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## Te Tupu Ngātahi (Supporting Growth Alliance) – North, Detailed Business Case for Route Protection

### Aronga / Purpose

1. To seek endorsement of the proposed Strategic Transport Network (STN) for North Auckland and approval to lodge the Notice of Requirements (NoRs) to route protect the Auckland Transport (AT) components of the proposed STN.

### Tuku mana / Delegation

2. AT Board (board) approval will be sought under Delegated Financial Authority 1.3 as the proposed total investment exceeds \$20m in value.

### Te tūtohunga / Recommendation

3. That the board:
  - a) Endorses the STN recommended in Te Tupu Ngātahi North Supporting Growth Alliance (Te Tupu Ngātahi) North Detailed Business Case (DBC).
  - b) Endorses the recommended route protection strategy for the STN including lodging NoRs and post lodgement activities.
  - c) Approves the release of \$9.6 million (AT share inclusive of Waka Kotahi New Zealand Transport Agency (Waka Kotahi) co-funding) from the approved budget of Te Tupu Ngātahi for lodging NoRs and post lodgement activities.
  - d) Notes funding is subject to Waka Kotahi Board approval of the DBC and co-funding.
  - e) Notes that early property acquisition risk from lodgement of the NoRs for AT is estimated at \$37million (P50 escalated) over the Regional Land Transport Plan (RLTP) period to 2031/32.
  - f) Notes that no provision has been made for early property acquisition risk in the approved annual capital budget but a provision for this will need to be incorporated in the 2024/34 Regional and Land Transport Plan (RLTP).

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## Te whakarāpopototanga matua / Executive summary

4. Te Tupu Ngātahi North DBC recommends the preferred STN to provide optimal transport system outcomes for forecast growth in the Auckland Council (Council) North priority growth area.
5. Protection of the route is now required to ensure that development over the next 30 years does not compromise the STN thereby ensuring the optimal outcomes. Route protection also provides significant financial benefit as it enables AT to work proactively with Council to establish appropriate developer contribution policies and to work developers to deliver the transport infrastructure, which is estimated to reduce ATs long term infrastructure delivery cost by approximately \$700m.
6. The recommended network is critical to the success of other key transport projects currently underway including: Ō Mahurangi Penlink and interim SH1 bus improvements, being constructed by Waka Kotahi, and the Milldale Highgate Bridge, Argent Lane and New Pine Valley Road upgrades being delivered by developers, Crown Infrastructure Partners and AT. This work has also been integrated and aligned with the recommendation from the Waitemata Harbour connections study and Auckland Rapid Transit Plan for rapid transit to the north.
7. The total investment for AT to deliver the proposed STN infrastructure over 30 years is estimated at \$2.5 billion (P50 un-escalated) including \$204 million for property. Failure to protect the STN will increase these costs and the transport system and outcomes for Aucklanders will be compromised.
8. The estimated cost for route protecting the STN and lodging NoRs, is \$9.6 million and forms part of the board approved Te Tupu Ngātahi alliance contract. This funding is allocated in the current Regional Land Transport Plan (RLTP) 2021-31 and has been submitted to the draft Joint Transport Plan (JTP) and draft RLTP 2024-34.
9. Route protection carries ongoing financial and reputational risk resulting from property impacts and potential need for early property acquisition. This is estimated at \$37 million (P50 escalated) over the 2021-31 RLTP period. While no provision for early property acquisition has been made in the current approved annual capital programme, a regional provision will be sought through the in the 2024-34 RLTP.
10. Waka Kotahi has indicated support for the proposed RTN route and approval for release of co-funding is expected from the Waka Kothai Board at its September 2023 meeting.

## Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
February 2019 Board	Supporting Growth – Preferred networks and next steps	The board approved the Indicative STN and progressing to the next stages including detailed business case to lodgement

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<p>October 2019 Board</p>	<p>Supporting Growth – Amended Programme Alliance Agreement</p>	<p>The board approved Target Cost Estimate Two (TCE2) for the programme which includes the DBC and pre lodgement activities for the north.</p>
<p>September 2023 Design and Delivery Committee (committee)</p>	<p>Te Tupu Ngātahi (Supporting Growth Alliance) – North, Detailed Business Case for Route Protection</p>	<p>The committee received additional detail on the alternative options that were considered in this area.</p> <p>Given the current review of the Future Development Strategy (FDS), the committee discussed deferring the board’s decision until after the Council’s decision on the FDS but resolved that doing so would adversely impact the time and cost of the lodgement.</p> <p>The committee also considered that AT has worked closely with the Council in developing the recommended FDS, that the recommended option can be readily adapted prior to lodgement based on likely decisions that and that ultimately, if significant unexpected changes are implemented, the lodgement could be paused to enable further work to be undertaken.</p> <p>The committee acknowledged the anxiety that route protection processes can have on landowners and that a high level of respect and care is needed through this engagement. Members acknowledged the level and quality of engagement the project has undertaken with stakeholders and emphasised that the same level is expected from partners on joint projects.</p> <p>The committee questioned the flooding and resilience approach and sensitivity analyses against climate change scenarios. The project team advised that higher and lower scenarios were applied to Council’s model in developing the options.</p>

## Te horopaki / Background

11. Te Tupu Ngātahi is an alliance owned by AT and Waka Kotahi for the purpose of planning and route protecting the STNs needed to serve the future urban growth areas named by Auckland Council over the next 30 years. Auckland Council is an active partner in the programme.
12. The Council’s Future Urban Land Supply Strategy (FULSS) forecasts a threefold increase in growth with 41,000 new houses, 22,000 new jobs and 110,000 more people in North Auckland, comprising Dairy Flat, Wainui, Silverdale and Orewa (see Attachment 1).
13. The Council’s draft FDS, which will replace the FULSS as Auckland’s urban growth strategy recommends slower staging of growth in the North over the next 30 years with areas for further investigation also identified in south Dairy Flat and Wainui. The Council’s reasoning for reassessing

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these “areas of investigation” in the draft FDS is due to infrastructure, climate change and natural hazard considerations. The Council will make its decision on the FDS at its Planning Environment and Parks (PEP) Committee on 5 October 2023.

14. The Te Tupu Ngātahi’s North DBC identifies the STN for North Auckland and recommends this for route protection (see Attachment 2). This DBC and STN is a result of the assessment of many options and wide consultation and engagement and builds on previous board approved business cases to develop the network (i.e., Transport for Future Urban Growth (TFUG) Programme Business Case (PBC 2016) Case and Supporting Growth Indicative Business Case (IBC 2019)).

## Te hononga ki te “Statement of Intent 2023 - 2026”/ Alignment to Statement of Intent 2023 - 2026

15. While the proposed infrastructure will occur well beyond the three-year period of the Statement of Intent (SOI), the approach taken in developing the STN and DBC, and the act of protecting this network to ensure that AT can deliver the optimal transport system and outcomes at best value, aligns with all SOI principles.

## Me mōhio koe / What you need to know

16. The recommended STN will increase travel choice (public transport and active modes); access to employment areas, improve network resilience and reduce carbon emissions (see Attachment 3).
17. The recommended STN supports planned growth by:
  - a. Supplying a comprehensive public transport network anchored around interim SH1 bus shoulder improvements and then a new Rapid Transit Corridor (RTN) through Dairy Flat from Albany to Milldale. New stations at Milldale, Pine Valley Road and indicative stations through Dairy Flat are supported by a comprehensive multimodal arterial network.
  - b. Improving access to existing and planned business areas to encourage greater employment opportunities in North Auckland. This is also critical to removing reliance on long-distance travel to access jobs. Improvements to SH1 including new and upgraded interchanges at Penlink, Wilks Road and Silverdale will improve access for freight supported by a comprehensive multimodal arterial network.
  - c. Supplying multimodal upgrades to Dairy Flat Highway and East Coast Road will improve north-south network resilience for all modes as an alternative to SH1. A ladder network of east-west arterials will connect these corridors to SH1 and the new and upgraded interchanges providing efficient access to key land uses and corridors for all modes.
  - d. With over half of the future urban area to be within the walking catchment of the RTN, all corridors include active modes and/or provision for public transport to enable significant mode shift in North Auckland and improved public transport access to and from Auckland. This supports AT’s long-term climate change and mode shift targets.

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18. The STN has also been designed to optimise the investments being made in other transport projects including: Ō Mahurangi Penlink and interim bus improvements on SH1 being constructed by Waka Kotahi; and Milldale Highgate Bridge, Argent Lane and New Pine Valley Road being delivered by developers in partnership with Crown Infrastructure Partners and AT/Auckland Council. The Waitemata Harbour Connections project has also confirmed that light rail as the current preferred RTN mode to North Auckland and its extension beyond Albany.
19. The North DBC and proposed STN were developed using Council's latest growth forecast, which reflects the growth identified in the FULSS and Unitary Plan and timing set out in the draft FDS. The draft FDS does however identify parts of the future urban area for 'further investigation' and potential removal, which potentially undermines the STN and Waka Kotahi's RTN in particular. To mitigate this risk AT and Te Tupu Ngātahi have worked closely with Council in the preparation and development of the FDS over the last 18 months and Council has accelerated their consideration of the "areas for investigation" to provide certainty on whether growth will be removed or retained in the North prior to the Council's planning committee's consideration of the FDS on 5<sup>th</sup> October. AT and Waka Kotahi have agreed not to lodge NoR's ahead of this and should the Council decide to remove some of the forecast growth, Te Tupu Ngātahi has developed an alternative network and route protection strategy.
20. To mitigate potential impacts from the FDS, Te Tupu Ngātahi has worked closely with Council to determine the potentially impacted areas of the STN such that if the FDS changes to Dairy Flat are implemented, and Waka Kotahi does not advance the proposed RTN, the relevant areas could be readily removed from the NoR process.
21. The North DBC has an overall benefit cost ratio of 1.1, inclusive of the Waka Kotahi projects. The combined AT / Waka Kotahi network cost per new household is \$156,000. This is higher than other Te Tupu Ngātahi areas with Warkworth at \$130,000 per household and a 0.6 BCR and the North-West is \$120,000 per household and a 0.8 BCR.
22. Lodging NoRs does come with a financial and reputational risk associated with requests for early property acquisition and/or opposition from impacted landowners and communities. Provision for early property acquisition is estimated at \$37million (P50 escalated) has not been made in the current approved capital programme and will need to be made in the 2024-34 RLTP. This is also explained in the risk section below.
23. Delaying or not going ahead with route protection is not recommended given pressure for greenfield growth with several large developments already underway or being planned by established developers. Route protection enables AT to work proactively with developers to deliver the network and is estimated to save AT approximately \$700 million (see Attachment 4).
24. Not implementing the proposed network reduces ATs ability to deliver strategic outcomes and would result in continued reliance on private vehicle travel, increased delays/queues on SH1, Dairy Flat Highway and East Coast Road, reduced network resilience and negative outcomes for safety, active travel and the climate.

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## Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

25. The cost to lodge the NoR and for post-lodgement activities for route protection is \$9.6 million. This is in the Te Tupu Ngātahi approved budget but is subject to board approval and Waka Kotahi releasing co-funding. This funding is aligned with the 'SGA post lodgement and property' line item in the current RLTP 2021-31.
26. Funding has also been sought through the draft JTP and draft RLTP 2024-34 review and is a priority investment in both plans.
27. Early property acquisition risk from the designation is estimated at \$37 million (P50 escalated) over the RLTP 2021-31 period and a funding bid has been submitted into the draft JTP and draft RLTP 2024-24 within a regional provision for "Route Protection and Encroachments Property".
28. The total long-term cost of the AT projects needed to deliver the proposed STN in line with forecast growth in North Auckland is \$2.5 billion (P50 un-escalated) including \$204 million for property acquisition. This cost will increase significantly if the STN is not protected as the network would need to be adapted in response to growth. The cost and complexity of property acquisition would also increase as land development occurs.
29. To mitigate the cost of the new infrastructure, AT is working closely with Council to establish Developer Contribution Policies to ensure appropriate contributions are collected for the infrastructure associated with growth. The strategic priority growth areas are the first focus, with the work of SGA is forming a strong basis for AT's input.
30. Once the route is protected, a considerable proportion of proposed AT network can be delivered at reduced overall cost through proactive engagement with developers (see Attachment 5).

## Ka whaiwhakaaro ki te Tiakanga Taiao / Climate change and sustainability considerations

31. Te Tupu Ngātahi has been aware of the impacts of climate change since its establishment in 2018. An eliminate/avoid, reduce/defer and optimise/offset approach has been adopted for the Indicative Business Case, DBC and NoR phases, respectively. Enabled and embodied carbon considerations have also been embedded in businesses cases processes.
32. For the North, modelling shows the Strategic Transport Network will reduce Vehicle Kilometres Travelled (VKTs) by 12,400 km in 2048+ and CO2 emissions by 12,800 tonnes per year compared to the baseline. Route protecting further contributes to emission reductions by supporting a compact land use, corridor alignments that reduce embodied carbon during construction and enabling land release to be timed with sustainable mode improvements. Most unquantified savings will be achieved by conversion of the vehicle fleet.
33. Long-term resilience has also been a focus of the business case processes. Flood modelling has been assessed at 2.1 degrees warming and 16 percent increase in rainfall events based on guidance from Council. Given the uncertainty of climate change effects in the future, the assessment also considers a more severe climate change scenario of 3.8 degrees warming and a 32.7% increase on rainfall. All infrastructure within the recommended network has been designed to withstand 1 in 100 flooding events.

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## Ngā whakaaweawe atu anō / Other impacts

Relationship	Consulted Y/N	Views and Perspectives Received
Māori	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Mana whenua are a partner of Te Tupu Ngātahi and were and continue to be engaged with through regular hui. Kaitiaki representatives supplied input into the option development process. Mana whenua support the DBC and the next stages of route protection, but some have opposed Auckland Council's identification of the North Auckland future urban growth areas.
Elected members	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	Te Tupu Ngātahi has regularly engaged with the Rodney, Upper Harbour and Hibiscus and Bays local boards, seeking input on the public engagement approach, and updating on preferred options and the feedback received. There is general support for the network and route protection.
Council Controlled Organisations	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	The Council is a partner of Te Tupu Ngātahi and a partnership forum between with senior council management is held every two weeks. Te Tupu Ngātahi has worked collaboratively with the Council undertaking parallel workstreams with 8 weeks of workshops to integrate transport and land use in Dairy Flat, which culminated in joint public engagement. Te Tupu Ngātahi has also work extensively with Council on the development of its draft FDS, which is discussed in paragraph 19 above.
Customers	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	<p>Te Tupu Ngātahi and its predecessor (Transport for Future Urban Growth) have engaged extensively with the community and landowners over the last eight years through public information days in 2015, 2018 and 2022, and focussed landowner engagement in 2022 and 2023 (see Attachment 6).</p> <p>Feedback from public and landowner specific engagement in has resulted in changes to the preferred options. Regular engagement with developers, community interest groups and infrastructure providers (i.e., KiwiRail, utilities and Ministry of Education) has also informed option development, selection, and refinement.</p> <p>The response from the community and stakeholders has been positive, and overall, there has been broad support for the recommended network and route protection. There are exceptions with concerns about the RTN, property impacts. and uncertainty created by the draft FDS and misalignment between Council's and AT's planning for growth, which is discussed in paragraph 19 above.</p>

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		<p>Concern has been raised with Waka Kotahi and AT over perceived issues of probity and transparency relating to changes to the alignment of Waka Kotahi's RTN between the Indicative Business Case and the DBC and the decision not to release the options report. To address this, Waka Kotahi is currently redacting sensitive information from the options report which it intends to release it publicly.</p> <p>It should be noted that lodging NoRs is a public and challengeable process where people or groups can make submission in support or opposition to the proposal. Submissions will be considered by Independent Hearing Commissioners and there is also the ability to appeal the decisions to the Environment Court.</p>
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## Ā muri ake nei / Next steps

34. Once approved, Te Tupu Ngātahi will continue preparing the NoRs with the intention that AT will lodge these in late August 2023 with public notification expected in December 2023 and hearings and appeals expected to be resolved by the end of 2025.

## Ngā whakapiringa / Attachments

Attachment number	Description
1	Council's vision for growth in the North
2	Recommended Strategic Transport Network
3	Key outcomes of the Strategic Transport Network
4	How costs may be shared in the future and affordability of route protection and property
5	Engagement summary

## Te rārangi o ngā kupu whakatau / Decision checklist (for Board and Committee members)



Have the following matters and impacts on them been considered in decision making?	Considered Y/N
Alignment to Statement of Intent 2023 – 2026 principles and statement of performance expectations	Yes: <input type="checkbox"/> No: <input type="checkbox"/>



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Budget and fiscal constraints	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Climate change and sustainability (including contributing to the Transport Emissions Reduction Pathway)	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Customer and community engagement	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Equity of access to transport	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Māori outcomes	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Health, safety and wellbeing outcomes	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>

### Te pou whenua tuinga / Document ownership

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