

Hastings District Council

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OPEN A G E N D A

COUNCIL MEETING

ANNUAL PLAN

Meeting Date: **Wednesday, 7 June 2017**

Time: **9.00am**

Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Council Members	Chair: Mayor Yule Councillors Barber, Dixon, Harvey, Hazlehurst, Heaps, Kerr, Lyons, Nixon, O'Keefe, Pierce, Poulain, Redstone, Travers and Watkins
Officer Responsible	Chief Executive – Mr R McLeod
Council Secretary	Mrs C Hunt (Extn 5634)

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

WEDNESDAY, 7 JUNE 2017

VENUE: Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 9.00am

A G E N D A

1. Prayer

2. Apologies & Leave of Absence

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

3. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Executive Advisor/Manager: Office of the Chief Executive (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

4. Confirmation of Minutes

Minutes of the Council Meetings held Wednesday, 24 May 2017 and Thursday 25 May 2017.
(Previously circulated)

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6.	Clifton Revetment Funding Annual Plan	17
7.	REPORT WILL BE CIRCULATED SEPARATELY - Hastings City Marketing Rate	61
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9.	Summary of Recommendations of the Community Grants Subcommittee meeting held 16 May 2017	117
10.	Summary of Recommendations of the Hastings District Rural Community Board	119
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12.	Additional Business Items	
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REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

FROM: STRATEGY MANAGER
LEX VERHOEVEN

SUBJECT: ANNUAL PLAN SUBMISSIONS 2017/18

1.0 SUMMARY

1.1 The purpose of this report is to inform the Council on submissions received to the Draft Annual Plan and to obtain decisions for incorporation into the final plan for Council adoption on 22 June 2017.

1.2 This issue arises from legislative provisions within the Local Government Act 2002 requiring Council to have an Annual Plan adopted by 30 June 2017.

The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.

1.3 The objective of this decision relevant to the purpose of Local Government is to fulfil the statutory requirements of the Local Government Act 2002 in regard to consultation and decision making.

1.4 This report concludes by making a number of recommendations in section 4.0 to enable the Annual Plan to be completed for final Council adoption on 22 June 2017.

2.0 BACKGROUND

2.1 The Council's Draft Annual Plan was adopted on 1 April 2017 and has been the subject of community consultation via the Councils Consultation Document. A total of 173 submissions have been received. In addition to these submissions, considerable feedback (2,758 responses) has also been obtained via the Citizen Panel, online survey and the tear-off feedback slip which formed part of the consultation document.

3.0 CURRENT SITUATION

3.1 In addition to this covering report is (**Attachment 174**) covering the officer comments in respect of submissions. Comments on generic submission topics are covered first with the remaining comments in submission number order. The agenda also includes full reports on the following matters:

- Hastings on-street parking;
- Hastings CBD targeted marketing rate
- Clifton erosion protection seawall

- 3.2 Accompanying the agenda are three separate documents which contain the submissions:
- Volume 1 – contains only the Hastings Marketing Rate submissions
 - Volumes 2/3 – contain the remaining submissions in numerical order
- 3.3 **(Attachment 175)** provides an overall index to navigate by submission number order to the volume in which the submission can be found and the page number for the relevant officer comment.
- 3.4 The Rural Community Board meets on 29 May 2017 to consider rural submissions. Officers will update Council at the 7 June Council meeting with any points that arise from the Rural Community Board meeting.
- 3.5 **Community Views** – As noted in section 2.1 a considerable community response (2,758 responses) has been received to the proposals outlined in the consultation document, in addition to the formal submissions attached to this agenda. Outlined below is a high level summary of that feedback (with a more detailed analysis in **(Attachment 1)**). All three feedback mechanisms used have indicated greater support than opposition to both the Regional Sports Park and Clifton Protection Wall proposals, along with a preference for a pay-as-you-go system to pay for Hastings CBD parking.

OVERALL COMMUNITY FEEDBACK (2,758 Responses)			
	<u>Support</u>	<u>Opposition</u>	<u>Neutral</u>
Regional Sports Park	52%	29%	17%
Clifton Seawall	56%	27%	16%
	<u>Meters</u>	<u>Rates</u>	
Hastings Parking	68%	32%	

4.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Strategy Manager titled “Annual Plan Submissions 2017/18” dated 7/06/2017 be received.
- B) That the written and verbal submissions and officer comments attached be received.
- C) That the decisions and amendments made at this Council meeting be incorporated into the Annual Plan 2017/18.
- D) That officers forward replies to all submitters that thank them for their submissions, advise of any Council decisions in response to the submissions and offers explanation based on the officer comments as amended by the Council at this meeting.

- E) That the issues raised in submissions that require further action by the Council through the Committee structure be noted and brought forward by officers as appropriate.**
- F) That the Council resolves, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such a manner that the Hastings District Council considers, in its discretion, is appropriate for the decisions made during the course of this meeting.**

Attachments:

1	Full Community Feedback Analysis	CP-01-22-2-17-4	
2	Jeff Parker (36)	CP-01-22-1-17-36	CBD Marketing
3	Anne Lane (44)	CP-01-22-1-17-44	CBD Marketing
4	Jagdeep Singh (45)	CP-01-22-1-17-45	CBD Marketing
5	Paul Harvey (46)	CP-01-22-1-17-46	CBD Marketing
6	Nathan Pope (47)	CP-01-22-1-17-47	CBD Marketing
7	Dionne Robinson (48)	CP-01-22-1-17-48	CBD Marketing
8	Nick Heads (51)	CP-01-22-1-17-51	CBD Marketing
9	Abbie Single (52)	CP-01-22-1-17-52	CBD Marketing
10	Ross Taylor (58)	CP-01-22-1-17-58	CBD Marketing
11	Abbie Single (59)	CP-01-22-1-17-59	CBD Marketing
12	Ron Dragt (60)	CP-01-22-1-17-60	CBD Marketing
13	David King (61)	CP-01-22-1-17-61	CBD Marketing
14	David King (62)	CP-01-22-1-17-62	CBD Marketing
15	Kevin Atkinson (63)	CP-01-22-1-17-63	CBD Marketing
16	Kevin Atkinson (64)	CP-01-22-1-17-64	CBD Marketing
17	Sandra Duthie (65)	CP-01-22-1-17-65	CBD Marketing
18	Nick Stewart (66)	CP-01-22-1-17-66	CBD Marketing
19	Kevin Atkinson (67)	CP-01-22-1-17-67	CBD Marketing
20	Gavin Yortt (68)	CP-01-22-1-17-68	CBD Marketing
21	Chad Doole (70)	CP-01-22-1-17-70	CBD Marketing
22	Simon Scannell (72)	CP-01-22-1-17-72	CBD Marketing
23	Nicholas Stewart (73)	CP-01-22-1-17-73	CBD Marketing
24	Donald McIntyre (74)	CP-01-22-1-17-74	CBD Marketing
25	Basil Le Prou (75)	CP-01-22-1-17-75	CBD Marketing
26	Len Hodgson (76)	CP-01-22-1-17-76	CBD Marketing
27	Michael Whittaker (77)	CP-01-22-1-17-77	CBD Marketing
28	Stephen Ricketts (78)	CP-01-22-1-17-78	CBD Marketing
29	Stephen Ricketts (79)	CP-01-22-1-17-79	CBD Marketing
30	Stephen Ricketts (80)	CP-01-22-1-17-80	CBD Marketing
31	Charles Davis (81)	CP-01-22-1-17-81	CBD Marketing
32	Hylton McDermott (90)	CP-01-22-1-17-90	CBD Marketing
33	John van den Berk (91)	CP-01-22-1-17-91	CBD Marketing
34	Michael Poulton (92)	CP-01-22-1-17-92	CBD Marketing
35	Jeffrey Franklin (93)	CP-01-22-1-17-93	CBD Marketing
36	Murray Long (94)	CP-01-22-1-17-94	CBD Marketing
37	Graham and Rachel Sankey (95)	CP-01-22-1-17-95	CBD Marketing
38	Karamu Reality Ltd (99)	CP-01-22-1-17-99	CBD Marketing
39	Sherril Jennings (100)	CP-01-22-1-17-100	CBD Marketing
40	Rodney Earnshaw (104)	CP-01-22-1-17-104	CBD Marketing
41	Grant Lower (109)	CP-01-22-1-17-109	CBD Marketing
42	Christine Church (114)	CP-01-22-1-17-114	CBD Marketing
43	Paul Benhamin (120)	CP-01-22-1-17-120	CBD Marketing

44	Gavin and Sally Moulton (121)	CP-01-22-1-17-121	CBD Marketing
45	Cary Mossman (122)	CP-01-22-1-17-122	CBD Marketing
46	Tim Wilkins (134)	CP-01-22-1-17-134	CBD Marketing
47	Lynne Burnside (135)	CP-01-22-1-17-135	CBD Marketing
48	Evangelos Haliciopulos (140)	CP-01-22-1-17-140	CBD Marketing
49	Alison McMinn-Collard (141)	CP-01-22-1-17-141	CBD Marketing
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53	Roger Mulvay (148)	CP-01-22-1-17-148	CBD Marketing
54	Peter Lee (149)	CP-01-22-1-17-149	CBD Marketing
55	Stephen Luxton (151)	CP-01-22-1-17-151	CBD Marketing
56	David MacKersey (154)	CP-01-22-1-17-154	CBD Marketing
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60	Nattachai Changrattan Chaichok (159)	CP-01-22-1-17-159	CBD Marketing
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69	Chris Skerman (169)	CP-01-22-1-17-169	CBD Marketing
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Annual Plan 2017/18 - Outcome of Community Consultation

Overall Annual Plan "Your Choices" Feedback Analysis							2758 Responses
Regional Sports Park - Health and Sports Centre							
	Strongly Support	Support	Neutral	Oppose	Strongly Oppose	Don't Know	OVERALL Support Opposition
Tear-Off	27%	28%	13%	12%	20%	1%	55% 32%
Citizen Panel	20%	37%	22%	12%	8%	1%	57% 20%
Online Survey	21%	24%	23%	16%	15%	1%	45% 31%
Overall	24%	28%	17%	13%	16%	1%	52% 29%
Clifton Erosion Protection Wall							
	Strongly Support	Support	Neutral	Oppose	Strongly Oppose	Don't Know	OVERALL Support Opposition
Tear-Off	25%	27%	13%	12%	21%	1%	52% 33%
Citizen Panel	20%	37%	21%	13%	8%	0%	57% 21%
Online Survey	38%	23%	17%	9%	11%	2%	61% 20%
Overall	28%	28%	16%	11%	16%	1%	56% 27%
Hastings On-Street Parking							
	Meters	Rates					
Tear-Off	68%	32%					
Citizen Panel	65%	35%					
Online Survey	69%	31%					
Overall	68%	32%					

CG-14-1-00267

ANNUAL PLAN SUBMISSIONS INDEX FOR OFFICER COMMENTS

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3	Kura Rutherford - Cycling Safety (3)	5		8
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5	Ross Berry - Clifton Sea Wall (5)	9		Agenda Report
6	Cameron Gichard - Hockey Turf (6)	11		3
7	David Bird - Hockey Turf (7)	13		3
8	Liam Reid - Hockey Turf (8)	15		3
9	Ryan Cramm - Hockey Turf Ice Rink (9)	17		3
10	Anita Bocchino - Haumoana Beach Crest (10)	19		9
11	Carla McDougall - Hockey Turf (11)	21		3
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17	John Steventon - Water Supply Parking Regional Sports Park (17)	35		3 4 Agenda Report
18	Ray and Eleanor Stairmand – Water Update CBD Parking Sports Park Clifton Seawall (18)	37		4 Agenda Report Agenda Report
19	Pat Herbison - Water Supply (19)	41		4
20	Sylvia White - Murals (20)	43		10
21	Ms M Price - CBD Parking (21)	45		Agenda Report
22	Annette Black - Clifton Seawall (22)	49		Agenda Report
23	Sheryl Cushing - Clifton Seawall (23)	51		Agenda Report
24	Duncan Powell - Clifton Seawall (24)	53		Agenda Report
25	Graeme Johnson - Clifton Seawall (25)	55		Agenda Report
26	Michael Mawley - Clifton Seawall (26)	57		Agenda Report

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Sub No.	Submitter	Vol 1 Page No.	Vol 2 Page No.	Officer Comment Pg No./Agenda Report
27	Mike Mucalo - Clifton Seawall (27)	59		Agenda Report
28	Gary Speers - Water Supply Sea Erosion (28)	61		4 Agenda Report
29	Mike Purchass - Clifton Seawall (29)	63		Agenda Report
30	Keith Newman - Clifton Seawall (30)	65		Agenda Report
31	CN Andrew - Water Update (31)	67		4
32	Kay Clayton - Water Supply (32)	69		4
33	Ken Carson - Clifton Seawall (33)	71		Agenda Report
34	Tom Belford - Regional Sports Park Health & Sports Centre (34)	73		3
35	Myles Girvan - Clive Rugby & Sports Club Purchase/lease (35)	83		11
37	Victoria Gardner - Fluoride (37)	85		4
38	Chris Mitchell - Regional Sports Park CBD Parking Clifton seawall (38)	87		3 Agenda Report
39	Susan van Dam - Water Supply (39)	89		4
40	Simon Taylor - Residential Land Availability (40)	91		12
41	Margaret McBride - Cornwall Play Centre (41)	93		13
42	Paul Carlisle - Water Supply (42)	95		4
43	Gemma McIvor - Water supply (43)	97		4
49	Ian Thorburn - Clifton seawall (49)	99		Agenda Report
50	David Allan (Guthrie Smith) (50)	101		14
53	Michael Garbes - Clifton Protection seawall (53)	115		Agenda Report
54	Wendy Wilks - Hastings CBD marketing rate (54)	117		Agenda Report
55	Glen Mossman - Clifton Protections seawall (55)	119		Agenda Report
56	Ryan Campbell - Skateboard ramp Romanes Park (56)	121		15
57	Bryan Grapes - Regional sports park (57)	125		3
69	Daniel Stabler - Water fluoridation (69)	127		4
71	John Thompson - Clifton Protection wall (71)	157		Agenda Report
82	Des Ratima - Bus shelter toilet block (82)	159		17
83	Ian Purdon - Ebbett Park Upgrade tennis courts (83)	161		5
84	Teena Moody - Water treatment (84)	163		4

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85	Linda Khumalo - Ebbett Park Upgrade Hastings CBD Parking (85)	165		5 Agenda Report
86	Harvey Burgess (Bayview Community Charitable Trust) - Picnic table installation Whirinaki (86)	167		19
87	Matt O'Dowd, Flaxmere West Community Plan (87)	169		19
89	John Keenan - Keirunga Park Railway (89)	171		19
96	Linda Walsh - Regional sports park Clifton erosion, Hastings CBD parking (96)	181		3 Agenda Report
97	Viv Smith - Water update Clifton Protection Wall (97)	183		4 Agenda Report
98	Martin Bates - Te Awanga Community Hall (98)	185		20
101	Phil Jones (Maraekakaho School) (101)	187		21
102	Chris MacMillan - Speakers corner (102)	189		22
103	Phillip Smith - Star Compass project (103)	191		23
105	Kristen Price - HB Enviroschools (105)	197		23
106	Sally Chandler (HB Regional Council) - HB Enviro schools (106)	201		23
107	Susan McDade - CBD parking Opera House Complex Vibrancy Fund residential conversion (107)	203		24
108	Ana Apatu - West Flaxmere Hub (108)	207		26
111	Ruth Vincent - Civic Square facade enhancement park protection (111)	209		26
112	Pauline Doyle and Ken Keys - Water Update (112)	215		4
113	Ruiha Stirling - St Therese Hall Whakatu (113)	221		28
115	David Mee - Horse of the year sponsorship (115)		223	28
116	Rhea Dasent (Federated Farmers) Rate postponement Drinking water CBD parking (116)		261	29 4 Agenda Report
117	Paul Hursthouse - Clifton erosion protection wall (117)		323	Agenda Report
118	Charlie Bogard Maraekakaho Signage and information board (118)		325	30
119	Flaxmere Rugby and Sports Club - funding application (119)		335	31
123	Greg McFlynn - Regional Sports Park Development (123)		361	3
124	Hugh Hamilton - Development contribution Irongate speed limit Irongate Road (124)		363	31

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Sub No.	Submitter	Vol 1 Page No.	Vol 2 Page No.	Officer Comment Pg No./Agenda Report
125	Dennis Coon - Wesley Community Hall Development (125)		365	31
126	Traci Tuimaseve -Flaxmere Greenspace (126)		381	32
127	Don Hutana - Bill Mathewson Park Lighting (127)		383	32
128	Mandy Sharpe - Playground at Raureka (128)		385	5
129	Bronda Smith - Development Havelock North BMZ Track (129)		387	33
130	Carolyn Neville - Funding Business HB (130)		393	33
131	Graeme Avery - Health & Sports Centre (131)		397	3
132	Charles Daugherty - HB Biodiversity Strategy (132)		401	34
133	Elizabeth Carr - CBD parking Health and Sports Centre (133)		405	Agenda Report 3
136	Gillian Mangan - Regional Sports Park Capital Value Rating/CBD Residential CBD parking(136)		407	3 35 Agenda Report
137	David Barry - Knowledge bank funding request (137)		409	38
138	John Roil - Development contributions Irongate Industrial Rating differentials speed limit Irongate Road (138)		415	39
139	Dianne Vesty (HB Fruitgrowers) CBD parking Developer growth, HB showgrounds (139)		431	Agenda Report 44
142	Rachel French - Water fluoridation Regional sports park CBD parking (142)		435	3 4 Agenda Report
143	Sally Herring - Water update (143)		437	4
145	Mark Aspen - Sports HB funding (145)		439	46
150	Elizabeth Carr (Te Mata Trust Board) Te Mata Park Trust Board funding (150)		441	47
152	Jeremy MacLeod - Ngati Kahungunu Maori language awards (152)		451	49
153	Janet Brown - Targeted rates (153)		453	49
158	Paul Brough - Water update Regional Sports Park, , Clifton erosion CBD Parking (158)		455	3/4 Agenda Report Agenda Report
163	Gordon Vogtherr - Water Update Traffic & Speed Limits (163)		457	4 Agenda Report
165	Hastings District Council - Risk management, Irongate infrastructure (165)		67	N/A

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

**FROM: GROUP MANAGER: PLANNING & REGULATORY
JOHN O'SHAUGHNESSY**

SUBJECT: CLIFTON REVETMENT FUNDING ANNUAL PLAN

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council on the appropriate funding mechanism for the Clifton revetment.
- 1.2 This issue arises as a consequence of a proposal to apply for a new 35 year consent to extend the current Clifton erosion protection wall by way of a revetment through to the Clifton Café.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.4 The objective of this decision relevant to the purpose of Local Government is related to the provision of good quality local infrastructure and local public service and how best to fund this infrastructure and services in accordance with funding principles as set down in the Local Government Act 2002, namely:
 - Meeting the current and future needs of the community by ensuring that access to the existing camping ground, boat ramp facilities are safe, accessible and convenient, and maximising the life of these facilities.
 - Contributing to achieving Council vision for this part of the Cape Coast, and enhanced public access.
 - Maintaining the ability to pursue future strategic options.
- 1.5 This report concludes by recommending:
 - A) That the report of the Group Manager: Planning & Regulatory titled "Clifton Revetment Funding Annual Plan" dated 7/06/2017 be received.
 - B) That Council resolve to fund construction of the revetment from 1 July 2017, in line with the Hybrid funding model, subject to obtaining resource consent and other statutory approvals.
 - C) That Council resolve to proceed with lodging resource consent applications to Hawke's Bay Regional Council and Hastings District Council for the construction and operation of the proposed revetment.

2.0 BACKGROUND

- 2.1 The Clifton Reserve is the location of the Clifton boat ramp which is the only ramp with access to Hawke Bay between Cape Kidnappers and Napier. The Reserve and more particularly, that part of the Reserve that includes the access to the boat ramp has been subject over the years to significant erosion activity. As a consequence of this erosion activity access to the Camp and Reserve have become particularly difficult and at risk.
- 2.2 The consent granted for a short term protection wall to protect road access to the Clifton No.1 camp expires 31 August 2018 which has triggered a proposal to apply for a new 35 year consent to extend the protection wall by way of a revetment through to the Clifton café. Both the Clifton Reserve Society and Clifton Marine Club wish to have certainty over their respective futures.
- 2.3 The basis for the five year consent was to enable the relocation of the No. 1 Camp and the Clifton Marine Club. This meant HB Regional Council consent staff accepted a lower level of engineering design durability due to the fixed period. The consent also requires Hastings District Council (HDC) to remove the revetment at the end of the five year period.
- 2.4 Following the consideration of a consultant report (Beca Limited) on coastal protection works at Clifton, at its March meeting Council decided to include a funding provision of \$1m (loan funded) in the 2016/17 Draft Annual Plan. The Draft plan states:

“This would see it extend to opposite Clifton Bay Café. While some funding provision has been made, issues such as a resource consent, land access and an overall funding solution still need to be worked through.”

 The Beca report titled “Clifton Beach: Long Term Coastal Protection Works, February 2016” is included as **Attachment 1**.
- 2.5 Since that date work has been progressing on a concept plan for the proposed revetment extension, following initial discussions with the Clifton Marine Club, Clifton Reserve Society and landowner.
- 2.6 The Clifton to Tangoio Coastal Hazards Joint Committee (“Joint Committee”) however, has been tasked by the three Councils with the development of a long term strategy to respond to coastal erosion and coastal inundation between Clifton and Tangoio.
- 2.7 The Committee strongly supports the allocation of funding to respond to these issues, but notes that a strategic ‘whole of coast approach’ is required.
- 2.8 A key underlying principle for this work is to take a consistent, coordinated and shared approach between Hastings District Council, Napier City Council and Hawke’s Bay Regional Council, including decision making and funding frameworks over the whole coastline. These are intended to assist all three partner Councils in terms of determining the most appropriate responses to these hazards and securing and sharing the costs of the responses.
- 2.9 There is a risk that a different preferred option for Clifton to that tagged in the proposed annual plan may emerge from the process, or that different priorities and funding arrangements for dealing with Coastal erosion and inundation in other affected areas along the Clifton to Tangoio coastline become evident.

As the Joint Committee suggests, it may therefore be premature to tag funding to a specific response or responses until this work has been done.

- 2.10 While the Joint Committee supports the allocation of \$1 million for works at Clifton in the draft annual plan, it suggests that the District Council remove reference to specific works until such time as Stage 3 (Cell Planning-Developing a Response) of the Clifton to Tangoio Coastal Hazards Strategy 2120 has been completed.
- 2.11 Council, at its June meeting to adopt the 2016/17 Annual Plan, resolved the following:

“That Officers progress with land access (Clifton Station) concept, resource consent and an overall funding solution.”

- 2.12 In the meantime officers consider that progressing the work on the resource consent may have value in terms of informing the Coastal Hazards Committee’s work on options in the collaborative Cell Planning phase scheduled for 2017/2018 and allowing for a quicker start on this option if it is selected and prioritised over other interventions along the Clifton to Tangoio coastline. Ultimately the decision whether to proceed with the proposed physical works, being the extension of the revetment, sits with Council.
- 2.13 The Council has engaged Sage Planning to manage this project and they have developed the project’s critical path **Attachment 2**. The critical path has identified a number of decision points such as this funding decision, then whether a resource consent to build the revetment would be granted.

3.0 CURRENT SITUATION

- 3.1 It could be said that there are five parties to this issue; Hastings District Council, the Clifton Reserve Society, the Marine Club, the adjoining landowner and lastly the general public whom use both the reserve and the boat ramp. In general terms it is considered that the District Council in its role represents that general public interest.
- 3.2 The Council has in place a lease agreement with the Clifton Reserve Society that enables the Society to operate the Clifton Camp with a sublease in place between the Society and the Clifton Marine Club (the Marine Club) which enables the Marine Club to operate.
- 3.3 The Society advises that on an annual basis they provide camping for in the order of 16,500 person bed nights per annum. The lease was originally a 15 year lease from 1 February 2011 which gave it an expiry date of 31 January 2026, however this was amended when the Council agreed to install initial short revetment and now expires at the same time as the current resource consent i.e. 31 August 2018. There is also a companion sub lease for the Clifton Marine Club.
- 3.4 The lease agreement requires the Society to maintain reasonable access to the camp and reserve at all times. In recognition of this obligation the initial revetment is partly funded by the Society and the Marine Club.

- 3.5 The funding agreement provides that the Council and Society funded 50% each of initial costs (consenting and construction) of the initial revetment. The agreement provides for the Society share (interest free) to be paid on a quarterly basis over the life of the consent. The Marine Club is also required to contribute to the Society \$5,000 per year of the Society's share.
- 3.6 The 50% Council share arrangements recognises also that the Council previously had provided \$10,000 per annum towards access costs.
- 3.7 The agreement also includes provision regarding maintenance.
- 3.8 Officers have obtained preliminary costings for the construction of a revetment at Clifton. They indicate a capital cost of \$1,163,000. Annual operating costs have been assessed at \$80,000 per annum. The whole of life cost over the 35 year life of the revetment equates to \$2,800,000.

Officers have undertaken an assessment of the funding needs as required under Section 101 (3) of the Local Government Act. This analysis is contained in **Attachment 3** of this report.

4.0 SIGNIFICANCE AND ENGAGEMENT (CONCEPT DESIGN)

- 4.1 Council signalled this matter in broad terms in its 2016/17 Annual Plan. Now that a more certain proposal has been developed it has been fully presented to the community through the 2017/18 Annual Plan process to satisfy the requirements of the Local Government Act 2002. The outcomes of the consultation process are set out in section 7.0 of this report.
- 4.2 Council staff, Councillor Lyons, Councillor Heaps and Sage Planning have had a number of meetings with the following parties:
- Angus Gordon (Gordon Family)
 - Linda Hogan (Clifton Reserve Society)
 - Russell Black (Clifton Marine Club)

These meetings both on-site and at Council have refined the design prepared by Becas and Council staff to where agreement has been reached on the design. Design work on the proposed revetment has also been integrated with the Cape Coast Reserve Management Plan being prepared by Council's Parks Asset Group.

- 4.3 As previously mentioned, the three parties mentioned in this section of the report have also consulted with their respective committees and family members and as a result we have received formal letters from all parties included in the agenda as **Attachment 4**.

These letters have set out the various contributions each party are prepared to make toward this project and any qualifications on their offers.

These contributions / terms have been included in the detail of the options.

Further engagement will be required as outlined in the critical path **Attachment 2**.

4.4 Council staff sought direction from Council on which option to pursue, due to the strategic implications, financial and precedent issues this decision could have. At the December 2016 Council meeting it was resolved:

- A) *That the report of the Group Manager: Planning & Regulatory Services titled "Clifton Revetment Funding Options" dated 15 December 2016 be received.*
- B) *That Hybrid Option 4 be adopted as set out in Attachment 4 of the report in "A" above.*
- C) *That the Chief Executive be instructed to engage a resource consultant to prepare an application for resource consent to the Hawke's Bay Regional Council.*
- D) *That the Chief Executive be instructed to commence pre-consultation work with the Department of Conservation and Hawke's Bay Regional Council.*
- E) *That the work be undertaken in parallel with consultation for the Annual Plan 2017 for funding for the Clifton revetment.*

5.0 OPTION IN 2017/18 ANNUAL PLAN

5.1 The option chosen to consult through the Annual Plan process was named the Hybrid option and this is set out below:

Option 4: This option is considered to be a hybrid option, based on the premise which has been clearly articulated by the Gordon Family, namely that the only basis the family is prepared to willingly provide the land for the access road (approximately \$20,000) is that the land is the sole contribution, no cash or ongoing payments.

This position means the only other way to obtain the land would be through a public works process. This is not recommended as there is still an in principle issue in the projects critical path, that being obtaining resource consent approval for the extending revetment from the HB Regional Council.

Option 4. Hybrid	Whole of life
Total cost	\$2,800,000
Less one off contributions:	
Angus Gordon (land value)	\$20,000
Reserve Society	\$50,000
Marine Club	\$10,000
Total to be recovered over 35 years	\$2,720,000

Option 4. Hybrid	%	Annual cost
HDC	80%	\$64,000
Reserve Society	13%	\$10,500
Marine Club	7%	\$5,500
Total recovered annually		\$80,000

- 5.1 The \$64,000 annual contribution from HDC will be funded via the general rate with 93.28% (\$59,999) funded from Rating Area 1 and 6.72% (\$4,301) from Rating Area 2.

6.0 PROGRESS ON RESOURCE CONSENT APPLICATION

- 6.1 Following Council's resolution at its December 2016 meeting to engage a resource management consultant, Council has engaged Janeen Kydd-Smith (Planning Consultant) to prepare the necessary resource consent applications for a permanent revetment structure at Clifton Reserve.

- 6.2 Coastal engineering, landscape, ecological, archaeological and recreation specialists have also been engaged to confirm the layout and prepare the necessary technical assessments required to support the resource consent applications. The entire Project Team met on 14th March 2017 to discuss the project and any technical requirements, and also visited the site together.

A copy of the most recent engineering layout for the revetment is included as **Attachment 5**.

- 6.3 A letter was also forwarded to the Joint Coastal Hazards Committee on 27th February, seeking formal confirmation as to the Committee's stance on the lodging of consent applications for the Clifton revetment wall in advance of completion of the 'Clifton to Tangoio Coastal Hazards Strategy 2120' cell planning phase (Stage 3). A letter in reply dated 6th March 2017 was received, stating the Committee's position that:

'where possible, coastal protection works should proceed in accordance with the outcomes of the Clifton to Tangoio Coastal Hazards Strategy 2120. However, we recognise that it would be unreasonable to expect all activity to cease while the Strategy is in development'

and referring Council to a statement in the overarching strategy document as clarifying the position on this issue, as follows:

"The coast is a dynamic environment and there are a number of current and proposed responses to coastal hazards within the Strategy area, including beach nourishment and protection works at Westshore, and cessation of gravel extraction on Marine Parade.

It is not the intention of the partner Councils engaged in this Strategy that a moratorium on coastal works be imposed while the outcomes of the Strategy are being developed. However, the Councils wish to note that a coordinated effort to respond to coastal hazards is preferred, and as such any proposed

activities are encouraged to be advanced within the framework of this Strategy.”

A copy of these letters is included as **Attachment 6**.

- 6.4 In addition, pre-consultation meetings were held with Hawke’s Bay Regional Council engineering and consenting staff, and with the appropriate local Department of Conservation representative, on 23rd and 24th March 2017.
- 6.5 In summary, Hawke’s Bay Regional Council staff were cautious, advising that:
- any resource consent application would need to include an assessment of the options considered and reasons why the rock revetment is considered the best option;
 - that there would be need to be a consideration as to cumulative effects of the revetment in terms of coastal processes; and
 - recommended that Council’s coastal engineer work together with HBRC’s coastal consultant (Richard Reinen-Hamill, Tonkin and Taylor) as part of assessing effects on coastal processes and finalising the revetment design for the applications.
- 6.6 The Department of Conservation representative largely mirrored the Regional Council’s response, and referred to the need to assess the proposal against the relevant objectives and policies of the New Zealand Coastal Policy Statement and provide reasons why the proposal represents the best practicable option.
- 6.7 Since then, the Project Team has been working towards completion of a final design layout and accompanying technical assessments. Drafts of these were submitted to Council mid-May, and are anticipated to be finalised mid-June, in anticipation of lodgement of resource consent applications at the end of June 2017.
- 6.8 As part of this body of work, members of the Project Team have carried out further stakeholder engagement with Clifton Reserve Society, Clifton Marine Club, Gannet Beach Adventures, and Department of Conservation, HDC and HBRC recreation/open spaces staff.
- 6.9 Council’s Planning Consultant and Consultant Archaeologist also met with Marei Apatu (Te Taiwhenua O Heretaunga) on 2 May, and attended an initial meeting with Matahiwi Marae on 7 May. At the Committee’s request, copies of the draft consent and draft archaeological assessment will be made available to Matahiwi Marae Committee in due course, and further engagement with them is anticipated as part of the resource consenting and archaeological authority processes.
- 6.10 It is highly likely that any resource consent applications to HBRC for this project will be publicly notified, and that there will be a number of stakeholder and public submissions. As Council will be aware consenting for this project will be challenging and there are no guarantees that resource consents will be granted.

7.0 CONSULTATION ON CLIFTON REVETMENT

- 7.1 Section 78 of the Local Government Act 2002 requires Council in the course of its decision-making process in relation to a matter, to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter. In the context of this decision, a significant capital project to be funded district wide, the Council has obtained community views from across the district.
- 7.2 The Council have used 4 consultation tools which has prompted almost 3,000 community responses to this matter as follows:
- Consultation Document – tear-off form
 - Independent Citizens Panel Survey
 - Online Survey
 - Formal Submissions (these are analysed in section 8.0 below)
- 7.3 The Consultation Document is attached for reference as **Attachment 7** and the same question was asked via each of the methods above with the overall result outlined below. All the methods used resulted in a similar response with considerably more support for the project than opposition.

Community Feedback	Support	Opposition	Neutral
Clifton Seawall	56%	27%	16%

8.0 SUBMISSIONS ON CLIFTON REVETMENT

- 8.1 A total of 23 submissions to the 2017/18 Draft Annual Plan were received which addressed the Clifton revetment. Of these, **20 were in support** of Council funding of the Clifton revetment, with **3 submissions in opposition**.
- 8.2 The main themes in support were:
- safeguards an iconic camping ground and unique boat ramp ‘not found anywhere else in the world’ and great facility for local fishermen, which is well known to the people of Hawke’s Bay and increasing foreign campers;
 - area is an important tourist attraction;
 - Clifton reserve is considered the ‘gateway’, ‘entranceway’, ‘front door’ to Cape Kidnappers (cliffs and gannet colonies) – presents the most natural drop off point – and is disappearing/at risk;
 - will help safeguard the historic Gordon homestead;
 - revetment wall may provide further natural crevices for little blue penguin, for protection and to breed;
 - the boat ramp is important for public safety in terms of a safe location to launch rescue operations (only safe boat launching area between Napier and Waimarama), and campground provides rescue for visitors that do not realise the danger of the incoming tide and become stranded and distressed;

- area has been 'under maintained', is 'untidy' and an 'eyesore', and allowing it to get to this state is embarrassing – the revetment offers the opportunity to develop something special for current and future generations that could provide many benefits to the community, and having certainty will encourage investment in camp and boat ramp facilities;
- investment in a sea wall at Clifton will help restore confidence to the Cape Coast community, along with proposed Cape Coast Reserve Management Plan, of Council's commitment to beautifying and enhancing all along that coast;
- should proceed with the revetment urgently to protect access to the boat ramp, and to the gannets;
- to do nothing would remove options for future generations;
- the existing revetment proves this method works.

8.3 Two submitters gave provisional support, commenting that the revetment will protect access to a small segment of the community and that it is not a very inviting, public beach, and that it feels 'owned' by people with permanent sites. There is some aversion for these submitters to protecting what they see as more of a private beach than public access. One of these submitters indicates that funding should only be provided if there is free and unrestricted access provided for day visitors to the far end of the camp, such as those walking the beach toward the Cape – otherwise no funding should be provided.

8.4 The main issues for submitters opposing the Clifton revetment were:

- that hard engineering options are not successful at preventing erosion, and that the proposed revetment would need expensive annual top ups;
- concerns that the revetment will increase erosion and flood risk – end effects and beach lowering seen as a real risk;
- that ratepayers should not protect what is effectively a private asset/business – only a small number of people would benefit, and there is little community benefit; and
- that pushing ahead before the wider strategy is concluded is not supported.

A copy of the officer comments on submissions received is attached as **Attachment 8**.

9.0 SIGNIFICANCE AND ENGAGEMENT (FUNDING)

- 9.1 Where a Council decision is made that has significant policy, operational or financial implications, Council needs to consider the consultation process required under the Local Government Act, in its Annual Plan and specifically Section 101 (3) in relation to financial management.
- 9.2 Under Section 101 (3) funding sources must be met from those sources the Council determines to be appropriate. This requires Council to consider:
- The community outcomes to which the funding primarily relates.
 - Distribution of benefits between the district as a whole and parts of the district
 - The period over which the benefits will occur.
 - Whether individuals or groups are the cause of the activity.
 - Costs and benefits, including transparency and accountability where funding one activity distinctly from others.
 - Overall impact of allocation of funding on the community.

With almost 3,000 responses as to the community views on this matter, Council has a sound basis on which to consider the views and preferences of persons likely to be affected by, or to have an interest in the matter. Overall the community response shows a preference for:

Hybrid Option

- Capital cost \$1.2 million
- Debt repayment and maintenance cost \$80,000 per annum
- Estimated cost over the 35 year lifespan of the protection wall \$2.8 million
- Cost will be largely met by ratepayers (\$64,000 per annum for the next 35 years – or \$3 on average per rateable property per year)
- Some contributions will be received from the Clifton Reserve Society, Clifton Marine Club and land from an adjoining landowner.

10.0 SUMMARY

- 10.1 With the consent for the temporary revetment expiring in August 2018 and each storm surge and inundation event putting the remaining single lane access at greater and greater risk, I consider that waiting for the conclusion of the wider Coastal Hazards Strategy process may result in the closing of future options for this area, as there is very real risk that access will soon become impassable.
- 10.2 I consider that progressing the work on the resource consent for a revetment at Clifton maximizes flexibility in pursuing long term options for Clifton Reserve and, along with setting aside funding for this option through the

Annual Plan, will allow for a quicker start on this option if it is selected and prioritized over other interventions along the Clifton to Tangoio coastline.

- 10.3 I consider that the outcome of consultation on this issue provides a clear mandate to proceed with allocation of funding for the Clifton revetment through the 2017/18 Annual Plan, and to proceed with lodging of resource consent applications to Hawke's Bay Regional Council and Hastings District Council to facilitate its construction.

11.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Group Manager: Planning & Regulatory titled "Clifton Revetment Funding Annual Plan" dated 7/06/2017 be received.
- B) That Council resolve to fund construction of the revetment from 1 July 2017, in line with the Hybrid funding model, subject to obtaining resource consent and other statutory approvals.
- C) That Council fund their share of the Hybrid funding model through the general rate using the discounted population split for Rating Areas 1 and 2, being 93.28% Rating Area 1 and 6.72% Rating Area 2.
- D) That Council resolve to proceed with lodging resource consent applications to Hawke's Bay Regional Council and Hastings District Council for the construction and operation of the proposed revetment.

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure in a way that is most cost-effective for households and business by:

- i) Undertaking pragmatic steps in the development of a managed response to the erosion risks that will assist the community to meet its expressed desire of the continuation of reserve provision at Clifton that provides opportunities for enhanced public access to the coast, camping and safe boating.

Attachments:

1	Beca Report Clifton Beach Long Term Protection Works - February 2016	PRJ16-16-0005
2	Critical Revetment Path Timeline	PRJ16-16-0019
3	Clifton Revetment Section 101(3) Analysis	PRJ16-16-0013
4	Clifton Revetment Contribution Agreements - Clifton Reserve Society, Clifton Marine Club and Angus Gordon	PRJ16-16-0018
5	Engineering Layout Clifton Revetment	CG-14-1-00258
6	Letter to Joint Coastal Hazards Committee	CG-14-1-00259
7	Draft Annual Plan Consultation Document (Clifton Erosion Protection Wall)	CG-14-1-00266
8	Officer Comments Clifton Erosion Protection Wall submissions	CG-14-1-00261



report

Clifton Beach: Long Term Coastal Protection Works

- Prepared for Hastings District Council (Client)
- By Beca Ltd (Beca)

February 2016

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February 2016

Clifton Beach: Remedial Coastal Works

1.0 Introduction

In 2013 a short section of seawall (about 90m long) was constructed at Clifton beach. These works provided temporary protection to some infrastructure (e.g. access road and toilet block) which are located at a pinch point at the base of the cliff face and which were at risk of severe damage if the beach moved landward. The existing seawall is shown in Photo 1. The seawall has a resource consent which expires in 2017 after which the conditions of consent require that the wall be removed.

Clifton Reserve Society (CRS) has requested from Hastings District Council (HDC) that an application be made to the Hawkes Bay Regional Council for a longer section of permanent protection works. These works, covering a reach length of 380m, will provide protection to the road parallel to the beach. See Photo 2.

The purpose of this short report is to describe the concept design of the seawall, to provide a cost estimate of the capital works, and list the studies/assessments needed for the detailed design and assessment of environmental effects.



Photo 1. Existing Seawall



Photo 2. Reach for Proposed Seawall

February 2016

2.0 Description of the Existing Environment

Clifton Beach is a gravel and sand beach, mainly derived from greywacke rock. Typically this coarse material is confined to the beach face with the nearshore comprising fine sand. These beaches are reflective with not a significant amount of on-shore/offshore movement of gravel. During periods of fair weather sand can accumulate on the beach but tends to disappear during storms. Storms flatten the beach out while during fair weather the beach tends to steepen.

Clifton Beach has been modified significantly over many years. Early photos (as attached) show the beach being used for droving stock and the back shore area being farmed.

The 1931 earthquake resulted in about 1.0m lowering of the landform along this coast although the amount at the site is unknown. This put the coastal system out of equilibrium and has probably not recovered to date.

Nowadays the eastern end of the beach has a carpark and boat ramp and a reduced size camping ground area. The history of the development of the carpark area/boat ramp is not known. Locals have indicated that the area has been reclaimed from time to time with land slip material from the back hills. This is confirmed from historical photos.

The existing boat ramp is in a relatively good location, bearing in mind the exposure of this reach of coastline. It is in the lee of two reef systems both of which provide a level of wave protection to the ramp. The protection structure to the east of the boat ramp is in a reasonable state but is a vertical wall with a high level of wave reflection. The tyres in front of this wall offer a minor level of wave dissipation but are unsightly. Wave reflection off the wall probably aids the cleaning of the ramp of sediment. The wall to the west of the boat ramp is in a state of poor repair and is unsightly.



Photo 1 – circa 1912

February 2016



Photo 2 – date unknown

The beach between the boat ramp and the promontory to the west is in an erosional state, as evidenced by the access road needing to be relocated 3 times between 2009 to 2013 (about 25m loss of land).



Photo 3 – Existing Beach at Clifton (2009)

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Komar's (2005) study on the Hawke Bay coastline concluded that the Clifton/Haumoana reach is in a deficit of some 40,000m³/year of sediment. There is a predominance of westerly drift due to the NE/SE incoming swells/waves. At Clifton this is further exacerbated by the gravel sediment being stored up-drift of the boat ramp and being released episodically during storm events (i.e. there is not an even/constant supply of sediment.). This westerly drift of material has been assessed at about 18,000m³/year.

Tidal levels in Hawke Bay are given in Table 1 (LINZ, 2015). Storm surges during low pressure events could raise the tide levels by some 0.2 to 0.8m.

Table 1: Tide Levels

Tide State	Chart Datum (m)	Local Datum (m)
HAT	2.0	11.1
MHWS	1.8	10.9
MHWN	1.5	10.6
MSL	0.9	10.0
MLWN	0.4	9.5
MLWS	0.1	9.2
LAT-Chart Datum	0.0	9.1

For the wave environment a complicating factor is the approach of incident waves to the beach. The presence of Cape Kidnappers and off shore reefs cause significant diffraction in addition to the refraction processes associated with the bathymetry. MetOcean Solutions Ltd (2011) in their wave hindcast of 12 years of wave data estimated the mean wave direction at Clifton as 94° in 10m of water and 64° in 5m of water. This indicates significant diffraction/refraction in the nearshore zone. Looking at aerial photos the breaker angle direction near the site is about 25° with the beach aligned at 105°, giving a mean angle difference of 10° between the incident wave and the beach. Further downdrift towards Camping Ground No 2 the beach alignment is at 132° and the breaker angle direction at 45°, giving a mean angle difference of 3° between the incident wave and the beach. That section of the beach is more stable than the reach near Camping Ground No. 1.

MetOcean Solutions (2011) report the 10 year return period significant wave in 10m of water as 4.6m and the 100 year return period significant wave as 5.4m. The mean wave period is about 10s. Although these waves have been transformed from oceanic conditions, these waves represent high energy conditions.

4.0 Concept Revetment Design

The concept design is based on LiDAR survey data (2012). As erosion has taken place since 2012 it has been assumed that the beach has retreated to the seaward edge of the road with the same beach profile as at 2012.

The proposed revetment structure will experience depth limited wave conditions. The design still water level of RL 12.0m is based on:

February 2016

- MHWS RL 10.9m
- Storm surge 0.8m
- Sea level rise (SLR) 0.3m

Allowance for SLR of 0.3m covers a period of 30 to 50 years. The New Zealand Coastal Policy Statement requires consideration of SLR over 100 years which approximately equates to about 1.0m to 2116. The approach here is to monitor SLR and if it exceeds 0.3m then the revetment would have another layer of rock to protect it for a more elevated design water level and wave run-up.

The base of the wall will extend from RL10.0m to RL 10.5m. This results in a depth of water of 1.75m and a design wave height of 1.30m. The design mean wave period of 10s will be adopted.

Local limestone boulders are proposed to be used to form the revetment works. The ability of limestone boulders to resist a design wave of 1.3m with a 10s period will depend on many factors. The main factors are the rock integrity and its density, the level of acceptable damage, the revetment slope and level of permeability. Assuming a limestone boulder density of 2.2 t/m³ and a slope of 1:2 (which would be the maximum slope) it was found that:

- For a 2 layer system with an underlayer and minimal damage, the D₅₀ would need to be 1000mm. The underlayer would have a D₅₀ of 400mm. With a geotextile between the native and rock material, an impermeable barrier was assumed. This should be further investigated during detailed design.
- Using the Van der Meer equation for rock armour design in shallow water, the following parameters were assumed: S_d=2, P=0.1, N=3000.
- The berm level of the revetment should be set at RL 5.0m and be at least 3 D₅₀ wide. (i.e. about 3m wide). This would limit overtopping to less than 50 L/s/m which is acceptable for revetments. Some scouring of the road and grass areas could be expected during extreme sea storms.
- The toe of the revetment will be subject to scour and should have a buried toe with a width of twice the design wave height (i.e. about 3m). It is known that there is "papa" rock at around MSL and this has been assumed over 50% of its length. This will require a key toe detail to minimise loss of revetment rock.
- For the 90m length of rock wall in place, it is recommended that another layer of 1.0m rock be placed over the sloping revetment to improve its integrity for long term application.
- The limestone rock armour will require on-going monitoring and maintenance.

A concept layout, typical sections and cross-sections are illustrated in Dwgs CE -001 to CE – 005.

A schedule of likely construction costs is given in Appendix A. Based on these costs, the likely project costs are given below:

February 2016

• Construction costs:	\$1,000,000
• Resource Consent Costs	\$100,000
• Survey and field work	\$10,000
• Detailed design	\$20,000
• Tendering and construction monitoring	\$30,000
• Contingency (15%)	\$175,000
• Total (excluding GST)	\$1,335,000

It is noted that the above construction costs were based on the costs for implementation of the 90m of existing temporary wall (approximately 2,000m³ of armour rock) as completed by HDC. If Council decided to implement the works using local commercial contractors the construction costs would likely increase by about 35%. The total project cost would therefore increase to \$1,750,000.

5.0 Requirements for the Assessment of Environmental Effects

For the long-term implementation of this seawall, some 380m of new seawall plus 90m of the existing seawall, the following assessments will likely be required:

- Coastal processes (this will relate to the potential loss of erodible material and the downdrift erosion – some modelling will be required)
- Landscape (natural character and visual assessment)
- Ecology (area lost to the revetment)
- Heritage (establish if there are any issues)
- Engineering (design assumptions, approach and risk)
- Construction (disruption during construction/ potential loss of access and risk)
- Consultation (affected parties and iwi)

In order to progress the design of the seawall, a topographical survey of the area is required as well as the level and extent of the “papa” rock.

6.0 Conclusions

Extending the existing seawall by 380m at Clifton Beach, as well as upgrading the existing seawall, has an overall estimated cost of \$1,335,000, assuming HDC carry out the works.

7.0 References

1. CEM (2006) “Coastal Engineering manual” for US Army Corp of Engineers.
2. CIRIA/CUR (2008), The Rock Manual: The use of Rock in Hydraulic Engineering
3. Komar PD (2005) “Hawke’s Bay, New Zealand: Environmental Change, Shoreline Erosion and Management Issues” for Hawkes Bay Regional Council.
4. Komar, P.D. (2010) Shoreline Evolution and Management of Hawke's Bay, New Zealand: Tectonics, Coastal Processes, and Human Impacts. Journal of Coastal Research, 26(1), 143-156.
5. MetOcean Solutions (2011), “Hawkes Bay Wave Climate” for Hawkes Bay Regional Council.

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Appendix A –Construction Cost Estimate

Item	Description	Unit	Quantity	Rate	Cost
1	Preliminary and General	LS	1		Included below
2	Excavation and disposal	m ³	2,000	\$8	\$16,000
3	Supply and install geotextile	m ²	6,000	\$5	\$30,000
4	Supply and place underlayer	m ³	1,000	\$75	\$75,000
5	Supply and place primary armour	m ³	10,000	\$85	\$850,000
6	Landscaping	LS	1	\$25,000	\$25,000
	Total				\$996,000

It is noted that the above construction costs were based on the costs for implementation of the 90m of existing temporary wall (approximately 2,000m³ of armour rock) as completed by HDC. Rock was sourced from a quarry near Waimarama.

If Council decided to implement the works using local commercial contractors the costs would likely increase by about 35%. The construction cost would therefore increase to \$1,350,000.

February 2016

9

Appendix B: Concept Design Drawings.

Item 6

Attachment 1

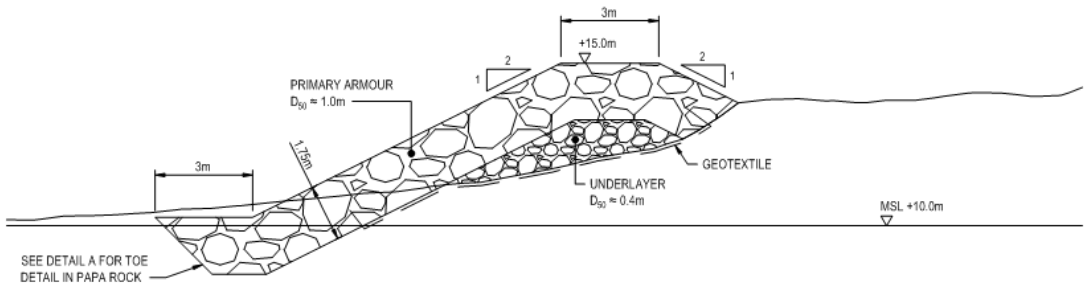
February 2016



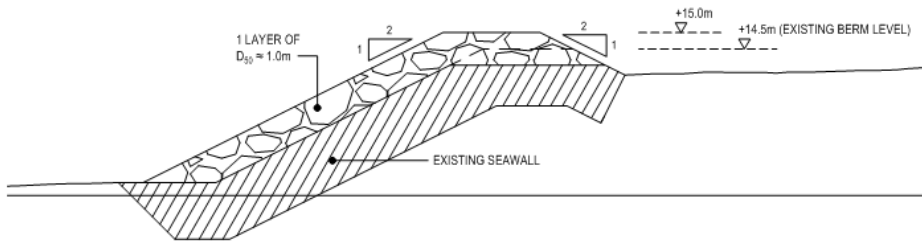
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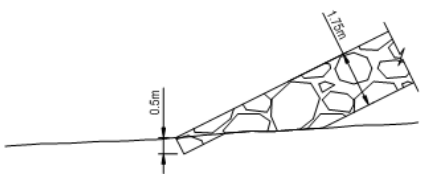
- 1. RL +10.0m IS APPROXIMATELY MEAN SEA LEVEL (MSL)



1 TYPICAL SECTION ON PROPOSED SEAWALL
1:100



2 TYPICAL SECTION ON EXISTING SEAWALL
1:100



A TYPICAL TOE DETAIL ON PAPA ROCK
1:100

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FOR INFORMATION
NOT FOR CONSTRUCTION

PRELIMINARY
NOT FOR CONSTRUCTION

A	FOR INFORMATION	BA			--
No	Revision	By	Chk	Appd	Date



Original Scale (A1)	Design	SJP	01.03.16	Approved for Construction
1:100	Drawn	BA	02.03.16	
Reduced Scale (A3)	Check			
1:200	Design			

HASTINGS DISTRICT COUNCIL

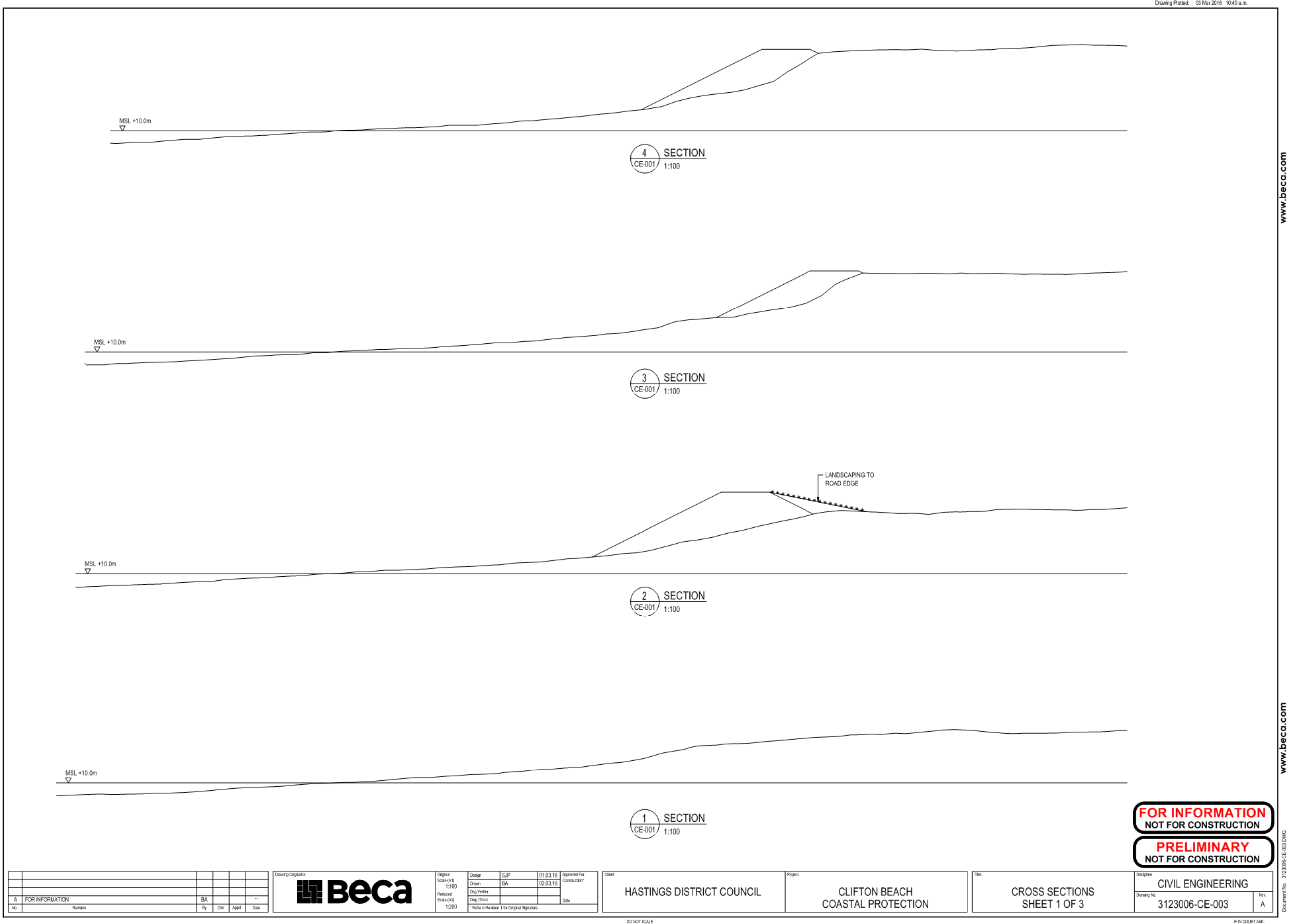
CLIFTON BEACH
COASTAL PROTECTION

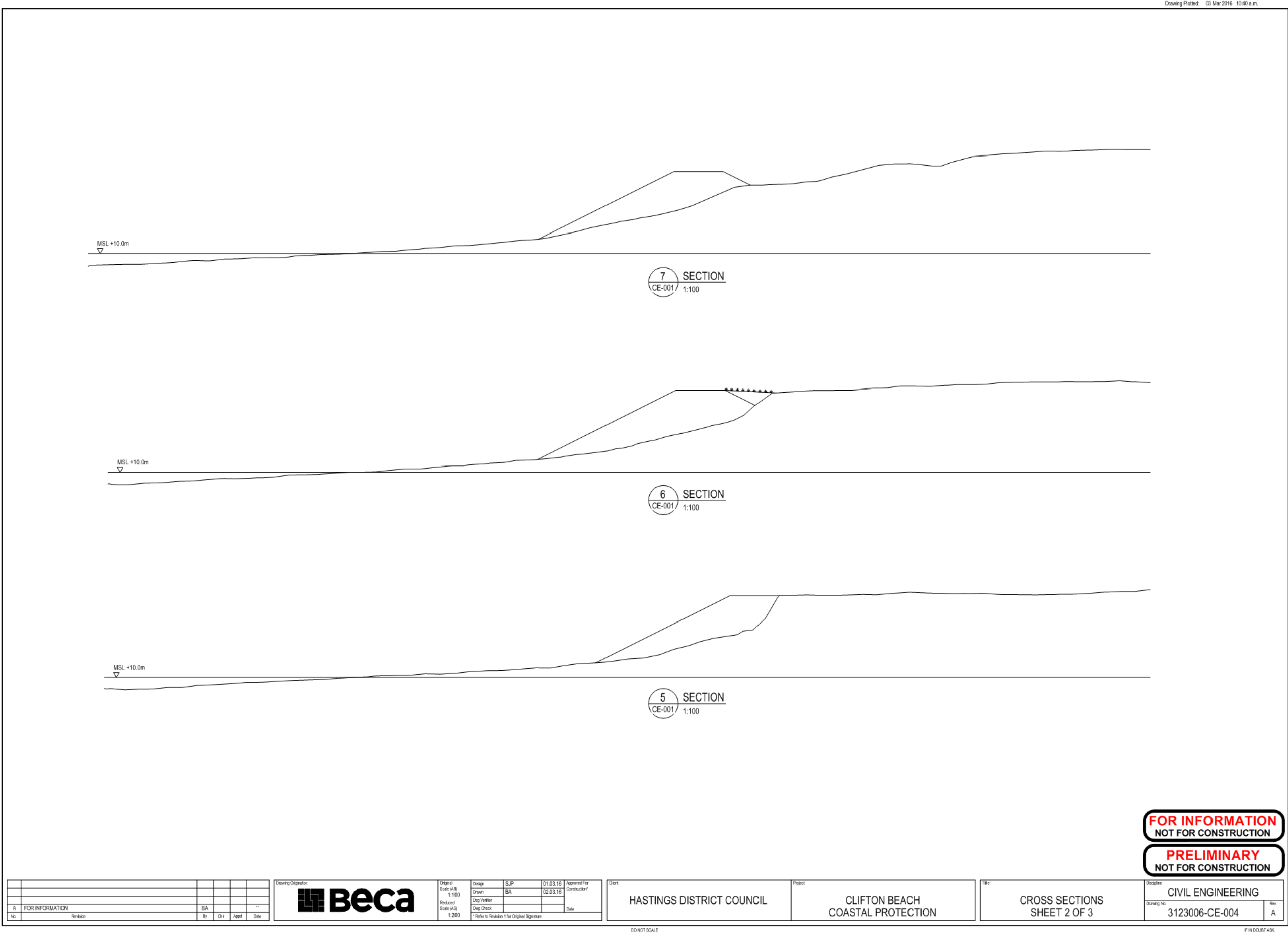
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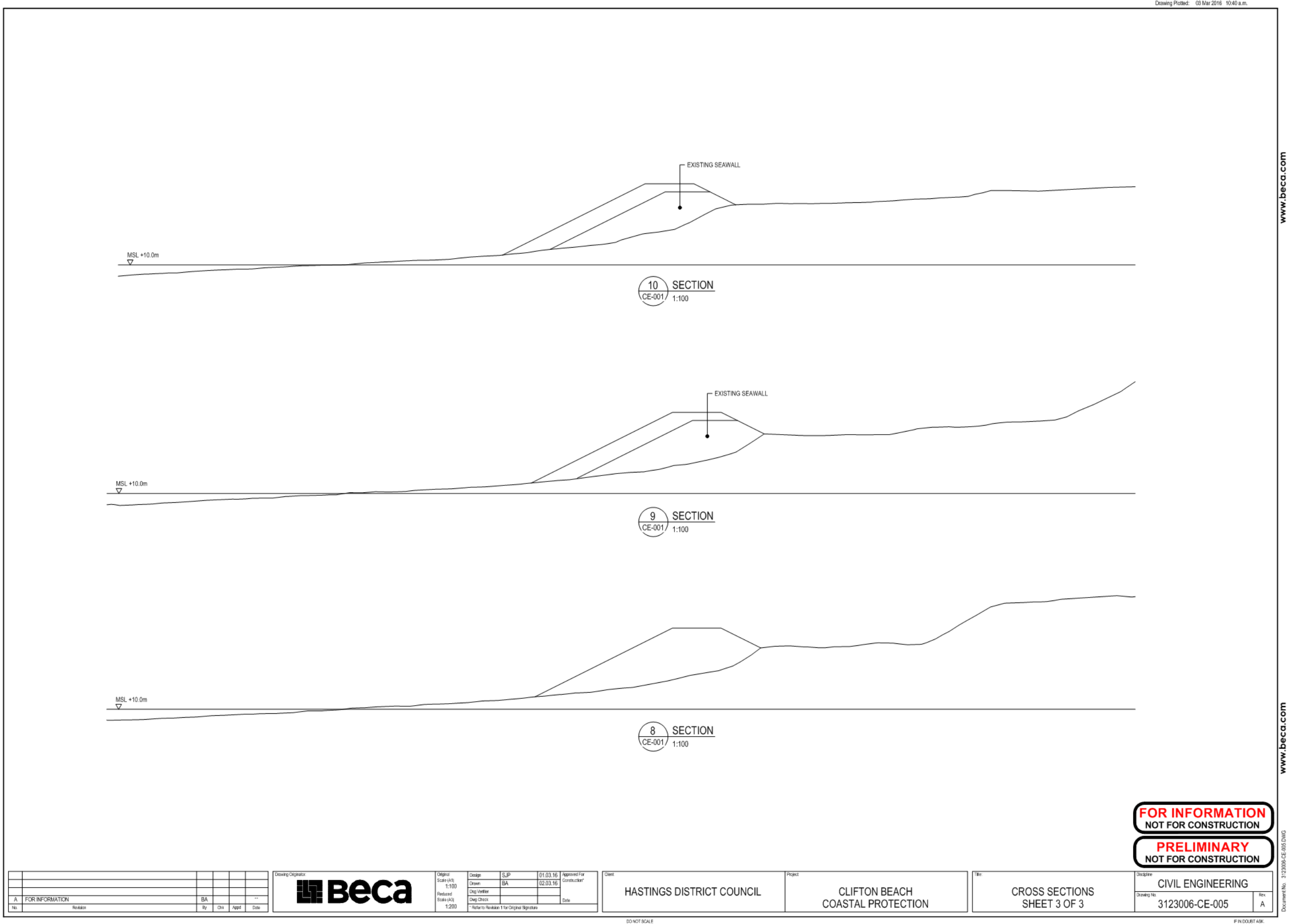
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Drawing No.	3123006-CE-002
Rev.	A

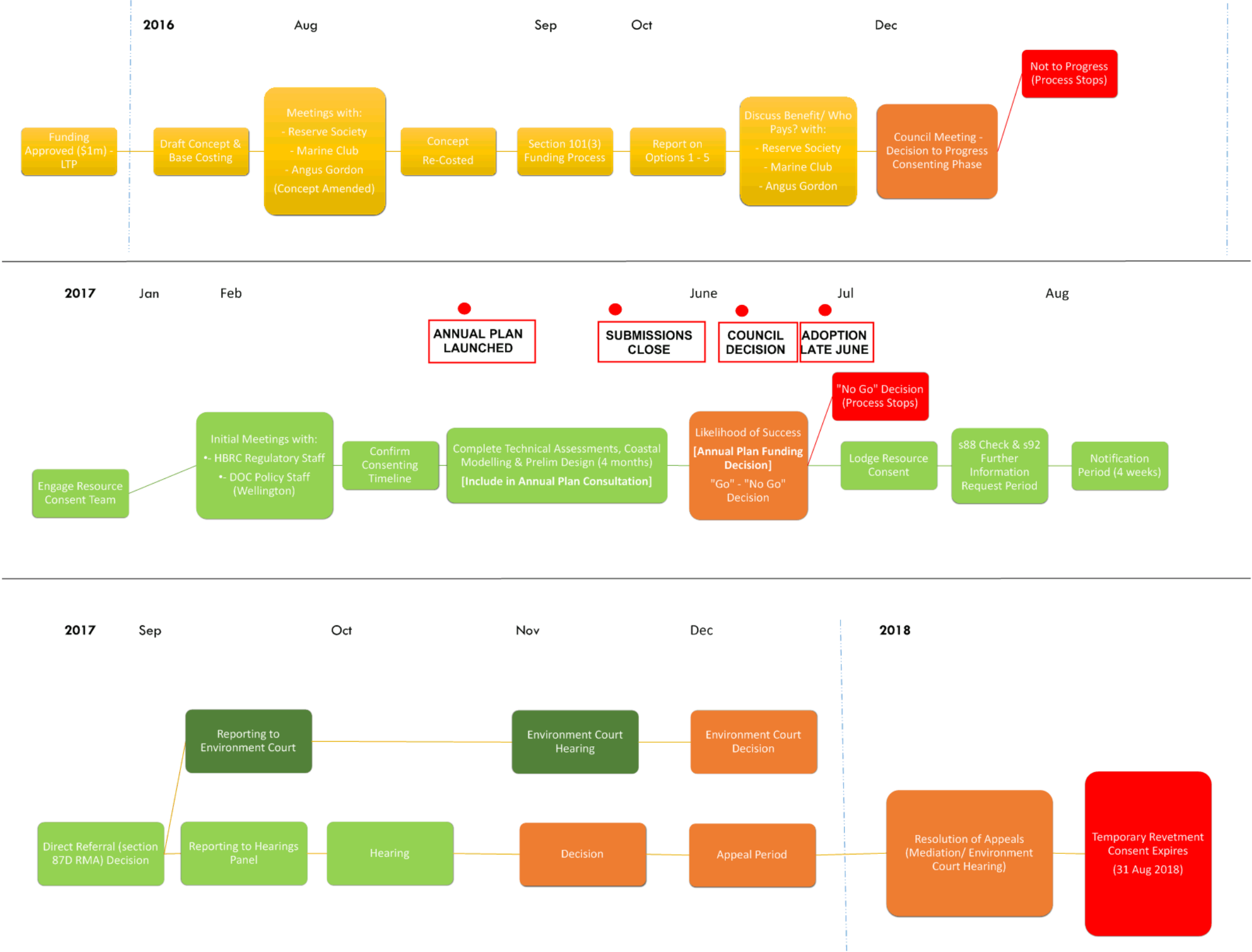
Document No: 3123006-CE-002.DWG

IF IN DOUBT ASK









CLIFTON REVETMENT**Allocation of Public/Private Benefits and Costs****Supporting information****Local Government Act 2002, Section 101(3) analysis****1. The community outcomes to which the Clifton revetment primarily contributes:**

Community Outcomes	Achieved By
Local infrastructure which contributes to public health and safety, supports growth, connects communities, activates communities and helps to protect the natural environment.	Protecting the coast from further erosion thereby helping to sustain the coastline for future generations.
Regulatory functions which help to prevent harm and help create a safe and healthy environment for people, which promote the best use of natural resources and which are responsive to community needs.	A coastal area that the general public can safely utilise for recreational activities such as walking, fishing and surfing.

2. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals:**Wider community**

The general public and visitors to Hastings benefit through being able to carry out recreational activities such as walking, cycling, camping, fishing and surfing along this stretch of coastline.

There is reputational benefit to the wider Hastings community through a positive impression from visitors and outsiders that the district's seaside communities are not being degraded or perceived to be falling into the sea.

Public safety is benefitted through safe and accessible access to the boat ramp.

The public benefit has been assessed between 20% and 40% on the basis that the revetment is necessary to enable continued enjoyment by the general public of access to the reserve and boat ramp and that this work would be entirely in the public realm.

Identifiable part of the community

The Clifton coast is an identifiable area and has over time has been subject to significant erosion activity. The Clifton Reserve is the location of the Clifton boat ramp which is the only ramp with access to Hawkes Bay between Cape Kidnappers and Napier. Council has in place a lease agreement with the Clifton Reserve Society

that enables the Society to operate the Clifton Camp. There is also a sub-lease in place between the Society and the Clifton Marine Club which enables the Marine Club to operate.

Individuals

The revetment would provide access and property protection for the following organisations to continue to use this area to carry out their activities:

- Clifton Reserves Society
- Clifton Marine Club

A considerable private benefit also accrues to the private land owner adjoining this stretch of coastline who would gain property protection from the revetment.

The private benefit accruing to the adjoining land owner, Marine Club members (as primary users of the boat ramp), Camp Ground and the Reserve Society members has been assessed between 60% and 80%.

3. The period in or over which those benefits are expected to occur:

The benefits accruing to all beneficiaries are intergenerational.

4. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity:

Coastal erosion is a natural occurrence and is not due to the action of any specific party. Climate change is expected to have an effect on coastal erosion trends as a result of rising sea level and increased frequency and intensity of coastal storms.

The consent granted for a short term protection wall to protect road access to the Clifton no. 1 camp expires in 2017. This has triggered the proposal to apply for a new 35 year consent which would both extend the life of the current protection wall and see the wall extended by way of a revetment through to the Clifton café.

Council received submissions on this issue through the 2016/17 Annual Plan process and subsequently decided to include a funding provision of \$1m (loan funded) in the 2016/17 Annual Plan and resolved the following:

“That Officers progress with land access (Clifton Station) concept, resource consent and an overall funding solution.”

5. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities:

Private land owners, commercial operators, community organisations and the general public all benefit from the coastal protection that a revetment provides.

It is appropriate that the cost recovery split should recognise the private benefits accruing to the adjoining land owner, Marine Club, Camp Ground and Reserves Society for many generations. It should also recognise the public benefit to Hastings District rate payers and the wider Hawke's Bay community from having protected this area of the coast for future generations for the public and visitors to enjoy.

It is difficult to quantify the exact portion of benefit accruing to the private and public beneficiaries but it would be reasonable to conclude between 20% and 40% of the benefit lies with the wider community who gain public access to the area to carry out general recreational activities.

This assessment has established that the private benefit of this activity accrues to the private land owners in the form of property/asset protection and the organisations who rely on access along this strip to carry out their business activities. This has been assessed between 60% and 80%.

6. The overall impact of any allocation of liability for revenue needs on the community.

Council's 2016/17 Annual Plan includes a capital budget of \$1m for the Clifton revetment with an additional \$200,000 budgeted for resource consent costs.

Officers have obtained preliminary costings for the revetment. These indicate a capital cost of approximately \$1,163,000 (includes contingency and consent).

The following table sets out the annual operational costs relating to the revetment:

Clifton revetment	Annual cost
Debt and interest	\$70,000
Maintenance	\$10,000
Total	\$80,000

The construction of the revetment involves Council acquiring approximately 4,000m² of land from the adjoining land owner. The estimated value of this land is between \$10,000 and \$20,000.

The Reserve Society has an informal lease agreement with the adjoining landowner to ensure access to the camp and boat ramp. The lease is for \$10,000 +GST per annum. This income stream would be lost to the landowner should the proposed revetment proceed.

The Clifton Marine Club pay an annual fee of \$5,000 to the Reserve Society as a contribution for access through the camp site to the boat ramp.

The Reserve Society also have an agreement to pay \$5,000 per annum to Council for the term of the existing revetment consent. These funds are held in a Council reserve to cover the clean up costs for the revetment when the consent expires in August 2018.

Costs and benefits

Funding for the Clifton revetment would be loan funded to be repaid over a 35 year period. Council officers have considered the following matters in determining the terms and conditions of this loan funding:

- The term of the loan should recognise the long term nature of the project, and the life of the underlying asset
- The need to take into account of intergenerational equity principles

The loan would bear interest at 5.5% per annum. The interest rate is based on Council's average cost of borrowing and would be reviewed annually.

The following table sets out the whole of life cost and the ongoing annual cost to be recovered for the revetment:

Clifton revetment	Annual cost	Whole of life
Capital cost	\$33,000	\$1,163,000
Interest @ 5.5% (35 years)	\$37,000	\$1,300,000
Maintenance	\$10,000	\$350,000
TOTAL	\$80,000	\$2,813,000

Funding

The following funding mechanisms have been considered in accordance with Section 101(3):

Option 1. Spread the whole cost across the entire Hastings District rating base.

This would equate to an annual per property charge of approximately \$3.00

Under this scenario the total cost is spread equally across the community including areas which stand to gain little if any benefit. Officers consider that this option does not spread the cost fairly and equitably and it has therefore been ruled out.

Option 2. The total cost of the revetment is recovered through general rates applied on a land value basis.

This option would involve recovering the total cost of the revetment through the general rate. Under this option properties with high land values will bear a greater proportion of the total cost regardless of their proximity to the coast. This option has also been ruled out as it does not spread the cost fairly and equitably.

Option 3. Apportion the whole cost according to the levels of assessed benefit.

Under this option \$24,000 or 30% of the total annual cost would be funded by general rates (public portion) and \$56,000 or 70% of the total annual cost would be funded from private contributions.

This option results in the majority of the cost being borne by those who are more likely to receive greater property protection benefits. Officers consider this option best meets the criteria for funding, being equity, transparency and simplicity.

Annual contribution	Public Benefit	Private Benefit	Total	%
Hastings District Council	\$24,000		\$24,000	30%

Reserve Society		\$10,400	\$10,400	13%
Marine Club		\$5,600	\$5,600	7%
Adjoining Land Owner		\$40,000	\$40,000	50%
TOTAL PER ANNUM	\$24,000	\$56,000	\$80,000	100%

Yvonne Moorcock

From: Linda Hogan <lindaandhoges@gmail.com>
Sent: Wednesday, 26 October 2016 3:19 p.m.
To: Rowena Macdonald
Subject: CLIFTON REVETMENT EXTENSION

Good Afternoon Rowena

On behalf of the Clifton Reserve Society I would like to agree in principal to the draft design concept for the Clifton Revetment Extension & Boat Ramp as per our meeting with yourself and Council representatives at the meeting on 6 October 2016.

The Clifton Reserve Society agrees to offer the Hastings District Council a one off \$50,000.00 contribution at the completion of the wall construction.

We the Clifton Reserve Society agree to make an annual contribution to the Hastings District Council of \$11,050.00 per annum for the said period of 35 years being the term of the loan that the Hastings District Council will enter into.

To offer this annual payment for a term for 35 years commencing completion of the wall will be subject to "Force Majeure" conditions and subject to the Clifton Reserve Society being in a financial position to pay annual payments.

If you wish for any further clarification with regards to this offer please do not hesitate to contact me in the first instance.

Kind regards

Linda Hogan
CHAIRPERSON
CLIFTON RESERVE SOCIETY



Clifton Marine Club Incorporated
Clifton Road
Clifton.
P O Box 608
Hastings

18th November 2016

Hastings District Council
Private Bag 9002
Hastings 4156

In response to being asked by the Hastings District Council to formally lodge a written offer of financial contribution for the proposed extension of the erosion protection seawall at Clifton Beach, the Clifton Marine Club (CMC) make the following offer;

A one off \$10,000 payment at the completion of the wall construction.

A yearly contribution for 35 years of \$60 per senior Male paying member.
(this year we have 97 paid up senior male members)

This annual offer is subject to;

Commencement beginning after the annual contribution we currently pay for the existing wall ceases. (2017 we believe).

The Gordon Family and our landlord CRS, waiving all lease and access costs while this contribution is being made.

"Force majeure" conditions applying, being any events unforeseen, or out of our control, that effect negatively on our ability to pay the annual contribution be it temporarily or permanently.

Our club being in a financial position to pay annual payments.

No securities or guarantees being offered or given.

This offer has been carefully thought through by the clubs committee and a sub committee of senior members set up for broader consultation. The results are the offer above, and the conditions included which reflect our desire to see the agreement work for HDC and CMC over the full 35year term of the agreement.

We thank the Hastings District Councils Councillors, Staff and Officers for their continued work on this important project. We also thank them for assessing our fair financial contribution from a viewpoint of reasonability and affordability especially being over such a long term.

Signed for on behalf of the Clifton Marine Club

Russell Black
Acting President

Glenn Mossman
Treasurer

Paul Hurtshouse
Club Captain

Darren Bambry
Secretary

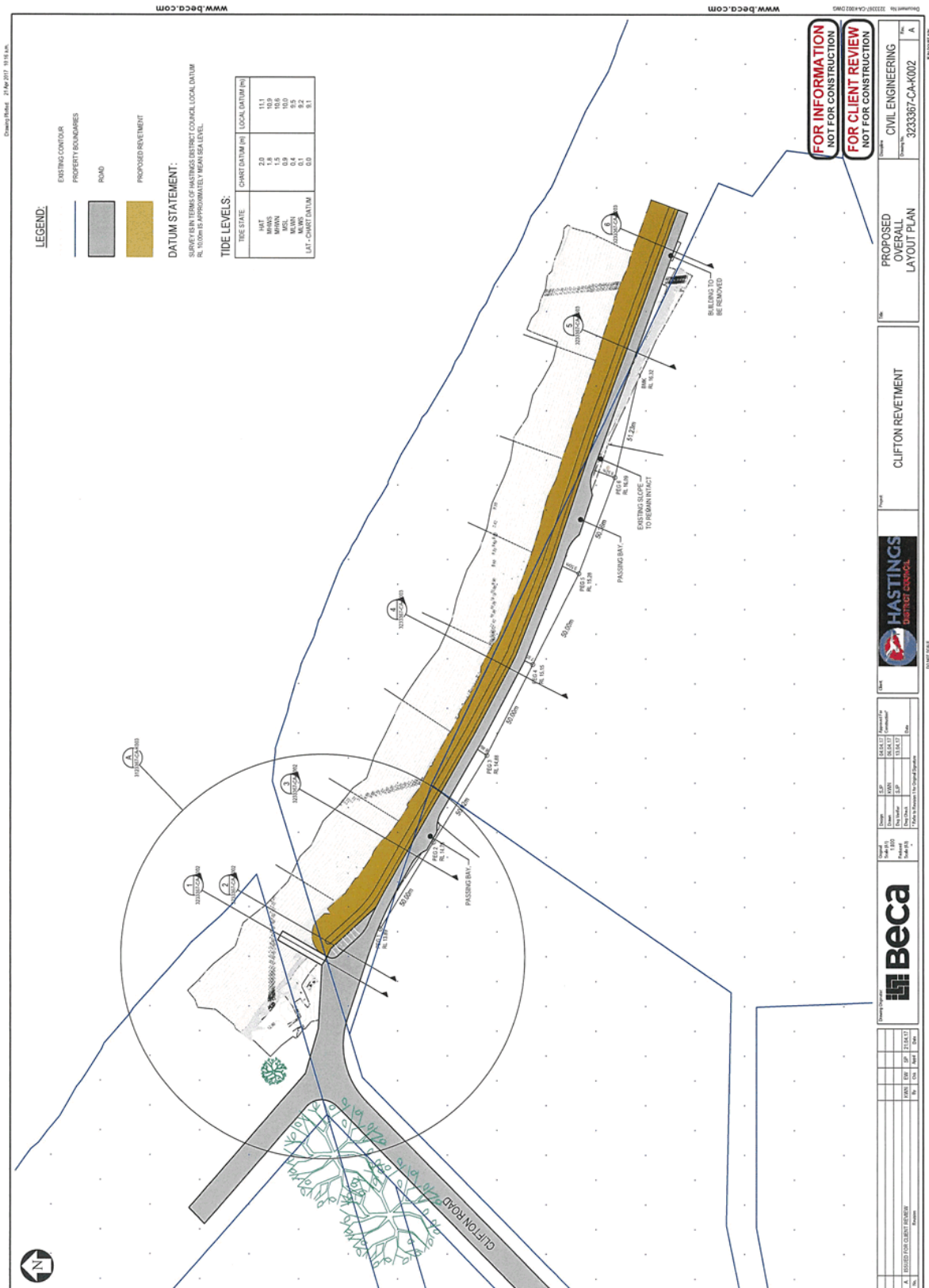
29/11/2016

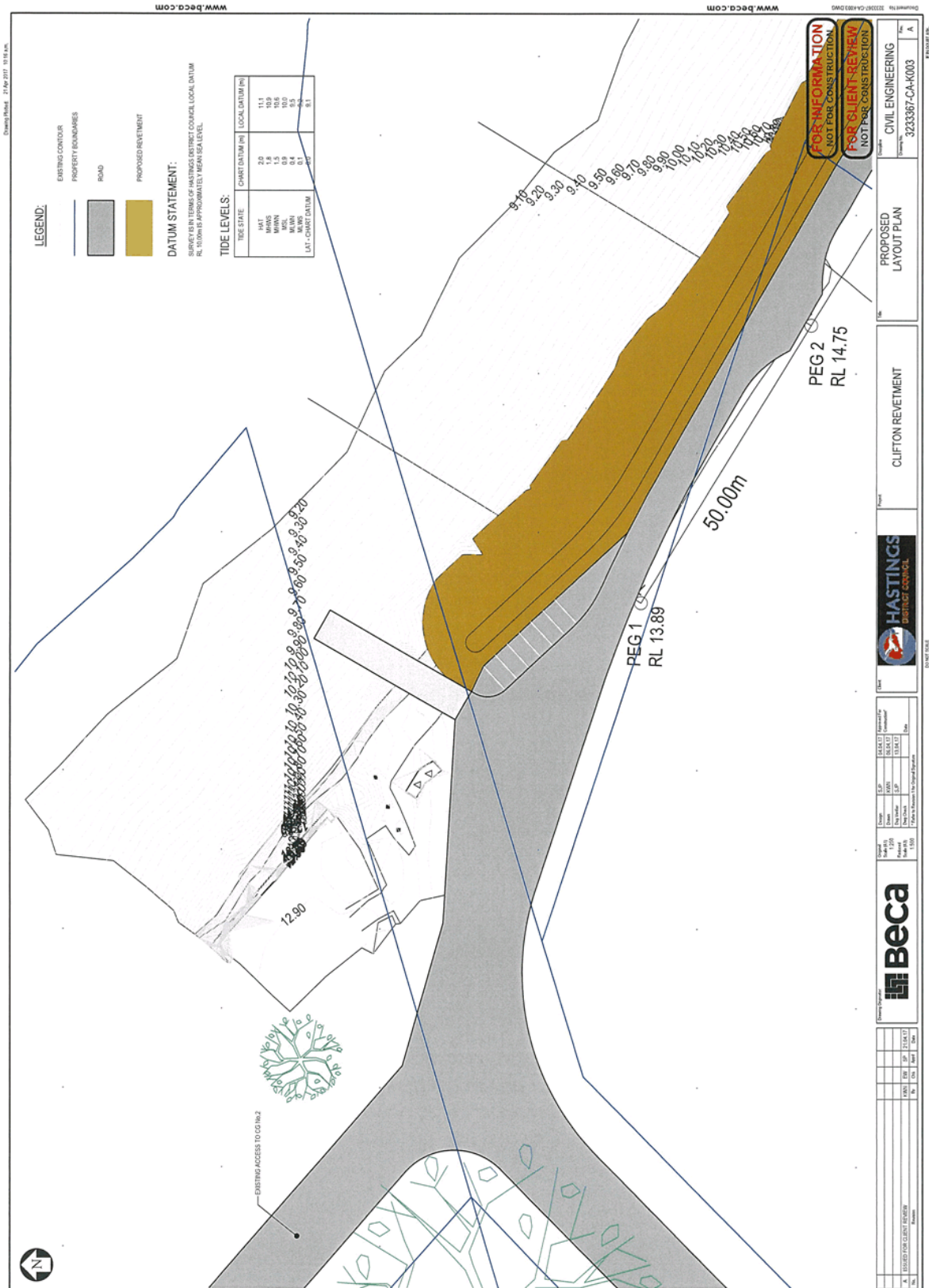
To the Hastings District Council. (Attention John O'Shaughnessy.)

The Angus Gordon Family Trust, who own the access land to the Clifton Motor Camp, agree to gift the land required to facilitate the construction of the revetment wall and access road through to Clifton Camp Number One based on the amended concept plan agreed on-site on 5th September, 2016, and that this is subject to no other payments or cash contributions.

Signed: Angus Gordon, on behalf of the Trust.

Angus Gordon 29/11/2016







68 Dickens Street
Napier 4110
T: 027 307 4185 (Stella)
T: 021 0270 4461 (Rowena)
www.sageplanning.co.nz

27 February 2017

Our File Ref: HDC16005

Coastal Hazards Committee
c/- Hawke's Bay Regional Council
Private Bag 6006
NAPIER 4110

ATTENTION: Peter Beaven, Joint Committee Chair

Dear Sir

PROPOSED CLIFTON REVETMENT PROJECT

As the Committee will be aware, Hastings District Council has been investigating options to address erosion activity in the vicinity of Clifton Reserve for some time. I am currently assisting Council with this project, in a project management role.

In 2013, Hawke's Bay Regional Council granted consent for a short-term 80m long revetment to protect road access to the Clifton No.1 camp. This consent expires 31 August 2018. The consent requires Hastings District Council to remove the revetment at the end of the period, which has prompted a proposal to apply for a new 35-year consent to extend the protection wall by way of a revetment through to the Clifton Café. Council signaled this matter in broad terms in its 2016/17 Annual Plan.

Work has been progressing on a concept plan for the proposed revetment extension following initial discussions with the Clifton Marine Club, Clifton Reserve Society and the affected landowner ('Clifton Station' - Mr Angus Gordon). Agreement with these parties has now been reached on the overall concept design.

At its December 2016 meeting, Council resolved to further progress the engineering design and commence preparation of resource consent applications for the proposed revetment. Various technical assessments to support those applications are currently being commissioned. Council is looking to lodge resource consents for the project in June 2017.

Hastings District Council is mindful that there are several contextual matters that are relevant – the most significant one being the present development of the 'Clifton to Tangoio Coastal Hazard Strategy 2120'. Council recognises that a strategic 'whole of coast approach' is desirable, however the present revetment consent expiry date and the need to make decisions by the Reserve Society on infrastructure, suggests that waiting for completion of the joint Strategy is not practical.

We have been advised of informal conversations between Committee Members indicating that the Coastal Hazard Committee is fully aware and anticipating lodgment of resource consents for this project before the Coastal Hazard Strategy 2120 is complete, and that there is no intention that these consents be held up waiting for the Strategy to be complete. It is acknowledged however, that the two processes will likely converge at some stage, and that this is desirable.

Hastings District Council seeks formal written confirmation from the Committee that this accurately represents the Committee's stance. I look forward to your response.

1 | Page

Yours sincerely

A handwritten signature in blue ink, appearing to be 'RM' with a stylized flourish at the end.

Rowena Macdonald
CONSULTANT PROJECT MANAGER

ON BEHALF OF JOHN O'SHAUGHNESSY, GROUP MANAGER: PLANNING & REGULATORY
HASTINGS DISTRICT COUNCIL



6 March 2017

Rowena Macdonald
Sage Planning
68 Dickens Street
NAPIER 4110

Dear Rowena,

RE PROPOSED CLIFTON REVETMENT PROJECT

I refer to your letter dated 27 February 2017 requesting written confirmation of the Joint Committee's stance on proposed coastal revetment works at Clifton.

I can confirm that the Joint Committee has received regular updates from Technical Advisory Group members on the proposed works and that we are aware of the issues and context surrounding the proposal.

The Joint Committee's position is that where possible, coastal protection works should proceed in accordance with the outcomes of the Clifton to Tangoio Coastal Hazards Strategy 2120. However, we recognise that it would be unreasonable to expect all activity to cease while the Strategy is in development.

I copy below an excerpt from the overarching strategy document which has been made public, and which clarifies our position on this issue:

"The coast is a dynamic environment and there are a number of current and proposed responses to coastal hazards within the Strategy area, including beach nourishment and protection works at Westshore, and cessation of gravel extraction on Marine Parade.

It is not the intention of the partner Councils engaged in this Strategy that a moratorium on coastal works be imposed while the outcomes of the Strategy are being developed. However, the Councils wish to note that a coordinated effort to respond to coastal hazards is preferred, and as such any proposed activities are encouraged to be advanced within the framework of this Strategy."

I trust this provides the clarification you seek.

Yours sincerely,

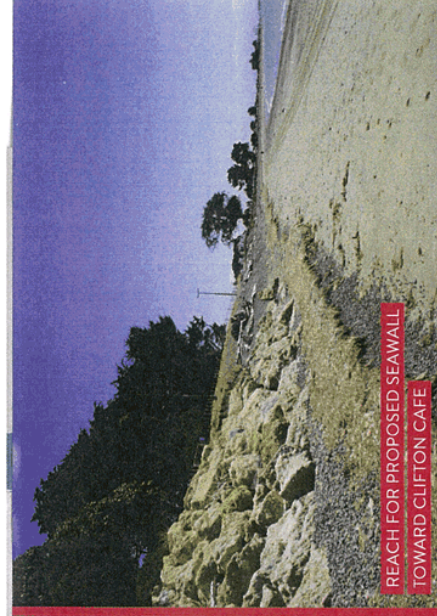
Peter Beaven
Hawke's Bay Regional Councillor and
Chair of the Coastal Hazards Committee

CLIFTON EROSION PROTECTION WALL

Should we contribute \$1 million
to protect part of the Clifton coastline?



EXISTING SEAWALL



REACH FOR PROPOSED SEAWALL
TOWARD CLIFTON CAFE

YES

COUNCIL'S
PREFERRED
OPTION

NO

THIS IS A KEY AREA FOR
THE VITALITY OF OUR DISTRICT.

This means that on average \$3 a year will be added
to the rates account of each rateable property.

COASTAL EROSION IS A WIDER
REGIONAL ISSUE THAT NEEDS A
COORDINATED LONG-TERM RESPONSE.

This will mean waiting for the outcomes of the regional strategy
which may be too late to protect access to facilities at Clifton.

COST

- Capital cost estimate: \$1.2 million.
- Debt repayment and maintenance costs: \$80,000 per annum.
- Estimated cost over the 35 year lifespan of the protection wall: \$2.8 million.

CURRENT SITUATION

In 2013 a short section of seawall was built across Clifton beach which provided temporary protection to some infrastructure (e.g. the access road and toilet block).

The existing seawall has a resource consent which expires in 2017, after which the wall must be removed. This has triggered a proposal to apply for a new consent and an extended seawall which would run to opposite the Clifton Café.

This work would ensure continued access to the campground and boat ramp – which is the only ramp with access to Hawke Bay between Cape Kidnappers and Napier.

OUR PROPOSAL

To protect access to the Clifton boat ramp and campground (which are considered to have considerable recreational value to our community), we propose to set aside \$1m of loan funding to contribute to the cost of a protection wall.

An alternative approach of building a replacement boat ramp, away from the erosion zone, is estimated to cost about \$2.3 million. Council is mindful of a regional coastal strategy which is being developed for the wider Hawke's Bay coastline that could potentially signal alternative solutions to coastal erosion in the future. However, the circumstances at Clifton and the expiry of the consent this year mean decisions need to be made in advance of the regional strategy being completed.

Note: This project will still need resource consent approval from the Hawke's Bay Regional Council, and will need to satisfy the relevant rules and due diligence requirements.

FUNDING

- Cost will be largely met by ratepayers (\$64,000 per annum for the next 35 years – or \$3 on average per rateable property per year).
- Some contributions will be received from a local landowner, the Clifton Reserve Society and Clifton Marine Club.

FURTHER INFORMATION

IS AVAILABLE AT
MYVOICE.MYCHOICE.CO.NZ

PLEASE TEAR-OFF AND RETURN

HERE ARE
Your Choices

To what degree do you support the following proposals?

Please tick your preferred option

	STRONGLY SUPPORT	SUPPORT	NEUTRAL	OPPOSE	STRONGLY OPPOSE	DON'T KNOW
Investing a further \$2 million in a Health and Sports Centre at the Regional Sports Park.						
Contributing \$1 million toward a rock protection wall at Clifton.						
How would you prefer to pay for Hastings City Centre on-street parking						

METERS

RATES

TO PARTICIPATE:

Fill out this form and
return via the reply-paid
envelope included

Make a formal submission
in writing or online at
myvoice.mychoice.co.nz

OR

Attend a public meeting:
18 April, 6pm - Flaxmere Community Centre
20 April, 5.30pm - Council Chamber, Hastings
26 April, 5.30pm - Havelock North Community Centre

Submissions close: 8 May 2017

MY VOICE
MY CHOICE

<p>Ross Berry (5) Neil Daykin (13) Ken Baddiley (15) Ray & Eleanor Stairmand (18) Annette Black (22) Sheryl Cushing (23) Duncan Powell (24) Graeme Johnson (25) Michael Mawley (26) Mike Mucalo (27) Gary Speers (28) Mike Purchas (29) Keith Newman (30) Ken Carson (33) Chris Mitchell (38) Ian Thorburn (49) Michael Garbes (53) Glenn Mossman (55) John Thompson (71) Linda Walsh (96) Viv Smith (97) Paul Hursthouse, Clifton Marine Club (117) Gillian Mangin (136)</p>	<p>CLIFTON EROSION PROTECTION WALL</p> <p>Officer Responsible: John O'Shaughnessy (Group Manager Planning and Regulatory)</p> <p>Officer Comments:</p> <p><u>Coastal Erosion</u></p> <p><i>Submitters (15, 22, 23, 24, 25, 26, 27, 28, 29, 30, 33, 38, 49, 53, 55, 71, 117 & 136) support the Clifton revetment extension, and highlight the public amenity, recreation and tourism benefits, and urgency of the work.</i></p> <p><i>Submitters (5 & 96) support the Clifton revetment extension, but with reservations that the reserve has become more of a private beach than a reserve for general public access.</i></p> <p><i>Submitters (13, 18 & 97) oppose the Clifton revetment extension citing opposition to hard engineering options to address coastal erosion; see the Clifton revetment extension as mainly benefiting a small group of people; and express concern about pushing ahead before the wider Coastal Strategy is concluded.</i></p> <p>Council signaled this matter in broad terms in its 2016/17 Annual Plan. At its June 2016 meeting to adopt the 2016/17 Annual Plan, Council resolved the following:</p> <p><i>"That Officers progress with land access (Clifton Station) concept, resource consent and an overall funding solution."</i></p> <p>Since June 2016, a design concept has been developed by Beca and Council staff, and further refined in consultation with the immediate stakeholders (Gordon Family, Clifton Reserve Society and Clifton Marine Club) to where agreement has been reached on the design concept.</p> <p>Officers have obtained preliminary costings and have undertaken an assessment of the funding needs as required under Section 101 (3) of the Local Government Act, which was presented to Council at its December 2016 meeting.</p> <p>Now that a more certain proposal has been developed, it has been fully presented to the community through this 2017/18 Annual Plan process to satisfy the requirements of the Local Government Act 2002.</p> <p>At its December 2016 meeting, Council resolved to adopt a hybrid funding option (being one-off contributions from the Gordon Family, Clifton Reserve Society and Clifton Marine Club; and an annual contribution thereafter from the Clifton Reserve Society and Clifton Marine Club and a Council loan-funded contribution) and at the same time resolved:</p> <p><i>"(C) That the Chief Executive be instructed to engage a resource consultant to prepare an application for resource consent to the Hawke's Bay Regional Council.</i></p> <p><i>(D) That the Chief Executive be instructed to commence pre-consultation work with the Department of Conservation and Hawke's Bay Regional Council.</i></p> <p><i>(E) That the work be undertaken in parallel with consultation for the Annual Plan 2017 for funding for the Clifton revetment."</i></p> <p>Therefore, in parallel with consultation on the 2017/18 Annual Plan in respect of funding, Council officers have engaged consultants to commence robust assessment of the effects of the proposal on the environment (including resource management, engineering design and coastal processes modelling, landscape, ecological, archaeological and recreation specialists), and to commence pre-consultation work and preparation of the necessary resource</p>
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	<p>consent applications. This work is nearing conclusion and lodgment of resource consent applications likely in due course.</p> <p>Officers acknowledge that the Clifton to Tangoio Coastal Hazards Joint Committee ("Joint Committee") has been tasked by the three Councils with the development of a long term strategy to respond to coastal erosion and coastal inundation between Clifton and Tangoio in a consistent and coordinated way, and that the intention is to take a strategic 'whole of coast approach'.</p> <p>There is a risk that a different preferred option for Clifton to that tagged in the proposed annual plan may emerge from the wider Coastal Hazards Strategy process, or that different priorities and funding arrangements for dealing with coastal erosion and inundation in other affected areas along the Clifton to Tangoio coastline become evident. Equally, there is potential that the Strategy may arrive at the same conclusion.</p> <p>With the consent for the temporary revetment expiring in August 2018 and each storm surge and inundation event putting the remaining single lane access at greater and greater risk, officers consider that waiting for conclusion of the wider Coastal Hazards Strategy process before making some decision around the long term sustainability of the facilities on Clifton Reserve, may result in losing the opportunity to even apply to retain what is there. There is very real risk that access will become impassable.</p> <p>In response to a formal query from Council, the Joint Coastal Hazards Committee has advised in a letter dated 6th March 2017, that <i>"where possible, coastal protection works should proceed in accordance with the outcomes of the Clifton to Tangoio Coastal Hazards Strategy 2120. However, we recognise that it would be unreasonable to expect all activity to cease while the Strategy is in development."</i></p> <p>Therefore, officers consider that progressing the work on the resource consent for a revetment at Clifton maximizes flexibility in pursuing long term options for Clifton Reserve and, along with setting aside funding for this option through the Annual Plan, will allow for a quicker start on this option if it is selected and prioritized over other interventions along the Clifton to Tangoio coastline.</p>
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REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

**FROM: CHIEF FINANCIAL OFFICER
BRUCE ALLAN
FINANCIAL POLICY ADVISOR
ASHLEY HUMPHREY**

**SUBJECT: REPORT WILL BE CIRCULATED SEPARATELY -
HASTINGS CITY MARKETING RATE**

REPORTS WILL BE CIRCULATED SEPARATELY

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

FROM: GROUP MANAGER: PLANNING & REGULATORY
JOHN O'SHAUGHNESSY
BUSINESS ANALYST
CAMBELL THORSEN

SUBJECT: FUNDING OF ON-STREET PARKING HASTINGS
CENTRAL CITY

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from Council on how to fund on-street parking within Hastings Central City.
- 1.2 This proposal initially arose from a symposium held on the revitalisation of the Hastings CBD and a request from the Hastings City Business Association.
- 1.3 Council approved the initial “free” parking trial in September 2015, to be undertaken from 1 November 2015 and ending Sunday 28 February 2016.
- 1.4 The free parking (time limited) trial was then further extended to 30 June 2016, to enable consultation through the Annual Plan on the issue of how to fund on-street parking within the Hastings Central City. Following the Annual Plan hearings in June 2016 the trial was extended a further six months to December 2016 and then again until 30 June 2017, so in effect the trial has been running since November 2015 to June 2017, being 19 months. It is considered that this has given ample time to assess the impacts of the free parking trial and therefore a decision needs to be made on the funding of on-street parking in Hastings Central City.
- 1.5 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.6 The objective of this decision relevant to the purpose of Local Government is the provision of quality infrastructure and local public service and how best to fund that infrastructure and services in accordance with the funding principles set down in the Local Government Act 2002, namely:
 - Meeting the current and future needs of the community by ensuring that the carparking facilities are safe, accessible and convenient, while facilitating a vibrant retail environment.

- Maximising the use of an existing car parking facilities.
- Achieving Council strategic vision for Hastings City Centre.

1.7 The report concludes by recommending:

- That the report of the Group Manager: Planning & Regulatory titled “Funding of On-Street Parking Hastings Central City” dated 7/6/2017 be received.
- That Council resolve to return to user charges via parking meters for on-street parking from 1 July 2017.
- That pursuant to the Parking & Traffic Bylaw, Chapter 5, Sections 5.3.1 (a) and 5.3.1 (b) of the Hastings District Council Consolidated Bylaws 2016, all on-street parking spaces previously controlled by individual parking meters in the Hastings CBD be re-established with the hourly rate set at \$1.00 per hour and the time limits be reinstated in accordance with the attached plan included as **Attachment 1**.
- That the Group Manager: Planning & Regulatory proceed with arrangements to implement “Park Mate” mobile phone application for Central City on-street parking spaces to complement the existing off-street mobile application.
- That an updated business case to determine the cost effectiveness of installing both on/off street electronic payment systems and in-ground sensor technology, be produced.

2.0 BACKGROUND

- The decision that Council have before them on “the funding of on-street parking for Hastings Central City” does not sit in isolation from its CBD Vibrancy Plan and Parking Strategies.
- The structure of this report addresses the trial outcomes, an updated report from MarketView, financial issues and a fundamental choice on the options on which consultation has been undertaken. The update on the use of the “Park Mate” mobile phone application for off-street parks is also covered.
- The Hastings Central City Strategy was adopted by Council on 19 September 2013.
- The Strategy is founded on five interrelated goal areas, each goal area delivering multiple outcomes. The goal areas are to:
 - Strengthen our city centre identity,
 - Creating quality open spaces and connections,
 - Integrating and concentrating activity in the city centre,
 - Using precincts to provide opportunities, and
 - Reinforcing and containing our city centre urban form.
- Referring to the strategic context of this matter, over the last two years Council officers have been implementing the Hastings Central City Strategy (“the Strategy”) and in the last 12 months the Vibrancy Plan. The Strategy provides a holistic and coordinated view of the central city to guide its long-term development. Both the Strategy and the Vibrancy Plan provide a

pragmatic direction, allowing scope for creativity and innovation, while remaining flexible to ensure it is grounded and achievable. Both build on many of the Council existing strategies, plans and frameworks, specifically focused upon the city centre. Both contribute toward creating a growing, vibrant and fun City Centre that recognises and embraces its wider landscape, productive hinterland, creativity and cultural diversity.

2.6 The Vibrancy Plan was first adopted in October 2015, and is founded on three core principles being:

- i) More people
- ii) More businesses
- iii) More support

2.7 The 2015/16 Vibrancy Plan referenced the trialling of the free parking pilot in the CBD.

2.8 While there are five broad goal areas proposed in the Strategy, several opportunities directly focus in and around what are the Council's car parks, and adjoining land use activities. One key initiative suggested in the Strategy that specifically relates to this area focuses on:

i. **Providing suitably located and sized public car parking facilities:**

Public car parking facilities bring many benefits to our city centre and are important to retailers, businesses, shoppers, visitors, mother with child, the elderly and mobility impaired. A city centre is also attractive if it is accessible via multiple forms of transport. Commensurate with the outcomes of the 2012/13 Parking Survey, the Strategy proposes positioning car parking in the most appropriate location based upon projected demand and need. Opportunities will be based in and around the Heretaunga Street West retail precinct, and when the need arises in and around Heretaunga Street East.

2.9 The Vibrancy Plan is an annual plan of action for the CBD, focusing on providing an overview of actions and initiatives scheduled for a 12 month period to provide vibrancy and activation in the CBD.

3.0 HDC PARKING MONITORING SURVEYS FEBRUARY 2016

3.1 Beginning 1 November 2015, Hastings District Council implemented a free parking trial across the CBD public parking resource. In order to understand the effects this trial was having on parking occupancy and duration of stay trends, TDG was commissioned by Hastings District Council to conduct a series of parking monitoring surveys.

3.2 Surveys were undertaken both prior to, and during the free parking trial, so as to allow a comparison of data sets. This report summarises the following:

- the methodology and survey requirements for both the occupancy and duration of stay parking surveys;
- consideration of how external events may have affected data during the surveys, such as weather and local events;

- analysis of the proportion of parking spaces occupied for each survey considering both types of parking available and geographic parking location;
- analysis of the average duration of stay by street; and
- conclusions about the effects the free parking trial has on parking patterns in Hastings.

3.3 Key conclusions of this report are that:

- parking occupancy rates over the whole survey area increased between the control and trial surveys on both Thursday and Saturday, with the most noticeable increases on Thursday in off street parking (7%) and on Saturday in paid on street parking areas (7%);
- occupancy rates are generally lower on Saturday than Thursday for both surveys, except in off street parking areas where similar occupancy rates occurred on both Thursdays and Saturdays;
- the free parking trial resulted in the displacement of some parked vehicles from fringe parking areas into the main shopping parking areas;
- over all surveyed areas, the average duration of stay increased between the control and trial surveys on both the Thursday and Saturday; and
- over all surveyed areas, the proportion of vehicles staying more than one hour increased between the control and trial surveys.

3.4 As part of the initial reporting back to Council in February 2016 on the review of the Central City trial in addition to the above parking monitoring surveys, information was compiled on:

- Parking Financial Position HDC
- Census results for travel to Work and Employment and Levels of Registered Car Ownership
- Bus patronage
- Public attitudinal surveys
- Parking complaints
- Retail spend (there have been four separate MarketView reports)

3.5 The reported view to Council on these measures of success of the free parking trial were:

Measures of Success Free Parking Trial

3.6 The Review of 2015/16 CBD Free Parking Trial report (January 2016) brings together the measures of success for the trial into one report.

These measures fall into two broad categories being:

1. Tangible (Data analytics focused on parking duration, occupancy, retail spend, parking revenue)

2. Intangible (the perception of the users such as the public, retailers and premise owners of how effective the free parking trial (time limited) has been on the attractiveness and vitality of the centre).

4.0 TRIAL OUTCOMES

- 4.1 The review of the free parking trial (time limited) points to achieving mixed results. On the basis of data analytics there is no evidence to support the conclusion that the trial has produced significant greater retail activity or vibrancy in the City Centre. The positive indicators from increased retail spend cannot be directly linked to free parking and it could be equally argued that other macro-economic factors such as lower interest rates, high levels of employment and Hawke's Bay being a non-dairy region have had a greater influence.
- 4.2 However there is evidence, based on the public response to both HDC and HCBA attitudinal surveys over the trial period, that the trial has generated an improved sense of satisfaction and confidence with both users of the City Centre (public) and retailers businesses within the centre. However when the question how to fund on-street parking is put, a clear majority support user pays.
- 4.3 During the evaluation of the trial it also became evident when considering the beneficiaries that the affordability of permanent 24/7 free parking funding was a significant barrier. The direct impact on rates is set out below:

COMPARISON OF RATES FORECASTS

PLAN	TOTAL DISTRICT	RATING AREA ONE	RATING AREA TWO
Long Term Plan 2015/25	3.3%	3.7%	1.2%
Draft Annual Plan 2017/18	1.2%	1.4%	0.5%
If parking is included via a charge on your rates	2.1%	2.3%	0.9%

Source: 2017/18 Annual Plan Flyer

- 4.4 Out of these concerns and the MarketView report (December 2016), the option of having a targeted period of free parking was raised however there was no support for this concept at the December 2016 meeting.
- 4.5 Over the last year or so Council has been involved in the consideration of how to organise and charge for on-street parking (time limited) within the Hastings Central City. To put this process to date into context, the following timeline sets out the various Committees that this issue has been reported through to.
- 4.6 Timeline of Events – On-Street Parking Hastings Central City

Date	Forum
26 August 2015	CBD Symposium Removal of user charges for on-street parking discussed, "free" parking

15 September 2015	Council workshop Removal of user charges for on-street parking options presented, “free” parking
22 September 2015	Finance & Monitoring Resolution to fund shortfall from non-user charge parking trial from 2014/15 surplus (pending final decision from Council)
24 September 2015	Council meeting Report on parking trial (Nov 2015 – February 2016)
17 November 2015	Planning & Regulatory Meter sensor technology business case
18 February 2016	Workshop & Extraordinary Council meeting Review of the 4 month “free” parking trial (trial extended to 30 June 2016)
3 March 2016	Rating Review Working Party (RRWP) Meeting Funding options for on-street “free” parking (see Note 1)
8 March 2016	Council meeting Adopt RRWP recommendation & consult through 2016/17 Annual Plan on funding for on-street parking in Hastings Central City
9 June 2016	Annual Plan Hearings 2016/17 Following hearings on submissions to the 2016/17 Annual Plan funding of on-street parking, Council resolved to extend the parking trial for a further six months until December 2016
8 October 2016	Local Body Elections
7 December 2016	Workshop on “Funding of On-Street Parking” 3. Introduction – HDC Officers 4. Michael Stechman, Marketview – impact of free parking on the Hastings CBD 5. Matt Ryan, Parkmate – mobile phone application for parking 6. Michael Whittaker, Susan McDade, Hastings City Business Association – reporting back on recent survey work undertaken 7. Rebecca Grainger & Paul Gillespie, Smart Parking – in-ground sensor technology
15 December 2016	Council meeting Council decided to extend the parking trial until 30 June 2017 and consult on the funding for on-street parking with Hastings CBD as part of the 2017 Annual Plan process
1 April 2017	The “Park Mate” mobile phone application for off-street car parks was implemented from the 1 st April this year

Note 1: *At the 3rd March meeting, the RRWP recommended two options back to Council. Of the two resolutions, the Council at its March 2016 meeting agreed to consult on the option set out below:*

That the Council approve for consultation in the 2016/17 Draft Annual Plan the following Rating Review Working Party recommendation:

- a) ***That a targeted rate across three defined areas set on a differential basis per Separately Used or Inhabitable Part (SUIP) (Attachment 3 – REG-22-03-4-16-683 and (Attachment 4 – REG-22-03-4-16-684 of the report in (A) above) showing the properties within the Hastings and Havelock North free parking areas) with consideration being given to amending the Rating Remission Policy.***

5.0 CONSULTATION PROCESS 2017/18 DRAFT ANNUAL PLAN FUNDING OF ON-STREET PARKING

- 5.1 The Consultation Document distributed to households featured the parking proposal and community choices in respect of paying for parking. A tear-off return questionnaire was used to enable residents to provide their preference back to Council in a user friendly way.
- 5.2 The section of the Annual Plan flyer used for consultation on parking is attached as **Attachment 2**.
- 5.3 Section 78 of the Local Government Act 2002 requires Council in the course of its decision-making process in relation to a matter, to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter. In the context of this decision, a proposal with funding implications across the community, the Council has obtained community views from across the entire district. The outcome of the consultation in 2016/17 was virtually the same.
- 5.4 The Council have used 4 consultation tools which has prompted almost 3,000 community responses to this matter as follows:
- Consultation Document – tear-off form
 - Independent Citizens Panel Survey
 - Online Survey
 - Formal Submissions (these are analysed in section 6.4 below)
- 5.5 The Consultation Document is attached for reference and the same question was asked via each of the methods above with the overall result outlined below. All the methods used resulted in a similar response with considerably more support for a pay-as-you-go method of payment as opposed to payment via rates.

Community Feedback	Meters	Targeted Rate
Hastings Inner City Parking	68%	32%

Note: *The Independent Citizen Panel (a randomly selected and statistically sound representative sample of the community) were asked for their payment preference during the 2016/17 Annual Plan with a similar result. It is worth noting that the panel was refreshed with 500 new members between the two surveys.*

Note: *The HDC online survey had standard survey security parameters implemented to limit one response per device.*

5.7 Main Themes from Consultation

A total of 15 formal submissions to the 2017/18 Draft Annual Plan were received which addressed the funding of Hastings Inner City on-street parking. Of these, **10 support a return to user charges via parking meters**, with **5 submissions support funding via rates**.

The main themes in support of a return to user charges were:

- it is not the role of residents to subsidise parking to assist CBD retailers;
- it is not Council's role to get involved in business competition e.g. local independent businesses versus malls;
- funding through rates is very costly and ratepayers voted 80% for 'user pays' – result ignored by Council;
- funding through rates does not reflect direct benefit or use of parking by the ratepayer;
- funding through rates would not be accurate or fair on those who do not go into town often, or rural ratepayers in the northern Hastings District who visit Napier as their nearest town;
- out of towners, tourists and non-ratepayers will not be contributing, despite using the service;
- do not believe argument that free parking has increased retail spend – trend happening nationwide;
- free parking filled by businesses whose staff use it – policing of free parking is never enough to stop this and businesses see it as their right;
- having to put a coin in a meter does not make people drive elsewhere...it does make staff and businesses park elsewhere;
- current system appears to be working well in Hastings, abundant parking space available;
- introduction of easier ways to pay would be good when paid parking reintroduced e.g. cellphone apps, 'Park Mate'; and
- Council should be advocating for more sustainable options.

The main themes for submitters supporting funding of on-street parking via rates were:

- if you want to keep the centre of Hastings alive, do not resume parking meter charges – charge through rates otherwise people will only shop at Kmart, Warehouse etc;
- meters have to be maintained and money collected;
- free parking trial has been overwhelmingly embraced by businesses and shoppers – retail statistics during this period have been positive and other periphery businesses have not been negatively affected by the trial;
- image of Hastings has been improved by the trial – now have a retail environment that is welcoming, easy to visit and has a competitive advantage;
- benefit to ‘brand Hastings’ has been strong, and will be a blow to the City if metered parking is reintroduced – will undo progress achieved for the businesses directly affected and the goodwill of ‘brand Hastings’;
- most people paying Plains Zone rates do business in the CBD and it is convenient to have free parking when conducting business; and
- support annual charge on rates on the condition that there are resources to ensure that the timeframes for free parking are adhered to, so parking spaces are available.

A copy of the officer comments on submissions received are attached as **Attachment 3**.

6.0 UPDATED HASTINGS CITY BUSINESS ASSOCIATION SURVEYS

- 6.1 Susan McDade has indicated in her submission that the Hastings City Business Association will provide updated surveys on the parking issue at the Council meeting on 7 June 2017.

Summary of Consultation

- 6.2 The clear majority of those who responded felt the introduction of a targeted rate to fund the revenue shortfall was not a fair and equitable system for paying for parking and that a user pays system was a fairer system.
- 6.3 There was some comment that coin operated parking meters were not a desirable or convenient way to pay and did not fit with how society now expected to use technology to undertake transactional payments. Council staff are confident following the successful introduction of the mobile phone application “Park Mate” for Council’s off-street car parks that this application could easily be introduced for on-street parking as a more convenient payment method.
- 6.4 It appears on the surface that there is a disconnect between the trial of “free” time limited parking being well received by the community and many calling for its continuation, with the consultation outcomes of 68% (tear off strip) (Citizens Panel) wanting to pay for on-street parking as they go (e.g. by putting cash into a parking meter).

- 6.5 However this is not surprising considering the trial was free in that the loss to date \$805,000 of parking revenue was funded by the 2014/15 rating surplus and parking reserves, but going forward the community effectively had to decide on their preferred method of funding the on-street (time limited) parking either by an additional charge on rates or by putting cash into a parking meter. So in effect when it came to it, the clear majority favoured user pays, namely meters on the street.
- 6.6 The ongoing provision of free parking in effect results in a rates increase of 0.9% in perpetuity.
- 6.7 One of the background matters in terms of consistency between Havelock North that has been raised through consultation, its targeted rate and Hastings City, is that when the Havelock North targeted rate was introduced it was done on the basis of a specific consultation exercise and the Havelock North community chose this option.

7.0 SIGNIFICANCE AND ENGAGEMENT

- 7.1 Where a Council decision is made that has significant policy, operational or financial implications, Council needs to consider the consultation process required under the Local Government Act, in its Annual Plan and specifically Section 101 (3) in relation to financial management.
- 7.2 Under Section 101 (3) funding sources must be met from those sources the Council determines to be appropriate. This requires Council to consider:
- The community outcomes to which the funding primarily relates.
 - Distribution of benefits between the district as a whole and parts of the district or individuals.
 - The period over which the benefits will occur.
 - Whether individuals or groups are the cause of the activity.
 - Costs and benefits, including transparency and accountability where funding one activity distinctly from others.
 - Overall impact of allocation of funding on the community.
- 7.3 With almost 3,000 responses as to the community views on this matter, Council has a sound basis on which to consider the views and preferences of persons likely to be affected by, or to have an interest in the matter. Overall the community response shows a preference for a user pays method of payment.

Community Feedback	Meters	Targeted Rate
Hastings Inner City Parking	68%	32%

8.0 OPERATIONAL REVIEW PARKING

The Parking review has identified significant efficiencies can be made by more structured procedures, a more efficient enforcement roster and a concentrated focus on parking activities with less alternative duties and administrative tasks being processed by parking wardens. Monitoring of staff performance has shown a marked increase in productivity in the initial stages.

9.0 “PARK MATE” IMPLEMENTATION OFF-STREET

9.1 Following the Council workshop in December last year, the “Park Mate” phone application has been introduced for payment of parking fees for Council’s off-street parks. This application has proved popular and its use is increasing. When we visited Wellington City Council last year, payment by phone and text applications made up 20% of revenue, with 30% still being cash (coins), credit / eftpos cards 35% and 15% various prepaid cards (i.e. Snapper).

9.2 We consider with a positive marketing campaign of the “Park Mate” application, Hastings District Council could target 15% of payments by mobile phone applications. We have 88 users of the application since the start date of 1 April 2017.

10.0 MARKETVIEW UPDATE

- Overall total retail card spending in the Hastings CBD during the time of the free parking trial increased 5.3% compared to the same 18 month period starting two years ago.
- Despite the strong overall increase in CBD spending, during the specific hours of the parking initiative, the change in spending was less than in total. Spending during the free parking trial hours increased 5.1%. Outside of the hours when free parking already existed, spending increased 5.7%.
- Therefore while overall growth was strong during free parking hours, there was greater growth outside of these hours. This suggests that there is an underlying base level of growth and free parking is not directly responsible for driving sales growth. 5.7% growth during non-free parking (and non-core retail) hours suggests an underlying consumer confidence and growth in the market. So, the free parking related contribution to growth appears to be negligible.
- The addition of free parking should primarily be of benefit to the local catchment, the cardholders who shop in the CBD most frequently. During the hours of free parking these cardholders increased their spending in the CBD by 4.5%, below the overall 5.3% mark during free parking hours. These same people increased their spending more in Havelock North (+8.5%), Napier (+6.9%) and retailers in the rest of Hastings (+13.2%) over the same period. These results suggest that the parking initiative had almost no impact on these local cardholders who were increasing their spending around the district regardless.
- Spending in the Hospitality/Specialised Food retailers within the CBD grew at the highest rate of any storetype grouping (11.0%), with Home

Purchases up 3.1%, compared to Apparel spend which has barely grown (0.8%) compared to the same period two years ago.

- Retailers without their own parking have grown at the faster rate than retailers with their own parking, reversing the trend seen in the first twelve months. This result is due to the relocation of Briscoes and Rebel Sport outside of the CBD which has dragged down the result of retailers with their own parking. Given the results of the first twelve months showed retailers with their own parking out-grew retailers without, Marketview attributes the reversal of the result down to the relocation of these merchants and not any trend outside of this.
- In summary, although spending in the free parking trial period was up 5.1% during free parking hours compared to the same period two years ago, there was also strong growth outside of core hours, at retailers with their own parking and by customers not directly affected by free parking. This further suggests the overall impact of free parking on spending was very minimal as there was an underlying base level of growth in this period.

Source: Executive Summary – MarketView report, 29 May 2017

A full copy of the MarketView report is attached as **Attachment 4**.

11.0 FINANCIAL POSITION

- 11.1 With the parking trial having been run over approximately 18 months, a clearer position has been obtained on the level of forgone revenue in the form of meter revenue, infringements and court recoveries.
- 11.2 The table below sets out the 2016/17 forecast end of year position compared to budget for the total Parking activity:

TOTAL PARKING ACTIVITY	Predicted actuals 2016/17	Budget 2016/17
Revenue:		
Parking Meter Fees	\$0	\$167,000
Pay & Display Fees	\$117,000	\$132,500
Infringements/court recoveries/fines	\$442,600	\$561,400
Property Rental	\$30,000	\$30,000
Leased Carparks	\$113,700	\$103,000
Total Revenue	\$703,300	\$993,900
Expenditure:		
Personnel Costs	\$278,000	\$295,100
Operational costs	\$276,950	\$398,400
HDC rates	\$32,200	\$205,000
Internal Charges/ Non Cash Operations	\$471,935	\$474,000
Total Expenditure	\$1,059,085	\$1,372,500
Transfer from reserve (parking trial costs)	\$238,785	\$261,600
Havelock North Targeted Rate	\$117,000	\$117,000
Total Surplus/(Deficit)	\$0	\$0

- 11.3 An amount of \$330,000 from the 2014/15 rating surplus was allocated to cover estimated lost revenue from the initial parking trial (November 2015 to June 2016). Operational costs of \$137,000 relating to the implementation of the parking trial have been funded from the off-street parking reserve in the last financial year 2015/16. Additionally it is estimated that from 1 July to the end of June 2017, a further loss of \$475,000 revenue will be incurred (loss includes meter revenue, fines, etc).
- 11.4 While the loss of meter and pay & display revenue resulting from the parking trial was as expected there has also been a decline in the expected infringement and court recovery revenues.
- 11.5 The reduction in infringements during the parking trial was greater than anticipated due to staff enforcement using tyre chalking rather than a flagged meter, along with the unpredictable nature of when court recoveries are received.

Revenue Foregone	Financial Year	Funded	Funding Source
Meter revenue, infringements and court recoveries	Nov 2015 – June 2016	\$330,000	2014/15 Surplus
Meter revenue, infringements and court recoveries	July 2016 – June 2017	\$475,000	Parking Reserve
Totals		\$805,000	

Note: This excludes \$137,000 of operational costs involved in implementing the free parking regime.

12.0 FUNDAMENTAL OPTIONS

- 12.1 Through the Draft 2017/18 Annual Plan, feedback was sought from the community on how they wish to pay for on-street parking in Hastings central city:

- Through an additional annual charge paid on rates
- Or
- By user pays systems

- 12.2 This translates into the following two options:

Option A – Time limited on-street parking funded by a targeted rate across three defined areas set on a differential basis per SUIP.

Option B – Return to user pays parking in Hastings central city (meters on street) and return to a targeted rate for parking in Havelock North only.

- 12.3 Independent from this fundamental funding choice the following work is continuing:

• Full business case on in-ground sensor technology	September 2017
• Electronic payment options for both on-street and off-street payment of parking fees such as “tap & go”	September 2017
• Operational and staff structure review	August 2017

13.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 13.1 **Option A - Time limited on-street parking funded by a targeted rate across three defined areas set on a differential basis per SUIP.**

- 13.2 This option was one of the options Council agreed to consult on and involves recovering the total cost of on-street parking in Havelock North and Hastings (\$567,000) through a differential rate on a per SUIP basis across three defined rating areas.

- 13.3 The total cost to provide time limited on-street parking in Hastings and Havelock North is approximately \$567,000 per annum. This allows for funds to be set aside in the Hastings and Havelock North parking reserves for future car parking developments.

- 13.4 The rating requirement for time limited on-street parking for the Hastings and Havelock North parking activity is set out below:

2017-18 TIME LIMITED ON-STREET PARKING	HASTINGS	HAVELOCK NORTH	TOTAL PARKING ACTIVITY
Revenue:			
Parking meters	-	-	-
Pay and Display	117,000	-	117,000
Infringements/Court recoveries/fines	400,600	42,000	442,600
Property Rental (Gym)	30,000		30,000
Leased Carpark	98,700	15,000	113,700
Total Revenue	\$646,300	\$57,000	703,300
Expenditure:			
Personnel Costs	269,000	30,000	299,000
Operational costs	346,200	58,100	404,300
Projects	-	-	-
Internal Charges/ Non Cash Operations	444,609	65,000	509,609
HDC rates	25,400	6,600	32,000
Total Expenditure	1,085,209	159,700	1,244,909
Total Surplus/(Deficit)	(\$438,909)	(\$102,700)	(\$541,609)
Capital	\$26,100	\$0	26,100
Rating requirement	(\$412,809)	(\$102,700)	(\$567,709)

- 13.5 The most recent work undertaken by Market View supports the view that there was no clear benefit to retailers during the recent “free” parking trial (the executive summary is included as **Attachment 5**). However there is evidence, based on the public response to both HDC and the Hastings City Business Association (HCBA) attitudinal surveys over the trial period, that the parking trial has generated an improved sense of satisfaction and confidence with both users of the City Centre (public) and businesses within the centre.
- 13.6 Given the difficulty in identifying the proportion of public and private beneficiaries it has been assessed that the benefits of “free” time limited on-street parking would be allocated to the following properties on a differential basis to reflect the level of benefit received:

Rating area	Differential weighting
A. Commercial properties within the Hastings and Havelock North free parking areas	3
B. All other properties in RA1	1
C. All RA2 properties	0.5

- 13.7 The differential weighting for rating areas A and B is similar to the weighting currently in place for Havelock North parking. Currently all commercial properties in Havelock North pay a differential of 3 regardless of whether they are situated within the “free” parking zone or not. This option would result in only properties within the defined “free” parking areas paying a differential of 3.
- 13.8 To reflect their level of perceived benefit and proximity to the CBD areas, a smaller differential weighting of 1 would apply to all other properties within Rating Area 1 and a differential of 0.5 would apply to all properties in Rating Area 2.
- 13.9 This option would result in properties with multiple SUIPs paying several times.
- 13.10 The following table sets out the rating impact for the defined rating areas:

HDC rating areas	SUIPs	Differential	Rate (incl	Recovery	% split
Hastings & HN commercial (free parking area)	324	3	\$64	\$18,040	3%
RA1 other	27,285	1	\$21	\$506,406	89%
RA2 rural	4,662	0.5	\$11	\$43,263	8%
Total	32,271			\$567,709	100%

- 13.11 Under this option property owners who provide free customer car parking would also pay a targeted rate for free parking. In order to address any fairness and equity issues that may arise from this option Council could apply a rates remission to commercial properties if they already provide more than five free parking spaces for their customers. This would require a slight modification to Council’s rate, remission and postponement policy.

13.12 Option B - Return to Paid Parking in Hastings (meters on street) and return to a targeted rate for parking in Havelock North

13.13 This option would involve paying for parking on-street (time limited) at the meter with cash. Havelock North residents would continue to pay for parking in Havelock North by way of a targeted rate in the manner previously agreed.

13.14 The following table sets out the budgeted financial position for parking in Hastings and Havelock North for 2017/18:

PARKING ACTIVITY	Hastings 2017/18	Havelock North 2017/18
Revenue:		
Parking Meter Fees	\$350,000	
Pay & Display Fees	\$130,000	
Infringements/court recoveries/fines	\$512,000	\$42,000
Property Rental	\$30,630	
Leased Carparks	\$85,860	\$15,000
Total Revenue	\$1,108,490	\$57,000
Expenditure:		
Personnel Costs	\$269,000	\$30,000
Operational costs	\$346,200	\$58,100
HDC rates	\$25,400	\$6,600
Internal Charges/ Non Cash Operations	\$444,609	\$65,000
Total Expenditure	\$1,085,209	\$159,700
Capital	\$26,100	\$0
Total Surplus/(Deficit)	(\$2,819)	(\$102,700)

This option does not provide for building up of parking reserves

13.15 Council's existing funding policy for paid parking in Hastings states that the benefit assessment for the provision, management and control of parking areas be set at 0% public and 100% private. The private beneficiaries are identified as being the individual motorists who gain access to convenient parking spaces.

13.16 Public feedback through the annual plan consultation process showed that there is a clear preference for a user pays system including alternative payment options.

13.17 General rates are not being charged on parking land and cost reductions are being made to ensure the parking activity breaks even without the need to raise parking charges.

13.18 The CBD parking workshop on 7 December 2016 has clearly identified that there are alternative payment technologies available such as mobile applications, in-ground sensor technology and electronic payment alternatives (Pay wave and eftpos facilities) and work is progressing on these as indicated in Section 12.3.

- 13.19 The funding of the on-street free parking trial costs out of the Parking reserve could be seen as forgoing the opportunity to use those funds for any CBD vibrancy projects (pedestrian linkages, purchasing further additional off-street carparks). However Council has included in the Treasury Management Policy provision for the purchase of land that Council considers appropriate to meet an identified or future need and has not been included in the Long Term Plan. Effectively this policy position could be used to implement Council's CBD Vibrancy Plan.

14.0 SUMMARY

- 14.1 Considering both the tangible (data on parking duration, occupancy, retail spend, parking revenue) and intangible (the perception of users such as the public, retailers) measures of success of the "free on-street parking trial", I believe on balance the results and financial impacts do not support the funding of on-street parking through an additional payment on rates. I consider the option B outlined in this agenda paper provides a sound way forward for Council. This option introduces a mobile app for the convenience of both on-street and off-street parkers by removing the inconvenience of having to use coins for some users. This option also provides for the future installation of in-ground sensor technology (subject to a full business case being approved) which from our research, site investigations in both Wellington plus provincial centres, will I believe be a medium term technology solution (5 years plus).
- 14.2 Lastly this option retains reasonable capital reserves while giving Council the opportunity to investigate the best on-street payment hardware solutions over the next year.
- 14.3 In hand with the operation review of the Parking Unit, this will put Council in a strong position to manage the parking asset plus contribute to the Hastings CBD Strategy and Vibrancy Plan.

From the most recent MarketView report it is clear that:

"In summary, although spending in the free parking trial period was up 5.1% during free parking hours compared to the same period two years ago, there was also strong growth outside of core hours, at retailers with their own parking and by customers not directly affected by free parking. This further suggests the overall impact of free parking on spending was very minimal as there was an underlying base level of growth in this period."

Source: Executive Summary MarketView report, 29 May 2017

COMPARISON OF RATES FORECASTS

PLAN	TOTAL DISTRICT	RATING AREA ONE	RATING AREA TWO
Long Term Plan 2015/25	3.3%	3.7%	1.2%
Draft Annual Plan 2017/18	1.2%	1.4%	0.5%
If parking is included via a charge on your rates	2.1%	2.3%	0.9%

Source: 2017/18 Annual Plan Flyer

This does raise the issue in terms of whether free parking compared to user pays (pay at the meter for on-street is in fact the most cost effective way to fund the delivery of the public infrastructure of on-street parking, especially considering the ongoing rate impact of 0.9% in rates outlined below.

- 14.4 The public consultation exercised in this matter provides Council with a clear understanding of the views of the wider community. The payment for on-street parking in the Hastings CBD through rates is clearly not the preference of those who will be affected by a decision to pay for parking through rates.

15.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Group Manager: Planning & Regulatory titled “Funding of On-Street Parking Hastings Central City” dated 7/06/2017 be received.
- B) That Council resolve to return to user charges via parking meters for on-street parking from 1 July 2017.
- C) That pursuant to the Parking & Traffic Bylaw, Chapter 5, Sections 5.3.1 (a) and 5.3.1 (b) of the Hastings District Council Consolidated Bylaws 2016, all on-street parking spaces previously controlled by individual parking meters in the Hastings CBD be re-established with the hourly rate set at \$1.00 per hour and the time limits be reinstated in accordance with the attached plan included as Attachment 1.
- D) That the Group Manager: Planning & Regulatory proceed with arrangements to implement “Park Mate” mobile phone application for Central City on-street parking spaces to complement the existing off-street mobile application.
- E) That an updated business case to determine the cost effectiveness of installing both on/off street electronic payment systems and in-ground sensor technology, be produced.

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for local public services in a way that is most cost-effective for households and business by:

- i) Providing parking spaces in relevant places with the district that are safe and readily available for motorists.
- ii) Reflecting the outcome of the consultation with the community and preference of persons directly affected by the decision.

Attachments:

- | | | |
|---|---|-------------------|
| 1 | Plan of on-street metered spaces for free parking trial | REG-22-10-17-2337 |
| 2 | Draft Annual Plan Consultation Document (Parking) | CG-14-1-00263 |
| 3 | Officer Comments Funding of On-Street Parking | CG-14-1-00257 |

- 4 Hastings Central City
Final report by MarketView on retail spend during free REG-22-10-17-2342
parking trial 29 May 2017



HASTINGS CITY CENTRE ON-STREET PARKING

How would you prefer to pay for Hastings city centre on-street parking?

METERS

RATES SHOULD NOT BE USED TO PAY FOR CENTRAL CITY PARKING. A USER-PAYS SYSTEM IS FAIRER, BUT MORE CONVENIENT PAYMENT OPTIONS OTHER THAN CASH PAYMENT SHOULD BE INVESTIGATED.

This will mean investing in new technology which would be funded from revenue generated from parking meter charges.

BUDGETED OPTION

RATES

NOT HAVING TO PUT CASH IN A PARKING METER IMPROVES THE VITALITY OF OUR CENTRAL CITY, IS MORE CONVENIENT AND IMPROVES THE SHOPPING EXPERIENCE.

I would be happy to pay via a charge on my rates. To cover the cost each ratepayer will be paying based on the property location. This will mean central commercial property owners paying \$65 per year, wider urban property owners \$22 a year, and rural property owners \$11 a year.

CURRENT SITUATION

A decision to trial "free" car parking* was requested by the city centre business community. It fitted with Council's *Vibrancy Plan*, which aims to enliven the city centre. Whilst retail spending has been up over the trial-period, it is difficult to link this specifically to the introduction of free parking.

However, parking is not free – there are costs that need to be funded.

Parking wardens are needed to ensure vehicles don't overstay their time limit so car parks are regularly freed up for other shoppers. The wardens also cover all of the wider Hastings district, monitoring cars for current registrations and warrants of fitness, and ensuring rules for spaces like mobility car parks are adhered to.

The trial period was funded from accumulated reserve funds, but now a parking payment system needs to be agreed.

*Shoppers being able to park in Hastings city centre without having to pay parking meters, but with limits on the length of stay.

OUR PROPOSAL

The Council has previously sought feedback on this matter, **but we need you to have your say** to ensure that we fully understand the method of payment the community prefers for parking.

Prior feedback indicated that if paying for parking on the street was to remain, more convenient payment options need to be offered. Therefore, if user-paid parking is continued, then new technology should be introduced to allow for payment by alternative methods such as phone applications and credit cards.

WE PROPOSE THE FOLLOWING OPTIONS:

1 PAY-AS-YOU-GO (BUDGETED OPTION):

Parking spaces are paid for via meters on the street as they are used, with some technological enhancements to provide additional payment options – i.e. credit card. The charge for parking would be increased to \$1.20 per hour (from \$1) to future-proof the system. Note: With this option, Havelock North properties will continue to pay the existing parking rate with no meters.

2 ANNUAL CHARGE ON YOUR RATES:

No on-street payment for parking. Costs for parking in Hastings and Havelock North would be combined so everyone shares the cost. This would be paid via an additional charge on your rates. This aligns with the parking regime already in Havelock North, therefore Havelock North properties will not be impacted as they already pay the rate.

COST

There will be no rating cost if a user-charge system is reintroduced. The total cost (the lost revenue from parking meters) is about \$500,000 per year. This is what would need to be recovered through a charge on your rates if Option 2 is chosen.

FUNDING

The current budget assumes a return to parking meters. If Option 2 is chosen, instead of paying cash into a parking meter, every urban household would pay \$22 per year; city centre commercial properties \$65 per year and rural properties \$11 per year.

Note: Havelock North properties already pay a rate for parking - so will not be impacted by this proposal.

**FURTHER INFORMATION IS AVAILABLE AT
MYVOICEMYCHOICE.CO.NZ**



Richard Burrows (4)	FUNDING OF ON-STREET PARKING HASTINGS CENTRAL CITY
John Steventon (17)	Officer Responsible: John O'Shaughnessy (Group Manager Planning and Regulatory)
Ray & Eleanor Stairmand (18)	Officer Comments:
Margaret Price (21)	<i>Submitters (4, 17, 18, 21, 38, 96, 116, 133, 136, 163) support a return to user charges via parking meters for on-street parking.</i>
Chris Mitchell (38)	<i>Submitters (54, 85, 107, 139, 142) support funding on-street parking via rates.</i>
Wendy Wilks (54)	
Linda Khumalo (85)	Arising from a symposium held on the revitalisation of the Hastings CBD and a request from the Hastings City Business Association, Council approved an initial "free" parking trial in September 2015, to be undertaken from 1 November 2015 and ending Sunday 28 February 2016.
Linda Walsh (96)	
Hastings City Business Association - Susan McDade (107)	The free parking (time limited) trial was then further extended to 30 June 2016, to enable consultation through the Annual Plan on the issue of how to fund on-street parking within the Hastings Central City.
Hawke's Bay Federated Farmers - Will Foley (116)	Following the Annual Plan hearings in June 2016 the trial was extended a further six months to December 2016 and then again until 30 June 2017 - being a total of 19 months. It is considered that this has given ample time to assess the impacts of the free parking trial.
Elizabeth Carr (133)	
Gillian Mangin (136)	The review of the free parking trial points to achieving mixed results. On the basis of data analytics, officers consider there is no evidence to support the conclusion that the trial has produced significant greater retail activity or vibrancy in the City Centre. The positive indicators from increased retail spend cannot be directly linked to free parking and it could be equally argued that other macro-economic factors such as lower interest rates, high levels of employment and Hawke's Bay being a non-dairy region have had a greater influence.
Hawke's Bay Fruitgrowers Association - Dianne Vesty (139)	
Rachel French (142)	However officers do consider that there is evidence, based on the public response to both HDC and HCBA attitudinal surveys over the trial period, that the trial has generated an improved sense of satisfaction and confidence with both users of the City Centre (public) and retailers businesses within the centre.
Gordon Vogtherr (163)	Through the Draft 2017/18 Annual Plan, feedback was sought from the community on how they wish to pay for on-street parking in Hastings central city:
	<ul style="list-style-type: none"> Through an additional annual charge paid on rates;
	Or
	<ul style="list-style-type: none"> By putting cash into a parking meter.
	Council's existing funding policy for paid parking in Hastings states that the benefit assessment for the provision, management and control of parking areas be set at 0% public and 100% private. The private beneficiaries are

	<p>identified as being the individual motorists who gain access to convenient parking spaces.</p> <p>Public feedback through the annual plan consultation process showed that there is a clear preference for a user pays system including alternative payment options.</p> <p>Considering both the tangible (data on parking duration, occupancy, retail spend, parking revenue) and intangible (the perception of users such as the public, retailers) measures of success of the “free on-street parking trial”, officers consider that on balance the results and financial impacts do not support the funding of on-street parking through an additional payment on rates.</p> <p>Officers do, however, consider that the option of introducing a mobile app for the convenience of both on-street and off-street parkers by removing the inconvenience of having to use coins for some users, has merit.</p> <p>This option also provides for the installation of in-ground sensor technology which officers consider presents a medium term technology solution (5 years plus). This option retains reasonable capital reserves while giving Council the opportunity to investigate the best on-street payment hardware solutions over the next year.</p> <p>In hand with the operation review of the Parking Unit, officers consider this will put Council in a strong position to manage the parking asset plus contribute to the Hastings CBD Strategy and Vibrancy Plan.</p> <p>Therefore, officers recommend a return to user charges via parking meters for on-street parking, taking effect from 1 July 2017, and that Council:</p> <ul style="list-style-type: none">• proceed with arrangements to implement the “Park Mate” mobile phone application for Central City on-street parking spaces, and also• investigate the cost effectiveness of electronic payment device and inground sensor technology.
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Impact of Free Parking on the Hastings CBD

Draft April 2017 Refresh

Prepared for: Hastings District Council, 29 May 2017



Executive Summary

- Overall total retail card spending in the Hastings CBD during the time of the free parking trial increased 5.3% compared to the same 18 month period starting two years ago.
- Despite the strong overall increase in CBD spending, during the specific hours of the parking initiative, the change in spending was less than in total. Spending during the free parking trial hours increased 5.1%. Outside of the hours when free parking already existed, spending increased 5.7%.
- Therefore while overall growth was strong during free parking hours, there was greater growth outside of these hours. This suggests that there is an underlying base level of growth and free parking is not directly responsible for driving sales growth. 5.7% growth during non-free parking (and non-core retail) hours suggests an underlying consumer confidence and growth in the market. So, the free parking related contribution to growth appears to be negligible.
- The addition of free parking should primarily be of benefit to the local catchment, the cardholders who shop in the CBD most frequently. During the hours of free parking these cardholders increased their spending in the CBD by 4.5%, below the overall 5.3% mark during free parking hours. These same people increased their spending more in Havelock North (+8.5%), Napier (+6.9%) and retailers in the rest of Hastings (+13.2%) over the same period. These results suggest that the parking initiative had almost no impact on these local cardholders who were increasing their spending around the district regardless.
- Spending in the Hospitality/Specialised Food retailers within the CBD grew at the highest rate of any storetype grouping (11.0%), with Home Purchases up 3.1%, compared to Apparel spend which has barely grown (0.8%) compared to the same period two years ago.
- Retailers without their own parking have grown at the faster rate than retailers with their own parking, reversing the trend seen in the first twelve months. This result is due to the relocation of Briscoes and Rebel Sport outside of the CBD which has dragged down the result of retailers with their own parking. Given the results of the first twelve months showed retailers with their own parking out-grew retailers without, Marketview attributes the reversal of the result down to the relocation of these merchants and not any trend outside of this.
- In summary, although spending in the free parking trial period was up 5.1% during free parking hours compared to the same period two years ago, there was also strong growth outside of core hours, at retailers with their own parking and by customers not directly affected by free parking. This further suggests the overall impact of free parking on spending was very minimal as there was an underlying base level of growth in this period.

Introduction

- The Hastings District Council introduced a trial period of Free Parking, starting in November 2015 in a bid to boost retail activity in the CBD. Marketview has been tasked with preparing a report to help the council develop an understanding of consumer spending in the CBD, and if this changed following the implementation of free parking.
- This is the third report Marketview has prepared for Free Parking in the Hastings CBD. The last report was for the 12 months starting November 2015 until October 2016, and compared this period to the same period in the previous year. This report is for the full 18 months starting November 2015 until April 2017 and is instead compared to a similar 18 months starting two years before, November 2013 to April 2015 so there is no cross over in comparison periods. Therefore our results use a 2 year compound average growth rate (CAGR). Results from changing the period have resulted in only minor differences but did not change the overall assessment of free CBD parking.
- Main points of emphasis:
 - What are the retail trends in the relevant parking zones before and after the change in parking fees
 - How the CBD is performing against other regional retail precincts
 - What are the retail trends for shoppers by age and gender and catchment (as per the map on the next page)
 - What are the retail trends of different store types, in the relevant parking zones
 - What the retail trends are on a monthly, weekly, daily and hour basis
 - A comparison of retailers offering their own parking and free parking in the CBD
- Data used in this report are derived from BNZ and Paymark and are presented inclusive of GST. The figures represent total value of card spending (debit and credit) and no adjustment has been made for inflation.
- To ensure a fair comparison, Marketview has analysed spending in four retail categories, Apparel, Home Purchases, Hospitality/Specialised Food and Other. All other categories have been excluded from the analysis.
- The period analysed runs from November 2015 and up to the end of April 2017. Unless otherwise noted, we have only considered spending during the hours when free parking was offered, namely between the hours of 9am and 5pm on Monday – Friday and between 9am and 2pm on Saturday.

Input Data & Definitions

Marketview specialises in the management and analysis of electronic card transactional data as a tool for measuring and analysing the spending and behaviours of consumers. Since 2001, Marketview's transactional data has become a trusted source of market intelligence and is now used extensively by organisations throughout New Zealand. Clients include retailers - national chains through to single site stores, commercial property owners and developers, manufacturers, and local and central government.

The data is received from two main sources:

- Paymark – the largest electronic card payment network in New Zealand, covering all transactions made at merchants on this network.
- Depersonalised spending by Bank of New Zealand (BNZ) cardholders.

Through a combination of both data sources, and methodologies developed from projects completed over the last 15 years we are able to accurately quantify:

- The value of spending in the majority of business to consumer ANZSIC categories
- The source and origin of those payments (e.g. business vs. personal, domestic (by region) vs. international) to determine accurately where a cardholder is from
- The time and date of purchases
- The retail category of the merchants, as defined by 2006 Australian and New Zealand Standard Industry Classification (ANZSIC) codes.

Privacy

No personal or household data is shown or can be derived, thereby maintaining the privacy of end customers.

Copyright

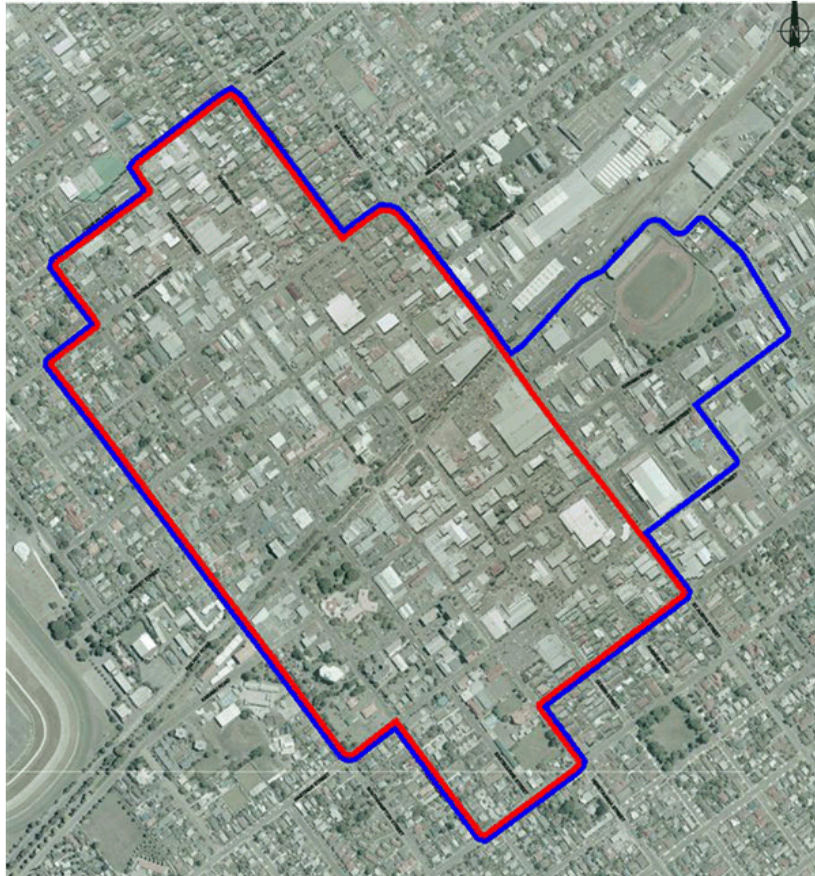
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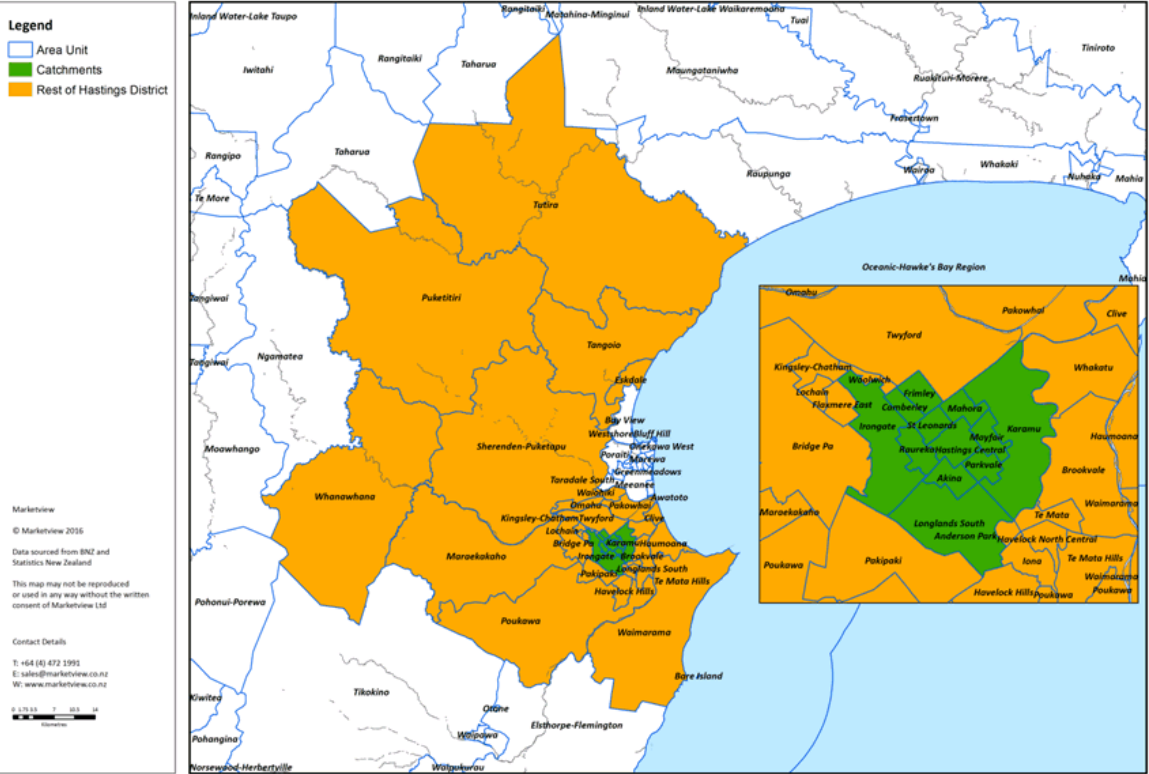
Hastings CBD Map



- For the analysis the Hastings CBD geographical boundaries were set as the **RED** boundary in the map to the left.
- 179 retailers located within this boundary were used throughout the report to analyse the Hastings CBD retail trends.
- Included in this group were 51 Hospitality/specialised food retailers, 27 Home Purchases retailers, 26 Apparel retailers and 73 Other retailers.
- Certain retailers were excluded due to storetype and size of the business (e.g. Supermarkets, petrol stations, travel agents).

Catchment Map

Hastings Catchment Map



- The map on the left is used when analysing the origin of shoppers in the CBD (page 10).
- Cardholders living in the green area were classified as being in the CBD's local catchment.
- Spending from cardholders living in the Rest of Hastings District (orange area) was also looked at. (As well as Napier City and Rest of NZ cardholders).



Solid Growth in Hastings/Napier

Free Parking Retail Spending and Change

Precinct	Same Period 2 Years Ago	Parking Period	2 Year CAGR
Hastings CBD	\$144,526,629	\$159,608,692	5.1%
Rest of Hastings	\$117,065,464	\$157,448,675	16.0%
Havelock North	\$41,580,037	\$44,588,430	3.6%
Napier City	\$300,126,071	\$348,684,597	7.8%
Total	\$603,298,202	\$710,330,394	8.5%

- As seen in earlier reported patterns, most retail shopping is done in Napier, followed by the Hastings CBD, the rest of Hastings, and Havelock North.
- Total retail spending during the free parking period increased at an annualised rate of 8.5% in the past 18 months. Growth in the Hastings CBD was 5.1%, below that seen in Napier and the rest of Hastings.
- The key outtake is that growth in the Hastings CBD is slower than the market averages, there is a key growth trend in the Napier/ Hastings area which is growing the market faster than the CBD has experienced. Therefore the 5.1% growth cannot be directly attributed to Free Parking.



Free Parking is not Driving CBD Share

CBD Market Share and Change During Free Parking

Precinct	Same Period 2 Years Ago	Parking Period	Change in Share
Hastings CBD	24.0%	22.5%	-1.5%
Rest of Hastings	19.4%	22.2%	2.8%
Havelock North	6.9%	6.3%	-0.6%
Napier City	49.7%	49.1%	-0.7%
Total	100.0%	100.0%	0.0%

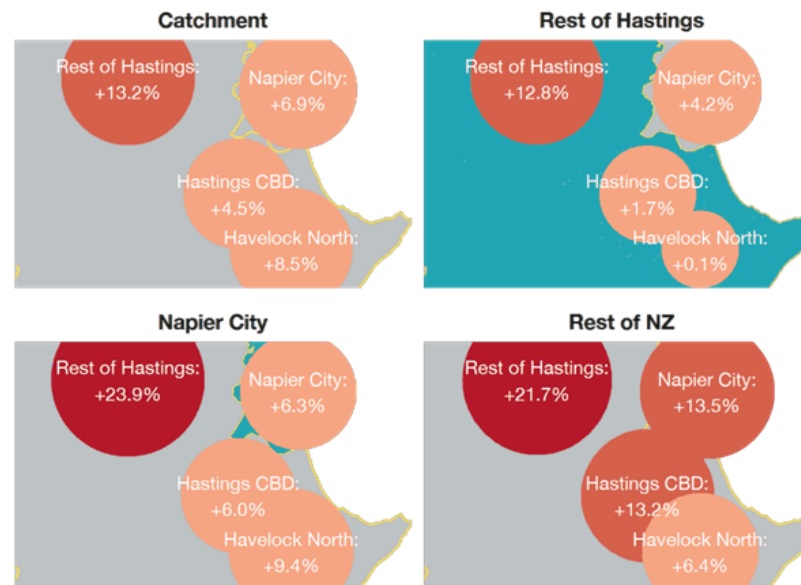
- The CBD's share of the Hastings/Napier market has declined from the same 18 month period within the last two years, down 1.5 percentage points.
- This decline is due to the strong growth seen in the rest of Hastings, which has seen its share of the market grow 2.8% from last year. Havelock North and Napier also saw their market share fall.



Who Responded to Free Parking?

Strong Growth from Napier, Rest of NZ

Retail CAGR during Free Parking vs Same Period 2 Years Ago; by Customer Catchment



- Shoppers from all areas increased their spending in the Hastings CBD, with the highest increases seen from customers living further away from Hastings. Customers from Napier increased their spending 6.0%, and customers from the Rest of NZ increased 13.2%.
- Again a key takeaway with underlying growth is the Hastings CBD catchment grew their spending outside of the CBD faster than within the CBD. Again showing Free Parking is unlikely to be the main driver behind the growth.



CBD Customers are More Female than Previously

Proportion of Total Hastings CBD Revenue

Gender	Age	Same Period 2 Years Ago	Parking Period	Change in Contribution
Female	15-29	9.4%	9.1%	-0.3%
	30-39	8.4%	9.3%	0.9%
	40-49	11.6%	11.8%	0.2%
	50-59	11.4%	11.9%	0.5%
	60+	16.0%	18.1%	2.1%
	Total	56.8%	60.1%	3.3%
Male	15-29	5.3%	5.0%	-0.3%
	30-39	5.8%	5.2%	-0.6%
	40-49	9.0%	8.4%	-0.7%
	50-59	9.2%	8.2%	-1.0%
	60+	13.9%	13.1%	-0.8%
	Total	43.2%	39.9%	-3.3%
Total CBD		100.0%	100.0%	0.0%

- Since the start of free parking, a greater share of the CBD's revenue has come from female customers, particularly those aged over 60, who now account for 18.1% of spending in the CBD.
- This has seen a decline in the proportion of spending coming from males, who collectively have dropped from 43.2% of spending in the comparison period to 39.9% of spending in the last 18 months.



Share Grew in 30-49s Females, Declined Otherwise

CBD Market Share by Age and Gender

Gender	Age	Same Period 2 Years Ago	Parking Period	Change in Share
Female	15-29	28.5%	27.1%	-1.4%
	30-39	27.0%	26.3%	-0.7%
	40-49	24.8%	24.5%	-0.3%
	50-59	24.4%	22.8%	-1.6%
	60+	24.8%	24.2%	-0.5%
	Total	25.6%	24.7%	-0.9%
Male	15-29	24.5%	20.2%	-4.3%
	30-39	22.0%	20.4%	-1.6%
	40-49	22.9%	20.6%	-2.3%
	50-59	20.6%	18.3%	-2.4%
	60+	21.9%	20.0%	-2.0%
	Total	22.1%	19.8%	-2.3%
Total CBD		24.0%	22.5%	-1.5%

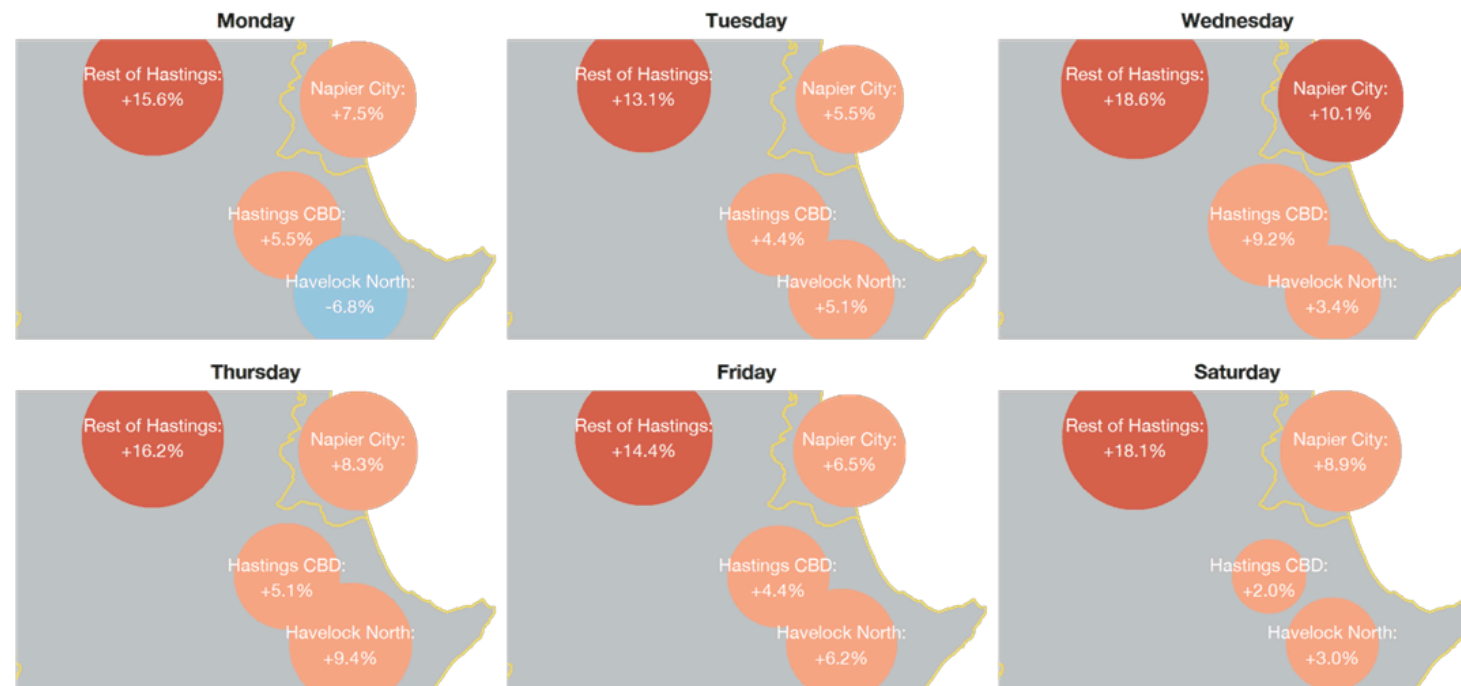
- There was no gender/ age group where the Hastings CBD gained share from two years.
- Hastings CBD generally holds higher share among females than males, and younger customers than older.



Growth Highest on Mondays and Wednesdays

Retail CAGR during Free Parking

vs Same Period 2 Years Ago; by Day of Week

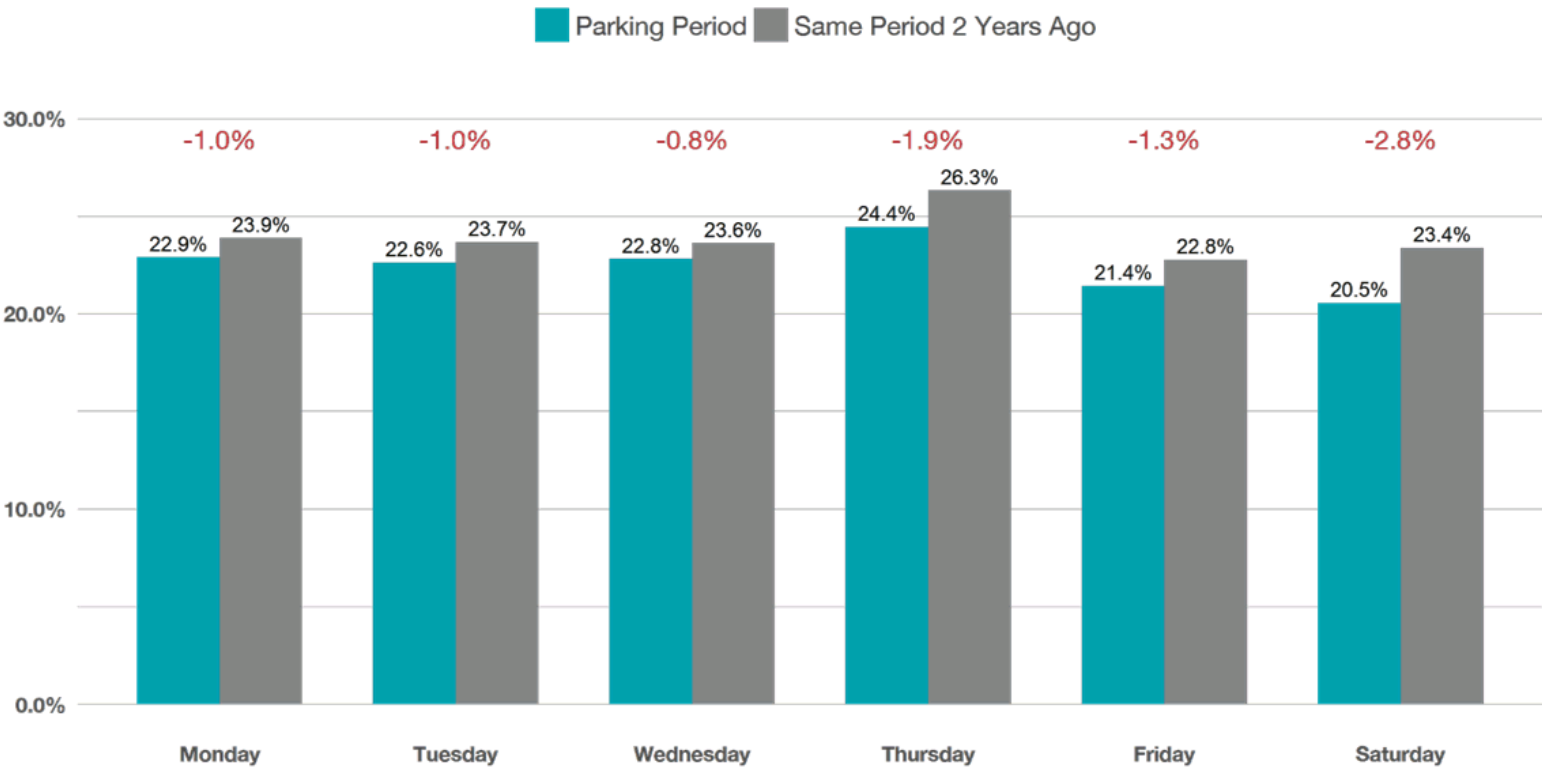


- Growth has been strongest on Mondays and Wednesdays. Growth in the Hastings CBD has been relatively uniform with the growth rates between 2.0% and 9.2%.



Loss of Market Share Throughout the Week

Hastings CBD Market Share During Free Parking

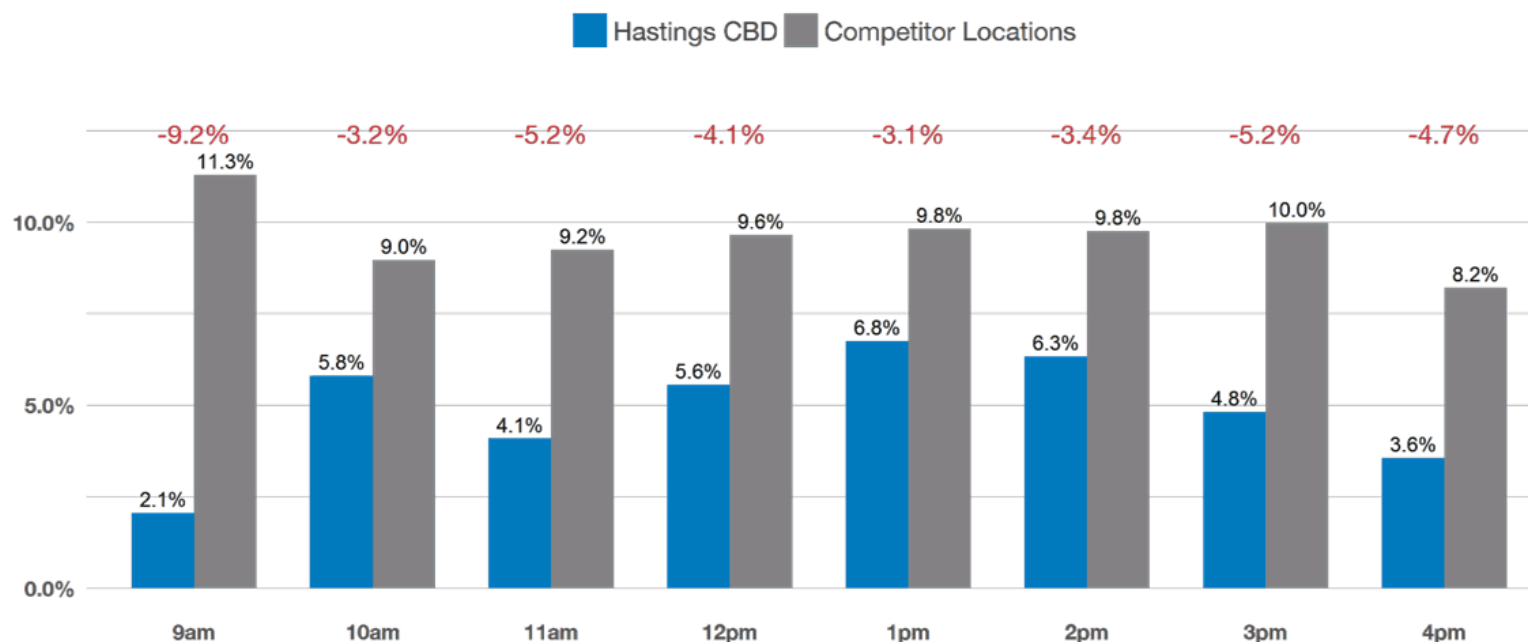


- The CBD's share of the Hastings/Napier market has declined on all days of the week where free parking was offered. The largest decline has been on Saturday, where market share has decreased 2.8 percentage points from 23.4% to 20.5%.



Solid Growth Throughout the Day, but Competitor Locations Seeing Greater Growth at All Times.

Hastings CBD CAGR vs Competitors

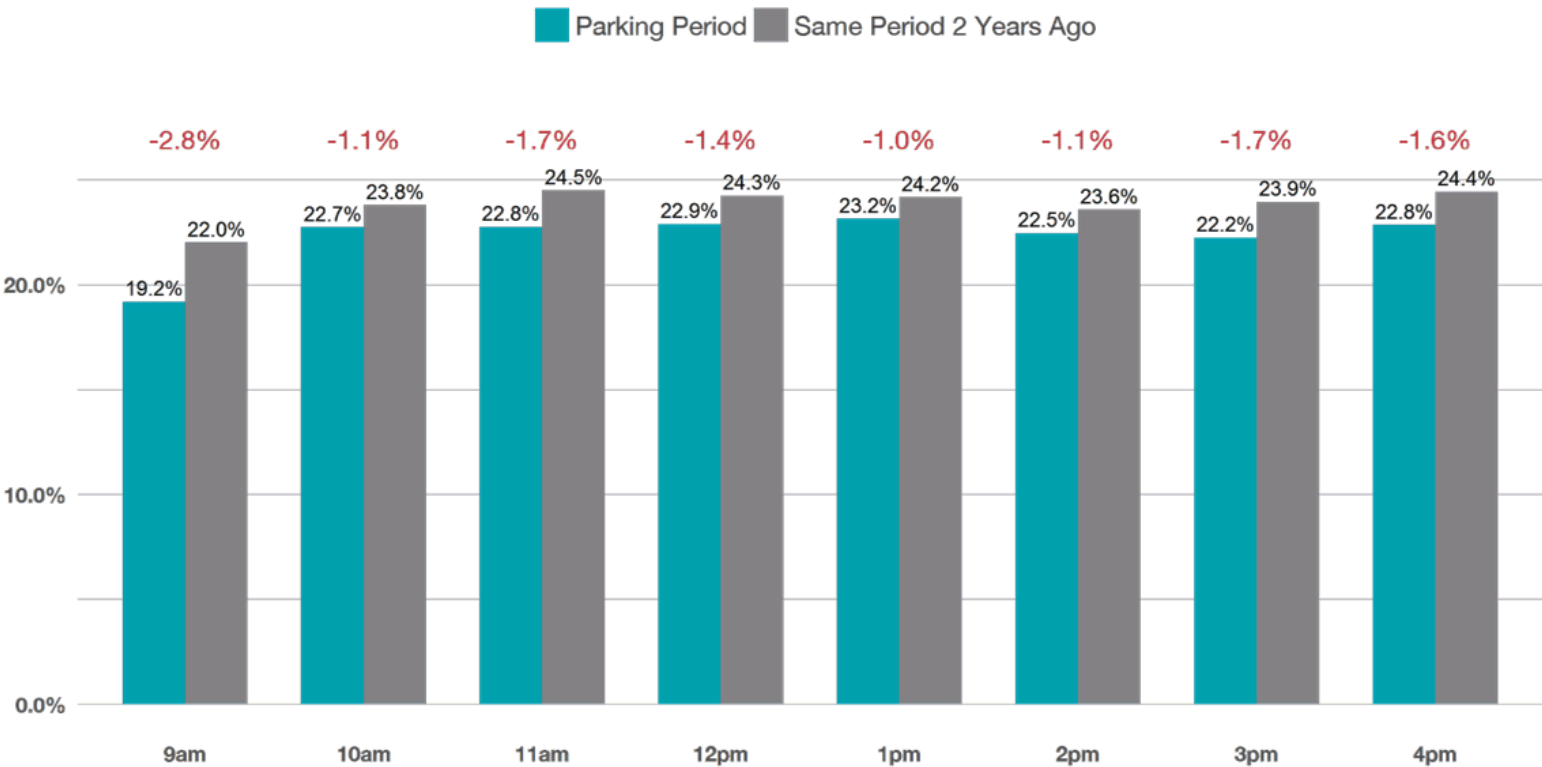


- Retail growth in the Hastings CBD has been strongest from 1pm to 3pm, where spending grew more than 6%. However, while the CBD saw strong positive growth, there were no times when spending growth exceeded that seen in competitor locations.



Loss of Market Share Throughout the Day

Hastings CBD Market Share During Free Parking



- Throughout all times of the day the CBD has seen decreases in share. The strong growth seen from 1pm to 3pm has seen the CBD's share decrease the least, 1.1 percentage points during these times. Elsewhere throughout the day, the CBD has seen a decrease in share of up to 2.8 percentage points.



Solid Growth in All Storetypes

Retail CAGR during Free Parking vs Same Period 2 Years Ago; by Store Type



- The growth seen in the CBD has varied greatly between storetypes, with apparel merchants experiencing the lowest growth at 0.8%, and hospitality seeing the highest at 11.0%.



How do Free Parking Hours Compare to the Total Period?

Growth During Free Parking Less Than Growth at Other Times

Retail Spending and Change - Total Period

Precinct	Same Period 2 Years Ago	Parking Period	2 Year CAGR	Growth During Free Parking Hours
Hastings CBD	\$208,002,508	\$230,548,639	5.3%	5.1%
Rest of Hastings	\$193,170,459	\$257,516,932	15.5%	16.0%
Havelock North	\$69,847,513	\$75,671,590	4.1%	3.6%
Napier City	\$477,783,162	\$567,711,158	9.0%	7.8%
Total	\$948,803,642	\$1,131,448,319	9.2%	8.5%

- The above table shows the estimated value of retail spending during the free parking period (including times outside of free parking hours), compared to the same period last year.
- Overall, retail spending in the Hastings/Napier area increased 9.2% from last year, compared to 8.5% during the free parking hours. Also, the total growth in the Hastings CBD is 5.3%, compared to 5.1% during free parking hours.



Growth Outside Free Parking Less Than Growth at Other Times

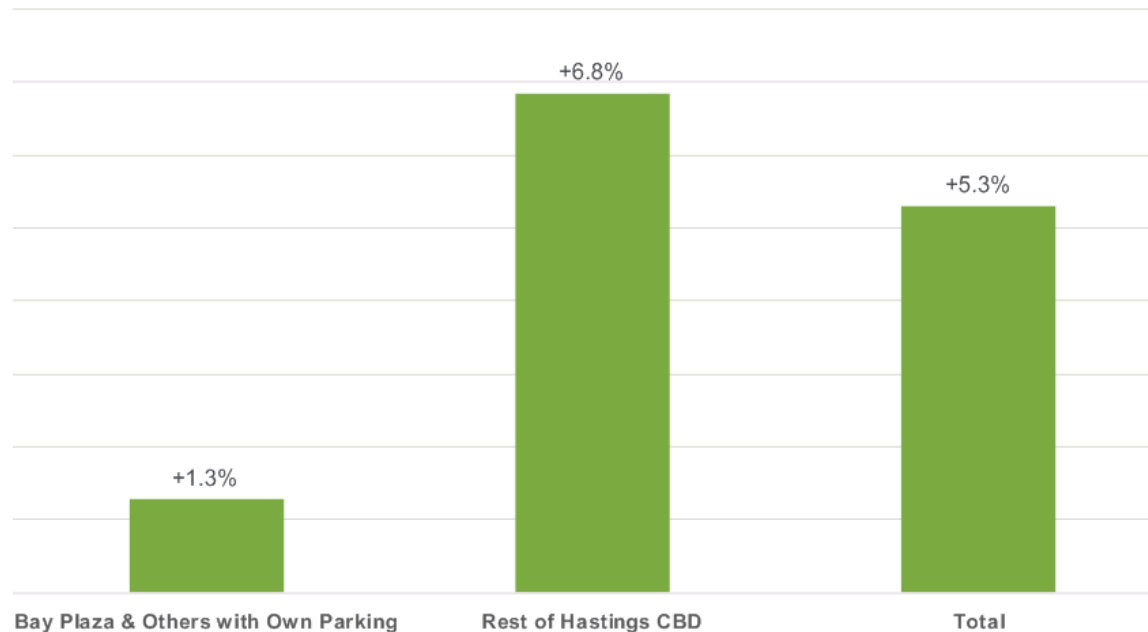
Retail Spending and Change - Outside of Free Parking Hours

Precinct	Same Period 2 Years Ago	Parking Period	2 Year CAGR	Growth During Free Parking Hours
Hastings CBD	\$63,475,879	\$70,939,947	5.7%	5.1%
Rest of Hastings	\$76,104,995	\$100,068,257	14.7%	16.0%
Havelock North	\$28,267,476	\$31,083,160	4.9%	3.6%
Napier City	\$177,657,090	\$219,026,561	11.0%	7.8%
Total	\$345,505,441	\$421,117,925	10.4%	8.5%

- The above table shows the estimated value of retail spending outside of the hours when free parking was offered.
- Rest of Hastings is the only area in the Hastings/Napier market where spending growth during the free parking hours was higher than the growth seen outside of the free parking hours. This suggests that the free parking in the Hastings CBD has not helped the CBD achieve higher growth than it might have seen otherwise.



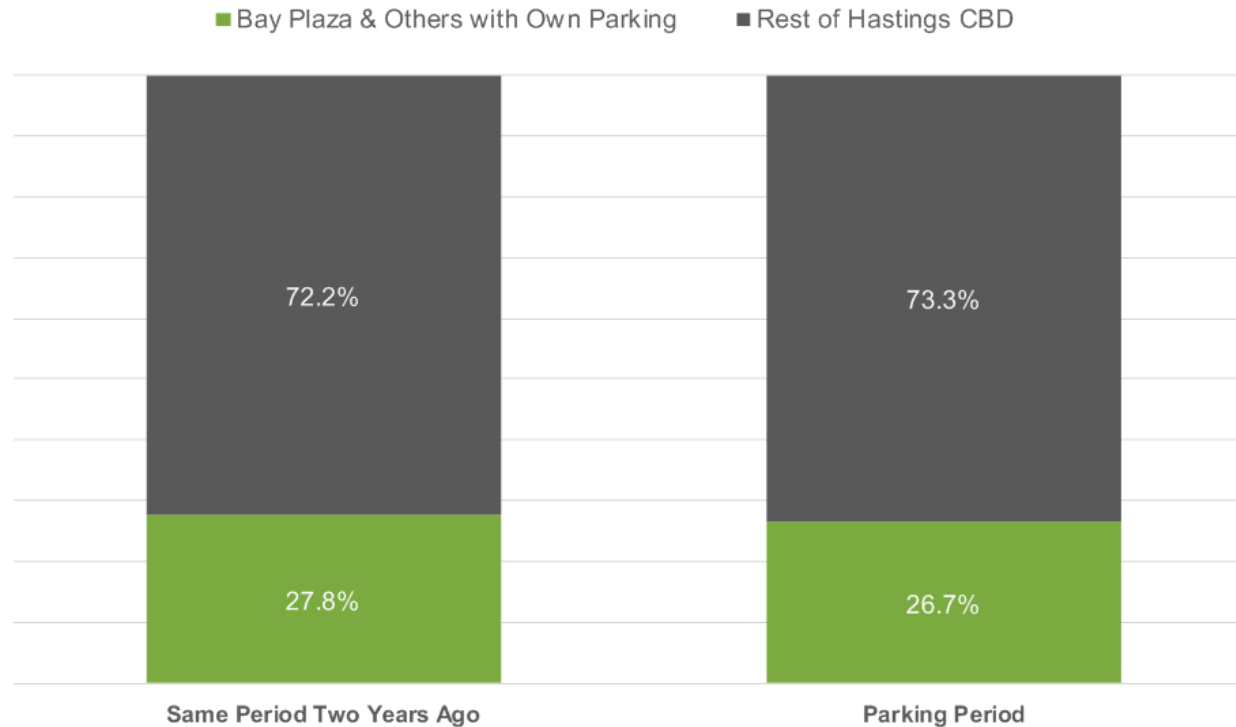
Merchants With Own Parking Grew Lower, but Briscoes/ Rebel are the Reason Why



- Merchants with existing parking were responsible for greater growth in the first 12 months of the parking period. In the last 6 months Briscoes and Rebel sport moved out of the Hastings CBD and this resulted in the a far smaller growth for Bay Plaza & Others with Own Parking and a greater growth in Rest of Hastings CBD.
- The last report prepared for the Hastings CBD for the first 12 months of Free Parking showed merchants with their own parking grew faster than merchants without (10.0% vs. 6.5%).



Until Briscoes and Rebel Sport moved out of the CBD Bay Plaza Had Accounted for a Greater Share of Hastings' Spending



- The retailers that offer their own parking accounted for 27.8% of spending in the period two years ago, but 26.7% of spending this year, due to Briscoes and Rebel Sport leaving the CBD in December 2016.



When Should Free Parking be Run for the Greatest Benefit?

: The Latest 6 Months Show a Moderate Loss of Share for Hastings CBD

Hastings CBD Spending and Market Share

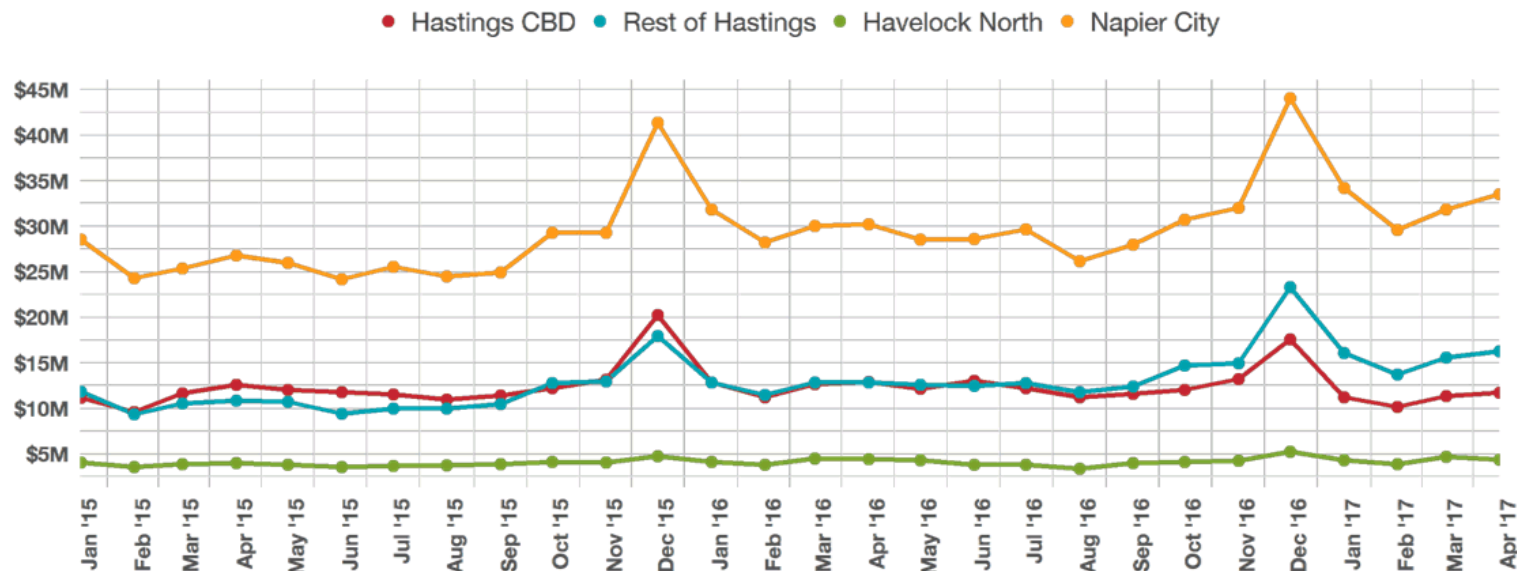
Month	Retail Spending Value	Hastings CBD Market Share	Month	Retail Spending Value	Hastings CBD Market Share
Nov '13	\$11,691,643	22.2%	Nov '15	\$13,166,080	22.1%
Dec '13	\$17,837,334	24.0%	Dec '15	\$20,232,655	24.0%
Jan '14	\$10,377,834	20.2%	Jan '16	\$12,814,823	20.8%
Feb '14	\$9,357,345	20.9%	Feb '16	\$11,233,420	20.5%
Mar '14	\$10,607,584	21.2%	Mar '16	\$12,655,829	21.1%
Apr '14	\$10,944,325	21.7%	Apr '16	\$12,924,940	21.4%
May '14	\$10,864,502	22.1%	May '16	\$12,180,204	21.1%
Jun '14	\$10,392,856	23.3%	Jun '16	\$13,042,276	22.5%
Jul '14	\$10,547,367	22.9%	Jul '16	\$12,199,699	20.9%
Aug '14	\$9,927,313	22.1%	Aug '16	\$11,212,516	21.3%
Sep '14	\$10,045,724	21.9%	Sep '16	\$11,598,146	20.7%
Oct '14	\$10,940,552	20.2%	Oct '16	\$12,022,954	19.5%
Nov '14	\$11,518,813	20.9%	Nov '16	\$13,191,306	20.5%
Dec '14	\$17,940,529	23.3%	Dec '16	\$17,563,382	19.5%
Jan '15	\$11,181,428	20.1%	Jan '17	\$11,245,255	17.1%
Feb '15	\$9,582,339	20.5%	Feb '17	\$10,165,518	17.7%
Mar '15	\$11,649,655	22.6%	Mar '17	\$11,375,222	17.9%
Apr '15	\$12,595,366	23.2%	Apr '17	\$11,724,416	17.8%

- February - being the shortest month of the year - typically sees the lowest total spending. With Christmas shopping in December, this is by far the highest month of spending during the year
- In addition to spending being high in December, this is also when the CBD's share of the Hastings/Napier market is highest, at 19.5% in December 2016, at 24.0% in December 2015 and 23.3% in December 2014.



Opportunity to Grow Share in October

Retail Spending by Month - All Markets



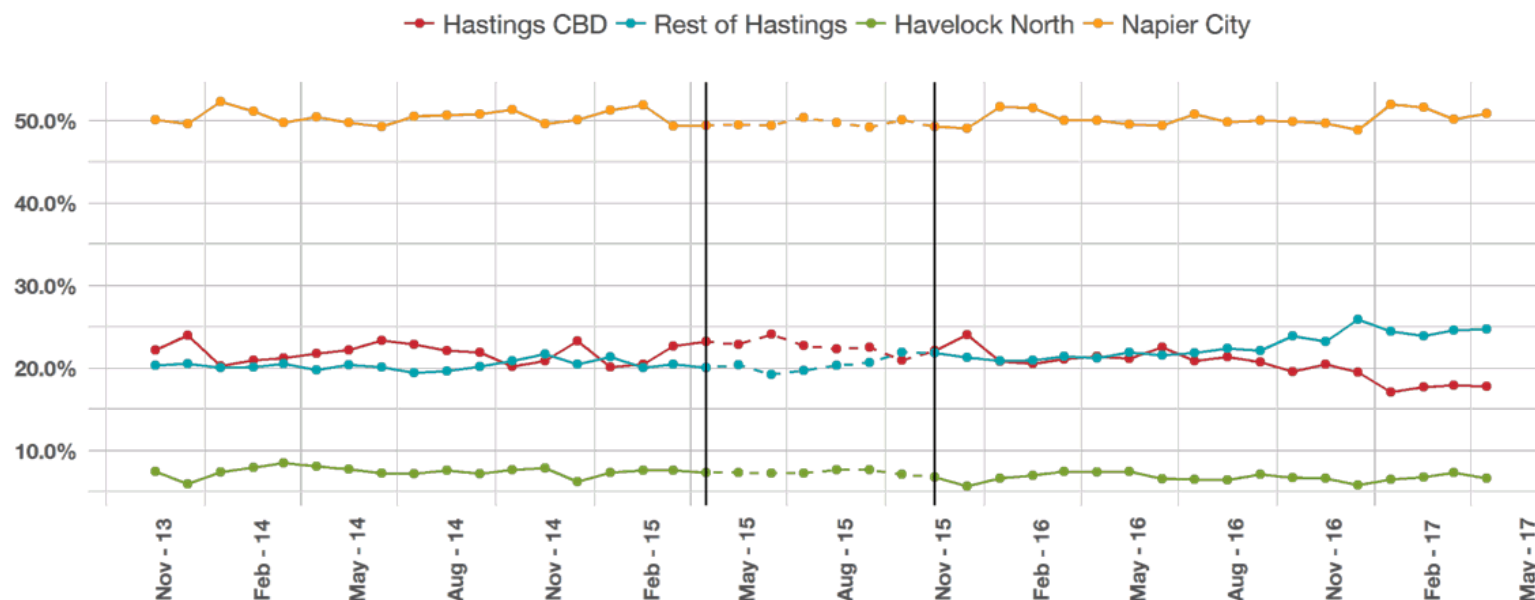
- During October, there is typically a spike in spending in Napier and the rest of Hastings, with little change seen in spending in the CBD. This could potentially be a good opportunity for free parking to be offered, as total spending is higher than in most other months of the year, with the CBD getting a smaller share of the available spending.
- With the right support from retailers and the council (possibly through other promotions), a stronger October month could set the CBD up with stronger November/ December months through retained good will over the holiday shopping period. At the very least the Hastings CBD could be able to pull its fair share of the market during a strong month of retail activity.



Hastings CBD Market Share Lower in Free CBD Parking Period, with Noticeable Share Loss in Last 6 Months

Market Share

The Non-Comparison Period is Shown in the Middle



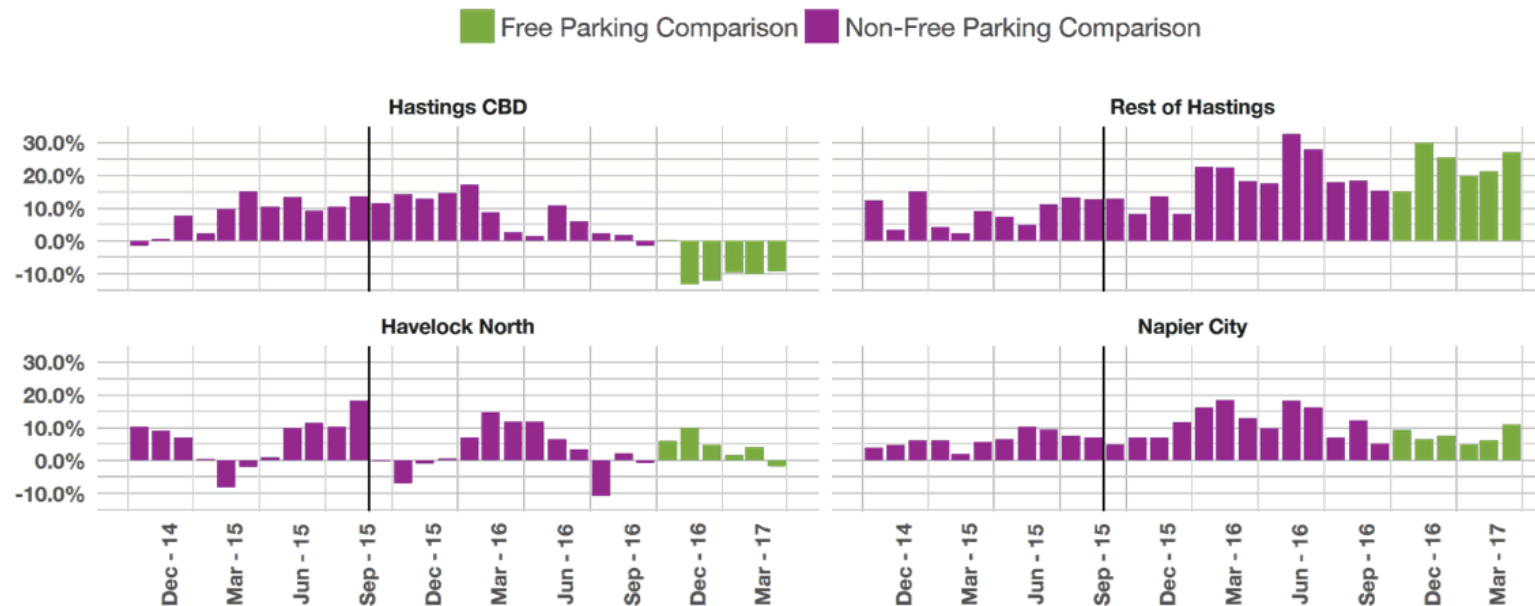
- Hastings CBD Market share is noticeably lower in the 18 months where free CBD parking was offered, compared to the same 18 month period the previous year.
- In the Rest of Hastings the market share increased in the 18 months where CBD free parking was offered. The market share in Napier City and Havelock North was not affected by the free CBD parking in Hastings CBD and remained steady in the 18 months previous and during this time.



Year on Year Growth

Year on Year Growth Down in Last 6 Months

Growth over the Same Month Last Year From One Year Prior to Free Parking



- This chart compares Month 2017 to Month 2016 and growth in this period, rather than the 18 month comparison which compared Month 2017 to Month 2015.
- Hastings CBD has seen growth of +10% when comparing March 2015 to March 2014 and for all months of the year following until January 2016 compared to January 2015. Following this month on month growth is much lower.
- The free CBD parking initiative is not working to bring more spend into the city as growth over the same month last year has been negative in the last 6 months until April 2017, but it was +10% before free parking.



REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

**FROM: COMMUNITY GRANTS & PROJECTS ADVISOR
VICKI BERKAHN**

**SUBJECT: SUMMARY OF RECOMMENDATIONS OF THE
COMMUNITY GRANTS SUBCOMMITTEE MEETING HELD
16 MAY 2017**

1.0 SUMMARY

- 1.1 The purpose of this report is to advise that the recommendations from the Community Grants Subcommittee held on 16 May 2017 require ratification by Council.
- 1.2 The relevant Community Grants Subcommittee recommendations to be ratified are set out below.

2.0 RECOMMENDATION

- A) That the report of the Community Grants & Projects Advisor titled “Summary of Recommendations of the Community Grants Subcommittee meeting held 16 May 2017” be received.
- B) The following recommendations of the Community Grants Subcommittee meeting held 16 May 2017 be ratified:

“4. 2016 ANNUAL CONTESTABLE FUNDING ROUND

- A) *That the report of the Community Grants Advisor titled “Allocation of the 2017/2018 Contestable Grants Budget” dated 7 June 2017 be received.*
- B) *That the following grants from the Contestable Grants budget 2017/2018 be made:*

No.	Applicant	Allocated
1	Age Concern Flaxmere - Stay Safe Programme	5,766
2	Enliven Day Programme (Senior Chef) - Presbyterian Support	6,000
3	Age Concern Havelock North - Community Christmas Day Luncheon	12,986
4	Anglican Care Waipau Heretaunga Seniors - Contribution to Wages for programmes	15,000
5	Heretaunga Womens Centre - Programmes to develop resilient women	19,000
6	Hastings Womens Refuge - Safe house	25,000
7	Flaxmere Baptist Church - Christmas Cheer food parcels	9,000
8	Peoples Advocacy Society Inc - Contribution to Hastings service	2,000
9	Victim Support - Assistance for people in need	4,000
10	Kidz Need Dadz Charitable - To establish a Hastings office	3,700
11	Hikoi Koutou Charitable Trust (HCKT)	0
12	Brain Injury Association (HB) Incorporated - Wages for Liaison Service	0
13	Asthma & Respiratory HB Services Trust (Breathe Hawke's Bay)	0
14	John Roberts - HB Labour Governance Group	0
15	Flaxmere Rugby & Sports Club - Floodlights at Ron Giorgi Park	0
16	Allegiance Brazilian Jiu Jitsu Academy	5,000
17	Riverslea School - Supporting families in Riverslea School community	10,000
18	Zeal Education Trust - Rezspect Dance Academy	15,000
19	YMCA Hawke's Bay - Junior and Senior Youth Groups	10,000
20	Waimarama Surf Life Saving Club	7,000
21	Radio Kidnappers	4,480
22	Basketball Hawke's Bay	0
23	Hawke's Bay Digital Archives Trust - Digital Archiving of film	9,575
24	Cape Coast Arts & Heritage Trust	20,000
25	2017 Royal A & P Show	22,000
26	A & P Society Bostock Edible Garden Show	10,000
27	Hawke's Bay Rescue Helicopter Trust - Printing and distribution of bi-annual newsletter	5,506
28	SPCA - Cat trapping	30,000
		\$251,013

C) That the balance of the 2017/18 Community Grant Allocation of \$27,052.00 be carried forward to the 2018/19 funding round.

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

**FROM: GROUP MANAGER: ASSET MANAGEMENT
CRAIG THEW**

**SUBJECT: SUMMARY OF RECOMMENDATIONS OF THE HASTINGS
DISTRICT RURAL COMMUNITY BOARD**

1.0 SUMMARY

- 1.1 The purpose of this report is to advise that the recommendations from the Hastings District Rural Community Board held on 29 May 2017 require ratification by Council.
- 1.2 The relevant Hastings District Rural Community Board recommendations to be ratified are set out below.

2.0 RECOMMENDATION

- A) That the report of the Group Manager: Asset Management titled “Summary of Recommendations of the Hastings District Rural Community Board” be received.
- B) The following recommendations of the Hastings District Rural Community Board meeting held 30 May 2016 be ratified:

“4. ANNUAL PLAN SUBMISSIONS 2017/18

A) That the report of the Strategy Manager titled “Annual Plan Submissions 2017/18” dated 29 May 2017 be received.

B) That the Hastings District Rural Community Board provided the following feedback on submissions:

- Submission Nos. 50, 98 and 101 be considered alongside other priorities as part of the up-coming LTP formulation.***
- Submission No. 86 recommend that the allocation of \$6000 from the existing parks new works budget to assist in the installation of picnic tables at Whirinaki be approved.***
- Submission No. 116 agreed with the Officer comments, and considered there was no need for any further policy response from Council.***
- Submission 118 agreed with the officers’ approach to***

work with community representatives in regard to signage at Maraekakaho.

C) That the following six submissions on rural matters be received:

- *David Allan (50)*
- *Harvey Burgess (86)*
- *Martin Bates (98)*
- *Phil Jones (101)*
- *Federated Farmers (116)*
- *Charlie Bogard (118)*

5. RURAL TRANSPORTATION PROGRAMME UPDATE 29 MAY 2017

A) That the report of the Transportation Operations Manager titled "Rural Transportation Programme Update 29 May 2017" dated 29/05/2017 be received.

B) That the local share shortfall of \$103,083.78 be approved from the Rural Flood Emergency Event Reserve.

7. FIRE AND EMERGENCY NEW ZEALAND BILL – TRANSITIONAL ARRANGEMENTS

A) That the report of the Executive Advisor/Manager: Office of the Chief Executive titled "Fire and Emergency New Zealand Bill - Transitional Arrangements" dated 29/05/2017 be received.

B) That the Rural Community Board recommend to Council:

- i. That the Licence to Use Response Assets by Fire and Emergency New Zealand be accepted AND**
- ii. That the Council delegate to the Chief Executive authority to agree and set appropriate charges for the use of Assets by Fire and Emergency New Zealand noting that except in the case of the Heretaunga Fire Shed no usage charges for buildings or land will be required.**

C) That Officers report further as to the disposal of any response assets (excluding consumables and equipment) to Fire and Emergency New Zealand.

With the reasons for this decision being that the

objective of the decision will contribute to meeting the current and future needs of communities for good quality fire and emergency response in a way that is most cost-effective for households and business by:

- i) Ensuring the ongoing use and maintenance of Rural Fire assets is appropriately provided for”.***

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 7 JUNE 2017

FROM: CHIEF FINANCIAL OFFICER
BRUCE ALLAN

SUBJECT: REPORT WILL BE CIRCULATED SEPARATELY -
FLAXMERE TOWN CENTRE FUNDING

Report will be circulated separately.