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Te Tupu Ngātahi (Supporting Growth Alliance) – Warkworth Detailed Business Case for Route Protection

For decision: For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board) recommends that it:

- a) Endorses the Warkworth Detailed Business Case (DBC) which recommends the Strategic Transport Network required to support future urban growth areas in Warkworth.
- b) Endorses the recommended route protection strategy for the Strategic Transport Network.
- c) Approves the release of \$5.6 million for post lodgement activities associated with route protection (lodging Auckland Transport's (AT's) Notices of Requirement (NoRs)), subject to Waka Kotahi New Zealand Transport Agency (Waka Kotahi) Board approval of the DBC and funding contribution.
- d) Notes the early property acquisition risk from lodgement of the NoRs is estimated at \$38 million (P50 escalated) over the remaining Regional Land Transport Plan (RLTP) period to 2030/31 and only \$6 million is currently allocated for the Western Link Road.

Te whakarāpopototanga matua / Executive summary

1. Auckland Council's Future Urban Land Supply Strategy (FULSS) expects the Warkworth area to accommodate 8,200 new houses, 4,600 new jobs and 17,100 additional people – a four-fold increase in the current population. Warkworth is experiencing high pressures for growth from developers now and this is expected to increase with the opening of the new Ara Tūhono (Pūhoi to Warkworth Motorway) in 2023.
2. Te Tupu Ngātahi (the Supporting Growth Alliance, SGA) Warkworth DBC proposes a Strategic Transport Network for future greenfield growth and a route protection strategy to protect the AT parts of the network. The network has been developed to ensure safe and reliable connections between key land uses, enable significant mode shift through providing comprehensive active mode and public transport networks, achieve network resilience and provide efficient freight access.
3. The total cost of the AT projects is \$1b (P50 un-escalated), including \$122m for property (P50 un-escalated). The escalated property cost is \$200m. The early property acquisition risk associated with route protection over the remaining RLTP period (i.e., \$38m escalated to 2031) and is based on property acquisitions needed for early delivery and estimated hardship requests.

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4. The Strategic Transport Network and route protection strategy needs endorsing, to progress to route protection, which provides certainty of the future transport network to landowners and developers, ensures better land use transport outcomes and ultimately reduces future cost risk and social impacts.
5. The recommended route protection strategy is to protect the full network where additional road reserve is required through Notice of Requirements (NoRs) and through plan change provisions. NoRs are expected to be lodged in late April 2023. Route protection carries financial and reputational risk resulting from property impacts and related property hardship risk.
6. The Regional Land Transport Plan (RLTP) includes \$6 million for the Western Link Road, which means there is a funding shortfall of \$32 million. With recent events and constrained funding expected over the coming years, the prioritisation of investment will be a key consideration of the board.
7. AT is experiencing lower than expected property hardship claims on greenfield corridors and a revised methodology is being investigated in light of this as part of a region-wide Strategic and Hardship Property Fund proposal for the next RLTP review. There will also be contributions from and delivery partnership opportunities with developers, which are expected to cover one third of the total network cost.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
February 2019 Board	Supporting Growth – Preferred networks and next steps	The board approved the Indicative Strategic Transport Network and progressing to the next stages including detailed business case to lodgement
October 2019 Board	Supporting Growth – Amended Programme Alliance Agreement	The board approved Target Cost Estimate Two (TCE2) for the programme which includes the pre and post lodgement activities for the Warkworth package
February 2023 Design and Delivery Committee (committee)	Te Tupu Ngātahi (Supporting Growth Alliance) – Warkworth Detailed Business Case for Route Protection	The committee requested more information and time to consider the recommended network, comparative costs per household compared to other greenfield areas and Transport Emissions Reduction Plan alignment.
March 2023 Committee	Te Tupu Ngātahi (Supporting Growth Alliance) – Warkworth Detailed Business Case for Route Protection	The committee endorsed the paper and requested more information to be included on engagement, post-lodgement communications with landowners, resilience and consideration of rail.

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Te horopaki me te tīaroaro rautaki / Context and strategic alignment

8. Te Tupu Ngātahi is an alliance owned by AT and Waka Kotahi New Zealand Transport Agency (Waka Kotahi) for the purpose of planning and protecting the strategic transport networks required to support the greenfield growth areas, as identified in the Auckland Plan, FULSS and Unitary Plan over the next 30+ years.
9. In Warkworth, the Council expects 8,200 new houses, 4,600 new jobs and 17,100 additional people (FULSS, see Attachment 1) over the next 30+ years – four times the current population. Auckland Council is currently reviewing the Auckland Plan Development Strategy which informs the FULSS and could see the staging/timing for development of Future Urban Areas move out further. The current staging in the FULSS ranges from now to 2033-37. Irrespective of the preferred timing / staging, there are live proposals in all of the Warkworth's future urban areas except the west. Our experience is that these generally get approved irrespective of the availability of funding for transport infrastructure. Opening of the new Ara Tūhono in 2023 will continue to increase the attractiveness of Warkworth and the pressure for greenfield growth.
10. Te Tupu Ngātahi's Warkworth DBC identifies the recommended Strategic Transport Network (see Attachment 2) for future greenfield growth and route protection strategy for Warkworth. The recommended Strategic Transport Network was developed in collaboration with AT, Waka Kotahi, Auckland Council and mana whenua and builds on previous business cases undertaken to develop the network (see Attachment 3).
11. The work of Te Tupu Ngātahi aligns with the Letter of Expectation for the Statement of Intent 2023-26, by adopting a one network approach to planning future infrastructure and incorporating a high level of community engagement and decision-making over the past five years. This engagement has and continues to involve elected members, local boards, community groups and landowners and builds on the previous engagement of the Transport for Future Urban Growth project (2016).

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

12. The recommended Strategic Transport Network supports planned greenfield growth in Warkworth by improving access to jobs, providing safe and reliable connections between key land uses, comprehensive active mode and public transport networks, network resilience, and efficient freight access for industrial land (see Attachments 4, 5 and 6). With the future urban area only 5km across, it enables significant mode shift for local trips, improves public transport access to and from Auckland for Warkworth and for local trips.
13. The Strategic Transport Network integrates with a number of other key transport projects proposed by AT and Waka Kotahi assumed to be in place by 2048+. These include Tūhonohono ki Tai (Matakana link road) and Ara Tūhono, both due to open in 2023, and the AT delivered Hill Street intersection improvements project, which is in detailed design phase and has funding for construction in the current RLTP. All of these projects will progress as interim steps ahead of the Te Tupu Ngātahi strategic transport network.

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14. The total cost of the AT projects is \$1 billion, including \$122m for property (both P50 un-escalated). The escalated property cost is \$200m. The Warkworth DBC assumes that the central parts of the AT network are delivered over the next 10 years, the South West completed by 2033-2038, and North East by 2038-43, based on the FULLS timing and climate change considerations. The RLTP 2021-2031 does not allocate funding for delivery of these projects other than \$6 million for the Western Link Road. This is discussed further in the risk section of this paper.
15. The programme-wide Benefit-Cost-Ratio (BCR) is 0.6. Many of the benefits result from urbanisation and active mode upgrades of existing roads, which typically do not give high BCRs. It is expected that value for money will increase at the implementation phase through refinement of the design, reducing land take, and investigating opportunities to partner with third parties (for example developers).
16. The DBC therefore recommends route protection of all AT parts of the Strategic Transport Network that require additional road reserve. Some projects re-allocate the existing road space, reducing the property impact. A partial route protection option was considered excluding the North East network (see Attachment 7) due to lower value for money and dwelling yield (see Attachment 8). However, full route protection is recommended for network resilience and optimise investment in the Hill Street intersection improvements and Tūhonohono ki Tai projects.
17. Delaying or not proceeding with route protection is not recommended given the pressure for greenfield growth in Warkworth, the risk of buildout and the potential for long-term cost increase risk for AT when these projects are delivered in the future (see Attachments 9 and 10). Not implementing the network would result in reliance on private vehicle travel, increased delays and queues on the existing SH1, Matakana Road and Sandspit Road corridors, reduced network resilience and negative outcomes for safety, urban form and active travel.
18. Te Tupu Ngātahi considered passenger rail to Auckland as a long list option in the Indicative Business Case (IBC) through use of the existing North Auckland Line (NAL) or a rail spur to Warkworth. This option was ruled out due to long journey times and high capital and operating costs. The recommended network does not preclude passenger rail in the future, which could be accessed by park and ride or bus services.

Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
<p>Funding – Lodging NoRs for the Warkworth AT corridors creates a property hardship risk</p>	<p>\$6 million funding is available in the RLTP for the Western Link Road, which can be repurposed for property hardship risk for route protection until the next RLTP review.</p> <p>A Strategic and Hardship Property Acquisition is proposed as part of the next RLTP review and AT is also reevaluating the assumptions for estimating early property acquisitions, where hardship requests estimates appear to be much higher than the actual requests/demand for acquisitions of greenfield corridors. This could see a significant (50 percent) reduction in the \$38 million estimate.</p> <p>The existing AT hardship policy sets out circumstances for considering early acquisition of property from landowners on hardship grounds (i.e. financial or illness etc)</p>

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Funding – Affordability gap to deliver the Warkworth network, in particular first decade projects and upgrades to existing roads	Funding does not need to be allocated in the RLTP for delivery now as route protection protects for the future. There are opportunities to partner with developers to deliver parts of the network and the DBC estimates that developer contributions could fund approximately one third of the AT network. Future RLTP reviews will consider funding and phasing of projects.
Reputational – Potential for landowner opposition to NoR lodgement due to the impact of designations on properties	Te Tupu Ngātahi has developed and will implement a proactive post lodgement approach to support land owners as part of the NoR process, including ongoing landowner meetings and communications and making support services available such as the Friend of the Submitter, which provides independent professional support to submitters to assist landowners make submissions (see Attachment 11).

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

19. Post lodgement activities for Warkworth are estimated at \$5.6 million including AT overheads and Council fees. The SGA post-lodgement and property' line item in the RLTP allocates sufficient funding to progress to post lodgement activities (see table below). The Supporting Growth Programme Alliance Agreement contract approved by the board includes the post lodgement activities for Warkworth. 51% of this allocation will be funded by Waka Kotahi, subject to their board approval.
20. The early property acquisition risk (once NoRs are lodged with the Council) is estimated at \$38m for the preferred route protection strategy to 2031, based on the assumption that approximately 20 to 40 per cent of landowners seek early property acquisition. The RLTP allocates \$6 million for route protection (including property) of the Western Link Road and the RLTP SGA line item includes \$10-20 million for property acquisition later in the decade. Thus, there is a funding shortfall. As noted in the risk section, work is underway to address this funding gap.

RLTP (\$ Millions)	FY21/22	FY22/23	FY23/24	FY24/25	FY25/31	Total
SGA post lodgement and property	3.5	7.5	17	5.5	31	64.5
Western Link Road route protection					6.0	6.0

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

21. Te Tupu Ngātahi has been aware of the likely impacts of climate change since its establishment in 2018. An eliminate/avoid, reduce/defer and optimise/offset approach has been adopted for the Indicative Business Case, DBC and NoR phases respectively. Enabled and embodied carbon considerations have also been embedded in businesses cases processes (see Attachment 12).

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22. For Warkworth, modelling identifies there will be a 9 per cent reduction in Vehicle Kilometres Travelled (VKTs) in 2048 as a result of the Strategic Transport Network compared to the baseline network, and an emissions reduction of 1,296 tonnes per year over 60 years compared to the baseline. Route protecting the recommended network further contributes to emission reductions by supporting a compact land use and reducing trip distances, enabling mode shift and enabling land release to be timed with sustainable mode improvements (see Attachment 12).
23. Long-term resilience has also been a focus of the business case processes. The design accommodates 1 in 100 year flooding, and flood modelling has been assessed at 2.1 degrees warming and 16 percent increase in rainfall events based on guidance from Auckland Council. Given the uncertainty of climate change effects in the future, the assessment also considers a more severe climate change scenario of 3.8 degrees warming and a 32.7% increase on rainfall.

Ngā whakaaweawe me ngā hakairo / Impacts and perspectives

Mana whenua

24. Mana whenua are a partner of Te Tupu Ngātahi and were and continue to be engaged with through regular hui. Kaitiaki representatives provided input into the option development process. Mana whenua support the DBC and the next stages of route protection.

Ngā mema pōti / Elected members

25. Te Tupu Ngātahi has regularly engaged with the Rodney Local Board on the DBC, seeking input on the public engagement approach, and updating on preferred options and the feedback received. There is general support for the network and route protection. At our last meeting with the local board there was a high level of interest in resilience and Auckland Council's approach to growth following the January flooding.

Ngā rōpū kei raro i te Kaunihera / Council Controlled Organisations

26. Auckland Council is a partner of Te Tupu Ngātahi and are regularly updated on the programme, including the Warkworth projects. Representatives participated in DBC option development. Te Tupu Ngātahi update Watercare regularly on its projects. Work is also being undertaken between AT and Auckland Council on how these growth areas are funded.

Ngā kiritaki / Customers

27. Feedback from the landowner and public engagement carried out in April and May 2022 resulted in a number of changes to the preferred options, with impacts on property owners from lodging NoRs being a key consideration. Regular engagement throughout the DBC with developers, community interest groups, infrastructure providers (including KiwiRail, utilities and Ministry of Education), has informed option development, selection and refinement. The response from the public and developers has been positive, and overall, there has been general

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support for the recommended network and route protection, with multiple requests for work to progress faster. Te Tupu Ngātahi will continue to engage with landowners as part of the NoR phase. See Attachment 11 for groups engaged with throughout the programme.

Ngā whaiwhakaaro haumarū me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

28. The Te Tupu Ngātahi programme has applied Vision Zero principles to its business cases and applied the avoid, shift, improve approach at each step. The recommended Strategic Transport Network for Warkworth has been developed to avoid the need for private vehicle travel in the first instance, prioritise public transport and active modes, and ensure new and upgraded corridors have sufficient width to accommodate a safe and compliant design.

Ā muri ake nei / Next steps

29. Should the AT and Waka Kotahi boards endorse the Warkworth DBC and approve the release of funding for post lodgement activities for the AT parts of the network, Te Tupu Ngātahi will continue preparing the NoRs with the intention that AT will lodge these in late April 2023.

30. Public notification of the NoRs is expected in August 2023 with hearings and appeals expected to be resolved by the end of 2024.

Ngā whakapiringa / Attachments

Attachment number	Description
1	Growth and Council's vision for Warkworth
2	Recommended Warkworth Strategic Transport Network
3	Development of the recommended Warkworth Strategic Transport Network
4	Warkworth Public Transport, Active Mode and Freight Networks
5	Key outcomes of recommended network
6	Recommended Warkworth Strategic Transport Network projects
7	Warkworth route protection strategy options
8	Cost per household and BCR
9	Affordability of route protection
10	Designations opportunity cost

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11	Supporting landowners during route protection and engagement summary
12	Climate Change impact

Te pou whenua tuhinga / Document ownership

Submitted by	Alastair Lovell Owner Interface Manager – Supporting Growth Alliance	
	Chris Watson Group Manager Investment Development	
Recommended by	Jenny Chetwynd Executive Group Manager Planning and Investment	
Approved for submission	Mark Lambert Interim Chief Executive	