

COVER SHEET

<p>2.11 Ngawha Innovation and Enterprise Park Project PGF EoI/ Application</p>	<p>For: Approval</p>
<p>Background & context:</p>	<p>Recommendation(s):</p>
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Far North Holdings Limited <p>Location:</p> <ul style="list-style-type: none"> Kaikohe, Northland <p>Proposal:</p> <ul style="list-style-type: none"> Development of an Innovation and Enterprise Park of 165 hectares of land at Ngawha, near Kaikohe. PGF funding would go towards feasibility, evaluation, stakeholder engagement and planning (private plan change/resource consent), economic impact assessment, securing tenants, planning for infrastructure and buildings and preparation of building consent for first buildings. Far North Holdings would purchase the land from Top Energy now as part of Stage 1 of the project. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$<small>Commercial Information</small> PGF Funding: \$0.897 million <p>Background:</p> <p>a) Far North Holdings Ltd (FNHL) is a council controlled organisation established to manage the district's commercial asset holdings and to plan, facilitate and secure outcomes for growth in the far north.</p> <p>b) FNHL would purchase the land at Ngawha for</p>	<p>We recommend that the SRO:</p> <p>a) Note the application has sought funding for 2 separate steps associated with stage one, namely: 1) Feasibility; and 2) Plan Change / Resource Consent.</p> <p>b) Note we did contemplate withholding funding for the Plan Change /Resource Management phase (<small>Commercial Information</small>) until the outcomes of the feasibility studies are known but after further discussion with the applicant agreed to incorporate decision gates into the funding agreement. Note that Far North Holdings Ltd is likely to seek further funding for Stage 2 - the 'build' part of the project.</p> <p>c) Note that if this \$0.897 million funding is approved, Far North Holdings Ltd has committed \$<small>Commercial Information</small> towards project management and specialist consultancy fees and \$<small>Commercial Information</small> for purchasing the land.</p> <p>d) Approve funding of \$0.897 million for the Ngawha Innovation and Enterprise Park Project subject to: Far North Holdings Purchasing the land</p>

§Commercial Information (immediately) and act as the landlord for tenants who seek to locate at the park.

c) The proposed Innovation and Enterprise park at Ngawha, seeks to take advantage of the central location (5 mins drive from Kaikohe and relatively close to Kerikeri and 30 mins from east and west coasts), accessibility to geothermal energy and other natural resources.

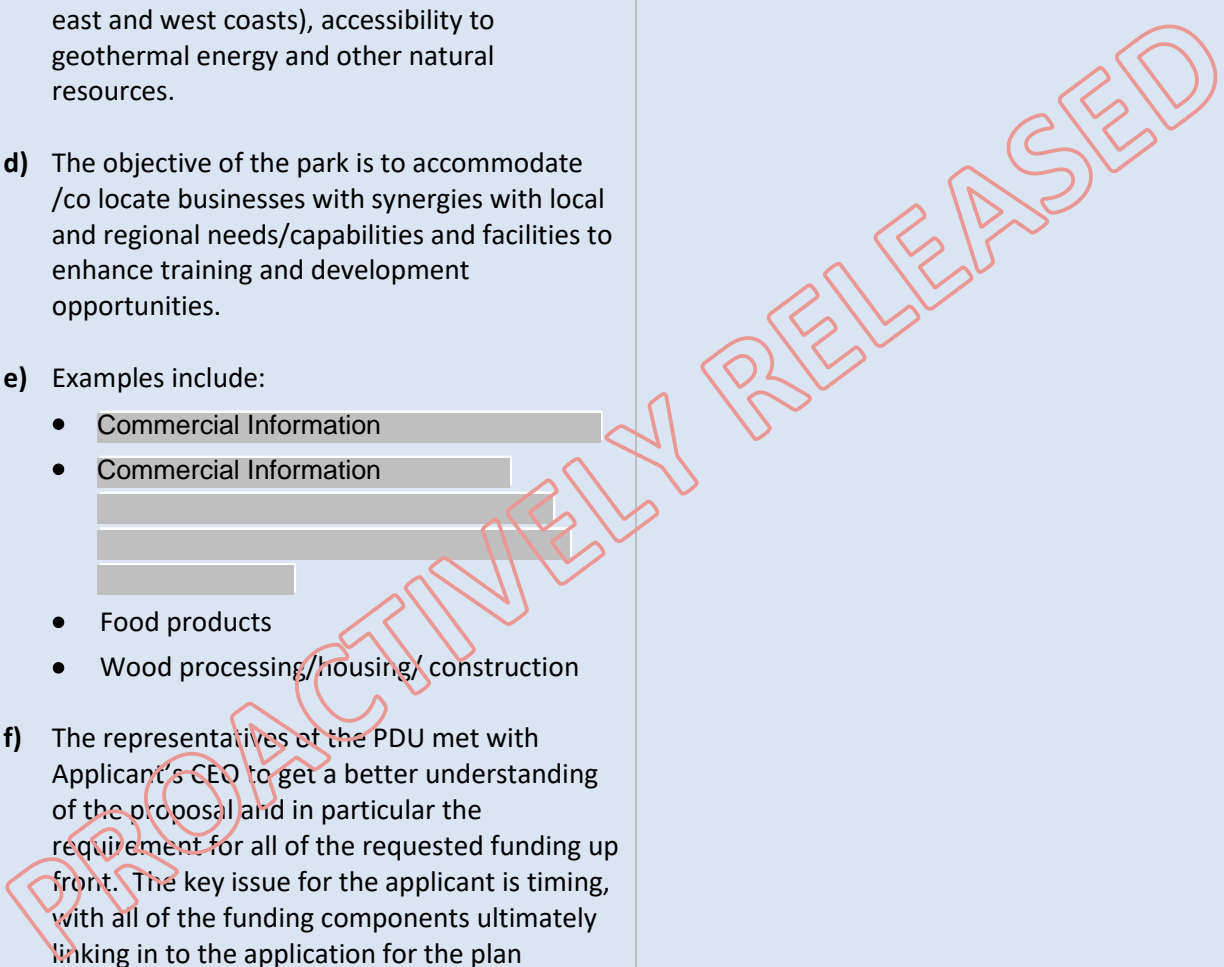
d) The objective of the park is to accommodate /co locate businesses with synergies with local and regional needs/capabilities and facilities to enhance training and development opportunities.

e) Examples include:

- Commercial Information [redacted]
- Commercial Information [redacted]
[redacted]
[redacted]
- Food products
- Wood processing/housing/ construction

f) The representatives of the PDU met with Applicant's CEO to get a better understanding of the proposal and in particular the requirement for all of the requested funding up front. The key issue for the applicant is timing, with all of the funding components ultimately linking in to the application for the plan change/resource consent process. The only variable relates to the "economic impact assessment" which could change the nature of the plan change/resource consent process.

g) Free and frank opinions [redacted]
[redacted]
[redacted]
[redacted]
[redacted] They also see considerable benefit from the transfer of the water reservoir resource consent which will come as part of the land transfer.



PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> • Not directly from this PGF funding as this would be focused on feasibility and getting the project off the ground • It is possible that FNHL will need to on-board additional resources in order to complete aspects of the work for which funding would be allocated • Assuming the project proceeds, jobs are likely to be created for the construction phase and then the ongoing operational management of the park. 	✓
Delivers benefit to the community	<ul style="list-style-type: none"> • The build project seeks to deliver benefits for the community by attracting businesses/industries to co-locate at the park and provide facilities to innovate and grow enterprises which could provide benefits to the wider community 	✓✓✓
Increased utilisation and returns of Maori asset base		✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> • Potential utilisation of geothermal resources (cheap energy) • Fertile soils for horticultural innovation • Access to water (consent for building of a reservoir dam will be transferred with the land) • Cheap land (when compared to further south) 	✓✓
Mitigation of climate change effects	<ul style="list-style-type: none"> • Utilisation of geothermal resources 	✓✓
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> • The land is no longer required by Top Energy. 	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> • Potentially, the build project will, it aims to attract business /industries to the region which are looking to innovate and grow and potentially provide 	✓✓

	<p>diversity</p> <ul style="list-style-type: none"> • The success of Waikato Innovation Park is cited as an example – generation of \$^{Commercial Information} in export earnings since inception • Further funding of \$^{Commercial} is expected to be sought for the development phase 	
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> • The applicant notes that the project is 1 of 3 top priorities for the region. However, evidence has not been provided to support this statement. Clarification should be obtained 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> • Letters have been provided in support from relevant stakeholders, including: <ul style="list-style-type: none"> ○ Northland Inc ○ Kaikone Business Association ○ Ngāi Rangi Ahu Whenua Trust ○ Far North District Council (○ Top Energy 	✓✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> • Reliance on existing FNHL management and governance systems (as a council controlled entity) • Links to Tai Tokerau Economic Plan Advisory Group, Northland Inc. and Far North District Council 	✓✓✓
Risk management approach	<ul style="list-style-type: none"> • Reliance on existing FNHL management and governance systems (as a council controlled entity) 	✓✓✓
Future ownership / operational management	<ul style="list-style-type: none"> • The Park would be operated by FNHL 	✓✓✓
<p>The purpose of this briefing is to consider recommending PGF funds to the: Ngawha Innovation and Enterprise Park Project</p>		

Risks Issues (with mitigations):

- Low business interest in locating - work with local/regional landowners to assess needs/ work with Northland Inc.
- Social licence to develop Park not achieved - clear definition and articulation of concept before consultation
- Use of geothermal resource impacting on other uses - commission expertise to investigate/ early engagement with iwi
- Employment pathways not able to be provided – Early engagement with relevant training organisations
- Insufficient capacity to process Private Plan Change & Resource Consent in a timely manner – early engagement with local authority / thorough investigation
- Potential for Plan Change to be tied up in the Environment Court – high level of confidence that the proposed plan change will be supported

Eligibility points of note:

- *Due diligence*:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans*:-
- *Commercial funding availability*:- Given the nature of the project which is to establish the feasibility of the overall project, access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	
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Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):

N/A

Manager/Author of paper:

Matt Chisnall (Author) / Paul Swallow (Director) Investment Team