**7.7**     **MĀPUA BOAT RAMP - REQUEST FOR FUNDING REALLOCATION**

**Decision Required**

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| --- | --- |
| **Report To:** | Tasman District Council |
| **Meeting Date:** | 20 June 2024 |
| **Report Author:** | Richard Kirby, Group Manager - Community Infrastructure |
| **Report Authorisers:** | Leonie Rae, Chief Executive Officer |
| **Report Number:** | RCN24-06-12 |

**1.       Purpose of the Report / Te Take mō te Pūrongo**

1.1     The purpose of this report is for the Council to consider a request from the Māpua Boat Ramp Community Trust (the Trust) to reallocate further funding from the $700,000 allocated for the Māpua Boat Ramp in the Long-Term Plan 2021/2031.

**2.       Summary / Te Tuhinga Whakarāpoto**

2.1     In May 2021, the Council approved funding contributions of $50,000 in 2021/22, $50,000 in 2022/23 and $600,000 in 2023/24 towards the development of a boat ramp in the Māpua Waterfront Park.

2.2     The project is being managed by the Māpua Boat Ramp Community Trust (the Trust) which has been set up to obtain a resource consent, then own and operate the boat ramp once consented and constructed.

2.3     The Trust has requested further funding of $250,000 to cover its indicative costs of proceeding with the resource consent process. The Trust indicates that of this $250,000; $50,000 for preparing reports for the Resource Consent Hearing, $50,000 for its legal representation at the Resource Consent Hearing and $150,000 towards the cost of the Resource Consent Hearing.

2.4     The Council needs to decide whether it approves reallocating the full amount of additional funding as requested or approves a smaller amount of funding or declines the request altogether.

**3.       Recommendation/s / Ngā Tūtohunga**

**That the Tasman District Council**

**1.       receives the Māpua Boat Ramp - Request for Funding Reallocation report,
RCN24-06-12; and**

**2.       notes the Council resolution of 17 May 2021 agreeing to advance funding for the new Tasman Bay Boat Access Facility of $700,000 (excluding inflation) to $50,000 in 2021/2022, $50,000 in 2022/2023 and $600,000 in 2023/2024, for the purpose of providing a new boat ramp facility at Waterfront Park in Māpua to be funded from the Moutere-Waimea Ward Reserves Financial Contriubitons account; and**

**3.       notes that, as at 30 March 2024, the Council has paid the Māpua Boat Ramp Community Trust $169,406 from the allocated funding towards the preparation and application for a Resource Consent for the boat ramp in the Māpua Waterfront Park; and**

**4.       EITHER:**

**4.1     approves advancing an additional $250,000 from the allocated funding as requested by the Māpua Boat Ramp Community Trust to cover anticipated costs of its reports to the Resource Consent Hearing ($50,000), plus its legal representation at Resource Consent Hearing ($50,000) and a contribution to the costs of the Resource Consent Hearing ($150,000);**

**OR:**

**4.2     approves advancing an additional $150,000 from the allocated funding to only contribute to the Resource Consent Hearing costs associated with the Māpua Boat Ramp Resource Consent application;**

**OR:**

**4.3     declines advancing a further $250,000 from the allocated funding as requested by the Māpua Boat Ramp Community Trust.**

**4.       Background / Horopaki**

4.1     In December 2019, the Council gave approval, as landowner, to the Māpua Boat Club to proceed with the resource consent application for the development of a boat ramp on the Māpua Waterfront Park. The Māpua Waterfront Park is open space and not classified as a reserve under the Reserves Act 1977.

4.2     In May 2021, at its deliberation meeting for the Long-Term Plan 2021/2031, the Council approved funding contributions of $50,000 in 2021/22, $50,000 in 2022/23 and $600,000 in 2023/24 towards the development of a boat ramp in the Māpua Waterfront Park. Funding would come from the Moutere-Waimea Ward Reserves Financial Contributions account.

4.3     In June 2023, the Council considered and approved an initial request to bring forward **$95,000** from the **$600,000** originally allocated in 2023/2024 to help fund the costs it has incurred in preparing a resource consent application for the construction of a boat ramp at the Māpua Waterfront Park.

4.4     The Trust has confirmed that it has incurred costs to 31 March 2024 totalling **$234,314**. It has funding totalling **$81,822** primarily comprising two loans.

4.5     Up until 30 March 2024, the Council has funded **$169,406** towards the preparation of the resource consent application. This balance expenditure of **$64,908** is being covered by the two loans.

4.6     The members of the Trust have the view that the council has previously promised a boat ramp to replace the one that became inaccessible during the development of the commercial precinct around the Māpua wharf. Although there is no specific resolution of the Council confirming this promise there is evidence of anecdotal comments from elected members at various times over several years conveying support for another boat ramp in the Māpua vicinity.

4.7     The Trust has developed and submitted a resource consent application for the boat ramp.  The application has been subject to a public consultation process and the Council received approximately 111 submissions opposed and 212 submissions in support and six neutral submissions. Eighty-eight submitters wish to be heard.

4.8     On 9 April 2024, the Trust met with the Council’s resource consent staff to be briefed on the consent process from here. The Trust were advised that it needed to produce additional reports to offset and respond to the key issues raised in the consultation process.

4.9     The Trust has asked that the resource consent process be put on hold for the time being.

4.10   The Trust is now requesting a further **$250,000** to cover the estimated costs of

·        the hearing ($100,000 to $150,000),

·        reports for the hearing ($50,000) and

·        legal representation at the hearing ($50,000).

4.11   The Trust acknowledges that it signed an agreement with the Council regarding the funding and any further funding advanced by the Council would necessitate more contribution from the Trust. However, until a resource consent is granted, the Trust has stated that its fundraising capability is very restricted, and it simply cannot raise further funds from its own resources for a community boat ramp without further advances from the Council.

4.12   Further to this, the Trust has stated that funders they have approached have indicated that they require a resource consent before they can make any funding contribution.

4.13   The Trust has also stated that its trustees are no longer willing to put their time and money into this project without a resource consent.

4.14   The Trust has the dominant view that the boat ramp is a community facility, and that the Council should be committing more funding to it.

4.15   The Trust has made the point that there has been considerable volunteer input to date in locating the water and wastewater pipes in the estuary (120 hours), household surveys (200 hours), time in public meetings, information stands at the Māpua market plus meetings with iwi and community groups.

4.16   The cost estimate for the boat ramp was **$1,713,886 plus GST** in March 2019. This included a 15% contingency. From March 2019 to December 2023 the Construction Cost Index has increased by around 35-37% which suggests that the cost estimate could now be in the vicinity of **$2.3 million**.

4.17   The following are the actual budgets which include the inflation adjustments made to the figures in the Long-Term Plan 2021/2031;

·     Year 1 (2021/2022)                            $51,150

·     Year 2 (2022/2023)                                     $52,378

·     Year 3 (2023/2024)                            $648,652

·     **Total (LTP 2021/2031)                      $752,180**

4.18   As of 31 March 2024, the Council has contributed **$169,406** to the Trust costs. The balance available to the Trust is now **$582,774**.

4.19   The Deed of Funding between the Trust and the Council requires the Trust to submit quarterly reports. These reports require the following information:

·    Delivery of Project Activities

·    Project Learnings

·    Financial Management – Costs and Fundraising Activity

·    Risk Management

·    Progress Report Declaration

4.20   The last quarterly report submitted by the Trust was dated 18 April 2024 and covered the first quarter 2024 to 30 March 2024.

**5.       Analysis and Advice / Tātaritanga me ngā tohutohu**

5.1     In its resolution, SH21-05-28, dated 17 May 2021, the Council approved funding of $700,000 for the purpose of providing a new boat ramp facility at Waterfront Park in Māpua to be funded from the Moutere-Waimea Ward Reserve Financial Contributions (RFCs). With inflation this $700,000 has escalated to $752,180 (see clause 4.15 above).

5.2     RFCs should be spent on capital development associated with the Parks and Reserves activity, whether purchasing land for reserves or investing on the reserves themselves.  Although the Waterfront Park at Māpua is not a gazetted reserve under the Reserves Act 1977, the Council believed that in making its decision to fund the boat ramp, it would relieve the Grossi Point Reserve from being utilised as a boat ramp plus car and boat trailer parking area. Providing a boat ramp at an alternate site would allow Grossi Point to be developed to function more as a recreation reserve than it currently is.

5.3     The other key driver for moving the launching of boats from Grossi Point is that Grossi Point is culturally significant to Māori/iwi so any investment to remove its use as a boat ramp facility and protect its status as a significant cultural site is fully justified.

5.4     The Council is aware that the funding it has already paid to the Trust has no security. If the Trust fails to obtain a consent or if the conditions of consent are too onerous to enable the boat ramp to be constructed, then the Council’s funding contribution will not be recovered. Any additional funding would also be at risk for the same reason.

5.5     The Council resolution of the meeting held on 17 May 2021 point 4 – “*requests that at least one third of the project costs is funded from a community contribution*.” To date the Trust has quantified its contribution by applying hourly rates to its volunteer efforts. Although this is a positive initiative, staff are not sure that this was the Council’s intention that in-kind volunteer input would count towards the one third community contribution.

5.6     The cost estimate for the boat ramp, which is now assessed at $2.3 million, assumes that any conditions of consent are within the scope of the original estimate. This may not be a valid assumption. The conditions of consent may add to the costs of construction and possibly to the ongoing operation and management of the boat ramp. Whether the Trust has considered this risk is unknown.

5.7     Based on the uncertainty around the granting of a consent, any decision of the Council to grant the additional funding would be at the risk of becoming a sunk investment if consent is not granted. The Council could decide to provide other types of funding but even then, the risk around not obtaining the benefit of any type of investment needs to be a consideration in any decision it makes.

5.8     Should the Council decide not to provide any further funding, whether RFCs or any other type of funding, there remains the risk that the Trust may decide it has insufficient funding to not progress any further with the project. That being the case, the RFC funding already invested in the consent process will be lost. If the Council wanted a return on that investment, it could consider taking a further risk and provide the requested funding.

5.9     The other risk that the Council should bear in mind, is that if the consent is granted, with 111 submissions opposing the application, conceivably an appeal could be lodged with the Environment Court which would draw the Trust into much greater investment in expertise and legal representation to progress with that process.

**6.       Options / Kōwhiringa**

6.1     The options are outlined in the following table:

| **Option** | **Advantage** | **Disadvantage** |
| --- | --- | --- |
| 1. | Approve the additional $250,000 as requested by the Māpua Boat Ramp Community Trust from the funding already allocated by the Council.  | Allows the Trust to progress with the resource consent process. | May be a sunk investment if a consent is not granted.   |
| 2 | Approve $150,000 of the additional $250,000 requested by the Māpua Boat Ramp Community Trust so to only cover the costs of the Resource Consent Hearing.  | This would support the public view that Council is funding the Resource Consent Hearing for the benefit of all submitters.   | The Trust would not receive funding support for its reports and legal representation at the Resource Consent Hearing.  May be a sunk investment if a consent is not granted.   |
| 3. | Decline the Boat Ramp Community Trust’s request for the additional $250,000 from the funding already allocated by the Council. | No further investment required from the Council until the resource consent is granted. | May result in the Trust not progressing with the consent application and the funds the Council has invested to date is a sunk investment.   |

6.2     Staff have no specific recommendation on which option Council should choose. The Council needs to consider all the detail presented in this report in making its decision.

**7.       Legal / Ngā ture**

7.1     The Council has already resolved to provide RFC funding for the boat ramp. There are no legal requirements other than the funds being distributed in accordance with the Funding Deed signed between the Council and the Trust.

**8.       Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori**

 8.1    We understand the Trust has consulted with iwi as part of its development of the resource consent application.

8.2     This decision in this report does not specifically require iwi input.

**9.       Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui**

9.1     This decision is not considered to be a significant decision requiring further engagement with the community or any specific agencies. It is primarily about whether the Council agrees to advance additional funding that it has already allocated in this Long-Term Plan 2021/2031 for this project.

|   | **Issue** | **Level of Significance** | **Explanation of Assessment** |
| --- | --- | --- | --- |
| 1. | Is there a high level of public interest, or is decision likely to be controversial? | Medium | The number of submissions opposing the consent application suggest that there is quite a lot of interest in the local community. Consequently, advancing further funds to progress the consent process may be considered to be of medium significance. |
| 2. | Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future? | Low | The decision is only about funding of a project that is already the subject of public consultation and deliberations. |
| 3. | Is there a significant impact arising from duration of the effects from the decision? | Moderate | If the Council decides to advance the additional RFC funding and consent is not granted, the benefit for the reserves activity of that RFC funding would be lost.  |
| 4. | Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets) | No |   |
| 5. | Does the decision create a substantial change in the level of service provided by Council? | No |   |
| 6. | Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP? | Maybe | The timing of the advancement of the funding would need to be managed so to keep the Council within its debt limits. |
| 7. | Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO? | No |   |
| 8. |  Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities? | No |   |
| 9. | Does the proposal or decision involve Council exiting from or entering into a group of activities?   | No |   |
| 10. | Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater and Affordable Waters services? | No |   |

**10.     Communication / Whakawhitiwhiti Kōrero**

10.1   The Council has not had any communication on this decision other than requesting further information from the Trust.

**11.     Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea**

11.1   As stated in this report the Council has provided funding in its Long Term Plan 2021/2031 and this decision aligns with that funding provision.

**12.     Risks / Ngā Tūraru**

12.1   The key risk with this decision is that if the Council approves advancing the requested funding and the consent is not granted, then the investment is not recoverable, it is a sunk investment.

12.2   The counterfactual risk is that if the Council does not approve advancing the requested funding, then the Trust may decide not to progress with the project. This would mean that funding that the Council has invested to date **($169,406)** will not be recovered, it would be a sunk investment.

12.3   The additional risk is that should a consent be granted, and an appeal is made to the Environment Court then unless additional funding is sourced by the Trust, it may not be able to progress with the project through the Environment Court.

**13.     Climate Change Considerations / Whakaaro Whakaaweawe Āhuarangi**

13.1   This decision does not need to consider climate change implications. Any climate change implications would be dealt with as part of the resource consent process.

**14.     Alignment with Policy and Strategic Plans / Te Hangai ki ngā aupapa Here me ngā Mahere Rautaki Tūraru**

14.1   There are no specific plans for a boat ramp in the Māpua vicinity. This is purely an initiative from a group of local people who have formed a Trust to progress this.

14.2   The Council has previously considered a regional boat ramp, but this has not resulted is a specific location but rather deferred to current boat ramps around the region.

**15.     Conclusion / Kupu Whakatepe**

15.1   The Council needs to decide whether to advance additional funding from that already allocated for the boat ramp in the Māpua Waterfront Park.

15.2   There are risks associated with the outcomes of the resource consent process for the boat ramp. The risk of the Council investing further in the Trust’s desire to progress with the resource consent could result in a sunk investment if consent is not granted or if it is granted and an appeal is made to the Environment Court. If neither of these risks occur and consent is granted without appeal, then the Council may get a return on its investment.

15.3   The Council has the choice to either approve advancing the full **$250,000** as requested by the Trust, or advance funding of **$150,000** towards the costs of the Resource Consent Hearing, or decline advancing any further funding until the Resource Consent is granted.

**16.     Next Steps and Timeline / Ngā Mahi Whai Ake**

16.1   The decision of the Council will be conveyed to the Māpua Boat Ramp Community Trust.

16.2   Should the Council approve the additional funding, then it will be distributed in accordance with the Funding Deed between the Council and the Trust.

**17.     Attachments / Tuhinga tāpiri**

Nil