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To Auckland Council/Whom it May Concern

Crown Infrastructure Partners Limited (CIP) has been in discussions and working with the Russell Property Group since early August 2021 on a possible Infrastructure Funding and Financing (IFF) solution for their planned development at Beachlands.

The project is to be developed by Beachlands South Limited Partnership (BSLP), a partnership between the New Zealand Crown entity, the Guardians of New Zealand Superannuation Fund (NZSF) and parties associated with the Russell Property Group (RPG).

This letter has been prepared to support the BSLP's plan change application which potentially proposes an IFF solution.

We understand the land is to be rezoned in two stages, a Live Zone for approximately 2,900 dwellings and a Future Urban Zone which will be developed at some future date.

Those discussions and work to date has been positive and we look forward to progressing the following details of a possible IFF solution with BSLP:

1. Understanding the likely timing of zoning and consenting of the development as this will then enable a needs and benefit analysis to be completed;
2. Understanding the Council view on what infrastructure is required and whether they support the development; and
3. A full beneficiary analysis including the likely quantum and commencement date of an IFF levy.

In the material provided to us, which includes a set of infrastructure required for the Live Zone area with a cost estimated at approximately \$75m excluding GST (independently verified by RPG quantity surveyor), at the current market conditions, the levy per apartment and house appears to be reasonable. The balance of the infrastructure costs for the Live Zone will be funded by the project from infrastructure connection fees to the Partnership's wastewater, potable water and stormwater infrastructure.

In the future, the additional infrastructure for the Future Urban Zone has wider benefits and the potential to also utilise the IFF model.

Ultimately the successful completion of any IFF transaction will require the support of key stakeholders, the approval of the CIP board, approval by CIP's Shareholding Ministers and the Minister of Finance and in particular the positive recommendation of Ministry of Housing and Urban Development as Recommender to the IFF Minister, approval by the IFF Minister and the support of Cabinet in enacting the Order in Council for an IFF Project. This is a requirement of the Act and applies to all developments to be funded using the legislation.

CIP looks forward to advancing this project with Beachlands South Limited Partnership.

Yours sincerely

Sean Wynne

Deputy CEO

Crown Infrastructure Partners Limited