Infrastructure Acceleration Fund

RFP Response Form



Kāinga Ora
Homes and Communities

RFP Released: 15 October 2021
Closing Date: 3:00pm 17 December 2021

Kāinga Ora
Homes and Communities

How to respond to the RFP

Please complete this RFP Response Form in relation to the Proposal that advanced through the EOI Stage.

Applicants can contact IAF@Kāingaora.govt.nz if there are any queries.

Content

The RFP Response Form has the following parts:

- **Part A**- General Information and Proposal Overview: detailed overview of the housing development and Supporting Material provided.
- **Part B**- Criteria Responses: detailed responses to the Eligibility and Evaluation Criteria.
  - **Schedule 1 (Eligible and ineligible infrastructure)**
  - **Schedule 2 (Cost and funding tables)**
  - **Schedule 3 (Status of Eligible Infrastructure Projects)**
  - **Schedule 4 (Dwellings Enabled – Direct and Additional Growth)**

Capitalised terms in this RFP Response Form shall have their meaning as set out in the Schedule to the RFP.

Completing this RFP Response Form

This RFP Response Form incorporates parts of the Applicant's responses at EOI Stage. This is to help reduce duplication of effort and enable Applicants to focus on refining their Proposals submitted at EOI Stage.

Applicants are requested to review, and if necessary, update any of their statements provided at EOI Stage. Updates should be inserted into the editable cells.

Applicants must complete this form using size 10 font.

Guidance

Kāinga Ora has prepared Guidance to help Applicants complete this form. The Guidance provides further information on the Supporting Material that Kāinga Ora is looking for in Applicants' responses to each Eligibility Criteria and each Sub-criteria.

Applicants should take the time to read and understand the Guidance.

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Proposal Name: Central City

Unique Identifier: P029

Part A – General Information and Proposal Overview

1. Known developers	Response at EOI Stage
The names of each known housing developer expected to be involved in the housing development.	Developers active in the Central City include Stark Property Limited, Black & Orange Property Limited, Fosters Limited.
	Update at RFP Stage
	Private Developers: **- Stark Properties Ltd** **- Black and Orange Limited** **- Forsters Limited** **- Ultimate Properties** **- Tainui Group Holdings** **Social Housing Providers:** **- Methodist Church Trust** **- Young Womans Christian Association**

2. Funding Request	Response at EOI Stage
IAF Funding Sought	$271,975,000
	Update at RFP Stage

	$333,498,922 (Inflated $NZ based upon current inflation factors) **Note – EOI stage Funding Sought: inflated $331,576,376 uninflated: $271,975,000.**

3. Timing for drawdown of Funding										
Timing when IAF funding is expected to be drawn.										
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 – onwards**
Amount ($) (EOI Stage)	$ 0	$37,138,132	$33,597,658	$50,585,934	$97,952,964	$24,460,313	$18,640,000	$4,600,000	$1,000,000	$4,000,000
Amount ($) (RFP Stage)	$0	$38,420,732	$40,149,665	$108,173,800	$128,043,329	$18,512,902	$198,494	$0	$0	$0

4. Housing Development and Outcomes	**Response at EOI Stage**
Description of the housing development and associated housing outcomes.	Note. The IAF funding sought figures in the tables in Part A above are uninflated for transparency and simplicity. The total inflated IAF funding sought is $331,576,376. Refer to Capital Cost Inflation Assumptions attachment (pg 5). Hamilton's Central City area is the region's primary business, entertainment, and retail precinct. It contains approximately 20 percent of the city's employment, 260,000m2 of office space and 79,000m2 of retail space. Through residential intensification the area will be bolstered by the creation of jobs and diverse communities that are supported by both rapid and frequent public transport, and, walking and cycling transport options, allowing people the choice and opportunity to live close to where they work and play. Intensification of our Central City is an essential element in our response to the government's National Policy Statement on Urban Development (NPS-UD). For Hamilton this means a greater focus on building up as well as out. We are cognisant that these new homes need to be supported by the appropriate infrastructure, amenities and services, like open green space, shops and schools, so that they can continue to function well. We also need to respond to inequities such as housing affordability.

	There are potential efficiencies to be gained by adopting a centres hierarchy approach, including but not limited to, agglomeration and productivity gains, and, transportation and land use efficiencies. The Central City Transformation Plan (refer to summary attached pg 10) recognises that at the heart of Hamilton lies a strong and vibrant central city. It is the commercial centre of the Waikato and the region's only metropolitan centre. It is the leading location for employment, administrative, civic, governance, cultural, education and entertainment uses. Council is working to incentivise greater intensification in the Central City in alignment with the Central City Transformation Plan and the NPS-UD. Our recently adopted Development Contributions Policy offers a 100% remission on development contributions for buildings six storeys or higher in the CBD. The work we are doing to comply with the NPS-UD is indicating that a significant step change in infrastructure is required to manage the proposed change in land use density. There is an existing infrastructure deficit even before an NPS-UD Plan change. To allow any dimensioning of required infrastructure, a specific area needs to be defined. This bid focuses on intensification along the Anglesea Street Corridor only. It only includes the provision of strategic infrastructure and not all of the infrastructure required to connect individual developments to this infrastructure. In greenfield development we normally work with developers who are proposing scale, whereas with brownfield development it is usually section by section. This makes it difficult to engage with developers on co-funding for strategic infrastructure. Development contribtions (DCs) would be the most logical form of contribution to use in this instance but Council's financial position precludes it from adding more projects to its capital programme and therefore the schedule of assets used to calculate DCs. At this stage HCC does not have a known developer to provide indicative housing or co-funding opportunities, however discussions with developers have indicated their support for an EOI for the Central City. We have also discussed intentions for a social enterprise type apartment living space with communal facilities similar to the Nightingale organisation in Australia who develops apartments that are socially, financially and environmentally sustainable, based on the belief that homes should be built for people, not profit. The infrastructure listed in (b) would enable these dwellings. Developments with a mix of residential and commercial use are becoming increasingly popular in Hamilton. There are a number that have been consented in recent months and a range are currently in the concept discussion stage with Council staff. Hamilton's Central City will become a vibrant and prosperous metro core that is attractive to both people and businesses. A variety of different housing typologies, including apartments and mixed use development, with access to the necessary amenities will help to accommodate our increasing population. The Central City has been identified as a priority development area for delivery of initiatives to support increased residential density in the Hamilton-Waikato Metro Spatial Plan (MSP) and Central City Transformation Plan.
	Update at RFP Stage
	Refer to Supporting Material Part A, pages 5-12

5. Status and Timing	Response at EOI Stage
Description of the current status and timing for the proposed housing development and associated infrastructure projects.	The infrastructure elements included in this IAF bid are not funded in the current LTP. HCC has started the process to change the District Plan to address the NPS-UD direction which calls for a significant step change in land use in regional centres like Hamilton's Central City. An area plan for the City Centre (including the Central City) is currently under development and will help to inform the review of the District Plan. It would be prudent to complete the area plan as a first step to help more accurately define the scope of infrastructure works required to support intensification in the Central City and broader city centre. The strategic infrastructure elements included in the bid provide a high level guide for new strategic infrastructure to start the intensification for the Central City, along one corridor only.
	Update at RFP Stage
	Refer to Supporting Material Part A, Section 5

6. Development Phase	Tick the box that best applies	
With reference to the Pre-Development/Construction Phases lifecycle diagram identified in the Guidance, please identify which Phase best applies to the Proposal.	**Pre-Feasibility**	☐
	Feasibility	✓
	Planning / Master Planning	☐
	Design / Consenting	✓

7. Supporting Material

Please provide the full list of Supporting Material included in the RFP Proposal.	Refer to HCC Central City Infrastructure Acceleration Fund Propsal. Supporting Information dated 17 December 2021

8. Key Milestones			
In addition to the standard milestones set out for the relevant Phase in the Guidance, Applicants should identify any other milestones that are unique to the particular housing development (**Specific Milestones**).	**Phase**	**Specific Milestone**	**Expected completion date**
	EXAMPLE *Feasibility/ Concept Plan*	*Finalisation of whenua Māori acquisition process, to be reflected in the conditional agreement to acquire land.*	*March 2023*
	Feasibility	*A two year feasibility study to resolve technical risk such as network utilities, geotechnical/environmental constraint, technical optioneering of network layout, land acquisition and updated costing.*	*October 2023*
	Detailed Design	*A 18 month detailed design and consenting process. Some contenting risks are able to be mitigated through the feasibility stage, through network design approach. Undertake early construction market engagement for the project.*	*July 2024*
	Tender documentation and appointment of contractor	*Formailise tendering and procurement approach in line with the procurement strategy undertake in Feasibility Stage. Prepare and issue tender docs and appoint lead contractor.*	*October 2024*
	Construction phases across programme	*Construction program will depend on the scale of works tendered, with packaging and risk management approach.*	*2025 – onwards with delivery timing dependent*

			on scope, consents and packaging of projects and costing
	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

9. Proposal Prioritisation		
An Applicant with multiple Proposals should indicate their prioritisation of Proposals. ***Note:*** *the agreed prioritisation of Programme Path Applicants and other joined up Applicants will be sought separately.*	**Priority**	**Proposal Name**
	1	Central City Proposal
	2	Rototuna North Proposal
	3	Click or tap here to enter text.
	Click or tap here to enter text.	Click or tap here to enter text.

10. Engagement with Central Government	**Response at EOI Stage**

Please describe any engagement/funding arrangements with central government on the infrastructure and/or housing development to date (including which agencies have been engaged and the status of those discussions)	There are no funding arrangements in place with central government for any of the infrastructure listed in 2(b) Business cases are being developed with Waka Kotahi for: - Improvements to Ward Street as part of the innovating streets programme - Liverpool Street intersections have been identified in HCC transport units low cost/low risk safety programme. - Rostrevor Street intersections have been identified in HCC transport units low cost/low risk safety programme. - All three of these projects are awaiting decisions on NLTP funding. However the funding requests do not contemplate the infrastructure network upgrades that will be required to service the demands of intensification.
	Update at RFP Stage
	No change from EOI

11. Non-financial Powers of Central Government	Response at EOI Stage
Identify how non-financial powers of central government (e.g. Ministerial RMA powers, RMA fast-track, Urban Development Act powers) could complement funding to maximise the outcomes.	The non-financial powers of central government are key to the scale and pace of this proposal and would include the assistance with the approvals and consents listed below. We envisage an All of Government support framework and single point of contact for all financial and non-financial decisions and approvals to enable the proposal. - Call in or fast track for all consents (including consents required for construction activities) and re-zoning process including the provision of water allocation from the Waikato River as a result of changing industrial zoned land to residential zoned land. - Call in and fast track of any required Heritage authority approvals - Call in and fast track of any required Department of Conservation approvals included wildlife permits. - Call in and fast track of all Regional Council consents including water allocation and wastewater discharge consents - Initiation and establishment of a Specified Development Project in the City Centre and use of Kainga Ora powers to assist with infrastructure; planning and consenting and funding barriers.
	Update at RFP Stage
	Refer to Section 11 (p.14) of the Supporting Information, where HCC identifies the need for Kainga Ora to partner with Council to support improved affordability for new builds and rents within the CBD

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Part B – Eligibility and Evaluation Criteria Responses

Eligibility Criteria

The table below sets out the criteria which must be satisfied for a Proposal to be eligible for funding.

1. Eligible Applicant	***Response at EOI Stage***
The Applicant is either: (a) a Territorial Authority; or (b) Māori/ a developer with sufficient rights in, or access to, the land (or a material proportion of the land) upon which the housing development will be built.	***Only developer and Māori Applicants are required to respond to this question.*** *Please outline the nature and extent of the Applicant's interests in the relevant land (being the land upon which the housing development will be built, not the infrastructure).*
	Update at RFP Stage
	Hamilton City has no interests in the land identified for development
	Supporting Material
	Reference [insert name of attachment and cross reference to relevant part below] Click or tap here to enter text.

2. Eligible Infrastructure Project(s)	*Update at RFP Stage*
Minimum housing outcomes The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be expected to enable at least: (i) 200 additional dwellings in tier one urban environments; (ii) 100 additional dwellings in tier two urban environments; or (iii) 30 additional dwellings elsewhere.	Applicants are asked to complete Schedule 4 (Dwellings Enabled – Direct and Additional Growth).
Type The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be of the type traditionally paid for by local authorities and be for new or upgraded enabling infrastructure in the form of transport (including local roading, state highways, public transport infrastructure, footpaths and cycleways), three waters (water supply, wastewater and stormwater) and flood-management infrastructure.	*Update at RFP Stage* Applicants are asked to complete Schedule 1 (Eligible and Ineligible Infrastructure).
Dwellings enabled and timeframes The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be wholly or primarily for the purpose of enabling the building of new or additional dwellings in the short to medium term. ***Note:*** *short to medium term in this context means, in most cases, that a material number of dwellings are built (to completion) by December 2029.*	*Update at RFP Stage* Applicants are asked to complete Schedule 1 (Eligible and Ineligible Infrastructure) and Schedule 4 (Dwellings Enabled – Direct and Additional Growth).

3. Eligible Costs	***Update* at *RFP Stage***
Funding requested under the Proposal relates to the following costs: (a) feasibility studies and other early-stage planning work; (b) designing, consenting, tendering and acquiring land (where it is wholly required for Eligible Infrastructure Project(s)); (c) constructing Eligible Infrastructure Projects; and (d) in limited situations, non-capital administrative matters, where these are necessary to establishing complementary financing.	Please complete Schedule 2 (Cost and Funding Tables).

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Part B – Eligibility and Evaluation Criteria Responses

Evaluation Criteria

The table below sets out the Evaluation Criteria. Applicants are requested to review, and if necessary, update any of their statements provided at EOI Stage.

1. Evaluation Criteria – Housing Outcomes 40%		*Response at EOI Stage*
1.1	The number of additional dwellings that the funding will enable relative to demand in that area.	*Please describe how the scale of the housing development will deliver a number of dwellings that is significant relative to demand in the area (being the region of the relevant Territorial Authority).* The eligible infrastructure will enable a range of 6,200 to 24,800 houses in the Central City area based on the instrastructure enabling between 50-200 dwellings per hectare, which is material in comparison to Hamilton's total average projected short to medium growth rate of 1,200 houses per year. Housing development within CBD is projected to be approximately 100-150 houses through the full period. This is significant both in relation to other growth areas of the city and as compared to the total anticipated city demand.
		Update at RFP Stage
		Refer to Part B Section 1 (p.15) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021
1.2	The proportion of lower-cost houses expected to be enabled by the Eligible Infrastructure Project(s) (primarily informed by typology of housing expected to be built).	***Response at EOI Stage***
		Please: *(a) describe the expected typology of the proposed dwellings, such as the proportion of dwellings that are standalone, terraced, and/or apartments and section sizes;* Based on recent development activity in the CBD, the majority of new dwellings are expected to be high

		density apartments or walk up terraced homes. *(b) outline the planned number of dwellings that will be within the First Home Grant price cap (by region); and* As there is no specific development partner associated with this bid, this is difficult to ascertain. However, based on the last 5 years development activity within the CBD, three quarters of dwellings completed have sold for less than $635,000, with a median selling price of $560,000 *(c) describe any level of commitment to the lower-cost outcomes referred to in paragraph (b) from a developer or other relevant party to the housing development.* As there is no specific development partner associated with this bid, this is difficult to ascertain. However, based on the last 5 years development activity within the CBD, three quarters of dwellings completed have sold for less than $635,000, with a median selling price of $560,000
		Update at RFP Stage
		A: Typology – Refer to Part B Section 1.2 (p.17) of the supporting material B: Planned number of dwellings within the First Home Grant price cap – Refer to Part B Section 1.2 (p.17) of the supporting material C: Commitment from Developers Surveyed – Refer to Part B section 1.2 (p.18) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021

1.3	The extent to which the location where housing will be enabled has unmet demand and provides access to amenity and opportunity.	***Response at EOI Stage***

(a) Please describe the extent of unmet demand in the particular location of the housing development.

Hamilton has one the smallest land areas of any territorial authority, with a drive of just under 16km from the top of Rototuna in the northeast to bottom of Melville in the southwest. As a result, demand tends to be at a citywide level with people easily able to live in any part of the city and commute to another for work, education or recreation.

The Future Proof Housing Development Capacity Assessment 2021 (attached) identified the need for an additional 3,500 dwellings in Hamilton (4,200 with a 20% margin applied) by 2023. This expands to 11,900 additional dwellings in the medium term (14,300 with a 20% margin). Particular shortfalls were identified in the lower to mid value bands with this gap projected to expand over time.

Hamilton has traditionally been a city of standalone houses and duplex development. In recent years there has been an increased demand for apartment options.

(b) Describe the proximity (including a description of the distance in kilometres) of the proposed dwellings to each of the types of amenity listed in the table below. Include a comment on the nature of the access to the amenity (e.g. via public transport and/or active transport).

i) The Central City is Hamilton's commercial centre with employment opportunities in everything from hospitality to retail to office based work. There is significant investment already happening in the area to make it a place where people want to live and work.

ii) The CBD is serviced by two primary schools and two single-sex secondary schools. The primary schools are both within 1km and the furtherest secondary is about 2.7km. There are multiple early childhood centres in and around the Central City. Wintec also has a campus in the area.

iii) The Central City is a vibrant metropolitan centre with major retail, office, cultural, civic administration and entertainment amenities. The downtown precinct is a high-amenity living and working area with pedestrian and cycle friendly streets, rail/road interface, parks, open spaces, residential buildings, retail and dining facilities. Within 1 Km radius of the Central City are the Waikato River, Centre Place, Victoria on the River, Hamilton Rowing Club, Waikato Museum, Claudelands Events Centre, FMG Stadium, Seddon Park, Museum, Sky City, the Meteor Theatre, ArtPost Galleries, transport centre and St Peter's Cathedral. Other facilities and attractions like Hamilton Gardens, Hamilton Lake, Ruakura Superhub, Waikato Innovation Park, Gallagher Aquatic Centre, Waterworld and Hamilton Zoo are within 6 Km radius.

Update at RFP Stage

Updates in respect of question (a):

Refer to Part B Section 1.3 (p.19) of the supporting material

Updates in respect of question (b):

Type of amenity and opportunity (both existing and planned)		
(b)	(i) employment opportunities (i.e., local industry and employment bases);	Refer to Part B Section 1.3 (p.19) of the supporting material
	(ii) educational facilities (i.e., local primary schools and secondary schools); and	Refer to Part B Section 1.3 (p.20) of the supporting material
	(iii) other amenities (i.e., social amenities such as recreation and cultural facilities and retail and shopping).	No Change from EOI

Supporting Material

Reference [insert name of attachment and cross reference to relevant part below]

Refer: HCC Central City Infrastructurre Acceleration Fund Proposal. Supporting Information Dated 17 December 2021

1.4	The extent to which the Eligible Infrastructure Project(s) supports intensification, in particular that required to be enabled by councils under the National Policy Statement on Urban Development (i.e. typology and density).	***Response at EOI Stage***
		With regard to the typology of the housing development described in 1.2, and the location of the particular housing development described in 1.3, please outline the extent to which the housing enabled by the Eligible Infrastructure Project(s) supports intensification, in particular that required under the National Policy Statement on Urban Development. Hamilton's Central City, the heart of Hamilton and the Waikato region, supports the city's economy, businesses, and services. It plays a significant role in servicing the wider region. The Central City's unique riverside setting, cultural significance, historic heritage, strong retail and shopping experience, tertiary education and diverse entertainment and nightlife underpin its attractiveness for residents and visitors. Over 1,280 people currently live in the central city, and 20,727 people are employed in it. Wintec also has around 20,000 students enrolled at its Central City campus. The Central City enables high density apartment development through building heights and densities that enable the city to realise as much development capacity as possible. The wider 800m walkable catchment surrounding the Central City is subject to Policy 3(c) of the NPS-UD, and will be enabled for development of at least 6 storeys. This represents a significant increase in the heights and densities enabled in this area, and will result in a large increase in plan enabled capacity through this area.
		Update at RFP Stage
		All the eligible infrastructure contained in the proposal supports intensification of between 50-200 houses per hectare consistent with NPS – Urban Development. This compares favourably to traditional greenfield developments that typically provide between 12-15 houses per hectare.
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrasture Acceleration Fund Proposal. Supporting Information Dated 17 December 2021
1.5		***Response at EOI Stage***

	The extent to which the Proposal supports housing development on land owned by Māori and to which Mana Whenua have been involved in developing the proposed solution.	*(a) Please comment on the extent to which the proposal supports housing development on land owned by Māori.* Waikato-Tainui are significant land owners within the Central City. The infrastructure has the potential to support development of those lands through provision of strategic infrastructure. *(b) Please comment on the extent to which Mana Whenua have been involved (or will be involved) in developing the proposed solution.* Discussions with Waikato-Tainui on the potential for housing development opportunities in the Central City are proposed during the RFP phase to explore if they have any appetite to develop high density housing in the Central City.
		Update at RFP Stage
		Refer to Part B Section 1.5 (p.20) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supoorting Information Dated 17 December 2021

1.6	The extent to which the Proposal supports housing development that is environmentally sustainable including through reduced private vehicle use, lower risks from climate change (such as coastal inundation), and supporting water quality and biodiversity.	***Response at EOI Stage***

(a) Describe the proximity of the housing development to public transport, both existing and planned (in kilometres).

The Hamilton Central Transport Hub is located within the Central City. Residential intensification of the Central City will assist in creating the communities and jobs necessary to support rapid and frequent public transport and walking and cycling transport options so that people have choice and the opportunity to live close to where they work and play.

(b) Describe any complementary environmental benefits that will be realised by this Proposal (e.g., mitigation on flood risks, or protection of wetland areas).

Redevelopment of Angelsea Street Corridor will enable improved stormwater management to be delivered through at source stormwater treatment. Upgraded stormwater reticulation will also support increased peak flow capacity for the broader CBD to avoid potential future flooding issues.

(c) Describe any commitment from developers(s) and other relevant parties to the infrastructure and housing development regarding the complementary environmental benefits described in your response to (b).

No commitments have been provided by developers and other relevant parties.

(d) Describe any known material environmental compliance requirements (such as regulatory requirements) which apply to the infrastructure and housing delivery, and your approach to complying with these.

Te Ture Whaimana o te Awa o Waikato is the primary direction setting document for the Waikato River and activities within its catchment affecting the Waikato River. Te Ture Whaimana is unique under the RMA in that it has been incorporated directly into the Waikato Regional Policy Statement (RPS), and the rest of the RPS must be consistent with Te Ture Whaimana; It also prevails over any inconsistent provision in an NPS or the NZCPS. There is no other example nationally of an external planning document that is to be given greater weight and effect through RMA planning processes.

The overarching purpose of Te Ture Whaimana is to restore and protect the health and well-being of the Waikato River. The Environment Court has found that, in respect of protecting and restoring the Waikato

River, this goes further than avoiding effects, and in particular some element of betterment is intended

by Te Ture Whaimana. Improved levels of stormwater treatment and management is proposed to contributed toward achieving Te Ture Whaimana.

		Update at RFP Stage
		Refer to Part B Section 1.5 (p.20) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastrure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021

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2. Evaluation Criteria – Impact of funding 20%		*Response at EOI Stage*
2.1	The impact that this funding will have on the housing development advancing, or on the pace and scale at which it will advance compared to what is currently expected.	*(a) Describe how the Eligible Infrastructure Project(s) are critical to the housing development.* A step change in land use is being contemplated for the Central City as part of HCC response to the NPS-UD . This step change involves moving from an average of around 16 dwellings per ha or less to between 50 – 200 dwellings per hectare. This scale of change in demand requires a significant and unplanned step change in infrastructure investment to service the growth whilst also meeting new legislative requirements and expectations (e.g transport and environmental). Funding to deliver the infrastructure projects included in this bid will provide key strategic infrastructure to begin to unlock the CBD and broader city centre for high density residential development. *(b) Describe how the IAF funding requested is critical to the delivery of that infrastructure.* The current LTP does not include funding for the infrastructure required to service this residential intensification. HCC do not currently have the debt capacity to fund the infrastructure required for the CBD. ***OR*** (c) *To the extent that the housing development is set to be delivered without funding, then describe how the delivery of housing will be accelerated, with reference to the timeframes and scale for housing delivery with funding.*
		Update at RFP Stage
		Refer to Part B Section 2 (p.23) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021

2.2	Demonstration that other means to fund the Eligible Infrastructure Project(s) without displacement of investment elsewhere (i.e. rate rises, prudent borrowing, or use of the IFF framework) have been exhausted.	***Response at EOI Stage***
		(a) Describe how other means to fund the Eligible Infrastructure Project(s) have been explored, including rate rises, prudent borrowing, development agreements, and/or use of the IFF framework over the last 3 years[1]. Rates increases of 9.7% and 8.9% in the first year of the 2018-28 and 2021-31 LTP's respectively. *(b) Describe why IAF funding is a last option for bridging the gap for funding the Eligible Infrastructure Project(s), and does not displace those sources of funding. For instance, explain how these funding sources are already maximised, or why they are not feasible in the circumstances.* We are unable to unlock the housing development opportunities prevalent throughout the Central City without critical waters and transport infrastructure to support the intensification. *(c) Provide a copy or link to the 2021 Long Term Plan (in its most recent form), and describe any funding in the Long Term Plan which relates to the Eligible Infrastructure Project(s).* The LTP does not provide any funding for the infrastructure in this bid. https://www.hamilton.govt.nz/our-council/10-year-plan/Pa https://www.hamilton.govt.nz/our-council/10-year-plan/Documents/2021-31%20Long-Term%20Plan%20Volume%201%20FINAL%20for%20web.pdf ges/default.aspx
		Update at RFP Stage
		Refer to Part B Section 2.2 (p.24) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dateed 17 December 2021

[1] Developer and Māori Applicants should describe their engagement with the relevant Territorial Authority on funding the Eligible Infrastructure Project(s).

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3. Evaluation Criteria Cost and co-funding 20%		***Update at RFP Stage***
3.1	The average whole-of-government cost per dwelling expected to be enabled by the Eligible Infrastructure Project(s).	Applicants are asked to complete Schedules 1 (Eligible and Ineligible Infrastructure) and Schedule 2 (Cost and Funding Tables).
3.2	Alignment with co-funding principles for the Fund.	***Response at EOI Stage***
		Please outline your intentions in relation to: *(a) the extent to which these principles are accepted by the relevant parties;* In terms of co-funding principles, HCC has messaged to developers to support and encourage development in the central city. The council has adopted a development contributions policy that provides 100% remissions for new buildings that are 6-storeys or more and 50% remissions for other new development within the central city. *(b) the expected quantum of such co-funding; and* 0 *(c) the method(s) by which this funding is proposed to be made (i.e., development agreements, IFAs, IFF levy, etc.).* Development agreements, noting that good outcomes are hard to achieve as the engagement is likely to be site by site
		Update at RFP Stage

		Refer to Part B Section 3.1 (p.25) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021

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Homes and Communities

4. Evaluation Criteria – Capability and readiness 20%		Response at EOI Stage
4.1	The extent to which there are other barriers to the housing development that the Eligible Infrastructure Project(s) will serve (and how they will be removed if funding is approved).	*(a) Comment on any other key risks of (i) the Eligible Infrastructure Project(s) being constructed and (ii) the housing development proceeding. Identify any other barriers to housing development, and in the event that funding is approved, explain how these barriers will be removed so they don't constrain progress.* ***Note** such barriers could include inappropriate zoning, lack of other types of infrastructure (including infrastructure not fundable under IAF), restrictive bylaws and land use restrictions, and any other housing development constraints (i.e., partially contaminated sites).* There are no significant zoning barriers or land use restrictions in the Central City. A plan change is currently in preparation which will enable heights and densities consistent with policy 3(c) of the NPS-UD for the walkable catchment. Some parts of the walkable catchment will contain qualifying matters including but not limited to heritage items. The response to modifying building heights and densities in areas subject to qualifying matters will be considered through the plan change process.
		Update at RFP Stage
		Refer Part B Section 4.1 (p.27) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021
4.2	The degree of developer commitment or interest in building housing quickly.	**Response at EOI Stage**
		Please comment on the following based on your knowledge of the developer(s) expected to be involved in the housing development:

		(a) the anticipated sales plan and any evidence of commitment from the developer(s) to the (funded) timeframe for housing delivery; and Refer attached developer support letter (pg 8) *(b) what conditions would likely be applicable to the developer(s) commitment to delivering the additional dwellings within the timeframes indicated in your response to table (b) in Eligible Infrastructure Project/s – (dwellings enabled and timeframes) and the other housing outcomes referred to in this Response Form.* No conditions have been specifically indicated to the developers in discussions for development in the Central City, however Council's DC Policy provides significant incentives through remissions for housing in the Central City.
		Update at RFP Stage
		Rfer to Part B Section 4.2 (p.27) of the supporting material
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Accleration Fund Proposal. Supporting Information Dated 17 December 2021
4.3	Demonstrated alignment between all parties including Territorial Authorities, Regional Councils, Mana Whenua and developers needed to advance the housing development.	**Response at EOI Stage**
		Please comment on the alignment of the following parties in advancing the housing development [note your response should describe the level of support, input, or knowledge between the parties as they relate to the Proposal]: *(a) Territorial Authorities;* This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities, Waikato Tainui and regional councils. *(b) Regional Councils;*

		This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities, Waikato Tainui and regional councils. *(c) Mana Whenua;* This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities, Waikato Tainui and regional councils. *(d) developers (to the extent possible); and* Refer to developer support letter (pg 8) *(e) any others,* *with Supporting Material where necessary (e.g., letters of support or intent).* **Update at RFP Stage** Refer to Part B Section 4.3 (p.27) of the supporting material, and the letters of support provided in Appendix E of the supporting material. ***Supporting Material*** Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021
4.4	Confidence in the ability of all parties to deliver the Eligible Infrastructure Project(s) and housing development as proposed.	**Response at EOI Stage** *(a) Describe the capability of the Applicant to deliver the Eligible Infrastructure Project(s) and/or housing development proposed.* Hamilton has a proven track record of delivering the type of infrastructure identified in 1(b) both as Council led infrastructure or developer led infrastructre that Council upsizes. All Council capability is demonstrated through the Housing Infrastrucutre Fund project entered into in June 2018 for Peacocke - currently on time and on budget despite the impacts of COVID-19.

The developer who has provided a letter of support (attached) is experienced and reputable Central City developer with a strong track record.

(b) *Provide prior examples for **each of** the relevant parties in delivering infrastructure and/or housing developments within an accelerated timeframe.*

Update at RFP Stage

Updates in respect of question (a):

Refer Part A section 4

Complete the table below in respect of question (b):

Infrastructure experience	
Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
Hamilton City Council	$3 Billion capital programme over the next 10 years
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Housing development experience	
Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
Stark Properties	Over 10-years of building high quality commercial and residential buildings in Hamilton CBD

		Fosters Develop Ltd	Over 10-years of building high quality commercial and residential buildings in Hamilton
		Tainui Group Holdings	Over 10-years of building high quality commercial and residential buildings in Hamilton
		Experience in partnering and working with Māori	
		Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
		Hamilton City Council	Well established relationships with dedicated Mangi Maaori governance framework and internal Council iwi relationship team
		Click or tap here to enter text.	Click or tap here to enter text.
		Click or tap here to enter text.	Click or tap here to enter text.
		Supporting Material	
		Reference [insert name of attachment and cross reference to relevant part below] Refer: HCC Central City Infrastructure Acceleration Fund Proposal. Supporting Information Dated 17 December 2021 Appendix C – residential and commercial developments enabled by IAF	

Schedule 1: Eligible and Ineligible Infrastructure

Complete both tables below.

Table 1a: Eligible Infrastructure Projects: Complete the table below by listing **each** Eligible Infrastructure Project:

Ref #	IAF Eligible Infrastructure Description	Total Expected Cost (excl. GST)	Details of expected Funding Sources		IAF Request (Bal requiring funding)	Delivery Party Responsible (if known)	Construction Estimated Start Date	Construction Estimated Completion Date
			Amount	Source				
	Transport *(describe project)*							
1	*Central City transport project: Angesea Street User Prioritsation, Anglesea Street Investiagtion and Protection, Active Modes River Crossing and University to Rail Trial Central City Connections. Refer to Appendix Table 1A*	$169,923,834	$91,425,759	Hcc 2021-31 LTP incl. Waka Kotahi FAR	$78,498,075	HCC	Oct-22	Jun-31
	Three Waters *(describe project)*							
2	*Central City three waters projects: Ruakiwi Reservior Phase 1 and Booster Pump Station, Bulk Water Reticulation, Local Water Connections – developer responsibility,Central City Integrated Catchment Management Plan (Stormwater focus), Anglesea Street Stormwater Source Treatment, Pipeline and Outfalls – eligible – developer funded, Wastewater Storage and Internal Pumpstation, Wastewater Mains, Wastewater Pumpstation (South), Wastewater Local Connections – developer responsibility, Refer to Appendix Table 1A*	$392,954,883	$137,954,036	Developers, HCC 2021-31 LTP	$255,000,847	HCC/Developers	Oct-22	Jun-31
	Flood Management *(describe project)*							
-	*No flood management plans*	$-	$-	-	$-	-	-	-
Total Eligible Infrastructure		**$562,878,717**	**$229,379,795**		**$333,498,922**			

Table 1b: Ineligible Infrastructure Projects: Complete the table below by listing all other infrastructure and associated work including ineligible infrastructure (which will not be funded under the IAF and is excluded from the scope of the Proposal for IAF funding), that is required to progress the housing development:

Ref #	IAF Non Eligible Infrastructure Description	Total Expected Cost (excl. GST)	Details of Funding Sources		Delivery Party Responsible for Non Eligible Infrastructure (if known)	Estimated Start Date	Estimated Completion Date
			Amount	Source			
	Transport *(describe project)*						
Ref	*Ineligible LTP – Transport – Refer to Appendix 1b*	$-	$-	NA	NA	NA	NA
	Three Waters *(describe project)*						
Ref	*Ineligible LTP – Three Waters – Refer Appendix Table 1b*	$-	$-	NA	NA	NA	NA
	Flood Management *(describe project)*						
Ref	*Ineligible LTP – Flood Management – Refer Appendix Table 1b*	$-	$-	NA	NA	NA	NA
	Other Infrastructure *(describe project)*						
Ref	*Ineligible LTP – Other Infrastructure – Refer Appendix Table 1b*	$23,294,831	$23,294,831	HCC 2021-31 LTP incl. Waka Kotahi FAR	NA	NA	NA
Total Ineligible Infrastructure		**$23,294,831**	**$23,294,831**		**$**Click or tap here to enter text.		

Schedule 2: Infrastructure Cost and Funding Tables

Please complete the following tables showing the total cost for <u>all</u> infrastructure required to enable the housing development (broken down by type of cost and infrastructure category). The final table is requesting information from Applicants on their proposed funding sources for the total cost of the infrastructure.

*Please complete the table below by breaking down the estimated **total enabling infrastructure cost** for the housing development into the "type of cost" categories below.*

2a. Total enabling infrastructure cost for the housing development (breakdown by type of cost)				
Type of cost	**Estimated total cost of infrastructure (excl GST)** *[note that costs already incurred should be excluded]* **($)**	**Comment on the degree of confidence the Applicant has in the estimate**		**Amount of IAF funding sought ($) for the Eligible Costs in the relevant category**
Feasibility costs and other early-stage planning work	$ 40,402,428.00	Medium	Based upon typical costs from similar established projects in the City	$ 33,011,178.00
Costs of designing, consenting and tendering	$ 39,233,266.00	Medium	Based on typical Long Term Plan ratios (15% of estimated construction cost) generally found to be sound.	$ 31,511,266.00
Land acquisition	$ 14,042,125.00	Medium	Based on property advice and strategy as at Nov 2021.	$ *14,042,125.00[note, costs under this category must be wholly required for Eligible Infrastructure Projects to be eligible for IAF funding]*
Construction	$ 469,200,897.00	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 254,934,325.00
Administrative costs for establishing complementary financing	$ -	Choose a confidence level.	Click or tap here to enter text.	$ -
Other (non-Eligible Costs)	$ 23,294,831.00 *[provide a breakdown of these other costs, i.e., BAU administrative costs]*	Medium	Funding confirmed in 2021-32 Long Term Plan. Confidence in costings for each project will vary	*[note, costs that are not in one of the categories above are **not eligible for IAF***

			depending on project stage (i.e. concept cf. detailed design)	***funding.*** *See "Eligible Costs"].*
Total	$ 586,173,548.00 *[total should be equal to the amount in table 2b below]*			$ 333,498,922.00

*Please complete the table below by breaking down the estimated **total enabling infrastructure cost** for the housing development into the "infrastructure categories" below.*

2b. Total enabling infrastructure cost for the housing development (breakdown by category of infrastructure, aggregating as appropriate)				
Infrastructure category	**Estimated total cost of infrastructure (excl GST) ($)**	**Comment on the degree of confidence the Applicant has in the estimate**		**Amount of IAF funding sought ($)**
Transport	$ 169,923,934	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 78,498,075
Three Waters	$ 392,954,883	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 255,000,847
Flood Management	$ -	Choose a confidence level.	Click or tap here to enter text.	$ -
Other Eligible Costs[2]	$-	Choose a confidence level.	Click or tap here to enter text.	$ -586
Other (non-Eligible Costs)	$ 23,294,831 *[Please provide a breakdown of these other costs, i.e., for community infrastructure not funded under the IAF]*	Medium	Based on concepts and unit rates with appropriate cotingencies	*[note, projects that are not one of the types above are **not eligible for IAF funding**. See "Eligible Infrastructure Project".]*
Total	$ 586,173,548 *[total should be equal to the amount in table 2a above]*			$ 333,498,922.00

[2] These are Eligible Costs that enable Eligible Infrastructure Project(s) but are not directly attributable to one category of Eligible Infrastructure Project.

*Please complete the table below by identifying the funding sources for the estimated **total enabling infrastructure cost** for the housing development into the "source of funding" categories below.*

2c. Funding sources for total infrastructure cost for the housing development		
Source of funding	**Estimated amount ($)**	**Confirm status of the funding sources** *[describe any key assumptions and issues regarding these funding sources (both received and applied for)]*
Territorial Authority (not recovered from development contributions)	$ 89,544,000 *[note, this should exclude amounts paid for by the Territorial Authority and recovered through development contributions]*	Funding confirmed as part of the 2021-32 Long Term Plan
Territorial Authority (anticipated to be recovered via development contributions or other mechanisms)	$ 39,776,000 *[note, this should only include amounts paid for by the Territorial Authority (excluding IAF funding) but which are expected to be recovered through development contributions or other mechanisms]*	Contributions calculated consistent with Council adopted Development Contributions policy
Waka Kotahi	$ 0	Assumed no funding from Waka Kotahi
DIA Three Waters funding	$ 0	Click or tap here to enter text.
Other central government funding (e.g., shovel ready funding)	$ 0	Click or tap here to enter text.
Other non-government funding	$ 0	Click or tap here to enter text.
Sub-total (excluding IAF Funding)	$ 129,320,000	
IAF Funding Sought	$ 333,498, 922 *[note, should equal amount in table 2a above)*	

Total including IAF Funding	$ 586,173,548 *[note, should be equal to total cost in tables 2a and 2b above]*	
Developer / landowner (fair share contribution)	$ 100,060,000 *[note, specify amounts expected to be recovered by developer/landowners for their fair share contribution]*	Developer co-funding consistent with HCC approach to developer agreements within the City

Schedule 3: Status of Eligible Infrastructure Projects

Complete the status table below for each **Eligible Infrastructure Project** identified in your response to table 1 in Schedule 1 (Eligible and Ineligible infrastructure), adding additional tables, as needed.

Table 3a: Insert Eligible Infrastructure Project: INNER CITY TRANSPORT AND 3-WATERS			
Status	**Completed Y/N**	**Date Completed or Expected to Be Completed**	**Comments (to explain further if required)**
1. Preliminary Design and Costing ***(select applicable stage applicant is at from one of the options below and complete row)***			
Not Started	Click or tap here to enter text.	Click or tap here to enter text.	Concept for 3-waters completed in water, wastewater and stormwater Master Plans that informed the 2021 30-year nfrastructure Strategy HCC propose to complete preliminary design and costing between January 2022 and April 2022
Preliminary Design & Costing Underway	Y	Click or tap here to enter text.	
Draft Preliminary Design & Costs Completed	Click or tap here to enter text.	Click or tap here to enter text.	
Final Preliminary Design & Costs Completed & Approved	N	Aprl 2022	
2. Detailed Design ***(select applicable stage applicant is at from one of the options below and complete row)***			
Commencement of Detailed Design	N	April 2022	HCC propose to complete detailed design over an 18 month process if the bid is successful
Detailed Design Underway	N	Click or tap here to enter text.	
Detailed Design Completed	N	October 2023	
Engineering Plan Approved	Click or tap here to enter text.	Click or tap here to enter text.	
3. Business Case or Investment Case ***(select applicable stage applicant is at from one of the options below and complete row)***			

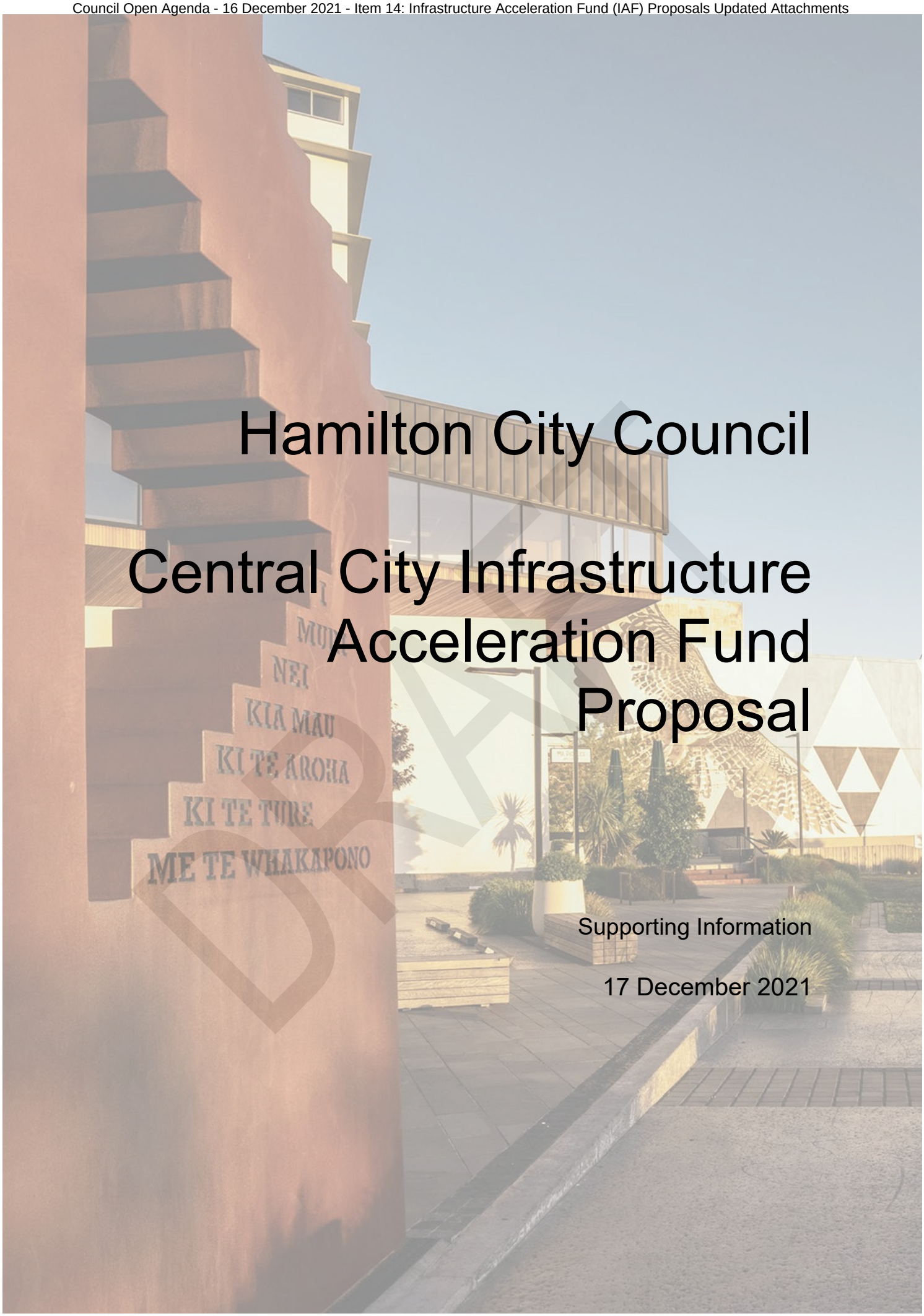
No Business or Investment Case Started	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Draft Business or Investment Case Underway	Click or tap here to enter text.	Click or tap here to enter text.	
Draft Business or Investment Case Completed	Click or tap here to enter text.	Click or tap here to enter text.	
Business or Investment Case Approved	Click or tap here to enter text.	Click or tap here to enter text.	
4. Land Acquisition ***(if applicable - select stage applicant is at from one of the options below and complete row)***			
Acquisition to commence	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Acquisition under negotiation	Click or tap here to enter text.	Click or tap here to enter text.	
Land Acquired	Click or tap here to enter text.	Click or tap here to enter text.	
5. Consenting ***(select applicable stage applicant is at from one of the options below and complete row)***			
Consents in Preparation to be lodged	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Consents have been Lodged	Click or tap here to enter text.	Click or tap here to enter text.	
Consents Approved	Click or tap here to enter text.	Click or tap here to enter text.	
6. Procurement of Construction Contractors ***(select applicable stage applicant is at from one of the options below and complete row)***			
Request for Tender ready to go to Market	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Request for Tender gone to Market	Click or tap here to enter text.	Click or tap here to enter text.	
Evaluation of Tenders in Progress	Click or tap here to enter text.	Click or tap here to enter text.	
Preferred Tender Contract Procured	Click or tap here to enter text.	Click or tap here to enter text.	
7. Other Approvals ***(please note any other approvals that may help application)***			
Other Applicable Approvals (i.e. Council committee, Waka Kotahi approvals)	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Repeat a table for each Eligible Infrastructure Project.

Schedule 4: Dwellings Enabled – Direct and Additional Growth

Dwellings Enabled	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035 onwards	Total
Dwellings delivered by the housing development (**Direct**)	75	75	75	75	150	150	540	500	500	500	500	500	500	15,860	20000
Broader housing capacity enabled by the Eligible Infrastructure Project(s) (**Indirect**)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Dwellings Enabled	75	150	225	300	450	600	1140	1640	2140	2640	3140	3640	4140	20000	20000



Hamilton City Council

Central City Infrastructure Acceleration Fund Proposal

Supporting Information

17 December 2021

Table of Contents

Executive Summary 1
Introduction to the Central City Proposal 2
Part A: General Information and Proposal Overview: Supporting Material 5
Description of the Proposed Eligible Infrastructure 5
4. Housing Development and Outcomes 8
4.1 An Urban Growth Partnership 8
Future Proof Strategy 8
Hamilton-Auckland Corridor Plan 9
Hamilton-Waikato Metro Spatial Plan 9
Operative District Plan 9
4.2 Response to NPS-Urban Development and RMA Reforms 10
4.3 City Vision for the Central Business District 11
4.4 Housing Development and Outcomes 12
5. Status and Timing 13
5.1 Infrastructure 13
5.2 Housing and Commercial Development 13
11. Non-financial Powers of Central Government 14
Part B: Eligibility and Evaluation Criteria Responses 14
1.0 Housing Outcomes (P.13 of RFP) 14
1.1 Enabled Development 14
Scale of Housing Development 14
Demand for Housing in the Central City 16
Anticipated Short to Medium Term Housing 16
Enabled Supply from Eligible Infrastructure 16
1.2 Proportion of Lower Cost Houses (p13 of RFP) 17
Typology of Housing 17
Housing within First Home Grant Price Cap 17
Improving Housing Affordability 18
1.3 Extent of Unmet Demand in the CBD (p.14 of RFP) 19
Proximity of Dwellings to Amenities 19
1.4 Eligible Infrastructure Supports Intensification 20
1.5 Supporting Development on land owned by Maori 20
1.6 Supporting environmentally sustainable housing 20
Access to Public Transport 20
Complementary Environmental Benefits 20
Commitment from Developers 20
Compliance Requirements 22
2.0 Evaluation Criteria – Impact of Funding (p.21 of RFP) 22
2.1 Impact of IAF Advancing Housing 22
2.2 Other Funding Means 23
3.0 Evaluation Criteria Cost and Co-Funding (p.24 of RFP) 24
3.1 Average Cost Per Dwelling 24
3.2 Alignment with Co-Funding Principles 25
4.0 Evaluation Criteria – Capability and Readiness (p.26 of RFP) 27
4.1 Extent of Barriers to the Housing Development 27
4.2 Developer Commitment to Build Housing Quickly 27
4.3 Demonstrated Alignment 27
4.4 Ability of all Parties to Deliver Housing 27
5.0 Summary of Investment Benefits 28

Appendices:

A. Policy alignment between the Central City Proposal and the national, regional and local legislation, strategies and plans

B. Description of Infrastructure and Management of Delivery

C. Future Housing and Commercial Development in the Inner City

D. Central City Transformation Plan (2021)

E. Risk Assessment

F. Benefits Analysis
G. Letters of support from development community, social housing providers and Future Proof
H. IAF Capital Cost Inflation Assumptions
I. HIF to IFF Debt Funding Proposal

Glossary of Acronyms

Acronym	Meaning
CBD	Hamilton's Central Business District
CIP	Crown Infrastructure Partners
DBC	Detailed business case
DC	Development Contributions
GFA	Gross Floor Area
HASHA	Housing Accord Special Housing Area
HBA	Housing Development Capacity Assessment (for NPS-UD)
HCC	Hamilton City Council
HIF	Housing Infrastructure Fund
HUE	Housing Equivalent Unit
IAF	Infrastructure Acceleration Fund
ICMP	Integrated Catchment Management Plan
IFF	Infrastructure Funding and Finance Act
LTP	Long-Term Plan
MOU	Memorandum of Understanding
MSP	Hamilton-Waikato Metro Spatial Plan
NPS-FW	National Policy Statement on Freshwater
NPS-UD	National Policy Statement on Urban Development
ODP	Operative District Plan
PDA	Private Developer Agreement
WRPS	Waikato Regional Policy Statement
TGH	Tainui Group Holdings
WINTEC	Waikato Institute of Technology

Executive Summary

Hamilton City Council (HCC) presents its detailed Infrastructure Acceleration Fund (IAF) proposal for the Central City. This proposal has been developed in collaboration with inner city developers and social housing agencies and helps to reduce the 7500 dwelling shortfall in the Hamilton metro area.

This $333.5M proposal enables 20,000 new houses in Hamilton's CBD. IAF funding is supported by $129.3M of co-funding from Hamilton City Council, already committed in its 2021-2031 Long-Term Plan and $100M of direct infrastructure investment from developers.

This proposal has the potential to unlock more than $2B in private investment over the next decade. It will deliver between 2500-4000 dwellings during this period with 1,900 already in construction, consent or concept phase. This represents more than 400% increase in new inner-city housing over the last 10-years and represents a stepped change to delivering on the NPS Urban Development and HCC's Central City Transformation Plan.

Alongside the new houses, this proposal also supports over 300,000 m^2 GFA of commercial and retail space. It enables our 20-minute City where people can live, work and play in the same space, and reduce their need for travel. As such this proposal will help deliver a more sustainable, liveable city where walking, cycling and public transport are the primary ways to get around.

The Hamilton District Plan has enabled mixed use developments in the central city since 2014. A future Plan Change (August 2022) will enable 214 hectares of medium to high density inner-city redevelopment and will enable more than 42,000 dwellings.

Council's $129.3M commitment to deliver the infrastructure for our central city vision is supported by the community. However, HCC is already operating at its prudential debt limits and Council cannot deliver the infrastructure needed alone. This is of critical importance, given that a risk assessment indicates the primary risk to Hamilton's central city is loss of investor confidence from lack of infrastructure capacity.

Put simply, IAF support for this proposal will be pivotal to Council bringing critical central city infrastructure investment forward.

Given these financial constraints, HCC is already engaging with the Crown about deploying an Infrastructure Funding and Financing (IFF) levy model in the Peacocke growth cell in Hamilton South. This would enable Council to refinance the existing Housing Infrastructure Funding (HIF) loan and create around $100M of debt capacity.

Should the IFF proposal come to fruition this $100M could, in part, be redirected into central city investment, as well as create investment options for new housing at scale. Such an investment could potentially be used for the Rotokauri Stage 1 growth cell (currently a provisional IAF project) which has a yield of 3,000 houses and currently sits on Kāinga Ora's IAF reserve list.

It is noteworthy that the benefits of this central Hamilton proposal are significant and extend beyond delivering more homes in one of New Zealand's fastest growing cities. The combined $2.5b of private and public investment will generate up to 1800 jobs every year and an estimated $140M increase in annual GDP over the next ten years. It will also represent a tangible commitment by the Government to the Urban Growth Agenda partnership (formed under FutureProof). FutureProof is a partnership that has delivered the Hamilton to Auckland Corridor Plan and the Metro Spatial Plan which was supported by Cabinet in 2020.

Our engagement with developers and social housing providers indicates that, without intervention, the enabling land use policy and infrastructure investment is unlikely to deliver homes that meet First Home Grant criteria and Waikato Housing Initiative social housing outcomes. HCC recommends that Kainga Ora also examine the potential for providing social and community housing alongside this IAF proposal in order to have short to medium term impacts.

This is an important consideration for Kāinga Ora and Government as we try to find ways to progress our common goals around New Zealand's pressing housing shortage.

Hamilton City Council has demonstrated its ability to deliver on similar investment projects. Hamilton is successfully delivering the Peacocke Network Infrastructure projects, utilising Housing Infrastructure Fund funding. Hamilton City Council now has over $250M of the $360M Peacocke programme under construction – on time and on budget, despite a pandemic.

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Introduction to the Central City Proposal

The Central City Proposal builds upon the City's expression of interest submitted on 18th August. It provides a range of further information and richer analysis of the policy alignment, costs, benefits and risks of the proposal.

In response to that expression of interested Kainga Ora identified certain matters that require further clarification in the RFP Stage:

1. Landowner's fair share. Identifying the contribution of landowners to the delivery of infrastructure, and ensuring that contribution is consistent with Local Govt policy
2. Clarity on Housing Numbers. Identify the number of additional dwellings enabled (both direct and additional growth) by the eligible infrastructure projects
3. Review of eligible infrastructure projects to focus on vital enabling infrastructure that would accelerate housing in the medium term
4. Review and revised the proposed level of co-investment from HCC and the development community.

HCC has responded to these requests for more information in the following ways:

Landowner's Fair Share

Council has an established development contributions policy and private develop agreement framework that operates consistently throughout the City. Section 4 (p.25) of this document provides a summary of this approach, and how we have applied this approach to the Central City.

Applying these policies has identified $100M of future investment that developers will need to make to connect with the arterial and trunk infrastructure provided for in this Proposal. This analysis has informed the details provided in Schedule 1.

Clarity on Housing Numbers

HCC has benchmarked the Operative District Plan and future Plan Change development opportunities in the Central City and analysed the development potential under existing and future land use policy regimes. The details of this analysis are provided in section 4.2 of this report.

Council has an established Central City Transformation Programme team who have strong connections with the developers and social housing providers that are active in the Central City. We have a clear picture of existing committed residential and commercial development currently under construction (refer Section 2.1 p.14).

HCC has also undertaken detailed interviews to understand the potential for additional development in the short to medium term and we are able to provide a clear picture of consented, concept and future developments in the next ten years. The details of this assessment are contained in Section 2.1, and this analysis provides the details contained in Schedule 4.

Review of Eligible Infrastructure and HCC Co-Funding

HCC has undertaken a detailed review of the eligible infrastructure to ensure the vital infrastructure is being targeted to enable a stepped change in housing the short to medium term and ensure that Council's co-investment is clearly identified.

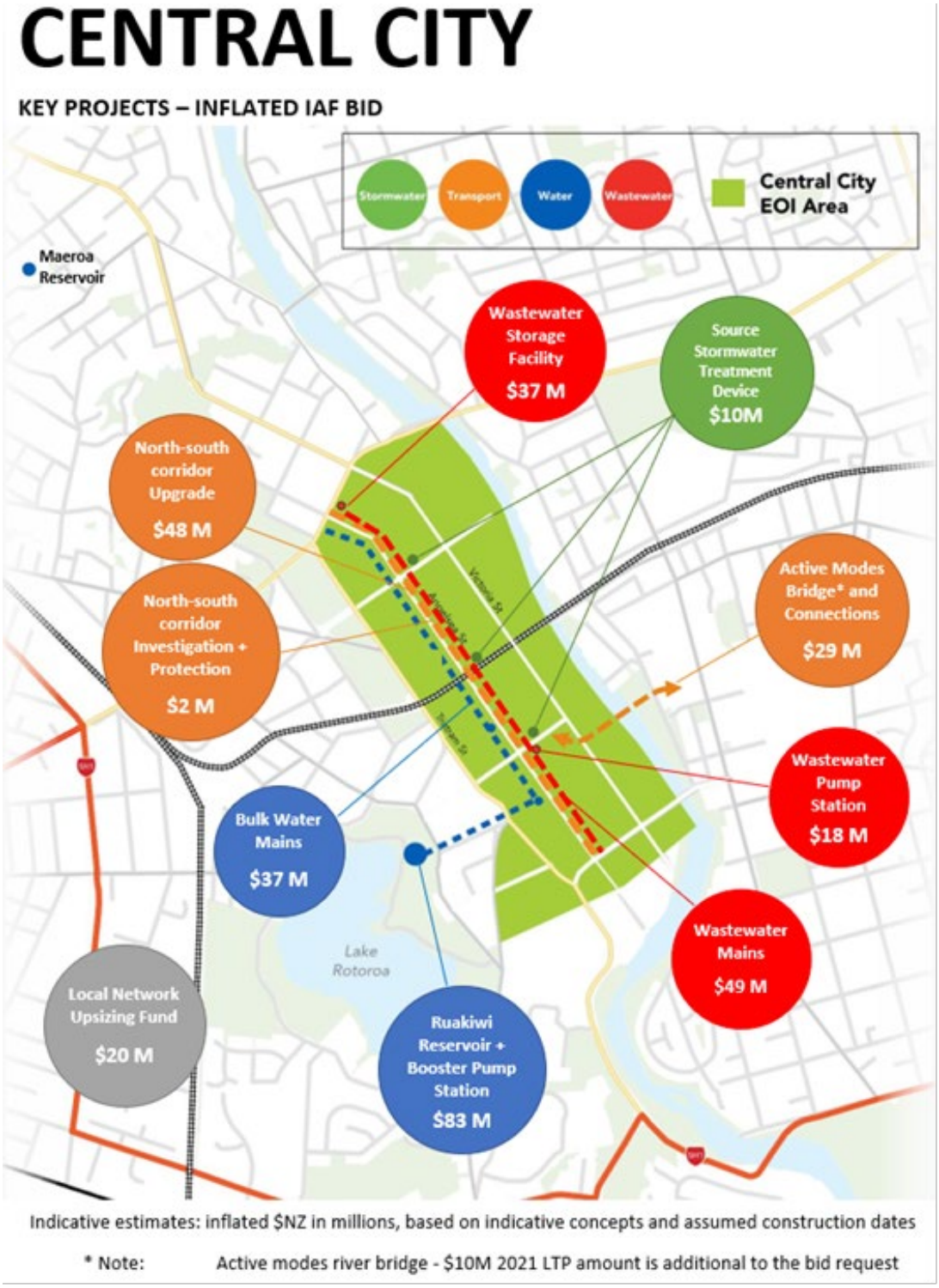
Council is committing $152.6M of eligible and ineligible infrastructure over the next 10 years as part of this proposal. A breakdown of this co-funding is provided section 3.2 (p.25) below and in more detail in Attachment B of this report.

The $333.5M of identified eligible infrastructure investment sought from the Crown (refer Figure 1 below) is unfunded investment identified in HCC's 30-year infrastructure plan that is required to deliver the necessary services that have been enabled under the Government's NPS – Urban Development, as referenced in section 3.1 of this proposal.

The water assets are the critical components of this investment, without which HCC will be placing a higher cost burden on developers to come up with design solutions to mitigate reduced capacity. These costs will translate into development costs and therefore market pricing for developments, and present risks such as increase in number and scale of infrastructure level of service failures. This approach is contrary to outcomes sought by HCC and Government and is likely to result in developers not developing in the CBD or, pricing that incentivises development opportunities in other parts of the City.

DRAFT

Development of the three-waters assets and connecting the trunk assets to the development lots results in major works in transport corridors, and the resulting transport and stormwater reinstatement works are therefore intricately linked to the overall programme of works. Decoupling these investments will result in higher infrastructure costs in the medium to long term.



Summary of Total Funding Contribution

The Central City IAF proposal enables an investment partnership between the Crown, Council and the development community. The $333.5m funding request for the CBD IAF Projects equates to 59% of the total CBD related infrastructure expenditure forecasted in the next 10 years, but reduces substantially when taken over the life of the assets created.

Further Information Supplied

HCC have provided a range of additional information to underpin the investment case for the Central City. Specifically, Council have provided the following details of our EOI:

1. Ineligible Infrastructure: HCC have identified $152.6M of investment that is being made into the CBD to deliver on our Central City Transformation Plan. Approximately $23.3M of this is ineligible infrastructure and informs Table 1b
2. Risk Assessment. HCC has undertaken a risk management assessment of delivery risks across the integrated programme of work. The summary of this risk assessment is provided in Appendix E, and expanded upon in Appendix B.
3. Benefits Analysis. HCC have completed a benefits analysis of this proposal compared to progressing on the basis of the Long Term Plan. This analysis demonstrates a clear range of additional benefits which is provided in Section 5 and Appendix F.
4. Management Case and Delivery Structure. HCC's has extensive experience in delivering significant programmes of infrastructure at pace in partnership with the Crown. Appendix B describes the proposed programme governance and management / delivery structure to ensure successful delivery of the $563M combined programme of works enabled by this proposal.

Document Structure

To navigate this detailed proposal, we have set it out in using the same heading structure as the RFP response form.

We encourage reviewers to first consult the RFP proposal. Where further information is provided to expand upon the Central City EOI, this will be clearly cross referenced to this document.

Appendices to this report include:

A. Policy alignment between the Central City Proposal and the national, regional and local legislation, strategies and plans
B. Description of Infrastructure and Management of Delivery
C. Future Housing and Commercial Development in the Inner City
D. Central City Transformation Plan (2021)
E. Risk Analysis of the Eligible Projects
F. Benefits Analysis comparing currently Long Term Plan investment with IAF Proposal
G. Letters of support from development community, social housing providers and Future Proof
H. IAF Capital Cost Inflation Assumptions

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Part A: General Information and Proposal Overview: Supporting Material

Part A provides a summary of the eligible infrastructure proposed in the Central City RFP. It then describes how this proposal enables and delivers on the long term growth management plans the Government and Future Proof partnership have developed since 2019 as part of the Government's Urban Growth Agenda partnership.

Description of the Proposed Eligible Infrastructure

A full description of the eligible infrastructure proposed, risk and the management structure proposed for delivery is provided in Appendix B.

Four key issues affect residential development in Hamilton's central city:

- Based on the zoned land use, the existing water, wastewater and stormwater infrastructure in the central city has an environmental and level of service gap to address before any further development can be serviced properly.
- Current zoning allows development in spite of the infrastructure limitations. This is exacerbated by recent NPS requirements allowing more intensive development without controls.
- The Hamilton City Council Balance Sheet is unable to commit to funding the infrastructure necessary to service intensification given prudent debt-to-revenue constraints, as well as LGFA criteria. The infrastructure need, excluding the recent NPS requirements, is identified in Hamilton's 30 year Infrastructure Strategy 2021-51 but is unfunded.
- Population projections indicate that central Hamilton will require approximately 1900 additional dwellings over the 2022-2041 period. Servicing this growth represents a significant challenge for Hamilton City Council in terms of meeting its NPS-Urban Development obligations.

There are two primary strategic infrastructure constraints for acceleration of residential development in Hamilton's central city:

- Potable water storage and supply is insufficient to meet minimum requirements, resulting in a reduction in public health (water supply) or firefighting levels of service.
- Wastewater peak flow capacity in strategic pipelines is inadequate for additional demand in the central city during wet weather events, resulting in an increasing risk of overflow events.

These either deter development or increases development costs affecting affordability in central Hamilton effectively leading to development in less economical and environmentally appropriate areas.

In addition, where there are changes to urban infrastructure required, in this case, due to large scale pipe work currently expected to be in Anglesea Street, there are strategic responses necessary to meet government and community objectives:

- The current transport infrastructure on north-south strategic central transport corridors such as Anglesea Street does not support mode shift and transport systems that reduce environmental impacts and universal access. Hamilton City is investing $5M towards an upgraded public transport hub (construction commencing 2023) and the primary passenger transport network connections will need to be redeveloped to ensure appropriate road user priorities, mode shift and reduced emissions.
- Stormwater in the central city is not currently treated. This will not be acceptable for inner city development because it is inconsistent with the Vision and Strategy for the Waikato River and the NPS Freshwater.

None of the works in this proposal that seek IAF support are currently funded within HCC's Long Term Plan. Enabling the water and wastewater components of the IAF proposal will result in significant disruption and reinstatement of Anglesea Street or an equivalent north-south corridor where the stormwater and wastewater reticulation affects it. These works therefore result in the opportunity to redevelop the corridor in a way that is consistent with the public transport and biking / micro-mobility network outcomes sought for central Hamilton and New Zealand generally, and deliver on the environmental outcomes sought by the Waikato River Vision and Strategy. Failure to deliver these

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projects as an integrated programme will result in delivery inefficiencies and higher costs for the community.

There are three primary strategic infrastructure constraints for acceleration of residential development in Hamilton's central city:

- Potable water storage and supply is no longer capable of meeting current minimum requirements, resulting in a reduction in public health (water supply) or firefighting levels of service.
- Wastewater peak flow capacity in strategic pipelines is inadequate for additional demand in the central city during wet weather events, resulting in an increasing risk of overflow events.
- These either deter development or increases development costs affecting affordability in central Hamilton effectively leading to development in less economical and environmentally appropriate areas.

In addition, where there are changes, there are strategic responses necessary to meet government and community objectives:

- Transport infrastructure does not support mode shift and transport systems that reduce environmental impacts and universal access.
- Stormwater in the central city is not currently treated and this will not be acceptable for future development.

The Infrastructure Acceleration Fund investment sought enables the additional demand over the next 20 years, and 25% of the central city's total capacity, to be met within HCC's debt constraints.

The proposed infrastructure comprises around $563M of transport and 3 waters strategic infrastructure, with funding sought for approximately $333.5M ($NZ inflated), as shown in Table 1 below.

Activity/Infrastructure Project	Expected Cost ($M inflated)	Funding sought ($M inflated)
Transport Project Components		
Anglesea Street User Prioritisation	$48.0	$48.0
Anglesea Street Investigation and protection	$1.8	$1.8
Active modes river crossing and University to rail trail central city connections	$28.7	$28.7
LTP 2021-2051Transport projects - eligible	$91.4	$-
Three Waters Project Components		
Ruakiwi Reservoir Phase 1 and booster pump station	$82.6	$82.6
Bulk water reticulation	$37.4	$37.4
Local Water Network Upsizing	$20.2	$20.2
Water Local Connections - developer responsibility	$12.1	$-
Central City Integrated Catchment Management Plan (Stormwater)	$1.7	$1.7
Anglesea Street stormwater source treatment	$9.7	$9.7
Pipeline and outfalls - eligible - developer funded	$76.8	$-
Wastewater storage and internal pump station	$36.7	$36.7
Wastewater mains	$48.6	$48.6
Wastewater pumpstation (south)	$18.1	$18.1
Wastewater Local Connections - developer responsibility	$11.2	$-
Three waters eligible LTP projects (Refer Appendix Table 1a)	$37.9	$-

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Activity/Infrastructure Project	Expected Cost ($M inflated)	Funding sought ($M inflated)
Total	**$562.9**	**$333.5**

Table 1: IAF Integrated Programme of Infrastructure

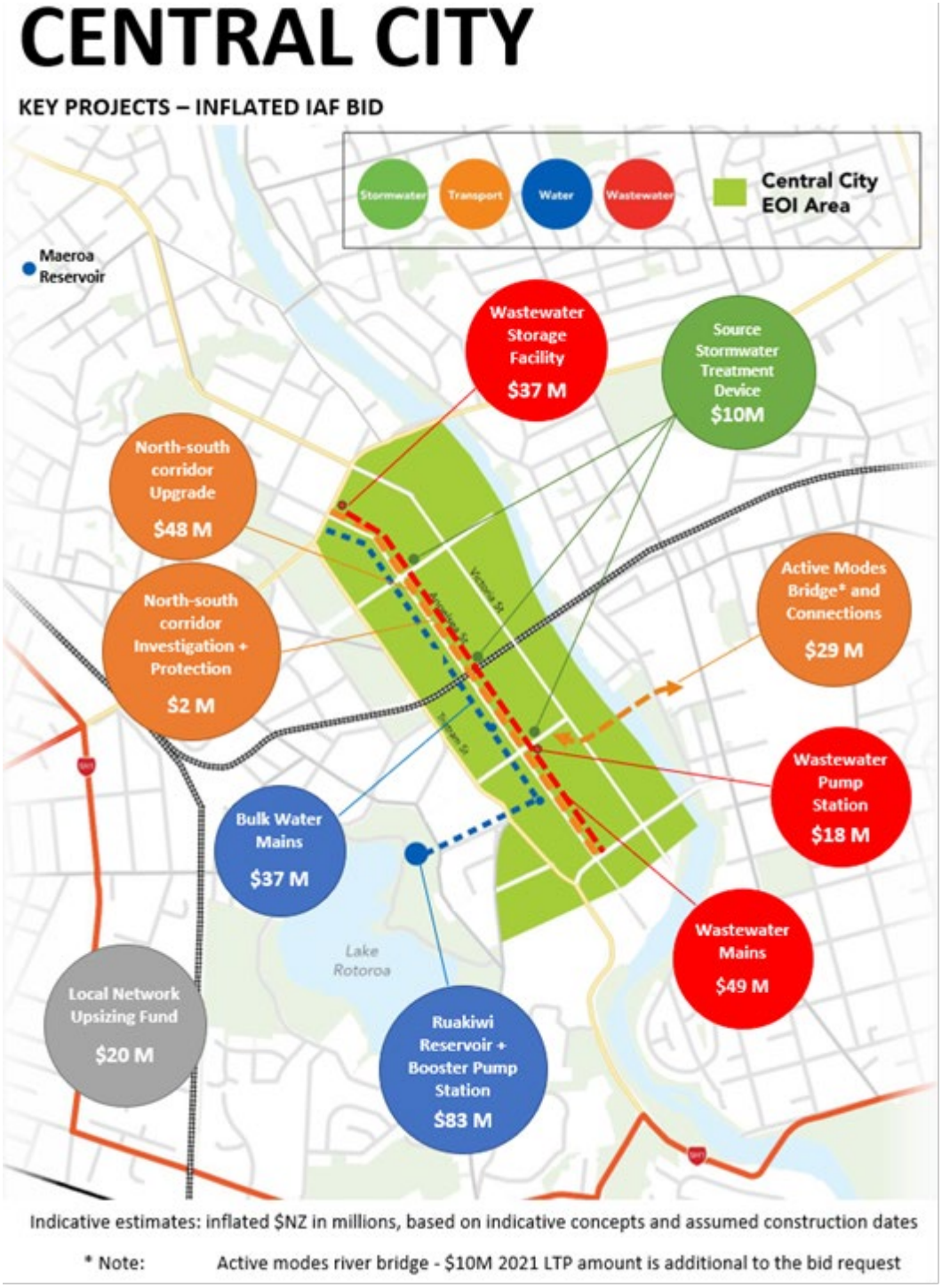


Figure 1: Proposed IAF Funded Projects

Construction will commence following approximately two years of investigation and design, targeting investment to match development planned in collaboration with developers to maximise value for money and early benefits. Construction of the key strategic infrastructure will take approximately three years, with development enabled in year two. Local connections and planned Long Term Plan (LTP) investment will continue to 2031 and beyond.

4. Housing Development and Outcomes

Hamilton City Council has a long history of partnering with Government, Iwi and neighbouring local authorities to align and prioritise investment in the Central City.

The proposed investment in the Central City is fully aligned to the outcomes sought by Central and Local Government and will enable a stepped change towards achieving the housing, economic, transport and social outcomes we collectively strive for.

		ALIGNMENT ON OUTCOMES SOUGHT FOR THE CENTRAL CITY					
		Hamilton Kirikiriroa Maaori identity highlighted through integrated urban design	**A Place to Call Home** Compact, liveable, mixed-use	**A Playful City** Participation of children and families in the central city	**Well-connected Central City** Multi-modal transport choices	**Blue-Green Central City** Urban design & biodiversity	**Prosperous Economy** Businesses to establish & thrive
STATUTORY AND STRATEGIC POLICY	**NATIONAL POLICY STATEMENTS AND ACTS**						
	GPS – Housing and Urban Development	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓✓
	GPS - Land Transport		✓✓		✓✓✓	✓	✓✓
	NPS – Urban Development	✓✓	✓✓✓	✓✓	✓✓✓	✓	✓✓
	Climate Change Response Act 2002		✓✓✓		✓✓✓	✓✓	✓
	Draft 30-year NZ Infrastructure Strategy	✓✓✓	✓✓	✓✓✓	✓✓✓		✓✓✓
	Proposed NPS – High Productive Land		✓✓✓				
	REGIONAL STRATEGIES AND POLICIES						
	Waikato River Vision and Strategy	✓✓✓		✓✓		✓✓✓	
	Waikato Regional Policy Statement	✓	✓✓		✓✓	✓	
	Hamilton - Waikato Metro Spatial Plan	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton to Auckland Corridor Plan	✓	✓✓✓		✓✓✓	✓✓✓	✓✓
	LOCAL PLANS						
	Central City Transformation Plan	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton Urban Growth Strategy	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓
	Hamilton City District Plan	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton City Long Term Plan	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓

Key: ✓= Weak Alignment ✓✓= Strong alignment ✓✓✓= Very strong alignment

The proposed $333.5M investment into the Hamilton Central City will demonstrate a commitment to not only plan in partnership, but to deliver in partnership as well.

4.1 An Urban Growth Partnership

The Crown formed an urban growth partnership with the Future Proof sub-region in 2019 as part of delivering its Urban Growth Agenda. Since that time Ministers have sat alongside local government leaders to deliver integrated urban growth management through the Hamilton to Auckland Corridor Plan (adopted by Cabinet in 2019) and the Metro Spatial Plan (adopted by Cabinet in 2020).

Future Proof Strategy

Future Proof is a joint project between Iwi, Hamilton City, Waipa District, Waikato District Waikato Regional Council, Waka Kotahi and the Crown to consider how the sub-region should grow and develop into the future. The partners work together to consider the important issues that affect us now and over the next 30 years.

Prime Minister John Key launched the first Future Proof sub-regional growth strategy in 2009, which signalled a long-term commitment to the Hamilton Central Business District as the primary employment and commercial hub for Hamilton, and encouraged residential development in the CBD to improve inner city vibrancy, access to employment amenities and recreation.

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Implementation of the Future Proof strategy since 2009 has resulted in substantial changes to the land use policies and Long Term Plans of the Partners and changes in the funding and delivery of key infrastructure, in particular land transport investment.

Hamilton-Auckland Corridor Plan

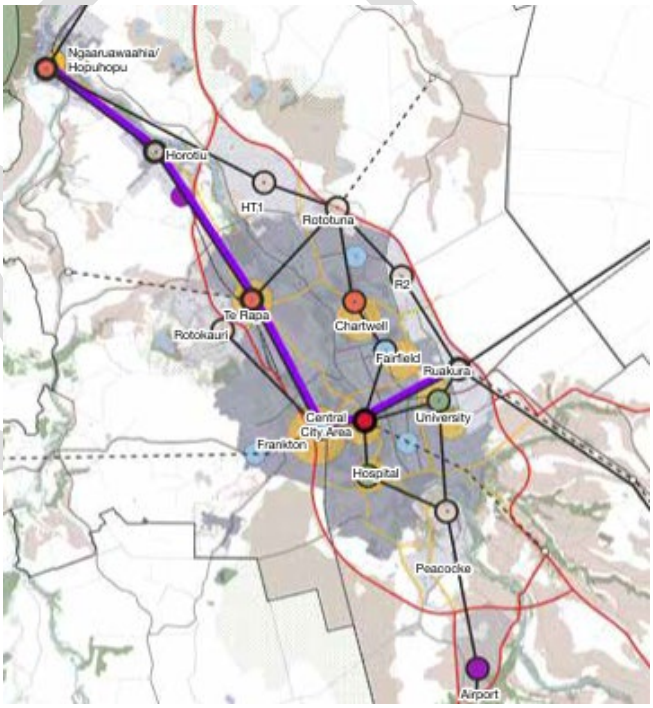
The Hamilton-Auckland Corridor Plan was the first Urban Growth Agenda initiative to be developed jointly by the Crown and the Future Proof Partnership. It signalled a long term commitment to successfully unlock the significant growth potential in Southern Auckland and the Hamilton-Waikato metropolitan area, underpinned by new rapid and commuter rail connections that will both anchor and direct housing and employment growth.

The H2A plan was adopted by cabinet in 2019 and included a commitment to deliver A Hamilton-Waikato Metro Spatial Plan to advance the long term integrated growth management for the Hamitlon-Waikato metro area

Hamilton-Waikato Metro Spatial Plan

The Hamilton-Waikato Metropolitan Plan (MSP) was delivered through the Future Proof partnership and is one of the initiatives being delivered as part of the broader Hamilton to Auckland Corridor Plan. The MSP was adopted by Cabinet in 2020 as the primary mechanism to deliver the Governments Urban Growth Agenda in the Future Proof Sub-region.

Hamilton is at the core of the Future Proof metropolitan area which extends from Taupiri in the north to Te Awamutu and Cambridge in the south. The Metro Spatial Plan looks at a scenario of 500,000 people living in this area.



The vision for the Hamilton-Waikato metro area is to be a highly liveable and sought-after place to live in New Zealand. The metro area will be a place where our people can easily access employment, education and health facilities, serviced by reliable and efficient transport connections and great recreational places.

One of the six transformational actions identified in the MSP is:

Growing Hamilton central city as our civic, administrative, cultural and commercial metro core, alongside lively metropolitan centres, well connected by public transport and safe walking and cycling networks, where people can afford to live, work and play

Crown investment in the CDB is aligned to the Urban Growth Agenda, and will provide tangible evidence of the Crown delivering on the outcomes of the MSP programme

Operative District Plan

HCC adopted the Hamilton Urban Growth Strategy in 2009 which established a broad principle of providing for 50% of residential growth through inner city redevelopment, and the remaining 50% through identified greenfield growth areas.

Residential intensification was enabled through the District Plan changes in 2014 and over the past eight years over 50% of new residential dwellings have been provided through medium density duplex and townhouse developments within existing suburbs. In the last 3 years, approximately 57% of all new dwellings have been created through suburban redevelopment of existing residential lots where 1 dwelling is typically transformed into 4 units. Example development in Figure 2 below.

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Figure 2: Example of suburban redevelopment

There are currently 1255 existing residential units within the Hamilton CBD. The ODP aims to provide opportunities within the Central City to live, work and play for people of varying ages, cultures, incomes and all levels of mobility. To achieve this, medium density residential development is enabled around the CBD core through a *City Living* precinct. The City Living precinct encompasses approximately 124 hectares of developable land and the current planning provisions would enable approximately 6200 new residential dwellings to be provided[1].



The policy approach has resulted in mixed use developments that provide a range of vibrant, commercial / residential activities co-located in the same building.

Examples of mixed-use medium density living are becoming more common within the Central City as inner city living is becoming more popular.

The success of these developments has encouraged further inner city developers to come to the market to offer their own product, and the number of these developments coming through the consent and into construction has increased by 50% in the last five years.

4.2 Response to NPS-Urban Development and RMA Reforms

The National Policy Statement on Urban Development continues to evolve the policy approach that Hamilton City Council commenced in 2009 with the Hamilton Urban Growth Strategy. Hamilton City is responding to the NPS-UD through the development of a specific Area Plan for the CBD that will include enabling policies for residential and mixed use developments that delivers greater density of living in and around the CBD core.

A walkable catchment of 800m around the Central City will guide the extent of the residential intensification area which provides;

- An area of approximately 214 hectares of medium to high density residential and mixed use development
- Building heights will have a minimum of at least 6 stories

[1] Based upon 50 dwellings per hectare

- Commercial and residential mixed use development will be enabled recognising the diverse nature of the Central City
- The total number of residential units enabled will dramatically increase from the approximately 6200 residential units to approximately 42,000 units.

The resulting plan change will be notified in August 2022 and will provide a more enabling policy framework for people to access a greater variety of mixed use, commercial and housing developments. The housing options are typically apartment style living and will be provided at various price points that provide for the diverse needs of the Hamilton City residents.

The Hamilton CBD is on the rise. We have a great strategic plan, underpinned by an enabling policy framework that encourages and enables private and public investment. As a result, businesses are growing, more people are living in the CBD and the future strategy will see these numbers continue to increase.

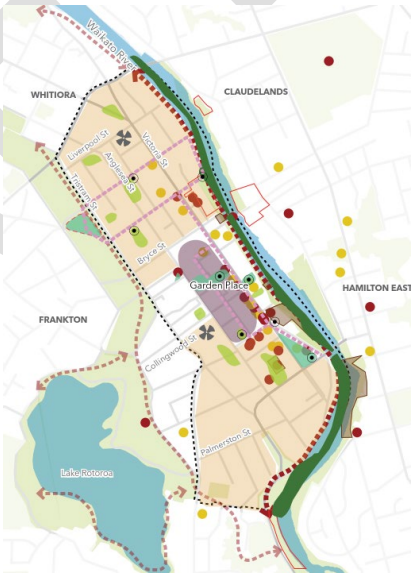
Continued investment into the Central City builds upon a long established strategy, and there are greater benefits from investing together in partnership with Central Government to make a stepped change for inner city living.

4.3 City Vision for the Central Business District

The Crown and Hamilton City have clearly expressed their collective aim for the central city to be the beating heart of Hamilton Kirikiriroa and the primary economic hub for the Future Proof subregion. This is the vision captured in our Central City Transformation Plan (refer CCTP in Appendix D).

The CCTP is founded on seven place shaping outcomes including:

- Ensuring Hamilton central city is accessible and engaging to all, welcoming and providing for all people
- Encouraging and enabling residential growth in the central city, ensuring high-density living and safety is integrated with the urban realm



The CCTP places an emphasis on planning and designing for intensification without undermining or damaging the things we love about Hamilton's central city.

The multiple award-winning Victoria on the River (completed in 2018) is an example of the high-quality investments that Council is making. It opens the CBD toward the Waikato River and is a forerunner to future investment partnering with the development community and will ultimately link to the Waikato Regional Theatre which commenced in late 2021.

To deliver the Central City vision in the next 10-years, Hamilton City has adopted a 30-year integrated programme of work that is guided by a dedicated Central City and River Plan Advisory Group with positive links to Iwi, commercial and community groups. This $90M programme of investment is integrated with the enabling land use policy programme Council is progressing under the NPS-Urban Development and is summarised in the table below.

Central City Programme	Identified Projects	LTP 2021-31 Total
Community	Museum River entrance, River Plan South end precinct, Ferrybank Park enhancements	$24,456,000
Transport	Anglesea / Tristram intersection upgrade Transport building rejuvenation Ferrybank walking and cycling bridge	$52,569,000
Urban Mobility	Rejuvenation of the PT Transport Hub	$8,187,000

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Capex	Multiple local intersection and walking / cycling improvements	$4,400,000
Opex	Design panel, design guidance, feasibility studies, community strategies	$440,000
Total		$90,052.00

The Crown investment in this detailed proposal builds on Councils committed investment, and the confidence of the development community to deliver housing, economic and supporting environmental and social benefits at a City scale, as well as within the Inner City.

4.4 Housing Development and Outcomes

Since the District Plan became operative in 2014, there have been 55 new developments encompassing over 300 new residential units and 62,000 square metres of new or refurbished commercial area with a total private investment of over $300m.

The Hamilton CBD currently has $114M of committed residential and commercial building projects currently in construction phase (refer Figure 3 below). This is a 600% increase from 10 years ago and is a strong indicator of the City's successful the long term policy and investment approach adopted in Future Proof and implemented since 2009.



Figure 3: Committed CBD Housing and Commercial Development

5. Status and Timing

5.1 Infrastructure

The infrastructure has been developed in concept as part of HCC's 30-year infrastructure plan. These concepts have been developed through city wide master planning documents that give effect to the Sub-regional and local strategies and plans outlined in the previous sections.

1. Access Hamilton. Access Hamilton was first published in 2009 to align with the Hamilton Urban Growth Strategy. The integrated PT plan identifies Anglesea Street has primary PT corridor servicing the Hamilton Transport Centre which provides a focal point for PT services to the central city servicing neighbouring towns.
2. Water Supply Master Plan. The Water supply master plan identifies the importance of maintaining HCC's A-grade water supply and the important role of water storage. Critical priorities include:
    - The Ruakiwi Water Supply is identified as a priority for water supply storage improvement.
    - Installation of new bulk water mains, following the Anglesea Street corridor as the most cost-effective option
    - Installation of new and replacement Ruakiwi Water supply booster pumps to ensure the businesses and residents of the CBD and surrounding catchment are provided appropriate pressures.
3. Wastewater Master Plan. The Master Plan identifies the need for two gravity interceptors to convey flows along Anglesea Street to a proposed pump station that will be located centrally within the southern sub-catchment. Storage will be required to mitigate peak flows from the CBD.

The next steps are a detailed design and consenting of the concepts over the next 24 months to progress with delivery. Details of the programme are provided in Appendix B and are summarised in Section 8 of the RFP.

5.2 Housing and Commercial Development

HCC has identified 26 developments that are well advanced for development in the next 5 years that will provide approximately 1140 new dwellings and 231,000m2 GFA commercial / retail space in the next five years.

Details of the housing and commercial development are provided in Appendix C.

A further 9 large scale developments that are currently in the development feasibility / concept phase and are likely to be advanced in the medium to long term. These developments would provide approximately 690 new dwellings and 73,500m^2 of GFA commercial / retail space in a 5-10 year period.

The development intentions within an inner-city environment are not as certain in the 5-10 year period, as this style of development has to contend with more complex factors than a greenfield environment. For these reasons the significant difference between the 0-5 year period and the 6-10 years period reflects uncertainty of development intentions, and a focus on immediate commercial success of development opportunities.

The pace and scale of development in the Inner City is rapidly increasing as development concepts are proven through successful apartment and mixed used building projects. HCC projects that the pace and scale of development forecasted in the next 5 years will continue with confidence into the following five years. This reflects HCC land use and investment policies that favour the CBD and will result in a 10-year development of between 2500 and 4000 new dwellings.

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11. Non-financial Powers of Central Government

HCC's EOI identified a range of tools that would enable the delivery of the eligible infrastructure in a faster timeframe. For the purposes of this proposal HCC have:

1. Assumed that the government tools are not used for the development and consenting tasks.
2. Have proposed a duplication of the Ruakiwi Water Supply reservoir alongside the existing heritage structure and thereby avoiding the need to require a more detailed and complex Heritage Authority approval

In addition to the regulatory tools provided to Government that were highlighted in the EOI, HCC have identified through our detailed proposal that Kainga Ora / The Crown need to become actively involved with social and public housing tools to have a material impact on housing affordability and provision of social housing within the Central City in the short to medium term. HCC Housing Action Plan provides a mechanism through which this can be coordinated with policy and infrastructure investment (refer Section 2.3 (p.19) for details).

Part B: Eligibility and Evaluation Criteria Responses

This section outlines the supplementary information relating to the housing outcomes provided by the eligible infrastructure and the range of economic, social and environmental outcomes delivered as a result of this investment.

Refer to the RFP response form for schedules 1, 2 and 4.

1.0 Housing Outcomes (P.13 of RFP)

1.1 Enabled Development

When considering the number of additional dwellings provided HCC have provided an analysis of the enabled development through its land use policy, the demand for new housings in the Central City based upon projected population and the anticipated capacity from interviews from developers and social housing providers.

Scale of Housing Development

The ODP enables 124 hectares of developable land in the inner city that allows medium density and mixed use developments that provide for approx. 6200 new dwellings.

The forthcoming plan change expands the definition the CBD out to include a walkabout catchment of 800m as shown in Figure 5 below.

This area encompasses 214 hectares of developable area and with a minimum of 6 stories, will enable approximately 42,000 new residential units[2]

The existing and new plan provisions provide sufficient development capacity for the next 20-years within the Central City when compared to the historic average development rate of 75 new dwelling units per year.

[2] Based upon 6 stories mixed use and residential development being enabled across the walkable catchment

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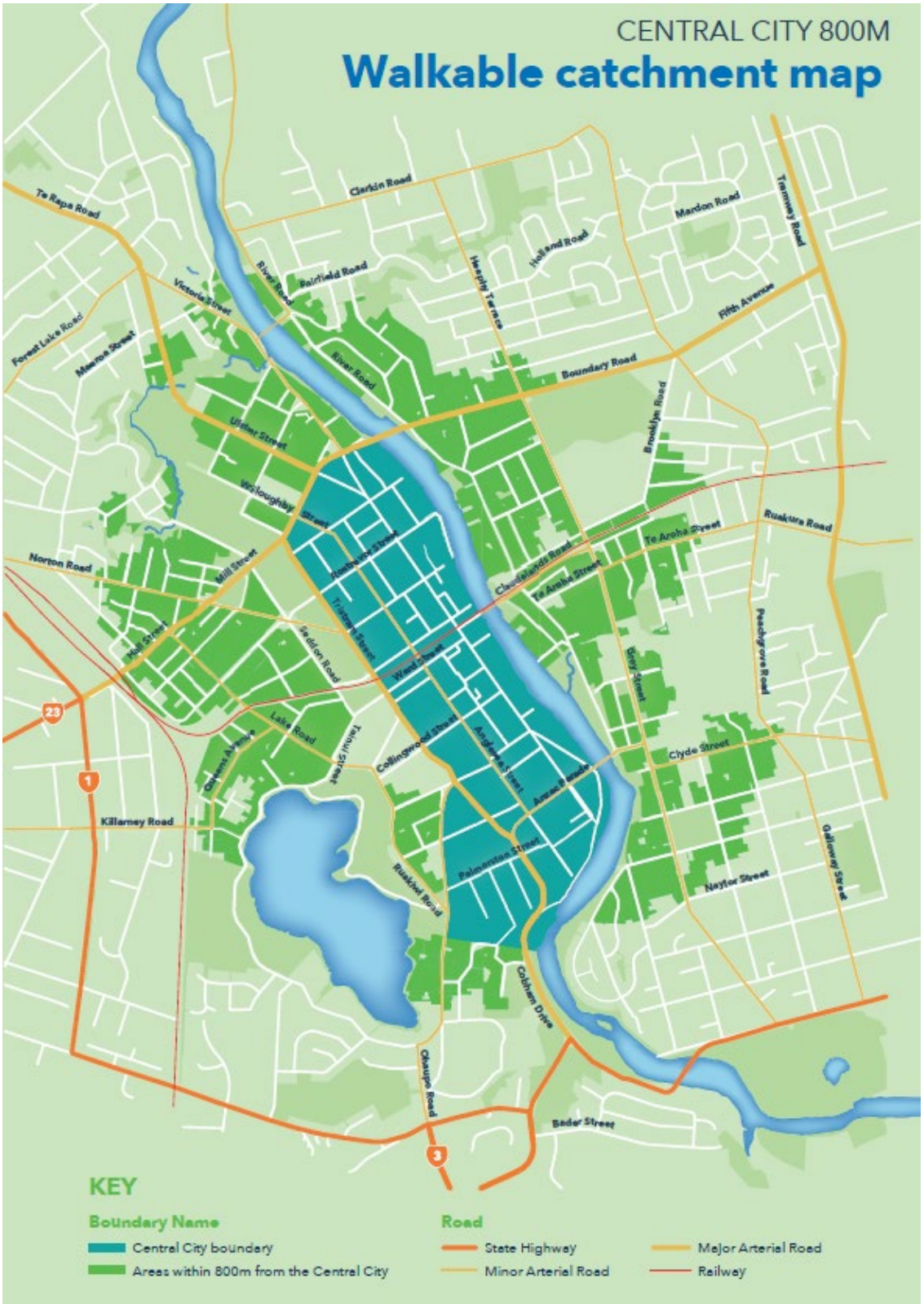


Figure 5: Walkable catchments consistent with NPS-Urban Development

Demand for Housing in the Central City

Demand for new residential opportunities in the central city has been steadily increasing as land use policy and supporting investments into the City create a vibrant and desirable city centre.

When Council enabled greater residential living in the City Centre in 2014, there was a stepped change in the number of inner city residents as this demand was provided for in land use policy. Development enabled under the existing housing policy

The future demand for inner city living is strong. The Future Proof Strategy projects residential demand across the Hamilton, Waikato and Waipa sub-region and Hamilton City has translated this demand to the Central City. It is anticipated that there is demand for more than 7500 additional residents in the next 20-years.

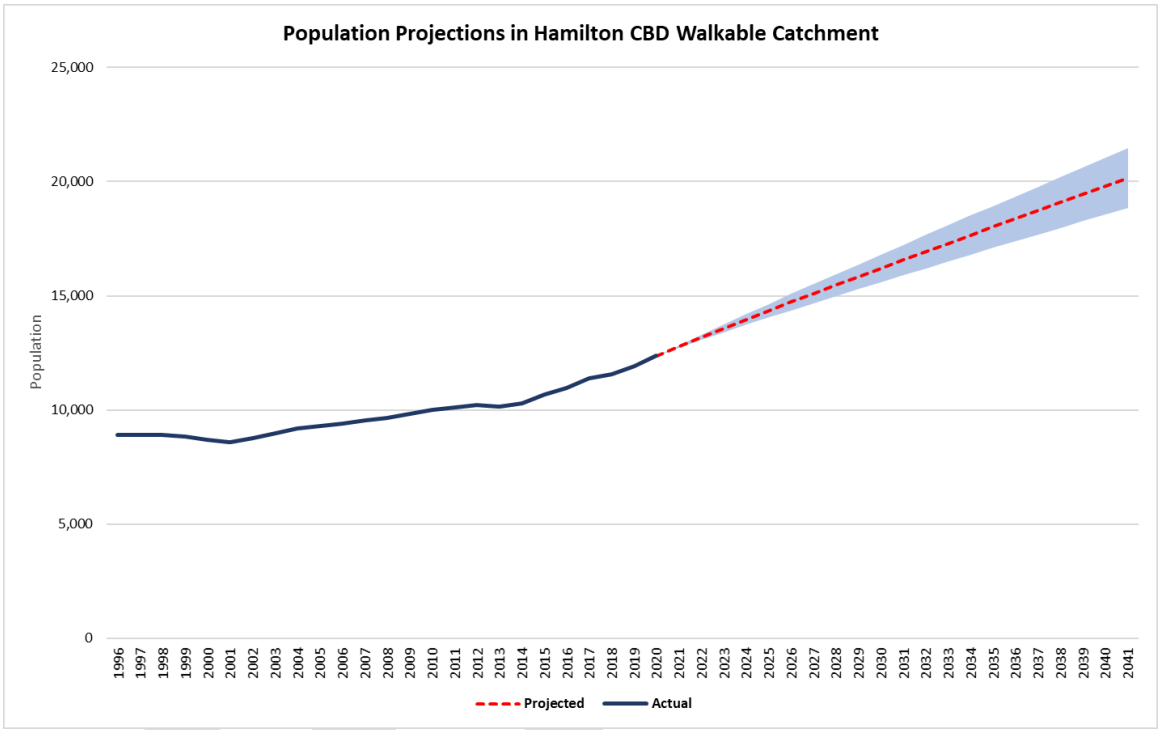


Figure 6: Projected population increase from Future Proof Strategy 2021

The projected population increase (refer Figure 6 above) translates into demand for new housing. The number of dwellings required to service that demand is has been calculated using average housing composition rates. This indicates that between 2280 and 3280 new houses will need to be developed to meet the housing demand over the next 20 years.

Anticipated Short to Medium Term Housing

Refer to section 5 above.

Enabled Supply from Eligible Infrastructure

The eligible infrastructure identified in this RFP services the Inner City residential and commercial development consistent with the NPS-Urban Development. Approximately 20,000 units of housing will be enabled by the infrastructure investment contained within this proposal, with details provided in Appendix B.

1.2 Proportion of Lower Cost Houses (p13 of RFP)

Typology of Housing

The dominant housing form in Hamilton is the 3-5 bedroom standalone dwelling on 600-900m^2 section. The Inner City offers opportunities to meet changing communities needs and offers a range of housing typologies that are not provided in the suburban areas of the City.

Inner City housing developments in the last 5 years typically offer 1-3 bedroom dwellings in a townhouse format or mixed use commercial / residential, as shown in Figure 7 below. These have been provided through retrofit of existing buildings or clearing existing buildings for new developments.

Urban Retrofit of Existing Buildings	New Developments
	
Opus House Apartments, Princes Street	3 story mixed use development, Rostrevor St
	
Hill Laboratories Apartments, Clyde St	Vialou Street Apartments

Figure 7: Examples of retrofitted and new build apartments

The future housing typology enabled under as part of the NPS-Urban Development will be a minimum 6 story residential or mixed use building. The majority of developments consented or in development feasibility within the inner city are mixed use commercial / residential style developments.

Housing within First Home Grant Price Cap

Kainga Ora has adopted the criteria for First Home Grant as a measure of whether a home is affordable. In the Hamilton context these criteria consider affordable to mean:

- Existing houses can be purchased for $525k
- New houses can be purchased for $600k

The 2021 average house price in Hamilton city is $870k compared with $735k for apartment sales within the Central City. Inner City houses are more affordable than the City as a whole, however the

average house sales are approximately $150k higher than Kainga Ora's First Home Grant price cap of $600k for a new dwelling within Hamilton City.

The median market rent in Hamilton City (2021) across all housing typologies was $470 per week. In the inner city, the median rental was $350 which indicates that the housing typologies provided in the Inner City are more affordable.

HCC have worked with social housing providers to develop this detailed proposal. Social housing providers have indicated that there is significant unmet demand for social housing within the CBD, and 2 developments from these providers have been identified as likely coming to market in the short to medium term comprising approximately 300 units targeted for lower income renters or community housing needs. This represents 26% of the future residential units identified in over the next 5 years, which is consistent with the 25% minimum social and public housing initiatives anticipated by Kainga Ora as being a focus for the City. These developments have progressed past the development feasibility stage, and therefore they are not reported in table 2 above.

Improving Housing Affordability

This analysis has revealed that land use policy and infrastructure investment will increase the availability of housing within the CBD environment.

Sales data from 2021 indicate that less than 1% of new homes on the market in Hamilton currently meet the first home grant criteria.

There are wider factors outside of Council's ability to supply more land for development and supply of new infrastructure which mean it is unlikely that these tools alone will result in a large number of new dwellings being provided at house prices that achieve the First Home Grant criteria.

Much of the existing and future social / public housing within the CBD is provided by the community housing and charitable sectors. The scale of housing targeting social, community and low income rental needs identified through engagement with developers and community housing sector is approximately 25% of the total housing identified. However these dwellings are provided through 2 larger scale developments that are in feasibility stage. Given the early stage of development, and the potential for one or either of these developments to not proceed, HCC does not believe there will be a dramatic change in housing affordability outcomes in the short to medium term.

Kainga Ora and central government have a range of public / social housing tools that may be brought into the CBD to provide housing that better connects people to jobs, social services and recreation opportunities. The Government's Public Housing Plan 2021-24 identifies that:

Hamilton is a priority area with high housing deprivation. Supply is targeted here. The region has a high proportion of Māori in housing need. Work is underway to bring on supply in all locations.

Hamilton City Council has an existing Housing Strategy and supporting Action Plan, that includes an action:

Collaborate with Ministry of Housing and Urban Development and Kāinga Ora to assist with the delivery and implementation of central government's Public Housing Plan 2021-2024.

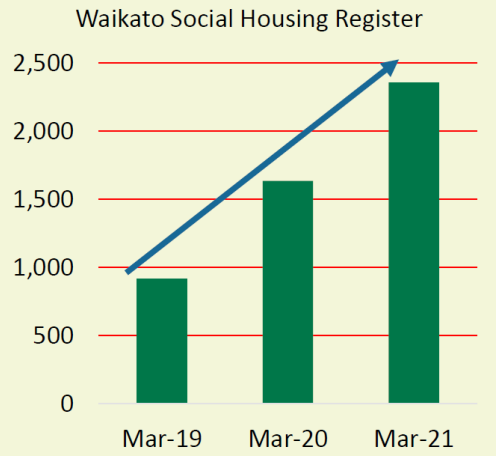
Investment in the Central City that targets improved housing affordability will require the public and social housing tools from Kainga Ora and Central Government alongside Hamilton City and the charitable sector.

Hamilton's proposed Central City proposal therefore anticipates Kainga Ora will be an active supply side partner to develop and deliver affordable housing alongside the policy and infrastructure measures, private development and charitable sectors. These actions will be central to the successful implementation of the anticipated benefits of the Infrastructure Acceleration Fund investment.

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1.3 Extent of Unmet Demand in the CBD (p.14 of RFP)

The Waikato Housing Initiative estimates the Waikato Region is short of 7500 homes (2018) and will require 75,000 new homes by 2043. Hamilton, Waikato and Waipa districts are the most unaffordable districts in the region and are projected to account for over 80% of future demand.



Since 2018, the Waikato Social Housing register has increased by over 200% with a shortfall of over 2400 dwellings.

Addressing the current shortfall in affordable quality housing in the Waikato will require the delivery of a consistent pipeline of additional homes over the next 25 years and beyond. The pipeline will need to deliver homes of a type and in locations which respond to current and future community needs.

At present the Crown is not active in the Hamilton CBD with social housing and is reliant upon the charitable sector and community housing providers to meet community needs.

The average Central City build rate for the last 10 years has been approx. 75 new residential units per year.

If current policy and infrastructure investment continue over the next 20-years, and the development community is unable to scale investment, the projected demand for 2280 – 3280 new Central City dwellings will not be met. A projected 20-year shortfall of 780 to 1780 residential units will result.

The infrastructure proposed in this RFP will enable all of this unmet demand to be realized. It enables approximately 20,000 new dwellings in the CBD to be provided over the next 30 years.

Delivering this unmet demand will require a combination of enabling land use policy, new investment in infrastructure capacity, a robust private land development market and coordinated interventions from Kainga Ora in social and community housing.

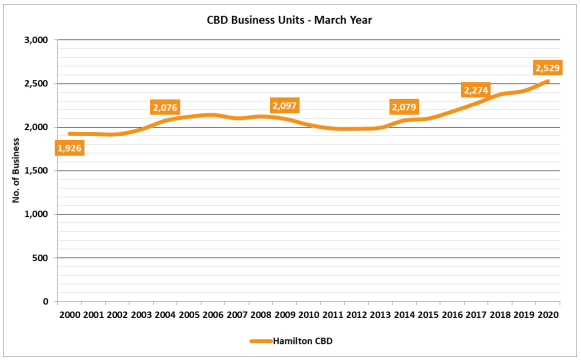
Proximity of Dwellings to Amenities

The CBD already provides the best access to education, employment, recreational and social services than any other centre in the Future Proof sub-region, and the Central City Transformation Plan aims to provide further opportunities so people can live, work and play within a 20-min walk.

Proximity to Employment

Enabling policies and investing in the Central City has attracted new businesses along with new residents. Since 2014, there have been 500 new businesses established in the CBD which has generated approximately 3000 new jobs. Access to a strong employment base is vital to the continued resurgence of the CBD, and Hamilton City is actively engaged with the development community and Central City Business Association in the development of CBD focused policies and investments.





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The current and future scale of residential dwellings in the CBD is far outweighed by the number of jobs available and greater intensification of the central city provides opportunities to better service these existing and future businesses.

Proximity to Educational Facilities

New Zealand's largest tertiary education provider, Te Pūkenga is located in Hamilton's Central City, on the Waikato Institute of Technology grounds. WINTEC caters for 13,000 full time students many of whom live and work within the city centre.

The CBD is serviced by two primary schools and two single sex secondary schools. The primary schools are both within 1km of the City and the furthest secondary school is 2.7km away.

There are multiple early childhood centres within the Central City.

Proximity to other Social Amenities

Refer RFP Document p.15.

1.4 Eligible Infrastructure Supports Intensification

All the eligible infrastructure contained in the proposal supports intensification of between 50-200 houses per hectare consistent with the NPS – Urban Development. This compares favourably to traditional greenfield developments that typically provide between 12-15 houses per hectare.

1.5 Supporting Development on land owned by Maori

Tainui are a partner in Future Proof sub-regional growth strategy and regularly engage with the City on key development opportunities such as the Ruakura Inland Port. Hamilton City Council, Tainui and the Crown are partnering to advance this vital inland freight and logistics hub that will bring region and national economic benefits.

The eligible infrastructure identified in this proposal enables wider housing and employment outcomes for a range of landowners. Tainui Group Holdings Limited (TGH) have a range of established land holdings in the Central City, and their development aspirations will be enabled by this proposal.

Council met with TGH as part of the developer engagement undertaken to support this proposal.

1.6 Supporting environmentally sustainable housing

Access to Public Transport

The Hamilton Central Transport Hub is located within the Central City with direct access from Anglesea Street and Bryce Streets. It provides a central point for 23 bus routes that connect the Transport Centre to destinations within the CBD and to major facilities within Hamilton and neighbouring towns including Raglan, Ngaruawahia, Cambridge and Te Awamutu.

Hamilton City Council have recently completed a business case for a $5M rejuvenation of the transport centre, and this project is currently out to tender for architecture and engineering design services with an aim to progress to construction in later 2022. The rejuvenation project will increase the volume of buses and align the services to the proposed high quality PT corridor along Anglesea Street in this detailed proposal.

Complementary Environmental Benefits

Refer Section 1.6(b) of the RFP

Commitment from Developers

Developers are required to adhere to baseline environmental standards set out in the ODP, and any additional environmental benefits within the central city tend to be focused on improving the environmental design for people. Hamilton City Council has retained an urban design advisory panel over the last 15 years to help guide improved quality of urban design, and this panel has an active role in:

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1. Assisting Council with the Central City Transformation Plan, and associated infrastructure delivery; and
2. Assisting developers with improved quality of environmental and urban design for individual development sites.

Recent examples of high quality urban development is outlined in Figure 8 below

Victoria on the River inner city park and its connection to the Te Awa River great NZ river ride.



Central City Arts and Murals





Union Square Development Between Anglesea and Alexandra Street

Figure 8: Examples of high quality urban environments

Compliance Requirements

The eligible infrastructure projects and development opportunities identified in this proposal will need to complete:

- Land use consents (where minimum development standards are not met) and unit title subdivisions for apartment buildings
- Earthworks consents on steeper land where geotechnical risks are identified
- Discharge consents for stormwater
- Heritage authority approvals where a listed building or feature is damaged, destroyed or modified.
- Building consents for new and refurbished buildings

HCC has committed to establish a dedicated Land use and Building consents team focused on the CBD. This team will be responsible for ensuring high quality developments are processed in an efficient and effective way.

2.0 Evaluation Criteria – Impact of Funding (p.21 of RFP)

2.1 Impact of IAF Advancing Housing

Council have established an enabling growth policy for the Inner City that encourages a live work play philosophy. This has resulted in a stepped change in demand for housing and this results in a stepped change in service for infrastructure.

As reported above, HCC has been enabling at least 50% inner city redevelopment since 2014 and this has been running at 57% of all dwellings for the last 3 years. This development has been enabled through existing capacity of the existing inner-city water and transport networks. Those capacities are rapidly running out, and the development contributions since 2014 do not provide sufficient financial reserve funds to enable the stepped change in arterial and trunk infrastructure to occur.

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IAF Is Critical to Delivery of Infrastructure

Hamilton City Council's long term infrastructure planning and delivery is managed through the Long Term Plan and 30-year infrastructure strategy required under the Local Government Act. Supporting technical material for each asset class is provided through master plans for water supply, wastewater, stormwater and the Access Hamilton Transport Strategy.

The recently adopted the 30-year strategy (May 2021) outlines how Council manages its infrastructure assets including any planned asset renewals and improvements to provide for increased resilience and cater for forecasted growth. The Strategy identifies the need for a range of asset improvements to cater for growth resulting from intensification.

HCC is operating in a constrained fiscal environment with significant growth programmes being advanced in Peacock, Ruakura, Rotokauri and Rototuna growth cells. HCC must therefore prioritise the assets and infrastructure improvements it undertakes and over the next 30-years approximately $2.7B infrastructure improvements are unfunded.

These constraints have meant that Council has been unable to all necessary improvement in the central city that specifically cater for current and anticipated residential and commercial growth, including all of the improvements identified in the IAF Proposal.

If the IAF proposal were not to proceed, and the Central City manages on the current project agreed through the Long Term Plan, this will result in:

- A steady reduction in the levels of service being provided to the community.
- The design / delivery risks being transferred to the development community requiring them to prepare design solutions (e.g. pipe upgrades and storage) for critical services such as fire fighting, water supply, stormwater treatment and storage for wastewater. These costs are on top of the 'last mile' pipe connections that Council would typically require developers to provide in other growth cells.

The costs of implementing these design solutions will add to the bottom-line cost of each development and be passed on to customers in the form of increased purchase price, lease costs or rents. This in turn reduces the affordability of housing and commercial space to the end user, and reduces the attractiveness of the CBD as a place to develop and do business relative to other centres.

The projects identified in this detailed proposal are the critical assets that will significantly advance the development projects within the Central City and provide improved levels of service to the benefit of the wider community.

2.2 Other Funding Means

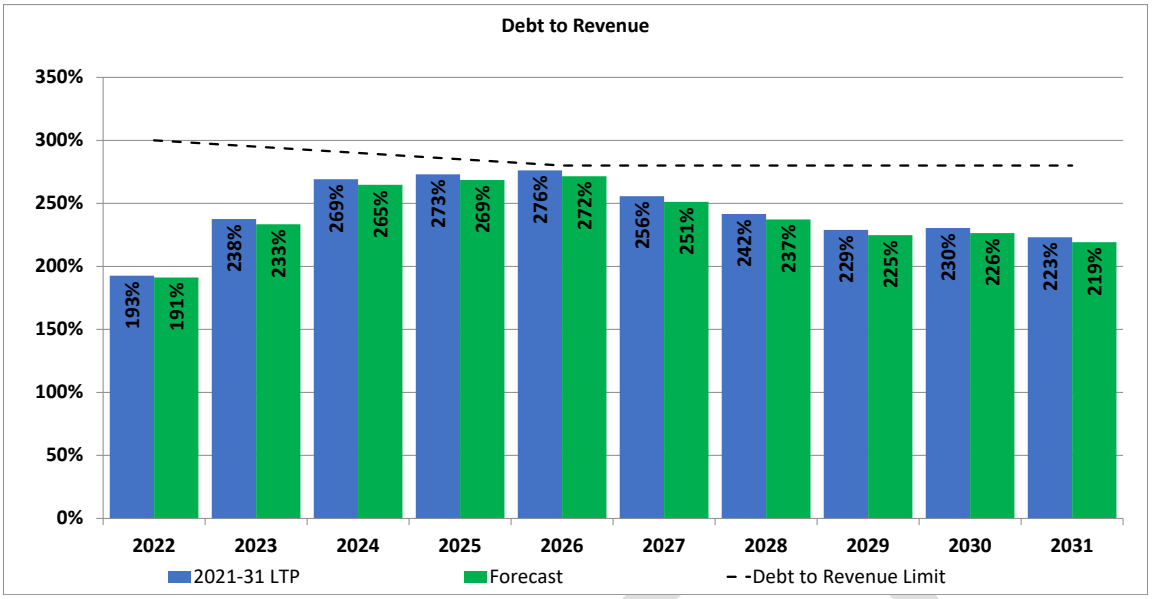
Rates Revenues

Council have undertaken a robust discussion with the City community to develop its 2021 Long-Term Plan. The rates set resulted in an average annual rate rise of 8.9%, which reflects the needs of a rapidly growing City, and the enabling land use policies directed from Government through the NPS Urban Development.

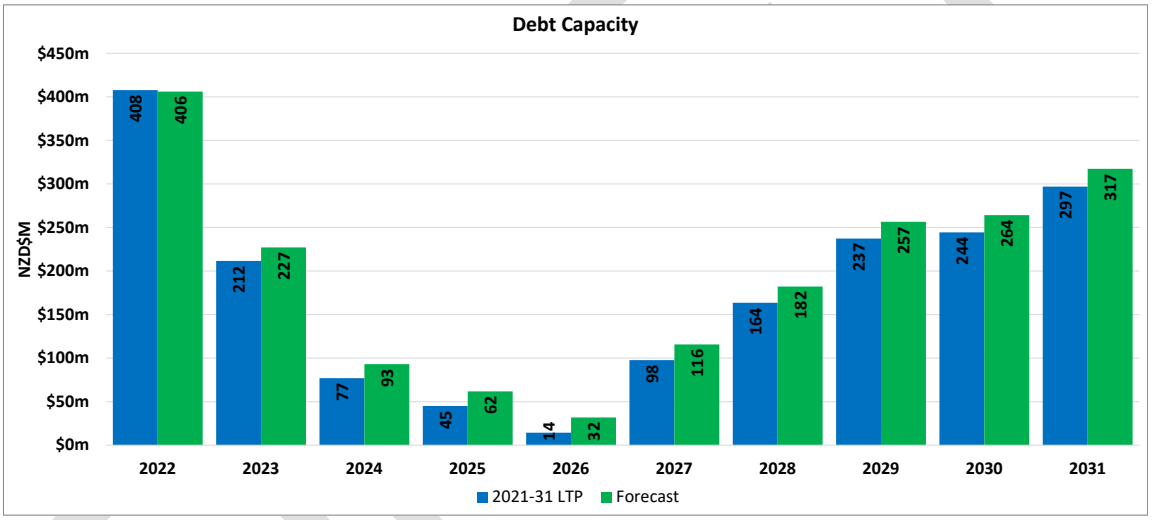
Forecast Debt to Revenue Ratio

Councils forecast debt headroom under the current 2022 to 2031 Long Term Plan (LTP) provides limited ability to borrow further to cater for a growing City's needs. Summarised in Figure 9 below is the forecast debt to revenue ratio and the corresponding debt headroom for the next 10 financial years.

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Forecast Debt Headroom



Source: 2021.31 LTP Debt Forecast Model FC 14 Dec.xlsx

Figure 9: Forecasted Debt to Revenue Ratio and Debt Headroom

The headroom shown above is based on the LGFA debt to revenue limit. In practice Councils are required to keep a contingency below this level for unforeseen funding requirements and emergencies.

Based on the latest 2021/31 LTP forecast there is limited debt headroom ($32m) to 2026. As with all forecasting there is more certainty over the forecast operating budgets and capital programs in the early years relative to the later years, therefore headroom beyond 2026 will likely reduce in time.

3.0 Evaluation Criteria Cost and Co-Funding (p.24 of RFP)

3.1 Average Cost Per Dwelling

Average house price in Hamitlon is $862k (Oct 21)

The average development cost of building dwelling unit (2021) in Hamilton City is $340k / unit, and in the Central City is $303k / Unit (source, HCC building consent data), which indicates that build costs are

relatively cheaper in the Central City, though this is most likely to be from reduced dwelling sizes as opposed to efficiencies of build.

Without the IAF being successful, the development community will be responsible for achieving the level of service for water supply and stormwater, which will transfer the cost of this infrastructure onto the development. The average cost of development per unit will therefore increase.

The $333.5M IAF fund will enable delivery approximately 20,000 houses and provide investor confidence to maintain the current trajectory of housing growth in the CBD and thereby reduce the average development cost per dwelling.

3.2 Alignment with Co-Funding Principles

HCC has adopted a development contributions policy that provides for 100% remissions for new buildings that are 6-stories or over, and 50% remissions for other developments within the Central City.

The Central City IAF proposal enables an investment partnership between the Crown, Council and the development community (refer details in Figure 10 below) in a similar way to how HCC is partnering for the delivery of the Peacock growth cell.

The $333.5m funding request for the CBD IAF Projects equates to 59% of the total CBD related infrastructure expenditure forecasted in the next 10 years, but this is substantially reduced when spread over the next 30 years of housing development it enables.

The additional funding is contributed by Council $129.3m (23%) of eligible infrastructure projects and $23.3M ineligible projects demonstrates a positive commitment by Council to the CBD and this investment partnership. The $100m (18%) localised developer funded infrastructure is backed up by a projected $2b of private capital investment enabled by this proposal.

The long term nature of the investment means that the total costs and benefits will be realized over more than the ten year period anticipated by the RFP. Therefore the developer direct investment in infrastructure over the full life of the assets created is anticipated to be over $200M within the next 30-years.

HCC negotiates ‘developer agreements’ as a mechanism to agree infrastructure cost share agreements for particular developments. These agreements are successfully implemented across the City, and are in use as part of agreeing staging, timing and cost share of developments. HCC / the Government funding partnership on Peacock urban growth cell is successfully using the development agreement approach.

Hamilton City is willing to co-invest further with through deploying an Infrastructure Funding and Financing (IFF) levy model similar to the Peacocke growth cell. This would involve refinancing the existing Housing Infrastructure Funding (HIF) loan and create around $100M of debt capacity. This could be in part redirected into Central City investment and create investment options for new housing at scale such as the Rotokauri Stage 1 growth cell (currently a provisional IAF project) which has a yield of 3,000 houses and currently sits on Kainga Ora’s IAF reserve list.

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Summary of Central City Project Costs and Funding

$ in 000s	Total Cost	%	
Schedule 1 Table 1a - Eligible Projects			
IAF Request	**333,499**	**59%**	❶
Transport	78,498		
Three Waters	255,001		
Flood Management	-		
LTP Co-funding	**129,320**	**23%**	❷
Transport	91,426		
Three Waters	37,894		
Flood Management	-		
Developer funded	**100,060**	**18%**	❸
Transport	-		
Three Waters	100,060		
Flood Management	-		
Total Eligible Project Costs	**562,879**	**100%**	
Schedule 1 Table 1a - Ineligible Projects			
LTP Funding	**23,295**	**1%**	❹
Transport	-		
Three Waters	-		
Flood Management	-		
Other	23,295		
Developer funded	**2,064,900**	**99%**	❺
Vertical Construction	2,064,900		
Total Ineligible Project Costs	**2,088,195**	**100%**	
Total Costs	**2,651,074**		

Figure 10: Co-funding arrangements for Central City

Notes

Direct Project Costs

1. CBD IAF Projects – consistent with the EOI, refer project schedule at [insert section].

2. The 2021/31 LTP includes $129m of eligible water and transported related CBD projects

3. Developer Infrastructure – The CBD IAF Projects deliver bulk headworks and trunk / main connections whilst developers are responsible for localised infrastructure and connections for their respective developments.

4. The 2021/31 LTP includes $23m of ineligible CBD projects, including Parks and Sports Parks upgrades, Museum expenditure and aquatic facilities.

5. The infrastructure provided through the IAF will enable Developers to intensify the CBD with an estimated $2b of vertical construction expenditure providing 2200-4000 new dwellings and over 300,000m2 GFA of new and refurbished commercial and retail space in the next 10-years. Beyond this initial offering, the infrastructure will enable up to 20,000 new dwellings.

6. Development costs have been inflated to reflect changing market circumstances. Details are provided in Appendix H.

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4.0 Evaluation Criteria – Capability and Readiness (p.26 of RFP)

4.1 Extent of Barriers to the Housing Development

There are no significant barriers or land use restrictions in the Central City. The ODP and future plan change to implement the NPS-Urban Development enable sufficient supply to be provided in the next 20-years.

The primary barrier to pace and scale of housing development is:

1. Access to trunk infrastructure – particularly water supply and wastewater disposal
2. Access to skills and resources.

HCC's experience on Peacock is that the ability to communicate a large, committed programme of work to the construction sector early has provided an attractive market proposition for large scale contractors to establish and grow in the local market. This also enables the construction sector to invest in plant, materials and staff employment and training over a longer period of time.

The timing of the central city programme outlined in this proposal dovetails with the completion of the major construction work on the Peacock growth cell, and would provide good timing for new and established construction companies to progress the delivery phases of this work.

The Risk assessment undertaken as part of this proposed (refer Appendix E) highlights the primary cost and programme risk to the Central City is loss of investor confidence resulting from lack of infrastructure capacity to service the current and forecasted demand for development. If this risk was realised and 25% of identified development in the next 10 years was to leave the City, this would result in a $0.5B reduction in private investment in that period.

4.2 Developer Commitment to Build Housing Quickly

There are multiple established developers who are active in the Central City. Stark Property supported the EOI for the Central City and are actively involved in many Inner City residential and Commercial property developments. Stark note that:

We are passionate about the revitalisation of the Hamilton CBD and seeing the city thrive and grow

Within the next 5 years, HCC is anticipating 26 new inner city developments that well advanced in development feasibility, consenting and progressing into construction. In the next five years these developments will deliver approximately 1140 new residential unit and 230,000m^2 GFA of commercial / retail space.

Please find attached in Appendix G letters of support from our major developer and social housing partners within the CBD.

4.3 Demonstrated Alignment

The EOI for the Central City was formally reported through the FutureProof partnership and is supported by all partners at that table including Waikato Regional Council, Waipa and Waikato District Council and Mana Whenua.

Please find attached in Appendix G the letters of support from our development and Future Proof partners.

4.4 Ability of all Parties to Deliver Housing

Refer RFP document.

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5.0 Summary of Investment Benefits

The IAF proposal is an integrated programme that offers improved delivery of housing in the short to medium term, and enables additional economic, social and environmental benefits through improved access to jobs, improved access to services and reduced carbon emissions. A summary of the benefits against the NPS Urban Development, the IAF criteria and the central city transformation plan is provided in Attachment F.

A summary of findings from the benefits analysis is provided below.

IAF Proposal Delivers on the NPS Urban Development

The NPS Urban Development establishes a challenging set of land use policies and urban development actions. HCC is delivering an enabling land use policy framework consistent with the NPS.

HCC is, however, unable to deliver the required infrastructure (within current debt limits) that will be enabled by the NPS, and the delays on trunk infrastructure will result in additional costs being transferred to developments, and ultimately delayed housing and economic development. The IAF directly removes these barriers and will enable the Govt to deliver on the outcomes sought by the NPS Urban Development.

IAF Proposal Delivers on Urban Growth Agenda Partnership

The Future Proof partnership has been actively engaged in Growth Management with Government since 2009. The Hamilton to Auckland Corridor Plan and the Hamilton-Waikato Metro Spatial Plan are core parts of delivering Government's Urban Growth Agenda, and were adopted by Cabinet in 2019 and 2020 respectively.

The Central City is recognized as the primary economic core for the Future Proof sub-region, and a strong / vibrant central City is a core outcome of MSP.

The IAF proposal provides an opportunity for Government to deliver on the shared commitments of the MSP, and demonstrate that the Future Proof partnership can plan and deliver together.

Housing Demand Unlikely to be Met under BAU

The Area Plan and District Plan policy changes are being delivered by Hamilton City and will enable more intensive housing opportunities to be provided within the Inner City.

There is potential demand for 3200 new residential dwellings in the CBD in the next 20 years, which will not be met under a BAU investment approach that relies on individual private developers having to invest in local infrastructure without the benefit of primary network. BAU investment approach has been providing an average of 75 residential units per year since 2014. Continuing this pattern will result in approximate shortfall of 1700 dwelling units over the 20-year period.

Aligned with Mana Whenua Aspirations

Mana Whenua have been actively involved in the FutureProof partnership since 2009 and have been involved as partners in developing the District Plan and shaping the Central City Transformation Plan.

The IAF proposal aligns with Mana Whenua aspirations as outlined in the Future Proof Strategy and delivers on the growth enabled through the District Plan and the live, work, play philosophy of the Central City Transformation Plan.

The IAF proposal enables pace and scale of housing

The IAF projects remove significant barriers to housing. The forthcoming district plan change under the NPS Urban Development will enable 42,000 dwellings, but the infrastructure investment is not enabled in the current Long Term Plan. The IAF enables 20,000 dwellings to be provided for over a 30-year period thereby removing barriers to pace and scale of development and instilling developer confidence to continue investing in the CBD.

Economic Benefits

The benefits of the IAF proposal extend beyond delivering more homes in one of New Zealand's fastest growing cities. The combined $2.5b of private and public investment is estimated to generate up to 1800 new jobs every year and an estimated $140M increase in annual GDP over the next ten years

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Future Proof
Te Tau Tītoki

14 December 2021

Andrew Mackenzie
Chief Executive
Kāinga Ora – Homes and Communities

Dear Andrew,

Infrastructure Acceleration Fund Proposals

As Independent Chair of Future Proof, I thank you for the opportunity to progress three Infrastructure Acceleration Fund (IAF) proposals from Hamilton City Council and Waipā District Council to the proposal stage. Future Proof Partners are in an ideal position to utilise this fund to support the Government's objectives for improving housing affordability and delivering housing at pace and scale.

Hamilton City Council and Waipā District Council are providing three comprehensive proposals which will assist in delivering much needed housing in the Future Proof sub-region.

Hamilton City Council proposals

Central City proposal
This proposal for $333.5 million is supported by an additional $129.3 million of co-funding from Council, $100 million of direct infrastructure investment from the development community. Interviews with urban developers indicate that this investment could support over $2 billion of new residential and commercial development in the next 10 years. This proposal enables 20,000 new dwellings, including 1,900 already in construction, consent or concept phase.

Rototuna North proposal
This proposal for $19.9 million is supported by $16.4 million of co-funding from Council, $8.8 million of investment from the development community and will enable 900 dwellings.

Waipā District Council proposal

Te Awamutu Growth Cell T11
This proposal for $14.5 million is supported by $34 million of investment from developers, comprising $12 million in development contributions for offsite infrastructure and $22 million of direct infrastructure. Over 450 dwellings will be enabled, including affordable housing which Waipā District Council is working directly with Kāinga Ora to deliver.

These proposals are consistent with the objectives of the Urban Growth Agenda (UGA), the Hamilton-Waikato Urban Growth Partnership, and the Future Proof Sub-Regional Growth Strategy.

The Future Proof Partnership was set up to consider how the Hamilton City, Waikato District and Waipā District sub-region should develop into the future. The Future Proof Partnership includes iwi, local government, Waka Kotahi, the Waikato District Health Board, and central government. The partnership recognises that this collaborative, boundaryless, sub-regional approach is needed to achieve successful growth.

The Partnership's history of successful collaborative planning through the development of the Hamilton to Auckland Corridor Plan and the Metro Spatial Plan has contributed to the robust planning framework across the sub-region which aligns with and supports these IAF proposals.

Funding these proposals will enable the sub-region to deliver infrastructure solutions that will increase the pace and scale of housing supply, and, importantly, assist in building quality, liveable and affordable communities. We have a motivated development community who are ready to work with our local authority partners to deliver housing and community spaces within an accelerated timeframe.

These proposals directly deliver on the NPS-Urban Development, and if approved would represent a significant contribution by the Government to the Urban Growth Agenda partnership (formed under Future Proof).

Our history of collaborative planning, our track record of delivery, as well as our commitment to enduring partnerships with Iwi, central government, and the private sector should provide the Government with confidence that these proposals will deliver on the desired housing outcomes.

Thank you for your consideration of the accompanying proposals.

Yours sincerely



Bill Wasley
Independent Chair
Future Proof

OFFICE OF THE MAYOR
HAMILTON

9 December 2021

Andrew McKenzie
Chief Executive Officer
Kāinga Ora – Homes and Communities
Housing New Zealand Corporation

Dear Andrew

Thank you for the opportunity to progress our Infrastructure Acceleration Fund bids to the proposal stage.

Hamilton City Council has pleasure in providing two comprehensive proposals, both of which will assist in delivering desperately needed housing to our city. Each will contribute to the well-being of Hamiltonians and will enable us to build stronger, more resilient communities in New Zealand's fourth most populace city.

Our central city bid will help Hamilton to meet the Government directive that high-growth cities like ours allow for greater height and denser housing with easy access to employment and community services. One of Council's five priorities is to '*Shape a central city where people love to be'*. Inner city living is an important part of that, as is the concept of a 20-minute city which Hamilton is working hard to plan and progress.

Our District Plan has enabled mixed-use developments in the central city since 2014, and a future Plan Change (August 2022) will enable 214 hectares of medium to high-density inner-city redevelopment hosting more than 42,000 dwellings. Council has already committed $129.3M in its 2021-2031 Long Term Plan (LTP) to deliver infrastructure to support this vision. However, our Council is operating at its prudential debt limits and alone, simply cannot deliver the infrastructure needed. IAF support will be pivotal to Council bringing that investment forward.

It is also of note that our central city proposal directly delivers on the NPS - Urban Development and represents a tangible commitment by the Government to the Urban Growth Agenda partnership (formed under FutureProof). That partnership will deliver the Hamilton to Auckland Corridor Plan and the Metro Spatial Plan. Importantly, both of those pieces of work have already been adopted by Cabinet.

I would make two further points regarding our central city proposal.

I am particularly pleased that inner-city developers and social housing agencies have been involved in developing this bid. We are all on the same page in wanting more housing, faster, for our city. However, developers advise that, without intervention, the enabling land use policy and infrastructure investment is unlikely to deliver homes that meet First Home Grant criteria and Waikato Housing Initiative social housing outcomes. This is an important consideration for Kāinga Ora and Government as we all try to find ways to progress our common goals.

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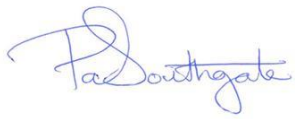
Secondly, Kāinga Ora (quite rightly) noted that in our initial central city EOI, there was no co-funding in place. We have now clearly identified $129.3M of relevant investment in our LTP as well as an estimated $100M from developers. This bid has the proposal to unlock more than $2B in private investment over the next decade. I trust this addresses your initial concern.

Our second, Rototuna North bid also has significant co-investment. This a $19.9M proposal, supported by an additional $16.4M of co-funding from Council plus a further $8.8M of developer share. It will unlock residential development that, over the next five years, will deliver 900 units of new housing.

I am particularly delighted that the Rototuna proposal is a very strong contender for a fast-tracked IAF process given the high degree of certainty that infrastructure works will commence in early 2022. A fast-track approval from the IAF fund will ensure procurement tendering can commence and I very much hope that is the case.

Thank you for consideration of both proposals and I look forward to a speedy and constructive conclusion to this process.

Yours sincerely



Paula Southgate
Mayor of Hamilton

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Hamilton City Council

Central City Transformation Plan and Infrastructure Acceleration Fund Proposal

Policy alignment at national, regional and local levels.

1.0 Purpose

The purpose of this document is to describe how the IAF bid helps to deliver the outcomes of the Central City Transformation Plan, and the alignment of that Plan to the relevant national, regional and local strategies and plans.

The conclusion of this report is that investment in the IAF projects is strongly aligned with the Central City Transformation Plan. It gives effect to the joint Hamilton to Auckland Corridor Plan and the Hamilton-Waikato Metro Spatial Plan, both of which have been endorsed by Cabinet as delivering on the Governments Urban Growth Agenda.

2.0 Central City Transformation Plan

Hamilton City Council's Central City Transformation Plan (CCTP) developed by Hamilton City Council, sets out the vision and strategy for the revitalisation of the city centre. The Plan sets out seven outcomes to achieve this:

- Hamilton Kirikiriroa – Drawing on contemporary Maaori culture, built heritage and existing character to shape the future of the central city
- A Place to Call Home – Encouraging and enabling residential growth, ensuring high-density living is integrated in the urban realm
- A Playful City – Creating spaces that are inviting, lively and increase opportunity for social interaction and foster inclusivity
- A Home for Diversity – Ensuring the central city is accessible for all people
- A Well-connected Central City – Improving access within and to the central city, encouraging the use of active and public transport and moving away from private vehicle dominance
- Blue-green Central City – Enhancing and increasing quality of and access to Hamilton central's blue-green network, enhancing ecology and biodiversity
- Prosperous Economy – Providing spaces and facilities to attract and meet the needs of employers to enable the central city to be an ideal location to establish, grow or relocate a business.

The central city is in a desirable location, future focussed, aiming toward a sustainable living environment that will provide for increased residential development for Hamilton and Waikato. Hamilton City requires infrastructure funding to be able to ensure that the central city is able to be developed in accordance with the outcomes of the Central City Transformation Plan.

The Infrastructure Acceleration Fund (IAF) proposal submitted by HCC is consistent with the CCTP outcomes, and gives effect to the vision for the Central City.

2.1 Alignment to National, Regional and Local Policy Direction

The Government has been active in forming an Urban Growth Agenda partnership with the Future Proof sub-region.

In 2019, the Future Proof partnership, together with Government representatives from Ministry fo Housing and Urban Development, Ministry of Transport and Treasury jointly authored the Hamilton to Auckland Corridor Plan (H2A) and subsequently, the Hamilton-Waikato Metro Spatial Plan (MSP). Both the H2A and MSP projects were adopted by Cabinet in 2019 and 2020 respectively. The CCTP, and the delivery projects described in the IAF proposal implement the H2A and MSP projects at a local level, and enable the Government to demonstrate that we can not only plan in partnership, but also deliver in partnership.

Table 1 below demonstrates that the CCTP and supporting IAF proposal is entirely aligned with national, regional and local outcomes described in key strategies and polices such as the Government Policy Statements, National Policy Statements, the Waikato Regional Policy Statement, the Hamilton City District Plans, the Vision and Strategy for the Waikato River and cross-boundary, collaborative stakeholder partnerships. This high level of alignment provides confidence to all those considering the investment that there is no strategic or policy barrier to investing directly into the CBD.

Details of that alignment are contained in sections 3, 4 and 5 of this report .

		TABLE 1: ALIGNMENT ON OUTCOMES SOUGHT FOR THE CENTRAL CITY					
		Hamilton Kirikiriroa Maaori identity highlighted through integrated urban design	**A Place to Call Home** Compact, liveable, mixed-use	**A Playful City** Participation of children and families in the central city	**Well-connected Central City** Multi-modal transport choices	**Blue-Green Central City** Urban design & biodiversity	**Prosperous Economy** Businesses to establish & thrive
STATUTORY AND STRATEGIC POLICY	**NATIONAL POLICY STATEMENTS AND ACTS**						
	GPS – Housing and Urban Development	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓✓
	GPS - Land Transport		✓✓		✓✓✓	✓	✓✓
	NPS – Urban Development	✓✓	✓✓✓	✓✓	✓✓✓	✓	✓✓
	Climate Change Response Act 2002		✓✓✓		✓✓✓	✓✓	✓
	Draft 30-year NZ Infrastructure Strategy	✓✓✓	✓✓	✓✓✓	✓✓✓		✓✓✓
	Proposed NPS – High Productive Land		✓✓✓				
	REGIONAL STRATEGIES AND POLICIES						
	Waikato River Vision and Strategy	✓✓✓		✓✓		✓✓✓	
	Waikato Regional Policy Statement	✓	✓✓		✓✓	✓	
	Hamilton - Waikato Metro Spatial Plan	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton to Auckland Corridor Plan	✓	✓✓✓		✓✓✓	✓✓✓	✓✓
	LOCAL PLANS						
	Central City Transformation Plan	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton Urban Growth Strategy	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓
	Hamilton City District Plan	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
	Hamilton City Long Term Plan	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓

Key: ✓= Aligned ✓✓= Strong alignment ✓✓✓= Very strong alignment

3.0 National Alignment

3.1 Government Policy Statement on Housing and Urban Development

The Government Policy Statement on Housing and Urban Development (GPS-HUD) provides a shared vision and direction for housing and urban development in Aotearoa New Zealand. It sets expectations for how Kāinga Ora manages its functions and operations.

Places should be accessible, connected, well designed and resilient. The outcomes sought by the GPS-HUD include building thriving and resilient communities that are supported by partnerships and collaboration from stakeholders and enable housing supply that is accessible, connective and mixed-use.

The Central City Transformation Plan (CCTP) has been a constituent of wider strategic documents in the sub-region collaborated on by central, regional and local council. The Plan seeks to reinvigorate the centre by utilising and upgrading existing infrastructure to support mixed-use development and provide the community with a cohesive environment to live, work and play. The GPS's priorities seek that infrastructure investment and planning supports growth and change. This requires integrating government investment at a local level, and support more local government investment in infrastructure that enables urban growth. The priorities also seek that neighbourhoods and places meet the needs of communities and are well-equipped to meet long-term climate, social, cultural, environmental and economic challenges and opportunities. The CCTP reflects these priorities by focusing on housing affordability and providing for new typology models that are well-connected, part of mixed-use development and within walking distance of essential services.

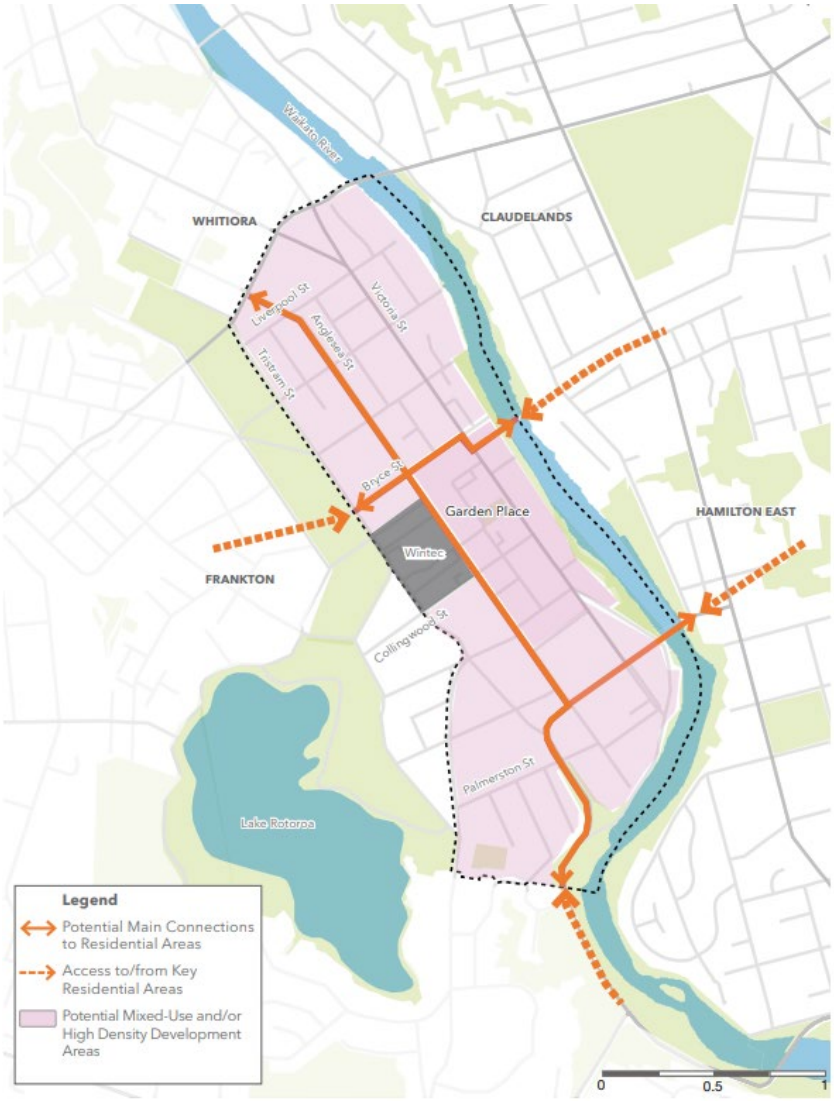


Figure 1: Future Residential Intensification Area (Source: CCTP)

The CCTP supports the GPS's outcome of building a thriving and resilient community that is connected to jobs, education, health and support services, amenities and sports and leisure activities. There are fourteen schools and Early Childhood centres located within a walkable catchment of the central city area. Waikato Hospital and associated support services, FMG Stadium, Seddon Park and various amenities including Memorial Park and Victoria on the River are all located within or in close proximity of the central city. Public transport and active transport networks are at the heart of the transformation plan which seeks to move away from dependency on car usage and promote active and public modes of transport.

3.2 Government Policy Statement on Land Transport

The Government Policy Statement on Land Transport outlines the direction for government investment into the land transport system from the National Land Transport Fund (NLTF) over the next 10 years.

The priorities of the GPS 2018 included a significant shift towards different modes of transport. The GPS 2021 develops this further. Waka Kotahi – New Zealand Transport Agency, Hamilton City and partners have recently developed the Hamilton-Waikato Metro Area Mode Shift Plan to describe how a balanced transport system can be developed. In the 2021-31 Long-Term Plan, Council has aligned its Transportation activity and investments to the direction outline in the GPS as much as possible to deliver on these outcomes and maximise available funding to deliver these outcomes.

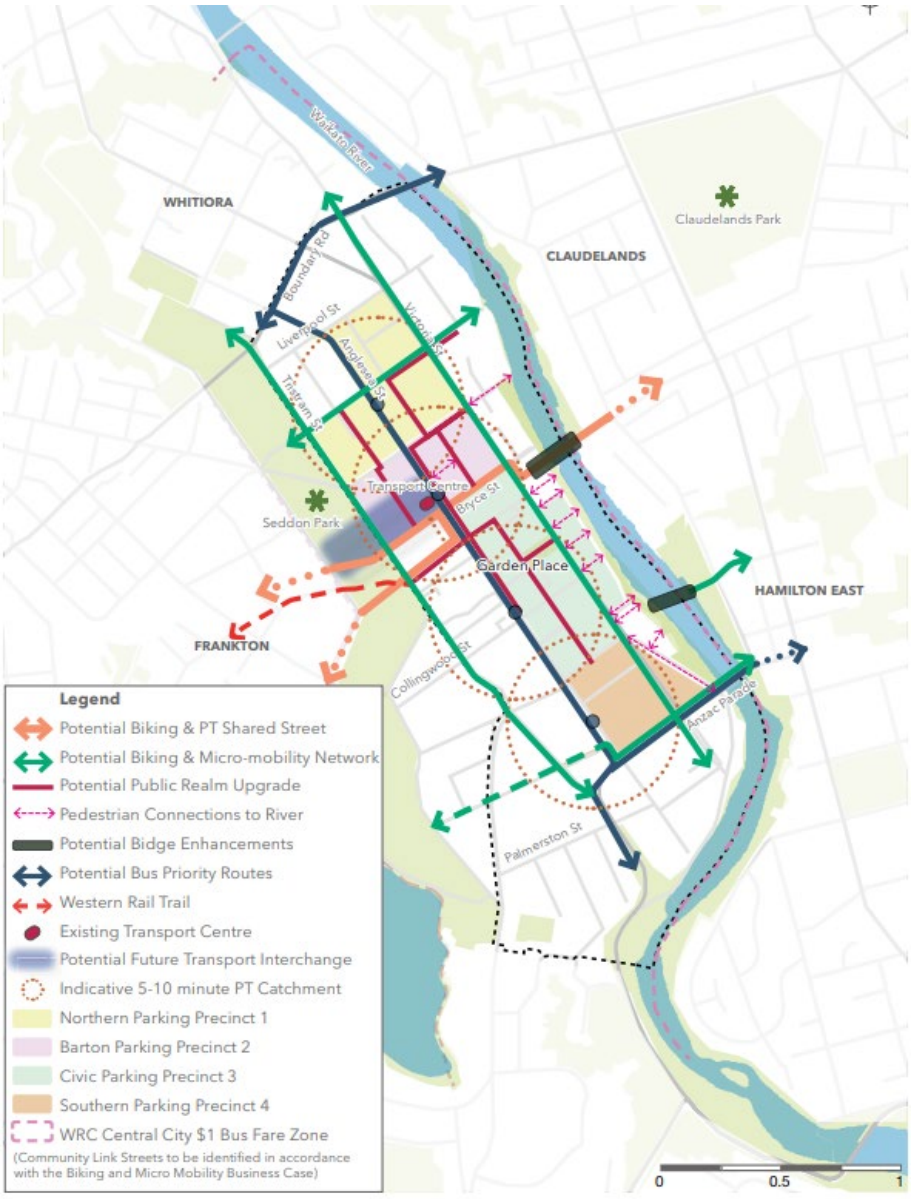


Figure 2: Future Walking, Biking and Priority Bus Network (Source: CCTP)

One of the strategic priorities of the GPS is to provide better travel options. It seeks to provide people with better transport options to access social and economic opportunities. The transport system contributes to liveable cities and towns by providing people with good travel options. This requires all parts of the transport system, be it roads, rail, public transport, and walking and cycling routes, to work together. Hamilton is a part of the Golden Triangle with Auckland and Tauranga. One of the key drivers shaping Hamilton central city is improving connectivity between these regional centres through faster and more reliable transport options. This includes investing in freight, train and roading networks to help the centre thrive.

The CCTP gives direct effect to the strategic priority for climate change by shifting to a low carbon transport system that supports emissions reductions aligned with national commitments, while improving safety and inclusive access. The Plan provides for multiple corridors for mixed mode transport as well as potential green corridors that act as access from the city directly to amenities such as the Waikato River and Lake Rotoroa.

The central city supports the GPS's strategic priorities by enabling a variety of transport options that include walking biking, micro-mobility and public transport options within the centre.

3.3 National Policy Statement for Urban Development

The National Policy Statement for Urban Development (NPS-UD) aims to ensure that New Zealand's towns and cities are well-functioning urban environments that meet the changing needs of our diverse communities.

The objectives and policies of the NPS-UD seek that local authority decisions are integrated with infrastructure planning and funding decisions, strategic and responsive to proposals that supply development capacity. They also look to enable well-functioning urban environments that have good accessibility for all people between housing, jobs, community services, open spaces including by way of public or active transport, and support reductions in greenhouse gas emissions.

The NPS-UD has specific requirements for Tier 1 local authorities. It sets out that in city centre zones, building heights and density of urban form realise as much development capacity as possible to maximise benefits of intensification and that building heights of at least 6 storeys within a walkable catchment of existing and planned rapid transit and the edge of city centre zones.

In 2018, the Government developed the Urban Growth Agenda (UGA) which sets out what needs to happen to make housing more affordable and provide the infrastructure (like pipes and roads) to allow our communities to grow and thrive. A series of national policies support the UGA to help make this happen. The NPS-UD directs a new way of managing growth to enable Hamilton to grow 'up', allowing greater heights and greater density in locations with good access to services, jobs and amenities (like shops, parks, and public transport).

Hamilton City Council is making changes to the district plan to give effect to the NPS-UD via Plan Change 12 by:

- identifying and anticipating the level of demand for housing and businesses in the future and provide for that demand.
- enabling the scale of housing development needed for Hamilton's increasing population and the level of intensification (growing up) required by the NPS-UD.
- enabling greater density/building heights in areas where people can easily access jobs, shops, schools, parks and quality transport connections. It is investigating what those areas are and how different types of higher density housing could work through Area plans.

The National Policy Statement on Urban Development continues to evolve the policy approach that Hamilton City Council commenced in 2009 with the Hamilton Urban Growth Strategy. Hamilton City is responding to the NPS-UD through the development of a specific Area Plan for the CBD that will include enabling policies for residential and mixed-use developments that delivers greater density of living in and around the CBD core. This directly gives effect to the intensification policy requirements where building heights and densities should be set out. A walkable catchment of 800m around the central city will guide the extent of the residential intensification area where;

- Building heights of at least 6 stories are enabled; and
- Mixed use development recognising the diverse nature of the central city is enabled.

The CCTP is in direct alignment with the requirements of Tier 1 local authorities in the NPS-UD.

3.4 Climate Change Response Act 2002

The Climate Change Response Act 2002 requires Council to publish an emissions reduction plan by 31 May 2022, setting out how climate targets will be met. The emissions reduction plan will set the direction for climate action for the next 15 years and require action across a range of areas, including energy, transport, waste, agriculture, construction and financial services.

The Ministry for the Environment has recently consulted on the proposed emissions reduction policies. This set out new strategies and policies that include:

- Integrating emissions reduction into land-use planning and investments as part of the resource management reforms currently underway.
- Integrating emissions into urban planning and funding
- Integrating land use, urban development and transport planning and investments to reduce transport emissions.
- Implementing mode-shift plans for our largest cities and begin planning for other urban areas.
- Supporting local government to accelerate widespread street/road reallocation to support public transport, active travel and placemaking.

The Kāinga Ora programme is working to understand how it can reduce urban emissions through planning and infrastructure in its large-scale regeneration programmes. This is supported by a Housing Acceleration Fund for infrastructure, and work to take a climate lens across investment. In the first budget period, New Zealanders will be provided with better travel choices by implementing mode-shift plans for six of the largest/high-growth cities in transitioning to a low-emissions and climate-resilient future 65 partnership with local government, which includes Hamilton.

Hamilton City Council recognises that its greenhouse gas emissions come primarily from transport. The CCTP envisions zero emissions zone for the central city in the long-term. This will be achieved through targeted development that supports the 800 m walkable catchment where all essential services are within a walkable distance or accessed via rapid and frequent public transport. The Plan will support investment in public transport, walking and biking infrastructure with a target reduction of at least 25% of cars in morning peak by 2030. Road speeds will be reduced to 30 km/h to support pedestrian usage.

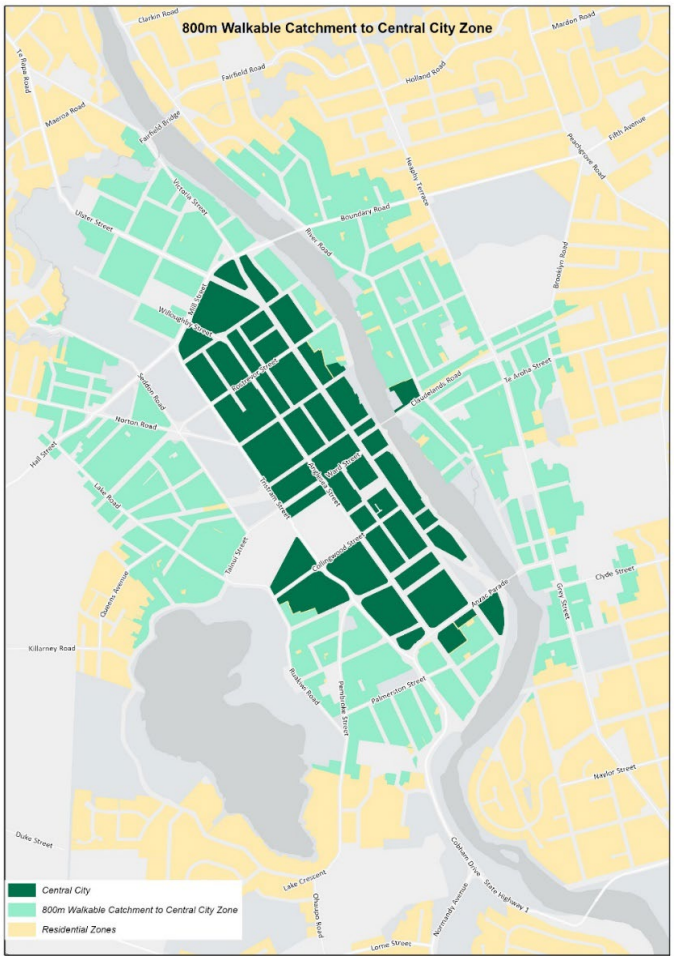


Figure 3: 800 m Walkable Catchment Area (Source: HCC)

Submitters on Hīkina te Kohupara strongly supported widespread street space reallocation to support walking, cycling, scooting and public transport. Central government has identified that they need to support local government to make these changes – as the CCTP envisages.

3.5 Draft National Infrastructure Strategy

The draft National Infrastructure Strategy proposes a vision for infrastructure and guiding principles in areas where change is needed. To achieve great outputs for targeted investment, the strategy proposes a variety of guiding principles which include being future-focused and ensuring that infrastructure is adaptable and responsive to changing circumstances like climate change. The principles also seek that infrastructure investment is evidence-based where decisions are based on robust information around costs, benefits, risks and wider positive and negative impacts. Overall, the Infrastructure Committee propose a fundamental principle that infrastructure should support the wellbeing of people.

The CCTP supports the proposed principles of the Infrastructure Strategy. There has been extensive modelling and development around the future for the central city and what is required to unlock its potential. In terms of efficiency, infrastructure enablement will have significant cultural, economic, social and environmental impacts that are better and larger than the cost to provide it. The infrastructure strategy aims to avoid siloed thinking. The CCTP and wider desired outcomes for the Hamilton-Waikato area have been developed through various strategic documents by cross-boundary partnerships at a local, regional and national level that avoid the potential of siloed thinking.

The CCTP is strongly aligned with the Infrastructure Strategy where it is focused on options. What distinguishes the central city from other large-scale projects is that it is focused on utilising and improving the infrastructure that we already have. It also provides non-built alternatives to physical infrastructure (a decision-making principle identified in the Infrastructure Strategy) through the redevelopment and utilisation of existing transport connections with a focus on the blue-green network and repurposing existing street layouts - an outcome sought by the strategic planning documents that have been developed at a national and regional level.

3.6 Proposed National Policy Statement for Highly Productive Land

The Government is proposing a National Policy Statement for Highly Productive Land (NPS-HPL) to improve the way highly productive land is managed under the Resource Management Act 1991 (RMA).

The overall purpose of the proposed NPS-HPL is to improve the way highly-productive land is managed under the RMA to:

- recognise the full range of values and benefits associated with its use for primary production
- maintain its availability for primary production for future generations
- protect it from inappropriate subdivision, use, and development.

A key focus of the NPS is to protect highly productive land from “inappropriate subdivision, use and development”, which will help to maintain the availability of highly productive land for primary production for future generations.

The proposed NPS would include clear policy direction on how highly productive land should be considered when planning for new urban development and growth. This would include direction to councils on how to consider highly productive land when identifying new areas for urban growth (including when preparing future development strategies) to give effect to the NPS-UD and encourage a broader spatial planning approach.

The work to further develop the policy has been affected by the government's need to focus on the response to COVID-19 and ongoing recovery. Final decisions on the proposed NPS-HPL will be made by ministers and Cabinet in the first half of 2022. If approved by Cabinet, the proposal would likely take effect in the first half of 2022.

It is considered that the outcomes sought by the CCTP are in strong alignment with the purpose of the NPS. By focussing development in areas that are already developed, it relieves pressure to sprawl, therefore protecting the integrity and intended purpose of highly productive soils.

4.0 Regional Alignment

4.1 Future Proof Strategy

The Future Proof Strategy has a variety of guiding principles that state how the sub-regional area should be developed into the future. The principles include creating a vibrant city centre which involves promoting increased densities in the redevelopment of existing urban areas. It also looks to shape development in a sustainable way that avoids unnecessary sprawl. The Future Proof Strategy also highlights the importance of aligning the staging and timing of settlement patterns with the patterns that have been set out by partners' infrastructure and investment plans such as the Hamilton-Waikato Metro Spatial Plan and Hamilton to Auckland Corridor Plan.

Through Future Proof, Hamilton central city is envisaged as the primary commercial, civic and social centre of the Future Proof area. It is also identified as one of only four priority development areas in the sub-region. It is important that development is encouraged here as it is an established settlement that looks to enhance existing natural features such as the Waikato River.

The CCTP has strong alignment with the Future Proof Strategy as with the other strategic documents of primacy in the sub-region. The CCTP recognises itself as the hub of Hamilton City and its outcomes reflect a central city that promotes medium to high-density, mixed-use development, multi-modal transport options and an underpinning blue-green network that recognises and promotes the significance of the Waikato River. In order for the central city to achieve the outcomes sought for it by the Future Proof Strategy, it is required to be infrastructure enabled.

4.2 Waikato Regional Policy Statement

The Waikato Regional Policy Statement (RPS) is developed by Waikato Regional Council in response to central government's National Policy Statements. The statement recognises that development of the built environment including infrastructure has the potential to impact on our ability to sustainably manage natural and physical resources. Specific focus is directed to the integrated relationship between land use and development and the transport infrastructure network.

In the context of the built environment, the RPS seeks that the development of the built environment and associated land use occurs in an integrated, sustainable and planned manner which enables positive environment, social, cultural and economic outcomes. This would be achieved by:

- promoting positive indigenous biodiversity outcomes;
- promoting a viable and vibrant central business district in Hamilton city, with a supporting network of sub-regional and town centres; and
- providing for a range of commercial development to support the social and economic wellbeing of the region.

The CCTP is strongly aligned with the outcomes sought by the RPS. The proposed blue-green network woven into the central city will give effect to positive indigenous biodiversity outcomes by carrying the theme of biodiversity from the Waikato River through the built environment. Enhancing and increasing quality of and access to Hamilton central city's blue-green network, enhancing resilience, ecology and biodiversity will improve the health and well-being of residents. The Plan also gives effect to the promotion of a vibrant central business district and providing for a range of commercial development by incentivising retail and commercial in the central city area. This will be undertaken through site amalgamation, capitalising on the increased density enabled under the District Plan and incoming Resource Management Act amendments.

4.3 Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River

The Vision and Strategy document's ultimate measure is that the Waikato River will be safe for people to swim in and take food from over its entire length. To achieve this, the document sets out objectives and strategies to be implemented.

The objectives include the recognition that the strategic importance of the Waikato River to New Zealand's social, cultural, environmental and economic wellbeing requires the restoration and protection of the health and wellbeing of the Waikato River. The strategies include recognising and protecting appropriate sites associated with the Waikato River that are of significance to the Waikato regional community. It also seeks to ensure improved and appropriate access to the Waikato River while protecting and enhancing the health and wellbeing of the Waikato River.

The Waikato River is a key feature of the central city. The CCTP embraces the river and recognises it as an asset for everyone while acknowledging its significance for iwi. The Blue-Green network identified and that has been developed will enhance access to the river from Victoria Street and draw the natural environment from the river and riverbank further into the central city urban realm.

The Waiwhakareke Natural Heritage Park (WHNP) will serve as a focus for Hamilton's wider biodiversity restoration that includes the Waikato River, its banks and unique gullies. Included in the Medium-Term Projects (2031 – 2041) is the River Edge Native Biodiversity Scheme. The scheme will build on the Nature in the City Strategy to enhance indigenous biodiversity in the central city, focused on the river edge. The scheme will include indigenous planting strategies developed with iwi and will identify techniques and opportunities to support and protect native flora and fauna. This will contribute towards achieving the goal of 10% native vegetation cover and helping to strengthen the natural environment along the Waikato River.

4.4 Hamilton to Auckland Corridor Plan (H2A)

The H2A Corridor Plan is a strategic document that was developed between Future Proof and Government Partners in 2019 as an urban growth partnership under the Government's Urban Growth Agenda.

The H2A Plan recognises that the Hamilton to Auckland corridor is a nationally significant corridor to protect and grow. It has significant potential, is dynamic and has the right leadership culture to collaborate on land use and infrastructure planning. The Plan was adopted by Cabinet in 2019 and recognised six key focus areas. The Hamilton-Waikato metro centre is identified as one of these key focus areas.

The Plan supports and looks to unlock the residential and employment development potential along with iwi aspirations through integrated growth and transformational projects. The key initiatives include rapid and frequent public transport, a metropolitan economic corridor and has the Central City identified as a priority development area and an area for urban intensification in the future. Some key enablers in the central city to achieving these initiatives are improved water/wastewater/stormwater solutions, an active mode network, mode shift plan and development of the blue-green network.

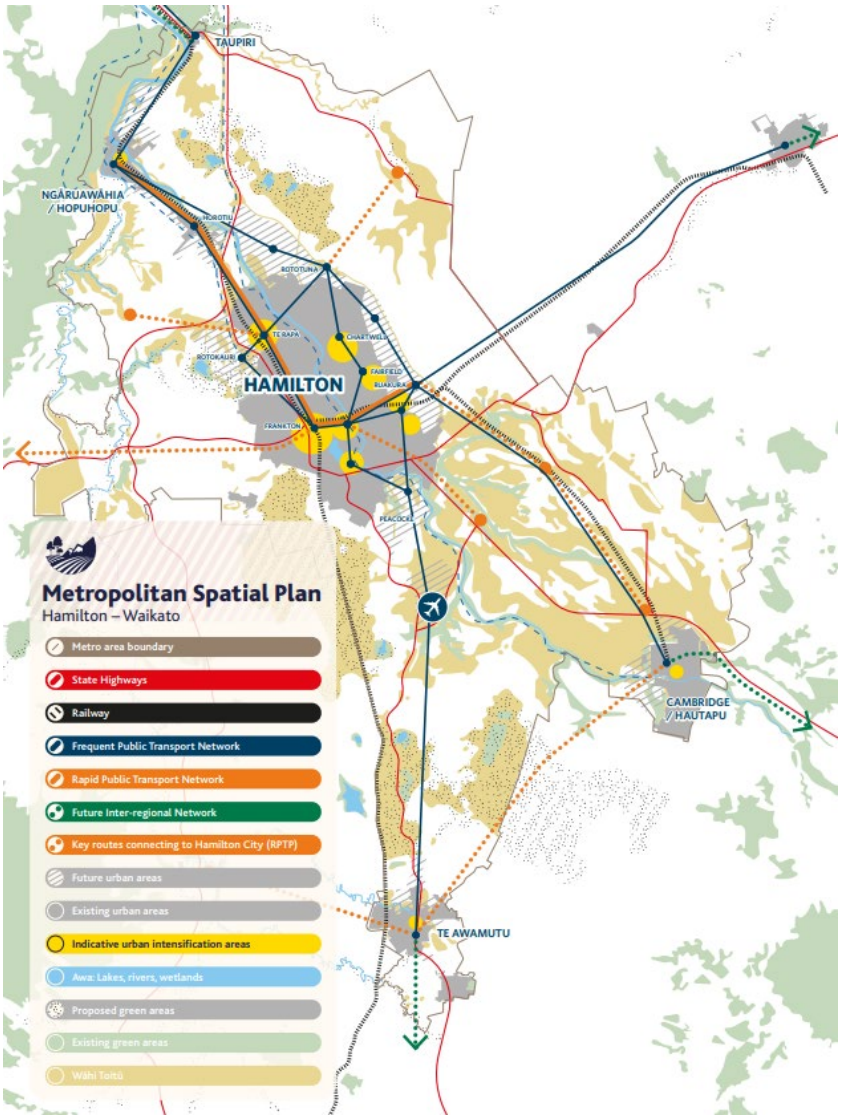


Figure 4:Hamilton-Waikato Metropolitan Area Plan (Source: H2A)

The CCTP is very strongly aligned with the desired outcomes and key initiatives of the H2A corridor. It has been recognised that the central city area has a very low mode shift with strong private vehicle use. The active mode network identified in the CCTP demonstrates a desired shift to more varied transport connections with a focus on public transport, walking and cycling. The plan has identified priority corridors for mixed mode transport as well as potential green connections that extend from the Hamilton Lake to the Waikato River. These are all heavily focused around the areas of the central city earmarked for mixed-use and high-density development.

The blue-green network, mode shift plan and density targets are the main pillars of the CCTP that are all supported through the H2A Plan outcomes and give effect to place-making initiatives sought. The interrelationship between these pillars will also enable the central city to unlock its potential as an economic hub supported by robust transport connections and a liveable urban environment where people want to be.

4.5 Hamilton – Waikato Metro Spatial Plan (MSP)

The MSP was developed by the Future Proof urban growth partnership and adopted by Cabinet as a spatial plan for investment purposes in 2020.

The MSP identifies how and where Hamilton City and the neighbouring communities within Waipā and Waikato districts should grow, develop and move around long-term to ensure social, economic and environmental prosperity. It celebrates a healthy Waikato River at its heart, connected to a vibrant metro core in Hamilton City. The MSP is delivered through the Future Proof partnership between Waikato-Tainui, Tainui Waka Alliance, taangata whenua, Central Government, Waikato District Council, Waipā District Council, Hamilton City Council and Waikato Regional Council and ensures we are prepared for this growth. It was endorsed by cabinet in 2020.

There are six transformational moves for change identified in the MSP. One of these is a vibrant metro core and lively metropolitan centres. Hamilton central city is specifically named under this move and the MSP is looking to grow Hamilton central as a civic, administrative, cultural and commercial metro core, alongside lively metropolitan centres well connected by public transport and safe walking and cycling networks where people can afford to live, work and play. This strongly aligns with the desired outcomes of the CCTP in regard to a well-connected transport network, mixed-use development and creating a playful city where families are able to participate and easily connect with amenity facilities, health services and education.

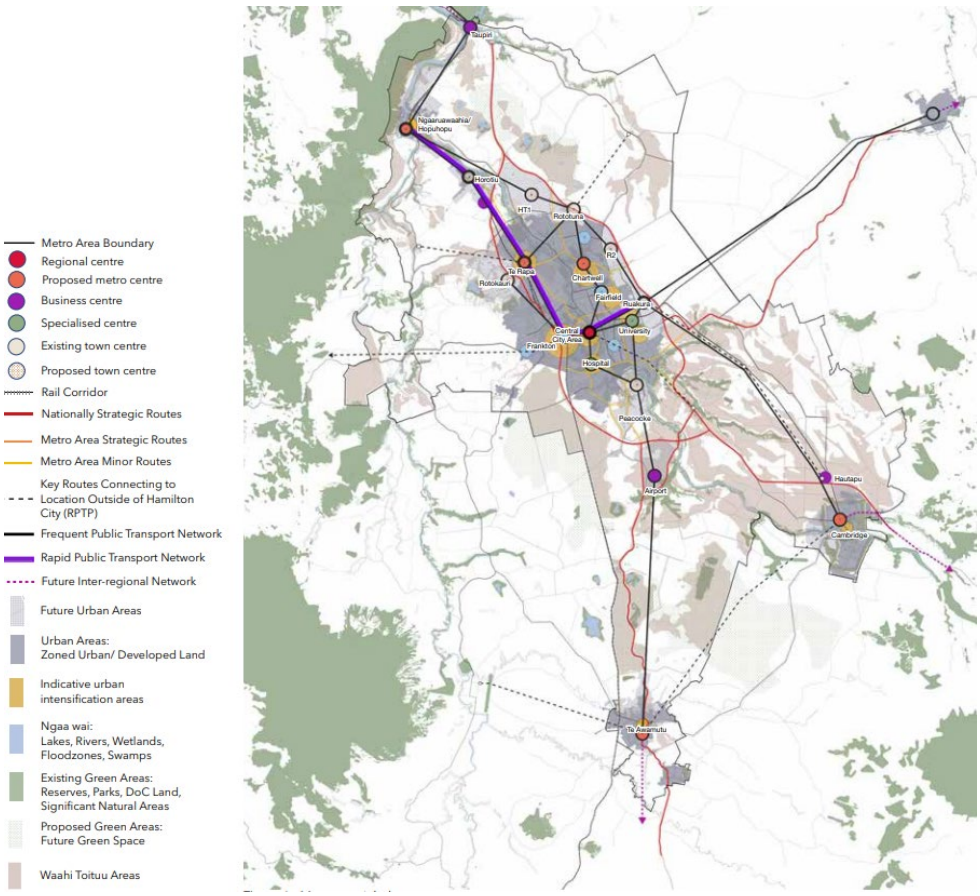


Figure 5: Hamilton-Waikato Metro Spatial Plan Map (Source: MSP)

An urban form shaped around a multi-modal, rapid and frequent transport network and the objective of a radical mode shift to public transport and active transport modes is a key feature of the MSP. The MSP defines an L-shaped transport corridor that extends from Te Awamutu through to Taupiri with the central city identified as the regional centre supported by a rapid public transport network and an indicative urban intensification area. This is a feature advanced from the H2A Plan and has informed investment in the recently opened Rotokauri PT Rail Hub to support the Te Huia Hamilton to Auckland PT rail project.

The MSP builds on the Central City to support a rapid and frequent transport networks to support a thriving economy. Hamilton City is advancing this concept with the Hamilton Public Transport Hub rejuvenation project set to progress to detailed design and construction in the next 2 years. The IAF proposal supports this infrastructure investment to enable a growing economy and residential hub.

The CCTP strongly aligns with the outcomes sought by the MSP with an extensive blue-green network woven into the fabric of place-making in the central city. It is supported by multi-modal transport options that will assist in improving the quality and quantity of public spaces that support numerous environmental outcomes too. The 800 m walkable catchment gives direct effect to the environmental outcomes sought. Enabling the central city through infrastructure funding will contribute to achieving the objectives of the MSP.

5.0 Local Alignment

5.1 Hamilton Urban Growth Strategy (HUGS)

The Hamilton Urban Growth Strategy identifies key aspirations set out by local council for the future of Hamilton's urban environment. The original document was published in 2008 and is currently under review. The proposed updated version largely has the same aspirations as identified 13 years ago. Hamilton City Council recognises that urban sprawl is contributing to making land a scarce resource and therefore making it more and more unaffordable. The land around Hamilton is highly productive soil and important to protect from inappropriate development.

HUGS identifies strategy directions which include:

- Connecting to the river
- A thriving environment for business
- High density residential nodes in the CBD
- Multi-functioning and multi-modal transport options

The CCTP is very strongly aligned with the strategy directions identified in HUGS. The Plan places the four strategies identified above as the overarching desired outcomes for the central city. The proposed blue-green network in the central city directly connects to the river. High density residential nodes and proposed mixed-use development will be a thriving environment for business with a larger concentration of people and the support of rapid, frequent and multi-modal transport options. The CCTP also aims to compact the effects of urban sprawl, in line with the proposed NPS for Highly Productive Land.

The CCTP places high priority on planning and designing for intensification and growth without undermining or damaging the things we love about Hamilton's central city. The CCTP identifies areas where intensification may occur and plans for this by considering an integrated land use and transport approach that connects proposed built environment outcomes with transport priorities.

5.2 Hamilton City Council District Plan

The Hamilton City Council District Plan became operative in 2017. Chapter 7 of the Plan sets out the requirements for the Central City Zone. The central city of Hamilton is the heart of the Waikato region. It is the primary centre for commercial, civic and social activities, and is the region's cultural and recreational hub. The City Living Precinct section of the Central City Zone identifies that the city centre has significant potential for comprehensive development. It recognises that it will grow to become a vibrant, mixed-use residential centre supporting small to medium-scale commercial activities within the heart of Hamilton.

The District Plan has identified multiple objectives for the Central City Zone. These include:

- The Hamilton central city is the heart of the Waikato region acting as a diverse, vibrant and sustainable metropolitan centre
- Amenity values within the central city that encourage the growth of a sizeable, centrally located residential community

- Increased development opportunities are created by establishing a finer-grain street block pattern for pedestrian accessibility, emphasising links to key features and attractions
- A pedestrian-oriented central city

The overall vision for the central city is to encourage and facilitate high-quality development which will ensure the central city is attractive and well connected with strong local amenity values specific to the character of Hamilton. Mixed-use activity will also be supported within the central city, where it is consistent with existing activities, to sustain the vitality of the central area and enable increased use of upper floor areas for business and residential activity.

The CCTP has been developed in line with the objectives and policies of the district plan and is considered to be in very strong alignment. The revitalisation of the central city area has been a priority for Council and the CCTP provides a clear path forward for targeted development that will achieve the outcomes sought in the District Plan.

5.3 Hamilton City Council Long Term Plan

The Hamilton City Council Long Term Plan (LTP) outlines the plans, budgets and priorities for the 2021-2031 period with a direct focus on the next three years. The LTP sets out five priorities for the city which include a city that is easy to live in, where people want to be, with lots of things to do and a green city.

The CCTP has been developed loosely cognisant with the vision of the Long Term Plan and is considered to be in very strong alignment. The LTP wants the central city to be the beating heart of Hamilton. It states that the central city should be accessible via different transport modes and enjoy easy access to the Waikato River. The LTP also seeks that inner-city dwellers are able to enjoy a range of apartment options close to the things they need or close to strong transport links that get them where they need to go. Local, national and international businesses would choose to base themselves in the central city which remains accessible and affordable serviced by everything they need. The CCTP seeks a prosperous economy, a blue-green central city network well-connected to the Waikato River, high-density living and multi-modal transport use/options.

The CCTP is a key component for Hamilton City Council, of making sure the central city has everything needed to service people and businesses. The CCTP wants a well-connected city that achieves the outcomes sought for urban development at a national level. It gives direct effect to the long-term vision held for the central city in the Long Term Plan.

FINAL 14_12_21

Central City Strategic Infrastructure

Infrastructure Background

14 December 2021

Version 1

Hamilton City Council

Executive Summary

Four key issues affect residential development in Hamilton's central city:

- Based on the zoned land use, the existing water, wastewater and stormwater infrastructure in the central city has an environmental and level of service gap to address before any further development can be serviced properly.
- Current zoning allows development in spite of the infrastructure limitations. If HCC continues with the current level of infrastructure investment, the existing housing shortfall in the CBD will be exacerbated, and unmet demand for 3200 dwellings will not be provided for.
- The Hamilton City Council Balance Sheet is unable to commit to funding the infrastructure necessary to service intensification given prudent debt-to-revenue constraints, as well as LGFA criteria. The infrastructure need, excluding the recent NPS requirements, is identified in Hamilton's 30 year Infrastructure Strategy 2021-51 but is unfunded.
- 42,000 new dwellings are enabled in CBD by the NPS-Urban Development. Servicing this growth represents a significant challenge for HCC. This proposal enables 20,000 additional dwellings and supports the 2500-4000 new dwellings anticipated in the next 10-years.

There are two primary strategic infrastructure constraints for acceleration of residential development in Hamilton's central city:

- Potable water storage and supply is insufficient to meet minimum requirements, resulting in a reduction in public health (water supply) or firefighting levels of service.
- Wastewater peak flow capacity in strategic pipelines is inadequate for additional demand in the central city during wet weather events, resulting in an increasing risk of overflow events.

These either deter development or increases development costs affecting affordability in central Hamilton effectively leading to development in less economical and environmentally appropriate areas.

In addition, where there are changes to urban infrastructure required, in this case, due to large scale pipe work currently expected to be in Anglesea Street, there are strategic responses necessary to meet government and community objectives:

- The current transport infrastructure on north-south strategic central transport corridors such as Anglesea Street does not support mode shift and transport systems that reduce environmental impacts and universal access. Hamilton City is investing $5M towards an upgraded public transport hub (construction commencing 2023) and the primary passenger transport network connections will need to be redeveloped to ensure appropriate road user priorities, mode shift and reduced emissions.
- Stormwater in the central city is not currently treated. This will not be acceptable for inner city development because it is inconsistent with the Vision and Strategy for the Waikato River and the NPS Freshwater.

None of the works in this proposal that seek IAF support are currently funded within HCC's Long Term Plan. Enabling the water and wastewater components of the IAF proposal will result in significant disruption and reinstatement of Anglesea Street or an equivalent north-south corridor where the stormwater and wastewater reticulation affects it. These works therefore result in the

opportunity to redevelop the corridor in a way that is consistent with the public transport and biking / micro-mobility network outcomes sought for central Hamilton and New Zealand generally, and deliver on the environmental outcomes sought by the Waikato River Vision and Strategy. Failure to deliver these projects as an integrated programme will result in delivery inefficiencies and higher costs for the community.

There are two primary strategic infrastructure constraints for acceleration of residential development in Hamilton's central city:

- It is increasingly challenging with the currently level of development to meet current minimum requirements for potable water storage and supply, resulting in a reduction in levels of service or risk of adverse environmental events.
- Wastewater peak flow capacity in strategic pipelines is inadequate for additional demand in the central city during wet weather events, resulting in an increasing risk of overflow events.
- These either deter development or increases development costs affecting affordability in central Hamilton effectively leading to development in less economical and environmentally appropriate areas.

In addition, where there are changes, there are strategic responses necessary to meet government and community objectives:

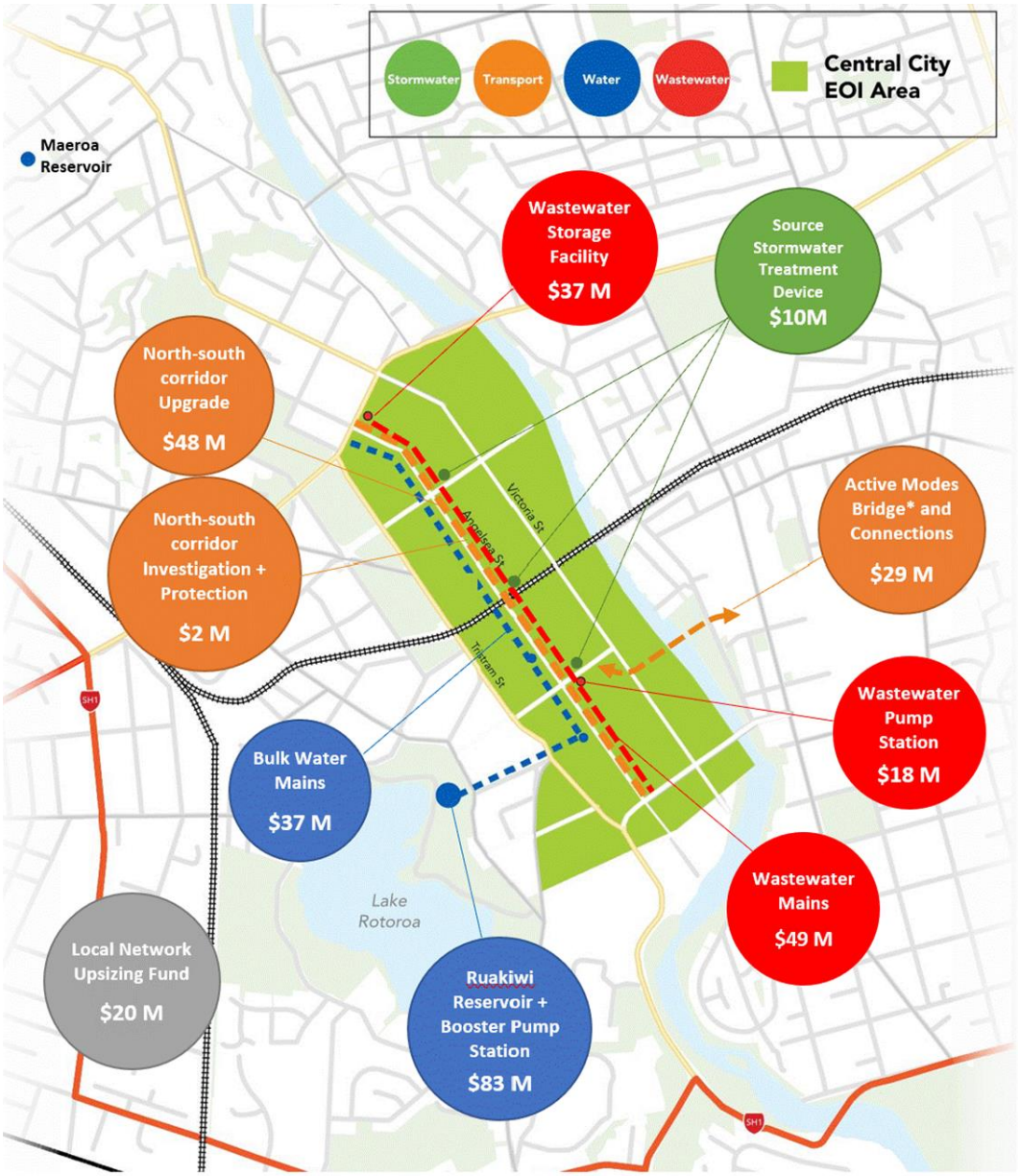
- Transport infrastructure does not support mode shift and transport systems that reduce environmental impacts and universal access.
- Stormwater in the central city is not currently treated and this will not be acceptable for future development.

The Infrastructure Acceleration Fund investment sought enables up to around 20,000 dwellings, meeting demand over the next 20 years within HCC's debt constraints.

The proposed infrastructure comprises around $563M of transport and three waters strategic infrastructure, with funding sought for approximately $333M ($NZ inflated).

Activity/Infrastructure Project	Expected Cost ($M inflated)	Funding sought ($M inflated)
Transport Project Components		
Anglesea Street User Prioritisation	$48.0	$48.0
Anglesea Street Investigation and protection	$1.8	$1.8
Active modes river crossing and University to rail trail central city connections	$28.7	$28.7
LTP 2021-2051Transport projects - eligible	$91.4	$-
Three Waters Project Component		
Ruakiwi Reservoir Phase 1 and booster pump station	$82.6	$82.6
Bulk water reticulation	$37.4	$37.4
Local Water Network Upsizing	$20.2	$20.2
Water Local Connections - developer responsibility	$12.1	$-
Central City Integrated Catchment Management Plan (Stormwater)	$1.7	$1.7
Anglesea Street stormwater source treatment	$9.7	$9.7
Pipeline and outfalls - eligible - developer funded	$76.8	$-
Wastewater storage and internal pump station	$36.7	$36.7

Activity/Infrastructure Project	Expected Cost ($M inflated)	Funding sought ($M inflated)
Wastewater mains	$48.6	$48.6
Wastewater pumpstation (south)	$18.1	$18.1
Wastewater Local Connections - developer responsibility	$11.2	$-
Three waters eligible LTP projects (Refer Appendix Table 1a)	$37.9	$-
Total	**$562.9**	**$333.5**



Indicative estimates: inflated $NZ in millions, based on indicative concepts and assumed construction dates

* Note: Active modes river bridge - $10M 2021 LTP amount is additional to the bid request

Construction will follow approximately two years of investigation and design, targeting investment to match development planned in collaboration with developers to maximise value for money and

early benefits. The scale of the project and intensive existing and planned land uses mean that adverse effects from construction will be significant and unavoidable. Investigations and construction planning must balance direct and indirect traffic and construction impacts on businesses, town centre user and residents.

Construction of the key strategic infrastructure will take approximately three years, with development enabled in year two. Local connections and planned Long Term Plan (LTP) investment will continue to 2031 and beyond.

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Contents

1. Introduction 1
2. Infrastructure required to develop central Hamilton 2
3. Developer strategy 6
4. Procurement strategy 6
5. Consenting strategy 11
6. Property acquisition strategy 13
7. Risk allocation and transfer / mitigation 15
8. Contract management 19
9. Project Management 20
10. Governance and reporting arrangements 21
11. Implementation Programme 27
12. Consultation with stakeholders 29
13. KPIs and milestones – Benefits Realisation Plan 30
14. Implementation - Actions 31
GLOSSARY 33
APPENDICES 34

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1. Introduction

Hamilton City Council is applying for $333 million of funding from the Infrastructure Acceleration Fund (IAF).[1] This loan for strategic infrastructure will remove barriers and service acceleration of residential development central Hamilton, an area of approximately 250 hectares including the CBD. This funding is for the following new strategic infrastructure:

- A new 20ML reservoir (conceptual stage 1 volume of a 58.6ML reservoir) at Ruakiwi and booster pump to meet potable water and firefighting demands
- Strategic water supply pipes to provide a primary distribution corridor for development connections.
- A new 4,000L wastewater storage facility and pump station.
- Strategic wastewater pipes to provide a primary collection corridor for development connections.
- Reinstatement of transport corridors affected by the water and wastewater infrastructure to achieve cost efficiencies in reinstatement and deliver mode shift and enhance accessibility.
- A new active modes river crossing and connections to existing networks linking employment and education, reducing reliance on cars and deferring the need for capacity increases for access to the central city.
- Stormwater treatment in conjunction with the corridor reinstatement works.

The proposed strategic network infrastructure comprises around $563M of transport and three waters strategic infrastructure, with funding sought for approximately $333M. The Infrastructure Acceleration Fund investment sought enables up to around 20,000 dwellings, meeting demand over the next 20 years within HCC's debt constraints.

The preferred option going forward

The Central City IAF infrastructure is consistent with prudent first stage investment in key infrastructure required to meet demands based on "city–full" evaluations undertaken by Hamilton City Council in response to NPS-UD intensification changes. Investment is focussed only on projects that the Council must do, and best meets the growth objectives of Hamilton City Council. These growth objectives are focused on resident population growth, economic growth, and the coordinated management of land use and strategic infrastructure to ensures a sustainable, accessible, low carbon future for Hamilton City.

Development in central Hamilton will deliver almost a fifth of Hamilton's medium-term housing needs over the next 20 years, reduce travel demand and reduce the need for greenfield development. The proposed strategic network infrastructure has capacity sufficient to service up to around 20,000 dwellings.

The preferred option is for staged investment comprising:

- additional potable water storage and distribution to meet minimum levels of service
- wastewater collection and attenuation storage to allow development without further compromising strategic pipelines to the wastewater treatment plant in the north
- road space reallocation to support active modes and passenger transport
- enhanced accessibility including an active modes river bridge and connections to existing networks.

[1] $272.8 million in constant 2021$.

2. Infrastructure required to develop central Hamilton

The foundation for delivery of more dwellings in central Hamilton is comprehensive city-wide strategic planning of infrastructure to deliver water, wastewater and transport. This builds on Council's 2021 – 2051 Infrastructure Strategy includes wastewater, water and stormwater master planning. Targeted central city investigations based on the city-wide master plans and "city-full" analyses identified the following issues.

- Potable water storage and distribution capacity in the central Hamilton is a key constraint. The proposal is in accordance with Hamilton City Council's potable water master plan, which is matched to projected population growth. The current Ruakiwi reservoir servicing the central city needs to be replaced, has limited operating range, and insufficient capacity for both potable water and firefighting.
- Wastewater peak flow capacity in strategic pipelines is inadequate for additional demand in the central city during wet weather events, resulting in an increasing risk of overflow events.

These either deter development or increases development costs affecting affordability in central Hamilton, effectively leading to development in less economical and environmentally appropriate areas.

There can be no significant development in the central city without managing wastewater system capacity. Attenuating wet weather peak wastewater flows using additional collection and storage is a cost-effective way to defer the need for duplication of the central interceptor to the Pukete treatment plant in the north. Further refinement of the options will continue in the detailed design stage, as the timing and location of development becomes more certain.

The transport infrastructure is in response to the reinstatement opportunities associated with the three waters activities. Alternative modes have been considered in the *Access Hamilton Strategy 2010- 2040*, and are being further considered in the Access Hamilton update and the Hamilton Metro-Spatial Plan Transport programme business case.

The options relate to how best to connect central Hamilton's active mode and passenger transport networks to the rest of Hamilton. There is some scope to accept short-term transport congestion in the early stages of the development.

The wastewater and transport options are at a preliminary stage. The concepts will be further refined in collaboration with developers to optimise how the investment can accelerate delivery of more dwellings. The best solution for the water and wastewater project will be combined with the transport project to provide the preferred option for implementation. The main factors in selecting the preferred option are expected to be:

- How best bulk supply and collection can reach early development locations
- How best to provide effective east-west and north-south connections to support early development and cost-effective long-term networks.

Alternatives and options analysed

The infrastructure required to enable development in Hamilton has been assessed and considered as part of Hamilton's wider infrastructure planning and in particular in response to NZ Government's National Policy Statements for urban development, freshwater , etc. This includes city-wide strategic planning for water, wastewater, stormwater and transport. This planning is set out in a range of strategic investigations and master planning documents. These mainly precede this business case and are articulated in Council's 30 Year Infrastructure Strategy, 10 Year Plan 2021-2031, Activity Management Plans and Master Plans for water, wastewater, stormwater and transport.

Waters alternatives considered and not progressed included:

- Single stage 58.6ML reservoir construction – not preferred because of early debt impacts.
- Central wastewater interceptor wastewater pipeline duplication - not preferred because of costs.

The transport option preferred is an alternative to increasing network capacity for low occupancy vehicles.

Previous investigations

A significant amount of investigation into infrastructure in Hamilton was completed as part of the Housing Acceleration Fund "City Full" investigation.

Central area-focussed technical summaries are included as attachment A.

Potable Water Concept – Priority Investment (along with wastewater)

Potable water supply is critical to the CBD to address current and expected level of service gaps and meet demand from intensification. The investment strategy is to provide capacity in two stages to meet population growth. The key investment is in an additional reservoir (indicative 20ML as phase 1 of 58.6ML), booster pumps, bulk water connections and distribution mains.

Wastewater Concept

The preferred wastewater option is a solution comprising:

- A combination of gravity and pumped local wastewater collection to a storage/transfer pump station
- A pressure main servicing the south of the central city.

Transport Concept

The transport infrastructure comprises:

- Reinstatement of the north-south corridor (nominally Anglesea Street at this stage) selected for the water and wastewater reticulation with reallocation of corridor space to deliver mode shift, accessibility and support passenger transport.

- East-west active mode connections linking the university corridor and the Western Rail Trail cycleway including a bridge across the Waikato River to better link employment, education and residential areas.

This will support economic activity in the central city, and reduce traffic demands, allowing for amenity and accessibility improvements, road user prioritisation within established corridors.

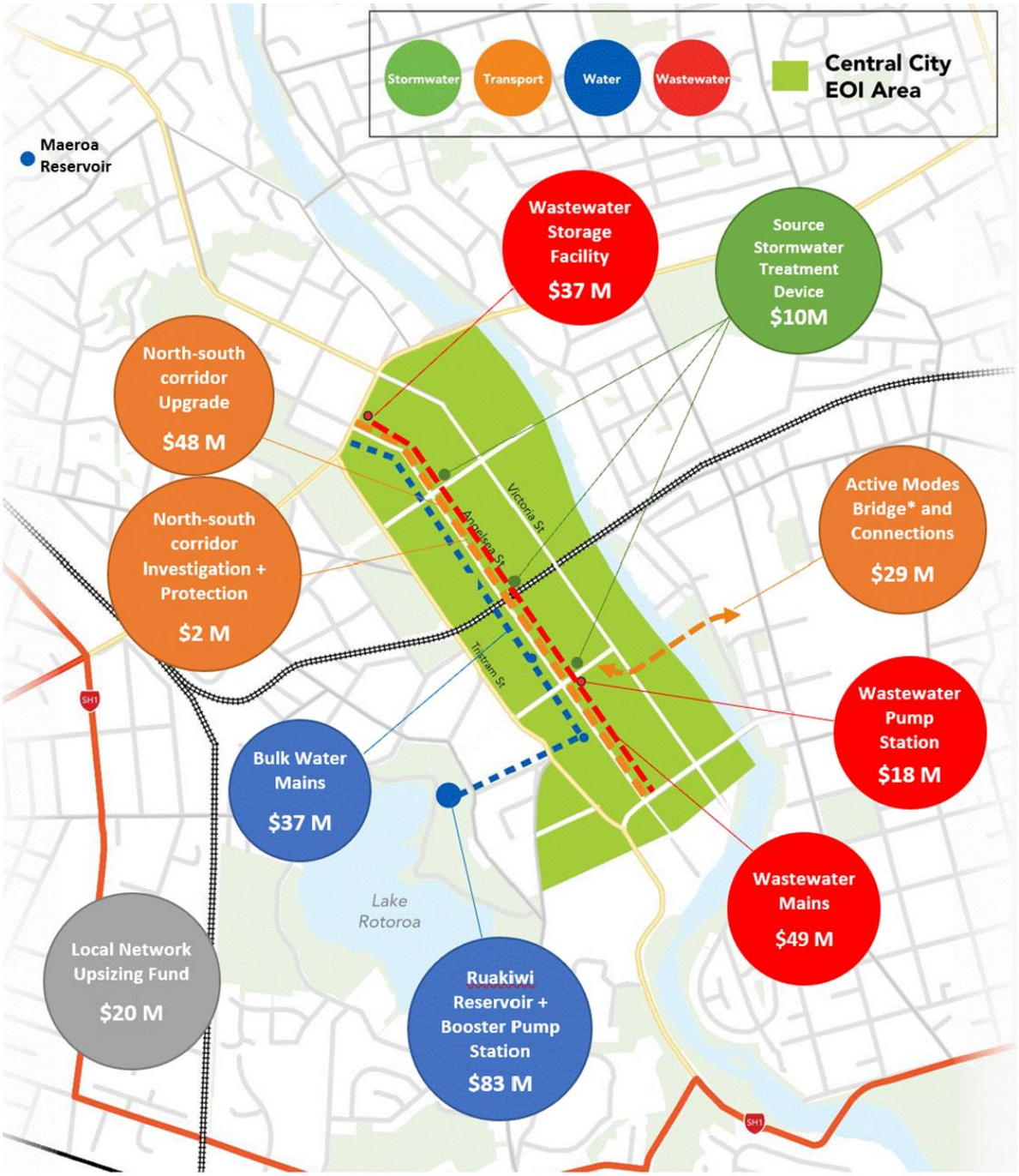
Construction will follow approximately two years of investigation and design, targeting investment to match development planned in collaboration with developers to maximise value for money and early benefits. The scale of the project and intensive existing and planned land uses mean that adverse effects from construction will be significant and unavoidable. Investigations and construction planning must balance direct and indirect traffic and construction impacts on businesses, town centre user and residents.

Construction of the key strategic infrastructure will take approximately three years, with development enabled in year two. Local connections and planned Long Term Plan (LTP) investment will continue to 2031 and beyond.

The proposed infrastructure comprises around $563M of transport and three waters strategic infrastructure, with funding sought for approximately $333M ($NZ inflated).

Activity/Infrastructure Project	Expected Cost ($M inflated)	Funding sought ($M inflated)
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Total	**$562.9**	**$333.5**

These estimates are expected (50%ile) estimates including a 25% scope/quantity/price risk and a 20% funding risk to allow for the current cost fluctuation continuing for an additional year. The estimate include and need to recognise an operational budget of around $150K /year during HCC construction to allow for accounting “non-capital” items such as software licensing.



Indicative estimates: inflated $NZ in millions, based on indicative concepts and assumed construction dates

* Note: Active modes river bridge - $10M 2021 LTP amount is additional to the bid request

Figure 1 Design Components (key gateway interactions dark blue)

3. Developer strategy

Hamilton City Council is in ongoing and productive discussions with local developers and will continue to collaborate and seek to finalise PDAs after the submission of this proposal.

4. Procurement strategy

Procurement Framework and Selection of Methods

Hamilton City Council procurement policy and procedures are consistent with the Government rules of Procurement. However, for activities which the Council receives financial assistance from, the National Land Transport Fund and the NZ Transport Agency policy and manual are applicable.

Hamilton City Council operates a Professional Services Panel (PSP) Framework for contracts. These are for a wide range of services, such as the strategic infrastructure in the central city. For large scale construction projects with a transport component, procurement is generally managed to satisfy the requirements of the NZ Transport Agency Procurement Manual and HCC's procurement policy and procedures do that.

In some circumstances, Hamilton City Council can achieve substantial savings by coordinating works with developers as part of private developer agreements or other contract arrangements. These types of agreements may be considered for some of the reticulation work.

Hamilton City Council selects preferred delivery models by assessing them against procurement objectives for each construction package. These models consider complexity and uncertainty, scale, design control, flexibility to change scope, opportunity for innovation, value for money to Hamilton City Council, budget certainty, supplier market (Contractor/ Consultant availability and interest), timing and urgency/ delivery, effective risk management and performance/ quality/ durability.

Urgency and the need for quality for the reservoir, water and wastewater components means that the traditional model is best suited for those projects. The reservoir and associated pump work are likely to be a package. Since the north-south corridor transport works are linked to the reinstatement of the waters activities, they will be packaged together.

The river bridge and connections package has a different character and will probably be procured separately.

The preferred approach is to use the established procedures as follows:

- HCC Panel (or LASS PSP Panel) for Professional Services
- HCC Procurement Policy for Physical Works in accordance with the Government Rules of Sourcing – traditional measure and value likely to be preferred in most cases.
- Private Development Agreements for developer-related physical works where there are clear advantages.

Procurement Approach – Professional Services

Panel approach preferred – Price/Quality

Professional services are required for a wide range of services, consistent with HCC's typical service requirements and available through the PSP frameworks. In broad terms, the technical disciplines are considered as "waters" (wastewater and potable water) and transport. Stormwater is likely to be part of transport or developer ed but unlikely to be a significant design driver other than the active modes river bridge.

The proposed approach is to use the PSP framework to select an initial advisor for transport and an initial advisor for water and wastewater to prepare project documentation (background, scope, instructions for tendering and bases for payment). The initial advice is likely to be direct award based on existing engagements and previous knowledge. The subsequent professional services are likely to be a price/quality tender based on team and methodology as the non-price attributes.

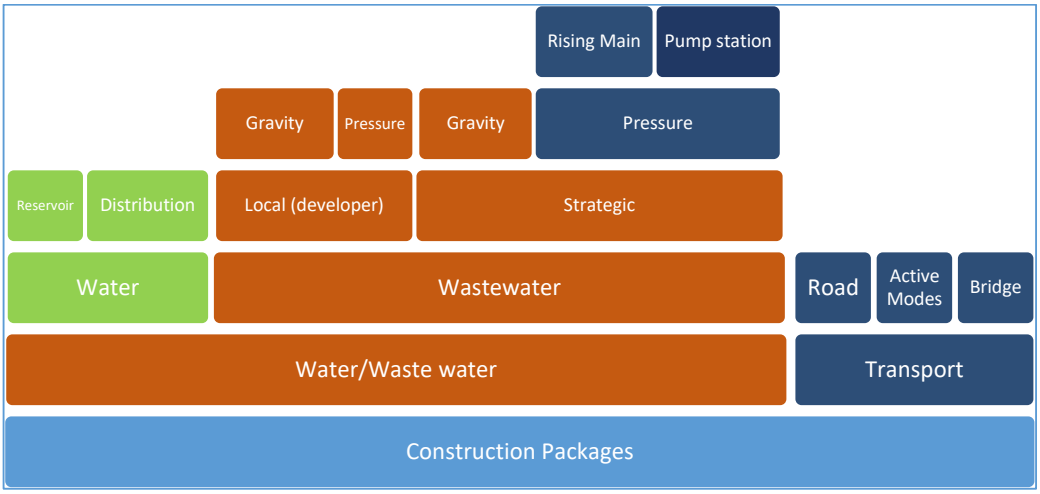


Figure 2 Design Components (key gateway interactions dark blue)

Design Interaction/Coordination

There will be critical interactions between designs relating in particular to the strategic water and wastewater reticulation and the reservoir and wastewater storage and the routes/ alignments/ depths with other services and with transport. For example, it will be necessary to require early completion of critical tasks (e.g. void/pipe sizes/loadings/fixings/expansion limits, etc.) or novate specialist design services for design coordination.

Cross-project specialist skills are necessary such as survey, geotechnical, property, ecological, heritage/ archaeological, consents and assessments of environmental effects. There are likely to be significant efficiencies available from sourcing these on an area wide basis similar to construction packages, or for the central area as a whole. Some may be available by collaborating with developers in their planning.

The PSP framework provides an excellent opportunity to avoid duplication in specialist inputs because it provides for novation within all engagements, so for example, an ecological specialist can

be instructed to complete investigation or monitoring to support a range of projects in an area, for different consultants.

Procurement Approach – Physical Works

Having selected a traditional approach based on design and project documentation being prepared prior to tendering, options for traditional tendering, early contractor involvement and alliancing remain for the implementation phase. Although it would be desirable for early contractor involvement for pipeline and bridge work, the risk to value for money and design control mean that some form of lump sum/price quality combination is likely. There may be options for cost plus aesthetic/performance enhancements to be incorporated as an option for the river bridge and pump station. More refined physical works procurement decisions will follow once professional services advisors are engaged.

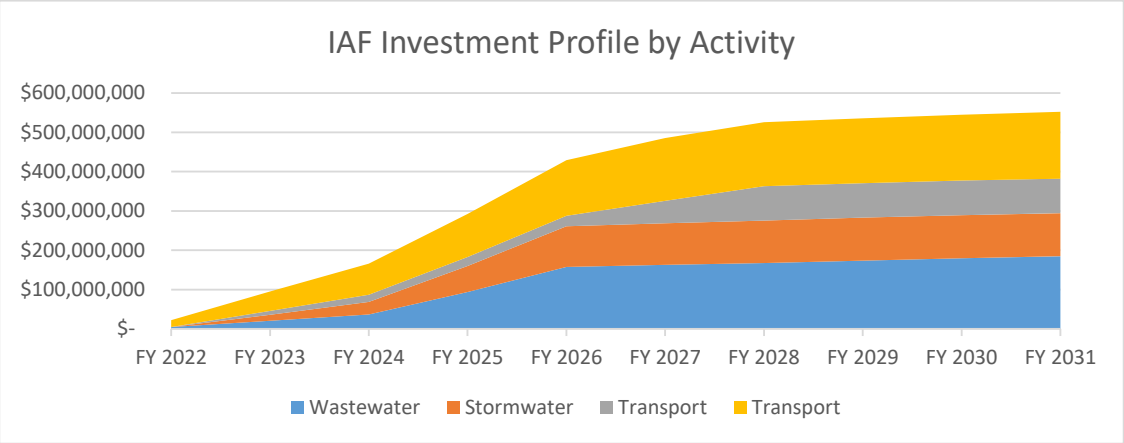


Figure 3 Project Spend Profiles

The initial spend (Years 1 and 2) is mainly in investigation and design, and the large year 2-4 spend is the water and wastewater works, with transport in years 4 and 5. The key infrastructure spend will progressively be followed by developer connections and investment. Waters is the dominant spend area. There are a number of medium-large size contractors in the area that suit large contracts in the $15 – 80M range. These contractors are generally capable of taking on large water and wastewater pipe projects and can subcontract transport functions as required.

Providing for flexibility to overlap with subdivision development scale should maximise the supply market for other works. There is likely to be an advantage in terms of phasing flexibility, supply and price competition for the smaller, simpler components.

Formation of the Central Hamilton Infrastructure Team

To deliver the infrastructure enabled through the IAF allocation, HCC will establish a dedicated Central Hamilton Infrastructure team (CHIT), as outlined in the indicative structure below.

The proposed CHIT will be formed with the sole purpose of ensuring that all activities necessary to ensure the delivery of IAF funded infrastructure, and subsequent houses enabled by that investment, can occur as quickly as possible.

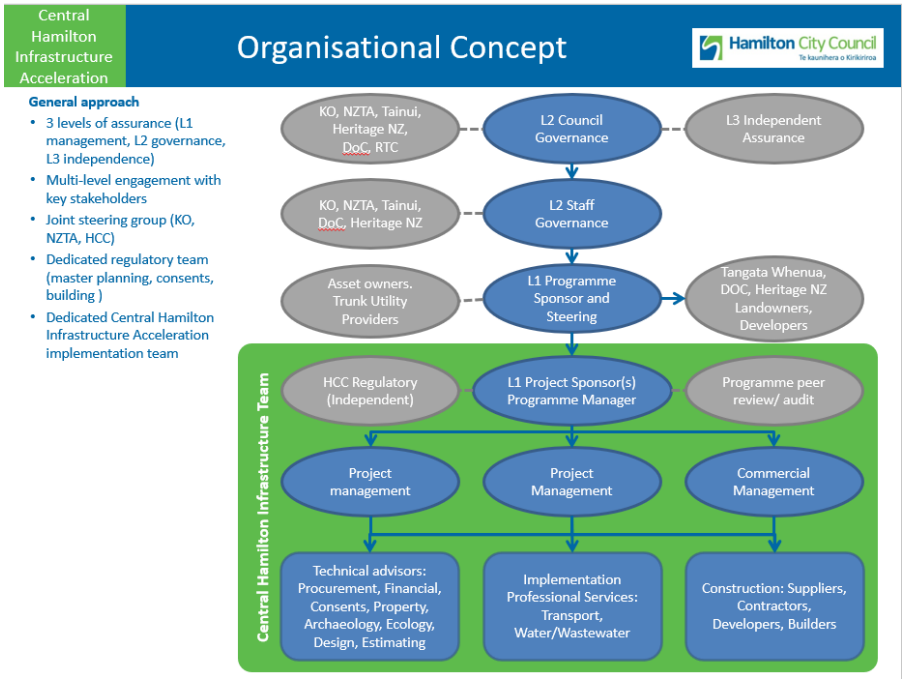
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A core component of the work that the CHIT will deliver will be managing business disruption during investigation and construction. This will require effective communication and construction planning because of the scale, nature and duration of disruption

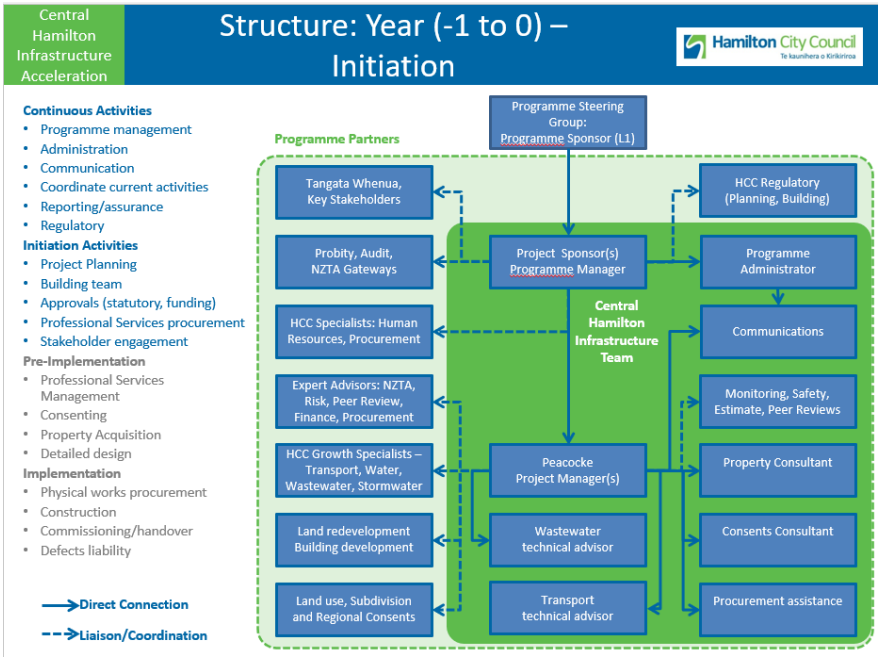
The CHIT will also address all land use, subdivision, and regional council consents, as well as any other necessary concurrent approvals required from partner agencies (such as securing wildlife permits from the Department of Conservation, or Archaeological Authorities from Heritage New Zealand).

Further, this team will also be responsible for all monitoring and implementation of conditions of consent, and for the preparation and execution of all construction and environmental management plans associated with the development of IAF enabled infrastructure.

The team will also undertake all necessary public and stakeholder engagement related to these statutory approval processes



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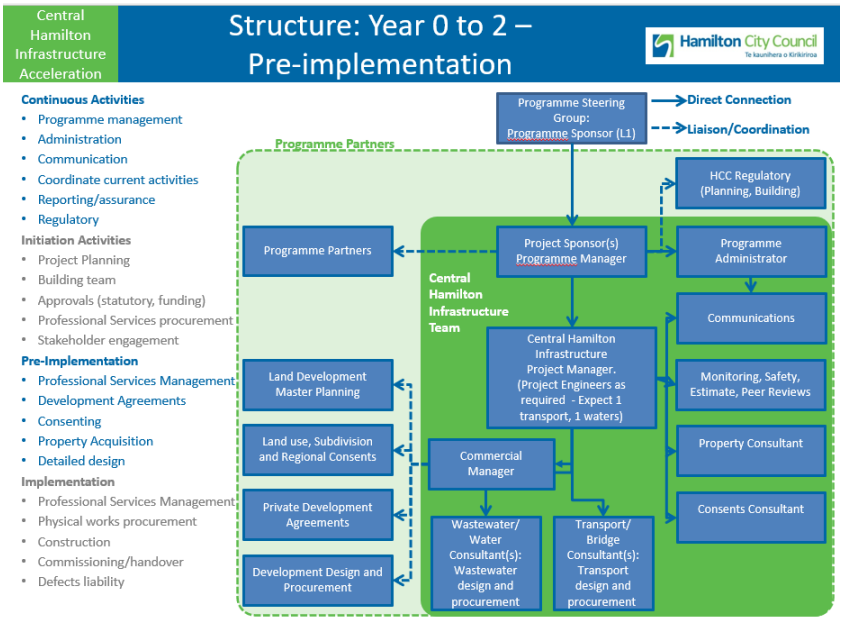


Figure 4 Infrastructure Team - Concept

5. Consenting strategy

Consenting and delivery strategy to deliver HCC infrastructure

Because of the significant work already undertaken by HCC as part of the District Plan and City Centre Transformation Plan, and since the work is mainly in road, the majority of permissions needed to enable the infrastructure are within HCC's control. The project will require designations protecting the reservoir site and the wastewater storage site.

Notwithstanding the above, one of the first tasks post submission will be to develop a consenting and approvals strategy that will cover the following:

- Identification of early implementation works, and any necessary consents or amendments to existing consents necessary
- Commencement of concurrent engagement processes
- Undertaking a comprehensive review of existing conditions of consent, including any necessary works / actions arising from construction management plans or similar environmental management plans
- Early development of engagement plan and monitoring of key environmental attributes
- Confirmation of priority consents to match construction and delivery program
- Confirm consenting parameters – this will identify the project description or project design process, based on input from engineering (design and mitigation), environmental (scope of surveys), legal, planning (policy framework) and the project management team.
- Early engagement – for the consent strategy to be successful, individual consents may need to be refined in light of the views of key stakeholders.

What consents and approvals are needed and how will they be delivered?

The following consents have also been identified and form the basis for the development of the specific items informing the development of our consenting strategy

- New designation and potential pipeline consents for water and wastewater storage infrastructure.
- Completion of Catchment Management Plans and new storm-water consents associated these
- Additional archaeological authorities.

HCC regulatory role to partner with private landowners on other land use, subdivision and master plan consents

HCC also has an important enabling regulatory function as an enabler when working with the CHIT teams and private sector landowners to develop new infrastructure and urban development in the central area.

While it is important to maintain Council's regulatory independence, HCC is committed to prioritising, where possible, IAF related projects. For IAF enabled infrastructure and urban development projects, HCC will implement the following:

- The development of a consenting alliance framework

- Continue to offer premium pre-design and pre application meetings to proactively identify consenting issues and workable solutions and mitigation strategies
- Greater involvement in collaborative master planning for areas enabled through the IAF allocation.

Development of a consenting alliance

Given the scale and urgency of the infrastructure delivery challenge associated with the redevelopment of central Hamilton, HCC will look to establish a focussed consenting relationship with the Regional Council for infrastructure and related urban development projects.

The consenting relationship would include HCC and Waikato Regional Council with options for Heritage New Zealand, Iwi and other relevant statutory authorities that would be focused on working collaboratively, and in concurrence, on securing timely and robust resource consent and related approvals to develop the area.

HCC would look to establish a heads of agreement that would identify and establish the following:

- Agreement on the importance of central Hamilton and its development to the sub-region
- Agreement on single points of contact and dedicated resources on projects, and a commitment to collaboration
- Focus on innovative project solutions
- Act in good faith and with integrity;
- Open and honest communication; and
- Best for project decisions

Collaborative master planning

Some land in central Hamilton is in fragmented ownership. This makes it difficult for some developers to get the necessary scale required to master-plan effectively. To overcome this, where possible, HCC will work in partnership with landowners to play a lead and / or co-ordinating role.

Pre application meetings

Pre-application meetings enable us to efficiently process your resource consent application. These take the form of pre-design meetings and pre-application meetings.

Pre-design meetings are held to give applicants the opportunity to meet with Council staff, prior to a pre-application meeting to discuss a development proposal in the "pre-design" phase.

This "design- scoping" phase for a development proposal may include arranging for potential applicants to attend a Council Urban Design Panel Meeting where advice is given on the ways that the design elements of a proposal might be improved.

Pre-application Meetings are held so that Council Officers can discuss a development proposal and the reasons why resource consent is required, prior to lodgement. The effects of the proposal can also be discussed, in addition to the potential parties considered to be affected, and the expected process that will occur once an application for consent is lodged.

6. Property acquisition strategy

Context

One of the key considerations is property and The Property Group Limited (TPG) prepared a high-level acquisition strategy is required to outline timeframes and processes to secure the additional land that may be required.

Land requirements at this stage are indicative, but can be summarised as follows:

1. Ruakiwi Reservoir and Booster Pump Station: Additional private land is not required here, although some adjoining recreation reserve will be needed
2. Wastewater Storage Facility: A potential site has been identified on the corner of Willoughby Street and Mill Street at the northern end of the central city. This is subject to change, however we have provided an indication of what a property of this type and size within the CBD would cost to purchase
3. Stormwater Treatment Device: Options are still being explored here, including the widening of Anglesea Street and/or another site similar to the wastewater storage facility above.

Acquisition process and methodology - general overview

The recommended methodology to secure the required land for the various projects is a dual Public Works Act 1981 (PWA) 'negotiation' and 'compulsory acquisition' approach timed to align with the designation and construction dates.

The benefit of running a dual approach is that co-operative and motivated owners can be signed up relatively quickly. On the other hand, where dealings become difficult or owners do not wish to engage, the time to secure the land in time for a project can be minimised. The process often serves to focus the owner on the task at hand and confirms certainty of timing about a project.

The key reasons for this methodology are detailed below:

- This methodology and approach provides the highest level of certainty that the land requirements will be acquired within a reasonable time and cost threshold
- Provision of three waters infrastructure is classified as a public work; Council has access to the PWA powers for such purposes and is required to act in a fiscally responsible manner
- Provides maximum motivation for property owners to enter negotiations
- Compulsory acquisition 'runs with the land' so will not be disrupted like standard negotiations should a property transfer/transmit to a new owner(s) mid-way through negotiations
- Gives property owners time to negotiate a fair and reasonable agreement
- Is consistent with current and past acquisition programmes and processes undertaken by Council
- Treats owners in a consistent and uniform fashion
- Will not set any negative precedents for future Council projects.

Compulsory acquisition under the PWA is a three-step process and this power can only be exercised after an acquiring authority has made all reasonable endeavours to negotiate in good faith without reaching an agreement.

The estimated timeframe to complete a compulsory acquisition is around 12-18 months provided there are no objections to the Environment Court. If the owners object, the process could take up to 2-3 years to complete, allowing for various rights of appeal. An outline of this process is provided at Appendix 3, but the process is broadly split into the following three steps:

1. Section 18 PWA Notice of Desire to Acquire Land
2. Section 23 PWA Notice of Intention to Take Land
3. Section 26 PWA Proclamation.

The use of the compulsory process places strict statutory timeframes around the acquisition process to help provide a level of certainty associated with property acquisition allowing the projects to advance other work streams with confidence. Property owners will however have rights to object, via the Environment Court. Importantly though from a process and risk perspective there is no right to object on the grounds of adequacy of compensation.

It is also important to be mindful of Council's options within the negotiation phase, particularly at the early stages of these projects. Early engagement with landowners would be key to explore options that will enable land to be available for the projects ahead of funding being confirmed. These options could include an advance agreement where final compensation can be negotiated after the land has been secured, or strategic purchases. This being where the targeted properties, or other suitable properties become available on the open market. This is in fact the case for one of the identified sites for the Wastewater Storage Facility.

7. Risk allocation and transfer / mitigation

General

The strategy, framework and plan for dealing with change, contract management and risk will be founded on HCC's established quality, risk, contract and cost management policies and procedures. These are in accordance with Waka Kotahi's quality, risk and procurement requirements and the Government Rules of Sourcing. We have demonstrated our effectiveness working closely with Waka Kotahi and 100% forward funding on large projects by successfully delivering the $88M Wairere Drive Hamilton Ring Road and with MBIA and Waka Kotahi on the $290.4M Peacocke HIF infrastructure. Our success with the $25M P2 Pukete Wastewater treatment plant upgrade and the recent Ruakura reservoir demonstrates our ability to procure and deliver technically challenging water and wastewater solutions.

Right at the beginning we will sort out what we know, what we might not know, and make sure that we target risks appropriately to establish a foundation for project development through the detailed business case and implementation. We will also use independent challenge and peer review methods as triggers for value engineering to build our time and budget contingencies.

Hamilton City Council engaged PWC to review the IAF risks from an organisational and infrastructure perspective and the risk management response is based on that review (refer to the appendix for the PWC Risk Review).

Three Levels of Assurance

Governance will be in accordance with HCC's Governance Structure. We will work with KO on the funding agreement, to include risk, funding, communications, governance, scope and project management and invite KO to join us in governance. The project management and governance will follow Hamilton City Council's existing practice for large infrastructure projects as shown below. We operate three levels of assurance to ensure effective delivery, starting from the ground up and comprising:

Level 1: Project management oversight, capability and experience –project steering and peer reviews (L1);

Level 2: Project/programme governance – generally Council Committees (L2); and,

Level 3: Independent and objective assurance (L3): E.g. third party oversight by Waka Kotahi, external and internal audit to check controls are working.

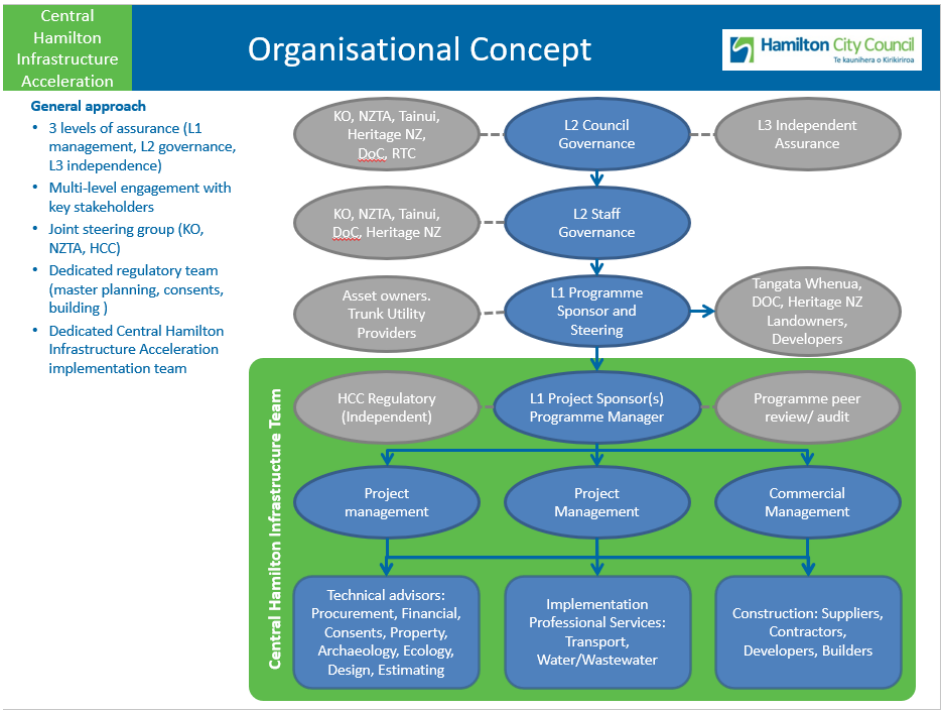


Figure 5 Central Hamilton Infrastructure Acceleration project organisation chart

Key Risks and Management – General

HCC operates a risk management system across the whole organisation. Recognising the significance of the Infrastructure Acceleration Fund project, HCC arranged for a risk and assurance review to identify the key risks and risk management methods to address the most significant ones. These are presented in the Risk Review (PWC, November 2021) attached at Appendix C.

The base risk register, which will be reviewed on formation of the Central Hamilton Infrastructure Acceleration team and maintained throughout the process, is attached at Appendix C. This relies on the likelihood/consequence risk categorisation matrix below, with the delegation levels for risk tolerance/acceptance for reach risk level.

LIKELIHOOD	CONSEQUENCE: Minor	Moderate	Serious	Major	Catastrophic
Certain	H	H	VH	E	E
Almost certain	M	H	VH	VH	E
Likely	L	M	H	VH	VH
Unlikely	L	M	M	H	VH
Highly unlikely	L	L	L	M	H

Action Required Table
The following table details the required actions for each risk:

	ACTION REQUIRED FOR RISK
E	**Extreme Risk –** Immediate action required: Risk escalated as appropriate. Action plans and management responsibility specified with close scrutiny required. Only the Chief Executive and/or Council can accept this level of risk.
VH	**Very High Risk –** Senior Leadership Team attention advised. Action plans and management responsibility specified with periodic scrutiny required. The relevant GM, sponsor, risk manager and programme manager can accept this level of risk.
H	**High Risk –** Senior Leadership Team attention advised. Action plans and management responsibility specified with periodic scrutiny required. The relevant GM, sponsor, risk manager and programme manager can accept this level of risk.
M	**Medium Risk –** Management responsibility specified. Managed by specific monitoring and procedures. The relevant programme, unit manager or risk manager can accept this level of risk.
L	**Low Risk –** Manage by routine procedures. Unlikely to require specific application of resources. The relevant activity manager can accept this level of risk.

Figure 6 Risk Matrix and Action Required Table

The Risk Review includes a Risk, Control and Assurance map showing the key controls and three levels of assurance as outlined above for risks rated "Extreme" (Certain/Almost certain likelihood and Major/Catastrophic consequence).

The key risks are:

RISK TYPE AND DESCRIPTION	RISK MANAGEMENT RESPONSE
Uncertainty Risks	
Information to support decisions is not available or remains too uncertain	• Contract finalisation • Assumptions and uncertainties are clearly communicated in RFP • Demand/growth modelling • Financial modelling
Infrastructure not covered by the IAF fails to keep up with the population growth resulting in lack of amenity	• Asset Management plans • Urban Growth Strategy / Metro Spatial Plan / Futureproof • Long Term Plan • Demand/Growth modelling • Staged development
Developers not delivering on expectations for housing	• Early engagement with developers • Private Developer Agreements • Housing Outcomes agreement
Change in Council/government results in different priorities/change in funding that impacts delivery	• Funding agreement and Housing outcomes agreement have flexibility to allow for changes. • Stakeholder management and consultation
Three waters reform impacts on funding/timing/ownership of projects	• Funding Agreement terms • Stakeholder management
Community expectations on central city development differ from Housing Outcomes agreement	• Stakeholder management and consultation • Urban Growth Strategy / Metro Spatial Plan / Futureproof • Housing Outcomes agreement flexibility
Development form changes that make IAF assumptions incorrect	• Funding agreement and Housing outcomes agreement have flexibility to allow for changes.
Financial Risks	
Council bears risk of any cost escalation/unforeseen costs/overruns	• RFP successful • Programme delivery
No LTP funding currently for IAF projects	• 2024 LTP development
Insufficient funding to deliver the projects	• RFP successful
Co-funding principles not met	• RFP successful
Commercial Risks	
IAF terms are very prescriptive and inflexible	• Ensure common understanding prior to commitment or not
Developers don't accept the Housing Outcome agreement terms	• Early engagement
Not meeting obligations of relationship with Iwi	• Established engagement protocols
Resourcing Risks	
Council staff don't have capacity to deliver these additional projects	• Dedicated team
Construction industry inability to deliver additional infrastructure projects	• Programme delivery

RISK TYPE AND DESCRIPTION	RISK MANAGEMENT RESPONSE
Construction industry does not have capacity to deliver multi-story buildings in near/medium term	• Early engagement • High trust model for programme delivery
Developers inability to deliver multi-story housing	• Early engagement
IAF impacts on other growth areas/programmes	• Programme delivery
Liaison with other utility providers	• Communications and engagement plan.
Corrosion and odour (wastewater)	• Detailed design review
Poor contract documentation	• Independent review by construction practitioners prior to tendering.
Contract team performance.	• Review lessons learned from similar projects (e.g. Waka Kotahi St Lukes, Peacocke, WEx)
Materials supply	• Early engagement with market

Table 1 Key Risks and Management Responses

The risk management responses and controls include existing controls such as HCC's audit regime, conflict of interest management, health and safety processes, procurement policy and delegations policy, and additional controls such as peer reviews, formation of a dedicated project team, and project-specific communications and project planning.

8. Contract management

General Approach

The proposed approach is to focus on the physical works implementation and phase the works in a way that delivers value for money, manages risks and accelerates access for development.

To avoid conflict during construction, the works will be grouped in packages based on location, rather than by infrastructure type.

Individual Contracts

The reservoir and associated pump work are likely to be a package.

Since the north-south corridor transport works are linked to the reinstatement of the waters activities, they will be packaged together.

The river bridge and connections package has a different character and will probably be procured separately.

Collector upsize/upgrades and internal water and wastewater networks will be assessed on a case by case basis as they arrive and are likely to be dealt with through developer agreements.

9. Project Management

HCC has an excellent track record in delivering large infrastructure items, such as the Hamilton Ring Road and the Pukete Wastewater Treatment Plant Upgrade. Our joint investment with Waka Kotahi for Southern Links and with Tainui for Ruakura shows how we can collaborate effectively to deliver the best outcomes for project partners.

Delivery of the infrastructure will be a challenge because of the scale and tight programme. We need to get a flying start and make sure that we don't get bogged down with additional or unexpected approvals, or because we have inadequate resources and systems to support timely implementation.

Effective delivery requires effective governance and steering. We propose that the DBC form the basis of a project plan and approvals, and establish a steering group with KO and Waka Kotahi as project partners to guide decisions and ensure implementation goes to plan. That group will fit within HCCs governance and assurance systems, including elected representatives and independent audits and verification.

We will plan and deliver effective communications and engagement with the public, developers, tangata whenua, consultants and contractors and landowners in the area. . We will also establish a regulatory stakeholder group to share information and programming to ensure resources and understanding is in place for consent and authorities needed for construction and in some cases, investigation.

We will deliver the infrastructure using a dedicated Infrastructure Team to make sure that we get the right people with the right authority all working together. We have prepared a risk management and assurance plan and will actively manage extreme and very high risks. We will work in three phases – initiation, pre-implementation and implementation of gateway infrastructure, with the Central Hamilton Infrastructure Team adjusting to meet changing demands. Once the infrastructure is in place, over around five years, we will transition back to progressive development and infrastructure delivery as part of HCC's normal business.

10. Governance and reporting arrangements

Hamilton City Council proposes to establish a dedicated infrastructure team, and the project management and governance structure will follow Hamilton City Council's standard practice. This approach has been successful when applied to large infrastructure projects, particularly those working with the NZ Transport Agency and advance funding.

Three levels of management will operate in the delivery of infrastructure in the city centre workstream. These levels broadly include governance, project management, and independent regulatory and peer review as noted:

- Level 1: Project management oversight, capability and experience including project steering and peer reviews
- Level 2: Project/programme governance particularly Council committees
- Level 3: Independent and objective assurance including third party oversight provided by the NZ Transport Agency, and external and internal audits to check the controls are working.

At a governance and steering group level, Hamilton City Council proposes to work in collaboration with the Ministry of Business, Innovation and Employment (MBIE) and the NZ Transport Agency.

The Central Hamilton Infrastructure Team and associated workstream will have a project sponsor and various project managers. This team will prepare a detailed project plan that will set out the project roles and responsibilities for each major project, and use the PRINCE2 or PMI project management methodology or equivalent to do this. This project management structure will continue to the completion of project implementation and the programme review.

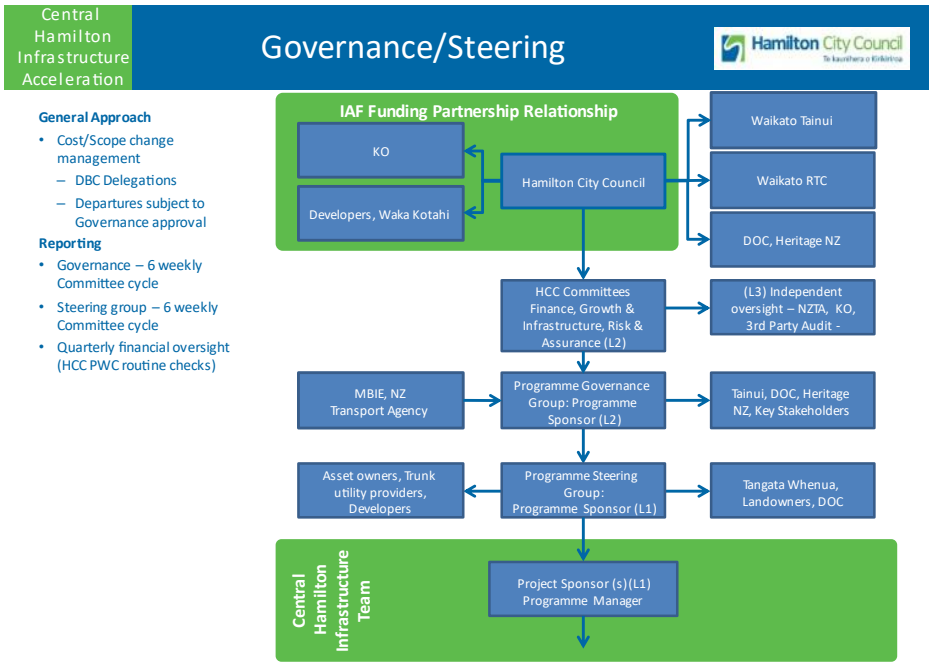


Figure 7 Project Management Structure

Each major project will maintain a risk register, issues register, and change register, and update the project management plan following governance approval of any changes. Hamilton City Council will complete a post-implementation review within six months of project completion (Level 3 assurance).

Management Structure – General Approach

Hamilton City Council's proposed management structure is based on collaboration with KO and the NZ Transport Agency at a governance and steering group level as shown in the organisational chart below. A fundamental component is the dedicated infrastructure workstream team, including service level or equivalent commitments from independent regulatory and financial functions. Hamilton City Council anticipates an additional programme coordinator operating within the team to facilitate regulatory and peer review functions to optimise efficiency and manage potential delays. The existing CCTP programme team and Central City Sub-committee will provide programme management and governance.

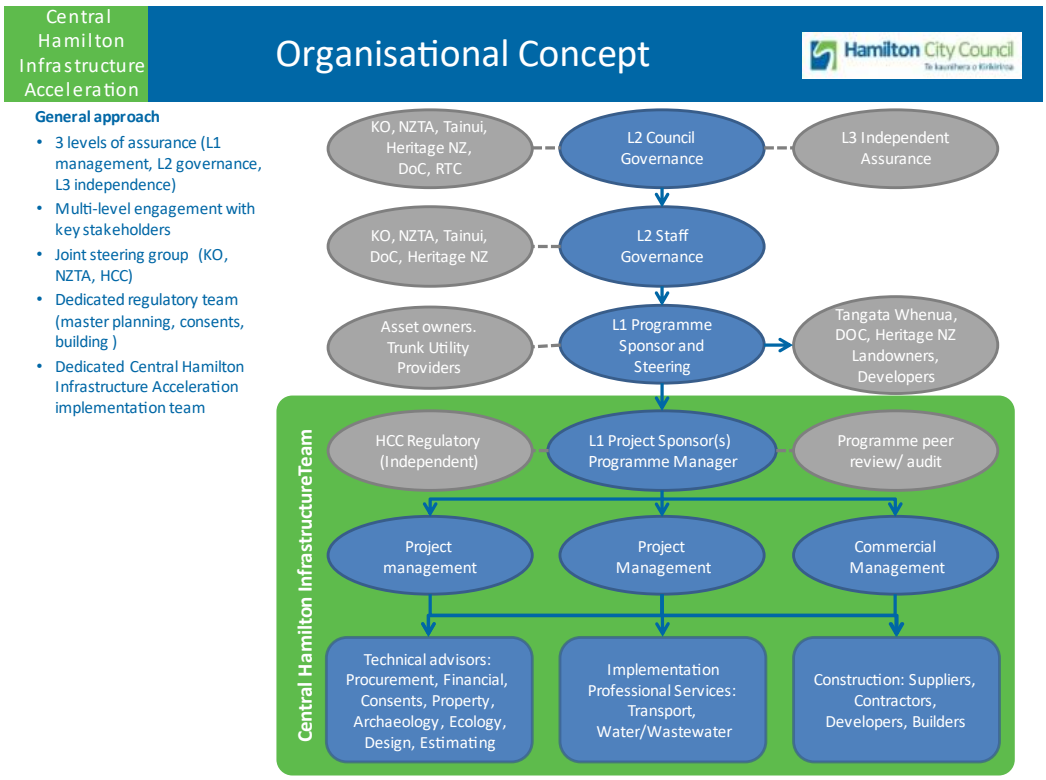


Figure 8 Management structure – Organisational Concept

Management Structure – Delivery of Capacity for Residential Development

The structure charts in the figures below illustrate the evolution from initiation to gateway structure implementation.

Year 0-1:	Initiation – subject to finance and resourcing
Year 0-2:	Pre-implementation (but with implementation of current projects)
Year 2 – 5:	Gateway Projects Implementation – major project management demands

Beyond year 5, the HIF projects transition to Business as Usual development implementation, with little need for active support from Hamilton City Council.

A key risk to address is continuity and consistency over significant project duration and phasing. This applies to the Hamilton City Council team, consultant personnel and contractor personnel.

Additional resources will be needed to supplement the existing Central City growth team to deal with the acceleration projects.

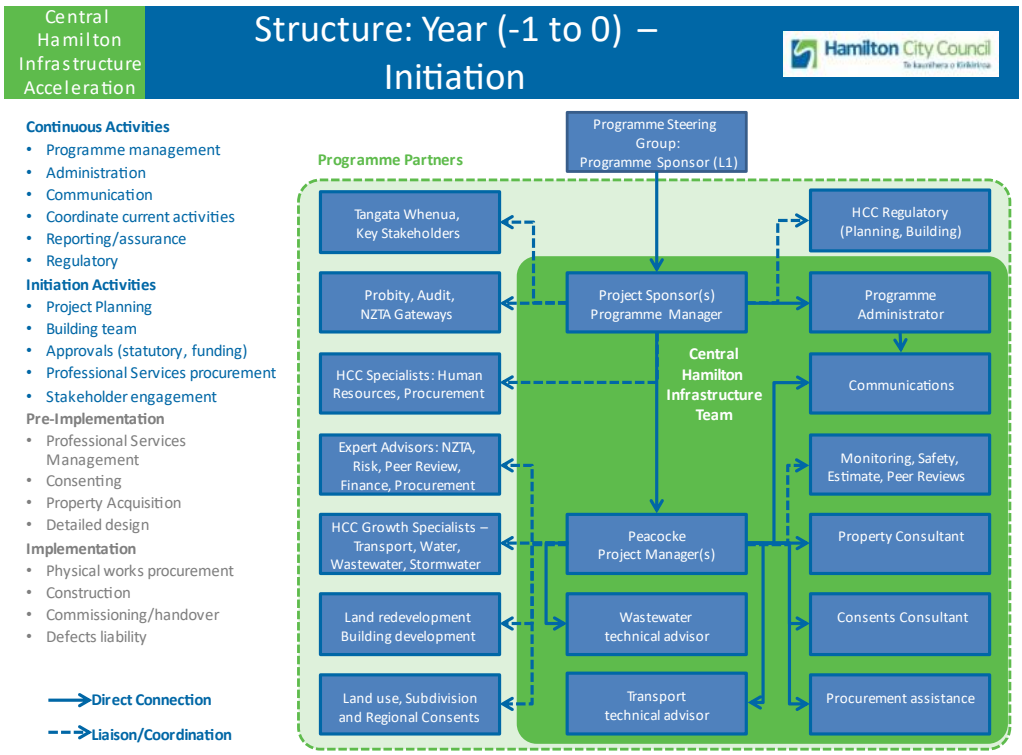


Figure 9 Management structure –Initiation, Professional services Procurement and Commencement

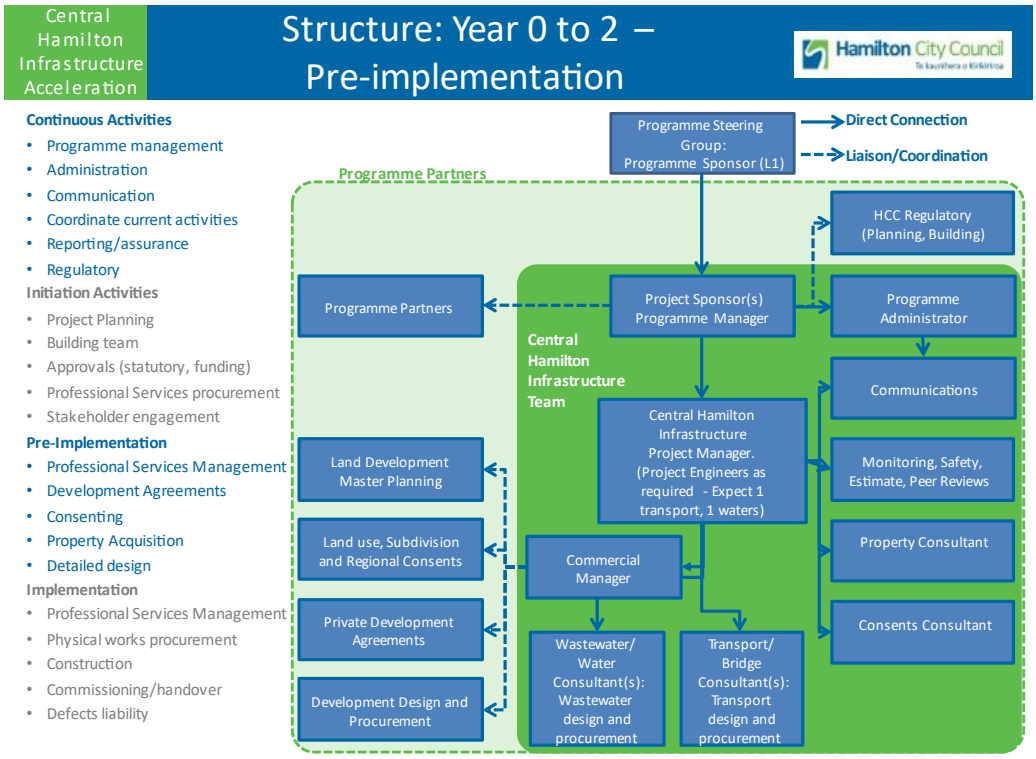


Figure 10 Management structure – Pre-implementation – Property, Design, Consents

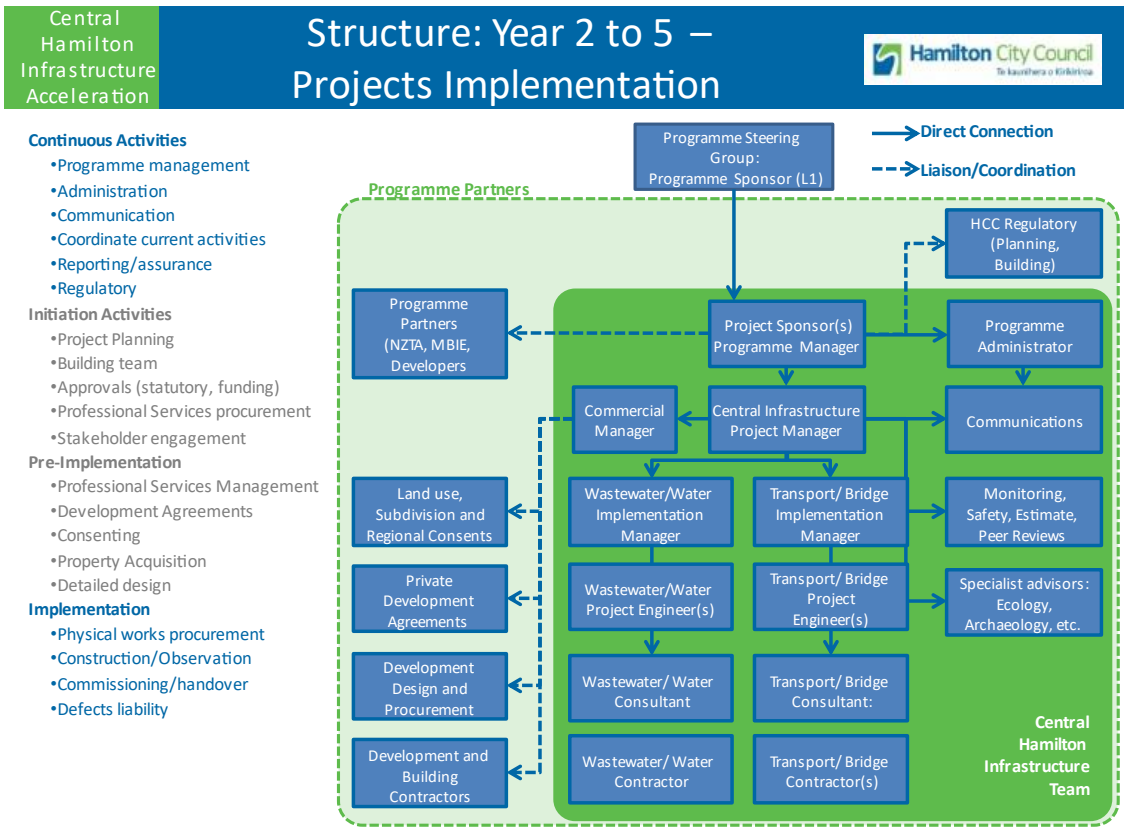


Figure 11 Management structure –Project Construction - Years 2 – 5

Financial Controls, Value Assurance and Risk Management

Hamilton City Council will continue to apply their comprehensive system of controls, management reporting, audit and assurance processes for this infrastructure as for everything they do. This includes:

- Hamilton City Council delegations policy
- Strategic planning, programme and project development following the business case philosophy
- HCC Programme Management Office oversight
- Key project reporting to the Growth and Infrastructure Committee
- Budget allocations and financial monitoring
- Management reporting
- Internal audits
- Committee and Council reporting of financials
- External audits (Waka Kotahi, LG Funding Authority)

In addition to the internal audit systems, Hamilton City Council's transport expenditure is subject to NZ Transport Agency auditing and assurance requirements which operate effectively for Hamilton City Council. The current Peacocke HIF project is meeting MBIE's assurance requirements.

Hamilton City Council's proposals for financial risk management consistent with or exceed NZ Transport Agency's and LGFA financial reporting, assurance and audit requirements.

Additional reporting and auditing requirements such as quantity surveyor progress reporting and drawdown presents a disproportionate cost and undermines value for money.

Hamilton City Council's proposed assurance and audit requirements for drawdown of IAF funding for all infrastructure are consistent with that currently operating for transport investment.

Hamilton City Council's programme relies on no delays from further approvals being necessary for IAF funding, beyond the following standard requirements.

- Project costs being within expected costs or manageable within IAF contingencies or alternative confirmed 3rd party funding.
- Independent road safety audit, safety in design review, safety in maintenance review.
- Project macroscope scope being confirmed.
- KO may audit multi-party projects at any time to confirm that all accounting and reporting requirements are being met.

It is envisaged that the costs of individual projects may change as the infrastructure scope is refined.

Changes in funding will be made in accordance with the final contract terms once agreed.

KO are likely to require Hamilton City Council to confirm the estimates prior to committing to physical works contracts.

Project risk sits with Hamilton City Council unless there is an additional agreement.

Disputes

Any departures from scope, performance expectations or disputes not resolved at project management or steering group level will be escalated to governance level for consideration. Any remaining disputes shall be resolved in accordance with the relevant, signed agreements.

Integration with other programmes

The Central Hamilton programme of works will link with other infrastructure programmes. The trunk utility and arterial transport network activities form part of HCC's. This is an established project developed jointly by Hamilton City Council and the NZ Transport Agency and an integral part of the draft Access Hamilton Programme. Access Hamilton comprises a portfolio of key projects for the delivery of improvements to Hamilton's transport over the next 10 years. The key projects are set out in the Access Hamilton Programme Business Case. The relevant programme management arrangements will remain are as follows:

- Activity development in accordance with Waka Kotahi's Business Case approach
- Optimisation and prioritisation as part of the Regional Land Transport Programme (RLTP) and Hamilton LTP processes
- Procurement and implementation in accordance with HCC's procurement procedures (Waka Kotahi Approved)
- Monitoring in accordance with One Network Road Classification and Road Efficiency Group requirements
- Benefit monitoring and reporting in accordance with approved business case requirements.

Issues management

Hamilton City Council will agree the basis for issues management with KO as part of funding approval

11. Implementation Programme

Programme development and overview

The purpose of the IAF is to get more dwellings in central Hamilton, faster. Hamilton City Council will prepare a detailed project plan to set out the project roles and responsibilities for each major project. PRINCE2 or PMI project management methodology will be used where appropriate. The start time for the programme is dependent on funding commitments.

The IAF infrastructure investment needs to be considered in conjunction with Hamilton City Council's LTP to pick up local road and water components and maximise value for money. Required changes to the LTP can be considered as part of developing the 2024 LTP which will commence in late 2022.

Programme approvals

Delays to the active bridge design could happen if the bridge aesthetics cannot be agreed on by Council. Finalising and confirming the bridge aesthetic considerations should be completed early in the programme.

Early development will be possible if lower levels of service are tolerable in the short term. Options would be developer led and will rely on design for permanent solutions being available to avoid risks and high future costs. Early engagement is needed to coordinate development with utility providers for trunk connections.

Land procurement is a high risk to the programme and land procurement should be advanced wherever possible. So should design affecting consents and wildlife permits if required for the river bridge.

Public Engagement and Communications

Council-managed HIF programme engagement rather than separate project arrangements would be desirable. The Council therefore proposes joint messaging and an integrated communications team.

Communications and engagement planning will be coordinated with LTP engagement to manage the risks of adverse responses and disruption. Developer engagement will be critical to success. This should ensure working towards PDA's with sufficient certainty in time to support HCC commitment to construction phases.

Opportunities and Risks

HCC engaged PWC to review risks and develop a strategy, framework and plan for dealing with the management of risk. These are generally in accordance with Waka Kotahi's risk management minimum standard Z/44 and the Agency's Risk Management Process Manual. The risk register and preliminary management plan is described in Section 7 above.

Detailed Programme

A detailed programme and spend breakdown by time is attached at Appendix XX and a simplified programme is shown below.

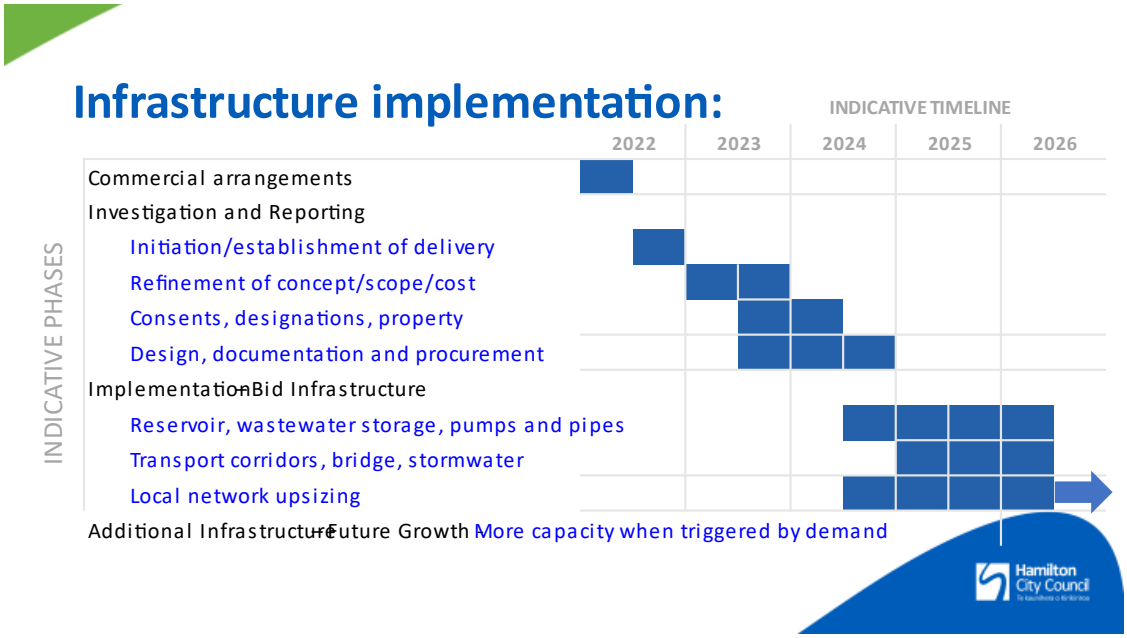


Figure 12 Summary Programme – Refer Appendix for details

12. Consultation with stakeholders

Hamilton City Council submitted its indicative business case for IAF on the basis that it requires collaboration with developers, social housing providers and KO. There may also be a need for consultation regarding the priority of advancing/slowing other capital projects in the LTP 2021-31, including consulting on any consequential impact on debt and rates. This is critical as the size of the IAF commitments may trigger the scale and significance tests for engagement under the Local Government Act.

Hamilton City Council is committed to timely and meaningful engagement, consultation and communication with the community and key stakeholders impacted by any development that will occur as a result of the IAF loan and subsequent private sector urban development.

The principal consultation and communication approach will include:

- Consultation undertaken to date on some aspects of the HIF loan and infrastructure package
- Engagement on the development of central Hamilton and IAF.
- Ongoing consultation throughout the implementation phase.

Consultation undertaken to date

The City Centre Transformation Plan and Council's LTP21-31 comprehensively cover the focus on the central city.

Further, Hamilton City Council has engaged closely with major landowners in the area.

Ongoing consultation through the implementation phase

Hamilton City Council will continue to engage widely once final confirmation of the IAF funding is received. A detailed communications and engagement plan will also be developed to keep the public, key stakeholders and directly impacted landowners informed of progress, as development takes place.

The scale of the project and intensive existing and planned land uses mean that adverse effects from construction will be significant and unavoidable. Investigations and construction planning must balance direct and indirect traffic and construction impacts on businesses, town centre user and residents. Effective understanding of business and stakeholder needs is essential. Additional communications resource will be needed to ensure this is managed and delivered effectively.

Formal consultation in accordance with any statutory processes under the RMA will also take place for all alterations to designation, resource consents, or master-planning or plan change processes required to enable new urban development as a result of receiving any IAF allocation. These processes will provide for full participation in formal resource management processes.

Hamilton City Council is committed to ongoing consultation with directly affected landowners and other stakeholders throughout the implementation phase of the development.

13. KPIs and milestones – Benefits Realisation Plan

Benefits realisation

The quantifiable benefits of addressing the problems relate to development enabled. A detailed benefits realisation plan will be developed with Kainga Ora through finalising the terms of the successful bid

Outputs Monitoring

HCC will monitor and report on the ability to provide "developer ready" land. To do this, HCC will monitor and report on the implementation of key infrastructure projects/stages that would unlock land and these projects.

The details of measurement and reporting will be agreed with KO as part of the loan agreement. If practicable, HCC will seek to report on progress with developer agreements and commitments.

Reporting frequency

Benefits reporting will be on a six-monthly timing interval for monitoring and presented to the next steering group Central City Transformation Plan (CCTP) group and governance group Central City and River Plan Sub-committee meetings.

14. Implementation - Actions

General

The success of the Central Hamilton Infrastructure Acceleration Fund project implementation will be formation of a team with the right skills that provides sufficient continuity to deliver the project. The best people are within or close to HCC and the IAF project needs access to them to ensure that the major projects can be delivered including reliance on people and roles needed for business as usual, without undermining current functions.

100 day plan – HIF Team Formed and Professional Services and Land Acquisition

To deliver, the team needs an effective start. Activities desirable for acceleration include approval for the IAF approach/loan agreement, etc., land acquisition preparation, consents and authorities applications, reservoir and transfer pump station consent/designation, professional services tender documentation, industry liaison, and developer liaison.

HCC's programme targets, , achieving the following within approximately three months in addition to the activities desirable for acceleration:

- Complete IAF core team.
- Main professional services appointments.
- Detailed procurement plans.
- Finalise consent requirements.
- Approvals for construction procurement approaches.
- Finalise wastewater storage, bridge and reservoir effects considerations/design envelopes.
- Commence land acquisition.
- Complete consents and authorities engagement/hearing.

If there are no opportunities for acceleration and an early start, slippage of 6-12 months is likely.

1000 day plan – Interim Development and Gateway Infrastructure Construction

Within approximately three years, HCC will deliver:

- Property secured.
- Reservoir, Pump Station, and wastewater storage - tendered, awarded, and commenced.
- Private development agreements in place.
- Interim development under way.
- Other developments agreed and funded.

This means that we will be on track to meet the five and 10 year targets for Urban Development.

First Steps

The steps are as follows:

- Confirm approvals to proceed (desirably with advance opportunities), delegations and restrictions.

- Appoint key roles and form IAF and CHIT team.
- Appoint land, transport and waters professional services advisors.
- Require land.
- Prepare RFT's for main professional services contracts.
- Prepare communications and engagement plan and engage with construction market, developers and utilities.
- Establish governance coordination group.

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APPENDICES

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Appendix A.1

Technical Reports - Water Supply

MOTT MACDONALD

CBD IAF Concept Report

Water Supply Infrastructure

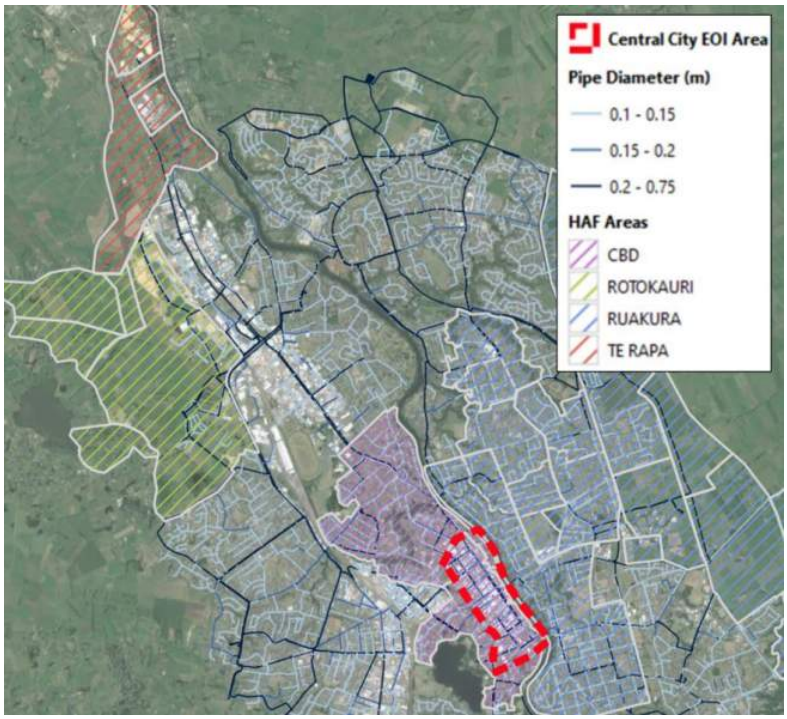
Project:	Infrastructure Allocation Funds for Hamilton City Council		
Our reference:	425220	**Description:**	Draft A
Prepared by:	Tom Lecomte	**Date:**	18/11/2021
Approved by:	Thomas Haarhoff	**Checked by:**	Nasrine Tomasi
Subject:	Central City IAF		

1 Introduction

Mott MacDonald was contacted in June 2021 to assist HCC to apply to the HAF (Housing Acceleration Fund) which allocates funding to infrastructure projects for housing development. Phase 1 was delivered by the end of July 2021 as a short report summarizing the assumptions methodology and cost estimates for the Water supply infrastructure in three following areas of interest:

- Rotokauri / Te Rapa
- Central (CBD Area)
- Ruakura R2

Figure 1.1: Central City EOI Area Location



This document is a more detailed concept report focusing on the Central Area (CBD), more precisely the area covering Angelsea St, Tristram St and Victoria St on the northeaster side of Lake Rotoroa circled in red in Figure 1.1.

The Water Supply Infrastructure includes:

- Installation of new bulk water main
- Installation of new Ruakiwi Reservoir
- Installation of new Ruakiwi Booster pump station

2 Assumptions & Methodology

2.1 Assumptions

The population forecast is the main driver for the infrastructure upgrades. The study was carried out using the same assumptions as for the Infrastructure Acceleration Fund – Phase 1 Report, Water Supply Network Cost Estimates (July 2021, Mott MacDonald). However, some assumptions are not relevant for this study:

- Item 8 was ignored as the local network is not included in the Central City EOI as agreed with HCC (See Exclusions)
- Item 9 was replaced by item 10 as the trunk mains sizes were refined based on the zone maximum demand

Table 2.1: Assumptions for the Central City EOI

	ID	Aspect	Assumption	Source
HAF 1 Assumptions (June 2021)	1	Population Densities	The demands used for the cost estimates were derived from geographical population density information provided by HCC and discussed during workshops. The City Full Water Supply Model developed by Mott MacDonald was also used to compare forecasted demand and growth.	HCC & Mott MacDonald City Full Water Supply Model Refer to Section 3.1
	2	Demand Rate	260 litres/person/day	Regional Infrastructure Technical Specifications (RITS) and discussion with HCC
	3	Demand Factor	The RITS indicate a factor 5 should be used to estimate the maximum flow, this was used for the Pump Station estimates as they need to cope with hourly peak factor. A bulk main peak factor of 2 has been assumed as these lines do not experience diurnal fluctuation. Reservoirs also consider a factor 2 for the total daily volume.	
	4	Level of Service	The following level of service were used to assist the sizing of the bulk main: Maximum Head Losses: 2m/km for >600mm diameter	Master Plan 3
			Reservoirs and pumps should have capacity to service the equivalent of the peak day demand in 18hours (factor 1.33)	
	5.1	Costing Factors	Preliminary & General: 15% of Base Cost	These rates were used for the costing of Hamilton Master Plan 3
	5.2		Contingency: 25% of Base Cost	
	5.3		Design and Project Documentation: 7% of Base Cost	
	5.4		HCC Internal Staff and Other Costs: 9%	
	6	Costing Rates	Mott MacDonald has a standard cost rate database to undertake costing (refer to Infrastructure Acceleration Fund – Phase 1 Report, Water Supply Network Cost Estimates (July 2021, Mott MacDonald))	Optimisation Cost Data
	7	Hamilton Water Network	It was assumed the WSZ implementation would be finalised by the time the infrastructure upgrade occurs	Master Plan 3 & implementation Plans
	~~8~~	~~Local Network~~	~~The local network covered by growth area is to be entirely replaced by 150mm pipes~~	~~Agreed with HCC~~
	~~9~~	~~Trunk mains~~	~~The new trunk mains were all sized to 450mm and the future supply main to 800mm~~	
CBD EOI (November 2021)	10	Trunk mains	The new trunks main sizes were calculated based on maximum demand in the Ruakiwi Zone.	Agreed with HCC

2.2 Exclusions

As agreed with HCC, the study does not consider the items listed below:

Table 2.2: Exclusions

	ID	Aspect	Exclusion
HAF 1 Assumptions (June 2021)	1	Modelling	This study is not based on any modelling due to timeframe constraint and level of detail expectations. The cost estimates were carried out without using the Hamilton Water Supply Model.
	2	Water Treatment Plant Upgrade	The upgrade of the existing Water Treatment Plant and the high-lift pump stations were excluded for this study
	3	New Water Treatment Plant	The construction of a second WTP in the Northwest of Hamilton (Waipa River as a new source) was not included in the cost
	4	Property Connections	The costs do not include Property Connections
	5	Property/Land Purchase	The costs do not include land acquisition for additional reservoir storage space
CBD EOI (November 2021)	6	Local Network	The local network (downstream of the study extent) was not assessed for this study
	7	Bulk Ring	The Hamilton Bulk Ring feeding all the reservoirs (upstream of the study extents) was not assessed for this study
	8	Zoning	Although the HAF Central City Area includes other Water Supply Zones, this study focuses exclusively on Ruakiwi. As agreed with HCC, Whitiora-Newcastle and Maeroa are not part of the assessment

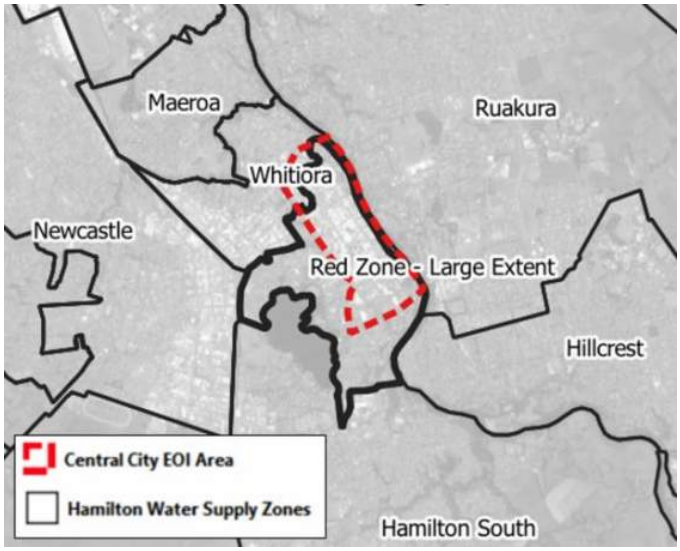
2.3 Risks

The Ruakiwi zone forecasted demand is the main driver of that study. As detailed in the following sections, it was used to dimension the Ruakiwi reservoir, pump station and trunk main. The demand was calculated based on population growth and population densities. However, it is important to note that this zone demand is currently highly influenced by its commercial character. Any change in forecasted growth or demand type (proportion of non-commercial demand) will influence demand forecast and the infrastructure necessary to service this demand.

3 CBD Water Supply Infrastructures

3.1 Zoning

Figure 3.1: Hamilton Water Supply Zones Boundaries



As part of the assumptions of the Infrastructure Acceleration Fund – Phase 1 Report, Water Supply Network Cost Estimates (July 2021, Mott MacDonald), it was assumed all the WSZ implementation would be finalised by the time the infrastructure upgrades occur (Item 7 in Table 2.1 and Item 8 in Table 2.2). Hamilton Network is currently being subdivided into independent zones with their individual reservoir and booster pump station.

By the time the implementation plans are finalised, the Central City EOI Area will be part of the Ruakiwi (Red Zone) Water Supply Zone. Therefore, the pump station, the reservoir and the bulk main were dimensioned based on the forecasted demand in Ruakiwi (Item 4 and 10 from Table 2.1)

The following section describes the necessary infrastructure to be implemented in Ruakiwi.

3.2 Water Infrastructure

The pump station and the reservoir upgrades assumed a full replacement as the current ones are in poor condition.

The proposed trunk mains were initially priced assuming a loop layout along arterial roads. The layout and the pipe sizes were reassessed in the zone based on the maximum flow demand and the desired level of service.

Two options are proposed:

- Option 1: The original loop layout with a breakdown of pipe sizes from 850mm (Falling main from the reservoir) to 650mm (loop) and 450mm (loop interlinks).
- Option 2: An arterial layout with a larger spine of 850mm and some 450mm perpendicular trunks connecting to the local network

Both options are indicative, the final cost for trunks was averaged as it is still at a high-level concept plan stage.

Figure 3.1 summarises all the infrastructures deemed necessary to cope with future growth in the central area. These involve:

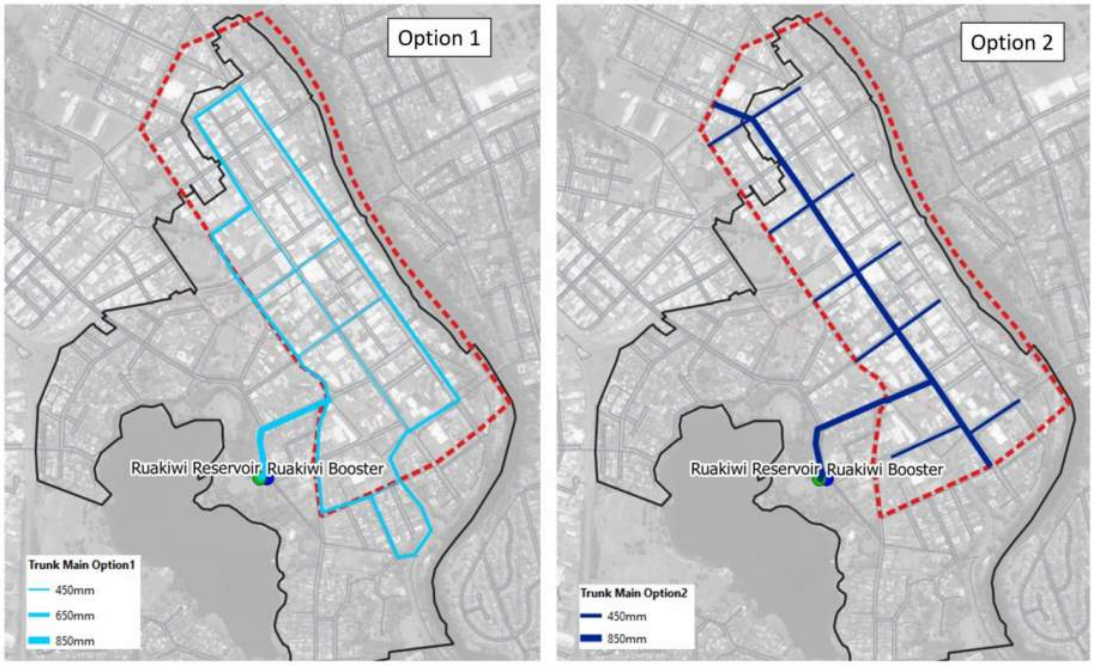
Table 3.1: Infrastructure Upgrade

Type of Upgrade	Details
Installation of new **pump station**	(max flow up to 5 X AVG Daily Demand = 1,700l/s) *
Installation of **new reservoir**	(max volume = 1.33 X 2 X AVG Daily Demand = 58.4 ML) *

Type of Upgrade		Details	
Installation of new **trunk mains**	***HAF 1:*** *7,000 m of 450mm*	**Option1:** 2,300m of 450mm 5,700 m of 650mm 600m of 850mm	**Option2:** 2,900m of 850mm 2,500m of 450mm

**see section 4.1 for methodology*

Figure 3.2: Central City Water Supply Infrastructure



The pipe diameters were calculated to ensure the maximum head loss would not go beyond 2m/km under maximum demand conditions. The following approach was used to identify the required pipe size:

- The falling main and spine trunk (Option 1 and 2) of 850mm are required to cope with the zone total peak flow (Approximately 800l/s)
- The 650mm loops lines (Option 1) are required to cope with half of the zone peak flow (Approximately 400l/s)
- The 450mm loop interlinks and perpendicular trunks (Option 1 and 2) are required to cope with a sixth of the zone peak flow (Approximately 130l/s)

4 Cost Estimates

4.1 Methodology

More details can be found in the Infrastructure Acceleration Fund – Phase 1 Report, Water Supply Network Cost Estimates (July 2021, Mott MacDonald).

- Ruakiwi Pump Station: the pump station needs to be able to service diurnal hourly fluctuations. The factor 5 recommended by the RITS was used for the pump station costing. The maximum flow was used to estimate the cost based on Mott MacDonald Cost Database.
- Ruakiwi Reservoir: The reservoir cost was obtained assuming a rate of $1M per megalitre. The total daily demand of the WSZ was factored by 2. The total capacity also considered a factor 1.33 as the reservoir should be able to provide the equivalent of the peak day demand in 18hours.
- Trunk Mains: The pipe lengths were multiplied by the corresponding rates based on Mott MacDonald Optimisation Cost Database. The initial price provided for HAF 1 and the two proposed options were averaged for the total costing.

4.2 Final Costs

The following table is a summary of the Water Supply Infrastructure Costs.

Table 4.1: Infrastructure Upgrade Costs

Type of Upgrade	HAF 1 Cost Estimate	Option 1 Cost	Option 2 Cost	Total Cost
Installation of new **pump stations**	$ 70.0 M	$ 14.4 M		$ 72.8 M
Installation of **new reservoirs**		$ 58.4 M		
Installation of new **trunk mains**	$ 18.0 M	$ 28.0 M	$ 17.0 M	$17.0 to $28.0 M
TOTAL *(Base Estimate)*	**$88.0 M**	**$ 100.8 M**	**$ 89.8 M**	**$ 89.8 to $ 100.0 M**
TOTAL*	**135.0 to 155.0 M**			

**Includes Preliminary & General, Contingency, Design and Project Documentation, HCC Internal Staff and Other Costs*

B. Costs Rates

1) Rate used for Bulk Main, Local Pipes and Trunks

Pressure Pipe - trenched in arterial road					
Pipe Diameter (DN)	Pipe Material	< 1.5 m deep	1.5 - 2.5 m deep	2.5 - 3.5 m deep	3.5 - 5.0 m deep
25	PE100 PN16	$466	$1,516	$1,892	$4,225
40	PE100 PN16	$484	$1,523	$1,899	$4,232
50	PE100 PN16	$496	$1,527	$1,903	$4,236
63	PE100 PN16	$511	$1,533	$1,909	$4,242
90	PE100 PN16	$547	$1,550	$1,926	$4,259
110	PE100 PN16	$576	$1,565	$1,941	$4,273
125	PE100 PN16	$597	$1,576	$1,952	$4,284
160	PE100 PN16	$650	$1,603	$1,979	$4,312
180	PE100 PN16	$683	$1,622	$1,998	$4,331
250	PE100 PN16	$813	$1,702	$2,078	$4,411
315	PE100 PN16	$1,018	$1,791	$2,188	$4,525
355	PE100 PN16	$1,111	$1,857	$2,298	$4,647
400	PE100 PN16	$1,227	$1,941	$2,432	$4,795
450	PE100 PN16	$1,493	$2,033	$2,582	$4,959
560	PE100 PN16	$1,831	$2,294	$2,966	$5,376
710	PE100 PN16	$2,158	$2,529	$3,356	$5,809
900	GRP PN10	N/A	$2,945	N/A	N/A
1200	GRP PN10	N/A	N/A	$3,824	N/A
1500	GRP PN10	N/A	N/A	$4,878	N/A
1800	GRP PN10	N/A	N/A	$9,209	N/A

2) Rate used for Pump Stations upgrade

Capacity (l/s)	PS KW	Pump station upgrade cost	Mechanical Costs	Civil Costs	Electrical Costs	Annual KWh	Annual power cost ($/yr)	Annual O&M cost without	Equivalent annual capital cost
10	2.1	$28,675	$4,921	$12,904	$10,851	5,366	$912	$10,480	$1,464
20	4.2	$52,609	$8,334	$23,674	$20,601	10,731	$1,824	$16,022	$2,687
40	8.4	$96,519	$14,113	$43,433	$38,973	21,462	$3,649	$17,013	$4,929
60	12.6	$137,651	$19,206	$61,943	$56,502	32,193	$5,473	$17,659	$7,030
80	16.8	$177,078	$23,900	$79,685	$73,493	42,924	$7,297	$20,491	$9,043
100	21.0	$215,283	$28,317	$96,877	$90,089	53,655	$9,121	$20,892	$10,994
150	31.5	$307,027	$38,537	$138,162	$130,328	80,483	$13,682	$21,669	$15,680
200	42.0	$394,967	$47,954	$177,735	$169,277	107,310	$18,243	$26,939	$20,171
400	84.0	$724,623	$81,210	$326,080	$317,333	214,620	$36,485	$28,509	$37,006
600	126.0	$1,033,428	$110,520	$465,043	$457,866	321,930	$54,728	$29,534	$52,777
1000	210.0	$1,616,251	$162,946	$727,313	$725,992	536,550	$91,214	$35,628	$82,542
1500	315.0	$2,305,031	$221,755	$1,037,264	$1,046,011	804,825	$136,820	$36,859	$117,717
2000	420.0	$2,965,245	$275,948	$1,334,360	$1,354,936	1,073,100	$182,427	$37,795	$151,434

3) Rate used for Pump Stations replacement

Capacity (l/s)	PS KW	Pump station total capital cost	Pump station construction cost	Other (20% P&G, 20% On Costs)	Civil Costs (60%)	Mechanical Costs (15%)	Electrical Costs (25%)	Annual KWh	Annual power cost ($/yr)	Annual O&M cost without power ($/yr)	Equivalent annual capital cost
10	2.1	**$179,221**	**$128,015**	$51,206	$76,809	$19,202	$32,004	5,366	$912	$10,480	$9,153
20	4.2	**$328,807**	**$234,862**	$93,945	$140,917	$35,229	$58,715	10,731	$1,824	$16,022	$16,792
40	8.4	**$603,243**	**$430,888**	$172,355	$258,533	$64,633	$107,722	21,462	$3,649	$17,013	$30,808
60	12.6	**$860,320**	**$614,515**	$245,806	$368,709	$92,177	$153,629	32,193	$5,473	$17,659	$43,936
80	16.8	**$1,106,736**	**$790,526**	$316,210	$474,315	$118,579	$197,631	42,924	$7,297	$20,491	$56,521
100	21.0	**$1,345,516**	**$961,083**	$384,433	$576,650	$144,162	$240,271	53,655	$9,121	$20,892	$68,715
150	31.5	**$1,918,919**	**$1,370,657**	$548,263	$822,394	$205,598	$342,664	80,483	$13,682	$21,669	$97,999
200	42.0	**$2,468,542**	**$1,763,244**	$705,298	$1,057,947	$264,487	$440,811	107,310	$18,243	$26,939	$126,068
400	84.0	**$4,528,896**	**$3,234,926**	$1,293,970	$1,940,955	$485,239	$808,731	214,620	$36,485	$28,509	$231,290
600	126.0	**$6,458,925**	**$4,613,518**	$1,845,407	$2,768,111	$692,028	$1,153,379	321,930	$54,728	$29,534	$329,856
1000	210.0	**$10,101,568**	**$7,215,406**	$2,886,162	$4,329,244	$1,082,311	$1,803,851	536,550	$91,214	$35,628	$515,885
1500	315.0	**$14,406,441**	**$10,290,315**	$4,116,126	$6,174,189	$1,543,547	$2,572,579	804,825	$136,820	$36,859	$735,734
2000	420.0	**$18,532,780**	**$13,237,700**	$5,295,080	$7,942,620	$1,985,655	$3,309,425	1,073,100	$182,427	$37,795	$946,465

C. Cost per Asset Group

- Bulk Main Duplication

As per the level of service mentioned in Table 2.1, the head losses should remain below 2m/km for pipe larger than 600mm. With the estimated HAF Demand, major upgrades were required along the bulk main. The following figure illustrate the recommended pipe sizes.

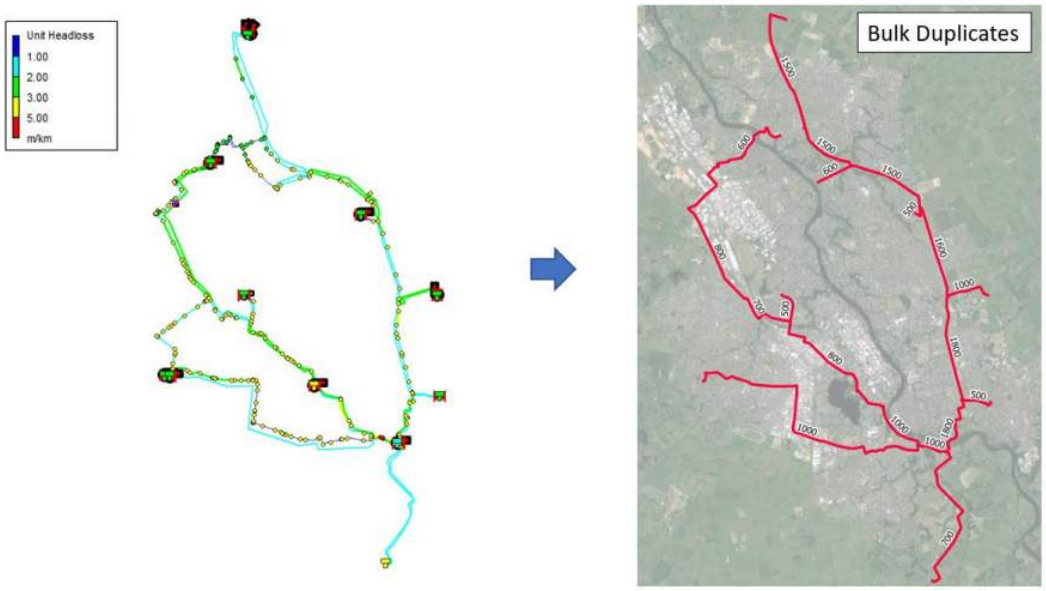


Table C.1: Bulk Main Base Costs

id	name	Service	diameter (mm)	Length	Rate ($/m)	Cost ($)
0	Bulk_0	HamSouth	700	4,155	2529	10.5 M
1	Bulk_1	Hillcrest - Ruakura - Fairfield - Rototuna	1800 (Dual pipe equivalent of 2X1200mm)	1,727 *2	9209	13.2 M
2	Bulk_2	Hillcrest	500	857	2294	2.0 M
3	Bulk_3	Ruakura - Fairfield - Rototuna	1800 (Dual pipe equivalent of 2X1200mm)	2,686 * 2	3824	20.5 M
4	Bulk_4	Ruakura	1000	1,158	3824	4.4 M
5	Bulk_5	Fairfield - Rototuna	1600	2,366	9209	21.8 M
6	Bulk_6	Fairfield	500	623	2294	1.4 M
7	Bulk_7	Rototuna	1500	2,165	4878	10.6 M
8	Bulk_8	Rototuna	1500	1,646	4878	8.0 M
9	Bulk_9	Rototuna	1500	3,444	4878	16.8 M
10	Bulk_10	Rototuna	600	923	2529	2.3 M
11	Bulk_11	Pukete	600	1,430	2529	3.6 M
12	Bulk_12	Pukete	800	5,261	2945	15.5 M
13	Bulk_13	Pukete	700	1,521	2529	3.8 M

id	name	Service	diameter (mm)	Length	Rate ($/m)	Cost ($)
14	Bulk_14	Maeroa	500	841	2294	1.9 M
15	Bulk_15	Maeroa - Pukete	800	2,811	2945	8.3 M
16	Bulk_16	Maeroa - Pukete - Ruakiwi	1000	2,292	3824	8.8 M
17	Bulk_17	Maeroa - Pukete - Ruakiwi - Newcastle - Dinsdale - Rotokauri	1000	786	3824	3.0 M
18	Bulk_18	Newcastle - Dinsdale - Pukete - Rotokauri	1000	7,122	3824	27.2 M
19	Bulk_19	Newcastle - Dinsdale - Rotokauri	800	234	2945	0.7 M
					Total	**184.5 M**

- Pump Stations Upgrades

All the Pump stations servicing the WSZ were considered in this assessment. The High Lift Pump stations were discarded as agreed with HCC.

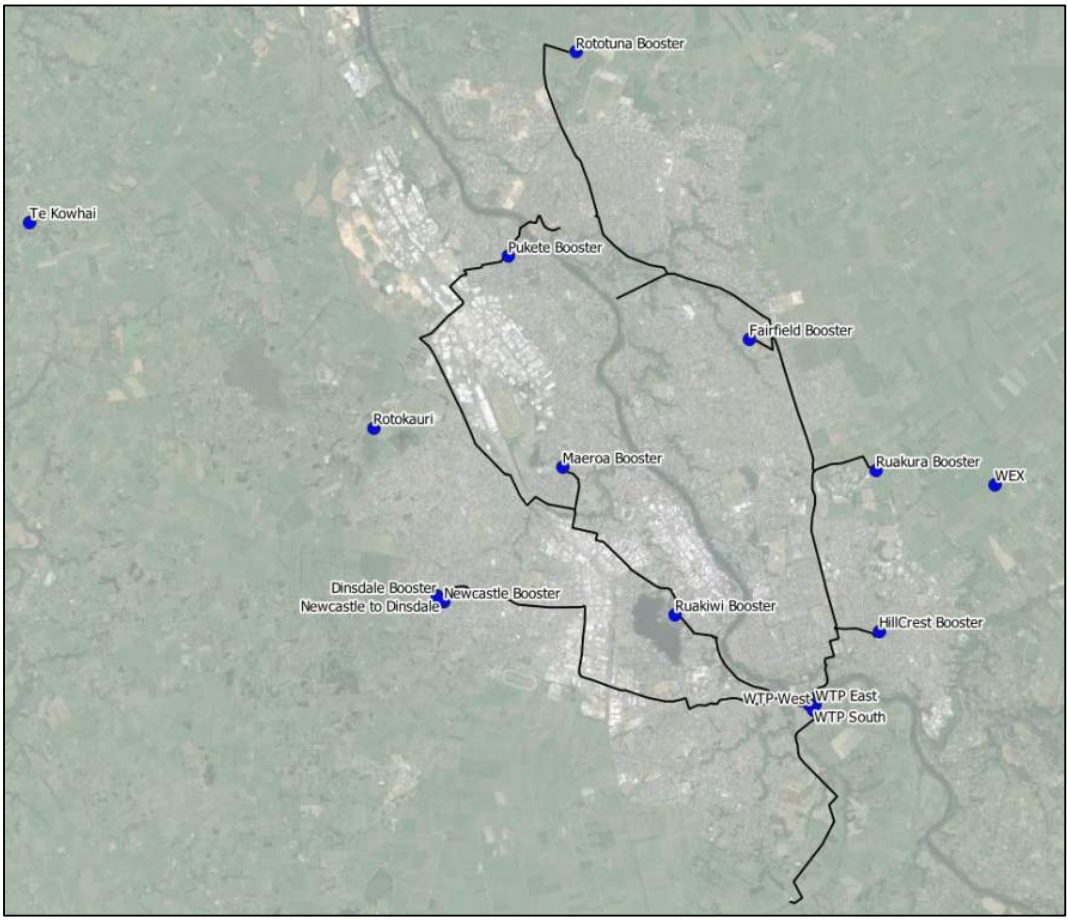


Table C.2: Pump Stations Base Costs

Pump Station	Service	Discussion with HCC whether pump requires upgrade or replacement (15/07/21)	IAF Estimated Demand (l/s)	18hours equivalent (l/s)	considering Peak Hour Factor (2.5)	Estimated Cost ($)
WTP East	*East Bulk Ring*	*Plant can't do that flow, assume new Pump Station (Price spent on new WTP) (140 ML ultimate capacity)*	***2671***	***3552***	*8881*	*Discarded*
WTP West	*West Bulk Ring*		***2671***	***3552***	*8881*	*Discarded*
WTP South	*Ham South Reservoir*		*505*	***672***	*1679*	*Discarded*
Newcastle to Dinsdale PS	Dinsdale Reservoir	Upgrade (just price pump)	103	**137**	342	0.4 M
Newcastle Booster PS	Newcastle Zone	Upgrade (just price pump)	243	**323**	809	1.0 M
Dinsdale Booster PS	Dinsdale Zone	New Pump Station because existing one is too small	51	**68**	171	1.9 M
Maeroa Booster PS	Maeroa Zone	New Pump Station will be too small	188	**250**	626	6.5 M
Pukete Booster PS	Pukete Zone	Pump Upgrade	1006	**1338**	3345	3.0 M
Rototuna Booster PS	Rototuna Zone	Pump Upgrade	548	**729**	1823	2.3 M
Fairfield Booster PS	Fairfield Zone	New Pump Station - too small to accommodate new storage requirement	181	**240**	601	6.5 M
Ruakura Booster PS	Ruakura Zone	Pump Upgrade - brand new building is big enough, only additional pump	1467	**1951**	4879	3.0 M
Ruakiwi PS	Ruakiwi Zone	New Pump Station	508	**675**	1689	14.4 M
Hillcrest PS	Hillcrest Zone	New Pump Station	286	**380**	950	6.5 M
Ham South (not needed)	Ham South Zone	Gravity	505	672	1679	N/A
Rotokauri PS	Rotokauri Zone	New Pump Station	503	**669**	1673	14.4 M
WEX PS	WEX Subregion	New Pump Station	223	**296**	741	6.5 M
Te Kowhai PS	Te Kauwhai Subregion	New Pump Station	500*	**665**	1663	14.4 M
Southern Link PS	Southern Link Zone		500*	**665**	1663	N/A
					Total	**80.6 M**

** Assumed as no available data for future zones*

- Reservoirs Upgrades

All the Pump stations servicing the WSZ were considered in this assessment. The potential future zones (Te Kowhai, Southern Link and WEX) were also included. Te Kowhai and Southern Link demand were assumed.

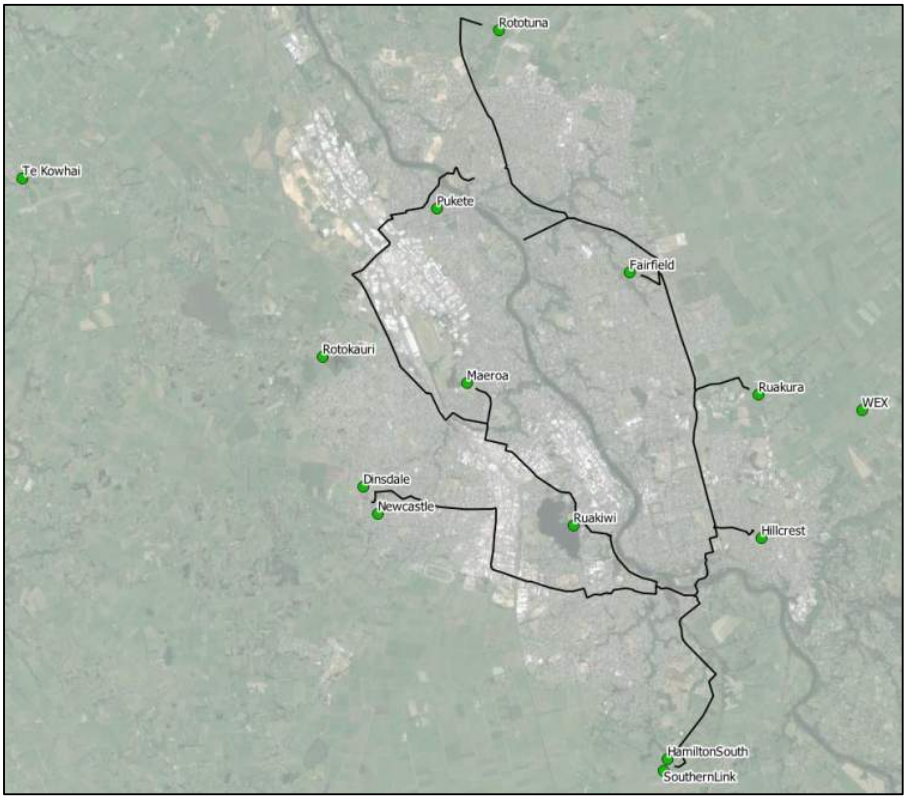


Table C.3: Reservoirs Base Costs

Reservoirs	Current Effective Volume (ML)	IAF Estimated Demand (l/s)	18hours equivalent (l/s)	Volume per Day (ML)	Missing Volume (ML)	Estimated Cost ($)
Hamilton South Res	18.0	505.0	**672**	58.0	20.0	20.0 M
Newcastle Res	17.1	718.8	**956**	82.6	65.5	65.5 M
Dinsdale Res	4.5	102.8	**137**	11.8	7.3	7.3 M
Maeroa Res	3.0	188.4	**250**	21.6	18.6	18.6 M
Pukete Res	20.8	1006.1	**1338**	115.6	94.8	94.8 M
Rototuna Res	18.3	548.4	**729**	63.0	44.7	44.7 M
Fairfield Res	3.9	180.7	**240**	20.8	16.9	16.9 M
Ruakura Res	10.3	1467.3	**1951**	168.6	137.3	137.3 M
Ruakiwi Res	2.9	507.9	**675**	58.4	40.5	40.5 M
Hillcrest Res	12.0	285.9	**380**	32.8	20.8	20.8 M
Rotokauri Res	Not operational yet	503.1	**669**	57.8	37.8	37.8 M
WEX Res		223.0	**297**	25.6	25.6	25.6 M
Te Kowhai Res		500	**665**	57.5	57.5	57.5 M
Southern Link Res		500	**665**	57.5	57.5	57.5 M
					Total	**645.0 M**

- Local Network

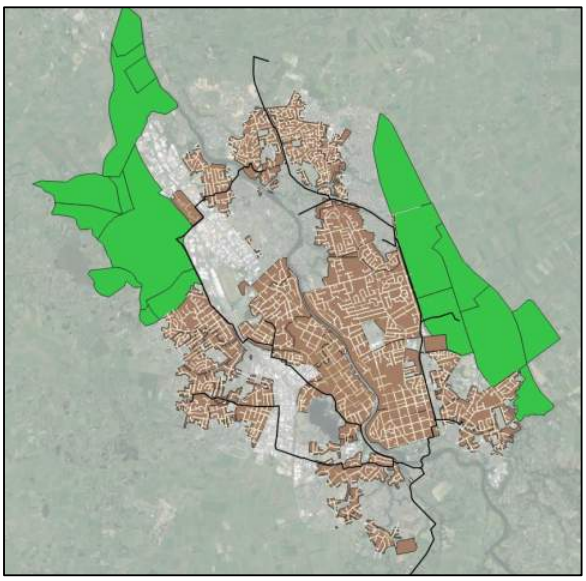


Table C.4: Local Network Base Costs

TOTAL Length (m)	553,674
Rate of 150mm ($/m) (local road)	1867
Brownfields Cost ($)	**1,033.7 M**
Brownfield Area (ha)	3456
Rate per Hectare ($/ha)	299,090
Greenfields Area (ha)	2560
Rate of 150mm ($/m) (berm)	1390
Greenfield Cost ($)	**570.2 M**
Total	**1,603.9 M**

- Trunks

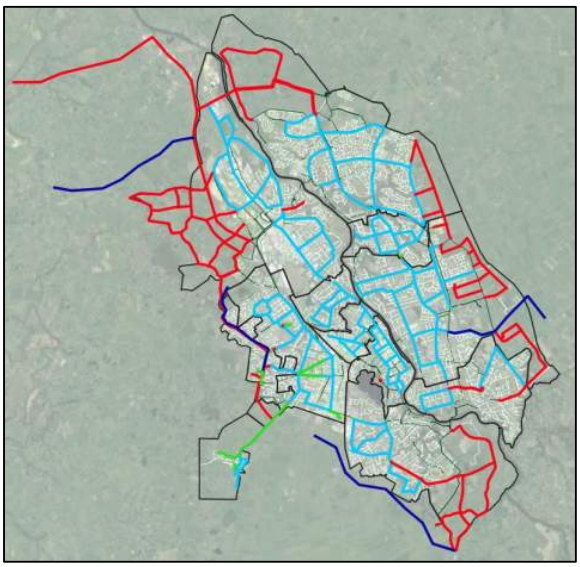


Table C.5: Trunks Base Costs

Trunk Category	Total Length (m)	Sum of Cost ($)
City Full Proposed	88,891	212.6 M
City Full Upgrades	6,632	14.7 M
New Rising Mains	18,999	63.8 M
Spine Networks	115,043	297.1 M
Total	**588.1 M**	



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IAF CBD Concept - Wastewater - Unadjusted from initial bid

Inputs

Total area	142	Hectares
Area south of railway to strategic pump station	80	Hectares
Area north of railway to gravity	62	Hectares
Peak flow per hectare (L/s)	4.0	Based on PF 3.0
Average local pipe size (mm)	300	Unchanged from initial assessment
Length of pipe per hectare (m)	160	

Local infrastructure

Local pipelines	
Length (m)	22,720
Rate ($/m)	$1,260
Estimated cost	$62,979,840
Contingency	$18,893,952
Total estimated cost	**$81,873,792**

Local pump stations		
Pump station	PS cost	RM cost
Hamilton parade	$1,735,084	$228,400
Bryce	$1,669,122	$102,874
Total (incl. contingency)	**$3,735,480**	

Note: costs taken unchanged from initial assessment and includes contingency

Strategic Infrastructure

Design flows				
Scenario	Design flow	100 % flow pipe size (mm)	50 % flow pipe size (mm)	Rising main size (mm)
Peak flow to strategic PS (L/s)	320.0	800	600	600
Local peak flow to northern gravity (L/s)	248.0	675	500	500
Total peak flow to northern gravity and storage (L/s)	568.1	1100	750	800

CPI adjust (from initial assessment)	1.346938776
Adjusted CBD factor (was 220%)	220%

Pump station cost	
Design flow (L/s)	320.0
Rising main (mm)	600
PS cost at design flow	$5,419,700
Rising main length (m)	600
Rising main rate ($/m)	1900
Rising main cost	$1,140,000
Total cost	$6,559,700
Contingency	$1,967,910
Total estimated cost	**$8,527,610**

Wastewater mains cost	
Southern gravity mains to PS - diameter (mm)	525
Southern gravity mains to PS - length (mm)	1200
Southern main rate ($/m)	$7,800
Southern mains cost	**$9,360,000**
Northern main to storage - 50% flow diameter (mm)	750
Northern main to storage - 50% flow length (m)	600
Northern main to storage - 50% flow rate ($/m)	$11,160
Northern main to storage - 50% flow cost	$6,696,000
Northern main to storage - 100% flow diameter (mm)	900
Northern main to storage - 100% flow length (m)	600
Northern main to storage - 100% flow rate ($/m)	$13,540
Northern main to storage - 100% flow cost	**$8,124,000**
Total cost	**$24,180,000**
Contingency	$7,254,000
Total estimated cost	**$31,434,000**

Storage cost	
Volume (m3)	4000
Rate per m3	$1,750
Storage base cost	**$7,000,000**
Storage pump station extra allowance	$750,000
Total cost	**$7,750,000**
Contingency	$2,325,000
Total estimated cost	**$10,075,000**

FINAL

Appendix A.2

Technical Report - Wastewater

Prepared for
Hamilton City Council
Co No.: N/A

AECOM

Infrastructure Acceleration Fund

CBD Wastewater Concept

23-Nov-2021
Infrastructure Acceleration Fund Applications

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Delivering a better world

Infrastructure Acceleration Fund

CBD Wastewater Concept

Client: Hamilton City Council

Co No.: N/A

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In association with

Hamilton City Council

23-Nov-2021

Job No.: 60663933

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Date 23-Nov-2021

Prepared by Chris Hardy

Reviewed by Wioletta Gilfoyle

Revision History

Rev	Revision Date	Details	Authorised	
			Name/Position	Signature
A	11-Aug-2021	DRAFT	Chris Hardy AECOM Project Manager	
B	23-Nov-2021	FOR INFORMATION	Chris Hardy AECOM Project Manager	

Table of Contents

1.0 Introduction 1
2.0 Assessment methodology and parameters 1
2.1 General approach 1
2.2 Assessment area 2
2.3 Area changes from the initial application 2
2.4 Assessment area network types 3
3.0 Wastewater infrastructure assessment 3
3.1 Strategic infrastructure 3
3.1.1 Piping and pumping requirements 3
3.1.2 Storage and discharge to the existing central interceptor 3
3.1.3 Strategic infrastructure summary 4
3.2 Local infrastructure 5
4.0 Estimated costs 5
4.1 Basis of the cost estimates 5
4.2 Cost estimate 6
5.0 Risks and unknowns 7

Appendix A
Wastewater schematic A

Appendix B
Cost estimate tables B

List of Figures

Figure 1 CBD assessment area 2

List of Tables

Table 1 4,000 m^3 storage tank example dimensions 4
Table 2 Strategic infrastructure upgrades 4
Table 3 Local infrastructure upgrades 5
Table 4 Summary of costs – CBD Strategic 6
Table 5 Summary of costs – CBD Local 6

1.0 Introduction

Hamilton City Council applied for government funding from the Infrastructure Acceleration Fund (IAF). The initial application was for three areas of the city in and around the CBD, Ruakura and Rotokauri. The initial application was supported by three waters assessments to determine the scale of three waters infrastructure required to service higher densities than are currently planned for in citywide infrastructure master planning.

Wastewater assessment undertaken for the initial application are presented in the report titled '*Housing Acceleration Fund – Wastewater, Network Infrastructure Assessment, 11-Aug-2021, AECOM New Zealand Ltd*.'

HCC was successful with the initial application for part of the CBD area and are progressing to the second stage of Registrations of Interest. The original CBD area included parts of the central city on both the western and eastern side of the Waikato River. The second stage application is related to the CBD area on the western side of the Waikato River only.

This report summarises the wastewater concept solution for the CBD area defined in the application.

2.0 Assessment methodology and parameters

2.1 General approach

The following aspects of the assessment remain the same as was presented in the *Housing Acceleration Fund – Wastewater, Network Infrastructure Assessment:*

- Proposed levels of service – based on the design method in the Regional Infrastructure Technical Specification (RITS).
- The assessment defines infrastructure requirements at a conceptual level of detail. More detailed assessment will be required in subsequent design phases.
- The CBD development density remains the same at 200 dwellings per hectare and 2.7 persons per dwelling. The dwelling density has been applied to 100% of the area as gross and conservatively ignoring any large reserve areas.
- The basis of cost estimation is the same.
- No hydraulic modelling has been undertaken for this assessment.

Reference should be made to the *Housing Acceleration Fund – Wastewater, Network Infrastructure Assessment* Report for details of the initial assessment input and output parameters used.

A blanket peaking factor was used in the initial assessment in lieu of the variable method from the RITS, of simplicity of the assessment at this stage. A peaking factor of 3.0 was used in the initial assessment to cover both local and strategic infrastructure.

A revised peaking factor of 2.6 has been adopted for this assessment in regard to strategic infrastructure. The peaking factor is equivalent to populations above 3500 from Table 5-2 of the RITS and is more appropriate where local infrastructure is not considered. Local infrastructure requirements are taken from the *Housing Acceleration Fund – Wastewater, Network Infrastructure Assessment* Report for which the peaking factor of 3.0 remains unchanged.

2.2 Assessment area

Figure 1 shows the CBD area for the assessment.



Figure 1 CBD assessment area

2.3 Area changes from the initial application

The initial assessment defined the CBD area as follows – The Hamilton central business district on the west side of the Waikato River and riverside areas on the east side of the Waikato River (generally to the west of the Eastern Interceptor Sewer).

As previously stated, the application now only includes the CBD area on the western side of the Waikato River. Also, the previous assessments were undertaken assuming all three areas would be redeveloped, and capacity would be provided all the way to the existing Pukete Wastewater Treatment Plant. The change in area has the following implications for this assessment:

- Conceptual diversions related to the eastern CBD area no longer apply. Existing western pump stations that discharge to the Eastern Interceptor will continue to do so, thus reducing the scale of the CBD strategic network.
- Conveyance all the way to the Pukete Treatment Plant is not included in this second stage application for the following reasons:
  - The feasibility and practicality of conveying all flows to the treatment plant is unclear at this time.
  - Downstream upgrades will be influenced by what happens in other areas of the city so cost attribution is difficult.

This assessment only includes strategic infrastructure required within the CBD area. Downstream upgrades are not included in lieu of controls within the CBD (e.g. wet weather storage).

2.4 Assessment area network types

There are two network types within the CBD area:

- **Local (small) pipe network** not yet included in master planning (including small pump stations). Full replacement is assumed for the purpose of this initial assessment. A generic per hectare cost has been used to define the potential cost of new local infrastructure which will be wholly applied to the areas.
- **Strategic (trunk and interceptor) infrastructure** including main pump stations and planned wet weather storage. Strategic infrastructure has been assessed separately. Rough order flow calculations (RITS) have been used to provisionally size new interceptor pipelines and pump stations.

Strategic infrastructure within the CBD has been revised based on the area implications outlined in Section 2.3. The assessment method and cost estimating for local networks remains unchanged from the initial assessment with the exception of adjustment based on the new areal extent.

3.0 Wastewater infrastructure assessment

This section describes the infrastructure allowance for the CBD area as defined in the application.

3.1 Strategic infrastructure

Strategic wastewater infrastructure has been assumed to be roughly located in a north-south corridor along Anglesea Street. Anglesea Street is anticipated to be upgraded as part of the Infrastructure Acceleration Fund works so appears to be a logical corridor for strategic pipelines.

3.1.1 Piping and pumping requirements

The CBD area is bisected by the eastern trunk railway line, which is underground, or below ground level. It is assumed that it will not be practical for a large gravity pipeline to be installed below the railway. A pump station would probably be needed in the vicinity of the railway even if a gravity pipeline could feasible be installed under the railway. On that basis, it is assumed that the southern portion of the CBD area will need to be serviced by a new strategic pump station, pumping north across the railway.

Two gravity interceptors will convey flows along Anglesea Street to the proposed pump station that will be located centrally within the southern sub-catchment. An interceptor to the north of the railway will receive discharges from the pump station and the northern sub-catchment and will convey wastewater north to a combined storage tank / pump station.

3.1.2 Storage and discharge to the existing central interceptor

Storage is required within the CBD area to be able to manage wet weather (and possibly dry weather) flows to the existing central interceptor. In lieu of modelling, a provisional allowance of 4,000 m^3 storage

volume has been allowed for based on it being a similar size to other planned wet weather storage around the city from the Hamilton City Wastewater Master Plan.

Comparative storage tank footprints are shown in Table 1.

Table 1 4,000 m^3 storage tank example dimensions

Height (m)	Length (m)	Width (m)	Footprint (m^2)
Tank only			
8	20	25	500
4	32	32	1,000
Whole site footprint including access and buffers (4 m deep option)			
n/a	40	40	1,600

Underground storage option

An underground, or partially underground, storage tank is assumed for the purpose of this assessment. The following is noted regarding the storage tank:

- There is no suitable greenfield space at the north end of Anglesea Street in which to locate a storage tank. Significant redevelopment is expected to incorporate green space but an above grounding is assumed not acceptable in that sense.
- A below ground tank could have a carpark placed on top, or a building above if the appropriate structural allowances are made. A partially buried tank could be the same.
- Access will be required to a portion of the storage footprint for operation and maintenance purposes – access is required to the storage cleaning system, pumping elements and the main tank itself. That is, the entire footprint could not be built over.

Pumping is anticipated for two purposes. Pumping will be required to empty the storage tank and to convey wastewater to the central interceptor which is anticipated to be too shallow to discharge to by gravity. A full-scale pump station within the storage tank structure could be considered to achieve both of these purposes – this will require careful design in terms of flow rates (variable) and flow control between the central interceptor and the storage tank.

Above ground storage option

Above ground storage could be feasible but would limit use of the land as previously stated. Gravity flow to the Central Interceptor may be feasible if above ground storage is adopted. A full-scale pump station would still be required to pump into the storage tank and/or a header tank for gravity flow to the central interceptor.

3.1.3 Strategic infrastructure summary

Table 2 summarises the conceptual requirements for strategic infrastructure.

Table 2 Strategic infrastructure upgrades

Item	Size	Quantity
South sub-catchment gravity pipelines	600 mm	1,200 m
Pump Station	280 L/s	1 No.
Rising main	500 mm	600 m
North sub-catchment gravity pipeline (upstream downstream split 50/50)	800 mm	600 m
	1,100 mm	600 m
Storage tank	4,000 m^3	1 No.
Storge tank pump	560 L/s (or lower as per downstream restrictions)	1 No.

3.2 Local infrastructure

The total application area is about 142 hectares. Redevelopment at higher densities will require local pipelines and pump stations to be upgraded. Upgrade will likely occur over a long period as required by the location and timing of development.

Local infrastructure will often be upgraded by developers as part of the overall building work. The potential scale of local upgrades has been quantified for conceptual purposes. Local infrastructure upgrades assume the following:

- All local pipelines will be replaced either due to capacity or age and condition.
- Two small existing riverside pump stations will be upgraded.
- Other riverside developments needing pumping up to the CBD interceptor pipeline will provide their own pumping capacity within the development (so is not quantified in this report).
- The existing Ward Street pump station will be superseded by the new strategic pump station so does not need to be upgraded.

Table 3 Local infrastructure upgrades

Item	Size	Quantity
Pipelines	Average 300 mm	22,720 m
Pump stations & rising mains	As per the *HAF WW Network Infrastructure Assessment Report*	
- Hamilton Parade	9 L/s, 100 mm main 242 m long	1 No.
- Bryce	4 L/s, 100 mm main 109 m long	1 No.

4.0 Estimated costs

4.1 Basis of the cost estimates

Cost estimates are based on the same method as used in the initial assessment and as outlined in the *Housing Acceleration Fund – Wastewater, Network Infrastructure Assessment* Report, with the following exceptions:

- The adjustment for construction in a CBD environment for strategic infrastructure could be reduced from 220 % to 140 % if the pipeline works will be undertaken as part of a larger upgrade of Anglesea Street, thereby reducing the impact of works in the built area and allowing for increased construction efficiency.
- Due to space limitations the pump station and storage tank construction will need to be undertaken as part of a larger upgrade of Anglesea Street, or as part of a major block redevelopment otherwise there may be additional costs (refer to the risks in Section 0).

The cost basis for local infrastructure upgrades has not be changed as they are assumed to be carried out over time, within the built environment of the CBD.

An overall cost contingency of +30 % remains for both strategic and local infrastructure.

4.2 Cost estimate

Table 4 Summary of costs – CBD Strategic

CBD	
Strategic wastewater infrastructure	**Estimated Cost ($)**
Pipelines	$20,000,000
Pump Station and rising main	$7,000,000
Storage (including internal pump station)	$10,100,000
Total cost (including on-costs and contingencies)	**$37,100,000**
Total Gross Area (ha)	142
Cost per hectare	**$261,000**

Table 5 Summary of costs – CBD Local

CBD	
Local wastewater infrastructure	**Estimated Cost ($)**
Pipelines	$81,900,000
Pump Stations and rising mains	$3,800,000
Total cost (including on-costs and contingencies)	**$85,700,000**
Total Gross Area (ha)	142
Cost per hectare	**$603,500**

5.0 Risks and unknowns

The following risks and unknowns apply to this assessment:

a. The effect of limited capacity in the existing Central Interceptor is currently unknown. The capacity of the interceptor will define the volume of storage required. Long term upgrades of the central interceptor north of the CBD could mitigate a lack of storage but the timing and constraints of this are not known at the time of writing.

   Resulting risks associated with the storage tank operation include:

   - Is 4,000 m^3 sufficient given the points made below? Is storage practical without downstream upgrades?
   - Can the storage tank be emptied between wet weather events given potential downstream limitations?
   - Will the storage tank need to be used during dry weather flows, and can the storage tank be emptied during low flow periods given potential downstream limitations?
   - Septicity and odour mitigations will be required if the storage is to be used for long periods, or frequently. Comprehensive odour treatment and control will probably be required regardless of the frequency of use, if integrated into or close to a building.

b. Both above and below ground storage options probably need to be considered. There is currently no suitable open location at the north end of Anglesea Street. The viability of storage will be subject to securing enough land, possibly in association with redevelopment (if underground).

   The inlet / outlet configuration and operation of the storage tank pumping will need careful consideration and may affect the viability of the storage in association with the capacity of the central interceptor.

c. There is currently no suitable open location in the central CBD for the Strategic Pump Station. The viability of storage will be subject to securing a small parcel of land adjacent to the Anglesea Street corridor.

d. The required discharge location to the Central Interceptor may need to be further north of the storage location. This is not accounted for in the assessment.

e. Pumping may be required from lower lying buildings along the riverbank, or from buildings with deep basements. This type of pumping is assumed to be undertaken by developers and is not included in the assessment (with the exception of two small existing HCC pump stations in the CBD).

Appendix A

Wastewater schematic



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Rev.	By	App.	Description	Date

Notes:

Printed	-		
Approved	CH	Date	June 2016
Designed	-	Checked	-
Drawn	-	Checked	-
File Name	-		

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Map features depicted in terms of NZTM projection.

Data Sources:
NZ Topographical Features – LINZ NZ National Topo Dataset 2014
Cadastral Boundaries – LINZ NZ Cadastral Dataset 2014

AECOM

Project:	Infrastructure Acceleration Fund - Hamilton CBD
Title:	Strategic Wastewater Infrastructure PLAN
Scale:	1:10,000 (A3 size)
Status:	Concept
Map No.	000
Sheet No.	-
Rev.	A

0.075 0.0375 0 0.075 0.15 0.225 0.3 Kilometres

Appendix B

Cost estimate tables

IAF CBD Concept - Wastewater

Inputs

Total area	142	Hectares
Area south of railway to strategic pump station	80	Hectares
Area north of railway to gravity	62	Hectares
Peak flow per hectare (L/s)	3.5	Based on lower PF 2.6
Average local pipe size (mm)	300	Unchanged from initial assessment
Length of pipe per hectare (m)	160	

Local infrastructure

Local pipelines	
Length (m)	22,720
Rate ($/m)	$1,260
Estimated cost	$62,979,840
Contingency	$18,893,952
Total estimated cost	**$81,873,792**

Local pump stations		
Pump station	PS cost	RM cost
Hamilton parade	$1,735,084	$228,400
Bryce	$1,669,122	$102,874
Total (incl. contingency)	**$3,735,480**	

Note: costs taken unchanged from initial assessment and includes contingency

Strategic Infrastructure

Design flows				
Scenario	Design flow	100 % flow pipe size (mm)	50 % flow pipe size (mm)	Rising main size (mm)
Peak flow to strategic PS (L/s)	277.4	750	525	500
Local peak flow to northern gravity (L/s)	215.0	675	450	500
Total peak flow to northern gravity and storage (L/s)	492.3	1000	675	700

CPI adjust (from initial assessment)	1.346938776
Adjusted CBD factor (was 220%)	140%

Pump station cost	
Design flow (L/s)	277.4
Rising main (mm)	500
PS cost at design flow	$4,829,710
Rising main length (m)	600
Rising main rate ($/m)	960
Rising main cost	$576,000
Total cost	$5,405,710
Contingency	$1,621,713
Total estimated cost	**$7,027,423**

Wastewater mains cost	
Southern gravity mains to PS - diameter (mm)	525
Southern gravity mains to PS - length (mm)	1200
Southern main rate ($/m)	$4,960
Southern mains cost	**$5,952,000**
Northern main to storage - 50% flow diameter (mm)	750
Northern main to storage - 50% flow length (m)	600
Northern main to storage - 50% flow rate ($/m)	$7,100
Northern main to storage - 50% flow cost	$4,260,000
Northern main to storage - 100% flow diameter (mm)	900
Northern main to storage - 100% flow length (m)	600
Northern main to storage - 100% flow rate ($/m)	$8,620
Northern main to storage - 100% flow cost	**$5,172,000**
Total cost	**$15,384,000**
Contingency	$4,615,200
Total estimated cost	**$19,999,200**

Storage cost	
Volume (m3)	4000
Rate per m3	$1,750
Storage base cost	**$7,000,000**
Storage pump station extra allowance	$750,000
Total cost	**$7,750,000**
Contingency	$2,325,000
Total estimated cost	**$10,075,000**

FINAL

Appendix A.3

Technical Report - Stormwater

Stantec

Memo

To:	Alasdair Grey Hamilton City Council	From:	Ari Craven Stantec New Zealand
File:	CBD IAF Stormwater Infrastructure	Date:	November 30, 2021

Reference: **CBD IAF Stormwater Infrastructure**

INTRODUCTION/PURPOSE

The purpose of this memorandum is to document the rough-order stormwater infrastructure costings used to support Hamilton City Council's (HCC) Central Business District (CBD) Infrastructure Acceleration Fund (IAF) proposal. The CBD IAF proposal is shown below in Figure 1.

The procedures adopted in this costing exercise are broadly consistent with those adopted for the broader conceptual infrastructure estimates previously undertaken to support the city-wide Housing Acceleration Fund (HAF) work.



Figure 1 – Hamilton CBD IAF proposal area

Stantec

Memo

EXISTING CBD INFRASTRUCTURE

Figure 2 shows existing stormwater trunk mains within the CBD area (pipes 600mm and greater shown). Trunk lines tend to run east to west through the CBD and discharge directly to the Waikato River. Three main outlets exist in the CBD network – one at the northern extent of the IAF area, one centrally located and one at the southern extent.

Stormwater modelling results are also shown in Figure 2. Results from the 10y ARI storm event show ponding in various sag locations throughout the CBD, indicating the piped network is over-capacity in this event. 100y inundation patterns are relatively similar to those observed in the 10y ARI event with a few exceptions. It is noted that extents will tend to be over-predicted from inaccuracies in aerial survey due to high roof-coverage in the CBD area.



Figure 2 – Existing CBD SW assets and SW modelling results. SW assets 600mm or greater shown in blue, 10y ARI hazard extent shown in green, 100y ARI hazard extent shown in red.

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Memo

STORMWATER INFRASTRUCTRE LEVEL OF SERVICE

The adopted stormwater network level of service for the CBD IAF area is summarized in Table 1.

Table 1 – Adopted stormwater levels of service and commentary

Parameter	Value	Comments
Primary Conveyance	10y ARI	Basic requirement as per RITS. No pipe capacity data for the CBD is currently available, however SW modelling results indicate capacity issues in the CBD network. For the current exercise a nominally large (2100mm) trunk pipe has been allowed for which is significantly larger than existing trunk mains (typically 1600mm maximum).
Secondary Conveyance	N/A	Typically, a secondary system capable of safely conveying the 100y ARI storm event, including in the event of a primary system failure is required. Consideration of existing ground levels within the CBD indicates provision of secondary flowpaths would not be feasible as part of this project. Significant ground-level modification of large parts of the CBD would be required to establish a secondary network.
SW Attenuation	N/A	No attenuation required where discharging directly to the Waikato River.
Flood Attenuation	N/A	Not required as discharging directly to the Waikato River.
WQ Treatment	Treatment of contaminants in-line with RITS requirements.	Stormwater quality treatment to be provided for upgraded roading corridor only. Re-development will require at-source quality treatment prior to discharging to the reticulation network.

SUMMARY OF INCLUDED INFRASTRUCTRE

Figure 1 shows the stormwater infrastructure proposed to be included in the CBD IAF proposal area. This consists of:

- 2,230m of trunk pipe reticulation (1,800mm to 2,100mm). Allowance has been made for a single trunk line running the length of the proposed Anglesea Street upgrade (refer Figure 1) and upgrade of two east-west lines running to the Waikato River. As documented, no modelling has been undertaken to support this concept. It is assumed that network upgrades along existing alignments will result in a functional network design.
- 59,100m^2 of road area required to be treated. This has been calculated using a road corridor width of 30m. For the purpose of calculating required raingarden footprint required to area this area, a factor of 3% has been applied to the total road corridor area, resulting in 1,773 m^2 of required treatment footprint. This is consistent with the approach adopted for city-wide investigations undertaken for HCC as part of the supporting HAF work.

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Figure 3 – SW infrastructure included in CBD IAF bid. Treatment area shown in green, proposed trunk pipe alignment in red.

COST CALCULATIONS

KEY ASSUMPTIONS AND EXCLUSIONS

The following key assumptions and exclusions apply to all estimates. Comments relating to specific cost items are included within the 'Comments' column of each cost summary table below.

- Costs represent total acquisition costs, i.e. no allowance for Operation and Maintenance (O&M) has been made.
- Project implementation costs of 25% have been added to all construction estimates where unit rates have been used. This is consistent with HCC assumptions for Long Term Planning (LTP) purposes.
- Contingency of 30% has been added to all construction estimates where unit rates have been used (after application of project implementation costs). This is consistent with HCC assumptions for Long LTP purposes.
- Any specific costs associated with identification and relocation of existing services has not been included in these cost estimate. While high base cost unit rates have been adopted to allow for the challenging construction environment, more detailed investigation into service clashes is required.
- No land acquisition costs have been incorporated into these cost estimates.
- No allowance has been made for traffic control associated with the works. It is assumed this has been allowed for within the roading estimates.

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ADOPTED UNIT RATES

Adopted unit rates used for this costing exercise and associated comments are summarized in Table 2.

Table 2 – Adopted unit rates

Item	Rate	Comments
Road treatment - raingardens	$1500/m^2	Sourced from HCC unit rates used to support Stormwater Masterplan costings.
Trunk main replacements (1,800mm – 2,100mm RCP)	$10,000/m	Nominal unit rate adopted from a combination of sources.

SUMMARY OF TOTAL STORMWATER COSTS

Table 3 summarizes the rough-order costs estimates for the stormwater infrastructure associated with the CBD IAF proposal area.

Table 3 – Cost summary, CBD IAF

Item	Cost
Reticulation construction cost	$25,700,000
Treatment construction cost	$2,660,000
Project implementation	$7,090,000
Contingency	$10,630,000
Total	$46,080,000

KEY LIMITIATIONS

The infrastructure concepts and associated cost estimates are high level only. The following key limitations should be considered when interpreting the information within this memorandum:

- No verification (through modelling) of the proposed reticulation network upgrades has been undertaken. It has been assumed that adoption of existing alignment will result in a functional network. It is also assumed that the additional capacity nominally allowed for will deliver the required level of service. Both assumptions should be verified through a network modelling investigation.
- No iteration or optimization of the proposed network alignment has been undertaken. Investigation should be undertaken as to whether alternative alignments could be adopted which would better leverage existing assets. A single unit rate has been adopted for pipes, whereas it is more likely a smaller diameter pipe would be required for lies running north-south along Anglesea Street compared to the lines running east-west. Network modelling would be required to assess this detail.
- No detailed considerations around constructability of the proposed stormwater infrastructure have been made, e.g. difficult service relocations or disruptions to private property or infrastructure.
- While effort has been made to adopt a conservative unit rate basis, there remains a risk that redevelopment within the CBD is more difficult than anticipated and costs have been underpredicted.

Stantec

Memo

LEGAL ENTITY

Ari Craven
Senior Principal Stormwater Engineer
Phone: Sender's Phone
Fax: Sender's Fax
Sender's Email

Attachment: Attachment

Cc. C.C.

INCOMPLETE DRAFT

Appendix A.4

Technical Report - Transport (to complete)

INCOMPLETE DRAFT

Appendix B

Project Costs – Detailed Breakdown

Schedule 1: Eligible and Ineligible Infrastructure

Detailed breakdown

Table 1a: Eligible Infrastructure Projects

Ref	IAF Eligible Infrastructure Projects	Total Expected Costs (Excl GST)	Details of Expected Funding Sources		IAF Request (Bal requiring funding)	Delivery Party Responsible (if known)	Construction Estimated Start Date	Construction Estimated Completion Date	*Rounded Total*	*Rounded IAF Request*
			Amount	Source						
Transport										
	Anglesea Street User Prioritisation	$ 47,906,813	$ -		$ 47,906,813	HCC	Oct-24	Jun-26	*$ 47.9*	*$ 47.9*
	Anglesea Street Investigation and protection	$ 1,847,175	$ -		$ 1,847,175	HCC	Oct-24	Jun-26	*$ 1.8*	*$ 1.8*
	Active modes river crossing and University to rail trail central city connections	$ 28,744,088	$ -		$ 28,744,088	Developer	Oct-24	Jun-26	*$ 28.7*	*$ 28.7*
	Refer Appendix Table 1a	$ 91,425,759	$ 91,425,759	HCC 2021-31 LTP incl. Waka	$ -	HCC	Oct-22	Jun-31	*$ 91.4*	*$ -*
Three Waters										
	Ruakiwi Reservoir Phase 1 and booster pump station	$ 82,564,882	$ -		$ 82,564,882	HCC	Oct-24	Jun-26	*$ 82.6*	*$ 82.6*
	Bulk water reticulation	$ 37,444,300	$ -		$ 37,444,300	HCC	Oct-24	Jun-26	*$ 37.4*	*$ 37.4*
	Local Water Network Upsizing	$ 20,177,038	$ -		$ 20,177,038	Developer	Oct-24	Jun-26	*$ 20.2*	*$ 20.2*
	Water Local Connections - developer responsibility	$ 12,110,160	$ 12,110,160	Developers	$ -	HCC	Oct-24	Jun-26	*$ 12.1*	*$ -*
	Central City Integrated Catchment Management Plan (Stormwater focus)	$ 1,679,250	$ -		$ 1,679,250	HCC	n/a	n/a	*$ 1.7*	*$ 1.7*
	Anglesea Street stormwater Source treatment	$ 9,726,200	$ -		$ 9,726,200	HCC	Oct-24	Jun-26	*$ 9.7*	*$ 9.7*
	Pipeline and outfalls - eligible - developer funded	$ 76,771,500	$ 76,771,500	Developers	$ -	HCC	Oct-27	Jun-29	*$ 76.8*	*$ -*
	Wastewater storage and internal pump station	$ 36,659,876	$ -		$ 36,659,876	HCC	Oct-24	Jun-26	*$ 36.7*	*$ 36.7*
	Wastewater mains	$ 48,628,961	$ -		$ 48,628,961	HCC	Oct-24	Jun-26	*$ 48.6*	*$ 48.6*
	Wastewater pumpstation (south)	$ 18,120,341	$ -		$ 18,120,341	HCC	Oct-24	Jun-26	*$ 18.1*	*$ 18.1*
	Wastewater Local Connections - developer responsibility	$ 11,178,610	$ 11,178,610	Developers	$ -	HCC	Oct-24	Jun-26	*$ 11.2*	*$ -*
	Refer Appendix Table 1a	$ 37,893,766	$ 37,893,766	HCC 2021-31 LTP	$ -	HCC	Oct-22	Jun-31	*$ 37.9*	*$ -*
Flood Management										
	No flood management projects	$ -								
Total Eligible Infrastructure		**$ 562,878,717**	**$ 229,379,795**		**$ 333,498,922**				*$ 562.9*	*$ 333.5*
		Total Check	***$ 562,878,717***							

Table 1b: Ineligible Infrastructure Projects

Ref	IAF Non-eligible Infrastructure Projects	Total Expected Costs (Excl GST)	Details of Expected Funding Sources		IAF Request (Bal requiring funding)	Delivery Party Responsible for Non-eligible Infrastructure (if known)	Construction Estimated Start Date	Construction Estimated Completion Date
			Amount	Source				
Transport								
	Ineligible LTP - Transport - Refer Appendix Table 1b	$ -	$ -	NA	$ -	NA	NA	NA
Three Waters								
	Ineligible LTP - Three Waters - Refer Appendix Table 1b	$ -	$ -	NA	$ -	NA	NA	NA
Flood Management								
	Ineligible LTP - Flood Management - Refer Appendix Table 1b	$ -	$ -	NA	$ -	NA	NA	NA
Other Infrastructure								
	Ineligible LTP - Other Infrastructure - Refer Appendix Table 1b	$ 23,294,831	$ 23,294,831	HCC 2021-31 LTP incl. Waka Kotahi FAR	$ -	HCC	Oct-22	Jun-31
Total Ineligible Infrastructure		**$ 23,294,831**	**$ 23,294,831**					

Schedule 2: Infrastructure Costs

Table 2a: Total enabling infrastructure cost for the housing development(breakdown by type of cost)

Type of Cost	Estimated total cost of infrastructure (Excl GST)	Comment on the degree of confidence the Applicant has in the estimate		Amount of IAF Funding sought for the Eligible Costs in the relevant category
Feasibility Costs and other early-stage planning work	$ 40,402,428.47	Medium		$ 33,011,178.47
Costs of designing, consenting and tendering	$ 39,233,266.37	Medium	Based on typical Long Term Plan ratios (15% of estimated construction cost) generally found to be sound.	$ 31,511,266.37
Land Acquisition	$ 14,042,125.13	Medium	Based on property advice and strategy as at Nov 2021.	$ 14,042,125.13
Construction	$ 469,200,897.17	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 254,934,352.28
Administrative costs for establishing complementary financing	n/a			n/a
Other (non-eligible costs)	$ 23,294,831.01			$ -
Total	**$ 586,173,548.15**			**$ 333,498,922.25**

Table 2b: Total enabling infrastructure cost for the housing development (breakdown by category of infrastructure, aggregating as appropriate)

Type of Cost	Estimated total cost of infrastructure (Excl GST)	Comment on the degree of confidence the Applicant has in the estimate		Amount of IAF Funding sought for the Eligible Costs in the relevant category
Transport	$ 169,923,834	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 78,498,075
Three Waters	$ 392,954,883	Medium	Based on concepts and unit rates with appropriate contingencies.	$ 255,000,847
Flood Management	$ -			$ -
Administrative costs for establishing complementary financing	$ -			$ -
Other (non-eligible costs)	$ 23,294,831	Medium	Based on concepts and unit rates with appropriate contingencies.	$ -
Total	**$ 586,173,548**			**$ 333,498,922**

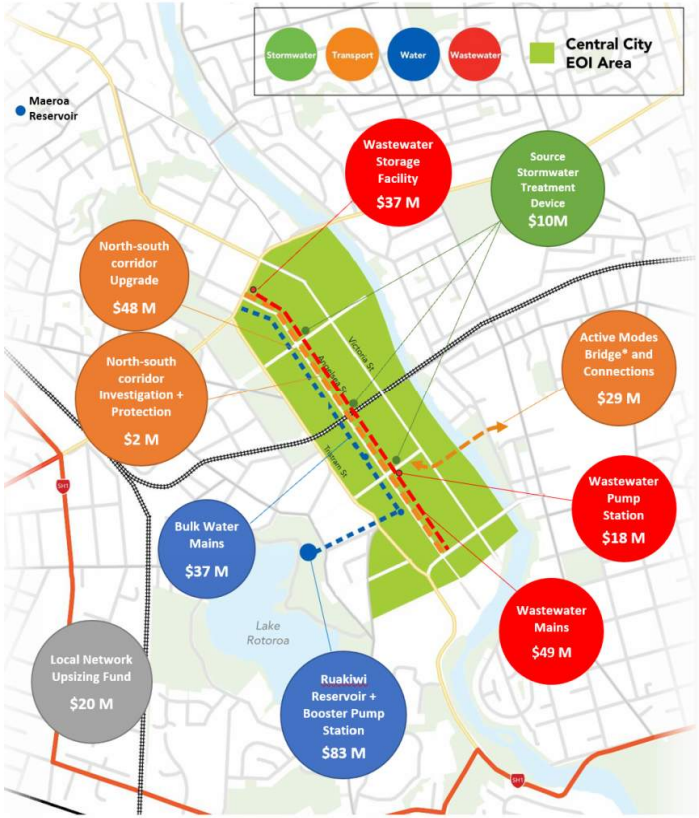
UNINFLATED IAF	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Subtotal**
Ruakiwi reservoir Phase 1 & Pump Station (subtotals with contingencies)	$ 7,699,800	$ 7,699,800	$ 26,263,200	$ 26,263,200	$ 847,200	$ -	$ -	**$ 68,773,200**
Ruakiwi Road and Anglesea Street Spine Mains	$ 3,465,000	$ 3,465,000	$ 11,935,000	$ 11,935,000	$ 385,000	$ -	$ -	**$ 31,185,000**
Local Water Network Upsizing (direct)	$ -	$ -	$ 8,250,000	$ 8,250,000	$ -	$ -	$ -	**$ 16,500,000**
Pipelines	$ 4,500,000	$ 4,500,000	$ 15,500,000	$ 15,500,000	$ 500,000	$ -	$ -	**$ 40,500,000**
Pump station and rising main	$ 2,066,250	$ 2,066,250	$ 5,425,000	$ 5,425,000	$ 175,000	$ -	$ -	**$ 15,157,500**
Storage and internal pump station	$ 7,676,250	$ 7,676,250	$ 7,827,500	$ 7,827,500	$ 252,500	$ -	$ -	**$ 31,260,000**
In line stormwater treatment	$ 900,000	$ 900,000	$ 3,100,000	$ 3,100,000	$ 100,000	$ -	$ -	**$ 8,100,000**
Central City ICMP and stormwater masterplan	$ 750,000	$ 750,000	$ -	$ -	$ -	$ -	$ -	**$ 1,500,000**
Anglesea Street User Prioritisation (Costs from CBD-IAF Development, Ta	$ 4,500,000	$ 4,500,000	$ 7,593,750	$ 15,093,750	$ 7,593,750	$ 93,750	$ -	**$ 39,375,000**
Anglesea Street Investigation and protection	$ 825,000	$ 825,000	$ -	$ -	$ -	$ -	$ -	**$ 1,650,000**
Active modes river crossing and University to rail trail central city connect	$ 2,700,000	$ 2,700,000	$ 4,556,250	$ 9,056,250	$ 4,556,250	$ 56,250	$ -	**$ 23,625,000**
Total	**$ 35,082,300**	**$ 35,082,300**	**$ 90,450,700**	**$ 102,450,700**	**$14,409,700**	**$ 150,000**	**$ -**	**$277,625,700**

INFLATED IAF (TABLE 3)	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	Subtotal
Inflation allowance	109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%	
Ruakiwi reservoir Phase 1 & Pump Station (subtotals with contingencies)	$ 8,432,513	$ 8,811,976	$ 31,409,267	$ 32,822,684	$ 1,088,443	$ -	$ -	**$ 82,564,882**
Ruakiwi Road and Anglesea Street Spine Mains	$ 3,794,729	$ 3,965,492	$ 14,273,569	$ 14,915,880	$ 494,630	$ -	$ -	**$ 37,444,300**
Local Water Network Upsizing (direct)	$ -	$ -	$ 9,866,522	$ 10,310,516	$ -	$ -	$ -	**$ 20,177,038**
Pipelines	$ 4,928,220	$ 5,149,990	$ 18,537,103	$ 19,371,272	$ 642,376	$ -	$ -	**$ 48,628,961**
Pump station and rising main	$ 2,262,874	$ 2,364,704	$ 6,487,986	$ 6,779,945	$ 224,832	$ -	$ -	**$ 18,120,341**
Storage and internal pump station	$ 8,406,722	$ 8,785,024	$ 9,361,237	$ 9,782,492	$ 324,400	$ -	$ -	**$ 36,659,876**
In line stormwater treatment	$ 985,644	$ 1,029,998	$ 3,707,421	$ 3,874,254	$ 128,475	$ -	$ -	**$ 9,725,792**
Central City ICMP and stormwater masterplan	$ 821,370	$ 858,332	$ -	$ -	$ -	$ -	$ -	**$ 1,679,702**
Anglesea Street User Prioritisation (Costs from CBD-IAF Development, Ta	$ 4,928,220	$ 5,149,990	$ 9,081,685	$ 18,863,557	$ 9,756,091	$ 124,059	$ -	**$ 47,903,603**
Anglesea Street Investigation and protection	$ 903,507	$ 944,165	$ -	$ -	$ -	$ -	$ -	**$ 1,847,672**
Active modes river crossing and University to rail trail central city connect	$ 2,956,932	$ 3,089,994	$ 5,449,011	$ 11,318,134	$ 5,853,655	$ 74,435	$ -	**$ 28,742,162**
Total	**$ 38,420,732**	**$ 40,149,665**	**$ 108,173,800**	**$ 128,038,735**	**$18,512,902**	**$ 198,494**	**$ -**	**$333,494,327**

Annual totals

CENTRAL CITY

KEY PROJECTS – INFLATED IAF BID



Indicative estimates: inflated $NZ in millions, based on indicative concepts and assumed construction dates

* Note: Active modes river bridge - $10M 2021 LTP amount is additional to the bid request

Map

General

Feasibility Costs and other early-stage planning work	15%	of construction
Costs of designing, consenting and tendering	15%	of construction — Slightly different but same outcome (30-35%) as Mott McDonald Assumptions
MSQA and Defects	5%	of construction
Contingency - typical	20%	to match LTP typicals
Contingency - scope/funding	25%	For approx budget matching - 25% extra across lots should provide better protection across whole workstream.

Ruakiwi Reservoir

Staged construction is efficient - (assumption 20ML is a good start)		Uninflated		
Phase 1 (say 20ML of Full 58.4ML reservoir)	$ 58,400,000	$ 20,440,000	From MottMcD memo Base for 58.4ML reservoir	35% of whole reservoir cost
Add 20% premium for building small, wider foundations, extra design, etc.	120%	$ 24,528,000		
Pump Station (full construction)	$ 14,400,000	$ 9,360,000	From MottMcD memo Base	65% of booster pump station
2nd Phase 1 Ruakiwi (remaining 20ML of 40ML Reservoir) (at 60% of MM base costs)	$ 35,040,000	$ 35,040,000	construction base	60% of base costs for 40ML
Ruakiwi Road and Anglesea Street Spine Mains	$ 28,000,000	$ 15,400,000	construction base	55% of reticulation
Local Water Network Upsizing		$ 11,000,000	construction base	

		2023	2024	2025	2026	2027	2028	2029
IAF Inflation - Annual	**4.8%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**2.8%**	**3.0%**	**3.0%**
Cumulative	**4.8%**	**9.5%**	**14.4%**	**19.6%**	**25.0%**	**28.5%**	**32.3%**	**36.3%**
		109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%

Expected contingency 25%

Funding contingency 20%

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Base total	Contingency	Expected (50%ile) total	Scope/Funding contingency 20%	Uninflated Bid Amount (towards 95%ile)	Inflated
Ruakiwi reservoir Phase 1 & Pump Station (subtotals with contingencies)	**$ 7,699,800**	**$ 7,699,800**	**$ 26,263,200**	**$ 26,263,200**	**$ 847,200**	**$ -**	**$ -**	**$ 45,848,800**	**$ 9,169,760**	**$ 55,018,560**	**$ 11,462,200**	**$ 68,773,200**	**$ 82,564,882**
Feasibility Costs and other early-stage planning work	$ 5,083,200							$ 5,083,200	$ 1,270,800	$ 6,354,000	$ 1,270,800	$ 7,624,800	
Costs of designing, consenting and tendering		$ 5,083,200						$ 5,083,200	$ 1,270,800	$ 6,354,000	$ 1,270,800	$ 7,624,800	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)	$ 50,000	$ 50,000						$ 100,000	$ 25,000	$ 125,000	$ 25,000	$ 150,000	
Construction			$ 16,944,000	$ 16,944,000				$ 33,888,000	$ 8,472,000	$ 42,360,000	$ 8,472,000	$ 50,832,000	
Construction MSQA and defects			$ 564,800	$ 564,800	$ 564,800			$ 1,694,400	$ 423,600	$ 2,118,000	$ 423,600	$ 2,541,600	
Ruakiwi Road and Anglesea Street Spine Mains	**$ 3,465,000**	**$ 3,465,000**	**$ 11,935,000**	**$ 11,935,000**	**$ 385,000**	**$ -**	**$ -**	**$ 20,790,000**	**$ 4,158,000**	**$ 24,948,000**	**$ 5,197,500**	**$ 31,185,000**	**$ 37,444,300**
Feasibility Costs and other early-stage planning work	$ 2,310,000							$ 2,310,000	$ 577,500	$ 2,887,500	$ 577,500	$ 3,465,000	
Costs of designing, consenting and tendering		$ 2,310,000						$ 2,310,000	$ 577,500	$ 2,887,500	$ 577,500	$ 3,465,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 7,700,000	$ 7,700,000				$ 15,400,000	$ 3,850,000	$ 19,250,000	$ 3,850,000	$ 23,100,000	
Construction MSQA and defects			$ 256,667	$ 256,667	$ 256,667			$ 770,000	$ 192,500	$ 962,500	$ 192,500	$ 1,155,000	
Local Water Network Upsizing (direct)	**$ -**	**$ -**	**$ 8,250,000**	**$ 8,250,000**	**$ -**	**$ -**	**$ -**	**$ 11,000,000**	**$ 2,200,000**	**$ 13,200,000**	**$ 2,750,000**	**$ 16,500,000**	**$ 20,177,038**
Feasibility Costs and other early-stage planning work								$ -	$ -	$ -	$ -	$ -	
Costs of designing, consenting and tendering								$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 5,500,000	$ 5,500,000				$ 11,000,000	$ 2,750,000	$ 13,750,000	$ 2,750,000	$ 16,500,000	
Construction MSQA and defects								$ -	$ -	$ -	$ -	$ -	

Water Phase total												
Feasibility Costs and other early-stage planning work	$ 7,393,200	$ -	$ -	$ -	$ -	$ -	$ -	*$ 7,393,200*	*$ 1,848,300*	*$ 9,241,500*	*$ 1,848,300*	*$ 11,089,800*	
Costs of designing, consenting and tendering	$ -	$ 7,393,200	$ -	$ -	$ -	$ -	$ -	*$ 7,393,200*	*$ 1,848,300*	*$ 9,241,500*	*$ 1,848,300*	*$ 11,089,800*	
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
Land acquisition Prof Services (say 10%)	$ 50,000	$ 50,000	$ -	$ -	$ -	$ -	$ -	*$ 100,000*	*$ 25,000*	*$ 125,000*	*$ 25,000*	*$ 150,000*	
Construction	$ -	$ -	$ 30,144,000	$ 30,144,000	$ -	$ -	$ -	*$ 60,288,000*	*$ 15,072,000*	*$ 75,360,000*	*$ 15,072,000*	*$ 90,432,000*	
Construction MSQA and defects	$ -	$ -	$ 821,467	$ 821,467	$ 821,467	$ -	$ -	*$ 2,464,400*	*$ 616,100*	*$ 3,080,500*	*$ 616,100*	*$ 3,696,600*	
Total all phases	**$ 7,443,200**	**$ 7,443,200**	**$ 30,965,467**	**$ 30,965,467**	**$ 821,467**	**$ -**	**$ -**	**$ 77,638,800**	**$ 19,409,700**	**$ 97,048,500**	**$ 19,409,700**	**$ 116,458,200**	**$ 140,186,220**
Plus contingency @ 225%	$ 1,860,800	$ 1,860,800	$ 7,741,367	$ 7,741,367	$ 205,367	$ -	$ -		$ 19,409,700				
Expected (50%ile) total	$ 9,304,000	$ 9,304,000	$ 38,706,833	$ 38,706,833	$ 1,026,833	$ -	$ -			$ 97,048,500			
Scope/Funding contingency 20%	$ 1,860,800	$ 1,860,800	$ 7,741,367	$ 7,741,367	$ 205,367	$ -	$ -				$ 19,409,700		
Uninflated Bid Amount (towards 95%ile)	$ 11,164,800	$ 11,164,800	$ 46,448,200	$ 46,448,200	$ 1,232,200	$ -	$ -				Uninflated	$ 116,458,200	
INFLATED Bid Amount (towards 95%ile)	$ 12,227,242	$ 12,777,468	$ 55,549,358	$ 58,049,079	$ 1,583,072	$ -	$ -					**Inflated**	**$ 140,186,220**

Inflated Phase totals								Total
Feasibility Costs and other early-stage planning work	$ 12,145,105.37	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,145,105.37
Costs of designing, consenting and tendering	$ -	$ 12,691,635.11	$ -	$ -	$ -	$ -	$ -	$ 12,691,635.11
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land acquisition Prof Services (say 10%)	$ 82,137.00	$ 85,833.17	$ -	$ -	$ -	$ -	$ -	$ 167,970.17
Construction	$ -	$ -	$ 54,075,717.95	$ 56,509,125.26	$ -	$ -	$ -	$ 110,584,843.20
Construction MSQA and defects	$ -	$ -	$ 1,473,639.85	$ 1,539,953.65	$ 1,583,072.35	$ -	$ -	$ 4,596,665.85
								$ 140,186,219.70

General

Feasibility Costs and other early-stage planning work	15%	of construction
Costs of designing, consenting and tendering	15%	of construction
MSQA and Defects	5%	of construction
Contingency - typical	20%	to match LTP typicals
Contingency - scope/funding	25%	For approx budget matching - 25% extra across lots should provide better protection across whole workstream.
Property fees = 10%	10%	

Slightly different but same outcome (30-35%) as Mott McDonald Assumptions

Wastewater

	Uninflated	
Limited extent of pipelines remains useful ?	100%	of full construction (AG assumption)
Pipelines	$ 20,000,000	From Aecom memo Base
Pump Station and rising main	$ 7,000,000	From Aecom memo Base
Storage and internal pump station	$ 10,100,000	construction base
Local Wastewater Network Upsizing	$ 4,000,000	construction base
Property	$ 6,550,000	

		2023	2024	2025	2026	2027	2028	2029
IAF Inflation - Annual	**4.8%**	4.5%	4.5%	4.5%	4.5%	2.8%	3.0%	3.0%
Cumulative	**4.8%**	9.5%	14.4%	19.6%	25.0%	28.5%	32.3%	36.3%
		109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%

Expected contingency 25%

Funding contingency 20%

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Base total	Contingency	Expected (50%ile) total	Scope/Funding contingency 20%	Uninflated Bid Amount (towards 95%ile)	Inflated
Pipelines	**$ 4,500,000**	**$ 4,500,000**	**$ 15,500,000**	**$ 15,500,000**	**$ 500,000**	**$ -**	**$ -**	**$ 27,000,000**	**$ 5,400,000**	**$ 32,400,000**	**$ 6,750,000**	**$ 40,500,000**	**$ 48,628,961**
Feasibility Costs and other early-stage planning work	$ 3,000,000							$ 3,000,000	$ 750,000	$ 3,750,000	$ 750,000	$ 4,500,000	
Costs of designing, consenting and tendering		$ 3,000,000						$ 3,000,000	$ 750,000	$ 3,750,000	$ 750,000	$ 4,500,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 10,000,000	$ 10,000,000				$ 20,000,000	$ 5,000,000	$ 25,000,000	$ 5,000,000	$ 30,000,000	
Construction MSQA and defects			$ 333,333	$ 333,333	$ 333,333			$ 1,000,000	$ 250,000	$ 1,250,000	$ 250,000	$ 1,500,000	
Pump station and rising main	**$ 2,066,250**	**$ 2,066,250**	**$ 5,425,000**	**$ 5,425,000**	**$ 175,000**	**$ -**	**$ -**	**$ 10,105,000**	**$ 2,021,000**	**$ 12,126,000**	**$ 2,526,250**	**$ 15,157,500**	**$ 18,120,341**
Feasibility Costs and other early-stage planning work	$ 1,050,000							$ 1,050,000	$ 262,500	$ 1,312,500	$ 262,500	$ 1,575,000	
Costs of designing, consenting and tendering		$ 1,050,000						$ 1,050,000	$ 262,500	$ 1,312,500	$ 262,500	$ 1,575,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)	$ 327,500	$ 327,500						$ 655,000	$ 163,750	$ 818,750	$ 163,750	$ 982,500	
Construction			$ 3,500,000	$ 3,500,000				$ 7,000,000	$ 1,750,000	$ 8,750,000	$ 1,750,000	$ 10,500,000	
Construction MSQA and defects			$ 116,667	$ 116,667	$ 116,667			$ 350,000	$ 87,500	$ 437,500	$ 87,500	$ 525,000	
Storage and internal pump station	**$ 7,676,250**	**$ 7,676,250**	**$ 7,827,500**	**$ 7,827,500**	**$ 252,500**	**$ -**	**$ -**	**$ 20,840,000**	**$ 4,168,000**	**$ 25,008,000**	**$ 5,210,000**	**$ 31,260,000**	**$ 36,659,876**
Feasibility Costs and other early-stage planning work	$ 1,515,000							$ 1,515,000	$ 378,750	$ 1,893,750	$ 378,750	$ 2,272,500	
Costs of designing, consenting and tendering		$ 1,515,000						$ 1,515,000	$ 378,750	$ 1,893,750	$ 378,750	$ 2,272,500	
Land Acquisition Land costs	$ 3,275,000	$ 3,275,000						$ 6,550,000	$ 1,637,500	$ 8,187,500	$ 1,637,500	$ 9,825,000	
Land acquisition Prof Services (say 10%)	$ 327,500	$ 327,500						$ 655,000	$ 163,750	$ 818,750	$ 163,750	$ 982,500	
Construction			$ 5,050,000	$ 5,050,000				$ 10,100,000	$ 2,525,000	$ 12,625,000	$ 2,525,000	$ 15,150,000	
Construction MSQA and defects			$ 168,333	$ 168,333	$ 168,333			$ 505,000	$ 126,250	$ 631,250	$ 126,250	$ 757,500	
	$ 14,242,500	**$ 14,242,500**	**$ 28,752,500**	**$ 28,752,500**	**$ 927,500**	**$ -**	**$ -**						
Feasibility Costs and other early-stage planning work	$ 5,565,000	$ -	$ -	$ -	$ -	$ -	$ -	*$ 5,565,000*	$ 1,391,250	*$ 6,956,250*	*$ 1,391,250*	*$ 8,347,500*	
Costs of designing, consenting and tendering	$ -	$ 5,565,000	$ -	$ -	$ -	$ -	$ -	*$ 5,565,000*	$ 1,391,250	*$ 6,956,250*	*$ 1,391,250*	*$ 8,347,500*	
Land Acquisition Land costs	$ 3,275,000	$ 3,275,000	$ -	$ -	$ -	$ -	$ -	*$ 6,550,000*	$ 1,637,500	*$ 8,187,500*	*$ 1,637,500*	*$ 9,825,000*	
Land acquisition Prof Services (say 10%)	$ 655,000	$ 655,000	$ -	$ -	$ -	$ -	$ -	*$ 1,310,000*	$ 327,500	*$ 1,637,500*	*$ 327,500*	*$ 1,965,000*	
Construction	$ -	$ -	$ 18,550,000	$ 18,550,000	$ -	$ -	$ -	*$ 37,100,000*	$ 9,275,000	*$ 46,375,000*	*$ 9,275,000*	*$ 55,650,000*	
Construction MSQA and defects	$ -	$ -	$ 618,333	$ 618,333	$ 618,333	$ -	$ -	*$ 1,855,000*	$ 463,750	*$ 2,318,750*	*$ 463,750*	*$ 2,782,500*	
Total all phases	**$ 9,495,000**	**$ 9,495,000**	**$ 19,168,333**	**$ 19,168,333**	**$ 618,333**	**$ -**	**$ -**	**$ 57,945,000**	**$ 14,486,250**	**$ 72,431,250**	**$ 14,486,250**	**$ 86,917,500**	**$ 103,409,178**
Plus contingency @ 25%	$ 2,373,750	$ 2,373,750	$ 4,792,083	$ 4,792,083	$ 154,583	$ -	$ -		$ 14,486,250				
Expected (50%ile) total	$ 11,868,750	$ 11,868,750	$ 23,960,417	$ 23,960,417	$ 772,917	$ -	$ -			$ 72,431,250			
Scope/Funding contingency 20%	$ 2,373,750	$ 2,373,750	$ 4,792,083	$ 4,792,083	$ 154,583	$ -	$ -				$ 14,486,250		
Uninflated Bid Amount (towards 95%ile)	$ 14,242,500	$ 14,242,500	$ 28,752,500	$ 28,752,500	$ 927,500	$ -	$ -				Uninflated	$ 86,917,500	
INFLATED Bid Amount (towards 95%ile)	$ 15,597,816	$ 16,299,718	$ 34,386,325	$ 35,933,710	$ 1,191,608	$ -	$ -					**Inflated**	**$ 103,409,178**
Inflated Phase totals								Total					
Feasibility Costs and other early-stage planning work	$ 9,141,848.10	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,141,848.10					
Costs of designing, consenting and tendering	$ -	$ 9,553,231.26	$ -	$ -	$ -	$ -	$ -	$ 9,553,231.26					
Land Acquisition Land costs	$ 5,379,973.50	$ 5,622,072.31	$ -	$ -	$ -	$ -	$ -	$ 11,002,045.81					
Land acquisition Prof Services (say 10%)	$ 1,075,994.70	$ 1,124,414.46	$ -	$ -	$ -	$ -	$ -	$ 2,200,409.16					
Construction	$ -	$ -	$ 33,277,088.90	$ 34,774,557.91	$ -	$ -	$ -	$ 68,051,646.81					
Construction MSQA and defects	$ -	$ -	$ 1,109,236.30	$ 1,159,151.93	$ 1,191,608.18	$ -	$ -	$ 3,459,996.41					
								$ 103,409,177.55					

General

Feasibility Costs and other early-stage planning work	15%	of construction
Costs of designing, consenting and tendering	15%	of construction
MSQA and Defects	5%	of construction
Contingency - typical	20%	to match LTP typicals
Contingency - scope/funding	25%	For approx budget matching - 25% extra across lots should provide better protection across whole workstream
Property fees = 10%	10%	
	100%	of outfalls

Slightly different but same outcome (30-35%) as Mott McDonald Assumptions

Stormwater

	Uninflated
In line stormwater treatment	$ 4,000,000
Stormwater pipeline and outfalls	$ 30,000,000
Central City ICMP and stormwater masterplan	$ 1,000,000

Property

		2023	2024	2025	2026	2027	2028	2029
IAF Inflation - Annual	**4.5%**	4.5%	4.5%	4.5%	4.5%	2.8%	3.0%	3.0%
Cumulative	**4.8%**	**9.5%**	**14.4%**	**19.6%**	**25.0%**	**28.5%**	**32.3%**	**36.3%**
		109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%

Expected contingency 25%

Funding contingency 20%

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Base total	Contingency	Expected (50%ile) total	Scope/Funding contingency 20%	Uninflated Bid Amount (towards 95%ile)	Inflated
In line stormwater treatment	**$ 900,000**	**$ 900,000**	**$ 3,100,000**	**$ 3,100,000**	**$ 100,000**	**$ -**	**$ -**	**$ 5,400,000**	**$ 1,080,000**	**$ 6,480,000**	**$ 1,350,000**	**$ 8,100,000**	**$ 9,726,200**
Feasibility Costs and other early-stage planning work	$ 600,000							$ 600,000	$ 150,000	$ 750,000	$ 150,000	$ 900,000	
Costs of designing, consenting and tendering		$ 600,000						$ 600,000	$ 150,000	$ 750,000	$ 150,000	$ 900,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 2,000,000	$ 2,000,000				$ 4,000,000	$ 1,000,000	$ 5,000,000	$ 1,000,000	$ 6,000,000	
Construction MSQA and defects			$ 66,667	$ 66,667	$ 66,667			$ 200,000	$ 50,000	$ 250,000	$ 50,000	$ 300,000	
Pipeline and outfalls - eligible - developer funded	**$ 6,750,000**	**$ 6,750,000**	**$ -**	**$ -**	**$ 23,250,000**	**$ 23,250,000**	**$ 750,000**	**$ 40,500,000**	**$ 8,100,000**	**$ 48,600,000**	**$ 10,125,000**	**$ 60,750,000**	**$ 76,771,500**
Feasibility Costs and other early-stage planning work	$ 4,500,000							$ 4,500,000	$ 1,125,000	$ 5,625,000	$ 1,125,000	$ 6,750,000	
Costs of designing, consenting and tendering		$ 4,500,000						$ 4,500,000	$ 1,125,000	$ 5,625,000	$ 1,125,000	$ 6,750,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction					$ 15,000,000	$ 15,000,000		$ 30,000,000	$ 7,500,000	$ 37,500,000	$ 7,500,000	$ 45,000,000	
Construction MSQA and defects					$ 500,000	$ 500,000	$ 500,000	$ 1,500,000	$ 375,000	$ 1,875,000	$ 375,000	$ 2,250,000	
Central City ICMP and stormwater masterplan	**$ 750,000**	**$ 750,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**	**$ 200,000**	**$ 1,200,000**	**$ 250,000**	**$ 1,500,000**	**$ 1,679,250**
Feasibility Costs and other early-stage planning work	$ 500,000	$ 500,000						$ 1,000,000	$ 250,000	$ 1,250,000	$ 250,000	$ 1,500,000	
Costs of designing, consenting and tendering								$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction								$ -	$ -	$ -	$ -	$ -	
Construction MSQA and defects								$ -	$ -	$ -	$ -	$ -	
Feasibility Costs and other early-stage planning work	$ 5,600,000	$ 500,000	$ -	$ -	$ -	$ -	$ -	*$ 6,100,000*	*$ 1,525,000*	*$ 7,625,000*	*$ 1,525,000*	*$ 9,150,000*	
Costs of designing, consenting and tendering	$ -	$ 5,100,000	$ -	$ -	$ -	$ -	$ -	*$ 5,100,000*	*$ 1,275,000*	*$ 6,375,000*	*$ 1,275,000*	*$ 7,650,000*	
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
Land acquisition Prof Services (say 10%)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
Construction	$ -	$ -	$ 2,000,000	$ 2,000,000	$ 15,000,000	$ 15,000,000	$ -	*$ 34,000,000*	*$ 8,500,000*	*$ 42,500,000*	*$ 8,500,000*	*$ 51,000,000*	
Construction MSQA and defects	$ -	$ -	$ 66,667	$ 66,667	$ 566,667	$ 500,000	$ 500,000	*$ 1,700,000*	*$ 425,000*	*$ 2,125,000*	*$ 425,000*	*$ 2,550,000*	
Total all phases	**$ 5,600,000**	**$ 5,600,000**	**$ 2,066,667**	**$ 2,066,667**	**$ 15,566,667**	**$ 15,500,000**	**$ 500,000**	**$ 46,900,000**	**$ 11,725,000**	**$ 58,625,000**	**$ 11,725,000**	**$ 70,350,000**	**$ 88,176,950**
Plus contingency @ 25%	$ 1,400,000	$ 1,400,000	$ 516,667	$ 516,667	$ 3,891,667	$ 3,875,000	$ 125,000		$ 11,725,000				
Expected (50%ile) total	$ 7,000,000	$ 7,000,000	$ 2,583,333	$ 2,583,333	$ 19,458,333	$ 19,375,000	$ 625,000			$ 58,625,000			
Scope/Funding contingency 20%	$ 1,400,000	$ 1,400,000	$ 516,667	$ 516,667	$ 3,891,667	$ 3,875,000	$ 125,000				$ 11,725,000		
Uninflated Bid Amount (towards 95%ile)	$ 8,400,000	$ 8,400,000	$ 3,100,000	$ 3,100,000	$ 23,350,000	$ 23,250,000	$ 750,000				Uninflated	$ 70,350,000	
INFLATED Bid Amount (towards 95%ile)	**$ 9,198,000**	**$ 9,609,600**	**$ 3,707,600**	**$ 3,875,000**	**$ 30,004,750**	**$ 30,759,750**	**$ 1,022,250**					**Inflated**	**$ 88,176,950**
Inflated Phase totals								Total					
Feasibility Costs and other early-stage planning work	$ 9,198,000.00	$ 858,000.00	$ -	$ -	$ -	$ -	$ -	$ 10,056,000					
Costs of designing, consenting and tendering	$ -	$ 8,751,600.00	$ -	$ -	$ -	$ -	$ -	$ 8,751,600					
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Land acquisition Prof Services (say 10%)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Construction	$ -	$ -	$ 3,588,000.00	$ 3,750,000.00	$ 28,912,500.00	$ 29,767,500.00	$ -	$ 66,018,000					
Construction MSQA and defects	$ -	$ -	$ 119,600.00	$ 125,000.00	$ 1,092,250.00	$ 992,250.00	$ 1,022,250.00	$ 3,351,350					
								$ 88,176,950					

General

Feasibility Costs and other early-stage planning work	15%	of construction
Costs of designing, consenting and tendering	15%	of construction
MSQA and Defects	5%	of construction
Contingency - typical	20%	to match LTP typicals
Contingency - scope/funding	25%	For approx budget matching - 25% extra across lots should provide better protection across whole workstream.

Anglesea Street. Uninflated

Acquisition of width required for widening is impractical within realistic timeframe.
Investigation and protection determines final form and width required to guide interim investments and reinstatements

Budget based on in corridor works to match final form between Mill Street and Bryce Street	$ 5,000,000	construction base
Budget based on intersection works at Mill Street and Bryce Street	$ 9,000,000	construction base
Budget based on Anzac Parade	$ 6,000,000	construction base
Designation allowance	$ 1,000,000	Nominal (= 1.5 FTE years @$300/hr)

Active Modes

Active modes bridge	$ 9,000,000	construction base
Active connections	$ 3,000,000	construction base

		2023	2024	2025	2026	2027	2028	2029
IAF Inflation - Annual	**4.8%**	4.5%	4.5%	4.5%	4.5%	2.8%	3.0%	3.0%
Cumulative	**4.8%**	**9.5%**	**14.4%**	**19.6%**	**25.0%**	**28.5%**	**32.3%**	**36.3%**
		109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%

Expected contingency 25%

Funding contingency 20%

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Base total	Contingency (25%)	Expected (50%ile) total	Scope/Funding contingency 20%	Uninflated Bid Amount (towards 95%ile)	Inflated
Anglesea Street User Prioritisation (Costs from CBD-IAF Development, Tab (2) Road Costings)	**$ 4,500,000**	**$ 4,500,000**	**$ 7,593,750**	**$ 15,093,750**	**$ 7,593,750**	**$ 93,750**	**$ -**	**$ 26,250,000**	**$ 5,250,000**	**$ 31,500,000**	**$ 6,562,500**	**$ 39,375,000**	**$ 47,906,813**
Feasibility Costs and other early-stage planning work	$ 3,000,000							$ 3,000,000	$ 750,000	$ 3,750,000	$ 750,000	$ 4,500,000	
Costs of designing, consenting and tendering		$ 3,000,000						$ 3,000,000	$ 750,000	$ 3,750,000	$ 750,000	$ 4,500,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 5,000,000	$ 10,000,000	$ 5,000,000			$ 20,000,000	$ 5,000,000	$ 25,000,000	$ 5,000,000	$ 30,000,000	
Construction MSQA and defects			$ 62,500	$ 62,500	$ 62,500	$ 62,500		$ 250,000	$ 62,500	$ 312,500	$ 62,500	$ 375,000	
Anglesea Street Investigation and protection	**$ 825,000**	**$ 825,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,100,000**	**$ 220,000**	**$ 1,320,000**	**$ 275,000**	**$ 1,650,000**	**$ 1,847,175**
Feasibility Costs and other early-stage planning work	$ 350,000	$ 350,000						$ 700,000	$ 175,000	$ 875,000	$ 175,000	$ 1,050,000	
Costs of designing, consenting and tendering								$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)	$ 200,000	$ 200,000						$ 400,000	$ 100,000	$ 500,000	$ 100,000	$ 600,000	
Construction								$ -	$ -	$ -	$ -	$ -	
Construction MSQA and defects								$ -	$ -	$ -	$ -	$ -	
Active modes river crossing and University to rail trail central city connections	**$ 2,700,000**	**$ 2,700,000**	**$ 4,556,250**	**$ 9,056,250**	**$ 4,556,250**	**$ 56,250**	**$ -**	**$ 15,750,000**	**$ 3,150,000**	**$ 18,900,000**	**$ 3,937,500**	**$ 23,625,000**	**$ 28,744,088**
Feasibility Costs and other early-stage planning work	$ 1,800,000							$ 1,800,000	$ 450,000	$ 2,250,000	$ 450,000	$ 2,700,000	
Costs of designing, consenting and tendering		$ 1,800,000						$ 1,800,000	$ 450,000	$ 2,250,000	$ 450,000	$ 2,700,000	
Land Acquisition Land costs								$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)								$ -	$ -	$ -	$ -	$ -	
Construction			$ 3,000,000	$ 6,000,000	$ 3,000,000			$ 12,000,000	$ 3,000,000	$ 15,000,000	$ 3,000,000	$ 18,000,000	
Construction MSQA and defects			$ 37,500	$ 37,500	$ 37,500	$ 37,500		$ 150,000	$ 37,500	$ 187,500	$ 37,500	$ 225,000	
Transport Phase total													
Feasibility Costs and other early-stage planning work	$ 5,150,000	$ 350,000	$ -	$ -	$ -	$ -	$ -	*$ 5,500,000*	$ 1,375,000	*$ 6,875,000*	*$ 1,375,000*	*$ 8,250,000*	
Costs of designing, consenting and tendering	$ -	$ 4,800,000	$ -	$ -	$ -	$ -	$ -	*$ 4,800,000*	$ 1,200,000	*$ 6,000,000*	*$ 1,200,000*	*$ 7,200,000*	
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*$ -*	$ -	*$ -*	*$ -*	*$ -*	
Land acquisition Prof Services (say 10%)	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	*$ 400,000*	$ 100,000	*$ 500,000*	*$ 100,000*	*$ 600,000*	
Construction	$ -	$ -	$ 8,000,000	$ 16,000,000	$ 8,000,000	$ -	$ -	*$ 32,000,000*	$ 8,000,000	*$ 40,000,000*	*$ 8,000,000*	*$ 48,000,000*	
Construction MSQA and defects	$ -	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ -	*$ 400,000*	$ 100,000	*$ 500,000*	*$ 100,000*	*$ 600,000*	
Total all phases	**$ 5,350,000**	**$ 5,350,000**	**$ 8,100,000**	**$ 16,100,000**	**$ 8,100,000**	**$ 100,000**	**$ -**	**$ 43,100,000**	**$ 10,775,000**	**$ 53,875,000**	**$ 10,775,000**	**$ 64,650,000**	**$ 78,498,075**
Plus contingency @ 25%	$ 1,337,500	$ 1,337,500	$ 2,025,000	$ 4,025,000	$ 2,025,000	$ 25,000	$ -		$ 10,775,000				
Expected (50%ile) total	$ 6,687,500	$ 6,687,500	$ 10,125,000	$ 20,125,000	$ 10,125,000	$ 125,000	$ -			$ 53,875,000			
Scope/Funding contingency 20%	$ 1,337,500	$ 1,337,500	$ 2,025,000	$ 4,025,000	$ 2,025,000	$ 25,000	$ -				$ 10,775,000		
Uninflated Bid Amount (towards 95%ile)	$ 8,025,000	$ 8,025,000	$ 12,150,000	$ 24,150,000	$ 12,150,000	$ 150,000	$ -				Uninflated	$ 64,650,000	
INFLATED Bid Amount (towards 95%ile)	$ 8,787,375	$ 9,180,600	$ 14,531,400	$ 30,187,500	$ 15,612,750	$ 198,450	$ -					**Inflated**	**$ 78,498,075**

Inflated Phase totals								Total
Feasibility Costs and other early-stage planning work	$ 8,458,875.00	$ 600,600.00	$ -	$ -	$ -	$ -	$ -	$ 9,059,475.00
Costs of designing, consenting and tendering	$ -	$ 8,236,800.00	$ -	$ -	$ -	$ -	$ -	$ 8,236,800.00
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land acquisition Prof Services (say 10%)	$ 328,500.00	$ 343,200.00	$ -	$ -	$ -	$ -	$ -	$ 671,700.00
Construction	$ -	$ -	$ 14,352,000.00	$ 30,000,000.00	$ 15,420,000.00	$ -	$ -	$ 59,772,000.00
Construction MSQA and defects	$ -	$ -	$ 179,400.00	$ 187,500.00	$ 192,750.00	$ 198,450.00	$ -	$ 758,100.00
								$ 78,498,075.00

General

Feasibility Costs and other early-stage planning work	15%	of construction
Costs of designing, consenting and tendering	15%	of construction
MSQA and Defects	5%	of construction
Contingency - typical	20%	to match LTP typicals
Contingency - scope/funding	25%	For approx budget matching - 25% extra across lots should provide better protection across whole workstream.
Property fees = 10%	10%	

Local connections (see separate tab for derivation)

1.3 ha/year

Uninflated

				Expected contingency	Funding contingency
Local Wastewater Connections - Developer (1.3ha/year @	$ 650,000	$ 845,000	construction base	25%	20%
Local Wastewater Connections - Developer (1.3ha/year @	$ 600,000	$ 780,000	construction base		
Property		$ -			

		1	2	3	4	5	6	7	8	9	10
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
IAF Inflation - Annual	**4.5%**	4.5%	4.5%	4.5%	4.5%	2.8%	3.0%	3.0%	3.0%	2.8%	3.0%
Cumulative	**4.8%**	9.5%	14.4%	19.6%	25.0%	28.5%	32.3%	36.3%	40.4%	44.3%	48.6%
		109.5%	114.4%	119.6%	125.0%	128.5%	132.3%	136.3%	140.4%	144.3%	148.6%

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Base total	Contingency	Expected (50%ile) total	Scope/Funding contingency 20%	Amount (towards 95%ile)	Inflated
Water Local Connections - developer responsibility	**$ -**	**$ -**	**$ -**	**$ 1,267,500**	**$ 1,267,500**	**$ 1,267,500**	**$ 1,267,500**	**$ 1,267,500**	**$ 1,267,500**	**$ 1,267,500**	**$ 5,915,000**	**$ 1,183,000**	**$ 7,098,000**	**$ 1,419,600**	**$ 8,517,600**	**$ 12,110,160**
Feasibility Costs and other early-stage planning work											$ -	$ -	$ -	$ -	$ -	
Costs of designing, consenting and tendering											$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs											$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)											$ -	$ -	$ -	$ -	$ -	
Construction				$ 845,000	$ 845,000	$ 845,000	$ 845,000	$ 845,000	$ 845,000	$ 845,000	$ 5,915,000	$ 1,183,000	$ 7,098,000	$ 1,419,600	$ 8,517,600	
Construction MSQA and defects											$ -	$ -	$ -	$ -	$ -	
Wastewater Local Connections - developer responsibility	**$ -**	**$ -**	**$ -**	**$ 1,170,000**	**$ 1,170,000**	**$ 1,170,000**	**$ 1,170,000**	**$ 1,170,000**	**$ 1,170,000**	**$ 1,170,000**	**$ 5,460,000**	**$ 1,092,000**	**$ 6,552,000**	**$ 1,310,400**	**$ 7,862,400**	**$ 11,178,610**
Feasibility Costs and other early-stage planning work											$ -	$ -	$ -	$ -	$ -	
Costs of designing, consenting and tendering											$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs											$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)											$ -	$ -	$ -	$ -	$ -	
Construction				$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 780,000	$ 5,460,000	$ 1,092,000	$ 6,552,000	$ 1,310,400	$ 7,862,400	
Construction MSQA and defects											$ -	$ -	$ -	$ -	$ -	
Stormwater pipeline and outfalls	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Feasibility Costs and other early-stage planning work											$ -	$ -	$ -	$ -	$ -	
Costs of designing, consenting and tendering											$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs											$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)											$ -	$ -	$ -	$ -	$ -	
Construction											$ -	$ -	$ -	$ -	$ -	
Construction MSQA and defects											$ -	$ -	$ -	$ -	$ -	
	$ -	**$ -**	**$ -**	**$ 2,437,500**	**$ 2,437,500**	**$ 2,437,500**	**$ 2,437,500**	**$ 2,437,500**	**$ 2,437,500**	**$ 2,437,500**	**$ 11,375,000**	**$ 2,275,000**	**$ 13,650,000**	**$ 2,730,000**	**$ 16,380,000**	**$ 23,288,770**
Feasibility Costs and other early-stage planning work	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -	$ -	$ -	$ -	$ -	
Costs of designing, consenting and tendering	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -	$ -	$ -	$ -	$ -	
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -	$ -	$ -	$ -	$ -	
Land acquisition Prof Services (say 10%)	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -	$ -	$ -	$ -	$ -	
Construction	$ -	$ -	$ -	$ 1,625,000	$ 1,625,000	$ 1,625,000	$ 1,625,000	$ 1,625,000	$ 1,625,000	$ 1,625,000	*$ 11,375,000*	*$ 2,275,000*	*$ 13,650,000*	*$ 2,730,000*	*$ 16,380,000*	
Construction MSQA and defects	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -	$ -	$ -	$ -	$ -	
Total all phases	**$ -**	**$ -**	**$ -**	**$ 1,625,000**	**$ 1,625,000**	**$ 1,625,000**	**$ 1,625,000**	**$ 1,625,000**	**$ 1,625,000**	**$ 1,625,000**	**$ 11,375,000**	**$ 2,275,000**	**$ 13,650,000**	**$ 2,730,000**	**$ 16,380,000**	**$ 23,288,770**
Plus contingency @ 25%	$ -	$ -	$ -	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250		$ 2,843,750			
Expected (50%ile) total	$ -	$ -	$ -	$ 2,031,250	$ 2,031,250	$ 2,031,250	$ 2,031,250	$ 2,031,250	$ 2,031,250	$ 2,031,250	$ 2,031,250			$ 14,218,750		
Scope/Funding contingency 20%	$ -	$ -	$ -	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250	$ 406,250				$ 2,843,750	
Uninflated Bid Amount (towards 95%ile)	$ -	$ -	$ -	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500	$ 2,437,500				Uninflated	$ 17,062,500
INFLATED Bid Amount (towards 95%ile)	$ -	$ -	$ -	$ 3,046,289	$ 3,131,585	$ 3,225,532	$ 3,322,298	$ 3,421,967	$ 3,517,782	$ 3,623,316						**Inflated**
Inflated Phase totals											Total					**$ 23,288,770**
Feasibility Costs and other early-stage planning work	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Costs of designing, consenting and tendering	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Land Acquisition Land costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Land acquisition Prof Services (say 10%)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					
Construction	$ -	$ -	$ -	$ 3,046,289	$ 3,131,585	$ 3,225,532	$ 3,322,298	$ 3,421,967	$ 3,517,782	$ 3,623,316	$ 23,288,769.98					
Construction MSQA and defects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -					

Local connections (last mile)

FINAL

Appendix C

Risk Register

IAF RFP Risk Assessment

A risk workshop was held with Hamilton City Council staff to identify risks in relation to the IAF funding proposal and central city growth, facilitated by PwC. We also utilised previous risk material from the HIF and IFF funding proposals.

Summarised below are the key strategic risks identified during the workshop, along with their inherent risk assessment, relevant controls and the timing of those controls. Design, delivery and constructability risks are being identified and assessed separately.

The risk consequence, likelihood and significance are based on inherent risk scoring (without any controls or mitigations in place). We have only included those risks with a significance ranking of Very High to Extreme.

Uncertainty Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Low – Extreme)	Controls	Controls Timing
Information to support decisions is not available or remains too uncertain	4	5	Extreme	• Go/No Go processes • Assumptions and uncertainties are clearly communicated in RFP • Elected member briefings • Demand/growth modelling • Financial modelling	RFP
Infrastructure not covered by the IAF fails to keep up with the population growth resulting in lack of amenity	4	5	Extreme	• Asset Management plans • Urban Growth Strategy / Metro Spatial Plan / Futureproof • Long Term Plan • Demand/Growth modelling • Staged development	2024 LTP Now 2024 LTP Ongoing Programme delivery
Developers not delivering on expectations for housing	5	4	Extreme	• Early engagement with developers • Private Developer Agreements • Housing Outcomes agreement	RFP successful Ongoing RFP successful
Council application is unsuccessful	5	3	Very High	• RFP	RFP
Change in Council/government results in different priorities/change in funding that impacts delivery	4	4	Very high	• Funding agreement and Housing outcomes agreement have flexibility to allow for changes. • Stakeholder communications	RFP successful

Uncertainty Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Low – Extreme)	Controls	Controls Timing
Three waters reform impacts on funding/timing/ownership of projects	4	3	Very High	• Funding Agreement terms • Stakeholder management	RFP successful
Community expectations on central city development differ from Housing Outcomes agreement	4	3	Very High	• Stakeholder management • Consultation processes • Urban Growth Strategy / Metro Spatial Plan / Futureproof • Housing Outcomes agreement flexibility	RFP / RFP successful Now RFP successful
Development form changes that make IAF assumptions incorrect	3	4	Very High	• Funding agreement and Housing outcomes agreement have flexibility to allow for changes.	Programme delivery

Financial Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Low – Extreme)	Controls	Controls Timing
Council bears risk of any cost escalation/unforeseen costs/overruns	5	5	Extreme	• IAF RFP flags Council wants to negotiate • Negotiate more sharing of risk in funding agreement • Financial modelling • Peer review of costs • Adequate contingencies are put in place • Go/No go process	RFP successful RFP Programme delivery RFP successful
No LTP funding currently for IAF projects	4	5	Extreme	• Include funding in next LTP round • Amend current LTP if bid is successful	2024 LTP development RFP successful
Insufficient funding to start or complete the projects	4	5	Extreme	• RFP • Go/No go if selected and there is a funding shortfall • Negotiate additional funding • Financial modelling	RFP RFP successful RFP successful RFP
Co-funding principles not met	5	3	Very high	• RFP • Negotiation of funding agreement terms	RFP RFP successful

Financial Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Low – Extreme)	Controls	Controls Timing
Council pre-funds the works and then Kainga Ora doesn't approve funding reimbursement	5	3	Very high	• Flag in RFP intention to negotiate terms • Negotiation of funding agreement terms	RFP RFP successful
Developer contribution remission programme results in more costs placed upon Council	3	5	Very High	• RFP	RFP

Commercial Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Low – Extreme)	Controls	Controls Timing
IAF terms are very prescriptive and inflexible	4	5	Extreme	• Funding agreement and Housing outcomes agreement have flexibility to allow for changes.	RFP successful
Developers don't accept the Housing Outcome agreement terms	5	4	Extreme	• Early engagement with Developers • Flexibility of terms	RFP successful
Not meeting obligations of relationship with Iwi				• Early engagement with Tainui	RFP

Resourcing Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Very high – Extreme)	Controls	Controls Timing
Council staff don't have capacity to deliver these additional projects	4	5	Extreme	• Identify and obtain sufficient resources • Staff and budget requests for key groups • Dedicated programme team	RFP successful
Construction industry inability to deliver additional infrastructure projects	5	4	Extreme	• Contractor capacity analysis • Pre-qualification of suitable contractors • Early engagement • Procurement model	RFP successful Programme delivery
Construction industry does not have capacity to deliver multi-story buildings in near to medium term	5	4	Extreme	• Contractor/professional Services capacity analysis • Pre-qualification of suitable consultants / contractors • Early engagement • Procurement model	RFP successful Programme delivery

Resourcing Risks	Consequence (1-5)	Likelihood (1-5)	Significance (Very high – Extreme)	Controls	Controls Timing
Developers inability to deliver multi-story housing	5	3	Very High	• Engagement with developers • Pre-qualification of suitable developers	RFP successful
IAF impacts on other growth areas/programmes	3	4	Very High	• Programme management • Council reporting	Programme delivery

Legend

Likelihood		Consequence				
		1	2	3	4	5
		Minor	Moderate	Serious	Major	Catastrophic
5	Almost Certain	High	High	Very High	Extreme	Extreme
4	Likely	Medium	High	Very High	Very High	Extreme
3	Possible	Low	Medium	High	Very High	Very High
2	Unlikely	Low	Medium	Medium	High	Very High
1	Rare	Low	Low	Low	Medium	High

IAF RFP Controls

The following risks and controls specifically relate to the RFP stage of the bid.

Risk 1	The RFP commits or locks Council into going ahead with the projects or on the terms currently provided.
Controls	1. The RFP does not bind the Council to continuing with the funding process. 2. Council will negotiate the terms of the Funding agreement and Housing Outcomes agreement with Kainga Ora. 3. Council will have Go/No Go processes in place at each significant milestone to review whether it is prudent/ready to proceed. 4. Any agreements are subject to legal review.
Risk 2	There is a high degree of uncertainty with project costs and delivery of the housing outcomes.
Controls	1. Document assumptions in the RFP and schedule review of these assumptions at stage gates during the project. 2. Peer review of cost and delivery assumptions. 3. Appropriate contingencies are provided to reflect the degree of uncertainty.
Risk 3	There is no demand for central city housing.
Control	Demand/Growth forecasting provides a basis for estimating the population growth and where this is likely to occur.
Risk 4	Council does not have the financial capacity to fund the infrastructure and associated projects.
Control	Council undertakes financial analysis/modelling factoring in assumptions and a range of scenarios to ensure that it has the debt capacity and funding to deliver the projects.
Risk 5	Council does not have iwi or developer support to deliver the outcomes
Control	Council engages with iwi and developers to gain their support in principle for the delivery of the housing outcomes and throughout the programme, including consultation and agreement at key stage gates and on key documents (e.g. Housing Outcomes agreement).
Risk 6	Elected members do not support the bid.
Controls	1. Workshop with elected members to outline the benefits and outcomes of the bid and the related risks. 2. The RFP is not binding. 3. The RFP supports Council's central city development plans and strategies.
Risk 7	There is too much risk placed upon Council.
Controls	1. Negotiate terms in the funding agreement and the Housing Outcomes agreement that provide for the sharing of risks that are outside the control of either party. 2. Negotiate flexibility in the Funding agreement and Housing Outcomes agreement to allow for unforeseen circumstances. 3. Any agreements are subject to legal review. 4. Controls over the provision of funding by Kainga Ora need to be transparent and agreed to by Council.
Risk 8	The projects are impacted by the changes from the three waters reforms.
Controls	1. Council retains the delivery of the projects and hands them over once completed. 2. Appropriate clauses in any agreements allow for the management of the projects/outcomes by the new three waters entity.

Risk 9	The projects are not currently in Councils Long Term Plan (LTP).
Controls	1. If the RFP is successful, then a. depending on the timing of the projects, the current LTP will be amended. b. The projects (and any supporting projects) will be included in the 2024 2034 LTP.
Risk 10	Council does not receive sufficient funding to make proceeding with the projects viable.
Controls	1. The RFP outlines the current sources of funding and the rationale for the level of funding requested. 2. The RFP clearly states the risk that the projects are unlikely to go ahead if sufficient funding is not received. 3. Council reserves the right to negotiate with Kainga Ora if insufficient funding is allocated. 4. Council will consider alternative funding sources/mechanisms to cover any shortfall. 5. Council will have Go/No Go processes in place at each significant milestone to review whether it is prudent/ready to proceed.

Ian Rich – HNO Risk Advisor (Tel: 04 894 6287)
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April 2015

Risk Register

Project/Contract:	Peacocke Network Infrastructure - All HIF and LTP Components	Document Date:	14 December 2021
Project/Contract ID:	Various - PNI Workstream	Supplier Lead:	Alasdair Gray / Gray Matter Ltd
HCC Office:	Strategic Development	RM Specialist:	N/A / N/A
HCC Lead:	Alasdair Gray	Risk Tolerance Threshold:	20

B=bridge

														Current Exposure				Residual (Target) Exposure			
														Semi-Quantitative			Treatment Strategy	Semi-Quantitative			
Rank	RID	Project	Risk Title	Description	Cause	Consequence	Risk Manager	Risk Owning Org	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq	Likelihood	Risk Score	Individual actions to be recorded in the Actions Register (Sheet 4)	Consq	Likelihood	Risk Score	Commentary & Closure Statement
3	CBD IAF 21	CBD IAF Infrastructure	Project resourcing is inadequate	There is a threat that resourcing for project is not adequate	The cause of the threat is poor planning and budgeting	The consequence of the threat is ineffective delivery leading to cost increases and time overruns.	Alasdair Gray	HCC	1/10/21	Live - Treat	Construction	Financial				0				0	
3	CBD IAF 22	CBD IAF Infrastructure	Business and Public communication fails	There is a threat that a lack of information and understanding to keep public and business informed lead to active opposition	The cause of the threat is inadequate communications to keep public and business informed.	The consequence of the threat is disruption and delays to delivery leading to cost increases and time overruns.	Alasdair Gray	HCC	2/10/21	Live - Treat	Construction	Financial				0				0	
3	CBD IAF 23	CBD IAF Infrastructure	Wastewater land delay	There is a threat that HCC cannot secure wastewater land in time.	The cause of the threat is that there is no designation and we have to rely on acquisition by agreement.	The consequence of the threat is that HCC cannot complete investigation and design or construction, leading to delays and increased costs.	Alasdair Gray	HCC	3/10/21	Live - Treat	Construction	Financial				0				0	
3	CBD IAF 24	CBD IAF Infrastructure	Budget exceedance	There is a threat that supply chain disruption, cost fluctuations, and inflation costs exceed provision within the proposal	The cause of the threat is market conditions including the effects of government stimulus and Covid 19 increasing costs	The consequence of the threat is significant budget exceedance exceeding contingencies compromising completing committed scope of work.	Alasdair Gray	HCC	4/10/21	Live - Treat	Construction	Financial				0				0	
3	CBD IAF 25	CBD IAF Infrastructure	Project delays/disruption	There is a threat that projects take longer to deliver than anticipated due to resourcing, supply chain, designations, land aquisition, consenting etc.	The cause of the threat is poor scheduling and cost/scope/time risk management failing to take into account market conditions and land processes.	The consequence of the threat is failing to meet committed milestones resulting in funding withdrawal.	Alasdair Gray	HCC	5/10/21	Live - Treat	Construction	Financial				0				0	
3	CBD IAF 26	CBD IAF Infrastructure	Government contracts	There is a threat that contractual arrangements with Govt, delegations approvals management, etc. are not appropriate for this project.	The cause of the threat isa mismatch of expectations in risk allocation and poor understanding of implications of micromanagement on efficient delivery.	The consequence of the threat is missing opportunities for contingency management failing to meet committed milestones resulting in funding withdrawal.	Alasdair Gray	HCC	6/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 27	CBD IAF Infrastructure	Financial challenges with budget exceedance	Implementation budget is exceeded resulting in financial challenges for HCC [AP]			Alasdair Gray	HCC	7/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 28	CBD IAF Infrastructure	Infrastructure levels of service failure	CBD development activity occurs in and area outside of the area serviced by the BID funded infrastructure leading to failure to meet infrastructure levels of service. [AP]			Alasdair Gray	HCC	8/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 29	CBD IAF Infrastructure	Concept flaws	The concepts are fatally flawed and do not provide for additional density [JC]			Alasdair Gray	HCC	9/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 30	CBD IAF Infrastructure	KO team and HCC disputes	KO evaluation team don't agree with all the projects put forward on the basis they don't understand HCC context or see the projects as not directly linked to new housing resulting in LOS deteriation [AP]			Alasdair Gray	HCC	10/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 31	CBD IAF Infrastructure	HCC limits to manage risk	Overly prescriptive funding conditions, or government manages funding at an individual project level, limits HCC's ability to manage project and programme risks [AP]			Alasdair Gray	HCC	11/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 32	CBD IAF Infrastructure	Availability issues for BID programme	Staff, consultant or contractor capacity is not available when required by the BID programme. [AP]			Alasdair Gray	HCC	12/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 33	CBD IAF Infrastructure	BID programme exceeded	The bid implementation programme is exceeded due to lack of scoping prior to finalising the bid resulting in funding termination by government. [AP]			Alasdair Gray	HCC	13/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 34	CBD IAF Infrastructure	Future CBD demands	Robust concept that meets future CBD demands ([D]			Alasdair Gray	HCC	14/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 35	CBD IAF Infrastructure	Reservoir delays and cost increases	Reservoir requires land [maeroa] that can not be secured resulting in delays and increased costs [JC]			Alasdair Gray	HCC	15/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 36	CBD IAF Infrastructure	Budget exceeded	Costs exceed budget because of poorly defined scope and risks (e.g. geotech)			Alasdair Gray	HCC	16/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 37	CBD IAF Infrastructure		Maintain operations whilst new works replace infrastructure			Alasdair Gray	HCC	17/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 38	CBD IAF Infrastructure	Reserviour consent delay	Reservioirs impact on surrounding areas (views etc) making it more difficult to secure consent [JC]			Alasdair Gray	HCC	18/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 39	CBD IAF Infrastructure	Reservioir lack of intensification	That the reservioir does not enable intensification because linked Bulk water infrastructure into and out of the reservioir is not in place [JC]			Alasdair Gray	HCC	19/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 40	CBD IAF Infrastructure	Reservioir land risk	Maeroa reservoir is a key land risk with limited direct benefit to CBD			Alasdair Gray	HCC	20/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 41	CBD IAF Infrastructure	Scope poorly defined	Poorly defined scope resulting in poor alingment with the bid outcomes [AP]			Alasdair Gray	HCC	21/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 42	CBD IAF Infrastructure	Timing with moving city	Implementation/ staging while the city is keep on moving.			Alasdair Gray	HCC	22/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 43	CBD IAF Infrastructure	Intergation of networks	How the new infrastructure integrate the existing network - unknown. [ks]			Alasdair Gray	HCC	23/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 44	CBD IAF Infrastructure	Storage tank consents	Storage tank in the middle of the city?- Construction/consenting challenges too. [ks]			Alasdair Gray	HCC	24/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 45	CBD IAF Infrastructure	Land requirement	Land requirement impacts delivery programme [AP]			Alasdair Gray	HCC	25/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 46	CBD IAF Infrastructure	Traffic management in city	Deep construction activity in the centre of the city? Traffic management is difficult?			Alasdair Gray	HCC	26/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 47	CBD IAF Infrastructure	Storage tank capacity requirement	Storage tank capacity requirement could be bigger than what is anticipated [KS			Alasdair Gray	HCC	27/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 48	CBD IAF Infrastructure	Uncertainty in existing infrastructure compromises planning	Deficit in the existing strategic infrastructure needs to be quantified CI-[ks]			Alasdair Gray	HCC	28/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 49	CBD IAF Infrastructure	Consent risk for stormwater outlets	Consenting risk around new/upgraded stormwater outlets - direction from Tainui is for no new outlets to the River [AC]			Alasdair Gray	HCC	29/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 50	CBD IAF Infrastructure	Stormwater additional land	SW treatment footprint required for roading corridor won't fit in available road reserve. Forces acquisition of additional land [AC]			Alasdair Gray	HCC	30/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 51	CBD IAF Infrastructure	Stormwater property purchases	Individual property purchases for stormwater potentially more use for development than for treating road. Linear devices more likely to be successful for road.			Alasdair Gray	HCC	31/10/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 52	CBD IAF Infrastructure	Stormwater solutions are unaffordable	Daylighting watercourses and protecting secondary flow paths likely to be cost-prohibitive			Alasdair Gray	HCC	1/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 53	CBD IAF Infrastructure	Pipe corridors	Technical risk around pipe corridors - construction is more difficult than expected & this results in higher costs [AC]			Alasdair Gray	HCC	2/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 54	CBD IAF Infrastructure	Stormwater solutions are not feasible	Potentially no feasible solution to deliver SW LoS [AC]			Alasdair Gray	HCC	3/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 55	CBD IAF Infrastructure	Lack of mandaed requirements	Lack of mandated requirements means stormwater investment does not happen.			Alasdair Gray	HCC	4/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 56	CBD IAF Infrastructure	Council backing own ideas	If Council does not back itself on Vision and Strategy, then how can we expect city to follow.			Alasdair Gray	HCC	5/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 57	CBD IAF Infrastructure	Budget blow out	Underground Services require diversion - significant extra cost (Budget Blow Out). [MJT]			Alasdair Gray	HCC	6/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 58	CBD IAF Infrastructure	Insufficient street parking	Insufficient on/off street parking for high density living. Form of road corridor does not meet consensus with stakeholders [MJT]			Alasdair Gray	HCC	7/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 59	CBD IAF Infrastructure	Metro spatial plan	Metro Spatial Plan - MSP changes resulting in mis-alignment in design solution /PT provision. [TD]			Alasdair Gray	HCC	8/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 60	CBD IAF Infrastructure	Communication backlash	Communications Backlash from public and businesses. [TD]			Alasdair Gray	HCC	9/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 61	CBD IAF Infrastructure	Land unable ot be acquired	Unable to acquire land for road widening. Major objections to road widening / PT / Cycle walking facilities. [MJT]			Alasdair Gray	HCC	10/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 62	CBD IAF Infrastructure	Road alteration consents	Road alterations require storm water consents. [MJT]			Alasdair Gray	HCC	11/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 63	CBD IAF Infrastructure	Funding and approvals	Funding, approvals and contracural relations with Government / Waka Kotahi / WRC etc [TD]			Alasdair Gray	HCC	12/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 64	CBD IAF Infrastructure	Construction work	Construction Work Detours for people and delays are unacceptable. [TD]			Alasdair Gray	HCC	13/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 65	CBD IAF Infrastructure	Traffic detours	Detours for people traffic business			Alasdair Gray	HCC	14/11/21	Live - Treat	Construction	Financial				0				0	

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April 2015

Risk Register

Project/Contract:	Peacocke Network Infrastructure - All HIF and LTP Components	**Document Date:**	14 December 2021
Project/Contract ID:	Various - PNI Workstream	**Supplier Lead:**	Alasdair Gray / Gray Matter Ltd
HCC Office:	Strategic Development	**RM Specialist:**	N/A / N/A
HCC Lead:	Alasdair Gray	**Risk Tolerance Threshold:**	20

B=bridge

													Current Exposure				Residual (Target) Exposure			
													Semi-Quantitative			Treatment Strategy	Semi-Quantitative			
Rank	RID	Project	Risk Title	Description	Cause	Consequence	Risk Manager	Risk Owning Org	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq.	Likelihood	Risk Score	Individual actions to be recorded in the Actions Register (Sheet 4)	Consq.	Likelihood	Risk Score	Commentary & Closure Statement
	CBD IAF 66	CBD IAF Infrastructure	Funding	Funding [TD]			Alasdair Gray	HCC	15/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 67	CBD IAF Infrastructure	Business and public disruption	Construction Noise Dust Vibration General disruption - unacceptable to business, public and politicians.			Alasdair Gray	HCC	16/11/21	Live - Treat	Construction	Financial				0				0	
	CBD IAF 68	CBD IAF Infrastructure	Trasnport alignment	Transport alignment to match/consider MSP PT provisions - risk of change in solutions or not having one for this project scope change			Alasdair Gray	HCC	16/11/21	Live - Treat	Construction	Financial				0				0	

FINAL

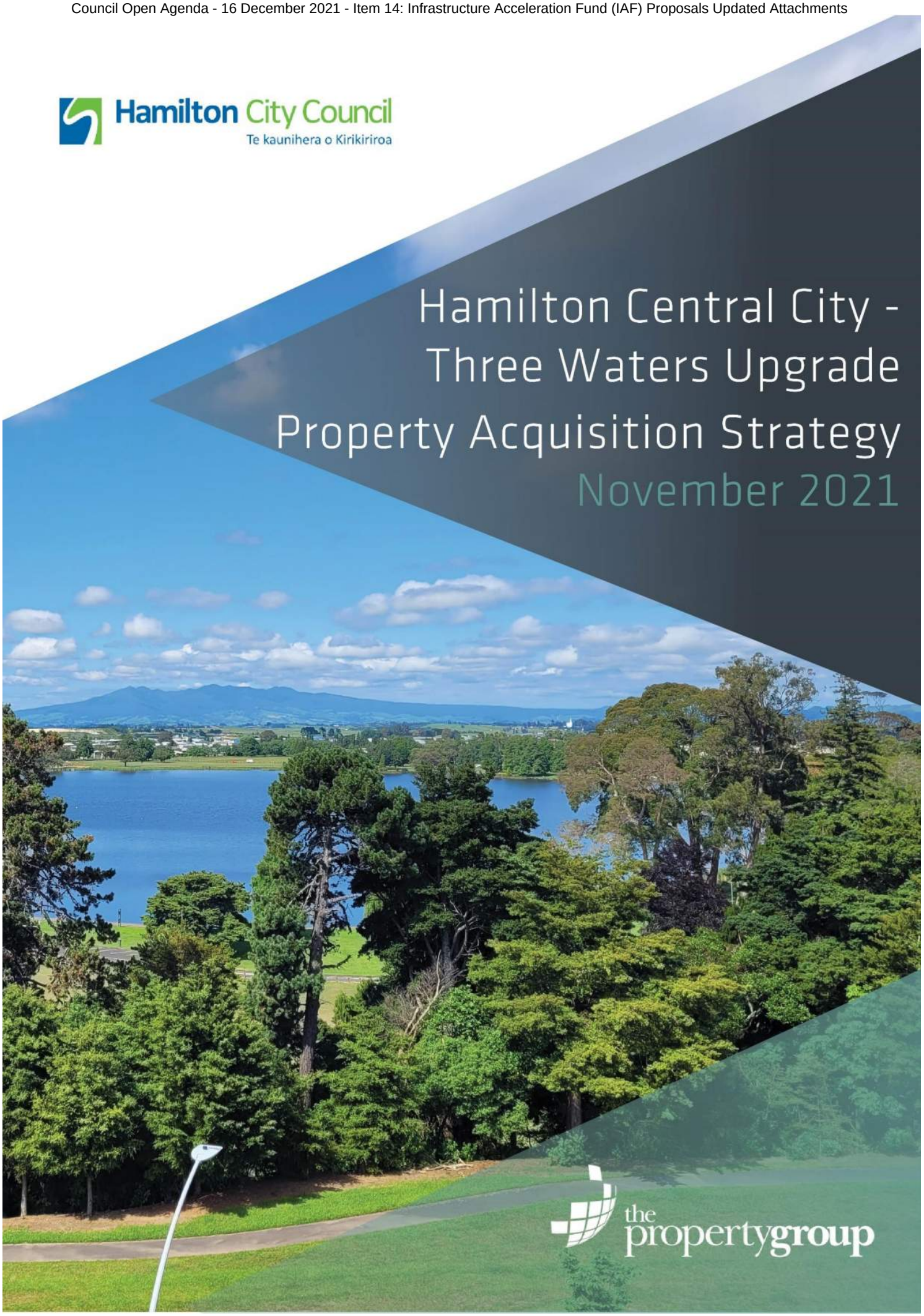
Appendix D

Central Hamilton Acquisition Strategy

Hamilton City Council
Te kaunihera o Kirikiriroa

Hamilton Central City - Three Waters Upgrade Property Acquisition Strategy

November 2021



the propertygroup

Contents

Background and introduction....3
Acquisition process and methodology - general overview....4
Ruakiwi reservoir and booster pump station....5
Properties affected....5
Reclassification of recreation reserve....5
Maeroa reservoir and booster pump station....6
Wastewater storage facility....7
Stormwater treatment device....8
Appendix 1: Proposed key projects....9
Appendix 2: Indicative Land Requirement Plans....10
Appendix 3: Compulsory acquisition process....11

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Background and introduction

Hamilton City Council (Council) has submitted an Expression of Interest (EOI) to Kāinga Ora (KO) for funding to upgrade its three-waters infrastructure within the central city. A snapshot of the proposed projects is attached as Appendix 1.

Council has now been short-listed by KO and needs to submit a full proposal supporting the application for funding by 17 December 2021. One of the key considerations is property and a high-level acquisition strategy is required to outline timeframes and processes to secure the additional land that may be required. The Property Group Limited (TPG) has been commissioned to provide this input for Council.

Details on the land requirements at this stage are minimal, but can be briefly summarised as follows:

1. Ruakiwi Reservoir and Booster Pump Station: Additional private land is not required here, although some adjoining recreation reserve will be needed
2. [Redacted]
3. [Redacted]
4. Stormwater Treatment Device: Options are still being explored here, including the widening of Anglesea Street and/or another site similar to the wastewater storage facility above.

As detailed design has not been completed and the exact property requirements are not available, this report will focus on general acquisition timeframes and processes when Council requires land for a public work. We will then provide an overview of the property considerations that are known for each of the four projects noted above, and any relevant factors or risks that should be taken into account at this early stage.

In preparing this report we have adopted the following assumptions:

- We have not undertaken any site selection analysis or due diligence of the proposed sites. The acquisition strategy will assume that the sites will be designated once detailed design is completed
- Our investigations have been limited to a desktop exercise only. No consultation has been undertaken with affected owners and we have not researched any information that may be held by either the Waikato Regional Council or Council.

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Acquisition process and methodology - general overview

The recommended methodology to secure the required land for the various projects is a dual Public Works Act 1981 (PWA) 'negotiation' and 'compulsory acquisition' approach timed to align with the designation and construction dates.

The benefit of running a dual approach is that co-operative and motivated owners can be signed up relatively quickly. On the other hand, where dealings become difficult or owners do not wish to engage, the time to secure the land in time for a project can be minimised. The process often serves to focus the owner on the task at hand and confirms certainty of timing about a project.

The key reasons for this methodology are detailed below:

- This methodology and approach provides the highest level of certainty that the land requirements will be acquired within a reasonable time and cost threshold
- Provision of three waters infrastructure is classified as a public work; Council has access to the PWA powers for such purposes and is required to act in a fiscally responsible manner
- Provides maximum motivation for property owners to enter negotiations
- Compulsory acquisition 'runs with the land' so will not be disrupted like standard negotiations should a property transfer/transmit to a new owner(s) mid-way through negotiations
- Gives property owners time to negotiate a fair and reasonable agreement
- Is consistent with current and past acquisition programmes and processes undertaken by Council
- Treats owners in a consistent and uniform fashion
- Will not set any negative precedents for future Council projects.

Compulsory acquisition under the PWA is a three-step process and this power can only be exercised after an acquiring authority has made all reasonable endeavours to negotiate in good faith without reaching an agreement.

The estimated timeframe to complete a compulsory acquisition is around 12-18 months provided there are no objections to the Environment Court. If the owners object, the process could take up to 2-3 years to complete, allowing for various rights of appeal. An outline of this process is provided at Appendix 3, but the process is broadly split into the following three steps:

1. Section 18 PWA Notice of Desire to Acquire Land
2. Section 23 PWA Notice of Intention to Take Land
3. Section 26 PWA Proclamation.

The use of the compulsory process places strict statutory timeframes around the acquisition process to help provide a level of certainty associated with property acquisition allowing the projects to advance other work streams with confidence. Property owners will however have rights to object, via the Environment Court. Importantly though from a process and risk perspective there is no right to object on the grounds of adequacy of compensation.

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It is also important to be mindful of Council's options within the negotiation phase, particularly at the early stages of these projects. Early engagement with landowners would be key to explore options that will enable land to be available for the projects ahead of funding being confirmed. These options could include an advance agreement where final compensation can be negotiated after the land has been secured, or strategic purchases. This being where the targeted properties, or other suitable properties become available on the open market. This is in fact the case for one of the identified sites for the Wastewater Storage Facility.

Ruakiwi reservoir and booster pump station

The indicative land requirement is [Redacted]

The required land extends across three separate parcels held in two Records of Title (RT), both owned by Council.

[Redacted]

Properties affected

1. A Council owned property at 18-24 Ruakiwi Road, legally described as Lot 2 DP 16167 (RT SA399/80), which has the existing Ruakiwi Water Reservoir located on it. The land is held by Council for "without power of sale as a Municipal Endowment or for Municipal Purposes". There are no impediments to constructing additional water infrastructure on this property. A house that was located within this area was demolished in December 2020
2. The land surrounding the water reservoir property is part of the Hamilton Lake Domain and held by Council for recreation reserve purposes, subject to the Reserves Act 1977. Areas 2 and 3 on the plan are legally described as Lot 1 DP 16167 and Section 74 Hamilton West Town Belt respectively, with both parcels held in RT 263543.

Reclassification of recreation reserve

Council should undertake a reserve reclassification process if it is intended to use part of this recreation reserve land for expanded water facilities at Ruakiwi Road. The appropriate class of reserve for these works would be a local purpose reserve, as opposed to recreation.

The 2013 Reserves Act 1977 Delegations to Territorial Authorities give Council the ability to complete a Section 24 Reserves Act 1977 reclassification process without involving the Department of Conservation (DOC). A summary of this process is outlined below:

1. Council resolve to publicly notify the intention to reclassify an indicative part of the recreation reserve as local purpose reserve
2. Public notice is advertised in the local newspaper – the objection period is one month from the date of publication. We would recommend this notice be advertised twice

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In terms of the Reserves Act guidelines, there is also a strong expectation that public consultation includes consultation with Iwi. We would recommend that Council advise Iwi of the proposed reclassification, noting that consultation is not a negotiation, nor does it necessarily imply that the administering body has to accept the views of the Iwi or hapu

3. Council to consider any objections (hearings may need to be held) and then make a resolution to cancel the proposed reclassification, or resolve to reclassify part of the reserve
4. Define the area(s) by survey on an SO Plan. We note there is nothing to stop the survey plan being prepared prior to the first resolution and public notification if Council preferred
5. Prepare, have published and register a gazette notice to reclassify the defined area(s) on the SO Plan as local purpose reserve
6. On registration, Land Information New Zealand (LINZ) will update the legal description of the title to show that the relevant areas are now held for local purpose reserve, with the balance still recreation reserve. We note that registering a reclassification notice does not create separate title - subdivision under the Resource Management Act 1991 or setting apart under the PWA would be required for that to occur.

Maeroa reservoir and booster pump station

The indicative land requirement is shown on the plan attached as Appendix 2 and outlined in the table below.

[Redacted]

RAFT

[Redacted]

Wastewater storage facility

[Redacted]

3.1.2 Storage and discharge to the existing central interceptor

Storage is required within the CBD area to be able to manage wet weather (and possibly dry weather) flows to the existing central interceptor. In lieu of modelling, a provisional allowance of 4,000 m^3 storage volume has been allowed for based on it being a similar size to other planned wet weather storage around the city from the Hamilton City Wastewater Master Plan.

Comparative storage tank footprints are shown in Table 1.

Table 1 4,000 m^3 storage tank example dimensions

Height (m)	Length (m)	Width (m)	Footprint (m^2)
Tank only			
8	20	25	500
4	32	32	1,000
Whole site footprint including access and buffers (4 m deep option)			
n/a	40	40	1,600

Underground storage option

An underground, or partially underground, storage tank is assumed for the purpose of this assessment. The following is noted regarding the storage tank:

- There is no suitable greenfield space at the north end of Anglesea Street in which to locate a storage tank. Significant redevelopment is expected to incorporate green space but an above grounding is assumed not acceptable in that sense.
- A below ground tank could have a carpark placed on top, or a building above if the appropriate structural allowances are made. A partially buried tank could be the same.
- Access will be required to a portion of the storage footprint for operation and maintenance purposes – access is required to the storage cleaning system, pumping elements and the main tank itself. That is, the entire footprint could not be built over.

[Redacted].

Stormwater treatment device

[Redacted]

Please note these estimates reflect land value only, and do not take into account exposure to the effects of dealing with lessee's rights, properties that have strata-rights or other ancillary factors.

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Prepared by:



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Reviewed by:

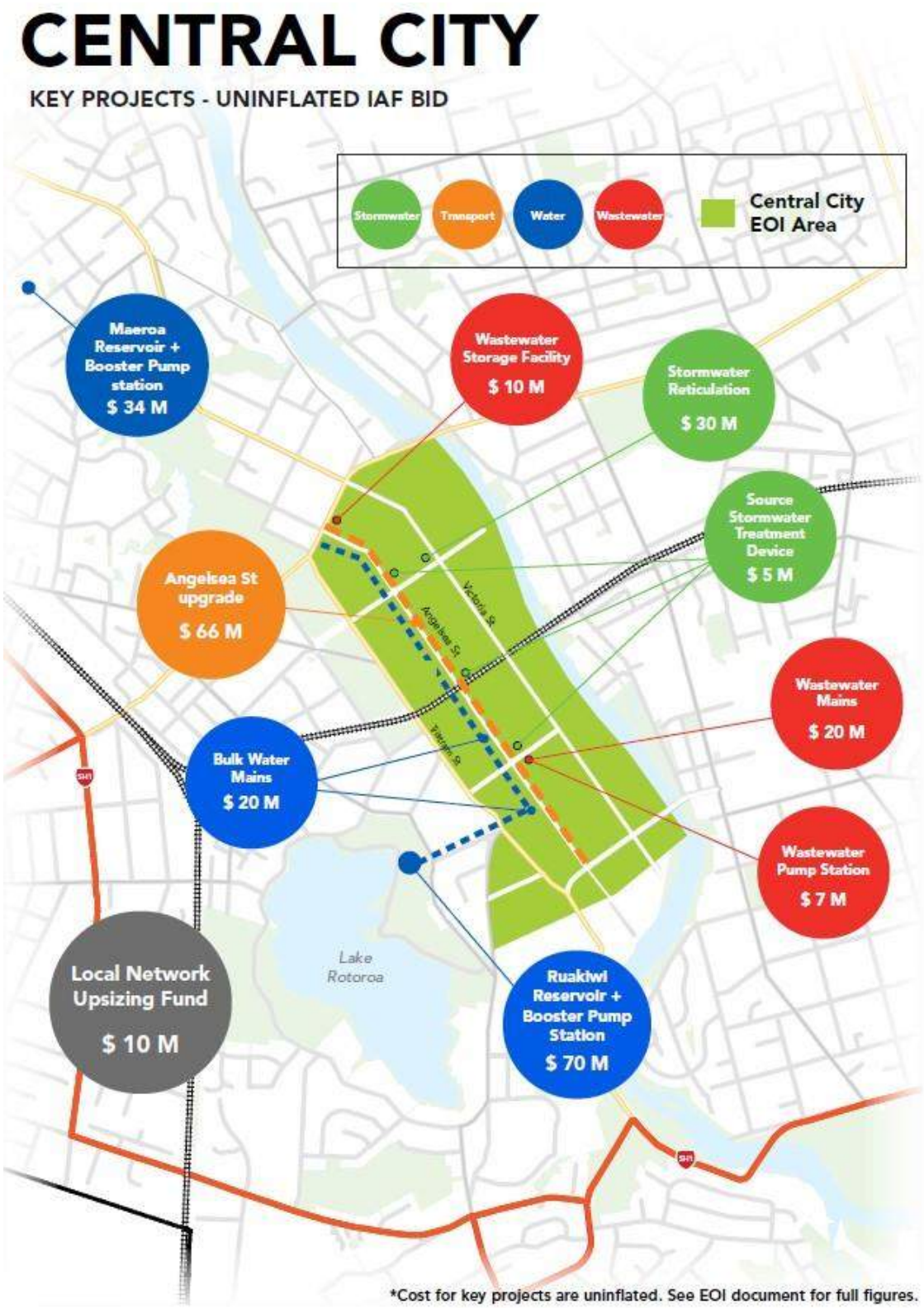


Nick Birdsall

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Appendix 1: Proposed key projects



Appendix 2: Indicative Land Requirement Plans

[Redacted]

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Appendix 3: Compulsory acquisition process

Compulsory Acquisition
A three stage process

the propertygroup

6 months

Notice of Desire - Section 18 PWA

Execution by Minister or Local Authority, Service, Registration, three months good faith negotiation, survey.
Expires after one year.

3 months

Notice of Intention to take Section 23 PWA

Execution by Minister or Local Authority, service, public notification in the newspaper and the New Zealand Gazette, registration 20 working days objection period.
Expires after one year.

1-2 years

Objection?

Environment Court Hearing

3 months

Proclamation section 26 PWA

Execution by Governor General for local and government works, public notification in newspaper and New Zealand Gazette, registration.

14 days

Land ownership

14 days after publication in the New Zealand Gazette.

Compulsory Acquisition (CA) under the **Public Works Act 1981 (PWA)** is a necessary tool to ensure land ownership is secured for a project in the event an agreement cannot be reached. It is a useful way to motivate owners to enter into meaningful negotiations.

The Property Group Limited (TPG) has a team of skilled negotiators backed by a legal team with substantial experience in CA. Early involvement by TPG's team ensures that:

- CA processes are built into acquisition strategies at the appropriate time to meet the requirements of the project
- Complex legal and procedural requirements are built seamlessly into the acquisition process
- Delays are avoided and opportunities to complete acquisition by agreement are enhanced.

How do Requiring Authorities compulsorily acquire?

A Requiring Authority (RA) is required to make an application under Section 186 of the Resource Management Act 1991. A Network Utility Operator must have a requiring authority status before it can make an application. The following information is required in support of the application:

- A written undertaking from the RA that it will meet the Crown's expenses
- A statement of the RAs objectives and how they relate to the land required
- A statement of the minimum requirements for the project
- An expert independent review of the project to confirm if technically appropriate
- An expert assessment of feasible alternative sites, routes or other methods of achieving the RAs objectives
- A statement on public consultation undertaken
- Advice as to whether all other required consents / approvals have been granted.

Who can access the CA process?

Local Authorities, Government Departments, Requiring Authorities and Airport Authorities.

What can be acquired by CA?

Whole titles, part titles, easements, other interests in land, Maori land, land still registered in the name of deceased owners.

Who gets served with CA notices?

All landowners of the relevant parcel of land and every other person having a registered interest in the land.

When should you start the CA process?

As soon as you have a definite land requirement and difficulty in reaching agreement. Prior negotiations are not always necessary.

Is a registered valuation required?

Yes, the Notice of Desire must include an invitation to sell at a valuation assessed by a registered valuer.

When is survey required?

If only part of the land in a title is required, survey of that part is required for the Notice of Intention. If the owners will not consent to entry for survey, a notice authorising survey under s110 PWA will be required. To avoid delays, this should be dealt with at the same time as the Notice of Desire.

Does the land have to be designated first?

Kett v Minister for Land Information (High Court AK 28/6/01): "There is no statutory restriction upon the Crown taking land prior to the obtaining of a designation and although in certain circumstances it may not be fair, sound and resonably necessary to take land before a designation is obtained, I see no reason in principle which would have required the Minister to have been satisfied that the designations were finally in place before moving to take the land."

Agency	Section 186	Notice	Notice	Proclamation
Government Department	Not applicable	LINZ	LINZ	LINZ
Local Authorities	Not applicable	Local Authority	Local Authority	LINZ
Requiring Authorities	LINZ	LINZ	LINZ	LINZ
Airport Authorities	Not applicable	LINZ	LINZ	LINZ

What will the Environment Court consider if an objection is lodged?

- The reasons and objectives for the requirement
- Adequacy of consideration of alternative sites, routes and methods for achieving the objectives
- Whether acquisition is fair, sound and reasonably necessary to meet those objectives
- Procedural compliance and good faith are likely areas to be contested

Note - the level of compensation offered is not a valid ground for objections.

Publication of the Proclamation is not the end of the story

- Compensation will still need to be determined either by agreement or by reference to the Land Valuation Tribunal
- It may be necessary to take action in the District Court to get possession of the land.

Appendix E

Management Structure Chart

- Organisation/management structures for:
  - Organisational concept
  - Governance framework
  - Management Structures:
    - Initiation (Year 0)
    - Pre-implementation – e.g. design and procurement (years 0-2)
    - Implementation – Gateway Infrastructure (Years 2-5)

    After the gateway infrastructure is in place, implementation management will transfer to HCC's business as usual capital programme management operations
- Used as the basis for implementation resource planning and control system development

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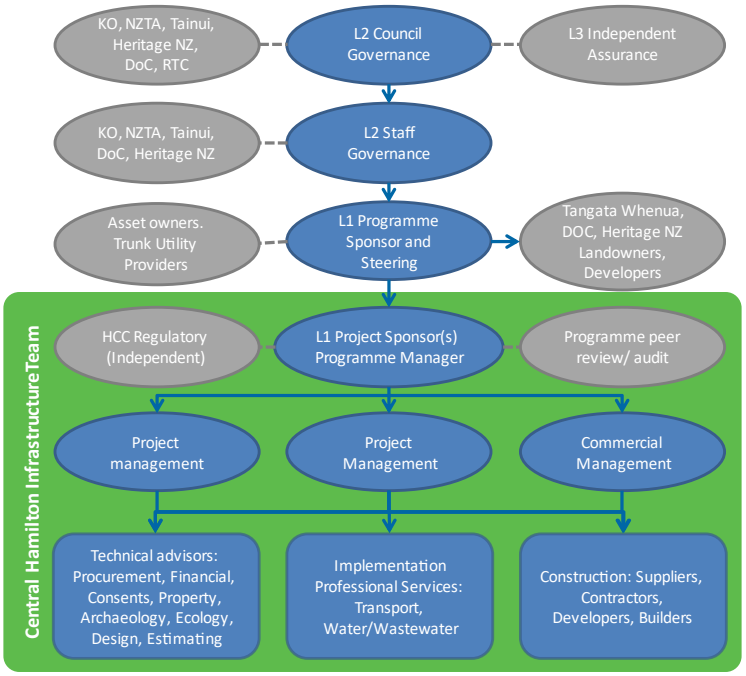
Central Hamilton Infrastructure Acceleration

Organisational Concept

Hamilton City Council

General approach

- 3 levels of assurance (L1 management, L2 governance, L3 independence)
- Multi-level engagement with key stakeholders
- Joint steering group (KO, NZTA, HCC)
- Dedicated regulatory team (master planning, consents, building)
- Dedicated Central Hamilton Infrastructure Acceleration implementation team

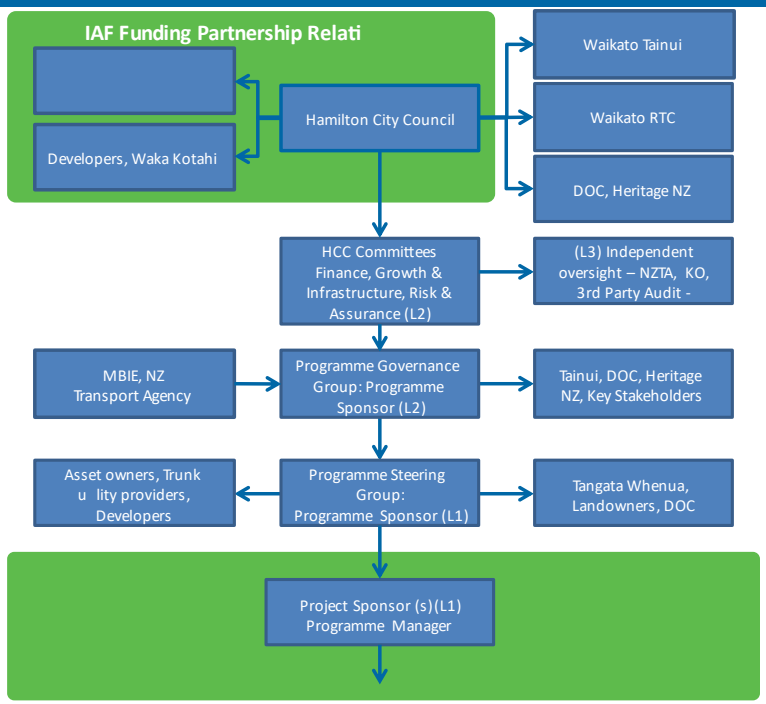


Central Hamilton Infrastructure Acceleration

Governance/Steering

Hamilton City Council

- Cost/Scope change management
  - DBC Delegations
  - Departures subject to Governance approval
- Governance – 6 weekly Committee cycle
- Steering group – 6 weekly Committee cycle
- Quarterly financial oversight (HCC PWC routine checks)



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Central Hamilton Infrastructure Acceleration

Structure: Year (-1 to 0) – Initiation

Hamilton City Council

Continuous Activities
- Programme management
- Administration
- Communication
- Coordinate current activities
- Reporting/assurance
- Regulatory

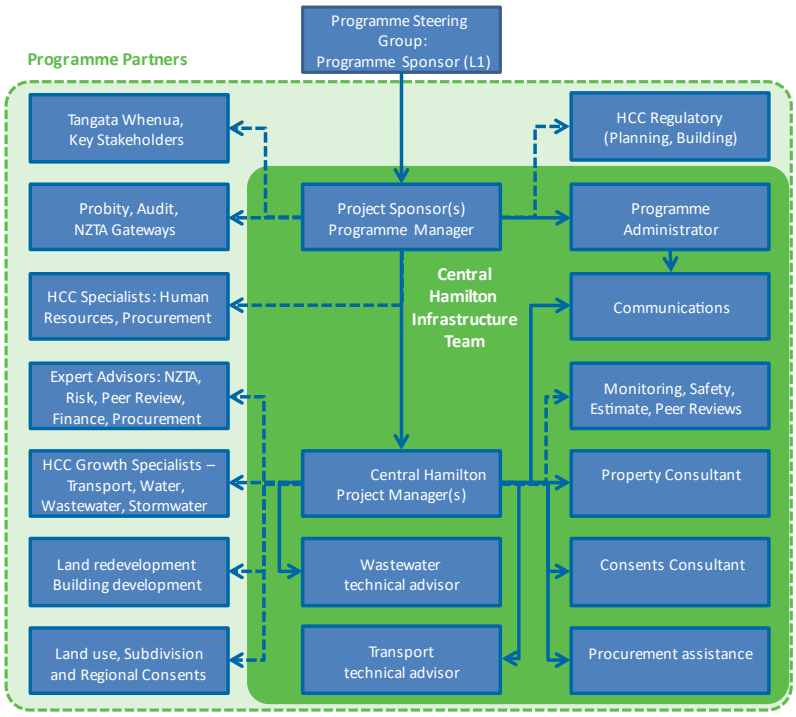
Initiation Activities
- Project Planning
- Building team
- Approvals (statutory, funding)
- Professional Services procurement
- Stakeholder engagement

Pre-Implementation
- Professional Services Management
- Consenting
- Property Acquisition
- Detailed design

Implementation
- Physical works procurement
- Construction
- Commissioning/handover
- Defects liability

→ Direct Connection

⇢ Liaison/Coordination



Central Hamilton Infrastructure Acceleration

Structure: Year 0 to 2 – Pre-implementation

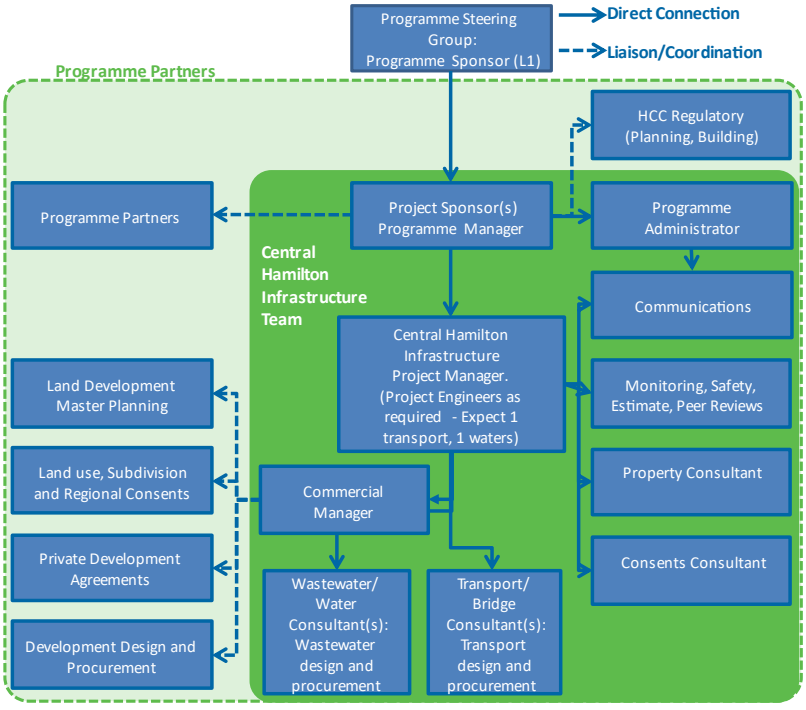
Hamilton City Council

Continuous Activities
- Programme management
- Administration
- Communication
- Coordinate current activities
- Reporting/assurance
- Regulatory

Initiation Activities
- Project Planning
- Building team
- Approvals (statutory, funding)
- Professional Services procurement
- Stakeholder engagement

Pre-Implementation
- Professional Services Management
- Development Agreements
- Consenting
- Property Acquisition
- Detailed design

Implementation
- Professional Services Management
- Physical works procurement
- Construction
- Commissioning/handover
- Defects liability



INCOMPLETE DRAFT

Central Hamilton Infrastructure Acceleration

Structure: Year 2 to 5 – Projects Implementation

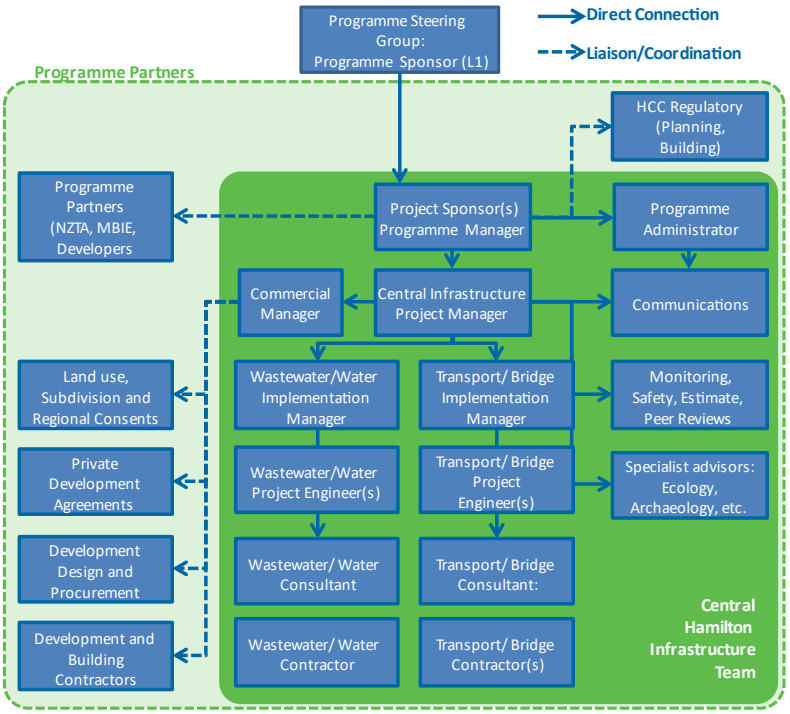
Hamilton City Council

Continuous Activities
- Programme management
- Administration
- Communication
- Coordinate current activities
- Reporting/assurance
- Regulatory

Initiation Activities
- Project Planning
- Building team
- Approvals (statutory, funding)
- Professional Services procurement
- Stakeholder engagement

Pre-Implementation
- Professional Services Management
- Development Agreements
- Consenting
- Property Acquisition
- Detailed design

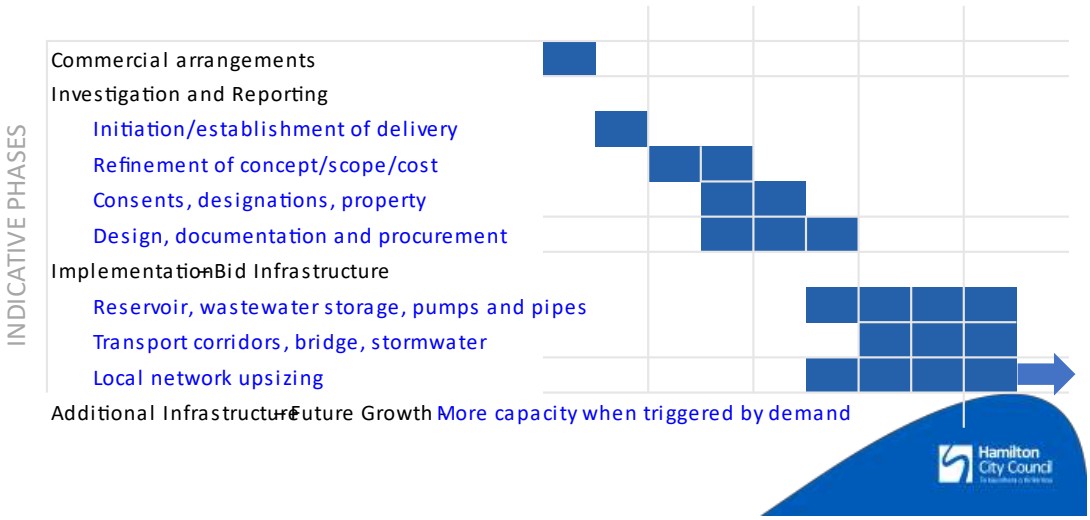
Implementation
- Physical works procurement
- Construction/Observation
- Commissioning/handover
- Defects liability



FINAL

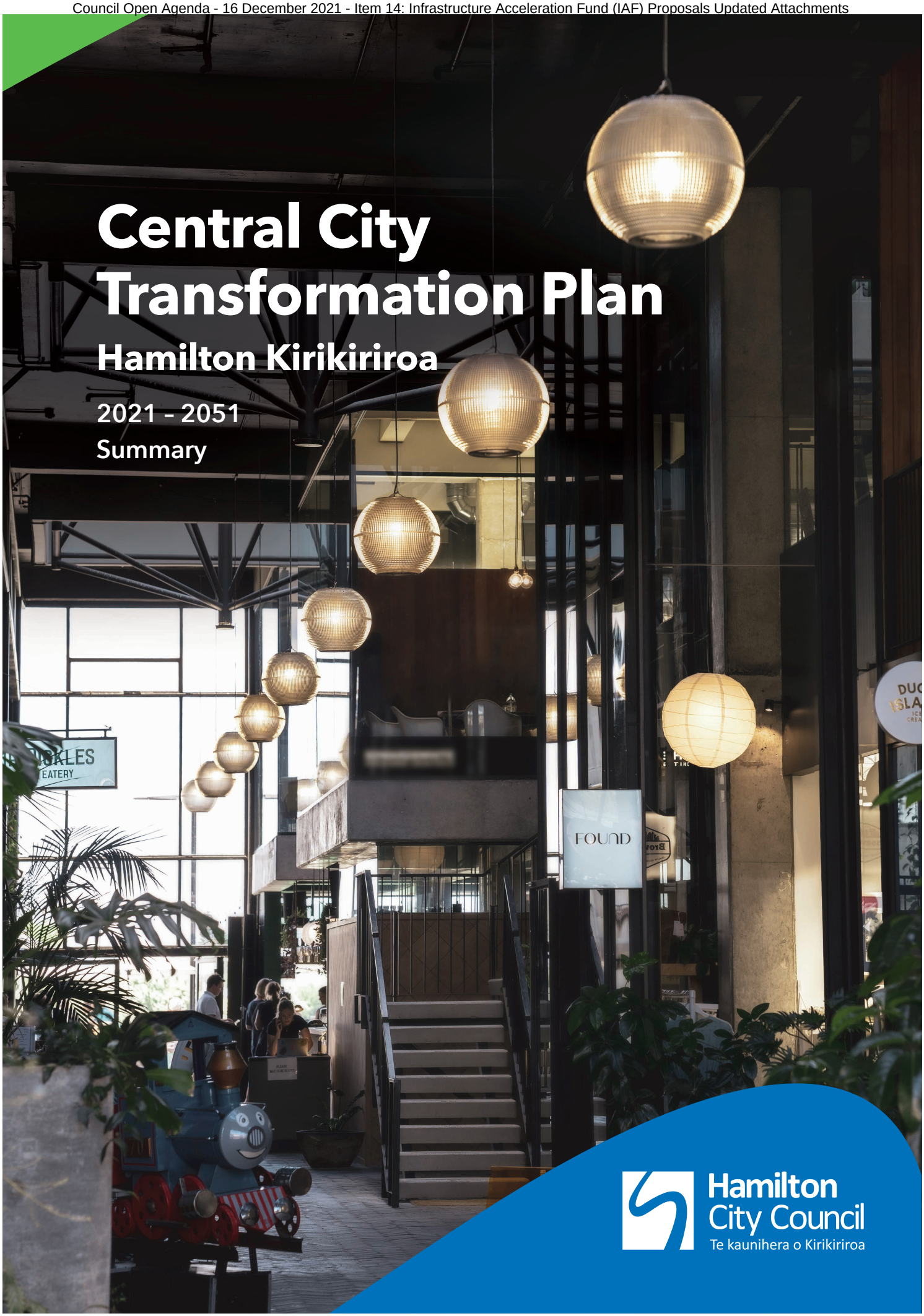
Appendix F

Implementation Programme



Annexure C – Central City Development Map

To be inserted in final proposal submitted to Kaainga Ora on 17 December 2021



Central City Transformation Plan

Hamilton Kirikiriroa

2021 – 2051

Summary

Hamilton City Council
Te kaunihera o Kirikiriroa


I
MURI
NEI
KIA MAU
KI TE AROHA
KI TE TURE
ME TE WHAKAPONO

Shaping a central city where people love to be

We want our central city to be the beating heart of Hamilton Kirikiriroa which always has something going on for our diverse communities to come together and enjoy. The Central City Transformation Plan (CCTP) highlights all of the work we're planning to do over the next 30 years to make this goal a reality.

We're investing in our central city, opening it up to the Waikato River, encouraging people to live and work here and making it easy to access and move around in. We are delivering Council's vision of shaping a central city where people love to be.

We have to say, our future looks very exciting!



What's new?

The last CCTP, created in 2015, included key projects such as Victoria on the River, which helped transform the central city into a vibrant and prosperous hub. Over the last six years the central city has changed, our revised CCTP responds to those changes.

Residential populations are on the rise, and significant investment has gone into infrastructure and development projects. The CCTP 2021 refocuses and refines our previous work, and establishes a new vision and outcomes to successfully guide the transformation of our central city.



The outcomes

With all of this in mind, the CCTP 2021 aspires towards seven place-shaping outcomes:

Hamilton Kirikiriroa

Drawing on contemporary Maaori culture, built heritage and existing character to shape the future of the central city, telling the story of Hamilton Kirikiriroa through the design and development of the urban environment.

A place to call home

Encouraging and enabling residential growth in the central city, ensuring high-density living and safety is integrated with the urban realm that supports the activation of the central city across the day and night.

A playful city

Re-imagining Hamilton through the lens of play, creating spaces that are inviting, vibrant, lively and increase opportunities for social interaction and foster inclusivity within communities.

A home for diversity

Ensuring Hamilton central city is accessible and engaging to all, welcoming and providing for all people.

A well-connected central city

Improving access and mobility within and to Hamilton central city and fringe suburbs, encouraging the use of active and public transport and shifting away from private vehicle dominance.

Blue-green central city

Enhancing and increasing quality of and access to Hamilton central city's blue-green network, enhancing resilience, ecology and biodiversity and improving the health and wellbeing of residents.

Prosperous economy

Providing spaces, support and facilities to attract and meet the needs of employers to enable the central city to be an ideal location to establish, grow or relocate a business.


ROXY



Hamilton Kirikiriroa

We want to build a central city that represents our people and our places. Through close partnership with tangata whenua of Hamilton Kirikiriroa, we will shape our identity by looking to the past, drawing on Maatauranga Maaori, enhancing built heritage, and Hamilton's existing character.

We're working towards having a visible Maaori culture, engaging spaces that encourage people to get out and about, and a city that treasures and values our existing heritage buildings.



How we're going to achieve this...

Te Reo Maaori will be seen, heard and celebrated within the central city, with Maaori design principles at the heart of the design and development of public spaces, celebration and enhancement of our built heritage, and by building mana-enhancing partnerships.

What we'll focus on

Short-term (0-5 years)

- Regular engagement with tangata whenua.
- Identification of sites of significance within the central city.
- Nature in the City Strategy and indigenous planting guidelines.
- Stage one of the city-wide cultural trail.
- Celebration of local Maaori history/stories and archaeological sites.
- Create Maaori design principles for Matauranga Maaori.

Medium-term (5-10 years)

- Work with tangata whenua to create a forum for Maaori design and review.
- Celebrate and enhance our built heritage including the Victoria Heritage Precinct and heritage buildings.

Long-term (10+ years)

- Stage two of the city-wide cultural trail.
- Water sensitive urban design and native planting upgrades to streets.
- Ongoing kaitiaki for the river, streets and open spaces.
- Formal process and systems alongside tangata whenua for co-designing with Maaori.

A place to call home

We want to increase the number of people living in the central city and provide great places and services (close by) to support them. We want to support mixed inner-city living options with a variety of housing types and affordability levels, alongside a vibrant retail, hospitality, and entertainment sector.

We're planning on enabling welcoming and safe neighbourhoods that will help transform the city centre in to a hive of activity (day and night).



How we're going to achieve this...

We're going to open up the city with new developments. We'll create safe spaces to meet the needs of residents and improve connections between areas.

What we'll focus on

Short-term (0-5 years)

- Implement recommendations from the NPS-UD (National Policy Statement on Urban Development).
- Urban design and planning guidelines.
- Create a Central City Parking Management Plan.
- Space activation and placemaking project trials.
- Refresh Access Hamilton.
- Improve walking and biking connections to and across the River.

Medium-term (5-10 years)

- Master planning and precinct planning for identified mixed-use and residential precincts.
- Identify infrastructure requirements for supporting increased housing and desired residential density.

Long-term (10+ years)

- Policy which enables zero carbon precinct planning in residential neighbourhoods within the central city.

A playful city

We want a central city that provides plenty of safe and accessible spaces for recreational play. We think that the opportunity to go out and get active should be easy and enjoyable.

We're working to shape a central city with active communities – where people of all ages can better their health and wellbeing through physical activity and build social connections by interacting with others. We also want to get our streets buzzing and support businesses by getting people gathering for play in public spaces.



How we're going to achieve this...

We will invest in our public spaces (parks, streets, facilities and public spaces), work with developers to include play in their designs, change the way we plan our roads (to make them safer and more pedestrian friendly) and increase the number of free/low-cost opportunities there are to get active.

Imagine a central city where play is integrated everywhere you go – not just limited to parks and playgrounds!

What we'll focus on

Short-term (0-5 years)

- Guidance for implementing play into urban streets and spaces.
- Prioritise play projects in the central city.
- Stage one of the central city play trail.

Medium-term (5-10 years)

- Stage two of the central city play trail.
- Enhance play and recreation connections to and along the river.
- World class play project in the central city.

Long-term (10+ years)

- Play and recreation projects in open spaces.
- Encourage and enable temporary activation for play opportunities.
- Expand play trail outside the central city and connect to surroundings.
- Partner with schools and communities for opportunities for play and recreational events and programmes.
- Coordinate play with relevant slow streets and open spaces around the central city.
- Aligning closely with Public Art and Art Strategy.

A home for diversity

We want our central city to be a place where everyone feels welcome (visitors included).

We want to celebrate the identity we already have through our cultural presence and continue to bring diversity to our city. We're building a central city that is creative, engaging, inclusive, and accessible for all cultures.



How we're going to achieve this...

We're putting our people at the centre of our work — considering all ages, abilities and cultures in everything we do. We'll be working to provide plenty of safe spaces across the central city and want each and every one to capture the energy of our creative arts scene.

What we'll focus on

Short-term (0-5 years)

- Guidelines for universal access specific to the central city area.
- More central city events that celebrate diversity throughout the year.
- Platform to engage with artists from Hamilton and the wider Waikato region to include and showcase art and culture in central city.
- Invest in public spaces and street upgrades to accomodate needs for all people.
- Improve walking and biking connections to and across the central city for all people.

Medium-term (5-10 years)

- Upgrade and create more opportunities for safer lane ways for all users.
- Co-design future public spaces with the community.
- Fund and implement art and design projects both permanent and temporary in the public realm.
- Support and maintain ongoing events that celebrate diversity.

Long-term (10+ years)

- Identify locations for iconic features to create places of destinations and activities.

A well-connected central city

We want our central city to be easy to get around. We want to have a range of travel options that are safe, comfortable, convenient, sustainable and connect the central city to surrounding suburbs.

We want to improve access and connections to enhance employment, educational, and recreational opportunities and want to encourage the use of public transport.

We want to create a responsive and reliable transport network that is efficient and easy to use.







How we're going to achieve this...

We're going to continue investing in our public transport and walking, cycle/scooter pathways, better manage our parking within the central city, reduce road speeds in busy pedestrian areas and create places for people to gather and socialise.

What we'll focus on

Short-term (0-5 years)

- Identify potential conflict on key streets informed by the Hamilton Mode Shift Plan and Access Hamilton.
- Manage parking on central city streets (in alignment with updated Central City Parking Management Plan).
- Improve walking and biking access across the river to fringe neighbourhoods and surrounding suburbs.
- Improve walkability to and from the central city.
- Develop a Biking and Micro-Mobility Business Case.
- Improve wayfinding and signage to key locations.
- Identify and resolve barriers to access the river edge shared path.
- Encourage travel plan use by businesses in the central city.
- Implement 30km/h or lower speed zones in central city.

Medium-term (5-10 years)

- Expand Victoria Street public realm and pedestrian priority north to Boundary Road.
- Implement Green Streets through restricting vehicle speeds and access.

Long-term (10+ years)

- Explore viability of a central city station as transport interchange as a transit-oriented development.
- Expand walking and biking and public transport network (NZ Road Safety Strategy).
- Zero emissions zone for the central city.
- Electric-vehicle charging stations throughout central city.
- Expand shared mobility and end-of-destination options.

A blue-green central city

We live in a beautiful city and want to make it an even more beautiful one – one with plenty of greenery and free flowing water systems in our central city. We want to enhance Hamiltonians overall health and wellbeing and care for the environment through our surroundings.

We're working to bring nature front and centre in the city. By creating central blue and green spaces (parks, open spaces, rooftop gardens, rainwater collection ponds etc). We want to not only provide amenities for residents – but improve water quality, support biodiversity and promote sustainable lifestyles.



How we're going to achieve this...

We're going to improve (and make new) connections between the city and the Waikato River, create a network of spaces for everyone to use, design spaces around the natural environment, and review how we manage waste.

What we'll focus on

Short-term (0-5 years)

- Green masterplan and Urban Tree Strategy.
- Tree planting initiatives to increase canopy coverage.
- A strategy for collecting, retaining and filtering water in the central city.
- Water sensitive urban design and greening initiatives.
- Guidelines for water sensitive urban design.
- Open space targets.
- Initiative programme of native vegetation cover.

Medium-term (5-10 years)

- Programme of monitoring water quality and biodiversity for central city stormwater outlets.
- Network of green streets which function as both movement and place.
- Design and create new open spaces to meet targets recommended by the World Health Organisation.
- Retrofit existing green spaces to improve biodiversity and enhance natural systems.

Long-term (10+ years)

- Expand water sensitive urban design and biodiversity programme along river edge.
- Riverbank revegetation to address slope stability.
- New developments to capture, clean and reuse greywater.

Prosperous economy

We want to keep driving economic growth and build our central city to be a real hub for employment and commercial opportunities.

We also want to focus on supporting the growing Maaori economy and design a central city that truly reflects our values and culture.

We're working to shape a vibrant space in the heart of the Waikato that just keeps on growing!



How we're going to achieve this...

We're going to design streets and public spaces to support connectivity, community activity and commercial growth. We'll also enable greater building heights in the District Plan.

What we'll focus on

Short-term (0-5 years)

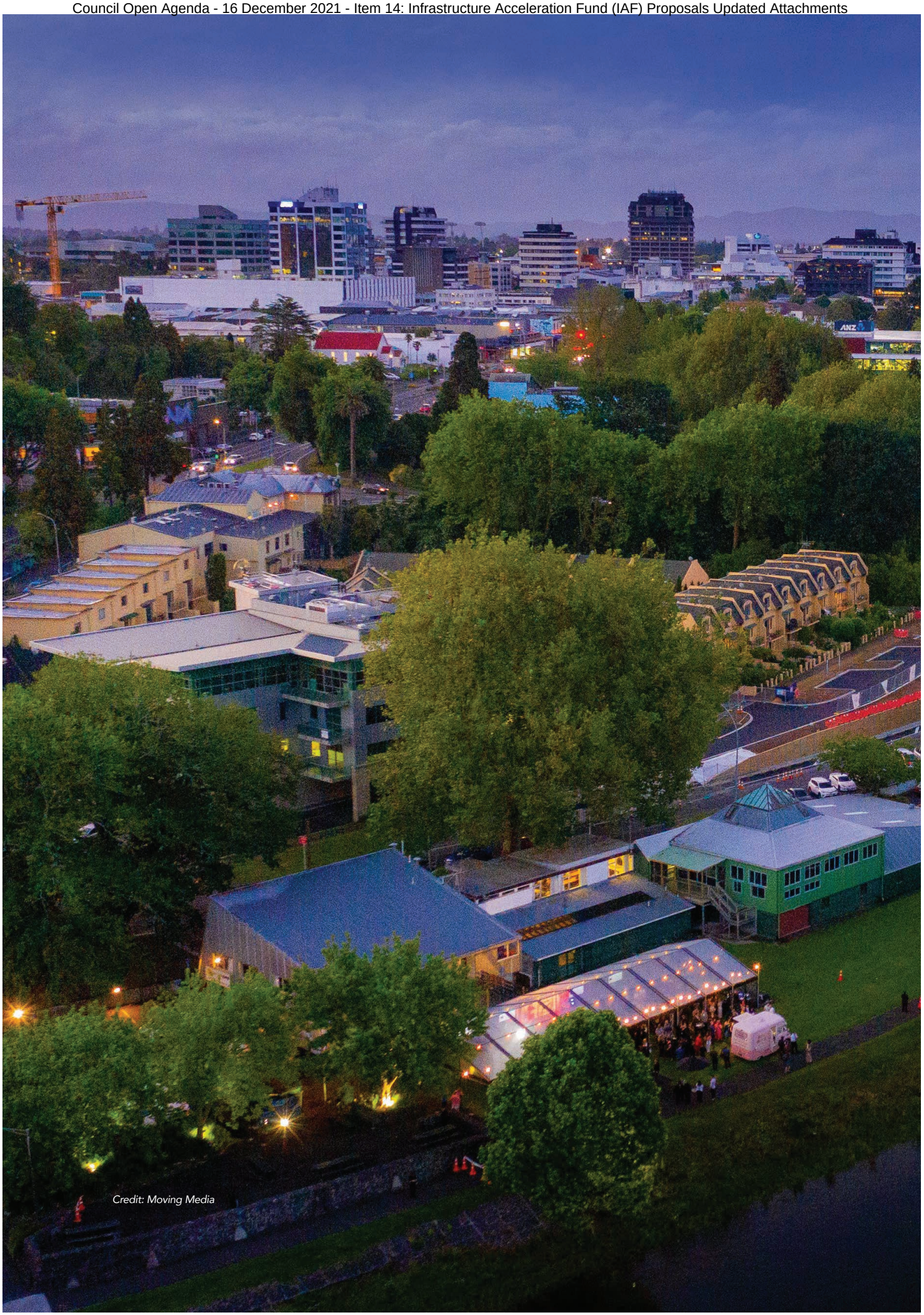
- Commercial frontage guidance.
- Prioritise new commercial development within central city area.
- Enable up to six storey and higher in the District Plan central city zone.
- Plan for and use our roads and streets in a way that enhances the movement and access of people, freight and goods around the central city.

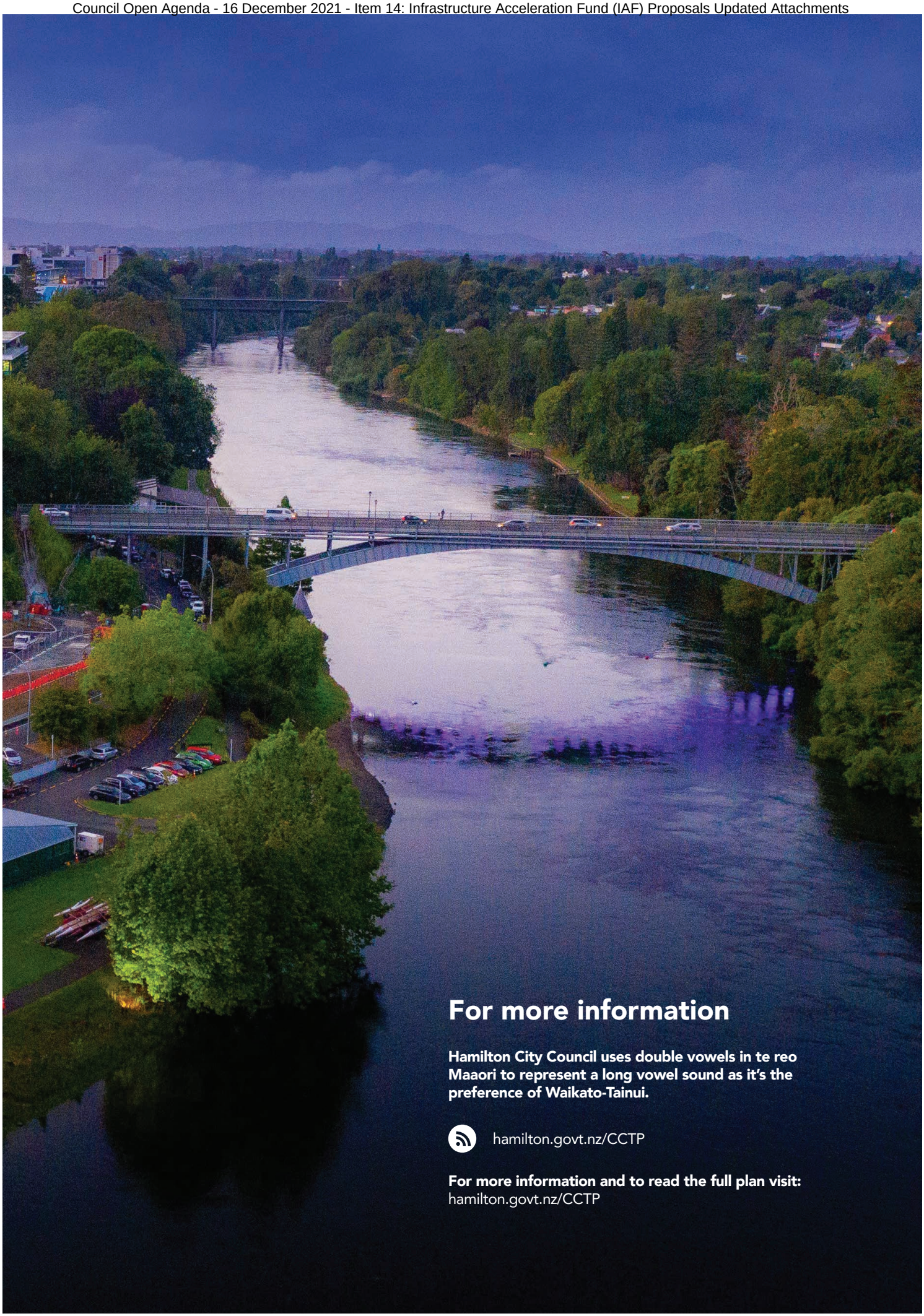
Medium-term (5-10 years)

- Incentivise private investment into key street and public realm upgrades.
- Support a growing night time economy.
- Policy that prioritises commercial and retail development within the central city.
- Enhance visibility of the Maaori economy through increased products, service offerings and employment.

Long-term (10+ years)

- Consistent building frontage through design guidelines.
- Capitalise on transport investment.


ANZ
Credit: Moving Media



For more information

Hamilton City Council uses double vowels in te reo Maaori to represent a long vowel sound as it's the preference of Waikato-Tainui.

hamilton.govt.nz/CCTP

For more information and to read the full plan visit:
hamilton.govt.nz/CCTP

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Annexure A – Risk Register

Table 1 - – To be completed for each Eligible Infrastructure Project(s)

INFRASTRUCTURE ACCELERATION FUND - RISK REGISTER TEMPLATE:

Eligible Infrastructure Project – Central Hamilton Transport - Central city active modes and north-south corridor mode shift project

RISK NO.	RISK TITLE	DESCRIPTION Brief Description of the Risk	LIKELIHOOD % Probability the risk occurs Note 1	COST IMPACT ($) Note 2 Provide the range of cost consequences should the risk occur			TIME IMPACT (Days Delay) Note 2 Time delay as a result of risk			RISK TREATMENT STRATEGY Brief overview of how the risk is being managed & mitigated	CONTINGENCY PROVISION (Included in RFP) Contingency allowed for on the risk detailed
KEY RISKS: Required			**%**	**Minimum**	**Most Likely**	**Maximum**	**Minimum**	**Most Likely**	**Maximum**	**Commentary**	**(Yes/No)**
1	Resource Consents	Delays to securing the required consents for the eligible infrastructure project by the planned date.	10% (Unlikely)	0	0	0	0	3m	12m	• Early applications • Stage gates before contract commitments that need consents	Yes
2	Infrastructure Projects - Interface Risk (Approvals, Design, Construction)	Interface with third party &/or asset owners leading to additional costs and delays	35% (Possible)	0	0	0	0	3m	12m	• Early engagement • Stage gates before contract commitments that need consents • High trust model	Yes
3	Infrastructure Projects – Upgrades to the Existing Networks are Required	Existing infrastructure is in a poorer condition &/or has less capacity than assumed. Upgrades are required leading to additional costs and delays	35% (Possible)	0	$10M (based on 2 intersections unexpected)	$30M (based on all intersection s underestimated unexpected)	0	3m	12m	• Early investigation • Mainly developer cost risk	Yes
4	Supply Chain (Cost Escalation &/or Supply Delays)	Unforeseen cost escalation and/or materials delivery delays	35% (Possible)	0	$35M (based on 10% escalation unexpected)	$100M (based on 30% escalation unexpected)	0	3m	12m	• Contract provisions (cost and time clarity) • Budgeting.	Yes
5	Contamination	Unforeseen in-ground contamination is discovered leading to additional costs and delays	10% (Unlikely)	0	$1M	$15M	0	3m	12m	• Early investigation • Test when potholing	No
6	Co-funding agreements	Delays to agreeing other funding sources eg. Waka Kotahi, IFF etc	35% (Possible)	0	0	0	0	3m	12m	• Early engagement • High trust model	No

Table 1 - – To be completed for each Eligible Infrastructure Project(s)

INFRASTRUCTURE ACCELERATION FUND - RISK REGISTER TEMPLATE:

Eligible Infrastructure Project – Central Hamilton Transport -
Central city active modes and north-south corridor mode shift project

RISK NO.	RISK TITLE	DESCRIPTION Brief Description of the Risk	LIKELIHOOD % Probability the risk occurs Note 1	COST IMPACT ($)Note 2 Provide the range of cost consequences should the risk occur			TIME IMPACT (Days Delay)Note 2 Time delay as a result of risk			RISK TREATMENT STRATEGY Brief overview of how the risk is being managed & mitigated	CONTINGENCY PROVISION (Included in RFP) Contingency allowed for on the risk detailed
KEY RISKS: Required			**%**	**Minimum**	**Most Likely**	**Maximum**	**Minimum**	**Most Likely**	**Maximum**	**Commentary**	**(Yes/No)**
OTHER RISKS TO CONSIDER (examples Include):										•	
7	Design Development	Detailed design refinements leading to additional scope which results in additional costs and delays	35% (Possible)	0	$35M	$70M	0	3m	12m	• Investigation phase • Stage gates before next steps/ commitments that need consents • scope reduction • High trust model	No
8	Utilities Infrastructure - Relocation / Protection	Encountering unknown utilities requiring relocation / protection leading to additional costs and delays	35% (Likely)	0	$5M	15M	0	3m	12m	• Early engagement • Mainly pipe reticulation issue. • scope reduction	No
9	COVID-19	Delays and disruption due to COVID-19 alert level restrictions leading to additional costs and delays	35% (Possible)	0	$35M	$70M	0	3m	12m	• Contract provisions (cost and time clarity) • Budgeting.	No
10	Archaeological Discoveries	Items of historical / archaeological significance are uncovered leading to additional costs and delays	35% (Possible)	0	0	0	0	3m	12m	• Early investigation/consents • Mainly reservoir and bridge issue	No
11	Inclement Weather	Inclement Weather leading to additional costs and delays	35% (Possible)	0	$5M	15M	0	3m	12m	• Contract allowance	Yes
12	Community / Consultation	Additional requirements imposed as part of community consultation leading to additional costs and delays	35% (Possible) (bridge and construction impacts	0	$1M	$2M	0	3m	12m	• Early engagement • Mainly pipe reticulation issue. • scope reduction	No

Table 1 - – To be completed for each Eligible Infrastructure Project(s)

INFRASTRUCTURE ACCELERATION FUND - RISK REGISTER TEMPLATE:

Eligible Infrastructure Project – Central Hamilton Three Waters - Central city water and wastewater reticulation and storage project

RISK NO.	RISK TITLE	DESCRIPTION Brief Description of the Risk	LIKELIHOOD % Probability the risk occurs Note 1	COST IMPACT ($) Note 2 Provide the range of cost consequences should the risk occur			TIME IMPACT (Days Delay) Note 2 Time delay as a result of risk			RISK TREATMENT STRATEGY Brief overview of how the risk is being managed & mitigated	CONTINGENCY PROVISION (Included in RFP) Contingency allowed for on the risk detailed
KEY RISKS: Required			%	Minimum	Most Likely	Maximum	Minimum	Most Likely	Maximum	Commentary	(Yes/No)
1	Resource Consents	Delays to securing the required consents for the eligible infrastructure project by the planned date.	50% (Possible)	0	0	0	0	6m	24m	• Early applications • Early engagement • Stage gates before contract commitments that need consents	Yes
2	Infrastructure Projects - Interface Risk (Approvals, Design, Construction)	Interface with third party &/or asset owners leading to additional costs and delays	35% (Possible)	0	0	0	0	3m	12m	• Early engagement • Stage gates before contract commitments that need consents • High trust model	Yes
3	Infrastructure Projects – Upgrades to the Existing Networks are Required	Existing infrastructure is in a poorer condition &/or has less capacity than assumed. Upgrades are required leading to additional costs and delays	35% (Possible)	0	$10M (based on 1km pipe unexpected)	$60M (based on all pipes underestimated unexpected)	0	3m	12m	• Early investigation • Mainly developer cost risk • Reduce scope/extent	Yes
4	Supply Chain (Cost Escalation &/or Supply Delays)	Unforeseen cost escalation and/or materials delivery delays	35% (Possible)	0	$35M (based on 10% escalation unexpected)	$100M (based on 30% escalation unexpected)	0	3m	12m	• Contract provisions (cost and time clarity) • Budgeting. • Reduce scope/extent	Yes
5	Contamination	Unforeseen in-ground contamination is discovered leading to additional costs and delays	10% (Unlikely)	0	$1M	$15M	0	3m	12m	• Early investigation • Test when potholing	No
6	Co-funding agreements	Delays to agreeing other funding sources eg. Waka Kotahi, IFF etc	35% (Possible)	0	0	0	0	6m	24m	• Early engagement • High trust model	No
OTHER RISKS TO CONSIDER (examples Include):										•	
7	Design Development	Detailed design refinements leading to additional scope which results in additional costs and delays	50% (Possible)	0	$35M	$70M	0	3m	12m	• Investigation phase • Stage gates before next steps/ commitments that need consents • scope reduction • High trust model	No

Table 1 - – To be completed for each Eligible Infrastructure Project(s)

INFRASTRUCTURE ACCELERATION FUND - RISK REGISTER TEMPLATE:

Eligible Infrastructure Project – Central Hamilton Three Waters - Central city water and wastewater reticulation and storage project

RISK NO.	RISK TITLE	DESCRIPTION Brief Description of the Risk	LIKELIHOOD % Probability the risk occurs Note 1	COST IMPACT ($) Note 2 Provide the range of cost consequences should the risk occur			TIME IMPACT (Days Delay) Note 2 Time delay as a result of risk			RISK TREATMENT STRATEGY Brief overview of how the risk is being managed & mitigated	CONTINGENCY PROVISION (Included in RFP) Contingency allowed for on the risk detailed
KEY RISKS: Required			**%**	**Minimum**	**Most Likely**	**Maximum**	**Minimum**	**Most Likely**	**Maximum**	**Commentary**	**(Yes/No)**
8	Utilities Infrastructure - Relocation / Protection	Encountering unknown utilities requiring relocation / protection leading to additional costs and delays	35% (Likely)	0	$5M	15M	0	3m	12m	• Early engagement • Mainly pipe reticulation issue. • scope reduction	No
9	COVID-19	Delays and disruption due to COVID-19 alert level restrictions leading to additional costs and delays	35% (Possible)	0	$35M	$70M	0	3m	12m	• Contract provisions (cost and time clarity) • Budgeting.	No
10	Archaeological Discoveries	Items of historical / archaeological significance are uncovered leading to additional costs and delays	10% (Unlikely)	$0M	$5M	$15M	6m	24m	$15M	• Tangata whenua engagement • Early investigation/consents	No
11	Inclement Weather	Inclement Weather leading to additional costs and delays	35% (Possible)	0	$5M	15M	0	3m	12m	• Contract allowance	Yes
12	Community / Consultation	Additional requirements imposed as part of community consultation leading to additional costs and delays	35% (Possible) (reservoir views, WW site) and construction impacts	0	$1M	$2M	0	3m	12m	• Early engagement • Mainly pipe reticulation issue. • Scope reduction	No
13	*Access to land - wastewater*	Unwilling landowners require PWA compulsion leading to higher costs and delays	35% (Possible) (WW site)	0	$5M	$15M	0	12m	24m	• Early applications • Early engagement • PWA process in parallel • Stage gates before contract commitments that need land	Yes
14	*Access to land - reservoir*	Reserves Act requirements for DOC/other approvals delay use of land	35% (Possible) (Reservoir site)	0	$0.5M	$1M	0	12m	24m	• Early applications • Early engagement • PWA process in parallel • Stage gates before contract commitments that need land • Tangata whenua engagement	Yes

Table B – To be completed for the Housing Development

INFRASTRUCTURE ACCELERATION FUND - RISK REGISTER TEMPLATE:

Housing Outcomes (Dwellings)

RISK NO.	RISK TITLE	DESCRIPTION Brief Description of the Risk	LIKELIHOOD % Probability the risk occurs Note 1	COST IMPACT ($)Note 2 Provide the range of cost impact should the risk occur			TIME IMPACT (Days Delay)Note 2 Time delay as result of risk			RISK TREATMENT STRATEGY Brief overview of how the risk is being managed & mitigated	CONTINGENCY PROVISION (Included in RFP) Contingency allowed for on the risk detailed
KEY RISKS: Required			**%**	**Minimum**	**Most Likely**	**Maximum**	**Minimum**	**Most Likely**	**Maximum**	**Commentary**	**(Yes/No)**
1	Land Acquisition	Increases in land acquisition cost and/or delays to securing land required for dwellings	35% (Possible)	0	$35M (based on 10% escalation unexpected)	$100M (based on 30% escalation unexpected)	0	6m	24m	• Developer issue • Concept flexible to allow reticulation to target low risk/high certainty sites	No
2	Resource Consent Approval Delay	Delays to securing the required consents for the housing development leading to additional costs and delays	10% (unlikely)	0	$1M	$5M	0	6m	24m	• Developer issue • CBD planning rules flexible and enabling • Establish a dedicated consenting team for CBD	No
3	Local Infrastructure Connections	Potential for increases in the cost and possible delays when connecting to third party infrastructure (e.g. Power, Three Waters etc.)	35% (Possible)	0	$35M (based on 10% escalation unexpected)	$100M (based on 30% escalation unexpected)	0	6m	24m	• Developer issue • Concept flexible to allow reticulation to target low risk/high certainty sites	No
4	Infrastructure Upgrade Requirements	Existing infrastructure has less capacity than assumed for the number of dwelling planned leading to increases in cost and delays e.g. Power.	35% (Possible)	0	$5M	$10M	0	6m	24m	• Developer issue • Concept flexible to allow reticulation to target low risk/high certainty sites • Encourage utilities to share trench and upgrade in tandem	No
5	Materials Supply Chain (Cost Escalation &/or Supply Delay's)	Ability to procure materials as planned (e.g. Timber, Cladding, Steel, Concrete) leading to additional costs and delays	35% (Possible)	0	$50M (based on 10% escalation unexpected)	$200M (based on 30% escalation unexpected)	0	6m	24m	• Developer issue	No

6	Capacity and Capability of Skilled Sub-Contractors	Ability to secure adequately skilled and available sub-contractors to complete the planned development on time and on budget	10% (unlikely)	0	$5M	$10M	0	6m	24m	• Early engagement with industry	No
7	Contamination	Unforeseen contamination (in-ground / in-building) leading to additional costs and delays	10% (unlikely)	0	$5M	$10M	0	6m	24m	• Early engagement with industry	No
OTHER RISKS TO CONSIDER (examples Include):											
8	Additional Flood Mitigation Requirement	Additional flood mitigation is required to ensure house deliverables are achieved	<2% (rare)	0	$15M	$50M	0	6m	24m	• Integrated stormwater design	No
9	Design Development	Detailed design refinements leading to additional scope which results in additional costs and delays	35% (Possible)	0	$50M (based on 10% escalation unexpected)	$1500M (based on 30% escalation unexpected)	0	6m	24m	• Developer issue • Established Urban Design Panel with developer connections	No
10	Infrastructure - Relocation / Protection	Encountering unknown utilities requiring relocation / protection leading to additional costs and delays	35% (Possible)	0	$50M (based on 10% escalation unexpected)	$150M (based on 30% escalation unexpected)	0	6m	24m	• Reticulation issue above	No
11	COVID-19	Delays and disruption due to COVID-19 alert level restrictions leading to additional costs and delays	35% (Possible)	0	$35M	$70M	0	3m	12m	• Contract provisions (cost and time clarity) • Budgeting.	No
12	Archaeological Discoveries	Items of historical / archaeological significance are uncovered leading to additional costs and delays	10% (Unlikely)	$15M	$50M	0	6m	24m	$15M	• Tangata whenua engagement • Early investigation/consents • Mainly reservoir and bridge issue • Existing reservoir heritage building	No
13	Inclement Weather	Inclement Weather leading to additional costs and delays	35% (Possible)	0	$5M	15M	0	3m	12m	• Standard contract allowance	Yes
14	Community / Consultation	Additional requirements imposed as part of community consultation leading to additional costs and delays	<2% (rare)	$0	$2	$3	0	3m	10m	• NPS sets requirements • Plan change (aug 2022) enables planning provisions, which limits consenting requirements • Urban Design panel to support quality developments	No

15	Developer confidence/ relationship breakdown	Confidence to invest in the CBD due to lack of infrastructure to support intensification – developers move out of the City	35% (Possible)	0	500M	1Bn	0	0	0	• Proactive investment in CBD of $130M is committed • 100% DC remissions policy enabled until 2024 • $333M IAF Bid supported and fully funded enables 20,000 new dwellings • Council to reconsider DC contributions and additional rates funding at 2024 LTP depending on outcome of this bid.	No

Notes in completing the risk tables:

Note 1 – Probability / Likelihood of Risk Occurring:

- Please insert the likelihood of the risk occurring during the delivery of the Eligible Infrastructure Project or Housing Development. This must be expressed as a percentage.
  E.g. 75% - this indicates that the risk has 75% chance of occurring

Note 2 – Cost and Time Impacts for each risk:

- **Cost Impact:** Applicants are requested to assess the range of cost impacts if the risk were to occur. This is expressed as the Minimum additional cost, Most Likely additional Cost, and Maximum additional cost.
  E.g. Minimum - $50,000
  Most Likely - $250,000
  Maximum - $500,000

- **Time Impact:** Applicants are requested to assess the range of time delay impacts if the risk were to occur. This is expressed as the Minimum additional days, Most Likely additional days, and Maximum additional days.
  Eg. Minimum – 10 Days Delay
  Most Likely – 30 Days Delay
  Maximum – 90 Days Delay

Note 3 – Contingency Provision

- Applicants are requested to flag each Risks as “Yes or No”, if they are already included in the Cost or Time Contingencies provided by the Proposal.

CDB IAF Detailed Proposal - 10-year Benefits Mapping

✓ - Good, ✓✓ - strong, ✓✓✓ - very strong ~ neutral x - poor, xx - negative, xxx very negative

		Evaluation of Benefits that can be Achieved in the next 10-years		
		Approved LTP Approach	LTP Approach + IAF projects	Conclusion from evaluation
NPS-UD 2020 Objectives	Benefits			
Well functioning urban environment	Improved access to employment, services and recreation	✓	✓✓	CBD living enables people to live, work and play locally. Improves access to employment, education and recreational opportunities. Higher potential for new housing in the IAF proposal provides greater benefits in the medium term
	Reduced need to travel	✓	✓✓	CBD living enables people to live, work and play locally. Reduces the need to travel and reduces energy use. Higher potential for new housing in the IAF proposal provides greater benefits in the medium term
Improve housing affordability	Improved proportion of people who can afford to own or rent a house	X	✓	Higher portion of affordable homes provided in the CBD than other areas of the City. Will increase supply. Sonning designed initiative. Limited to no impact on the market at a City Scale under current LTP. Opportunity to impact at greater scale under IAF proposal
Enable people, businesses and community services to be located in the CBD	People and businesses can chose to locate in the CBD	✓✓	✓✓✓	Strong national and local land use policy enables people and businesses to be located in the CBD. Substantial increase in residents and jobs since 2011. Greater benefits realised enabled through IAF proposal. The same benefits could be achieved under the approved LTP, but would take longer to be realised without direct investment
Urban environments respond to changing needs of people and communities	Needs of people and communities are met	✓	✓✓	Household needs for housing have changed over the past 20 years with more demand for inner city living as people live closer to their employment and social services. The majority of existing housing stock is standalone 3-5 bed family homes. These are being replaced replaced by 2-3 bedroom townhouses / duplexes, whcih represent more affordable options. The CBD has greater opportunity to provide for the socio-economic needs of the community - more houses are enabled under the IAF framework in the short to medium term
Planning decisions take into account the priciples of the Treaty of Waitangi	Urban Planning decisions from Crown, Iwi and Local Authorities are made together	✓✓✓	✓✓✓	Crown, Iwi and Local authorities work in partnership to formulate the Future Proof strategy. Development of the CBD is consistent with Future Proof strategy since 2009, and further enhanced in the 2021 strategy which sought *A vibrant metro core and lively metropolitan centres*. No material change in benefits between the two options
Decisions that affect the urban environment are integrated, strategic and responsive	Aligned policy and investment decision making	✓	✓✓✓	National, regional and local policy are well aligned and supported by infrastructure planning at Metro (H2A, Metro Spatial Plan) and local levels (Central City Transformation Plan, Biking and Micro-Mobility Plan). Available funds to support transformation is holding the CBD back, and the IAF scenario enables a stepped change in delivering on the NPS-UD outcomes.
Robust and updated information is available to inform urban planning decisions	Decision making is evidence based	✓	~	Adopted strategies and policies are evidence based. Infrastructure planning is not as well advanced to support the IAF scenario as the proposed work is in feasibility stage, and not advanced to detailed design. As a result, the ability to manage cost risks is higher with the IAF scenario
Urban environments support reductions in greenhouse gas emissions and are resilient to climate chane	Progress towards Net Zero by 2050	✓	✓✓	CBD living enables people to live, work and play locally. Reduces the need to travel and reduces energy use. Higher potential for new housing in the IAF proposal provides greater benefits in the medium term
	Improved resilience to climate change events	✓	✓	Hamilton City is a climate resilient centre. There are no material changes between the two scenarios
Critical Succcess Factors for IAF	Benefits			
Total Number of Houses Enabled	Increase in total dwellings provided	~	✓✓	New housing is already enabled through zoning in the operative district plan. Lack of infrastructure, fragmented land holdings and ownership are holding back greater scale of development in the CBD. The IAF scenario improves capacity and enables greater number of dwellings and jobs to be provided whilst not reducing quality of life.
Proportion of demand met through combined investment	Unmet demand in the CBD is reduced	XX	✓	Waikato housing initiative estimates 7500 shortfall in available housing (2019), with 4000 of those being needed in Hamilton. By 2043, Hamilton CIty will need an extra 26000 new dwellings through a variety of housing typologies to respond to changing needs. Demand in the CBD (based upon Future Proof forecasts) indicate 2500 new dwellings are required in the next 20 years (N.Dalgety, 2021). Houses developed under BAU will provide approx. 760 new dwellings (based upon average rates of development) a shortfall of 1760 dwellings. An IAF Parternship with an all of Government approach is the best delivery to acheive housing at scale.
Proportion of Affordable housing	Higher proportion of affordable houses	XX	~	The measure of affordable housing is set out by Kainga Ora as new houses less than $600k or exisitng houses less than $525k. Current price points indicate less than 1% of new and existing houses meet that price point in Hamilton. Both scenarios likely to result in limited new houses meeting the criteria as defined by Kainga Ora. New measures beyond land supply and infrastructure required to deliver on affordabilty outcomes. BAU approach will see affordability worsen. An IAF partnership appraoch is the best delivery vehicle to acheive affordabiltiy outcomes but unlikely to have impacts in the near term.
Approximate Programme Cost / Dwelling	Average costs per dwelling are lower than HCC average	~	~	AvThe average development cost of building dwelling unit (2021) in Hamilton City is $340k / unit, and in the Central City is $303k / Unit (source, HCC building consent data), which indicates that build costs are relatively cheaper in the Central City, though this is most likely to be from reduced dwelling sizes as opposed to efficiencies of build.
Co-investment from Council and Partners	Similar share of costs compared to traditional growth model	~	~	Hamilton City has a recently tested development contribtutions approach which means developers will share similar costs per dwelling unit when comparing the LTP scenario and the IAF scenario.
Proposal supports development that is environmentally sustainable	Govt Sustainability Targets are progressed	✓	✓✓	Development within the CBD promotes a live, work and play approach that provides efficient access to jobs, recreation and social services, reduces the need to travel. It is more efficient use of land and enables more carbon neutral forms of transport. Greater opportunities to intensify and provide infrastructure that enables that intensification provides greater benefits
Other funding means have been explored (rates rises, borrowing etc)	Funding options are explored	~	✓	The current LTP option is fully funded and agreed with the Community througth the Long Term Plan special consultative proceedure. The IAF proposal introduces new funding that has not been agreed with the community and will result in either new rates or reprioritisation of planned investment. No further debt can be serviced by HCC within currently accepted debt limits.
Construction industry capacity	Construction sector workforce can deliver the programme	~	~	The construction sector can deliver the infrastructure, housing and commercial opportunities within the IAF proposal and the LTP. No material change in benefits between the two options. Costs / programme risks not an industry capacity risk. Industry analysists are predicting material / logistical issues
Regulatory settings are enabling	Policy and consenting process enables delivery of programe	✓✓	✓✓	National, regional and local policy are well aligned, following Future Proof adoption in 2009 and subsequent District Plan, NPS-UD and Future Proof update in 2021. A new Plan Change will be notified in August 2022 to enable further development of housing in the CBD from a minimum of 6 stories. No material change in land use policy between the two scenarios. New consents needed for the IAF bid / Will establish new building and rma consenting team to focus on CBD outcomes
	Property aquisiton / legal access is does not slow delivery	~	X	The CBD has a highly fragmented land ownership with no one single developer. Land access for infrastructure is secured and held by HCC. Potential for land purchase at intersections. Designations up to 3 years / adds to cost risk for land purcase. No material change in benefits between the two options
Central City Transformation Strategy Objectives	Benefits			
Hamilton / Kirikiriroa	Design and development of the central city reflects Maaori culture, built heritage and existing character	✓✓	✓✓	Council continues to engage with Iwi through its established internal Mana Whenua forum and Maangai Maaori. Mana Whenua are represented on FutureProof and continue to have input into Strategic Growth and Urban Growth Agenda partnership. No material change between the two options
A place called home	High density and safety is integrated wth the urban realm	✓	✓✓	District Plan enables higher density and HCC continues to provdie for local safety through City Safe initiatives. The IAF proposal increases the available denisty by providing for 20,000 new dwellings over the next 30-years.
A playful City	Urban spaces are inviting, vibrant and increase opportunities for social interaction	✓	✓	Hamilton City Council continues to invest in parks, open spaces and community facilities. The $23M identified in the Long Term Plan does not change between the two options.
A home for diversity	The central city is accessible, welcoming and engaging to all	✓	✓✓	The IAF proposal provides greater accessible infrastructure linking to the Council funded PT Centre rejuvination.
A well connected central city	Active modes and PT provides the primary access to the Central City and fringe suburbs	~	✓✓	The IAF proposal provides a stepped change in provision of active modes and PT integration linking Angelsea St to the rejuvinated Hamilton Transport Centre and providing a dedicated river crossing for active modes that are not currently provided for
Blue-green central city	Health and wellbeing of residents is enhanced through improved biodiversity and access to the blue/green network	~	✓	Hamilton City aims to turn towards the Waikato River and provide people and communities with more opporutunities to experience a great river city. The Active Modes bridge identified in the IAF proposal provides an improvement over the BAU.
Prosperous economy	Businesses and employers are attracted to the central city	✓	✓✓✓	Hamilton CBD continues to grow as the primary commercial hub for the Waikato region. Business confidence in the CBD is increasing, and will continue to increase over the next 10-years. The IAF provides greater investor confidence to invest and the combined $2.6b of public and private investment identifeid in the IAF will crease up to 1800 new jobs each year and over $150M annual GDP increase for the Central City.

Annexure G – Developer Letters of Support

To be provided, and included in final proposal submitted to Kaainga Ora on 17 December 2021

Hamilton City Council
Te kaunihera o Kirikiriroa

IAF Capital Cost Inflation Assumptions

1.0 Part A Table 4. Total IAF funding sought for Central City

$333,498,922

5. Timing when IAF funding is expected to be drawn:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031 -
Amount **($'000)**	$0	$38,421	$40,150	$108,174	$128,043	$18,513	$198	$0	$0	$0	$0

2.0 Summary

This note summarises recent trends and potential future influences on construction costs and sets out inflation rates used for Infrastructure Acceleration Fund (IAF) infrastructure cost forecasting.

The final IAF funding amount needs to allow for an appropriate level of inflation. HCC's IAF inflated costs are based on the current HCC 2021-31 LTP rates of 2.8% - 3.3% forecast by BERL plus an escalation allowance of approximately 1.5% annually over the first five years for increased input costs, reduced efficiencies from supply chain disruption and expected construction market resource shortages.

The inflated costs therefore allow for 4.5% inflation annually over five years to 2025/26. The increase over the current HCC 2021-31 LTP rates forecast by BERL accumulates an additional 8-10%.

These assumptions are for the purposes of compiling this proposal to the IAF only, have not been adopted by Elected Members and do not represent an official HCC view on inflation.

3.0 Background

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide inflation forecasts for the period of HCC's 2021-2031 LTP. The capital expenditure inflation forecast has included a higher inflation rate in its budget, based on BERL's faster rebuild scenario. This recognised the higher costs associated with expected high demand for contractors.

Waka Kotahi typically assumes 3% escalation. Waka Kotahi publishes cost fluctuation indices to facilitate contract price adjustment. Construction inflation appears to trend higher than CPI.

The June 2021 annual inflation rate was 3.3% (StatsNZ). The Reserve Bank of New Zealand expect more persistent consumer price inflation pressure to build over time due to rising domestic capacity pressures and growing labour shortages

The Waka Kotahi construction index[1] show an increase of around 3.5% over nine months from June 2020 (mid Covid) to March 2021 (latest), which is higher than the BERL forecast of 3.3% for 21/22.

The Waikato River Bridge (currently under construction in Peacocke) included cost fluctuation because of its duration and to ensure that tender prices were not inflated to allow for risks such as associated with Covid outside of contractors' control. The weightings used for the bridge contract fluctuation calculation are similar to the Waka Kotahi weightings for construction excluding structures and have resulted in cost fluctuation payment to date of around 3.5% over the first year. The average over the previous five years was around 1.5%.

Price increases are one factor reflecting the increase in demand and supply being disrupted or slow to catch up. Other factors likely to have an effect but slower to feature will be legislated increases in minimum wages

[1] https://www.nzta.govt.nz/resources/procurement-manual/procurement-tools/

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Te kaunihera o Kirikiriroa

and holiday allowances, skill shortages affecting labour costs and higher time-risk pricing to allow for supply chain disruption.

Other observations based on industry knowledge or anecdotal discussions with contractors and include:

- WEL Networks lead time for high voltage cable supply jumped from around 6 – 17 weeks, resulting in reprogramming and temporary diversions. On top of already long utility design lead times because of pressure on existing utility staff, this means changes are very high risk.
- High demand for sheet piles necessary for deep trenching and excavations leading to potential delays (not realised) but higher temporary works costs.
- A supply chain investigation[2] by Waka Kotahi indicated that aggregate materials were most at risk with concerns raised about the capacity of quarries. Recent data for construction aggregates shows a 5% increase in aggregate costs from last year.
- A shortage of timber piles has meant lead times around 16 weeks or more compared to two to four weeks previously. Depending on whether the delay is assessed as being foreseeable this could mean significant costs in claims or workaround solutions/substitutes.
- N4 tenderers' electrical suppliers had suppliers refusing to hold prices for copper wire for more than seven days.

4.0 Approach taken for this Expression of Interest

To allow inflation of 4.5% annually for five years of the IAF inflated estimates (approximately 1.5% over BERL forecasts) as summarised below (June year ending):

Table 1: IAF Capital Inflation Rates compared to HCC 2021-31 Inflation Rates[3]

Year (FY)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2021-31 LTP Capital Inflation	3.3%	3.0%	3.0%	3.0%	3.0%	2.8%	3.0%	3.0%	3.0%	2.8%
LTP Cumulative	3.3%	6.4%	9.6%	12.9%	16.3%	19.5%	23.1%	26.8%	30.6%	34.3%
IAF Capital Inflation	**4.8%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**2.8%**	**3.0%**	**3.0%**	**3.0%**	**2.8%**
IAF Cumulative	4.8%	9.5%	14.4%	19.6%	25.0%	28.5%	32.3%	36.3%	40.4%	44.3%
Cumulative Increase over LTP	1.5%	3.1%	4.9%	6.7%	8.7%	9.0%	9.2%	9.5%	9.8%	10.1%

[2] https://www.nzta.govt.nz/assets/resources/supply-chain-survey-findings-report/waka-kotahi-supply-chain-survey-findings-report-abridged-version-202004.pdf

[3] https://www.hamilton.govt.nz/our-council/10-year-plan/Documents/2021-31%20Long-Term%20Plan%20Volume%201%20FINAL%20for%20web.pdf page 96, 97

Hamilton City Council
Te kaunihera o Kirikiriroa

Peacocke/Central City Co-Funding Opportunity

Housing Infrastructure Fund (HIF) to Infrastructure Funding and Financing (IFF)

An genuine opportunity exists for HCC and Government to proceed with HCC's proposal to deploy the Infrastructure Funding and Financing (IFF) mechanism in Peacockes growth cell, to support HCC's Central City IAF proposal.

The proposal is that conservatively $100M of if debt capacity could be freed up by taking advantage of the 'off balance sheet' feature of the IFF regime by converting the Housing Infrastructure Fund (HIF) financial structure to an IFF structure ("HIF to IFF"). A portion of this newly created debt headroom could be re-directed to as an HCC co-funding contribution to the Central City IAF proposal.

Further to that, deploying IFF in Peacockes could be in part redirected into, for example, the Rotokauri Stage 1 growth cell (subject to Government and Council consideration and approval), which has a yield of 3,000 houses and currently sits on Kainga Ora's IAF reserve list.

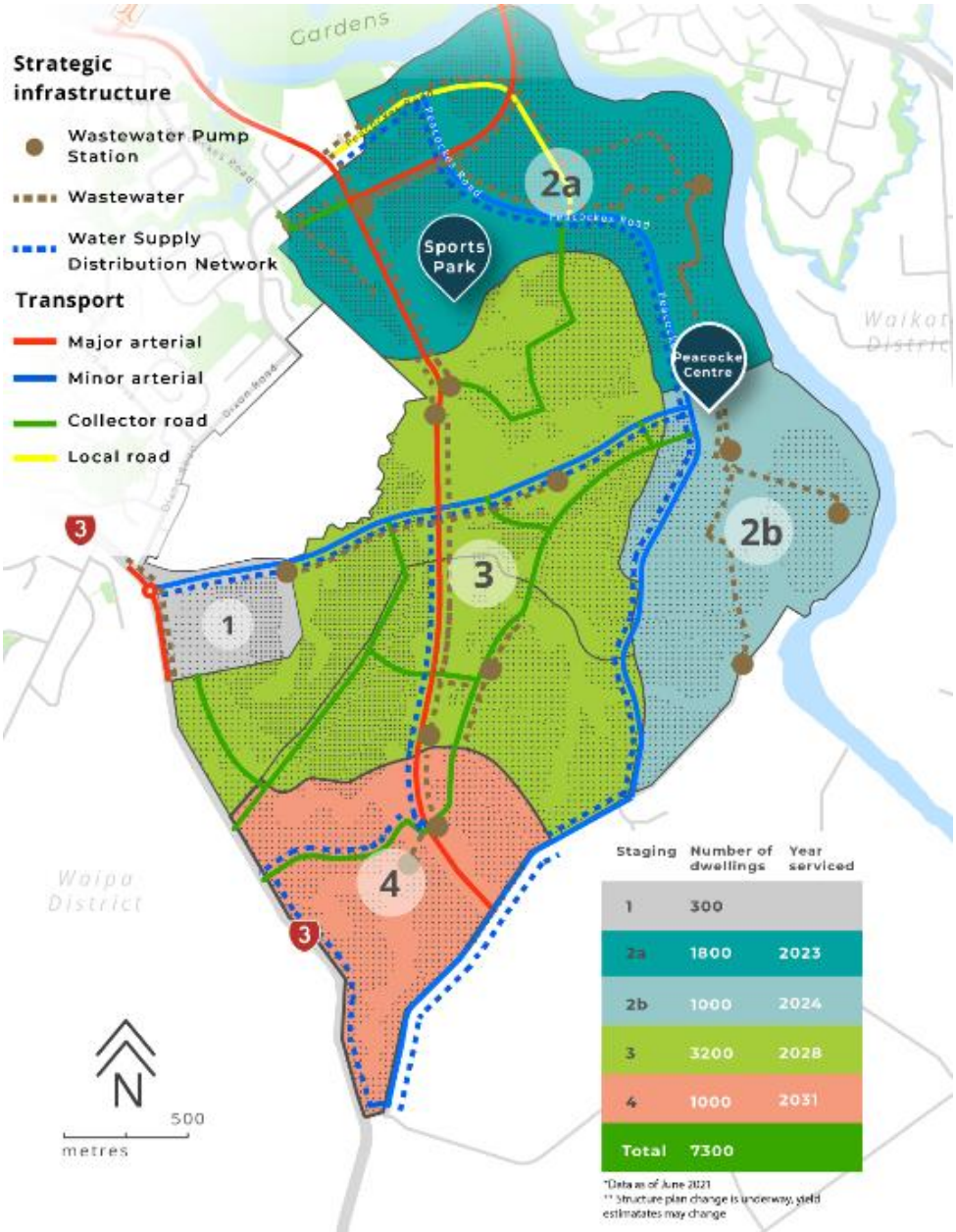
Over the last 18 months, HCC has had a series of discussions and exchanged information with MHUD, Crown Infrastructure Partners, and Treasury about the HIF to IFF opportunity, and as such it is somewhat progressed already. HCC seek to further these discussions.

The following is a summary of the central components of an IFF in Peacocke, namely beneficiaries, infrastructure and costs, timing, and a levy estimate.

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Beneficiaries

1. **The beneficiary staging map with timings (below) identifies:**
   - discrete areas in Peacocke ("IFF stages") which will progressively unlocked/serviced;
   - the years those stages are expected to have strategic services available (noting that Stage 1 is already serviced); and
   - the number of dwellings/beneficiaries projected in each of those stages.



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Te kaunihera o Kirikiriroa

Cost Apportionment

2. Growth capital costs allocated to those IFF stages:

Eligible infrastructure costs must be allocated to each IFF stage shown on the map above in order to determine an IFF levy for beneficiary sets in the Peacocke catchment.

The table below summarises capital costs (HIF funded only) allocated to those stages, including total costs to HCC (excluding Waka Kotahi subsidies) and the proportion of those costs allocated for recovery through development contributions. The latter is used here as the proxy for IFF recoverable growth costs.

Capex allocated to IFF Stages ($'000, HIF funded only)

IFF stage	Total capex excl. Waka K.	Capex allocated to growth (DC)	Growth allocation %
2A	$ 25,424	$ 20,055	79%
2B	$ -	$ -	-
3	$ 47,244	$ 41,053	87%
4	$ -	$ -	-
All Stage 2	$ 85,846	$ 70,394	82%
Total	**$ 158,514**	**$ 131,501**	**83%**

Notes:

- There is no HIF funded capex to be solely allocated to stage 2B and stage 4 (but see "HIF plus" section below where there is for capex which is not HIF funded).
- Figures above are the latest available (i.e. the draft 2021-31 LTP) and will differ slightly from those previously provided.
- "All Stage 2" infrastructure services the entire catchment (including e.g. the bridge and arterials). These costs will need to be apportioned to beneficiary stages as they become serviced. See section 4 below for an illustration of this approach.
- Selected projects, including the bridge and arterial roads, are split in the DC Policy allocation between the all-of-city (citywide) catchment and the Peacocke catchment. These citywide allocations have been excluded from all calculations/tables in this paper.

The "capex allocated to growth (DC)" column in the table above is disaggregated in the table below, to provide more detail of timing and infrastructure activity type:

IFF Stage	SubActivity	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
2A	Transport-Local Network Upgrade	$ 41	$ 85	$ 1,623	$ 59	$ -	$ -	$ -	$ -	$ -	$ 1,808
	Transport-Minor Arterial Network Upgrade	$ 117	$ 544	$ 2,259	$ 1,806	$ 1,677	$ 1,009	$ 29	$ -	$ -	$ 7,441
	Water-Trunk Main	$ 46	$ 56	$ 1,038	$ 214	$ 955	$ 45	$ 433	$ 20	$ -	$ 2,807
	WW-Pumpstation and Rising Main	$ 18	$ 132	$ 3,733	$ 51	$ 253	$ -	$ 178	$ -	$ -	$ 4,365
	WW-Trunk Main	$ 2	$ 17	$ 433	$ 607	$ 26	$ -	$ -	$ -	$ -	$ 1,085
	Other	$ -	$ -	$ -	$ 992	$ 1,556	$ -	$ -	$ -	$ -	$ 2,548
2A Total		**$ 224**	**$ 834**	**$ 9,086**	**$ 3,730**	**$ 4,466**	**$ 1,054**	**$ 640**	**$ 20**	**$ -**	**$ 20,055**
3	Transport-Minor Arterial Network New	$ -	$ 224	$ 440	$ -	$ 1,718	$ 5,107	$ 4,098	$ 68	$ -	$ 11,656
	Water-Distribution Main	$ -	$ 0	$ 91	$ -	$ 125	$ 785	$ 169	$ 811	$ 21	$ 2,003
	Water-Trunk Main	$ -	$ -	$ -	$ -	$ 44	$ 60	$ 328	$ 20	$ -	$ 453
	WW-Bulk Main	$ 25	$ 88	$ 2,059	$ -	$ -	$ 58	$ -	$ -	$ -	$ 2,229
	WW-Pumpstation and Rising Main	$ -	$ 33	$ 432	$ -	$ 122	$ 2,630	$ 209	$ 1,138	$ 59	$ 4,622
	WW-Trunk Main	$ 955	$ 3,949	$ 9,115	$ -	$ 230	$ 1,538	$ 1,251	$ 33	$ -	$ 17,072
	Other	$ -	$ -	$ -	$ 1,532	$ 1,264	$ 223	$ -	$ -	$ -	$ 3,018
3 Total		**$ 980**	**$ 4,294**	**$ 12,138**	**$ 1,532**	**$ 3,503**	**$ 10,401**	**$ 6,055**	**$ 2,069**	**$ 81**	**$ 41,053**
All Stage 2	Transport-Major Arterial Network New	$ 844	$ 1,638	$ 2,403	$ 16,238	$ 18,537	$ 30	$ -	$ -	$ -	$ 39,691
	WW-Pumpstation and Rising Main	$ 74	$ 69	$ 251	$ 10,189	$ 15,410	$ 3,297	$ 141	$ -	$ -	$ 29,430
	Other	$ -	$ -	$ -	$ 559	$ 223	$ -	$ 491	$ -	$ -	$ 1,273
All Stage 2 Total		**$ 918**	**$ 1,707**	**$ 2,654**	**$ 26,985**	**$ 34,170**	**$ 3,327**	**$ 632**	**$ -**	**$ -**	**$ 70,394**
GRAND TOTAL		**$ 2,122**	**$ 6,836**	**$ 23,877**	**$ 32,247**	**$ 42,139**	**$ 14,783**	**$ 7,327**	**$ 2,090**	**$ 81**	**$131,501**

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Te kaunihera o Kirikiriroa

3. Expanded IFF funding ("HIF plus")

There have been several discussions about a potential expanded Peacocke IFF scope which might include relevant capex in HCC's 2021-31 LTP which is not HIF funded, certain reserves projects, and two proposed low-carbon projects. The information below sets out the high-level capital costs for these projects for discussion.

(a) Infrastructure in HCC's programme that is not HIF funded:

HIF and non-HIF funded growth (DC) capex

HIFFunded?	IFF staging	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
No	2A	569	1,737	12,966	5,311	2,697	10,111	5,488	3,094	2,218	1,531	6,143	4,961	10,757	67,584
	2B	-	-	-	-	-	-	-	-	46	65	444	194	751	1,500
	3	- 61	60	144	-	139	1,109	310	506	146	-	445	1,148	2,220	6,165
	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	All Stage 2	1,312	140	4,678	1,242	1,334	15,517	7,733	3,447	2,074	1,572	1,715	10,249	2,494	53,865
Not HIF funded		**1,820**	**1,936**	**17,788**	**6,554**	**4,171**	**26,737**	**13,531**	**7,048**	**4,484**	**3,168**	**8,747**	**16,551**	**16,222**	**129,113**
Yes	2A	224	834	9,086	3,730	4,466	1,054	640	20	-	-	-	-	-	20,055
	2B				-	-	-	-	-	-	-	-	-	-	-
	3	980	4,294	12,138	1,532	3,503	10,401	6,055	2,069	81	-	-	-	-	41,053
	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	All Stage 2	918	1,707	2,654	26,985	34,170	3,327	632	-	-	-	-	-	-	70,394
HIF funded		**2,122**	**6,836**	**23,877**	**32,247**	**42,139**	**14,783**	**7,327**	**2,090**	**81**	-	-	-	-	**131,501**
Grand Total		**3,942**	**8,772**	**41,665**	**38,800**	**46,310**	**41,520**	**20,857**	**9,138**	**4,565**	**3,168**	**8,747**	**16,551**	**16,222**	**260,614**

(b) Reserves infrastructure, potentially including:

- the Peacocke sports park land and its development, funded in the LTP, being circa $20M in land acquisition and $28M park development (note that the sports park purchase number is fluid - currently under negotiation with landowner);
- neighbourhood parks ($9M); and
- natural Areas / Gullies Land Acquisition & Development ($3M).

(c) Innovative low-carbon projects

- Two innovative but unfunded projects being 'Bikes on Pipes' ($5M) and 'PT optimisation fund' ($5M) – Andrew Parsons to describe.

Obviously introducing further capex into a Peacocke IFF would be subject to factors including financiers and Elected Member appetite for a higher levy, and the size/risk of the IFF loan overall.

Hamilton City Council
Te kaunihera o Kirikiriroa

Levy Calculation

4. Simple levy calculation illustration

Below is a simple example of how a levy could be constructed using the information provided above. It is a principles-based illustration for discussion purposes and does not represent an actual levy calculation.

For the purposes of constructing this example I have assumed the following:

- "All Stage 2" allocated capex is apportioned between stages based on the number of beneficiaries in each stage;
- the term of the loan relating to beneficiaries in each IFF stage is 30 years;

Calculation	A	B	= A + B	C		D
IFF stage	**Capex allocated directly**	**"All Stage 2" capex apportioned**	**Total capex allocation**	**Cumulative capex**	**# benefic/ yield**	**Cumulative # beneficiaries**
2A	$ 20,055	$ 18,101	$ 38,156	$ 38,156	1,800	1,800
2B	$ -	$ 10,056	$ 10,056	$ 48,212	1,000	2,800
3	$ 41,053	$ 32,180	$ 73,233	$ 121,445	3,200	6,000
4	$ -	$ 10,056	$ 10,056	**$ 131,501**	1,000	**7,000**
Total	**$ 61,107**	**$ 70,394**	**$ 131,501**		**7,000**	

- In the example above, stage 2B is paying less because the marginal cost of enabling the additional 1,000 beneficiaries is lower than the other stages.
- Based on these inputs an indicative IFF charge and IRR is calculated as below[1]:

HCC-Indicative Peacocke IFF
Levy Modelling Summary

Purpose
Illustrative Modelling to identfiy the potential quantum of IFF funding that could be secured from the Peacocke growth cell based on variable input assumptions.

Fixed Assumptions
The following assumptions have been fixed in order to compare the variation in funding and levy amounts driven by the variable assumptions.

1. Assumed the $130m is received in two instalments in 2023 ad 2024.
2. A 30 year funding period is assumed.
3. The ramp profile is based on section delivery, with a 2 year delay from that point

Variable Assumptions
4. The amount of IFF funding raised, illustrated below using goal seek.
5. The levy payable, illustrated under three amounts on a net basis (net of GST if any)
6. The number of HUEs or levy payers

We have varied the above amounts by assuming a fixed IRR or return to the funder as detailed below.

IFF Funding based on Variable Levy and HUEs

Assuming $130m and 7,000 HUEs as modelled.

Levy Amount

No. of HUEs	IRR	
$1,500 levy	4.32%	<< Effectively the return to debt holder before any administrative costs at their end.
$1,750 Levy	5.50%	<< Based on govt. Bond rates could be achievable
$2,000 levy	6.57%	

Note: The levy is the net available to the funder, should Treasury determine that GST is payable than the actual levy paid by the homeowner would be 15% greater than what is presented above.

Note 2: We have not incorporated inflation into the modelling, as any inflation assumed would likely be built into the hurdle return (IRR) being estimated.

[1] Modelled by Pricewaterhousecoopers

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Te kaunihera o Kirikiriroa

- If the levy becomes payable in each IFF stage two years after the stage becomes serviced then the time parameters for the levy calculation would be:

IFF stage	Year serviced	Start levy year	Loan end year
2A	2023	2025	2055
2B	2024	2026	2056
3	2028	2030	2060
4	2031	2033	2063

Infrastructure Acceleration Fund

RFP Response Form



Kāinga Ora
Homes and Communities

RFP Released: 15 October 2021
Closing Date: 3:00pm 17 December 2021

Kāinga Ora
Homes and Communities

How to respond to the RFP

Please complete this RFP Response Form in relation to the Proposal that advanced through the EOI Stage.

Applicants can contact IAF@Kāingaora.govt.nz if there are any queries.

Content

The RFP Response Form has the following parts:

- **Part A**- General Information and Proposal Overview: detailed overview of the housing development and Supporting Material provided.
- **Part B**- Criteria Responses: detailed responses to the Eligibility and Evaluation Criteria.
  - **Schedule 1 (Eligible and ineligible infrastructure)**
  - **Schedule 2 (Cost and funding tables)**
  - **Schedule 3 (Status of Eligible Infrastructure Projects)**
  - **Schedule 4 (Dwellings Enabled – Direct and Additional Growth)**

Capitalised terms in this RFP Response Form shall have their meaning as set out in the Schedule to the RFP.

Completing this RFP Response Form

This RFP Response Form incorporates parts of the Applicant's responses at EOI Stage. This is to help reduce duplication of effort and enable Applicants to focus on refining their Proposals submitted at EOI Stage.

Applicants are requested to review, and if necessary, update any of their statements provided at EOI Stage. Updates should be inserted into the editable cells.

Applicants must complete this form using size 10 font.

Guidance

Kāinga Ora has prepared Guidance to help Applicants complete this form. The Guidance provides further information on the Supporting Material that Kāinga Ora is looking for in Applicants' responses to each Eligibility Criteria and each Sub-criteria.

Applicants should take the time to read and understand the Guidance.

Kāinga Ora
Homes and Communities

Proposal Name: Rototuna North

Unique Identifier: P033

Part A – General Information and Proposal Overview

1. Known developers	Response at EOI Stage
The names of each known housing developer expected to be involved in the housing development.	Rototuna Heights Limited - 50% shareholding Pragma Group; 50% shareholding Pragma Property Group Limited. The developer's land is north of the Waikato Expressway (247 Horsham Downs Road). Kirkdale Investments Limited - The developer south of the Expressway (and their building partners). The investment in infrastructure also allows immediate development of other land holdings south of the Kirkdale land at North Ridge Drive and will also service future development east of the Rototuna Heights land bounded by Horsham Downs Road and the Waikato Expressway.
	Update at RFP Stage
	Rototuna Heights Ltd and Kirkdale Investments Ltd are still proposing to develop their lands in accordance with the information provided in the EOI stage (refer attached Rototuna North Plan). Pragma who are developing Rototuna Heights proposed in the EOI 370 dwellings in the next 5 years and they have now increased this to 544. **Rototuna Heights Ltd has had a setback in consenting their subdivision due to the requirements of the new National Policy Statement (NPS) on Freshwater which was an identified risk in the EOI stage. Rototuna Heights is re-consenting the development to avoid any effects on a low draining area which has now been identified as a significant wetland (refer attached Pragma Property Group 247-269 Horsham Downs Road Concept Plan).** **This would have resulted in some reduced yield as a result of having to construct a stormwater pond in an alternative location, but Rototuna Heights have confirmed that they will commit to increased yield through increased density and/or development of adjacent land to the east which they now have obtained as part of their landholdings since the EOI. They are actively scheme planning the new area so that the land development can be maximised and continuous (refer attached Pragma Property Group 225-235 Horsham Downs Road Concept Plan).**

	Kirkdale Investments Ltd have confirmed that they will continue with the 35 Borman Road frontage dwellings as a consequence of Borman Road being constructed and they have also commenced scheme planning the land for medium density development to the south of the proposed Borman Road within the next two years, assuming the project remains economically viable, it will deliver 100 dwellings. **The infrastructure to be installed will also enable additional dwellings in the Future Development area north of the Waikato Expressway and in the North Ridge Drive area.**

2. Funding Request	**Response at EOI Stage**
IAF Funding Sought	$16,368,524
	Update at RFP Stage
	$20,839,829

3. Timing for drawdown of Funding										
Timing when IAF funding is expected to be drawn.										
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 – onwards**
Amount ($) (EOI Stage)	$ 0	$5,637,629	$10,730,895	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Amount ($) (RFP Stage)	$486,886	$12,582,073	$7,770,870	$0	$0	$0	$0	$0	$0	$0

4. Housing Development and Outcomes	Response at EOI Stage
Description of the housing development and associated housing outcomes.	Note. The IAF funding sought figures in the tables in Part A above are uninflated for transparency and simplicity. The total inflated IAF funding sought is $18,454,994. Refer to Capital Cost Inflation Assumptions attachment (pg 5) This proposal enables 900 homes in Rototuna, the majority committed to by Kirkdale Investments Limited and Pragma Residential Limited. There are other land owners, some in the Northridge area, but the majority to the east of Rototuna Heights (refer to attached Rototuna North map). This proposal is within the Rototuna area which is well advanced with a high degree of certainty of immediate commencement and dwelling delivery. Due to its advanced nature, the willingness of developers to partner with Council, and the ability to deliver outcomes this construction season, this proposal would be a strong candidate for the fast-tracked IAF process. The Rototuna Heights subdivision is consented and earth works will commence this year. Delivery of housing however, is reliant on access across Kirkdale land to connect waste water and storm water to services in Borman Road. Kirkdale will allow access across their property if Borman Road is extended and connected to Horsham Down Road, which gives them certainty of the Rototuna Heights service locations in the context of their own development plans. Kirkdale will commit to bringing forward from their previous planning, dwellings with a direct connection to Borman Road. Council owns the land for the Borman Road extension, has designated it, has completed the design, and obtained the important consents. The project is now in the tendering stage. Council has allocated funding this year (2021/22) to commence the project but is reliant on receiving a Waka Kotahi subsidy for the project. Waka Kotahi has approved the business case and funded pre-implementation work but has recently indicated that they are unlikely to fund implementation due to a shortage of

	funding. This would mean that Council would have insufficient funding to start the Borman Road Extension and it would be unlikely to commence in the next 10 years, or until at least the next LTP in 2024 when its timing could be debated with the community. It would be a challenge for Council, given it's debt/revenue ratio, to fund it at a higher level. This bid requests the balance of funding required to complete Borman Road on top of the funding share that Council has already allocated. Bid funding will give certainty of completion of Borman Road which in turn gives certainty to the service connections and assures the Rototuna Heights development proceeds. It also means that Kirkdale will commit to a number of lots on their development, which rely on Borman Road for access ahead of their previous planned timing. This proposal enables approximately 900 homes in Rototuna, the majority committed to by Pragma Residential Ltd (up to 150 duplexes, 70 standalone dwellings and 150 apartments within 4 years) and Kirkdale Investments Limited (35 residential dwellings, up to a 100 medium density dwellings within 5 years). Theres is a small development to the south of Borman Road (North Ridge Drive) that will have approximately 45 lots unlocked by this investment in Infrastructure. There are other land owners to the east of Rototuna Heights with an unknown status at this time, but likely to be up to 350 dwellings and predominantly duplexes. Refer to attached Rototuna North map.
	Update at RFP Stage The proposal at the RFP Stage still enables the 900 homes in Rototuna North Identified in the EOI Stage of the bid. This includes an increased 544 lots by Pragma within 5 years and 35 residential dwellings committed by Kirkdale within the next 5 years and up to (but not committed to) an additional 100 medium density dwellings south of Borman Road. The bid identified that the investment would allow immediate development of other land holdings east of Rototuna Heights (350 dwellings - now reduced by additional yield in new Pragma Lands) and south of the Kirkdale Land at North Ridge Drive (45 dwellings). It is expected that demand for housing in this area is such that these dwellings enabled by the infrastructure could also come to the market. Pragma have now purchased additional land immediately to the east of their Rototuna Heights development and intend to continuously develop this land (refer Pragma Property Group 225-235 Horsham Downs Road Concept Plan). This compensates for the yield lost by having to relocate the stormwater wetland. This proposal at the RFP stage remains a strong contender for the fast tracked IAF process with a high degree of

	certainty that the infrastructure works will commence early in 2022 with land development being undertaken at the same time as construction of Borman Road. Delivery of housing in the Rototuna Heights subdivision is dependent on access across the Kirkdale land to connect wastewater and stormwater services in Borman Road. Since the EOI stage, development agreements have been drafted with Kirkdale and HCC and with Pragma and HCC that can be executed once a funding plan is in place to construct Borman Road. These draft Development Agreements relate the principles but they still need to be commercially negotiated and agreed, terms which hinge on a funding plan for Borman Road. To get to this point Kirkdale have fast tracked their development plans from their originally proposed sequence, which will provide the certainty that wastewater and stormwater services can be located and installed for Pragma. The Borman Road Project has now completed all of its pre-tendering activities and is ready to advertise for tenders. Council process does not allow tendering to start until a realistic funding plan is in place. In the IAF Stage, HCC indicated that it was unlikely that Waka Kotahi would provide Implementation subsidy due to a shortage of funding from the National Land Transport Fund (NLTP) and the marginal nature of this project in a traditional benefit/cost sense. Since the EOI stage Waka Kotahi has notified HCC that this project is a “probable” candidate for subsidy related to the transport components of the project but have not yet confirmed this funding as “approved”. HCC believes that Waka Kotahi funding can still not be relied on due to the project’s marginal benefit/cost ratio (that does not reflect its value in enabling a significant amount of housing). In addition, recent Waka Kotahi decisions give rise to the view that funding from the NLTF is still highly constrained, particularly with COVID related cost issues having to be managed nationally. HCC would like a fast track approval from the IAF fund to contribute to this project so procurement tendering can commence, with any Waka Kotahi subsidy netted off against any IAF funding approved.

5. Status and Timing	Response at EOI Stage
Description of the current status and timing for the proposed housing development and associated infrastructure projects.	The Borman Road Extension project is currently ready to tender and construct with all substantive consents either applied for or in place. Rototuna Heights: 123 lots will be consented within the next month. The earthworks are planned for this construction season. The piped service connections will be required to also be in the ground this construction season to meet the developers timeline for 224c certification early in June 2022. Kirkdale Investments: The development concept plans have been advanced to allow the positioning of the service connections but the development is yet to be consented. This is not expected to pose any risk to delivery of sections as set out in this bid.
	Update at RFP Stage
	The Borman Road construction project is currently ready to advertise as noted above. A confirmed funding plan is required prior to commencing advertising. **As indicated above the Rototuna Heights subdivision has had a consenting setback relating to the NPS on Freshwater and will require a new HCC subdivision consent as the location for the proposed wetland in the original consent is not supported by Wakato Regional Council. This has altered the land use and the road layout. A WRC consent will also be required once the new location of the wetland is decided, the hydrology of the catchment is known, and any mitigation of adverse effects is agreed and conditioned in the consent.** **HCC understands that the discussions on the relocation of the wetland are well advanced and Rototuna Heights will accept the requirements indicated by the Waikato Regional Council in preliminary discussions to move the development forward. Pragma advise that both Waikato Regional Council and HCC consents application for 247 Horsham Downs Road will be lodged prior to Christmas 2021. This includes the design and consent for a new stormwater wetland, the upsize of which is part of the IAF infrastructure bid request. This wetland is slightly larger than previously thought.** **The consents for the wastewater and stormwater connections also form part of the IAF infrastructure bid request and consents for these will be lodged mid to late February 2022. There are no indications that these will not be secured.** **Pragma remain confident that they will begin earthworks for Rototuna Heights this construction season and keep the development and Housing delivery on track.**

	Kirkdale are progressing their development plans to align with the construction of Borman Road. They have advised that the earthworks consent design is complete and lodged with Waikato Regional Council with Council processing 95% complete and with no expected difficulties. They have also advised that the subdivision design is complete and awaiting some support information prior to lodgement with HCC prior to Christmas 2021.

6. Development Phase	**Tick the box that best applies**	
With reference to the Pre-Development/Construction Phases lifecycle diagram identified in the Guidance, please identify which Phase best applies to the Proposal.	**Pre-Feasibility**	☐
	Feasibility	☐
	Planning / Master Planning	☐
	Design / Consenting	✓

7. Supporting Material	
Please provide the full list of Supporting Material included in the RFP Proposal.	HCC Rototuna North Development Plan HCC Rototuna North Horsham Downs Road Post-Development Sub-Catchment Plan Pragma Property Group Letter dated 13 August 2021 (attached to EOI Stage) Pragma Property Group Letter dated 23 November 2021 Pragma Property Group updated Letter dated 3 December 2021 Pragma Property Group updated Letter dated 6 December 2021 Pragma Property Group 247-269 Horsham Downs Road Concept Plan Pragma Property Group 225-235 Horsham Downs Road Concept Plan Kirkdale Investments Limited Letter dated 16 August 2021 (attached to EOI Stage) Kirkdale Investments Limited updated Letter dated 30 November 2021 Pragma Post Developed Sub-Catchment Plan

8. Key Milestones			
In addition to the standard milestones set out for the relevant Phase in the Guidance, Applicants should identify any other milestones that are unique to the particular housing development (**Specific Milestones**).	**Phase**	**Specific Milestone**	**Expected completion date**
	EXAMPLE *Feasibility/ Concept Plan*	*Finalisation of whenua Māori acquisition process, to be reflected in the conditional agreement to acquire land.*	*March 2023*
	Waikato Regional Council discharge consent for Rototuna Heights	*Application and consenting of wetland device as a permanent sustainable stormwater solution.*	*March 2022*
	New Hamilton City Council subdivision consent required for Rototuna Heights	*Required because the original consent is no longer applicable given WRC has rejected the location of the proposed wetland and the land use has changed*	*March 2022*
	Scheme Plan Approval for Kirkdale	*Kirkdale will submit an application for a subdivision consent to enable the road corridor required for the stormwater and waste water to be accurately defined and surveyed*	*February 2022*
	Borman Road Contract	*Design and schedule completed. To be put out to tender subject to funding confirmation*	*January 2022*
	Construction	*Start of road construction and installation of the services including stormwater and wastewater pipes. Pipes could be installed prior to, and independent of the construction of Borman Road.*	*March/April 2022*
	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

9. Proposal Prioritisation		
An Applicant with multiple Proposals should indicate their prioritisation of Proposals. ***Note:*** *the agreed prioritisation of Programme Path Applicants and other joined up Applicants will be sought separately.*	**Priority**	**Proposal Name**
	1	Hamilton Central City
	2	Rototuna North (this proposal as a candidate for fast-track)
	3	Rotokauri 1 (listed as reserve project from EOI Stage)
	Click or tap here to enter text.	Click or tap here to enter text.

10. Engagement with Central Government	Response at EOI Stage
Please describe any engagement/funding arrangements with central government on the infrastructure and/or housing development to date (including which agencies have been engaged and the status of those discussions)	A Waka Kotahi funding subsidy for the Borman Road Extension Project has been applied for based on an approved business case. Waka Kotahi has co-funded pre-implementation but has indicated that there is unlikely to be sufficient funding available to subsidise the implementation (construction) phase. If Waka Kotahi approves any subsidy funding, that amount will be netted off the bid transport funding request. Council is not aware that any of the developers have approached central government for funding assistance.
	Update at RFP Stage

	Since the EOI stage Waka Kotahi has notified HCC that this project is a “probable” candidate for subsidy from the NLTP related to the transport components of the project but have not yet confirmed this funding as “approved”. HCC believes that Waka Kotahi funding can not be relied on as the project has marginal benefit/cost (that does not reflect its value in enabling a significant amount of housing) and recent Waka Kotahi decisions give rise to the view that funding from the NLTF is still highly constrained given the COVID related cost issues having to be managed nationally. HCC would like a fast track approval from the IAF fund to contribute to this project so procurement tendering can commence, with any Waka Kotahi subsidy netted off against any IAF funding approved. Without third party funding to complement HCC and developer funding, it is unlikely that Borman Road will be constructed, given the City’s debt to revenue ratio. Should this be the case, the developments would be at significant risk of not proceeding in the foreseeable future.

11. Non-financial Powers of Central Government	Response at EOI Stage
Identify how non-financial powers of central government (e.g. Ministerial RMA powers, RMA fast-track, Urban Development Act powers) could complement funding to maximise the outcomes.	Call in or fast track for any regional consents that may not be approved (including consents required for construction activities). The NPS for Freshwater is currently causing delays to development in general due to differing interpretations of the NPS which impacts waterways of all types.
	Update at RFP Stage
	As indicated in the EOI stage the new requirements of the NPS Freshwater have resulted in delays and have now resulted in the need for Pragma to reconsent the sub-division in order to relocate its proposed wetlands. Pragma advise that they have identified an alternative location for the wetland that will allow it to proceed. The NPS Freshwater is under consultation and review due to difficulties experienced by a number of parties and HCC and Pragma would like to see any revised NPS Freshwater come into effect as soon as possible. Pragma are convinced that the revisions will allow them to make productive use for housing on the land sterilised by current interpretation of the operative NPS on Freshwater.

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Part B – Eligibility and Evaluation Criteria Responses

Eligibility Criteria

The table below sets out the criteria which must be satisfied for a Proposal to be eligible for funding.

1. Eligible Applicant	***Response at EOI Stage***
The Applicant is either: (a) a Territorial Authority; or (b) Māori/ a developer with sufficient rights in, or access to, the land (or a material proportion of the land) upon which the housing development will be built.	***Only developer and Māori Applicants are required to respond to this question.*** *Please outline the nature and extent of the Applicant's interests in the relevant land (being the land upon which the housing development will be built, not the infrastructure).*
	Update at RFP Stage
	The Applicant is a Territorial Authority
	Supporting Material
	Reference [insert name of attachment and cross reference to relevant part below] • N/A

2. Eligible Infrastructure Project(s)	*Update at RFP Stage*
Minimum housing outcomes The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be expected to enable at least: (i) 200 additional dwellings in tier one urban environments; (ii) 100 additional dwellings in tier two urban environments; or (iii) 30 additional dwellings elsewhere.	Applicants are asked to complete Schedule 4 (Dwellings Enabled – Direct and Additional Growth).
Type The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be of the type traditionally paid for by local authorities and be for new or upgraded enabling infrastructure in the form of transport (including local roading, state highways, public transport infrastructure, footpaths and cycleways), three waters (water supply, wastewater and stormwater) and flood-management infrastructure.	*Update at RFP Stage* Applicants are asked to complete Schedule 1 (Eligible and Ineligible Infrastructure).
Dwellings enabled and timeframes The Eligible Infrastructure Project(s) for which the Applicant is seeking funding must be wholly or primarily for the purpose of enabling the building of new or additional dwellings in the short to medium term. ***Note:*** *short to medium term in this context means, in most cases, that a material number of dwellings are built (to completion) by December 2029.*	*Update at RFP Stage* Applicants are asked to complete Schedule 1 (Eligible and Ineligible Infrastructure) and Schedule 4 (Dwellings Enabled – Direct and Additional Growth).

3. Eligible Costs	***Update* at *RFP Stage***
Funding requested under the Proposal relates to the following costs: (a) feasibility studies and other early-stage planning work; (b) designing, consenting, tendering and acquiring land (where it is wholly required for Eligible Infrastructure Project(s)); (c) constructing Eligible Infrastructure Projects; and (d) in limited situations, non-capital administrative matters, where these are necessary to establishing complementary financing.	Please complete Schedule 2 (Cost and Funding Tables).

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Homes and Communities

Part B – Eligibility and Evaluation Criteria Responses

Evaluation Criteria

The table below sets out the Evaluation Criteria. Applicants are requested to review, and if necessary, update any of their statements provided at EOI Stage.

1. Evaluation Criteria – Housing Outcomes 40%		*Response at EOI Stage*
1.1	The number of additional dwellings that the funding will enable relative to demand in that area.	*Please describe how the scale of the housing development will deliver a number of dwellings that is significant relative to demand in the area (being the region of the relevant Territorial Authority).* For context, the eligible infrastructure will enable approximately 900 houses in the Rototuna North area in 10 years. Across the next 10 years this is more than substantial, representing 7% of Hamilton's total projected house delivery of around 12,000 houses over that period. Housing development within Rototuna North is projected to gradually increase from approximately 100 houses in the short term to 150 per year, with completion by 2029.
		Update at RFP Stage
		No change to response at EOI Stage
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Pragma Property Group updated Letter dated 3 December 2021 Pragma Property Group updated Letter vdated 6 December 2021. Pragma Property Group 247-269 Horsham Downs Road Concept Plan Pragma Property Group 225-235 Horsham Downs Road Concept Plan Kirkdale Investments Limited Letter dated 16 August 2021 (attached to EOI Stage) Kirkdale Investments Limited updated Letter dated 30 November 2021
1.2	The proportion of lower-cost houses expected to be enabled by the Eligible Infrastructure Project(s) (primarily informed by typology of	***Response at EOI Stage***
		Please:

	housing expected to be built).	*(a) describe the expected typology of the proposed dwellings, such as the proportion of dwellings that are standalone, terraced, and/or apartments and section sizes;* 105 stand alone, 295 duplexes, 150 apartments (in 4-5 years) *(b) outline the planned number of dwellings that will be within the First Home Grant price cap (by region); and* 70 for Rototuna Heights *(c) describe any level of commitment to the lower-cost outcomes referred to in paragraph (b) from a developer or other relevant party to the housing development.* Rototuna Heights have a commitment (and track record) to providing low cost sections and houses to meet the first home buyer market. Kirkdale normally develop sections for stand alone dwellings but have indicated that they are likely to move into medium density on their land to the south of Borman Road.
		Update at RFP Stage
		Pragma have revised their delivery to 175 Stand alone houses, 225 duplexes and 144 Apartments Kirkdale have indicated they will create the 35 lots fronting Borman Road as soon as the road is constructed, and will design the medium density development south of Borman Road (100 dwellings) and progress bringing them to the market assuming that the market conditions remain buoyant.
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Pragma Property Group updated Letter dated 3 December 2021 Pragma Property Group updated letter dated 6 December 2021 Pragma Property Group 247-269 Horsham Downs Road Concept Plan Pragma Property Group 225-235 Horsham Downs Road Concept Plan Kirkdale Investments Limited Letter dated 16 August 2021 (attached to EOI Stage) Kirkdale Investments Limited updated Letter dated 30 November 2021 Wainui Environmental 247-269 Horsham Downs Road Rototuna- Post Developed Sub Catchment Plan

1.3	The extent to which the location where housing will be enabled has unmet demand and provides access to amenity and opportunity.	***Response at EOI Stage***

(a) Please describe the extent of unmet demand in the particular location of the housing development.

Hamilton has one the smallest land areas of any territorial authority, with a drive of just under 16km from the top of Rototuna in the northeast to bottom of Melville in the southwest. As a result, demand tends to be at a citywide level with people easily able to live in any part of the city and commute to another for work, education or recreation.

The Future Proof Housing Development Capacity Assessment 2021 (attached) identified the need for an additional 3,500 dwellings in Hamilton (4,200 with a 20% margin applied) by 2023. This expands to 11,900 additional dwellings in the medium term (14,300 with a 20% margin). Particular shortfalls were identified in the lower to mid value bands with this gap projected to expand over time.

A housing preference survey commissioned by Future Proof in mid 2020 showed that 80% of respondents preferred a standalone house, however, when factors like affordability constrained their choices, this reduced to 56%. Greenfield development areas are important for delivering choice to buyers. Consenting over the last 5 years saw an average of about 40% standalone houses across Hamilton, however in the greenfield areas like Rotokauri, over 60% of consents were for standalone houses. The development area is expected to meet some of this demand.

Rototuna North has a very high degree of demand, given that it lies within the Rototuna Primary and High School zones. The City has created a subregional sports park and is about to start construction of a public Library and swimming pool complex. Rototuna Village, which is under construction, offers employment and contains a super market. All of this amenity is in very close proximity to both developments.

(b) Describe the proximity (including a description of the distance in kilometres) of the proposed dwellings to each of the types of amenity listed in the table below. Include a comment on the nature of the access to the amenity (e.g. via public transport and/or active transport).

i) Access to amenity and opportunity in this section is measured from the part of the development area north of the Waikato expressway. The southern part of the development area will be closer to all amenities.

The development area is 7km from Te Rapa which has a variety of industrial, retail and commercial employment opportunities. The CBD is 10km away and the Ruakura superhub will be a similar distance once developed.

Employment opportunities are also available in the schools and retirement village within easy walking distance of the proposed developments, and within the Rototuna Village and Countdown supermarket, and

		the planned public pools and library. The village will expand as required and will afford employment in retail and commerce. The village is within easy biking and walking distance. ii) The development area is approximately 3.6km from the local secondary school (Jnr and snr high schools on same site) by car or 1.5km by bike or on foot. There is existing and planned walking and cycling access to the secondary school. Additional capacity is being added to the school to cater for this growth. Currently primary provision is located 3km away and has planned capacity to accommodate growth in the development area. The development area is 3km from existing early learning services and 12km from Waikato University. Two state-integrated options (Hamilton Christian Y1-13 and Waikato Waldorf Y1-10) are within 3.5km. iii) Easy access to Rototuna Shopping Centre 2km which offers cafes, restaurants, gym, supermarket and a medical centre; close to the proposed Rototuna Village development 3.5 km- a planned community hub of retail, hospitality and housing with a library and a pool; adjacent to a number of shopping centres- St James Shopping Centre 2.3km, Flagstaff Shopping Centre 5.5km, Chartwell Shopping Centre 4.4km; close to four large parks- Mangaiti Park 4.5, Te Manatu Park 2.7km, Hare Puke Park 4km and Korokori Park 4km and smaller parks- Eden Park Reserve 2.4, Moonlight Drive Reserve 2.1, Grosvenor Park 4.6, Te Awa O Katapaki Esplanade 4.5km, Te Toe Toe Reserve 2.7km and Wiltshire Drive Reserve 2.5km; a number of sport and recreation centres- Eastern Suburbs Rugby Club 5.6 km, Horsham Downs Golf Club 5.2km, and The Peak Recreation Centre 3.8km; easy access to the new Waikato Expressway and Hamilton ring road, 9.6km away from CBD, Korikori Green 4km, a pedestrian mall that links Rototuna Village, Rototuna High School and the surrounds to the north east of the village. There is a major retirement home in the area. Walking and cycling is well catered for through the walk way/bikeway under the Waikato Expressway that is connected to an off road network that goes to and through the park and the village. The area is served by public transport that will increase as the road network is constructed. ***Update at RFP Stage***

<table>
<tr><td></td><td></td><td>
Updates in respect of question (a):

No Change to response given at EOI Stage

Rototuna Heights report the presale of 70 dwellings off the plans. They report unprecedented demand for dwellings in this area.
</td></tr>
<tr><td></td><td></td><td>
Updates in respect of question (b):
<table>
<tr><th colspan="3">Type of amenity and opportunity (both existing and planned)</th></tr>
<tr><td rowspan="3">(b)</td><td>(i) employment opportunities (i.e., local industry and employment bases);</td><td>As described in the EOI stage</td></tr>
<tr><td>(ii) educational facilities (i.e., local primary schools and secondary schools); and</td><td>As describe in the EOI stage</td></tr>
<tr><td>(iii) other amenities (i.e., social amenities such as recreation and cultural facilities and retail and shopping).</td><td>As described in the EOI stage</td></tr>
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</td></tr>
<tr><td></td><td></td><td>Supporting Material</td></tr>
<tr><td></td><td></td><td>Reference [insert name of attachment and cross reference to relevant part below]

• N/A</td></tr>
<tr><td>1.4</td><td>The extent to which the Eligible Infrastructure</td><td>Response at EOI Stage</td></tr>
</table>

	Project(s) supports intensification, in particular that required to be enabled by councils under the National Policy Statement on Urban Development (i.e. typology and density).	*With regard to the typology of the housing development described in 1.2, and the location of the particular housing development described in 1.3, please outline the extent to which the housing enabled by the Eligible Infrastructure Project(s) supports intensification, in particular that required under the National Policy Statement on Urban Development.* The proposed development will enable housing at a greater density than has previously been provided for in greenfield growth cells and enables a wider range of typologies, including duplex dwellings. The development is a greenfield growth cell on the city fringe, but is well connected to the city as outlined in 1.3. It has strong walking and cycling links to the local schools as well as strong transport links to elsewhere in the city through the new Waikato Expressway and Hamilton ring road. There is also easy access to a range of amenities including the proposed Rototuna Village, a mixed use community and commercial hub with a library and a pool. The density and typology reflect the changing nature of the housing. Assuming the developments will be built as described the density will approach 20 dwellings per hectare. At the moment there are no plans to build multi storey apartments. ***Update at RFP Stage*** No change to response given in EOI Stage Pragma have indicated that they intend to increase the density of their development from the EOI stage and to extend the area of development as they have acquired additional land to the east of the Rototuna Heights development identified in the EOI Stage. The demand for dwellings in this area is highlighted by the pre sale of 70 land and house packages by Rototuna Heights. ***Supporting Material***

		Reference [insert name of attachment and cross reference to relevant part below] Pragma Property Group updated letter dated 3 December 2021 Pragma Property Group updated letter dated 6 December 2021 Pragma Property Group 247-269 Horsham Downs Road Concept Plan Pragma Property Group 225-235 Horsham Downs Road Concept Plan
1.5	The extent to which the Proposal supports housing development on land owned by Māori and to which Mana Whenua have been involved in developing the proposed solution.	***Response at EOI Stage*** *(a) Please comment on the extent to which the proposal supports housing development on land owned by Māori.* There is no land owned by Maori. *(b) Please comment on the extent to which Mana Whenua have been involved (or will be involved) in developing the proposed solution.* Rotouna Heights has consulted mana whenua. They are satisfied with the proposal and have suggested road names that reflect the history of the area. ***Update at RFP Stage*** No change from respons at EOI Stage ***Supporting Material*** Reference [insert name of attachment and cross reference to relevant part below] • N/A

1.6		***Response at EOI Stage***

	The extent to which the Proposal supports housing development that is environmentally sustainable including through reduced private vehicle use, lower risks from climate change (such as coastal inundation), and supporting water quality and biodiversity.	(a) *Describe the proximity of the housing development to public transport, both existing and planned (in kilometres).* The developments are close to the Proposed Rototuna Town Centre which includes a transport hub. Bus routes will be in close proximity and run through to the town centre. (b) *Describe any complementary environmental benefits that will be realised by this Proposal (e.g., mitigation on flood risks, or protection of wetland areas).* The developments are located in a rapidly urbanising area and the design has been specifically chosen to enhance the character and amenity of the surrounding area. The layout of the subdivisions are designed to incorporate the natural landform of the area, therefore only minimal earthworks are required. The developments will protect natural wetlands and will also improve soil quality downstream as currently the natural drains do not service the volume of water flowing. Stormwater will be cleaned through wetland devices to ensure that water leaving the developments is of a high quality given that the final receiving water is the Waikato River. (c) *Describe any commitment from developers(s) and other relevant parties to the infrastructure and housing development regarding the complementary environmental benefits described in your response to (b).* The Rototuna Heights proposal includes four specimen trees along the Horsham Downs Road boundary that will grow to a minimum of 8m tall. These trees will complement and enhance the natural ridgeline. The proposal takes into account the existing infrastructure on site and the layout has been specifically designed to ensure there are no buildings within the National Grid Corridor, and any buildings within close proximity will have minimal adverse effects. The existing natural wetland will be retained and incorporated with the proposed wetland (to be constructed) to control the stormwater. The Kirkdale development will have high quality planting to enhance the amenity of the area. Native trees and plants will be used to landscape areas such as the roads. The developers are committed to managing the construction of the subdivisions with minimal disruption to the environment. All development is controlled by Waikato Regional Council consent conditions. Rotouna Heights will design their subdivision to continue the wetland/open space on the southern boundary to create amenity distance between the Waikato Expressway. (d) *Describe any known material environmental compliance requirements (such as regulatory requirements) which apply to the infrastructure and housing delivery, and your approach to complying with these.*

		The developments will require Waikato Regional Council consents for the disposal of stormwater and the protection of flora and fauna. The developments will be designed to ensure that the adverse effects of 100 year floods will be mitigated by creating the appropriate overland flows paths. Native trees and plants will be used to landscape the roads.
		Update at RFP Stage

		No change to response given in EOI Stage. Waikato Regional Council and Rototuna Heights are in discussion regarding the location of the wetland and the mitigation options for the stormwater within the sub catchment. Rotouna Heights has proposed a new location for the wetland since the original location lay over an area now noted as a natural wetland and as such was not able to be modified. Some questions still remain over the retention of the farm drain network that receives and transports the water from the wetland to the public network. The farm drains are on Kirkdale land, however advice from the Kirkdale consultants suggest that the drain will not be required if Kirkdale agree to installing a suitably sized stormwater pipe to take the water from the naturaly occurring wetland. This piped stormwater solution is necessary for the Pragma development and is part of the IAF bid but will not be able to be used for the Kirkdale development who will need to provide their own solution to treat stormwater prior to discharging the stormwater network. Pragma had previously assumed that they could simply discharge stormwater to the Expressway culvert at the perimeter of their development but because of complications related to the NPS Freshwater this has not been possible. We are confident that all stormwater issues will be resolved as Rototuna Heights is pragmatically working with WRC to ensure a speedy outcome and the issuance of a relevant consent. Expectations are that the consent will be issued by March 2022. Kirkdale will submit a subdivision application for their land to define the road corridor for the connecting pipes in late December 2021 with an expectation of consent being issued by March 2022. This work is well underway.
		Supporting Material

		Reference [insert name of attachment and cross reference to relevant part below] Wainui Environmental 247-269 Horsham Downs Road Rototuna- Post Developed Sub Catchment Plan

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Homes and Communities

2. Evaluation Criteria – Impact of funding 20%		*Response at EOI Stage*
2.1	The impact that this funding will have on the housing development advancing, or on the pace and scale at which it will advance compared to what is currently expected.	*(a) Describe how the Eligible Infrastructure Project(s) are critical to the housing development.* Without the infrastructure noted in this application the proposed development will not be viable as there will be no services to enable the creation of lots and their houses *(b) Describe how the IAF funding requested is critical to the delivery of that infrastructure.* Without the funding the Rototuna Heights development could not take place in the immediate future. The opportunity for an immediate increase in the housing stock will be lost until such time as Rototuna Heights can obtain access to Kirkdale land and the City can fund the infrastructure required to release the land to the east of the Waikato Expressway. Borman Road is partially funded in the 2021/31 Long Term Plan. This funding is contingent on subsidy from Waka Kotahi. There is no certainty that this funding will be available to undertake the construction of the last length of Borman Road. The requested bid funding provides the certainty for immediate commencement of the Borman Road extension project. This project allows the utility services for Rototuna Heights to be connected and it provdes direct access for a number of Kirkdale dwellings. This length of minor arterial will enable the right traffic to travel on the right road. It will make access to the school much more direct, decreasing both the time and distance to get to the local primary and high schools and to the sports park. It completes the arterial network within the greater Rotouna Growth Area. ***OR*** (c) *To the extent that the housing development is set to be delivered without funding, then describe how the delivery of housing will be accelerated, with reference to the timeframes and scale for housing delivery with funding.*
		Update at RFP Stage
		Nothing has changed from the EOI Stage response.

		Without the IAF funding the supply of lots (and thus dwellings) will be significantly slowed. In the Pragma case no housing can be released until servicing is available across Kirkdale land to Borman Road and in the Kirkdale case, until Borman Road is constructed they will not have access to their land to enable development. HCC cannot construct Borman Road in the foreseeable future without assistance funding.
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] • N/A
2.2	Demonstration that other means to fund the Eligible Infrastructure Project(s) without displacement of investment elsewhere (i.e. rate rises, prudent borrowing, or use of the IFF framework) have been exhausted.	***Response at EOI Stage***
		(a) Describe how other means to fund the Eligible Infrastructure Project(s) have been explored, including rate rises, prudent borrowing, development agreements, and/or use of the IFF framework over the last 3 years[1]. Council has developed a business case and worked with Waka Kotahi to ensure the eligibility of the Borman Road extension for a subsidy. While Council has been successful in obtaining a subsidy for pre-implementation, Waka Kotahi has advised of a significant funding shortfall in the NLTP and timplementation funding will not be available. Council has programmed local share funding commencing 2021/22 but would not be able to fund any more than this without a significant detrimental effect on its financial strategy. Kirkdale Investments has previously gifted the land to Council to construct the Borman Road extension as their contribution to the project, precluding any further requests for direct contributions. *(b) Describe why IAF funding is a last option for bridging the gap for funding the Eligible Infrastructure Project(s), and does not displace those sources of funding. For instance, explain how these funding sources are already maximised, or why they are not feasible in the circumstances.* The city is not able to fund the construction of the infrastructure required to enable the houses to be built due to the impact on its financial strategy.

[1] Developer and Māori Applicants should describe their engagement with the relevant Territorial Authority on funding the Eligible Infrastructure Project(s).

		(c) Provide a copy or link to the 2021 Long Term Plan (in its most recent form), and describe any funding in the Long Term Plan which relates to the Eligible Infrastructure Project(s). Refer to Project CE 15092- Rototuna Transport Upgrades and Development (page 25 of 2021-31 LTP); the Borman Road Project is included in this funding allocation. https://www.hamilton.govt.nz/our-council/10-year-plan/Documents/2021-31%20Long-Term%20Plan%20Volume%201%20FINAL%20for%20web.pdf
		Update at RFP Stage
		The situation with Waka Kotahi subsidy funding can be found in part A, section 4 of this document. COVID-19 has had a significant impact on construction costs through material supply and labour shortages resulting in escalation over and beyond any allowance made in the 2021-31 Long Term Plan. The RFP Stage bid is the same as the EOI Stage bid where the HCC Share of cost remains fixed by the provision in the 2021/31 Long Term Plan, with the balance of funding to come from IAF with any Waka Kotahi funding received netted off.
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] • N/A

Kāinga Ora
Homes and Communities

3. Evaluation Criteria Cost and co-funding 20%		*Update at RFP Stage*
3.1	The average whole-of-government cost per dwelling expected to be enabled by the Eligible Infrastructure Project(s).	Applicants are asked to complete Schedules 1 (Eligible and Ineligible Infrastructure) and Schedule 2 (Cost and Funding Tables).
3.2	Alignment with co-funding principles for the Fund.	***Response at EOI Stage***
		Please outline your intentions in relation to: *(a) the extent to which these principles are accepted by the relevant parties;* The developers will be meeting all of the usual costs to mitigate the effects of their developments. This includes all local infrastructure including roads, utility services and stormwater management within their respective development areas. Rototuna Heights will also contribute the full cost of the waste water connection to Borman Road. This has been included in the Project costing total but not part of the IAF funding bid. Rototuna Heights will, as part of their development, fund and build a stormwater pond big enough to mitigate the effects of their development. This cost is not included in "Estimated Total cost of Infrastructure". Funding for a 30% upsize is included as part of this IAF funding bid. The upsize enables a pipeline of development beyond that of Rototuna Heights and Kirkdale. The developers will be paying development contributions for their share of all of the infrastructure that Council is funding through its LTP, including their share of the Borman Road transport project. Kirkdale have also contributed the land towards the Borman Road project. Council is proposing to contribute approximately 50% of the cost of construction of Borman Road as it would do if the road was to be subsidised by Waka Kotahi. *(b) the expected quantum of such co-funding; and* 14500000

		(c) *the method(s) by which this funding is proposed to be made (i.e., development agreements, IFAs, IFF levy, etc.).* Council would intend to enter into Private Development Agreements with both Rototuna Heights and Kirkdale to secure their commitment to any land access requirements and cost sharing proposed.
		Update at RFP Stage

		Part of the associated infrastructure project is upsizing the stormwater wetland to accommodate additional lands that will leverage housing in excess of the IAF bid. Pragma have compiled a Post Developed Sub-catchment Plan (attached) which indicates that the overall catchment size is 21.93 ha (excluding the Waikato Expressway land). Sub-catchments G and H, are not owned by Pragma and can be developed for future housing and represent 4.13 ha or 20% of the catchment. This forms the IAF bid for 20% of the cost of the stormwater pond as an upsize that will facilitate more housing than the IAF bid numbers. HCC would contribute the cost to receive sub-catchment A, I and J which is 2.19ha or 10% of the catchment as this is road and land in Waikato district Council which will not contribute to any Housing Yield. Pragma will meet the remaining 70% of the cost of the wetland. Similarly the wastewater connection from Pragma through the Kirkdale land will be of sufficient size to accommodate the additional lands not owned by Pragma and the IAF bid is for 20% of the cost of the waste water connection, with Pragma meeting the remaining 80%. The Stormwater connection across the Kirkdale land has not been contemplated by any party with piping being a result of circumstances partly related to the NPS freshwater. This is essential to get the Pragma land and the rest of the catchment developed and the IAF bid is for 100% of this funding. Draft Development Agreements have been reached between HCC and both Pragma and Kirkdale separately that secures the land access requirements and clarity on cost sharing for some of the infrastructure. HCC in the Development agreement with Kirkdale commits to fund the wastewater and Stormwater connection for Pragma. The agreement with Pragma still needs to be finalised including the cost share for the stormwater wetland, which will be supported by valuation advice for the land component and engineering advice for the other infrastructure costs. Best estimates have been used for the RFP Stage. The Construction of Borman Road was anticipated to be a project supported by government through a Waka Kotahi subsidy on those parts of the project that they would agree to subsidise. Council has programmed a fixed amount in its 2021/31 Long Term Plan to contribute local share which will have a high proportion paid by Development Contributions and ashare paid for by rate payers. Kirkdale Investments have previously contributed by providing all of land for the road which does not form part of the IAF bid. The land cost is substantial and in today's market would equate to between $8-12 million. The level of co-funding of $14,500,000 was understated in the EOI stage. To give a fair picture it should have included the Pragma share of the stormwater wetland of $7,700,000 which is now included. The total level of co-

		funding is $22,200,000.
		Supporting Material
		Reference [insert name of attachment and cross reference to relevant part below] Wainui Environmental 247-269 Horsham Downs Road Rototuna- Post Developed Sub Catchment Plan

Kāinga Ora
Homes and Communities

4. Evaluation Criteria – Capability and readiness 20%		Response at EOI Stage
4.1	The extent to which there are other barriers to the housing development that the Eligible Infrastructure Project(s) will serve (and how they will be removed if funding is approved).	*(a) Comment on any other key risks of (i) the Eligible Infrastructure Project(s) being constructed and (ii) the housing development proceeding. Identify any other barriers to housing development, and in the event that funding is approved, explain how these barriers will be removed so they don't constrain progress.* ***Note** such barriers could include inappropriate zoning, lack of other types of infrastructure (including infrastructure not fundable under IAF), restrictive bylaws and land use restrictions, and any other housing development constraints (i.e., partially contaminated sites).* Regional Council consents are still required for Rototuna Heights but these are not considered to pose any undue risk. The stormwater connection contains a heightened risk as it is dependent on Regional Council's interpretation of the NPS on Freshwater. Kirkdale are yet to apply for subdivision and other consents, but in preparation for this bid and to facilitate the service connections across their land, they have accelerated their concept planning and preliminary design. This is shown on the attached Rototuna North Infrastructure Plan.
		Update at RFP Stage
		The risk in regard to interpretation of the NPS Freshwater has been realised as outlined elsewhere in this RFP stage submission. Progress is being made on reconsenting a revised Rototuna Heights which achieves largely the same housing outcomes as advised in the EOI Stage bid. IAF funding is required to provide confidence to commence the Borman Road Construction Contract tendering. It is suggested that a condition of funding is that consent is granted to the revised Rototuna Development prior to any award of the Construction Contract.
		Supporting Material

		Reference [insert name of attachment and cross reference to relevant part below] • N/A
4.2	The degree of developer commitment or interest in building housing quickly.	**Response at EOI Stage**
		Please comment on the following based on your knowledge of the developer(s) expected to be involved in the housing development: *(a) the anticipated sales plan and any evidence of commitment from the developer(s) to the (funded) timeframe for housing delivery; and* Rototuna Heights have indicated that they have started looking at sales options for the first 100 lots to finance the required infrastructure that they have committed to. *(b) what conditions would likely be applicable to the developer(s) commitment to delivering the additional dwellings within the timeframes indicated in your response to table (b) in Eligible Infrastructure Project/s – (dwellings enabled and timeframes) and the other housing outcomes referred to in this Response Form.* No conditions are applicable. Once the infrastructure is in place, Rototuna Heights are ready to deliver the additional dwellings within the specified timeframes. They have committed to fast-tracking the development and have a good track record of developing in Hamilton.
		Update at RFP Stage
		Pragma have indicated that they have 70 presales from off the plans for Rototuna Heights. Kirkdale have reconfirmed their commitment to developing the 30 lots fronting Borman Road as soon as practical once Borman Road is completed. The additional 100 lots on the southern side of Borman Road will be schemed and developed subject to economic viability.
		Supporting Material

		Reference [insert name of attachment and cross reference to relevant part below] Pragma Property Group updated Letter dated 3 December 2021 Pragma Property Group updated Letter dated 6 December 2021 Kirkdale Investments Limited updated Letter dated 30 November 2021
4.3	Demonstrated alignment between all parties including Territorial Authorities, Regional Councils, Mana Whenua and developers needed to advance the housing development.	**Response at EOI Stage** *Please comment on the alignment of the following parties in advancing the housing development [note your response should describe the level of support, input, or knowledge between the parties as they relate to the Proposal]:* *(a) Territorial Authorities;* This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities including Waikato Tainui and regional councils. The Rototuna Heights consents have been applied for and are about to be issued. The Borman Road consents and Outline Plans have been completed *(b) Regional Councils;* This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities including Waikato Tainui and regional councils. The Rototuna Heights consents have been applied for and are about to be issued. The Borman Road consents are being compiled. *(c) Mana Whenua;* All parties are satisfied that the developments do not impact any cultural needs. This proposal has been reported formally through Future Proof and is supported by all Future Proof partners including adjacent territorial authorities including Waikato Tainui and regional councils. *(d) developers (to the extent possible); and*

		The two main developers (Rototuna Heights and Kirdale) fully support the funding application and recognise that if HCC is successful they will have to commit with market reasoning to the housing delivery noted in this application. Rototuna Heights develop the sections and build the Houses. Kirkdale usually only develops the sections. The owners of the land to the south of Rototuna Heights are not developers and are most likely to sell their land once the infrastructure is in place. *(e) any others,* *with Supporting Material where necessary (e.g., letters of support or intent).* **Update at RFP Stage** No Change except in relation to the Waikato Regional Council consents outlined elsewhere in the RFP Stage submission. ***Supporting Material*** Reference [insert name of attachment and cross reference to relevant part below] • N/A
4.4	Confidence in the ability of all parties to deliver the Eligible Infrastructure Project(s) and housing development as proposed.	**Response at EOI Stage** *(a) Describe the capability of the Applicant to deliver the Eligible Infrastructure Project(s) and/or housing development proposed.* Council has a good track record in delivering infrastructure projects, with many significant projects completed in recent years and many more currently underway. Council has high confidence in the ability of the two developers to deliver the sections and housing noted in this application. Rotouna Heights is a subsidiary of Pragma Holding. Pragma have developed many low cost housing subdivisions throughout the city.

Kirkdale Investments is a long established local developer. They have developed the Rotuna Village and about 500 residential lots within the Rotouna Growth Area.

(b) *Provide prior examples for **each of** the relevant parties in delivering infrastructure and/or housing developments within an accelerated timeframe.*

Update at RFP Stage

Updates in respect of question (a):

No Change to EOI stage submission

Complete the table below in respect of question (b):

Infrastructure experience	
Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
Rototuna Heights	All infrastructure contacted out to reputable companies with professional consultancy oversight and management. All work audited by HCC.
Kirkdale	As above.
Click or tap here to enter text.	Click or tap here to enter text.
Housing development experience	
Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
Pragama Holdings (Rototuna Heights)	Pragma have been active in the residential development (land and house package) for about 10 years. They are the most prolific residential developer in Hamilton. Last project was in Rototuna, a development of over

	100 dwellings of mixed typology. Refer to attached Letter from Pragma dated 23 November 2021.
Kirkdale Investments	Kirkdalke Investments is a long established development company in Hamilton. They have developed large blocks of land in the Rototuna Growth Area. Last project was immediately to the east of Rototuna High School. Presently working on a scheme for medium density housing on the same block. Also completing the development of the Rototuna Village a retail/commercial area to serve the district.
Click or tap here to enter text.	Click or tap here to enter text.

Experience in partnering and working with Māori	
Relevant party	**Describe prior example** *[insert name, location, number of dwellings]*
Pragama Holdings (Rototuna Heights)	Experienced in engaging with Mana Whenua and iwi on all projects in Hamilton
Kirkdale Investments	Experienced in engaging with Mana Whenua and iwi on all projects in Hamilton
Click or tap here to enter text.	Click or tap here to enter text.

Supporting Material
Reference [insert name of attachment and cross reference to relevant part below] Pragma Property Group updated Letter dated 23 November 2021 Kirkdale Investments Limited Letter dated 16 August 2021

Schedule 1: Eligible and Ineligible Infrastructure

Complete both tables below.

Table 1a: Eligible Infrastructure Projects: Complete the table below by listing **each** Eligible Infrastructure Project:

Ref #	IAF Eligible Infrastructure Description	Total Expected Cost (excl. GST)	Details of expected Funding Sources		IAF Request (Bal requiring funding)	Delivery Party Responsible (if known)	Construction Estimated Start Date	Construction Estimated Completion Date
			Amount	Source				
	Transport ***(describe project)***							
Ref	*Borman Road Extension*	$30009591.2	14,183,852	HCC	$15825739	HCC	March/April 2022	March 2024
	Three Waters ***(describe project)***							
Ref	*Stormwater Wetland* *Stormwater Connection* *Wastewater connection*	$14847201.92	9,898,502	HCC: $1,212,100 Pragma: $8,686,402	$5,014,909	Pragma HCC or Pragma HCC or Pragma	March/April 2022	December 2023
	Flood Management ***(describe project)***							
Ref	*n/a*	$0	0	N/A	$0	N/A	N/A	N/A
Total Eligible Infrastructure		**$44,856,793**	**$24,016,964**		$20,839,829			

Table 1b: Ineligible Infrastructure Projects: Complete the table below by listing all other infrastructure and associated work including ineligible infrastructure (which will not be funded under the IAF and is excluded from the scope of the Proposal for IAF funding), that is required to progress the housing development:

Ref #	IAF Non Eligible Infrastructure Description	Total Expected Cost (excl. GST)	Details of Funding Sources		Delivery Party Responsible for Non Eligible Infrastructure (if known)	Estimated Start Date	Estimated Completion Date
			Amount	Source			
	Transport *(describe project)*						
Ref	*N/A*	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
	Three Waters *(describe project)*						
Ref	*N/A*	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
	Flood Management *(describe project)*						
Ref	*N/A*	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
	Other Infrastructure *(describe project)*						
Ref	*N/A*	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	$Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Total Ineligible Infrastructure		$Click or tap here to enter text.	$Click or tap here to enter text.		$Click or tap here to enter text.		

Schedule 2: Infrastructure Cost and Funding Tables

Please complete the following tables showing the total cost for <u>all</u> infrastructure required to enable the housing development (broken down by type of cost and infrastructure category). The final table is requesting information from Applicants on their proposed funding sources for the total cost of the infrastructure.

*Please complete the table below by breaking down the estimated **total enabling infrastructure cost** for the housing development into the "type of cost" categories below.*

2a. Total enabling infrastructure cost for the housing development (breakdown by type of cost)				
Type of cost	**Estimated total cost of infrastructure (excl GST)** *[note that costs already incurred should be excluded]* **($)**	**Comment on the degree of confidence the Applicant has in the estimate**		**Amount of IAF funding sought ($) for the Eligible Costs in the relevant category**
Feasibility costs and other early-stage planning work	$ 0	High	Not required	$ 0
Costs of designing, consenting and tendering	$ 0	High	Not required	$ 0
Land acquisition	$ 8761600	High	Already owned by developer or HCC	$ *0 [note, costs under this category must be wholly required for Eligible Infrastructure Projects to be eligible for IAF funding]*
Construction	$ 36,095,193	Medium	95th percentile estimate completed and compared to recent contract rates	$ 20,839,829.09
Administrative costs for establishing complementary financing	$ 0	High	Not required	$ 0
Other (non-Eligible Costs)	$ 0 *[provide a breakdown of these other costs, i.e., BAU administrative costs]*	High	Not required	*[note, costs that are not in one of the categories above are **not eligible for IAF***

				funding. *See "Eligible Costs"].*
Total	$ 44,856,793 *[total should be equal to the amount in table 2b below]*			$ 20,839,829.09

*Please complete the table below by breaking down the estimated **total enabling infrastructure cost** for the housing development into the "infrastructure categories" below.*

2b. Total enabling infrastructure cost for the housing development (breakdown by category of infrastructure, aggregating as appropriate)				
Infrastructure category	**Estimated total cost of infrastructure (excl GST) ($)**	**Comment on the degree of confidence the Applicant has in the estimate**		**Amount of IAF funding sought ($)**
Transport	$ 30,009,591	High	95th percentile estimate completed and compared to recent contract rates	$ 15,825,738.79
Three Waters	$ 14,847,201.92	Medium	Engineers estimate completed based on recent contract rates	$ 5,014,909
Flood Management	$ 0	High	N/A	$ 0
Other Eligible Costs[2]	$0	High	N/A	$ 0
Other (non-Eligible Costs)	$ 0 *[Please provide a breakdown of these other costs, i.e., for community infrastructure not funded under the IAF]*	High	N/A	*[note, projects that are not one of the types above are **not eligible for IAF funding**. See "Eligible Infrastructure Project".]*
Total	$ 44,856,793 *[total should be equal to the amount in table 2a above]*			$ 20,839,829

*Please complete the table below by identifying the funding sources for the estimated **total enabling infrastructure cost** for the housing development into the "source of funding" categories below.*

[2] These are Eligible Costs that enable Eligible Infrastructure Project(s) but are not directly attributable to one category of Eligible Infrastructure Project.

2c. Funding sources for total infrastructure cost for the housing development		
Source of funding	**Estimated amount ($)**	**Confirm status of the funding sources** *[describe any key assumptions and issues regarding these funding sources (both received and applied for)]*
Territorial Authority (not recovered from development contributions)	$ 9,593,654 *[note, this should exclude amounts paid for by the Territorial Authority and recovered through development contributions]*	Budgeted in LTP
Territorial Authority (anticipated to be recovered via development contributions or other mechanisms)	$ 5,736,907 *[note, this should only include amounts paid for by the Territorial Authority (excluding IAF funding) but which are expected to be recovered through development contributions or other mechanisms]*	**Budgeted in LTP**
Waka Kotahi	$ 0	For the purposes of this bid, the Waka Kotahi funding assumption is zero.
DIA Three Waters funding	$ 0	No funding for this project from DIA
Other central government funding (e.g., shovel ready funding)	$ 0	No funding for this project from IFF
Other non-government funding	$ 0	No other government funding received
Sub-total (excluding IAF Funding)	$ 15,330,562	
IAF Funding Sought	$ 20,839,829 *[note, should equal amount in table 2a above)*	
Total including IAF Funding	$ 44,856,793 *[note, should be equal to total cost in tables 2a and 2b above]*	

Developer / landowner (fair share contribution)	$ **8,686,402** *[note, specify amounts expected to be recovered by developer/landowners for their fair share contribution]*	Rototuna Heights would contribute the cost of installing the waste water connection from their development to a connection point in Borman Road. They would also meet the cost of discharging stormwater to Kirkdale Land with the bid funding meeting the cost to pipe stormwater under the Kirkdale Land to a connection point in Borman Road.

Schedule 3: Status of Eligible Infrastructure Projects

Complete the status table below for each **Eligible Infrastructure Project** identified in your response to table 1 in Schedule 1 (Eligible and Ineligible infrastructure), adding additional tables, as needed.

Table 3a: Insert Eligible Infrastructure Project:			
Status	**Completed Y/N**	**Date Completed or Expected to Be Completed**	**Comments (to explain further if required)**
1. Preliminary Design and Costing ***(select applicable stage applicant is at from one of the options below and complete row)***			
Not Started	N/A	N/A	Prelim design complete
Preliminary Design & Costing Underway	N/A	N/A	
Draft Preliminary Design & Costs Completed	N/A	N/A	
Final Preliminary Design & Costs Completed & Approved	Y	January 2021	
2. Detailed Design ***(select applicable stage applicant is at from one of the options below and complete row)***			
Commencement of Detailed Design	N/A	N/A	Detailed design expected to be completed 17 December 2021
Detailed Design Underway	N/A	N/A	
Detailed Design Completed	N	December 2021	
Engineering Plan Approved	N/A	N/A	
3. Business Case or Investment Case ***(select applicable stage applicant is at from one of the options below and complete row)***			
No Business or Investment Case Started	N/A	N/A	**Single Stage Business Case approved**
Draft Business or Investment Case Underway	N/A	N/A	

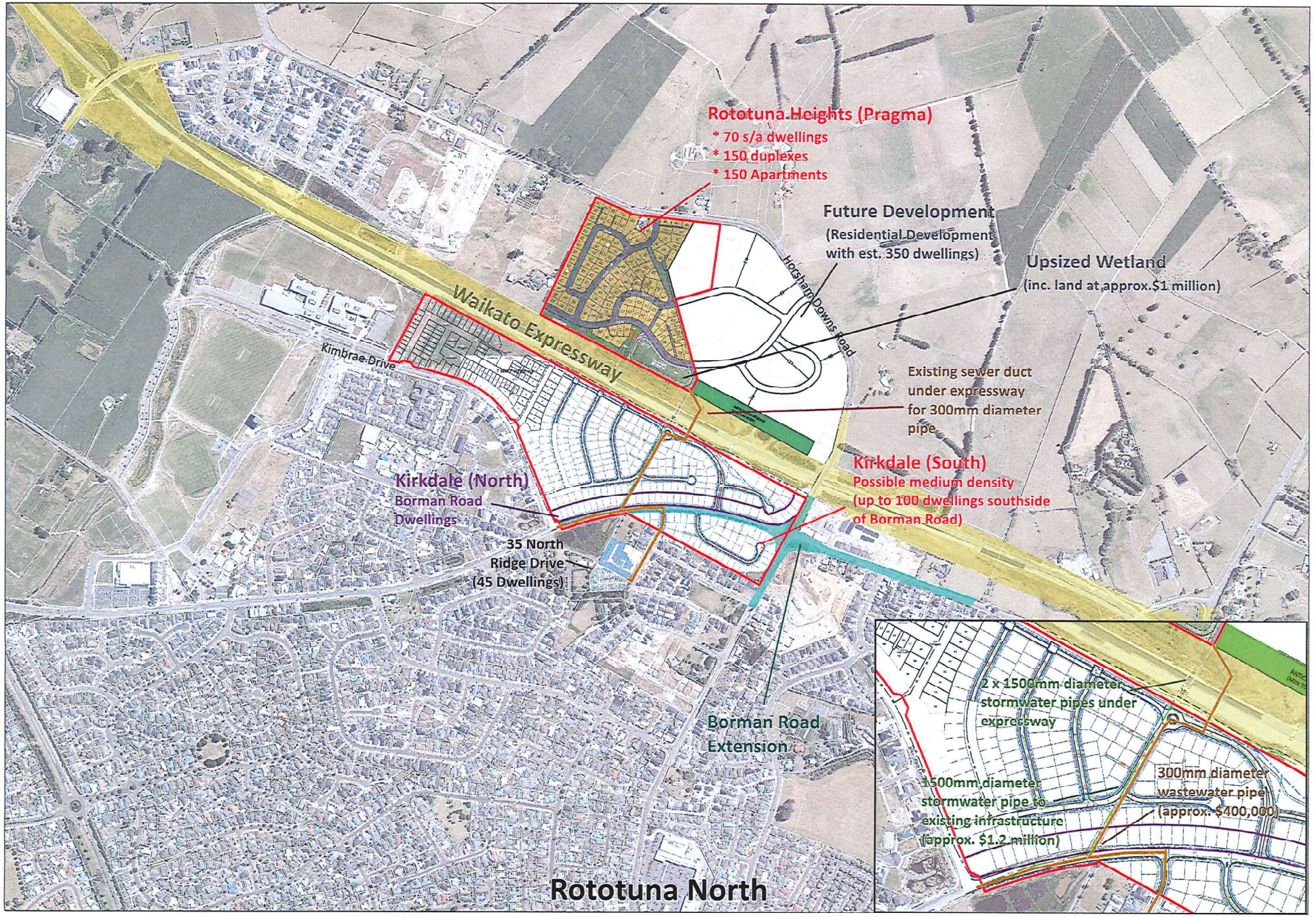
Draft Business or Investment Case Completed	N/A	N/A	
Business or Investment Case Approved	Y	January 2021	
4. Land Acquisition ***(if applicable - select stage applicant is at from one of the options below and complete row)***			
Acquisition to commence	N/A	N/A	HCC owns required land
Acquisition under negotiation	N/A	N/A	
Land Acquired	Y	2020	
5. Consenting ***(select applicable stage applicant is at from one of the options below and complete row)***			
Consents in Preparation to be lodged	N/A	N/A	Waikato Regional Council consent and HCC outline plan approved
Consents have been Lodged	N/A	N/A	
Consents Approved	Y	November 2021	
6. Procurement of Construction Contractors ***(select applicable stage applicant is at from one of the options below and complete row)***			
Request for Tender ready to go to Market	N	May 2022	Procurement process underway with expectation Request for Tender released to market in May 2022
Request for Tender gone to Market	N/A	N/A	
Evaluation of Tenders in Progress	N/A	N/A	
Preferred Tender Contract Procured	N/A	N/A	

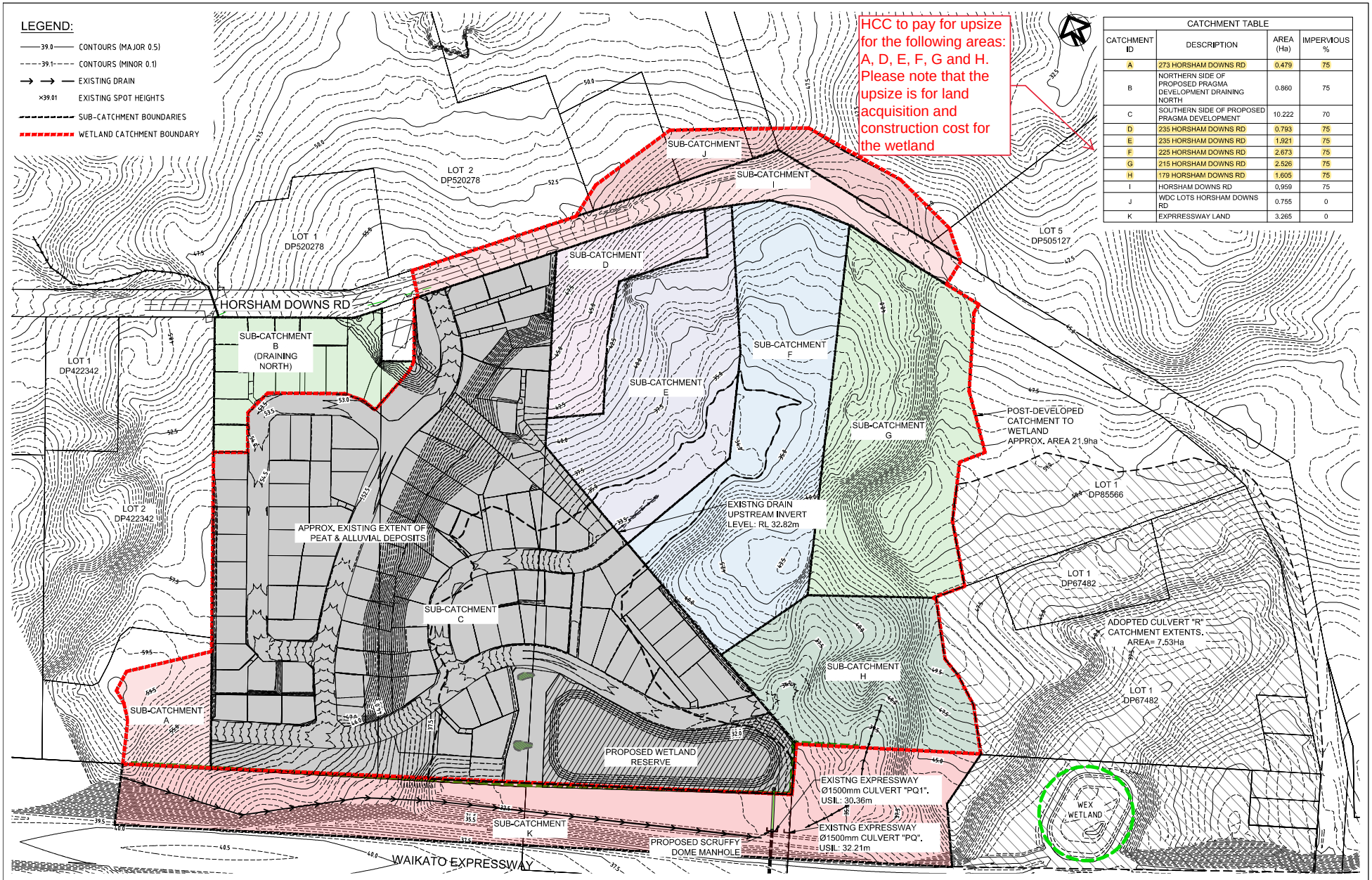
7. Other Approvals ***(please note any other approvals that may help application)***			
Other Applicable Approvals (i.e. Council committee, Waka Kotahi approvals)	N	June 2022	Contract award will require Council approval once procurement process is complete.

Repeat a table for each Eligible Infrastructure Project.

Schedule 4: Dwellings Enabled – Direct and Additional Growth

Dwellings Enabled	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035 onwards	Total
Dwellings delivered by the housing development (**Direct**)	82	120	150	100	100	124	0	0	0	0	0	0	0	0	676
Broader housing capacity enabled by the Eligible Infrastructure Project(s) (**Indirect**)	0	40	50	25	50	60	0	0	0	0	0	0	0	0	225
Total Dwellings Enabled	82	160	200	125	150	184	0	0	0	0	0	0	0	0	901


Rototuna Heights (Pragma)
* 70 s/a dwellings
* 150 duplexes
* 150 Apartments
Future Development
(Residential Development with est. 350 dwellings)
Upsized Wetland
(inc. land at approx.$1 million)
Horsham Downs Road
Waikato Expressway
Kimbrae Drive
Existing sewer duct under expressway for 300mm diameter pipe
Kirkdale (South)
Possible medium density (up to 100 dwellings southside of Borman Road)
Kirkdale (North)
Borman Road Dwellings
35 North Ridge Drive (45 Dwellings)
Borman Road Extension
Rototuna North
2 x 1500mm diameter stormwater pipes under expressway
1500mm diameter stormwater pipe to existing infrastructure (approx. $1.2 million)
300mm diameter wastewater pipe (approx. $400,000)



This drawing is confidential and shall only be used for the purposes of this project.

No.	BY	DATE	DESCRIPTION	APPD
D	DM	09/07/2021	08/07/2021 RFI RESPONSE	
C	DM	11/05/2021	16/03/2021 RFI RESPONSE	
B	DM	09/01/2020	S92 UPDATE	
A	DM	20/01/2021	ORIGINAL ISSUE	

SCALE (AT ORIGINAL SHEET SIZE) SHEET SIZE A1

SCALE 25 0 25 50 1:1250

NOTES

DESIGNED	HV	CHECKED	
DRAWN	DM	CHECKED	
APPROVED	HV	DATE	14/07/20

wainui environmental
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www.wainuienvironmental.co.nz

CLIENT PRAGMA BUILD EASY

PROJECT 247-269 HORSHAM DOWNS ROAD ROTOTUNA

POST DEVELOPED SUB-CATCHMENT PLAN

Status RESOURCE CONSENT

DRAWING NUMBER WE1636-62-412

Rev. D

Future Proof
Te Tau Tītoki

14 December 2021

Andrew Mackenzie
Chief Executive
Kāinga Ora – Homes and Communities

Dear Andrew,

Infrastructure Acceleration Fund Proposals

As Independent Chair of Future Proof, I thank you for the opportunity to progress three Infrastructure Acceleration Fund (IAF) proposals from Hamilton City Council and Waipā District Council to the proposal stage. Future Proof Partners are in an ideal position to utilise this fund to support the Government's objectives for improving housing affordability and delivering housing at pace and scale.

Hamilton City Council and Waipā District Council are providing three comprehensive proposals which will assist in delivering much needed housing in the Future Proof sub-region.

Hamilton City Council proposals

Central City proposal
This proposal for $333.5 million is supported by an additional $129.3 million of co-funding from Council, $100 million of direct infrastructure investment from the development community. Interviews with urban developers indicate that this investment could support over $2 billion of new residential and commercial development in the next 10 years. This proposal enables 20,000 new dwellings, including 1,900 already in construction, consent or concept phase.

Rototuna North proposal
This proposal for $19.9 million is supported by $16.4 million of co-funding from Council, $8.8 million of investment from the development community and will enable 900 dwellings.

Waipā District Council proposal

Te Awamutu Growth Cell T11
This proposal for $14.5 million is supported by $34 million of investment from developers, comprising $12 million in development contributions for offsite infrastructure and $22 million of direct infrastructure. Over 450 dwellings will be enabled, including affordable housing which Waipā District Council is working directly with Kāinga Ora to deliver.

These proposals are consistent with the objectives of the Urban Growth Agenda (UGA), the Hamilton-Waikato Urban Growth Partnership, and the Future Proof Sub-Regional Growth Strategy.

The Future Proof Partnership was set up to consider how the Hamilton City, Waikato District and Waipā District sub-region should develop into the future. The Future Proof Partnership includes iwi, local government, Waka Kotahi, the Waikato District Health Board, and central government. The partnership recognises that this collaborative, boundaryless, sub-regional approach is needed to achieve successful growth.

The Partnership's history of successful collaborative planning through the development of the Hamilton to Auckland Corridor Plan and the Metro Spatial Plan has contributed to the robust planning framework across the sub-region which aligns with and supports these IAF proposals.

Funding these proposals will enable the sub-region to deliver infrastructure solutions that will increase the pace and scale of housing supply, and, importantly, assist in building quality, liveable and affordable communities. We have a motivated development community who are ready to work with our local authority partners to deliver housing and community spaces within an accelerated timeframe.

These proposals directly deliver on the NPS-Urban Development, and if approved would represent a significant contribution by the Government to the Urban Growth Agenda partnership (formed under Future Proof).

Our history of collaborative planning, our track record of delivery, as well as our commitment to enduring partnerships with Iwi, central government, and the private sector should provide the Government with confidence that these proposals will deliver on the desired housing outcomes.

Thank you for your consideration of the accompanying proposals.

Yours sincerely



Bill Wasley
Independent Chair
Future Proof

OFFICE OF THE MAYOR
HAMILTON

9 December 2021

Andrew McKenzie
Chief Executive Officer
Kāinga Ora – Homes and Communities
Housing New Zealand Corporation

Dear Andrew

Thank you for the opportunity to progress our Infrastructure Acceleration Fund bids to the proposal stage.

Hamilton City Council has pleasure in providing two comprehensive proposals, both of which will assist in delivering desperately needed housing to our city. Each will contribute to the well-being of Hamiltonians and will enable us to build stronger, more resilient communities in New Zealand's fourth most populace city.

Our central city bid will help Hamilton to meet the Government directive that high-growth cities like ours allow for greater height and denser housing with easy access to employment and community services. One of Council's five priorities is to '*Shape a central city where people love to be'*. Inner city living is an important part of that, as is the concept of a 20-minute city which Hamilton is working hard to plan and progress.

Our District Plan has enabled mixed-use developments in the central city since 2014, and a future Plan Change (August 2022) will enable 214 hectares of medium to high-density inner-city redevelopment hosting more than 42,000 dwellings. Council has already committed $129.3M in its 2021-2031 Long Term Plan (LTP) to deliver infrastructure to support this vision. However, our Council is operating at its prudential debt limits and alone, simply cannot deliver the infrastructure needed. IAF support will be pivotal to Council bringing that investment forward.

It is also of note that our central city proposal directly delivers on the NPS - Urban Development and represents a tangible commitment by the Government to the Urban Growth Agenda partnership (formed under FutureProof). That partnership will deliver the Hamilton to Auckland Corridor Plan and the Metro Spatial Plan. Importantly, both of those pieces of work have already been adopted by Cabinet.

I would make two further points regarding our central city proposal.

I am particularly pleased that inner-city developers and social housing agencies have been involved in developing this bid. We are all on the same page in wanting more housing, faster, for our city. However, developers advise that, without intervention, the enabling land use policy and infrastructure investment is unlikely to deliver homes that meet First Home Grant criteria and Waikato Housing Initiative social housing outcomes. This is an important consideration for Kāinga Ora and Government as we all try to find ways to progress our common goals.

Telephone +64 7 838 6976
Email paula.southgate@council.hcc.govt.nz
Postal Address Private Bag 3010, Hamilton 3240, New Zealand

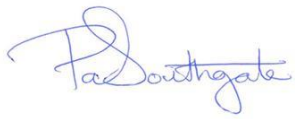
Secondly, Kāinga Ora (quite rightly) noted that in our initial central city EOI, there was no co-funding in place. We have now clearly identified $129.3M of relevant investment in our LTP as well as an estimated $100M from developers. This bid has the proposal to unlock more than $2B in private investment over the next decade. I trust this addresses your initial concern.

Our second, Rototuna North bid also has significant co-investment. This a $19.9M proposal, supported by an additional $16.4M of co-funding from Council plus a further $8.8M of developer share. It will unlock residential development that, over the next five years, will deliver 900 units of new housing.

I am particularly delighted that the Rototuna proposal is a very strong contender for a fast-tracked IAF process given the high degree of certainty that infrastructure works will commence in early 2022. A fast-track approval from the IAF fund will ensure procurement tendering can commence and I very much hope that is the case.

Thank you for consideration of both proposals and I look forward to a speedy and constructive conclusion to this process.

Yours sincerely



Paula Southgate
Mayor of Hamilton

Telephone +64 7 838 6976
Email paula.southgate@council.hcc.govt.nz
Postal Address Private Bag 3010, Hamilton 3240, New Zealand

PRAGMA
PROPERTY GROUP

13 August 2021

To whom it may concern.

Infrastructure Acceleration Fund Expression of Interest Rototuna North, Hamilton

About Us

Pragma Designer Homes is Hamilton's largest residential land developer and affordable housing builder.

Pragma supplies complete turn key great quality houses including landscaping with only a 10% deposit which have given both the first home buyer and banks real "comfort" in the buying and lending process as they are only paying on delivery.

Pragma's commitment to the Rototuna area has been significant over the past two years with land and house developments in the following streets.

Current and Past Projects

Sexton Road – 26 completed and 9 further in construction

4 Northridge Drive – 26 completed

27 Northridge Drive- 25 completed

38 Northridge Drive – 30 completed

103 Horsham Downs Road – 25 resource consented awaiting construction

126 Horsham Downs Road – 33 complete, 56 under construction and a further 55 in planning

9 Borman Road – 29 completed

10 -18 Borman Road – 24 in planning

Social Mix in above Projects

Social Housing ratio of completed – 22%

First Home Buyers ratio of completed – 27%

Infrastructure Funding Needed

The following projects ("locked up") have resource consent granted or in the final stages of granting that are essentially "locked up" requiring urgent infrastructure funding to allow development and building to take place.

The Waka Kotahi subsidy and or this application of funding will allow progression of these projects.

Infrastructure Description

The infrastructure currently has services from the aforementioned projects under the new expressway.

This requires the continuation of laying and connection of these services (wastewater and stormwater lines) and other associated works on the east side and through the Kirkdale land holding to the west side of the expressway and into the new Borman road.

Projects "Locked Up"

235 & 247 Horsham Downs Road

Circa 370 houses to be delivered as follows provided the above infrastructure is successful in being funded for a 1 October 2021 commencement.

The typology is as follows

- 70 standalone dwellings
- 150 duplexes
- 150 apartments

Of these 370 dwellings 70 will be classed as affordable homes.

Pragma has conditional interest on further land within the catchment that the above infrastructure would serve and will commit to these should the above application be granted.

This would add around a further 350 houses to the market in the future.

Pragma supports this application and looks forward to a positive future for housing in Hamilton.

Should you require further clarification please feel free to contact the undersigned.

Kind Regards

Bryce Wilson
General Manager

Pragma Group
99 Greenwood St
P.O. Box 5529
Hamilton
New Zealand 3242

Email: Bryce.wilson@pragma.co.nz
Mobile: 0277274888
www.pragmahomes.co.nz

PRAGMA
BUILD EASY

23rd November 2021

Pragma's Vision is to be part of the new future of affordable housing in Hamilton, and we are focused on making a change in Hamilton, which is one of our main urban centres.

The Urban Design & Development for Pragma is focused on ensuring that local communities have access to affordable safe homes and community centres. The long-term goal is to build local shopping centres supported by local housing to enable public facilities to be within walking distance.

Pragma has a long and proud history of delivering affordable housing to people across Hamilton since 2010. Our goal is to be focused on delivery of housing projects now, not projects that are starting in 2 to 5 years' time which is the current industry standard for resource consent process, we aim to shovel ready projects.

We are focused on adding value and deliver the expectations we seek in innovative, imaginative, cost-efficient ways – we are looking to work to improve the speed and delivery of housing, current processes and timeframes are causing escalating increased costs for everyone involved in the supply chain of housing.

We want to play an active part of delivering our vision in the years ahead, because the scale and scope of the challenge and the opportunity we face is huge and want to play a key role in addressing Social Housing issues in Hamilton, and not continue with the status quo of housing people in Motels.



OUR HISTORY

We specialise in all types of property development from residential and commercial builds which we have completed for more than 10 years. Being the number one house builder in the Hamilton City boundary for few years now.

The focus has been creating new section supply and turnkey house and land packages which has helped many families to gain equity gains at time of settlement from only having 10% at signup and gaining more than 20% equity gain on the original purchase.

We have a long history of obtaining number of consents over the years, the focus is to utilise and build with every consent issued by council.

List of Residential Developments completed and underway:

- North Ridge Drive, total of 100 houses completed, we started the same time as some of our competitors who are continuing build in the area and have not completed the same number yet after a 2-year period.
- 203-209 Baverstock Road completed a total of 34 lots this residential subdivision was completed during 2019, some these houses were sold to Housing New Zealand.
- 204-210 Whatawhata Road was completed with 22 Homes built completed 2018, this was off the main arterial route into the city.
- Mistry place was completed with 27 Houses this was a smaller subdivision that has been linked off Harrowfield Drive, this was completed during 2019.
- Pragma Rise development is a total of 180 Lots, so far have had 40 Lots completed which has contributed to about 100 people now living in this development, this project was started during 2020.
- Further down the road we have consent for a 120 Lots at the property address 247 Horsham Downs Road Hamilton. Works will be starting soon during summer 2021/2022.

List of Commercial Developments completed and underway:

- 51a Rifle Range Road, a Managed Care facility for the elderly consists of 29 two bedroom and 13 one bedroom facility. Which is currently under consent with Council
- 10-18 Shakespeare Ave, fully completed 10 single bedroom Care facility leased to Te Rūnanga o Ngāi Tahu
- 247 Killarney Road is a mixed use development with shops situated on ground floor and residential apartments on the second floor. And an underground parking area.
- Horsham Village Development consists of 6 blocks. Apartment complexs with a Gym, Medical related service and office space.
- Borman Village Development Located in Flagstaff, Hamilton. Borman Village consists of a medical centre, day-care centre, commercial offices, retail outlets and second storey apartments.

We aim to use locally sourced suppliers so we can maintain a robust relationship and continuous improvement on building high quality builds. We have mainly focused on single storey homes and double storey buildings for our commercial apartments. Single level typology helps with ease of building and long-term maintenance of these homes reducing overall complexity.

It is important to note that we have the financial resources to undertake these projects and have the support of the major trading banks in New Zealand, which is our preferred option when undertaking development funding to ensure the overall development outcome is achieved.

OUR VISION

Our vision is to transform to redevelop, regenerate and intensify Hamilton infill zones to achieve attractive, liveable, and enduring results: world-class, healthy, vibrant, sustainable, mixed-use communities into which quality housing is being provided to all.

OUR STRATEGY

Our strategy to implement and deliver on our vision covers five key areas:

UNLOCK LAND POTENTIAL IN HAMILTON

Our desire is to unlock existing land close to existing public infrastructure - to transform, regenerate and intensify areas that will create world-class healthy, vibrant, sustainable, and enduring mixed-use communities.

To do this, we focus on areas that don't have infill housing or areas that have housing stock that is not fit for purpose to provide a new and vibrant development to enhance community pride where they live. We will buy more property that are in locations other developers will not consider due to the negative impacts of lower socio-economic areas that have been traditionally state housing seamlessly build in these areas to provide confidence in the marketplace.

HEALTHY HOMES: HEALTHY PEOPLE LESS IMPACT ON THE HEALTH SYSTEM

Our objective is for the community to live healthily and happily in easily and well-maintained properties ensuring modern, warm, dry homes of the right size in the right places to meet demand in the years ahead.

To do this, we will embark on getting preferred suppliers that are focused on Healthy Homes and look to refine and improve this overtime to see what other alternatives are available and to ensure that housing remains attractive from a build cost perspective and whole of life maintenance and running perspective.

ATTRACTIVE, SUSTAINABLE NEIGHBOURHOODS

Our intention is to create sustainable neighbourhoods that last for generations, ensuring that years after our properties have been built. We manage this by ensuring we have appropriate covenants in place on subdivisions and homes fit in with their environment and continue to make a positive contribution to their communities. Look at ensuring properties are fibre ready, access to basic infrastructure to ensure that the future generation have equal opportunity to excel from an education perspective.

POSITIVE PARTNERING RELATIONSHIPS

As an organisation, we want to be seen as the best partner in the community of Hamilton, committed to long-term partnering relationships with forward-thinking market players to design and deliver innovative, attractive, affordable, and commercial housing solutions. Investigate our process and seek to apply the principle of lean management and eliminate wastage in the building industry.

DESIGN PRINCIPLES

PLANNING

Well-designed residential construction is important to link to existing networks and natural landscapes together to create seamlessly integrated holistic environments.

PUBLIC SPACES

Public spaces should contribute to the creation of a high-quality environment for people of all ages to enjoy. Ensure there is good nodes and connections to public spaces in our developments

COMMUNITY

Successful places reflect the diversity and rich lifestyles of the population and foster a sense of pride and stewardship in the community. Look at supporting local community with improved public and private infrastructure that we operate in.

SUSTAINABILITY

Environmental, economic, social, and cultural sustainability are integral to good design outcomes. Focus on reducing wider stakeholder impacts. Ensuring that developments fostering better relationships between neighbours.

DESIGN ELEMENTS

1 FORM, LAYOUT & LOCATION

The development complements the surrounding area and enhances character and amenity values including local context, underlying landforms, and natural landscapes. Consideration of the development does include the form, layout and location of buildings, spaces, circulation networks, parking, and service areas. The location of these properties is very central, allow one access to main bus routes and walking distance to local markets and all grades of schooling in the area.

2 ACCESS & CIRCULATION

The development contributes to a safe, integrated, sustainable, and well-maintained transport and circulation network that is designed to improve the quality of life of the community and facilitate good access for all travellers whether they use cars, public transport, walk or cycle. Western Heights is approx. 5km from the CBD making access into the city relatively simple as there are no bridges to cross.

3 SOCIAL & ECONOMIC INFRASTRUCTURE

The development potential of sites by promoting compact, quality environments we aim for a minimum lots of 200m2 each mainly to ensure that it is sufficient to have quality outdoor areas and maintain a low commitment of continual up keep of lots. Look towards supporting community garden areas or vegie patch for each lot, to ensure growing your own vegetables and gardens to promote overall wellbeing.

4 CHARACTER & IDENTITY

The Western Heights area offers elevated views over hinterland from many homes, our proposal should enhance and improve an area's unique sense of place and improve the existing, character neighbourhoods, gateways, and natural landscapes, and the personality and identity of its people. The area was originally developed in the 1990' provides easy access from the city to Raglan.

5 PUBLIC & PRIVATE SPACE

Buildings and the spaces between them work together to create the common space enjoyed by the whole community. Public spaces exist in the area, would like to see more support from local and central government providing more support to enhance educational skills of people and transition to work, providing the necessary support for them to be full employment.

6 DESIGN QUALITY & AMENITY

We have maintained a process of continues improvement and complete a 12 month walk through at the end of the 12-month defect and maintenance period. We also provide 10-year structural guarantee for our builds to ensure ongoing responsibility. We want to ensure that the builds are low maintenance and don't require regular upkeep and should last more than 50 years. Part of this process is educating and providing information to owners and tenants how to best look after their properties something that is well understood that properties require regular maintenance and up keep.

7 COMMUNITY WELLBEING

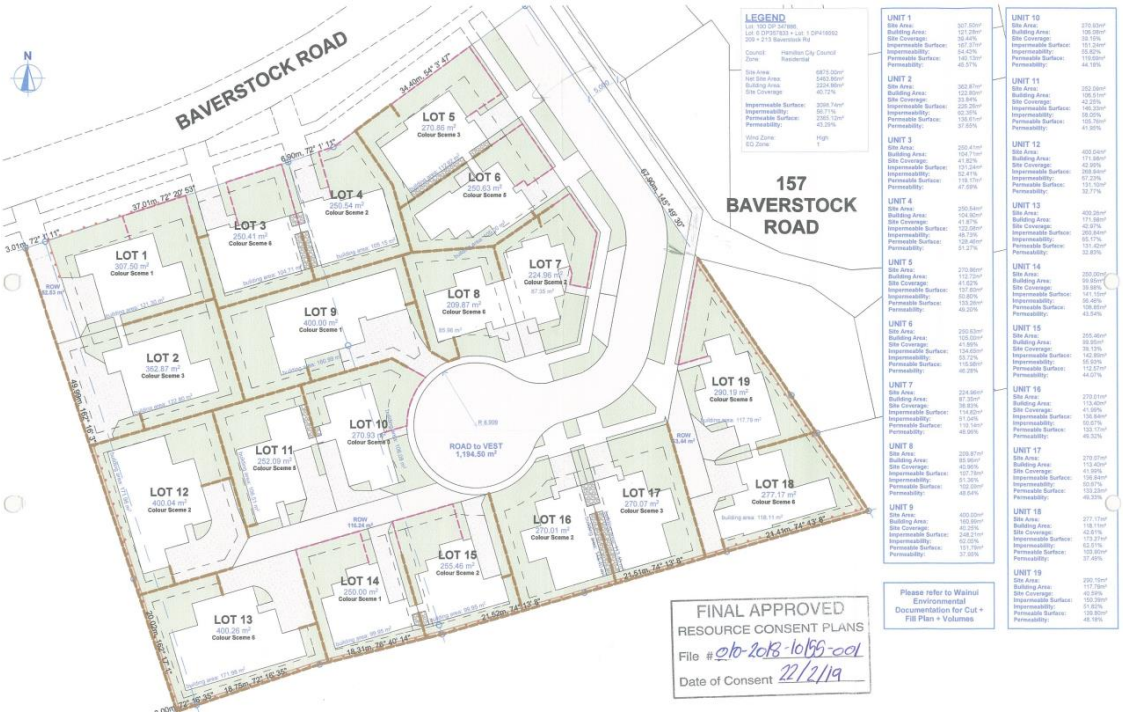
Development proposals promotes community wellbeing through the establishment and enhancement of the area which is central to other public and private infrastructure in the area.

9 ENVIRONMENTAL WELLBEING

The development is considering environmental sustainability as is a key consideration for a city's long-term success and growth and development of the community, more integrated and closely aligned community, making use of existing public infrastructure.

APPENDIX SUBDIVISIONS PLANNING MAPS COMPLETED AND IN PROGRESS

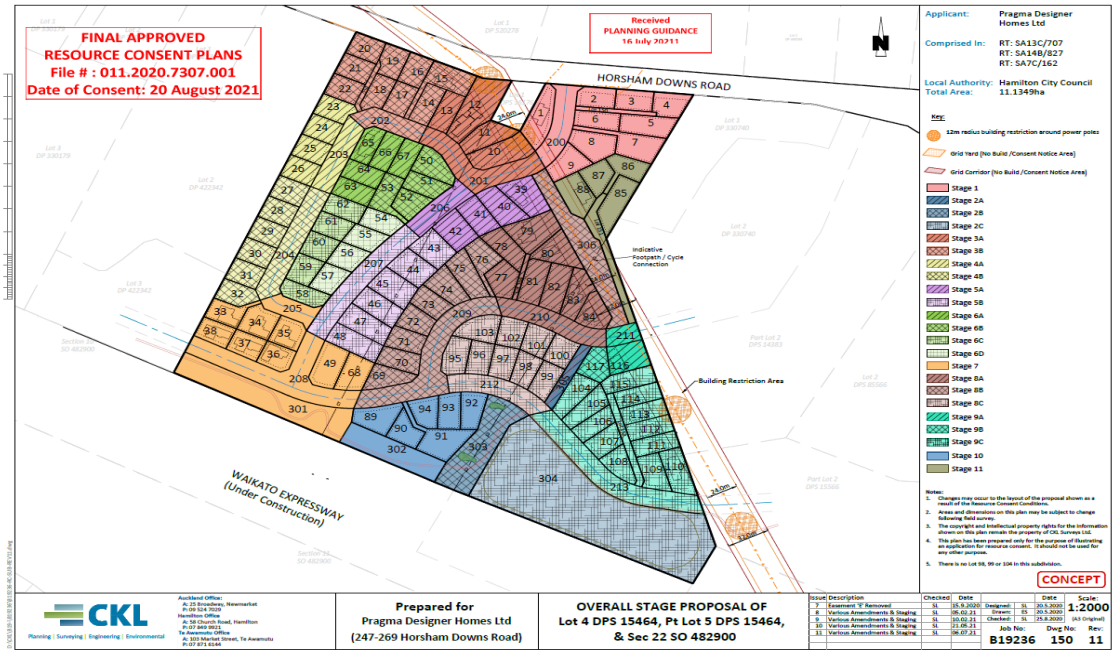
Residential property developments:




LEGEND
Stormwater Management Area:
Vegetated swales or dry planting detention basins.
BORMAN RD
HORSHAM DOWNS RD
LOT 71
3,146.20 m²
FUTURE LOT
Drainage Reserve to Vest
(to be to Wanui
subdivision)
N
Sheet: Overall Site Plan
PRAGMA
BUILD EASY
CONCEPT PLANS
Sheet: 401
126 HORSHAM DOWNS RD
Lot 1 DP 397400
Scale: 1:1000 @ A3
Date: 18/08/2020


PROPOSED EASEMENTS
PURPOSE
SHOWN
BURDENED TENEMENT
BENIFITED TENEMENT
Right of Way, Right to Convey Gas, Water, Electricity, Telecommunications and to Drain Water and Sewage.
Party Wall
LEGEND
Stage 1
Stage 2
Stage 3
Stage 4
Stage 5
NORTHRIDGE DR
FABER PLACE
Lot 104
59m²
Lot 105
ROAD to VEST
2m²
Lot 101
288m²
Lot 102
245m²
Amalgamation Condition:
PRAGMA
BUILD EASY
Sheet: Subdivision of Lot 5 DPS 62858
Project Info:
Cladding: 70 Series Brick Veneer
Feature Cladding: Weatherboard
Roofing: 25° Concrete Tile
CONCEPT PLANS
Sheet: 305
38 NORTH RIDGE DRIVE
Scale: 1:500 @ A3
Date: Monday, 19 August 2019


LEGEND
LOT 101
737.08 m²
LOT 11
3,068.77 m²
19 Apartments
LOT 100
ROAD to VEST
2,253.33 m²
LOT 1
288.20 m²
LOT 2
265.08 m²
LOT 3
265.08 m²
LOT 4
265.08 m²
LOT 5
265.08 m²
LOT 6
265.08 m²
LOT 7
265.08 m²
LOT 8
265.08 m²
LOT 9
265.08 m²
LOT 10
300.76 m²
Wastewater Pump Station
167.75 m²
BORMAN ROAD
FGL=41.75
FGL=42.5
N
Sheet: Overall Site Plan
PRAGMA
BUILD EASY
CONCEPT PLANS
9 BORMAN RD
Scale:
Date:


FINAL APPROVED
RESOURCE CONSENT PLANS
File # : 011.2020.7307.001
Date of Consent: 20 August 2021
Received
PLANNING GUIDANCE
16 July 20211
HORSHAM DOWNS ROAD
WAIKATO EXPRESSWAY
(Under Construction)
Indicative Footpath / Cycle Connection
Building Restriction Area
Applicant: Pragma Designer Homes Ltd
Comprised In: RT: SA13C/707
RT: SA14B/827
RT: SA7C/162
Local Authority: Hamilton City Council
Total Area: 11.1349ha
Key:
12m radius building restriction around power poles
Grid Yard (No Build /Consent Notice Area)
Grid Corridor (No Build/Consent Notice Area)
Stage 1
Stage 2A
Stage 2B
Stage 2C
Stage 3A
Stage 3B
Stage 4A
Stage 4B
Stage 5A
Stage 5B
Stage 6A
Stage 6B
Stage 6C
Stage 6D
Stage 7
Stage 8A
Stage 8B
Stage 8C
Stage 9A
Stage 9B
Stage 9C
Stage 10
Stage 11
CONCEPT
CKL
Planning | Surveying | Engineering | Environmental
Prepared for
Pragma Designer Homes Ltd
(247-269 Horsham Downs Road)
OVERALL STAGE PROPOSAL OF
Lot 4 DPS 15464, Pt Lot 5 DPS 15464,
& Sec 22 SO 482900
1:2000
B19236
150
11

Commercial developments:



PRAGMA BUILD EASY

Sheet: Site Perspective	LAND USE DRAWINGS	Sheet: A703
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Scale: @ A3	Date: 19/03/2021	



PRAGMA BUILD EASY

Sheet: Apartments Exterior Perspective	LAND USE DRAWINGS	Sheet: A703
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Scale: @ A3	Date: 19/03/2021	


10-18 Shakespeare -Lot 5




247 Killarney Road


HORSHAM DOWNS ROAD
BORMAN ROAD
NORTH


Borman Village

PRAGMA PROPERTY GROUP

3 December 2021

Cliff Newton-Smith

Commercial and Relationship Manager

Strategic Development Unit

Development Group

Dear Cliff

As requested below is a summary of the land and density and number of apartments, and standalone houses which will benefit from the IAF Bid proposed for the second tranche.

Total Lots Planning for the Next 0 to 5 years						
Address	**Size - Standard Res**	**High Res**	**Lots**	**Serviced**	**% Mix**	**Affordable & Social Social Outcome**
235 Horsham Downs Road	**19291**		**50**	**N**	25%	12.5
225 Horsham Downs Road	**26711**		**100**	**N**	0%	**0**
247 Horsham Downs Road	**123980**		**250**	**N**	0%	0
215 Horsham Downs Road	**25257**		**84**	**N**	25%	21
201 Horsham Downs Road	**22589**		**60**	**N**	25%	15
Total	**217828**		**544**		**15%**	**12.5**

Total Lots Planning for the N	Type of Development	Developments Costs	Apartments	Stand Alone Houses	Duplexes
Address					
235 Horsham Downs Road	Residential	$ 7,500,000	30	10	10
225 Horsham Downs Road	Residential	$ 15,000,000	10	40	50
247 Horsham Downs Road	Residential	$ 37,500,000	65	90	95
215 Horsham Downs Road	Residential	$ 12,600,000	24	20	40
201 Horsham Downs Road	Residential	$ 9,000,000	15	15	30
Total		**$ 81,600,000**	**144**	**175**	**225**

Regards

Amardeep Singh

Group Financial Controller

021-711-225

amardeep.singh@pragma.co.nz



6 December 2021

Cliff Newton-Smith

Commercial and Relationship Manager

Strategic Development Unit

Development Group

Dear Cliff

We plan deliver total of 544 lots over the next 5 years, starting with 125 lots to be completed during 2022.

60% of the proposed lots will be affordable based on being within 90% of the average medium house price within the Hamilton City Boundary.

Developments completed in the area with the last 5 years in the area include:

- 126 Horsham Downs Road total of 60 Lots (2020/2021) so far and a further 120 are planned over 2022/2023.
- North Ridge total of 72 Lots 2019/2020.
- Borman Road Apartments and Duplex and freestanding houses total of 29 lots. 2020/2021
- Existing well advanced relationship held with Te Runanga https://terunanga.org.nz/, we deliver existing and new developments to help support their wrap around services. Total of 36 accommodation units delivered and further 42 units planned for 2022.
- The latest development that been completed December 2021, is a 10-bedroom managed care facility for elderly Māori for the age bracket 55+. This project had the involvement of Te Runanga from the design to final delivery to ensure scope of works met their specific needs.
- The next major planned project is 51a Rifle Range Road which will cater a wellness centre specifically to accommodate elderly Māori for the age bracket 55+, providing 42 accommodation rooms.

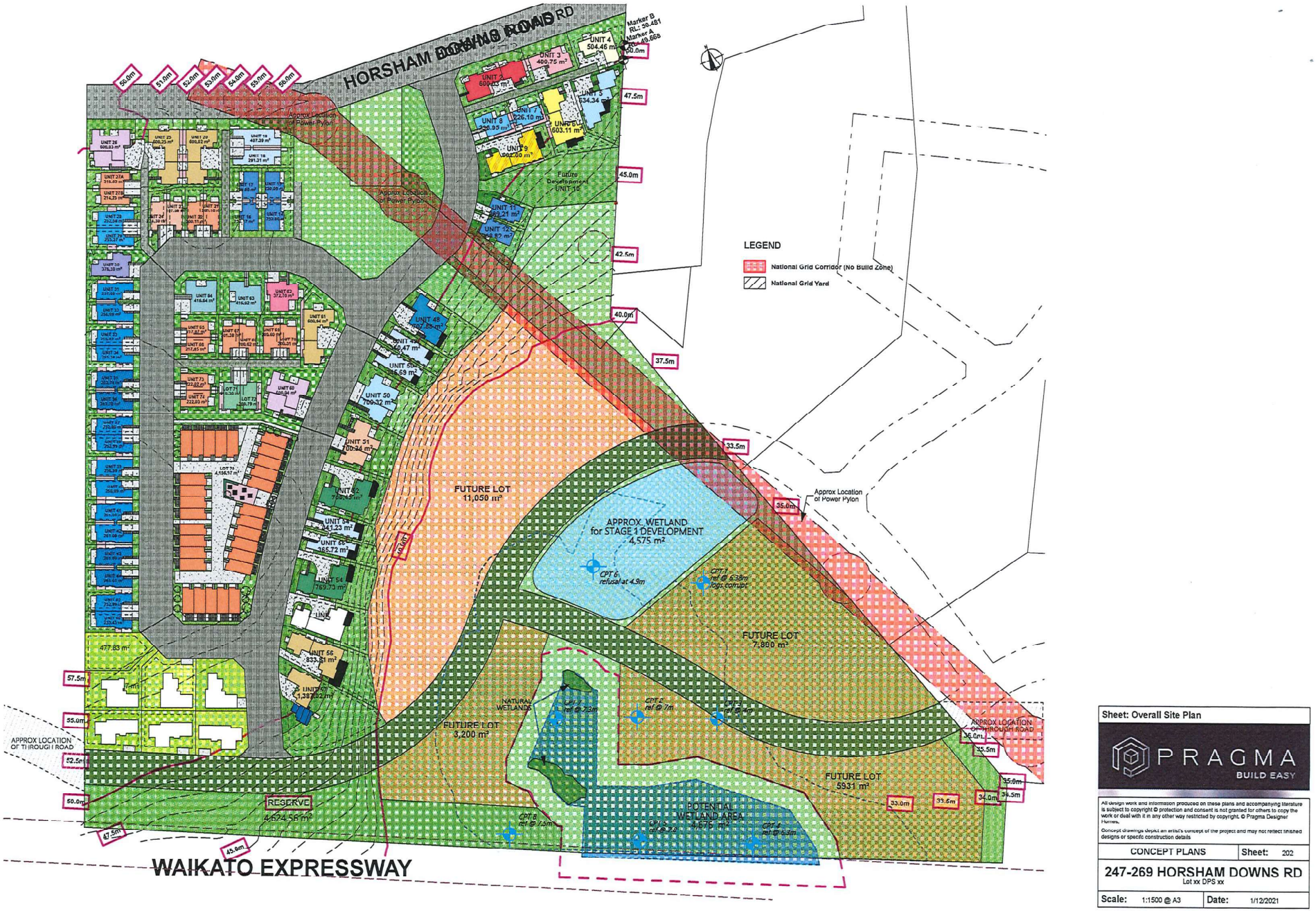
Regards

Amardeep Singh

Group Financial Controller

021-711-225

amardeep.singh@pragma.co.nz



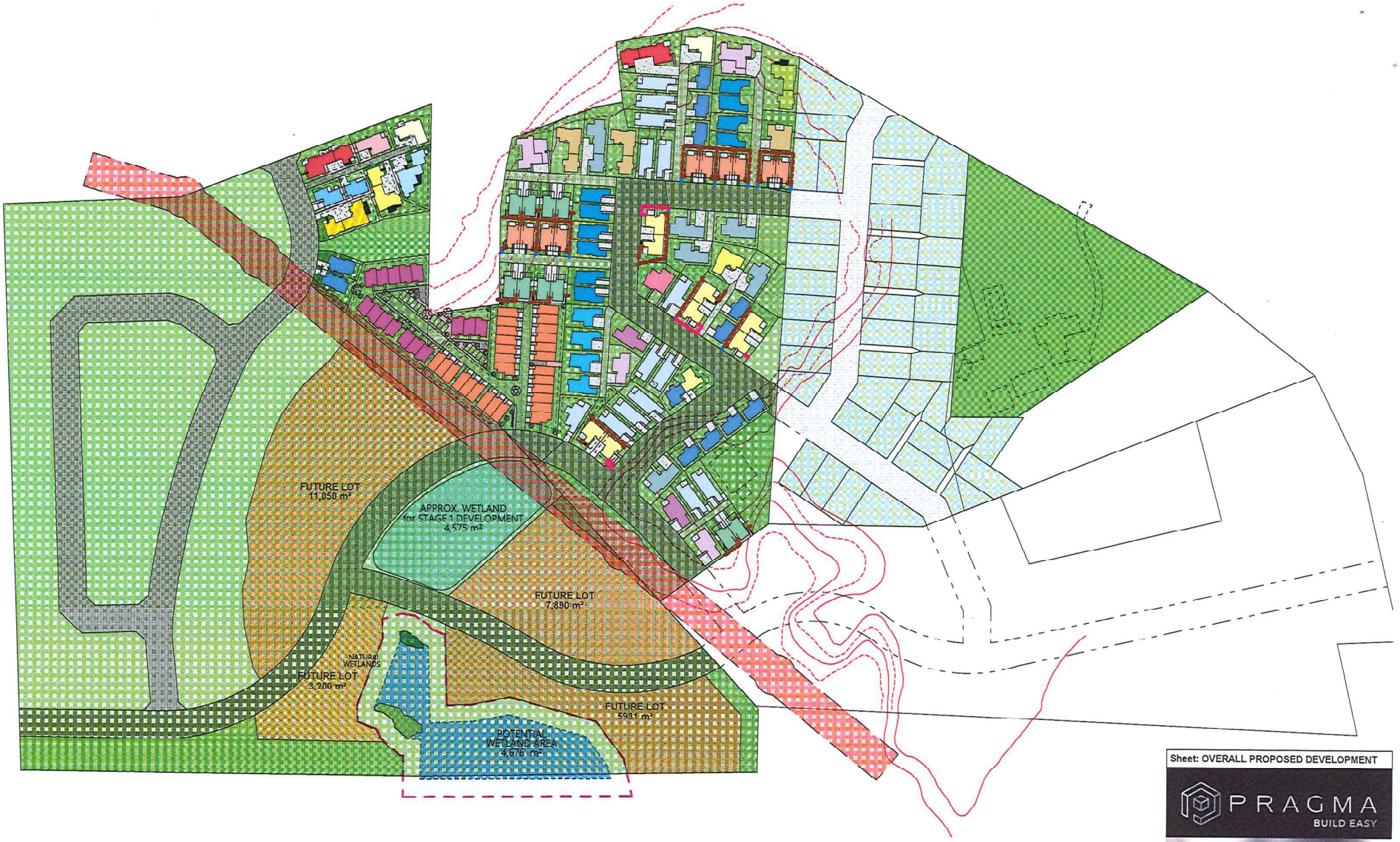
Sheet: Overall Site Plan

PRAGMA
BUILD EASY

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Concept drawings depict an artist's concept of the project and may not reflect finished designs or specific construction details

CONCEPT PLANS	Sheet: 202
247-269 HORSHAM DOWNS RD Lot xx DPS xx	
Scale: 1:1500 @ A3	Date: 1/12/2021


FUTURE LOT
11,050 m²
APPROX. WETLAND
for STAGE 1 DEVELOPMENT
4,575 m²
FUTURE LOT
7,890 m²
NATURAL
WETLANDS
FUTURE LOT
3,200 m²
FUTURE LOT
5931 m²
POTENTIAL
WETLAND AREA
4,676 m²
Sheet: OVERALL PROPOSED DEVELOPMENT
PRAGMA
BUILD EASY
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Concept drawings depict an artist's concept of the project and may not reflect finished designs or specific construction details
CONCEPT PLANS
Sheet: 203
225-235 HORSHAM DOWNS RD
Lot xx DPS xx
Scale: 1:2000 @ A3
Date: 1/12/2021

KIRKDALE INVESTMENTS LIMITED

P O Box 12064, Chartwell, Hamilton 3248
Phone 07 853 2331 Mobile 027 419 1122

16 August 2021

TO WHOM IT MAY CONCERN

Re: Infrastructure Acceleration Fund Expression of Interest Rototuna North, Hamilton

Kirkdale Investments Limited is a land development company that has operated for many years predominantly in the Rototuna North area. We specialise in developing sections that we release to our building partners of which GJ Gardener Homes, Sentinel Homes, Signature Homes, Generation Homes and Mike Greer Homes are our main five partners. We have a very tight working relationship with these companies and will continue to work with them into the future. Our ongoing relationship has allowed us to control the quality of the housing and as such there is a massive demand for our product.

Over the last two years, we have developed and released 85 general sections with another 23 due to be released over the next few months. We have also started a medium density development with 120 lots that will be released in early 2022.

As well as the residential component Kirkdale has developed and leased a commercial block in Rototuna and have several other commercial developments on the go.

Kirkdale is very supportive of the bid to fund the construction of Borman Road which will enable us to release an additional 100 lots of medium density housing to the south of Borman Road as well as 30 general sections/ houses along Borman Road itself.

Without the funding for the road, it is unlikely that these proposed lots (dwellings) will be available in the foreseeable future given that the city does not have the funding in the near future for the construction of Borman Road and is relying on a Waka Kotahi subsidy to enable the project.

We understand that the Waka Kotahi funding is certainly not guaranteed so the inclusion of the funding from the Housing Acceleration Fund in case the Waka Kotahi bid fails, is essential for the construction of Borman Road.

We have enjoyed a long-term relationship with Hamilton City Council and continue to work along-side them to develop housing and a community that we can be proud of.

Yours faithfully
Kirkdale Investments Limited

Nicholas Kimpton
Director

KIRKDALE INVESTMENTS LIMITED

P O Box 12064, Chartwell, Hamilton 3248
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30th November 2021

Cliff Newton-Smith
Hamilton City Council
Private Bag
Hamilton

Dear Cliff

We confirm that on the completion of Borman Road, the lots adjacent to Borman Road will be completed and available on the market as soon as practical. The southern side of Borman Road will also be schemed and developed within a few years, subject to economic viability.

Yours faithfully
Kirkdale Investments Limited

Michael Kimpton
Director

Hamilton City Council
Te kaunihera o Kirikiriroa

IAF Capital Cost Inflation Assumptions

Important note: *Detailed breakdowns in the Request for Proposal document* ***do not represent the requested IAF funding and are in uninflated 2021 NZ dollars****. HCC's requested IAF funding is the inflated figures set out in this note.*

1.0 Total IAF funding sought for Rototuna North

(per Part A of the RFP response form)

Part A 3. IAF Funding sought (inflated): $20,839,829

5. Timing when IAF funding is expected to be drawn:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031 -
Amount **($'000)**	487	12,582	7,771								

2.0 Summary

This note summarises recent trends and potential future influences on construction costs and sets out inflation rates used for Infrastructure Acceleration Fund (IAF) infrastructure cost forecasting.

The final IAF funding amount needs to allow for an appropriate level of inflation. HCC's IAF inflated costs are based on the current HCC 2021-31 LTP rates of 2.8% - 3.3% forecast by BERL plus an escalation allowance of approximately 1.5% annually over the first five years for increased input costs, reduced efficiencies from supply chain disruption and expected construction market resource shortages.

The inflated costs therefore allow for 4.5% inflation annually over five years to 2025/26. The increase over the current HCC 2021-31 LTP rates forecast by BERL accumulates an additional 8-10%.

These assumptions are for the purposes of compiling Requests for Proposal documents to the IAF only, have not been adopted by Elected Members and do not represent an official HCC view on inflation.

3.0 Background

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide inflation forecasts for the period of HCC's 2021-2031 LTP. The capital expenditure inflation forecast has included a higher inflation rate in its budget, based on BERL's faster rebuild scenario. This recognised the higher costs associated with expected high demand for contractors.

Waka Kotahi typically assumes 3% escalation. Waka Kotahi publishes cost fluctuation indices to facilitate contract price adjustment. Construction inflation appears to trend higher than CPI.

The June 2021 annual inflation rate was 3.3% (StatsNZ). The Reserve Bank of New Zealand expect more persistent consumer price inflation pressure to build over time due to rising domestic capacity pressures and growing labour shortages

The Waka Kotahi construction index[1] show an increase of around 3.5% over nine months from June 2020 (mid Covid) to March 2021, which is higher than the BERL forecast of 3.3% for 21/22.

The Waikato River Bridge (currently under construction in Peacocke) included cost fluctuation because of its duration and to ensure that tender prices were not inflated to allow for risks such as associated with Covid outside of contractors' control. The weightings used for the bridge contract fluctuation calculation are similar to the Waka Kotahi weightings for construction excluding structures and have resulted in cost fluctuation

[1] https://www.nzta.govt.nz/resources/procurement-manual/procurement-tools/

payment to date of around 3.5% over the first year. The average over the previous five years was around 1.5%.

Price increases are one factor reflecting the increase in demand and supply being disrupted or slow to catch up. Other factors likely to have an effect but slower to feature will be legislated increases in minimum wages and holiday allowances, skill shortages affecting labour costs and higher time-risk pricing to allow for supply chain disruption.

Other observations based on industry knowledge or anecdotal discussions with contractors and include:

- WEL Networks lead time for high voltage cable supply jumped from around 6 – 17 weeks, resulting in reprogramming and temporary diversions. On top of already long utility design lead times because of pressure on existing utility staff, this means changes are very high risk.
- High demand for sheet piles necessary for deep trenching and excavations leading to potential delays (not realised) but higher temporary works costs.
- A supply chain investigation[2] by Waka Kotahi indicated that aggregate materials were most at risk with concerns raised about the capacity of quarries. Recent data for construction aggregates shows a 5% increase in aggregate costs from last year.
- A shortage of timber piles has meant lead times around 16 weeks or more compared to two to four weeks previously. Depending on whether the delay is assessed as being foreseeable this could mean significant costs in claims or workaround solutions/substitutes.
- N4 tenderers' electrical suppliers had suppliers refusing to hold prices for copper wire for more than seven days.

4.0 Approach taken for this Request for Proposal

To allow inflation of 4.5% annually for five years of the IAF inflated estimates (approximately 1.5% over BERL forecasts) as summarised below (June year ending):

Table 1: IAF Capital Inflation Rates compared to HCC 2021-31 Inflation Rates[3]

Year (FY)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2021-31 LTP Capital Inflation	3.3%	3.0%	3.0%	3.0%	3.0%	2.8%	3.0%	3.0%	3.0%	2.8%
LTP Cumulative	3.3%	6.4%	9.6%	12.9%	16.3%	19.5%	23.1%	26.8%	30.6%	34.3%
IAF Capital Inflation	**4.8%**	**4.5%**	**4.5%**	**4.5%**	**4.5%**	**2.8%**	**3.0%**	**3.0%**	**3.0%**	**2.8%**
IAF Cumulative	4.8%	9.5%	14.4%	19.6%	25.0%	28.5%	32.3%	36.3%	40.4%	44.3%
Cumulative Increase over LTP	1.5%	3.1%	4.9%	6.7%	8.7%	9.0%	9.2%	9.5%	9.8%	10.1%

[2] https://www.nzta.govt.nz/assets/resources/supply-chain-survey-findings-report/waka-kotahi-supply-chain-survey-findings-report-abridged-version-202004.pdf

[3] https://www.hamilton.govt.nz/our-council/10-year-plan/Documents/2021-31%20Long-Term%20Plan%20Volume%201%20FINAL%20for%20web.pdf page 96, 97

Transforming Aotearoa New Zealand's resource management system

Our future resource management system

Materials for discussion

Te pūnaha whakahaere rauemi o anamata

Kaupapa kōrero



Flourishing environment, thriving communities | Ka ora te Taiao, ka ora Tātou

Te Kāwanatanga o Aotearoa
New Zealand Government

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Contents

Message from the Minister 5

Purpose of this document 6

Part one: Resource management reform context 8

- Resource management reform to date 9
- Resource Management Review Panel 9
- Three new Acts 10
- Objectives for the reform 10
- Select committee inquiry 11
- Other engagement on the reform 11
- How feedback will inform decision-making 12
- Timelines for introduction 13
- Upholding Te Tiriti partnerships 14
- Working with local government 15
- Implementing the NBA and SPA 15
- How resource management reform relates to other Acts and government work 16
- Freshwater Māori rights and interests 16
- Three Waters reform 16
- Review into the future for local government 17

Part two: Components of the future resource management system 18

- How the future system will work 19
- Strategic Planning Act 19
- Natural and Built Environments Act 20

Main components of the future resource management system and how they fit together 22

National planning framework 23

Regional spatial strategies 24

NBA plans 26

How the NPF, RSS and NBA will work together 28

RSS and NBA joint committees 28

Consenting 30

Compliance, monitoring and enforcement 31

Monitoring and system oversight 32

Roles and responsibilities **34**

Role of local government in the future system 34

Diagram of local government role in the future system 36

Role of hapū/iwi/Māori in the future system 37

Diagram of hapū/iwi/Māori role in the future system 41

Role of central government in the future system 42

Funding in the future system 42

Next steps 43

Appendix 1: List of resource management reform questions for discussion 44

Appendix 2: Summary of hapū/iwi/Māori feedback 46

Appendix 3: Summary of local government feedback 48

Appendix 4: Glossary of terms 50

Appendix 5: Resource management reform key documents 51

Message from the Minister
He kōrero nā te Minita

Over the past year, the Government has been delivering on its promise to build a new resource management system for Aotearoa New Zealand: a system that provides better outcomes for our natural and built environments.

There is broad consensus that the Resource Management Act 1991 (RMA) is not working as was intended. It takes too long, and costs too much. It has not adequately protected the natural environment, nor enabled housing or infrastructure development where needed. There is an urgent need to address these issues and create a system that protects and provides for the wellbeing of current and future generations.

The Government is aiming to replace the RMA with a Natural and Built Environments Act (NBA) and a Strategic Planning Act (SPA) within this parliamentary term. A select committee inquiry recently reported its findings on an exposure draft of key parts of the Natural and Built Environments Bill. The Government is now considering the findings.

In the meantime, we would like to have a discussion with you about our thinking on parts of the system not included in the exposure draft. As our partners and stakeholders, we want to hear your views and ideas on how the reform is shaping up.

Building on the engagement that has already occurred, and recognising the constraints posed by the COVID-19 pandemic, we are holding a series of forums and hui where we will share with you work on the remaining policy details of the NBA and the SPA. This includes initial policy decisions that have been made around the key components of the system and the roles and responsibilities within it.

Your feedback on this document is welcome until 28 February 2022. It will help shape the NBA and SPA, for which Bills will be introduced into Parliament later in 2022.

Hon David Parker
Minister for the Environment
November 2021

Purpose of this document
Te kiko o tēnei tuhinga

In February 2021, the Government announced it would reform the resource management system by replacing the Resource Management Act 1991 (RMA) with three new Acts: the Natural and Built Environments Act (NBA), the Strategic Planning Act (SPA) and the Climate Adaptation Act (CAA). This process is referred to as the resource management system reform (RM reform) in this document.

In carrying out the RM reform objectives (see page 10), the Government aims to:

- move from an effects-based system to an outcomes-based one that avoids harmful cumulative effects
- simplify and standardise processes and make them less costly
- provide more effective and consistent national direction
- substantially reduce the number of local government resource management (RM) plans
- reduce the need for consenting while ensuring environmental safeguards are still in place.

The RM reform continues to progress, and the Government is providing another opportunity to engage on the current proposals for the NBA and SPA before they are developed into full Bills.

This document supports targeted engagement with hapū/iwi/Māori, local government and other stakeholders. It deals mainly with initial decisions made on reform detail since the exposure draft was prepared.

The objectives of the engagement are to:

- provide an update for Māori, local government and sector stakeholders on where the Government is up to in the reform of the resource management system and on next steps in the reform
- present a fuller view of the main components of the system designed to date, including the role of Māori and local government within the future resource management system, from the national to the local level
- respond to and build on feedback received to date
- provide a general overview of RM reform to audiences who have a limited understanding or limited engagement to date, and support preparation for submissions on the full Bill to a select committee in 2022.

Together with submissions provided to the Environment Committee's inquiry on an exposure draft of a Bill for the NBA, feedback received on proposals in this document will inform Ministerial decisions that shape the NBA and SPA legislation that will be introduced into Parliament in 2022.

This document does not cover the CAA. Public consultation on the CAA is expected to take place in early 2022 alongside consultation on the National Adaptation Plan under the Climate Change Response Act 2002.

Structure of this document

Part one of this document provides an overview of the reform process.

Part two sets out where the Government has got to so far in the design of the future system. We have developed a series of questions to seek your views on this proposed system.

Part one:
Resource management reform context
Wāhanga Tuatahi: Te whakapapa kōrero o te rauemi whakahaere



Resource management reform to date

There is broad consensus that the current resource management system introduced by the Resource Management Act 1991 (RMA) has not adequately protected the natural environment, nor enabled housing or infrastructure development where needed. It has also been unable to provide hapū/iwi/Māori with an effective enough role in the system.

Challenges in the current system include:

- cumulative environmental effects not being well managed
- local government resource management plans restricting housing and infrastructure growth needed in response to population growth
- hapū/iwi/Māori entities needing to have a more effective role in the system that recognises the relationships under Te Tiriti o Waitangi (the Treaty of Waitangi)
- needing to urgently reduce carbon emissions and adapt to climate change
- the lack of integration across the system, resulting in inefficiencies, delay and costs.

Resource Management Review Panel

In 2019, the Government set up the Resource Management Review Panel (Randerson Panel) to review Aotearoa New Zealand's resource management system. This was an expert panel led by retired Court of Appeal Judge Hon Tony Randerson QC.

The Randerson Panel's report, New Directions for Resource Management in New Zealand, identified similar issues to those found in previous reviews of the resource management system including by the Productivity Commission in 2017[1], the Environmental Defence Society in 2019[2] and the Waitangi Tribunal from 1993–2020[3].

1 Better urban planning: Final report.

2 Reform of the Resource Management System, the next generation, the synthesis report.

3 Extracts from Waitangi Tribunal commentary, findings and recommendations on the Resource Management Act 1991, Ministry for the Environment.

Three new Acts

In February 2021, the Government announced it would repeal the RMA and – based on the recommendations of the Randerson Panel – replace it with three new Acts:

- Natural and Built Environments Act (NBA), to protect and restore the environment while better enabling development, as the primary replacement for the RMA
- Strategic Planning Act (SPA), to help coordinate and integrate decisions made under relevant legislation by requiring the development of long-term regional spatial strategies (RSSs)
- Climate Adaptation Act (CAA), to address complex issues associated with managed retreat and funding and financing adaptation.

Objectives for the reform

The Government set objectives for the future resource management system. These are to:

- protect and, where necessary, restore the natural environment, including its capacity to provide for the wellbeing of present and future generations
- better enable development within environmental biophysical limits, including a significant improvement in housing supply, affordability and choice, and timely provision of appropriate infrastructure, including social infrastructure
- give effect to the principles of Te Tiriti o Waitangi to provide greater recognition of te ao Māori, including mātauranga Māori
- better prepare for adapting to climate change and risks from natural hazards as well as mitigating the emissions that contribute to climate change
- improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input.

Select committee inquiry

In July 2021, the Government referred an exposure draft of a Bill for the NBA to Parliament's Environment Committee. The inquiry conducted by this select committee allowed the public to get an early look at the main aspects of the proposed legislation. The Environment Committee provided its report to Parliament on 1 November 2021, and the Government is now considering it.

Many written and oral submissions were made on the exposure draft, with responses coming from hapū/iwi/Māori, local government, key stakeholders and the public.

The exposure draft provided for a range of environmental outcomes. In its report, the Select Committee summarised these as relating to the natural environment, cultural values, climate change and natural hazards, and well-functioning urban and rural areas.

The report also provided a list of ideas for making the resource management system efficient, proportionate, affordable and less complex.

Other engagement on the reform

Engagement on the reform began with the Randerson Panel, which conducted public consultation on issues and options for reform in 2019 and 2020. In 2021, the select committee inquiry considered public submissions. Other engagement is outlined below.

Engagement with hapū/iwi/Māori

The Ministry for the Environment has undertaken ongoing regular engagement with two Māori collective leadership groups, and their technical experts over the past year.

These two groups are:

- Freshwater Iwi Leaders Group and Te Wai Māori Trust
- New Zealand Māori Council, Federation of Māori Authorities (FOMA), and Kāhui Wai Māori (KWM), known as Te Tai Kaha (TTK)

While past feedback has informed the policy proposals in this document, it should not be assumed that those engaged with necessarily agree with the proposals.

The Minister for the Environment, Hon David Parker, and Associate Minister for the Environment, Hon Kiritapu Allan, have met regularly with these two groups.

MfE has engaged with Post Settlement Governance Entities (PSGEs) since March 2021, to discuss how their settlement arrangements will be carried over into the future system. This is a separate engagement process that will continue right through to the introduction of the legislation, while past feedback has informed the policy proposals.

Two rounds of regional hui with hapū/iwi/Māori, led by Minister Allan, were held in March–April and July 2021.

Local government

MfE's engagement with local government has included:

- regular engagement through a local government chief executives forum
- engagement with selected council technical experts to test policy options
- engagement with specific councils, including Auckland Council for its experience in developing the Auckland Unitary Plan and Auckland 2050 spatial plan
- meetings with Local Government New Zealand (LGNZ) sector groups (metropolitan, regional and rural and provincial groups)
- engagement with the newly established Local Government Steering Group.

The Minister for the Environment has also met with LGNZ sector groups and the Local Government Steering Group to provide updates on the RM reform and respond to questions.

How feedback will inform decision-making

A Ministerial Oversight Group has been delegated decision-making authority by Cabinet to work through the policy details needed to progress the legislation required to reform the system.[4] The reforms are based on the recommendations of the Randerson Panel.

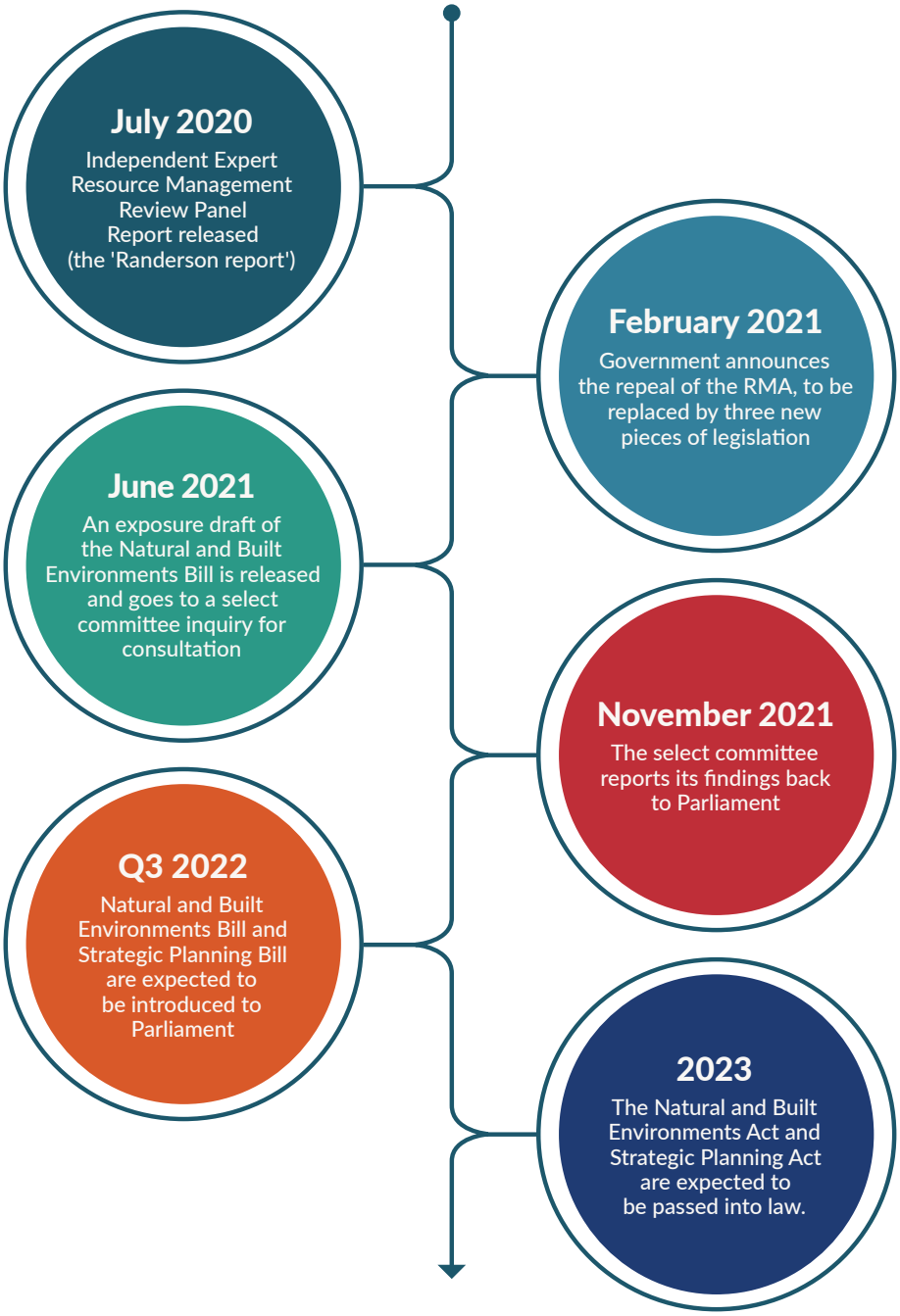
This document includes policy proposals where Ministers have made initial decisions on matters beyond the scope of the NBA exposure draft. It also provides further policy proposals for testing before advice is finalised. Feedback received through this engagement process will inform Ministerial decisions that shape the NBA and SPA legislation, while past feedback has informed the policy proposals.

4 The Ministerial Oversight Group comprises the Ministers of and for Finance (Chair), Environment (Deputy Chair), Māori Crown Relations: Te Arawhiti, Housing, Local Government, Building and Construction, Agriculture, Māori Development, Transport, Conservation, Associate Environment and Associate Arts, Culture and Heritage Hon Kiritapu Allan, and Associate Environment Hon Phil Twyford, and Climate Change.

Timelines for introduction

Both the NBA and the SPA will be introduced to Parliament in 2022. A standard legislative and select committee process will follow, with the aim of the NBA and SPA being passed into law this parliamentary term. The CAA is expected to be introduced to Parliament in mid-2023.

More details on indicative timelines are provided below.



Upholding Te Tiriti settlements

Treaty settlements have led to many resource management arrangements that recognise the unique relationships between tangata whenua and te taiao (the environment).

The RMA interfaces with over 70 Treaty settlement arrangements. Engagement with settlement PSGEs will ensure that reform avoids unintended consequences for, and upholds the integrity of, Treaty settlements. As already noted, engagement with PSGEs on these matters has begun.

The Government is committed to carrying over existing Treaty settlement arrangements into the NBA and SPA. Doing this will protect the existing influence that PSGEs have on RM processes while ensuring the agreements providing for such influence are not themselves relitigated.

Engagement with relevant entities will also ensure the upholding of:

- natural resource arrangements agreed by hapū/iwi/Māori entities and local government under existing provisions of the RMA
- rights recognised under the Marine and Coastal Area (Takutai Moana) Act 2011 and Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 (takutai moana legislation).

Takutai moana rights

Takutai moana groups who have, or are seeking, recognition of customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011 will be invited to engage in regional hui and other processes. In recognition of customary interests in the common marine and coastal area, takutai moana legislation includes significant resource management rights for hapū/iwi/Māori.

The Crown is committed to upholding these rights in the reform. There are nearly 600 applications for recognition of customary interests, which collectively cover the entire coastline of Aotearoa from the wet part of the beach out to 12 nautical miles (the edge of the territorial sea). Some of the applications have already been determined, with customary marine title or protected customary rights recognised by the Government.

The resource management rights of takutai moana groups include:

- the right to give or decline permission for certain resource consents
- the ability to prepare a planning document that influences regional planning
- the right to carry out protected customary activities without a resource consent (eg, tauranga waka, using wai for rongoā)
- the right to be notified of certain resource consent applications.

Engagement through regional hui with takutai moana applicants and rights holders will inform upcoming decisions on how the rights will be effectively transitioned to the future system.

Working with local government

Engagement with local government was enhanced in September 2021 with the establishment of the Local Government Steering Group to advise the Government on the RM reforms.

The Group comprises local government elected members and senior council executives.

MfE worked with LGNZ and Taituarā – Local Government Professionals Aotearoa to ensure the Group's members are reflective of the range of New Zealand's councils, including territorial, regional and unitary councils from metropolitan, provincial and rural areas.

Implementing the NBA and SPA

Ensuring an effective implementation of the future system, and smooth transition to it, is critical to achieving the objectives of the reform.

Transition pathways are being developed to identify options for how best to transition key components of the RMA (eg, national direction, plans and consents) into the future system. The transition pathways will need to recognise the capability and capacity of people to participate effectively in the delivery of the future system and achieve the objectives of the reform.

A 'model project' will be developed to support, test and demonstrate the implementation of the future system. The first phase of this project will be the testing of the new system through the development of plan prototypes. Following this, the Government intends to work with a selected region to prepare a model RSS and an NBA plan to test the implementation of the system and provide learnings to other regions. Expressions of interest will be sought from regions to participate in the model project.

A culture, capacity and capability work programme will promote, support and respond to the needs of the future system, identifying new skills and capabilities and the nature of system culture change required.

A digital transformation work programme recognises that technology is integral to the future system to improve efficiency and to enable hapū/iwi/Māori and others to participate more fully in the system. This work will explore the role central government

and/or regions could have in the provision and support of digital technologies.

How resource management reform relates to other Acts and government work

The RMA interacts with a range of other legislation, including the Local Government Act 2002, Land Transport Management Act 2003, Conservation Act 1987 and Building Act 2004.

Substantive changes to these Acts are not proposed as part of this reform. However, minor changes may be made to ensure they work with the NBA and SPA.

Freshwater Māori rights and interests

An objective of the RM reforms is to give effect to the principles of Te Tiriti o Waitangi and provide greater recognition of te ao Māori, including mātauranga Māori.

The Government has committed to working to achieve efficient and fair allocation of freshwater resources, having regard to all interests, including Māori and existing and potential new users.

The Government provided an assurance that the exposure draft of the NBA would not preclude any potential options for addressing Māori freshwater rights and interests and their consideration as part of ongoing discussions with hapū/iwi/Māori. This will continue to be the case in the current engagement process.

Three Waters reform

The Three Waters reform is focused on improving the regulatory and service delivery arrangements for three waters infrastructure (drinking water, wastewater and stormwater). The new multiregional water service entities will need to operate within the resource management system.

Three Waters reform relates to the delivery of drinking water, wastewater and stormwater services. RM reform relates to protecting and restoring the environment while better enabling development.

Officials are working together to ensure the new water entities:

- give effect to existing and future environmental regulation to improve the environmental performance of three waters systems
- enable housing and urban development and support an integrated approach to land use and infrastructure planning, with the expectation that the entities will provide technical support for the development of the new long-term RSSs, which are discussed from page 24.

Both reform programmes are looking at how to address water as a taonga of particular significance and importance to Māori, and the Crown's duty to protect Māori rights and interests under Te Tiriti. Both recognise the intergenerational importance of health and wellbeing. The new water entities will be required to respond to Te Mana o Te Wai, as expressed in the National Policy Statement for Freshwater Management 2020, made under the RMA.

Review into the future for local government

Local government will play an important role in implementing the NBA and SPA. The role of local government in the future will therefore affect how the future resource management system will operate.

In April 2021, the Minister of Local Government established the Review into the Future for Local Government. The review provides local government with an opportunity to comment on how New Zealand's system of local democracy needs to evolve to improve the wellbeing of our communities and environment, actively embody Te Tiriti partnership, and be fit for the future.

The local government review will help to identify what local government does, how it does it, and how it pays for it. The review panel published its interim report in October 2021 (see appendix 5).

The prospective outcomes of RM reform are flexible enough to not limit the outcomes of the review.



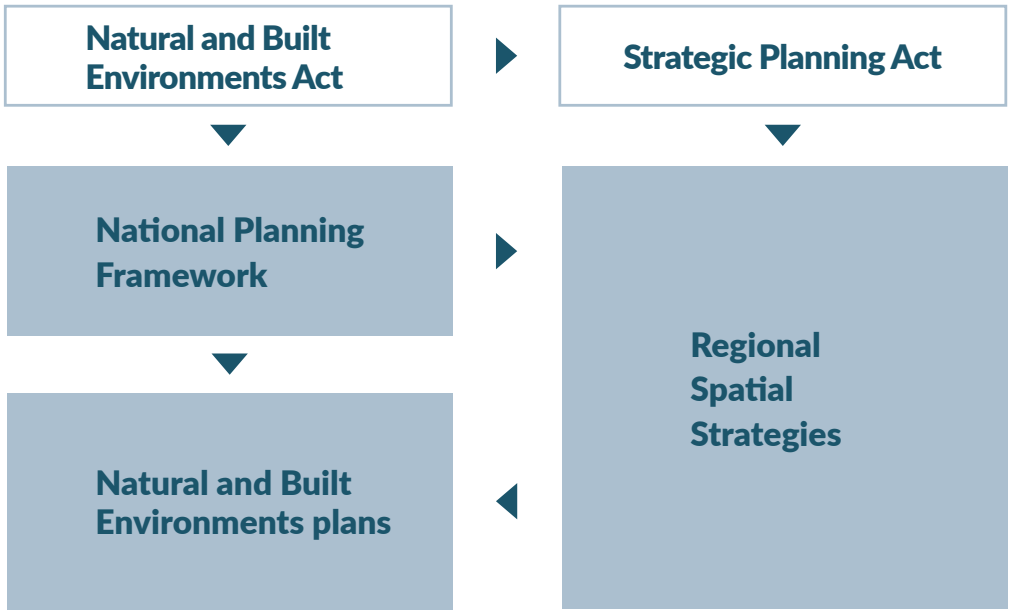
Part two:

Components of the future resource management system

Wāhanga Tuarua: Ngā waehanga matua o te pūnaha whakahaere rauemi o anamata



How the future system will work



Strategic Planning Act

The SPA will integrate with the NBA and other legislation relevant to land, urban development, and the coastal marine area. The SPA will provide strategic direction by requiring the creation of long-term RSSs. These will identify areas that are:

- suitable for development
- need to be protected
- require infrastructure
- vulnerable to climate change effects and natural hazards.

RSSs will integrate with other relevant documents like NBA plans and the National Planning Framework (NPF).

One regional spatial strategy will be developed for each region, with flexibility to address issues within and across regions. The strategy will be prepared by a joint committee comprising representatives from hapū/iwi/Māori, local and central government. RSSs would integrate with other relevant documents like NBA plans and the NPF.

Other significant legislation that the SPA will integrate includes the Local Government Act 2002, Land Transport Management Act 2003 and Climate Change Response Act 2002. These other Acts are important parts of the resource management system, and substantive changes to them are not proposed as part of this reform.

Natural and Built Environments Act

The NBA will be an integrated statute for land use and environmental protection that works in tandem with the SPA. As the primary replacement for the RMA, it will set out how the environment is to be protected and enhanced and will promote positive outcomes for natural and built environments.

Achieving positive outcomes and strengthening limits

A criticism of the RMA is that it focuses too much on managing adverse effects on the environment and not enough on promoting more positive outcomes across all aspects of wellbeing. The NBA will specify outcomes that decision-makers will be required to promote for natural and built environments. Outcomes will also guide RSSs under the SPA.

The NBA will include a mandatory requirement for the Minister for the Environment to set environmental limits for aspects of the natural environment, to protect its ecological integrity and human health.

These limits will be framed as a minimum acceptable state of an aspect of the environment, or a maximum amount of harm that can be caused to that state. Timing and transitional arrangements will be taken into account in setting limits.

Managing environmental effects

The NBA will carry over the RMA's requirement to 'avoid, remedy or mitigate' adverse effects of activities on the environment. This will ensure a management framework exists for all adverse effects, including those not covered by limits or outcomes.

The NBA will also ensure that measures to avoid, remedy or mitigate effects do not place unreasonable costs on development and resource use. Although the NBA will intentionally curtail subjective amenity values, this will not be at the expense of quality urban design, including appropriate urban tree cover.

Te Tiriti o Waitangi and te ao Māori in the system

The NBA will also improve recognition of te ao Māori and Te Tiriti o Waitangi.

This includes reference in the Act's purpose to Te Oranga o te Taiao, a concept intended to encapsulate the intergenerational importance of the health and wellbeing of the natural environment.

As set out in the exposure draft for the NBA, decision-makers would be required 'to give effect to' the principles of Te Tiriti, replacing the current RMA requirement to 'take into account' those principles.

Providing clear national direction

The NPF will provide strategic and regulatory direction from central government. The NPF will play a critical strategic role, setting limits and outcomes for natural and built environments, as well as ways to enhance the wellbeing of present and future generations.

NBA plans

As recommended by the Randerson Panel, one NBA plan will be developed for each region. The plan will be prepared by a joint committee comprising representatives from hapū/iwi/Māori, local government, and potentially a representative appointed by the Minister of Conservation.

NBA plans are intended to bring efficiencies into the system by providing consistency across a region and more effectively implementing the NPF.

The process for developing NBA plans is largely informed by the model used to develop the Auckland Unitary Plan and aims to incentivise all participants to engage early with the best information available. An independent hearings panel would hear submissions and make recommendations to the decision-makers.

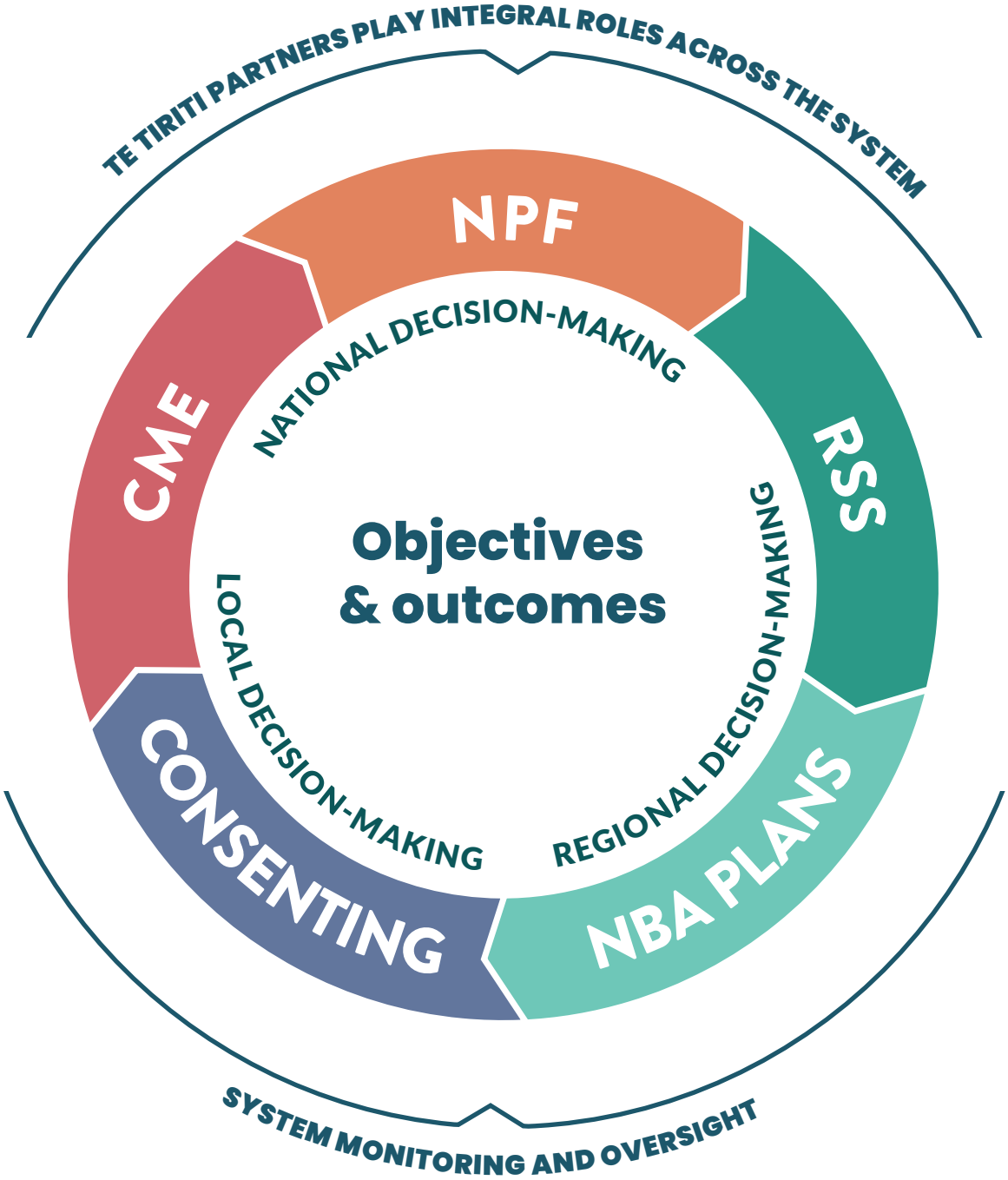
Consenting

Consent activity classes and notification rules will be standardised, with key requirements set out in NBA plans rather than assessed on a case-by-case basis. This will increase certainty and efficiency and drive a reduction in the volume of resource consents.

Compliance, monitoring and enforcement

A broader range of tools will be available to support effective compliance, monitoring and enforcement.

Main components of the future resource management system and how they fit together



NPF: National Planning Framework / **RSS:** Regional Spatial Strategies (RSS)
NBA: Natural and Built Environments plans / **CME:** Compliance Monitoring and Enforcement

National planning framework

Central government will issue an NPF under the NBA that provides a set of mandatory national policies and standards. These will include natural environmental outcomes, limits and targets.

The NPF will also provide direction on resource management matters that must be consistent throughout the system. This may include methods, standards and guidance to support regional spatial strategy development. The NPF will also consolidate existing national direction. It will play a role in resolving conflicts between outcomes in the system.

The NPF will provide strategic and regulatory direction from central government. The NPF is important for ensuring the future resource management system will be more efficient.

Detailed decisions on the process for developing the NPF are still to be made. The policy intent includes effective public consultation, a role for Māori that gives effect to the principles of Te Tiriti, and independent advice to inform decision-making.

Scope of the NPF

The exposure draft stated that the NPF must cover areas like air quality, freshwater, indigenous vegetation, greenhouse gasses, housing supply and infrastructure.

The NPF is expected to:

- contain environmental limits, targets and other provisions, such as methods and rules to direct and guide anyone exercising functions and powers under the Act.
- help in resolving conflicts that are the most appropriate to resolve at the national level
- provide direction on resource management matters that benefit from consistency throughout the system
- provide direction on plan-making
- include standards for common construction and development activities (eg, erosion and sediment control and noise and vibration).

Development of NPF

The Randerson Panel recommended a board of inquiry process for the preparation and review of national direction, with an alternative process for less substantive changes.

The process to develop the NPF must be transparent and allow for flexibility, to ensure its development is proportionate to the scope of the direction. The process must allow for expertise, including mātauranga Māori, to inform decision-making.

The Randerson Panel also recommended that national direction should only be prepared by the Minister for the Environment (with the Minister of Conservation where currently involved under the RMA), to ensure the integrity and cohesion of national direction and the outcomes they seek to achieve are not undermined. It is proposed that the Minister for the Environment would make final decisions (with the Minister for Conservation where appropriate).

Review of NPF

The Randerson Panel recommended that national direction should be reviewed at least every nine years. No decisions have yet been made on this matter.

WHAT DO YOU THINK?

What role does the national planning framework (NPF) need to play to resolve conflicts that currently play out through consenting?

How would we promote efficiency in the Board of Inquiry process while still ensuring its transparency and robustness?

How often should the NPF be reviewed, bearing in mind the relationships between the NPF, regional spatial strategies and Natural and Built Environments Act plans?

Regional spatial strategies

RSSs will require multiple groups to work together to identify how the region will grow over the next 30 years. The RSSs will provide firm direction on integrating decisions on land use, urban development, infrastructure, environmental protection and climate change.

The RSSs will not be operative; rather they will guide NBA plans and coordinate investment from the public and private sector.

Developing RSSs will ensure key decisions and trade-offs could be identified and resolved at the regional level, reducing the need for these issues to be relitigated in NBA plans and individual consents.

RSSs will also help groups to identify areas of mutual benefit and potential conflict earlier on. This will allow interactions between outcomes to be managed in a more strategic way, for example, by designating areas for development or for protection.

Scope of RSSs

RSSs will need to uphold relevant Te Tiriti settlements and customary rights, and will:

- set long-term objectives for urban growth and land-use change
- help ensure development and infrastructure is provided in the right places and in a coordinated way
- help identify areas to be protected from inappropriate development or change, such as areas with highly productive soils, or significant natural areas
- support development capacity and infrastructure provision, including by identifying indicative future infrastructure corridors, or areas to improve housing supply, affordability and choice
- support climate change mitigation and adaptation, and natural hazard risk reduction.

Boundaries for RSS will be based on regional and unitary council boundaries, with provision to address cross-boundary issues. The approach for Te Tau Ihu (top of the South Island) is still under consideration and subject to further advice.

Development of RSSs

One RSS will be developed for each region by RSS joint committees comprising representatives from hapū/iwi/Māori, local and central government.

The exact membership of these committees is still under consideration, as discussed below. Bodies represented on RSS committees will have statutory duties and obligations, with agencies and public and private infrastructure providers providing the committees with technical support.

It is currently proposed that RSSs will be reviewed every nine years with full public engagement.

Provision could also be made for full or partial reviews within cycles, if necessary. The SPA will not prescribe a single process for public engagement on RSS development, allowing each committee to devise a process that will work for their region. The SPA would, however, require certain engagement outcomes to be achieved through the processes devised by each committee.

Review of RSSs

It is currently proposed that RSSs will be reviewed every nine years with full public engagement.

Implementing RSSs

RSSs will identify where infrastructure investment is required. To coordinate investment, the Randerson Panel recommended that project and site-level detail should be provided through separate implementation agreements.

Implementation agreements would allow central and local government, hapū/iwi/Māori, infrastructure providers and stakeholders to agree to advance more detailed project planning for certain infrastructure or environmental remediation projects. It would also allow them to begin business case processes and apportion funding responsibility across central and local government.

The extent to which implementation agreements should bind the delivery partners is still under consideration. A spectrum of options is available, including:

- self-enforcing through mutual obligation, supported by incentives and good relationships
- contracts enforceable through the courts
- legally binding with sanctions for non-compliance in the SPA.

WHAT DO YOU THINK?

To what degree should regional spatial strategies (RSSs) and implementation agreements drive resource management change and commit partners to deliver investment?

How can appropriate local issues be included in RSSs?

With regional and unitary council boundaries proposed for RSSs, how should cross-boundary issues be addressed?

NBA plans

As recommended by the Randerson Panel, one NBA plan will be developed for each region. The plan will be prepared by a joint committee comprising representatives from hapū/iwi/Māori, local government, and potentially a representative appointed by the Minister of Conservation.

Initial consideration has been given to several sub-regional NBA plans being developed, then incorporated into a regional NBA plan. This could allow regions with different communities to take a more nuanced approach to regional planning.

This would consolidate over 100 existing policy statements and plans across the system into around 14 plans (subject to decisions for Nelson/Marlborough/Tasman – Te Tau Ihu), simplifying and improving integration of the system.

Having one plan per region that covers resource use, allocation and land-use management is expected to better bring efficiencies into the system by integrating plan provisions and implementing the NPF.

NBA plans are a significant change to the system. It is important to check in on how they will work in practice and examine the implications for those that will be responsible for preparing and implementing these plans.

Development of NBA plans

The process for developing NBA plans varies from the way existing regional and district plans are made. An NBA plan process may involve:

- facilitating early and better public participation during policy development, ensuring all types of feedback received have weight throughout the plan development process
- providing an early and sustained role for hapū/iwi/Māori entities in the plan development process
- drawing in diverse community feedback on plans, and requiring those preparing the plan to seek a wide range of views, including from communities that have traditionally been hard to connect with
- providing for local place-making in the plan-development process. This could be through local plans, such as those developed under the Local Government Act 2002 (eg, town centre plans, local community plans) and structure plans
- ensuring a robust plan through use of an independent hearings panel
- appeals based on the model used for the Auckland Unitary Plan process, that is, rehearing of any independent hearings panel recommendations not accepted by the joint committee
- allowing local government and hapū/iwi/Māori entities to participate in the submissions and hearings phases of plan development.

Review of NBA plans

Work is under way to consider how often NBA plans would be reviewed.

A range of plan change approaches would be available to enable the process to be proportionate to the plan change sought. Private plan changes would be possible but restricted in scope and as to when they may occur.

WHAT DO YOU THINK?

Do you agree with the Randerson Panel's recommendation to have one combined Natural and Built Environments Act (NBA) plan per region?

Would there be merit in enabling sub-regional NBA plans that would be incorporated into an NBA plan?

What should the role of local authorities and their communities be to support local place-making and understanding of local issues in NBA plans?

Will the proposed plan-making process be more efficient and effectively deliver planning outcomes?

How the NPF, RSS and NBA will work together

RSSs and NBA plans are designed to give effect to the provisions of the NPF.

If there are conflicts between different directions or outcomes shaping an RSS that cannot be resolved through the spatial strategy process, it is proposed that the NPF direction will take priority.

RSSs will have sufficient legal weight on NBA plans to ensure that any significant strategic decisions made through the strategy are not revisited or relitigated when preparing NBA plans.

Local authority long-term plans, annual plans, infrastructure strategies and land transport plans would be required to take active steps towards the RSS, while having flexibility to consider timing and sequencing, and matters outside the resource management system as required by their respective legislation.

RSS and NBA joint committees

The Randerson Panel recommended that joint committees be established to develop and make decisions on RSS and NBA plans.

Joint committee composition

There will be one joint committee for NBA plans and another for RSS.

RSS joint committees will have representation from local government, hapū/iwi/Māori and central government.

NBA joint committees will have representation from local government and hapū/iwi/Māori. Consideration is also being given to the Randerson Panel's proposal for a representative of the Minister of Conservation.

Proposals for joint committees

Proposals for RSS and NBA joint committees align with the objective to improve system efficiency and effectiveness and reduce complexity.

A challenge in working this through is how to retain local democratic input where final plan-making decisions are held by a joint committee.

Proposals being considered include:

- RSS and NBA joint committees not requiring common membership across both committees (but regions may wish to)
- structure and composition of committees being determined on a region-by-region basis
- a preference (not requirement) for representation of all local authorities in the region on the committees
- joint committees being provided with full autonomy on final decisions, supported by feedback from local authorities and hapū/iwi/Māori
- joint committees establishing sub-committees to give effect to local voice where it does not conflict with NPF, RSS or Treaty partnership obligations
- the establishment of a secretariat to support the committees (ie, to prepare the regional spatial strategy and NBA plan). This would include how committees could draw staff and resources from existing local authorities in the region, and how technical and mātauranga Māori expertise is provided for
- subject to agreement by PSGEs, existing governance arrangements to be provided for through Te Tiriti partnership entities to uphold Treaty settlements, takutai moana rights and existing voluntary arrangements in the future system.

WHAT DO YOU THINK?

How could a joint committee model balance effective representation with efficiency of processes and decision-making?

How could a joint committee provide for local democratic input?

How could a joint committee ensure adequate representation of all local authority views and interests if not all local authorities are directly represented?

Are sufficient accountabilities included in the proposed new integrated regional approach to ensure the strategies and plans can be owned and implemented by local authorities?

How should joint committees be established?

Consenting

Resource consents are still expected be part of the future resource management system. The NPF and NBA plans will play an important role in consenting by:

- providing direction on where consents are needed and what activity definition (eg, controlled or discretionary) they will be
- providing direction on what level of notification will be required. This may include precluding involvement for some activities that have already been litigated through NBA plans
- permitting activities subject to conditions, to ensure environmental protections remain. Conditions could include development standards (eg, erosion and sediment control) and require third party approvals or certifications
- providing clear processes for decision-making on consents.

This is expected to create a more efficient consenting system, improve certainty for decision-makers, and reduce the number of consents required.

New activity definitions

The Randerson Panel recommended that the existing RMA resource consent types remain in the future system, that is, land use consent, subdivision consent, coastal permit, water permit and discharge permit. The Government agrees.

The Panel also recommended that the current list of activities categories remain, except for the non-complying category.

The Government is proposing to reduce the number of activities categories from six (in the RMA) to four (in the NBA). Although the terminology would be similar to that in the RMA, changes are proposed to the definitions of the categories and in associated legal requirements. The four categories are:

- **permitted:** activities where positive and adverse effects (including cumulative and those relevant to outcomes) are known. There will be a slight expansion in the scope of permitted activities[5]
- **controlled:** activities where potential positive and adverse effects (including cumulative and those relevant to outcomes) are generally known, but where tailored management of effects is required. There will be limited discretion to decline

5 A consent is not required if identified parties gave their written approval (similar to section 87BA of the RMA), or a suitable management plan is prepared by a suitably qualified person.

- **discretionary:** activities that are less appropriate, have effects that are less known (or go beyond boundaries), and activities that were unanticipated at the time of plan development. Councils will have a broad discretion to seek information and the ability to decline
- **prohibited:** activities do not meet outcomes and/or breach limits; no applications will be allowed.

Put simply, in terms of allowing a particular activity, these are yes (permitted), probably (controlled), maybe (discretionary) and no (prohibited).

Changes to the system could clarify and explicitly enable permitted activities to require a third-party certification, thus allowing a more proportional and efficient approach.

Potential examples are farm plans prepared by a suitably qualified professional, and a cultural values assessment prepared by an iwi within an area identified as having significant value to Māori.

WHAT DO YOU THINK?

Will the proposed future system be more certain and efficient for plan users and those requiring consents?

Compliance, monitoring and enforcement

The future resource management system must be supported by a robust and effective compliance, monitoring and enforcement (CME) regime.

Proposed changes to CME include:

- broadening the cost recovery provisions for CME in the NBA, allowing for costs to be recovered for compliance monitoring of permitted activities and investigations of non-compliant activities
- ensuring compliance and enforcement decision-making is independent and not subject to inappropriate influence or bias
- a substantial increase in financial penalties, broadening the range of offences subject to fines for commercial gain, and increasing the statute of limitations to 24 months
- prohibiting the use of insurance for prosecution and infringement fines
- allowing consent authorities to consider an applicant's compliance history in the consent process
- providing for alternative sanctions to traditional enforcement action and providing for new intervention tools, including enforceable undertakings and consent revocation.

Carrying out compliance, monitoring and enforcement

It is expected councils will continue to be responsible for the delivery of CME services, including decision-making about when to take enforcement action and what type of action to take.

The Randerson Panel recommended the establishment of CME regional hubs, which would be structurally separate to councils. Decisions on hubs and CME institutional arrangements are to be deferred for the time being.

WHAT DO YOU THINK?

Do you agree with the proposed changes to compliance, monitoring and enforcement provisions and tools?

How practical will the proposals be to implement?

Monitoring and system oversight

Monitoring and oversight is fundamental to the operation of the resource management system.

Monitoring

Monitoring provides information to help set environmental limits, track progress towards desired targets and outcomes, and let decision-makers know about the consequences of their actions.

The proposed approach to monitoring will include:

- a suite of tools in the NBA to direct monitoring
- consistent and regular local-level environmental monitoring and reporting
- enabling Māori to be involved in developing and undertaking monitoring and reporting activities
- clear connections between the NBA and national environmental reporting under the Environmental Reporting Act 2015
- stronger requirements for responsible bodies to investigate, evaluate and respond when this monitoring identifies problems that need to be addressed.

System oversight

System oversight ensures there is transparency and accountability for the performance of the system and the delivery of its objectives.

The following functions of system oversight are proposed to be reflected in the future system:

- stronger regulatory stewardship and operational oversight of the system by central government and other independent oversight bodies
- regular reporting to Parliament on the performance of the system, in relation to environmental limits, targets and outcomes of the NBA
- legislated requirements for central government to respond to national level reports on the state of the environment and system performance
- independent oversight of system and agency performance, to provide accountability and impartial analysis and advice
- mechanisms to monitor how the system gives effect to the principles of Te Tiriti
- a range of powers for ministers to intervene and direct the system.

Carrying out monitoring and oversight

It is expected councils will continue to be responsible for undertaking monitoring, with greater opportunities for Māori to be involved in monitoring activities.

Central government is expected to play a stronger role in providing oversight of the system alongside independent bodies such as the Parliamentary Commissioner for the Environment and the proposed national entity for enabling Māori involvement at the national level.

WHAT DO YOU THINK?

Will these proposals lead to more effective monitoring and oversight of the system?

Will the system be able to adequately respond and adapt to changing circumstances?

Roles and responsibilities

This section sets out the roles and responsibilities for the main decision-makers in the system:

- local government
- hapū/iwi/Māori
- central government.

Role of local government in the future system

Local authorities will have important roles in the future resource management system. We are seeking input from local government on ways to ensure community input and local voices in the system are preserved or improved, and on the type of relationship and interactions local authorities need with the RSS and NBA plan joint committees.

The proposed role of local government in the future system is outlined below. Note that this is subject to further decisions.

RSS and NBA plan development

Local authorities will:

- play an essential connecting role between local communities and RSS and NBA plan development. Local authorities will support effective community engagement processes to ensure RSS and NBA plans enable local place-making and will give effect to significant views through governance and decision-making arrangements
- contribute to RSS and NBA plan development, including through provision of information, resource and expertise. Involvement of councils through the secretariat will provide an avenue for council input into drafting
- provide local plans to inform strategy and plan development. Specifically, it is intended the NBA will provide for place-shaping documents, such as local plans, under the Local Government Act 2002 (eg, town centre plans, community plans)
- support engagement with local communities on strategies and plans, and collaborating with hapū/iwi/Māori, building off existing trusted relationships
- review and provide feedback on draft strategies and plans, potentially through timebound review stages.

Joint committees

Local authority appointments to RSS and NBA joint committees would be responsible for giving effect to local voice. It is expected other governance roles would be provided for local government through potential cross-regional and sub-regional sub-committees.

RSS and NBA plan implementation

Regional councils will retain responsibility for natural resource functions, and territorial authorities will retain their core land use and subdivision responsibilities.

Local authorities will implement RSSs through local authority plans and functions under the Local Government Act 2002 and through implementation agreements.

Compliance, monitoring, enforcement and oversight

Local authorities will continue to be responsible for the delivery of CME services, including decision-making on when to take enforcement action and what type of action to take.

Local authorities may be required to provide consistent and regular local-level environmental reporting, and would likely have roles in monitoring the implementation of RSS and regulatory instruments under NBA plans.

WHAT DO YOU THINK?

What does an effective relationship between local authorities and joint committees look like?

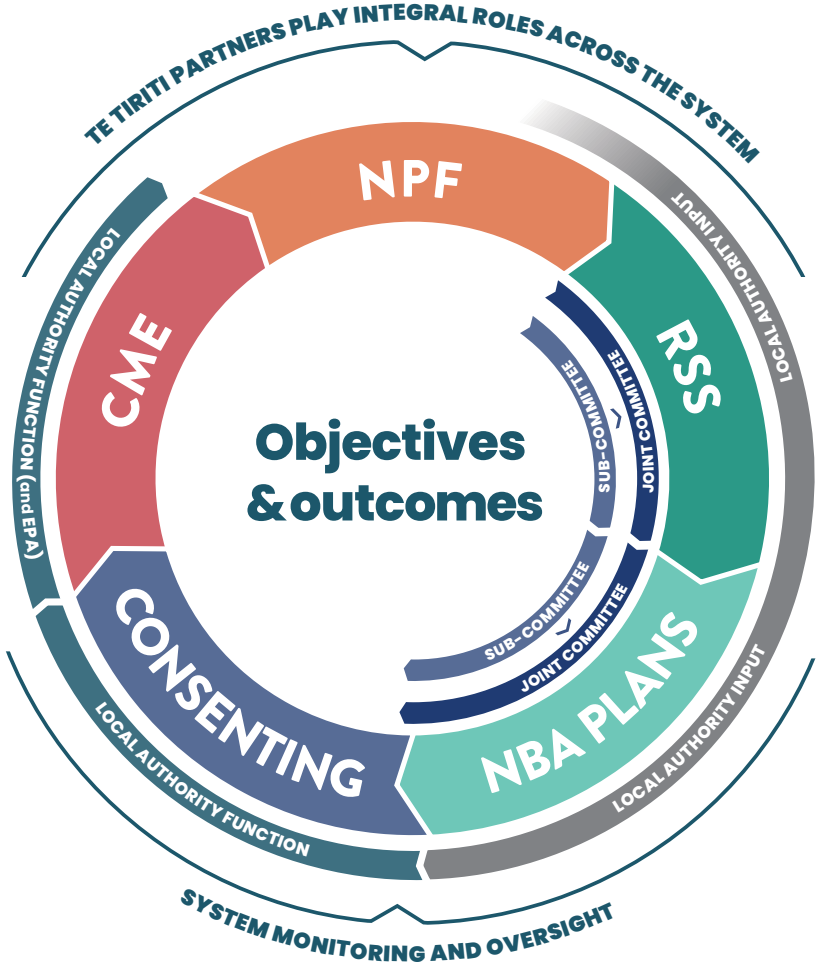
What other roles might be required to make the future resource management system effective and efficient?

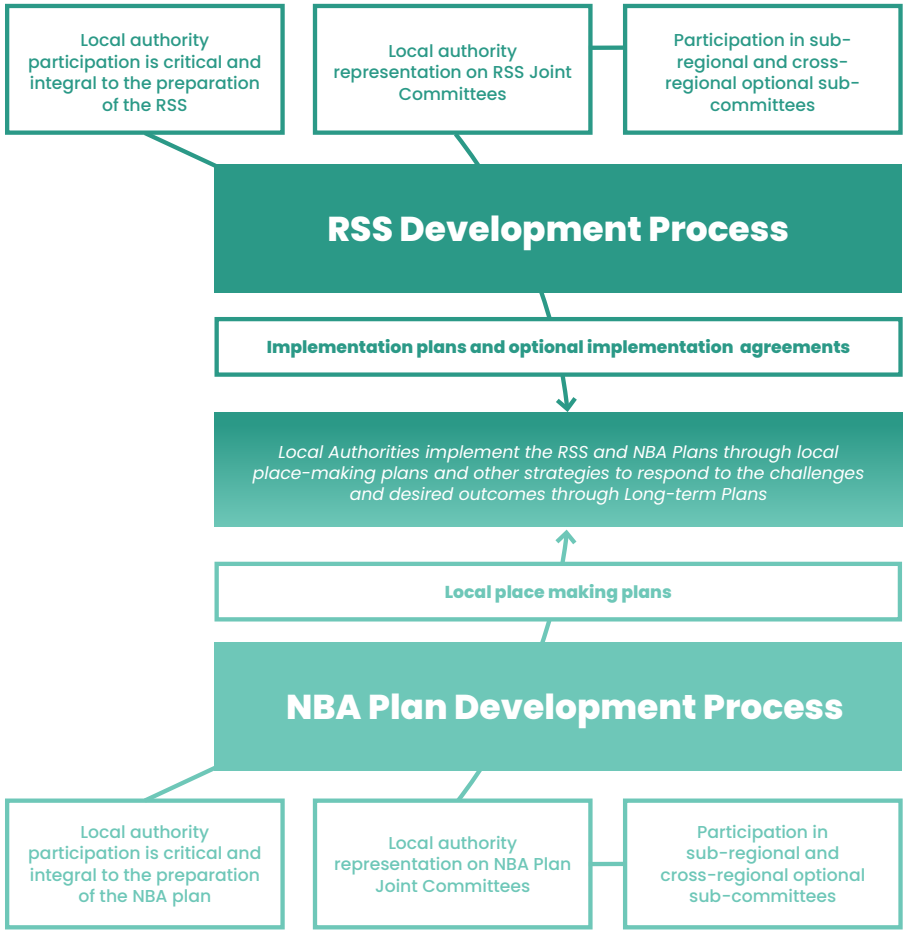
What might be required to ensure the roles and responsibilities of local authorities can be effectively and efficiently delivered?



Transforming our resource management system

Local government role in the future system





NPF: National Planning Framework / **RSS:** Regional Spatial Strategies (RSS) / **NBA:** Natural and Built Environments plans / **CME:** Compliance Monitoring and Enforcement

Role of hapū/iwi/Māori in the future system

The proposed system provides more effective roles for hapū/iwi/Māori entities across the future system. New roles will be established for them in governance and decision-making on plans and strategies, and in developing and undertaking monitoring and reporting activities, as outlined below.

Decisions are yet to be finalised on who or what groups participate in the new system. Varied feedback from Māori has been received. Feedback is sought on this and on appropriate terminology that is inclusive of hapū/iwi/Māori.

National entity

- A national entity would be established to enable Māori as Treaty partners to participate in decision-making at a national level.
- Possible roles for the entity could include input into the development of the NPF, appointing Māori members to any board of inquiry process, and in system oversight and monitoring (including monitoring of Te Tiriti performance).

RSS and NBA plans

- Hapū/iwi/Māori appointments to RSS and NBA joint committees (alongside local government appointments) would be worked through region by region, but 50/50 governance is not proposed.
- Hapū/iwi/Māori would be involved in RSS and NBA plan development processes.
- Treaty settlements that have governance arrangements through PSGE will be fully transitioned into the new system as will takutai moana rights.
- The Mana Whakahono ā Rohe process[6] would be enhanced by better enabling Māori participation in the system through an integrated partnerships process that would integrate with the existing RMA tools for transfers of powers and joint management agreements.
- Clearer signalling will be ensured through NBA plans of who in the regions (hapū/iwi/Māori) must be consulted or notified for consents.

6 A way for tangata whenua and local authorities to work together on environmental issues under the Resource Management Act 1991 (RMA)

Joint committees

- Appropriate weighting would be given to Māori technical inputs (including roles in the secretariat and through iwi management plans).

Compliance, monitoring, enforcement and oversight

- Opportunities would be made available to provide a more strategic role for Māori in the system and to strengthen the role of Māori in consenting and CME services.

WHAT DO YOU THINK?

National entity

- What functions should a national Māori entity have?
- What should the membership and appointments process be for the entity?

Joint committee composition

- Should parties in a region be able to determine their committee composition?
- Are sub-committees needed to meet regional needs including Treaty settlements?
- What should be the selection and appointments processes for joint committee members?
- How do we best provide for existing arrangements (eg, Treaty settlement or other resource management arrangements)?

Enhanced Mana Whakahono ā Rohe arrangements, integrated with transfers of powers and joint management agreements

- How could an enhanced Mana Whakahono ā Rohe process be enabled that is integrated with transfers of powers and joint management agreements?
- What should be covered in the scope of an enhanced Mana Whakahono ā Rohe and what should be mandatory matters?
- What are the barriers that need to be removed, or incentives added, to better enable transfers of powers and joint management agreements?

Hapū/iwi/Māori role in the future system

Objectives and outcomes	
Te Oranga o te Taiao	Must uphold for the natural environment: its health, its intrinsic relationship with iwi and hapū, the interconnectedness of all its parts, and its capacity to sustain all life.
Intergenerational wellbeing	Use of the environment is enabled to support the wellbeing of current and future generations.
Principles of Te Tiriti	All people performing functions and duties under the Act must give effect to the principles of Te Tiriti.
Environmental limits	Minimal acceptable state of an aspect of the environment and maximum amount of harm to protect the ecological integrity of the natural environment and human health.
Environmental outcomes and targets	Outcomes for the benefit for the environment across: the natural and built environments (in both urban and rural areas); cultural values; and natural hazards climate change mitigation and adaptation. These can be achieved through setting targets.

Treaty partnership entities	Objectives and outcomes
An enabling mechanism to support committees established through Treaty settlements and through other means, and takutai moana rights, to be upheld. Could also enable new arrangements without having to rely on settlements.	The Mana Whakahono ā Rohe process would be enhanced by better enabling Māori participation in the system through an integrated partnerships process that would integrate with the existing RMA tools for transfers of powers and joint management agreements. Enhanced Mana Whakahono ā Rohe arrangements can help to document how hapū/iwi/Māori participate in regional spatial strategy (RSS) and Natural and Built Environments Act (NBA) plan development, consenting and compliance, monitoring and enforcement (CME). Enhanced Mana Whakahono ā Rohe arrangements provide opportunities for a more strategic role for Māori in the system and to strengthen the role of Māori in consenting and CME services.

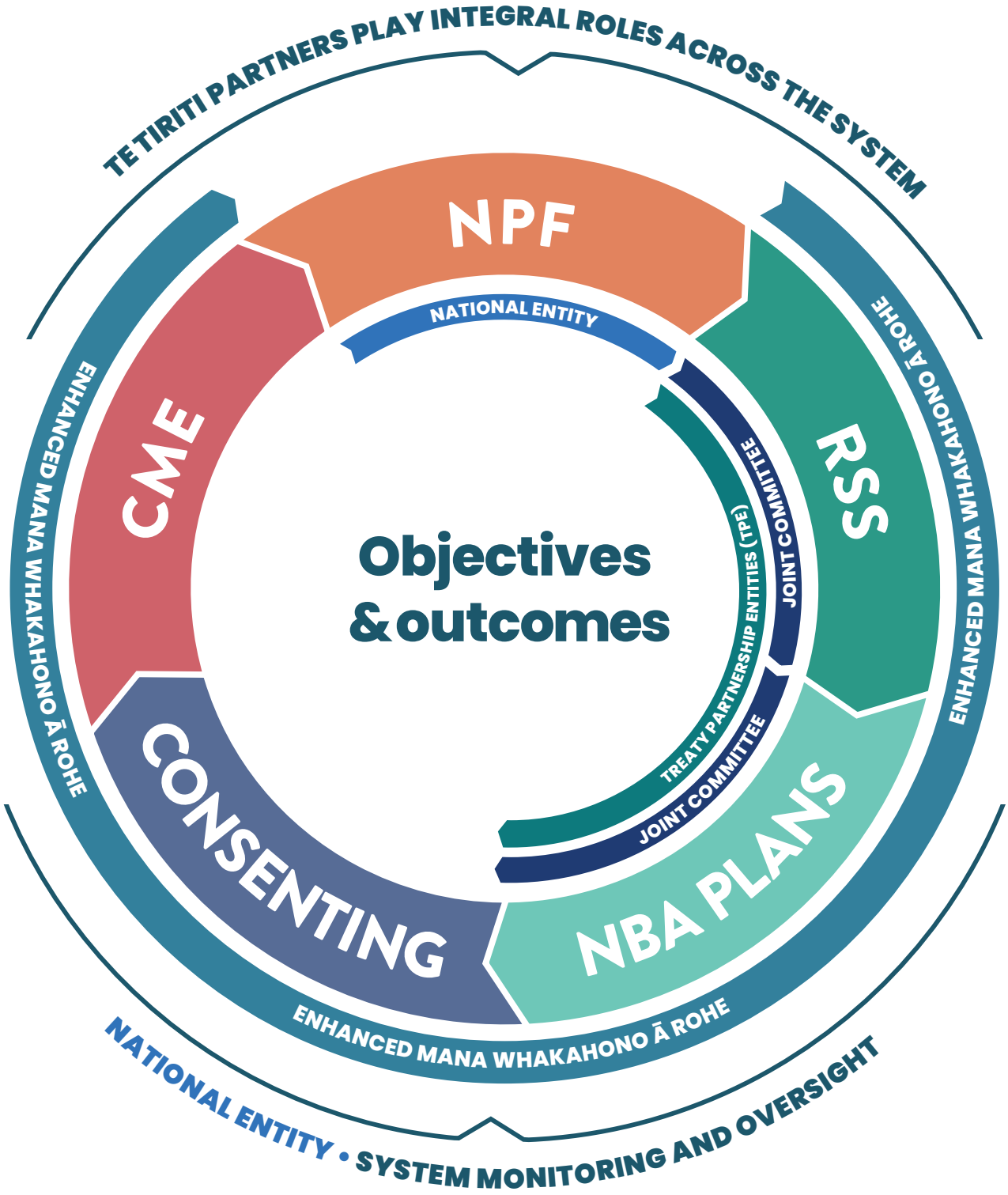
National entity

Proposed roles for the national entity	Options for who participates
• System oversight and monitoring, including monitoring of Tiriti performance. • Input into National Planning Framework (NPF) development. • Appointments of any Māori members to the NPF Board of Inquiry. • Not to usurp the mana of hapū/iwi/Māori at place.	1. The entity has both Māori and crown appointees, or is solely a Māori entity. 2. For Māori appointments: from national Māori organisations, an electoral college-type model or through a self-identification process.

Joint committees

Māori participation in RSS and NBA plans	Options for who participates
• Details of governance and plan development worked through region by region, including mātauranga Māori input. • Upholding the integrity of existing arrangements (including Treaty settlements, takutai moana and other resource management and non-statutory arrangements). • Engagement with hapū/iwi/Māori at various stages of the RSS and NBA plan development process.	1. The composition of joint committees in regional governance is worked through region by region. 2. Appointment processes are set in legislation or through a self-identification process.

Hapū/iwi/Māori role in the future system



NPF: National Planning Framework / **RSS:** Regional Spatial Strategies (RSS)
NBA: Natural and Built Environments plans / **CME:** Compliance Monitoring and Enforcement

Role of central government in future system

Central government will have a strengthened role in the future system. This includes:

- the Minister for the Environment having responsibilities for the NPF, and central government having responsibilities to ensure the NPF is implemented through the RSSs and NBA plans
- central government making appointments to RSS committees and having responsibilities through RSS implementation agreements (if this tool is adopted)
- central government having key responsibilities in monitoring, reporting and responding to the performance of the system
- central government being expected to play a stronger role in providing oversight of the system alongside independent bodies such as the Parliamentary Commissioner for the Environment and the proposed national entity for enabling Māori involvement at the national level.

Funding in the future system

To work effectively, the future system requires appropriate funding mechanisms for its different roles and activities.

MfE is exploring what provisions and guidance can be provided in the future system, to set clear expectations regarding who should pay for what, and to support the availability and use of appropriate funding tools.

Proposals will use existing guidance on charging in the public sector and look at applying this to the context of the future resource management system.

WHAT DO YOU THINK?

How should funding be distributed across taxpayers, ratepayers and individuals?

How should Māori participation be supported at different levels of the system?

Next steps

MfE thanks you for engaging with this material which sets out the main components of the future resource management system and roles and responsibilities within it.

The feedback gathered will be collated by officials. It will then be analysed and used to inform the development of the legislation. We will provide participants with a report of their forum or hui with us.

Written feedback is also welcome until 28 February 2022. You can send this and any further questions you may have to MfE at RM.reform@mfe.govt.nz.



Appendix 1: List of resource management reform questions for discussion

National Planning Framework

What role does the National Planning Framework (NPF) need to play to resolve conflicts that currently play out through consenting?

How would we promote efficiency in the Board of Inquiry process while still ensuring its transparency and robustness?

How often should the NPF be reviewed, bearing in mind the relationships between the NPF, regional spatial strategies and Natural and Built Environments Act plans?

Regional spatial strategies

To what degree should regional spatial strategies (RSSs) and implementation agreements drive resource management change and commit partners to deliver investment?

How can appropriate local issues be included in RSSs?

With regional and unitary council boundaries proposed for RSSs, how should cross-boundary issues be addressed?

NBA plans

Do you agree with the Randerson Panel's recommendation to have one combined Natural and Built Environments Act (NBA) plan per region?

Would there be merit in enabling sub-regional NBA plans that would be incorporated into an NBA plan?

What should the role of local authorities and their communities be to support local place-making and understanding of local issues in NBA plans?

Will the proposed plan-making process be more efficient and effectively deliver planning outcomes?

RSS and NBA joint committees

How could a joint committee model balance effective representation with efficiency of processes and decision-making?

How could a joint committee provide for local democratic input?

How could a joint committee ensure adequate representation of all local authority views and interests if not all local authorities are directly represented?

Are sufficient accountabilities included in the proposed new integrated regional approach to ensure the strategies and plans can be owned and implemented by local authorities?

How should joint committees be established?

Consenting

Will the proposed future system be more certain and efficient for plan users and those requiring consents?

Compliance, monitoring and enforcement

Do you agree with the proposed changes to compliance, monitoring and enforcement provisions and tools?

How practical will the proposals be to implement?

Monitoring and system oversight

Will these proposals lead to more effective monitoring and oversight of the system?

Will the system be able to adequately respond and adapt to changing circumstances?

Role of local government in the future system

What does an effective relationship between local authorities and joint committees look like?

What other roles might be required to make the future resource management system effective and efficient?

What might be required to ensure the roles and responsibilities of local authorities can be effectively and efficiently delivered?

National Māori entity

What functions should a national Māori entity have?

What should the membership and appointments process be for the entity?

Joint committee composition

Should parties in a region be able to determine their committee composition?

What should be the selection and appointments processes for joint committee members?

How do we best provide for existing arrangements (eg, Treaty settlement or other resource management arrangements)?

Enhanced Mana Whakahono ā Rohe arrangements, integrated with transfers of powers and joint management agreements

How could an enhanced Mana Whakahono ā Rohe process be enabled that is integrated with transfers of powers and joint management agreements?

What should be covered in the scope of an enhanced Mana Whakahono ā Rohe and what should be mandatory matters?

What are the barriers that need to be removed, or incentives added, to better enable transfers of powers and joint management agreements?

Funding in the future system

How should funding be distributed across taxpayers, ratepayers and individuals?

How should Māori participation be supported at different levels of the system?

Appendix 2: Summary of hapū/iwi/Māori feedback

Feedback from regional engagement with Māori	Common themes	Feedback from hapū/iwi/Māori submissions on the Natural and Built Environments Bill exposure draft
Te Oranga o te Taiao and Te Tiriti o Waitangi • Support for Te Oranga o te Taiao but suggestions to include stronger wording to include intrinsic relationship with te taiao • Questions raised about how the Tiriti clause will be interpreted and monitoring of system performance in general • An interest in mana whenua and iwi involvement in the monitoring of Tiriti performance **Outcomes** • Interest in how the reform would practically deliver better outcomes for hapū and landowners • Concern that the future resource management system may not be strong enough to challenge council decisions • Some questions were raised about how iwi management plans will be included in Natural and Built Environments Act (NBA) plans **Governance and participation** • Mātāwaka and mana whenua roles should be defined but separate • Legislation may define functions and purpose for roles, but who fills those positions should be decided by iwi • Issues of conflict of interest for hapū with both election processes and kaitiaki performing multiple functions within the system • Support for elevating hapū/iwi environmental management plans but acknowledge that this will likely put pressure on capacity, capability and relationship with council	• Strong interest in how the Tiriti clause will be interpreted and performance will be monitored • Suggestions offered to strengthen Tiriti clause, with some favouring giving effect to the articles of Te Tiriti rather than the principles • General support for inclusion of Te Oranga o te Taiao in the NBA Bill's purpose, but a desire for stronger language to require it to be upheld and reflect relationship between hapū/iwi/Māori and te taiao • Concerns about how tikanga Māori concepts and te reo Māori will be incorporated into legislation and how they may be interpreted, for example, Te Oranga o te Taiao, mana whenua, mātauranga • Support for incorporating existing hapū/iwi management plans in regional strategies but acknowledgement of potential issues, such as capacity, that may make this difficult • Due to multiple reforms occurring at the same time and capacity issues, an extended window to provide feedback would have been preferred • Allow for engagement and co-governance options with hapū as well as iwi	**Te Oranga o te Taiao** • Support for Te Oranga o te Taiao; submitters stressed the importance of upholding it and using the term 'require' rather than 'enable' • Interpret all outcomes through the lens of Te Oranga o te Taiao; should act as korowai across system, including National Planning Framework (NPF) • Te Oranga o te Taiao should be reflected regionally, and integration throughout system will be important **Te Tiriti o Waitangi** • Widespread support for te Tiriti clause but noted further guidance and support needed to ensure Treaty obligations are clear, but consistency across Acts desired and concern about balance between principles and articles • Clarity of the role of local government in te Titiri partnerships desired and national guidance on how to give effect to the principles of te Tiriti **Outcomes and environmental limits** • Concern with lack of hierarchy of outcomes and potential for inappropriate trade-offs • Environmental limits must be set at regional level with iwi and hapū and using mātauranga Māori; national limits not flexible enough to deal with local application • A clear link is needed between limits and Te Oranga o te Taiao, in line with kaupapa Māori • Biophysical limits alone not consistent with tikanga Māori because they do not factor in holistic wellbeing of complex, interconnected systems

Feedback from regional engagement with Māori	Common themes	Feedback from hapū/iwi/ Māori submissions on the Natural and Built Environments Bill exposure draft
Use of te reo Māori • Concern raised about the appropriateness and interpretation of incorporating te reo and mātauranga into the legislation, including mauri and mana whenua • Council's capability will be crucial in the success of the new system, especially the implementation of te ao Māori concepts **Capacity and engagement** • Concerns about ability to engage with multiple government reforms within short timeframes • Hapū, iwi and Post Settlement Governance Entities require stronger support, including funding, to engage so that they can adequately understand and respond to resource management reform • Requests to continue to engage at regional level, including directly with hapū		**Governance and participation** • Support for single NBA plan per region, giving effect to hapū/iwi/ Māori management plans, integrated management framework with provisions to resolve outcomes • Support for 50/50 partnership at national and regional levels, co-governance with iwi and hapū and support for mana whakahaere councils; includes reference to hapā mana motuhake • Support for national Māori entity for monitoring Tiriti performance, NPF and Tiriti policies • Co-development of NPF with hapū/ iwi is critical • Expectation that bespoke arrangements will account for Treaty settlements **Use of te reo Māori** • Many submitters implored the Crown to take caution in implementing tikanga-based concepts and terms, to avoid diluting their meaning and/or status in tikanga Māori terms **Capacity and engagement** • A longer window for feedback would have been better because some submitters were not able to fully canvass the view of their own constituents • Funding in the current system for hapū/iwi/Māori participation has been inadequate, and areas that will need greater funding in the future include implementation, monitoring and enforcement • Increased funding needed for the development of hapū and iwi management plans, and funding to implement them in partnership with planning committees and councils

Appendix 3: Summary of local government feedback

This table is collated feedback from local government chief executive forum and steering group meetings in 2021. A prominent theme throughout this feedback is the lack of local government capacity to engage due to significant reforms: resource management and three waters, and the overarching review of local government.

Common themes	Feedback
Te Tiriti and strategic role for Māori	While supportive of a greater role for Māori in the RM system, more clarity is required about how this is to be achieved and supported (ie, resourcing, iwi capacity for engagement, increasing central and local government te ao Māori capability)
Relationship between central and local government	Need for a collaborative, long-term approach, especially in the transition phase. Local government will need to be well connected and well informed; an advisory group could be useful
Local views and placemaking	Concern that local views are not going to be reflected in plans and strategies. The effects on local communities (ie, reducing to 14 plans) also need to be understood
Governance and decision-making Joint committees	Uncertainty of future form and function of local government and concerns around stronger regional council role Community and iwi representation is crucial in governance and decision-making Unsure how joint committees will be established Local representation is required, balancing technical expertise with elected members (who have democratic accountability)
National direction	There is a need for a joined-up policy approach at the national level, with existing conflicts between pieces of national direction resolved
Transition to new system and implementation	There needs to be a clearer path and timeframes for transition, and it should sequenced correctly with implementation. A transitional body could be useful for guidance through the transition to the new system, as well as a regional transitional manager for each region
The model project	Clarity is needed on the model project. The timeframes are unrealistic and the model project may drag out the process

Common themes	Feedback
Regional spatial strategies	The Strategic Planning Act needs to be developed in an integrated way, with a clear vision. Clear direction is required on what the regional spatial strategies (RSSs) are trying to achieve. There is concern existing regional structures are not well suited to creating and implementing RSSs; there is support for retaining existing regional boundaries. RSSs should also have more weight in decision-making processes Joint committees will need an enduring presence
Sub-regional plans	Sub-regional plans and growth strategies are needed in the resource management system
Implementation agreements	Implementation agreements are essential but there is uncertainty on how to bind all parties, also creates additional complexity
National Planning Framework (NPF)	Significant work is needed to deliver the NPF for providing sufficient guidance for Natural and Built Environments Act (NBA) plan process. Meaningful engagement with public and hapū/iwi/ Māori is required
NBA plans	Uncertainty about how NBA plans differ from current plans. Need sub-regional plans and separate resource allocation plans for combined plans
NBA plan-making process	Develop RSS first to guide NBA plans and support engagement at beginning of process. There is uncertainty on how the new process will differ from existing process
Appeals	Need to restrict appeals to questions of law only. Resourcing for final decision-making bodies is needed so appeals are heard faster and to enable higher quality decision-making
Consenting	Activity categories need a clear intent and notification needs to be reviewed. Environment Court direct referral should be retained
Compliance, monitoring and enforcement (CME)	National oversight is needed to support local government in the CME space. There is concern regional CME hubs may take functions away from the local community. Councils also have a lack of capacity to provide CME services, and there is a general lack of detail of how CME will work in practice.
Monitoring and oversight	Suggested co-designed monitoring frameworks. There is uncertainty on whether monitoring will be a local or regional role, and how outcomes are monitored. Need to integrate existing and new data collection platforms
Funding	New funding tools are needed for effective delivery of plans
Infrastructure pathways	Infrastructure needs a strategic, long-term approach. Need to determine how infrastructure is defined and the relevant pathways for different infrastructure types

Appendix 4: Glossary of terms

Term	Definition
CAA	Climate Adaptation Act
CME	Compliance, monitoring and enforcement
FILG/TWMT	Freshwater Iwi Leaders Group/Te Wai Māori Trust
KWM	Kāhui Wai Māori
LGA	Local Government Act 2002
LGNZ	Local Government New Zealand
LTMA	Land Transport Management Act 2003
MACA	Marine and Coastal Area (Takutai Moana) Act 2011
MOG	Ministerial Oversight Group
exposure draft	Exposure draft of the Natural and Built Environments Bill
MfE	Ministry for the Environment
NBA	Natural and Built Environments Act
NES	National Environmental Standard
NPF	National Planning Framework
RMA	Resource Management Act 1991
RM reform	Resource management system reform
RSS	Regional spatial strategy
SPA	Strategic Planning Act
Te Tau Ihu	top of the South Island
Te Tiriti o Waitangi	the Treaty of Waitangi
TTK or FOMA/KWM/NZMC	Te Tai Kaha, which consists of the Federation of Māori

Appendix 5: Resource management reform key documents

New Zealand Productivity Commission. 2017. Better urban planning: Final report

Resource Management Review Panel. 2020. New Directions for Resource Management in New Zealand – Report of the Resource Management Panel Review

Environmental Defence Society. 2019. Reform of the Resource Management System: A model for the future. Synthesis report

Ministry for the Environment. 2021. Extracts from Waitangi Tribunal commentary, findings and recommendations on the Resource Management Act 1991

Cabinet paper: Reforming the resource management system 2020

Ministry for the Environment. 2021. Interim regulatory impact statement: Reforming the resource management system

Natural and Built Environments Bill – Parliamentary paper on the exposure draft

Ministry for the Environment. 2021. Departmental Report on the Natural and Built Environments Bill exposure draft 2021

Report of the Environment Committee. 2021. Inquiry on the Natural and Built Environments Bill: Parliamentary Paper