

11 May 2016

Memo to: Mayor and Councillors

Memo from: Administration Advisers

Subject: COUNCIL– 11 MAY 2016 – LATE ITEM

**6. Late Item: Deliberations on the draft Annual Plan
2016/17 - Part 2****2-9**

Document 5884

A report titled Deliberations on the draft Annual Plan 2016/17 - Part 2 is attached and to be considered as a major late item at this meeting. This report was listed as item 6 on the public agenda for the Council meeting on 11 May 2016 to ensure elected members were aware that it would be presented to this meeting.

Section 46A(1)-(6) of the Local Government Official Information and Meetings Act 1987 and Standing Order 2.15.8 require that agendas are distributed with the associated reports. As this report was not distributed with the agenda for this meeting, it must be treated as a major late item to be considered at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Council to enable a timely decision to be made.

Recommendation

THAT the item regarding Deliberations on the draft Annual Plan 2016/17 - Part 2 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable a timely decision to be made.

REPORT R5883

Deliberations on the draft Annual Plan 2016/17 - Part 2

1. Purpose of Report

- 1.1 To provide additional information and recommendations to support decision making on matters raised in submissions on the Consultation Document for the draft Annual Plan 2016/17.

2. Delegations

- 2.1 The preparation of an Annual Plan is a decision of Council.

3. Recommendation

THAT the report Deliberations on the draft Annual Plan 2016/17 - Part 2 (R5883) and its attachment (A1543422) be received.

4. Background

- 4.1 This report is a continuation of Part 1 of the deliberations report (R5730) and includes further information on matters raised in submissions. It should be read in conjunction with that report as background material is not repeated.

5. Discussion**Special Housing Area (SHA) Issues**

- 5.1 Wakatu Incorporation (submission 7932) raised a number of servicing constraints it believes need to be addressed in order to progress the Saxton SHA development (as an extension of their Wahanga development). The six areas it raised for consideration are covered in turn below (see Attachment 1 for a map).
- 5.2 **Hill Street to Suffolk Road Link** - The submitter seeks that they make a 16% (or \$1.046M) contribution to Council for the cost of the link road and that Council funds the remaining 84% (or \$4.18M), and that Council then use those funds to either upgrade the three roundabouts or construct the link road (Hill Street to Suffolk Rd). Council officers advise that the link road should not be included in the Annual Plan as it is out of scope, but that Council could consider a request in principle and resolve

to propose an amendment to the LTP (and consequently the Development Contribution's Policy) to include it via the Annual Plan consultation process in 2017/18.

- 5.3 **Upgrade of Hill Street North** – the submitter seeks that the cost (\$1.29M) of upgrading the existing portion of Hill Street North that does not meet residential area standards be offset against development contributions for development in the SHA. The upgrade would involve widening the road and improving kerb, channel and footpath. Council officers advise that the upgrade of Hill Street North would be part of the Hill Street to Suffolk Rd link road and should not be included in the Annual Plan as it is out of scope, but that Council could consider a request in principle and resolve to propose an amendment to the Long Term Plan (and consequently the Development Contribution's Policy) to include it via the Annual Plan consultation process in 2017/18.
- 5.4 **Bridging of Saxton Stream from Hill Street North** - The submitter seeks that Council install an 11.5m carriageway bridge over Saxton Stream as part of the Saxton Creek upgrade.
- 5.5 The upgrade of Hill Street North (involving the bridge over Saxton Stream) would logically occur at the same time as the construction of any Hill Street to Suffolk Rd link road and the costs would be absorbed into that project.
- 5.6 **Bridging of Ngati Rarua Street** - The submitter seeks that Council install an 11.5m wide bridge over Saxton Stream at the Ngati Rarua Road extension as part of the Saxton Creek upgrade.
- 5.7 Saxton Creek upgrade works need to provide access to four properties off the end of Ngati Rarua Street in lieu of their accessways being removed from Hill Street North as part of the upgrade works. As part of negotiations with Council on the Saxton Creek upgrade, the four landowners requested that the bridge remain private, and that public access across it from the end of Ngati Rarua Street be prevented. The Nelson City Council Land Development Manual 2010 sets out that a bridge providing private access in such a case should meet the standards of a 3.65m wide bridge.
- 5.8 The submitter seeks that the bridge should be upgraded to that worthy of a public road. The Nelson City Council Land Development Manual 2010 sets out that a bridge suitable for providing public access as part of roading that serves an area of residential development (greater than four properties) should meet the standards of a 9.5m wide bridge. Officers recommend that the installation of a 9.5m wide bridge providing public access occur as part of the Saxton Creek upgrade by Council and in conjunction with the SHA development to provide for the future residential development of the area. This will be subject to the agreement of the landowners that the bridge provides public access and subject to the Saxton SHA being gazetted.

- 5.9 Engineering officers have a cost estimate for the bridge, including its design, of \$143,000 for a 9.5m wide bridge with an 11.5m span in this location. Currently there is provision in the Long Term Plan 2015-25 for a bridge (of undetermined width) in this location in the Saxton Creek Upgrade overall project budget. Officers recommend that Council agrees to the submission to the Annual Plan for the Ngati Rarua Street bridge being designed as suitable for a road standard bridge (i.e. a 9.5m wide bridge) as part of the overall Saxton Creek Upgrade funding in the Long Term Plan. The project would be added into the Development Contributions Schedule at the next time the policy is reviewed as a public bridge providing road access into Saxton SHA has a significant growth component and should be funded by development contributions.
- 5.10 **Water Supply from Saxton Road** – Wakatu Incorporation seeks that the cost of extending the water supply network to the SHA be shared by Council, with Council contributing a 33% share.
- 5.11 There does not appear to be any city wide benefit in the extension of the water supply line to serve the SHA. It will almost exclusively serve the SHA. Residential development along Champion Road is currently served by Tasman District Council (TDC) as per an agreement between Tasman District and Nelson City Councils.
- 5.12 There is only a small portion of existing residentially zoned land (Rick Griffin's property - approximate yield 30 lots) that is not included in the SHA and is unable to be supplied by TDC as part of the existing agreement. This property owner could request that TDC enter into an additional agreement to supply water to any future development of his property, or the property owner could wait to develop until Saxton SHA brings water in off Suffolk Road. This property owner was consulted by officers as part of the Saxton SHA proposal, including the options to provide water supply, and did not wish his property to be included in the SHA as he has no immediate development plans.
- 5.13 **Saxton Creek Upgrade** – Wakatu Incorporation seeks that the works on the Saxton Creek upgrade proceed as planned in conjunction with the SHA.
- 5.14 It would seem a more efficient and effective process for both the ratepayers of Nelson and the developers of the SHA if the required works in the area are coordinated and integrated to give effect to Saxton Creek upgrade, resolve existing transportation issues, and support the SHA development. The SHA developers need to complete their master plan exercise so that Council can consider with some certainty what infrastructure is needed where, what portion of that is attributable to growth and what is attributable to levels of service, and then how the projects needed may be funded and constructed. Work on stage 1 is nearing completion with stage 3 planned to commence in June/July. It is unlikely the SHA work will coincide with the planned Saxton Creek upgrade work. It is likely that this would mean that Council would have to bring the creek upgrade works forward in the Long Term Plan if the

SHA proceeds. This could occur as part of any amendments considered to the LTP at the next Annual plan consultation in 2017/2018.

Mountain biking and Gondola

- 5.15 By far the largest category of submissions (310) was on the topic of **mountain biking**. Submitters noted that Nelson is a world-class cycling destination (particularly following the gold award from the International Mountain Bicycling Association) but were concerned the city was not grasping the opportunity this offered and was falling behind other regions in promoting growth of the sport. Many spoke of the potential economic benefits from visitors travelling to Nelson to bike our trails. Others of the personal and family health and wellbeing benefits of regular use of city's cycle network.
- 5.16 84 submissions were received on Council's proposal to provide financial support to advance the **gondola** project, most in favour. The majority of these were from mountain bikers who see the gondola as a useful facility to support their sport, although some questioned the timing of the project and whether demand needed to be built further. There were some submissions opposing the gondola on the grounds of damage to the environment and unwillingness to see ratepayer funds supporting what they considered should be a solely commercial venture. There was also reference to the shuttle service running in Rotorua's mountain biking area as a possible model.
- 5.17 As these two issues appear to be very closely linked they are covered together in this section of the report.
- 5.18 Submitters on mountain biking were in support of more entry level tracks to help newcomers, particularly children, learn the sport in a safe environment. The possibility of other facilities such as toilets, changing rooms, bike wash pads, drinking water supply, a skills development area or a jump park was raised.
- 5.19 Submitters also asked for a clearly defined process to help volunteers request permission to develop new trails on Council land. A number of areas for new tracks were proposed, such as a new grade 3 track from the top of Fringed Hill to Brook Street, and there was a request for better signage on existing tracks.
- 5.20 Many were concerned about the state of the Codgers mountain bike track and asked that it be reinstated to its pre-storm standard. There was recognition of the conflict with walkers and parts of the Brook Valley community but there was a general feeling that the majority of participants in both walking and cycling were respectful of each other and problems were confined to a few. Submitters asked for Council to recognise the significant numbers of riders who use this area on a regular basis and ensure reasonable access and facilities. Mention was made of the proposal to shift the main access point from the Brook to

the Maitai Valley, though there were concerns about safety for cyclists on the road to the Maitai.

- 5.21 Some submissions noted the opportunity to combine trail development with pest management and environmental restoration. Many submissions asked for a greater financial commitment from Council to support mountain biking. \$150,000 was a common figure mentioned. The need for a 10 year strategy to map how Council will help Nelson to become an international mountain biking destination was another regular request in submissions.
- 5.22 Council officers are currently working with consultant Global Leisure, the Nelson Mountain Bike Club and the Mountain Bike Trails Trust to produce an Off Road Tracks and Trails Strategy (draft expected to be ready in July). This will cover trails on Council land and with links to land owned by the Department of Conservation, Tasman District Council and forestry companies. Walking, running, tramping and community groups are being consulted as part of the Strategy development.
- 5.23 While this Strategy will set out the next steps for Council and its partners in providing a network of trails and supporting facilities for community use, it will not address the larger issue of the future economic potential of developing mountain biking as a visitor attraction. Council may wish to expand the scope of this work by commissioning a companion piece of research on the wider economic/tourism potential of off-road cycling, to feed into the Strategy. This could also consider the role the gondola might play in development of Nelson as world-class cycling destination.
- 5.24 Officers have been in contact with the Nelson Cycle Lift Society recently for an update on the gondola project. The project has reached a point where professional help is required as the volunteers have all made significant commitments of time and effort but it is not sustainable for this to continue. The next phase requires funding for a project manager as well as a marketing research report and geotechnical and meteorological data. The Society estimates this could cost up to \$270,000.
- 5.25 Officers have talked to the Ministry of Business, Innovation and Employment about the Government's Tourism Growth Partnership Fund. This scheme funds projects after consent has been obtained and where a commercial partner has made a significant commitment. It does not cover business case or resource consent costs. So it would seem that the gondola project is at too early a stage to apply to this fund.
- 5.26 As suggested by a number of submitters, the gondola will attract private investors if there is a clear demonstration of demand. Growing mountain biking through new intermediate and entry level tracks close to the city is key to building this demand. Once these tracks are in place a shuttle service would be a good way to test the extent of demand and provide evidence to potential investors. There is a current shuttle operator who has a key to access the Fringed Hill Road. The road is of sufficient quality

that it would not need upgrading to accommodate a higher level of traffic.

- 5.27 In order to progress issues in a logical order, officers recommend that Council defers the \$50,000 allocated for progressing the gondola project for one year. It would be reconsidered at the next Annual Plan once the Off Road Tracks and Trails Strategy is approved and a plan, for providing the necessary tracks and analysing growth in demand, is in place.
- 5.28 To address issues raised in submissions officers recommend Council allocates sufficient funding to expand the scope of the Strategy and to begin implementation of its outcomes in 2016/17. Funding of \$50,000 allocated in 2015/16 for an entry level track (delayed while the Strategy was progressed) would also be carried forward to 2016/17.
- 5.29 It would also seem reasonable to allow work on the Fringed Hill descent track to proceed given mountain bike clubs have raised most of the funding required. Council would only need to allocate \$5,000 capital expenditure for this to proceed. It could also choose to allocate \$8,000 operational expenditure to hire a portaloos for the top of Fringed Hill.
- 5.30 Many submissions asked for the reinstatement of the Codgers track which is estimated to cost \$30,000. The Nelson Mountain Bike Club has offered to fund half that cost. An emphasis of this work would be to reduce conflict between cyclists and pedestrians.
- 5.31 Recommendation

THAT \$50,000 capital expenditure unspent in 2015/16 be carried forward to 2016/17 for a grade 2 mountain bike track in Marsden Valley;

AND THAT, subject to landowner approval, consultation with the Brook Valley community, any consent requirement and the outcomes of the Off Road Tracks and Trails Strategy, \$5,000 capital expenditure be allocated to the provision of a track descending from Fringed Hill, with the remainder of the trail formation costs to be funded by the Nelson Mountain Bike Club;

AND THAT up to \$8,000 operational expenditure is allocated in the Annual Plan 2016/17 to provide toilet facilities at the top of Fringed Hill once the new track is open;

AND THAT, subject to the outcomes of the Off Road Tracks and Trails Strategy and any resource consent matters, the Codgers Track be reinstated on the basis of \$15,000 funding from Council and a matching contribution from the Nelson Mountain Bike Club;

AND THAT \$100,000 be allocated to extend the scope of the Off Road Tracks and Trails Strategy to consider the potential economic benefits of developing mountain biking in the region and how to access these, with the remaining funding being directed to implementation of the Strategy once it is approved.

6. Options

- 6.1 Council can choose to adopt the Annual Plan as it was consulted on, or to adopt the Annual Plan with amendments as directed.

7. Alignment with relevant Council policy

- 7.1 The Annual Plan is an exceptions document, outlining changes from what was set out in the Long Term Plan 2015-25.

8. Assessment of Significance against the Council's Significance and Engagement Policy

- 8.1 The Annual Plan is a significant document guiding Council's work programme and community engagement has been undertaken at an appropriate level.

9. Consultation

- 9.1 The Consultation Document on the Annual Plan 2016/17 was open for consultation for the period 11 March to 11 April. Council heard submitters on 3 and 4 May.

10. Inclusion of Māori in the decision making process

- 10.1 Maori were consulted through the submission process on the Consultation Document.

Nicky McDonald
Senior Strategic Adviser

Attachments

Attachment 1: A1543422 - Saxton Special Housing Area and surrounds

