

BAY OF ISLANDS SPORTS FIELD DEVELOPMENT, KERIKERI**File Number: A2837703****Author: Jeanette England, Assets Manager - District Facilities****Authoriser: Andy Finch, General Manager - Infrastructure and Asset Management**

The Council is satisfied that, pursuant to the Local Government Official Information and Meetings Act 1987, the information to be received, discussed or considered in relation to this agenda item should not be made available to the public for the following reason/s:

- s7(2)(a) the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons
- s7(2)(i) the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

PURPOSE OF THE REPORT

To seek approval to purchase 46.77ha (more or less) of land for the proposed Bay of Islands (BOI) Sports Field Development at the agreed price of \$4,975,000. This purchase requires an increase to the existing Long-Term Plan (LTP) budget of \$1,840,717.

EXECUTIVE SUMMARY

- There is an ongoing need for Council to address the shortage of sports fields in the Kerikeri area. This issue dates back to 2012 when FNDC undertook a study on football fields in the area.
- Council have previously endorsed the need for additional sports fields through the Long-Term Plan (LTP) process.
- The 2018/2028 LTP included a total budget of \$3,134,283 intended for land purchase and development of facilities which was subsequently reforecast to 2019/2020.
- An in-depth property analysis has been undertaken on properties of 10ha or more within the vicinity of Kerikeri.
- This analysis showed three preferred properties of which one, that is currently on the market, has been selected and a Sale and Purchase Agreement, subject to due diligence and Council approval for \$4,975,000 has been entered into.
- The Sale and Purchase Agreement is subject to Council Approval, NZTA approval for a proposed junction on State Highway 10, and a due diligence period of two months ending 31 March 2020.
- The property is valued at GV \$4,975,000 and RV from Telfer Young is \$4,750,000.
- If Council wish to proceed with this purchase, there is currently a budget shortfall of \$1,840,717.

RECOMMENDATION**That Council approves:**

- a) **The purchase of 46.77ha (more or less) of land at 1936 State Highway 10, Waipapa being Lot 18 DP316057 Identifier 26858 and Lot 17 DP333643 Identifier 137900 for the development of a new BOI Sports Field Development at \$4,975,000 plus GST if any.**
- b) **An increase of \$1,840,717 to the existing allocated Long-Term budget of \$3,134,283 for the purchase of the land at 1936 State Highway 10, Waipapa.**

1) BACKGROUND

In 2012 FNDC undertook a football field capacity study. This study indicated that more fields were required to accommodate the needs of the local community. The Baysports complex has two

football fields but it was identified at the time that five additional fields were required to meet demand. There was also a community interest group proposing that Kerikeri needed a sports hub and that a larger property should be considered. This consideration would provide for the football pitches required and an all-inclusive sports facility in the future.

A Multi Criteria Assessment (MCA) was undertaken for Kerikeri properties of 10ha or more. This identified areas of enough land that could be utilised for a multi-sport facility and for future development.

The highest-ranking property in 2012 was on State Highway 10 (SH10), Waipapa and a conditional offer was made on this property subject to a 6-month period for due diligence. The offer subsequently expired and there was no further interest from the vendor to renew.

Following a Needs Analysis and Elected Member workshop, a further MCA exercise was undertaken in November 2019. This identified three properties which would meet the requirements for the provision of sports fields, one of which was the previously identified site on SH10, Waipapa. This was confirmed as the preferred site.

A budget of \$1m for land purchase and a further \$1.4m for a facility was included in the 2012/2022 LTP. This was subsequently increased to \$3.134m in the 2018/2028 LTP.

2) DISCUSSION AND OPTIONS

Decision RequiredThe recommendation is for Council to purchase the property at 1936 SH10, Waipapa for the purpose of building the additional sports fields required to meet current and future demand.

To purchase this property, the current budget of \$3,134,283 needs to be increased by \$1,840,717 which will provide the total amount of \$4,975,000, being the purchase price.

An additional \$2,000,000 has been requested in the 2020/2021 Annual Plan (AP) for this purpose, which will no longer be required if this purchase is concluded prior to 30 June 2020.

Longer Term Benefits of a larger site

Whilst the need for a 10-ha site has currently been identified, a larger sized land purchase would address the current need for additional sports fields and relieve pressure on other facilities currently being utilised, such as the Kerikeri High School playing fields. It would also allow further future sports related and other third-party development of the site, which has the potential to offset the land purchase price to Council.

District Plan (DP) Considerations

The District Planning team were included in the recent MCA and cost benefit exercise. This land is zoned Rural Production which will require amending in the District Plan to allow for the proposed activities on this site.

MCA Findings

As a result of the MCA, Option 1 presents as the most favourable in terms of meeting current and future needs. Staff then undertook boundary site visits on 23 November 2019 to determine suitability, location and site access.

A more detailed report outlining the results and the preferred site is attached.

Option 1: Preferred Site

1936 SH10, Waipapa (46.77 ha)

- Provides a large land area suitable for development of a sporting hub and requires minimal remediation works to make the ground suitable for use as a Sports Hub.
- The proposed site is geographically close to other areas of sport activity.
- The proposed site is currently on the market for sale.
- Good road frontage to SH10
- A Traffic Impact Assessment (TMA) and pre-application meeting with NZTA was undertaken by consultants Haigh Workman (Refer to attached report)

- The TMA has been submitted to NZTA with the entrance to the site being unchanged from the existing entrance and this will form a new side road off SH10 and has the potential to link with Waitotara Drive.

Option 2:

125 Waipapa Road (26.05ha)

- This site had good road frontage along Waipapa Road with the potential to develop good access.
- In close proximity to Kerikeri Sports Complex.
- The land is of an irregular shape which could compromise the full range of activities and facilities.
- Could potentially have a negative impact of neighbouring properties at Blue Marlin Drive and Awhitu Road.

Option 3

1828 SH10 (100.76ha)

- This site has good road frontage for access (subject to NZTA approval)
- Good site with a number of locations available within the land area for development
- There is significant land area within the site that has limited development potential
- There is a significant area of bush within the property.

Future costs

There is a budget in the LTP of \$702,902 in 2020/2021 and \$718,263 in 2021/2022 to obtain a resource consent and undertake design works.

The total cost and funding mechanisms for developing the site and constructing a new junction off SH10 at Waipapa are currently unknown.

Next Steps

Subject to approval, staff will continue to pursue Option 1 and undertake the further due diligence to confirm suitability.

Council will receive a formal report on options and recommendations for future investment and development required to meet the community needs. Should future recommendations require significant additional capital funding above that already allocated in the 2018/2028 LTP forecasts, then it may be necessary to carry out further community consultation in accordance with LGA requirements. This would be undertaken as part of the 2021/2031 Long Term Plan.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The purchase price of the recommended land is \$4,975,000. The current GV is \$4,975,000 and RV is \$4,750,000.

Funding is allocated in the 2018/2028 LTP for the purchase of this land but is insufficient for this purchase. An additional \$1,840,717 is required to enable the purchase to proceed.

Funding of the land purchase is through a ward-based rate and the additional funding required will result in an increase in rates of \$3.02.

Further funding has been allocated in the currently LTP in both 2020/2021 and 2021/2022 for the development of a BOI Sports Fields.

ATTACHMENTS

1. **Kerikeri Sports Field Needs Assessment Report - A2850645**
2. **Kerikeri Sports Field Traffic Assessment V2 - A2850646**
3. **Preferred Site Summary Report - GLG Consultants - A2850647**

Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This report has a high significance due to changing the sporting facility opportunities and a significant capital cost.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Communities that are healthy, safe, connected and sustainable is the major outcome of this project. The AMP Managing Our Assets – Parks and Recreation 2018-2028 notes the acquisition of additional land for sports fields.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	This project does not have district wide relevance. Although the acquisition of land for sports fields is in the current LTP the Bay of Islands-Whangaroa Community Board's opinion should be sought with the required increase in funding.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	Iwi consultation will need to be considered once we have the selected property with an offer in place and is in a due diligence period.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	It will only be possible once we have an offer in place and is in a due diligence period.
State the financial implications and where budgetary provisions have been made to support this decision.	The current LTP has approved funding for land acquisition and facility development which is insufficient and partnerships and/or external funding sources will be required for the Sports Hub development.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report

