
Crown Infrastructure Partners – Milldale development bulk housing infrastructure fact sheet

Milldale development

The name Milldale derives from the Kauri that was milled from the land in the early 1800s, as far inland as Wainui. The development is overlooked by Mount Pleasant to the west, bordered by Wainui Road and Orewa River to the north, and Pine Valley Road and Weiti River to the south. The land between forms a natural valley, or dale.

Details on the development

The Milldale development is located at Wainui, North of Auckland.

The Milldale development will support approximately 4,000 dwellings, including housing and apartments as well as neighbourhood shops, parks and other civic amenities, educational facilities, and a town centre which will cater for a wide range of amenities and facilities. The bulk housing infrastructure that Crown Infrastructure Partners (**CIP**) is funding will be constructed over a 3 – 4 year period, with housing development and sales to occur over the next 10 – 12 years.

Houses	3,027
Apartments	680
<i>Total Residential Units</i>	<i>3,707</i>
<i>Commercial Centre</i>	<i>153</i>

The bulk housing infrastructure that CIP's Special Purpose Vehicle (**SPV**) is funding along with the other partners (see below) can support approximately 9,000 homes in wider Wainui area including Milldale.

The developer for Milldale is Fulton Hogan Land Development (**FHLD**).

There will be various builders undertaking the construction and build work – some of which are already active in Millwater on the eastern side of the State Highway 1 motorway.

An estimated 200 – 500 lots will come to market each year (see attached for further information on Milldale).

Capacity, funding and timing of bulk housing infrastructure at Wainui

To enable the Milldale development to occur, CIP is partnering with FHLD, Auckland Council, Auckland Transport, Watercare and ACC to deliver five bulk housing infrastructure roading and wastewater projects required to support approximately 4,000 dwellings in the Milldale area.

This infrastructure will also support an additional 5,000 dwellings in the surrounding area as well (so enabling 9,000 dwellings in total).

The bulk housing infrastructure projects set out in the table below are being funded at a total estimated cost of \$91.3 million. Infrastructure will immediately commence construction, and is expected to be complete by the end of 2022.

Specific infrastructure projects being funded

Projects	Description
Weiti Stream to Silverdale Interchange	Two lane arterial road and bridge connecting the development to the Dairy Flat Highway and Silverdale Interchange
Wainui Road Argent Lane Intersection Upgrade	Upgrade of intersection for two Arterial Roads
Milldale to Millwater Wastewater Tunnel	Wastewater tunnel and pumping equipment to service a total catchment of 9,000 dwellings
Milldale to Millwater Wastewater Tunnel stage 2	Stage 2 connection to Milldale Development through private land
Bridge to Highgate Parkway	Connects Milldale Development via a new bridge over the motorway to Highgate Parkway on the east side of the motorway

Specifications and ownership of bulk housing infrastructure

Infrastructure will be built to Auckland Council, Auckland Transport and Watercare specifications. Once the bulk housing infrastructure projects are complete, the infrastructure will vest in Auckland Transport or Watercare ownership and become part of the relevant networks.

Auckland Transport and Watercare (on behalf of the Auckland Council) will be responsible for the ongoing maintenance and upkeep of the infrastructure.

Financing model

CIP has established a Special Purpose Vehicle (**SPV**) to raise funds for investment into the bulk housing infrastructure described above.

The CIP SPV has raised funds from FHLD, CIP and Accident Compensation Corporation (**ACC**) to invest in the construction of the bulk housing infrastructure. This will be repaid through infrastructure payments (see below) made by section owners over time, including FHLD.

CIP will invest approximately \$3.7 million of equity into the SPV.

The SPV has raised 35 year long-term debt from ACC.

The SPV will fund \$48.9 million of the infrastructure through advances to FHLD, who will be responsible for building the Bulk Housing Infrastructure.

Auckland Council will fund \$33.5 million towards the infrastructure for future development on surrounding land, and will recover this from future developers through development levies.

FHLD will fund the remainder of the project costs (plus any cost over-runs).

The bulk housing infrastructure will be funded as follows:

Source of funding	Amount	Details
CIP SPV	\$48.9m	CIP has run a competitive debt process and raised a 35-year long-term debt from Accident Compensation Corporation at a fixed interest rate. CIP will make a \$3.7m equity investment on behalf of the Crown which is expected to be fully repaid plus a return on capital.
Auckland Council Group contribution	\$33.5m	Auckland Council Group will contribute \$33.5m that will be met by future developer contributions charged in the surrounding areas.
Total bulk housing infrastructure cost	\$91.3m*	

*Fulton Hogan Land Development will fund the remainder of the project costs (plus any cost over-runs).

Infrastructure payments

The Crown/CIP equity and ACC debt will be secured by an encumbrance that sits over the individual land titles and will be repaid by an annual 'infrastructure payment' (over a period of 30 years) to be made initially by the developer and, in time, by the final section owner.

The infrastructure payment made by section owners will be \$650 (for an apartment +2.5% pa) or \$1,000 (for a home +2.5% pa) per annum. This will be included on section owners' Auckland Council rates invoices and paid quarterly to the CIP SPV (via the Auckland Council as a collections agent).

These infrastructure payments will be used by the CIP SPV to repay the money borrowed to fund the bulk housing infrastructure over time.

Information on debt raised by CIP SPV for bulk housing infrastructure

Provider	Accident Compensation Corporation (ACC)
Term	35 years
Interest	Fixed rate for 35 years
Security	First ranking encumbrance over developer land and, in future, over individual lots as they are sold to home owners and businesses.
Guarantor	Recourse is only to the SPV. There is no guarantee from CIP or the Crown.