

Property Development

What is the extent of Council's responsibility?

Council has purchased and developed residential (Westridge) and commercial/industrial (Progress Park) subdivisions in Otorohanga, and is currently considering the development of a residential subdivision on Waiwera Street in Kawhia.

What are the significant negative effects

It is recognised that this activity is speculative in nature and not part of Council's core business.

Developments that create a significant number of additional allotments have the potential to affect the prevailing local market prices for land.

There is potential for Council property development projects to fail to achieve associated financial targets, imposing additional costs on relevant communities.

How are these negative effects mitigated

Council exercises a conservative approach to property development and has access to advisors with significant experience and expertise in the local property market that can supply proven guidance on investment decisions, taking accounts of acceptable levels of risk for the particular communities funding the developments.

What is the existing level of service

That identified opportunities to address significant perceived shortages in the availability of particular types of property in the District are effectively explored.

That all Council developed sections are promptly sold.

What will be the effect of change in demand

Further property development will only be conducted by Council if strong and unsatisfied market demand for a particular type of property is considered to exist.

What will be the effect of change in Levels of Service

No changes to the current levels of service are envisaged.

What additional Asset Capacity is required

If any significant further property development is to be undertaken Council would be required to acquire land for this purpose, because the existing Council stock of potentially developable land is very small.

How will the provision of additional Asset Capacity be undertaken

Required land will be obtained through appropriate land purchases. Required additional infrastructural asset capacity within the development will be provided as part of the normal physical works associated with subdivision development. Additional external asset capacity would be provided by Council in the normal manner.

What is the estimated cost for the provision of additional Asset Capacity

This will be entirely dependant on the nature of development(s).

How will the provision of additional asset capacity be funded

Additional assets internal to the development (including both land and infrastructure) will be directly funded by Council as the developer.

Additional asset capacity external to the development will be funded through Financial and Development Contributions. All associated costs would be expected to be recovered through sale of the developed properties.

How will the maintenance, renewal and replacement of assets be undertaken

It would be intended that such responsibilities would be promptly transferred from Council as a the developer to Council as the local authority upon sale of the developed properties.

How will the maintenance, renewal and replacement of assets be funded

By Council through the relevant network services activities.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes:



Promote the local economy and opportunities for sustainable economic development




Key Property Development Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
That identified opportunities to address significant perceived shortages in the availability of particular types of property in the District are explored.		Decision making on physical works stage in respect of identified opportunities	New Measure	Decision on Waiwera Street Development by 30 June 2010	Not Measured	Not Measured	Not Measured

District Promotion

What is the extent of Council's responsibility?

Council has no legal obligation to provide this service, but believes that an appropriately coordinated multi-agency effort can make a very cost-effective contribution to the overall wellbeing and sustainability of communities within the District.

-  Council provides funding to the Otorohanga District Development Board and other tourism entities whose main roles are to promote tourism and business development in the District.
-  Council will provide funding towards investigation and potential establishment and operation of a Regional Tourism Organisation that will effectively promote the broader Waikato Region.
-  Council provides informal support to Project Kiwiana, the Kawhia Kai Festival and other organisations or events which effectively promote the District.

What are the significant negative effects




It is possible that the activity may not be cost effective, though this will be very difficult to assess.

There could be a perception that some of the potential benefits of this activity favour particular sectors of the business community.

How are these negative effects mitigated

By periodically reassessing the perceived effectiveness of the activity, and making adjustments to strategy where deemed appropriate.

What is the existing level of service

-  I-sites are effectively operated in Otorohanga and Kawhia
-  Tourism activity in the District is supported
-  The Otorohanga District Development Board provides regular reports on progress made by them towards achievement of specified community outcomes

What will be the effect of change in demand

'Demand' in relation to this activity is difficult to define. It is suspected that most ratepayers are either unaware or unconcerned in relation to it. As such the 'demand' comes primarily from Council and other relevant agencies, in response to prevailing social and economic conditions. The potential negative effects associated with this activity, as previously described, may limit the extent to which this activity can be extended in response to increased 'demand'.

What will be the effect of change in Levels of Service

As described previously the effects of changes in levels of service, other than changes in cost, are difficult to reliably predict.

Contributions of Activity to Overarching Community Outcomes

This activity contributes to the following overarching community outcomes:



Provide for the unique and culture of the district



Promote the local economy and opportunities for sustainable economic development



Protect the special character of our harbours and their catchments

Key District Promotion Level of Service Targets

Level of Service	How it contributes to our community outcomes	How we measure our performance	Performance Targets (for the financial year)				
			Baseline	2009/10	2010/11	2011/12	2012/13-2018/19
District is effectively promoted as a place to visit or live in	Promoting Tourism and higher tourist spending will contribute to a stronger district economy	Total number of visitors to Otorohanga and Kawhia I-sites, previous year to 31 December	12,530	12,500	13,000	14,000	Increasing by 500 per year
		Total number of visits to otorohanga.co.nz website, previous year to 31 December	87,400	90,000	95,000	100,000	Increasing by 5000 per year
Tourism activity in District is supported		Total accommodation guest stay nights in District for previous year to 31 December (Ministry of Tourism data)	36,947	36,947	38,000	40,000	Increasing by >1000 per annum