



Planning Palmerston North's Path

Have your say
8 April - 9 May

Draft Long-Term Plan 2024-34
Consultation Document

Kia ora

Trying to plan for ten years is hard at the best of times.

Looking back at the last decade, we'd never have expected (and certainly didn't plan for) a global pandemic, soaring inflation and interest rates, supply shortages, and much more. Some of these things continue to impact how we plan for our city for the next decade, plus we need to factor in new legal requirements for waters, growth and seismic upgrades to our facilities. A change in government will also see some changes for our work, especially in the water area.

Our draft Long-Term Plan is a balance between meeting all of the new legal requirements, maintaining our infrastructure, and continuing to look after the needs of our community. Striking that balance has seen months of work, going over every expense and project. We're keen to hear if you think we've got that right.

This is the blueprint for ensuring our city is a great place to live, visit, and do business over the next ten years and for future generations. It's a roadmap that outlines the services, projects, and priorities aimed at taking care of our city and community. It helps us determine what work we need to do, when, how much it will cost, the funding required, and what that means, ultimately for rates over the coming years.

By far the biggest challenge we have in front of us is a financial one, and we'll now need to look at more external funding including exploring new types of funding, to ensure we can afford to do the work we're required to do. This consultation document outlines that, and the impact for you, in detail.

We also want your feedback on a few key topics too, like expanding or creating new community facilities, whether we change our entire rating system, and our plan of attack for seismic upgrades for our Central Library and Te Manawa museum.

There's a lot to read – but we are here to help answer every question you have and hear your ideas, any concerns, and feedback.

We're listening.

Please make sure your voice is heard as we shape the future of the city that we're all so proud to call home.

Grant Smith JP
Mayor

Waid Crockett
Chief Executive



Five facts to know about our Long-Term Plan.

We know there's a lot to read in our proposed Long-Term Plan. **Here are the five key things you need to know.**

1.

Cost increases, including interest rates on our debt, inflation, insurance, electricity and software make up 8.0% of our Year 1 rates increase before we even started looking at the legally or critically required work we need to do.

We've cut a lot of initially proposed budgets and new projects to get Year 1's rates down to 11.3%.

We can assure you that we believe we have considered every expense to keep rates down.

2.

We're continuing to look after our community, with **investments in housing, community facilities, transport and water.**

3.

The amount of work we're legally required to do in regards to water, growth and seismic upgrades mean **we're looking into alternative funding and different financing options to be able to do this essential work.**

4.

We're proposing moving to a new hybrid rating system.

This means 70% of activities funded by the general rates would continue to be funded by the land value general rate with 30% being funded by a targeted rate on capital value. Read the options in this document and search our website for what the options mean for you.

5.

We're here to answer questions, and to listen.

Please come and chat to us at one of our many sessions. Make sure you have your say and ensure your voice is heard to help shape our city's future.

Consultation is good, I appreciate efforts to keep the information simple and not complicated.

Absolutely beautiful place to live. Amazing, friendly, happy people, I would love to move back.

We hope a lot more homes such as these will go up (Papaioea Place). Affordable, livable, cheap and health conscious and safe. We pray that three or four bedrooms are in your scheme as well.

The smaller suburb parks often lack equipment and are not maintained at all.

Just more transparency please. I would like to see more reporting on the different areas that councillors are involved with.

Palmerston North is a real great place for families because it is a good solid stable place to live with good facilities and services for that kind of thing.

The emphasis on cycling as a transport road use is very slow, too slow.

What you've been telling us

Fix the roads.

I've used this intersection (Ferguson / Pitt Street) five times a week for 30 years. So pleased the area has finally been improved.

I think the direction of travel is good. The development of the Māori wards and relationship with Rangitāne is helping to make an inclusive, dynamic City.

Take opinions of your ratepayers into account when making expensive decisions. It is their money you are spending.

Recreation facilities we find are relatively safe for my moko, so we're very happy.

Most footpaths are safe, a few places less so for elderly. Good progress with intersection upgrades. Hopefully will alleviate pressure during rush hour.

Staff are always friendly, practical, and approachable when I have had contact with them seeking advice or help.

I biked all over Palmy as a child but not now, it's too dangerous.

We have more information on our website and customer service centre and libraries to help you give informed feedback.

You have until 9 May to have your say.

Our Long-Term Plan guides everything we do

Our Long-Term Plan is the blueprint for making sure Palmy is a great place to live, work, visit, play and do business.

It's our roadmap that shows the services, projects and priorities for taking care of our city and community for the next decade. Our plan helps us determine what work the Council needs to do, when, and how much it will cost. It also helps us determine what your rates will be in the coming years. We review our Long-Term Plan, in consultation with you, every three years to make sure it's still meeting Palmy's needs.

Each year we do a check-in which we call our Annual Budget. We see what we've achieved and see if our priorities remain the same or need altering. You get to have your say on this each year too, usually in March.

Our consultation document which you're reading right now outlines the big parts of the puzzle – the challenges, the finances, and what it means for you. We want your feedback on our plan as a whole, but there's also a handful of topics we especially want you to weigh in on to make sure we get it right.

These include reviewing our rating system, upgrades to or new community facilities, and seismic upgrades to our city centre landmark buildings like Te Manawa and Central library.



Your wellbeing is at the heart of everything we do

We know Palmerston North is a great place to be and we want people to enjoy living, working, visiting and doing business here.

To ensure that's the case, we have a vision that sets the direction for all the work we do.

Our vision for the city is

**He iti rā,
he iti pounamu**

**Small city benefits,
big city ambition.**

At the heart of our vision is ensuring every resident is able to enjoy the benefits of living in a small city, with all the advantages of a big city. That means we're known for having a great quality of life while at the same time offering the lifestyle, education and business opportunities available in much larger cities.

To ensure this is achievable, we break it down to four goal areas which are on the next two pages.

Our Oranga Papaioea City Strategy describes the vision and goals in more detail. Everything we do is about the economic, cultural, social and environmental wellbeing of communities now and in the future. Our strategy helps prioritise the investment and resourcing of our services and facilities so that everyone is well supported and can thrive.

An important part of our strategy is you having the opportunity to provide input into decisions!



Our four goals are:

Whāinga 1:
He tāone auaha,
he tāone tiputipu

**Goal 1:
An innovative and
growing city**

Ngā hua Outcomes

- a city that fosters pride, and supports the aspirations of people and communities
- a business environment that encourages investment and delivers career opportunities in a range of sectors
- enough land and infrastructure to enable housing development and business growth
- the efficient movement of goods and services alongside safe and affordable transport options for people
- a globally connected city that fosters opportunities for local people, businesses and organisations
- an economy that embraces innovation and new ideas and uses resources sustainably
- a resilient, low carbon economy

Whāinga 2:
He tāone
whakaihihi,
tapatapahi ana

**Goal 2:
A creative and
exciting city**

Ngā hua Outcomes

- a vibrant city that connects people and where creativity is built into our cityscape
- an arts community and cultural facilities that are well supported and invested in
- our unique heritage preserved and promoted
- opportunities to celebrate our many cultures
- access to exciting well-managed events and activities throughout the city and our neighbourhoods
- places across the city and its neighbourhoods for communities to participate in play and recreation

Whāinga 3:
He hapori
tūhonohono, he
hapori haumaruru

**Goal 3:
A connected and
safe community**

**Ngā hua
Outcomes**

- access to services and facilities that are inclusive and appropriate for their needs
- the support they want to live healthy lives
- access to healthy and affordable housing
- opportunities to contribute to the design of their city
- access to safe and accessible community places
- opportunities to contribute to Council decision-making

Tell us what you think
about these goals in
our submission form

Whāinga 4:
He tāone toitū, he
tāone manawaroa

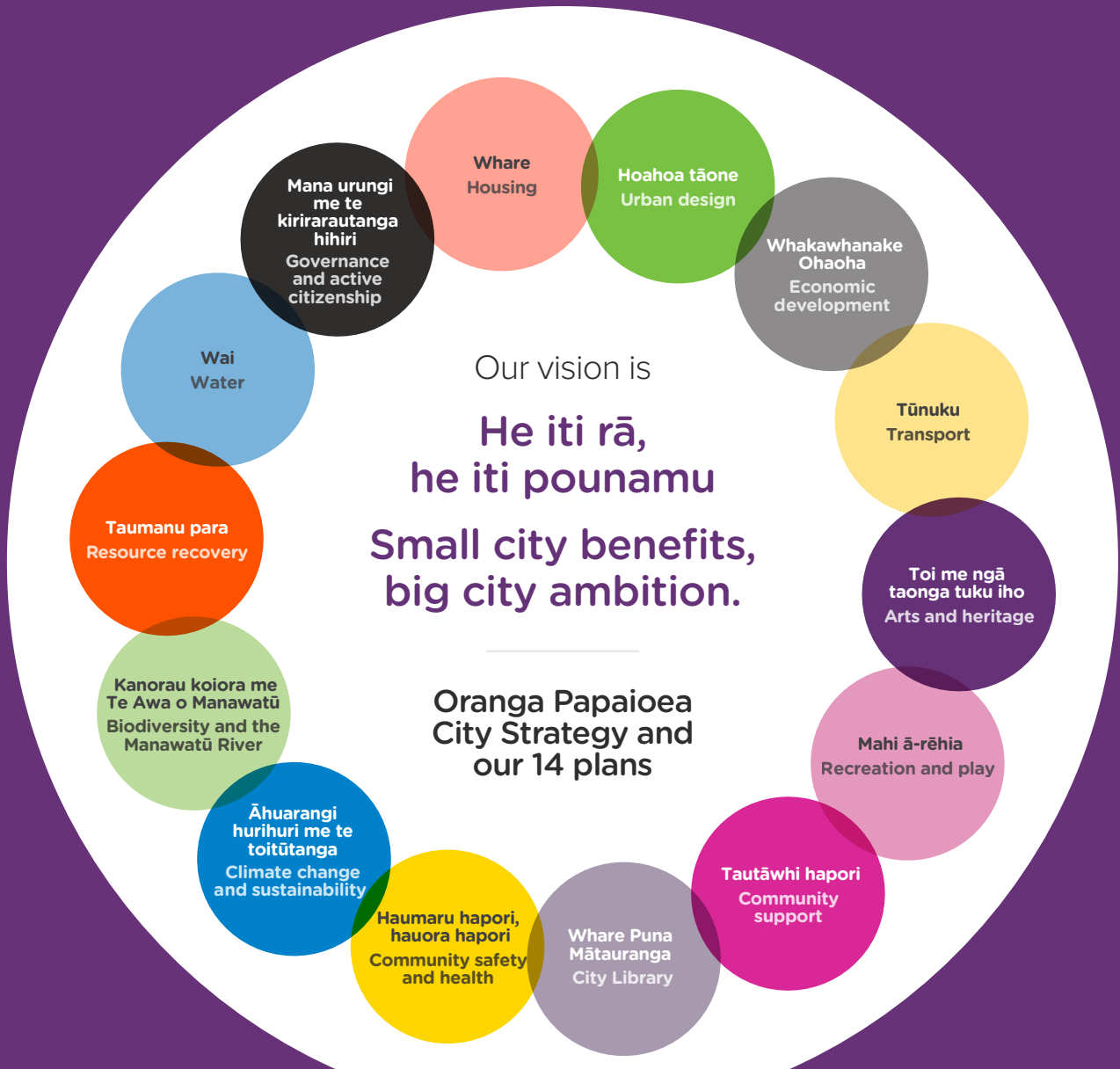
**Goal 4:
A sustainable and
resilient city**

**Ngā hua
Outcomes**

- a sustainable, low-emissions city
- a resilient city and communities, prepared for the impacts of climate change
- a circular economy with more resource recovery and less waste
- a healthy, thriving ecosystem, including native biodiversity and food security
- the Manawatū River and waterways restored to a healthy, respected and connected state
- sustainable urban planning with a low-carbon built environment
- a safe, affordable, sustainable and resilient water supply
- effective, low-carbon, wastewater collection and treatment
- appropriate infrastructure and development to avoid and minimise the effects of flood events
- access to relevant information and education to support more sustainable choices

We break these goals down into 14 plans

Our plans have actions and projects to ensure we meet our vision and goals



We want to hear your views on our **Oranga Papaioea City Strategy** and whether you think our vision and goals are right for our city.

You can read the full strategy at pncc.govt.nz/LTP
Let us know your thoughts on the submission form!

We've achieved a lot over the last three years

Despite some fairly big challenges we've made a lot of positive progress for, and with, our community over the last three years, since we adopted our last Long-Term Plan. Some of the things we've delivered helping to improve our community's social, cultural and environmental wellbeing are:

Housing/Community facilities

- A new Bunnythorpe Community Centre
- Created an additional 38 new social housing units at Papaioea Place (Constructed 83 homes in total as well as a tenants lounge)
- Tamakuku Terrace subdivision development stage 1 complete
- Seismic strengthening at our water plants and crematorium
- New animal shelter
- Major housing rezoning projects underway
- Central Energy Trust Arena entrance plaza, artificial turf and pit upgrades completed

Parks

- Memorial Park playground and splashpad opened
- New and improved river entrances at Victoria Esplanade, Albert St and Karaka Grove
- Turitea Pā lookout opened
- Urban Eels sanctuary created
- Cloverlea, Savage, Awapuni Park playground upgraded
- Trialled and continued under 5 free swimming with a caregiver at the Lido, Freyberg and Splashhurst

Resource Recovery

- Food scrap collection trial completed
- Rubbish bag trial completed
- We introduced tyre and tetrapak recycling

Transport

- Park Rd/Cook St intersection upgraded
- Ferguson/Pitt widening and intersection upgraded
- Cuba St (Taonui to Rangitikei Street) upgraded
- Featherston St cycleway under construction
- NZ Transport Agency – Waka Kotahi and Council formally partner on the Palmerston North Integrated Transport Initiative (PNITI)

Water

- Duplicate main for Turitea Dam completed, providing added resilience for our drinking water supply
- Railway Road Bore completed to support growth in the area
- Nature Calls wastewater consent lodged
- Introduced Summer Water Use to change the approach to water restrictions. This resulted in three summers without restrictions, so far

Community wins!

- Highbury shops safety upgrades
- Our volunteer rescue emergency support team deployed 26 times in the past 3 years
- Hundreds of tamariki took part in our City Library Summer Reading programme
- New advisory boards established
- Māori wards now on council
- First Puanga Matariki events have been held
- Sister City established with Mihara City, Japan
- Formal establishment of the Palmy Business Improvement District (BID)
- Hosted more than 9,500 public events at Central Energy Trust Arena/Palmy Conference + Function Centre
- Supported our neighbours during multiple civil defence responses
- Almost 3000 community events held at Central Energy Trust Arena
- 5x more CCTV cameras available for city centre crime prevention. This comes following upgrades, reconfiguration of software and installation of new cameras

We're planning for the Palmy of the future

In the next 10 years


To make sure everyone has a home, we need to ensure there is **enough land available to build 400 new homes each year, or 4,000 in total over the next 10 years.**



The population of Palmy is expected to **grow by 9.3%.**

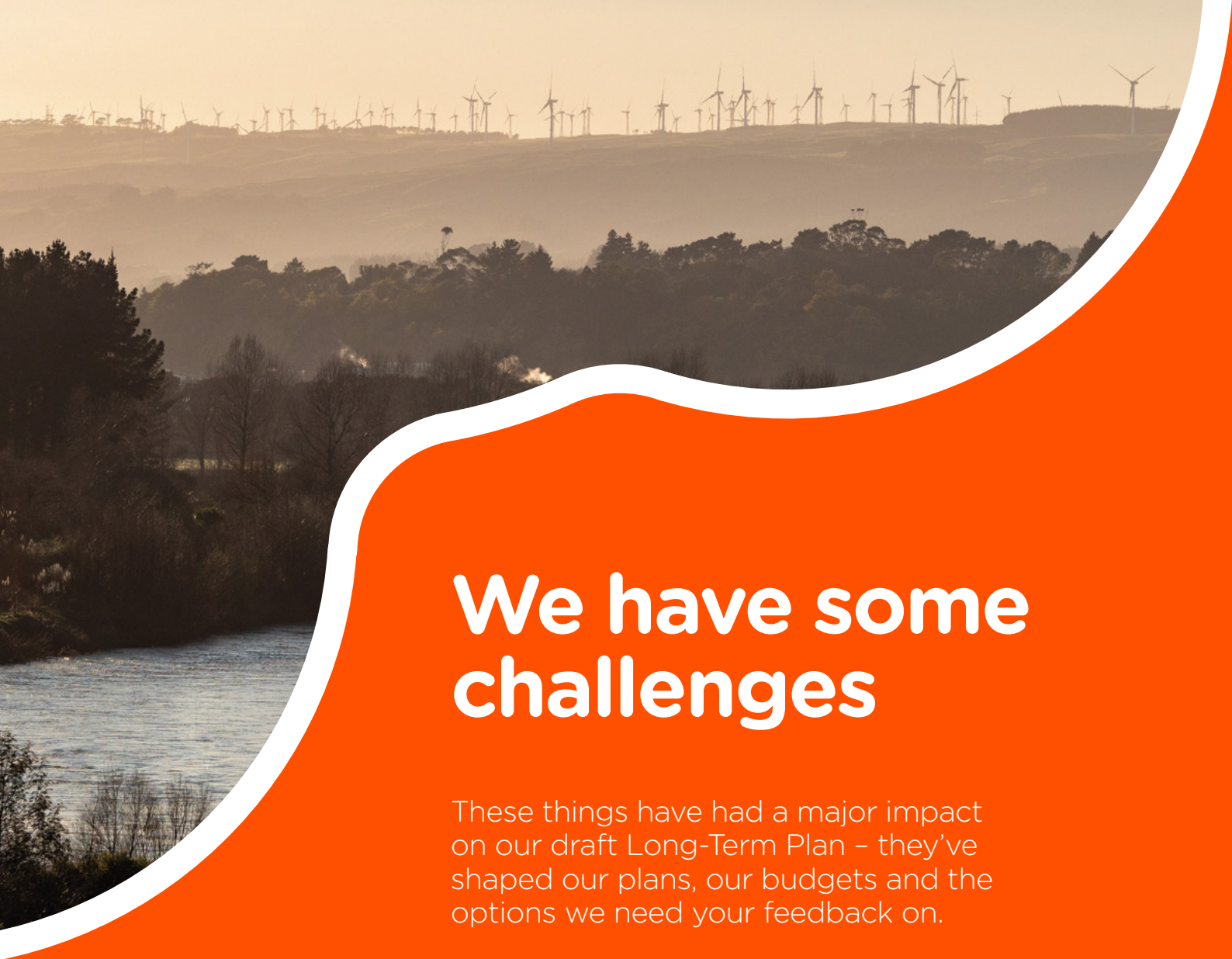
103,980 people are expected to live in the city by 2034.

We are aiming to rezone **288 hectares of land** in stages to industrial to support business growth at Te Utanganui, the Central New Zealand Distribution Hub.



% of population by ethnicity

European	58.1%
Māori	19.7%
Asian	16.0%
Pacific	6.1%



We have some challenges

These things have had a major impact on our draft Long-Term Plan – they’ve shaped our plans, our budgets and the options we need your feedback on.

In our Long-Term Plan, we have a number of projects reliant on external funding. These are detailed throughout this consultation document. If we do not get external funding, we will need to look at finding other ways to fund projects, pausing work, stopping projects, or looking at making changes to other council projects so we can fund this work.

Tell us what you think about this in our submission form

Climate change

The past year's weather events around the country have demonstrated how important it is that we look at how we can reduce our emissions and make better choices to help prepare for the impacts of climate change on our community. For us this includes work to help manage flood water, planting more trees and supporting people and businesses to reduce their emissions.

Interest rates and increasing debt

Just like the rising repayments you may be facing on your personal loans or mortgages, interest rates for our debts have also increased. We're also increasing the size of our debt to fund more work. This means we're having to pay more towards debt than we were previously.

Inflation, insurance, and power bills

Those cost-of-living pressures you're facing are also hitting us – the cost for goods, materials and services have increased significantly. We're also having to pay far more for our insurance and power bills for all of our facilities.

Cost of living for our residents, businesses and ratepayers

We know it's hard out there financially for our residents and businesses, and we've been conscious of that every step of the way to limit the rate increase as much as we can – while still being able to provide the services you enjoy and maintain our infrastructure.

Change in government direction

A change in government isn't a challenge as such, but as we get new direction from them, that may change our work or potential funding. While the new coalition government has only been in place for a few months, we already know of some of these. They include not proceeding with the previous government 3 waters reforms, as well as repealed changes to the Resource Management Act. The Government has said it will be making changes in the future to make it easier to consent new infrastructure.

We also have a range of challenges to do with growth, housing, water and transport. **These are outlined in more detail over the following pages.**



Our city's growth is driving a lot of our work

Most of us already know that Palmy is the place to be, but others are starting to cotton on, leading to significant growth in our city.

By 2034 we're expecting a population of more than 103,000 people – 9,000 more than now. That means more housing will be needed within our existing urban areas, as well as expanding into new areas. We're also seeing commercial and industrial growth as our city becomes known for being one of the fastest growing freight hubs in the country. Many big companies already call us home, and many more are wanting to. KiwiRail's plan to have a freight hub to the northeast of the city will only drive that growth more as part of Te Utanganui – Central New Zealand Distribution Hub.

Whether it's residential growth or industrial growth, the work behind the scenes remains the same. It starts with investigating and beginning the process of rezoning land for this growth, which you can read more about in the following pages and in our proposed Future Development Strategy, which we're also consulting on at the moment.

We also need to make sure we have the infrastructure and funding to support this growth. Where we are developing in existing areas, that typically means we will need to install bigger water pipes and more pump stations, as well as safety and efficiency improvements for our roads. Where we are developing in new areas that means new roads, new water pipes, pumps and connections and new parks and community facilities. Other service providers also need to be involved to provide things like telecommunications, fibre, gas and so on.

This is costly work – the infrastructure costs associated with this growth in our Long-Term Plan is \$296M. There's also \$2M in operational costs as we carry out important investigations and modeling to ensure we're allowing development in the right place.

While developers pay fees for new developments in the city to help support these large infrastructure costs, we need to borrow to cover the upfront costs. Given the constraints on our borrowing, we will need to look at other funding options for this work. If we can't seek external funding, this may slow down some of this important development for our city, including Aokautere, Kākātangiata and Ashhurst.



You can read the full Future Development Strategy at pncc.govt.nz/FDS

The following water, transport and housing sections outline our growth needs, and what we're doing, in more detail.

Our spatial plan





Mapping the Future



Sustainable Growth (Industrial)

1. Te Utanganui - Central NZ Distribution Hub
2. Longburn (Wet Industries)



Sustainable Growth (Residential)

1. Whakarongo
2. Aokautere
3. Kākātangiata
4. Ashhurst
5. Mātangi
6. Napier Road
7. Proposed Urban Intensification



City Centre Transformation

1. Streets for People street upgrades
2. Civic and cultural landmark facilities requiring seismic work
3. Central Energy Trust Arena
4. Heritage Support Package
5. Palmy BID



Manawatū River Network

1. Victoria Esplanade Masterplan and Projects
2. Manawatū River Shared Pathway
3. Te Apiti Biodiversity and Recreation
4. Te Motu o Poutoa (Anzac Park)



City-wide Partners:

Rangitāne o Manawatū, Businesses, Massey University, Food HQ, NZ Defence, Te Whatu Ora Mid-Central, Palmerston North Airport, Central Government and neighbouring Councils



Manawatū River and Tributaries



Biodiversity Corridors



Urban Areas



Rail



Regional Freight Ring Road



City Boundary

Water poses our biggest challenge

Parliament has recently repealed the previous Three Waters legislation, which would have seen new water entities created. The new Government has now introduced its 'Local Water Done Well' approach which is its plan for water management.

The government says the principles of this approach are:

- Introducing greater central government oversight, economic and quality regulation.
- Fit-for-purpose service delivery models and financing tools, such as improving the current council-controlled organisation model and developing a new class of financially separate council-owned organisations.
- Setting rules for water services and infrastructure investment.
- Ensuring water services are financially sustainable. Financial sustainability means revenue sufficiency, balance sheet separation, ring-fencing and funding for growth.

The Government has confirmed that councils will keep ownership of water assets. It has also said councils are able to form regional groupings with other councils (to get the benefits of size) to create Council-Controlled Organisations. Grouping together would mean that infrastructure improvements will be able to be funded separately from councils main borrowing channels. Local councils have had very early conversations and have agreed to consider options both as individual councils, as a region or a sub-region.

All councils agree that any model needs to improve how we operate and deliver services for the better, seeing improvements and innovations. Conversations will continue with Mayors and Chief Executives over the coming months, and more information will be available to communities likely later this year.

For now we still need to plan and budget for water in our Long-Term Plan. Water is the largest portion of our capital spending over the next decade with nearly a billion dollars proposed. The following pages outline why there is such a large cost.

They include:

New drinking water quality assurance rules

Our water comes from both the Turitea Dam in the Tararua Ranges and a number of bores around our city. New drinking water quality assurance rules will require us to add reservoirs or ultraviolet (UV) treatment to some of our bores. This is to guarantee the treatment is effective. We've switched off two bores while we do work over the coming year to ensure they meet the new standards.

You can read more about these changes at [taumataarowai.govt.nz](https://www.taumataarowai.govt.nz)

Growth areas need water

As we grow our city with more homes and businesses, we need to make sure we have enough water to meet demand. This will require us to build pipes to areas of development, pump stations to move the drinking or waste water around our city from homes and businesses, stormwater management for heavy rain, and in some instances we may need to build new water bores to supply growing areas like Milson and Kelvin Grove/Whakarongo.

Mitigating climate change

Doing everything we can to reduce the impact of large rainfall events for our city is essential. Over the coming decade, we will be doing more work on this front. This will include things like installing larger underground pipes, creating wetland type environments and maintaining our streams. We'll also be working closely with developers to ensure new developments are well designed to cope with more intense rainfall events in the future.

We've had to strike a balance between doing a lot more work, while managing the cost for our ratepayers

Over the next decade, we're spending and doing more work maintaining our water infrastructure than we are currently. We had wanted to spend around \$80M more on work over the decade in the drinking water and wastewater areas to support growth and upgrade more of our infrastructure. We have removed these proposed projects to help keep us within our updated debt limit. Stormwater budgets, which help mitigate the impacts of increased heavy rainfall events, have not been removed. You can give feedback on our proposed work on our submission form.

Over the next decade, we're planning to spend \$989M on water projects.

Projects over \$10M include:

\$647M	on our Nature Calls wastewater project	\$20M	on stormwater work for growth in Aokautere
<small>*Through IFF and an additional levy for ratepayers See page 18</small>			
\$32M	on drinking water standard upgrades	\$25M	on stormwater upgrades across the city
\$27M	on stormwater work to support growth at Kākātangiata	\$15M	to reduce the chance of flooding across the city
\$10M	on drinking water needs to support growth at Kākātangiata	\$11M	to replace key water mains for your drinking water
\$10M	water supply growth for Whakarongo	\$10M	water supply growth for North East Industrial Zone

Nature Calls wastewater (resource water) project

Our current consent for how we treat and discharge wastewater (the water that goes down the drains inside your home or business) expires in the coming years.

We're required to apply for a new consent for the treatment and discharge of our wastewater for the next 30 years. Horizons Regional Council is currently processing our consent application, which will see some of the highest quality treated wastewater in New Zealand be discharged to a combination of the Manawatū River and land. It will go to the river when it is in high flow, typically in winter, and to land in summer. This ensures the best outcome for our awa (river). We've spent the past five years investigating and determining this option, working with our community and stakeholders every step of the way.

The cost for this project is made up of things like: the consenting process and investigations and reports, buying or leasing land (we need up to 700 hectares), installing water pipes from our treatment plant to the land site, irrigation equipment, building a new discharge location at the river, upgrading and installing new technology and processes at the treatment plant and much more.

Currently, we have a very high level cost estimate of up to \$647M. We will get more certainty on this as we work through the detail design during the consenting phase.

That's an eye-watering amount for everyone involved. It's so much money that we can't borrow enough to fund it through normal council borrowing mechanisms.

We're not the first council to be in this position with a large infrastructure project, and we certainly won't be the last.

The foresight of our Elected Members means we were somewhat prepared for this outcome. Eighteen months ago we commissioned a report to give us advice about how we could fund Nature Calls if there happened to be a change in government. That means we knew the tools available and that's helped save valuable time.

You can read more about the history of Nature Calls at pncc.govt.nz/LTP

You can give feedback on our plans for water in the 'general feedback' section of our submission form!

So, what's the plan for now?

We're proposing to fund Nature Calls through a 'special purpose vehicle' as provided for in the Infrastructure Funding and Financing Act. This allows councils to fund specific projects through a government agency, Crown Infrastructure Partners. We would apply and, if successful, work with them to come up with the terms of the funding. The external entity would provide the funds to the Council and levy ratepayers annually (over a term such as 30 years). The levy would show as a separate line on the Council's rates bill. We're proposing this would start when construction of the project is due to start.

Council does not have the debt capacity to fund this programme itself, and we will need to keep borrowing money for other things like transport and property based projects. Using this type of funding means that we wouldn't exceed our borrowing limit.

There are some downsides though – our ratepayers would still need to pay the annual levy for this debt and it will be significant.

Early estimates are that the levy could be at least \$1,000 per year, for 30 years, on top of rates.

This tool is used by other councils already. Tauranga is using it to fund some transport projects, and Wellington has also used it for a large wastewater project. However, ours is for a much larger amount of money.

It is still early days, and we will need to have conversations with Crown Infrastructure Partners to work out the terms of how this could work. We will be consulting with ratepayers about these terms, including the levy charge. We'll also look at the options to reduce the amount needed to borrow. This could include things like getting government funding or talking to businesses or other organisations who currently manage their own wastewater treatment and discharge, to consider joining us.

It's likely we could use this model over time for other projects too, like some of our growth areas to help fund the roading and water infrastructure that's needed.

If Council is unable to proceed with funding Nature Calls by debt provided through an IFF arrangement, an alternative funding source(s) would need to be identified or the programme would unlikely be able to proceed in its current form. Alternative funding sources could include a government subsidy. We'd be exploring this anyway with the proposed IFF arrangement to reduce the impact on ratepayers. Other funding sources could include a public – private partnership (PPP) where a private company finances, builds, and potentially operates the infrastructure, charging Council (and ratepayers) over a period of time.



We want to be able to move people and goods around efficiently and safely

Over the past few years, we've heard your concerns loud and clear – you want better roads and we're working hard to make that happen.

Our roads are a tricky challenge though – they were built decades ago and were not built to cope with the number of vehicles and heavy trucks using them as they do today, which is only increasing. We also have another complicating factor that most other cities don't have to deal with – underlying weak supporting clay soils beneath our roads. This means water absorbs easily and can lead to pavement cracks, potholes or damage in our roads more quickly.

The regional freight ring road will assist with this by redirecting heavy traffic away from residential streets and help enable the development of identified growth areas.

Rebuilding roads once they have completely deteriorated so that they need to be replaced rather than repaired is very costly, sometimes costing 20 times more than if they are kept on top of. Fixing all our roads isn't going to be something that happens overnight, but you can be assured that we will continue to be investing in improving our roads. Currently, we spend \$13M a year in our road maintenance contract which looks after road repairs, drainage, road vegetation, traffic signage, footpaths, reseals, pavement reconstruction, street sweeping, streetlights, cycle paths and structural maintenance for culverts and bridges.

We have a partnership with NZ Transport Agency – Waka Kotahi, which funds around half the cost of our transport projects.

Over the past year we formally entered a partnership called Palmerston North Integrated Transport Initiative (PNITI) to make major changes to improve our transport network.

The proposed regional freight ring road is the critical project within this initiative. This includes 70 new major projects over the next 30 years and will help us to build a more balanced network that allows for more people to walk, cycle or use public transport to get around. By creating a system that allows for all transport modes we can reduce the congestion on our roads and reduce the wear and tear of the road surfaces. It is likely that the priority of the projects will change under the Government's new transport policies and we will be advocating strongly for the regional freight ring road to be delivered earlier than previously planned.

We know people are keen to see trucks stop using our residential streets, and that will come to life in time with a regional ring road around our city, as well as a second bridge across the river. We will also need to do other core transport-related projects first to make our city streets safer, offer more choices for people to travel and ensure we're planning new or upgraded roads to support new residential and industrial growth.

Projects to do this include new roads, safer intersections, cycleways throughout our city, and making it safer and easier for people to choose to walk or catch a bus, and slowing down and making it easier for pedestrians to use our city centre safely.

Over the next decade, we're planning to spend **\$481M** on new transport projects. We have assumed around **\$210M** of that will come from New Zealand Transport Agency – Waka Kotahi.

You can read more about this project at nzta.govt.nz



The list below outlines proposed new transport projects that will cost more than \$10M. The amount stated is the total cost of the project. We've assumed that for these projects we may receive around \$210M from NZ Transport Agency - Waka Kotahi

\$88M	on low-cost measures to meet government direction	\$23M	for new roads to support industrial growth in the north-east of our city (Te Utanganui)
\$69M	on improvements for key streets in the city	\$22M	for our City Centre Transformation – Street upgrade programme
\$55M	on shared pathways (including Manawatū to Ashhurst River Pathway and Feilding to Palmy shared pathway)	\$21M	for a new bus hub to replace the Main St terminal
\$31M	on cycleways in the city	\$16M	to replace bridges around Bunnythorpe to support growth
\$32M	on new roads in Kākātangiata	\$12M	for safety improvements for Stoney Creek Rd
\$28M	on improving roads in Aokautere to support growth	\$12M	for safety improvements for Kelvin Grove Rd

We want everyone to have a place they can call home.

Our city needs 400 new homes each year to make sure everyone has a home, and we're working hard to make that goal achievable. You can be assured that when it comes to housing for our community, we've got all fronts covered.

➤ **Rezoning land at Aokautere, Ashhurst, Roxburgh Crescent and Kākātangiata to the west of the city.**

Rezoning is where we allow different types of development in an area, than what had been there before. These projects are still in the investigations, consulting or hearing stages, but are expected to result in more than 8000 additional homes available in our city. Development at Aokautere, Ashhurst and Kākātangiata are subject to Council seeking external funding for new infrastructure required to service growth in these areas.

➤ **Planning or working on construction projects that help support growth – primarily water and transport work.**

This work is at Kikiwhenua, Hokowhitu Lagoon, Napier Road, Whakarongo, and Mātangi (Whiskey Creek by Cloverlea and Milson).

➤ **Investigating a medium density zone in our urban area to allow people more housing options.**

Housing in this zone could be a bit taller, up to three storeys, and closer together. Section sizes in this zone could also be smaller, with landowners able to subdivide down to 150m². The types of housing within the medium density residential zone could include duplexes, multi-units, town houses and apartments. This would widen the range of housing options available from what we have today, which are mostly stand-alone homes on single sections. We expect to consult with our community on this in 2024.

➤ **Developing land ourselves at Tamakuku Terrace.**

We're converting unused land on James Line into subdivision sections for people to build their dream home. The final stage of this development is proposed to take place in 2024/25 which will bring another 35 sections to the market.

➤ **Use of Council land for housing.**

Plans are underway to provide around 50 or more homes. These homes will be on the Huia St Reserve on the corner of Park Rd and Fitzherbert Ave.

➤ **Looking into options to deliver more social housing units.**

These are on the site of the former Terrace End Bowling Club on Summerhays St.

➤ **We are planning on investing more money in social housing for our community.**

This will be on top of the 442 properties we already have.

➤ **We're also proposing spending \$230,000 per year, for three years, on three pilot initiatives to respond to homelessness.**

This includes an outreach service to connect rough sleepers with appropriate support, trial of a local Housing First wrap around support programme, and a Flexi-fund people could apply to for support with small costs if they were at risk of losing their tenancy due to unforeseen circumstances.



Council housing projects over the next decade that would cost more than \$10M are:

\$17M

on additional social housing units. A portion of this to be allocated to future development at the former Terrace End Bowling Club on Summerhays St.

We are also looking at options for housing at Huia St reserve. No decisions have been made yet. This project will be consulted on again in future Long-Term Plan's as this work will be a few years away.

You can give feedback on our plans for housing in the 'general feedback' section of our submission form!

We've looked at a range of options to keep rate increases down

Despite all of these challenges, the cost of living for our residents, businesses and ratepayers has been top of mind for us as we work on our draft Long-Term Plan for your feedback.

To get the rates increase down to 11.3% in Year 1 we've used a range of tools we have available to help minimise costs where possible.

These include both financial and service level options.

We've looked at a range of financial measures:

Increasing our debt limit

We borrow money just like you may do for big purchases, and it works the same – we borrow a certain amount of money and pay it off in instalments over a set time period. Just like how banks test that you can afford to pay your mortgage, the same thing is done to us to ensure we don't borrow more money than what our community can pay back. Borrowing also means that debt is paid for over time, which means current ratepayers aren't lumbered with all the costs of future generations.

We borrow money for capital programmes which are typically our infrastructure projects – like building a new building, transport projects or getting new equipment. Our budgets assume we will need to increase the amount we're borrowing from \$258M to \$660M over the next decade, which means we can do more projects to improve services for you. The risk of this is that, just like for your mortgage, interest rates change over time. If they go up this will cost us more to pay off that debt. Currently we borrow up to 200% of our operating revenue and are proposing to increase this to 250%.

Keeping costs down

We know you don't want to pay more rates, and we don't want to have large increases for our community. But we also need to balance that with maintaining our assets to ensure they don't degrade further and continue to provide the services you love.

Months of work has gone into getting rates down to this point – we have looked at everything we spend money on and assessed whether it's needed or not, and what we can do to reduce costs. This process was done initially by staff to reduce the rating impact, and then Elected Members reviewed and reduced these further. In some instances, some additional operational programmes were also added.

Seek co-funding for some work

There are many things we do where another organisation often chips in to help cover the costs. We've always done this through co-funding for transport projects with NZ Transport Agency – Waka Kotahi, grants for many of our library and playground initiatives, partnerships for our Central Energy Trust Arena and Central Energy Trust Wildbase Recovery and many more.

We're planning on doing this far more in the future, and in some cases we've decided work will not occur unless we get co-funding.

We've outlined in our supplementary information what these proposals will look like.

We'd love your feedback!

Increase fees and charges

Some of our services are based on a user-pays model, which means that some services are funded from a mix of fees and charges and rates as both direct users and ratepayers benefit from them. These fees and charges are across the board and can include things like rubbish bags, e-waste disposal, commercial water use, cemetery or sports field fees, obtaining a building or resource consent, hiring a facility, parking meters, dog registration and many more.

Most of these fees and charges will increase by at least 7% from 1 July 2024 to cover the increasing costs of providing the services.

On street metered parking will increase from \$1.70 to \$2.00 per hour. The maximum retail price for Council 60L rubbish bags will increase from \$2.90 to \$3.80.

Slow down or stop projects or improvements

There are instances where we have delayed when we were planning to do some work or projects, or just decided to stop them. These are explained throughout our document.

Stage the timing of replacements

Lots of the assets that provide our services require replacement over time. We call these renewals and things like road repairs, roofs, park benches and water pipes are just a few examples. We're proposing to spend a lot more on maintaining our assets over the next decade. These types of projects are funded through rates, not borrowing, so we can delay some of these renewals.

This means we can reduce the rates increase, but it means we may not meet your expectations and may have more urgent repairs if some of our assets fail, e.g. a water pipe bursting.



Over the past few years, you've been asking us to take a look at the system we use to determine rates

Rates are a form of tax that all property owners pay to fund the services provided by their council.

Rates make up roughly 77% of the money needed to run our city, with the remainder coming from things like fees and charges as well as government and other subsidies, along with small amounts of rental revenue and sponsorship agreements.

Each year we prepare budgets that determine how much money we need to get from rates, and then that sum is distributed between our different types of ratepayers – residential, commercial/industrial and rural.

Currently the rating system is made up of the following elements:

- A uniform annual general charge (UAGC) for all properties – this is a rate all ratepayers pay;
- Fixed annual charges to fund water supply, wastewater disposal and treatment and recycling and rubbish collection;
- A general rate based on land value (LV) with the level of the rate varying depending on the use made of the property.

While some councils use a property's land value (LV) as the basis for how much general rates the property owner pays, some others use capital value (CV), which is the total value of the property (the land value plus any buildings/improvements). Some of you have been asking us to do this instead.

As rates are a tax some people believe rates should have a relationship to wealth or ability to pay. That is subjective, and you may think one option is better than the other. The proposed changes are likely to affect everyone to some extent so it's important you use our website to see what it means for your property.



Over the past year we've undertaken a thorough review of the current rating system and possible options. We considered:

- What the level of rates would be for individual properties for each of the options. We also looked at whether the overall outcome would result in an appropriate split for different categories of ratepayers (e.g. rural or residential);
- Whether the options align with our planning objectives to encourage more development to support residential and commercial growth in our existing urban areas;
- Whether implementation of a different rating system is practical from 1 July 2024;
- Whether the preferred option would give flexibility for us to make further changes (if required) in future.

Following our review we have decided the following components of the rating system should remain:

- The General Charge (UAGC) for all properties (remaining at \$200 for 2024/25);
- Fixed annual charges to fund drinking water, wastewater treatment and discharge and recycling and rubbish collection;
- Properties are to be categorised by use (e.g. commercial/rural/residential) and the level of the general rate general rate will vary for each;
- Each of the categories of property should pay a similar proportion of the total general rates required as under our current system.

Some significant changes proposed are:

- Reduce the level of discount on the general rate that is currently provided to properties outside of the urban serviced area, in particular, properties between 0.2 and 5 hectares. Often referred to as lifestyle blocks, these properties are generally classified as rural. We would do this regardless of the option selected.
- Base a proportion of the rates calculation on the Capital Value (CV) instead of the Land Value (LV) - See following pages for more information.
- The options detailed and the examples are based on the draft budget for 2024/25. Following consultation there will most likely be some changes to the budget before it is finalised in June. This means the actual rates set for 2024/25 could change slightly from what the website search tool will show.

Option one

A hybrid option with the majority of general rates being based on land value, and the remainder on capital value (around a 70/30 split)

We think that using a combination of land and capital value to determine rates would be appropriate for our city at this point in time.

We're proposing that 70% of the activities currently funded from general rates remain based on a property's LV and 30% be funded by a targeted rate based on the CV (both charged on all rateable properties).

The part that is calculated using the capital value would be to cover costs for work that comes under our 'Goal 1' which includes things like roading and economic development.

This would also mean that utilities under a road (such as energy, water and communication networks) will be rated for the first time and we intend for them to be rated in the same way as other commercial/industrial properties.

This option would also see us treat commercially zoned vacant land as commercial/industrial (for the purposes of the CV based rate) rather than the current miscellaneous category used for the LV based rates. Without this change, rates for this land would have reduced and this would be at odds with our planning objective that owners are encouraged to develop their land.

Pros

- ✔ Better correlation to benefits received and ability to pay.
- ✔ Reduces the rates for properties that have relatively low levels of improvements on high value land.
- ✔ Increases rates for people that have significant improvements on lower value land.
- ✔ Marginally expands the rating base to include utilities (e.g. power and phone infrastructure) located in the street.

We think the Capital Value (CV – the closest to the market value) is a better measure of the benefits received from council services and could demonstrate a ratepayer's ability to afford rates.

However, the hybrid option is preferred because it would also limit the extent of change experienced by the most adversely impacted ratepayers. This includes those residential and commercial/industrial ratepayers with highly valued improvements (relative to the LV). However, this also means property owners with lower levels of improvements on higher valued land may not get as much of a rates reduction than the full CV option.

This hybrid option, if chosen, would come into effect from 1 July 2024.

In all options we're proposing to reduce the level of discount on the general rate that is currently provided to properties between 0.2 and 5 hectares. These properties are generally classified as rural and commonly referred to as lifestyle blocks.

Our preferred option

Cons

- ✔ Properties with lower levels of improvements on higher valued land may not get as much rates reduction compared to the full CV option.
- ✔ It may be confusing for ratepayers to understand how this system works.

Option two Capital Value (CV)

For many years, and especially after the last revaluations, some of you have asked us to change the rating system to Capital Value (CV).

Capital value is pretty well understood, as it's the number used when you are purchasing a property, and would also mean we had the same rating system as many other towns and cities throughout New Zealand. Capital Value is the value of the property (the land value and any buildings or improvements). This would see us use your CV at the point of revaluation (every three years) to determine your rates, just as we do now with land value.

For this option the general rate would be based on the CV.

This option would also see us treat commercially zoned vacant property as commercial/industrial (for the purpose of CV based rate) rather than the current miscellaneous category used for the LV based rates. Without this change rates for such land would reduce and this would be at odds with our objectives to encourage owners to develop their land.

Pros

- ✔ Easy for people to understand as it's based on the market value of the whole property (including improvements) as at the revaluation date.
- ✔ Changes in rates following a city revaluation are likely to be less volatile as the revaluation has historically seen smaller percentage increases for capital value than for land value.
- ✔ Rates are a tax and the CV is more likely to reflect ratepayer's ability to pay than the LV.
- ✔ Benefits those with low valued improvements on high valued land.
- ✔ Marginally expands the rating base to include utilities (e.g. power and phone infrastructure) located in the street.

We've not identified this as our preferred option due to the significant impact it would have on some property owners including the commercial/industrial sector that play a vital role to our city's economy and employment. Changes to a full CV would reduce rates significantly for some people, but raise them significantly for others.

Due to this level of impact, if this option was preferred by our community, and our council chose to move to this rating system, it would need to be phased in, possibly over a three-year period. This is what other councils have also done when they've moved to a CV based system.

On our website we are showing you what the rates would be if we transitioned immediately to 100% CV. This will ensure people see the true impact to them.

In all options we're proposing to reduce the level of discount on the general rate that is currently provided to properties between 0.2 and 5 hectares. These properties are generally classified as rural and commonly referred to as lifestyle blocks.

Cons

- ✔ The impact of changing from the current LV rating system for some ratepayers with a very high CV compared to LV is significant.
- ✔ Potential rates for some commercial/industrial properties may discourage further development in the city, particularly in areas on the outskirts of the city.
- ✔ There may be less incentive to develop vacant residential land as well as new medium density housing developments as the rates would be lower for unimproved land than under a LV system.

Option three

Maintain the present system

This option is essentially the status quo with minor changes including those related to lifestyle blocks.

In all options we're proposing to reduce the level of discount on the general rate that is currently provided to properties between 0.2 and 5 hectares. These properties are generally classified as rural and commonly referred to as lifestyle blocks.

Pros

- ▲ Incentivises development of land as the general rates are unchanged when improvements are added to the property. (Except where those improvements lead to the property being categorised differently due to a change in use).

Cons

- ♥ LV may not be an accurate indicator for your ability to pay and therefore a LV based rate may not be considered fair by those who believe this is an important principle for a rating system.
- ♥ Revaluations historically in our city tend to see larger percentage increases in land values compared to capital values, meaning there is potentially more volatility in the rates based on LV than CV.

Please make sure you check our website to see what each option looks like for you for your property.

**He aha te mea nui?
Māku e kii atu, he tāngata,
he tāngata, he tāngata.**

**What is the most important
thing in the world?
Well, let me tell you, it is
people, it is people, it is people.**

You are at the core of what we do – and over the coming years some of our big projects are focused on the places you love to spend time in our city.

We're preparing our community facilities for future needs

With a growing city, some of our community facilities are bulging at the seams, some are no longer fit for purpose, and there is potential for new facilities too.

Our goal is to have a connected community, but for that to happen we're going to need to invest in some upgrades and new facilities.

We've spent a lot of time working with the community and stakeholders, completing feasibility and financial assessments, creating masterplans and even early-stage concept designs for these projects.

You can read all of this important background information on our website at pncc.govt.nz/communityfacilities



These are all very high level concept pictures. No detailed design has been done on any of these projects and what they will look like

Over the next decade, proposed work includes:

Multicultural Centre

Lease space for multicultural communities to use for activities, events and services.

We're proposing to lease a city centre facility to provide a dedicated space for multicultural communities. With more than 130 ethnicities in our city, and Palmy being one of the 13 locations for refugee resettlement, we need space for these communities to gather for events and activities, and space for the delivery of services to meet their needs.

Currently, multicultural community groups are trying to use locations around the city for events, but there aren't enough facilities of the right size.

The Manawatū Multicultural Centre in Hancock Community House is also no longer fit for purpose for the types of activities and services they deliver. We're proposing leasing a facility in the city centre, and we expect we will need to do a complete refurbishment of the space to ensure it is fit for purpose. We have some external funding available that may be able to help contribute to this fit out.

We're proposing to do this in Year 1. A city centre location would help support local businesses and add to the vibrancy of our city centre. We believe the lease for a facility could be up to \$100,000 per year and it's likely we will need to spend \$750,000 on making it fit for purpose.

The Manawatū Multicultural Council would pay a lease for the new facility to help cover the costs, and it would also be available for bookings for multicultural events and activities.



Pasifika Community Centre

Expand and refurbish existing building.

Our Pasifika Community Centre at Bill Brown Park is in need of expansion to cope with the huge number of people attending events.

We're planning on spending \$3.9M in Year 2 on this upgrade to ensure we can continue to meet the needs of our communities that use this space. This includes expanding the main hall area for events, installing a commercial sized kitchen for community use, and workspaces for people to work from – which could include agencies hosting drop-in sessions for the community. Draft concept images on our website show the potential for a Fale to be built at the centre too. This was a community desire, but is not currently budgeted or planned for in this Long-Term Plan.

Te Pātikitiki Library

Expand and refurbish existing building.

This library located in Highbury is an important hub for the local community, but it's in need of some refurbishment and expansion to cope with the growth occurring in this area. We're proposing a \$3.6M expansion in Year 2. While the traditional collection area where books are wouldn't be increased in size, it would have meeting rooms that could be booked by the community as well as a kitchen for the public to use. Draft concept images on our website show the potential for future play areas around the facility but these are not proposed nor budgeted for in this Long-Term Plan.

**On the submission form,
we will be asking you to provide
feedback on each of these projects.**

This is being done incase you have
different views about different projects.



Te Motu o Poutoa Anzac Park

Create a civic marae with public facilities, as well as visitor and education attractions at Te Motu o Poutoa Anzac Park.

This is one of our most culturally significant sites in the city and a memorial site for those who fought for our country in various conflicts around the world. In 2019 we entered into a formal co-management agreement with Rangitāne o Manawatū to preserve this wāhi tapu (sacred place) and help to more confidently represent the mana and identity of this ancestral site for Rangitāne and the fallen. The proposed visitor attraction would include a building to cater for a variety of uses including a café, meeting rooms, shop and gallery, with capacity to host overnight stays. It would be available for cultural and civic events, education and casual drop-in visits – everyone would be welcome.

We'd also upgrade Cliff Rd which leads to the top of the site as part of this project. Council would fund the roading upgrade (\$2.1 of \$4.3M) as well as contribute \$9.8M to the project. Rangitāne would fund \$2M, and the remaining \$3M would be funded through an external partnership.

At this stage, the assumption we've made in our draft Long-Term Plan is that in Year 1 and Year 2 we will be working on the detailed design. This is primarily funded from existing funding Council has received from government. We'd begin looking for co-funding during this time, but having the detailed design will provide further information potential co-funders will be interested in, closer to construction. Construction would not occur until external funding and Rangitāne's funding was confirmed. Our plan has construction scheduled to occur between 2025-2027, but those dates may change subject to when funding is confirmed. More information about the park and its significance for Rangitāne can be found on our website.

Central Energy Trust Arena

We're proposing to replace Arena 5 at the Central Energy Trust Arena, as well as build new turfs, toilets and changing blocks.

Our Central Energy Trust Arena is home to more than 3,000 events each year.

We've already completed upgrades to the facility – with new speedway pits, an entrance plaza, and an artificial turf. The next stage of work proposed is to build a new Arena 5 on the corner of Cuba St and Pascal St before demolishing the current Arena 5 venue. Arena 5 is home to Barber and Bell Halls, Waldegrave Lounge, Gym and Speedway offices.

The buildings are deteriorating quickly, no longer fit for purpose for community needs, and Barber Hall specifically needs seismic repairs before 2034 if it is to remain in the current location. The new facility will be a multi-use indoor stadium, able to accommodate a wide variety of community activities, including community sport, to meet the growing demand.

We're also planning on building a new artificial turf which we would seek co-funding for. Re-alignment of the back fields will also occur, with all turfs then shaped like a quad, and around them there will be new changing room facilities, toilets, storage, shelter for spectators, and trees situated throughout. These turfs will be designed for multi-use, including rugby and football, which clubs use for sports and events for all ages. The sporting community has been asking for more turfs to help meet the demand for school, casual, training and competition sports. We would complete the artificial turf first, with work starting later this year and next. The work around the other turfs would occur in years 2, 3, 5 and 6.

Replacing Arena 5 with a new building would occur in years 2, 4, and 5. Our draft Long-Term Plan has the costs of this project at \$36M over years 1-6. All of our Central Energy Trust Arena facilities have hireage fees, which means that while we pay the upfront cost of the development, revenue does help contribute to the maintenance of the facility.

We're also proposing, in partnership with Massey University and Central Football, to create a new artificial turf at Massey's public sporting facilities. These facilities are well used by the community and help bring major sporting events to our city's local economy. Our contribution would be \$850,000, but it's reliant on considerable external funding before construction occurs.



Awapuni Community Library Hub

Build a new Awapuni Community Library Hub, which includes expanded community space within a new library.

We lease our current Awapuni library, and it is far too small for what will soon be the suburb with the highest population in our city. This past year we've also had to shut it down for vital repairs to take place due to the age of the building.

Our libraries are very well used, with 5.4 visits per capita, compared to the Australasian standard of 4.5. Our libraries in our suburbs have higher visitor numbers than the Central Library, due to them being homes for community meetings and connection points in neighbourhoods.

We're proposing ending that lease and building a new facility across the road on the site of St Mark's Church. Council purchased this property in early 2024. The 1500sqm building would be home to a library and community facility that could free up space at the Awapuni Community Centre.

This 'community library hub' model is similar to what other cities have created to bring communities together into a shared space. The project provides us with an opportunity to create a sustainable, agile, and future proofed site that can establish a focal point in the Awapuni Community and continue to grow with us in the future – it can include things like meeting spaces and a community kitchen.

The Awapuni hub would also be built to high building standards so it could be a civil defence centre if needed.

We're proposing to start building in Year 2. Building early means that when seismic repairs take place at our Central Library, we would have a large library available for our community. We'd still have a temporary option in the city centre though, as we know how important the foot traffic of people using the library is for businesses in our city centre. The cost to build the Awapuni Community Library Hub is \$27.1M.

Option one

Proceed with plan as proposed

Pros

- ✔ Community needs are met, and our goal of having a vibrant and welcoming city with a connected community is realised.
- ✔ Facilities are future-proofed for community needs long-term.
- ✔ Additional spaces are provided for communities to meet, host events, play sport and be together – improving social, cultural and physical wellbeing.
- ✔ A new community library hub will have benefits for Awapuni, but also the rest of the city's residents who choose to use it.
- ✔ The Awapuni Community Library Hub would provide resilience during a potential civil defence response.
- ✔ The Awapuni Community Library Hub would be able to take on additional library services and staff when the Central Library is getting seismically strengthened.
- ✔ Restore and enhance the mana and identity of Te Motu o Poutoa Anzac Park.
- ✔ Meet Rangitāne's aspirations for Te Motu o Poutoa Anzac Park and strengthen the partnership with Council, and the community.
- ✔ Education facilities provided for children in our city to learn more about Te Motu o Poutoa Anzac Park and Rangitāne history.
- ✔ A civic marae will allow us to formally welcome dignitaries and others to our city.
- ✔ No more sunk maintenance costs in keeping Barber Hall operating long-term.
- ✔ Economic development for the city because of people using the new facilities or bringing events to the city.
- ✔ Increased revenue opportunities due to the user-pays model for some of these facilities.

Cons

- ✔ One project, Te Motu o Poutoa, relies on external and co-funding. If those funds cannot be found, the project would likely be delayed.
- ✔ People may prefer to see the costs used on other projects, or saved.
- ✔ Increased debt and related repayment costs
- ✔ New facilities will require new operations and maintenance budgets.

Financial impact

- The Pasifika Centre – \$3.88M
- Te Pātikitiki Highbury Library – \$3.55M
- Central Energy Trust Arena upgrades – \$36M
- New Awapuni Community Library Hub – \$27.1M
- Te Motu o Poutoa Anzac Park would cost \$19.1M for the roading upgrade and the construction. This project relies on Rangitāne and external funding.
- The fitting out and lease for the Manawatū Multicultural Council costs will include an additional retrofitting cost for the facility, expected to be a few hundred thousand dollars, as well as an annual lease which could be up to \$100,000.

These projects would add \$80.6M to council's debt. Known operating costs in Year 1 are \$366,000 increasing to \$8.8M in Year 10. \$6M of this relates to debt and interest payments. The other \$2.8M covers costs for things like lease payments and insurance, power and rates. Every \$1.3M of operating costs would add 1% to rates each year.

Option two

Supportive of project/s, but with some conditions

In this option, you can let us know what you would do differently.

It's important for us to know what projects you are in favour of, but that you'd like to make some comments on for us to consider further. Please share feedback about why you would like to proceed with some projects, and the reasons why you'd like to see changes made to others.

Financial impact

Would depend on the project and the changes made.

Pros

- Our community may provide insight and information we hadn't thought of or considered.
- Lower debt and repayment costs if scope of project was reduced, or delayed.

Cons

- Depending on the project, some of the pros detailed in our preferred options may not be realised.
- If the upgrades to Central Energy Trust Arena were not supported, Council would need to consider what this means for Arena 5 long term, with seismic upgrades being needed to continue operating. This could impact the city's local economy which is boosted by events.

Option three

Do not proceed with any of the projects

This option would mean you don't support any of the projects occurring. Please explain your reasons for this in the submission form.

Pros

- Our community may provide insight and information we hadn't thought of or considered.
- We wouldn't need to borrow money to fund these projects, which means ratepayers wouldn't have repayment costs.

Financial impact

We wouldn't need to borrow money to fund these projects, which means ratepayers wouldn't have repayment costs. The money could be reallocated to another area of council services, or it could be saved.

Cons

- We believe there are significant impacts to not proceeding with any projects and this outcome would negatively affect the economic, social, and cultural wellbeing of our community, as none of the pros identified in Option 1 would be realised.
- If the upgrades to Central Energy Trust Arena were not supported, Council would need to consider what this means for Arena 5 long term, which needs seismic strengthening to continue operating. This could impact the city's local economy which is boosted by events.

We need to strengthen some of our city's favourite facilities

Time is ticking for us to seismically strengthen some of our facilities and structures. Palmy is considered a high seismic risk area.



We have 26 buildings that have been considered 'earthquake prone' because they meet less than 34% of the new building standard (below 34% NBS).

Buildings or other structures can be considered earthquake prone due to their age, size, shape or construction materials. For some of our properties the fix is relatively simple, but for others it's far more significant.

We have until 2039 to get all our buildings or structures up to at least the 34% standard. However, the clock is already ticking on a few of our buildings such as The Regent Theatre, Central Library, and Te Manawa which all need to be addressed before 2033.

While the buildings are considered earthquake prone, they are not considered dangerous so are still ok to be used over the coming years.

Twenty-six is a lot of buildings to get through, and the cost will be high – both for the seismic upgrades but also if we need to move some of these operations (like the library or museum) during construction. Seismic upgrades can be done in different ways – strengthening, rebuilding, retrofitting or partial or full demolition of the building.

For the 26 buildings in total, we used a set of criteria to decide the order in which to complete the seismic upgrades.

Those criteria include:

- Business continuity (would we need to close all or part of the building),
- How critical the facility is especially for a civil defence response,
- Priority buildings under the legislation (this only includes The Regent Theatre),
- Occupancy (how many people work and visit the building),
- The importance of the building under legislation,
- Heritage value, iwi value and how it aligns with our other strategies,
- We also considered potential costs and other work that needs to be done in the building which could be done as part of the seismic work or after it (e.g. a new roof is needed).

We're proposing to only do eight buildings over the next decade, and the rest would be considered and completed in the following five years. We're estimating the costs for the next decade to be \$170M (eight buildings), and then about \$32M for the rest. By doing the eight most critical buildings first we can ensure there are enough specialist contractors available and those most used and needed by the community are completed.

Those eight critical buildings costs and timings are:

- The Regent Theatre – \$13M construction in years 2 and 3
- The Central Library – \$65M, seeking 90% external funding, construction in years 4 and 5
- Te Manawa Museum of Art, Science and Heritage – \$67M, seeking 90% external funding, construction in years 6 and 7
- Civic Administration Building (Council's city centre office complex) – \$17M construction in years 8 and 9
- Caccia Birch House – \$6M, construction in Year 10
- Crematorium underway now
- Wastewater Treatment Plant underway now
- Water Treatment Plant underway now.

You can see the list of all 26 buildings and structures on our website.

The costs for seismic upgrades are highly indicative – we need to decide what type of strengthening is needed for each of the buildings or structures and then work on the detailed design. In Year 1, we will be working on design and other lead-in work for the Library, Regent and Te Manawa.

For some of these projects in our city centre, we have also assumed the need for more planning work and to seek some form of co-funding. This is explained in more detail over the following pages. Every project will see us work with stakeholders, undertake a procurement exercise for the best price, and have our Elected Members consider the project multiple times before going ahead.

We know these are very big costs and they're top of mind for us. The cost of seismic upgrades can often be the same cost as demolishing and rebuilding a facility. We expect the costs for Te Manawa and the Library will be similar for seismic, or rebuilds that maintain heritage features. This level of detail will be worked through over the coming years. It's essential we spread these costs out for our ratepayers. These first eight facilities are essential services for our community so we have assumed they will all be replaced/upgraded in some shape or form. In the future we will ask you about what you'd like to see for the remaining structures/facilities.

You can give feedback on this work in the 'general comment' section on our submission form'

Our City Centre landmarks have an opportunity to shine brighter

With the Central Library, Te Manawa, and Council's offices all needing seismic upgrades, there is an opportunity for us to seek co-funding, and make these facilities even better than they are now!

The seismic upgrades detailed on earlier pages will cost significant sums – but some also have the opportunity to transform our city centre. If you've been to Christchurch recently, you'll have seen the impact of this firsthand with their new Library and Conference Centre. Tauranga, Invercargill, Hamilton, and many other cities are doing the same with these facilities – with diggers already on site.

We've been looking at what this could look like in Palmy over the past few years too. We've previously referred to this work as the 'civic and cultural precinct'. Rather than just seismic strengthening, how do we draw more people and businesses into our city centre through these iconic cultural institutions? How do we get more people living in our city centre? How could the work on these facilities tell our history, support local businesses, better connect our residents and make our city centre more vibrant?

We've set up a steering group made up of Elected Members, and representatives from business, iwi, tourism, and Te Manawa to plot the path forward for us. We've heard from some of these other cities too. They've explained their process and how they've attracted co-funding to ensure ratepayers aren't the only ones footing the bill. Tauranga for example has its ratepayers only paying half the cost of the works, with the rest coming from a mix of other funds.

Co-funding can work in various ways- it could be that we lease a building, we could have public private partnerships, or we could receive external grants from government or other funding bodies. We haven't done the groundwork yet to know what is possible in our city- but based on work in other cities we know these are valid options to consider both for better outcomes for our community, and financial reasons.

Our preferred option is that we spend the next three years building on our existing planning and get expert advice about the programme of work and funding, and consulting with you again before proceeding.

In the coming three years, we would be getting seismic design work started for the Regent Theatre and the Central Library, and construction will need to start on The Regent in that time too.

We are proposing to spend \$100,000 in Year 1, \$102,000 in Year 2 and \$104,000 in Year 3 on investigating partnerships and funding opportunities and scoping out the potential for these facilities. There are additional costs involved in the design and construction of these projects.

As we've also explained on the previous page, the costs for seismic upgrades and a rebuild of a facility are expected to be similar due to the nature of these facilities and their locations. This detail will be worked on over the coming year. We've assumed 90% co-funding for the construction of these projects. That means for the estimated \$132M for the library and Te Manawa, we would fund \$14M. If we cannot seek external funding, we will need to look at alternative options, scope, and other Council projects to ensure we can do the legally required changes

You can read more of our 2019 Civic and Cultural Precinct masterplan for this work which we will use as a starting point. That's on our website at pncc.govt.nz/landmarkfacilities



Option one

Build on our existing planning and continue work to look at the buildings as a collective project and explore co-funding opportunities.

Pros

- ⤴ We can investigate funding models to help pay for construction and ongoing maintenance, which will help save ratepayers money upfront and over time.
- ⤴ We can spend a bit more time investigating any housing options before going ahead. This would bring added vibrancy to our city centre, help with housing supply, and could help fund some of the developments.
- ⤴ We can ensure the plan looks at what other services might be needed in these areas in terms of infrastructure planning (water, transport etc.) to coordinate construction.
- ⤴ We can ensure improvements have a green focus to help the planet, our resilience and electricity costs long term for ratepayers (e.g. solar, rainwater tanks).
- ⤴ Planning the development of the facilities together will help us manage the risks and costs more effectively.
- ⤴ By looking at the facilities together – this will be more appealing for co-funders. It will also show a commitment to private developers that our city centre is a place to invest which will help our local economy and provide jobs.
- ⤴ You get to provide another round of feedback once we have a more firm plan in place.
- ⤴ This is the best time to look at this investment and the benefits, rather than once construction is complete.
- ⤴ This option best meets cultural, economic, and social outcomes for our community.

Cons

- ♥ Seismic improvements could be delayed if the planning and funding model work takes longer than expected. (We're assuming three years from planning to having a development deal in place).
- ♥ We may need to do some 'patch repairs' to some areas of these buildings that need work in the short term (e.g. the Central Library's roof).
- ♥ We could struggle to find one or more funding partners which means we may have to prioritise what work gets completed.

Financial impact

\$308,000 over three years to conduct further investigation and funding analysis. These costs exclude the construction costs explained on pages 44-45.

These projects would add \$52M to council's debt. Debt repayment and interest costs will add \$300,000 to Year 1 increasing to \$3.6M in Year 10. The total interest and repayment costs over the 10 years is \$17.8M.

**Our
preferred
option**

Option two

Only do the required seismic upgrades of these facilities in their current location, and still seek 90% external funding

Pros

- Seismic upgrades may be able to get underway sooner than Option 1, depending on the time needed for stakeholder engagement and engineering design for each facility.

Financial impact

Construction costs are outlined on pages 44-45.

Cons

- Ratepayers could end up paying the same amount but miss out on other opportunities and economic potential for the city that may come from a collective project with a co-funding arrangement.
- This will likely be less appealing to external funders, which may mean our ratepayers bear more costs.
- This option may not see green infrastructure included as we would primarily focus on only the seismic work – this could see a cost over time as the impacts of climate change become felt.
- This doesn't provide options for housing which would add to vibrancy to the city centre and could help fund some of this work.
- This would mean all facilities stay in the same location, which may not have the best community, environmental, or financial outcomes.
- Not looking at the potential of these facilities and how they support the city centre in the long-term could have impacts on the social, cultural, economic and environmental outcomes of our community.



We'll continue to look after our infrastructure

Our Infrastructure Strategy is our roadmap for how we'll manage our infrastructure, when and how we will do the work and how much it will cost.

You can read more about our Infrastructure Strategy on our website pncc.govt.nz/LTP

The most significant infrastructure issues that we will need to address in the next 30 years are:

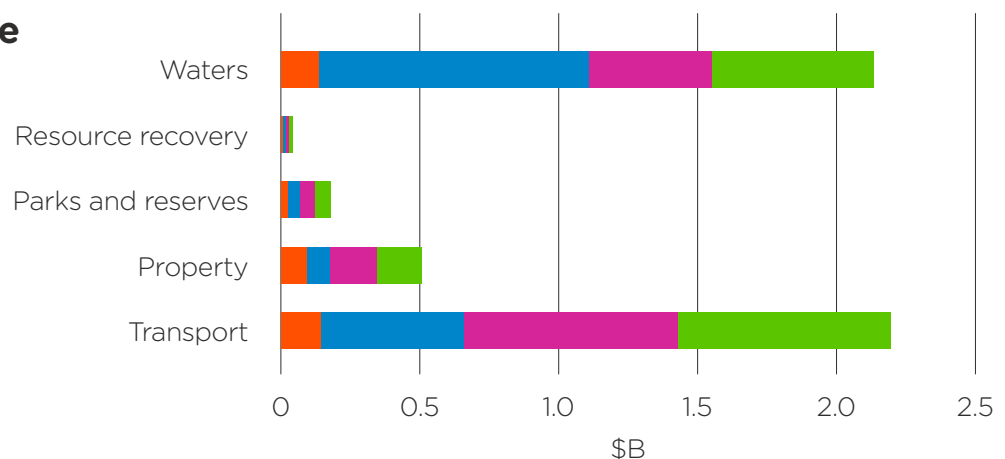
- Supporting growth and liveability in our city
- Delivering the levels of service that you're used to receiving
- Managing the deteriorating condition of our aging assets
- Responding to risks and resilience issues from climate change and natural hazards
- Responding to challenges from increasing standards of compliance

Key projects include:

- Nature Calls wastewater project
- Seismic upgrades
- Upgrades to community facilities
- Providing infrastructure for residential growth
- Replacement/refurbishment of existing assets
- Central Energy Trust Arena
- Te Motu o Poutoa Anzac Park
- Food scraps collection
- Social housing
- Palmerston North Intergrated Transport Initiative – which is a range of transport projects in our city centre, and in our growth areas like Te Utanganui. These include safety improvements, cycleways, a new bus terminal in the city, city centre transport upgrades and longer-term projects to support freight movements around our city through an 'outer ring road'. This work is done in partnership with the NZ Transport Agency – Waka Kotahi
- Roothing renewals and improvements
- Walking and cycling Improvements
- Drinking water upgrades
- Stormwater resilience

Capital Expenditure

New and renewal
(inflation included)



In the next 30 years, new or replacement infrastructure includes:



\$2.1 billion

on water projects



\$185 million

on parks projects



\$509 million

on property projects



\$46 million

on resource recovery



\$2.6 billion

on transport projects

Our Financial Strategy guides what we do with money to reach our community's goals

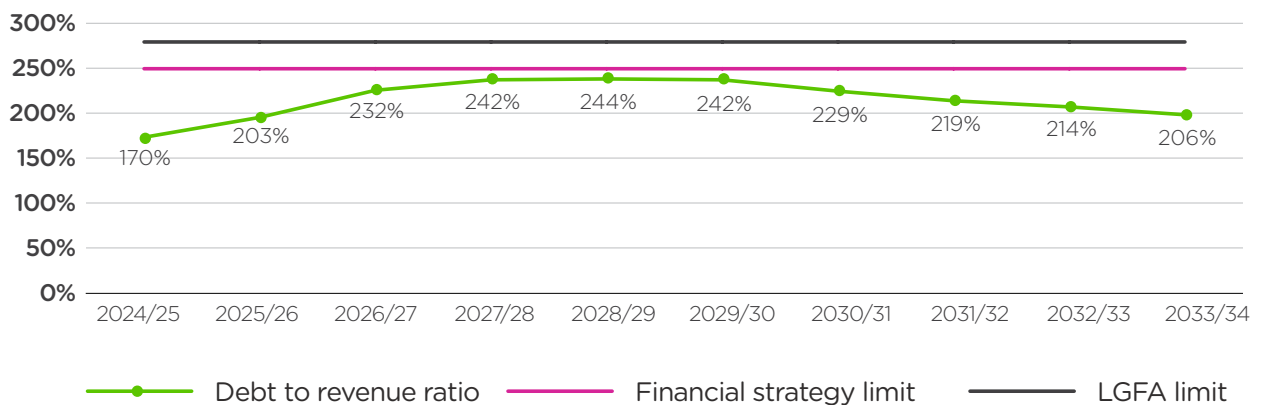
Our Financial Strategy helps guide decisions on budgeting, investment, and revenue generation to help ensure funds are used wisely, services are maintained or improved, and that we have a plan for managing any challenges.

The key points of our Financial Strategy are:

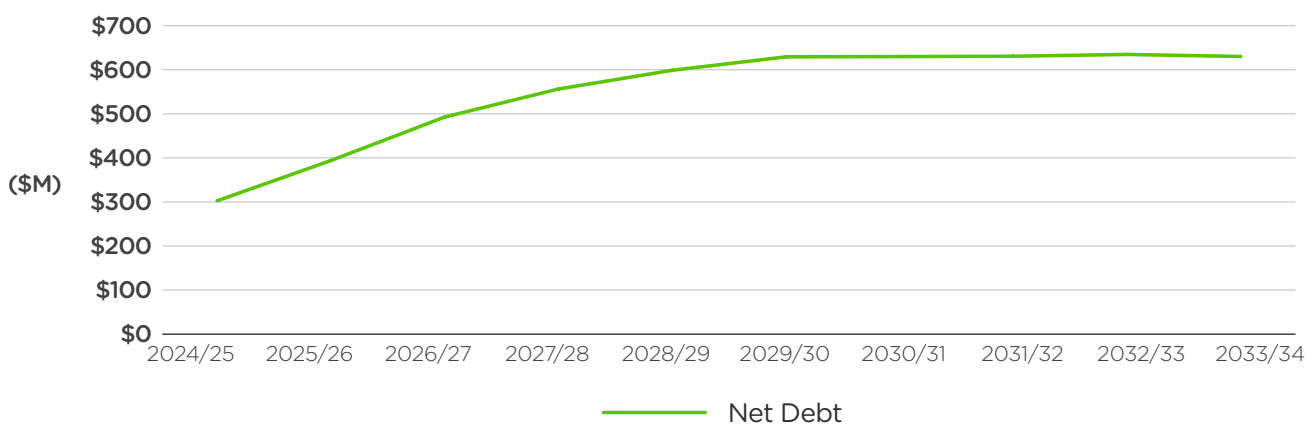
- Our Nature Calls wastewater project poses the largest financial challenge to Council. We do not have the financial capacity to borrow to fund this from our normal funding sources. In our draft plan we have assumed we will be able to use the IFF fund for this project. You can read more about this on pages 20-21.
- We have assumed Council will be responsible for providing the water activities throughout the 10 years of our Long-Term Plan. Even though we've assumed that we're responsible for delivering water, we've had to make some hard calls and cut the level of capital spend in the water budgets from Year 4 onwards – to help with the affordability of our plan.
- Over the next decade we will be spending **\$2.3B** dollars on capital projects. That is made up of **\$1.553B** on Capital New, **\$296M** on Capital Growth and **\$442M** on Capital Renewal. Due to scale of the capital projects proposed, we'll need to borrow more than our current borrowing limits would allow. As a result we have decided to increase Council's maximum debt limit (measured by the net debt to revenue ratio) from 200% to 250%. This ratio is still considered to be prudent and is less than the maximum of 280% available through Council's key borrowing source – the NZ Local Government Funding Agency.
- To help ensure we are able to remain within the updated debt limit, it is planned to accelerate the debt repayment between Year 4 and Year 10 of the plan. This equates to \$149M in additional repayments.
- Our latest assessment shows that to protect our infrastructure assets we need to significantly increase the amount we spend on replacing and renewing them. This draft Long-Term Plan provides for a progressive increase in this renewal spending.
- We will look at our land and assets and consider whether they could be used differently to reduce costs.
- We've assumed that many of our projects will need to be funded from more than just debt. We already get some funding from the NZ Transport Agency – Waka Kotahi as well as other external grants to help with projects. We're hoping to add to this with tools like the IFF and Public Private Partnerships (leasing properties rather than owning them). Some projects we've tagged for external funding include some growth programmes, Te Motu o Poutoa Anzac Park and seismic upgrades to our Central Library and Te Manawa. Every project would be looked at separately to determine the co-funding we need. If we can't find the best solution for our ratepayers, we'll have to re-scope, stop or re-prioritise this work ahead of other projects.
- Like other cities in New Zealand, our proposed rates increases throughout the term of the plan are higher than previously assumed would be necessary. If we end up using the IFF for Nature Calls, our ratepayers will have a large levy in addition to their rates from around Year 4. If we use a similar tool for growth programmes, this could also impact some ratepayers.

Borrowing limits	Policy limit	Forecast level at 30 June 2025	Forecast maximum during 10 years	Forecast level at 30 June 2034
Net external debt as a percentage of total assets	<20%	12.5%	18.2%	13.3%
Net external debt as a percentage of total revenue	<250%	169.8%	243.6%	205.6%
Net interest as a percentage of total revenue	<15%	8.2%	12.5%	10.8%
Net interest as a percentage of annual rates income	<20%	10.8%	15.5%	13.0%
Liquidity	>110%	114%	110%	110%

Debt to revenue ratio



Net debt forecast



Your rates over the next decade will need to increase significantly

For the first year of the Long-Term Plan (2024/25), total rates will need to increase by 11.3% to fund increased operating costs and to service our debt that we borrow for capital projects.

Operational costs are generally the day to day costs involved for a Council running a city, while capital costs are generally our construction projects.

Around half of the increase we are currently facing is to cover increased interest costs and repayment of our current debt used to fund past infrastructure projects. We use debt to help fund these big projects to spread the cost over those who will benefit from the asset over its life. They work like a mortgage with us paying interest and principal back each year.

We've also had some big increases to our insurance and utility (power and gas) costs – just like you have. As we've also been updating our software over the last few years, this has meant we've had to increase our licensing costs to access these programmes – it's really expensive and unfortunately we need them to help keep the city running.

Like other cities in New Zealand our proposed rates increases throughout the term of the plan are higher than previously assumed would be necessary.

The Year 1 cost increases for our operational areas are below:

Operating cost	Impact on rates for 2024/25 (Year 1)
Interest costs on debt	4.2%
Debt repayment	2.1%
Rolling average renewal increase	0.8%
Labour costs - market movement	3.6%
Utilities and insurance	0.4%
Software licenses	0.6%
All other (Contractors, professional services, materials, Offset by additional revenue [excluding rates] etc.)	(0.4%)

At this stage, we have assumed that the cost of the planned Nature Calls project will be funded through the IFF tool.

The sum levied by the external entity would be in addition to the rates increases shown, but would be shown on your rates bill as a separate levy. We think this levy will start to be phased in around Year 4, or after construction has started.

It is too soon in the planning process to know with any certainty how much the repayments will be but early estimates are that the levy for each ratepayer could be at least \$1,000 per year over 30 years (over and above your rates costs).

Proposed annual increase in total rates requirement over next ten years

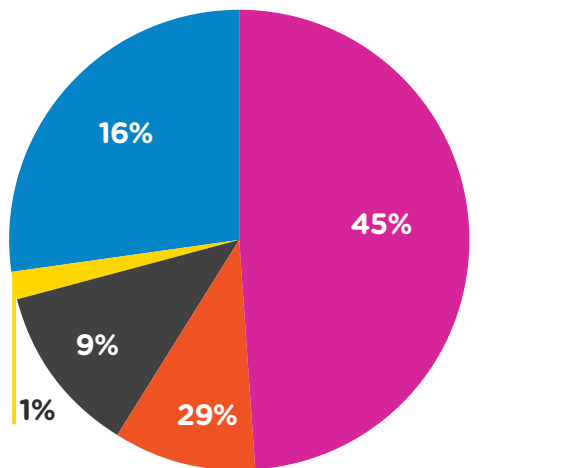


This graph shows the increases in total rates needed, as well as the maximum increases that would apply each year according to our policy.

Rates increases for individual properties will vary depending on their value, the nature any future improvements to the property and property use. They will also depend on any changes to the rating system. Rates are reviewed annually as part of our Annual Budget process.

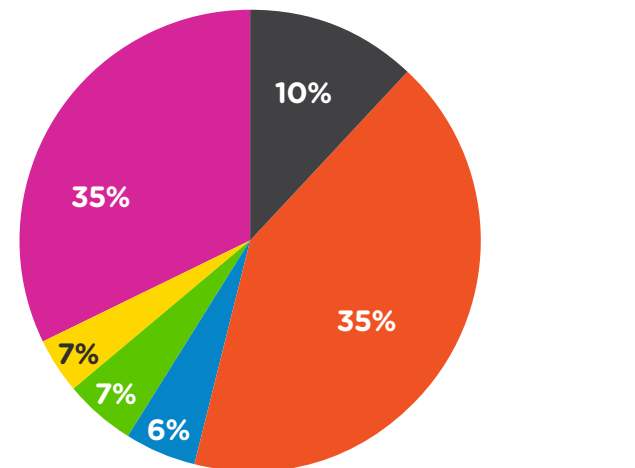
The rates increases shown here do not include the funding needed to cover the costs of the proposed Nature Calls wastewater project.

Where does our money come from?



- Rates
- Subsidies, grants and external funding
- Fees, charges, sales and other income
- Development contributions
- Additional loans

What is it proposed that money will be spent on?



- Operations and maintenance
- Finance costs (e.g. interest)
- Loan repayment
- Capital expenditure to meet additional demand
- Capital expenditure to improve the level of service
- Capital expenditure to replace existing assets

(Represents budgeted totals for the ten years)

Our Long-Term Plan risks

Nature Calls

There are uncertainties and risks around Nature Calls.

As explained on pages 20-21 we're legally required to get a new consent for treatment and discharge of our city's wastewater for the next 30 years. At the moment a very high-level estimate of the cost is up to \$647M, which is made up of upgrades to the treatment plant as well as a new discharge point, pipes and pumps, irrigation systems and land purchase or leases. Currently Horizons Regional Council is assessing our consent, and we won't have a better idea of costs until that consent is granted. We have no timeframes for that, as large infrastructure projects like these can take many years.

The high cost does mean that we cannot fund Nature Calls through normal Council borrowing mechanisms. That is why we are proposing to fund it by setting up a special purpose funding vehicle, in conjunction with Crown Infrastructure Partners (a Government agency) as provided for under the Infrastructure Funding and Financing Act. This type of arrangement was set up to assist councils in our circumstances.

There are two risks around this:

- There is a risk that residents and businesses consider the final cost of the project to be unaffordable or not value for money. The funding would need to be repaid by ratepayers through a levy on top of rates (see pages 20-21). Once we have a consent and know more about the cost, we will be able to look at the affordability of it. On the other hand, we know our community value our awa (river) and strong environmental outcomes- which do have associated costs.
- There is also a risk that Crown Infrastructure Partners will not fund the project – or will only partially fund it. At this stage we intend to fund Nature Calls entirely through this funding tool. That's because it allows us to debt-fund other vital projects (like roading improvements outlined on pages 22-23 of this document and upgrading our community facilities on pages 34-41). and remain within our debt limits. Other Councils have 100% funded their projects through this tool. For example: Wellington's Moa Point sedimentation tanks. However, we know some Councils are using a mix of Council debt and IFF for their specific projects.

We are aware of these risks and are working to minimise them:

- We are working through the consent process to get more detail and certainty on the costs.
- We have held talks with Crown Infrastructure Partners and will have much more detailed conversations them about Nature Calls and the implications of funding it through this arrangement.
- We are talking with our neighbouring Councils about their plans for water. This aligns with the new Government's Local Water Done Well model, which includes the option of Councils setting up Council Controlled Organisations for water, wastewater and stormwater to help fund improvements.
- We could look at other funding sources, such as a public – private partnership (PPP) where a private company finances, build and operates components of the treatment and discharge and charges Council (and therefore ratepayers) over a period of time. Some form of government assistance could be another option.
- If it becomes clear that, however it is funded, the total cost of the project is too high, we would need to reconsider some elements of the project – but would still need to meet the conditions of the consent.

We will revisit the project through our 2027 LTP (or earlier if necessary). By then we will have better information on the costs of the project. We will also have firmer ideas on potential funding sources. At that point we might need to reconsider the project against our other projects and services, especially if we cannot fund the project in a way that keeps some or all of the debt off our books. This could mean reducing the Nature Calls project and/or reducing our other projects and services.

We will keep you informed as we work through the details of the project.

Whatever happens, we do need to make sure we maintain our infrastructure for our community and meet all legal requirements for our wastewater treatment and discharge.

Planning for the next ten years has uncertainties and risks. Our draft long-term plan sets out what we think is the best way forward over those ten years based on our current knowledge. However, we know things change and we will need to tweak and adapt as we go.

Our proposed Long-Term Plan has two particular areas of uncertainty and risk that it's important for you to understand and share your feedback on.

Achievement of our Capital Programme

The other area of major risk is our ability to complete our proposed capital programmes.

Most of the services that Council provides – water, roading, libraries, public toilets, sportfields and playgrounds rely on Council infrastructure. Our capital programmes ensure that this infrastructure is well maintained and new infrastructure is built when necessary. Two factors could influence our ability to deliver the capital projects proposed for the LTP:

Availability of external funding.

Many of our capital projects involve external funding. We have assumed external funding of \$1.2B for our total capital programme of \$2.3B – or 53%. This includes the potential Nature Calls funding, NZ Transport Agency Waka Kotahi funding as well other assumptions regarding funding for our growth programmes. This external funding reduces the financial impact of the projects on Council's debt limits. However, it also introduces some risks that, despite our careful considerations in developing this LTP - the funding will not be available as expected. If this happens for any particular project, we will look carefully at our options. This could include delaying, scaling back or stopping the project. For legally required projects like Nature Calls and seismic upgrades it could also mean not doing other work so that we can fund these.

Ability to deliver projects.

In the past we used to struggle to complete all the capital projects we'd planned on doing when the year started, for a range of reasons. But we've stepped up our game and this year we're expecting to achieve at least 90% of what was proposed (compared to 67% in 2022/23)

We are continuing to focus on improving these figures further through:

- making sure our Project Management Office (PMO) is fully staffed
- early planning and design work to spread out the time we have to plan and build the works and reduce the number of project risks we face during the building phase.
- building good relationships with the construction sector. Our roading contractor has confirmed they can resource themselves to do the work we want.

Currently we're doing a range of projects that vary in size and scale. In our proposed long-term plan, many of these are large and high cost projects that are a one-off, e.g. seismic strengthening of a facility. These large projects can be delivered more efficiently than many small projects as they require less project administration compared to a large number of smaller projects. This all gives us strong confidence we can successfully deliver our projects. However, we will review our projects through each LTP and Annual Budget and can move projects around if necessary to make best use of available project delivery resources.



Rates for 2024/25

We're proposing that for 2024/25, rates will continue to be made up of a portion that has fixed charges (like recycling or water charges) and a portion based on the rateable value of the property.

The charges below are for our 'preferred' hybrid rating system. They will change depending on the rating system selected.

The fixed charges are shown in the following table:

Charge type	Charge	What it pays for
Water	\$427	The cost of providing water
Wastewater	\$384	The cost of treating and disposing of wastewater
Kerbside Recycling	\$144	The cost of kerbside recycling
Rubbish and Public Recycling	\$62	General rubbish and recycling costs, including transfer stations, cleaning up fly tipping, community education
General	\$200	Contributes to paying for all other Council services and helps ensure all properties contribute a more equal share of cost rather than it all being based on the land value

All properties are charged the General and Rubbish and Public Recycling charges. Those who have access to the other services are also charged for them.

Non-residential properties are also charged a wastewater charge based on the number of toilets they have and are billed separately for water they use, which is metered.

Here are some examples of rates you may pay for your home or business

These examples are based on our preferred option following our rates review, which proposes some changes to the rating system.

Our preferred option would see the introduction of a new targeted rate for Transport and Economic Development based on the capital value of a property, with the general rates remaining based on land value.

This change would see approximately 30% of the general rate being transferred from the land value to the capital value base.

It's important you read pages 27-31 to determine the impact of the rates review for you, and to give feedback.

We're only showing a few examples – you can search what this means for your property on our website.

	Single Unit Residential				Two Unit residential			
Land Value	\$360,000	\$455,000	\$468,000	\$540,000	\$450,000	\$525,000	\$561,000	\$625,000
Capital Value	\$590,000	\$690,000	\$739,000	\$840,000	\$675,000	\$770,000	\$829,000	\$920,000
	Quartile 1	Median	Average	Quartile 3	Quartile 1	Median	Average	Quartile 3
General Rates \$ <small>Incl. UAGC of \$200</small>	1,445	1,773	1,818	2,067	2,388	2,753	2,928	3,239
Targeted Rates based on CV \$	495	578	620	704	887	1,012	1,090	1,210
Targeted Rates for services \$	1,017	1,017	1,017	1,017	2,034	2,034	2,034	2,034
Total Proposed Rates \$	2,957	3,368	3,455	3,788	5,309	5,799	6,052	6,483
Increase \$ above 2023/24	222	219	249	268	451	486	520	563

	Non-Residential (Commercial/Industrial)				Miscellaneous			
Land Value	\$385,000	\$620,000	\$1,022,000	\$1,110,000	\$295,000	\$550,000	\$916,000	\$965,000
Capital Value	\$610,000	\$1,030,000	\$2,402,000	\$2,295,000	\$400,000	\$720,000	\$1,746,000	\$1,445,000
	Quartile 1	Median	Average	Quartile 3	Quartile 1	Median	Average	Quartile 3
General Rates \$ <small>Incl. UAGC of \$200</small>	5,306	8,423	13,755	14,922	1,504	2,632	4,250	4,466
Targeted Rates based on CV \$	1,470	2,483	5,790	5,532	438	789	1,913	1,583
Targeted Rates for services \$	446	446	446	446	62	62	62	62
Total Proposed Rates \$	7,222	11,352	19,991	20,900	2,004	3,483	6,225	6,111
Increase \$ above 2023/24	243	485	2,473	2,106	74	147	870	486

	Rural/Semi-serviced (between 0.2 + 5Ha)				Rural/Semi-serviced (5Ha or more)			
Land Value	\$435,000	\$520,000	\$549,000	\$590,000	\$520,000	\$730,000	\$1,373,000	\$1,218,000
Capital Value	\$950,000	\$1,180,000	\$1,202,000	\$1,390,000	\$551,000	\$1,102,000	\$1,585,000	\$1,670,000
	Quartile 1	Median	Average	Quartile 3	Quartile 1	Median	Average	Quartile 3
General Rates \$ <small>Incl. UAGC of \$200</small>	1,450	1,694	1,778	1,896	775	1,007	1,717	1,546
Targeted Rates based on CV \$	676	840	856	990	211	423	608	640
Targeted Rates for services \$	62	62	62	62	62	62	62	62
Total Proposed Rates \$	2,188	2,596	2,696	2,948	1,048	1,492	2,387	2,248
Increase \$ above 2023/24	685	859	879	1,018	28	182	191	265

Non-residential examples do not include any rates for wastewater based on the number of toilet pans or water charged by meter. The proposed charge per pan is \$384. Metered water is charged on the basis of a fixed amount (depending on the size of the connection) and the balance by volume used. Increases are proposed for metered water. The examples do not include the rate for central city commercial properties to fund the Palmy BID.

What your rates cover each week

This is based on a residential property with a land value of \$468,000 and a capital value of \$739,000. These are costed on our 'preferred' hybrid rating system.

\$9.34

14.03%

Recreation and play



\$1.41

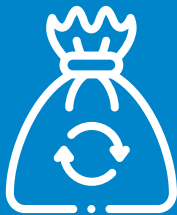
2.12%

Active and public transport

\$8.21

12.33%

Water



\$3.96

5.95%

Resource recovery

\$5.19

7.80%

Arts and heritage



\$4.67

7.01%

Community support

\$3.27

4.91%

Housing



\$1.01

1.52%

Biodiversity and the Manawatū river



\$1.27

1.91%

Community safety and health

\$6.10

9.16%

Roading



\$3.76

5.65%

Governance and active citizenship

\$4.85

7.28%

Libraries



\$7.38

11.08%

Wastewater



\$2.24

3.36%

Stormwater



(\$0.61)*

(0.91%)*

Organisational performance and strategic investments

*surplus

\$3.33

5.00%

Economic development



\$0.52

0.78%

Urban design



\$0.68

1.02%

Climate change mitigation and adaption

=

\$66.58

per week for average ratepayer

We need your feedback on some other topics too!

We'd love your feedback on how we engage you in our decision making.

All councils are required to have a Significance and Engagement Policy. The policy governs how we determine the importance or significance of an issue, proposal, or decision, and in turn how we'll engage with our community as part of the decision-making process.

Read more at pncc.govt.nz/LTP

You can give feedback on our updated Revenue and Financing Policy

The Revenue and Financing Policy outlines how we plan to fund the operating costs and capital expenditure for each of the Council's activities. It guides our approach to the setting of fees and charges and rates.

It shows for each Council activity the proportion of the cost we expect to recover from user fees and charges, and the proportion to be funded from rates.

Read more at pncc.govt.nz/LTP

We'd also like your feedback on our rates remission and postponement policies.

Council has a series of policies that enable rates to be remitted or postponed in a number of situations. These policies have recently been reviewed with minor changes proposed. A new policy is proposed to cover situations where residential ratepayers face hardships as a result of proposed changes the Council makes to the rating system. We review these annually.

Read more on proposed changes at pncc.govt.nz/LTP



Want to talk to our Elected Members about your submission?

That's easy for us to arrange! Simply tick the box on the submission form to let us know you'd like to speak at a hearing.

We want it to be as easy as possible for you to give feedback on a range of topics, so hearings for these consultations will be part of our Long-Term Plan consultation sessions in mid-May.

We'll be in touch to confirm the day, and time to speak, as well as the topics you'd like to cover.



We need you to also give feedback on our proposed strategy to guide Palmy's future growth

The government requires Palmerston North City Council and Horizons Regional Council to have a strategy for future development for the Palmerston North district, which outlines how the wider district grows over the next 30 years.

Projects that help our city grow are included in our draft Long-Term Plan. This includes \$291M spending on infrastructure.

Our proposed Future Development strategy outlines how we're working on plans for housing growth in a number of areas at the edge of the city like Aokautere, Kikiwhenua and Kākātangiata to the west of the city. We're also planning to enable more growth within the city by allowing homes in some areas to be built higher and closer together.

To support economic growth, we're planning some expansion around the current North East Industrial Zone. This would allow the city and surrounding district to capitalise on our central position in the national freight and logistics network, through our Te Utanganui, Central New Zealand Distribution Hub masterplan.

Please read our proposed Future Development Strategy and have your say at pncc.govt.nz/fds

You can take a look at our draft strategy (and Statement of Proposal) and provide your feedback by making a submission at pncc.govt.nz/fds or by filling in a hardcopy submission form which is available at our Customer Service Centre and community libraries.

Consultation ends 9 May 2024

As both Palmerston North City Council and Horizons Regional Council will be hearing submissions, hearings for your feedback will be held separately to our Long-Term Plan hearings, but with similar timeframes. If you'd like to talk to Elected Members, it's important you select this option on your submission form

Following hearings, we consider all the submissions, make any changes, and adopt the Future Development Strategy as our plan for growth in Palmy over the next 30 years.



We also want your feedback on our plans for reducing waste in our city!

Our goal is to continue to make it easy for our residents to choose to reduce, reuse and recycle, rather than sending more waste to landfills.

The Waste Management and Minimisation Plan (WMMP) outlines how we will manage our waste in the future. We review our Waste Management and Minimisation Plan (WMMP) at least once every six years. We're doing this review early so we can include it as part of the consultation on our Long-Term Plan.

Key new projects as part of our draft Plan are:

- Introducing a city-wide kerbside food scraps collection service.
- Working with the construction sector to get more demolition material being reused or recycled rather than sent to landfill.
- Upgrading important machinery in our Recycling Centres so that we can continue to process your recycling.
- Investigating whether there is a need for a new site for green waste and recycling drop-off.
- Monitoring contamination of recycling bins and illegal dumping more intensively in the future.

Read our draft Waste Management and Minimisation Plan and have your say at pncc.govt.nz/wasteplan



Let us know your thoughts on proposed changes to our Development Contributions Policy.

If you're subdividing your land, planning to build a home or build or expand a business, it's likely you'll need to pay development contributions.

Development contributions are paid on any subdivision or development that generates extra demand on infrastructure in our city. This helps reduce the financial burden on ratepayers and ensure our city infrastructure is fairly funded.

Our policy for how we set contributions is reviewed every three years, and we're doing that now. We're keen to hear your thoughts.

We have a lot more information available on our website.

**You can read more
at pncc.govt.nz/LTP**

Have your say 8 April – 9 May

Come to a drop in session

Thursday 11 April

10-11am Awapuni Library*

Planning Palmy Expo

Saturday 20 April | 10am-1pm

Palmy Conference + Function Centre.

Learn about what council does
and talk to our elected members

Monday 22 April

2.30-4pm Roslyn Library*

4.30-5pm Ashhurst Library*

Tuesday 23 April

10-11am Te Pātikitiki Library*

Saturday 27 April

10-11am Awapuni Library*

12-1pm Central Library*

* These sessions will be led by Council staff

Come and chat to us!

We know you'll have questions and ideas and we're here to help.

We have both topic specific and general sessions. For topic specific sessions we will have specialist staff from those areas able to answer your questions on those topics. For the general sessions we won't have those specialist staff available.

Join us online!

On Wednesday 17 April from 6.30 - 8pm join us for a live 'ask us anything' session.

This session will be live streamed on Council's Facebook and Youtube channels and kept there for future viewing.

Fill in a submission form

We've got three easy ways you can do this!

- Fill it in and post it to us at
Long-term plan submissions
Palmerston North City Council
Freepost PX33317
Palmerston North
- Fill in a hardcopy form at one of our libraries or customer service centres and drop it in the submission box
- Head to our website and do it now at pncc.govt.nz/LTP

If you are adding videos, pictures, songs or drawings you can do this via our website!

Chat to one of the decision makers, aka **our Elected Members**

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