From: Aileen Maniti [mail to:x@xxk]
Sent: 5 March 2024 2:20 PM
To: Claire Laybourne [mail to:x@xxk]

Subject: FW: Ohakune - Teitei Drive commentary

FYR

From: Andre Stuart

Sent: Thursday, February 29, 2024 11:14 AM

To: Lucy Kitching; Tiana Miocevich; Gabby Boag

Cc: Mark Fraser; Aileen Maniti; Tamsyn McDonald

Subject: FW: Ohakune - Teitei Drive commentary

Hi all,

This is the commentary that has been supplied to CIP as part of their regular shovel-ready reporting – they requested a very tight turnaround on this so we have utilised the agreed key messages and the summary sent to the minister on Friday.

Lucy, note a couple of small edits since our initial chat (deletion of the final bullet point and reshuffling of a few bullets).

Thanks Andre

From: Andre Stuart

Sent: Thursday, February 29, 2024 11:11 AM

Subject: Ohakune - Teitei Drive commentary

Hi Naila,

Below find our commentary for the Minister's report:

- Kainga Ora Homes and Communities has withdrawn as the developer of the proposed mixed housing development in Teitei Drive in Ohakune. As Kāinga Ora has progressed further through design and planning phases, it has become clear that the CIP funding will not be sufficient to complete the project as it was originally proposed three years ago. This, combined with current economic and market pressures, has meant that the project is not financially viable for Kainga Ora, and they would be unable to deliver on the affordable housing outcomes.
- It is estimated that, if Kāinga Ora were to proceed, the project would be completed at a deficit of between \$2-3million.
- The Teitei Drive development was proposed to have K\u00e4inga Ora as the master developer. This would mean they would
 undertake planning and design work to deliver 44 homes in Stage 1, including land development and public infrastructure.
- Costs facing housing builders and developers across the country have risen significantly since this project was initially proposed by Ruapehu District Council in 2021. In addition, Kāinga Ora's ability to deliver affordable housing outcomes in this development has become increasingly challenging.
- Kāinga Ora has considered multiple options, but none work with the allocated funding and address the market risk associated with the affordable and rental housing in this location. Kāinga Ora is not able to provide funding above that which would be incurred in its normal residential social housing redevelopment activity, or address the market risk.
- Therefore, Kāinga Ora is not proceeding as the master developer, as per the sales and development agreement signed between Ruapehu District Council (RDC) and Kāinga Ora.
- However, K\u00e4inga Ora has offered to continue to support RDC as a partner should they choose to proceed with the project.

- Kāinga Ora offered:
 - to remain on the project as development managers, ensuring the council has access to the required expertise and as delivery agent of the \$5.2million CIP funding.
 - To pre-purchase the 15 lots allocated for public housing to help fund the project.
 - To deliver the 15 public homes.

Thanks, Andre



Andre Stuart

Senior Programme Manager - Funding Urban Development - Delivery Mainline: (09) 261 5054 | Kāinga Ora - Homes and Communities

PO BOX 84143 Westgate | New Zealand Government | www.kaingaora.govt.nz

To: Peter Jackson [mail to:xw] Aileen Maniti [mail

to:xwx,Shay Desai [mail to:Shay.desai@kaingaora.govt.nz]

CC: Bryan Hemi [mail to:x@xxk]
Subject: RE: Teitei Drive - Memo

Hi Peter,

Will do, thanks.

Thanks, Ellie

From: Peter Jackson

Sent: Monday, March 11, 2024 10:24 AM **To:** Ellie Braddock; Aileen Maniti; Shay Desai

Cc: Bryan Hemi

Subject: RE: Teitei Drive - Memo

Hi Ellie

Happy to meet and discuss then. Could you please include Bryan (CC'd) as Business Partner in our meeting.

Regards - Peter

-----Original Appointment-----

From: Ellie Braddock x@xxx

Sent: Monday, March 11, 2024 10:13 AM **To:** Peter Jackson; Aileen Maniti; Shay Desai

Subject: Teitei Drive - Memo

When: Tuesday, 12 March 2024 10:30 AM-11:00 AM (UTC+12:00) Auckland, Wellington.

Where: Microsoft Teams Meeting

Hi Peter,

Thank you for reaching out re the Teitei drive project closure memo.

Could we please meet to discuss?

Thanks, Ellie

Microsoft Teams Need help?

Join the meeting now

Meeting ID: 472 241 192 11

Passcode:Out of

Dial-in by phone

<u>+64 4-280 7347,,860131112#</u> New Zealand, Wellington

Find a local number

Phone conference ID: 860 131 112#

For organizers: Meeting options | Reset dial-in PIN

From: Sophie Costello [mail to:xw/xxk]
Sent: 14 March 2024 8:24 PM
To: Lucy Kitching [mail to:xw/xxk]

Subject: FW: CE report content - Teitei Drive, Ohakune Development

Hey Lucy, do you have any thoughts on the below, it might be a tad tight to get it into this report (I need to send a draft to Andrew at noon tomorrow to review), but we could aim for next months if you think that's not to far away (aka the info will be out of date).

Sophie

From: Iain Duncan

Sent: Thursday, March 14, 2024 10:10 AM

To: Sophie Costello

Subject: RE: CE report content - Teitei Drive, Ohakune Development

Howdy.

I think you are safe to include the Ohakune piece. However, you may want to consider doing a larger item that covers Ohakune and Nelson as both were in plan for quite some time and both are not proceeding. Lucy Kitching was pulling some stuff together on why some large profile developments are no longer happening and maybe that is the angle. I would touch base with Lucy and she can perhaps give you the stuff she was drafting?

lain

Subject: RE: CE report content - Teitei Drive, Ohakune Development

yep in this one.

Thanks!!!

From: lain Duncan xxxx.xxxxx@xxxxxxxxxxxx.xxx.xx >

Sent: Wednesday, March 13, 2024 3:15 PM

Subject: RE: CE report content - Teitei Drive, Ohakune Development

G'day.

Not sure as to what level board or committee has been involved with Ohakune to date.

I'll check in with the team to get a sense of what to do with this one.

It was in the Minister's weekly report?

lain

Sent: Wednesday, March 13, 2024 3:03 PM

Subject: CE report content - Teitei Drive, Ohakune Development

Hello,

I was looking through the Minister weekly report for stuff to add into the Board's report and stumbled across the update on Teitei Drive, Ohakune Development – do you think that's ok to go into the CE's report/have they (the Board) already had an update on this?

Update on Teitei Drive, Ohakune Development

- 1. The updated masterplan for the mixed-housing development at Teitei Drive in Ohakune was finalised in December and the associated costs have now been updated.
- 2. It has been established that the land development costs are higher than was originally anticipated and as such, the \$5.2 million that has been allocated by the Crown Infrastructure Partnership (CIP) is no longer sufficient to complete the project as currently scoped.
- 3. This means that the project is not financially viable for Kāinga Ora.
- 4. We have considered multiple options, but none work with the allocated funding. Kāinga Ora is not able to provide funding above that which would be incurred in its normal residential social housing redevelopment activity.
- 5. Therefore, we will not be able to proceed as the master developer, as per the sales and development agreement signed between Ruapehu District Council (RDC) and Kāinga Ora.
- 6. However, we will continue to support RDC as a partner should they choose to proceed with the project.
- 7. We are proposing to offer:
 - a) to remain on the project as development managers, ensuring the council has access to the required expertise and as delivery agent of the \$5.2million CIP funding.
 - b) to pre-purchase the 15 lots allocated for public housing to help fund the project.
 - c) to deliver the 15 public homes.

- 8. Through recent engagement with the community, we had indicated that we would be lodging a resource consent for enabling works on the site in February. Given the current position, we will no longer be submitting this application.
 - a) Given the partnership agreement, it is our intention to formally advise RDC and Ngati Rangi this week.
 - b) We will work with our partners to update the community thereafter.
 - c) We will continue to keep your office informed.
- 9. We remain committed to working closely with Ruapehu District Council and Ngati Rangi to explore opportunities to deliver affordable housing, as together we recognise the need for housing in Ruapehu District.

From: Ellie Braddock [mail to:xxxxx.xxxxxxx@xxxxxxxxxxxxxxxxx]

Sent: 18 March 2024 9:13 AM

To: Peter Jackson [mail to:xxxxx.xxxxxx@xxxxxxxxxxxxxxxx]

Subject: RE: Tei Tei Drive - update on path forward

Hi Peter,

Hope you had a great weekend.

When you have a chance would it be possible for you to please update the below group on what was agreed last week?

Just making sure everyone is kept in the loop!

Thanks,

From: Peter Jackson

Sent: Thursday, March 7, 2024 10:51 AM

To: Aileen Maniti; Cynthia Ward

Cc: Ellie Braddock; Amit Singh; Claire Laybourne; Lay Chin Wan; Bryan Hemi; Stephanie Ng;

Oliver Shaw

Subject: RE: Tei Tei Drive - update on path forward

Hi Aileen and Cynthia

I hope you're well.

My understanding is that Tei Tei Drive will not proceed.

The IMO has recently developed an IMF template for Significant projects managing closure prior to completing Implement Phase.

TeiTei Drive will need to complete this to formalise project closure.

I've attached this draft template.

The purpose of completing and submitting this template for governance oversight is:

- 1. To formalise project closure, for noting by the relevant Pae Tataki
- 2. To review the project, to document lessons and how these can be appropriately communicated across Kainga Ora
- 3. To document expenditure to date and associated next steps
- 4. To confirm the project closure plan.

This project will be one of the first to complete this new template, so Oliver Shaw's team (Methods and Tools, IMO) have requested to see the complete draft and final memo, to validate if any changes should be made to the draft template.

Could you please forward this email to anyone who isn't included but needs to be?

Please let me know of any questions; happy to discuss if helpful.

Regards – Peter

	negal us – Petel
Out of	Scope

From: Amit Singh [mail to:xxxx.xxxxx@xxxxxxxxxxxxxxxxx]

Sent: 18 March 2024 9:03 PM

To: Peter Messervy [mail to:xxxxx.xxxxxxx@xxxxxxxxxxxxxxxxxxx], Nathan Kreft [mail

CC: Jamie Abela [mail to:xxxxx.xxxx@xxxxxxxxxxxxxxxxx],Aileen Zhu [mail

to:xxxxxx.xxx@xxxxxxxxxxxxxxxxx,Anand Modak [mail

Subject: FW: Tei Tei Drive - update on path forward

FYI – the Closure Memo trial for Teitei looks like it received some resistance.

It is a fair question as to how much work is required where no investment decision has been made other than minor 'investigation' expenditure.

From: Peter Jackson

Sent: Monday, 18 March 2024 3:20 pm

To: Aileen Maniti; Cynthia Ward

Cc: Ellie Braddock; Amit Singh; Claire Laybourne; Lay Chin Wan; Bryan Hemi; Stephanie Ng;

Oliver Shaw

Subject: RE: Tei Tei Drive - update on path forward

Hi all

I agreed to summarise our discussion last Tuesday (thanks Ellie for the reminder):

- The purpose of the significant track pre-delivery closure memo is to:
 - 1. update governance that a project they endorsed or approved is closing
 - 2. document relevant lessons, for sharing as appropriate
 - 3. formalise project closure, including financial expenditure to date, information system updates, stakeholder communication (e.g. mana whenua, council, HUD and Minister as appropriate, etc.)
- At what stage is an IMF closure memo required for significant track projects?
 - 1. As no 'investment decision' (defined as Board-approval of an IMF Brief or a completed land acquisition) has yet been made for Tei Tei Drive, should a pre-delivery IMF closure memo be required? If yes, will this apply for all other significant track projects which don't proceed beyond their endorsed Opportunity Memo?
 - 2. Discussed that a formal IMF closure process involving governance also has value for early stage projects which are high profile
- Opportunity cost to delivery.
 - 1. The high volume of OIA requests for Tei Tei Drive has required significant

team resource

- 2. Completing additional review and closure does not directly contribute to housing delivery, and may involve opportunity costs to other projects that will deliver housing.
- Much of the required closure information is already available.
- The team wish to submit a noting paper rather than use the IMF pre-delivery closure memo. It's preferable for teams to use the IMF template

Decision: Tei Tei Drive project team to submit a pre-delivery closure noting paper to the appropriate Pae Tataki. The team prefer a different format to the IMF format, and will ensure their paper covers all the requirements of the IMF memo supplied by the IMO.

Please reply all with any corrections to the notes above.

Regards - Peter

From: Peter Jackson

Sent: Thursday, March 7, 2024 10:51 AM

Subject: RE: Tei Tei Drive - update on path forward

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Could you please forward this email to anyone who isn't included but needs to be?

Please let me know of any questions; happy to discuss if helpful.

Regards – Peter

Out of Scope	

From: Cynthia Ward [mail to:xxxxxxx.xxxx@xxxxxxxxxxxxxxxx]

Sent: 25 March 2024 3:33 PM

To: Brent Limmer [mail to:xxxxx.xxxxx@xxxxxxxxxxxxxxxx]

Subject: FW: Tei Tei Drive - update on path forward

FYI – new work

From: Aileen Maniti

Sent: Monday, March 25, 2024 3:33 PM

To: Peter Jackson; Cynthia Ward

Cc: Ellie Braddock; Amit Singh; Claire Laybourne; Lay Chin Wan; Bryan Hemi; Stephanie Ng;

Oliver Shaw

Subject: RE: Tei Tei Drive - update on path forward

Hi Peter,

Thanks for the summary.

Just to clarify, we agreed that UDD will write a Project Control Group (PCG) Paper for noting – this will be submitted to the PCG Greenfield and Complex where Teitei Drive is formally a part of. Claire and Ellie will write this paper and will consult with relevant parties. UDD can send this paper to relevant PGB and Pae if need be.

We will aim to cover the first bullet point (1-3) in the paper and will aim to present the paper to PCG in April/May.

Regards, Aileen

Sent: Monday, March 18, 2024 3:20 PM

Subject: RE: Tei Tei Drive - update on path forward

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