly, it is recommended that a press release be released as soon as practicable given the community interest in the matter.

Submitters will be advised of Council's decision in relation to their submission and the Annual Plan 2017/18 will be published on the Council website.

CONCLUSION

The Consultation Document for the Annual Plan 2017/18 identified issues around the funding for Go Tongariro and a new civic administration building. Community support was reasonably high for the provision of additional funding for Go Tongariro to enable them to continue to operate over the coming financial year.

There was similarly strong support for Council's preference to build a new civic administration building rather than refurbish the existing building. However, there was strong opposition to Council's preference to have a new building constructed on the current site at 72 Lake Terrace. Instead, many submitters supported constructing a building in the Taupō town centre.

Officers continue to be supportive of constructing a new building, but do not believe that there is sufficient information to identify a preferred alternative site in the town centre. It is recommended that Council undertake further investigations to better understand the development potential of other sites.

Similarly, Council may wish to further investigate the potential to work with private landowners in terms of purchasing land for a new building or entering into a lease arrangement. The submissions have highlighted one interested party, however it would be prudent for Council to seek wider expressions of interest.

ATTACHMENTS

1. Response to out of scope submissions on the Consultation Document for the Annual Plan 2017/18 (to be tabled)

Placeholder for Attachment 1
2017/18 Annual Plan deliberations report
Response to out of scope submissions on the
Consultation Document for the Annual Plan 2017/18
(to be tabled)