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Urban Development Delivery
Securing the Project Objectives and Benefits
via an Urban Development Programme

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1. Executive Summary

In seeking to deliver on the Cabinet requirements and the Auckland Light Rail Project (the “Project”) investment objectives, a comprehensive analysis has established fundamental building blocks towards securing the project objectives and desired urban outcomes: -

- While investment in the Project will enable additional urban growth, with consequential benefits, it will, on its own, fail to optimise the investment value and fail to fully unlock the urban and city transformation potential enabled by the investment.
- There is a direct positive correlation between further unlocked urban growth and: -
- Beneficial transport outcomes related to Project operational efficiency, accessibility, mode shift, public transport use, reduced Vehicle Kilometres Travelled and positive climate effects.
- Substantial wider economic benefits with an estimated present value of over \$300m.
- Transformation towards a more compact, quality, connected and transit-oriented city which delivers improved quality of life, places, economic efficiency & productivity, equity and choice.

To unlock and deliver the above potential benefits requires the determination and implementation of an intentional Urban Development Programme (UDP) which comprises the necessary urban interventions enabling and driving quality, transit-oriented intensification.

Two substantial pre-requisites exist to a successful UDP: -

Route and Station Locations: identifying and optimising the urban drivers which inform the Project infrastructure and operational decisions, including route, mode, station locations and operational characteristics of the future system.

Land Use Change: a detailed, place-based, understanding of all factors which will influence future land use change recognising that, in effecting this change, transit-oriented development is supported.

To be effective, an UDP must first be enabled via: -

- Forming a critical part of the scope and accountability of the Project delivery structure.
- A comprehensive, whole of government, governance, procurement and delivery approach, including optimising/capturing the value and financial/community returns from the Project investment, the Crown estate and existing Crown initiatives associated with the CRL investment and the activities of Kāinga Ora in the extensive large scale Auckland Housing Programme.

Secondly the UDP must: -

- Be strategically informed, sensitive to the needs of local communities, master planned and be place-based.
- Address market constraints & opportunities and the potential catalytic impacts of Crown initiatives and/or partnerships, realising that to be effective major change must come via enabling and incentivising the market.
- Build on and optimise the respective skills, capital, competencies, risk profiles and statutory frameworks of existing public entities including opportunities within the Urban Development Act.
- Have a clear programme, accountabilities, responsibilities, budget, performance monitoring and reporting arrangements within the delivery structure.



2. Introduction

2.1 Overview

Urban transportation projects have traditionally been treated as conventional engineering infrastructure projects which are developed largely in response to fixed urban “assumptions” or context (outside in). It is critical that highly urban, mass transit systems, should be approached as an integrated “systems whole”, informed and directed in both directions (inside out & outside in), which reflects a more transactional, dynamic, mutually reinforcing and realistic fully integrated urban environment.

This more traditional approach negatively impacts on information gathering, project options, investment prioritisation, efficient & effective achievement of project outcomes and fails to secure the co-ordination of integrated transport and urban considerations, programmes and projects. These must also include the positive outcomes and benefits from synergist public & market-led urban development, intervention and optimisation opportunities.

Urban development represents interventions which seek to optimise the transport and urban benefits from a more integrated urban-transport approach to project option identification, assessment and delivery. This urban development finds a home within an intentional Urban Development Programme (UDP) which is a comprehensive approach to integrating the transport and urban systems. The UDP includes land use, spatial & statutory planning, coordinating a whole of government approach, including significant housing activity by Kāinga Ora, concurrent local government policies, planning and investment in civil and social infrastructure, services and amenities. It is also critical to enable and drive private sector buy in and delivery by influencing market led investment necessary for and supportive of the transport investments as ultimately it will rely on the private sector to deliver substantial transit-supportive urban change.

2.2 Purpose

This report provides a summary of the work that has been done by the Urban Development Delivery pillar as a component of the Project urban workstream activities.

The purpose of this document is to ensure the Urban Development Delivery pillar meets a number of benchmarks for success as summarised below;

- Establish a sound foundation for securing urban interventions as a critical component of the Project investment to achieve the Foundation Outcomes and investment objectives (herein referred to as the ‘Outcomes’);
- Recommend a robust process and framework for assessing and securing large-scale transit supportive urban renewal;
- Provide clear advice to the business case, including the delivery structure and related ministerial advice in support of the urban development delivery recommendations, and;
- Ensure that the urban development delivery considers leveraging existing central and local government initiatives to deliver infrastructure, including the CRL and optimises the Project and Auckland Housing Programme (AHP) urban and transport outcomes.



2.3 Decision Context

2.3.1 Cabinet Context

Outcomes

Access and Integration: Improved access to opportunities through enhancing Auckland's Rapid Transit Network and integration with the current and future transport network;

Environment: Optimised environmental quality and embedded sustainable practice;

Experience: A high quality service that is attractive to users and highly patronised;

Urban and Community: Enabling of quality integrated urban communities, especially around Māngere, Onehunga and Mt Roskill.

Decisions (Establishment Unit Tasks)

- Preparing advice on the form and governance arrangements for the delivery entity for the project;
- Preparing advice on the options to take the project forward, including mode, alignment, and decision gateways; and
- Supporting and informing, as required, policy work undertaken by policy agencies.

Key Cabinet Questions

- What city shaping function should CC2M serve?
- What level of commitment can be given to delivering on the urban development opportunities unlocked by CC2M?
- What role should CC2M play in Auckland's wider rapid transit network?
- What level of complexity are the Government and stakeholders prepared for?
- 2.3.2 Project Investment Objectives

Objective 1:

A rapid transit service that:

- *Is attractive, reliable, frequent, safe and equitable*
- *Is integrated with the current and future active and public transport network*
- *Improves access to employment, education and other opportunities.*

Objective 2: A transport intervention that embeds sustainable practice and that reduces Auckland's carbon footprint.

Objective 3: Unlocking significant urban development potential, supporting a quality compact urban form and enabling integrated and healthy communities.



2.4 Summary of Urban Development Delivery Pillar

This workstream incorporates the following in respect of urban development;

- The case for **urban intervention** and the determination of an UDP
- In respect of the UDP: -
- What are the key issues impacting on successful **deliverability and** associated **risks**?
- What **strategies, levers and interventions** can be used to ensure successful urban outcomes are delivered?
- What are the **trade-offs**?
- What **tools** are available in order to undertake these interventions?
- What are the Project delivery considerations to **drive accountability** for securing urban outcomes and the principles and key success factors for successful delivery?

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3. Urban and Transport System Context

3.1 Urban and Transport – A Systems View

Our urban environments are complex and dynamic systems understood best by the relationships between its parts, represented in the following equation:

$$\text{Urban System} = \text{Environment} + \text{People} + \text{Economy} + \text{Movement} + \text{Place}$$

Sustainable urban environments seek an integrated balance across these components which strengthen the synergies and interconnections between the components to deliver a desired urban future which is sustainable. (Annexure A)

Within this urban system, the movement component or transport system is ubiquitous and has a dominant effect on the system – cities form around co-location benefits, movement enables economic and social interaction, movement is a major determinant of urban form and growth. Movement affects our environment, people, economy and places in fundamental ways.

As cities grow the scale & complexity of the movement task increases exponentially driving the need for holistic, fully integrated economies of scale and scope in movement systems and the need for the transport system to maintain & enhance accessibility, urban efficiency, place, liveability and environmental sustainability towards a vision of liveability, wellbeing and “meaningful places”.

3.2 Urban and Transport Integration – Key Principles

Successfully integrated transport and urban systems which support transit-oriented development adopt 10 principles reflected in Appendix B.

3.3 Desirable Transport Outcomes

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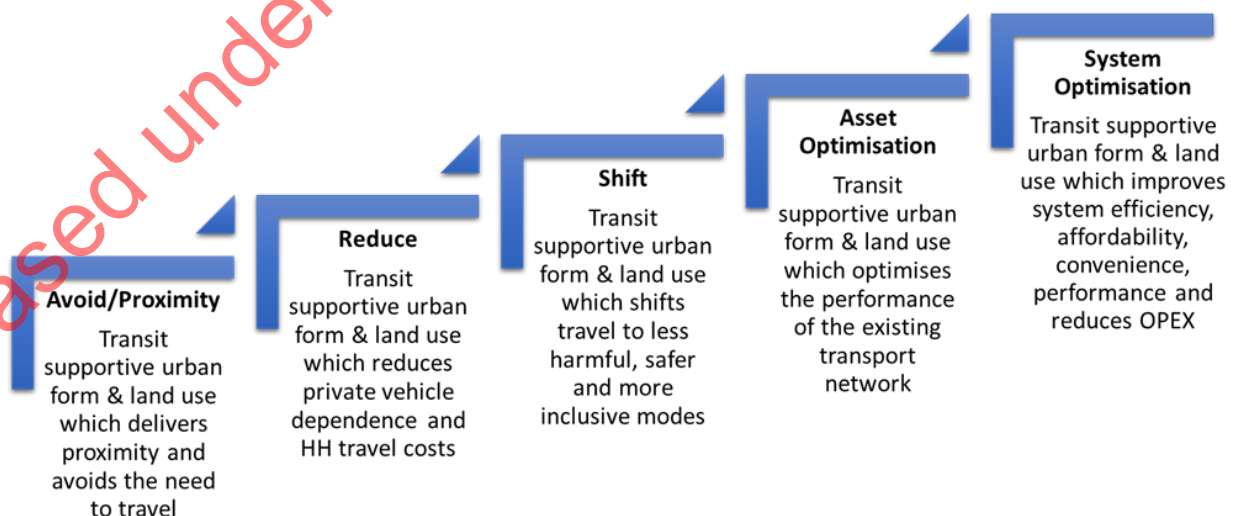


Figure 1: Desirable transport outcomes



3.4 Desirable Urban Outcomes

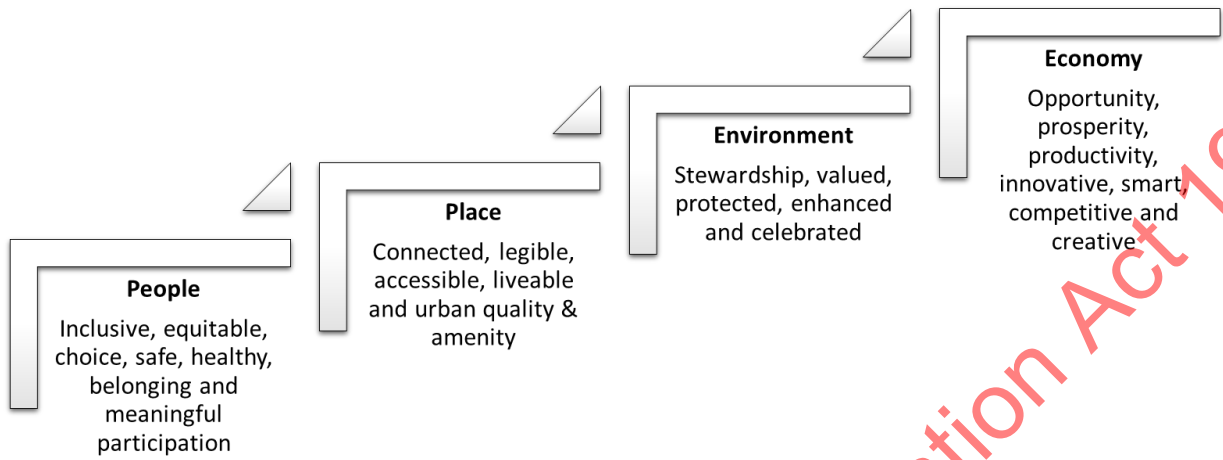


Figure 2: Desirable outcomes of urban interventions

3.5 Mass Transit Success Factors/Best Practice

Appendix C represents mass transit key success factors.

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4. Urban Development Programme

4.1 Definitions

*“An **Urban Development Programme (UDP)** is a comprehensive and integrated series of urban interventions which sits alongside, is integrated with and supports the transit Project investment programme.*

*“**Urban development** is the delivery of urban interventions, within a comprehensive Urban Development Programme, which support safe, successful, resilient and connected transport systems, enable and unlock desirable, transit-oriented urban form, quality and growth, benefit our social & human capital and improve our economic productivity and prosperity.”*

*“**Land use change factors** are those factors which directly impact on land use change and which are the subject of urban interventions”*

*“**Urban intervention levers** are those levers which impact on land use change factors”*

*“**Urban interventions** are actions taken, via a variety of levers, to effect desirable land use change in support of transit-oriented development”*

4.2 The Case for Urban Intervention

The need for investment in urban interventions can be supported by the following: -

4.2.1 Economic Value

Assessment of the Wider Economic Benefits (WEBs) arising from higher intensification land use delivers: -

Option	Agglomeration (\$m)	Labour supply (\$m)	Imperfect competition (\$m)	Total WEBs High (\$m)	Total WEBs Normal (\$m)	Diff
LRT Dominion Road (Option 1B)	§ 9(2)(i)			3,848	3,546	+302
MRT Sandringham Road (Option 2A)				6,702	6,348	+354
Light Rail Hybrid (Option 3)				5,521	5,625	-104

Table 1: Economic outcomes of different route options

Notes:

1. Option 3 delivers a negative value due to wider network implications
2. Regardless of the implications for Option 3 urban interventions which accelerate growth in the corridor, without increasing the absolute value, improve the WEB NPV

4.2.2 Transport Benefits

A 5% increase in population and a 1% increase in employment in the corridor above the projected accessibility gains delivers: -

- to 4% increase in annual boardings
- to 4% increase in car demand offset by a 4 to 6% increase in PT and 4 to 7% increase in active modes.
- 0.3% decline in Vehicle Kilometres Travelled with consequential climate benefits.
- Crown Partnership Value

Significant value in terms of accelerating the delivery and quality of intensification can be derived from a partnership and synergistic approach between the Project and the Crown CRL and Kāinga Ora’s AHP initiative.

4.2.3 Statutory Value

Significant value can be derived from interventions which optimise the opportunities presented by the large amount of statutorily enabled growth in the corridor as a consequence of the Auckland Unitary Plan and, in the future, by the National Policy Statement on Urban Development (NPS UD). In addition, there are opportunities to be derived from a partnership approach with Eke Panuku and Kāinga Ora and the potential provision available within the Urban Development Act to secure Specified Development Project status for selected growth nodes in the corridor.

4.3 Land Use Change Factors

Land use change factors are shown in the graphic below and further detailed in Table 2: Land Use Change Factors.

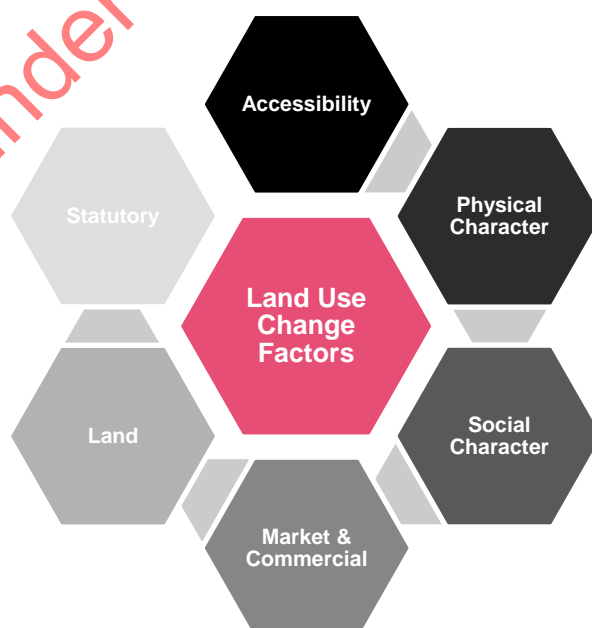




Figure 3: Land use change factors

Source: Adapted from Higgins, Ferguson, and Kanaroglou (2014); Knight and Trygg (1977)

Table 2: Land use change factors

LAND USE FACTOR	DESCRIPTION
Regulatory/Statutory Environment	RMA requirements, development contributions policies, National Policy Statements.
Council Infrastructure & Services	Ensuring council civil & social infrastructure investment and service provision supports/enables a sustainable transport system
Council Spatial & Statutory Planning	Ensuring spatial and statutory plans e.g. spatial plans, land use, urban form etc. supports/enables a sustainable transport system
Market Conditions	Growth & market attributes, barriers/opportunities to transport supportive development
Physical Character	The physical quality of urban environments which impact on customer end to end journey experience, modal choice, development attractiveness.
Social Character	The social character of neighbourhoods e.g. actual or perceived views of neighbourhood safety, quality of schools etc. which will impact on development attractiveness
Land	Topography, land fragmentation, closely held ownership, absentee owners all which impact on land use change potential to deliver transport supportive development
Accessibility	Proximity of jobs, services, schools, public transport. all of which impact on mobility, affordability, choice, equity.
Whole of Government Initiatives	The co-ordination of a whole of government approach which ensures that major movement driver investments align with a sustainable transport system e.g. hospitals, schools.
Development Procurement	Options for the procurement of urban development supportive of sustainable movement systems via public partners (e.g. Kāinga Ora, Eke Panuku) or private partners

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4.4 The Key Pre-requisites to Successful Urban-Transport Integration

Urban development must support the delivery of the successful, resilient and connected transit systems. Urban interventions facilitate transit supportive growth while creating a desirable urban form, benefiting social and human capital and improving urban productivity and prosperity.

There are two substantive prerequisites to achieving optimum transit and urban integration:

Route and Station Locations: identifying and optimising the urban drivers for a route and station locations, which will enable a successful mass transit system and provide a robust platform for achieving integration;

Land Use Change: a detailed, place-based, understanding of all factors which will influence land use change recognising that it is this desirable change which is necessary to support transit-oriented development.

4.5 Urban Development Principles & Key Success Factors

Total Systems Approach: The UDP will consider and address the delivery of holistic outcomes which addresses the totality of the urban (people + place + environment + economy + movement) and transport (regulatory + infrastructure + technology + mobility providers + customer interfaces + customers).

Complementary Policies & Strategies: The UDP will seek to deliver multiple and mutually supportive benefits across broad government objectives e.g., Climate, wellbeing, housing & community, MOT Outcomes Framework.

Urban System is Contextual & Transactional (“Outside-in and Inside-out”): The UDP will be both responsive to urban conditions (contextual – outside-in) alongside influencing/amending urban conditions (transactional – inside-out) to optimise the outcomes.

Place-Based: Whilst the UDP is based on core generic principles tactical interventions will be placed based and be responsive to local urban conditions.

Land Use Change Factors: The UDP will address land use change across all the components which influence land use change - Statutory + Market + Social Character + Physical Character + Land Conditions + Accessibility.

Strategic Continuum: The UDP will address the strategic continuum to enable, unlock and deliver the outcomes. (See below)

Performance Measures, Indices and Benchmarks: The UDP will be directed towards evidenced based, clear and measurable outcomes & benchmarks.

Transport Supportive Development Principles: The UDP will seek to deliver to accepted sustainable urban transport principles e.g., Internationally accepted TOD principles and standards

Procuring vs Delivery of Development Projects: The UDP will seek to secure and procure urban outcomes via partnerships and contractual arrangements with a view to managing a balance between commercial risk exposure and outcomes risk.

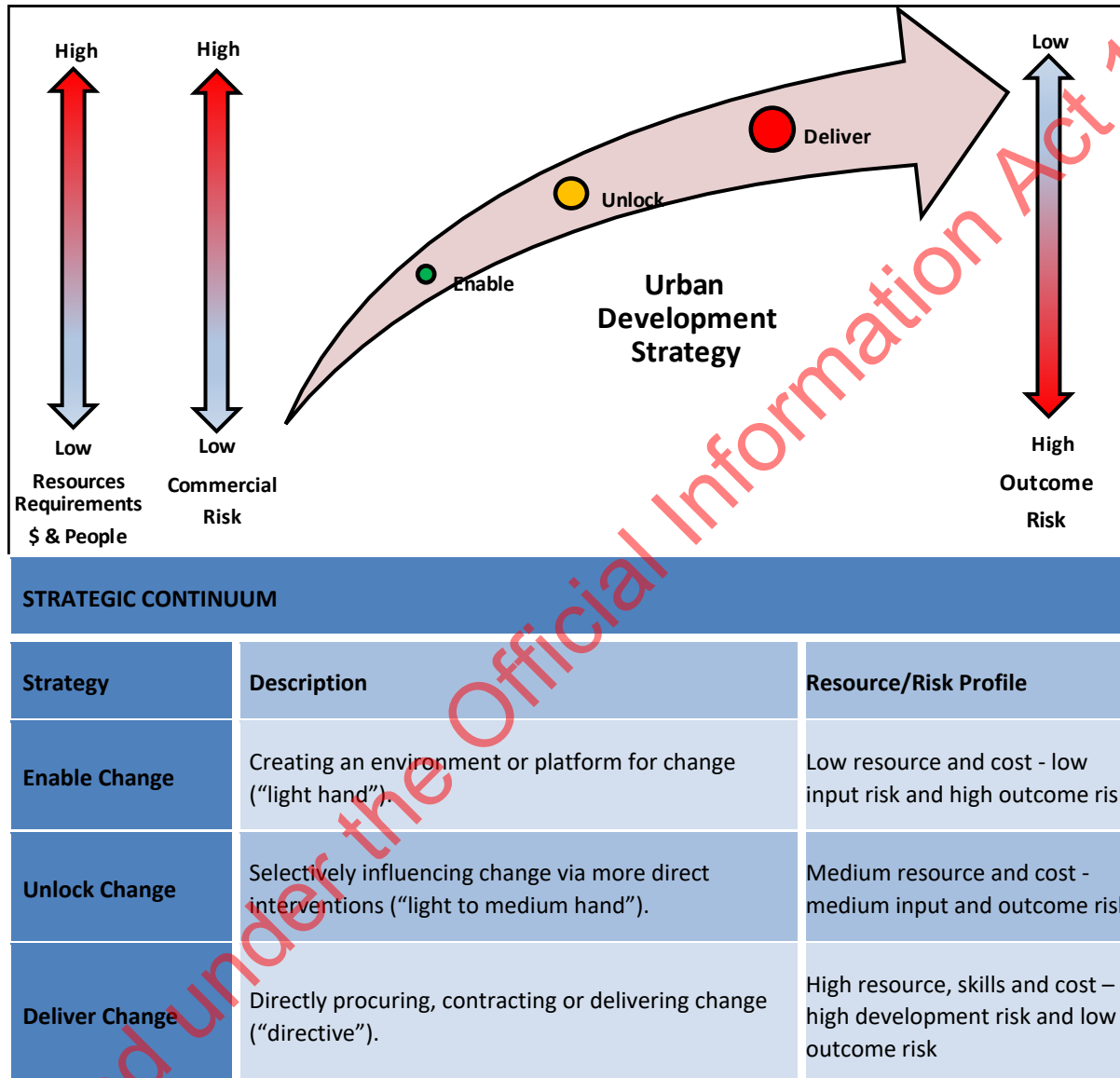
UDP Delivery Success: Delivery of the UDP will address the key success factors identified below.

Foundations for Enduring Success: Within the governance framework, establish, a cycle of continuous improvement, clear accountabilities, funding and finance, skills & capability, communications and monitoring and ensuring the Project achieves the investment objectives.

4.6 Urban Development Strategies, Levers and Interventions

Strategic Continuum

The strategic approach to urban interventions can be established at the Project and the specific intervention levels:



As can be seen from the diagram above, the strategic approach to drive land use change along the *enable – unlock – deliver* continuum has a number of critical dimensions: -

- The appetite and mandate for absorbing development/commercial risk
- The expertise and resources required to move up the continuum
- The impacts of the strategic approach on the achievement of required outcomes i.e., how far does one need to go to get more certainty into the outcomes and therefore more involved in delivery?



- To avoid commercial risk, how robust is a “development agreement” approach in procuring/securing outcomes and what parameters are in place to address market change and the need for adaptability/flexibility etc.
- What opportunities exist for offsetting commercial risks via utilising public land, reducing demands for commercial profit margins etc.?
- What wider tools and policies can be established which set a more robust platform for securing outcomes without the need to move towards direct delivery or high commercial risk?

Levers & Intervention Toolbox

Within the strategic continuum above there are a number of change levers and a variety of interventions available to influence these levers as shown below: -

Levers	Intervention Tool Box Examples
Policies	Value Capture, PWA Issues.
Planning	Master & Precinct Planning.
Financial	Infrastructure Cost sharing, Development Contributions.
Statutory	Inclusionary Zoning, Minimum Densities & Height.
Information	TOD Guides & Templates.
Partnerships	Planning Partnerships, Infrastructure Partnerships Delivery Partnerships.
Delivery	Direct Investment/Development Development Procurement tc.

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Table 3: Sample urban toolbox

Intervention Strategy	Sample Toolbox Influencing Land Use Change Factors – Opportunities/Barriers to Land Use Change					
	Accessibility	Market/Commercial	Physical	Social	Land	Statutory
Enabling	Accessibility maps, signage & multi-modal brochures etc.	Communications and marketing of identified development opportunities	Public realm and amenity upgrades within station environs.	Low-cost place making activities, social programmes and community-based initiatives e.g. facilitating activities, use of public facilities, sign posting opportunities, facilitating a whole of government approach, drop in facilities etc.	Identification of public ownership	Optimise Plan enabled capacity and undertake spatial planning
	Operational scheduling which supports multi-modal connections.	Assessment of value creation impact on development feasibility	Bike storage which enables multi-modal activity		Identification of opportunities for growth and accessibility	Funding tools and development incentives
	Operational linkages with patronage drivers such as events, school activities etc.	Assistance with business marketing	Safety improvements along critical pedestrian linkages immediately adjacent stations.		Whole of government approach to land asset utilisation	“Whole of government” planning for facilities and services
↑ Unlocking ↓	Delivering public accessibility through new road and/pedestrian connections to stations.	Development prospectus, low risk development procurement and Communications and marketing of	Direct investment in “beyond the station” public investments such as pedestrian safety	More interventionist place making activities, social programmes and community-based initiatives via low-level	Strategic, small scale, land purchases to enable and facilitate transit-oriented development.	Plan Changes and development resource consents driven off locational advantages.

		enabled development opportunities.	and public amenity improvements etc.	direct investment in community programmes & initiatives e.g. community days, community & capacity building, social programmes connected by transit etc.		
	Improvements in the safety/amenity of existing pedestrian linkages to stations.	Development agreements on public land to unlock development opportunities.	Identifying opportunities for the co-location of social services and facilities.		Use of public land for connections and/or aggregation etc. towards growth	Coordinating whole of government delivery of co-located services/facilities.
	Unlock locational advantages which provide impetus to redevelopment e.g. transit-based employment initiatives.	Land aggregation to improve development feasibility and opportunity.	Mitigation of physical constraints which negatively impact on development opportunities or feasibility e.g. improvements to local housing stock such as via the AHP.		Amalgamation of existing public and private land to unlock development opportunities.	Resist “out of centre” and urban edge development through appropriate statutory tools, development charges and disincentives.
Delivery	Transit oriented development which is driven from accessibility benefits.	Development procurement, including possible joint ventures and/or risk sharing	Comprehensive transit supportive development, including built form improvements, within station catchments.	Major social and community programmes which optimise the LRT gains and offset negative social implications via a whole of government response e.g. use of KiwiBuild to retain members of the community who would	Strategic, large scale, land purchase & aggregation for active/direct development.	UDA, MHUD, co-location of government facilities which are transit supportive, optimisation of complementary initiatives e.g. the AHP.
	Major accessibility improvements through and purchases and development delivery.	Joint ventures or risk sharing initiatives give impetus to the market and are catalytic	Opportunities for directly integrated or “above station” developments exploited.			Fully consented development opportunities

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		Deliver targeted development incentives/opportunities which catalyse the market.	Delivering co-located social services and facilities e.g. recreation facilities, health services.	ordinarily be displaced through gentrification.		Legislative changes that drive and incentivise development
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4.7 Securing Urban Interventions - Delivery Guidelines

In the establishment of roles and responsibilities as well as the approach to delivering strategies and frameworks involving public organisations with differing responsibilities, skills, resources and drivers, the following guidelines must be considered:

URBAN DEVELOPMENT DELIVERY GUIDELINES	
Skills and competencies	Locate, or specify the delivery of the relevant intervention within the organisation that is best resourced to deliver, procure or manage a successful outcome.
Development risks	Avoid, mitigate or offset development risks having regard to the implications of achieving the required outcome.
Catalytic effects	Catalytic interventions to incentivise the market may require the Project to undertake or specify development delivery and associated risks
Private sector involvement	Interventions are to be focussed on achieving maximum private sector involvement in delivery and acceptance of commercial risk.
Organisation obligations	Ensure that organisations act within respective obligations; identify where these obligations limit achieving the delivery of key outcomes. Recommend and implement changes if required.

Table 4: Urban development delivery guidelines

4.8 Market and Place - Key Challenges

The proposed route traverses two distinct areas between the city centre and the Auckland Airport. A more intensified urban condition is evident from the city centre to Mt Roskill and a more traditional suburban pattern exists south of Mt Roskill to the Airport.

There are also distinct differences in market conditions and the make-up of communities between the more urban condition to the north and the more suburban condition to the south. Differences within the corridor reflect place-based conditions and will influence factors that affect feasibility, market demand and timing of development. These differences will also influence the nature, degree and timing of interventions.

4.8.1 Transit Accessibility vs Urban Desirability

Urban uplift modelling undertaken by PwC has indicated that investment in the Project will, on average, result in around a further corridor growth of 5,000 dwellings and 5,000 jobs. This falls short of city transformation aspirations as well as fails to capitalise on the transit-oriented development potential the Project offers at the station locations.

To optimise the benefits of the Project therefore requires an UDP focused on increasing the level of intensification enabled via the Project investment.

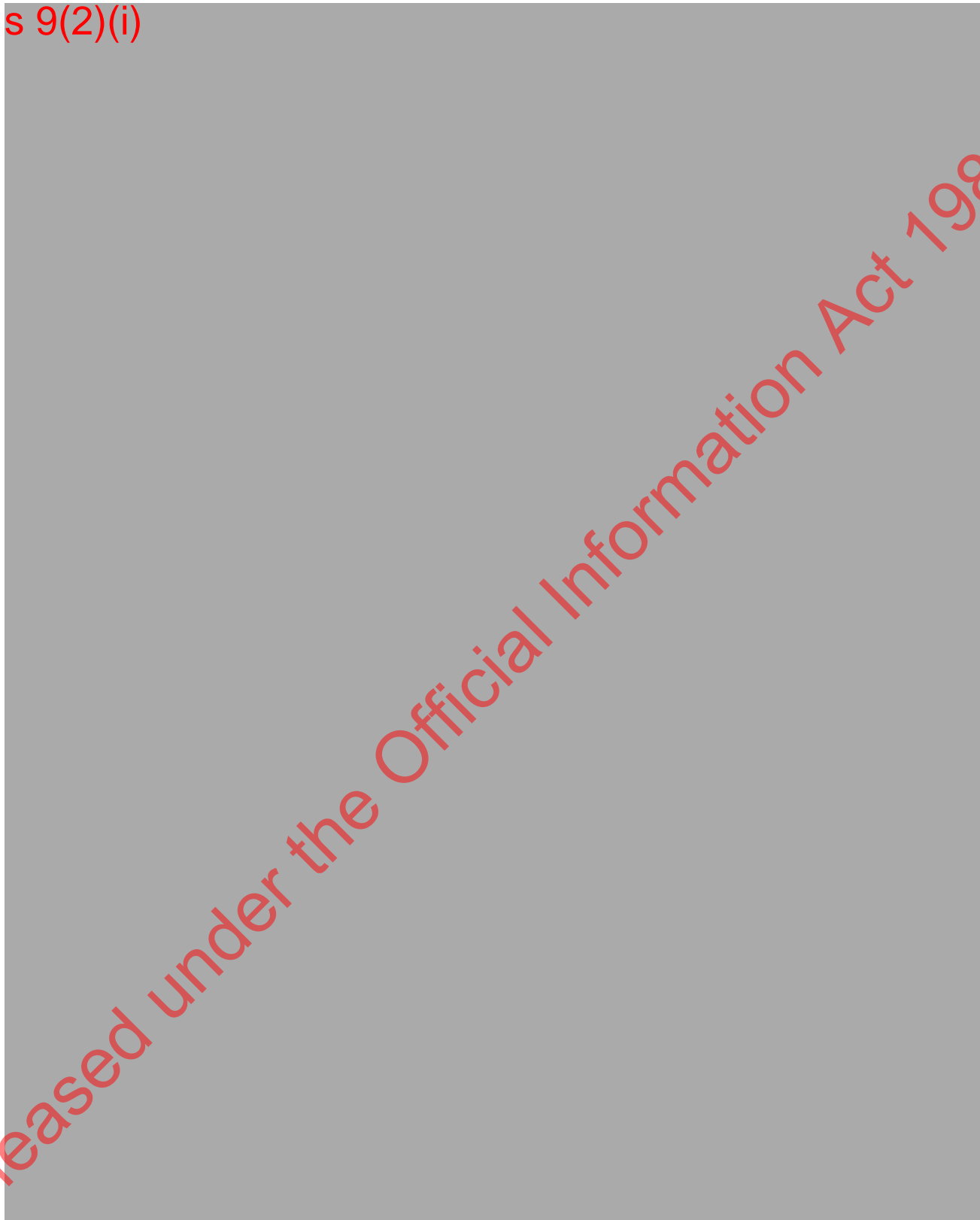


4.8.2 Market Assessment

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4.8.3 Programme Approach

It is critical that a programme wide approach be adopted along the entire Project corridor to avoid competing propositions impacting on viability, to optimise place-based opportunities and to optimise the patronage value to the Project from transit-oriented development.



4.9 Key Risks for Delivery

Interventions will vary in scope and scale based on the place-based assessments. However, a number of risks for delivery apply to these urban interventions. The key risks can be categorised as:

- governance and collaborative structure
- lack of market attractiveness and competing market activity outside of the corridor
- large land fragmentation
- spatial and/or statutory planning constraints
- limited public levers to influence revenue growth, risks or outcomes
- it is likely that opportunities for more intensification, consistent with the requirements of the Project, will be lost both within the Crown Estate and within private sector holdings, over the next 10 years, as less than optimum housing options are delivered in this period.
- unconstrained roll out of intensification along the corridor will likely result in less than optimum outcomes as development projects compete for market share.

An additional risk that applies to the ability to intervene as early as possible, relates to the timing of rapid transit delivery. The certainty of rapid transit coming to the corridor needs to be provided early to realise the maximum benefits of redevelopment. A 'catalyst' is needed to improve housing and employment choice as well as to improve the urban environment and rapid transit can provide this catalyst effect. People's housing preferences are shaped by what they can see happening on the ground, particularly in terms of choices for how people get around the city. The early introduction of rapid transit has the ability to encourage a step change to parts of the corridor as redevelopment patterns respond to the rapid transit in terms of density and mix of uses.

By contrast, the late (promised) introduction of rapid transit will not influence preferences to the same extent. Many redevelopment sites may have already been developed by the time rapid transit is operational and so it is likely much of this redevelopment will be sub-optimal in terms of design, density and mix of use. Rapid transit has the potential to support a better mix of housing, more mixed uses supporting local activity and greater housing density.

4.10 Route, Station, Mode and Operational Implications

The selection of the route, stations, mode and operational characteristics of the rapid transit, which has been informed by the existing and future urban conditions, provide a robust platform for successful performance of the system and for transit supportive urban change.

However, while this provides the right platform for change, it does not provide the level of certainty which is sought to ensure that the system is successful into the future. To drive greater certainty requires urban interventions which address those land use change factors towards more transit-oriented outcomes. The table below indicates a sample of these interventions:

Table 5: Route, station, mode and operational implications

Route, Station, Mode and Operational Implications		
Driver	Factor	Description



Market Characteristics & Dynamics	Public & Private Regeneration Potential	Be informed by and responsive to, current and potential opportunities e.g. complementary government or council investments including schools and community facilities, public land suitable for regeneration etc. E.g., Kāinga Ora Large Scale Projects
	Growth and Demand Factors	Identify the potential to provide foundations for strong future growth in desirable locations and build on existing growth initiatives.
	Value Creation & Capture	Identify the place-based factors along the route and at the station locations which will influence and drive land use change and investment decision making to capitalise on the ideal opportunities for the project to create and capture value from property value uplift.
	Intensification and/or Mixed-use	Potential to unlock intensive housing or mixed-use development within station catchments.
	Market Attractiveness	Stations and concurrent growth catchments located where market conditions are conducive to higher density and/or mixed-use development.
Spatial & Statutory Planning	Existing or Planned Activity Centres	Encouraging and supporting vibrant town centres.
	Statutory Environment and/or Potential	Route and station locations located which optimise the current or potential spatial and statutory planning environment.
	Consenting Implications	Stations and concurrent growth catchments located where statutory constraints can be avoided and/or mitigated.
Land	Sensitive Land Uses	Minimise the impacts of route and station locations on sensitive land uses.
	Public Land for Route & Station	Route and station locations which are located on or nearby public land to optimise deliverability and opportunity.
	Public Land	Optimise value creation and value capture opportunities.
	Land Fragmentation	Stations located where the impacts of land fragmentation are minimised.
	Land and/or Infrastructure Costs	Stations and concurrent growth catchments located where enabling infrastructure is or planned to be and/or can be shared.



	Acquisition of Land Implications	Minimise land acquisition requirements for the route, stations and catalytic initiatives.
Physical Environment	Local Physical Conditions	Route and station locations located which optimise the physical environment characteristic.
	Environmental Constraints	Minimise the environmental impacts of route and station locations.
Social Character	Local Social Conditions	Improved safety, reduced criminal activity and opportunities to benefit the marginalised e.g. lower income families, old, young and disabled.
	Community Response	Route and stations located that optimise community acceptance.
Accessibility	Large Trip Attractors or Generators	Stations located accessible to large trip attractors or generators.
	Connectivity or Urban Structure	Opportunities to enhance urban connectivity and connect with future growth are optimised.
	Accessibility to Wider Initiatives	Route and stations located that optimise synergies between transit and wider public or private initiatives.
	Labour and Employment	Connect labour pool with accessible employment opportunities.
	Modal Integration	Optimise opportunities to deliver multi-modal e.g. walking, cycling and public transport accessibility and integration.
Complementary Initiatives	Public Investments	Optimise integration with large scale complementary housing and other initiatives.
	Private Investments	Identify opportunities to integrate with private initiatives

4.11 Relationship to the Kāinga Ora Large Scale Urban Renewal AHP

The AHP provides a sound platform to a partnership approach, which could optimise the respective value to both projects of a combined approach, e.g.: -

- Coordinating master planning and infrastructure investment.



- Identifying and securing catalytic, transit-supportive urban development.
- Negotiating and agreeing balanced outcome, risk and value trade-offs to secure transit- supportive urban development.
- Combined marketing and engagement alongside optimising existing social license.
- The Kāinga Ora developments are already underway, increasing the enabling infrastructure capacity that is lacking in other areas of the corridor
- The inclusion of the rapid transit project provides opportunities for higher densities around stations

4.12 iwi rūpū Māori

The UDP offers an excellent opportunity for partnership with Māori. The approach will depend on the scope of the Project and the relationship with and role of Māori. As an example, the following is how Kāinga Ora partner with Māori.

Kāinga Ora identifies partnering opportunities by working closely with iwi rūpū Māori on their aspirations and outcomes for housing and identification of commercial opportunities. This includes:

- Identifying and assessing land and development opportunities (triaging). This function provides for a quick turn around on prioritisation of development proposals in partnership with Māori and escalation of proposals for funding consideration.
- Supporting applications for funding;
- Identifying and protecting Māori interests in land, and recognising and providing for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga
- Facilitating opportunities for Māori entities to participate commercially via development agreements;
- Land sales: criteria to guide land acquisitions and sales – including land purchase and or lease arrangements with iwi rūpū Māori and Māori land development.

4.13 Trade-offs

Securing transit-supportive urban development will give rise to the consideration of possible trade-offs, including by example: -

- Urban growth management may require hard choices to be made around how we ensure growth is attracted and even directed to the corridor possibly at the expense of other, less desirable, growth areas.
- A whole of government/New Zealand Inc approach may be required to balance risks, outcomes and the financial implications of delivering higher density urban development which may not be viable or responsive to the consequences of a more directive statutory planning environment.
- More highly directive statutory planning overlays which enforce outcomes e.g., height, urban design/quality and affordability, in a more robust fashion, may need to be balanced with community desires where these are at odds with the required urban outcomes.
- Enabling and directing growth through infrastructure investment choices may give rise to community tensions and trade-offs.



- Optimising the Project urban outcomes in a highly directive sense will likely come at the expense of optimising value from existing assets e.g., the metro rail system, the Northern Busway and the investment in the greatly increased commuter choices via the CRL.

4.14 Build to Rent Opportunity (Source: PwC)

In an international context, Build to Rent (BTR) is a relatively new asset class (other than in the United States and Europe) which has gained significant momentum over recent years, particularly in the United Kingdom and increasingly in Australia. It is an 'emerging' asset class in New Zealand.

Fundamentally, the asset class comprises purpose-built, residential rental accommodation, providing a high level of amenity, and typically owned and operated by professional investment managers with a long-term investment perspective. A key component of the success of BTR is that it provides a 'bridge' in the housing continuum, and adds supply.

Key to the amenity offered by BTR and the pattern of development which has become established internationally, is proximity to high quality public transport.

There are two headline market related challenges that are impeding BTR development feasibility in New Zealand at present:

1. Being able to secure suitable parcels of land at an affordable price, in competition with build to sell (BTS) project developers
2. Achieving a development and investment yield (return) which is competitive with other property investment opportunities.

Indicative feasibility modelling suggests that, in relative terms, for a given land purchase opportunity, the BTS developer will be able to afford to pay more for the land, 'outbidding' the BTR developer. Challenges for BTR investors include the inability to claim GST on development costs; tax treatment of debt interest and depreciation; challenges in introducing offshore capital and inadequate liquidity (regulatory controls).

The BTR sector can evolve to become a key element of the housing supply continuum and large-scale transport infrastructure and urban regeneration projects present an optimal opportunity to allocate parcels of land for specific uses such as BTR to support delivery of the wider housing outcomes the Crown is seeking, through support for (private sector led) BTR projects.

4.15 Funding and Financing Principles

Critical to the delivery of a comprehensive, transit-supportive urban development strategy is the allocation of sufficient funds.

Funding & financing needs to recognise the following principles: -

- Balance investing in outcomes with managed risk approaches within the enable – unlock – deliver continuum
- Invest where skills/competencies are located which best align with outcomes
- Secure outcomes via managed relationships/partnerships rather than direct investment where possible
- Invest in partnerships where respective skills/competencies and accountabilities are robustly governed
- Capture commercial value & opportunities where possible to build a more sustainable funding model



- Invest on a balance of outcomes and market attractiveness to optimise market deliverability with minimal Crown risk
- Utilise market attractiveness and value capture to enable critical outcomes and broad community returns/value where these require funding assistance
- Establish a viable budget which is a combination of investment and commercial return to minimise net costs without compromising outcomes.
- Understand market and place context which impact on viability, competitiveness and deliverability before investment is made
- Adopt a whole of programme approach which balances the need for place-based investments with achieving overall programme outcomes, effectiveness, local market context and adaptability/flexibility
- Align, where possible, urban development investment with operational drivers for improved patronage/coverage.
- Invest in catalytic urban development which will incentivise and attract concurrent and/or subsequent market delivery.
- Recognise that an effective and viable UDP starts at project initiation and continues beyond infrastructure completion i.e., it is a long-term commitment.

4.16 Governance and Project Delivery Implications

GOVERNANCE & PROJECT DELIVERY IMPLICATIONS		
Issue	Issue	Project Delivery Implications
Urban Development Programme	Statutory Enablement	Ensure the Project has either access to, or an enabling legal framework for, any necessary statutory and/or regulatory powers e.g., compulsory acquisition
	Strategic Land Acquisition	Ensure the Project has either access to, or an enabling legal framework for, land acquisitions
	Whole of Government	Ensure that the Project and/or governance relationships/structures provide a robust, whole of government, approach to delivery
	Accountability	Ensure that the Project and/or governance relationships/structures provide a robust, whole of government, approach to respective accountability
	Continuity	Ensure that the Project and/or governance relationships/structures provide a basis for continuity from project initiation, through infrastructure delivery and beyond

	Infrastructure & Operations Integration	Ensure that the Project and/or governance relationships/structures provide an approach which both informs and is informed by integrated infrastructure design & delivery and long-term operational considerations
	Adaptability	Ensure that the Project and/or governance relationships/structures provides a robust ability to deal with future changes/challenges, including changing market conditions
	Commercial Procurement & Partnerships	Ensure that the Project and/or governance relationships/structures provide a robust ability to secure and/or procure commercial delivery partnerships within the public and private sectors, as well as Iwi commercial partnerships
	Social License	Ensure that the Project and/or governance relationships/structures & representation builds social license and trust with Iwi and the affected/broader communities
Value	Creation	Ensure that the Project and/or governance relationships/optimises the urban development value impacted by infrastructure and operational characteristics/decisions
	Capture	Ensure that the Project and/or governance relationships/structures provide a robust approach to capturing commercial value
		Ensure that the Project and/or governance relationships/structures provide a robust process to balance value capture with the negative implications on community/commercial outcomes, including gentrification

Table 6: Governance and delivery Project implications

4.17 Policy Implications to secure land use change

POLICY IMPLICATIONS		
Issue	Strategy Issue	Policy Implications
Urban Development Programme	Strategic Land Acquisition	Assess and address policy and/or operating frameworks changes necessary to secure land via compulsory acquisition
	Commercial Development Procurement and/or Partnerships	Assess and address policy and/or operating frameworks changes necessary to enable the ability to enter into commercial partnership arrangements, including making land available for that purpose

	Project Delivery	Assess and address policy and/or operating frameworks changes necessary to establish and operate the Project
	Whole of Government	Assess and address policy and/or operating frameworks changes necessary to establish a whole of government approach Project delivery
Value Capture	Value Capture – Statutory Frameworks	Assess and address policy and/or operating frameworks changes necessary to capture value to the Project by statutory means
	Value Capture – Commercial Partnerships	Assess and address policy and/or operating frameworks changes necessary to capture value to the Project by commercial means

Table 7: Policy implications

4.18 Value Creation and Value Capture

The assessment of value creation in the property estate outside of the city and airport precincts amounts to over **s 9(2)(i)**. There are a number of mechanisms through which some portion of this value creation can be captured. These mechanisms are presented in Figure 4: Value capture mechanisms:

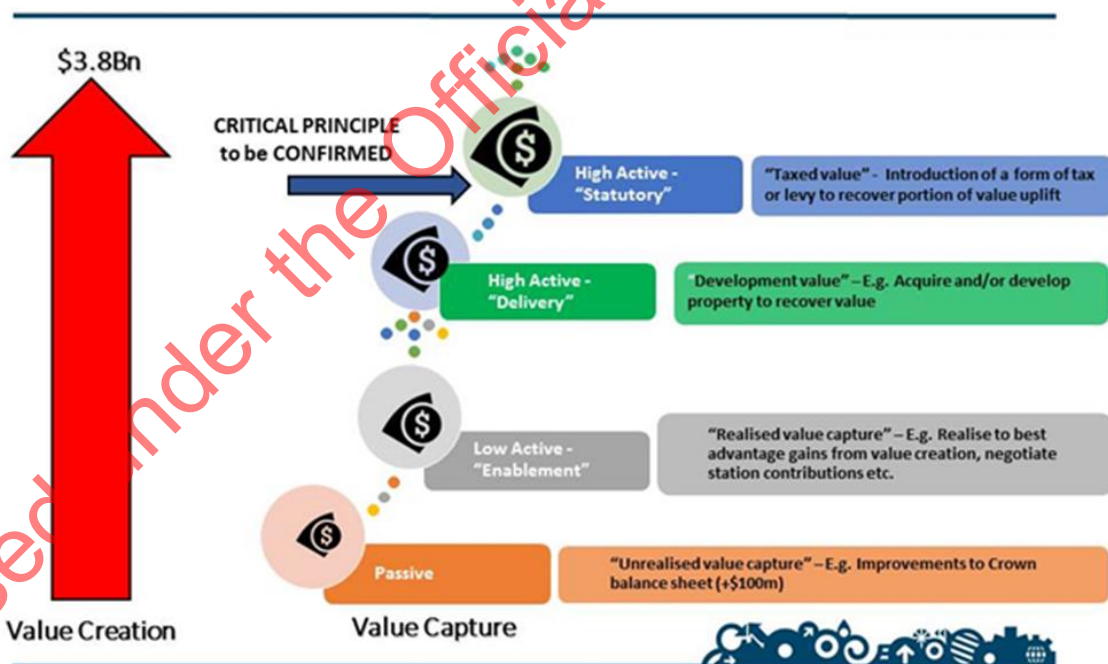


Figure 4: Value capture mechanisms

Options around how value uplift in the corridor is captured will need to be considered outside of this rapid transit project. Initiating value capture would require a step change in the approach of Waka Kotahi towards transport investment and securing contributions from the direct beneficiaries of that investment. More detailed examination and assessment is required to determine how value is captured within the corridor.



4.19 Value and Outcome Creation Pathway

Table 8: Value and outcome creation pathway

LRT & URBAN INTEGRATION – ESTABLISHING THE TRANSPORT & URBAN VALUE CREATION PATHWAY		
CURRENT STATE	Existing urban condition Existing transport infrastructure Existing network operations	
PATHWAY	PROJECT PHASE	VALUE CREATION PATHWAY
Enabling a Platform for Success <i>(0 to 8 years)</i>	Project initiation & construction phase	Establish a governance and accountability Project/structure to oversee the UDP Procure urban development expertise & experience Determine & establish a place-based UDP & budget Establish relationships and partnerships to secure & procure urban outcomes Effect any policy changes to enable UDP delivery Initiate UDP & monitor performance
Unlocking, Delivering & Consolidating Success <i>(>8 years)</i>	Commencement of operational phase Consolidating and extending gains	Continue UDP execution & monitoring, including adapting to changes in urban conditions Influence and respond to changing operational characteristics Influence new station choices & design and procure supportive urban development

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DESIRED FUTURE STATE	<ul style="list-style-type: none">Desired urban growth, urban structure & urban amenity/conditionDesired transport infrastructure + Desired network operationsDesired community & customer benefitsDesired economic performanceDesired platform for next stage decision making on Auckland's urban & transport future
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4.20 Example Application of the Urban Development Program

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Securing Urban Outcomes – Land Use Change Factor Implementation

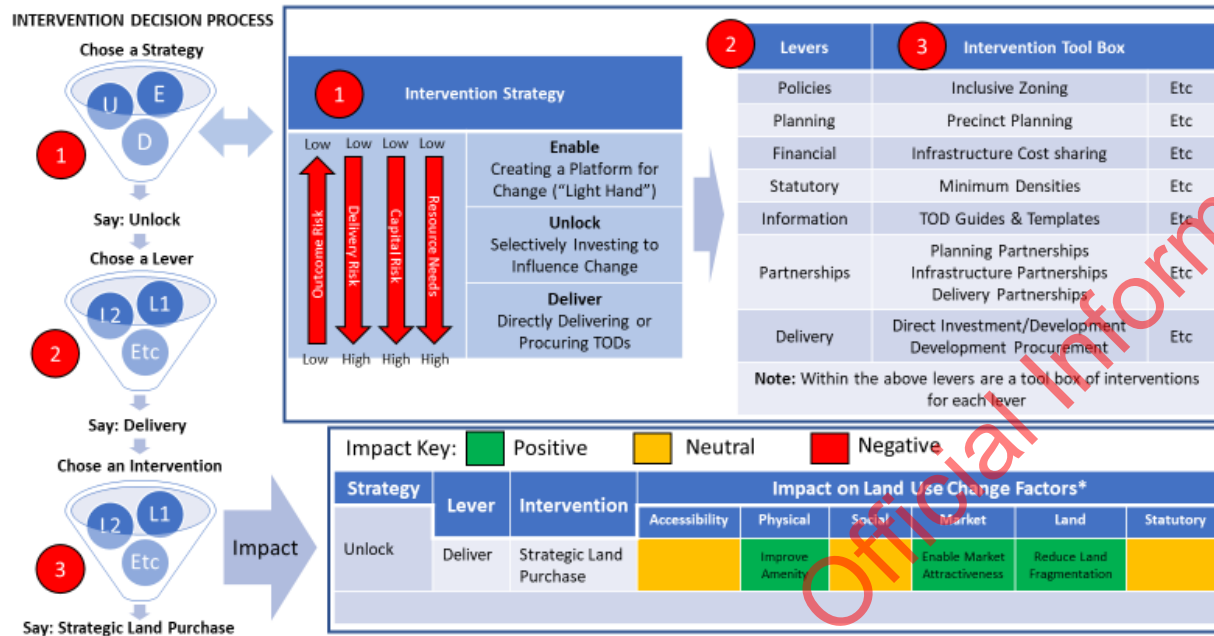


Figure 5: Land use change factor implementation

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5. Urban Development Cabinet Fit & Advice

5.1 Outcomes

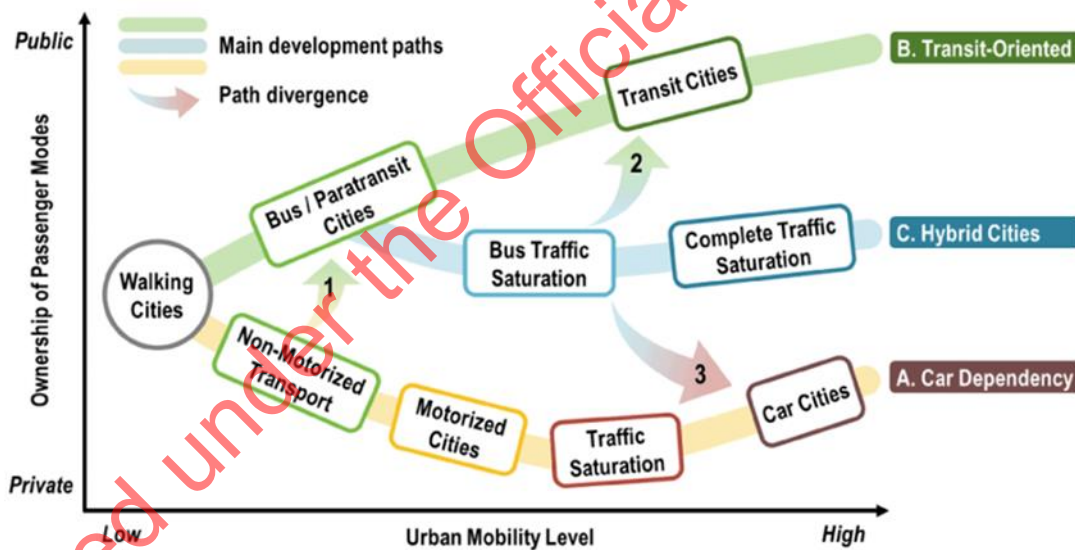
URBAN DEVELOPMENT & CABINET OUTCOMES FIT		
Cabinet Outcome	Issue	Sample Urban Intervention Gain
Access and Integration	Travel Choice	Higher density + accessibility = more travel choice
	Accessibility	Higher density + diverse land use = greater accessibility
	Route + Stations	Higher density + diverse land use + accessibility + customer experience = more viable route & station options
Environment	Proximity/Avoid Movement	Higher density + diverse land use + active mode options = improved proximity & reduced movement.
	Reduced Private Vehicle = Increased Active Modes & PT	Higher density + diverse land use + accessibility + active mode options + urban quality + travel choice = reduced private vehicle movement
Urban & Community	Diverse	Higher density + accessibility + travel choice + housing typology options = more diverse communities
	Safe	Higher density + diverse land use + urban quality + active modes + travel choice = more people, more visibility & more safety
	Inclusive/Equitable	Higher density + diverse land use + diverse housing typologies + active modes + proximity = more equitable and inclusive communities
	Urban Strategy + Intentionality	Place-based + community engagement + community responsive + commitment = positive urban & community change
	Commercial Opportunity	Place-based + diverse development opportunities + social license +
	Integration with Kāinga Ora LSPs	Integrated route + station selection + Kāinga Ora partnership = integration

Experience	Safety	Higher density + diverse land use + more people + urban quality = more safety
	Convenience	Higher density + diverse land use + urban quality + accessibility = proximity & convenience
	End to End	Higher density + diverse land use + urban quality + accessibility + active mode + travel choice + safety = improved end to end journey experience
	Affordable	Higher density + diverse land use + accessibility + housing diversity + active modes + travel choice + proximity = more affordable

Table 9: Urban development and cabinet outcomes fit

5.2 Answering the Key Questions

5.2.1 What city shaping function should CC2M serve?



The investment in rapid transit and associated UDP provides a firm platform and step change to launch Auckland along the high-road towards the community desire for a quality compact city which is transit-oriented.

5.2.2 What level of commitment can be given to delivering on the urban development opportunities unlocked by CC2M?

A Project delivery structure accountable for the delivery of the UDP which is formulated, procured and delivered within a whole of government partnership approach is a significant commitment to delivering highly desirable urban development opportunities and capitalises on the growth enabled via the investment in rapid transit.



5.2.3 What level of complexity are the Government and stakeholders prepared for?

The proposed Project delivery structure and partnership approach reduces the potential complexity of establishing new structures, mandates, procedures and policies however also requires a robust governance and accountability structure to manage cross-government activities and accountabilities particularly if such entities may be required to balance particular Project returns with wider NZ Inc superior returns.

5.3 Cabinet Advice

5.3.1 Delivering Cabinet outcomes & securing urban benefits:

To achieve the Cabinet outcomes, including achieving best value for money, requires optimising the urban & transport benefits and consequentially a commitment to the delivery of a transit solution integrated with an UDP.

5.3.2 Form and governance arrangements for Project delivery:

Principle 1: **Accountability** - The Project is accountable for securing the urban and transit benefits via the establishment and implementation of the UDP.

Principle 2: **Whole of Government** - The form and governance arrangements for the Project provide for a “whole of government” partnership approach to the responsibility for delivering the UDP.

Principle 3: **Optimise Existing Structures** - The scope and responsibilities of the partnership approach, in the delivery of the UDP, recognise, capitalise, synergise and optimise, the existing and respective expertise, mandate and capital of the partners.

GOVERNANCE - URBAN		
Issue	Issue	Governance Implications
Urban Development Programme	Whole of Government (Central + Local)	Ensure that the governance relationships/structures provide a robust, whole of government, access to resources and approach to delivery
	Accountability	Ensure that the governance relationships/structures provide a robust, whole of government, approach to respective accountability
	Skills & Competency	Ensure that urban development skills/experience are adequately represented at the governance table alongside other necessary skills
	Continuity	Ensure that the governance relationships/structures provide a basis for continuity from project initiation, through infrastructure delivery and beyond
	Infrastructure & Operations Integration	Ensure that the governance relationships/structures provide an approach which both informs and is informed by integrated infrastructure + urban design & delivery and long-term operational considerations

	Adaptability	Ensure that the governance relationships/structures provide a robust ability to deal with future changes/challenges, including changing property market conditions
	Commercial Procurement & Partnerships	Ensure that the governance relationships/structures provide a robust ability to secure and/or procure commercial delivery partnerships within the public and private sectors, as well as Iwi commercial partnerships
	Social License	Ensure that the governance relationships/structures & representation builds social license and trust with Iwi, the affected/broader communities and the private sector
Value	Creation	Ensure that the governance relationships/optimises the urban development value impacted by infrastructure and operational characteristics/decisions
	Capture	Ensure that the governance relationships/structures provide a robust approach to capturing commercial value
		Ensure that the governance relationships/structures provide a robust process to balance value capture with the potential negative implications on community/commercial outcomes, including gentrification

Table 10: Governance consideration - urban

5.3.3 Project delivery scope

It has been identified that there are significant market and other risks to the achievement of required urban development outcomes which, in the first instance, demand a robust governance structure which can address these risks and secure the outcomes. It must also be recognised that, in the urban context, the financial exposure of Waka Kotahi to sub-optimum operational performance and resulting implications for ongoing subsidy means that Waka Kotahi has the greatest financial exposure to urban issues but has the least ability to directly influence/drive urban outcomes. This places a particular emphasis on how the Project delivery structure will ensure that urban conditions are addressed and are in scope.

Fundamentally there are two options to secure urban outcomes: -

- Direct involvement in delivery – low outcomes risk and high investment/delivery risks
- Securing outcomes via partnerships and established public sector urban renewal structures e.g., Kāinga Ora and Eke Panuku

There is a reasonably sound foundation to secure urban outcomes via the partnerships addressed above and to adopt a principle which ensures that the urban development delivery emphasis and risks are outside of the infrastructure Project delivery structure – Project secures and/or procures but does not deliver.

In adopting the above “urban development delivery principle”, there are still specific requirements impacting on the Project: -



PROJECT DELIVERY – URBAN

Issue	Issue	Project Delivery Implications
Urban Development Programme	Statutory Enablement	Ensure the Project delivery has either access to, or an enabling legal framework for, any necessary statutory and/or regulatory powers e.g., compulsory acquisition
	Strategic Land Acquisition	Ensure Project delivery has either access to, or an enabling legal framework for, strategic land acquisitions to enable/unlock urban outcomes
	Skills & Competencies	Securing outcomes through others places significant emphasis on the Project to retain commercial urban development skills which can ensure that the necessary urban outcomes are being secured, that partners have the required resources, skills and experience and that the risk/reward equation is in balance.
	Accountability	Ensure that the Project is held accountable for procuring the urban outcomes.
	Continuity	Ensure that the Project provides a basis for continuity from project initiation, through infrastructure delivery and beyond as urban development is a “long game”
	Infrastructure & Operations Integration	Ensure that the Project approaches decision making which both informs and is informed by integrated infrastructure design & delivery and long-term operational considerations i.e., avoid short-term decision making which will negatively impact on long-term urban outcomes
	Adaptability	Ensure that the Project provides a robust ability to deal with future changes/challenges, including changing market conditions
	Commercial Procurement & Partnerships	Ensure that the Project provide a robust ability to secure and/or procure commercial delivery partnerships within the public and private sectors, as well as Iwi commercial partnerships
	Flexibility & Speed	Ensure that the Project has a robust ability to deal flexibly and speedily with future changes/challenges, including changing market conditions and commercial arrangements
	Social License	Ensure that the Project & representation builds social license and trust with Iwi, the affected/broader communities and the private sector

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Value	Creation	Ensure that the Project optimises the urban development value impacted by infrastructure and operational characteristics/decisions
	Capture	Ensure that the Project provide a robust approach to capturing commercial value
		Ensure that the Project provides a robust process to balance value capture with the negative implications on community/commercial outcomes, including gentrification

Table 11: Delivery considerations - urban

5.3.4 Project Policy Implications

The above governance and Project delivery assessments, to secure urban outcomes, has provided an emphasis on securing urban development largely through existing and established structures and statutory/policy frameworks.

However, in this context, the following key policy issues are highlighted in Table 12:

POLICY IMPLICATIONS		
Issue	Strategic Issue	Policy Implications
Urban Development Program	Strategic Land Acquisition	Assess and address policy and/or operating frameworks changes necessary to secure property via compulsory acquisition
	Commercial Development Procurement and/or Partnerships	Assess and address policy and/or operating frameworks changes necessary to enable the ability to enter into commercial partnership arrangements, including making property available for that purpose
	Flexibility & Speed	Assess and address policy and/or operating frameworks changes necessary to enable the Project to deal flexibly and speedily with future changes/challenges, including changing market conditions and commercial arrangements
	Project Delivery	Assess and address policy and/or operating frameworks changes necessary to establish and operate the desired Project delivery structure, with a particular emphasis on securing urban outcomes.
	Whole of Government	Assess and address policy and/or operating frameworks changes necessary to establish a whole of government approach/ability within the Project

Value Capture	Value Capture – Statutory Frameworks	Assess and address policy and/or operating frameworks changes necessary to capture value to the Project by statutory means
	Value Capture – Commercial Partnerships	Assess and address policy and/or operating frameworks changes necessary to capture value to the Project by commercial means

Table 12: Policy implications

5.3.5 Project Attributes

The following attributes are seen as necessary for the Project to secure urban outcomes:

PROJECT – URBAN ATTRIBUTES	
Issue	Attributes
Skills & Competencies	Retention of “client + outcome” focussed commercially experienced urban development and negotiation skills
Organisation Structure	Ensure that the organisation structure gives adequate “voice” at the appropriate levels to urban considerations within the proposed structure.
Continuity	The Project and the necessary relationships/partnerships must be capable of continuing beyond the delivery of the Project infrastructure.
Adaptability	The Project must be capable of adaption to changing market and other urban related conditions.
Commercial Procurement & Partnerships	The Project must be capable of negotiating, securing, monitoring and driving commercial partnerships.
Flexibility & Speed	Being able to adapt, maintaining flexibility and acting speedily, particularly in relation to commercial partnerships, is a key attribute.
Social License	Giving effect to substantive land use changes requires a social license both at the statutory and moral level.

Table 13: Delivery considerations - urban

5.3.6 Project Delivery Form and Structure

Key Partners:



KEY URBAN PARTNERS		
Urban Strategy	Partners	Comments
Enabling	Auckland Council & CCOs, MHUD, Waka Kotahi, Iwi and community organisations	Social license, spatial and statutory planning, coordinating investments, policy issues etc.
Unlocking	Auckland Council & CCOs, Waka Kotahi, Kāinga Ora and the private sector/iwi commercial market players	Sourcing & acquiring property, coordinating investments and securing outcomes via low/no risk partnerships.
Delivering	Kāinga Ora, Eke Panuku and the private sector/iwi commercial market players,	Securing outcomes via development agreements and/or commercial partnerships.

Table 14: Key urban partners

Roles & Responsibilities:

The urban outcomes and the urban effects on long-term operational performance principally affect Auckland Council and the residents of Auckland alongside Waka Kotahi, both as a major investment partner in the system and also as a long-term investor in the operational performance of the system.

As stated above, Waka Kotahi has significant exposure to the financial implications of poor urban outcomes, has little ability to directly influence these outcomes and is looking to a robust governance and delivery structure to secure the required outcomes.

Of necessity the Project must take accountability for securing urban outcomes and holds a key role in the urban space, even if outcomes are procured/delivered by others.

5.3.7 Route and mode options:

Principle 1: **Urban Conditions Context** - The Business Case route and mode assessments have been informed by the existing urban conditions and the potential to influence & optimise future urban conditions via the UDP.

Principle 2: **Urban Conditions Influence** – Post this decision phase further refinements of the route & mode options and particularly station locations need to be informed via the existing urban conditions and the potential to influence & optimise future urban conditions via the UDP.

5.3.8 Financial Appraisal

In recognising that urban development requires an intentional and resourced strategy and implementation plan there is a need to assess the financial dimensions associated with this plan.

There are some key considerations in this assessment: -

- The OPEX related to resourcing the skills and experience required to give effect to the strategy.
- The CAPEX related to potentially investing in property and related interventions, including urban development.



- The opportunities to secure outcomes via partnerships with limited or no CAPEX exposure e.g., via Kāinga Ora and/or Eke Panuku and/or iwi commercial partners.
- The opportunities to extract additional value from urban development activity and/or the sell down of land and/or development proposals, including value from the existing Crown Estate and potential above transport infrastructure development.
- Opportunities to access funding via a potential value capture mechanism and/or utilisation of development contributions via partnership with Auckland Council.
- Opportunities to secure government funding/grants/financing associated with the Infrastructure Funding and Financing provisions, Infrastructure Acceleration Fund & the Housing Acceleration Fund alongside potentially leveraging the Kāinga Ora Land Programme.

It is impossible to determine at this IBC stage the potential \$\$s associated with the above, other than OPEX related to human resources, as it would require more place-based assessments, including high-level discussions/negotiations with potential development partners and some private sector soundings.

5.3.9 Funding and finance:

Principle 1: **Optimise Existing Capital & Investments** – Delivery of the UDP needs to adopt a collaborative partnership and synergistic response to optimise the existing capital, initiatives and planned investments by the respective partners towards the Project objectives, alongside wider Crown opportunities such as the Infrastructure Funding and Financing Act.

Principle 2: **New Capital** – Funding and financing of the UDP needs to be further assessed at the DBC phase with approaches to funding and financing refined by considerations of the opportunities for value capture arising from taxation methods, additional value of the Crown Estate and the capture of commercial development value from transit-oriented development.

As outlined in the Financial Appraisal section there are requirements to fund both the CAPEX and OPEX components of the UDP. As further detailed, besides the requirements to access a level of funding associated with the Project, opportunities are available to secure and/or partially underwrite urban outcomes via alternative funding/financing mechanisms including the IFF, IAF, HAF, Council DCs, value derived from development activity, sales of land/air-rights and mechanisms such as value capture.

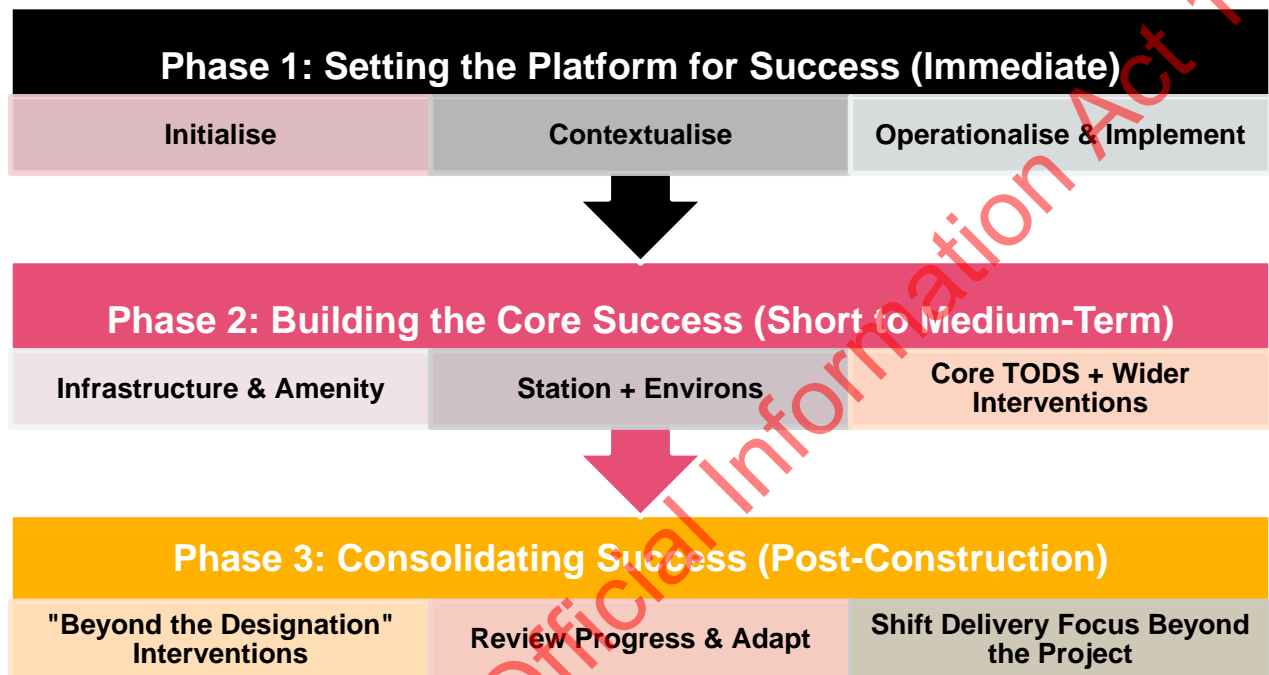
All of these need more detailed assessments at the DBC stage, including the resources and skills to undertake these assessments.

5.3.10 Supporting & informing policy advice:

Principle: **Optimise Existing** – Optimise the existing statutory mandates, procedures, legal foundations and provisions of the partners, including the potential use of the provisions of the Urban Development Act.

6. UDP Delivery Action Plan

To secure the urban and transport benefits of an integrated approach requires a whole of government governance framework and a Project structure which is accountable for the establishment and delivery of the UDP via an intentional and robust process: -



6.1 Phase 1 - Setting the platform for success:

6.1.1 Initialise – Project Enablement, Governance and Partnership

1. Confirm the accountability and scope of the Project for the urban components.
2. Determine and establish the Project's statutory mandate, strategies, policies, organisational structure, skills and resources to specify, procure, monitor and manage the delivery of the UDP.
3. Establish the Project's specifications, performance measures and monitoring mechanisms for the delivery of the UDP.
4. Assess the value creation and capture opportunities for the Project arising from the investment and advise of principles, implications, policies and procedures attached to the capture of this value within a project and within a broader perspective.
5. Establish the scope, terms, partnership arrangements and operating parameters of a whole of government collaborative approach, including local government.
6. As part of a collaborative, whole of government approach, agree with the partners an accountability regime to guide the direction and procurement to secure delivery of the UDP.
7. Establish delivery principles and high-level roles and responsibilities of the partner organisations.



8. Establish a commercial framework and procurement process to procure urban development from the market.
9. Establish the reporting and approval requirements for all partner organisations.

6.1.2 Contextualise – Urban Context and Preparing the UDP

10. Within the collaborative structure:

- Drive the delivery of Project focused strategic, spatial and statutory planning which will:
 - inform the final route and station locations
 - inform the identification of place-based urban interventions; and
 - enable the successful delivery of future urban interventions.
- Undertake a spatial planning review of all existing spatial plans along the route to assess their fit for purpose and identify any spatial planning gaps.
- Complete a corridor strategic and place-specific masterplan
- Undertake a place-based audit and assessment of all station locations to establish a package of urban interventions to be adopted as the UDP
- Prepare development plans and proposals for the critical transit junctions e.g., Dominion Junction, Mt Roskill, Onehunga & Māngere.
- Establish an overall commercial development procurement programme.
- Prepare development prospectuses for critical transit junctions.
- Establish partner roles, a programme, performance measures and a budget to deliver an integrated UDP with wider government complementary initiatives e.g., Auckland Housing Programme.

KEY EARLY MOVES:

1. **Establish and negotiate a framework for the basis of commercial partnerships with Kāinga Ora and Eke Panuku, including the potential utilisation of the Crown and Council estates to unlock and deliver urban development opportunities.**
2. **Establish the partnership arrangements with Auckland Council, including, but not limited to, corridor strategic/master planning, community/stakeholder engagement and establishing infrastructure and amenity upgrade investment plans in support of intensification.**
3. **Establish a framework and process to deliver critical early development precinct plans, including the potential role of Iwi commercial interests and the private sector in this process.**
4. **As part of the corridor/master and development precinct planning, identify opportunities for strategic land purchases to unlock development opportunities.**
5. **Establish a commercial procurement and partnership framework for engagement and possible partnership with the private sector in stop/station precinct development, including the potential for creative housing options such as build to rent.**



6. Commence corridor strategic and master planning in partnership with the Council.
7. Identify early catalytic leadership development opportunity

6.1.3 Operationalise – UDP Budget, Resources, Monitoring and Reporting

11. Establish and obtain approval to the UDP, budget, performance measures and monitoring/reporting requirements.

CORE PHASE 1 OUTPUTS:

1. Project (Urban) - Established, Mandated, Empowered and Resourced
2. Core Partnerships & Stakeholder Relationships Established with Defined Scope & Responsibilities
3. Place-Based Analysis Complete
4. Strategic & Master Planning Complete
5. Strategic Property Acquisitions Identified
6. Final Route & Station Locations Informed
7. UDP - Defined, Budget, Resourced, Operationalised and Commenced
8. Leadership urban development Identified and Procured

6.2 Phases 2 & 3

Phase 2 will form part of an integrated infrastructure and delivery programme for the Project to ensure that planned urban interventions, where relevant, form a part of the infrastructure delivery programme e.g., upgraded and rerouted civil infrastructure, securing above station development opportunities.

Phase 3 will be principally directed at ensuring that a partnership and governance arrangement exists beyond the construction programme and that the accountability and responsibility for continuing to implement the UDP are transferred to the appropriate Project/partnership arrangement.



7. Next Steps to the DBC

The following are identified as the next steps post the cabinet decision to proceed to a detailed business case: -

- Agreement on the Project structure, its components, scope and its **relationship to and governance of securing necessary** urban outcomes through the UDP.
- Definition of the **process and partnerships necessary to analyse and identify place-based** interventions at specific nodes, noting this is likely to be different along the Project alignment.
- Providing **necessary urban input** to the location of stations from an urban development perspective.
- Identification of appropriate levers and mechanisms for delivering the above interventions, **including a whole of government partnership approach and optimising the respective skills, funding and operating requirements of each partner.**
- Developing a **robust UDP**, including roles & responsibilities, funding & financing, interventions, partnership arrangements.

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