

**I give notice that
an Extraordinary Meeting of Council will be held on:**

Date:	Monday, 11 February 2019
Time:	1.00pm
Location:	Suncourt Hotel & Conference Centre 14 Northcroft Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas

Deputy Chairperson Cr Rosie Harvey

Members

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

Quorum 6

Gareth Green
Chief Executive Officer

Order Of Business

- 1 **Apologies**
- 2 **Conflicts of Interest**
- 3 **Policy and Decision Making**
 - 3.1 Long-term Plan amendment - direction for consultation document3
- 4 **Confidential Business**

Nil

3.1 LONG-TERM PLAN AMENDMENT - DIRECTION FOR CONSULTATION DOCUMENT

Author: Hadley Tattle, Senior Policy Advisor
Authorised by: Gareth Green, Chief Executive Officer

PURPOSE

Council needs to find a long-term solution for the accommodation of the civic administration functions of the Council in a new building.

This report seeks confirmation of which options, including a preferred one, Council will present to the community as part of an amendment to the Long-term Plan 2018-28.

RECOMMENDATIONS

That Council

1. Directs officers to prepare a consultation document as part of an amendment to the Long-term Plan 2018-28 for a new civic administration building, that includes the following options:
 - Option 1. Long-term lease of a civic administration building in Taupō town centre;
 - Option 2. Construction of a new stand-alone civic administration building on the site at 72 Lake Terrace;
 - Option 3. Construction of a new stand-alone civic administration building on the site at 61 and 67 Tūwharetoa Street (incl 300m² of retail space); and
 - Option 4. Construction of a new civic administration building (incl a café, new iSite and 657m² of community space) on the Tongariro Domain adjacent to a new museum, as part of the implementation of the Taupō Cultural Precinct masterplan.
2. Confirms that the consultation document as part of an amendment to the Long-term Plan 2018-28 for a new civic administration building has option _____ as the preferred option.

BACKGROUND

Council has been progressing through a process to assess options for accommodating its civic administration functions in a new building. A range of options were considered by Council as part of the draft Annual Plan 2017/18 including rebuilding on 72 Lake Terrace, Council's preferred option at the time. In response to feedback from the community, Council decided to look at a range of alternative Council controlled sites in the Taupō town centre, and to seek expressions of interest for land to purchase, or a building to lease or a combination thereof.¹

Council subsequently worked through a process to assess the value of the different sites, including those proposed by individuals on private land. In February 2018 Council identified a preference to construct a new civic administration building on local purpose reserve land in the Tongariro Domain². While this site was preferred it was acknowledged that it provided more complexities compared to other sites. There is a range of existing community buildings, car parking and landscaping along with the Courthouse and Police station. Along with these complexities, Council also recognised the opportunities to address with the existing buildings' deficiencies, poor car parking layouts and disjointed landscaping. To better understand how the area might best be developed in the long-term, Council commissioned the preparation of a masterplan for the site and surrounding area.

¹ Resolution TDC201706/06

² Resolution TDC201802/11

The masterplan³ was prepared by Warren and Mahoney and Boffa Miskell and received by Council in December 2018. The development of the masterplan was informed by engagement with stakeholders and the wider community. It represents the view of professionals on the best way to deliver the outcomes that Council wants on the Tongariro Domain. A new civic administration building is part of that, however there are also a range of other changes proposed that would be implemented over time.

PREPARATION OF A BUSINESS CASE

A business case has been prepared by Habilis, in conjunction with the masterplan. The business case has utilised the better business case methodology developed by Treasury. It is intended to provide Council with information on the range of options to address the need for new accommodation for civic administration functions including an assessment of the advantages and disadvantages of the different options for a new building. This will help Council to meet its decision making requirements in section 77 of the Local Government Act 2002 (LGA). The business case was presented to Council at a workshop on 5 February 2019.

LONG-TERM PLAN AMENDMENT PROCESS

Through the Long-term Plan 2018-28 Council signalled that it was working on how to accommodate its civic administration functions, and that there would be an opportunity for further public input into the decision making process through a subsequent amendment to the Long-term Plan 2018-28.

Section 93D of the LGA sets out what a consultation document for an amendment of a long-term plan must contain. Specifically, the consultation document must either have a copy of the proposed amendment to the long-term plan attached to it, or state where a copy may be found. In order to prepare an amendment, officers require direction on which of the four options an amendment should be drafted on. Therefore this item seeks direction on which of the four options is the preferred option, which can then be written up as the amendment. The three other options would be considered alternatives to the proposed amendment, as per section 93D(1)(d).

Audit New Zealand have also advised that the consultation document should contain a preferred option.

The proposed timetable is:

5 February 2019	Council workshop
11 February 2019	Council meeting to confirm options and a preference
26 February 2019	Council meeting <ul style="list-style-type: none"> • Approve the Consultation Document for Audit NZ review • Adopt the supporting information
4 March 2019	Audit NZ review
18 March 2019	Final Audit NZ approval
19 March 2019	Council meeting to adopt the Consultation Document for consultation
2 April 2019	Submission period starts
3 May 2019	Submission period finishes
6 May – 27 May 2019	Processing and summarising of submissions
28 May 2019	Circulate submissions summary to Council
4 June 2019 (week of)	Hearings (allow three days; Queens Birthday on 3 June) Deliberations (allow one day)
10 June 2019	Goes to Audit NZ
24 June 2019	Audit NZ approval
25 June 2019	Council meeting to approve LTP amendment

³ Taupo Cultural Precinct, December 2018, prepared by Warren and Mahoney and Boffa Miskell (document ref A2373859)

OPTIONS

The business case has identified and undertaken an assessment of the following options for consideration:

Option 1 Long-term lease	Long-term lease of a civic administration building in Taupō town centre.
Option 2 72 Lake Terrace	Construction of a new stand-alone civic administration building on the site at 72 Lake Terrace.
Option 3 61 and 67 Tūwharetoa Street	Construction of a new stand-alone civic administration building on the site at 61 and 67 Tūwharetoa Street (incl 300m ² of retail space).
Option 4 Tongariro Domain	Construction of a new civic administration building (incl a café, new iSite and 657m ² of community space) on the Tongariro Domain adjacent to a new museum, as part of the implementation of the Taupō Cultural Precinct masterplan.

CONSIDERATIONS

Financial Considerations

The Long-term Plan 2018-28 anticipated that Council would need to spend money to construct a new civic administration building. At the time it was unclear where that would be located and no work had been done on a potential design, however \$15.7 million of capital expenditure was included in multiple years as a placeholder with an anticipation that this amount would be refined through an amendment process.

The business case has identified the range of costs related to each of the options and how each option will be funded. It is important to note the value proposition is different for each option as they provide different outcomes for different prices.

Council's current Financial Strategy⁴ focuses on:

- Keeping rates affordable and sustainable;
- Looking after the assets we have while maintaining levels of service; and
- Prudent management of our investments in addressing the challenges that we have identified.

To assist with achieving these overarching objectives the Strategy identifies 20 goals. Of particular relevance to this decision are:

- Continue the sale of surplus land assets to reduce debt
- Limit rates increases to LGCI + 1.5 per cent in each year of the Long-term Plan
- Increase third party funding for new community projects by building closer relationships with other agencies, government departments and community groups.
- Maintain gross external borrowing below 200 per cent of operating revenue.
- Maintain borrowing costs to below 10 per cent of revenue in each year of the Long-term Plan.

Based on the preliminary costings provided by Warren and Mahoney, which are outlined in the business case, it is likely that all of the options will be able to be accommodated within Council's current financial strategy limits. It should be noted that the timing of the new museum for option 4 is contingent on funding from external sources.

Legal Considerations

Council must follow the requirements in sections 76 to 81 of the LGA related to decision making. This involves the identification of all reasonably practicable options for the achievement of the Council's objective, an assessment of the advantages and disadvantages of those options, and where relevant, taking into

⁴ Long-term Plan 2018-28, page 12

account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Council will also need to be conscious of the risks, assumptions, constraints and dependencies identified in the business case for all of the four options.

Policy Implications

Council has a suite of policy to guide decision making by elected members and officers. This is intended to provide the community with greater certainty about the direction of decision making by Council. While most decisions made by Council are in accordance with established policy, Council is entitled to make decisions that are significantly inconsistent⁵. In those situations Council should be clear about what the inconsistency is, the reasons for it and what Council intends to do about amending the policy.

Council will need to be conscious of the policy positions contained within the Taupō Commercial and Industrial Structure Plan (2011) and District Plan, when assessing option 2, 72 Lake Terrace. These support consolidation of office activities within the Taupō town centre.

There are potential inconsistencies between the current Tongariro Domain Reserve Management Plan (2005), such as a policy of no new buildings, and the proposal set out in option 4, Tongariro Domain.

Māori Engagement

Council is bound by various Acts to consult and/or engage with Māori, including a duty to act reasonably and in good faith as a Te Tiriti o Waitangi partner. Equally, Council has a responsibility to develop and proactively foster positive relationships with Māori as key stakeholders in our district, and to give effect to the principles of Te Tiriti o Waitangi including (but not limited to) the protection of Māori rights and their rangatiratanga over tāonga. While we recognise Māori in general, we also need to work side by side with the three ahi kaa / resident iwi of our district.

Although good faith does not necessarily require consultation, it is a mechanism for Council to demonstrate its existence and commitment to working together as district partners.

Council has engaged Ngāti Tūwharetoa in the development of the masterplan and has identified opportunities for partnership into the future. These conversations are not limited to Ngāti Tūwharetoa and should include Ngāti Tahu and Raukawa also. Council will also engage with hapū throughout the decision making process.

Risks

The business case identifies a series of risks associated with each of the options.

Further advice can be made available in relation to specific risks if required.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the decision on a preferred option is significant. This

⁵ Local Government Act 2002 section 80

reflects the substantial financial consequences of the project and the high level of community impact and interest.

ENGAGEMENT

There have been a range of opportunities for Council to establish the views of the different parts of the community. The previous consultation on the draft Annual Plan 2017/18 provided Council with views, particularly in relation to the site at 72 Lake Terrace. At the time there was not strong support for that site with a significant number of submitters recommending that Council should be located in the town centre with other office activities.

During the preparation of the masterplan for the Tongariro Domain a large number of stakeholder groups provided their views and the community expressed their preferences on the masterplan options through a submission process. Council considered those views prior to the finalisation of the masterplan.

Consulting on an amendment to the Long-term Plan 2018-28 will provide Council with the views of the community now that all of the relevant information has been gathered.

COMMUNICATION/MEDIA

A press release will be issued to inform the public of the preferred option and the process going forward following the meeting. A communications plan will also be developed alongside the consultation plan.

CONCLUSION

Council needs to find a long-term solution for the accommodation of the civic administration functions of the Council in a new building.

This report seeks confirmation of which options, including a preferred one, Council will present to the community as part of an amendment to the Long-term Plan 2018-28.

ATTACHMENTS

Nil