**Tauranga City Council CIP Mayoral Forum Content**

1. Tauranga forms part of the Upper North Island ‘golden triangle’ and there is critical economic infrastructure needed to support immediate and long-term economic growth / activity. That infrastructure is already constrained and having negative impact on business expansion, attraction of skills, and productivity.
2. Rebooting infrastructure projects in Tauranga will also provide a major catalyst to the wider New Zealand economy. Our rapid economic and population growth, horticultural and manufacturing sectors and exports through the Port of Tauranga rely on infrastructure capacity and on the availability of affordable homes and commercial land. The quicker that capacity is in place, the quicker those industries can create new jobs for those displaced from sectors that will be slower to recover and the quicker export revenues and GST returns will be generated, recycling the Government’s economic stimulus
3. Prior to the Covid-19 event Tauranga City Council was facing significant challenges especially in respect of:

* a broad range of issues across the housing continuum (homelessness, affordable housing, housing and land supply and transitioning to a more sustainable urban form)
* delivering a well-functioning transport network that can support urban growth, deliver better multi-modal choices and support NZ’s economy by providing efficient transport links to and from NZ’s largest port.
* significant funding challenges to deliver the infrastructure required for a current and growing city.

1. In the face of Covid-19 these challenges are now all the greater and new challenges will emerge, especially providing employment and supporting the business sector. Tauranga City Council is well placed to positively contribute to these challenges. We have a range of infrastructure projects which are (or near) being ready to go. We applaud initiatives such as CIP’s request for applications for large scale projects that support the acceleration of much needed work to the benefit of immediate return employment and supporting capacity for future urban and economic growth.
2. Tauranga City Council’s CIP application is focussed on maintaining a viable economy in Tauranga and the western bay region, and creating capacity for future growth, by clear focus on two priority areas:
   * Creating Communities and Housing for All
   * Employing Our People
3. **Creating Communities and Housing for All** – Investment required to provide serviced land for residential, industrial and commercial development. Creating complete and connected communities with multi-modal transport options, community amenity, education and employment opportunities.
4. The ‘Creating Communities and Housing for All’ projects were also included in the Urban Growth economic stimulus package submitted to MHUD by SmartGrowth Partnership (Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council and Tangata Whenua) on 6 April 2020. The projects in this CIP application reflect those that can be commenced within 6 to 12 months. The projects implement the urban settlement pattern which has been agreed by the SmartGrowth partnership.
5. **Employing Our People** – Immediate investment in a wide range of projects that will support our small and medium business enterprises, particularly those involved directly and indirectly with the construction industry. These projects aim to support individuals, families and communities that need it most.
6. There is also genuine co-investment commitment by developers associated with the major growth areas to invest in infrastructure and housing on their land holdings if key public infrastructure to service those areas is provided. This will provide a second wave of economic stimulus.
7. The construction sector represents 12% of total employment in Tauranga. Also, the city has a shortage of readily available residential and business land supply which is negatively impacting on median house prices and business activity. There is a need to retain the construction sector pipeline of work and is doing so deliver much needed land supply.
8. The balance sheet of the City is severely constrained as Council is near to the debt to revenue ratio ceiling of 250%. Prior to COVID-19 Council was projecting a shortfall in financial capacity to deliver the required level of infrastructure of between $0.5b to $1b over the next 5 to 10 years.
9. Revenue reductions due to COVID-19 mean severe reductions to the planned $244m 2020/21 capital programme will be required immediately to remain within prudent debt levels. Best-case scenario the capital programme needs to be halved and, in a worst-case scenario, Council’s ability to deliver capital in 2021 will be virtually non-existent. This reduction in capital investment will significantly affect jobs and the local economy.
10. Economic stimulus by way of infrastructure investment is required to enable Tauranga to provide critical public services (including water and wastewater) and to have sufficient supply of serviced employment and residential land to meet the needs of our city.