

Whangarei District Council

Notice of Meeting

A meeting of the Whangarei District Council will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
17 December 2014
10.00 am**

Committee

Her Worship the Mayor (Chairperson)
Cr S J Bell
Cr S J Bretherton
Cr C B Christie
Cr P A Cutforth
Cr S J Deeming
Cr S M Glen
Cr P R Halse
Cr C M Hermon
Cr G C Innes
Cr G M Martin
Cr B L McLachlan
Cr S L Morgan
Cr J D T Williamson

OPEN MEETING
APOLOGIES
CONFLICTS OF INTEREST

Members are reminded to indicate any items in which they might have a conflict of interest.

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Local Government Act 2002 Amendment Act 2012

Full consideration has been given to the provisions of the Local Government Act 2002 Amendment Act 2012 in relation to decision making and in particular the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses. Consideration has also been given to social, economic and cultural interests and the need to maintain and enhance the quality of the environment in taking a sustainable development approach.

**Recommendations contained in the Council agenda may not be the final decision of Council
Please refer to Council minutes for final resolution**

1. Public Forum

Reporting officer Carolyne Brindle (Senior Meeting Co-ordinator)

Meeting Date 17 December 2014

Public Forum

Appendix F in Standing Orders allows for a period of up to 15 minutes to be set aside for a public forum at the commencement of each monthly council meeting.

The time allowed for each speaker is 5 minutes.

Members of the public who wish to participate should send a written application setting out the subject matter and the names of the speakers to the Chief Executive Officer at least 10 working days before the day of the meeting.

Speakers

There were no applications to speak at today's public forum received.

2. Minutes: Whangarei District Council Wednesday, 26 November 2014

Minutes of a meeting of the Whangarei District Council held in the Council Chamber Forum North on Wednesday 26 November 2014 at 10.00am

Present:

Cr S L Morgan (Chairperson)

Crs S J Bell, S J Bretherton, C B Christie, P A Cutforth, S J Deeming, S M Glen, P R Halse, G C Innes, C M Hermon, G M Martin, B L McLachlan and J D T Williamson

Apology:

Her Worship the Mayor S L Mai

Moved: Cr Morgan

Seconded: Cr Innes

“That the apology be sustained.”

CARRIED

Also present:

Area Manager Prevention Senior Sergeant John Fagan (New Zealand Police)

In Attendance:

Chief Executive (M P Simpson), Group Manager Infrastructure (S Weston), Group Manager District Living (P Dell), Group Manager Support Services (A Adcock), Governance Manager (D Kula), Property Manager (M Hibbert), Water Services Manager (A Venmore), Infrastructure and Services Project Engineer (M Shaw), Executive Assistant (J Crocombe) and Senior Meeting Co-ordinator (C Brindle)

1. Public Forum

There were no applications received for Public Forum.

2. Confirmation of Minutes of a Meeting of the Whangarei District Council held on 22 October 2014

Moved: Cr McLachlan

Seconded: Cr Martin

“That the minutes of the meeting of the Whangarei District Council Meeting held on Wednesday 22 October 2014, including the confidential section, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

CARRIED

3. Confirmation of Minutes of an Extra ordinary Whangarei District Council Meeting held on 31 October 2014

Moved: Cr Deeming

Seconded: Cr McLachlan

“That the minutes of the meeting of the Extra ordinary Whangarei District Council Meeting held on Friday 31 October 2014, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

CARRIED

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4. Confirmation of Minutes of an Extra ordinary Whangarei District Council Meeting held on 12 November 2014

Moved: Cr Cutforth
Seconded: Cr Innes

“That the minutes of the meeting of the Extra ordinary Whangarei District Council Meeting held on Wednesday 12 November 2014, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting, subject to the division on the motion, called by Cr Martin (refer page 8), being recorded as ‘LOST’ not ‘CARRIED.’”

CARRIED

5. Confirmation of Minutes of the 20/20 Inner City Revitalisation Committee and Consideration of Recommendations

Moved: Cr Halse
Seconded: Cr Glen

- “1. That the minutes of the meeting of the 20/20 Inner City Revitalisation Committee held on Thursday 18 September 2014, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.
2. That the recommendations adopted by the 20/20 Inner City Revitalisation Committee on 18 September 2014, excluding Item 2 - Consideration of development alternatives for the former Harbour Board/NRC Building, be adopted.”

CARRIED

6. Police Report

Senior Sergeant John Fagan spoke to the report and answered questions from Councillors.

Moved: Cr Morgan
Seconded: Cr Martin

“That the information be received.”

CARRIED

7. Mayor and Deputy Mayor’s Absence

Moved: Cr Innes
Seconded: Cr Deeming

- “1. That the information be received.
2. That Council appoint Councillor G M Martin as the elected member to represent the community on behalf of the Mayor during the period 27 December 2014 and 2 January 2015.
3. That Council designates Councillor G M Martin the authority under section 25(5) of the Civil Defence Emergency Management Act 2002 to declare a state of emergency if required between 27 December 2014 and 2 January 2015.”

CARRIED

8. Financial Delegation – Temporary Increase Chief Executive Officer

Moved: Cr Deeming
Seconded: Cr Martin

- “1. That temporary financial authority up to \$4,000,000 (excluding GST), for the period 22 December 2014 to 11 February 2015, be given to the Chief Executive Officer.
2. That any instances where the Chief Executive exercises this increased delegation be reported to the February Council meeting.”

CARRIED

9. Delegated Authority - Financial

Moved: Cr McLachlan
Seconded: Cr Martin

“That the changes to the delegated financial authorisations as listed below, be approved and added to the operative list of delegated financial authorities and the delegations manual as from 24 November 2014 until further notice.

Category G Operations Engineer – Water	Single contracts \$5,000.00 New.”
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CARRIED

10. Significance and Engagement Policy

Moved: Cr Cutforth
Seconded: Cr McLachlan

- “1. That the information attached (to the agenda item) and provided under separate cover, be received for consideration in decision making.
2. That, having considered the information provided and outlined in this report, Council adopt the draft Significance and Engagement Policy.
3. That Council rescind the 2012 Policy on Significance, which this policy will replace.
4. That Council authorises the Chief Executive to make any necessary minor drafting, typographical or presentation corrections to the Significance and Engagement Policy.”

CARRIED

11. Recommendation for increase in contract value: Contract 12001, Contract 12002 and Contract 12003

Moved: Cr Martin
Seconded: Cr Bretherton

- “1. That the contract for North Maintenance Area (Contract 12001), be increased by the sum of \$3,400,000 and the total contract value increased to \$ 13,199,588.75 exclusive of GST.
2. That the contract for South Maintenance Area (Contract 12002), be increased by the sum of \$3,000,000 and the total contract value increased to \$ 12,269,852.35 exclusive of GST.
3. That the contract for Central Maintenance Area (Contract 12003), be increased by the sum of \$1,500,000 and the total contract value increased to \$ 7,031,277.03 exclusive of GST.”

CARRIED

12. Whau Valley Water Treatment Plant Upgrade

Moved: Cr Halse
Seconded: Cr Martin

- “1. That Council proceed with the construction of a new water treatment plant as the preferred alternative to upgrading the existing Whau Valley water treatment plant and that this project be considered during Council’s LTP process.
2. That further investigation of alternative sites for a new water treatment plant, which were identified during the feasibility study, is undertaken in order to confirm the preferred location of the new water treatment plant.”

CARRIED

13. Development Contributions – Public Notification of Future Changes To Development Contributions Policy

Moved: Cr Deeming
Seconded: Cr Martin

“That Council approves the content of the notification (as presented in Attachment 1) to be placed on Council’s website.”

CARRIED

50th Anniversary Celebrations

Moved: Cr Williamson
Seconded: Cr Christie

“That Council acknowledges and thanks all those individuals and groups who worked together to make our 50th anniversary celebrations the success that they were.”

CARRIED

Exclusion of the public

Moved: Cr Morgan
Seconded: Cr Hermon

“That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
C.1	Confidential Minutes Whangarei District Council 22 October 2014	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C.2	Property Matters		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
C.1	For the reasons stated in the minutes	
C.2	To enable the council to carry on without prejudice or disadvantage negotiations	Section 7(2)(i)."

CARRIED

The meeting closed at 10.53am

Confirmed this 17th day of December 2014

S L Morgan (Chairperson)

3. Police Report

Reporting officer C Brindle (Senior Meeting Coordinator)

Date of meeting 17 December 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

The attached report has been received from Inspector Justin Rogers Area Commander for Whangarei/Kaipara. Inspector Rogers will be in attendance to speak to his report. Inspector Ruth, Operations Manager for Northland District will also be attending the meeting to discuss Operation New Years Eve.

Recommendation

That the information be received.

Attachment

[Police Report](#)



Whangarei / Kaipara Area COUNCIL REPORT

Submitted 05 December 2014

Investigations

About 6pm on the Thursday, 13 November 2014, a 48-year-old male German tourist was taken to the Waipu Medical Centre with serious head and facial injuries. He was dropped off at the medical centre by a member of the public. It was believed that the injured man has been riding around Northland and had been camping in the Waipu area prior to the assault.

Police located a bike and tent belonging to the victim. This was found in a forestry area about 150 metres off Cove Road between Mangawhai Heads and Langs Beach. All the man's other possessions, including his passport, travel documents, and clothes, were not at the scene.

The man had cycled from Wellsford that day and had gone into the forest area to camp. He was riding a green bicycle and was wearing a black lycra suit and dark coloured helmet.

The investigation is ongoing.

Operation New Years Eve

Over the Christmas/New Year holiday period, there is normally a large influx of visitors to the Northland area, particularly at a number of the local beach resorts.

The Bay of Islands also experiences a significant increase in the number of pleasure craft, large launches and yachts making the area home for the summer. These vessels add to the area's increased population.

Local hotels and clubs also experience increases in patronage. A number of these licensed premises will be providing entertainment and operating to the full extent of their licensing hours.

New Year celebrations throughout the district often involve the increased consumption and abuse of alcohol. This is often accompanied by related offences such as violence, street disorder, and other anti-social behaviour, along with drink/drive related offending and motor crashes.

Additional staff will be deployed throughout the district to provide a high profile presence to prevent incidences by discouraging the excessive consumption of alcohol in public places, particularly in beach resort areas and hotels, thus reducing the likelihood of disorder.

Road Policing staff will provide high visibility and be working to monitor the expected heavy traffic flow into the Whangarei and Mid North areas and ensure drivers are driving safely and to the conditions.

Inspector Ruth, Operations Manager for Northland District will be also attending this meeting to discuss Operation New Years Eve further.

Road Policing

Road Fatalities

Fiscal year of 2013/2014 = **20.**

Fiscal year of 2012/2013 = **20.**

Calendar year of 2013 = **21**

Calendar year of 2012 = **18.**

Calendar year of 2014 = **14** (18 for same period in 2013)

Road Toll	Total 2011	Total 2012	Total for 2013	As at 11 Nov 2013	As at 4 Nov 2014
Whangārei	1	6	9	7	7
Kaipara	0	4	3	3	1
Far North	6	4	9	8	6
Totals	7	14	21	18	14

Inspector Justin Rogers
Area Commander
Whangarei / Kaipara

4. Recommendation for increase in contract value: Contract 12006

Reporting officer Jeff Devine (Roading Manager)

Date of meeting 17 December 2014

Vision, mission and values

This item is in accord with Council's Mission, Vision and Values statement as it works to support sustainable land use management and transportation, providing a quality environment and protecting those assets that contribute to community health and well being.

Introduction

The contract involves resurfacing with chip seal and asphalt using a performance based specification and covers the entire WDC sealed network. Road marking and pre-seal repairs are done outside of this contract. The contract is for a three year period with provision to extend for two further one year periods, dependant on the Contractor's performance.

The tender award value for the first three years of the contract is \$7,790,705.00 (excl GST). This period will expire on 30 June 2015, however due to the increase in works the approved total contract value for the initial three year period will be exceeded before this date.

Having considered the Significance and Engagement Policy, this agenda item is not deemed to be significant. It seeks to amend an existing contract and will be reported to the public via Council's website.

Additional works

The contract award value allows for approximately 70km of chip sealing and 1.0km of hot-mixing to be completed each year.

Almost 200km of chip sealing was completed in the first two years of the contract, i.e. to the 30 June 2014. The total expenditure for chip sealing to the end of June 2014 was \$6,149,050.22.

A further \$1,033,400.35 was expended on hot-mixing during this period, which includes additional works such as Rust Ave, Kamo Rd (NZTA section) and Lower Hatea Bridge.

Therefore the total contract expenditure to the end of June 2014 was \$7,182,450.57 (excl GST).

Contract award value	\$7,790,705.00 A
Less expenditure to end of June 2014 (SP2)	<u>\$7,182,450.57</u>
Amount left in PO for 2014/15 season (SP3)	\$608,254.42
Less amount required for SP3 (i.e. \$3.7M Roading and \$0.1M Parks)	<u>\$3,800,000.00</u>
Therefore the PO shortfall is	\$3,191,745.57 B
Total new proposed value of contract (A + B)	\$10,982,450.57

Financial Authority

The resurfacing budget allowed for chip seal and asphalt resurfacing for the third year of the programme is \$3.7 million (excl GST). A further \$100,000 (excl GST) has been allowed by the Parks Department for chip sealing of a number of their car parks during the 2014/15 period.

The additional works completed through the resurfacing contract have resulted in the original financial authority being exceeded. This does not mean Council has exceeded the resurfacing allocation as the

additional works in this area has been offset by a reduction in spend on other programmes (i.e. rehabs) with all works being completed within the annual roading budget.

Council issues a financial authority to spend up to the value of the tendered sum when awarding a contract. If that financial authority is exceeded, then staff are required to return to Council for a new or additional financial authority to cover the remaining obligations of the contract.

Recommendation

That the contract for WDC Resurfacing (Contract 12006) be increased by the sum of \$3,191,745.57 and the total contract value increased to \$ 10,982,450.57 exclusive of GST.

5. British and Irish Lions Tour 2017 Proposal

Reporting officer Jude Thompson (Group Manager Positive Growth)

Date of meeting 17 December 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

Purpose

To seek Councils approval to submit a bid to host one or more of 13 All Blacks Tests across New Zealand in 2016 and 2017 (including three tests against the British and Irish Lions) and the seven tour matches as part of the British and Irish Lions Series in June and July 2017.

Overview

In early November Council received a Request for Proposal (RFP) from the New Zealand Rugby Union (NZRU) to bid to host one or more of the seven tour matches as part of the British and Irish Lions Series in June and July 2017 and one or more of 13 All Blacks Tests across New Zealand in 2016 and 2017 (including three tests against the British and Irish Lions). Venues and Events staff have reviewed the documentation to assess the requirements for Council and other stakeholders, including a budget assessment. Internal discussions and a review have also been undertaken with the Economic Development Manager who has experience with both the Rugby World Cup 2011 and as Project Manager for FIFA U-20's 2015, in particular around the "Host City" components for a bid.

Several discussions have been held with the Northland Rugby Union who are a key party to any proposal and the Venues and Events team are working closely with the union to ensure a coordinated and encompassing bid is put forward.

From a wider perspective, early discussions have been held with regional stakeholders including Northland Inc, Northland Regional Council and Far North Council.

Staff presented a high level overview to Councillors on 4 December and agreement was reached to prepare an agenda item to support Council submitting a bid to host a game during the British and Irish Lions 2017 Tour of New Zealand.

Key points covered during the discussion were as follows;

- Historical visits by the Lions to Northland as part of previous tours on six occasions
- Minimum requirements requested by NZ Rugby as part of any proposal for consideration
- Additional key factors that could be included in a proposal to strengthen including
 - a) Regional/ district sponsored marketing and promotional campaigns to support an allocated fixture
 - b) Provision of 'live sites'
 - c) Subsidised venue or training facilities
 - d) Other forms of financial contribution (direct or indirect)
 - e) Truly unique iconic points of difference in the region
- Stadium, District and Regional commitment
- Overview of Covec economic evaluation report from 2005 Lion's tour
- Potential economic benefit to our district from a successful proposal
- Financial commitment required for a proposal should we be successful

Significance and Engagement Policy

Council do not consider this matter significant under the Significance and Engagement Policy and the public will be informed via regular Council printed and online publications.

Conclusion

The Venues and Events team are looking at a variable level proposal based on allocation of games which would affect the economic return to the district. A game later in the tour may bring a greater benefit which would mean a higher commitment from the Whangarei District Council. i.e. a game later in the tour would mean a cash commitment up to a level of \$250,000 however a game earlier in the tour which the potential for a lesser return may get support at a lesser amount.

As above, as part of the discussion it was highlighted that a cost of up to \$250,000 is likely to be the amount required to form a successful proposal from Whangarei District Council. This is a cash cost over and above business as usual and items that can be done under existing budgets. Other items are likely to be covered under headings of "in-kind" support. The cash component would be to cover direct payment, payment to contractors to support the operational requirements or as "budget relieving" to NZRU.

As part of LTP budgeting, the sum of \$250,000 has been included for year 2 (2016-2017 financial years) and identified for this British & Irish Lions bid.

The project team from Venues and Events have also been in contact with the Northland Rugby Union and requested that there be some financial contribution towards the proposal and this is being dealt with by their board currently.

The Venues and Events team will also be requesting consideration of a financial contribution from Northland Inc, Northland Regional Council and Far North District Council towards the regional marketing, tourism and promotional aspects to the proposal.

Recommendation

1. That the information be received.
2. That Council submit a bid responding to the Request for Proposal (RFP) from the New Zealand Rugby Union to host one or more of 13 All Blacks Tests across New Zealand in 2016 and 2017 (including three tests against the British and Irish Lions) and the seven tour matches as part of the British and Irish Lions Series in June and July 2017.

6. Whangarei District Airport Expansion

Reporting officer Mike Hibbert (Property Manager)

Date of meeting 17 December 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement.

Purpose

To seek Councils approval to address limitations to the terminus, car parking and taxiway/apron infrastructure at the Whangarei District Airport and support an application to the Ministry of Transport (MoT) as our Joint Venture partner, to share the cost of such capital investment.

Background

The Whangarei District Airport has seen a number of significant changes in recent years including the upgrade and extension of the runway and lighting in 2009, changes in the Civil Aviation Authority (CAA) rules and applications and more recently the introduction of Air New Zealand's Q300 services to Whangarei.

Air New Zealand's replacement of the 19 seat Beech 1900 fleet with the larger 50 seat Q300s occurred much sooner than anticipated impacting immediately on increased apron and taxiway deterioration and pressure on existing terminus and parking infrastructure.

An initial review of the Airport looked at options to address a long term solution. This however, inadvertently triggered further investigation to acknowledge future Air New Zealand fleet replacement and CAA requirements.

Impacts

Apron and Taxiway

The taxiway and Apron was built to imperial measurements at that time, approximately 15m wide and no longer complies with modern day requirements of 18m. CAA has been historically willing to accept the shortcoming but has advised WDC to take advantage of complying at our instigation rather than being forced to at short notice in the future should new aircraft be introduced. Existing maintenance plans include the hot mix reseal and widening, however with the Q300s now in place sooner than expected, the work has been brought forward to address the CAAs concerns and address accelerating deterioration.

Terminus

Council has received numerous calls as a result of insufficient seating available to accommodate waiting pedestrian traffic and departing travellers. Increased pedestrian numbers has increased pressure on existing toilet facilities, baggage claim area and accessibility to check-in facilities, rental cars and cafe. The existing terminus will currently seat 35 individuals, there is also capacity to accommodate 60 individuals standing. Increased baggage now limits the existing baggage claim room already susceptible to weather and limited internal access.

Car Parking

Access to the terminus has become more congested as a result of increased pedestrian and traffic movements. The need for increased taxi, shuttle bus and rental car services have compounded already existing bottlenecks at the entrance to the terminus. General and Accessible parking has become a premium with the vehicles now parking illegally on grass verges, in disability parking spaces and or in leased taxi, rental car and shuttle bus spaces. Pedestrian traffic is competing with drop-off vehicles and vehicles wishing to park on a longer term heightening hazards and safety concerns.

Project Options and Projected Costs

Opus International Consultants Ltd provided concept studies and preliminary cost estimates for both Terminus (Options 1 and 2) and Civil Works as described in table 1 and 2 below. Terminus Options 3 and 4 are based on more diluted versions (long term strategy pending) of those proposed by Opus completed after further consultation with the Airport Manager, contractors, council staff and from complaints, suggestions made by members of the public.

Table 1: Cost Estimates Terminus

Option	Description of works	Estimated cost (\$)
1	Terminal expansion, full internal refurb, new toilets, new shell space for café and Air NZ, reclad external walls, new windows and building services, covered outdoor café area, viewing platform, baggage handling reconfiguration.	\$2.1 million
2	Terminal expansion, full internal refurb, new toilets, new shell space for café and Air NZ, reclad external walls, new windows and building services, separate transportation hub building (includes more toilets, tenancy space and waiting area's, covered outdoor café area, viewing platform, baggage handling reconfiguration, feature canopy.	\$3.1 million
3	Basic terminal expansion (waiting lounge), internal refurbishment, refurbish existing toilets, reconfigure existing baggage handling area and refurbish collection point.	\$450k
4	Basic terminal expansion (waiting lounge), internal refurbishment, refurbish existing toilets, enlarge existing baggage handling area and refurbish/create larger collection point, expand Air NZ office space and ticketing area	\$520k

Table 2: Cost estimates Civil Works

Task	Action	Estimated costs (\$)
Taxiway/Apron	Widening of taxiway and aprons	\$250,000.00
Taxi Rank (L4)	Creation of taxi rank on access road to reduce pedestrian/car congestion	\$16,000.00
Rental Car Relocation (L3)	Move away from terminal frontage to ease traffic flow	\$25,000.00
Carpark and Access creation (L1, L2)	Create extra bay and access point to improve traffic flow and reduce terminal entry congestion (pedestrian/car)	\$100,000.00
Car Park Barrier System/Floodlights	New system install to facilitate parking charges and monitoring	\$100,000.00

The total cost of each option is summarised in table 3.

Table 3: Summary of costs

Item	Option 1	Option 2	Option 3	Option 4
Terminal	\$2.1 million	\$3.1 million	\$450k	\$520k
Taxiway/Apron	\$250k	\$250k	\$250k	\$250k
Civil (incl. barrier etc)	\$335k	\$390k	\$250k	\$250k
Total	\$2.68 M	\$3.74 M	\$0.950M	\$1.02 M

Considerations

Airport Review

It is acknowledged that the future of the Airport at Onerahi is currently being assessed as part of a much larger strategic review for the District. Any investment would warrant careful consideration especially under such circumstances to ensure the appropriate balance of investment over the life of the existing infrastructure.

It must however be highlighted that regardless of the outcome of the review the Apron and Taxi way work requirement is needed to meet current safety standards and address accelerating deterioration.

JV Partnership

Under the Joint Venture Deed, for the general management, administration and maintenance of the airport, lie key roles and responsibilities including the airport meeting compliance with all relevant legislation and financially where possible, capital expenditure should be financed from existing airport reserves.

The Ministry's expectations include that all proposals put to Councils that involve the use of more than \$5,000 of the Crown share of airport reserves must also be submitted for Crown approval and that applications for use of over \$300,000 of the Crown share of airport reserves must be submitted for the Ministers approval. At least eight weeks notice for the Crown approval process to be completed is required.

The Ministry has indicated they would expect any application for a project of this nature would need to include the following:

- Description of the specific problem that proposed capital expenditure will address. For major projects this should be supported by technical reports by external consultants.
- Outline of the options considered for addressing the problem and the criteria for selecting the preferred option. Criteria may refer to cost effectiveness, compliance with safety and security legislation, environmental issues.
- Cost projections (as accurate as possible) and a projected timeline.

Airport Reserve Fund

The Airport Reserves Fund has a current balance of \$600K. With the larger Q300 planes paying higher landing fees, on average the reserve fund has been increasing by \$20k per month. This is expected to continue based on the current Q300 flight programmes.

Additional Revenue

Additional revenue streams have been identified to help provide a more sustainable financial position and recover any agreed investment.

Car Parking Charges

Car park charges to accompany increased levels of service for the proposed car park expansion are expected to conservatively return up to \$80K per annum. Recent surveys provided by the airport management, indicate on average there are at least 30 cars parked occupied per all day on any given day for approximately 340 days per year. Charged at \$8 per day equates to \$82k per annum. This does not include short term casual parking or long term secure parking at a flat fee. Barrier arm technology and fencing will help provide a more controlled environment that will allow a variety of fee structures to accommodate the needs of the long term and casual parker.

Leased Car parks (Taxi/Rental Car)

The relocation of taxi and rental vehicles will provide room for one or two extra taxi spaces and possibly two further rental car spaces to lease. Interest to expand and occupy additional space has been positive.

Terminus Space

Internal changes to the terminus allow for Air New Zealand to expand. They have in the past indicated a wish for an additional 25% of their existing leased area. Option 4 allows for this increased footprint while also providing additional space to accommodate any future options.

Significance and Engagement Policy

Council do not consider this matter significant under the Significance and Engagement Policy and the public will be informed via regular Council printed and online publications.

Conclusion

As a result of the many recent changes to the Whangarei District Airport, Option 4 appears to address the immediate issues associated with the apron/taxiway, maximises terminus space and car parking, while not over investing financially in an asset with a limited life of 10-15 years.

The Airport reserve fund can be used to fund the majority of the project with the Council and MoT meeting the deficit as indicated below.

Contribution Detail	Estimated Cost (\$)
Total Cost Option 4	\$1.02 M
Airport JV Reserve Fund	<u>\$ - 600k</u>
Deficit	\$420k
Shared costs (per JV Agreement)	\$210k per party

Recommendation

1. That the information be received.
2. That Council adopt Option 4 as their preferred option.
3. That Council approve to fund the project through existing Whangarei District Airport reserves and support an application to the Ministry of Transport (MoT) as our Joint Venture partner, to share the cost of the deficit.

7. Whangarei Airport Strategic Review

Reporting officer Simon Weston (Group Manager Infrastructure & Services)

Date of meeting 17 December 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as the on-going provision of a district airport is essential infrastructure to support the community.

1. Introduction

At its February 2014 meeting Council resolved to review the several compromising issues associated with the Whangarei Airport, including:

- Civil Aviation Authority (CAA) requirements;
- Airport ownership;
- District Plan and noise contour requirements;
- Air New Zealand Link (ANZL) service;
- Other medium term requirements;

The review would provide solutions to the issues raised, including cost and risk allocation, and would be reported back to Council before further work is undertaken. This study is referred to as 'Phase 1'.

This agenda item confirms that the medium to long term capability of the aerodrome is compromised, primarily due to runway length and recommends that further studies are undertaken to locate and secure a new location promptly for development within a 10 to 15 year window.

Having considered the Significance and Engagement Policy, there is no significant decision before Council at the early stages of this project. Key stakeholders are being engaged through this process and the public will be informed via media release and the Council website. If included in the LTP, consultation would be undertaken through that process.

2. Background

The Whangarei Airport has two runways, a short grass runway that is used mainly for private and small commercial operations and a sealed runway. The sealed runway is used by both private and commercial operators including the ANZL service. The sealed runway is the shortest commercial runway in New Zealand and is the main focus of this report.

During the past few years ANZL has operated the Beechcraft 1900 aircraft at the Whangarei Airport, however in late 2013 issues were raised regarding the landing and takeoff threshold crossing heights for this aircraft. This was resolved by ANZL changing from the Beechcraft 1900 to the Q300s for the Auckland flight and using the Beechcraft for the flights to and from Wellington. The Q300s, although much larger than the Beech 1900, have landing and takeoff capabilities that better matched the limitations of Whangarei Airport.

As a result of the larger aircraft operating from the airport the frequency of flights has reduced to balance the economics of operating larger aircraft with the same number of passengers. This means that terminal activity has increased at boarding and departure times. This has prompted a review of the current terminal facility and Council is considering short term improvements that would increase the overall footprint of the terminal.

Beca Ltd. (Beca) was commissioned to undertake 'Phase 1' of the strategic review with the overall objective of ensuring that the Whangarei District has an aerodrome facility that is capable of meeting the long term needs (30 to 50 years) of its users and the District.

In addition to Phase 1, it was considered prudent to undertake a preliminary assessment of 'Port Nikau' as a potential airport location. This report is referred to as Phase PN1.

Beca have now completed the commissioned work on the existing airport and the possible alternative at Port Nikau.

3. Existing Airport CAA Requirements

There is a risk to the airport's continued certification/operation with three key points of the existing design standards. In summary these are:

- Existing OLS (Obstacle Limitation Surface) infringement to the north and east means that minimum OLS to support both day and night operations cannot be achieved.
- The runway strip width narrows down from 150m to only 100m at the eastern Runway 24 threshold. When night operations were implemented in the mid 1990s the largest aircraft operating into the airport was the EMB 110 Bandeirante, which has a MCTOW (Maximum Certified Take Off Weight) of below 5700kg. Aircraft below 5700kg only require a runway strip width of 90m for night operations. Since then the Bandeirante has been replaced by the larger Beechcraft 1900 and Dash 8 Q-300 which, being over 5700kg MCTOW, require a minimum runway strip width of 150m. The airline operators are required to comply with CAR 121.71(h) Appendix C. This requires 150m strip and for Code 3 aircraft all of the 150m must be graded.
- The lack of minimum RESA (Runway End Safety Area) of 90m (recommendation is 240m) at each end.

To manage both the operation safety risk and the risk of losing CAR (Civil Aviation Rule) 139 certification the airport operator needs to detail the existing mitigations in place to manage the risk and have this as part of the formal justification for the certification.

The existing mitigations include:

- Circling guidance/lead in lights
- Terrain limit lighting
- Restriction of use Runway 24 PAPI (Precision Approach Path Indicator) only inside 1 nautical mile due to terrain
- Special charts in AIP (Aeronautical Information Publication) depicting night circling procedures
- Special pilot training and aerodrome qualifications for current Air New Zealand Link airlines.

The current draft CAR 139 NPRM does not trigger an immediate requirement for the aerodrome to re-apply for its certification. Nonetheless if the final ratified version of the CAR 139 NRPM requires full compliance for existing domestic aerodrome, these could be written up as a formal safety case and used as part of a formal exemption process if. It is our current understanding from CAA that the NPRM will become effective in mid 2015.

4. Strategic Review

The key outcomes identified in the Phases 1 and PN1 investigation are:

1. The existing Onerahi aerodrome site encompasses sufficient land for the development of landside, terminal and apron infrastructure to support aviation activity for the foreseeable future;
2. A longer runway and associated RESA is considered necessary to meet the requirements of the evolving Air New Zealand regional fleet, and provide an operational capability suitable for likely future aircraft types;
3. The major issue which undermines the medium to long term viability of the airport at the Onerahi location is the lack of ability to lengthen the existing relatively short runway;
4. A secondary, but significant issue is the ability for the airport to maintain its current operational capability given the existing non-compliances at the aerodrome. These non-compliances may need to be addressed with the adoption of changes to Civil Aviation Rule 139 anticipated to be adopted in 2015 or as part of the certification of a reconfigured runway;
5. Based on the likely regional fleet development of Air New Zealand, for the airport to remain at its current location in the next 10-20 years will require a minimum runway lengthening to 1,200 to 1,350m to facilitate turboprop operations by 68+ seat aircraft such as the ATR-72 on the existing core Auckland and Wellington routes;
6. A rough order cost for the 1,350m runway utilising "starter extensions" has been estimated at \$140 Million;

7. A shorter less capable 1,200m runway would still require the same runway platform to be constructed to comply with CAA runway strip and Runway End Safety Area (RESA) requirements and would not cost significantly less. Cost saving would only be in the order of only \$3-3.5 Million;
8. In addition to a prohibitive cost, a runway lengthening project would also require the successful navigation of some significant regulatory issues including:
 - Alteration to the designation of adjacent land under the Whangarei District Council Operative District Plan 2007. It is considered likely that this would be publicly notified;
 - Probable iwi/hāpu and community objection to reclamation in the coastal marine area;
 - Regional planning issues;
 - CAA approval process.
9. An initial pre-assessment of the Port Nikau site for a possible airport location reveals that the proposal has significant issues primarily due to the Obstacle Surfaces Limitations (i.e. surrounding terrain) but also significant costs estimated at \$148 Million (largely due to the requirements for harbour reclamation) to establish an airfield which would preclude it from being considered in the next stage of the study. However, if other alternative sites also have similar issues and there are no other practicable options available then the Port Nikau option should be evaluated against those.

5. Strategic Position of Whangarei

Airports are considered to be a critical piece of infrastructure for a regional centre such as Whangarei, and as a result long term sustainability and continuity of service is paramount. In considering the next step Council should consider the project in terms of the following:

- Likely requirements for air services over the next 50 years.
- Demographics of the area – will Whangarei continue to grow and retain its regional centre status?
- Continuity of service, and the ability for it to be serviced by the national carrier. Obviously alternative suppliers may operate from time to time; however, continuity of service is essential.
- For Whangarei to be considered the regional commercial centre for Northland and for Whangarei to attract and retain significant business a local airport is considered to be a requirement.
- Whangarei needs to future proof its transportation infrastructure, and this includes airports, as the regional commercial centre.
- Project timing is critical to ensure continuity of service, but to also adapt to the changing environment. The suggested approach for the project will incorporate this within its processes.

6. Project Execution

A detailed project execution plan will be developed for future stages of the project. Below provides a high level overview of how the project would be executed.

- Stage 2 – The next stage will identify up to six alternative locations for preliminary evaluation. Multiple Criteria Analysis (MCA) will be used to identify one or possibly two sites for further in-depth analysis. The existing location and Port Nikau will be included within the MCA. Commercial information will also be reported in greater detail. This stage will also involve significant engagement with stakeholders. Stage 2 will provide recommendations to Council to proceed to Stage 3.
- Stage 3 – This stage will undertake an in-depth investigation into the top ranking site(s) and will make recommendations to Council regarding: procurement of land / consenting / designation, funding options, detailed commercial information and risks.
- Stage 4 – This stage will progress the consenting / designation / procurement of land and a recommendation when to commence the enabling works.
- Stage 5 – Commencement (gate) of enabling works.
- Stage 6 – Airport construction works.
- Stage 7 – Airport commissioning / certification
- Stage 8 – Hand over to operations.

It is considered that ten years is a tight timeframe for the establishment of a new airport and have it commissioned and certified ready for operation. To provide the opportunity to have a new airport operational within a ten year window the next stage for the project needs to commence promptly.

7. Project Funding

At this stage, it is difficult to provide an estimate for the project given that we do not have a location on which to base an estimate on. However, it is considered that the cost is likely to be in the region of \$25m to \$40m. Stage 2 of the project will provide costs and commercial information for Council to consider in detail.

It is considered appropriate that Council includes the project within the Council's LTP process for consideration. It is recommended that Council includes funding for the following stages within the LTP:

- Stage 2: Evaluation of sites.
- Stage 3: In-depth investigation into one or two sites, including funding options.
- Stage 4: Consenting and procurement of land.
- Stage 5: Enabling works.

8. Existing Airport

The existing airport is likely to be in operation for at least the next ten years and due to the operation of the Q300 aircraft a number of improvements to the existing infrastructure and facilities are recommended. These issues are discussed under a separate agenda item. It is considered that although the 'New Airport' project may temper the suggested improvements at the existing airport, it does not alter the need for short or medium term improvements. Staff involved with the operation of the existing airport are part of the 'New Airport' project team, and therefore are aware of the timeframes involved.

9. Summary / Next Step

It is believed that the prohibitive costs and risks noted above outweigh any benefit of remaining at the current Onerahi site beyond a 10-15 year period. It is recommended that the Council:

- Plans to cease regular passenger traffic operations at the Onerahi site in the next 10 years;
- Identifies and secures an alternative site for future aerodrome as soon as possible, as scoped in the next phase of this Strategic Study;
- Establishes a timeline/strategy for the funding, construction and commencement of operations at an alternative site. The timeline will aim to deliver a new operational facility by approximately 2025;
- Includes a "gate" for triggering design development subject to a reassessment of regional aircraft fleet facility requirements at 2020 to confirm the "go-live" date for the new facility.

Funding for the next stages of this project should be included within Council's LTP for consideration. It is likely that the project would meet the significance criteria and be identified as a significant project for consultation through the LTP process.

It is recommended that a Project Control Group be instigated, with three councillors being on the group. It is also recommended that the Project Control Group reports regularly to Council on progress and on any significant new issues to consider.

Recommendation

1. That the information be received; and
2. That Council proceeds with Stage 2 of the project; and
3. That Council includes the 'New Airport' project for consideration within the 2015 Long Term Plan.