

ATTACHMENTS

Ordinary Council Meeting

29 May 2023

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EAST URBAN LAND (EUL) DEVELOPMENT BUSINESS CASE

17 MAY 2023 | V1.0

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HOW TO READ THIS DOCUMENT

THIS BUSINESS CASE SEEKS APPROVAL FOR COUNCIL TO UNDERTAKE EARTHWORKS IN THE EAST URBAN LANDS (EUL).

Taupō District Council owns around 110 hectares of the East Urban Lands (EUL), and has earmarked this for residential development under a Master Plan.

In the past Council has sold parcels of land to developers to make these usable for housing, thereby missing out on the gains (land value uplift) generated through this development.

We now have an opportunity to do things differently with Council undertaking the earthworks and civil works in a portion of the EUL. We anticipate this will create a significant land value uplift that can be captured by Council on sale of these developed lots.

The free-draining pumice soils of the Taupō District make it easy to construct civil infrastructure and houses, with very little geotechnical intervention compared to other areas of Aotearoa.

However, the pumice soils also mean that dust can be a perennial issue once the topsoil layer is removed, and this becomes more acute over summer when the pumice dries, and in windy conditions. As a result, all major earthworks in the District must be undertaken over the winter period, and this is a condition of earthworks consents.

Council has determined there is a *prima facie* case for undertaking the earthworks and civil construction itself this winter, and recouping the costs from the sale of land in the EUL. Conducting the work during winter 2023 under Council direction will avoid a year-long delay, and will facilitate these developed lots being brought to market a lot sooner.

The purpose of this business case is therefore to assess the viability of this approach in contrast to the alternative option of selling land to a developer, and assess the impact of proceeding with the earthworks and civil construction on Council finances.

The diagram below shows the logic structure of the business case for the proposed investment.

Figure 1. Navigational overview of the current business case document



