

APPENDIX 15 ACAM SPLIT FOR OPEN SPACES AND AMENITIES CAPITAL WORKS PROGRAMME

In general, the ACAM methodology outlined in the Revenue and Financing Policy will be used to determine how much of the total acquisition cost should be attributed to renewal, level of service and growth.¹

The recent decisions in the *Neil Construction Limited v The North Shore City Council*, CIV-2005-404-0046901 highlighted the need to explain in terms of section 101(3) of the Local Government Act 2002 why Council has determined to use various funding sources to meet the expected capital expenditure.

Figure 1 LGA 2002 ss101(3)

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) *in relation to each activity to be funded:*
- (i) *the community outcomes to which the activity primarily contributes; and*
 - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - (iii) *the period in or over which those benefits are expected to occur; and*
 - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
- (b) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

The Reserves Acquisition and Development Plan outlines a generic 20 year capital works programme (in section 16) with a proposed ACAM split for each line item. The justification for each reserve category is outlined in Appendix 11. It is anticipated that the more detailed three year capital works programme, which is to be prepared for the LTCCP 2009 – 2019, will outline and explain the ACAM split for each individual project. This will then provide the necessary information to review the proposed generic ACAM split in section 16.

The proposed ACAM split in the RAD Plan Capital Works Programme is:

OSA Capex	% Renewal	% Level of Service	% Growth
Sports Park Acquisitions	0%	0 - 20%	80 -100%
Sports Park Developments	10 - 30%	10 - 30%	50 - 70%
Community Facilities Reserve Acquisitions	0%	0 - 20%	80 -100%
Community Facilities Reserve Developments	45 - 65%	15 - 35%	10 - 30%
Neighbourhood Park Acquisitions	0%	0 - 20%	80 -100%
Neighbourhood Park Developments	0 - 20%	20 - 40%	50 - 70%
All Other Reserve Acquisitions	varies	varies	varies
All Other Reserve Developments	varies	varies	varies

¹ The renewal portion is largely funded from depreciation income, with loans used if required. The level of service portion is funded fully from loans (as is appropriate from an intergeneration equity perspective). The growth portion is funded from reserve development contributions which are closely linked to the 20 year Capital Works Programme in section 16 (that outlines the annual reserve development contribution funding available for various reserve categories). The 20 year time frame has been selected because it is believed to fairly represent the planning period for infrastructure.

Below is an explanation for each proposed ACAM split:

- **Sports Park Acquisitions**

The target level of service (1.7ha/1000 population) is the same as the current districtwide provision. The main reason to purchase land for sports parks will therefore be to retain the current level of district-wide provision as the population grows. In some cases this involves purchase ahead of demand; however it is considered that as long as purchases are in line with forecast demand, no greater than 20 years ahead, that growth is the driver (and that 100% of the costs should be borne by growth). Even though existing residents in some parts of the District may use additional sports park land purchased, there is no overall benefit to existing residents (on an activity level) as overall levels of service (in terms of ha/1000 people) are being kept constant or even declining despite the expenditure of contribution funding. Where a sports park acquisition is over and above the 20 year requirement, Council will consider the acquisition a shared driver project with growth as the dominant driver.

- **Sports Park Developments**

The proposed split reflects: the need to reinvest in some existing playing fields and all weather walkways; the improved level of service that is expected through developing better playing surfaces and multi use facilities (joint partnerships with clubs); and the development of sports parks to meet future growth.

- **Community Facilities Acquisitions**

The target level of service (0.7ha/1000 population) is the same as the current districtwide provision. The main reason to purchase land for community facilities will therefore be to retain the current level of district-wide provision as the population grows. In some cases this involves purchase ahead of demand; however it is considered that as long as purchases are in line with forecast demand, no greater than 20 years ahead, that growth is the driver (and that 100% of the costs should be borne by growth). Even though existing residents in some parts of the District may use additional community facilities reserves land purchased, there is no overall benefit to existing residents (on an activity level) as overall levels of service (in terms of ha/1000 people) are being kept constant or even declining despite the expenditure of contribution funding. Where a community facilities reserves acquisition is over and above the 20 year requirement, Council will consider the acquisition a shared driver project with growth as the dominant driver.

- **Community Facilities Developments**

The proposed split reflects: the commitment to maintaining existing reserves; improving the amenity planting and facilities at these reserves; and the development of future community facilities reserves.

- **Neighbourhood Park Acquisitions**

The target level of service (0.6ha/1000 population) is the same as the current districtwide provision. The main reason to purchase land for neighbourhood parks will therefore be to retain the current level of district-wide provision as the population grows. In some cases this involves purchase ahead of demand; however it is considered that as long as purchases are in line with forecast demand, no greater than 20 years ahead, that growth is the driver (and that 100% of the costs should be borne by growth). Even though existing residents in some parts of the District may use additional neighbourhood park land purchased, there is no overall benefit to existing residents (on an activity level) as overall levels of service (in terms of ha/1000 people) are being kept constant or even declining despite the expenditure of contribution funding. Where a neighbourhood park acquisition is over and above the 20 year requirement, Council will consider the acquisition a shared driver project with growth as the dominant driver.

- **Neighbourhood Park Developments**

The proposed split reflects: Council's commitment to maintaining existing parks and amenities; improvement of the amenities, e.g. play equipment, at such parks; and the development of future neighbourhood parks

- **All Other Reserve Acquisitions**

Regional Open Space (ROS) - Council has significant ROSs but these tend to be focused around providing water access; both to the Manakau Harbour and the Waikato River. It is yet to provide the sort of ROSs close to its urban populations that were identified in the Recreation Plan 2005. Future acquisition of these sorts of ROS will be required because of the growth of these settlements, the need to protect regionally important landscape features and the commitment to meet the recreation needs of existing and future residents.

Conservation Reserves (CR) - Council has numerous CRs. While any future CRs will only be required because of the need to protect landscape features or native vegetation from future growth of urban settlements, there will be some visual amenity and recreation benefits to existing residents.

Esplanade Reserves (ER) – The occasional strategic acquisition to connect sections of ER (either proposed ER ahead of development or sections without proposed ER status) will be necessary to develop walkways. It is proposed that 50% of this cost of this be attributed to growth and 50% to create an improved level of service for the local community.

Linkages – It is proposed that linkages acquisitions in new urban areas would have an 80% Growth and 20% improved Level of Service split. This reflects the fact that while the linkage is necessary because of growth, there will be improved access and extension of the pedestrian network for existing residents. The Rural Trail Network is a new type of development for Council (and therefore an improved Level of Service) but is in some respects required because of the impact on the growth of the District making rural roads to dangerous to ride/walk on and making the rural landscapes more difficult to access.

Buffers – Buffer reserves will only be required in either new urban or business zones. Council already owns several buffer reserves so any new acquisitions will therefore be to maintain the current level of provision as growth occurs. As for conservation reserves, there will be some visual amenity and recreation benefits to existing residents.

- **All Other Reserve Developments**

ROS - Many ROS already have visitor and recreation amenities. These will require renewal over time. Council intends to increase the level of service in relation to signage and walkways through these reserves. Pressure on these reserves will increase as Franklin's population grows and Council will need to develop ROSs to meet the recreation requirements associated with this growth.

CR - Many CRs already have visitor and recreation amenities. These will require renewal over time. Council intends to increase the level of service in relation to signage and walkways through these reserves. Pressure on these reserves will increase as Franklin's population grows and Council will need to develop ROSs to meet the recreation requirements associated with this growth.

ER - Existing seawalls will require reinvestment over time. As coastal communities grow, there will be increasing pressure to manage and maintain new coastal areas. In many cases, the development of substantial walkways along ERs will be an improved Level of Service.

Linkages – Existing linkages will require maintenance and walkway upgrades. The development of any new linkages can almost be entirely attributed to growth, although there may be cases where existing residents also benefit from the new connection. The development of a Rural Trails Network is largely seen as an improved level of service but there is recognition of the fact that the demand for this network can be in part attributed to growth and its impact on local roads.

Buffers – While the demand to develop buffer reserves comes largely from the need to mitigate the impact of growth, there will be some visual amenity and recreation benefits to existing residents. There will also be some replanting of existing buffers (seen as renewal).