

**BOARD OF INQUIRY**

**UPPER NORTH ISLAND GRID UPGRADE PROPOSAL**

**TRANSPower NEW ZEALAND LIMITED**

**NOTICES OF REQUIREMENT**

***EVIDENCE OF SUBMITTER 0988***

***BRUCE JOHN PEART***

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New Zealand

## **SCOPE OF EVIDENCE**

The evidence to be addressed the following matters in relation to the North Island Overhead Grid Upgrade Project

- (a) Notice of Requirement Reference Number 27619
- (b) Introduction
- (c) Background of Mr & Mrs Peart.
- (d) Photographic Exhibits of 105 Twilight Road Clevedon Papakura.
- (e) Background to Transpower Consultation.
- (f) Property Discussions re Purchase of Property by Transpower
- (g) Bayleys Real Estate Marketing of Vineyard
- (h) Property Access by Transpower
- (i) Transpower Evidence – Gavin Listers Landscape/Visuals
- (j) Transpower Evidence – Peter Phillips
- (k) Transpower and Social Impacts – Peter Phillips
- (l) Environmental Effects

## **INTRODUCTION**

My name is Robert (Rob) Laurie Merlo. I am the principal of Merlo Burgess & Co Limited Insolvency law Practitioners – Management Accountants. We specialise in business resolutions, structures and restructuring. We have assisted the submitter with the business development of the vineyard; it is in this regard we were requested to assist with discussions with Transpower. Transpower were advised in writing on or about the 30<sup>th</sup> May 2006.

The submission have been prepared to show the inherent difficulties and frustration in dealing with Transpower it is obvious that a large number of submitters have experienced like difficulties to have Transpower enter into any form of meaningful discussions. We have endeavoured without success for two years to engage Transpower in some form of negotiation process; the Proposed Route has caused considerable stress and significant personal and business interruption. Transpower have never made any serious offer or have seriously wished to engage in any discussions relating to purchasing the property or compensation. Since mid 2007 Transpower have however been very keen on obtaining access to the property for their engineers etc and have clearly stated they will in the event that one does not co-operate they will apply to the courts pursuant to the Public Works Act .

Transpower have neglected to investigate the alternatives primarily at the directions given by the Electricity Commission. It is further obvious that Transpower have made no attempt to investigated the cost of compensation to property owners and are only willing to rely upon the Public Works Act. In this regard the Act does not compensate property owners to the fullest extent as would be the case of the submitter who owns a property and business with an estimated value of \$3 million. The impact of the Proposed Route is to such extent that the submitter is unable to sell the property; interested parties have indicated price range around the \$1.5 million being less than the property valuation of \$2.4 million.

The submitter acknowledges that in time to come Auckland will require improved power generation however not at the expense of the environment, economic and social impact on communities when there are alternatives other than what Transpower wish to have the public at large to believe.

The submitters maintains that the Transpower Upgrade should be placed underground and that the Board of Enquiry direct Transpower to investigate in a transparent manner the correct economic cost of such upgrade including but not limited to the impact on property owners with a formula for compensation that represents a true value.

**THE SUBMITTER IS AFFECTED BY THE OVERHEAD LINES NOTICE OF REQUIREMENT REFERENCE NUMBER 27619**

Transpower New Zealand Limited lodged a Notice of Requirement Notice (NOR) pursuant to the Resource Management Act 1991 (RMA) in the form of (NOR) for Designations in District Plans and a number of Resource Consents lodged with the Manukau City Council Manukau.

**BACKGROUND**

Mr Bruce Peart is 67 years of age and the owner of a property situated at 105 Twilight Road Clevedon RD 2 Papakura the property is known as "Twilight Wines"

To present these submissions is very difficult without recording the personal traumatic impact that the proposed North Island Overhead Grid Upgrade has thus far and will continue to do so in the form of emotional and financial stress suffered by Mr & Mrs Peart. For the last three (3) years Mr & Mrs Peart (who are at the retirement side of life) have had their lives placed on hold, it has stopped Mr & Mrs Peart from building their family home and other vineyard facilities on this property due to the Proposed realignment crossing the property where they were to have constructed their home and vineyard facilities.

That it is also fair to say that most parties making submissions to this Board of Enquiry have suffered some degree of anxiety /trauma, (some greater than others) we place Mr & Mrs Peart's circumstances at the higher end of the emotional and financial Trauma being suffered.

Mr Peart purchased the property in 1995 to establish a Vineyard, build a family home with a Restaurant/conference and wine cellar facilities. The property is situated on the southern side of Twilight Road approximately 2km from the Clevedon village, The Land area consists of approximately 16.2088 hectares of flat to undulating rising to a knoll along the northern/western boundary.

Mr Peart contoured the land, laid substantial drainage field pipes, planted 16000 vines of mixed variety covering approximately 8.5 hectares along 250 x 210 meter long roles. Considerable cost was incurred to ensure that the property encapsulated a clean environment by having a 100 KVA electricity cable placed under ground throughout the property to accommodate the proposed development and workshops & storage facilities now established.

The first commercial vintage was bottled in 2001 the vineyard produces on average 39.45 tonnes of grape juice for bottling per annum. A temporary tasting room was moved on to the property to allow the sale of wine from the gate.

Twilight Wines have won numerous silver & bronze awards throughout this period.

Mr Peart also owned a smaller producing vineyard in Gisborne, this was sold to assist with the ongoing development of the Clevedon property and to reduce financial overheads. Mr and Mrs Peart currently rent a residential property within 8 km of the vineyard and have done so for the last 5 years.

In 2004 Geotechnical Investigation was undertaken by Fraser Thomas Engineering Resource & Management Surveyors of Auckland to determine the suitability and stability for the construction of the family home and vineyard facilities in the area of the now Proposed Route. The report recommended that area was suitable for the proposed development in accordance with the NZS Building Standards. Mr Peart intended to commence construction of the family home and facilities late 2004 early 2005.

**PHOTOGRAPHIC EXHIBITS OF 105 TWILIGHT ROAD CLEVEDON**

The following photographic exhibits are in explanation of

**(a) Fig 01**

This photograph depicts the driveway entrance to the vineyard “Twilight Wines”

**(b) Fig 02**

Pictorial view of the property and vineyard atop of the knoll. It is the top of this Knoll that the family home was to be built to capture the beautiful view of the vineyard and Clevedon Valley.

**(c) Fig 03 OA, OB, OC, OD, OE**

Pictorial view of the area of land depicting the entry point of the proposed Route in a south/westerly direction to the rear of the property. The parked vehicle represents the approximate centre line of the Route and the approximate location of Tower 18.

**(d) Fig 04**

This photograph is taken from the foot of the knoll; the stakes (to the left of the photo) represents the approximate centre line of the Proposed Route  
The gentleman in red up the side of the knoll represents the edge of the Proposed Route easement.

**(e) Fig 05**

This photograph depicts the Route area in full width of Easement.

**(f) Fig 06**

This photograph depicts the Proposed Route, the area over which the lines will cross over the restaurant/conference cellar facilities and car parking area.

**(g) Fig 07**

Aerial view of the Proposed Route and Proposed Tower 17 (supplied by Transpower).

## **BACKGROUND TO TRANSPOWER CONSULTATION**

That on or about the 27<sup>th</sup> October 2004 the submitter was advised by Transpower by way of formal newsletter of a possible route for the new line North Island Overhead Grid Upgrade. The submitter's property was within and or close to two possible Route options being investigated by Transpower. The Proposed Route was 500 metres in width to the South West of the submitter's property. **Fig 08 & Fig 09**

That on or about the 13<sup>th</sup> May 2005 Transpower advised that the proposed Interim Route of the 27<sup>th</sup> October 2004 had been confirmed. The Proposed Route encroached the submitter's property to the far south west corner of the property, the indicative centre line appeared to be in the vicinity of the Ari-Pak-A Line.

That on or about the 19<sup>th</sup> July 2005 Transpower confirmed that the interim Route was to be the final Route an indicative centre line was shown however there was no indication of tower locations. **Fig 10 & 11**

That on or about the 12<sup>th</sup> October 2005 Transpower held a meeting with the submitter at the submitter's vineyard, Transpower advised of a realignment of the Proposed Route, this would now directly pass through the property. The realignment would be 250m inside the boundary to the centre line of the realigned Route. It was also proposed that a tower (Ref 18) would be erected in a westerly direction to the rear of the property, the cables would span across the property in a south easterly direction to the neighbouring property to Propose tower (Ref 19) this tower would be only 150 metres from submitter's boundary. **Fig 12**

Transpower did not advise the submitter of his rights to be able to make submissions to object to the realignment, unfortunately the submitter was so emotionally distraught with Transpower that he did not submit any submissions and became reliant on Transpower discussions to possibly purchase the property as they had indicated. That between 12<sup>th</sup> October 2005 and the 9<sup>th</sup> June 2006 the submitter received various newsletters updates from Transpower.

## **PROPERTY DISCUSSIONS RE PURCHASE OF PROPERTY BY TRANSPOWER**

That on or about the 2<sup>nd</sup> of May 2006 a meeting was held between the submitter and Transpower representatives in part the discussion involved Transpower purchasing the property. It was agreed that the parties would have valuations prepared by there respective valuers for Transpower's Crighton Anderson of Christchurch, the submitter's Property Valuations Limited of Papakura.

Valuation were presented May 2006 and reviewed by Merlo Burgess & Co Limited on or about the 27<sup>th</sup> June 2006, there was a significant difference in value between the two valuations relating to land, buildings & improvements of approximately \$467,650.00.

Crighton Anderson valued the property quote “We consider the highest and best use of the subject property to be for a rural life style living”. As opposed to a commercial property with a business, neither valuation took into consideration the value of the business.

During June/July 2006 numerous telephone conversations were held with a Transpower Case Manager to have the difference in the valuations resolved so the parties could move forward with negotiation for Transpower to purchase the subject property. Transpower provided a contact person at Crighton Anderson, after two months of chasing this person a document was received to complete regarding financial information relating to the vineyard business, prior to providing the information, we required discussion with Crighton Anderson, and calls were made however these were not returned. A complaint was lodged with the Transpower Case Manager who advised that he would refer the matter to Transpower New Zealand Limited Head Office Wellington.

Nine months passed without a response from Crighton Anderson.

That on or about the 14<sup>th</sup> February 2007 Transpower Case Manager confirmed Transpower was still interested in negotiating the purchase of the property but not the business portion, That on or about the 19<sup>th</sup> April 2007 Transpower Case Manager suggested an alternative valuer be used as Crighton Anderson had not responded to any requests. That on or about the 3<sup>rd</sup> July 2007 Transpower Case Manager advised that Crighton Anderson had made some progress and had reviewed there valuation and would advice in due course.

That on or about 28<sup>th</sup> of August 2007 Transpower gave notice that they were withdrawing from negotiation of freehold property purchases and in place of that they wanted to negotiate an easement.

That on or about the 25<sup>th</sup> of October 2007 Transpower provided a reviewed valuation by Crighton Anderson the valuation had been increased from \$1,799,750.00 to \$2,290,000.00 the revised valuation was only in conjunction to Transpower Provisional Compensation Assessment and did not take into consideration the value of the business or goodwill.

### **BAYLEYS REAL ESTATE MARKETING OF THE VINEYARD**

In March 2007 it was decided to place the property on the market, the property was listed with Bayleys Real Estate Agent Mr Don Macky the asking price being \$3 Million. Bayleys Real Estate received 20 enquiries in which 20 information packs were sent out - 8 property inspections – internet viewings through Bayleys’ website logged in excess of a 1000 per week

Bayleys presented 8 interested parties for inspection of the property, all parties were advised of Transpower Upgrade and the location of the proposed Tower/s, without exception, all declined to take the matter further. All with the same comment “*beautiful property but no*

*thank you*” to having a tower/s crossing the property. Bayleys conclude that due to the Proposed Route they would see the property selling more likely in the range of \$1,500,000.00 to \$1,800,000.00 (Bayleys will place this in writing if so required)

### **PROPERTY ACCESS BY TRANSPOWER**

Transpower have made 3 written requests to gain access to the submitter’s property. The requests have been declined for the following reasons:

- (a) **That** Transpower have refused to enter into any meaningful discussion
- (b) **That** Transpower have refused to acknowledge the effects of this Upgrade on the submitter and family the emotional and financial stress that the property value will be eroded by 30% to 45%.
- (c) **That** Transpower have shown a total disregard in that the submitter is unable to construct the family home, Conference /Restaurant/and cellar Facilities. Further in regards to the proposed Easement Transpower wish to place further restrictions on property owners outside of the covenant area.
- (d) **That** Transpower refuse to enter into discussions regarding compensation of any form.
- (e) **That** Transpower have refused to enter into discussion for full “Injurious Affection”
- (f) **That** Transpower have made it quite clear since 2006 verbally and in writing that Transpower will use the Public Works Act to acquire the portion of land required for the Proposed Route and or to gain access to the property.
- (g) **That** at all times the submitter has endeavoured to persuade Transpower to come to the table without success. And only wishes to be fairly compensated in the circumstances.

### **TRANSPOWER EVIDENCE – GAVIN LISTERS LANDSCAPE/VISUALS**

This property plays an integral part in the proposed new realignment, the Route crosses this property to proposed Tower 18, located to the rear of the property, The property boundary backs on to the Brookby Ridge on the southern side, the proposed Route follows up to the crest of the ridge to proposed Towers 17, 16A, 16B 15, across and down the other side to Browns Hill Road Proposed sub station.

Mr. Lister's evidence **Route Section 2 clause 186-201** this section is described as a 3.9km long. It incorporates Tower 12-21 the Route follows the alignment of the Ari-Pak A line then deviates from the existing alignment at Brookby Ridge.

Mr Gavin Lister's **clause 201 (b)** states that the route will be 180m from the tasting room (temporary removable building) this is incorrect the distance is 100m because that as it may the distance is irrelevant as the Proposed Route is through the submitters property and crosses the area of land where the amenities of the vineyard are to be constructed. Mr Lister further states that Transpower could mitigate the effects by the planting of the lower ridge. This is a ridiculous statement to make as the towers are approximately 65m in height it is simply impossible to mitigate such effects of the towers on this property and or the adjacent property.

Mr Lister further acknowledges that atop of the knoll is the "proposed location of the family home" this is played down by Mr Lister in that he refers to the knoll as a "slightly elevated view" the Board of Enquiry will note from that the knoll allows a panoramic view of the Clevedon valley, what is not stated is that the proposed vineyard facilities to be constructed off the side of the knoll to the property floor and the vineyard parking area.

### **EVIDENCE PETER PHILLIPS – CONSULTATION/SOCIAL/IMPACTS**

Mr Phillips states **clause 46** that Transpower they have proceeded in good faith, being transparent of its intentions. This is disputed Transpower have created mistrust of the process of consultation. It is therefore difficult to relate to the consultation process as outlined in the evidence by Mr Phillips. Mr Phillips states in **clause 26** that "Transpower approached the consultations with an open mind and did not merely present the affected parties with a fait accompli" it is quite clear from the submitters experience that this is exactly what has occurred with Transpower.

Transpower have failed to mitigate the emotional and financial effects both on individual property owners and the community at large and are reliant on the Resource Management Act and the Public Works Act as the mechanism to achieve the point of least resistant to achieve the most economic result. This therefore raises the serious question as to the accuracy of the evidence presented to the Board of Enquiry.

Transpower in their evidence have not taken into account the significant loss in property values that will occur as has occurred to the submitter. Once again Transpower are reliant on the Public Works Act to achieve a result irrespective of the impact on those affected.

It is of interest that Transpower purchased the immediate neighbouring property to the south, in which the proposed Tower 17 will be erected this property belonged to Mr & Mrs Withers, Mrs Withers is/was a Director of Meridian Energy Limited at the time of the purchase of this property.

**TRANSPower CONSULTATIONS AND SOCIAL IMPACTS STATEMENT PETER PHILLIPS**

Mr. Phillips' evidence **clauses 14-20** encompasses a consultation process that keeps the public and supposedly the affected informed. This evidence conveys what should have happen when in fact most of the evidence submitted by the local councils and the public alike all complain about the lack of the consultative process and associated issues.

*Mr Phillips states Clause 26 "The third objective was that Transpower New Zealand Limited approach the consultation with an open mind and did not merely present affected parties with a fait accompli. This objective was reflected in the presentation of options for consideration, where practicable. Even in situations where there was only one route through an area, such as Clevedon, the route was 500 metres wide leaving open options for positioning the final alignment within the route.*

*Transpower never consulted the submitter about the realignment other than informing the submitter that was the case, the realignment was outside the final route.*

**ENVIRONMENTAL EFFECTS**

The evidence submitted by Transpower fails to mitigate the environmental effects (this is represented not only in the evidence submitted by Transpower but the non-existence of consultation with property owners). Transpower have presented considerable academic views and conclusion without consultation or consideration around the environmental effects.

I understand that the Board is not sitting to determine whether Transpower have selected the best route but do believe the Board has a responsibility to ensure that Transpower have considered all alternatives. Transpower have clearly not consulted the people and the communities mostly affected by this Upgrade.

Yours faithfully

R L (Rob) Merlo

*Enclosures:*

Fig 1 – Photo

Fig 2 – Photo

Fig 3 OA, OB, OC, OD, OE – Photo

Fig 4 – Photo

Fig 5 – Photo

Fig 6 – Photo

Fig 7 – Aerial View

Fig 8 – Aerial View proposed view Lot 5

Fig 9 – Aerial View proposed view Lot 4

Fig 10 – Aerial View Final Route Lot 4

Fig 11 – Aerial View Final Route Lot 5

Fig 12 – Aerial View Realignment Route and Tower Locations