

Activity Planning -2012-2022 Ten Year Plan Strong Communities - Local Transportation

The main matter that the Council is being asked to consider is....

- The levels of service associated with the Local Transportation activity.

1. Council direction

The direction provided to staff by the Council in December 2010 was to retain existing levels of service and consider options for reducing levels of service.

2. What the activity does

The Council's Local Transportation activity includes a number of different responsibilities which compliment the provision of roads.

- Footpath maintenance, renewal and construction
- Car park maintenance
- Town centre upgrades
- Street light renewals and upgrades

The *District Transportation* activity includes maintenance and renewal of the following assets on Council maintained roads (excludes State Highways).

3. What the legislations says

The Council has a legal obligation to form and maintain roads (with the exception of State Highways) within the District.

The Council's transport management decisions are shaped by its 2007 Land Transport Strategy. This strategy is underpinned by Environment Waikato's Regional Land Transport Strategy, the Land Transport Management Act 2003, the Land Transport Act 1998, the Transport Act 1962 and the Local Government Act 2002.

Council's Land Transport Strategy details how Council will meet statutory and policy requirements when managing transportation assets and activities.

4. Proposed activity objective

The proposed activity objective for the district transportation activity is:

To create and maintain accessible and safe pedestrian and cycling facilities that help keep our towns attractive.

NB: This is slightly different to the objective stated in the 2009-2019 Ten Year Plan.

5. How this activity contributes to the Council Outcomes

The activity will contribute to the achievement of the Council Outcomes as follows:

Council Outcome	The Local Transportation activity...
A prosperous district	<ul style="list-style-type: none">• Provision of well-maintained roads, footpaths, lighting and carparks is important to the attractiveness of our town centres and the operation

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	<p>of local businesses.</p> <ul style="list-style-type: none"> • By providing important infrastructure services this activity supports the local economy.
A liveable district	<ul style="list-style-type: none"> • Provides infrastructure to help build a safe living environment by ensuring well-managed roads, street lighting and coherent traffic management systems. • Makes it easy for vehicles, cyclists and pedestrians to get around. • Respecting local identities through 'place-making' (town centres and urban form). • Deliver services in the most affordable manner.
A clean and green district	<ul style="list-style-type: none"> • Balances environmental protection with accessibility. • Helps provide for recreation and enjoyment of the Peninsula.

The Coromandel Peninsula Blueprint places expectations on the Local Transportation Activity to protect the natural environment, to protect key lifeline infrastructure and to connect the community with a safe and secure transport network within the main urban hubs of Thames, Whitianga and Whangamata. The balancing of transportation network improvements with protecting the environment referred to in the Blueprint and Council Outcomes is an issue that needs to be addressed in the district plan. Transportation activities primarily address asset maintenance and renewals, with most new and improved transportation assets created through development.

6. Things to be aware of

- The Blueprint is placing increased levels of service expectations on the Local Transportation activity. It requires the activity to have an increased advocacy role, to work with other agencies (eg. DOC and NZTA) on integrated projects. Inevitably, it is requiring an increased capex spend in the Local Transportation activity to deliver the Blueprint expectations.
- The Whitianga town centre upgrade is a multi-activity project, currently identified in the 2009-2019 Ten Year Plan to commence in 2014/15 and programmed over four years. Staff are aware that there is a willingness within the community to bring the timing of this project forward. The Council has budgeted \$4.874M in the 2009-2019 Ten Year Plan for the Local Transportation component of this project. Other works associated with this project include utility upgrades.
- Although the timing for construction of the southern leg of the Coromandel bypass, from Whangapoua Road (SH25) to the southern extent of Victoria Street is not in 2009-2019 Ten Year Plan, there is a willingness within the community to bring the timing of this project forward. A budget estimate is yet to be completed. Staff view is that this project will not be eligible for NTZA subsidy, and likely be unaffordable for the community.
- The Council is currently consulting on funding part of the Hauraki cycleway (Thames to Paeroa leg) as part of it's 2011/12 annual plan. If the funding is approved the Council share of the short term and any longer term maintenance costs will be an additional charge against transportation whilst the benefits will be in the district economic development.
- The Redbridge Road seal extension is in the 2009-2019 Ten Year Plan for completion in 2018/19. Any decision to advance the timing of the Redbridge Road seal extension project, needs to give consideration to the future land

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tenure, development and other infrastructure improvement requirements for the Redbridge Road industrial area.

- The Blueprint places expectations of improvement of the main street of Thames (including the Grahamstown precinct).
- The subsidy available for construction of safety footpaths, lighting improvements and renewals will reduce the local rates funding requirement for these activities.

7. A word from our community...

- The 2010 community prioritisation survey shows that "footpaths" were ranked 16th out of the 27 activities surveys, which places it as a medium priority, as determined by the Community, when compared to the other activities of the Council.
- In the 2010 communitrack survey, overall 75% of residents and non-resident ratepayers were satisfied with footpaths in the District.

8. Strengths, weaknesses, opportunities and threats

- A strength is that the Council has robust forward work programmes. We have a good understanding of short term (1-3 year) road renewal programmes and can implement maintenance intervention strategies that optimise the type and timing of intervention treatment thereby reducing any duplication of effort and avoiding sunk costs.
- The issue is that the some footpath assets created through historical developments are of low quality. This means that there are costs to Council associated with completing footpath renewals to meet required service levels.
- There is a risk that demand for mobility scooter access to footpath networks will increase. This means increased investment in new and improved footpath facilities may be desired by our customers.
- There is a risk that demand for cycling access will increase. This means increased investment in new cycling facilities which may involve removal of car parks in some locations to achieve safe road widths etc.
- A weakness is that many cul-de-sacs within the district remain unsealed. This doesn't contribute to attractive towns and results in higher road maintenance costs.

9. Proposed levels of service options

Footpath construction and lighting improvements are two areas where budget reductions could be made, although these are the only budgets available to improve pedestrian and cycling facilities and street lighting that improves road safety and are important to local communities. It could be difficult to argue that the Council was serious about local roading issues if it wasn't investing in this area.

In light of this the following options are presented for the Council's consideration.

Level of service 1: footpaths can be used to get around town		
Maintain current approach	Increasing levels of service	Maintain existing levels of service, with a cost reduction focus
The Council currently has a footpath rehabilitation and	An increased level of service can be achieved	Reducing the investment in footpath maintenance

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<p>construction programme, managed by Community Board area.</p> <p>NZTA have agreed that the Council can fund some footpath construction work as safety improvements - and these works will be eligible for subsidy. Conditions apply - subsidy is only available if there is conflict between pedestrians and vehicles. This will mean that the programme of footpath construction will require less local funding from rates going forward.</p>	<p>with the current level of investment, in those areas where projects are eligible for NZTA subsidy.</p> <p>Implementing those expectations documented in the Blueprint will require an increased level of investment. The majority of these projects will not be eligible for safety improvement subsidy as they focus on walking and cycling linkages and recreational use.</p>	<p>and renewals programmes is not sustainable, in that it would cost more in the long term.</p> <p>The implications of reducing the level of service is that a backlog of replacement works and an increase in requests for service would likely result.</p> <p>Staff propose that a sustainable reduction would be for the Council to undertake no new capital projects for footpaths, unless on safety grounds the project attracts the NZTA subsidy.</p>
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Level of service 2: street lighting is provided in urban areas and major intersections

Maintain current approach	Increasing levels of service	Maintain existing levels of service, with a cost reduction focus
<p>Both street lighting renewals and improvements funded from local transportation are eligible for NZTA subsidy, although the current Ten Year Plan budgets do not reflect the different subsidy rates available.</p> <p>Renewals are subsidised at 43%, whereas improvements are subsidised at 53%. This will mean that the programme of improvements will require less local rate funding.</p> <p>The Council's focus since streetlights were purchased from Powerco in 2009 has been to address the backlog of streetlighting replacements to minimise higher lifecycle costs associated with repeated</p>	<p>An increased level of service can be achieved with an increased level of local investment.</p> <p>Some additional streetlight improvement work will be able to be completed with the existing level of investment due to the higher subsidy rate available for this work.</p>	<p>Reducing the investment in street lighting maintenance and renewal programmes is not sustainable evidenced by the backlog of work Council has been addressing since purchasing the asset from Powerco.</p>

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<p>maintenance. The level of investment in replacements varies between communities. Those communities with less need for replacements need to decide whether to either use the current level of investment on new streetlights or reduce expenditure.</p>		
Level of service 3: people can access a pleasant town centre		
Maintain current approach	Increasing levels of service	Maintain existing levels of service, with a cost reduction focus
<p>Town centre upgrades (if/when required) fall under the Local Transportation activity.</p> <p>Further, the activity provides for maintenance of town centres</p> <p>This would be achieved through the current level of maintenance and renewals, including berm mowing (funded by district) without undertaking improvements.</p>	<p>Increasing the level of service would require capital investment. A more collaborative approach with groups within communities (such as retailer groups) could achieve level of service improvements through the appearance of properties, businesses, and shop frontages rather than relying solely on rates investment.</p>	<p>To decrease spend in this activity would mean not undertaking the Coromandel Bypass, Whitianga Town Centre upgrade or Redbridge Road extension projects within the 2012-2022 Ten Year Plan, but continue with planning for these projects.</p> <p>The implications of reducing maintenance are that there is likely to be a reduction in the level of service and increase in the number of requests for service.</p>

10. How is this activity managed?

Both management and maintenance of maintenance works are delivered through multi-year contracts.

11. What do we currently spend on this activity?

As a proportion of Council's annual budget for the 2011/2012 year, the Local Transportation activity represents approximately 2.29% of total spend.

2011/2012 Draft Annual Plan	
Operating Expenditure (excluding internal interest cost)	\$1.65m
Capital Expenditure	\$0.66m
Total budgeted spend for Local Transportation for 2011/2012	\$2.31m
Total Budgeted spend for Council for 2011/2012	\$100.97m
Total percentage of budget spent on Local Transportation	2.29%

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2009-2019 Ten Year Plan	
Operating Expenditure (excluding internal interest cost)	\$20.35m
Capital Expenditure	\$14.68m
Total budgeted spend for Local Transportation for 10 years	\$35.02m
Total Budgeted spend for Council for 10 years	\$1,295.64m
Total percentage of budget spent on Local Transportation	2.70%

12. How this activity is funded, and why.

The Local Transportation is currently funded as follows:

Funding rationale summary as outlined in the 2009-2019 Ten Year Plan

Local transportation benefits local communities in delivering footpaths, street lighting main street upgrades and the like at community level. The main benefits are felt by the local community primarily and so a community board targeted rate is considered the best way to fund 60-79% of this activity. The remaining 20-39% of the funding comes from a board targeted fixed charge. The proportion is higher for the land value rate because the Council considers that these works contribute to the value of individual properties.

The funding mechanisms used for operating expenditure are:

General Rates	UAGC	Targeted Rates	Fees & Charges	Grants & Subsidies
		Land value for Board - 60-79% Fixed charge for Board 20-39%		

The funding mechanisms used for capital expenditure:

Develop. &/or Financial Contribution	Borrowing	Asset Sales	UAGC	Depreciation	General Rates	Targeted Rates	Fees & Charges	Grants & Subsidies	Lump Sum Contribution
✓	✓	✓		✓		✓		✓	

Staff recommend no changes to the current funding policy for the Local Transportation activity.

13. Staff recommendation

In light of the Council's direction to align the annual rates increase to CPI, with regards to the Local Transportation activity, staff recommend:

- Deferring all capital projects associated with footpaths, unless on safety grounds, the project attracts NZTA subsidy.
- Retaining footpath renewals programmes.
- Deferring all capital projects such as the Whitianga Town Centre upgrade, Coromandel Bypass and Redbridge Road extension beyond the period of the 2012-2022 Ten Year Plan.
- Retaining street lighting renewal and improvement programmes.

With regards to funding, for the Local Transportation activity staff recommend maintaining the current funding policy.