

Te Kouma Road seal extension

TO	Thames-Coromandel District Council
FROM	Matt Busch - Roading Manager
DATE	17 July 2018
SUBJECT	Te Kouma Road seal extension

1 Purpose of Report

For the Thames-Coromandel District Council to approve the method of funding to allow completion of the Te Kouma Road seal extension project (the project) within the 2018/19 financial year.

2 Background

Sealing of Te Kouma Road from the end of seal at the Sugarloaf facility to the start of seal at Hannafords Wharf (refer to Diagram 1 below showing project location and extents) was considered as part of the 2018-2028 Long Term Plan.



Diagram 1: Te Kouma Road seal extension site extents

The outcome of Council's 2018-28 Long Term Plan process was that no specific project budget was approved and that staff were requested to prepare a funding options report to allow completion of this project from within existing 2018/19 roading capital budgets.

The length of the seal extension site is 710 metres long and the estimated total project cost is \$460,000.

3 Issue

Budget approval is required to enable Council to complete the Te Kouma Road seal extension project within the 2018/19 financial year.

4 Discussion

The NZ Transport Agency (NZTA) has advised that the project will qualify for investment (subsidy) from the National Land Transport Fund (NLTF) as part of TCDC's approved 2018-21 Low Cost Low Risk (LCLR) work programme.

NZTA's LCLR work category allows for transport improvement projects with a total value of less than \$1M to be funded where the Approved Organisation (TCDC in this instance) can demonstrate their case for NLTF investment when assessed against NZTA's Investment Assessment Framework (IAF).

NZTA has referenced Council's Transport Activity Management Plan (AMP) when assessing this project against the IAF and although this project is not specifically named, there are a number of areas within the AMP which link to this type of project, particularly in relation to providing a connected journey.

Council's road improvements subsidised by NZTA, through their LCLR work category include activities such as minor safety projects, seal widening, preventive maintenance, footpath construction and streetlight improvements. After assessing various funding options including re-prioritising Council's non-subsidised and subsidised improvement projects, the following two options stand out as providing best value to Council:

1. Approve a specific project budget of \$460,000 (\$225,000 net cost to Council after NZTA subsidy).
2. Re-prioritise the minor safety improvement work programme to include the Te Kouma Road seal extension project

Table 1 on the following page outlines projects included within Council's 2018/19 minor improvement work programme as well as the impact of option 2 (above); re-prioritising this work programme.

Account Name	2018/19 Budget	2018/19 sites included in budget	Impact of using \$460,000 of this budget budget for Te Kouma Rd seal extension project
Minor Safety Improvements	\$1,020,990	Kapanga Road intersection and road camber improvements - \$300,000	<ul style="list-style-type: none"> - Roading improvements as detailed either fully or partially deferred. - Safety, drainage and resilience benefits associated with road improvements, not realised - Either some, or all, of the 2018/19 dust sealing works deferred.
		Resilience improvements at various sites with high risk of road damage due to instability, river and coastal threats. Sites identified are on Kennedy Bay Rd, The 309 Rd, Tapu-Coroglen Rd and Colville Rd - \$300,000	
		Geometric and sight distance improvements to improve driver safety on rural roads and intersections - \$120,000	
		Road pavement and drainage improvements associated with road pavement rehabs and dust sealing sites - \$120,000	
		Guardrail improvements at high risk sites in rural areas - \$60,000	
		Drainage improvements completed in conjunction with road pavement rehab projects or at sites where improvements are required to limit storm damage - \$70,000	
		SH25/Totara Valley Road intersection improvements - investigation and design - \$20,000	
		Hot Water Beach Rd bridge investigation/data collection and business case - \$30,000	
		Total amount that could potentially be accessed for the Te Kouma Road seal extension	

Table 1:

5 Recommendation

There are a number of benefits to sealing this section of road, particularly in relation to providing a connected journey. One entry point to the Peninsula is via the Coromandel ferry with passengers' first impression of the district being two sections of unsealed road. There are a number of projects in the list in Table 1 that are a priority for our communities, and there are also works that from a technical perspective need to be completed.

Upon reviewing the list in Table 1 of potential works and programmes that could be considered for deferral to allow the sealing to proceed; it is the staff recommendation that a new specific budget is created for the sealing. The budget required is \$460,000 and this would be loan funded. The net cost to Council is \$225,000 due to the NZTA subsidy that the work will attract, therefore the rating impact of the loan funded amount would be \$1 per ratepayer annually.

6 Suggested resolution(s)

That the Thames-Coromandel District Council:

1. Receives the 'Te Kouma Road seal extension' report, dated 17 July 2018.
2. Approves a specific budget in 2018/19 of \$460,000 (Council portion to be loan funded) for the Te Kouma Road seal extension project.