
REPORT 2
(1215/52/IM)

SUBMISSION ON WELLINGTON AIRPORT'S DRAFT MASTER PLAN

1. Purpose of Report

To brief the Council on the draft Master Plan for Wellington Airport and to seek endorsement of the attached submission to be forwarded to Wellington International Airport Limited (WIAL).

2. Executive Summary

Wellington International Airport (the Airport) plays a vital role in Wellington's success as a modern economy. It is an important gateway to the region for millions of residents, visitors and businesses, and connects Wellington City to all parts of New Zealand and the world.

By providing a road map for managing growth and development over the next 20 years, the draft Master Plan aims to ensure the Airport is well placed to respond to future challenges and effectively perform its role in the region's economy.

Overall, the draft Master Plan is successful in achieving this aim. The initiatives and proposals put forward in the draft Master Plan are logical and respond well to the significant growth pressures facing the Airport. Reflecting the highly urbanised setting, the draft Master Plan also does well to consider the impacts of growth and development on the wider suburban environment.

Ensuring good access to the Airport and surrounding suburban areas is one of the more important issues for the Council to consider. With passenger numbers expected to increase to 10 million per annum by 2030, the Council will need to work closely with WIAL and other agencies to ensure appropriate infrastructure improvements are made in a timely manner and the effects are managed appropriately.

A key consideration will be around the scale of improvements required to infrastructure and transport systems and how this is funded. Investment will be required from a range of parties including WIAL, Greater Wellington Regional Council and central government agencies such as the New Zealand Transport Agency. As part of this, the Council may need to further consider the role of development contributions.

3. Recommendations

Officers recommend that the Committee:

- 1. Receive the information.*
- 2. Agree that the submission (attached as Appendix 1 to the report) on the draft Master Plan for Wellington Airport be forwarded to WIAL for their consideration.*
- 3. Delegate to the deputy Mayor, as chair of the Strategy and Policy Committee, the authority to approve any minor editorial changes to the submission and to reflect any additional matters agreed by the Committee.*

4. Background

On 30 April 2009, WIAL released their draft Master Plan for comment. The draft Master Plan sets out WIAL's expectations for business and facility planning at the Airport for a 20 year period to 2030.

While the draft Master Plan is not a statutory document, it is important as it provides a road map for managing growth and development at the airport over the next 20 years.

The proposals put forward in the draft Master Plan are important for the City, not only from an economic viewpoint, but also because of its close proximity to the surrounding suburban areas. The Airport is unique in this regard. Its location within a highly urbanised setting is both an advantage and a disadvantage.

On one hand, and as part owner of the Airport, the Council has an interest in how the draft Master Plan performs from a business point of view. On the other hand, as its role as a public custodian and regulatory authority, the Council needs to ensure the development and planning initiatives proposed in the draft Master Plan do not adversely affect the surrounding suburban areas and local communities.

The attached submission reflects the dual nature of Council's interest but has greater focus on how the proposed initiatives interact with the wider suburban environment.

The submission period on the draft Master Plan closes on 30 August 2009. Greater Wellington Regional Council is also proposing to submit on the draft Master Plan.

5. Discussion

5.1 The draft Master Plan

The draft Master Plan is an important strategic and business planning document for the Airport, and the City. It outlines key issues facing the Airport now and in the future, and identifies potential development and investment opportunities to 2030. In doing so, the draft Master Plan provides a basis for dialogue and consultation with investors and the wider community on the future of the Airport precinct and the implications of development on the wider suburban environment.

This is considered both timely and beneficial for the Council and other agencies such as the New Zealand Transport Agency and Greater Wellington Regional Council who are directly involved in the long-term planning of the city. The eastern suburbs are undergoing significant change at present, and having a clear idea about the expected future of this area will greatly assist with this long-term planning.

Some of the key elements of the draft Master Plan are as follows:

Contribution to the region's economy

The importance of the role of the Airport as a fundamental driver of economic activity is confirmed in the draft Master Plan. Analysis undertaken by economic consultants BERL, predict that through investment the Airport will make a direct contribution of \$1.6 billion per year to the regional economy, with flow-on impacts of \$3.1 billion per year.

The economic benefits of a long-haul air service are considered in the draft Master Plan. To this effect, BERL estimate that there would be enough demand for 100,000 passenger movements per year and that within two or three years of service start-up, a move to a daily service would increase flows to between 140,000 to 150,000 passengers per year.

Forecasts

The draft Master Plan predicts significant increases in passenger numbers, aircraft movements and freight volumes by 2030:

- The number of passengers using the Airport each year will more than double, from five million to over 10 million at an average growth rate of 3.4%.
- Annual aircraft movements are expected to increase from 114,400 to 126,100.
- New aircraft technology will facilitate a five-fold increase in freight to 28,200 tonnes annually.

Plans for the airfield and terminal

More than \$450 million is proposed to be invested in infrastructure over the next 20 years, including runway improvements, aircraft parking stands, additional terminal space, car parks and commercial projects.

Key features include:

- Expanding the terminal to accommodate passenger growth and building 14 additional aircraft gates. This will include an expanded retail footprint and provision for all modes of ground transport, including a bus interchange and multi-level car park facility.
- Improving runway capacity by adding new runway exits and widening the main taxiway to accommodate large aircraft operations. This will require a re-alignment of Calabar Road.
- Expanding the Eastern Apron into the existing car park and freight precinct.
- Expanding the Western Apron to accommodate more aircraft and improving linkages to the Eastern Apron by upgrading the existing pedestrian tunnel.
- Establishing reserves of 100m to the north and 500m to the south for runway extensions to account for potential future regulatory or operational imperatives.

Enabling commercial development

An Airport Gateway is proposed to be developed to the north of the terminal precinct to support airport activities. Options being considered include hotels/conference facilities, car parks, vehicle service centres and ancillary office buildings. Further commercial development such as bulk or trade retail, light industrial and long term car parking are being considered on airport-owned sites to the west of Tirangi Road.

Ensuring access to the airport

Reflecting the expected increases in passenger and freight growth, the draft Master Plan proposes an integrated approach to transport planning that includes the following components:

- Supporting the Wellington region's 2008 Ngauranga to Airport Corridor Plan, which includes undertaking a feasibility study into light rail and improving public transport services.
- Staging growth in facilities to allow for potential changes in travel modes.
- Increasing space for car parking in the terminal area and on the western side of the runway adjacent to Bridge Street.

Protecting the environment

The draft Master Plan confirms WIAL's commitment to 'sustainable business' through a variety of initiatives including:

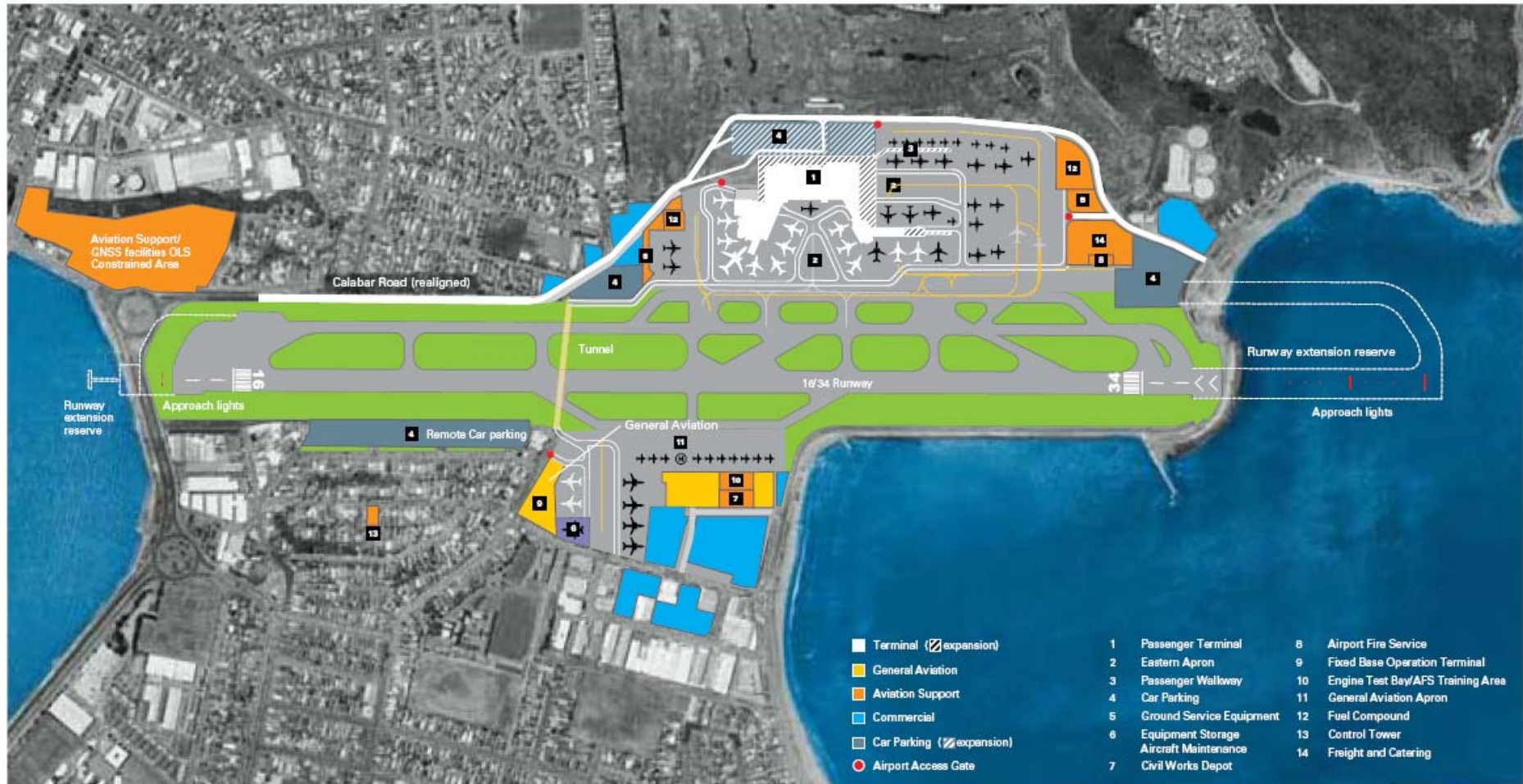
- Reducing energy consumption through good environmental design.
- Managing aircraft noise through mitigation methods (such as the curfew) and new technology.
- Protecting stormwater quality and the coastal marine environment through environmental infrastructure design.
- Measuring the airport's carbon footprint and considering options through design and construction to reduce emissions.

Implementation and staging

A three stage approach to implementation and staging is proposed:

- Stage 1 – current to 2015: focus on expanding aircraft parking, terminal building principal functions and carparking.
- Stage 2 – 2016 to 2020: focus on widening taxiway strip, Calabar Road re-alignment, establishing the 'Airport Gateway' commercial development and providing additional aircraft stands in the southern apron.
- Stage 3 – 2021 to 2030: further extensions to the southern, northern and western aprons for aircraft parking, extending the terminal precinct southwards for baggage handling and retail, expanding the car-parking building.

The development plan – 2030



5.2 The Council submission

The following discussion summarises the key aspects of the Council's submission on the draft Master Plan (attached as Appendix 1). The submission begins with a general comment on the overall approach and then is structured in accordance with each section of the draft Master Plan.

5.2.1 Key areas of interest for the Council

Supportive of the overall approach

As a general comment, the submission strongly supports the overall structure and approach taken in the draft Master Plan.

The initiatives proposed in the draft Master Plan are generally well thought out, transparent and clearly respond to the key issues. By considering business planning interests jointly with the long-term interests of the community, the draft Master Plan presents itself as a well-balanced document.

The submission does highlight and makes comment on areas that could be improved or are of particular relevance to Council. The key areas of interest for the Council are as follows.

Contribution the region's economy

The submission re-iterates the importance of the role of the airport as one of the fundamental drivers of economic activity in the region.

Specific mention is made of the role of the Airport in achieving the outcomes set out in the Wellington Regional Strategy (WRS), particularly in relation to bringing in direct, long-haul flights to Wellington (key area 3 of the WRS). Research carried out as part of the WRS shows that long-haul capacity is a core component of successful regions due to the advantages it provides for tourism, exporting and business travel.

Plans for the airfield

The draft Master Plan sets out a range of initiatives for the airfield and terminal. The proposals to re-align Calabar Road and enable possible runway extension are of particular relevance to the Council.

- ***Calabar Road re-alignment***

The draft Master Plan makes a case for re-aligning Calabar Road to meet the airport's future regulatory and operational requirements.

While the justification for the re-alignment is not questioned, it has significant implications for existing properties affected by the re-alignment. The submission notes this and stresses the importance of this proposal being advanced in a sensitive and careful way to minimise community concern and ensure all regulatory and statutory requirements are met.

The Calabar Road realignment, should it proceed, would directly affect several Council housing units in this area – primarily units at 48, 50, 54

Calabar Road. Discussions have been held with City Housing on this proposal and tenants of all three properties were informed by WIAL of the potential impacts when the Plan went public. The Council will need to consider replacing this housing stock elsewhere in the City to maintain existing levels of housing stock for families.

While some of the housing in the general area may feature in the Housing Upgrade Project, the Council will need to continue to work with WIAL to ensure a smooth transition through the process of re-alignment as set out in the Plan.

- *Enabling a possible runway extension*

Section 4.8 of the draft Master Plan indicates that an extension to the runway may be required in the future due to regulatory or operational imperatives. The options put forward include a 100m extension to north and a 500m extension to the south.

The potential implications of extending the runway are significant, particularly with the extension to the south. To proceed, this would require a major reclamation and would trigger a wide variety of statutory processes associated with development in and around the coastal marine area. A development of this nature would also need to carefully consider the impacts (including noise) on the existing residential dwellings at Moa Point.

While it is considered appropriate to foreshadow long-term aims in the Plan, care needs to be taken in the way in which this is portrayed, particularly if there is insufficient justification under current operations. The use of the term 'runway extension reserve' suggests that such justification exists and is considered to have statutory connotations. To this effect, the submission suggests it would be more appropriate to foreshadow the long-term aims in a more informal manner in the draft Master Plan.

Ensuring access to the airport

WIAL predicts passenger numbers to increase to 10 million per annum, aircraft movements to increase by 10% and freight volumes to increase five-fold by 2030. Associated with these increases, the draft Master Plan notes that airport vehicle demand is expected to increase by 60% and that car parking requirements are expected to double. Increases of this nature have the potential to significantly affect the local and regional transport network without careful planning and further investment.

The Ngauranga to Airport Study is referred to in the draft Master Plan as a response to this issue. As part of this a feasibility study for improving transport from the Airport to the City is scheduled under the Ngauranga to Airport Study for 2011/12. This will consider public transport improvements and the road network.

The submission also points out that the Council is proposing to undertake a planning study on the wider Miramar Peninsula/Eastern Suburbs area in the 2010/11 and 2011/12 financial years. This forms part of the Council's 'Centres Planning Forward Programme' and would enable the future proposals for the Airport to be considered within the context of the wider Eastern Suburbs area.

The timing of these studies provides an opportunity for the proposed increases set out in the draft Master Plan to be considered jointly by WIAL, the Council and other agencies with an interest in strategic transport and land use planning (such as Greater Wellington Regional Council and the New Zealand Transport Agency). It also provides an opportunity to consider other transport modal options as a way of reducing the impacts of increased vehicle numbers on the roading network.

A key consideration will be around the scale of improvements required to infrastructure and transport systems and how this is funded. Investment will be required from a range of parties including WIAL, Greater Wellington Regional Council and central government agencies such as the New Zealand Transport Agency. Joint discussions will need to be held early between all relevant parties. Given the high levels of expected growth in the airport area, the Council may also need to further consider the role of development contributions.

Protecting the environment

In general, the draft Master Plan provides a good basis for considering aspects of environmental sustainability in future development at the Airport. Key aspects supported in the submission include:

- The on-going commitment to manage airport noise in section 9.2 of the draft Master Plan.
- The steps aimed at reducing energy consumption, increasing energy efficiency of buildings and working with the airline companies to reduce greenhouse gas emissions.
- The commitment to protect stormwater quality (and the coastal marine environment) through consideration of sustainable stormwater treatment systems such as swales and stormwater interceptors.

5.3 Next steps

The submission period on the draft Master Plan closes on 30 August 2009. Subject to endorsement by the Committee, the attached submission will be forwarded to WIAL for their consideration prior to this date. WIAL is not proposing to hold hearings at this stage but have indicated that they will continue dialogue with key stakeholders on the draft Master Plan.

A final Master Plan is proposed to be completed by the end of the 2009.

6. Conclusion

While there are some areas which require further consideration, the draft Master Plan for Wellington Airport is considered to set an appropriate direction for the longer-term.

It outlines the key issues facing the airport and clearly articulates the potential development and investment opportunities at the Airport in the short to medium term. In doing so, the draft Master Plan provides a timely platform for dealing with future operational challenges at the Airport. It also provides a basis for dialogue and consultation with investors and the wider community on the future of the Airport precinct and the implications of development on the wider suburban environment.

The dual role of the Council, as both a part owner and custodian of wider public interest, will become increasingly important through the life of the Master Plan. The Council will need to continue to work in a proactive manner with WIAL to ensure it achieves the proposed outcomes in a sustainable manner.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The proposed submission has high levels of strategic fit with the Council's vision as a vibrant, internationally competitive and affordable city. The initiatives set out in the draft Master Plan also are consistent with the long term outcomes set out in the Council's seven strategies, particularly the Urban Development Strategy, Environment Strategy, Economic Strategy and Transport Strategy.

The commentary in the Council's submission and outcomes proposed in the draft Master Plan are considered to be in-line with the outcomes for the Wellington Regional Strategy.

2) LTCCP/Annual Plan reference and long term financial impact

While some of the implementation actions will be relevant to annual planning considerations, the draft Master Plan as a high level strategic document has no direct implications for the Annual Plan or long term financial plan.

3) Treaty of Waitangi considerations

There are no known considerations.

4) Decision-Making

This is not a significant decision under the LGA.

5) Consultation

All relevant arms of the Council have been consulted in the development of this paper, including Strategy, City Housing, Transport, Climate Change Office, Infrastructure and General Counsel.

6) Legal Implications

There are no legal implications at this stage.

7) Consistency with existing policy

The comments put forward in the Council's submission are considered to be consistent with existing Council policy.