

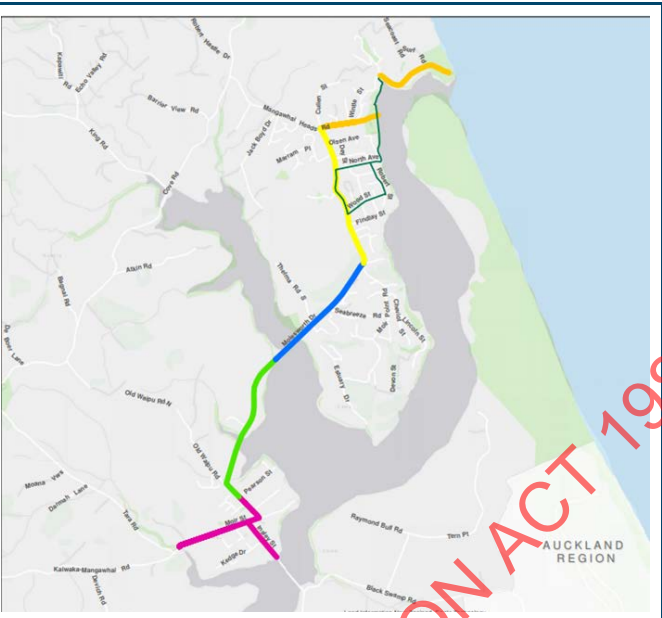
NEW OR NEXT PHASE FUNDING REQUEST

1. APPLICATION FORM

Project/Activity Name	Mangawhai Shared Path	Date	27/01/2021												
Provide a statement on whether this funding request remains valid and supportable in a post-COVID world and why.	<p>This activity aims to promote mode shift to active modes, which is a priority in the current GPS and is also a priority in the 2021/24 GPS.</p> <p>COVID-19 is not expected to adversely affect industry capability for implementation. However, as with all projects in the current environment, increased expenditure on infrastructure in general, may lead to higher costs due to insufficient short-term supply through the supply chain.</p> <p>Overall benefits may reduce due to slower than expected growth and land use development. If growth is slower and demand reduced in later years (2024/27 and 2027/30) some sections of the shared path may need to be deferred or not constructed.</p> <p>Most users of the path are expected to be residents, including school children, and there will continue to be demand in summer as domestic tourists visit Mangawhai and use the shared path. There may be increased demand as a result of more domestic tourists visiting Mangawhai, compared to the pre-COVID environment.</p> <p>The options considered for this SSBC remain valid and appropriate.</p>														
Provide annual cash flow forecast for the funding being requested.	<p>Implementation funding for this request</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total (\$m)</th> <th>NLTF share (\$m)</th> </tr> </thead> <tbody> <tr> <td>2020/21</td> <td>\$2,200,000</td> <td>\$1,364,000</td> </tr> <tr> <td>2021/22</td> <td>\$3,700,000</td> <td>\$2,294,000</td> </tr> <tr> <td>Total</td> <td>\$5,900,000</td> <td>\$3,658,000</td> </tr> </tbody> </table>			Year	Total (\$m)	NLTF share (\$m)	2020/21	\$2,200,000	\$1,364,000	2021/22	\$3,700,000	\$2,294,000	Total	\$5,900,000	\$3,658,000
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Total	\$5,900,000	\$3,658,000													
What would be the consequences of not approving the funding being requested?	<p>On 25 July 2020, the former Minister of Infrastructure, and Regional Economic Development, Hon Shane Jones announced \$2.4 million towards local share for this activity (COVID-19 Response and Recovery Fund).¹ This funding not associated with any phase but is tagged to certain sections (for implementation in 2018/21 and 2021/24 with most subject to this funding request).</p> <p>Without normal NLTF contribution, Kaipara District Council would need to fund the implementation of this activity entirely from local share and CR&R contribution, which would require the implementation to be phased over a much longer timeframe. This would restrict their ability to contribute to transforming urban mobility in Northland.</p>														
Could funding approval be delayed without significant consequences? If so, for how long?	<p>This activity primarily addresses an existing need to promote active mode use in Mangawhai. It is a key component of a transport approach to accommodate growth in the future. There is currently a lack of viable alternatives to using a vehicle for many local trips, including trips made by school children. Walking and cycling trips (travel to work) are expected to nearly double from 6.8% to 13% by 2032 as a result of this investment.</p> <p>The size and nature of any consequences resulting from delaying the activity would depend on the length of the delay. It is difficult to determine how long the delay should or could be. Some sections which are intended to be implemented in later years (from 2027 onwards) are aligned with growth, so may need to be deferred.</p> <p>There is a reputational risk for Kaipara District Council as community expectations have been raised.</p>														

Project Summary	The Mangawhai Shared Path proposal is for a 10 km dedicated shared path (pedestrian and cyclist) in a high growth town in the Kaipara District. Its primary aim is to increase mode shift to active modes.
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¹ <https://www.beehive.govt.nz/release/boost-mangawhai-and-kaiwaka-community-infrastructure>

	<p>When complete, it will connect the key destinations in Mangawhai and integrate with the current and future urban land use for the town (a linear urban form), and aspirations for the town (slow street environment and active modes for local trips, consistent with the Mangawhai Community Plan and Spatial Plan). The shared path forms part of the <i>Te Araroa - New Zealand's Trail</i>.</p> <p>The activity is planned to be implemented across multiple NLTPs for a total estimated cost of around \$29.1 million.</p>		
<p>Recommendation</p>	<p>That the Senior Manager, OPPP Transport Services:</p> <ul style="list-style-type: none"> ▪ Note that you endorsed the Single Stage Business Case for the Mangawhai Shared Path on 20 August 2020; ▪ Support the recommendation that the Chief Financial Officer endorse the Mangawhai Shared Path Single Stage Business Case (BR157, up to \$50 million); ▪ Note that separate funding decisions will be sought for each stage over future NLTP periods to account for changes to policy, risks, cost estimates, economic benefits, etc; ▪ Endorse the next/next phase funding request and recommend that the Chief Financial Officer approve funding to Kaipara District Council for the implementation phase (Phase 1) of the Mangawhai Shared Path with total shared project costs of \$5,900,000 with an NLTF share of \$3,658,000 at a FAR of 62% from the Walking and Cycling Activity Class; ▪ Note that a cost scope adjustment request is being prepared for the approved pre-implementation phase to enable detailed design of implementation planned to commence in the 2021-24 NLTP period for the next stage of this package. <p>That the Chief Financial Officer:</p> <ul style="list-style-type: none"> ▪ Endorses the Mangawhai Shared Path Single-Stage Business Case; ▪ Approve funding to Kaipara District Council for the implementation phase (Phase 1) of the Mangawhai Shared Path with total shared phase costs of \$5,900,000 with an NLTF share of \$3,658,000 at a FAR of 62% from the Walking and Cycling Activity Class; ▪ Note that a cost scope adjustment request is being prepared for the approved pre-implementation phase to enable detailed design of implementation planned to commence in the 2021-24 NLTP period for the next stage of this package. 		
<p>Reason for recommendation</p>	<ul style="list-style-type: none"> • This funding approval will enable the successful completion of the first stage of the new Mangawhai Shared Path which is an important element of the Mangawhai Community Plan and Spatial Plan. The project will contribute to the step change necessary to transform urban mobility in Northland and provide better travel options by improving people's transport choices for getting to places where they live, work and play. • The requirements of section 20 of the Land Transport Management Act 2003 have been met. 		
<p>Submitter Name</p>	<p>Rafael Furtado, Senior Investment Advisor and David</p>	<p>Submitter - Contact No. - Email</p>	<p><i>Rafael</i> <small>section 9(2)(a) privacy</small> rafael.furtado@nzta.govt.nz</p>

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	Croft, Principal Investment Advisor, Partnership Investments		<i>David</i> Section 9(2)(a) privacy david.croft@nzta.govt.nz									
Project Manager	Kaipara District Council	Project Sponsor	Emma Harris, Manager, Partnership Investments									
Business Owner	Non-NLTP only	Region/Council	Kaipara District									
Decision sought	<input type="checkbox"/> BR150 Programme Business Case Endorsement up to \$50m <input type="checkbox"/> BR151 Programme Business Case Endorsement up to \$100m <input type="checkbox"/> BR151b Programme Business Case Endorsement > \$100m <input type="checkbox"/> BR155 Single Stage Business Case Endorsement up to \$1m <input type="checkbox"/> BR156 Single Stage Business Case Endorsement up to \$15m <input checked="" type="checkbox"/> BR157 Single Stage Business Case Endorsement up to \$50m <input type="checkbox"/> BR158 Single Stage Business Case Approval >\$50m <input type="checkbox"/> BR181 Programme Business Case or AMP Approval >\$100m <input checked="" type="checkbox"/> BR210 Up to \$50m – Business Case or Variation <input type="checkbox"/> BR235 Land Requirement Plan Approval											
Current project phase	Pre implementation	References <i>Current phase</i>	Business Plan: Mangawhai Shared Path – Pre-implementation – Professional Services									
			TIO project ID: 133493/ 270523									
			SAP Reference: N/A									
Next project phase	Implementation	References <i>Next phases</i>	Business Plan: Mangawhai Shared Path – Phase 1									
			TIO project ID: 133493/ 270522									
			SAP Reference: N/A									
Funding sought for next phase (including admin)	<i>Implementation (Phase one)</i> <table border="1"> <thead> <tr> <th>Year</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>NLTF</td> <td>\$1,364,000</td> <td>\$2,294,000</td> </tr> <tr> <td>Grand total</td> <td>\$3,658,000</td> <td></td> </tr> </tbody> </table>			Year	2020/21	2021/22	NLTF	\$1,364,000	\$2,294,000	Grand total	\$3,658,000	
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Scope of activities within this funding request	This request seeks funding for: <ul style="list-style-type: none"> implementation of the first tranche of the Mangawhai Shared Path activity. This will involve construction of: <ul style="list-style-type: none"> part of the shared path itself two small intersection improvements (with pedestrian/cycling crossing points) 											
Total expected project cost	\$29,085,061	Funding source	N funds AC: Walking and Cycling WC: 452 Cycling facilities									
		FAR %	62%									
Included in 2018-21 NLTP?	Yes, the Mangawhai Shared Path is in the 2018/21 NLTP (variation on 30 April 2020 through the Point of Entry). This is for the whole activity and has not specified the pre-implementation from implementation phases. On 5 June 2020, the Northland Regional Transport Committee varied the RLTP 2015/21 to include the Mangawhai Shared Path as a standalone activity, as it was previously in the Low Cost Low Risk Programme.											
Primary outcome	Access – improve / maintain											
Previous approvals / applications; conditions and status	NZTA has previously: <ul style="list-style-type: none"> endorsed a Point of Entry & NLTP variation for the shared path – 6/05/2020 approved a Point of Entry & NLTP variation for the intersection improvements – 3/07/2020 & 9/09/2020 											

	<ul style="list-style-type: none"> SMOPPP endorsed the single-stage business case - 27/08/2020 (not now endorsed by the appropriate delegated authority as total project cost has now increased) approved NLTF share of a total of \$500,000 for pre-implementation – 27/08/2020 approved NLTF FAR change from 61% to 62% for pre-implementation – 9/12/2020 <p>NZTA has funded the Network Operating Framework for Mangawhai (not yet endorsed) that provides the strategic context for the shared path, and general indication of the preferred route.</p>						
Previous NZTA Board Direction	N/A						
Programme/Project linkages – related activities	<p>This activity is linked to the following activities:</p> <ul style="list-style-type: none"> Mangawhai Network Operating Framework (under development and providing the strategic context for the area) Wood St Innovating Streets <p>The shared path is:</p> <ul style="list-style-type: none"> Integral to Kaipara District Council's Mangawhai Community Plan and Mangawhai Spatial Plan (draft, as of June 2020). Included in the Northland Walking and Cycling Strategy – August 2018 Included in the Kaipara Walking and Cycling Strategy – 2017 and part of the aspirational regional cycle trail framework for northland. Included in the Twin Cost Discovery Route – Preferred programme options – July 2017 						
Provide InfoHub links for all relevant documents	<p>Mangawhai Shared Path Business Case July 2020 v9 - https://infohub.nzta.govt.nz/otcs/cs.dll/link/46340645</p> <p>IQA_Kaipara_DC_Mangawhai_Shared_Path_SSBC_November_2020 https://infohub.nzta.govt.nz/otcs/cs.dll/link/46930460</p> <p>Mangawhai Shared Path - Phase 1 - Imp - NLTF advise - https://infohub.nzta.govt.nz/otcs/cs.dll/link/48273725</p> <p>Project folder</p> <p>Mangawhai Shared Path https://infohub.nzta.govt.nz/otcs/cs.dll/link/46306509</p> <p>This includes other key supporting documents such as PoE, previous IQAs, safety audits, risk registers, economics, cost estimates, cash flows, local share confirmation, etc.</p>						
Actions Completed **Funding Request only**	<table border="1"> <tr> <td><input checked="" type="checkbox"/> TIO Updated</td> <td><input checked="" type="checkbox"/> IAF Assessment Completed</td> </tr> <tr> <td><input checked="" type="checkbox"/> IQA Completed</td> <td>Funding approved, initially by Manager Treasury & Cashflow 27/11/2020 but when checked on 27/01/2021 could only support funding application progressing to SMOPPP & CFO.</td> </tr> <tr> <td><input type="checkbox"/> SAP Updated</td> <td><input checked="" type="checkbox"/> Docs uploaded to TIO</td> </tr> </table>	<input checked="" type="checkbox"/> TIO Updated	<input checked="" type="checkbox"/> IAF Assessment Completed	<input checked="" type="checkbox"/> IQA Completed	Funding approved, initially by Manager Treasury & Cashflow 27/11/2020 but when checked on 27/01/2021 could only support funding application progressing to SMOPPP & CFO.	<input type="checkbox"/> SAP Updated	<input checked="" type="checkbox"/> Docs uploaded to TIO
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Stakeholder Engagement	<p>Engagement for this funding application. Previous engagement is outlined in first memo. that sought endorsement of the business case².</p> <table border="1"> <thead> <tr> <th>Individual / Team</th> <th>Summary of engagement, outstanding issues, any relevant links</th> </tr> </thead> <tbody> <tr> <td>Wayne Wallace, Strategic Cases</td> <td>Point of Entry discussion and the interactions with the intersection improvements. Meetings with Kaipara District Council on path design.</td> </tr> <tr> <td>Tim Hughes, Lorelei Schmidt, Gerry Dance, Multi-modal, Transport Services</td> <td>Advice on the design of the path - whether a 3.5m or a 2.5m path width is appropriate. Kaipara DC provided information about peak demand (users per hour). This informed the recommended option, being a preferred nominal design width of 3.5m with some sections being narrower where there is lower demand.</td> </tr> <tr> <td>Owen Mata and Nigel Hutt, Activity Class</td> <td>Confirmed funding priority for this funding application. Owen supports the whole activity as a walking and cycling project.</td> </tr> </tbody> </table>	Individual / Team	Summary of engagement, outstanding issues, any relevant links	Wayne Wallace, Strategic Cases	Point of Entry discussion and the interactions with the intersection improvements. Meetings with Kaipara District Council on path design.	Tim Hughes, Lorelei Schmidt, Gerry Dance, Multi-modal, Transport Services	Advice on the design of the path - whether a 3.5m or a 2.5m path width is appropriate. Kaipara DC provided information about peak demand (users per hour). This informed the recommended option, being a preferred nominal design width of 3.5m with some sections being narrower where there is lower demand.	Owen Mata and Nigel Hutt, Activity Class	Confirmed funding priority for this funding application. Owen supports the whole activity as a walking and cycling project.
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² <https://infohub.nzta.govt.nz/otcs/cs.dll/link/45802678>

Managers (Walking and Cycling)	
Martin Shearman, Manager Treasury and Cashflow	NLTF funding availability was confirmed on 27/11/2020 however when re-checked on 27/01/2021 NLTF funding availability could not be confirmed. The Manager Treasury and Cashflow recommends that we continue to support the funding application through to the Delegations committee for assessment and a decision. Should it be endorsed it will be passed to the CFO for his decision. It is likely to sit in a ready state until NLTF funds become available. Mangawhai Shared Path - Phase 1 - Imp - NLTF advise - https://infohub.nzta.govt.nz/otcs/cs.dll/link/48273725
Vaughan Roberts, Partnership Investments	Advice on the SSBC.
Alan Meharry, Transport services	Supports the activity and consulted about the path width.
Brian Waddell, Lead Strategic Planner	Supports the shared path as it aligns with the strategic direction and scale of growth of Mangawhai and integrates with the land use.
John Janssen, Partnership Investments	Peer review of the IQA and first funding memo. Comments addressed.

Significance Assessment


The activity does not breach significance.

Factor	Comment / explanation	Delete as required
Reputation / public interest	The community has been consulted on this activity, as part of the Mangawhai Community Plan and the former Minister Jones announced a COVID-19 Response and Recovery Fund contribution of \$2.4 million towards the local share funding for the activity. A decision by NZTA not provide NLTF co-funding could be damaging to the Agency's reputation.	N
Service delivery	This activity will not impede NZTA project delivery.	N
Financial impact	The estimated cost of the activity is unlikely to have a significant impact on NLTF budget availability. There will be separate decisions relating to implementation funding, for larger amounts than this funding application. Affordability will be considered when these funding applications are considered.	N
Environment and other impacts	This activity does not have adverse social impacts. There will be environmental impacts due to encroachment into the coastal marine area. This will be managed through standard resource consenting processes.	N
Precedent effect	This activity does not set any precedents.	N
Inconsistency	This activity is consistent with NZTA policy and practice.	N
Other relevant factors	N/A	N

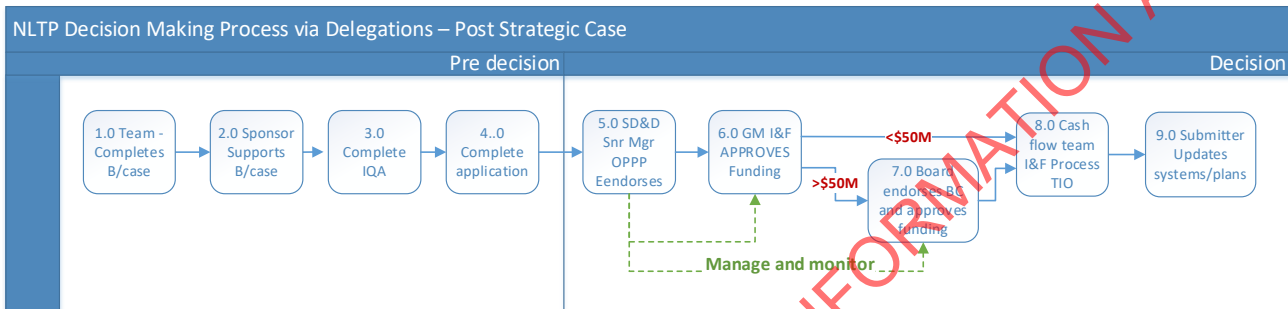
In making a decision, decision makers must take these factors into account:

<https://infohub.nzta.govt.nz/otcs/cs.dll?func=I&objaction=overview&objid=15084368>

Project Sponsor Endorsement

BR213 – The Business Case Sponsor confirms this Business Case meets the business requirements			
Name & Role	Emma Harris, Manager, Partnership Investments, Transport Services		
Signature		Date	27/01/2021
Additional commentary	Choose an item.		

Approval Pathway



2. INVESTMENT QUALITY ASSURANCE (IQA)

IQA_Kaipara DC_Mangawhai Shared Path_SSBC_November 2020.docx

<https://infohub.nzta.govt.nz/otcs/cs.dll/link/46930460>

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1. BUSINESS CASE / FUNDING REQUEST SUBMISSION

Funding Request Summary

Context

The Mangawhai Shared Path is for a proposed 10 km dedicated shared (pedestrian and cyclist) path in a high growth area in the Kaipara District. When complete, it will connect the key destinations in Mangawhai and integrate with the current and future urban land use for the town (with linear urban form), and aspirations for the town (slow street environment and active modes for local trips, consistent with the Mangawhai Community Plan and Spatial Plan). The shared path forms part of the *Te Araroa - New Zealand's Trail*.

Mangawhai is growing rapidly (current estimated population of 5,000 and is projected to grow to 9,000 by 2031, and 12,800 by 2051) and experiences significant population peaks in the summer period (holiday makers). Many people do not currently use active modes for local short-distance trips mostly due to physical barriers (i.e. poor-quality facilities) but also from a perception of poor safety for those modes. Responses to a community survey showed that that safe access for active modes was desired - 37% found it difficult to walk and cycle, and submitters requested safe off-road access to Mangawhai Heads, safe cycling/walking connections between the Village and Mangawhai Heads and safe pedestrian access along the Inisley Street causeway and bridge. The activity addresses all of the areas that are the subject of the safety concerns raised during consultation.

The activity is planned to be implemented across multiple NLTPs for a total estimated cost of \$29.1 million. Most of the core network will be completed over the current and 2021/24 NLTP periods (yellow and green). A larger version of the map is provided in the appendix.



Pre-implementation and implementation costs have been combined in this table:

Phase	Sections	Total estimated cost	NLTF share (62% FAR) ³	Local share (38% FAR)
One	Yellow ⁴	\$6,400,000	\$3,968,000	\$2,432,000
Two	Green	\$13,660,600	\$8,469,572	\$5,191,028
Three	Orange	\$5,862,527	\$3,634,767	\$2,227,760
Four	Blue	\$3,161,934	\$1,960,399	\$1,201,535
Total		\$29,085,061	\$18,032,738	\$11,052,323

The existing walking and cycling facilities in Mangawhai are of poor quality, particularly for one long stretch (no footpaths along most of sections 6 to 13) between the two main commercial areas (town and village). There is a high dependence on private motor vehicles for short distance local trips that could be made by active modes.

The shared path aims to increase active mode use, improve perceptions of safety for active mode users, and to integrate with the existing urban form and forecasted growth.

During the pre-implementation phase, detailed design has been undertaken for some sections to which this request relates. Supplier interest to undertake implementation was demonstrated through a Request for Information process.

³ FAR at 62% applies to all years. This has been updated to reflect a FAR calculation error for NLTP 2018/21.

⁴ Sections 8, 9 and 21 are planned to be implemented in 2021/24 (should be green). Cashflow in the table reflects this.

Insley/Moir Street Intersections, cost/scope adjustment and retrospective funding⁵
The intersection improvements are a component along one section of the shared path.

On 3 September 2020, the Senior Manager System Planning:

- **Endorsed** the Mangawhai Shared Path: Insley/Moir Street Shared Path and Intersection Works phase Point of Entry
- **Approved** inclusion of this phase as a scope change to the existing Mangawhai Shared Path SSBC to include the 2 roundabouts, and invite the Kaipara District Council:
 - to confirm the costs
 - to revise the economic evaluation and the impact on the economics
 - to include a safety audit
 - to come back to the Business Case and Funding Decisions Delegation committee with a funding variation request.
- **Noted** that inclusion of this phase amounted to a scope change of the Mangawhai Shared Path activity
- **Noted** that the scope of the Pre-implementation phase be confirmed with Kaipara District Council before seeking Implementation funding

The following actions were noted:

- Request Kaipara District Council update the scope change, confirm the costs, revise the economic evaluation and include the safety audit
- Invite Kaipara District Council to prepare a funding variation request for that phase.

Consistent with the above decision:

- The intersection improvements have been included within the Mangawhai Shared Path SSBC scope⁶
- costs have been updated and are part of this funding request
- the economic evaluation incorporates the impact of the roundabouts
- safety audits have been undertaken.

Endorsement of the Single-Stage Business Case

In mid-2020, the Senior Manager, OPPP Transport Services OPPP, endorsed the Single-Stage Business Case. Because the total estimated cost of this activity at the time of that decision was \$16.8 million (excluding the intersection improvements), this was an error as it contravened Business Rule 156 for SM OPPP to endorse business cases (implementation cost of up to \$15 million).

The Chief Financial Officer is asked to consider endorsement of the Single-Stage Business Case as the activity has an implementation cost of up to \$50 million (BR157). Since then, and as a result of updated design and cost information, the estimated implementation cost has increased to \$29.1 million.

Funding approval for the first implementation phase

Because this activity is intended to be delivered over multiple NLTP periods, a staged approach to funding is proposed for the pre-implementation and implementation phases. The staged approach avoids locking-in funding for pre-implementation of sections intended to be implemented in future years and for which funding for implementation is uncertain. It also does not undermine prioritisation of activities for future NLTPs.

This funding application is for implementation of sections that start in 2020/21 (sections: 2A, Part of 6B, 7, 10, 15. Part of sections 7, 15 delivered in 21/22).

The sections of the shared path to be implemented in 2021/24 will be considered through the NLTP 2021/24 prioritisation process and are likely to be prioritised for inclusion in NLTP 2021/24 due to its estimated priority ratings of 3 (VHHL) or 5 (HHL) using the *Investment Prioritisation Method*.

There is a risk that the full benefits of this activity are not realised if sections intended to be implemented in subsequent NLTP periods (e.g. 21/24 onwards) are not funded (NLTP prioritisation and NLTP funding). This is somewhat mitigated by the fact that even if the rest of the shared path is not implemented in future, the sections of the path that will be implemented as a result of this funding application will address significant gaps in the active mode network (i.e. poor quality or no foot/cycle path) or areas with a relatively higher safety risk (intersections and safer crossings for active modes).

⁵ Minutes <https://infohub.nzta.govt.nz/otcs/cs.dll/Overview/46846125>

⁶ Point of Entry Mangawhai Moir Insley: <https://infohub.nzta.govt.nz/otcs/cs.dll/link/45740336>

	<p>It is also expected that most of the benefits will be realised from the sections that are implemented in NLTPs 2018/21 and 2021/24 for the same reasons that are stated above.</p> <p><i>Safety audits and urgency</i> A safety audit on the sections that have detailed design (and are the first planned for implementation) is available. While all design audit issues have been considered and addressed where appropriate the document has not yet been updated with party signatures. These are currently being obtained and are expected in the near future. A concept design safety audit was also previously completed.</p> <p>The urgency to have this funding request approved as soon as possible is to enable the tender process to be started as early as possible in 2021 to then allow as much of the first implementation stage to be delivered in 2020/21. This is a desire of the Walking and Cycling Activity Class Managers and also acknowledges that construction is easier outside of winter.</p>
Problem / Opportunity Statement	<p>The SSBC (section 3) identifies the following problems.</p> <ol style="list-style-type: none"> 1. A lack of dedicated walking and cycling facilities is a barrier to increasing the uptake of walking and cycling. 2. The existing walking and cycling facilities are not safe or fit for purpose. 3. Peak summer congestion: There is a high reliance on private vehicle use in Mangawhai due to lack of safe walking and cycling facilities, which results in congestion during peak summer periods. 4. Planning for rapid growth and providing a multi-modal approach: Without sufficient walking and cycling infrastructure, growth will continue to be predominantly car based, resulting in poor environmental and land use integration outcomes for the Mangawhai area.

Outcomes & Benefits							
Outcomes	<p>The SSBC (section 3.4) identifies the following outcomes:</p> <ul style="list-style-type: none"> • less reliance on private vehicle (currently around 88%). • a shared path network that provides a multimodal approach to the transport system • improved connectivity within Mangawhai for walking and cycling users • improved safety for walking and cycling users in Mangawhai • a more resilient transport network • an integrated land-use and transport plan to ensure growth aspirations are appropriately managed, including the needs of a changing demographic <p>Note that the business case does not reflect resilience in the problem statements, investment objectives, selection criteria, or benefits.</p>						
Investment Objectives	<p><i>Investment objective 1</i> To increase the uptake of walking and cycling in Mangawhai.</p> <p><i>Investment objective 2</i> To provide active modes choices as part of a multi-modal approach for future growth planning.</p>						
Expected Benefits	<p>The expected benefits (SSBC, section 3.1):</p> <table border="1"> <thead> <tr> <th>Benefits</th> <th>Expected change from this investment</th> </tr> </thead> <tbody> <tr> <td>Improved mode shift to walking and cycling in Mangawhai</td> <td>Walking commuter trips from 5.9% in 2018 to 9% by 2032 Cycling commuter trips from 0.9% in 2018 to 4% by 2032 300 average daily users of the main path by 2032.</td> </tr> <tr> <td>Improved safety for walking and cycling in Mangawhai</td> <td>A 50% increase in the perceived safety and ease of walking and cycling by 2032 (survey results).</td> </tr> </tbody> </table> <p>The economic analysis quantifies some of the benefits associated with the preferred option. Total quantified benefits are allocated to safety (4%), travel time savings (30%), and walking and cycling benefits (61%).</p>	Benefits	Expected change from this investment	Improved mode shift to walking and cycling in Mangawhai	Walking commuter trips from 5.9% in 2018 to 9% by 2032 Cycling commuter trips from 0.9% in 2018 to 4% by 2032 300 average daily users of the main path by 2032.	Improved safety for walking and cycling in Mangawhai	A 50% increase in the perceived safety and ease of walking and cycling by 2032 (survey results).
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Improved safety for walking and cycling in Mangawhai	A 50% increase in the perceived safety and ease of walking and cycling by 2032 (survey results).						
Impact to BCR / NPV	<p>BCR: 1.1 (6% discount rate as standard), 1.4 at 4% discount rate NPV: \$2.7 million</p> <p>The economic assessment is for the entire activity at an estimated cost of \$29 million. The BCR (1.1/1.4) is very close to not being economically efficient, although the benefits calculated may be conservative.</p> <p>BCR sensitivity testing ranged from 0.9 to 1.6 (at 6% discount rate).</p>						

Variable	Base	Lower Bound		Upper Bound	
		Value	BCR	Value	BCR
Capital Costs	100%	120%	0.9	90%	1.2
New Pedestrian and Cyclist average annual daily users	31	21	0.9	51	1.6
Crash Reduction	50%	30%	1.1	70%	1.1
Growth Rate (Pedestrians and Cyclists)	9.4%	-5%	0.9	+5%	1.3
Discount Rate	6%	8%	1.0	4%	1.4

Sensitivity testing shows that an increase in capital cost, fewer daily users, and a lower growth rate would mean that the activity would not be economically efficient. However, the monetised benefits are considered conservative as seasonal users and school children have not been accounted for, and the current Monetised Benefit Cost Methodology uses a 4% discount rate as the base rate. Incorporating these factors would increase all BCRs for the sensitivity analysis.

The incremental assessment assessed the options against each other, and resulted in an incremental BCR of >1.0, exceeding the target BCR. This indicates the preferred option provides value for money over and above the base option.

Impacts of cost estimate uncertainty

P50 and P95 cost estimates have been prepared. Costs are more certain for sections which have detailed design (sections for implementation in NLTP 2018/21 and some of 2021/24), but less so for outyears that only have concept level designs.

As a result of this uncertainty, the method used to calculate the P95 estimate has deviated from the method in the Cost Estimation Manual (SM014). The following points contribute to this.

- some parts of the project have progressed to detailed design, and other areas are at a conceptual or pre-conceptual stage, with cost estimates reflecting the stage of development
- the level of uncertainty is difficult to determine.

The most significant impacts of a higher cost than the P50 would be to the economic efficiency (BCR 1.1 at 6% discount rate, or 1.4 at the current 4% discount rate), and to future cashflow requirements.

If overall costs increase by 10%, the activity would not be economically efficient at a 6% discount rate. At a 4% discount rate (the current rate in the Monetised Benefits and Costs Manual), it would likely be economically efficient up to a 36% increase (probably similar to the P95 cost) above the P50 cost.

While a parallel cost estimate has not been undertaken for entire shared path programme, KDC have completed a parallel cost estimate to help confirm costs for this phase currently requesting funding approval. A parallel cost estimate of the entire shared path programme is not expected to add much value to the assessment of this activity. The existing estimate already includes a relatively high quantum of funding risk uncertainty. We will continue to request parallel cost estimates for all subsequent phases.

Also, the tender that is planned to be awarded in 2021 for construction of the first stage will provide the most accurate cost estimates for that stage.

Overall, these impacts are mitigated by the staged approach to deliver this activity over multiple NLTPs. Separate decisions will be sought to fund these subsequent stages. Updated risk, cost, economic, and financial analyses will inform separate funding decisions for stages planned to be implemented from NLTPs 21/24 onwards.

Also, most benefits from the shared path are from the sections implemented in NLTPs 2018/21 and 2021/24 as they address the most significant gaps in the active mode network. Some of the sections intended for delivery in later years (2024 onwards) may not deliver value for money, so will need additional analysis closer to that time and if it remains worthwhile investing in these sections.

Actions Resulting from IQA

Actions	No actions.
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Risks & Mitigations	<p>The main risks that are relevant to funding are:⁷</p> <ul style="list-style-type: none"> ○ consenting in the coastal marine area for some sections (sections 8, 9) planned to be implemented in NLTP 21/24. These are not subject to the funding decision sought in this paper. ○ land acquisition (section 15) in 2020/21 ○ cost increases, especially for sections planned for future years. This may change the overall economic performance of this activity. ○ funding availability for sections to be implemented in future years. <ul style="list-style-type: none"> ○ Local share has been confirmed for 2020/21 (and this funding application), but not for future years as the Council's LTP (10 year budget) will only be finalised by mid 2021. Future stages may also not be prioritised to receive for NLTF funding. ○ designs completed in the current NLTP may not be valid in future years if standards or other requirements change. <p>As the project is spread across multiple NLTP periods, the risk profile is likely to change. This can also allow for lessons from earlier phases to be applied to those following, and risks mitigated. Similarly, if some sections are unable to be implemented (e.g. not prioritised in future NLTPs), then the benefits of the entire project may not be realised. As noted above however the sections of the path that will be implemented as a result of this funding application will address areas with significant gaps in the active mode network or with a relatively higher safety risk.</p>
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Phase Readiness	
Risks & Issues	For KDC there are no significant risks relating to moving to the implementation phase to which this funding request pertains.
Constraints	<p>The main constraint relates to funding affordability, this will be managed through standard transport funding and planning processes (Long Term Plan/NLTP/RLTP), and phasing across multiple NLTP periods.</p> <p>On 25 July 2020, the former Minister of Infrastructure, Hon Shane Jones, contributed \$2.4 million towards local share for the activity. This significantly reduces the risk of local share availability in the short-term and for part of the activity.</p> <p>There are some physical constraints (buildings/trees etc.) along the route of the path. These will be managed by localised reductions to the width of the path in certain places.</p> <p>Some property acquisition is required in section 15 of the shared path (at one end). Property negotiations are underway with property owners and the cost of property acquisition and valuation has been included in the cost estimate.</p>
Dependencies	There are no dependencies but there are some related activities, refer below.

Additional Information
<p>Network Operating Framework</p> <p>A Network Operating Framework (NOF) for Mangawhai has been developed. The draft NOF shows that the shared path is an integral component, showing its general route, and the interactions with the other modes.</p> <p>Innovating Streets</p> <p>Funding from the Innovating Streets initiative has been approved for an interim project at Wood St (Mangawhai Town Centre). The shared path will pass through this area.</p> <p>Pre-implementation cost scope adjustment</p> <p>KDC have advised Waka Kotahi that they would like to submit a cost scope adjustment request for the existing pre-implementation phase. This is needed to allow for a change to the phase 1 design cost and to allow for the design to be undertaken for phase 2 implementation in 2021-24 NLTP. The overall package / programme cost is not expected to change as design costs have already been factored into the estimates. The cost scope adjustment would therefore be a cash flow adjustment across phases.</p> <p>It may be possible to manage this cost scope adjustment as a new pre-implementation phase approval or a combined pre-implementation / implementation phase for phase 2. This is yet to be decided. It was considered important to advise SMOPPP and CFO of this.</p>

⁷ Mangawhai Shared Path - Risk Register v3 - <https://infohub.nzta.govt.nz/otcs/cs.dll/link/48114210>

FUNDING DECISION RECORD

Resolution / Decision – Delegation – Senior Manager, OPPP Transport Services			
Transport Services Approver to complete	Endorsed	<input type="checkbox"/>	Recommendation:
	Deferred (Revise and resubmit)	<input type="checkbox"/>	
	Declined	<input type="checkbox"/>	
	Conditions	<input type="checkbox"/>	1.
		<input type="checkbox"/>	2.
	Conditions Met	Choose an item.	
	Name	Vanessa Browne	
	Position	Senior Manager, OPPP Transport Services	
	Signature		
	Date	Click here to enter a date.	
	Actions taken		

Resolution / Decision – Delegation – Chief Financial Officer, Corporate Support			
Corporate Support Approver to complete	Endorsed / Approved	<input type="checkbox"/>	Recommendation:
	Deferred (Revise and resubmit)	<input type="checkbox"/>	
	Declined	<input type="checkbox"/>	
	Conditions	<input type="checkbox"/>	
		<input type="checkbox"/>	
	Conditions Met	Choose an item.	
	Name	Howard Cattemole	
	Position	Chief Financial Officer, Corporate Support	
	Signature		
	Date	Click here to enter a date.	
	Actions taken		

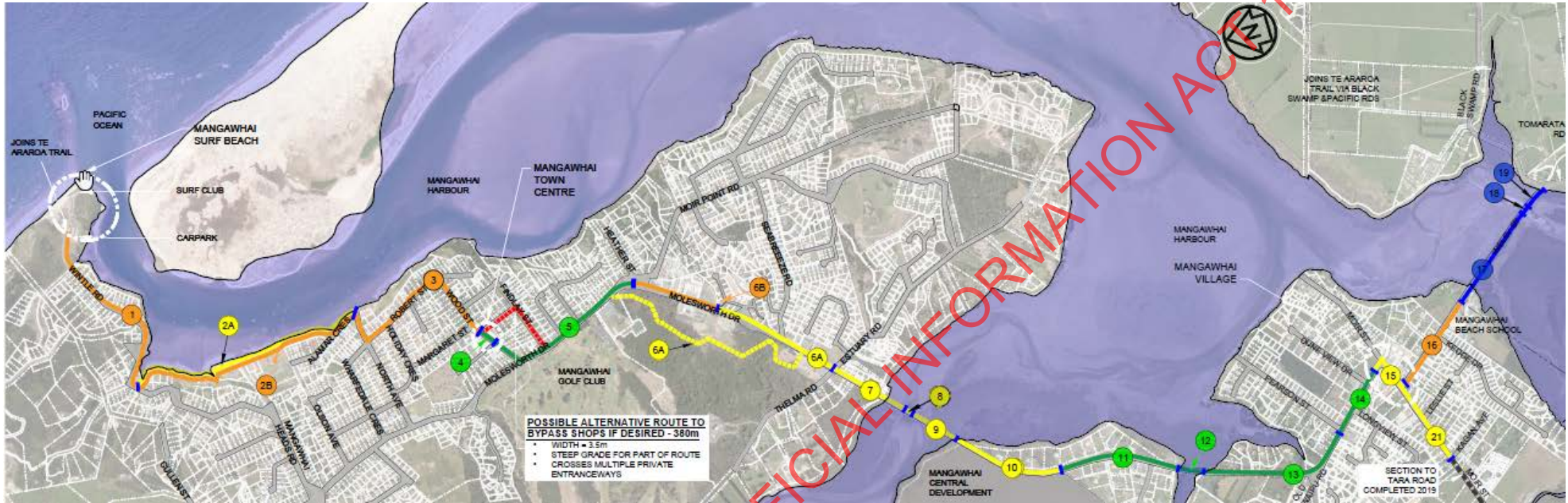
Resolution / Decision – Delegation – Board			
Board Approver to complete	Approved	<input type="checkbox"/>	Recommendation:
	Deferred (Revise and resubmit)	<input type="checkbox"/>	
	Declined	<input type="checkbox"/>	
	Conditions	<input type="checkbox"/>	1.
		<input type="checkbox"/>	2.
	Conditions Met	Choose an item.	
	Name		
	Position	Board Secretariat	
	Signature		
	Date	Click here to enter a date.	
	Actions taken		

Decision- Actioned			
Process	Submitter Advised – OPPP Transport Services Decision	<input type="checkbox"/>	
	Submitter Advised – CFO Corporate Support Decision	<input type="checkbox"/>	
	Submitter Advised – Board Decision	<input type="checkbox"/>	
	TIO – funds released	<input type="checkbox"/>	

Accepted for consideration by Senior Manager, OPPP Transport Services			
Process Coordinator to complete	Paper number:		
	Meeting date:	Click here to enter a date.	
	Decision requirements met	<input type="checkbox"/>	SAP updated
		<input type="checkbox"/>	TIO updated (including cashflow updated) and documents loaded
		<input type="checkbox"/>	Funding availability checked
		<input type="checkbox"/>	Included in current RLTP (if applicable)
		<input type="checkbox"/>	Included in current NLTP (if applicable)
		<input type="checkbox"/>	Included in current Business Plan (If non-NLTP project)
		<input type="checkbox"/>	Business case supported by Sponsor
		<input type="checkbox"/>	IQA complete, unconditional and saved in TIO
Feedback with regard to recommendations			
Name:			
Position:			
Signature			
Actions taken	Choose an item.		

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Appendix



- ~ 6 - Mangawhai slow street from school to beach
 - ~ 7 - Mangawhai Coastal Ride connecting North and South
 - ~ 8 - Improvements to existing Heartland Ride
- Existing Trails**
- ~ Cycleway
 - ~ Te Araroa Trail

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