

Draft Infrastructure Funding Report

Draft Silverdale West Dairy Flat Industrial Area Structure Plan

March 2019



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Executive Summary

Council infrastructure projects needed for any development area require substantial public and private investment and have long lead times for planning and construction. It is critical that this investment is coordinated and aligned with growth, in order to get the best outcome for the ratepayers of Auckland.

Council infrastructure providers are currently working on identifying all critical projects to enable land and surrounding housing development to support the draft Silverdale West Dairy Flat Industrial Area Structure Plan. This list is close to completion and it is expected that the full project list of bulk infrastructure assets will be provided when the final structure plan is adopted and released in mid-2019.

1. Introduction

1.1 Purpose and scope of the report

This is one of several reports that have been prepared for the draft Silverdale West Dairy Flat Industrial Area Structure Plan as part of the supporting information behind the draft structure plan document. This report outlines the existing environment in the study area with regards to the funding of infrastructure and assesses the Draft Silverdale West Dairy Flat Industrial Area Structure Plan accordingly.

1.2 Study Area

The study area for the draft Silverdale West Dairy Flat Industrial Area Structure Plan is the land area located to the west of the State Highway 1 motorway from Pine Valley in the north, to the south of the North Shore Airport, and west to the Dairy Flat Highway, as outlined in red in Figure 1. The area is approximately 604ha.

Silverdale West Dairy Flat Industrial Structure Plan Area

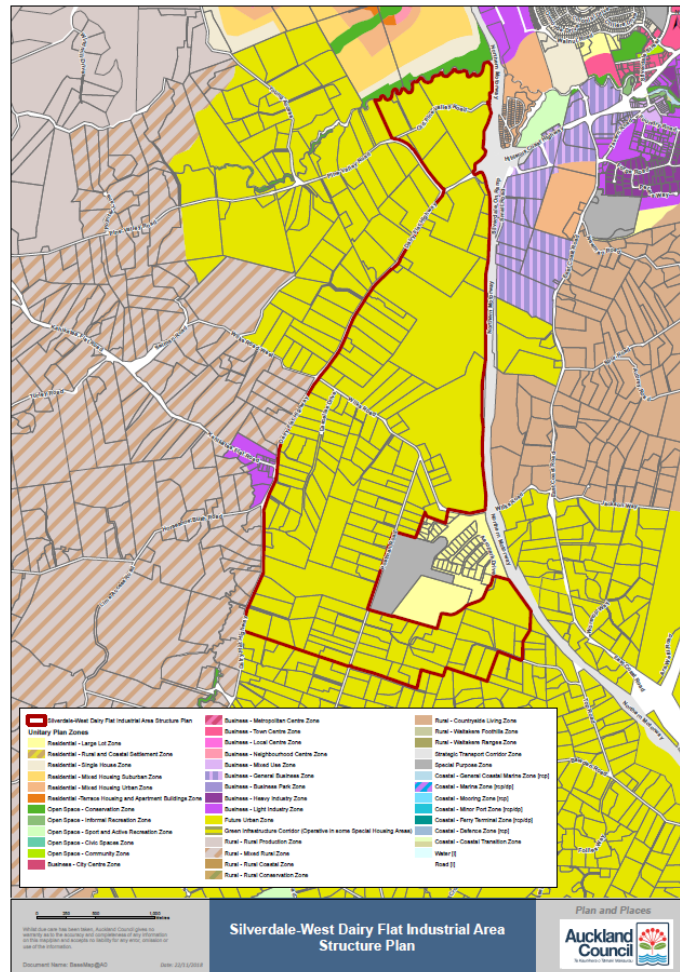


Figure 1

The current land use is predominantly countryside living and some business uses such as a bus depot.

The structure plan area is zoned Future Urban in the Auckland Unitary Plan Operative in Part (AUPOP).

Draft Silverdale West Dairy Flat Industrial Area Structure Plan

The council’s strategic direction for growth in Auckland includes the urbanisation of the Future Urban Zone at Wainui, Silverdale and Dairy Flat.

The council’s Future Urban Land Supply Strategy 2017 identifies part of the Wainui Silverdale Dairy Flat area specifically for business and it is sequenced to be development ready in the period 2018 – 2022.

Figure 2 shows the Silverdale West Dairy Flat Industrial Area structure plan map.

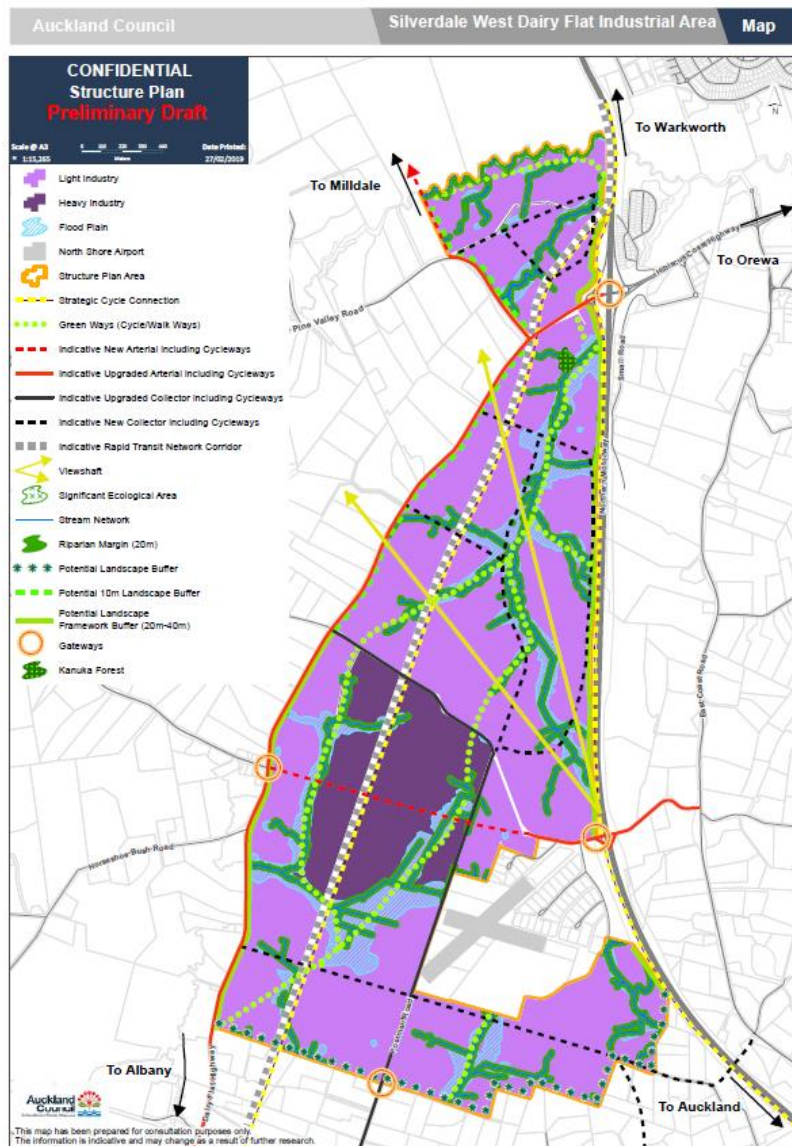


Figure 2 Silverdale West Dairy Flat Industrial Area Structure Plan

The key features of the structure plan are:

- light industry with a central area of heavy industry
- existing and an indicative new transport network
- existing and indicative new water and wastewater infrastructure
- indicative open space
- landscape protection measures including landscape buffers and view shafts
- floodplain and stream areas that are to be protected.

The structure plan identifies 294ha net (excluding floodplains and roads) for light industry and 56ha net for heavy industry.

In relation to transport, Te Tupu Ngātahi, the Supporting Growth Alliance, is currently undertaking an Indicative Business Case (IBC) to develop the strategic transport network in Auckland's northern growth areas. In parallel to this, the alliance has prepared an Integrated Transport Assessment (ITA) in support of the draft Silverdale West Dairy Flat Industrial Area Structure Plan.

It is important to note that the road, cycling and pedestrian networks shown in the structure plan are indicative and are not committed or funded. They include strategic elements that are part of the draft IBC which at the time of preparing this structure plan was still subject to approvals by the AT and NZ Transport Agency boards.

The key elements of the transport network serving the structure plan area are an upgraded and new arterial and collector road network. The new arterials are from Pine Valley Road to the north to the Wainui live zoned area (Milldale) and the extension of Wilks Road to Dairy Flat Highway to join with Kahikatea Flat Road. Associated with this is a proposed new motorway interchange at Wilks Road with south facing ramps.

The structure plan also identifies an extensive walking and cycling network both on and off road. The off-road network is associated with stream and riparian network. It also includes two proposed strategic routes adjacent to the motorway and the proposed Rapid Transit Network corridor.

A public transport network will be developed on the arterial and collector network. A proposed Rapid Transit Network corridor is also proposed through the structure plan area. It will connect the future urban zones to the south and north of the structure plan area to the rapid transit corridor to Auckland.

Water will be provided to the structure plan area initially with a connection from the existing Orewa 2 watermain and then from a proposed new Orewa 3 watermain.

The structure plan area will be connected to the Army Bay Wastewater Treatment Plant. Wastewater servicing will be via a new tunnel under SH1 that connects the Wainui area

into the Orewa Pump Station. To service land in the structure plan area north of Wilks Road collector pipelines to the Wainui wastewater tunnel and two new pump stations are required. Additional collector pipelines and pump stations will be required to service the structure plan area south of Wilks Road, and these will also connect with the pipeline to the Wainui tunnel.

The structure plan identifies riparian margins adjoining streams which will help in stormwater management along with a raft of other stormwater management methods. The riparian margins will also protect the main ecological features of the structure plan area. The flood plains are also identified, and development will be avoided in these. A range of other flood mitigation measures will also be used.

Several elements are identified in the structure plan relating to landscape. A view shaft is identified to help protect views from the motorway. Landscape buffers are also identified along Dairy Flat Highway and the motorway and where the industrial zone adjoins the future urban zone. These are to protect the amenities of the adjoining land uses. A greenways network is also identified based primarily along the stream network which will help contribute to amenity values and break up the perception of a mass of buildings.

The structure plan also includes a staging plan which will determine which land is rezoned first and sets out a timeline for the rezoning of the remainder of the land.

Further details on the draft Silverdale West Dairy Flat Industrial Area Structure Plan can be found in the draft structure plan document on the project website.

2. Funding of Infrastructure

The purpose of this report is to explain the bulk infrastructure required to support the Silverdale West Dairy Flat Industrial Area Structure Plan area and how this infrastructure may be funded. This report is a 'live' document and will continue to be updated as the structure plan is completed.

The bulk infrastructure has been identified through technical assessments completed by Supporting Growth, Auckland Transport, NZ Transport Agency, Watercare Services Limited and Auckland Council's Healthy Waters department.

The bulk infrastructure projects and services include:

- Transport
- Stormwater
- Water and Wastewater

The infrastructure and services required to support land development within the structure plan area depicts what Auckland Council and its CCOs consider to be an appropriate resource management outcome for the delivery of the Silverdale West Dairy Flat Industrial Area Structure Plan.

The provision of these projects and services will require substantial public and private investment. It is critical that the provision of infrastructure and services is planned and coordinated to align with planned growth.

The primary responsibility for funding these outcomes where no public funding is available lies with developers and not the Council. The Council can (at times) work with developers to agree specific requirements around infrastructure provision, namely through development funding agreements or other targeted funding mechanisms. Any such arrangement should be agreed with Council in advance of proposing a private plan change to rezone land within the structure plan area.

The Council generally funds and delivers public infrastructure projects and services through the collection of development contributions and rates, and in the case of Watercare, infrastructure growth charges. Council's funding envelope is limited and will not cover all the infrastructure required to support Auckland's growth over the next 10-30 years.

The decision making for the prioritisation, funding and delivery of bulk infrastructure is made every three years during the preparation of the Council's Long-Term Plan (LTP). The Council, asset managers / owners (such as Auckland Transport or Watercare Services Ltd) within the Council group and other funding partners are involved in this process, along with the public through the related public consultation procedures.

If bulk infrastructure and services required to support rezoning and / or development within the Silverdale West Dairy Flat Industrial Area Structure Plan is not identified in the LTP it is

most likely that the bulk infrastructure is yet to be publicly funded. In these instances, should a developer seek to rezone land they may have to:

- fund this infrastructure and services in full
- enter into an alternative arrangement with Council / asset owners or
- propose an alternative funding mechanism such as a targeted rate to fund the infrastructure or
- wait until funding is available.

In addition to any bulk infrastructure and services that are not publicly or alternatively funded, developers will need to provide all other infrastructure required to support development including, for example, collector roads, stormwater ponds etc.

As noted above, Council infrastructure providers are close to identifying the bulk infrastructure required to enable the development of land in the structure plan area. This includes an time estimate for each of the development stages in which the infrastructure and / or services are expected to be required.

It is important to note that few, if any projects and services have funding allocated.

This report does not address infrastructure required or provided by other parties such as electricity, telecommunications, and State Highways. These other parties may have additional requirements in respect of the infrastructure for which they are responsible.

This funding report including the bulk infrastructure prioritisation, funding and delivery will continue to be revised and updated as further information becomes available through the structure plan process.

Non-Council Infrastructure Providers

Council endeavors to ensure efficient coordination between public and private infrastructure providers. Apart from Council, other utilities and service providers will deliver other key infrastructure such as electricity, gas, telecommunication, and schools. State Highways are delivered by the New Zealand Transport Agency.

Development Programme Office

In the funding, delivery of infrastructure, and roll-out of large and complex developments, the Development Programme Office (DPO) at Council plays an important role, it provides the following:

- Consultancy services: Developers of large or complex developments have access to a range of services such as pre-application due diligence.
- Coordinates council asset owners to ensure alignment with developer and land owner objectives to enable growth. This assists in the coordination of the delivery of infrastructure through the strategic programme delivery team.
- Brokering partnerships that allow for the use of additional sources of financing and funding solutions.
- Works with developers to agree Infrastructure Funding Agreements (IFA), of which there are many types, for example:
 - o Where a developer delivers a public asset for council. This offers timing and cost efficiencies to suit both parties.
 - o Where a cost share is required, IFAs can facilitate a cost share arrangement that offer value for landowners, developers and council.

The council encourages developers to engage early with the Development Programme Office so that issues can be considered as early as possible in the development programme.

3. Conclusion

This report is close to identifying the bulk infrastructure required to support the re-zoning and land development for industrial purposes within the structure plan area. At this stage, none of the identified bulk infrastructure is funded in the current LTP. This funding report, including the prioritisation of bulk infrastructure for funding and delivery, will be updated as more information becomes available and in advance of Council's approval for the final Silverdale West Dairy Flat Industrial Area Structure Plan.

Appendix 1: Who funds growth infrastructure?

Who funds growth infrastructure?

Developer costs	<p>Transport infrastructure</p> <p>Developers pay for things like:</p> <ul style="list-style-type: none"> • Local roads through a development • Cul de sacs • Local footpaths • Local bus and cycling infrastructure • Intersection upgrades • Works required for resource consent 	<p>Water & Wastewater Infrastructure</p> <p>Developers pay for things like:</p> <ul style="list-style-type: none"> • Water and wastewater infrastructure within a development • Water and wastewater pipes to connect a development to the local network
Localised council charges	<p>DCs charged to pay for planned infrastructure servicing multiple land owners, including:</p> <ul style="list-style-type: none"> • Capacity upgrades to adjacent arterial roads and intersections • Extending the local arterial network to connect to the development 	<p>Not typically applied but unique circumstances may require agreement for a developer(s) to pay a contribution towards extending the trunk network.</p>
Wider-network council charges	<p>DCs charged to fund a proportion of the cost of increasing infrastructure capacity and improved connections across the wider network including:</p> <ul style="list-style-type: none"> • Major upgrades of arterial roads • Major public transport projects e.g. the City Rail Link 	<p>Infrastructure Growth Charges charged on connection to fund a portion of the cost of increasing infrastructure capacity across the wider network, including:</p> <ul style="list-style-type: none"> • Adding capacity to treatment plants • Major upgrades of water and sewer mains

Stormwater Infrastructure

Developers pay for things like:

- Onsite works to mitigate local stormwater impact
- Stormwater ponds servicing one subdivision
- Works required for resource consent

DCs charged to pay for planned infrastructure servicing multiple land owners, including:

- New stormwater ponds and reticulated networks servicing multiple developments
- Capacity upgrades of the existing reticulated stormwater network

DCs charged to fund a proportion of the cost of stormwater management and planning across the wider network

Reserves and Community Infrastructure

Developers pay for things like:

- Providing esplanade reserves

DCs charged to pay for planned infrastructure servicing multiple land owners, including:

- Neighbourhood parks and playgrounds servicing multiple developments
- Community houses and halls

DCs charged to fund a proportion of the cost of increasing infrastructure capacity across the wider network, including:

- Regional parks
- Sub-regional sports field facilities
- Sub-regional destination parks, playgrounds and public spaces

Appendix 2: Table of bulk Infrastructure Projects

Project Name:	Asset type	Funding Party	Programme timing	Funding status
Wastewater Conveyance - Silverdale West Industrial, North of Wilks Road to Wainui Tunnel (includes gravity collector, two pump stations and interconnecting pipelines)	Wastewater	Watercare and Developers	2019-2022 (Stage 1)	Not Funded Currently
Wastewater Conveyance - Silverdale West Industrial, South of Wilks Road to Pump Station (North of Wilks Road) (includes gravity collector, one pump station and interconnecting pipelines)	Wastewater	Watercare and Developers	2035 (Stage 3)	Not Funded Currently
Orewa 2 Booster Pump Station	Water	Watercare	2019-2022 (Stage 1)	Not Funded Currently
Orewa 2 to Orewa 3 Cross Connection, initial stage of Orewa 3	Water	Watercare	2020-2022 (Stage 1)	Not Funded Currently
Motorway Asset Flood and Erosion Mitigation	Stormwater	Healthy Waters	Stage 1	Not Funded Currently
2 Blue Gum Ave flood mitigation	Stormwater	Healthy Waters	Stage 1	Not Funded Currently
Dairy Flat Highway culvert upgrade	Stormwater	TBC	Stage 2 or 3	Not Funded Currently
Diary Flat Stream Flood Mitigation	Stormwater	Healthy Waters	Stage 2 or 3	Not Funded Currently
Rangitopuni Stream/Catchment Erosion Mitigation	Stormwater	Healthy Waters	Stage 2	Not Funded Currently
Other culvert upgrades	Stormwater	TBC	Stages 1,2,3	Not Funded Currently
Stream enhancement works within Structure Plan Area (excluding amenity)	Stormwater	Healthy Waters	Stages 1,2,3	Not Funded Currently
Channel widening to reduce floodplain width in Dairy Stream	Stormwater	Healthy Waters	Stages 2 or 3	Not Funded Currently

At the time of release of this document, transport infrastructure projects were still under consideration and have yet to be finalised. The Integrated Traffic Assessment for the structure plan area is however available online through the Auckland Council website.

It is anticipated that the transport projects list will be updated for the release with the final version of the Silverdale West Dairy Flat Industrial Area structure plan.

Find out more: **phone 09 301 0101**
or visit **www.aucklandcouncil.govt.nz/have-your-say**