

**SAY IT  
NAPIER!**

**WHAT  
NEXT?**

**LONG TERM PLAN 2018-2028 CONSULTATION**



**NAPIER**  
CITY COUNCIL  
Te Kaunihera o Ahuriri



**A VIBRANT AND  
SUSTAINABLE  
CITY FOR ALL**

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**TOITŪ TE WHENUA  
O AHURIRI, TOITŪ  
TE TANGATA**

**A PROSPEROUS AHURIRI,  
A PROSPEROUS PEOPLE**



## KIA ORA!

When we asked you to Say It Napier! last year, we were blown away by the response. Through an innovative and interactive website, pop-up events around the city, Councillor-led meetings and quick-response postcards available to fill out, we gathered many hundreds of ideas on what would make Napier a more vibrant, energetic, and efficient city in which to live.

We took your opinions away and implemented a number of the budget-friendly community initiatives as quickly as we could – such as the wonderful outdoor movie series held at Bay Skate over the summer, and deciding to remove entry fees from MTG Hawke’s Bay when we housed our temporary city library there. Some of the ideas need further exploration and development. Others are underway and you’ll be reading about them in this, our Consultation Document for the Long Term Plan 2018-2028 (LTP).

Water is a key focus this LTP – the provision of drinking water, along with how we manage waste and stormwater to support the sustainability of our city and lifestyle. And four of our five major projects involve water – the provision of dechlorinated water stations, proposed pool upgrade, our Ahuriri Master Plan and the National Aquarium of New Zealand Expansion Project.

I warmly invite you to spend time familiarising yourself with this document. It serves as both an update on where we are heading as a city over the next 10 years, and an explanation of how we aim to achieve a balance between core infrastructure services and upgrades, and the “sparkle” - the events and “extras” that make our city the very best in New Zealand!

Get involved in the decision-making process by filling out the submission form attached, or using our website to make a formal submission ([www.sayitnapier.nz](http://www.sayitnapier.nz)).

We closely assess all submissions before making any of the key decisions outlined in this document. But, if we don’t hear from you, we won’t know how you feel about where we’re going as a Council. Your thoughts matter, and I look forward to hearing them over the coming weeks.

A handwritten signature in blue ink, appearing to read 'Bill Dalton'.

Bill Dalton  
Mayor of Napier



## WHAT'S THE CONSULTATION DOCUMENT ABOUT?

We want our community to be actively involved in the decisions we make about the future of our city. Last year, on our Say it Napier! website and through our community events, many of you told us what was important for Napier in the next 10 years and shared some of your ideas.

### Here is what you said:

“Take care of our environment”

“A new pool”

“Keep our city safe”

“More places to go, and things to do”

“Look after our locals”

We have included many of your ideas in the Long Term Plan.

In this document, we highlight some of the key issues facing this city over the next decade, discuss some significant projects and opportunities and ask for your feedback. We have split these into three sections; Our Water, Our Places and Our Community. You will also find information about our finances and the services that keep our city running (infrastructure).

## HOW TO HAVE YOUR SAY

Read this consultation document, then go to our Say It Napier! website [www.sayitnapier.nz](http://www.sayitnapier.nz) and fill in the online form. There, you will also find links to all the additional information that gives more detail about the projects we want feedback on.

If you prefer, there is a submission form at the back of this document.

The projects that we would like your feedback on are under these symbols:



You can give us feedback on anything else you think is important as well.

We will be out in the community over April and May. Come, talk to us and get your feedback in by 14 May 2018. Details on where we will be are on page 23.

# A VIBRANT AND SUSTAINABLE CITY FOR ALL

## COUNCIL OUTCOMES

A vibrant, innovative city for everyone

Excellence in infrastructure and public services now and in the future

A sustainable city

Council works with and for the community

A safe and healthy city that supports community well being

## CITY VISION PRINCIPLES

Putting people first

Open for business

A port and coastal city

Our people, our stories

Ecological excellence

Pedal power

## WE WANT YOUR FEEDBACK

Dechlorinated Water Stations

Napier Aquatic Centre Development

Ahuriri Master Plan

National Aquarium Expansion Project

Leasehold Land

## OTHER LTP PROJECTS

Civic Building Upgrade

Water Supply

Community Housing

McLean Park

Inner Harbour

Park Island Master Plan

City Vision

Coastal Hazards Strategy

Library Strategy

Destination Playground

Waste Management and Minimisation Plan

Civic Hotel

# NAPIER IN A NUTSHELL

Napier's population is set to grow by 5.98% over the next 10 years, reaching a total of 66,450 people by 2028.

The population make up will also change, with a greater proportion of over 65s and a more youthful Māori population.

We have 25,600 households set to grow to 27,400 by 2028. The main areas for development are Te Awa, Western Hills, Meeanee, Poraiti (including Parklands) and Bay View.

Napier also is a tourist town attracting just over 750,000 visitors last year, and this is forecast to increase to over 1.2 million visitors per year by 2028.

This next 10 years sees us investing significantly in an efficient and safe water supply and improved stormwater quality, as well as other key projects such as the Napier Aquatic Centre Development.

We have enjoyed low rate levels coupled with income from investments. Even though there are rates increases planned, Napier rates are still low compared to similar sized cities in New Zealand.

## WHAT YOU GET FOR YOUR RATES DOLLAR



### COMMUNITY AND VISITOR EXPERIENCES

Community support (community planning, advice and funding, sport and recreation, libraries, museum) and tourism services



### TRANSPORTATION

Roads, footpaths, bridges, lighting, traffic planning, management and safety, street cleaning



### WASTEWATER

Safe domestic and commercial sewerage collection, treatment and disposal



### STORMWATER

Sustainable stormwater management to minimise flooding



### WATER SUPPLY

Supply of safe potable water and water for firefighting



### OTHER INFRASTRUCTURE

Waste minimisation, cemeteries, public toilets



### CITY STRATEGY

Sustainable management of our resources (city planning, consents, licensing, parking, animal control)



### DEMOCRACY AND GOVERNANCE

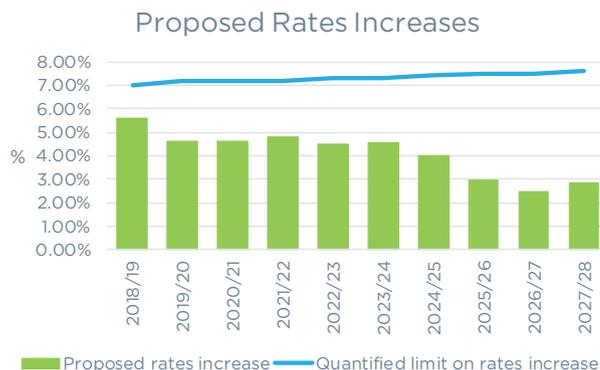
Council and elections

# NAPIER'S LONG TERM PLAN - WHAT NEXT?

## Progressive and practical

For the next 10 years, we are focusing on improving our core infrastructure, and we are proposing projects that benefit our community and the wider region now and into the future.

To pay for this progressive and practical programme, we propose an annual rates increase (capped at 5% plus inflation), to sit alongside our external funding sources and continued wise use of investment income.



LTP Consultation Projects at a glance					
Project	Cost		Rates increase %	Average rates increase per household per year	Impact on Level of Service
	Capital	Extra Ongoing			
<b>Dechlorinated Water Stations</b>					
Proposed option: No dechlorinated water stations	Nil	Nil	Nil	Nil	No impact
Other options: Install four dechlorinated water stations - user pays Install four dechlorinated water stations - rates funded	\$132,000 \$132,000	\$60,000 \$60,000 pa	Nil (user pays) 0.12%	Nil (user pays) \$2.40	Increase Increase
<b>Napier Aquatic Centre Development</b>					
Proposed option: 25m x 25m Pools and Play (new location)	\$41.3 m	\$1.7 m	2.75%	\$67	Increase (new pool complex)
Existing pool extension	\$20.2 m	\$1.3 m	2.55%	\$51	Increase (additional pool)
<b>Ahuriri Master Plan</b>					
Proposed option: The first 12 projects	\$21.4 m	\$127,000 pa	0.25%	\$5	Improved amenity and water quality
Other option: Stormwater quality only	\$6.6 m	\$54,000 pa	0.10%	\$2	Improved water quality
<b>National Aquarium of New Zealand</b>					
Proposed option: Expansion contribution Total project:\$53 m	\$10.2 m	No additional cost	No additional cost	No additional cost	Increase
Other option: Refurbishment	\$11.5 m	No additional cost	No additional cost	No additional cost	No impact
<b>Leasehold Land</b>					
Proposed option: Sell non-strategic land	Nil	Nil	Nil	Nil	No impact
Other option: Don't sell any land	Nil	Nil	Nil	Nil	No impact

# OUR WATER



## KO TE WAI TE ORANGA O NGĀ MEA KATOA WATER IS THE LIFE GIVER OF ALL THINGS

We are surrounded by it, we are energised by it, and sometimes, in this age of global warming and extreme weather, we're overwhelmed and intimidated by it too. Water is an essential and precious resource. Here in Napier, we have commenced a programme of work to ensure we can depend on it, now and into the future.





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## **GETTING IT:**

### **Water Supply**

The Havelock North Drinking Water Inquiry: Stage 2 Report made a number of recommendations around the management and effective treatment of water supplies.

These recommendations are currently being reviewed by central government. In the meantime, the Director-General of Health and the Hawke's Bay District Health Board have stated that the risk to the public is increased if drinking water is untreated, and secure bore status does not mean the water supply is safe. We have prioritised the safety of our water supply in this plan and support the Inquiry's recommendations and the direction from the Ministry of Health.

We need to build two water treatment plants, one in Taradale and one in Awatoto. We need to replace four below-ground bores, as well as make improvements to our reservoirs, to meet the minimum recommendations. In addition, we need to improve flow to our reservoirs and within our water network.

We will also be continuing with permanent chlorination of our drinking water. This is an increase in our level of service for drinking water safety. We have been able to chlorinate the water supply using a manual chlorination system, but it is expensive to operate and unsuitable for the long term, so we have plans to improve our chlorine delivery process.

We have started this programme of work and it will cost \$9.9 million over four years.

Some in our community have expressed to us that they would like to be able to access a chlorine-free supply. While we no longer have a chlorine-free supply in Napier, it is possible to provide dechlorinated (filtered) water through a water station.

### **Dechlorinated Water Stations**

#### **THE PROPOSED OPTION:**

**No dechlorinated water stations – no additional costs – no impact on rates**

The cost of providing a dechlorinated water station is \$20 per 1000 litres over a 10 year period. This does not compare favourably against the current cost of water supply which is 77 cents per 1000 litres to supply a household.

#### **OTHER OPTIONS:**

**Four dechlorinated water stations across Napier – user pays at the station – \$132,000 capital (loan) / \$60,000 operating per year (user pays) – no impact on rates**

Install four stations each with two taps in handy locations across Napier. The stations' capital and operating costs could be funded through a per litre charge for users, payable at the sites. The user fee will cover the repayment of the loan needed to set up the stations (capital) and the operating costs, so there is no additional charge to rates.

**Four dechlorinated water stations across Napier – rates funded \$132,000 capital (rates) / \$60,000 total operating per year (rates) – 0.12% total rate increase, \$2.40 average rates increase per household**

Install four stations each with two taps in handy locations across Napier. The installation and ongoing costs would be added to rates. We anticipate only a small number of people in our community would use the water stations but everyone would be required to pay.



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## **GETTING IN IT:**

### **Napier Aquatic Centre Development**

The demand for aquatic facilities in Napier already outstrips our supply. We expect demand will continue to grow, even if the school-owned Greendale Pool that closed in 2016, reopens. It is important we add water space to meet demand now and into the future.

Aquatic facilities around the country are becoming multi-use facilities for leisure, recreation, rehabilitation, sport and fitness training. Creating a multi-use facility here in Napier future proofs the complex as our community and their preferences change. Adding in 'dry facilities' such as a café and gymnasium gives us an income source that can go towards our operating costs and help to keep entry fees low.

Last year, we asked the community to tell us what they would like in an expanded Aquatic Centre. There was a strong preference for leisure play and recreation.

A 50-metre pool for training and competitions was supported by swimming clubs in particular. We looked into this option further, but with continual increases in construction costs nationwide and the increased operating costs, the cost of the original concept grew. The revised estimate has increased by \$12 million to \$51.7 million to construct and will add over \$100 a year to rates per household.

Since last year, there is also a proposed 50-metre swimming pool facility at the Hastings Regional Sports Park that aims to cater to the demand for swim training and competition sports. A 50-metre pool in Napier would duplicate the development in Hastings.

Historical issues with the Onekawa site and its previous use as a refuse facility must also be considered.

Bearing all of this in mind, we have taken a fresh look at where the Aquatic Centre should be located. There is a centrally located, Council-owned site on the Prebensen and Tamatea Drive corner that could accommodate a new development, while still allowing for increased water space in the future. This site would provide convenient access for more people in the city and across Hawke's Bay. Should this option be supported, we will need to assess the site further.

Our proposed option, located at the Prebensen site, will focus on recreation, learning to swim and fun leisure activities for our community. The water space proposed meets the needs of a high proportion of users while also



meeting the requirements of competitive swimmers and would complement the proposed 50-metre pool in Hastings. The design would be based on the QEII complex currently being built in Christchurch in order to reduce construction risks and design costs.

Should the development of the new site go ahead, we would keep the current Onekawa pool running until the new complex was ready. Prior to the pool's eventual closure, we would look into the options for the future of Onekawa Park.

The current facility costs \$62 to run per ratepayer per year.

### Options at a glance:

Option	Total water space	Cost to build	Total cost to operate	Increases to rates per year
25m x 25m Pools and Play	1274m <sup>2</sup> Excludes zero depth	\$41.3 m	\$3.3 m	\$67
Pool extension	1127m <sup>2</sup>	\$20.2 m	\$2.8 m	\$51

### THE PROPOSED OPTION:

**25m x 25m Pools and Play (new location) - \$41.3 million capital (\$34 million loans, \$7.3 million reserves) / \$3.3 million total operating per year (rates and user pays) - 2.75% total rate increase, \$67 average rates increase per household**

This new pool complex would be at the Prebensen location and would include three new pools (a 25m x 25m pool, a 25m x 12m learners' pool and a 20m x 8m programme pool), two spa pools, a gymnasium, a café and a water play area featuring an accessible pool, bomb pool, hydroslide, splash pad and water toys, meeting the needs of a high proportion of users. This complex would cater for the high interest in leisure play as well as providing more lane space and would be modelled on the QEII complex currently being constructed in Christchurch.

There is the opportunity with this option to extend the 25m pool to a 50m pool if there is demand in the future.

**Lifespan: 50 years.**

### OTHER OPTION:

**Existing Pool Extension - \$20.2 million capital (\$13.1 million loans, \$7.1 million reserves) / \$2.8 million total operating per year (rates and user pays) - 2.55% total rate increase, \$51 average rates increase per household**

This is an extension to the existing facilities in Onekawa with a new 25m x 25m pool (replacing the existing 25m pool), a new 12.5m x 8m learners' pool, and a gymnasium. The water slides, spa pools and splash pad would remain.

Access to the facility would be limited during construction of the new pools.

**Lifespan: 15 years (this is when current facilities will need refurbishment).**



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## CARING FOR IT:

### Ahuriri Master Plan – Airport to Port to Poraiti Hills

The Ahuriri Estuary is a precious environment valued by everyone. It is an area under increasing pressure and is at threat from flooding and pollution. It also suffers from poor water quality.

This 30-year plan sets a vision for a thriving and resilient estuary and coastal edge. It guides the use of land to support sustainable development that allows for commercial and residential growth while protecting the environment.

The first key focus of the plan is to improve the quality of the water entering the estuary through the stormwater system – this is essential to maintain and improve the ecological value of the area.

When we first asked for feedback on the Ahuriri Master Plan, our community was in support of more than 30 projects focused on recreation, environment, transport and the redevelopment and upgrade of coastal areas and Ahuriri. We estimate the full plan will cost around

\$53 million to implement, over the next 30 years. A full list of the projects is contained in the Ahuriri Master Plan document. Details on page 29.

### THE PROPOSED OPTION:

The first 12 projects - \$21.4 million capital (\$13.4 million loans, \$7.8 million reserves, \$400,000 rates) / \$127,000 total operating per year – 0.25% total rate increase, \$5 average rates increase per household

In the 10 years of the Long Term Plan we could cover the first 12 projects of the Ahuriri Master Plan.

These projects include improvement in water quality, upgrades to Bridge St, Meeanee Quay, Pandora Road, and West Quay, and additional car-parking at the rear of West Quay.

These projects will help protect and enhance the environment so that we can continue to enjoy the area now and into the future.

### OTHER OPTION:

Stormwater quality only - \$6.6 million capital (loans) / \$54,000 total operating per year – 0.10% total rate increase, \$2 average rates increase per household

This option covers five projects that are solely focused on basic stormwater quality improvements in the estuary. It would not improve how the area functions for people and the way they wish to use it, i.e. connectivity between areas and enhanced recreation areas.

While this option achieves part of the Master Plan, the full potential of the whole area is not reached.



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## LEARNING ABOUT IT:

### National Aquarium of New Zealand

Our National Aquarium is due for an upgrade. There are essential replacements (plant and equipment) needed and at the same time we could undertake some cosmetic refurbishment of the current facility.

Or, we have the opportunity to create a marine centre of excellence by committing \$10.2 million of Council funds, combined with up to \$42.8 million of external funding and sponsorship for a significant expansion to the facility.

#### The expansion project

This expansion would tell the story of our relationship with the land and sea, encouraging us to care for our natural environment through marine science research, education and conservation programmes. Being bold and visionary is key to the project's success - this would be an unforgettable aquarium experience. This project is an initiative of Matariki: Hawke's Bay's Regional Economic Development Strategy and aims to increase regional growth through increased tourism and job opportunities. It is set to attract significant partnerships, external funding and sponsorship.

It also closely aligns with the government's new Provincial Growth Fund given the considerable benefits it would deliver for the region and to the whole of New Zealand.

We are working with Iwi, the renowned Weta Workshop, the University of Waikato and Air New Zealand to plan a conservation centre of excellence and eco-tourism offering that will attract local, national and international visitors.

The project is in its initial stages of development with an indicative business case drafted. We have a commitment of financial support from the government to complete a full business case. Following this, we would consult further with the community and secure the external funding.

### THE PROPOSED OPTION:

**Expansion - \$10.2 million (reserves and loans) / \$700,000 total operating per year (rates) - no impact on rates**

A significant expansion of the facility and its programmes. A capped contribution of \$10.2 million is proposed, with up to \$42.8 million of non-Council funding for this \$53 million project.

The cost to operate is likely to increase, but any increase will be funded through higher visitor numbers and a small increase in entry fees. Council will look at ways to make it more affordable for locals. The rates contribution will remain the same (\$700,000 per year).

### OTHER OPTION:

**Refurbishment and Replacement - \$11.5 million (loans) / \$700,000 total operating per year (rates) - no impact on rates**

Complete essential plant and equipment replacement and cosmetic refurbishment to the existing facility. This work will not attract any external funding and will be fully funded by Council.

Any increases in the operating costs will be funded by increasing entry fees - these fees are currently reviewed annually. The rates contribution will remain the same (\$700,000 per year).



## Inner Harbour – from Pandora Bridge to Perfume Point

The Inner Harbour supports a diverse range of activities and facilities, from Coastguard facilities, boat ramp launches and fishing, to waka ama, yachting and kayaking. This is a high-use area both commercially and recreationally which will only grow in popularity over time.

We have assessed the current state of the assets including the moorings, pontoons, retaining walls, boat ramp and other structures. Many of these are overdue for significant maintenance and renewal.

Although this area falls into the Ahuriri Master Plan, there are some specific requirements that need in-depth attention. Over the next 18 months, we will be developing a 30-year plan, in consultation with stakeholders, to progress improvements while enhancing the area for users.

This Long Term Plan provides \$8.7 million for the initial work within the next 10 years.

## Coastal Hazards Strategy 2120

This major project is an important response to climate change in our region.

Sea levels are expected to rise up to 1.5 metres over the next 100 years, which means business as usual is no longer an option. Because of the significant risks associated with climate change and sea level rise the three partner councils (Napier City, Hastings District & Hawke's Bay Regional Councils) have been working on the Clifton to Tangoio Coastal Hazards Strategy 2120 to find enduring solutions to our coastal erosion and inundation threats.

The work completed so far has identified preferred protection options, along with high-level cost estimates for the short, medium and long term, up to 100 years. Our next phase considers design and budget refinements, cost-sharing and funding options, and preparing for implementation. Along with the other councils, we have committed \$110,000 per year for the next 10 years in this Long Term Plan which covers the planning phase of the work. We will consult with the community through the development of the projects.

For more information, please go to [www.hbcoast.co.nz](http://www.hbcoast.co.nz)

# OUR PLACES



## KIA TAUTĪNEITIA TE MANA MOTUHAKE O AHURIRI UPHOLD THE ABSOLUTE UNIQUENESS OF AHURIRI

Our region is growing – people from all over the country and, indeed, the world are flocking to live in Hawke’s Bay. Our District Plan and our Heretaunga Plains Urban Development Strategy assess land use across the next 30 years, and how we might best use our resources to cater for future need.





## OUR CITY

### City Vision

The City Vision strategy, released two years ago, promotes vibrancy in the Napier CBD, Marine Parade and Ahuriri. This strategy has already had a big impact on the look and feel of Napier with pop-up spaces around the city and a traffic calming trial underway on Marine

Parade. The Ahuriri Master Plan was also developed out of this strategy.

Over the next few years, there will be more projects in the works with improvements to Hastings Street, upgrades to Emerson Street, pocket parks, artwork and story-boards planned. On Marine Parade, the creation of a paved square in front of the Masonic Hotel will link the CBD to the Parade. This work is included in the Long Term Plan.



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## **Leasehold Land**

We hold an investment property portfolio of 76 commercial/industrial properties across the city, with the majority situated in Onekawa, Ahuriri and Pandora. Some of the land has high public value – ‘strategic’ land - and other land does not. Most of the strategic land is located on the waterfront in Ahuriri and in parts of Pandora.

The total portfolio is currently valued at \$36 million and provides an income of \$1.6 million annually. Under legislation, we must use this income to support the improvement, protection, management, and use of the Inner Harbour and the coastal reserve area. We need to maintain an adequate income to manage this area so rates are not used for this work.

Many lessees have requested to buy the land they lease. They are more likely to invest in land that they own rather than lease.

We would like the option of selling vacant or underperforming leasehold land property. To sell land, we have to change our current policy. Should we sell land, it is important that we get at least the same income from an alternative investment to avoid any rates increase.

## **THE PROPOSED OPTION**

### **Sell non-strategic land - no cost - no impact on rates**

Change Council’s policy to allow lessees to purchase commercial non-strategic land on a case-by-case basis, provided other suitable investment opportunities are available to maintain the income needed for the Inner Harbour and coastal reserve area.

Note that residential lessees are already able to apply to buy the land their property is on.

## **OTHER OPTION**

### **Don’t sell any land (no change) - no cost - no impact on rates**

Retaining the full land portfolio will maintain the current income levels.



## Hotel Development

Late last year, after consultation with the community, Council decided to progress the sale of the Civic building site to a private developer for commercial use. As all staff can fit into the Library building, this block of land is no longer needed. We would like a four star international branded hotel to be developed here. A well-designed hotel, together with street improvements would activate and improve the area.

We are in discussions with potential providers.

## Waste Management and Minimisation

This year, with Hastings District Council, we are updating our shared Waste Management and Minimisation Plan 2018-24. We are encouraging our community to care for our environment by diverting waste from the Omarunui Landfill. Half of the all the waste currently going to the landfill could be recycled, repurposed or composted. Around 80% of household rubbish collected could be composted or recycled. Reducing waste is good for the environment and will also prolong the life of the landfill.

The consultation with the community closed at the end of March and both councils are due to adopt the final Plan by the end of September 2018.

## Civic Building Upgrade (Library building)

The Council's two administration buildings were vacated late last year after a detailed seismic assessment identified both the Library and Civic buildings as earthquake prone. As a result of the move, 228 staff are now spread across three central city locations. We have found that a reconfigured Library building could fit all of the staff as well as a Library.

Further investigations have found we must fully upgrade this building to provide for an open-plan working environment. This includes replacing all electrical and mechanical systems, seismic strengthening work and exterior work.

We are currently developing a business case to identify the most cost effective way forward. We have included a change in the operating costs in 2023/24 in anticipation of upgrading our building. Once we have the outcome of the business case, we will consult with the community.

There are other options for the long-term location of the Library and these are being identified through consultation about our future library services (Library Strategy).



### **Heritage Strategy**

A plan that will identify, protect and maintain our special heritage buildings and sites for future generations.

**Due: June 2018**

### **Retail Strategy**

This will guide where new retail development should be located to support and enhance Napier.

**Due: September 2018**

### **Parking Strategy**

This strategy will make sure we have parking where we need it.

**Due: July 2018**

### **District Plan Review**

The Napier District Plan which manages land use, development and growth is scheduled for review and formal consultation in 2020. The Plan guides the management of our physical resources, heritage protection and recreation areas, balancing residential, commercial and industrial use. We will actively seek input from Māori to ensure cultural values are reflected in our city planning.

**Due: 2020**

### **Sustainability Strategy**

This will identify the issues we face relating to urban growth and the adverse effects of population growth. These issues include increasing waste, and demand for water and energy. It will set goals and actions to support a sustainable and resilient city.

**Due: June 2019**



## BEING ACTIVE

### McLean Park

Alongside major drainage and turf works being completed this year, we are developing an overall strategy for the park to take it into the future as Hawke's Bay's premiere events centre.

While we have added new features to the park over time (e.g. the Graeme Lowe Stand), the rest of the park needs redevelopment so it can continue to attract international and national events and remain viable. These improvements will also allow us to open up the park for concerts and community events.

We have set aside \$3.1 million in the Long Term Plan to make improvements to McLean Park.

### Destination Playground and Anderson Park Upgrades

Construction of the Destination Playground at Anderson Park is well underway. We are looking forward to having exciting, challenging, state of the art equipment and two water play zones with areas where, at no cost, children of all ages and abilities can play together with adults.

Upgrades to the paths, parking and signage along with new barbecue, picnic and shade areas, cycle racks, seating, and a toilet block nearby will add to the playground.

The project is expected to be completed by June 2018. There is \$2.4 million allocated for further work in Anderson Park, including additions to the Destination Playground.

### Park Island Master Plan

A Master Plan for Park Island was originally developed in 2013. We have recently updated the plan and have proposed to rearrange the Northern Sports Hub (along Orotu Drive) and the residential development to achieve better connectivity for sports activities.

With the benefits of artificial turfs, we are able to reduce the overall number of fields. The Hawke's Bay Rugby Union is planning to relocate to the park and develop a high performance training centre there.

The Central and Southern Sports Hubs are essentially unchanged from the 2013 Master Plan except for two additional artificial turf fields outside the Bluewater Stadium, one each for rugby and football.

The Long Term Plan includes \$15.8 million to complete more of the Master Plan activities.



## Indoor Court Space

There is proven and growing demand for court space across Hawke's Bay which is not currently being met. Supporting sport and recreation activity contributes to improved community health and wellbeing, and is a priority area for us.

Pettigrew Green Arena in Taradale is run by the Regional Indoor Sport and Events Centre Trust. In the Long Term Plan we have allocated \$4.1 million from existing funds to pay for five extra courts in the facility, or to fund other options to meet the identified need.

## Sport and Recreation Strategy

We are developing a plan that will help community members overcome barriers to make activity a regular part of their lives.

**Due: First phase - July 2018**

## Parks and Reserves Strategy

This will guide the use, standards and development of parks, facilities, reserves and green spaces throughout the city.

**Due: December 2018**

# OUR COMMUNITY



**KIA WHĀTAUA NGĀ PAETAE E TE HEIPŪ O TE TAUWHIROTANGA**  
LET US MEASURE ACHIEVEMENT BY HOW WELL WE HAVE CARED  
FOR OUR PEOPLE

We work closely with our communities so that we can provide services and facilities that make Napier a great place to live and visit. Like many places, we have a growing older population. Our youth population, particularly our Māori youth, is also set to increase.

We are developing a number of strategies that respond to our rapidly changing community. Our Māori Responsiveness Framework sets out principles for a partnership approach ensuring Māori can fully participate in guiding our city's development.





## Community Housing

Council provides 376 housing units across 12 villages, the majority (304) being retirement flats. This housing supports people with a special housing need, low assets and a low income.

Some of the current housing stock is coming to the end of its useful life. There is limited accessibility, space and facilities. Some villages do not use all of the land effectively.

Income from rents is used to maintain the units and provide the service. The current rent rates will not be able to cover the cost of maintenance and the development needs of the housing within the next 10 years. Some of these costs could be paid for by increasing the rent tenants pay, but this could result in unaffordable housing and would not address the need for redevelopment.

Demand for affordable rentals for older people is predicted to increase, due to our ageing population coupled with a projected decline in home ownership. There is a gap in this provision with only one other provider operating in Napier. Our preference is to continue to provide community housing for older people. We need to consider whether we want to increase our retirement housing and if so, how this should be funded. The government is responsible for providing social housing both through Housing New Zealand and also through contracts with Community Housing Providers (CHP).

In January 2018, we completed a review of our housing delivery that recommended further investigation into two options. Both options have Council providing

retirement housing but not low cost rentals. One option is to sell or lease out the low cost rentals and potentially a few retirement rentals. The second option is to contract out delivery of the whole service through a partnership with a community housing provider.

We are also going to look at how we can improve our current housing delivery, which would have us continuing to provide retirement and low cost rentals. All three options (the two from the review and an improved current service) will then be considered, taking into account the needs of the community. If, after this further investigation, we think there should be a big change to how we provide community housing, we will consult with the community.

## Civil Defence Emergency Management (CDEM)

We are at risk of a number of natural disasters including adverse weather events, earthquakes, tsunami and volcanic activity. It is likely that, during our lifetime, at least one major natural disaster will affect our community.

Civil Defence activity is delivered by the Hawke's Bay CDEM Group through a shared service. This CDEM group is made up of the Napier City, Wairoa District, Hastings District, Central Hawke's Bay District and Hawke's Bay Regional Councils and is responsible for promoting risk reduction, and the readiness, response and recovery of our communities.

The CDEM group is administered by the Hawke's Bay Regional Council. Up until now, each Council contributed



funding to HBRC for the service. From 2018/19, all Councils are proposing to stop collecting rates for most of this activity and for HBRC to include the charge in its rates instead. Napier City will still collect \$60,000 to maintain our Napier Emergency Operation Centre capability.

We believe that taking a shared service approach to Civil Defence and Emergency Management is the best way for Hawke's Bay to respond to and bounce back from a disaster.

### Library Services for the Future

Libraries are changing. Although they remain a hub for the community, how people use them is very different. There is increased demand for technology and online services and people are becoming interested in starting up their own activities and programmes using the library as a base.

We are talking with our community now about what they want in a library so they can help us design the service for the future. This strategy for the library will be completed in September 2018. If there is a significant change to the Library service or location, we will consult with the community.

#### Youth Strategy

Working with Napier's Youth Council, this strategy will support our young people reach their full potential in all areas of life.

**Due: September 2018**

#### Disability Strategy

Ensuring 'Napier is a city for everyone'. The strategy will support Council's activities, services, facilities and public spaces to be inclusive and accessible for all.

**Due: August 2018**

#### Positive Ageing Strategy

Our senior population is set to double in the next 30 years. This strategy will ensure our city caters for this change. Once it is in place, we will look into whether we can become a World Health Organization Age Friendly City.

**Due: December 2018**



## UPCOMING EVENTS

Come and talk to us about the Long Term Plan 2018-2028 for Napier.

Formal consultation begins Say It Napier! website opens	Friday 13 April
<b>Shopping centre sessions</b>	
Taradale	Thursday 26 April 2:30 - 4pm
CBD / Town	Friday 27 April 12 - 1:30pm
Marewa	Thursday 3 May 2 - 3:30pm
Maraenui	Thursday 3 May 4 - 5:30 pm
Tamatea	Saturday 5 May 11am - 12:30pm

<b>Community chat</b>	
National Aquarium of New Zealand Marine Parade, Napier	Monday 7 May 5:30 - 7pm
Greenmeadows East Community Hall Tait Drive, Greenmeadows	Wednesday 9 May 1 - 2:30pm
Consultation document delivered to households	Tuesday 24 April
Submissions close	Monday 14 May noon
<b>Hearings</b>	
Napier Conference Centre in the Napier War Memorial Centre. All submissions to be considered by Council	5 & 6 June
LTP adopted	Tuesday 26 June

# FINANCIAL STRATEGY SUMMARY

Our financial strategy sets the overall direction for the Council's finances over the next 10 years and beyond.

We have a history of cautious financial management with low rates and debt levels. This means we start this LTP in a strong financial position but we also have a big programme of work planned to improve our infrastructure and keep our city running well. We need to increase rates to achieve the work programme.

We are a coastal city that is subject to the threat of natural disaster. Part of our strategy needs to make sure we retain the financial strength to respond to any potential natural disaster.

You have told us to continue to focus on our infrastructure, particularly water supply, stormwater and wastewater. The first step is to get quality data to ensure we are spending on the right things at the right time.

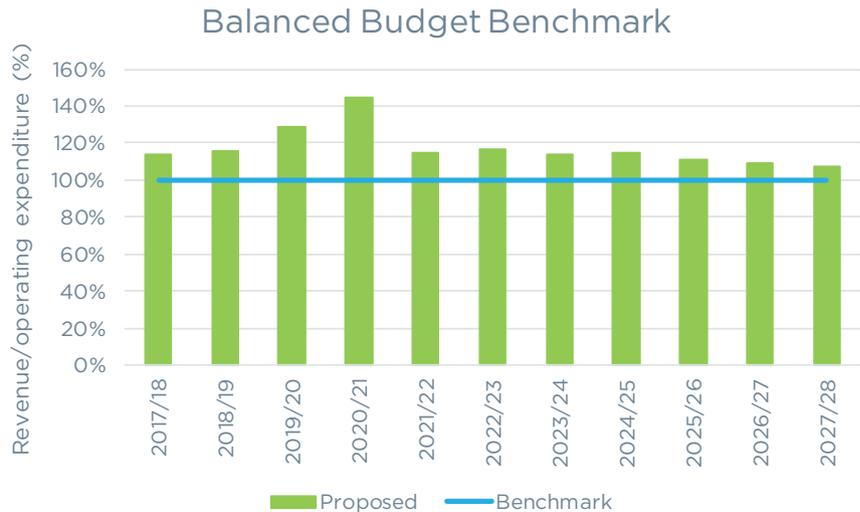
There are four major projects requiring new funding through this LTP:

- \$41.3 million – Napier Aquatic Centre Development
- \$10.2 million – National Aquarium of New Zealand Expansion Project
- \$15.8 million – Library
- \$21.4 million – Ahuriri Master Plan

To deliver all of the work and improvements planned over the next 10 years in an affordable way for ratepayers, we need to have sufficient income from rates, investments and external funding as well as increasing our levels of debt to pay for it. In other words, running a balanced budget.

We have implemented business improvement processes to ensure that business as usual is carried out in the most cost effective and efficient way.

We have been able to generate significant revenue from our Parklands residential subdivision and this has enabled us to invest in a number of projects to improve the vibrancy and liveability of our city. During the term of this LTP the Parklands income will finish. Part of our strategy is to reinvest some of the income we get to provide another ongoing source of revenue for the city.



## Rates and Rates Limits

We have had relatively low rates in comparison to like Councils in New Zealand. But because we have planned significant new investment for our city, rates will need to increase at a rate greater than inflation. For this plan we propose a rates cap (maximum) in any one year of 5% plus inflation (Local Government Consumer Index). The total rates income is capped at \$111 million. The proposed increase for 2018/19 is 5.6% (3.6% plus 2% inflation).

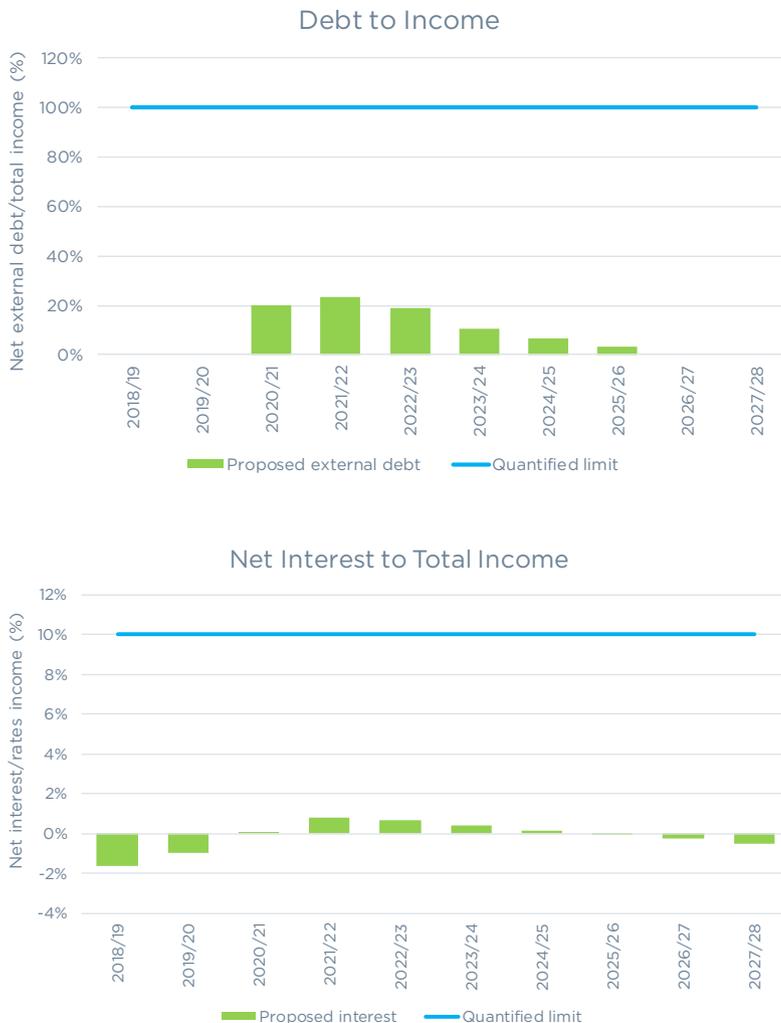
## Debt and Debt Limits

We have identified that new borrowing is needed to support the work programme proposed in the 2018-2028 LTP. We will borrow from our cash reserves (savings) wherever possible, but we will need to borrow \$30 million of external funding which will be repaid by the end of the LTP period (by 2028).

Our debt limits will continue to reflect a conservative approach with the ratio of external borrowing to annual revenues to be kept below 100% (i.e. we don't borrow more than we 'earn' in any one year).

Our 30 year Infrastructure Strategy identifies that we may face additional costs relating to renewing and upgrading our city infrastructure beyond the 10-year period of this plan. Our conservative debt limits will ensure we can fund any additional costs we may face in the future.

Another measure of debt is the proportion of what we pay in annual interest compared to our annual income. The following graph shows that we will remain well below our threshold of 10% (interest cost is less than 10% of our annual income).



# EXAMPLES OF PROPOSED RATES FOR 2018/19

Examples of the impact of rating proposals for 2018/19 are shown in the following table:

	Land Value	Rates 2017/18	Rates 2018/19	Change %
<b>City Residential</b>				
Average	214,000	1,985	2,118	6.7%
Median	200,000	1,885	2,046	8.5%
Quartile 1	160,000	1,712	1,845	7.7%
Quartile 3	250,000	2,158	2,301	6.6%
<b>Commercial / Industrial</b>				
Average	490,000	7,643	7,719	1.0%
CBD Average	291,000	6,902	6,264	-9.2%
Industrial Average	563,000	7,817	8,691	11.2%
<b>Miscellaneous Properties</b>				
Average	400,000	2,930	3,058	4.4%
<b>Rural</b>				
Average	460,000	1,825	1,923	5.4%
<b>Bay View</b>				
Average - No Sewerage Rate	248,000	1,472	1,590	8.0%
Average - With Sewerage Rate	248,000	1,809	1,950	7.8%

The three-yearly revaluation of the city for rating purposes was undertaken in 2017 and those valuations apply as the base for setting the general rate for 2018/19.

The rating examples should be read having regard for the following:

- Council's total rates revenue for 2018/19 will increase by 5.9%
- the impact on existing ratepayers is an increase of 5.6% after allowing for growth in the rating base.
- as property values directly affect the level of general rates, changes above and below average movements will be inevitable following the revaluation.
- a change in the allocation of general rates between residential and non-residential properties has altered rating differentials. The change has no effect on Council's total rating level, but does reduce the level of general rates collected from non-residential properties, while increasing rates for the residential category.
- Increases for Bay View properties are slightly higher than Council's overall rates increase. This results from an assessed benefit review of general rate funded services provided to these properties.

# INFRASTRUCTURE STRATEGY SUMMARY

The Infrastructure Strategy outlines how we plan to manage Napier's assets, valued at over \$1 billion, over the next 30 years. These assets are transport (roading, footpaths etc), three waters (wastewater, stormwater and water supply), parks and reserves, and buildings and property. The Strategy is reviewed every three years as part of the LTP process.

Our assets are in a condition that exceeds expectations given their relative age. The overall performance of our infrastructure is very good. This is evidenced by recent condition assessments, sound network performance and a low network failure rate. We also consistently meet the performance measures set by the Department of Internal Affairs.

As a result of the Havelock North Water Inquiry, and proposed changes to the NZ Drinking Water Standards, we are responding with a comprehensive programme of work, including the treatment of the Napier water supply.

The initial years of this strategy emphasise an improvement to our asset management practice so we take a more strategic approach to planning our spending on our assets – spending on the right things at the right time.

This new, proactive approach will enable us to improve our current asset data, review previous knowledge and assumptions, and take a big picture approach to our asset planning and work programme.

We have identified the challenges we face with our infrastructure including: environmental sustainability, the condition of our assets, our capacity to finish our capital programme on time and within budget, and our ability to bounce back from natural hazards and disasters. We are working on solutions that will evolve as we find out more about our asset condition and any gaps. Our Strategy also identifies the need for Council to be more agile so that we can adapt to any changes made by central government.

The issues we will focus on in the next three years include:

## Transportation

Develop a strategy to guide future development of the transport network. Undertake an assessment of bridges and retaining structures.

A review of road services looking at maintenance, stormwater runoff and new roading.

**Due: June 2020**

## Inner Harbour

Develop a plan that identifies immediate issues, investigates longer term opportunities, and integrates with the Ahuriri Estuary Master Plan

**Due: October 2019**

## Three Waters

Continue to improve knowledge of performance and condition of ageing infrastructure.

Replace automation and monitoring equipment for three waters.

Continue our safe water programme investigating water source capacity and groundwater source quality.

Investigate future options for wastewater treatment and disposal. Investigate infiltration and inflow into the wastewater system.

## Parks, Reserves and Sportsgrounds

A plan that will guide the use, standards and development of parks, facilities, reserves and green spaces throughout the city and an update of our reserve management plans.

**Due: December 2018**

## Cemeteries, Public Toilets, Buildings and Property

Investigate remaining earthquake risk, deferred maintenance, heritage and asbestos issues.

## Our overall goals:

**Short term** (one to six years) – we will address important risks, identify knowledge gaps, and further develop project and asset management systems.

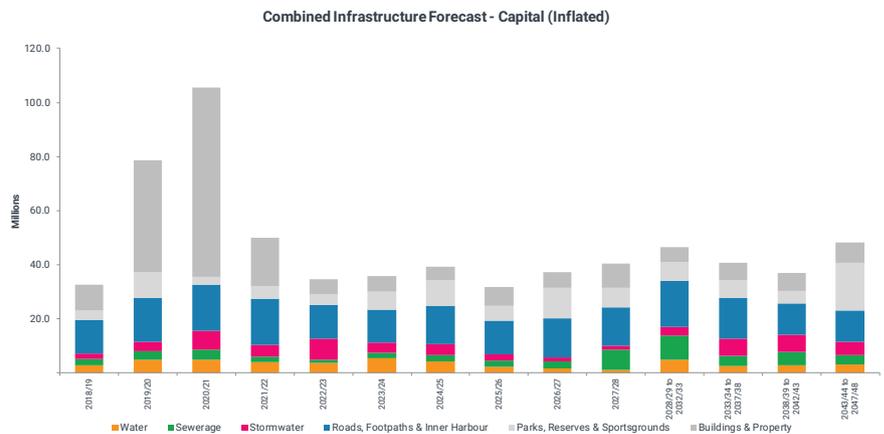
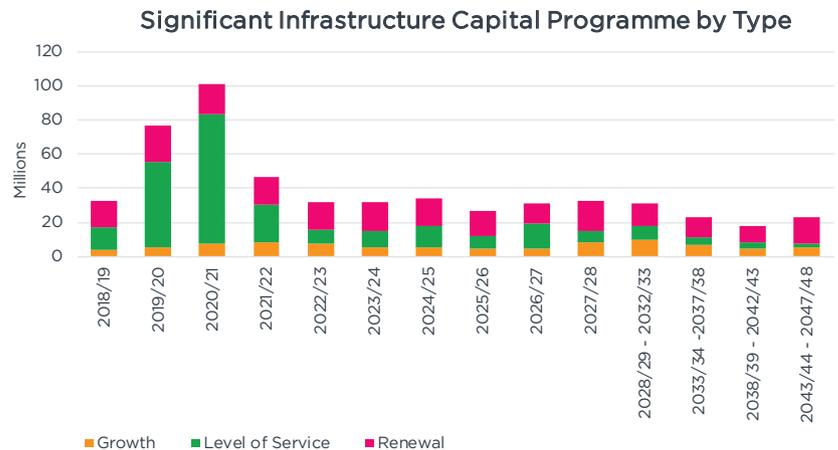
**Medium term** (6-18 years) – we will close any gaps in asset performance and condition, and start investigations into future challenges. We will need to develop a detailed understanding of how climate change and predicted sea level rise will impact on Napier.

**Long term** (18 years plus) – we will work on options to meet these future challenges. For example, the Coastal Hazards Strategy, which is one ‘piece of the puzzle’ for dealing with the effects of climate change.

## We also need to think about:

- our levels of service and how cost effective we are, whether our services and facilities are accessible for all members of our community
- how property development affects our infrastructure
- the provision of retirement and low cost rental housing
- delivery of our asset management plans.

Significant infrastructure capital programme for the first 10 years followed by the average annual spend for each five year period from 2028 to 2048.





## WANT TO KNOW MORE?

You will find a selection of documents giving more detail at [www.sayitnapier.nz](http://www.sayitnapier.nz) you can view:

### Our Water

Napier Aquatic Centre Business Case Options for Expansion

Ahuriri Master Plan

Draft National Aquarium of New Zealand Indicative Business Case (Executive Summary)

Coastal Hazards Strategy

### Our Places

Napier City Investment Portfolio Urban Landscape Strategic Review (Leasehold Land)

Investment Property Portfolio Review (Leasehold Land)

Matariki Regional Economic Development Strategy

Joint Waste Management and Minimisation Plan

Park Island Master Plan

### Our Community

Housing Review

### General

Community Outcomes

Contributions to Decision-Making Processes by Māori

Council Controlled Organisations

Capital Programme

Financial Prudence Measures

Financial Strategy

Financial Statements

Financial Policies

Group Activity Statements

Infrastructure Strategy

Long Term Plan Pre-consultation Engagement Report

Significance and Engagement Policy

Significant Planning Assumptions

## **Independent auditor's report on Napier City Council's Consultation Document for its proposed 2018-28 Long Term Plan**

I am the Auditor General's appointed auditor for Napier City Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 10 April 2018.

### **Opinion**

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long term plan, because it:
  - fairly represents the matters proposed for inclusion in the long term plan; and
  - identifies and explains the main issues and choices facing the Council and City, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

### **Basis of opinion**

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

## **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

### **Independence**

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.



Stephen Lucy  
Audit New Zealand  
On behalf of the Auditor General, Wellington,  
New Zealand



## **ACKNOWLEDGEMENTS**

**AROHA TE RANGI LARSEN**

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**LEO PRICE**

**MRS DIANE CHAPLIN**

**SAMANTHA BEATON**

**TAMATI LARSEN**

**THOR LARSEN**

**MAYOR BILL DALTON**

**DEPUTY MAYOR FAYE WHITE**

**COUNCILLOR KEITH PRICE**

**COUNCILLOR RICHARD MCGRATH**

**COUNCILLOR TONY JEFFERY**

**COUNCILLOR MAXINE BOAG**

**COUNCILLOR ANNETTE BROSANAN**

**COUNCILLOR GRAEME TAYLOR**

**COUNCILLOR KIRSTEN WISE**

**COUNCILLOR CLAIRE HAGUE**

**COUNCILLOR LARRY DALLIMORE**

**COUNCILLOR TANIA WRIGHT**

**COUNCILLOR API TAPINE**

**SAY IT  
NAPIER!**

**MA WAI TE MĀNUKA E KAWE?  
WHO WILL TAKE UP THE CHALLENGE?**

