

Comprehensive Report:

Thames and Surrounds Spatial Plan Strategic and Economic Business Case next steps

1 Background

Council adopted the Thames Spatial Plan Establishment Report at its May 2020 meeting to deliver a Spatial Plan for Thames

In February 2021 the project team and Project Governance Group had a reset and re-evaluation meeting because the scope of the project had varied significantly since the original establishment report.

At a Council meeting held on 23 March 2021 the Council adopted:

- A re-scoped Thames and Surrounds Spatial Plan to a Strategic and Economic Business case
- The staging of the Spatial Plan to identify housing in the short term and secondly align the Spatial Plan with the Shoreline Management Plan works over the longer term.

The Strategic and Economic Business Case has been delivered to Council staff on 14 April 2021 (attachment A) has provided:

- The project context;
- Investment logic mapping and investment objectives
- Data and evidence used to develop the spatial plan including engagement
- Longlist and shortlist options
- Multi criteria analysis of each option,
- A economic assessment/cost-benefit analysis for future investment in Thames

2 Issue

Based on the data and evidence gathered from the Spatial Plan Strategic and Economic Business case the project team now have:

- Evaluated the multi criteria analysis which has Identified a high growth option (Option 5) for Thames which will drive a 2% growth rate to provide for 4000 dwellings over the next 50-100yrs.
- Identified four potential focus area/s of readily developable land within the Thames ward.

The focus areas that have been identified as potential area/s for development which are potentially attractive to developers will provide a significant yield of development subject to Council investment in infrastructure as illustrated in the table below.

	Potential Yield	Indicative infrastructure costs ²⁵ (\$M)
Kauaeranga Valley	250 - 1000	\$7.4 - \$45.8
Kōpū South / Matatoki North	1000	\$43.5 - \$55.5
Puriri	200 - 1500	\$15.3 - \$68.2
Totara Valley	200 - 750	\$6.5 - \$36.8

²⁵ The high-level costs include the investment in new Council owned infrastructure (3 waters and local roads) for each potential development site. These costs are to service growth only, cost to service existing dwellings is not included.

A number of key issues have been identified in order to progress the shorter term plan change workstream and the longer term outlook spatial which are:

- Formal Iwi, community and key stakeholder engagement on the potential development areas
- Having adequate budget and expert resourcing to progress a plan change
- Having funding in place to support infrastructure investment for residential development which includes looking at government funding or private sector partnerships

3 Discussion

There has been informal engagement with Waikato Regional Council planners and Waka Kotahi (NZTA) regarding the spatial plan project over the past several months. There has also been several meetings with Ngati Maru who are strategic partners in this project, during the course of the project from inception through to the current project status.

The Strategic Plan and Economic Business case has identified potential development areas and housing typology that could be created within each of the identified areas is described as follows:

Totara Valley

Totara Valley is included in Spatial Plan Strategic and Economic Business Case options with varying typologies and densities. In options 3 – 5, which include the protection of Thames, Totara Valley is proposed to be developed as residential land with varying degrees of density.



This area is already residentially zoned and there are budget allocations for water supply, wastewater, and transport improvements to support development in the 2018-28 and 2021-31 LTP's. The 2021-2031 Long Term Plan Consultation document identifies \$6.5 m for stormwater, water, wastewater and roading is a "Nice to have project". It is intended that an application will be made to the Government through the Accelerated Growth Fund to fund this infrastructure.

Given the proximity to Thames and existing residential development south of the Kauaeranga River there is an opportunity to engage with landowners and developers to understand the feasibility of developing this land based on Council investment in supporting infrastructure.

Kōpū /Matatoki North

A relatively high level of dwelling growth is planned for Kōpū in all options irrespective of a decision to protect or retreat from Thames. Any parcel(s) of land identified for development would require a Plan Change to allow residential development in the area.

Land adjacent to the State Highway in Kōpū will likely be relatively easy to service with infrastructure given the topography and existing services in the area. However, Kōpū is currently largely an industrial / commercial area separated from residential areas in Thames to the north and Matatoki to the south.

Any development of this area should consider a range of density that conforms with good urban design, social and sustainable outcomes. It will be important to ensure that any future work on the Spatial Plan ensures that development at Kōpū is well integrated with the wider area.

Puriri

Puriri is a proposed growth cell in all Spatial Plan options. However, the scale of development ranges significantly from 200 – 1500 lots if Thames is to be protected, through to becoming the new town if managed retreated is commenced. Extensive investigation has occurred into the infrastructure required to support the existing village and a small-scale development of approximately 200 lots. In the 2021-31 LTP, there is allocated funding to construct a new, modular water treatment plant to service the existing residents which can be expanded should development occur.

The development typology to be provided within the abovementioned focus areas potentially offer a range of section sizes which will provide conventional residential (400-600m² lots), mixed use residential (comprising a range 250-1000m²), large lot residential (2000-4000m²) as well as rural lifestyle 1ha sections. The current zoning of land within the potential development areas ranges from residential zone (400-500m² Totara Valley) to Rural Lifestyle (min lot size 2ha lots) and Rural Zone (min avg lot size 20ha lots).

The next step involves formal iwi, stakeholder and community engagement on the plan changes for these three focus areas to deliver a range section sizes to support a range of housing types within good urban designed and master planned focus areas.

Budget & Resourcing:

The 2021-2031 Long Term Plan consultation document has flagged the need to identify new growth and development through the preparation of a Spatial Plan for Thames, following the last 12 months of gathering evidence. There is not adequate resourcing in house to deal with plan changes to several areas so to enable this to proceed expediently it will be necessary to commission external expertise to assist internal staff with the consultation process and the preparation of statutory reports to support plan changes . It is anticipated that \$50k will needed in the 2020-2021 financial year for key stakeholder and community engagement and a further \$200k will be needed in 2021-2022 financial year for any external expert reports that will support a Council led plan change process. As there is no funding set aside for this work this funding will need to be approved as an out of cycle budget which is a district funded activity.