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Committee Landcare
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Hutt River Floodplain Management Plan Strand Park realignment construction delay and amended capital works programme

1. Purpose

The purpose of this report is to:

- update the Committee on the purchase of Strand Park from the Ministry of Education (MOE).
- advise the Committee of the delay in the construction of the Strand Park realignment works and the new target date for commencing construction.
- recommend to the Committee a revised Hutt River capital works programme, including revised project cost estimates where appropriate.
- recommend that the revised Hutt River capital works programme be incorporated into the Council's 10-year plan 2003–2013.

2. Background

Implementation of the Hutt River Floodplain Management Plan (HRFMP), launched in October 2001, is now well underway. In fact, we are now nearing completion of year three of what is intended to be a 40 year implementation programme. Key achievements to date include:

- the planning and design of works in the highest priority reach, Ava to Ewen, is well advanced and a resource consent for the four implementation packages has been obtained.
- planning and design for the Belmont improvement works is well advanced, with construction due to be completed next financial year, 2003/04.

- significant progress with the non-structural elements of the plan, including drafting of revised District Plan measures, and a significant number of emergency management initiatives are either completed or well advanced.

The planning and design work completed for the Ava to Ewen and Belmont reach improvements means we now have revised project estimates, and refined construction timing. These need to be incorporated in the Council's 10-year plan prior to its finalisation in June 2003.

This financial year was supposed to see the commencement of construction of the Strand Park realignment, the first of four projects that make up the \$15 million upgrade of the Ava to Ewen reach. The key to getting this project underway has always been the purchase of Strand Park from the MOE. While it is pleasing to confirm that agreement has now been reached with MOE for the purchase, much work remains to effect the actual land transfer, which means the construction of the Strand Park realignment works will now need to be delayed by 12 months.

3. Strand Park purchase update

After a lengthy consultation/negotiation process with the Hutt Valley High School (HVHS) and MOE, agreement was reached in principle with MOE in April 2003 for the purchase of Strand Park.

However, any sale of Crown land is subject to the prevailing Crown practices and policies. In this case, the land must be declared surplus to requirements and as such the Maori protection mechanism will be triggered. This process is between Crown and Maori and must be completed prior to a land transfer taking place.

Peter O'Brien, Council's property advisor, has thoroughly researched the transfer process including meeting with representatives from the Office of Treaty Settlements, LINZ and Department of Conservation. We now have a full understanding of the required transfer process. Accordingly I advise that:

- on 16 May 2003, I gave instruction to Peter O'Brien that MOE be requested to proceed with disposal of the land pursuant to Section 50 of the Public Works Act 1981, and thereby trigger the requirements of the Maori protection mechanism.
- attached (**Attachment 3**) is a copy of the 'Protection Mechanism' process. This process does not directly involve the Council.
- the Wellington Tenth Trust have been advised that the MOE land will be coming through the Maori protection mechanism. Early communication of this matter is particularly important given publicity over the recent Waitangi Tribunal report and recommendations. Note the Office of Treaty Settlements will formally notify the Trust in due course.

- we should know by December 2003/January 2004 whether the land can be transferred to the Council. MOE can then grant “access for work” approval as allowed under the agreement.
- the new target date for awarding the Strand Park realignment construction contract has been reset to 28 February 2004, with the completion date set back by one year to August 2006.

4. **Consequences from delay in Strand Park realignment construction**

The 12 month delay in construction of the Strand Park realignment has a number of consequences, and a number of actions/decisions are now required. These include:

- the Alicetown stopbank upgrade will need to be delayed by one year, as this cannot be commenced until the realignment is completed. However, neither the stopbank strengthening improvements at the Ava Rail Bridge or the Strand Park stopbank improvements should be delayed.
- the delay will alter the funding requirements for Flood Protection as the loan funding for the project will be required a year later. See Section 6 of this report.
- the Hutt River Advisory Committee (HRAC) members, the Hutt City Council, Alicetown and Moera residents and relevant interest groups need to be formally advised of the delay.
- tenders for Contract 1215 have expired. We have two options, either re-tender the work once we have ‘access for work’ approval to Strand Park or enter into an arrangement for the preferred contractor, Cashmore Contracting Ltd (Report PE 03.17 to the PF & S Committee) to hold their tender until the land is available. Following legal advice I have commenced negotiations with Cashmore Contracting to hold their tender until 28 February 2004.

5. **Revised Hutt River capital works programme**

As noted above there are a number of consequential changes to the Hutt River capital works programme as a result of the delay in the purchase of Strand Park, and the refinement of improvements at Belmont. Accordingly, a revised Hutt River capital works programme has been prepared for consideration by the Committee. **Attachment 1** is the existing works programme contained in the Council’s proposed 10-year plan 2003–2013. **Attachment 2** is the capital works programme recommended to be adopted by Council as part of the Council’s final 10-year plan 2003–2013.

The proposed changes to the capital programme are summarised as follows:

Ava to Ewen

Amend the Strand Park realignment budgets to recognise the one year delay in construction and the new total project budget following the tender process.

Shift the Alicetown stopbank budgets out one year.

Carry forward the approved purchase sum for Strand Park of \$211,000. Settlement is now forecast to occur late in 2003/04. Add a budget of \$50,000 in 2003/04 to cover transaction costs (Greater Wellington legal and property advisor cost, MOE legal and property advisor costs) to effect the transfer.

Belmont

Delete the provision for house raising. Include provision of \$100,000 in 2003/04 to construct the Norfolk Street stopbank, and make provision for emergency closing of the gap (report 03.24 to 27 February 2003 HRAC meeting).

Increase the budget for Belmont edge protections from \$652,000 to \$748,000 in 2003/04. This increase in the project budget of about \$100,000 is now sought following completion of the detailed design phase. The completed design carefully optimises the use of three different strength edge protection works and I do not think there is room for cost savings without compromising the design standard. The additional costs are also more than offset by savings in the Strand Park realignment budget and the deletion of house raising at Belmont. The new total budget for the project is now \$810,000, which includes expenditure incurred this year – 2002/03. It is proposed to present the design to the Hutt River Advisory Committee on 26 June 2003.

Whirinaki Crescent

The delay in the Strand Park construction project provides some opportunity to bring forward the investigation phase of another project, as we have some spare staff capacity resulting from the delay in starting the construction of Strand Park. Our recommendation is to bring forward the survey and preliminary design of the Whirinaki Crescent stopbank upgrade.

6. Financial implications

The proposed changes to the Hutt River capital programme will alter funding requirements. Overall the proposed new June capital programme provides a significant saving in rate requirements over the 10 years of the plan compared to that included in the draft Flood Protection Operating Plan. The estimated reduced rate requirements are set out in the table below.

2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	TOTAL
\$205,737	\$298,479	\$175,408	\$76,851	\$57,650	\$57,650	\$57,650	\$57,650	\$57,650	\$57,650	\$1,102,375

TABLE 1: ESTIMATED REDUCED RATE REQUIREMENTS OF THE NEW HUTT RIVER CAPITAL WORKS PROGRAMME DATED JUNE 2003 (ATTACHMENT 2).

The rate savings are due to a combination of:

- timing savings resulting from delays in the Strand Park realignment and Alicetown stopbank improvements.
- savings due to an overall cost reduction in projects. Mostly from the Strand Park realignment (following the tender process) and the deletion of house raising at Belmont (partly offset by the Norfolk Street stopbank and increase in the edge protection budget).

7. Communication

The delay in commencing the Strand Park realignment works needs to be communicated to the adjacent communities, Hutt City Council and the various parties that have shown an interest in the project.

A press release will be prepared and appropriate letters sent out. Members should note that this report has already been circulated to HRAC members.

8. Recommendations

That the Committee:

1. **receive** the report.
2. **note** that the transfer of Strand Park from the Ministry of Education to the Council will be subject to the procedure for the protection of Maori interests in Crown owned land, and based on current advice it will be December 2003/January 2004 before it is known whether the transfer can occur.
3. **note** that construction of the Strand Park realignment, and the Alicetown stopbank improvements, will be delayed by one year, and that a new target date for awarding the Strand Park realignment contract has been set at 28 February 2004.
4. **endorse** the proposed new Hutt River capital works programme dated June 2003 and provided as Attachment 2.
5. **recommend** to the Policy, Finance & Strategy Committee that the Flood Protection 2003–2013 Operating Plan be amended to include the new Hutt River capital works programme dated June 2003, and subsequently incorporated in the Council's 10-year plan 2003–2013.

Report prepared by:

Report approved by:

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Greg Schollum
Chief Financial Officer

Attachment 1: Existing capital works programme

Attachment 2: Proposed capital works programme

Attachment 3: Copy of the 'Protection Mechanism' process