

APPENDIX 28 – Assessment against Section 19 (specifically economic Benefit/ Costs for people and industries affected by COVID-19

19 Whether project helps to achieve purpose of Act

In considering, for the purpose of section 18(3) section 18(1A), whether a project will help to achieve the purpose of this Act, the Minister may consider, have regard to the following matters, assessed at whatever level of detail the Minister considers appropriate, any or all of the following matters:

- (a) the project’s economic benefits and costs for people or industries affected by COVID-19:
- (b) the project’s effect on the social and cultural well-being of current and future generations:
- (c) whether the project would be likely to progress faster by using the processes provided by this Act than would otherwise be the case:
- (d) whether the project may result in a public benefit by, for example,—
 - (i) generating employment:
 - (ii) increasing housing supply:
 - (iii) contributing to well-functioning urban environments:
 - (iv) providing infrastructure in order to improve economic, employment, and environmental outcomes, and increase productivity:
 - (v) improving environmental outcomes for coastal or freshwater quality, air quality, or indigenous biodiversity:
 - (vi) minimising waste:
 - (vii) contributing to New Zealand’s efforts to mitigate climate change and transition more quickly to a low-emissions economy (in terms of reducing New Zealand’s net emissions of greenhouse gases):
 - (viii) promoting the protection of historic heritage:
 - (ix) strengthening environmental, economic, and social resilience, in terms of managing the risks from natural hazards and the effects of climate change:
- (e) whether there is potential for the project to have significant adverse environmental effects, including greenhouse gas emissions:
- (f) any other matter that the Minister considers relevant.

Project’s Economic Benefit & Costs for people/ industry affected by COVID-19

The benefits of establishing the project as a vibrant mixed-use development with more convenient access for people, to places and activities has a series of short-term and longer-term economic benefits.

Short-term construction activities will provide between 100-220 FTE jobs. Refer the Construction Workforce Development Plan included as Attachment 8 prepared by Dominion Constructors.

Longer-term the Foodstuffs New World supermarket will provide between 130-150 permanent FTE jobs on-site.

The economic benefit the supermarket activities bring are more specifically set out in the Property Economics Report included as part of this Application. In summary, their supply and demand calculations have shown, the current generated retail spend within the Core Catchment significantly outweighs the supermarket supply in the market. Further, they conclude there is little to no propensity for this New World to cause any additional trade competition effects that would flow over into significant retail distribution effects in the context of the surrounding area.

In addition to this associated retail and commercial activities would provide a further c.35 FTE jobs. And a permanent residential population of 250-300 provides a level of economic activity contained on-site and permeable to the immediate surrounding catchment.

This primary activity on-site also enhances the viability of secondary activity (associated retail and commercial activities) and the adjoining Retail shops on Lot 1; together with retail activity along this portion of Dominion Road. This greater viability will also enhance land, rental and capital value of the surrounding real estate to the benefit of existing owners without any investment on their part, albeit there will be some short-term inconvenience from construction activities.

Projects Effect on the Social and Cultural well-being of current and future generations

The societal benefits provided by the development will be positive for both current and future generations.

Mixed-use provides the opportunity to intensify residential activity clustered around essential facilities and amenity which provides greater user satisfaction and connectedness. At the core of our mixed-use concept is the convenience of a range of everyday retail, service and commercial amenities.

We believe customers want a trusted brand that will deliver fresh produce with an outstanding, individualised customer experience. The next generation New World store blurs the traditional boundary between the customer and retailer. It creates a sense of theatre where our senses - what is seen, smelt, heard, felt and tasted - are excited through an array of fresh produce showcased in innovative ways. This new approach enhancing the customer experience also creates a stimulating working environment where the ordinary everyday experience is recalibrated into something much more. A destination to gather, socialise and satisfy shopping requirements in one functional retail space that in turn provides family and friends the opportunity to access the preparation and sharing of food – simple, nourishing or more celebratory as the occasion may require.

This type of development also enables parking and transport infrastructure to be used more effectively and provides sufficient critical mass to deploy programmes that decrease reliance on single occupancy car trips. It encourages walking and cycling which leads to health benefits.

Part of our development ethos is to create active and vibrant communities with an engaged resident population in the day-to-day operation and running of the precinct. By creating a sense of identity among all users the local character of the area is enhanced with associated benefits such as greater surveillance and safety, lower crime statistics and enhanced community spirit, cohesion and vitality.

Whether the Project would be likely to progress faster than otherwise would be the case

Confirm estimated programme savings from proceeding with the processes provided by the Act are c.6 to 9 months. This assumes that the Fast-track programme takes overall 100 days to complete after factoring in time required by the Ministry and Minister to process the application, consultation with affected parties, preparation of the more detailed ECP package; and statutory times set out in the Act. This programme is summarised in a bar chart **attached** to this paper.

Even through the initial stages (PART A and PART B – process leading up to lodgement of formal Application) we have experienced first hand the benefits of faster progress.

We have found the COVID-19 Recovery (Fast-track Consenting) process valuable in terms of focusing the multitude of different authorities and interested parties on a more collaborative development and consenting approach. Having clear outcomes and timeframes to work towards is a really positive feature of this new Government process. Coupled with the support offered by Ministry for the Environment and the EPA, this process is helping us deliver economic and public benefit earlier than otherwise would be the case. This will mean new revenue opportunities for local businesses, greater choice for those residents looking to buy or rent in the area, more people using public transport along this main arterial road, and a meaningful contribution to local community initiatives.

Whether the Project deliver's Public Benefit

Generating Employment

Short-term employment 100 to 220 FTE construction jobs as set out in the Workforce Development Plan.

AND

Ongoing employment from Practical Completion Q1 2023 c.150-185 FTE permanent jobs.

Increasing Housing Supply

122 new residential units in market affordable price ranges for this location. They are market affordable priced accordingly for this prime transit-orientated location. Typologies comprise both Apartments and Terraced Houses. One-bedroom units start at \$850,000 with the predominance of mix comprising two-bedrooms priced at \$1,500,000 to \$1,600,000. In this location typical villas and bungalows are selling for \$2,500,000 and over \$3,000,000 so the development provides a viable alternative for those first home buyers who can not afford or desire this type of investment.

Contributing to Well- Functioning Urban Environment

The design we have for the completed development is a well-designed and functioning urban environment which will provide the community with:

- A variety of homes that are affordably priced
- A process for achieving local design content and expression of Māori culture, which will be embedded into our design
- A range of new opportunities for local businesses - we are working with the adjoining retailers and local Business Association to integrate and optimise these opportunities. In

this way we add value to the community rather than compete or displace economic activity and benefit

- Easy access to a well-integrated development focused on creating a safe and convenient retail and residential space for owners/occupiers, customers, residents and visitors
- Good accessibility for all people between residential activity on site, jobs, amenities and services, landscape and open spaces, including excellent access to public and alternative transport modes
- A design response conceived in a COVID economic environment which aims to build resilience and support local businesses - we are also absolutely focused on developing a leading residential and retail hub that utilises some of the most cutting-edge environmental design principles and materials.

Our primary design and planning ethos is that this development can make a real and tangible contribution to local area. Perhaps for too long Dominion Road has been viewed as a 'throughfare', and our vision for the site is to create a 'destination' that provides a real sense of community, with genuine societal and economic benefit. With good design, careful planning and working together, we believe we can create a valuable addition that benefits the local community and the wider Auckland area.

More specifically we have confirmed a commitment to join and support the local business association – Dominion Road Business Association. Contributions to the Dominion Road Business Association will involve areas of mutual interest such as:

- Participation in marketing & promotions for annual events e.g. Christmas lights, Chinese Moon Festival.
- Part of Purple Flag accreditation programme (see note below).
- Potentially could take a lead role in a precinct-wide Waste Minimisation project.
- Participate in Traffic Management Plan for major events (Eden Park)

Purple Flag is a UK programme focused on managing the evening and night-time street environment. Dominion Road is aiming to become the first road in NZ to achieve Purple Flag accreditation which takes towns and cities through a comprehensive set of standards, management processes and good practice examples all designed to help transform the evening and night-time economy. Benefits include a raised profile and an improved public image for the location, a wider patronage, increased expenditure, lower crime and anti-social behaviour and a more successful mixed-use economy in the longer term.

Providing infrastructure in order to improve economic, employment, and environmental outcomes, and increase productivity

The project will provide a significant investment in hard and soft infrastructure which will provide downstream benefits to the surrounding community.

This investment in soft infrastructure notably includes a smart building management system and customer centric design of applications that will produce significant efficiencies and convenience compared to standard developments. As part of the sustainable design and development principals to be adopted we will make specific use of whole of lifecycle planning, lean construction techniques and innovation.

Due to particular aspects of the site and local constraints multiple schemes have been considered. The scheme adopted looks to utilise, at a scale not achieved in NZ to date, the extensive use of

volumetric modular construction. This significantly reduces time and cost of the construction programme and importantly provides an edge to the financial viability of the project. The resulting increased productivity will realise for the project and community the following benefits:

Quality: better QA achieved through the manufacturing process reducing standard rate of defects compared to those built using traditional techniques (91% of new houses have defects, 87% of houses have quality defects).

Time: up to 60% of construction time can be reduced through modular construction with less disruption to surrounding communities.

Cost: typical savings in total construction cost range from 5% to 15% depending on typology. Greater cost savings are generally available for residential buildings greater than 3 levels.

Sustainability: reduced wastage of materials, less embodied energy over the building lifecycle – 30% better thermal performance - and a reduced carbon footprint c.2.5% savings.

Design: standardisation doesn't have to translate to repetitive and uninteresting design, with innovative volumetric suppliers being able to offer flexibility in use of materials, fixtures, fittings and finishes.

Productivity: increase in the order of 10% available through the above translates to a 1% lift in GDP.

Health & Safety: reduced time work at height reduces accident incidents.

Note: these quoted figures are referenced from a variety of different sources including BRANZ, PrefabNZ, PWC, CIMC MBS & TLC materials and research.

Corresponding investment in public infrastructure is also part of the project scope of works. The most significant is in relation to relocation, renewal of the public sewer that transverses the site; and upgrade of the stormwater system that manages dispersal of water received from the neighbourhood Overland Flow-path. We will also be relocating and renewing various utility assets working with the different asset owners. Indicative pricing for all civil and infrastructure costs off-site (i.e., in the surrounding public domain and community) is c.\$4.0 million.

Improving environmental outcomes for coastal or freshwater quality, air quality, or indigenous biodiversity

Commitment to NZGBC Green Star 5 principles which specifies a range of environmental outcomes. Across the Green Star nine rating categories: Energy, Water, Materials, Indoor Environment Quality (IEQ), Transport, Land Use & Ecology, Management, Emissions, and Innovation – we are particular focused on providing international best practice solutions in relation to Energy monitoring to help reduce consumption, rainwater capture for irrigation, Materials, Indoor Environment Quality (IEQ), Transport, and Innovation.

Waste Minimisation

We are specifying an integrated and centralised Waste Management system onsite.

This consistent with the Government's commitment to a achieving a circular economy. This is based on the three principles: design out waste & pollution, keep products & materials in use where possible; and regenerate natural systems.

Our commitment to whole-of-lifecycle costing from design, through construction and into operations is also a key plank to developing a strategy for waste minimisation that reduces landfill; and supports and promotes wider community domestic recycling. This all important to minimize the footprint of waste recovery and recycling and capture economic benefits associated.

Foodstuff's has had an award-winning Waste Minimisation Programme in their stores since 2014. They divert approximately 85% of waste away from landfill and New World stores are committed to ensure good food doesn't go to waste. Stores proudly partner with Food Rescue organisations nationwide so that safe and edible food go to at-risk and vulnerable New Zealanders, not landfill. This not only significantly reduces waste, it feeds those most in need – the equivalent of 4.2 million meals a year from New World stores.

Contributing to New Zealand's efforts to mitigate climate change and transition more quickly to a low-emissions economy

Key members of our Project Leadership Team have been involved in leading industry change in their attitude and implementation of more sustainable construction practices, green rated buildings and frameworks that promote a quicker transition to a circular lower-emissions economy.

Dominion Constructors as ECI Design & Build contractor will be responsible for implementing a comprehensive Environmental Management Plan that cover the entire construction process. The objectives are to reduce where practical CO2 emissions, ensure efficient distribution and logistic plans, monitor closely and mitigate potential adverse effects, minimise waste and avoid damage to adjoining land and property. This is to be achieved through a range of measures including:

- Use of whole-lifecycle design approach.
- Adoption of volumetric modular construction with associated savings.
- Sourcing of local/ regionally supplied materials.
- Green Transport Plan e.g. Car-pooling by firm/ trade of labour force, mini-bus service to train station.
- Dust and noise control measures.
- Best practice to control run-off, collection of rainwater where feasible.
- Monitor waste on-site and recycling/ re-use of demolition materials.

Foodstuffs New World is committed to doing their part to reduce operational carbon emissions. They are signed on to the Climate Leaders Coalition and are actively working to reduce emissions in support of New Zealand's zero carbon ambitions. Their Low Carbon transition strategy is achieving this through:

- Reducing store-based emissions by transitioning all stores to low emission natural refrigeration systems.
- Operating 29 zero emission electric store delivery vans.
- Introducing three 100% electric heavy goods vehicles, transporting goods from warehouses to stores.
- Reducing mileage, fuel and emissions by using a GPS routing system for transport routes.
- Consolidating freight deliveries so that there are less empty trucks on the road.
- Leading the roll out electric vehicle fast charging stations for customers with electric vehicles.
- Leading on solar

New World's support centre and primary distribution centre is moving to a new site at Auckland Airport. This new complex will have one of the largest solar arrays in New Zealand. The new Foodstuffs North Island Head Office owned by Auckland International Airport Ltd has a 5 Green Star office design rating.

Wynyard Quarter, Auckland's most dynamic new neighbourhood and the centre of innovation for New Zealand has benefited from a Sustainable Development Framework. John Dalzell as former CE of Waterfront Auckland lead and implemented this initiative which helped create the platform for a number of green buildings to be established including: ASB North Wharf, ASB Waterfront Theatre, 10 & 12 Madden Street – all 5 Green Star buildings; and Mason Brothers Building that celebrates its character heritage status and is accredited 6 Star “international standard”.

Promoting the protection of historic heritage

The project is located in the Eden Valley Special Character Overlay.

The design response for the development is respectful of the intent of this control, that is part of the AUP.

There is a continuum of low density suburban special character residential subdivision from the Late Victorian and Edwardian periods fronting onto historic arterials, lined by traditional low-density mixed-use shops with living above. These largely developed around the tram stops, and so at human pacing are about 20 minutes apart in terms of walkable distance. As the suburbs expanded towards Balmoral in the 20s so too did the tram stops with their supporting commercial ribbon developments. The use of the control is to enable the character and identity of the area to be maintained while allowing for the introduction of a range of other mixed-use activities at an appropriate scale and setback from activities of lower intensity of use.

Importantly the design response for the development provides for:

- Architectural form strengthened at Dominion Rd corners to reinstate prominence lost over decades of weak urban design
- Generous setbacks at above ground floor level from Dominion Road and key residential boundary interfaces
- A variation of form, massing and height
- Internalisation of access and loading facilities as much as practical
- Generous provision of landscaping and outdoor communal courtyard areas
- Provision of an urban laneway that enhances and links the existing Dominion Rd retail with the development
- Re-use of character elements (metal window frames and brick work) of the existing building around the Laneway and first floor accommodation located above Lot 1 Retail shops

Strengthening environmental, economic, and social resilience, in terms of managing the risks from natural hazards and the effects of climate change

In building back our economies and society after the COVID-19 crisis, we fully understand and support increasing resilience needs to be one of the main guiding principles adopted. At a project level we are making the following provisions in this regard.

Reduce exposure through design process:

- Critically review design standards and codes to ensure the design takes into account current and coming risk levels
- Clearly specify the location of critical plant & machinery assets on the basis of climate-aware risk
- Reducing the impact of any large non-porous areas and leverage natural assets such as the central courtyard to capture and recycle rainwater
- Including building resilience to climate change in all specifications for project infrastructure, systems and monitoring equipment
- Incorporating resilience into procurement standards, for example, ensure lifetime performance under expected climate conditions

Accelerate investment in resilience by:

- Investigating the increased use of energy storage on-site to increase efficiencies in solar arrays
- Applying existing best practice adaption techniques, for example, keeping key plant & equipment elevated in basement areas, move facilities further away from hazards as much as possible
- Exploring partnerships with infrastructure key suppliers, for example telecommunications to increase resilience of existing cell phone network and connectivity
- Constructing assets that maximize energy, water, and other forms of efficiency, for example, more passive buildings that can operate during grid level blackouts
- Deploying new, resilient technologies to improve the resilience of infrastructure, for example, smart grids, embedded sensor layers etc.
- Using modular infrastructure to enable rapid replacement of damaged components, for example, modular energy infrastructure

Mobilise and or access potential capital pools to help fund adaptation:

- Considering operational models that allow infrastructure operators to access or raise funds for adaptation measures
- Participating in local infrastructure initiatives that target shared, local adaptation measures, for example Waste Minimisation Programme promoted by Dominion Rd business association
- Advocacy to government for policy changes that enable a different approach to how development contributions are applied, for example allowing direct allocation of project contributions to specifically assist early upgrade works that then better integrate back into wider network (practically finding the optimised work delineation where this spans the private/public realm)

To ensure collectively we are better prepared to withstand future pandemics but also the other major risks such as climate change we need to clearly establish performance baselines and using an evidential basis set targets for reduced consumption and emissions. We have outlined in this application, not only for this but for other projects we have in the pipeline, how we can make a meaningful contribution to MBIE's Building for Climate Change Programme. We look forward to continue with the initiatives set out in this application but also confirm interest and commitment in better understanding and being involved in the Ministries establishment of appropriate frameworks and setting targets as collectively we strengthen environmental, economic and social resilience.

Other Public Benefit

Dominion Road is one of Auckland's most famous shopping strips. However, COVID has impacted the area significantly and the normally vibrant, bustling stretch of Dominion Road is showing the signs of stress with sale and for lease signs filling many shop windows. The 200-odd businesses along this stretch from View Rd to Balmoral Rd are an eclectic mix of ethnic restaurants, cafes, banks, antique shops, charity stores and dairies. The manager of Dominion Rd Business Association recently referred to the strip as Auckland's world within a street with so much diversity and variety in terms of ethnicity, ethnic representation and the different businesses. Surviving though, through lockdowns and beyond into an uncertain period is going to be very challenging for a number of these businesses.

Given this state, the revitalisation and redevelopment of our project at 360 Dominion Road will deliver a broad range of benefits to the local community at a critical time when many established businesses are struggling to survive. These include the following public benefits:

- Ensure the ongoing economic viability of this portion of Dominion Road into the longer term by attracting to the site a medium-high income demographic from the surrounding primary catchment (some 17,000 households).
- More efficient utilisation of the site, by updating and increasing the provision of retail facilities.
- Increase the level of retail standard including greater range and diversity of convenience goods, and increased price competition with other centres in the region.
- Reduce the reliance of nearby residents on shopping centres further afield.
- In addition to job creation through the construction phase, the development will facilitate the creation of approximately 150-185 jobs (range of full/part time & casual staff). This is a substantial boost to previous employment numbers (which were in the order of 30-50 jobs) prior to the redevelopment of this site.
- Creation of an off main street 'Laneway' that forms a meeting place, with a range of retail and dining opportunities.
- Enhance the aesthetic quality of the site, incorporating an integrated design to enable stronger linkages with adjoining retail.
- Incorporation of accessible principles to ensure equitable access throughout the development.
- Design techniques (setback and landscaping measures) introduced to minimise amenity impacts to adjoining residential properties.

As an investor, owner and operator of the redeveloped site (and applicant to the local Dominion Road Business Association) we have a long-term commitment to the success of the development and look to actively engage with local Iwi, the Council, school groups, local businesses and other members of the local community. We will also be upgrading certain public infrastructure to enable the development, such as upgrading the public sewer that traverses the site, upgrading vehicle crossings, providing new facilities the public can access while waiting for public transport; which assists Auckland Council fulfil it's obligations under the National Policy Statement to enable building heights and density of urban form commensurate with the greater of:

- (i) the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
- (ii) relative demand for housing and business use in that location.

Whether there is potential for the Project to have any significant adverse environmental effects

Confirm there are no long-term adverse environmental effects relating to this project.

Any other matter that the Minister considers relevant

The Minister in his letter dated 5 November 2020 accepting our Application for Referral has:

1. Under Section 24(2)(d) of the Act directed information to the Expert Consenting Panel includes an:
 - a. Integrated Transport Assessment (ITA) - this has been completed by Traffic Planning Consultants Ltd (TPC) and included in this Application
 - b. Urban design/ character Assessment - this has been completed by Boffa Miskell and Plan.Heritage and included in this Application
 - c. Flooding Assessment - this has been completed by Ewaters New Zealand Ltd with Civil input from Robert Bird and included in this Application
2. Under Section 24(2)(e) of the Act directed that comments are invited from:
 - a. Watercare Services Ltd – this has been undertaken by engaging with Watercare around the design and 3 waters system capacity matters to arrive at an acceptable solution in concept. Separate engagement has been undertaken with Auckland Council Healthy Waters. Watercare has provided a letter confirming it is able to provide water and wastewater services to the development. All documented in the Stakeholder Engagement Report.
 - b. Auckland Transport - this has been undertaken by actively engaging with AT since April 2020 around the specification, building and validation of a PARAMICS traffic model; completion of the ITA; review by AT and completion of final ITA incorporating all of AT comments to confirm an acceptable solution for traffic design and mitigations. All documented in the Stakeholder Engagement Report.
 - c. Dominion Road Business Association - this has been undertaken by engaging with the Business Association management and committee around the design of the development, how it is intended to be operated and how various foreseeable issues are intended to be mitigated and managed on a daily basis. Dominion Road Business Association will be providing a letter of support noting areas such as on-street parking where they have a particular interest in ongoing dialogue. All documented in the Stakeholder Engagement Report.