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**MARLBOROUGH
DISTRICT COUNCIL**

18 June 2024

Record No: 24153419
File Ref: D050-001-02
Ask For: Mike Porter

Notice of Council Meeting – Monday, 24 June 2024

Notice of the Council Meeting to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim on Monday, 24 June 2024 to commence at 9.00 am.

BUSINESS

As per Order Paper attached.

**MARK WHEELER
CHIEF EXECUTIVE**



**Order Paper for the
COUNCIL MEETING
to be held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim
on MONDAY, 24 JUNE 2024 commencing at 9.00 am**

Open Meeting

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*Item 9 (NZTA- Indicative Funding Levels) and item 4 (Sounds Roads Recovery Funding) are incorporated in this updated version of the agenda.

Marlborough District Council

**Order Paper for the
COUNCIL MEETING**
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1. Karakia

Tēnā koutou, tēnā koutou, tēnā koutou katoa
E te Atua tō mātou Kai-hanga,
ka tiāho te maramatanga me te ora, i āu kupu kōrero,
ka tīmata āu mahi, ka mau te tika me te aroha;
meatia kia ū tonu ki a mātou
tōu aroha i roto i tēnei huihuinga.
Whakakī a matou whakaaro ā mātou mahi katoa,
e tōu Wairua Tapu.
Āmine.

God our Creator,
when you speak there is light and life,
when you act there is justice and love;
grant that your love may be present in our meeting.
So that what we say and what we do may be filled with your Holy Spirit.
Amen.

2. Apologies

3. Declaration of Interests

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

4. Sounds Roads Recovery Funding

(Report prepared by Martin Fletcher)

E210-007-29-05

Purpose of report

- To propose a means of funding Council's contribution to the estimated costs of the recovery works for the Marlborough Sounds transport network.

Executive Summary

- The funding of the Sounds Roads Recovery was by far the most significant item contained in the 2024-34 Consultation Document. This is reflected in that the number of submissions received on this topic made up almost half of the total number of submissions. An analysis of the submissions received has been undertaken with 13 common themes being identified – see paragraph 20. However, while the themes were common, there were at times diametrically opposed views on how Council should proceed. One example was Marine where submitters argued both for and against the inclusion of Marine. There were other examples of this occurring as well which are detailed in the paper.
- Of the themes, four would make a significant difference on rating for the funding of the Sound Roads recovery. Of these, three are recommended in this paper:
 - Removal of Marine, except for a \$500,000 study.
 - Adjusting the cost allocation between Zones to take account of Tranche 1 and 2 expenditure not just Tranche 3 expenditure as was initially proposed in the Consultation Document.
 - Changing the weighting for Non-Sounds from 25 to 30.
- The progressive rating impact of these amendments are shown in the table below. While not meeting all submitters' views on equity and fairness, it is a significant step towards them.

Summary of Options showing 2034 Rating Impact

Option 2(a) - Weighting of 100 for all Marlborough properties

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds
All Marlborough	26,787	290.35	209.55	209.55	209.55

Option 2(b) - Option 2(a) with a weighting of 25 for Non-Sounds & Sounds Admin Rural properties

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds
Zones	3,039	674.41	486.74	486.74	426.28
Sounds Admin Rural	1,451	146.39	105.65	105.65	92.53
Non-Sounds	22,297	247.37	178.53	178.53	187.63

Option 2(c) - Option 2(b) with Zone costs recovered at a Zone Level

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds
Te Aumiti/French Pass	896	505.12	348.17	283.10	247.94
Te Hoiere/Pelorus	162	323.06	272.49	311.54	272.84
Tōtaranui/Queen Charlotte	712	333.05	215.37	393.65	344.75
Kenepuru	930	1,224.15	888.62	805.62	705.55
Te Whanganui/Port Underwood	339	498.58	422.85	429.46	376.11
Sounds Admin Rural	1,451	146.39	105.65	105.65	92.53
Non-Sounds	22,297	247.37	178.53	178.53	187.63

Not recommended is the adoption of a UAC for rating Zone properties, collectively or individually. This proposal is not recommended as it was not included in the Consultation Document for Zone properties. Had it been, it would have clearly identified the rating impact of this approach, where a high number of lower valued properties would have to pay more and a fewer number of higher value properties would have paid less. By not including this information it removed the possibility of alerting lower value property owners of the “top ups” they would be asked to pay which may have provided sufficient clarity of information and motivation for them to make a submission.

5. The other themes are discussed within the paper.

RECOMMENDATIONS

That Council:

1. **Agree to exclude all marine costs except for \$500,000 for a targeted study to reduce uncertainty on the future scope and staging of marine works.**
2. **Agree to include Tranche 1 and 2 expenditure in the calculation of the cost share allocation between Zones.**
3. **Agree to increase the weighting for Non-Sounds properties to 30 from the original 25.**
4. **Agree to not pursue the UAC concept for rating Zone properties for the 2024-34 Long Term Plan.**
5. **Note that Council can review the decision it made on recommendation 6 above as part of the 2027-37 Long Term Plan.**
6. **Agree to retain current Zone property boundaries.**
7. **Note the work being undertaken to improve maintenance delivery.**
8. **Agree to update Council’s Revenue and Financing Policy to reflect the decisions made at this meeting.**
9. **Agree to submit the funding application to NZTA for repairs to Sounds Roads.**
10. **Note that there is some uncertainty regarding NZTA’s Financial Assistance Rate for Repairs.**

Background

6. Two major weather events occurred in July 2021 and August 2022 which resulted in extensive damage to the Sounds roading network and a need for significant repairs and improvements, generating a consequential funding need.
7. While a large portion of the circa \$140M Tranche 1 and 2 funding approved by the New Zealand Transport Agency (NZTA) at a 95% Financial Assistance Rate has been applied to necessary Sounds repairs, there is a need for further recovery works and additional Council funding.
8. The uninflated estimated total cost of the remaining repair and improvement works are identified in the Programme Business Case (PBC) for the Marlborough Sounds Future Access Study (MSFAS) at \$230M over a 25 year period. NZTA have agreed in principle to fund 71% of repair costs, 51% of improvements and at present 0% of maritime expenditure, subject to formal design and funding processes.
9. To fund its share of the cost (which amounts to \$104M), Council agreed to consult on five options indicating that Option 2(d) was its initially preferred option.
10. Details of the five options are contained on pages 14-26 in the document entitled “Tā mātou mahere tekau tau – Our ten year plan” which is Council’s 2024-34 Long Term Plan Consultation Document.
11. The five options being consulted upon are:

1. Do minimum option (not preferred by Council) – under this option no further work outside that undertaken as part of Tranche 1 and 2 funding already provided by NZTA.
 - 2(a) Apply a weighting of 100 for all properties in Marlborough (including Sounds Admin Rural).
 - 2(b) Maintain the current rates weighting of 100 for all properties within the five Sounds Zones and a reduced weighting of 25 for the balance of Marlborough and Sounds Admin Rural properties.
 - 2(c) A further developed weighting approach, but with Zone costs to be recovered at a Zone level.
 - 2(d) A uniform annual charge for the Non-Sounds properties instead of land value rating.
12. Council is required by statute to identify its preferred option at the time it goes for consultation, with Option 2(d) being its preferred option for the purpose of consultation.
13. Consultation commenced on 11 April 2024 and formally concluded on 13 May 2024. However, it is worth noting that late submissions were accepted and that no submissions were rejected.

Results of Consultation

14. The following provides a summary of the themes that have emerged from submitters on each of the options. In some cases, the submitter views are diametrically opposed as for example, marina enhancements with some supporting and some opposing. Also, the concepts of equity and fairness have been raised in support of all options.
15. The other point is that while Option 2(a) is supported by the largest number of submitters, this process is consultation and not a referendum. Also, as Kenepuru residents are most affected financially, they have greater motivation to make a submission than non-Sounds residents.
16. As a result, while consultation serves to better inform Councillors before a decision is made, it is up to Councillors to weigh the relative merits of each argument and exercise their judgement in making a final decision.
17. The funding of the Sounds Roads Recovery is the largest, most significant item in the 2024-34 Long Term Plan (LTP). This is reflected in that it received the highest number of submissions. With 168 submissions out of a total of 365 being received on the topic, it is by far the largest, with next highest topic area being Community Facilities with 43.
18. Of the 168 submissions, 151 directly identified their preference. Of those who did not directly indicate their preference (17), in some cases while their preference could be deduced, it hasn't been, as that would require staff to interpret the submitter's intention and create the risk of error. Others also expressed their views under the headings of General Rooding or Infrastructure Strategy. Of those that answered the questions under the Sounds Rooding heading, their answers were as follows:

Options		Number
Option 1	Do minimum. Stop spending after Tranche 1 and 2.	13
Option 2(a)	Apply a weighting of 100 for all properties	72
Option 2(b)	Apply a weighting of 100 for Zone properties and a reduced weighting for Sounds Admin Rural and non Sounds properties.	16
Option 2(c)	Option 2(b) and allocate Zone costs in proportion to the expenditure planned for each Zone.	14
Option 2(d)	Option 2(c) and apply a uniform annual charge for the non Sounds properties.	36

Options	Number
None of the above	17
TOTAL	168

Common Themes Emerging from Consultation

The following are the common themes that have emerged from submissions. NB there are more detailed descriptions and staff comment in Attachment 1:

1. **Fairness and equity** (or lack thereof). This argument was raised by submitters under all options as supporting comment for the submitters' preferred option.
2. **The roads in the Zones are open to all road users.** The corollary is that all users should pay, especially tourists and that the repairs should not be funded by Zone residents only.
3. **Shouldn't break the Sounds into Zones as this is divisive.** However, there have also been submitters who have argued that splitting the Sounds into Zones will yield the fairest result as those who benefit the most will pay the most. This also applies to the split between Zones and the rest of Marlborough.
4. **Precedent.** Submitters are concerned as to what precedent this creates for the funding of future large scale emergency events and will the same approach be applied?
5. **Weighting.** The weighting applicable to non-Sounds ratepayers should be increased, as the current weighting of 25 is too low and doesn't adequately reflect the benefits that they're receiving. Again, there are contrary views to this, but none that suggest that the weighting should be decreased.
6. **Cost allocation between Zones.** The argument is that the total value of money spent or proposed to be spent in each of the Zones, i.e. Tranche 1,2 and 3 should be used as the basis for apportioning costs between Zones. The current approach doesn't recognise that the work in Tranche 3 can be the result of the earlier prioritising of work ahead of that in the Kenepuru for example.
7. **Marine improvements.** Whether or not marine improvements are needed has been argued both ways, with some saying that they are not needed and that the existing facilities coped well enough (noting that Okiwi Bay needs repair) in 2022 while others are saying that they are needed to improve resilience for when the inevitable next event occurs.
8. **Next event.** There are those that argue that another event is likely and that Council is wasting its money while others argue the work must be done.
9. **Maintenance.** There has been a common theme that the maintenance of the Sounds roads has been poor under the NOC.
10. **Amend Zone Boundaries.** Some submitters have argued that the boundaries should be moved to align with the rating boundary in Picton and to recognise that some areas are at the beginning of a rating area, i.e. Kenepuru and French Pass and shouldn't be required to pay for repairs over the whole length of the road.
11. **Costs are overstated.** Other submitters have stated that the costs will blow out.
12. **Services available in the Sounds.** A number of submitters hold the view that they pay rates for services that they don't receive, such as Water, Sewerage and Refuse Collection.
13. **UACs.** Suggestions have been made to convert the rates in options 2(a) and 2(b) to UACs.

Of the themes identified above, it is suggested that numbers 2 (because of its link to 5), 5, 6, 7 and 13 have the biggest potential to directly impact on final funding proposal adopted by Council to fund the recovery of the Sounds roading network. It is proposed discuss each of these in order of 7, 6, 2 & 5 and 13. The other themes will be addressed subsequently.

Marine

Submitters argued that marine improvements were either not needed because existing facilities coped adequately in 2022 and that the gradually sloping sea floor was not conducive to the provision of jetties and marine hubs. Others argued that marine should be continued to improve resilience should another major event occur.

When Sounds roads are severely damaged and require closure for repair there are no alternative road options. The Programme Business Case (PBC) determined that the only feasible alternative transport option was marine.

Whilst a marine transport system already exists and was well used following the severe 2021 and 2022 storm damage to roads it has access, capability and resilience challenges of its own.

In the event of another extreme weather event of a similar or even more severe nature, expected with climate change, the very large repair cost required may be uneconomic for either Council or Waka Kotahi. For this reason, Council has considered it very important that marine transport improvements be considered.

The PBC recommends a comprehensive study of marine options (budget cost \$3 million) followed by design work and resource management planning and consents (\$3.75 million).

Marine improvements, focussed on key “hubs” have been budgeted at \$33 million. In total the marine budgets are \$39.75 million.

These budgets are very much preliminary estimates and include a 50% contingency (recommended by a peer reviewer).

Understandably many submitters are concerned about this high-cost estimate which, without government financial assistance, makes a significant difference to the rating impact.

Given the uncertainty of cost, outcome and submitter concerns, it is suggested that the marine study and possible design, planning and improvement budgets be removed from the LTP except for an initial scoping study. If this scoping study provides justification for more detailed investigative and design work, future Annual and Long Term Plans can provide further budgets – a staged approach.

An initial budget of \$500,000 is proposed for this scoping study. The study would be focussed on the Sounds areas where marine transport is likely to be most necessary due to road geotechnical vulnerability and the population. The Kenepuru and Pelorus Sounds could be the priority areas for this initial work. Port Marlborough’s planning for Havelock would be included. The Study could incorporate:

- Engagement planning;
- Road failure scenarios to understand the areas marine facilities would most likely need to service;
- What marine facilities would be required in the identified road failure areas;
- Facility access risks and options;
- Port Marlborough plans for Havelock including dredging;
- Consultation with stakeholder groups;
- How existing hubs could be optimised; and
- Consenting challenges

The consultant would be selected through a competitive process likely to be a Request for Proposal with a limit of \$500 000 total cost.

Noting that some funding may need to be reinstated when there is greater certainty of actual work, adopting this approach would see the initial removal of:

- \$6.25M of Marine Studies
- \$33M of Marine Improvements - \$7.125M to 30 June 2034
- \$18.75 of Marine Improvement Maintenance - \$3M to 30 June 2024.

The advantage of adopting this approach is that it will provide for greater certainty on the direction that should be taken in the future and reduce the anxiety of current ratepayers.

Attachment 2 contains the tables from the Consultation Document and the graphs for options 2(a), 2(b) and 2(c).

These Attachments show the average rates impact for each of the 10 years of the LTP. Also attached are the graphs for each of 2(a), 2(b) and 2(c) for the 2034 to show the rating impact at different property land values. These tables and graphs have been included to provide the base from which the impact of any future decisions of Council can be measured.

Attachment 3 contains exactly the same information as that contained in the above attachment, but with the removal of Marine.

As Marine receives no financial assistance, this proposal makes a significant reduction in projected rating requirements, for example, it reduces the average rating requirement for a property in the Kenepuru Zone from \$1,224.15 to \$888.62 in 2034 with similar percentage reductions occurring in other Zones and the rest of Marlborough.

Cost Allocation Between Zones

The argument put forward by submitters in summary, was that it was unfair to base the allocation of costs to Zones based on future expenditure when priority has been given to work in other Zones in earlier work tranches which received a higher Financial Assistance Rate (FAR). An example of this was on Queen Charlotte Drive where a priority has been given because it is an alternative route to between Picton and Havelock as it has the highest traffic volumes.

This argument has some validity and has the advantage of treating all Sounds Zones equally irrespective of when the timing of their work is undertaken. The allocation between Zones has been recalculated and results in the following changes in cost allocation between Zones.

The following table shows the base allocations, and the allocations for combining Tranche 1 and 2 costs with Tranche 3 costs. Also calculated is the change in allocation if Marine is excluded as proposed above. Attachment 4 presents, in exactly the same format as the previous two attachments, the rating impact should Council decide to adopt this proposal.

To use Kenepuru again as an example, and it is assumed that Council agrees to the proposed removal of Marine, it further drops the 2034 average rate for Kenepuru to \$805.62 from the base of \$1,224.15 and \$888.62 following the removal of marine.

As this proposal results in a reallocation of costs between Zones it is also important to identify the impact on another Zone, i.e., Queen Charlotte, where the average 2034 Rate would be \$393.65 an increase from the base of \$333.05 and \$215.37 post the removal of marine.

Roads are Open to All Users and Weightings

Submitters made the point that roads in the Zones are available to all users, including those from the rest of Marlborough and beyond. They also made the point that tourism traffic made up a higher proportion of road users than originally thought with tourism businesses experiencing significant drop offs in business with the road being closed to all but non-residents despite potential boat access and the whole of Marlborough benefits from increased tourism.

Non-Sounds residents already make a contribution to the Sounds recovery via the Fuel Tax and Road User Charges they pay that are reflected in the financial assistance provided by NZTA but this only provides 71% of repairs and 51% of improvements. Submitters considered that the current weightings of 100 for Zones and 25 for Sounds Admin Rural and Non-Sounds properties did not reflect the relative benefits they received

with suggestions that the weighting for Non-Sounds properties should be higher, with one suggesting as high as 50.

Weightings are a judgement decision to be made by Council.

To assist Council in its deliberations, a summary table is included below of the average rate for Options 2(a), 2(b) and 2(c). This table assumes Council's agreement to the earlier proposals for Marine and cost allocation based on total expenditure. The table shows the 2034 rating impact of retaining the Zones' weighting of 100 and changing the weighting for Non-Sounds to 30, 40 and 50 from the original 25.

Summary of Options showing 2034 Rating Impact

Option 2(a)

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds	No Marine - Adj \$T1 & \$T2 - 40 Non Sounds	No Marine - Adj \$T1 & \$T2 - 50 Non Sounds
All Marlborough	26,787	290.35	209.55	209.55	209.55	209.55	209.55

Option 2(b)

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds	No Marine - Adj \$T1 & \$T2 - 40 Non Sounds	No Marine - Adj \$T1 & \$T2 - 50 Non Sounds
Zones	3,039	674.41	486.74	486.74	426.28	341.46	284.78
Sounds Admin Rural	1,451	146.39	105.65	105.65	92.53	74.12	61.81
Non-Sounds	22,297	247.37	178.53	178.53	187.63	200.39	208.91

Option 2(c)

Average Rate	Properties	Base Case per CD	No Marine (except \$0.5M)	No Marine - Adj \$T1 & \$T2	No Marine - Adj \$T1 & \$T2 - 30 Non Sounds	No Marine - Adj \$T1 & \$T2 - 40 Non Sounds	No Marine - Adj \$T1 & \$T2 - 50 Non Sounds
Te Aumiti/French Pass	896	505.12	348.17	283.10	247.94	198.60	165.64
Te Hoiere/Pelorus	162	323.06	272.49	311.54	272.84	218.54	182.27
Tōtaranui/Queen Charlotte	712	333.05	215.37	393.65	344.75	276.15	230.32
Kenepuru	930	1,224.15	888.62	805.62	705.55	565.15	471.35
Te Whanganui/Port Underwood	339	498.58	422.85	429.46	376.11	301.27	251.27
Sounds Admin Rural	1,451	146.39	105.65	105.65	92.53	74.12	61.81
Non-Sounds	22,297	247.37	178.53	178.53	187.63	200.39	208.91

Also attached as attachments 5, 6 and 7 are the more detailed tables and graphs that have been supplied for the proposals to remove Marine and change the basis of cost allocation.

Using Kenepuru, again adopting weightings of 30, 40 and 50 reduces the average rate for Kenepuru from \$805.62 to \$705.55, \$565.15 and \$471.35.

Of the options for increasing the weighting, increasing the weighting to 30 is recommended. The reasons/advantages of adopting this option are:

- It recognises the views of submitters that a greater portion of the traffic is related to Non-Sounds residents and tourists than what was originally thought.
- It preserves Council's earlier view that Non-Sounds residents should pay less than any of the Sounds Zone properties. Under the 30 weighting this test is met, but under the 40 weighting the average rate for Te Aumiti/French Pass would be \$198.60 compared to \$200.39 for Non-Sounds properties.

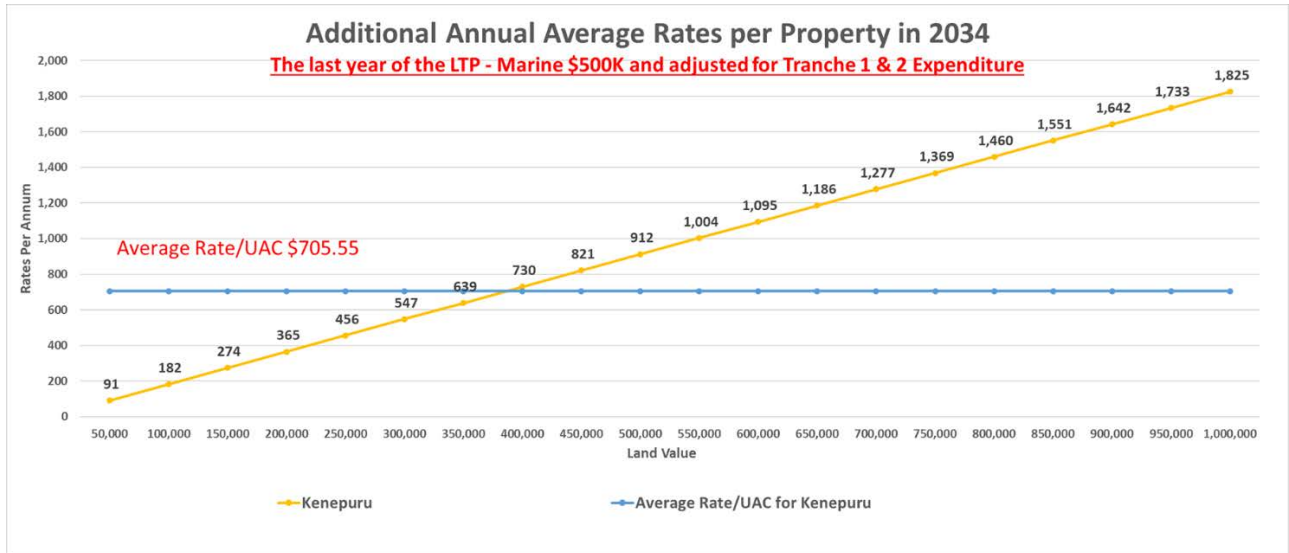
UACs – Uniform Annual Charges

A number of submitters suggested that instead of using land value rating to recover the costs of the Sounds Roads Recovery that Uniform Annual Charges should be levied.

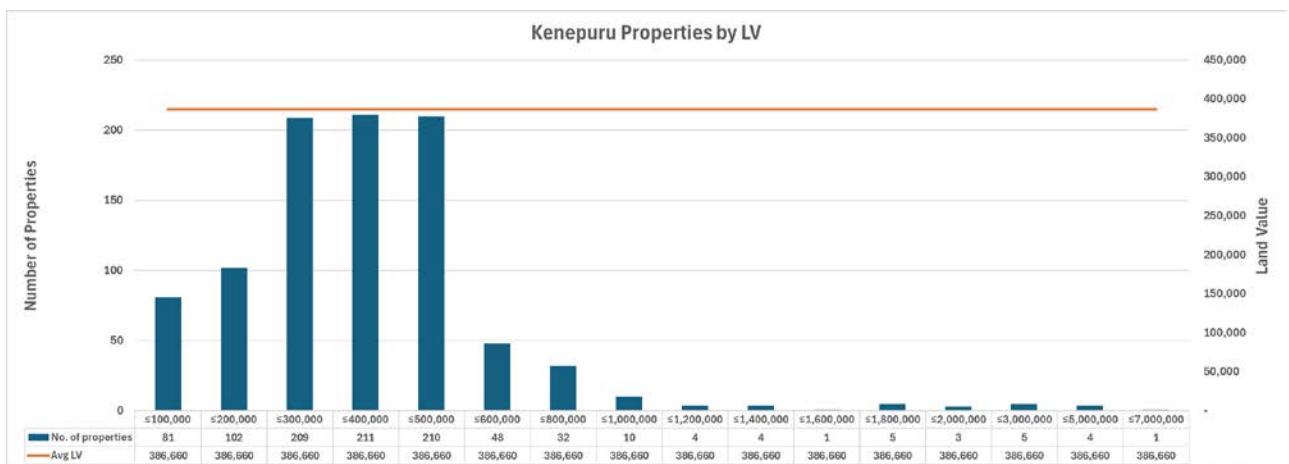
Under a UAC every property in the rating area pays the same amount.

While this suggestion is simple and everyone pays the same amount it does raise some issues as follows:

1. It is regarded as a regressive form of rating in that it does increase the amount paid by lower valued properties.
2. The concept of a UAC for Zones or the Zones collectively was not included in the Consultation Document. As a result, lower property value and income ratepayers may not have been alerted sufficiently to make a submission. Please see below the following graph which identifies the potential variation in rates between land value rates and UACs.



Councillors also need to take into account in their deliberations the number of properties that would need to pay more under a UAC regime. The following graph identifies the number of properties in the Kenepuru that are below the average land value of circa \$386,000. Of the total number of properties 563 of the 930 properties have values below the average. In summary, a high number of properties will pay relatively a little more while a few, particularly 27 properties with land values over \$1 million, the majority of which are farms will pay significantly less.



The other point Councillors should take into account is that farmers have submitted strongly that the road needs to cater for a truck and trailer unit. This requirement increases the design requirements and cost for road repairs and improvements compared to the requirements for cars and light trucks.

However, if Councillors wish to pursue the UAC approach there are two options:

1. To undertake further limited consultation with Zone residents on whether they wanted to be treated as one Zone or five, and whether they wanted to be land value or UAC rated. The implications of this approach include:
 - A further round of consultation, learning and decisions as levying the rates would be delayed until after the first instalment had been sent, which is required to be the same value as 2023-24 rates and then an increased value for the last three instalments.
 - The finalisation of the LTP and levying the rates could be delayed until September.
 - A potential delay in submitting the funding application for repairs to NZTA and commencement of work. Even though Council does not believe it should, a delay in finalising the funding application to NZTA increases the possibility that the Sounds Roding Recovery project will be captured by NZTA's review of Financial Assistance Rates which could see a reduction in the Financial Assistance Rate for repairs drop to 61% or 51% from the current 71%.
2. Consult on the UAC option as part of the 2027-37 Long Term Plan.

Maintenance

There has been a common theme that the maintenance of Sounds roads has been poor under the Network Operation Contract (NOC) model and advocating for the provision of a road man. Council and the NZTA has recognised that improvements can be made to the NOC model and steps are being taken to enable smaller local contractors to secure work, together with establishing tighter monitoring processes.

Next Event

There are some submitters that argue that another event is likely and that Council is wasting its money.

Based on experience from the August 2022 event, work that had to be completed on damage resulting from the 2021 event held up well. It is expected that the work included in Tranche 3 will further improve the resilience of the network.

Costs are Overstated

Submitters have expressed two extra views. One, that costs are overstated and two, that costs will blow out. To mitigate both those concerns Council has:

1. included significant contingencies in the Programme Business Case following peer review requests by the NZTA and KCSRA; and
2. committed to reviewing the rates calculations at least three yearly. At that time the results of early tendering for repairs should be known and we will have an enhanced understanding of the scope of works.

Services Are Not Available in the Sounds

A number of submitters hold the view that they pay rates for services that they do not receive such as Water, Sewerage and Refuse Collection.

It is correct that they do not receive these services, but equally they do not pay for them. Rates for these services are only charged to those properties/ratepayers who actually receive the particular service. Also, as part of its rating system, Council has assessed the potential to benefit from each of its Activities and reduced the relevant weighting accordingly. Perhaps the most relevant example is the weighting of 25 that is applied to Sounds Admin Rural for General Roding.

Should Not Break the Sounds into Zones

Some submitters have suggested that this approach is divisive. These submitters also suggested that splitting the Sounds Zones from the rest of Marlborough was also divisive.

However, there are also those that have argued that splitting the Sounds into Zones will yield the fairest results as those who benefit the most will pay the most. Also, each Zone has different risk profiles.

Precedent

Some submitters have identified their concerns about the precedent created by Council's approach to funding the Sound roads recovery and questioning whether the same approach will be applied to similar events in other areas in the future.

In response, the magnitude of the 2021 and 2022 events are unprecedented. While the experience and learnings from these two events will provide valuable input to the direction a future Council might take, a future Council is not bound by the decisions of this Council and would consider the circumstances that existed at the time. Submitters also asked about funding the rivers work at Spring Creek, which will be funded by rating from Wairau River Rates which only collects rates from the defined Wairau River Rating area.

Amend Zone Boundaries

Submitters from Te Aumiti/French Pass, Kenepuru and Te Whanganui/Port Underwood requested changes in the Zone boundaries to reflect that they are the beginning of a Zone and will not benefit from work undertaken at the end of their Zone, the repairs for their area are comparatively minor/completed and that it would be better to align with the General Rating Boundary. Dealing with the last issue first, the boundaries for Zones have been determined based on where road damage starts; rating boundaries have been set using differing criteria and as a result should not be used for setting Zone boundaries.

Regarding the other reasons for a request in boundary change, Council must draw a line somewhere and every time it moves the current lines or establishes a new Zone it can create the precedent for further change. Every change will also require a recalculation of rates.

The other point is that just because the work in an area is complete should not be a reason for a different treatment and it would be contrary to the principle established when work from Tranches 1 and 2 was included to establish the cost share between Zones.

Attachments

Attachment 4.1 – Sounds Roading Funding Submissions	Page 12
Attachment 4.2 – Options Per Consultation Document Base Reference Point	Page 22
Attachment 4.3 – \$500,000 Marine Only	Page 24
Attachment 4.4 – \$500,000 Marine Only and \$T1 + \$T2	Page 26
Attachment 4.5 – \$500,000 Marine Only and \$T1 + \$T2 – 30 weighting Non Sounds	Page 28
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Attachment 4.1

Sounds Roding Funding Submissions

Prepared by Martin Fletcher – Manager Strategic Finance

The following provides a summary of the themes that have emerged from submitters on each of the options. In some cases the submitter views are diametrically opposed as for example, marina enhancements with some supporting and some opposing. Also the concepts of equity and fairness have been raised in support of all options.

The other point is that while Option 2(a) is supported by the largest number of submitters, this process is consultation and not a referendum. Also, as Kenepuru residents are most affected financially, they have greater motivation to make a submission than non-Sounds residents.

As a result, while consultation serves to better inform Councillors before a decision is made, it is up to Councillors to weigh the relative merits of each argument and exercise their judgement in making a final decision.

The funding of the Sounds Roads Recovery is the largest, most significant item in the 2024-34 Long Term Plan (LTP). This is reflected in that it received the highest number of submissions. With 166 submissions being received on the topic it is by far the largest, with next highest topic area being Community Facilities with 43.

Of the 166 submissions, 149 directly identified their preference. Of those (17) who did not directly indicate their preference, in some cases while their preference could be deduced, it hasn't been, as that would require staff to interpret the submitter's intention and create the risk of error. Others also expressed their views under the headings of General Roding or Infrastructure Strategy. Of those that answered the questions under the Sounds Roding heading, their answers were as follows:

Options		Number
Option 1	Do minimum. Stop spending after Tranche 1 and 2.	13
Option 2(a)	Apply a weighting of 100 for all properties	72
Option 2(b)	Apply a weighting of 100 for zone properties and a reduced weighting for Sounds Admin Rural and non Sounds properties.	16
Option 2(c)	Option 2(b) and allocate zone costs in proportion to the expenditure planned for each zone.	14
Option 2(d)	Option 2(c) and apply a uniform annual charge for the non Sounds properties.	36
	None of the above	17
	TOTAL	168

What follows are:

1. a summary of the common themes and where appropriate staff comment

2. the predominant themes that have been articulated by submitters who have provided responses directly on each option, “none of the above”, “no preference” and views articulated on Sounds roads under other sections.

Common Themes

The following are the common themes that have emerged from submissions:

14. **Fairness and equity** (or lack thereof). This argument was raised by submitters under all options as supporting comment for the submitters’ preferred option.

15. **The roads in the zones are open to all road users.** The corollary is that all users should pay, especially tourists and that the repairs should not be funded by Kenepuru residents only.

Staff Comment:

This line of argument, doesn’t take into account the financial assistance provided by NZTA (95%, 71% and 51%) which sources its funding predominantly from fuel taxes and road user charges. As a result, all users are making a significant contribution. The line of argument also fails to recognise the 71% of funding proposed from non-sounds ratepayers based on a weighting of 25.

16. **Shouldn’t break the Sounds into Zones as this is divisive.** However, there have also been submitters who have argued that splitting the Sounds into Zones will yield the fairest result as those who benefit the most will pay the most. This also applies to the split between Zones and the rest of Marlborough. Also, different Zones have different risk profiles.
17. **Precedent.** Submitters are concerned as to what precedent this creates for the funding of future large scale emergency events and will the same approach be applied to funding the recovery of an event that occurred for example in the Waihopai Valley.

Staff Comment: The 2021 and 2022 storm events and their consequences were magnitudes higher than previous events. Future events would need to be considered against this at the time.

18. **Weighting.** The weighting applicable to non Sounds ratepayers should be increased, as the current weighting of 25 is too low and doesn’t adequately reflect the benefits that they’re receiving. Again, there are contrary views to this, but none that suggest that the weighting should be decreased. Different options have been modelled.
19. **Cost allocation between Zones.** The argument is that the total value of money spent or proposed to be spent in each of the Zones, i.e. Tranche 1,2 and 3 should be used as the basis for apportioning costs between Zones. The current approach which is based on the apportionment of Tranche 3 costs doesn’t recognise that the work in Tranche 3 can be the result of the earlier prioritising of work ahead of that in the Kenepuru for example.

Staff Comment:

Work is being undertaken to identify how much, if any, the allocations between Zones would change by following a more encompassing expenditure envelope.

20. **Marine improvements.** Again, whether or not marine improvements are needed has been argued both ways, with some saying that they are not needed and that the existing facilities coped well enough (Okiwi Bay needs repair) in 2022 while others are saying that they are needed to improve resilience for when the inevitable next event occurs. KCSRA have provided an economist’s view on this topic, with Stantec’s response contained in Attachment 1.

Staff Comment:

The current estimated prices for marine improvement are preliminary only. Instead of the more detailed study that was initially proposed, it is suggested that Council could undertake a small, focused study to identify what is needed and a more accurate cost estimate. This study will be competitively tendered (see additional detail of what is envisaged in this study under Option 2(a)(g))

21. **Next event.** There are those that argue that another event is likely and that Council is wasting its money while others argue the work must be done.
22. **Maintenance.** There has been a common theme that the maintenance of the Sounds roads has been poor under the NOC.

Staff Comment:

This is a subjective view. Steps are being undertaken to review the procurement model to assist smaller local contractors secure work, together with establishing tighter monitoring processes.

23. Amend Zone Boundaries. Some submitters have argued that the boundaries should be moved to align with the rating boundary in Picton and to recognise that some areas are at the beginning of a rating area, i.e. Kenepuru and French Pass and shouldn't be required to pay for repairs over the whole length of the road.

24. Costs are overstated. Other submitters have stated that the costs will blow out.

Staff Comment:

The current costs are estimates and include significant contingencies that were included following a peer review of the Programme Business Case before it was submitted to Waka Kotahi. The Consultation document states that the rates model will be reviewed at least three yearly to take account of actual costs and updated cost estimates.

25. Services available in the Sounds. A number of submitters hold the view that they pay rates for services that they don't receive, such as Water, Sewerage and Refuse Collection.

Staff Comment:

The three services above are paid for by targeted rates. These rates are only charged to those ratepayers who actually receive the particular service.

26. UACs. Suggestions have been made to convert the rates in options 2(a) and 2(b) to UACs.

Staff Comment:

UACs reduce rates for higher land values properties, but conversely increase rates for lower value ones.

Themes by Option

What follows for each option is a summary of the predominant themes that have emerged from each submitter at an option level and where appropriate, staff comment.

Option 1 – Do minimum.

The themes that have emerged from those submitters that preferred Option 1 included:

- (a) Do not support using rates to provide road access on land that is not suitable for roading.
- (b) It is not sustainable to continue to spend money on those roads when, with climate change, another significant weather event and further damage is highly likely.
- (c) Support the development of the marine network because in the longer term this is more sustainable/resilient. This includes expediting resource consent applications for moorings and jetties.
- (d) Implement a toll system.
- (e) The money could either not be spent saving money for struggling ratepayers or spent far more wisely for a greater benefit to all Marlburians.
- (f) Should not have to pay for what are largely luxury properties that are non-permanent residents, many of whom do not live in Marlborough.
- (g) We live at the beginning of the Kenepuru Road and think that expecting us to pay for the repair of the whole Kenepuru Road is unfair.

Option 2(a) – Apply a weighting of 100 for all properties.

The themes that have emerged from those submitters that preferred Option 2(a) included:

- (a) Emergency responses should be funded by the whole district.
- (b) The preferred approach sets a dangerous precedent for the funding of future emergency events recovery.
- (c) All the options are not affordable.

- (d) Tourists and people from outside the Sounds use the Kenepuru Road and should pay for repairs as compared to it being left to the people that live there.

Staff Comment

Submitters using this thinking have not recognised:

1. That 95% of Tranche 1 and 2 funding and 71% of Tranche 3 repairs and 51% of improvements have been paid for from fuel tax and road user chargers which are paid by all.
 2. They have also not recognised that 5% of Tranche 1 and 2 funding has been provided by the whole of Marlborough and 71% of Council share of Tranche 3 funding is proposed to be paid for by Marlburians whose property is outside the Sounds/Zones.
 3. They have not recognised that much of the tourist traffic is heading to accommodation provided by Sounds property owners.
 4. Shouldn't break the Sounds into different zones as it is very divisive.
- (e) The poor maintenance of the roads in the Sounds has caused much of the damage, so why should residents pay.

Staff Comment

This is very subjective, significant maintenance costs have been incurred historically in the Sounds. The procurement model for work in the Sounds is being reviewed with a view to assisting smaller contractors to secure work and tighter monitoring. Also, the use of the NOC contracting model is under review nationally.

- (f) The cost estimates provided by Stantec are inflated.

Staff Comment

Rebuilding in the Sounds is very challenging because of the ground conditions. For that reason, when Stantec's work was peer reviewed as part of finalising the business case for Waka Kotahi the contingency was increased. However, Council, in the Consultation Document, has committed to reviewing the rates being charged at a minimum of every three years so that the rates requirement aligns with actual costs to date and updated forecast costs for future work as design and construction costs become more certain.

- (g) Marine upgrades are unjustified and impractical. The view of some submitters is that existing marine facilities have worked during the 2021 and 2022 events and that the gradually sloping seabed and tidal range makes enhanced facilities impractical.

Staff Comment

The amounts included for marine are preliminary estimates, requiring further work to confirm the need and scope of marine facilities. The \$6.75m initially allocated for marine studies also included amounts for further investigation of options and application for resource consents. It is suggested that Council remove all but \$500,000 from marine works until more exact needs are finalised. The \$500,000 will be competitively tendered. Phase one of this study would incorporate (not necessarily in the following order):

- Engagement planning, it is assumed general communications to keep the community informed would be undertaken by Council with inputs from the project team;
- A focus on Kenepuru and Havelock – the highest geo-hazard risk areas and largest resident populations;
- Construct scenarios of possible road failures to understand the areas marine facilities would need to service;
- Consider Port Marlborough's long term plans for Havelock;
- High level geomorphic study (dredging) into Havelock and approaches and Kaiuma Bay;
- Identify through direct engagement impacts on specific stakeholder groups (engagement with resident groups to be in phase 2);
- Identify options for travel for each stakeholder group under those scenarios;
- What marine facilities would be needed for these scenarios;

- Identify the property catchment of each hub for the marine hubs identified in PBC / proposed in this more detailed study to better highlight property access risk for all properties;
- Identify if hub locations be optimized / consolidated;
- Establish risk priorities and triggers;
- Quantify consenting risk including timelines for delivery of the marine programme; and
- Reporting;

Council continues to work with Kanoa to seek Regional Infrastructure Funding support for Marine investigations.

- (h) Splitting the Sounds into different zones will create inequities especially to residents in the Kenepuru.
- (i) Splitting the costs to zones based on future work only is inequitable as it does not take into account the work funded by Tranche 1 and 2 funding and the priorities accorded to work in different zones.

Staff Comment

Work is underway to identify the costs incurred to date and proposed Tranches 1 and 2 work for each zone. This will then be added to the proposed Tranche 3 work programme to see how different the cost apportionment would be from that currently used to calculate the rates apportionment contained in the Consultation Document.

- (j) It is unfair that Kenepuru residents should pay more than other parts of Marlborough and that the weightings used to apportion General Roading costs, i.e. 100 for all except Sounds Admin Rural 25 should be used to apportion the costs of Sounds roads recovery also.
- (k) Convert Option 2(a) and Option 2(b) to a UAC to reduce the rates burden on farmers who are already struggling. Barging is very expensive.
- (l) Create separate zones for Moetapu Bay and the Opouri Road, Ronga Road and Tunakino Valley Road Catchment, because they are early in their respective zones and don't believe its fair to pay for the full length of road.
- (m) Option 2(a) is the fairest, residents already pay for services they do not have access to, e.g. water supply, sewerage disposal, rubbish collection.

Staff Comment

This view is held by many Sounds residents. It is in fact incorrect. Water, sewerage, rubbish collection is paid for via Targeted Rates which are only charged to those areas that receive these services. It also appears that Sounds ratepayers do not have a full appreciation of Council's rates weighting system which allocates different weightings for services to Geographic Rating Areas, largely on their potential to benefit from the service. Some residents are either in the General Rural or Sounds Admin Rural Geographic Rating area which for Activities that depart from the 100 weighting have weightings at the lower end.

- (n) The weightings for non Sounds properties should be increased from the current 25 to 50 as submitters do not believe that adequate justification has been provided for the weighting to be 25.

Staff Comment

The allocation of weightings is an exercise of Council judgement, it is not required to be a scientific calculation. The rating impact of different weightings, 30, 40 or 50 has been modelled for Councillor information. 25 is the current Sounds Admin Rural weighting.

Option 2(b) – Maintain the current rates weighting of 100 for all properties within five Sounds Zones and a reduced weighting for the balance of Marlborough and Sounds Admin Rural

The themes that have emerged from those submitters that preferred Option 2(b) included:

- (a) Believe this option is a fair weighting of costs with costs being shared around the District, but with residents who use the roads paying more.
- (b) Sounds Admin Rural should pay towards marine infrastructure as it includes upgrades to Waitohi/Picton.

- (c) Separating to zones will cause friction now and in the future when other events occur. The Sounds community should unite.
- (d) Lack of maintenance.
- (e) Don't believe that all Marlborough should pay equally.
- (f) Option 2(b) is the best compromise, equitable and appears to follow precedent.
- (g) All Marlborough uses the roads in the Sounds and as such should make a contribution.
- (h) UACs are unfair on less well-off Sounds residents.
- (i) We contribute to other things in Marlborough that we can't necessarily use.
- (j) In the case of a future event in another area of Marlborough would we be expected to contribute to its repairs?

Option 2(c) – A further developed weighting approach, but with Zone costs to be recovered at a Zone level

The themes that have emerged from those submitters that preferred Option 2(c) included:

- (a) A user pays approach would be logical in the Marlborough Sounds area and that people who benefit the most should contribute the most.
- (b) Maintenance historic and future.
- (c) Option (a) would mean Sounds Admin Rural ratepayers who have no roads would end up subsidising those who do.
- (d) Many homes in the Sounds are owned by non-residents and those people should be paying for road access to their properties.

Staff Comment

Rates are levied on properties and where the owner resides is not a factor, as a result, non-residents are paying. For Councillor information there are 3,039 properties in the Zones, 55% of which have out of district rating addresses.

- (e) This is the fairest option as people with low land values will pay less than they would under a UAC.
- (f) The boundaries are fair.
- (g) Fairest as those who choose to live in the infrastructurally tenuous environment of the Sounds should pay more. Related to this is that Marlborough ratepayers will have reduced tolerance and ability to fund continuing work in this area.

Option 2(d) – Uniform Annual Charge for the remainder of Marlborough

The themes that have emerged from those submitters that preferred Option 2(d) included:

- (a) Option 2(d) is the fairest option for the majority of ratepayers who do not use the Sounds roading network.
- (b) Need to repair and upgrade the wharf at Okiwi Bay.

Staff comment

Okiwi Bay has been identified as an area requiring resilient marine access. The importance of the wharf will be considered along with other options as part of future marine studies.

- (c) Option 2(d) provides a user pays balance, between Sounds residents for the costs relating to their zone and greater Marlborough and the benefit accruing to each.
- (d) Do not need marine hubs, we do not have enough money to maintain them and the roads.
- (e) Concerns over budget risk – see earlier staff comment.
- (f) This approach is equitable and not dependent on property characteristics.
- (g) Support the development of marine hubs to provide greater resilience for the future.

None of the above

The themes that have emerged from those submitters that selected “None of the above” included:

- (a) While heavy vehicles using the road indicate its commercial value and pay RUCs, the industries using them do not contribute to the cost of maintenance and propose an additional levy.
- (b) Marlborough Sounds is important to the whole of Marlborough.
- (c) Money spent on repairing damage to Waihopai Valley Road (Māori Ford Bridge) which is being funded by the whole of Marlborough without an additional targeted rate.

Staff Comment

The replacement of Māori Ford Bridge is being funded by Tranche 1 and 2 money which has a 95% Financial Assistance Rate.

- (d) That the weightings be reassessed to better reflect the value of sounds Rooding to the rest of Marlborough.
- (e) Maintenance and little/no confidence that the money will be used efficiently – See earlier staff comment.
- (f) Using land values is a poor option as it does not reflect how much the property needs the road.
- (g) Request the boundary of the Port Underwood zone be moved to align with Picton Geographic Rating Area boundary.

Staff Comment

- i. Related requests have been received from Moetapu Bay resident and the early/inner part of French Pass to either be separated or have that they are early on the road recognised.
 - ii. Current zones follow the Stantec zones which are based on where damage has occurred.
- (h) A UAC for option 2(a).

No Preference Indicated

The themes that have emerged from those submitters that didn't indicate a preference:

- (a) Whatamango Bay experienced a 60% increase in 2018 for having “easy access” to Picton, so this proposal is double dipping.

Staff Comment

The increase in Picton Vicinity's rates were part of the removal of the “predetermined limits” applied to geographic rating areas and applying the results of the rates weighting exercise. This was fully consulted upon in 2018. The change was not directly linked to “easy access”.

- (b) Maintenance – see earlier.
- (c) Option 2(d)
- (d) Support Kenepuru and Central Sounds Residents Association meeting.
- (e) Object to the basis of rating the Kenepuru as the result would be different if repairs on that road were completed when the money was first allocated.
- (f) Concern that residents living in the Ronga, Opouri Valleys, are being asked to pay a disproportionately high share of the costs.
- (g) Focus on resilience work as rainfall events are likely to increase.
- (h) Option 2(d) is unfair to low income families.
- (i) Funding should not be from just residents of Kenepuru, i.e. farmers, residents and ‘bach’ as all Marlburians and holiday makers have the opportunity to use such public roads.
- (j) Submitters want a say in the priority and management of projects, this includes iwi.
- (k) Funding via property values (a proxy for wealth) is progressive (as compared to regressive) as relatively poor have lower burden.

- (l) Some submitters have requested a change from Land Value to Capital Value rating, especially those from the farming community.

Submissions related to Sounds Roads in Other Sections

The themes that have emerged from those submitters that recorded their views in other areas included:

- (a) Oppose rating Kenepuru as proposed, with money for the Sounds being allocated elsewhere and the priority given to other areas in the Sounds.
- (b) The current proposal is unfair and unaffordable, all costs should be shared equally.
- (c) Object to spending \$40M on marine as existing facilities coped in 2022.
- (d) There has been no rates relief by Council for the disruption of road access.

Staff Comment

- i. Council has remitted the rates used to service the Kenepuru Road seal extension loan.
- ii. Council has remitted rates for red and yellow stickered properties.
- (e) Submitter has a property in Moetapu Bay and does not agree that the rest of Marlborough ratepayers pay an equal amount to Sounds owners who will benefit the most.
- (f) Maintenance.
- (g) Funding to Moetapu Bay already in place, with the implication that tranche 3 funding is not needed.

Stantec response to Tailwind economist's report

Stantec have reviewed the KCSRA Submission Appendix and provide the following comment regards their conclusions (*Stantec comments in italics*) for MDC consideration in response.

- **The assessments were presented on a zonal basis. But investment recommendations have been made sector by sector. The evidence basis for the key decisions is therefore not transparent.**
 - *We assume the 'sector by sector' comment relates to the way that the zones were broken down into road segments for analysis.*
 - *The business case purpose was to identify the preferred option for long term access to the areas in the Marlborough Sounds impacted by the storm events from July 2021 through August 2022.*
 - *Each zone was identified based on access back to key regional routes being State Highway and Queen Charlotte Drive. Therefore, each zone had a strategic option to be evaluated in terms of costs and benefits. Road segments were developed because a single repair and resilience strategy did not match the variance of community use and hazards for the whole area.*
 - *The repair approach proposed for each segment was developed to align with the overarching strategy for the area and repairs and improvements tailored to match the hazard profile.*
 - *The hazard profile for each road segment is provided in the business case and through open engagement with the Community, and the cost impacts of increasing levels of service is similarly presented for each segment.*
 - *Local community feedback was considered as part of the engagement process and the approach was refined for specific segments in Kenepuru in response to that feedback, increasing level of repair for some segments. This refinement was presented to the Community as part of the presentation of the final preferred option as part of MDC Community engagement.*
- **Of the four decision metrics: the MCA; the BCR; the MEI; and the probability of restoring economic activity, only the BCR provides value.**
 - *This is a statement of opinion by the author.*
- **The BCRs for the Kenepuru road access and balanced options are not materially different:**
 - *This is a statement of opinion by the author, there is no response from the business case team on this aspect*
 - *Some comments:*
 - *The level of service proposed for Kenepuru was increased as part of the engagement.*
 - *The hazard profile for Kenepuru is such that it is considered unaffordable to make this route fully resilient, therefore a repair strategy is one that includes repair of the road to an affordable level, reduces likelihood of significant damage for a range of events with some resilience improvements*
 - *The marine improvements are provided to account for an event in the future that is larger or unaffordable for Council to repair in the short term and still provide the Community with a reliable form of access if roads are not available at that point in time.*
- **No BCR is presented for the Marine focus investment but it seems to be obvious that it will be below 1 and will provide poor value for money:**
 - *An affordable road repair is the recommended strategy with marine only as a back up option in the future if severe damage closes the roads for significant periods of time.*
 - *If more severe damage happens to the road network in the future resulting in longer term outages and more expensive road repairs to restore the network, the community will need robust marine infrastructure to mitigate the road outage impact because there is no alternative road route. This risk is particularly acute for Kenepuru given the length of the route, the underlying geology and size of the community with potential to be impacted.*

- It's not 'obvious' a marine investment will result in a BCR of less than one. I believe that this argument is based on the fact that there is likely to be more events that impact Kenepuru and therefore greater road network investment is required? If that is the case and working on the assumption the investment in Kenepuru is a zero-sum game i.e., resources otherwise spent on road investment would be directed towards building greater marine resiliency, then the likelihood of more events means that a marine investment would provide greater overall network resilience. In other words, at a high-level, the availability of marine capacity means that in major events (where no matter what road investment you make there is potential for failure) the area has greater accessibility (and therefore a large benefit in respect to the cost).

- **Spending \$6.5 million on further investigation and regulatory set-up for this option would in our view be a waste of resources:**

Staff Comment:

Council requested Stantec to provide a brief scope of work for phase 1 of the study only, to a budget of \$500,000. This is the proposed sum the KCSRA suggested in their submission. Subsequent study phases would then depend on the preceding phase's outcomes.

Attachment 2

Options Per Consultation Document Base Reference Point

Option 2(a)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	13.74	49.94	98.25	152.17	229.61	258.09	265.92	273.92	282.05	290.35

Option 2(b)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	31.91	116.01	228.21	353.47	533.33	599.48	617.67	636.25	655.13	674.41
Sounds Admin Rural	1,451	6.93	25.18	49.53	76.72	115.76	130.12	134.07	138.10	142.20	146.39
Non-Sounds	22,297	11.71	42.55	83.71	129.65	195.62	219.88	226.56	233.37	240.30	247.37

Option 2(c)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	24.68	86.31	165.04	253.53	377.58	429.51	447.86	466.60	485.66	505.12
Te Hoiere/Pelorus	162	16.46	54.71	100.49	152.50	222.65	257.93	273.73	289.86	306.30	323.06
Tōtaranui/Queen Charlotte	712	16.22	56.95	109.25	167.99	250.57	284.63	296.38	308.38	320.59	333.05
Kenepuru	930	56.49	211.63	425.06	662.23	1,008.34	1,124.00	1,148.32	1,173.18	1,198.39	1,224.15
Te Whanganui/Port Underwood	339	23.95	85.50	166.01	256.17	384.24	434.24	449.85	465.80	482.02	498.58
Sounds Admin Rural	1,451	6.93	25.18	49.53	76.72	115.76	130.12	134.07	138.10	142.20	146.39
Non-Sounds	22,297	11.71	42.55	83.71	129.65	195.62	219.88	226.56	233.37	240.30	247.37

Options per Consultation Document – Base Reference Point

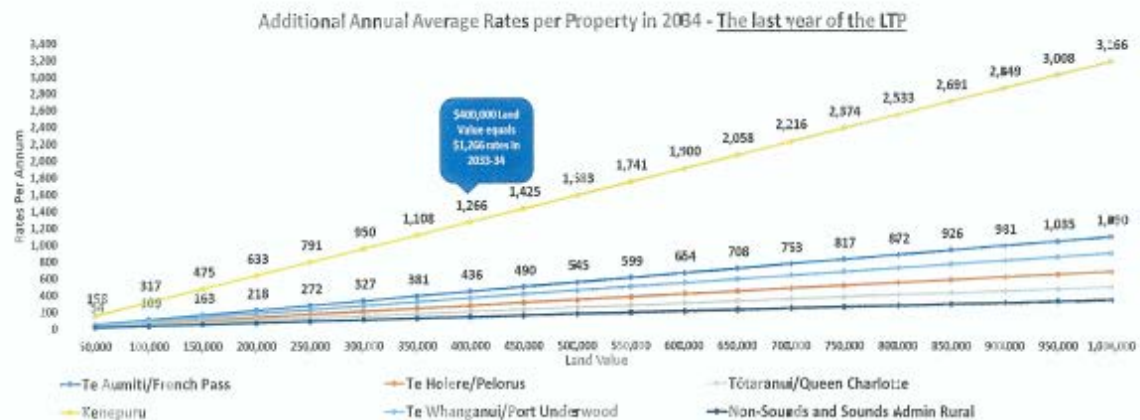
Option 2(a)



Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aamiti/French Pass	54	109	163	218	272	327	381	436	490	545	599	654	708	763	817	872	926	981	1,035	1,090
Te Hoiere/Pelorus	35	67	100	135	168	202	236	270	303	337	371	404	438	472	505	539	573	607	641	674
Te Awarua/Queen Charlotte	158	317	475	633	791	950	1,108	1,266	1,425	1,583	1,741	1,900	2,058	2,216	2,374	2,533	2,691	2,849	3,008	3,166
Te Whanganui/Port Underwood	45	89	134	178	223	268	312	357	401	446	491	535	579	624	669	713	758	803	847	892
Non-Sounds and Sounds Admin Ra	17	34	50	67	84	101	118	134	151	168	185	202	219	235	252	269	286	303	319	336

*Attachment 3***\$500,000 Marine Only****Option 2(a)**

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55

Option 2(b)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	23.93	90.58	183.66	285.55	380.60	430.83	444.40	458.23	472.35	486.74
Sounds Admin Rural	1,451	5.19	19.66	39.86	61.98	82.61	93.51	96.46	99.46	102.53	105.65
Non-Sounds	22,297	8.78	33.22	67.36	104.73	139.59	158.02	162.99	168.07	173.25	178.53

Option 2(c)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	16.82	61.10	120.62	185.51	247.92	285.08	300.38	316.00	331.93	348.17
Te Hoiere/Pelorus	162	12.62	40.95	74.44	110.39	148.86	180.22	202.61	225.45	248.74	272.49
Tōtaranui/Queen Charlotte	712	10.50	38.93	77.91	120.50	160.82	183.43	191.18	199.08	207.15	215.37
Kenepuru	930	44.36	173.82	359.89	564.17	750.48	839.38	851.32	863.51	875.95	888.62
Te Whanganui/Port Underwood	339	20.28	72.35	141.11	215.92	288.92	334.66	356.06	377.89	400.15	422.85
Sounds Admin Rural	1,451	5.19	19.66	39.86	61.98	82.61	93.51	96.46	99.46	102.53	105.65
Non-Sounds	22,297	8.78	33.22	67.36	104.73	139.59	158.02	162.99	168.07	173.25	178.5

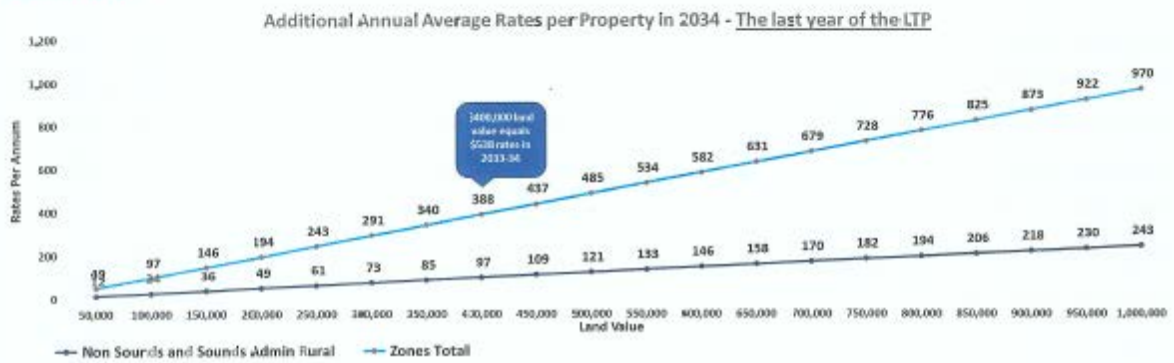
Attachment 3

\$500,000 Marine Only

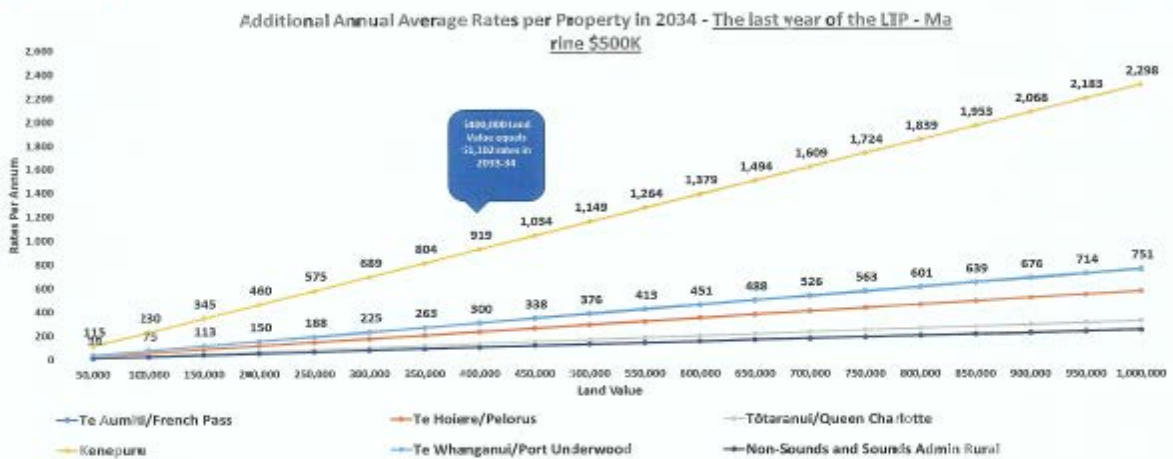
Option 2(a)



Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aumiti/French Pass	38	75	113	150	188	225	263	300	338	376	413	451	488	526	563	601	639	676	714	751
Te Hoiere/Pelorus	28	57	85	114	142	171	199	227	256	284	313	341	369	398	426	455	483	512	540	568
Tōtaranui/Queen Charlotte	16	32	48	64	79	95	111	127	143	159	175	191	207	223	238	254	270	286	302	318
Kerepuru	115	230	345	460	575	689	804	919	1,034	1,149	1,264	1,379	1,494	1,609	1,724	1,839	1,954	2,068	2,183	2,298
Te Whanganui/Port Underwood	38	76	113	151	189	227	265	303	340	378	416	454	492	529	567	605	643	681	719	756
Non-Sounds and Sounds Admin Ru	12	24	36	48	61	73	85	97	109	121	133	146	158	170	182	194	206	218	230	243

*Attachment 4***\$500,000 Marine Only and \$T1 + \$T2****Option 2(a)**

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55

Option 2(b)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	23.93	90.58	183.66	285.55	380.60	430.83	444.40	458.23	472.35	486.74
Sounds Admin Rural	1,451	5.19	19.66	39.86	61.98	82.61	93.51	96.46	99.46	102.53	105.65
Non-Sounds	22,297	8.78	33.22	67.36	104.73	139.59	158.02	162.99	168.07	173.25	178.53

Option 2(c)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	13.92	52.68	106.82	166.08	221.36	250.58	258.47	266.52	274.73	283.10
Te Hoiere/Pelorus	162	15.31	57.97	117.55	182.76	243.60	275.75	284.43	293.29	302.32	311.54
Tōtaranui/Queen Charlotte	712	19.35	73.26	148.53	230.93	307.81	348.43	359.40	370.59	382.01	393.65
Kenepuru	930	39.60	149.92	303.98	472.61	629.93	713.08	735.52	758.43	781.79	805.62
Te Whanganui/Port Underwood	339	21.11	79.92	162.05	251.94	335.81	380.13	392.09	404.30	416.76	429.46
Sounds Admin Rural	1,451	5.19	19.66	39.86	61.98	82.61	93.51	96.46	99.46	102.53	105.65
Non-Sounds	22,297	8.78	33.22	67.36	104.73	139.59	158.02	162.99	168.07	173.25	178.5

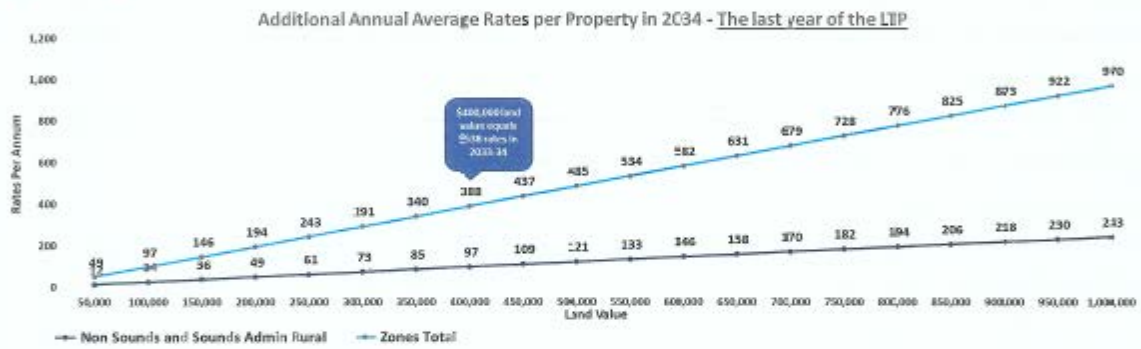
Attachment 4

\$500,000 Marine Only plus \$T1 + \$T2

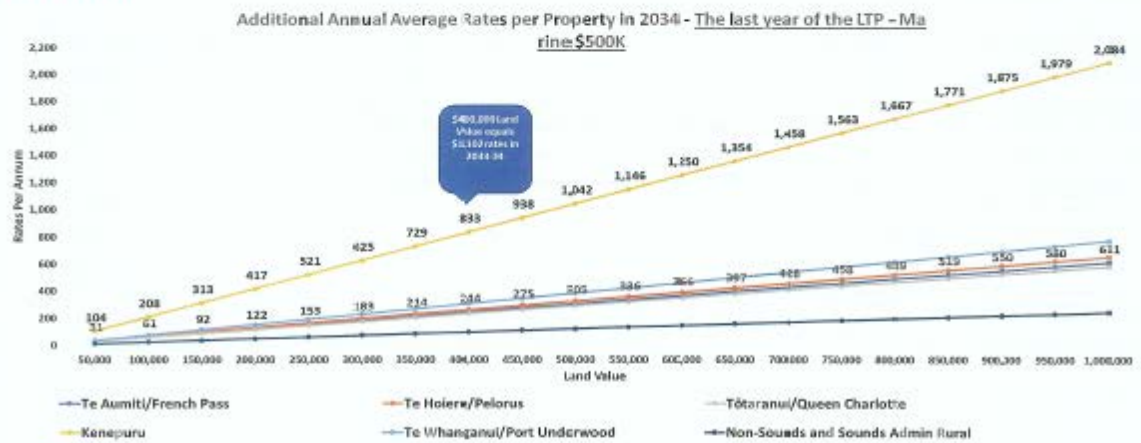
Option 2(a)



Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aumiti/French Pass	31	61	92	122	153	183	214	244	275	305	336	366	397	428	458	489	519	550	580	611
Te Hoiere/Pelorus	32	65	97	130	162	195	227	259	292	325	357	390	422	455	487	520	552	585	617	650
Tōtaranui/Queen Charlotte	29	58	87	116	145	174	203	232	262	291	320	349	378	407	436	465	494	523	552	581
Keenepuru	104	208	313	417	521	625	729	833	938	1,042	1,146	1,250	1,354	1,458	1,563	1,667	1,771	1,875	1,979	2,084
Te Whanganui/Port Underwood	38	77	115	154	192	230	269	307	346	384	423	462	499	538	576	615	653	691	730	768
Non-Sounds and Sounds Admin R	12	24	36	48	60	73	85	97	109	121	133	146	158	170	182	194	206	218	230	243

*Attachment 5***\$500,000 Marine Only plus \$T1 + \$T2 – 30 weighting Non Sounds****Option 2(a)**

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55

Option 2(b)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	20.96	79.33	160.85	250.08	333.32	377.32	389.19	401.32	413.68	426.28
Sounds Admin Rural	1,451	4.55	17.22	34.91	54.28	72.35	81.90	84.48	87.11	89.79	92.53
Non-Sounds	22,297	9.22	34.92	70.79	110.07	146.70	166.07	171.30	176.63	182.08	187.63

Option 2(c)

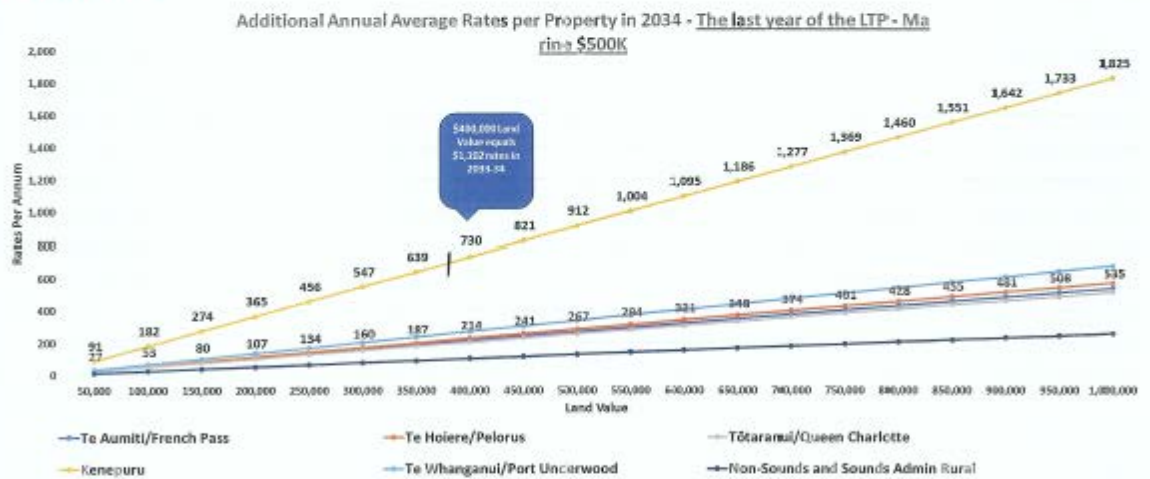
Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	12.19	46.14	93.55	145.45	193.87	219.46	226.36	233.41	240.60	247.94
Te Hoiere/Pelorus	162	13.41	50.77	102.95	160.06	213.34	241.50	249.10	256.86	264.77	272.84
Tōtaranui/Queen Charlotte	712	16.95	64.16	130.08	202.25	269.57	305.15	314.76	324.56	334.56	344.75
Kenepuru	930	34.68	131.30	266.22	413.91	551.69	624.50	644.16	664.22	684.68	705.55
Te Whanganui/Port Underwood	339	18.49	69.99	141.92	220.65	294.09	332.91	343.39	354.08	364.99	376.11
Sounds Admin Rural	1,451	4.55	17.22	34.91	54.28	72.35	81.90	84.48	87.11	89.79	92.53
Non-Sounds	22,297	9.22	34.92	70.79	110.07	146.70	166.07	171.30	176.63	182.08	187.6

\$500,000 Marine Only plus \$T1 + \$T2 – 30 weighting Non Sounds

Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aumiti/French Pass	27	53	80	107	134	160	187	214	241	267	294	321	348	374	401	428	455	481	508	535
Te Hoiere/Pelorus	18	37	55	73	91	109	128	146	165	183	202	221	240	259	278	297	316	335	354	373
Tōtaranui/Queen Charlotte	25	51	76	102	127	153	179	204	229	254	280	305	331	356	382	407	433	458	484	509
Kenepuru	91	182	274	365	456	547	639	730	821	912	1,004	1,095	1,186	1,277	1,369	1,460	1,551	1,642	1,733	1,825
Te Whanganui/Port Underwood	34	67	101	135	168	202	235	269	303	336	370	404	437	471	505	538	572	605	639	673
Non-Sounds and Sounds Admin Ru	13	25	38	51	64	76	89	102	115	127	140	153	166	178	191	204	217	229	242	255

\$500,000 Marine Only plus \$T1 + \$T2 – 40 weighting Non Sounds

Option 2(a)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55

Option 2(b)

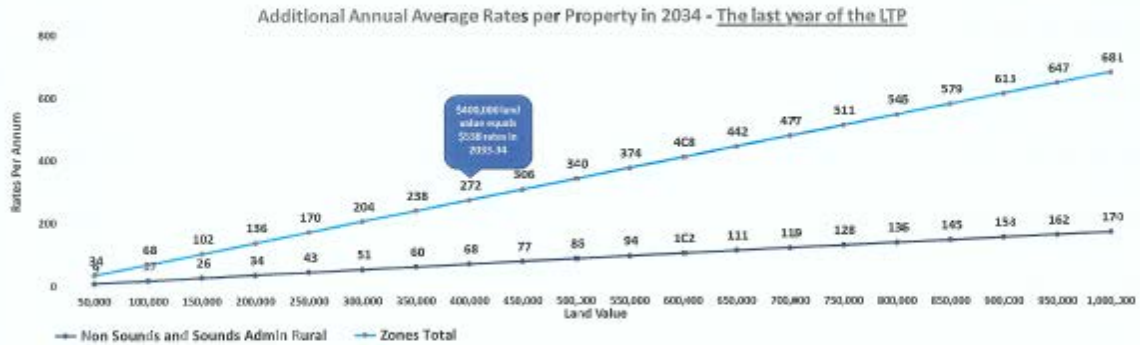
Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	16.79	63.54	128.84	200.32	266.99	302.23	311.75	321.46	331.36	341.46
Sounds Admin Rural	1,451	3.64	13.79	27.97	43.48	57.95	65.60	67.67	69.77	71.92	74.12
Non-Sounds	22,297	9.85	37.29	75.61	117.55	156.68	177.36	182.95	188.65	194.46	200.39

Option 2(c)

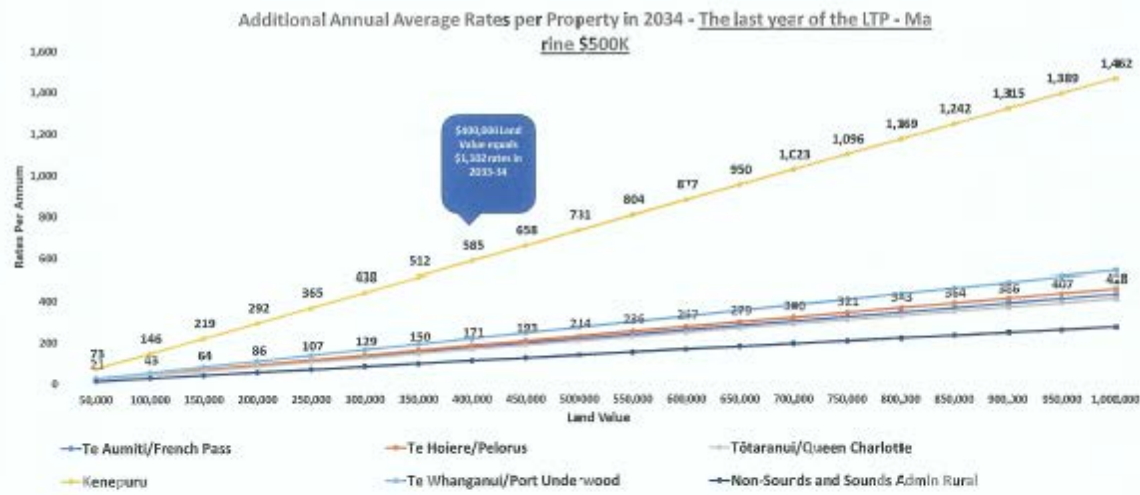
Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	9.76	36.96	74.94	116.51	155.29	175.79	181.32	186.97	192.73	198.60
Te Hoiere/Pelorus	162	10.74	40.67	82.46	128.21	170.89	193.44	199.53	205.74	212.08	218.54
Tōtaranui/Queen Charlotte	712	13.58	51.39	104.20	162.00	215.93	244.43	252.12	259.98	267.98	276.15
Kenepuru	930	27.78	105.17	213.25	331.54	441.91	500.23	515.98	532.05	548.44	565.15
Te Whanganui/Port Underwood	339	14.81	56.06	113.68	176.74	235.57	266.66	275.06	283.62	292.36	301.27
Sounds Admin Rural	1,451	3.64	13.79	27.97	43.48	57.95	65.60	67.67	69.77	71.92	74.12
Non-Sounds	22,297	9.85	37.29	75.61	117.55	156.68	177.36	182.95	188.65	194.46	200.4

\$500,000 Marine Only plus \$T1 + \$T2 – 40 weighting Non Sounds

Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aumiti/French Pass	21	43	64	86	107	129	150	171	193	214	236	257	279	300	321	343	364	385	407	428
Te Hoiere/Pelorus	23	46	68	91	114	137	160	182	205	228	251	274	296	319	342	365	387	410	433	456
Te Aumiti/French Pass	20	41	61	82	102	122	143	163	183	204	224	245	265	285	305	326	347	367	387	408
Kenepuru	73	146	219	292	365	438	512	585	658	731	804	877	950	1,023	1,096	1,169	1,242	1,315	1,389	1,462
Te Whanganui/Port Underwood	27	54	81	108	135	162	189	216	243	269	295	323	350	377	403	431	458	485	512	539
Non-Sounds and Sounds Admin Ra	14	27	41	54	68	82	95	109	123	136	150	163	177	191	205	218	232	245	259	272

*Attachment 7***\$500,000 Marine Only plus \$T1 + \$T2 – 50 weighting Non Sounds****Option 2(a)**

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	26,787	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55

Option 2(b)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	3,039	14.00	53.00	107.46	167.07	222.68	252.07	260.01	268.10	276.36	284.78
Sounds Admin Rural	1,451	3.04	11.50	23.32	36.26	48.33	54.71	56.44	58.19	59.99	61.81
Non-Sounds	22,297	10.27	38.88	78.82	122.55	163.35	184.91	190.73	196.67	202.73	208.91

Option 2(c)

Average Rate	Properties	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	896	8.14	30.82	62.50	97.17	129.52	146.61	151.23	155.94	160.74	165.64
Te Hoiere/Pelorus	162	8.96	33.92	68.78	106.93	142.53	161.34	166.42	171.60	176.88	182.27
Tōtaranui/Queen Charlotte	712	11.32	42.86	86.91	135.12	180.09	203.86	210.28	216.83	223.51	230.32
Kenepuru	930	23.17	87.72	177.85	276.52	368.56	417.21	430.34	443.74	457.41	471.35
Te Whanganui/Port Underwood	339	12.35	46.76	94.81	147.41	196.47	222.41	229.41	236.55	243.84	251.27
Sounds Admin Rural	1,451	3.04	11.50	23.32	36.26	48.33	54.71	56.44	58.19	59.99	61.81
Non-Sounds	22,297	10.27	38.88	78.82	122.55	163.35	184.91	190.73	196.67	202.73	208.91

Attachment 7

\$500,000 Marine Only plus \$T1 + \$T2 – 50 weighting Non Sounds

Option 2(b)



Option 2(c)



	50,000	100,000	150,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	700,000	750,000	800,000	850,000	900,000	950,000	1,000,000
Te Aumiti/French Pass	38	36	54	71	89	107	125	143	161	179	117	204	231	250	268	286	304	322	340	357
Te Hoiere/Pelorus	29	38	57	76	95	114	133	152	171	190	209	228	247	266	285	304	323	342	361	380
Te Awarua/Queen Charlotte	17	34	51	68	85	102	119	136	153	170	117	204	221	238	255	272	289	306	323	340
Kerepuru	61	122	183	244	305	366	427	488	549	610	670	731	792	853	914	975	1,036	1,097	1,158	1,219
Te Whanganui/Port Underwood	22	45	67	90	112	135	157	180	202	225	247	270	294	312	337	360	382	405	427	449
Non-Sounds and Sounds Admin Ru	14	28	43	57	71	85	99	114	128	142	156	170	186	199	213	227	241	256	270	284

5. Development Contributions Policy – Minor Amendments

(Report prepared by Geoff Blake)

F230-L24-09-03

Purpose of report

1. To provide an update to the Development Contributions Policy for minor changes relating to Small Homes.

Executive Summary

2. Recent investigations into some Development Contributions assessments have identified some minor inconsistencies in the wording of the Policy.
3. The proposed amendments are to ensure clarity for developers in the interpretation of the Policy.
4. The revised Policy is **attached** (as Attachment 5.1).

RECOMMENDATION

That Council approves the amendments to the Development Contribution Policy as outlined in the agenda item.

Background/Context

5. The Development Contributions Policy was reviewed at the Budget meeting on 26 February and subsequently was issued for consultation.
6. Feedback has been received by a small number of submitters in the consultation on the 2024-34 LTP and these submissions will be considered elsewhere in this agenda and meeting.

Assessment/Analysis

7. Recent investigations into some Development Contributions assessments have identified some minor inconsistencies in the wording of the Policy.
8. The amendments (underlined) are:
 - 8.1 Page 9 - Regional Land Transport – The levy payable receives a 33% discount off the urban levies.
 - 8.2 Page 9 – Apportionment - Council may exercise its discretion to make a special assessment for small homes where additional independent dwellings are proposed on a single allotment.
 - 8.3 Page 14 – Boundary adjustments - Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, Development Contributions will not be required unless it is considered a new building lot has been created, or the proposal increases the potential to extend a building that has been previously assessed as a “Small Home”, in which case development levies would be applicable.
9. These amendments are merely to ensure clarity for developers in the interpretation of the Policy.

Attachment

Attachment 5.1 – Amended Development Contributions Policy, with markups

Page 35

Author	Geoff Blake, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

Attachment 5.1

2024 Development Contributions Policy					
Version no	2	CM Reference	2188945		
Approved by	Council				
Last review date (if applicable)	26.03.2024	Next review date	2027		
		Select review period	1yr	2yr	3yr
Policy owner	Chief Financial Officer				

1. Background

1.1 Introduction

Marlborough District is a growing region and expects continued growth in the foreseeable future. Although this is often hailed as positive for the community, growth also presents a number of challenges. Not the least is Council's task of expanding infrastructure networks to support the increased use of essential services.

The cost of expanding these networks is often high, and the issue of funding inevitably arises. Funding the expansion of these core networks entirely from general rates (or other indirect means) is inequitable, because existing ratepayers may neither cause these works to occur, nor materially benefit from them. As a result, alternative means for funding these capital works must be considered. Development Contributions is one such source.

Council considers the use of the Development Contributions mechanism under the Local Government Act 2002 will provide a far more equitable means of recovering the cost of growth as compared to charging the entire cost of growth to ratepayers.

The Development Contributions calculated in this Policy are based not only on information contained in the Long Term Plan (LTP), but also incorporate additional information and assumptions making a direct reconciliation between the outcomes of the modelling and the LTP difficult.

The capital expenditure used for modelling what the appropriate charges include:

- Expenditure previously incurred to create spare capacity to enable future development to occur.
- Expenditure beyond the ten year programme which is required to cater for the cumulative effects of growth.
- An assessment of expenditure which relates to future growth beyond the life of the LTP.

The growth projections used to determine income from Development Contributions in the modelling are based on long run straight line averages using the Department of Statistics population projections supplemented by more recent economic forecasts and the actual growth that has occurred over recent years. Household Equivalents (HEU's) used in the modelling are higher than the Department of Statistics populations projections reflecting the more recent growth rates being experienced in the regions urban areas. This is beneficial to developers as it has the effect of reducing the modelled development contributions results.

The tables showing expenditure and income for both absolute and present value numbers are those which have been modelled to derive the Development Contributions proposed in this Policy. While the information contained in the LTP is a key source of data for deriving the Development Contributions it is not the only data used. In a number of instances an opening balance of capital expenditure incurred, which is attributed to provision of growth, has been incorporated.

The table below sets out the forecast revenue from the Development Contributions Policy, for the first 3 years individually, the last 7 as a block and the total.

	2024-25 \$M	2025-26 \$M	2026-27 \$M	2028-34 \$M	Total \$M
Estimated Development Contributions	8.1	8.3	8.5	66.6	91.5

1.2 Application of Development Contributions

It is anticipated that Development Contributions collected will indicatively be spent as follows (present value of Development Contributions):

Activity	\$M
Reserves	20.8
Community infrastructure	7.3
Water	9.9
Sewerage	24.3
Stormwater	6.0
Roads	4.0
Total	72.3

1.3 Legislative Requirements

The Local Government Act 2002 (the LGA) is the enabling legislation through which Council is able to collect Development Contributions. Amendments to the LGA have been made which impact on the Development Contributions policies of Council. Notable recent amendments are contained in the No. 3 amendment¹. This document satisfies the legislative requirements.

1.4 Navigating this Document

This document comprises several sections. Following are brief descriptions of each.

- *Section 2* provides a brief **overview of the Policy**, including the purpose of Development Contributions, principles applied in developing policy, when contributions may be required, the types of development that may be charged, and so on.
- *Section 3* addresses the **adoption and implementation** of this Policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions.
- *Section 4* outlines the **growth context**, and provides a schedule of the capital expenditures Council expects to incur (and has already incurred), the apportionment to funding from growth and other sources.
- *Section 5* presents the **schedule of Development Contributions charges**, and details any limitations on the use of those funds.
- *Section 6* provides a simple flowchart diagram that shows **how to calculate** the contributions payable on developments.
- *Section 7* demonstrates **application of the Policy** to various development activities, outlines how credits are granted and the provision to enter into development agreements with Council.
- *Section 8* presents Council's Policy on **remissions, refunds, reductions and postponement** of Development Contributions as well as the right and process for reconsideration and objections in regard to the application of the Policy.
- *Section 9* provides details on **additional administrative matters**, such as invoicing and payment, service connection fees and the handling of GST.
- *Section 10* outlines **how demand has been measured**, including the definition of household equivalent units.
- *Section 11* presents the **methodology** used to calculate charges and outlines the **significant assumptions underlying this Policy**.
- *Appendix 2* contains the maps for each catchment.
- *Appendix 4* contains a **glossary of terms** used in this Policy.

2. Policy Overview

2.1 Purpose of Development Contributions

The purpose of Development Contributions is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term².

¹ Local Government Act 2002 Amendment Act 2014

² S197AA Local Government Act 2002

2.2 Development Contributions Principles

Council has taken into account the following principles in developing this Policy³:

- Development Contributions are only required when the effect of development (including the cumulative effects of the development in combination with other developments) is to require Council to have provided, or to provide, new or additional assets or assets of increased capacity.
- Development contributions are determined in a manner that is generally consistent with the capacity life of assets, and in a way that avoids over recovery of costs.
- Cost allocations used to establish Development Contributions are determined according to who benefits as well as who created the need for assets.
- Development Contributions will be used for or towards the purpose for which they are collected.
- Information will be provided in the Council's Long Term Plan which will demonstrate what Development Contributions are being used for and why.
- Development Contributions contained in the Policy should be predictable and be consistent with the methodology and schedules in the Policy.
- Grouping of areas will be undertaken having given consideration to the balance between practical and administrative efficiencies and fairness and equity and avoids district-wide catchments wherever practicable.

2.3 How Charges are Calculated

Charges are calculated for each catchment and each activity on the basis of:

- the expected scale and timing of capital works required to service growth
- the expected rate and timing of developments for which works are required.

A more detailed explanation of the methodology is provided in section 11.

2.4 When Development Contributions May be Required

A "development" is⁴:

- any subdivision, building (as defined in s8 Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- does not include the pipes or lines of a network utility operator.

Development Contributions may be required in relation to developments if⁵:

- the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence,
- Council incurs capital expenditure to provide appropriately for those assets⁶.
- the effect of the developments is the consumption of the existing capacity of Council assets, thereby accelerating their replacement with assets of a greater capacity.

Council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

Notwithstanding the above powers a territorial authority may not require a development contribution to be made to the territorial authority for the provision of any reserve if the development is non-residential in nature or for the non-residential component of a development that has both a residential and a non-residential component.⁷ Note that

³ S197AB Local Government Act 2002

⁴ S197 Local Government Act 2002

⁵ S199 Local Government Act 2002

⁶ In this context, "effect" includes the cumulative effect that a development may have in combination with other developments.

⁷ S198A Local Government Act 2002

accommodation units are considered to be residential for this purpose of this Policy and the Development Contributions provisions in the Local Government Act 2002.

2.5 Types of Development that may be Charged

Any development that meets the definition of "development" and the statutory (s199) basis for requiring contributions set out in 2.4, whether residential or non-residential, may be required to pay a development contribution as provided in this Policy.

2.6 Types of Activities that may be Funded

Council may levy Development Contributions for:

- *Reserves*
- *Network Infrastructure* – which includes roads and other transport, parking, water, wastewater, and stormwater infrastructure
- *Zone infrastructure* – where Council provides infrastructure within a development zone owing to multiple landowners, with Council effectively acting as banker for the development zone.
- *Community Infrastructure* – assets owned, operated, or controlled by a territorial authority:
 - (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
 - (b) libraries;
 - (c) swimming pools;
 - (d) reliance on transitional provisions by Council to use development levies to fund capital expenditure which it has previously had reliance on.

Please also note that onsite works (within the boundaries of each development) are the sole responsibility of developers and do not form part of this Policy. They are usually required as a condition of resource consent.

2.7 Use of Development Contributions as a Funding Tool

The cost of infrastructure to cater for growth is covered by rates and Development Contributions.

The Council considers that it is appropriate to pass a fair and reasonable proportion of the cost of growth onto developers through the Development Contributions Policy.

The Long Term Plan identifies community outcomes. The activities that the Council will fund from Development Contributions all support the range of community outcomes in some way, especially Environment, Connectivity, People, Economy and Living.

The Council has carefully considered, for each activity, the matters included in section 101(3) of the Local Government Act 2002 as part of its evaluation and allocation of growth costs under this Policy. In summary, using Development Contributions to fund the growth costs for certain of these activities (rather than solely relying on rates) is considered to be appropriate for a number of reasons, including the following:

- Development Contributions are fairer because they allocate growth costs to the section of the community that creates the need for the Council to incur these costs, i.e. developers and new residents or occupants.
- Development Contributions allocate costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.
- Development Contributions send clear signals to developers and the growth community about the true cost of growth.
- Growth costs can be properly apportioned over time, so that members of the growth community only pay for capacity that they use and an appropriate proportion of those costs are allocated to future generations.
- Development Contributions allow growth-related capital expenditure in relation to particular activities to be funded distinctly from other expenditure on those activities, and from expenditure on other activities, and therefore provide transparency and accountability regarding the true costs of growth.
- Development Contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.
- The Council considers that using Development Contributions to fund a share of the cost of growth-related capital expenditure for the activities covered by this Policy will best advance social, economic, environmental and cultural well-being.

3. Adoption, Implementation and Review

3.1 Timing

Following the consideration of public submissions and the completion of special consultative procedures, this Policy was adopted as part of Council's Long Term Plan for the period 2024-2034.

3.2 Frequency and Scope of Reviews

Council will review this Policy at least once every three years, or more frequently if deemed necessary. Each review will take into account - but not be limited to:

- any changes to the significant assumptions underlying the Development Contributions Policy;
- any changes in the capital works programme for growth;
- any significant changes in the costs of labour, construction or technology;
- any changes in the expected nature, scale, location or timing of development;
- any changes that require new or significant modelling of the networks;
- any changes to the Wairau/Awatere and Marlborough Sounds Resource Management Plans or the Marlborough Environment Plan;
- any changes in legislation;
- the regular reviews of the Funding and Financial Policies, and the LTP;
- any other matters Council considers relevant.

The Development Contribution levies will also be updated annually to account for changes in the Producers Price Index as published by Statistics New Zealand. The annual update will be made available annually.

3.3 Transition between policies

This Policy applies to applications for consents, service connections or certificates of acceptance lodged with Council on or after 1 July 2024.

Applications lodged before 1 July 2024 will be assessed in accordance with the Development Contributions Policy at the time of lodgement.

4. Planning for Growth

4.1 Growth Projections

Accurate growth projections are a fundamental component of any Development Contributions Policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread. Unfortunately, however, growth projections are often difficult to generate with any reasonable degree of accuracy.

This was done separately for each activity/catchment combination. The method used to forecast growth projecting dwellings directly - produced plausible estimate; logarithmic trends were fitted to census dwelling counts and subsequently extrapolated. Comparison with economic forecasts, Council's records of growth and available land zoned for development are factored into assessments.

Actual Catchments and Annual Growth used in the model are as follows:

Catchment	Activity	Annual Growth (HEUs)
Regional	Land Transport	170
	Reserves	135
	Community infrastructure	170
Combined Urban Areas	Wastewater	168
Combined Urban Areas	Water	155
Blenheim	Stormwater	62.50
Picton	Stormwater *	11
Renwick	Stormwater	4.50
Seddon	Stormwater *	3

(Note (*) No capital expenditure has yet been allocated to growth in these areas for this activity.) The HEU's for Blenheim and Renwick are lower than water and sewer HEU's to reflect the level of onsite works required to reduce flow creating partial HEU's per subdivision).

4.2 Capital Expenditures Required to Service Growth

Council has developed a funding model which provides the data regarding capital expenditure program attributable to growth, catchment areas, finance costs, projected growth. The capital expenditure used for determining the Development Contributions utilises the capital expenditure contained in the Long Term Plan in addition to assessments of spare capacity currently existing from past expenditure and remaining spare capacity available for growth beyond the Long Term Plan timeframe. The Schedule of assets for which Development Contributions will be used is outlined in Appendix 1 Schedule of Capital Expenditure.

- In determining the capital expenditure incurred in anticipation of growth in the levied period above, historic capital expenditure has been taken into account.
- In determining the opening capacity associated with future growth revenue from previous developments has been taken into account.
- NZ Transport Agency funding has been netted off the capital expenditure for Roads as have Government grants for Community Facilities.
- District wide subsidy from Council's infrastructure reserve has been netted off against the capital expenditure where appropriate.

Reserves capital programme has been evaluated for capital expenditure that relates to the acquisition of land and the establishment of reserves to cater for growth. Council has higher capital demands than funding for reserves caused by growth in the District. Typically much of the acquisition and development of reserves is undertaken in a manner which meets the income derived from development. The allocation of costs for this activity includes the consideration of the factors in section 101 (3) (a) of the Local Government Act 2002, including the evaluation of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101 (3) (b) of the Act, the Council considers that using Development Contributions to fund part of this activity supports overall community wellbeing.

Community infrastructure – Council has relied on the transitional provisions⁸ for determining contributions for Community infrastructure. These include the Marlborough Aquatic Centre and identified reserves development contained in previous Policy.

Water, Sewerage, Stormwater and Land Transport capital programmes are based on the respective asset management plans⁹. In calculating the capital growth for these infrastructure activities a top down approach has been used. Under this approach the cost of growth has been calculated by:

- Estimating the total capital works required to provide for the full network;

⁸ Clause 8 Schedule 1AA Local Government Act 2002

⁹ Further information is available in Council's Asset Management Plans available by enquiry at Council offices.

- Estimating the proportion of these works which relate to growth, and
- Calculating the per unit cost of growth.

The allocation of costs for these activities includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake these activities. In relation to section 101(3)(b) of the Act, the Council considers that using Development Contributions to fund part of these activities supports overall community well-being.

Should further detailed information be required please do not hesitate to contact either Council's:

- Infrastructure Projects Engineer – Water, Sewerage, Stormwater, Roading
- Park and Open Spaces Planner – Reserves, Community infrastructure
- Chief Financial Officer.

4.3 Past Expenditures in Anticipation of Growth

Expenditure previously expended to cater for growth has been included in the schedule of assets which has been used to determine the proposed development levies.

5. Development Contributions

5.1 Schedule of Charges

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
Regional	Land Transport	\$2,575	\$1,890 (Urban) \$1,260 (Infill <1500) \$3,150 (Rural)
	Reserves	\$16,692	Blenheim* \$18,300 Picton* \$18,300 Blenheim Vicinity* \$14,640 Picton Vicinity* \$14,640 General Rural* \$10,980 Sounds Admin Rural * \$9,150 *These areas are the Geographic Rating Areas used by Council for levying General Rates and Charges
	Community infrastructure Levy (refer 7.3.2 re rural subdivision)	\$4,537	\$4,420
Road Zone Levies	Roading		
	Kenepuru Road seal extension	\$18,850	\$18,850 (PPI adjusted to 1 July 2024) Upgrade to Kenepuru Road between the site and Kenepuru Heads
	David Street, Blenheim	\$7,680	\$7,680 (PPI adjusted to 1 July 2024)

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2024
Combined (All urban areas serviced by Council)	Wastewater	\$26,434	\$15,780
	Water	\$14,508	\$8,940
Awatere	Rural Water	\$12,820	\$12,820
Awatere + Blind River	Rural Water	\$25,325	\$25,325
Blenheim	Storm water	\$21,027	\$10,500
Renwick	Storm water	\$1,640	\$1,640
North West Zones	Zone Infrastructure		
Mowat		\$24,535	\$24,535
Roseneath		\$21,750	\$21,750
Colemans		\$13,705	\$13,705
			(Updated for PPI to 1 July 2024)
Burleigh	Zone Infrastructure (Wastewater)	\$4,650	\$4,650
	Zone Infrastructure (Roads)	\$850	\$850
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 64, 65 and 67)	Zone Infrastructure	\$28,800	\$28,800
			(Updated for PPI to 1 July 2024)
North West Extension Zone (PC 68, 69 and Rose East)	Zone Infrastructure	\$31,400	\$31,400
			(Updated for PPI to 1 July 2024)
Westwood	Zone Infrastructure (Stormwater)	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).	\$5,360 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$5,360 for each litre per second of discharge. (Limited to 35 l/s).

Additional Information Regarding Development Contributions Payable

Development Contributions will be adjusted annually by the Producers Price Index movements as published by Statistics New Zealand.

For the purposes of infill development (potential for creation of four or less new allotments) being the development of residential sections of 1,500m² or less, created prior to 1 July 2015, the levies payable for:

- Regional Land Transport – The levy payable receives a will be 33% discount off the urban levies.
- Reserves - will be 50% of the Reserves levy.

For the purpose of the Reserves levy:

- The areas defined in the Schedule of Charges table above are the Geographic Rating Areas used by Council.
- In the case of subdivisions where one or more of the resulting allotments are over 20ha, no Reserves levy will be required on those 20ha plus allotments. Where the subdivision results in a mix of over and under 20ha allotments, the developer can decide the allotment to which any pre-existing credit applies.
- The Community Infrastructure Levy continues to apply even if the Reserves Levy does not apply.

Apportionment

- Council can use apportionment where it is deemed appropriate (at its sole discretion).
- Council may exercise its discretion to make a special assessment for small homes where additional independent dwellings are proposed on a single allotment where it is provided information by the applicant that demonstrates that a small home (or homes) will be provided. Special assessments are guided by parameters outlined in the table below entitled Small Homes Special Assessment Guidance. A home must meet both criteria "A" and "B" to qualify for the relevant discount.

Small Homes Special Assessment Guidance

	Minor	Small
Criteria "A": Dwelling Size (Gross floor area m ²)	< 65m ²	< 110m ²
Criteria "B": Number of Bedrooms	1	2
Discount (all levy's *)	50%	25%
Proportion Payable for all charges *	0.50	0.75

* = This discount does not apply to the irrigation component of the Water Service

Small Homes Top Up Charges

Type of Extension	Top Up Proportion Payable	Total Proportion Paid
Extend Minor Dwelling to a Small Dwelling	0.25	0.75
Extend a Minor Dwelling to a Standard Dwelling	0.5	1
Extend a Small Dwelling to a Standard Dwelling	0.25	1

- Non-residential developments (or the portion of mixed residential and non-residential development which is non-residential in nature) are exempt from being charged Development Contributions for Reserves and Community Infrastructure.

5.2 Burleigh and North West Extension Catchments

Land zoned for residential development in the North West Extension and Burleigh areas within Blenheim are defined in catchment maps in Appendix 2.

In these zones there are Zone Infrastructure levies required that are additional to the standard levies (refer schedule of charges in section 5.1 above). The standard levies cover the upgrade requirements for the networks as a whole while the Zone Infrastructure levies cover the costs of development within the zone. These areas contain multiple landowners. To ensure efficiency of design and construction of infrastructure for the entire zones Council intends to coordinate the provision of infrastructure. Accordingly, the Burleigh and North West Extension catchments will incur Zone Infrastructure Contributions to meet:

- (a) Costs of infill infrastructure that exceeds the requirements of the development if it was considered in isolation of the entire catchment to enable the efficient development of the whole Zone. For example in certain areas road width and standards are higher than that which would normally be stipulated for that individual's development but are required in order to provide an appropriate standard of infrastructure for the development area as a whole and need to be shared across the development area as a whole.

- (b) Costs of shared infrastructure incurred by Council which achieves a cost effective outcome for the whole development area as compared to a multitude of less optimal smaller development solutions e.g.; a sewer pump station servicing a development area rather than several sewer pump stations servicing several smaller developments within that area.

Appendix 3 provides implementation rules and guidelines for Zone Infrastructure levies applicable in these areas.

5.4 Road Contributions

In addition to the above Development Contributions, site specific Development Contributions for road related expenditure requiring either on site or offsite works to mitigate the effects from a development may be applied in lieu of undertaking the required works. These levies will be determined at the time of consent approval and will be in lieu of actual works normally required to be carried out on subdivision. The reason for these levies or payments by agreement are that it will often make more sense to defer the actual works so they can be combined with works which service the area as a whole. These levies will be determined by Council in discussion with the developer.

Specific road seal extension zone levies (as included in Table 5.1 for Kenepuru Road and David Street) may be introduced from time to time. These will be calculated by determining the 75% of the cost of seal extension divided by the potential number of new lots that may be created. The location of the subdivision may be taken into account in determining the appropriate contribution.

5.5 Use of Development Contributions

Council will use Development Contributions only towards the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment.

Contributions may not be redistributed between catchments or activities, but they may be reallocated across projects within a catchment for a given activity. Thus contributions collected for water projects in the Blenheim water catchment (say) will only be spent on water projects in Blenheim.

In addition Development Contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

5.6 Limitations

Council will not require a development contribution for network infrastructure, reserves or community infrastructure to the extent that:

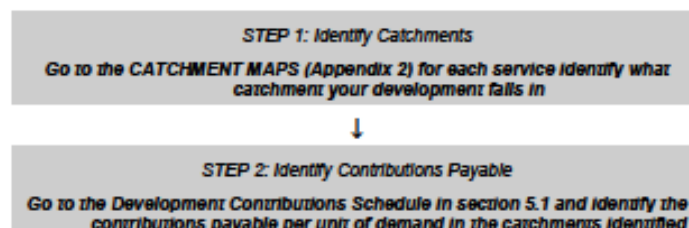
- it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- a development contribution has already been required for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance, or
- it has received, or will receive, full funding from a third party.

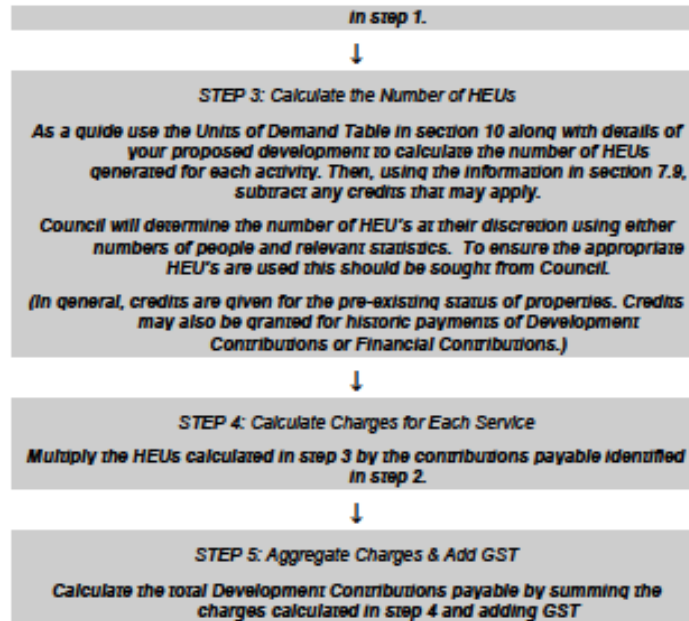
Council may require another development contribution for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

Council will at its sole discretion determine when Development Contributions are not applicable.

6. How to Calculate Development Contributions Payable

The following flow chart demonstrates how to calculate the contributions payable on your development. Prior to following this stepped process section 7.1 should be read.





7. Assessment and Application of Policy

7.1 Threshold for and Timing of Assessment

Not all developments will be liable for Development Contributions; indeed, only developments that place demands on infrastructure (and for which Council incurs costs) will be charged. In order to separate developments that should be charged from those that should not, a robust assessment process is needed.

If, at the time of development, connection to Council services is not possible in relation to an activity, then no Development Contribution will be charged in relation to that activity. This does not preclude collection (charging) Development Contributions at a future date on connection.

In general, each development will be assessed – to see whether it creates a demand on infrastructure and should therefore be liable to pay Development Contributions – when granting:

- A resource consent under the RMA for a development.
- A building consent or a certificate of acceptance under the Building Act 2004.
- An authorisation for a service connection.

7.2 Assessment Process

In general, assessment will be made against the first application lodged for the development, and when (if any) subsequent consent, certificate or authorisation is sought, a re-assessment will be undertaken to determine whether the level of demand has changed. If, for whatever reason, Development Contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

When Council assesses a development contribution at the subdivision consent stage, the expected dominant nature of activities (according to the existing land use consent or resource management plans) will determine the type of development contribution payable.

If a subsequent application indicates a change in the nature of activities from that previously envisaged, the development contribution will be reassessed and any difference from a contribution paid will be debited or credited to the applicant and invoiced as appropriate.

7.3 Residential Activities

Residential activity means land and buildings available for use by people for the purpose of living accommodation where occupiers can live at the site for a period of one month or more, and will generally refer to the site as their house; and includes accessory buildings and leisure activities. For the purpose of this definition, residential activity shall include

community, emergency and refuge accommodation but does not include visitor accommodation, camping grounds or homestays.

7.3.1 Subdivision

The creation of residential allotments via subdivision provides scope for new residential dwellings, and therefore attracts Development Contributions at a rate of one HEU per *additional* allotment. Where two or more independent dwellings reside on one title, and have been lawfully established, and consent is sought to separate the properties into separate allotments with individual titles, Development Contributions will not be charged (unless there are new service connections required or there is increased demand on existing services or infrastructure).

7.3.2 Rural Land Uses

Residential developments in the rural area are treated the same as in the urban environment. Each rural allotment will be assessed as having 1 HEU per residential dwelling on the property. An exception to this applies for those properties where the landowner has waived the right to erect a residential dwelling as part of creating the allotment, is for a Resource Management Act 1991 related purpose and this is recorded as a consent notice on the property title. Each additional residential dwelling on a rural allotment will be assessed as an additional HEU.

Non-residential sheds and farm buildings associated with rural activities, which do not place an additional demand on infrastructural services, will not incur a development contribution.

7.3.3 Other Resource Consent Applications

If a resource consent application creates the potential to build additional independent dwellings it will attract Development Contributions at a rate of one HEU per dwelling.

7.3.4 Building Consent & Certificate of Acceptance Applications

To the extent that dwellings constructed on allotments have not previously been charged Financial or Development Contributions for an activity included in this Policy, on the granting of a building consent or certificate of acceptance the development will be liable for Development Contributions for that activity under this Policy.

Note: Additions to residential dwellings do not attract Development Contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges. Additions to dwellings which create a second kitchen facility will be considered an independent dwelling and will be charged development contributions.

7.3.5 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.3.3.

Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate-out shared meters and services will not attract contributions.

7.4 Non-Residential Activities

7.4.1 Subdivision

Non-residential subdivisions will attract Development Contributions on each additional allotment created. If the intended land use is unknown at the time of subdivision, each allotment will be charged a development contribution equal to one HEU. Any additional demand generated by the development will then be assessed at the time a building consent, land use consent or service connection application is granted (at which time land use will become known).

If the intended land use is known at the time of subdivision, Development Contributions will be based on:

- (i) each lot's planned gross floor area (GFA), and
- (ii) the intended land use.¹⁰

Consideration will be given to the conversion table in section 10.3. Where expected demand is known this will be

¹⁰ Stormwater charges, once included in this Policy, will be based on the impervious surface area of each non-residential development, not their gross floor areas.

used instead of GFA.

Non-residential development will not be charged contributions for the activities of reserves or community infrastructure.

7.4.2 Land Use and Building Consent Applications

Non-residential developments, including those located in rural areas, will attract Development Contributions based on their GFA and intended land use. If an existing structure is demolished or removed prior to construction, the GFA of that structure will be used as a credit against any new structure(s) erected on the site. If there is no existing structure(s) on the site, credit to reflect contributions paid at the time of subdivision (if any) will be allocated against the new GFA of the development.

7.4.3 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.4.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate shared meters will not attract contributions.

7.5 Riverlands Industrial Estate

The scale, diversity and unpredictable timing of developments at the Riverlands Industrial Estate means that it is impossible to forecast the rate of growth, as well as the level of infrastructure required to service that growth. Consequently, Council has been unable to set pre-defined charges for developments in this area and intends to negotiate contributions for each development on connection on a case-by-case basis. These contributions will potentially cover all activities defined in section 2.4. As a guide, the contributions sought will give weight to the household equivalents units of demand generated by the development.

7.6 Council Developments

Capital works projects to provide community infrastructure undertaken by Council (whether funded by Development Contributions or not) will not be liable for Development Contributions because they expand the supply of infrastructure, not increase the demands placed on it. However, any other construction or development undertaken by Council, or any organisation fully or partly owned or managed by Council, will be liable for Development Contributions under this Policy to the extent that it generates demand for activities covered by this Policy.

7.7 Private Development Agreements

A territorial authority may enter into a development agreement with a developer if—

- the developer has requested in writing that the territorial authority enter into a development agreement with the developer; or
- the territorial authority has requested in writing that the developer enter into a development agreement with the territorial authority.

Sections 207A - F of the LGA outlines the process for entering into a development agreement, its content, effect and other relevant information. The Council can also enter into development agreements under section 12 of the LGA.

In certain circumstances, where Council believes it is in the best interests of all stakeholders and in addition to the arrangements necessary for Riverlands Industrial Estate, private development agreements may be entered into with a developer. Private development agreements may be used in lieu of Development Contributions where a developer and Council agree that particular infrastructure and/or services can be provided in a manner different to Council's standard procedures/guidelines, and where Council's minimum level of service will be achieved.

Such agreements must meet the requirements of the LGA.

One example where a private development agreement may be used is when a development requires a special level of service or is of a type or scale which is not readily assessed in terms of standard units of demand. Another is where significant developments are proposed and capital expenditures are required but none have been budgeted and no development contribution has been set.

7.8 Application in Other Circumstances

7.8.1 Cross Boundary Developments

Some developments may span several catchments and/or straddle the District boundary with another territorial authority. In such cases, the following rules shall apply. Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs created in each catchment will then be used to calculate contributions payable.

Where a development straddles the District boundary with another territorial authority, Development Contributions

will payable only on the HEUs (or parts thereof) that result from development within Marlborough District.

7.8.2 Consent Variations

Applications to vary a resource or building consent, or the conditions of such consents, will trigger a reassessment of HEUs and Development Contributions payable under this Policy. Any increase or decrease in the number of HEUs (relative to the original assessment) will be calculated and contributions adjusted accordingly.

7.8.3 Boundary Adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, Development Contributions will not be required unless it is considered a new building lot has been created, or the proposal increases the potential to extend a building that has been previously assessed as a "Small Home", in which case development levies would be applicable

7.8.4 Special Assessment

Areas for which assessment will likely be required (as set out in section 7) during the application for resource consent, building consent, certificate of acceptance or service connection due to the nature of the area or the infrastructure involved are industrial development, Wairau Valley water supply, Okiwi Bay and other Sounds catchments, Awatere Valley rural water supply.

7.9 Credits

7.9.1 Overview

Credits are used in this Policy to ensure that pre-existing demand is credited or Development Contributions previously paid are recognised.

Where Development Contributions have already been paid for a property, credits will be given towards those activities to the extent that payment was made. No historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. The same applies to historic payments for Financial Contributions.

In addition, credit will be given for the pre-existing status, as recognised legally by Council, of properties as at 1 July 2009, where service connections exist, even if no previous financial or Development Contributions have been paid. Credits will be available on redevelopment of the existing title, and calculated and assigned on a per activity basis. More details on the nature of these credits are outlined below.

7.9.2 General Principles of Credit

- Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Section 10.3.
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- For residential buildings that have been demolished or destroyed a credit will apply in relation to the number of pre-existing HEUs. In other words, no Development Contributions will be payable if the same number of independent dwelling units are rebuilt. Any additional units will be assessed for payment of Development Contributions according to the terms of this Policy.
- Credits must be allocated to the same allotment or allotments. This prohibits the transfer of credits from one allotment to another.
- Credits cannot be used to reduce the total number of HEUs to a negative number. That is to say, credits cannot be used to force payments by Council to the developer.

8. Reconsiderations, Objections, Remissions, Reductions and Refunds

8.1 Reconsiderations

Grounds for requesting a reconsideration

A person who is required by Council to make a development contribution under section 198 of the LGA 2002 may request Council to reconsider the requirement if the person has grounds to believe that—

- (a) The Development Contributions were incorrectly calculated or assessed under this Policy; or
- (b) Council incorrectly applied this Policy; or
- (c) The information used to assess the person's development against this Policy or the way Council has recorded or used it when requiring the development contribution, was incomplete or contained errors.

Request for reconsideration

The request for reconsideration must be made within 10 working days after the date the person receives notice from Council of the level of development contribution Council is proposing to require. A request can only be made on the grounds set out in section 199A of the LGA 2002 (as set out in (a) to (c) above.)

The request for reconsideration may be lodged with Council on-line to email dcadmin@marlborough.govt.nz or by posting it to:

Development Contribution Reconsideration Request
Marlborough District Council
PO Box 443
Blenheim 7240

A person may not apply for reconsideration if they have already lodged an objection to the development contribution requirement under section 199C and Schedule 13A of the Local Government Act 2002.

Process for determining request for reconsideration

The staff member who made the original requirement will prepare a report on the reconsideration request, summarising the matters raised and making a recommendation.

The request will be assessed and determined by either the Chief Executive or Chief Financial Officer or Manager Assets and Services. No hearing will be held. The decision will be made on the papers.

Decision on reconsideration

Council must make a decision on the request within 15 working days after the date Council receives all required relevant information relating to the request.

Council may decline or uphold the reconsideration request in whole or in part. The reconsideration may result in the amount of the development contribution assessment remaining the same, being reduced or increased.

Outcome of reconsideration

Council must give written notice of the outcome of the reconsideration to the person who made the request.

A person who requested a reconsideration may object to the outcome of the reconsideration in accordance with section 199C.

8.2 Objections

A person required to pay a development contribution may object to the contribution. A person may object whether or not they have also requested a reconsideration.

The right of objection does not extend to a challenge to the Development Contributions Policy itself.

An objection may only be made on the grounds that Council has—

- (a) Failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community infrastructure; or
- (b) Required a development contribution for community infrastructure not required by, or related to, the development whether on its own or cumulatively with other developments; or
- (c) Required a development contribution in breach of section 200; or
- (d) Incorrectly applied the Policy to the development.

Objections are to be decided by independent Commissioners selected from a register of commissioners appointed by the Minister of Local Government.

The process for Development Contributions objections is contained in Schedule 13A of the Local Government Act 2002.

The costs incurred by Council in administering the objections process must be met by the objector.

8.3 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked as a resolution of Council, and are not able to be requested by applicants. If an applicant wishes to apply for a reduction in the Development Contributions payable on their development, they can pursue this via the process detailed in the next sub-section.

8.4 Reductions

Reductions are adjustments to the number of HEUs assessed for a particular development. These will only be considered as part of a review initiated by an applicant (for a consent or service connection). The agreed outcome will be recorded in a private development agreement (see section 7.7).

Requests for reductions must be made in writing to Council within fifteen (15) working days of receipt of a Development Contributions assessment notice. Requests must be short and concise, but fully outline the reasons why a reduction is being sought.

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request.
- Council may determine whether or not to hold a hearing for the purposes of the review, and if so, give at least five working days' notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, reduce, or cancel the original amount of HEUs assessed and therefore Development Contributions required on the development, and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.
- Council may delegate this hearing and determination role to Council Officers or other suitably qualified persons as required from time-to-time.

In reaching a decision, Council will take account of the following matters:

- The Development Contributions Policy.
- The Funding Model.
- Council's LTP.
- Council's funding and financial policies.
- The extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by Council in its capital works programme.
- The level of existing development on the site.
- Contributions paid and/or works undertaken and/or land set aside by the developer.
- Any other matters Council considers relevant.

8.5 Refunds

The refund of money and return of land will occur in accordance with sections 209 and 210 of the LGA, in the following circumstances:

- If the development or building does not proceed; or
- If a consent lapses or is surrendered; or
- If Council does not provide any reserve network infrastructure or community infrastructure for which the development contribution has been collected. For the avoidance of doubt, Council will not refund a contribution where a specific capital works project does not proceed, only where the service to be provided by that project is not provided.

Any refunds will be issued to the consent holder of the development to which they apply or their representative.

The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund would also exclude any administrative costs already incurred by the Council and will not be subject to any interest or inflationary adjustment.

8.6 Postponement

Council will not consider postponements of contributions payable under the Policy except as outlined in section 9.2.

9. Other Administrative Matters

9.1 Assessment & Invoicing

Assessments generally take place as early as possible in the development process and are valid for 12 months from date of initial assessment, beyond which reassessment must take place before an invoice can be generated.

An invoice will be issued at the earliest of:

- an application for a certificate under section 224(c) of the RMA, or
- in the case of a development contribution assessed on a land use resource consent application, 170 days from granting or prior to the commencement of consent,
- an application for a Code Compliance Certificate under section 92 of the Building Act 2004, or
- an application for a Certificate of Acceptance under section 98 of the Building Act 2004, or
- a request for service connection.

Development Contributions are calculated at the current rate applicable at the time of invoice. Should the payment be delayed (or partly-delayed in the case of staged development), contributions will be reassessed and invoiced at the current rate relevant at the time of reassessment.

9.2 Timing of Payments

The due date for payment shall be:

- For subdivision resource consents – prior to issue of the section 224(c) certificate
- For other resource consents – 180 days from granting or prior to the commencement of consent, whichever is earlier.
- For building consents – 180 days from granting or prior to Code Compliance Certificate, whichever is earlier.
- For certificates of acceptance – prior to granting the Certificate
- For service connections – prior to connection.

Developers may apply to Council for a postponement of payments for Development Contributions enabling the release of the section 224 certificate. In the event a postponement is approved by Council, at its sole discretion, then the GST component is payable immediately, an appropriate security at the applicants cost must be entered into to secure the obligation and the remaining amount outstanding. This may include a charge under the Statutory Land Charges Registration Act 1928 against the title. Council will prepare the necessary documentation and the developer must meet the costs of the preparation, execution and registration of the documents. Postponement will have a maximum time limit of five years or the period until the property changes ownership. The amount payable will be subject to increase to reflect Producer Price Index, adjustment or interest, as agreed between the developer and Council. It is Council's sole discretion as to whether to approve the postponement of any development contribution.

9.3 Non-Payment and Enforcement Powers

Until a development contribution required in relation to a development has been paid, Council may:

- In the case of a development contribution assessed on grant of a subdivision consent, withhold a certificate under section 224(c) of the RMA.
- In the case of a development contribution assessed on grant of a building consent, withhold a code compliance certificate under section 95 of the Building Act 2004.
- In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development.
- In the case of a development contribution assessed on a land use or other resource consent application, prevent the commencement of a resource consent under the RMA.
- In the case where a development has been undertaken without a building consent, not process an application for a certificate of acceptance for building work already done.

Council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the LGA.

9.4 Contributions Taken as Money in First Instance

The LGA specifies that contributions may be taken either as money, land or both. Council will take contributions as money in the first instance, but may also accept land from time-to-time, at its sole discretion.

9.5 Service Connection Fees

Council will continue to collect service connections fees for the following services:

- Potable water.
- Wastewater.

- Stormwater.

The current charges applicable are available from Council offices.

9.6 GST

GST is accounted for at the earlier of payment or the issuing of a tax invoice. Where refunds arise a GST credit note will be issued as appropriate.

Please also note that assessments are not tax invoices for the purpose of GST.

10. Measuring Demand

10.1 Units of Demand

Units of Demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. Council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from other forms of development as HEU multipliers.

The following subsections outline the demand characteristics of each HEU and the multipliers used to convert non-residential demand to HEUs.

10.2 Base Units

The demand characteristics of each household equivalent unit are as defined in the Marlborough District Council Code of Practice for Subdivision and Land Development, where one Residential section (i.e. Lot) shall be taken as equivalent to 1 HEU, and similarly One Dwelling shall also be taken as equivalent to 1 HEU.

10.3 Conversion Factors

The following table outlines the factors which may be used to convert non-residential demands to HEUs. It should be noted that Council at their sole discretion shall determine the appropriate HEU's for the applicable activity and may use people numbers and / or other statistics to derive the HEU applicable.

HEUs per 100m² of Gross Floor Area (per 100m² of ISA for stormwater)

Activity	Commercial	Industrial	Retail
Roading	1.00	0.30	see below
Water	0.26	0.26	0.37
Wastewater	0.26	0.26	0.38
Stormwater	0.26	0.26	0.26
Community Infrastructure *	n/a	n/a	n/a
Reserves *	n/a	n/a	n/a

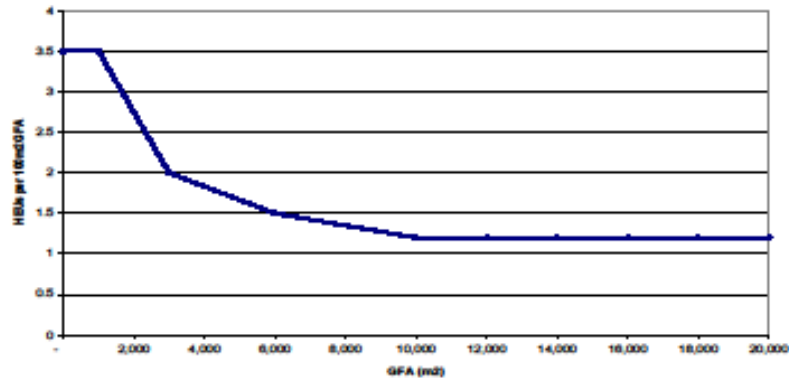
*No contribution is payable for non-residential development in relation to community infrastructure or reserves.

GFA is the entire area of a building and includes areas associated with the activity i.e. storage areas and passageways.

In the event that trip generation is used for determining demands on roading infrastructure Council reserves the right to undertake an independent check on any trip generation data provided by the applicant in assessing the equivalent HUE trip generations. Council will place its reliance on the independent advice received, if it has sought it, in determining the appropriate HUE and resulting development contributions.

Because the nature of retail activities, and hence the demands they place on roads, differ significantly by size, retail transport conversion factors are based on the following graph. This was sourced from Transfund Research Reports 209 and 210 – *Trips and Parking Related to Land Use - Volumes 1 & 2* by Douglass Consulting Services & Traffic Design Group.

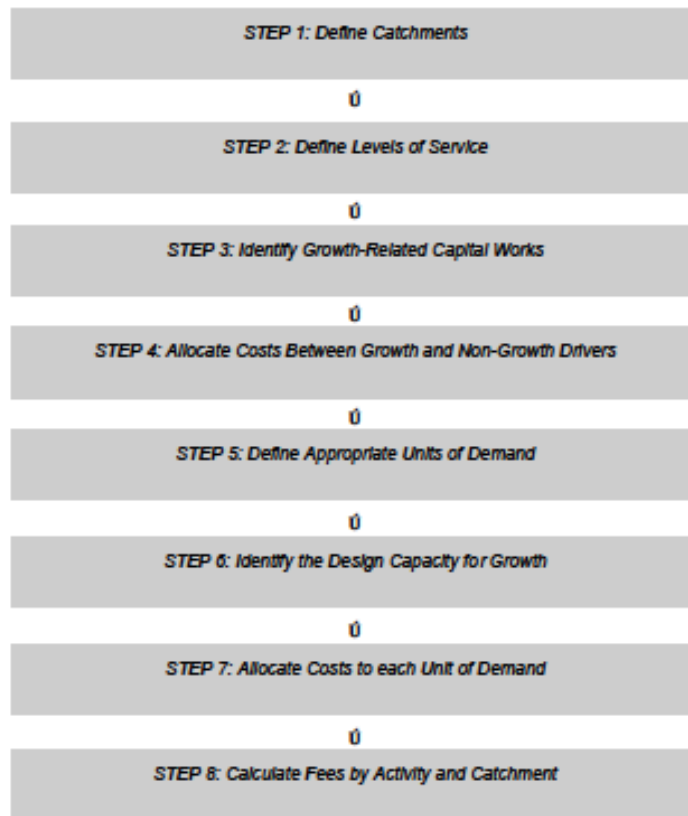
Figure 1: Transport Conversion Factors for Retail Developments



11. Methodology & Significant Assumptions

11.1 Methodology Overview

The method used to calculate charges comprises the following 8 steps:



A detailed discussion of this methodology is provided in the Development Contributions methodology report (available at Council's offices). Following is a brief summary.

11.2 Methodology Steps

11.2.1 Define Catchments

The first step is to define service catchments. These are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose Council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and who will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the District, regardless of whether they caused (or benefited from) the investment.

Given the principle in section 197AB(c) of the LGA (*i.e.* to allocate costs used to establish contributions on the basis of causation and benefits received), it follows that catchments should be used wherever possible.

11.2.2 Define Levels of Service

Service levels define the quality of service, and are typically embedded in Council's Asset Management Plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

11.2.3 Identify Growth-Related Capital Works

Next, one must identify the specific capital works for which Development Contributions are sought. These comprise both future capital works – as listed in the LTP – and historic works undertaken in anticipation of growth. Refer appendices for capital works, timing and growth apportionment.

11.2.4 Allocate Project Costs

Many of the capital works projects underlying this Policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called "economies of scope." Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single-purpose projects.

Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this Policy were based on a two-staged approach. In stage one, the method checks whether a project bears any relation to growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- Section 101(3) of the LGA. This sets out the issues to which Council must have regard when determining its funding sources. These include the distribution of benefits (both temporally and spatially), the extent of any cost causation, and the impacts on community outcomes and policy transparency. It also requires Council to consider the overall impact of any allocation of liability for revenue needs on the community.
- Asset management plans, which provide detail about the scale and nature of capital works.
- Network modelling, which helps understand the usage of infrastructure networks.
- Cost allocation principles, such as stand-alone costs and incremental costs.
- The presence of any third party funding.

More detail on Council's cost allocation methodology can be found in Council's Development Contributions methodology report (available at Council's offices).

11.2.5 Define Appropriate Units of Demand

Having identified the specific capital works for which contributions will be required, next we must identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

Council uses the household equivalent unit, which captures the demands of an average household, as the appropriate unit of demand, and specifies the demands imposed by other forms of development as multipliers. This approach to units of demand mirrors that used by other council's in New Zealand which collect Development Contributions.

11.2.6 Identify the Design Capacity for Growth

The design life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In general, project costs should be spread over the asset's design life. This makes sense, because only developments occurring within the design life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and it may be necessary to use a shorter funding period. In this Development Contributions Policy, the funding period over which costs are spread is the shorter of asset design life and 30 years.

11.2.7 Allocate Costs to Each Unit of Demand

This is a fairly straightforward exercise, and is carried out within the Development Contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing) costs to the projected number of HEUs that within the same catchment and within the asset's design life.

11.2.8 Calculate Fees by Activity and Catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of Development Contributions reproduced in section 5.1.

11.3 The Funding Model

A funding model has been developed to calculate charges in accordance with the methodology described in 11.2 of this Policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also houses growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- All capital expenditure estimates are inflation-adjusted and GST exclusive.
- The improved level of service, backlog, renewal and maintenance portions of each project will not be funded by Development Contributions.
- Methods of service delivery will remain largely unchanged.
- Interest will be earned by Council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at an average annual interest rate of 5.5%
- Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- The Development Contributions charges listed in table 5.1 will be adjusted each year for the movement in the construction cost index as published by Statistics New Zealand. This has been modelled as an average increase of 2.5% per annum.
- Increases in general rates and user charges - due to increases in the number of ratepayers - will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

11.4 Other Significant Assumptions

A number of other important assumptions underlie this Policy. The most significant of these are outlined below.

11.4.1 Planning Timeframe

This Policy is based on the ten-year time frame of the LTP and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale compel Council to build assets of greater capacity that extend beyond the timeframe of the LTP.

Council accepts that, in such cases, it may have to bank roll costs and recover them over time from distant development. Any costs incurred in anticipation of distant growth (i.e. beyond the LTP) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 30 years. For this reason modelling of development levies spans a timeframe in excess of the ten year timeframe of the LTP.

11.4.2 External funding

This Policy assumes that the eligibility criteria used, and the quantum of funding provided, by third parties (such as NZ Transport Agency) remain unchanged over the life of the plan.

- 11.4.3 **Best Available Knowledge**
The growth projections and capital works programme underlying this Policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated to the Policy at review times.
- 11.4.4 **Changes to Capital Works Programme**
Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.
- 11.4.5 **Avoidance of Double Dipping**
Development Contributions will not be sought for projects already funded by other sources, such as external subsidies or Financial Contributions.

11.5 Identification of Risks

The main risk associated with this Policy is uncertainty over the rate and timing of growth. Similarly, there is significant uncertainty over the exact nature of growth-related capital works, and their associated cost and timing. The most effective risk mitigation strategy is to constantly monitor these and update the Policy with better information as it becomes available.

Record of Amendments/Revisions

Record any revisions/amendments which have been made and when.

Details	Approval by whom	Date

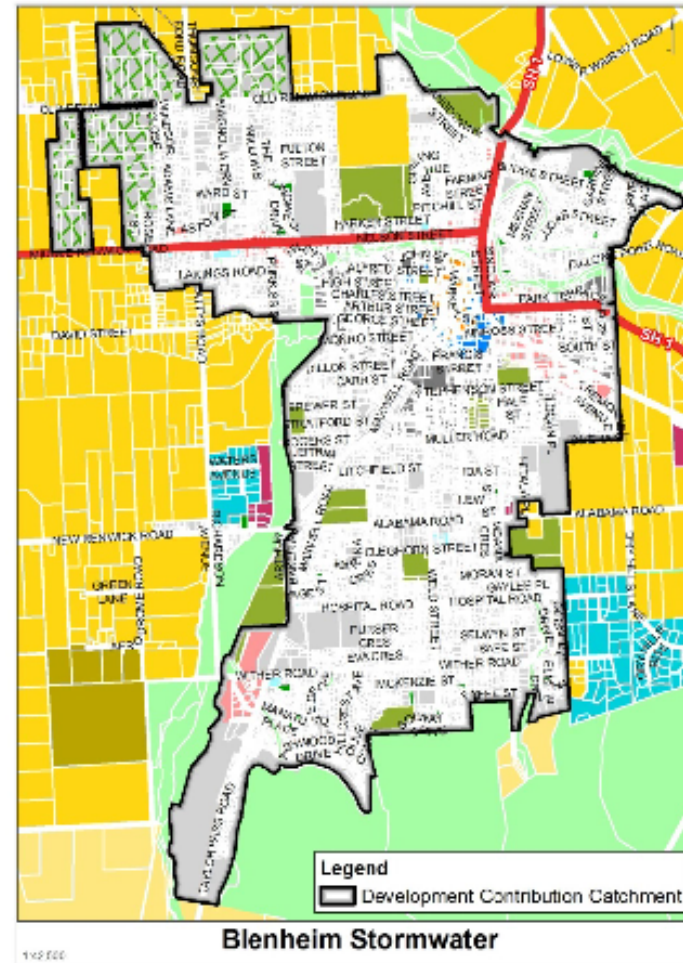
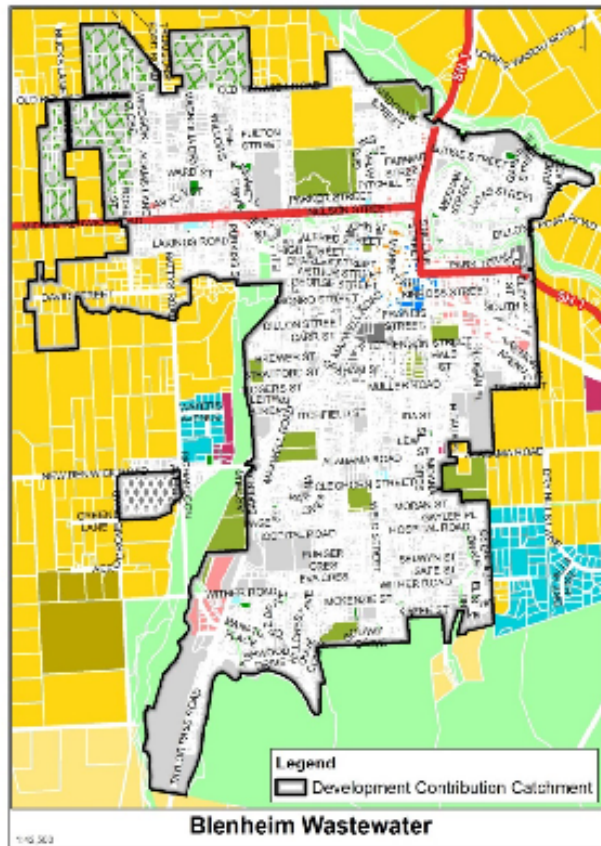
Appendix 1: Schedule of Capital Expenditure

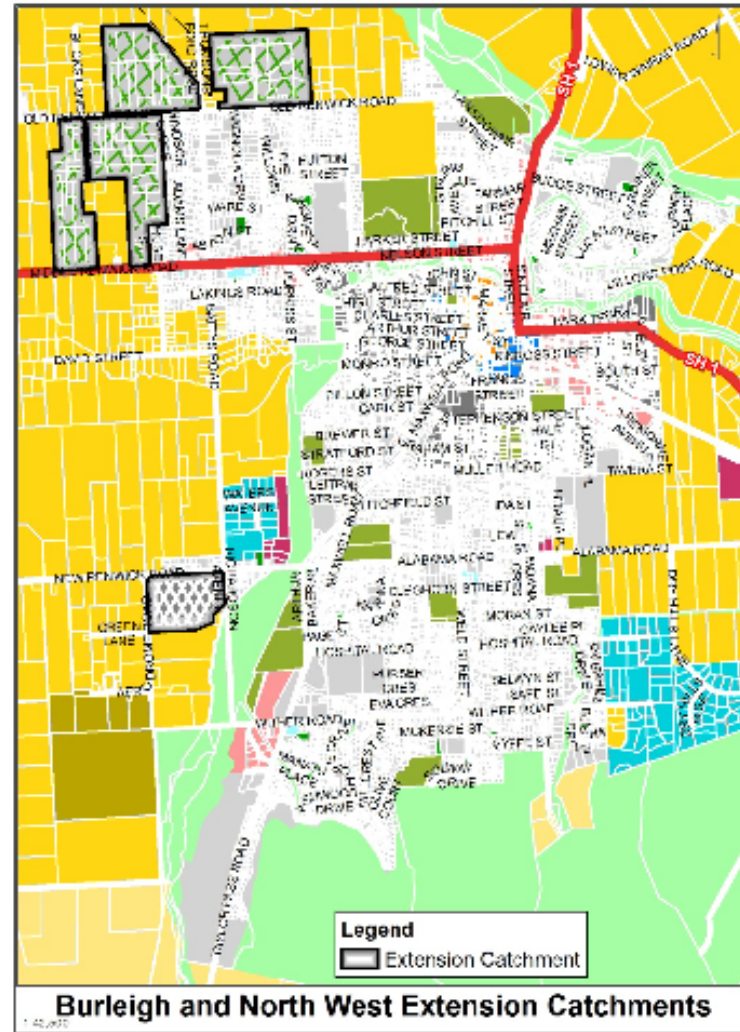
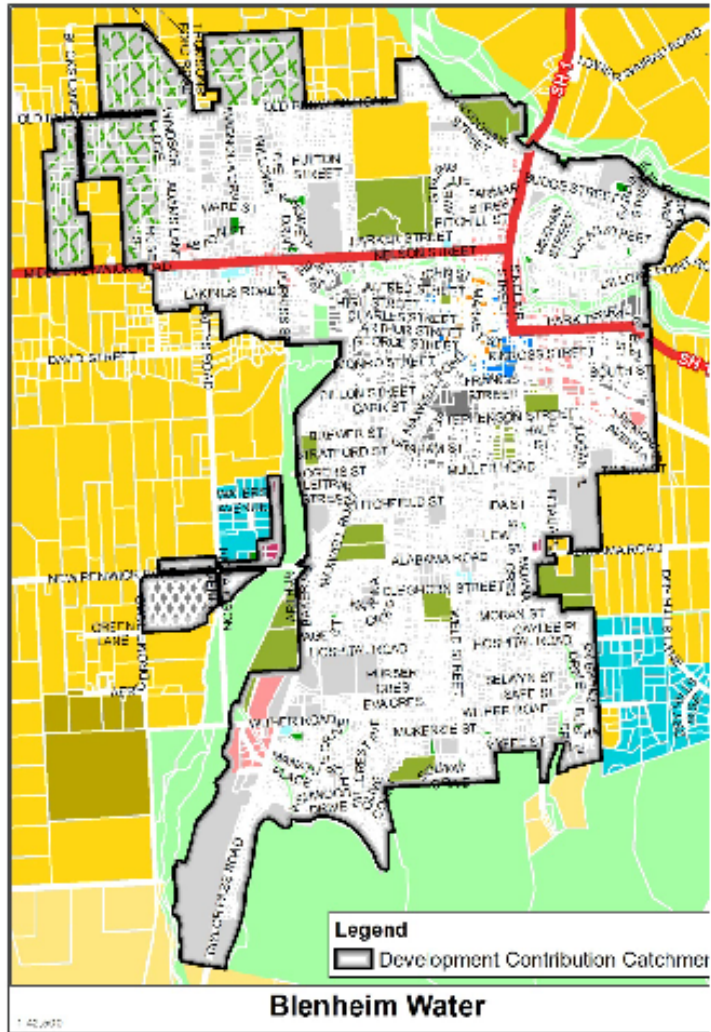
Description	Capital NPV (10 years)	Growth NPV (10 years)	Proposed DC levy	Proposed DC Levy income NPV	Act % DC	% Other
Reserves						
Opening Balance	36,015,866	6,735,715				
Unspecified (Group 1a)	13,598,782	10,751,283				
B/V Neighbourhood (Group 1b)	14,506	725				
Blenheim Neighbourhood (Group 1a)	8,331,586	956,200				
Picton Neighbourhood (Group 2a)	105,213	5,261				
Wairau Valley Domain (Group 3)	142,180	142,180				
Blenheim Vicinity Domains (Group 4)	246,157	71,090				
Endeavour Park (Group 5)	178,969	14,549				
Lansdowne/A&P/Horton (Group 6)	6,661,553	499,360				
Athletic Park/Oliver Park (Group 7)	65,126	3,256				
Picton (group 8)	674,978	33,749				
Foreshores & Domains (Group 8)	159,161	7,958				
Havelock War Memorial Park (Group 9)	219,851	145,760				
Awatere Domains (Group 10)	953,822	192,193				
Taylor/Riverside/Pocket Parks (Group 12)	950,565	866,513				
Pollard & Seymour (Group 12)	683,775	119,497				
Rural Reserves (Group 14)	65,133	3,257				
Esplanade (Group 14)	483,007	24,150				
Picton & Koromiko (Group 14)	8,684	434				
Public Conveniences	3,968,263	201,884				
	73,527,178	20,775,015	\$16,692	20,775,015	28%	72%
Community Facilities						
Aquatic Centre Opening Balance	15,515,678	5,585,644				
Endeavour Park Opening Balance	2,795,565	1,062,315				
Marlborough Library	24,054,000	652,700				
	42,365,243	7,300,659	\$4,420	7,300,659	17%	83%

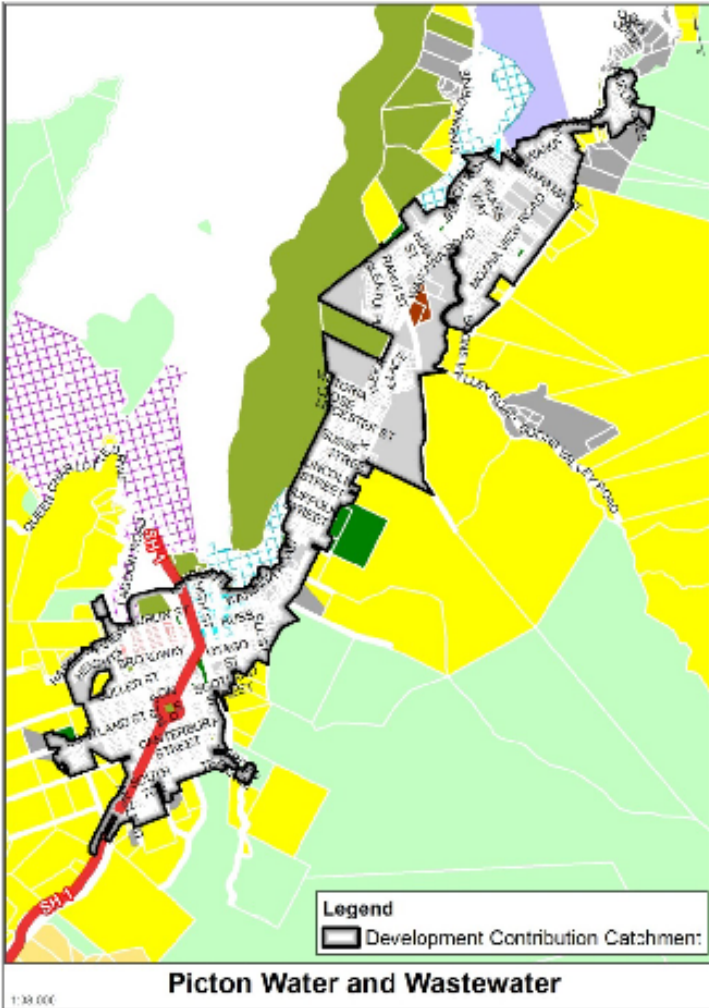
Roads						
Footpaths	1,701,703	756,065				
Signage	488,115	196,664				
Vehicle crossings	262,219	131,110				
Street Lighting	349,625	174,813				
Kerb and Channel	924,098	393,329				
Sealed Pavement for sub-divisional works	1,311,095	1,311,095				
Other	1,201,177	1,004,191				
All Other Road Programme	204,521,259		Urban \$1,890			
	210,759,292	3,967,266	Urban Infill \$1,260	3,967,266	2%	98%
			Rural \$3,150			
Combined Sewerage						
Opening Balance	36,015,866	7,203,173				
Pipelines	25,166,788	4,105,001				
Pump Stations	33,260,926	10,452,411				
Treatment Plant	72,556,648	18,848,135				
Telemetry	22,133	17,706				
Vested Assets	1,062,374	0				
New Connections	670,269	0				
Capitalised Overhead and carryover	6,082,457	0				
Land	4,671,953	0				
	179,509,413	40,626,427	\$15,780	24,252,254	14%	86%
Blenheim Stormwater						
Vested Assets	1,770,624	0				
New Connections	400,161	0				
Pipelines	13,783,394	3,685,591				
Pump Stations	8,225,878	8,225,878				
	24,180,057	11,911,470	\$10,500	5,948,017	25%	75%
Renwick Stormwater						
Opening Balance	136,139	68,069	\$1,640	68,069	50%	50%

Combined Water						
Pipelines	53,877,603	9,431,680				
Pump Stations	6,012,284	771,042				
Treatment Plant	35,691,197	4,997,555				
Reservoir	3,716,806	305,094				
Land	1,397,094	0				
Dam	271,665	0				
Vested Assets	1,726,358	0				0
Connections	1,380,201	0				
Water Meters	2,608,571	450,343				
Capitalised Overhead and carryover	6,992,198	0				
Opening Balance	23,344,509	4,668,902				
	137,018,486	20,624,615	\$6,940	9,866,199	7%	93%
Riverlands Water						
Pipelines	6,206,200	1,867,134				
Treatment Plant	9,335,672	1,239,469				
Capitalised Overhead and carryover	537,409					
	16,079,282	3,106,604	Assessed on a development by development basis			
North West Extension Zone						
Three Waters	2,279,269	2,279,269		2,279,269	100%	0%
Roading	1,264,012	1,264,012		1,264,012	100%	0%
	3,543,281	3,543,281	refer 5.1 Schedule of Charges	3,543,281	100%	0%

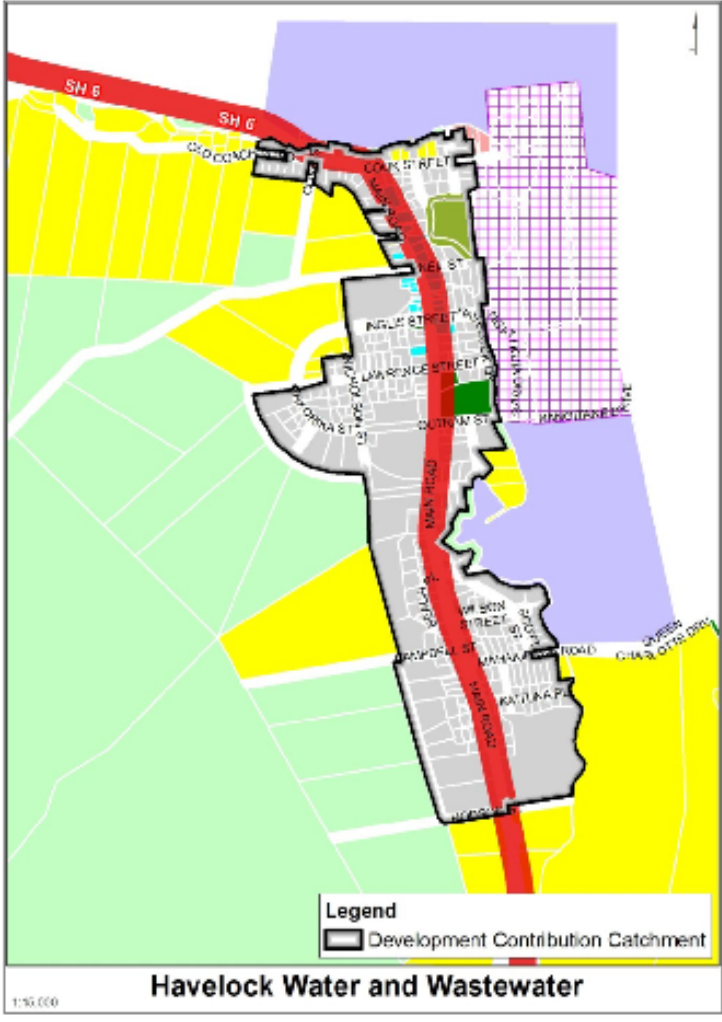
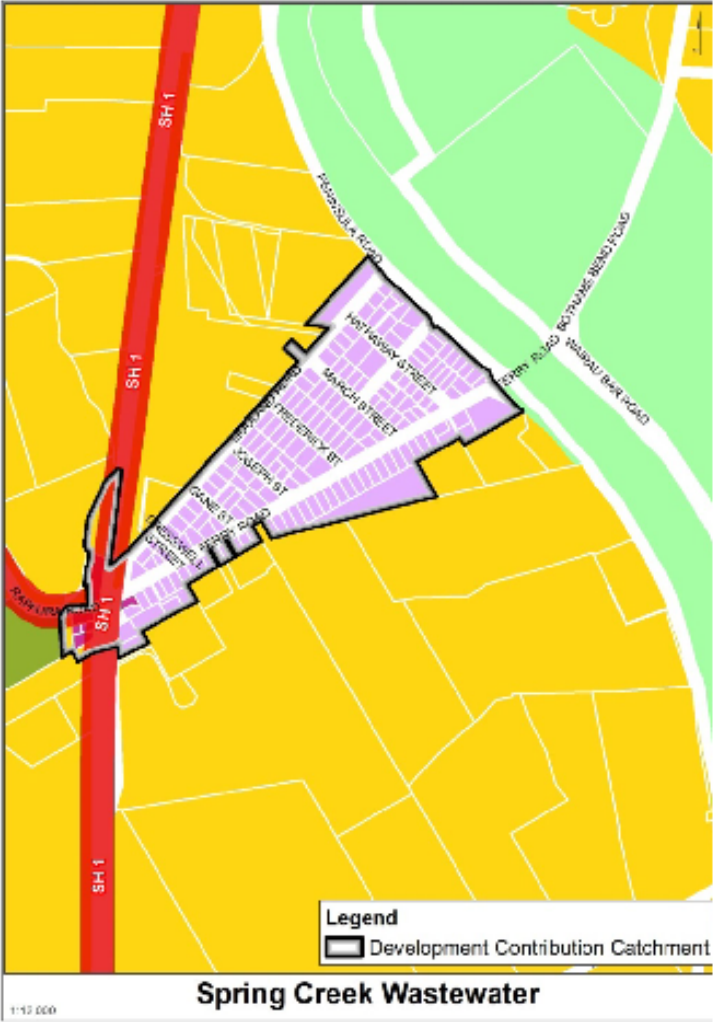
Appendix 2: Development Contribution Catchment areas

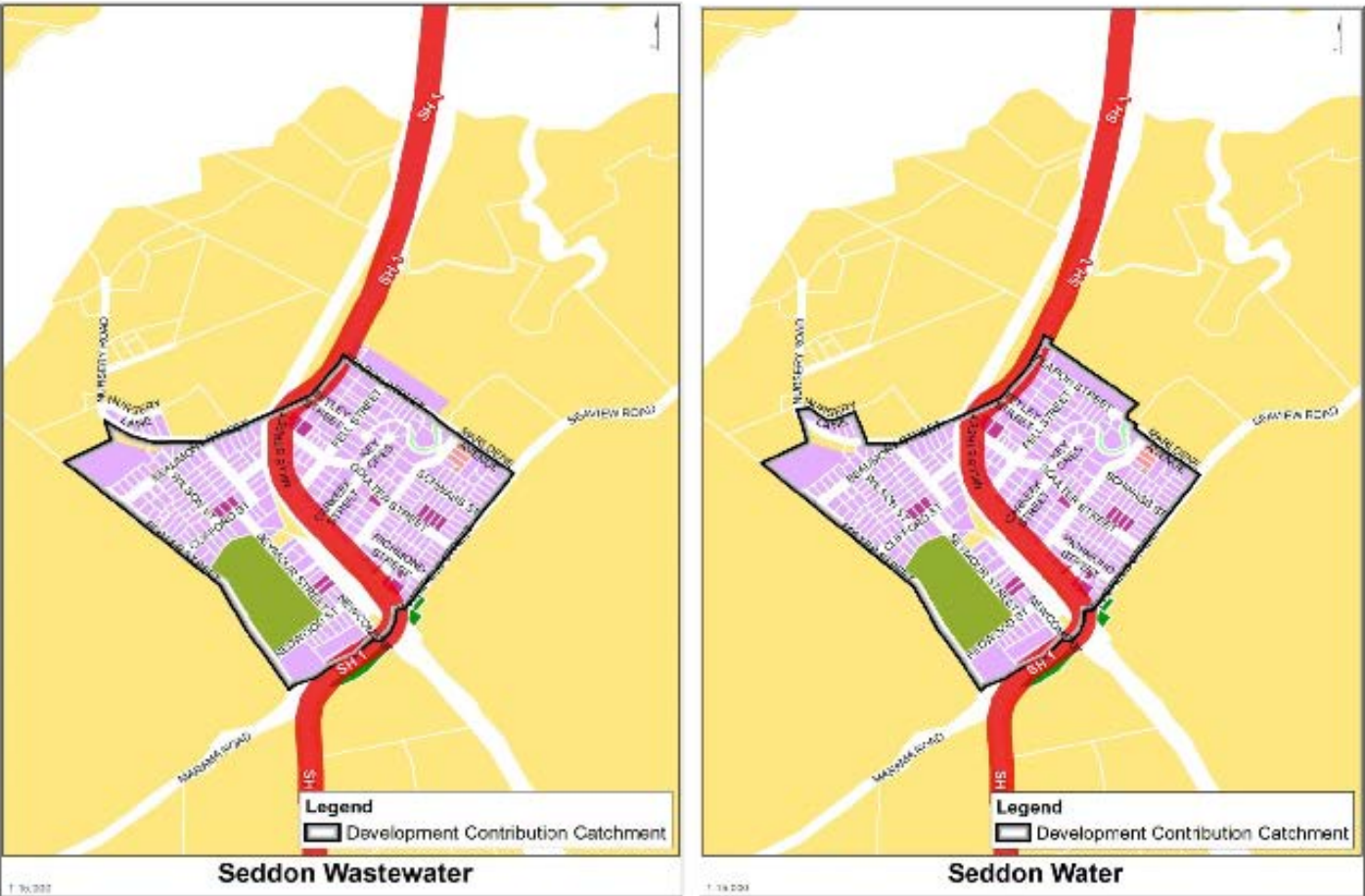














**Zone Infrastructure
Northwest Zones - Mowat Area**



**Zone Infrastructure
Northwest Zones - Roseneath Area**



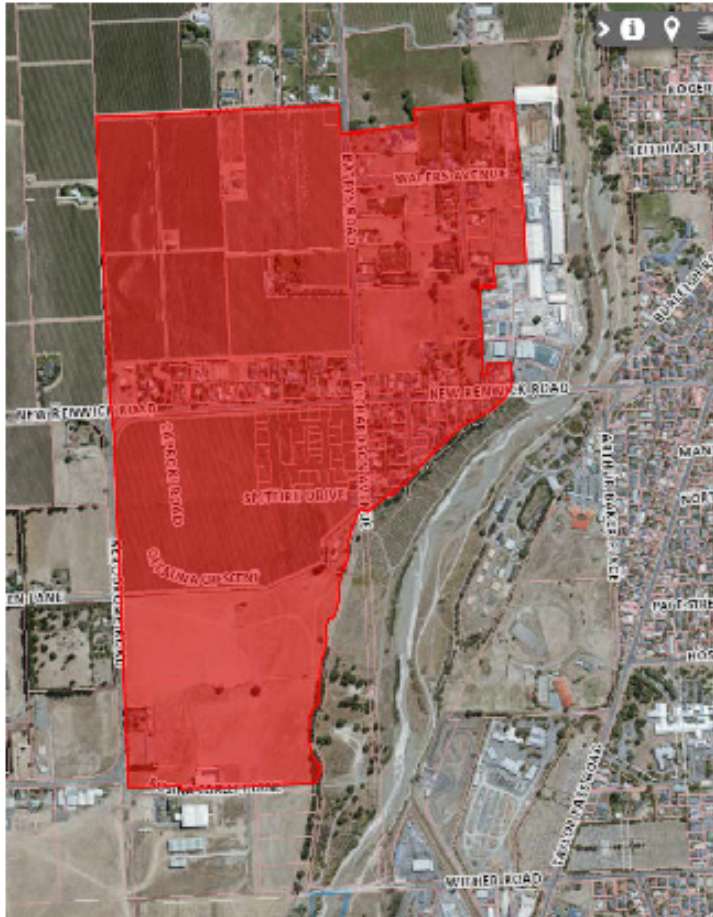
Zone Infrastructure
Northwest Zones - Colemans Area



Zone Infrastructure
Westwood Area Stormwater



Zone Infrastructure
North West Extension Zone Areas



Zone Infrastructure Burleigh Area Wastewater

Appendix 3: Implementation Rules and Guidelines for Zone Infrastructure Levies

ADDITIONAL REQUIREMENTS FOR SUBDIVISION OF LAND WHICH HAS BEEN REZONED BY WAY OF PLAN CHANGE PC64, PC65, PC67, PC66 and PC69, and include Rose East

- (a) All levies referred to in this section will be set to recover the cost to Council of providing infrastructure for the development of Plan changes PC64, PC65, PC67, PC66 and PC69, and to include the area of Rose East. The formula for calculating levies will be a costing schedule which combines the anticipated development of sections (and therefore the collection of Levies), the timing of costs and the interest component of levies collected or loans taken out.
- (b) Within the Residential Zone, Council is responsible for providing and upgrading all bulk services within existing Road reserve. These services will be provided by Council or by a Developer at Council's choice, based on the "Accepted Services" plans. These costs will be recovered by way of the Zone Development Levies. Timing of these bulk services will be managed by Council to suit budgets and proposals.
- (c) The Zone Costs shall be reviewed annually and adjusted if necessary on the basis of Council cost projections and changes in interest rates as well as changes in the number of sections developed.
- (d) Two sets of "Accepted Services " plans exist;
 - i. The area of PC64, PC65 and PC67; Appendices 1.1 to 6.4, and
 - ii. The area of PC66 PC69 and Rose East; Appendices 1.1 to 6.6
- (e) Infrastructure costs that will be met by the Zone Development Levy, to accommodate the development of the Plan change areas PC64,

PC65, PC67, PC66 and PC69, and include Rose East area, are as follows:

- i. The cost of providing bulk stormwater, water and sewer infrastructure within existing road reserve, as identified on the "Accepted Services" plans. Reference to Appendices 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.
- ii. The cost of upgrading existing roading infrastructure, as identified on the "Accepted Services" plans. Reference to Appendix 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.
- iii. The cost of upgrading existing bulk stormwater, water and sewer infrastructure. This includes, but not limited to:
 - Upgrade of Caseys Creek, and associated culverts.
 - Upgrade of Caseys Stormwater pump station.
- iv. The cost of constructing the bulk stormwater, water, sewer and roading infrastructure to extend from individual developments to the neighboring property/s as identified within Appendix 5.1, and with respect to the sizes identified on the "Accepted Services" plans for the respective service. Council will contribute \$35,483, (by way of reduction in Zone Development Levy) to the areas identified on the "Accepted Services" plans only. This contribution is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistics New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.
- v. The cost associated with increasing the diameter of piped water and sewer services from that which would be sufficient for their development, to that identified on the "Accepted Services" plans. Reference to Appendices 2.1, 2.2, 2.3, 3.1, 3.2 and 3.3. Council will contribute to the marginal cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy) if the service pipes are over the following minimum sizes:
 - Sewer (gravity) 150 mm
 - Water 100 mm
- vi. The cost of constructing Sewer pumping stations and / or Sewer pressure pipelines and / or Sewer overflow pipelines, as identified on the "Accepted Services" plans. Reference to Appendices 3.1, 3.2 and 3.3. Council will contribute for the full cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- vii. The cost of constructing Trunk Stormwater Infrastructure, as identified on the "Accepted Services" plans. Reference to Appendices 1.1, 1.2 and 1.3. Council will contribute for the full cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- viii. The cost associated with increasing the Road Carriageway widths from a standard 5.8m (kerb to kerb, includes parking) to that identified on the "Accepted Services" plans. Reference to Appendix 4.1. Council will contribute \$144 per lineal meter, (by way of reduction in Zone Development Levy) to the areas identified as Road "A" only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component. Council will contribute \$386 per lineal meter, (by way of reduction in Zone Development Levy) to the areas identified as Road "B" only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.

- ix. The cost associated with increasing the Road Reserve widths from a standard 15.0m to that identified on the "Accepted Services" plans. Reference to Appendices 4.1. Council will contribute \$17 per square meter, (by way of reduction in Zone Development Levy) to the areas identified as Road "B" only. This rate is a fixed amount, but will be subject to changes of the Producers Price Index (PPI) from Statistic New Zealand or another index approved by Council. The base PPI = June 2018, costs exclude GST and include a design component.
- x. The costs associated with increasing the size of pipelines through a site to take stormwater from the positions identified on the "Accepted Services" plans. Reference to Appendix 1.1, 1.2 and 1.3. Council will contribute to the marginal cost provided the contract costs are acceptable to Council (by way of reduction in Zone Development Levy).
- (f) The cost of upgrading existing sewer infrastructure within MacLauchlan Street to accommodate the development is excluded from the calculation of these Zone Levies and will be met by Council's Development Contributions Policy.
- (g) The essential roading connections layout must be completed as shown on Appendix 4.1. Provision of bulk water, sewer and stormwater infrastructure must also follow the essential roading layout as shown on Appendices 1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 3.1, 3.2 and 3.3. The layout may be varied provided that the servicing and access to all other properties can be achieved to approval of Council.
- (h) It shall be a requirement that every allotment in a proposed subdivision be provided with the following services to Council approved standards:
 - i. Sewer disposal off site by means of a water borne sewer connected to the Council sewer reticulation system.
 - ii. Stormwater disposal off site by means of a connection to the Council stormwater reticulation system.
 - iii. Water supply by means of a connection to the Council's water reticulation system.
 - iv. Roads including footpaths.
 - v. Underground electricity supply and street lighting.
 - vi. Underground Telecom connection.
- (i) Where it is not possible for the installation of bulk services to a proposed subdivision in the Residential Zone without crossing over private land, the subdivision plan will not be approved unless the developer provides written approval from the affected property owners (in a form acceptable to Council) allowing installation of bulk services across their land.
- (j) The cost of installing these bulk services on privately owned land is to be borne by the Property Developer who requires them. This shall include all other costs associated with the agreement between adjoining property owners such as easements, cost share, registrations and legal fees.
- (k) The re-zoned residential area must be developed in a sequential manner. Development must be deferred until services are available at the respective property boundary. Until then the properties are considered "Deferred Development Status" - This Deferred Status will be lifted once accepted by Council that the Bulk Services necessary to complete the development are available at the site.
- (l) Council will not be obligated to contribute (including by way of reduction in Zone Development Levy) to infrastructure required to service properties that are in Council's opinion – "Deferred Development Status".
- (m) All charges will be on a per allotment basis. Balance lots will be charged the equivalent of 1 allotment, with recognition that the

remaining charges will be applicable upon further development of the balance lot.

- (n) Council may require a Developer to install infrastructure in addition to that shown on the "Accepted Services" plans to ensure neighboring properties are provided a connection to the Bulk services.

Council will contribute for the full cost provided the contract costs are acceptable to Council.

These costs will later become an Additional Development Levy (in addition to that required by the Development Contributions Policy, and Zone Development Levies) to the neighboring property at the time in which they require connection.

- (o) Development contributions are required by the Local Government Act 2002. All Zone Development levies, Development Contributions and Additional Development Levies will be payable by property owners/developers before the issue of a certificate under section 224 of the Resource Management Act 1991.

- (p) Developers are further required to appoint suitably qualified representatives to undertake the following responsibilities:

- i. Design of the subdivision and preparation of engineering drawings and specifications for the provision of internal roads and services.
- ii. Supervision of the construction of internal roads and services.

Certification on completion that these services have been installed to the attached drawings and specification, with respect to the whole re-zoned area and "Accepted Services" plans.

Appendix 4: Glossary of Terms

Activity	Means a good or service provided by, or on behalf of, the local authority or a Council-controlled organisation e.g. water supply, sewerage, transport
Allotment (or lot)	Has the meaning given to allotment in Section 218(2) of the Resource Management Act 1991.
Asset Management Plan	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.
Benefit Area	The area which benefits from the installation of the infrastructure.
Capacity Life	Means the number of years that the infrastructure will provide capacity for, and associated HEUs.
Capital Expenditure	Means the cost of capital works for network infrastructure, reserves and community infrastructure.
Catchment	Means the area served by a particular infrastructure investment.

Community Facilities	means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.
Community Infrastructure	Means the following assets when owned, operated or controlled by a territorial authority: (a) Community centres or halls or the use of a local community or neighbourhood and the land on which they are or will be situated; (b) Libraries; (c) Swimming pools.
Development	Means: (a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) Does not include the pipes or lines of a network utility operator.
Development Contribution	Means a contribution: (a) Provided for in a development contributions policy included in the Long Term Plan of a territorial authority; and Glossary of Terms 2018-2028 Long Term Plan Page 345 (b) Calculated in accordance with the methodology; and Comprising- i. Money; or ii. Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or iii. Both.
Development Contributions Policy	Means the policy on development contributions adopted under section 102(1).
District	Means the District of a territorial authority.
District Wide	Applies to every property in the District.
Dwelling	Means a building or part of a building for a single, self-contained, house-keeping unit, whether of one or more persons (where 'self-contained housekeeping unit' means a single integrated set of sleeping, ablution and cooking facilities).
Financial Contributions	Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.
Geographic Areas	The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.
Goods and Services Tax (GST)	Means goods and services tax under the Goods and Services Tax Act 1985.

Gross Floor Area (GFA)	<p>Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:</p> <ul style="list-style-type: none">• Car parking.• Loading docks.• Vehicle access and manoeuvring areas/ramps.• Plant and equipment enclosures on the roof.• Service station canopies.• Pedestrian circulation space in an enclosed retail shopping centre.• Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.
Household Equivalent Unit (HEU)	<p>Means an average residential dwelling occupied by a household of average size. The average equates to unit of demand of 1.</p>
Industrial	<p>Means:</p> <ul style="list-style-type: none">(a) Any premises used for any industrial or trade purposes; or(b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or(c) Any other premises from which containment is discharged in connection with any other industrial or trade process.(d) Any activity where people use materials and physical effort to:<ul style="list-style-type: none">• Extract or convert natural resources.• Produce goods or energy from natural or converted resources.• Repair goods.• Store goods. (ensuing from an industrial process)
Infrastructural Assets	<p>These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.</p>

Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
Non-Residential Development	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
Residential Development	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
Subdivision	Has the same meaning as section 218 of the Resource Management Act 1991.
Unit of Demand	Means the measure of demand for community facilities.

6. Consideration of LTP Submissions – Non Sounds Roads

(Please refer to and bring all submissions already circulated)

(Report prepared by Geoff Blake)

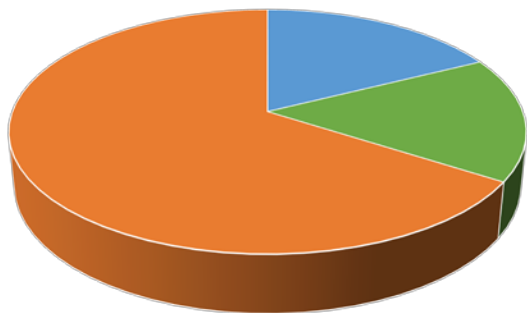
F230-L24-09-03

Purpose of report

1. To summarise submissions received relating to the 2024-34 Long Term Plan consultation document and supporting information.
2. To identify submissions requesting a Council budget increase, supporting decision making regarding budget allocations
3. To facilitate Council discussions and decision making regarding submitter feedback and perspectives.
4. This paper should be read in conjunction with the individual submissions.

Executive Summary

5. 198 Submissions were received providing 534 responses indicating support or otherwise to the particular topic.
6. “Yes” responses were proportionately larger than “No” or “Support in part/Oppose in part” responses, suggesting support in general for Councils LTP.



■ No ■ Support in part/Oppose in part ■ Yes

7. Consultation topics and proposal were largely accepted in full or part.
8. Feedback received from submitters on changes to fees and charges were generally supportive.
9. Budget requests were received from 59 submitters with a total request value of \$12.4m, with a mixture of one off and ongoing requests received. See attachment for details of these requests.

RECOMMENDATIONS

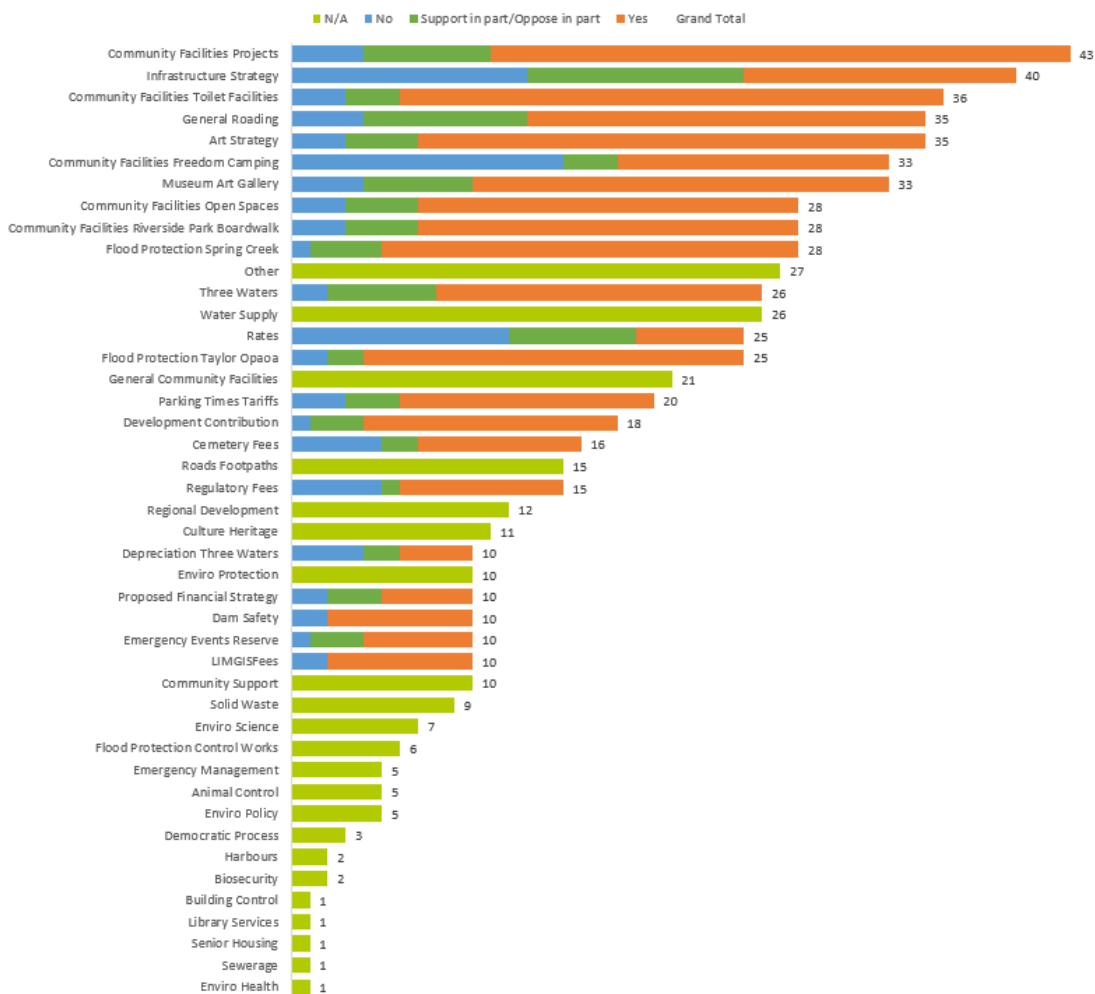
1. That council confirms the decisions it made as part of the 26 February 2024 Budget meeting regarding increased levels of service noting that significant items were identified in the Consultation Document; and
2. That Council confirms the changes in all fees and charges as presented in the Consultation Document, and
3. That Council notes the requests for increased levels of funding made in submissions and included in Appendix 6.1, which will be deliberated on when the relevant submission is considered.
4. That the 2024-34 Long Term Plan be amended as appropriate to incorporate the decisions made by Council on submissions, and that the revised budgets and resultant rates and charges be adopted for inclusion in the 2024-34 Long Term Plan.

Background/Context

- 10. Consultation attracted 365 submissions of which 167 were relating to the Marlborough Sounds Roads.
- 11. 108 submitters, including submitters on the Marlborough Sounds roads, requested to speak at the LTP hearings.
- 12. Council has access to all submissions and supporting information, including Council Officers comments, allowing sufficient time for review comment.

Assessment/Analysis

- 13. In the Consultation Document Council made a number of proposals, and recommended increases in a range of fees and charges, which it asked for feedback on.
- 14. 198 submissions were received for non Sounds Roads LTP topics with 534 “Yes”, “Support in part/Oppose in part”, and “No” responses received to the 44 topics consulted on.
- 15. 352 “Yes” responses were recorded out of the total of 534 responses, 94 “No” and 88 “Support in part/Oppose in part”.
- 16. The highest number of “Yes” responses were recorded for Community Facilities Projects (32) and Toilets (30), closely followed by the Art Strategy (28).
- 17. The highest number of “No” responses were recorded for Freedom Camping (15), the Infrastructure Strategy (13) and Rates (12), the latter on a low number of total responses (25). For these 3 topics the “No” response was proportionately higher than other topics of consultation.
- 18. See the following chart for a greater breakdown of responses by topic.



19. In general, support was received for Councils proposed direction and decisions, including for the changes to fees and charges.
20. Budget requests of a total of \$12.4m were received including some requests added by submitters in the Hearings. Larger requests include funding for Marlborough Netball and Whitehead Bowling Club for the installation of covers for sports areas, a request from Renwick Sports and Events Centre for a grounds and facility development programme over the next ten years and a request of \$5m from the Marlborough Heritage Society for Council to buy the Society's buildings.

Attachment

Attachment 6.1 – Amended Development Contributions Policy, with markups

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Author	Geoff Blake, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

Attachment 6.1

Budget Requests

Submission #	Name	Organisation	Description	Total requested (GST Excl)	One-Off Annual Future
144	Russell Hopkins		Proposed improvements to Harling Park - Japanese garden. Seat + picnic table	10,000	One-off
329	Robert Terry	Free Public Defenders Service	Free Public Defenders Service Seeking funding to provide a free service at the Court House. Marl/Nelson/West Coast = \$52k	52,000	One-off
20	Leeson Baldey	Warmer Healthier Homes Te Tau Ihu Charitable Trust		30,000	Annual
23	Carmen Gimpl	Picton Little Theatre	An annual operating expense grant of \$9,000 (GST exclusive) per year for five years. Based on 60% of insurance cost. Or insurance under Council and charged a fee.	9,000	Annual
53	Chris Marshall	Endeavour Park Pavilion Society Inc	Increase reimbursement of Assistant Facilities Manager wages from 10 hours (\$250) per week to 15 hours (\$375) per week.	6,500	Annual
53	Chris Marshall	Endeavour Park Pavilion Society Inc	Accept Feasibility study. Add items to LTP. \$4.5M + \$990k+ \$440K.		
244/249	John Hickman	Flaxbourne Heritage Trust	We seek for the council to substantially increase the annual operational grant to the Flaxbourne Settlers Assn. Currently \$7,500,	7,500	Annual
244/249	John Hickman	Flaxbourne Heritage Trust	one off grant or assistance could be added to cover the pending costs in cataloguing, filing and setting up systems. \$60k to \$70k.	60,000	One-off
244/249	John Hickman	Flaxbourne Heritage Trust	Release the \$250k previously approved		One-off

50	Tonya Patchett	Blenheim Polo Club	Relocation of the Blenheim Polo Clubrooms from Rewi Murray Polo Park to 3299 State Highway 1 Waipapa Bay 7371 and toilet block installation.	100,000	One-off
202	Tim Crawford	Marlborough Equestrian Park NZ Inc.	Automated irrigation is required, at a total cost of \$320,000.	320,000	One-off
192	Robert McCaw	East Coast Protection Group	Council double the amount of funding provided in it's "working for nature" fund. And adjust for inflation. Current value = \$138,250	138,250	Annual
306	Fraser Brown	Marlborough Mountain Bike Club	Track maintenance	50,000	Annual
306	Fraser Brown	Marlborough Mountain Bike Club	Fence around skills area (near Gentle annie)	20,000	Future
306	Fraser Brown	Marlborough Mountain Bike Club	Repurpose existing track into jumpline	40,000	Future
183	Stuart Barnes		asphalt pump track built in Picton	218,000	One-off
9	Michael Insley	Rapaura Tennis Club Incorporated	maintain the existing grant within the next 10 year plan, 2024-2034. Current grant \$15k. + cpi from the start of the new grant period to \$20k pa	5,000	Annual
326	Mahina Henry-Campbell	Marlborough Netball Centre	covered roof for the courts on Lansdowne park. 3 courts \$1,662,112. 6 courts \$3,115,421.	1,662,112	Future
13	Jo Lane	Marlborough Youth Trust	Operational funding support for Myspace from \$30k pa to \$40k pa and that this grant is imbedded into the Marlborough Long-Term Plan	10,000	Annual
263	Kelvin Watt	Graeme Dingle Foundation Marlborough	Career Navigator - contribution be increased in line with inflation – by \$2,000, to \$14,000.	2,000	Annual
303	Paul Davidson	Bytesize Film Productions	Once were whalers film. Total cost \$42k. A portion is requested.	16,000	One-off

255	Paul Davidson	Marlborough Historical Society Incorporated	Purchase Museum building in 24/25 or 25/26	5,000,000	One-off
255	Paul Davidson	Marlborough Historical Society Incorporated	Operating grant	90,000	Annual
128	Sharon Evans	Renwick Museum and Watson Memorial Library	Fund a position to upload backlog into new package	8,000	One-off
128	Sharon Evans	Renwick Museum and Watson Memorial Library	Logins to system	2,210	Annual
128	Sharon Evans	Renwick Museum and Watson Memorial Library	Position to upload on ongoing basis. Possibly 2 hours a week	4,100	One-off
288	Cathie Bell	New Zealand Chinese Language Week Trust	\$2k grant to facilitate activities in the NZ Chinese Language week.	2,000	One-off
164	Brian Henstock	Marlborough Community Vehicle Trust	Continued support from MDC. Received \$20k in 22/23 from F&L.		
102	Stuart Petersen	Blenheim Community Patrol Charitable Trust 2683291. CC59994	Seek an increase of our current grant from \$5,000 to \$8,000.	3,000	Annual
16	Aimee Payne		Lighting and shade at skate park		One-off
64	Ivan Sutherland	Totaranui 250 Trust	Cook's Lookout Project. Seed funding.	100,000	One-off
139	Jane du Feu	Te Tauihu o Te Waka a Maui Maori Culture Council	\$10,000 in 2024/25 to contribute towards the hosting to support national kapa haka events held in Te Tau Ihu region.	10,000	One-off

139	Jane du Feu	Te Taihū o Te Waka a Maui Maori Culture Council	\$30,000 in 2026/27 to contribute towards the hosting to support national kapa haka events held in Te Tau Ihu region.	30,000	Future
139	Jane du Feu	Te Taihū o Te Waka a Maui Maori Culture Council	A contribution in 2024-2025 to contribute towards the fee (4400k) to host Te Matatini 2027		One-off
39	Sean Trengrove	YMCA Nelson	Endorsing the Regional Community Development Agency and a financial contribution		
90	Joseph Casalme	Marlborough Civic Theatre Trust	Purchase the following equipment: auditorium's sound desk system, the stage communications system, the wireless microphone headset system and computer laptop systems. Total cost \$119,218.59 X GST. Requesting \$60k	60,000	One-off
359	Leigh Manson	Te Taihū Community Development Agency	three Te Taihū Councils to provide a financial contribution of \$100,000 per annum to the work of our agency.	100,000	Annual
298	Corey Heberd	Rangitāne o Wairau Group	Iwi Capability Funding \$5pa per iwi	45,000	Annual
353	Marcus Pickens	Wine Marlborough	Marlborough Wine & Food Festival: request \$51,497pa for 5 years	51,497	Annual
36	Rick Edmonds	Link Pathway Trust	\$30,000 be allocated annually to maintain the pathway	30,000	Annual
250	Zoe Aitchison	Picton Dawn Chorus	\$75,000pa, for each of the next 3 years, to help fund our staff wages and cover some overheads. - first year	75,000	One-off
250	Zoe Aitchison	Picton Dawn Chorus	\$75,000pa, for each of the next 3 years, to help fund our staff wages and cover some overheads. Next 2 years	150,000	Future
95	Dr Christine Sumner (Dr Arnja Dale)	SPCA New Zealand	Supporting their subsidised desexing and microchipping programme, Snip 'n' Chip.	At Council's discretion	

182	Rowan Lee	North Rarangi Water Supply Inc	Rarangi Water Supply - Council takes over the ownership and operation of the water scheme. Or provide assistance to NMWS	200,000	One-off
212	Debs Martin	The Nature Conservancy NZ / Kotahitanga mō te Taiao Alliance	a current investment of \$40,000 per annum to support operating expenses. In current budget.	Nil additional	
335	Paul Williams	South Marlborough Landscape Restoration Trust	annual budget to help with the efforts of government, private land owners and SMLRT in controlling these invasive pest trees.		
205	Rob McCaw	East Coast Protection Group	Help to continue employing ECPG's monitoring contractor.	20,000	Annual
312/314	Nigel Muir	Wild Waikawa	Request \$100k. Environment focus + cats + partnership. For LTP not Wild Waikawa	100,000	Annual
133	Kate McDougall	Renwick Sports & Events Centre	Increase reimbursement of Centre Manager wages from 20 hours (\$600) per week to 60 hours (\$1,200) per week due to now hiring an assistant manager. Or \$30k to \$60k. +CPI	30,000	Annual
133	Kate McDougall	Renwick Sports & Events Centre	Increase grounds maintenance grant from \$66,000 to \$100,000 per year. +CPI	34,000	Annual
133	Kate McDougall	Renwick Sports & Events Centre	Funding for large building and grounds renovation project over the next 10 years totalling \$1,500,000. This is due to the grounds and building being opened in 2009 and not many improvements have been done since then.	1,500,000	One-off
113	Mike Ponder	Whitehead Park Bowling Club Inc	Grant permission for the White Head Park bowling green to be covered with a high tensile, membrane roof, and to finance this development.	1,700,000	One-off

4	Heather Locke	Cancer Society	Budget for community facilities that are utilized by Marlborough residents that are not within its boundaries.		
1	Jane Orphan	Classic Fighters Airshow Charitable Trust	Professional traffic management, continues with an increased budget of \$60,000 for the 2025 event and \$65,000 for 2027. Further inflation adjustment may be determined thereafter. Current budget = \$20,000	40,000	One-off
1	Jane Orphan	Classic Fighters Airshow Charitable Trust	Professional traffic management, continues with an increased budget of \$60,000 for the 2025 event and \$65,000 for 2027. Further inflation adjustment may be determined thereafter.	45,000	Annual Future
9	Henrica Collet-Jacobson	Havelock Museum Society Inc.	Funding to engage a Museum Manager.	35,000	Annual
2	Kristy Rowe	Helping Families Nelson Trust	Makes a financial contribution to support the agency		
3	Bijmin Swart	Kete Social	financial support of Te Tauihu Community Development Agency (TTI)		
8	Russell Smith	New Zealand Police (Marlborough)	MDC provides CCTV cameras in five locations in the Havelock area. And Installing a CCTV camera at the entrance to the car park in Victoria Domain, Picton and some form of street lighting in this area		
10	Sylvie Filipo	Te Ātiawa o Te Waka-a-Māui	Seeks funding for an Iwi engagement platform and to support Waikawa Marae upkeep and community engagement.		
6	Jade Zeina	The Salvation Army	seeking a \$15,000 annual operating grant. Usually apply to the community grants, however it has been suggested that we apply here.	15,000	Annual
5	Corie Boley		Increase the funding for the strategy from \$500,000 over ten years to 1 million dollars.	50,000	Annual

7	Hayden Payne		Skate park -increased investment - Lighting, Shade, Upgrade & Maintenance & cosmetic improvements	200,000	One-off
				\$12,486,169	
			Summary		
			Annual	\$863,957	
			One-off	\$9,675,100	
			Annual Future	\$45,000	
			Future	\$1,902,112	
				\$12,486,169	

7. Marlborough Hockey Association

(Report prepared by Jamie Lyall)

R510-009-C04-04

Purpose of report

1. The purpose of this report is for Council to consider providing Marlborough Hockey Association a \$20,000 loan, repayable over 5 years to fund the kitchen fitout of the new Puna Wai Hockey Pavilion.

Executive Summary

2. The Marlborough Hockey Association request a \$20,000 loan from Council to fund the kitchen fit-out of the new Puna Wai Hockey Pavilion.
3. The Marlborough Hockey Association received a loan from Council in 2019 to pay for a new lighting system at their former College Park site and have met their payment obligations over the last 5 years.
4. It is considered that the risk to Council is low for this transaction.

RECOMMENDATION

That Council agree to provide Marlborough Hockey a loan of \$20,000, repayable over 5 years at Council's current 5.5% interest rate, subject to a satisfactory review of Marlborough Hockey Associations financial statements by Council's CFO.

Background

5. Council in conjunction with the Ministry of Education recently constructed a new Hockey Turf and Pavilion for community and education use in Nelson Street, Blenheim.
6. The contract works excluded the kitchen fit-out and the Marlborough Hockey Association agreed to pay for the fitout works estimated at \$20,000.
7. The cost of servicing the debt on a principal and Interest basis using Council's standard 5.5% interest rate is approximately \$5,254 per annum.
8. Marlborough Hockey have confirmed that they will be able to meet this obligation and have a good track record previously paying back a loan with Council.

Information

9. In 2019 Council agreed to providing a loan to the Marlborough Hockey Association for \$100,000 to enable an upgrade of the lights at College Park. The balance of that loan is \$2,182 and will be fully paid off by 1 December 2024.

Author	Jamie Lyall- Manager Property and Community Facilities
Authoriser	Geoff Blake – Chief Financial Officer

8. Increased Maintenance Costs at Sports Parks

(Report prepared by Jane Tito)

R510-009-T02-03

Purpose of Report

1. To seek funding for the following sports park maintenance activities:
 - 1.1 To maintain Rewi Murray Recreational Reserve due to the Blenheim Polo Club surrendering their lease early.
 - 1.2 To maintain the newly constructed Hockey turf in Nelson Street, Blenheim.
 - 1.3 To maintain the multipurpose turf at College Park, Blenheim.

Executive Summary

Rewi Murray Recreation Reserve

2. The Blenheim Polo Club (Polo) have decided to surrender their land lease on Rewi Murray Recreation Reserve prior to the contracted end date of October 2026.
3. Polo had sole access rights to the sports fields over the summer months and paid for all maintenance from October through to April each year.
4. Council had responsibility for the field areas maintenance over the winter periods with the fields utilised by a number of sporting codes. Council paid for all maintenance costs from April through to October each year.
5. Funding of **\$38,734** is required to maintain the sports surface to the required level for the entire year. This level of turf maintenance will bring the surface to an acceptable all year-round playable condition.

Puna Wai - Hockey Stadium – Nelson Street

6. The new Hockey Turf and Pavilion constructed in Nelson Street are Council owned assets built on Ministry of Education (Ministry) grounds. The development is a community/ministry shared facility model.
7. Initially it was planned that funding for the operation of the new facility would be provided from the budget for College Park Stadium due to its closure as part of the Combined Colleges project. The scaling down of that project means that the Ministry has offered Council a new lease on College Park which has been accepted. This means that additional funding is now required for the Nelson Street turf.
8. Funding of **\$16,600** is required to maintain the new Nelson Street Hockey Stadium facility.

College Park Artificial Multipurpose Turf – Stephenson Street

9. The current maintenance budget at former hockey turf at College Park does not include the cost of power which had previously been paid for by Marlborough Hockey Association, as part of their management of the grounds.
10. Given the Artificial Multipurpose Turf will be made available to all users through Council's Park booking system we expect that a range of different sports codes will use the site.
11. The need to provide lighting suitable for sports training activities is required and this cost is estimated at **\$12,000** annually.

RECOMMENDATION

That Council approve total funding of \$67,334 from general rates to be applied to maintenance of Rewi Murray Recreational Reserve, the new Nelson Street Hockey Stadium and Turf and operational costs for the College Park Artificial Turf.

Background

Rewi Murray Recreation Reserve

12. The Blenheim Polo club recently surrendered their lease on Rewi Murray Recreation Reserve which has been used for polo training, tournaments and special events.
13. The number of polo players based around Blenheim has been in a slow decline for several years. The Club have relocated their licence to play out of the Clarence River area in the Kaikoura District.
14. Staff are seeking additional annual budget of \$38,734 to maintain Rewi Murray Park for multi-sport purposes. A budget of \$20,500 is already in place for the winter period and has been for a number of years.

Table 1: Rewi Murray – Maintenance costs breakdown

Description of cost	Amount
Mowing all year round	\$22,370
Irrigation (based on Lansdowne Park manual irrigation costs)	\$4,320
Shrubs, gardens, litter	\$1,149
Sports field maintenance	\$7,895
Repairs and Maintenance	\$3,000
Sub-total	\$38,734
Maintenance of grounds – Already budgeted (this item includes mowing at high mow level to ensure playable multi-sport surface year-round and turf maintenance repairs to field)	\$20,500
Overall total	\$59,234

Nelson Street Hockey Stadium

15. The newly constructed hockey turf located off Nelson Street is now complete and includes a new national level grade turf and pavilion.
16. The hockey turf was jointly funded by the Marlborough District Council and the Ministry of Education to support community facilities and education-based use.
17. The Marlborough Hockey Association is to be based at this site with the new pavilion and new turf to be the Associations community facility and playing and training surface.
18. Staff seek Council funding approval of \$16,600 (Table - 2) for the maintenance of the new hockey turf located in Nelson Street, Blenheim.

Table 2: Nelson Street Hockey Stadium– Maintenance costs breakdown

Nelson Street located hockey turf (based on existing contract charges at College Park)	
Description	Amount
Maintain turf	\$4,600
Litter collection x 2pw	\$800
Clean carpark & sumps x 2 per year	\$500
Mow Lawns	\$700
Irrigation (water supply cost)	\$8,000
Repairs and maintenance	\$2,000
Total estimated:	\$16,600

College Park Multisport Artificial Turf

19. The maintenance of the turf located at College Park is covered by existing budgets including the sports fields and the skating area.
20. The artificial turf at College Park will be made available in Council's booking system for all sports codes as a training ground. The turf will be a dry surface and available for after-hours use.
21. The cost for power to operate suitable lighting is estimated at \$12,000 annually. This is not currently included in the Council's maintenance budget as it was covered under a previous agreement with the Marlborough Hockey Association.

Budget Summary

22. The below table shows the breakdown of the budget requested for all three noted areas.

Table 3: Total Cost breakdown

Costs to operate : Rewi Murray, Nelson Street Turf and Pavilion and College Park Artificial Turf	
Description	Amount
Rewi Murray maintenance	\$38,734
Nelson Street Hockey (Puna Wai)	\$16,600
College Park Artificial Turf	\$12,000
Total:	\$67,334

Author	Jane Tito, Manager, Parks and Open Spaces
Authoriser	Jamie Lyall, Manager, Property and Community Facilities

9. NZTA- Indicative Funding Levels

(Report prepared by Steve Murrin – Marlborough Roads)

F230-L24-09-03

Purpose of report

1. To advise Councillors that NZTA have released the indicative funding levels for Councils continued programmes, that being the Maintenance and Renewals Programme and Public Transport programme for the 2024-27 National Land Transport Programme (NLTP)
2. To confirm if Council retains the budgeted roading programme as has been consulted under the LTP, or adjusts budgets to align with NZTA indicative funding allocations,

Executive Summary

3. The indicative funding levels for Councils Continued Programmes has been released by NZTA. The funding indicated is \$5,580,851 below what council applied for in its funding bid.
4. The below table shows the indicative funding allocation, the requested allocation and the variance.
5. Council's 49% share of this unallocated portion is \$2,734,617.
6. After removing the budget reduction already accounted for, Council's budget funding for this unallocated amount is \$2.35M.

Activity Class	2024-27 indicative funding allocation	2024-27 requested allocation	Variance
Local Road Pothole Prevention	\$41,321,000	\$41,321,487	-\$487
Local Road Operations	\$23,153,000	\$28,682,899	-\$5,529,899
Public Transport Services	\$1,908,000	\$1,958,012	-\$50,012
Public Transport Infrastructure	\$118,000	\$118,453	-\$453

RECOMMENDATIONS

1. That Council retains its share of Roothing Budgets to what has been consulted under the LTP.
2. That the \$2.35M of Council funding that has been budgeted in the LTP based on the original local roading program, for which NZTA have not allocated funding, be held in reserve to be used to deal with any issues that arise.

Background/Context

7. Through the latter part of the 2023 Marlborough Roads ran workshops with Councillors on what Levels of Service (LOS) Council wanted to provide under its Roothing Maintenance Programme for local roads.
8. The outcome of the workshops was generally that Council were to retain current LOS , but there were to be a small lift in programme for renewals. These being extra renewal metal across the unsealed network, an improved LOS in drainage and a lift in the reseal and rehabilitation programme to better align with the DIA KPI's and the draft GPS priorities around increased maintenance and fewer potholes. There was also an allocation of \$900,000 applied for to replace concrete street light poles that have been identified as a possible risk in a seismic event.

9. Councils bid of \$41,321,487 in the Local Road Pothole Prevention Activity Class was fully funded. This is a 41% funding increase on the previous 3 years.
10. Councils bid for \$28,682,899 in the Local Roads Operations Activity Class was only funded at \$23,153,000, a \$5.53m shortfall over the 3 years. This is still a 21% increase on the previous 3 years. The main shortfall is in Network and Asset Management with funding \$5.08m short. The remaining shortfall in funding is because of the \$900,000 that was requested for street light pole replacement of which only \$450,000 was funded.
11. As can be seen in the previous table there is also a small shortfall in the Public Transport Programme.
12. It is proposed that we proceed with the allocated budgets even though NZTA funding advised is lower.
13. Council has budgeted for the full amount of its bid to NZTA of \$70m. This is made up of NZTA FAR of 51% \$35.7m and 49% Council share of \$34.3m
14. As the indicative funding levels indicate a \$5.5m shortfall in the 3 year programme, this means councils 49% local share (\$2,734,617 less adjustment in 14 below) has been shown in the budgets but if the indicative funding levels are confirmed it may not be required.
15. \$724,000 has already been removed from Council's budget reflecting the last bullet point in 17. below, offset by some additional planning related costs.
16. Taking 49% of this reduces Council's LTP budget by \$0.35M to \$2.35m.

Assessment/Analysis

17. Marlborough Roads believes that it can work with the Indicative funding levels without having much effect on Levels of Service.
18. The street light replacement programme will need to be pushed out into the 2027/30 NLTP. With half the works completed this NLTP and the rest in the 27/30 NLTP.
19. The main cut in funding is in WC 151- Network and Asset Management. The bid was for \$15m over 3 years. The indicative allocation is \$9.9m. The bid request was made up of
 - NOC Contract Lump Sum for Asset Management \$6.97m
 - Marlborough Roads fee \$4.25m
 - Professional Services \$720,000
 - Council Roding Overheads \$1.275m
 - RLTP and AMP Preparation \$240,000
 - Consents \$50,000
 - MSFAS Future Studies \$1m
20. Since the bid was submitted there has been some changes to this work category. The \$1m for MSFAS has had funding applied for as part of the MSFAS PBC. The projection of the Marlborough Roads fee is now \$2.8m over 3 years.
21. These adjustments will provide sufficient funding in year 1 of the NLTP. Some additional funding will be required for in future years.
22. Marlborough Roads has had a discussion with its NZTA Investment Advisor around is there likely to be extra funding come available through the 3 year programme to make up for the shortfall in the initial funding. His response was that there is no guarantee, but very likely funding will be available as long as Council can meet their share.

23. An issue to consider is if the \$2.35m budgeted for roading is not to be used for Council share of the Roothing Programme, should it be kept in a Roothing Reserve if other issues come up. Some of these may be;
- We have been advised by NZTA in the last few days that the Stage 1 and 2 Emergency Works Funding that is currently funded at 95% FAR will reset at 30 June. This means the first \$2m of emergency works funding we spend in the 2024/25 years will be at 51% FAR before moving to 95% FAR , meaning Council will need to find an extra \$1m of Local Share.
 - With Waitaria wharf we are expecting an insurance settlement to cover half of the cost, but around \$350,000 will need to be met by Council. Council has existing budgets for wharves of \$387,000 in carryovers.
 - With extra funding likely to become available in 25/26 and 26/27 from NZTA, council will need local share to match the NZTA funding.

Option One (Recommended Option)

24. The recommended option is Council keeps its share of Roothing Budget to the level consulted on in the LTP.
25. Year one of the NLTP can be funded from the indicative allocation, extra funding may be required to be applied for in year 2 and 3.
26. That the un-allocated council share of \$2.35m be held in a reserve to deal with any issues that may arise, including being used for local share in additional funding applications.

Advantages

27. That the Councils Maintenance and Renewals programme fits within the funding allocation from NZTA

Disadvantages

28. Council will need to apply for additional funding in years 2 and 3.
29. May require some re-allocation of Council Overheads to other work categories.

Option Two – Status Quo

30. That Council allocates additional funding to the Maintenance and Renewal programme which would mean around \$5m of unsubsidised Roothing Funding.

Advantages

31. Roothing Programme could be met in years 2 and 3 without applying for additional funding.

Disadvantages

32. That the Funding Assistance Rate of 51% across the programme will drop.
33. More and more Central Government costs be loaded onto Council.

Author	Steve Murrin, Marlborough Roads Manager
Authoriser	Richard Coningham, Manager Assets and Services

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan		X	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Infrastructure Strategy		X	<input type="checkbox"/>
Social well-being		X	<input type="checkbox"/>
Economic development		X	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	X
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport		X	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	X
This proposal does not contribute to the categories listed above as we will have a reduction in Waka Kotahi funding the local roads maintenance programme.			
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
There are no known financial implications as budgets are existing.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed as this is a reduction in funding from NZTA Waka Kotahi for the local roads maintenance programme.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
In assessing the preferred option, staff have considered the effects of climate change as part of the Roding Asset Management Plan.			

10. Destination Marlborough

(Report prepared by Martin Fletcher)

E100-004-01

Purpose of report

1. To approve:
 - 1.1 The disestablishment of Destination Marlborough Trust Incorporated.
 - 1.2 The transfer of all assets, liabilities and permanent staff to Council.
 - 1.3 The financing of any financial shortfall to enable the Trust to be liquidated on a voluntary basis.

RECOMMENDATIONS

That Council:

1. **Agree to the Trust entering voluntary liquidation at 12.01AM on 1 July 2024 as the Trust's settlor;**
2. **Agree to the activities currently being undertaken by Destination Marlborough being delivered by Council as part of the Economic, Community and Support Services Department;**
3. **Agree to transfer all assets, liabilities and permanent staff to Council;**
4. **Agree to fund any financial shortfall of the Trust on its winding up;**
5. **Agree that any financial shortfall and related costs are intended to be recovered as a 20 year internal loan to the function commencing in the 2025-26 financial year, subject to appropriate consultation;**
6. **Agree the appointment of the current Commissioners to a Destination Marketing and Management advisory committee; and**
7. **Note that an Investment Logic Mapping process is underway to identify the future Destination Marketing service offering and means of delivery.**

Background

2. Destination Marlborough Trust Incorporated was incorporated on 13 October 1997 with Council as the Settlor. For the next 26 years it provided destination marketing and i-Site services for Marlborough and continues to do so. However, in September 2023 the Destination Marlborough Trustees resigned en masse due to the Trust facing unforeseen financial issues.
3. On 1 December 2023 Council, as Settlor, agreed to appoint four Commissioners - Ctrs David Croad and Barbara Faulls, Trevor Hook and Tracy Johnston to provide governance oversight of the Trust's activities. Three of the four Commissioners have had extensive experience with Destination Marlborough as either Chair, Trustee or General Manager. Ctr Croad is Chair of Council's Economic, Finance and Community Committee and tourism marketing falls within the scope of this Committee.
4. Following the appointment of Tracey Green as Acting General Manager and the Commissioners, the extent of the financial issues has become clearer and reduced as much as possible. However, a forecast deficit of approximately \$200,000 remains.
5. The exact value of the deficit will not be known until the final financial statements are prepared.
6. The Commissioners have approved an operating budget for 2024-25 within existing Council funding and are recommending that the Trust be liquidated and wound up. The former Trustees have agreed to reconvene and pass the necessary resolutions to wind up the Trust, request Council's agreement and to ratify the Actions of the Commissioners.

Moving Forward

- 7. It is proposed that:
 - 7.1 Council agree to the Trustee's request to wind up the Trust. This will enable the activities of the Trust to be finalised and provide a clean slate moving forward – Robert Foitzik - General Counsel has prepared the appropriate documents.
 - 7.2 As part of the winding up process it is proposed that all assets and liabilities transfer to Council.
 - 7.3 The currently projected excess of liabilities over assets is funded by Council in the interim. Adopting this approach has two benefits:
 - a) The Trust can wind up on a voluntary basis under Section 24 of the Charitable Trust Act 1957. The alternative, as the Trust is insolvent, is to have the Court appoint a liquidator with their fees being a first charge on the Trust's assets. This approach would be costly and ultimately further reduce the Trust's ability to pay outstanding creditors.
 - b) It would reduce the potential for reputational damage to an activity closely associated with Council.

Advice has been received from PWC that no significant taxation issues, if any, should arise.
 - 7.4 Existing permanent staff transfer to Council to preserve the knowledge base for this Activity. No redundancy provisions are contained within existing contracts so no additional liability will accrue to Council from their transfer. Normally permanent Council staff fall under the coverage of Council's MECCA (Multi Employer Collective Contract Agreement), but the PSA have agreed for these employees to be excluded from coverage until 1 July 2025, by which time Council's future means of delivering DM Activities should have been resolved. This transfer process has been explained to staff and their submissions as part of the transfer process will be considered by the Manager Economic, Community and Support Services.
 - 7.5 The current Commissioners transfer to an advisory committee to provide the Manager Economic, Community and Support Services with additional tourism and marketing support. This committee will also support the Investment, Logic Mapping process to determine the future scope of operations and delivery structure.
- 8. In broad terms Council has two options to fund the Trust's financial shortfall:
 - a) To fund the shortfall from a Reserve. The advantage of this option is that it provides the "New Destination Marlborough" with a clean slate as it moves forward.
 - b) Establish an internal loan equal to the shortfall repaid by Targeted Tourism Rate. The advantage of this option is that the beneficiaries of Destination Marlborough services are paying for them. Assuming a \$200,000 shortfall and a 20 year loan, this equates to interest and principle repayments of \$16,600 per annum as an increase to the current circa \$200,000 per annum Targeted Tourism Rate.

On balance establishing a loan is staff's preferred option.

Targeted Tourism Rate

- 9. If the rating approach is adopted it is suggested that this be implemented in the 2025-26 year as the shortfall value and the new Destination marketing service offering will be known and it will provide time to engage with stakeholders.

Author	Martin Fletcher, Manager Strategic Finance
Authoriser	Geoff Blake, Chief Financial Officer

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	✓
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
The proposed recommendations involve establishing a loan of approximately \$200,000 with repayment commencing in 2025-26 by and increase in the Targeted Tourism Rate.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
A communications plan will be developed incorporating the future Investment Logic Mapping project.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications.			
Climate Change Implications			
There are no known climate change implications to this decision.			