

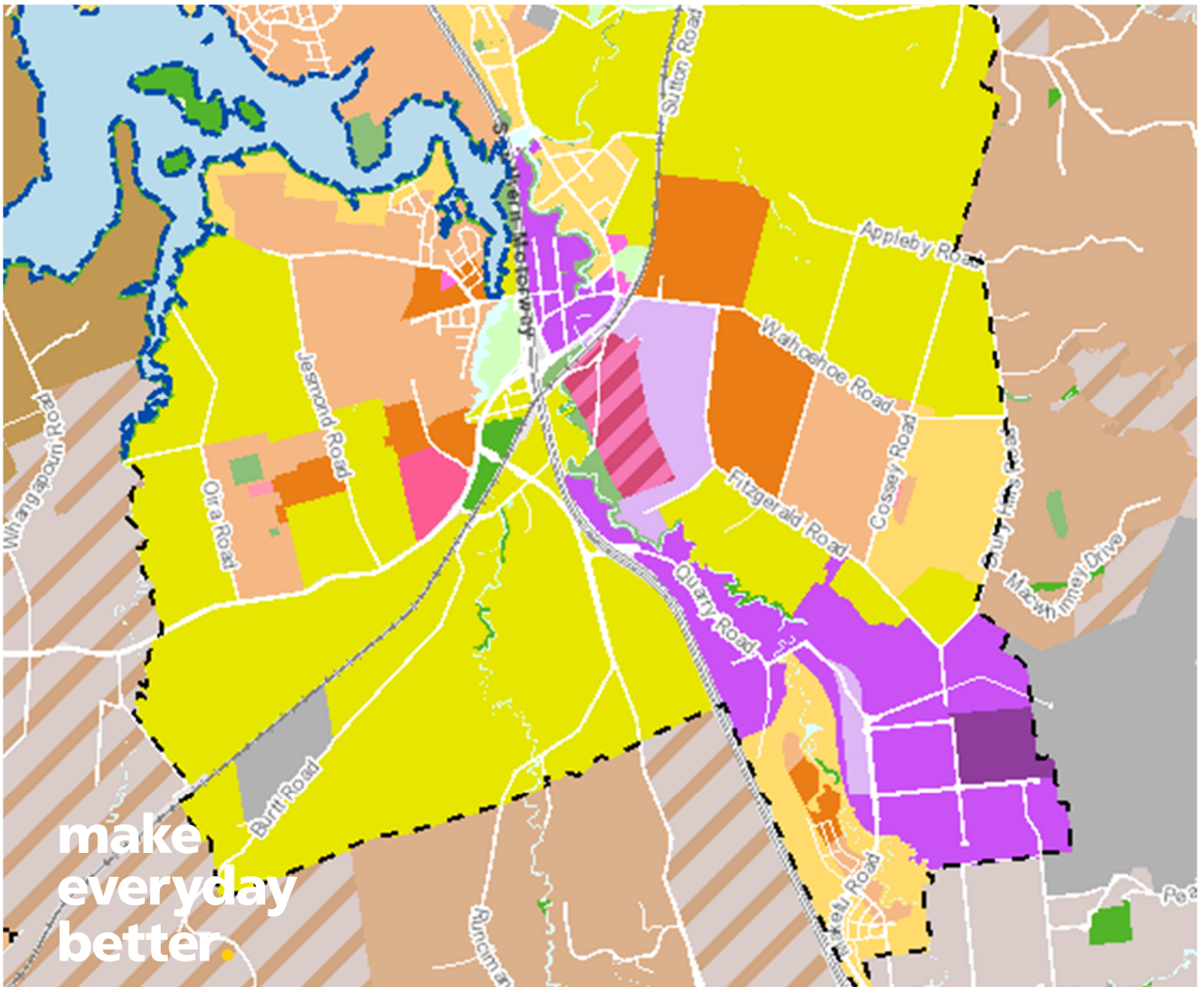
# Drury Developer Contributions Policy

## Property Cost Allowance Addendum Report

Prepared for Auckland Council

Prepared by Beca Limited

13 April 2023



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## Appendices




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### Appendix A – Project Specific Property Schedule

## Revision History

Revision N°	Prepared By	Description	Date
0.1	Bruno Busnardo	Draft for internal review	01/04/2023
0.2	Bruno Busnardo	First issue to Auckland Council	13/04/2023

## Document Acceptance

Action	Name	Signed	Date
Prepared by	Bruno Busnardo		13/04/2023
Reviewed by	Rob Mason		13/04/2023
Approved by	Darren Wu		13/04/2023
on behalf of	Beca Limited		

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## Executive Summary

This Addendum report presents an update to the previous **Drury Infrastructure Funding and Financing – Cost Allowances** report undertaken by Te Tupu Ngātahi (the Supporting Growth Alliance), with respect to **property cost** information only. That previous (August 2022) Cost Allowances Report identified the associated cost allowances for transport projects required to support the Drury Infrastructure Funding and Financing (DIFF) programme of which one of the components was the associated property costs.

For projects that are a part of the Drury Arterial Network Detailed Business Case (DBC), property costs from the DBC were used to inform Auckland Council's developer contribution work. There were also a number of transport corridors in the DIFF Programme which were not included in the Drury Arterial Network DBC and therefore no cost information was available. For these corridors, generic linear rates were used to inform the potential property costs.

In 2023, Auckland Council made the decision to apply a uniform methodology for the calculation of potential property costs for all proposed transport projects as part of the DIFF (DBC and non-DBC projects). With this change in methodology, the property cost information provided in the **Cost Allowances** report (August 2022) would no longer be used for the developers contributions work. Instead, specific project information was needed by Auckland Council from the Drury Arterial Network DBC to input into the uniform methodology for calculating property cost allowances.

A summary of the DBC projects where Auckland Council required this information is listed below alongside the specific information that was requested. Detailed information can be found in Appendix A.

Projects Requiring Property Information	Specific Property Related Information Requested
9b - Upgrade in Norrie Rd/GSR/Waihoehoe intersection	<ul style="list-style-type: none"> <li>Proposed property acquisition requirements e.g. permanent acquisition or temporary acquisition</li> <li>Proposed property land area requirements relating to each project</li> <li>Property parcel identification information e.g. Property ID and Property Address</li> </ul>
10b - New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections)	
37a - N-S Opaheke Arterial from development to Ponga Rd	
40a - New intersection on Jesmond/Bremner Rd	
41b - Jesmond Rd from SH22 to Waipupuke development boundary	
42c - Jesmond Rd upgrades from project 41 to New Bremner Rd	
43b - Intersection upgrade on Jesmond Rd/SH22 Rd	

# 1 Purpose, Context and Scope

## 1.1 Purpose and Background

In September 2022 Te Tupu Ngātahi (the Supporting Growth Alliance), produced a cost allowances report to provide indicative cost allowances for the transport infrastructure needed to support the plan changes in Drury and was named as follows:

### ***Drury Infrastructure Funding and Financing – Cost Allowances, Te Tupu Ngātahi, August 2022***

Indicative cost allowances were provided for transport corridor projects from the Drury Arterial Network Detailed Business Case (DBC) and for projects which were not in the DBC. The **Cost Allowances** report (August 2022) adopted two approaches for developing property costs depending on which category a project was under:

- Unit rates for area based on the land use at the time of development for non-DBC projects or
- Proportional assessment or adoption of the Drury Arterial DBC cost estimates.

In 2023 Auckland Council commissioned Beca Limited (Beca), to provide this addendum to that report with respect to property cost information. The request for this addendum was in relation to Auckland Council's adoption of a uniform approach for the allowances of property costs for the DIFF programme projects whether they were part of the Drury Arterial Network Detailed Business Case or not. This meant that the previous property cost allowances would be replaced by property costs calculated using the revised uniform approach.

## 1.2 Scope of this Addendum Report

The scope of this updated Cost Allowances addendum was:

- To acknowledge Auckland Council's change in approach and methodology for the consideration of property costs for the DIFF programme and any changes to the interpretation of the **Cost Allowances** report (*August 2022*)
- Summarise the property related information provided to Auckland Council for input into their uniform methodology for calculating property cost relating to the projects within the DIFF programme

This addendum report describes these changes to Section 2.4 of the **Cost Allowances** report (August 2022) and associated references to *property cost allowance* for each project in the same report.

This addendum does not make any changes to the other non-property cost components of the cost allowances, so this Addendum should be read in conjunction with that previous report.

## 1.3 Report Structure

The remainder of this report is structured as follows:

Chapter 2	Contains updated information relating the interpretation of the August 2022 Cost Allowances report
Chapter 3	Summary of the property related information provided to Auckland Council in 2023 for application in the new uniform approach to property costs for the DIFF programme

## 2 Cost Allowance Report Interpretation Update

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The following section details the differences between the Cost Allowance report (August 2022) and the latest changes to the calculation of property cost allowances by Auckland Council.

### 2.1 Previous Methodology (August 2022)

Section 2.4 of the **Cost Allowances** report (August 2022) summarises the methodology adopted for the calculation of the property cost allowances provided for the projects in the DIFF programme. Two methodologies were applied to reflect available information and are summarised below:

- Unit rates for area based on the land use at the time of development for non-DBC projects or
- Proportional assessment or adoption of the Drury Arterial DBC Cost estimates

The property cost allowances were provided to Auckland Council with the overall cost allowances for each project and our understanding is that these were applied directly for the development of the DIFF programme.

### 2.2 Changes to Property Cost Allowance Interpretation

Given some differences in how property cost allowances were calculated depending on whether a transport project was in the Drury Arterial Network DBC or not, Auckland Council had advised that a uniform approach to property cost allowances would be applied. The uniform approach has been developed by Auckland Council with a request for Beca to provide inputs from the DBC to inform their model. This change in approach means that the **property cost component** of the cost allowances provided for each project in the **Cost Allowances** report (August 2022) is no longer relevant. Instead, property cost allowances will now be provided by Auckland Council for all projects in the DIFF programme.

### 3 Property Information Update Summary

As a result of Auckland Council's uniform approach to calculating property cost allowance, the following information was requested (**Table 1**). The projects where information was requested relates only to DBC projects and no additional information was requested for non-DBC projects.

The Council's uniform methodology includes consideration of value of the land per area (\$/m<sup>2</sup>), zoning of the land at the time of acquisition, extent of land that is likely to be required, extent of land that could be temporarily leased during construction (temporary assumption), Public Works Act (PWA), Injurious Affection (IA), and contingency.

Projects Requiring Property Information	Specific Property Related Information Requested <sup>1</sup>
9b - Upgrade in Norrie Rd/GSR/Waihoehoe intersection	<ul style="list-style-type: none"> <li>Proposed property acquisition requirements e.g. permanent acquisition or temporary acquisition</li> <li>Proposed property land area requirements relating to each project</li> <li>Property parcel identification information e.g. Property ID and Property Address</li> </ul>
10b - New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections)	
37a - N-S Opaheke Arterial from development to Ponga Rd	
40a - New intersection on Jesmond/Bremner Rd	
41b - Jesmond Rd from SH22 to Waipupuke development boundary	
42c - Jesmond Rd upgrades from project 41 to New Bremner Rd	
43b - Intersection upgrade on Jesmond Rd/SH22 Rd	

Table 1: Summary of Projects Requiring Specific Property Related Information

#### 3.1 Key Assumptions

The following summarises key assumptions for the pulling together of the specific property related information:

- The project extents are generally based on the Drury Arterials DBC for DBC projects. Specific project extents and breakdowns for the DIFF Programme are the same as the Cost Allowances Report (August 2022). All of these are identified in Appendix A
- Land specific information was extracted from Drury Arterials Detailed Business Case (DBC) assumptions, and includes the following:
  - Schedule ID
  - Property Address
  - Zone

<sup>1</sup> Full details of the information provided can be found in Appendix A

- Title Information
- Property acquisition type allowance – Partial, full or temporary
- Area of property required

### **3.2 Important Note for Use of Information**

The areas identified for partial, temporary, and permanent property acquisition have been developed by the Te Tupu Ngātahi Supporting Growth Alliance for the purpose of Notices of Requirement (NoR) and the Detailed Business Case (DBC) only. The actual area cannot be determined until the projects progress to construction.



## 4 Summary

This report is an addendum to the previously produced Cost Allowances report (August 2022) prepared by Te Tupu Ngātahi (the Supporting Growth Alliance), for Auckland Council's proposed DIFF for Drury. It specifically provides an update on the *property cost allowances* component given Auckland Council's change to adopt a uniform approach to the calculation of this for both DBC and non-DBC projects. The change to a uniform approach to the calculation of property cost allowances means that those provided in the previous Cost Allowances Report (August 2022) are no longer relevant. All other cost allowances for projects in the August 2022 report remain unchanged.

In order to adopt Auckland Council's new uniform approach to property cost allowance calculations, specific property related information was requested and provided by Beca. The projects where this additional information was requested is summarised below with total area requirements. A full summary by individual property can be found in Appendix A.

Table 2 Summary Requested Project Property Information and Land Area Requirements by Type

Project	Temporary Area Required	Partial / Full Land Area Required
9b - Upgrade in Norrie Rd/GSR/Waihoehoe intersection	1510 m <sup>2</sup>	9345 m <sup>2</sup>
10b - New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections)	2470 m <sup>2</sup>	3013 m <sup>2</sup>
37a - N-S Opaheke Arterial from development to Ponga Rd	54631 m <sup>2</sup>	70410 m <sup>2</sup>
40a - New intersection on Jesmond/Bremner Rd	3627 m <sup>2</sup>	11030 m <sup>2</sup>
41b - Jesmond Rd from SH22 to Waipupuke development boundary	6970 m <sup>2</sup>	4977 m <sup>2</sup>
42c - Jesmond Rd upgrades from project 41 to New Bremner Rd	16140 m <sup>2</sup>	12165 m <sup>2</sup>
43b - Intersection upgrade on Jesmond Rd/SH22 Rd	4627 m <sup>2</sup>	4328 m <sup>2</sup>



Appendix A – Table of Project Specific Property Schedule