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Fonterra Brands NZ

REQUEST FOR
INFORMATION

SOUTH ISLAND DISTRIBUTION CENTRE

November 2022

TWENTYTWO



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Introduction

This Request for Information (RFI) is presented on behalf of Fonterra Brands New Zealand (FBNZ).

FBNZ are pleased to invite responses from the market to purchase and/or lease a site for a South Island Distribution Centre in Christchurch to replace its existing Hornby South site. The facility will be a new and/or recently refurbished ambient industrial warehouse and cool store that is compliant with the latest requirements for food hygiene and food security.

FBNZ is the consumer goods arm of the Fonterra business. Its current Hornby South operation handles the distribution of export products, fresh milk, and other products across the South Island.

FBNZ wishes to explore a number of tenure options to best meet its operational requirements. Its preference is to own a site (greenfield and/or brownfield) however, it will consider a leased option as an alternative. The possible outcomes are outlined below:

- » FBNZ enters into a partnering agreement to allow a new facility to be developed to FBNZ specification and to either purchase the land/facility on pre-agreed terms on completion or enter into a long-term lease on agreed terms;
- » FBNZ purchases a piece of land and develops a new facility;
- » FBNZ purchases or leases an existing cool store or suitable building for refurbishment/customisation.

FBNZ's requirements must be met by a single site operation with the objective of FBNZ being operational by Q3 2026 at the latest. FBNZ's preference is to locate near their current facility, however will consider other industrial locations, as further described on Page 7.

The deadline for this RFI is no later than **4pm, 9 December 2022**. A more detailed programme can be found on Page 5.



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RFI Process

At this stage, we are not seeking full proposals from respondents, rather we seek to identify those land owners and/or landlords and/or developers who have an appropriate site or existing facilities that could be suitable to participate in the next phase of this process.

Given the wide range of options FBNZ are exploring, we propose to interactively engage with you to obtain the information needed in the most efficient way. This will enable you to shape and provide your best response. We welcome any questions and comments you have during this RFI stage.

Following initial responses, a shortlist of preferred respondents will advance to the next stage, at which point we will seek proposals, further engagement and more detailed information. These shortlisted options will be assessed against a set evaluation criteria.

A response form to this RFI is outlined on Page 8 and has also been provided as a separate Word document (Appendix 2).

Responses

Please provide as much information as you can that responds to the questions posed in a clear and concise manner. We acknowledge we have provided limited information on the building specification required by FBNZ, which may be a key input to your proposal. If this is the case, we ask you to respond as best you can and if you are unable to answer a question, please make a note of this. All proposals should be submitted electronically via email to the contact below.

Communication

TwentyTwo are the independent real estate advisors representing FBNZ. All enquiries, questions and responses should be directed to the contact below:

DAN LONGMIRE

Adviser

Licensed under REAA 2008

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TwentyTwo Independent Property Advisers Limited

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Real Estate Agency

We appreciate that Real Estate Agency professionals will be well informed of opportunities in the market and welcome their participation in this process. We do however ask that in responding to this RFI, Real Estate Agencies show they have the exclusive right to present the option on behalf of the landlord and/or developer and/or land owner. If a potential site is not yet owned, this must be disclosed and supported with evidence that the land owner is a willing participant. FBNZ is aiming to avoid confusion and as such will monitor this requirement carefully.

Programme

The programme below sets out the target dates for this process. Please note, these dates are based on FBNZ purchasing a greenfield site to develop and that these dates may be subject to change depending on the responses received and other contributing factors.

- » **RFI issued - 21 November 2022**
- » **RFI closes - 9 December 2022**
- » **Preferred option(s) selected - ~21 December 2023**
- » **Agreement concluded - mid-late May 2023**
(Note: FBNZ will be seeking an exclusivity period for preferred option(s) to allow for negotiations and due diligence.)
- » **Site settlement - TBC**
- » **FBNZ commence operations - Q3 2026 at the latest**

Due Diligence

TwentyTwo and FBNZ reserve the right to make independent enquiries into the proposed site, the capability, track record, and experience of respondents, and/or to conduct interviews with respondents to assist in gathering such information before shortlisting a preferred site.

Following shortlisting, TwentyTwo and FBNZ will undertake additional investigation and due diligence on the proposed site/facility.



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Outline Criteria/Brief

FBNZ's requirements are included in the table on Page 7.

Ahead of responding, please read the notes below about FBNZ's requirements:

- » When considering the total site area required, driveways (shared or otherwise) and right of ways should be included in the overall site area;
- » The overall site area/yard required includes an allocation for car parking however, please comment on the availability of any dedicated on-site parking and/or the availability of on-street/nearby car parking.

In preparing your response, we ask all respondents to provide a response to the following categories/questions on Page 8. We understand you may not be able to answer all of these questions at this point and we appreciate your time in providing as much of this information as possible.

For the avoidance of doubt, we are not seeking a response in this RFI stage that includes the design solution however, you are welcome to provide these details if this information is readily available and these plans could be adapted to a cool store design.

Outline Criteria/Brief



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Item	Requirement										
Preferred Location (or neighbouring suburbs)	Islington, Hornby, Haswell Junction, Hornby South, Sockburn, Wigram, Middleton, Sydenham, Woolston, Bromley, Ferrymead										
Forecast Space Requirements (m ²)	<table border="0"> <tr> <td>Freezer: 165</td> <td>Drive through unloading tunnel: TBC</td> </tr> <tr> <td>Chiller: 2,915</td> <td>Yard/Container Storage: 3,500</td> </tr> <tr> <td>Ambient Warehouse: 2,500</td> <td>Carparking/truck storage: 2,000</td> </tr> <tr> <td>Office: 250</td> <td>Recycling Area: 350</td> </tr> <tr> <td>Plant: TBC</td> <td></td> </tr> </table>	Freezer: 165	Drive through unloading tunnel: TBC	Chiller: 2,915	Yard/Container Storage: 3,500	Ambient Warehouse: 2,500	Carparking/truck storage: 2,000	Office: 250	Recycling Area: 350	Plant: TBC	
Freezer: 165	Drive through unloading tunnel: TBC										
Chiller: 2,915	Yard/Container Storage: 3,500										
Ambient Warehouse: 2,500	Carparking/truck storage: 2,000										
Office: 250	Recycling Area: 350										
Plant: TBC											
Total Space Requirements (m ²)	Total building area: 6,500 - 7,500 Total site area: up to or 15,000										
Timing	Ideally operational no later than Q3 2026										
Quality	New and/or recently refurbished industrial cool store and ambient warehouse that is compliant with the latest requirements for food hygiene and food security										
Hours of Operation	24/7										
Zoning/Permitted Use	Industrial										
Building Specification	<p>The following items provide a high-level overview of some of the specifications of the facility. An example of a generic cool store/distribution centre layout has been included in Appendix 1:</p> <ul style="list-style-type: none"> » 9m clear height required for the chiller and ambient storage » Recycling area is a separate building to main premises » Canopy area for 20ft and 40ft containers (18 per side, total of 36) » Chilling and heat rejection system to maintain required temperature » Sprinklered with appropriate seismic bracing 										
Access	<ul style="list-style-type: none"> » Access to main arterial routes » Dual site access preferred but not essential » Two-way vehicle access for trucks (line-haul and light trucks) and light vehicles from main access road 										
Back-up Power Supply	An on-site generator with 100% redundancy is required										
Seismic	Meets a minimum of 75% NBS for an existing building. Minimum of 100% NBS for a new build										
Sustainability	FBNZ promotes sustainability, efficiency and innovation in design. The design shall provide a working solution that delivers the best balance between capital and operating cost										
Security	Site security is important to FBNZ and this will be considered on a site-by-site basis										



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Information Required/Response Form

Item	Information Required	
Introduction	Please indicate whether your proposal is for: » Sale » Lease	Whether the site is: » Greenfields and requiring new development » Brownfields requiring demolition and new development (and nature of existing improvements that need demolishing) » Existing building for adaption to use
Location	Please confirm site address	
Timeframes	Please confirm the date the site is available Please comment on the status of any development plans for the site (if applicable)	
Site Suitability	Please advise of any known site issues including flooding risk, subsidence, contamination including asbestos, title issues (including covenants/ caveats), geotechnical, etc. that may impact the ability to develop or operate on this site Please confirm site area Please include site plan and a copy of the title (for sale) Please comment on any planned and/or proposed works to the site Please confirm site zoning and industrial use of nature contemplated is a permitted use	
Building & Improvements (if any)	Please confirm the year of building construction (if relevant) Please describe the type of improvements on site and their suitability for conversion (if relevant)	
Financial (for purchase)	Please comment on the following (where relevant): » Price expectations (for sale) » Any conditions attached to the sale » Settlement expectations	
Financial (for lease)	Please comment on the following (where relevant): » Indicative rentals » Lease term expectations » Rights of renewal - required	» Market incentive - please comment on incentives provided » Landlord works - please comment on any proposed works (as relevant)
Financial (design build for purchase &/or for lease)	If you are proposing a design build option, we appreciate the quality and specification is a significant factor in determining rentals and/or sale price and it may not be possible to provide commercial terms currently. If your site is selected as a preferred option, a Basis of Design (BoD) specification document would be provided in due course to help determine the appropriate pricing for your option	
Contact/Site Owner	Name of authorised contact person in relation to this RFI Please confirm who has control over the site and ownership details	
Risk	Please comment on any perceived risks you see to being able to deliver your proposed option	
Commercial Considerations	Please comment on any assumptions you've made in respect of the requirements set out in this RFI	



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Terms & Conditions

1. FBNZ invites responses to this RFI as set out in Appendix 2 in accordance with the Terms and Conditions below:
2. FBNZ/TwentyTwo reserve the right to consider other options not sourced through this RFI process and may invite other parties to participate in this process at its absolute discretion.
3. FBNZ/TwentyTwo will not be bound by or liable for any oral advice or information given by FBNZ/ TwentyTwo or any person on its behalf.
4. FBNZ/TwentyTwo is not responsible for any costs or expenses incurred by any Respondents in preparing and providing a response, supplying any information requested by FBNZ/TwentyTwo, or entering into any future negotiations with FBNZ/ TwentyTwo.
5. This invitation is not intended to be binding upon FBNZ/TwentyTwo and no contractual relationship will arise between FBNZ/TwentyTwo and any Respondent or prospective Respondent until FBNZ/TwentyTwo and the successful Respondent have executed binding commercial terms.
6. FBNZ/TwentyTwo reserves the right to, in their absolute discretion:
 - » Vary the processes and timetable set out in this document and to suspend or cancel this process at any time;
 - » Refuse to consider, reject, and/or accept (as the case may be) any submission and is not obliged to give any reasons for any such refusal to consider, reject or accept;
 - » Contact any or all Respondents to clarify matters related to their response, without informing other Respondents of this contact; and
 - » Negotiate with any one or more Respondents and any person who may not be a Respondent and, in either case is not obliged to disclose this to any other Respondent.
7. FBNZ/TwentyTwo reserves the right (with the relevant Respondent's consent) to undertake or cause to be undertaken a financial assessment of any Respondent.
8. FBNZ/TwentyTwo need not consider any response unless it is in accordance with this invitation. However, FBNZ/TwentyTwo may, in their discretion, consider non-conforming submissions. In particular, FBNZ/TwentyTwo may consider and agree to proposed amendments or additions to the indicative commercial terms included in this document, which may be negotiated by a Respondent. If a Respondent proposes or negotiates a change of the terms or requirements set out in the document, FBNZ/TwentyTwo need not inform other Respondents of that change. FBNZ/TwentyTwo reserves the right to invite, at any stage of the process, any other party who wishes to participate in the exercise.
9. This process and all information and discussions relating to it shall be kept confidential and each Respondent shall not disclose such information except as required by law.

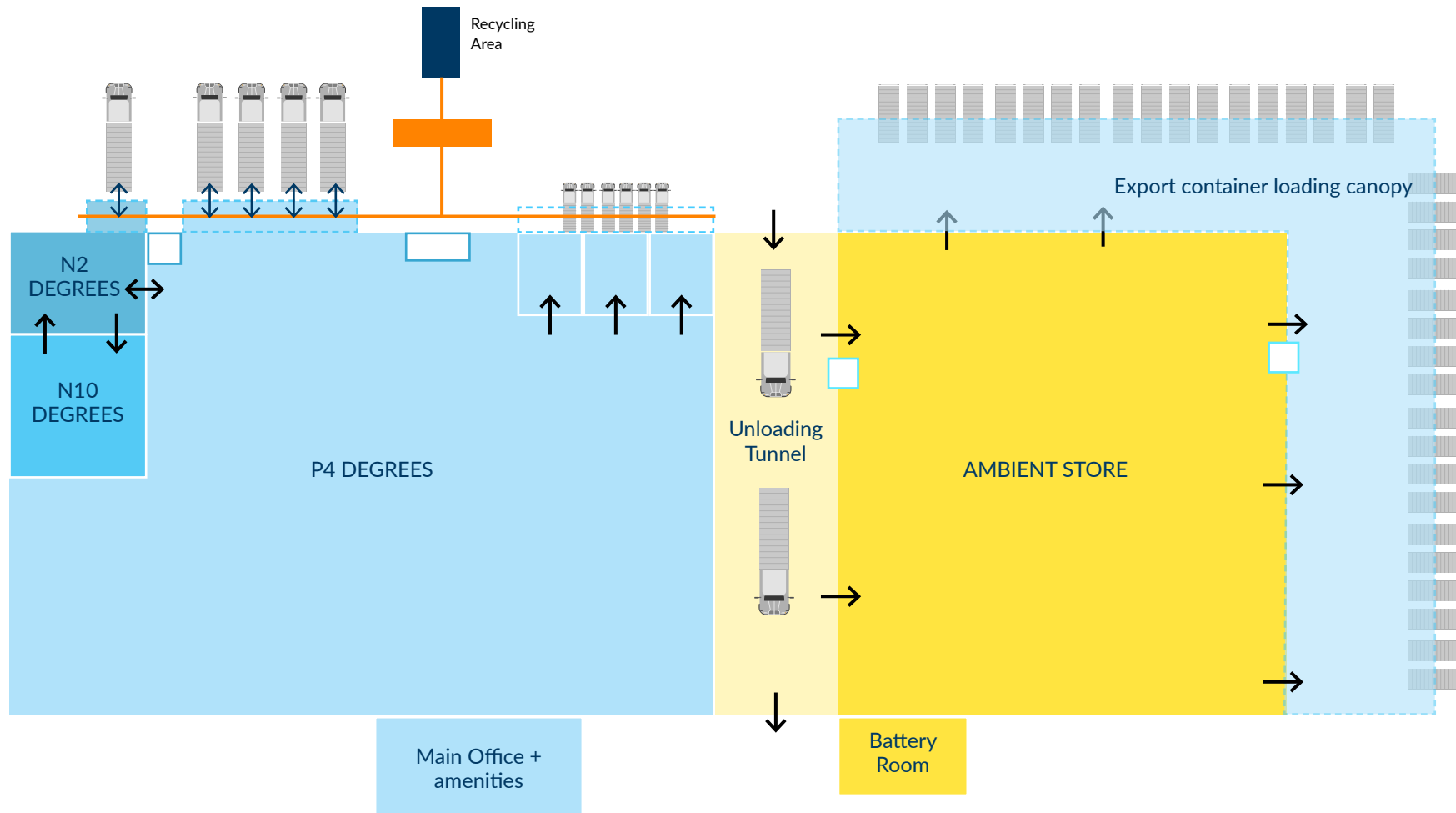


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APPENDIX 1

Generic Distribution Centre Layout

The plan below provides an idea of a generic distribution centre layout. This is indicative only and may be adjusted/modified based on the configuration of the site, existing improvements, etc.



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ON BEHALF OF



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