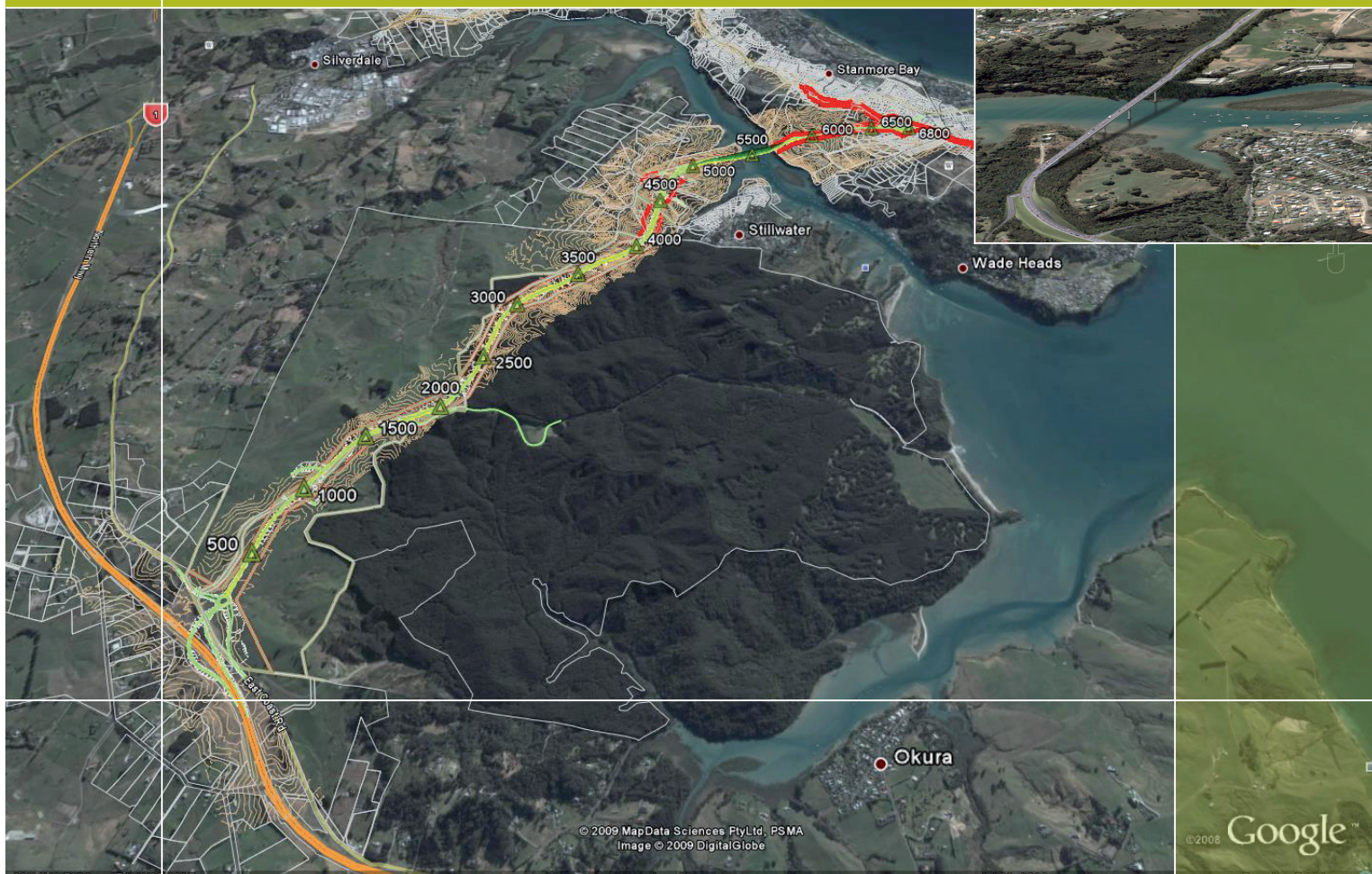


RDC making a positive difference

PENLINK

Rodney's Flagship Ready-to-Go Infrastructure Project

The Project – The Story – The Benefits



On Wednesday 4th February 2009, Prime Minister, John Key, announced the Government's *Jobs and Growth Plan*, a stimulus package that Mr Key described as a "rolling maul" of initiatives aimed at returning impetus to the New Zealand economy.

A cornerstone of that plan is an ambitious infrastructure programme that will serve the dual purpose of getting the economy moving and delivering to New Zealand communities the infrastructure that, in many cases, is demonstrably overdue.

The government undertook to exact a number of progressive measures to enable this...and quickly. One was an immediate review of the Resource Management Act. Another—and this is significant for what is to follow—the Government would identify and concentrate on those infrastructure projects "ready to go." Projects that could start immediately to achieve the vision and the policy laid out by the Jobs and Growth Plan.

This is the story of one such project. One that could start tomorrow, would accrue benefits to a community amounting to billions of dollars, and would cost substantially less than \$200million. This is the story of Penlink.

Penlink—The History

There are 91,000 people living in Rodney. Every one of them will benefit from the injection into the economy Penlink brings, and the pressing problems it solves. Rodney has battled for 40 years to get a second access to its Whangaparaoa Peninsula. Plans to bridge the Weiti River near Stillwater were drawn up as early as 1970. Successive councils even went as far as acquiring the planned corridor and keeping it in perpetuity—and in hope of a government that would acknowledge that Penlink is the immediate answer to a multitude of problems and stalled economic opportunities.

Penlink's importance is recognised by all key agencies. However, without central government support, this amounts to little.

In November 2008, the then government announced a funding arrangement to construct the \$183 million project as a state highway with joint Regional Fuel Tax (80%) and Council (20%) monies to begin in 2011. Council has already invested \$18 million in land and \$5 million in preliminary costs to bring the project to its current state of readiness.

Then in February, Mr Key's Jobs and Growth announcement gave fresh impetus to the project. It came from the realisation that Penlink was a project that conformed exactly to the criteria the Government was setting out. Penlink would:

- Ease the impact of recession
- Inject new momentum to the economy
- Solve existing problems
- Enhance local, regional and national roading networks, and
- **Be ready to go.**

Penlink—The Current Status

In terms of "ready to go" status, the project has all its designations, resource consents issued and all necessary land has been acquired to begin construction.

Tendering for the project as a state highway can be called in 2009 and preliminary works completed, with the balance of the project entering full construction status in 2010.

Capital expenditure can be accelerated by approximately 18 months over the current schedule, delivering earlier benefits and responding directly to declining local employment and enabling future sustainable growth.

Under the current funding arrangement, the only incremental cost of advancement is to cover the cost of capital. No other additional funding is required.

The project can be developed as a free access state highway, as a toll road, or under a public private partnership. It has a wide base of public support; 83% of the local population, by survey, wanted it built even, if necessary, as a tolled road.

Penlink's inclusion within the Government's next infrastructure announcement will see the project substantially completed within the first term of the current government.

Penlink—The Costs and Economic Benefits

Penlink generates substantial economic benefits during construction—approximately \$150 million dollars into the local and regional economy. But the real benefits will accrue when the project is completed, and they are staggering in their scale:

- The new 44-hectare Knowledge Economy Zone, enabled by Penlink, is forecast to create an additional 3870 new jobs for the local economy over the next ten years.
- The zone is predicted to provide \$313 million per annum in value added GDP, including \$302 million from employment activity.
- GDP contribution over the next 25 years is \$6.1 billion on a net present value basis, particularly from the opening up of the Silverdale North planned growth node, and the Knowledge Economy Zone.
- Household income makes up \$2.06 billion of that total GDP contribution.
- Penlink also produces significant less travel on the local road network and allows greatly improved traffic flow on the Hibiscus Coast Highway (now renamed State Highway 17).
- Penlink also provides a secondary feeder route to Northern Busway public transport network.

Penlink costs to complete the project are:

PENLINK	2011	2012	2013	TOTAL
Capital Expenditure \$ millions	44.3	69.8	69.5	183.6
Accelerated Timing	2009/10	2010/11	2011/12	

Penlink—The Project

Penlink will provide a direct link between the Whangaparaoa Peninsula at Stanmore Bay and the Northern Motorway at Redvale. The five main project components include:

- A 6.8km two-lane road
- A 540m long, 45m high bridge over the Weiti River sited to the north of Stillwater. The bridge will be marked for two lanes but will be wide enough for a third lane to be used for “tidal flow” purposes if required. The route will include a dedicated pedestrian and cycle way from Whangaparaoa to Stillwater.
- A new motorway interchange, situated at Redvale, to connect the new 6.8km road to State Highway 1.
- Realignment of East Coast Road joining the new road with the Redvale Interchange.
- Widening Whangaparaoa Road to four lanes from Brightside Road to Arklow Lane, including the intersection with the new road.

Penlink—Meeting all the Land Transport Management Act Goals

- Assists economic development
- Assists safety and personal security
- Improves access and mobility
- Protects and promotes public health
- Ensures environmental sustainability
- Improves reliability and effectiveness of roading networks.



Penlink—The Preferred Option

Penlink has less negative economic, environmental and social impact than widening sections of Whangaparaoa Road or adding an adjacent parallel route.

- 440 additional property acquisitions would be required if Whangaparaoa Road is widened, instead of building Penlink.
- Penlink provides an alternate access route in the event of an emergency or severe congestion due to an accident.
- Penlink provides 5.5 km reduction in travel distance.
- Penlink provides for additional capacity on Whangaparaoa Road and SH 17 permitting public transport to operate more efficiently.

THE NEXT STEP

Penlink—The Next Step

The Penlink project is ready to go. The adopted Rodney Transport Strategy 2006 identifies improved peninsula access as the Council's highest priority transport project. Needed now is for the equation to be completed. In essence:

- Government name Penlink as a qualifying project for its *Jobs and Growth Plan*.
- Government give a direction to Council to deliver the project as a state highway, toll road, or public private partnership.
- Government appoint Council with its current project team in place, to deliver the project and vest it in the New Zealand Transport Agency upon completion.
- Government confirm the current funding arrangement for Penlink, or an alternate funding arrangement that meets the project business case.

Penlink and the Jobs and Growth Plan—The Synergies

Jobs and Growth Plan Objectives	PENLINK CONTRIBUTIONS
Keep New Zealanders working	Construction cost forecasts of \$183 million show 60,000 direct man-days employment on the project overall, including 15,000 direct man-days employment on the Weiti Bridge, which has a 33 month continuous construction schedule. Labour dollars generated on the project are \$21 million over the three years construction period, and capital investment is an additional \$157 million to complete the project, with most of the fabrication work for structures generated onsite. Earthworks also include 2 million cubic metres to be moved, which will keep local earthmoving contractors employed. The new 44-hectare Knowledge Economy Zone (KEZ), which is reliant on Penlink, is forecast to create an additional 3870 new jobs for the local economy over the next ten years. The full potential of the KEZ cannot be realised without PENLINK. Once complete, the KEZ is forecast to provide \$313 million per annum in value added GDP, including \$302 million from employment activity.
Make lasting contributions to the economy	Penlink generates substantial economic benefits from the opening of the route, including an estimated contribution to GDP over the next 25 years of \$6.1 Billion on a net present value basis, particularly from the opening up of the Silverdale North planned growth node, and the Knowledge Economy Zone. Household income makes up \$2.06 Billion of that total GDP contribution.
Benefits flow through local Communities	The Knowledge Economy Zone is new industrial-commercial land ready for development in response to the critical business land shortage in Auckland, and particularly north of the Harbour Bridge. Current business land inventories north of the Waitemata Harbour are scheduled to be fully depleted by 2014.
Quality project	Penlink meets the requirements of the Resource Management Act, the Land Transport Management Act, and the Local Government Act 2002. Development in Gulf Harbour and Silverdale North/Orewa areas is consistent with the designated growth nodes in the Regional Growth Strategy, providing for over 3500 new households, and with the Rodney Transport Strategy.
Ready to go.	Penlink is fully designated and consented and the Council has already acquired all the necessary corridor land. The consents were issued in 2001, are valid until February 2011, and can be extended if substantial works have been completed. Council has already invested \$18 million in land purchase and over \$5 million in preliminary costs to bring the project to its current state of readiness.
Ease impact of economic down turn	Rodney is particularly sensitive to the current recession, with a large share of its economy focused on the property and construction sector (6,221 jobs and \$674 million share of local GDP) and tourism (1,442 jobs and \$44 million share of local GDP). The recession and the downturn in the housing market all contribute to the need for stabilising major projects in the local economy, which Penlink can provide.
Contribute to long-term competitiveness	By enabling the full development of the Knowledge Economy Zone, Penlink contributes to the development of knowledge-based transformational employment and economic opportunities, which are essential to diversifying the local and regional economy. Penlink provides significant transport efficiencies and network resilience for the Rodney and Auckland economies, with peak trip timesavings of up to 15 minutes, and a second route to the Peninsula. Penlink will avoid imminent congestion on the Whangaparaoa Road and SH17 (Hibiscus Coast Highway) corridors by providing relief capacity. Penlink planning is coordinated with the proposed Northern Busway Extension. Penlink delivery is flexible: as a free access State Highway, as a toll road, or through a public private partnership.
Brings forward benefits	Penlink is the “turn-key” ready-to-go infrastructure project that will immediately inject new momentum into the economy, easing the impact of the recession and providing much needed value from and for the contracting industry. Penlink can be begun and substantially completed within the first term of the current government



**Rodney District Council Mayor
Penny Webster**

Mobile: 021 390 317
Landline 0-9 426 5169
Email: Penny.webster@rodney.govt.nz



**Rodney District Council Chief Executive
Rodger Kerr-Newell**

Mobile: 027 442 1892
Landline 0-9 426 5169
Email: Rodger.kerr-newell@rodney.govt.nz



**Rodney District Council Director of
Infrastructure – Murray Noone**

Mobile: 021 883 788
Landline: 0-9 426 5169
Email: Murray.noone@rodney.govt.nz

This document has been prepared by the Rodney District Council for members of the Parliamentary Executive, Members of Parliament and Government Officials. Every effort has been made to ensure accuracy; however, some aspects of the project have been left out due to space constraints. A more comprehensive view of Penlink can be obtained on the Council's website www.rodney.govt.nz or by emailing raymond.ginnever@rodney.govt.nz.