

MEMORANDUM OF UNDERSTANDING

BETWEEN

HAMILTON CITY COUNCIL (HCC)

AND

OHAUPO LAND LTD, CHINAMANS HILL LTD, GOLDEN RIDGE FARM LIMITED & GOLDEN RIDGE PARK LIMITED, SOUTH PARK AGRI DEVELOPMENT LTD, THEODOOR BONGERS LTD & GRAEME ROGERSON (OWNERS)

BACKGROUND

- A. The Owners own land in Waipa District Council (WDC) territory which is contained within the area of land adjacent to the HCC territorial boundary known as area Southern Links 1 (SL1) as shown on the map which is set out at **Attachment 1** to this Memorandum of Understanding (MOU).
- B. SL1 has been identified by HCC and Waipa District Council (WDC) through a Strategic Land Agreement dated 3 October 2022 as an area of land that is intended to become part of the HCC territory subject to terms to be agreed between HCC and WDC (transfer).
- C. The Owners seek that the transfer be given effect to so that it can enable urbanisation of its landholding within the SL1 area.
- D. The owners have entered into a joint venture to work collaboratively with HCC to explore the potential urbanisation of SL1. The breakdown of the land holdings of the owners in SL1 is show in **Attachment 2**.
- E. There are known constraints to providing infrastructure services (water, wastewater, stormwater and transport) to support urbanisation of this area. HCC has not secured resource allocation or management authorisations (e.g. water, wastewater and stormwater); designed for or funded any infrastructure investment needed to service the SL1 area. Ecological and indigenous biodiversity require restoring, protecting and enhancing within SL1. A holistic approach to ecological and indigenous biodiversity in SL1 will be taken which integrates with ecological corridors external of SL1. These matters need to be addressed to support the transfer.
- F. HCC and the Owners have agreed to enter into this MOU to set out the basis upon which they will engage in order to investigate the transfer.
- G. The purpose of this MOU is to set out a workplan and key milestones for progressing the incorporation of SL1 growth area into Hamilton City, to enable housing, employment, and business development to commence.



AGREED PRINCIPLES

1. The parties will work collaboratively and in good faith to investigate and progress the transfer of the SL1 area in accordance with the agreed principles set out in this MOU.
2. The parties will investigate the transfer in a manner consistent with, and directed towards achieving, the Hamilton Urban Growth Strategy (HUGS) Principles for Out of Boundary Development set out as follows:

Any out-of-boundary development must enhance the overall wellbeing of current and future Hamiltonians and create quality communities by:

- a) **Delivering:**
 - i. neighbourhoods where key services are close by and easily accessible
 - ii. compact and accessible developments
 - iii. alignment with key public transport corridors providing good access to the central city
 - iv. affordable housing choices
 - v. sustainable and integrated infrastructure solutions
 - vi. significant land value uplift for the benefit of the wider community
 - vii. places to work, or quality connections to places of work
 - viii. places for recreation
 - ix. best practice urban design
 - b) **Enhancing Hamilton's economy**
 - c) **Protecting and recognising cultural heritage**
 - d) **Responding to climate change**
 - e) **Growing green areas and biodiversity**
 - f) **Meeting the costs of all infrastructure**
 - g) **Not compromising planned investment**
3. The timing, terms and conditions of the transfer are matters for HCC and WDC to determine, and HCC's position will be determined in a manner consistent with its obligations as a Future Proof partner, including acting in accordance with the "Future Proof Strategy 2022".
 4. The Owners will undertake and fund all necessary resource allocation (water, wastewater stormwater) assessments and infrastructure capacity and network assessments in accordance with Council's requirements to demonstrate how the development of the SL1 area can be integrated and accommodated by the HCC infrastructure networks. All assessments will be aligned with the Council's three waters master plans and transport strategy and, include the provision for District Plan permitted, but not yet established, development within each assessment. The recommendations from the assessments will provide sustainable long-term solutions and not be based on interim servicing solutions (e.g. onsite wastewater storage).
 5. Where those assessments require access to HCC information and data or require modelling assessments, HCC will make that Information and data available and facilitate modelling



assessment under its control. The Owner will meet the cost of access to and use of relevant data and/or modelling software.

6. Before any transfer of the SL1 area takes place, the Owners and Council must enter into a binding development agreement which sets out an agreed draft structure plan for the SL1 area, including details of all land uses, densities, typologies, open space networks, and road and three waters networks. Where suitable, through an evidential basis, open space networks shall demonstrate and provide for the restoration of habitat for the Long -Tailed Bat and integrate with surrounding ecological corridors. The parties acknowledge that the final form of a structure plan for the area will be determined following transfer of the SL1 area land and is subject to the relevant regulatory process.
7. The development agreement will also include requirements for the Owners (or future developer) to fund, at no cost to Council:
 - a. the relevant planning processes necessary to support urbanisation of the proposed development area (including those relating to district plan change processes; Waka Kotahi approval to access their network; securing water allocation, wastewater discharge allocation and stormwater management consents);
 - b. all infrastructure within the development area;
 - c. all infrastructure upgrades outside of the SL1 area necessary to service the development area;
 - d. the vesting (subject to future subdivision processes once the transfer is effected) of an agreed minimum area of land within SL1 area to Council for public open space requirements.;
 - e. an appropriate monetary contribution to address any benefit obtained through connecting to Councils existing networks and treatment plants. The Parties acknowledge that any such payment is not a "financial contribution" pursuant to the RMA.
8. In advancing the transfer of SL1 area the parties will work together in accordance with the following sequencing:
 - a. First, completion of a scoping study which will address strategic land use issues as required under Future Proof 2022 and the HUGS Principles for Out of Boundary Development and identify the site development, resource use and infrastructure planning investigations needed to support urbanisation of the area. The scoping study will also address and make comment on any National Policy Statement (NPS) that has relevance to the site. Alignment with or a potential pathway through the relevant requirements of the NPS shall be demonstrated. The land use component of the scoping study will be done in an integrated, boundaryless way taking the areas surrounding the SL1 area into account;
 - b. Secondly, completion of an assessment of land use and work recommended in the scoping study including the resource use assessments (e.g. water allocation), infrastructure assessments, identifying the long-term servicing solutions, and overall structure planning exercise for the SL1 area;
 - c. Thirdly, completion of a development agreement between Council and the Owner as required under clauses 6 and 7 of this MOU;

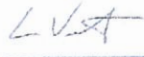
- d. Fourthly, completion of all negotiations between Council and WDC as to the terms and conditions of the transfer; and
 - e. Fifthly, commencement and completion of the boundary adjustment process as required under the Local Government Act 2002 and the Local Government Commission;
 - f. Finally, after completion of the transfer, implementing the necessary plan change to enable the urbanisation of the SL1 area.
9. The progression of the sequencing noted in clause 8 above will be subject to relevant Council approvals, delegations and resolutions.
10. The parties will work openly with other willing land owners within the SL1 area and other relevant agencies such as Waka Kotahi NZTA and Waipa District Council to progress the transfer and HCC will engage with those other land owners on the same basis as set out in this MOU.
11. Nothing in this MOU contractually binds the parties to any outcome in respect of the transfer of the SL1 area and this MOU may be brought to an end unilaterally by written notice by either party.

DATED: FEBRUARY 2023


SIGNED BY AND ON BEHALF OF



HCC
General Manager Growth
Name: Blair Bowcott




HCC
Chief Executive
Name: Nicholas Lance Vervoort




OWNERS
Ohaupo Land Ltd
Name: AD Sones




OWNERS
Chinamans Hill Ltd
Name: Murray Porter




OWNERS
Golden Ridge Farm Ltd & Golden Ridge Park Ltd
Name: Schoonheer Mynsteel



OWNERS
South Park Agri Development Ltd
Name: Les Harrison

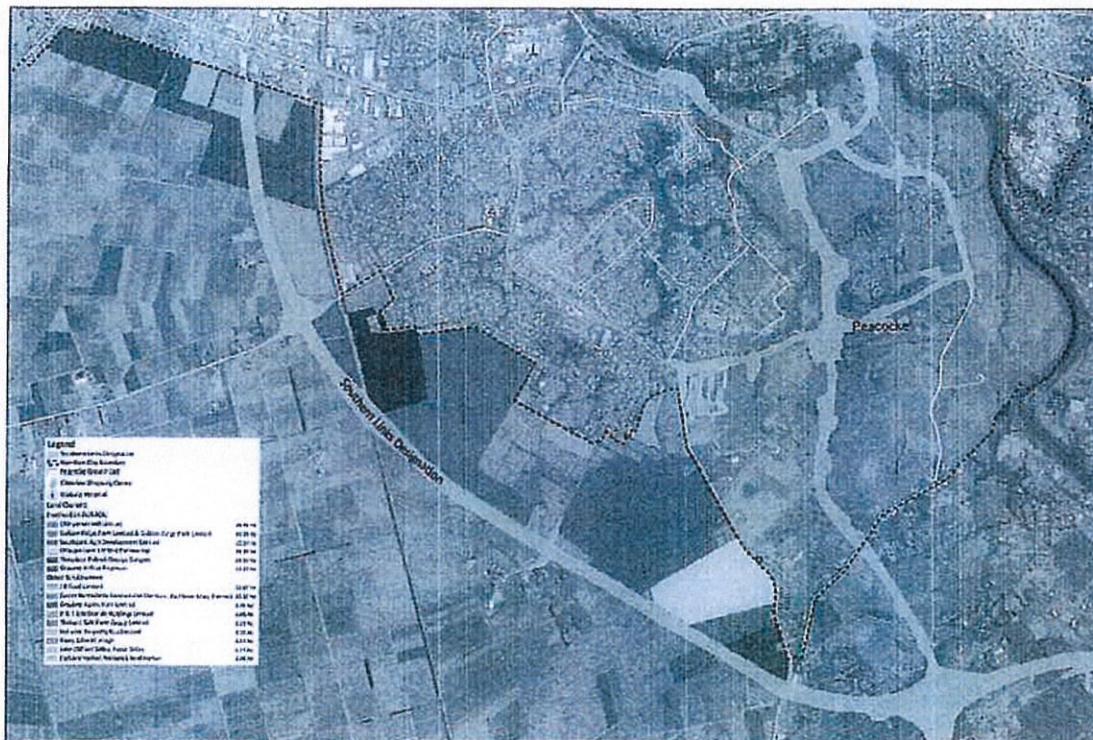


OWNERS
Theodoor Bongers Ltd
Name: Theo Bongers



OWNERS
Graeme Rogerson
Name: Graeme Rogerson

ATTACHMENT 1 – MAP OF SL1 LANDOWNERS



[Handwritten signature]

ATTACHMENT 2 - Breakdown of the land holding of the joint venture owners in SL1

Company name	Landowner
Ohaupo Land Ltd	GD Jones
Chinamans Hill Ltd	Porters (Murray Porter)
Golden Ridge Farm Limited & Golden Ridge Park Limited	Sehryn Mexted
South Park Ari Development Ltd	Les Harrison
Theodoor Bongers Ltd	Theodoor Bongers
Graeme Rogerson	Graeme Rogerson

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


GPU - Emerging Areas - SL1 MOU Final - 25 Jan 2023

Final Audit Report

2023-01-26

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-  Signer s 9(2)(a) entered name at signing as Nicholas Lance Vervoort
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STRATEGIC BOUNDARY AGREEMENT

Between

HAMILTON CITY COUNCIL

And

WAIPA DISTRICT COUNCIL

[Signature]

[Signature]

Pol

AGREEMENT dated 3rd October 2022

PARTIES

HAMILTON CITY COUNCIL

WAIPA DISTRICT COUNCIL (Councils)

BACKGROUND

- A. Hamilton City Council (HCC) and Waipa District Council (WDC) are both parties to the Future Proof Sub-Regional Growth Strategy that sets out a development pattern for the sub-region and is embedded in statutory planning documents including the Waikato Regional Policy Statement, and WDC and HCC District Plans.
- B. The Southern Links Designation route provides the strategic transport corridor from the south, around the Airport, through WDC land into HCC land and specifically the Peacocke area.
- C. As part of the Future Proof Strategy - Southern Sector Study, it was identified that the Southern Links Designation route should ultimately form an urban boundary for the southwestern extent of the Hamilton urban area.
- D. The Future Proof Strategy has been updated and adopted in June 2022, and included an action to progress negotiations between Hamilton City Council and Waipa District Council in relation to a strategic land agreement regarding the Waipā district land which is on the Hamilton City-side of the Southern Links designation.
- E. In 2018 Central Government progressed, as part of the Urban Growth Agenda, the development of the Hamilton to Auckland Corridor Plan, and from this came the development of the Hamilton-Waikato Metro Spatial Plan that took a 'boundaryless' approach to planning for the Metro Hamilton area beyond existing territorial boundaries.
- F. Through the development of the Hamilton-Waikato Metro Spatial Plan, the Southern Links Designation area was also flagged for potential future growth consideration.
- G. HCC is currently undertaking a review of its Hamilton Urban Growth Strategy (HUGS) to update and identify the future form of the city, including the sequence and timing of growth areas, both within and on the periphery of the city.
- H. HCC and WDC wish to establish a clear framework for amending their respective territorial boundaries whereby land within the areas identified as "Priority 1 Area" and "Priority 2 Area" in Attachment 1 (Southern Links Land Area) that is within the territorial boundary of WDC is transferred into the territorial boundary of HCC (Transfer). This is to be implemented in a manner that gives effect to the Future Proof Strategy, the Hamilton-Waikato Metro Spatial Plan and HUGS.
- I. HCC and WDC also wish to establish a process for a Transfer for additional areas of land should that further land be identified as suitable for future urban development and supported by the Future Proof Partnership. WDC does not currently consider there to be any such suitable land available for Transfer, but nevertheless supports formalising a process for its consideration through this agreement.
- J. Both parties acknowledge that to give effect to any changes to their respective territorial boundaries, the approval of the Local Government Commission and the Minister of Local Government is required, as well as a separate public process, in accordance with the Local Government Act 2002 (LGA).

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AGREEMENT

Strategic Planning

1. The Councils will continue to work collaboratively on all matters concerning potential Transfers within the Southern Links Land Area).
2. All such engagement will be informed by other collaborative processes relating to strategic land use including but not limited to Future Proof, the Hamilton to Auckland Corridor Plan, the Hamilton - Waikato Metro Spatial Plan, HUGS, Waipa Growth Strategy 2050, and Individual District Plans including changes/amendments.
3. The Councils agree that due to the dynamic nature of strategic land use planning, land within the Southern Links Land Area may be subject to Transfer at a time to be determined by mutual agreement between the Councils, informed by the terms of this agreement and subject to the requirements of the LGA.
4. The Councils will apply the principles of 'boundaryless planning' as identified by the Future Proof Partnership when considering strategic land use planning, infrastructure provision and funding, and any potential Transfer within the Southern Links Land Area .
5. Subject to and without limiting WDC's plan making and regulatory functions under the Resource Management Act 1991 (RMA), the land uses within the Southern Links Land Area will continue to be strategically managed and retained for rural use, in accordance with the existing WDC District Plan, Future Proof and other plans to protect the land resource for its ultimate potential urbanisation.
6. In their strategic planning the Councils will recognise Hamilton Airport as regionally significant economic and social infrastructure. Both Councils will use their best endeavours to ensure any development occurring within the outer control noise boundary as identified in the operative WDC District Plan should be non-residential activities.
7. All strategic land use decision making undertaken by the Councils, including plan changes and district plan reviews, will take into consideration the terms of this agreement.

Transfer within the Southern Links Land Area

8. The Councils agree that the first priority of any Transfer within the Southern Links Land Area will be land located to the west of State Highway No.3 within the Southern Links Land Area, including Waipā District land requiring access from within the City boundaries. This area is identified on Attachment 1 as Priority 1 Area.
9. The process for the Transfer of land within Priority 1 will commence with HCC making a formal written request to WDC. Agreement to the Transfer will only occur if WDC resolves to give effect to the Transfer on terms and conditions acceptable to both Councils. Once so resolved, each Council will take all necessary steps to give effect to the Transfer in the most efficient and timely manner possible in accordance with the LGA, including:
 - a) jointly developing a reorganisation plan in accordance with paragraph 22A of Schedule 3 to the LGA; and
 - b) subject to the outcome of public consultation on that plan in accordance with Schedule 3, jointly submitting to the Local Government Commission an adopted reorganisation plan in accordance with Schedule 3 to the LGA; and/or
 - c) such other agreed necessary steps to give legal effect to the Transfer.
10. The terms and conditions attached to the Transfer within Priority 1 Area, will be determined by mutual agreement of the Councils having regard to the matters set out in Attachment 2.



11. The remaining land within the Southern Links Land Area, located to the east of State Highway No.3 bounded by the City boundary, the Southern Links Boundary and the Waikato River (or any part thereof), identified on Attachment 1 as Priority 2 Area, will be subject to a Transfer under the same process applied to Priority 1 Area. The process for the Transfer of Priority 2 cannot commence ahead of Priority 1 Area commencing. The Transfer of land is not a guarantee that the area will be developed as urban. Any development proposals will need to take into account relevant/agreed growth strategy principles.
12. The process of any Transfer of an area (or part thereof) will be preceded by open and transparent dialogue between the Councils wherein the prospect of a Transfer request will be clearly identified.
13. Any decision by HCC to make a Transfer request will take into account HUGS and Future Proof, the impacts of growth on HCC, strategic infrastructure decisions affecting HCC, the financial considerations set out in Attachment 2, and the outcomes of the strategic land use planning processes set out above.
14. Prior to any Transfer request being given effect to by a reorganisation plan or similar mechanism, the Councils will agree on financial adjustments, to be made between HCC and WDC to account for local government funding issues arising as a result of the Transfer of rateable land from WDC to HCC. The local government funding adjustment shall be addressed taking into account the principles and factors set out at Attachment 2 and any required legal processes or requirements including requirements under the LGA.

Further transfer areas

15. The Councils acknowledge that strategic land development is informed by a collaborative/partnership approach between the Councils. This approach is underpinned by the aspirations and principles of planning land development in a way that is not constrained to local government boundaries, also known as 'boundaryless planning'.
16. In the event either Council identifies the prospect of further Transfers not expressly identified in this agreement, the Councils will commence open and transparent dialogue in good faith regarding the further transfer areas. These discussions will be undertaken in the forum of the HCC/WDC Governance Committee, or its equivalent replacement forum, and progressed through the Future Proof partnership if appropriate.
17. Following the commencement of dialogue either of the Councils may, by written notice to the Chief Executive of the other Council, commence negotiations regarding further Transfers not expressly identified in this agreement (further area notice), provided the further area notice is consistent with the strategic land use planning processes identified above, and that the land affected by any Transfer takes into account Waahi Toitu and Waahi Tōlora as identified in the Hamilton-Waikato Metro Spatial Plan/Future Proof Strategy.
18. Upon receipt of a further area notice each Council will commit sufficient resources and personnel to directly engage in discussions regarding the location and area of land subject to a potential Transfer and will work collaboratively and in good faith to resolve whether the land identified in the further area is consistent with the outcomes contemplated by this agreement.
19. If the location and area of land are agreed between the Councils (further area), the further area will be mapped and presented as an additional future attachment to this agreement. Once a further area is recognised under this agreement via this mechanism, it may be subject, either immediately or at any later date, to the Transfer mechanism as prescribed in this agreement.



Regulatory Function

20. Nothing in this agreement shall fetter the regulatory function of either Council to assess and determine applications for resource consent (either land use or subdivision) in accordance with the rules, policies and objectives as contained in the applicable District Plan. The Councils may, at their discretion, consider this agreement under section 104(1)(c) of the RMA as 'any other matter the consent authority considers relevant and reasonably necessary to determine the application'.

Dispute Resolution

21. The Councils will work in a transparent and open basis in respect of boundary related issues and will each apply sufficient resources and personnel to ensure effective engagement between Councils.
22. If agreement cannot be reached on any issues the Councils will attempt to resolve matters by engaging in direct dialogue between the respective Chief Executives and Mayors.

Review

23. This agreement shall be binding on HCC and WDC and may only be varied or revoked by the mutual agreement of both Councils. The parties will review the agreement within five years of the date of signing of the agreement, and thereafter at the same intervals, to ensure it remains fit for purpose and determine whether any amendments are necessary.
24. Subject to clause 23, and unless an extension is agreed, this agreement will terminate on 7 September 2032

Dated this 3rd October 2022

J Mylchreest/Garry Dyet

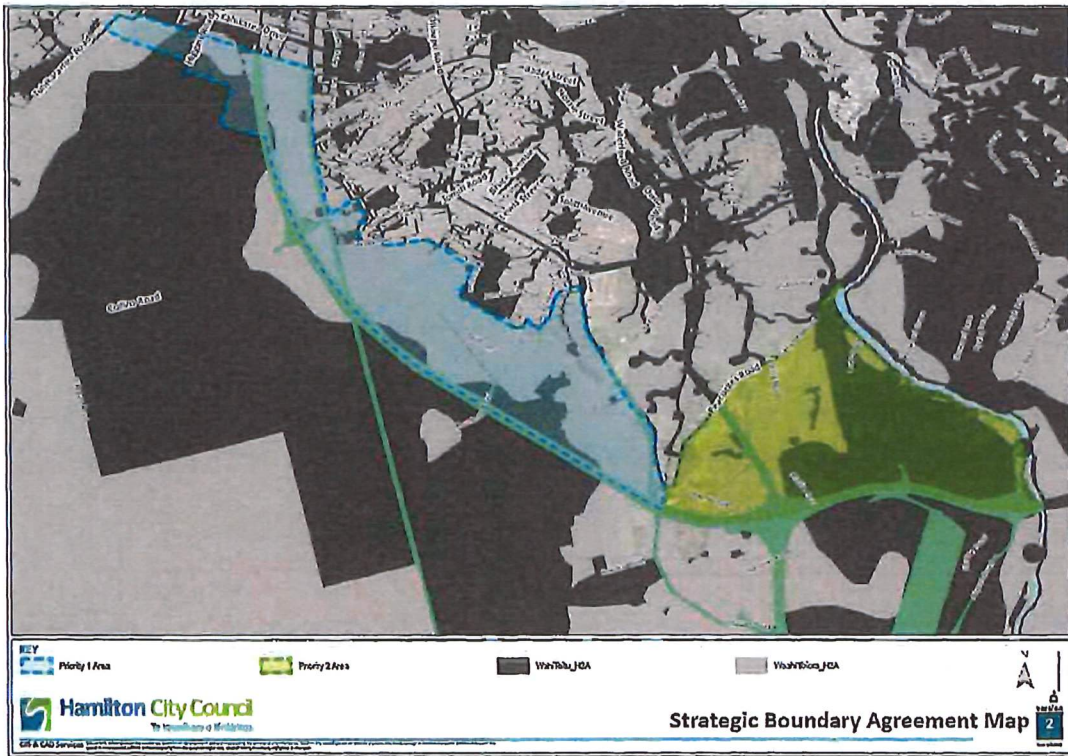
Mayor/CE of Walpa District

P Southgate/L. Vervoort

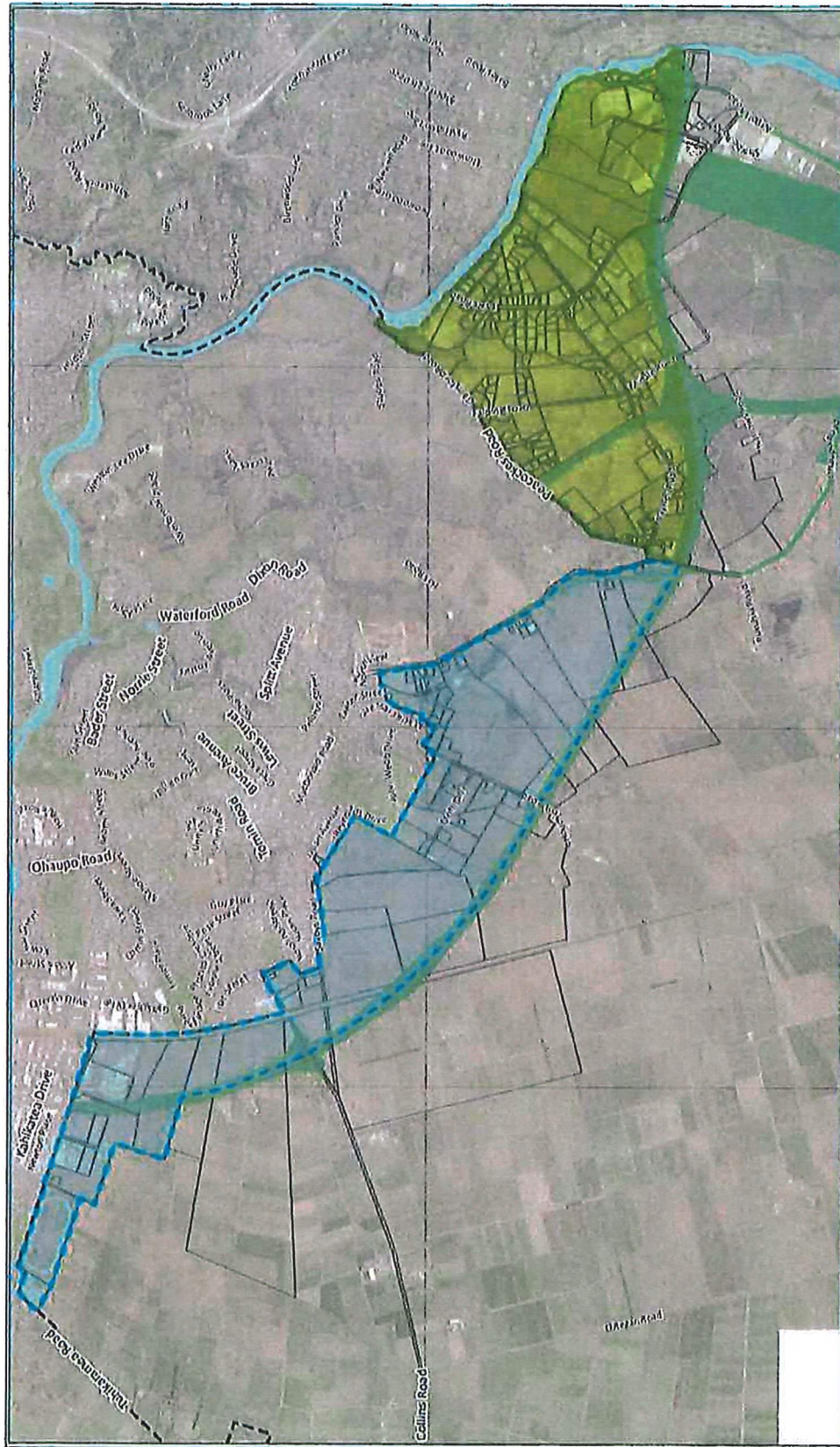
Mayor/CE of Hamilton City Council

72

ATTACHMENT 1: MAPS – The Southern Links Land Area Is Identified as "Priority 1 Area" And "Priority 2 Area".



CC John



Priority 1 Area

Priority 2 Area



Hamilton City Council
For Hamiltonians & Whānau

Strategic Boundary Agreement Map 2

John

John

ATTACHMENT 2: LOCAL GOVERNMENT FUNDING FACTORS AND PRINCIPLES

Financial Principles

25. The primary financial principle to be observed in any Transfer is the fact the arrangement must be "financially sustainable" for both councils.
26. For WDC, financial sustainability means a transition period where the income contribution to Council's cost structure received from those properties within an area to be transferred (transfer land) and which is included in any WDC LTP (rating revenue less operating cash flows) must continue for a period of time to enable the WDC business to adjust. It is noted WDC has rating income budgeted in each year of its LTP which includes the areas of land described in Attachment 1.
27. The transition period is particularly important given the high growth environment WDC is operating in and the pressure this growth provides on costs. It is recognised that the period for which net income is paid to WDC will be dependent on the quantum of the net income to WDC.
28. The financial principles to implement for the areas of land described in Attachment 1 requires payment from HCC to WDC over a transition period whereby:
 - Consideration, being an amount of the overhead contribution attributed to the transfer land, for a minimum of ten (10) years (this term determined based on time needed to replace the net income) following the transfer of the land.
 - The 'overhead contribution' is the rating and other receipts attributed to the transfer land less operating costs and debt repayment. This assumes any debt and development contribution reserves (if any) at the time of land transfer will be transferred to HCC.
29. A number of options exist in terms of paying consideration. These include options of a lump sum, regular payments over a period of time or a mixture of both. For administrative simplicity a lump sum payment, made at the time of transfer (discounted to reflect a present value of net cash flows as referenced above) may be the most suitable option.
30. Over time, increases in rates revenue attributable to the transfer land places pressure on the financial contribution from Hamilton City Council to WDC. Early transfer of the areas of land described in Attachment 1 is an effective tool to potentially mitigate the impact of value uplift and is a legitimate consideration for HCC in any timing decision.
31. Where possible the parties may consider arrangements for shared infrastructure services and may factor these arrangements into the financial considerations.

