

Fast-Track Referral Business Case - Plimmerton Farm Stage 1 18 State Highway 59, Plimmerton, Porirua

Project Overview:

Plimmerton Farm is a regionally significant greenfield land holding that has an operative zoning for residential development. The site is:

- a 384 hectare property located at 18 State Highway 59, Plimmerton, Porirua;
- contained within a single Title being Lot 2 DP 489799 held in Record of Title 705739;
- owned by KM & MG Holdings Limited (i.e the site is in single ownership);
- has an operative zoning of *Plimmerton Farm Zone* which was approved by the Minister for the Environment under the Stream Line Planning Process. The operative Plimmerton Farm zone provides for the site to be developed for residential purposes together with a commercial centre to service the new suburb, a primary school site, and a retirement village site; and
- is within proximity of an existing commuter rail station (Plimmerton Train Station) and Plimmerton Village which is a local neighbourhood commercial centre.

The Fast-Track Referral application site is for 'Plimmerton Farm Stage 1' as set out in the application description details, plans and documents. The application proposal includes the following:

HOUSING

The Project seeks to construct between 880-1040 dwellings across 9 development stages. Approximately 880 residential units will be delivered within stages 3,4,6,7,8 and 10 as outlined in the detailed architectural plans, and a further 170 residential units are estimated within stages 5,9 and 11. While the individual residential units and allotment layout have not been designed for stages 5,9 and 11 to the same fine-grain detail as the other stages, yield within these stages has been estimated based on the preliminary roading design and the underlying masterplan. In order to include the development of these stages in this referral, the necessary earthworks and infrastructure to support development within these stages has been included in the proposal.

HOUSING TYPOLOGIES AND TENURE

Housing typologies include standalone, detached, terraced and apartment typologies. In addition, some vacant allotments will be provided to sell to other building companies. Development plans, housing typology plans, block plans and renders and typology schedules are provided in the referral application.

The range of housing will provide choice and support community diversity by catering for people at all stages of life. The final decision on the exact make-up of the development will be subject to a number of factors primarily related to market demand, feasibility and affordability.

Housing tenures may include:

- *Market houses;*
- *House and land packages;*
- *Land packages to be sold to house builders; and*
- *Kainga Ora house packages.*

OPEN SPACE

Three types of open space are provided:

- *Public open spaces including the wetland restoration/enhancement area in the low-lying portion of the site, parks, pocket parks, 'parklets', streets, lanes and walkways. The new wetland area will be come a significant asset to the development and wider community and the smaller park areas have been distributed throughout the development and are available to all residents and the general public.*
- *Communal private open space. This is open space contiguous with groups of units, which are for the use of the residents of those units and their guests.*
- *Private open space which is dedicated to each unit.*

All dwellings benefit from being in close proximity to one or more public open spaces and the proposed walking/cycling tracks. This combination provides a suitably high level of recreational amenity.

KM & MG Holdings Limited Overview:

KM & MG Holdings Limited (KMMGH) was established in 2018.

The sole shareholders of KMMGH are Malcolm Gillies and Kevin Melville who are extremely experienced in large scale residential, medium density and high density residential land development projects, and commercial land development, in the Wellington region and beyond.

Malcolm Gillies offices (Gillies Group) have recently shifted from 5 Gibbons Street, Upper Hutt (being KMMGH's registered address and address for service) to the New Zealand Campus of Innovation & Sport, Somme Road, Trentham, Upper Hutt (another Malcolm Gillies and Kevin Melville company developed the New Zealand Campus of Innovation & Sport). The Gillies Group office has 32 full time staff.

Developer's Track Record:

The development companies of Malcolm Gillies, and Kevin Melville, and their business partners have a long and proven track record of delivering successful large scale residential and

commercial development projects to a high standard of quality spanning a time period of some 25 years.

Malcolm Gillies development companies are about delivering successful residential and commercial development projects that are financially sound, and in terms of place-making deliver a high quality built and natural environment.

Malcolm Gillies development companies are involved in a project from start to finish and fully committed to it for the long term, from land acquisition or partnership with land owners, to developing the project vision and masterplanning in a collaborative manner involving the range of disciplines, through to completing construction and landscaping, and sales.

Malcolm Gillies ethos is to undertake quality developments that deliver on community and environmental expectations, invest in the communities he works in and use local firms tradespeople and providers where he can. Malcolm also strongly believes that development is not just about building, but it's about quality place-making and creating integrated communities and respecting environments. Large scale development projects created by Malcolm Gillies and Kevin Melville development companies include:

- ***Wallaceville Estate, Upper Hutt*** (developed by Wallaceville Developments Ltd – a Malcolm Gillies & Kevin Melville Company): A Private Plan Change rezoning and structure planned precinct development of the brown field former Crown Wallaceville AgResearch site in Upper Hutt into 800 houses – medium & standard density, a commercial zone, and recreation reserves containing remnant stands of indigenous vegetation (Grants Bush and Totara Floodplain Remnant). At the time of the Plan Change 500 dwellings were anticipated within 10 years. Due to provision and market uptake of more medium density comprehensive residential developments at Wallaceville expected completion will now be 800 dwellings within 8 years from start to finish at Wallaceville Estate.
- ***New Zealand Campus of Innovation & Sport & Sports Hub, Somme Road, Trentham*** (developed by The Heretaunga Company Ltd and The Heretaunga Company (No.2) Limited – a Malcolm Gillies and Kevin Melville Company): This project involved the transformation of the former Central Institute of Technology campus into the New Zealand Campus of Innovation & Sport and Sports Hub. The site was purchased in 2015, undertook earthquake strengthening, and redeveloped the site into a sports hub and education and technology hub, together with a premier high performance training and development facility of national significance. The campus is one of Wellington's largest accommodation providers, providing training facilities and office accommodation to Government Departments.
- ***South Pacific Business Park, Brewtown & Maidstone Quarter, Blenheim St & Railway Avenue, Upper Hutt*** (developed by CBDI Ltd & CBD Land Ltd – a Malcolm Gillies Company): This project involved the transformation of the former brownfield South Pacific Tyres/Dunlops Factory site on the edge of the Upper Hutt CBD into a thriving business and recreational hub including industrial and business employment, Brewtown – a hub of craft breweries/bars/eateries, , and recreation including ice rink, rock wall climbing and go-carting. Resource Consent has also been obtained for Maidstone Quarter – a medium density 72 unit terrace and townhouse development and 11 business units.
- ***Wellington CBD: Gillies House/Fuji Xerox House, Wakefield St, Wellington*** (earthquake strengthening & refurbishment by a Malcolm Gillies Company); ***Upper Hutt CBD – refurbishment of CBD Tower, 84-90 Main Street, Upper Hutt*** by CBDI Ltd a Malcolm Gillies Company)

- **Waingwa Industrial Park, State Highway 2/Norman Ave/Pakihi Rd/Ahumahi Rd/Wilton Rd, Waingwa, Masterton** (an industrial subdivision by a Malcolm Gillies Company within the Waingwa industrial area).
- **Other Residential Developments by Malcolm Gillies companies:** development of the Riverstone Terraces suburb in Upper Hutt; development of the Mt Marua suburb cluster housing in Upper Hutt; development of the Emerald Hill suburb in Upper Hutt; development of a comprehensive residential development at Amberley Gardens Silverstream, Upper Hutt – medium density; development of Fairview Farm rural lifestyle subdivision at Akatarawa, Upper Hutt; Taupo – rural lifestyle subdivision; Residential subdivisions – Hastings & Wairarapa.

Financial Backing:

KM & MG Holdings Limited is a private developer with a strong financial capability.

The development will be funded by a traditional residential development funding model, where the funding for the project will be provided by major New Zealand banks or other major financial lending institution. Malcolm Gillies and Kevin Melville's long established track record of implementing and completing large scale residential and commercial development projects over 25 years prove their track record over several decades of successfully obtaining funding from lending banks and financial institutions. The Developer has already secured funding for the Mo Street extension (extending an existing residential cul de sac) at Plimmerton Farm.

In order to get funding to complete the Stage 1 development, the project must have resource consent in place. The sooner consent is obtained the sooner physical works and provision of housing supply can begin.

The bank then takes the security of the land and resource consent, then lends the money knowing upon completion of the project there will be enough settlements to repay the loan.

At the early stage in the development, costs are borne by KMMGH from their balance sheet, these costs include purchase of Plimmerton Farm (the 384 hectare Plimmerton Farm site is now owned by KMMGH), consultant's costs for the design and implementation including Architects, Town Planners, Urban Designers, Cultural advisors, Ecologists, Surveyors, Structural and Civil Engineers, Geotech Engineers, Traffic Engineers, and Three Waters Engineers & scientists, consenting fees, development and reserve contributions.

Marketing and sales costs are also borne by KMMGH from their balance sheet. Malcolm Gillies previously owned the Upper Hutt Professionals Sales office and also has a successful background in land and residential property sales. Gillies Group has in-house sales staff and Malcolm Gillies has extensive sales relationships with established sales entities. KMMGH can offer the full range of development services from land acquisition (ownership of Plimmerton Farm is already acquired by KMMGH) through to civil and residential construction, through to marketing and sales).

During Malcolm Gillies 25 years in property development, all development projects have been structured in this manner, where initial 'sof cost' funds were provided by the Developer, and the development cost provided by major banks or lending financial institution once consents are in place.

Economic Benefits:

It is estimated on average over the programme of Stage 1 Plimmerton that 1,465 FTE's will be employed on the development across a range of sectors directly and indirectly on the

development. This will result in significant employment opportunities for peoples living in Porirua City over a sustained period of time.

'Plimmerton Farm Stage 1' provides a significant investment in the local economy of approximately \$160.9million. The economic benefit to the Porirua and wider Wellington economy is substantial along with adding to the NZ GDP. There are opportunities through the project for employment locally, and the Developer has a long established track record of using local trades, businesses and suppliers where possible.

The 'Plimmerton Farm Stage 1' development will deliver 880-1040 dwellings into the market, with a focus on delivering a range of tenure types including stand alone housing and more affordable duplex, terrace and apartment dwellings.

The development companies of Malcolm Gillies and his business partners have a long and proven track record of delivering successful large scale residential and commercial development projects to a high standard of quality.

Malcolm Gillies development companies are about delivering successful residential and commercial development projects that are financially sound, and in terms of place-making deliver a high quality built and natural environment.

Malcolm Gillies development companies are involved in a project from start to finish and fully committed to it for the long term, from land acquisition or partnership with land owners, to developing the project vision and masterplanning in a collaborative manner involving the range of disciplines, through to completing construction and landscaping, and sales.

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Ticking the Fast-Track Criteria:

The 'Plimmerton Farm Stage 1' development meets the fast-track criteria for consenting on the basis of the following criteria and outputs that will be delivered:

Stimulating the Economy with a development at pace – The development will commence within months of consent being granted, significant works have been completed in design and feasibility for the proposed development under the consented SPP process for the now operative Plimmerton Farm Plan Change, and the more detailed design works in the Fast-Track Referral application here-in, and based on the current programme site enablement works. The application states *In all respects the Project is 'shovel ready' with enabling works expected to commence within approximately 3-4 months after receiving consent, and the Project developed over 6-7 years from commencement. KMMGH and associated entities directly manage all its development projects internally and therefore has a high degree of control over the construction process, including quality and the careful management of temporary construction effects.*

- **Increasing Housing Supply** – The 'Plimmerton Farm Stage 1' development will deliver 880-1040 new dwellings in a wide range of housing typologies – detached, and multi-storeyed terraced and apartment typologies providing for the full range of demographics and household occupancy;
- **Generating Employment** – The development will result in 1,465 FTE being employed over 6-7 years of work and inject approximately \$160.9 million into the local economy;

- **Environmental design** - Environmental design (including Water Sensitive Urban Design, hydraulic neutrality, biodiversity and offset restoration areas, construction of a wetland and water detention area) will ensure the impact of the development is managed sustainably in accordance with latest best practice, and any effects mitigated. 'Plimmerton Farm Stage 1' will be well integrated into the existing established urban environment of Plimmerton and Cambourne, with improved connectivity to public transport options at Plimmerton Train Station and the provision within the subdivision of civil design that provides for a public bus route, walking and cycling within the road typologies and open space network;
- **Cultural** – The development will not impact on any known sites of significance to mana whenua and will integrate Te Mana o te Wai principles. The Developer consulted extensively with Ngati toa Rangitira during the SPP process for the now operative Plimmerton Plan Change. The operative Plimmerton Farm Zone contains accidental discovery provisions, permitted activity standards for cultural harvesting, and the Plimmerton Farm Precinct Plan which contains Mana Whenua Principles, Freshwater Principles, and Erosion & Sediment Control Principles. As required, a Cultural Impact Assessment will be provided with the fast-track resource consent application if the referral application is approved; and
- **Investment** – 'Plimmerton Farm Stage 1' represents a significant and long-term investment in Porirua City. By virtue of its physical location Plimmerton Farm will start the transformation of Porirua's Northern Growth Area into a new suburb of the City and Wellington Metropolitan Region. Any Fast-Track Approval of 'Plimmerton Farm Stage 1' and subsequent fast-track resource consent will kick-start new housing supply at scale and pace, and enable all stakeholder agencies to co-ordinate their roles and decision making to facilitate the housing supply in this application. For the business case important benefits of the Fast-Track Approval process are the substantial time savings to get started on the ground and the co-ordination of stakeholder agencies to co-ordinate their roles and decision making. "Plimmerton Farm Stage 1' will lead the way and facilitate the on-going subsequent role-out of future Stages at Plimmerton Farm and at land to the north owned by others in Porirua's Northern Growth Area.

Kind regards,

Malcolm Gillies
Director KM & MG Holdings Limited