

Dargaville Pontoon Asset

Meeting: Kaipara District Council
Date of meeting: 11 December 2019
Reporting officer: Diane Miller, Project Manager

Purpose/Ngā whāinga

This report is seeking approval to accept the Dargaville wharf/pontoon as a Council owned asset upon completion of the project and that Council become responsible for ongoing maintenance costs. It is also seeking agreement on including funding for ongoing maintenance in the next Long Term Plan.

Executive summary/Whakarāpopototanga

The Dargaville Wharf upgrade involves building a pontoon that connects to the existing council owned wharf in Parenga Street, Dargaville. The Dargaville Pontoon Indicative Business Case (IBC) was completed, approved by the Programme Steering Group and submitted to the Ministry of Business, Innovation and Employment for consideration and approval in 2019.

The IBC (attached) identified the capital funding to complete the pontoon and associated amenities and on approval will secure the funding from the total capital funding of \$4.0m currently termed 'In Principle' approved.

Timing is important to meet the projected construction commencement in February 2020. In addition to confirmation of capital funding; iwi engagement, cultural assessment and confirmation of ongoing maintenance funding needs to be confirmed to enable the programme team to deliver to the planned schedule.

Iwi engagement and the cultural assessment are underway and are planned for completion in January 2020.

Ongoing maintenance costs need to be factored into Council's budgets through the Long-term plan (LTP) and Annual Plan process. Timing of the construction introduces maintenance costs in year 2 and 3 of the current LTP 2019/2028. The infrastructure team have indicated the maintenance costs in Year 2 and 3 would be covered by the current operating budget. No additional funding is being sought for maintenance costs in Year 2 and 3 of the LTP.

The proposed approach to maintenance beyond Year 2 and 3 is to consider a specific coastal facilities budget to be developed as part of the LTP 2021-2031. This budget would be estimated based on the proposed Kaipara Harbour wharf infrastructure utilising the \$4.0 PGF capital fund.

This decision will enable the team to finalise the design and related costs to commence construction, complete iwi engagement, community engagement and cultural impact assessment over the 2019/2020 summer break.

Recommendation/Ngā tūtohunga

That Kaipara District Council:

- a) Notes that work is ongoing over the 19/20 Summer break to progress the delivery of the Dargaville Pontoon to agreed timeframes
- b) Agrees that the Dargaville Pontoon becomes a Council owned asset upon completion of the project
- c) Notes that if Council agree the Dargaville pontoon becomes a Council owned asset, maintenance costs of \$5,000 - \$7,500 for Year 2 (19/20) and \$10,000 - \$13,000 of Year 3 (20/21) of the Long-term Plan will be incurred, with these costs funded from current operating budgets.
- d) Agrees with the proposed establishment of a specific coastal structure maintenance budget to fund the estimated maintenance costs for wharf infrastructure developed through Provincial Growth Funding, as part of decision-making in the Long Term Plan 2021-2031.

Context/Horopaki

The Dargaville Pontoon Business Case has been completed as part of the Wharves Project being delivered within the Kaipara Kickstart programme. The Wharves project is completing a feasibility study that will investigate the potential to build or reinstate a number of wharf assets on the Kaipara harbour using \$4.0m of Provincial Growth Fund (PGF) funding to create appropriate transport connections. The feasibility study will provide evidence that supports prioritisation of infrastructure investment to create the most valuable connections on the Kaipara harbour.

The project has been encouraged to get underway with a construction project and to commence utilising the available capital funding, whilst the feasibility study is underway.

The Dargaville Pontoon was selected as a likely hub of any transport network on the Kaipara harbour and therefore a low risk investment given it will support connection to the largest town and service centre on the harbour. An existing resource consent is in place and engineering designs are expected to be finalised by the 18th December. This will support iwi engagement and also cultural impact assessments to be completed in January 2020, with construction targeted for February 2020, in alignment with Waitangi celebrations.

An IBC has been developed with the support of the expertise within the Wharves Advisory group and utilising work previously completed in 2017-18. Subsequent community engagement in the form of a public drop in session resulted in 40 people sharing their views of what they would like to see built as part of their wharf/pontoon infrastructure and associated amenities. The IBC has been developed to include capital costs for the pontoon, and suggested amenities to activate the space around the wharf/pontoon including car parking, bike racks, toilets, drinking fountain and signage.

The purpose of the IBC is to commence a process of confirming funding allocation to reallocate a capital cost of \$1.066m from the 'In Principle approved' status to a 'committed' status. A decision about this commitment is imminent.

The total capital cost of the IBC represents a cap on total funding and is not a funding target. Any unspent capital funding can be returned to the 'in principle approved' wharves fund and available to contribute to further wharf infrastructure projects.

The programme team are completing the following activities ahead of February 2020 construction:

- a) Cultural impact assessment - procurement underway currently
- b) Iwi engagement – list of attendees identified, calendar appointments and engagement plan of activities and timing expected early January.
- c) Infrastructure team formally confirming capital costs for amenities included in current Long-term Plan, Annual Plan budgets. Impact of any capital costs being funded from existing Long-term Plan or Annual budgets would impact the capital funding request from the PGF.

Discussion/Ngā kōrerorero

The IBC secures capital funding to deliver a Pontoon and amenities. The amenities portion provides flexibility to meet the needs of the community and create an experience befitting of a hub of a transport network. Once built, the infrastructure becomes a council asset, which requires maintenance into the future.

The IBC includes an early estimate of likely maintenance costs. These are deliberately high, whilst the design of the infrastructure remains to be finalised. To provide a more accurate estimate, advice has been sought from Far North Holdings Limited who currently maintain 72 wharf assets. Far North Holdings Limited have a representative on the Wharves Advisory Group and have been involved in the project to date, including the IBC development. The latest estimate provided for cleaning and annual maintenance based on their experience is outlined in the table below:

Year 2 (current LTP)	Year 3 (current LTP)	Year 1 (2021 LTP)	Year 2 (2021 LTP)
\$5 - \$7,500k	\$10 - \$13k	\$10 - \$13k	\$10 - \$13k

The Infrastructure Team have advised that the current operating budget will be able to fund the maintenance in year 2 and 3 of the current LTP, and future maintenance for specific coastal facilities will be worked into the LTP 2021-2031.

Policy and planning implications

There are no immediate policy and planning implications, however an option exists to vary the conditions in our resource consent to enable control of permitted use of a wharf, a further option is to develop a maritime bylaw. Advice from Northland Regional Council suggests that a simple variation to the Resource Consent would be appropriate for the level of use anticipated in the shorter term.

Financial implications

Current operating budgets will need to cater for up to \$26,000 of unplanned maintenance costs for the Dargaville Wharf upgrade due to the project being funded through the Provincial Growth Fund.

Risks and mitigations

Risk	Mitigation
Funding Risk – The funding announced on 3 rd February 2019 of \$4.0m to complete capital wharf infrastructure is deemed 'In Principle' approved. Access to this funding is obtained through business cases. Delay in accessing and utilising these funds within an acceptable timeframe to MBIE, could put	Commence securing the funding with Indicative Business Case for Dargaville Pontoon/wharf upgrade Work quickly to complete the Wharf Feasibility Study, and associated business cases to move funding from 'In Principle' approved to 'Committed' funding as soon as possible.

this funding at risk, being reallocated to other non KDC projects.	
Iwi engagement could delay the project if concerns are raised that cannot be overcome in our timeframe.	Advice has been sought from a senior leader of Te Roroa who has recommended we do not delay the project but work with identified iwi members at the earliest opportunity.
Negative feeling from community regarding investment in wharf infrastructure and ongoing maintenance costs.	Share positive community feedback through communications, and wider story of network creation and what this will enable for Kaipara.
Procurement delays – identifying potential construction contractors and confirming availability delays project.	Continue to build relationships with potential contractors, keep informed as to timeframes and mitigate risks as they arise,

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

The project team will manage the remaining supporting activities to enable construction to commence as soon as possible. These activities are underway with completion planned for January 2020.

The project will work with the Infrastructure, Finance and Strategy teams to ensure a provision of maritime maintenance funding is allowed for in future LTP and Annual Plans.

Attachments/Ngā tapiritanga

Number	Title
A	Dargaville Pontoon Indicative Business Case

Diane Miller, 9 December 2019