

DATE: 17 November 2021
TO: Jess Hollis (Contractor, Fast-track Consenting Team)
FROM: Michelle Kemp (Principal Planner, Campbell Brown Planning Limited)
SUBJECT: FURTHER INFORMATION RESPONSE – WHENUAPAI GREEN

I am assisting Philip Brown with the preparation of this application. I refer to your written request for further information dated 5 November 2021. Responses to the particular further information requests are set out below. I have also reproduced each request for clarity, numbered and in italics.

1. ***Application form and secondary 'application' document.** You have completed the online application form (which as you are aware generates the 'official application form') and then also submitted a secondary application document that is largely the same information but with some additional images, tables and text. To avoid confusion or information being missed (if the Minister decides to seek comments) it would be best if the secondary 'application' document could be edited so that it was a supplement to the official application form rather than a repetition of all of the information, with some additions. Can you please therefore provide an updated version of the document which provides only supplementary information rather than containing duplicate information (and potentially creating confusion or requiring duplicate review by commenters). I understand your approach may have been accepted for another recent application so happy to discuss this if you have any questions.*

As requested, see attached an updated document (**Attachment 1**) which provides supplementary information to support the official application form document. The attached supplementary information document contains essential figures and information that was unable to be included within the official application form document.

2. ***Records of Title.** You have noted that the relevant records of title are subject to several recorded interests and that none of these impact on the applicant's ability to develop the land. Please provide further details of the interests and brief comment in support of the statement that none will impact the ability to develop the land.*

The following relevant interests are attached (**Attachment 2**):

- Lot 2 DP 81411.

- 17899 Gazette Notice – declaring the land subject to restrictions imposed within the notice for the purpose of making the Whenuapai Aerodrome safe for aviation purposes. The notice essentially places the same restrictions on the title as the Airspace Restriction Designation. It is noted that the entire site and surrounding Whenuapai area is beneath the Airspace Restriction Designation – protection of approach and departure paths (Whenuapai airbase). The establishment of buildings, subdivision and change of use in the northern part of the land is subject to the written approval of NZDF, as required under Condition 1 of the designation. The area affected by this restriction is identified in Figure 5 (Attachment 1), and accounts for around 8% of the site. Further information is provided within the attached supplementary document (**Attachment 1**). Discussions are ongoing.
- 11621769.1 Caveat – Against dealings with land. Relates to sale and purchase agreement matters.
- 11623783.1 Caveat - Caveat – Against dealings with land. Relates to sale and purchase agreement matters.
- K72265 Compensation certificate – relating to the clearance of trees. Dated 11 August 1959. This certificate does not impact on the ability to develop the land.
- Lot 1 DP 53062.
 - 11621769.2 Caveat - Against dealings with land. Relates to sale and purchase agreement matters.
 - 11636902.1 Caveat – Against dealings with land. Relates to sale and purchase agreement matters.

3. **Certainty of Investment.** Please provide financial and other supporting information for Maraetai Land Development Limited (MLDL) to demonstrate that the project will be able to deliver on the employment and investment certainty objectives of the FTCA. For example, you may wish to provide:

- a. Information on how the various stages of the project will be funded;
- b. MLDL's financial statements for the last two financial years showing its assets and liabilities and debt to equity ratio;
- c. Business referees; and/or
- d. Other evidence demonstrating the financial health of the company.

The application has been made jointly by Neil Construction Limited (NCL) and Maraetai Land Development Limited (MLDL) as applicants. MLDL has an unconditional agreement to purchase the land. The development funding and development expertise will be supplied by NCL which has a history of over sixty years of successful land development projects and owns substantial development land in its own right. NCL employs a range of full time staff who are experienced with this type of project including engineers, surveyors, project managers and marketers, who have the ability to plan, design, consent, build and then sell down the Whenuapai Green project.

If the project receives resource consent approval then NCL will fund all the development stages under a joint venture development agreement with MLDL. A recent Fast Track consent application by NCL has already been referred to the Expert Consenting Panel for a residential project in Beachlands which has confirmed our ability to fund and undertake this type of project.

NCL is part of The Neil Group of companies which is a substantial development company with very low levels of debt funding. Attached are the consolidated financial statements to 30 June 2021 for Neil Corporation Limited which is the owner of Neil Construction Limited. These financial statements show the Company is well positioned financially to undertake the project as part of its normal development activities. Funding for the development project will be from existing cash reserves and as at the response date above, NCL has approximately s 9(2)(b)(ii) of conditional sales signed for developed sites from its other projects, many of which will be completed prior to the commencement of Whenuapai Green.

External debt funding will not be required to undertake the development. Preliminary development budgets have already been prepared based upon the concept plans for the development proposed in the consent application, including the provision for any off site works if required. The works have already been programmed into the indicative working capital requirements for NCL for the June 2023 financial year end and beyond with the funds allocated for this purpose.

Neil Corporation Limited Consolidated Statement of Comprehensive income is attached (**attachment 3**).

4. **Contaminated Soils.** *The application is unclear on whether consent will be required under relevant contaminated soils provisions under the Auckland Unitary Plan and/or the Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011. Please advise whether consent is likely to be required and should therefore be included in the project scope, and if consent is likely to be required please provide an assessment against the NES-CS (currently not included in Part VIII of the application form).*

See attached PSI documents for the entire site, 98 – 100 Totara Road and 102 Totara Road (**Attachment 4**).

Information obtained indicated that the land has consistently been used for grazing and pastoral farming. There is no evidence of past use for horticultural activities, which are included in the Ministry for the Environment's Hazardous Activities and Industries List. The only other possible sources of contamination that were identified relate to asbestos containing materials in the remaining buildings and the potential for use of lead-based paints. Additionally, plans held within the property file identify the location of onsite waste water treatment systems associated with the residential dwellings on site.

An assessment against the NES Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011 (NESCS) and the relevant contaminated land provisions of the Auckland Unitary Plan: Operative in Part (AUP:OP) is provided within section 6.2 and 6.3 of both PSI documents (**attachment 4**). The assessment concludes that the required soil disturbance and off site disposal of any actual or potentially impacted soil will fall within the permitted activity volume allowance of the NESCS and the AUP:OP. A site management plan will likely be required to document the controls to be in place and will be provided.

As the project progresses and earthworks calculations are finalised, these matters will be examined further and permitted activity status (or otherwise) confirmed. For the purpose of this referral application, it is requested that consent under both the NESCS and the AUP:OP is included within the scope of this application to provide flexibility for the applicant in the unlikely event that consent is required.

5. **Job Generation.** Please advise whether an economic assessment has been prepared in support of the application and provide a copy if this is available. The application refers to jobs, however to assist with consistent reporting to the Minister, please provide a breakdown of the potential job numbers that will be generated by the project using the following (with the categories being an example only):

- Approximately X direct full-time equivalent (FTE) jobs over a X year/timeframe period for design and planning
- Approximately X direct full-time equivalent (FTE) jobs over a X year/timeframe period for construction (you may wish to break this down to subdivision construction vs dwelling construction)
- Approximately X direct full-time equivalent (FTE) jobs over a X year/timeframe period for sales, leasing, marketing etc (feel free to adjust as necessary)

We note the application stated that house construction would commence in 2023 and be complete by 2026: The applicant has worked through the development programme further and wishes to amend this statement. House construction will commence in 2024 and be complete 2028. This alteration to programme is consistent with the schedule included within this response.

The employment associated with creating and/or maintaining full time roles as a result of the development through the three-stage subdivision construction period and the five years of house building are estimated and classified in the following summary.

The subdivision works will be contracted out to a main civil engineering and earthworks contractor who is likely to be a large Auckland based construction Company employing both direct labour and sub-contractors. Some specialized work will also be contracted out directly by NCI for landscaping and services supply.

The house construction works will be carried out by a number of different housing developers that will commence work on the residential lots once the 224c certificates have been issued by Council for the approval of the subdivision works. It is likely that a large number of these builders will seek to purchase lots ahead of the completion of the subdivision works.

The accepted methodology for the calculation of employment generators is to use spending multipliers for all the contract works depending upon the timing of the spend. Insight Economics Limited has provided the current spending multipliers which are applied to calculate both the direct component, which measures the increase in employment associated with the building contractor themselves and their direct suppliers (i.e. sub contractors). The flow-on effects measure the impacts of wider supply chain spending (spending by sub contractors with their own suppliers) and the induced

effects of additional spending caused by the overall increases in employment. The latter (the induced effect) captures the fact that the building work increases employment and therefore boosts household incomes, some of which will be spent in the local economy and hence give rise to further economic impacts.

Subdivision and house building FTEs are based on current residential construction multipliers for both direct and indirect labour per \$9(2)(b)(i) of building spend. Direct labour is currently calculated at 2.4 FTE per \$9(2)(b)(i) and flow on at 9 FTE per \$9(2)(b)(i). Note that land cost is not included in this calculation as it is assumed to be a sunk cost which generates no further additional employment. Costs are estimated using current figures with no allowance for inflation over the project period.

The methodology used is consistent with the recent Covid -19 Fast Track Consent application lodged for the applicants Beachlands Project which has been referred by the Minister for Environment to the Expert Consenting Panel for consideration.

The table below shows the effects of these calculations apart from the site project and management employment estimates which are based on the number of staff that will be required to manage the project. House build numbers are expected to occur at an average annual build spend of approximately \$9(2)(b)(ii) per year for five years in addition to the cost of the subdivision.

Site Project Management & Supervision

- Construction Manager
- Development Manager
- Design Engineers
- Site engineers
- Site Foreman / supervisor
- Health & Safety Manager
- Workshop Maintenance
- Surveyors
- Quantity Surveyor
- Contractors admin & HR support
- Visiting Consultants (geotechnical, traffic, environmental, council inspectors)

These people will be employed throughout the period of the subdivision construction to both supervise and manage the works on site as a mix of full time and part time employees and consultants. The estimated full time jobs generated as a result of these management positions are shown in the first row of the table below.

The civil engineering works will be carried out by contractors employees in order to create all roading, services, culverts, landscaping and other works necessary to give effect to the subdivision resource consent and the approved engineering design. Once each stage of the subdivision works is completed, Council will issue a 224c certificate and separate freehold titles can be applied for. Housing construction can commence once the 224c certificate is issued for each stage of the subdivision works and possession of the individual sites passes to the housing developer.

Whenuapai Green Development - Estimated FTE Employment Numbers

	2022	2023	2024	2025	2026	2027	2028	Total
Subdivision Design and Consents - Direct FTEs	4	8	8	8	8	0	0	36
Subdivision Construction - Direct FTEs	4	28	36	36	24	0	0	128
Subdivision - Indirect Flow on FTEs	10	24	24	24	7	0	0	89
Total Subdivision FTEs	18	60	68	68	39	0	0	253
House Building - Direct FTEs	0	5	67	72	72	72	53	341
House Building - Indirect flow on FTEs	0	18	252	270	270	270	198	1278
Total House Building FTEs	0	23	319	342	342	342	251	1619
Sales and Marketing - Direct FTEs			2	5	5	5	5	22
Total FTE jobs per year	18	83	389	415	386	347	256	1894

s 9(2)(b)(ii)

6. **Plans.** Please provide a scheme plan to clearly illustrate the proposed subdivision component (e.g. to show residential lots vs JOALs vs land proposed to vest etc). Please also provide any available indicative elevation plans of the various housing typologies.

See attached an updated masterplan (dated 17 November 2021) with indicative elevation plans (attachment 5). The applicant has redesigned the triangle area next to the proposed drainage reserve along Totara Road. This results in the ability to accommodate an extra 6 lots which takes the total lots proposed to 459. The applicant wishes to update the application to provide for 459 lots.

The scheme plan is currently being prepared and will be provided on Friday 19 November 2021. Should the Minister be minded to accept this application for referral, flexibility is requested with regards to wording of the description of the project, to ensure that the scope is not significantly restricted in the event that lot numbers alter. For example:

The development will comprise –

- (a) Approximately 459 residential lots

Whilst the applicant has every intention to retain the proposed scheme, alterations can occur throughout the design process which result in a better outcome and the above wording ensure that any potential minor alterations to lot numbers are provided for within the scope of the project.

7. **Potential Natural Wetlands.** *The memo provided by Bioresearches addresses watercourse classification and contains limited reference (Watercourse C) to areas of the site that have been investigated/considered as potential natural wetlands. Please provide comment on all areas of the site that have been considered as potential natural wetlands, including any additional assessment that has been undertaken to confirm there are no natural wetlands on the site (if applicable).*

Bioresearches has prepared a memo response addressing the matters raised, please refer to **attachment 6**. In summary, all features within the site were considered not to be 'natural wetlands' as per the NPS-FM.

I trust that this further information is of assistance. Please contact me if any additional clarification is required.



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