
Thursday, 23 June 2022

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Thursday, 23 June 2022**

Te Wā:
Time: **10.30am**

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

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Chief Executive - Nigel Bickle**

**Watch Council meetings
streamed live on our website
www.hastingsdc.govt.nz**

Thursday, 23 June 2022

Te Hui o Te Kaunihara ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Bayden Barber, Alwyn Corban, Malcolm Dixon, Damon Harvey, Tania Kerr (Deputy Chair), Eileen Lawson, Simon Nixon, Henare O’Keefe, Peleti Oli, Ann Redstone, Wendy Schollum, Sophie Siers, Geraldine Travers and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5018)

Te Rārangi Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

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.

3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

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 General Counsel or the Manager: Democracy and Governance (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.

4.0 Confirmation of Minutes – *Te Whakamana i Ngā Miniti*

There are no minutes to confirm.

5.0 Introduction of Mayor's Tuia for 2022

7

Hawke's Bay Tōmoana Showgrounds

Attachment 1 to this report is confidential in accordance with the Local Government Official Information and Meetings Act 1987 Section 7 (2) (b) (ii) -

6.0 *The withholding of the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.*

9

7.0 Haumoana Seawall Protection - H18 **21**

8.0 Proposed Amendments to Schedule of Meetings **27**

9.0 Minor Items – *Ngā Take Iti*

10.0 Urgent Items – *Ngā Take Whakahihiri*

Thursday, 23 June 2022

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Item 5

Te Rārangi Take

Report to Council

Nā:
From: Sandra Hazlehurst, Mayor

Te Take:
Subject: Introduction of Mayor's Tuia for 2022

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The Tuia Programme is part of LGNZ's Mayor's Taskforce for Jobs - Rangatahi Leadership Programme, which involves local Mayors mentoring on a one-on-one basis a young person to encourage and enhance their leadership skills.
- 1.2 Hastings District Council Mayors have been participating in the Tuia programme for the past nine years.
- 1.3 The purpose of this report is to introduce the Mayor's Tuia for 2022. This year, the Mayor has selected two wahine to work with – Chanay Peri, 24 and Angel Hillman, 23.
- 1.4 Chanay works for Te Puni Kokiri and says her passion, through work and life, is to support others to achieve their dreams – whether that be gaining a driver's licence, or getting the job of their dreams. For herself, she wants to continue with her studies, with her goal for five years' time to be halfway through her Te Reo Māori degree as well as completing her law degree.
"My dream is to see Māori succeeding better than we have before, I dream that we have a community that every individual is succeeding for themselves, and where we are able to show our babies how easy life can be with the right tools."
- 1.5 Angel is currently working for Sport Hawke's Bay in the He Oranga Poutama team, at the same time as studying for a Bachelor of Science, majoring in physiology.
- 1.6 The programme looks to build a network of support for rangatahi to help them serve their communities well. A mayor will select a rangatahi from their district who they will develop a mutually beneficial mentoring relationship with, in order to enhance their ability to contribute well to their community. This will happen on a monthly basis, involving both informal meetings and participation at formal occasions.
- 1.7 The programme also provides an opportunity to gain a deeper insight into inter-generational issues and experiences.

- 1.8 Selected rangatahi will be expected to undertake a 100 hour community contribution project in their communities.
- 1.9 Rangatahi will also attend five wānanga in different parts of the country over the year to build networks, obtain support and receive exposure to a diverse range of people from across the country.

2.0 Recommendations - *Ngā Tūtohunga*

That Council receive the report titled Introduction of Mayor's Tuia for 2022 dated 23 June 2022.

Attachments:

There are no attachments for this report.

Thursday, 23 June 2022

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Dean Ferguson, Project Manager

Te Take:
Subject: Hawke's Bay Tōmoana Showgrounds

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to support Hastings District Council (Council) in making a decision to purchase landholding assets from the Hawke’s Bay Agricultural & Pastoral Society (A&P Society). The said assets include 40 hectares (Ha) of Plains Production zoned land situated on Kenilworth Road in Hastings. The site is known as the Hawke’s Bay Tōmoana Showgrounds (The Site).
- 1.2 The A&P Society currently owns the 42Ha site, but as part of the Sale and Purchase Agreement presented by Council, the A&P Society will be subdividing and retaining the north eastern corner (approximately 2.7Ha) leaving Council to acquire the remaining circa 40Ha site.
- 1.3 Key aspects of the Sale and Purchase Agreement include the purchase price of \$7.5 million (excl. GST) with the settlement date scheduled for 31 March 2023. Council has set aside an additional \$525,000 for the possible deconstruction of the grandstand.
- 1.4 As part of the Sale and Purchase Agreement, Council will advance a Reserve Management Plan for The Site and vest the Tōmoana Showgrounds as a reserve under the Reserves Act 1977. The name “Tōmoana Showgrounds” would be retained. This will ensure The Site is held in perpetuity.
- 1.5 Public Consultation was undertaken in relation to the proposed purchase via the 2022/23 Annual Plan process. A total of 1,240 responses were received to the proposal. A summary of the feedback is as follows:

Engagement Method	Yes - Purchase	No – Do Not Purchase
Website Survey	91.4%	8.6%
Consultation Document	89.3%	10.7%
Farmers Market	98.8%	1.2%
Formal Submissions	95.0%	5.0%

- 1.6 Key aspects of the feedback received from those supporting the purchase related to ensuring the land was retained for the purposes specified in the Consultation Document, and in some further explanation in respect of the grandstand, the need for demolition (or not) and other options. A number of submissions offered suggestions in regards to future use and development which are considerations for the proposed master planning exercise, should the Council proceed to purchase the site.
- 1.7 Residents not supportive of the purchase were predominantly concerned with the fiscal burden, particularly in the current economic climate.
- 1.8 Extensive due diligence has been undertaken to support Council decision-making. **This report acts as a concise overview of the relevant major headlines to inform Council decision-making.**
- 1.9 The purchase of the Tōmoana Showgrounds is subject to ratification from the A&P Society's General Committee meeting on the 27th of June 2022.

2.0 Recommendations - Ngā Tūhunga

- A) That Council receive the report titled Hawke's Bay Tōmoana Showgrounds dated 23 June 2022.
- B) That Council approve and execute conditional agreement to acquire 40 Ha of the Tōmoana Showgrounds for the purchase price of \$7,500,000 (excluding GST).
- C) That Officers to prepare an implementation plan in advance of the settlement date and to bring back to Council in February 2023 to inform.

3.0 Background – Te Horopaki

- 3.1 The first Hawke's Bay A&P Show was held in 1863. The A&P Society has been at its current location since 1911, with additional land purchases in 1933 and 1952 giving it a total area of 130 acres (approx. 52.6Ha). In 1990 the A&P Society made the decision to sell Elwood Road block to the Polo and Rugby Club and invest the money to generate capital for its further development. At present the site consists of 42Ha. The A&P Society have a long and rich history and association with our community and people.
- 3.2 The A&P Society and Council have a long standing and positive relationship.
- 3.3 In May 2020, the A&P Society approached Council to gauge Council's interest in purchasing the site as a whole, or in part. The opportunity to acquire an established parkland of scale, that is strategically located at the entrance to Hastings City, was a rare opportunity.
- 3.4 In 2021, the A&P Society received an offer from a commercial group to purchase the Hawke's Bay Tōmoana Showgrounds, however, this offer was later withdrawn.
- 3.5 In January 2022, Council commissioned a valuation of The Site and entered into negotiations with the A&P Society which included drafting a Sale and Purchase Agreement and Licence User Agreement.
- 3.6 **Table 1** – Map of the Hawke's Bay Tōmoana Showgrounds (green shaded area represents 40Ha as part of the Sales and Purchase Agreement)

Table 1 – Hawke’s Bay Tōmoana Showgrounds



4.0 Discussion – *Te Matapakitanga*

- 4.1 **Sale and Purchase Agreement** – A signed conditional agreement for the Sale and Purchase of the Hawke’s Bay Tōmoana Showgrounds was presented to the A&P Society on the 29th of March 2022 and counter signed by the A&P Society on the 18th of May 2022.
- 4.2 The key aspects of the Sale and Purchase Agreement include:
- Purchase price: \$7,500,000 (excluding GST) for 40Ha land.
 - The A&P Society will have 10 days free use per year (between 1 April to 31 March) including reasonable pack in/pack out time. At its cost, the A&P Society will continue its upkeep of the property and its improvements until settlement date.
 - The A&P Society will subdivide and retain 2.7Ha.
 - Council to provide rent free office accommodation for up to 5 of the A&P Society’s staff within the Grandstand building (or within any alternate suitable space the Council will provide, should the Grandstand area no longer be available).
 - Council will advance a reserve management plan for the property, and upon completion of that process, will vest the full 40Ha as reserve.

- For the reserve or parts of it to be run by a charitable trust - a maximum of 5 trustees, with one appointed by each from Council and A&P Society, and one by the Waipatu Marae and up to 2 appointed by an appointments panel.
 - Tōmoana Showgrounds will be the name of the reserve.
 - Clause allowing Council to undertake due diligence for a 30 day period.
- 4.3 A Licence Agreement has been drafted and will be presented at the A&P Society General Committee Meeting on the 27th of June 2022.
- 4.4 The key aspects of the Licence Agreement include:
- An agreement of the 10 days free use clause for the purposes of A&P Society events and A&P Society Third Party events.
 - Terms of bookings and usage.
 - Agreeing to the current site coverage and the needs of the A&P Society for their premier event, the A&P Show.
 - Condition of the current facilities and acknowledging that some of the buildings are not fit for purpose, require significant repair and maintenance expenditure and/or may be earthquake-prone.
 - Any development on The Site by Council or the Reserve Management Entity needs to be done without compromising the ability of the A&P Society to hold their events (and third party events) during the 10 days free use period.
 - The A&P Society will have free office accommodation for up to 5 staff members within the Grandstand (or within any alternate suitable space).
 - The Licence Agreement will be reviewed every 5 years from settlement date.
- 4.5 **Health & Safety at Work Act 2015 (HSWA) – Person Conducting Business or Undertaking (PCBU)** – By Council acquiring the Tōmoana Showgrounds, Council will become the PCBU therefore will have the primary duty of care to ensure the safety of workers and anyone affected by its work.
- 4.6 This will have implications for the current leaseholders and any events being held on the site. Safety Site Management Plans will be required with possible remediation work to be undertaken for example, any buildings that contain asbestos. Council will need to assure itself that the site is safe to occupy and use.
- 4.7 Although HSWA does not have specific provisions that relate to seismically vulnerable buildings, it does establish that building owners are considered PCBUs.
- 4.8 **Key Buildings and Assets** – There are 35 buildings and structures on The Site that range in age, construction materials and condition. The earliest buildings were constructed around 1918, and the more recent portable toilet blocks being added to the site to meet the demands for amenities due to the condition of some existing structures. All the buildings on The Site will require investment to bring up to a compliant standard or be replaced. With the exception of the Grandstand and Plunket buildings, these other 33 buildings and structures were constructed in timber frame, timber or iron cladding with iron roofs. Over the years, some repairs have been carried out on the buildings using a variety of materials including asbestos related products.
- 4.9 The Grandstand building was constructed between 1967 and 1969 with the second floor rooms being added in 1980. The building structure is comprised of reinforced concrete arches with access ramps at both ends, concrete floor, extensive glazing at the rear and iron support and steel frame roof. The building ground floor includes an open space used for display and trade purposes. It also houses first floor offices and rooms, second floor room which is partly leased to a fitness provider.

- 4.10 A full seismic assessment was conducted in 2013 which rated the Grandstand building at 35% New Building Standard (NBS) and the structure was therefore not deemed to be an earthquake-prone structure. Subsequent to the Kaikoura earthquake in 2016, there have been advancements in earthquake knowledge and it is assumed that the Grandstand building, as assessed under a 2022 detailed seismic assessment, would be found to be either earthquake-prone or uneconomic to repair to a minimum of 67% NBS.
- 4.11 The Exhibition Shed was constructed around 1918 and is comprised of timber framing, iron clad walls and iron roof. A concrete floor was poured around 2018. The Exhibition Shed is primarily used for the events. The Sheep Yards were constructed around the same time and also comprise of an iron roof and timber framing. The structure is supported with reinforced concrete posts which show signs of wear and tear. Given the size and use of both buildings, a seismic assessment will be carried out to identify their NBS rating and any remedial action required to ensure the meet a minimum of 67% NBS.
- 4.12 As part of the Licence Agreement between Council and the A&P Society, Council will complete a seismic assessment on the above buildings within 12 months of settlement date.
- 4.13 **Valuation** – Added Valuation Limited were commissioned to complete an independent valuation for the A&P Society’s land.
- The estate is in fee simple (freehold). The land is zoned Plains Production Zone on Land Use Capability (LUC) soil class 1. (LUC1 class land has virtually no limitations for arable use and is suitable for cultivated crops, pasture or forestry.)
- 4.14 The scope of the valuation:
- Ascertain market value for the A&P Society’s land.
 - Include external onsite inspection of the property, analysis of market evidence, and analysis of market value.
- 4.15 The findings of the valuation are:
- Current market value of the **418,545m²** apportioned as follows;
- | | |
|--------------------|-------------|
| Improvements Value | \$50,000 |
| Land Value | \$7,800,000 |
- The valuation assessment is exclusive of GST (if any)
- | | |
|---------------------------|--------------------|
| Total market value | \$7,850,000 |
|---------------------------|--------------------|
- 4.16 The full valuation report is attached to this report as Attachment 1.
- 4.17 **Public Consultation – Annual Plan 2022/2023** – Public Consultation was undertaken in relation to the proposed purchase via the 2022/2023 Annual Plan process. 1,240 responses were received on the potential purchase of the Tōmoana Showgrounds and were presented to Council on the 9th June 2022 as part of the Annual Plan Hearings. Results from the consultation showed that around 91% of submissions were in favour of Council acquiring the site.
- 4.18 **Finance** – The Financial Forecasts are based on the Profit and Loss statements of the Hawke’s Bay A&P Society from 2018 to 2022. The income from the five events identified in the Licence Agreement with A&P Society have been removed from the forecasts and in some cases the 5 year average of actual expenses have been used where appropriate.
- 4.19 Following site visits of the Assets and Parks Team, an initial expenditure forecasts have been included. There are two forecasts:
- **Table 2** – Contractor Grounds Maintenance.
 - **Table 3** – HDC Park Maintenance-Groundsman and Assistant.

Table 2

A&P SHOWGROUNDS FORECAST

Financial Forecast 01 April 2023 to 30 June 2026

Contractor Grounds Maintenance

	01-04-2023 to 30-06-2023	FYE 30-06- 2024	FYE 30-06-25	FYE 30-06-26	Notes
Trading Income	\$	\$	\$	\$	
Facility Hire	6,925	135,000	135,000	135,000	Average last 5 years (excluding 4 A&P Events)
Farmers Market	18,227	72,906	72,906	72,906	Farmers Market Revenue 2019-(Pre COVID)
Horse of the Year	-	101,782	101,782	101,782	Revenue 2020 (Highest from HOY previous 5 years)
Total Trading Income	<u>25,152</u>	<u>309,688</u>	<u>309,688</u>	<u>309,688</u>	
Gross Profit	25,152	309,688	309,688	309,688	
Other Income					
Commercial Lease- Power Income	1,115	4,460	4,460	4,460	Actual A&P FYE 2022
Lease Income	23,895	95,581	95,581	95,581	Leaseholder income
Sundry Income	1,750	7,000	7,000	7,000	Actual A&P FYE 2022
Total other Income	<u>26,760</u>	<u>107,041</u>	<u>107,041</u>	<u>107,041</u>	
Operating Expenses					
Depreciation	22,338	89,350	89,350	89,350	Actual A&P FYE 2022
Electricity	8,000	32,000	32,000	32,000	Actual A&P FYE 2022
Insurance	-	-	-	-	Estimate required
Interest	106,500	426,000	426,000	426,000	Purchase Showgrounds site-Capital & Interest
Office/Computer Expenses	775	3,100	3,100	3,100	Estimate from Council IT
Rates Land & Water	4,881	19,523	19,523	19,523	Actual A&P FYE 2022
Repairs & Maintenance Buildings	-	287,000	287,000	287,000	Building team estimate
Repairs & Maintenance -Grounds	124,750	544,000	499,000	499,000	Parks Team estimate
Security	5,651	22,603	22,603	22,603	Average last 5 years
Telephone, Tolls & Internet	1,250	5,000	5,000	5,000	HDC IT estimate
Wages	37,500	150,000	150,000	150,000	Groundsman & Assistant transfer to HDC Parks Team
Total operating Expenses	<u>311,644</u>	<u>1,578,576</u>	<u>1,533,576</u>	<u>1,533,576</u>	
Net Profit/Loss	<u>-\$ 259,732</u>	<u>-\$ 1,161,847</u>	<u>-\$ 1,116,847</u>	<u>-\$ 1,116,847</u>	
Extra-ordinary Expenses					
Reserves Management Plan		150,000			Parks Team estimate
Assessment buildings % NBS		50,000			Grandstand & Exhibition Hall assessment for % NBS
Grandstand Demolition		525,000			Estimate
Legal expenses		-			Empowering Act of Parliament
Establish Trust		6,000			Estimate from Lawyer
Subdivison 2.7ha H.B. A&P Society		30,000			Council share 2.7ha subdivision
		<u>\$ 761,000</u>			

**Note-Forecast estimates based on H.B. A&P Society P&L, FYE 31 March 2022 and HDC Parks & Building Teams
In the first 3 months there is "x" dollars rates funding available.**

CAPITAL FORECAST

Purchase Showgrounds from H.B. A&P Society	\$ 7,500,000
Portacom Buildings-3 Toilet and 1 Shower	\$ 80,000
	<u>\$ 7,580,000</u>

Table 3

A&P SHOWGROUNDS FORECAST

Financial Forecast 01 April 2023 to 30 June 2026

HDC Park maintenance- Groundsman & Assistant

	01-04-2023 to 30-06-2023	FYE 30-06- 2024	FYE 30-06-25	FYE 30-06-26	Notes
	\$	\$	\$	\$	
Trading Income					
Facility Hire	6,925	135,000	135,000	135,000	Average last 5 years (excluding 4 A&P Events)
Farmers Market	18,227	72,906	72,906	72,906	Farmers Market Revenue 2019-(Pre COVID)
Horse of the Year	-	101,782	101,782	101,782	Revenue 2020 (Highest from HOY previous 5 years)
Total Trading Income	25,152	309,688	309,688	309,688	
Gross Profit	25,152	309,688	309,688	309,688	
Other Income					
Commercial Lease- Power Income	1,115	4,460	4,460	4,460	Actual A&P FYE 2022
Lease Income	23,895	95,581	95,581	95,581	Leaseholder income
Sundry Income	1,750	7,000	7,000	7,000	Actual A&P FYE 2022
Total other Income	26,760	107,041	107,041	107,041	
Operating Expenses					
Depreciation	22,338	89,350	89,350	89,350	Actual A&P FYE 2022
Electricity	8,000	32,000	32,000	32,000	Actual A&P FYE 2022
Insurance	-	-	-	-	Estimate required
Interest	106,500	426,000	426,000	426,000	Purchase Showgrounds site-Capital & Interest
Office/Computer Expenses	775	3,100	3,100	3,100	Estimate from Council IT
Rates Land & Water	4,881	19,523	19,523	19,523	Actual A&P FYE 2022
Repairs & Maintenance Buildings	-	287,000	287,000	287,000	Building team estimate
Repairs & Maintenance -Grounds	72,500	425,000	290,000	290,000	Parks Team estimate
Security	5,651	22,603	22,603	22,603	Average last 5 years
Telephone, Tolls & Internet	1,250	5,000	5,000	5,000	HDC IT estimate
Wages	37,500	150,000	150,000	150,000	Groundsman & Assistant transfer to HDC Parks Team
Total operating Expenses	259,394	1,459,576	1,324,576	1,324,576	
Net Profit/Loss	-\$ 207,482	-\$ 1,042,847	-\$ 907,847	-\$ 907,847	
Extra ordinary Expenses					
Reserves Management Plan		150,000			Parks Team estimate
Assessment buildings % NBS		50,000			Grandstand & Exhibition Hall assessment for % NBS
Grandstand Demolition		525,000			Estimate
Legal expenses		-			Empowering Act of Parliament
Establish Trust		6,000			Estimate from Lawyer
Subdivison 2.7ha H.B. A&P Society		30,000			Council share 2.7ha subdivision
		<u>\$ 761,000</u>			

Note-Forecast estimates based on H.B. A&P Society P&L, FYE 31 March 2022 and HDC Parks & Building Teams
In the first 3 months there is "x" dollars rates funding available.

CAPITAL FORECAST

Purchase Showgrounds from H.B. A&P Society	\$ 7,500,000
Portacom Buildings-3 Toilet and 1 Shower	\$ 80,000
	<u>\$ 7,580,000</u>

- 4.20 The 2022/23 Annual Plan includes a budget provision of \$120,000 to cover interest only and some operational costs. The tables above show the complete cost of interest and debt repayment and some contributions towards depreciation. These costs can be managed in this first financial year which will be only 4 months of ownership by making the 2022/23 financial costs interest only and starting the funding for depreciation from 2023/24.
- 4.21 **Mana whenua** – Council have engaged in an initial hui with local hapū (Ngāti Hori, Ngāti Hāwea, Ngāti Hinemoa) members in regards to the potential acquisition of the Tōmoana Showgrounds, and who are fully supportive of the land transferring to the ownership under Council. The hui attendees expressed a strong interest in the potential proposal including their endorsement and

active participation in the process moving forward along with the opportunity to partner with Council on this specific initiative.

- 4.22 **Leases and Events** – Current leases held under the A&P Society will transfer across to Council upon settlement. The A&P Society will retain their 4 main events as part of the agreement. A separate agreement will be developed between Council and the A&P Society around future events, availability and conditions.

5.0 Options – *Ngā Kōwhiringa*

Option One – Recommended Option – Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 5.1 Execute Agreement to purchase subject to A&P Society ratification and the passing of a Private Bill.

Advantages

- Rare opportunity to secure a significant piece of land on the fringe of Hastings City’s urban footprint.
- Vest the site under the Reserves Act 1977, providing certainty in perpetuity.
- Retain site for major events and activities on the site to enhance the profile of Hastings including supporting the growing equestrian sport sector.
- Providing security over the land for future generations.
- Opportunity for the site to act as stormwater detention and flood mitigation for the Mayfair suburb.
- Establishment of a trust to collaboratively master plan the future use of the site for the benefit of the Hastings community.

Disadvantages

- Initial unbudgeted Operational and Capital Expenditure.
- Limitations on full use due to adhering to the conditions of the Sale and Purchase Agreement.

Option Two – Status Quo – Te Kōwhiringa Tuarua - Te āhukatanga o naianei

- 5.2 Do not execute agreement to purchase Tōmoana Showgrounds

Advantages

- There will be a reduction in Council’s debt profile and the associated interest and debt repayment commitments.
- Council will avoid future development and maintenance costs outlined in section 4.18 of the report.

Disadvantages

- Failure to secure the site for perpetuity.
- Opportunity to acquire the site may not present itself again.
- Impact on the site being used for future events.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 Await the outcome of the A&P Society’s General Committee Meeting on the 27th June 2022.

- 6.2 If the A&P Society’s General Committee members ratify the sale of the Tōmoana Showgrounds to Council, then Officers will develop and produce an implementation plan prior to the 31st March 2023.
- Continue due diligence and transitional planning to ensure Council is fully prepared at settlement date.

Attachments:

1	Valuation Report 140 Kenilworth Road dated 14 January 2022 <i>Confidential in accordance with Section 7 (2) (b) (ii) of the Local Government Official Information and Meetings Act 1987</i>	PRJ16-125-0048	Under Separate Cover
---	--	----------------	----------------------

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council’s Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori](#)

This proposal promotes the environmental, social, cultural and economic wellbeings of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

Council have engaged in an initial hui with local hapū (Ngāti Hori, Ngāti Hāwea, Ngāti Hinemoa) members in regards to the potential acquisition of the Tōmoana Showgrounds, and who are fully supportive of the land transferring to the ownership under Council. The hui attendees expressed a strong interest in the potential proposal including their endorsement and active participation in the process moving forward along with the opportunity to partner with Council on this specific initiative.

Sustainability - *Te Toitūtanga*

There is an opportunity to invest in the site to create sustainable outcomes for the community, not just around the environmental aspect but also from a social and economic perspective. This includes better use of the land for meeting the infrastructure demands in the district and ensuring the land is secured for future generations and mana whenua to enjoy.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Through the Annual Plan process, Council has set aside \$7.5 million to acquire the Tōmoana Showgrounds with a further \$525,000 for the deconstruction of the Grandstand building.

A shadow budget has been prepared to detail the key financial considerations from 1 April to 30 June 2023 and then align with Council’s financial year – year 1 operational and capital expenditure.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision has been assessed under the Council's Significance and Engagement Policy as being of high degree of significance.

Council has met the conditions of the Significance and Engagement Policy by formally consulting with the community as part of the Annual Plan process prior to the purchase being completed.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

Consultation has been carried out via the 2022/2023 Annual Plan Proposal.

Risks

Opportunity: To purchase 40Ha of land on the fringes of Hastings urban footprint for perpetuity purposes.

<i>REWARD – Te Utu</i>	<i>RISK – Te Tūraru</i>
<p>Future use of the site will be managed through the following:</p> <ul style="list-style-type: none"> • Establishment of a Trust (HDC, Society, Waipatu members plus two appointed members) • Reserve Management Plan • Master Plan for future use including attracting and maintaining events • Close working partnerships with the community and key stakeholders • Ensuring any event planning is completed in accordance with Licensing User Agreement between Council and the A&P Society 	<p>Failure to meet the community and key stakeholder expectations will be managed through:</p> <ul style="list-style-type: none"> • Developing and maintaining a communications plan – informing Council, Partners and the community of significant developments and opportunities • Being fiscally responsible with rate funded improvements <p>Failure to plan for the transition of ownership if the sale is approved:</p> <ul style="list-style-type: none"> • Establishment of a cross council working group • Preparation of a project plan to focus on key deliverables up to 31 March 2023 • Communication with key stakeholders for post 1 April 2023 <p>Failure to meet the conditions of the Licence Agreement between Council and A&P Society.</p> <ul style="list-style-type: none"> • Preparation of an events calendar • Open dialogue with key stakeholders <p>Failure of the A&P Society ratifying the sale of the Tōmoana Showgrounds to Council.</p> <ul style="list-style-type: none"> • Ensure the partnership and relationship between the two organisations • Council continues to support the A&P Society to ensure there are wider social and economic benefits realised for the Region

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

The Community Board has discussed the matter informally and Council Officers have discussed the proposal with the Chair and Deputy Chair of the Board.

Thursday, 23 June 2022

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā: Graeme Hansen, Director: Major Capital Works
From: Craig Cameron, Group Manager: Strategy and Development

Te Take:
Subject: Haumoana Seawall Protection - H18

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopotanga*

- 1.1 Since 2019 Council has been assisting the residents on the seaward side of Clifton Road in Haumoana, colloquially known as “the H18”, in considering possible solutions to coastal erosion and the impact on their properties. Hastings District Council’s primary interest in this project is in the wider public good benefits in terms of the protection of roading and water assets adjacent to this section of coastline and ensuring ongoing road access to the area. This section of Clifton Road is the only current access south to Te Awanga and Clifton which enables access to private residences and community facilities, cycleways, wineries and tourism facilities.
- 1.2 A preferred solution, referred to as the Westlock Wall (Wall), has been identified for this section of coast. Stage one works for the Wall, which include investigation, design and consenting, are estimated to cost \$460,000 incl GST. Council officers have had extensive discussions with affected residents and Local Authority regulators. Council officers have assessed the public/private good split for this project at 85% private / 15% public.
- 1.3 Council officers have discussed with affected residents the option of Council paying the \$460,000 costs for Stage one works and recovering the residents’ 85% share of costs via a targeted rate on their properties over a period up to 5 years to assist with affordability.
- 1.4 Stage two of development of the Wall would include construction. Indicative costs for construction are \$3,450,000 incl GST. If Council were to fund construction costs and recover the residents’ 85% share via a targeted rate, a period up to 15 years may be recommended to assist with affordability. Stage two of this project would be subject to a future Council decision process.
- 1.5 Residents have been provided with specific detail for funding the two proposed stages of work, with responses received from all 18 residents. 16 residents are in favour of a targeted rating scheme and 2 are not in favour of a targeted rate. The ownership and responsibility for the wall will rest with the H18 landowners.
- 1.6 H18 representatives have advised a preference for progressing a collective solution for the entire section of the H18 coast and therefore an acceptable solution needed to be agreed for all 18

properties. Since receipt of the 16 May 2022 resident responses and deadline for this paper, with a need for Council to strike the rates for this project by 30 June 2022, the project has been unsuccessful in achieving a commitment from all 18 residents.

- 1.7 Taking account of this, it is officers' advice that the project is not committed as a new rating scheme in the 2022/23 financial year without unanimous support from the H18 landowners. However Council will continue to support the residents in achieving support from all property owners and progressing a preferred solution to deal with the impact of coastal effects in this area in the future.
- 1.8 Six submissions were received through the 2022/23 Annual Plan submission process, with all submissions being in favour of supporting the H18 project.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Haumoana Seawall Protection - H18 dated 23 June 2022.
- B) That the Council;
 - i) Does not support the process of establishing a rating scheme for the H18 Seawall Protection project in the 2022/23 financial year.
 - ii) Continues to support the H18 residents to obtain full support for a preferred solution for this section of coast and would support a future application for this project.

3.0 Background – *Te Horopaki*

- 3.1 Coastal erosion at Haumoana is an ongoing issue. Council and residents have been exploring potential solutions for a number of years. In 2020 the issues of the area were separated into 2 discrete projects, being Cape View Corner and H18 (as 3 of the original 21 properties were included in the Cape View project).
- 3.2 The Cape View corner project at the intersection of East Road protects Hastings District Council infrastructure assets and was completed in 2021.
- 3.3 The H18 project is primarily about protecting the remaining 18 properties on the seaward side of Clifton Road from coastal effects. There are some wider public good benefits in terms of the protection of roading and water assets adjacent to this section of coastline.
- 3.4 Hastings District Council, Napier City Council and Hawke's Bay Regional Council have agreed as Parties to enter into a Memorandum of Understanding of Transition (MOT) to facilitate the transition of functions and transfer of assets with respect to coastal hazards adaptation in the Clifton to Tāngoio Coastal area. It is expected the H18 Wall would not be included in this MOT as the Wall will remain in private ownership.
- 3.5 As part of the MOT for the transfer of coastal hazard assets to the Hawke's Bay Regional Council (HBRC) there is an obligation to consult prior to any commitment to new coastal hazard mitigation assets. A letter was sent on 14 April 2022 from Hastings District Council to the HB Regional Council Chief Executive summarising the project detail and journey to this point and advising that this project asset will be owned by the H18 property owners and therefore will not be an asset transferred to HBRC under the MOT. A subsequent letter has been received from HBRC on 9 June 2022 which has confirmed that the H18 project does not fit the transfer requirements of the MOT, which includes any funding or debt arrangements associated with this project.

3.6 Progress to date

The Council, in conjunction with residents and other agencies, has undertaken the following:

- Design and high level costing report for Westlock Wall option (image below);
- Canvassed support from residents for this option and its funding arrangements;
- Consenting discussions have been held with both Hawke's Bay Regional Council, and internally at Hastings District Council.



3.7 About the funding of the scheme

3.8 The existing water and stormwater assets in this section of Clifton Road have an asset replacement value of circa \$630k, with remaining asset lives varying between 20 to 50 years. Clifton Road has a replacement value of \$530k for a 450m section of road south of the East Road intersection.

3.9 Based on the protection of existing Hastings District Council infrastructure assets in Clifton Road, remaining asset lives and consideration of the long term Coastal Strategy position of Managed Retreat, a public good contribution of 10 – 20% was assessed for this project (this would represent what the wider community contribution would be to the project). This assessment was in line with other projects of a similar nature that have been supported by Council in the past. For the purposes of the financial figures detailed on the notification of election form, 15% has been assessed as the public good contribution.

3.10 This leaves the predominant funding contribution (85%) to come from property owners directly benefitting from the seawall protection. The ownership and ongoing responsibility for the protection structure will rest with the H18 landowners.

3.11 The project has been split into two stages:

- **Stage One** – investigation, design and consenting (indicative total cost \$460,000 incl gst)
- **Stage Two** – physical construction of the seawall (indicative total cost \$3,450,000 incl gst)

4.0 Discussion – *Te Matapakitanga*

4.1 Letters were sent to the H18 residents on 11 April 2022 seeking support for the proposed scheme, establishment of a rating approach and election of a preferred method of payment for Stage 1 of the project, being the Design and Consenting phase. The options offered were:

1. Elect to pay a contribution of \$21,722 including GST over one year as a targeted rate;
2. Elect to pay a contribution of \$4,754 including GST over a five year term as a targeted rate;
3. To not support paying a targeted rate.

- 4.2 The responses received by the closing date of 16 May 2022 are summarised as follows;
1. Pay a contribution over one year – 3 properties
 2. Pay a contribution over five years – 13 properties
 3. To not support the targeted rate – 2 properties
- 4.3 In summary, 16 properties are supportive of the seawall scheme and are committed to paying the targeted rate as described in the residents' letter of 11 April 2022. Two properties are not supportive of the proposed targeted rating.
- 4.4 Representatives of the H18 residents have been provided with the detail of responses, including the 2 properties not in support of a targeted rate, and advice was sought as to next steps. There was general support for an initiative to commit to the Stage 1: Design and Consent phase covering a project over all properties. Efforts since the 16 May 2022 deadline for responses from the property owners has been focussed on attempting to achieve a position of having all 18 properties committed to the project. Commitment to Stage 2 of the Wall, would be subject to a future decision process.
- 4.5 The 2 properties not supporting the scheme are located in the southern section of the proposed wall alignment but not at the end. This limits the opportunity to exclude these properties due to support from other properties south of their location. Advice was sought from Westlock to the situation of excluding 2 properties from a continuous wall scenario and they advised it would be difficult but not impossible to construct a protection wall excluding these properties. Further advice was sought from our consulting engineers around the consenting and localised design affects, with advice indicating that the costs of excluding and designing around the 2 properties could potentially be more expensive than the continuous wall scenario. The proposed wall alignment is located on private property so requires landowners' approvals for any work to proceed.
- 4.6 Further factors, such as the proposed wall alignment being located on private property requiring landowner permissions, the unknown impacts to design, consenting and construction costs for dealing with gaps in the wall and a need to ensure properties are not negatively impacted, as well as the further funding challenges and the risk of ongoing erosion through the unprotected properties makes this proposition difficult for Council to support.
- 4.7 An option could be pursued to only construct a wall covering the properties north of 2 properties not in support but this option leaves a significant number of properties and HDC assets exposed so is not a preferred option.
- 4.8 The focus of this project, as advised to the H18 landowners throughout this process, and consistent with advice in December 2019 from landowners that a continuous wall, with a collective design and consenting process involving all 18 properties as being the preferred and optimum solution has not been achieved. Without full support and taking account of the risks and challenges described above officers are unable to recommend proceeding with the current status of the project.
- 4.9 Council should however continue to support and work with the H18 landowners to find a solution that can be supported by all properties.
- 4.10 Submissions Received:
- 4.11 Six submissions were received through the 2022/23 Annual Plan submission process, with all submissions being in favour of supporting the H18 project. Comments included :
- Rating scheme provides viable way forward for landowners.
 - Helps landowners and protects Council assets and coastline.
 - Will encourage further investment in the area.
 - Proposed funding split is fair.
 - Important for protection of community parks, camping, wineries and Cape Kidnappers.

5.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

5.1 Council does not commit to a rating scheme for the H18 project in the 2022/23 financial year on the basis offered in the letter to residents of 11 April 2022, due to the lack of a unanimous commitment of all 18 properties.

Advantages

- Council does not face any risks associated with an incomplete protection structure and provides additional time for a more complete solution to be agreed.
- Council does not expose the general ratepayer to financial risk from unsecured funding for the project.

Disadvantages

- Council forgoes the opportunity to have a higher level of protection for its infrastructure assets.
- 18 dwellings remain at a higher level of risk to the effects of coastal erosion.

6.0 Next steps – Te Anga Whakamua

6.1 Subject to the outcome of this process and further advice from the meeting, discussions will continue with the H18 landowners and representatives as to possible next steps.

Attachments:

There are no attachments for this report.

Summary of Considerations - He Whakarāpopoto Whakaarohanga

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-Rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori

This proposal promotes the environmental and social wellbeing of communities in the present and for the future by developing infrastructure to mitigate the residential risks of coastal erosion, protect community infrastructure and enable ongoing access to coastal communities.

Māori Impact Statement - Te Tauākī Kaupapa Māori

Mana Whenua will be fully engaged in the design and consent process necessary for the H18 seawall structure, should this proceed.

Sustainability - Te Toitūtanga

Should it proceed, the Wall would utilise best practices design methodologies to help ensure it performs to specification.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Should this project proceed, the primary funding for this project would come from the H18 residents, with an assessment of 15% of the project value being attributed to HDC, relating to the ongoing protection of roading, water and power assets in the immediate vicinity.

Council's 15% contribution is currently unbudgeted and is being considered in Council Annual Plan Process.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of medium significance. Affected parties have been extensively engaged with.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

Should the project proceed, consultation over a wide range of interested parties will be undertaken as part of the formal design and consenting processes. The consent process is likely to be publicly notified.

Risks

Opportunity:<Enter text> :

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
The project will provide ongoing protection to the immediate area of the project and access south to Te Awanga and Clifton, including community facilities, wineries, cycleways and tourism facilities.	The loss of residential properties, local authority assets of power, water and roading and the only access to the south of the location.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

Not applicable.

Thursday, 23 June 2022

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Proposed Amendments to Schedule of Meetings

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this report is to consider amendments to the schedule of Council and Committee Meetings for the 2022 Meetings Calendar which was originally adopted by Council on 28 October 2021.

This report recommends that the 2022 Meeting Schedule as amended below be adopted.

The Local Government Act 2002, Schedule 7, Clause 19 states:

“A local authority must hold meetings at the times and places that it appoints”.

If a local authority adopts a schedule of meetings-

- a) The schedule-*
- i) may cover any future period that the local authority considers appropriate, and*
- ii) may be amended.*

Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.

1.2 It is proposed that the meeting schedule be amended as outlined in the recommendations of this report.

2.0 Recommendations - Ngā Tūtohunga

- A) That Council receive the report titled Proposed Amendments to Schedule of Meetings dated 23 June 2022.
- B) That the Council adopt changes to the schedule of meetings for 2022 as follows:

International Advisory Group	New Meeting	Monday 11 July 2022, 3:30pm
------------------------------	-------------	-----------------------------

Attachments:

There are no attachments for this report.