

Additional information on the proposed development contributions charges for the Drury-Opaheke

This document contains detailed background analysis supporting the proposed development contributions charges for the Drury-Opaheke funding area for transport, open space and community infrastructure and other impacted funding areas including the Southern Growth Area for transport, “DC DIFF project analysis for consultation” (presented as several pdfs). This sets out the key inputs and outputs of our financial model for each of the projects we used to establish the basis for the programmes of works set out in the draft Contributions Policy 2021.

We have not provided the basis for estimating the costs of individual projects as this is commercially confidential. This information has been withheld under section 7(2)(h) and 7(2)(i) of the Local Government Official Information and Meetings Act 1987, to enable the council to respectively “... carry out, without prejudice or disadvantage, commercial activities; or” “... carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)”.

The investments and the subsequent cost the policy seeks to recover are based on the best information currently available and in line with the indicative work undertaken to date. As we develop more certainty over time the proposed programme of works may be adjusted, and the policy updated accordingly.

Financial Model: Transport

Set out below are a number of supporting notes to assist in understanding the financial model.

Note that not all transport projects are included in this analysis. As further information is developed, additional projects will be added to future contributions policies. Recent NZUP re-baselining has altered the transport projects in the South that are included in the NZUP funding package. This has particularly impacted transport projects such as Mill Rd and Drury South Interchange. These projects are not included in the analysis supporting the programmes of works in the draft Contributions Policy 2021 at this stage. Further work is being undertaken on these projects and will be assessed for future inclusion.

The projects we used to form the basis of the costs for the programmes of works in the draft Contributions Policy 2021 were drawn from the Drury Infrastructure Funding and Financing (DIFF) report list of projects.

Only projects identified as being the responsibility of Auckland Transport were included in the analysis. As part of the process, projects were categorised into Strategic, (corridors serving more regional or inter-regional (national) level of function), Arterials (corridors serving local and sub-regional functions) and Collectors. Collectors are formed by developers at the time of subdivision and vested in AT as public assets.

However, there are some cases where there are parts of collectors that are not the clear responsibility of a single developer. For these parts of collectors Council are likely to need to lead the delivery of the road and share the cost proportionally between developers through Development Contributions i.e., for example a collector road crossing a stream with different developers on either side.

Given the stage of the development of Drury, the evolving zoning, and the status of Private Plan Changes, it cannot be clearly determined which parts of collectors Council may need to lead. However, it is appropriate to understand that some will need to be. For this reason, as part of the

analysis of the projects to include in the DCs beyond 10 years, proxies of the Collectors have been used to provide information for the DC's beyond 10 years. As the Drury area evolves, the specific parts of the collectors that will need to be led by Council will become clear and further detail can be included into future DC policies.

For the Drury-Opaheke funding area, the approach to the delivery responsibility of collectors is discussed in the Draft Integrated Transport Assessment for the Structure Plan. Key excerpts about this issue are set out in Appendix One: Collector discussion excerpts from Draft Integrated Transport Assessment for the Structure Plan.

To establish the appropriate share of the cost of the projects to be included the following steps were followed. This is the process set out in How we set DCs which is appended to the consultation materials.

- to calculate the cost share attributable to projects planned to be delivered from 2032 onwards the project list was reviewed to ensure that projects included in the 10-year budget 2021-2031 were removed. This avoided any double counting
- project timing was based on DIFF work. The DIFF work identified a preference for some projects to be undertaken prior to 2031. The modelling assumed these would be undertaken from 2032 onwards
- project costs were escalated from 2020 prices at a rate of 2 per cent per year based on inflation factors used by Auckland Transport for the Regional Land Transport Plan and 10-year Budget 2021-2031
- Waka Kotahi subsidy was estimated at 51 per cent based on the assumptions included in the 10-year Budget 2021-2031. It was assumed that this would apply to all the roads included in the project list. The Waka Kotahi subsidy was deducted from the gross cost of each project
- the process for establishing the share of the cost of the projects attributed to growth is set out in How we set DCs
- the Drury-Opaheke funding area was determined based on an assessment of the area of benefit using either transport modelling or an assessment of the projects scale and interconnectivity
- the process for determining the distribution of benefits between funding areas is set out in How we set DCs.

Financial Model : Open space and community infrastructure

To establish the appropriate share of the cost of the proposed open space and community infrastructure programme of works included in the draft Contributions Policy 2021 the process set out in How we set DCs was followed.

To assist in understanding the financial model I attach "Projected community provision requirements to meet the needs of growth in Drury". This sets out the projected provision and related budget requirements to meet the community infrastructure needs of new and future residents in the Drury growth area.

Appendix One: Collector discussion excerpts from Draft Integrated Transport Assessment for the Structure Plan

The Drury-Opāheke and Pukekohe-Paerata Structure Plan, Draft Integrated Transport Assessment¹ discusses Collector roads and makes the following points:

Paragraph	Concept	Extract
Paragraph 6.3.2	Funding and Implementation Risks for Collector Roads	<p>Collector roads are formed by developers at the time of subdivision and vested in AT as public assets. Given the reliance on developers to form collector roads, one of the principles followed in designing the indicative collector network has been to locate collector roads on developable land (see Table 6-4, principle 10). This principle ensures that collector roads serve/provide access to land as it develops, thereby facilitating rather than impeding reasonable use and development of the land. However, the nature of the Structure Plan areas is such that some collector roads will need to cross significant infrastructure such as SH1 and the NIMT or floodplains (i.e. undevelopable and/or third-party land) to effectively perform their network role. A similar issue manifests where there are 'hold-out' land owners with no intent to develop which preclude the completion of connections. In many such instances, it is not possible or reasonable for a single developer to provide these connections, particularly when they require significant structures or works on third-party land. Sections 6.4-6.7 of the ITA identify specific connections that fall into this category. The effect of incomplete connections will vary in each case, but failure to complete the network will self-evidently result in a loss of overall connectivity and resilience. This risk will be particularly marked where connections are required for bus services and active mode routes (see sections 6.8-6.9).</p> <p>Given that collector roads will not be publicly funded, it is essential that a funding and delivery model is developed to accompany the future 'live-zoning' of the area to ensure that the parts of collectors that are not the clear responsibility of a single developer are completed. This is likely to entail a funding mechanism that enables the costs to be shared proportionally between developers (e.g. targeted rate or targeted developer contribution), with the collection of funds and delivery of the road to be led by the relevant public agencies. The design of the funding mechanism and its integration with future Plan Change(s) will need to be led by Council.</p>
Paragraph 8.5 Table 8-1	Collector road funding and implementation risks	<p>As per section 6.3.2 of this ITA, there are significant risks associated with sections of collector roads that fall beyond the responsibility of a single developer where roads need to cross significant infrastructure corridors, streams/floodplains, 'hold out' sites, and other third-party land. Future ITAs will need to give direction to the Council's Finance and Plans and Places teams to enable the development of an appropriate funding and delivery model to ensure that these connections can be equitably funded and delivered. The information required will include:</p> <ul style="list-style-type: none"> • Identification of the specific sections of collector road which need to cross significant infrastructure corridors, streams/floodplains, and known 'hold out' sites; and • Costing and benefit area analysis for each section of the collector road network to assist Council in the design of a funding mechanism.
Paragraph 9.4.6	Collector Roads	<p>As noted in section 9.1, the staging of the collector network is development-driven such that collector roads are to be formed by developers at the time of subdivision and vested in AT (see section 6.3 of the ITA for detailed discussion). The collector roads identified in sections 6.4-6.8 are therefore assumed to generally follow the staging scenario outlined in the FULSS, noting that there will be a 'lag' between the FULSS dates (which provide timeframes for 'live zoning'/land release) and actual build-out.</p> <p>As noted in sections 6.3 and 8.5, further work is required to identify the most critical sections of collector roads in terms of the overall connectivity of the network; and the specific sections of collector roads which cross significant third-party constraints. These sections may need to be prioritised or sequenced differently from the rest of the collector network, depending on how they are ultimately funded and delivered.</p>

¹ <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/place-based-plans/druryassessmentreports/southern-integrated-transport-assessment-report.pdf>