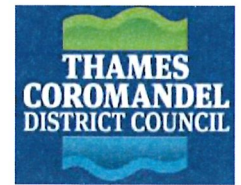




THAMES & SURROUNDS
SPATIAL PLAN

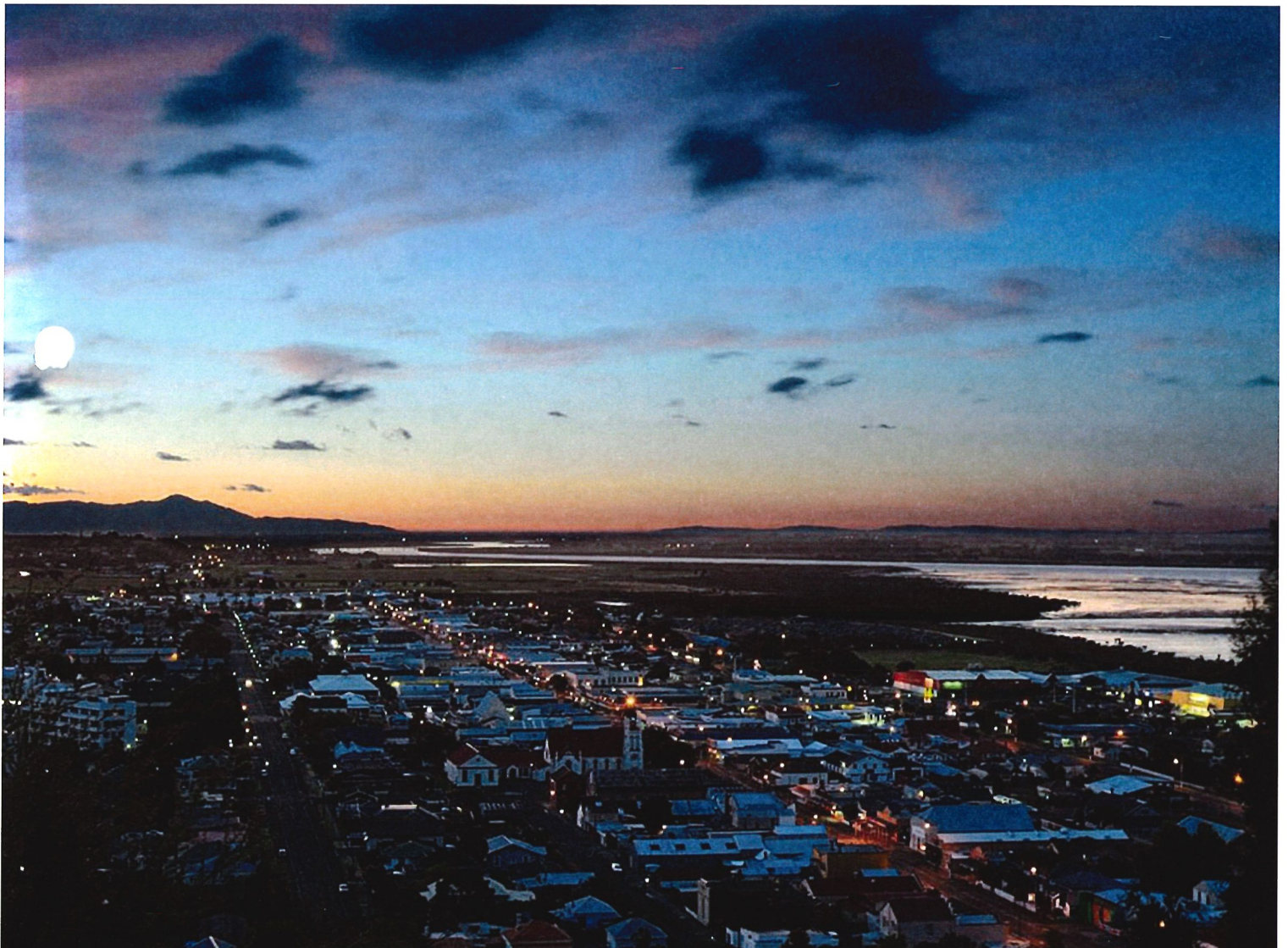
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Thames and Surrounds Spatial Plan: Strategic and Economic Case

Final Draft

April 2021



rationale >

IMPROVING INFRASTRUCTURE OUTCOMES

Document Title:

Thames and Surrounds Spatial Plan: Strategic and Economic Case

Prepared for:

Thames Coromandel District Council

Quality Assurance Statement

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3.0	APRIL 2021	Final Draft	EW/CB	JS/TL	TL

How can we help Thames Thrive?

Executive Summary

Executive Summary

Thames and its surrounding areas have a significant opportunity for growth, with their proximity to Auckland, Hamilton and Tauranga, enviable lifestyle due to the natural environment and climate, and the district's popularity as a tourist destination.

However, despite these positive features, aspects of Thames-Coromandel's economy are underperforming. Thames-Coromandel District Council (TCDC) have identified both economic development and increasing productivity as priority areas of interest for the Council and the community.

TCDC started on a journey to improve economic, environmental, and social outcomes for the district through the development of their Economic Development Strategy - Towards 2028. Following the development of this strategy, the Productivity Plan was developed and adopted by council in 2018 as a plan to put the strategy into action.

The Thames and Surrounds Spatial Plan, described in this Report, has been developed as part of the Land Use workstream of the Productivity Plan.

The objective of this report is to record all work completed to date on the Thames and Surrounds Spatial Plan, including all supporting evidence and reports completed by others, to provide a "go-to" documented for TCDC to refer to.

WHAT IS A SPATIAL PLAN?

A spatial plan sets out a plan for action for how and where a city, town or area will grow and develop into the future. It is a collaborative exercise, integrating a range of topics and stakeholders to produce an evidence-based, future-focused (30-year plus) strategy that outlines an agreed vision and direction for an area.

The Thames and Surrounds Spatial Plan was commissioned to set out how Thames will grow and develop over the next 100 years. It initially aimed to:

- outline areas of potential growth and change
- guide investment decisions at local, regional and central government level
- identify the key issues facing the area and the priorities that need to be advanced to address these.

SPATIAL PLAN OBJECTIVES

1. Increase investment by both public and private sectors.
2. Improve housing choices, affordability, and availability.
3. Improve vibrancy and attractiveness of the town centre.
4. Improve liveability, quality of life, and a balanced community.

While there are many pathways to achieving these benefits, the Thames and Surrounds Spatial Plan focuses on areas within TCDC's realm of control and influence.

CLIMATE CHANGE

Thames is currently exposed to substantial risk and potential inundation from the effects of sea level rise and climate change. This is forecast to worsen over the next 100 years, which leads to the question of whether it is feasible and desirable to protect Thames?

An indicative structure has been scoped that could protect Thames in a 1% AEP (1-in-100 year) flood event, factoring 1.3m of sea level rise. Royal Haskoning DHV have completed an initial high-level design of earth embankments and vertical sea walls, where space is not available, and provided a high-level estimated cost of \$200m. Such a structure will be a significant undertaking and will come with a range of lasting cultural, social, environmental, ecological, and wider economic impacts. Therefore, whilst a wall may be feasible, there is a significant amount of analysis and engagement needed before a final decision is made.

Due to this, the Spatial Plan project has paused to await the recommendations and adoption of the Shoreline Management Plan project which is investigating and providing recommendations for a decision on the coastal protection of Thames.

Spatial Planning Process

The Spatial Plan has been developed by the project team comprising TCDC Staff, Rationale and Boffa Miskell who have worked in a collaborative, "one team" approach. The core team's work has been supported by technical experts including Royal Haskoning DHV and Infometrics.

The below figure explains the process the team has taken to understand:

- Why Thames is not growing?
- What the constraints to growth are?
- Where Thames could grow in the future? and
- How growth can be enabled through investment?

The figure also outlines the recommended next steps to complete the Thames and Surrounds Spatial Plan following a decision on whether to protect Thames or commence managed retreat.

	Question	Deliverable	Evidence
Strategic Case	Does the Thames-Coromandel District have the land and accommodation available to meet its economic needs?	Land-Use ILM	<ul style="list-style-type: none"> Housing Stocktake - Rationale Market Viability Report - Veros
	Why is growth - housing, business and population - not occurring in Thames?	Thames ILM	<ul style="list-style-type: none"> House prices House occupancy Number of commuters Climate science High cost of infrastructure Low amenity
Economic Case	Where can Thames grow?	Boffa Miskell - Optioneering Feedback Report	<ul style="list-style-type: none"> Flood maps - WRC Boffa Miskell Baseline Maps
	What are the options for development?	Boffa Miskell - MCA Scenarios	<ul style="list-style-type: none"> Development Viability Input and Review - Veros Demand for housing
	Can we protect the Thames town centre from flooding and inundation?	Protection Options	<ul style="list-style-type: none"> Protecting Thames Feasibility Study - Royal Haskoning Shoreline Management inundation maps
	How would each option be serviced?	Infrastructure analysis	<ul style="list-style-type: none"> Asset valuations Long Term Planning
	Which option will deliver the most economic benefit for Thames?	Infometrics Report	<ul style="list-style-type: none"> Asset valuations Assets at Risk Estimate
Spatial Plan Next Steps	What does iwi / the Community / Stakeholders want for the future of Thames?		<ul style="list-style-type: none"> Community Engagement Iwi Engagement Stakeholder Engagement
	Should Thames be protected from coastal inundation, or managed retreat be commenced?		<ul style="list-style-type: none"> Shoreline Management Plan Ecological Study
	Complete development of the Spatial Plan	Adopted Spatial Plan	<ul style="list-style-type: none"> Community Engagement Iwi Engagement Stakeholder Engagement

WHY ISN'T GROWTH OCCURRING?

The Thames and Surrounds Spatial Plan ILM, carried out early in the process, identified four key issues that are contributing to the lack of development:

1. The high cost of infrastructure required to “unlock” land inhibits development
2. Uncertainty around the effects of climate change
3. Poor amenity
4. Lack of competition and complacency of retail, commercial and hospitality

WHAT ARE THE OPTIONS FOR DEVELOPMENT?

The project team developed a range of options for the Thames and Surrounds Spatial Plan. The options ranged from least ambitious (Do nothing) to most ambitious (Managed Retreat).

For options 3 – 5 it was assumed that Thames could be protected from a 1% AEP flood in 100 years and therefore, all development and growth was focused around the existing town. Whereas in options 6 and 7, it was assumed that the town was not protected. Therefore, a form of managed retreat would be undertaken and growth would be focused to the south of the existing town, in Thames Valley.



Figure 1. Spatial Plan Options.

Each option included different combinations of growth cells, with varying development typologies and yields, depending on where growth was to be focused, which was informed by Veros in their Report – *Development Viability Input and Review, August 2020*.

WHICH OPTION WILL DELIVER THE MOST BENEFIT TO THAMES?

The options were evaluated using a multi-criteria analysis. This approach combined a range of qualitative and quantitative assessment measures to score each option. The measures included:

- Spatial Plan Investment Objectives.
- Coastal Protection / Managed Retreat assessment including economic analysis.
- Infrastructure, community facility, and town centre & amenity improvement costs.
- Qualitative measures (mana whenua, environment, housing, urban form, wellbeing, economic, public assets, and urban design principles).
- Risks.

Based on initial scoring and ranking, Option 5: 'Driving Growth – high growth' is the best ranked option; however, the raw scores for options 3, 4, and 5 are relatively similar and difficult to separate with the level of analysis and information understood to date. Furthermore, no community engagement has taken place and only initial conversations with iwi and stakeholders have occurred. Their feedback on the options has not been sought. This is essential to ensure the results of community engagement can be used as a key piece of evidence in the decision-making process.

Therefore, input from the Shoreline Management Plan on whether to protect Thames or commence managed retreat alongside further detailed analysis of each option including other cultural, social, environmental, ecological, and wider economic impacts and engagement (iwi, community and stakeholders) on the options is required to identify a preferred option to progress. At this time this analysis and ranking of the options has not been endorsed by Council or other partners / stakeholders.

Table 1. Initial shortlisted option ranking for the Thames and Surrounds Spatial Plan.

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Spatial Plan Option	Do Nothing Leave it to the Market	Do Minimum Supporting Growth	Helping Growth (Low Growth)	Saving the Town (Medium Growth)	Driving Growth (High Growth)	Managed Retreat (Keep the town running)	New Town
MCA Score	66	76	287	295	305	266	235
Ranking	7	6	3	2	1	4	5

Next steps

The recommended way forward for TCDC is:

FINALISE SHORELINE MANAGEMENT PLAN

The Shoreline Management Plan's technical investigation and community engagement process will support the development of a recommended option for protecting (or not) Thames from current and forecast inundation risk. This is a key step in determining the future of Thames and the surrounding area.

The outcomes and recommendations of the Shoreline Management Plan will inform the Spatial Plan on where to focus growth – in Thames and the immediate surrounding area, or to plan for managed retreat and development of a new town in a less vulnerable location.

INVESTIGATION OF POTENTIAL GREENFIELD DEVELOPMENT SITES

Council has expressed an interest in identifying an area of developable greenfield land that is attractive to developers and can be readily serviced with infrastructure by TCDC. This is to avoid missing development opportunities while the Spatial Plan and Shoreline Management Plan projects continue.

The Spatial Plan project is not sufficiently progressed to recommend specific parcels of land for immediate development. As such, this report has not assessed the risks or potential benefits of developing any single site over another.

It is recommended that an assessment of potential sites is completed to inform council of the strengths, weaknesses, opportunities, and threats of each site. This assessment should also consider the long-term outcomes of each development, ensuring they do not impede the Spatial Plan outcomes, and the preferences and opinions of the community, iwi and stakeholders.

From the analysis presented herein, the following potential areas have been identified:

- **Kauaeranga Valley** is forecast for large future growth, but only if Thames is protected from inundation. Therefore, this area may not be attractive for short-term development before a decision is made about protection or managed retreat, to avoid the risk of a stranded community and assets, even if the risk is potentially low.
- **Kōpū South / Matatoki North** has been identified as a key growth cell in all Spatial Plan options, irrespective of the decision to protect or retreat from Thames. Kōpū South / Matatoki North is likely easier to service with infrastructure than Totara Valley, though it is also further from Thames and existing residential areas, so urban design principles will need to be considered for any future development. A Plan Change will be required if residential development is to happen here.
- **Puriri** is a proposed growth cell in all Spatial Plan options. However, the scale of development ranges significantly from 200 – 300 lots if Thames is to be protected, through to becoming the new town if managed retreated is commenced. Extensive investigation has occurred into the infrastructure required to support the existing village and a small-scale development of approximately 200 lots. In the 2021-31 LTP, there is allocated funding to construct a new, modular water treatment plant to service the existing residents which can be expanded should development occur in Puriri.

- **Totara Valley** is already zoned residential and is near Thames and existing residential areas. The 2018-28 and 2021-31 Long-Term Plans, both allocated funding for Council to upgrade and extend services to this area to support development. However, no projects are currently planned and there is no commitment from landowners to develop.

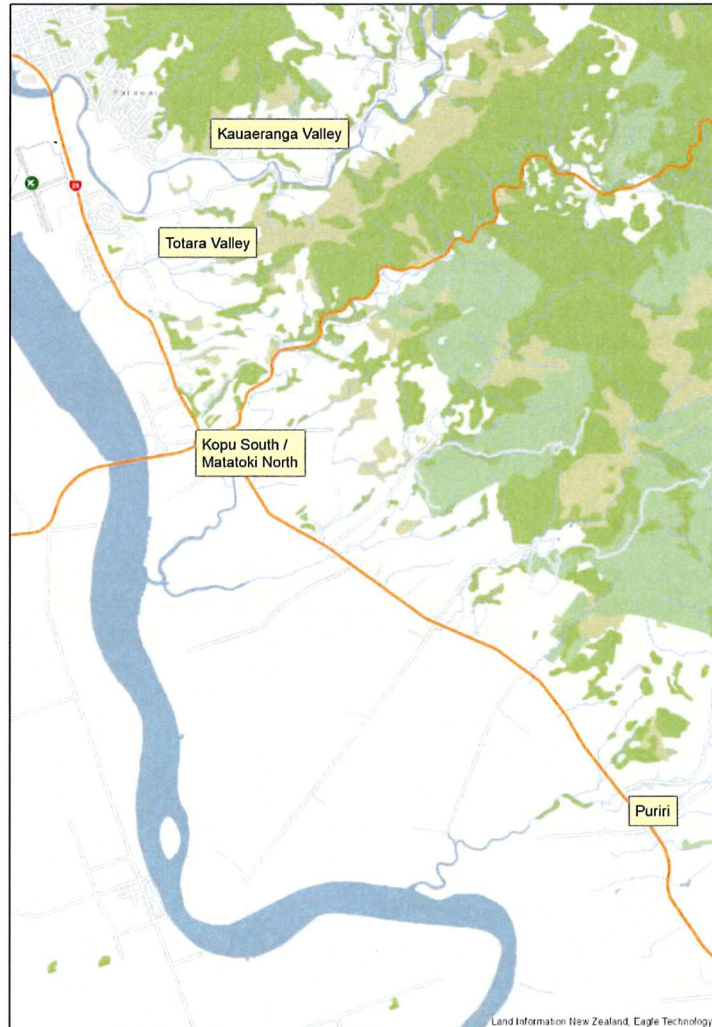


Figure 2. Potential sites for greenfields development in the short-term.

FINALISE SPATIAL PLAN

The Shoreline Management Plan, once adopted by Council, will inform investment decisions in Thames and the surrounding areas for the next 100 years and beyond. It is therefore important that a comprehensive Spatial Plan is developed to influence how, when and where growth will occur over this period once the decision to protect, or not has been made.

TCDC's intention is for recommendations from the Shoreline Management Plan to be made to Council in September 2021 and the Shoreline Management Plan to be adopted in April 2022.

To progress the Spatial Plan, it is critical to complete comprehensive engagement with the community, iwi and stakeholders to support the development of the Spatial Plan. An Engagement and Transparency Plan has been produced for TCDC which outlines a process for completing the necessary engagement.

TCDC will need to take this plan and action it by putting together an engagement programme and beginning to start the discussions with the community. Feedback received will form a key piece of evidence in the process to determine a preferred option.

1 Introduction

The objective of this report is to record all work completed to date on the Thames and Surrounds Spatial Plan, including all supporting evidence and reports completed by others, to provide a "go-to" documented for TCDC to refer to in the future.

1.1 What is the purpose of the Spatial Plan?

The Thames and Surrounds Spatial Plan was commissioned to deliver a Spatial Plan that assists Thames-Coromandel District Council in achieving the following investment objectives:

1. Increasing investment by both public and private sectors.
2. Improved housing choices, affordability, and availability.
3. Improved vibrancy and attractiveness of the town centre.
4. Improved liveability, quality of life, and a balanced community.

Whilst there are many pathways to achieving these benefits, the Thames and Surrounds Spatial Plan focuses on areas within TCDC's realm of control and influence.

This report describes work completed to date on the Spatial Plan project, and suggests a way forward for:

1. Identifying short-term development opportunities.
2. Progressing the Thames and Surrounds Spatial Plan.

1.2 What is a Spatial Plan?

A spatial plan sets out a plan for action for how and where a city, town or area will grow and develop into the future. It is a collaborative exercise, integrating a range of topics and stakeholders to produce an evidence-based, future-focussed (30-year plus) strategy that outlines an agreed vision and direction for an area.

The Thames and Surrounds Spatial Plans will:

- outline areas of potential growth and change
- guide investment decisions at local, regional and central government level
- identify the key issues facing the area and the priorities that need to be advanced to address these.

Spatial plans present information visually, and identify:

- the existing and future land use – such as where people may live, work and how they get around
- existing and future infrastructure needs
- priority areas for investment and action
- areas to protect and enhance (e.g. ecologically significant areas, outstanding natural landscapes, culturally important sites)
- areas subject to constraints (e.g. at high risk from natural hazards)
- other strategically significant priorities.

1.3 How was this report developed?

The Spatial Plan has been developed by the project team comprising TCDC Staff, Rationale and Boffa Miskell who have worked in a collaborative, "one team" approach. The core team's work has been supported by technical experts including Veros, Royal HaskoningDHV and Infometrics.

The initial approach to the project was outlined in the Thames and Surrounds Spatial Plan the Establishment Report¹, which was adopted by Council in May 2020.

The initial workstreams diagram, followed a typical spatial planning approach where infrastructure is an enabler of the spatial plan, see Figure 3.

¹ Thames and Surrounds Spatial Plan Establishment Report, May 2020 drafted by Rationale.

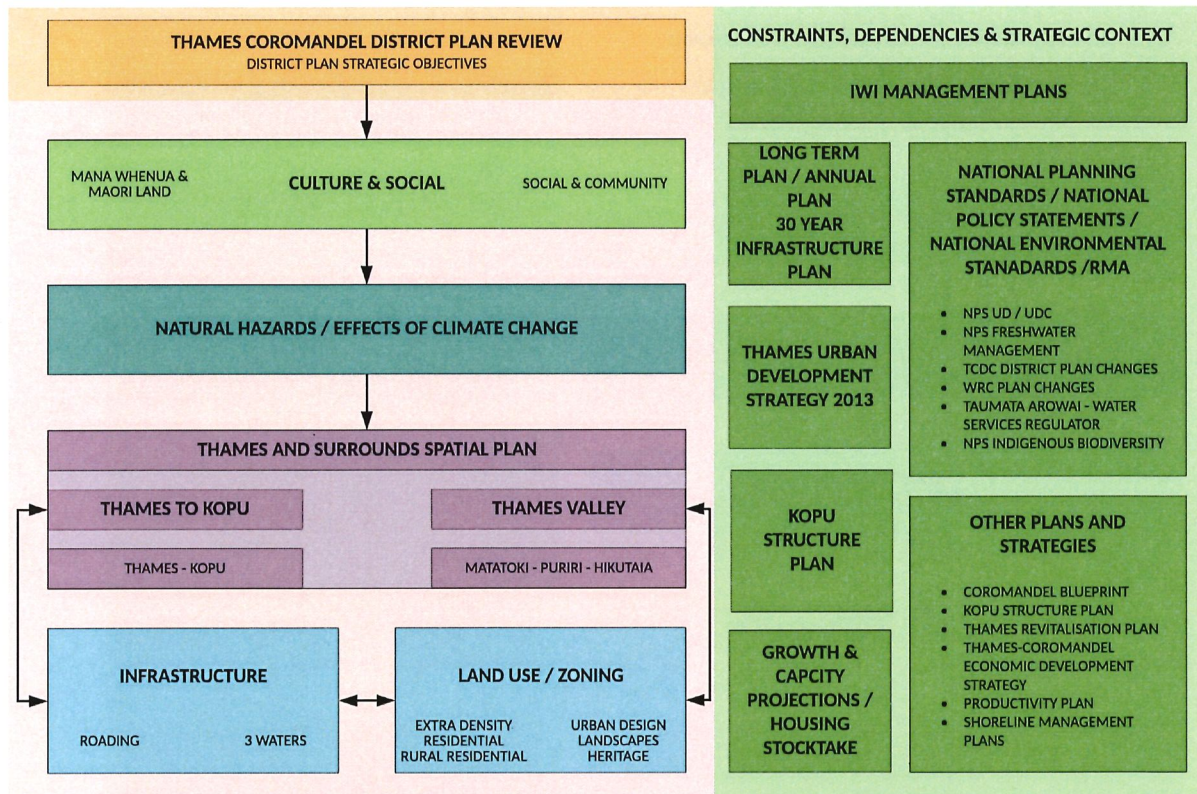


Figure 3. Initial Workstreams diagram, Source: Establishment Report - May 2020.

However, it became clear as work progressed that there were some gaps in TCDCs understanding. These included:

- Uncertainties and a lack of future planning for infrastructure in Thames, which meant that infrastructure could no longer be an enabler of growth but rather need to be considered in the Spatial Plan and determining where growth could occur.
- Required integration and influence of the Shoreline Management Plan project, which proceeded in parallel with the Spatial Plan. This was due to the need to consider if Thames should be protected or if managed retreat would be the best option. This was not initially within the scope of this project and has significant implications for the town.
- Finally, due to the large expenses of protecting Thames and providing infrastructure to growth cells, it became necessary to complete an Economic Analysis of the options to determine which one would provide the best economic value to Thames.

Therefore, it was recommended that the workstreams diagram was updated to reflect the programme of work required to determine a preferred way forward for Thames and Surrounding areas, as seen in Figure 4.

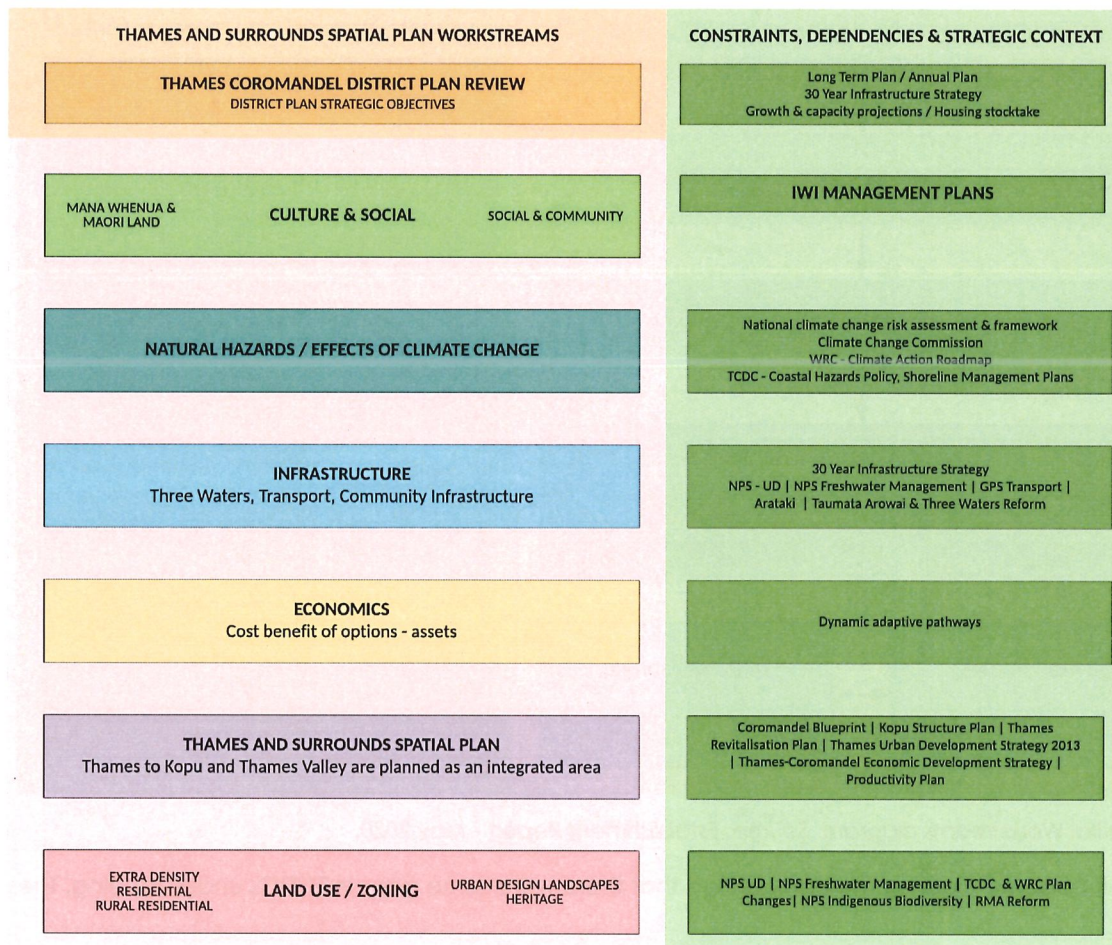


Figure 4. Updated workstreams diagram, presented to the Governance Group, February 2021.

High-level analysis has been undertaken to address the key knowledge gaps and the proposed options have been assessed against all workstreams shown in Figure 4. However, no community engagement has been undertaken and there has been limited initial engagement with iwi and key stakeholders. Therefore, there is no measurable understanding of iwi, stakeholders or the communities' preferences and feedback on any of the options.

Furthermore, the key question - should Thames be protected from coastal inundation, or managed retreat be commenced? has been left unanswered due to the lack of engagement.

TCDC intend to examine this question and answer it through the Shoreline Management Plan, which is expected to be adopted by Council in April 2022. In the meantime, the Thames and Surrounds Spatial Plan has been put on hold.

Figure 5 below, explains the process the team has taken to understand to assess the workstreams highlighted above and it also highlights the recommended next steps to complete the Thames and Surrounds Spatial Plan following a decision on whether to protect Thames or commence managed retreat.

	Question	Deliverable	Evidence
Strategic Case	Does the Thames-Coromandel District have the land and accommodation available to meet its economic needs?	Land-Use ILM	<ul style="list-style-type: none"> • Housing Stocktake - Rationale • Market Viability Report - Veros
	Why is growth - housing, business and population - not occurring in Thames?	Thames ILM	<ul style="list-style-type: none"> • House prices • House occupancy • Number of commuters • Climate science • High cost of infrastructure • Low amenity
Economic Case	Where can Thames grow?	Boffa Miskell - Optioneering Feedback Report	<ul style="list-style-type: none"> • Flood maps - WRC • Boffa Miskell Baseline Maps
	What are the options for development?	Boffa Miskell - MCA Scenarios	<ul style="list-style-type: none"> • Development Viability Input and Review - Veros • Demand for housing
	Can we protect the Thames town centre from flooding and inundation?	Protection Options	<ul style="list-style-type: none"> • Protecting Thames Feasibility Study - Royal Haskoning • Shoreline Management inundation maps
	How would each option be serviced?	Infrastructure analysis	<ul style="list-style-type: none"> • Asset valuations • Long Term Planning
	Which option will deliver the most economic benefit for Thames?	Infometrics Report	<ul style="list-style-type: none"> • Asset valuations • Assets at Risk Estimate
Spatial Plan Next Steps	What does iwi / the Community / Stakeholders want for the future of Thames?		<ul style="list-style-type: none"> • Community Engagement • Iwi Engagement • Stakeholder Engagement
	Should Thames be protected from coastal inundation, or managed retreat be commenced?		<ul style="list-style-type: none"> • Shoreline Management Plan • Ecological Study
	Complete development of the Spatial Plan	Adopted Spatial Plan	<ul style="list-style-type: none"> • Community Engagement • Iwi Engagement • Stakeholder Engagement

Figure 5. Process followed to develop the Spatial Plan, and next steps.

1.4 Deliverables

At this stage in the development of the Thames and Surrounds Spatial Plan the deliverables include:

- The Establishment Report, May 2020, produced by Rationale
- Draft Engagement Plan, January 2020, produced by Rationale
- Strategic and Economic Case, April 2021 (this report)

1.4.1 SUPPORTING DOCUMENTATION

The following supporting documentation has been used throughout the development of the Spatial Plan to this point. These documents are appended to this report for reference.

- Thames Coromandel District Land Use Investment Logic Map, February 2019, produced by Rationale
- TCDC Housing Stocktake, November 2019, produced by Rationale, Benje Patterson and Veros.
- Residential Housing in the Thames-Coromandel District, Market Viability Report, January 2020, produced by Veros
- Thames and Surrounds Spatial Plan – Internal Stakeholders Meeting, 27 February 2020
- Thames and Surrounds Spatial Plan Investment Logic Map, August 2020, produced by Rationale
- Protecting Thames Feasibility Study Memo, August 2020, produced by Royal Haskoning DHV
- Development Viability Input and Review, August 2020, produced by Veros
- Thames Spatial Plan Optioneering Workshop Feedback, August 2020, Boffa Miskell
- Puriri Infrastructure Investigation, Stage two – Servicing Report, August 2020, produced by GHD
- Thames Valley Water Supply Options Assessment, August 2020, produced by Harrison Grierson
- MCA Scenario Diagrams, November 2020, produced by Boffa Miskell
- A Preliminary Real Options Analysis of Strategies to Manage Climate Change Hazard Risks for Thames Coromandel District Council, April 2021, Infometrics.