

Western Bay of Plenty District Council

Change to the District Plan – First Review

Plan Change 62 Omokoroa Financial Contributions

Section 32 Report

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1.0 Introduction

1.1. General Introduction and Background

When the Structure Plans for Omokoroa were originally prepared there was a focus on providing an extensive roading network that would be efficient and effective for the final anticipated number of residents that would live on the peninsular.

Since that time there has been a significant slow down in growth on the peninsular resulting in a high level of accumulated debt arising from the funding of core infrastructure on the peninsular. This debt along with the high cost of building future infrastructure has made the level of financial contributions for Omokoroa expensive relative to other parts of the Western Bay of Plenty and Tauranga City.

There has been concern expressed by the development community at the high level of financial contributions on the Peninsular making it marginal financially to undertake development. The slowdown of development and high cost of future development has also brought into question a more general concern that growth on the peninsular will not meet projected Smartgrowth targets. An "Assessment of Residential Development Feasibility of the Omokoroa Urban Growth Area" (May 2013) was undertaken as a background report for the SmartGrowth Strategy Update. The report concluded that there are challenges to development being financially viable in Omokoroa.

The review of financial contributions was also supported by several submissions to Council's 2014 Annual Plan and to the SmartGrowth Strategy Update raised concern about the affordability of urban development at Omokoroa, particularly with regard to the cost of subdivision and effect on rates.

This Plan Change reviews the level of roading infrastructure that would be needed long term to support the population of Omokoroa when the town of 12,000 people is fully developed. There is little opportunity to reduce the cost of other infrastructure within Omokoroa. Wastewater is committed funding, and there is little leeway to modify the levels of service for water supply and stormwater to meet minimum health and safety requirements.

One of the big costs for roading is the Hamurana Road extension. Removing this future road has potential to significantly reduce the level of financial contributions required. Traffic Design Group was commissioned to review the level of roading infrastructure if the Hamurana Road extension was removed from the Structure Plan. Its report "Omokoroa Structure Plan Review: Transportation Access Review Roding Layout" identifies the required roading infrastructure that would be needed to support future transportation needs within the Peninsular. This required increasing the width of some of the side roads off Omokoroa Road.

The removal of the Hamurana Road extension between Western Avenue and Anderley Avenue would leave those properties fronting Omokoroa Road

in that vicinity “landlocked” because they are not allowed direct access to Omokoroa Road. Consequently, it is necessary to provide a new road to provide access. This road should be shown on the District Plan Maps as a structure plan road, and would be funded by the respective subdividers.

The changes were put through Council’s financial model to assess the impact on the financial contributions that would be levied. A number of options for spreading the cost of future roading within the catchment were modelled. The preferred option is a change from a road specific to a single catchment financial contribution. This option results in substantial savings across the catchment with some areas saving up to \$12,512.

Implementation of the change to the Structure Plan for roading will result in significant reductions in the financial contributions which will help with the viability of development at Omokoroa.

2.0 Resource Management Act 1991

2.1. Section 32

Before a proposed plan change can be publicly notified the Council is required under section 32 (“s.32”) of the Act to carry out an evaluation of alternatives, costs and benefits of the proposed review. With regard to the Council’s assessment of the proposed plan change s.32 requires the following:

- 1) An evaluation report required under this Act must—*
 - (a) examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and*
 - (b) examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—*
 - (i) identifying other reasonably practicable options for achieving the objectives; and*
 - (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
 - (iii) summarising the reasons for deciding on the provisions; and*
 - (c) contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.*

- (2) An assessment under subsection (1)(b)(ii) must—*
 - (a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—*
 - (i) economic growth that are anticipated to be provided or reduced; and*
 - (ii) employment that are anticipated to be provided or reduced; and*
 - (b) if practicable, quantify the benefits and costs referred to in paragraph (a); and*
 - (c) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*

3) If the proposal (an amending proposal) will amend a standard, statement, regulation, plan, or change that is already proposed or that already exists (an existing proposal), the examination under subsection (1)(b) must relate to—

- (a) the provisions and objectives of the amending proposal; and
- (b) the objectives of the existing proposal to the extent that those objectives—
 - (i) are relevant to the objectives of the amending proposal; and
 - (ii) would remain if the amending proposal were to take effect.

4) If the proposal will impose a greater prohibition or restriction on an activity to which a national environmental standard applies than the existing prohibitions or restrictions in that standard, the evaluation report must examine whether the prohibition or restriction is justified in the circumstances of each region or district in which the prohibition or restriction would have effect.

2.2. Section 74

In accordance with Section 74(2A) of the Act, Council must take into account any relevant planning document recognised by an iwi authority lodged with Council. There are two iwi authority documents lodged with Council that are relevant to this change. These are the Te Awanui Harbour Management Plan (2008) and Pirirakau Hapu Management Plan (2004). The preparation of the existing Omokoroa Structure Plan has been undertaken with extensive consultation with iwi and with regard to these management plans. The proposed change to the existing Structure Plan does not materially change how these management plans are given effect.

3.0 Consultation

Specific consultation was held with the Omokoroa Community Board and the two major landowners of greenfield Residential Zoned land. Main points that arose were:

- Ensure connectivity was retained.
- Use the Hamurana Road corridor as a greenway for walking/cycling.
- Road reserve is retained so that if the community at a future date decides it wants to, the road or parts of it can still be constructed.
- Financial contributions at 25% of section cost are too high.
- Section prices are stagnant.
- Construction costs are increasing.
- Growth feeds on itself – once started it keeps going.
- Attractiveness of Omokoroa: coastal/harbour, lifestyle more relaxed than Tauranga, more local/community focused.
- Secondary school needed.

A presentation on the proposed change to the Structure Plan was also made to the Omokoroa Future Focus meeting of 2 April 2014. The purpose of this meeting was to inform residents of a number of key Council initiatives that would affect the community as well as outlining the proposed annual plan. Council received one submission to the Annual Plan opposing the removal of the Hamurana Road Extension from the Structure Plan.

4.0 Issue 1 – Extent of roads within the Omokoroa Structure Plan

4.1. Option 1 – Status Quo - No change to the Structure Plan and therefore no change to the financial contributions.

Benefits	<ul style="list-style-type: none"> ▪ The main benefit of no change is that the existing community's expectations will be met.
Costs	<ul style="list-style-type: none"> ▪ The cost of development within Omokoroa will remain high. This will lead to reduced growth resulting in higher costs to existing ratepayers.
Effectiveness/ Efficiency	<ul style="list-style-type: none"> ▪ Doing nothing is not effective at encouraging necessary growth in Omokoroa as the costs of development remain high and developers are likely to invest elsewhere. It is also not efficient as the existing Structure Plan requires investment in infrastructure which is now considered not essential to the growth of the Peninsular.
Risks of Acting/ Not Acting if there is uncertain or insufficient information about the subject matter	<ul style="list-style-type: none"> ▪ N/A – sufficient information is available.

4.2. Option 2 – Modify the Structure Plan and Financial Contribution Schedule to reduce the number of roads, introduce a single financial contribution across the catchment in order to reduce the financial contributions payable on development, and add a new structure plan road from Omokoroa Road to enable access to those properties between Western Avenue Reserve and Omokoroa Country Estate.

Benefits	<ul style="list-style-type: none"> ▪ More affordable development encouraging growth. ▪ Less risk to existing ratepayers to cover existing development cost shortfall. ▪ More sustainable community than limiting to current residential zoning. ▪ Retains Hamurana Road extension as a greenway for walking and cycling. ▪ Keeps option open to construct Hamurana Road extension in future.
Costs	<ul style="list-style-type: none"> ▪ Minimal costs associated with notifying a Plan Change. ▪ Some existing residents may be unhappy with removal of roading connection.
Effectiveness/ Efficiency	<ul style="list-style-type: none"> ▪ This approach is considered effective at providing for the future development of Omokoroa as it reduces the level of development cost which will encourage new development to occur. This in turn leads to more efficient use of existing infrastructure and reduced costs to all ratepayers.

Risks of Acting/ Not Acting if there is uncertain or insufficient information about the subject matter	<ul style="list-style-type: none"> ▪ N/A – sufficient information is available.
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4.3. Preferred Option

The preferred option is:

Option 2 –

- Modify the Structure Plan and Financial Contribution Schedule to reduce the number of roads.
- Introduce a single financial contribution across the catchment in order to reduce the financial contributions payable on development.
- Add a new structure plan road from Omokoroa Road to provide access to those properties between Western Avenue Reserve and Omokoroa Country Estate.

Rule Change

Amend 4.2 Omokoroa Structure Plan Roading Schedule and 4.3 Omokoroa Roading Projects Plan (in Appendix 7) and District Plan Map U59 as outlined in **Attachment A**.

4.4. Reasons

The benefit of this change is that it will reduce the cost of future development within Omokoroa by a significant margin, making it more attractive to developers to commit to development within the area and making it more affordable to people in general to live in Omokoroa. The specific change while removing the Hamurana Road linkage will retain it as a cycleway and walkway with sufficient room for a road to be constructed in the future if the need eventuates.

5.0 Issue 2 - Timing of charging of Financial Contributions

In accordance with the RMA, a plan change does not have effect until Council issues its decision on submissions. For this Plan Change, this will not be until May 2015. In the meantime the situation will be that anyone planning a development will be aware of the proposal and therefore be likely to delay their development till that time. Alternatively it could be seen that any development in the intervening time will be disadvantaged.

It is noted that this will only affect development in the "Hamurana Road Catchment" which is the area to the north of Omokoroa Road and between the railway and (but not including) the Omokoroa Country Estate. Council has the option in accordance with rule 11.3.2(d)(i) of the District Plan to

reduce or waive any financial contribution “in part or whole for a specified period”, and to implement it through the Annual Plan process or the plan change process under the RMA. The option therefore to apply the new financial contribution is a resolution accordingly as part of this Plan Change.

5.1 Option 1 – Status quo – maintain current financial contributions till decisions on submissions are issued

Benefits	<ul style="list-style-type: none"> Higher contributions will mean increased income to Council to fund infrastructure.
Costs	<ul style="list-style-type: none"> Developers will delay applications till the new fees are in force, thus there will be a halt of development in the Hamurana Road catchment in the interim. Alternatively developers will apply for resource consent but object to the financial contribution, or seek a variation to their application accordingly.
Effectiveness/ Efficiency	<ul style="list-style-type: none"> Not effective or efficient because it will either delay development, or cause additional processing time and cost processing variations.
Risks of Not Acting if there is uncertain or insufficient information about the subject matter	<ul style="list-style-type: none"> Staff are aware of two possible developments that may be affected, but do not know if there are others. There will be a gap in development where developers wait till the new financial contributions are in place.

5.2 Option 2 – Provide for the new financial contributions to be implemented from notification.

Benefits	<ul style="list-style-type: none"> More encouraging for development and therefore more income to Council to fund infrastructure.
Costs	<ul style="list-style-type: none"> None
Effectiveness/ Efficiency	<ul style="list-style-type: none"> This approach is considered effective and efficient as it does not create an artificial transition period of no development.
Risks of Acting/ Not Acting if there is uncertain or insufficient information about the subject matter	<ul style="list-style-type: none"> Staff are aware of two possible developments that may be affected, but do not know if there are others. The content of any submissions is not known and there is the possibility that submissions may cause Council to not reduce the financial contributions, or make some other alteration that changes the final figure. This risk is considered to be minor as the community in general is in support of reducing costs, not increasing them.

5.3 Preferred Option

The preferred option is:

Option 2 – Provide for the new financial contributions to be implemented from notification.

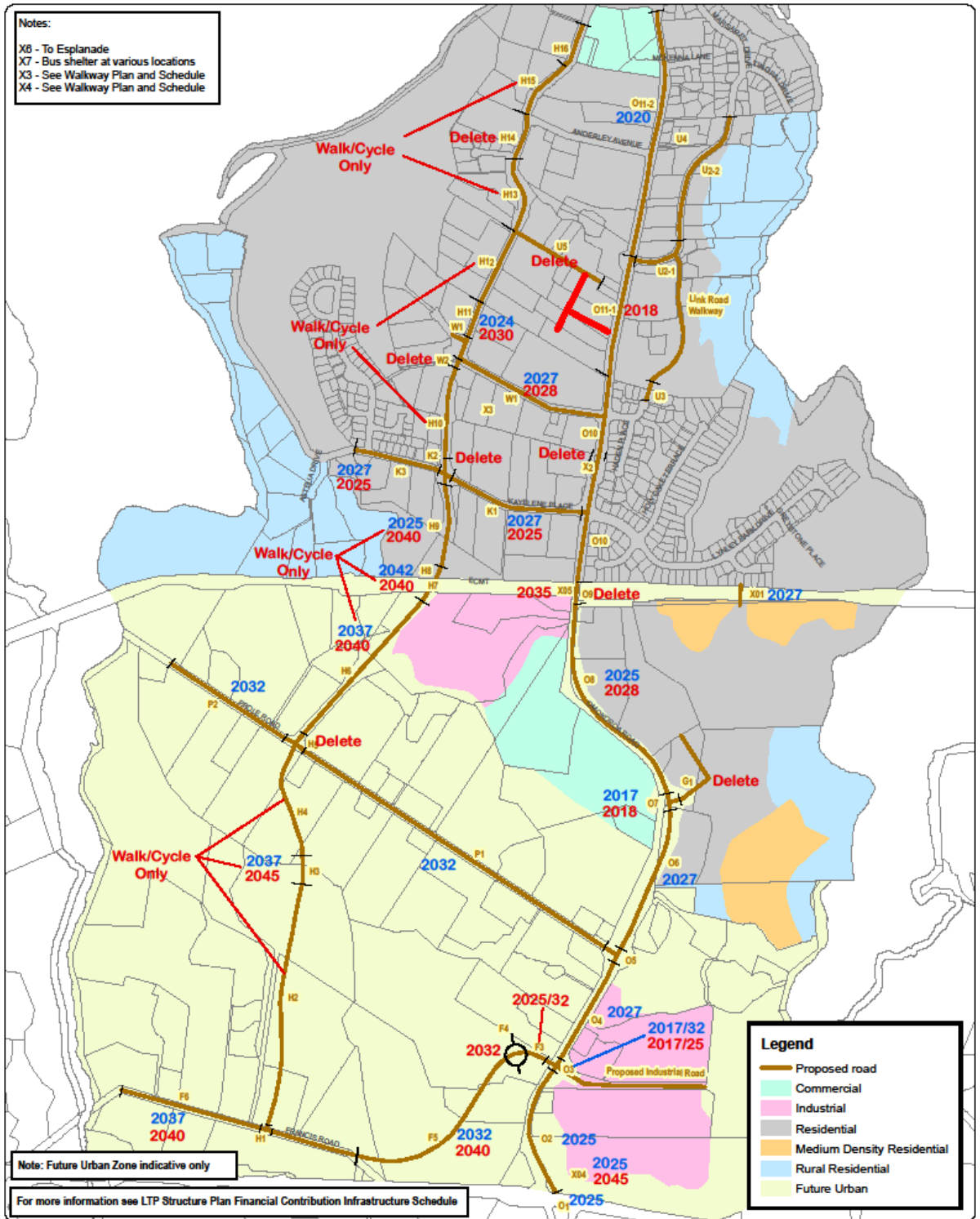
Resolution:

In accordance with District Plan Rule 11.3.2(d)(i) Council shall implement the new roading financial contributions as determined by Proposed Plan Change 62 Omokoroa Financial Contributions from the time of notification of the Proposed Plan Change. This will be an interim action until the Plan Change becomes operative at which point the financial contributions determined by the operative Plan Change shall be charged.

5.4 Reasons

If Council follows the standard RMA process of the Plan Change having effect only when decisions on submissions are issued, developers will simply delay their development, which will affect income flow, or lodge variations in due course, which will involve unnecessary time and expense for all parties.

O-02-2	Omokoroa Road	SH2 to Francis Road-4 laning	2034	\$ 800,000	0%	20%	20%	45%	15%	Originally NZTA cost but now to be actioned by WBOPDC (Check validity of where costs lie)	Change	2025		\$ 800,000	0%	20%	10%	45%	25%
O-03-1	Omokoroa Road	Francis Road intersection	2032	\$1,468,500	0%	100%				Roundabout - after O-03-2	Change	2025		\$ 1,165,938	0%	20%	10%	45%	25%
												2005		\$ 302,562		20%	10%	45%	25%
O-03-2	Omokoroa Road	Industrial entrance intersection: interim	2011	\$ 600,000	0%	100%				Lump sum estimate, no land take as included with other land take for project O-03-01	Change	2017		\$ 600,000	0%	20%	10%	45%	25%
O-04-1	Omokoroa Road	Francis Road to Prole Road 2 laning	2027	\$1,157,500	0%	20%	20%	45%	15%	Urbanise to 2 lane arterial.				\$ 1,157,500	0%	20%	10%	45%	25%
O-04-2	Omokoroa Road	Francis Road to Prole Road 4 laning	2027	\$ 848,000	0%	20%	20%	45%	15%	Leave as 2 lane-assume town centre is moving.	Delete		(\$ 848,000)	\$ -					
O-05-1	Omokoroa Road	Prole Road intersection-construct right turn bay	2025	\$ 980,000	0%	100%				Construct RTB seagull intersection		2032		\$ 980,000	0%	100%			
O-05-2	Omokoroa Road	Prole Road intersection-reconstruct with roundabout	2032	\$ 840,000	0%	100%				Not required	Delete		(\$ 840,000)	\$ -					
O-06-1	Omokoroa Road	Prole Road to Commercial area roundabout-2 laning	2027	\$1,574,200	0%	100%				Urbanise to 2 lane arterial.				\$ 1,516,715	0%	20%	10%	45%	25%
												2008		\$ 120,767		20%	10%	45%	25%
O-06-2	Omokoroa Road	Prole Road to Commercial area roundabout-4 laning	2037	\$1,020,000	0%	20%	20%	45%	15%	Leave as 2 lane-assume town centre is moving	Delete		(\$1,020,000)	\$ -					
O-07-1	Omokoroa Road	Commercial area Intersection design	2017	\$ 300,000	0%	100%				RTB Seagull intersection	Change	2018	\$ 100,000	\$ 400,000	0%	20%	10%	45%	25%
O-07-2	Omokoroa Road	Commercial area Intersection construction	2018	\$1,529,500	0%	100%				Roundabout	Change	2032	(\$ 909,500)	\$ 620,000	0%	20%	10%	45%	25%
O-08	Omokoroa Road	Commercial area roundabout to Railway line	2025	\$2,963,200	0%	20%	20%	45%	15%	Reconstruct to 2 lane arterial.	Change	2028		\$ 2,963,200	0%	20%	10%	45%	25%
												2006		\$ 399,421	0%	20%	10%	45%	25%
O-10	Omokoroa Road	Railway Line to Lynley Park boundary	2008	\$2,025,654	0%	20%	20%	45%	15%					\$ 2,163,479	0%	20%	10%	45%	25%
O-11-1	Omokoroa Road	Lynley Park to Margaret Drive	2018	\$1,998,340	0%	20%	20%	45%	15%	Reconstruct to 2 lane arterial.	Change	2024		\$ 1,413,677	0%	20%	10%	45%	25%
												2012		\$ 246,663	0%	20%	10%	45%	25%
												2008		\$ 80,000	0%	20%	10%	45%	25%
												2007		\$ 21,000	0%	20%	10%	45%	25%
												2006		\$ 237,000	0%	20%	10%	45%	25%
O-11-2	Omokoroa Road	Margaret Drive to Tralee Street	2021	\$2,590,000	0%	20%	20%	45%	15%	Reconstruct to 2 lane arterial.	Change	2024		\$ 2,590,000	0%	20%	10%	45%	25%
P-01	Prole Road	Omokoroa Road to Hamurana Road	2032	\$4,558,000	79%	21%				Urbanise to 11m seal width.	Change		(\$ 954,000)	\$ 3,604,000	0%	100%			
P-02	Prole Road	Hamurana Road to end	2032	\$2,015,000	100%	0%				Urbanise to 8m seal width.	Change		(\$ 403,000)	\$ 1,612,000	0%	100%			
U-01	Midblock Connection	Mid block connection Margaret Place extension to Omokoroa Road, plus Link Road walkway	2011	\$2,200,000	0%	100%								\$ 2,200,000	0%	100%			
U-02-1	Link Road access	Access to Link Road by selected properties		\$ 600,000	100%	0%								\$ 600,000	100%	0%			
U-02-2	Margaret Pl Extension	From Margaret Place to mid block connection (U01)	2011	\$3,700,000	57%	46%								\$ 2,794,010	57%	43%			
U-03	Walkway Link	From Link Road to Lynley Park	2009	\$ 112,000	0%	100%								\$ 112,000	0%	100%			
U-04	Access to Margaret Drive	Access to Margaret Drive by selected properties	2010	\$ 290,400	100%	0%								\$ 290,400	100%	0%			
U-05	New Road	Hamurana Rd towards Omokoroa Rd for 280m	2024	\$1,414,000	100%	0%				Delete. With 60km on Omokoroa Road, can now have an intersection on Omokoroa Road between WA Reserve and Margaret Drive to service this area. Remainder can access from H12. Make provision of access to adjoining properties a rule in the DP. To be provided by developers.	Delete		(\$1,414,000)	\$ -					
W-01	Western Ave	Omokoroa Road to Hamurana Road and to Gane Place	2027	\$1,302,000	73%	27%				Urbanise existing road.	Change	2028		\$ 1,302,000	0%	100%			
W-02	Western Ave	Hamurana Road intersection	2027	\$ 620,000	0%	100%				Delete. Not needed as no Hamurana Extn.	Change	2028	(\$ 620,000)	\$ -	0%	100%			
												2006		\$ 639,583	0%	100%			
X-01	Pedestrian Bridge	Lynley Park Railway lane to stage 2 area	2027	\$ 400,000	0%	100%								\$ 400,000	0%	100%			
X-02	Pedestrian Bridge	Western Ave/Omokoroa Rd intersection	2027	\$ 400,000	0%	100%				Delete. Not needed for 2 lane road.	Delete		(\$ 400,000)	\$ -					
X-03-1	Walkways/Cycleways	Stage 1 - See Walkway schedule for detail	2025	\$2,816,000	0%	100%				Changes made in PC 41.	Change		(\$ 840,000)	\$ 1,976,000	0%	100%			
X-03-2	Walkways/Cycleways	Stage 2 - See Walkway schedule for detail	2037	\$4,400,000	0%	100%				Reduced through the greater use of road network and stormwater gully network.	Change	2035	(\$3,400,000)	\$ 1,000,000	0%	100%			
X-04-1	Park & Ride Facility	Omokoroa Road-land purchase	2018	\$1,000,000	0%	95%			5%		Change	2035		\$ 1,000,000	0%	95%		5%	
X-04-2	Park & Ride Facility	Omokoroa Road-construction	2025	\$2,000,000	0%	95%			5%		Change	2035		\$ 2,000,000	0%	95%		5%	
X-05	Pedestrian Bridge	Omokoroa Road Railbridge	2032	\$ 750,000	0%	100%					Change	2035		\$ 750,000	0%	100%			
X-06	Parking	Stage 1-Esplanade	2025	\$ 56,250	0%	100%				Completed in 2014	Delete		(\$ 56,250)	\$ -					
X-07	Bus Shelters	Stage 1 - Various locations	2025	\$ 100,000	0%	100%					Delete		(\$ 100,000)	\$ -					
TOTAL				\$ 97,897,339										\$ 59,556,163					



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Email: gis@westernbay.govt.nz
 Date: 21/03/2014
 Operator: mlb
 Map: E:\Shape\MLB\Map\Structure Plans\Omokoroa Roading - Option 3.mxd

Scale A3 - 1:10,000
 0 100 200 400 600 800 Meters



**OMOKOROA
 STRUCTURE PLAN
 ROADING - OPTION 3**

Year - Existing
 Year - Proposed

